16 February 2023
ASX Announcement
ASX: LCL

22m @ 4.68g/t Au from Leah's Lode (Kusi) extension trenching

HIGHLIGHTS

- **Recent trench sampling at Leah's Lode has extended the skarn mineralisation 100m to the northeast, with along strike channel sampling averaging 22m @ 4.68g/t Au (base metals pending)**
- **Previous trench results for Leah's Lode include**
  - **8m @ 11.5g/t Au, 2.6% Cu, 24g/t Ag[1]**
- **Kusi 3,000m diamond drilling program to commence in March**
- **The Company held over $8.4M cash at 31 December 2022.**

Los Cerros Limited (ASX: LCL) (Los Cerros or the **Company)** is pleased to announce recent trench channel sampling assay results from the Kusi gold-copper prospect, part of the 100% owned Ono Project in Papua New Guinea.

Channel sampling of a trench along strike from the Leah's Lode skarn discovery trench has reported mineralised skarn assaying 22m @ 4.68g/t Au (Table 1) which extends the mineralised skarn unit >100m to the northeast. This extension supports the concept of a shallow dipping mineralised zone on the eastern side of Kusi (Figure 1 & 2).

The Ono Project is 1,630km^2 of contiguous exploration licenses covering an intrusive complex considered prospective for gold/copper oxide skarn, epithermal and porphyry mineralisation.

Results from previous drilling and surface channel sampling of the southern portion of the upper limestone skarn unit include[1] –

- **10.1m @ 2.39g/t Au** from 0m in diamond drill hole KSDD003
- **20m @ 2.89g/t Au** from 107m in diamond drill hole KSDD004
- **35m @ 3.04g/t Au** from 136m in diamond drill hole KSDD007
- **20m @ 3.84g/t Au** in trench FPR TR 1
- **71m @ 4.96g/t Au, 4.77g/t Ag & 0.37% Cu** in trench KSTC45A

Leah's Lode is a 2022 discovery of an additional eastern skarn unit (at a different stratigraphic level to the upper limestone unit) and was defined by a single trench with strong copper and gold grades of 8m @ 11.5g/t Au, 2.6% Cu, 24g/t Ag. The recent result extending the unit by >100m along strike is an important confirmation of this new discovery. Drilling, scheduled to commence in March 2023, will be required to ascertain true widths of mineralisation as the skarn dips similarly to the steep topography. The presence of thick vegetation also makes assessment of true width challenging. Leah's Lode mineralisation remains open in all directions.

Kusi field work continues ahead of drilling and has moved to the western and northern target areas, (Figure 1) to establish the full extent of the mineralised upper limestone skarn unit.

[1] *See ASX announcement 25 November 2022. The Company confirms that it is not aware of new information that affects the information contained in the original announcement.*

