CERRADO
GOLD INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED MARCH 31, 2025 AND 2024

(Expressed in US dollars, except where otherwise noted)

2025

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying interim condensed consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these interim condensed consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

CERRADO GOLD INC.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in thousands of U.S. dollars) (Unaudited)

As at	Note	March 31, 2025	December 31, 2024
ASSETS			
Current assets			
Cash and cash equivalents		$ **20,127**	$ 26,032
Trade and other receivables	6	**15,175**	14,014
Inventories	7	**9,035**	11,250
Offtake receivable	16	**67,196**	66,268
Total current assets		**111,533**	117,564
Non-current assets			
Receivables and other assets	6	**1,092**	1,447
Consideration receivable from discontinued operations	4	**12,624**	12,268
Inventories	7	**875**	939
Property, plant and equipment	8	**63,713**	66,358
Exploration and evaluation assets	9	**39,323**	38,077
Investment in marketable securities	23	**1,284**	571
Due from related party	23	**4,010**	3,850
Total non-current assets		**122,921**	123,510
Total assets		$ **234,454**	$ 241,074
LIABILITIES			
Current liabilities			
Trade and other payables	10	$ **25,796**	$ 29,221
Future consideration payable	5	**5,000**	5,949
Short term debt	13	**3,966**	5,721
Prepayment facility	14	**12,569**	9,321
Promissory notes	15	**10,025**	14,025
Offtake payable	16	**67,196**	66,268
Total current liabilities		**124,552**	130,505
Non-current liabilities			
Other liabilities	10	**149**	101
Provisions	11	**19,733**	19,290
MDN Stream obligation	12	**25,586**	22,244
Long term debt	13	**6,444**	6,772
Deferred tax liability		**10,660**	10,660
Total non-current liabilities		**62,572**	59,067
Total liabilities		$ **187,124**	$ 189,572
SHAREHOLDERS' EQUITY			
Share capital	17	$ **56,460**	$ 56,425
Shareholder contribution	23	**(998)**	(948)
Warrants	18	**24**	24
Share-based payment reserve	19	**2,918**	2,943
Accumulated other comprehensive loss		**(1,031)**	(1,050)
Accumulated deficit		**(10,043)**	(5,892)
Total shareholders' equity		$ **47,330**	$ 51,502
Total liabilities & shareholders' equity		$ **234,454**	$ 241,074

Nature of Operations and Going Concern (Note 1), **Commitments and Contingencies** (Notes 11 & 24), **Subsequent events** (Note 26)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

CERRADO GOLD INC.
Condensed Consolidated Interim Statements of Operations and Comprehensive Loss
(Expressed in thousands of U.S. dollars, except per share amounts) (Unaudited)

		Three months ended March 31,	
	Note	**2025**	2024
REVENUES			
Metal sales		**$ 28,816**	$ 20,376
COST OF SALES			
Production costs		**20,828**	20,218
Sales expenses and royalties		**1,196**	891
Depreciation and depletion		**4,528**	2,458
INCOME (LOSS) FROM MINING OPERATIONS		**2,264**	(3,191)
General and administrative expenses		**2,060**	2,426
INCOME (LOSS) BEFORE OTHER ITEMS		**204**	(5,617)
Transaction costs		**-**	51
Finance income	20	**(862)**	(447)
Finance expense	20	**2,069**	1,471
Foreign exchange gain		**(871)**	(3,739)
Remeasurement of MDN stream obligation	12	**3,342**	1,861
Other expense (income)		**(25)**	103
OTHER LOSS (INCOME)		**3,653**	(700)
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES		**$ (3,449)**	$ (4,917)
Income tax expense		**(703)**	(479)
Net loss from continuing operations for the period		**$ (4,152)**	$ (5,396)
Net loss from discountinued operations for the period		**$ -**	$ (1,882)
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that may be reclassifed subsequently to profit or loss			
Translation adjustment		**$ 19**	(2,270)
Other comprehensive income (loss)		**19**	(2,270)
Total comprehensive loss		**$ (4,133)**	$ (9,548)
Basic and diluted loss per share from continuing operations		**$ (0.04)**	$ (0.05)
Basic and diluted loss per share from discontinued operations		**$ -**	$ (0.02)
Basic and diluted weighted average number of shares outstanding		**103,710,437**	98,709,861

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

CERRADO GOLD INC.
Consolidated Statements of Cash Flow
For the First Quarter Ended March 31, 2025 and 2024
(Expressed in thousands of U.S. dollars) (Unaudited)

		Three months ended March 31,	
	Note	**2025**	2024
OPERATING ACTIVITIES			
Net loss for the period		**$ (4,152)**	$ (7,278)
Adjustments for:			
Depreciation and depletion		**4,579**	2,503
Share-based payments	19	**10**	654
Accretion on future consideration payable	5, 20	**301**	394
Accretion on provision for decommissioning and restoration	11	**444**	142
Accretion on consideration receivable		**(356)**	-
Remeasurement of MDN stream obligation	12	**3,342**	1,861
Interest income		**(49)**	(23)
Interest expense		**1,379**	902
Transaction costs		**-**	51
Loss (gain) on short-term investments		**(83)**	88
Change in fair value of marketable securities		**-**	3
Promissory note discount	23	**76**	(124)
Amortization of promissory note discount	23	**(65)**	(31)
Gain from sale of discontinued operations	4	**-**	1,882
Operating cash flows before changes in working capital		**5,426**	1,024
Changes in non-cash working capital items:			
Receivables and other assets		**(11,832)**	(22,527)
Inventories		**2,279**	(5,056)
Trade and other payables		**11,518**	30,558
Other		**48**	21
Net cash flows provided by operating activities from continuing operations		**$ 7,439**	$ 4,020
INVESTING ACTIVITIES			
Additions to property, plant and equipment		**(4,890)**	(4,655)
Additions to exploration and evaluation assets		**(1,058)**	(1,856)
Subscription of short-term investments		**(18,910)**	(6,914)
Redemption of short-term investments		**17,766**	6,939
Restricted cash		**-**	6,814
Future consideration paid		**(1,250)**	(7,355)
Other		**(209)**	-
Net cash flows used in investing activities from continuing operations		**$ (8,551)**	$ (7,027)
FINANCING ACTIVITIES			
Revolving prepayment facility borrowings	14	**10,000**	10,000
Revolving prepayment facility repayments	14	**(6,750)**	(6,750)
Advance payment facility borrowings	14	**-**	3,000
Advance payment facility repayments	14	**-**	(3,000)
Loan payable	13 b	**(1,936)**	2,350
Promissory notes payable	15	**19,818**	-
Payment on promissory note	15	**(23,818)**	(1,500)
Transaction costs paid		**-**	(51)
Interest paid		**(1,108)**	(789)
Advances to related party		**(879)**	(238)
Payments on leases		**(128)**	(248)
Proceeds received from sale of discontinued operations		**-**	7,000
Net cash flows provided by (used in) financing activities from continued operations		**$ (4,801)**	$ 9,774
Effect of exchange rates on cash		**8**	(14)
Increase (decrease) in cash and cash equivalents		**(5,905)**	6,753
Cash and cash equivalents, beginning of period		**26,032**	412
Cash and cash equivalents, end of period		**$ 20,127**	$ 7,165
Cash		**$ 17,440**	$ 7,165
Short term investments		**2,687**	-
Cash and cash equivalents, end of period		**$ 20,127**	$ 7,165

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

CERRADO GOLD INC.
Condensed Consolidated Interim Statements of Changes in Equity
For the First Quarter Ended March 31, 2025 and 2024
(Expressed in thousands of US dollars) (Unaudited)

