

December 2020 Quarterly Report

HIGHLIGHTS

- **Expanded multi-rig and multi-target drill program underway at the Quinchia Gold Project in Colombia**
 - **Tesorito drilling illuminates Tesorito South porphyry geometry. Results include:**
 - **262m @ 0.84g/t Au from surface including 32m @ 1.7g/t Au from 144m within 66m at 1.3g/t Au from 132m in TS-DH11 with mineralisation remaining open to the west and at depth; and**
 - **9m at 1.15g/t Au from 26m in TS-DH10 which defines the lensing out of mineralisation to the east.**
- **Subsequent to the end of the quarter, the Company reported assay results from TS-DH14 at Tesorito South, which included:**
 - **320m @ 1.5g/t Au from 2m.¹**
- **Drilling at Chuscal provides strong porphyry vectoring information and Company transitions to deeper porphyry target drilling**
- **Company's own rig commissioned with drilling commencing at Tesorito in January 2021**
- **With three drill rigs, significant funding, a backdrop of strong gold prices and exploration momentum, Los Cerros is committed to a bold, substantial exploration program heading into 2021 across multiple, very promising targets within the Quinchia Gold Project**

The main focus of the December 2020 quarter for **Los Cerros Limited (ASX: LCL) (Los Cerros or the Company)** was the ongoing Quinchia Gold Project multi-rig, multi-target drilling program commissioned in the previous quarter. The major themes of the program are –

1. Drilling at the established Tesorito South porphyry to better understand the size potential and geometry of the mineralised system
2. Drill testing magnetic and surface anomalism suggesting a causative porphyry at Tesorito North
3. Preliminary shallow drilling at Chuscal ahead of deeper porphyry drilling.

Tesorito South

TS-DH10 and TS-DH11 at the Tesorito South porphyry provided further broad intervals of porphyry gold and greatly improved the understanding of major controlling structures.

Hole TS-DH11 recorded **262m @ 0.84g/t Au from surface** including **32m grading 1.7g/t Au from 144m within 66m at 1.3g/t Au from 132m** (Figure 1). This intersection is broadly comparable to previous drilling at Tesorito South, with wide mineralised intercepts in diorite porphyry, magmatic breccia and coarse grained andesites, namely¹:

- **384m @ 1.01g/t Au from 16m including 29.3m @ 1.9g/t Au from 136.7m** in TS-DH02;
- **253m @ 1.01g/t Au from 2.9m including 64m @ 1.67g/t Au from 144m** in TS-DH07; and

¹ See ASX announcements of: 31 July 2018 and 30 August 2018 for the initial reporting of the assays for drill holes TS-DH01 to TS-DH07; 10 September 2020 for TS-DH08 assays; 10 November 2020 for TS-DH11 assays; and 21 January 2021 for TS-DH14. The Company confirms that it is not aware of any new information that affects the information contained in the announcements

- **230m @ 1.0g/t Au** from surface including **74m @ 1.6g/t Au** from 114m in TS-DH08.

Hole TS-DH10, designed to test the eastern limit of the porphyry suite and a significant molybdenum in soil anomaly, began in porphyry suite rocks such as coarse grained andesites (including 9m at 1.15g/t Au from 26m) before entering unaltered and unmineralized sediments and basaltic country rock. The hole effectively defined the eastern limit of mineralisation and, more importantly, revealed the N-S oriented Marmato Fault as a structural control for the porphyry complex.

On 21 January 2021, the Company announced the results of TS-DH14 which delivered the best result thus far from the Tesorito South porphyry with higher grade intercepts within a **320m zone of porphyry style mineralisation grading 1.5g/t Au from just 2m below surface including¹**:

- **102m @ 2.11 g/t Au from 28m; and**
- **30m @ 2.47g/t Au and 0.12% Cu from 262m within 60m @ 1.75g/t Au and 0.12% Cu from 250m.**

The 480 gram-metre gold intersection² is comparable to the strongest gold porphyry intercepts in the Mid-Cauca gold belt which hosts several multi-million-ounce gold and gold-copper deposits. The impact of the result is to dramatically increase potential grade of Tesorito South and to expand the higher-grade envelope closer to surface and at depth. The intercepted zone of elevated copper (60m @ 1.75g/t Au and 0.12% Cu from 250m) is interpreted to be related to the deeper elevated copper zone encountered in TS-DH02 (35m @ 0.19% Cu from 365.5m¹) raising the possibility of further copper mineralisation at depth.

