Research Note

Cerrado Gold – Q3 Highlighted by Growth & Lower Costs; AISC Down ~20% QoQ

Rating	Target Price
BUY	**C$4.50**
Unchanged	*Unchanged*

Riley Venton, P.Eng | Equity Research Analyst | rventon@atriumresearch.ca | 705-927-0466
Nicholas Cortellucci, CFA | Equity Research Analyst | ncortellucci@atriumresearch.ca | 647-391-3314

November 20, 2026

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	154%

Market Data	
Share Price	C$1.77
Average Daily TSXV Volume (K)	427.6
FD ITM Shares (M)	152.6
Market Cap ($M)	$176.7
Pro-Forma Cash ($M)	$23.9
Debt ($M)	$41.9
Enterprise Value ($M)	$194.7

FYE Dec 31	**2025A**	**2026E**	**2027E**
Revenue ($M)	$147.1	$252.3	$251.8
Adj. EBITDA ($M)	$46.2	$121.9	$120.1
Operating CF ($M)	$56.2	$73.3	$96.6
Net Income ($M)	($20.4)	$53.1	$54.7

Valuation	
Minera Don Nicolas ($M)	$350.4
Manantial Espejo ($M)	$81.1
Lagoa Salgada (80%) ($M)	$156.0
Mont Sorcier ($M)	$831.7
P/NAV	0.18x

	2025A	**2026E**	**2027E**
EV/EBITDA	4.2x	1.6x	1.6x
EV/CF	3.5x	2.7x	2.0x

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 owns 100% of the producing Minera Don Nicolás and Las Calandrias mines in Santa Cruz province, Argentina and recently acquired the past-producing Manantial Espejo mine from Pan American Silver. In Portugal, the Company holds an 80% interest in the highly prospective Lagoa Salgada VMS project. In Canada, Cerrado Gold is developing its 100% owned Mont Sorcier Iron project located outside of Chibougamau, Quebec.

What you need to know:

- Q3 revenue of $67.9M aligned with our estimates while adjusted EBITDA of $33.8M beat our forecast by +15% on lower costs.
- AISC declined QoQ from $1,933/oz to $1,546/oz as CERT continues to execute on its cost cutting program while expanding production.
- OCF of $24.6M doubled QoQ, a quarterly level we forecast continuing, positioning CERT to fund Manantial Espejo's 2027 restart internally in tandem with its strong $33.9M cash position.
- CERT will host a conference call on Monday at 11am ET.

Yesterday evening, Cerrado Gold Inc. (CERT:TSXV, CRDOF:OTCQX) released its Q3 financials, which will be followed by a conference call on Monday. Sales were pre-reported, so revenue aligned with our forecast, while Adj. EBITDA delivered a solid beat on lower costs, and earnings were broadly in line after adjusting for a ~$20M gain on stream obligations. Cash costs and AISC displayed significant improvement from Q2, enabling an over doubling in OCF QoQ to ~$25M. **We are maintaining our BUY rating and target price of C$4.50/share on Cerrado Gold.**

Q3 production of 16.7Koz AuEq was pre-released and highlighted by +8% QoQ (+21% YoY) production growth (read our note here). 9-month production of 44.9Koz AuEq is tracking to the upper end of the 50-60Koz guidance range – we are forecasting 2026 production of 62Koz. AuEq sales in the quarter were 16.2Koz.

Adj EBITDA beat by ~15% on lower costs. Given Q3's sales of 16.2Koz AuEq and realized gold price of $4,256/oz were also pre-released, revenue of $67.9M aligned with our $68.9M forecast, increasing +5% QoQ from $64.6M on +4% higher sales and a +2% higher realized gold price. Production costs of $28.1M came in below our $30.7M expectation (-9%) facilitating adj. EBITDA of $33.8M vs. our $29.4M (+15%). Lower costs were offset by higher-than-forecast depreciation resulting in income from mining operations of $25.0M vs. our $25.7M (-3%). The strong beat on net income ($25.2M vs. our $7.7M and $9.2M in Q2) reflects a $20.3M gain on repurchase of MDN's stream obligation. Excluding this, $0.04/sh compares to our $0.06/sh, which includes a modestly higher tax expense ($14.3M vs. our $11.5M).

AISC declined 20% QoQ. AISC rose in Q2 to $1,933/oz ($1,348/oz in Q1), and we were forecasting a modest decline QoQ to $1,880/oz. Q3's $1,546/oz came in well below our estimate (-18%), and the ~$1,800-$2,000/oz range CERT has guided through ~2028. The PEA targeted for Q1/27 should provide revised cost expectations in tandem with an extended mine life. Cash costs of $1,569/oz declined QoQ from $1,783/oz and beat our $1,746/oz forecast by ~10%.

