

FORM 5

QUARTERLY LISTING STATEMENT

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

Trading Symbol: CEG

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities Act*, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement 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 the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

- (a) Prepare this Quarterly Listing Statement 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 following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Listed 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.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

Unaudited condensed interim consolidated financial statements of the Issuer for the nine-month period ended June 30, 2019 are attached as Schedule "A" hereto and have been filed on SEDAR (the "Q3 2019 Financial Statements").

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

N/A

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
- (b) A description of the transaction(s), including those for which no amount has been recorded.
- (c) The recorded amount of the transactions classified by financial statement category.
- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
- (e) Contractual obligations with Related Persons, separate from other contractual obligations.
- (f) Contingencies involving Related Persons, separate from other contingencies.

The information with respect to related party transactions is provided in Note 11 to the Q3 2019 Financial Statements.

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

- (a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

- (b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
N/A	N/A	N/A	N/A	N/A	N/A	N/A

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

- (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

As at June 30, 2019, the authorized share capital of the Issuer was an unlimited number of common shares, with no par value. Each common share entitles the holder thereof to one vote at a duly called meeting of shareholders.

- (b) number and recorded value for shares issued and outstanding,

As at June 30, 2019, there were 339,390,784 issued and outstanding common shares of the Issuer. Reference is made to Note 8 to the Q3 2019 Financial Statements.

- (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

As at June 30, 2019, reference is made to: Note 7 in respect of outstanding convertible debentures of the Issuer; Note 8 in respect of outstanding stock options; and Note 9 in respect of outstanding warrants, to the Q3 2019 Financial Statements.

- (d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

Not Applicable.

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Paul DesLauriers	Director, Chairman and Executive Vice President
Mario Hernandez	Director and Executive Vice President, Claims and Land Management
Stephen W. Houghton	Director and Chief Executive Officer

Frederick D. Seeley	Director
David R.S. Thomson	Director, Executive Vice President and Director of Exploration
William Hill	Director
Peter W. Hogg	Director and Chief Financial Officer

SCHEDULE C: MANAGEMENT'S DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

The MD&A of the Issuer for the nine-month period ended June 30, 2019 is attached as Schedule "C" and has been filed on SEDAR.

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 Quarterly Listing Statement.
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 the Exchange 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 Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated August 29, 2019.

Stephen W. Houghton
Name of Director or Senior Officer

"Stephen W. Houghton"
Signature

Chief Executive Officer
Official Capacity

Issuer Details		For Quarter Ended	Date of Report YY/MM/D
Name of Issuer Cerro Grande Mining Corporation		June 30, 2019	08/29/19 insert date
Issuer Address Santa Maria 2224			
City/Province/Postal Code Providencia, Santiago, Chile, 75000014	Issuer Fax No. (56)2-2335-2084	Issuer Telephone No. (56)2-2559-6224	
Contact Name Stephen W. Houghton	Contact Position CEO	Contact Telephone No. 56-2-2559-6224	
Contact Email Address ceg@cegmining.com	Web Site Address www.cegmining.com		

SCHEDULE “A”

See attached.

CERRO GRANDE MINING CORPORATION

**Report to Shareholders
for the
Third Quarter Ending
June 30, 2019
(These statements have not been audited)**

**Listed on the Canadian Securities Exchange
Symbol: CEG
and
The OTCQB International
Symbol: CEGMF**

The Company's auditors have not reviewed these condensed interim consolidated financial statements for the nine month period ended June 30, 2019.

CERRO GRANDE MINING CORPORATION

Condensed Interim Consolidated Statements of Financial Position

For the nine month period ended June 30, 2019 and 2018

(Expressed in thousands of U.S. dollars, except per share amounts)

	Notes	June 30, 2019 \$	September 30, 2018 \$
ASSETS			
Current assets			
Cash		9	56
Receivables and advances	4	12	13
Recoverable taxes		2	4
		23	73
Non-current assets			
Due from related parties	11	601	601
Mining properties, plant and equipment		-	-
		601	601
Total assets		624	674
LIABILITIES			
Current liabilities			
Trade and other payables	6	129	171
Due to related parties	11	3,847	3,103
Current portion of long-term debt	7	215	2,044
		4,191	5,318
Non-Current liabilities			
Long-term debt		-	-
		-	-
Total liabilities		4,191	5,318
SHAREHOLDERS' DEFICIENCY			
Share capital	8	90,092	88,434
Warrants	9	379	379
Contributed surplus		8,521	8,189
Convertible unsecured debenture		-	140
Deficit		(102,559)	(101,786)
Total shareholders' equity		(3,567)	(4,644)
Total liabilities and shareholders' equity		624	674

Nature of operations and going concern assumption (Note 1)

Approved by the Board of Directors

Signed) Paul J. DesLauriers Chairman **(Signed) Stephen W. Houghton** Director

CERRO GRANDE MINING CORPORATION

Condensed Interim Consolidated Statements of Loss and Other Comprehensive Loss

For the nine month period ended June 30, 2019 and 2018

(Expressed in thousands of U.S. dollars, except per share amounts)

	Three months ended		Nine months ended	
	June 30,	June 30,	June 30,	June 30,
	2019	2018	2019	2018
	\$	\$	\$	\$
Revenue				
Sales	-	-	-	-
Total Income	-	-	-	-
Expenses				
General, sales and administrative	261	238	742	652
Foreign exchange	(11)	60	15	(22)
Share-based compensation	1	-	3	15
Interest	12	40	13	120
Other (income) and expenses (net)	-	(10)	-	48
Total Expenses	263	328	773	814
Loss before income taxes	(263)	(328)	(773)	(814)
Loss and comprehensive loss for the period	(263)	(328)	(773)	(814)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)
Weighted average number of shares outstanding	339,390,784	300,213,618	339,390,784	300,213,618

The accompanying notes form an integral part of these consolidated financial statements.