Tesorito North

TS-DH09, the first hole drilled at the Tesorito North anomaly provided valuable information for further targeting. Follow up holes TS-DH12 and TS-DH13 were subsequently completed with results released 21 January 2021.

TS-DH12 intercepted a 59.95m zone of elevated porphyry associated gold grading 0.51g/t and 52.5ppm molybdenum from 180.5m; and a deeper 38m zone of elevated gold grading 0.65g/t and 54.3ppm molybdenum from 448m. It remains unclear if this second zone of mineralisation is attributable to the down plunge extension of the Tesorito South porphyry or a separate northern porphyry pulse (Figure 1).

TS-DH13 recorded an encouraging intercept of **238m grading 0.48g/t gold** with zones of high gold values concurrent with elevated copper and molybdenum suggesting proximity to a higher grade porphyry source within the immediate Tesorito North area.

Chuscal

The Chuscal drilling program was designed in two phases with phase one shallow program designed: to provide vectoring information ahead of phase two porphyry drilling; to better understand local controlling structures; and to explore for strike and depth extensions of near surface vein-hosted epithermal gold (Figure 2).

² 320m @ 1.5g/t Au from 2m below surface expressed in gram-meters

Results from Chuscal diamond drill holes CHDDH005 to CHDDH008 were released during the quarter with results confirming and refining 3 porphyry targets and prompting a transition to pursuit of the identified targets directly. Intercepts of note included³:

- **6m @ 2.32g/t Au from 114m including 0.6m @ 15.2g/t Au and 58.7g/t Ag from 116m in CHDDH007; and**
- **5.2m @ 5.44g/t Au from 54.0m including 0.5m @ 38.1g/t Au and 74.1g/t Ag from 57.9m in CHDDH008.**

Results from CHDDH009 and CHDDH010 are expected to be reported in February 2021.

