LOS CERROS LIMITED

25 May 2021
ASX Announcement
ASX: LCL

First Ceibal drill hole intercepts porphyry suite, second rig at target

HIGHLIGHTS

- **The first drillhole at Ceibal (CEDDH01) has delivered promising visuals and prompted the transfer of a second rig to the target.**
- **CEDDH01 ended at 500m downhole depth having passed through andesites, breccias and diorites analogous to the Tesorito South porphyry suite.**

On the back of encouraging visuals from CEDDH01 drill core, **Los Cerros Limited (ASX: LCL) (Los Cerros** or the **Company)**, has re-directed a second rig to fast-track the investigation of the exciting, new Ceibal porphyry target within the 100% owned Quinchia Gold Project in Colombia.

CEDDH01, the first hole ever drilled at Ceibal, entered andesite at surface which bears considerable similarities to the andesite that forms part of the mineralised suite at Tesorito. The entire 500m down-hole length remained in andesites, diorites and magmatic breccias visually similar to Tesorito drill core. The hole ended at 500m (EOH) in andesite with low vein density, suggesting a transition out of the zone of interest, which is consistent with a decrease in surface geochemistry anomalism directly above EOH (Figure 1).

Whilst assay results are not expected until mid-June, the Company is sufficiently enthused by the geological comparisons to the Tesorito South porphyry suite to direct a second rig to Ceibal. Holes CEDDH02 and CEDDH03 are each on drill lines of ~100m spacings east of CEDDH01.

About Ceibal

Ceibal is ~1km south west of the Company's Tesorito South porphyry discovery and forms part of a cluster of porphyry targets within a few kilometres of the Miraflores Gold Deposit (Figure 2).

Ceibal comprises a substantial, 800m x 600m gold, copper and molybdenum, surface soil and rock chip geochemistry anomaly on the shoulder of an air magnetic anomaly. Ceibal's surface anomaly is broadly comparable in size and tenor to that of Tesorito and, like Tesorito, Ceibal is located within the Marmato Fault Corridor at a structural dilation or "jog" and on a NW trending cross cutting structure. To date, Tesorito South has delivered 10 drill holes grading ~1g/t gold for more than 200m with mineralisation starting from near surface[1].

Previously reported trenching results across the Ceibal anomalous zone has added to the excitement of this new target with significant surface gold reported in three channels:

- 90m @ 1.4g/t Au[2]
- 75m @ 1.2g/t Au[3]
- 25m @ 1.2g/t Au[3]

[1] See announcement 30 April 2021, Table 1. The Company confirms that it is not aware of any new information that affects the information contained in the announcement.
[2] See announcement 27 April. The Company confirms that it is not aware of any new information that affects the information contained in the announcement.
[3] See announcement 29 March 2021. The Company confirms that it is not aware of any new information that affects the information contained in the announcement.

Los Cerros Managing Director, Jason Stirbinskis added

"The strong surface channel results and encouraging visuals from the first drill hole, combined with the ideal structural setting for potential porphyry occurrence, has prompted us to accelerate drilling at Ceibal. The close proximity to Tesorito and the similarity of lithology and structural setting bodes well for finding another Tesorito style, near-surface gold mineralised porphyry."

