CERRADO GOLD INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2024 AND 2023

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

2024

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, 2024	December 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents		$ 7,949	$ 412
Restricted cash	5	-	6,814
Investments		-	15
Trade and other receivables	6	13,733	7,339
Inventories	7	10,785	8,879
Offtake receivable	16	67,328	55,901
		99,795	79,360
Non-current assets			
Other receivables	6	1,957	1,914
Inventories	7	669	290
Property, plant and equipment	8	75,974	80,767
Exploration and evaluation assets	9	66,161	83,981
Investment in marketable securities	24	547	240
Due from related party	24	4,278	4,172
		149,586	171,364
Total assets		$ 249,381	$ 250,724
LIABILITIES			
Current liabilities			
Trade and other payables	10	$ 35,289	$ 40,765
Future consideration payable	5	7,010	10,000
Short term debt	13	8,527	5,436
Prepayment facility	14	12,570	9,302
Promissory notes	15	16,250	25,350
Offtake payable	16	67,328	55,901
		146,974	146,754
Non-current liabilities			
Future consideration payable	5	-	8,574
Other liabilities	10	26	47
Provisions	11	15,272	14,842
Promissory notes	15	1,500	-
MDN Stream obligation	12	24,918	20,500
Long term debt	13	1,574	2,786
MDC Secured note payable	17	19,615	19,803
MDC Stream obligation	17	6,007	1,924
Deferred tax liability		10,710	10,710
		79,622	79,186
Total liabilities		$ 226,596	$ 225,940
SHAREHOLDERS' EQUITY			
Share capital	18	$ 55,927	$ 54,596
Warrants	19	24	78
Share-based payment reserve	20	3,669	6,679
Accumulated other comprehensive loss		(963)	(768)
Accumulated deficit		(35,872)	(35,801)
		$ 22,785	$ 24,784
Total liabilities & shareholders' equity		$ 249,381	$ 250,724

Nature of Operations and Going Concern (Note 1), **Commitments and Contingencies** (Notes 11 & 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 Income (Loss)

(Expressed in thousands of U.S. dollars) (Unaudited)

	Note	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
REVENUES					
Metal sales		**$ 36,669**	$ 21,574	**$ 91,786**	$ 70,225
COST OF SALES					
Production costs		**23,115**	17,549	**62,390**	45,239
Sales expenses and royalties		**2,514**	1,691	**3,276**	7,037
Depreciation and depletion		**3,628**	1,030	**10,306**	5,436
INCOME FROM MINING OPERATIONS		**7,412**	1,304	**15,814**	12,513
General and administrative expenses		**2,912**	3,252	**7,846**	9,000
INCOME (LOSS) FROM OPERATIONS		**4,500**	(1,948)	**7,968**	3,513
Transaction costs	17	**-**	2	**105**	716
Finance expense (income)	21	**32**	(123)	**(163)**	(401)
Finance expense	21	**1,578**	2,194	**5,493**	7,622
Foreign exchange gain		**(6,363)**	(3,349)	**(5,123)**	(4,686)
Remeasurement of MDC secured note and stream obligation	17	**3,143**	(655)	**5,382**	2,290
Remeasurement of MDN stream obligation	12	**2,368**	-	**4,418**	-
Other expense		**1,355**	149	**441**	425
OTHER (INCOME) EXPENSES		**2,113**	(1,782)	**10,553**	5,966
INCOME (LOSS) BEFORE INCOME TAXES		**$ 2,387**	$ (166)	**$ (2,585)**	$ (2,453)
Income and mining tax expense		**(847)**	(238)	**(2,116)**	(5,817)
Net income (loss) for the period		**$ 1,540**	$ (404)	**$ (4,701)**	$ (8,270)
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that may be reclassifed subsequently to profit or loss					
Translation adjustment		**$ 7,309**	(1,935)	**$ (195)**	1,396
Other comprehensive income (loss)		**7,309**	(1,935)	**(195)**	1,396
Total comprehensive income (loss)		**$ 8,849**	$ (2,339)	**$ (4,896)**	$ (6,874)
Basic and diluted earnings (loss) per share					
Basic		**$ 0.01**	$ (0.00)	**$ (0.05)**	$ (0.10)
Diluted		**$ 0.01**	$ (0.00)	**$ (0.05)**	$ (0.10)
Weighted average number of shares outstanding					
Basic		**103,083,876**	97,008,992	**101,381,885**	86,962,287
Diluted		**104,927,752**	97,008,992	**101,381,885**	86,962,287

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

CERRADO GOLD INC.
Condensed Consolidated Interim Statements of Cash Flow
For the Third Quarter Ended September 30, 2024 and 2023
(Expressed in thousands of U.S. dollars) (Unaudited)

	Note	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
OPERATING ACTIVITIES					
Net income (loss)		**$ 1,547**	$ (404)	**$ (4,701)**	$ (8,270)
Adjustments for:					
Depreciation and depletion		**3,683**	1,075	**10,437**	5,531
Share-based payments	20	**607**	1,051	**1,893**	2,078
Accretion on future consideration payable	5, 21	**219**	505	**935**	1,509
Accretion on provision for decommissioning and restoration	11	**146**	111	**431**	330
Finance costs on deferred revenue	12	**-**	1,160	**-**	3,473
Amortization of deferred revenue	12	**-**	(795)	**-**	22
Remeasurement of MDC secured note and stream obligation	17	**3,143**	(655)	**5,382**	2,290
Remeasurement of MDN stream obligation	12	**2,368**	-	**4,418**	-
Interest expense		**1,712**	363	**4,038**	1,677
Transaction costs	17	**-**	2	**105**	716
Loss (gain) on short-term investments		**(173)**	(99)	**307**	(7)
Change in fair value of marketable securities		**17**	-	**24**	-
Promissory note discount	24	**96**	-	**8**	-
Amortization of promissory note discount	24	**(32)**	-	**(94)**	-
Operating cash flows before changes in working capital		**13,309**	2,314	**23,114**	9,349
Changes in non-cash working capital items:					
Receivables and other assets		**(6,575)**	(2,000)	**(20,482)**	(11,440)
Inventories		**(1,120)**	1,839	**(2,284)**	438
Trade and other payables		**1,172**	8,146	**14,518**	25,113
Debenture interest payable		**(73)**	74	**(216)**	74
Current tax liability		**-**	-	**-**	4,000
Other		**55**	(105)	**(7)**	9
Net cash flows provided by operating activities		**$ 6,768**	$ 10,268	**$ 14,643**	$ 27,543
INVESTING ACTIVITIES					
Additions to property, plant and equipment		**(600)**	(10,902)	**(7,573)**	(29,838)
Option agreement proceeds	9	**-**	-	**15,000**	-
Additions to exploration and evaluation assets		**(1,041)**	(6,111)	**(3,807)**	(13,499)
Subscription of short-term investments		**-**	(6,043)	**(21,756)**	(27,420)
Redemption of short-term investments		**-**	5,677	**21,799**	28,631
Acquisition of Voyager Metals, net of cash acquired	4, 24	**-**	-	**-**	(2,373)
Restricted cash		**-**	(1,079)	**6,814**	(2,185)
Future consideration paid		**(1,250)**	-	**(12,500)**	(2,000)
Net cash flows used in investing activities		**$ (2,891)**	$ (18,458)	**$ (2,023)**	$ (48,684)
FINANCING ACTIVITIES					
Revolving prepayment facility borrowings	14	**10,000**	11,932	**20,000**	19,432
Revolving prepayment facility repayments	14	**(6,750)**	(5,750)	**(16,750)**	(13,250)
MDC signing loan		**-**	-	**-**	10,000
Advance payment facility borrowings	16	**3,000**	3,000	**6,000**	3,000
Advance payment facility repayments	16	**(3,000)**	-	**(6,000)**	-
Loan payable	13	**(561)**	(580)	**4,208**	(1,783)
Promissory notes payable	15	**4,600**	6,905	**8,600**	17,305
Payment on promissory note	15	**(4,250)**	(500)	**(16,200)**	(500)
Transaction costs paid	17	**-**	(2)	**(105)**	(716)
Interest paid		**(1,837)**	(337)	**(3,709)**	(2,606)
Advances to related party		**(304)**	(524)	**(659)**	(3,081)
Payments on leases		**(89)**	(87)	**(389)**	(805)
Options exercised	22	**-**	-	**-**	8
Net cash flows provided by (used) in financing activities		**$ 809**	$ 14,057	**$ (5,004)**	$ 27,004
Effect of exchange rates on cash		**(97)**	(97)	**(79)**	(219)
Increase in cash and cash equivalents		**4,589**	5,770	**7,537**	5,644
Cash and cash equivalents, beginning of period		**3,360**	5,795	**412**	5,921
Cash, end of period		**$ 7,949**	$ 11,565	**$ 7,949**	$ 11,565