CERRO GRANDE MINING CORPORATION

Condensed Interim Consolidated Statements of Changes in Shareholders' Deficiency

For the nine month period ended June 30, 2019 and 2018

(Expressed in thousands of U.S. dollars, except per share amounts)

	Share capital		Warrants	Contributed	Convertible	Deficit	Total equity
	Number of	Amount	(Note 9)	surplus	unsecured		
	shares				debentures		
Balance - October 1, 2017	300,213,618	88,434	379	8,170	140	(100,628)	(3,505)
Share-based compensation	-	-	-	15	-	-	15
Net loss	-	-	-	-	-	(428)	(428)
Balance - June, 2018	300,213,618	88,434	379	8,185	140	(101,056)	(3,918)
Balance - October 1, 2018	300,213,618	88,434	379	8,189	140	(101,786)	(4,644)
Share-based compensation	-	-	-	2	-	-	2
Equity portion of convertible debentures	39,177,166	1,658	-	-	(140)	-	1,518
Conversion of debentures	-	-	-	330	-	-	330
Net income	-	-	-	-	-	(773)	(773)
Balance - June 30, 2019	339,390,784	90,092	379	8,521	-	(102,559)	(3,567)

The accompanying notes are an integral part of these consolidated financial statements

CERRO GRANDE MINING CORPORATION

Condensed Interim Consolidated Statements of Cash Flows

For the nine month period ended June 30, 2019 and 2018

(Expressed in thousands of U.S. dollars, except per share amounts)

	Three months ended		Nine months ended	
	June 30,	June 30,	June 30,	June 30,
	2019	2018	2019	2018
	\$	\$	\$	\$
Operating Activities				
Net loss for the period	(261)	(328)	(773)	(814)
Items not involving cash:				
Stock-based compensation	1	-	3	15
Accretion and accrued interest on debt	4	40	4	123
	(256)	(288)	(766)	(676)
Change in non-cash working capital relating to operations	(27)	74	(39)	(125)
Net cash provided/(used) by operating activities	(283)	(214)	(805)	(801)
Investing activities				
Conversion of debentures	-	-	329	-
	-	-	329	-
Financing activities				
Due to related parties	272	238	744	825
Repayment of debt	-	-	(315)	-
	272	238	429	825
Increase (decrease) in cash	(11)	24	(47)	24
Cash and cash equivalents - Beginning of period	20	6	56	6
Cash and cash equivalents - End of period	9	30	9	30

The accompanying notes are an integral part of these consolidated financial statements

CERRO GRANDE MINING CORPORATION

Notes to the Consolidated Financial Statements

For the nine months ended June 30, 2019

(Expressed in thousands of U.S., except share and per share amounts)

1. NATURE OF OPERATIONS AND GOING CONCERN ASSUMPTION

Cerro Grande Mining Corporation (the “Company” or “CEG”) and its subsidiaries is a mining, exploration and development company, which produced gold, silver and copper, with operations mainly in Chile. The Company is incorporated under the Canada Business Corporations Act, and its common shares are listed on the Canadian Securities Exchange (“CSE”) trading under the symbol “CEG” and on the OTCQB trading under the symbol “CEGMF”. The Company is domiciled in Canada and the address of its records office is 1 King Street West, Suite 4009 Toronto, ON, M5H 1A1, Canada. The registered office is 181 University Avenue, Suite 800, Toronto ON M5H 2X7, Canada.

During the year ended September 30, 2017, the Company’s only significant subsidiary Compañía Minera Pimentón (“Pimentón”) was placed into bankruptcy. The other subsidiaries of CEG, including Compañía Minera Til Til, Compañía Minera Catedral, Compañía Minera Tordillo, Compañía Minera Bandurrias and Compañía Minera Cal Norte are not affected by the bankruptcy of Pimentón.

These consolidated financial statements have been prepared on a going concern basis, which contemplates, that the Company will continue in operations for the near future and will be able to realize its assets and discharge its liabilities in the normal course of business. As at June 30, 2019, the Company has a working capital deficit of \$4,168 (September 30, 2018 - \$5,245).

With the bankruptcy of its only cash generating entity (Pimentón) during the year ended September 30, 2017, the certainty of future profitability and availability of sources of additional financing cannot be assured at this time and accordingly, these material uncertainties cast significant doubt about the Company’s ability to continue as a going concern. The consolidated financial statements do not include adjustments to the carrying values and classifications of recorded assets, liabilities, related revenues, and expenses that would be necessary should the Company be unable to continue as a going concern and those adjustments may be material.

2. BASIS OF PRESENTATION

a) Statements of compliance

These unaudited condensed interim consolidated financial statements are expressed in thousands of US dollars and have been prepared in compliance with International Financial Reporting Standards (“IFRS”) as issued by the International Standards Board (“IASB”) including IAS34 Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the Company’s annual consolidated financial statements for the year ended September 30, 2018, which have been prepared in accordance with IFRS as issued by the IASB.

The accounting policies and the application adopted are consistent with those disclosed in Note 3 to the Company’s consolidated financial statements for the year ended September 30, 2018 except as described below.

The preparation of condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities and expenses.

All financial information presented in USD has been rounded to the nearest thousand unless otherwise stated.

The Board of Directors approved the consolidated financial statements on August 20, 2019.

