LOS CERROS LIMITED

11 May 2021
ASX Announcement
ASX: LCL

Geophysical surveys to test new Quinchia porphyry targets

HIGHLIGHTS

- **Recent exploration advances at the Quinchia Gold Project are suggesting regional scale relationships and significant potential to host additional porphyries of scale.**
- **Miraflores gold deposit and Tesorito South porphyry may be 'bookends' of a much larger central system, potentially elevating the significance of Quinchia amongst its multi-million-ounce neighbours.**
- **Drone magnetics and deep penetrating IP (Induced Polarization) surveys will be employed to examine the distribution of these porphyry systems through the project area.**
- **Highly active three rig drilling program remains ongoing at Quinchia with diamond rigs operating at Tesorito South and Ceibal.**

With ongoing exploration success across the 100% owned Quinchia Gold Project in Colombia, **Los Cerros Limited, (ASX:LCL) (Los Cerros** or the **Company),** in conjunction with the Company's geological consultants, has been investigating regional geological dynamics, exploration target relationships and structural controls on mineralisation. These investigations have provided a refined regional model (Figure 1 and 2). The regional model is consistent with classic geology models and bears considerable similarities with many tier-one porphyry discoveries along the mid-Cauca porphyry belt.

The Company has commissioned two geophysical programs (a drone-based magnetic survey and a deep IP program) to validate, fine tune and extend the regional model, assist in drill planning and to potentially identify more targets along key controlling structures.

A drone based magnetic survey is intended to cover an area of 15km^2 and will be focussed on known targets from south of Chuscal, northwards along the Marmato Fault Corridor, over Tesorito and extending to the Company's northern licences (which host several targets including Santa Sofia and Los Loma plus the Inferred Resource at Dosquebradas (Figure 2)). No field work has been undertaken by the Company on these northern targets to date.

A deep IP program will initially cover Tesorito (South and North) and continue westward to Miraflores to better define the structures that have localised these two deposits. The survey will also investigate the presence of sulphides associated with an interpreted larger causative porphyry system that may be the source of the Miraflores hydrothermal breccia ore body in the ~1km gap between Tesorito and Miraflores.

Quinchia regional model describes relationships and potential for considerable scale.

The Marmato Fault Corridor, comprising a series of N-S trending crustal-scale faults, provides the setting for emplacement of mineralised porphyries. The faults define a ~1km wide structure in the Quinchia region, where a series of roughly north-south running normal faults provide both the plumbing and a mechanism to preserve multiple ('nested') porphyry intrusions. Tesorito South is interpreted to be one of the nested porphyries. Drill hole TS-DH16 is interpreted to have drilled

through the Tesorito South porphyry and into the next porphyry in the nested series (Tesorito West) to generate the following continuous intercept:

- **629m @ 0.88g/t Au (553gram.metres) from surface including 582.3 @ 0.94g/t Au from surface[1]**

The presence of a larger causative porphyry in the Miraflores-Tesorito West gap would represent another member of the nested porphyry suite of intrusions preserved by faulting within the corridor structure.

This theory is supported by the recent identification of hydrothermal breccia, interpreted to be part of a porphyry system within the gap and coincidental with previously defined soil gold anomalism.

Los Cerros Managing Director, Jason Stirbinskis added:
"The Company's regional modelling reveals that regional N-S oriented faults combined with secondary NW trending faults are spatially associated with many tier-one discoveries of the mid-Cauca belt such as La Colosa, Marmato, Nuevo Chaquiro, Titiribi, and Buritica. These are all 4+Moz gold porphyry systems[2].

At Quinchia we see Tesorito South, Tesorito West and Miraflores all sitting on the same NW trend within the broader N-S orientated regional faults. Importantly, in the gap between Miraflores and Tesorito West, we have mapped hydrothermal breccia and sampled gold anomalous soils as evidence of a potential underlying porphyry. This raises the possibility that a larger and central porphyry, consistent with the NW trend line is the causative source or 'engine' of the 0.43Moz Reserve[3] (open at depth) that defines the Miraflores hydrothermal breccia pipe - and is part of the nested porphyry series.

We are particularly intrigued to learn the outcomes of the deep IP program planned, as this can see down to 700+m and is expected to illuminate major structures and areas of interest to maintain drill program intensity for the remainder of 2021".