			Share capital							
	Note	Number of shares	Issued Share Capital	Shares to be issued	Warrants	Share-based payment reserve	Shareholder Contribution	Acumumulated Other Comprehensive Loss	Accumulated Deficit	Total
Balance, December 31, 2023		**98,283,572**	**$ 54,587**	**$ 9**	**$ 78**	**$ 6,679**	**$ -**	**$ (768)**	**$ (35,801)**	**$ 24,784**
Shares for interest debt settlement	19	1,175,523	504	-	-	-	-	-	-	504
Share-based payments - Option vesting	19	-	-	-	-	188	-	-	-	188
Share-based payments - Option expiry	19	-	-	-	-	(963)	-	-	963	-
Share-based payments - RSU vesting	19	-	-	-	-	429	-	-	-	429
Share-based payments - DSU vesting	19	-	-	-	-	37	-	-	-	37
Foreign currency translation adjustment		-	-	-	-	-	-	(2,270)	-	(2,270)
Loss for the period from continuing operations		-	-	-	-	-	-	-	(5,396)	(5,396)
Loss for the period from discontinued operations		-	-	-	-	-	-	-	(1,882)	(1,882)
Balance, March 31, 2024		**99,459,095**	**55,091**	**9**	**78**	**6,370**	**-**	**(3,038)**	**(42,116)**	**$ 16,394**
Balance, December 31, 2024		**103,976,395**	**$ 56,374**	**$ 51**	**$ 24**	**$ 2,943**	**$ (948)**	**$ (1,050)**	**$ (5,892)**	**$ 51,502**
Share repurchase		(398,500)	(94)	94	-	-	-	-	-	-
Share-based payments - Option vesting	19	-	-	-	-	2	-	-	-	2
Share-based payments - RSU vesting	19	-	-	-	-	8	-	-	-	8
Share-based payments - RSU redeemed	19	166,666	180	(145)	-	(35)	-	-	-	-
Foreign currency translation adjustment		-	-	-	-	-	-	19	-	19
Loss for the period from continuing operations		-	-	-	-	-	-	-	(4,152)	(4,152)
Balance, March 31, 2025		**103,744,561**	**$ 56,460**	**$ -**	**$ 24**	**$ 2,918**	**$ (998)**	**$ (1,031)**	**$ (10,043)**	**$ 47,330**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Cerrado Gold Inc. ("Cerrado" or "the Company") through its 100%-owned subsidiary Minera Don Nicolas S.A. ("MDN") is focused on its producing Don Nicolas gold and silver mine in Argentina. Since acquiring the mine in March 2020, the Company has been focused on increasing gold equivalent production and optimizing mine operations. In Canada, since the acquisition of Voyager Metals Inc. ("Voyager") effective May 31, 2023, the Company also owns the Mont Sorcier Iron and Vanadium project in Roy Township, Quebec, east of the Town of Chibougamau. The Company is also engaged in the evaluation of exploration and advanced development stage mineral resource opportunities, on an ongoing basis.

The Company's head office, principal address and records office are located at 200 Bay Street, Suite 3205, Toronto, Ontario, Canada, M5J 2J2.

The business of producing gold involves a high degree of risk and there can be no assurance that current or future exploration programs will result in the discovery of mineral reserves and the establishment of profitable operations. The Company's continued existence is dependent upon the preservation of its interests in its underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to complete additional financings, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

On February 3, 2025, the Company announced it has entered into an agreement to acquire all shares of Ascendant Resources Inc. ("Ascendant") not already owned by Cerrado, pursuant to a court approved plan of arrangement under the *Business Corporations Act* (Ontario). The acquisition of Ascendant closed effective May 16, 2025. Ascendant is now a 100% owned subsidiary of Cerrado Gold. (see note 26).

On December 23, 2024, Cerrado announced that MDN granted to Cerro Vanguardia S.A. ("CVSA") a wholly-owned subsidiary of AngloGold Ashanti Holdings Plc, the option ("Option") to purchase a 100% interest in certain properties (the "Michelle Properties") located in the south west region of MDN's Minera Don Nicolas Project in Santa Cruz, Argentina, for total consideration of the Argentina peso equivalent of $14 million (the "Option Price"), subject to the fulfilment of certain conditions. The Option Agreement was ratified December 23, 2024, with effect December 18, 2024. The Option Price is payable in the following stages:

- $4 million equivalent in Argentina pesos at the Contado con Liquidacion (CCL) Buyers rate upon grant of the Option, which was received on December 30th, 2024; and
- $10 million equivalent in Argentina pesos at the CCL Buyers rate if CVSA exercises the Option within 3 years.

CVSA may exercise the Option at its sole discretion at any time within three (3) years unless earlier terminated (the "**Option Period**") by providing an exercise notice to MDN and paying the exercise price of the Argentina pesos equivalent of $10 million. During the Option Period CVSA will take operational control of the Michelle Properties.

On March 5, 2024 the Company announced that it had entered into an option agreement ("Transaction") with Amarillo Mineração do Brasil Ltda. ("Amarillo"), a wholly-owned subsidiary of Hochschild Mining PLC ("Hochschild"), whereby Cerrado 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, for total consideration of $60 million, subject to the fulfilment of certain conditions. On November 6, 2024, the Company announced that it had completed the sale of its 100% interest in the Company's MDC Project (see note 4).

As at March 31, 2025 the Company had a cash balance of $20.1 million and a working capital deficiency of $13.0 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 (see Note 4). The Company's liquidity position is sensitive to a number of variables which cannot be predicted with certainty, including, but not limited to, meeting increased production targets, metal prices, foreign exchange rates, operational costs, and capital expenditures. If the Company's cash flow from operations is not sufficient to satisfy its requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or available on terms acceptable to Cerrado.

Accordingly, these conditions represent material uncertainties that cast significant doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include adjustments to the carrying values of recorded assets and liabilities that might be necessary should the Company be unable to continue as a going concern. These adjustments may be material.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards 34, *Interim Financial Reporting* ("IAS 34"), as issued by the International Accounting Standards board ("IASB"). These condensed interim consolidated financial statements do not contain all the required annual disclosures and should be read in conjunction with the annual consolidated financial statements of the Company as at and for the year ended December 31, 2024.

The Condensed Consolidated Interim Financial Statements have been prepared on a historical cost basis except for financial instruments, as set out in the accounting policies in Note 3 of the 2024 annual consolidated financial statements.

These Condensed Consolidated Interim Financial Statements were approved by the Company's Board of Directors on May 28, 2025.

(b) Basis of consolidation

Subsidiaries

These consolidated financial statements include the financial statements of the Company and its wholly owned subsidiaries as at March 31, 2025:

- Minera Don Nicolas S.A. ("MDN"), incorporated in Argentina;
- Minera Mariana Argentina S.A. ("Minera Mariana"), incorporated in Argentina;
- Serra Alta Mineração Ltda. ("Serra Alta Mineração"), incorporated in Brazil, the subsidiary is presented in discontinued operations in 2024 (the year of disposition); and
- Voyager Metals Inc. ("Voyager"), incorporated in Ontario.

A subsidiary is an entity controlled by the Company. The Company controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(c) Functional and presentation currency

These financial statements are presented in thousands of United States dollars ("USD"), unless otherwise noted. The functional currency of the Company is the USD, while the functional currency of the Company's discontinued Brazilian subsidiaries was the Brazilian Real ("BRL"), the Argentine subsidiaries MDN and Minera Mariana is the USD, and the Canadian subsidiary Voyager is the Canadian dollar ("CAD").

(d) Use of estimates and judgments

The preparation of these financial statements in conformity with IFRS requires judgements and estimates that affect the amounts reported. It also requires management to exercise judgment in the process of applying the Company's accounting policies. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements as at and for the year ended December 31, 2024. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events which are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

3. ADOPTION OF NEW ACCOUNTING STANDARD

(a) New amendments adopted by the Company

Lack of Exchangeability (Amendment to IAS 21)
Effective January 1, 2025, the Company adopted the Amendment to IAS 21 – Lack of Exchangeability, which provides guidance on determining currency exchangeability, establishing non-exchangeable currency rates, and related disclosure requirements; the adoption had no impact on the Q1 2025 Financial Statements.

(b) Standards and amendments issued but not yet effective or adopted

Certain pronouncements have been issued by the IASB that are mandatory for accounting periods after December 31, 2024:

(i) Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amendments were to be applied prospectively for annual periods beginning on or after January 1, 2016, however, on December 17, 2015 the IASB decided to defer the effective date for these amendments indefinitely.

(ii) Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).

In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Disclosures. The amendments clarify the derecognition of financial liabilities and introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI. The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required and early adoption is permitted.

(iii) Presentation and Disclosure in Financial Statements (IFRS 18).

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standards replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted.

The Company is assessing the impact of the pronouncements on the Company's condensed consolidated interim financial statements upon adoption.