CERRO GRANDE MINING CORPORATION

Notes to the Consolidated Financial Statements

For the nine months ended June 30, 2019

(Expressed in thousands of U.S., except share and per share amounts)

2. BASIS OF PRESENTATION – (Continued)

b) Basis of preparation

These consolidated financial statements have been prepared under the historical cost basis, except for the certain financial assets and liabilities that are measured at fair value through profit and loss including derivative instruments. All amounts are expressed in thousands of US dollars, except share and per share amounts.

c) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company also makes estimates and assumptions concerning the future. The determination of estimates requires the exercise of judgment based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results could differ from those estimates.

i) Significant judgments in applying accounting policies

The areas which require management to make significant judgments in applying the Company's accounting policies in determining carrying values include, but are not limited to:

a) Taxes

The Company is subject to income taxes in various jurisdictions. Significant judgment is required in determining the provision for income taxes, due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

ii) Significant Accounting Estimates and Assumptions

The areas which require management to make significant estimates and assumptions in determining carrying values include, but are not limited to:

a) Deferred taxes

The Company recognizes the deferred tax benefit related to deferred income and resource tax assets to the extent recovery is probable. Assessing the recoverability of deferred income tax assets requires management to make significant estimates of future taxable profit. To the extent that future cash flows and taxable profit differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the balance sheet date could be impacted. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods from deferred income and resource tax assets.

CERRO GRANDE MINING CORPORATION

Notes to the Consolidated Financial Statements

For the nine months ended June 30, 2019

(Expressed in thousands of U.S., except share and per share amounts)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these consolidated financial statements are described below:

a) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany balances, transactions, income and expenses, and profits or losses have been eliminated on consolidation. The Company consolidates subsidiaries where they have the ability to exercise control. Control exists when an investor is exposed, or has rights, to variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee.

b) Foreign currency translation and transactions

The Company presents its financial statement in U.S. dollars. This is also the functional currency of CEG and its subsidiaries.

The Company's foreign currency transactions and balances denominated in foreign currencies are translated into the Company's functional currency, the U.S. dollar, as follows:

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and year-end translation of monetary items are recognized in the statement of loss and comprehensive loss under "Foreign exchange".

c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held with banks, and other short-term liquid investments with original maturities of three months or less, which are subject to an insignificant risk of changes in value except for foreign exchange risk. As at June 30, 2019 and September 30, 2018, the Company does not hold any cash equivalents.

CERRO GRANDE MINING CORPORATION

Notes to the Consolidated Financial Statements

For the nine months ended June 30, 2019

(Expressed in thousands of U.S., except share and per share amounts)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

d) Financial instruments

At initial recognition, the company classifies its financial instruments in the following categories:

- (i) Financial assets and liabilities at fair value through profit or loss: A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short-term. Derivatives are also included in this category unless they are designated as hedges. All financial instruments in this category are recognized initially and subsequently at fair value, transaction costs are expensed in the consolidated statement of loss and other comprehensive loss, and gains and losses arising from changes in fair value are presented in the consolidated statement of loss within “other gains and losses (net)” in the period in which they arise. Cash is classified as fair value through profit or loss.
- (ii) Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company’s receivables comprise receivables and advances, and due from related parties that are included in current assets due to their short-term nature. Loans and receivables are initially recognized at the amount expected to be received, less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment.
- (iii) Financial liabilities at amortized cost: Financial liabilities at amortized cost include trade and other payables, due to related parties, and long-term debt. Trade payables are initially recognized at the amount required to be paid at the trade date, less, when material, a discount to reduce the payables to fair value. Subsequently, trade payables are measured at amortized cost using the effective interest method. Long-term debt is recognized initially at fair value, net of any transaction costs incurred, and subsequently at amortized cost using the effective interest method. These are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current liabilities.
- (iv) Compound financial instruments: Compound financial instruments issued by the Company comprise convertible notes that can be converted to share capital at the option of the holder, and the number of shares to be issued is fixed. The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

CERRO GRANDE MINING CORPORATION

Notes to the Consolidated Financial Statements

For the nine months ended June 30, 2019

(Expressed in thousands of U.S., except share and per share amounts)

4. RECEIVABLES AND ADVANCES

	June 30, 2019	September 30, 2018
	\$	\$
Prepaid expenses, advances and other	12	13
Total receivables	12	13

The Company has no trade receivables for the periods presented.

5. MINING PROPERTIES, PLANT AND EQUIPMENT

Cost	Building	Plant & equipment	Mining property development	Others	Total
	\$	\$	\$	\$	\$
Balance at October 01, 2017	172	-	-	-	172
Balance at June 30, 2018	172	-	-	-	172
Balance at September 30, 2018 and June 2019	172	-	-	-	172
Accumulated depreciation	Building	Plant & equipment	Mining property development	Others	Total
	\$	\$	\$	\$	\$
Balance at October 01, 2017	172	-	-	-	172
Balance at June 30, 2018	172	-	-	-	172
Balance at September 30, 2018 and June 2019	172	-	-	-	172
Net Book Value	Building	Plant & equipment	Mining property development	Others	Total
Balance at June 30, 2018 and September 30, 2018	-	-	-	-	-
Balance at June 30, 2019	-	-	-	-	-

CERRO GRANDE MINING CORPORATION

Notes to the Consolidated Financial Statements

For the nine months ended June 30, 2019

(Expressed in thousands of U.S., except share and per share amounts)

6. TRADE AND OTHER PAYABLES

Details are as follows:

	June 30, 2019	September 30, 2018
	\$	\$
Trade payables	121	163
Other payables and accrued liabilities	8	8
Total trade and other payables	129	171

7. LONG TERM DEBT

	June 30, 2019	September 30, 2018
	\$	\$
Convertible unsecured debentures (a)	-	164
Convertible unsecured debentures (d)	-	1,678
Gold loan (b & c)	215	202
	215	2,044
Less: Current portion	(215)	(2,044)
Long-term Debt	-	-

- a) On July 30, 2013 the Company issued \$1,010 of convertible unsecured debentures. The maturity date of these debentures was December 31, 2018. The conversion price of the debentures is CA\$0.10 per share convertible into up to 10,102,114 common shares of the Company. In the month of December 2013 the equivalent of \$850 were exercised and converted into 8,500,000 common shares. This resulted in the reclassification of \$518 from long-term debt and \$362 from the equity component of convertible debentures to share capital.

