



NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON

JUNE 27, 2024

AND

MANAGEMENT INFORMATION CIRCULAR

DATED May 29, 2024

CERRADO GOLD INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 27, 2024

The annual and special meeting (the “**Meeting**”) of the shareholders of Cerrado Gold Inc. (the “**Corporation**”) will be held at the Corporation’s registered office located at 200 Bay Street, Suite 3205, Toronto, ON M5J 2J2 at 11:00 a.m. (Eastern time) on Thursday, June 27, 2024 to:

1. to receive the audited financial statements of the Corporation for the financial year of the Corporation ended December 31, 2023, together with the report of the auditors thereon;
2. to elect the directors of the Corporation for the ensuing year;
3. to appoint the auditors of the Corporation for the ensuing year and to authorize the directors to fix their remuneration;
4. to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution, approving the arm’s length sale by the Corporation to Amarillo Mineração Do Brasil Ltda., a subsidiary of Hochschild Mining PLC, of all of the issued and outstanding shares of the Corporation’s subsidiary, Serra Alta Mineração Ltda., which holds the Corporation’s Monte do Carmo project in Brazil (the “**Transaction**”); and
6. to transact such other business as may properly be brought before the Meeting or any adjournment or adjournments thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the management information circular of the Corporation accompanying this notice (the “**Circular**”).

If you are a registered shareholder of the Corporation and are unable to attend the Meeting in person, please date and execute the accompanying form of proxy and return it in the envelope provided to the Proxy Department of TSX Trust Company, 100 Adelaide Street, Suite 301, Toronto, Ontario, M4H 4H1, Attention: Proxy Department (facsimile (416) 595-9593) by no later than 11:00 am (ET) on Tuesday, June 25, 2024 or, in the case of an adjournment or postponement, no later than 48 hours (excluding Saturdays, Sundays and statutory holidays) before any reconvened meeting.

If you are not a registered shareholder of the Corporation and receive these materials through your broker or through another intermediary, please complete and return the form of proxy in accordance with the instructions provided to you by your broker or by the other intermediary. Failure to do so may result in your shares not being eligible to be voted by proxy at the Meeting.

The Board of Directors of the Corporation has fixed May 22, 2024 as the record date for determining the shareholders who are entitled to vote at the Meeting. Only holders of common shares of the Corporation at the close of business on May 22, 2024 will be entitled to receive notice of and to vote at the Meeting.

DATED at Toronto, Ontario this 29th day of May, 2024.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ “*Carl Calandra*”

CARL CALANDRA

Vice President, General Counsel & Corporate Secretary

CERRADO GOLD INC.
(the “Corporation”)

**INFORMATION CIRCULAR FOR THE ANNUAL AND SPECIAL
MEETING TO BE HELD ON JUNE 27, 2024**

PROXIES

Solicitation of Proxies

This management information circular (the “**Circular**”) is furnished in connection with the solicitation of proxies for use at the annual and special meeting (the “**Meeting**”) of shareholders of the Corporation (the “**Shareholders**”) to be held on June 27, 2024, at the registered offices of the Corporation located at 200 Bay Street, Suite 3205, Toronto, ON M5J 2J2 at 11:00 a.m., and at any adjournment thereof. The form of proxy must be addressed to and reach our Transfer Agent, c/o TSX Trust Company, 301-100 Adelaide Street West, Toronto, Ontario, M5H 4H1, Attention: Proxy Department, by email at tsxtis@tmx.com or by phone at 1-866-600-5869, not less than 48 hours before the time for holding the Meeting or any adjournment thereof. Only Shareholders of record at the close of business on May 22, 2024, will be entitled to vote at the Meeting, unless that Shareholder has transferred any shares subsequent to that date and the transferee Shareholder, not later than 10 days before the Meeting, establishes ownership of the shares and demands that the transferee’s name be included on the list of Shareholders.

Unless otherwise specified, all information in this Circular is given as of May 29, 2024.

The instrument appointing a proxy must be in writing and must be executed by you or your attorney authorized in writing or, if you are a corporation, under your corporate seal or by a duly authorized officer or attorney of the corporation.

The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. As a Shareholder you have the right to appoint a person, who need not be a Shareholder, to represent you at the Meeting. To exercise this right you should insert the name of the desired representative in the blank space provided on the applicable form of proxy and strike out the other names or submit another appropriate proxy.

Advice to Beneficial Holders of Common Shares

Shareholders who do not hold their shares in their own name (“**Beneficial Shareholders**”) are advised that only Shareholders whose names appear on the records of the Corporation as the registered holders of shares or duly appointed proxyholders can be recognized and permitted to vote at the Meeting. Most Shareholders are “non-registered” Shareholders because the shares they own are not registered in their names but instead are registered in the name of a nominee, such as a brokerage firm through which they purchased the shares, a bank, trust company, trustee or administrator of self-administered RRSP’s, RRIF’s, RESP’s and similar plans, or a clearing agency such as The Canadian Depository for Securities Limited (a “**Nominee**”). If you purchased your shares through a broker, you are likely a non-registered holder. In accordance with securities regulatory policy, the Corporation has distributed copies of the Meeting materials, being the notice of meeting, this Circular and the form of proxy, to all Nominees for distribution to non-registered holders.

National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators requires Nominees to forward the Meeting materials to non-registered holders to seek their voting instructions in advance of the Meeting. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered holder. The Nominees often have their own form of proxy, mailing procedures and provide their own return instructions. If you wish to vote by proxy, you should carefully follow the instructions from the Nominee in order to ensure that your shares are voted at the Meeting. The form of proxy supplied to a non-registered holder by its broker (or the agent of the broker) is substantially

similar to the form of proxy provided directly to registered Shareholders by the Corporation. However, its purpose is limited to instructing the registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the non-registered holder.

If you, as a non-registered holder, wish to vote at the Meeting in person, you should appoint yourself as proxyholder by writing your name in the space provided on the request for voting instructions or proxy provided by the Nominee and return the form to the Nominee in the envelope provided. Do not complete the voting section of the form as your vote will be taken at the Meeting.

In addition, Canadian securities legislation now permits the Corporation to forward Meeting materials directly to “non-objecting beneficial owners”. If the Corporation or its agent has sent these materials directly to you (instead of through a Nominee), your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Nominee holding such securities on your behalf. By choosing to send these materials to you directly, the Corporation (and not the Nominee holding such securities on your behalf) has assumed responsibility for: (i) delivering these materials to you; and (ii) executing your proper voting instructions.

Revocability of Proxy

You may revoke your proxy at any time prior to a vote. If you or the person you give your proxy to attend personally at the Meeting you or such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by you or your attorney authorized in writing or, if you are a corporation, under your corporate seal or by a duly authorized officer or attorney of the corporation. To be effective the instrument in writing must be deposited either at our head office at any time up to and including the last business day before the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the chairman of the Meeting on the day of the Meeting, or any adjournment thereof.

Persons Making the Solicitation

This solicitation is made on behalf of the Corporation’s management. The Corporation will bear the costs incurred in the preparation and mailing of the form of proxy, notice of annual and special meeting and this Circular. In addition to mailing form of proxy, proxies may be solicited by personal interviews, or by other means of communication, by our directors, officers and employees who will not be remunerated therefor.

Exercise of Discretion by Proxy

The common shares represented by proxy in favour of management nominees will be voted on by poll at the Meeting. Where you specify a choice with respect to any matter to be acted upon the shares will be voted on by poll in accordance with the specification so made. If you do not provide instructions your shares will be voted in favour of the matters to be acted upon as set out herein. The persons appointed under the form of proxy which we have furnished are conferred with discretionary authority with respect to amendments or variations of those matters specified in the form of proxy and notice of annual and special meeting and with respect to any other matters which may properly be brought before the Meeting or any adjournment thereof. At the time of printing this Circular, we know of no such amendment, variation or other matter.

Changes to the Meeting date and/or means of holding the Meeting may be announced by way of press release. Please monitor the Corporation press releases as well as the Corporation website at www.cerradogold.com for updated information. If applicable and as appropriate, the Corporation will provide required information on the logistical details of a virtual or hybrid Meeting including how a Shareholder can remotely access, participate in and vote at a Meeting. An amended management information circular will not be mailed out in the event of changes to the Meeting format.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares, issuable in series. As of the date hereof, the Corporation has •common shares and no preferred shares issued and outstanding.

The record date for the Meeting is May 22, 2024 (the “**Record Date**”). Each holder of common shares of record on the Record Date will be entitled to one vote for each common share held at the Meeting.

To the knowledge of the directors and officers of the Corporation, as at May 29, 2024, no person or company beneficially owned, directly or indirectly, or exercised control or direction, over more than 10% of the Corporation’s outstanding common shares other than Monte Sinai Mineração Ltda. which holds 10,935,300 common shares representing approximately 10.63% of the Corporation’s outstanding common shares. As at May 29, 2024, our directors and executive officers, beneficially owned, directly or indirectly, or exercised control or direction over an aggregate of 12,554,269 common shares (approximately 12.20% of the issued and outstanding common shares).

Description of Common Shares

Each common share entitles its holder to receive notice of and to attend all meetings of our shareholders and to one vote at such meetings. The holders of common shares are, at the discretion of the board of directors of the Corporation (the “**Board of Directors**” or “**Board**”) and subject to applicable legal restrictions, entitled to receive any dividends declared by the Board of Directors on common shares. The holders of common shares will be entitled to share equally in any distribution of the Corporation’s assets upon the liquidation, dissolution, bankruptcy or winding-up of the Corporation or other distribution of its assets among the shareholders for the purpose of winding-up the Corporation’s affairs. Such participation is subject to the rights, privileges, restrictions and conditions attaching to any other shares having priority over common shares. The Corporation’s common shares are listed for trading on the TSX Venture Exchange (“**TSXV**”) under the symbol “**CERT**”.

MATTERS TO BE ACTED UPON AT THE MEETING

1. Financial Statements

The consolidated financial statements of the Corporation for the year ended December 31, 2023, and the auditors' report thereon will be placed before the Shareholders at the Meeting. The presentation of such audited consolidated financial statements to the Shareholders at the Meeting will not constitute a request for approval or disapproval. Copies of the Corporation's annual and interim consolidated financial statements are also available on SEDAR+ at www.sedarplus.com.

2. Election of Directors

Management is soliciting proxies, in the accompanying applicable form of proxy, for an ordinary resolution in favour of the election as directors of the eight (8) nominees set forth below.

Mark Brennan (Chairman)	Maria Virginia Anzola
Robert Campbell	Christopher Jones
Kurt Menchen	Elmer Prata Salomão
Jad Salomão	Robert Sellars

Shareholders can vote for all of the proposed directors set forth herein, vote for some of them and withhold for others, or withhold for all of them. **Unless otherwise specified, the persons named in the accompanying proxy intend to vote for the election of all eight (8) nominees.** Management of the Corporation does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any

reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the persons named in the enclosed form of proxy to vote the proxy for the election of any other person or persons in place of any nominee(s) unable to serve. Each director elected will hold office until the close of the next annual meeting of Shareholders following his election unless his office is earlier vacated in accordance with the by-laws of the Corporation.

