CERRADO
GOLD INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2022 AND 2021

(Expressed in US dollars, except tables and otherwise noted) (Unaudited)

2022

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		September 30, 2022		December 31, 2021
ASSETS					
Current assets					
Cash and cash equivalents		$	**9,469**	$	1,726
Restricted cash	6		**3,001**		7,497
Investments			**28**		29
Trade and other receivables	7		**8,255**		9,348
Due from related party	24		**3,346**		525
Metal inventory	8		**5,348**		6,224
Supplies and consumables	8		**2,923**		2,502
Offtake receivable	16		**33,182**		18,166
			65,552		46,017
Non-current assets					
Other receivables	7		**2,649**		1,800
Supplies and consumables	8		**2,483**		2,961
Property, plant and equipment	9		**28,358**		31,685
Exploration and evaluation assets	10		**41,263**		26,692
Investment in marketable securities	24		**406**		658
			75,159		63,796
Total assets		$	**140,711**	$	109,813
LIABILITIES					
Current liabilities					
Trade and other payables	11	$	**24,273**	$	21,900
Due to Monte Sinai	10		**-**		312
Future consideration payable	6		**2,000**		10,000
Lease obligations	12		**497**		691
Deferred revenue	14		**3,016**		2,476
Revolving prepayment facility	15		**7,509**		6,015
Loan payable	18		**1,949**		-
Offtake payable	16		**33,182**		18,166
			72,426		59,560
Non-current liabilities					
Future consideration payable	6		**16,029**		16,373
Other liabilities	11		**109**		95
Lease obligations	12		**799**		1,295
Provisions	13		**3,348**		3,348
Deferred revenue	14		**13,295**		14,020
Secured note payable	17		**20,647**		-
Loan payable	18		**1,353**		-
			55,580		35,131
Total liabilities		$	**128,006**	$	94,691
SHAREHOLDERS' EQUITY					
Share capital	19	$	**41,571**		40,367
Warrants	20		**-**		349
Share-based payment reserve	21		**4,931**		3,443
Accumulated other comprehensive loss			**(5,624)**		(5,364)
Accumulated deficit			**(28,173)**		(23,673)
		$	**12,705**	$	15,122
Total liabilities & shareholders' equity		$	**140,711**	$	109,813

Nature of Operations and Going Concern (*Note 1),* **Commitments and Contingencies** (*Notes 12 & 24)*

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)

	Note	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
REVENUES					
Metal sales		**$ 17,819**	$ 17,930	**$ 65,536**	$ 46,951
COST OF SALES					
Production costs		**13,911**	10,987	**40,725**	32,791
Sales expenses and royalties		**1,897**	1,889	**6,938**	4,937
Depreciation and depletion		**1,913**	1,549	**5,970**	3,638
INCOME FROM MINING OPERATIONS		**98**	3,505	**11,903**	5,585
General and administrative expenses		**2,875**	2,508	**6,573**	6,647
Transaction costs		**16**	-	**1,050**	172
Listing expense	5	**-**	-	**-**	1,511
Finance expense	22	**2,531**	1,452	**6,119**	4,237
Foreign exchange (gain) loss		**(14)**	(316)	**393**	52
Remeasurement of secured note	17	**1,006**	-	**647**	-
Other (income) expense		**(63)**	871	**362**	746
OTHER EXPENSES		**3,476**	2,007	**8,571**	6,718
LOSS BEFORE INCOME TAXES		**$ (6,253)**	$ (1,010)	**$ (3,241)**	$ (7,780)
Income and mining tax expense		**(369)**	(391)	**(1,521)**	(1,058)
Net loss for the period		**$ (6,622)**	$ (1,401)	**$ (4,762)**	$ (8,838)
OTHER COMPREHENSIVE (LOSS)					
Items that may be reclassifed subsequently to profit or loss					
Translation adjustment		**$ (1,184)**	(1,668)	**$ (260)**	(792)
Other comprehensive loss		**(1,184)**	(1,668)	**(260)**	(792)
Total comprehensive loss		**$ (7,806)**	$ (3,069)	**$ (5,022)**	$ (9,630)
Basic and diluted income (loss) per share					
Basic	19	**$ (0.08)**	$ (0.02)	**$ (0.06)**	$ (0.13)
Diluted	19	**$ (0.08)**	$ (0.02)	**$ (0.06)**	$ (0.13)
Weighted average number of shares outstanding					
Basic	19	**78,188,941**	73,877,817	**77,158,113**	67,779,945
Diluted	19	**78,188,941**	73,877,817	**77,158,113**	67,779,945

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

CERRADO GOLD INC.
Condensed Consolidated Interim Statements of Cash Flows
For the Third Quarter Ended September 30, 2022 and 2021
(Expressed in thousands of U.S. dollars) (Unaudited)

	Note	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
OPERATING ACTIVITIES					
Net income (loss)		**$ (6,622)**	$ (1,401)	**$ (4,762)**	$ (8,838)
Adjustments for:					
Depreciation and depletion		**1,934**	1,558	**6,033**	3,666
Share-based payments	21	**1,527**	969	**2,364**	1,610
RTO listing expense	5	**-**	-	**-**	1,511
Accretion on future consideration payable	6, 22	**504**	716	**1,656**	2,089
Finance costs on deferred revenue	14	**646**	656	**1,952**	1,951
Amortization of deferred revenue	14	**(673)**	(573)	**(2,137)**	(1,482)
Remeasurement of secured note	17	**1,006**	-	**647**	-
Interest expense		**891**	-	**1,662**	-
Loss (gain) on short-term investments		**223**	(33)	**248**	(211)
Change in provisions		**(20)**	-	**(149)**	-
Other		**(120)**	31	**(234)**	444
Operating cash flows before changes in working capital		**(704)**	1,923	**7,280**	740
Changes in non-cash working capital items:					
Receivables and other assets		**(5,650)**	1,016	**(13,690)**	659
Inventories		**(912)**	(988)	**934**	263
Trade and other payables		**6,666**	389	**11,205**	270
Net cash flows provided by (used in) operating activities		**$ (600)**	$ 2,340	**$ 5,729**	$ 1,932
INVESTING ACTIVITIES					
Additions to property, plant and equipment		**(480)**	(1,103)	**(1,512)**	(2,392)
Additions to exploration and evaluation assets		**(4,284)**	(2,855)	**(10,570)**	(8,688)
Subscription of short-term investments		**1,723**	-	**3,698**	-
Redemption of short-term investments		**(1,721)**	-	**(3,694)**	-
Restricted cash		**(1,500)**	(2,499)	**4,496**	(4,998)
Future consideration paid		**-**	-	**(10,000)**	-
Cash acquired on acquisition of Minera Mariana	4	**-**	-	**-**	60
Cash acquired on listing transaction	5	**-**	-	**-**	563
Net cash flows used in investing activities		**$ (6,262)**	$ (6,457)	**$ (17,582)**	$ (15,455)
FINANCING ACTIVITIES					
Revolving prepayment facility borrowings	15	**7,500**	7,500	**15,000**	15,000
Revolving prepayment facility repayments	15	**(5,250)**	(5,250)	**(13,500)**	(13,875)
Secured note payable	17	**-**	-	**20,000**	-
Loan payable	18	**3,302**	-	**3,302**	-
Advances to related party		**(2,368)**	(86)	**(2,820)**	(247)
Interest paid		**(897)**	(77)	**(1,668)**	(262)
Payments on leases		**(306)**	-	**(779)**	-
Proceeds from private placements, net of share issue costs	19	**-**	-	**-**	11,013
Agent warrants exercised	19, 20	**15**	11	**135**	140
Broker warrants exercised	19, 20	**-**	-	**103**	-
Warrants exercised	19	**-**	400	**-**	400
Options exercised	19	**-**	90	**-**	90
Net cash flows provided by financing activities		**$ 1,996**	$ 2,588	**$ 19,773**	$ 12,259
Effect of exchange rates on cash		**(13)**	(46)	**(177)**	(41)
Increase (decrease) in cash and cash equivalents		**(4,879)**	(1,575)	**7,743**	(1,305)
Cash and cash equivalents, beginning of period		**14,348**	6,908	**1,726**	6,638
Cash, end of period		**$ 9,469**	$ 5,333	**$ 9,469**	$ 5,333

