

Framework set for sustained drilling at the Quinchia Gold Project throughout 2021

HIGHLIGHTS

- **2021 slated to be Los Cerro's biggest year of exploration drilling yet with an objective to uncover the true size potential of Tesorito and Chuscal porphyry prospects, as well as test for extensions to the advanced Miraflores Resource - all part of the Quinchia Project in Colombia**
- **Twelve-month plan includes continuous, multi-rig drilling program focussed on:**
 - **Drilling at Tesorito leading into a maiden JORC Resource calculation in 2021;**
 - **Exploration drilling testing the gold-copper porphyry targets identified at Chuscal; and**
 - **Drilling for extensions to the existing Miraflores Resource (877,000 ounces) and Reserve (457,000 ounces)**
- **Induced Polarisation (IP) surveys proposed within the Quinchia Project utilising the specialist IP equipment under our Strategic Partnership Agreement with Hongkong Ausino Investment Limited**
- **Final submissions for project development approvals at Miraflores**
- **Strengthening of technical advisory and field teams**
- **Cash at bank at end of 2020 expected to exceed ~\$7 million, ensuring the Company remains well funded to support an aggressive drilling program in 2021.**

On the back of a redefining year for **Los Cerros Limited (ASX: LCL) (Los Cerros or the Company)**, the Company provides this roadmap of core activities proposed for 2021 in respect of our Quinchia Gold Project in Colombia.

The Company is also pleased to announce key appointments made to expand its Colombian team to include a dedicated database geologist and an expert ESG (Social / Sustainability) Manager, and we formally welcome the appointment of Dr Minlu Fu as a Technical Consultant to assist in driving our exploration strategy.

Three Drill Rigs at Quinchia

Tesorito Prospect

The Company has had considerable success at Tesorito, both in terms of drill results and understanding the geometry of the near surface, southern Tesorito gold +/- copper porphyry.

Results now include three holes of greater than 1g/t Au over 230m from near surface and include¹:

- **384m @ 1.01g/t Au from 16m including 29.3m @ 1.9g/t Au from 136.75m** in TS-DH02;
- **253.1m @ 1.01g/t Au from 2.9m including 64m @ 1.67g/t Au from 144m** in TS-DH07;

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

- **230m @ 1.0g/t Au from surface including 74m @ 1.6g/t Au from 114m** in TS-DH08; as well as
- **262m @ 0.84g/t Au from surface including 32m @ 1.7g/t Au from 144m within 66m at 1.3g/t Au from 132m** in TS-DH11.

The drilling to date has provided confidence in the southern and eastern potential limits of the mineralised zone of interest, with the body remaining open to the west, north and at depth.

The Company expects to announce assay results for holes TS-DH12 and TS-DH13, testing the northern anomaly, in January. TS-DH14, currently testing for depth and western extensions (Figure 1 and 2), is the first of a systematic program of holes expected to lead into a maiden JORC resource estimate for the Tesorito southern porphyry.

Chuscal Prospect

The Company's recent drilling program at Chuscal has provided strong vectoring guidance for targeted porphyry drilling. Assay results for the last hole completed at Chuscal (CHDDH009) are expected to be available in January.

Drilling has now commenced on the eastern porphyry target which is interpreted to lie under historical workings and strong surface anomalism, under very extensive downhole widths of mineralised magmatic breccia encountered in CHDDH001 and CHDDH002 and below magmatic breccia in CHDDH006 which contained clasts of potentially porphyry associated stockwork (Figure 3 and 4).

Miraflores Deposit

Early in 2021, the Company intends to allocate a rig to test for near surface extensions to the established Miraflores Resource and commits to finalising remaining submissions for approvals for a potential mining development based on the Miraflores Reserve and DFS to retain the optionality of fast-tracking production.

Quinchia Regional

Induced Polarisation (IP) geophysical surveys are planned within priority zones of the Quinchia Project using the Hongkong Ausino¹ equipment which has now arrived in country.