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, 2024 and 2023
(Expressed in thousands of US dollars) (Unaudited)

			Share capital						
	Note	Number of shares	Issued Share Capital	Shares to be issued	Warrants	Share-based payment reserve	Acumumulated Other Comprehensive Loss	Accumulated Deficit	Total
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		-	(78)	78	-	-	-	-	-
Share-based payments - Option vesting	20	13,889	13	-	-	1,181	-	-	1,194
Share-based payments - Options redeemed	20	-	-	-	-	(6)	-	-	(6)
Share-based payments - Option expiry	20	-	-	-	-	(103)	-	103	-
Share-based payments - RSU vesting	20	-	-	-	-	882	-	-	882
Share-based payments - RSU expiry	20	-	-	-	-	(48)	-	48	-
Share-based payments - DSU redeemed	22	-	-	-	-	-	-	-	-
Share-based payments - DSU vesting	22	-	-	-	-	15	-	-	15
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**
Balance, December 31, 2023		**98,283,572**	**$ 54,587**	**$ 9**	**$ 78**	**$ 6,679**	**$ (768)**	**$ (35,801)**	**$ 24,784**
Voyager replacement warrants expired	19	-	-	-	(54)	-	-	54	-
Shares for interest debt settlement	20	4,608,673	1,003	-	-	-	-	-	1,003
Share-based payments - Option vesting	20	-	-	-	-	566	-	-	566
Share-based payments - RSU vesting	20	-	-	-	-	1,217	-	-	1,217
Share-based payments - RSU redeemed	20	470,817	328	-	-	(328)	-	-	-
Share-based payments - RSU cancelled	20	-	-	-	-	(321)	-	321	-
Share-based payments - DSU vesting	20	-	-	-	-	110	-	-	110
Share-based payments - Option expiry	20	-	-	-	-	(4,255)	-	4,255	-
Foreign currency translation adjustment		-	-	-	-	-	(195)	-	(195)
Loss for the period		-	-	-	-	-	-	(4,701)	(4,701)
Balance, September 30, 2024		**103,363,062**	**$ 55,918**	**$ 9**	**$ 24**	**$ 3,669**	**$ (963)**	**$ (35,872)**	**$ 22,785**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Cerrado Gold Inc. (“Cerrado” or “the Company”) through its 100%-owned subsidiary Minera Don Nicolas S.A. (“MDN”) is focused on its producing Don Nicolas gold and silver mine in Argentina. Since acquiring the mine in March 2020, the Company has been focused on increasing gold equivalent production and optimizing mine operations. In Canada, since the acquisition of Voyager Metals Inc. (“Voyager”) effective May 31, 2023, the Company also owns the Mont Sorcier Iron and Vanadium project in Roy Township, Quebec, 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.

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. On March 5, 2024 the Company announced that it had entered into an option agreement (“Transaction”) with Amarillo Mineração do Brasil Ltda. (“Amarillo“) a wholly-owned subsidiary of Hochschild Mining PLC (“Hochschild“), whereby Cerrado has granted to Amarillo the option (“Option“) to purchase a 100% interest in the Company’s Monte Do Carmo project (“MDC Project“) located in the State of Tocantins, Brazil (the “Proposed Transaction“), for total consideration of US$60 million (approximately C$80 million) (the “Purchase Price“), subject to the fulfilment of certain conditions (see note 9 and note 27). On November 6, 2024 the Company announced that it has completed the sale of its 100% interest in the Company’s MDC project (see note 27). In connection with the closing of the Transaction, the Company received closing cash payments of $30 million from Amarillo.

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

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

As at September 30, 2024 the Company had a cash balance of $7.9 million and a working capital deficiency of $47.2 million. In order to continue as a going concern, the Company must generate sufficient income and cash flows to repay its obligations as they become due, finance its operations and fund its capital investments. The future of the Company is dependent on its ability to maintain profitable operations, generate sufficient funds from operations, and obtain new debt or equity financing or sale of assets (see Note 9). 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, 2023.

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 2023 annual consolidated financial statements.

These Condensed Consolidated Interim Financial Statements were approved by the Company’s Board of Directors on November 27, 2024

(b) Basis of consolidation

Subsidiaries

These 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 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 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, 2023. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events which are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

3. ADOPTION OF NEW ACCOUNTING STANDARD

(a) New amendments adopted by the Company

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

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, 2024:

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

None of these pronouncements are expected to have a material 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 remaining issued and outstanding shares of Voyager 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, Cerrado acquired 24,294,156 Voyager Shares for total consideration of US$2.69 million (CAD$3.7 million) 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, and on May 31, 2023, Cerrado acquired the remaining issued and outstanding common shares of Voyager, resulting in Voyager becoming a wholly-owned subsidiary of Cerrado. Shareholders of Voyager 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 1,779,755 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 21 (i-v). Replacement options and warrants were accounted for post acquisition date of May 31, 2023 and were not included in the purchase price allocation calculation.