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 Third Quarter Ended September 30, 2022 and 2021
(Expressed in thousands of US dollars) (Unaudited)

	Note	Number of shares	Issued Share Capital	Shares to be issued	Warrants	Share-based payment reserve	Acumumulated Other Comprehensive Loss	Accumulated Deficit	Total
Balance, December 31, 2020		**46,984,021**	**$ 17,310**	**$ 6,250**	**$ 314**	**$ 1,658**	**$ (3,997)**	**$ (17,374)**	**$ 4,161**
Minera Mariana Acquisition	19	1,666,667	1,769	-	-	-	-	-	1,769
Private placement	19	11,111,200	11,014	-	-	-	-	-	11,014
Broker warrants issued	19, 20	-	(219)	-	219	-	-	-	-
Agent warrants exercised	19, 20	174,605	198	-	(59)	-	-	-	139
Warrants exercised	19, 20	2,000,000	500	-	(100)	-	-	-	400
Options exercised	19, 20	65,000	111	-		(21)	-	-	90
BB1 RTO share issuance	19	1,937,416	2,074	-	-	-	-	-	2,074
Share issuance on exercise of special warrants	19, 20	8,845,750	6,250	(6,250)	-	-	-	-	-
Share-based payments - Option vesting	19, 20	-	-	-	-	615	-	-	615
Share-based payments - RSU vesting	21	-	-	-	-	995	-	-	995
RSUs redeemed	19, 21	3,620,980	1,527	-	-	(1,527)	-	-	-
Foreign currency translation adjustment		-	-	-	-	-	(792)	-	(792)
Loss for the year		-	-	-	-	-	-	(8,838)	(8,838)
Balance, September 30, 2021		**76,405,639**	**$ 40,534**	**$ -**	**$ 374**	**$ 1,720**	**$ (4,789)**	**$ (26,212)**	**$ 11,627**
Balance, December 31, 2021		**76,480,739**	**$ 40,367**	**$ -**	**$ 349**	**$ 3,443**	**$ (5,364)**	**$ (23,673)**	**$ 15,122**
Agent warrants exercised	19, 20	169,025	193	-	(57)	-	-	-	136
Broker warrants exercised	19, 20	96,087	135		(30)	-	-	-	105
Warrants expired	20	-	-	-	(262)	-	-	262	-
Share-based payments - Option vesting	21	-	-	-	-	811	-	-	811
Share-based payments - RSU vesting	21	-	-	-	-	987	-	-	987
Share-based payments - DSU vesting	21	-	-	-	-	566	-	-	566
RSUs redeemed	19 21	1,575,002	566	-	-	(566)	-	-	-
DSUs redeemed	19, 21	250,000	310	-	-	(310)	-	-	-
Foreign currency translation adjustment		-	-	-	-	-	(260)	-	(260)
Loss for the year		-	-	-	-	-	-	(4,762)	(4,762)
Balance, September 30, 2022		**78,570,853**	**$ 41,571**	**$ -**	**$ -**	**$ 4,931**	**$ (5,624)**	**$ (28,173)**	**$ 12,705**

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 Brazilian subsidiaries Templewood Mineração e Participações Societárias Ltda ("Templewood") and Serra Alta Mineração Ltda. ("Serra Alta") owns the Monte de Carmo Gold ("MDC") Project in the State of Tocantins, Brazil. On March 16, 2020, Cerrado closed the $47 million acquisition of Minera Don Nicolas ("MDN") and its namesake mine in Santa Cruz, Argentina (see Note 6). Since acquiring MDN in March 2020, the Company is focused on increasing gold production and optimizing mine operations. The Company is also engaged in the evaluation of exploration and advanced development stage mineral resource opportunities, on an ongoing basis.

On February 19, 2021, the Company completed a reverse takeover ("RTO") transaction with BB1 Acquisition Corp. ("BB1") whereby Cerrado Gold Inc. amalgamated with a wholly owned subsidiary of BB1 and the shareholders of BB1 received corresponding securities of Cerrado on a 1:8.3 basis for the issuance of Cerrado shares. The Company continued under the name Cerrado Gold Inc. following the completion of the RTO (see Note 5) and began trading its common shares on the TSX Venture Exchange under the symbol CERT. The comparative figures presented are those of Cerrado. 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 exploring for 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.

As at September 30, 2022 the Company had a cash balance of $9.5 million and working capital deficit of $6.9 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 attain profitable operations, generate sufficient funds from operations, and obtain new debt or equity financing. The Company's liquidity position is sensitive to a number of variables which cannot be predicted with certainty, including, but not limited to, meeting increased production targets, metal prices, foreign exchange rates, operational costs, and capital expenditures. If the Company's cash flow from operations is not sufficient to satisfy its requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or available on terms acceptable to Cerrado.

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

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, 2021.

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 2021 annual consolidated financial statements.

These Condensed Consolidated Interim Financial Statements were approved by the Company's Board of Directors on November 22, 2022.

