CERRADO
GOLD INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in US dollars, except where otherwise noted)

2024

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Hurley

Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of Cerrado Gold Inc.

Opinion

We have audited the consolidated financial statements of Cerrado Gold Inc. and its subsidiaries (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of operations and comprehensive income (loss), consolidated statement of cash flow and consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The consolidated financial statements of the Company for the year ended December 31, 2023, were audited by another auditor who expressed an unmodified opinion on those statements on June 12, 2024.

Material uncertainty related to going concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that, as of December 31, 2024, the Company's current liabilities exceeded its current assets. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Fair value measurement of the MDN Stream Arrangement	
On March 13, 2020, the Company entered into a 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 Minera Don Nicolas S.A. ("MDN") mine life (the "Metals Streaming Agreement"). 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. On March 2, 2023, the Company entered into an amended and restated metals purchase and sale agreement with Sprott (the "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 to include production from the Las Calandrias heap leach project, where production commenced in 2023. The amended and restated agreement also provided the Company with an additional $10 million in funding. The amended and restated agreement includes a step-down provision	Our audit procedures included, but were not limited to: • Reviewed the underlying agreement and assessed management's accounting analysis associated with the Stream Obligation; • Assessed the competence, capabilities and objectivity of the management expert who prepared the historical mineral reserves and resource information, including the industry and regulatory standards they applied; • Evaluated the Company's mineral reserves and resources by comparing them to the underlying technical report prepared by third party personnel; • Challenged the consistency of management's assumptions and forward-looking information included in the fair value model;

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Key audit matter	How our audit addressed the key audit matter
whereby the stream percentage will be reduced from 6.25% down to 2.5% upon delivery of 29,500 gold equivalent ounces. At any time within twelve months following the step-down, the Company has a one-time buy-down option by further reducing the stream percentage from 2.5% to 1.25% with repayment to Sprott of $2.5 million in immediately available funds. Substantially all other terms of the initial Metals Streaming Agreement from March 2020 are materially unchanged. The Stream Obligation, 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 Obligation was determined based on a discounted cash flow model. The significant assumptions used in determining fair value were: future metal prices and discount rates. In addition, significant judgment was required to assess the mineral reserves and resources which form the basis of the life of mine plan. The fair value measurement of the Stream Obligation was a key audit matter. This matter represented an area of significant risk of material misstatement as minor changes to significant assumptions have a significant effect on assessment of the fair value of the Stream Obligation. As a result, significant auditor judgment was required in evaluating the results of our audit procedures. Further, professionals with specialized skills and knowledge were required to assess the appropriateness of the valuation methodology and evaluate the significant assumptions.	• Assessed management's classification of the Stream Obligation as non-current vs current; and • Involved an auditor expert with specialized skills and knowledge, who assisted in evaluating the Company's: ◦ Valuation methodology at December 31, 2024; ◦ Discount rates by comparing to estimates that were independently developed using publicly available third party sources; ◦ Future metal prices by comparing to estimates that were independently developed using publicly available third- party sources; ◦ Performed a sensitivity analysis on key assumptions used by management in their assessment; and ◦ Assessed the adequacy and completeness of the relevant financial statement disclosures.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner of the audit resulting in this independent auditor's report is Chris Milios.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
April 30, 2025

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

As at	Note		December 31, 2024		December 31, 2023
ASSETS					
Current assets					
Cash and cash equivalents		**$**	**26,032**	$	412
Restricted cash	8		**-**		6,814
Trade and other receivables	9		**14,014**		7,354
Inventories	10		**11,250**		8,879
Offtake receivable	19		**66,268**		55,901
Total current assets			**117,564**		79,360
Non-current assets					
Other receivables	9		**1,447**		1,914
Consideration receivable from discontinued operations	7		**12,268**		-
Inventories	10		**939**		290
Property, plant and equipment	11		**66,358**		80,767
Exploration and evaluation assets	12		**38,077**		83,981
Investment in marketable securities	29		**571**		240
Due from related party	29		**3,850**		4,172
Total non-current assets			**123,510**		171,364
Total assets		**$**	**241,074**	$	250,724
LIABILITIES					
Current liabilities					
Trade and other payables	13	**$**	**29,221**	$	40,765
Future consideration payable	8		**5,949**		10,000
Short term debt	16		**5,721**		5,436
Prepayment facility	17		**9,321**		9,302
Promissory notes	18		**14,025**		25,350
Offtake payable	19		**66,268**		55,901
Total current liabilities			**130,505**		146,754
Non-current liabilities					
Future consideration payable	8		**-**		8,574
Other liabilities	13		**101**		47
Provisions	14		**19,290**		14,842
MDN Stream obligation	15		**22,244**		20,500
Long term debt	16		**6,772**		2,786
MDC Secured note payable	20		**-**		19,803
MDC Stream obligation	20		**-**		1,924
Deferred tax liability	31		**10,660**		10,710
Total non-current liabilities			**59,067**		79,186
Total liabilities		**$**	**189,572**	$	225,940
SHAREHOLDERS' EQUITY					
Share capital	21	**$**	**56,425**	$	54,596
Shareholder contribution	29		**(948)**		-
Warrants	22		**24**		78
Share-based payment reserve	23		**2,943**		6,679
Accumulated other comprehensive loss			**(1,050)**		(768)
Accumulated deficit			**(5,892)**		(35,801)
Total shareholders' equity		**$**	**51,502**	$	24,784
Total liabilities & shareholders' equity		**$**	**241,074**	$	250,724

Nature of Operations and Going Concern (Note 1), **Commitments and Contingencies** (Notes 14 & 30), **Subsequent events** (Note 33)

Signed "Mark Brennan"
Director

Signed: "Christopher Jones"
Director

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

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

	Note		Year ended December 31, 2024		2023
REVENUES					
Metal sales		**$**	**116,169**	$	100,101
COST OF SALES					
Production costs			**82,063**		66,777
Sales expenses and royalties			**3,828**		10,231
Depreciation and depletion			**20,279**		9,274
INCOME FROM MINING OPERATIONS			**9,999**		13,819
General and administrative expenses	24		**10,836**		12,974
INCOME (LOSS) BEFORE OTHER ITEMS			**(837)**		845
Transaction costs	20		**145**		716
Finance income	25		**(460)**		(1,748)
Finance expense	25		**7,902**		7,832
Foreign exchange gain			**(10,200)**		(10,306)
Remeasurement of MDN stream obligation	15		**1,744**		(4,500)
Other expense (income)			**(3,110)**		1,562
OTHER INCOME			**(3,979)**		(6,444)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES		**$**	**3,142**	$	7,289
Income and mining tax expense			**(2,658)**		(2,452)
Deferred tax recovery (expense)	31		**50**		(7,701)
Income tax recovery (expense)	31		**(2,608)**		(10,153)
Net income (loss) from continuing operations for the year		**$**	**534**	$	(2,864)
Net income (loss) from discountinued operations for the year		**$**	**24,865**	$	(3,889)
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that may be reclassifed subsequently to profit or loss					
Translation adjustment		**$**	**(282)**		3,520
Other comprehensive income (loss)			**(282)**		3,520
Total comprehensive income (loss)		**$**	**25,117**	$	(3,233)
Basic and diluted earnings (loss) per share from continuing operations					
Basic		**$**	**0.01**	$	(0.03)
Diluted		**$**	**0.01**	$	(0.03)
Basic and diluted earnings (loss) per share from discontinued operations					
Basic		**$**	**0.24**	$	(0.04)
Diluted		**$**	**0.23**	$	(0.04)
Weighted average number of shares outstanding					
Basic			**101,921,092**		89,725,553
Diluted			**106,023,171**		89,725,553

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

CERRADO GOLD INC.
Consolidated Statements of Cash Flow
For the Years Ended December 31, 2024 and 2023
(Expressed in thousands of U.S. dollars)

	Note	Year ended December 31, 2024	2023
OPERATING ACTIVITIES			
Net income (loss) for the year		**$ 25,399**	$ (6,753)
Adjustments for:			
Depreciation and depletion		**20,465**	9,413
Share-based payments	23	**1,639**	2,782
Accretion on future consideration payable	8, 24	**1,125**	2,028
Accretion on provision for decommissioning and restoration	14	**577**	442
Finance costs on deferred revenue	15	**-**	424
Amortization of deferred revenue	15	**-**	(756)
Remeasurement of MDN stream obligation	15	**1,744**	(4,500)
Interest income	17	**(105)**	-
Gain on derecognition of deferred revenue	17	**-**	(838)
Interest expense		**5,385**	3,883
Transaction costs	20	**145**	716
Loss (gain) on short-term investments		**975**	(329)
Change in fair value of marketable securities		**(50)**	(17)
Deferred tax liability	31	**(50)**	7,701
Promissory note discount	29	**226**	(477)
Amortization of promissory note discount	29	**(143)**	129
Loss (gain) from sale of discontinued operations	7	**(24,865)**	-
Operating cash flows before changes in working capital		**32,467**	13,848
Changes in non-cash working capital items:			
Receivables and other assets		**(18,207)**	(6,727)
Inventories		**(3,020)**	2,142
Trade and other payables		**(4,173)**	25,659
Debenture interest payable		**(285)**	-
Other		**3,940**	(123)
Net cash flows provided by operating activities from continuing operations		**$ 10,722**	$ 34,799
INVESTING ACTIVITIES			
Additions to property, plant and equipment		**(6,609)**	(39,504)
Additions to exploration and evaluation assets		**(3,681)**	(15,649)
Subscription of short-term investments		**(21,756)**	(39,556)
Redemption of short-term investments		**21,799**	38,020
Acquisition of Voyager Metals		**-**	(2,373)
Sale of subsidiary		**(5,234)**	3,889
Restricted cash		**6,814**	(2,271)
Future consideration paid		**(13,750)**	(2,000)
Proceeds received from sale of discontinued operations	7	**45,000**	-
Net cash flows used in investing activities from continuing operations		**$ 22,583**	$ (59,444)
FINANCING ACTIVITIES			
Revolving prepayment facility borrowings	17	**20,000**	19,432
Revolving prepayment facility repayments	17	**(20,000)**	(18,432)
Advance payment facility borrowings	19	**15,000**	6,000
Advance payment facility repayments	19	**(15,000)**	(3,000)
Initial Gold Stream Advance payment		**-**	10,000
Loan payable	16	**2,448**	(2,279)
Promissory notes payable	18	**14,625**	16,850
Payment on promissory note	18	**(25,950)**	(500)
Loans payable		**6,482**	-
Transaction costs paid	20	**(145)**	(716)
Interest paid		**(3,249)**	(4,689)
Promissory notes to Ascendant	29	**(275)**	(1,500)
Advances to related party		**(1,037)**	(1,403)
Payments on leases		**(473)**	(389)
Share repurchase		**(94)**	-
Options exercised	23	**-**	17
Net cash flows provided by (used) in financing activities from continued operations		**$ (7,668)**	$ 19,391
Effect of exchange rates on cash		**(16)**	(255)
Increase (decrease) in cash and cash equivalents		**25,620**	(5,509)
Cash and cash equivalents, beginning of year		**412**	5,921
Cash and cash equivalents, end of year		**$ 26,032**	$ 412
Cash		**$ 26,032**	$ 412
Cash and cash equivalents, end of year		**$ 26,032**	$ 412