The names and municipalities of residence of the persons nominated for election as directors, the approximate number of common shares and non-voting shares beneficially owned, directly or indirectly, or over which control or direction is exercised, by each of them, the dates on which they became directors, and their principal occupations during the preceding five years, were as follows:

Name and Residence⁽¹⁾	Principal Occupation during the Five Preceding Years	Director Since	Number of common shares beneficially owned directly or indirectly or over which control or direction is exercised
Mark Brennan <i>Toronto, Ontario</i>	Chairman, Chief Executive Officer and Director of Cerrado (December 1, 2018 to present; Executive Chairman of Ascendant Resources Inc. (TSXV:ASND) (December 1, 2018 to present); Former President and Chief Executive Officer of Sierra Metals Inc. (TSXV:SMT) (March 2015 to March 2017).	February 19, 2021	5,401,755
Maria Virginia Anzola <i>Oakville, Ontario</i>	Consultant and Co-Founder at The Flipside Plan. Until April 15, 2021, General Counsel and Corporate Secretary of Ascendant Resources Inc. and Cerrado Gold Inc., Assistant General Counsel (January 2016 to March 2017) and Director of Legal (March 2014 to January 2016) of Primero Mining Corp.; Senior Counsel, Hudbay Minerals Inc. (September 2010 to March 2014).	June 12, 2023	141,250
Robert Campbell <i>Burlington, Ontario</i>	Former Vice President, Exploration, Ascendant Resources Inc. (December 2018 to April 2021); Former Vice President, Exploration, Cerrado Gold Inc (December 2018 to April 30, 2021); Former Vice President, Exploration of Largo Resources Ltd. (October 2003 to November 2018).	February 19, 2021	1,250,000
Christopher Jones <i>Toronto, Ontario</i>	Partner at Williams and Partners (2015-Present)	June 30, 2022	80,340
Kurt Menchen <i>Candelaria, Brazil</i>	President and Country Manager, Brazil of the Corporation	February 19, 2021	1,879,999
Elmer Prata Salomão Brasília, DF Brazil	Founder and managing director of GEOS-Mining Services Ltda., and managing director of EPS Consulting Ltda., a solely owned mining consulting company	February 19, 2021	350,000
Jad Salomão <i>Porto Nacional, Brazil</i>	Director of Monte Sinai Mineração Ltda (2010-Present); Board Member of Cerrado Gold Inc. (2017-Present)	February 19, 2021	150,000
Robert Sellars <i>Oakville, Ontario</i>	Senior Vice President & Chief Financial Officer of Red Cloud Financial Services (2021-Present), Dundee Corporation (2001-2021)	June 30, 2022	NIL

Notes:

- (1) All the Corporation's directors have been elected to hold office until the next annual meeting of shareholders or until their successor is duly elected or appointed, unless their office is earlier vacated.

Mark Brennan

Mr. Brennan is Chairman and Chief Executive Officer of the Corporation and Executive Chairman of Ascendant Resources Inc. Mr. Brennan has over 30 years of financing and operating experience in the Americas and Europe. Mr. Brennan served as President and CEO of Sierra Metals Inc., where he overhauled the corporate foundation and led a campaign to restructure the Yaricocha mine, a significant zinc-lead-silver-copper mine in Peru; he also oversaw the growth of the resource base and production at its Cusi and Bolivar mines in Mexico. Prior to that, Mr. Brennan served as President and CEO at Largo Resources Ltd., where he facilitated the acquisition of its flagship Maracas Vanadium Project in 2006 and advanced the project through a maiden resource, definitive feasibility, and completion of a \$300 million financing, construction and first production. Prior to Largo Resources Ltd., Mr. Brennan was a founder or founding member of several resource companies, including Desert Sun Mining, Brasoil Corporation, Morumbi Oil and Gas, and Admiral Bay Resources. He was a director and Executive Chairman of Voyager Metals Inc. prior to its acquisition by the Corporation. Mr. Brennan began his professional career as an investment banker in London, England.

Maria Virginia Anzola

Ms. Anzola is presently a Consultant and Co-Founder of The FlipSide. Until April 15, 2021, Ms. Anzola was the General Counsel and Corporate Secretary of Ascendant Resources Inc. and Cerrado Gold. Ms. Anzola has over 20 years of experience advising companies in the extraction industry. Prior to joining Ascendant in 2017, Ms. Anzola served as Assistant General Counsel for Primero Mining Corp, and prior to that she served as Senior Counsel for Hudbay Minerals Inc. In addition, Ms. Anzola served as Consultant to the Tax Group of Borden Ladner Gervais LLP for over two years. Prior to moving to Canada, Ms. Anzola spent 11 years in private practice in her home country of Venezuela, mostly advising international companies engaged in the oil and gas business. Ms. Anzola has been called to the bar in Ontario and Venezuela and has an LL.M from the University of Michigan, Ann Arbor and from Osgoode Hall Law School.

Robert Campbell

Mr. Campbell is a retired exploration geologist with over 40 years of experience in the mining and exploration industry through Canada, United States and Latin America. He is a Director of the Company and Ascendant Resources Inc. Mr. Campbell served as Vice President, Exploration of the Corporation until April 30, 2021. Prior to joining the Corporation, Mr. Campbell was the Vice-President, Exploration at Largo Resources and has prior experience working at major mining companies, most notably Noranda, Lac Minerals and Apogee Minerals Ltd. Mr. Campbell is a director of Cerrado Gold Inc. Mr. Campbell holds a M.Sc. in geology from the Department of Earth Sciences, University of Western Ontario.

Christopher Jones

Christopher Jones is an experienced professional chartered accountant, business valuator, Chief Financial Officer and financial advisor. Chris is a Chartered Professional Accountant (CPA), Chartered Accountant (CA), Licensed Public Accountant (LPA), Chartered Financial Analyst (CFA) and Chartered Business Valuator (CBV). As a Partner at Williams & Partners Chartered Professional Accountants LLP, he advises on complex taxation strategies, growth strategies, cash flow management, financing strategies, wealth management, and succession planning. Chris advises several private equity firms on acquisition targets and appropriate due diligence requirements highlighting key risk areas and maximizing target potential while serving as an advisor to high-net worth clients and families. Chris has served as CFO to several mid-market companies. He is the CFO of both AGTA Home Health Care and Bloom Care Solutions. He currently acts as Audit Committee Chair for Lara Exploration Ltd. and a director of the board of Ascendant Resources Inc.

Kurt Menchen

Mr. Menchen has over 37 years of experience operating and managing mining projects, including over 20 years as General Manager at Largo Resources, where he built the Maracas Menchen mine from a pit to a full fledged mining operation and the Jacobina Gold project in Bahia State, Brazil where he successfully operated the underground project for Anglo American, Desert Sun Mining and eventually Yamana Gold, through low gold price environments. Mr. Menchen currently serves as Chief Operating Officer and Director at Cerrado Gold Inc. His prior experience includes Anglo American's Vaal Reefs underground gold mine in South Africa and De Beers Goldfields in Angola. Mr. Menchen holds a degree in mining engineering from Federal University of Rio Grande do Sul, Brazil.

Elmer Prata Salomao

From 1990-1995, Mr. Salomão served as General Director of Brazil's National Department of Mineral Production, DNPM, the federal agency in charge of administration of mineral concessions and the implementation of Brazilian mining policy. Mr. Salomão is founder and now managing director of well recognized GEOS-Mining Services Ltda., originally incorporated in 1974, and is now managing director of EPS Consulting Ltda., a solely owned mining consulting company.

Jad Salomão

Mr. Salomão has 42 years of experience in mineral exploration & mining and project evaluation with both major and Junior company in Brazil and Canada. He has managed several base metals projects (in special massive sulphides and sedimentary copper), precious metals (gold, PGM), diamonds, Industrial minerals (Ilmenite) and gem (Emerald, Alexandrite) projects. He is presently a major shareholder of the company Monte Sinai Mineração Ltda., which holds the Serra Alta project. Together with his partner, Oscar Neto, Mr. Salomão founded Verena Mineração Ltda - which became a junior mining company listed in the Toronto Stock Market in Canada from 1996 through 2010 – Verena Minerals Corporation (VMC) – which is now known as Belo Sun Mining Corp. Mr. Salomão and Mr. Oscar Neto are credited with the discovery and definition of the Belo Sun Volta Grande deposit; a deposit with over 7 million ounces of gold.

Robert Sellars

Robert M. Sellars has 40 years' experience in capital markets and financial services and has significant experience on investment industry committees within the Canadian Investment Regulatory Organization (formerly IIROC). Mr. Sellars previously sat on the board of directors of Android Industries, United Hydrocarbons International and Mutual Fund Dealers Association of Canada and currently serves on the board of directors for Dundee Sustainable Technologies.

Mr. Sellars is currently Senior Vice President and Chief Financial Officer of Red Cloud Financial Services Inc. Previously, Mr. Sellars served as Chief Financial Officer & Executive Vice President for Dundee Corporation, Chief Financial Officer at Dundee Energy Ltd., and held numerous other senior executive positions. Mr. Sellars is a Chartered Professional Accountant (CPA), Chartered Accountant (CA), Chartered Financial Analyst (CFA) and received an MBA from the University of Windsor.

Cease Trade Orders, Bankruptcies, Penalties and Sanctions

Except as set out below, none of the proposed directors is, as at the date hereof, or has been, within ten (10) years prior to the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation) that: (i) while that person was acting in that capacity was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than thirty (30) consecutive days; (ii) was subject to a cease trade order or similar order or any order that denied the relevant company access to an exemption under securities legislation, that was in effect for a period of more than thirty (30) consecutive days that was issued

after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or (iii) while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to the bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Each of the directors and officers of the Corporation were directors and officers of the Corporation when, effective May 7, 2024, the Ontario Securities Commission issued a failure-to-file cease trade order (the “**CTO**”) in respect of the Corporation due to its failure to file the continuous disclosure materials (the “**Annual Filings**”) required by NI 51-102 for the financial year ended December 31, 2023. The delay in filing the Annual Filings was primarily due to the Corporation and its auditors, KPMG LLP, requiring additional time to complete the remaining audit and quality procedures. While the Corporation is working towards the filing of the Annual Filings, the Corporation remains under the CTO as of the date of this Circular.

Mr. Robert Sellars was the Chief Financial Officer of Dundee Energy Limited (“**DEN**”) from December 21, 2018 until March 27, 2019. Following the sale of DEN’s wholly owned subsidiary, Dundee Energy Limited Partnership, in November of 2018 pursuant to a court supervised sale process, DEN and certain of its subsidiaries filed an assignment for the benefit of creditors under the Bankruptcy and Insolvency Act (Canada) on March 27, 2019.

