CERRADO
GOLD INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(Expressed in US dollars)

2021

INTRODUCTION

The following Management's Discussion & Analysis ("MD&A") dated April 14, 2022 is a review of the business activities and overview of financial position for Cerrado Gold Inc. ("Cerrado" or the "Company") for the years ended December 31, 2021 and 2020. The MD&A should be read in conjunction with the Consolidated Financial Statements (the "Cerrado Financial Statements") for the years ended December 31, 2021 and 2020, 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 December 31, 2021 and the date on which the MD&A is approved by the Company's Board of Directors, which is April 14, 2022, inclusively.

The information provided in this MD&A and the audited 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 audited 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 judgmentwhen 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 and Brazil. 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 Company acquired 100% of MDN on March 16, 2020 from Minera Don Nicolás S.A via Compañia Inversora En Minas S.A. ("CIMINAS") and Compañia Inversora Argentina Para La Exportacion S.A. ("CIAPEXSA").

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 commenced an exploration program in 2021 with the target of confirming the current resource base and on expanding the mine life through further exploration on surface and at depth.

In Brazil the Company is advancing its Monte De Carmo gold project. The project was acquired on April 20, 2018, whereby the Company through its wholly owned subsidiary Serra Alta Mineracao Ltda. ("Serra Alta") acquired from Monte Sinai Mineracao Ltda. ("Monte Sinai") the Monte do Carmo gold project ("MDC") located in the Tocantins State, Brazil for a total consideration of $6.075 million satisfied by the issuance of 13,500,000 Cerrado common shares, and advances to Monte Sinai amounting to $1.267 million.

MDC consists of 20 exploration permits totaling 82,541 hectares ("ha's"). in the state of Tocantins. The property has access to excellent local infrastructure and strong local support from the community. Regional investment in mineral exploration in the area, by others, is reported to have amounted to $4.7 million from 1985 through 1995, and over $20.0 million from 1996 to 2016 by various operators. Since the acquisition of MDC, Cerrado has undertaken various drilling and other exploration activities on site. On August 23, 2021, the Company announced the results of Preliminary Economic Assessment ("PEA") on the recently updated Mineral Resource Estimate for the Serra Alta deposit. The results of the PEA demonstrate very robust economics with an after-tax NPV5% of $617 million and IRR of 94.8%. Continued exploration is planned at Serra Alta and the surrounding area with the objective to rapidly expand this mineral resource base. Additionally, the Company is rapidly progressing a detailed feasibility study ("DFS") on the MDC property.

OUTLOOK

In Argentina, Cerrado remains focused on continued operational improvement initiatives at MDN to increase efficiencies and enhance production. The Company anticipates the improved ore grades seen in the first half of the year to continue to improve going forward. At the operational level the focus remains on enhanced dilution control activities, tightening in pit ore control processes to further increase the average head-grades delivered to the mill and improve recovery rates while sustaining mill throughput rate at 1,100 tpd or higher. The Company has seen recent results where the mill sustains throughput rates around 1,200 tpd. These initiatives are expected to provide significant short-term benefits with very limited capital expenditure and ultimately support the investment thesis for the acquisition of the operation. Over the course of 2022, the Company expects the ongoing operational improvements to ensure production rates consistently exceeding 4,000 ounces per month to achieve a production target between 45,000 – 50,000 ozs of gold per annum.

With the commencement of exploration activities for 2022, management remains focused on and excited for the significant exploration potential it believes exists at the property to extend the mine life through the identification of additional mineralization in current open pit mining areas as well as underground.

Two heap leach development scenarios are currently being evaluated in terms of scale and production rates. The overall project considers the mining of various ore deposits and could support an increase in gold production of approximately 20,000 to 40,000 ounces of annual gold production at the Minera Don Nicolás operations with production depending on the development plan selected.

The initial project would target the exploitation of the Las Calandrias and Escondido deposits followed by low grade ore and stockpiles from the Martinetas deposit. The Company has completed its Internal Preliminary Economic Assessment to develop a gold heap leach for the Calandrias resource . The current life of the project exceeds 3 years and is expected to deliver more than 25,000 ounces per annum. Gold production is expected in the first quarter 2023.

The Company is also completing an internal study for a second heap leach at Martinetas. Over the longer term this will allow MDN to focus on processing higher grade material through the milling and CIL plant, while lower grade ores will be processed via heap leaching when suitable. The final study and development decision are expected by the end of the 2nd quarter 2022 and initial production would be expected by the end of the fourth quarter 2023. Based on the contained ounces within the current known resources and stockpile, Cerrado estimates this could sustain operations for approximately 4 years at an average of 20,0000 ounces per annum. Future exploration and ongoing mining is expected to define additional resources to sustain the operation thereafter, providing for potential heap leach life extension. Capital costs are currently estimated at between $15-$20 million and All-In Sustaining Costs ("AISC") are targeted at approximately $1,100/oz depending on the scale of the initial plant.

Exploration work remains ongoing to focus on growing the known resources at MDN beyond those outlined in the Mineral Resource Estimate reported February 17, 2021. 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 future deeper drilling with the potential of extending the high-grade underground resource at MDN has started completing structural and metal zoning models in the Paloma area, specifically in the Sulfuro vein.

Current operations at MDN have been limited to open pit operations where most mines in the region have evolved from open pit to underground. Cerrado also plans to investigate the potential to move to some targeted underground operations in the future. The exploration program for 2022 allows for exploration work focusing on targets to increase the underground resources. A consultant 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.

In Brazil, the Phase II exploration program at the Monte Do Carmo project, concluded in the first weeks of 2022, drilled approximately 22,370 metres at numerous satellite targets in Serra Alta and neighbouring areas. The drill holes in this campaign targeted Serra Alta Extensions, Serra Alta Infill drilling and Monte do Carmo Exploration Satellites targets. Visible gold and mineralized alteration zones are prolific throughout the property and six of the initial eight targets returned relevant intercepts- all within a 6 km radius of the Serra Alta deposit. The preliminary results of infill drilling in Serra Alta confirms the previous mineral resources reported in July 2021 and improvements on indicated resources.

As of January 2022, the company has engaged in continuing infill drilling to support the completion of the upcoming Feasibility Study. The drilling program outlined for 2022 considered 22,500 metres of infill up to July, 3,688 metres of sterilization of plant and waste pile area up to June and 16,700 metres exploratory up to December. 5,360 metres of infill drilling, 978 metres of exploratory drilling, and 160 metres of sterilization drilling have been completed with the use of 6 drill rigs. To date, assay results of one full infill drill hole (FSA-181) have been made available confirming the grade shell.

The Company also is progressing in its Environmental Impact Studies (EIS) aiming for a full report by April 2022 to be filed at the state of Tocantins environmental agency (NATURATINS). Subsequent to receiving approval from NATURATINS, public hearings will be held with the local community followed by expected approval to apply for the LI (License of Installation/Construction).

2021 HIGHLIGHTS

Operational Performance

Minera Don Nicolas

MDN is a remote mining operation with a self-sustaining camp facility. Results in 2021 continued to be impacted by various COVID-19 restrictions and by a government mandated shutdown over the holiday period that resulted in the loss of 10 operating days in January 2021. Thereafter, operational results continued to improve as some restrictions were lifted allowing for a full complement of employees to be housed at site. While mining and processing operations have started to return to normal operations, waste deficits caused by previous restrictions, required additional stripping to return the mine operations to normal. As such some low-grade stockpiles were processed to maintain full mill capacity. This catch-up phase has now been achieved with higher ore grades achieved in the fourth quarter of 2021 and going forward.

Cerrado has maintained tight onsite protocol to ensure smooth operations, restricting entry and exit from the site without a proper medical affidavit and quarantine period if needed. The mine continues to use thermal body cameras as a way to detect early COVID-19 symptoms to limit any possible spread. Management encourages the vaccination of employees and contractors to ensure normal operations going forward. Vaccination numbers are tracked and more than 90% of the employees and contractors have already received the first vaccination dose. Minera Don Nicolas targets 100% of the employees and contractors to be fully vaccinated by the end of the 2nd quarter 2022.

Although some restrictions remain in place the latest protocols do not impact on production, with the waste deficit worked-down, production activities proceeded as normal for most of the quarter. Work has started to develop three more pits, Chulengo, Baritina and Esperanza that will be mined in 2022.

Continuous and even more rigorous RC drilling campaigns and increased sampling capacity have allowed for better understanding of the vein structures in the various pits. The information gathered from these campaigns has resulted in higher ore gold grades and accurate short term mine plans.

Despite these headwinds, the Company has proved successful in ensuring its ability to continue operating effectively despite the COVID-19 effects and the additional cost and time to implement enhanced health and safety protocols, and occasional workforce restrictions. MDN is the only mine in Argentina that did not stop operating since the start of the pandemic with COVID related issues. Metal production at MDN continued to improve throughout 2021 with 42,267 ounces of gold and 94,092 ounces of silver produced in the year ended December 31, 2021. This represents a 155% increase over the 16,545 ounces of gold produced in the 2020 and a 156% increase over the 36,780 ounces of silver produced in 2020. Milled throughput for 2021 was 1,152 tonnes per day ("tpd"), up 26% from 911 tpd in 2020. Gold head grade was 3.51 g/t and the silver head grade was 12.63 g/t in 2021, compared to gold head grade of 2.36 g/t and silver head grade of 7.69 g/t achieved in 2020. This represents a 49% increase in gold grade and a 64% increase in silver grade.