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

CERRADO GOLD INC.
Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2024 and 2023
(Expressed in thousands of US dollars)

			Share capital							
	Note	Number of shares	Issued Share Capital	Shares to be issued	Warrants	Share-based payment reserve	Shareholder Contribution	Acumumulated Other Comprehensive Loss	Accumulated Deficit	Total
Balance, December 31, 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	22	-	(78)	9	78	-	-	-	-	9
Shares for interest debt settlement	23	1,229,579	504	-	-	-	-	-	-	504
Share-based payments - Option vesting	23	-	-	-	-	1,393	-	-	-	1,393
Share-based payments - Options redeemed	23	-	-	-	-	(11)	-	-	-	(11)
Share-based payments - Option expiry	23	-	-	-	-	(118)	-	-	118	-
Share-based payments - RSU vesting	23	-	-	-	-	1,337	-	-	-	1,337
Share-based payments - RSU expiry	23	-	-	-	-	(153)	-	-	153	-
Share-based payments - DSU redeemed	23	-	-	-	-	(238)	-	-	-	(238)
Share-based payments - DSU vesting	23	-	-	-	-	52	-	-	-	52
RSUs redeemed	21, 23	1,532,065	894	-	-	(903)	-	-	-	(9)
DSUs redeemed	21, 23	245,000	238	-	-	-	-	-	-	238
Options exercised	21, 23	30,556	27	-	-	-	-	-	-	27
Foreign currency translation adjustment		-	-	-	-	-	-	3,520	-	3,520
Loss for the year		-	-	-	-	-	-	-	(6,753)	(6,753)
Balance, December 31, 2023		**98,283,572**	**$ 54,587**	**$ 9**	**$ 78**	**$ 6,679**	**$ -**	**$ (768)**	**$ (35,801)**	**$ 24,784**
Voyager replacement warrants expired	22	-	-	-	(54)	-	-	-	54	-
Shares for interest debt settlement	23	4,608,673	1,003	-	-	-	-	-	-	1,003
Share repurchase		-	-	(94)	-	-	-	-	-	(94)
Share-based payments - Option vesting	23	-	-	-	-	654	-	-	-	654
Share-based payments - RSU vesting	23	-	-	-	-	875	-	-	-	875
Share-based payments - RSU redeemed	23	1,084,150	784	136	-	(920)	-	-	-	-
Share-based payments - RSU cancelled/forfeited	23	-	-	-	-	(72)	-	-	72	-
Share-based payments - DSU vesting	23	-	-	-	-	110	-	-	-	110
Share-based payments - Options expired/forfeited	23	-	-	-	-	(4,383)	-	-	4,383	-
Shareholder contribution	29	-	-	-	-	-	(948)	-		(948)
Foreign currency translation adjustment		-	-	-	-	-	-	(282)	-	(282)
Income for the year from continuing operations		-	-	-	-	-	-	-	534	534
Income for the year from discontinued operations		-	-	-	-	-	-	-	24,865	24,865
Balance, December 31, 2024		**103,976,395**	**$ 56,374**	**$ 51**	**$ 24**	**$ 2,943**	**$ (948)**	**$ (1,050)**	**$ (5,892)**	**$ 51,502**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

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

On March 5, 2024 the Company announced that it had entered into an option agreement ("Transaction") with Amarillo Mineração do Brasil Ltda. ("Amarillo"), a wholly-owned subsidiary of Hochschild Mining PLC ("Hochschild"), whereby Cerrado granted to Amarillo the option ("Option") to purchase a 100% interest in the Company's Monte Do Carmo project ("MDC Project") located in the State of Tocantins, Brazil, for total consideration of $60 million, subject to the fulfilment of certain conditions. On November 6, 2024, the Company announced that it had completed the sale of its 100% interest in the Company's MDC Project (see note 7).

On February 3, 2025, the Company announced it has entered into an agreement to acquire all shares of Ascendant Resources Inc. (TSX: ASND) ("Ascendant") not already owned by Cerrado, through a plan of arrangement under the *Business Corporations Act* (Ontario) (see note 33). Closing of the transaction is subject to the satisfaction of certain closing conditions and there is no assurance that it will close.

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

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

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

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

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

As at December 31, 2024 the Company had a cash balance of $26.0 million and a working capital deficiency of $12.9 million. In order to continue as a going concern, the Company must generate sufficient income and cash flows to repay its obligations as they become due, finance its operations and fund its capital investments. The future of the Company is dependent on its ability to maintain profitable operations, generate sufficient funds from operations, and obtain new debt or equity financing or sale of assets (see Note 7). The Company's liquidity position is sensitive to a number of variables which cannot be predicted with certainty, including, but not limited to, meeting increased production targets, metal prices, foreign exchange rates, operational costs, and capital expenditures. If the Company's cash flow from operations is not sufficient to satisfy its requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or available on terms acceptable to Cerrado.

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

2. BASIS OF PRESENTATION

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were authorized for issuance by the Board of Directors of the Company on April 30, 2025.

Certain prior year comparatives have been reclassified to confirm with current year presentation.

(b) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments at fair value through profit or loss ("FVTPL"), as set out in the accounting policies in note 3, which are measured at fair value.

(c) Functional and presentation currency

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

3. MATERIAL ACCOUNTING POLICIES

(a) 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; disclosed in discontinued operations
- 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.

(b) Translation of foreign currencies

Management determines the functional currency of each subsidiary as the currency of the primary economic environment in which the entity operates. Transactions in foreign currencies are translated to the respective functional currencies of the entity at exchange rates in effect at the transaction dates.

At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currency using the period end exchange rate. Non-monetary assets and liabilities measured at fair value are translated using the exchange rates at the date when fair value was determined. Non-monetary assets and liabilities measured at historical cost in a foreign currency are translated using exchange rates that were in effect at the transaction dates. Foreign currency gains and losses arising on period-end revaluations are recognized in the consolidated statements of operations.

Operations with functional currency other than the USD

For the purpose of the consolidated financial statements, assets and liabilities of entities that have functional currencies other than the US dollar are translated to US dollars at the reporting date using the exchange rate on that date. Revenues and expenses are translated at monthly average exchange rates that approximate those in effect at the transaction dates.

Differences arising from these foreign currency translations are recognized in other comprehensive income ("OCI") and presented within equity in the foreign currency translation reserve. When a foreign operation is disposed, the relevant exchange differences accumulated in the foreign currency translation reserve are transferred to the consolidated statement of operations as part of the profit or loss on disposal.

Net investments in a foreign operation

Foreign currency gains and losses arising on translation of a monetary item receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future are considered to form part of a net investment in the foreign operation. Such gains and losses are recognized in OCI and presented within equity in the foreign currency translation reserve.

(c) Revenue

Revenue from the sale of goods to customers is measured at the fair value of the consideration received or receivable. Revenue from the sale of by-products is included in revenue.

Sales revenue is recognized when control of the goods sold has been transferred to the buyer. Control is deemed to have passed to the customer when significant risks and rewards of the product have passed to the buyer, and the Company has a present right to payment.

Sales of dore and certain other products are typically priced at the date of export. Under certain contracts, the sales prices may be subject to final adjustment up until the outturn at the refinery, based on quoted market prices during the period specified in the contract.

Within sales contracts with customers, separate performance obligations may arise pertaining to the shipping of goods sold. Where significant, costs and the transaction price are allocated on a relative stand-alone selling basis to any separate performance obligations and are recognized over the period of time the goods sold are shipped, on a gross basis.

(d) Deferred Revenue

Metal revenue subject to precious metal stream contracts

The Company entered into a streaming arrangement with a customer (the "Metals Streaming Agreement "), pursuant to which the Company received advanced consideration against the delivery of a portion of future gold metal production in reference to the Company's MDN mine. In addition to the advance consideration, the Company will also receive a cash payment as metal is delivered to the customer. Refer to Note 15b for details on the Metals Streaming Agreement.

The Company recognized the advanced consideration as deferred revenue and recognizes the amounts in revenue as it satisfies its performance obligation to deliver metal to the customer over the life of the contract. In contracts for the delivery of gold and silver, the performance obligation is typically at the point in time when the metal is credited to the metal account for the customer. Following the crediting of gold and silver to the customer's metal account, the customer has legal title to, physical possession of, and the risks and rewards of ownership of the metal, and therefore, the ability to direct the use of, and obtain substantially all of the remaining benefits, from the metal.

The Company determined the amortization of deferred revenue to the consolidated statements of operations is to be calculated on a per unit basis. In streaming arrangements, the estimated total quantity of metal expected to be delivered to the customer over the term of the contract is used. The consideration received from payments for deliveries made under streaming arrangements was considered variable, subject to changes in the total estimated gold and silver ounces to be delivered and gold and silver prices. Changes to variable consideration were accounted for prospectively as a cumulative catch-up and recorded in revenue in the consolidated statement of operations.

Where consideration was received in advance of the Company's performance of its obligation, there was an inherent financing component in the transaction. When the period between the receipt of consideration and revenue recognition was greater than one year, the Company determined whether the financing component was significant to the contract.

Where a contract was determined to have a significant financing component, the transaction price is adjusted to reflect the financing. The discount rate used in adjusting the promised amount of consideration is the rate that would be reflected in a separate financing transaction between the Company and the customer at contract inception. This rate was not subsequently adjusted for any other changes over the contract term.

The accretion of the interest expense was recognized in the finance expense line in the consolidated statements of operations, unless capitalized to assets under construction in accordance with the Company's policy on capitalized borrowing costs.

The Company estimated the current portion of deferred revenue based on quantities anticipated to be delivered under the contract over the next twelve months.

Effective March 2023, the amended and restated metals purchase and sale agreement with Sprott 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. Refer to Note 15b for details on the Metals Streaming Agreement.

(e) Cash and cash equivalents

Cash and cash equivalents include cash, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Cash equivalents have maturities of three months or less at the date of acquisition. Interest earned is included in other income on the consolidated statement of operations.

Amounts that are restricted from being used for at least twelve months after the reporting date are classified as non-current assets and presented in restricted cash on the consolidated statements of financial position. Changes in restricted cash balances are classified as investing activities on the consolidated statements of cash flows.

(f) Inventories

Inventories consist of stockpiles, in-process inventory, and supplies and consumables. Dore and all other saleable products are valued at the lower of cost and estimated net realizable value. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Where the net realizable value is less than cost, the difference is charged to the consolidated statement of operations as an impairment.

Cost of production of inventory is determined on a weighted average cost. The cost of production includes direct costs associated with conversion of production inventory: material, labour, contractor expenses, and an attributable portion of production overheads and depreciation of all property, plant and equipment involved with the mining and production process.

