CERRADO
GOLD INC.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2023 AND 2022

*(Expressed in US dollars)*

# 2023

## INTRODUCTION

The following Management's Discussion & Analysis ("MD&A") dated November 28, 2023 is a review of the business activities and overview of financial position for Cerrado Gold Inc. ("Cerrado" or the "Company") for the third quarter ended September 30, 2023 and 2022. The MD&A should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements (the "Cerrado Financial Statements") for the third quarter ended September 30, 2023 and 2022, which were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International accounting Standards Board ("IASB).

This MD&A also reports on items deemed significant that occurred between September 30, 2023 and the date on which the MD&A is approved by the Company's Board of Directors, which is November 28, 2023, inclusively.

The information provided in this MD&A and the unaudited condensed consolidated interim financial statements are the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the unaudited financial statements.

Unless otherwise indicated, all reference to "dollar" or the use of the symbol "$" are to the United States dollar in this Management Discussion and Analysis.

## FORWARD-LOOKING STATEMENT AND USE OF ESTIMATES

This MD&A contains "forward-looking statements" and "forward-looking information" (collectively, "forward-looking information") within the meaning of applicable Canadian securities legislation. All information contained in this news release, other than statements of current and historical fact, is forward-looking information. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "budget", "guidance", "scheduled", "estimates", "forecasts", "strategy", "target", "intends", "objective", "goal", "understands", "anticipates" and "believes" (and variations of these or similar words) and statements that certain actions, events or results "may", "could", "would", "should", "might" "occur" or "be achieved" or "will be taken" (and variations of these or similar expressions). Forward-looking information is also identifiable in statements of currently occurring matters which may continue in the future, such as "providing the Company with", "is currently", "allows/allowing for", "will advance" or "continues to" or other statements that may be stated in the present tense with future implications. All of the forward-looking information in this MD&A is qualified by this cautionary note. Detailed information regarding risks and uncertainties is provided in the Risk and Uncertainties section of the MD&A.

In preparing consolidated financial statements in accordance with IFRS, management must exercise judgment when applying accounting policies and use assumptions and estimates that affect the amounts of the assets, liabilities, and expenses reported in the consolidated financial statements.

Because the use of assumptions and estimates is inherent to the financial reporting process, the actual results of items subject to assumptions and estimates could differ from original assumptions and estimates.

## COMPANY OVERVIEW & BACKGROUND

Cerrado is a public gold mining and exploration company with assets in Argentina, Brazil and Canada. Cerrado began trading on the TSX Venture Exchange on February 25, 2021 under the symbol "CERT".

In Argentina, Cerrado is focused on its producing Minera Don Nicolás gold mine ("MDN") located in the mineral rich Deseado Massif in the province of Santa Cruz, Argentina. MDN has been in production since 2017. The gold deposits at MDN are classified as epithermal gold vein style deposits typical of the region which is host to numerous large-scale gold operations. Cerrado reached a production milestone in 2022, producing over 50,000 gold equivalent ounces for the year and also commenced construction of its first heap leach project at the Las Calandrias deposit to further increase production.

In Brazil, the Company completed its 14,605 metres drilling program to expand the mineral resources at Serra Alta Deposit and target satellite deposits to define new ones. A total of 14,172 metres of exploratory drilling has been completed to date at the targets Serra Alta, Serra Alta Northeast, Divisa, Gogo da Onça, Capitão, Bit-3, Magalhaes, Baru and Alzireno.

The field team is working to develop new drilling targets and performed 7,394m of trenches, 3,262 soil samples and 802 rock samples from several satellite targets at the MDC project.

The supplementary metallurgical tests conducted on seven Serra Alta samples have been successfully completed. Both the SMC tests and the metallurgical recovery tests have corroborated the initial findings, demonstrating an exceptional metallurgical recovery. Additionally, Cerrado Gold filed Installation License Application for Its Monte Do Carmo Project In Brazil at NATURATINS, the environmental state of Tocantins agency, the company is expected to receive License of Installation (Licença de Instalação- "LI") during Q4 this year.

Cerrado has successfully completed the 2023 drilling program, resulting in the decommissioning of all operational rigs. The planning phase for the infill and exploratory drilling programs is currently underway, with execution slated to commence early next year.

On November 7, 2023, Cerrado announced the results of a NI 43-101 compliant Feasibility Study prepared by DRA Global Limited ("DRA") for its Monte do Carmo deposit outlining a low-cost open pit and underground operation producing 94,797 Ounces of Gold per annum over 9 years. The Project has also demonstrated robust and significant economics with an after-tax $NPV_{8\%}$ of $369 million and an IRR of 32%.

***Highlights***

- ***After-Tax NPV of US$369 million and IRR of 32%***
- ***Average annual gold production of 94,797 ounces per annum over 9 year Life of Mine ("LOM")***
- ***Average AISC of US$711 per ounce over LOM***
- ***Initial Capex of US$186.6 million (including US$15.8 million contingency)***
    - ***2:1 ratio of NPV over Initial Capex***
- ***Annual average free cash flow of $85 million over the LOM, with total cumulative after-tax free cash flow of $562 million over LOM***
- ***Initial Proven and Probable Reserves of 895 koz of Gold (16.8 Mt at 1.66 g/t Au)***
- ***Updated Measured and Indicated Resources of 1,012 koz of Gold (18.4 Mt at 1.72 g/t Au) and Inferred Resources of 66 koz of Gold (1.1 Mt at 1.95 g/t Au)***

In Canada, since the acquisition of Voyager Metals effective May 31, 2023, the Company is developing the Mont Sorcier Iron and Vanadium project in Roy Township, Quebec, 18 km east of the Town of Chibougamau. The Company most recently published an NI 43-101 compliant Preliminary Economic Assessment on the project in July 2022 and is now working to complete a feasibility study and the related Environmental and Social Impact Assessment to bring the project towards a development decision.

## OUTLOOK

In Argentina, Cerrado remains focused on continued operational improvement initiatives at MDN to increase efficiencies and the ramp-up of production from the Las Calandrias heap-leach operation.

The Company produced 10,082 Geo Gold ounces and sold 11,374 ounces during Q3 2023. In addition the Company continues to progress ramp up of its new heap leach project and is targeting full production rates early in Q1/2024 given the recent ramp up issues seen in Q3/2023 related to poor weather conditions, wet feed impacting on throughput and lower than expected overall head grade values, which has delayed achieving full production by approximately two months.

Stripping at Calandrias Norte commenced during the quarter with over 1.6MM tonnes of material moved. A further 2.7MM tonnes is to be stripped in October and November and fresh ore is set to feed the mill from December onwards. Results in Q4 are expected to show significant improvement and benefit from access and limited future stripping required for the Calandrias Norte material and the further ramp up of the heap leach operations. This new pit is planned to be the primary source of ore in 2024 for the CIL plant.

At the new Calandrias heap leach project, work continued as the operation remained in the commissioning phase during the quarter. Initial ramp up was impacted by freezing conditions reducing initial irrigation rates which has now been addressed. Finalization of the crushing plant has now been completed, which should also see more consistent feed to the pad and improve overall performance going forward. Approximately 650 ozs were produced in the quarter, which are excluded from the current production results. Production is set to achieve nameplate production rates from January thereafter.

Given weather production disruption in Q3/23 full production is now targeted for January 2024. The Calandrias Heap Leach is the first step in Cerrado's plans for growing production capacity at MDC. All Argentinian projects continue to be funded by operating cash flow and local debt facilities.

Going forward into Q4/2023 and 2024 Cerrado's MDN operations are now positioned to benefit from the completion of its recent expansionary capital expenditure program to grow production with its new heap leach operations, while sustaining high-grade CIL production. The Company has invested approximately US$23.9m to complete the Heap Leach facilities at Las Calandrias in 2023 and US$5.0m to pre-strip Calandrias Norte to access high-grade ore for the CIL plant. Exploration spending has totaled US$5.4m and will continue into 2024 as we continue to grow the life of mine at MDN.

Results in October and November are already demonstrating more normalized operations as a result of these investments, with shipments for the two months totaling approximately 11,070 GEOs. With operations returning to normal, the Company anticipates a significant improvement in cash generation, which should be significantly enhanced with an improved fiscal policy and a more normalized foreign exchange regime in Argentina supporting lower operating costs in US dollar terms. While the near-term cash generating profile continues to improve, the company is also actively working to term out the maturity of its current short term debt profile and roll a significant amount of these obligations as is customary in Argentina.

Management is encouraged by the exploration programs initiated this year and our view that significant exploration potential exists at the property remains unchanged. Our aim with the 2023 program is to continue the 2022 plan by extending the mine life through the identification of additional mineralization in current open pit mining areas as well as underground mining. Exploration work remains ongoing to focus on growing the known resources at MDN beyond those outlined in the Mineral Resource Estimate ("MRE") reported on February 17, 2021. The focus remains on drilling high grade near surface targets that can readily be brought into the mine plan as well as the continued regional program to better understand the potential of the significant land package at MDN. Additionally, planning for deeper drilling with the potential of extending the high-grade underground resource at MDN has identified the opportunity to develop Paloma as an underground mine. The underground drilling program continued during this quarter focusing on the Esperanza/Rocio veins. Geotechnical design for the underground operation has been completed and a mining contractor has been appointed to assist the on-site team with the necessary studies and test work required to evaluate the potential and needs associated with underground operations. An EIA application has been filed with the mining secretary for the underground project and should be in place by February 2024.

The Company is also completing an internal study for a second heap leach at Martinetas. Over the longer term this is expected to allow MDN to focus on processing higher grade material through the milling and CIL plant, while lower grade material will be processed via heap leaching. The final study and development decision are expected during the H1/2024.

In addition, the company notes that starting October 11, 2023, by means of Joint Resolution No. 1/23 of the certain Ministries of the Argentinian Government, exporters of gold, silver and their concentrates were allowed to settle their exports at a preferential exchange rate resulting from settling 75% of such exports through the Local Exchange Market and the remaining 25% through blue chip transactions ("Mining Dollar"). The effect of the Mining Dollar allowed for an approximate 30% depreciation of local costs in dollar terms at MDN during the month of October. While there is an attractive Mining Dollar in place currently, there is no certainty that such preferential rates will continue. The Company is optimistic that the election of Javier Milei as President of Argentina, will result in positive changes to the fiscal regime in Argentina and a reduction in or eventual removal of currency controls, which could result in a significant improvement in company cashflows in the short to medium term.

In Brazil, the Company completed its 11,745 metre drilling program to expand the mineral resources at the Serra Alta deposit and target satellite deposits to define new ones. The geotechnical drilling (208 metres), which was completed in the first quarter of 2023, yielded comprehensive results, including data from geotechnical compression tests and regular gold assays. A total of 11,419 metres of exploratory drilling has been completed to date at the targets Serra Alta, Serra Alta Northeast, Divisa, Gogo da Onça, Capitão Bit-3 and Magalhaes.

The field team is working to develop new drilling targets and performed 4,647m of trenches and 2,525 soil samples from several satellite targets at the MDC project, resulting in the identification of two new targets at Almirante and Ferradura Norte.

The Environmental Impact Study ("EIS") for the MDC project has been assessed by NATURATINS, the environmental state of Tocantins agency, and the corresponding Preliminary License (Licença Prévia-"LP") was issued in May this year. Currently, the company is expected to file the application for its License of Installation (Licença de Instalação-"LI") during Q4 this year.

