

**Los Cerros Limited**  
**Appendix 4D**  
**Half-year report**

**1. Company details**

Name of entity: Los Cerros Limited  
ABN: 43 119 759 349  
Reporting period: For the half-year ended 30 June 2020  
Previous period: For the half-year ended 30 June 2019

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**2. Results for announcement to the market**

			\$
Revenues from ordinary activities	down	100% to	-
Loss from ordinary activities after tax attributable to the owners of Los Cerros Limited	down	6.3% to	(1,877,960)
Loss for the half-year attributable to the owners of Los Cerros Limited	down	6.3% to	(1,877,960)

*Dividends*

There were no dividends paid, recommended or declared during the current financial period.

*Comments*

The loss for the consolidated entity after providing for income tax amounted to \$1,877,960 (30 June 2019: \$2,077,012).

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**3. Net tangible assets**

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>0.19</u>	<u>0.19</u>

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**4. Control gained over entities**

Not applicable.

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**5. Loss of control over entities**

Not applicable.

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**6. Dividends**

*Current period*

There were no dividends paid, recommended or declared during the current financial period.

*Previous period*

There were no dividends paid, recommended or declared during the previous financial period.

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**7. Dividend reinvestment plans**

Not applicable.

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**8. Details of associates and joint venture entities**

Not applicable.

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**9. Foreign entities**

*Details of origin of accounting standards used in compiling the report:*

Not applicable.

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**10. Audit qualification or review**

*Details of audit/review dispute or qualification (if any):*

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

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**11. Attachments**

*Details of attachments (if any):*

The Interim Report of Los Cerros Limited for the half-year ended 30 June 2020 is attached.

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**12. Signed**



Signed \_\_\_\_\_

Date: 11 September 2020

Ross Ashton  
Non-Executive Chairman

# **Los Cerros Limited**

**ABN 43 119 759 349**

**Interim Report - 30 June 2020**

**Los Cerros Limited**  
**Corporate directory**  
**30 June 2020**

Directors	Ross Ashton (Non-Executive Chairman) Jason Stirbinskis (Managing Director) Kevin Wilson (Non-Executive Director)
Company secretary	Ms Julia Beckett Ms Jessamyn Lyons
Registered office	Suite 12, 11 Ventnor Avenue West Perth WA 6005 Australia
Principal place of business	Suite 12, 11 Ventnor Avenue West Perth WA 6005 Australia
Share register	Link Market Services Limited Level 12, 680 George Street, Sydney, NSW, Australia, 2000 1300 554 474
Auditor	Grant Thornton Audit Pty Ltd Central Park Level 43, 152-158 St Georges Terrace PERTH WA 6000
Stock exchange listing	Los Cerros Ltd shares are listed on the Australian Securities Exchange (ASX code: LCL)

**Los Cerros Limited**  
**Directors' report**  
**30 June 2020**

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Los Cerros Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2020.

**Directors**

The following persons were Directors of Los Cerros Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Ross Ashton	Non-Executive Chairman
Jason Stirbinskis	Managing Director
Kevin Wilson	Non-Executive Director

**Principal activities**

**Los Cerros Limited (ASX: LCL) (Los Cerros or the Company)** is a gold/copper explorer formed through the 2019 merger of Metminco Ltd with Andes Resources Limited resulting in a dominant position within the Andes and Quinchia regions of the Mid-Cauca Gold belt of Colombia, which hosts many major gold discoveries. The Company was re-launched as Los Cerros in January 2020 as part of an extensive re-invigoration and re-alignment across exploration and corporate fronts.

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 Au**<sup>1</sup>. Within 3km of Miraflores is the Tesorito near surface gold porphyry where the Company is currently drilling and the Chuscal gold target where a maiden drilling program was completed January 2020 (Figure 1). There are several other targets within the region including the Dosquebradas deposit which has an Inferred Resource of 459,000 Au ounces grading 0.71g/t Au<sup>2</sup>.

Located 70km to the north of Quinchia, the Andes Gold Project is a large, cohesive and substantially underexplored tenement package in the Mid-Cauca Gold Belt with only ~10% of the land parcel explored with modern techniques. To date over 14,000 surface and rock chip samples have been collected to define multiple vein hosted and porphyry targets including the Gibraltar porphyry copper/gold target just 22kms from, and in the same porphyry belt, as AngloGold Ashanti's Nuevo Chaquiro deposit.

**Dividends**

There were no dividends paid, recommended or declared during the current or previous financial half-year.

**Review of operations**

The loss for the consolidated entity after providing for income tax amounted to \$1,877,960 (30 June 2019: Loss \$1,707,161).

The Company made considerable progress in the January – July 2020 half year especially when considering the achievements occurred with the backdrop of the COVID-19 pandemic. A summary of major milestones and developments follows.

The maiden Chuscal drill program was completed in January 2020 with results suggesting extensive higher grade epithermal gold bearing structures overprinting porphyry associated gold with several targets identified as the potential porphyry sources. Follow up drilling is planned for the second half of 2020.

A maiden JORC Inferred Resource estimate of 20.2Mt containing 459,000 ounces of gold, grading 0.71g/t Au<sup>2</sup> was established for the Dosquebradas gold deposit bringing the total JORC Resource for the Quinchia Project to 1.3Moz gold, including a JORC Reserve of 457,000 ounces for the Miraflores deposit.