Cash flow supports Manantial Espejo restart. Q3's OCF of $24.6M more than doubled QoQ from $11.6M in Q2 and compared to our $18.1M forecast. Capital expenditure totalled $17.6M (vs. our $17.1M), resulting in FCF of ~$7M. CERT ended the quarter with $33.9M in cash ($25.3M at the end of Q2), which includes $8M paid to the Sprott stream, and is supplemented by the C$10M strategic private placement with Eric Sprott. We continue to forecast quarterly operating cash flow of ~$25M in Q4 and through 2027, positioning the Company to fund the acquisition and restart of the Manantial Espejo Mine announced last week (read our note here).

Catalysts

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

	Q3/26A	Atrium Est.	Variance to Est.	Q2/26A	QoQ	Q3/25A	YoY
Revenue ($M)	$67.9	$68.9	-1%	$64.6	+5%	$41.0	+66%
Adj. EBITDA ($M)	$33.8	$29.4	+15%	$28.2	+20%	$11.8	+187%
Net Income ($M)	$25.2	$7.7	+228%	$9.2	+175%	($12.2)	NA
Operating Cash Flow ($M)	$24.6	$18.1	+36%	$11.6	+112%	$14.4	+71%
AISC (US$/oz by-product)	$1,546	$1,880	-18%	$1,933	-20%	$1,915	-19%

Figure 1: Q3 Financials Summary (Source: Atrium)

CERT will host a conference call on Monday (Nov 23rd) at 11am ET to discuss the quarter and outlook. Investors can register here.

Our Take

We are particularly pleased to see execution on the cost front at MDN as the Company successfully expands operations, exemplified by +21% YoY production growth, while implementing its cost reduction program. Management noted costs should further decline as production continues to ramp up over the coming quarters, and higher production rates are expected in Q4. We anticipate solid QoQ cash generation at MDN into 2027 will maintain the strong balance sheet, positioning CERT to progress its substantial development pipeline, which we view as one of the most undervalued growth stories.

We see last week's acquisition of Manantial Espejo from PAAS as an accretive addition, strengthening CERT's Argentina Au-Ag platform. The asset is expected to be the first in the portfolio to supplement MDN production, targeting first production toward the end of next year. We will be watching for additional detail on restart plans on Monday's call and will provide our takeaways following. In tandem, we continue to flag MDN's PEA toward the end of Q1/27 as a key catalyst, which will potentially outline expanded resources, an extended mine life, and increased production rates. In the meantime, the combination of MDN cash flow and a solid cash balance puts CERT in a strong position to bring Manantial Espejo into production without shareholder dilution. Ultimately, we see an opportunity for a ~125Kozpa+ AuEq production profile in Argentina and expect increased visibility on this growth in the coming quarters.

Further, the Company continues to advance an Optimized Feasibility Study at Lagoa Salgada in Portugal, and subject to permitting, could commence construction as early as late next year. We had the opportunity to visit the project this week and will provide our takeaways in the coming days. At Mont Sorcier, work continues to progress ahead of a feasibility study targeted for the first half of next year, which could add substantial growth beyond 2030.

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$1.77
Rating	BUY
Target Price	C$4.50
P/NAV	0.18x
Market Cap ($M)	$176.7
Cash ($M)	$23.9
Debt ($M)	$41.9
EV ($M)	$194.7

Capital Structure	
Basic Shares Outstanding (M)	142.3
Warrants (M)	2.0
Options, RSUs, DSUs (M)	13.6
FD Shares (M)	157.9
FD ITM Shares (M)	152.6

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**	12.9	12.9	12.9	12.9	**51.7**	**52.3**
Silver Production (Koz)	**270**	100	121	112	103	**435**	89	89	89	89	**355**	**348**
AISC (US$/oz by-product)	**$1,746**	$1,348	$1,933	$1,546	$1,723	**$1,642**	$1,978	$1,978	$1,978	$1,978	**$1,978**	**$1,942**
Manantial Espejo												
Gold Production (Koz)	**-**	-	-	-	-	**-**	-	-	-	1.3	**1.3**	**11.9**
Silver Production (Koz)	**-**	-	-	-	-	**-**	-	-	-	130	**130**	**881**
AISC (US$/oz by-product)	**-**	-	-	-	-	**-**	-	-	-	$2,705	**$2,705**	**$2,215**
Lagoa Salgada												
ZnEq Production (Koz)	**-**	-	-	-	-	**-**	-	-	-	-	**-**	**-**
AISC (US$/oz ZnEq)	**-**	-	-	-	-	**-**	-	-	-	-	**-**	**-**
Mont Sorcier												
Iron Ore Production (Kt)	**-**	-	-	-	-	**-**	-	-	-	-	**-**	**-**
AISC (US$/t conc)	**-**	-	-	-	-	**-**	-	-	-	-	**-**	**-**

