CERRADO
GOLD INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2023 AND 2022

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

2023

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, 2023		December 31, 2022
ASSETS					
Current assets					
Cash and cash equivalents		$	**11,565**	$	5,921
Restricted cash	5		**6,728**		2,000
Investments			**21**		1,443
Trade and other receivables	6		**12,531**		8,646
Inventories	7		**9,390**		9,099
Due from related party	23		**3,899**		818
Offtake receivable	16		**50,811**		38,768
			94,945		66,695
Non-current assets					
Other receivables	6		**2,768**		6,041
Restricted cash	5		**-**		2,543
Inventories	7		**1,484**		2,212
Property, plant and equipment	8		**70,782**		38,158
Exploration and evaluation assets	9		**79,392**		44,861
Advances to Voyager Metals	4		**-**		1,432
Investment in marketable securities	23		**309**		704
			154,735		95,951
Total assets		$	**249,680**	$	162,646
LIABILITIES					
Current liabilities					
Trade and other payables	10	$	**41,204**	$	24,100
Future consideration payable	5		**10,000**		2,000
Deferred revenue	12		**3,043**		2,137
Short term debt	13		**5,608**		2,061
Prepayment facility	14		**14,562**		5,267
Promissory notes	15		**24,055**		4,000
Offtake payable	16		**50,811**		38,768
Current tax liability			**4,000**		-
			153,283		78,333
Non-current liabilities					
Future consideration payable	5		**8,056**		16,547
Other liabilities	10		**178**		191
Provisions	11		**13,398**		10,776
Deferred revenue	12		**26,623**		14,033
Long term debt	13		**2,811**		2,032
Promissory notes	15		**1,750**		5,000
Secured note payable	17		**19,274**		18,990
Stream obligation	17		**1,372**		381
Deferred tax liability			**3,009**		3,009
			76,471		70,959
Total liabilities		$	**229,754**	$	149,292
SHAREHOLDERS' EQUITY					
Share capital	18	$	**54,058**	$	41,641
Warrants	19		**78**		-
Share-based payment reserve	20		**6,120**		5,320
Accumulated other comprehensive loss			**(2,892)**		(4,288)
Accumulated deficit			**(37,438)**		(29,319)
		$	**19,926**	$	13,354
Total liabilities & shareholders' equity		$	**249,680**	$	162,646

Nature of Operations and Going Concern (Note 1), **Commitments and Contingencies** (Notes 13 & 23)

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 September 30,		Nine months ended September 30,	
	Note	**2023**	2022	**2023**	2022
REVENUES					
Metal sales		**$ 21,574**	$ 17,819	**$ 70,225**	$ 65,536
COST OF SALES					
Production costs		**17,549**	13,911	**45,239**	40,725
Sales expenses and royalties		**1,691**	1,897	**7,037**	6,938
Depreciation and depletion		**1,030**	1,913	**5,436**	5,970
INCOME FROM MINING OPERATIONS		**1,304**	98	**12,513**	11,903
General and administrative expenses		**3,252**	2,875	**9,000**	6,573
Transaction costs	17	**2**	16	**716**	1,050
Finance expense	21	**2,071**	2,531	**7,221**	6,119
Foreign exchange loss (gain)		**(3,349)**	(14)	**(4,686)**	393
Remeasurement of secured note and stream obligation	17	**(655)**	1,006	**2,290**	647
Other expense		**149**	(63)	**425**	362
OTHER EXPENSES (INCOME)		**(1,782)**	3,476	**5,966**	8,571
LOSS BEFORE INCOME TAXES		**$ (166)**	$ (6,253)	**$ (2,453)**	$ (3,241)
Income and mining tax expense		**(238)**	(369)	**(5,817)**	(1,521)
Net loss for the period		**$ (404)**	$ (6,622)	**$ (8,270)**	$ (4,762)
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that may be reclassifed subsequently to profit or loss					
Translation adjustment		**$ (1,935)**	(1,184)	**$ 1,396**	(260)
Other comprehensive income (loss)		**(1,935)**	(1,184)	**1,396**	(260)
Total comprehensive income (loss)		**$ (2,339)**	$ (7,806)	**$ (6,874)**	$ (5,022)
Basic and diluted loss per share					
Basic		**$ (0.00)**	$ (0.08)	**$ (0.10)**	$ (0.06)
Diluted		**$ (0.00)**	$ (0.08)	**$ (0.10)**	$ (0.06)
Weighted average number of shares outstanding					
Basic		**97,008,992**	78,188,941	**86,962,287**	77,158,113
Diluted		**97,008,992**	78,188,941	**86,962,287**	77,158,113

CERRADO GOLD INC.
Condensed Consolidated Interim Statements of Cash Flows
For the First Quarter Ended September 30, 2023 and 2022
(Expressed in thousands of U.S. dollars) (Unaudited)

		Three months ended September 30,		Nine months ended September 30,	
	Note	**2023**	2022	**2023**	2022
OPERATING ACTIVITIES					
Net loss		**$ (404)**	$ (6,622)	**$ (8,270)**	$ (4,762)
Adjustments for:					
Depreciation and depletion		**1,075**	1,934	**5,531**	6,033
Share-based payments	20	**1,051**	1,527	**2,078**	2,364
Accretion on future consideration payable	5, 21	**505**	504	**1,509**	1,656
Accretion on provision for decommissioning and restoratior	11	**111**	-	**330**	-
Finance costs on deferred revenue	12	**1,160**	646	**3,473**	1,952
Initial Gold Stream Advance payment	12	**-**	-	**10,000**	-
Amortization of deferred revenue	12	**(795)**	(673)	**22**	(2,137)
Remeasurement of secured note and stream obligation	17	**(655)**	1,006	**2,290**	647
Interest expense		**363**	891	**1,677**	1,662
Transaction costs	17	**2**	1,050	**716**	1,050
Loss (gain) on short-term investments		**(99)**	223	**(7)**	248
Change in provisions		**-**	(20)	**-**	(149)
Other		**-**	(120)	**-**	(234)
Operating cash flows before changes in working capital		**2,314**	346	**19,349**	8,330
Changes in non-cash working capital items:					
Receivables and other assets		**(2,000)**	(5,650)	**(11,440)**	(13,690)
Inventories		**1,839**	(912)	**438**	934
Trade and other payables		**8,146**	6,666	**25,113**	11,205
Current tax liability		**-**	-	**4,000**	-
Other		**(105)**	-	**9**	-
Net cash flows provided by (used in) operating activities		**$ 10,268**	$ 450	**$ 37,543**	$ 6,779
INVESTING ACTIVITIES					
Additions to property, plant and equipment		**(10,902)**	(480)	**(29,838)**	(1,512)
Additions to exploration and evaluation assets		**(6,111)**	(4,284)	**(13,499)**	(10,570)
Subscription of short-term investments		**(6,043)**	1,723	**(27,420)**	3,698
Redemption of short-term investments		**5,677**	(1,721)	**28,631**	(3,694)
Acquisition of Voyager Metals, net of cash acquired	4, 23	**-**	-	**(2,373)**	-
Restricted cash		**(1,079)**	(1,500)	**(2,185)**	4,496
Future consideration paid		**-**	-	**(2,000)**	(10,000)
Advances to Voyager	23	**-**	(2,368)	**-**	(2,820)
Net cash flows used in investing activities		**$ (18,458)**	$ (8,630)	**$ (48,684)**	$ (20,402)
FINANCING ACTIVITIES					
Revolving prepayment facility borrowings	14	**11,932**	7,500	**19,432**	15,000
Revolving prepayment facility repayments	14	**(5,750)**	(5,250)	**(13,250)**	(13,500)
Advance payment facility borrowings	14	**3,000**	-	**3,000**	-
Secured note payable	17	**-**	-	**-**	20,000
Loan payable	13	**(580)**	3,302	**(1,783)**	3,302
Promissory note payable	15	**6,905**	-	**17,305**	-
Payment on promissory note	15	**(500)**	-	**(500)**	-
Transaction costs paid	17	**(2)**	(1,050)	**(716)**	(1,050)
Interest paid		**(337)**	(897)	**(2,606)**	(1,668)
Advances to related party		**(524)**	-	**(3,081)**	-
Payments on leases		**(87)**	(306)	**(805)**	(779)
Agent warrants exercised	18, 19	**-**	15	**-**	135
Options exercised	20	**-**	-	**8**	-
Net cash flows (used in) provided by financing activities		**$ 14,057**	$ 3,314	**$ 17,004**	$ 21,543
Effect of exchange rates on cash		**(97)**	(13)	**(219)**	(177)
Increase (decrease) in cash and cash equivalents		**5,770**	(4,879)	**5,644**	7,743
Cash and cash equivalents, beginning of period		**5,795**	14,348	**5,921**	1,726
Cash, end of period		**$ 11,565**	$ 9,469	**$ 11,565**	$ 9,469