Infill soil sampling at the near-surface Tesorito porphyry revealed the anomaly comprises two separate geochemical gold anomalies, with the northern anomaly untested by drilling while the southern anomaly was the focus of historic drilling which revealed encouraging results such as<sup>3</sup> :

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<sup>1</sup> 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

<sup>2</sup> 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

<sup>3</sup> See release 30 August 2018 for the initial reporting of the Tesorito drill assays. The most significant intercepts have been disclosed to demonstrate the potential for future discovery. Readers are cautioned that such intercepts should not be considered to be indicative of the grades throughout the system and those wishing to consider more comprehensive results should refer to the 30 August 2018 and subsequent announcements the Company may make. The Company confirms that it is not aware of any new information that affects the information contained in the announcement

**Los Cerros Limited**  
**Directors' report**  
**30 June 2020**

- **384m @ 1.01g/t** from 16m incl **29.3m @ 1.9g/t Au** from 136.75m in TS-DH-02; and
- **253.1m @ 1.01g/t Au** from 2.9m incl **64m @ 1.67g/t Au** from 144m in TS-DH-07

Both of the gold anomalies at Tesorito are broadly similar in size, with each corresponding to a magnetic high overprinting E-W trending epithermal veining and porphyry style alteration. The northern centre is poorly exposed but higher in gold and molybdenum values than the southern centre.

A \$2M Strategic Partnership Agreement was reached with Hongkong Ausino for supply of IP survey and drilling services. This led to the Company purchasing its own Atlas Copco C5C drill rig and supporting materials which are currently in transit to Colombia. The Strategic Partnership is envisaged to be a significant part of the 2020/2021 exploration program and aims to accelerate drilling activity and reduce costs and cash expenditure.

Los Cerros and AngloGold Ashanti (AGA) entered a binding term sheet agreement for the exchange of AGA's interest in the Chuscal<sup>4</sup> JV for Los Cerros securities. The transaction, when completed, will result in the Company owning 100% interest in the entire Chuscal Project.

As part of a broad and ongoing strategic review of the Company's assets, Los Cerros returned to the foundations of the Miraflores geological model to better understand the distribution of gold bearing structures. Given recent improved understanding of regional geology and rising gold prices during the period. The review identified high grade veins and shoots within, and beyond, the existing Miraflores resource model, some regions of which are untested, raising the possibility of Resource growth at Miraflores. The Company intends to drill these newly identified areas as part of the 2020/2021 drill program.

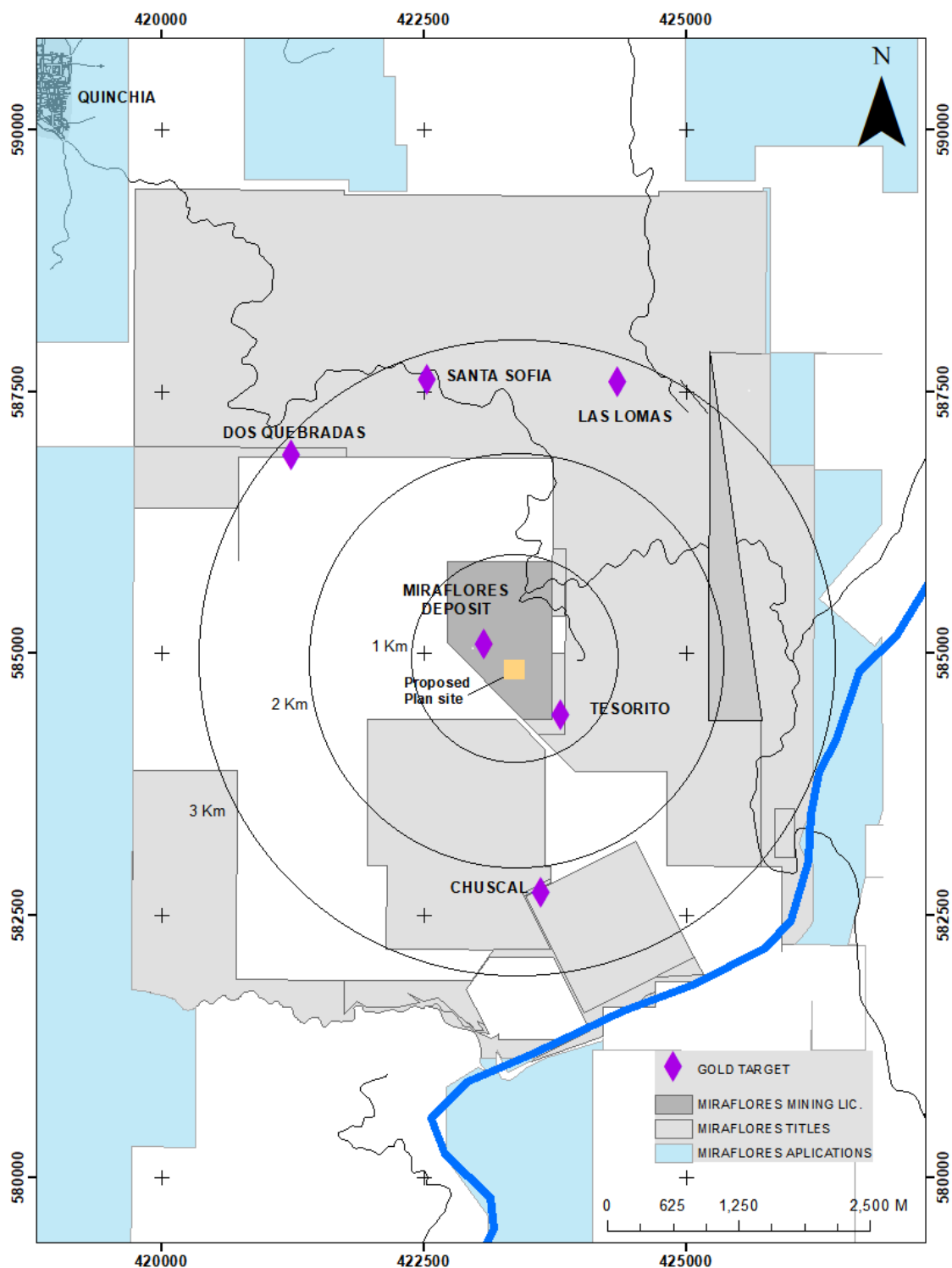
Early in the half-year the Company raised \$2.125M via a private placement (**Placement**) in two tranches to sophisticated investors and Share Purchase Plan (**SPP**) to Los Cerros shareholders, both at 4 cents per share and included the issue of one option for every two shares subscribed, exercisable at 10 cents. To assist in the completion of the second tranche of the Placement, the Company issued an additional unquoted option to all Placement and SPP participants for every two shares subscribed in the Placement with an exercise price of 2 cents and expiry date of two years from the date of issue.