(b) Basis of consolidation

Subsidiaries

These condensed interim consolidated financial statements include the financial statements of the Company and its wholly owned subsidiaries:

- Minera Don Nicolas ("MDN"), incorporated in Argentina;
- Minera Mariana Argentina S.A. ("Minera Mariana"), incorporated in Argentina;
- Templewood Mineração e Participações Societárias Ltda. ("Templewood"), incorporated in Brazil;
- Serra Alta Participações Imobiliarias SA ("Serra Alta SA), incorporated in Brazil; and
- Serra Alta Mineração Ltda. ("Serra Alta Mineração"), incorporated in Brazil

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 condensed interim 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"). The functional currency of the Company is the USD, while the functional currency of the Company's Brazilian subsidiaries is the Brazilian Real ("BRL") and Argentine subsidiaries MDN and Minera Mariana is the USD.

(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, 2021 (except for those related to valuation of secured note described below in Note 3). 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. SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied in these interim financial statements are the same as the those applied in the Company's consolidated financial statements as at and for the year ended December 31, 2021.

Changes in accounting policies will also be reflected in the Company's consolidated financial statements as at and for the year ending December 31, 2022.

Financial instruments

All financial liabilities (including liabilities designated at fair value through profit and loss "FVTPL") are recognized initially at fair value on the date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

The Company has elected to account for its secured note liability and all embedded derivatives as a single financial liability at fair value through profit or loss.

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

4. ACQUISITION OF MINERA MARIANA ARGENTINA

On January 22, 2021, the Company completed an agreement with Capella Minerals Ltd. (“Capella Minerals”) to acquire 100% of its Argentine subsidiary Minera Mariana Argentina S.A. (“Minera Mariana”). Under the terms of the agreement, the Company paid the purchase price of $1.8 million consisting of a nominal cash payment and $1.8 million (CAD$2.3 million) on the issuance of 1,666,667 common shares of the Company to Capella Minerals at a deemed share price of CAD$1.35, based on the price of the Company’s shares in the concurrent financing associated with listing on the TSX Venture Exchange via the announced arrangement between BB1 Acquisition Corp. and the Company (see Note 5).

After evaluating all the facts surrounding this transaction, management determined that the transaction does not constitute a business combination, as Minera Mariana does not meet the definition of a business under IFRS 3, *Business Combinations* and was recorded as an asset acquisition.

The acquisition cost, consisting of the initial cash paid and fair value of the consideration shares, totalled $1.8 million and has been allocated to the acquired identifiable assets and liabilities of Minera Mariana as follows:

Purchase Price	Note		
Cash Paid		$	50
Fair value of 1,666,667 shares issued			1,769
		$	**1,819**
Purchase Price Allocation			
Cash			60
Fiscal credit receivables			212
Prepaids and other assets			27
Exploration and evaluation assets	10		1,654
Total identifiable assets acquired			1,953
Trade and other payables			(75)
Payroll obligations			(53)
Other payables			(6)
Total identifiable liabilities assumed			(134)
Total identifiable net assets		**$**	**1,819**

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

5. REVERSE TAKEOVER TRANSACTION

On February 19, 2021, the Company completed a RTO transaction with BB1, whereby the shareholders of BB1 became shareholders of the Company. The RTO was structured as a three-cornered amalgamation, as a result of which the Company became a wholly-owned subsidiary of BB1, changing its name to “Cerrado Gold Corp.”, and completed a vertical short-form amalgamation to amalgamate itself with the Company and carry on under the corporate name “Cerrado Gold Inc.” prior to the resumption of trading on the TSXV under the symbol CERT.

In the accounting for the reverse acquisition, the consideration is determined by reference to the fair value of the number of shares of the legal subsidiary, being Cerrado, would have issued to the legal parent entity (BB1), to obtain the same ownership in the combined entity. As a result, the consideration is measured at the value of 1,937,416 shares on a post-consolidation basis that would have been issued by Cerrado.

The substance of the transaction is a reverse takeover of a non-operating company. After evaluating all the facts surrounding this transaction, Management determined that the transaction does not constitute a business combination, as BB1 does not meet the definition of a business under IFRS 3, *Business Combinations*. As a result, the transaction is accounted for as an asset acquisition with Cerrado Gold Inc. being identified as the acquirer and the equity consideration accounted for in accordance with IFRS 2, *Share-based payments*, measured at fair value. Therefore, BB1’s share capital, equity reserve and deficit at the time of the RTO transaction were eliminated. Accordingly, there is no goodwill recognized, and the difference between the consideration and fair value of the net assets acquired results in an RTO listing expense of $1.5 million. The Company considered the price of the shares post-closing of the transaction and the price per share of the Company’s recent private placement completed in February 2021 of CAD$1.35 each. RTO transaction costs inclusive of the listing expense incurred by the Company were $1.6 million.

The fair value of the consideration is as follows:		
Fair value of 1,937,416 Cerrado common shares	$	**2,074**
The consideration has been allocated as follows:		
Cash		574
Trade and other payables		(11)
Reverse takeover listing expense		1,511
	$	**2,074**

6. FUTURE CONSIDERATION PAYABLE

On March 16, 2020 (the “Closing Date”), the Company entered into an Agreement to acquire MDN and its namesake operating mine and surrounding properties in Argentina. The Company acquired the MDN mine in Argentina to add an operating asset that will complement the Company’s Monte do Carmo gold exploration project in Brazil. Under the terms of the agreement the Company paid the Compañia Inversora En Minas S.A. (“CIMINAS”) and Compañia Inversora Argentina Para La Exportacion S.A. (“CIAPEXSA”) (together the “Sellers”) an initial payment of $15 million at closing, with future payments due of $10 million in 24 months, $2 million in 36 months, $10 million in 48 months and $10 million in 60 months from the Closing Date and will be payable from a sinking fund set up by the Company. The future consideration payable amount was initially recorded at a fair value of $21.4 million. The payable amount is discounted using a rate of 12%, which was the Company’s estimated weighted-average cost of capital at the closing date. For the nine months ended September 30, 2022, the discount was accreted by $1.7 million which is included in finance expense. On March 16, 2022 the $10 million payment due 24 months from the Closing Date was paid to the Sellers. As at September 30, 2022, the amount held in restricted cash of $3.0 million relates to the sinking fund set up by the Company for future payment obligations to the Sellers.