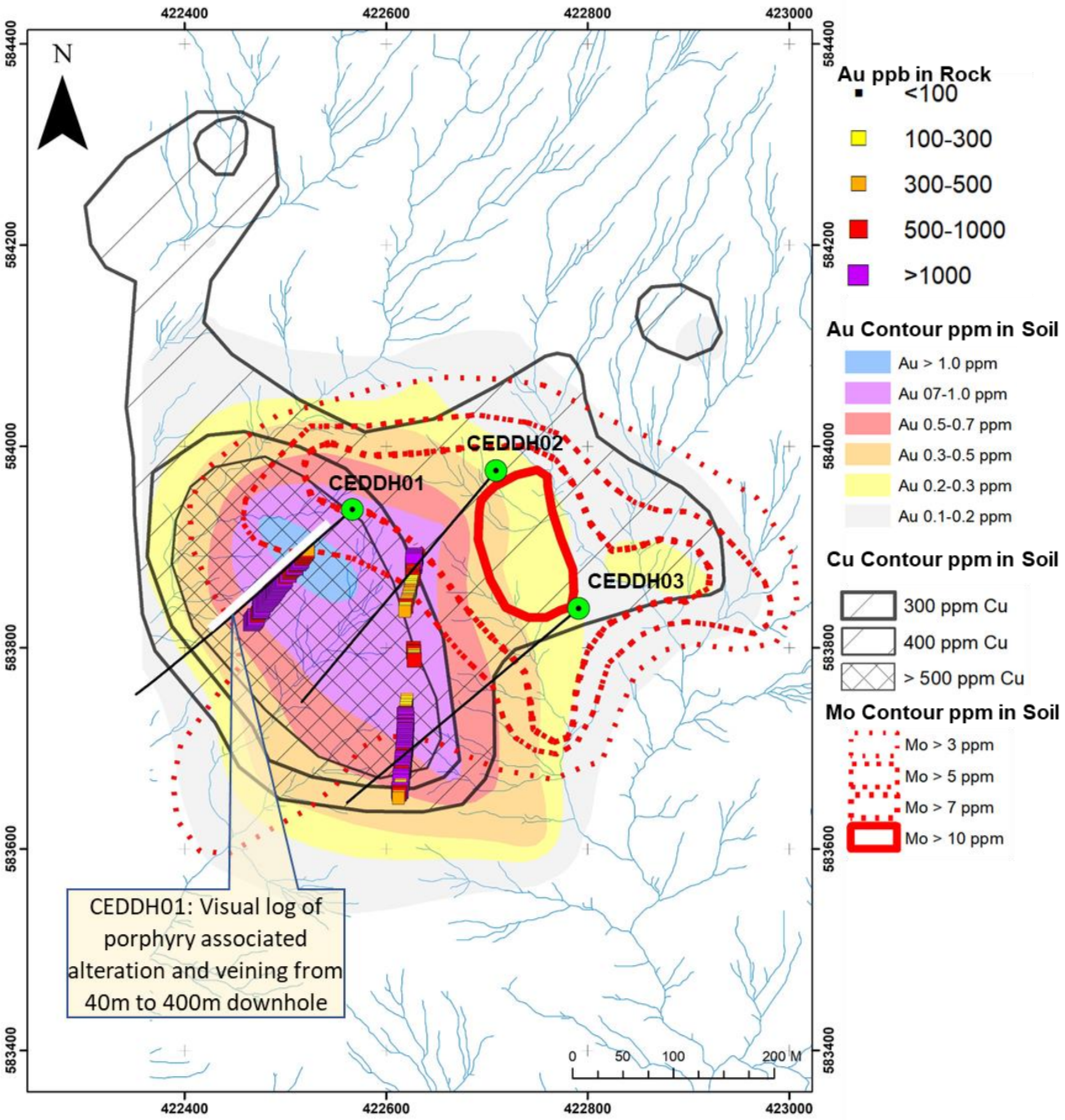

***Figure 1**: Ceibal drill hole traces over soil anomalism (Au, Cu, Mo) and channel (Au) samples.*

***Photo 1:** CEDDH01*

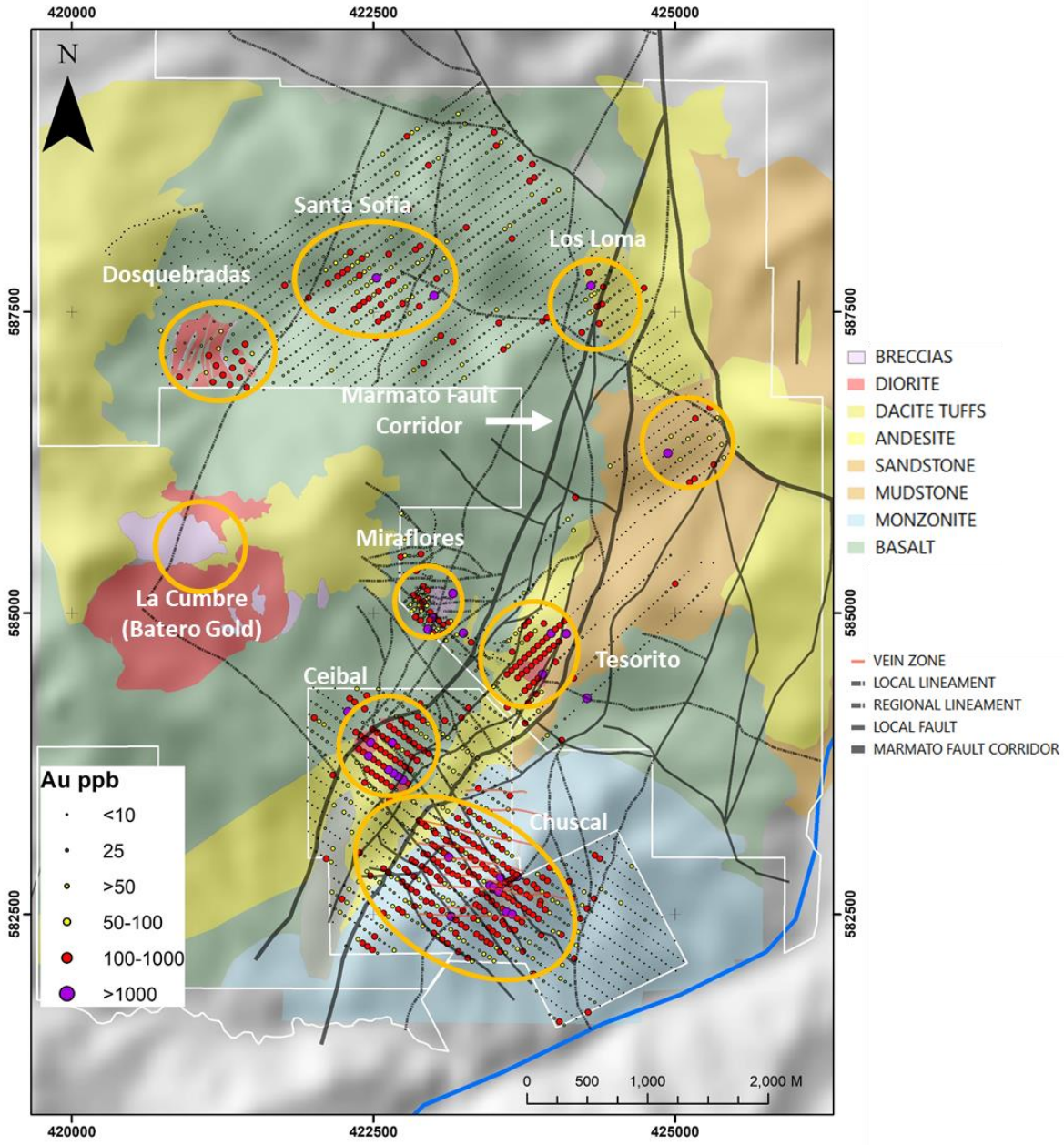

***Figure 2**: Ceibal target location on soil geochemistry in the Quinchia Gold Project. Note the location of both Tesorito and Ceibal on major fault 'jogs'.*

For the purpose of ASX Listing Rule 15.5, the Board has authorised this announcement to be released.

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FORWARD LOOKING STATEMENTS This document contains forward looking statements concerning Los Cerros. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward-looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes. Forward looking statements in this document are based on Los Cerros' beliefs, opinions and estimates of Los Cerros as of the dates the forward-looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments. Although management believes that the assumptions made by the Company and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. Forward-looking information involves known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any anticipated future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, the actual market price of gold, the actual results of future exploration, changes in project parameters as plans continue to be evaluated, as well as those factors disclosed in the Company's publicly filed documents. Readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws. No representation, warranty or undertaking, express or implied, is given or made by the Company that the occurrence of the events expressed or implied in any forward-looking statements in this presentation will actually occur.

