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Research Note

Cerrado Gold – Acquiring Past Producing Argentina Mine; 2027 Restart Planned

Rating	Target Price
BUY	**C$4.50**
Unchanged	*Prev. C$4.00*

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Disseminated on Behalf of Cerrado Gold

All figures in USD unless otherwise stated

Cerrado Gold Inc.	**CERT:TSXV**
Rating	BUY
Target Price	C$4.50
Return to Target	99%

Market Data	
Share Price	C$2.26
Average Daily TSXV Volume (K)	467.5
FD ITM Shares (M)	152.2
Market Cap ($M)	$226.4
Pro-Forma Cash ($M)	$7.3
Debt ($M)	$38.7
Enterprise Value ($M)	$257.8

FYE Dec 31	**2025A**	**2026E**	**2027E**
Revenue ($M)	$147.1	$259.6	$268.5
Adj. EBITDA ($M)	$46.2	$121.5	$130.8
Operating CF ($M)	$56.2	$70.6	$102.9
Net Income ($M)	($20.4)	$42.9	$64.8

Valuation	
Minera Don Nicolas ($M)	$362.0
Manantial Espejo ($M)	$82.8
Lagoa Salgada (80%) ($M)	$153.0
Mont Sorcier ($M)	$815.9
P/NAV	0.23x

	2025A	**2026E**	**2027E**
EV/EBITDA	5.6x	2.1x	2.0x
EV/CF	4.6x	3.6x	2.5x

Please refer to the applicable disclosures on the back page
Source: Atrium Research, CapitalIQ, Company Documents



Cerrado Gold is a Toronto-based gold production, development, and exploration company. The Company is the 100% owner of the producing Minera Don Nicolás and Las Calandrias mine in Santa Cruz province, Argentina. In Portugal, the Company holds an 80% interest in the highly prospective Lagoa Salgada VMS project through its position in Redcorp - Empreendimentos Mineiros, Lda. In Canada, Cerrado Gold is developing its 100% owned Mont Sorcier Iron project located outside of Chibougamau, Quebec.

What you need to know:

- CERT is acquiring the past-producing Manantial Espejo Mine in Argentina from Pan American Silver for total consideration of $20M.
- The mine produced 52-88Koz AuEq in its final ~6 years through 2022 (110-137.5Koz prior), and CERT aims to restore historic levels.
- CERT's funds and MDN operations are sufficient to support the restart without diluting shareholders.
- The Company has laid out a redevelopment plan commencing in 2027.

Cerrado Gold Inc. (CERT:TSXV, CRDOF:OTCQX) announced the acquisition of the past-producing Manantial Espejo Mine in Santa Cruz, Argentina, from Pan American Silver (PAAS:TSX) for total consideration of $20M in cash. The operation has been in C&M since the end of 2022, with established infrastructure and a 2.5Ktpd mill in place. CERT aims to quickly put the Au-Ag mine back into operation and has outlined a phased redevelopment plan for 2027. Importantly, CERT's MDN operation is also in Santa Cruz, providing notable synergies and strengthening its Argentina production platform. MDN operations enable CERT to fund the acquisition and restart with cash flows without dilution to shareholders. **We are maintaining our BUY rating and increasing our target price to C$4.50/share on Cerrado Gold.**

Manantial Espejo produced 52-88Kozpa AuEq between 2017-2022, and prior to that was producing 110-137.5Koz AuEq from 2009-2016, with a significant portion of production coming from silver. In its final year of production (2022) before PAAS placed the operation in C&M, it delivered 68.6Koz AuEq, which included ~26.6Koz Au and ~3.5Moz Ag, with silver contributing ~61% of the gold-equivalent production figure. In total, PAAS produced ~1.4Moz AuEq from Manantial Espejo while in operation.

