

## March 2020 Quarterly Report

### HIGHLIGHTS

- Maiden Chuscal drill program completed-with results suggesting extensive epithermal gold structures overprinting porphyry gold with two targets identified as the potential porphyry sources
- Technical program focussed on drill targeting at Chuscal and Tesorito for 2020 drill program and review of Miraflores geological model
- Maiden JORC Inferred Resource estimate of 20.2Mt containing 459,000 ounces of gold, grading 0.71g/t Au established for the Dosquebradas gold deposit
- Total JORC Resource for the Quinchia Project now 1.3Moz gold, including a JORC Reserve of 457,000 ounces for the Miraflores deposit
- Company name changed to Los Cerros and ASX code to LCL
- Mollacas project sold for USD\$1M; private placement and SPP raises A\$2.5M
- Operating and overhead cost reductions implemented in response to COVID-19
- \$2M Strategic Partnership Agreement to accelerate exploration (announced Q2)

For **Los Cerros Limited (ASX: LCL) (Los Cerros or the Company)**, the quarter ending March 2020 was focussed on exploration program planning stemming from the 2019-2020 drilling program, capital raising and navigating the global COVID19 pandemic. The Company also marked the completion of the merger with Andes Resources with the changing of its name to Los Cerros Limited in January.

Entering the second quarter, the Company is in a comparatively good position having secured funding and completed its drilling program in January and is currently focussed on assessment, interpretation and planning for the next drill programs while field access is restricted due to the pandemic. The Company notes that the Colombian Government eased movement restrictions for the exploration industry in April permitting a managed return to field work.

### **Quinchia Gold Project - LCL 100% (earning 51% in to the Chuscal prospect<sup>1</sup>)**

The Chuscal Prospect is a fragment of the larger Quinchia Gold Project located in the state of Risaralda and covers the highly fertile Mid-Cauca Gold Belt of Colombia. The Project also comprises Miraflores, Tesorito and other established targets in addition to untested areas of interest within the ~7,500ha parcel (Figure 3). Apart from the Chuscal Prospect (LCL earning 51% interest from AngloGold Ashanti), the remainder of the Quinchia Project is 100% owned.

<sup>1</sup> The Chuscal Project is a JV with AngloGold Ashanti. LCL can earn 51% through \$2.5M of exploration expenditure (see ASX Announcement 6 December 2018).

## Chuscal Prospect

Los Cerros completed the Chuscal maiden drilling program in January 2020, the results of which continue to inform as data are incorporated into regional datasets and geological models. Chuscal's appeal is the presence of two styles of mineralisation, porphyry associated gold providing wide zones of low grade disseminated background levels of gold mineralisation which is overprinted by higher grade mineralised epithermal veins.

The 4 hole ~1,900m program demonstrated that porphyry-associated gold is far more widespread than previously assumed, as evidenced by the very long drill core intercepts of lower grade gold in all holes over an extensive area (Figure 1) including:

- o 350m intercept from surface carrying an average uncut grade of 0.57g/t Au over this extensive interval in drill hole CHDDH001<sup>2</sup>; and
- o 320m intercept of mineralised zone grading 0.43g/t Au encountered between 32m to 352m in drill hole CHDDH002<sup>3</sup>.

Overprinting by Intermediate Sulphidation System (ISS) epithermal veins is also far more extensive than previously modelled and is associated with a regional fault structure (horsetail) of 500m strike which remains open to the NW, SE and at depth. ISS veins were noted in most rock units drilled, including breccias, and typically correlated to an uplift in gold grade above the background, widely disseminated, porphyry associated gold. ISS associated intercepts include<sup>4</sup>:

- o 2m at 8.28g/t Au from 248m in CHDDH002;
- o 0.5m at 17.1g/t Au from 333m within 7m @ 2.07g/t Au from 331m in CHDDH002;
- o 6m @ 2.97g/t Au from 250m including a 0.4m high grade vein from 253.3m grading 31.8g/t Au in CHDDH003;
- o 6m @ 2.52g/t Au and 10.25g/t Ag from 0m to 6m, including 2m @ 5.56g/t Au and 29g/t Ag from surface in CHDDH0001;
- o 2m @ 6.44g/t Au and 87.40g/t Ag from 324m to 326m in CHDDH0001; and
- o 8m @ 2.82g/t Au and 29.96g/t Ag from 342m to 350m in CHDDH0001.

Other material developments from the maiden program and follow-on work during the quarter include:

1. The Guyacanes Diorite is not the porphyry source (as previously assumed), but rather just one of many units containing porphyry associated mineralisation, suggesting a much larger regional system with a deeper and younger causative intrusive(s) (porphyry).
2. The application of pathfinder elements/minerals, mineral alteration and various signature ratios has vectored into two possible sources for the extensive porphyry associated gold detected in the four drill holes drilled to date<sup>5</sup>.

<sup>2</sup> See announcement 25 November 2019. The Company confirms that it is not aware of any new information that affects the information contained in this release.

