**CERRO RESOURCES NL**

**FORM 51-102F3**

**MATERIAL CHANGE REPORT**

**Item 1 Name and Address of Company**

Cerro Resources NL ("**Cerro**")
c/o Primero Mining Corp.
20 Queen Street West, Suite 2301
Toronto, ON M5H 3R3

**Item 2 Date of Material Change**

May 22, 2013

**Item 3 News Release**

A press release was issued by Cerro on May 22, 2013.

**Item 4 Summary of Material Change**

On May 22, 2013, Cerro announced that it had completed the previously announced scheme of arrangement under the Australian Corporations Act 2001 (the "**Arrangement**") with Primero Mining Corp. ("**Primero**"), which provided for, among other things, the acquisition by Primero of all of the issued and outstanding ordinary shares of Cerro.

**Item 5 Full Description of Material Change**

On May 22, 2013, Cerro announced that it had completed the previously announced Arrangement with Primero, which provided for, among other things, the acquisition by Primero of all of the issued and outstanding ordinary shares of Cerro.

Under the terms of the Arrangement, each Cerro shareholder received 0.023 of a Primero common share (the "**Exchange Ratio**") for each Cerro ordinary share held. Cerro's outstanding options and its option plan have also been substantially assumed by Primero, with adjustments to reflect the Exchange Ratio and a corresponding upward adjustment in the exercise price of the options. Additionally, Cerro shareholders received, in the aggregate, 80.01% of the ordinary shares of the newly formed Santana Minerals Limited ("**Santana**") (ASX:SMI), which assumed Cerro's pre-Arrangement interests in the Namiquipa, Espiritu Santo, Mt Philp and Kalman projects, shares in Syndicated Metals Limited. Primero subscribed for a 19.99% interest in Santana for AUD$4 million with anti-dilution rights for two years. Primero is entitled to appoint a director to the Santana board of directors, and Primero intends to nominate Joseph Conway to this position.

In addition, Primero received approval to list the CHESS Depository Interests ("**CDIs**") that were issued to eligible Cerro shareholders under the Arrangement on the Australian Stock Exchange (the "**ASX**"), and the Primero CDIs commenced trading on the ASX under the symbol "PPM" on May 24, 2013. The remaining Primero common shares issued to former Cerro shareholders were approved for listing on the TSX and the NYSE.

Cerro shares ceased trading on the TSX Venture Exchange ("**TSX-V**") on May 10, 2013, and are expected to be formally delisted from the TSX-V in early June 2013.

**Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7 Omitted Information**

Not applicable.

**Item 8 Executive Officer**

Further information regarding the matters described in this report may be obtained from Tamara Brown, Vice-President, Investor Relations of Primero, who is knowledgeable about the details of the material change and may be contacted at (416) 814-3168 or tbrown@primeromining.com.

**Item 9 - Date of Report**

June 3, 2013.