

\$3.5M raising to sustain an expanded drilling campaign at Quinchia

HIGHLIGHTS

- Firm commitments received to raise up to ~\$3.5M million in a private placement that was several times over-bid
- Funding to be applied to advancing the Quinchia Gold Project where the Company has a JORC Resource of 877,000 ounces and Reserve of 457,000¹ at the Miraflores deposit, and targeting porphyry mineralisation at the nearby Tesorito and Chuscal prospects
- The Quinchia Gold Project is located in the heart of the prolific Mid-Cauca gold-copper porphyry belt of Colombia, which hosts several multi-million ounce gold and gold-copper deposits
- Diamond drilling scheduled to commence in last week of July via service provider initially, prior to taking receipt of Los Cerros' own diamond rig to accelerate further drilling
- First drill hole is planned for Tesorito, which has limited previous drilling, but considerable potential for a large tonnage discovery based on prior best intersections of²:
 - **384m @ 1.01g/t** from 16m incl **29.3m @ 1.9g/t Au** from 136.75m in TS-DH-02; and
 - **253.1m @ 1.01g/t Au** from 2.9m incl **64m @ 1.67g/t Au** from 144m in TS-DH-07

Los Cerros Limited (ASX: LCL) (Los Cerros or the Company) is very pleased with the outcome of its recent capital raising via private placement to professional and sophisticated investors. The Company received firm bids for approximately \$10M and has proceeded to accept binding commitments for a placement of \$3,530,000 (before costs) ("**Placement**").

Hartleys Limited is Lead Manager to the Placement.

Los Cerros' Managing Director Jason Stirbinskis commented;

"The response to our capital raising and enthusiasm to sustain an expanded drilling program to test multiple gold-copper targets at Quinchia has been spectacular. With these funds we can pursue an extended drilling program well into 2021³. We thank our shareholders who have supported this placement and welcome new investors to our register.

¹ Refer ASX announcement dated 27 November 2017. 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

² See release 30 August 2018 for the initial reporting of the Tesorito assays. The most significant intercepts have been disclosed to demonstrate the potential for future discovery. Readers are cautioned that such intercepts should not be considered to be indicative of the grades throughout the system and those wishing to consider more comprehensive results should refer to the 30 August 2018 announcement. The Company confirms that it is not aware of any new information that affects the information contained in the announcement.

³ Subject to ongoing success at drill ready targets, successful implementation of the HK Ausino Agreement and impact of Covid-19

With this placement and strong endorsement of our plans, we eagerly look forward to further developing the Quinchia Gold Project which includes Tesorito, Chuscal and Miraflores, starting with drilling at Tesorito targeted to start at the end of the month”

Capital Raising Details

Under the Placement the Company will issue up to 87.5 million fully paid ordinary shares at an issue price of \$0.04 per share, to raise up to approximately \$3.5 million (before costs).

The Placement has been made to “professional and sophisticated” investors and will be settled in two tranches. In Tranche 1, the Company will issue up to 49.5 million shares (23,527,225 from Listing Rule 7.1 and 25,972,775 from 7.1A capacity) to raise up to \$1.98 million (before costs). Tranche 1 is expected to settle on or around 20 July 2020 and is made at a 10.5% discount to the Company's 15 day VWAP. In Tranche 2, the Company will issue up to 38 million shares to raise up to \$1.55 million (before costs), which will be issued subject to shareholder approval at a General Meeting indicatively scheduled for mid-August 2020. It is intended that a Notice of Meeting will be provided to shareholders shortly.

As part of the Placement, and subject to shareholder approval at the General Meeting, Los Cerros' Chairman, Ross Ashton will subscribe to \$30,000 of Tranche 2. Mr Ashton is already one of the top 10 shareholders of the Company prior to the Placement.

Work Program

The initial ~2,500m diamond drilling program will commence at the Tesorito porphyry before moving to targets at Chuscal and Miraflores. The Company expects to take delivery of its own rig later in the quarter, at which point the Company intends to further step-up the scale of the drill program.

All seven (7) previous holes drilled at Tesorito have successfully intersected porphyry-style gold mineralisation, including impressive intercepts², such as:

- **384m @ 1.01g/t** from 16m incl **29.3m @ 1.9g/t Au** from 136.75m in TS-DH-02; and
- **253.1m @ 1.01g/t Au** from 2.9m incl **64m @ 1.67g/t Au** from 144m in TS-DH-07

The drill program will commence with testing the continuity of wide higher grade intersections (eg. 64m @ 1.67g/t Au and 29m @ 1.9g/t Au in holes TS-DH-02 and TS-DH-07 referenced above), and it is planned to then also test the newly defined northern gold-molybdenum soil geochemistry anomaly (Figure 1)⁴.