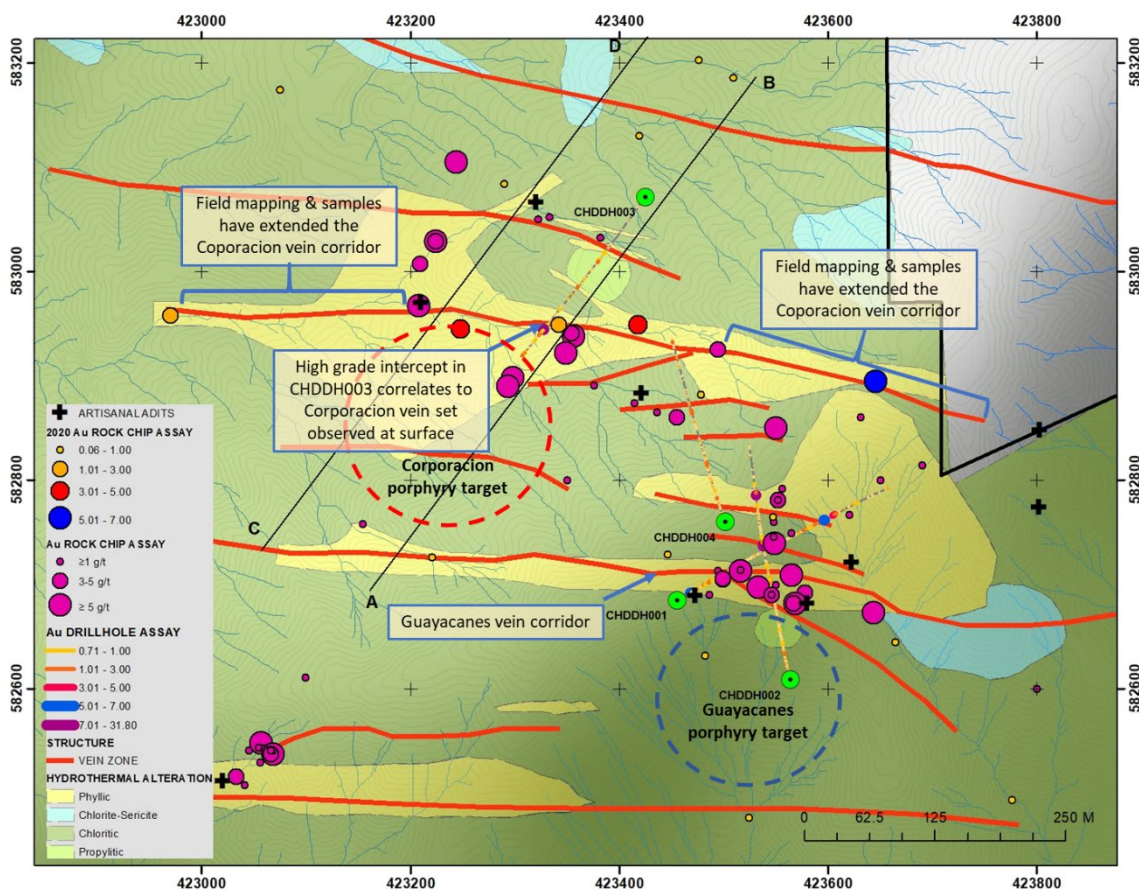
<sup>3</sup> See announcement 5 December 2019. The Company confirms that it is not aware of any new information that affects the information contained in this announcement.

<sup>4</sup> See announcements 25 November 2019, 5 December 2019, 23 December 2019. The Company confirms that it is not aware of any new information that affects the information contained in these announcements.

<sup>5</sup> See announcement 20 January 2020 for a detailed discussion of the vectoring exercise and outcome.

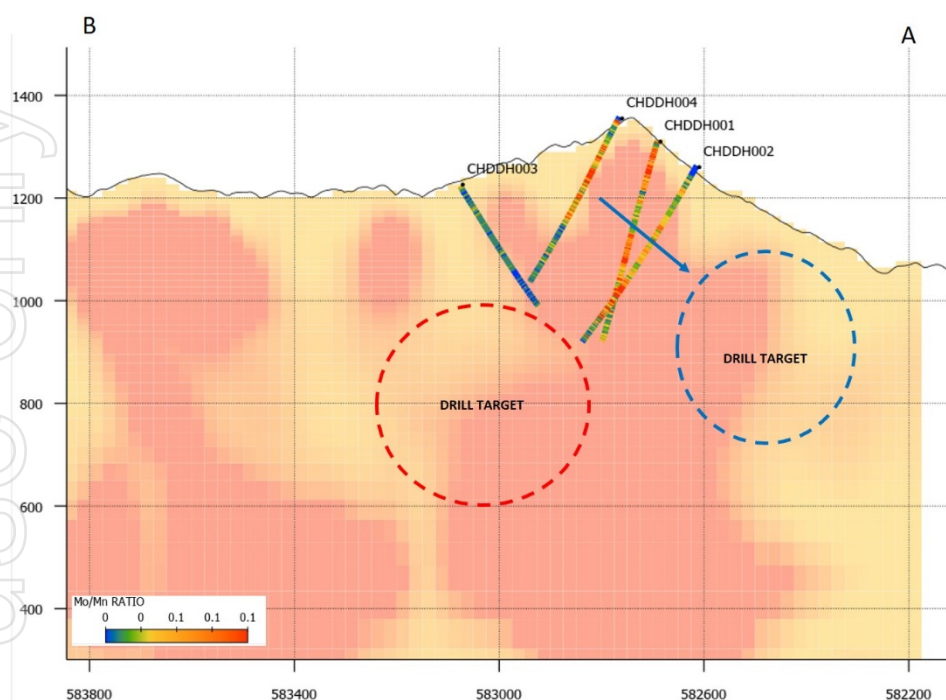
3. Field mapping and sampling during the quarter has extended the Coporacion vein (just one of many second order E-W structures associated with the NW trending regional fault structure) to a strike length of 800m<sup>6</sup>.
4. Investigation of the Coporacion vein set also demonstrates an association with a 150m wide ground magnetic low that extends along the strike of the Coporacion vein set and might represent a wide fluid pathway of which the Coporacion vein is a part<sup>5</sup>.

The Company has advanced field preparations for a ground-based IP geophysics program over Chuscal. The objective of the program is to further develop Los Cerros' understanding of the epithermal veins that host the higher grade gold at Chuscal and to contribute to the vectoring into the two targets, identified to date, that are the potential porphyry sources (refer Figures 1 & 2). The IP program is scheduled to commence as soon as COVID-19 restrictions permit.



**Figure 1. Plan view of mapped vein structures, associated phyllic alteration corridors and location of porphyry targets.** Whilst there are many vein corridors potentially carrying zones of high grade, the Coporacion and Guayacanes corridors are of particular interest as they also extrapolate at depth to intercept the two established porphyry targets.

<sup>6</sup> See announcement 6 April 2020. The Company confirms that it is not aware of any new information that affects the information contained in this announcement.



**Figure 2:** The distribution of Mo/Mn is one of many pathfinders suggesting two target zones south of recent drilling are possible sources of porphyry associated gold at Chuscal.

