LOS CERROS LIMITED

9 May 2023

ASX Announcement

ASX: LCL

Surface campaign confirms potential scale of Kusi gold-copper skarn mineralisation

HIGHLIGHTS

- **Rock chip and trench sampling of the Upper Limestone skarn target at Kusi has confirmed widespread gold-copper skarn mineralisation**
- **Results from the area of current drilling (the Southern area) have extended the strike extent of the high grade zone to over 350m, including:**
  - **4m @16.7g/t Au (from trench 24)**
  - **74g/t Au, 6.7% Zn (rock chip from outcrop)**
  - **47.8g/t Au, 6.7% Cu, 1.8% Zn (rock chip from outcrop)**
  - **33g/t Au (rock chip from outcrop)**
- **Initial scout trenching over the Northern area, 1km north of current drilling, intersected gold mineralised silicified phyllite, interpreted as proximal to Upper Limestone skarn target**
- **Recently reported diamond drill hole KU23DD001, testing the Upper Limestone skarn target returned 15.2m @ 4.45g/t Au (from 138.2m) within 76.4m @ 1.34g/t Au (from 106.9m)[1] providing additional demonstration that the Upper Limestone mineralisation may be continuous**
- **Four additional drillholes, KU23DD002-5 with assays pending, have intercepted the skarn unit.**

Los Cerros Limited **(ASX: LCL) (Los Cerros or the Company)** is pleased to announce surface rock chip and trench assay results from Kusi, part of the 100% owned Ono Project in Papua New Guinea.

The objective of the surface sampling and mapping program is to gauge the potential scale of the skarn style mineralisation both within the Southern area, the subject of the current 3,000m drilling program, and in surrounding areas of minimal outcrop, steep topography and dense vegetation (Figure 1).

The field campaign is active at 4 locations within gold in soil anomalies interpreted to represent the Upper Limestone skarn target.

1. Northern area flank of a topographical high, coincident with elevated gold in soils and ~1km north of current drilling.
2. Western area 400m to 1km west of, and along strike of, current drilling where the target Upper Limestone skarn is expected to 'daylight' or outcrop and coincident with elevated gold in historical soil samples.
3. Eastern area building upon the success of the 2022 Leah's Lode discovery, which has delivered trench results of 8m @ 11.5g/t Au and 2.6% Cu (trench 4)[2] and 22m @ 4.68g/t Au and 0.15% Cu (trench 5)[3].

[1] *See ASX announcement 24 April 2023. The Company confirms that it is not aware of new information the affects the information contained in the original announcement.*

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

[3] *See ASX announcement dated 16 February 2023. The Company confirms that it is not aware of new information the affects the information contained in the original announcement.*

4. Southern area, south and along strike from the current drilling in the Southern area.

The Southern area program, mapping and sampling exposures of Upper Limestone skarn, delivered very encouraging trench results including **4m @ 16.7g/t Au in trench 24** (Plate 2) and **2.4m @ 4.7g/t Au in trench 19,** which remains open in all directions. Both of these trenches were excavated in steeply dipping terrane which prevented completion of trenching across the entire thickness of the target Upper Limestone. In trench 24 the highest sampled interval of 1m grading 59g/t Au (Sample 207391 Plate 2) was from the southern end of the trench. Additional individual rock chip from limited outcrops in this region delivered: **47.8g/t Au, 6.7% Cu and 1.3% Zn** (Plate 1); **74g/t Au; 13.8g/t Au;** and **33g/t Au**. The nearby trench T1 delivered **20m @ 3.84g/t Au[2].**

These trench and rock chip results are interpreted to represent the surface expression of mineralisation intersected in recently completed drill hole KU23DD003 (assays pending) and historical hole KSDD004 (49m @ 1.26g/t Au including 20m @ 2.89g/t Au)[2] which extends the interpreted strike of mineralised Upper Limestone to over 350m in this area. It is possible for additional skarn units to occur stratigraphically below the Upper Limestone target, as evidenced by a deeper gold + base metal rich skarn unit mapped in a river valley 1km to the west[2].

Limited scout trenching targeting the Northern area intersected phyllite with associated silicification returning **13m @ 0.7g/t Au** in trench 18 and **10m @ 0.45g/t Au** in trench 6**.** The mineralisation in both trenches remains open in all directions. Of particular interest is the association of gold with elevated arsenic, antinomy, and zinc which is a typical geochemical signature of mineralisation developed within sediments distal to porphyry-related systems and **signifies a large well developed hydrothermal system**.

