

Cerrado Gold Inc. (TSXV:CERT) MDN, A Stable Value Foundation

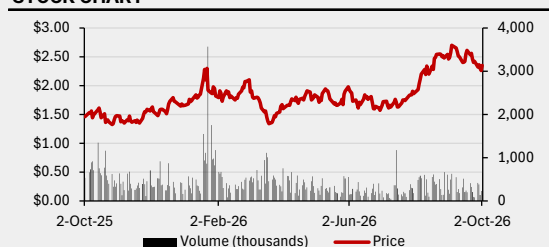
Development Update
October 5, 2026

(Currency is C\$ unless noted otherwise)

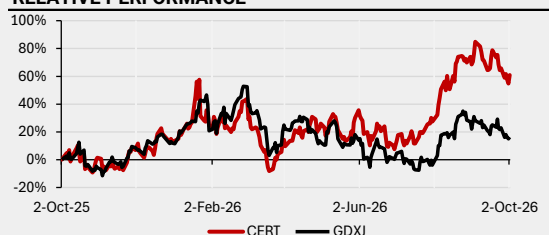
Closing Price (C\$/sh)	\$2.35
Rating	BUY
Target (C\$/sh)	\$4.50
Return to Target	91%
52 Week Low / High (C\$/sh)	\$1.28 / \$2.83

CAPITALIZATION	Basic	Diluted
Shares Outstanding (M)	142.8	158.5
Market Capitalization (C\$M)		\$335.6
Enterprise Value (C\$M)		\$379.3
Cash and Cash Equivalents (C\$M)		\$35.3
Total Debt (C\$M)		\$79.0

STOCK CHART



RELATIVE PERFORMANCE



RELATIVE VALUATION	Ev/oz AuEq (US\$)	P/NAV
Cerrado Gold Inc.*	\$491.9	0.34x
Peers**	\$882.4	0.75x

* as per RCS estimates

**S&P Capital IQ & Company Reports

MAJOR SHAREHOLDERS

Management and Insiders (6.8%)

DISCLOSURE CODE:

(Please refer to the disclosures listed on the back page)

Source: RCS, Company Information, S&P Capital IQ

COMPANY DESCRIPTION

Cerrado Gold is a Toronto based growing precious metals mining and exploration company building a portfolio of assets in South America. The Company's 100%-owned Minera Don Nicolas project, located in Santa Cruz, Argentina, is a producing gold and silver mine with significant optimization, expansion, and exploration potential. The Company also has the development-stage Mont Sorcier iron-vanadium project in Quebec.