Financial Performance

Minera Don Nicolas

Year ended December 31, 2021

The Company produced 42,267 ounces of gold and 94,092 ounces of silver during year ended December 31, 2021, as compared to 16,545 ounces of gold and 36,780 ounces of silver for the year ended 2020. Production is significantly higher in the year ended December 31, 2021, due to 49% higher gold head grade, 64% higher silver grade, 26% higher throughput rate of 1,152 tonnes per day as compared to the year ended December 31, 2020 and due to the fact that the Company only acquired MDN on March 16, 2020.

The Company generated revenue of $70.1 million for the year ended December 31, 2021, from the sale of 38,839 ounces of gold and 88,093 ounces of silver at an average realized price per gold ounce sold of $1,747. For the year ended December 31, 2020, the Company generated revenue of $32.2 million from the sale of 17,673 ounces of gold and 38,767 ounces of silver. Revenue and sale of gold and silver for the current period is significantly higher than the year ended December 31, 2020, due to higher grades and throughput as well as the Company only acquiring MDN on March 16, 2020.

Cost of sales for the year ended December 31, 2021, were $56.3 million as compared to $31.5 million for the year ended December 31, 2020. The Company acquired MDN on March 16, 2020, and as a result recorded $nil costs of sales in the first quarter of 2020 as compared to $11.1 million in the first three months of 2021. Additionally, due to significantly higher tonnes mined and milled in the second, third and fourth quarters of 2021 as compared to the second, third and fourth quarter of 2020, the Company incurred $18.4 million higher production costs for the year ended December 31, 2021, compared to prior year.

Cash Operating Costs per ounce sold was $1,057 per ounce in the year ended December 31, 2021, as compared to $1,359 per ounce for the year ended December 31, 2020 a $302 per ounce decrease (refer to reconciliation of Non-IFRS performance metrics). The decrease is a result of significantly higher ounces sold during 2021 as well as lower costs incurred in the third and fourth quarters of 2021 due to improvement in stripping and haulage.

Net loss for the year ended December 31, 2021, was $6.3 million as compared to $12.6 million for the year ended December 31, 2020. The decrease in net loss is primarily a result of a $13.0 million increase in mine operating margin which is a result of higher gold sales and realized metal prices. This increase was slightly offset by a $1.8 million increase in general and administrative expense, a one-time non-cash listing fee expense of $1.5 million incurred as part of the RTO transaction in 2021, as well as higher accretion expenses of both future consideration payable and deferred revenue.

The Company incurred general and administrative expenses of $9.5 million for the year ended December 31, 2021, as compared to $7.7 million of general and administrative expenses incurred during the year ended December 31, 2020. The $1.8 million increase is primarily a result of the increases in non-cash share-based compensation expense of $1.0 million, office and other of $0.6 million, corporate administration of $0.4 million and consulting fees of $0.3 million, which were offset by a decrease in salaries and wages of $0.4 million.

Other expenses incurred of $8.9 million during the year ended December 31, 2021, include $1.5 million in non-cash listing fees related to the February 2020, reverse takeover (“RTO”) transaction and non-cash finance costs of $2.6 million related to accretion of future consideration payable and $2.8 million related to accretion of deferred revenue.

Three months ended December 31, 2021

The Company produced 15,008 ounces of gold and 27,579 ounces of silver during the three months ended December 31, 2021, as compared to 5,168 ounces of gold and 14,043 ounces of silver in the three months ended December 31, 2020. Gold production is 190% higher in the three months ended December 31, 2021 due to more tonnes mined, higher throughput and higher grade. Production during the three months ended December 31, 2020 was significantly impacted by COVID-19 restrictions which resulted in labour shortages, reduced mining rates and the processing of lower grade stockpiles.

The Company generated revenue of $23.1 million for the three months ended December 31, 2021, from the sale of 12,864 ounces of gold and 26,268 ounces of silver at an average realized price per gold ounce sold of $1,748. For the three months ended December 31, 2020, the Company generated revenue of $10.3 million from the sale of 5,552 ounces of gold and 15,369 ounces of silver. Revenue and sales of gold and silver for the current period is significantly higher than the three months ended December 31, 2020, due to higher mining rate, higher grades and higher throughput. Production during the three months ended December 31, 2020, was significantly impacted by COVID-19 restrictions as noted previously.

Cost of sales for the three months ended December 31, 2021, were $15.0 million as compared to $11.9 million for the three months ended December 31, 2020. Production costs increased by $0.9 million primarily as a result of significantly higher tonnes mined and milled in the fourth quarter of 2021 as compared to the fourth quarter of 2020. Similarly, sales expenses and royalties also increased by $1.1 million due to higher ounces sold from the increased tonnage milled.

Cash Operating Costs per ounce sold was $764 per ounce in the three months ended December 31, 2021, as compared to $1,660 per ounce in the three months ended December 31, 2020 an $896 per ounce improvement (refer to reconciliation of Non-IFRS performance metrics). The decrease is primarily a result of reduced striping and the processing costs and higher grade ore, resulting in more ounces sold.

Net income for the three months ended December 31, 2021, was $2.5 million as compared to $5.2 million loss for the three months ended December 31, 2020. The decrease in net loss is primarily a result of an increase in mine operating margin of $9.8 million offset by an increase in other expense by $1.4 million and an increase in general and administrative expenses of $0.3 million.

The Company incurred general and administrative expenses of $2.8 million for the three months ended December 31, 2021, a $0.3 million increase compared to the general and administrative expenses incurred during the three months ended December 31, 2020. During the three months ended December 31, 2021, the Company had increases in non-cash share based compensation expense of $2.1 million, offset by a decrease in salaries of $1.0 million and professional fees of $0.7 million.

Other expense incurred of $2.2 million during the three months ended December 31, 2021 was $1.5 million higher than the other expense of $0.7 million recorded during the three months ended December 31, 2020.

CORPORATE DEVELOPMENTS

Sprott Stream

On March 14, 2022, the Company entered into a $20.0 million gold and silver stream agreement (the "Stream Agreement") with Sprott Resource Streaming and Royalty Corp. ("Sprott") for its MDC project in Brazil.

The Stream Agreement provides for the sale and delivery to Sprott of 2.25% of all gold and silver produced from the Project of which Cerrado has the ability to buy back 50% of the stream based upon the buyback schedule below

- On or before June 30, 2024 – US$12.5 million
- From July 1, 2024, until June 30, 2025 – US$13.0 million
- July 1, 2025, until June 30, 2026 – US$13.5 million

Proceeds will be used to complete the ongoing works to deliver a NI 43-101 Compliant Feasibility Study for the MDC Project and for general corporate and working capital purposes. To facilitate funding in advance of commercial production, Sprott has issued a US$20.0 million secured note (the "Note") that bears interest at a rate of 10% per annum, calculated and payable quarterly and will mature on the earlier of the achievement of commercial production together with certain other conditions, or March 14, 2031. Subject to the approval of the TSX Venture Exchange (the "TSXV"), the Company may elect to satisfy the payment of any accrued and unpaid interest on the Note by the issuance of common shares of the Company (the "Common Shares") at a price per Common Share equal to 95% of the volume weighted average price (the "VWAP") of the Common Shares for the 5 trading days immediately prior to the date payment is due or any combination of cash and Common Shares in the Company's sole discretion. The Note is secured against the Project assets and is intended to subordinate to future project financing for the Project.

Resource update at Serra Alta

On August 4, 2021, the Company announced an updated mineral resource at the Serra Alta deposit within its Monte do Carmo gold project. This resource update integrated the successful results of the Phase 1 drilling program which was completed in April 2021. The highlights of the updated resource are as follows:

- Total Indicated Resource of 9,108,000 tonnes at 1.85 g/t Au, containing 541,000 oz Au
- Total Inferred Resource of 13,197,000 tonnes at 1.84 g/t Au, containing 780,000 oz Au
- Notable Increase in total Mineral Resource: 62% more gold ounces from previous estimate (December 2018)
- Higher Confidence level: 41% of metal in Indicated category

Serra Alta PEA

On August 23, 2021, the Company announced the results of the PEA on the recently updated Mineral Resource Estimate for the Serra Alta deposit at MDC . The results of the PEA demonstrate very robust economics with an after-tax NPV5% of $617 million and IRR of 94.8%. The highlights of the PEA are as follows:

- Average annual gold production of 149,000 ozs over first 5 years and 131,000 ozs over 8 years
- Annual Average Free cash flow of US$150 million over the first 5 years
- Total cumulative, after tax, free cash flow estimated US$901 million over 8 years
- Average AISC of US$431/oz over the first 5 years
- Low Initial Capex of US$126 million (including US$25 million contingency)
- Payback of 1.3 years
- Further upside potential from continued exploration drilling & resource expansion
- Development program including Feasibility Study to begin immediately

On September 16, 2021, the Company announced the latest metallurgical test work results that outlines the processes and results for the metallurgical test work for process route definition and determination of process parameters for the Serra Alta deposit. Results support an expected gold recovery rate of 98.5% as used in the PEA announced August 23, 2021. The process reviewed the expected global gold recovery using gravity concentration followed by floatation and leaching of the gravity concentrate tailings.

On October 7, 2021, the Company filed on SEDAR, an independent technical report on the Serra Alta PEA which was announced on August 23, 2021. The report was completed by GE21 Consultoria Ltda ("GE21") and incorporated results from the 43-101 Mineral Resources Estimate produced by Micon International dated July 21, 2021.