The half year concluded with the Company commencing plans for a drilling campaign which subsequently commenced in August 2020 with a series of holes planned to test the two anomaly centers at Tesorito before moving to other targets within the Quinchia Gold Project.

In mid-July 2020 the Company raised \$3.5M in a private placement. The issue was strongly overbid and the Company elected to expand the drilling program and use up to 3 rigs concurrently across the Quinchia targets.

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<sup>4</sup> The Chuscal Gold Target is a JV with AngloGold Ashanti Colombia SA. Los Cerros can earn 51% through US\$2.5M of exploration expenditure (see ASX Announcement 6 December 2018). Los Cerros is the manager of the JV. See also announcement of 30 April 2020



**Figure 1:** The Quinchia Gold Project contains multiple targets at various levels of investigation within a ~3km radius of the Miraflores deposit. The Company is currently drilling at Tesorito – a surface porphyry in close proximity to the proposed plant location described in the Miraflores FS. Note: Chuscal Licences are held within JV with AngloGold Ashanti. Los Cerros has entered into a binding term sheet to acquire 100% ownership in exchange for Los Cerros shares<sup>4</sup>.

**Los Cerros Limited**  
**Directors' report**  
**30 June 2019**

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

**Matters subsequent to the end of the financial half-year**

On 13 July 2020, the Company announced it has received firm commitments to raise via share placement approximately \$3,5M comprising of Tranche 1 completed 20 July 2020 – 49,500,000 @ \$0.04 per share raising \$1.98M; and Tranche 2 - 38,000,000 shares @ \$0.04 per share raising \$1.52M.

On 13 August 2020, the Company announced that drilling had commenced at the Tesorito Gold Project and that the Company had reached settlement of some of the outstanding liabilities to the Company's Directors as well as settlement of a dispute with former Andes Resources Ltd Director (Mr. Simon Brown).

On 24 August 2020 the Company announced that drilling at Tesorito had intercepted the interpreted potassic core of the Tesorito porphyry based on preliminary visual logs

On 10 September 2020, the company announced first assay results from drilling at Tesorito Confirming the above in addition to substantial intercepts of epithermal and porphyry associated gold and the presence of copper suggesting further potential at depth below current drilling.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



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Ross Ashton  
Non-Executive Chairman

11 September 2020



## Auditor's Independence Declaration

### To the Directors of Los Cerros Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Los Cerros Limited for the period ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



B P Steedman  
Partner – Audit & Assurance

Perth, 11 September 2020

## Los Cerros Limited

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30 June 2020

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### General information

The financial statements cover Los Cerros Limited as a consolidated entity consisting of Los Cerros Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Los Cerros Limited's functional and presentation currency.

Los Cerros Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

#### Registered office

Suite 12,  
11 Ventnor Avenue  
West Perth WA 6005  
Australia

#### Principal place of business

Suite 12,  
11 Ventnor Avenue  
West Perth WA 6005  
Australia

A description of the nature of the consolidated entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 11 September 2020.

**Los Cerros Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 30 June 2020**

		<b>Consolidated</b>	
	<b>Note</b>	<b>30 June 2020</b>	<b>30 June 2019</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Interest revenue calculated using the effective interest method		21,838	279
<b>Expenses</b>			
Employee benefits expense	3	(577,179)	(625,033)
Foreign exchange loss		(122,090)	(19,160)
Depreciation and amortisation expense	3	(2,864)	(3,069)
Share based payment expense	3	(77,500)	(43,092)
Finance costs	3	(13,995)	-
Fair value adjustment to deferred consideration		(100,451)	(331,303)
Corporate expenses	3	(629,652)	(453,358)
Occupancy		(15,783)	(24,529)
Administration	3	(360,284)	(207,896)
Total expenses		<u>(1,877,960)</u>	<u>(1,707,440)</u>
<b>Loss before income tax expense</b>		(1,877,960)	(1,707,161)
Income tax expense		<u>-</u>	<u>-</u>
<b>Loss after income tax expense for the half-year attributable to the owners of Los Cerros Limited</b>		(1,877,960)	(1,707,161)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>(212,037)</u>	<u>275,840</u>
Other comprehensive income for the half-year, net of tax		<u>(212,037)</u>	<u>275,840</u>
<b>Total comprehensive income for the half-year attributable to the owners of Los Cerros Limited</b>		<u><u>(2,089,997)</u></u>	<u><u>(1,431,321)</u></u>
		<b>Cents</b>	<b>Cents</b>
Basic loss per share	23	(0.19)	(0.15)
Diluted loss per share	23	(0.19)	(0.15)

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Los Cerros Limited**  
**Statement of financial position**  
**As at 30 June 2020**

