



**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEARS ENDED MARCH 31, 2024 AND 2023**  
*(Expressed in US dollars)*

# 2024



# CERRADO GOLD INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the First Quarter Ended March 31, 2024 and 2023  
(Expressed in US dollars)

---

### INTRODUCTION

The following Management's Discussion & Analysis ("MD&A") dated June 26, 2024 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, 2023 and 2022. The MD&A should be read in conjunction with the Consolidated Financial Statements (the "Cerrado Financial Statements") for the years ended December 31, 2023 and 2022, which were prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board ("IASB").

This MD&A also reports on items deemed significant that occurred between March 31, 2024 and the date on which the MD&A is approved by the Company's Board of Directors, which is June 26, 2024, inclusively.

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

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

### FORWARD-LOOKING STATEMENT AND USE OF ESTIMATES

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

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

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

# CERRADO GOLD INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the First Quarter Ended March 31, 2024 and 2023  
(Expressed in US dollars)

---

### COMPANY OVERVIEW & BACKGROUND

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

In Argentina, Cerrado is focused on its producing Minera Don Nicolás gold mine ("MDN") located in the mineral rich Deseado Massif in the province of Santa Cruz, Argentina. MDN has been in production since 2017. The gold deposits at MDN are classified as epithermal gold vein style deposits typical of the region which is host to numerous large-scale gold operations.

In Brazil, Cerrado holds the advanced stage development asset Monte Do Carmo, located in the state of Tocantins. Work completed in 2023 including infill drilling and metallurgy, was incorporated into the NI 43-101 compliant Feasibility Study prepared by DRA Global Limited ("DRA") disclosed in November 2023 and updated at filing in December. The study, for its Monte do Carmo deposit outlined a low-cost open pit and underground operation producing 95,212 Ounces of Gold per annum over 9 years. The Project has also demonstrated robust and significant economics with an after-tax NPV<sub>8%</sub> of \$390 million and an IRR of 34% using a gold price of \$1,750/oz.

#### Highlights

- **After-Tax NPV of US\$390 million and IRR of 34%**
- **Average annual gold production of 94,797 ounces per annum over 9 year Life of Mine ("LOM")**
- **Average AISC of US\$687 per ounce over LOM**
- **Initial Capex of US\$181.4 million (including US\$15.8 million contingency)**
- **2:15 ratio of NPV over Initial Capex**
- **Annual average free cash flow of \$87 million over the LOM, with total cumulative after-tax free cash flow of \$588 million over LOM**
- **Initial Proven and Probable Reserves of 895 koz of Gold (16.8 Mt at 1.66 g/t Au)**
- **Updated Measured and Indicated Resources of 1,012 koz of Gold (18.4 Mt at 1.72 g/t Au) and Inferred Resources of 66 koz of Gold (1.1 Mt at 1.95 g/t Au)**

On March 5<sup>th</sup>, 2024 the Company announced that it had entered into an option agreement with Amarillo Mineração do Brasil Ltda. ("Amarillo") a wholly-owned subsidiary of Hochschild Mining PLC ("Hochschild"), whereby Cerrado has granted to Amarillo the option ("Option") to purchase a 100% interest in the Company's Monte Do Carmo project ("MDC Project") located in the State of Tocantins, Brazil (the "Proposed Transaction"), for total consideration of US\$60 million (approximately C\$80 million) (the "Purchase Price"), subject to the fulfillment of certain conditions.

The Purchase Price would be payable in the following stages:

US\$15 million, initially advanced by way of a 10% interest-bearing secured loan (the "Signing Loan"), of which US\$7 million has been advanced as of the date of the grant of the Option (March 4, 2024), US\$1 million may be advanced within 60 days, and the balance of US\$7 million may be advanced two days following the mailing by Cerrado to its shareholders of a notice of meeting and management information circular in connection with a meeting to approve the Proposed Transaction to be held by June 30, 2024 (the "Cerrado Shareholder Approval"). Upon the Cerrado Shareholder Approval being obtained, the Signing Loan, together with all accrued and unpaid interest thereon and expenses relating thereto, shall be deemed to be repaid in full by Cerrado by the concurrent set off of an amount equal to the Signing Loan due by Amarillo as part of the Purchase Price. If Cerrado fails to secure the Cerrado Shareholder Approval on or before June 30, 2024, the Signing Loan will mature on September 30, 2024. The aggregate of US\$45 million, is payable in four installments over the next three years, approximately, On June 10<sup>th</sup>, Cerrado announced the mailing of the proxy material in relation to the shareholders meeting scheduled for June 27<sup>th</sup>

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

# CERRADO GOLD INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the First Quarter Ended March 31, 2024 and 2023  
(Expressed in US dollars)

---

### OUTLOOK

As outlined in the press released dated March 5<sup>th</sup>, 2024 and in more detail in our 2023 annual financial statements, significant financial policy changes in Argentina post the federal election and a lack liquidity in the market to fund junior mining companies, resulted in Cerrado seeking alternative funding arrangements to address its near term working capital needs to fund MDN near term cash requirements and further progress the MDC project. The fiscal policy changes implemented in the country following the November 2023 general election, imposed a significant financial burden to the Minera Don Nicolás ("MDN") operation, adding further strain to Cerrado's working capital position. This ultimately led to the transaction related to the sale of the Monte Do Carmo project. To date, the Company has received a total of US\$15m from Hochschild via the Signing loan which has addressed the immediate working capital requirements of the company during the first quarter. Going forward, these additional funds, combined with strong gold prices and more stable production during the months of March, April and May have allowed the company to initiate the reduction of debt in Argentina and begin the process of improving the overall balance sheet position of the Company.

Going forward, the focus is to secure existing cashflows and generate sufficient cash to enhance its overall financial position. In the near term the focus will be on maintaining production rates in Argentina at around current rates and reviewing the merits of repositioning the mine to solely a heap leach operation for the short term to allow exploration programs to continue to grow high grade ore sources and more fully develop the underground potential that is already known at MDN. The lack of liquidity in 2023 reduced exploration expenditures, limiting available high grade resources ready for near term mining. This new plan would entail a proposed doubling of the current heap leach capacity to sustain a robust production profile for the next several years. During this period exploration programs would be targeted to continue to grow the existing high-grade ore resources both through Open pit and Underground targets that are currently being further delineated. The Company is targeting to release an NI 43-101 Resource Update and a Preliminary Economic Assessment for the revised near term mine plan at MDN in early Q3 of 2024, which remains on track.