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

CERRADO GOLD INC.
Condensed Consolidated Interim Statements of Changes in Equity
For the Third Quarter Ended September 30, 2023 and 2022
(Expressed in thousands of US dollars) (Unaudited)

	Note	Number of shares	Issued Share Capital	Warrants	Share-based payment reserve	Acumumulated Other Comprehensive Loss	Accumulated Deficit	Total
Balance, December 31, 2021		**76,480,739**	**$ 40,367**	**$ 349**	**$ 3,443**	**$ (5,364)**	**$ (23,673)**	**$ 15,122**
Agent warrants exercised	18, 19	169,025	193	(57)	-	-	-	136
Warrants exercised	18, 19	96,087	135	(30)	-	-	-	105
Warrants expired	18, 19	-	-	(262)	-	-	262	-
Share-based payments - Option vesting	20	-	-	-	811	-	-	811
Share-based payments - RSU vesting	20	-	-	-	987	-	-	987
Share-based payments - DSU vesting	20	-	-	-	566			566
RSUs redeemed	18, 20	1,575,002	566	-	(566)	-	-	-
DSUs redeemed	18, 20	250,000	310	-	(310)	-	-	-
Foreign currency translation adjustment		-	-	-	-	(260)	-	(260)
Income for the period		-	-	-	-	-	(4,762)	(4,762)
Balance, September 30, 2022		**78,570,853**	**$ 41,571**	**$ -**	**$ 4,931**	**$ (5,624)**	**$ (28,173)**	**$ 12,705**
Balance, December 31, 2022		**78,628,660**	**$ 41,641**	**$ -**	**$ 5,320**	**$ (4,288)**	**$ (29,319)**	**$ 13,354**
Investment in Voyager		16,617,712	11,361	-	-	-	-	11,361
Voyager replacement warrants issued	18, 19	-	(78)	78	-	-	-	-
Share-based payments - Option vesting	20	13,889	13	-	1,181	-	-	1,194
Share-based payments - RSU vesting	20	-	-	-	882	-	-	882
Share-based payments - DSU vesting	20	-	-	-	15	-	-	15
Share-based payments - Options redeemed	18, 20	-	-	-	(6)	-	-	(6)
Share-based payments - Option expiry	20	-	-	-	(103)	-	103	-
Share-based payments - RSU expiry	20	-	-	-	(48)	-	48	-
Share-based payments - DSU redeemed	20	-	-	-	(238)	-	-	(238)
RSUs redeemed	18, 20	1,503,731	883	-	(883)	-	-	-
DSUs redeemed	18, 20	245,000	238	-	-	-	-	238
Foreign currency translation adjustment		-	-	-	-	1,396	-	1,396
Loss for the period		-	-	-	-	-	(8,270)	(8,270)
Balance, September 30, 2023		**97,008,992**	**$ 54,058**	**$ 78**	**$ 6,120**	**$ (2,892)**	**$ (37,438)**	**$ 19,926**

The accompanying notes are an integral part of these consolidated 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. Cerrado, through its 100%-owned Brazilian subsidiary Serra Alta Mineração Ltda. ("Serra Alta") also owns the Monte de Carmo Gold ("MDC") Project in the State of Tocantins, Brazil. In Canada, since the acquisition of Voyager Metals effective May 31, 2023, the Company is developing the Mont Sorcier Iron and Vanadium project in Roy Township, Quebec, 18 km east of the Town of Chibougamau. The Company 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 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, 2023 the Company had a cash balance of $11.6 million and a working capital deficiency of $58.3 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. 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 casts significant doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include adjustments to the carrying values of recorded assets and liabilities that might be necessary should the Company be unable to continue as a going concern. These adjustments may be material.

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, 2022.

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 2022 annual consolidated financial statements.

These Condensed Consolidated Interim Financial Statements were approved by the Company's Board of Directors on November 28, 2023.

(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 S.A. ("MDN"), incorporated in Argentina;

- Minera Mariana Argentina S.A. (“Minera Mariana”), incorporated in Argentina;
- Serra Alta Participações Imobiliarias SA (“SAP”), incorporated in Brazil;
- Serra Alta Mineração Ltda. (“Serra Alta Mineração”), incorporated in Brazil; and
- Voyager Metals Inc. (“Voyager”), incorporated in Canada

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”), 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, 2022. 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 STANDARDS

(a) New standards adopted by the Company

(a) Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) effective for annual periods beginning on or after January 1, 2023.
(b) Definition of Accounting Estimates (Amendments to IAS 8) effective for annual periods beginning on or after January 1, 2023.
(c) Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes) effective for annual periods beginning on or after January 1, 2023.

The Company assessed the implication of the above standards and concluded that there was no impact on the financial statements as the Company has already complied with this guidance.