At the Mont Sorcier iron and vanadium project operated by Cerrado's wholly owned subsidiary Voyager Metals Inc., work continued to advance the project with several workstreams related to permitting, social license and the overall feasibility study. Metallurgical test work on bulk samples are progressing to determine the optimal flow sheet design to be used in the feasibility study, with results expected later this year. Environmental baseline monitoring to support the future Environmental Impact Assessment submission is also ongoing as well as high level discussions with various communities and stakeholders within the Chibougamau region. During the quarter the initial project description for the Mont Sorcier Mine Project with the Impact Assessment Agency of Canada (IAAC) was submitted and initial feedback has been received and is being reviewed. Submission of the provincial documentation is expected shortly.

(Expressed in US dollars)

## 2023 HIGHLIGHTS

### Operational Performance

### Minera Don Nicolas

MDN is a remote mining operation with a self-sustaining camp facility. The MDN operation is running steadily, and lessons learned in ore control and short term mine planning continue to deliver the required gold grades. Reverse Circulation ("RC") drilling campaigns and increased sampling campaigns continued during the second quarter to ensure better understanding of the vein structures in the various pits. At the new Calandrias heap leach project mining and ore placement on the heap leach pad commenced during the quarter. To date, over 400,000 tonnes of ore have been placed on the pad and irrigation capacity continues to expand as the pad is developed, which is expected to result in a steady ramp up of gold production over the coming months. Construction of the crushing plant is in progress and commissioning activities is expected to start in November 2023.

At the nearby Calandrias Norte deposit, the pit design was completed during the quarter and waste stripping has commenced, opening up a new source of high-grade ore to feed the CIL plant. Pre-stripping was completed in early November, stripping is ongoing with fresh ore expected to be delivered to the mill in December for processing.

Operational results presented for Q3 2023 were impacted by poor operating conditions during the quarter, most notedly extremely poor wet winter weather conditions followed by freezing temperatures, resulting in lower than planned mined ore production rates and lower than planned ore grades processed through the mill. Wet ore also reduced plant throughput. At the new Calandrias heap leach project, work continued as the operation remained in the commissioning phase during the quarter. Initial ramp up was impacted by freezing conditions reducing initial irrigation rates which has now been addressed. Finalization of the crushing plant has now been completed, which should also see more consistent feed to the pad and improve overall performance going forward. Approximately 650 oz were produced in the quarter, which are excluded from the current production results. Production is set to achieve nameplate production rates from January thereafter. Gold production is expected to increase with the mine focusing on developing new reserves and the addition of the Calandrias Heap-leach and high-grade material from Calandrias Norte.

Since the end of the quarter operating performance has returned to more normalized levels with October and November seeing shipments of approximately 5,600 and 5,470 GEO, respectively.

### Financial Performance

### Minera Don Nicolas

| Key Operating Information | | Unit | Q3 Sep. 30, 2023 | Q2 June 30, 2023 | Q1 Mar. 31, 2023 | Q4 Dec. 31, 2022 | Q3 Sep. 30, 2022 | Q2 Jun. 30, 2022 | Q1 Mar. 31, 2022 | Q4 Dec. 31, 2021 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Operating Data** | | | | | | | | | | |
| Ore Mined | | ktonnes | 55.9 | 75.09 | 73.06 | 109.45 | 84.79 | 91.69 | 89.22 | 120.50 |
| Waste Mined | | ktonnes | 1,349.28 | 1,143.56 | 1,391.36 | 1,256.00 | 1,265.08 | 1,129.77 | 879.12 | 1,061.13 |
| Total Mined | | ktonnes | 1,405.18 | 1,218.65 | 1,464.42 | 1,365.45 | 1,349.86 | 1,221.46 | 968.34 | 1,181.62 |
| Strip Ratio | | waste/ore | 24.14 | 15.23 | 19.04 | 11.48 | 14.92 | 12.32 | 9.85 | 8.81 |
| Mining rate | | ktpd | 15.27 | 13.39 | 16.27 | 14.84 | 14.67 | 13.42 | 10.76 | 12.84 |
| | | | | | | | | | | |
| Ore Milled | | ktonnes | 83.37 | 92.91 | 97.65 | 94.39 | 98.92 | 102.88 | 98.67 | 109.89 |
| Head Grade Au | | g/t | 3.19 | 4.84 | 4.59 | 5.83 | 4.40 | 3.44 | 4.68 | 4.77 |
| Head Grade Ag | | g/t | 5.16 | 4.95 | 5.71 | 7.39 | 11.58 | 9.95 | 14.85 | 17.94 |
| Recovery Au | | % | 93% | 83% | 92% | 95% | 91% | 91% | 89% | 89% |
| Recovery Ag | | % | 65% | 56% | 67% | 66% | 66% | 67% | 58% | 57% |
| | | | | | | | | | | |
| Mill Throughput | | tpd | 906 | 1,021 | 1,085 | 1,026 | 1,075 | 1,131 | 1,096 | 1,194 |
| Gold Ounces Produced | | oz | 9,972 | 12,336 | 13,794 | 17,187 | 11,015 | 11,296 | 13,007 | 15,008 |
| Silver Ounces Produced | | oz | 8,809 | 9,556 | 13,301 | 14,962 | 22,419 | 28,721 | 27,107 | 27,579 |
| Gold Ounces Sold | | oz | 11,263 | 10,907 | 16,005 | 14,545 | 10,522 | 10,981 | 14,622 | 12,864 |
| Silver Ounces Sold | | oz | 9,071 | 9,242 | 15,349 | 12,800 | 22,355 | 27,775 | 32,866 | 26,268 |
| | | | | | | | | | | |
| AISC - Minera Don Nicolas | (1) | $/oz | $1,703 | $1,318 | $1,145 | $1,015 | $1,494 | $1,409 | $1,123 | $995 |

(1) This is a non-IFRS performance measure, see non-IFRS Performance Measures

**Nine months ended September 30, 2023**

The Company produced 36,486 gold equivalent ounces ("GEO") during the nine months ended September 30, 2023, as compared to 36,312 GEO for the nine months ended September 30, 2022. Production is higher in the nine months ended September 30, 2023, due to 2% higher gold head grade offset by 9% lower throughput.

The Company generated revenue of $70.2 million for the nine months ended September 30, 2023, from the sale of 38,175 ounces of gold and 33,662 ounces of silver at an average realized price per gold ounce sold of $1,819 and average realized silver price of $23 per ounce sold. For the nine months ended September 30, 2022, the Company generated revenue of $65.5 million from the sale of 36,124 ounces of gold and 82,995 ounces of silver at an average realized price per gold ounce sold of $1,763 and average realized silver price of $22 per ounce sold. Revenue and sales of gold for the current period are higher than the nine months ended September 30, 2022, due to higher ounces sold as a result of higher gold grades and higher average realized price per gold ounce sold.

Cost of sales for the nine months ended September 30, 2023, were $57.7 million as compared to $53.6 million for the nine months ended September 30, 2022. The Company incurred $4.5 million higher production costs for the nine months ended September 30, 2023 due to higher costs of operational contractors and materials, and higher labour costs in 2023 as compared to 2022.

Total cash costs (including royalties) per ounce sold was $1,349 per ounce in the nine months ended September 30, 2023, as compared to $1,268 per ounce for the nine months ended September 30, 2022 a $81 per ounce or 6% increase (refer to reconciliation of Non-IFRS performance metrics). The increase is a result of higher production costs incurred in 2023 as compared to 2022.

Net loss for the nine months ended September 30, 2023, was $8.3 million as compared to a $4.8 million loss for the nine months ended September 30, 2022. The increase in net loss is primarily a result of an increase in tax expense of $4.3 million, a $1.6 million increase in expense on remeasurement of the secured note and stream and a $2.4 million increase in general and administrative expenses.

The Company incurred general and administrative expenses of $9.0 million for the nine months ended September 30, 2023, as compared to $6.6 million of general and administrative expenses incurred during the nine months ended September 30, 2022. For the nine months ended September 30, 2023 there was an increase in salaries and wages of $1.9 million.

Other expenses incurred of $6.0 million during nine months ended September 30, 2023, include non-cash finance costs of $3.5 million related to accretion of deferred revenue, $1.5 million related to accretion of future consideration payable, and $2.3 million related to fair value remeasurement of secured note payable, offset by foreign exchange gain.

**Third quarter ended September 30, 2023**

The Company produced 10,082 GEO during the third quarter ended September 30, 2023, as compared to 11,284 GEO for the third quarter ended September 30, 2022. Production is lower in the three months ended September 30, 2023, due to lower than planned ore production impacted primarily by poor weather conditions, also resulting in 28% lower gold head grade.

The Company generated revenue of $21.6 million for the third quarter ended September 30, 2023, from the sale of 11,263 ounces of gold and 9,071 ounces of silver at an average realized price per gold ounce sold of $1,897. For the third quarter ended September 30, 2022, the Company generated revenue of $17.8 million from the sale of 10,522 ounces of gold and 22,355 ounces of silver at an average realized price per gold ounce sold of $1,652. Revenue and sales of gold for the current period are higher than the quarter ended September 30, 2022, due to higher average gold price.

Cost of sales for the third quarter ended September 30, 2023, were $20.3 million as compared to $17.7 million for the quarter ended September 30, 2022. The Company incurred $3.6 million higher production costs for the third quarter ended September 30, 2023.

Total cash costs (including royalties) per ounce sold was $1,689 per ounce in the third quarter ended September 30, 2023, as compared to $1,461 per ounce for the third quarter ended September 30, 2022 a $228 per ounce increase (refer to reconciliation of Non-IFRS performance metrics). The increase is a result of higher production costs incurred in 2023 as compared to 2022.

Net loss for the third quarter ended September 30, 2023, was $0.4 million as compared to a $6.6 million loss for the third quarter ended September 30, 2022. There was a $3.5 million increase in mine operating margin in 2023 which is a result of higher metal sales in the third quarter ended September 30, 2023.

The Company incurred general and administrative expenses of $3.3 million for the third quarter ended September 30, 2023, as compared to $2.9 million of general and administrative expenses incurred during the third quarter ended September 30, 2022. For the three months ended September 30, 2023 there was an increase in salaries and wages of $0.2 million and professional fees of $0.2 million.

Other income of $1.8 million during the third quarter ended September 30, 2023, include non-cash finance costs of $1.2 million related to accretion of deferred revenue, $0.5 million related to accretion of future consideration payable offset by $0.7 million related to fair value remeasurement of secured note payable.

## CORPORATE DEVELOPMENTS

### Project Finance

On April 17, 2023, the Company announced that it had jointly appointed SD Capital Advisory Limited ("SDCA") and GKB Ventures ("GKB") to structure and arrange Export Credit Agency ("ECA") supported project finance for the development of the Company's Monte do Carmo Project.

SDCA is a London-based independent financial boutique that focuses on securing project finance for corporates and mining/resources companies in developed and emerging markets. The firm specializes in strategic business advisory, financial modelling, and credit analysis. The team consists of experienced finance professionals with major multinational, banking, and emerging markets experience complemented by geological and process engineering expertise.

GKB is an award-winning independent consultancy helping clients to secure cross-border transactions and access international finance via ECAs. GKB has a track record of delivering knowledge and access to government-supported schemes, including ECA financing, creating bespoke solutions which are scalable for the long term. GKB founders include the previous Managing Director and Global Head of Barclays Capital Export Credit Agency & Structured Trade Finance business and the previous Head of Emerging Markets on the Capex Financing Solutions team at Barclays. GKB is currently appointed on over US$4 billion of structured ECA financings and has successfully closed over US$1bn of projects with ECA support in the developing markets.