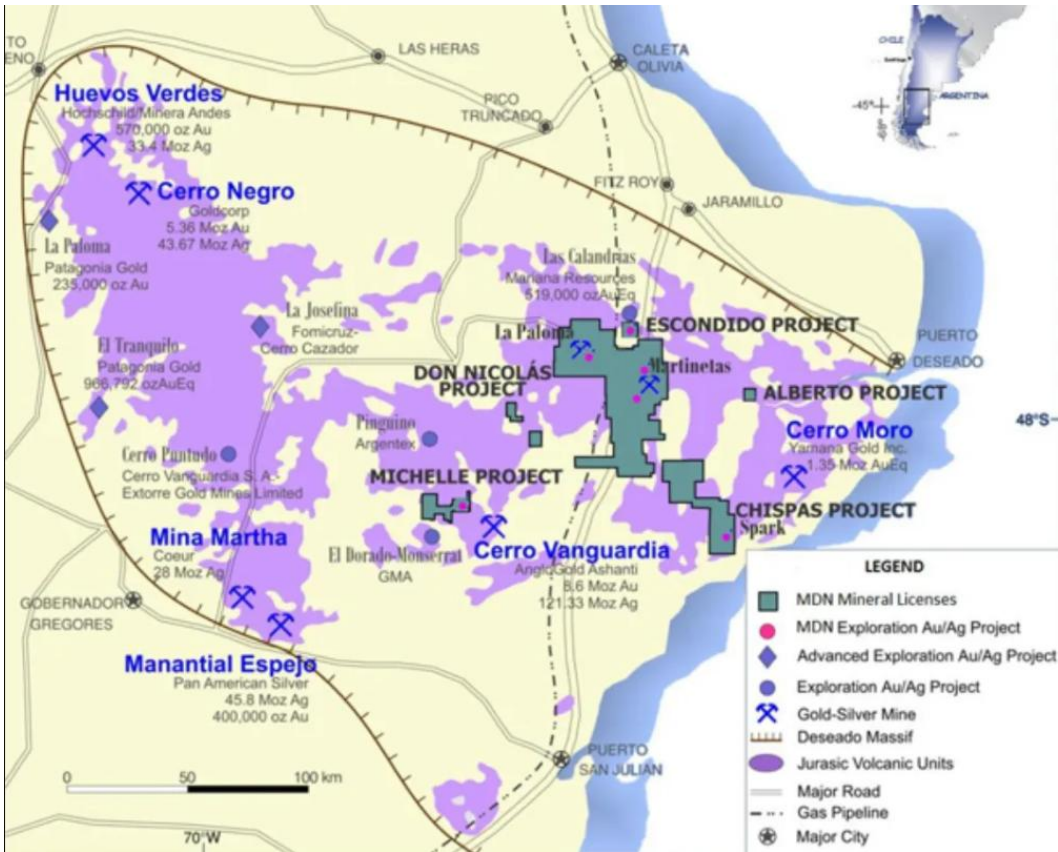
Impact: Positive

We caught up with CEO Mark Brennen to get an update on the latest developments at Cerrado Gold (CERT). The Company has been focused on optimizing its flagship Mineral Don Nicolas (MDN) mine in Argentina while it shepherds its Lagoa Salada and Mont Sorcier development assets toward development milestones. Over the past year, the CERT has done much to improve and stabilize MDN's performance. They've upgraded the crushing circuit, resolved the water issues and expanded the leach pads and tailings storage facility. In addition, they recently added two new properties to the project, expanding the area held to ~333,000 ha; the largest property package in the prolific Deseado Massiff (Figure 1). They've initiated a 50,000m surface drill program and intend to complete 20,000 m of underground drilling to expand the resource base. Mark is confident this work will extend mine life by more than 5 years, along with a modest bump in production. Finally, on July 17/26 the company announced that it had repurchased the outstanding streaming assets on MDN and Lagoa Salgada for total consideration of US\$31.3M. **We've adjusted our model to reflect a 7.3-year mine life at MDN and pushed the start of Lagoa Salgada out by a year to 2030. The combined adjustments increase our NAVPS to \$6.91 from \$5.07 previously. We reduced our NAV multiple from 0.75x to 0.65x, but our 2027 target price increases to \$4.50/sh from \$4.00/sh, supporting our BUY Recommendation.**

- **Production to expand.** Our revised model forecasts total production of 525K oz GEO at AISC of \$1,990/oz over a 7.3 year mine life (484K oz Au, 2.7M oz Ag). For 2026, our estimate is 56.3K oz @ \$2,119/oz versus guidance of 50,000 to 60,000 GEO.
- **Q1/27 PEA Will Reveal All.** The company intends on updating the MRE and issuing a LOM PEA on MDN in Q1/27, which is expected to demonstrate the initial success of the resource drilling and operational efficiency measures implemented. Mark is optimistic this will suggest a modest increase in annual production. Our model now calls for average production of 63K oz GEO/a over the 7-year period through 2033.
- **Lagoa Salgada, Portugal.** Work on the optimized feasibility study has slowed. They expect to resubmit its EIA and engineering study by the end of 27. This could allow construction to begin as early as Q3/27. Up to 70% of the capital will be made available through the UK Export Credit Agency and Banco Santander.
- **Mont Sorcier, Quebec.** The BFS has been deferred in favor of a modest infill drill program aimed at lowering the strip ratio by upgrading inferred resources. The company anticipates filing the ESIA in Q2/27 which would lead to a construction start in 2028.
- **Discount Metrics.** Based on 2026 forecasts provide by S&P Capital IQ Pro, CERT is trading at a P/CFPS of 2.7x versus its peers at 7.9x and EV/EBITDA of 2.4x versus it peers at 5.2x.

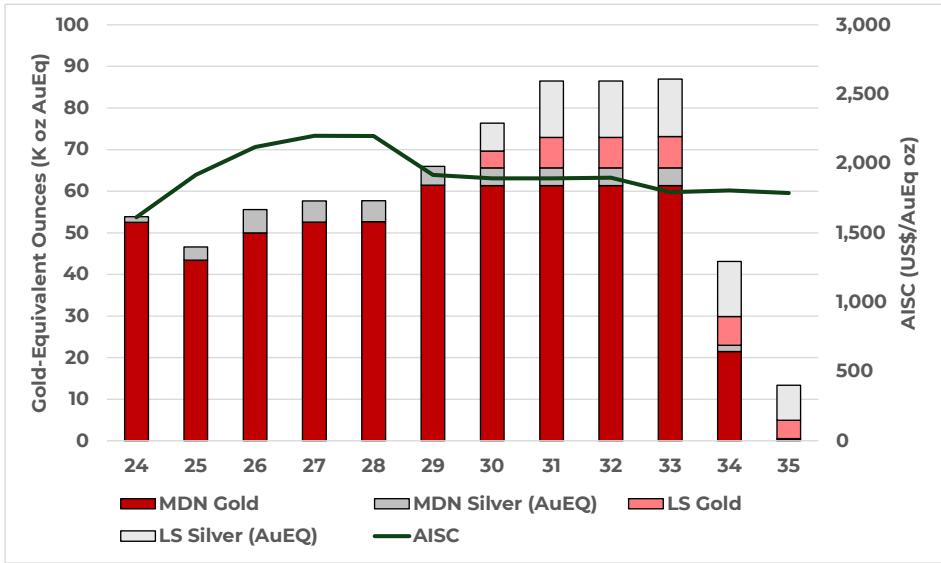
We have raised our target price to C\$4.50/sh (from C\$4.00/sh) and are maintaining our BUY rating. Our NAVPS based on DCF_{5%} analysis of MDN and Lagoa Salgada, and 5.0% of the 2022, US\$1.6B PEA NPV_{8%} on Mont Sorcier. We apply a 0.65x multiple to reflect the uncertainty of our model estimates. **Upcoming catalysts:** 1) MDN ramp up (Ongoing) and PEA (Q1/27), 2) Exploration results, 3) Updates on Lagoa Salgada EIA, and 4) Mont Sorcier infill drilling and BFS (H1/26)