		<b>Consolidated</b>	
	<b>Note</b>	<b>30 June 2020 \$</b>	<b>31 December 2019 \$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		946,510	34,213
Trade and other receivables		52,439	28,258
Other		51,488	190,976
Asset held for sale	4	-	1,352,775
<b>Total current assets</b>		<u>1,050,437</u>	<u>1,606,222</u>
<b>Non-current assets</b>			
Property, plant and equipment		583,986	680,794
Exploration and evaluation	5	17,814,117	17,849,587
<b>Total non-current assets</b>		<u>18,398,103</u>	<u>18,530,381</u>
<b>Total assets</b>		<u>19,448,540</u>	<u>20,136,603</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	6	957,839	2,514,767
Borrowings	7	180,000	413,150
Provisions		221,553	237,608
<b>Total current liabilities</b>		<u>1,359,392</u>	<u>3,165,525</u>
<b>Non-current liabilities</b>			
Payables	8	2,326,332	2,225,881
<b>Total non-current liabilities</b>		<u>2,326,332</u>	<u>2,225,881</u>
<b>Total liabilities</b>		<u>3,685,724</u>	<u>5,391,406</u>
<b>Net assets</b>		<u>15,762,816</u>	<u>14,745,197</u>
<b>Equity</b>			
Issued capital	9	353,270,807	350,163,191
Reserves	11	11,924,566	12,136,603
Accumulated losses		(349,432,557)	(347,554,597)
<b>Total equity</b>		<u>15,762,816</u>	<u>14,745,197</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Los Cerros Limited**  
**Statement of changes in equity**  
**For the half-year ended 30 June 2020**

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Convertible note equity &amp; option reserves \$</b>	<b>Foreign currency translation reserve \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 January 2019	339,411,378	1,166,117	11,050,044	(343,822,586)	7,804,953
Loss after income tax expense for the half-year	-	-	-	(1,707,161)	(1,707,161)
Other comprehensive income for the half-year, net of tax	-	-	275,840	-	275,840
Total comprehensive income for the half-year	-	-	275,840	(1,707,161)	(1,431,321)
Shares issued during the period	154,760	-	-	-	154,760
Convertible notes issued	918,000	-	-	-	918,000
Transaction costs	(88,856)	-	-	-	(88,856)
Options issued	-	43,093	-	-	43,093
Options expired	-	(426,173)	-	426,173	-
Balance at 30 June 2019	<u>340,395,282</u>	<u>783,037</u>	<u>11,325,884</u>	<u>(345,103,574)</u>	<u>7,400,629</u>

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Convertible note equity &amp; option reserves \$</b>	<b>Foreign currency translation reserve \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 January 2020	350,163,191	1,497,624	10,638,979	(347,554,597)	14,745,197
Profit after income tax expense for the half-year	-	-	-	(1,877,960)	(1,877,960)
Other comprehensive income for the half-year, net of tax	-	-	(212,037)	-	(212,037)
Total comprehensive income for the half-year	-	-	(212,037)	(1,877,960)	(2,089,997)
Shares issued during the period	3,335,487	-	-	-	3,335,487
Options exercised – shares to be allotted	6,250	-	-	-	6,250
Transaction costs	(234,121)	-	-	-	(234,121)
Balance at 30 June 2020	<u>353,270,807</u>	<u>1,497,624</u>	<u>10,426,942</u>	<u>(349,432,557)</u>	<u>15,762,816</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**Los Cerros Limited**  
**Statement of cash flows**  
**For the half-year ended 30 June 2020**

	<b>Note</b>	<b>Consolidated</b>	
		<b>30 June 2020</b>	<b>30 June 2019</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(1,503,794)	(857,725)
Interest received		-	279
		<u>(1,503,794)</u>	<u>(857,446)</u>
Net cash used in operating activities			
<b>Cash flows from investing activities</b>			
Proceeds from sale of asset		1,402,105	-
Payments for property, plant and equipment		-	(1,100)
Payments for exploration and evaluation	5	<u>(1,541,046)</u>	<u>(286,178)</u>
Net cash used in investing activities		<u>(138,941)</u>	<u>(287,278)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	9	2,841,201	154,760
Proceeds from borrowings		-	50,000
Repayment of borrowings		(195,907)	-
Share issue transaction costs		(322,852)	(88,856)
Capital received from issue of convertible notes		<u>-</u>	<u>918,000</u>
Net cash from financing activities		<u>2,322,442</u>	<u>1,033,904</u>
Net increase/(decrease) in cash and cash equivalents		679,707	(110,820)
Cash and cash equivalents at the beginning of the financial half-year		34,213	167,614
Effects of exchange rate changes on cash and cash equivalents		<u>232,590</u>	<u>56,288</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>946,510</u></u>	<u><u>113,082</u></u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

**Note 1. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 30 June 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2019 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

**New or amended Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

There are no new or amended Accounting Standards or Interpretations that are not yet mandatory or have not been early adopted.

**Going concern**

The Consolidated Group incurred a net loss after tax of \$1,877,960 (30 June 2019: \$1,707,161), has net cash used in operations of \$1,503,794 during the half year ended 30 June 2020 (30 June 2019: \$857,446) and has a cash balance of \$946,510 at that date (31 December 2019: \$34,213).

It also has net current liabilities of \$308,955 (31 December 2019: net current liabilities of \$1,559,303) and net assets of \$15,762,816 (31 December 2019: \$14,745,197).

The Company continues to undertake exploration activities on its leases in Colombia to generate future value and create further opportunities to raise capital. The sale of the non-core Mollacas asset in Chile generated \$1.3M (after costs) that was used to reduce liabilities and provide additional working capital to continue exploration activities. Capital raised during the half year amounted to \$2,142,933 and exercise of options raised a further \$340,018, and other capital generating options are being considered to allow the Company to continue its drilling program in Colombia in 2020/21. Subsequent to 30 June 2020, the Company received \$4,193,641 in capital raising and \$37,500 upon exercise of options.