Andes Project

Current strategy is to focus the majority of the Company's financial and human resources on the Quinchia Project. For the Andes Project located 70km north of Quinchia, 2021 planning includes surface work and ground geophysics at key epithermal and porphyry targets which might transition to drilling later in 2021

Los Cerros Managing Director, Mr Jason Stirbinskis commented:

"The Company's field crews and those of our Colombian drilling service providers have done an amazing job operating safely and efficiently and respectful of the environment and communities. In particular, I would like to acknowledge the vigilance of the teams with respect to COVID management which has enabled the Company to drill continuously during the pandemic. As part of COVID risk mitigation, the drilling team have remained in Quinchia for the entire drilling program since early August and have well and truly deserved an extended break, returning to site on 12th January.

Resourced for sustained activity across multiple fronts in 2021

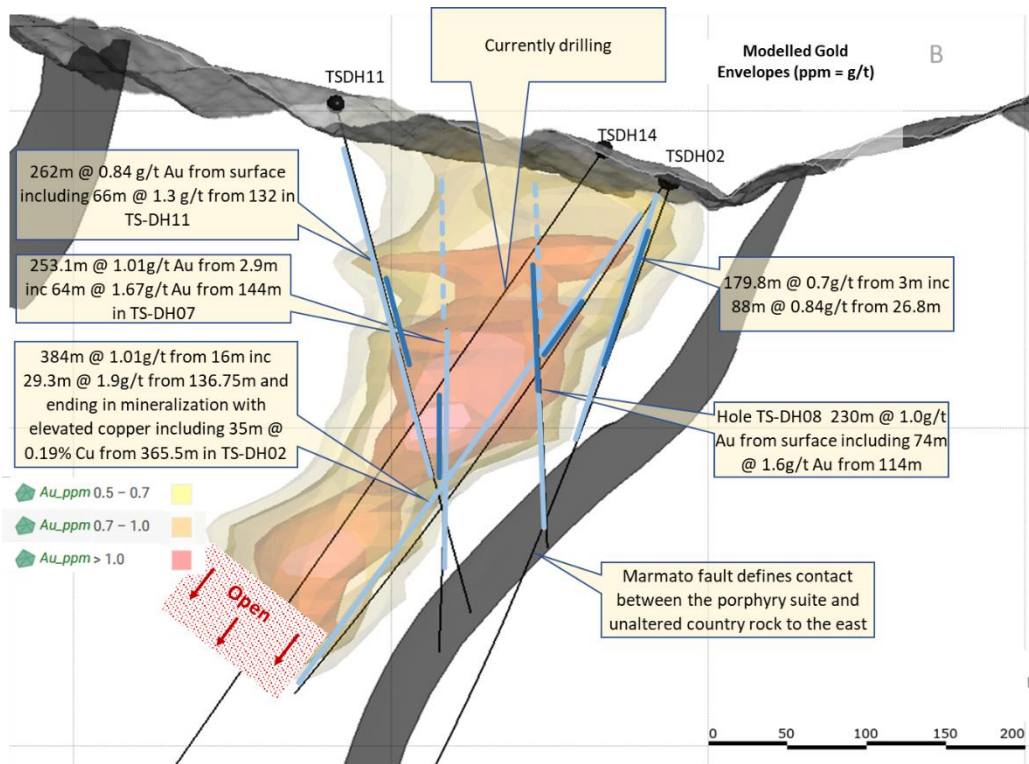
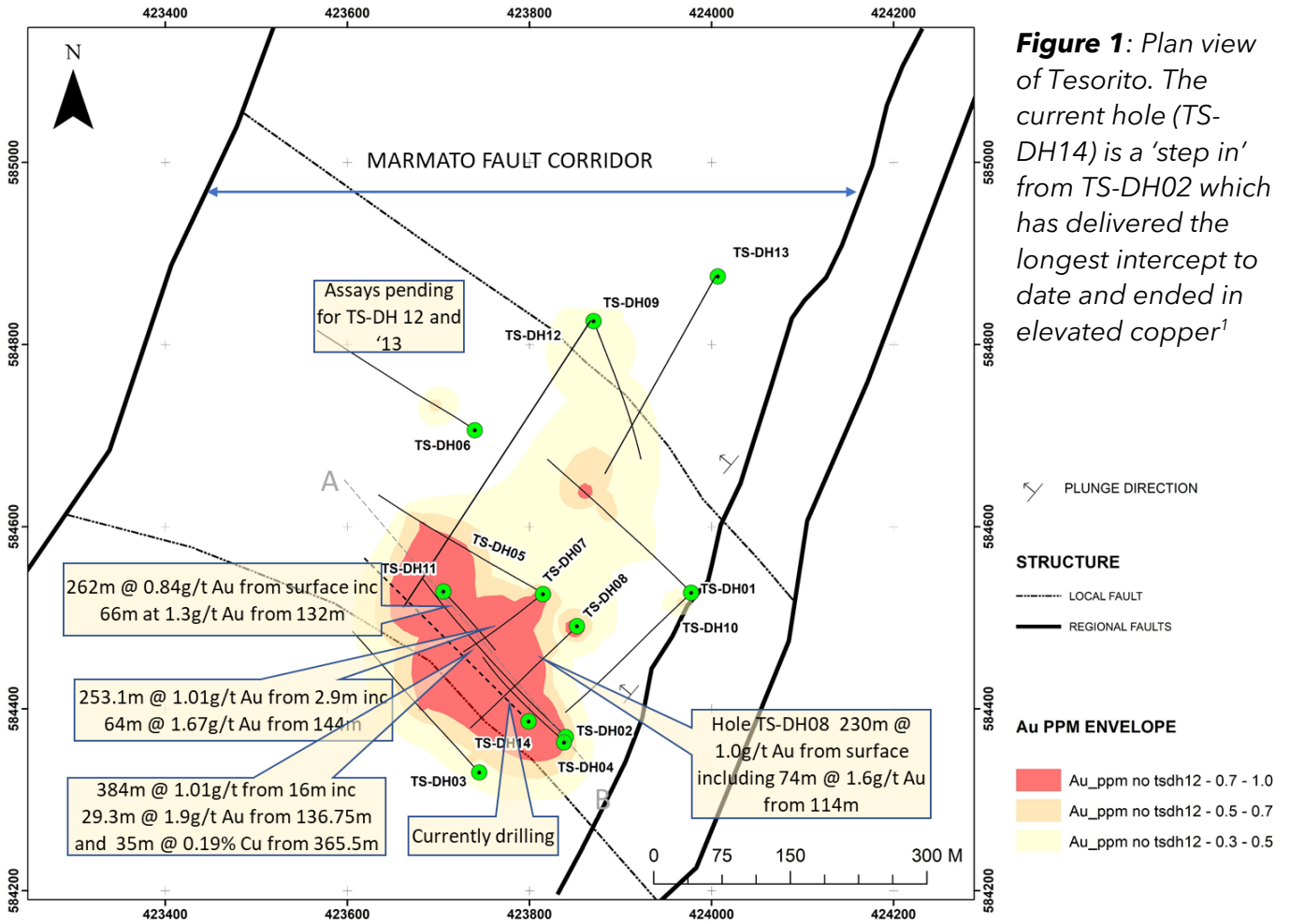
The Company's Colombian team has essentially doubled in size since August 2020 to reflect the step change in levels of activity. With the intention of sustaining momentum throughout 2021, the Company has appointed a senior ESG (Environmental, Social and Governance) Manager to the existing ESG team, which is focused on our role and contributions to local communities, and recruited a dedicated database geologist, both of whom have relocated to Quinchia.

