

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol : CEG - CNX

Number of Outstanding Listed Securities : 174,977,010

Date : May 5, 2015

1. Provide General Overview and Discussion of Issuers Business

Following is an update on the key events following the Companies filing of its Form 7 statement on October 5, 2014. As noted in its previous Form 7 statement, CEG's wholly owned subsidiary, Compañía Minera Pimenton is its only source of cash flow.

The 43-101 Technical Report dated December 17, 2013 give reservegrades at the Pimenton mine of 11 g/t Au and 1.2% Cuand include a significant section of high grade that is at the moment inaccessible. Most of the high grade stopes we have are projected 30m down from the existing Esperanza 4 level ("Esp 4") (3195).

We currently are in the process of developing and driving raises on the Lucho vein on the New lower Esperanza 5 level (approx. the 3135 level). The plan is to develop ore and prepare raises to put the higher grade ore into production as soon as possible. As we develop the Lucho vein on the new lower level, we will be adding to the reserves 30m above and 30m below, thereby leaving a 50 to 60m block of accessible ore to develop above the lowest level.

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) We have been successful in extending payment of our "C Debentures", which was due on April 21, 2015 in the amount of US \$300,000 into 3 payments each of US \$100,000 on April 21, 2015 plus annual interest of US \$18,000; US \$100,000 on May 21, 2015 and US \$100,000 on June 21, 2015 plus interest of US \$985.80 in each month of May 21 and June 21, 2015.

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:
- a) None

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. Under the terms of the agreement, between July 31, 2011 and July 31, 2013 CEG must fund the CDM majority shareholders, and any option shareholders, the pro rata of a drilling campaign on the property consisting of a minimum of 7,200 meters of drilling, at an aggregate cost of approximately \$4,000. CEG is committed to fund an estimated \$2,624 or 65.6% of this drilling campaign. Mario Hernandez and Dr. David Thomson, both EVP's and Directors of the Company and an arms length third party (the majority shareholders in aggregate) are owners of 65.6% of CDM. At March 31, 2014, 3,335 meters had been drilled at a total cost to CDM of \$4,439 which includes \$448 related to a geophysical study. Please see News Releases dated March 22, 2013, June 19, 2013 and March 20, 2013 for drill hole results on the Company's web site, www.cegmining.com.

During the nine month period ended June 30, 2014, the Company expensed a total of \$nil (2013 - \$599) relating to mining property costs and exploration costs on CDM.

In October 2012, the Company began an Orian 3D geophysical study by Quantec Geoscience Toronto, Canada on Santa Cecilia. Based on the study, Quantec recommends twenty-three DC/IP/MT anomalies for future drilling, nearly all of which are located within the previously established five MMI (mobile metal ion) gold and copper anomalies at Santa Cecilia. One of the

most interesting DC/IP/MT anomalies sighted for drilling lies 1,000 meters to the south west of Exeter Resources Caspiche orebody.

Under the terms of the Letter of Agreement dated July, 2011 CEG has engaged a qualified engineering firm to supervise the drilling campaign on Santa Cecilia. This firm will also update NI 43-101 technical reports on CEG's other projects and Santa Cecilia on completion of the drilling campaign.

Following the completion of the drilling campaign on Santa Cecilia, and receipt of the NI 43-101 technical reports, an evaluation of CEG and CDM will be undertaken by a competent, independent investment banking group to value CEG and CDM. On completion of a satisfactory evaluation, CEG will have 90 days in which to determine if it wishes to proceed with acquiring the interest of the Majority Shareholders in CDM.

Under the terms of the agreement, CEG or CDM may terminate the Letter of Agreement under certain circumstances. Depending on the circumstance, CEG will be reimbursed up to 125% of its share of drilling campaign costs. CEG may terminate the agreement at any time after having drilled not less than 1,500 meters.

The Letter Agreement was extended in July 2012, then to June 12, 2013 and expired on June 12, 2014. This Letter Agreement has now been retroactively extended to June 12, 2015 since the date of the Companies filing its policy 2A statement on August 25, 2014.

Since the letter of agreement has no immediate impact on the shareholdings of Mr. Hernandez and Dr. Thomson in CEG, CEG is unable to provide a description of any impact that a definite acquisition agreement may have on any shareholdings in CEG at this, or any other, time.

Final approval of any such acquisition will likely require CEG shareholder and a CNSX approval.

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

a) Nine workers resigned or were released in April, 2015

b) Four new workers have been hired in April. As of April 30, 2015 we had a total of 236 employees at Compania Minera Pimenton.

There have been no changes in management or other employees of Cerro Grande Mining Corporation since the filing of the Corporations Policy 2 A statement on August 25, 2014.

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

a) None.

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

a) None

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

a) See 2.b above

b) On October 24, 2014, Cerro Grande Mining Corporation has (i) completed a private placement of units of the Company with two of its directors (or holding companies of such directors) (the "**Directors**") for cash proceeds of US\$700,000 (the "**Placement**"), and (ii) has extinguished certain outstanding indebtedness owed to the Directors by issuing common shares of the Company (each, a "**Common Share**") in settlement of such debt (the "**Debt Settlement**"). The Placement and Debt Settlement was completed in order to immediately improve the financial position of the Company given the serious financial difficulties it was facing, and with a view of setting the Company on firm financial ground to carry out its mining business in Chile.

Pursuant to the Placement the Company has issued an aggregate of 15,743,000 units of securities of the Company (each, a "**Unit**") at CDN\$0.05 per Unit, with each Unit comprising one Common Share and one Common Share purchase warrant (each, a "**Warrant**"), with each Warrant exercisable for a period of 5 years to purchase one Common Share at CDN\$0.07. Proceeds of the Placement were used for general working capital purposes, including, but not limited to, corporate and administrative purposes.

Pursuant to the Debt Settlement, the Company has extinguished outstanding indebtedness in the aggregate amount of US\$2,162,972 owed to the Directors, such indebtedness being made up of accrued but unpaid royalty payments and service fees owed to the Directors and cash advances made to the Company by the Directors and interest thereon, by issuing an aggregate of 48,645,220 Common Shares (representing an issue price of CDN\$0.05 per share) in full and final settlement thereof. All dollar amounts have been converted at an exchange rate of CND\$1.1245 per US\$1.00.

The participation of each Director in the Placement and the Debt Settlement constitutes a "related party transaction" under Multilateral Instrument 61-101- *Protection of Minority Security Holders in*

Special Transactions ("MI 61-101"). The Company has used the "financial hardship" exemptions from both the formal valuation and minority shareholder approval requirements of MI 61-101 in connection with the Placement and Debt Settlement. In reliance thereon, the Board of Directors of the Company (other than the Directors who abstained from 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 and the Debt Settlement was completed on October 24, 2014. David Thomson and Mario Hernandez now hold a total of 107,641,130 Common Shares representing approximately 61.5% of the issued and outstanding Common Shares. On a fully-diluted basis, David Thomson and Mario Hernandez hold approximately 62.70% of the Common Shares.

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) 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, 2015.

Stephen W. Houghton
Name of Director or Senior
Officer

"Stephen Houghton"
Signature
Chief Executive Officer
Official Capacity

Issuer Details	For Month	Date of Report
Name of Issuer	End	YY/MM/D
Cerro Grande Mining Corporation	April 2015	May 5, 2015
Issuer Address: Santa Maria 2224		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Providencia, Santiago, Chile 7500014	(56)2-2335-2084	(56)2-2569-6224
Contact Name	Contact Position	Contact Telephone No.
Stephen W. Houghton	C.E.O.	56-2-2569-6224
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