CERRO GRANDE MINING CORPORATION

Notes to the Consolidated Financial Statements

For the nine months ended June 30, 2019

(Expressed in thousands of U.S., except share and per share amounts)

7. LONG TERM DEBT – (Continued)

- b) On November 5, 2014 the Company issued a debenture for \$100 with a maturity date of November 5, 2017 related to a “Gold Loan” agreed to by the parties for an equivalent amount. The debenture bears a fixed annual interest rate of 10% on the outstanding principal amount and is payable on a quarterly basis on the 5th day of February, May, August and November of each year. The payment of the principal is semi-annually on May 6 and November 6 of each year plus the difference in the average gold price per ounce in excess of \$ 1,057 per ounce multiplied by 15.77 ounces of gold.

The balance of the Gold Loan principal at June 30, 2019 is \$17 and unpaid interest amounts to \$4. The derivative liability associated with the fluctuation of the price of gold in the contract as at June 30, 2019 is insignificant.

- c) On August 22, 2016 the Company issued a second debenture for \$200 with a maturity date of August 22, 2019 related to a “Gold Loan” agreed to by the parties for an equivalent amount. The Company incurred transaction costs on this loan of \$14. The debenture bears a fixed annual interest rate of 8% on the outstanding principal amount and is payable on a quarterly basis on the 25th day of February, May, August and November of each year. The payment of the principal is semi-annually on Feb 25 and August 25 of each year plus the difference in the average gold price per ounce in excess of US\$ 1,260 per ounce multiplied by 26.455 ounces of gold.

The principal balance of the Gold Loan at June 30, 2019 is \$167 and unpaid interest amounts to \$27. The derivative liability associated with the fluctuation of the price of gold in the contract as at June 30, 2019 is insignificant.

- d) In December 2016 the Company issued \$2,771 of convertible unsecured debentures to David Thomson and Mario Hernandez (the “Related Parties”), to settle outstanding indebtedness in the aggregate amount of \$2,771 owed to the Related Parties, such indebtedness being made up of net smelter royalty, management fees, cash advances and interest thereon made to the Company by the Related Parties. The maturity date of these debentures is December 2019. The interest rate on these Debentures is 8% to be paid semi-annually. The Company recorded \$138 as the equity portion of the convertible debenture. The conversion price of the debentures is CA\$0.05 per share convertible into up to 71,538,374 common shares of the Company. During the year ended September 30, 2017 an equivalent of \$1,253 was converted into 32,361,208 common shares in name of Mario Hernandez. During the period ended March 31, 2019 an equivalent of \$1,518 was converted into 39,177,166 common shares in name of David Thomson.

Due to the Pimenton Bankruptcy (Note 1), the Company has classified all debt as current.

CERRO GRANDE MINING CORPORATION

Notes to the Consolidated Financial Statements

For the nine months ended June 30, 2019

(Expressed in thousands of U.S., except share and per share amounts)

8. SHARE CAPITAL

a) Authorized capital

The authorized capital of the Company consists of an unlimited number of common shares, with no par value.

As at June 30, 2019, 204,208 common shares were held in escrow (September 30, 2018 – 204,208).

b) Issued and outstanding

- i) During the year ended September 30, 2017 the Company extinguished a convertible debenture for the amount of \$1,315 by issuing an aggregate of 32,361,208 common shares.
- ii) During the nine month period ended June 30, 2019 the Company extinguished a convertible debenture for the amount of \$1,658 by issuing an aggregate of 39,177,166 common shares.

c) Share option plan

The Company has a share option plan (the "Plan") whereby, from time to time at the discretion of the Board of Directors, share options are granted to directors, officers, employees, certain consultants and service providers. The maximum number of common shares issuable under the Plan is 12,578,754 common shares and 5,000,000 common shares issuable under the share bonus plan, within the Plan, to eligible participants.

The aggregate number of shares which may be issued pursuant to stock options which remain outstanding shall not exceed 10% of the issued and outstanding shares. The Board of Directors determines the vesting period for each award granted under the plans at its discretion.

The maximum number of shares which may be issued pursuant to the share bonus plan cannot exceed 2% of the aggregate number of shares issued and outstanding shares.

A continuity schedule of outstanding stock options is as follows:

	Number of options	Weighted average exercise price CA\$
Balance – September 30, 2016	11,920,953	0.04
Expired May 2017	(233,953)	0.15
Balance – September 30, 2017	11,687,000	0.04
Expired	(5,200,000)	0.06
Granted August 27, 2018	<u>2,562,000</u>	0.05
Balance – September 30, 2018	<u>9,049,000</u>	0.03
Balance – June 30, 2019	<u>9,049,000</u>	0.03

CERRO GRANDE MINING CORPORATION

Notes to the Consolidated Financial Statements

For the nine months ended June 30, 2019

(Expressed in thousands of U.S., except share and per share amounts)

8. SHARE CAPITAL – (Continued)

Options outstanding as at June 30, 2019 are as follows:

Exercise price CA\$	Number of options	Weighted average remaining contractual life (years)	Weighted average exercise price CA\$	Options exercisable
0.00 - 0.02	6,487,000	1.75	0.02	6,487,000
0.03 - 0.05	2,562,000	4.17	0.05	1,565,667
	9,049,000	2.42		8,052,667

During the nine month period ended June 30, 2019, the Company recognized a total of \$3 (September 30, 2018 - \$19) related to the vesting of options granted.