Minera Don Nicolas drilling program

The Company continues to report positive results of its approximately 12,000 metre exploration drilling program. The MDN perperty is comprised of several exploration concessions totalling 333,400 Ha's. The focus for the drilling program is twofold. First to delineate new, high grade, mineralized zones and increase the confidence of near surface mineralization in the proximity of Cerrado's mining operations that can rapidly be brought into the mine plan and secondly to define the significant longer term resource growth potential. To date results continue to highlight numerous targets to follow up with further drilling and grow the resource base as outlined in the various drill results.

The Company continues to progress its ongoing Internal Preliminary Economic Assessment to develop a gold heap leach operation at its Minera Don Nicolás operation in Santa Cruz, Argentina. Over the longer term this will allow MDN to focus on processing higher grade material through the milling and CIL plant, while lower grade ores will be processed via heap leaching when suitable. In September 2021, the Company provided un update of the project studies, highlights included:

- Heap Leach Project designed to add approximately 20,000 ozs of gold annually from low grade resource
- Metallurgical tests completed at University of San Juan, Argentina suggest recoveries above 70% for oxide zones and higher than 50% for the mixed zones
- Internal Preliminary Economic Assessment and full heap leach development plan expected later this year

Trading on the OTCQX

On July 15, 2021 the Company announced that its common shares will commence trading under the symbol "CRDOF" on the OTCQX Best Market ("OTCQX"), a United States trading platform that is operated by the OTC Markets Group Inc. in New York. The Company's shares will continue to trade on the TSX Venture Exchange under the symbol CERT.

Executive Appointments

In June 2021 the Company announced that Dr. Sergio Gelcich, PGeo, joined as Vice President of Exploration replacing Mr. Robert Campbell. Mr. Campbell will remain a Director of the Company.

In August 2021, the Company announced the appointment of Mr. Casper Groenewald to the Position of Chief Operating Officer and the appointment of Mr. Kurt Menchen as President and Country Manager of Brazilian operations.

In October 2021, the Company announced the appointment of Mr. Clinton Swemmer, as Vice President of Technical Services. Mr. Swemmer is a senior project delivery professional whose career spans over 20 years working on various development stage projects.

In October 2021, the Company announced the appointment of Ms. Petra Decher as an independent member of the Board and Chair of the Audit Committee. Ms. Decher is an experienced finance executive currently serving as an independent Director and Chair of the Audit Committees of Ascendant Resources Inc., and Rockliff Metals Corp.

In October 2021, Mr. David Ball resigned from the Board of Directors and was appointed Vice President, Business Development, effective November 22, 2021.

Exploration

Minera Don Nicolas

On December 2, 2020, the Company filed a technical report entitled, "Independent Technical Report for the Minera Don Nicolás ("MDN") Gold Project, Santa Cruz, Argentina", supporting the updated Mineral Resource Estimate, and the first resource update since 2012 at MDN. The Technical Report dated September 25, 2020, has an effective date of August 31, 2020, and was prepared by SRK in accordance with NI 43-101 and Form 43-101F1.

(Expressed in US dollars)

Highlights from the Mineral Resource Estimate include:

- Resources are on an "as purchased" basis and do not include any additional ounces added by Cerrado Gold.
- M & I Resources of 1,126,200 tonnes grading 5.49 g/t Au, and 8.37 g/t Ag for 198,808 oz Au and 241,903 oz Ag.
- Inferred Resources of 4,663,700 tonnes grading 2.33 g/t Au and 4.78 g/t Ag for 348,693 oz Au and 320,118 oz Ag.
- Don Nicolás Operation consists of nine separate deposits and 12 high priority targets.
- The property contains numerous opportunities to expand resources and extend mine life via further drilling in surrounding areas such as the Baritina, Chulengo and Goleta areas, as well as drilling at depth for underground resources at Sulfuro Vein.
- Property encompasses over 272,000 hectares and is located within the highly prolific Deseado Massif region, home to several multi-million-ounce deposits including Cerro Vanguardia (Anglo Gold), Cerro Negro (Newmont), and Cerro Moro (Yamana).

A summary of the updated Mineral Resource Estimate is set out in the table below:

Category	Tonnage	Grade		Metal	
		Au g/t	Ag g/t	Au oz	Ag oz
Open Pit Cut-off 0.3 g/t gold**					
Measured	249,400	4.32	5.50	34,668	44,100
Indicated	820,600	5.77	9.61	152,237	183,126
Measured and Indicated	1,070,000	5.43	8.39	186,905	227,226
Inferred	4,108,400	1.59	3.75	210,476	195,252
Underground Cut-off 3.0 g/t gold**					
Measured	0	0.00	0.00	0	0
Indicated	56,200	6.59	8.12	11,903	14,677
Measured and Indicated	56,200	6.59	8.12	11,903	14,677
Inferred	555,300	7.74	8.41	138,217	124,867
Combined Mining					
Measured	249,400	4.32	5.50	34,668	44,100
Indicated	876,800	5.82	9.48	164,140	197,803
Measured and Indicated	1,126,200	5.49	8.37	198,808	241,903
Inferred	4,663,700	2.33	4.78	348,693	320,118

Notes:
*Mineral resources are reported in relation to a conceptual pit shell. Mineral resources are not mineral reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate. All composites have been capped where appropriate.
**Open pit mineral resources are reported at a cut-off grade of 0.3 g/t gold for the open pit portion and 3.0 g/t gold for the underground deposits. Cut-off grades are based on a price of $1,550 per ounce of gold and gold recoveries of 95 percent at Martinetas and 88 percent at La Paloma, without considering revenues from other metals.

2021 Exploration

In Q1 2021, the Company commenced a 12,000-metre district exploration program to delineate new high grade mineralized zones and increase confidence, of near surface mineralization in the proximity of Cerrado's mining operations: La Paloma and Martinetas Pits.

The 2021 near mine exploration program was completed in early September totalling 12,578 meters. The initial areas of focus for the program followed mainly exploration targets in the La Paloma and adjacent areas (e.g., Esperanza/Rocio, Baritina, Chulengo and Araña targets). These areas ranked as high priority targets, and some of them were partially included in the Resource Inventory, summarized in the property technical report completed by SRK filed in August 2020. Drilling in the La Paloma adjacent areas was completed in early July. The diamond rig mobilized then to the Martinetas area where an additional 4,709 meters of drilling were completed in September. As was the case in La Paloma, drilling priorities considered the proximity and economic viability of the different targets in the proximity of the current operation, focusing on lateral step outs of known mineralized centers (e.g., Cerro Oro, Choique, Armadillo and Mara) which could be quickly converted into minable resources. Results have been integrated by the mine team in the LOM.

Additionally, in October 2021, the Company completed an infill/extensional program in its Calandrias project, results were incorporated into an internal model update.

Results of the complete program were reported in February 2022 with several targets both in the Paloma and Martinetas areas. New inhouse modeled zones geometry and gold grade distribution were assessed by the mine planning team for conversion of resources and mine sequence planning.

Drill Hole Highlights (true thickness):

Baritina
PA-D21-85

- 8.00 m at 1.67 g/t Au, from 46.30 m
  - Including 3.60 m at 2.16 g/t Au from 48.00 m

PA-D21-86

- 14.62 m at 1.45 g/t Au, from 33.25 m
  - Including 1m at 3.48 g/t Au from 54.60 m PA-D21-88 o 3.28 m at 2.69 g/t Au, from 46.95 m

Mara/Armadillo
MA-D21-043

- 4.79 m at 1.21 g/t Au, from 58.40 m

Choique
CH-D21-049

- 1.90 m (apparent width) at 7.05 g/t Au, from 44.55 m
  - Including 1.00 m (apparent width) at 13.29 g/t Au from 44.55 m CH-D21-054
- 4.60 m at 1.43 g/t Au, from 19.60 m

Gecko
GK-D21-011
1.43 m at 2.85 g/t Au, from 52.50 m

Minera Mariana

On January 22, 2021, the Company completed an agreement with Capella Minerals to acquire 100% of its Argentine subsidiary Minera Mariana Argentina. Under the terms of the agreement, the Company paid the purchase price consisting of an initial cash payment of $50 thousand and $1.8 million (CAD$2.3 million) satisfied by the issuance of 1,666,667 common shares of the Company to Capella Minerals at a deemed share price of CAD$1.35, based on the price of the Company's shares in the concurrent financing associated with listing on the TSX Venture Exchange via the announced business combination between BB1 and the Company.

The principal assets owned by Minera Mariana include the Las Calandrias and Los Cisnes projects (together the "Projects"). The Projects are in the Santa Cruz province of Argentina. In total, the Projects consist of approximately 60,400 ha with the bulk of the land holdings on the property adjacent to Cerrado's MDN gold mine property.

The most advanced project at this time at Minera Mariana is the Las Calandrias gold and silver project, which borders the northern boundary of Cerrado's MDN property. The main focus of work to date on the Projects has been on the Calandria Sur and Calandria Norte deposits. These deposits are characterized as low to intermediate sulphidation, epithermal-precious-metal quartz vein and vein-breccia types.

