

Field program commences on eight porphyry and epithermal targets, Quinchia

HIGHLIGHTS

Site team expanded

- **Geological modelling identifies eight priority targets along promising structural settings within the Quinchia Gold Project, Colombia**
- **Drone magnetic survey underway and extended to capture additional target areas**
- **Deep penetrating IP (Induced Polarization) survey about to start to examine Tesorito - Miraflores and the multiple (nested) porphyry interpretation**
- **Geology field team strengthened to expedite surface sampling and mapping over multiple targets**

Los Cerros Limited (ASX: LCL) (Los Cerros or the Company) is pleased to advise that an extensive Quinchia Gold Project generation program referenced in its ASX announcement of 11 May 2021 has to date generated eight additional porphyry and epithermal gold targets (Figure 1). To manage the follow up program of the priority targets, the Colombian geological team has been expanded and both geophysical and surface geochemical programs are underway.

Of the targets included in the program, three established targets were drill tested by previous explorer TSX-V listed Seafield Resources Ltd (Seafield) prior to that company entering administration and delisting. Other targets remain undrilled and most of these are yet to be field checked. All of the targets are located either within parallel N-S trending faults, such as the Marmato Fault Corridor, and/or along NW trending structures, interpreted as the principal regional structural controls for major gold-copper deposits along the mid-Cauca belt of Colombia.

The new field program is in addition to the established, early-stage program focussed on the recently defined Tesorito West and on another possible porphyry further west that is potentially the source of the Miraflores breccia pipe ore body.

The Company's updated, robust project line (Figure 2) demonstrates the significant potential for further discoveries in the Quinchia and Andes Projects.

Geophysical Programs

A recently commenced, drone magnetic survey has been extended further north to capture additional targets (Figure 1):

1. **Mira Cielo:** a porphyry/epithermal target where both the eastern and western defining faults of the Marmato Fault Corridor merge and several NW cross-cutting lineaments/faults are noted, creating prime structural conditions for an accumulation of mineralisation. The area has not been mapped or soil sampled but two, yet to be followed-up, stream sediment samples returned elevated gold values;

2. **Yarumal:** located 1.5km NW of the Company's Dosquebradas deposit with Inferred Resource of 459,000 ozs gold (refer Table 2) and 2.5km N of Batero Gold's (TSX: BAT) La Cumbre gold deposit, which holds a significant NI43-101 compliant resource. The Yarumal porphyry target comprises a 500m x 500m circular magnetic anomaly with sparse surface data, however regional Mo/Mn ratios in soil geochemical data from south of this area vector towards Yarumal as an area of interest;
3. **Naranjal:** comprises a 900m x 200m NW trending gold in soil anomaly located NE of the Santa Sofia target (see below) and modelled to sit on N-S faults that host both Santa Sofia and Dosquebradas. A NW lineament is also modelled to cross this area, raising its status as a porphyry zone of interest.

Magnetic surveys are a long established tool in the search for porphyry gold-copper deposits by highlighting proximity to cores of porphyry systems. Currently the Company has limited coverage and access to conventional ground and air magnetic survey data over the Quinchia Gold Project. Drone based magnetic surveys are a relatively new technology and perfectly suited to the terrain of the Andes Cordillera. Conventional ground based surveys, with challenging access, are slow and therefore relatively costly whilst air-borne data is of lower resolution, a problem compounded by irregular topography and cover. The drone survey will be the first time that the majority of the Quinchia Project will be tested with high resolution magnetic surveying with the data being available for complex processing and interpretation. It is expected that the survey will assist porphyry targeting and contribute to the understanding of regional structural controls to the mineralisation.

To complement the drone magnetic survey, Los Cerros will shortly commence a deep penetrating IP program broadly between the established Tesorito South porphyry discovery and the Miraflores breccia pipe gold deposit. The possibility of additional (nested) mineralised porphyries occurring in this area was given a significant boost by the interception of porphyry suite lithologies at depth in drillhole TS-DH16¹ and TS-DH24² which confirmed the Tesorito West porphyry target. It is also expected that the IP survey will provide guidance for further drill testing of the Tesorito North porphyry target, the Miraflores breccia pipe and surrounding region.

Surface program in search of Tesorito repeats

As the Company develops its understanding of local structural controls on mineralisation, it is becoming clear that the Marmato Fault Corridor has significant potential for additional discoveries. A field program comprising systematic soil sampling, mapping and more detailed assessments such as channel sampling has commenced. Targets within this program include:

4. **Ceibal East:** Located 700m SSW of Tesorito South, Ceibal East occurs in a region of anomalous gold in soils and discrete magnetic anomalies, and is also coincidental with a bend/jog along the eastern defining fault of the Marmato Fault Corridor. Ceibal East appears to sit in the same NW trending fault zone that crosses the Ceibal target (coincidental with a bend/jog along the western defining fault of the Marmato Fault Corridor), where the Company is currently drilling,

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

² See ASX announcement 22 June 2021. *The Company confirms that it is not aware of any new information that affects the information contained in the announcement.*

drawing further analogies to the string of porphyry targets along the Marmato Fault Corridor defined by Tesorito South, Tesorito West and Miraflores.