The Company also welcomes Dr Minlu Fu as a Technical Consultant to expand our technical advisory team which includes Dr Steve Garwin (SolGold, Japan Gold and independent consultant) and Dr Roric Smith (Sandfire, Saracen). Dr Fu is the Company's largest shareholder and also founder of Hongkong Ausino² through which Los Cerros has purchased its Atlas Copco drill rig and other exploration equipment/services. Dr Fu's geological and geophysical expertise and track record with realising large scale mineralised gold-copper systems will be invaluable to Los Cerros as the Company develops its understanding of the Quinchia and Andes Projects. Dr Fu has agreed to be compensated for the initial 6-month term via the awarding of LCL shares to the value of \$37,500 based on a 20day VWAP as at 21st December 2020. As a result of the appointment, Dr Fu becomes a 'Key Management Personnel' in relation to the Company's Security Trading Policy.

Mr Stirbinskis summarised.

"The Company has managed to navigate the challenges of the global pandemic to deliver its 2020 plan with great results. With significant funding secured to support a multi-rig, multi-target program combined with our additional strategic plans, 2021 is going to be another exciting year for the Company. I would like to acknowledge the efforts of our dedicated team and the ongoing support of our shareholders and wish all a safe and healthy 2021".

² See announcement 22 April 2020 for further detail of the Hongkong Ausino arrangement.



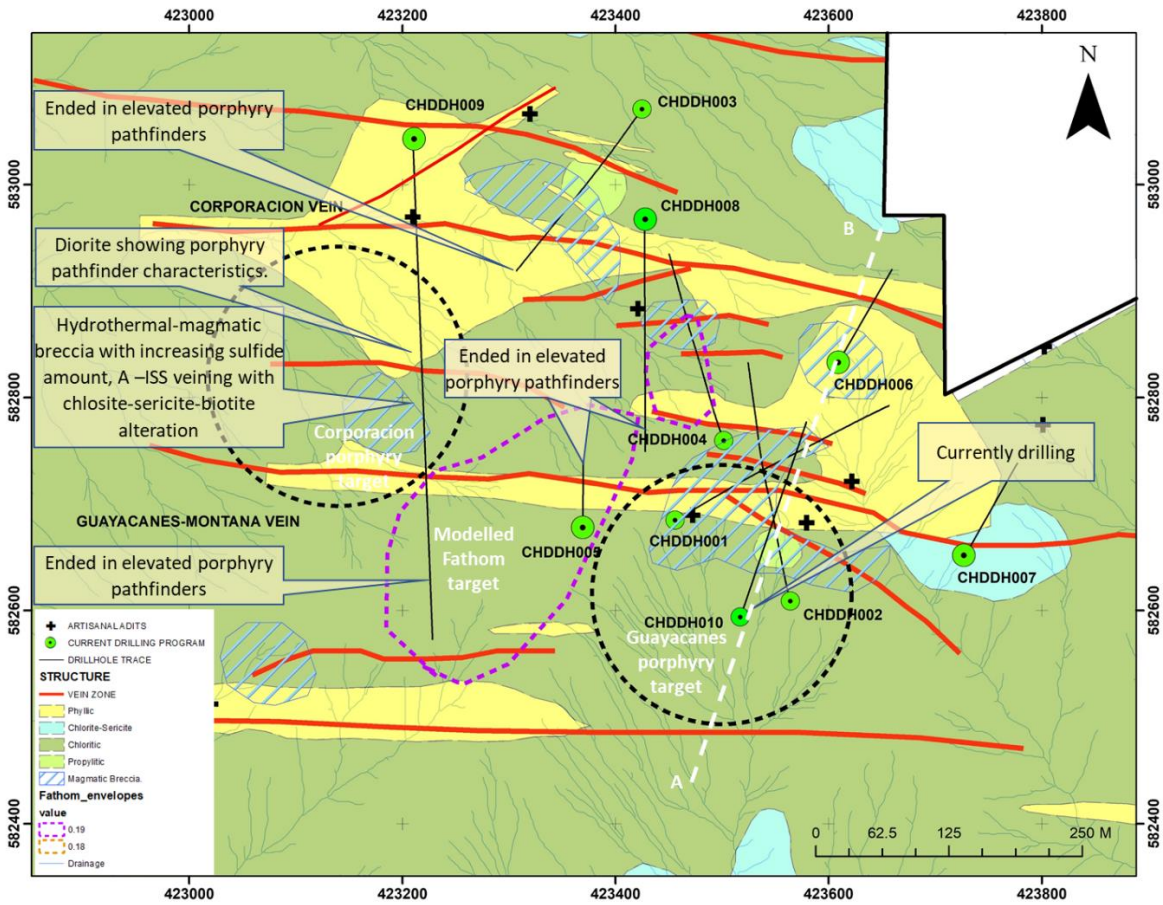


Figure 3: Plan view of Chuscal showing porphyry targets. The Company has commenced drill testing the eastern target.