On April 22, 2021, Cerrado filed a National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") compliant Technical Report and Mineral Resource Estimate by AGP Mining Consultants Inc. (AGP), titled "Las Calandrias Project Technical Report and Resource Estimate Santa Cruz Province, Argentina". The effective date for the Mineral Resource Estimate is February 17, 2021. The report highlights two zones of mineralization, namely La Calandria Sur and La Calandria Norte deposits. The Mineral Resources for the La Calandria Sur Deposit, within an optimized constraining shell, are: Indicated resources of 7.4 Mt grading 1.33 g/t Au and 24.65 g/t Ag; and Inferred resources of 1.7 Mt at 0.73 g/t Au and 7.17 g/t Ag. Contained gold is 318,000 Oz in Indicated Resources and 41,000 Oz in Inferred resources. The effective date of the La Calandria Sur Deposit Mineral Resources is 14 September 2018. The Mineral Resources for the La Calandria Norte Deposit, within an optimized constraining shell, at a 0.8 g/t Au cut-off grade are: Indicated resources of 604,000 t at 3.12 g/t Au and 8.20 g/t Ag; and Inferred resources of 19,000 t at 1.31 g/t Au and 0.69 g/t Ag. The Mineral Resources for the La Calandria Norte Deposit, below the optimized constraining shell, at a 1.5 g/t Au cut-off grade are: Indicated resources 131,000 t at 2.82 g/t Au and 6.30 g/t Ag; and Inferred resources of 2,000 t at 1.71 g/t Au and 2.01 g/t Ag. Contained gold is 61,000 Oz in Indicated Resources and 1,000 Oz in Inferred resources. The effective date of the La Calandria Norte Deposit Mineral Resources is September 14, 2018.

2021 Data Integration

In Q2 2021 the Company completed an inhouse integration of the Las Calandrias South and Escondido deposits. The latter locates in MDN's adjacent concession and was formerly known as Breccia Trend. The integrated model proves the continuity of the mineralization of Las Calandrias South to the Southeast with similar domaining including Oxide, Transition and Primary zones.. This model was updated in Q4 2021 after full results of the September-October drilling program were received.

Monte do Carmo Project

Phase I Drilling Program

The Company started its aggressive Phase 1 drill program in October 2020, which was completed in May 2021. Phase 1 drilling program included lateral and downdip step-out holes to extend the mineralized domains within the Micon 2018 pit outline and included infill drilling to upgrade a portion of the resource base to the Measured and Indicated resource categories focusing on the known Serra Alta deposit.

The program consisted of 55 diamond drill holes totaling 18,998 meters. Assays for this phase were fully completed in June 2021.

Phase II: Exploration Drilling

On April 26, 2021, after completing the resource infill program, the Company began its Exploration drilling program of ~ 24,000 metres at its Monte Do Carmo project in Brazil. Aside from infill drilling at Serra Alta, this Phase included exploration drilling on several of the highly prospective satellite targets along the corridor between Serra Alta and Capitao as well as at Fartura, Baru and Bit 3 to the west, in order to better define the district potential of the Monte Do Carmo property. The exploration program has continued into the first month of 2022.

Resource Update

The new drilling completed by Cerrado between October 2020 and April 2021 was the basis for the July 2021 resource update. The new drilling focused on extension of the resource, mainly following the lateral extent of the high-grade mineralized zones and on increasing the confidence of the existing inventory Total Drilling meterage included in the updated resource (Phase I + previous drilling) estimate is 40,501 m.

Most of the drilling completed in Phase I was done through low angle holes dipping (between 30- and 35-degrees dip) crossing perpendicularly the mineralized trends. Low angle holes allowed detailed refinement of the high-grade domain model in the different zones in the deposit which also provided the ability to target proximal zones to intrusive contacts that are the first order control in gold endowment and quartz vein density.

Results were immediately integrated into the Serra Alta inhouse model, refining High Grade mineralized domains and a new tonnage/grade estimation. The inhouse model was reviewed and validated by Micon, International Inc. defining a new resource statement effective July 23, 2021.

The Sierra Alta July 2021 estimate highlights are.

- Total Indicated Resources of 9,108,000 tonnes at 1.85 g/t Au, containing 541,000 oz Au
- Total Inferred Resource of 13,197,000 tonnes at 1.84 g/t Au, containing 780,000 oz Au
- Notable Increase in total Mineral Resource: 62% more gold ounces from previous estimate (December 2018)

(Expressed in US dollars)

- Higher Confidence level: 41% of metal in Indicated category
- Over 99% of the gold in the Indicated Resources category is included in the constraining pit shell, the other 0.4% is considered underground
- Over 90.5% of the Inferred Resource is included in pit shell, the other 9.2% is considered underground
- Excellent conversion rate of previous Inferred Resource into indicated confirms sound domaining and interpolation strategy
- Confirmation of Serra Alta as the anchor deposit of the district, as exploration continues
- Potential for replicating mineral endowed zones like Serra Alta or individual blocks within Serra Alta on regional scale remains high from Cerrado perspective

Serra Alta Mineral Resource Statement – Effective Date July 21, 2021

Mining Method	Cut-off Grade (g/t Au)	Resource Category	Tonnage (kt)	Avg. Au Grade (g/t)	Metal Content (koz)
Open Pit	0.30	Indicated	9,063	1.85	539
		Inferred	12,128	1.82	708
Underground	1.10	Indicated	45	1.66	2
		Inferred	1,069	2.10	72
OP + UG		Indicated	9,108	1.85	541
		Inferred	13,197	1.84	780

Estimate Notes:

1. Mineral resources were estimated by Mr. B. Terrence Hennessey, P.Geo. and Mr. Alan J. San Martin, MAusIMM (CP) of Micon International Limited. ("Micon"), a Toronto based consulting company, independent of Cerrado Gold. Both Mr. Hennessey and Mr. San Martin meet the requirements of a "Qualified Person" as established by the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves (May 2014) ("the CIM Standards").
2. Mineral resources are not mineral reserves and therefore do not have demonstrated economic viability.
3. The Serra Alta estimate has been completed entirely using Leapfrog Geo – EDGE software.
4. The estimate is based on a long-term gold price of US$ 1,600 per ounce and economic cut-off grades 0.30 g/t Au (Open Pit) and 1.10 g/t (Underground).
5. Open Pit constrained resources are reported within an optimized pit shell; underground resources are reported within continuous and contiguous shapes which lie adjacent to and below the ultimate open pit shell and interpreted to be recoverable utilizing standard underground mining methods.
6. The mineral resource estimate has an effective date of July 21, 2021.
7. The Serra Alta gold deposit was modelled by Cerrado using a wireframe constructed based on a 0.1 g/t Au cut-off grade and a few vein interpretations.
8. Rock density was assigned to different lithologies based on the geological and mineralization models, using calculated average values of 2.624 g/cm3 in granite, 2.65 g/cm3 in volcanics and 2.60 g/cm3 inside mineralization wireframes.
9. Grade capping was used to control the influence of outliers in the estimate, raw assays were composited to 1.0 m and then assessed for capping. Grade capping used throughout the deposit was 45 g/t Au for the main broad envelope and 8.0 g/t Au for the interpreted veins.
10. The block model gold grades were estimated using the Ordinary Kriging interpolation method with searching parameters derived from geostatistical analysis performed within the mineralization wireframes. Variogram ranges go from 90 m to 150 m in the major axis.
11. The estimate assumes a metallurgical recovery of 98.5% gold, based on completed test-work to date.
12. The estimate assumes the following costs: Mining (Pit) US$ 2.00/t, Mining (Pit Waste) US$ 1.70/t, Mining (Underground) US$ 40.00/t, Processing US$10.78/t, and G&A of US$ 2.00/t.
13. The pit constrained resource is reported within an optimized pit shell that assumed a maximum slope angle of 55 degrees. Open pit mining recovery was assumed to be 100%. Open pit dilution was assumed to be 0%. Underground mining recovery was assumed to be 100%. Underground dilution was assumed to be 0%.
14. Micon has not identified any legal, political, environmental, or other risks that could materially affect the potential development of the mineral resource estimate.
15. The mineral resource estimates are classified according to the CIM Standards which define a Mineral Resource as "a concentration or occurrence of solid material of economic interest in or on the earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other

characteristics of a mineral resource are known, estimated, or interpreted from specific geological evidence and knowledge including sampling.

16. The mineral resource was categorized based on the geological confidence of the deposit into inferred and indicated categories. An inferred mineral resource has the lowest level of confidence. An indicated mineral resource has a higher level of confidence than an inferred mineral resource. It is reasonably expected that the portions of the inferred mineral resources could be upgraded to indicated mineral resources with additional infill drilling.
17. All procedures, methodologies and key assumptions supporting this mineral resource estimate are included in a NI 43-101F1 Technical Report which will be available at www.sedar.com.

The most significant extension of the new resource materialized in the East Zone, (former N2 domain in the 2019 Technical Report). New drilling provided the basis for higher tonnage and grade, ultimately increasing an original 420,000 Oz of Inferred Resource to 479,000 oz Au of Indicated Resource and 339,000 oz of Inferred Resource within the East zone. The increase in tonnage reflects the lateral continuity of the High-Grade domain to the East (currently 500m lateral extent is recognized). The increase in grade is explained by better coverage over the intrusive contact buffer zone that is believed to be one of the main primary controls on vein density and gold endowment.

Preliminary Economic Assessment

On August 21, 2021, Cerrado announced the results of the PEA on the recently updated Mineral Resource Estimate for the Serra Alta deposit at MDC. The results of the PEA demonstrate very robust economics with an after-tax NPV5% of $617 million and IRR of 94.8% at a gold price of $1,600/oz. Project economics are based on a potential 8-year mine life with a 1.3-year payback period, with positive after-tax cash flow commencing in Year 1. The final PEA Technical Report completed by GE21, in accordance with NI 43-101, and was filed on SEDAR on October 7, 2021.