(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 September 30, 2023:

(a) Classification of Liabilities as Current or Non-current (Amendments to IAS 1) effective for annual periods beginning on or after January 1, 2024.
(b) Lease Liability in a Sale and Leaseback (Amendments to IFRS 16 Leases) effective for annual periods beginning on or after January 1, 2024.
(c) 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.

None of these pronouncements are expected to have a significant impact on the Company's consolidated financial statements upon adoption.

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

4. ACQUISITION OF VOYAGER METALS INC.

On March 7, 2023 the Company entered into a definitive agreement (the "Arrangement Agreement") with Voyager pursuant to which Cerrado would acquire all of the issued and outstanding shares of Voyager Metals Inc. (each, a "Voyager Share") not already owned by Cerrado by way of a plan of arrangement under *Business Corporations Act* (Ontario) (the "Arrangement"). Upon completion of the Arrangement, Cerrado, indirectly through Voyager, would own a 100% interest in the Mont Sorcier Iron and Vanadium project located near Chibougamau, Quebec ("Mont Sorcier").

On March 15, 2023, Voyager completed a non-brokered private placement of 31,024,294 Voyager Shares at a price of CAD$0.1523 per Voyager Share (the "Private Placement"). Pursuant to the Private Placement, Cerrado acquired 24,294,156 Voyager Shares, resulting in the Company owning approximately 19.6% of the issued and outstanding Voyager Shares on a non-diluted basis.

Under the terms of the Arrangement Agreement, Voyager shareholders would receive one (1) common share of Cerrado ("Cerrado Share") for every six (6) common shares of Voyager (the "Exchange Ratio"). Holders of Voyager options and warrants would receive equivalent securities of Cerrado adjusted in accordance with the Exchange Ratio.

On May 25, 2023 the shareholders and option holders of Voyager approved the Arrangement. The Arrangement became effective on May 31, 2023, pursuant to Voyager obtaining a Final Order from the Ontario Superior Court of Justice (Commercial List) in respect of the Arrangement and the satisfaction or waiver of certain other customary closing conditions.

On May 31, 2023, Cerrado completed the previously announced statutory plan of arrangement and acquired all of the issued and outstanding common shares of Voyager that it did not already own, resulting in Voyager becoming a wholly-owned subsidiary of Cerrado. Security holders of Voyager, other than Cerrado, received 1/6 of one Cerrado share for each outstanding Voyager share, resulting in the grant of 16,617,712 Cerrado shares at a deemed share price of CAD$0.93, based on the price of the Company's shares on May 31, 2023. In addition, a total of 1,547,000 replacement warrants and 1,266,649 replacement options were issued to each former warrant and option holder of Voyager, respectively. Outstanding Voyager options and warrants will remain outstanding in accordance with their original terms, adjusted in accordance with the Exchange Ratio. See Notes 18 (i-iii) and 19 (i-v).

After evaluating all the facts surrounding this transaction, management determined that the transaction does not constitute a business combination, as Voyager does not meet the definition of a business under IFRS 3, *Business Combinations* and was recorded as an asset acquisition and the equity consideration accounted for in accordance with IFRS 2, *Share-based payments*, measured at fair value.

The acquisition cost, consisting of the initial investment in Voyager shares, amounts advanced to Voyager and fair value of the consideration shares issued, totalled $15.6 million and has been allocated to the acquired identifiable assets and liabilities of Voyager as follows:

Purchase Price	Note	**May 31, 2023**
Fair value of 16,617,712 shares issued		$ 11,361
Investment in Voyager		2,590
Advances to Voyager		1,614
Preliminary purchase price		**$ 15,565**
Purchase Price Allocation		
Cash		$ 654
Receivables and other assets		351
Right-of-use asset		344
Exploration and evaluation assets	9	19,102
Total identifiable assets acquired		20,451
Trade and other payables		(1,741)
Debentures	13	(2,867)
Lease liabilities		(278)
Total identifiable liabilities assumed		(4,886)
Total identifiable net assets		**$ 15,565**

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

5. 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 March 2022 (paid);
- $2 million in March 2023 (paid);
- $10 million in March 2024; and
- $10 million in March 2025

These amounts 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 2023, the discount was accreted by $1.5 million which is included in finance expense (see Note 21). On March 16, 2022 the $10 million payment due 24 months from the Closing Date was paid to the Sellers. On March 1, 2023 the $2 million payment due in 2023 was paid to the Sellers. As at September 30, 2023, the amount held in restricted cash of $6.6 million relates to the sinking fund set up by the Company for future payment obligations to the Sellers.

6. TRADE AND OTHER RECEIVABLES

		September 30 2023		December 31 2022
Current				
Trade receivables	**$**	**900**	$	1,351
Sales tax and other statutory receivables		**11,510**		7,151
Prepaids and deposits		**121**		144
		12,531		8,646
Non-current				
Deposits and other assets		**2,768**		6,041
	$	**15,299**	$	14,687

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		**September 30 2023**		December 31 2022
Ore stockpiles	**$**	**4,572**	$	3,875
In-circuit		**1,630**		950
Finished metal		**-**		2,156
Metal inventories		**6,202**		6,981
Supplies and consumables		**3,188**		2,118
Inventories	**$**	**9,390**	$	9,099

Non-current	**September 30 2023**	December 31 2022
Supplies and consumables	**1,484**	2,212

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

	Note	Mining Property, Plant and Equipment	Assets Under Construction	Land and Buildings	Total
Cost					
As at December 31, 2021		38,472	796	610	39,878
Additions		1,630	4,531	41	6,202
Disposals		(306)	-	-	(306)
Reclassifications		337	(337)	-	-
Transfer	9	-	1,441	-	1,441
Change in provision for environmental rehabilitation		7,477	-	-	7,477
As at December 31, 2022		47,610	6,431	651	54,692
Additions		2,526	28,558	4,779	35,863
Change in provision for environmental rehabilitation		2,292	-	-	2,292
As at September 30, 2023		59,905	34,989	5,430	92,847
Accumulated depreciation and amortization					
As at December 31, 2021		8,081	-	112	8,193
Charge for the period		8,372	-	105	8,477
Disposals		(136)	-	-	(136)
As at December 31, 2022		16,317	-	217	16,534
Charge for the period		5,420	-	111	5,531
As at September 30, 2023		21,737	-	328	22,065
Net book value					
Balance, December 31, 2022		**$ 31,293**	**$ 6,431**	**$ 434**	**$ 38,158**
Balance, September 30, 2023		**$ 38,168**	**$ 34,989**	**$ 5,102**	**$ 70,782**

Property, plant and equipment includes right-of-use assets of $0.7 million (2022 - $0.6 million) related to leased buildings of $0.6 million (2022 - $0.4 million) and mobile equipment of $0.1 million (2022 - $0.2 million). These right-of-use assets are included under Land and Buildings and Mining Property, Plant and Equipment, respectively. During 2023, the Company leased land and buildings and recognized a right-of-use asset of $0.5 million (2022 - $0.1 million). The Company also leased mobile equipment and recognized a right-of-use asset of $nil million (2022 – $0.1 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

Assets under construction as at September 30, 2023 includes $26.2 million related to construction in progress of the Calandrias Heap Leach Project, expected to commence operations in Q3/2023. During the year-ended December 31, 2022 exploration and evaluation costs of $1.4 million associated with the Calandrias Project were transferred from the exploration and evaluation category to the assets under construction category (see Note 9).