JORC STATEMENTS - COMPETENT PERSONS STATEMENTS

The technical information related to Los Cerros assets contained in this report that relates to Exploration Results (excluding those pertaining to Mineral Resources and Reserves) is based on information compiled by Mr Cesar Garcia, who is a Member of the Australasian Institute of Mining and Metallurgy and who is a Geologist employed by Los Cerros on a full-time basis. Mr Garcia has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Garcia consents to the inclusion in the release of the matters based on the information he has compiled in the form and context in which it appears.

The information presented here that relates to Mineral Resources of the Dosquebradas Project, Quinchia District, Republic of Colombia is based on and fairly represents information and supporting documentation compiled by Mr. Scott E. Wilson of Resource Development Associates Inc, of Highlands Ranch Colorado, USA. Mr Wilson takes overall responsibility for the Resource Estimate. Mr. Wilson is Member of the American Institute of Professionals Geologists, a "Recognised Professional Organisation" as defined by the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Wilson is not an employee or related party of the Company. Mr. Wilson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012)'. Mr. Wilson consents to the inclusion in the news release of the information in the form and context in which it appears

The Company is not aware of any new information or data that materially affects the information included in this release.

TABLE 2 - MIRAFLORES PROJECT RESOURCES AND RESERVES

The Miraflores Project Mineral Resource estimate has been estimated by Metal Mining Consultants in accordance with the JORC Code (2012 Edition) and first publicly reported on 14 March 2017. No material changes have occurred after the reporting of these resource estimates since their first reporting.

Miraflores Mineral Resource Estimate, as at 14 March 2017 (100% basis)

Resource Classification	Tonnes (000t)	Au (g/t)	Ag (g/t)	Contained Metal (Koz Au)	Contained Metal (Koz Ag)
Measured	2,958	2.98	2.49	283	237
Indicated	6,311	2.74	2.90	557	588
Measured & Indicated	**9,269**	**2.82**	**2.77**	**840**	**826**
Inferred	487	2.36	3.64	37	57

Notes:

i) Reported at a 1.2 g/t gold cut-off.
ii) Mineral Resource estimated by Metal Mining Consultants Inc.
iii) First publicly released on 14 March 2017. No material change has occurred after that date that may affect the JORC Code (2012 Edition) Mineral Resource estimation.
iv) These Mineral Resources are inclusive of the Mineral Reserves listed below.
v) Rounding may result in minor discrepancies.

Miraflores Mineral Reserve Estimate, as at 27 November 2017 (100% basis)

The Miraflores Project Ore Reserve estimate has been estimated by Ausenco in accordance with the JORC Code (2012 Edition) and first publicly reported on 18 October 2017 and updated on 27 November 2017. No material changes have occurred after the reporting of these reserve estimates since their reporting in November 2017.

Reserve Classification	Tonnes (Mt)	Au (g/t)	Ag (g/t)	Contained Metal (Koz Au)	Contained Metal (Koz Ag)
Proved	1.70	2.75	2.20	150	120
Probable	2.62	3.64	3.13	307	264
Total	**4.32**	**3.29**	**2.77**	**457**	**385**

Notes:

i) Rounding of numbers may result in minor computational errors, which are not deemed to be significant.
ii) These Ore Reserves are included in the Mineral Resources listed in the Table above.
iii) First publicly released on 27 November 2017. No material change has occurred after that date that may affect the JORC Code (2012 Edition) Ore Reserve estimation.