Highlights of the PEA include:

- Average annual gold production of 149,000 ozs over first 5 years and 131,000 ozs over LOM 8 years
- Annual Average Free cash flow of US$150 million over the first 5 years
- Total cumulative, after tax, free cash flow estimated US$901 million over 8 years
- Average AISC of US$431/oz over the first 5 years
- Low Initial Capex of US$126 million (including US$25 million contingency)
- Payback of 1.3 years
- Further upside potential from continued exploration drilling & resource expansion
- Development program including Feasibility Study to begin immediately

PEA summary

PEA Summary Table ***All Figures in US$ unless otherwise noted***		**2021**
NPI @ 5% After Tax	**$ millions**	**$617**
IRR After Tax	**%**	**94.8%**
Long Term Gold Price (US$/troy oz.)	US$/oz Au	$1,600
Initial Capex	$ millions	$126
Life of Mine	years	8
Payback time (years)	years	1.3
LOM average annual production	koz	131.0
LOM annual tonned mined	MM tonnes	2.600
Opex	$/t	$33.04
Avg Cash Cost	US$/oz Au	$583
Avg LOM AISC	US$/oz Au	$612
Sustaining LOM Capital	$ millions	13.5
LOM Stripping Ratio	waste:ore	10.9:1
Royalties	%	1%
Mine Closure	$ millions	$16.78

Metallurgy Results

Cerrado completed additional metallurgical testing that on a bulk sample of 300 kg, confirmed the recoverability of gold by gravity concentration and tailing flotation followed by CIP leaching of float concentrate. The results of the test work, that are included in the PEA, reveal recoveries up to 98.5% of which approximately 79% is recovered by gravity. The final leached tailings will be submitted to detox circuit before sending it to final disposal. The high percentage of gold recovered by gravity allows for a simple design layout with limited CIP leaching capacity required, which significantly reduces up front capital requirements. Metallurgical test work also indicates that the waste rock and detoxed tailings are neutral by nature, which points to very amenable disposal of mineral residues making it easier to deploy environmentally and more affordable.

Serra Alta Feasibility Study

In light of the strong PEA results, Cerrado has immediately moved to commence a full Feasibility Study at MDC. Work is currently progressing on the feasibility study ("FS") programme with over 80% of the Contracts for Services have been placed, with all Contracts forecast to be placed in Q2 2022. Work to further upgrade the resources with infill drilling is underway and SLR have been selected to manage the overall FS and undertake the geology and mining components. Work is in progress on metallurgical testwork, geotechnical studies, archaeology studies, noise and dust monitoring and geochemical studies. Drilling on progress to complete the updated geological model for use in the FS Currently the estimated forecast completion for the FS remains on schedule for Q1 2023.

Initial work is a focus on the value-add and trade-off studies that include:

- Improved domaining of the resource for improving the average grade
- Shorter haul distances with updated waste dump locations reducing OPEX
- Electrification of mine fleet equipment
- Steeper angles in the competent granites to reduce strip ratios and OPEX
- Use of SAG mill to replace the three-stage crushing circuit reducing OPEX
- Removal of the cleaner floatation circuit reducing CAPEX and OPEX
- Move to larger and fewer process equipment to reduce CAPEX and OPEX

Detailed work will progress in stages on the completion of the Trade-Offs and will commence in Q2 2022.It is recognised that in the current environment there is concern on potential increases due to inflation, and management to de-risk the project will also be a key activity, though at this time we have no reason to believe the 25% contingency allocated for such risk is inadequate.

Ongoing Exploration

Exploration drilling program

After the completion of Phase I the Company started a district focused drill program in late May targeting further extensional areas in Serra Alta and is also adjacent satellite deposits aiming to better define the district potential. This program continues through 2022, with one diamond rig dedicated exclusively on satellite deposits.

Serra Alta

Highlights of drilling results within the Serra Alta deposit include:

<u>FSA-164</u>

- 129.00 m at 1.68 g/t Au, from 15.00 m
  - Including 2.03 m at 13.54 g/t Au from 26.02
  - Including 11.06 m at 5.22 m g/t from 120.05

<u>FSA-158</u>

- 4.89 m at 1.82 g/t Au, from 422.29 m

<u>FSA-160</u>

- 17.70 m at 1.33 g/t Au, from 50.30 m
  - Including 5.20 m at 7.29 g/t Au from 81.27 m
- 5.20 m at 7.29 g/t Au, from 81.27
  - Including 1.04 m at 34.11 g/t Au from 82.31

Most notable drilled hole in this phase is FSA-164, an infill shallow dipping hole in the central part of the Pit Norte. Hole FSA-164 is Serra Alta's second-best hole (after FSA-94, reported on December 16, 2020) in terms of metal endowment, estimated by the product of the true thickness and the grade. This hole includes 129.00 m at 1.68 g/t Au from 15 m (vertical depth of less than 10 m) confirming Cerrado's exploration model that considers higher structural levels within the granite (possible copula) in the proximity to either Quartzite or Volcanics as the most permissive zones for wider and richer quartz/gold veining. Hole FS-164 is remarkable in terms the density of visible gold within the sheeted veins and is especially encouraging for the conceptual mining sequencing as it re-affirms the low strip of high-grade zones in the early years of the operation.

Satellites

In addition to drilling at Serra Alta work continues to at various other satellite targets to expand the resource potential on the larger property. Results of the satellite exploration drilling of 2021 where partially reported in December 15th 2022. Targets outside Serra Alta included Capitao, Giant Quartz Veins, Sucuri, Fartura rradura, Bit 3, El Dorado and Baru.

Highlights of result in the target area (all composites are reported as true thickness, as reported on December 15th, 2021):

<u>Capitao</u>

<u>FCP-004</u>

- 2.9 m at 2.13 g/t Au, from 123.56 m

<u>FCP-005</u>

- 7.22 m at 0.94 g/t Au, from 71.65 m

<u>FCP-007</u>

- 4.44 m at 2.14 g/t Au, from 165.41 m
- 1.01 m at 8.63 g/t Au, from 232.74 m

FCP-010

- 1.92 m at 6.81 g/t Au, from 255.64 m

Fartura

FFA-001

- 5.35 m at 1.85 g/t Au, from 62.83 m

FFA-002

- 5.04 m at 1.50 g/t Au, from 32.56 m

Sucuri

FSC-001

- 1.00 m at 9.72 g/t Au, from 44.00 m

Bit-3

FLD-005

- 6.72 m at 1.50 g/t Au, from 155.35m
  - Including 2.57 m at 3.71 g/t Au from156.32 m

Baru

FBU-004

- 20.05 m at 0.71 g/t Au, from 240.05 m
  - Including 1.02 m at 2.23 g/t Au from 243.08 m

Capitao Drilling

The Capitao Target is located 6 km to the south of Serra Alta along the same granite complex contact zone. Cerrado completed 10 drill holes in the Capitao target, totaling 3,793 m and notably expanded the footprint of the target previously constrained by historic drilling (Kinross 2007). The mineralized zone after successful extensional step outs now confirms a strike length of 500 m with notable wide lateral extents up to 700 m.

Capitao mineralization shows resemblance with the Serra Alta granite intrusion hosted quartz/gold. A distinct feature of the mineralized granite areas in Capitao is the chlorite dominated alteration. Quartz vein density and visible gold occurrence are relatively less intense than Serra Alta. This is reflected in the lower grade tenor and continuity. Notable results include hole FCP-007, that intercepted 4.44 m at 2.14 g/t Au, from 165.41 m and 1.01 m at 8.63 g/t Au, from 232.74 m. This hole is in the same section as hole FCP-005 that intercepted 7.22 m at 0.94 g/t Au, from 71.65 m effectively defining a 200 m wide mineralized corridor. Hole FCP-004, drilled 100 m to the south, returned 2.9 m at 2.13 g/t Au, from 123.56 metres.

Fartura Drilling

The Fartura Target is located 2 km to the northwest of Serra Alta, also sitting along the granite complex contact zone. Three holes (FFA-001 to 003) were completed in Fartura. Core Logging and revised surface geological mapping confirmed that the host rock of the shallow mineralization (mined informally on surface) in Fartura is a porphyritic felsic volcanic. Visible gold and dense quartz veining occurred in holes FFA-001 and FFA-002 that returned relevant intercepts including 5.35 m at 1.85 g/t Au, from 62.83 m and 5.04 m at 1.50 g/t Au, from 32.56 m. The 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.

The fact that relevant quartz veining and visible gold is found in felsic volcanic is very encouraging as the mineralization intensity is expected to increase in underlying granitic rock. Granitic rocks are exposed approximately 800 m to the south with showings of quartz veins and artisanal mining, this opens the potential for a kilometer scale mineralized trend

Baru Drilling

The Baru Target is located 1 km to the west of the Pit Sul block at the Serra Alta Deposit. Trenching and traversing carried out in Q2 revealed notable resemblance of the granitic units with Serra Alta including granite textures, quartz sheeted veins, potassic alteration and staining along veins after sulphides oxidation.