5. **Los Medios:** the area to the immediate north of Tesorito North within the Marmato Fault Corridor has never been systematically mapped despite the observation of several NW crossing lineaments. The potential for a repeat of Tesorito gold porphyry mineralisation in this area is considered high. This program will also extend directly eastward to further explore anomalous gold in soils at **Los Medios East** (Figure 1) coincident with a major bend/jog of a N-S structure.

Los Cerros Managing Director, Jason Stirbinskis added:

"We are encouraged with the ongoing evolution of the Quinchia Gold Project and the multitude of exciting prospects yet to be evaluated by drill testing. As we learn more, we appreciate that we are sitting on prime under-explored real estate where a number of positive factors and controls have combined to produce a dense cluster of prospective porphyry and epithermal targets. Given the significant gold discoveries elsewhere along the mid-Cauca belt³, we are excited about pursuing these targets and rapidly advancing them to be drill tested."

³ See Presentation Release 22 March 2021 for further detail of regional discoveries.

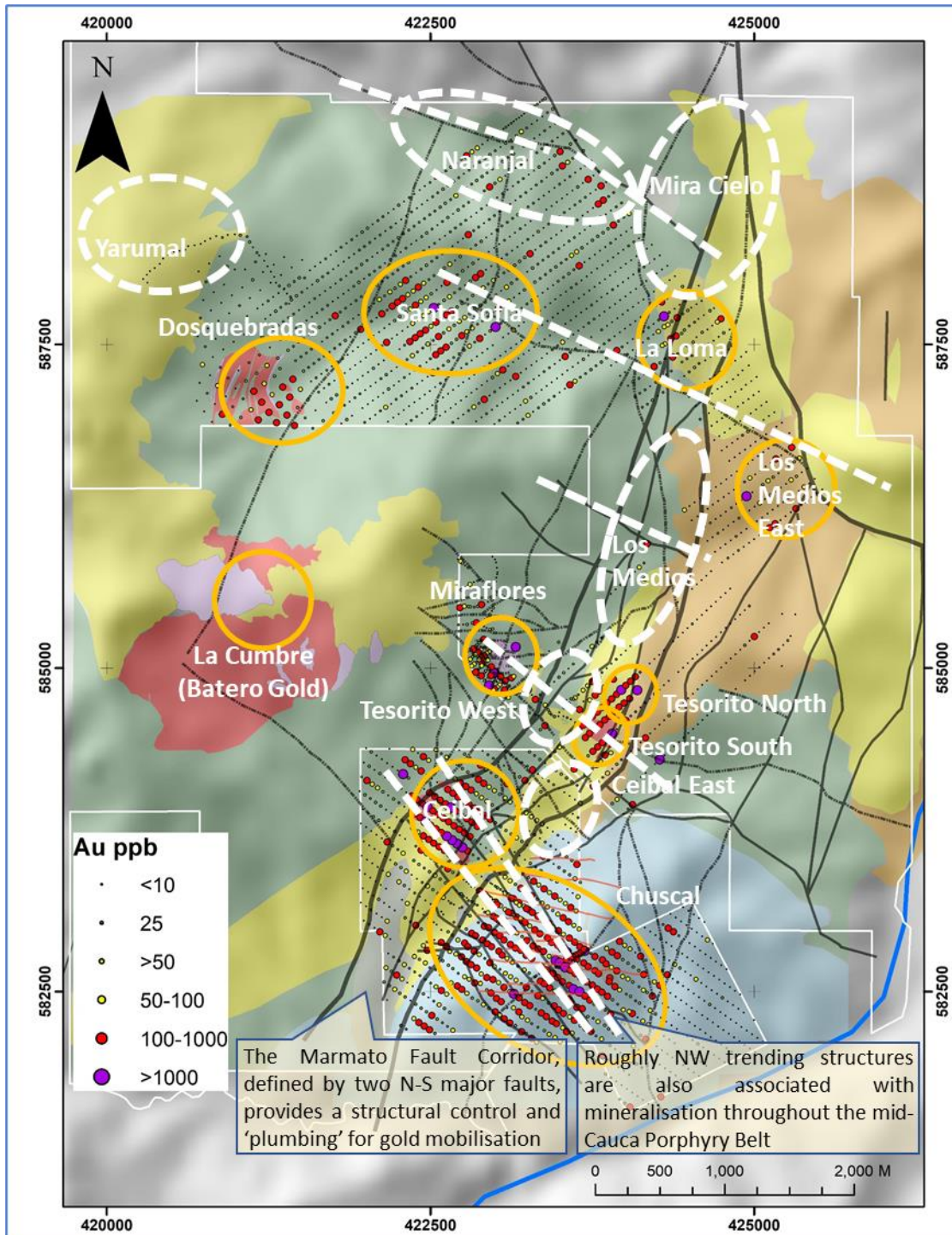


Figure 1: Soil anomalism over geology of the Quinchia Gold Project. Note the Marmato Fault Corridor is the fundamental structural element which hosts many of the established targets and discoveries (orange circles) and is the focus of an extensive field program including over additional early-stage targets (white circles). White dashed lines are NW lineaments which are spatially related to many discoveries of the mid-Cauca porphyry belt including the Company's most successful targets to date - Miraflores and Tesorito South.