### Other targets in the Quinchia Gold Project

The **Miraflores Gold Deposit** has an existing Resource of 877,000 Au ounces at 2.80 g/t Au and Reserve of 457,000 Au ounces at 3.29g/t Au<sup>7</sup>. The current gold price exceeds the upper limit of the modelled project gold price sensitivities published in the 2017 Feasibility Study (refer Tables 1 & 3). With further exploration success elsewhere within the Quinchia Gold Project, leveraging existing mine planning, plant design and approval status of Miraflores (Mining Authority approval of PTO (construction and operation plan)) to fast track production becomes a compelling opportunity.

| 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             |

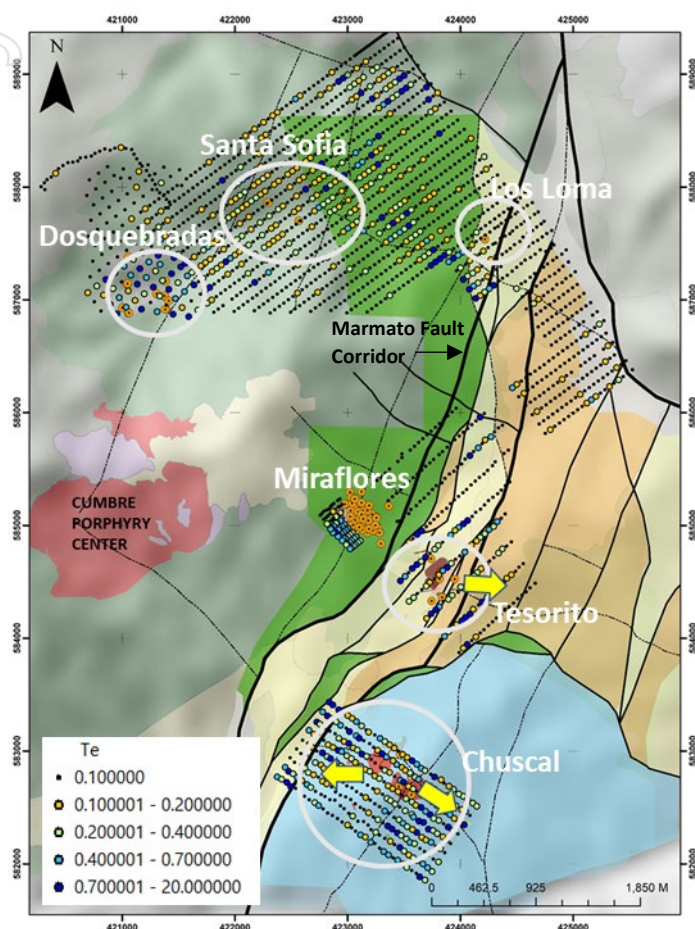
\* A variance of +15 -10% can be applied i.e. within the contingency. Contingency of 7.67%.  
\*\* C1 Cash Costs includes Government Royalty.

**Table 1: Miraflores Feasibility Study Economic Model Gold Price Sensitivity<sup>8</sup>.**

<sup>7</sup> Refer ASX announcement dated 27 November 2017. The Company confirms that it is not aware of any new information or data that materially affects the information included in the market announcement, and that all material assumptions and technical parameters underpinning the estimate continue to apply.

<sup>8</sup> Feasibility Study first publicly released 18 October 2017 and updated 30 October 2017. For Resources and Reserves see Table 2. The sensitivity table was first publicly released 28 May 2018. No material change has occurred after that date that may affect the JORC Code (2012 Edition) Ore Reserve estimation and Los Cerros confirms that all material assumptions and technical parameters applicable to the Reserve continue to apply. Source: Ausenco 2017.

During the March 2020 Quarter, the Company commenced a review of the Miraflores geological model that underpins the Miraflores Reserve calculation to better understand the distribution of mineralisation and the potential for further mineralisation outside of the current Resource envelope.



**Figure 3:** The Quinchia Project area contains multiple targets at various levels of investigation and untested regions of considerable continuing interest. This image reveals Tellurium anomalism, a pathfinder element associated with substantial intrusives such as porphyries.

The **Tesorito Prospect** is located approximately one kilometre to the north of Chuscal (Figure 3) and only several hundred metres from the proposed processing facility described in the Miraflores feasibility study. Los Cerros drilled Tesorito in 2018 with the final hole of that program, TS-DH-07, oriented oblique to previous holes, providing the best intercept of 64m @ 1.67g/t Au from 144m, within 253.1m @ 1.01g/t Au from 2.9m (refer ASX release dated 30 August 2018<sup>9</sup>). The final drill hole also provided valuable insights into the orientation and geometry of higher-grade mineralisation within the broader porphyry complex. The widest intersection (drilled by a previous explorer) was: 384m @ 1.01g/t Au from 16m to end-of-hole, including 32.5m @ 1.34g/t Au from 48.8m; and 156.6m @ 1.28g/t Au from 88.3m (TSDH-02, see ASX release of 30 August 2018<sup>9</sup>).

A Q4 2019 portfolio-wide strategic review and prioritisation exercise conducted under the new (post-merger) technical team elevated Tesorito to a priority target. During the March 2020 quarter the Company developed its understanding of the structural controls and grade distribution at Tesorito with the possibility of including Tesorito in the above-mentioned intended Q2 IP survey and subsequent drilling program.

The **Dosquebradas** deposit is a near surface gold-copper deposit situated ~3km from the established Miraflores Resource and 1.5km from the advanced La Cumbre deposit owned by Batero Gold (TSX-

<sup>9</sup> The Company confirms that it is not aware of any new information or data that materially affects the information included in the market announcement.

V: BAT)<sup>10</sup> who are currently assessing the viability of an open pit and conventional heap leach mining operation. As part of a portfolio wide strategic review, Los Cerros commissioned the conversion of a resource, previously calculated under Canadian NI 43-101 standards by TSX-V listed Seafield Resources Ltd in 2011, to the following Inferred Resource compliant with ASX JORC 2012 standards which was released in March 2020<sup>11</sup>.

### Inferred Resource estimate of 20.2Mt containing 459,000oz of gold, grading 0.71g/t Au<sup>11</sup>

Table 2: Dosquebradas Mineral Resource Estimate, as at 25 February 2020 (100% basis)