If all these capital raising initiatives do not materialise, then there is possibility that the Group may not be able to raise the additional financing required, which gives rise to a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern.

Notwithstanding the material uncertainty the Directors are satisfied that the Company and Group have sufficient cash reserves together with its strategies as alluded to above to maintain its current portfolio and meet its debts as and when they fall due. Therefore, these financial statements have been prepared on a going concern basis.

**Note 2. Operating segments**

*Identification of reportable operating segments*

The Company's primary activity is mineral exploration in the geographic area of South America. This focus is consistent with the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily for the sole purpose of mineral exploration.

The information reported to the Chief Operating Decision Makers ('CODM') is on a monthly basis.

*Intersegment transactions*

There are no intersegment transactions.

**Los Cerros Limited**  
**Notes to the financial statements**  
**30 June 2020**

**Note 2. Operating segments (continued)**

*Segment assets*

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

*Segment liabilities*

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

The following items of revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Income tax expense
- Deferred tax assets and liabilities
- Current tax liabilities
- Head office income / expenses and related assets / liabilities

*Operating segment information*

	Mineral exploration \$	Non-core Reconciling Items \$	Total \$
<b>Consolidated - 30 June 2020</b>			
<b>EBITDA*</b>	(873,869)	(987,232)	(1,861,101)
Depreciation and amortisation	(2,864)	-	(2,864)
Finance costs	-	(13,995)	(13,995)
<b>Loss before income tax expense</b>	<u>(876,733)</u>	<u>(1,001,227)</u>	<u>(1,877,960)</u>
Income tax expense			
<b>Loss after income tax expense</b>			<u>(1,877,960)</u>
<b>Assets</b>			
Segment assets	<u>16,562,910</u>	<u>2,885,630</u>	<u>19,448,540</u>
<b>Total assets</b>			<u>19,448,540</u>
<b>Liabilities</b>			
Segment liabilities	<u>249,837</u>	<u>3,435,887</u>	<u>3,685,724</u>
<b>Total liabilities</b>			<u>3,685,724</u>



**Los Cerros Limited**  
**Notes to the financial statements**  
**30 June 2020**

**Note 2. Operating segments (continued)**

<b>Consolidated - 30 June 2019</b>	Mineral Exploration \$	Non-core Reconciling Items \$	Total \$
<b>EBITDA*</b>	(427,068)	(946,000)	(1,373,068)
Depreciation and amortisation	(962)	(2,107)	(3,069)
Finance costs	-	(331,303)	(331,303)
Interest revenue	-	279	279
Loss before income tax expense	<u>(428,030)</u>	<u>(1,279,131)</u>	<u>(1,707,161)</u>
<b>Income tax expense</b>			<u>-</u>
Loss after income tax expense			<u>(1,707,161)</u>
<b>Assets</b>			
<b>Segment assets</b>	<u>14,458,846</u>	<u>131,178</u>	<u>14,590,024</u>
Total assets			<u>14,590,024</u>
<b>Liabilities</b>			
<b>Segment liabilities</b>	<u>324,603</u>	<u>6,864,792</u>	<u>7,189,395</u>
Total liabilities			<u>7,189,395</u>

*Geographical information*

	Sales to external customers		Geographical non-current assets	
	30 June 2020 \$	30 June 2019 \$	30 June 2020 \$	31 December 2019 \$
Australia	-	-	10,527	10,527
Colombia	-	-	18,387,576	18,519,854
	<u>-</u>	<u>-</u>	<u>18,398,103</u>	<u>18,530,381</u>

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

\*Earnings before income tax, depreciation and amortisation ("EBITA")

**Los Cerros Limited**  
**Notes to the financial statements**  
**30 June 2019**

**Note 3. Expenses**

	<b>Consolidated</b>	
	<b>30 June 2020</b>	<b>30 June 2019</b>
	<b>\$</b>	<b>\$</b>
Loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Plant and equipment	2,864	3,069
<i>Other expenses</i>		
Corporate expenses	629,652	453,358
Administration expenses	360,284	207,896
Total other expenses	989,936	661,254
<i>Finance costs</i>		
Interest and finance charges paid/payable	13,995	331,303
<i>Share-based payments expense</i>		
Share-based payments expense	77,500	43,092
<i>Employee benefits expense</i>		
Employee benefits expense	577,179	625,033

**Note 4. Current assets - non-current assets classified as held for sale**

	<b>Consolidated</b>	
	<b>30 June 2020</b>	<b>31 December 2019</b>
	<b>\$</b>	<b>\$</b>
Land	-	1,352,775
Opening balance	1,352,775	2,861,983
Impairment	-	(1,325,663)
Disposal	(1,402,705)	-
Impact of foreign exchange movement	49,930	(183,545)
	-	1,352,775

The Directors agreed that the land at Mollacas, Chile was surplus to requirements and was therefore offered for sale as at 31 December 2019. On 10 February 2020 the sale was completed for A\$1.4M after costs and exchange rate variations.

**Los Cerros Limited**  
**Notes to the financial statements**  
**30 June 2019**

**Note 5. Non-current assets - exploration and evaluation**

	<b>Consolidated</b>	
	<b>30 June 2020</b>	<b>31 December 2019</b>
	\$	\$
Exploration and evaluation	<u>17,814,117</u>	<u>17,849,587</u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

<b>Consolidated</b>	<b>30 June 2020</b>	<b>31 December 2019</b>
	\$	\$
Opening balance	17,849,587	10,411,767
Additions	409,937	1,353,860
Additions through asset acquisitions	-	6,375,145
Exchange differences	<u>(445,407)</u>	<u>(291,185)</u>
Balance at 30 June 2020	<u>17,814,117</u>	<u>17,849,587</u>

Exploration and evaluation capitalised at 30 June 2020 represents the Miraflores Gold Project within the Quinchia Gold Project portfolio and tenements held by Andes Resources Ltd which are located in the Antioquia, Risaralda and Choco, Departments of Colombia.