(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 year ended September 30, 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, 2021		$ 21,752	$ 3,218	$ 1,722	$ -	**$ 26,692**
Expenditures		13,092	5,190	4	-	**18,286**
Transfer	8	-	(1,441)	-	-	**(1,441)**
Effect of movements in exchange rates		1,324	-	-	-	**1,324**
Balance at December 31, 2022		$ 36,168	$ 6,967	$ 1,726	$ -	**$ 44,861**
Voyager acquisition		-	-	-	19,102	**19,102**
Expenditures		7,400	5,641	10	682	**13,733**
Effect of movements in exchange rates		1,648	-	-	48	**1,696**
Balance at September 30, 2023		$ 45,216	$ 12,608	$ 1,736	$ 19,832	**$ 79,392**

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.

The terms of the acquisition provide 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.

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.

Los Cisnes Gold-Silver Project – 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"). On acquisition, Minera Mariana was the owner of the Las Calandrias and Los Cisnes gold-silver projects, contiguous to the Minera Don Nicolas' MDN mine. In 2022 the Calandrias Project was transferred to Minera Don Nicolas. Los Cisnes is Minera Mariana's sole remaining project.

Las Calandrias Project – Argentina

In December 2022, technical feasibility was determined, and the financing required to develop the Calandrias project was completed with the subscription of the Zofingen Promissory Notes (see note 15). With funding available to develop the project, the amounts previously classified under exploration and evaluation assets of $1.4 million associated with Calandrias were transferred from the exploration and evaluation category to the assets under construction category (see note 8). On December 31, 2022 the Company performed an assessment of recoverability and determined there was no evidence of impairment at the date of the reclassification.

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.

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

10. TRADE AND OTHER PAYABLES

	September 30 2023	December 31 2022
Current		
Trade payables	$ 13,061	$ 8,856
Accrued liabilities	21,191	11,005
Payroll and government remitances	6,900	4,184
Other liabilities	52	55
	$ 41,204	$ 24,100
Non-current		
Other liabilities	$ 178	$ 191
	$ 41,382	$ 24,291

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.

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

	Decommissioning and restoration
Balance at December 31, 2021	**$ 3,348**
Change in estimate	7,477
Current year expense	(246)
Accretion	197
Balance at December 31, 2022	**$ 10,776**
Change in estimate	2,292
Accretion	330
Balance at September 30, 2023	**$ 13,398**

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
Minera Don Nicolas Mine	$ 18,513	2028-2042	4.10%

12. 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 included a step-down provision whereby the stream percentage would 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 had 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 as 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).

As the deferred revenue on streaming arrangements is considered variable consideration, an adjustment is made to the transaction price per unit each time there is a change in the underlying production profile of a mine. The change in the transaction price per unit results in a cumulative catchup adjustment to revenue in the period in which the change is made, reflecting the new production profile expected to be delivered under the streaming agreement. A corresponding cumulative catch-up adjustment is made to accretion expense, reflecting the impact of the change in the deferred revenue balance. As a result of an update in the life of the MDN mine, which increased the total gold and silver ounces to be delivered, a $0.5 million adjustment to the deferred revenue balance was required as at December 31, 2022, resulting in a decrease in stream revenue of $0.4 million and an increase in finance costs (accretion) of $0.1 million.

<u>Amended and restated metals purchase and sale agreement</u>

On March 2, 2023, the Company entered into an amended and restated metals purchase and sale agreement with Sprott, to include the concessions acquired by the Company in its acquisition of Minera Mariana Argentina S.A. in 2021, broadening the stream area including production from the Las Calandrias heap leach project where production is expected to commence in Q3/2023. The amended and restated agreement also provides the Company with an additional $10 million in funding in the form of an additional deposit against future production. Substantially all other terms of the original Agreement from March 2020 are materially unchanged.

The amended and restated agreement 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.

As the deferred revenue on streaming arrangements is considered variable consideration, an adjustment is made to the transaction price per unit each time there is a change in the underlying production profile of a mine. The change in the transaction price per unit results in a cumulative catchup adjustment to revenue in the period in which the change is made, reflecting the new production profile expected to be delivered under the amended and restated streaming agreement. A corresponding cumulative catch-up adjustment is made to accretion expense, reflecting the impact of the change in the deferred revenue balance.

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

As a result of an update in the life of the MDN mine to incorporate the Las Calandrias project, which increased the total gold and silver ounces to be delivered, a $2.8 million adjustment to the deferred revenue balance was required during the period ended September 30, 2023, resulting in a decrease in stream revenue of $2.4 million and an increase in finance costs (accretion) of $0.4 million.

The following table summarizes deferred revenue:

Opening balance December 31, 2022	$	16,170
Gold Stream Advance payment		10,000
Amortization of deferred revenue:		
Deferred revenue (recognized)		(2,345)
Retroactive deferred revenue adjustment		2,368
Finance costs on deferred revenue		3,473
Balance, September 30, 2023	**$**	**29,666**

		September 30, 2023		**December 31, 2022**
Current portion	$	3,043	$	2,137
Non-current portion		26,623		14,033
Total	**$**	**29,666**	**$**	**16,170**

13. DEBT

	Note		**September 30 2023**		December 31 2022
Lease obligations	(a)	**$**	**280**	$	331
Loan payable	(b)		**662**		1,730
Land acquisition obligation	(c)		**1,758**		-
Debentures	(d)		**2,908**		-
Current debt		**$**	**5,608**	$	2,061

	Note		**September 30 2023**		December 31 2022
Lease obligations	(a)	**$**	**614**	$	1,317
Loan payable	(b)		**-**		715
Land acquisition obligation	(c)		**2,197**		-
Non-current debt		**$**	**2,811**	$	2,032

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

(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. The Company sub-leases an office space that it leased in 2021 to companies with directors and officers in common (see Note 23).

		September 30 2023		December 31 2022
Total minimum lease payments	**$**	**1,523**	$	2,359
Effect of discounting		**(629)**		(711)
Present value of minimum lease payments		**894**		1,648
Less: current portion		**(280)**		(331)
	$	**614**	$	1,317
Minimum payments under leases				
Due no later than 1 year		**640**		1,042
Due later than 1 year less than 5 years		**885**		1,317
	$	**1,525**	$	2,359

The table below summarizes amounts recognized in earnings during the three months ended September 30, 2023 and 2022:

Depreciation expense for ROU assets	**$**	**234**	$	151
Interest expense included in finance costs		**183**		17
Total recognized in earnings	**$**	**417**	$	168

(b) Loan payable

On August 24, 2022 the Company, through its wholly-owned subsidiary Minera Don Nicolas SA ("MDN"), entered into a ARS 500,000,000 18-month term loan with Banco de Santa Cruz S.A., which matures in February 2024. The current loan balance of $0.7 million bears interest at the private BADLAR Rate plus an annual 13% spread, payable in 18 monthly instalments. The loan payable to Banco de Santa Cruz is recognized at amortized cost using the effective interest rate method.