Materials and supplies include consumable stores and spare parts used in operations. Appropriate allowances for damage, obsolescence and slow-moving items are recorded based on an identification process. Spare parts include spares that are regularly replaced, usually as part of a replacement programme (circulating spares). However, major spare parts on hand to ensure the uninterrupted operation of the production equipment before an unexpected breakdown or equipment failure and stand-by equipment are accounted for as property, plant and equipment and depreciated over the same period as the component they are associated with.

Supplies and consumables are valued at the lower of average cost and net realizable value. A regular review is undertaken to determine the extent of any provision for obsolescence.

(g) Exploration and evaluation expenditures

Exploration and evaluation ("E&E") activity begins when the Company obtains legal rights to explore a specific area and involves the search for mineral reserves, the determination of technical feasibility, and the assessment of commercial viability of an identified resource. Expenditures incurred in the exploration and evaluation phase include the cost of acquiring interests in mineral rights, licenses and properties and the costs of the Company's exploration activities, such as researching and analyzing existing exploration data, gathering data through geological studies, exploratory drilling, trenching, sampling, and certain feasibility studies.

Exploration and evaluation costs are capitalized. These costs include acquisition of rights to explore, exploration drilling, carrying costs of unproved properties, and any other activities relating to the evaluation of technical feasibility and commercial viability of extracting mineral resources. Cash flows associated with exploration and evaluation assets are classified as investing activities in the consolidated statements of cash flows.

Administrative and other general overhead costs associated with finding specific mineral resources are capitalized. Administrative and overhead costs are expensed if they do not qualify for capitalization as an E&E asset. The following costs may qualify for inclusion as an E&E asset:

- Payroll-related costs attributable to personnel working directly on a specific project, including the costs of employee benefits and share-based compensation for such personnel;
- Certain management costs if the management roles are specific to a project;
- Fees paid to contractors involved in a particular project;
- Legal or other professional costs specific to the project – i.e. costs in respect of obtaining certain permits and certifications; and
- General office overheads for an office that is set up specifically to support E&E activities.

The Company assesses whether there is any indication of impairment. Indicators of impairment include, but are not limited to:

- The right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral reserves and resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral reserves and resources in the specific area have not led to the commercially viable quantities of mineral reserves and resources and the entity has decided to discontinue such activities in the specific area; and
- Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

In circumstances where indicators of impairment exist, an impairment test is required to determine if the carrying amount of the exploration and evaluation asset exceeds its estimated recoverable amount.

The estimated recoverable amount is the greater of fair value less costs of disposal (“FVLCD”), and value in use (“VIU”). If the exploration and evaluation asset is determined to be impaired, the exploration and evaluation asset is written down to the estimated recoverable amount.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of the recoverable amount.

Exploration and evaluation assets are transferred to assets under construction within property, plant and equipment once the Company determines that probable future economic benefits will be generated as a result of the expenditures. The Company’s determination of probable future economic benefit is based on management’s evaluation of the technical feasibility and commercial viability of the geological properties of a given ore body based on information obtained through evaluation activities, including metallurgical testing, resource and reserve estimates and the economic assessment of whether the ore body can be mined economically. Factors that may be used to determine this include a preliminary feasibility study, confidence in converting resources into reserves and the probability that the property could be developed into a mine site. At that time Exploration and Evaluation assets are assessed for impairment, and the property is considered to enter the development phase, and subsequent development costs are capitalized.

(h) Mining interests

Mining interests represent capitalized expenditures related to the development of mining properties, related plant and equipment and expenditures arising from property acquisitions. Upon disposal or abandonment, the carrying amounts of mining interests are de-recognized and any associated gains or losses are recognized in profit or loss.

Mining properties

Purchased mining properties are recognized as assets at their cost of acquisition or at fair value if purchased as part of a business combination. Property acquisition costs, longer term development, and costs incurred to expand ore reserves are capitalized if the criteria for recognition as an asset are met.

The carrying amounts of mining properties are depleted using the unit-of-production ('UOP') method over the estimated recoverable ounces, when the mine is capable of operating at levels intended by management. Under this method, depletable costs are multiplied by the number of ounces produced, and divided by the estimated recoverable ounces contained in proven and probable reserves and a portion of resources where it is considered highly probable that those resources will be economically extracted.

Management reviews the estimated total recoverable ounces contained in depletable reserves and resources at each financial year end, and when events and circumstances indicate that such a review should be made. Changes to estimated total recoverable ounces contained in depletable reserves and resources are accounted for prospectively.

Deferred Stripping Costs

In open pit mining operations, it is necessary to remove overburden and other waste materials to access ore from which minerals can be extracted economically, the process of which is referred to as stripping. Once an open pit mining operation (or pit) is determined to no longer be in the pre-production stage, costs are either capitalized to inventory or, if it qualifies as an open pit stripping activity that provides a future benefit, to deferred stripping costs within Mining Interests. Production phase stripping costs, which are those incurred during the production stage of a mine (or pit), are accounted for as costs of inventory produced during the period, unless these costs are expected to provide a future economic benefit to an identifiable component of the ore body. Production phase stripping costs generate a future economic benefit when the related stripping activity improves access to a component of the ore body to be mined in the future, increases the fair value of the mine (or pit) or increases its productive capacity. Production phase stripping costs that are expected to generate a future economic benefit are capitalized as deferred stripping costs within Mining Interest. Deferred stripping costs are depreciated on a UOP basis whereby the denominator is the estimated ore tonnes considered probable of economic extraction based on the current life of mine (“LOM”) plan that benefit from the stripping activity.

(i) Property, plant and equipment

The Company measures items of property, plant and equipment at cost less accumulated depreciation and any accumulated impairment losses.

The initial cost of an item of property, plant and equipment includes its purchase price or construction costs, including import duties and non-refundable purchase taxes, any costs directly attributable to bringing the asset into operation, and for qualifying assets, borrowing costs. The initial cost of property, plant and equipment also includes the initial estimate of the cost of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Company incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Capitalization of costs ceases once an asset is in the location and condition necessary for it to be capable of operating in the manner intended by management. At this time, depreciation commences. For a new mine, this occurs upon commencement of commercial production.

Carrying amounts of property, plant and equipment, including assets under finance leases, are depreciated to their estimated residual value over the estimated useful lives of the assets or the estimated life of the related mine or plant, if shorter. Where components of an asset have different useful lives, depreciation is calculated on each separate component. Components may be physical or non-physical, including the cost of regular major inspections and overhauls required in order to continue operating an item of property, plant and equipment.

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Upon derecognition of an item of property, plant and equipment, the difference between its carrying value and net sales proceeds, if any, is presented as a gain or loss in other operating income or expense in the consolidated statement of operations.

(j) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of property, plant and equipment and exploration and evaluation assets to determine whether there is any indication of impairment. If any such indication exists, the Company estimates the recoverable amount of the asset in order to determine the extent of the impairment loss, if any. The Company generally assesses impairment at the level of Cash Generating Units (“CGUs”), which are the smallest identifiable groups of assets that generate cash inflows that are largely independent of cash inflows from other assets.

The Company allocates exploration and evaluation assets to CGUs based on their operating segment, geographic location and management’s intended use for the property. Exploration and evaluation assets are allocated to CGUs separate from those containing producing or development-phase assets, except where exploration and evaluation assets have the potential to significantly affect the future production of producing or development-phase assets.

Where an indicator of impairment exists, a formal estimate of the recoverable amount of the asset or CGU is made. The recoverable amount is the higher of the fair value less costs of disposal and value in use:

i. Fair value less costs of disposal is the amount obtainable from the sale of the asset or CGU in an arm's length transaction between knowledgeable, willing parties, less costs of disposal. Fair value for mineral assets is often determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects, and its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted by an appropriate discount rate that reflects current market assessments of the time value of money and the risks specific to the asset to arrive at a net present value of the asset.

ii. Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset or CGU in its present form and its eventual disposal, discounted using a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the asset for which estimates of future cash flows have not been adjusted. Value in use calculations apply assumptions specific to the Company's continued use and cannot take into account future development. These assumptions are different to those used in calculating fair value, and consequently the value in use calculation is likely to give a different result to a fair value calculation.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount is reduced to the recoverable amount, and an impairment loss is recognized in the consolidated statement of operations.

(k) Provisions

Provisions are recognized when the Company or its subsidiaries has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, a provision is made for the estimated outstanding continuous rehabilitation work at each reporting date and the cost is charged to profit or loss.

Contingent liabilities are recognized in the consolidated financial statements, if estimable and probable, and are disclosed in notes to the financial information unless their occurrence is remote.

Decommissioning and restoration provisions

The Company has provisions for decommissioning and restoration costs which include the dismantling and demolition of infrastructure and the removal of residual materials and remediation of disturbed areas. Decommissioning and restoration costs are a normal consequence of mining and the majority of decommissioning and restoration expenditures are incurred at the end of the life of mine. Although the ultimate cost to be incurred is uncertain, the Company estimates the respective costs based on engineering studies using current restoration standards and techniques.

Estimated decommissioning and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, based on the net present value of estimated future costs of the closure plan.
Provisions for decommissioning and restoration costs do not include any additional obligations which are expected to arise from future disturbance.

Each period the Company reviews cost estimates and other assumptions used in the valuation of the obligation to reflect events, changes in circumstances and new information available. The principal factors that can cause expected cash flow to change are: changes in laws and regulations governing the protection of the environment, construction of new facilities, changes in estimated lives of operations, changes in the life-of-mine plan, and changing ore characteristics that impact required environmental protection measures. Monetary foreign currency-denominated obligations are translated at the exchange rates at the end of the reporting period.

The initial closure provision together with other movements in the provisions for decommissioning and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations and revisions to discount rates are capitalized within property and equipment. These costs are then depreciated over the lives of the assets to which they relate.

(l) Financial Instruments

Non-derivative financial instruments are initially recognized at fair value plus, in the case of a financial asset or financial liability not measured at fair value through profit or loss, directly attributable transaction costs. Measurement in subsequent periods depends on the financial instrument's classification. The Company determines the classification of its financial instruments and non-financial derivatives at initial recognition.

Financial assets and liabilities are offset and the net amount presented in the consolidated statements of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The classification of financial assets is based on the results of the contractual characteristics test and the business model assessment which will result in the financial asset being classified as either: amortized cost, fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVTOCI").

(i) ***Non-derivative financial instruments***

Financial assets at fair value through profit or loss

Investment in marketable equity securities are designated on initial recognition as financial assets measured at FVTPL. Marketable securities are measured at FVTPL at the end of each reporting period, with any fair value gains or losses recognized in profit or loss. Fair value is determined by applying the quoted price for each marketable security to the number of instruments held at each reporting period.

Amortized cost
Cash and cash equivalents, trade and other receivables, offtake amounts, revolving prepayment facility, promissory note payable, loan payable, future consideration payable, debentures, land acquisition obligation and amounts due from related parties are classified as and measured at amortized cost and are carried at amortized cost using the effective interest rate method, less impairment losses, if any.

