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CERRADO RECEIVES NOTICE FROM HOCHSCHILD SUBSIDIARY TO EXERCISE ITS OPTION TO ACQUIRE THE MONTE DO CARMO GOLD PROJECT

- Closing cash payments of US\$30 million and an additional US\$15 million future payments due to Cerrado
- Company well-positioned to drive future growth via its operating Minera Don Nicolas gold mine in Argentina and its Mont Sorcier iron ore project in Quebec

TORONTO, ONTARIO – Cerrado Gold Inc. [TSX.V: CERT][OTCQX: CRDOF] (“**Cerrado**” or the “**Company**”) announces that Amarillo Mineração do Brasil Ltda. (“**Amarillo**”) a wholly-owned subsidiary of Hochschild Mining PLC (“**Hochschild**”), has provided notice of exercise of its option (“**Option**”), pursuant to an option agreement entered into on March 5, 2024 (the “**Option Agreement**”), to purchase a 100% interest in the Company’s Monte Do Carmo project (“**MDC Project**”) located in the State of Tocantins, Brazil (the “**Transaction**”), for total consideration of US\$60 million (approximately C\$83 million) (the “**Purchase Price**”), subject to the achievement of certain milestones. Of the total US\$60 million, US\$15 million was previously received in connection with granting the Option. Closing of the transaction is expected on November 5, 2024.

In consideration of exercising the Option, Amarillo will make further cash payments to Cerrado totaling US\$30 million (approximately C\$41M) in aggregate (the “**Exercise Consideration**”) prior to the date of the closing of the Transaction (the “**Closing**”). The Exercise Consideration is in addition to the US\$15 million (approximately C\$21M) which has been paid in respect of the Transaction, and a further US\$15 million (approximately C\$21M) payable at certain milestones following Closing, giving a total consideration of US\$60 million in respect of the Transaction (approximately C\$83 million). Further information on the consideration paid and payable in respect of the Transaction is set out under the heading “Transaction Details” below.

The Transaction was overwhelmingly approved by 96.560% of shares represented by proxy at the Company’s annual and special meeting of shareholders held on June 27, 2024.

Mark Brennan, CEO and Chairman commented: “*The proceeds from the sale of Cerrado’s MDC Project will allow us to achieve our goals of growing our MDN gold mine in Argentina, complete a feasibility study on our very robust Mont Sorcier Iron Ore Project, improve the balance sheet and enable the Company to pursue other growth opportunities to maximize shareholder value. Cerrado*”

is now favorably positioned as one of the few well-funded, cash flow positive, stable junior producers in the sector.”

Transaction Details

The principal terms of the key agreements in respect of the Transaction (the “**Transaction Agreements**”) are summarized below.

On March 4, 2024, in connection with the Transaction, the Company entered into (i) the Option Agreement granting Amarillo the option to purchase 100% of the outstanding equity interests (quotas) in Serra Alta Mineração Ltda. (“**SAML**”), Cerrado’s subsidiary in Brazil which holds the MDC Project, and (ii) an agreement to advance US\$15 million to Cerrado by way of 10% interest-bearing secured loan (the “**Signing Loan**”). The Option Agreement entitled Amarillo to exercise the Option at its sole discretion at any time prior to March 19, 2025, and requires Amarillo to incur a minimum of US\$5 million in exploration expenditures at the Project (the “**Qualifying Expenditures**”) during such period. Amarillo has a minimal amount of Qualifying Expenditures outstanding to meet the requirement by Closing, however, should the requirement not be met prior to Closing, Cerrado intends to grant a waiver of the condition to Amarillo

On June 27, 2024, upon obtaining the requisite approval of the shareholders of Cerrado in respect of the Transaction, the Signing Loan, together with all accrued and unpaid interest thereon and expenses relating thereto, were deemed to be repaid in full by Cerrado by the concurrent set off of an amount of consideration equal to the Signing Loan, which was payable by Amarillo to Cerrado pursuant to the Option Agreement (the “**Set-Off Consideration**”, and together with the Exercise Consideration, the “**Consideration**”).

In addition to the Set-Off Consideration, Amarillo shall be required to pay to Cerrado the Exercise Consideration of US\$30m prior to Closing, comprising the following payments (the “**Closing Consideration**”):

- US\$10 million payable following exercise of the Option; and
- US\$20 million payable by Closing.

Following Closing, Amarillo shall be required to make two further payments to Cerrado totaling US\$15 million in aggregate as follows:

- US\$10 million payable within 14 days of the second anniversary of the date of the Cerrado shareholder approval (being June 27, 2026); and
- US\$5 million within 14 days of the earlier of (i) the commencement of commercial production from the Project, and (ii) March 31, 2027.

All amounts owing by Cerrado to, or advanced to Cerrado by, Hochschild or Amarillo, are secured by (i) a first lien on all of the outstanding equity interests (quotas) in SAML, and (ii) a second lien on the assets relating to the MDC Project (the “**Security**”), until the Closing. The Security is subject to a security sharing agreement with another secured creditor.