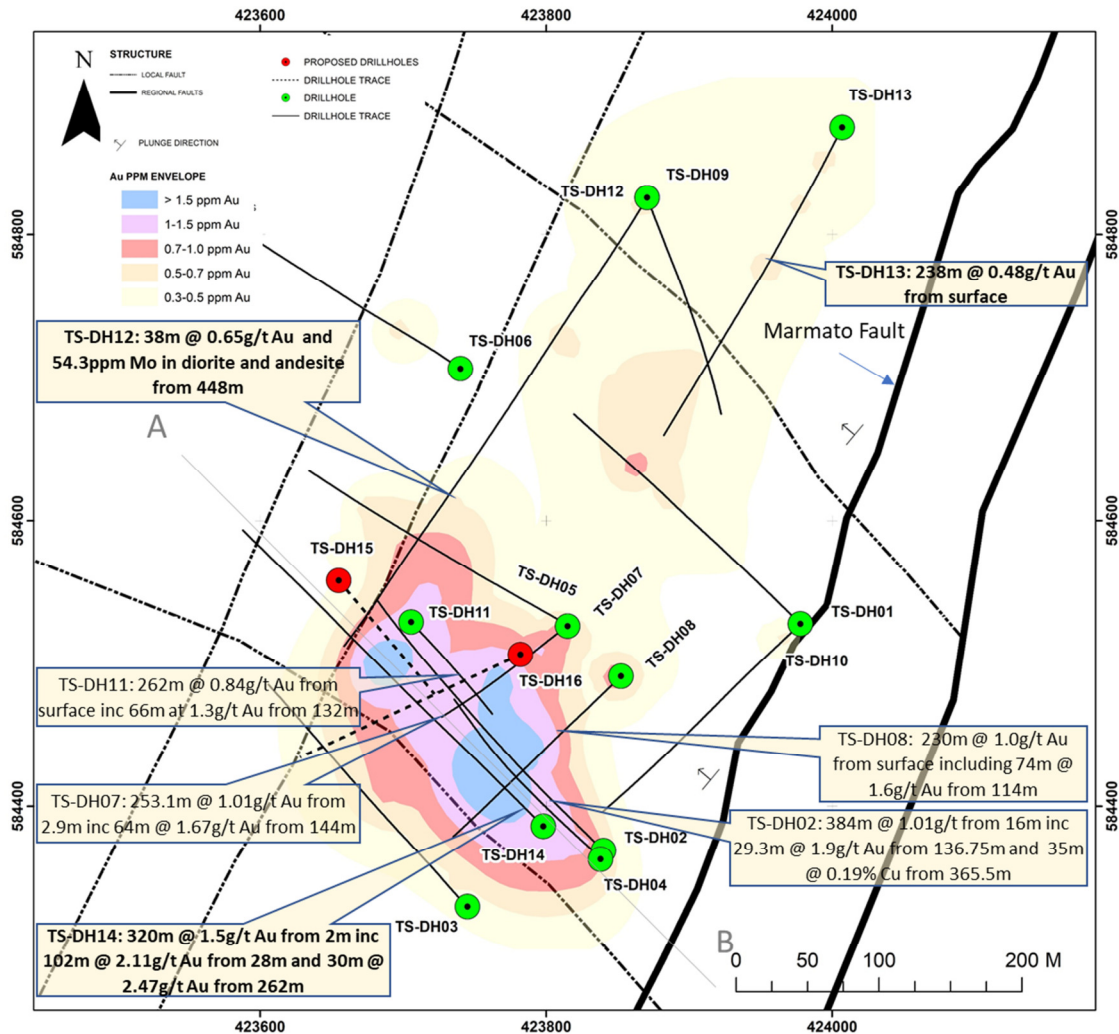


Figure 1: Plan view of Tesorito showing drill intercepts of interest over the modelled gold envelope. Results in bold were announced after the end of the October – December quarter.

³ See ASX announcement of 7 December 2020. The Company confirms that it is not aware of any new information that affects the information contained in the announcement