9. WARRANTS

As at June 30, 2019 and September 30, 2018 there were a total of 15,743,000 warrants outstanding. There were no changes to the number of warrants during the nine month period ended June 30, 2019.

The following table summarizes information about the warrants outstanding as at June 30, 2019:

Number of warrants outstanding	Weighted average remaining warrant life (years) Remaining Warrant life years	Weighted average exercise price Excercise price CDN\$
15,743,000	0.33	0.07

CERRO GRANDE MINING CORPORATION

Notes to the Consolidated Financial Statements

For the nine months ended June 30, 2019

(Expressed in thousands of U.S., except share and per share amounts)

10. SEGMENT INFORMATION

In determining reportable operating segments, management reviews various factors, including geographic location, quantitative thresholds, and managerial structure.

The Company operates in one reportable operating segment, being the acquisition, exploration and development of mineral properties.

Geographic information is as follows:

June 30, 2019	Canada	Chile	United States	Total
Due from related parties	\$ 318	\$ -	\$ 283	\$ 601
Total Non-Current Assets	\$ 318	\$ -	\$ 283	\$ 601

September 30, 2018	Canada	Chile	United States	Total
Due from related parties	\$ 318	\$ -	\$ 283	\$ 601
Total Non-Current Assets	\$ 318	\$ -	\$ 283	\$ 601

11. RELATED PARTY TRANSACTIONS

The Company has a receivable from the CEO (who is also a director) of \$601 (2018 - \$601) consisting of \$283 (2018 - \$283) of cash advances and two loans totaling \$318 (2017 - \$318). The cash advances and loans bear no interest and have no specific terms of repayment.

As at June 30, 2019, the Company has salaries and expenses payable to the CEO in the amount of \$326 (2018 - \$284), included in due to related parties, which results in a net receivable of \$274 (2018 - \$316).

A company controlled by the Chief Financial Officer of the Company (the "CFO") billed \$19 to the Company for accounting and administration services rendered during the nine month period ended June 30, 2019 (2018 - \$18). Trade and other payables include \$9.

As at June 30, 2019, due to related parties includes cash advances of \$556 from Mario Hernández, who is also a director and officer of the Company (2018 - \$526). The cash advances bear no interest and have no specific terms of repayment.

Due to related parties includes cash advances of \$2,766 from David Thomson, who is also a director and officer of the Company at June 30, 2019 (2018 - \$1,827). The cash advances bear no interest and have no specific terms of repayment.

As at June 30, 2018, the Company owes a total of \$197 (2018 - \$173) to directors for director's compensation. This amount is included in due to related parties.

Directors* and Officers

Paul J. DesLauriers*(1),(2),(3),(4)

Toronto, ON, Canada
Chairman
Executive Vice President and Director
Loewen, Ondaatje, McCutcheon & Company
Limited, Toronto, Canada

Stephen W. Houghton*

Santiago, Chile
Chief Executive Officer
Founder of Cerro Grande Mining Corporation

Mario Hernandez A.*

Santiago, Chile
Executive Vice President and Director, Claims
and Land Management

William Hill*(1),(3),(4)

Rockwood, ON, Canada
Principal, William Hill Mining Consultants, Ltd.

Frederick D. Seeley*(1),(2),(4)

West Falmouth, Massachusetts, USA
Chairman, Givens Hall Bank and Trust Limited

David R. S. Thomson*

Santiago, Chile
Executive Vice President and Director of
Exploration

Peter W. Hogg*

Toronto, ON, Canada
Chief Financial Officer

- (1) Member, Audit Committee
- (2) Member, Compensation Committee
- (3) Technical Committee
- (4) Corporate Governance and Nominating
Committee

Corporate Information

Website: www.cegmining.com

Canadian Securities Exchange

Stock Symbol: CEG

OTCQB International

Stock Symbol: CEGMF

Registered Office:

c/o Ricketts Harris LLP
181 University Avenue
Suite 800
Toronto, ON M5H 2X7

Toronto Office

1 King Street West , Suite 4009
Toronto, Ontario M5H 1A1, Canada

Santiago Office:

Av. Santa María 2224
Providencia, Santiago, Chile
Telephone: 56-2-569-6200

Solicitors:

Ricketts Harris LLP

Toronto, Ontario, Canada

Auditors:

Davidson & Company

Vancouver, British Columbia, Canada

Stock Registrar and Transfer Agent

Computershare Investor Services

Toronto, Ontario, Canada

SCHEDULE “B”

See Part B of this Form 5

SCHEDULE "C"

See attached.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS**
(Expressed in thousands of United States dollars, except per share amounts)

The following discussion is a review of the activities, results of operations and financial condition of Cerro Grande Mining Corporation and its consolidated subsidiaries ("CEG" or the "Company") for the nine month period ended June 30, 2019, together with certain trends and factors that are expected to impact on future operations and financial results. This information is presented as of August 20, 2019. This discussion should be read in conjunction with the audited consolidated financial statements as at September 30, 2018, which are available on SEDAR at www.sedar.com. The Company's condensed interim consolidated financial statements and financial data have been prepared using accounting policies consistent with IFRS. All dollar amounts are expressed in thousands United States dollars, except as otherwise indicated.