Acquisition terms. CERT will pay a total of $20M in cash to acquire all issued and outstanding shares of Minera Tritón Argentina S.A. (MTA) from PAAS. Consideration includes $10M at closing, $5M on the first anniversary of closing, and $5M on the second anniversary of closing, which CERT is positioned to fund, along with the restart plan, from its MDN operations without dilution (we forecast MDN OCF of ~$25M/q in 2027). PAAS has also been granted a 1.0% NSR to settle existing indebtedness owed from MTA, which is believed to be the only material debt encumbering MTA. CERT will satisfy Santa Cruz's required $13.8M financial closure guarantee through a letter of credit without impacting working capital.

Targeting 2027 restart. CERT believes it can bring Manantial Espejo back to its historic levels with additional exploration and development. PAAS's June 2026 resource statement outlines ~1.3Mt at 152.5 g/t Ag & 2.70 g/t Au in M&I; however, CERT has not verified these resources. Dewatering and refurbishment are estimated at ~6 months with a targeted restart at 1Ktpd (2.5Ktpd capacity), which was the operating rate prior to shutdown. Simultaneously, CERT plans to complete a ~40,000m drill program in 2027 to support an initial MRE and has defined a 1.3-1.8Mt target at 1.5-2.8g/t Au in UG and open pit areas that was left unmined.

Our Take

We view the acquisition and its terms as potentially game-changing for CERT's Argentina platform. CERT has already been delivering on growth at MDN, on track for 60Koz+ AuEq in 2026, and we expect the Q1/27 PEA will outline these levels over an extended mine life. Assuming 2017-2022 levels can be restored at Manantial Espejo (~60Kozpa), this would roughly double Argentina production to ~125Kozpa+, and growth can be achieved with cash flows. CERT is also exploring options to further increase MDN production, which would take levels even higher. Lagoa and Mont Sorcier provide even further upside from CERT's extensive development pipeline.

Manantial Espejo Mine (Santa Cruz, Argentina)

Manantial Espejo is in the Santa Cruz Province of Argentina, the same province that hosts CERT's flagship MDN Mine, located ~160km west of Puerto San Julián on Route 25, and 50km west of the town of Gobernador Gregores. The project consists of 25 mining properties covering a total of 45,255ha, including three surface properties that will support mining and exploration activities.

Geology. Manantial Espejo is a vein-hosted, silver-rich, low- to intermediate-sulphidation epithermal silver-gold deposit in Patagonia's Deseado Massif. The Massif has produced from Cerro Vanguardia, San José and Cerro Negro, as well as from MDN. Mineralization is hosted in volcanic rocks (rhyolites) of the Chon Aike Formation.

Past Production and Infrastructure. The mine operated from 2008-22 before it was placed on care and maintenance in 2023 due to low grades and less open pit material available to support the 2,500 tpd mill and tailings pond facility capable of producing doré. The site consists of two historical open pit mines and additional underground workings accessed from three portals. Over its 15-year life, Manantial Espejo produced ~110-137.5Koz AuEq annually from 2009-16 and 52-88Koz AuEq between 2017-22, operating at 1Ktpd prior to operations being shut down.

Unverified Mineral Resource Estimate. The June 2026 disclosure by Pan American Silver outlines 1.3Mt in M&I resources containing 6.6Moz Ag and 117Koz Au at 152.5 g/t Ag and 2.70 g/t Au, in addition to 0.5Mt in Inferred resources containing 1.8Moz Ag and 25Koz Au at 106.0 g/t Ag and 1.49 g/t Au, respectively. Note: Cerrado has not verified or completed its own due diligence on PAAS's disclosure.