Results at this first Northern area field campaign have confirmed the modelled widespread distribution of gold anomalism. It is anticipated that further work in the heavily vegetated and scree covered region might expose additional mineralised units such as the host Upper Limestone or phyllite, as encountered at Leah's Lode.

Results from sampling the Western area and Eastern area campaigns remain pending, however both campaigns have logged altered limestone and phyllite units of interest.

The Kusi drilling program remains on schedule and budget. The Company recently announced the results of the first completed drillhole (KU23DD001) which included 15.2m @ 4.45g/t Au (from 138.2m) within 76.4m @ 1.34g/t Au (from 106.9m)[1]. An additional three drillholes have been completed with one in progress, with all holes intercepting the target Upper Limestone skarn. Assays remain pending.

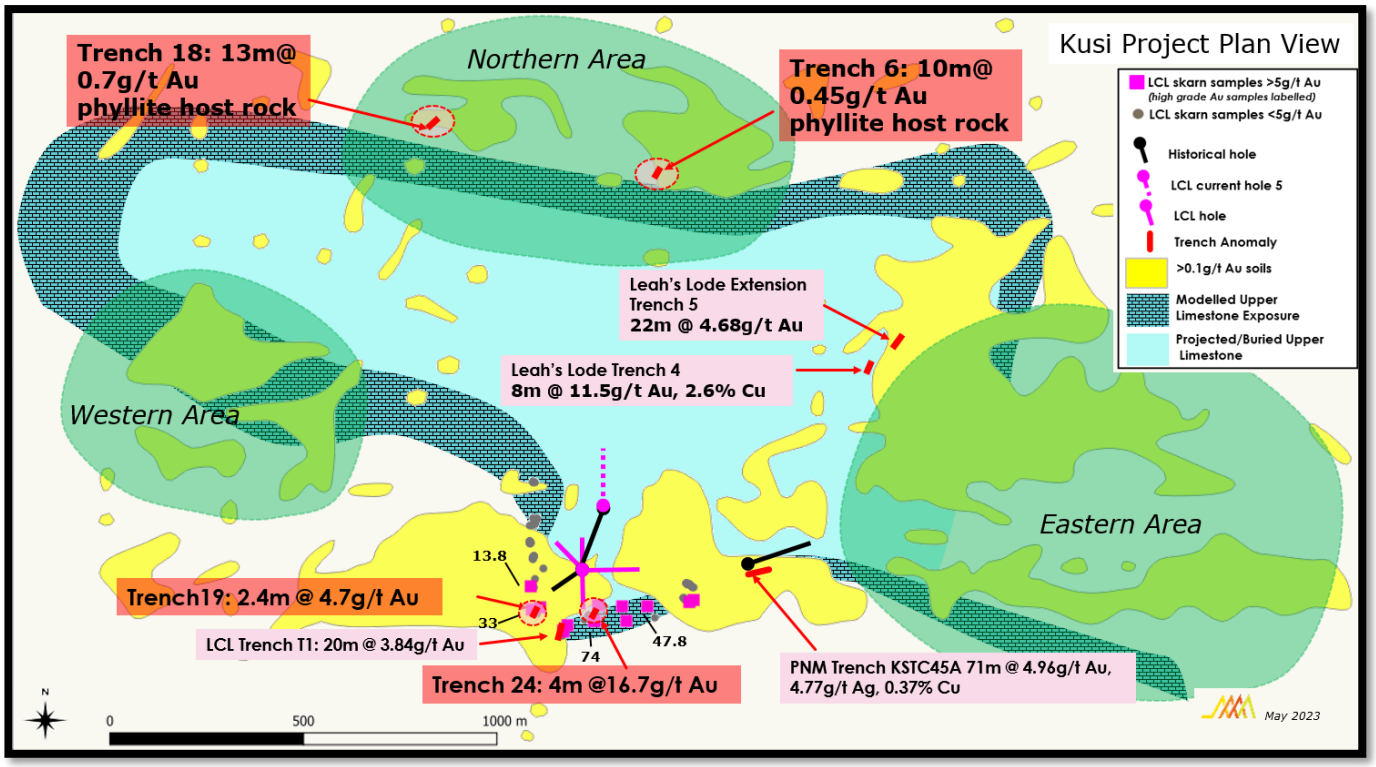

***Figure 1**: Plan view of Kusi showing location of current drill holes, surface skarn samples, and gold in soils geochemical anomaly with modelled Upper Limestone skarn unit. Recent sampling on the northern side of the Kusi gold anomaly has returned elevated Au (As-Sb) from trenching in phyllites. Significant trench data relating to this ASX release is highlighted in red (with previously released trench data in pink shading).*