The exposed altered and mineralized granitic rock area was drill tested with 8 holes spreading more than 500 m in a lateral sense and 200 m in the strike direction. Results for the first 6 holes (FBU-001 to 006, see table 3) were reported this quarter. Hole FBU-004, considered a discovery hole, shows notable mineralization continuity including 20.05 m at 0.71 g/t Au, from 240.05 m.

Bit-3 Target

The Bit-3 targets is 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, mainly included in Cerrado controlled land 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.

Other targets

The area between Capitão and Serra Alta, along the projected intrusive contact zone (Serra Alta context), is host to several additional previously undrilled targets including Sucuri and Eldorado.

The Sucuri area is located ~ 1.5 km to the Northwest of Capitão and includes sheeted vein targets (Serra Alta type) and discrete shear zone veins (Giant Vein model). Four holes were completed in Sucuri following trenching, mapping, and geochemical soils sampling. Notable results include the new discovery of a high-grade sheared vein intersected with hole FSC-01 that returned a 1.00 m at 9.72 g/t Au.

Cerrado conducted systematic drilling along 300 m of strike length of this structure in the Magalhães area, the structure was crossed but at mined out areas (garimpos) and at non mineralized shear zonesSerra Alta 2022 Infill Program.

Gogo de Onca area is located 150 m along strike continuity of the north edge of the Serra Alta Deposit. The target is defined by a structural block bounded by West East faults similar to the structures between the south, central and east zones. Field crews built access to the area in Q1 2022 and the geology team has completed mapping and trenching showing striking similarities between this target and the general Serra Alta geology as defined by granitic textures and intrusive contact between granite (main mineralization host rock in Serra Alta) and felsic volcanics. The immediate footwall of this contact zone is the most endowed zone in Serra Alta drilled sectors. Next steps include further trenching and drilling

A 23,000 meter program was initiated in January 2022 in Serra Alta aimed to optimize conversion of the inferred resources into an indicated Category. This program will extend until July 2022 and will be the base for the next resource update and subsequent.

Minera Don Nicolas Continuous Operational Improvement Projects and New Projects

Work has been completed on the project to reduce dilution from mining and is deemed a success as shown by the quarterly improvement in gold grades feed to the mill over the course of 2021. Bench heights have been reduced in key zones to allow for more selective mining. A new drill rig to achieve this requirement has been mobilised. There has been a significant reduction in dilution observed in Q1 2022 and this will be adopted going forward at the operation.

Work to reduce water losses and water on the existing tailings has commenced. Metallurgical test work will commence in Q2 2022. It is anticipated that MDN can move to a non-Segregated tailings facility that allows us to reduce water losses by at least 50% and also create a more efficient tailings pond. Overall, we expect to see significant improvements in reducing sustaining capital for the tailings dam raises as well as reducing our operational water costs and costs for DETOX. The Project, if testwork proves successful, will apply for approvals from the Ministry in Q2 2022. It is anticipated that if procurement starts in Q2 2022 the project can complete Q1 2023.

Detailed design for work on the Las Calandrias Heap Leach pad has commenced in Q1 2022 by Knight Piesold. Construction is currently due to start in Q2 2022 with first gold in Q1 2023. The project requires a new Carbon in Column circuit at the facility and will utilise the existing refinery at the property to reduce capital costs. Currently the heap leach project is forecast to add approximately 25,000 oz Au per year in steady state.

An assessment to add another heap leach facility for the low-grade material at Martinetas has been completed. Detailed work on a drilling programme to support a low-grade resource is to commence in Q2 2022. Once complete a final assessment will be undertaken and if successful will commence detailed design on a low grade heap leach pad at Martinetas, The initial assessment indicates the opportunity to yield over 20,000 oz per year from the low grade material either currently being mined as waste or not mined as not economic for the current high grade facility.

Exploration work to better define the opportunity to develop an underground mine below the current open pit in the Paloma area has started with the new drilling programme in Q1 2022. Work for Permits and any Applications will commence in Q2 2022.

DISCUSSION OF OPERATIONS

The following table provides a summary of the Company's key operating information and statistics for the three months and year ended December 31, 2021. The figures below do not include results from the Don Nicolas mine for the period from acquisition date of March 16, 2020, to March 31, 2020, as there was minimum production, and no sales were completed during this 15-day period.

Selected Operating and Financial Information

Key Operating Information		Unit	Three Months Ended December 31 2021	Three Months Ended December 31 2020	Year Ended December 31 2021	Year Ended December 31 2020
Operating Data						
Ore Mined		ktonnes	120.50	59.80	411.64	185.20
Waste Mined		ktonnes	1,061.13	850.69	5,113.87	2,679.77
Total Mined		ktonnes	1,224.66	925.50	5,738.04	2,899.12
Strip Ratio		waste/ore	8.81	14.23	12.42	14.47
Mining rate		ktpd	13.31	12.18	15.98	10.78
Ore Milled		ktonnes	109.89	78.52	413.50	245.04
Head Grade Au		g/t	4.77	2.38	3.51	2.36
Head Grade Ag		g/t	17.94	9.22	12.63	7.69
Recovery Au		%	89%	89%	89%	89%
Recovery Ag		%	57%	64%	59%	63%
Mill Throughput		tpd	1,194	1,033	1,152	911
Gold Ounces Produced		oz	15,008	5,168	42,267	16,545
Silver Ounces Produced		oz	27,579	14,043	94,092	36,780
Gold Ounces Sold		oz	12,864	5,552	38,839	17,673
Silver Ounces Sold		oz	26,268	15,369	88,093	38,767
Average realized price and Average realized margin						
Metal Sales		$ 000's	23,100	10,267	70,051	32,194
Cost of Sales		$ 000's	14,984	11,945	56,350	31,451
Gross Margin from Mining Operations		$ 000's	8,116	(1,678)	13,701	743
Average realized price per gold ounce sold	(1)	$/oz	1,748	1,783	1,747	1,779
Total Cash Cost per gold ounce sold	(1)	$/oz	764	1,660	1,057	1,364
Average realized margin per gold ounce sold	(1)	$/oz	984	123	690	415
Total Cash Costs	(1)	$ 000's	$9,826	9,218	$41,048	$24,011
Total cash costs per ounce sold	(1)	$/oz	$764	1,660	$1,057	$1,359
AISC - Minera Don Nicolas	(1)	$/oz	$995	2,016	$1,356	$1,734
Financial						
Total revenue		$ 000's	23,100	10,267	70,051	32,194
Mine operating expenses		$ 000's	14,984	11,945	56,350	31,451
Income (loss) from mining operations		$ 000's	8,116	(1,678)	13,701	743
Net income (loss)		$ 000's	2,539	(5,171)	(6,299)	(12,569)
Adjusted EBITDA	(1)	$ 000's	8,286	(2,247)	11,754	(2,084)
Operating cash flow before movements in working capital	(1)	$ 000's	8,295	(3,229)	9,035	10,926
Operating cash flow		$ 000's	4,686	(2,140)	6,618	16,196
Cash and cash equivalents		$ 000's	1,726	6,638	1,726	6,638
Working capital surplus (deficiency)		$ 000's	(13,543)	(1,983)	(13,543)	(1,983)
Capital Expenditures		$ 000's	1,275	660	8,229	4,334

(1) This is a non-IFRS performance measure, see non-IFRS Performance Measures
(*) Does not include key operating information and statistics for the period from March 16, 2020 to March 31, 2020 at Minera Don Nicolas

Selected Financial Information

The Company's business, operations and financial condition have been significantly adversely affected by COVID-19. Actions taken to reduce the spread of COVID-19 have resulted in volatility and disruptions in regular business operations, supply chains and financial markets.

The extent to which Cerrado's operational and financial results are affected by COVID-19 will also depend on additional actions taken by business and governments in response to the pandemic and the speed and effectiveness of responses to combat the virus. The Company continues to carefully monitor the evolving situation of the COVID-19 pandemic. The safety and protection of its staff remains a top priority. Additional information regarding risk factors including, but not limited to, business risks is available in our Annual Information Form, a copy of which may be accessed through the SEDAR website (www.sedar.com).

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

As at December 31, 2021, the Company which has been funded primarily by the issuance of equity, had an accumulated deficit of $23.7 million, an increase of $6.3 million from December 31, 2020.

The Company's cash and cash equivalents balance at December 31, 2021 was $1.7 million. This is a decrease from the last stated cash and cash equivalents balance of $6.6 million at December 31, 2020. On March 14, 2022, the Company entered into a $20.0 million gold and silver stream agreement with Sprott. Proceeds of the financing will be used to complete the ongoing works to deliver a NI 43-101 compliant feasibility study for the MDC project, as well as for general and corporate purposes. This additional $20.0 million of funding, significantly improves the Company's liquidity position over the next twelve months.

The future of the Company is dependent on its ability to attain profitable operations, generate sufficient funds from operations, and obtain new debt or equity financing. The Company's liquidity position is sensitive to a number of variables which cannot be predicted with certainty, including, but not limited to, meeting increased production targets, metal prices, foreign exchange rates, operational costs, and capital expenditures. If the Company's cash flow from operations is not sufficient to satisfy its requirements, 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.

Accordingly, these conditions represent a material uncertainty that cast significant doubt about the Company's ability to continue as a going concern. The 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.

Working capital deficit at December 31, 2021 was $13.5 million. Working capital is expected to improve as the Company is able to increase cash from operations as operational efficiencies are implemented and throughput rates are improved at MDN and per unit costs are reduced. Additionally, the $20 million Sprott stream will significantly improve working capital over the next 12 months.