Non-derivative financial liabilities
Accounts payable are accounted for at amortized cost, using the effective interest rate method.

(ii) ***Embedded derivatives***

The Company considers whether a contract contains an embedded derivative when it becomes party to the contract. Embedded derivatives in other financial instruments or other host contracts are treated as separate derivatives when their risk and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Secured note payable is carried at its fair value, which is primarily measured using certain non observable market data including future metal prices, discount rate and forecasted production.

Stream obligation is carried at its fair value, which is primarily measured using certain observable and non-observable market data including discount rates, future metal prices, and estimated mineral resources.

(iii) ***Fair values of financial instruments***

The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's-length transaction. Fair values of financial instruments traded in active markets are determined based on quoted market prices, where available.

For financial instruments not traded in an active market, fair values are determined based on appropriate valuation techniques. Such techniques may include discounted cash flow analysis, using recent arm's-length market transactions, reference to the current fair value of another instrument that is substantially the same, and other valuation models.

The Company applies a hierarchy to classify valuation methods used to measure financial instruments carried at fair value. Levels 1 to 3 are defined based on the degree to which fair value inputs are observable and have a significant effect on the recorded fair value, as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Valuation techniques use significant observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices), or valuations are based on quoted prices for similar instruments; and
- Level 3: Valuation techniques use significant inputs that are not based on observable market data (unobservable inputs).

An analysis of fair values of financial instruments is provided in note 28.

(iv) ***Derecognition of financial instruments***

The Company derecognizes financial assets when the contractual rights to the cash flows from the assets expire, or when the Company transfers the rights to receive the contractual cash flows on the financial assets in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any remaining interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

A financial liability is de-recognized when the associated obligation is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in net earnings as a gain or loss on debt extinguishment.

Expected credit loss impairment model

A loss allowance for expected credit losses is recognized in earnings for financial assets measured at amortized cost. At each period-end date, on a forward-looking basis, the Company assesses the expected credit losses associated with its financial assets carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 90 days past due. The impairment model does not apply to investments in equity instruments.

The expected credit losses are required to be measured through a loss allowance at an amount equal to the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date) or full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument). A loss allowance for full lifetime expected credit losses is required for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition.

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

(m) Taxation

Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the period end date.

The Company is subject to income taxes in multiple jurisdictions. The Company recognizes liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will affect the income tax and deferred tax provisions in the period in which such determination is made.

Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

Deferred Tax

Deferred tax is recognized in respect of temporary differences at the period end date between the tax basis of assets and liabilities, and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:
- where the deferred income tax liability arises from the initial recognition of goodwill, or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilized, except:
- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will be available to allow the deferred tax asset to be recovered.

Judgement is required in determining whether deferred tax assets are recognized on the statements of consolidated financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood of taxable profit in future periods in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability to realize the net deferred tax assets recorded at the period end date could be affected.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the asset is realized or the liability is settled, based on tax rates and tax laws enacted or substantively enacted at the period end date.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Current and deferred taxes relating to items recognized outside profit or loss (whether in other comprehensive income or directly in equity) are recognized outside profit or loss and not in the consolidated income statements. Mining taxes and royalties are treated and disclosed as current and deferred taxes if they have the characteristics of an income tax.

(n) Earnings (Loss) per share

The Company presents basic and diluted earnings (loss) per share (“EPS”) data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The Company follows the treasury stock method in the calculation of diluted earnings per share. Diluted EPS is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares, which currently consist of Deferred Share Units (“DSUs”) and Restricted Share Units (“RSUs").

When calculating earnings per share for periods where the Company has a loss, the Company’s calculation of diluted earnings per share excludes any incremental shares from the assumed conversion of stock options, RSUs, DSUs and warrants as they would be anti-dilutive.

(o) Share Capital and Reserves

Transaction costs

Transaction costs directly attributable to equity transactions are recognized as a deduction from equity.

Share-based payment reserve

Share-based payment reserve is used for equity-settled share-based payments and includes amounts for stock options, DSU's and RSUs granted, vested and not exercised.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations with functional currencies different than the presentation currency of the reporting entity. Exchange differences arising from the translation of the financial statements of foreign operations form part of the net investment in the foreign operation. Translation gains and losses remain in the reserve until disposal of all or a portion of the foreign operation.

(p) Share-based payments

The Company maintains an Omnibus Plan, which includes RSUs and stock options for employees, directors, and other qualified individuals. The Omnibus Plan also includes Deferred Share Unit ("DSU") for non-executive directors of the Company.

Equity-settled transactions, which include RSUs, performance RSUs, DSUs and stock options, are measured by reference to their fair value at the grant date. The fair value for RSUs and DSUs is determined using the estimated fair value of the common shares at the grant date. The fair value for stock options is determined using a Black-Scholes option pricing model, which relies on estimates of the future risk-free interest rate, future dividend payments, future share price volatility and the expected average life of options. The Company believes this model adequately captures the substantive features of the option awards and are appropriate to calculate their fair values. The fair value determined for RSUs, DSUs and stock options at grant date is recognized over the vesting period in accordance with the vesting terms and conditions, with a corresponding increase to share-based payment reserve.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based payment transactions are set out in Note 23. The fair value determined at the grant date of the equity-settled share-based payments is expensed in profit or loss over the vesting period in accordance with vesting terms and conditions, with a corresponding increase to share-based payment reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

The fair value of the performance RSUs is determined by performance requirements. When the performance requirements are linked to Market conditions, the length of the expected vesting period is estimated consistent with the same assumptions used in estimating the grant-date fair value of the equity instrument granted. Additionally, a valuation technique is used to determine the fair value of the shares at the grant date.

The DSU Plan provides for the payment of directors' compensation with DSUs. Each DSU is a right granted by the Company to an eligible director to receive an equivalent to the value of one common share on termination of service. The fair value of the DSUs awarded, representing the market price of the Company's shares, is recognized as deferred share-based compensation expense at grant date in the statement of operations. The Company may and intends to settle amounts due under the DSU Plan by issuing one common share for each DSU.

(q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, responsible for allocating resources and assessing performance of the operating segment, has been identified as the Board of Directors.

(r) Discontinued operations

A discontinued operation is a component of the Company's business that represents a separate major line of business or geographical area of operation that has been disposed of, has been abandoned or meets the criteria to be classified as held for sale. Discontinued operations are presented in the consolidated statement of operations and statement of cash flow as a separate line.

4. ADOPTION OF NEW ACCOUNTING STANDARD

(a) New amendments adopted by the Company

(i) Effective January 1, 2024, the Company adopted the amendment to IAS 1 Classification of Liabilities as Current or Non-current.
(ii) Effective January 1, 2024, the Company adopted the amendment to IFRS 16 Lease Liability in a Sale and Leaseback.

The Company assessed the implication of the above amendments and concluded that there was no material impact on the consolidated financial statements of the Company.

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

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

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

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

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

iv) Lack of Exchangeability (Amendment to IAS 21)
In August 2023, the IASB amended IAS 21, The effects of changes in foreign exchange rates, to clarify when a currency is exchangeable into another currency; and how a company estimates a spot rate when a currency lacks exchangeability. Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on financial statements. The amendments apply for annual reporting periods beginning on or after January 1, 2025. Earlier application is permitted.

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

5. CRITICAL JUDGMENTS AND ACCOUNTING ESTIMATES

Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires the Company to make judgements, estimates and assumptions that affect the application of accounting policies, reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

The Company reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that the Company believes to be reasonable under the circumstances. Revisions to accounting estimates are recognized prospectively in the period in which the estimates are revised and in any future periods affected.

The following are the significant judgments and areas involving estimates, that management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

Accounting Estimates and Assumptions

Valuation of non-financial assets

Significant judgment is required in assessing indicators of impairment of non-financial assets. For each asset or cash generating unit (CGU), the Company completes an evaluation at each reporting period of potential indicators of impairment or impairment reversal. The Company considers both external and internal sources of information in assessing whether there are any indications that assets or CGUs may be impaired.

When completing an impairment test, the Company calculates the estimated recoverable amount of CGUs, which requires management to make estimates and assumptions related to items such as future production levels, operating and capital costs, future and long-term commodity prices, and discount rates. These estimates and assumptions are subject to risk and uncertainty, particularly in circumstances where there is limited operating history of the asset or CGU. In addition, significant judgment was required to assess the mineral reserves and resources which form the basis of the life of mine plan. Therefore, there is a possibility that changes in circumstances will have an impact on these projections, which may impact the recoverable amount of assets or CGUs. Changes in these estimates which decrease the estimated recoverable amount of a CGU could affect the carrying amounts of assets and result in an impairment charge or reversal. While management believes that estimates of future cash flows are reasonable, different assumptions regarding such cashflows could materially affect the recoverable amount of a CGU.

Provision for Environmental Rehabilitation

The Company assesses its provision for reclamation and remediation on an annual basis or when new material information becomes available. Mining and exploration activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for reclamation and remediation obligations requires management to make estimates of the future costs the Company will incur to complete the reclamation and remediation work required to comply with existing laws and regulations at each mining operation. Actual costs incurred may differ from those amounts estimated. Also, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for reclamation and remediation. The provision represents management's best estimate of the present value of the future reclamation and remediation obligation. The actual future expenditures may differ from the amounts currently provided.

Fair value of Stream Agreements (see Notes 15 and 20)

The Stream Agreements, including the Buy-Down Option, meets the definition of a derivative and is measured at fair value through profit and loss (FVTPL). The fair value of the Stream Agreements are 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. This fair value estimate may differ from actual fair value and these differences could be significant and may have a material impact on the Company's financial position and results of operations.

Mineral Reserve and Mineral Resource estimates

The figures for Mineral Reserves and Mineral Resources are determined in accordance with National Instrument 43-101, "Standards of Disclosure for Mineral Projects", issued by the Canadian Securities Administrators. There are numerous uncertainties inherent in estimating Mineral Reserves and Mineral Resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any Mineral Reserve or Mineral Resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Differences between management's assumptions, including economic assumptions such as metal prices and market conditions, and future circumstances could have a material effect in the future on the Company's financial position and results of operation.

Deferred income taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgement is required in determining the Company's provisions for such taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Share-based payments

The Company grants stock options, RSUs and DSUs to directors, officers, employees and consultants of the Company under its incentive stock option plan and DSU plan. The fair value of stock options is estimated using the Black-Scholes option pricing model and are expensed over their vesting periods. In estimating fair value, management is required to make certain assumptions and estimates such as the life of options, volatility and forfeiture rates. The fair value of RSUs and DSUs is estimated using the current share price and are expensed over their vesting periods. Changes in assumptions used to estimate fair value could result in materially different results.