4. DISCONTINUED OPERATIONS

On November 6, 2024, the Company completed the sale of its 100% interest in the Company's Monte Do Carmo project located in the State of Tocantins, Brazil to Amarillo, a wholly-owned subsidiary of Hochschild, in connection with the exercise of its option pursuant to the Transaction entered into on March 5, 2024 (the "Option Agreement"). In connection with the closing of the Transaction, Cerrado received closing cash payments totalling $30 million from Amarillo, in addition to the $15 million that was previously received in connection with granting the Option, for total consideration of $60 million.

Pursuant to the terms of the Option Agreement, Amarillo shall make two further payments to Cerrado, totalling $15 million in aggregate, as follows:

- $10 million payable within 14 days of the second anniversary of the date of the Cerrado shareholder approval (being July 11, 2026); and
- $5 million within 14 days of the earlier of (i) the commencement of commercial production from the Project, and (ii) March 31, 2027.

(Expressed in thousands of U.S. dollars, except where otherwise noted) (Unaudited)

The sale represents the net assets in the Company's Brazil reporting segment. As a result, the project has been presented as a discontinued operation as at December 31, 2024 and 2023. The gain on disposition includes the following:

	December 31 2024
Cash received	$ 45,000
Consideration receivable (i)	12,056
	$ 57,056
Net assets	$ (51,583)
MDC stream obligation	5,738
MDC secured note liability	19,159
MDC secured note and stream obligation	(5,505)
Gain on sale of discontinued operation	**24,865**

(i) The $15.0 million receivable from Hochschild related to the Transaction has been discounted to its present value using an effective interest rate of 11.6% per annum, reflecting the credit risk associated with the receivable and aligned with the US High Yield CCC effective yield as of the measurement date. The receivable consists of two payments: a $10.0 million payment expected on June 27, 2026, discounted to $8.3million; and a $5.0 million payment expected on March 31, 2027, discounted to $3.8 million.

5. FUTURE CONSIDERATION PAYABLE

On March 16, 2020 (the “Closing Date”), the Company acquired MDN and its operating mine and surrounding properties in Argentina. Under the terms of the agreement the Company paid the Compañia Inversora En Minas S.A. (“CIMINAS”) and Compañia Inversora Argentina Para La Exportacion S.A. (“CIAPEXSA”) (together the “Sellers”) an initial payment of $15 million at closing, with future payments due of:

- $10 million in March 2022 (paid);
- $2 million in March 2023 (paid);
- $10 million in March 2024 (paid);
- $10 million in March 2025 (paid) (i)

These amounts were payable from a sinking fund set up by the Company, which is a dedicated reserve used to accumulate funds for the scheduled payments. The future consideration payable amount was initially recorded at a fair value of $21.4 million. The payable amount is discounted using a rate of 12%, which was the Company’s estimated weighted-average cost of capital at the Closing Date. For the period ended March 31, 2025, the discount was accreted by $0.2 million which is included in finance expense (see Note 20). In March 2024 the Company paid $7.4 million from its sinking fund to the Sellers and the remaining $2.6 million was paid to the Sellers in June 2024.

(i) $10 million due in March 2025 was paid by the Company to the Sellers in monthly installments of $0.4 million commencing in April 2024 for total consideration of $5.0 million, plus a final lump sum payment of $5.0 million paid in April 2025.

(Expressed in thousands of U.S. dollars, except where otherwise noted) (Unaudited)

6. TRADE AND OTHER RECEIVABLES

		March 31 2025		December 31 2024
Current				
Trade receivables	**$**	**1,312**	$	1,113
Sales tax and other statutory receivables		**13,538**		12,476
Prepaids and deposits		**325**		425
		15,175		14,014
Non-current				
Deposits and other assets		**1,092**		1,446
	$	**16,267**	$	15,460

Current taxes receivable relates to refundable Harmonized Sales Tax ("HST") paid in Canada and Value Added Tax in Argentina. Non-current deposits include the non-current portion of supplier advances in Argentina.

7. INVENTORIES

Current		March 31 2025		December 31 2024
Ore stockpiles	**$**	**6,423**	$	6,426
In-circuit		**740**		1,293
Finished metal		**1,170**		2,360
Metal inventories		**8,333**		10,079
Supplies and consumables		**702**		1,171
Inventories	**$**	**9,035**	$	11,250

Non-current	March 31 2025	December 31 2024
Supplies and consumables	**875**	939

Long-term inventories are supplies and consumables that represent critical spares not likely to be used in the next year.

(Expressed in thousands of U.S. dollars, except where otherwise noted) (Unaudited)

8. PROPERTY, PLANT AND EQUIPMENT

	Mining Property, Plant and Equipment	Assets Under Construction	Land and Buildings	Total
Cost				
As at December 31, 2023	$ 93,591	$ 7,660	$ 5,218	$ 106,469
Additions	4,962	4,755	-	9,717
Disposals	-	-	(4,230)	(4,230)
Reclassifications	10,623	(10,623)	-	-
Capitalized borrowing costs	-	569	-	569
As at December 31, 2024	$ 109,176	$ 2,361	$ 988	$ 112,525
Additions	1,743	45	-	1,788
Reclassifications	356	(356)	-	-
Capitalized borrowing costs	-	146	-	146
As at March 31, 2025	$ 111,275	$ 2,196	$ 988	$ 114,459
Accumulated depreciation and amortization				
As at December 31, 2023	$ 25,477	$ -	$ 225	$ 25,702
Depreciation	20,129	-	336	20,465
As at December 31, 2024	$ 45,606	$ -	$ 561	$ 46,167
Depreciation	4,498	-	81	4,579
As at March 31, 2025	$ 50,104	$ -	$ 642	$ 50,746
Net book value				
Balance, December 31, 2024	**$ 63,570**	**$ 2,361**	**$ 427**	**$ 66,358**
Balance, March 31, 2025	**$ 61,171**	**$ 2,196**	**$ 346**	**$ 63,713**

Property, plant and equipment includes right-of-use assets of $0.4 million (2024 - $0.5 million) related to leased buildings of $0.3 million (2024 - $0.4 million) and mobile equipment of $0.1 million (2024 - $0.1 million). These right-of-use assets are included under Land and Buildings and Mining Property, Plant and Equipment, respectively. During 2025, the Company leased land and buildings and recognized a right-of-use asset of $nil million (2024 - $nil million).

Assets under construction are capitalized but not depreciated until such a time that they are available for management's intended use.

Development of Calandrias Project

The amount of borrowing costs capitalized for the period ended March 31, 2025 was $0.1 million (December 31, 2024 - $0.6 million). The capitalization rate used to determine the amount of borrowing costs eligible for capitalization for the period ended March 31, 2025 was 25.4% (December 31, 2024 – 9.07%). For the period ended March 31, 2025 the capitalization of borrowing costs has resulted in an increase in the carrying amount of qualifying assets by $0.1 million (December 31, 2024-$0.6 million) and a corresponding reduction in finance costs for the year.

(Expressed in thousands of U.S. dollars, except where otherwise noted) (Unaudited)

9. EXPLORATION AND EVALUATION ASSETS

The following is a summary of the Company's exploration and evaluation capitalized costs for the years ended December 31, 2024 and 2023:

	Note	Monte do Carmo Gold Project Brazil	Minera Don Nicolas Mine Argentina	Minera Mariana Argentina	Mont Sorcier Project Canada	Total
Balance at December 31, 2023		$ 47,872	$ 13,755	$ 1,734	$ 20,620	**$ 83,981**
Amarillo option agreement payment		(1,463)	-	-	-	**(1,463)**
Expenditures		911	3,037	61	561	**4,570**
Effect of movements in exchange rates		(8,040)	-	-	(1,691)	**(9,731)**
Disposition of MDC project		(39,280)	-	-	-	**(39,280)**
Balance at December 31, 2024		$ -	$ 16,792	$ 1,795	$ 19,490	**$ 38,077**
Expenditures		-	550	2	678	**1,230**
Effect of movements in exchange rates		-	-	-	16	**16**
Balance at March 31, 2025		$ -	$ 17,342	$ 1,797	$ 20,184	**$ 39,323**

Monte do Carmo (MDC) Gold Project – Brazil

On November 6, 2024, the Company completed the sale of its 100% interest in the Company's Monte Do Carmo project located in the State of Tocantins, Brazil to Amarillo, a wholly-owned subsidiary of Hochschild, in connection with the exercise of its option pursuant to the Transaction entered into on March 5, 2024. (See Note 4)

Mont Sorcier Project – Quebec, Canada

On May 31, 2023, the Company completed an arrangement agreement with Voyager pursuant to which Cerrado, indirectly through Voyager, owns a 100% interest in the Mont Sorcier Iron and Vanadium project located near Chibougamau, Quebec.

