

## Los Cerros welcomes AngloGold Ashanti as shareholder and moves to 100% interest in Chuscal

### HIGHLIGHTS

- AngloGold Ashanti (AGA) enters binding term sheet for the exchange of its Chuscal<sup>1</sup> JV interest for Los Cerros (LCL) securities to gain exposure to the broader Los Cerros portfolio
- Subject to a formal agreement, AGA will become a 4.3% shareholder of Los Cerros with the right to increase its interest to 10%. Los Cerros to own 100% interest in the Chuscal Project
- Action reflects the developing regional strategic significance of the Quinchia Project of which Chuscal is a component and which also includes the Miraflores, Tesorito and Dosquebradas Prospects
- Agreement also includes access to AGA regional IP geophysics dataset and unlimited use of AGA IP equipment for 1.5 years

**Los Cerros Limited (ASX: LCL) (Los Cerros or the Company)** is pleased to advise that it has executed a binding term sheet agreement (**Agreement**) with AngloGold Ashanti Colombia S.A. (**AGA**), an entity owned by AngloGold Ashanti Limited for the exchange of AGA's interests in the Chuscal JV for LCL shares. The Agreement will take Los Cerros ownership of Chuscal to 100% and results in the Company holding 100% of the entire Quinchia Project of which Chuscal is a part (Figure 1).

Los Cerros Managing Director, Jason Stirbinskis said:

*"We welcome AGA to the share registry; they have proved to be supportive JV partners at Chuscal and we look forward to their ongoing support as a shareholder of Los Cerros. In addition to their vast knowledge of Colombian geology and gold discoveries, they have direct experience in the Quinchia region and some of our highest priority targets in the extensive Andes portfolio were also once AGA assets".*

Key, in-principle terms of the Agreement include:

- the issue of fully paid ordinary Los Cerros shares (**LCL Shares**) to AGA resulting in AGA having a Relevant Interest (as defined in the Corporations Act) of 4.3% in the fully paid issued capital of LCL, with the fixed number of shares to be calculated on the date of a Notice of Meeting (**NOM**) to approve the issue of the LCL Shares;
- the grant by Los Cerros of options (**Options**), with an exercise price of \$0.16 and an expiry date 12 months from the date of issue, as would give AGA, following the issue of the LCL Shares, a total relevant interest in 10% of the Company. The Options are subject to shareholder approval and the number of Options will be fixed in the NOM;
- termination of the Chuscal Joint Venture Agreement (**CJVA**) and associated obligations such as minimum spend requirements. Under the current CJVA, Los Cerros can earn a 51% interest