Recoverability of the carrying amount of exploration assets is dependent upon the successful recovery of ore reserves. Impairment indicators in AASB 6 – Exploration for and Evaluation of Mineral Resources (“AASB 6”) are considered for each area of interest.

**Note 6. Current liabilities - trade and other payables**

	<b>Consolidated</b>	
	<b>30 June 2020</b>	<b>31 December 2019</b>
	\$	\$
Trade payables	313,882	1,305,543
Other payables	<u>643,957</u>	<u>1,209,224</u>
	<u>957,839</u>	<u>2,514,767</u>

**Note 7. Current liabilities - borrowings**

	Consolidated	
	30 June 2020	31 December 2019
	\$	\$
Insurance premium funding	-	37,150
Loans from related parties	180,000	376,000
	<u>180,000</u>	<u>413,150</u>

Refer to note 12 for further information on related party transactions

**Note 8. Non-current liabilities - payables**

	Consolidated	
	30 June 2020	31 December 2019
	\$	\$
Deferred consideration (i)	<u>2,326,332</u>	<u>2,225,881</u>

(i) Note:

(a) In July 2019, the Company reached agreement with Company's borrowers (RMB Australia Holdings Pty Ltd) to renegotiate the terms of the Company's outstanding loan of \$5.0M. The agreement was:

(b) Deferred consideration to be settled partially by share based payments of \$2M and the balance of deferred consideration to be repaid on achieving certain milestones comprising 3 payments totalling \$3.5M ("Milestone Payments").

- A\$1.25M at the earlier of Los Cerros market cap exceeding \$30M or achieving an Indicated Resources exceeding 2M oz grading not less than 4g/t;
- A\$1.25M at the earlier of market cap exceeding \$35M or achieving a Proved and Probable Reserve exceeding 1M oz grading not less than 4g/t;
- A\$1.0M at the earlier of market cap exceeding \$40M or confirmation by the board that it has the required funding for development.

All three Milestone Payments have a backstop date of 1 January 2025, and if any part of any Milestone Payment has not been made by that date, then the \$5.0M must be fully paid on 31 March 2025.

(c) Royalty payable to RMB of 2% of NSR (net smelter return) on production, capped at A\$15M.

The directors believe that, based on the Company's early stage exploration process, there is insufficient certainty in future exploration success and market capitalisation increases that the early payment and royalty targets will not be achieved. Accordingly, the amount of \$2.3M has been disclosed as a non-current liability, payable on 31 March 2025.

The deferred consideration has been discounted at 9% per annum (2019: 9% per annum).

	Opening Balance 1 January \$	Settlement during the year \$	Fair value adjustment \$	Closing Balance \$
Deferred consideration (present value) - 2019	4,668,697	(2,000,000)	(442,816)	2,225,881
Deferred consideration (present value) - 2020	2,225,881	-	100,451	2,326,332

**Los Cerros Limited**  
**Notes to the financial statements**  
**30 June 2019**

**Note 9. Equity - issued capital**

	<b>30 June 2020</b>	<b>31 December</b>	<b>30 June 2020</b>	<b>31 December</b>
	<b>Shares</b>	<b>2019</b>	<b>\$</b>	<b>2019</b>
		<b>Shares</b>		<b>\$</b>
Ordinary shares - fully paid	<u>259,415,254</u>	<u>167,760,161</u>	<u>353,270,807</u>	<u>350,163,191</u>

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>\$</b>
Balance	1 January 2020	167,760,161		350,163,491
Exercise of listed options	1 June 2020	41	\$0.44	18
Exercise of unlisted options	6 June 2020	17,000,000	\$0.02	340,000
Sandfire Collaboration Agreement	9 Jan 2020	224,161	\$0.08	17,933
Placement – Tranche 1	13, 18 Feb 2020	24,939,860	\$0.04	997,594
Placement – Tranche 2	6 April 18 May & 5 June 2020	28,185,140	\$0.04	1,127,406
Share Purchase Plan	5 March 2020	8,800,000	\$0.04	352,000
Shares issued in lieu of services	6 April 2020	12,112,500	\$0.04	484,500
Shares issued to related parties	6 April 2020	393,391	\$0.04	15,736
Shares to be allotted	2 July 2020	156,250	\$0.04	6,250
Costs of capital raising		-	-	(234,121)
Balance	30 June 2020	<u>259,415,254</u>		<u>353,270,807</u>

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Share buy-back*

There is no current on-market share buy-back.

**Note 10. Equity – options**

Options:

Expiry date	Exercise price \$	Outstanding at 31 Dec 2019	Issued during year	Exercised during the period	Lapsed during year	Outstanding at 30 Jun 2020
01/06/2020	0.011	13,683,635	-	(41)	(13,683,594)	-
16/08/2021	0.016	50,206,975	2,925,000	-	-	53,131,975
		<u>63,890,610</u>	<u>2,925,000</u>	<u>(41)</u>	<u>(13,683,594)</u>	<u>53,131,975</u>

All outstanding options above were exercisable as at 30 June 2020.

