

Commencement of drilling at the Kusi high grade gold - copper target

HIGHLIGHTS

- ~3,000m drilling campaign commenced testing high grade oxide skarn units at Kusi target PNG
- Previous drill and trench results include¹
 - 10.1m @ 2.39g/t Au from 0m in diamond drill hole KSDD003
 - 20m @ 2.89g/t Au from 107m in diamond drill hole KSDD004
 - 35m @ 3.04g/t Au from 136m in diamond drill hole KSDD007
 - 20m @ 3.84g/t Au in trench FPR TR 1
- Capital raise via offer to shareholders closes 20 March 2023 (unless extended). The Company held over \$8.4M cash at 31 December 2022².

Los Cerros Limited (ASX: LCL) (Los Cerros or the Company) is pleased to announce the commencement of drilling at the Kusi gold-copper prospect, part of the 100% owned Ono Project in Papua New Guinea. The ~3,000m drilling program of ~18 holes will focus on priority "Drilling Areas" (Figure 1) of what is potentially a significantly larger mineralised regional skarn unit or units. Field work assessing the potential for extensions to the upper limestone skarn and new skarn units continues alongside the drilling program and might introduce additional targets for the current and future drilling campaigns.

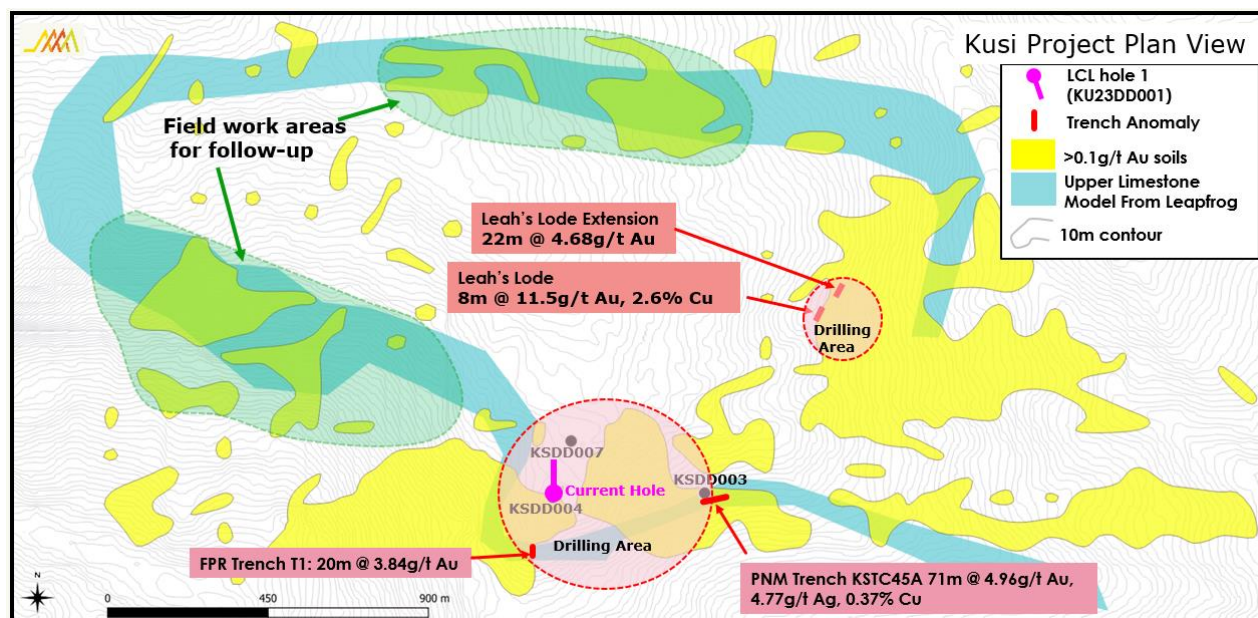


Figure 1: Plan view of Kusi showing location of current drill hole and gold in soils geochemical anomaly with modelled "Upper Limestone" skarn unit. Priority drill areas and areas of current field activities are highlighted..

¹ See ASX announcement dated 25 November 2022. The Company confirms that it is not aware of new information that affects the information contained in the original announcement.

² See December 2022 Quarterly Report and Appendix 5B announced 31 January 2023.