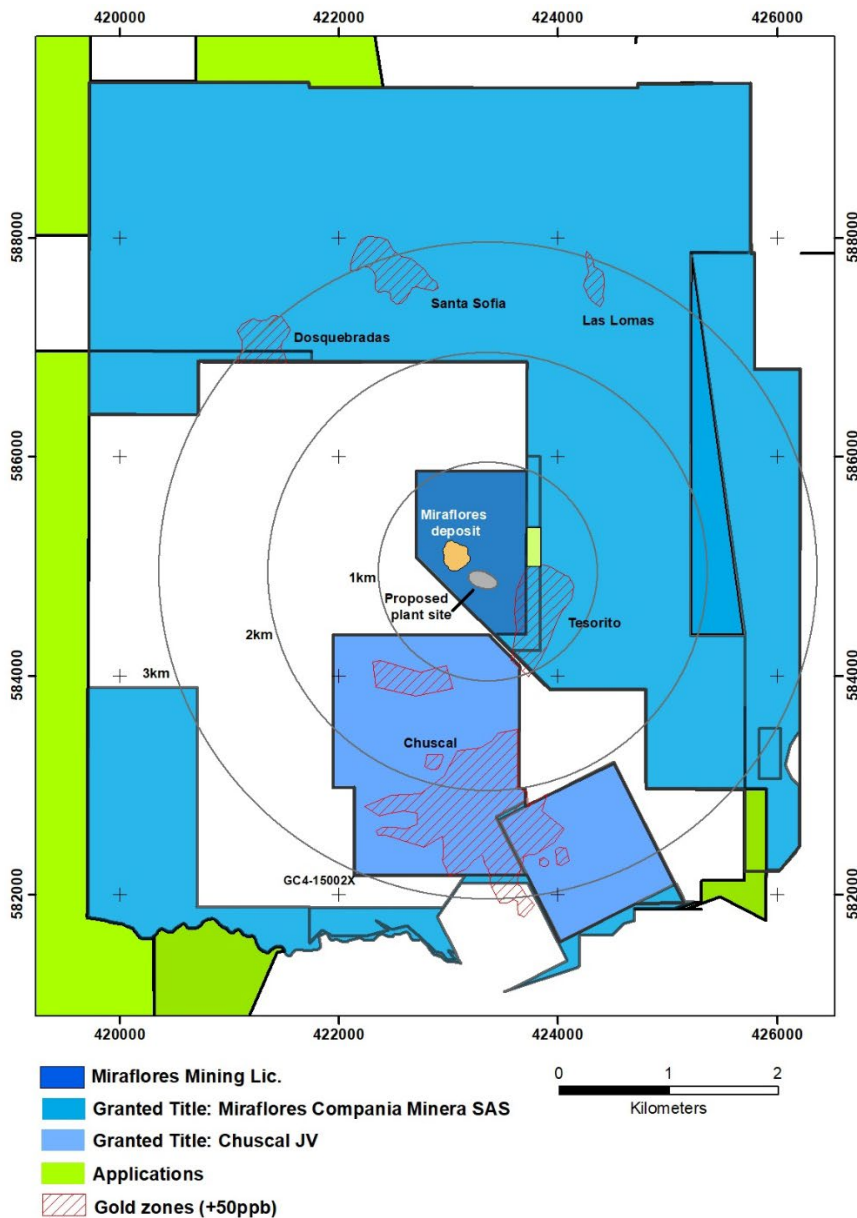
---

<sup>1</sup> The Chuscal Gold Target is a JV with AngloGold Ashanti Colombia SA. Los Cerros can earn 51% through US\$2.5M of exploration expenditure (see ASX Announcement 6 December 2018). Los Cerros is the manager of the JV.

through expenditure of US\$2.5m to 2022. Upon completion of the Agreement, Los Cerros will have a 100% interest in Chuscal with no further earn-in obligations; and

- AGA will give Los Cerros unfettered access, at no additional cost, to AGA's Induced Polarisation geophysical equipment for 1.5 years as well as access to its regional Quinchia IP geophysical data sets.