SDCA and GKB are currently engaged by Nouveau Monde Graphite Inc. and Lake Resources Ltd. and have secured interest from several ECAs to support approximately 70% of the respective project's development costs with ECA-backed project financing.

On July 5, 2023, the Company announced that it has received and accepted an Expression of Interest ("EOI") from UK Export Finance ("UKEF") to support a potential export credit facility for the Company's Monte do Carmo Project ("Monte do Carmo" or the "Project") located in Brazil. The EOI provides support for up to US$190 million for the Project representing 70% of total capital expenditure, interest payable during construction, the political risk insurance premium as well as other approved expenditures for the Project.

UKEF is a department of the UK Government and is the UK's official Export Credit Agency ("ECA"). UKEF operates under an Act of Parliament to support UK exports, predominately through the provision of 100% unconditional guarantees backed by the UK Government. UKEF's mandate is to promote and support exports from British companies into the global market and as such UKEF provides political and commercial guarantees to project lenders, thereby lowering the overall project risk to the lender and resulting in lower costs of capital. This reduces the cost of debt to Cerrado Gold whilst at the same time extending tenors and creating debt capacity not normally available in the commercial bank market. To secure such support, project developers commit to a pre-agreed level of procurement from UK-based organizations for goods, services and materials.

UKEF's engagement with the project is at an early stage. UKEF's EOI is not a legally binding commitment and is subject to a series of standard project finance terms and due diligence, including, among others, suitable structured offtake contracts, the successful completion of the Definitive Feasibility Study (DFS), and an Environmental and Social Impact Assessment (ESIA) to Equator Principles. The EOI provides an indication of currently available country limits, an indication of the attractiveness of the project, and it covers, in principle, the level of financial support, their flexibility and desired conditions.

UKEF's EOI is in line with the OECD Arrangements for Officially Supported Export Credits and stipulates minimum UK content requirements whilst enabling equipment to be sourced locally and from other countries.

The company has selected UKEF based on numerous factors related to the terms of the Expression of Interest and unique aspects of the capital spend at the Monte do Carmo Project.

Together with SDCA and GKB, the Company will now be soliciting interest from Project Finance Banks to act as Mandated Lead Arranger ("MLA") for the transaction. Once an MLA has been appointed, detailed due diligence will commence with the aim of receiving final terms for the ECA backed Project Financing at Monte do Carmo towards the end of the year.

On September 5, 2023 the Company announced that it has commenced the tender phase for the Mandated Lead Arranger ("MLA") of its ECA project financing project.

On October 18, 2023 the Company announced that following a successful and oversubscribed tender process, it has chosen two international banks to act as MLAs; one for the Monte Do Carmo Project and another as MLA for its Mont Sorcier Project in Quebec.

On November 21, 2023, further to the October 18, 2023 announcement in relation to potential ECA Support Project financing of up to $598 million, the Company has appointed the Toronto-Dominion Bank ("TD") as the MLA for its Mont Sorcier and Vanadium Project located in Quebec. Cerrado is also in the final stages of finalizing the appointment of the MLA for its Monte Do Carmo project in Brazil.

### Sprott Financing

On March 2, 2023 the Company entered into an amended and restated metals purchase and sale agreement with Sprott to include the concessions acquired by the Company in its acquisition of Minera Mariana Argentina SA in 2020, broadening the stream area including, most notably, production from the Las Calandrias heap leach project where production is expected to commence in Q3 2023. The agreement provides Cerrado with an additional $10.0 million in funding in the form of an additional deposit against future production. In this amended and restated streaming agreement with Sprott the step-down trigger has also been increased from 21,250 gold equivalent ounces to 29,500 gold equivalent ounces, all other material terms remain the same as the original agreement.

### Acquisition of Voyager Metals

Mont Sorcier is a well advanced, large, long-life and economically robust Project in a tier one mining jurisdiction. In September 2022, Voyager completed a Preliminary Economic Assessment (the "PEA") on Mont Sorcier, which outlined a project with an after-tax NPV of US$1.6 billion and IRR of 43% producing 5 million tonnes per annum of iron concentrates over a mine life of 21 years with annual free cash flow of US$235 million. The project is currently advancing towards completion of a bankable Feasibility Study expected by the end of 2023.

Under the terms of the Arrangement, Voyager shareholders received one common share of Cerrado for every six common shares of Voyager (the "Exchange Ratio"). The Exchange Ratio implied a consideration of CDN $0.1523 per Voyager Share based on the 20 day volume weighted average price ("VWAP") of the closing price of Cerrado common shares on the TSX Venture Exchange ("TSXV") on March 3, 2023, representing a 16.8% premium to 20-day VWAP of Voyager on the TSXV on March 3, 2023.

On May 25, 2023 the shareholders and option holders of Voyager approved the completion of the Arrangement. The Arrangement became effective on May 31, 2023 after receiving all approvals necessary and the Company acquired all of the issued and outstanding shares of Voyager that it did not already own.

## ARGENTINA OPERATIONS

### Las Calandrias Heap Leach Project

The Company continues to ramp-up production at its first gold heap leach project at its Las Calandrias deposit at the Minera Don Nicolás mine in Santa Cruz, Argentina. The Company completed the detailed design of the heap leach pad as well as completed the procurement and construction of the crushing plant and placed first ore on the pad was achieved during April 2023. First gold was poured from the Las Calandias Heap Leach Project in July 2023. Given weather production disruption in Q3/23 full production is now targeted for January 2024. The Calandrias Heap Leach is the first step in Cerrado's plans for growing production capacity at MDC.

## EXPLORATION

### Minera Don Nicolas Drilling Program

Drilling in 2023 has been focused on near mine and brownfield exploration.

In Q2 the company selected two main target areas as the most prospective zones permissive of high-grade mineralization. This includes shallow moderate tonnage targets in the Baritina/Chulengo block and deeper Sulfuro like targets in the vicinity of the southern shoot of the Sulfuro vein. Drilling in Q3 followed this rationale.

Drilling of the Chulengo/Baritina block in this quarter included Reverse circulation and diamond drilling in extensions of the know structural controlling trends of the know mineralization.

Recent revision of factually outlined mine ore bodies has allowed to notably improve the understanding of the second order controls on the development of high-grade shoots. This analysis has opened several areas for drilling. Active targets include Chulengo South East, Chulengo NW trend, Baritina North and Arana.

On September 11, 2023 Cerrado announced the highest grade intercept ever reported at its Minera Don Nicolas operation. RC Hole PA-RC23-123 intercepted outstanding results from 109m of 12m (apparent width) at 122.2 g/t gold, including 3m at 429.1 g/t from 109m. This intercept ranks within the top best metal content (linear grade: m* Au g/t) in MDN's all-time exploration drilling results. Additionally, 3 other relevant intercepts at 126m (2m at 2.9 g/t Au), 132m (1m at 2.4 g/t Au) and 142m (2m at 4.2 g/t Au) are interpreted as high-grade cores along parallel structures.

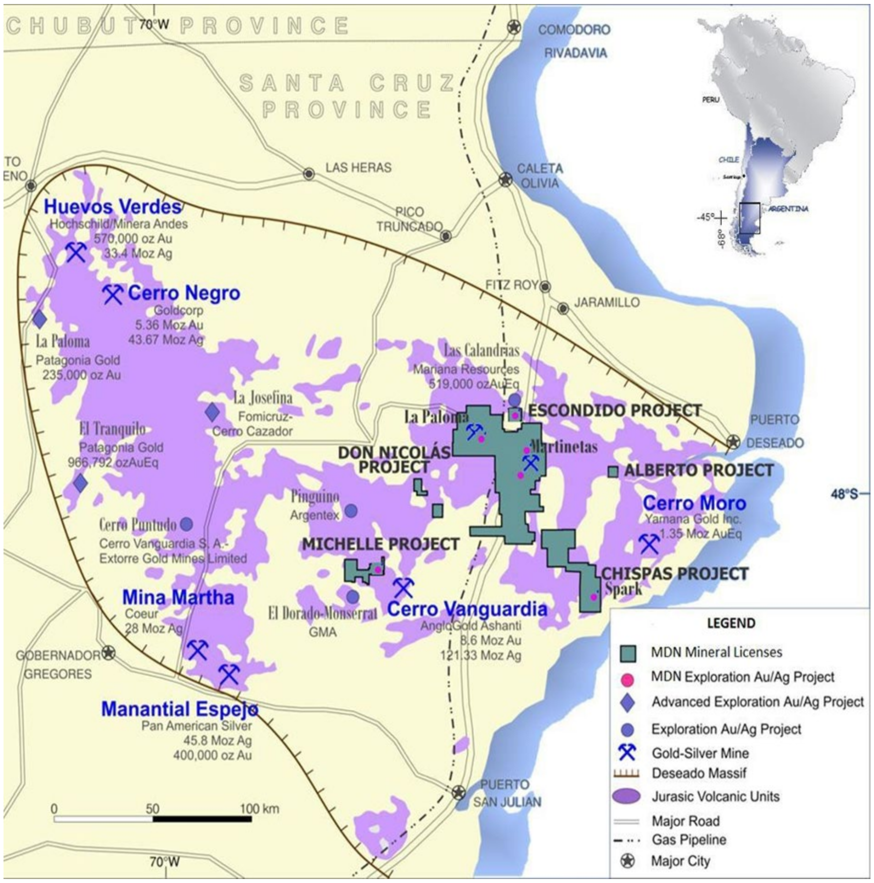
Hole PA-RC23-123 was collared approximately 150m to the west of MDN's operating high grade Chulengo pit. The hole was collared to target the extension of Chulengo's first order controlling structure. This West/Southwest trend can be traced on surface following intense hydrothermal alteration along a strike length of over 650m. The Chulengo high grade pit is located on the eastern edge of the trend, and the Baritina high grade pit sits 200m north of the western edge of the trend.

Follow up diamond drill holes completed in the target did not return similar results. The company is refining the minimum drill density parameters needed to fully outline shoot geometries as those developed in the actual Chulengo Pit. Dense drilling patterns within the Pit have been very successful in delineating relative small shoots at grades comparable to those reported in the exceptional intercept of hole PA-RC-123.

In Q2 2023 an internal resource update of the Paloma area including the domaining of the main ore shoots was completed jointly with a conceptual study of stope optimization and economic trade. Preliminary the studies show that the best potential lies in the South Sulfuro subvertical shoot and in a gentle plunging trend that goes through the pit bottom. Other areas that could be added into the UG mining concept include Esperanza and Rocio South.

Additionally, the company continued this quarter drilling a new target named Sulfuro East that has the potential of replicating a segment of the Sulfuro vein 400 m to the east of the known vein. Planning of drilling in step outs to the south of Sulfuro are also underway. These two target zones (East and South) are mainly driven by geophysical similarities to Sufuro (Magnetic, Chargeability and Resistivity).

The move towards underground mining is in keeping with the transitions undertaken at both MDN's neighbouring mines including, Pan American Silver's Cerro Morro operation and Anglo American's Cerro Vanguardia mine. Based upon current resources in place, Cerrado’s exploration team believes it can readily outline potential resources in excess of 100,000 ounces of gold in underground mineralized material to act as an additional source of feed to the mill.