Contents of the MD&A

1. Forward Looking Statements
2. Overview
3. Highlights
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5. Exploration and Development Projects
6. Investing
7. Financing
8. Liquidity and Capital Resources
9. Off-Balance Sheet Arrangements
10. Related Party Transactions
11. Critical Accounting Estimates
12. Securities Outstanding
13. Controls

1. FORWARD LOOKING STATEMENTS

This management's discussion and analysis contains or refers to forward-looking statements. All information, other than information regarding historical fact that addresses activities, events or developments that the Company believes, expects or anticipates will or may occur in the future is forward-looking information. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "may", "could", "potential", "should" "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance.

The forward-looking statements in this management's discussion and analysis reflects the current expectations, assumptions or beliefs of the Company based on information currently available to the Company. With respect to forward-looking statements contained in this management

discussion and analysis, the Company has made assumptions regarding, among other things, the Company's ability to generate sufficient cash flow from operations and capital markets to meet its future obligations, the regulatory framework in Chile, with respect to, among other things, permits, licenses, authorizations, royalties, taxes and environmental matters and the Company's ability to continue to obtain qualified staff and equipment in a timely and cost-efficient manner to meet the Company's needs.

Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company.

Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein.

Non-IFRS financial measures

The Company has included certain non-IFRS financial measures in this document. These measures are not defined under IFRS and should not be considered in isolation. The Company believes that these measures, together with measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Company. The inclusion of these measures is meant to provide additional information and should not be used as a substitute for performance measures prepared in accordance with IFRS. These measures are not necessarily standard and therefore may not be comparable to other issues

2. OVERVIEW

The Company is an exploration, development and mining corporation focused in Chile.

The Company's only significant subsidiary was Compañía Minera Pimentón (Pimenton), which filed for voluntary bankruptcy on May 31, 2017. The Court approved this bankruptcy filing and named a Liquidator on July 18, 2017.

In accordance with Chilean law, the Court appointed bankruptcy Liquidator has taken possession of Pimenton and of all its assets and liabilities. They are also responsible for all ongoing costs of Pimenton until the successful sale or liquidation of Pimenton.

Any profits or losses incurred by the Liquidator in the bankruptcy process have no impact in these consolidated financial statements as both financial assets and obligations are by law transferred to the Liquidator.

The Company's other projects, which are in various stages of exploration and development in Chile include "Tordillo" and two limestone deposits "Catedral" and "Cal Norte".

3. HIGHLIGHTS

Operational Highlights

- There were no operations for the nine month period ended June 30, 2019 and June 30, 2018.

Financial Highlights

- Loss before and after income taxes for the nine months ended June 30, 2019 was \$773 compared to a loss of \$814 in the same period in 2018.
- Average price per ounce of gold sold for the quarter ended June 30, 2018 was nil (2018 - \$ nil).
- Loss before and after income taxes for the three months ended June 30, 2019 was \$263 compared to a loss of \$328 in the same period in 2018.
- Basic loss per share for the period ended June 30, 2019 was a loss of \$0.00 per share (2018 – loss of \$0.00).
- At June 30, 2019, the Company had cash and cash equivalents of \$9 compared to \$30 at June 30, 2018.
- Cash flow from operations for the period ended June 30, 2019 was negative \$805 (2018 – negative \$801).

Other Highlights

- Management believes that the values of Tordillo exploration and the Catedral/Rino and Cal Norte limestone deposits are not reflected in the Company's market capitalization. The Company will continue its effort to enhance the underlying values of its assets.

4. SUMMARY FINANCIAL RESULTS

The table below sets out the consolidated loss for the period ended June 30, 2019 and 2018.

	Three months ended		Nine months ended	
	June 30,	June 30,	June 30,	June 30,
	2019	2018	2019	2018
	\$	\$	\$	\$
Revenue				
Sales	-	-	-	-
Total Income	-	-	-	-
Expenses				
General, sales and administrative	261	238	742	652
Foreign exchange	(11)	60	15	(22)
Share-based compensation	1	-	3	15
Interest	12	40	13	120
Other (income) and expenses (net)	-	(10)	-	48
Total Expenses	263	328	773	814
Loss before income taxes	(263)	(328)	(773)	(814)
Loss and comprehensive loss for the period	(263)	(328)	(773)	(814)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)
Weighted average number of shares outstanding	339,390,784	300,213,618	339,390,784	300,213,618

1) Consolidated statements of loss and other comprehensive loss for the nine month period ended June 30, 2019 and 2018:

- a) Revenue and operating expenses for the nine month period ended June 30, 2019 and June 30, 2018 were nil.
- b) General sales and administrative costs for the nine months ended June 30, 2019 were \$742 compared to \$652 for the same period in 2018.

2) Consolidated statements of loss and other comprehensive loss for the three month period ended June 30, 2019 and 2018:

- a) Revenue and operating expenses for the three months period ended June 30, 2019 and June 30, 2018 were nil.
- b) General sales and administrative costs for the three months ended June 30, 2019 were \$261 compared to \$238 for the same period in 2018.

3) Cash flow for the nine month period ended June 30, 2019:

Capital expenditure was nil for the nine months period ended June 30, 2019 (2018 - \$nil).

4) Consolidated Statement of Financial Position as at June 30, 2019:

As at June 30, 2019 the Company had a negative working capital of \$4,168 (2018 – negative \$5,025).