Cash Flows

The Company's cash balance was $1.7 million at December 31, 2021 as compared to $6.6 million at December 31, 2020.

Operating activities
Cash provided by operating activities for the year ended December 31, 2021 was $6.6 million as compared to $16.2 million for the year ended December 31, 2020. Cash provided by operating activities in 2021 consisted of $9.0 million in operating cash flows before working capital changes derived from the income from mining operations achieved during the year. This was offset by a reduction in working capital items of $2.4 million. Cash provided by operating activities in 2020 consisted of $10.9 million in operating cash flows before working capital items driven primarily by the $15.0

million proceeds from the Metals purchase and sale agreement with Sprott on March 13, 2020. Changes in working capital items also provided $5.3 million in operating cash flow for the year.

Cash provided by operating activities during the three months ended December 31, 2021 was $4.7 million compared to cash used in operating activities of $2.1 million for the three months ended December 31, 2020. Cash flows from operating activities before changes to working capital reflect the higher mining and throughput rates and higher head grades achieved by the Company in the three months ended December 31, 2021, which resulted in higher production and metal sales. This is offset by a decrease in non-cash working capital items, mainly driven by an increase in inventories balance during the period.

Investing activities

Cash used in investing activities for the year ended December 31, 2021 was $21.1 million and consisted primarily of additions to exploration and evaluation assets of $11.3 million, increase in restricted cash of $7.5 million and additions to property, plant and equipment of $3.0 million, compared to cash used of $22.4 million in prior year period which included the net cash payment of $14.4 million made by Cerrado as part of the Minera Don Nicolas S.A acquisition that closed on March 16, 2020.

Cash used in investing activities during the three months ended December 31, 2021, was $5.7 million and consisted of additions to exploration and evaluation assets of $2.6 million and restricted cash of $2.5 million, compared to $2.6 million of cash used in investing activities for the prior year period which consisted of additions to exploration and evaluation assets of $2.5 million and additions to plant and equipment of $0.7 million.

Financing activities

Cash provided by financing activities for the year ended December 31, 2021 was $9.7 million and consisted primarily of proceeds from private placements of $10.8 million and by warrant exercises of $0.4 million. Cash provided by financing activities for the year ended December 31, 2020, were $13.0 million which consisted primarily of $7.5 million in proceeds from private placements and net revolving facility drawdowns of $6.4 million.

Cash used in financing activities during the three months ended December 31, 2021, was $2.5 million and consisted primarily of net revolving facility repayments of $1.5 million, compared to cash provided by financing activities of $2.2 million in the prior year period which consisted primarily of $2.7 million net drawdowns of the revolving facility.

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 has raised $20 million in March 2022 through a secured note with Sprott to fund the feasibility study at MDC 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

There are three royalty agreements that apply to the Company's Minera Don Nicolás Mine, described as follows:
(i) A royalty payable to the province of Santa Cruz in the amount 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 MDN 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 $2.0 million payable to Sandstorm Gold Limited based on an agreement executed on February 28, 2006. This royalty is applicable to MDN and its properties which are currently under production.

As at December 31, 2021, 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	$	21,900	-	-	21,900
Operating commitments (i)	$	75	-	-	75
Lease obligations (i)	$	1,070	1,711	-	2,781
MDN acquisition payments (i)	$	10,000	22,000	-	32,000
Revolving prepayment facility (i)	$	6,015	-	-	6,015
Environmental rehabilitation provision (i)	$	175	-	5,135	5,310
	$	39,235	23,711	5,135	68,081

(i) Reported on an 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			
	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
Total assets	109,813	83,584	81,533	80,315
Total revenue	23,100	17,930	17,858	11,163
Net income (loss) for the period	2,539	(1,401)	(1,765)	(5,672)
Basic earnings (loss) per share	0.03	(0.02)	(0.02)	(0.10)
Diluted earnings (loss) per share	0.03	(0.02)	(0.02)	(0.10)

	Three Months Ended			
	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Total assets	67,610	67,666	60,666	63,122
Total revenue	10,267	12,563	9,364	-
Net income (loss) for the period	(5,171)	(1,911)	(2,712)	(2,775)
Basic earnings (loss) per share	(0.11)	(0.04)	(0.06)	(0.07)
Diluted earnings (loss) per share	(0.11)	(0.04)	(0.06)	(0.07)

Metal sales at the MDN mine in Argentina account for a portion of the quarter-to-quarter increase in total assets during 2020 and 2021, where much of the increase is mainly attributed to continued exploration and evaluation expenditures in the Monte do Carmo gold project in Brazil, as well as additions to property, plant and equipment in Argentina. The Company also raised $10.8 million in equity financing in the first quarter of 2021, compared to $7.5 million in 2020.

Revenues commenced in the second quarter of 2020 at the MDN mine and have overall increased quarter-to-quarter due to increased production and metal price volatility throughout 2020 and 2021.

SELECTED ANNUAL INFORMATION

The following table sets forth selected annual information extracted from the Company's audited Consolidated Financial Statements for the years ended noted:

		Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Revenue	$ 000's	70,051	32,194	-
General and admnistrative expenses	$ 000's	9,492	7,699	2,392
Other expenses	$ 000's	8,906	4,923	503
Net loss for the period	$ 000's	(6,299)	(12,569)	(2,895)
Loss per share - basic	$/share	(0.09)	(0.28)	(0.07)
Loss per share - diluted	$/share	(0.09)	(0.28)	(0.07)
Total assets	$ 000's	109,813	67,610	13,768
Non-current financial liabilities	$ 000's	35,131	40,041	196
Cash dividends declared	$ 000's	-	-	-

(Expressed in US dollars)

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 April 14, 2022, the total number of common shares outstanding or issuable pursuant to other outstanding securities is as follows:

Common Shares		**Number**
Outstanding	(i)	76,581,201
Issuable upon exercise of Finder's and Agent Warrants	(ii)	884,910
Issuable upon exercise of Cerrado Options	(iii)	6,550,000
Issuable upon redemption of Cerrado RSUs	(iv)	3,728,755
Issuable upon redemption of Cerrado DSUs	(v)	775,000
Diluted common shares		**88,519,866**

(i) Includes 1,666,667 common shares issued to Capella Minerals for the acquisition of Minera Mariana, 8,845,750 common shares issued upon conversion of the previously issued Special Warrants, 11,111,200 common shares from the February 17, 2021 private placement, and 1,937,416 common shares issued to BB1 upon completion of the RTO transaction on February 22, 2021.

(ii) In connection with the private placement of Special Warrants in September 2020, the Company granted Haywood Securities Inc. (the "Agent") 123,625 Finder's Warrants and 505,115 Agent Options exercisable at $0.80. The Company granted 666,672 broker warrants in connection with the CAD$15.0 million private placement closed on February 19, 2021, in conjunction with the completion of the RTO transaction.

(iii) There were 6,550,000 stock options outstanding under the Company's Omnibus Plan with exercise prices ranging from $0.45 and CAD$1.41, and expiring between February 27, 2024 and October 28, 2026.

(iv) There were 3,728,755 RSUs outstanding under the Company's Omnibus Plan, which were granted on February 27, 2019, June 24, 2020, September 14, 2020, November 13, 2020, June 1, 2021 and October 20, 2021.

(v) On October 28, 2021, the Company granted 775,000 Deferred Share Units ("DSUs") to certain eligible participants under the Omnibus Plan, which was approved by shareholders at the Company's Annual General and Special Meeting on October 28, 2021. Each stock option is exercisable at CAD$1.53 ($1.24) for a period of 5 years from the grant date, and will vest in accordance with the following schedule: (i) 1/3 immediately; (ii) 1/3 one year from the date of the grant; and (iii) 1/3 two years from the date of the grant. There are 775,000 DSUs outstanding under the Company's Omnibus Plan.

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.

(a) Compensation of key management personnel

During the year ended December 31, 2021 and 2020 compensation of key management personnel is summarized as follows:

(Expressed in US dollars)

	December 31 2021	December 31 2020
Management and director compensation	**$ 2,279**	$ 2,550
Share-based payments	**2,606**	1,916
Termination benefits	**-**	226
	$ 4,885	$ 4,692

(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.

As at December 31, 2021, amounts owed from Ascendant in relation to shared services are $0.5 million (December 31, 2020 - $Nil).

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.

On October 5, 2020, Cerrado subscribed for a total of 2,650,000 units of Ascendant at a cost of CAD$0.10 per unit for a total cost of CAD$0.3 million. Each unit consists of one common share of Ascendant and one-half of one common share purchase warrant. Each warrant entitles Cerrado to acquire one common share at a price of CAD$0.15 per share for a 24-month period following the closing date of private placement. The Company fully exercised these warrants at CAD$0.15 each for a total cost of CAD$0.2 million and received 1,325,000 common shares of Ascendant, for a total of 3,975,000 common shares of Ascendant, valued at $0.7 million (2020 - $0.4 million).