(c) Land acquisition obligation

In May 2023 the Company, through its wholly owned subsidiary Serra Alta Participações Imobiliárias SA ("SAP") acquired a property for BRL 22 million located in the municipality of Monte do Carmo, Tocantins, Brazil. The land will be used primarily for construction of the MDC Project's processing plant.

The agreed terms of payment implied the payment in cash of 10% of the total value of the contract on the date of signature of the contract. The residual amount will be paid in successive annual installments, 40% in 2024, 20% in 2025, 15% in 2026 and 15% in 2027. The annual installments will be financially restated at the rate defined by the official inflation index published by the Brazilian authorities (IPCA).

(d) Debentures

In connection with the acquisition of Voyager Metals on May 31, 2023 (see Note 4), Cerrado assumed Voyager's liabilities, including the non-convertible debentures owing as of May 31, 2023 and related warrants, reissued and revalued as at May 31, 2023 as explained below.

On May 31, 2021, Voyager closed a CAD$3.9 million non-brokered private placement of non-convertible debentures to accelerate the development of its Mont Sorcier project. Pursuant to the private placement, the Company issued 3,900 debenture units (each, a "Unit") at a price of CAD$1,000 per Unit for an aggregate principal of CAD$3.9 million. Each Unit consists of CAD$1,000 principal amount of 10% secured debentures ("Debentures") and 2,380 non-transferable common share purchase warrants ("Debenture Warrants"), for an aggregate total of 9,282,000 Debenture Warrants, which were reissued on May 31, 2023 as 1,547,000 Replacement Debenture Warrants. Each Replacement Debenture Warrant entitles the holder to acquire one common share of Cerrado ("Common Share") at an exercise price of CAD$2.52 per Cerrado Common Share for a period of 36 months. On acquisition by Cerrado on May 31, 2023, the Replacement Debenture Warrants were valued using the Black-Scholes option pricing model (see note 19 i). The Debentures bear interest at a rate of 10.0% per annum and initially matured 18 months from the date of issuance, subsequently extended to September 30, 2023.

Voyager also paid an arm's-length finder a cash fee of CAD$273,000 and issued to the finder 925,424 non-transferable common share purchase warrants (each a "Finder Warrant"), which were reissued on May 31, 2023 as 154,237 Replacement Finder Warrants. Each Replacement Finder Warrant will entitle the holder to acquire one Cerrado Common Share at a price of CAD$1.80 per Cerrado common Share for a period of 36 months. On acquisition by Cerrado on May 31, 2023, the Replacement Finder Warrants were valued at CAD$0.1 million using the Black-Scholes option pricing model (see note 18 ii).

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

On November 28, 2022 and subsequently on May 31, 2023, Voyager signed amending agreements to extend the maturity of the CAD$3.9 million debentures to May 31, 2023 and finally to September 30, 2023. All other terms remain unchanged and quarterly interest payments are due until the debentures are fully repaid.

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

Balance - May 31, 2023	**$**	**2,867**
Interest on debentures		24
Effect of movements in exchange rates		17
Balance - September 30, 2023	**$**	**2,908**

Since the acquisition of Voyager on May 31, 2023 (Note 4), the Company recorded interest expense of $0.1 million for the period ended September 30, 2023.

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	2,884	-	-	2,884
Interest on debentures	24	-	-	24
Debenture repayments	**2,908**	**-**	**-**	**2,908**

14. PREPAYMENT FACILITY

	Note		**September 30 2023**		December 31 2022
Revolving prepayment facility	(a)	**$**	**11,500**	$	5,267
Advance payment facility	(b)		**3,062**		-
		$	**14,562**	$	5,267

(a) 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 July 2023, the Company further increased the revolving credit facility by an additional $2.5 million for total advance consideration of $10.0 million and revised the repayment terms of the facility with the final draw of the Company to be made prior to July 31, 2024 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, 2023, the Company had drawn down a total $19.4 million and repaid a total $13.3 million under the revolving prepayment facility. As at September 30, 2023 the $11.5 million balance outstanding bears interest at the rate of 3 Month 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 nine months ended September 30, 2023, the Company had drawn down a total $3.0 million and repaid a total $nil million under the advance payment facility. As at September 30, 2023 the $3.1 million balance outstanding bears interest at the rate of 3 Month SOFR + 5.85% until repaid.

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

15. PROMISSORY NOTES PAYABLE

		September 30 2023		December 31 2022
Current				
Promissory notes payable	$	**24,055**	$	4,000
Non-current				
Promissory notes payable	$	**1,750**		5,000

In November and December 2022 the Company, through its wholly-owned subsidiary Minera Don Nicolas SA (“MDN”), issued unsecured promissory notes for $4 million dollars, and $5 million, respectively. The promissory notes are repayable in Argentinian pesos at the official rate. The Company has provided a limited recourse guarantee to the lenders in respect of the $5 million Notes.

The initial $4 million Promissory Notes issued in November 2022 were refinanced in January 2023 and reissued $4.4 million Promissory Notes to the same lender as longer-term notes with similar terms (the “Replacement Notes”), maturing two years from issuance and bearing a rate of 5% interest.

During the nine months ended September 30, 2023 the Company issued additional promissory notes for $17.3 million dollars. 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 September 30, 2023 the $25.8 million balance bears interest at the rate of 5% until repaid.

The Company used the proceeds to fund ongoing development at the Las Calandrias Heap Leach Project in Argentina.

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 $50.8 million at September 30, 2023 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 $50.8 million at September 30, 2023 represents export sales delivered by Minera Don Nicolas under the offtake agreement, which will be repaid to Minera Don Nicolas within six months of the delivery.

17. SECURED NOTE LIABILITY & STREAM OBLIGATION

a) Secured Note Payable

On March 14, 2022 Sprott Private Resource Streaming and Royalty (Collector), LP (“Sprott”, or the “Lender”) issued a US$20 million secured note (the “Note” or “Note Agreement”) to Cerrado that bears interest at a rate of 10% per annum, calculated and payable quarterly and will mature on the earlier of: i) the achievement of commercial production together with certain other conditions; and ii) March 14, 2031.

The Note is secured, in favour of Sprott, by the Company’s assets and shares in the Brazilian subsidiaries, ranking subordinate to a project lender.

Subject to the approval of the TSX, 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.

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

Measurement

The Note represents a financial liability for the contractual obligation to repay principal of $20 million and quarterly interest payments in cash or in common shares until maturity. The ability to pay interest with common shares of the Company represents an embedded derivative. The Company has elected to subsequently account for the Note at FVTPL.