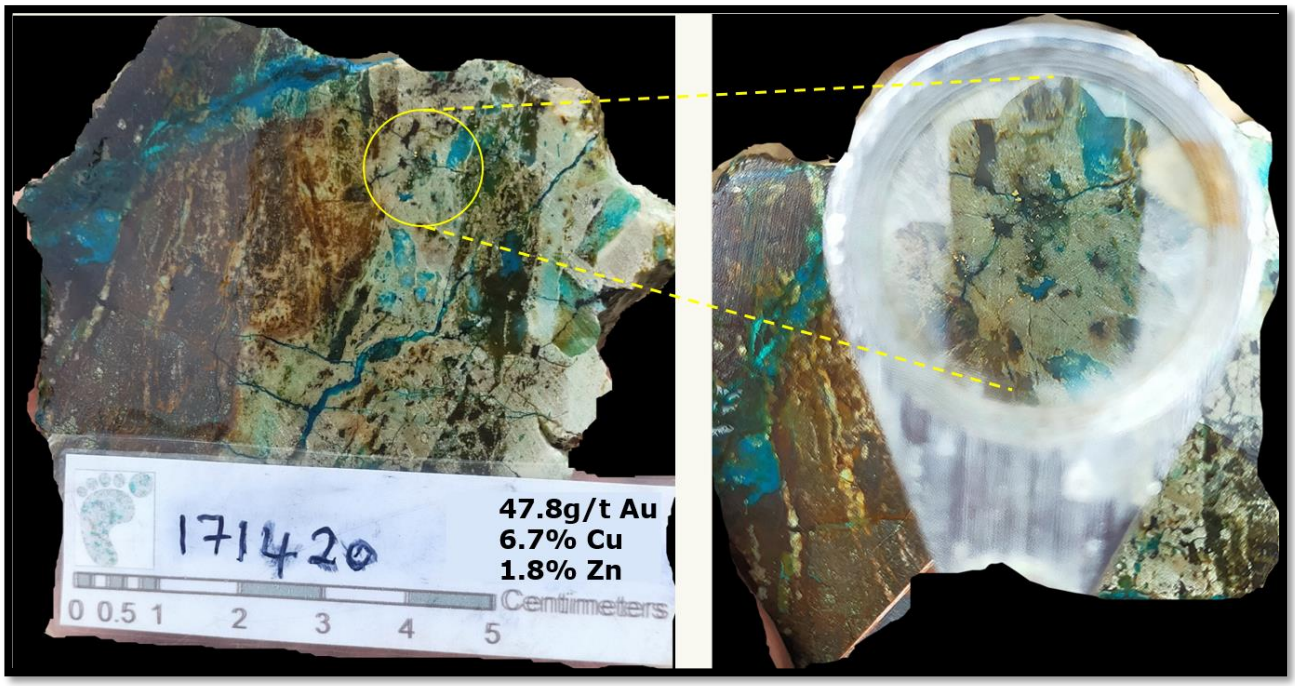

***Plate 1**: Rock chip sample (171420) from oxidised skarn mineralisation with green garnet-Cu-oxides (chrysocolla) and visible gold taken from 200m SE of KU23DD001 drill pad. Sample grades 47.8g/t Au, 6.7% Cu and 1.8% Zn.*