After evaluating all the facts surrounding this transaction, management determined that the transaction did 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**

The fair value of the common shares as part of the consideration issued was determined using the Company's closing share price of CAD$0.93 on May 31, 2023. The Company's issuance of equity instruments to Voyager shareholders in exchange for net assets received was recognized as an increase to common shares in the consolidated statement of changes in equity, in accordance with IFRS 2 Share-based Payments.

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

As of May 31, 2023, the fair value of the advances done in contemplation of the acquisition of Voyager was determined based on their carrying amount, due to the short-term nature, and the lack of significant change in market conditions or the financial position of Voyager between the date of the advances and the acquisition date. These advances were made shortly before the acquisition and their carrying amount approximated their fair value.

During the year ended December 31, 2023, the Company incurred $0.1 million in share issuance costs recorded as a decrease to common shares in the consolidated statements of changes in equity and $Nil in direct acquisition costs.

5. FUTURE CONSIDERATION PAYABLE

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

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

These amounts were 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 period ended September 30, 2024, the discount was accreted by $0.9 million which is included in finance expense (see Note 21). In March 2024 the Company paid $7.4 million from its sinking fund to the Sellers and the remaining $2.6 million was paid to the Sellers in June 2024.

(i) $10 million due in March 2025 to be paid by the Company to the Sellers in monthly installments of $0.4 million commencing in April 2024 for total consideration of $5.0 million. As at September 30, 2024, the Company has paid $2.5 million in installments. The remaining balance of $5.0 million is due to be paid by the Company to the Sellers in March 2025.

6. TRADE AND OTHER RECEIVABLES

		September 30 2024		December 31 2023
Current				
Trade receivables	**$**	**1,815**	$	1,040
Sales tax and other statutory receivables		**11,480**		6,144
Prepaids and deposits		**438**		155
		13,733		7,339
Non-current				
Deposits and other assets		**1,957**		1,914
	$	**15,690**	$	9,253

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.

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

7. INVENTORIES

Current	September 30 2024	December 31 2023
Ore stockpiles	$ 6,971	$ 5,291
In-circuit	1,360	1,937
Finished metal	1,189	-
Metal inventories	**9,520**	7,228
Supplies and consumables	1,265	1,651
Inventories	**$ 10,785**	$ 8,879

Non-current	September 30 2024	December 31 2023
Supplies and consumables	**669**	290

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

8. PROPERTY, PLANT AND EQUIPMENT

	Note	Mining Property, Plant and Equipment	Assets Under Construction	Land and Buildings	Total
Cost					
As at December 31, 2022		47,881	6,431	380	54,692
Additions		2,037	40,545	4,838	47,420
Reclassifications		40,049	(40,049)	-	-
Capitalized borrowing costs		-	733		733
Change in provision for environmental rehabilitation		3,624	-	-	3,624
As at December 31, 2023		93,591	7,660	5,218	106,469
Additions		1,111	4,497	-	5,608
Disposals		-	-	(533)	(533)
Reclassifications		9,246	(9,246)	-	-
Capitalized borrowing costs		-	569	-	569
As at September 30, 2024		103,948	3,480	4,685	112,113
Accumulated depreciation and amortization					
As at December 31, 2022		16,433	-	101	16,534
Depreciation for the period		9,290	-	124	9,414
Disposals		(246)	-	-	(246)
As at December 31, 2023		25,477	-	225	25,702
Depreciation for the period		10,276	-	161	10,437
As at September 30, 2024		35,753	-	386	36,139
Net book value					
Balance, December 31, 2023		**$ 68,114**	**$ 7,660**	**$ 4,993**	**$ 80,767**
Balance, September 30, 2024		**$ 68,195**	**$ 3,480**	**$ 4,299**	**$ 75,974**

Property, plant and equipment includes right-of-use assets of $0.6 million (2023 - $0.9 million) related to leased buildings of $0.5 million (2023 - $0.6 million) and mobile equipment of $0.1 million (2023 - $0.3 million). These right-of-use assets are included under Land and Buildings and Mining Property, Plant and Equipment, respectively. During 2024, the Company leased land and buildings and recognized a right-of-use asset of $nil million (2023 - $0.3 million).

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

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

Development of Calandrias Project

Property, plant and equipment includes $27.0 million related to construction of the Calandrias Heap Leach Project as at December 31, 2023, which commenced operations in Q3/2023.

(i) During the construction of the Calandrias Heap Leach Project, the amount of borrowing costs capitalized for the period ended September 30, 2024 was $0.6 million (December 31, 2023 - $0.7 million). The capitalization rate used to determine the amount of borrowing costs eligible for capitalization for the period ended September 30, 2024 was 9.07% (December 31, 2023 – 5.47%). For the period ended September 30, 2024 the capitalization of borrowing costs has resulted in an increase in the carrying amount of qualifying assets by $0.6 (December 31, 2023 -$0.7) and a corresponding reduction in finance costs for the period.

9. EXPLORATION AND EVALUATION ASSETS

The following is a summary of the Company’s exploration and evaluation capitalized costs for the period ended September 30, 2024:

	Note	Monte do Carmo Gold Project Brazil	Minera Don Nicolas Mine Argentina	Minera Mariana Argentina	Mont Sorcier Project Canada	Total
Balance at December 31, 2022		$ 36,168	$ 6,967	$ 1,726	$ -	**$ 44,861**
Voyager acquisition		-	-	-	19,102	**19,102**
Expenditures		8,338	6,788	8	962	**16,096**
Transfer		-	-	-	-	**-**
Effect of movements in exchange rates		3,366	-	-	556	**3,922**
Balance at December 31, 2023		$ 47,872	$ 13,755	$ 1,734	$ 20,620	**$ 83,981**
Amarillo option agreement payment	1	(15,000)	-	-	-	**(15,000)**
Expenditures		868	2,388	62	309	**3,627**
Effect of movements in exchange rates		(6,031)	-	-	(416)	**(6,447)**
Balance at September 30, 2024		$ 27,709	$ 16,143	$ 1,796	$ 20,513	**$ 66,161**

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.

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.

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

On June 27, 2024 Cerrado shareholder approved the proposed arm’s length sale by the Company to Amarillo of all the issued and outstanding shares of Serra Alta.

In accordance with the provisions of a Loan Agreement among the Company and Amarillo dated March 4, 2024 (the "Loan Agreement"), immediately following the shareholders' approval of the Transaction, all of the credit obligations owing by the Company and two of its subsidiaries, Serra Alta Mineração Ltda and Serra Alta Participações Imobiliárias S.A., to the Lender under the Loan Agreement were deemed to have been repaid in full and therefore the Loan Agreement terminated. In accordance with the Loan Agreement, the amount outstanding that has been deemed to have been repaid shall be applied as partial consideration payable by the Lender to complete the Transaction.