[1] *See announcement 6 April 2021. The Company confirms that it is not aware of any new information that affects the information contained in the announcements.*

[2] *Based on annual reports and websites and might include Inferred Resource. Has not been independently verified.*

[3] *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.*

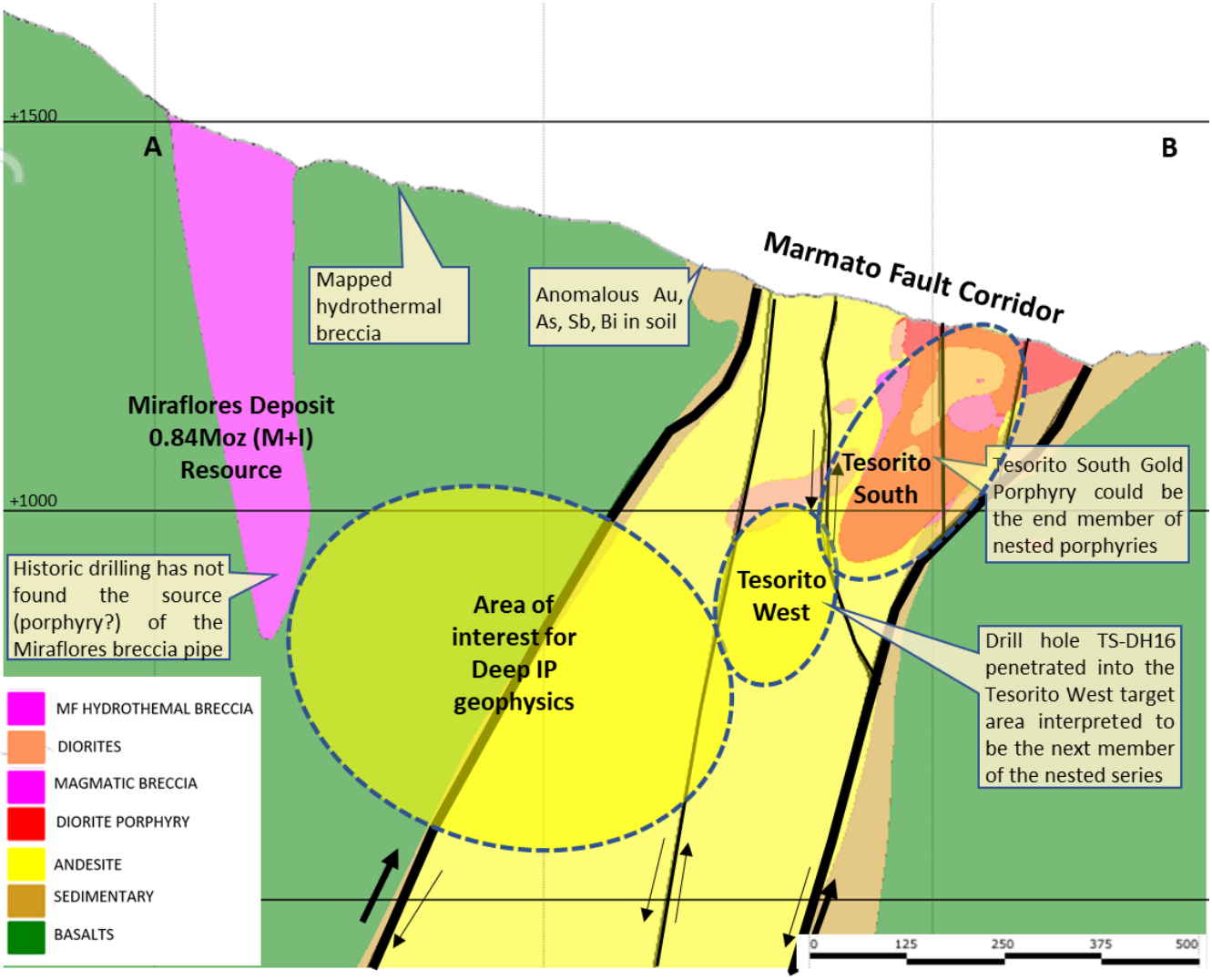

***Figure 1**: Regional sectional view showing possible relationship between the Tesorito South gold porphyry, recently identified targets and the Miraflores gold deposit. The size and shape of targets (dashed ovals) represent the areas of interest and is not a representation of potential size of the mineralised area.*