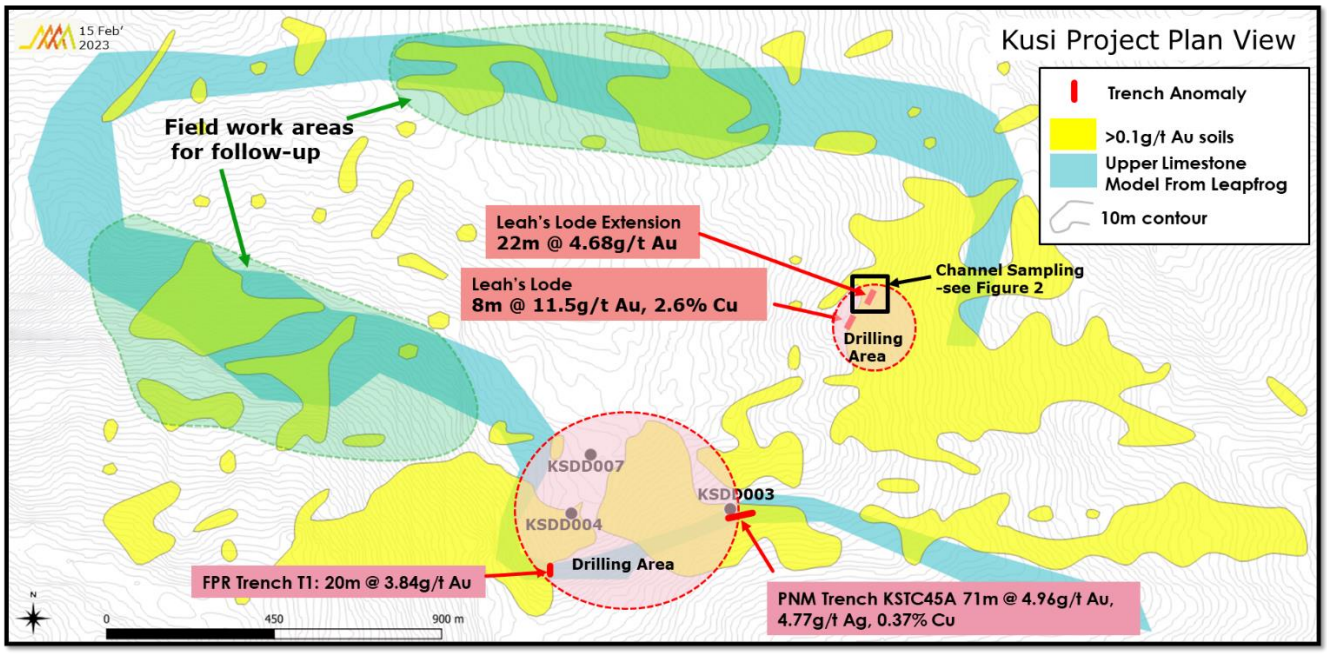

Figure 1: *Plan view of Kusi showing gold in soils geochemical anomaly, modelled upper limestone skarn unit and the location of Leah's Lode and Extension trenching (see Figure 2 for detail).*