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

Subsequent to period ended September 30th, 2024, on October 30, 2024 the Company announced that Amarillo has provided notice of exercise of its Option to purchase 100% interest in the Company's MDC project and on November 6, 2024 the Company announced that it has completed the sale of its 100% interest in the Company's MDC project. In connection with the closing of the Transaction, the Company received closing cash payments of $30 million from Amarillo in addition to the US$15 million that was previously received in connection with granting the Option, for total consideration of US$60 million (approximately C$83 million). Pursuant to the terms of the Option Agreement, Amarillo shall make two further payments to Cerrado, totaling US$15 million in aggregate, as follows:

- US$10 million payable within 14 days of the second anniversary of the date of the Cerrado shareholder approval (being June 27, 2026); and
- US$5 million within 14 days of the earlier of (i) the commencement of commercial production from the Project, and (ii) March 31, 2027.

The two further payments due from Amarillo are guaranteed by Hochschild pursuant to the Option Agreement. (see note 27)

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. (See Note 4)

10. TRADE AND OTHER PAYABLES

		September 30 2024		December 31 2023
Current				
Trade payables	**$**	**8,928**	$	15,159
Accrued liabilities		**21,099**		21,047
Payroll and government remitances		**5,245**		4,509
Other liabilities		**17**		50
	$	**35,289**	$	40,765
Non-current				
Other liabilities	**$**	**26**	$	47
	$	**35,315**	$	40,812

11. PROVISIONS

Decommissioning and restoration

The Company's provision for environmental rehabilitation consists of costs accrued based on the best estimate of mine closure and reclamation activities that will be required at the MDN mine site upon completion of mining activity. These costs will largely be incurred on mine closure. These activities include costs for earthworks, including land re-contouring and re-vegetation, water treatment and demolition. The Company expects to pay these environmental rehabilitation costs between the years 2028 and 2042.

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

		Decommissioning and restoration
Balance at December 31, 2022	**$**	**10,776**
Change in estimate		3,624
Accretion		442
Balance at December 31, 2023	**$**	**14,842**
Accretion		430
Balance at September 30, 2024	**$**	**15,272**

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

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	$	20,140	2028-2042	4.18%

12. MDN STREAM OBLIGATION

(a) 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.

Prior to the amended and restated metals purchase and sale agreement effective March 2, 2023 the Company recorded the Initial Advance Payment received as deferred revenue and recognized amounts in revenue as gold and silver was delivered to Sprott. The Company determined 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 estimated the current portion of deferred revenue based on deliveries anticipated over the next twelve months based on the mine plan.

Deferred revenue consisted 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 recognized 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 was 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 was considered variable consideration, an adjustment was made to the transaction price per unit each time there was a change in the underlying production profile of a mine. The change in the transaction price per unit resulted in a cumulative catchup adjustment to revenue in the period in which the change was 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.

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

Effective March 2, 2023, an amended and restated metals purchase and sale agreement with Sprott (refer to note 12 b) revised the terms of the original March 13, 2020 agreement such that it resulted in a financial derivative, to be accounted for under IFRS 9 at FVTPL instead of IFRS 15 (Deferred Revenue).

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

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)		(756)
Finance costs on deferred revenue		424
Balance, March 2, 2023	**$**	**25,838**
Fair value of stream obligation at amendment date		(25,000)
Gain on derecognition of deferred revenue		(838)
Balance, December 31, 2023	**$**	**-**

(b) MDN Stream Obligation

Amended and restated metals purchase and sale agreement

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

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

Measurement

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

The changes in fair values of the Amended & Restated Agreement as at September 30, 2024 is summarized below:

Fair value at amendment date	$	25,000
Add (deduct):		
Unrealized change in fair value, recorded in the statement of operations		(4,500)
Balance, December 31, 2023	$	20,500
Add (deduct):		
Unrealized change in fair value, recorded in the statement of operations		4,418
Balance, September 30, 2024	$	24,918

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

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

Inputs and Assumption	March 2, 2023	December 31, 2023	September 30, 2024
Debt discount rate (WACC)	10.40%	15.30%	10.70%
Calibration spread	6.06%	0.00%	6.06%
Royalty revenue discount factor	16.46%	15.30%	16.76%
Royalty stream discount rate	7.28%	2.56%	2.15%
Royalty revenue volatility	52%	45%	45%
Average gold price	$2,038	$2,315	$2,803

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

Sensitivity Analysis:

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

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

		March 2, 2023	December 31, 2023	September 30, 2024
Key Inputs	**Inter-relationships between significant inputs and fair value measurement**	**Increase (decrease)**	**Increase (decrease)**	**Increase (decrease)**
Key observable inputs	The estimated fair value would increase (decrease by)			
- Metal prices forward curve	- Future gold prices were 10% higher	2,489	2,050	2,492
	- Future gold prices were 10% lower	(2,490)	(2,050)	(2,492)
- Discount rates	- Discount rates were 1% higher	(1,035)	(409)	(457)
	- Discount rates were 1% lower	1,100	421	469
Key unobservable inputs				
- Mineral reserves and resource	- Mineral reserves and resources were 10% higher	2,489	2,050	2,492
	- Mineral reserves and resources were 10% lower	(2,490)	(2,050)	(2,492)

13. DEBT

	Note	September 30 2024	December 31 2023
Lease obligations	(a)	**$ 432**	$ 405
Loan payable	(b)	**4,374**	166
Land acquisition obligation	(c)	**808**	1,818
Debentures	(d)	**2,913**	3,047
Current debt		**$ 8,527**	$ 5,436

	Note	September 30 2024	December 31 2023
Lease obligations	(a)	**$ 362**	$ 514
Land acquisition obligation	(c)	**1,212**	2,272
Non-current debt		**$ 1,574**	$ 2,786

(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.

	September 30 2024	December 31 2023
Total minimum lease payments	**$ 1,884**	$ 3,782
Effect of discounting	**(1,090)**	(2,863)
Present value of minimum lease payments	**794**	919
Less: current portion	**(432)**	(405)
	$ 362	$ 514
Minimum payments under leases		
Due no later than 1 year	**710**	855
Due later than 1 year less than 5 years	**531**	2,927
	$ 1,241	$ 3,782

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

The table below summarizes amounts recognized in earnings during the three months ended September 30, 2024 and year ended December 31, 2023:

		2024		2023
Depreciation expense for ROU assets	**$**	**310**	$	283
Interest expense included in finance costs		**430**		1,580
Total recognized in earnings	**$**	**740**	$	1,863

(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 matured in February 2024. The current loan balance of $nil million bore interest at the private BADLAR Rate plus an annual 13% spread, payable in 18 monthly instalments. The loan payable to Banco de Santa Cruz was recognized at amortized cost using the effective interest rate method. As of September 30, 2024 the loan has been fully repaid.