Capitalization of exploration and evaluation costs

Management has determined that exploration and evaluation costs incurred during the year have future economic benefits and are economically recoverable. In making this judgment, management has assessed various sources of information including but not limited to the geologic and metallurgic information, proximity of operating facilities, operating management expertise and existing permits. In particular, the carrying value of the Company's exploration and evaluation assets is dependent upon the Company's determination with respect to the future prospects of its exploration and evaluation assets and the ability of the Company to successfully complete the renewal or extension process for its exploration properties as required.

Recoverability of exploration and evaluation assets

While assessing whether any indications of impairment exist for exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's exploration and evaluation assets.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

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

Going concern – see note 1.
Commitments and contingencies – see note 30.

6. ACQUISITION OF VOYAGER METALS INC.

On March 7, 2023, the Company entered into a definitive agreement (the "Voyager 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 $2.69 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 Voyager 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 with an estimated value of CAD$0.93 (US$0.68), 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 22 (i-iii) and 23 (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
Purchase price		**$**	**15,565**
Purchase Price Allocation			
Cash		$	654
Receivables and other assets			351
Right-of-use asset			344
Exploration and evaluation assets	12		19,102
Total identifiable assets acquired			20,451
Trade and other payables			(1,741)
Debentures	16		(2,867)
Lease liabilities			(278)
Total identifiable liabilities assumed			(4,886)
Total identifiable net assets		**$**	**15,565**

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

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 (US$0.68) 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.

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.

7. DISCONTINUED OPERATIONS

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

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

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

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

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

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

Cash flows provided by discontinued operations:	
Net cash provided by investing activities	41,058,266

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

8. 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, which is a dedicated reserve used to accumulate funds for the scheduled payments. The future consideration payable amount was initially recorded at a fair value of $21.4 million. The payable amount is discounted using a rate of 12%, which was the Company's estimated weighted-average cost of capital at the Closing Date. For the year ended December 31, 2024, the discount was accreted by $1.1 million which is included in finance expense (see Note 25). 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, plus a final lump sum payment of $5.0 million due March 28, 2025. As at December 31, 2024, the Company has paid $3.8 million in installments, with the remaining installments due in the first quarter of 2025. Subsequent to December 31, 2024, all instalments and the final balance of $5.0 million has been paid by the Company to the Sellers.

9. TRADE AND OTHER RECEIVABLES

	December 31 2024	December 31 2023
Current		
Trade receivables	**$ 1,113**	$ 1,040
Sales tax and other statutory receivables	**12,476**	6,144
Prepaids and deposits	**425**	155
	14,014	7,339
Non-current		
Deposits and other assets	**1,446**	1,914
	$ 15,460	$ 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.

10. INVENTORIES

Current	**December 31 2024**	December 31 2023
Ore stockpiles	**$ 6,426**	$ 5,291
In-circuit	**1,293**	1,937
Finished metal	**2,360**	-
Metal inventories	**10,079**	7,228
Supplies and consumables	**1,171**	1,651
Inventories	**$ 11,250**	$ 8,879

Non-current	**December 31 2024**	December 31 2023
Supplies and consumables	**939**	290

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

Long-term inventories are supplies and consumables that represent critical spares not likely to be used in the next year. Total inventory expensed during 2024 and included in cost of sales was $0.2 million (2023-$2.8 million). As at December 31, 2024 and 2023, no inventory is carried at fair value less cost to sell.

During the year ended December 31, 2024, charges of $nil (2023 – $nil) were recognized in production costs to reduce the cost of lead and zinc concentrate inventory to net realizable value.

11. PROPERTY, PLANT AND EQUIPMENT

		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		4,962		4,755		-		9,717
Disposals		-		-		(4,230)		(4,230)
Reclassifications		10,623		(10,623)		-		-
Capitalized borrowing costs		-		569		-		569
As at December 31, 2024	$	109,176	$	2,361	$	988	$	112,525
Accumulated depreciation and amortization								
As at December 31, 2022	$	16,433	$	-	$	101	$	16,534
Depreciation		9,290		-		124		9,414
Disposals		(246)		-		-		(246)
As at December 31, 2023	$	25,477	$	-	$	225	$	25,702
Depreciation		20,129		-		336		20,465
Disposals		-		-		-		-
As at December 31, 2024	$	45,606	$	-	$	561	$	46,167
Net book value								
Balance, December 31, 2023	**$**	**68,114**	**$**	**7,660**	**$**	**4,993**	**$**	**80,767**
Balance, December 31, 2024	**$**	**63,570**	**$**	**2,361**	**$**	**427**	**$**	**66,358**

Property, plant and equipment includes right-of-use assets of $0.5 million (2023 - $0.9 million) related to leased buildings of $0.4 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.

<u>Development of Calandrias Project</u>

Property, plant and equipment includes $2.0 million related to construction of the Calandrias Heap Leach Project as at December 31, 2024.

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

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

12. EXPLORATION AND EVALUATION ASSETS

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

	Note	Monte do Carmo Gold Project Brazil	Minera Don Nicolas Mine Argentina	Minera Mariana Argentina	Mont Sorcier Project Canada	Total
Balance at December 31, 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		(1,463)	-	-	-	**(1,463)**
Expenditures		911	3,037	61	561	**4,570**
Effect of movements in exchange rates		(8,040)	-	-	(1,691)	**(9,731)**
Disposition of MDC project		(39,280)	-	-	-	**(39,280)**
Balance at December 31, 2024		$ -	$ 16,792	$ 1,795	$ 19,490	**$ 38,077**

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.

On November 6, 2024, the Company completed the sale of its 100% interest in the Company's Monte Do Carmo project located in the State of Tocantins, Brazil to Amarillo, a wholly-owned subsidiary of Hochschild, in connection with the exercise of its option pursuant to the Transaction entered into on March 5, 2024. (See Note 7)

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 6)

13. TRADE AND OTHER PAYABLES

	December 31 2024	December 31 2023
Current		
Trade payables	**$ 8,372**	$ 15,159
Accrued liabilities	**14,168**	21,047
Payroll and government remitances	**6,611**	4,509
Other liabilities	**70**	50
	$ 29,221	$ 40,765
Non-current		
Other liabilities	**$ 101**	$ 47
	$ 29,322	$ 40,812

14. PROVISIONS

Decommissioning and restoration

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

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

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**
Change in estimate		3,872
Accretion		576
Balance at December 31, 2024	**$**	**19,290**

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

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

15. 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.

Amended and restated metals purchase and sale agreement

Effective March 2, 2023, an amended and restated metals purchase and sale agreement with Sprott (refer to note 15 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)

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 discounted cash flow model. The significant assumptions used in determining fair value were: future metal prices and discount rates. In addition, significant judgment was required to assess the mineral reserves and resources which form the basis of the life of mine plan.

The changes in fair values of the Amended & Restated Agreement during 2024 and 2023 are summarized below:

Fair value at amendment date March 2, 2023	$	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		1,744
Balance, December 31, 2024	$	22,244

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**	**December 31, 2024**
Debt discount rate (WACC)	10.40%	15.30%	13.00%
Calibration spread	6.06%	0.00%	6.06%
Royalty revenue discount factor	16.46%	15.30%	19.06%
Royalty stream discount rate	7.28%	2.56%	2.29%
Average gold price	$2,038	$2,315	$2,849

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

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:

Key Inputs	Inter-relationships between significant inputs and fair value measurement	March 2, 2023 Increase (decrease)	December 31, 2023 Increase (decrease)	December 31, 2024 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	2,224
	- Future gold prices were 10% lower	(2,490)	(2,050)	(2,225)
- Discount rates	- Discount rates were 1% higher	(1,035)	(409)	(392)
	- Discount rates were 1% lower	1,100	421	402
Key unobservable inputs				
- Mineral reserves and resource	- Mineral reserves and resources were 10% higher	2,489	2,050	2,224
	- Mineral reserves and resources were 10% lower	(2,490)	(2,050)	(2,225)

16. DEBT

	Note	**December 31 2024**	December 31 2023
Lease obligations	(a)	**$ 374**	$ 405
Loan payable	(b)	**2,614**	166
Land acquisition obligation	(c)	**-**	1,818
Debentures	(d)	**2,733**	3,047
Current debt		**$ 5,721**	$ 5,436

	Note	**December 31 2024**	December 31 2023
Lease obligations	(a)	**$ 290**	$ 514
Loan payable	(b)	**6,482**	-
Land acquisition obligation	(c)	**-**	2,272
Non-current debt		**$ 6,772**	$ 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.

	December 31 2024	December 31 2023
Total minimum lease payments	**$ 1,511**	$ 3,782
Effect of discounting	**(847)**	(2,863)
Present value of minimum lease payments	**664**	919
Less: current portion	**(374)**	(405)
	$ 290	$ 514
Minimum payments under leases		
Due no later than 1 year	**1,086**	855
Due later than 1 year less than 5 years	**425**	2,927
	$ 1,511	$ 3,782

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

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

		2024		2023
Depreciation expense for ROU assets	**$**	**393**	$	283
Interest expense included in finance costs		**523**		1,580
Total recognized in earnings	**$**	**916**	$	1,863

(b) Loan payable

On August 24, 2022 the Company, through its wholly-owned subsidiary Minera Don Nicolas SA ("MDN"), entered into a Argentina Pesos ("ARS") 500,000,000 ($0.5 million) 18-month term loan with Banco de Santa Cruz S.A., which matured in February 2024. The loan had an annual 13% interest rate, payable in 18 monthly instalments. The loan payable to Banco de Santa Cruz was recognized at amortized cost using the effective interest rate method. As of December 31, 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 ($1.6 million) 12-month term loan with Banco de Santa Cruz S.A., which matures in February 2025. The current loan balance of $1.7 million bears interest at a rate of 9.9%, 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 ($1.7 million) 6-month term loan with Banco de Santa Cruz S.A., which matured in November 2024. The loan had interest at the private BADCOR Rate plus an annual 9.5% spread, payable in 6 monthly instalments. The loan payable to Banco de Santa Cruz was recognized at amortized cost using the effective interest rate method. As of December 31, 2024 the loan has been fully repaid.

On June 3, 2024 the Company, through its wholly-owned subsidiary Minera Don Nicolas SA ("MDN"), entered into a ARS 1,000,000,000 ($1.0 million) 2-month promissory note with Caja De Valores S.A. Market Place., which matured in July 2024. The loan had an interest rate 7.78%, payable at the end of the term. The loan payable to Caja De Valores S.A. Market Place was recognized at amortized cost using the effective interest rate method. As of December 31, 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 ($0.7 million) 6-month term loan with Banco Nacion Argentina, which matures in January 2025. The current loan balance of $0.8 million bears interest at a rate of 36.87% payable at the end of the term. The loan payable to Banco Nacion Argentina is recognized at amortized cost using the effective interest rate method.

On December 12, 2024 the Company, through its wholly-owned subsidiary Minera Don Nicolas SA ("MDN"), entered into a ARS 5,300,000,000 ($5.1 million) 24-month term loan with Banco de Santa Cruz S.A., which matures in November 2026. The current loan balance of $5,1 million bears annual interest of 44.12%, payable in 24 monthly instalments. The loan payable to Banco de Santa Cruz is recognized at amortized cost using the effective interest rate method.