Cerrado continued aggressive RC drilling in near mine and brownfield areas during Q1 2023. The main targets drilled this quarter include:

- Chulengo
- Baritina Norte
- Clara
- Microondas (Macarena and Quizas)
- Antena

Full results have been integrated into updated internal geological/resource models. Positive results (e.g. Clara) will be followed up with infill drilling, and pit economic optimization, ultimately contributing to the MDN life of mine.

(Expressed in US dollars)

## Monte do Carmo Project

### 2023 Resource Update

DRA completed as part of the Feasibility Report, a new resource estimate incorporating all the results of the 2021 and 2022 infill program including Pit Sur, Pit North, and the Eastern Zone.

### Mineral Resource Estimate

The MRE was established using data from boreholes drilled and sampled up to December 31, 2022. The in-pit resource estimate for the Serra Alta deposit includes Measured and Indicated Resources of 15,304 kt @ 1.65 g/t Au for 812-koz, and Inferred Resources of 345 kt @ 1.36 g/t Au for 15 koz; the underground portion includes Measured and Indicated Resources of 3,054 kt @ 2.03 g/t Au for 199 koz, and Inferred Resources of 708 kt @ 2.24 g/t Au for 51 koz. The resource estimate has been prepared using a marginal cut-off grade of 0.26 g/t Au for the in-pit resources; underground resources include low-grade blocks falling within underground reporting shapes to reflect realistic mining logistics. Both the open-pit and underground resources are reported using a gold price of US$ 1,850. Additional details on mining and processing modifying factors are provided in the footnotes for the table below.

**Serra Alta Deposit (Brazil) – Mineral Resources Summary, DRA Global Limited, October 31, 2023**

| | Category | Tonnage (kt) | Average Grade (g/t Au) | In-Situ Ounces (koz Au) |
|---|---|---|---|---|
| **Open-Pit[3,4,5]** | | | | |
| | Measured | 2,014 | 1.73 | 112 |
| | Indicated | 13,290 | 1.64 | 700 |
| | **Measured + Indicated** | **15,304** | **1.65** | **812** |
| | Inferred | 345 | 1.36 | 15 |
| **Underground[6,7,8]** | | | | |
| | Measured | 42 | 1.66 | 2 |
| | Indicated | 3,012 | 2.04 | 197 |
| | **Measured + Indicated** | **3,054** | **2.03** | **199** |
| | Inferred | 708 | 2.24 | 51 |
| **Total** | | | | |
| | **Measured** | **2,056** | **1.73** | **115** |
| | **Indicated** | **16,302** | **1.71** | **897** |
| | **Measured + Indicated** | **18,358** | **1.72** | **1,012** |
| | **Inferred** | **1,053** | **1.95** | **66** |

Notes:

1. The Mineral Resource Estimate has been estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definitions Standards for Mineral Resource and Mineral Reserve in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects. Mineral Resources which are not Mineral Reserves, do not have demonstrated economic viability.
2. Inferred Mineral Resources are exclusive of the Measured and Indicated Resources.
3. In-pit Resources are constrained by a Pseudoflow optimized pit shell using HxGn MinePlan™ software.
4. Pit shell was developed using a 50-degree pit slope, gold sales price of US$1,850/oz, mining costs of US$2.60/t, stockpile rehandling costs of US$0.60/t, processing costs of US$10.14/t, tailings costs of US$1.45/t, G&A costs of US$2.43/t, process recovery of 96.5%, refining costs of US$12.00/oz, transportation costs of US$10.74/oz, discount rate of 5%, and assumed production rate of 1.920 Mtpa.
5. In-pit estimates are reported in-situ, at a marginal cut-off grade of 0.26 g/t Au.
6. Underground mining stope optimization was performed using Deswik™ software.
7. Stope shapes were developed using a gold sales price of US$1,850/oz, mining costs of US$24.18/t, processing costs of US$10.14/t, tailings costs of US$1.45, G&A costs of US$2.43/t, process recovery of 95.3%, refining costs of U$12.00/oz, transportation costs of US$10.74/oz, and assumed production rate of 1,500 t/d.

(Expressed in US dollars)

8. Underground resources were estimated using a cut-off grade of 0.69 g/t Au; however, the reported in-situ figures include low-grade blocks estimated within underground reporting shapes.
9. Resource estimations were interpolated using Inverse Distance Weighting ($IDW^3$); Similarly, variable densities were interpolated using $IDW^2$.
10. The effective date of the Mineral Resource Estimate is October 31, 2023.
11. Figures have been rounded to an appropriate level of precision for the reporting of Mineral Resources. As a result, totals may not compute exactly as shown.

## Mineral Reserve Estimate

The Mineral Reserve Estimate was established using the Mineral Resource Estimate with the effective date of October 31, 2023. The total Mineral Reserve Estimate of the Serra Alta deposit includes Proven Reserves of 2 Mt @ 1.68 g/t Au for 109,000 oz (in-situ) and Probable Reserves of 14.8 Mt @ 1.66 g/t Au for 787,000 oz (in-situ). The reserve estimate has been prepared using a cut-off grade of 0.28 g/t Au for the in-pit reserves, and 0.8 g/t Au for the underground reserves. Both the open-pit and underground reserves are reported using an assumed gold sales price of US$ 1,850. Additional details on mining and processing factors are provided in the footnotes for the tables below.

The open pit design includes 14,344 kt of Proven and Probable Mineral Reserves at a grade of 1.62 g/t Au. To access these reserves, 112.5 Mt of waste rock must be mined resulting in a stripping ratio of 7.8 to 1.

The underground design includes 2,451 kt of Proven and Probable Mineral Reserves at a grade of 1.90 g/t Au. To access these reserves, 800 m twin ramps will be developed from a mine portal located in the Central Pit. A total of 19,400 m of lateral development in ore and waste will be required during the underground operation. The mining method selected for Monte do Carmo is long hole transverse open stoping with cemented rockfill with minimum stope width of 3 m and maximum height of 20 m.

The table below presents the mineral reserves for both the open pit and underground mine.

**Serra Alta Deposit (Brazil) - Mineral Reserve Estimate, DRA Global Limited. October 31, 2023**

| Category | Tonnage (kt) | Average Grade (g/t Au) | In-Situ Ounces (koz Au) |
|---|---|---|---|
| **Open Pit** [5, 6, 12] | | | |
| Proven | 1,976 | 1.68 | 107 |
| Probable | 12,368 | 1.61 | 639 |
| **Total Proven and Probable** | **14,344** | **1.62** | **746** |
| **Underground** [7, 8, 13] | | | |
| Proven | 39 | 1.81 | 2 |
| Probable | 2,412 | 1.91 | 148 |
| **Total Proven and Probable** | **2,451** | **1.90** | **150** |
| **Total** | | | |
| Proven | **2,015** | **1.68** | **109** |
| Probable | **14,780** | **1.66** | **787** |
| **Total Proven and Probable** | **16,795** | **1.66** | **895** |

Notes:
1. The Mineral Reserves have been estimated respectively by the open pit and underground Reserves QP.
2. The Mineral Reserves have been estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definitions Standards for Mineral Resource and Mineral Reserve in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects.
3. Mineral Reserves are included in the Mineral Resources Estimate.
4. Open pit Mineral Reserves were developed by a Pseudoflow optimized pit shell using HxGn MinePlan™ software.

5. The pit shell was developed using a 50-degree pit slope, gold sales price of US$1,700/oz, mining costs of US$2.60/t, processing costs of US$10.14/t, tailing cost of US$1.45, G&A costs of US$2.43/t, refinery and transportation costs of US$22.74/oz, 96.5% process recovery and an assumed production rate of 1.92 Mtpa.
6. Underground Reserves were developed using Deswik™ software.
7. Underground stopes were developed using a gold sales price of US$1,700/oz, average underground mining costs of US$26.41$/t, processing costs of US$10.14/t, tailing cost of US$1.45/t, G&A costs of US$2.43/t, refinery and transportation costs of $US22.74/oz, 95.3% process recovery and an assumed underground production rate of 1,500 t/d.
8. The Mineral Reserves are inclusive of mining dilution and ore loss.
9. Contained gold estimate has not been adjusted for metallurgical recoveries.
10. Open pit Mineral Reserves are estimated using a marginal cut-off grade of 0.28 g/t Au.
11. Underground Mineral Reserves are estimated using a mining cut-off grade of 0.8 g/t Au.
12. Effective date of the Mineral Reserve estimate is October 31, 2023.
13. Figures have been rounded to an appropriate level of precision for the reporting of Mineral Reserves. As a result, totals may not compute exactly as shown.

Additionally, in Q3 2023, the Company continued the exploration program at Monte Do Carmo, initiated in Q1. The focus this quarter included new areas outside the Serra Alta Resource outline including Divisa, Bit 3, Bit 3 and Alzireno.

**Divisa**

Divisa is located 12 km to the Northwest of Serra Alta. The Cerrado exploration team advanced a trenching and soil program in Q1, defining several drilling targets. The geology is dominated by shear zones affecting volcano sedimentary and ultramafic sequences. Gold anomalies from soil samples extend along a corridor of approximately 10 km, between Bit 3 that includes as relevant interception 12m@ 1.99 Au g/t (hole FLD-01, see description below). Drilling completed in Q2 confirmed quartz veining in sheared zones which surface projection includes core of soil/trenches anomalies and some artisanal mining pits (Garimpos)

**Capitao**

The Capitao Target is located 6 km to the south of the Serra Alta deposit along the same granite complex. The Company drilled 4 holes in the first quarter of 2022, totaling 14 drill holes and 5,115m of drilling including 2021 holes. Integrated results have notably expanded the footprint of the target previously constrained by historic drilling (Kinross 2007). After successful extensional step outs, a strike length of 500m with notable wide lateral extents up to 700m has been confirmed. Three holes were completed in Q2 targeting step out extensions to the north of the known mineralized corridor. Encountered mineralization is of lower tenor.

**Alzireno**

The Alzireno target is located 10 km south of Serra Alta. Mineralization consist in discrete quartz veins hosted in the granitic complex. Veins have kilometric strike length with mineralization apparently concentrated in certain segments. The company is conducting the first round of drilling after positive grab samples and structural mapping results.

**Baru**

The Baru Target is located one kilometre to the west of the south pit at Serra Alta. To date, 12 holes have been completed totaling 3,278m. Hole FBU-008 was drilled in section with hole FBU-004 (discovery hole reported on December 15th, 2021) and confirmed mineralization in the immediate footwall of the Agua Suja fault. A relevant intercept of this hole includes 18.59m at 0.95 g/t Au from 83.20m. Integrated results warrant further investigation along strike, in particular towards the south where the granitic host is exposed. Trenching completed in Q2 and early Q3 is being integrated into a new drilled program to commence in the third quarter.

**Fartura**

The Fartura Target is located 2km to the northwest of Serra Alta, also sitting along the granite complex contact zone. Drill Holes FFA-007 and FFA-008 were drilled to test down dip extension of the projected mineralization previously intercepted at shallow levels. Both were successful in providing continuity: FFA-08 intercepted 5.07m at 0.79 g/t gold that can be correlated with the high-grade intercept from hole FFA-001 that included 5.35m at 1.85 g/t Au (see press release from December 15th, 2021). Current geological modelling confirms that the host rock of the shallow mineralization (mined informally on surface) in Fartura is a porphyritic felsic volcanic. The current known outline of mineralization at Fartura extends for over 200m in strike length and is open both to the north (under sedimentary volcanic) and to the south.