On February 23, 2024 the Company, through its wholly-owned subsidiary Minera Don Nicolas SA ("MDN"), entered into a ARS 1,700,000,000 12-month term loan with Banco de Santa Cruz S.A., which matures in February 2025. The current loan balance of US$1.8 million bears interest at the private BADCOR Rate plus an annual 9.5% spread, payable in 12 monthly instalments. The loan payable to Banco de Santa Cruz is recognized at amortized cost using the effective interest rate method.

On May 5, 2024 the Company, through its wholly-owned subsidiary Minera Don Nicolas SA ("MDN"), entered into a ARS 1,800,000,000 6-month term loan with Banco de Santa Cruz S.A., which matures in November 2024. The current loan balance of US$1.8 million bears interest at the private BADCOR Rate plus an annual 9.5% spread, payable in 6 monthly instalments. The loan payable to Banco de Santa Cruz is recognized at amortized cost using the effective interest rate method.

On June 3, 2024 the Company, through its wholly-owned subsidiary Minera Don Nicolas SA ("MDN"), entered into a ARS 1,000,000,000 2-month promissory note with Caja De Valores S.A. Market Place., which matured in July 2024. The loan had an interest rate 7.78%, payable at the end of the term. The loan payable to Caja De Valores S.A. Market Place was recognized at amortized cost using the effective interest rate method. As of September 30, 2024 the loan has been fully repaid.

On July 26, 2024 the Company, through its wholly-owned subsidiary Minera Don Nicolas SA ("MDN"), entered into a ARS 746,674,658 6-month term loan with Banco Nacion Argentina, which matures in January 2025. The current loan balance of US$0.8 million bears interest at a rate of 36.87% payable at the end of the term. The loan payable to Banco Nacion Argentina is recognized at amortized cost using the effective interest rate method.

(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 ($4.4 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 instalments, 40% in 2024, 20% in 2025, 15% in 2026 and 15% in 2027. The annual instalments will be financially restated at the rate defined by the official inflation index published by the Brazilian authorities (IPCA). In the nine months ended September 30, 2024 the Company has paid a total of $1.7 million in instalments.

(d) Debentures

In connection with the acquisition of Voyager 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, 2023, the Company reissued 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 from the date of closing of the non-brokered private placement. 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 December 31, 2023.

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

The Company also reissued on May 31, 2023 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 19 ii).

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

Balance - May 31, 2023	**$**	**2,867**
Interest on debentures		170
Effect of movements in exchange rates		10
Balance - December 31, 2023	**$**	**3,047**
Interest on debentures		216
Effect of movements in exchange rates		(350)
Balance - September 30, 2024	**$**	**2,913**

Since the acquisition of Voyager on May 31, 2023 (Note 4), the Company recorded interest expense of $0.2 million for the nine months ended September 30, 2024 (December 31, 2023 - $0.2 million).

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	2,697	-	-	2,697
Interest on debentures	216	-	-	216
Debenture repayments	**2,913**	**-**	**-**	**2,913**

14. PREPAYMENT FACILITY

(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. 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, 2024, the Company had drawn down a total $20.0 million and repaid a total $16.8 million under the revolving prepayment facility. As at September 30, 2024 the $9.6 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, 2024, the Company had drawn down a total $6.0 million and repaid a total $6.0 million under the advance payment facility. As at September 30, 2024 the $3.0 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

Balance - December 31, 2023	**$**	**25,350**
Promissory notes additions		8,600
Promissory notes repayments		(16,200)
Balance - September 30, 2024	**$**	**17,750**
Current	$	16,250
Non-current		1,500
Promissory notes payable	**$**	**17,750**

During the year ended December 31, 2023 MDN issued promissory notes for $25.3 million. These promissory notes have varying maturity dates and all mature prior to December 31, 2024. During the nine months ended September 30, 2024 MDN issued promissory notes for an additional $8.6 million. The additional promissory notes have varying maturity dates and all mature prior to December 31, 2025. Any time prior to maturity, MDN can elect to prepay all or any portion of the Promissory Notes without incurring any early repayment penalty. As at September 30, 2024 MDN has repaid $16.2 million related to the promissory notes. As at September 30, 2024 the $17.8 million balance bears interest at the rate of 5% until repaid.

The Company used the proceeds to fund the 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 $67.3 million at September 30, 2024 consists entirely of the proceeds from export sales receivable by Minera Don Nicolas and delivered to the offtaker under the agreement. Conversely, offtake payable balance of $67.3 million at September 30, 2024 represents export sales delivered by Minera Don Nicolas and payable by Cerrado Gold under the offtake agreement, which will be repaid to Minera Don Nicolas within six months of the delivery.

17. MDC SECURED NOTE LIABILITY & STREAM OBLIGATION

a) MDC 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.

<u>Measurement</u>

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.

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

The changes in fair values of the Note from as at September 30, 2024 is summarized below:

Balance, December 31, 2022	**$**	**18,990**
Add (deduct):		
Interest payment		(1,497)
Unrealized change in fair value, recorded in the statement of operations		2,346
Unrealized change in fair value, recorded in other comprehensive (loss)		(36)
Balance, December 31, 2023	**$**	**19,803**
Add (deduct):		
Interest payment		(1,501)
Unrealized change in fair value, recorded in the statement of operations		1,299
Unrealized change in fair value, recorded in other comprehensive income		14
Balance, September 30, 2024	**$**	**19,615**

b) MDC 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 (Note 17 (a)).

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

Based on the terms of the Stream Agreement, if the expected life of mine production was less than 1,049,000 ounces of gold, the payable gold produced from the MDC project would be adjusted to increase the relevant stream percentage. As a result, based on the expected gold production from the MDC project outlined in the Feasibility Study Technical Report filed in December 2023, the stream percentage at year end was changed from 2.25% to 2.75%.

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: future metal prices and discount rates. In addition, significant judgment was required to assess the mineral reserves and resources which form the basis of the life of mine plan.

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, 2024 is summarized below:

Balance, December 31, 2022	**$**	**381**
Add:		
Unrealized change in fair value, recorded in the statement of operations		1,543
Balance, December 31, 2023	**$**	**1,924**
Add:		
Unrealized change in fair value, recorded in the statement of operations		4,083
Balance, September 30, 2024	**$**	**6,007**

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

Inputs and Assumption	**December 31, 2023**	**September 30, 2024**
Debt discount rate (WACC)	10.90%	11.50%
Calibration spread	2.50%	2.50%
Royalty revenue discount factor	13.40%	14.00%
Royalty stream discount rate	6.47%	5.98%
Royalty revenue volatility	55%	50%
Average gold price	$2,552	$3,044

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 historical mineral reserves and resource information.

