FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol : CEG - CNX

Number of Outstanding Listed Securities : 339,390,784

Date: August 6 , 2018

1. Provide General Overview and Discussion of Issuers Business:

Following is an update on the key events following the Companies filing of its Form 2A, AIF and related information on January 31, 2017. As noted in its previous Form 7 statements, CEG's wholly owned subsidiary, Compañia Minera Pimenton was its only source of cash flow.

As reported in the Company's Monthly Progress Report dated June 5, 2017, the Company announced it has taken the decision to place Compañia Minera Pimenton, effective as of the evening of June 1, 2017, into voluntary bankruptcy versus waiting for its creditors to place Pimenton into involuntary bankruptcy.

Under Chilean law, a court appointed bankruptcy Liquidator will take possession of Compañia Minera Pimenton and its assets and is responsible for all ongoing costs of Pimenton until they are successful in obtaining the sale or liquidation of Compañia Minera Pimenton in both voluntary and involuntary filings.

There are no bonds in place to cover the reclamation procedures at Pimenton and none were requested by Sernageomin, the Chilean government mining agency. The Liquidator will be responsible for all mine closure costs, if any, until the Liquidator is successful in selling the mine, claims and/or liquidating the assets of Compañia Minera Pimenton. All men on the payroll of Compañia Minera Pimenton have been terminated and their salaries and severance costs will be paid for by the Liquidator from the sale or liquidation of Compañia Minera Pimenton.

The other subsidiaries of CEG, including Compañia Minera Til Til, Compañia Minera Catedral, Compañia Minera Tordillo and Compañia Minera Cal Norte are not affected by the bankruptcy of Compañia Minera Pimenton.

2. General Overview and Discussion of Activities of Management:

Management has focused on the following activities:

a) Management has been focused on preparing and filing the Financial Statements and MD&A for the Company's third Fiscal Quarter ended June 30, 2018.
b) Management has also been focusing on meetings with its own Council and the liquidator regarding the voluntary bankruptcy filing by Compania Minera Pimenton.

3. Describe and Provide Details of any New Products of Services and For Exploration Companies any New Exploration Programs or Acquisitions:

   a) The Company has made no new Acquisitions.

   b) See 1 above for details of Compania Minera Pimenton, a wholly owned subsidiary of Cerro Grande Mining Corporation.

4. Describe any Drilling, Exploration or Production Programs that have been amended or abandoned:

   a) See 1, above.

5. Describe any new Business Relationships between the Issuers, Issuer Affiliate or Third Parties:

   a) Compania Minera Pimenton, a wholly owned subsidiary of the Company filed for voluntary bankruptcy on June 1, 2017. See 1, above.

6. Describe the Expiry or Termination of any Contracts or Agreements between Issuers, Affiliates or Third Parties:

   a) See 1 and 5, above.

7. Describe any Acquisitions or Dispositions of Issuers Assets that Occurred During the Preceding Month:

   a) See 1 and 5, above.

8. Describe the Acquisitions of New Customers or the Loss of Customers:

   a) See 1 and 5, above.

9. Describe any New Developments or Effects on Intangible Products such as Brand Names, Circulations Lists, Copyrights, Franchises, Licenses, Patents, Software, Subscriptions Lists and Trade-Marks:

   a) See 1 and 5, above.

10. Report any Employee Hirings, Terminations or Lay-Offs with Details of Anticipated Length of Lay-Offs:

    a) 130 workers resigned or were released in May, 2017.

    b) 0 workers were hired in June, 2017. Compania Minera Pimenton currently is the responsibility of the liquidator.

    There have been no changes in management of Cerro Grande Mining Corporation since the filing of the Corporations Policy 2 A statement on January 31, 2017. The Company has reduced its office staff to 5 for the period ended October 31, 2017 compared to 8 at the end of June 30, 2017.

    See 1 and 5, above.

11. Report on any Labor Disputes or Resolutions of Those Disputes if Applicable:

    a) See 1 and 5, above.

12. Describe and Provide Details of Legal Proceedings to which Issuer became a Party, etc.:

    a) See 1 and 5, above.

13. Provide Details of any Indebtedness Incurred or Repaid by Issuer and the Terms of such Indebtedness:

    On August 25, 2016 the Company placed a 3 year $200,000 Unsecured Debenture at an interest rate of 8% payable quarterly. The debenture shall repay $33,333.33 of the principal amount semi-annually through and including August 25, 2019. However, if the volume weighted average price (in Dollars, net of refinery, transportation and insurance charges) per ounce of gold bullion sold by the Corporation from the Pimenton mine during the six month period prior to any Repayment Date (the "**Gold Price**") is greater than $1,260.00, the Holder shall be entitled to receive, in satisfaction of such Repayment, a payment equal to the product of: (i) the net Gold Price; and (ii) 26.45 (the "**Gold Payment**").