⁴ See announcement 8 July 2020 for further details. The Company confirms that it is not aware of any new information that affects the information contained in the announcement.

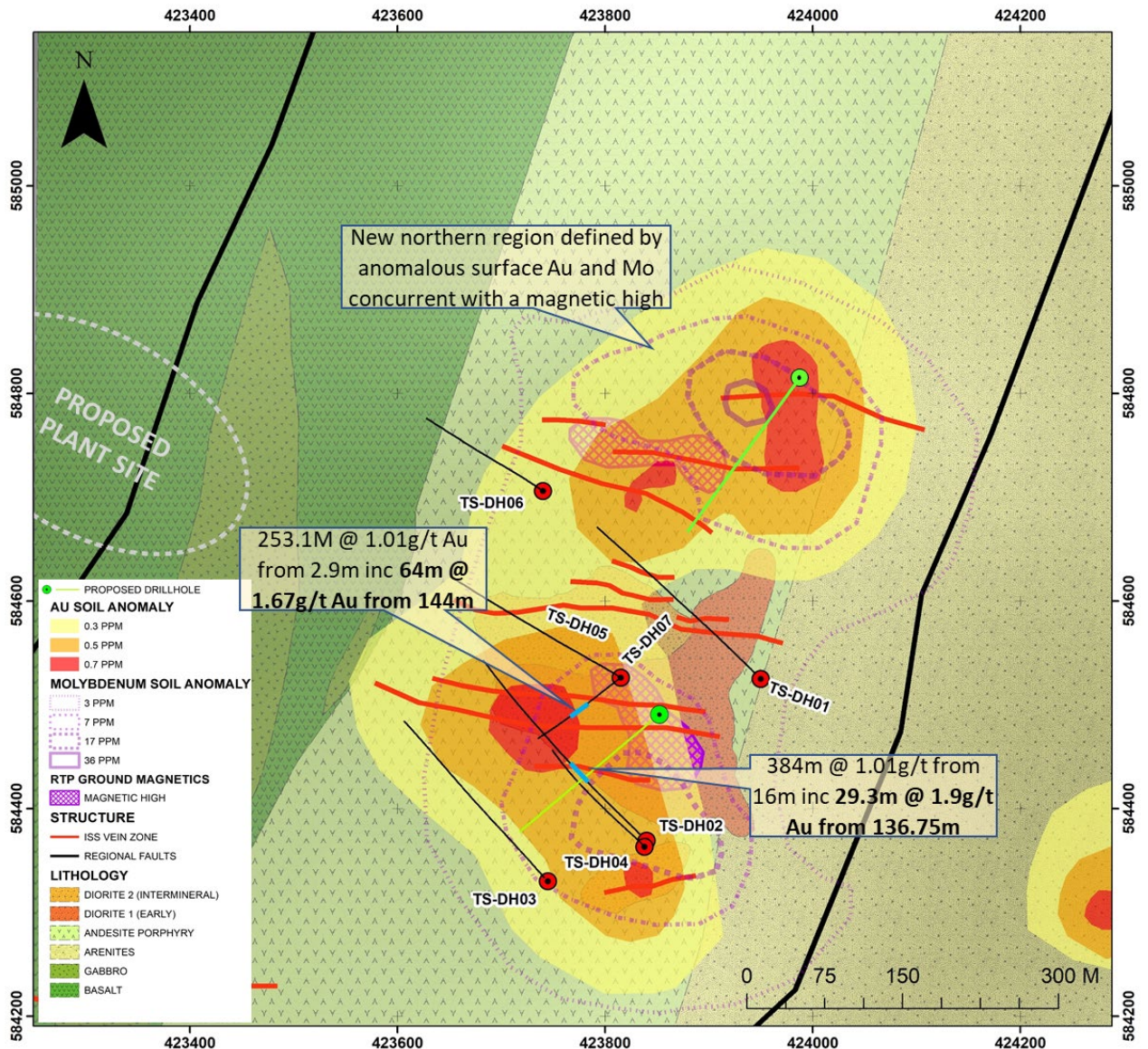


Figure 1: Tesorito is an at surface gold mineralised porphyry system. The Company's first hole of the pending drill program will further explore the southern anomalous zone that has already delivered impressive results. The Company is also developing its drilling strategy for the northern anomalous zone defined here by gold and strong molybdenum assays in soil over a magnetic high.

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

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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.

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)
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)