Source: Ausenco, 2017

Dosquebradas Inferred Mineral Resource Estimate, as at 25 February 2020 (100% basis)

Cut-Off (g/t Au)	Tonnes ('000t)	Au (g/t)	Au (koz)	Ag (g/t)	Ag (koz)	Cu (%)	Cu (pounds)
0.3	57,794	0.50	920.8	0.6	1,036	0.04	56,767
0.4	34,593	0.60	664.1	0.6	683.8	0.05	38,428
0.5	**20,206**	**0.71**	**459.1**	**0.7**	**431.7**	**0.06**	**24,867**

Notes:

i) No more than 6m internal waste is included in the weighted intervals
ii) Inferred Mineral Resources shown using various cut offs.
iii) Based on gold selling price of US$1,470/oz.
iv) Mineral Resource estimated by Resource Development Associates Inc.

First publicly released on 25 February 2020. No material change has occurred after that date that may affect the JORC Code (2012 Edition)

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Not reporting on assaying or sampling at this stage. • No analytical data is currently available at this stage in the drilling. Information on lithology, alteration and indications of mineralisation ie sulphide concentrations and vein densities are qualitative, based on visual logging by the project geologists. These features indicate zones of potential gold mineralisation, however geochemistry is required to confirm the presence and grade of gold value.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• The Ceibal drilling program is a diamond drilling using HQ diameter core. In the case of operational necessity this will be reduced to NQ core. Where ground conditions permit, core orientation is conducted on a regular basis
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• The drillers are required to meet a minimum recovery rate of 95%. • On receipt the core is visually verified for inconsistencies including depth labels, degree of fracturing (core breakage versus natural), lithology progression etc. If the core meets the required conditions it is cleaned, core pieces are orientated and joined, lengths and labelling are verified, and geotechnical observations made. The core box is then photographed. • Orientated sections of core are aligned, and a geologic log prepared. • Following logging, sample intervals are determined and marked up and the cutting line transferred to the core.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies*	• Preliminary field logging is completed by Company geologists on standard log sheet templates. The logging is predominantly qualitative with visual estimates made of vein densities. No reports on assays or sampling or quantitative values

Criteria	JORC Code explanation	Commentary
	and metallurgical studies. • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	is made at this stage. • Initially a quicklog is carried out to guide sampling and then this is followed by detailed logging. The level of logging is appropriate for exploration and initial resource estimation evaluation.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• After logging and definition of sample intervals by the geologist, the marked core is cut in half using a diamond saw in a specially designed facility on site. All core is cut and sampled. The standard sample interval is 2m but may be varied by the geologist to reflect lithology, alteration or mineralization variations. • As appropriate, all half or quarter core generated for a specific sample interval is collected and bagged. The other half of the core remains in the core box as a physical archive. • The large size (4-8kg) of individual samples and continuous sampling of the drill hole, provides representative samples for exploration activities. Through the use of QA/QC sample procedure in this phase of drilling, any special sample preparation requirements eg due to unexpectedly coarse gold, will be identified and addressed prior to the resource drilling phase.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Gold assays will be obtained using a lead collection fire assay technique (AuAA26) and analyses for an additional 48 elements obtained using multiacid (four acid) digest with ICP finish (ME-MS61) at ALS' laboratory in Lima, Peru. • Fire assay for gold is considered a "total" assay technique. • An acid (4 acid) digest is considered a total digestion technique. However, for some resistant minerals, not considered of economic value at this time, the digestion may be partial e.g. Zr, Ti etc. • No field non-assay analysis instruments were used in the analyses reported. • Los Cerros uses certified reference material and sample blanks and field duplicates inserted into the sample sequence. • Geochemistry results are reviewed by Los Cerros for indications of any significant analytical bias or preparation errors in the reported analyses. • Internal laboratory QA/QC checks are also reported by the laboratory and are reviewed as part of the Los Cerros QA/QC analysis. The geochemical data is only accepted where the analyses are performed within acceptable limits.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• All digital data received is verified and validated by the Company's Competent Person before loading into the assay database. • Over limit gold or base metal samples are re-analysed using appropriate, alternative analytical techniques (Au-Grav22 50g and OG46). • Reported results are compiled by the Company's geologists and verified by the Company's database administrator and exploration manager. • No adjustments to assay data were made.