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

**Notes:**

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

### Andes Gold Project - LCL 90%<sup>12</sup>

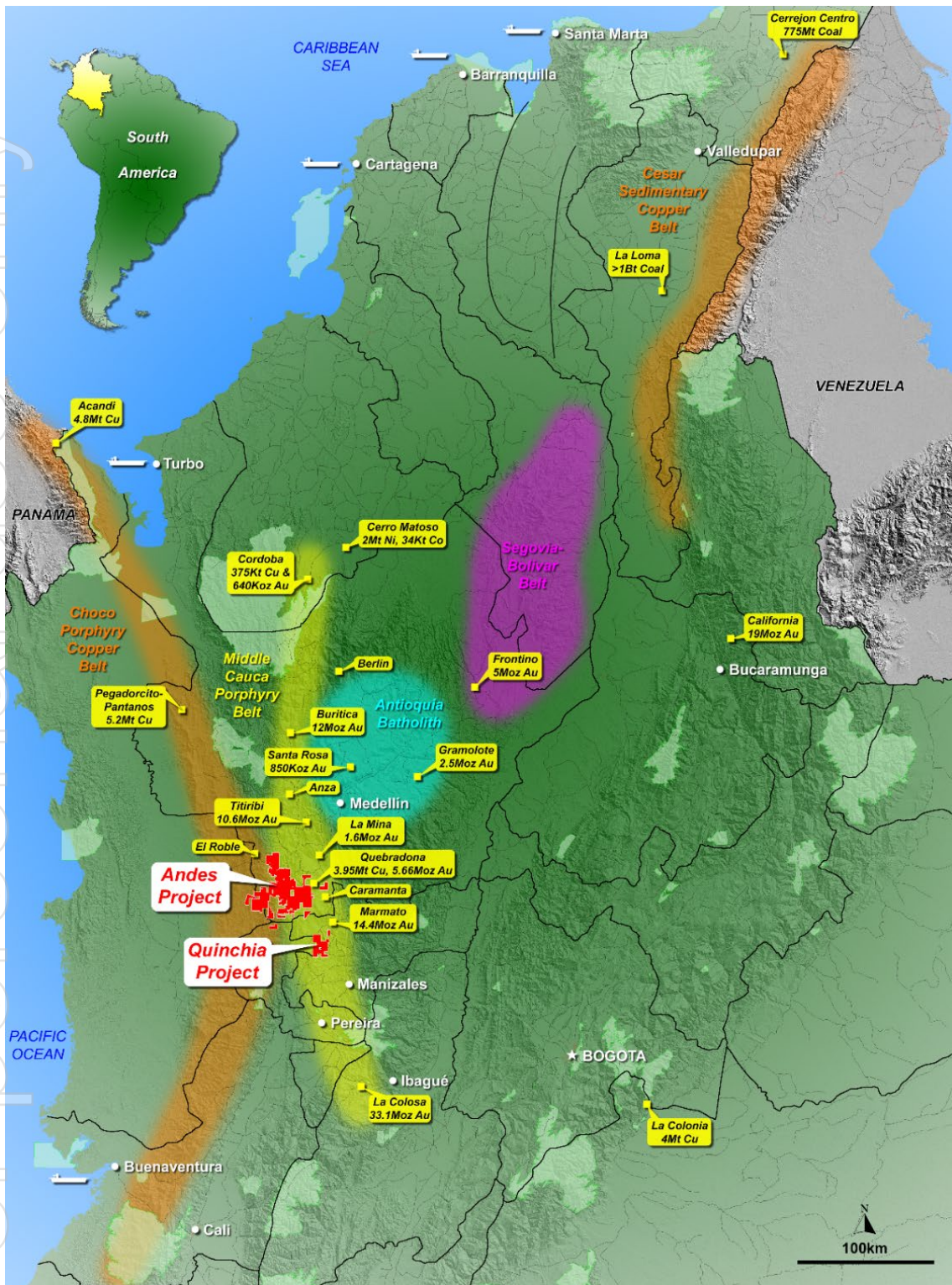
Located 70km to the north of Quinchia (Figure 4), the Andes Gold Project is a large (~85,000Ha), cohesive and substantially underexplored tenement package in the Mid-Cauca Gold Belt, with only ~10% of the land parcel explored with modern techniques. To date over 14,000 surface and rock chip samples have been collected to define multiple vein hosted and porphyry targets including the Gibraltar porphyry copper/gold target (Figure 5) located just 22km from, and in the same porphyry belt as, AngloGold's Nuevo Chaquiro deposit.

The Andes Gold Project is predominantly located in the municipality of Andes in the state of Antioquia. The Company considers that the results of state elections held near the end of 2019 are a very positive development. This will hopefully end the impasse for the grant of mineral licences in Antioquia and provide for increased exploration activity of the Andes Gold Project in the second half of 2020.

<sup>10</sup> Batero Gold is listed on the TSX-V, details of the company including releases related to the La Cumbre project can be found at [www.baterogold.com](http://www.baterogold.com).

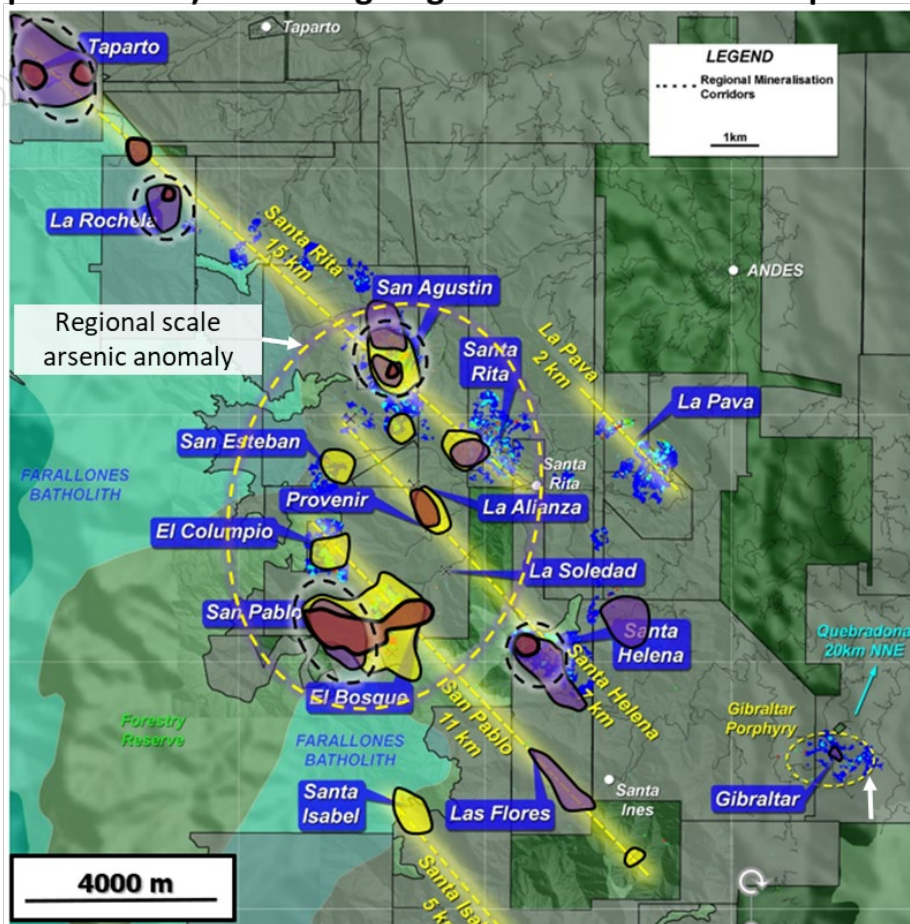
<sup>11</sup> Inferred Mineral Resources shown using 0.5g/t Au cut-off grade. See announcement 25 February 2020. The Company confirms that it is not aware of any new information or data that materially affects the information included in the market announcement.