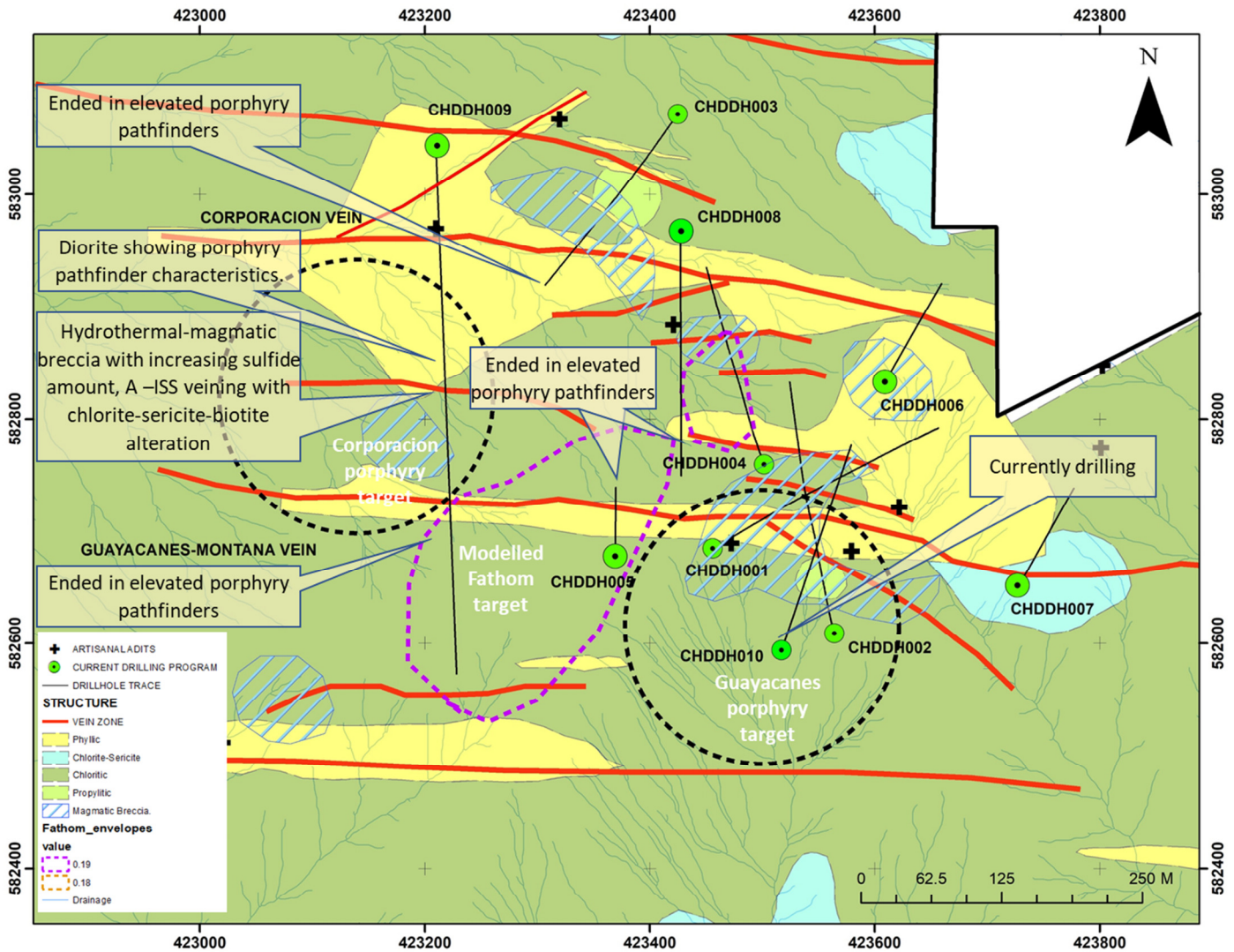


Figure 2: Chuscal drill locations and porphyry targets at depth.

About Los Cerros

Los Cerros Limited is a gold/copper explorer with a dominant position within the Andes and Quinchia regions of the Mid-Cauca Gold Belt of Colombia which hosts many major discoveries (Figure 3). The Quinchia Gold Project hosts the Miraflores Gold Deposit with a **Resource of 877,000 Au ounces at 2.80g/t Au** and **Reserve of 457,000 Au ounces at 3.29g/t Au⁴** with economic sensitivities reported in Table 1. Within 3km of Miraflores is the Tesorito near surface porphyry and the Chuscal porphyry target. There are several other targets within the region (Figure 4) including the Dosquebradas deposit which has an Inferred Resource of 459,000 ounces grading 0.71g/t Au⁵.

⁴ Refer ASX announcement dated 14 March 2017 (Resource) and 27 November 2017 (Reserve). 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

⁵ Inferred Mineral Resources using 0.5g/t Au cut-off grade. See 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 estimate continue to apply