**Los Cerros Limited**  
**Notes to the financial statements**  
**30 June 2019**

**Note 15. Equity - options (continued)**

Options:  
Unlisted

Expiry date	Exercise price \$	Outstanding at 31 Dec 2019	Granted during year	Exercised during year	Lapsed during year	Outstanding at 30 Jun 2020
1/07/2023	\$0.3200	5,546,875	-	-		5,546,875
31/08/2023	\$0.3200	656,250	-	-		656,250
15/11/2023	\$0.3200	46,875	-	-		46,875
16/08/2021	\$0.2400	1,250,000	-	-		1,250,000
		<u>7,500,000</u>	<u>-</u>	<u>-</u>		<u>7,500,000</u>

All outstanding options above were exercisable as at 30 June 2020.

Performance Rights:  
Unlisted

Grant date	Expiry date	Exercise price \$	Outstanding at 31 December 2019	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at 30 Jun 2020	Note
28/05/2018	31/12/2020	\$0.9600	240,000	-	-	-	240,000	1
29/05/2018	31/12/2020	\$0.0000	290,000	-	-	-	290,000	1
29/05/2018	31/12/2020	\$0.9600	290,000	-	-	-	290,000	2
13/05/2019	31/12/2020	\$0.2400	250,000	-	-	-	250,000	3
13/05/2019	31/12/2021	\$0.0000	250,000	-	-	-	250,000	4
20/12/2019	31/12/2024	\$0.1350	4,000,000	-	-	-	4,000,000	5
20/12/2019	30/09/2024	\$0.1350	2,000,000	-	-	-	2,000,000	6
20/12/2019	30/09/2024	\$0.1400	2,000,000	-	-	-	2,000,000	7
20/12/2019	30/09/2024	\$0.1400	2,000,000	-	-	-	2,000,000	8
			<u>11,320,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,320,000</u>	

Performance rights outstanding as at 30 June 2020 are subject to the following vesting conditions:

- (1) Tranche 3 vesting on 30 day VWAP of \$0.96 before December 31, 2020.
- (2) Tranche 4 vesting on delivery of a resource of at least 1 million ounces gold at Chuscal before December 31, 2020.
- (3) Tranche 2 vesting on 30 day VWAP of \$0.24 or higher on or before December 31, 2020.
- (4) Tranche 3 vesting on delivery of at least 1 million ounces resource at Chuscal before December 31, 2021.
- (5) Directors Options issued in lieu of the recipients were paid directors fees for the next 24 months from date of issue.
- (6) Tranche 1 vesting after 12 months of service at an exercise price of \$0.135 and expiring on September 30, 2024.
- (7) Tranche 2 vesting after 24 months of service, at an exercise price of \$0.135 and expiring on September 30, 2024.
- (8) Tranche 3 vesting upon the discovery of 0.5Moz mineral resource, at an exercise price of \$0.135, and expiring on September 30, 2024.

**Los Cerros Limited**  
**Notes to the financial statements**  
**30 June 2019**

**Note 11. Equity - reserves**

	<b>Consolidated</b>	<b>31 December</b>
	<b>30 June 2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Foreign currency reserve	10,426,942	10,638,979
Options reserve	1,497,624	1,497,624
	<u>11,924,566</u>	<u>12,136,603</u>

**Note 12. Related party transactions**

*Transactions with related parties*

The following transactions occurred with related parties:

	<b>Consolidated</b>	<b>31 December</b>
	<b>30 June 2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Payment for other expenses:		
Interest paid to key management personnel	2,760	8,132

\* Interest of \$1,380 was paid to Kevin Wilson during the period.

\*\* Interest of \$1,380 as paid to Ross Ashton during the period.

*Receivable from and payable to related parties*

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

*Loans to/from related parties*

The following balances are outstanding at the reporting date in relation to loans with related parties:

	<b>Consolidated</b>	<b>31 December</b>
	<b>30 June 2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Current borrowings:		
Loans from key management personnel	180,000	376,000

\* On 1 November 2019 Director Kevin Wilson made an unsecured loan to the company of \$150,000 at an annual interest rate of 9.0% and maturing on 1 February 2020 or later by mutual agreement. During the period \$85,000 was repaid to Mr Wilson.

\*\* Between 1 November 2019 and 1 December 2019 Director Ross Ashton made unsecured loans to the company totalling \$176,000 at an annual interest rate of 9.0% and maturing on 1 February 2020 or later by mutual agreement. During the period \$61,000 was repaid to Mr Ashton.

*Terms and conditions*

All transactions were made on normal commercial terms and conditions and at market rates.

**Note 13. Contingent liabilities**

The Company is aware that a former director and chief executive officer of one of the Company's subsidiaries (Miraflores Compania Minera SAS (previously Minera Seafield SAS)) previously lodged a claim with the Labour Court in Medellin, Colombia (Juzgado Laboral del Circuito de Medellin) seeking termination payments, unpaid bonus payments and damages in the amount of approximately US\$2 million. The Directors are of the opinion that the claim can be successfully defended and believe that the risk of the Company facing an unfavourable judgement is remote. The Company intends to defend the proceeding.

On 13 August 2020, the Company advised that it had reached a settlement with Mr Brown, a former director and employee of Andes Resources Ltd, the Company's wholly owned subsidiary. The settlement in the amount of \$202,684 representing full and final settlement of the claim announced by the Company on 26 February 2020.

Under the terms of a Memorandum of Understanding with Ausenco Chile Limitada ('Ausenco') dated 30 November 2017, Los Cerros (formerly Metminco Limited) has agreed that Ausenco will provide a Guaranteed Maximum Price and a Lump Sum Turnkey price and will enter into an EPC for the development of the Miraflores mine. Pursuant to a letter agreement dated 7 February 2020 between Los Cerros and Ausenco, the Company has agreed to settle the outstanding liability as highlighted below:

- One-time payment of A\$55,900 (paid 1 April 2020);
- Issue the equivalent of A\$300,000 in fully paid ordinary shares upon the next significant capital raising (issued 6 April 2020; and
- The delivery of services, upon successfully bidding for mining consulting and study work as discussed and agreed by the parties.