On March 14, 2022, the fair value of the Note of $19 million was determined based on the amount exchanged between the Company and Sprott, which resulted in a discount rate of 11.60%. Subsequent to initial recognition, any remeasurement gain or loss is split into an amount attributed to the change in credit risk of the Company, which is to be presented in OCL, and the remaining amount of change in fair value, in net loss.

The changes in fair values of the Note from as at September 30, 2023 is summarized below:

Fair value at inception	$	19,000
Add (deduct):		
Interest payment		(1,605)
Unrealized change in fair value, recorded in the statement of operations		1,595
Balance, December 31, 2022	**$**	**18,990**
Add (deduct):		
Interest payment		(992)
Unrealized change in fair value, recorded in the statement of operations		1,299
Unrealized change in fair value, recorded in other comprehensive (loss)		(23)
Balance, September 30, 2023	**$**	**19,274**

b) Stream Obligation

On March 14, 2022, the Company entered into a US$20 million metals stream agreement (the “Stream Agreement”) with Sprott Private Resource Streaming and Royalty Corp. (“Sprott Royalty”) for its Monte do Carmo project (the “Project”). Sprott Royalty will pay the Company the deposit of USD$20 million either in cash or by issuance of a promissory note on the maturity of the Note.
The Stream Agreement provides for the sale and delivery to Sprott Royalty of 2.25% of metals produced from the Project. The price will be determined as 10% of the market price. The Company has the ability to buy down up to 50% of the Stream Agreement (“Buy-Down Option”) 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

The Stream Agreement is secured, in favour of Sprott, by the Company’s assets and shares in the Brazilian subsidiaries ranking subordinate to a project lender.

The Stream Agreement, including the Buy-Down Option, meets the definition of a derivative and is measured at fair value through profit and loss. The fair value of the Stream Agreement was determined based on a combination of a discounted cash flow and Monte Carlo option model. The significant assumptions used in determining fair value were: mineral resource estimates, future gold prices, and discount rates.

As at September 30, 2023, management ascribed a $nil value to the Buy-Down Option.

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

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

The changes in fair values of the Stream Obligation as at September 30, 2023 is summarized below:

Fair value at inception	$	1,000
Add (deduct):		
Unrealized change in fair value, recorded in the statement of operations		(619)
Balance, December 31, 2022	**$**	**381**
Add:		
Unrealized change in fair value, recorded in the statement of operations		991
Balance, September 30, 2023	**$**	**1,372**

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

Inputs and Assumption	**December 31, 2022**	**September 30, 2023**
Debt discount rate (WACC)	12.70%	13.00%
Calibration spread	2.50%	2.50%
Royalty revenue discount factor	15.20%	15.50%
Royalty stream discount rate	7.49%	7.93%
Royalty revenue volatility	60%	55%
Average gold price	$2,163	$2,251

Sensitivity Analysis:

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

Key Inputs	**Inter-relationships between significant inputs and fair value measurement**	**Increase (decrease)**
Key observable inputs	The estimated fair value would increase (decrease by)	
- Metal prices forward curve	- Future gold prices were 10% higher	1,557
	- Future gold prices were 10% lower	(1,612)
- Discount rates	- Discount rates were 1% higher	(882)
	- Discount rates were 1% lower	959
Key unobservable inputs		
- Estimated mineral resources	- Estimated mineral resources were 10% higher	1,557
	- Estimated mineral resources were 10% lower	(1,612)

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

18. 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
Balance, December 31, 2021		**76,480,739**	**$**	**40,367**
Agent warrants exercised	19	169,025		193
Broker warrant exercised	19	96,087		135
RSUs redeemed	20	1,632,809		636
DSUs redeemed	20	250,000		310
Balance, December 31, 2022		**78,628,660**	**$**	**41,641**
Voyager acquisition	4	16,617,712		11,361
Voyager replacement warrants issued	19	-		(78)
Options exercised	20	13,889		13
RSUs redeemed	20	1,503,731		883
DSUs redeemed	20	245,000		238
Balance, September 30, 2023		**97,008,992**	**$**	**54,058**

19. WARRANTS

As at September 30, 2023, the Company had outstanding warrants enabling the holders to acquire common shares as follows:

		September 30, 2023		
Expiry Date	Note	Exercise Price (US$)	Number of Warrants	Exercisable
May 31, 2024	(i)	$1.85	1,547,000	1,547,000
May 31, 2024	(ii)	$1.32	154,237	154,237
March 15, 2026	(iii)	$0.67	78,518	78,518
		$1.75	1,779,755	1,779,755

Warrants transactions are summarized as follows:

	Note	Exercise Price (USD)	Number of Warrants		Warrants
Balance, December 31, 2021		**$0.97**	**1,051,956**	**$**	**349**
Agent warrants exercised		$0.80	(169,025)		(57)
Agent and finder's warrants expired		$0.80	(225,110)		(77)
Broker warrants exercised		$1.07	(96,087)		(30)
Broker warrants expired		$1.07	(561,734)		(185)
Balance, December 31, 2022		**-**	**-**	**$**	**-**
Replacement debenture warrants	(i)	$1.85	1,547,000		46
Replacement finder warrants	(ii)	$1.32	154,237		8
Replacement warrants	(iii)	$0.67	78,518		24
Balance, September 30, 2023		**$1.75**	**1,779,755**	**$**	**78**

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 (see Note 13). 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 is $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.

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

(ii) 154,237 Replacement Finder Warrants to the Finder of the Debentures (see Note 13). 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 is $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.

(iii) 78,518 Replacement Warrants as part of the Voyager private placement of March 15, 2023. Each Replacement Finder Warrant entitles the holder thereof to acquire one Cerrado common share at a price of CAD$0.91 per share for a 36-month period following the original date of issuance. The estimated fair value of the Replacement Debenture Warrants is $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 58%, a risk -free rate of 4.20% and an expected life of 2.79 years.

20. 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.