Summary of Quarterly Results

	June 30, 2019	Mar 31, 2019	Dec 31, 2018	Sept 30, 2018
Sales	-	-	-	-
Net income (loss)	(263)	(351)	(159)	(218)
Per share	0.000	0.000	0.000	0.000
Per share diluted	0.000	0.000	0.000	0.000

	June 30, 2018	Mar 31, 2018	Dec 31, 2017	Sept 30, 2017
Sales	-	-	-	-
Net income (loss)	(328)	(210)	(276)	0
Per share	0.000	0.000	0.000	0.000
Per share diluted	0.000	0.000	0.000	0.000

Outlook

The other subsidiaries of CEG, including Compañía Minera Til Til, Compañía Minera Catedral, Compañía Minera Tordillo, Compañía Minera Bandurrias and Compañía Minera Cal Norte are not affected by the bankruptcy of Compañía Minera Pimentón. At this time management is determining the best course of action.

5. EXPLORATION AND DEVELOPMENT PROJECTS

Tordillo

The Company holds mining claims on Tordillo which is located 11.5 kilometers south-southwest of Pimenton and covers an area of 6,632 hectares (16,381 acres). Tordillo is in the early exploration stage and to date the Company has identified several gold/copper vein structures

similar to those at Pimenton and an area of potential porphyry copper mineralization. The preliminary data suggests Tordillo contains the upper part of a deep-seated copper/gold and possibly copper molybdenum porphyry system associated with narrow high grade gold and copper veins which may be widespread and represent a separate exploration target. Tordillo is located in an area of intense exploration activity and was acquired by the Company in 2006.

Subsequent exploration should bring into perspective the vein potential and establish if the porphyry system is large enough to host possible economic copper mineralization. During the quarter ended June 30, 2019, the Company expensed a total of \$nil (2018 - \$nil) relating to mining property costs and exploration costs on Tordillo.

Bandurrias

During the quarter ended June 30, 2019 acquisition costs of \$nil were expensed (2018 - \$nil).

Limestone deposits

The Company holds interest in two limestone deposits. Lime is used by the Chilean mining industry in processing sulfide copper ores and in heap leaching of gold ores.

The Company's limestone deposits at Catedral and Cal Norte contain high grade limestone which, when calcined, can produce lime that the Company's management believes will qualify for use by the Chilean mining industry. The Company will to continue its efforts to become a supplier of lime to the Chilean copper industry, it also strengthens the Company's position as it reviews alternative strategies for the sale, joint venture or spin-off of the Catedral/Rino and Cal Norte limestone properties.

As at June 30, 2019, the Company had contributed a cumulative total of \$4,080 (2018 - \$4,080) to finance a drilling program on Catedral/Rino and complete a preliminary feasibility study for the construction of a 1,320 ton per day capacity cement manufacturing facility on the project as well as a preliminary feasibility study for construction of a 600 ton per day lime kiln on the Catedral property. During prior years the Company had written off \$4,080 in mining properties and exploration costs relating to Catedral/Rino.

As at June 30, 2019, the Company had contributed a cumulative total of \$1,556 (2018 - \$1,556) to Cal Norte, to finance a bankable feasibility study on the project, environmental permitting, and further mine development. Although the Company has incurred sufficient exploration expenditures to maintain the Cal Norte property in good standing, the Company expensed this \$1,566 in prior years as it focused its efforts on the Pimenton gold mine.

6. INVESTING

During the period ended June 30, 2019 the Company invested \$nil (2018 - \$nil) in mining plant, equipment, and mining properties.

7. FINANCING

The Company finances its operations using cash advances by related parties or equity sold to related parties. Due to no production and the negative cash flow both Auromin (a company owned by David Thomson) and Chañar Blanco (a company owned by Mario Hernandez), both Directors and Officers of the Company, have made cash advances to cover the shortfalls.

During the month of November 2014, the Company signed a Gold Loan Debenture for \$100 bearing an annual interest rate of 10%. The principal is to be repaid semi-annually at a gold price of \$1,057 per ounce or higher if the average price during the six month period prior to any repayment date exceeds the agreed price for the equivalent of 15.77 ounces of gold payment.

The outstanding principal at the end of the period is \$17. During the period ended June 30, 2019 repayments of principal of \$nil were made due to lack of funds.

On August 22, 2016 the company issued a second Gold Loan Debenture for \$200 with a maturity date of August 22, 2019. The debenture bears a fixed annual interest rate of 8% on the outstanding principal amount and is payable on a quarterly basis on the 25th day of February, May, August and November of each year. The payment of the principal is semi-annually on February 25 and August 25 of each year plus the difference in the average gold price per ounce in excess of \$1,260 per ounce calculated on 26.455 ounces of gold.

The outstanding principal at the end of the quarter is \$167. During the period ended June 30, 2019 the Company has repaid \$nil of principal due to lack of funds.

8. LIQUIDITY AND CAPITAL RESOURCES

As of June 30, 2019, the Company shows a negative working capital of \$4,168 (2018 - negative \$5,025).

Contractual Obligations	Total	Less than 1 year	1-3 years	Over 4 years
	\$	\$	\$	\$
Accounts payable and accrued liabilities	129	129	-	-
Amount due to related parties	3,847	3,847	-	-
Short-term debt	215	215	-	-
Conditional loan agreement (1)	2,500	-	-	2,500
Tordillo prospect (2)	250	-	-	250
Total Contractual Obligations	6,941	4,191	0	2,750

Note (1). Two officers and directors of the Company hold the non-controlling interest in Catedral. Under an agreement dated November 27, 1996, the Company agreed to provide or cause to provide these officers and directors of up to \$1,250 each or \$2,500 in total. Such loans are to pay their proportionate share of development costs if a bankable feasibility study

demonstrates that the properties can be placed into commercial production, and to fund their combined 50% share of an option payment totaling \$500, which was paid during 1997.

