

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol : CEG - CNX

Number of Outstanding Listed Securities : 267,852,410

Date : May 5, 2016

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 March 7, 2016. As noted in its previous Form 7 statements, CEG's wholly owned subsidiary, Compañía Minera Pimenton is its only source of cash flow.

We are currently mining the Manterola vein on the 3375 and 3315 levels; as well as a part of the Kathy vein on the 3430. Preparation for production has started on the Monica vein on the 3195 level with approximately 100m of strike length that has been drifted on so far. The raise on Monica is currently up 30m in good ore, with 30 more meters to go. We hope to complete the raise in May and begin production from the first 60m length of prepared stope as soon as possible. Monica has positive drill hole 70m to the north of the current workings and development will be advancing to the North and South. Our ongoing diamond drilling program is currently defining the Monica vein on multiple levels.

The Mine and Plant are currently under detailed review to see where else we can make cost savings. With present metal prices we anticipate further reduction in Mine staff.

2. General Overview and Discussion of Activities of Management

Management has focused on the following activities:

- a) As described in 1. above, concentrating on increasing the production of mineral products from the Pimenton mine.
- b) Management is preparing the Company's Financial Statements and MD&A for its fiscal second quarter ended March 31, 2016 which must be filed by May 30, 2016.

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 ongoing exploration of the Pimenton mine.

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) See Santa Cecilia below.

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

Santa Cecilia

On July 11, 2011 CEG signed a Letter of Agreement with the majority shareholders representing 65.6% of the outstanding shares of Compania Minera Cerro del Medio (CDM), the 100% owner of the Santa Cecilia project which is located in the Maricunga gold district of Chile and adjacent to Exeter Resources Caspiche project.

The Letter Agreement was signed in July 2011, then, extended to June 12, 2015 when it expired. This letter agreement is now being reviewed by all parties.

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

a) None.

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

a) None

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) None

voting), including all of its independent members, have unanimously concluded that the Company was in serious financial difficulty and the transactions, 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 Settlement), to hold a meeting to obtain any approval of the holders of Common Shares in connection with the Placement and the Debt Settlement.

The Placement was completed on November 12, 2015. David Thomson and Mario Hernandez now hold a total of 200,516,530 Common Shares representing approximately 74.86% of the issued and outstanding Common Shares. On a fully-diluted basis, David Thomson and Mario Hernandez hold approximately 81.33% of the Common Shares.

During the month of December 2015 Mr. David Thomson, an Officer and Director of the Company, and Mr. Mario Hernandez, an Officer and Director of the Company, each advanced, through their respective companies, US\$115,320 or a total amount of US\$230,640 and in January 2016, Mr. David Thomson advanced US\$191,986 and Mr. Hernandez advanced US\$221,857 through their respective companies, or a total amount in January 2016 of US\$413,843. No further advances were made by Mr. Thomson and Mr. Hernandez during the months of February, March and April, 2016.

14. Provide any Details of Securities Issued and Options or Warrants Granted
 - a) None.
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) None.
17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's Market(s) or Political/Regulatory Trends
 - a) None

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 May 5, 2016

Stephen W. Houghton
Name of Director or Senior Officer


Signature

Chief Executive Officer
Official Capacity

Issuer Details	For Month End	Date of Report
Name of Issuer	April, 2016	YY/MM/D May 5, 2016
<i>Cerro Grande Mining Corporation</i>		
Issuer Address		
<i>Santa Maria 2224</i>		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
<i>Providencia, Santiago, Chile, 7500014</i>	(56)-2- 2335-2084	(56)-2-2569-6224
Contact Name	Contact Position	Contact Telephone No.
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