

December 2022 Quarterly Report

HIGHLIGHTS

- **Multiple copper, nickel and gold targets in PNG acquired**
- **The acquisition creates new exploration focusses as the Company transitions towards development scenarios for the 2.6Moz Quinchia Gold Project in Colombia**
- **Miraflores (part of Quinchia) EIA submitted marking the final submission for development approval**
- **Company wins annual Colombian mining industry ESG award**
- **Well-funded with \$8.4 million cash at quarter end**

Los Cerros Limited (ASX: LCL) (Los Cerros or the Company) is pleased to provide an overview on activities completed in the December 2022 quarter. Of most significance was the acquisition of 100% of Footprint Resources Pty Ltd (**Footprint**) with its multiple copper, gold and nickel targets in Papua New Guinea. Exploration programs at priority targets was initiated during the quarter and planned to commence in Q1 2023.

In Colombia, the Company has transitioned to focus on investigating development scenarios for its 100% owned Quinchia Gold Project with Mineral Resources of 2.6Moz @ 1.02g/t Au¹ and has ramped down greenfields exploration activities.

Footprint Acquisition

Los Cerros has acquired 100% of Footprint's shares through the payment of \$350,000 cash and the issue of 65,064,886 fully paid ordinary shares of Los Cerros².

The acquisition of ~3,867km² of exploration titles in central and southern areas of PNG (Figure 1) offers immediate and material exploration upside as well as jurisdictional and metal diversity, in particular the addition of metals critical to the electric vehicle sector.

The Company welcomes Footprint principals and only shareholders, geologists Glenn Twomey and John Dobe, as Los Cerros' employees. Under Executive Service Agreements which contemplate full time employment, both Glenn and John have performance-based bonuses/incentives linked to meeting targets associated with Company's new PNG assets. They bring with them Footprint's PNG exploration team, logistical support and in-country relationships. Inheriting continuity of project knowledge and in-country experience has ensured Los Cerros was able to commence its exploration program immediately following completion of the transaction on 21 November 2023.

¹ Contains a mix of Inferred, Indicated and Measured Resources. Using Tesorito MRE of 1.3Moz @ 0.81 g/t Au. The Miraflores Reserve is included in the Miraflores Resource. Refer ASX announcements dated 14 March 2017 (Miraflores Resource) and 27 November 2017 (Miraflores Reserve) and 25 February 2020 (Dosquebradas Resource) and 22 March 2022 (Tesorito Resource). The Company confirms that it is not aware of any new information or data that materially affects the information included in the market announcements, and that all material assumptions and technical parameters underpinning the estimates continue to apply.

² 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.

