

\$20M Placement to Rapidly Advance Quinchia Gold Project

HIGHLIGHTS

- **\$20M raised to fund expanded exploration program across multiple targets within Los Cerros' Quinchia and Andes Gold Projects, Colombia**
- **Placement was anchored by lead orders from two major North American institutional investors, and well supported by Australian, Asian and UK institutions**
- **At close of the Placement, Los Cerros will have a robust balance sheet, no debt, and be well placed to ramp-up diamond drilling activities**

Los Cerros Limited (ASX: LCL) (Los Cerros or the Company) is very pleased to announce the outcome of its capital raising via private placement to professional and sophisticated investors raising \$20 million. The Company received firm bids for well in excess of the \$20m target, **(Placement)**.

The Company's exploration successes and path forward has been very well received throughout a recent international roadshow. In particular, the Company is very pleased to welcome two high profile North American gold funds which are collectively investing approximately \$10 million in the Placement (individually their holdings are under 5% of the Company). Joining them are a number of institutional and high net worth investors from Australia, UK, and Asia, as well as existing professional and sophisticated shareholders.

Sprott Capital Partners and Euroz Hartleys Limited acted as Joint-Lead Managers for the Placement.

Treadstone Resource Partners acted as a strategic and financial adviser to Los Cerros.

Los Cerros Managing Director, Jason Stirbinskis commented:

"Again, we have been extremely pleased with the reception during this capital raise. Our success during the last 18 months has placed us on the radar of some of the most significant, influential, and experienced investors in the mining sector. I see that as a resounding endorsement of the team's performance and success and the enormous potential that remains ahead of us".

Use of Funds

The \$20m capital raise will boost the Company's cash reserves to more than \$24 million and will be primarily applied to exploration at the Quinchia Gold Project (100% owned) and the Andes Gold Project (90% owned) in Colombia, including:

- progressively ramping up from the current three diamond rigs up to five active diamond rigs;
- calculation of a maiden Mineral Resource in respect of the Tesorito South prospect;
- commencing initial metallurgical studies in respect of the Tesorito South prospect;
- completion of final submissions (EIA and community consultation) in relation to Miraflores mining approvals;
- geophysical studies and surface works at earlier-stage prospects within the Quinchia Gold Project;
- surface work and geophysical surveys at key epithermal and porphyry targets within the Andes Gold Project, subject to the granting of applications on these titles;
- ongoing social programs; and
- working capital, including costs of the offer.

Details of the raise

The raise will be settled in two tranches, as follows:

- In Tranche 1, the Company will issue up to 121.8 million shares (73,057,840 from Listing Rule 7.1 and 48,742,160 from 7.1A capacity), at an issue price of 16 cents, to raise up to \$19.49 million (before costs); and
- In Tranche 2, the Company will issue up to 3.4 million shares, at an issue price of 16 cents, to raise up to \$0.54 million (before costs), which will be issued subject to shareholder approval at a General Meeting indicatively scheduled for late-August 2021. It is intended that a Notice of Meeting will be provided to shareholders shortly.
- The Company is not aware of any of the investors becoming a substantial shareholder as a result of the placement.

Financial Commitments by the Board

In addition to the Placement, subject to shareholder approval at the General Meeting, Los Cerros' Chairman, Ross Ashton will subscribe to \$160,000 at the same price as the Placement. Mr Ashton is already one of the top 10 shareholders of the Company prior to the Placement.

Furthermore, the Company is pleased to announce that each of the Board members have provided notice of exercise of vested performance rights and share options including listed options (ASX:LCLOB). Updated Los Cerros security holdings for each of the directors will be lodged with ASX.

Options Expiring 16 August 2021

Holders of LCL listed options (ASX:LCLOB) are reminded of the August 16th 2021 expiry date for these listed options. The LCLOB series have an exercise price of \$0.16. Any option holder requiring an option exercise form should contact the Company Secretary on +61 (8) 6245 2050 or blair@loscerros.com.au.

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

This announcement lifts the current Trading Halt in the Company's securities.

For further enquiries contact:

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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