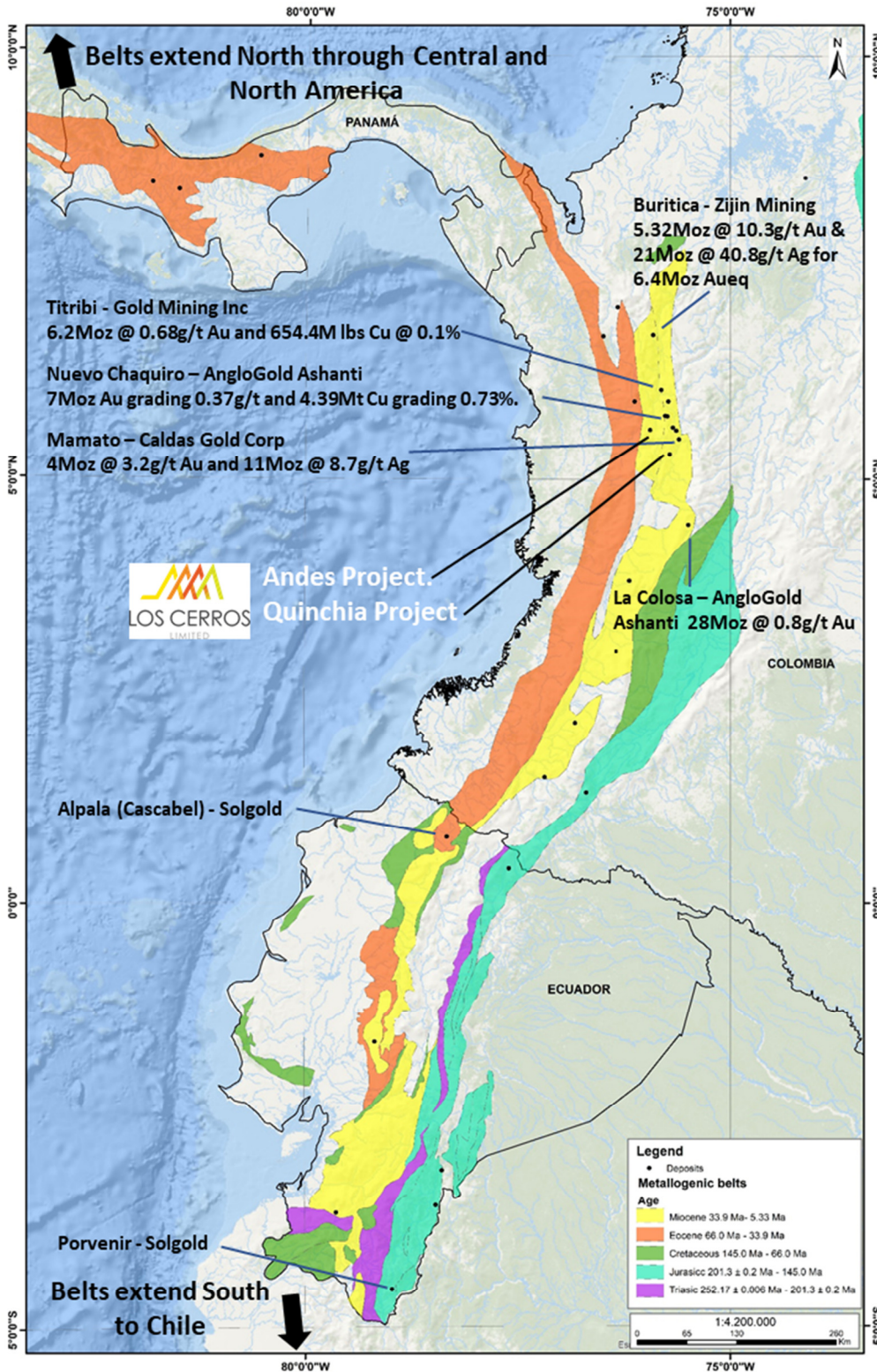


Figure 3: The Company's Andes and Quinchia Gold Projects sit on the Miocene aged, Mid-Cauca Gold Belt in a sub-section of the belt that hosts many major copper-gold porphyry discoveries⁶.

⁶ Metal volume estimates are taken from various company websites and may or may not include Inferred Resources and have not been independently verified