Financial Estimates (FY)	2025A	Q1/26A	Q2/26A	Q3/26A	Q4/26E	2026E	Q1/27E	Q2/27E	Q3/27E	Q4/27E	2027E	2028E
Revenue ($M)	**$147.1**	$53.0	$64.6	$67.9	$66.8	**$252.3**	$59.6	$59.6	$59.6	$73.0	**$251.8**	**$349.2**
Adj. EBITDA ($M)	**$46.2**	$28.7	$28.2	$33.8	$31.2	**$121.9**	$29.0	$29.0	$29.0	$33.0	**$120.1**	**$164.8**
Net Income ($M)	**($20.4)**	$12.9	$9.2	$25.2	$5.9	**$53.1**	$12.1	$14.3	$13.4	$14.8	**$54.7**	**$77.8**
EPS (Basic)	***($0.16)***	*$0.09*	*$0.07*	*$0.18*	*$0.04*	***$0.38***	*$0.09*	*$0.10*	*$0.09*	*$0.10*	***$0.38***	***$0.55***
Operating Cash Flow ($M)	**$56.2**	$17.2	$11.6	$24.6	$19.9	**$73.3**	$24.0	$23.2	$23.2	$26.2	**$96.6**	**$126.2**
Capex ($M)	**$35.0**	$15.4	$20.1	$17.6	$12.0	**$65.1**	$22.3	$22.3	$36.3	$40.0	**$121.0**	**$168.8**
Free Cash Flow ($M)	**$21.2**	$1.8	($8.6)	$7.0	$7.9	**$8.1**	$1.6	$0.9	($13.1)	($13.8)	**($24.4)**	**($42.6)**

Figure 2: Tear Sheet

	Q4/26E		2026E		2027E	
	New	Previous	New	Previous	New	Previous
Revenue ($M)	**$66.8**	$73.1	**$252.3**	$259.6	**$251.8**	$268.5
Adj. EBITDA ($M)	**$31.2**	$35.1	**$121.9**	$121.5	**$120.1**	$130.8
Net Income ($M)	**$5.9**	$13.2	**$53.1**	$42.9	**$54.7**	$64.8
Operating Cash Flow ($M)	**$19.9**	$23.7	**$73.3**	$70.6	**$96.6**	$102.9
Free Cash Flow ($M)	**$7.9**	$11.7	**$8.1**	$6.0	**($24.4)**	($18.6)

Figure 3: Revision Estimates (Source: Atrium)

Disclosures

Analyst Certification
Each authoring analyst of Atrium Research on this report certifies that (i) the recommendations and opinions expressed in this research accurately reflect the authoring analyst's personal, independent and objective views about any and all of the designated securities discussed (ii) no part of the authoring analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the research, (iii) to the best of the authoring analyst's knowledge, she/he is not in receipt of material non-public information about the issuer, (iv) the analyst does not own common shares, options, or warrants in the company under coverage, (v) the analysts adhere to the CFA Institute guidelines for analyst independence, and (vi) this report belongs to the CFA Institute.

Atrium Research Ratings System
BUY: The stock is expected to generate returns of over 20% over the next 24 months.
HOLD: The stock is expected to generate returns of 0-20% over the next 24 months.
SELL: The stock is expected to generate negative returns over the next 24 months.
NOT RATED (N/R): Atrium does not provide research coverage on the respective company.

COVERED COMPANIES
67

About Atrium Research
Atrium Research provides institutional quality company sponsored research on public equities in North America. Our investment philosophy takes a 3-5 year view on equities currently being overlooked by the market. Our research process emphasizes understanding the key performance metrics for each specific company, trustworthy management teams, and an in-depth valuation analysis. For further information on our team, please visit https://www.atriumresearch.ca/team.

General Information
Atrium Research Corporation (ARC) has created and distributed this report. This report is a general discussion of the merits and risks of a security or securities only, was prepared for general circulation, is not in any way meant to be tailored to the needs and circumstances of any recipient and does not provide investment recommendations specific to individual investors. As such, the securities discussed in this report may not be suitable for all investors and investors must make their own investment decisions based upon their specific investment objectives and financial situation, utilizing their own financial advisors as they deem necessary.