The Company produced 11,024 Geo Gold ounces and sold 10,331 Geo Gold ounces during Q1 2023. Production was lower than forecast during January and February as the company transitioned to the full operation in the new Calandrias Norte pit. Production levels have since stabilized since March 2024, when more than 5,255 GEO were produced and a further 6,150 GEO in April and a further 4,500 GEO in May. Future production at Calandrias Norte is expected to stabilize at 4,000-4,500 GEO per month with additional production delivered from the heap leach operation.

At the Calandrias Sur heap leach project, the crushing plant is now operating as expected, which has resulted in a more consistent feed to the heap leach pad improving overall performance and resulting in ~1,132 GEO produced during the quarter. Production is currently running at ~1,000 GEO per month, expected to reach ~2,000 GEO per month by the end of July. As we enter the winter months in Santa Cruz we expect some slowdown in production rates as typically experienced during this period.

The Company continues to progress the ramp up of its new heap leach project and is targeting full production rates by the end of July 2024. The planned ramp up was delayed due to crushing commissioning issues which has now been mostly resolved. A further 2 MM tons were stripped at Calandrias Norte in the first quarter 2024 allowing access to more higher grade material processed during February and March of Q1. Significant improvement and benefits from access and limited future stripping required for the Calandrias Norte material combined with the further ramp up of the heap leach operations are expected during Q2 2024.

As noted the Company has commenced a 43-101 Mineral Resource Update and a Preliminary Economic Assessment of the near-term heap leach at Calandrias Sur, Calandrias Norte and the development proposals for defined ore in the Martinetas area. Over the longer term this is expected to allow MDN to focus on growing higher grade resources for processing at the CIL plant, while lower grade material will be processed via heap leaching.

Going forward into the second quarter of 2024 and beyond Cerrado's MDN operations are now positioned to benefit from the completion of its recent expansionary capital expenditure program to grow production with its new heap leach operations, while sustaining high-grade CIL production. Results in March 2024 are already demonstrating more normalized operations as a result of these investments, with shipments for the month totaling more than 5,000oz from the CIL plant and the heap leach contributing more than 900oz for the month. Production levels have remained strong since March with 6,641 GEO in April produced and 5,486 GEO produced in May from both Calandrias Norte and Calandrias Sur. With operations returning to normal, the Company anticipates a significant improvement in cash generation, which should be significantly enhanced with an improved fiscal policy and a more normalized foreign

# CERRADO GOLD INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the First Quarter Ended March 31, 2024 and 2023  
(Expressed in US dollars)

---

exchange regime in Argentina supporting lower operating costs in US dollar terms. While the near-term cash generating profile continues to improve, the company is also actively working to term out the maturity of its current short term debt profile.

Exploration during the quarter was minimal as the Company is currently focused on strengthening the balance sheet. We expect to start drilling on the property again in earnest in the later part of Q2 or early Q3. Exploration work remains ongoing to focus on growing the known resources at MDN beyond those outlined in the Mineral Resource Estimate ("MRE") reported on February 17, 2021. The focus remains on drilling high grade near surface targets that can readily be brought into the mine plan as well as the continued regional program to better understand the potential of the significant land package at MDN. Additionally, planning for deeper drilling with the potential of extending the high-grade underground resource at MDN has identified the opportunity to develop Paloma as an underground mine.

At the Mont Sorcier iron and vanadium project operated by Cerrado's wholly owned subsidiary Voyager Metals Inc., work continued to advance the project with several workstreams related to permitting, social license and the overall feasibility study. Metallurgical test work also resulted in an optimized flow sheet being designed and the demonstrating the ability to deliver a 67% high grade iron concentrate. Work programs at Mont Sorcier are currently on a care and maintenance approach pending additional funding being available. The company remains in discussions with various parties to support accelerating project development, however, at this time the timeline to deliver the Feasibility study is under review.

As previously announced, the Company has now filed proxy related materials in relation to the annual and special meeting of shareholders set for June 27th, 2024. Amongst other items, the principal purpose of the meeting is the approve the sale of an option over the MDC project to a wholly owned subsidiary of Hochschild.

### 2024 HIGHLIGHTS

#### Operational Performance

##### Minera Don Nicolas

MDN is a remote mining operation with a self-sustaining camp facility. The MDN operation is running steadily, and lessons learned in ore control and short term mine planning continue to deliver the required gold grades. At the new Calandrias heap leach project mining and ore placement on the heap leach pad commenced during the quarter. Completion of the Crusher installation has allowed for a steady ramp up of ore delivered to the leach pad to support rising monthly gold production rates over the quarter and the operation is expected to reach production rates close to 2,000 GEO by the end of July

At the nearby Calandrias Norte deposit, waste stripping was completed during the quarter, and high-grade ore is being fed to the CIL plant as of March 2024 and will be the primary source of high grade feed to the mill for 2024.

##### Las Calandrias Heap Leach Project

At the new Calandrias heap leach project, work continued as the operation entered the ramp-up phase during the quarter. Finalization of the crushing plant has now been completed, which has resulted in more consistent feed to the pad and improved overall performance. Production is set to achieve nameplate production rates from July thereafter. Gold production is expected to stabilize around 50,000 ounces per annum with the mine focusing on developing new reserves and the addition of the Calandrias Heap-leach and future Martinetas heap leach facilities. The total production for the quarter exceeded 1,000 ounces from the Calandrias Heap leach.

The previously mentioned new fiscal regime in Argentina and associated hyperinflation also resulted in some disruption to supplies to the mine which continued into Q1/24

# CERRADO GOLD INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the First Quarter Ended March 31, 2024 and 2023  
(Expressed in US dollars)