On December 23, 2024 the Company, through its wholly-owned subsidiary Minera Don Nicolas SA ("MDN"), entered into a ARS 1,600,000,000 ($1.5 million) 60-month term loan with Banco Nacion Argentina, which matures in November 2029. The current loan balance of $1.6 million bears interest at a rate of 38.12% payable at the end of the term. The loan payable to Banco Nacion Argentina is recognized at amortized cost using the effective interest rate method.

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

The table below summarizes the loan payable amounts classified as current and non-current debt during the year ended December 31, 2024:

		Loan payable	
Financial institution	**Agreement date**	**Current**	**Non-current**
Banco de Santa Cruz S.A.	February 23, 2024	$ 1,646	$ -
Banco Nacion Argentina	July 26, 2024	786	-
Banco de Santa Cruz S.A.	December 12, 2024	-	5,133
Banco Nacion Argentina	December 23, 2024	182	1,349
Loan payable		**$ 2,614**	**$ 6,482**

(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 twelve months ended December 31, 2024 the Company has paid a total of $1.7 million in instalments.

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, which include the property, and related obligations (See note 7). With the completion of the transaction, the Company derecognized the land acquisition obligation of $ 0.9 million from the consolidated statements of financial position.

(d) Debentures

In connection with the acquisition of Voyager on May 31, 2023 (see Note 6), 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 entitled 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 22 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.

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 22 ii). No warrants were exercised prior to their expiry on December 31, 2023.

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

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

Balance - May 31, 2023	**$**	**2,867**
Interest on debentures		99
Effect of movements in exchange rates		81
Balance - December 31, 2023	**$**	**3,047**
Interest on debentures		272
Interest payments		(339)
Effect of movements in exchange rates		(247)
Balance - December 31, 2024	**$**	**2,733**

Since the acquisition of Voyager on May 31, 2023 (Note 6), the Company recorded interest expense of $0.3 million for the year ended December 31, 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	2,710	-	-	2,710
Interest on debentures	23	-	-	23
Debenture repayments	**2,733**	**-**	**-**	**2,733**

17. PREPAYMENT FACILITY

(a) Revolving prepayment facility

The Company entered into an advance sales transaction pursuant to which, the Company received total advance consideration of $10.0 million. The advanced consideration is accounted for as a financial liability. The facility may be immediately renewable upon full repayment. During the year ended December 31, 2024, the Company had drawn down a total $20.0 million and repaid a total $20.0 million under the revolving prepayment facility. As at December 31, 2024 the $6.3 (2023-$6.3) million balance outstanding bears interest at the rate of 3 Month Secured Overnight Financing Rate (SOFR) + 5.85% until repaid.

(b) Advance payment facility

On July 20, 2023, the Company entered into an advance sales transaction pursuant to which, the Company received advanced consideration of $3 million. The advanced consideration is accounted for as a financial liability. The facility may be immediately renewable upon full repayment and release of the holding certificate in a form acceptable to the lender and its banks. During the year ended December 31, 2024, the Company had drawn down a total $15.0 million and repaid a total $15.0 million under the advance payment facility. As at December 31, 2024 the $3.0 (2023-$3.0) million balance outstanding bears interest at the rate of 3 Month SOFR + 5.85% until repaid.

18. PROMISSORY NOTES PAYABLE

Balance - December 31, 2022	**$**	**9,000**
Promissory notes additions		17,350
Promissory notes repayments		(1,000)
Balance - December 31, 2023	**$**	**25,350**
Promissory notes additions		14,625
Promissory notes repayments		(25,950)
Balance - December 31, 2024	**$**	**14,025**
Current	$	14,025
Non-current		-
Promissory notes payable	**$**	**14,025**

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

During the year ended December 31, 2023, MDN issued promissory notes for $25.3 million. These promissory notes had varying maturity dates and all matured prior to December 31, 2024. During the year ended December 31, 2024, MDN issued promissory notes for an additional $14.6 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 December 31, 2024, MDN has repaid $26.0 million related to the promissory notes. As at December 31, 2024, the $14.0 million balance bears annual interest at the rate of 7% until repaid.

19. 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 $66.3 million at December 31, 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 $66.3 million at December 31, 2024 represents export sales delivered by Minera Don Nicolas and payable by Cerrado under the offtake agreement, which is to be repaid to Minera Don Nicolas.

20. MDC SECURED NOTE LIABILITY & STREAM OBLIGATION

On November 6, 2024 the Company completed the sale of its 100% interest in the Company's MDC project (note 7). Both the Secured Note Payable and the Stream obligation were disposed of as part of this sale.

a) MDC Secured Note Payable

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.

Measurement

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

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

The changes in fair values of the Note from as at December 31, 2024 is summarized below:

Balance, December 31, 2022	**$**	**18,990**
Add (deduct):		
Interest payment		(1,497)
Unrealized change in fair value, recorded in discontinued operations		2,346
Unrealized change in fair value, recorded in discontinued operations		(36)
Balance, December 31, 2023	**$**	**19,803**
Add (deduct):		
Interest payment		(1,501)
Unrealized change in fair value, recorded in discontinued operations		857
Balance, November 6, 2024	**$**	**19,159**
Discountinued operations-disposition of MDC asset		(19,159)
Balance, December 31, 2024	**$**	**-**

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

Sensitivity Analysis:

The fair value of the Secured Note 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 Secured Note, 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)	
- Discount rates	- Discount rates were 1% higher	(405)
	- Discount rates were 1% lower	414

b) MDC Stream Obligation

On March 14, 2022, the Company entered into a $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 $20 million either in cash or by issuance of a promissory note on the maturity of the Note (Note 20 (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.

The changes in fair values of the Stream Obligation as at December 31, 2024 is summarized below:

Balance, December 31, 2022	**$**	**381**
Add:		
Unrealized change in fair value, recorded in discontinued operations		1,543
Balance, December 31, 2023	**$**	**1,924**
Add:		
Unrealized change in fair value, recorded in discontinued operations		3,813
Balance, November 6, 2024	**$**	**5,737**
Discountinued operations-disposition of MDC asset		(5,737)
Balance, December 31, 2024	**$**	**-**

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

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

Inputs and Assumption	**December 31, 2023**	**November 6, 2024**
Debt discount rate (WACC)	10.90%	12.30%
Calibration spread	2.50%	2.50%
Royalty revenue discount factor	13.40%	14.80%
Royalty stream discount rate	6.47%	6.72%
Royalty revenue volatility	55%	50%
Average gold price	$2,536	$3,190

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	1,754
	- Future gold prices were 10% lower	(1,817)
- Discount rates	- Discount rates were 1% higher	(1,236)
	- Discount rates were 1% lower	1,385
Key unobservable inputs		
- Mineral reserves and resources	- Mineral reserves and resources were 10% higher	1,754
	- Mineral reserves and resources were 10% lower	(1,817)

21. SHARE CAPITAL

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

	Note	Number of shares	Issued Share Capital	Shares to be issued/(cancelled)
Balance, December 31, 2022		**78,628,660**	**$ 41,641**	**$ -**
Vesting				
Voyager acquisition	6	16,617,712	11,361	-
Voyager replacement warrants issued	22	-	(78)	-
Shares for interest debt settlement	21 (i)	1,229,579	504	-
Options exercised	23	30,556	27	-
RSUs redeemed	23	1,532,065	894	9
DSUs redeemed	20	245,000	238	-
Balance, December 31, 2023		**98,283,572**	**$ 54,587**	**$ 9**
Shares for interest debt settlement	21 (ii)	4,608,673	1,003	-
Share repurchase	23	-		(94)
RSUs redeemed	23	1,084,150	784	136
Balance, December 31, 2024		**103,976,395**	**$ 56,374**	**$ 51**

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

(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.

22. WARRANTS

As at December 31, 2024, the Company had outstanding warrants enabling the holders to acquire common shares as follows:

		December 31, 2024				December 31, 2023			
Expiry Date	Note	Exercise Price (US$)	Exercise Price (CA$)	Number of Warrants	Exercisable	Exercise Price (US$)	Exercise Price (CA$)	Number of Warrants	Exercisable
May 31, 2024	(i)	$1.85	$2.52	-	-	$1.85	$2.52	1,547,000	1,547,000
May 31, 2024	(ii)	$1.32	$1.80	-	-	$1.32	$1.80	154,237	154,237
March 15, 2026	(iii)	$0.67	$0.91	78,518	78,518	$0.67	$0.91	78,518	78,518
		$0.67	$0.91	78,518	78,518	$1.75	$2.39	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, December 31, 2024		**$0.67**	**78,518**	**$**	**24**

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

(i) 1,547,000 Replacement Debenture Warrants to the Debenture holder (see Note 16). 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 16). Each Replacement Finder Warrant entitles the holder thereof to acquire one Cerrado common share at a price of CAD$1.80 per share for a 36-month period following the original date of issuance. The estimated fair value of the Replacement Debenture Warrants was $0.1 million (CAD$0.1 million). The grant date fair value of the warrants was determined by using the Black-Scholes option pricing model with the following assumptions: share price of CAD$0.93, an expected yield of 0%, expected volatility of 63%, a risk-free rate of 4.20% and an expected life of 1 year. On May 31, 2024 these 154,237 Finder Warrants expired.

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

(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.

23. SHARE-BASED PAYMENT RESERVE

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

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	654	875	110	1,639
Options cancelled/forfeited/expired	(4,383)	-	-	(4,383)
RSUs redeemed	-	(920)	-	(920)
RSUs cancelled/forfeited/expired	-	(72)	-	(72)
Balance, December 31, 2024	**$ 326**	**$ 1,476**	**$ 1,141**	**$ 2,943**

Options

As at December 31, 2024 and 2023, the Company had outstanding stock options enabling the holders to acquire common shares as follows:

		December 31, 2024				**December 31, 2023**			
Expiry Date		Exercise Price (US$)	Exercise Price (CA$)	Number of Options Outstanding	Number of Options Vested & Exercisable	Exercise Price (US$)	Exercise Price (CA$)	Number of Options Outstanding	Number of Options Vested & Exercisable
February 27, 2024		$0.45	$0.59	-	-	$0.45	$0.59	3,850,000	3,850,000
August 9, 2026		$1.12	$1.41	250,000	250,000	$1.12	$1.41	2,270,000	2,270,000
September 1, 2026		$1.38	$1.74	30,000	30,000	$1.38	$1.74	30,000	30,000
October 28, 2026		$1.24	$1.53	-	-	$1.24	$1.53	150,000	100,000
September 19, 2027		$0.83	$1.10	62,500	62,500	$0.83	$1.10	1,987,500	1,325,008
September 26, 2027	(iv)	$0.53	$0.72	99,997	99,997	$0.53	$0.72	827,769	547,217
November 25, 2027	(v)	$0.53	$0.72	16,666	16,666	$0.53	$0.72	24,999	16,668
August 23, 2028	(vi)	$0.55	$0.75	170,000	113,333	$0.55	$0.75	3,873,333	1,279,997
October 16, 2026	(vii)	$0.55	$0.75	100,000	100,000	$0.55	$0.75	100,000	100,000
November 27, 2026	(viii)	$0.26	$0.37	200,000	200,000				
		$0.68	$0.90	929,163	872,496	$0.67	$0.88	13,113,601	9,518,890

As at December 31, 2024, the weighted average remaining contractual life of the stock options was 2.2 years (December 31, 2023 – 2.12 years).
Stock option transactions are summarized as follows:

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

		Exercise Price (US$)	Number of Options Outstanding
Balance, December 31, 2022		**$0.74**	**8,537,500**
Replacement options gra	(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 granted	(viii)	$0.26	200,000
Options expired		$0.45	(3,850,000)
Options cancelled/forfeite	(ix)	$0.76	(8,534,438)
Balance, December 31, 2024		**$0.68**	**929,163**

(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.