	Stock Options	Restricted share units	Deferred share units	Share-based payment reserve
Balance, December 31, 2021	**$ 1,812**	**$ 670**	**$ 961**	**$ 3,443**
Vesting	979	1,278	566	2,823
RSUs redeemed	-	(636)	-	(636)
DSUs redeemed	-	-	(310)	(310)
Balance, December 31, 2022	**$ 2,791**	**$ 1,312**	**$ 1,217**	**$ 5,320**
Vesting	1,181	882	15	2,078
Options exercised	(6)	-	-	(6)
Options cancelled/forfeited/expired	(103)	-	-	(103)
RSUs redeemed	-	(883)	-	(883)
RSUs cancelled/forfeited/expired	-	(48)	-	(48)
DSUs redeemed	-	-	(238)	(238)
Balance, September 30, 2023	**$ 3,863**	**$ 1,263**	**$ 994**	**$ 6,120**

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

Options

As at September 30, 2023, the Company had outstanding stock options enabling the holders to acquire common shares as follows:

		September 30, 2023			December 31, 2022		
Expiry Date		Exercise Price (US$)	Number of Options Outstanding	Number of Options Vested & Exercisable	Exercise Price (US$)	Number of Options Outstanding	Number of Options Vested & Exercisable
February 27, 2024		$0.45	3,850,000	3,850,000	$0.45	4,000,000	4,000,000
August 9, 2026		$1.12	2,270,000	2,270,000	$1.12	2,370,000	1,579,999
September 1, 2026		$1.38	30,000	30,000	$1.38	30,000	20,000
October 28, 2026		$1.24	150,000	100,000	$1.24	150,000	50,000
September 19, 2027		$0.83	1,987,500	1,325,008	$0.83	1,987,500	662,506
October 5, 2023	(ii)	$0.53	41,666	41,666	-	-	-
November 22, 2023	(iii)	$0.60	41,666	41,666	-	-	-
September 26, 2027	(iv)	$0.53	827,769	547,217	-	-	-
November 25, 2027	(v)	$0.53	24,999	8,334	-	-	-
August 23, 2028	(vi)	$0.55	3,890,000	1,296,664	-	-	-
		$0.67	13,113,600	9,510,555	$0.74	8,537,500	6,312,505

As at September 30, 2023, the weighted average remaining contractual life of the stock options was 2.35 years (December 31, 2022 – 2.17 years).

Stock option transactions are summarized as follows:

		Exercise Price (US$)	Number of Options Outstanding
Balance, December 31, 2021		**$0.71**	**6,550,000**
Options granted		$0.83	1,987,500
Balance, December 31, 2022		**$0.74**	**8,537,500**
Replacement options granted	(i)-(v)	$0.64	1,266,649
Options granted	(vi)	$0.55	3,890,000
Options exercised		$0.53	(13,889)
Options expired		$0.97	(316,660)
Options cancelled/forfeited		$0.87	(250,000)
Balance, September 30, 2023		**$0.67**	**13,113,600**

(i) 316,660 Replacement Options, where each option entitles the holder thereof to acquire one common share of Cerrado at a price of CAD$1.32 per share for a 24-month period following the original date of issuance. The options vested immediately. The grant date fair value of the options 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 0.16 years. Subsequent to the second quarter ended June 30, 2023, the 316,660 options expired.

(ii) 41,666 Replacement Options, where each option entitles the holder thereof to acquire one common share of Cerrado at a price of CAD$0.72 per share for a 24-month period following the original date of issuance. The options vested immediately. The grant date fair value of the options 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 0.35 years.

(iii) 41,666 Replacement Options, where each option entitles the holder thereof to acquire one common share of Cerrado at a price of CAD$0.81 per share for a 24-month period following the original date of issuance. The options vested immediately. The grant date fair value of the options 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 0.48 years.

(iv) 841,658 Replacement Options, where each option entitles the holder thereof to acquire one common share of Cerrado at a price of CAD$0.81 per share for a 60-month period following the original date of issuance. The options vest in accordance with the following schedule: (i) 1/3 immediately, (ii) 1/3 from the date of grant, and (iii) 1/3 two years from the date of grant. The grant date fair value of the options 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 71%, a risk -free rate of 3.53% and an expected life of 4.33 years.

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

(v) 24,999 Replacement Options where each option entitles the holder thereof to acquire one common share of Cerrado at a price of CAD$0.81 per share for a 60-month period following the original date of issuance The options vest in accordance with the following schedule: (i) 1/3 immediately, (ii) 1/3 from the date of grant, and (iii) 1/3 two years from the date of grant. The grant date fair value of the options 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 71%, a risk -free rate of 3.53% and an expected life of 4.49 years.

(vi) On August 23, 2023 the Company granted 3,890,000 stock options to certain employees eligible under the Company's previous Plan. The 3,890,000 options are exercisable at CAD$0.75 ($0.55) 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 69%, a risk-fee rate of 4.02% and an expected life of 5 years.

For the period ended September 30, 2023 and 2022, the Company recognized share-based payment expense relating to the vesting of stock options of $1.2 million and $0.8 million, respectively.

Restricted Share Units ("RSUs")

As at September 30, 2023 and December 31, 2022 the Company had restricted share units enabling the holders to redeem common shares as follows:

		September 30, 2023			December 31, 2022		
Grant Date		Grant date fair value/RSU (USD$)	Number of RSUs Outstanding	Number of RSUs Vested & Redeemable	Grant date fair value/RSU (USD$)	Number of RSUs Outstanding	Number of RSUs Vested & Redeemable
June 24, 2020		$0.36	50,000	50,000	$0.36	1,083,336	1,083,336
September 14, 2020		$0.45	233,334	233,334	$0.45	233,334	233,334
November 13, 2020		$0.80	-	-	$0.80	203,750	203,750
February 18, 2021		$1.06	-	-	$1.06	150,000	100,000
June 1, 2021		$1.45	283,333	116,666	$1.45	293,860	127,193
October 20, 2021		$1.26	50,000	-	$1.26	150,000	100,000
September 19, 2022		$0.69	1,239,714	773,891	$0.69	1,379,166	447,509
August 23, 2023	(i)	$0.50	2,690,000	-			
		$0.62	4,546,381	1,173,891	$0.68	3,493,446	2,295,122

(i) On August 23, 2023, the Company granted 2,690,000 RSUs to certain eligible participants under the Company's Omnibus Plan. The 2,690,000 RSUs granted vest one year after issuance in accordance with the Omnibus Plan .

Restricted share unit transactions are summarized as follows:

		Grant date fair value/RSU (USD$)	Number of RSUs Outstanding
Balance, December 31, 2021		**$0.55**	**3,728,755**
RSUs granted		$0.69	1,397,500
RSUs redeemed		$0.39	(1,632,809)
RSUs forfeited/cancelled		-	-
Balance, December 31, 2022		**$0.68**	**3,493,446**
RSUs granted	(i)	$0.50	2,690,000
RSUs redeemed		$0.59	(1,503,731)
RSUs forfeited/cancelled		$0.36	(133,334)
Balance, September 30, 2023		**$0.62**	**4,546,381**

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

For the period ended September 30, 2023 and 2022, the Company recognized share-based payment expense relating to the vesting of RSUs of $0.8 million and $1.0 million, respectively.

Deferred Share Units ("DSUs")

As at September 30, 2023 the Company had deferred share units enabling the holders to redeem common shares as follows:

		September 30, 2023		December 31, 2022	
	Note	Grant date fair value/DSU (US$)	Number of DSUs Outstanding	Grant date fair value/DSU (US$)	Number of DSUs Outstanding
October 28, 2021	(i)	$1.24	400,000	$1.24	525,000
September 19, 2022	(ii)	$0.69	700,000	$0.69	820,000
August 23, 2023	(iii)	$0.50	325,000	-	-
		$0.80	1,425,000	$0.90	1,345,000

(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.