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

7. TRADE AND OTHER RECEIVABLES

		September 30 2022		December 31 2021
Current				
Trade receivables	$	**1,171**	$	1,217
Sales tax and other statutory receivables		**6,847**		7,949
Other assets		**237**		182
		8,255		9,348
Non-current				
Other assets		**2,649**		1,800
	$	**10,904**	$	11,148

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

8. INVENTORIES

		September 30 2022		December 31 2021
Ore stockpiles	$	**2,662**	$	2,762
In-circuit		**1,877**		910
Finished metal		**809**		2,552
Metal Inventories	$	**5,348**	$	6,224

		September 30 2022		December 31 2021
Supplies and consumables	$	**5,406**	$	5,463
Less: non-current portion of supplies and consumables		**(2,483)**		(2,961)
Current Supplies and Consumables	$	**2,923**	$	2,502

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

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

9. PROPERTY, PLANT AND EQUIPMENT

	Mining Property, Plant and Equipment	Assets Under Construction	Land and Buildings	Total
Cost				
December 31, 2020	23,270	6,394	128	29,792
Acquisition through business combination	-	-	-	-
Additions	4,724	1,054	482	6,260
Reclassifications	9,428	(6,652)	-	2,776
Change in provision for environmental rehabilitation	1,050	-	-	1,050
As at December 31, 2021	38,472	796	610	39,878
Additions	1,482	1,210	31	2,723
Reclassifications	337	(337)	-	-
Change in provision for environmental rehabilitation	-	-	-	-
As at September 30, 2022	40,291	1,669	641	42,601
Accumulated depreciation and amortization				
December 31, 2020	2,359	-	67	2,426
Charge for the period	5,722	-	45	5,767
As at December 31, 2021	8,081	-	112	8,193
Charge for the period	5,970	-	80	6,050
As at September 30, 2022	14,051	-	192	14,243
Net book value				
Balance, December 31, 2021	$ 30,391	$ 796	$ 498	$ 31,685
Balance, September 30, 2022	**$ 26,240**	**$ 1,669**	**$ 449**	**$ 28,358**

Property, plant and equipment includes right-of-use assets of $0.8 million (December 31, 2021 - $1.1 million) related to leased buildings of $0.5 million (December 31, 2021 - $0.5 million) and mobile equipment of $0.4 million (December 31, 2021 - $0.6 million). These right-of-use assets are included under Land and Building, Mining Property, Plant and Equipment, respectively. During 2022, the Company leased land and buildings and recognized a right-of-use asset of $0.1 million (December 31, 2021 - $0.1 million). The Company also leased mobile equipment and recognized a right-of-use asset of $nil million (December 31, 2021 – $1.0 million acquired through business combination).

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

10. EXPLORATION AND EVALUATION ASSETS

The following is a summary of the Company's exploration and evaluation capitalized costs for the nine months ended September 30, 2022 and December 31, 2021:

	Note	Monte do Carmo Gold Project	Minera Don Nicolas Mine	Minera Mariana	Total
Balance at December 31, 2020		$ 12,885	$ 829	$ 33	**$ 13,747**
Acquisition of Minera Mariana	4	-	-	1,654	**1,654**
Expenditures		10,191	5,165	35	**15,391**
Reclassifications		-	(2,776)	-	**(2,776)**
Efect of movements in exchange rates		(1,324)	-	-	**(1,324)**
Balance at December 31, 2021		$ 21,752	$ 3,218	$ 1,722	**$ 26,692**
Expenditures		9,918	4,697	-	**14,615**
Reclassifications		-	(6)	6	**-**
Effect of movements in exchange rates		(44)	-	-	**(44)**
Balance at September 30, 2022		$ 31,626	$ 7,909	$ 1,728	**$ 41,263**

Monte do Carmo (MDC) Gold Project – Brazil

The Monte do Carmo Gold Project is located in the state of Tocantins, Brazil, immediately east of the town of Monte do Carmo. The Serra Alta Deposit is the main focus of exploration at the Monte do Carmo project.

The MDC project was acquired from Monte Sinai Mineração Ltda. ("Monte Sinai") in April 2018.

During the nine months ended September 30, 2022, the Company incurred $9.9 million (December 31, 2021 - $10.2 million) in expenditures related mainly to exploration costs.

The terms of the acquisition provided for a 2% net smelter royalty granted to the former owners of the project. The Company did not measure or recognize a contingent liability in relation to the net smelter royalty.

In December 2020, the Company exercised its option to buy back the 2% net smelter return ("NSR") royalty for a total purchase price (aggregate cash consideration) of $1.3 million, and recognized a $0.1 million advance as at December 31, 2020. The remaining payments were made as follows, $0.7 million was paid in March 2021, with the balance of $0.5 million paid in May 2021 upon which the Company obtained the rights to the NSR royalty.

As per the terms of the MDC Acquisition Agreement dated April 20, 2018, and the royalty buyback agreement, the sellers of the project have the right to a payment $1.5 million if an aggregate of 2,500,000 oz of gold are identified in a mineral resource estimate in accordance with NI 43-101. The Company has not measured or recognized a contingent liability in relation to the above payments.

Las Calandrias and Los Cisnes Gold-Silver Projects – Minera Mariana, Argentina

On January 22, 2021, the Company completed an agreement with Capella Minerals Ltd. ("Capella Minerals") to acquire 100% of its Argentine subsidiary Minera Mariana Argentina S.A. ("Minera Mariana"). Minera Mariana is the owner of the Las Calandrias and Los Cisnes gold-silver projects.

During the year ended December 31, 2021, the Company incurred $1.8 million in costs related to the acquisition of Minera Mariana (see note 4).

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

11. TRADE AND OTHER PAYABLES

	September 30 2022	December 31 2021
Current		
Trade payables	**$ 10,179**	$ 8,255
Accrued liabilities	**10,526**	9,076
Payroll and government remitances	**3,518**	4,192
Other liabilities	**50**	377
	$ 24,273	$ 21,900
Non-current		
Other liabilities	**$ 109**	$ 95
	$ 24,382	$ 21,995

Other liabilities represent obligations to Company employees and principally include accrued year-end compensation costs.

12. LEASE OBLIGATIONS

	September 30 2022	December 31 2021
Total minimum lease payments	**$ 1,855**	$ 2,781
Effect of discounting	**(559)**	(795)
Present value of minimum lease payments	**1,296**	1,986
Less: current portion	**(497)**	(691)
	$ 799	$ 1,295
Minimum payments under leases		
Due no later than 1 year	**740**	1,070
Due later than 1 year less than 5 years	**1,115**	1,711
	$ 1,855	$ 2,781

The Company’s lease obligations are related primarily to plant and equipment used in mining operations in Argentina and office premises in Canada and Argentina, with payments made on a monthly basis. The Company sub-leases an office space that it leased in 2021 to companies with directors and officers in common (see Note 24).

The table below summarizes amounts recognized in earnings during the nine months ended September 30, 2022 and 2021:

	2022	2021
Depreciation expense for ROU assets	**$ 341**	$ 297
Interest expense included in finance costs	**246**	152
Total recognized in earnings	**$ 587**	$ 449

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

13. 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.

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

		Decommissioning and restoration
Balance at December 31, 2020	$	1,760
Change in estimate		1,455
Accretion		133
Balance at December 31, 2021	**$**	**3,348**
Change in estimate		(149)
Accretion		149
Balance at September 30, 2022	**$**	**3,348**

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

14. DEFERRED REVENUE

On March 13, 2020, the Company entered into the Metals purchase and sale agreement with Sprott Private Resource Streaming and Royalty Corp. (“Sprott”) whereby the Company received an Initial Advance Payment of $15 million against delivery of 6.25% of payable gold and silver over the remainder of MDN’s mine life (the “Metals Streaming Agreement”).