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	1,889
	- Future gold prices were 10% lower	(1,958)
- Discount rates	- Discount rates were 1% higher	(1,358)
	- Discount rates were 1% lower	1,505
Key unobservable inputs		
- Mineral reserves and resources	- Mineral reserves and resources were 10% higher	1,889
	- Mineral reserves and resources were 10% lower	(1,958)

(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		Shares to be issued
Balance, December 31, 2022		**78,628,660**	**$**	**41,641**	**$**	**-**
Voyager acquisition	4	16,617,712		11,361		-
Voyager replacement warrants issued	19	-		(78)		-
Shares for interest debt settlement	20 (i)	1,229,579		504		-
Options exercised	20	30,556		27		-
RSUs redeemed	20	1,532,065		894		9
Balance, December 31, 2023		**98,283,572**	**$**	**54,587**	**$**	**9**
Shares for interest debt settlement	20 (ii)	4,608,673		1,003		-
RSUs redeemed	20	470,817		328		-
Balance, September 30, 2024		**103,363,062**	**$**	**55,918**	**$**	**9**

(i) In October 2023, the Company issued 1,229,579 common shares at a price of CAD$0.56 ($0.41) per common share as settlement of secured note payable interest for a total gross amount of $0.5 million.

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

19. WARRANTS

As at September 30, 2024, the Company had outstanding warrants enabling the holders to acquire common shares as follows:

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

Warrants transactions are summarized as follows:

	Note	Exercise Price (US$)	Number of Warrants		Warrants
Balance, December 31, 2022		**-**	**-**	**$**	**-**
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, December 31, 2023		**$1.75**	**1,779,755**	**$**	**78**
Replacement debenture warrants expired	(i)	$1.85	(1,547,000)		(46)
Replacement finder warrants expired	(ii)	$1.32	(154,237)		(8)
Balance, September 30, 2024		**$0.67**	**78,518**	**$**	**24**

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

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 was $0.1 million (CAD$0.1 million). The grant date fair value of the warrants was determined by using the Black-Scholes option pricing model with the following assumptions: share price of CAD$0.93, an expected yield of 0%, expected volatility of 63%, a risk -free rate of 4.20% and an expected life of 1 year. On May 31, 2024 these 1,547,000 Replacement Debenture warrants expired.

(ii) 154,237 Replacement Finder Warrants to the Finder of the Debentures (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 was $0.1 million (CAD$0.1 million). The grant date fair value of the warrants was determined by using the Black-Scholes option pricing model with the following assumptions: share price of CAD$0.93, an expected yield of 0%, expected volatility of 63%, a risk -free rate of 4.20% and an expected life of 1 year. On May 31, 2024 these 154,237 Finder Warrants expired.

(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, 2022	**$ 2,791**	**$ 1,312**	**$ 1,217**	**$ 5,320**
Vesting	1,393	1,337	52	2,782
Options exercised	(11)	-	-	(11)
Options cancelled/forfeited/expired	(118)	-	-	(118)
RSUs redeemed	-	(903)	-	(903)
RSUs expired	-	(105)	-	(105)
RSUs cancelled/forfeited/expired	-	(48)	-	(48)
DSUs redeemed	-	-	(238)	(238)
Balance, December 31, 2023	**$ 4,055**	**$ 1,593**	**$ 1,031**	**$ 6,679**
Vesting	566	1,217	110	1,893
Options cancelled/forfeited/expired	(4,255)	-	-	(4,255)
RSUs redeemed	-	(328)	-	(328)
RSUs cancelled/forfeited/expired	-	(321)	-	(321)
Balance, September 30, 2024	**$ 366**	**$ 2,161**	**$ 1,142**	**$ 3,669**

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

Options

As at September 30, 2024, the Company had outstanding stock options enabling the holders to acquire common shares as follows:

		September 30, 2024			December 31, 2023		
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	-	-	$0.45	3,850,000	3,850,000
August 9, 2026		$1.12	475,000	475,000	$1.12	2,270,000	2,270,000
September 1, 2026		$1.38	30,000	30,000	$1.38	30,000	30,000
October 28, 2026		$1.24	-	-	$1.24	150,000	100,000
September 19, 2027		$0.83	122,500	122,500	$0.83	1,987,500	1,325,008
September 26, 2027	(iv)	$0.53	141,663	141,663	$0.53	827,769	547,217
November 25, 2027	(v)	$0.53	16,666	11,112	$0.53	24,999	16,668
August 23, 2028	(vi)	$0.55	305,000	203,331	$0.55	3,873,333	1,279,997
October 16, 2026		$0.55	100,000	100,000	$0.55	100,000	100,000
		$0.82	1,190,829	1,083,606	$0.67	13,113,601	9,518,890

As at September 30, 2024, the weighted average remaining contractual life of the stock options was 2.55 years (December 31, 2023 – 2.12 years).

Stock option transactions are summarized as follows:

		Exercise Price (US$)	Number of Options Outstanding
Balance, December 31, 2022		**$0.74**	**8,537,500**
Replacement options granted	(i)-(v)	$0.64	1,266,649
Options granted	(vi)-(vii)	$0.55	3,990,000
Options exercised		$0.53	(30,556)
Options expired		$1.03	(399,992)
Options cancelled/forfeited		$0.87	(250,000)
Balance, December 31, 2023		**$0.67**	**13,113,601**
Options expired		$0.45	(3,850,000)
Options cancelled/forfeited		$0.76	(8,072,772)
Balance, September 30, 2024		**$0.82**	**1,190,829**

(i) 316,660 Replacement Options in connection with the Voyager acquisition, 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. The 316,660 Replacement Options expired in the third quarter of 2023.

(ii) 41,666 Replacement Options in connection with the Voyager acquisition, 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. The 41,666 Replacement Options expired in the third quarter of 2023.

(iii) 41,666 Replacement Options in connection with the Voyager acquisition, 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. The 41,666 Replacement Options expired in the third quarter of 2023.

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

(iv) 841,658 Replacement Options in connection with the Voyager acquisition, 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.

(v) 24,999 Replacement Options in connection with the Voyager acquisition, 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.

(vii) On October 16, 2023 the Company granted 100,000 stock options to an employee eligible under the Company's Plan. The 100,000 options are exercisable at CAD$0.75 ($0.55) for a period of 3 years from the grant date, and vest immediately on grant date. The value of these options was determined using the Black-Scholes option pricing model with the following assumptions: an expected yield of 0%, expected volatility of 64%, a risk-free rate of 4.79% and an expected life of 3 years.

For the period ended September 30, 2024 and 2023, the Company recognized share-based payment expense relating to the vesting of stock options of $0.6 million and $1.2 million, respectively.