**Bit-3**

The Bit-3 Targets are located 13 km to the northwest of Serra Alta. Relevant gold grades from a biotite-quartz altered zone were returned in drill holes FLD-05 and FLD-06 (6.72 m at 1.50 g/t Au and 14.2m@ 0.69 Au g/t, respectively). The other drill holes successfully intersected the continuity of shear zone, but with minor gold tenors. The current geological model of the mineralized zone indicates the potential of a down plunge and north strike extension. The sheared contact between granite and ultramafic rocks extends to the northeast for about 15 Km. This regional trend has undergone no systematic exploration and opens a new exploration front for the current scope of expanding the district gold resource. It is believed that along this strike length there is potential for replicating high grade shoots as the one preliminary shaped in Bit-3. There is a notable correlation of the modelled plunge with a flexure along the shear zone as revealed by the 3D magnetic inversion. The company is following second order controls, like flexures or structure intersections, along the permissive shear zone for targeting. A rig has mobilized to the target in the third quarter.

**Metallurgy Results**

Cerrado completed metallurgical testing and confirmed the recoverability of gold by gravity concentration and flotation followed by CIL leaching of float concentrate. The results of the test work, support recoveries up to 95.3%. The final leached tailings will be submitted to detox circuit before sending it to final co-disposal. The percentage of gold recovered by gravity and flotation allows for a simple design layout with CIL leaching, which reduces up front capital requirements. Metallurgical test work also indicates that the waste rock and detoxed tailings are generally neutral by nature, which points to amenable disposal of mineral residues making it easier to deploy environmentally and more affordable.

### Serra Alta Feasibility Study

The Feasibility Study Technical Notice was released on 2 November.

Key outcomes from the study include the following:

| **Production** | **Units** | **Value** |
|---|---|---|
| Steady State Throughput | Mtpa | 1.92 |
| Average Annual Production | K oz per annum | 94,797 |
| Life of Mine | Years | 9.0 |
| Life on Mine Au Recovery | % | 95.23 |
| Total Ore Mined – Open Pit | Mt | 14.3 |
| LOM Average Stripping Ratio | x | 7.84 |
| Total Ore Mined – Underground | Mt | 2.5 |
| Total Recovered Gold (Payable) | Ounces | 853,172 |
| **Operating Costs** | **Units** | **Value** |
| Open Pit Mining | US$/tonne | 16.83 |
| Underground Mining | US$/tonne | 22.86 |
| Processing | US$/tonne | 9.32 |
| Water and Tailings Management | US$/tonne | 1.45 |
| G&A | US$/tonne | 2.43 |
| Total Cash Costs | US$/oz | 604.2 |
| **AISC** | **US$/oz** | **710.8** |
| **Capital Expenditure** | **Units** | **Value** |
| Initial Capital | US$ M | 170.8 |
| Contingency | US$ M | 15.8 |
| Total Upfront Capital | US$ M | 186.6 |
| Sustaining Capital | US$ M | 68.8 |
| Closure Costs | US$ M | 15 |
| **Total Capital** | **US$ M** | **270.4** |
| **Financial Results** | **Units** | **Value** |
| Pre-Tax NPV | US$ M | 441 |
| Pre-Tax IRR | % | 35 |
| Pre-Tax Payback Period | Years | 2.2 |
| **After Tax NPV** | **US$ M** | **369** |
| **After Tax IRR** | **%** | **32** |
| After Tax Payback Period | Years | 2.4 |
| **Assumptions** | **Units** | **Value** |
| Gold Price | US$/oz | 1,750 |
| Discount Rate | % | 5.0 |

## DISCUSSION OF OPERATIONS

The following table provides a summary of the Company's key operating information and statistics for the three and nine months ended September 30, 2023 and 2022.

### Selected Operating and Financial Information

| Key Operating Information | | Unit | Three Months Ended September 2023 | Three Months Ended September 2022 | Nine months ended September 2023 | Nine months ended September 2022 |
|---|---|---|---|---|---|---|
| **Operating Data** | | | | | | |
| Ore Mined | | ktonnes | 55.90 | 84.79 | 204.05 | 265.69 |
| Waste Mined | | ktonnes | 1,349.28 | 1,265.08 | 3,884.21 | 3,273.97 |
| Total Mined | | ktonnes | 1,405.18 | 1,349.86 | 4,088.26 | 3,539.66 |
| Strip Ratio | | waste/ore | 24.14 | 14.92 | 19.04 | 12.32 |
| Mining rate | | ktpd | 15.27 | 14.67 | 14.98 | 12.97 |
| Ore Milled | | ktonnes | 83.37 | 98.92 | 273.93 | 300.47 |
| Head Grade Au | | g/t | 3.19 | 4.40 | 4.25 | 4.16 |
| Head Grade Ag | | g/t | 5.16 | 11.58 | 5.29 | 12.10 |
| Recovery Au | | % | 93% | 91% | 89% | 90% |
| Recovery Ag | | % | 65% | 66% | 65% | 64% |
| Mill Throughput | | tpd | 906 | 1,075 | 1,003 | 1,101 |
| Gold Ounces Produced | | oz | 9,972 | 11,015 | 36,101 | 35,317 |
| Silver Ounces Produced | | oz | 8,809 | 22,418 | 31,665 | 80,841 |
| Gold Equivalent Ounces Produced | | oz | 10,082 | 11,284 | 36,486 | 36,312 |
| Gold Ounces Sold | | oz | 11,263 | 10,522 | 38,175 | 36,124 |
| Silver Ounces Sold | | oz | 9,071 | 22,355 | 33,662 | 82,995 |
| Gold Equivalent Ounces Sold | | oz | 11,374 | 10,788 | 38,582 | 37,135 |
| **Average realized price and Average realized margin** | | | | | | |
| Metal Sales | | $ 000's | 21,574 | 17,819 | 70,225 | 65,536 |
| Cost of Sales | | $ 000's | 20,270 | 17,721 | 57,712 | 53,633 |
| Gross Margin from Mining Operations | | $ 000's | 1,304 | 98 | 12,513 | 11,903 |
| Average realized price per gold ounce sold | (1) | $/oz | 1,897 | 1,652 | 1,819 | 1,763 |
| Total cash costs per gold ounce sold | (1) | $/oz | 1,689 | 1,461 | 1,349 | 1,268 |
| Average realized margin per gold ounce sold | (1) | $/oz | 207 | 191 | 470 | 495 |
| Total Direct Operating Costs | (1) | $ 000's | 17,336 | 13,476 | 44,458 | 38,878 |
| Royalties and production taxes | (1) | $ 000's | 1,691 | 1,897 | 7,037 | 6,938 |
| Total Cash Costs | (1) | $ 000's | $19,027 | $15,373 | $51,495 | $45,816 |
| Total direct operating costs per gold ounce sold | (1) | $/oz | 1,539 | 1,281 | 1,165 | 1,076 |
| Royalties and production taxes per gold ounce sold | (1) | $/oz | 150 | 180 | 184 | 192 |
| Total cash costs per gold ounce sold | (1) | $/oz | $1,689 | $1,461 | $1,349 | $1,268 |
| AISC - Minera Don Nicolas | (1) | $/oz | $1,703 | $1,494 | $1,359 | $1,318 |

(1) This is a non-IFRS performance measure, see non-IFRS Performance Measures

| Corporate Financial Highlights | | Unit | Three Months Ended September 2023 | Three Months Ended September 2022 | Nine months ended September 2023 | Nine months ended September 2022 |
|---|---|---|---|---|---|---|
| **Financial Data** | | | | | | |
| Total revenue | | $ 000's | 21,574 | 17,819 | 70,225 | 65,536 |
| Mine operating expenses | | $ 000's | 20,270 | 17,721 | 57,712 | 53,633 |
| Income from mining operations | | $ 000's | 1,304 | 98 | 12,513 | 11,903 |
| Net income (loss) | | $ 000's | (404) | (6,622) | (8,270) | (4,762) |
| Adjusted EBITDA | (1) | $ 000's | 30 | 746 | 13,064 | 13,365 |
| Operating cash flow before movements in working capital | (1) | $ 000's | 2,314 | (704) | 19,349 | 7,280 |
| Operating cash flow | | $ 000's | 10,268 | (600) | 37,543 | 5,729 |
| Cash and cash equivalents | | $ 000's | 11,565 | 9,469 | 11,565 | 9,469 |
| Working capital (deficiency) | | $ 000's | (58,338) | (6,874) | (58,338) | (6,874) |
| Capital Expenditures | | $ 000's | 13,583 | 2,922 | 34,822 | 6,996 |

(1) This is a non-IFRS performance measure, see non-IFRS Performance Measures

The Company recognizes revenue from provisional invoicing once all the performance obligations have been fulfilled and control is transferred to the customer. Final metal pricing occurs according to the quotational period stated in the offtake agreement and changes in metal prices during the quotational period may have a significant impact on the financial results of the Company.

## LIQUIDITY & CAPITAL RESOURCES

The Company's Consolidated Financial Statements have been prepared on the basis of accounting principles applicable to a going concern, which contemplates that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

As at September 30, 2023, the Company had an accumulated deficit of $37.4 million, an increase of $8.1 million from December 31, 2022. The Company's cash and cash equivalents balance at September 30, 2023 was $11.6 million. This is an increase from cash and cash equivalents balance of $5.9 million at December 31, 2022. The key contributor to the Company's working capital deficiency position at September 30, 2023 is a higher current debt payable of $46 million and higher trade and other payables of $41.2 million. The Company is currently in advanced discussions with several counterparties to raise capital to address cash requirements and address the working capital deficiencies and to adjust the maturity of a portion of the current debt raised in Argentina to more closely match that of the mine life expected for the heap leach operations as compared to the short duration currently in the facilities.

The Company's ability to continue as a going concern is dependent upon its ability to raise additional financing to be able to further explore its mineral properties, retain mining rights and to meet ongoing requirements for general operations. Even if the Company has been successful in the past in doing so, there can be no assurance that additional debt or equity financing will be available to meet these requirements or available on terms acceptable to Cerrado. These matters represent a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern. Refer to note 1 of the unaudited condensed interim consolidated financial statements.

Failing a change in Argentine currency controls, the Company's long-term viability depends upon its ability to realize value from its principal asset, Monte do Carmo. The Company's primary objective is to maintain adequate liquidity in order to preserve, enhance, and realize value from Monte do Carmo to achieve positive returns for shareholders. The Company's funding strategy is to maintain a low expenditure profile, realize value from its remaining non-core assets and, when necessary, issue additional equity or find other means of financing. The underlying value and recoverability of the amounts shown as exploration and evaluation assets and plant and equipment as presented in the Condensed Consolidated Balance Sheet depend on market and industry conditions, the Company's ability to attract sufficient capital resources to execute its strategy, and the ultimate success of its programs to enhance and realize value at Monte do Carmo.

The unaudited condensed interim consolidated financial statements do not include adjustments to the carrying values of recorded assets and liabilities that might be necessary should the Company be unable to continue as a going concern. These adjustments may be material.

### Financings

On April 17, 2023, the Company announced that is had jointly appointed SD Capital Advisory Limited (“SDCA”) and GKB Ventures (“GKB”) to structure and arrange Export Credit Agency (“ECA”) supported project finance through a competitive bid for the development of the Company’s Monte do Carmo Project.

On November 2023, the Company announced that it had appointed TD as the MLA for its Mont Sorcier and Vanadium Project located in Quebec. Cerrado is also in the final stages of finalizing the appointment of the MLA for its Monte Do Carmo project in Brazil.