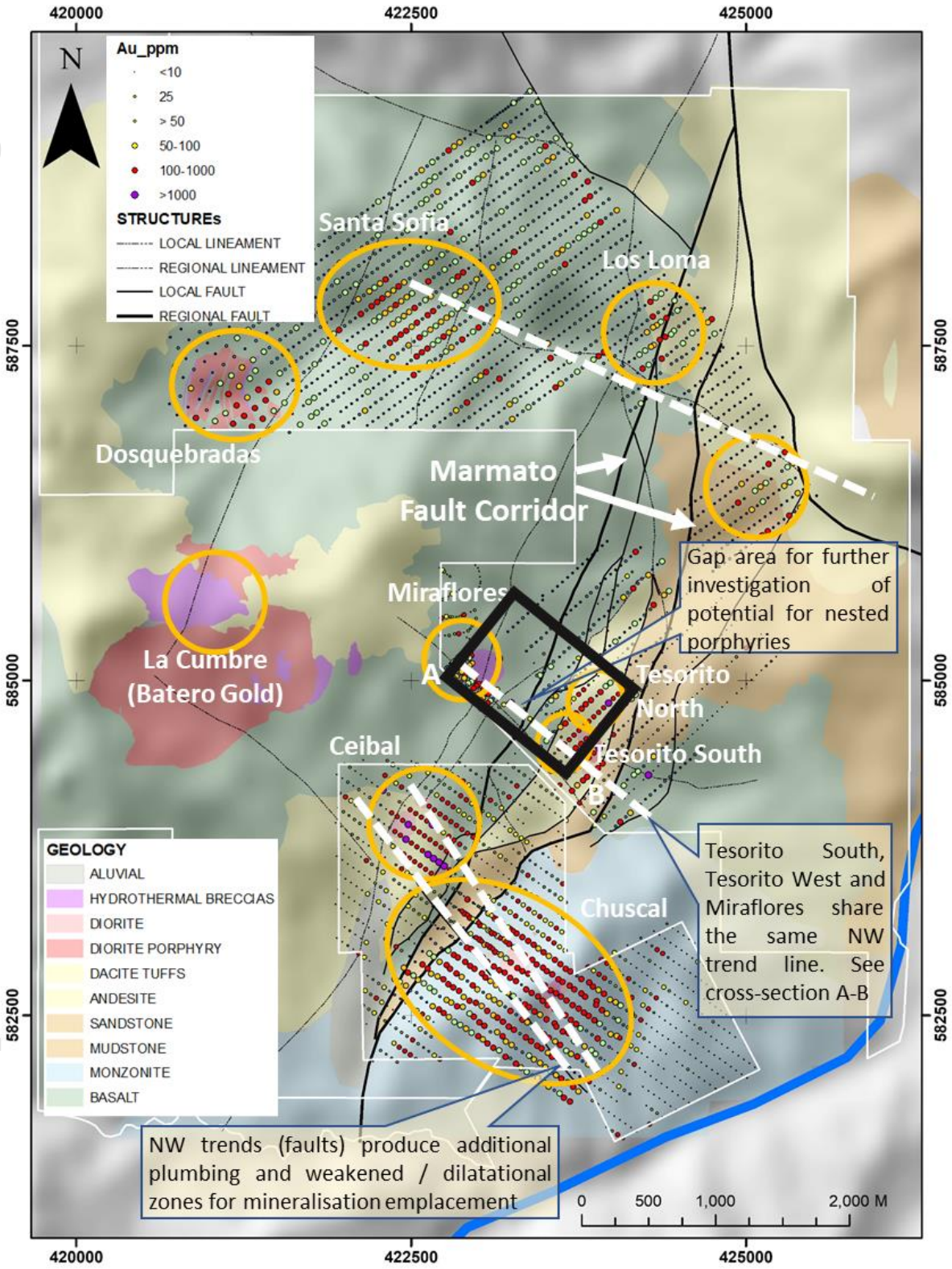

***Figure 2**: Known significant gold mineralisation occur where three key structural influences merge: 1) N-S regional fault (Marmato Fault Corridor); 2) jog or bend in the structure; and 3) NW trending lineament (white dashed lines). All three of these structures are influential in many tier-one discoveries of the mid Cauca. The black box is the approximate area covered by the planned IP program. The planned drone magnetic survey covers much of the Company's holding from Chuscal to Santa Sofia. Section A-B is presented schematically in Figure 1.*

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

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FORWARD LOOKING STATEMENTS This document contains forward looking statements concerning Los Cerros. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward-looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes. Forward looking statements in this document are based on Los Cerros' beliefs, opinions and estimates of Los Cerros as of the dates the forward-looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments. Although management believes that the assumptions made by the Company and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. Forward-looking information involves known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any anticipated future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, the actual market price of gold, the actual results of future exploration, changes in project parameters as plans continue to be evaluated, as well as those factors disclosed in the Company's publicly filed documents. Readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws. No representation, warranty or undertaking, express or implied, is given or made by the Company that the occurrence of the events expressed or implied in any forward-looking statements in this presentation will actually occur.