### Financial Performance

#### Minera Don Nicolas

Key Operating Information	Unit	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
		Mar. 31, 2024	Dec. 31, 2023	Sep. 30, 2023	June 30, 2023	Mar. 31, 2023	Dec. 31, 2022	Sep. 30, 2022	Jun. 30, 2022
<b>Operating Data</b>									
Ore Mined	ktonnes	85.27	83.04	55.9	75.09	73.06	109.45	84.79	91.69
Waste Mined	ktonnes	2,617.52	1,274.02	1,349.28	1,143.56	1,391.36	1,256.00	1,265.08	1,129.77
Total Mined	ktonnes	2,702.79	1,357.06	1,405.18	1,218.65	1,464.42	1,365.45	1,349.86	1,221.46
Strip Ratio	waste/ore	30.70	15.34	24.14	15.23	19.04	11.48	14.92	12.32
Mining rate	ktpd	30.03	14.75	15.27	13.39	16.27	14.84	14.67	13.42
Ore Milled	ktonnes	90.07	93.23	83.37	92.91	97.65	94.39	98.92	102.88
Head Grade Au	g/t	3.65	5.57	3.19	4.84	4.59	5.83	4.40	3.44
Head Grade Ag	g/t	10.21	6.48	5.16	4.95	5.71	7.39	11.58	9.95
Recovery Au	%	88%	93%	93%	83%	92%	95%	91%	91%
Recovery Ag	%	56%	62%	65%	56%	67%	66%	66%	67%
Mill Throughput	tpd	1,001	1,013	906	1,021	1,085	1,026	1,075	1,131
Gold Ounces Produced	oz	10,982	15,614	9,972	12,336	13,794	17,187	11,015	11,296
Silver Ounces Produced	oz	19,687	11,082	8,809	9,556	13,301	14,962	22,419	28,721
Gold Ounces Sold	oz	10,120	15,386	11,263	10,907	16,005	14,545	10,522	10,981
Silver Ounces Sold	oz	18,749	11,120	9,071	9,242	15,349	12,800	22,355	27,775
AISC - Minera Don Nicolas	(1) \$/oz	\$2,045	\$1,594	\$1,703	\$1,318	\$1,145	\$1,015	\$1,494	\$1,409

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

### First quarter ended March 31, 2024

The Company produced 11,204 GEO during the first quarter ended March 31, 2024, as compared to 13,951 GEO for the first quarter ended March 31, 2023. Production is lower in the three months ended March 31, 2024, due to lower throughput, gold head grade and recovery.

The Company generated revenue of \$20.4 million for the first quarter ended March 31, 2024, from the sale of 10,120 ounces of gold and 18,749 ounces of silver at an average realized price per gold ounce sold of \$1,970. For the first quarter ended March 31, 2023, the Company generated revenue of \$27.5 million from the sale of 16,005 ounces of gold and 15,349 ounces of silver at an average realized price per gold ounce sold of \$1,696. Revenue and sales of gold for the current period are lower than the quarter ended December 31, 2023, due to lower ounces sold.

Cost of sales for the first quarter ended March 31, 2024, were \$23.6 million as compared to \$20.7 million for the quarter ended March 31, 2023. The Company incurred \$4.7 million higher production costs for the first quarter ended March 31, 2024 due primarily to higher labour costs.

Total cash costs (including royalties) per ounce sold were \$2,042 per ounce in the first quarter ended March 31, 2024, as compared to \$1,139 per ounce for the first quarter ended March 31, 2023 a \$903 per ounce increase (refer to reconciliation of Non-IFRS performance metrics). The increase is a result of higher production costs incurred in 2024 as compared to 2023.

Net loss for the first quarter ended March 31, 2024, was \$7.3 million as compared to a \$7.4 million net loss for the first quarter ended March 31 2023. The decrease in net loss is primarily a result of lower other expenses and income and mining taxes, offset by lower revenues and higher production costs.

The Company incurred general and administrative expenses of \$2.4 million for the first quarter ended March 31, 2024, as compared to \$3.4 million of general and administrative expenses incurred during the first quarter ended March 31, 2023. For the three months ended March 31, 2024 there was an decrease in salaries and wages of \$1.3 million.

Other expense of \$1.2 million during the first quarter ended March 31, 2024, includes finance expense of \$1.4 million, loss on fair value remeasurement of MDN stream obligation of \$1.9 million and loss on fair value remeasurement of MDC secured note and stream obligation of \$1.9 million offset by a foreign exchange gain of \$1.5 million.



# CERRADO GOLD INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the First Quarter Ended March 31, 2024 and 2023  
(Expressed in US dollars)

---

### CORPORATE DEVELOPMENTS

#### Option and Loan agreement

In March 2024, the Company announced that it has entered into an option agreement with Amarillo a wholly-owned subsidiary of Hochschild, whereby the Company has granted to Amarillo the option to purchase a 100% interest in the MDC Project for total consideration of \$60 million subject to the fulfilment of certain conditions.

The purchase price will be payable in the following stages:

1. \$15 million, initially advanced by way of a 10% interest-bearing secured loan all of which has now been advanced. Upon obtaining Cerrado Shareholder Approval, the Signing Loan, together with all accrued and unpaid interest thereon and expenses relating thereto, shall be deemed to be repaid in full by Cerrado by the concurrent set off of an amount equal to the Signing Loan due by Amarillo as part of the Purchase Price. If Cerrado fails to secure the Cerrado Shareholder Approval on or before June 30, 2024, the Signing Loan will mature on September 30, 2024.
2. An aggregate of \$45 million, payable in four installments over the next three years.

During the Option Period Amarillo will take operational control of the MDC Project and has committed to spending a minimum of \$5 million in qualifying expenditures.

#### Sprott Financing

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

#### Acquisition of Voyager Metals

In March 2023 Cerrado announced the acquisition of Voyager Metals and its principal asset the Mont Sorcier magnetite iron project. Mont Sorcier is a well advanced, large, long-life and economically robust Project in a tier one mining jurisdiction. In September 2022, Voyager completed a Preliminary Economic Assessment (the "PEA") on Mont Sorcier, which outlined a project with an after-tax NPV of US\$1.6 billion and IRR of 43% producing 5 million tonnes per annum of iron concentrates grading 65% iron over a mine life of 21 years with annual free cash flow of US\$235 million. The project is currently advancing towards completion of a bankable Feasibility Study expected by the end of 2023. Recent metallurgical test results have demonstrated the ability to produce high purity 67% iron concentrates.

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

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

# CERRADO GOLD INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the First Quarter Ended March 31, 2024 and 2023  
(Expressed in US dollars)

---

### ARGENTINA OPERATIONS

#### EXPLORATION

##### Minera Don Nicolas

No drilling has been conducted in 2024. Field activities this quarter focused on mapping, and geophysical and geochemical surveys in preparation for a more detailed drill campaign during Q3 of this year.

Work has focused on the development of an NI 43-101 Resource Update and a Preliminary Economic Assessment for MDN in early Q3 of 2024, which remains on track.

In Q1 2024 two large LAG geochemical grids were completed south of Calandrias in the Escondido and Sidra Pool Areas, these were completed in Q1 2024.

A systematic review of prospective lineaments outlined by Goldspot in 2022 continued this quarter in the Paloma Area was completed including through field reconnaissance of approximately 50 areas. These lineaments tend to be parallel to the known Sulfuro vein and respond mainly to geophysical signatures, representing potential buried targets. New target areas have raised from this exercise including Antena West and Verde Northwest, final results and recommendations expected for late June 2024.