In addition to the deposit payment, as gold and silver is delivered to Sprott, the Company receives cash payments of 20% of the daily gold and silver market price two days prior to the date of delivery.

This agreement includes a step-down provision whereby the stream percentage will be reduced from 6.25% down to 2.5% upon delivery of 21,250 gold equivalent ounces. At any time within twelve months following the step-down, the Company has a one-time buy-down option by further reducing the stream percentage from 2.5% to 1.25% with repayment to Sprott of $2.5 million in immediately available funds. Features such us step-down options, could affect the substance of the streaming as a whole and affect the contract recognition. Additionally, they could result in the recognition of embedded derivatives under IFRS 9, depending on how they affect the host contract.

The Company recorded the Initial Advance Payment received as deferred revenue and recognizes amounts in revenue as gold and silver is delivered to Sprott. The Company determines the amortization of deferred revenue on a per unit basis using the estimated total number of gold and silver ounces expected to be delivered to Sprott over the life of the MDN mine. The Company estimates the current portion of deferred revenue based on deliveries anticipated over the next twelve months based on the mine plan.

Deferred revenue consists of: 1) initial cash deposit received by the Company for future delivery of payable gold and silver under the terms of the Metals Purchase and Sale Agreement, and 2) a significant financing component of the Metals Purchase and Sale Agreement resulting from the difference in the timing of the upfront consideration received and the promised goods delivered. As such, the Company recognizes interest expense at each reporting period and will accrete the deferred revenue balance to recognize the significant financing element that is part of the Metals Streaming Agreement. The interest rate of 17.02% is determined based on the rate implicit in the Metals Streaming Agreement at the date of inception.

The initial consideration received from the Metals Streaming Agreement is considered variable, subject to changes in the total gold and silver ounces to be delivered in the future. Changes to variable consideration will be reflected in the consolidated statement of comprehensive income (loss).

The following table summarizes deferred revenue:

Opening balance December 31, 2021	$	16,496
Amortization of derred revenue:		
Deferred revenue recognized		(2,137)
Finance costs on deferred revenue		1,952
Balance, September 30, 2022	**$**	**16,311**

		September 30, 2022		**December 31, 2021**
Current portion	$	3,016	$	2,476
Non-current portion		13,295		14,020
Total	**$**	**16,311**	**$**	**16,496**

15. REVOLVING PREPAYMENT FACILITY

On March 12, 2020, the Company entered into an advance sales transaction pursuant to which, the Company received advanced consideration of $5 million. On December 3, 2020, the Company increased the revolving credit facility by $2.5 million, for total advanced consideration of $7.5 million. In March 2022, the Company revised the repayment terms of the facility with the final draw of the Company to be made prior to June 30, 2023 unless mutually agreed otherwise. The advanced consideration is accounted for as a financial liability. The facility may be immediately renewable upon full repayment. During the nine months ended September 30, 2022, the Company had drawn down a total $15.0 million and repaid a total $13.5 million under the revolving prepayment facility. As at September 30, 2022 the $7.5 million balance outstanding bears interest at the rate of 3 Month LIBOR + 5.85% 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 $33.2 million at September 30, 2022 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 $33.2 million at September 30, 2022 represents export sales delivered by Minera Don Nicolas under the offtake agreement, which will be repaid to Minera Don Nicholas within six months of the delivery.

17. SECURED NOTE LIABILITY

On March 14, 2022, the Company entered into a $20 million gold and silver agreement (the "Stream Agreement") with Sprott for its MDC project located in the State of Tocantins, Brazil.

The Stream Agreement provides for the sale and delivery to Sprott of 2.25% of all gold and silver produced from the MDC project of which Cerrado has the ability to buy back 50% of the stream based upon the buyback schedule below. Proceeds will be used to complete the ongoing works to deliver a NI 43-101 compliant Feasibility Study for the MDC project and for general corporate and working capital purposes.

To facilitate funding in advance of commercial production, Sprott has issued a $20 million secured note (the "Note") that bears interest at a rate of 10% per annum, calculated and payable quarterly and will mature on the earlier of:

a) The achievement of commercial production together with certain other conditions; or
b) March 14, 2031.

The Company has a one-time option (the "Buy-Down Option") to reduce the applicable stream percentage by 50%, by exercising its option and paying the applicable amount below:

- On or before June 30, 2024 - $12.5 million
- From July 1, 2024 until June 30, 2025 - $13 million
- July 1, 2025 until June 30, 2026 - $13.5 million

Subject to the approval of the TSX Venture Exchange the Company may elect to satisfy the payment of any accrued and unpaid interest on the Note by the issuance of common shares of the Company at a price per common share equal to 95% of the volume weighted average price of the common shares for the 5 trading days immediately prior to the date payment is due or any combination of cash and common shares in the Company's sole discretion. The Note is secured against the MDC project assets. The Note is intended to subordinate to future project financing for the MDC project.

A number of the above noted options within the agreement represent embedded derivatives. Management has elected not to separate these embedded derivatives from the underlying host secured note, and instead account for the entire secured note as a financial liability at fair value through profit or loss.

The Company entered into a loan commitment within the scope of IFRS 9 'Financial Instruments' on March 14, 2022 related to the secured note, initially recognized at fair value of $20 million. At September 30, 2022, the fair value of the secured note increased by $0.6 million. The increase in fair value was primarily due to the change in the future gold prices. The fair value of the secured note was estimated using Level 3 inputs and is most sensitive to changes in discount rates, future gold prices, and forecasted gold production.

The carrying amount for the secured note is as follows:

Fair value at inception	$	20,000
Add (deduct):		
Unrealized change in fair value, recorded in the statement of operations		647
Balance, September 30, 2022	**$**	**20,647**

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

18. LOAN PAYABLE

On August 24, 2022 the Company entered into a ARS $500,000,000 18-month term loan with Banco de Santa Cruz S.A., which matures in February 2024. The loan bears interest at the private BADLAR Rate plus an annual 13% spread, payable in 18 monthly instalments.