JORC STATEMENTS - COMPETENT PERSONS STATEMENTS

The technical information related to Los Cerros assets contained in this report that relates to Exploration Results (excluding those pertaining to Mineral Resources and Reserves) is based on information compiled by Mr Cesar Garcia, who is a Member of the Australasian Institute of Mining and Metallurgy and who is a Geologist employed by Los Cerros on a full-time basis. Mr Garcia has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Garcia consents to the inclusion in the release of the matters based on the information he has compiled in the form and context in which it appears.

The information presented here that relates to Mineral Resources of the Dosquebradas Project, Quinchia District, Republic of Colombia is based on and fairly represents information and supporting documentation compiled by Mr. Scott E. Wilson of Resource Development Associates Inc, of Highlands Ranch Colorado, USA. Mr Wilson takes overall responsibility for the Resource Estimate. Mr. Wilson is Member of the American Institute of Professionals Geologists, a "Recognised Professional Organisation" as defined by the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Wilson is not an employee or related party of the Company. Mr. Wilson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012)'. Mr. Wilson consents to the inclusion in the news release of the information in the form and context in which it appears

The Company is not aware of any new information or data that materially affects the information included in this release.

TABLE 2 - MIRAFLORES PROJECT RESOURCES AND RESERVES

The Miraflores Project Mineral Resource estimate has been estimated by Metal Mining Consultants in accordance with the JORC Code (2012 Edition) and first publicly reported on 14 March 2017. No material changes have occurred after the reporting of these resource estimates since their first reporting.

Miraflores Mineral Resource Estimate, as at 14 March 2017 (100% basis)

Resource Classification	Tonnes (000t)	Au (g/t)	Ag (g/t)	Contained Metal (Koz Au)	Contained Metal (Koz Ag)
Measured	2,958	2.98	2.49	283	237
Indicated	6,311	2.74	2.90	557	588
Measured & Indicated	**9,269**	**2.82**	**2.77**	**840**	**826**
Inferred	487	2.36	3.64	37	57

Notes:

i) Reported at a 1.2 g/t gold cut-off.
ii) Mineral Resource estimated by Metal Mining Consultants Inc.
iii) First publicly released on 14 March 2017. No material change has occurred after that date that may affect the JORC Code (2012 Edition) Mineral Resource estimation.
iv) These Mineral Resources are inclusive of the Mineral Reserves listed below.
v) Rounding may result in minor discrepancies.

Miraflores Mineral Reserve Estimate, as at 27 November 2017 (100% basis)

The Miraflores Project Ore Reserve estimate has been estimated by Ausenco in accordance with the JORC Code (2012 Edition) and first publicly reported on 18 October 2017 and updated on 27 November 2017. No material changes have occurred after the reporting of these reserve estimates since their reporting in November 2017.

Reserve Classification	Tonnes (Mt)	Au (g/t)	Ag (g/t)	Contained Metal (Koz Au)	Contained Metal (Koz Ag)
Proved	1.70	2.75	2.20	150	120
Probable	2.62	3.64	3.13	307	264
Total	**4.32**	**3.29**	**2.77**	**457**	**385**

Notes:

i) Rounding of numbers may result in minor computational errors, which are not deemed to be significant.
ii) These Ore Reserves are included in the Mineral Resources listed in the Table above.
iii) First publicly released on 27 November 2017. No material change has occurred after that date that may affect the JORC Code (2012 Edition) Ore Reserve estimation.

Source: Ausenco, 2017

Dosquebradas Inferred Mineral Resource Estimate, as at 25 February 2020 (100% basis)

Cut-Off (g/t Au)	Tonnes ('000t)	Au (g/t)	Au (koz)	Ag (g/t)	Ag (koz)	Cu (%)	Cu (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.

First publicly released on 25 February 2020. No material change has occurred after that date that may affect the JORC Code (2012 Edition)