### Cash Flows

The Company’s cash balance was $11.5 million at September 30, 2023 as compared to $5.9 million at December 31, 2022.

#### Operating activities

Cash provided by operating activities during the nine months ended September 30, 2023, was $37.5 million compared to cash provided by operating activities of $6.8 million for the nine months ended September 30, 2022. Cash provided by operating activities before working capital reflects the higher head grades achieved by the Company in 2023 and consisted of $19.3 million as compared to $8.3 million of cash provided by operating activities before working capital changes in 2022.

Cash provided by operating activities during the third quarter ended September 30, 2023, was $10.3 million compared to cash used in operating activities of $0.5 million for the third quarter ended September 30, 2022. Cash provided by operating activities before working capital changes in 2023 consisted of $2.3 million as compared to $0.4 million of cash provided by operating activities before working capital changes in 2022.

#### Investing activities

Cash used in investing activities during the nine months ended September 30, 2023, was $48.7 million and consisted primarily of additions to exploration and evaluation assets of $13.5 million, additions to property, plant and equipment of $29.8 million, acquisition of Voyager of $2.4 million and future consideration paid of $2.0 million compared to $20.4 million of cash used in investing activities for the prior year period which consisted primarily of additions to exploration and evaluation assets of $10.6 million, additions to plant and equipment of $1.5 million and future consideration paid of $10.0 million, offset by an increase in restricted cash of $6.0 million.

Cash used in investing activities during the third quarter ended September 30, 2023, was $18.5 million and consisted primarily of additions to exploration and evaluation assets of $6.1 million, additions to property and plant and equipment of $10.9 million compared to $8.6 million of cash used in investing activities for the prior year period which consisted primarily of additions to exploration and evaluation assets of $4.3 million and additions to plant and equipment of $0.5 million.

#### Financing activities

Cash provided by financing activities during the nine months ended September 30, 2023, was $17.0 million which consisted primarily of additional promissory note payables of $17.3 million, offset by interest paid of $2.6 million and advances to related party of $3.1 million, compared to cash provided by financing activities of $21.5 million in the prior year period which consisted primarily of $20.0 million in proceeds from the secured note payable funding.

Cash used in financing activities during the third quarter ended September 30, 2023, was $14.1 million which consisted primarily of the proceeds from promissory note payable of $6.9 million, advance payment from facility borrowings of $3 million, offset by revolving facility repayments of $5.8 million, advances to related party of $0.5 million and interest paid of $0.3 million compared to cash used in financing activities of $3.3 million in the prior year period which consisted primarily of revolving facility repayments of $5.3 million and interest paid of $0.9 million.

The Company is dependent on external financing to fund its mineral exploration and evaluation activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company raised $10 million in March 2023 through an equalization payment with Sprott to fund the expansion of the mining operations at the MDN mine and for general and corporate purposes. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

## Commitments

The Company has the following commitments as of September 30, 2023: lease obligation, land acquisition obligation, debentures and secured note payable interest.

There are also three royalty agreements that apply to the Company’s Don Nicolás Mine, described as follows:

(i) A royalty payable to the province of Santa Cruz in the amount of up to 3% of the metal value extracted from the mine. The value of the royalty is calculated based on the market value of metals contained in the commercial production from the mine, less the direct and/or operating costs required to commercialize the metals, not including any financial costs, amortization expense or any profit distribution.

(ii) A 2% royalty on the refined product, payable to Royal Gold Inc. based on a royalty agreement enacted and updated on August 16, 2013. The royalty is applicable to all areas of the Company and its properties which are currently under production. The obligations under this royalty agreement are backed by a first mortgage granted to Royal Gold on a number of the Company’s mineral properties owned in the province of Santa Cruz, named as follows: Syrah, La Paloma I, Micro I, Micro II, Mar III, Mar IV, Gol I, Gol II, Armadillo, Dorcón 3, Dorcón 4, Estrella I and Estrella II.

(iii) A royalty of $3 per gold ounce, to a maximum of $2 million payable to Sandstorm Gold Limited based on an agreement executed on February 28, 2006. This royalty is applicable to all areas of the Company and its properties which are currently under production.

As of September 30, 2023, the Company had the following undiscounted contractual commitments.

(Expressed in $000’s)

| | | Payments due by period | | | |
|---|---|---|---|---|---|
| | | <1 years | 1-5 years | 5> years | Total |
| Trade and other payables | $ | 41,204 | - | - | 41,204 |
| Lease obligations (i) | $ | 640 | 885 | - | 1,525 |
| MDN acquisition payments (i) | $ | 10,000 | 10,000 | - | 20,000 |
| Revolving prepayment facility (i) | $ | 11,500 | - | - | 11,500 |
| Advance payment facility (i) | $ | 3,062 | - | - | 3,062 |
| Secured note payable (i) | $ | - | - | 19,274 | 19,274 |
| Stream obligation (i) | $ | - | - | 1,372 | 1,372 |
| Interest on secured note payable | $ | 2,005 | 1,507 | - | 3,512 |
| Loan payable (i) | $ | 662 | - | - | 662 |
| Promissory note payable (i) | $ | 24,055 | 1,750 | - | 25,805 |
| Debentures payable (i) | $ | 3 | - | - | 3 |
| Land acqusition obligation payable (i) | $ | 1,758 | 2,197 | - | 3,955 |
| Environmental rehabilitation provision (i) | $ | 91 | - | 14,627 | 14,718 |
| | $ | 94,980 | 16,339 | 35,273 | 146,592 |
| (i) Undiscounted basis | | | | | |

## SUMMARY OF QUARTERLY RESULTS

The following table provides highlights, extracted from the Company's financial statements, of quarterly results for the past eight quarters.

| | | Three Months Ended | | | |
|---|---|---|---|---|---|
| | | September 30, 2023 | June 30, 2023 | March 31, 2023 | September 30, 2022 |
| Total assets | $ 000's | 249,680 | 225,211 | 193,595 | 140,711 |
| Total revenue | $ 000's | 21,574 | 21,152 | 27,499 | 17,819 |
| Net income (loss) for the period | $ 000's | (404) | (428) | (7,438) | (6,622) |
| Basic earnings (loss) per share | $/share | (0.00) | (0.01) | (0.09) | (0.08) |
| Diluted earnings (loss) per share | $/share | (0.00) | (0.01) | (0.09) | (0.08) |
| | | **Three Months Ended** | | | |
| | | **June 30, 2022** | **June 30, 2022** | **March 31, 2022** | **December 31, 2021** |
| Total assets | $ 000's | 130,979 | 130,979 | 138,485 | 109,813 |
| Total revenue | $ 000's | 20,333 | 20,333 | 27,384 | 23,100 |
| Net income (loss) for the period | $ 000's | (1,492) | (1,492) | 3,352 | 2,539 |
| Basic earnings (loss) per share | $/share | (0.02) | (0.02) | 0.04 | 0.03 |
| Diluted earnings (loss) per share | $/share | (0.02) | (0.02) | 0.04 | 0.03 |

Metal sales are derived from the MDN mine in Argentina which have maintained consistent levels over the previous eight quarters. Total assets have consistently increased over the prior eight quarters. The increase is mainly attributed to continued exploration and evaluation expenditures in the Monte do Carmo gold project in Brazil, additions to property, plant and equipment in Argentina as well as the acquisition of Voyager in the second quarter of 2023.

## CAPITAL STRUCTURE

The Company is authorized to issue an unlimited number of common and preferred shares, where each common share provides the holder with one vote.

As of November 28, 2023, the total number of common shares outstanding or issuable pursuant to other outstanding securities is as follows:

| Common Shares | Number |
|---|---|
| Outstanding | 98,283,572 |
| Issuable upon exercise of Cerrado Warrants | 1,779,755 |
| Issuable upon exercise of Cerrado Options | 13,196,933 |
| Issuable upon redemption of Cerrado RSUs | 4,618,047 |
| Issuable upon redemption of Cerrado DSUs | 1,425,000 |
| **Diluted common shares** | **119,303,307** |

Cerrado has not issued any preferred shares.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

## RELATED PARTY TRANSACTIONS

In accordance with IAS 24 Related Party Disclosures, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

(Expressed in US dollars)

### (a) Compensation of key management personnel

During the period ended September 30, 2023 and 2022 compensation of key management personnel is summarized as follows:

| | | **September 30 2023** | | September 30 2022 |
|---|---|---|---|---|
| Management and director compensation | **$** | **3,886** | $ | 1,848 |
| Share-based payments | | **1,418** | | 1,968 |
| | **$** | **5,304** | $ | 3,816 |

### (b) Due to and from related parties

In addition to the transactions detailed elsewhere in profit or loss, the Company shares administrative services and office space with Ascendant Resources Inc. ("Ascendant"), a company related by virtue of common directors and officers, and from time to time will incur third party costs on behalf of related parties. Related party transactions are recognized at the amounts agreed between the parties. Outstanding balances are due on demand, unsecured and settlement occurs in cash.

Ascendant
As at September 30, 2023, amounts owed from Ascendant in relation to shared services are $3.9 million (December 31, 2022 - $0.8 million).

On June 24, 2020, Ascendant was granted a total of 200,000 RSUs in the capital of Cerrado in exchange for administrative services provided. During the year ended December 31, 2020 Ascendant received 66,667 common shares of Cerrado in accordance with the vesting terms of the 200,000 RSUs granted on June 24, 2020. During the period-ended December 31, 2021, the Company approved the accelerated vesting of the final tranche of the 200,000 RSUs granted to Ascendant, where Ascendant received the remaining 133,333 common shares of Cerrado. The Company recognized these accelerated RSUs as fully vested in 2021, and expensed any remaining unamortized amounts related to these RSUs in 2021, recognized under share-based payment expense accordingly.

## CRITICAL ACCOUNTING ESTIMATES

Refer to Note 4 of the Cerrado Financial Statements for the year ended December 31, 2022.

## CHANGES IN ACCOUNTING POLICIES

Refer to Note 3 of the Cerrado Financial Statements for the year ended December 31, 2022.

## FINANCIAL INSTRUMENTS HIERARCHY AND FAIR VALUES

Refer to Note 24 of the Cerrado Financial Statements for the year ended December 31, 2022.

## NON-IFRS PERFORMANCE MEASURES

The non-IFRS performance measures presented do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be directly comparable to similar measures presented by other issuers.

### Non-IFRS Measures

### EBITDA

EBITDA is a non-IFRS measure that represents an indication of the Company's continuing capacity to generate earnings from operations before taking into account management's financing decisions, share based compensation, and costs of consuming capital assets, and management's estimate of their useful life. EBITDA comprises revenue less operating expenses before interest expense (income), property, plant and equipment amortization and depletion, and income taxes. Adjusted EBITDA has been included in this document. Under IFRS, entities must reflect in compensation expense the cost of share-based payments. In the Company's circumstances, share-based payments involve a significant accrual of amounts that will not be settled in cash but will settled by the issuance of shares in exchange for cash. EBITDA and Adjusted EBITDA do not have any standardized meaning prescribed by IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. EBITDA and Adjusted EBITDA exclude the impact of cash costs of financing activities and taxes, and the effects of changes in operating working capital balances, and therefore are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate EBITDA and adjusted EBITDA differently. As such, the Company has made an entity specific adjustment to EBITDA for these expenses. The Company has also made an entity-specific adjustment to the foreign currency exchange (gain)/loss.