Year	Silver Production (Moz)	Gold Production (Koz)	GEO Production (Koz)	Silver Grade (g/t)	Gold Grade (g/t)	Cash Cost (US$/oz Ag)	AISC (US$/oz Ag)	Silver Recovery (%)	Gold Recovery (%)
2009	3.783	71.9	**128.7**	209	3.79	(0.84)	ND	87.6%	94.6%
2010	3.965	62.8	**128.2**	191	2.81	1.61	ND	90.5%	94.7%
2011	3.767	53.0	**137.5**	185	2.48	7.36	ND	90.2%	95.1%
2012	3.633	43.3	**111.0**	170	1.94	14.65	ND	89.8%	94.2%
2013	3.144	60.8	**113.9**	150	2.81	8.55	16.84	91.3%	95.4%
2014	3.725	70.5	**126.7**	157	2.82	10.12	17.93	92.1%	95.2%
2015	3.583	77.3	**125.8**	158	3.28	7.33	18.81	91.6%	95.1%
2016	3.136	66.9	**109.8**	143	2.94	4.28	(2.08)	90.2%	93.8%
2017	3.123	45.3	**87.8**	134	1.88	18.25	23.42	90.6%	93.8%
2018	3.092	34.6	**72.8**	135	1.42	13.91	16.83	88.0%	93.4%
2019	2.599	22.4	**52.7**	127	1.08	19.59	18.43	ND	ND
2020	2.547	23.4	**52.9**	146	1.30	15.68	15.80	ND	ND
2021	3.236	33.8	**79.1**	177	1.75	18.37	20.67	ND	ND
2022	3.463	26.6	**68.6**	195	1.47	19.68	20.82	ND	ND
Total	**46.8**	**692.6**	**1,395.2**	-	-	-	-	-	-
Average	**3.34**	**49.5**	**99.7**	**163**	**2.27**	-	-	-	-

Figure 1: PAAS Historic Operating Data (Company Documents)

Manantial Espejo	Mt	Ag (g/t)	Au (g/t)	Moz Ag	Koz Au	Moz AgEq*
Measured	0.3	164.0	2.40	1.7	25	3.4
Indicated	1.0	149.0	2.79	4.9	92	11.0
M&I	**1.3**	**152.5**	**2.70**	**6.6**	**117**	**14.4**
Inferred	0.5	106.0	1.49	1.8	25	3.5
Total	**1.8**	**139.6**	**2.36**	**8.4**	**142**	**17.9**

**AgEq calculation based on $4,000/oz Au and $60/oz Ag*

Figure 2: PAAS June 30th MRE (Source: Pan American Silver Disclosures)

CERT's Phased Redevelopment Plan

Cerrado plans to resume a 1Ktpd operation in 2027 against the mill capacity of 2,500tpd, leaving spare capacity should exploration define additional resources, and has outlined a phased redevelopment plan. The initial phase will include dewatering the underground mine and refurbishing the existing underground and surface infrastructure. A new mining fleet is expected to arrive once operations commence. The plan is to process the low-grade stockpile initially and later blend it with new mined material. Cerrado's MDN operations in the same province are likely to provide synergies with local knowledge, contacts, and technical support.

Exploration program. Cerrado is planning a 40,000m exploration drill program in 2027 to prepare a NI 43-101-compliant resource estimate. During due diligence, the Company has identified an exploration target of 1.3-1.8Mt grading 1.5-2.8 g/t that was left unmined, which it plans to target with initial drilling.

The key target is the Punta Maria Vein, representing the eastern extension of the project's main mineralized structure. Eight historical exploration holes by PAAS defined exploration potential ~600m along strike, which Cerrado plans to test with tighter drill spacing.

Pushbacks of mature open pit mines, including Karina and Concepción, provide additional exploration upside, including shallow lower grade material and expansion potential along strike. In addition, the Punta Maria and Puntita Maria open-pit targets contain several low-to-medium-grade mineralized intersections worthy of a follow-up.

CERT has identified a 10km radius around current operations with multiple prospects and anomalies highlighted by previous drilling and surface sampling. Several of these geochemical anomalies remain untested, and the Company plans to rank and prioritize these prospects for further drill testing.