(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.

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

(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.

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

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

For the year ended December 31, 2024 and 2023, the Company recognized share-based payment expense relating to the vesting of stock options of $0.6 million and $1.4 million, respectively.

Restricted Share Units ("RSUs")

As at December 31, 2024 and December 31, 2023 the Company had restricted share units enabling the holders to redeem each RSU for a common share as follows:

		December 31, 2024			December 31, 2023		
Grant Date		Grant date weighted average fair value (US$/unit)	Number of RSUs outstanding	Number of RSUs Vested & Redeemable	Grant date weighted average fair value (US$/unit)	Number of RSUs outstanding	Number of RSUs Vested & Redeemable
June 1, 2021		$1.45	-	-	$1.45	283,333	283,333
October 20, 2021		$1.26	-	-	$1.26	50,000	50,000
September 19, 2022		$0.69	717,497	717,497	$0.69	1,236,380	770,557
August 23, 2023	(i)	$0.50	1,948,068	1,948,068	$0.50	2,690,000	-
October 16, 2023	(ii)	$0.48	-	-	$0.48	100,000	-
October 7, 2024	(ii)	$0.18	250,000	-	$0.00	-	-
		$0.52	2,915,565	2,665,565	$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.
(ii) On October 16, 2023, the Company granted 100,000 RSUs to certain eligible participants under the Company's Omnibus Plan. The 100,000 RSUs granted vest one year after issuance in accordance with the Omnibus Plan.
(iii) On October 7, 2024, the Company granted 250,000 RSUs to certain eligible participants under the Company's Omnibus Plan. The 250,000 RSUs granted vest one year after issuance in accordance with the Omnibus Plan.

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

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

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 granted	(iii)	$0.18	250,000
RSUs redeemed		$0.78	(1,184,150)
RSUs forfeited/cancelled		$0.63	(509,998)
Balance, December 31, 2024		**$0.52**	**2,915,565**

For the years ended December 31, 2024 and 2023, the Company recognized share-based payment expense relating to the vesting of RSUs of $0.9 million and $1.3 million, respectively.

Deferred Share Units ("DSUs")

The Omnibus Plan provides for the issuance of DSUs to eligible directors of the Company. As at December 31, 2024, the Company had deferred share units enabling the holders to redeem common shares as follows:

		December 31, 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, December 31, 2024		**$0.80**	**1,425,000**

For the year ended December 31, 2024 and 2023, the Company recognized share-based payments expense relating to the vesting of DSUs of $0.1 million and $0.1 million respectively.

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

24. GENERAL AND ADMINISTRATIVE EXPENSES

	Year ended December 31, 2024	Year ended December 31, 2023
Salaries and benefits	**$ 4,692**	$ 5,132
Corporate administration	**487**	1,034
Professional fees	**996**	1,066
Consulting fees	**780**	895
Office and other	**2,056**	1,926
Share-based compensation	**1,639**	2,782
Depreciation	**186**	139
	$ 10,836	$ 12,974

25. FINANCE INCOME & EXPENSE

	Note	Year ended December 31, 2024	Year ended December 31, 2023
Finance income			
Investment income		**$ -**	$ (781)
Gain on derecognition of deferred revenue		**-**	(838)
Interest on promissory grid note	29	**(105)**	-
Amortization of related party promissory note discount	29	**(143)**	(129)
Accrection on consideration receivable	7	**(212)**	-
		(460)	(1,748)
Finance costs			
Investment loss		**$ 852**	**$ -**
Accretion of future consideration payable	8	**1,125**	2,028
Accretion of deferred revenue	19	**-**	424
Accretion on decommissioning and restoration provisions	14	**577**	442
Interest on revolving prepayment facility	17a	**811**	723
Interest on advance payment facility	17b	**329**	148
Discount on related party promissory note	29	**226**	477
Interest on loans payable	16b, 18	**2,537**	1,107
Interest on debentures	16d	**285**	170
Other interest costs		**900**	888
Interest on finance lease	16a	**523**	1,580
Finance fees and bank charges		**306**	578
		8,471	8,565
Borrowing costs attributable to qualifying assets	11	**(569)**	(733)
		7,902	7,832
Net finance expense		**$ 7,442**	$ 6,084

26. CAPITAL MANAGEMENT

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company defines capital as total equity plus debt. Total equity is comprised of issued capital stock, warrants, share-based payments reserve and accumulated deficit. Management defines total debt to be comprised of revolving prepayment facility, advance payment facility, promissory note payable, loan payable, debentures payable, land acquisition obligation and secured note payable as at December 31, 2024 and 2023. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties and pay for administrative costs. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

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

The Company is dependent on external financing to fund its current operating, development and exploration expenditures. Longer term, the Company may pursue opportunities to raise additional capital through equity and or debt markets as it progresses with its properties and projects. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's capital management objectives, policies and processes have remained unchanged during the years ended December 31, 2024 and 2023.

	December 31 2024	December 31 2023
Equity	**$ 51,502**	$ 24,785
Debt	**35,175**	61,758
	$ 86,677	$ 86,543

27. 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:

		December 31, 2024		**December 31, 2023**	
Recurring measurements		**Carrying Value**	**Fair Value**	**Carrying Value**	**Fair Value**
Financial Assets					
Amortised cost					
Cash and cash equivalents	(i)	**$ 26,032**	**$ 26,032**	$ 427	$ 427
Trade and other receivables	(i)(ii)	**14,014**	**14,014**	7,339	7,339
Due from related parties	(i)	**3,850**	**3,850**	4,172	4,172
Offtake receivable	(i)	**66,268**	**66,268**	55,901	55,901
Fair value through profit or loss					
Investment in marketable securities	(iii)	**571**	**571**	240	240
Total financial assets		**110,735**	**110,735**	68,079	68,079
Financial liabilities					
Amortised cost					
Trade and other payables	(i)(ii)	**$ 29,221**	**29,221**	$ 40,765	$ 40,765
Prepayment facility	(i)	**6,264**	**6,264**	6,279	6,279
Advance payment facility	(i)	**3,057**	**3,057**	3,023	3,023
Future consideration payable	(i)	**5,949**	**5,949**	10,000	10,000
Land acquisition obligation	(i)	**-**	**-**	2,272	2,272
Promissory notes	(i)	**14,025**	**14,025**	25,350	25,350
Loan payable	(i)	**9,096**	**9,096**	166	166
Offtake payable	(i)	**66,268**	**66,268**	55,901	55,901
Debentures	(i)	**2,733**	**2,733**	3,047	3,047
Fair value through profit or loss					
MDC Secured note payable	(iv)	**-**	**-**	19,803	19,803
MDC Stream obligation	(v)	**-**	**-**	1,924	1,924
MDN Stream obligation	(v)	**22,244**	**22,244**	20,500	20,500
Total financial liabilities		**158,857**	**158,857**	189,030	189,030
Net financial assets (liabilities)		**$ (48,122)**	**$ (48,122)**	$ (120,951)	$ (120,951)

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

(i) Cash and cash equivalents, trade and other receivables, due from related parties, offtake receivable, trade and other payables, revolving prepayment facility, advance payment facility, promissory note payable, loan payable, debentures, future consideration payable, loan payable and offtake payable are recorded at amortized cost, which approximates fair value due to their short-term nature and generally negligible credit losses.
(ii) Excludes tax and other statutory amounts.
(iii) Investments are carried at their fair value, which is determined using quoted market bid prices in active markets for listed entities.
(iv) 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.

Fair value hierarchy

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

28. FINANCIAL RISK MANAGEMENT

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its risk management objectives. The main objective of the Company's risk management process is to ensure that the risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed to are described below. There have been no significant changes in the risks, objectives, policies and procedures during the years ended December 31, 2024 and 2023.

Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

At December 31, 2024, the Company had a cash and cash equivalents balance of $26.0 million (December 31, 2023 - $0.4 million) and current liabilities of $130.5 million (December 31, 2023 - $146.8 million). The Company has working capital deficit of $12.9 million at December 31, 2024 (December 31, 2023 – working capital deficit of $67.4 million) See Note 1 Nature of Operations and Going Concern and Note 29 Related party transactions and balances.

The contractual cash flow obligations of the Company as at December 31, 2024 are as follows:

		Payments due by period			
		<1 years	1-5 years	>5 years	Total
Trade and other payables	$	29,221	-	-	29,221
Lease obligations (i)	$	1,086	425	-	1,511
Future consideration payable (i)	$	6,250	-	-	6,250
Revolving prepayment facility (i)	$	6,264	-	-	6,264
Advance payment facility (i)	$	3,057	-	-	3,057
Stream obligation (i)	$	-	-	22,244	22,244
Loan payable (i)	$	2,614	6,482	-	9,096
Promissory note payable (i)	$	14,025	-	-	14,025
Debentures payable (i)	$	2,733	-	-	2,733
Environmental rehabilitation provision (i)	$	-	-	20,140	20,140
	$	65,250	6,907	42,384	114,541

(i) Undiscounted basis

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

Market Risk

(a) Foreign Currency Risk

The Company is exposed to foreign currency risk to the extent expenditures incurred or funds received, and balances maintained by the Company are denominated in currencies other than the functional currency of U.S. dollar, being the Argentine Peso or Canadian dollar.