Brownfield efforts in this quarter focused on the Bozal target and in Chispas. Bozal is located ~ 30 m to the northeast of Calandrias. Systematic channel samples in the target completed in Q1 and early Q2 defined 5 mineralized structures, that warrant a second stage of work. This stage should include trenching, extended soil sampling in Aster anomalies and geophysics.

Cerrado has identified a promising new target in Goleta, located approximately 7 kilometers from the plant. In 2023, a small pit was mined, and mineralization was found to be related to mineralized fragments contained in a phreatic breccia. Cerrado believes that these fragments come from a buried high Au banded vein. This geological setting is similar to the Mariana-San Marcos Deposit in Cerro Negro (Newmont), where a primary quartz vein containing around 500koz is buried under a breccia that includes a few fragments of the veins as clasts. Cerrado completed one hole during 2023, which intersected a quartz stockwork in the underlying felsic ignimbrites that are believed to be the vein's host rock. To further our understanding, the company completed this quarter a ground magnetic survey aimed at delineating deeper structures that could control the predicted deep-sitting vein. An IP/RES equipment is expected to arrive on site in early July. The aim of the survey is to detect minor resistivity contrast that can reflect the location of the primary vein below the outcropping breccias.

Recent revision of outlined mined ore bodies and 2023 drill results have allowed to notably improve the understanding of the second order controls on the development of high-grade shoots. This analysis has opened several areas for drilling. Active targets include Chulengo South East, Chulengo NW trend, Baritina North and Sulfuro East.

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

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

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



# CERRADO GOLD INC. MANAGEMENT’S DISCUSSION AND ANALYSIS

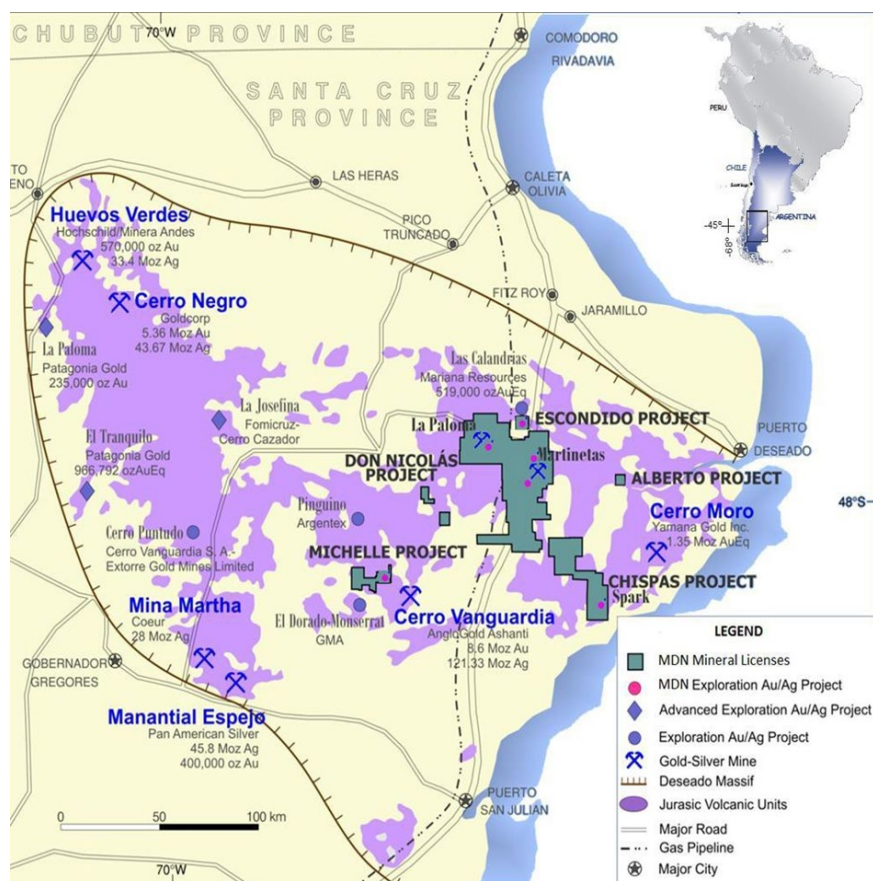
For the First Quarter Ended March 31, 2024 and 2023  
(Expressed in US dollars)

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

Additionally, the preliminary results in the new target named Sulfuro East has the potential of contributing additional underground mineable materials. Planning of further drilling in Sulfuro East and in step outs to the south of Sulfuro are outlined and will be executed once drilling resumes.. These two target zones (East and South) are mainly driven by geophysical similarities to Sufuro (Magnetic, Chargeability and Resistivity).

The known resources in the Paloma district veins that include: Sulfuro, Paloma Norte, Esperanza and Rocio have been consolidated into one Geological Model to evaluate the economics of a multi-front underground operation with common infrastructure (e.g. portal and main ramps)

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



## Monte do Carmo Project

### 2023 Resource Update

# CERRADO GOLD INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the First Quarter Ended March 31, 2024 and 2023  
(Expressed in US dollars)

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

### Mineral Resource Estimate

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

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

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

#### Notes:

- The Mineral Resource Estimate has been estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definitions Standards for Mineral Resource and Mineral Reserve in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects. Mineral Resources which are not Mineral Reserves, do not have demonstrated economic viability.
- Inferred Mineral Resources are exclusive of the Measured and Indicated Resources.
- In-pit Resources are constrained by a Pseudoflow optimized pit shell using HxGn MinePlan<sup>tm</sup> software.
- Pit shell was developed using a 50-degree pit slope, gold sales price of US\$1,850/oz, mining costs of US\$2.60/t, stockpile rehandling costs of US\$0.60/t, processing costs of US\$10.14/t, tailings costs of US\$1.45/t, G&A costs of US\$2.43/t, process recovery of 96.5%, refining costs of US\$12.00/oz, transportation costs of US\$10.74/oz, discount rate of 5%, and assumed production rate of 1.920 Mtpa.
- In-pit estimates are reported in-situ, at a marginal cut-off grade of 0.26 g/t Au.
- Underground mining stope optimization was performed using Deswik<sup>tm</sup> software.
- Stope shapes were developed using a gold sales price of US\$1,850/oz, mining costs of US\$24.18/t, processing costs of US\$10.14/t, tailings costs of US\$1.45, G&A costs of US\$2.43/t, process recovery of 95.3%, refining costs of US\$12.00/oz, transportation costs of US\$10.74/oz, and assumed production rate of 1,500 t/d.
- Underground resources were estimated using a cut-off grade of 0.69 g/t Au; however, the reported in-situ figures include low-grade blocks estimated within underground reporting shapes.
- Resource estimations were interpolated using Inverse Distance Weighting (IDW<sup>3</sup>); Similarly, variable densities were interpolated using IDW<sup>2</sup>.