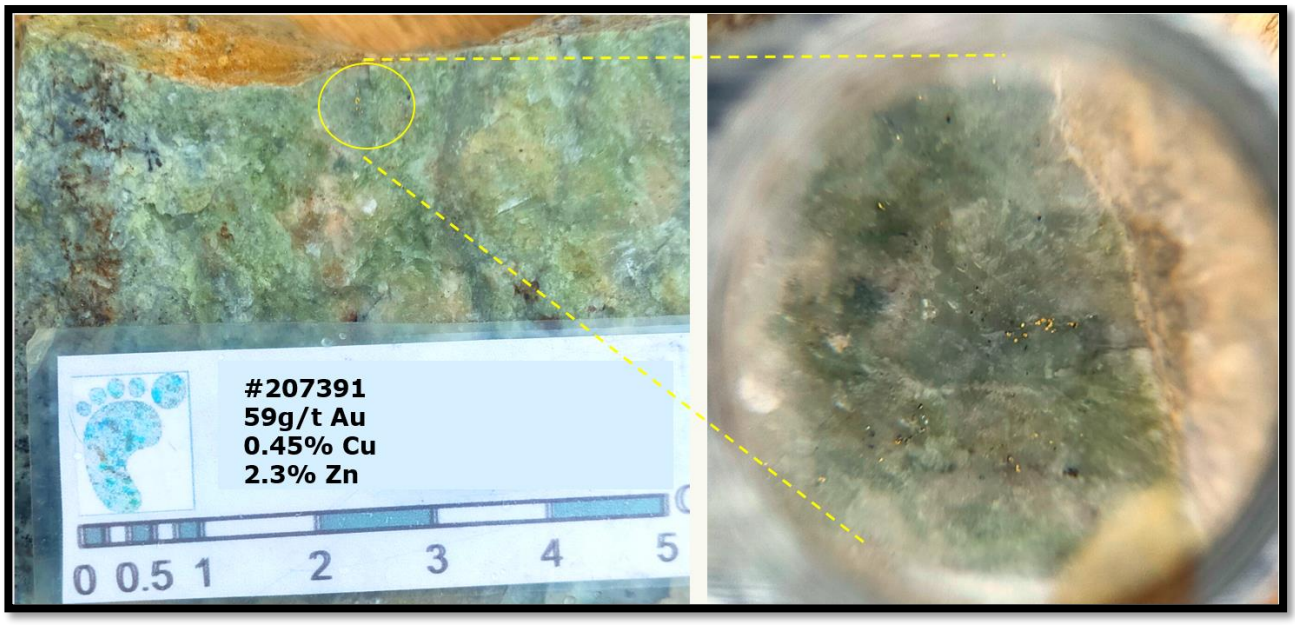

***Plate 2**: Rock chip sample (207391) from oxidised skarn mineralisation with green garnet and visible gold. Sample from trench 24 which returned 4m @16.7g/t Au. Individual sample grade 59g/t Au, 0.45% Cu and 2.3% Zn.*

Managing Director Jason Stirbinskis commented:

"We continue to be rewarded with very encouraging results across our Kusi campaigns. All drill holes have intercepted the target unit and field campaigns are revealing mineralisation up to 1km beyond the area of current drilling. This signifies a large and well developed system, with a currently modelled area of approximately 3km x 1.5km, and therefore potential for a substantial scale of mineralisation."

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.

Station#	Sample_ID	Easting	Northing	From	To	Lithology	Au_ppm	Cu_ppm	Zn_ppm
Outcrop sample	171381	493452.9	9134277			Skarn	0.16	468	1653
Outcrop sample	171402	493531.4	9134247			Skarn	19.00	401	556
Outcrop sample	171417	493599.6	9134257			Skarn	5.80	242	259
Outcrop sample	171418	493602.8	9134259			Skarn	74.00	3002	66758
Outcrop sample	171419	493683.5	9134258			Skarn	6.00	6647	10300
Outcrop sample	171420	493737.3	9134297			Skarn	47.80	67318	18100
Outcrop sample	171421	493756.6	9134266			Skarn	0.48	668	4705
Outcrop sample	171427	493858	9134312			Skarn	7.35	22817	78380
Outcrop sample	173531	493574	9134262			Skarn	2.34	3704	19500
Outcrop sample	173776	493440	9134287			Skarn	33.00	AP	AP
Outcrop sample	173792	493437	9134348			Skarn	13.80	AP	AP
Outcrop sample	173793	493445	9134346			Skarn	1.24	AP	AP
Outcrop sample	173794	493448	9134368			Skarn	0.99	AP	AP
Outcrop sample	207201	493626.5	9134296			Skarn	1.17	366	1504
Outcrop sample	207332	493434	9134505			Skarn	2.02	107	149
Outcrop sample	207333	493438	9134506			Skarn	2.04	132	129
Outcrop sample	207334	493443	9134524			Skarn	0.09	152	141
Trench 10	173795	493433.6	9134465	0	1	Skarn	0.06	AP	AP
Trench 10	173796	493433.9	9134464	1	2	Skarn	0.03	AP	AP
Trench 10	173797	493434.1	9134463	2	3	Skarn	0.07	AP	AP
Trench 10	173798	493434.3	9134462	3	4	Skarn	0.43	AP	AP
Trench 10	173799	493434.6	9134461	4	5	Skarn	0.10	AP	AP
Trench 10	173800	493434.8	9134460	5	6	Skarn	0.30	AP	AP
Trench 10	173601	493435.1	9134459	6	7	Skarn	0.04	AP	AP
Trench 10	173602	493435.3	9134458	7	8	Skarn	0.03	AP	AP
Trench 19	173779	493460.7	9134293	0	1.2	Skarn	2.35	AP	AP
Trench 19	173780	493461.1	9134293	1.2	1.4	Skarn	7.00	AP	AP
Trench 2	207282	493844.6	9134305	0	2	Skarn	0.05	NA	NA
Trench 2	207283	493846.6	9134308	2	4	Skarn	5.99	NA	NA
Trench 2	207284	493845.3	9134310	4	6	Skarn	0.47	NA	NA
Trench 2	207286	493838.3	9134312	6	8	Skarn	0.10	NA	NA
Trench 2	207287	493836.8	9134313	8	10	Skarn	0.19	NA	NA
Trench 2	207289	493832.2	9134317	10	12	Skarn	1.50	NA	NA
Trench 2	207290	493830.6	9134319	12	14	Skarn	0.94	NA	NA
Trench 20	207203	493838	9134357	0	1	Skarn	0.10	2059	1472
Trench 20	207204	493838.7	9134356	1	2	Skarn	0.21	3423	2462