	CAD	**ARS**
Closing US dollar exchange rate at December 31, 2024	**1.4389**	**1,032.5000**
Average US dollar exchange rate during the year ended December 31, 2024	**1.3698**	**916.2543**
Closing US dollar exchange rate at December 31, 2023	1.3266	808.4833
Average US dollar exchange rate during the year ended December 31, 2023	1.3497	295.2123

As at December 31, 2024 and 2023, the Company had net monetary assets (liabilities) denominated in currencies other than USD as follows:

	CAD	**ARS**
Net monetary assets (liabilities) at December 31, 2024	**$7,104**	**$(6,441,992)**
Net monetary assets (liabilities) at December 31, 2023	($1,141)	$ (978,756)

The Company's sensitivity analysis suggests that for the year ended a change in the absolute rate of exchange in the Canadian dollar and Argentine Peso by 10% would increase or decrease net loss as follows:

	CAD	**ARS**
Increase/decrease in net loss at December 31, 2024	**$ 449**	**$ 567**
Increase/decrease in net loss at December 31, 2023	$ 78	$ 110

The Company's objective in managing its foreign currency risk is to minimize its net exposure to foreign currency cash flows by obtaining most of its estimated annual U.S. cash requirements and holding the remaining currency in U.S. dollars. The Company has not, to the date of these consolidated financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

(b) Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument or its fair value will fluctuate because of changes in market interest rates. The loans bear varying interest rates as described in Note 16 b. The promissory note payable bears interest at the rate of 5% until repaid (see Note 18). The Company is not subject to any significant impact on the cash balance as a result of changes in interest rates.

(c) Credit Risk

The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentrating with respect to cash and cash equivalents and amounts receivable and related party balances is remote.

(d) Commodity Price Risk

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

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

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

The terms of the contract are summarized as follows:

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

At December 31, 2024, 6,000 ounces of the total ounces expired within the range of the min/max structure. At December 31, 2024, 10,000 of the ounces achieved the max limit and were sold at a price of $2,475 per ounce. 6,000 ounces of gold remain through to March 31, 2025. The commodity contract is not recognized as a derivative as it meets the "own-use" exemption and therefore recognized in accordance with IFRS 15.

29. 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 year ended December 31, 2024 and 2023 compensation of key management personnel is summarized as follows:

		December 31 2024		December 31 2023
Management and director compensation	**$**	**3,946**	$	4,546
Share-based payments		**1,375**		2,043
	$	**5,321**	$	6,589

(b) Due to and from related parties

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

In 2024, the Directors of the Company, approved bonuses to certain senior management employees in the amount of $1.0 million. These bonuses were contingent on obtaining the third advance pursuant to the transaction to sell MDC (note 12). This occurred during the year ended December 31, 2024 and thus these bonuses were recorded and paid out before December 31, 2024.

<u>Ascendant</u>

As at December 31, 2024, amounts owed from Ascendant in relation to shared services are $2.3 million (December 31, 2023 - $3.0 million).

The fair value of the shared services receivable at December 31, 2024 was estimated at $2.3 million using an effective rate of 35% corresponding to a rate that the Company would have obtained for a similar financing with a third party. The premium amount of $0.9 million has been recorded as shareholder contribution against other equity, as the Company is a shareholder of Ascendant.

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

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 December 31, 2024, the principal amount of the Related Party Grid note totaled $1.5 million and the interest earned during the year ended December 31, 2024 amounted to $0.1 million recognized as finance income in the consolidated statement of loss.

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

The fair value of the Related Party Grid Note at December 31, 2024 was estimated at $1.5 million using an effective rate of 35% corresponding to a rate that the Company would have obtained for a similar financing with a third party.

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

Principal amount advanced	$	1,500
Interest accrued		101
Promissory note discounted at fair value		(477)
Amortization of promissory note discount		129
Balance - December 31, 2023	$	1,253
Shares for debt settlement	$	(734)
Principal amount advanced		1,009
Interest accrued		105
Promissory note discounted at fair value		(226)
Amortization of promissory note discount		143
Balance - December 31, 2024	**$**	**1,550**

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.

30. COMMITMENTS AND CONTINGENCIES

(a) Commitments

The Company has the following commitments as at December 31, 2024: lease obligation (see Note 16a), debentures (see note 16d) and future consideration payable (see note 8) and secured note payable interest (see note 20).

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

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

(ii) A 2% royalty on the refined product, payable to Royal Gold Inc. pursuant to on an amended and restated royalty agreement dated August 16, 2013. This royalty is only applicable to certain MDN properties, which does not include production from the Calandrias region. The obligations under this royalty agreement are backed by registered first mortgages granted to Royal Gold on a number of the Company's mineral properties owned in the province of Santa Cruz, named as follows: Syrah, La Paloma I, Micro I, Micro II, Mar III, Mar IV, Gol I, Gol II, Armadillo, Dorcón 3, Dorcón 4, Estrella I and Estrella II. The Company is guarantor under this royalty agreement and is jointly and severally liable for the performance of all of MDN's obligations and covenants thereunder.

iii) A royalty of $3 per gold ounce, to a maximum of $2 million payable to Sandstorm Gold Limited based on an agreement executed on February 28, 2006. This royalty is only applicable to certain MDN properties, which does not include production from the Calandrias region. The Company is guarantor under this royalty agreement and is jointly and severally liable for the performance of all of MDN's obligations and covenants thereunder.

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

(b) Contingencies

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

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

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

As at December 31, 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.

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

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

31. INCOME TAXES

(a) Tax rate reconciliation

Major items causing the Company's income tax rate to differ from the Canadian statutory rate of 26.5% (December 31, 2023 – 26.5%) were as follows:

	December 31, 2024	December 31, 2023
Income (loss) before income taxes	$ 3,142	$ 3,401
Tax expense/recovery at statutory rates	833	901
Foreign tax rate differential	2,383	(355)
Share-based compensation	434	815
Other non-deductible expenses/(non-taxable) income	(5,263)	2,372
Unrecognized/(recognized) temporary differences	1,563	3,968
Provincial royalty	2,658	2,452
Income tax expense	$ 2,608	$ 10,153

The significant components of the Company's deferred tax assets (liabilities) are as follows:

	December 31, 2024	December 31, 2023
Canada expiring in 2038-2044	$ 28,681	$ 21,845
Argentina expiring in 2025-2029	360	922
Brazil (no expiry)	-	122
Other deductible temporary differences as follows:		
Canada	25,253	24,424
Argentina	-	-
Brazil	-	7,119

(b) Deferred income tax balances

The following temporary differences and non-capital losses have not been recognized in the consolidated financial statements:

	December 31, 2024	December 31, 2023
Deferred tax liabilities:		
Property, plant and equipment	16,690	14,130
Exploration and evaluation assets	668	395
Other	65	125
	17,423	14,650
Deferred tax assets:		
Non-capital loss	(6,763)	(3,940)
	(6,763)	(3,940)
Deferred income tax liabilities	10,660	10,710

Deferred tax losses have not been recognized in these financial statements, as management does not consider their utilization in the foreseeable future to be profitable.

32. SEGMENT REPORTING

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

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

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 years presented is summarized in the tables below:

Year ended December 31, 2023	**Argentina**	**Brazil**	**Canada**	**Other**	**Total**
	Don Nicolas Mine	Monte do Carmo Project	Mont Sorcier Project	Corporate	
Revenue from gold and silver sales	$ 100,101	$ -	$ -	$ -	$ 100,101
Production costs applicable to sales	(66,777)	-	-	-	(66,777)
Sales expenses and royalties	(10,231)	-	-	-	(10,231)
Depreciation and depletion	(9,274)	-	-	-	(9,274)
Income from mining operations	13,819	-	-	-	13,819
General and admnistrative expenses	(1,626)	(8)	(120)	(11,220)	(12,974)
Other expenses	6,151	(32)	(153)	(3,411)	2,555
Income (loss) before income taxes	18,344	(40)	(273)	(14,631)	3,400
Income and mining tax expense	(2,452)	-	-	-	(2,452)
Deferred tax expense	(7,701)	-	-	-	(7,701)
Net income (loss)	**$ 8,191**	**$ (40)**	**$ (273)**	**$ (14,631)**	**$ (6,753)**

As at December 31, 2023	**Argentina**	**Brazil**	**Canada**	**Other**	**Total**
	Don Nicolas Mine	Monte do Carmo Project	Mont Sorcier Project	Corporate	
Total assets	$ 163,858	$ 51,164	$ 20,751	$ 14,951	$ 250,724
Total liabilities	$ 87,884	$ 4,908	$ 5,030	$ 128,118	$ 225,940

Year ended December 31, 2024	**Argentina**	**Brazil**	**Canada**	**Other**	**Total**
	Don Nicolas Mine	Monte do Carmo Project	Mont Sorcier Project	Corporate	
Revenue from gold and silver sales	$ 116,169	$ -	$ -	$ -	$ 116,169
Production costs applicable to sales	(82,063)	-	-	-	(82,063)
Sales expenses and royalties	(3,828)	-	-	-	(3,828)
Depreciation and depletion	(20,279)	-	-	-	(20,279)
Income from mining operations	9,999	-	-	-	9,999
General and admnistrative expenses	(2,002)	-	(37)	(8,797)	(10,836)
Other income (expenses)	9,405	-	(272)	(5,154)	3,979
Income from continuing operations before income taxes	17,402	-	(309)	(13,951)	3,142
Income and mining tax expense	(2,608)	-	-	-	(2,608)
Net income from continuing operations for the year	**$ 14,794**	**$ -**	**$ (309)**	**$ (13,951)**	**$ 534**
Net income from discontinuing operations for the year	**$ -**	**$ 24,865**	**$ -**		**$ 24,865**

As at December 31, 2024	**Argentina**	**Brazil**	**Canada**	**Other**	**Total**
	Don Nicolas Mine	Monte do Carmo Project	Mont Sorcier Project	Corporate	
Total assets	$ 180,973	$ -	$ 19,648	$ 40,453	$ 241,074
Total liabilities	$ 81,854	$ -	$ 5,670	$ 102,048	$ 189,572

(i) Segment assets include receivables, inventories, property, plant and equipment and exploration and evaluation assets.

* Argentina segment includes Minera Mariana.

33. SUBSEQUENT EVENTS

On February 3, 2025 the Company announced that it entered into a definitive agreement (the “Arrangement Agreement”) with Ascendant Resources Inc. (TSX: ASND) (“Ascendant”) whereby the Company would acquire all of the issued and outstanding shares (each, an “Ascendant Share”) not already owned by Cerrado by way of a plan of arrangement under the Business Corporations Act (Ontario) (the “Arrangement”). Upon completion of the Arrangement, Cerrado would indirectly own an 80% interest in the Lagoa Salgada Project located in Portugal.

Under the terms of the Arrangement, Ascendant shareholders would receive one (1) common share of Cerrado for every 7.8 common shares of Ascendant (the “Exchange Ratio”). The Exchange Ratio is approximately equal to the closing prices of the Ascendant Shares and Cerrado Shares as of close on January 30, 2025. Upon closing, the Arrangement would result in Ascendant shareholders owning approximately 21% of the issued and outstanding Cerrado common shares upon closing of the Arrangement. Cerrado would issue approximately 27.7 million shares pursuant to the Ascendant transaction and will have approximately 131.4 million issued and outstanding shares following completion of the transaction.

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

Closing of the Arrangement is subject to a number of closing conditions, including Ascendant shareholder approval at a special meeting of Ascendant Shareholders, acceptance of the Toronto Stock Exchange and the TSX Venture Exchange and the satisfaction of certain other closing conditions. There is no assurance that the Arrangement will close.