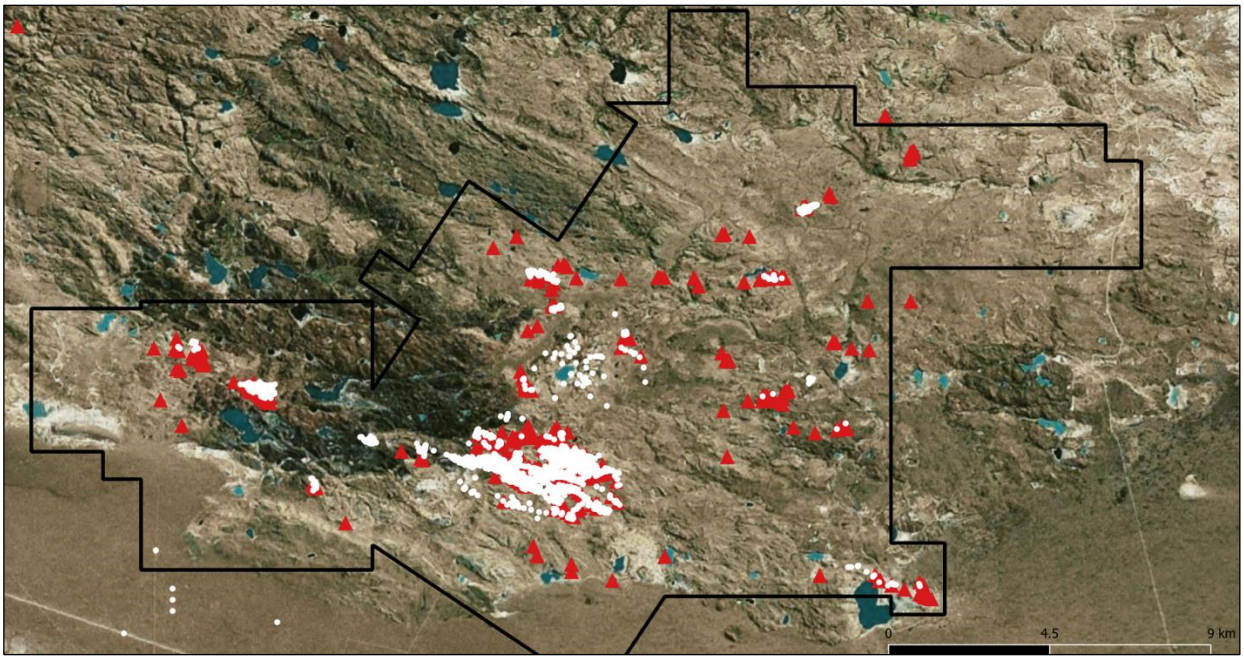


Figure 3: Exploration Targets at Manantial Espejo (Source: Company Documents)

Our Preliminary Forecast

We have conservatively assumed CERT successfully defines an initial MRE at the low end of the exploration target (1.3-1.8Mt at 1.5-2.8 g/t Au) following 40,000m of drilling in 2027. We assume a ramp-up in late 2027 through early 2028 to 1Ktpd, which provides feed through ~2031. We model 93% and 90% gold and silver recoveries, respectively, based on PAAS's past operating metrics, which results in production of ~30Kozpa AuEq, and we have assumed Manantial Espejo operates at an average AISC of ~$2,200/oz AuEq.

Understandably, our forecast is conservative, and CERT ultimately aims to bring the operation back to its prior production levels, which would provide significant upside. This will require additional drilling to define resources to support potentially taking throughput to its nameplate 2.5Ktpd. Once the Company completes 2027 drilling and technical work, we expect it will be better positioned to guide the market on anticipated production levels, and we will reevaluate our forecast as additional information becomes available. That said, **CERT's development pipeline was already significant, and is now expanded**.