10. TRADE AND OTHER PAYABLES

	March 31 2025	December 31 2024
Current		
Trade payables	**$ 7,583**	$ 8,372
Accrued liabilities	**13,619**	14,168
Payroll and government remitances	**4,594**	6,611
Other liabilities	**-**	70
	$ 25,796	$ 29,221
Non-current		
Other liabilities	**$ 149**	$ 101
	$ 25,945	$ 29,322

(Expressed in thousands of U.S. dollars, except where otherwise noted) (Unaudited)

11. PROVISIONS

Decommissioning and restoration

The Company's provision for environmental rehabilitation consists of costs accrued based on the best estimate of mine closure and reclamation activities that will be required at the MDN mine site upon completion of mining activity. These costs will largely be incurred on mine closure. These activities include costs for earthworks, including land re-contouring and re-vegetation, water treatment and demolition. The Company expects to pay these environmental rehabilitation costs between the years 2028 and 2041.

A summary of changes to the provision for decommissioning is as follows:

		Decommissioning and restoration
Balance at December 31, 2023	**$**	**14,842**
Change in estimate		3,872
Accretion		576
Balance at December 31, 2024	**$**	**19,290**
Accretion		443
Balance at March 31, 2025	**$**	**19,733**

The following table summarizes the assumptions used to determine the decommissioning provision related to its mine:

		Undiscounted liability for closure	Expected date of expenditure	Pre-tax risk-free rate	Inflation rate
Minera Don Nicolas Mine	$	20,140	2028-2041	4.50%	2.41%

12. MDN STREAM OBLIGATION

(a) MDN Stream Obligation

Amended and restated metals purchase and sale agreement

On March 2, 2023, the Company entered into an amended and restated metals purchase and sale agreement with Sprott ("MDN Stream Agreement"), to include the concessions acquired by the Company in its acquisition of Minera Mariana Argentina S.A. in 2021, broadening the stream area including production from the Las Calandrias heap leach project where production commenced in Q3/2023. The amended and restated agreement also provided the Company with an additional $10 million in funding in the form of an additional deposit against future production.

The amended and restated agreement also includes a step-down provision whereby the stream percentage will be reduced from 6.25% down to 2.5% upon delivery of 29,500 gold equivalent ounces. Substantially all other terms of the initial Metals Streaming Agreement from March 2020 are materially unchanged.

Measurement

The Amended & Restated MDN Stream Agreement meets the definition of a derivative at the amendment date and is measured at fair value through profit and loss. The fair value of the MDN Stream Agreement was determined based on a discounted cash flow model. The significant assumptions used in determining fair value were: future metal prices and discount rates. In addition, significant judgment was required to assess the mineral reserves and resources which form the basis of the life of mine plan.

(Expressed in thousands of U.S. dollars, except where otherwise noted) (Unaudited)

The changes in fair values of the Amended & Restated Agreement during 2025 and 2024 are summarized below:

Balance, December 31, 2023	$	20,500
Add (deduct):		
Unrealized change in fair value, recorded in the statement of operations		1,744
Balance, December 31, 2024	$	22,244
Add (deduct):		
Unrealized change in fair value, recorded in the statement of operations		3,342
Balance, March 31, 2025	$	25,586

Subsequent to initial recognition, any change in fair value is recognized in net loss.

Significant inputs and assumptions into the model are summarized in the following table:

Inputs and Assumption	**December 31, 2024**	**March 31, 2025**
Debt discount rate (WACC)	13.00%	11.90%
Calibration spread	6.06%	6.06%
Royalty revenue discount factor	19.06%	17.96%
Royalty stream discount rate	2.29%	2.91%
Average gold price	$2,849	$3,316

Sensitivity Analysis:

The fair value of the MDN Stream Agreement was estimated using Level 3 inputs and is most sensitive to changes in discount rates, future metal prices, and estimated mineral resources.

For the fair value of the MDN Stream Agreement, reasonably possible changes at the reporting date to one of the significant inputs, holding other inputs constant, would have the following effects:

		December 31, 2024	**March 31, 2025**
Key Inputs	**Inter-relationships between significant inputs and fair value measurement**	**Increase (decrease)**	**Increase (decrease)**
Key observable inputs	The estimated fair value would increase (decrease by)		
- Metal prices forward curve	- Future gold prices were 10% higher	2,224	2,559
	- Future gold prices were 10% lower	(2,225)	(2,558)
- Discount rates	- Discount rates were 1% higher	(392)	(418)
	- Discount rates were 1% lower	402	428
Key unobservable inputs			
- Mineral reserves and resource	- Mineral reserves and resources were 10% higher	2,224	2,559
	- Mineral reserves and resources were 10% lower	(2,225)	(2,558)

(Expressed in thousands of U.S. dollars, except where otherwise noted) (Unaudited)

13. DEBT

	Note		March 31 2025		December 31 2024
Lease obligations	(a)	**$**	**274**	$	374
Loan payable	(b)		**956**		2,614
Debentures	(c)		**2,736**		2,733
Current debt		**$**	**3,966**	$	5,721

	Note		March 31 2025		December 31 2024
Lease obligations	(a)	**$**	**239**	$	290
Loan payable	(b)		**6,205**		6,482
Non-current debt		**$**	**6,444**	$	6,772

(a) Lease obligations

The Company's lease obligations are related primarily to equipment used in mining operations in Argentina and office premises in Canada and Argentina, with payments made on a monthly basis.

		March 31 2025		December 31 2024
Total minimum lease payments	**$**	**1,291**	**$**	**1,511**
Effect of discounting		**(778)**		**(847)**
Present value of minimum lease payments		**513**		**664**
Less: current portion		**(274)**		**(374)**
	$	**239**	**$**	**290**
Minimum payments under leases				
Due no later than 1 year		**930**		**1,086**
Due later than 1 year less than 5 years		**361**		**425**
	$	**1,291**	**$**	**1,511**

The table below summarizes amounts recognized in earnings during the period ended March 31, 2025 and year ended December 31, 2024:

		2025		2024
Depreciation expense for ROU assets	**$**	**77**	**$**	**393**
Interest expense included in finance costs		**70**		**523**
Total recognized in earnings	**$**	**147**	**$**	**916**

(b) Loan payable

On August 24, 2022 the Company, through its wholly-owned subsidiary Minera Don Nicolas SA ("MDN"), entered into a Argentina Pesos ("ARS") 500,000,000 ($0.5 million) 18-month term loan with Banco de Santa Cruz S.A., which matured in February 2024. The loan had an annual 13% interest rate, payable in 18 monthly instalments. The loan payable to Banco de Santa Cruz was recognized at amortized cost using the effective interest rate method. As of March 31, 2025 the loan has been fully repaid.

On February 23, 2024 the Company, through its wholly-owned subsidiary Minera Don Nicolas SA ("MDN"), entered into a ARS 1,700,000,000 ($1.6 million) 12-month term loan with Banco de Santa Cruz S.A., which matured in February 2025. The current loan balance of $1.7 million bears interest at a rate of 9.9%, payable in 12 monthly instalments. As of March 31, 2025 the loan has been fully repaid.

On May 5, 2024 the Company, through its wholly-owned subsidiary Minera Don Nicolas SA ("MDN"), entered into a ARS 1,800,000,000 ($1.7 million) 6-month term loan with Banco de Santa Cruz S.A., which matured in November 2024. The loan had interest at the private BADCOR Rate plus an annual 9.5% spread, payable in 6 monthly instalments. The loan payable to Banco de Santa Cruz was recognized at amortized cost using the effective interest rate method. As of March 31, 2025 the loan has been fully repaid.

(Expressed in thousands of U.S. dollars, except where otherwise noted) (Unaudited)

On June 3, 2024 the Company, through its wholly-owned subsidiary Minera Don Nicolas SA ("MDN"), entered into a ARS 1,000,000,000 ($1.0 million) 2-month promissory note with Caja De Valores S.A. Market Place., which matured in July 2024. The loan had an interest rate 7.78%, payable at the end of the term. The loan payable to Caja De Valores S.A. Market Place was recognized at amortized cost using the effective interest rate method. As of March 31, 2025 the loan has been fully repaid.