Station#	Sample_ID	Easting	Northing	From	To	Lithology	Au_ppm	Cu_ppm	Zn_ppm
Trench 20	207205	493839.3	9134356	2	3	Skarn	0.05	1496	1624
Trench 20	207206	493840	9134355	3	4	Skarn	0.01	1332	2103
Trench 20	207207	493840.7	9134354	4	5	Skarn	0.01	989	805
Trench 20	207208	493841.5	9134354	5	6	Skarn	0.02	2650	1566
Trench 20	207209	493842.4	9134354	6	7	Skarn	0.03	2281	2171
Trench 20	207210	493843.2	9134354	7	8	Skarn	0.05	2451	1102
Trench 20	207211	493844	9134354	8	9	Skarn	0.03	2984	1600
Trench 20	207212	493844.9	9134354	9	10	Skarn	0.03	2617	888
Trench 20	207213	493845.7	9134354	10	11	Skarn	0.13	2279	2234
Trench 20	207214	493846.3	9134353	11	12	Skarn	0.19	3429	2774
Trench 20	207215	493846.8	9134353	12	13	Skarn	0.23	1251	1320
Trench 20	207216	493847.4	9134352	13	14	Skarn	0.83	1714	3009
Trench 20	207217	493847.9	9134352	14	15	Skarn	1.26	1542	4154
Trench 20	207218	493848.5	9134351	15	16	Skarn	0.19	1235	1094
Trench 20	207219	493849	9134351	16	17	Skarn	0.09	1609	1293
Trench 20	207220	493849.6	9134350	17	18	Skarn	0.34	1077	1903
Trench 20	207221	493850.1	9134349	18	19	Skarn	0.33	983	2773
Trench 20	207222	493850.7	9134349	19	20	Skarn	0.36	633	1890
Trench 20	207223	493851.2	9134348	20	21	Skarn	0.40	905	1294
Trench 20	207224	493851.8	9134348	21	22	Skarn	0.14	1588	621
Trench 20	207225	493852.3	9134347	22	23	Skarn	0.12	2198	861
Trench 20	207226	493855.5	9134344	28	29	Skarn	0.05	1178	1908
Trench 20	207227	493856	9134344	29	30	Skarn	0.43	1570	3460
Trench 22	207233	493441.1	9134619	1	2	Skarn	0.03	NA	NA
Trench 22	207235	493442.8	9134617	3	4	Skarn	0.02	NA	NA
Trench 22	207237	493446.9	9134615	5	6	Skarn	0.10	NA	NA
Trench 23	207238	493444.5	9134428	0	2	Skarn	0.58	NA	NA
Trench 23	207245	493443.9	9134426	2	4	Skarn	0.50	NA	NA
Trench 23	207239	493443.4	9134425	4	6	Skarn	2.11	NA	NA
Trench 23	207240	493442.8	9134423	6	8	Skarn	1.20	NA	NA
Trench 23	207241	493442.3	9134422	8	10	Skarn	1.07	NA	NA
Trench 23	207242	493441.7	9134420	10	12	Skarn	1.24	NA	NA
Trench 23	207243	493441.2	9134419	12	14	Skarn	0.08	NA	NA
Trench 23	207244	493440.6	9134418	14	16	Skarn	0.02	NA	NA
Trench 24	207384	493609.4	9134304	6	7	Skarn	0.08	130	21
Trench 24	207385	493609.3	9134303	7	8	Skarn	0.13	834	191
Trench 24	207388	493609.2	9134302	8	9	Skarn	2.11	476	1087
Trench 24	207389	493609.1	9134301	9	10	Skarn	3.87	199	1517
Trench 24	207390	493609	9134301	10	11	Skarn	1.65	3027	1404
Trench 24	207391	493609	9134300	11	12	Skarn	59.00	4480	22572
Trench 25	207392	493614	9134302	0	1	Skarn	4.56	1099	16300
Trench 25	207393	493614	9134301	1	2	Skarn	1.10	1562	5003
Trench 26	207349	493447.2	9134509	1	2	Skarn	0.86	38.8	15