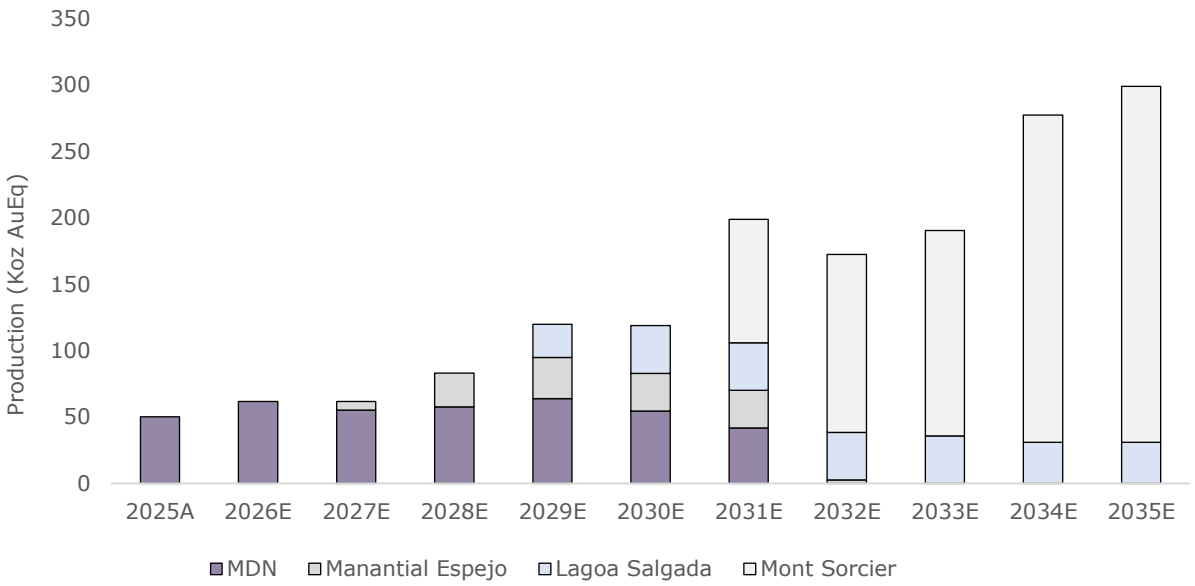


Figure 4: Our Revised CERT Production Forecast (Source: Atrium)

Valuation

We estimate an $NPV_{5\%}$ for Manantial Espejo of ~$83M based on the preliminary assumptions outlined above and our metal price forecast. We see significant upside to this valuation with execution on 2027 plans. Our valuations for the remainder of the portfolio remain unchanged, and we are increasing our target price to C$4.50/share on what we view as a strategic and accretive acquisition on the back of solid execution at MDN (read our Q3 production note here).

NPV	US$M	US$/sh
Minera Don Nicolas	$362.0	2.38
Manantial Espejo	$82.8	0.54
Lagoa Salgada (80%)	$153.0	1.01
Mont Sorcier	$815.9	5.36
Project NPV	**$1,413.7**	**9.29**
Cash	7.3	0.05
Debt	(38.7)	(0.25)
Corporate Adjustments	(338.7)	(2.22)
Corporate NPV	**1,043.6**	**6.86**
NTM OCF ($M)	90.1	0.59
NPV Multiple	0.4x	
OCF Multiple	6.0x	

Target Price (Rounded)	**C$683**	**C$4.50**
Upside		*99%*

Figure 5: Our Valuation (Source: Atrium)

Catalysts

- Lagoa Salgada Optimized FS – Q4/26
- MDN PEA – Q1/27
- Mont Sorcier BFS – H1/27
- Manantial Espejo Restart Updates – 2027

Why We Like CERT

- CERT has a portfolio of multi-jurisdictional assets, one of which is an operating gold mine in Argentina with strong cash flow and expanding production.
- Substantial growth is supported by restart plans at a newly acquired Au-Ag mine in Argentina, a low-cost VMS project in Portugal, and a world-class iron ore project in Quebec.
- Growth can be achieved with minimal shareholder dilution with visibility on low-cost project financing for majority of capex, along with cash flow from Argentina.
- The valuation disconnect is clear, as CERT receives no value for its development pipeline.