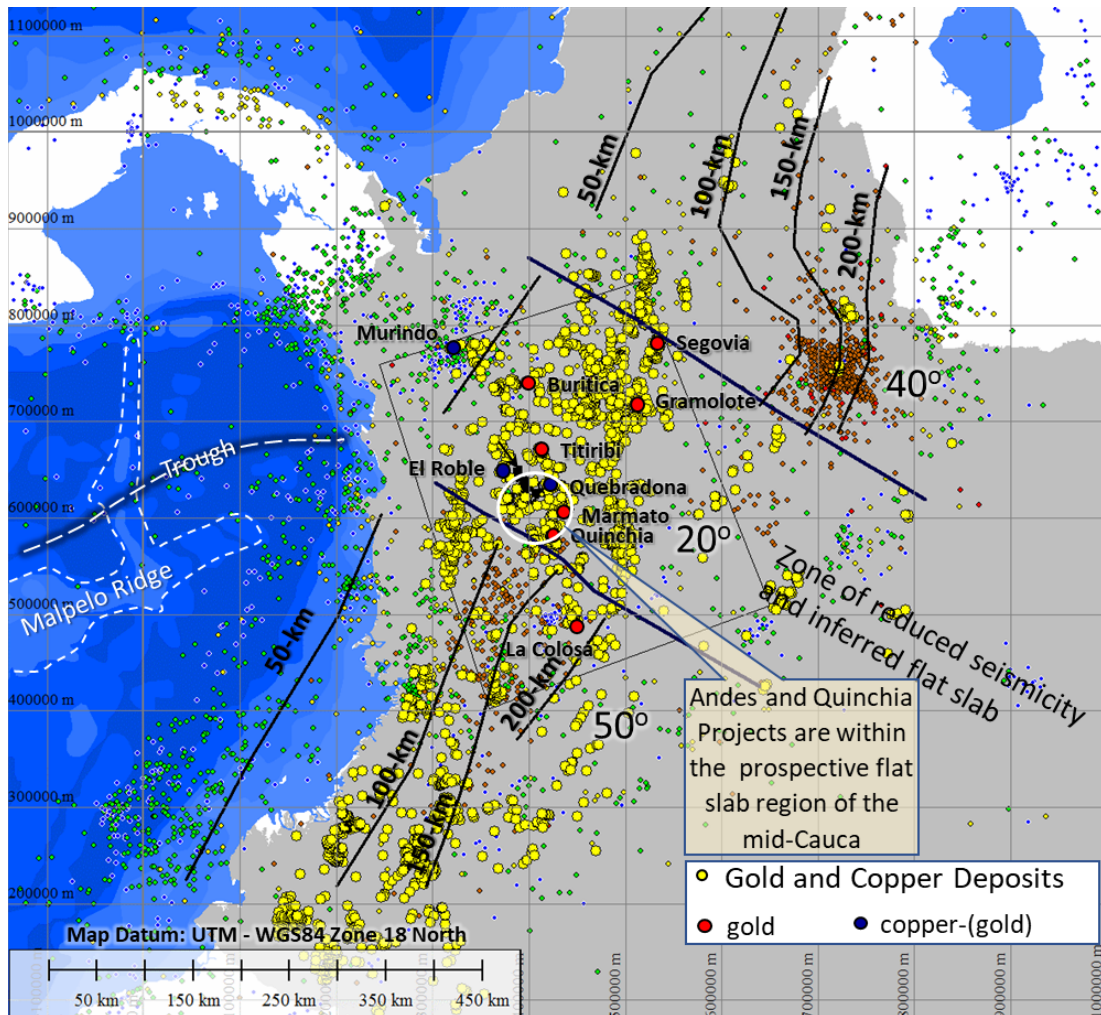
In addition to usual warranties and conditions, the agreement is conditional upon AGA receiving the approval of the South African Reserve Bank on terms acceptable to AGA, Los Cerros' shareholder approval, entry of the parties into a formal sale and purchase agreement and Los Cerros completing due diligence.



*Figure 1: The Quinchia Gold Project hosts four discoveries (Miraflores, Tesorito, Dosquebradas and Chuscal) within a 3km radius of the proposed Miraflores plant site with potential for more discoveries. (Note: Miraflores Mining is a 100% subsidiary of Los Cerros).*

Mr Stirbinskis added: "The recently completed maiden drilling program at Chuscal has sharpened the Company's position that Chuscal is a critical element in the regional scale Quinchia Gold Project which already hosts three other discoveries (Miraflores, Tesorito and Dosquebradas) within a 3km radius with great potential for more. We therefore hold the view that controlling all of Chuscal and having discretion over how the larger opportunity presented is explored and developed is of substantial strategic importance and benefit. Likewise, AGA now has exposure to the larger Quinchia Project and

the enormous greenfield potential of the Andes Project 70km to the north. All of these projects are located within the highly prospective mid-Cauca porphyry belt (Figure 2) which hosts many multi-million ounce discoveries, some owned and discovered by AGA such as Nuevo Chaquiro (+30Moz AuEq) and La Colosa (25Moz Au)<sup>2</sup>. With this deal we welcome one of the most successfully explorers in Colombia, with 100+Moz of gold resource discoveries, to our share register”.



**Figure 2:** Quinchia and Andes Gold Projects sit within the most prolific region (interpreted flat slab) of the mid-Cauca porphyry belt in Colombia, which hosts multi-million ounce discoveries.

Image Explanation: Earthquake Hypocentres & Benioff Zone Contours. Approximate dips of Benioff zone are indicated by sector. Majority of large Au-(Cu) deposits occur in relatively aseismic zones, characterized by a volcanic gap and underlain by ‘flat’ slabs.

**For further enquiries contact:**

**Jason Stirbinskis**

Managing Director  
Los Cerros Limited  
Suite 12, Level 1  
11 Ventnor Avenue  
West Perth WA 6005

[jstirbinskis@metminco.com.aum](mailto:jstirbinskis@metminco.com.aum)

<sup>2</sup> Sources from Company Annual Reports, information has not been independently verified.

**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.