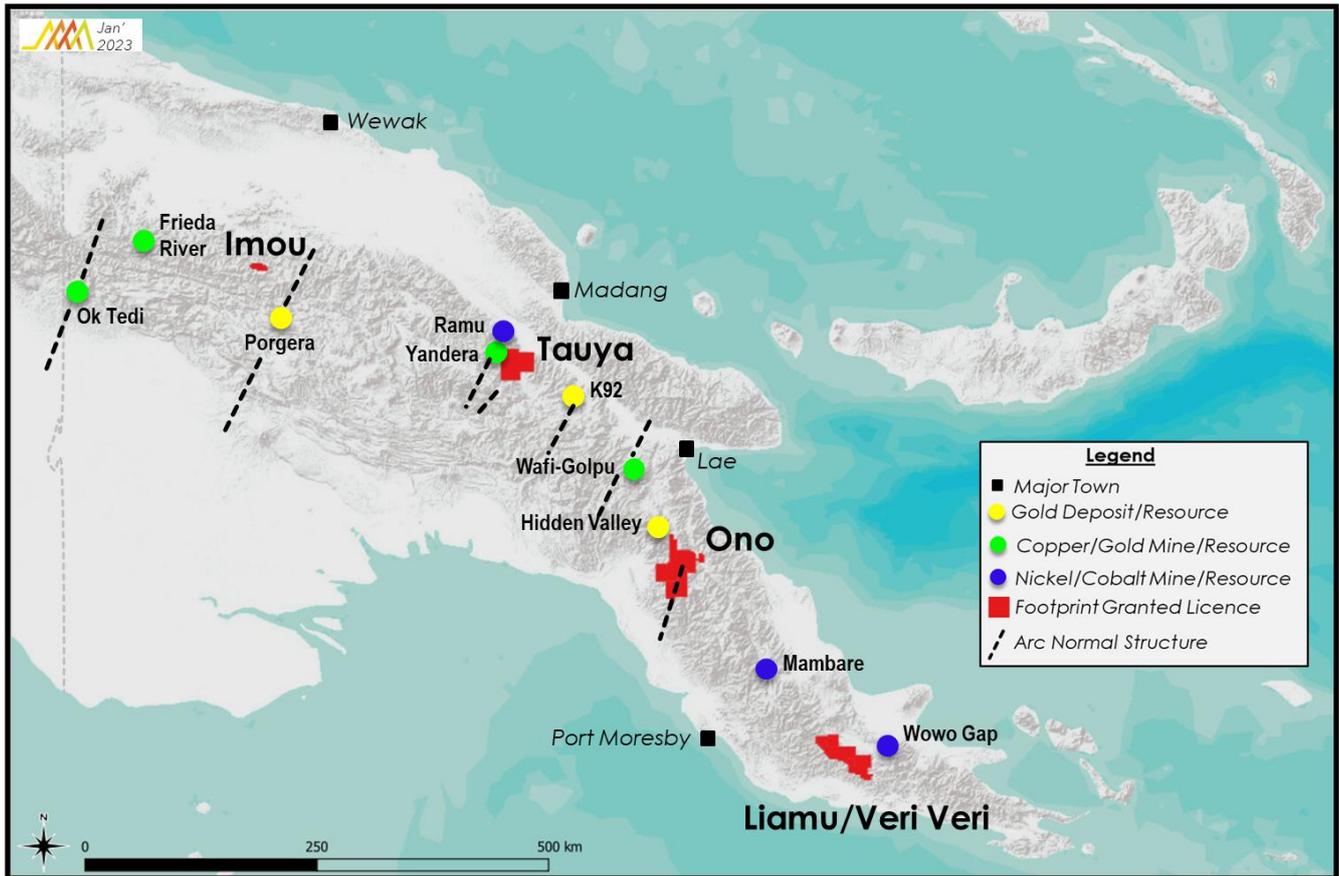


Figure 1: The acquired licences are located within central and southern Papua New Guinea within mineralised belts. Most are proximal to arc normal structures (faults) which are often associated with regional scale mineralisation, as evidenced by established discoveries.

PNG Projects

The Footprint acquisition provides high-impact, new discovery potential to Los Cerros' shareholders, in a region that is proven to host a large number of major mineral deposits. The titles cover deep-seated, northeast trending, arc normal structures, widely regarded as key controls to large PNG copper-gold deposits such as the Wafi-Golpu deposit.

Los Cerros is focusing initially on a 3,000m diamond drilling program at the Kusi copper-gold target within the Ono Project targeting commencement in March 2023. The primary focus of the drilling program is to further test oxidised skarn mineralisation within an upper limestone unit established from previous drilling, trenching and surface sampling (Figure 2) including²

- **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
- **8m @ 11.5g/t Au, 2.6% Cu and 24g/t Ag** in trench FPR TR4 (Leah's Lode)

The drilling program is part of a larger Kusi exploration program which includes additional trenching and mapping to define the extent of the mineralised skarn horizon within the upper limestone unit and has a modelled total area of approximately 3km x 1.5km (Figure 2).

In January 2023, Los Cerros announced it had engaged Quest Exploration Drilling (PNG) LTD, to undertake the Kusi drilling program. Preparations for the drilling program began in Mid-January 2023 with drilling on schedule to commence in March 2023³.

The Company has also prioritised field work at the Veri Veri nickel prospect, within the Liamu licence. Exploration will focus on the source of creek float boulders of massive nickel sulphides assaying up to 45.8% Ni with some samples also reporting high gold grades such as 10.6g/t Au². The Company expects to be conducting field work at Veri Veri in Q1 2023.

Additional significant copper/gold targets occur across the Liamu, Imou and Tauya projects. The Company is eager to see advances across all targets concurrently and as such is open to JV farm-ins and strategic alliances that fast-track realisation of the potential of the Company's PNG and Colombian multi-commodity portfolio and optimises the project generation capacity of the Footprint team.