19. 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		Shares to be issued
Balance, December 31, 2020		**46,984,021**	**$**	**17,310**	**$**	**6,250**
Minera Mariana acquisition		1,666,667		1,769		-
Private placement		11,111,200		10,753		-
Broker warrants issued		-		(219)		-
BB1 RTO Transaction		1,937,416		2,074		-
Share issuance on exercise on Special Warrants		8,845,750		6,257		(6,250)
Warrants exercised		2,000,000		500		-
Agent warrants exercised		234,605		267		-
Broker warrants exercised		8,850		13		-
Options exercised		65,000		111		-
RSUs redeemed		3,627,230		1,532		-
Balance, December 31, 2021		**76,480,739**	**$**	**40,367**	**$**	**-**
Agent warrants exercised		169,025		193		-
Broker warrant exercised		96,087		135		-
RSUs redeemed		1,575,002		566		-
DSUs redeemed		250,000		310		-
Balance, September 30, 2022		**78,570,853**	**$**	**41,571**	**$**	**-**

20. WARRANTS

As at September 30, 2022 and December 31, 2021, warrants outstanding were as follows:

		September 30, 2022			**December 31, 2021**		
Expiry Date	Note	Exercise Price (USD$)	Number of Warrants	Exercisable	Exercise Price (USD$)	Number of Warrants	Exercisable
September 11, 2022		$0.80	-	-	$0.80	394,135	394,135
February 17, 2022		$1.07	-	-	$1.07	657,821	657,821
		-	-	-	$0.97	1,051,956	1,051,956

At September 30, 2022, the weighted average remaining contractual life of the warrants was nil years (December 31, 2021 – 0.34 years).

Warrants transactions are summarized as follows:

		September 30, 2022			
	Note	Exercise Price (USD$)	Number of Warrants		Warrants
Balance, December 31, 2020		**$0.34**	**2,628,740**	**$**	**314**
Broker warrants granted		$1.07	666,671		219
Agent warrants exercised		$0.80	(234,605)		(81)
Broker warrants exercised		$1.07	(8,850)		(3)
Warrants exercised		$0.20	(2,000,000)		(100)
Balance, December 31, 2021		**$0.97**	**1,051,956**	**$**	**349**
Agent warrants exercised		$0.80	(169,025)		(57)
Agent and finder's warrants expired	(ii)	$0.80	(225,110)		(77)
Broker warrants exercised		$1.07	(96,087)		(30)
Broker warrants expired	(i)	$1.07	(561,734)		(185)
Balance, September 30, 2022		**-**	**-**	**$**	**-**

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

(i) On February 17, 2022, a total of 561,734 broker warrants with an exercise price of CAD$1.35 (USD$1.07) expired.
(ii) On September 10, 2022 a total of 225,110 agent and finder's warrant with an exercise price of CAD$1.07(USD$0.80) expired.

21. SHARE-BASED PAYMENT RESERVE

On October 28, 2021, the Company's shareholders approved the Amended and Restated Omnibus Incentive Plan ("the Omnibus Plan"), which amends and restates the previous Plan approved on November 23, 2020 whereby the Company can grant to directors, officers, employees and consultants options to purchase common shares of the Company. The Omnibus Plan provides for the issuance of stock options and RSUs to acquire up to 10% of the Company's issued and outstanding capital. The Omnibus Plan also provides for the issuance of DSUs to eligible directors of the Company.

The Omnibus Plan is a rolling plan as the number of shares reserved for issuance pursuant to the grant of stock options and RSUs will increase as the Company's issued and outstanding share capital increases.

Options

As at September 30, 2022, the Company had outstanding stock options enabling the holders to acquire common shares as follows:

	September 30, 2022				December 31, 2021			
Expiry Date	Exercise Price (USD$)	Number of Options Outstanding	Number of Options Vested & Exercisable	Remaining Life (Years)	Exercise Price (USD$)	Number of Options Outstanding	Number of Options Vested & Exercisable	Remaining Life (Years)
October 3, 2024	$0.45	4,000,000	4,000,000	2.01	$0.45	4,000,000	4,000,000	2.76
August 9, 2026	$1.12	2,370,000	1,579,999	3.86	$1.12	2,370,000	790,000	4.61
September 1, 2026	$1.38	30,000	20,000	3.92	$1.38	30,000	10,000	4.67
October 28, 2026	$1.24	150,000	50,000	4.08	$1.24	150,000	50,000	4.83
September 19, 2027	$0.83	1,987,500	662,506	4.97	$0.00	-	-	-
	$0.74	8,537,500	6,312,505	2.81	$0.71	6,550,000	4,850,000	3.09

As at September 30, 2022, the weighted average remaining contractual life of the stock options was 2.81 years (December 31, 2021 – 3.09 years).

Stock option transactions are summarized as follows:

	Note	Exercise Price (USD$)	Number of Options Outstanding	Number of Options Vested & Exercisable	Share-based payment reserve Options
Balance, December 31, 2020		**$0.45**	**4,000,000**	**4,000,000**	**$ 1,000**
Options granted		$1.14	2,615,000	915,000	833
Options exercised		$1.38	(65,000)	(65,000)	(21)
Balance, December 31, 2021		**$0.71**	**6,550,000**	**4,850,000**	**$ 1,812**
Options granted	(i)	$0.83	1,987,500	-	-
Options vesting		$1.32	-	1,462,505	811
Balance, September 30, 2022		**$0.74**	**8,537,500**	**6,312,505**	**$ 2,623**

(i) On September 19, 2022, the Company granted 1,987,000 stock options to certain employees eligible under the Company's previous Plan. The 1,987,000 options are exercisable at CAD$1.10 ($0.83) for a period of 5 years from the grant date,and will vest in accordance with the following schedule: (i) 1/3 immediately; (ii) 1/3 one year from the date of the grant; and (iii) 1/3 two years from the date of the grant. 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 66%, a risk-fee rate of 3.3% and an expected life of 5 years.

For the nine months ended September 30, 2022 and 2021, the Company recognized share-based payment expense relating to the vesting of stock options of $0.8 million and $0.6, respectively.

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

Restricted Share Units ("RSUs")

As at September 30, 2022 and December 31, 2021 the Company had restricted share units enabling the holders to redeem common shares as follows:

		September 30, 2022				December 31, 2021			
Grant Date	Note	Grant date fair value/RSU (USD$)	Number of RSUs Granted	Number of RSUs Outstanding	Number of RSUs Vested & Redeemable	Grant date fair value/RSU (USD$)	Number of RSUs Granted	Number of RSUs Outstanding	Number of RSUs Vested & Redeemable
June 24, 2020	(i)	$0.36	9,000,000	1,083,336	1,083,336	$0.36	9,000,000	2,658,338	-
September 14, 2020		$0.45	350,000	233,334	116,667	$0.45	350,000	233,334	116,667
November 13, 2020		$0.80	315,000	203,750	98,750	$0.80	315,000	203,750	98,750
February 18, 2021		$1.06	150,000	150,000	100,000	$1.06	150,000	150,000	50,000
June 1, 2021		$1.45	500,000	333,333	166,666	$1.45	500,000	333,333	-
October 20, 2021		$1.26	150,000	150,000	50,000	$1.26	150,000	150,000	50,000
September 19, 2022	(ii)	$0.69	1,397,500	1,397,500	465,843	$0.00	-	-	-
		$0.69	14,122,500	3,551,253	2,081,262	$0.55	12,725,000	3,728,755	315,417

(i) The June 24, 2020 Performance RSUs are accounted for as equity awards. The fair value of the Performance RSUs, based on the condition that the Company's shares trade at US$1.00 for a period of 30 consecutive dates prior to the vesting date, was estimated by the application of a Monte Carlo simulation model to simulate future share prices of Cerrado.

