

Raising secures \$10M for multi-rig drilling programs and to extinguish project debt

HIGHLIGHTS

- **Firm commitments received to raise up to ~\$10M in a private placement**
- **Funding to be applied to further sustain multi-rig drilling programs and settlement of outstanding debt to RMB¹**
- **Los Cerros now well-funded to aggressively explore its Quinchia Gold Project in the prolific Mid-Cauca Gold Porphyry Belt of Colombia**

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. The Company received firm bids for more than four times the target, and has proceeded to accept binding commitments for a placement of \$10 million (before costs) ("**Placement**"), being the Company's current maximum capacity under listing rules 7.1 and 7.1A.

Hartleys Limited is Lead Manager to the Placement.

The Placement puts Los Cerros in an extremely strong position to pursue a substantial and sustained three-rig diamond drilling program across multiple sites, and also make a one-off payment of A\$2.21 million for the immediate extinguishment of an existing debt held by FirstRand Investment Holdings (Pty) Ltd (**RMB**), which would have otherwise totalled A\$3.5 million ("**Agreement**")¹.

The Agreement also includes the reduction of potential future royalty payments on the Quinchia Project from A\$15 million to A\$14 million (payable at a rate of 2% of net smelter revenue).

Los Cerros' Managing Director Jason Stirbinskis commented;

"We view this incredibly strong result as a mandate to be bold and proactive in seizing the opportunity created by the confluence of our established strategic direction, recent drilling success, investor traction and strong gold price.

We are very pleased to see a number of reputable mining investors join our register with this Placement, and see it as a strong endorsement of the quality of the Quinchia Project.

With very significant funding secured, the Los Cerros team can be entirely focussed on delivering results from the current multi-rig drill program and also bring forward a number of exploration initiatives and related strategies. We expect this coming year to be a very positive time for Los Cerros and for our shareholders".

¹ The parties are working towards completion of an Agreement reflecting the mentioned terms however there is no guarantee an agreement will be reached. The Company is not aware of any material issue that might cause a delay or cancellation of the proposed agreement

Capital Raising Details

Under the Placement the Company will issue up to 86,932,750 fully paid ordinary shares at an issue price of \$0.115 per share, to raise up to approximately \$10 million (before costs).

The Placement has been made to “professional and sophisticated” investors and is expected to settle on or around 23 September 2020 and is made at a 11.2% discount to the Company's 10 day VWAP.

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

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

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

For further enquiries contact:

Jason Stirbinskis

Managing Director
Los Cerros Limited
12/11 Ventnor Avenue
WEST PERTH WA 6005
jason@loscerros.com.au

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