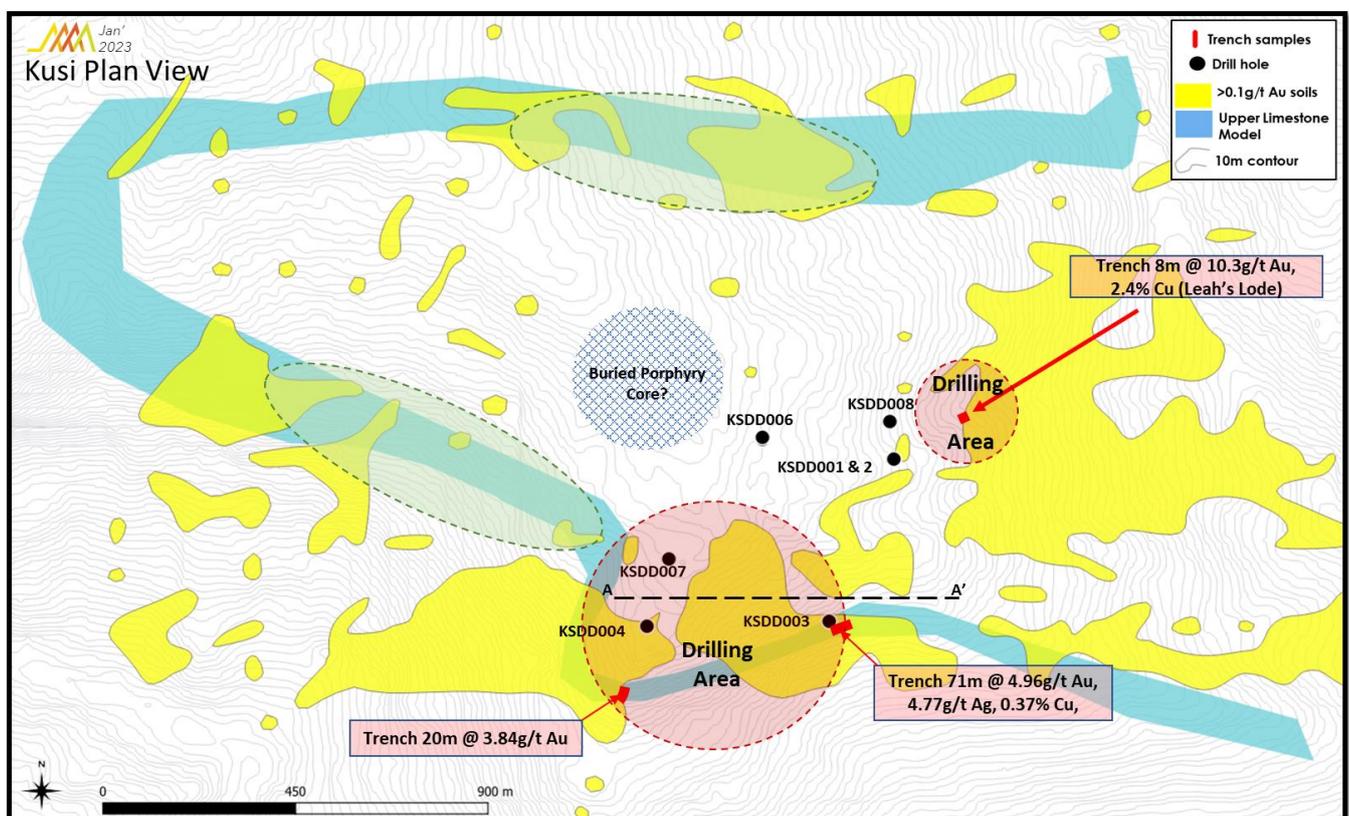


Figure 2: Plan view of Kusi showing gold in soils geochemical anomaly, trenching and historical drill collars over modelled upper limestone skarn outcrop and interpreted intrusive (porphyry) centre. Note drillholes KSDD1, '2, '6 and '8 have not tested the upper limestone/skarn horizon. The proposed drilling program will initially focus on an area of previous drilling and Leah's Lode (red circles). Early-stage target delineation work (trenching and mapping in the green ovals) will focus on possible extensions to upper skarn mineralisation and is expected to generate additional 2023 drill targets.

Colombian Projects

Quinchia Gold Project

A study, led by Ausenco's Toronto based team (supported by Moose Mountain Technical Services), investigating production options for the Company's Quinchia Project was completed during the

³ See ASX announcement 25 January 2023.

quarter⁴. The Company is encouraged by the study outcomes with several scenarios warranting further consideration.

The purpose of the study is to identify a rational basis for the selection of favourable potential production scenarios for further investigation considering mining sequence, plant size/cost, open pit/underground permutations, and other variables.

During the quarter, the Company submitted the Environmental Impact Assessment (EIA), based on the 2017 Miraflores DFS, to local authorities for review. The EIA is the final submission ahead of the grant of Miraflores' development approvals. The approval timeline is variable, ranging from a minimum 6 months to considerably longer. Miraflores is an advanced sub-section of the Quinchia Project with a 457koz Reserve grading 3.3g/t Au⁵ for a proposed underground mining operation.

Exploration activities have been significantly reduced with focus on identifying brownfields areas of high-grade gold-copper mineralisation which may impact development options.

At Dosquebradas, located ~2.5km NW of Miraflores, soil channel sampling assays included⁶

- 146.6m @ 1.82g/t Au including 34m @ 4.22g/t Au
- 40m @ 2.16g/t Au

The higher grade surface sampling assays are from a zone of sparse drilling outside the current modelled pit shell perimeter defining the 459koz @ 0.71g/t Au Dosquebradas Inferred Resource⁷.

