

**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 : April 7, 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 and Maria Elena veins on multiple levels. Recent drilling has outlined a new potential vein, the Monica vein, 100m to the North West of the Lucho vein. We have drifted for 90m on the Monica vein on the 3195 level. A raise is being driven to the upper level while at the same time we are developing Monica to the north and south as we prepare the vein for production. 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) The Company filed its Form 2A and related information on March 7, 2016 as noted above.
- c) The Company was successful in filing its Annual Financial Statements, MD&A and related CEO and CFO Certificates and its first quarter Financial Statements, MD&A and related CEO and CFO Certificates on March 7, 2016 and March 9, 2016, respectively and the Management Cease Trade Order (MCTO) expired on March 11, 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

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

a) 4 workers resigned or were released in March, 2016.

b) 5 new workers have been hired in March, 2016. As of March 31, 2016, Compania Minera Pimenton had a total of 231 employees.

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 March 7, 2016.

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) Mr. David Thomson, a Director, Officer and major shareholder of the Company, advanced to the Company during the 12 month period ended September, 2015 US\$1,782,616. Mr. Mario Hernandez, a Director, Officer and major shareholder of the Company, advanced to the Company during the 12 month period ended September, 2015 US\$1,682,885. The total cash advances to the Company by Mr. David Thomson and Mr. Mario Hernandez, both Directors, Officers and major shareholders of the Company have totaled US\$3,465,501 or Cdn\$4,643,771 (Cdn\$1.34=US\$1.00) to September 30, 2015.

b) On November 6, 2015, The Board of Directors, (except Mr. Thomson and Hernandez who both abstained from voting) approved the issuance of common shares of the Company to Mr. Thomson of 47,774,100 shares and to Mr. Hernandez of 45,101,300 shares at Cdn\$0.05 per share.

This placement 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 a firmer financial ground to carry out its mining business in Chile.

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 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 and March, 2016.

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

a) See paragraph 13, above for Securities Issued and Schedule A attached for Stock Options granted.

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) Fernando Saenz Poch resigned as a Director on March 15, 2016. The reason for his resignation was due to other business commitments.

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

**Schedule "A"**

**Stock Option Grants**

**On March 22, 2016**

<b>Employees</b>	<b>Options</b>
Misael Castillo	500.000
Manuel Hernandez	500.000
Jose Trigo	500.000
Antonio Ramos	500.000
Luz Cayul	500.000
Nadia Duran	500.000
Andrea Moreno	400.000
James Mac Auliffe	500.000
<b>Total</b>	<b>3.900.000</b>

<b>Directors</b>	<b>Options</b>
Paul DesLauriers	875.000
Fred Seeley	875.000
Juan Proaño	400.000
William Hill	400.000
Richard Lachcik	400.000
Peter Hogg	400.000
Stephen Houghton	2.037.000
<b>Total</b>	<b>5.387.000</b>

	<b>Options</b>
Employees	3.900.000
Directors	5.387.000
<b>Total</b>	<b>9.287.000</b>

The Corporation approved the issuance of an aggregate of 9,287,000 stock options (the "Options") to the individuals set out in Schedule "A" at \$0.02 per share for a duration of 5 years from date of grant, the options to Employees to vest one-third on the date of grant, one-third one year from the date of grant, and the balance two years from the date of grant, and the options to Directors to vest immediately.

## 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 April 7, 2016.

Stephen W. Houghton  
Name of Director or Senior  
Officer

"Stephen Houghton"  
Signature  
Chief Executive Officer  
Official Capacity

<b>Issuer Details</b>	For Month	Date of Report
Name of Issuer	End	YY/MM/D
Cerro Grande Mining Corporation	March 2016	April 7, 2016
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
Contact Email Address	Web Site Address	
ceg@cegmining.com	www.cegmining.com	