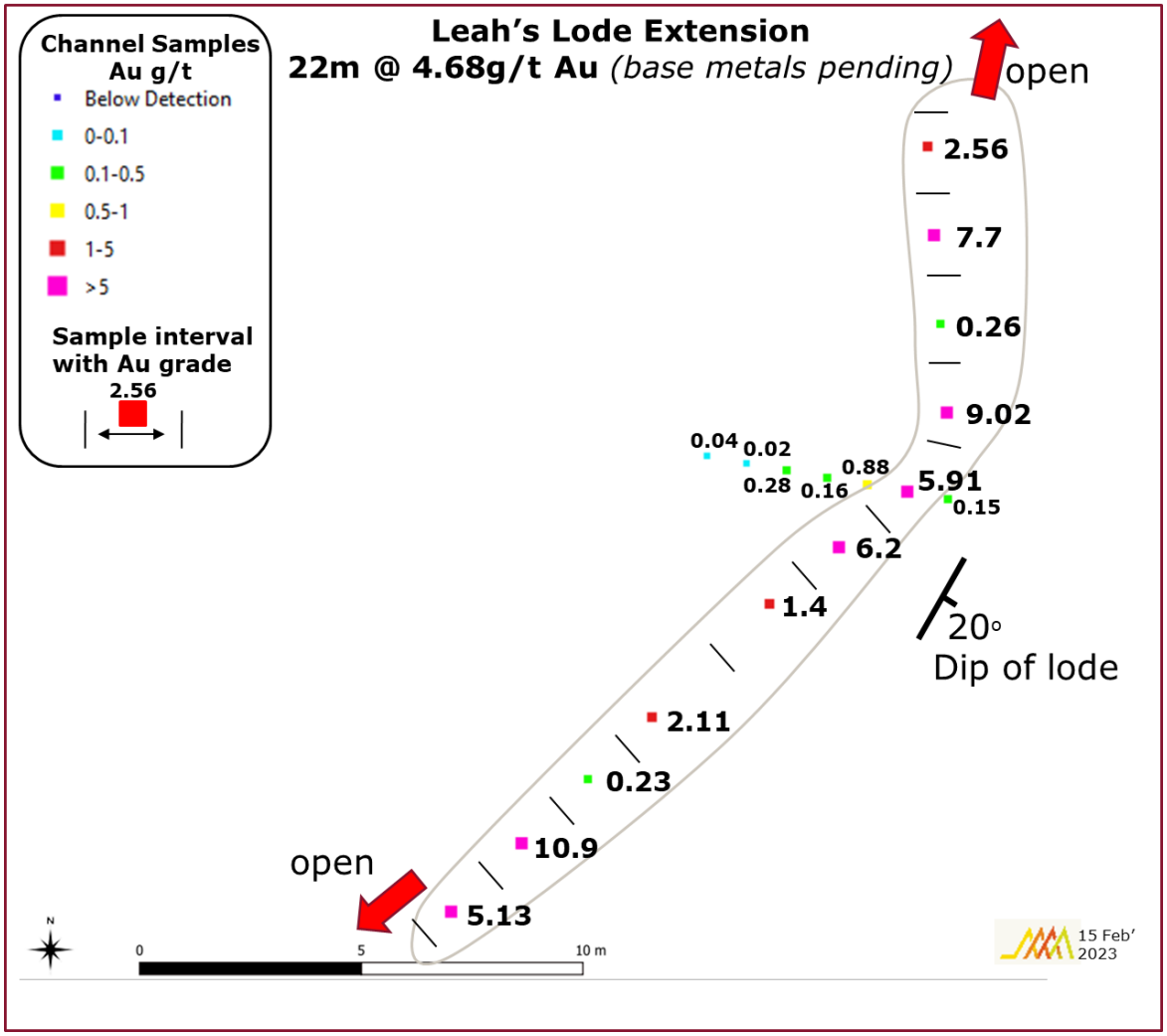

Figure 2. *Channel sample gold assays from Leah's Lode Extension (see Table 1 and Figure 1 for location). Note trench orientation is along strike and therefore not an indication of width of the mineralised unit.*

***Photos**: Left- Initiating the extension trench at Leah's Lode. Right- Polished outcrop sample of garnet-chalcopyrite skarn grading 61.3g/t Au and 18% Cu[1] taken ~2m from the original Leah's Lode trench.*

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

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JORC STATEMENTS - COMPETENT PERSONS STATEMENTS

The technical information related to Los Cerros' assets contained in this report that relates to Exploration Results is based on information compiled by Mr John Dobe, 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 Dobe 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 Dobe 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.

Sample_ID	Easting	Northing	Lithology	Au_g/t
207301	494382	9134980	Phyllite	5.13
207302	494384	9134981	Skarn	10.9
207303	494385	9134983	Skarn	0.23
207304	494387	9134984	Skarn	2.11
207305	494389	9134987	Skarn	1.4
207306	494391	9134988	Skarn	6.2
207307	494393	9134991	Skarn	9.02
207308	494393	9134993	Phyllite	0.26
207309	494393	9134995	Phyllite	7.7
207310	494393	9134997	Phyllite	2.56
207316	494393	9134989	Skarn	5.91

***Table 1**: Outcrop channel samples at Leah's Lode Extension trench. Coordinates are mid points of each ~2m composite sample. Reported 22m intercept is the arithmetic mean of the 11 samples. Base metal assays remain pending.*

JORC Code, 2012 Edition – Table 1- Ono Licence EL2665, Leah's Lode extension trench

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.*	• Trench samples are bagged in numbered calico sacks with a unique sample tag. Groups of 5 samples are bagged in a heavy duty plastic bag, labelled, weighed and sealed, for transport. • Transport is via helicopter to Lae, where the samples are transported in a secure vehicle to the Intertek (ITS) Laboratory. • Rockchip samples, where possible, are taken from outcrops or saprock however during reconnaissance mapping samples from float material may also be taken if it is considered to be important to the exploration targeting. • Continuous rockchip channel samples were obtained along the length of channels dug to C horizon and weathered rock. Channel sample intervals are 2m lengths, but may be 1m at the geologist's discretion. • All channel, rock chip grab samples and soil samples are approximately 2kg in weight.
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).*	• NA

Criteria	JORC Code explanation	Commentary
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.*	• NA
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 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.*	• Channels are logged geologically by the project geologist to accepted industry standards capturing lithology, mineralogy and structural measurements. • Channel samples are photographed routinely.
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.*	• Samples undergo fine pulverisation of the entire sample in accordance with the independent certified laboratory's procedures. • QAQC was ensured during the sub-sampling stages process via the use of the systems of an independent NATA/ ISO accredited laboratory contractor. • Soil and rockchip samples are bagged and tagged with unique sample identity numbers. • QA/QC standard reference samples and blanks have been used by LCL for channel samples. • Rockchip samples, where possible, are taken from outcrops or saprock. However, during reconnaissance mapping, samples from float material may also be taken if it is considered to be important to the exploration targeting. • Continuous rockchip channel samples were obtained along the length of channels dug to C horizon and weathered rock. Channel sample intervals are measured with a tape are 2m lengths, but may be 1m at the geologist's discretion. Geologists log each sample interval for geology, alteration, veining and mineralisation. Continuous rockchip sampling is an accepted exploration