Prior to the Closing, either Amarillo or Cerrado may terminate the Option Agreement upon material breach by the other party which has not been cured within 30 days, or if the conditions to Closing in favour of such terminating party have not been waived or satisfied or it is reasonably apparent such conditions will not be satisfied by the date that is 60 days from the date of the exercise of the Option (other than as a result of the failure of the terminating party to perform its material obligations). Upon termination by Cerrado for material breach or non-satisfaction of conditions to Closing in favour of Cerrado, Amarillo shall be required to pay to Cerrado any shortfall between the Qualifying Expenditures actually incurred to such date of termination and the US\$5 million Qualifying Expenditure requirement under the Option Agreement. Upon termination by Amarillo for material breach by Cerrado, Cerrado shall pay to Amarillo an amount equal to the Consideration paid to such date of termination, all Qualifying Expenditures incurred by Amarillo or Hochschild to such date of termination, and all other amounts owing by Cerrado to Amarillo or Hochschild, together with interest accrued thereon. Upon termination by Amarillo for the non-satisfaction of conditions to Closing in favour of Amarillo, Cerrado shall pay to Amarillo all amounts owing by Cerrado to Amarillo or Hochschild, other than (i) the Set-Off Consideration and (ii) any Qualifying Expenditures incurred by Amarillo or Hochschild in excess of US\$5 million.

Closing will be subject to a number of conditions, including: (i) the payment by Amarillo of the Exercise Consideration prior to Closing, (ii) the approval of the TSX Venture Exchange, and (iii) satisfaction of other closing conditions customary in a transaction of this nature. Closing is expected to take place on November 5, 2024, subject to satisfaction of the aforementioned conditions.

Additional details in respect of the Transaction can be found in the Company's press release dated March 5, 2024, and the management information circular of the Company dated May 29, 2024, each of which can be found on the Company's issuer profile on SEDAR+ at www.sedarplus.com.

About Hochschild Mining PLC

Hochschild Mining PLC is a leading precious metals company listed on the London Stock Exchange (HOCM.L / HOC LN) and crosstrades on the OTCQX Best Market in the U.S. (HCHDF), with a primary focus on the exploration, mining, processing and sale of silver and gold. Hochschild has over fifty years' experience in the mining of precious metal epithermal vein deposits and operates two underground epithermal vein mines: Inmaculada, located in southern Peru; and San Jose in southern Argentina, and an open pit gold mine, Mara Rosa, located in the state of Goiás, Brazil. Hochschild also has numerous long-term projects throughout the Americas.

About Cerrado

Cerrado Gold is a Toronto-based gold production, development, and exploration company focused on projects in the Americas. The Company is the 100% owner of both the producing Minera Don Nicolás and Las Calandrias mine in Santa Cruz province, Argentina and is the 100% owner of the Mont Sorcier Iron Ore Project in Quebec, Canada.

In Argentina, Cerrado is maximizing asset value at its Minera Don Nicolas operation through continued operational optimization and is growing production through its operations at the Las Calandrias Heap Leach project. An extensive campaign of exploration is ongoing to further unlock potential resources in our highly prospective land package in the heart of the Deseado Masiff.

In Canada, Cerrado holds a 100% interest in the Mont Sorcier Iron Ore and Vanadium project, which has the potential to produce a premium iron ore concentrate over a long mine life at low operating costs and low capital intensity. Furthermore, its high grade and high purity product facilitates the migration of steel producers from blast furnaces to electric arc furnaces, contributing to the decarbonization of the industry and the achievement of SDG goals.

For more information about Cerrado please visit our website at: www.cerradogold.com.

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This press release contains statements that constitute “forward-looking information” (collectively, “forward-looking statements”) within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that discusses predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as “expects”, or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements.

Forward-looking statements contained in this press release include, without limitation, statements regarding the business and operations of Cerrado, completion of the Transaction including receipt by Cerrado of the Exercise Consideration, the Second Anniversary Payment and the Production Payment, anticipated production growth at the MDN, the Company’s short-term working capital requirements, and the completion of a feasibility study for the Company’s Mont Sorcier Iron Ore project. In making the forward- looking statements contained in this press release, Cerrado has made certain assumptions, including, but not limited to the satisfactory completion of due diligence by Amarillo and the exercise of the Option by Amarillo, the satisfaction of all conditions to closing of the Proposed Transaction, including the receipt of all required approvals (including regulatory and shareholder approval), cash flow generated from MDN and changes in economic and monetary policies and regulations in jurisdictions in which Cerrado and its subsidiaries operate. Although Cerrado believes that the expectations reflected in forward-looking statements are reasonable, it can give no assurance that the expectations of any forward-looking statements will prove to be correct. Known and unknown risks, uncertainties, and other factors which may cause the actual

results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to general business, economic, competitive, political and social uncertainties. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this press release. Except as required by law, Cerrado disclaims any intention and assumes no obligation to update or revise any forward-looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward-looking statements or otherwise.