Criteria	JORC Code explanation	Commentary
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• The drill hole is located using a handheld GPS and Lider DTM. This has an approximate accuracy of 3-5m considered sufficient at this stage of exploration. • On completion of the drilling program the collars of all holes will be surveyed using high precision survey equipment. • Downhole deviations of the drill hole are evaluated on a regular basis and recorded in a drill hole survey file to allow plotting in 3D. • The grid system is WGS84 UTM Z18N.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• n/a
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Drill hole is preferentially located in prospective area. • All drillholes are planned to best test the lithologies and structures as known taking into account that steep topography limits alternatives for locating holes.
Sample security	• *The measures taken to ensure sample security.*	• All samples are secured in a closed facility at Quinchia and secured by guard on a 24/7 basis. Each batch of samples are transferred in a locked vehicle and driven 165km to ALS laboratories for sample preparation in Medellin.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• There have been no reported external audits or reviews at this stage.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Exploration Titles were validly issued as Concession Agreements pursuant to the Mining Code. • The Concession Agreement grants its holders the exclusive right to explore for and exploit all mineral substances on the parcel of land covered by such concession agreement. • The concessions are registered to AngloGold Ashanti Colombia SA. Los Cerros has a 100% beneficial interest in these tenements which are in the process of transfer to Los Cerros. • There are no outstanding encumbrances or charges registered against the

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td>Exploration Title at the National Registry.</td></tr>
<tr><td>Exploration done by other parties</td><td>• Acknowledgment and appraisal of exploration by other parties.</td><td>• n/a.</td></tr>
<tr><td>Geology</td><td>• Deposit type, geological setting and style of mineralisation.</td><td>• The Ceibal gold zone appears to be associated with diorite stocks probably of Miocene age, that have intruded into the large andesite rocks of the Combia formation, and Cretaceous-age basalts of the Barroso Formation. This is similar to the lithology of the nearby Tesorito porphyry discovery.</td></tr>
<tr><td>Drill hole Information</td><td>• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:
○ easting and northing of the drill hole collar
○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar
○ dip and azimuth of the hole
○ down hole length and interception depth
○ hole length.
• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</td><td><table><tr><th>HOLE</th><th>EASTING</th><th>NORTHING</th><th>RL(m)</th><th>AZIMUTH</th><th>DIP</th><th>EOH(m)</th></tr><tr><td>CEDDH001</td><td>422566.4</td><td>583937.3</td><td>1255.706</td><td>228</td><td>62</td><td>500</td></tr><tr><td>CEDDH002</td><td>422709</td><td>583976</td><td>1249.1</td><td>220</td><td>60</td><td></td></tr><tr><td>CEDDH003</td><td>422791</td><td>583839</td><td>1214</td><td>230</td><td>60</td><td></td></tr></table></td></tr>
<tr><td>Data aggregation methods</td><td>• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.
• Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.
• The assumptions used for any reporting of metal equivalent values should be clearly stated.</td><td>• Not reporting on assaying or sampling.</td></tr>
<tr><td>Relationship between mineralisation widths and intercept lengths</td><td>• These relationships are particularly important in the reporting of Exploration Results.
• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.
• If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg ‘down hole length, true width not known’).</td><td>• The results reported in this announcement are considered to be of an early stage in the exploration of the project.
• Mineralisation geometry is not accurately known as the exact number, orientation and extent of mineralised structures are not yet determined.</td></tr>
<tr><td>Diagrams</td><td>• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery</td><td>• Geological map showing exploration results over the Ceibal Prospect is shown</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
	being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	in Figures 1 & 2 within the main body of this announcement.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Reporting is considered balanced.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• No other exploration data that is considered meaningful and material has been omitted from this report.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Additional drilling is required to systematically test the nature and extent of Au-Cu-Mo soil anomaly at Ceibal. • The objective of the proposed program is to test the cause of the surface soil geochemical anomaly and the rockchip gold anomaly from surface trenches; and its relationship with possible porphyry mineralization located in the Marmato fault corridor.