None of the proposed directors has, within the ten (10) years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets.

None of the proposed directors is, at the date hereof, or has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would be considered important to a reasonable security-holder in deciding whether to vote for a proposed director.

3. Appointment of Auditors

KPMG LLP are the independent registered certified auditors of the Corporation, first appointed as auditors of the Corporation effective February 19, 2021.

Shareholders of the Corporation will be asked at the Meeting to appoint KPMG LLP as the Corporation's auditors to hold office until the close of the next annual meeting of shareholders and to authorize the directors of the Corporation to fix the auditors' remuneration.

UNLESS OTHERWISE SPECIFIED, THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY WILL VOTE FOR THE APPOINTMENT OF KPMG LLP AS AUDITORS OF THE CORPORATION UNTIL THE CLOSE OF THE NEXT ANNUAL MEETING OF SHAREHOLDERS AND FOR THE AUTHORIZATION OF THE DIRECTORS TO FIX THEIR REMUNERATION.

4. Approval of the Sale of Serra Alta Mineração Ltda.

Details of the Transaction

On March 4, 2024 (the “**Grant Date**”), the Corporation entered into an option agreement (the “**Option Agreement**”) with Serra Alta Mineração Ltda., a limited liability company existing under the laws of Brazil (the “**Subsidiary**”), Amarillo Mineração Do Brasil Ltda., a limited liability company incorporated under the laws of Brazil (the “**Purchaser**”) and the Purchaser’s parent, Hochschild Mining PLC, a company existing

under the laws of England and Wales (“**Hochschild**”), pursuant to which the Purchaser has the option (the “**Option**”) to purchase from the Corporation all of the issued and outstanding securities of the Subsidiary held by the Corporation.

The Corporation owns 99.9% of the issued and outstanding securities in the capital of the Subsidiary (the “**Optioned Securities**”), which in turn holds 100% of the interest in the Monte do Carmo project (the “**MDC Project**”), located in the state of Tocantins in Brazil near the town of Monte do Carmo. The focus of the MDC Project is the Serra Alta deposit.

Pursuant to the Option Agreement, subject to the fulfilment of certain conditions, the Purchaser shall acquire the Optioned Securities for an aggregate purchase price of US\$60 million (the “**Transaction**”). The Transaction is, among other things, subject to TSXV approval and Shareholder approval. Management intends to use the proceeds from the Transaction for the general working capital purposes and for the Corporation’s Minera Don Nicolas project.

Background to the Transaction

The Transaction is the culmination of a prolonged capital-raising process pursued by management in the summer and fall of 2023 in order to explore all possible funding alternatives to address the working-capital needs of the Corporation and fund the development of the MDC Project. During the second half of 2023, the Corporation undertook several formal attempts to raise equity capital with independent investment banks, and has pursued debt, alternative debt, private equity and strategic partnership alternatives to provide capital for the development of the MDC Project.

Despite the Corporation filing an extremely robust Feasibility Study positioning the MDC Project as potentially one of the world’s lowest-cost producers of gold, with a strong after-tax NPV and IRR, low initial capital requirement, and the sponsorship of strong project debt finance partners, the Corporation has been unable to attract sufficient capital to meet both the obligations or continue development of the MDC Project, as well as funding the change in working capital position in its Argentinian operations (described below) due to the lack of global liquidity for junior mining companies and development stage projects.

With regards to the Corporation’s Argentinian operations, fiscal policy changes implemented in the country following the November 2023 general election, have imposed a significant financial burden to the Minera Don Nicolás (“**MDN**”) operation, adding further strain to the Corporation’s working capital position. The material devaluation in the Argentinian peso in December 2023 resulted in hyper-inflation that, in turn, has led suppliers at MDN to increase costs and significantly restrict typical creditors operating terms. These changes occurred during the final stages of a substantial capital investment program at the Corporation’s MDN mine in Santa Cruz province, Argentina. Combined, these events have had a severe impact on the Corporation’s overall financial sustainability and led to the decision to enter into the Option Agreement with the Purchaser.

The immediate cash consideration received by the Corporation pursuant to the Transaction combined with anticipated production growth at MDN should address the short-term working capital requirements at MDN, and significantly enhance the Corporation’s financial position and ability to progress operations moving forward. The MDN project has now completed a major capital investment program and the Corporation expects the operation to generate a period of strong cashflows supporting a reduction in debt levels at MDN over the next year.

In addition, announcements by the Argentinian government in early 2024 that currency controls may be removed during the second half of 2024, would be a strong catalyst for the fiscal environment for MDN to improve. Management of the Corporation expects that operating cashflow from MDN combined with the immediate proceeds from the Transaction, and, ultimately the possible exercise of the Option, will put the Corporation in a robust financial position with a strong balance sheet from which it can organically grow and

increase shareholder value at the Corporation's operations.

In addition to the MDN producing gold mine, the Corporation also owns 100% of the Mont Sorcier Iron Ore project located just outside of Chibougamau, Quebec held by its fully owned subsidiary, Voyager Metals. A Preliminary Economic Assessment completed in 2022, outlined a project producing 5 million tonnes of 65% grade iron concentrates over a 21-year mine life with an initial NPV of US\$1.6 billion.

The Option Agreement

The description of the Option Agreement below is a summary only, is not exhaustive and is qualified in its entirety by reference to the terms of the Option Agreement, which may be found under the Corporation's profile on SEDAR+ at www.sedarplus.com.

The Option and Purchase Price

Pursuant to the Option Agreement, the Corporation has granted the Purchaser the option to purchase all of the Optioned Securities for total consideration of US\$60 million ("**Purchase Price**"), subject to the fulfilment of certain conditions, payable in the following stages:

- 1) US\$15 million, initially advanced by way of a 10% interest-bearing secured loan (the "**Signing Loan**") pursuant to a loan agreement dated as of the Grant Date between the Corporation and the Purchaser (the "**Loan Agreement**"), of which US\$7 million ("**First Advance**") was advanced as of the Grant Date, US\$1 million was advanced 60 days following the Grant Date, and the balance of US\$7 million may be advanced two days following the mailing by the Corporation of this Circular in connection with the special meeting of the Shareholders to approve the Transaction (the "**Transaction Shareholder Approval**"). All amounts owing by the Corporation to, or advanced to the Corporation by the Purchaser are secured by (i) a first lien on all of the outstanding equity interests in the Subsidiary, and (ii) a second lien on the assets relating to the MDC Project (the "**Security**"), until termination of the Option Period (defined below). The Security is subject to a security sharing agreement with another secured creditor. From the proceeds of the First Advance, US\$4 million was immediately used to repay all amounts owing under an existing US\$4 million promissory note (the "**Unsecured Loan**") owed to the Purchaser. The Unsecured Loan was advanced by the Purchaser to the Corporation on January 22, 2024. By using proceeds from the First Advance to repay the Unsecured Loan, the Corporation effectively replaced the Unsecured Loan with a secured obligation of the Corporation under the Loan Agreement. In the aggregate, all of the First Advance in the amount of US\$7 million in cash was available to the Corporation. The existence of the Unsecured Loan is disclosed in the Loan Agreement which is filed on SEDAR+.
- 2) US\$30 million, payable to the Corporation prior to the closing of the Transaction in cash as follows if the Purchaser, in its sole discretion, exercises the Option at any time during the Option Period (as defined below):
 - (a) US\$10 million, payable within five days of the date on which the Purchaser gives written notice of its exercise of the Option to the Corporation, which Option expires on March 19, 2025, and
 - (b) US\$20 million payable upon either (i) if necessary, the approval of the Transaction by Hochschild shareholders, which is to occur no later than June 30, 2025, or (ii) if Hochschild shareholder approval is not required, by no later than March 30, 2025.
- 3) US\$15 million, payable to the Corporation in cash following the closing of the Transaction as follows:
 - (a) US\$10 million payable within 14 days of the second anniversary of the date of the Transaction Shareholder Approval, and

- (b) US\$5 million payable within 14 days of the earlier of (i) the commencement of commercial production from the MDC Project, and (ii) March 31, 2027.

Upon the Transaction Shareholder Approval being obtained, the Signing Loan, together with all accrued and unpaid interest thereon and expenses relating thereto, shall be deemed to be repaid in full by the Corporation by the concurrent set off of an amount equal to the Signing Loan due by the Purchaser as part of the Purchase Price.

If the Corporation fails to secure the Transaction Shareholder Approval on or before June 30, 2024, the Signing Loan will mature on September 30, 2024, at which time the Corporation will be obliged to (i) repay the Signing Loan and other expenses (and any interest accrued thereon) no later than September 30, 2024, (ii) reimburse the Purchaser for any costs incurred on the MDC Project between the Grant Date and the date of termination of the Option Agreement, and (iii) pay to the Purchaser a break fee in the amount of US\$2.5 million (the “**Break Fee**”). Failure to secure the Transaction Shareholder Approval on or before June 30, 2024 will also trigger an event of default under the Loan Agreement, pursuant to which the Purchaser will be entitled to immediately accelerate repayment of the Signing Loan and other expenses (and any interest accrued thereon) upon written notice to the Corporation. All such amounts would be secured by the Security.

Conditions Precedent

The completion of the Transaction is conditional upon compliance by the parties with the covenants set out in the Option Agreement which includes certain conditions precedent to the obligations of the Corporation, the Subsidiary, Hochschild and the Purchaser to complete the Transaction, including but not limited to the following:

1) Mutual Conditions Precedent.

- (a) The material contracts relating to the MDC Project to which the Corporation is a party shall have been assigned by the Corporation to and assumed by the Purchaser.
- (b) No action or proceeding will be pending or threatened by any person (other than the Corporation, the Subsidiary or its subsidiary, the Purchaser or Hochschild) in any jurisdiction, and no order or notice will have been made, issued or delivered by any governmental entity, seeking to enjoin, restrict or prohibit, or enjoining, restricting or prohibiting, on a temporary or permanent basis any of the Transaction or imposing any temporary or permanent terms or conditions on the Transaction, the MDC Project or otherwise limiting the right of the Purchaser or Hochschild to conduct its business or operate the MDC Project after the closing of the Transaction on substantially the same basis as at the Grant Date.
- (c) The Transaction Shareholder Approval shall have been obtained.
- (d) Transfer of (i) all equity securities in the capital of the Subsidiary not owned by the Corporation at the Grant Date, and (ii) all equity securities in the capital of Serra Alta Participações Imobiliárias S.A. not owned by the Subsidiary at the Grant Date, to the Purchaser at the closing of the Transaction.

2) Conditions Precedent in Favour of the Purchaser.

- (a) If required by the UK Financial Conduct Authority under its listing rules, the approval of the shareholders of Hochschild shall have been obtained, or compliance with any other requirements under such listing rules as may be applicable.
- (b) All required consents and authorizations, including the approval of the TSXV, shall have been

obtained on terms acceptable to the Purchaser, acting reasonably.