<sup>12</sup> See Tenement table at the end of this report.



**Figure 4:** The Company's Andes and Quinchia Projects are within the mid-Cauca gold porphyry belt which hosts multiple million+ oz discoveries. Note: metal volume estimates are taken from company websites and may or may not include inferred resources. These numbers are given as an indication of the gold endowment of the district, not mineable resource.

Summary of Mo, Bi, As anomalies (porphyry pathfinders) over soil grid gold and LIDAR base map



**Figure 5:** The Company's Andes Gold Project, 70km north of Quinchia, contains multiple epithermal targets interpreted to form five mineralised corridors for a combined strike length of ~40km.

### Corporate, Funding and COVID-19 Response

In January 2020 the Company transitioned from Metminco Limited to its new branding of Los Cerros Limited (ASX: LCL). "Los Cerros Limited" was chosen as the Company's new brand on the basis that the change of name marks the reinvigoration of the Company post a series of corporate transactions completed in 2019, and is considered by the directors to better reflect and acknowledge the focus of the Company's activities in the Andes mountains of Colombia.

The sale of The Company's non-core Mollacas Project in Chile completed during the quarter with A\$1.3 million cash proceeds (after settlement costs and exchange rate variations) received by the Company.

On the 26 February 2020, Simon Brown served proceedings on LCL and Andes Resources (a 100% subsidiary of Los Cerros). As elaborated in the ASX release of the same date, Mr Brown claims there was an agreement to pay him redundancy related to his employment with Andes Resources.

On 5 February 2020, the Company announced a capital raising (**Placement**) at 4 cents per share. On 7 February 2020 the Company announced a Share Purchase Plan (**SPP**) at 4 cents per share. Both the Placement and the SPP included the issue of one option for every two shares subscribed, exercisable at 10 cents. Resolutions related to the Placement and SPP were passed at a Shareholders' General



Meeting on 30 March 2020. The Placement will raise up to \$2.125 million in aggregate before costs. By the end of the March quarter, Tranche 1 had completed, raising approximately \$997,500 before costs and the Company had received binding commitments to raise \$1.127 million under Tranche 2. Of this Tranche 2 amount, \$757,000 has been received, including \$125,000 from Directors of the Company, with the balance expected to settle during the current quarter. In addition to resolutions related to the above-mentioned placement and SPP, the Shareholders' General Meeting included resolutions related to the issue of 12,505,891 shares to various creditors in lieu of cash payments. The ratification of a previous issue of shares to Sandfire Resources and approval of the issue of options to Bullet Holding Corporation were also amongst the resolutions, all of which were approved.

As outlined in the attached Appendix 5B (section 6.1), during the quarter approximately \$113k in payments were made to related parties and their associates for director fees, salaries, superannuation and other related costs.

In April, the Company announced a Strategic Partnership with Hongkong Ausino for the provision of exploration equipment and services<sup>13</sup>. Under the terms of the agreement, Los Cerros can elect whether to pay up to \$2M of exploration costs in shares or cash. The Strategic Partnership aims to accelerate drilling activity and reduce exploration costs and cash expenditure.

On 30 April 2020 the Company announced it has executed a binding term sheet agreement (**Agreement**) with AngloGold Ashanti Colombia S.A. (**AGAC**), an entity owned by AngloGold Ashanti Limited for the exchange of AGAC's interests in the Chuscal JV for LCL shares. The Agreement will take Los Cerros' ownership of Chuscal to 100% and results in the Company holding 100% of the entire Quinchia Gold Project of which Chuscal is a part. In exchange and subject to shareholder approval, AGAC will become an approximately 4.3% shareholder of Los Cerros with the right to increase its interest to 10%<sup>14</sup>.

The Company acknowledges the rapid and unexpected deterioration in global equity markets, due largely to the COVID-19 pandemic, and the resultant negative impact this has had on the Los Cerros share price. To assist in the completion of the Tranche 2 placement, the Board resolved to issue an additional unquoted option to all Placement participants for every two shares subscribed in the Placement. The issue of up to 26,562,500 options will have an exercise price of 2 cents each and expiry date of two years from the date of issue, potentially raising \$520,000 should all the options be exercised.

The Company raised \$352,000 from the SPP that closed on 27 February 2020 on the same terms as the Placement. The Company is investigating how to extend a similar benefit provided to the Placement participants to the SPP participants.

The uncertain economic climate arising from the spread of COVID-19 has led Los Cerros to implement a series of measures aimed at protecting the health and safety of our people, contractors and the communities in which we operate, whilst ensuring the operational and financial integrity of our business. These measures have included: eliminating non-essential travel (international and domestic); encouraging our people to work from home where possible; and a reduction in discretionary expenditure. The Company has undertaken a review of all expenditure and, where possible, taken immediate action to reduce overheads to preserve cash, and ensure the Company is well placed to continue with its activities once confidence is restored in global financial markets.

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<sup>13</sup> See ASX announcement 22 April 2020.

<sup>14</sup> See ASX announcement 30 April 2020.

While fieldwork was on hold, Los Cerros' geological team remained active in planning the next phases of exploration at the Chuscal, Tesorito and Miraflores project areas. The Company intends to be drilling early in the second half of 2020, subject to the progress of the COVID-19 pandemic.

The Company notes that the Colombian Government eased movement restrictions for the exploration industry in April permitting a managed return to field work. Los Cerros will continue to monitor the COVID-19 situation carefully.

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 since its release in February 2020. In addition, there has been considerable confusion regarding the application and constitutionality of Presidential Decree 1955/19, the purpose of which was to reinstate certain land rights over free land to qualifying informal miners. The issues are not unique to Los Cerros and have the potential to impact only a small 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.