Restricted Share Units ("RSUs")

As at September 30, 2024 and December 31, 2023 the Company had restricted share units enabling the holders to redeem common shares as follows:

		September 30, 2024				December 31, 2023		
Grant Date		Grant date weighted average fair value (US$/unit)	Number of RSUs Granted	Number of RSUs outstanding	Number of RSUs Vested & Redeemable	Grant date weighted average fair value (US$/unit)	Number of RSUs outstanding	Number of RSUs Vested & Redeemable
February 27, 2019		$0.45	2,260,000	-	-	$0.45	-	-
June 24, 2020		$0.36	9,000,000	-	-	$0.36	-	-
September 14, 2020		$0.45	350,000	-	-	$0.45	-	-
November 13, 2020		$0.80	315,000	-	-	$0.80	-	-
February 18, 2021		$1.06	150,000	-	-	$1.06	-	-
June 1, 2021		$1.45	500,000	233,333	233,333	$1.45	283,333	283,333
October 20, 2021		$1.26	150,000	-	-	$1.26	50,000	50,000
September 19, 2022		$0.69	1,397,500	837,497	837,497	$0.69	1,236,380	770,557
August 23, 2023	(i)	$0.50	2,690,000	2,308,068	2,308,068	$0.50	2,690,000	-
October 16, 2023	(i)	$0.48	100,000	-	-	$0.48	100,000	-
		$0.61	16,912,500	3,378,898	3,378,898	$0.62	4,359,713	1,103,890

(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.

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

Restricted share unit transactions are summarized as follows:

		Grant date weighted average fair value (US$/unit)	Number of RSUs
Balance, December 31, 2022		**$0.68**	**3,493,446**
RSUs granted	(i)	$0.50	2,790,000
RSUs redeemed		$0.58	(1,557,065)
RSUs expired		$0.45	(233,334)
RSUs forfeited/cancelled		$0.36	(133,334)
Balance, December 31, 2023		**$0.62**	**4,359,713**
RSUs redeemed		$0.69	(470,817)
RSUs forfeited/cancelled		$0.63	(509,998)
Balance, September 30, 2024		**$0.61**	**3,378,898**

For the period ended September 30, 2024 and 2023, the Company recognized share-based payment expense relating to the vesting of RSUs of $1.2 million and $0.9 million, respectively.

Deferred Share Units ("DSUs")

The Omnibus Plan provides for the issuance of DSUs to eligible directors of the Company. As at September 30, 2024 the Company had deferred share units enabling the holders to redeem common shares as follows:

		September 30, 2024		**December 31, 2023**	
	Note	Grant date weighted average fair value (US$/unit)	Number of DSUs	Grant date weighted average fair value (US$/unit)	Number of DSUs
October 28, 2021	(i)	$1.24	400,000	$1.24	400,000
September 19, 2022	(ii)	$0.69	700,000	$0.69	700,000
August 23, 2023	(iii)	$0.50	325,000	$0.50	325,000
		$0.80	1,425,000	$0.80	1,425,000

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

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

Deferred share unit transactions are summarized as follows:

	Note	Grant date weighted average fair value (US$/unit)	Number of DSUs
Balance, December 31, 2022		**$0.90**	**1,345,000**
DSUs granted	(iii)	$0.50	325,000
DSUs redeemed		$0.97	(245,000)
Balance, December 31, 2023		**$0.80**	**1,425,000**
Balance, September 30, 2024		**$0.80**	**1,425,000**

For the period ended September 30, 2024 and 2023, the Company recognized share-based payments expense relating to the vesting of DSUs of $0.1 million and $nil million respectively.

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

21. FINANCE INCOME & EXPENSE

	Note	**Three months ended September 30, 2024**	Three months ended September 30, 2023	**Nine months ended September 30, 2024**	Nine months ended September 30, 2023
Finance income					
Investment income		**$ -**	$ (123)	**$ -**	$ (401)
Interest on promissory note	24	**(24)**	-	**(69)**	-
Amortization of related party promissory note discount	24	**(32)**	-	**(94)**	-
		(56)	(123)	**(163)**	(401)
Finance costs					
Investment (income) loss		**$ (172)**	**$ -**	**$ 258**	**$ -**
Accretion of future consideration payable	5	**219**	505	**935**	1,509
Accretion of deferred revenue	16	**-**	1,160	**-**	3,473
Accretion on decommissioning and restoration provisions	11	**145**	111	**431**	330
Interest on revolving prepayment facility	14a	**189**	181	**603**	479
Interest on advance payment facility	14b	**83**	62	**252**	62
Discount on related party promissory note	24	**96**	-	**8**	-
Interest on loans payable	13b, 15	**964**	103	**1,871**	939
Interest on debentures	13d	**74**	74	**216**	99
Other interest costs		**279**	15	**666**	97
Interest on finance lease	13a	**123**	23	**430**	183
Finance fees and bank charges		**235**	(40)	**392**	451
		2,235	2,194	**6,062**	7,622
Borrowing costs attributable to qualifying assets	8	**(569)**	-	**(569)**	-
		1,666	2,194	**5,493**	7,622
Net finance expense		**$ 1,610**	$ 2,071	**$ 5,330**	$ 7,221

(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, 2024		December 31, 2023	
Recurring measurements		**Carrying Value**	**Fair Value**	**Carrying Value**	**Fair Value**
Financial Assets					
Amortised cost					
Cash	(i)	**$ 7,949**	**$ 7,949**	$ 412	$ 412
Short-term investments	(i)	**-**	**-**	15	15
Trade and other receivables	(i)(ii)	**13,733**	**13,733**	7,339	7,339
Due from related parties	(i)	**4,278**	**4,278**	4,172	4,172
Offtake receivable	(i)	**67,328**	**67,328**	55,901	55,901
Fair value through profit or loss					
Investment in marketable securities	(iii)	**547**	**547**	240	240
Total financial assets		**98,113**	**98,113**	68,079	68,079
Financial liabilities					
Amortised cost					
Trade and other payables	(i)(ii)	**$ 35,289**	**35,289**	$ 40,765	$ 40,765
Prepayment facility	(i)	**9,533**	**9,533**	6,279	6,279
Advance payment facility	(i)	**3,037**	**3,037**	3,023	3,023
Promissory note payable	(i)	**17,750**	**17,750**	25,350	25,350
Loan payable	(i)	**4,374**	**4,374**	166	166
Offtake payable	(i)	**67,328**	**67,328**	55,901	55,901
Debentures	(vi)	**2,913**	**2,913**	3,047	3,047
Fair value through profit or loss					
MDC Secured note payable	(iv)	**19,615**	**19,615**	19,803	19,803
MDN Stream obligation	(v)	**24,918**	**24,918**	20,500	20,500
Total financial liabilities		**184,757**	**184,757**	174,834	174,834
Net financial assets (liabilities)		**$ (86,644)**	**$ (86,644)**	$ (106,755)	$ (106,755)

(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 obligations are carried at their fair value, which is primarily measured using certain observable and non-observable market data including discount rates, future gold prices, and mineral reserves and mineral resources, and therefore was classified within Level 3 of the fair value hierarchy.
(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 mineral reserves and 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 period ended September 30, 2024 and the year ended December 31, 2023, the Company did not make any transfers.