- (c) Since the date of this Agreement, there shall not have occurred and be continuing a Material Adverse Effect (as defined in the Option Agreement).
- (d) Since the Grant Date, no law, proposed law, any change in any law, or the interpretation or enforcement of any law will have been introduced, enacted or announced, that makes the consummation of the Transaction illegal or otherwise prohibited or enjoins the consummation of the Transaction to prevent the Purchaser from (i) completing the Transaction or (ii) operating the MDC Project after the closing of the Transaction on substantially the same basis as operated at the Grant Date.

Option Expiry and Termination

The Option will expire upon the earlier of (the period starting on the Grant Date and ending upon such expiry being the “**Option Period**”): (i) March 19, 2025, (ii) the exercise of the Option and completion of the Transaction, and (iii) the termination of the Option Agreement.

The Option Agreement may be terminated at any time by notice in writing given prior to the closing of the Transaction:

- by the Purchaser or the Subsidiary, in the event the Corporation fails to secure the Transaction Shareholder Approval by June 30, 2024, in which case the Corporation will be obliged to (i) repay the Signing Loan and other expenses (and any interest accrued thereon) no later than September 30, 2024, (ii) reimburse the Purchaser for any costs incurred on the MDC Project between the date of signing of the Option Agreement and the date of termination of the Option Agreement, and (iii) pay to the Purchaser the Break Fee; failure to secure the Transaction Shareholder Approval on or before June 30, 2024 will also trigger an event of default under the Loan Agreement, pursuant to which the Purchaser will be entitled to immediately accelerate repayment of the Signing Loan and other expenses (and any interest accrued thereon) upon written notice to the Corporation;
- by the Corporation if, prior to obtaining the approval of the Shareholders of the Corporation, the Board authorizes the Subsidiary to enter into a written agreement with respect to a superior proposal, provided that, prior to or concurrent with such termination the Corporation will be obliged to (i) repay the Signing Loan and other expenses (and any interest accrued thereon) no later than September 30, 2024, (ii) reimburse the Purchaser for any costs incurred on the MDC Project between the date of signing of the Option Agreement and the date of termination of the Option Agreement, and (iii) pay to the Purchaser the Break Fee; and
- by the Purchaser in the event the Option has not been exercised prior to March 19, 2025.

Closing

Subject to the satisfaction or waiver of all other closing conditions, and the receipt of the Transaction Shareholder Approval and approval from the TSXV, should the Purchaser elect to exercise the Option, the parties expect that the Transaction shall be completed as soon as practicable following such exercise. The Purchaser has no obligation to exercise the Option. Pursuant to the Option Agreement.

Shareholder Approval

The TSXV requires, pursuant to 5.14(c) of TSXV Policy 5.3, the Corporation to obtain the approval of Shareholders for the Transaction. At the Meeting, Shareholders will be asked to approve an ordinary resolution

(the “**Transaction Resolution**”) by way of a simple majority of the votes cast on the Transaction Resolution by Shareholders present or represented by proxy and entitled to vote at the Meeting, excluding for this purpose votes attached to the common shares held by interested parties, in accordance with Section 5.14(c) of TSXV Policy 5.3. The Corporation is not aware of any Shareholder who will be ineligible to vote on the approval of the Transaction at the Meeting.

For greater certainty, the Transaction is an arm's-length transaction and, to the best of the Corporation's knowledge, there are no Shareholders with a material interest in the Transaction or the sale of the Subsidiary.

Regulatory Approval

The Corporation has applied to the TSXV for acceptance of the Transaction. In accordance with the conditions set forth in the Option Agreement, the Corporation is required to obtain the conditional acceptance of the TSXV prior to closing the Transaction. Final acceptance of the TSXV will be subject to a number of customary conditions, including, but not limited to the receipt of Transaction Shareholder Approval. The acceptance of the Transaction by the TSXV should not be interpreted to mean that the TSXV has in any way passed upon the merits of the Transaction.

Related Party Transaction

The Transaction is not considered to be a related party transaction under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

Recommendation of the Board

The Board has unanimously approved the Transaction and the resulting disposition of the Optioned Securities. The Board of the Corporation believes that the Transaction is in the best interests of the Corporation and, based on the factors set out below, that the Transaction is fair to the Shareholders.

After careful consideration, the Board unanimously recommends that Shareholders vote FOR the Transaction Resolution.

Reasons for Recommendation

- Improved Capital Position. As the consideration to be received by the Corporation is payable in cash, the Transaction will improve Corporation's immediate short-term capital position and address short-term working capital needs while injecting development capital into the Corporation's MDN project. Going forward, the Corporation will be well capitalized with a strong gold production profile and positioned to pursue growth programs at the Corporation's operating MDN gold mine and our Mont Sorcier high-grade iron project.
- Significant Shareholder Support. The directors, senior executives and principal Shareholder, who collectively own or control approximately 22.83% of the issued and outstanding common shares as of the date of this Circular, support the Transaction and have agreed to vote in favour of the Transaction Resolution.
- Credibility of Hochschild. Hochschild's commitment, creditworthiness and anticipated ability to complete the Transaction.
- Guarantee by Hochschild. The Purchaser's obligations under the Option Agreement are unconditionally guaranteed by Hochschild.

- Project Feasibility. The Corporation, in respect of the MDC Project, has defined a proven mineral reserve of approximately one million ounces of gold, has completed a robust feasibility study, is in the final stages of permitting approval, and has attracted strong capital partners for the majority of a potential project debt construction funding. Despite the achievement of these significant milestones, the Corporation has been unable to raise the funds necessary to reach the final investment decision for construction.
- Alternatives to the Transaction. The Corporation reviewed a variety of strategic alternatives, with a view to the best interests of the Corporation and its Shareholders, and the Board determined that the Transaction was superior to all other proposals under consideration, including the status quo.
- Limited Conditionality and Execution Risk. The Purchaser's obligation to complete the Transaction is subject to a limited number of conditions, and all required approvals and clearances are expected to be obtained without delay.
- Continued Operations. It is anticipated that the Corporation will continue as a listed entity and that the Board and management of the Corporation will review potential transactions to be completed by the Corporation following closing of the Transaction providing for additional potential upside for Shareholders.

The foregoing summary of the information and factors considered by the Board in reaching their conclusions is not, and is not intended to be, exhaustive. In view of the wide variety of factors and the amount of information considered in connection with its evaluation of the Transaction, the Board did not find it practicable to, and did not, quantify or otherwise attempt to assign any relative weight to each specific factor considered in reaching its conclusions and recommendations. In addition, individual directors may have assigned different weights to different factors.

Risk Factors Related to the Transaction

In evaluating whether to approve the Transaction, Shareholders should carefully consider the following risk factors. Additional risks and uncertainties, including those currently unknown to or considered immaterial by the Corporation may also adversely affect the Transaction. The following risk factors are not a definitive list of all risk factors associated with the Transaction.

Whether or not the Transaction is completed, the Corporation will continue to face the risks that it currently faces with respect to its affairs, business and operations and future prospects. Such risk factors are set forth and described in the filings of the Corporation filed with the securities regulatory authorities which have been filed on the Corporation's SEDAR+ profile at www.sedarplus.com.

- **Completion of the Transaction.** There are a number of conditions precedent to the Transaction which are outside the control of the Corporation, including, but not limited to, approval by the Shareholders of the Transaction Resolution, approval by the TSXV of the Transaction, and the completion of certain conditions of closing. There can be no certainty, nor can the Corporation provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. Moreover, a substantial delay in obtaining satisfactory approvals could result in the Transaction not being completed. In addition, the Purchaser has the right to terminate the Option Agreement under any circumstances and has no obligation to exercise the Option. Accordingly, there is no certainty that the Option Agreement will not be terminated before the completion of the Transaction. If the Transaction is not completed, there can be no assurance that the Corporation will be able to find another opportunity to sell the Subsidiary on the same or similar terms, if any, and no assurance that the Corporation will be able to address its immediate short-term capital position and short-term working capital needs.
- **Break Fee and other Termination Costs.** If the Transaction Resolution is not approved, the Purchaser

shall be entitled to terminate the Option Agreement, pursuant to which the Corporation will have to pay to the Purchaser: (i) all outstanding amounts, with interest, under the Signing Loan; (ii) all costs incurred on the MDC Project between the Grant Date and the date of termination of the Option Agreement; (ii) the Break Fee, which could have a significant impact on the Corporation's financial resources.

- **The Corporation will have broad discretion in the use of the net proceeds of the Transaction.** The Corporation will have broad discretion over the use of the net proceeds from the Transaction. Because of the number and variability of factors that will determine the Corporation's use of such proceeds, the Corporation's ultimate use might vary substantially from its planned use of such proceeds. Shareholders may not agree with how the Corporation determines to allocate or spend the proceeds from the Transaction.
- **Trading Price of the Common Shares.** If, for any reason, the Transaction is not completed or its completion is materially delayed, the trading price of the common shares of the Corporation may be materially adversely affected to the extent that the current market price reflects a market assumption that the Transaction will be completed and the Corporation's business may suffer.

Support Agreements

In connection with the entering into of the Option Agreement, all of the directors and officers of the Corporation and the significant Shareholder, who in the aggregate beneficially own, or exercise control over, approximately 22.83% of the Common Shares, entered into voting and support agreements with the Corporation and the Purchaser, pursuant to which, subject to the terms of their respective support agreement, they agreed to vote (or cause to be voted) all of the Common Shares and other securities of the Corporation, legally or beneficially owned by them or over which they exercise control or direction, as applicable, (to the extent that such securities carry the right to vote) **FOR** the Transaction Resolution.

Resolution Sought

At the Meeting, Shareholders will be asked to approve an ordinary resolution (the "**Transaction Resolution**") in substantially the following form:

"BE IT RESOLVED as an ordinary resolution of the shareholders of the Corporation:

- (a) the sale by the Corporation of the Optioned Securities, being all of the issued and outstanding securities of the Subsidiary owned by the Corporation, as more particularly described in the Circular, be and is hereby approved and authorized;
- (b) the execution of the Option Agreement, entered into between the Corporation, the Subsidiary, Hochschild and the Purchaser providing for the grant of the option to acquire all of the issued and outstanding securities of the Subsidiary owned by the Corporation to the Purchaser, and the actions of the directors of the Corporation in approving the Transaction and the actions of the officers of the Corporation in executing and delivering the Option Agreement, any amendments thereto, and all other agreements, certificates and other instruments executed and delivered by the Corporation pursuant to the Option Agreement, be and are hereby ratified and approved;
- (c) notwithstanding that this resolution has been duly passed by the shareholders of the Corporation, the directors of the Corporation are hereby authorized and empowered, without further notice to, or approval of, the Shareholders to amend the Option Agreement to the extent permitted thereby, or, subject to the terms of the Option Agreement, not to proceed with the Transaction; and
- (d) any one or more directors and officers of the Corporation is hereby authorized and directed to perform all such acts, deeds and things and to execute, under corporate seal of the Corporation or otherwise, all such

documents and other writings, including as may be required to give effect to the true intent of this resolution.”