Deferred share unit transactions are summarized as follows:

	Note	Grant date fair value/DSU (US$)	Number of DSUs Outstanding
Balance, December 31, 2021		**$1.24**	**775,000**
DSUs granted	(ii)	$0.69	820,000
DSUs redeemed		$1.24	(250,000)
Balance, December 31, 2022		**$0.90**	**1,345,000**
DSUs granted	(iii)	$0.50	325,000
DSUs redeemed		$0.97	(245,000)
Balance, September 30, 2023		**$0.80**	**1,425,000**

For the period ended September 30, 2023 and 2022, the Company recognized share-based payments expense relating to the vesting of DSUs of $0.1 and $0.6 respectively.

21. FINANCE EXPENSE

	Note	**Three months ended September 30, 2023**	Three months ended September 30, 2022	**Nine months ended September 30, 2023**	Nine months ended September 30, 2022
Finance income					
Investment (income) loss		**$ (123)**	$ 201	**$ (401)**	$ 227
Finance costs					
Accretion of future consideration payable	5	**$ 505**	$ 504	**$ 1,509**	$ 1,656
Accretion of deferred revenue	16	**1,160**	646	**3,473**	1,952
Accretion on decommissioning and restoration provisions	11	**111**	149	**330**	149
Interest on revolving prepayment facility	14a	**181**	62	**479**	236
Interest on advance payment facility	14b	**62**	-	**62**	
Interest on secured note	16	**-**	504	**-**	1,101
Interest on loans payable	13b, 15	**103**	325	**939**	325
Interest on debentures	13d	**74**	-	**99**	-
Other interest costs		**15**	-	**97**	-
Interest on finance lease	13a	**23**	281	**183**	427
Finance fees and bank charges		**(40)**	(141)	**451**	46
		2,194	2,330	**7,622**	5,892
Net finance expense		**$ 2,071**	$ 2,531	**$ 7,221**	$ 6,119

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

22. 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, 2023		December 31, 2022	
Recurring measurements		**Carrying Value**	**Fair Value**	**Carrying Value**	**Fair Value**
Financial Assets					
Amortised cost					
Cash	(i)	**$ 11,565**	**$ 11,565**	$ 5,921	$ 5,921
Short-term investments	(i)	**21**	**21**	1,443	1,443
Trade and other receivables	(i)(ii)	**12,531**	**12,531**	8,646	8,646
Due from related parties	(i)	**3,899**	**3,899**	818	818
Offtake receivable	(i)	**50,811**	**50,811**	38,768	38,768
Fair value through profit or loss					
Investment in marketable securities	(iii)	**309**	**309**	704	704
Total financial assets		**79,136**	**79,136**	56,300	56,300
Financial liabilities					
Amortised cost					
Trade and other payables	(i)(ii)	**$ 41,204**	**41,204**	$ 24,100	$ 24,100
Revolving prepayment facility	(i)	**11,500**	**11,500**	5,267	5,267
Advance payment facility	(i)	**3,062**	**3,062**	-	-
Promissory note payable	(i)	**25,805**	**25,805**	9,000	9,000
Loan payable	(i)	**662**	**662**	2,445	2,445
Offtake payable	(i)	**50,811**	**50,811**	38,768	38,768
Debentures	(vi)	**2,908**	**2,908**	-	-
Fair value through profit or loss					
Secured note payable	(iv)	**19,274**	**19,274**	18,990	18,990
Stream obligation	(v)	**1,372**	**1,372**	381	381
Total financial liabilities		**156,598**	**156,598**	98,951	98,951
Net financial assets (liabilities)		**$ (77,462)**	**$ (77,462)**	$ (42,651)	$ (42,651)

(i) Cash, short-term investments, 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 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 including discount rates, and therefore was classified within Level 3 of the fair value hierarchy.
(v) Stream obligation is carried at its fair value, which is primarily measured using certain observable and non-observable market data including discount rates, future gold prices, and estimated mineral resources, and therefore was classified within Level 3 of the fair value hierarchy.
(vi) Debentures are measured at amortized cost. The fair value of debentures is primarily measured using determined variables, and therefore was classified within Level 2 of the fair value hierarchy. See note 13.

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

Fair value hierarchy

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

- The fair values for cash, short-term investments, trade and other receivables, due from related parties, offtake receivable, investment in marketable securities, trade and other payables, revolving prepayment facility, future payable consideration, promissory note payable, loan payable and offtake payable 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.
- Secured note payable is carried at its fair value, which is primarily measured using certain non observable market data including discount rates, and therefore was classified within Level 2 of the fair value hierarchy.
- Stream obligation is carried at its fair value, which is primarily measured using certain observable and non-observable market data including discount rates, future metal prices, and estimated mineral resources, and therefore was classified within Level 3 of the 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 year ended December 31, 2022 and the year ended December 31, 2021, the Company did not make any transfers.

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

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

(b) Due to and from related parties

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

<u>Ascendant</u>

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

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

24. COMMITMENTS AND CONTINGENCIES

(a) Commitments

The Company has the following commitments as at September 30, 2023: lease obligation (see Note 13a), land acquisition obligation, debentures (see note 13), and secured note payable interest (see note 17).

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

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

(ii) A 2% royalty on the refined product, payable to Royal Gold Inc. based on a royalty agreement enacted and updated on August 16, 2013. The royalty is 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 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 September 30, 2023, 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, 2023	**Argentina**	**Brazil**	**Canada**	**Other**	**Total**
	Don Nicolas Mine	Monte do Carmo Project	Mont Sorcier Project	Corporate	
Revenue from gold and silver sales	$ 70,225	$ -	$ -	$ -	$ 70,225
Production costs applicable to sales	(45,239)	-	-	-	(45,239)
Sales expenses and royalties	(7,037)	-	-	-	(7,037)
Depreciation and depletion	(5,436)	-	-	-	(5,436)
Income from mining operations	12,513	-	-	-	12,513
General and admnistrative expenses	(915)	(8)	(73)	(8,004)	(9,000)
Other expenses	2,939	(26)	(98)	(8,781)	(5,966)
Income (loss) before income taxes	14,537	(34)	(171)	(16,785)	(2,453)
Income and mining tax expense	(5,817)	-	-	-	(5,817)
Net income (loss)	**$ 8,720**	**$ (34)**	**$ (171)**	**$ (16,785)**	**$ (8,270)**

As at September 30, 2023	**Argentina**	**Brazil**	**Canada**	**Other**	**Total**
	Don Nicolas Mine	Monte do Carmo Project	Mont Sorcier Project	Corporate	
Total assets	$ 155,683	$ 52,076	$ 20,005	$ 21,916	$ 249,680
Total liabilities	$ 83,012	$ 5,069	$ 4,596	$ 137,077	$ 229,754

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