Otherwise the Group is not aware of any other contingent liabilities.

**Note 14. Commitments**

	<b>Consolidated</b>	
	<b>30 June 2020</b>	<b>31 December 2019</b>
	<b>\$</b>	<b>\$</b>
<i>Lease commitments - operating (i)</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	19,406	41,970
<i>Exploration Tenement Licence Commitments (ii)</i>		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	38,692	216,116
One to five years	-	5,505
Total commitment	38,692	221,621
Net commitment recognised as liabilities	58,098	221,621

*(i) The Group has lease commitments over premises in Colombia with terms ranging up to 13 months. Rent is payable monthly in advance.*

*(ii) Represents mining and exploration licence fees for tenements held by the Group but not yet capitalised in the financial statements.*

On 10 July 2020, the Company entered into a purchase agreement for Atlas Copco C5C drill rig in the amount of \$405,857 including supporting materials.



**Note 15. Interests in joint ventures**

Interests in joint ventures are accounted for using the equity method of accounting. Information relating to joint ventures that are material to the consolidated entity are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2020 %	2019 %
Chuscal JV (i)	Colombia	10%	10%
Ni Maria J S.A.S (ii)	Colombia	50%	50%

(i) Key Terms of the Chuscal JV

In December 2018 Los Cerros and Anglo Gold Ashanti (“AngloGold”) formed the Chuscal JV with ownership: MNC 10% and AGA 90%. Los Cerros have the right to earn a further 41% interest in the JV by spending US\$2.5 million over 3 years, including at least 7,500m of drilling. AngloGold holds a free carried interest during this period.

Once Los Cerros has earned its 51% interest, the parties may participate pro rata or dilute. On a party being diluted to a 9.9% interest, the participation of the diluting party reverts to a 2% Net Profit Royalty.

AngloGold has a one-off right to buy back a 21% interest from Los Cerros on the publication of a JORC resource of at least 3 million ounces of gold with the price of the 21% interest to be agreed between the parties or determined by an independent valuer at that time. On exercise of the buyback right ownership will be AngloGold 70% and Los Cerros 30%; AngloGold will be manager of the JV; and AngloGold will free carry Los Cerros through feasibility and until permits have been granted for a development proposal of an operation to produce over 250,000oz annual gold production.

Los Cerros and AngloGold Ashanti (AGA) entered a binding term sheet agreement for the exchange of AGA’s interest in the Chuscal JV for Los Cerros securities. The transaction, when completed, will result in the Company owning 100% interest in the entire Chuscal Project.

As at 30 June 2020, the amount invested into the JV by the Company was \$33,563 (2019: \$144,841) is included the Statement of Financial Position – Exploration and Evaluation.

(ii) Ni Maria J S.A.S Ni Maria J S.A.S was formed on 31 May 2018 as a special purpose joint venture vehicle to acquire the San Pablo mining permits. Upon completion of the mining permits acquisition, the Group will hold 90% ownership of the entity through Andes Holding S.A.S.

**Los Cerros Limited**  
**Notes to the financial statements**  
**30 June 2020**

**Note 17. Events after the reporting period**

On 13 July 2020, the Company announced it has received firm commitments to raise via share placement approximately \$3.5M comprising of Tranche 1 completed 20 July 2020 – 49,500,000 @ \$0.04 per share raising \$1.98M; and Tranche 2 - 38,000,000 shares @ \$0.04 per share raising \$1.52M.

On 13 August 2020, the Company announced that drilling had commenced at the Tesorito Gold Project and that the Company had reached settlement of some of the outstanding liabilities to the Company's Directors as well as settlement of a dispute with former Andes Resources Ltd Director (Mr. Simon Brown).

On 24 August 2020 the Company announced that drilling at Tesorito had intercepted the interpreted potassic core of the Tesorito porphyry based on preliminary visual logs

On 10 September 2020, the company announced first assay results from drilling at Tesorito Confirming the above in addition to substantial intercepts of epithermal and porphyry associated gold and the presence of copper suggesting further potential at depth below current drilling.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Note 18. Loss per share**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>30 June 2020</b>	<b>30 June 2019</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax attributable to the owners of Los Cerros Limited	<u>(1,877,960)</u>	<u>(1,707,161)</u>
	<b>Cents</b>	<b>Cents</b>
Basic loss per share	(0.19)	(0.18)
Diluted loss per share	(0.19)	(0.18)
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>210,549,690</u>	<u>1,175,134,100</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>210,549,690</u>	<u>1,175,134,100</u>

**Los Cerros Limited**  
**Directors' declaration**  
**30 June 2020**

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in blue ink, appearing to read 'Ross Ashton', with a horizontal line drawn through it.

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Ross Ashton  
Non-Executive Chairman  
Ross Ashton

11 September 2020

# Independent Auditor's Report

## To the Members of Los Cerros Limited

### Report on the review of the half year financial report

#### Conclusion

We have reviewed the accompanying half year financial report of Los Cerros Limited and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Los Cerros Limited does not give a true and fair view of the financial position of the Group as at 30 June 2020, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

#### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of Financial Report Performance by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110

Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

#### Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss of \$1,877,960 during the half year ended 30 June 2020 and, as of that date, the Group's current liabilities exceeded its current assets by \$308,955. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

### Directors' responsibility for the half year financial report

The Directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2020 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Los Cerros Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

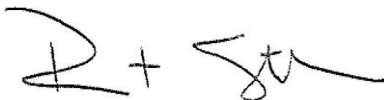
A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



B P Steedman  
Partner – Audit & Assurance

Perth, 11 September 2020