

FORM 7

MONTHLY PROGRESS REPORT

Name of CNSX Issuer : Cerro Grande Mining Corporation (the “Issuer”)

Trading Symbol : CEG

Number of Outstanding Listed Securities: 436,263,916

Date: January 8, 2023

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date, and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced, and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered, nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

- 1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

The Issuer is an exploration and development company with properties and activities currently focused in Chile.

The Issuer operates through its Chilean subsidiaries Minera Til Til SpA ("**Til Til**"), Compañía Minera Catedral, Compañía Minera Tordillo and Compañía Minera Cal Norte, all of which are in good standing.

During the month of December 2022, the Issuer continued general and corporate operations. There have not been any further developments in the Issuer's business and operations over the previous month, except as otherwise described herein under Item 2.

2. Provide a general overview and discussion of the activities of management.

On June 1, 2022, the Issuer announced that it made the second instalment payment to Minera Tamidak Limitada ("**Tamidak**") under the Asset Purchase and Contracts Assignment Agreement (the "**APA**") dated December 1, 2020 entered into between Tamidak and the Issuer's wholly-owned subsidiary Til Til pursuant to which Til Til acquired from Tamidak the mining concessions and other assets covering the Pimentón Copper Gold Mining Project as originally reported in the Issuer's news release dated December 1, 2020 by issuing 39,833,923 common shares of the Issuer to Tamidak at a deemed issuance price of CDN\$0.05 per share. Pursuant to the APA, the third and final installment of the purchase price, in the amount of \$1,300,000,000 Chilean Pesos, is due no later than December 1, 2023 and is payable in cash or its equivalent in common shares of the Issuer, as Tamidak may elect. Tamidak is a private Chilean company owned by members of the Thomson family that beneficially owns more than 10% of the Common Shares of the Issuer.

On March 6, 2022, the Issuer announced that Til Til entered into a "Contrato de Arrendamiento de Concesiones Mineras de Explotacion" (Lease Agreement for Mining Exploitation Concessions) effective March 2, 2022 (the "**Agreement**") with Tamidak to lease to Tamidak certain concessions from the Pimentón Copper Gold Mining Project. The Agreement enables Tamidak to carry out certain research, reconnaissance, exploration and exploitation works activities for mineral substances limited to the existing tailings pond (the "**Tailings Pond**"). As previously reported, the gold recovery equipment to be used at the Tailings Pond was received and successfully tested by Tamidak.

Management reports that Tamidak having submitted applications to the applicable governmental authorities in Chile for certain work and safety permits is awaiting the receipts of such permits to be able to begin operations at the Tailings Pond recovery project. It is expected that final permits will be obtained in January 2023.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

There has not been any new drilling, exploration or production programs or any acquisitions of new properties during December 2022.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

None.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

See Item 2. Tamidak is a Related Person of the Issuer as it holds more than 10% of the Common Shares of the Issuer.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

None during December 2022.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

None during December 2022.

8. Describe the acquisition of new customers or loss of customers.

None during December 2022.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

None during December 2022.

10. Report on any employee hiring, terminations or lay-offs with details of anticipated length of lay-offs.

None during December 2022.

11. Report on any labour disputes and resolutions of those disputes if applicable.

None during December 2022.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

None during December 2022.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

As of December 31, 2022, for the period from January 1, 2020 to December 31, 2022, Compañia Minera Auromin Ltda., a company jointly owned by Ian and Matthew Thomson (and the estate of their late father David Thomson), and Matthew Thomson, personally, all of whom are Related Persons of the Issuer, have made cash advances to the Issuer in the amount of US\$1,733,202 and US\$9,307, respectively, or US\$1,742,509 in the aggregate, which indebtedness remains owing at of the date hereof. Such advances do not bear interest and are repayable on demand.

14. Provide details of any securities issued and options or warrants granted.

None during December 2022.

15. Provide details of any loans to or by Related Persons.

See Item 13.

16. Provide details of any changes in directors, officers, or committee members.

None during December 2022.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

None during December 2022.

Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated January 8, 2023

Peter Hogg
Name of Director or Senior Officer

"Peter Hogg"
Signature

(interim) Chief Executive Officer
and Chief Financial Officer
Official Capacity

Issuer Details Name of Issuer <i>Cerro Grande Mining Corporation</i>	For Month End <i>December 31, 2022</i>	Date of Report MM/DD/YY <i>January 8, 2023</i>
Issuer Address <i>1 King Street West, Suite 4009</i>		
City/Province/Postal Code <i>Toronto, Ontario, Canada M5H 1A1</i>	Issuer Fax No. N/A	Issuer Telephone No. <i>+56 9 9837 4476</i>
Contact Name <i>Peter Hogg</i>	Contact Position <i>(interim) CEO and CFO.</i>	Contact Telephone No. <i>+56 9 9837 4476</i>
Contact Email Address ceg@cegmining.com	Web Site Address www.cegmining.com	