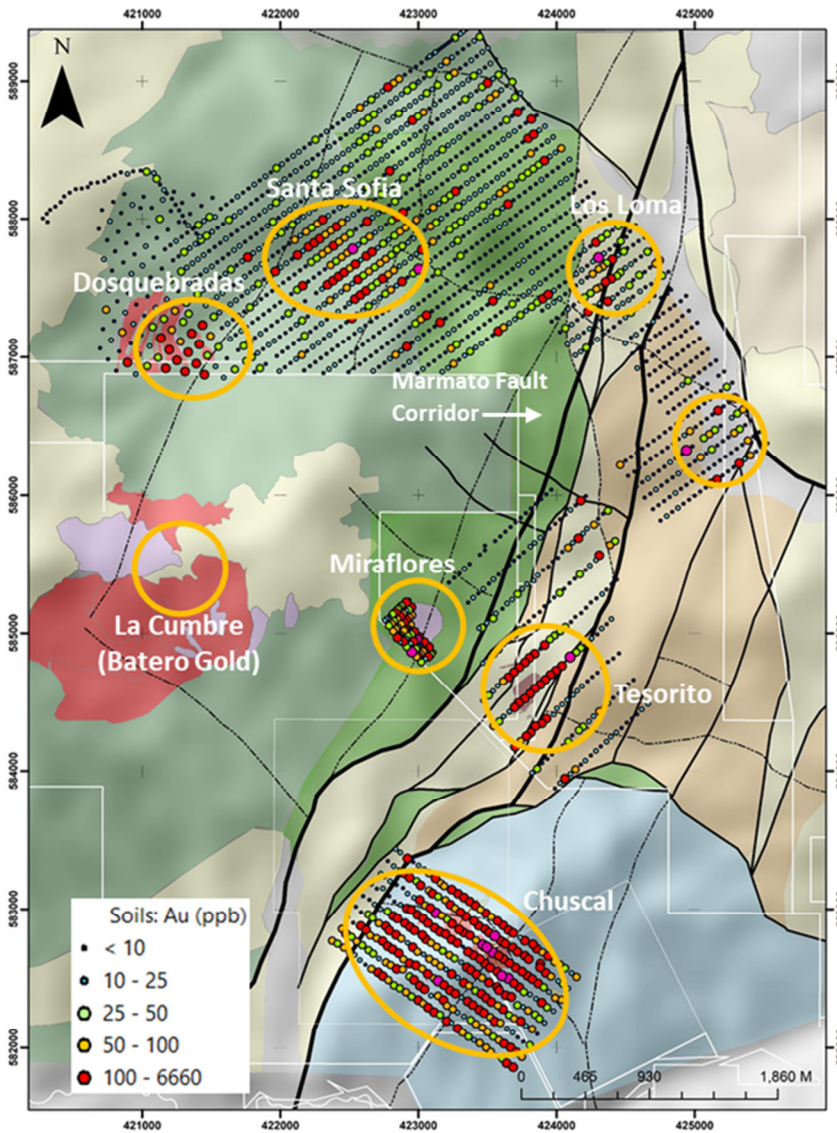


Figure 4: The Quinchia Gold Project contains multiple targets at various levels of investigation within a ~3km radius. This image reveals the major known target areas and gold in soils anomalism.

La Cumbre is a gold project within the area owned by TSX listed Batero Gold.

Sensitivity to Gold Price				
Key Financial Indicators*	Unit	US\$1,200 Au/oz	US\$1,300 Au/oz	US\$1,400 Au/oz
C1 Cash Cost**	US\$ per Au/oz	595	599	603
AISC-cost	US\$ per Au/oz	639	643	647
EBITDA (LoM average)	US\$m/annum	27.3	29.4	35.8
NPV @ 5%	US\$m	75	96.1	117
NPV @ 8%	US\$m	55	72.3	89.8
IRR	\$%	21	25	28
Payback	Years	4.1	3.6	3.3

* A variance of +15 -10% can be applied i.e. within the contingency. Contingency of 7.67%.
** C1 Cash Costs includes Government Royalty.

Table 1: The Miraflores Feasibility Study⁴ generated the following parameters based on US\$72m CapEx for a retreat long hole stope with backfill mining operation feeding a 1,300tpd conventional cyanide leaching facility producing an average 4koz gold/month (48koz/yr) over a 10 year operating life. It is worth noting that current gold price far exceeds the upper limit of US\$1,400/oz used in the 2017 sensitivity analysis provided in the table above.

The Andes Gold Project (Los Cerros 90%, BHC 10% free carry to FS) is a larger area of early stage exploration in the state of Antioquia ~70km north of Quinchia. The Company has previously completed extensive preliminary surface work at many sites within the expansive footprint including ~14,000 surface samples to identify multiple early stage epithermal gold and porphyry gold +/- copper targets.

The Company's current strategy is to focus the majority of the Company's financial and human resources on the Quinchia Gold Project. For the Andes Gold Project, 2021 planning includes surface work and ground geophysics at key epithermal and porphyry targets which might transition to drilling later in 2021.

Corporate Developments

Los Cerros formalised the agreement (**Agreement**) to exchange AngloGold Ashanti Colombia's (**AGA**) interests in the Chuscal JV for LCL shares and options during the quarter. The Agreement is the conclusion of negotiations with AGA, the material terms of which were first announced 20 April 2020. The Agreement takes Los Cerros' ownership of Chuscal to 100% and results in the Company holding 100% of all its projects in the Quinchia Gold Project of which Chuscal is a part, and also includes Tesorito, Miraflores, Dosquebradas and other less developed but interesting gold targets (Figure 4).