This report is based on information we considered reliable; we have not been provided with any material non-public information by the company (or companies) discussed in this report. We do not represent that this report is accurate or complete and it should not be relied upon as such; further any information in this report is subject to change without any formal or type of notice provided. Investors should consider this report as only one factor in their investment decisions; this report is not intended as a replacement for investor's independent judgment.

ARC is not a CIRO registered dealer and does not offer investment-banking services to its clients. ARC (and its employees) do not own, trade or have a beneficial interest in the securities of the companies we provide research services for and does not serve as an officer or Director of the companies discussed in this report. ARC does not make a market in any securities. This report is not disseminated in connection with any distribution of securities and is not an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal.

ARC does not make any warranties, expressed or implied, as to the results to be obtained from using this information and makes no express of implied warranties for particular use. Anyone using this report assumes full responsibility for whatever results they obtain. This report does not constitute a personal recommendation or take into account any financial or investment objectives, portfolio holdings, strategy, financial situations or needs of individuals. This report has not been prepared for any particular individual or institution. As such, any advice or recommendation in this report may not be suitable for a particular recipient. ARC assumes recipients of this report are capable of evaluating the information contained herein and of exercising independent judgment. A recipient of this report should not make any investment decision without first considering whether any advice or recommendation in this report is suitable for the recipient based on the recipient's particular circumstances and, if appropriate or otherwise needed, seeking professional advice, including tax advice. ARC does not perform any suitability or other analysis to check whether an investment decision made by the recipient based on this report is consistent with a recipient's investment objectives, portfolio holdings, strategy, financial situation, or needs. Past performance is not an indication or guarantee of future results, future returns are not guaranteed, and loss of original capital may occur. By providing this report, ARC does not accept any authority, discretion, or control over the management of the recipient's assets. Any action taken by the recipient of this report, based on the information in the report, is at the recipient's sole judgment and risk. The recipient must perform his or her own independent review of any prospective investment. Neither ARC nor any person employed by ARC accepts any liability whatsoever for any direct or indirect loss resulting from any use of its research or the information it contains.

This report contains "forward-looking" statements. Forward-looking statements regarding the Company and/or stock's performance inherently involve risks and uncertainties that could cause actual results to differ from such forward-looking statements. Such statements involve a number of risks and uncertainties such as competition, market demand, and the company's (and management's)

ability to correctly forecast financial estimates. As a result, the actual results, events, performance or achievements of the financial product may be materially different from those expressed or implied in such statements. Please see the Company's MD&A "Risk Factors" Section for a more complete discussion of company specific risks for the company discussed in this report. Any opinion or estimate constitutes the preparer's best judgment as of the date of preparation, and is subject to change without notice. ARC assumes no obligation to maintain or update this report based on subsequent information and events.

ARC is receiving a cash compensation from Cerrado Gold Inc. for 12-months of research coverage. This report was disseminated on behalf of Cerrado Gold Inc. ARC retains full editorial control over its research content. ARC does not have investment banking relationships and does not expect to receive any investment banking driven income. ARC reports are primarily disseminated electronically and, in some cases, printed form. Electronic reports are simultaneously available to all recipients in any form. This report or any portion hereof may not be copied, reprinted, sold, or redistributed or disclosed by the recipient or any third party, by content scraping or extraction, automated processing, or any other form or means, without the prior written consent of ARC. Any unauthorized use is prohibited. Neither ARC nor any of its respective directors, officers or employees is responsible for guaranteeing the financial success of any investment, or accepts any liability whatsoever for any direct, indirect or consequential damages or losses arising from any use of this report or its contents.

To receive future reports on covered companies please visit https://www.atriumresearch.ca/research or subscribe on our website.

This report has been prepared independently of any issuer of securities mentioned herein and not as agent of any issuer of securities. No ARC personnel have authority whatsoever to make any representations or warranty on behalf of the Company. Any comments or statements made herein are those of ARC.

The information contained herein is not, and under no circumstances is to be construed as, an offer to sell securities described herein, or solicitation of an offer to buy securities described herein, in Canada or any province or territory thereof. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators, if applicable, and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the dealer registration requirement in the relevant province or territory of Canada in which such offer or sale is made. The information contained herein is under no circumstances to be construed as investment advice in any province or territory of Canada and is not tailored to the needs of the recipient. To the extent that the information contained herein references securities of an issuer incorporated, formed or created under the laws of Canada or a province or territory of Canada, any trades in such securities must be conducted through a dealer registered in Canada. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed judgment upon this research report, the information contained herein or the merits of the securities described herein, and any representation to the contrary is an offence.

The information contained in this report is intended to be viewed only in jurisdictions where it may be legally viewed and is not intended for use by any person or entity in any jurisdiction where such use would be contrary to local regulations or which would require any registration requirement within such jurisdiction.