Whilst supergene enrichment might be contributing to the high surface gold grades, the potential to enhance Dosquebradas Resource grade near surface is promising and may have the potential to positively impact Dosquebradas' economics and its contribution to the Quinchia Project Resource of 2.6Moz @ 1.02g/t Au¹.

In line with the revised exploration strategy a detailed geological review of previous exploration at the Ceibal porphyry target revealed an area of interest not previously tested and necessitating follow up field work. Previous drilling intersected wide intervals of low grade gold mineralisation in country rocks, including CEDDH001, 500m @ 0.52g/t Au from surface⁸, with the causative porphyry, and potentially higher grade gold-copper mineralisation, yet to be discovered. A program of channel sampling from trenches to gather additional vectoring data to better target the causative porphyry mineralisation is planned to commence in February 2023⁹.

⁴ See announcement 29 August 2022 and 23 January 2023 for detail.

⁵ The Miraflores Reserve is included in the Miraflores Resource which is part of the Quinchia Resource. Refer ASX announcement dated 27 November 2017. The Company confirms that it is not aware of any new information or data that materially affects the information included in the market announcement and that all material assumptions and technical parameters underpinning the estimates continue to apply.

⁶ See ASX announcement 8 November 2022. The Company confirms that it is not aware of new information that affects the information contained in the original announcement.

⁷ Refer ASX announcement 25 February 2020. The Company confirms that it is not aware of any new information or data that materially affects the information included in the market announcement, and that all material assumptions and technical parameters underpinning the estimates continue to apply.

⁸ See announcement 8 July 2021. The Company confirms that it is not aware of any new information that affects the information contained in the announcement.

⁹ See ASX release 23 January 2023 for detail.

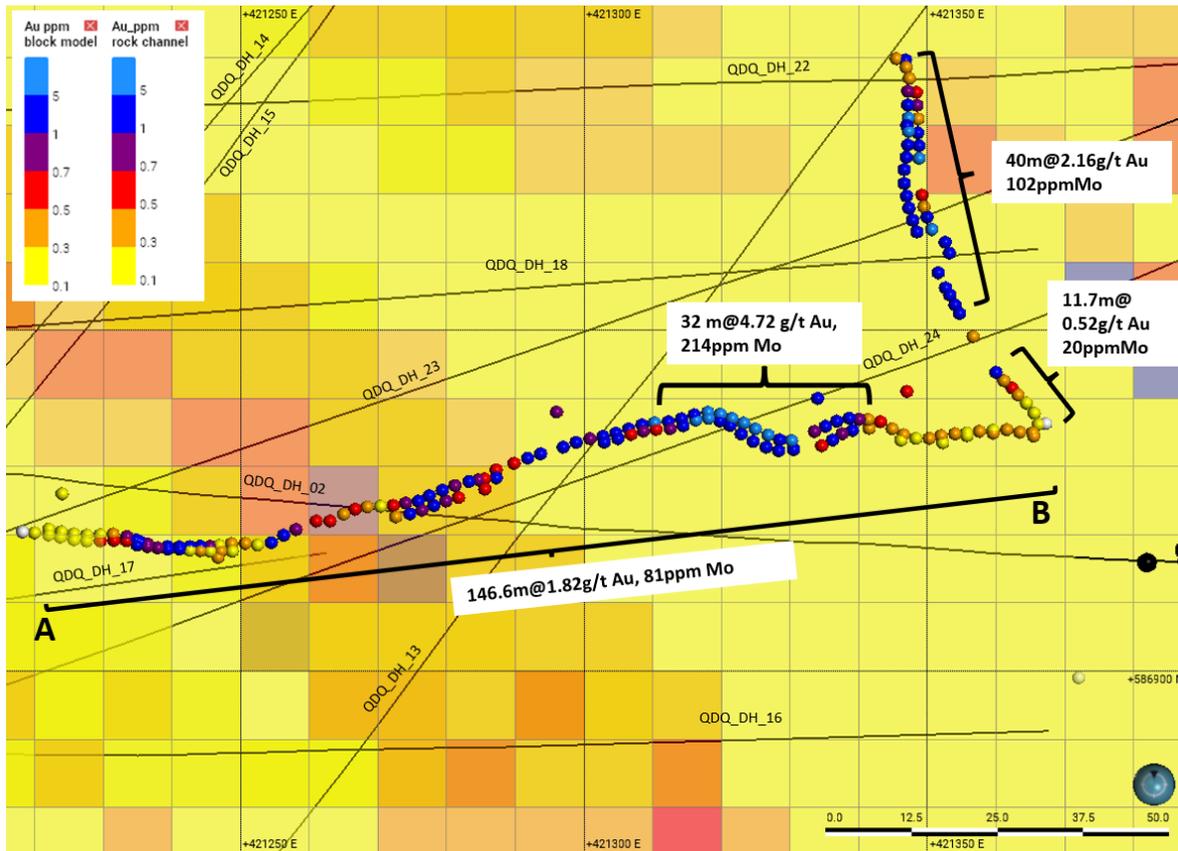


Figure 3: Plan view of Dosquebradas continuous channel and discrete auger assays over Resource block model. Note the high grade 32m zone (part of the 146.6m composite channel sample) is over blocks previously described as very low grade (yellow blocks) and is outside of the current Resource envelope that defines the Dosquebradas Resource.