Key terms of the Agreement include:

- issue of 10,476,597 fully paid ordinary Los Cerros shares to AGA⁷;
- issue of 15,430,648 options to AGA⁷, with an exercise price of \$0.16 and an expiry date of 9 October 2021;
- termination of the Chuscal Joint Venture Agreement (CJVA) and associated obligations such as minimum spend requirements. Under the previous CJVA, Los Cerros can earn a 51% interest through expenditure of US\$2.5m to 2022. Under the Agreement, Los Cerros now has a 100% interest in Chuscal, with no further earn-in obligations; and
- usual warranties and conditions typical of a transaction of this nature.

On 19 November 2020, Blair Snowball was appointed Chief Financial Officer and joint Company Secretary, alongside Jessamyn Lyons, who has served as Company Secretary since 18 November 2019. The appointment followed Julia Beckett's resignation as Company Secretary, on 9 November 2020.

A General Meeting of shareholders was held on 23 October 2020. All resolutions were approved by Poll including the approval of the Performance Rights Plan and issue of Performance Rights to directors.

On January 21, 2021 the Company's closing shareprice was \$0.20 which satisfied the milestone targets associated with the Tranche 1 of the above mentioned Performance Rights issued to Directors. The Company has notified Directors of the milestones being satisfied. Subject to the Company's Security Trading Policy, where applicable, Directors have until 31 January 2025 to convert the rights to shares being:

⁷ Pursuant to Shareholder Resolution #9 at the Company's AGM of 23 June 2020. See Notice of Annual General Meeting released 12 May 2020. The Company has been granted a waiver by the ASX from Listing Rule 14.7 to permit the Company to issue the Vendor Consideration later than three months following the date of the AGM to allow sufficient time for AGA to secure SARB approval, which has now been provided

- 2M shares for nil consideration to Jason Stirbinskis;
- 0.66M shares for nil consideration to Ross Ashton; and
- 0.44M shares for nil consideration to Kevin Wilson

During the quarter, the Company raised a total of \$94,758 via the issue of 1,650,050 LCL ordinary shares upon the exercise of the following options:

- 887,500 unquoted options, exercisable at \$0.02 and expiring 18 May 2022;
- 750,000 unquoted options, exercisable at \$0.10 and expiring 6 April 2022; and
- 12,550 quoted options, exercisable at \$0.16 and expiring 16 August 2021.

Post the December quarter, the Company completed the Small Share Parcel Sale Facility that was announced to the ASX on 19 November 2020. The Company provided the facility to holders of small parcels to sell their shares without incurring brokerage or handling costs, which could otherwise make a sale uneconomic or difficult. ASX Listing Rules define a small holding as being one with a market value of less than \$500 ("Small Share Parcels").

The Record Date for the purposes of establishing holders of Small Share Parcels was set at close of trade on 18 November 2020. At that date 1,218 shareholders held shares with a market value of less than \$500, amounting to a total of 1,015,492 ordinary shares in the Company (representing approximately 0.22% of total shares on issue). The final number of eligible shares sold under the facility was 658,350 ordinary shares held by 917 shareholders (0.14% of total shares on issue). The shares were sold on market by Euroz Hartleys Ltd at a price of \$0.12 per share. Payments were dispatched to participating shareholders on 22 January 2021.

Appendix 5B disclosures:

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

- \$1,607k on exploration activities;
- \$108k in payments were made to related parties and their associates for director salaries, consultancy fees, superannuation, and other related costs; and
- \$614k on administration and corporate costs.

The Year Ahead

With cash at bank of \$7.9 million, 2021 is slated to be Los Cerros' biggest year of exploration drilling in recent years with a continuous, multi-rig drilling program focussed on:

- Tesorito leading into a maiden JORC Resource calculation;
- gold-copper porphyry targets identified at Chuscal; and
- testing for extensions to the existing Miraflores Resource (877,000 ounces).

Drilling will be supplemented by other exploration programs including mapping, soil/rock chip geochemistry and geophysics, designed to rapidly advance the extensive Los Cerros exploration portfolio.

The Company also expects to finalise submissions for project development approvals at Miraflores later in the year.