The relative weighted average assumptions used for this fair value estimate is set out as follows:

Assumption	Note	Monte Carlo simulation
Risk-free interest rate		2.09%
Expected volatility	1	82%
Dividend yield		0%
Expected life (in years)		4.15 years
Weighted average fair value of Performance RSU award granted		$0.36

1. The expected volatility of Cerrado is based on the historical volatility of the shares of a comparative peer group of companies.

The Monte Carlo simulation model utilizes multiple input variables that determine the probability of satisfying the market condition stipulated in the performance stock awards, to calculate the fair value of the awards. Expected volatilities used in the model were estimated using historical volatility of the shares of a comparative peer group of companies over a look-back term generally equivalent to the expected life of the award from the grant date. The risk-free interest rate was based on the Government of Canada Marketable Bonds measured over a term commensurate with the expected term for each annual performance period of the awards. The expected term is based on the time between the valuation date and the end of each annual performance period of the awards. The valuation model assumes no dividends.

(ii) On September 19, 2022, the Company granted 1,397,500 RSUs to certain officers, directors and employees. The 1,397,599 RSUs granted vest in accordance with the following schedule: (i) one third immediately; (ii) one third one year from the date of the grant; and (iii) one third two years from the date of the grant.

Restricted share unit transactions are summarized as follows:

	Note	Grant date fair value/RSU (USD$)	Number of RSUs Outstanding	Number of RSUs Vested & Redeemable	Share-based payment reserve RSUs
Balance, December 31, 2020		**$0.39**	**6,780,007**	**-**	**$ 658**
RSUs granted		$1.34	800,000	-	-
RSU vesting		$0.73	-	4,166,669	1,544
RSUs redeemed		$0.42	(3,627,230)	(3,627,230)	(1,532)
RSUs forfeited/cancelled		$0.48	(224,022)	(224,022)	-
Balance, December 31, 2021		**$0.55**	**3,728,755**	**315,417**	**$ 670**
RSUs granted		$0.69	1,397,500	-	-
RSU vesting		$0.79	-	3,340,847	987
RSUs redeemed	(ii)	$0.36	(1,575,002)	(1,575,002)	(566)
Balance, September 30, 2022		**$0.69**	**3,551,253**	**2,081,262**	**$ 1,091**

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

As of September 30, 2022, there were 3,551,253 RSUs outstanding (December 31, 2021 – 3,728,755 RSUs outstanding).

For the nine months ended September 30, 2022 and 2021, the Company recognized share-based payment expense relating to the vesting of RSUs of $1.0 million and $1.0 million, respectively.

Deferred Share Units ("DSUs")

As at September 30, 2022 the Company had deferred share units enabling the holders to redeem common shares as follows:

		September 30, 2022		
	Note	Grant date fair value/DSU (USD$)	Number of DSUs Granted	Number of DSUs Outstanding
October 28, 2021		$1.24	775,000	525,000
September 19, 2022	(i)	$0.69	820,000	820,000
		$0.90	1,595,000	1,345,000

Deferred share unit transactions are summarized as follows:

	Note	Grant date fair value/DSU (USD$)	Number of DSUs Outstanding	Share-based payment reserve DSUs
Balance, December 31, 2020		**-**	**-**	**$ -**
DSUs granted		$1.24	775,000	-
DSU vesting		$1.24	-	961
Balance, December 31, 2021		**$1.24**	**775,000**	**$ 961**
DSUs granted	(i)	$0.69	820,000	-
DSU vesting		$0.69	-	566
DSUs redeemed		$1.24	(250,000)	(310)
Balance, September 30, 2021		**$0.90**	**1,345,000**	**$ 1,217**

(i) 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.

For the nine months ended and September 30, 2022 and 2021, the Company recognized share-based payments expense relating to the vesting of DSUs of $0.6 and $nil.

22. FINANCE EXPENSE

	Note	**Three months ended September 30, 2022**	Three months ended September 30, 2021	**Nine months ended September 30, 2022**	Nine months ended September 30, 2021
Finance income					
Investment loss (income)		**$ 201**	$ (33)	**$ 227**	$ (203)
Finance costs					
Accretion of future consideration payable	6	**$ 504**	$ 716	**$ 1,656**	$ 2,089
Accretion of deferred revenue	14	**646**	656	**1,952**	1,951
Accretion on decommissioning and restoration provisions	13	**50**	-	**149**	-
Interest on revolving prepayment facility	15	**62**	69	**236**	245
Interest on secured note	17	**504**	-	**1,101**	-
Interest on loan payable	18	**325**	-	**325**	-
Interest on finance lease		**281**	119	**427**	152
Finance fees and bank charges		**(42)**	(75)	**46**	3
		2,330	1,485	**5,892**	4,440
Net finance expense		**$ 2,531**	$ 1,452	**$ 6,119**	$ 4,237

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

23. 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:

		September 30, 2022		December 31, 2021	
Recurring measurements		**Carrying Value**	**Fair Value**	**Carrying Value**	**Fair Value**
Financial Assets					
Amortised cost					
Cash	(i)	**$ 9,469**	**$ 9,469**	$ 1,726	$ 1,726
Short-term investments	(i)	**28**	**28**	29	29
Trade and other receivables	(i)(ii)	**8,255**	**8,255**	9,348	9,348
Due from related parties		**3,346**	**3,346**	525	525
Offtake receivable	(i)	**33,182**	**33,182**	18,166	18,166
Fair value through profit or loss					
Investment in marketable securities	(iii)	**406**	**406**	658	658
Total financial assets		**54,686**	**54,686**	30,452	30,452
Financial liabilities					
Amortised cost					
Trade and other payables	(i)(ii)	**$ 24,273**	**24,273**	$ 21,900	$ 21,900
Revolving prepayment facility	(i)	**7,509**	**7,509**	6,015	6,015
Secured note payable	(iv)	**20,647**	**20,647**	-	-
Loan payable	(i)	**3,302**	**3,302**	-	-
Offtake payable	(i)	**33,182**	**33,182**	18,166	18,166
Total financial liabilities		**88,913**	**88,913**	46,081	46,081
Net financial assets (liabilities)		**$ (34,227)**	**$ (34,227)**	$ (15,629)	$ (15,629)

(i) Cash, short-term investments, trade and other receivables, due from related parties, offtake receivable, trade and other payables, revolving prepayment facility, loan payable and offtake payable are recorded at carrying value, 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) Secured note payable is carried at its fair value, which is primarily measured using certain non observable market data (unobservable inputs), and therefore was classified within Level 3 of the fair value hierarchy.