In the absence of a contrary instruction, the persons named in the enclosed form of proxy intend to vote FOR the above Transaction Resolution.

DIRECTORS’ AND OFFICERS’ COMPENSATION

The Corporation’s Statement of Executive Compensation, in accordance with the requirements of Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*, is set forth below, which contains information about the compensation paid to, or earned by, the Corporation’s Chief Executive Officer and Chief Financial Officer and the most highly compensated executive officer of the Corporation earning more than CND\$150,000 in total compensation (the “**Named Executive Officers**” or “**NEOs**”) during the Corporation’s last two most recently completed financial years. For the year-ended December 31, 2023 the Named Executive Officers of the Corporation are Mark Brennan, Chairman & Chief Executive Officer, Jason Brooks, Chief Financial Officer, and Casper Groenwald, Chief Operating Officer.

Compensation Discussion and Analysis

Objectives of the Compensation Program

The objectives of the Corporation's compensation program are to attract, hold and inspire performance of members of senior management of a quality and nature that will enhance the sustainable profitability and growth of the Corporation.

Overview of the Compensation Philosophy

The following principles guide the Corporation's overall compensation philosophy:

- (a) compensation is determined on an individual basis by the need to attract and retain talented, high-achievers;
- (b) an appropriate portion of total compensation is variable and linked to achievements, both individual and corporate;
- (c) internal equity is maintained such that individuals in similar jobs and locations are treated fairly; and
- (d) the Corporation supports reasonable expenses in order that employees continuously maintain and enhance their skills.

The Human Resources & Compensation Committee of the Corporation (the “**Compensation Committee**”) is given discretion to determine and adjust, year to year, the relative weighting of each form of compensation discussed above in a manner which best measures the success of the Corporation and its NEOs.

Role of the Human Resources & Compensation Committee

The Compensation Committee is comprised of Mark Brennan (Chair), Elmer Prata and Christopher Jones. The Compensation Committee makes determinations and recommendations to the Board of Directors concerning the cash and incentive compensation of the NEOs. The primary function of the Compensation Committee is to ensure that the compensation provided to the NEOs are determined with regard to the business strategies and objectives of the Corporation and strives to ensure that the NEOs are paid fairly and commensurate with their contributions to furthering the strategic direction and objectives of the Corporation.

The Chief Executive Officer provides recommendations to the Compensation Committee with respect to salary, annual incentives and option grants of the NEOs. The Compensation Committee reviews the Chief Executive Officer's recommendations and recommends to the Board of Directors the compensation of the NEOs, as required, on an annual basis. Compensation of NEOs are based primarily on corporate performance which includes achievement of the Corporation's strategic objective of growth and the enhancement of shareholder value through increases in the stock price resulting from increases in reserves and production, continued low cost production and enhanced annual cash flow.

Elements of Executive Compensation

The Corporation's executive compensation program is based on the objectives of (a) recruiting and retaining the executives critical to the success of the Corporation, (b) providing fair and competitive compensation, (c) balancing the interests of management and Shareholders, and (d) rewarding performance, on the basis of both individual and corporate performance.

For the financial year ended December 31, 2023, the Corporation's executive compensation program consisted of the following elements: A base salary (a "**Short-Term Incentive**") and a long-term equity compensation consisting of Options and RSUs granted under the Corporation's omnibus incentive plan (each, a "**Long-Term Incentive**"). Incentive cash bonuses for the financial year ended December 31, 2023, have not been awarded.

The specific rationale and design of each of these elements are outlined in detail below.

Element of Compensation	Summary and Purpose of Element
<u>Short-Term Incentive Plan</u>	
Base Salary	The Compensation Committee reviews NEO salaries prior to when the applicable current employment contract setting out the base salary for that particular NEO is set to expire. Salaries form an essential element of the Corporation's compensation mix as they are the first base measure to compare and remain competitive relative to peer groups. Base salaries are fixed for the term of the employment contract and therefore not subject to uncertainty and are used as the base to determine other elements of compensation and benefits.
Annual Performance-Based	Any bonus paid to a NEO is entirely within the discretion of the Board.
Cash Incentives	Directors, following recommendations by the Chief Executive Officer and consideration by the Compensation Committee. In making bonus determinations, the Compensation Committee reviews corporate and individual performance and makes recommendations to the Board of Directors. Annual performance-based cash bonuses are a variable component of compensation designed to reward the Corporation's executive officers for maximizing annual operating performance.

Long-Term Incentive Plan

Stock Options, RSUs and DSUs

The granting of stock options, RSUs and DSUs is a variable component of compensation intended to reward the Corporation's NEOs for its success in achieving sustained, long-term profitability and increases in stock value.

Base Salary

In determining the base salary of a NEO, the Board of Directors considers the recommendations made by the Compensation Committee. In determining the base salary to be paid to a particular NEO, the Board of Directors also considers the particular responsibilities related to the position, the experience level of the NEO, and his or her past performance at the Corporation. The Board of Directors may take into account executive compensation paid by companies comparable with the Corporation, although no specific benchmarking policy is in place for determining compensation or any element of compensation.

Annual Performance-Based Cash Incentives

NEOs are eligible for annual cash bonuses, after taking into account and giving varying degrees of weight, depending on the relevance of these factors to the particular NEO, to indicators such as: relative stock performance, relative change in cash flow per share, performance against budget, expense control, the NEO's performance and other exceptional or unexpected factors. No specific weightings are assigned to each factor, but rather, a subjective determination is made based on a general assessment of performance of the individual relative to such factors.

Omnibus Incentive Plan

The granting of options to purchase common shares of the Corporation, Options, RSUs and DSUs are designed to encourage the NEOs to own an interest in the Corporation and therefore tie their long-term interests to those of the Shareholders. In determining its recommendations on individual grants of options, the Compensation Committee considers factors such as: the performance and contributions to the success of the Corporation, the relative position of the individual, the years of service of the individual and past grants of options. When making recommendations to the Board of Directors on options, consideration is also given to the submissions of the Chief Executive Officer. No specific weightings are assigned to each factor, but rather, a subjective determination is made based on a general assessment of performance of the individual relative to such factors. See the section below entitled "*Securities Authorized for Issuance under Equity Compensation Plans*" for further information.

Other Long-Term Incentive Plans

Other than the Corporation's omnibus incentive plan, the Corporation does not have any other long-term incentive plans, including any supplemental executive retirement plans.

Overview of How the Compensation Program Fits with Compensation Goals

1. Attract, Hold and Inspire Key Talent

The compensation package meets the goal of attracting, holding and motivating key talent in a highly competitive mineral exploration environment through the following elements:

- (a) A competitive cash compensation program, consisting of base salary and bonus opportunity;

and

- (b) Providing an opportunity to participate in the Corporation's growth through options.

2. Alignment of Interest of Management with Interest of the Shareholders

The compensation package meets the goal of aligning the interest of management with the interest of the Shareholders through the following elements:

- (a) Through the grant of stock options, if the price of the Corporation shares increases over time, both executives and Shareholders will benefit; and
- (b) By providing a vesting period on stock awards, management has an interest in increasing the price of the Corporation's shares over time, rather than focusing on short-term increases.

Compensation Risk

The Corporation has not adopted a formal policy on compensation risk management nor has it engaged an independent compensation consultant. The Corporation recognizes that there may be risks in its current processes but given the size and number of executives dedicated on a full-time basis, the Corporation does not believe the risks to be significant.

The Corporation has the Compensation Committee, consisting of a majority of independent members of the Board of Directors, to assist the Board of Directors in discharging its duties relating to compensation of the Corporation's directors and senior officers. The Board of Directors believes that the executive compensation program of the Corporation should not raise its overall risk profile. Accordingly, the Corporation's executive compensation programs include safeguards designed to mitigate compensation risks. The following measures impose appropriate limits to avoid excessive or inappropriate risk taking or payments:

- discretionary bonus payments are recommended to the Board of Directors by the Compensation Committee based on annual performance reviews;
- option terms of 5 to 10 years discourages excessive risk taking to achieve short-term goals; and
- implementation of trading black-outs limit the ability of senior officers to trade in securities of the Corporation.

Inappropriate and excessive risks by executives are also mitigated by regular meetings of the Board of Directors, at which activity by the executives must be approved by the Board of Directors if such activity is outside previously Board-approved actions and/or as set out in a board-approved budget. Due to the fact that the Corporation is still a development stage mining company, and given the current composition of the Corporation's executive management team, the Board of Directors and the Compensation Committee are able to closely monitor and consider any risks which may be associated with the Corporation's compensation practices. Risks, if any, may be identified and mitigated through regular board of directors meetings during which financial and other information of the Corporation are reviewed, including executive compensation.

Director and Named Executive Officer Compensation

The following table (presented in accordance with National Instrument Form 51-102F6V – *Statement of executive Compensation – Venture Issuers*) sets forth all annual and long term compensation for services paid to or earned by each NEO and director for the most recently financial year ended December 31, 2023.

The following summary compensation information presented below includes NEO and Director compensation for the fiscal years ended December 31, 2023 and 2022, being the two most recently completed financial years of the consolidated Corporation.

Unless otherwise noted, salaries for the Named Executive Officers are paid in Canadian dollars and reported in United States dollars using the Bank of Canada US dollar/Canadian daily exchange rate of C\$1.3226=US\$1.00 as at December 31, 2023 and C\$1.3544=US\$1.00 as at December 31, 2022.

Table of Compensation excluding Compensation Securities

Name and position	Year	Salary, consulting fee, retainer or commission (US\$)	Bonus (US\$)	Committee or meeting fees (US\$)	Value of perquisites (US\$)	Value of all other compensation (US\$)	Total compensation (US\$)
Maria Virginia Anzola Director	2023	13,658	Nil	Nil	Nil	Nil	13,658
Mark Brennan ⁽¹⁾ Chair, Chief Executive Officer and Director	2023	316,296	Nil	Nil	Nil	Nil	316,296
	2022	245,127	Nil	Nil	Nil	Nil	245,127
Jason Brooks Chief Financial Officer	2023	170,119	Nil	Nil	Nil	Nil	170,119
	2022	166,125	Nil	Nil	Nil	Nil	166,125
Robert Campbell Director	2023	30,243	Nil	Nil	Nil	Nil	30,243
	2022	29,533	Nil	Nil	Nil	Nil	29,533
Casper Groenewald Chief Operating Officer	2023	302,435	Nil	Nil	19,500	Nil	321,935
	2022	295,334	Nil	Nil	Nil	Nil	295,334
Chris Jones ⁽²⁾ Director	2023	30,243	Nil	7,561	Nil	Nil	37,807
	2022	14,766	Nil	3,692	Nil	Nil	18,458
Kurt Menchen ⁽³⁾ Country Manager and Director	2023	296,266	Nil	Nil	Nil	Nil	296,266
	2022	312,896	Nil	Nil	Nil	Nil	312,896
Elmer Prata Salomão Director ⁽³⁾	2023	15,122	Nil	Nil	Nil	Nil	15,122
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Jad Salomão ⁽⁴⁾ Director	2022	120,135	Nil	Nil	Nil	Nil	120,135
	2022	116,185	Nil	Nil	Nil	Nil	116,185
Stephen Shefsky ⁽⁴⁾ Former Co-Chairman and Former Director	2023	31,504	Nil	Nil	Nil	Nil	31,504
	2022	51,683	Nil	Nil	Nil	Nil	51,683
Robert Sellars ⁽²⁾ Director	2023	30,243	Nil	Nil	Nil	Nil	30,243
	2022	14,767	Nil	Nil	Nil	Nil	14,767

Notes:

(US\$) Remuneration paid in Canadian dollars and reported in United States dollars using the Bank of Canada US dollar/Canadian daily exchange rate of C\$1.3226=US\$1.00 as at December 31, 2023 and C\$1.3544=US\$1.00 as at December 31, 2022, other than with respect to Brazilian residents referenced at footnote (3).