ESG

In November 2022, Los Cerros won the Colombian Gold Symposium ESG Award¹⁰. The award assesses the calibre of social engagement in terms of both procedures and real-world success. The award is in acknowledgement of the *Miraflores Somos Todos* (We are all Miraflores) program created by Los Cerros and co-led with the community to deliver alternative income plus entrepreneurial and assistance programs in the local area.



Photo: The Los Cerros Colombian senior team and MD Jason Stirbinskis at the ESG award ceremony.

¹⁰ See ASX announcement 11 November 2022. The annual award is open to all explorers and miners within Colombia.

Exploration Update Andes Project

No field work was carried out during the quarter.

Corporate and Appendix 5B disclosures

The Company held cash and cash equivalents of \$8.4 million at the end of the quarter.

During the quarter the following equity was issued: -

- 65,064,886 fully paid ordinary shares to the vendors of Footprint;
- 13,000,000 4.74 cent options to employees;
- 25,000,000 5.00 cent options to brokers; and
- 22,800,000 performance rights to employees.

On 23 January 2023 at a General Meeting, the shareholders voted in favour of all six resolutions. Subsequently, as authorised in that Meeting, 4,845,814 shares were issued to a service provider and 9,300,000 performance rights were issued to the Managing Director.

As outlined in the attached Appendix 5B, during the quarter the Company spent approximately:

- \$2,091k on exploration activities;
- \$115k in payments made to related parties and their associates for director salaries, consultancy fees, superannuation; and
- \$651k on administration and corporate costs.

During the quarter the Company changed its registered office to Level 3, 88 William Street, Perth WA 6000.

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

For further enquiries contact:

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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.

Mineral Resources and Reserves Statement

QUINCHIA GOLD PROJECT - MINERAL RESOURCE ESTIMATE (MRE)					
Quinchia subzone	Resource Category	CUT-OFF	TONNES (Mt)	Au (g/t)	Au (koz)
Tesorito	Inferred	0.5g/t Au	50.0	0.81	1,298
Dosquebradas	Inferred	0.5g/t Au	20.2	0.71	459
Miraflores - U.Ground	Measured + Indicated	1.2g/t Au	9.3	2.82	840
Miraflores - U.Ground	Inferred	1.2g/t Au	0.5	2.36	37
QUINCHIA RESOURCE			80.0	1.02	2,634
<i>Note: Miraflores Resource includes Miraflores Reserve</i>					
MIRAFLORES RESERVE					
CATEGORY	TONNES (Mt)	Au (g/t)	Ag (g/t)	Au (koz)	Ag (koz)
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

The information in this section is drawn from the following ASX releases:

Deposit	Release Date
Miraflores Mineral Resource Estimate and explanatory notes	14 March 2017
Miraflores Ore Reserve Estimate and explanatory notes	17 November 2017
Dosquebradas Mineral Resource Estimate and explanatory notes	25 February 2020
Tesorito Resource Mineral Resource Estimate and explanatory notes	22 March 2022

Mineral Tenements held as at 31 December 2022

Quinchia Gold Project, Colombia			
TENEMENT (1)	TITLEHOLDER (2)	TYPE OF CONTRACT (3)(5)	STAGE
010-87M (4)	MCM	Contribution contract	Exploration
DLK-142	MCM	Concession	Exploration
DLK-14544X	MCM	Concession	Exploration
FCG-08355X	MCM	Concession	Exploration
FCG-08356X	MCM	Concession	Exploration
FCG-08357X	MCM	Concession	Exploration
FCG-08358X	MCM	Concession	Exploration
FKH-145510X	MCM	Concession	Exploration
GC4-15002X (6)	MCM	Concession	Exploration
GC4-15005X (6)	MCM	Concession	Exploration
GC4-150010X (6)	MCM	Concession	Exploration
TDR-11411	MCM	Application	Exploration
GC4-159 (6)	AGA	Application	Exploration
GC4-15004X (6)	AGA	Application	Exploration
GC4-15006X (6)	AGA	Application	Exploration
GC4-15007X (6)	AGA	Application	Exploration
GC4-15009X (6)	AGA	Application	Exploration
KHL-15421 (6)	AGA	Application	Exploration
OG2-08112	MCM	Application	Exploration
OG2-10591	MCM	Application	Exploration
OG2-8073	MCM	Application	Exploration
502321	MCM	Application	Exploration
502322	MCM	Application	Exploration
505395	MCM	Application	Exploration

(1) All titles are part of the Quinchia Gold Project, Quinchia, Department of Risaralda, Colombia.

