

Cerrado Gold Reports Q1 Cashflow and Operating Performance at Its Minera Don Nicolas Mine

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- Q1 Production of 13,951 Gold Equivalent Ounces ("GEO")
- Q1 Adjusted EBITDA of \$8.2 million and operating cash flow of \$17.3 million
- Q1 AISC of \$1,145 per ounce

(All numbers reported in US dollars)

TORONTO, May 31, 2023 - [Cerrado Gold Inc.](#) (TSX.V:CERT)(OTCQX:CRDOF) ("Cerrado" or the "Company") is pleased to announce the operational and financial results for the first quarter 2023 ("Q1/23") at its Minera Don Nicolas ("MDN") gold project in Santa Cruz Province, Argentina and report on its ongoing activities at the Monte Do Carmo gold project ("MDC") in Brazil. Production results at MDN were previously released on April 24, 2023. The Company's quarterly financial results are reported and available on SEDAR as well as on the Company's website (www.cerradogold.com).

Q1 2023 Minera Don Nicolas ("MDN") Operational Highlights:

- Gold production of 13,951 GEO in Q1/23, a 3% improvement year-on-year ("yoy")
- Operating margin of \$6.8 million and operating cash flows of \$17.3 million in the first quarter
- AISC of \$1,145 per ounce during Q1/23

Mark Brennan, CEO and Chairman, stated: "These results demonstrate another solid quarter of production and operating performance from the team at MDN. We are now looking forward to the next stage of growth at MDN from the ramp up of our initial heap leach project at Las Calandrias which is on schedule for first gold production in June. In addition, work to complete the feasibility study at the Monte Do Carmo project in Brazil is progressing well, with completion expected in June. We expect the feasibility study to demonstrate the significant value of MDC as well as highlight the robust growth profile we expect to see in the coming years."

First Quarter 2023 Operational and Financial Performance

Q1/23 and Full Year Operational Highlights

Minera Don Nicolas

The Company produced 13,951 GEO during the three months ended March 31, 2023, as compared to 13,388 GEO in the three months ended March 31, 2022. Production was 3% higher in the three months ended March 31, 2023, due to higher recoveries.

The average quarterly gold head grade of 4.59 g/t recorded in the first quarter of 2023 represents a 2% decrease as compared to the average head grade of 4.68 g/t in the first quarter of 2022. Gold recovery of 92% represents a 4% increase in recovery as compared to 88% recorded in the first quarter of 2022. Silver recovery of 67% was also 4% higher than the silver recovery achieved in the first quarter of 2022.

During Q1/2023, the team continued exploration efforts to advance several green and brownfield targets with the aim of increasing mine life and expanding the overall resource endowment, while continuing to support the move to underground mining at Paloma.

Las Calandrias Project

During Q1/2023, work on the engineering and construction of the Las Calandrias heap leach project was

completed and placement of ore on to the pad commenced in April 2023. The first gold production is expected in June 2023. The Calandrias Heap Leach is expected to add incremental production to MDN commencing in 2023 and is the first step in Cerrado's plans for growing production capacity in Argentina in the near term. All Argentinian projects continue to be funded by cash flow and local debt facilities.

Monte Do Carmo Project, Brazil

During Q1/2023, the Company, together with its numerous advisors, continued to progress the completion of a bankable feasibility study ("FS") expected by the end of June 2023. In addition, regional exploration continues on the greater project area aimed at growing the known resources and extending the potential mine life. During the quarter, the exploration focus has been on the Northern extension of the Serra Alta deposit and to the north of Gogo, as well as on generating more greenfield targets such as Divisa for ongoing development.

The Preliminary License ("LP") was issued from the Instituto Natureza do Tocantins ("NATURATINS") on May 29, 2023 and the License of Installation/Construction ("LI") is expected to follow within 90 -120 days of the LP issuance.

Q1/2023 Financial Highlights

The Company generated revenue of \$27.5 million for the three months ended March 31, 2023, from the sale of 16,255 GEO at an average realized price per gold ounce sold of \$1,696 and price per silver ounce sold of \$22.83. For the three months ended March 31, 2022, the Company generated revenue of \$27.4 million from the sale of 15,044 GEO. Revenue from sales of gold and silver for the current period was slightly higher than the three months ended March 31, 2022, due to the higher number of ounces sold, offset by the lower realized price in the current period due to a one-time deferred revenue adjustment of \$2.4 million recorded in Q1/2023. Revenue for the quarter without the deferred revenue adjustment was \$29.9 million.

Cash costs per ounce sold were \$1,139 per ounce in the three months ended March 31, 2023, as compared to cash costs per ounce sold of \$1,049 per ounce in the three months ended March 31, 2022, a 9% increase. The 9% increase is a result of higher consumables and material costs compared to the first quarter of 2022.

Cash provided by operating activities during the first quarter ended March 31, 2023, was \$17.3 million compared to cash provided by operating activities of \$8.8 million for the first quarter ended March 31, 2022. Cash provided by operating activities before working capital changes in 2023 consisted of \$12.6 million as compared to \$6.6 million of cash provided by operating activities before working capital changes in 2022.

Adjusted EBITDA was \$8.2 million in the first quarter of 2023 as compared to \$9.7 million in the first quarter of 2022. Current year adjusted EBITDA was slightly lower due to higher production and general and administrative costs, offset by higher cash sales in Q1/2023.

Net loss for the three months ended March 31, 2023 was \$7.4 million, as compared to a \$3.4 million net income for the three months ended March 31, 2022, a difference of \$10 million. The decrease in net income is primarily a result of an increase in tax expense of \$2 million, a non-cash remeasurement loss on the secured notes and stream of \$2.6 million, an increase in finance expense of \$2.2 million and an increase in general and administrative expenses of \$1.6 million recorded in the first quarter of 2023 as compared to the first quarter of 2022.

Basic and diluted loss per share for the three months ended March 31, 2023, was \$0.09, compared to the basic and diluted earnings per share of \$0.04 for the three months ended March 31, 2022, a \$0.13 per share decrease as a result of higher taxes, remeasurement loss on the secured notes and stream obligation and higher general and administrative costs.

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About Cerrado Gold

Cerrado is a Toronto based gold production, development and exploration company focused on gold projects in the Americas. The Company is the 100% owner of both the producing Minera Don Nicolás mine in Santa Cruz province, Argentina, and the highly prospective development project, Monte do Carmo located in Tocantins State, Brazil.

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Forward-looking statements contained in this press release include, without limitation, statements regarding the business and operations of Cerrado. In making the forward-looking statements contained in this press release, Cerrado has made certain assumptions, including, but not limited to the expected timing of commencement of gold production at Las Calandrias, the expectations of 2023 results as well as timing of completion of the FS and permitting milestones at the MDC project. Although Cerrado believes that the expectations reflected in forward-looking statements are reasonable, it can give no assurance that the expectations of any forward-looking statements will prove to be correct. Known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to general business, economic, competitive, political and social uncertainties. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this press release. Except as required by law, Cerrado disclaims any intention and assumes no obligation to update or revise any forward-looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward-looking statements or otherwise.

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