- (1) Compensation reported for Mr. Brennan is in respect of his service as Co-Chairman during 2022 and 2023 and Chief Executive Officer. He was not paid directors' fees.
- (2) Messrs. Jones and Sellars were elected to the board on June 30, 2022.
- (3) Remuneration paid to Messrs. Menchen and Prata Salomão in Brazilian real and reported to US dollars using the US dollar/Brazilian real exchange rate of R\$4.9946 = US\$1.00 as at December 31, 2023 in respect of 2023 and R\$5.1642 = US\$1.00, being the average rate

for the year ended December 31, 2022, in respect of 2022.

(4) Mr. Shefsky was Co-Chairman and Director until he resigned on March 2, 2023.

Stock options and other compensation securities

The following table provides information regarding the incentive plan awards for each Named Executive Officer and director granted or issued in the year-ended December 31, 2023.

Compensation Securities

Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class (#)	Date of issue or grant	Issue, conversion or exercise price (\$)⁽¹⁾	Closing price of security or underlying security on date of grant (\$)⁽²⁾	Closing price of security or underlying security at year end (\$)⁽³⁾	Expiry Date
Maria Virginia Anzola Director	DSU	25,000	August 23, 2023	--	\$0.55	\$0.45	--
Mark Brennan Chair, Chief Executive Officer and Director	Options	41,666	May 31, 2023	\$0.97	\$0.97	\$0.45	July 28, 2023
	Options	125,000	May 31, 2023	\$0.53	\$0.53	\$0.45	September 26, 2027
	Options	450,000	August 23, 2023	\$0.55	\$0.55	\$0.45	August 23, 2028
	RSU	300,000	August 23, 2023	--	\$0.55	\$0.45	December 15, 2026
Jason Brooks Chief Financial Officer	Options	20,833	May 31, 2023	\$0.97	\$0.97	\$0.45	July 28, 2023
	Options	16,666	May 31, 2023	\$0.53	\$0.53	\$0.45	September 26, 2027
	Options	250,000	August 23, 2023	\$0.55	\$0.55	\$0.45	August 23, 2028
	RSU	175,000	August 23, 2023	--	\$0.55	\$0.45	December 15, 2026
Robert Campbell Director	Options	100,000	August 23, 2023	\$0.55	\$0.55	\$0.45	August 23, 2028
	DSU	50,000	August 23, 2023	--	\$0.55	\$0.45	--
Casper Groenewald Chief Operating Officer	Options	12,500	May 31, 2023	\$0.97	\$0.97	\$0.45	July 28, 2023
	Options	20,833	May 31, 2023	\$0.53	\$0.53	\$0.45	September 26, 2027
	Options	200,000	August 23, 2023	\$0.55	\$0.55	\$0.45	August 23, 2028
	RSU	150,000	August 23, 2023	--	\$0.55	\$0.45	December 15, 2026
Christopher Jones Director	Options	100,000	August 23, 2023	\$0.55	\$0.55	\$0.45	August 23, 2028
	DSU	50,000	August 23, 2023	--	\$0.55	\$0.45	--
Kurt Menchen	Options	8,333	May 31, 2023	\$0.97	\$0.97	\$0.45	July 28, 2023
	Options	200,000		\$0.55	\$0.55	\$0.45	

Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class (#)	Date of issue or grant	Issue, conversion or exercise price (\$) ⁽¹⁾	Closing price of security or underlying security on date of grant (\$) ⁽²⁾	Closing price of security or underlying security at year end (\$) ⁽³⁾	Expiry Date
President & Country Manager, Brazil & Director	RSU	150,000	August 23, 2023 August 23, 2023	--	--	--	August 23, 2028 December 15, 2026
Elmer Prata Salomão Director	Options	100,000	August 23, 2023	\$0.55	\$0.55	\$0.45	August 23, 2028
	DSU	50,000	August 23, 2023	\$0.55	\$0.45	--	--
Jad Salomão Director	Options	100,000	August 23, 2023	\$0.55	\$0.55	\$0.45	August 23, 2028
	DSU	50,000	August 23, 2023	\$0.55	\$0.45	--	--
Robert Sellars Director	Options	100,000	August 23, 2023	\$0.55	\$0.55	\$0.45	August 23, 2028
	DSU	50,000	August 23, 2023	--	\$0.55	\$0.45	--
Stephen Shefsky Director	--	--	--	--	--	--	--

Notes:

- (1) Voyager Metals Inc (VONE) replacement options granted on May 31, 2023 to replace the VONE options issued on July 28, 2021 have an exercise price of CAD\$1.32, equivalent to USD\$0.97 using the Bank of Canada daily exchange rate of CAD 1.3603/ US\$1.00 at May 31, 2023. Voyager Metals Inc (VONE) replacement options granted on May 31, 2023 to replace the VONE options issued on September 26, 2022 have an exercise price of CAD\$0.72, equivalent to USD\$0.53 using the Bank of Canada daily exchange rate of CAD 1.3603/ US\$1.00 at May 31, 2023. Options granted on August 23, 2023 have an exercise price of CAD\$0.75, equivalent to USD\$0.55 using the Bank of Canada daily exchange rate of CAD 1.3552 / US\$1.00 at August 23, 2023.
- (2) Options granted on August 23, 2023 have an exercise price of CAD\$0.75, equivalent to USD\$0.55 using the Bank of Canada daily exchange rate of CAD 1.3552 / US\$1.00 at August 23, 2023.
- (3) The underlying securities were trading at CAD\$0.60 each as at December 31, 2023, equivalent to USD\$0.45 using the Bank of Canada daily exchange rate of CAD 1.3226 / US\$1.00 as at December 31, 2023.

Exercise of Compensation Securities by Directors and NEOs

The following table provides information regarding each exercise by a director or NEO of compensation securities during the year-ended December 31, 2023.

Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of Exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Mark Brennan Chairman, Chief Executive Officer and Director	--	--	--	--	--	--	--
Jason Brooks Chief Financial Officer	--	--	--	--	--	--	--

Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of Exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Maria Virginia Anzola Director	--	--	--	--	--	--	--
Robert Campbell Director	--	--	--	--	--	--	--
Casper Groenewald Chief Operating Officer	RSU	200,000	--	May 12, 2023	\$0.66 ⁽¹⁾	--	\$131,162
Christopher Jones Director	--	--	--	--	--	--	--
Kurt Menchen President & Country Manager & Director	--	--	--	--	--	--	--
Elmer Prata Salomão Director	--	--	--	--	--	--	--
Jad Salomão Director	--	--	--	--	--	--	•
Robert Sellars Director	--	--	--	--	--	--	--
Stephen Shefsky Director	RSU	233,334	--	March 22, 2023	\$0.60 ⁽²⁾	--	\$140,711
	DSU	125,000	--	June 2, 2023	\$0.72 ⁽³⁾	--	\$89,515
	DSU	120,000	--	June 2, 2023	\$0.72	--	\$85,934

Notes:

- (1) The underlying securities were trading at CAD\$0.87 each on exercise date as at May 12, 2023, equivalent to USD\$0.66 using the Bank of Canada daily exchange rate of CAD 1.3226 / US\$1.00 as at December 31, 2023.
- (2) The underlying securities were trading at CAD\$0.80 each on exercise date as at March 22, 2023, equivalent to USD\$0.60 using the Bank of Canada daily exchange rate of CAD 1.3226 / US\$1.00 as at December 31, 2023.
- (3) The underlying securities were trading at CAD\$0.95 each on exercise date as at June 2, 2023, equivalent to USD\$0.72 using the Bank of Canada daily exchange rate of CAD 1.3226 / US\$1.00 as at December 31, 2023.

Summary Compensation – Narrative Discussion

The compensation earned by each of the NEOs summarized above were in accordance with executive employment agreements with each of the named NEOs, as described below.

Securities authorized for issuance under equity compensation plans

The following tables sets forth the number of Cerrado Shares to be issued upon exercise of outstanding options ("Options"), Restricted Share Units ("RSUs") and Deferred Share Units ("DSUs") issued pursuant to compensation plans under which equity securities of Cerrado are authorized for issuance, the weighted average exercise price of such outstanding Options, RSUs, and DSUs and the number of Cerrado Shares remaining available for future issuance under such compensation plans as at December 31, 2023.

Plan Category	Number of securities to be issued upon exercise of outstanding Options, RSUs & DSUs	Weighted-average exercise price of outstanding Options, RSUs & DSUs (C\$)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)
Equity compensation plans approved by security holders ⁽¹⁾	13,113,601	\$0.67	See footnote 4 below.
Equity compensation plans not approved by security holders	-	-	-
TOTAL	13,113,601		
Equity compensation plans approved by security holders ⁽²⁾	4,359,713	N/A	See footnote 4 below.
Equity compensation plans not approved by security holders	-	-	-
TOTAL	4,359,713		
Equity compensation plans approved by security holders ⁽³⁾	1,425,000	N/A	See footnote 4 below.
Equity compensation plans not approved by security holders	-	-	-
TOTAL	1,425,000		

Notes:

- (1) Represents Options granted pursuant to the Omnibus Plan.
- (2) Represents RSUs granted pursuant to the Omnibus Plan.
- (3) Represent DSUs granted pursuant to the Omnibus Plan.
- (4) Pursuant to the Cerrado Omnibus Plan, the total number of securities that remain available for future issuance under the Omnibus Plan can be distributed between Options, RSUs and/or DSUs at the discretion of the Board.

Directors

As at the financial year ended December 31, 2023, Cerrado had eight (8) directors, one (1) of which is also a NEO. Only non-executive directors were paid directors' fees. Fees paid to directors for services provided during Cerrado's most recently completed financial year are disclosed above in the "*Table of Compensation excluding Compensation Securities*". Directors are entitled to reimbursement of reasonable out-of-pocket expenses incurred in the course of their duties as a director. Cerrado may, from time to time, grant its directors DSUs, RSUs or incentive stock options to purchase common shares in the capital of Cerrado pursuant to the terms of the Omnibus Plan and in accordance with the policies of the TSXV.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Statement of Corporate Governance Practices

Corporate governance relates to the activities of the Cerrado Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Cerrado Board and who are charged with the day to day management of Cerrado. The Cerrado Board is committed to sound corporate governance practices, which are both in the interest of its Shareholders and contribute to effective and efficient decision making.