(2) MCM (Miraflores Compañía Minera SAS) a 100%-owned subsidiary of North Hill Holdings Group Inc., owned as to 100% by Los Cerros.

(3) Concessions at Exploration Stage have 3 year life extendable for 2 years to a maximum 11 years.

(4) 15 year life extendable for 15 years.

(5) Applications have neither legal liabilities nor certainty that they will be granted in whole or in part. If there was open ground at the time of lodging, a contract for exploration and potential exploration will be offered to the applicant. MCM has a beneficial interest of 100% of the tenement when the application is granted.

(6) AGA (AngloGold Ashanti Colombia SAS). Los Cerros has a 100% beneficial interest in these tenements which are in the process of transfer to MCM.

Andes Gold Project, Colombia

TENEMENT (1)	TITLEHOLDER (2)	TYPE OF CONTRACT (3)	STAGE
T5630005 El Columpio	Andes Resources (2.3)	Concession (4)	Exploitation
P8717011 San Pablo	Mineria Integral de Colombia - MININCOL (2.1)	Special Permission (5)	Exploitation
HINC-03-5843	Grupo de Bullet (2.2)	Concession (3)	Exploration
KI7-14021	Frontera (2.2)	Concession (3)	Exploration
18821	Puerto de Oro & Claudia Naranjo Ruiz (2.2)	Application (6)	Exploration
19697	Puerto de Oro (2.2)	Application (6)	Exploration
20982	Colombian Development Corporation (2.2)	Application (6)	Exploration
HD6-08152X	Negocios Mineros (2.2)	Application (6)	Exploration
HD6-086	Negocios Mineros (2.2)	Application (6)	Exploration
PKA-08231	Nacional de Minerales y Metales (2.2)	Application (6)	Exploration
HKU-08011	Leo (2.2)	Application (6)	Exploration
JC4-08003X	Acuario (2.2)	Application (6)	Exploration
JC4-08007X	Acuario (2.2)	Application (6)	Exploration
JC4-08008X	Acuario (2.2)	Application (6)	Exploration
JC4-08004X	Acuario (2.2)	Application (6)	Exploration
JC4-08005X	Acuario (2.2)	Application (6)	Exploration
JC4-08009X	Acuario (2.2)	Application (6)	Exploration
JC4-08006X	Acuario (2.2)	Application (6)	Exploration
JCC-16191X	Achagua (2.2)	Application (6)	Exploration
JGS-16391	Cholo (2.2)	Application (6)	Exploration
JGS-16394X	Cholo (2.2)	Application (6)	Exploration
JGS-16393X	Cholo (2.2)	Application (6)	Exploration
JII-08221	El Crucero (2.2)	Application (6)	Exploration
JJR-08052X	El Percal (2.2)	Application (6)	Exploration
KCJ-08041	Eros (2.2)	Application (6)	Exploration
KGD-08051	Esquimal (2.2)	Application (6)	Exploration
KGD-08052X	Esquimal (2.2)	Application (6)	Exploration
KI7-14022X	Sociedad Frontera (2.2)	Application (6)	Exploration
KI7-14023X	Sociedad Frontera (2.2)	Application (6)	Exploration
KI7-14024X	Sociedad Frontera (2.2)	Application (6)	Exploration
LJQ-08007	Grupo de Bullet (2.2)	Application (6)	Exploration
OG2-08124	Negocios Mineros (2.2)	Application (6)	Exploration
OG2-08159	Negocios Mineros (2.2)	Application (6)	Exploration