On July 26, 2024 the Company, through its wholly-owned subsidiary Minera Don Nicolas SA ("MDN"), entered into a ARS 746,674,658 ($0.7 million) 6-month term loan with Banco Nacion Argentina, which matured in January 2025. The current loan balance of $0.8 million bears interest at a rate of 36.87% payable at the end of the term. As of March 31, 2025 the loan has been fully repaid.

On December 12, 2024 the Company, through its wholly-owned subsidiary Minera Don Nicolas SA ("MDN"), entered into a ARS 5,300,000,000 ($5.1 million) 24-month term loan with Banco de Santa Cruz S.A., which matures in November 2026. The current loan balance of $4.9 million bears annual interest of 44.12%, payable in 24 monthly instalments. The loan payable to Banco de Santa Cruz is recognized at amortized cost using the effective interest rate method.

On December 23, 2024 the Company, through its wholly-owned subsidiary Minera Don Nicolas SA ("MDN"), entered into a ARS 1,600,000,000 ($1.5 million) 60-month term loan with Banco Nacion Argentina, which matures in November 2029. The current loan balance of $1.5 million bears interest at a rate of 38.12% payable at the end of the term. The loan payable to Banco Nacion Argentina is recognized at amortized cost using the effective interest rate method.

On February 27, 2025 the Company, through its wholly-owned subsidiary Minera Don Nicolas SA ("MDN"), entered into a $0.8 million 12-month term loan with Banco Nacion Argentina, which matures in February 2026. The current loan balance of $0.7 million bears interest at a rate of 4% payable at the end of the term. The loan payable to Banco Nacion Argentina is recognized at amortized cost using the effective interest rate method.

The table below summarizes the loan payable amounts classified as current and non-current debt during the period ended March 31, 2025:

			Loan payable	
Financial institution	**Agreement date**	**Maturity date**	**Current**	**Non-current**
Banco de Santa Cruz S.A.	December 12, 2024	November 12, 2026	$ -	$ 4,936
Banco Nacion Argentina	December 23, 2024	October 29, 2029	$ 223	$ 1,269
Banco Nacion Argentina	February 27, 2025	February 27, 2026	$ 733	-
Loan payable			**$ 956**	**$ 6,205**

(c) Debentures

In connection with the acquisition of Voyager on May 31, 2023, Cerrado assumed Voyager's liabilities, including the non-convertible debentures owing as of May 31, 2023, as explained below.

The changes in obligation related to the debentures are summarised below:

Balance - December 31, 2023	**$**	**3,047**
Interest on debentures		272
Interest payments		(339)
Effect of movements in exchange rates		(247)
Balance - December 31, 2024	**$**	**2,733**
Interest on debentures		67
Interest payments		(67)
Effect of movements in exchange rates		3
Balance - March 31, 2025	**$**	**2,736**

Since the acquisition of Voyager on May 31, 2023, the Company recorded interest expense of $0.1 million for the period ended March 31, 2025 (December 31, 2024 - $0.3 million).

(Expressed in thousands of U.S. dollars, except where otherwise noted) (Unaudited)

Contractual undiscounted debt repayments related to the debentures are summarized below:

	Payments due by period			
	< 1 years	1-5 years	5> years	Total
Repayment of debentures	2,713	-	-	2,713
Interest on debentures	23	-	-	23
Debenture repayments	**2,736**	**-**	**-**	**2,736**

14. PREPAYMENT FACILITY

(a) Revolving prepayment facility

The Company entered into an advance sales transaction pursuant to which, the Company received total advance consideration of $10.0 million. The advanced consideration is accounted for as a financial liability. The facility may be immediately renewable upon full repayment. During the period ended March 31, 2025, the Company had drawn down a total $10.0 million and repaid a total $6.8 million under the revolving prepayment facility. As at March 31, 2025 the $9.5 (December 31, 2024-$6.3) million balance outstanding bears interest at the rate of 3 Month Secured Overnight Financing Rate (SOFR) + 5.85% until repaid.

(b) Advance payment facility

On July 20, 2023, the Company entered into an advance sales transaction pursuant to which, the Company received advanced consideration of $3 million. The advanced consideration is accounted for as a financial liability. The facility may be immediately renewable upon full repayment and release of the holding certificate in a form acceptable to the lender and its banks. During the period ended March 31, 2025, the Company had drawn down a total $nil million and repaid a total $nil million under the advance payment facility. As at March 31, 2025 the $3.0 (2024-$3.0) million balance outstanding bears interest at the rate of 3 Month SOFR + 5.85% until repaid.

15. PROMISSORY NOTES PAYABLE

Balance - December 31, 2023	**$**	**25,350**
Promissory notes additions		14,625
Promissory notes repayments		(25,950)
Balance - December 31, 2024	**$**	**14,025**
Promissory notes repayments		(4,000)
Balance - March 31, 2025	**$**	**10,025**

Current	$	10,025
Non-current		-
Promissory notes payable	**$**	**10,025**

During the year ended December 31, 2024, MDN issued promissory notes for an additional $14.6 million. During the period ended March 31, 2025, MDN did not issue promissory notes. The outstanding promissory notes have varying maturity dates and all mature prior to December 31, 2025. Any time prior to maturity, MDN can elect to prepay all or any portion of the Promissory Notes without incurring any early repayment penalty. As at March 31, 2025, MDN has repaid $4.0 million related to the promissory notes. As at March 31, 2025, the $10.0 million balance bears annual interest at the rate of 7% until repaid.

(Expressed in thousands of U.S. dollars, except where otherwise noted) (Unaudited)

16. OFFTAKE ARRANGEMENT

On September 28, 2021, the Company entered into an offtake agreement pursuant to which, effective October 1, 2021, the Company's Minera Don Nicolas mine will deliver a minimum of 25,000 ounces of contained gold in Dore. The Company is not obligated to a monthly ounce minimum and must sell 100% of its production until the minimum deliveries have been met.

The offtake receivable balance of $67.2 million at March 31, 2025 consists entirely of the proceeds from export sales receivable by Minera Don Nicolas and delivered to the offtaker under the agreement. Conversely, offtake payable balance of $67.2 million at March 31, 2025 represents export sales delivered by Minera Don Nicolas and payable by Cerrado under the offtake agreement, which is to be repaid to Minera Don Nicolas.

17. SHARE CAPITAL

Authorized share capital of the Company is comprised of an unlimited number of common and preferred shares, without par value.

	Note	Number of shares	Issued Share Capital	Shares to be issued/(cancelled)
Balance, December 31, 2023		**98,283,572**	**$ 54,587**	**$ 9**
Shares for interest debt settlement	17 (i)	4,608,673	1,003	-
Share repurchase	19	-	-	(94)
RSUs redeemed	19	1,084,150	784	136
Balance, December 31, 2024		**103,976,395**	**$ 56,374**	**$ 51**
Share repurchase	19	(398,500)	(94)	94
RSUs redeemed	19	166,666	180	(145)
Balance, March 31, 2025		**103,744,561**	**$ 56,460**	**$ -**

(i) In January 2024, the Company issued 1,175,523 common shares at a price of CAD$0.56 ($0.41) per common share as settlement of secured note payable interest for a total gross amount of $0.5 million. In April 2024, the Company issued an additional 3,443,150 common shares at a price of CAD$0.20 ($0.15) per common share as settlement of secured note payable interest for a total gross amount of $0.5 million.