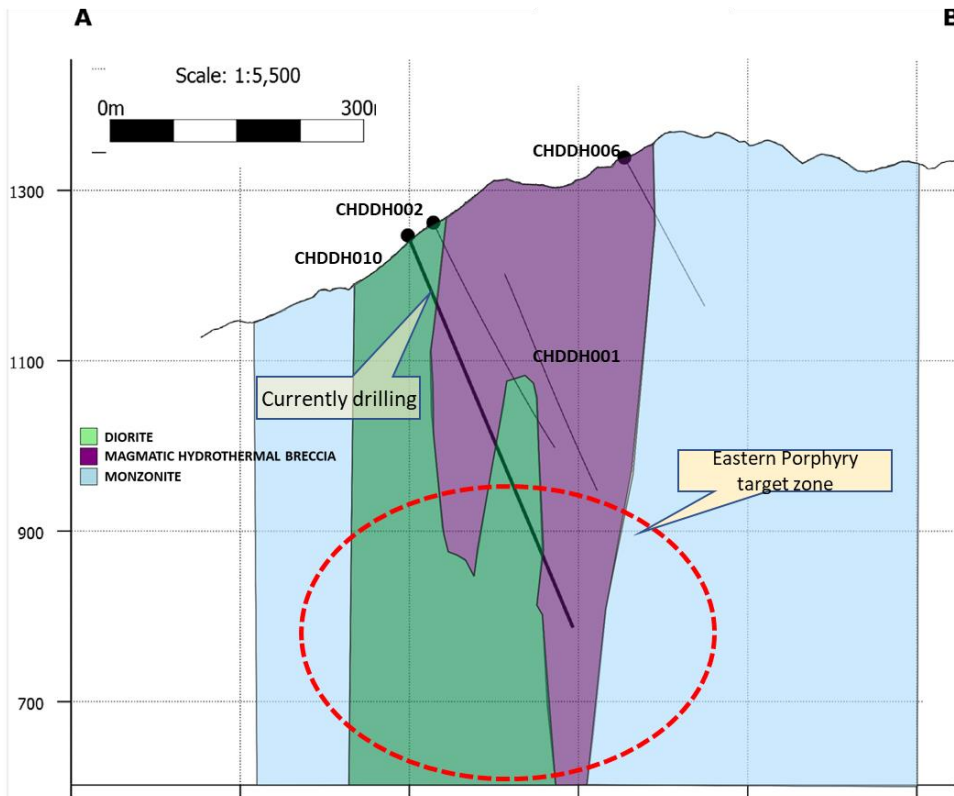


Figure 4: Chuscal cross section showing drill trace of CHDDH010 testing the porphyry target zone under extensive mineralised magmatic breccia encountered in CHDDH001 and CHDDH002

About Quinchia

The Quinchia Project hosts the Miraflores Gold Deposit with a **Resource of 877,000 Au ounces at 2.80g/t Au** and **Reserve of 457,000 Au ounces at 3.29g/t Au**³. Within 1km of Miraflores is the Tesorito near surface porphyry where the Company is currently drilling and has announced multiple 200+m long drill intercepts of near surface gold mineralisation. Around 2km south of Miraflores and Tesorito is the Chuscal target. There are several other targets within the region including the Dosquebradas deposit which has an Inferred Resource of 459,000 ounces grading 0.71g/t Au⁴.

Quinchia is located in the mid-Cauca porphyry belt of Colombia, the same structural trend that hosts several multi-million ounce gold discoveries.

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

For further enquiries contact:

Jason Stirbinskis

Managing Director
Los Cerros Limited
12/11 Ventnor Avenue
WEST PERTH WA 6005
jason@loscerros.com.au

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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

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.

⁴ Inferred Mineral Resources using 0.5g/t Au cut-off grade. See announcement 25 February 2020. The Company confirms that it is not aware of any new information or data that materially affects the information included in the market announcement and that all material assumptions and technical parameters underpinning the estimate continue to apply.

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