Criteria	JORC Code explanation	Commentary
		methodology to obtain a representative sample. • Channel, rock chip grab samples and soil samples are approximately 2kg.
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.*	• Surface samples were submitted to Intertek (ITS) laboratory in Lae for sample preparation and Au assay. Pulps are sent to ITS' laboratory in Townsville, Australia for multi-element assays. Gold assays were obtained using a lead collection fire assay technique (FA50/AAS) and analyses for an additional 48 elements obtained via Four Acid ICP-OES & MS package 4A/OM10. • 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. • Geochemistry results are reviewed by the Company for indications of any significant analytical bias or preparation errors in the reported analyses. • Internal laboratory QAQC checks are also reported by the laboratory and are reviewed as part of the Company's QAQC 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.*	• Digital data received is verified and validated by Los Cerros' management before loading into the assay database. • Reported results are compiled by the Company's geologists and verified by the Company's database administrator and exploration manager. • No adjustments to surface assay data were made. • Data is stored digitally in a database which has restricted access to Los Cerros' database personnel. • Pulps from the ITS laboratory are returned to Los Cerros after 3 months. Los Cerros then store the samples in a secure lock storage container in Lae, PNG.

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 trenches are located using a handheld GPS using the averaging function for a minimum of 10 minutes. This has an approximate accuracy of 3-5m which is considered sufficient at this stage of exploration. • The grid system is WGS84 UTM zones Z55S.
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.*	• Trenching of skarn mineralisation that has an underlying stratigraphic control, is undertaken, where possible or known, perpendicular to the (across) stratigraphy, to try and achieve true thickness intervals. Note Leah's Lode extension trench was along strike. Skarn dip in relation to the steep topography makes perpendicular trenching and assessment of true width challenging.
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.*	• Trenching of skarn mineralisation that has an underlying stratigraphic control, is undertaken where possible or known, perpendicular to (across) the stratigraphy, to try and achieve true thickness intervals. Note Leah's Lode extension trench was along strike. Skarn dip in relation to the steep topography makes perpendicular trenching and assessment of true width challenging.
Sample security	• *The measures taken to ensure sample security.*	• Surface sample dispatches are secured and labelled on site. Groups of 5 samples are bagged in a heavy duty plastic bag, labelled, weighed and sealed, for transport. • Transport is via helicopter to a commercial airport, where the samples are couriered with a commercial transport group to the ITS laboratory in Lae, PNG.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Site sampling techniques and data bases were routinely verified by senior geologists and the Company's executive director.

Section 2 Reporting of Exploration Results – Ono Licence EL2665, Leah's Lode extension trench

(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 Exploration Licences pursuant to the 1992 Mining Act. • The Exploration Licence grants its holders the exclusive right to carrying out exploration for minerals on that land. There are no outstanding encumbrances or charges registered against the Exploration Title at the National Registry. • As per standard tenement practices in PNG, EL 2665 is currently undergoing renewal. Los Cerros is not aware of any reason why the renewal application will not be approved.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Kusi Project: Pacific Niugini Limited (ASX:PNR) 2010-2020. Stream sampling, soils, rock chips, trenching, aeromagnetics, 8 diamond holes for 2,466.7m at Kusi Project.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Kusi Project: The Kusi Project is dominated by skarn mineralisation hosted in multiple limestone units within Owen Stanley metamorphics. Numerous intermediate to felsic dykes transect the project area. Minor Intermediate Sulphidation veins have also been noted.

Drill hole Information	• *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*
		NA

Criteria	JORC Code explanation	Commentary
	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.	
Data aggregation methods	• *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.*	• No metal equivalent values have been stated. • No cut of high grades has been done. • All widths quoted are intercept widths.
Relationship between mineralisation widths and intercept lengths	• *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').*	• Trenching of skarn mineralisation that has an underlying stratigraphic control, is undertaken where possible or known, perpendicular to (across) the stratigraphy, to try and achieve true thickness intervals. Note Leah's Lode extension trench was along strike. Skarn dip in relation to the steep topography makes perpendicular trenching and assessment of true width challenging.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Geological maps showing the location of trenches and exploration results are shown in the body of the 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*	• Reporting is considered balanced.

Criteria	JORC Code explanation	Commentary
	misleading reporting of Exploration Results.	
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.*	• QA/QC standard reference samples and blanks have been used by LCL for channel/trench samples. • Logs of soil, rock chip and trenches are generated in the field and material data later transferred by a geologist to the Company's database. When available, and after review, QAQC compliant assay data, based on ITS internal QAQC procedures, is also transferred to the Company's database by a qualified database manager. • Pulps are collected from the laboratory after 3 months and stored in a locked container with security.
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.*	• Continued trenching, mapping, soils sampling and drilling is planned for the Kusi target.