23. FINANCIAL RISK MANAGEMENT

Beginning May 31, 2024, the Company has put in place a commodity hedging contract (Min/Max Structure) for a period of eleven months ending on March 31, 2025.

The terms of the hedging contract are summarized as follows:

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

Any changes or need to unwind the structure as set out above for any reason, any costs results in such actions shall be entirely for the account of the Company.

At September 30, 2024, 6,000 ounces of the hedged ounces expired within the range of the min/max structure. At September 30, 2024, 4,000 of the hedged ounces achieved the max limit and were sold at a price of $2,475 per ounce. 12,000 ounces of gold remain hedged through to March 31, 2025.

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

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.

(a) Compensation of key management personnel

During the period ended September 30, 2024 and 2023 compensation of key management personnel is summarized as follows:

		September 30		June 2023
		2024		2023
Management and director compensation	**$**	**2,559**	$	3,100
Share-based payments		**1,327**		736
	$	**3,886**	$	3,836

(b) Due to and from related parties

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

In 2024, the Directors of the Company, approved bonuses to certain senior management employees in the amount of $1.0 million. These bonus amounts have not been accrued in these financial statements as they are contingent upon the Company obtaining the third advance pursuant to the transaction to sell MDC to Amarillo Mineração do Brasil Ltda. (“Amarillo“) a wholly-owned subsidiary of Hochschild Mining PLC (“Hochschild“) and therefore not guaranteed. Subsequent to the period ending September 30, 2024 in November 2024, the Company paid the previously approved bonuses in the amount of $1.0 million upon closing of the Transaction (note 9).

<u>Ascendant</u>

As at September 30, 2024, amounts owed from Ascendant in relation to shared services are $3.3 million (December 31, 2023 - $3.0 million).

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

On May 1, 2023, the Company entered into a US dollar unsecured promissory grid note (the “Related Party Grid Note”) agreement with Ascendant in the principal amount of up to $1.5 million. The Related Party Grid Note bears interest at a rate of 10.0% per annum, compounded monthly. The note will mature on demand on not less than 366 days’ notice. As at September 30, 2024, the principal amount of the promissory note totaled $1.0 million and the interest earned during the nine months ended September 30, 2024 amounted to $0.1 million recognized as finance income in the consolidated statement of loss.

The fair value of the Related Party Grid Note at September 30, 2024 was estimated at $0.9 million using an effective rate of 35% corresponding to a rate that the Company would have obtained for a similar financing with a third party.

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

As at September 30, 2024 and December 31, 2023, the Company's balances related to the promissory notes are as follows:

Principal amount advanced	$	1,500
Interest accrued		101
Promissory note discounted at fair value		(477)
Amortization of promissory note discount		129
Balance - December 31, 2023	$	1,253
Promissory note repayment	$	(734)
Principal amount advanced		270
Interest accrued		69
Promissory note discounted at fair value		(8)
Amortization of promissory note discount		94
Balance - September 30, 2024	**$**	**944**

Voyager Metals Inc.

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

25. COMMITMENTS AND CONTINGENCIES

(a) Commitments

The Company has the following commitments as at September 30, 2024: lease obligation (see Note 13a), land acquisition obligation (see note 13c), debentures (see note 13d), future consideration payable (see note 5) 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. pursuant to on an amended and restated royalty agreement dated August 16, 2013. The royalty is only applicable to certain properties, which does not include production from the Calandrias region. The obligations under this royalty agreement are backed by registered first mortgages granted to Royal Gold on a number of the Company's mineral properties owned in the province of Santa Cruz, named as follows: Syrah, La Paloma I, Micro I, Micro II, Mar III, Mar IV, Gol I, Gol II, Armadillo, Dorcón 3, Dorcón 4, Estrella I and Estrella II.

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.

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

(b) Contingencies

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

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

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, 2024, 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.

26. 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, 2024	**Argentina**	**Brazil**	**Canada**	**Other**	**Total**
	Don Nicolas Mine	Monte do Carmo Project	Mont Sorcier Project	Corporate	
Revenue from gold and silver sales	$ 91,786	$ -	$ -	$ -	$ 91,786
Production costs applicable to sales	(62,390)	-	-	-	(62,390)
Sales expenses and royalties	(3,276)	-	-	-	(3,276)
Depreciation and depletion	(10,306)	-	-	-	(10,306)
Income from mining operations	15,814	-	-	-	15,814
General and admnistrative expenses	(1,027)	(155)	(32)	(6,632)	(7,846)
Other income (expenses)	1,798	(113)	(240)	(11,998)	(10,553)
Income (loss) before income taxes	16,585	(268)	(272)	(18,630)	(2,585)
Income and mining tax expense	(2,116)	-	-	-	(2,116)
Net income (loss)	**$ 14,469**	**$ (268)**	**$ (272)**	**$ (18,630)**	**$ (4,701)**

As at September 30, 2024	**Argentina**	**Brazil**	**Canada**	**Other**	**Total**
	Don Nicolas Mine	Monte do Carmo Project	Mont Sorcier Project	Corporate	
Total assets	$ 184,874	$ 30,455	$ 20,638	$ 13,414	$ 249,381
Total liabilities	$ 81,666	$ 2,394	$ 5,525	$ 137,011	$ 226,596

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

27. SUBSEQUENT EVENTS

As of November 6, 2024 the Company has completed the sale of its 100% interest in the Company's Monte Do Carmo project located in the State of Tocantins, Brazil to Amarillo Mineração do Brasil Ltda. ("Amarillo"), a wholly-owned subsidiary of Hochschild Mining PLC ("Hochschild"), in connection with the exercise of its option (the "Option") pursuant to an option agreement entered into on March 5, 2024 (the "Option Agreement")(the "Transaction"). In connection with the closing of the Transaction, Cerrado received closing cash payments totaling US$30 million from Amarillo, in addition to the US$15 million that was previously received in connection with granting the Option, for total consideration of US$60 million (approximately C$83 million). Pursuant to the terms of the Option Agreement, Amarillo shall make two further payments to Cerrado, totaling US$15 million in aggregate, as follows:

- US$10 million payable within 14 days of the second anniversary of the date of the Cerrado shareholder approval (being June 27, 2026); and
- US$5 million within 14 days of the earlier of (i) the commencement of commercial production from the Project, and (ii) March 31, 2027.

The two further payments due from Amarillo are guaranteed by Hochschild pursuant to the Option Agreement.