Station#	Sample_ID	Easting	Northing	From	To	Lithology	Au_ppm	Cu_ppm	Zn_ppm
Trench 26	207350	493446.5	9134510	2	3	Skarn	0.56	115	105
Trench 26	207351	493446.8	9134511	3	4	Skarn	0.17	429	3684
Trench 26	207352	493447.1	9134512	4	5	Skarn	0.60	664	1569
Trench 26	207353	493447.3	9134513	5	6	Skarn	1.70	980	936
Trench 26	207354	493447.6	9134514	6	7	Skarn	2.17	1185	821
Trench 26	207355	493447.9	9134515	7	8	Skarn	2.04	854	788
Trench 26	207356	493448.4	9134516	8	9	Skarn	2.99	449	591
Trench 26	207358	493449.4	9134517	9	10	Skarn	0.71	494	978
Trench 26	207359	493449.9	9134518	10	11	Skarn	0.45	355	831
Trench 26	207360	493450.5	9134519	11	12	Skarn	0.43	306	762
Trench 26	207361	493451.2	9134520	12	13	Skarn	0.85	163	633
Trench 26	207362	493452	9134520	13	14	Skarn	1.84	226	734
Trench 26	207363	493452.8	9134521	14	15	Skarn	0.63	325	874
Trench 26	207364	493453	9134522	15	16	Skarn	0.56	441	968
Trench 26	207365	493453.2	9134523	16	17	Skarn	1.03	755	4968
Trench 8	173516	493591.5	9134266	3	4	Skarn	0.92	344	4244
Trench 8	173517	493590.9	9134266	4	5	Skarn	0.72	1215	1776
Trench 8	173518	493590.4	9134267	5	6	Skarn	2.16	1527	2758
Trench 8	173519	493589.9	9134268	6	7	Skarn	2.09	1598	2945
Trench 8	173522	493589.4	9134268	7	8	Skarn	5.00	1594	1574
Trench 8	173523	493588.9	9134269	8	9	Skarn	3.86	1683	3580
Trench 8	173524	493588.4	9134270	9	10	Skarn	3.80	1606	5414
Trench 8	173525	493587.9	9134270	10	11	Skarn	1.54	562	1105
Trench 8	173526	493587.4	9134271	11	12	Skarn	0.25	613	595
Trench 8	173527	493586.8	9134271	12	13	Skarn	0.43	140	338
Trench 8	173528	493586.3	9134272	13	14	Skarn	1.36	314	254
Trench 8	173529	493585.8	9134273	14	15	Skarn	0.09	380	317
Trench 8	173530	493585.3	9134273	15	16	Skarn	0.02	796	578
Trench 9	173532	493672	9134297	0	1	Skarn	5.86	985	1001
Trench 9	173537	493671.9	9134293	5	6	Skarn	0.48	1200	2344
Trench 9	173538	493671.8	9134293	6	7	Skarn	0.81	1365	1125
Trench 9	173539	493671.8	9134292	7	8	Skarn	0.12	465	547
Trench 9	173540	493671.8	9134291	8	9	Skarn	0.25	513	640
Trench 9	173541	493671.8	9134291	9	10	Skarn	0.01	365	369