ACQUISITION OF MINERA DON NICOLAS

On March 16, 2020 (the "Closing Date"), the Company entered into an Agreement to acquire MDN and its namesake operating mine and surrounding properties in Argentina. The Company acquired the MDN mine in Argentina to add an operating asset that will complement the Company's Monte do Carmo gold exploration project in Brazil. Under the terms of the agreement the Company paid the Compañia Inversora En Minas S.A. ("CIMINAS") and Compañia Inversora Argentina Para La Exportacion S.A. ("CIAPEXSA") (together the "Sellers") an initial payment of $15 million at closing, with future payments due of $10 million in 24 months, $2 million in 36 months, $10 million in 48 months and $10 million in 60 months from the Closing Date and will be payable from a sinking fund, to be set up by the Company. The future consideration payable amount was initially recorded at a fair value of $21.4 million. The payable amount is discounted using a rate of 12%, which was the Company's estimated weighted-average cost of capital at the closing date. For the year ended December 31, 2021, the discount was amortized by $2.8 million which are included in finance expense. As at December 31, 2021, the amount held in restricted cash of $7.5 million relates to the sinking fund set up by the Company for future payment obligations to the Sellers.

In addition to the above, the Sellers are entitled to the following "Initial Bonus" amounts, 48 months from closing date, provided the terms of agreement as described are met;

- $2.5 million if Mineral Reserves in accordance with an NI 43-101 technical report, exceed closing Mineral Reserves of 215,000 ounces of gold by between 250,000 and 499,999 ounces of gold
- $5 million if Mineral Reserves in accordance with an NI 43-101 technical report, exceed closing Mineral Reserves of 215,000 ounces of gold by at least 500,000 ounces of gold

In addition to the above, the Sellers are entitled to a "Final Bonus" of $5 million, 30 months from the final payment date, if Mineral reserves in accordance with NI 43-101 technical report, exceed closing Mineral Reserves of 215,000 ounces of gold by at least 750,000 ounces of gold.

The "Initial and Final Bonus" payment will not be payable to the Seller if the average LBMA gold price per ounce is below $1,250 in the six months preceding the payment date as described.

As described above the "Initial and Final Bonus" is contingent upon meeting several criteria, including the completion of the NI 43-101 report. These contingent payments have been valued at $nil and are not included in the purchase price calculation below.

With the completion of the transaction, MDN has become a wholly owned subsidiary of Cerrado, and the Company is now the owner and operator of MDN, an open-pit gold mine in the province of Santa Cruz, Argentina.

The Company determined that the transaction represents a business combination under IFRS 3 Business Combinations ("IFRS 3"), with Cerrado identified as the acquirer and as such, the transaction has been accounted for using the acquisition method of accounting in accordance with IFRS 3. The total purchase price consideration of the acquisition was $36.4 million.

Acquisition related transaction costs of $0.7 million were recorded in the Company's consolidated statements of operation and comprehensive loss in 2020.

In the third quarter of 2021, the Company finalized a working capital adjustment and resolved certain other matters related to the Minera Don Nicolas acquisition, which included a payment of $0.5 million by the Company to the Sellers with a further $0.5 million to be paid by April 15, 2022.

As at the date of acquisition, MDN had approximately $66 million of excess tax basis, the benefit of which has not been recognized in the purchase equation or these financial statements.

CRITICAL ACCOUNTING ESTIMATES

Refer to Note 2 of the Cerrado Financial Statements for the year ended December 31, 2021.

CHANGES IN ACCOUNTING POLICIES

Refer to Note 3 of the Cerrado Financial Statements for the year ended December 31, 2021.

FINANCIAL INSTRUMENTS HIERARCHY AND FAIR VALUES

Refer to Note 23 of the Cerrado Financial Statements for the year ended December 31, 2021.

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 loss to Adjusted EBITDA:

Adjusted EBITDA	Unit	Three Months Ended December 31		Year Ended December 31	
		2021	2020	2021	2020
Net income (loss)	$ 000's	2,539	(5,171)	(6,299)	(12,569)
Adjusted for:					
Depreciation	$ 000's	2,101	990	5,767	2,538
Metal inventory adjustment	$ 000's	-	-	-	442
Transaction costs	$ 000's	(67)	17	105	849
Listing expense	$ 000's	-	-	1,511	-
Finance items	$ 000's	1,892	1,327	6,129	4,517
Share-based payments	$ 000's	1,728	(358)	3,338	2,345
Foreign currency exchange gain/loss	$ 000's	(451)	743	(399)	643
Income taxes	$ 000's	544	205	1,602	690
Adjusted EBITDA	**$ 000's**	**8,286**	**(2,247)**	**$11,754**	**(545)**

(*) Does not include key operating information and statistics for the period from March 16, 2020 to March 31, 2020 at Minera Don Nicolas

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.

		Three Months Ended December 31		Year Ended December 31	
Average realized price and Average realized margin		**2021**	**2020**	**2021**	**2020**
Metal sales	$ 000's	23,100	10,267	70,051	32,194
Less: Silver sales	$ 000's	(617)	(366)	(2,186)	(842)
Revenues from gold sales	$ 000's	22,483	9,901	67,865	31,352
Gold ounces sold	oz	12,864	5,552	38,839	17,673
Average realized price per gold ounce sold	$/oz	$1,748	$1,783	$1,747	$1,774
Less: Total cash costs per gold ounce sold	$/oz	($764)	(1,660)	($1,057)	($1,359)
Average realized margin per gold ounce sold	**$/oz**	**$984**	**$123**	**$690**	**$415**
(*) Does not include key operating information and statistics for the period from March 16, 2020 to March 31, 2020 at Minera Don Nicolas					

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, 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 and All-in Sustaining Costs to mine operating expenses, as reported in the Company's consolidated statement of loss for the years ended December 31, 2021 and 2020:

Direct operating cost		Three Months Ended December 31 2021	Three Months Ended December 31 2020	Year Ended December 31 2021	Year Ended December 31 2020
Mine operating expenses (from consolidated financial statements)	$ 000's	14,984	11,945	56,350	31,451
Deduct: Depreciation in production	$ 000's	(2,086)	(981)	(5,724)	(2,504)
Total cash costs (including royalties)	$ 000's	12,898	10,964	50,626	28,947
Deduct: Royalties and production taxes	$ 000's	(2,455)	(1,380)	(7,392)	(4,094)
Direct operating costs	**$ 000's**	**$10,443**	**$9,584**	**$43,234**	**$24,853**
(*) Does not include key operating information and statistics for the period from March 16, 2020 to March 31, 2020 at Minera Don Nicolas					

AISC per Au payable pound sold	Unit	Three Months Ended December 31 2021	Three Months Ended December 31 2020	Year Ended December 31 2021	Year Ended December 31 2020
Gold ounces sold	oz	12,864	5,552	38,839	17,673
Total Cash Cost Reconciliation					
Direct operating costs	$ 000's	10,443	9,584	43,234	24,853
Deduct: Silver sales	$ 000's	(617)	(366)	(2,186)	(842)
Total Cash Costs	$ 000's	9,826	9,218	41,048	24,011
Total cash costs per ounce sold	**$/oz**	**$764**	**$1,660**	**$1,057**	**$1,359**
All-In Sustaining Costs (AISC) Reconciliation.					
Total Cash Costs	$ 000's	9,826	9,218	41,048	24,011
Add: Sustaining Capital Expenditures	$ 000's	524	597	4,217	2,450
Add: Royalties and production taxes	$ 000's	2,455	1,380	7,392	4,094
Add: Corporate G&A, excluding depreciation and amortization	$ 000's	2,830	2,532	9,449	7,665
Total All-in Sustaining Costs - Consolidated	**$ 000's**	**15,635**	**13,727**	**62,106**	**38,220**
Deduct: Corporate G&A, excluding depreciation and amortization	$ 000's	(2,830)	(2,532)	(9,449)	(7,665)
Total All-in Sustaining Costs - Minera Don Nicolas	**$ 000's**	**12,805**	**11,195**	**52,657**	**30,555**
All-In Sustaining Costs per Ounce Sold - Minera Don Nicolas	**$/oz**	**$995**	**$2,016**	**$1,356**	**$1,729**
(*) Does not include key operating information and statistics for the period from March 16, 2020 to March 31, 2020 at Minera Don Nicolas					

(1) If the Company were to include Corporate G&A expenses, AISC / Au oz would be $1,215 and $1,599 for the 3 and 12 months ended December 31, 2021, compared to $2,472 and $2,163 for the 3 and 12 months ended December 31, 2020.

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:

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.

Exploration, Development and Operating Risks

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. 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.

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 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 assed 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 may 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.

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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.

COVID-19 and Other Health Crisis

The current COVID-19 pandemic and any future emergence of similar pathogens could have an adverse impact on global economic conditions which may adversely impact the Company's operations and the operations of its suppliers, contractors and service providers and the ability to obtain financing and maintain necessary liquidity, the demand for and ability to transport the Company's products and its ability to advance its projects and other growth initiatives. Travel bans may also adversely impact the Company's operations and the ability of the Company to advance its projects. In particular, should any employees or consultants of the Company become infected with COVID-19, it could have a material negative impact on the Company's operations and prospects.

The outbreak of COVID-19 and the resulting global upheavals have caused significant volatility in commodity prices. The outbreak and its declaration as a global pandemic is causing companies and governments around the world to impose sweeping restrictions on the movement of people and goods, including social distancing measures and restrictions on group gatherings and isolation and quarantine requirements, closure of business and government offices, travel advisories and travel restrictions. The duration of these measures, and the related business, social and government disruptions and financial impact cannot be reasonably estimated at this time. The Company cannot estimate whether or to what extent these measures, and the resulting impacts may adversely impact the Company's business, financial condition and results of operations. The Company is working closely with national and local authorities, including labour unions, and continues to closely monitor each site's situation, including public and employee sentiment to ensure that stakeholders are in alignment with continued safe operation of its sites.

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.