# CERRADO GOLD INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the First Quarter Ended March 31, 2024 and 2023  
(Expressed in US dollars)

10. The effective date of the Mineral Resource Estimate is October 31, 2023.
11. Figures have been rounded to an appropriate level of precision for the reporting of Mineral Resources. As a result, totals may not compute exactly as shown.

### Mineral Reserve Estimate

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

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

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

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

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

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

#### Notes:

1. The Mineral Reserves have been estimated respectively by the open pit and underground Reserves QP.
2. The Mineral Reserves have been estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definitions Standards for Mineral Resource and Mineral Reserve in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects.
3. Mineral Reserves are included in the Mineral Resources Estimate.
4. Open pit Mineral Reserves were developed by a Pseudoflow optimized pit shell using HxGn MinePlan™ software.
5. The pit shell was developed using a 50-degree pit slope, gold sales price of US\$1,700/oz, mining costs of US\$2.60/t, processing costs of US\$10.14/t, tailing cost of US\$1.45, G&A costs of US\$2.43/t, refinery and transportation costs of US\$22.74/oz, 96.5% process recovery and an assumed production rate of 1.92 Mtpa.
6. Underground Reserves were developed using Deswik™ software.
7. Underground stopes were developed using a gold sales price of US\$1,700/oz, average underground mining costs of US\$26.41\$/t, processing costs of US\$10.14/t, tailing cost of US\$1.45/t, G&A costs of US\$2.43/t, refinery

# CERRADO GOLD INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the First Quarter Ended March 31, 2024 and 2023  
(Expressed in US dollars)

and transportation costs of \$US22.74/oz, 95.3% process recovery and an assumed underground production rate of 1,500 t/d.

8. The Mineral Reserves are inclusive of mining dilution and ore loss.
9. Contained gold estimate has not been adjusted for metallurgical recoveries.
10. Open pit Mineral Reserves are estimated using a marginal cut-off grade of 0.28 g/t Au.
11. Underground Mineral Reserves are estimated using a mining cut-off grade of 0.8 g/t Au.
12. Effective date of the Mineral Reserve estimate is October 31, 2023.
13. Figures have been rounded to an appropriate level of precision for the reporting of Mineral Reserves. As a result, totals may not compute exactly as shown.

### Serra Alta Feasibility Study

The Feasibility Study Technical Notice was released December 15, 2023.

Key outcomes from the study include the following:

<b>Production</b>	<b>Units</b>	<b>Value</b>
Steady State Throughput	Mtpa	1.92
Average Annual Production	K oz per annum	95,212
Life of Mine	Years	9
Life on Mine Au Recovery	%	95.64
Total Ore Mined – Open Pit	Mt	14.3
LOM Average Stripping Ratio	x	7.84
Total Ore Mined – Underground	Mt	2.5
Total Recovered Gold (Payable)	Ounces	856,905
<b>Operating Costs</b>	<b>Units</b>	<b>Value</b>
Open Pit Mining	US\$/tonne	17.49
Underground Mining	US\$/tonne	23.39
Processing	US\$/tonne	9.11
Water and Tailings Management	US\$/tonne	1.45
G&A	US\$/tonne	2.43
Total Cash Costs	US\$/oz	583.7
<b>AISC</b>	<b>US\$/oz</b>	<b>686.6</b>
<b>Capital Expenditure</b>	<b>Units</b>	<b>Value</b>
Initial Capital	US\$ M	170.8
Contingency	US\$ M	15.8
Total Upfront Capital	US\$ M	186.6
Sustaining Capital	US\$ M	65.96
Closure Costs	US\$ M	15
<b>Total Capital</b>	<b>US\$ M</b>	<b>267.6</b>
<b>Financial Results</b>	<b>Units</b>	<b>Value</b>
Pre-Tax NPV	US\$ M	466
Pre-Tax IRR	%	37%
Pre-Tax Payback Period	Years	2.0
<b>After Tax NPV</b>	<b>US\$ M</b>	<b>390</b>
<b>After Tax IRR</b>	<b>%</b>	<b>34%</b>
After Tax Payback Period	Years	2.1
<b>Assumptions</b>	<b>Units</b>	<b>Value</b>

# CERRADO GOLD INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the First Quarter Ended March 31, 2024 and 2023  
(Expressed in US dollars)

Gold Price	US\$/oz	1,750
Discount Rate	%	5.0

### DISCUSSION OF OPERATIONS

The following table provides a summary of the Company's key operating information and statistics for the three months and year ended March 31, 2024 and 2023.

#### Selected Operating and Financial Information

Key Operating Information	Unit	Three months ended March	
		2024	2023
<b>Operating Data</b>			
Ore Mined	ktonnes	85.27	73.06
Waste Mined	ktonnes	2,617.52	1,391.36
Total Mined	ktonnes	2,702.79	1,464.42
Strip Ratio	waste/ore	30.70	19.04
Mining rate	ktpd	30.03	16.27
Ore Milled	ktonnes	90.07	97.65
Head Grade Au	g/t	3.65	4.59
Head Grade Ag	g/t	10.21	5.71
Recovery Au	%	88%	92%
Recovery Ag	%	56%	67%
Mill Throughput	tpd	1,001	1,085
Gold Ounces Produced	oz	10,982	13,794
Silver Ounces Produced	oz	19,687	13,301
Gold Equivalent Ounces Produced	oz	11,204	13,951
Gold Ounces Sold	oz	10,120	16,005
Silver Ounces Sold	oz	18,749	15,349
Gold Equivalent Ounces Sold	oz	10,331	16,255
<b>Average realized price and Average realized margin</b>			
Metal Sales	\$ 000's	20,376	27,499
Cost of Sales	\$ 000's	23,567	20,697
Gross Margin from Mining Operations	\$ 000's	(3,191)	6,802
Average realized price per gold ounce sold	(1) \$/oz	1,970	1,696
Total cash costs per gold ounce sold	(1) \$/oz	2,042	1,139
Average realized margin per gold ounce sold	(1) \$/oz	(72)	558
Total Direct Operating Costs	(1) \$ 000's	19,778	15,164
Royalties and production taxes	(1) \$ 000's	891	3,060
Total Cash Costs	(1) \$ 000's	\$20,669	\$18,224
Total direct operating costs per gold ounce sold	(1) \$/oz	1,954	947
Royalties and production taxes per gold ounce sold	(1) \$/oz	88	191
Total cash costs per gold ounce sold	(1) \$/oz	\$2,042	\$1,139
AISC - Minera Don Nicolas	(1) \$/oz	\$2,045	\$1,145