Board of Directors

The Cerrado Board facilitates its exercise of independent supervision over Cerrado's management through frequent discussions with management and regular meetings of the Cerrado Board. As of the date of this Circular, five (5) of the eight (8) of the members of the existing Cerrado Board are independent as described below.

Maria Virginia Anzola, Robert Campbell, Chris Jones, Elmer Prata Salomao and Robert Sellars are "independent" (as that term is defined in National Instrument 58-101 – Disclosure of Corporate Governance Practices) in that they are free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with the directors' ability to act in the best interests of Cerrado, other than the interests and relationships arising from shareholdings: Messrs. Brennan and Menchen are executive officers of Cerrado and Mr. Jad Salomao is a consultant of the Corporation and are therefore not "independent". The Cerrado Board encourages the exercise of independent judgment and discussion among its members in carrying out its responsibilities.

Orientation and Continuing Education

While the Corporation does not have formal orientation and training programs, new directors are provided with access to publicly filed documents of the Corporation, management reports, internal financial information, and management and technical experts and consultants.

Ethical Business Conduct

As part of its commitment to maintaining the highest standards, the Board has adopted a Code of Business Conduct and Ethics (the "**BCE Code**") which applies to all of our directors, officers and employees, our subsidiaries and affiliates and other persons in similar relationships with those entities. The BCE Code addresses such matters as compliance with laws, conflicts of interest, confidential information, protection and proper use of Cerrado's assets, fair dealing, rules and regulations and the reporting of illegal and unethical behavior.

In addition, the Board has adopted an Anti-Bribery Policy, a Gifts and Hospitality Policy, and Insider Trading Policy (the "**Compliance Policies**") with the aim of providing the directors, officers and employees with sufficient tools to conduct their activities honestly, ethically and in compliance with the laws of the jurisdiction in which Cerrado operates and has assets.

The Board has also adopted a Whistleblower Policy that allows employees and other persons in similar relationships with those entities to report any concerns regarding, among other things, violations of the BCE Code or any of the Compliance Policies or concerns regarding financial statement disclosure issues, accounting, internal controls or auditing matters. These concerns may be reported to the General Manager in the applicable jurisdiction or the Chair of the Audit Committee.

The Board, through the Audit Committee, monitors compliance with the BCE Code. Cerrado's General Counsel provides day to day management over Cerrado's compliance with the BCE Code and the Compliance Policies.

Nomination of Directors

The Corporation's Governance and Nominating Committee is responsible for nominating individuals to the Board of Directors. The nominees are generally chosen as a result of recruitment efforts, including both formal and informal discussions with members of the board.

Compensation

The Corporation's Compensation Committee assists the Board of Directors in determining the compensation payable to directors and officers of the Corporation. Please see below description of the Compensation Committee for more information.

Board Committees

The Board currently has four (4) committees. These committees are: the Corporate Governance and Nominating Committee, the Human Resources and Compensation Committee, the Technical and Sustainability Committee and the Audit Committee. Each committee has been constituted with directors, the majority of whom are independent other than the Technical and Sustainability Committee which does not have independence requirements.

Charters of each committee of the Board can be found on the Corporation's website.

Corporate Governance and Nominating Committee

Members of the Committee: Mark Brennan (Chair), Robert Sellars, and Christopher Jones.

The purpose of the Corporate Governance Committee is to assist the Board in fulfilling its oversight responsibilities with respect to: (i) developing corporate governance guidelines and principles; (ii) identifying individuals qualified to be nominated as members of the Board; (iii) structure and composition of Board committees; (iv) evaluating the performance and effectiveness of the Board; and (v) executive management succession and development.

Technical and Sustainability Committee

Members of the Committee: Kurt Menchen (Chair), Robert Campbell, Mark Brennan, Jad Salomao and Casper Groenewald.

The purpose of the Technical and Sustainability Committee is to review, monitor and make recommendations to the Board in respect of the technical, health and safety, environmental, community, business conduct, risk management and human rights policies and activities of the Corporation in order to verify that such policies and activities reflect, and are in accordance with, their respective Charters.

Additionally, the Committee assists the Board in carrying out its responsibilities with respect to overseeing the operating activities of the Corporation. The Committee is also responsible for Board oversight of production forecasts, budgets, life of mine plans, reserves and resources and Management's proposed public disclosure of said technical nature.

Human Resources and Compensation Committee

Members of the Committee: Mark Brennan (Chair), Elmer Prata and Christopher Jones.

The Compensation Committee is responsible for reviewing the Corporation's compensation and incentive programs. The Compensation Committee is responsible for assessing senior management's performance and recommending senior management compensation to the Board. The Compensation Committee reviews the adequacy and form of directors' compensation and makes recommendations designed to ensure that directors' compensation adequately reflects the responsibilities of the Board. The Compensation Committee also administers the Omnibus Plan and makes recommendations to the Board respecting grants of Options and RSUs thereunder respectively.

Further information regarding the Compensation Committee's responsibilities, powers and operation of the Compensation Committee are set out above under the section entitled "Compensation Discussion and Analysis".

The Corporation believes that each of the members of the Compensation Committee possess the skills and experiences that enable the member to make decisions on the suitability of the compensation policies and practices of the Corporation as set out below.

Audit Committee

Members of the Committee: Christopher Jones (Chair), Robert Sellars, and Elmer Prata.

Each member of the Audit Committee is financially literate within the meaning of National Instrument 52-110 – *Audit Committees* (“NI 52-110”) and Messrs. Jones and Sellars are independent within the meaning of NI 52-110. Relevant education and experience of members of the Audit Committee is provided above under the heading, “*Matters to be Acted Upon at the Meeting – Election of Directors*”.

The Audit Committee reviews the Corporation's interim unaudited consolidated financial statements and annual audited consolidated financial statements and certain corporate disclosure documents including the annual information form, management's discussion and analysis and annual and interim earnings press releases before they are approved by the Board. The Audit Committee is directly responsible for the selection, appointment and compensation of the external auditor and it monitors accounting, financial reporting, control and audit functions.

The Audit Committee meets to discuss and review the audit plans of external auditors and is directly responsible for overseeing the work of the external auditor with respect to preparing or issuing the auditor's report or the performance of other audit, review or attest services, including the resolution of disagreements between management and the external auditor regarding financial reporting. The Audit Committee must be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from its financial statements and it periodically assesses the adequacy of those procedures. The Audit Committee must approve or pre-approve, as applicable, any non-audit services to be provided to the Corporation by the external auditor. In addition, it reviews and reports to the Board on the Corporation's risk management policies and procedures and reviews the internal control procedures to determine their effectiveness and to ensure compliance with the Corporation's policies and avoidance of conflicts of interest. The Audit Committee is also responsible for establishing procedures for dealing with complaints or confidential submissions which come to its attention with respect to accounting, internal accounting controls or auditing matters.

A copy of the Audit Committee Charter is attached Schedule “A” to the Circular.

External Auditor Service Fees

The aggregate fees charged to the Corporation by the external auditors for last two fiscal years are as follows:

Nature of Services	Fees paid to external auditor during financial year ended ⁽¹⁾	
	December 31, 2023 (US\$)	December 31, 2022 (US\$)
Audit Fees ⁽²⁾	\$533,771	\$408,443
Audit-Related Fees ⁽³⁾	\$0	\$0
Tax Fees ⁽⁴⁾	\$30,838	\$44,716
All Other Fees ⁽⁵⁾	\$0	\$0
Total	\$564,609	\$453,159

Notes:

- (1) Audit fees were paid in Canadian dollars and reported in United States dollars using the Bank of Canada US dollar/Canadian daily exchange rate of C\$1.3226=US\$1.00 as at December 31, 2023 and C\$1.3544=US\$1.00 as at December 31, 2022
- (2) Includes fees billed for professional services rendered by the auditor for the audit of Cerrado's annual financial statements, and any reviews of Cerrado's unaudited interim financial statements.
- (3) Includes fees billed for professional services rendered by the auditor consisting of employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews, review of subsidiary financials, and audit or attestation services not required by legislation or regulation.

- (4) Includes fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (5) No other fees were billed by the auditor of Cerrado other than those listed in the other columns.

Exemptions

The Corporation is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Corporation, as a venture issuer, is not required to comply with Part 3 (*Composition of the Audit Committee*) of NI 52-110.

MANAGEMENT CONTRACTS

Except as otherwise disclosed herein, no management functions of the Corporation are to any substantial degree performed by any other person or company other than by the directors or executive officers of the Corporation or its subsidiaries.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

At no time during the most recently completed fiscal period was there any indebtedness of any director or officer, or any associate of any such director or officer to the Corporation or to any other entity which is, or at any time since the beginning of the most recently completed financial period, has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in the Corporation's Management's Discussion and Analysis for the years ended December 31, 2023 and 2022 and filed on www.sedarplus.com under the Corporation's profile, there were no material interests, direct or indirect, of our insiders, proposed nominees for election as directors, or any associate or affiliate of such insiders or nominees since the commencement of the Corporation's most recently completed financial year, or in any proposed transaction, which has affected or would materially affect the Corporation.

INTEREST OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON

The Corporation's management is not aware of any material interest of any director or executive officer or anyone who has held office as such since the beginning of the last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting, except as disclosed herein.

ADDITIONAL INFORMATION

We will provide, upon request, a copy of the Corporation's management's discussion and analysis and audited consolidated financial statements for the financial year ended December 31, 2023, as well as a copy of subsequent interim financial statements, and this Circular. Copies of these documents may be obtained on request without charge from Cerrado Gold Inc. by e-mailing info@cerradogold.com and additional information relating to the Corporation is available on the SEDAR+ website at www.sedarplus.com.

OTHER MATTERS

The Corporation's management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the notice of annual and special meeting. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with

the best judgment of the person voting the proxy.

DIRECTORS' APPROVAL

The contents and the sending of this Circular to the Shareholders of the Corporation have been approved by the Board of Directors. Unless otherwise specified, information contained in this Circular is given as of May 29, 2024.

DATED at Toronto, Ontario this 29th day of May, 2024.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ "Carl Calandra"

CARL CALANDRA

Vice President, General Counsel & Corporate Secretary

SCHEDULE “A”

AUDIT COMMITTEE CHARTER

This charter (the “**Charter**”) sets forth the purpose, composition, responsibilities, duties, powers and authority of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Cerrado Gold Inc. (“**Cerrado**” or the “**Company**”).

1. PURPOSE

- 1.1 The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:
- financial reporting and disclosure requirements;
 - ensuring that an effective risk management and financial control framework has been implemented and tested by management of Cerrado; and
 - external and internal audit processes.