Figure 1: MDN Tenement Holdings in the Deseado Masiff, Agrentina



Source: Company reports

Figure 2: GEO Production Summary & AISC



Source: RCS Analysis

Figure 3: Valuation Metrics

COMPARABLES							
Company	Ticker	Price C\$/sh	Mkt Cap C\$M	US\$EV/oz AuEq	Consensus P/NAV	S&P CAPIQ Est. P/CF EV/EBITDA	
Alkane Resources Ltd	TSX:ALK	\$1.85	\$2,472	\$115	1.34x	5.5	4.1
Discovery Mining Ltd.	TSX:GAU	\$2.82	\$750	\$263	0.46x	14.0	8.6
Galiano Gold Inc.	TSXV:ITR	\$3.79	\$792	\$109	0.35x	2.5	1.7
Integra Resources Corp.	TSX:MUX	\$25.34	\$1,555	\$42	0.63x	6.7	5.2
Hemlo Mining Corp.	TSX:ORE	\$3.32	\$2,538	\$115	0.45x	4.8	3.6
McEwen Inc.	TSX:HMMC	\$5.56	\$1,669	\$103	0.76x	14.9	7.8
Mako Mining Corp.	TSX:ALK	\$1.85	\$2,472	\$250	1.60x	10.2	6.6
Orezone Gold Corporation	TSXV:MKO	\$13.27	\$1,179	\$182	0.40x	3.1	3.2
Wesdome Gold Mines Ltd.	TSX:DSV	\$12.52	\$10,234	\$1,118	0.78x	9.2	5.8
Average				\$255	0.75x	7.9	5.2
Cerrado Gold Inc.	TSXV:CERT	\$2.35	\$344	\$402	0.34x	2.7	2.4

Source: S&P Capital IQ Pro

Figure 4: NAV and Target Price

	Units	Discount Rate			
		0%	5%	10%	15%
Minera Don Nicolas	C\$M	830	703	153	531
Lagoa Salgada	C\$M	297	187	113	63
Mt Sorcier	C\$M	111	111	111	111
Cash	C\$M	33	33	33	33
Resources	C\$M	16	16	16	16
Corporate	C\$M	(35)	(19)	(9)	(3)
Total NAV	C\$M	1,252	1,031	418	752
Total NAVPS	C\$/share	8.39	6.91	2.80	5.05
Multiple			0.65x		
Price Target	C\$/share		4.50		

Source: RCS estimates

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Disclosure Statement
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Recommendation / Target Change			Red Cloud Securities has this percentage of its universe assigned as the following:	
Date	Rating	Target	Status	%
2024-09-04	BUY	1.45	BUY	36%
2024-10-21	BUY	1.45	BUY (S)	15%
2024-10-31	BUY	1.45	HOLD	1%
2024-11-29	BUY	1.50	TENDER/ SELL	1%
2025-01-06	BUY	2.50	NA	25%
2025-01-07	BUY	1.70	UNDER REVIEW	21%
2025-02-04	BUY	1.70		
2025-02-27	Under Review	Under Review		
2025-03-03	Under Review	Under Review		
2025-05-30	Under Review	Under Review		
2025-07-18	Under Review	Under Review		
2025-08-25	Under Review	Under Review		
2025-10-20	Under Review	Under Review		
2025-10-21	Under Review	Under Review		
2025-11-07	BUY	2.80		
2025-12-01	BUY	2.30		
2025-12-05	BUY	2.30		
2026-01-22	BUY	2.50		
2026-03-02	BUY	2.50		
2026-04-06	BUY	2.50		
2026-05-01	BUY	2.80		
2026-05-29	BUY	2.80		
2026-07-14	BUY	2.80		
2026-07-21	BUY	2.80		
2026-08-21	BUY	3.00		
2026-09-15	BUY	4.00		
2026-10-05	BUY	4.50		

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Company Specific Disclosure Details

Company Name	Ticker Symbol	Disclosures
Cerrado Gold Inc.	TSXV:CERT	7

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- HOLD – expected to perform with its peer group
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