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

# CERRADO GOLD INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the First Quarter Ended March 31, 2024 and 2023  
(Expressed in US dollars)

Corporate Financial Highlights	Unit	Three months ended March	
		2024	2023
<b>Financial Data</b>			
Total revenue	\$ 000's	20,376	27,499
Mine operating expenses	\$ 000's	23,567	20,697
Income (loss) from mining operations	\$ 000's	(3,191)	6,802
Net loss	\$ 000's	(7,278)	(7,438)
Adjusted EBITDA	(1) \$ 000's	(3,010)	8,216
Operating cash flow before movements in working capital	(1) \$ 000's	1,024	12,590
Operating cash flow	\$ 000's	4,020	17,313
Cash and cash equivalents	\$ 000's	7,165	18,561
Working capital (deficiency)	\$ 000's	(81,045)	(15,383)
Capital Expenditures	\$ 000's	4,340	8,163
(1) This is a non-IFRS performance measure, see non-IFRS Performance Measures			

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

### LIQUIDITY & CAPITAL RESOURCES

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

As at March 31, 2024, the Company had a working capital deficit of \$81.0 million, an increase of \$13.6 million from December 31, 2023. The Company's cash and cash equivalents balance at March 31, 2024 was \$7.2 million. This is an increase from cash and cash equivalents balance of \$0.4 million at December 31, 2023. The key contributor to the Company's working capital deficiency position at December 31, 2023 is a higher current debt payable of \$61.9 million and higher trade and other payables of \$52.5 million.

In March 2024, the Company announced that it has entered into an option agreement with Amarillo a wholly-owned subsidiary of Hochschild, whereby the Company has granted to Amarillo the option to purchase a 100% interest in the MDC Project for total consideration of \$60 million subject to the fulfilment of certain conditions.

The purchase price will be payable in the following stages:

- \$15 million, initially advanced by way of a 10% interest-bearing secured loan of which US\$7 million was advanced on March 5, 2024, \$1 million was advanced on May 6, 2024 and \$7 million was advanced on June 14, 2024. Upon obtaining Cerrado Shareholder Approval, the Signing Loan, together with all accrued and unpaid interest thereon and expenses relating thereto, shall be deemed to be repaid in full by Cerrado by the concurrent set off of an amount equal to the Signing Loan due by Amarillo as part of the Purchase Price. If Cerrado fails to secure the Cerrado Shareholder Approval on or before June 30, 2024, the Signing Loan will mature on September 30, 2024.
- An aggregate of \$45 million, payable in four installments over the next three years.

During the Option Period Amarillo will take operational control of the MDC Project and has committed to spending a minimum of \$5 million in qualifying expenditures.

The Company expects that proceeds from the option agreement with Amarillo as well as the anticipated higher production from MDN will help reduce the Company's working capital deficit.

As at March 31, 2024 the Company had a cash balance of \$7.2 million and a working capital deficiency of \$81.0 million. In order to continue as a going concern, the Company must generate sufficient income and cash flows to repay its obligations as they become due, finance its operations and fund its capital investments. The future of the Company is dependent on its ability to maintain profitable operations, generate sufficient funds from operations, and obtain new debt or equity financing or sale of assets. 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,



# CERRADO GOLD INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the First Quarter Ended March 31, 2024 and 2023  
(Expressed in US dollars)

---

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 casts 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.

### Financings

On March 2, 2023 the Company entered into an amended and restated metals purchase and sale agreement with Sprott. The agreement provides Cerrado with an additional \$10.0 million in funding in the form of an additional deposit against future production.

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

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

In March 2024, the Company announced that it has entered into an option agreement with Amarillo, whereby the Company has granted to Amarillo the option to purchase a 100% interest in the Company's MDC Project for total consideration of \$60 million subject to the fulfilment of certain conditions.

### Cash Flows

The Company's cash balance was \$7.2 million at March 31, 2024 as compared to \$0.4 million at December 31, 2023.

#### Operating activities

Cash provided by operating activities during the quarter ended March 31, 2024, was \$4.0 million compared to cash provided by operating activities of \$7.3 million for the quarter ended March 31, 2023. Cash provided by operating activities before working capital reflects the lower revenue and higher production costs incurred by the Company in 2024 and consisted of \$1.0 million as compared to \$2.6 million of cash provided by operating activities before working capital changes in 2023.

#### Investing activities

Cash used in investing activities during the first quarter ended March 31, 2024, was \$7.0 million and consisted primarily of additions to exploration and evaluation assets of \$1.9 million, additions to property and plant and equipment of \$4.7 million compared to \$12.2 million of cash used in investing activities for the prior year period which consisted primarily of additions to exploration and evaluation assets of \$3.0 million and additions to plant and equipment of \$6.9 million.

#### Financing activities

Cash provided by financing activities during the first quarter ended March 31, 2024, was \$9.8 million which consisted primarily of the MDC signing of \$7.0 million, compared to cash provided by financing activities of \$17.5 million in the prior year period which consisted primarily of \$10.0 million Gold stream advance payment and promissory notes payable of \$6.4 million.

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

# CERRADO GOLD INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the First Quarter Ended March 31, 2024 and 2023  
(Expressed in US dollars)

### Commitments

The Company has the following commitments as at March 31, 2024: lease obligation, land acquisition obligation, debentures, and secured note payable interest..

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

(i) A royalty payable to the province of Santa Cruz in the amount 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 only applicable to certain areas of the company. The royalty does not apply to any production in the Calandrias region, but it does apply to all other areas currently in production. The obligations under this royalty agreement are backed by a first mortgage granted to Royal Gold on a number of the Company's mineral properties owned in the province of Santa Cruz, named as follows: Syrah, La Paloma I, Micro I, Micro II, Mar III, Mar IV, Gol I, Gol II, Armadillo, Dorcón 3, Dorcón 4, Estrella I and Estrella II.

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

As of March 31, 2024, the Company had the following undiscounted contractual commitments.