OG2-09375	Minerales OTU (2.2)	Application (6)	Exploration
PDN-09001	Nacional de Minerales y Metales (2.2)	Application (6)	Exploration
RHA-08102X	Andes Resources (2.3)	Application (6)	Exploration
TG9-08001	Andes Resources (2.3)	Application (6)	Exploration
TGC-08001	Andes Resources (2.3)	Application (6)	Exploration
TGD-08001	Andes Resources (2.3)	Application (6)	Exploration
TGG-08001	Andes Resources (2.3)	Application (6)	Exploration
TGH-08001	Andes Resources (2.3)	Application (6)	Exploration
TGH-08002X	Andes Resources (2.3)	Application (6)	Exploration
TGI-08001	Andes Resources (2.3)	Application (6)	Exploration
THF-08011	Andes Resources (2.3)	Application (6)	Exploration
TII-08021	Andes Resources (2.3)	Application (6)	Exploration
TJO-08031	Andes Resources (2.3)	Application (6)	Exploration
TLB-08151	Andes Resources (2.3)	Application (6)	Exploration
UA2-10471	Andes Resources (2.3)	Application (6)	Exploration
UAF-08011	Andes Resources (2.3)	Application (6)	Exploration
501061	Andes Resources (2.3)	Application (6)	Exploration
TGG-08002X	Andes Resources (2.3)	Application (6)	Exploration
TGG-08003X	Andes Resources (2.3)	Application (6)	Exploration
TGG-08004X	Andes Resources (2.3)	Application (6)	Exploration
501773	Andes Resources (2.3)	Application (6)	Exploration
501814	Andes Resources (2.3)	Application (6)	Exploration
501815	Andes Resources (2.3)	Application (6)	Exploration
501528	Andes Resources (2.3)	Application (6)	Exploration
501529	Andes Resources (2.3)	Application (6)	Exploration
501530	Andes Resources (2.3)	Application (6)	Exploration
501533	Andes Resources (2.3)	Application (6)	Exploration
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502585	Andes Resources (2.3)	Application (6)	Exploration
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502590	Andes Resources (2.3)	Application (6)	Exploration
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502752	Andes Resources (2.3)	Application (6)	Exploration
503564	Andes Resources (2.3)	Application (6)	Exploration
503894	Andes Resources (2.3)	Application (6)	Exploration
503895	Andes Resources (2.3)	Application (6)	Exploration
504100	Andes Resources (2.3)	Application (6)	Exploration
504101	Andes Resources (2.3)	Application (6)	Exploration
504102	Andes Resources (2.3)	Application (6)	Exploration

504105	Andes Resources (2.3)	Application (6)	Exploration
504106	Andes Resources (2.3)	Application (6)	Exploration
504107	Andes Resources (2.3)	Application (6)	Exploration
504108	Andes Resources (2.3)	Application (6)	Exploration
504115	Andes Resources (2.3)	Application (6)	Exploration
504117	Andes Resources (2.3)	Application (6)	Exploration
504124	Andes Resources (2.3)	Application (6)	Exploration
504126	Andes Resources (2.3)	Application (6)	Exploration
504862	Andes Resources (2.3)	Application (6)	Exploration
504877	Andes Resources (2.3)	Application (6)	Exploration
505582	Andes Resources (2.3)	Application (6)	Exploration
505689	Andes Resources (2.3)	Application (6)	Exploration
505867	Andes Resources (2.3)	Application (6)	Exploration
505927	Andes Resources (2.3)	Application (6)	Exploration
505929	Andes Resources (2.3)	Application (6)	Exploration
506162	Andes Resources (2.3)	Application (6)	Exploration
506165	Andes Resources (2.3)	Application (6)	Exploration
506172	Andes Resources (2.3)	Application (6)	Exploration
506173	Andes Resources (2.3)	Application (6)	Exploration
506385	Andes Resources (2.3)	Application (6)	Exploration
506386	Andes Resources (2.3)	Application (6)	Exploration
506389	Andes Resources (2.3)	Application (6)	Exploration
506391	Andes Resources (2.3)	Application (6)	Exploration
506392	Andes Resources (2.3)	Application (6)	Exploration
506393	Andes Resources (2.3)	Application (6)	Exploration
506394	Andes Resources (2.3)	Application (6)	Exploration
506396	Andes Resources (2.3)	Application (6)	Exploration
506397	Andes Resources (2.3)	Application (6)	Exploration
506398	Andes Resources (2.3)	Application (6)	Exploration
506400	Andes Resources (2.3)	Application (6)	Exploration
506401	Andes Resources (2.3)	Application (6)	Exploration
506403	Andes Resources (2.3)	Application (6)	Exploration
506530	Andes Resources (2.3)	Application (6)	Exploration
506531	Andes Resources (2.3)	Application (6)	Exploration
506534	Andes Resources (2.3)	Application (6)	Exploration
506535	Andes Resources (2.3)	Application (6)	Exploration
506913	Andes Resources (2.3)	Application (6)	Exploration
507114	Andes Resources (2.3)	Application (6)	Exploration

(1) All titles are part of the Andes Gold Project, located in Antioquia, Risaralda and Choco, Departments of Colombia. Pursuant to the Interest Transfer Agreement with Bullet Holding Corporation (Bullet), Andes Resources Pty Ltd has a 90% beneficial interest, and Bullet has a 10% interest. All tenements have been crossed checked against the National Mining Authority Registry (ANNA) and reflect the status reported in

ANNA. The Colombian Mining Authority's migration to a new tenement management and cadastre system (ANNA) has generated inconsistencies and issues concerning certain mineral tenement boundaries. In addition, there is uncertainty regarding the application and constitutionality of Presidential Decree 1955/19, the purpose of which was to re-instate certain land rights over free land to qualifying informal miners. The issues are not unique to Los Cerros and have the potential to reduce the footprint of a subset of exploration licence applications within the Company's Andes Gold Project. The Company is monitoring the situation and will keep the market informed of developments.