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

**For further enquiries contact:**

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Los Cerros Limited

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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                      |
| <b>Measured &amp; Indicated</b> | <b>9,269</b>  | <b>2.82</b> | <b>2.77</b> | <b>840</b>               | <b>826</b>               |
| 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                      |
| <b>Total</b>           | <b>4.32</b> | <b>3.29</b> | <b>2.77</b> | <b>457</b>               | <b>385</b>               |

##### 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 March 2020

| <b>Quinchia Gold Project, Colombia</b> |                                             |                         |             |
|----------------------------------------|---------------------------------------------|-------------------------|-------------|
| TENEMENT (1)                           | TITLEHOLDER (2)                             | TYPE OF CONTRACT (3)(5) | STAGE       |
| 010-87M (4)                            | Miraflores Compañía Minera S.A.S.           | Contribution contract   | Exploration |
| DLK-142 (6)                            | Monica María Uribe Perez (*JV AGAC)         | Concession              | Exploration |
| DLK-14544X                             | Miraflores Compañía Minera S.A.S.           | Concession              | Exploration |
| FCG-08353X                             | Miraflores Compañía Minera S.A.S.           | Concession              | Exploration |
| FCG-08355X                             | Miraflores Compañía Minera S.A.S.           | Concession              | Exploration |
| FCG-08356X                             | Miraflores Compañía Minera S.A.S.           | Concession              | Exploration |
| FCG-08357X                             | Miraflores Compañía Minera S.A.S.           | Concession              | Exploration |
| FCG-08358X                             | Miraflores Compañía Minera S.A.S.           | Concession              | Exploration |
| FKH-145510X                            | Miraflores Compañía Minera S.A.S.           | Concession              | Exploration |
| GC4-15002X (6)                         | AngloGold Ashanti Colombia S.A.S (*JV AGAC) | Concession              | Exploration |
| GC4-15005X (6)                         | AngloGold Ashanti Colombia S.A.S (*JV AGAC) | Concession              | Exploration |
| GC4-150010X (7)                        | AngloGold Ashanti Colombia S.A.S            | Concession              | Exploration |
| TDR-11411                              | Miraflores Compañía Minera S.A.S.           | Application             | Exploration |
| GC4-15001X (7)                         | AngloGold Ashanti Colombia S.A.S            | Application             | Exploration |
| GC4-15004X (7)                         | AngloGold Ashanti Colombia S.A.S            | Application             | Exploration |
| GC4-15006X (7)                         | AngloGold Ashanti Colombia S.A.S            | Application             | Exploration |
| GC4-15007X (7)                         | AngloGold Ashanti Colombia S.A.S            | Application             | Exploration |
| GC4-15008X (7)                         | AngloGold Ashanti Colombia S.A.S            | Application             | Exploration |
| GC4-15009X (7)                         | AngloGold Ashanti Colombia S.A.S            | Application             | Exploration |
| KHL-15421 (7)                          | AngloGold Ashanti Colombia S.A.S            | Application             | Exploration |
| OG2-08112                              | Miraflores Compañía Minera S.A.S            | Application             | Exploration |
| OG2-10591                              | Miraflores Compañía Minera S.A.S            | Application             | Exploration |
| OG2-8073                               | Miraflores Compañía Minera S.A.S            | Application             | Exploration |

\*JV AGAC

AngloGold Ashanti Colombia joint venture tenement

- (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 two 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) Los Cerros has a 10% beneficial interest in these JV tenements, with the right to earn up to 51% interest through a JV with AngloGold. On 30 April 2020 Los Cerros announced a transaction to move to a 100% interest in these tenements.  
 (7) To be transferred to MCM once granted.

**Andes Gold Project, Colombia**

| TENEMENT (1)       | TITLEHOLDER (2)                                                                               | TYPE OF CONTRACT (3)    | STAGE                                                           |
|--------------------|-----------------------------------------------------------------------------------------------|-------------------------|-----------------------------------------------------------------|
| T5630005 (6.2)     | Andes Elias Ruiz (2.1)                                                                        | Exploration License (4) | Exploration in process of transformation to Concession contract |
| P8717011 (6.2)     | Nicanor Maria Restrepo Restrepo - Minería Integral de Colombia S.A.S. - MININCOL S.A.S. (2.1) | Special Permission (5)  | Exploration in process of transformation to Concession contract |
| HINC-03-5843 (6.1) | Grupo de Bullet S.A.S (2.2)                                                                   | Concession              | Exploration                                                     |
| KI7-14021 (6.1)    | Frontera S.O.M (2.2)                                                                          | Concession              | Exploration                                                     |
| 18821 (6.1)        | Puerto de Oro S.A & Claudia Naranjo Ruiz (2.2)                                                | Application (6)         | Exploration                                                     |
| 18821X (6.1)       | Puerto de Oro S.A & Claudia Naranjo Ruiz (2.2)                                                | Application (6)         | Exploration                                                     |
| 19697 (6.1)        | Puerto de Oro S.A (2.2)                                                                       | Application (6)         | Exploration                                                     |
| 20982 (6.1)        | Colombian Development Corporation S.A.S (2.2)                                                 | Application (6)         | Exploration                                                     |
| HD6-08152X (6.1)   | Negocios Mineros S.A (2.2)                                                                    | Application (6)         | Exploration                                                     |
| HD6-086 (6.1)      | Negocios Mineros S.A (2.2)                                                                    | Application (6)         | Exploration                                                     |
| PKA-08231 (6.1)    | Nacional de Minerales y Metals SAS (2.2)                                                      | Application (6)         | Exploration                                                     |
| HKU-08011 (6.1)    | Leo S.O.M (2.2)                                                                               | Application (6)         | Exploration                                                     |
| JC4-08003X (6.1)   | Acuario S.O.M (2.2)                                                                           | Application (6)         | Exploration                                                     |
| JC4-08007X (6.1)   | Acuario S.O.M (2.2)                                                                           | Application (6)         | Exploration                                                     |
| JC4-08008X (6.1)   | Acuario S.O.M (2.2)                                                                           | Application (6)         | Exploration                                                     |
| JC4-08004X (6.1)   | Acuario S.O.M (2.2)                                                                           | Application (6)         | Exploration                                                     |
| JC4-08005X (6.1)   | Acuario S.O.M (2.2)                                                                           | Application (6)         | Exploration                                                     |
| JC4-08009X (6.1)   | Acuario S.O.M (2.2)                                                                           | Application (6)         | Exploration                                                     |
| JC4-08006X (6.1)   | Acuario S.O.M (2.2)                                                                           | Application (6)         | Exploration                                                     |
| JCC-16191X (6.1)   | Achagua S.O.M (2.2)                                                                           | Application (6)         | Exploration                                                     |
| JGS-16391 (6.1)    | Cholo S.O.M (2.2)                                                                             | Application (6)         | Exploration                                                     |