(Expressed in thousands of U.S. dollars, except where otherwise noted) (Unaudited)

18. WARRANTS

As at March 31, 2025, the Company had outstanding warrants enabling the holders to acquire common shares as follows:

		March 31, 2025				December 31, 2024			
Expiry Date	Note	Exercise Price (US$)	Exercise Price (CA$)	Number of Warrants	Exercisable	Exercise Price (US$)	Exercise Price (CA$)	Number of Warrants	Exercisable
March 15, 2026		$0.67	$0.91	78,518	78,518	$0.67	$0.91	78,518	78,518
		$0.67	$0.91	78,518	78,518	$0.67	$0.91	78,518	78,518

Warrants transactions are summarized as follows:

	Note	Exercise Price (US$)	Number of Warrants		Warrants
Balance, December 31, 2023		**$1.75**	**1,779,755**	**$**	**78**
Replacement debenture warrants expired	(i)	$1.85	(1,547,000)		(46)
Replacement finder warrants expired	(ii)	$1.32	(154,237)		(8)
Balance, December 31, 2024		**$0.67**	**78,518**	**$**	**24**
Balance, March 31, 2025		**$0.67**	**78,518**	**$**	**24**

In connection with the acquisition of Voyager Metals on May 31, 2023, Cerrado issued replacement warrants as follows:

(i) 1,547,000 Replacement Debenture Warrants to the Debenture holder. Each Replacement Debenture Warrant entitles the holder thereof to acquire one common share at a price of CAD$2.52 per share for a 36-month period following the original date of issuance. The estimated fair value of the Replacement Debenture Warrants was $0.1 million (CAD$0.1 million). The grant date fair value of the warrants was determined by using the Black-Scholes option pricing model with the following assumptions: share price of CAD$0.93, an expected yield of 0%, expected volatility of 63%, a risk-free rate of 4.20% and an expected life of 1 year. On May 31, 2024 these 1,547,000 Replacement Debenture warrants expired.

(ii) 154,237 Replacement Finder Warrants to the Finder of the Debentures. Each Replacement Finder Warrant entitles the holder thereof to acquire one Cerrado common share at a price of CAD$1.80 per share for a 36-month period following the original date of issuance. The estimated fair value of the Replacement Debenture Warrants was $0.1 million (CAD$0.1 million). The grant date fair value of the warrants was determined by using the Black-Scholes option pricing model with the following assumptions: share price of CAD$0.93, an expected yield of 0%, expected volatility of 63%, a risk-free rate of 4.20% and an expected life of 1 year. On May 31, 2024 these 154,237 Finder Warrants expired.

(Expressed in thousands of U.S. dollars, except where otherwise noted) (Unaudited)

19. SHARE-BASED PAYMENT RESERVE

On July 19, 2023, the Company's shareholders approved the Amended and Restated Omnibus Incentive Plan (the "Omnibus Plan"), which amends and restates the Company's previously adopted omnibus incentive plan whereby the Company can grant to any eligible participant, which includes directors, officers, employees and consultants of the Company, restricted share units, options and deferred share units. The Omnibus Plan is a "fixed" maximum plan, and the maximum number of Common Shares of the Company available for issuance under the Omnibus Plan will not exceed 19,401,798 Common Shares.

	Stock Options	Restricted share units	Deferred share units	Share-based payment reserve
Balance, December 31, 2023	**$ 4,055**	**$ 1,593**	**$ 1,031**	**$ 6,679**
Vesting	654	875	110	1,639
Options cancelled/forfeited/expired	(4,383)	-	-	(4,383)
RSUs redeemed	-	(920)	-	(920)
RSUs cancelled/forfeited/expired	-	(72)	-	(72)
Balance, December 31, 2024	**$ 326**	**$ 1,476**	**$ 1,141**	**$ 2,943**
Vesting	2	8	-	10
RSUs redeemed	-	(35)	-	(35)
Balance, March 31, 2025	**$ 328**	**$ 1,449**	**$ 1,141**	**$ 2,918**

Options

As at March 31, 2025 and December 31, 2024, the Company had outstanding stock options enabling the holders to acquire common shares as follows:

		March 31, 2025				**December 31, 2024**			
Expiry Date		Exercise Price (US$)	Exercise Price (CA$)	Number of Options Outstanding	Number of Options Vested & Exercisable	Exercise Price (US$)	Exercise Price (CA$)	Number of Options Outstanding	Number of Options Vested & Exercisable
August 9, 2026		$1.12	$1.41	250,000	250,000	$1.12	$1.41	250,000	250,000
September 1, 2026		$1.38	$1.74	30,000	30,000	$1.38	$1.74	30,000	30,000
September 19, 2027		$0.83	$1.10	62,500	62,500	$0.83	$1.10	62,500	62,500
September 26, 2027		$0.53	$0.72	99,997	99,997	$0.53	$0.72	99,997	99,997
November 25, 2027		$0.53	$0.72	16,666	16,666	$0.53	$0.72	16,666	16,666
August 23, 2028		$0.55	$0.75	170,000	113,333	$0.55	$0.75	170,000	113,333
November 27, 2026	(i)	$0.26	$0.37	200,000	200,000	$0.26	$0.37	200,000	200,000
		$0.68	$0.90	929,163	872,496	$0.68	$0.90	929,163	872,496

As at March 31, 2024, the weighted average remaining contractual life of the stock options was 2.2 years (December 31, 2024 – 2.2 years).

(Expressed in thousands of U.S. dollars, except where otherwise noted) (Unaudited)

Stock option transactions are summarized as follows:

		Exercise Price (US$)	Number of Options Outstanding
Balance, December 31, 2022		**$0.74**	**8,537,500**
Balance, December 31, 2023		**$0.67**	**13,113,601**
Options granted	(i)	$0.26	200,000
Options expired		$0.45	(3,850,000)
Options cancelled/forfeited	(ii)	$0.76	(8,534,438)
Balance, December 31, 2024		**$0.68**	**929,163**
Balance, March 31, 2025		**$0.68**	**929,163**

(i) On November 27, 2024 the Company granted 200,000 stock options to an employee eligible under the Company's Plan. The 200,000 options are exercisable at CAD$0.37 ($0.26) for a period of 3 years from the grant date, and vest immediately on grant date. The value of these options was determined using the Black-Scholes option pricing model with the following assumptions: an expected yield of 0%, expected volatility of 68%, a risk-free rate of 3.2% and an expected life of 2 years.

(ii) The Company and certain directors and employees of the Company mutually agreed to cancel certain stock options (the "Cancelled Options") exercisable to acquire an aggregate of 7,521,663 common shares of the Company. These Cancelled Options consist of an aggregate of 1,720,000 stock options that were granted on August 9, 2021 (expiring August 9, 2026), 150,000 stock options that were granted on October 28, 2021 (expiring October 28, 2026), 1,675,000 stock options that were granted on September 19, 2022 (expiring September 19, 2027), 583,330 stock options that were granted on September 26, 2022 (expiring September 26, 2027), 8,333 stock options that were granted on November 25, 2022 (expiring November 25, 2027), and 3,385,000 stock options that were granted on August 23, 2023 (expiring August 23, 2028). No consideration was paid for the surrender of the Cancelled Options.

For the period ended March 31, 2025 and 2024, the Company recognized share-based payment expense relating to the vesting of stock options of $0.1 million and $0.2 million, respectively.

Restricted Share Units ("RSUs")

As at March 31, 2025 and December 31, 2024 the Company had restricted share units enabling the holders to redeem each RSU for a common share as follows:

		March 31, 2025			**December 31, 2024**		
Grant Date		Grant date weighted average fair value (US$/unit)	Number of RSUs outstanding	Number of RSUs Vested & Redeemable	Grant date weighted average fair value (US$/unit)	Number of RSUs outstanding	Number of RSUs Vested & Redeemable
September 19, 2022		$0.69	684,164	684,164	$0.69	717,497	717,497
August 23, 2023		$0.50	1,914,735	1,914,735	$0.50	1,948,068	1,948,068
October 7, 2024	(i)	$0.18	250,000	-	$0.18	250,000	-
		$0.52	2,848,899	2,598,899	$0.52	2,915,565	2,665,565

(i) On October 7, 2024, the Company granted 250,000 RSUs to certain eligible participants under the Company's Omnibus Plan. The 250,000 RSUs granted vest one year after issuance in accordance with the Omnibus Plan.

The value of the RSUs was determined in reference to the market value of the underlying common share on the date of grant.

(Expressed in thousands of U.S. dollars, except where otherwise noted) (Unaudited)

Restricted share unit transactions are summarized as follows:

		Grant date weighted average fair value (US$/unit)	Number of RSUs
Balance, December 31, 2023		**$0.62**	**4,359,713**
RSUs granted	(i)	$0.18	250,000
RSUs redeemed		$0.78	(1,184,150)
RSUs forfeited/cancelled		$0.63	(509,998)
Balance, December 31, 2024		**$0.52**	**2,915,565**
RSUs redeemed		$0.52	(66,666)
Balance, March 31, 2025		**$0.52**	**2,848,899**

For the period ended March 31, 2025 and 2024, the Company recognized share-based payment expense relating to the vesting of RSUs of $0.1 million and $0.4 million, respectively.