Figure 2: Plan view of current drill hole with historic drill hole traces, "Upper Limestone" unit with LCL trench location. Photo: QED drilling team at LCL hole 1.

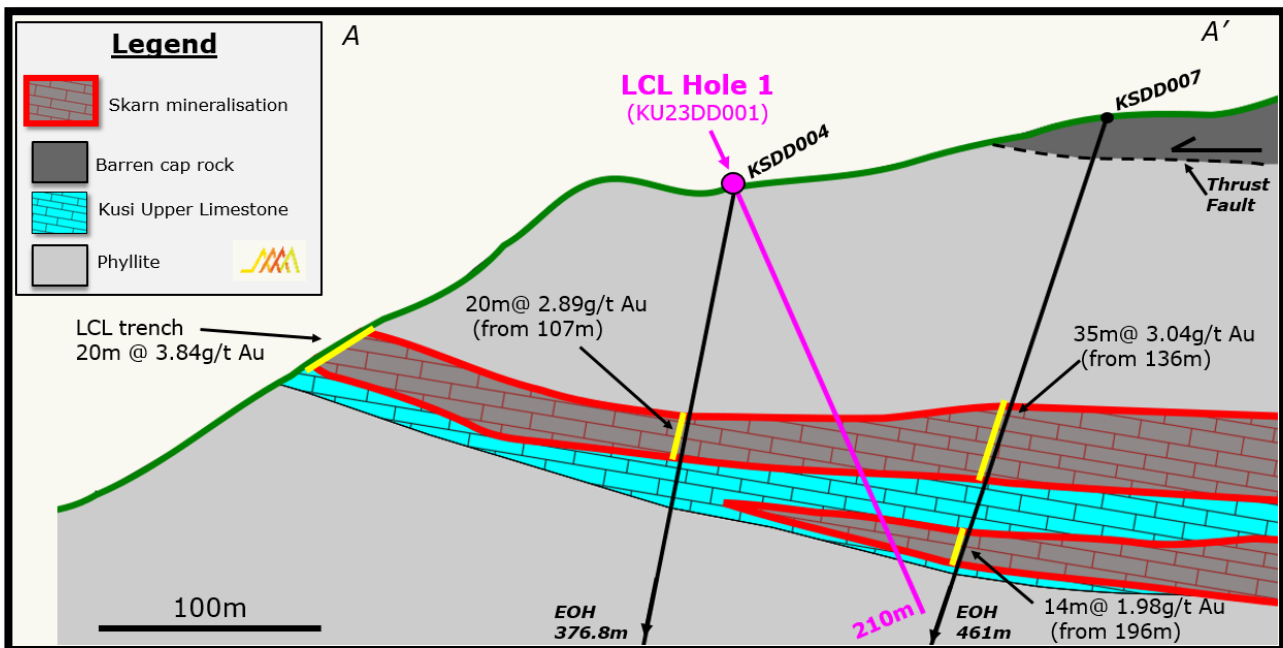


Figure 3: Section view of LCL hole 1 (KU23DD001) at Kusi, targeting the high grade gold in skarn between historic holes KSDD004 & KSDD007.

Managing Director Jason Stirbinskis commented:

"We are excited to commence our first drilling campaign in PNG. Whilst we anticipate a causative porphyry exists within the area, the drilling program is targeting the high grade oxidised skarns which are modelled to be relatively shallow in the drilling target areas. This approach to the drilling program

is consistent with the broader company strategy of high impact / high-grade targeting across its PNG portfolio of gold, copper and nickel targets”.

Capital Raise

The Company announced a capital raise via right issue on the ASX on 23 February 2023. The non-renounceable pro-rata entitlement issue of one new share for an issue price of \$0.03 for every five shares held at the record date (2 March 2023) to raise up to A\$4,323,357 (before costs and expenses of the issue) will close 20 March 2023, unless extended.

The Offer is being made principally to fund PNG exploration activities, other than the drilling of Kusi, on the Company’s large recently acquired asset portfolio. In particular, the funds raised in the Offer will be applied to fast track nickel and copper battery metal targets; prepare multiple porphyry-style targets for joint venture and for working capital.

Please refer to the announcement and offer document released to the ASX 23 February 2023 for further detail.

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 is based on information compiled by Mr John Dobe, 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 Dobe 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 Dobe 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.