(Expressed in \$000's)

	Payments due by period			Total
	<1 years	1-5 years	5> years	
Trade and other payables	\$ 52,544	-	-	52,544
Lease obligations (i)	\$ 314	811	-	1,125
MDN acquisition payments (i)	\$ 10,000	-	-	10,000
Revolving prepayment facility (i)	\$ 9,524	-	-	9,524
Advance payment facility (i)	\$ 3,043	-	-	3,043
Secured note payable (i)	\$ -	-	19,667	19,667
Stream obligation (i)	\$ -	-	22,361	22,361
Interest on secured note payable	\$ 1,507	-	-	1,507
Loan payable (i)	\$ 2,516	-	-	2,516
Promissory note payable (i)	\$ 23,850	-	-	23,850
Debentures payable (i)	\$ 2,974	-	-	2,974
Land acquisition obligation payable (i)	\$ 802	2,202	-	3,004
Environmental rehabilitation provision (i)	\$ -	-	20,140	20,140
	\$ 107,074	3,013	62,168	172,255

(i) Undiscounted basis

# CERRADO GOLD INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the First Quarter Ended March 31, 2024 and 2023  
(Expressed in US dollars)

### 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			
		March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Total assets	\$ 000's	261,510	250,724	249,680	225,211
Total revenue	\$ 000's	20,376	29,876	21,574	21,152
Net income (loss) for the period	\$ 000's	(7,278)	1,517	(404)	(428)
Basic earnings (loss) per share	\$/share	(0.07)	0.02	(0.00)	(0.01)
Diluted earnings (loss) per share	\$/share	(0.07)	0.02	(0.00)	(0.01)

		Three Months Ended			
		March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
Total assets	\$ 000's	193,595	162,646	140,711	130,979
Total revenue	\$ 000's	27,499	24,824	17,819	20,333
Net income (loss) for the period	\$ 000's	(7,438)	(1,146)	(6,622)	(1,492)
Basic earnings (loss) per share	\$/share	(0.09)	(0.01)	(0.08)	(0.02)
Diluted earnings (loss) per share	\$/share	(0.09)	(0.01)	(0.08)	(0.02)

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

### CAPITAL STRUCTURE

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

As of June 26, 2024, the total number of common shares outstanding or issuable pursuant to other outstanding securities is as follows:

Common Shares	Number
Outstanding	102,892,245
Issuable upon exercise of Cerrado Warrants	1,779,755
Issuable upon exercise of Cerrado Options	9,263,601
Issuable upon redemption of Cerrado RSUs	3,943,047
Issuable upon redemption of Cerrado DSUs	1,425,000
<b>Diluted common shares</b>	<b>119,303,648</b>

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 period ended March 31, 2024 and 2023 compensation of key management personnel is summarized as follows:

# CERRADO GOLD INC.

## MANAGEMENT’S DISCUSSION AND ANALYSIS

For the First Quarter Ended March 31, 2024 and 2023  
(Expressed in US dollars)

	March 31 2024	March 31 2023
Management and director compensation	\$ 820	\$ 3,589
Share-based payments	467	338
	<b>\$ 1,287</b>	<b>\$ 3,927</b>

### (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.

In 2024, the Directors of the Company, approved bonuses to certain senior management employees in the amount of \$1.0 million. These bonus amounts have not been accrued in these financial statements as they are contingent upon the Company obtaining the third advance pursuant to the transaction to sell MDC to Amarillo Mineração do Brasil Ltda. (“Amarillo”) a wholly-owned subsidiary of Hochschild Mining PLC (“Hochschild”) and therefore not guaranteed.

#### Ascendant

As at March 31, 2024, amounts owed from Ascendant in relation to shared services are \$3.2 million (December 31, 2023 - \$4.5 million).

On June 24, 2020, Ascendant was granted a total of 200,000 RSUs in the capital of Cerrado in exchange for administrative services provided. The Company recognized these RSUs as fully vested in 2021, and expensed any remaining unamortized amounts related to these RSUs in 2021, recognized under share-based payment expense accordingly.

On May 1, 2023, the Company entered into a US dollar unsecured promissory note (the “Related Party Promissory Note”) agreement with Ascendant in the principal amount of up to \$1.5 million. The related party promissory note bears interest at a rate of 10.0% per annum, compounded monthly. The note will mature in not less than 366 days from the date of notice of repayment. As at March 31, 2024, the principal amount of the promissory note totaled \$0.8 million and the interest earned during the three months ended March 31, 2024 amounted to \$0.1 million recognized as finance income in the consolidated statement of loss.

The fair value of the promissory note at March 31, 2024 was estimated at \$0.7 million using an effective rate of 35% corresponding to a rate that the Company would have obtained for a similar financing with a third party.

As at March 31, 2024 and December 31, 2023, the Company’s balances related to the promissory notes are as follows:

Principal amount advanced	\$	1,500
Interest accrued		101
Promissory note discounted at fair value		(477)
Amortization of promissory note discount		129
<b>Balance - December 31, 2023</b>	<b>\$</b>	<b>1,253</b>
Promissory note repayment	\$	(734)
Interest accrued		23
Promissory note discounted at fair value		124
Amortization of promissory note discount		31
<b>Balance - March 31, 2024</b>	<b>\$</b>	<b>697</b>

# **CERRADO GOLD INC.**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the First Quarter Ended March 31, 2024 and 2023  
(Expressed in US dollars)

---

### Voyager Metals Inc.

As at May 31, 2023, amounts advanced to Voyager Metals amounted to \$1.6 million including accrued interest (December 31, 2022 - \$1.4 million). Upon closing the acquisition transaction of Voyager, amounts advanced to Voyager were eliminated on the date of acquisition.

### **CRITICAL ACCOUNTING ESTIMATES**

Refer to Note 5 of the Cerrado Financial Statements for the year ended December 31, 2023.

### **CHANGES IN ACCOUNTING POLICIES**

Refer to Note 3 of the Cerrado Financial Statements for the year ended December 31, 2023.

### **FINANCIAL INSTRUMENTS HIERARCHY AND FAIR VALUES**

Refer to Note 26 of the Cerrado Financial Statements for the year ended December 31, 2023.