***Table 1**: Outcrop and trench samples results from skarn material within the "Upper Limestone" target unit, relating to sample locations in Figure 1. Assays for Au, Cu, Zn. Note: AP= assays pending, NA=not assayed.*

Location #	Sample_ID	Easting	Northing	From	to	Lithology	Au_ppm	Cu_ppm	Zn_ppm
Trench 18	173763	493191.5	9135573	0	1	Phyllite	1.10	AP	AP
Trench 18	173764	493189.8	9135573	1	2	Phyllite	0.73	AP	AP
Trench 18	173765	493188.2	9135572	2	3	Phyllite	0.25	AP	AP
Trench 18	173766	493186.6	9135571	3	4	Phyllite	0.07	AP	AP
Trench 18	173767	493185	9135571	4	5	Phyllite	0.93	AP	AP

Location #	Sample_ID	Easting	Northing	From	to	Lithology	Au_ppm	Cu_ppm	Zn_ppm
Trench 18	173768	493183.4	9135570	5	6	Phyllite	0.57	AP	AP
Trench 18	173769	493182.6	9135570	6	7	Phyllite	0.55	AP	AP
Trench 18	173770	493181.8	9135570	7	8	Phyllite	1.18	AP	AP
Trench 18	173771	493180.9	9135569	8	9	Phyllite	0.47	AP	AP
Trench 18	173772	493180.1	9135569	9	10	Phyllite	0.74	AP	AP
Trench 18	173773	493179.3	9135569	10	11	Phyllite	0.76	AP	AP
Trench 18	173774	493178.5	9135568	11	12	Phyllite	0.76	AP	AP
Trench 18	173775	493177.7	9135568	12	13	Phyllite	0.95	AP	AP
Trench 6	207337	493764.6	9135442	0	2	Phyllite	0.16	149	124
Trench 6	207338	493765.6	9135444	2	4	Phyllite	0.59	173	432
Trench 6	207341	493766.6	9135446	4	6	Phyllite	0.58	886	99
Trench 6	207342	493767.6	9135447	6	8	Phyllite	0.72	1018	10700
Trench 6	207343	493768.7	9135449	8	10	Phyllite	0.21	14.3	104

***Table 2**: Trench samples results from phyllite, relating to sample locations in Figure 1. Assays for Au, Cu, Zn. Note: AP= assays pending.*

JORC Code, 2012 Edition – Table 1- Ono Licence EL2665, Kusi rock chip and trench results

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Trench samples are bagged in numbered calico sacks with a unique sample tag. Groups of 5 samples are bagged in a heavy duty plastic bag, labelled, weighed and sealed with security tags for transport. • Transport is via helicopter to Lae, where the samples are transported in a secure vehicle to the Intertek (ITS) Laboratory. • Rock chip samples are taken from outcrops. • Continuous rock chip channel/trench samples were obtained along the length of trenches dug to C horizon and weathered rock. Channel sample intervals are 1m lengths, but may be 2m at the geologist's discretion. • All channel, rock chip grab samples are approximately 2kg in weight.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• NA

Criteria	JORC Code explanation	Commentary
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• NA
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Channels are logged geologically by the project geologist to accepted industry standards capturing lithology, mineralogy and structural measurements. • Channel samples are photographed routinely.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Samples undergo fine pulverisation of the entire sample in accordance with the independent certified laboratory's procedures. • QAQC was ensured during the sub-sampling stages process via the use of the systems of an independent NATA/ ISO accredited laboratory contractor. • Samples are bagged and tagged with unique sample identity numbers. • QAQC standard reference samples and blanks have been used by LCL for channel samples. • Rock chip samples are taken from outcrops. • Continuous rock chip channel samples were obtained along the length of channels dug to C horizon and weathered rock. Channel sample intervals are measured with a tape are 1m lengths, but may be 2m at the geologist's discretion. Geologists log each sample interval for geology, alteration, veining and mineralisation. Continuous rock chip sampling is an accepted exploration methodology to obtain a representative sample. • Channel, rock chip grab samples are approximately 2kg.