Fair value hierarchy

The Company's financial assets and liabilities are recorded and measured as follows:

a) The fair values for cash, short term investments, trade and other receivables, due from related parties, offtake receivable and payable, investment in marketable securities, revolving prepayment facility, loan payable and trade and other payables approximate carrying values due to the immediate or short-term maturities of these financial instruments and are classified as Level 1 in accordance with their fair value hierarchy.

b) Secured note payable is classified as Level 3 in accordance with its 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 nine months ended September 30, 2022 the Company did not make any transfers.

24. 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.

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

(a) Compensation of key management personnel

During the nine months ended September 30, 2022 and 2021 compensation of key management personnel is summarized as follows:

	September 30 2022	September 30 2021
Management and director compensation	**$ 1,848**	$ 1,692
Share-based payments	**1,968**	1,174
	$ 3,816	$ 2,866

(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.

On August 3, 2022, the Company entered into a US dollar unsecured promissory note (the “Promissory Note”) agreement with Ascendant in the principal amount of US$1,000,000 for a term of one year. The loan bears interest at a rate of 10.0% per annum, compounded monthly, and will mature 12 months from the date of issuance, on August 3, 2023. The Promissory Note is not subject to any fees or bonuses, including cash bonuses, future bonuses, or bonus of common shares in the capital of Ascendant.

Ascendant may prepay any and all amounts owing at any time without notice or bonus, provided the amount of such prepayment is not less than US$100,000. All instalments received by the Company prior to August 3, 2023, if any, shall be applied firstly against interest outstanding and secondly against the principal sum.

As at September 30, 2022, amounts owed from Ascendant in relation to the Promissory Note are $1.0 million (September 30, 2021 - $nil).

On July 5, 2022, the Company entered into a US dollar unsecured promissory note (the “Promissory Note”) agreement with Voyager Metals Inc in the principal amount of US$1,000,000 for a term of one year. The loan bears interest at a rate of 10.0% per annum, compounded monthly, and will mature 12 months from the date of issuance, on July 6, 2023. The Promissory Note is not subject to any fees or bonuses, including cash bonuses, future bonuses, or bonus of common shares in the capital of the Company.

Voyager Metals may prepay any and all amounts owing at any time without notice or bonus, provided the amount of such prepayment is not less than US$100,000. All instalments received by the Company prior to July 6, 2023, if any, shall be applied firstly against interest outstanding and secondly against the principal sum.

As at September 30, 2022, amounts owed from Voyager Metals in relation to the Promissory Note are $1.0 million (September 30, 2021 - $nil).

As at September 30, 2022, amounts owed from Ascendant in relation to shared services are $1.3 million (September 30, 2021 - $0.4) and amounts owed from Voyager Metals in relation to shared services are $nil million (September 30, 2021 - $nil).

On June 24, 2020, Ascendant was granted a total of 200,000 RSUs in the capital of Cerrado in exchange for administrative services provided. During the year ended December 31, 2020 Ascendant received 66,667 common shares of Cerrado in accordance with the vesting terms of the 200,000 RSUs granted on June 24, 2020. During the period-ended December 31, 2021, the Company approved the accelerated vesting of the final tranche of the 200,000 RSUs granted to Ascendant, where Ascendant received the remaining 133,333 common shares of Cerrado.

On October 5, 2020, Cerrado subscribed for a total of 2,650,000 units of Ascendant at a cost of CAD$0.10 per unit for a total cost of CAD$0.3 million. Each unit consists of one common share of Ascendant and one-half of one common share purchase warrant. Each warrant entitles Cerrado to acquire one common share at a price of CAD$0.15 per share for a 24-month period following the closing date of private placement. The Company fully exercised these warrants in 2021 at CAD$0.15 each for a total cost of CAD$0.2 million and received 1,325,000 common shares of Ascendant, for a total of 3,975,000 common shares of Ascendant, valued at $0.7 million.

25. COMMITMENTS AND CONTINGENCIES

(a) Commitments

There are 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 applicable to all areas of the Company and its properties which are currently under production. The obligations under this royalty agreement are backed by a first mortgage granted to Royal Gold on a number of the Company's mineral properties owned in the province of Santa Cruz, named as follows: Syrah, La Paloma I, Micro I, Micro II, Mar III, Mar IV, Gol I, Gol II, Armadillo, Dorcón 3, Dorcón 4, Estrella I and Estrella II.

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

(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 judgment 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 September 30, 2022, 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.

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

25. SEGMENT REPORTING

Cerrado Gold Inc. 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

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

Period ended September 30, 2022	**Argentina**	**Brazil**	**Other**	**Total**
	Don Nicolas Mine	Monte do Carmo Project	Corporate	
Revenue from gold and silver sales	$ 65,536	$ -	$ -	$ 65,536
Production costs applicable to sales	(40,725)	-	-	(40,725)
Sales expenses and royalties	(6,938)	-	-	(6,938)
Depreciation and depletion	(5,970)	-	-	(5,970)
Income from mining operations	11,903	-	-	11,903
General and admnistrative expenses	(614)	(5)	(5,954)	(6,573)
Other expenses	(1,447)	(10)	(7,114)	(8,571)
Income (loss) before income taxes	9,842	(15)	(13,068)	(3,241)
Income taxes	(1,521)	-	-	(1,521)
Net income (loss)	**$ 8,321**	**$ (15)**	**$ (13,068)**	**$ (4,762)**

As at September 30, 2022	**Argentina**	**Brazil**	**Other**	**Total**
	Don Nicolas Mine	Monte do Carmo Project	Corporate	
Total assets	$ 90,371	$ 31,053	$ 19,287	$ 140,711
Total liabilities	$ 28,823	$ 812	$ 98,371	$ 128,006

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

26. SUBSEQUENT EVENTS

On November 17, 2022 the Company through its wholly-owned subsidiary MDN issued an unsecured promissory note to FCI Zofingen Dollar Linked ("FCI") for $2 million ("FCI Promissory Note"). The Company expects MDN to issue an aggregate of $10-12 million in promissory notes, which are expected to be made under similar financial terms. The Company intends to use the proceeds to fund ongoing development works in Argentina.

The FCI Promissory Note is repayable in Argentinian pesos at the official rate and has an initial maturity of 60 days from issuance and pays interest at a rate of 5% per annum. The FCI Promissory Note is expected to roll into a larger, longer-term series of notes maturing two years from issuance and bearing a rate of 5% interest. At any time, MDN can elect to prepay all or any portion of the FCI Promissory Note without incurring any early repayment penalty.