|                                 |                                           |                 |             |
|---------------------------------|-------------------------------------------|-----------------|-------------|
| JGS-16394X (6.1)                | Cholo S.O.M (2.2)                         | Application (6) | Exploration |
| JGS-16393X (6.1)                | Cholo S.O.M (2.2)                         | Application (6) | Exploration |
| JII-08221 (6.1)                 | El Crucero S.O.M (2.2)                    | Application (6) | Exploration |
| JII-08221Sec2 (6.1)             | El Crucero S.O.M (2.2)                    | Application (6) | Exploration |
| JJR-08052X (6.1)                | El Percal S.O.M (2.2)                     | Application (6) | Exploration |
| KCJ-08041 (6.1)                 | Eros S.O.M (2.2)                          | Application (6) | Exploration |
| KGD-08051 (6.1)                 | Esquimal S.O.M (2.2)                      | Application (6) | Exploration |
| KGD-08052X (6.1)                | Esquimal S.O.M (2.2)                      | Application (6) | Exploration |
| KI7-14022X (6.1)                | Sociedad Frontera S.O.M (2.2)             | Application (6) | Exploration |
| KI7-14023X (6.1)                | Sociedad Frontera S.O.M (2.2)             | Application (6) | Exploration |
| KI7-14024X (6.1)                | Sociedad Frontera S.O.M (2.2)             | Application (6) | Exploration |
| LJQ-08007 and sectors 2-9 (6.1) | Grupo de Bullet S.A.S (2.2)               | Application (6) | Exploration |
| OG2-08124 (6.1)                 | Negocios Mineros S.A (2.2)                | Application (6) | Exploration |
| OG2-08159 (6.1)                 | Negocios Mineros S.A (2.2)                | Application (6) | Exploration |
| OG2-09375 (6.1)                 | Minerales OTU S.A.S (2.2)                 | Application (6) | Exploration |
| PDN-09001 (6.1)                 | Nacional de Minerales y Metales SAS (2.2) | Application (6) | Exploration |
| PCK-08191 (6.2)                 | Andes Resources EP S.A.S (2.3)            | Application (6) | Exploration |
| PCK-08192 (6.2)                 | Andes Resources EP S.A.S (2.3)            | Application (6) | Exploration |
| QL2-12161 (6.2)                 | Andes Resources EP S.A.S (2.3)            | Application (6) | Exploration |
| RHA-08101 (6.2)                 | Andes Resources EP S.A.S (2.3)            | Application (6) | Exploration |
| RI2-08011 (6.2)                 | Andes Resources EP S.A.S (2.3)            | Application (6) | Exploration |
| TG9-08001 (6.2)                 | Andes Resources EP S.A.S (2.3)            | Application (6) | Exploration |
| TGC-08001 (6.2)                 | Andes Resources EP S.A.S (2.3)            | Application (6) | Exploration |
| TGD-08001 (6.2)                 | Andes Resources EP S.A.S (2.3)            | Application (6) | Exploration |
| TGG-08001 (6.2)                 | Andes Resources EP S.A.S (2.3)            | Application (6) | Exploration |
| TGH-08001 (6.2)                 | Andes Resources EP S.A.S (2.3)            | Application (6) | Exploration |
| TGH-08002X (6.2)                | Andes Resources EP S.A.S (2.3)            | Application (6) | Exploration |
| TGI-08001 (6.2)                 | Andes Resources EP S.A.S (2.3)            | Application (6) | Exploration |
| THF-08011 (6.2)                 | Andes Resources EP S.A.S (2.3)            | Application (6) | Exploration |
| TII-08021 (6.2)                 | Andes Resources EP S.A.S (2.3)            | Application (6) | Exploration |
| TJO-08031 (6.2)                 | Andes Resources EP S.A.S (2.3)            | Application (6) | Exploration |
| TLB-08151 (6.2)                 | Andes Resources EP S.A.S (2.3)            | Application (6) | Exploration |
| UA2-10471 (6.2)                 | Andes Resources EP S.A.S (2.3)            | Application (6) | Exploration |
| UAF-08011 (6.2)                 | Andes Resources EP S.A.S (2.3)            | Application (6) | Exploration |
| TGG-08002X (6.2)                | Andes Resources EP S.A.S (2.3)            | Application (6) | Exploration |
| TGG-08003X (6.2)                | Andes Resources EP S.A.S (2.3)            | Application (6) | Exploration |
| TGG-08004X (6.2)                | Andes Resources EP S.A.S (2.3)            | Application (6) | Exploration |

- (1) All titles are part of the Andes Gold Project, located in Antioquia, Risaralda and Choco, Departments of Colombia.
- (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 titleholder of the applications are various companies associated with Bullet Holding Corporation (Bullet) and covered under the Interest Transfer Agreement – see note 6.1.
- 2.3 Andes is a subsidiary company of Los Cerros.
- (3) Concessions at exploration stage have 3 year life extendable for two 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:
- 6.1 Pursuant to the Interest Transfer Agreement, Andes has a 90% beneficial interest in these tenements, and Bullet has a 10% interest.
- 6.2 Andes will acquire a 90% beneficial interest in these tenements, with Bullet at 10%.

## 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 March 2020

| <b>Consolidated statement of cash flows</b>               | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(3 months)<br/>\$A'000</b> |
|-----------------------------------------------------------|------------------------------------|------------------------------------------------|
| <b>1. Cash flows from operating activities</b>            |                                    |                                                |
| 1.1 Receipts from customers                               | -                                  | -                                              |
| 1.2 Payments for                                          |                                    |                                                |
| (a) exploration & evaluation (if expensed)                | (998)                              | (998)                                          |
| (b) development                                           | -                                  | -                                              |
| (c) production                                            | -                                  | -                                              |
| (d) staff costs and board remuneration                    | (224)                              | (224)                                          |
| (e) administration and corporate costs                    | (727)                              | (727)                                          |
| 1.3 Dividends received (see note 3)                       | -                                  | -                                              |
| 1.4 Interest received                                     | -                                  | -                                              |
| 1.5 Interest and other costs of finance paid              | (8)                                | (8)                                            |
| 1.6 Income taxes paid                                     | -                                  | -                                              |
| 1.7 Government grants and tax incentives                  | -                                  | -                                              |
| 1.8 Other (provide details if material)                   | -                                  | -                                              |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(1,957)</b>                     | <b>(1,957)</b>                                 |
| <b>2. Cash flows from investing activities</b>            |                                    |                                                |
| 2.1 Payments to acquire:                                  | -                                  | -                                              |
| (a) entities                                              | -                                  | -                                              |
| (b) tenements                                             | -                                  | -                                              |
| (c) property, plant and equipment                         | -                                  | -                                              |
| (d) exploration & evaluation (if capitalised)             | (68)                               | (68)                                           |
| (e) investments                                           | -                                  | -                                              |
| (f) other non-current assets                              | -                                  | -                                              |