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Surface samples were submitted to ITS laboratory in Lae for sample preparation and Au assay. Pulps are sent to ITS' laboratory in Townsville, Australia for multi-element assays. Gold assays were obtained using a lead collection fire assay technique (FA50/AAS) and analyses for an additional 48 elements obtained via Four Acid ICP-OES & MS package 4A/OM10. • Fire assay for gold is considered a "total" assay technique. • An acid (4 acid) digest is considered a total digestion technique. However, for some resistant minerals, not considered of economic value at this time, the digestion may be partial e.g. Zr, Ti etc. • No field non-assay analysis instruments were used in the analyses reported. • Geochemistry results are reviewed by the Company for indications of any significant analytical bias or preparation errors in the reported analyses. • Internal laboratory QAQC checks are also reported by the laboratory and are reviewed as part of the Company's QAQC analysis. The geochemical data is only accepted where the analyses are performed within acceptable limits.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Digital data received is verified and validated by Los Cerros' management before loading into the assay database. • Reported results are compiled by the Company's geologists and verified by the Company's database administrator and exploration manager. • No adjustments to surface assay data were made. • Data is stored digitally in a database which has restricted access to Los Cerros' database personnel. • Pulps from the ITS laboratory are returned to Los Cerros after 3 months. Los Cerros then store the samples in a secure lock storage container in Lae, PNG.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.*	• The trenches are located using a handheld GPS using the averaging function for a minimum of 10 minutes. This has an approximate accuracy of 3-5m which is considered sufficient at this stage of exploration. • The grid system is WGS84 UTM zones Z55S.

Criteria	JORC Code explanation	Commentary
	• *Quality and adequacy of topographic control.*	
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Trench and rock spacing is variable due to topography, access and where rock outcrops. • Trench sampling of porphyry Cu-Au mineralisation is undertaken on 2m composites. • Trench sampling of vein, skarn or structurally controlled styles of mineralisation is undertaken on 1m composites.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Trenching of skarn mineralisation that has an underlying stratigraphic control, is undertaken where possible or known, perpendicular to (across) the stratigraphy, to try and achieve true thickness intervals. Note Leah's Lode (previously reported) extension trench was along strike. Skarn dip in relation to the steep topography makes perpendicular trenching and assessment of true width challenging.
Sample security	• *The measures taken to ensure sample security.*	• Surface sample dispatches are secured and labelled on site. Groups of 5 samples are bagged in a heavy duty plastic bag, labelled, weighed and sealed, for transport. • Transport is via helicopter to a commercial airport, where the samples are couriered with a commercial transport group to the ITS laboratory in Lae, PNG.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Site sampling techniques and data bases were routinely verified by senior geologists and the Company's executive director.

Section 2 Reporting of Exploration Results – Ono Licence EL2665, Kusi rock chip and trench results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Exploration Titles were validly issued as Exploration Licences pursuant to the 1992 Mining Act. • The Exploration Licence grants its holders the exclusive right to carrying out exploration for minerals on that land. There are no outstanding encumbrances or charges registered against the Exploration Title at the National Registry. • As per standard tenement practices in PNG, EL2665 is currently undergoing renewal. Los Cerros is not aware of any reason why the renewal application will not be approved.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Kusi Project: Pacific Niugini Limited (ASX:PNR) 2010-2020. Stream sampling, soils, rock chips, trenching, aeromagnetics, 8 diamond holes for 2,466.7m at Kusi Project.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Kusi Project: The Kusi Project is dominated by skarn mineralisation hosted in multiple limestone units within Owen Stanley metamorphics. Numerous intermediate to felsic dykes transect the project area. Minor Intermediate Sulphidation veins have also been noted.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis*
		NA

Criteria	JORC Code explanation	Commentary
	that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No metal equivalent values have been stated. • No cut of high grades has been done. • All widths quoted are intercept widths.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Trenching of skarn mineralisation that has an underlying stratigraphic control, is undertaken where possible or known, perpendicular to (across) the stratigraphy, to try and achieve true thickness intervals. Note Leah's Lode extension trench was along strike. Skarn dip in relation to the steep topography makes perpendicular trenching and assessment of true width challenging.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Geological maps showing the location of trenches and exploration results are shown in the body of the announcement.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid*	• Reporting is considered balanced.

Criteria	JORC Code explanation	Commentary
	misleading reporting of Exploration Results.	
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• QAQC standard reference samples and blanks have been used by LCL for channel/trench samples. • Logs of soil, rock chip and trenches are generated in the field and material data later transferred by a geologist to the Company's database. When available, and after review, QAQC compliant assay data, based on ITS internal QAQC procedures, is also transferred to the Company's database by a qualified database manager. • Pulps are collected from the laboratory after 3 months and stored in a locked container with security.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Continued drilling, trenching, mapping, soils sampling and drilling is planned for the Kusi target.