The following table provides a reconciliation of net income (loss) to Adjusted EBITDA:

| Adjusted EBITDA | Unit | Three Months Ended September | | Nine months ended September | |
|---|---|---|---|---|---|
| | | 2023 | 2022 | 2023 | 2022 |
| Net income (loss) | $ 000's | (404) | (6,622) | (8,270) | (4,762) |
| *Adjusted for:* | | | | | |
| Depreciation | $ 000's | 1,076 | 1,933 | 5,530 | 6,033 |
| Transaction costs | $ 000's | 2 | 16 | 716 | 1,050 |
| Finance items | $ 000's | 2,071 | 2,531 | 7,221 | 6,119 |
| Share-based payments | $ 000's | 1,051 | 1,527 | 2,078 | 2,364 |
| Foreign currency exchange gain/loss | $ 000's | (3,349) | (14) | (4,686) | 393 |
| Remeasurement of secured note & stream obligation | $ 000's | (655) | 1,006 | 2,290 | 647 |
| Retroactive deferred revenue adjustment | $ 000's | - | - | 2,368 | - |
| Income taxes | $ 000's | 238 | 369 | 5,817 | 1,521 |
| **Adjusted EBITDA** | **$ 000's** | **30** | **746** | **$13,064** | **13,365** |

### Average realized price and Average realized margin

Average realized price and average realized margin per ounce sold are used by management and investors to better understand the gold price and margin realized throughout a period.

Average realized price is calculated as metal sales per the statement of comprehensive earnings and includes realized gains and losses on gold sales less silver sales, per ounce sold. Average realized margin represents average realized price per gold ounce sold less total cash costs per ounce sold.

| Average realized price and Average realized margin | | Three Months Ended September 2023 | 2022 | Nine months ended September 2023 | 2022 |
|---|---|---|---|---|---|
| Metal sales | $ 000's | 21,574 | 17,819 | 70,225 | 65,536 |
| Less: Silver sales | $ 000's | (213) | (435) | (781) | (1,847) |
| Revenues from gold sales | $ 000's | 21,361 | 17,384 | 69,444 | 63,689 |
| Retroactive deferred revenue adjustment | $ 000's | - | - | - | - |
| Normalized revenue from gold sales | $ 000's | 21,361 | 17,384 | 69,444 | 63,689 |
| Gold ounces sold | oz | 11,263 | 10,522 | 38,175 | 36,124 |
| Average realized price per gold ounce sold | $/oz | $1,897 | $1,652 | $1,819 | $1,763 |
| Less: Total cash costs per gold ounce sold | $/oz | ($1,689) | (1,461) | ($1,349) | (1,268) |
| **Average realized margin per gold ounce sold** | **$/oz** | **$207** | **$191** | **$470** | **$495** |

### Direct operating costs

The Company uses the non-IFRS measure of direct operating costs per gold ounce sold to manage and evaluate operating performance. The Company believes that, in addition to conventional measured in accordance with IFRS, certain investors use this information to evaluate the Company's performance and ability to generate cash flows. Accordingly, its is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance in accordance with IFRS. The Company considers mine operating expenses per gold ounce sold to be the most comparable IFRS measure to direct operating cost per gold ounce sold and has included calculations of this metric in the reconciliations with the applicable tables to follow.

Direct operating costs per gold ounce sold includes mine direct operating production costs such as mining, processing and administration but does not include depreciation in production, and royalties and production taxes.

### Total cash costs

Total cash costs is a common financial performance measure in the gold mining industry but with no standard meaning under IFRS. Cerrado Gold reports total cash costs on a sales basis. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, such as sales, certain investors use this information to evaluate the Company's performance and ability to generate operating earnings and cash flow from its mining operations. Management uses this metric as an important tool to monitor operating cost performance.

Total cash costs include production costs such as mining, processing, refining and site administration, sales expenses and royalties, less share-based compensation and net of silver sales divided by gold ounces sold to arrive at total cash costs per gold ounce sold. The measure also includes other mine related costs incurred such as mine standby costs and current inventory write downs. Production costs are exclusive of depreciation. Production costs include the costs associated with providing the royalty in-kind ounces. Other companies may calculate this measure differently.

### All-in Sustaining Costs

All-in Sustaining Costs per gold payable ounces includes mine direct operating costs (mining, administration and other mine related costs incurred) as well as refining and freight costs, royalties, corporate G&A and sustaining capital costs, less by-product credits, divided by gold payable ounces sold. The measure does not include depreciation, depletion, amortization and reclamation expenses.

The following table provides a reconciliation of Direct operating costs, Cash costs and All-in Sustaining Costs to mine operating expenses, as reported in the Company's consolidated statement of income for the third quarter and nine months ended September 30, 2023 and 2022:

| Direct operating costs | | Three Months Ended September 2023 | Three Months Ended September 2022 | Nine months ended September 2023 | Nine months ended September 2022 |
|---|---|---|---|---|---|
| Mine operating expenses (from consolidated financial statem | $ 000's | 20,270 | 17,721 | 57,712 | 53,633 |
| Deduct: Depreciation in production | $ 000's | (1,030) | (1,913) | (5,436) | (5,970) |
| Total cash costs (including royalties) | $ 000's | 19,240 | 15,808 | 52,276 | 47,663 |
| Deduct: Royalties and production taxes | $ 000's | (1,691) | (1,897) | (7,037) | (6,938) |
| **Direct operating costs** | **$ 000's** | **$17,549** | **$13,911** | **45,239** | **$40,725** |

| AISC per Au payable pound sold | Unit | Three Months Ended September 2023 | Three Months Ended September 2022 | Nine months ended September 2023 | Nine months ended September 2022 |
|---|---|---|---|---|---|
| Gold ounces sold | oz | 11,263 | 10,522 | 38,175 | 36,124 |
| **Total Cash Cost Reconciliation** | | | | | |
| Direct operating costs | $ 000's | 17,549 | 13,911 | 45,239 | 40,725 |
| Deduct: Silver sales | $ 000's | (213) | (435) | (781) | (1,847) |
| Total Direct Operating Costs | $ 000's | 17,336 | 13,476 | 44,458 | 38,878 |
| Royalties and production taxes | $ 000's | 1,691 | 1,897 | 7,037 | 6,938 |
| **Total Cash Costs** | **$000's** | **19,027** | **15,373** | **51,495** | **45,816** |
| Direct operating costs per gold ounce sold | $/oz | $1,539 | $1,281 | $1,165 | $1,076 |
| Royalties and production taxes per gold ounce sold | $/oz | $150 | $180 | $184 | $192 |
| **Total cash costs per gold ounce sold** | **$/oz** | **$1,689** | **$1,461** | **$1,349** | **$1,268** |
| **All-In Sustaining Costs (AISC) Reconciliation.** | | | | | |
| Total Cash Costs | $ 000's | 19,027 | 15,373 | 51,495 | 45,816 |
| Add: Sustaining Capital Expenditures | $ 000's | 157 | 349 | 390 | 1,795 |
| Add: Corporate G&A, excluding depreciation and amortization | $ 000's | 3,206 | 2,855 | 8,906 | 6,510 |
| **Total All-in Sustaining Costs - Consolidated** | **$ 000's** | **22,390** | **18,577** | **60,791** | **54,121** |
| Deduct: Corporate G&A, excluding depreciation and amortizati | $ 000's | (3,206) | (2,855) | (8,906) | (6,510) |
| **Total All-in Sustaining Costs - Minera Don Nicolas** | **$ 000's** | **19,184** | **15,722** | **51,885** | **47,611** |
| **All-In Sustaining Costs per Ounce Sold - Minera Don Nicolas** | **$/oz** | **$1,703** | **$1,494** | **$1,359** | **$1,318** |

(1) If the Company were to include Corporate G&A expenses, AISC / Au oz would be $1,988 and $1,592 for the three and nine months ended September 30, 2023, compared to $1,766 and $1,498 for the three and nine months ended September 30, 2022.

## RISKS & UNCERTAINTIES

The Company is subject to significant risks, challenges, and uncertainties, similar to other mineral exploration, development and productions, due to the nature of the mining industry. These risks and uncertainties include, but are not limited to the following:

### Liquidity and Additional Financing

The Company's ability to continue its business operations is dependent on management's ability to secure additional financing. Liquidity requirements are managed based upon forecasted cash flows to ensure that there is sufficient working capital to meet the Company's activities and obligations.

The advancement, and exploration of the Company's properties, including continuing exploration projects, and, if warranted, construction of mining facilities and the commencement of mining operations, will require substantial additional financing. As a result, the Company may be required to seek additional sources of equity financing in the near future. While the Company has been successful in raising such financing in the past, its ability to raise additional equity financing may be affected by numerous factors beyond its control including, but not limited to, adverse market conditions, commodity price changes and economic downturns. There can be no assurance that the Company will be successful in obtaining any additional financing required to continue its business operations and/or to maintain its property interests, or that such financing will be sufficient to meet the Company's objectives or obtained on terms favourable to the Company. Failure to obtain sufficient financing as and when required may result in the delay or indefinite postponement of exploration and/or development on any or all of the Company's properties, or even a loss of property interest, which would have a material adverse effect on the Company's business, financial condition and results of operations.

### Exploration, Development and Operating Risks

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish Mineral Resources and Reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by Cerrado will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Mining operations generally involve a high degree of risk. Cerrado's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of gold, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability.

### Limited Operating History

The Company has a limited history of operating and generating earnings from operations. The Company's continued operation will be dependent upon its ability to generate operating revenues and to procure additional financing.

### Dependence on Minera Don Nicolas

While the Company holds and may invest in additional mining and exploration projects in the future, the Don Nicolas mine is currently the Company's only producing asset, providing all of the Company's operating revenue and cash flows. Consequently, a delay or any difficulty encountered in the operations at the Minera Don Nicolas would materially and adversely affect the financial condition and financial sustainability of the Company. Any adverse changes or developments, such as, but not limited to, the inability to successfully complete other work programs or expansions, obtain financing on commercially suitable terms, or hire suitable personnel and mining contractors, may have a material adverse effect on the Company's financial performance, results of operations and liquidity. In addition, the results of operations of the Company could be materially and adversely affected by any events which cause the mine to operate at less-than-optimal capacity, including, among other things, equipment failure or shortages of spares, consumables and reagents, adverse weather, serious environmental and safety issues, any permitting or licensing issues and any failure to produce expected amounts of gold.

### Uncertainty of Resource Estimates

The Company has engaged internal and expert independent technical consultants to advise it on, among other things, Mineral Resources, geotechnical, metallurgy and project engineering. The Company believes that these experts are competent and that they have carried out their work in accordance with all internationally recognized industry standards. If, however, the work conducted by, and the Mineral Resource estimates of these experts are ultimately found to be incorrect or inadequate in any material respect, such events could materially and adversely affect the Company's future operations, cash flows, earnings, results of operations, financial condition and the economic viability of its projects.

The Mineral Resource Estimate with respect to the Monte Do Carmo project in Brazil are based on limited information acquired through historical drilling conducted by outside third parties as well as from drilling completed by Cerrado. No assurance can be given that anticipated tonnages and grades will be achieved or that the indicated level of recovery or economic value will be realized.