2. COMPOSITION AND MEMBERSHIP

- 2.1 The Board will appoint the members (“**Members**”) of the Committee after the annual general meeting of shareholders of Cerrado. The Members will be appointed to hold office until the next annual general meeting of shareholders of Cerrado or until their successors are appointed. The Board may remove a Member at any time and may fill any vacancy occurring on the Committee. A Member may resign at any time and a Member will cease to be a Member upon ceasing to be a director.
- 2.2 The Committee will consist of at least three directors, all of whom meet the criteria for financial literacy and the majority of whom meet the criteria for independence established by applicable laws and the rules of the applicable stock exchange upon which Cerrado’s securities are listed. In addition, each director will be free of any relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.
- 2.3 The Board will appoint one of the Members to act as the chair of the Committee (the “Chair”). The secretary of Cerrado (the “Corporate Secretary”) will be the secretary of all meetings and will maintain minutes of all meetings and deliberations of the Committee. In the absence of the Corporate Secretary at any meeting, the Committee will appoint another person who may, but need not, be a Member to be the secretary of that meeting.

3. MEETINGS

- 3.1 Meetings of the Committee will be held at such times and places as the Chair may determine, but in any event not less than four (4) times per year. Forty-eight (48) hours advance notice of each meeting will be given to each Member orally, by telephone, by facsimile or email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by conference call.
- 3.2 Notice of the time and place of a Committee meeting shall be given by the Committee to the external auditors of Cerrado in the same manner notice is provided to Committee members. The Committee shall provide the external auditors with all meeting materials in advance of the meeting.
- 3.3 At the request of the external auditors of Cerrado, the Chief Executive Officer or the Chief Financial Officer of Cerrado or any member of the Committee, the Chair will convene a meeting of the Committee. Any such request will set out in reasonable detail the business proposed to be conducted at the meeting so requested.

- 3.4 The Chair, if present, will act as the Chair of meetings of the Committee. If the Chair is not present at a meeting of the Committee, then the Members present may select one of their number to act as Chair of the meeting.
- 3.5 Two Members will constitute a quorum for a meeting of the Committee. Each Member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority. The Chair will not have a deciding or casting vote in the case of an equality of votes. Powers of the Committee may also be exercised by written resolution signed by all Members.
- 3.6 The Committee may invite from time to time such persons as it sees fit to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee. The Committee shall have the option to meet in camera without management at each meeting of the Committee.
- 3.7 In advance of every regular meeting of the Committee, the Chair, with the assistance of the Corporate Secretary, will prepare and distribute to the Members and others, as deemed appropriate by the Chair, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require officers and employees of Cerrado to produce such information and reports as the Committee may deem appropriate in order to fulfill its duties.

4. DUTIES AND RESPONSIBILITIES

- 4.1 The duties and responsibilities of the Committee as they relate to the following matters are to:

Financial Reporting and Disclosure

- 4.2 Review and recommend to the Board for approval prior to public disclosure, the audited annual financial statements, including the auditors' report thereon, the quarterly financial statements, management discussion and analysis, financial reports, guidance with respect to earnings per share, and any public release of financial information through press release or otherwise, with such documents to indicate whether such information has been reviewed by the Board or the Committee;
- 4.3 Review and recommend to the Board for approval, where appropriate, financial information contained in any prospectus, annual information form, annual report to shareholders, management proxy circular, material change disclosure of a financial nature, and similar disclosure documents;
- 4.4 Review with management of Cerrado and with external auditors significant accounting principles and disclosure issues and alternative treatments under International Financial Reporting Standards (“IFRS”), all with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly Cerrado’s financial position and the results of its operations in accordance with IFRS, as applicable.
- 4.5 Annually review Cerrado’s Corporate Disclosure Policy and recommend any proposed changes to the Board for consideration.
- 4.6 Review and recommend to the Board for approval, educational programs and/or educational resources to be provided to members of the Committee.
- 4.7 Review the minutes from each meeting of the Disclosure Committee, established pursuant to Cerrado’s Corporate Disclosure Policy, since the last meeting of the Committee.

Internal Controls and Audit

- 4.8 Review and assess the adequacy and effectiveness of Cerrado’s system of internal control and management information systems through discussions with management and the external auditor to ensure that Cerrado maintains:

- (a) the necessary books, records and accounts in sufficient detail to accurately and fairly reflect Cerrado's transactions;
 - (b) effective internal control systems; and
 - (c) adequate processes for assessing the risk of material misstatement of the financial statements and for detecting control weaknesses or fraud. From time to time the Committee will assess whether a formal internal audit department is necessary or desirable having regard to the size and stage of development of Cerrado at any particular time.
- 4.9 Satisfy itself that management has established adequate procedures for the review of Cerrado's disclosure of financial information extracted or derived from Cerrado's financial statements.
 - 4.10 Satisfy itself that management has periodically assessed the adequacy of internal controls, systems and procedures in order to ensure compliance with regulatory requirements and recommendations.
 - 4.11 Review and discuss Cerrado's major financial risk exposures and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities.
 - 4.12 Review and assess, and in the Committee's discretion make recommendations to the Board regarding, the adequacy of Cerrado's risk management policies and procedures with regard to identification of Cerrado's principal risks and implementation of appropriate systems to manage such risks, including an assessment of the adequacy of insurance coverage maintained by Cerrado.
 - 4.13 Review and assess annually, and in the Committee's discretion make recommendations to the Board regarding, Cerrado's investment policy.
 - 4.14 Review and discuss with the Chief Executive Officer and the Chief Financial Officer, or those officers who perform the duties similar to a Chief Executive Officer or Chief Financial Officer, the steps taken to complete the required certifications of the annual and interim filings with applicable securities commissions.

External Audit

- 4.15 Recommend to the Board a firm of external auditors to be engaged by Cerrado in conjunction with Management.
- 4.16 Ensure the external auditors report directly to the Committee on a regular basis.
- 4.17 Review the independence of the external auditors, including a written report from the external auditors respecting their independence and consideration of applicable auditor independence standards.
- 4.18 Review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors.
- 4.19 Review the audit plan of the external auditors prior to the commencement of the audit.
- 4.20 Establish and maintain a direct line of communication with Cerrado's external and internal auditors.
- 4.21 Meet in camera with only the auditors, with only management, and with only the members of the Committee.
- 4.22 Review the performance of the external auditors who are accountable to the Committee and the Board as representatives of the shareholders, including the lead partner of the independent auditor's

team.

- 4.23 Oversee the work of the external auditors appointed by the shareholders of Cerrado with respect to preparing and issuing an audit report or performing other audit, review or attest services for Cerrado, including the resolution of issues between management of Cerrado and the external auditors regarding financial disclosure.
- 4.24 Review the results of the external audit and the report thereon including, without limitation, a discussion with the external auditors as to the quality of accounting principles used, any alternative treatments of financial information that have been discussed with management of Cerrado, and the ramifications of their use as well as any other material changes. Review a report describing all material written communication between management and the auditors such as management letters and schedule of unadjusted differences.
- 4.25 Discuss with the external auditors their perception of Cerrado's financial and accounting personnel, records and systems, the cooperation which the external auditors received during their course of their review, and availability of records, data and other requested information and any recommendations with respect thereto.
- 4.26 Review the reasons for any proposed change in the external auditors which is not initiated by the Committee or Board and any other significant issues related to the change, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed auditors before making its recommendations to the Board.
- 4.27 Review annually a report from the external auditors in respect of their internal quality- control procedures, any material issues raised by the most recent internal quality-control review, or peer review of the external auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditors, and any steps taken to deal with any such issues.

Associated Responsibilities

- 4.28 Direct Cerrado to establish a satisfactory procedure for the receipt, retention and follow- up of complaints received by Cerrado regarding accounting, internal accounting controls, or auditing matters, which will include a satisfactory procedure for the confidential, submission of concerns by employees of Cerrado regarding accounting, internal accounting controls, or auditing matters.
- 4.29 Monitor and periodically review the Whistle Blower Policy and associated procedures for:
 - (a) the receipt, retention and treatment of complaints received by Cerrado regarding accounting, internal accounting controls or auditing matters;
 - (b) the confidential submission by directors, officers and employees of Cerrado of concerns regarding questionable accounting or auditing matters; and
 - (c) any violations of any applicable law, rule or regulation that relates to corporate reporting and disclosure, or violations of Cerrado's Code of Business Conduct & Ethics or governance policies.
- 4.30 Review and approve Cerrado's hiring policies regarding employees and partners, and former employees and partners, of the present and former external auditor of Cerrado.

Non-Audit Services

- 4.31 Pre-approve all non-audit services to be provided to Cerrado or any subsidiary entities by its external

auditors or by the external auditors of such subsidiary entities. The Committee may delegate to one or more of its members the authority to pre-approve non-audit services but pre-approval by such member or members so delegated shall be presented to the full audit committee at its first scheduled meeting following such pre-approval.

Oversight Function

- 4.32 While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that Cerrado's financial statements are complete and accurate or are in accordance with IFRS and applicable rules and regulations. These are the responsibilities of Management and the external auditors. The Committee, the Chair and any Members identified as having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of Cerrado, and are specifically not accountable or responsible for the day-to-day operation or performance of such activities. Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of Cerrado's financial information or public disclosure.
- 4.33 In exercising their powers and discharging their duties under this charter and applicable law, each member of the Audit Committee must (i) act honestly and in good faith with a view to the best interests of Cerrado and (ii) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
- 4.34 Each member of the Audit Committee will be entitled to reasonable reliance, or reliance in good faith, on:
- financial statements of Cerrado represented to the member of the Committee by an officer of Cerrado or in a written report of the external auditor of Cerrado to reflect fairly the financial condition of Cerrado;
 - Cerrado's disclosure compliance system and on Cerrado's officers, employees and others whose duties would in the ordinary course have given them knowledge of the relevant facts; and
 - a report, statement or opinion of an expert, being a person or company whose profession gives authority to a statement made in a professional capacity by the person or company including, without limitation, an accountant, actuary, appraiser, auditor, engineer, financial analyst, geologist or lawyer.

5. REPORTING

- 5.1 The Chair will report to the Board at each Board meeting on the Committee's activities since the last Board meeting. The Committee will annually review and approve the Committee's report for inclusion in the management proxy circular. The Corporate Secretary will circulate the minutes of each meeting of the Committee to the members of the Board.

6. ACCESS TO INFORMATION AND AUTHORITY

- 6.1 The Committee will be granted unrestricted access to all information regarding Cerrado and all directors, officers and employees will be directed to cooperate as requested by members of the Committee. The Committee has the authority to retain, at Cerrado's expense, independent legal,

financial and other advisors, consultants and experts, to assist the Committee in fulfilling its duties and responsibilities. The Committee also has the authority to communicate directly with internal and external auditors.

7. REVIEW OF CHARTER

- 7.1 The Committee will annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.