# CERRADO GOLD INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the First Quarter Ended March 31, 2024 and 2023  
(Expressed in US dollars)

### 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 be 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 March	
		2024	2023
Net loss	\$ 000's	(7,278)	(7,438)
<i>Adjusted for:</i>			
Depreciation	\$ 000's	2,503	2,142
Transaction costs	\$ 000's	51	615
Finance items	\$ 000's	1,024	3,834
Share-based payments	\$ 000's	654	416
Foreign currency exchange gain/loss	\$ 000's	(3,739)	935
Remeasurement of MDC secured note and stream obligation	\$ 000's	1,882	2,557
Remeasurement of MDN stream obligation	\$ 000's	1,861	-
Retroactive deferred revenue adjustment	\$ 000's	-	2,368
Income taxes	\$ 000's	479	2,787
<b>Adjusted EBITDA</b>	<b>\$ 000's</b>	<b>(3,010)</b>	<b>8,216</b>



# CERRADO GOLD INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the First Quarter Ended March 31, 2024 and 2023  
(Expressed in US dollars)

### Average realized price and Average realized margin

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

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

Average realized price and Average realized margin		Three months ended March	
		2024	2023
Metal sales	\$ 000's	20,376	27,499
Less: Silver sales	\$ 000's	(440)	(351)
Revenues from gold sales	\$ 000's	19,936	27,148
Gold ounces sold	oz	10,120	16,005
Average realized price per gold ounce sold	\$/oz	\$1,970	\$1,696
Less: Total cash costs per gold ounce sold	\$/oz	(\$2,042)	(1,139)
<b>Average realized margin per gold ounce sold</b>	<b>\$/oz</b>	<b>(\$72)</b>	<b>\$558</b>

### Direct operating costs

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

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

### Total cash costs

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

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

### All-in Sustaining Costs

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

# CERRADO GOLD INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the First Quarter Ended March 31, 2024 and 2023  
(Expressed in US dollars)

The following table provides a reconciliation of Direct operating costs, Cash costs and All-in Sustaining Costs to mine operating expenses, as reported in the Company's consolidated statement of income for three months ended March 31, 2024 and 2023:

Direct operating costs		Three months ended March	
		2024	2023
Mine operating expenses (from consolidated financial statements)	\$ 000's	23,567	20,697
Deduct: Depreciation in production	\$ 000's	(2,458)	(2,122)
Total cash costs (including royalties)	\$ 000's	21,109	18,575
Deduct: Royalties and production taxes	\$ 000's	(891)	(3,060)
<b>Direct operating costs</b>	<b>\$ 000's</b>	<b>20,218</b>	<b>\$15,515</b>

AISC per Au payable pound sold	Unit	Three months ended March	
		2024	2023
Gold ounces sold	oz	10,120	16,005
<b>Total Cash Cost Reconciliation</b>			
Direct operating costs	\$ 000's	20,218	15,515
Deduct: Silver sales	\$ 000's	(440)	(351)
Total Direct Operating Costs	\$ 000's	19,778	15,164
Royalties and production taxes	\$ 000's	891	3,060
<b>Total Cash Costs</b>	<b>\$000's</b>	<b>20,669</b>	<b>18,224</b>
Direct operating costs per gold ounce sold	\$/oz	\$1,954	\$947
Royalties and production taxes per gold ounce sold	\$/oz	\$88	\$191
<b>Total cash costs per gold ounce sold</b>	<b>\$/oz</b>	<b>\$2,042</b>	<b>\$1,139</b>
<b>All-In Sustaining Costs (AISC) Reconciliation.</b>			
Total Cash Costs	\$ 000's	20,669	18,224
Add: Sustaining Capital Expenditures	\$ 000's	21	105
Add: Corporate G&A, excluding depreciation and amortization	\$ 000's	2,381	3,407
<b>Total All-in Sustaining Costs - Consolidated</b>	<b>\$ 000's</b>	<b>23,071</b>	<b>21,736</b>
Deduct: Corporate G&A, excluding depreciation and amortization	\$ 000's	(2,381)	(3,407)
<b>Total All-in Sustaining Costs - Minera Don Nicolas</b>	<b>\$ 000's</b>	<b>20,690</b>	<b>18,329</b>
<b>All-In Sustaining Costs per Ounce Sold - Minera Don Nicolas</b>	<b>\$/oz</b>	<b>\$2,045</b>	<b>\$1,145</b>

(1) If the Company were to include Corporate G&A expenses, AISC / Au oz would be \$2,280 for the three months ended March 31, 2024, compared to \$1,358 for the three months ended March 31, 2023.

# CERRADO GOLD INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the First Quarter Ended March 31, 2024 and 2023  
(Expressed in US dollars)

---

### RISKS & UNCERTAINTIES

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

#### Liquidity and Additional Financing

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

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

#### Exploration, Development and Operating Risks

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

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

#### Limited Operating History

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

#### Dependence on Minera Don Nicolas

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

# CERRADO GOLD INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the First Quarter Ended March 31, 2024 and 2023  
(Expressed in US dollars)

---

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

# CERRADO GOLD INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the First Quarter Ended March 31, 2024 and 2023  
(Expressed in US dollars)

---

restrictions, and they currently remain in place. These capital controls together with additional temporary controls enacted on May 29, 2020, have the effect of: requiring exporters to convert the equivalent value of foreign currency received from the export into Argentine Pesos; requiring the prior consent of the Argentine Central Bank to the payment of cash dividends and distributions of currency out of Argentina; requiring Argentine companies to convert foreign currency loans received from abroad into Argentine Pesos; and restricting the sale of Argentine Pesos for foreign currency. Accordingly, the Company is required to convert the equivalent value of proceeds received in foreign currency from the export of all gold doré from the Don Nicolas Mine, into Argentine Pesos. In addition, the Company would be required to obtain the prior consent of the Argentine Central Bank to the payment of cash dividends and distributions of profits out of Argentina.

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

### Competition and Agreements with Other Parties

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

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

### Regulatory

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

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

### Foreign Operations and Political Risk

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

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

# CERRADO GOLD INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the First Quarter Ended March 31, 2024 and 2023  
(Expressed in US dollars)

---

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

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

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

### Environmental

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

### Permits and Licenses

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

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

### Substantial Capital Requirements & Liquidity

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

### Issuance of Debt

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



# CERRADO GOLD INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the First Quarter Ended March 31, 2024 and 2023  
(Expressed in US dollars)

---

### 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

# CERRADO GOLD INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the First Quarter Ended March 31, 2024 and 2023  
(Expressed in US dollars)

---

management's services would be unavailable for any reason, a disruption to the operations of the Company could result and other persons would be required to manage and operate the Company.

### Conflicts of Interest

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

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

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

### Currency Risk

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

### Unfavourable Economic Conditions

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

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

### Additional Information

Additional information relating to the Company can also be found on the Company's website [www.cerradogold.com](http://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.