Established Targets Re-visited

These three targets (Figure 1) were drill tested by Seafield from 2010-2013 and have not yet been reviewed or field checked by the Los Cerros team. Considering Seafield's financial difficulties, which

led to administration in 2014, prospectivity at each of these targets remains high and will be addressed in the expanded filed program.

6. **La Loma:** is an area of surface geochemistry gold anomalism coincidental with the Marmato Fault Corridor and crossed by a NNW lineament/shear.
7. **Santa Sofia:** is a cluster of gold in soil anomalies within a substantial 1.5 km x 1km molybdenum soil anomaly, coincidental with two separate magnetic anomalies. It occurs over a N-S trending structure parallel to the Marmato Fault Corridor and is crossed by a NW trending lineament.
8. **Dosquebradas:** In 2020 Los Cerros commissioned an independent desktop JORC compliant resource estimate of Seafield's diamond drilling program of the Dosquebradas prospect (refer Table 2). A desk top review and geological mapping of structural controls in the area has commenced.

Field Capabilities Boosted

To meet the demands and workload of the extended field program, the Company has employed two additional geologists, taking the team of Colombian geologists to seven. Additionally, a porphyry expert has been engaged to continue target generation and evaluation. The Company has also recruited an additional field team to support the accelerated program, taking the Quinchia based team to ~100 people, almost all of whom are employed from local towns.

Jason Stirbinskis added:

"One of the best ways we can support our communities during these extremely challenging times is to employ local people to at least partially off-set the economic damage of the Covid-19 pandemic on the local families. We are extremely fortunate to have the success and capability to expand our Quinchia based team which includes field teams, ESG/community liaison experts and other support staff."

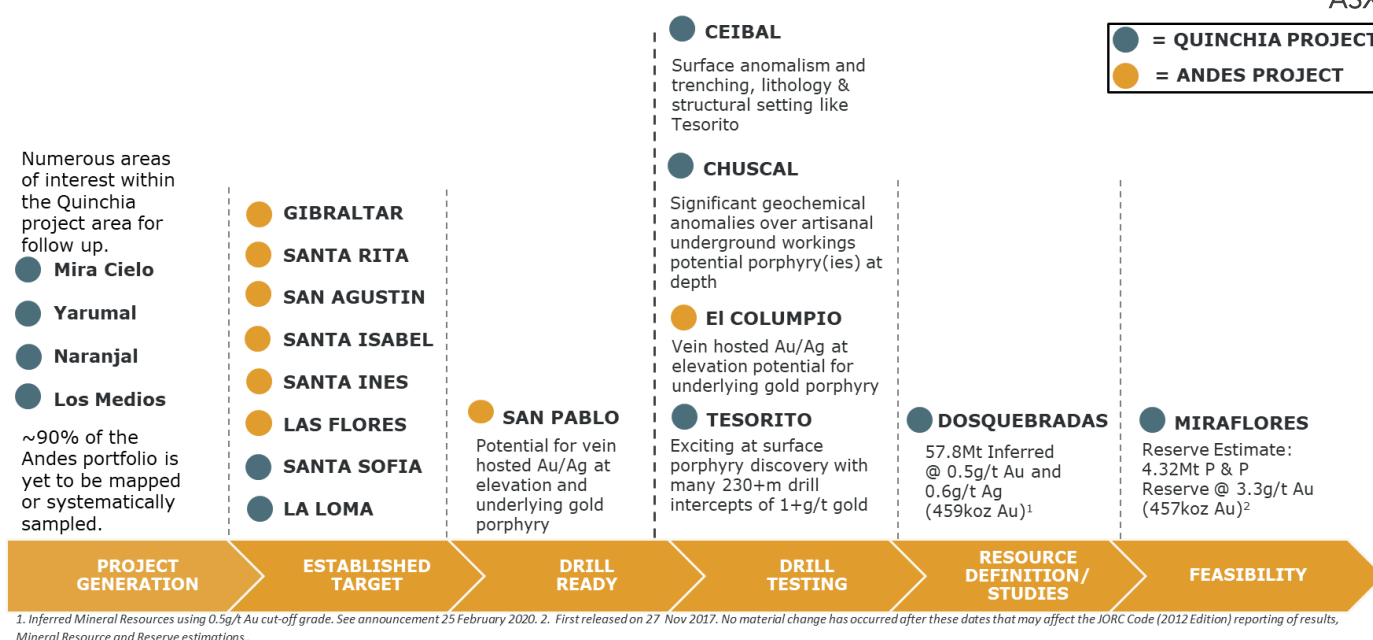


Figure 2: The Los Cerros project pipeline contains projects with established Resources and Reserves, drilled/drill ready targets and earlier stage and greenfield prospects. The expanded regional field program will seek to progress many of the early stage targets to "Drill Ready" status and beyond.

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

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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)
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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).