Tear Sheet

Market Data	
Ticker	CERT:TSXV
Stock Price	C$2.26
Rating	BUY
Target Price	C$4.50
P/NAV	0.23x
Market Cap ($M)	$226.4
Cash ($M)	$7.3
Debt ($M)	$38.7
EV ($M)	$257.8

Capital Structure	
Basic Shares Outstanding (M)	138.1
Warrants (M)	0.0
Options, RSUs, DSUs (M)	14.1
FD Shares (M)	152.2
FD ITM Shares (M)	152.2

Production Estimates (FY)	2025A	Q1/26A	Q2/26A	Q3/26A	Q4/26E	2026E	Q1/27E	Q2/27E	Q3/27E	Q4/27E	2027E	2028E
Don Nicolas												
Gold Production (Koz)	**47.0**	11.0	13.5	15.5	15.3	**55.3**	12.5	12.5	12.5	12.5	**50.0**	**52.3**
Silver Production (Koz)	**270**	100	121	108	103	**431**	87	87	87	87	**349**	**348**
AISC (US$/oz by-product)	**$1,746**	$1,348	$1,933	$1,880	$1,810	**$1,758**	$1,946	$1,946	$1,946	$1,953	**$1,948**	**$1,942**
Manantial Espejo												
Gold Production (Koz)	**-**	-	-	-	-	**-**	-	-	1.3	1.3	**2.7**	**12.0**
Silver Production (Koz)	**-**	-	-	-	-	**-**	-	-	130	130	**260**	**883**
AISC (US$/oz by-product)	**-**	-	-	-	-	**-**	-	-	$2,638	$2,662	**$2,650**	**$2,205**
Lagoa Salgada												
ZnEq Production (Koz)	**-**	-	-	-	-	**-**	-	-	-	-	**-**	**-**
AISC (US$/oz ZnEq)	**-**	-	-	-	-	**-**	-	-	-	-	**-**	**-**
Mont Sorcier												
Iron Ore Production (Kt)	**-**	-	-	-	-	**-**	-	-	-	-	**-**	**-**
AISC (US$/t conc)	**-**	-	-	-	-	**-**	-	-	-	-	**-**	**-**

Financial Estimates (FY)	2025A	Q1/26A	Q2/26A	Q3/26E	Q4/26E	2026E	Q1/27E	Q2/27E	Q3/27E	Q4/27E	2027E	2028E
Revenue ($M)	**$147.1**	$53.0	$64.6	$68.9	$73.1	**$259.6**	$60.0	$60.0	$74.3	$74.1	**$268.5**	**$349.7**
Adj. EBITDA ($M)	**$46.2**	$28.7	$28.2	$29.4	$35.1	**$121.5**	$30.4	$30.4	$35.2	$35.0	**$130.8**	**$165.3**
Net Income ($M)	**($20.4)**	$12.9	$9.2	$7.7	$13.2	**$42.9**	$15.5	$15.7	$17.1	$16.5	**$64.8**	**$78.3**
EPS (Basic)	***($0.16)***	*$0.09*	*$0.07*	*$0.06*	*$0.10*	***$0.31***	*$0.11*	*$0.11*	*$0.12*	*$0.12*	***$0.47***	***$0.57***
Operating Cash Flow ($M)	**$56.2**	$17.2	$11.6	$18.1	$23.7	**$70.6**	$24.1	$24.1	$27.1	$27.6	**$102.9**	**$126.7**
Capex ($M)	**$19.7**	$9.9	$14.7	$17.1	$12.0	**$53.7**	$22.3	$22.3	$37.0	$40.0	**$121.5**	**$168.8**
Free Cash Flow ($M)	**$21.2**	$1.8	($8.6)	$1.0	$11.7	**$6.0**	$1.8	$1.8	($9.9)	($12.4)	**($18.6)**	**($42.1)**

Figure 6: Tear Sheet

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