(2) The Titleholders of the tenements are:

(2.1) Tenements in process of acquisition by Andes Resources EP S.A.S (Andes Resources) where Andes Resources owns 77% of the underlying company, Ni Maria J SAS and is earning 100% which will then still be subject to the 10% Bullet holding discussed in (1) above.

(2.2) The titleholders of the applications are various companies associated with Bullet and covered under the Interest Transfer Agreement – see note (1).

(2.3) Andes Resources is a subsidiary company of Los Cerros.

(3) Concessions at Exploration Stage have 3 year life extendable for 2 years to a maximum of 11 years.

(4) Concessions at Exploitation Stage have 30 year life extendable for 30 years. This concession has an area reserved for exploration.

(5) 5 year life extendable for 5 years and the tenement is in process of transformation to Concession contract.

(6) Applications have neither legal liabilities nor certainty that they will be granted in whole or in part. If the ground was open ground at the time of lodging, a contract for exploration and potential exploitation will be offered to the applicant. Andes Resources has a beneficial interest in the tenement when the application is granted.

Ono Project, PNG		
TENEMENT	TITLEHOLDER (1)	STATUS (2)(3)
EL2665 Ono	FPR	Granted
EL2681 Kau Ck	FPR	Granted
Imou Project, PNG		
TENEMENT	TITLEHOLDER (1)	STATUS (2)
EL2548 April River	FPR	Renewal
Liamu Project, PNG		
TENEMENT	TITLEHOLDER (1)	STATUS (2)(4)(5)
EL2432 Sinua	FPR	Renewal
EL2706 Awala	FPR	Granted
EL2768 Safia	FPR	Application
Tauya Project, PNG		
TENEMENT	TITLEHOLDER (1)	STATUS (2)
EL2673 Tauya	FPR	Granted

(1) FPR (Footprint Resources Pty Ltd ACN167 751 868) a 100%-owned subsidiary of Los Cerros. There are no third party royalties, buy backs or other encumbrances over the FPR tenements. Under the 1992 Mining Act, the PNG Government has the right to purchase 30% of any project at the ML Application phase.

(2) Exploration Licences in PNG are granted for a two year period with no limit on the number of renewals allowed.

(3) EL2665 Ono. A renewal application has been lodged for a two year extension. The expenditure and work conducted on EL2665 exceeded the MRA commitments and as such is expected to follow the standard procedure set out in (4) below.

(4) The renewal process in PNG consists of the lodgement of a renewal application, nomination of a Warden's Hearing date, conduct of the Warden's Hearing, assessment of the information by the Mineral Advisory Council/Mineral Resources Authority prior to referral to the Mining Minister for approval. As this process typically takes 6 to 12 months to complete, it is common for PNG Exploration Licences to be in Renewal status. The Mineral Resources Authority requires Explorers to maintain exploration activities throughout the Renewal period.

(5) EL2768 Safia is an uncontested Application lodged on 3 October 2022. The Warden's Hearing for this licence is scheduled for 31 January 2023. The Hearing consists of a Mining Warden nominated by the PNG Mineral Resources Authority chairing discussions between Landowners and the Applicant. The grant of the licence normally occurs 3 to 6 months post a successful Warden's Hearing.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

LOS CERROS LTD (ASX: LCL)

ABN

43 119 759 349

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs and board remuneration	(320)	(945)
(e) administration and corporate costs	(651)	(1,851)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	59	107
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(912)	(2,689)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(35)	(74)
(d) exploration & evaluation	(2,091)	(9,293)
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(2,126)	(9,367)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	1,044
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	14
3.10	Net cash from / (used in) financing activities	-	1,058
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	11,441	19,252
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(912)	(2,689)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,126)	(9,367)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,058

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(36)	113
4.6	Cash and cash equivalents at end of period	8,367	8,367

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,367	3,441
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (term deposits)	6,000	8,000
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	8,367	11,441

6. Payments to related parties of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	115
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

The payments to directors or their associates in 6.1 include directors' salaries and superannuation.

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(912)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(2,091)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(3,003)
8.4 Cash and cash equivalents at quarter end (item 4.6)	8,367
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	8,367
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.8
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2023

Authorised by: The Board

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.