| Consolidated statement of cash flows |                                                                                         | Current quarter<br>\$A'000 | Year to date<br>(3 months)<br>\$A'000 |
|--------------------------------------|-----------------------------------------------------------------------------------------|----------------------------|---------------------------------------|
| 2.2                                  | Proceeds from the disposal of:                                                          | -                          | -                                     |
|                                      | (a) entities                                                                            | -                          | -                                     |
|                                      | (b) tenements                                                                           | -                          | -                                     |
|                                      | (c) property, plant and equipment                                                       | -                          | -                                     |
|                                      | (d) financial assets                                                                    | -                          | -                                     |
|                                      | (e) other non-current assets                                                            | 1,402                      | 1,402                                 |
| 2.3                                  | Cash flows from loans to other entities                                                 | -                          | -                                     |
| 2.4                                  | Dividends received (see note 3)                                                         | -                          | -                                     |
| 2.5                                  | Other (provide details if material)                                                     | -                          | -                                     |
| <b>2.6</b>                           | <b>Net cash from / (used in) investing activities</b>                                   | <b>1,334</b>               | <b>1,334</b>                          |
| <b>3.</b>                            | <b>Cash flows from financing activities</b>                                             |                            |                                       |
| 3.1                                  | Proceeds from issues of equity securities (excluding convertible debt securities)       | 1,368                      | 1,368                                 |
| 3.2                                  | Proceeds from issue of convertible debt securities                                      | -                          | -                                     |
| 3.3                                  | Proceeds from exercise of options                                                       | -                          | -                                     |
| 3.4                                  | Transaction costs related to issues of equity securities or convertible debt securities | (111)                      | (111)                                 |
| 3.5                                  | Proceeds from borrowings                                                                | -                          | -                                     |
| 3.6                                  | Repayment of borrowings                                                                 | (176)                      | (176)                                 |
| 3.7                                  | Transaction costs related to loans and borrowings                                       | -                          | -                                     |
| 3.8                                  | Dividends paid                                                                          | -                          | -                                     |
| 3.9                                  | Other (proceeds from shares yet to be allotted)                                         | 575                        | 575                                   |
| <b>3.10</b>                          | <b>Net cash from / (used in) financing activities</b>                                   | <b>1,656</b>               | <b>1,656</b>                          |
| <b>4.</b>                            | <b>Net increase / (decrease) in cash and cash equivalents for the period</b>            |                            |                                       |
| 4.1                                  | Cash and cash equivalents at beginning of period                                        | 34                         | 34                                    |
| 4.2                                  | Net cash from / (used in) operating activities (item 1.9 above)                         | (1,957)                    | (1,957)                               |
| 4.3                                  | Net cash from / (used in) investing activities (item 2.6 above)                         | 1,334                      | 1,334                                 |
| 4.4                                  | Net cash from / (used in) financing activities (item 3.10 above)                        | 1,656                      | 1,656                                 |

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

| Consolidated statement of cash flows |                                                   | Current quarter<br>\$A'000 | Year to date<br>(3 months)<br>\$A'000 |
|--------------------------------------|---------------------------------------------------|----------------------------|---------------------------------------|
| 4.5                                  | Effect of movement in exchange rates on cash held | 30                         | 30                                    |
| <b>4.6</b>                           | <b>Cash and cash equivalents at end of period</b> | <b>1,097</b>               | <b>1,097</b>                          |

| 5. Reconciliation of cash and cash equivalents<br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts |                                                                                  | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|----------------------------|-----------------------------|
| 5.1                                                                                                                                                                     | Bank balances                                                                    | 1,097                      | 34                          |
| 5.2                                                                                                                                                                     | Call deposits                                                                    | -                          | -                           |
| 5.3                                                                                                                                                                     | Bank overdrafts                                                                  | -                          | -                           |
| 5.4                                                                                                                                                                     | Other (provide details)                                                          | -                          | -                           |
| <b>5.5</b>                                                                                                                                                              | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b> | <b>1,097</b>               | <b>34</b>                   |

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

| Current quarter<br>\$A'000 |
|----------------------------|
| 113                        |
| -                          |

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

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

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

| 7. <b>Financing facilities</b><br><i>Note: the term "facility" includes all forms of financing arrangements available to the entity.<br/>Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | <b>Total facility amount at quarter end<br/>\$A'000</b> | <b>Amount drawn at quarter end<br/>\$A'000</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|------------------------------------------------|
| 7.1 Loan facilities                                                                                                                                                                                                                         | -                                                       | -                                              |
| 7.2 Credit standby arrangements                                                                                                                                                                                                             | -                                                       | -                                              |
| 7.3 Other (please specify)                                                                                                                                                                                                                  | -                                                       | -                                              |
| 7.4 <b>Total financing facilities</b>                                                                                                                                                                                                       | -                                                       | -                                              |

7.5 **Unused financing facilities available at quarter end** -

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

| 8. <b>Estimated cash available for future operating activities</b>                | <b>\$A'000</b> |
|-----------------------------------------------------------------------------------|----------------|
| 8.1 Net cash from / (used in) operating activities (Item 1.9)                     | (1,957)        |
| 8.2 Capitalised exploration & evaluation (Item 2.1(d))                            | (68)           |
| 8.3 Total relevant outgoings (Item 8.1 + Item 8.2)                                | (2,025)        |
| 8.4 Cash and cash equivalents at quarter end (Item 4.6)                           | 1,097          |
| 8.5 Unused finance facilities available at quarter end (Item 7.5)                 | -              |
| 8.6 Total available funding (Item 8.4 + Item 8.5)                                 | 1,097          |
| 8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b> | 0.54           |

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

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: No, during the quarter the Company had cash outflows relating to one-off liabilities from prior periods.

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: Yes, under the revised forecast and reduced activity in response to Covid-19, as well as a Strategic Partnership Agreement entered into in April 2020 with Hongkong Ausino Investment Limited, the Company has sufficient funds for more than 2 quarters.

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: Yes, please see 8.8.2. above.

## 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: 30 April 2020

Authorised by: The Board

## 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.