### No Defined Mineral Reserves

The Company has not defined any Mineral Reserves on its concessions at the Monte Do Carmo project in Brazil or at the Don Nicolas mine in Argentina and there can be no assurance that any of the concessions under exploration contain commercial quantities of any minerals. Even if commercial quantities of minerals are identified, there can be no assurance that the Company will be able to exploit the resources or, if the Company is able to exploit them, that it will do so on a profitable basis. Substantial expenditures may be required to locate and establish Mineral Reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site, and substantial additional financing may be required. It is impossible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial mining operation. The decision as to whether a particular property contains a commercial mineral deposit and should be brought into production will depend on the results of exploration programs and/or feasibility studies, and the recommendations of duly qualified engineers and geologists. Several significant factors will be considered, including, but not limited to: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices, which are highly cyclical; government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection; ongoing costs of production; and availability and cost of additional funding.

### Metal Price Risk

Even if commercial quantities of mineral deposits are discovered, there is no guarantee that a profitable market will exist for the sale of the metals produced. Factors beyond the control of the Company may affect the marketability of any substances discovered. The prices of various metals have experienced significant movement over short periods of time and are affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods.

The supply of and demand for metals are affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any minerals contained in a deposit will be such that the Company's properties can be mined at a profit. The Company is particularly exposed to the risk of movement in the price of gold. Declining market prices for gold could have a material effect on the Company's profitability.

### Foreign Currency Risks

There continue to be risks relating to the uncertain and unpredictable political and economic environment in Argentina, especially at the provincial level in Santa Cruz where Don Nicolas mine is located. Inflation remains a challenge in Argentina and Argentina's central bank enacted a number of foreign currency controls in 2019 and 2020 in an effort to stabilize the local currency.

The MDN mine, which was acquired on March 16, 2020, is a U.S. dollar functional currency entity. Argentina has been considered a hyperinflationary environment with a cumulative inflation rate of over 100% for the last three years.

Effective December 23, 2019, changes to Argentina's tax laws proposed by the Argentine Government were implemented. The changes ratified and extended legislation which was to expire on December 31, 2019 and allow the Argentine Central Bank to regulate funds coming into and flowing out of Argentina in order to maintain stability and support the economic recovery of the country. The Argentine Government has not set an expiry date for these restrictions, and they currently remain in place. These capital controls together with additional temporary controls enacted on May 29, 2020, have the effect of: requiring exporters to convert the equivalent value of foreign currency received from the export into Argentine Pesos; requiring the prior consent of the Argentine Central Bank to the payment of cash dividends and distributions of currency out of Argentina; requiring Argentine companies to convert foreign currency loans received from abroad into Argentine Pesos; and restricting the sale of Argentine Pesos for foreign currency. Accordingly, the Company is required to convert the equivalent value of proceeds received in foreign currency from the export of all gold doré from the Don Nicolas Mine, into Argentine Pesos. In addition, the Company would be required to obtain the prior consent of the Argentine Central Bank to the payment of cash dividends and distributions of profits out of Argentina.

Most recently, on September 16, 2020, Argentina's central bank enacted a new resolution requiring companies to refinance, with at least a two-year term, sixty percent of any debt maturing between October 15, 2020 and March 31, 2021. However, we do not hold any external debt at MDN. Therefore, this newly enacted resolution, is not expected to have a material impact on our financial statements.

### Competition and Agreements with Other Parties

The mining industry is competitive in all its phases. The Company will compete with numerous other participants in the search for the acquisition of mineral properties, in the marketing of mineral resources, technical capacity and for financial resources. Their competitors include mining companies that have substantially greater financial resources, staff and facilities than those of the Company, as the case may be. The Company's ability to increase resources in the future will depend not only on its ability to explore and develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for exploratory drilling. Competitive factors in the distribution and marketing of mineral resources include price and methods and reliability of delivery.

The Company may, in the future, be unable to meet its share of costs incurred under such agreements to which it is a party and it may have its interest in the properties subject to such agreements reduced as a result. Also, if other parties to such agreements do not meet their share of such costs, the Company may not be able to finance the expenditures required to complete recommended programs.

### Regulatory

Cerrado's current and future mining operations including but not limited to exploration, development, production, pricing, marketing and transportation are subject to extensive controls and regulations imposed by various levels of government that may be amended from time to time. Failure to comply with applicable laws, regulations and permit requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.

The Company's operations may require licenses from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary approvals, licenses and permits that may be required to carry out exploration and development at its projects. A failure to obtain such approval on a timely basis or material conditions imposed by such authority in connection with the approval would materially affect the prospects of the Company.

### Foreign Operations and Political Risk

The Company holds mining and exploration properties in Argentina and Brazil, exposing it to the socioeconomic conditions as well as the laws governing the mining industry in those countries. Inherent risks with conducting foreign operations include, but are not limited to: high rates of inflation; military repression; war or civil war; social and labour unrest; organized crime; hostage taking; terrorism; violent crime; extreme fluctuations in currency exchange rates; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes in taxation policies including carbon taxes; restrictions on foreign exchange and repatriation; and changing political norms, currency controls and governmental regulations that favour or require the Company to award contracts in, employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in any of the jurisdictions in which the Company operates may adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, importation of parts and supplies, income, carbon and other taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. In addition, changes in government laws and regulations, including taxation, royalties, the repatriation of profits, restrictions on production, export controls, changes in taxation policies, environmental and ecological compliance, expropriation of property and shifts in the political stability of the country, could adversely affect the Company's exploration, development and production initiatives in these countries.

In Argentina, a 12% export duty was imposed by the government in 2018, revised down to 8% thereafter, which affects the Company's Argentine operations. In the province of Santa Cruz, Argentina, where the Company's MDN mine is located, a new local procurement law was assessed requiring extractive industries to procure at least 50% of their goods and services from registered local providers, which could further impact our operational results.

The Company continues to monitor developments and policies in the jurisdictions in which it operates and the potential impact such developments and policies may have on its operations; however they cannot be accurately predicted and could have an adverse effect on the Company's operations or profitability.

### Environmental

All phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of resources or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require the Company to incur costs to remedy such discharge. Although the Company believes that it will be in material compliance with current applicable environmental regulations no assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Company's financial condition, results of operations or prospects.

### Permits and Licenses

The Company is required to maintain approvals, licenses and permits from various governmental authorities in order to conduct its business. Such approvals, licenses and permits are complex and time consuming to obtain and, depending on the location of the project, may involve multiple governmental agencies.

In addition, the receipt, duration, amendment or renewal of such approvals, licenses and permits are subject to many variables outside the Company's control, including potential legal challenges from various stakeholders such as environmental groups, non-governmental organizations, community groups or other claimants. The requirements to obtain or maintain such licenses and permits are constantly subject to change. The costs and delays associated with obtaining the necessary permits, consents, authorizations and agreements required for the Company's operations may stop or materially delay or restrict it from proceeding with the development of an exploration project or the operation or further development of an existing mine, resulting in a material adverse impact on its business, financial condition and results of operations.

### Substantial Capital Requirements & Liquidity

The Company will have to make substantial capital expenditures for the acquisition, exploration, development and production of mineral resources in the future. There can be no assurance that such capital will be available or, if available, will be on reasonable terms.

### Issuance of Debt

From time to time, Cerrado may enter into transactions to acquire assets or the shares of other Companies. These transactions may be financed partially or wholly with debt, which may increase the Company's debt levels above industry standards. Depending on future exploration and development plans, the Company may require additional equity and/or debt financing that may not be available or, if available, may not be available on favorable terms. Neither the Company's articles nor its by-laws limit the amount of indebtedness that Cerrado may incur. The level of the Company's indebtedness from time to time could impair the Company's ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise.

### Insurance and Uninsured Risks

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, civil unrest and political instability, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in development or mining, monetary losses and possible legal liability. The Company will maintain insurance to protect against certain other risks in such amounts as it considers reasonable. However, its insurance will not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

### Title Matters

The Company has taken steps to verify title to mining interests in which it has or is in the process of earning an interest in, including review of condition of title reports, vesting deeds, mining claim location notices and filings, and property tax and other public records and is not presently aware of any title defects. The procedures the Company has undertaken and may undertake in the future to verify title provide no assurance that the underlying properties are not subject to prior agreements or transfers of which the Company is unaware.

### Future Financing Requirements

The development and exploration of Cerrados' properties may require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development or production on any or all of the Company's properties or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to Cerrado.

With the acquisition of producing Minera Don Nicolas, the Company is reliant on the expected cash flows from operations of the mine to fund its current and future liabilities. There can be no assurance that operating cash flow or any additional financing will be sufficient for any unexpected development or other costs for the mine.

The amount and timing of raising additional capital, which may involve debt or equity, or a combination of both, may be materially impacted by the economic climate in the capital markets. As a result, the cost and availability of any debt and or equity financing may be restricted. Accordingly, there can be no assurance that the Company will be able to raise sufficient funds to satisfy its contractual obligations or to further explore and develop its projects, as applicable, upon terms acceptable to the Company, or at all.

### Dilution

The Company grants stock options and registered share units under its share-based compensation plan. Holders are given an opportunity to profit from an increase in the market price of the Company's common shares with a resulting dilution in the interest of shareholders. The holders of stock options and registered share units may exercise such securities at a time when the Company may have been able to obtain any needed capital by a new offering of securities on terms more favourable than those provided by the outstanding rights. The increase in the number of common shares in the market, if all of part pf these outstanding rights were exercised, and the possibility of sales of these additional shares may have a negative effect on the price on the Company's common shares.

In addition, the Company may need to raise additional financing in the future through the issuance of additional equity securities. If the Company raises additional funding by issuing additional equity securities, such financings may substantially dilute the interests of shareholders of the Company and reduce the value of their investment in the Company's securities.

### Reliance on Management

Shareholders of the Company will be dependent on the management of the Company in respect of the administration and management of all matters relating to the Company and its properties and operations. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result and other persons would be required to manage and operate the Company.

### Conflicts of Interest

Certain directors and officers of the Company are also directors and officers of other reporting issuers involved in mineral exploration and development, and conflicts of interest may arise between their duties as officers and directors of the Company, as the case may be, and as officers and directors of such other companies.

### Possible Failure to Realize Anticipated Benefits of Future Acquisitions

The Company may complete acquisitions to strengthen its position in the mineral exploration industry and to create the opportunity to realize certain benefits including, among other things, potential cost savings. Achieving the benefits of any future acquisitions depends, in part, on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as the Company's ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with its own.

### Currency Risk

By virtue of the location of its operations and exploration activities, the Company incurs costs and expenses in a number of currencies other than the Canadian and U.S. dollar. The Company has historically raised and expects to continue to raise capital through equity financings principally in Canadian and U.S. dollars, while the majority of its operating and capital costs are incurred in Argentine Pesos and Brazilian Real, giving rise to potential significant foreign currency translation and transaction exposure which could have a material adverse impact upon the Company.

### Unfavourable Economic Conditions

The Company's results of operations could be adversely affected by general conditions in the global economy and in the global financial markets. A severe or prolonged economic downturn could result in a variety of risks to our business, including our ability to raise additional capital when needed on acceptable terms, if at all. A weak or declining economy could strain our suppliers, possibly resulting in supply disruption, or cause delays in payments for our services by third-party payors. Any of the foregoing could harm our business and we cannot anticipate all of the ways in which the current our future economic climate and financial market conditions could adversely impact our business.

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this MD&A and the Consolidated Financial Statements is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the consolidated financial statements.

### Additional Information

Additional information relating to the Company can also be found on the Company's website www.cerradogold.com.

## TECHNICAL INFORMATION

All technical information contained herein has been reviewed and approved by Sergio Gelcich, P. Geo, an officer of the Company. Mr. Gelcich is a "qualified person" within the meaning of National Instrument 43- 101 – Standards of Disclosure for Mineral Projects.