Deferred Share Units ("DSUs")

The Omnibus Plan provides for the issuance of DSUs to eligible directors of the Company. As at March 31, 2025, the Company had deferred share units enabling the holders to redeem common shares as follows:

		March 31, 2025		**December 31, 2024**	
	Note	Grant date weighted average fair value (US$/unit)	Number of DSUs	Grant date weighted average fair value (US$/unit)	Number of DSUs
October 28, 2021	(i)	$1.24	400,000	$1.24	400,000
September 19, 2022	(ii)	$0.69	700,000	$0.69	700,000
August 23, 2023	(iii)	$0.50	325,000	$0.50	325,000
		$0.80	1,425,000	$0.80	1,425,000

(i) On October 28, 2021, the Company granted 775,000 DSUs to certain eligible participants under the Company's Omnibus Plan. The 775,000 DSUs granted vested immediately upon issuance in accordance with the Omnibus Plan.
(ii) On September 19, 2022, the Company granted 820,000 DSUs to certain eligible participants under the Company's Omnibus Plan. The 820,000 DSUs granted vested immediately upon issuance in accordance with the Omnibus Plan.
(iii) On August 23, 2023, the Company granted 325,000 DSUs to certain eligible participants under the Company's Omnibus Plan. The 325,000 DSUs granted vest one year after issuance in accordance with the Omnibus Plan.

The value of the DSUs was determined in reference to the market value of the underlying common share on the date of grant. Deferred share unit transactions are summarized as follows:

	Note	Grant date weighted average fair value (US$/unit)	Number of DSUs
Balance, December 31, 2023		**$0.80**	**1,425,000**
Balance, December 31, 2024		**$0.80**	**1,425,000**
Balance, March 31, 2025		**$0.80**	**1,425,000**

For the period ended March 31, 2025 and year ended December 31, 2024, the Company recognized share-based payments expense relating to the vesting of DSUs of $nil million and $0.1 million respectively.

(Expressed in thousands of U.S. dollars, except where otherwise noted) (Unaudited)

20. FINANCE INCOME & EXPENSE

	Note	Three months ended March 31, 2025	Three months ended March 31, 2024
Finance income			
Investment income		$ (393)	$ (292)
Interest on promissory grid note	23	(49)	-
Amortization of related party promissory note discount	23	(65)	(31)
Accrection on consideration receivable	4	(355)	-
Discount on related party promissory note		-	(124)
		(862)	(447)
Finance costs			
Accretion of future consideration payable	5	$ 301	$ 394
Accretion on decommissioning and restoration provisions	11	444	142
Interest on revolving prepayment facility	14a	162	193
Interest on advance payment facility	14b	76	84
Discount on related party promissory note	23	76	-
Interest on loans payable	13b, 15	731	264
Interest on debentures	13c	67	72
Other interest costs		273	-
Interest on finance lease	13a	70	191
Finance fees and bank charges		15	33
Interest costs discontinued operations		-	98
		2,215	1,471
Borrowing costs attributable to qualifying assets	8	(146)	-
		2,069	1,471
Net finance expense		$ 1,207	$ 1,024

(Expressed in thousands of U.S. dollars, except where otherwise noted) (Unaudited)

21. FINANCIAL INSTRUMENTS

Fair value and carrying value of financial instruments:

The following represents the carrying value and fair value of the Company's financial instruments and non-financial derivatives:

		March 31, 2025		December 31, 2024	
Recurring measurements		**Carrying Value**	**Fair Value**	**Carrying Value**	**Fair Value**
Financial Assets					
Amortised cost					
Cash and cash equivalents	(i)	**$ 20,127**	**$ 20,127**	$ 26,032	$ 26,032
Trade and other receivables	(i)(ii)	**15,175**	**15,175**	14,014	14,014
Due from related parties	(i)	**4,010**	**4,010**	3,850	3,850
Offtake receivable	(i)	**67,196**	**67,196**	66,268	66,268
Fair value through profit or loss					
Investment in marketable securities	(iii)	**1,284**	**1,284**	571	571
Total financial assets		**107,792**	**107,792**	110,735	110,735
Financial liabilities					
Amortised cost					
Trade and other payables	(i)(ii)	**$ 25,796**	**25,796**	$ 29,221	$ 29,221
Prepayment facility	(i)	**9,516**	**9,516**	6,264	6,264
Advance payment facility	(i)	**3,053**	**3,053**	3,057	3,057
Future consideration payable	(i)	**5,000**	**5,000**	5,949	5,949
Promissory notes	(i)	**10,025**	**10,025**	14,025	14,025
Loan payable	(i)	**7,161**	**7,161**	9,096	9,096
Offtake payable	(i)	**67,196**	**67,196**	66,268	66,268
Debentures	(i)	**2,736**	**2,736**	2,733	2,733
Fair value through profit or loss					
MDN Stream obligation	(iv)	**25,586**	**25,586**	22,244	22,244
Total financial liabilities		**156,069**	**156,069**	158,857	158,857
Net financial assets (liabilities)		**$ (48,277)**	**$ (48,277)**	$ (48,122)	$ (48,122)

(i) Cash and cash equivalents, trade and other receivables, due from related parties, offtake receivable, trade and other payables, revolving prepayment facility, advance payment facility, promissory note payable, loan payable, debentures, future consideration payable, loan payable and offtake payable are recorded at amortized cost, which approximates fair value due to their short-term nature and generally negligible credit losses.
(ii) Excludes tax and other statutory amounts.
(iii) Investments are carried at their fair value, which is determined using quoted market bid prices in active markets for listed entities.
(iv) Stream obligations are carried at their fair value, which is primarily measured using certain observable and non-observable market data including discount rates, future gold prices, and mineral reserves and mineral resources, and therefore was classified within Level 3 of the fair value hierarchy.

Fair value hierarchy

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels on the date of the event or change in circumstances that caused the transfer. During the years ended December 31, 2024 and 2023, the Company did not make any transfers.

(Expressed in thousands of U.S. dollars, except where otherwise noted) (Unaudited)

22. FINANCIAL RISK MANAGEMENT

Commodity Price Risk

The Company's profitability and long-term viability depend, in large part, upon the market price of metals that may be produced from the Company's properties, primarily gold and silver. Market price fluctuations of these commodities could adversely affect profitability of operations. The Company's secured note and stream obligation liability (see Note15 and 20) relies on metal pricing as a significant input and any significant fluctuation in the market price could impact the valuation. Metal prices fluctuate widely and are affected by numerous factors beyond the Company's control including but not limited to supply and demand, consumption patterns, macroeconomic factors (interest, exchange and inflation), banking and political conditions, and mining specific factors.

Beginning May 31, 2024, the Company has put in place a commodity contract with its customer for a period of eleven months ending on March 31, 2025.

The terms of the contract are summarized as follows:

Contract terms	
Metal	Gold
Unit	Troy Oz
Instrument	Options expiring on a set date, each month during duration
Total quantity ("TQ")	22,000 t/oz
Monthly quantity ("MQ")	2,000 t/oz
Start	May 31, 2024
End	March 31, 2025
Bought a Put at strike level	$2,300
Sold a call at strike level	$2,475

At March 31, 2025, 6,000 ounces of the total ounces expired within the range of the min/max structure. At March 31, 2025, 16,000 of the ounces achieved the max limit and are being sold at a price of $2,475 per ounce. The commodity contract is not recognized as a derivative as it meets the "own-use" exemption and therefore recognized in accordance with IFRS 15.

23. RELATED PARTY TRANSACTIONS AND BALANCES

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, 2025 and 2024 compensation of key management personnel is summarized as follows:

		March 31 2025		March 31 2024
Management and director compensation	**$**	**691**	$	820
Share-based payments		**10**		467
	$	**701**	$	1,287

(b) Due to and from related parties

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 bonuses were contingent on obtaining the third advance pursuant to the transaction to sell MDC (note 12). This occurred during the year ended December 31, 2024 and thus these bonuses were recorded and paid out before December 31, 2024.

(Expressed in thousands of U.S. dollars, except where otherwise noted) (Unaudited)

Ascendant

As at March 31, 2025, amounts owed from Ascendant in relation to shared services are $2.4 million (December 31, 2023 - $2.3 million).