For the purpose of ASX Listing Rule 15.5, the Board has authorised for 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

Mineral Tenements held as at 31 December 2020

Quinchia Gold Project, Colombia			
TENEMENT (1)	TITLEHOLDER (2)	TYPE OF CONTRACT (3)(5)	STAGE
010-87M (4)	MCM	Contribution contract	Exploration
DLK-142 (6)	Monica María Uribe Perez	Concession	Exploration
DLK-14544X	MCM	Concession	Exploration
FCG-08353X	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)	AGA	Concession	Exploration
GC4-15005X (6)	AGA	Concession	Exploration
GC4-150010X (6)	AGA	Concession	Exploration
TDR-11411	AGA	Application	Exploration
GC4-15001X (6)	AGA	Application	Exploration
GC4-15004X (6)	AGA	Application	Exploration
GC4-15006X (6)	AGA	Application	Exploration
GC4-15007X (6)	AGA	Application	Exploration
GC4-15008X (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

(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 Culpio	Andes Elias Ruiz (2.1)	Exploration License (4)	Exploration
P8717011 San Pablo	Nicanor Maria Restrepo Restrepo - Minería Integral de Colombia - MININCOL (2.1)	Special Permission (5)	Exploration
HINC-03-5843	Grupo de Bullet (2.2)	Concession	Exploration
KI7-14021	Frontera (2.2)	Concession	Exploration
18821	Puerto de Oro & Claudia Naranjo Ruiz (2.2)	Application (6)	Exploration
18821X	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
JII-08221Sec2 (7)	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 and sectors 2-9	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
PCK-08191	Andes (2.3)	Application (6)	Exploration
PCK-08192	Andes (2.3)	Application (6)	Exploration
QL2-12161	Andes (2.3)	Application (6)	Exploration
RHA-08101	Andes (2.3)	Application (6)	Exploration
RI2-08011	Andes (2.3)	Application (6)	Exploration
TG9-08001	Andes (2.3)	Application (6)	Exploration
TGC-08001	Andes (2.3)	Application (6)	Exploration
TGD-08001	Andes (2.3)	Application (6)	Exploration
TGG-08001	Andes (2.3)	Application (6)	Exploration
TGH-08001	Andes (2.3)	Application (6)	Exploration
TGH-08002X	Andes (2.3)	Application (6)	Exploration
TGI-08001	Andes (2.3)	Application (6)	Exploration
THF-08011	Andes (2.3)	Application (6)	Exploration
TII-08021	Andes (2.3)	Application (6)	Exploration
TJO-08031	Andes (2.3)	Application (6)	Exploration
TLB-08151	Andes (2.3)	Application (6)	Exploration
UA2-10471	Andes (2.3)	Application (6)	Exploration

UAF-08011	Andes (2.3)	Application (6)	Exploration
TGG-08002X	Andes (2.3)	Application (6)	Exploration
TGG-08003X	Andes (2.3)	Application (6)	Exploration
TGG-08004X	Andes (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 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).

(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 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) 10 year life extendable for 10 years and the tenement is in process of transformation to Concession contract.

(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 has a beneficial interest in the tenement when the application is granted.

(7) Currently under 'technical study' by the mining authority pending granting of an application.

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 2020

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	(644)	(2,542)
(b) development	-	-
(c) production	-	-
(d) staff costs and board remuneration	(44)	(334)
(e) administration and corporate costs	(614)	(2,162)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(50)	(63)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	11	62
1.8 Other (Ex-Director settlement)	-	(203)
1.9 Net cash from / (used in) operating activities	(1,340)	(5,241)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(236)	(642)
(d) exploration & evaluation	(963)	(1,355)
(e) investments	-	-
(f) other non-current assets	-	-

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

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	-	1,556
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	(1,199)	(441)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	16,620
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	95	628
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(38)	(1,230)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(2,536)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	57	13,482

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	10,459	34
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,340)	(5,241)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,199)	(441)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	57	13,482

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

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	(77)	66
4.6	Cash and cash equivalents at end of period	7,900	7,900

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	7,900	10,459
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	7,900	10,459

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	108
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 a director's salary 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.		

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

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,340)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(963)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(2,303)
8.4	Cash and cash equivalents at quarter end (item 4.6)	7,900
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	7,900
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.43
	<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: 29 January 2021

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.