    On November 8, 2016 the Company announced that its Board of Directors (with David Thomson and Mario Hernandez abstaining) had conditionally approved the issuance of Convertible Debentures of the Company, subject to the approval of the Chief Executive Officer of CEG and Mr. Thomson and Mr. Hernandez of the final documentation of the transaction. The Convertible Debentures will be issued to Mr. David Thomson, or a company controlled by him, and to Mr. Mario Hernandez or a company controlled by him in final payment of advances, salaries, interest payments and royalty payments totaling US$2,771,237 owed to them through the end of July 2016. Both Mr. Thomson and Mr. Hernandez are Directors and Officers of the Company. The Convertible Debentures are being issued to immediately improve the serious financial difficulties faced by the Company with of view of setting the Company on improved financial

ground to carry out its mining business in Chile in the future.

These Convertible Debenture where issued on December 7, 2016 and are convertible at Cdn $0.05 per share for a term of 3 years from the date of issuance and pay interest semi annually at the rate of 8%. Mr. Thomson has been issued a Convertible Debenture in the amount of US$1,517,636 and Mr. Hernandez has been issued a Convertible Debenture in the amount of US$1,253,601. On June 30, 2017 Mr. Thomson and Mr. Hernandez elected to convert their Convertible Debenture in full.

The placement and related debt settlement (the "**Transaction**") constitutes a "related party transaction" under Multilateral Instrument 61-101- *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") due to the participation of Messrs. Thomson and Hernandez. The Company has relied on the "financial hardship" exemptions from both the formal valuation and minority shareholder approval requirements of MI 61-101 in connection with the Transaction. In reliance thereon, the Board of Directors of the Company (other than Messrs. Thomson and Hernandez, who abstained from voting), including all of its independent members, considered the Transaction and unanimously concluded that the Company is in serious financial difficulty and the Transaction, the terms of which are reasonable in the circumstances, will improve the financial position of the Company. There is no requirement, corporate or otherwise (including pursuant to the rules of the Canadian Securities Exchange), to hold a meeting to obtain any approval of the holders of Common Shares in connection with the Proposed Transaction.

Following the conversion of the Convertible Debentures on June 30, 2017, the Company has 339,213,618 shares outstanding (365,872,898 shares on a fully-diluted basis).

Mr. David Thomson currently holds 100,493,029 common shares of the Company, representing approximately 33,47% of the outstanding shares of the Company. On a fully-diluted basis of the Company, he will hold 144,969,252 shares or 39.62% of the Company.

Mario Hernandez currently holds 132,384,709 common shares of the Company, representing approximately 44,10% of the outstanding shares of the Company. On a fully-diluted basis of the Company, he will hold 144,430,766 shares or 39.48% of the Company.

On a fully-diluted basis the Company will have 365,872,898 shares outstanding of which David Thomson and Mario Hernandez will hold an aggregate of 289,400,018 shares or 79.10% of the Company.

The Convertible Debentures were denominated in US Dollars and the conversion ratio is stated in Canadian Dollars. The exchange rate used in determining the above fully-diluted shareholdings following issuance of the Convertible Debentures was Cdn$1.29073 for each US Dollar.

A Form 9 was filed on July, 2017 with the Canadian Securities Exchange notifying it of the conversion of the Debentures.

At the end of June 30, 2018 David Thomson had advanced a total of US $1,393,114 for the period of December 8, 2016 to July 31, 2018 in the form of loans to the Company. At the end of July 31, 2018 Mario Hernandez had advanced to the Company a total of US $416,278 in the form of loans to the Company for the period December 8, 2016 to July 31, 2018.

14. Provide any Details of Securities Issued and Options or Warrants Granted:

    a) See paragraph 13, above.

15. Provide Details of Any Loan to or By Related Parties:

    a) See paragraph 13, above.

16. Provide Details of any Changes in Directors, Officers or Committee Members:

    a) Mr. Peter Hogg, Chief Financial Officer of the Company was elected a Director of the Company on May 30, 2018.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's Market(s) or Political/Regulatory Trends:

    a) See 1 and 5, above.

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 were 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 August 6, 2018

Stephen W. Houghton
Name of Director or Senior Officer

Stephen W Houghton
Signed Signature

Chief Executive Officer
Official Capacity

Issuer Details Name of Issuer *Cerro Grande Mining Corporation*	For Month End *July , 2018*	Date of Report YY/MM/D *August 6, 2018*
Issuer Address *Santa Maria 2224*		
City/Province/Postal Code *Providencia, Santiago, Chile, 7500014*	Issuer Fax No. *(56)-2-2335-2084*	Issuer Telephone No. *(56)-2-2569-6224*
Contact Name *Stephen W. Houghton*	Contact Position *C.E.O.*	Contact Telephone No. *56-2-2569-6244*
Contact Email Address *ceq@ceqmining.com*	Web Site Address *www.ceqmining.com*	