Note (2). As compensation for services rendered in connection with Tordillo, the Company entered into an agreement to pay \$250 within 50 days of first cash flow from the property.

The Company must make an additional capital contribution of \$239 in Cal Norte to earn its 60% equity interest.

The Company has not declared or paid any dividends and does not foresee the declaration or payment of dividends in the near future. Any decision to pay dividends on the common shares will be made by the board of directors on the basis of the Company's earnings, financial requirements and other conditions existing at such future time.

9. OFF-BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements.

10. RELATED PARTY TRANSACTIONS

The Company has a receivable from the CEO (who is also a director) of \$601 (2018 - \$601) consisting of \$283 (2018 - \$283) of cash advances and two loans totaling \$318 (2017 - \$318). The cash advances and loans bear no interest and have no specific terms of repayment.

As at June 30, 2019, the Company has salaries and expenses payable to the CEO in the amount of \$326 (2018 - \$284), included in due to related parties, which results in a net receivable of \$274 (2018 - \$316).

A company controlled by the Chief Financial Officer of the Company (the "CFO") billed \$19 to the Company for accounting and administration services rendered during the nine month period ended June 30, 2019 (2018 - \$18). Trade and other payables include \$9.

As at June 30, 2019, due to related parties includes cash advances of \$556 from Mario Hernández, who is also a director and officer of the Company (2018 - \$526). The cash advances bear no interest and have no specific terms of repayment.

Due to related parties includes cash advances of \$2,766 from David Thomson, who is also a director and officer of the Company at June 30, 2019 (2018 - \$1,827). The cash advances bear no interest and have no specific terms of repayment.

As at June 30, 2018, the Company owes a total of \$197 (2018 - \$173) to directors for director's compensation. This amount is included in due to related parties.

11. CRITICAL ACCOUNTING ESTIMATES

A summary of the critical accounting estimates are set out below:

Exploration and development costs

Acquisition and exploration costs of exploration properties are expensed as incurred. Once resource potential has been established as defined by a National Instrument (NI) 43-101 report future costs are then capitalized. Upon reaching commercial production, these capitalized costs are transferred from exploration properties to mining properties, plant and equipment as mine development costs and are amortized into operations using the units of production method, based on proven and probable mineral reserves and mineral resources.

The Company regularly assesses exploration and development costs for any factors or circumstances that may indicate impairment.

Stock-based compensation

The Company has a share option plan. Compensation expense is recorded when share options are issued to directors, officers or employees under the Company's share option plan, based on the fair value of options granted. Consideration paid by optionees on exercise of an option is recorded in share capital. Stock-based compensation given to outside service providers is recorded at the fair value of consideration received or consideration given, whichever is more readily determinable. The fair value of options granted or consideration given is determined using the Black-Scholes valuation model, with volatility factors and risk-free rates existing at the grant date. The share price at the grant date is considered to be equal to the closing price of the Company's stock on the relevant Stock Exchange on the business day preceding the grant date.

Reclamation and remediation

Asset retirement obligations are recorded in mining properties, plant and equipment and in liabilities at fair value, when incurred. The liability is accreted over time through periodic charges to income. The amount of the liability is subject to remeasurement at each reporting period. These obligations are associated with long-lived assets for which there are a legal obligation to settle under existing or enacting laws, statutes or contracts. The related assets are amortized using the unit of production method.

Key assumptions on which the fair value of the asset retirement obligations is based include the estimated future cash flows, the timing of those cash flows and the credit-adjusted risk-free rate on which the estimated cash flows have been discounted. The actual asset retirement obligation and closure costs may differ significantly, based on future changes in operations, cost of reclamation and closure activities, regulatory requirements and the outcome of legal proceedings.

12. SECURITIES OUTSTANDING

As of August 20, 2019 the Company has issued one class of common shares of which a total of 339,390,784 are outstanding.

On August 20, 2019, the Company had 15,743,000 common share purchase warrants outstanding which are exercisable into one common share at an exercise price of CA\$0.07.

Options granted under the stock option plan of the Company (each, an “Option”) outstanding as of August 20, 2019 totaled 9,049,000 options exercisable into 9,049,000 common shares at exercise prices of CA \$0.02 and CA \$0.05 through August 2023 of which 7,314,000 options are currently exercisable as a result of vesting provisions.

“CEG” is the stock trading symbol for the Company on the CSE and CEGMF for the OTCQB International Symbol on the OTC market.

13. CONTROLS

National Instrument 52-109

Evaluation of disclosure controls and procedures

Public companies are required to perform an evaluation of disclosure controls and procedures annually and to disclose management’s conclusions about the effectiveness of these disclosure controls and procedures in its annual Management’s Discussion and Analysis. The Company has established, and is maintaining, disclosure controls and procedures to provide reasonable assurance that material information relating to the Company is disclosed in annual filings, interim filings or other reports, and is recorded, processed, summarized and reported within the time periods specified as required by securities regulations.

Management has evaluated the effectiveness of the Company’s Disclosure Controls and Procedures as at June 30, 2019 and, given the size of the Company and the involvement at all levels of the Chief Executive Officer and Chief Financial Officer, believes that they are sufficient to provide reasonable assurance that the Company’s disclosures are compliant with securities regulations.

Internal controls over financial reporting

Management of the Company is responsible for evaluating the design of internal control over financial reporting. The Chief Executive Officer and Chief Financial Officer, together with other members of management, after having designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial reporting in accordance with IFRS as of June 30, 2019, have not identified any changes to the Company’s internal control over financial reporting in the latest reporting period that would materially affect, or are reasonably likely to materially affect, the Company’s internal control over financial report