The fair value of the shared services receivable at March 31, 2025 was estimated at $2.4 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. The premium amount of $1.0 million has been recorded as shareholder contribution against shareholder contribution, as the Company is a shareholder of Ascendant.

On May 1, 2023, the Company entered into a US dollar unsecured promissory grid note (the “Related Party Grid Note”) agreement with Ascendant in the principal amount of up to $1.5 million. The Related Party Grid Note bears interest at a rate of 10.0% per annum, compounded monthly. The note will mature on demand on not less than 366 days’ notice. As at March 31, 2025, the principal amount of the Related Party Grid note totaled $1.5 million and the interest earned during the period ended March 31, 2025 amounted to $0.1 million recognized as finance income in the consolidated statement of loss.

On December 30, 2024, the Company entered into a US dollar unsecured promissory grid note (the “Related Party Grid Note”) agreement with Ascendant in the principal amount of $0.3 million. The Related Pary Grid Note bears interest at a rate of 10.0% per annum, compounded monthly. The note will mature on demand on not less than 366 days’ notice. As at March 31, 2025, the principal amount of the Related Party Grid note totaled $0.3 million.

The fair value of the Related Party Grid Note at March 31, 2025 was estimated at $1.6 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, 2025 and December 31, 2024, the Company’s balances related to the promissory notes are as follows:

Balance - December 31, 2023	**$**	**1,253**
Shares for debt settlement	$	(734)
Principal amount advanced		1,009
Interest accrued		105
Promissory note discounted at fair value		(226)
Amortization of promissory note discount		143
Balance - December 31, 2024	**$**	**1,550**
Interest accrued	$	49
Promissory note discounted at fair value		(76)
Amortization of promissory note discount		65
Balance - March 31, 2025	**$**	**1,588**

24. COMMITMENTS AND CONTINGENCIES

(a) Commitments

The Company has the following commitments as at March 31, 2025: lease obligation (see Note 13a), debentures (see note 13d) and future consideration payable (see note 5) and secured note payable interest (see note 15).

There are also four 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. pursuant to on an amended and restated royalty agreement dated August 16, 2013. This royalty is only applicable to certain MDN properties, which does not include production from the Calandrias region. The obligations under this royalty agreement are backed by registered first mortgages 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. The Company is guarantor under this royalty agreement and is jointly and severally liable for the performance of all of MDN's obligations and covenants thereunder.

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 only applicable to certain MDN properties, which does not include production from the Calandrias region. The Company is guarantor under this royalty agreement and is jointly and severally liable for the performance of all of MDN's obligations and covenants thereunder.

(iv) A 2% royalty on the refined product, payable to Sandstorm Gold Ltd. pursuant to a net smelter returns royalty agreement dated February 19, 2018. The royalty is only applicable to certain of the properties over which MDN holds mining claims, which includes the Calandrias areas, but does not include the areas which MDN has mined historically. The Company is guarantor under this royalty agreement and is jointly and severally liable for the performance of all of MDN's obligations and covenants thereunder.

(b) Contingencies

By their nature, contingencies will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events. The assessment of contingencies inherently involves the exercise of significant judgments and estimates of the outcome of future events.

The Company operates in countries where it may be subject to assessments by the regulatory authorities in each of those countries, which can be complex and subject to interpretation. Assessments may relate to matters such as income and other taxes, duties and environmental matters. The Company is diligent, and exercises informed judgment to interpret the provisions of applicable laws and regulations as well as their application and administration by regulatory authorities to reasonably determine and pay the amounts due. From time to time, the Company may undergo a review by the regulatory authorities and in connection with such reviews, disputes may arise with respect to the Company's interpretations about the amounts due and paid.

The Company may also be subject to various litigation actions. In-house counsel, outside legal advisors, and other subject matter experts assess the potential outcome of litigation and regulatory assessments. Accordingly, the Company establishes provisions for future disbursements considered probable.

As at March 31, 2025, the Company did not have any material provisions for litigation claims or regulatory assessments. Further, the Company does not believe claims or regulatory assessments, for which no provision has been recorded, will have a material impact on the financial position of the Company.

The Company is party to certain employment contracts. These contracts contain clauses requiring additional payments of approximately $3.5 million to be made to the officers of the Company upon the occurrence of certain events such as a change of control. As the triggering event has not taken place, the contingent payments have not been reflected in these financial statements.

25. SEGMENT REPORTING

Cerrado is a mining and minerals production and exploration company focused on precious metals in Brazil and Argentina. The Company's chief operating decision maker ("CODM") reviews the operating results, assesses performance and makes decisions about allocation of resources to these segments at the geographic region level or mine/project where the economic characteristics of the individual mines or projects within a geographic region are not alike. As a result, these operating segments also represent the Company's reportable segments. Other includes corporate office, elimination of intercompany transactions, and other items necessary to reconcile to consolidated amounts.

The CODM reviews segment income or loss, defined as gold and silver sales less production costs applicable to sales, depreciation and depletion, projects, and exploration costs, for all segments. Gold and silver sales and production costs applicable to sales for the reportable segments are reported net of intercompany transactions. The assessment of exploration activities is dependent principally on non-financial data.

(Expressed in thousands of U.S. dollars, except where otherwise noted) (Unaudited)

Significant information relating to the Company's reportable operating segments for the years presented is summarized in the tables below:

Period ended March 31, 2025	**Argentina**	**Canada**	**Other**	**Total**
	Don Nicolas Mine	Mont Sorcier Project	Corporate	
Revenue from gold and silver sales	$ 28,816	$ -	$ -	$ 28,816
Production costs applicable to sales	(20,828)	-	-	(20,828)
Sales expenses and royalties	(1,196)	-	-	(1,196)
Depreciation and depletion	(4,528)	-	-	(4,528)
Income from mining operations	2,264	-	-	2,264
General and admnistrative expenses	(548)	(5)	(1,507)	(2,060)
Other income (expenses)	(364)	(67)	(3,222)	(3,653)
Income from continuing operations before income taxes	1,352	(72)	(4,729)	(3,449)
Income and mining tax expense	(703)	-	-	(703)
Net income from continuing operations for the year	**$ 649**	**$ (72)**	**$ (4,729)**	**$ (4,152)**
Net income from discontinuing operations for the year	**$ -**	**$ -**		**$ -**

As at March 31, 2025	**Argentina**	**Canada**	**Other**	**Total**
	Don Nicolas Mine	Mont Sorcier Project	Corporate	
Total assets	$ 176,719	$ 20,501	$ 37,234	$ 234,454
Total liabilities	$ 72,620	$ 6,583	$ 107,921	$ 187,124

(i) Segment assets include receivables, inventories, property, plant and equipment and exploration and evaluation assets.
* Argentina segment includes Minera Mariana.

26. SUBSEQUENT EVENTS

On February 3, 2025, the Company announced that it had entered into an agreement to acquire all shares of Ascendant Resources Inc. ("Ascendant") not already owned by Cerrado through a court approved plan of arrangement under the *Business Corporations Act* (Ontario) (the "Arrangement"). The Arrangement closed on May 16, 2025. Ascendant is now a 100% owned subsidiary of the Company. Ascendant shareholders received one common share of Cerrado for every 7.8 Ascendant common shares held. Cerrado now holds an 80% interest in the Lagoa Salgada Project in Portugal.

Cerrado issued 27,721,684 common shares, 4,903,822 replacement options and 1,730,601 replacement warrants to holders of Ascendant securities pursuant to the Arrangement.

Prior to closing the Arrangement, Cerrado acquired 17,142,856 Ascendant Shares at the price of C$0.0525 per Ascendant Share for aggregate consideration of C$899,999.94 pursuant to a non-brokered private placement (the "Private Placement"). Cerrado acquired the Ascendant Shares under the Private Placement pursuant to a subscription agreement with Ascendant entered into effective February 3, 2025, concurrent with signing definitive documents in relation to the Arrangement. Cerrado acquired the Ascendant Shares to provide additional near-term liquidity to Ascendant in anticipation of completion of the Arrangement. The Private Placement closed on February 11, 2025.

In connection with the Arrangement, Mr. Rui Santos, a long-standing director of Ascendant was appointed to the board of directors of Cerrado on May 16, 2025. Mr. Santos is a lawyer widely regarded as a leading authority in the mining sector in Portugal.