

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: October 5, 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, namely 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 September 2023, 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 February 21, 2023, management of the Issuer reported that Minera Tamidak Limitada (“**Tamidak**”) received all of the applicable environmental and mining permits to initiate the tailings pond reprocessing operation at the Issuer’s past producing Pimentón copper and gold project located approximately 120km northeast of Santiago in the Andes mountains in Chile (the “**Pimentón Project**”).

The National Geology and Mining Service of Chile (“**SERNAGEOMIN**”) visited the site on November 29, 2022 and approved the lifting of the temporary mine closure. Tamidak began the reprocessing operation in April, 2023, upon the successful testing and installation of the reprocessing equipment which it purchased, and the first concentrates from the tailings pond have been produced with assays currently being reviewed as further modifications to the gravity process may be necessary. All of the equipment required for these changes is already onsite.

Assay testing from the first concentrates recovered from the tailings pond recovery operation which currently remain in Los Andes are currently being done in-house due to Empresa Nacional de Minería’s (“**ENAMI**”) inability to take in and test samples at this time and the unreliability of such testing by other labs.

The reprocessing operations were shut down in late May 2023 for the winter season in Chile.

On June 6, 2023, Tamidak advised the Issuer that a group of local environmental activists had sought an injunction against Tamidak to prevent it from continuing with its tailings pond reprocessing operation claiming that such operation would have a harmful impact on the environment and the inhabitants of the valley of the Rio Colorado in Chile.

The injunction was not granted. However, the judges directed that Tamidak, SERNAGEOMIN which approved the tailings pond permit and the

Superintendencia del Medio Ambiente (“**SMA**”) (the environmental regulator in charge of approving all environmental aspects of any mining project and which approved the tailings pond project) as well as the activists to return to court to hear full arguments on the matter. The activists have included SERNAGEOMIN and SMA in the action as the activists argue that the permits granted by such governmental authorities for the tailings pond reprocessing operation should not have been granted. The Issuer has not been made a party to the action.

Such hearing took place on July 5, 2023 and the court found in favour of Tamidak, SERNAGEOMIN and SMA, dismissing the injunctive relief sought by the activists and ordering that such persons pay Tamidak’s, SERNAGEOMIN’s and SMA’s costs in the action.

The Issuer has been advised by Tamidak that the activists are seeking from an appellate court leave to appeal the aforementioned decision to the Supreme Court of Chile. To date, the hearing to determine their right to appeal to the Supreme Court of Chile has not taken place.

As previously announced by the Issuer on March 6, 2022, the Issuer’s wholly-owned Chilean subsidiary, Til Til, is leasing to Tamidak certain concessions from the Pimentón Project pursuant to a “Contrato de Arrendamiento de Concesiones Mineras de Explotacion” (Lease Agreement for Mining Exploitation Concessions) (the “Lease Agreement”) enabling Tamidak to carry out certain exploration and extraction activities for mineral substances limited to the existing tailings pond at the Pimentón Project.

Pursuant to the Lease Agreement, all activities conducted by Tamidak, including obtaining the required permits and authorizations applicable to Tamidak’s activities, are its sole responsibility and costs. As compensation for the lease, Til Til is entitled to receive, on an annual basis, 50% of the net profits that Tamidak may receive from the recovery and sale of minerals recovered from the tailings pond.

As set out in section 13.3 of the Issuer’s NI 43-101 Technical Report dated April 19, 2022 entitled “An Updated Technical Report on the Pimenton Mine and its Tailings Pond Gold Potential Region 5, Chile for Minera Til Til SpA, a Wholly Owned Subsidiary of Cerro Grande Mining Corporation” (the “**Technical Report**”), it is estimated that approximately 350,000 cubic meters of material accumulated throughout active mining operations from 1995 until 2017. The historical data for density defined for Compania Minera Pimenton, the Issuer’s former wholly owned subsidiary is equal to 1.6 t/m³ indicating that the reservoir has approximately 560,000 tonnes of material which falls into an indicated mineral resource of 20,165 oz of gold (Au), assuming a head grade of 1.12 g/t Au. The current permits allow for a maximum processing of 5000 tonnes per

month at the tailings pond. Further information is available in the Technical Report, a copy of which is available on SEDAR under the Issuer's profile.

The scientific and technical content set out above has been reviewed and approved by Román E. Flores Villalobos, who is independent of the Issuer, and a qualified person as defined by National Instrument 43-101. Mr. Flores prepared the Technical Report on behalf of the Issuer.

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 September 2023. See Item 2 in respect of the activities conducted by Tamidak with respect to the tailings pond reprocessing operations.

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 September 2023.

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 September 2023.

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

None during September 2023.

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 September 2023.

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

None during September 2023. See item 2. Tamidak has hired the personnel to operate the reprocessing plant.

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

None during September 2023.

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 September 2023. See item 2 as it relates to Tamidak.

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

As of September 31, 2023, for the period from January 1, 2020 to September 31, 2023, Compañía 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\$2,061,308 and US\$9,307, respectively, or US\$2,070,615 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 September 2023.

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 September 2023.

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 September 2023.

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 October 5, 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>September 30, 2023</i>	Date of Report MM/DD/YY <i>10/05/2023</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. +56 9 9837 4476
Contact Name <i>Peter Hogg</i>	Contact Position <i>(interim) CEO and CFO</i>	Contact Telephone No. +56 9 9837 4476
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