

## Small Share Parcel Sale Facility

**Los Cerros Limited (ASX: LCL) (Los Cerros or the Company)** advises shareholders that the Company is implementing a share sale facility ("**Facility**") for holders of parcels of Los Cerros ordinary shares ("**Shares**") valued at less than \$500 ("**Small Share Parcel**"), which are also sometimes referred to as an unmarketable parcel. The Facility is being established in accordance with the Company's Constitution and the ASX Listing Rules.

The Record Date for the purposes of establishing holders of Small Share Parcels has been set at close of trade on 18 November 2020 ("**Record Date**").

Based on the Company's share price of \$0.16 as at close of trade on the Record Date, a Small Share Parcel is any shareholding of 3,124 Shares or less. Accordingly, as at the Record Date there were 1,218 holders of Small Share Parcels. These holdings represent as total of 1,015,492 shares, being 0.22% of the Company's Shares on issue.

Los Cerros is entitled to sell, on the shareholder's behalf, Small Share Parcels. The Company will pay for the costs of the sale, excluding tax consequences arising from the sale which remain the responsibility of the individual shareholders.

The Company values all of its shareholders. However, it incurs significant administrative costs maintaining a large number of Small Share Parcels. By facilitating the sale of Small Share Parcels, Los Cerros expects to reduce the administrative costs associated with maintaining a large number of very small holdings. Holders of Small Share Parcels may benefit by being able to dispose of their holdings without incurring brokerage or other sale costs.

If shareholders holding a Small Share Parcel wish to sell Shares through this Facility, they do not need to take any action.

If shareholders holding a Small Share Parcel do not wish to sell shares through this Facility, they must complete the Share Retention Form and return it to the address on the form, so that it is received by 5pm (WST) on 8 January 2021.

Upon the sale of the Small Share Parcel Shares by the nominee broker, Euroz Hartleys Limited, proceeds shall be forwarded to eligible shareholders by EFT (provided direct credit payment details have been provided to the share registry) or cheque.

Attached is a copy of the Shareholder Letter which has been dispatched to all shareholders holding a Small Share Parcel on the Record Date.

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  
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19 November 2020

Dear Shareholder

### Small Share Parcel Sale Facility

Our records show that you are eligible to take part in a share sale facility ("**Facility**") established by Los Cerros Limited ("**Los Cerros**" or "**the Company**"). The Facility provides the opportunity for holders to sell their parcels of Los Cerros ordinary shares ("**Shares**") valued at less than \$500 ("**Small Share Parcel**"), without incurring any brokerage or handling costs. This Facility is available to shareholders who at 5.00 pm (Western Standard Time) on 18 November 2020 ("**Record Date**") held a Small Share Parcel. Based on the closing price on the Record Date of \$0.16, a Small Share Parcel is a holding of 3,124 Los Cerros shares or less.

By facilitating the sale of Small Share Parcels the Company expects to reduce the administrative costs associated with maintaining a large number of small shareholdings. This also provides the opportunity for these shareholders to exit their investment without having to pay brokerage fees or other sale costs.

If you do **NOT wish to sell** your shares, you **MUST** complete and return the attached Share Retention Form to the address on the form so that is received by 5:00pm (WST) on 8 January 2021 ("**Retention Date**"). If you do not advise the Company by the Retention Date, Los Cerros intends to sell your Shares through the Facility.

If you do **WISH to sell** your Shares through the Facility, you do not need to take any action. Your shares will be sold through the Facility after the Closing Date and the proceeds of the sale will be paid to you.

If you have previously provided the Company with details of an account with an Australian financial institution, your sale proceeds will be paid in Australian dollars by direct credit into that account. The Company encourages you to notify it of your account details by completing Step B of Option B of the enclosed Share Sale Election Form and return it before the Closing Date, being 5.00pm (WST) on 8 January 2021. In all other circumstances, sale proceeds will be paid in Australian dollars by cheque.

By refraining from taking action, after the expiration of the time prescribed in the ASX Listing Rules and the Company's Constitution, you will be deemed to have irrevocably appointed the Company as your agent:-

- a) to sell all of your shares at a price to be determined by when and how the shares are sold and without any cost being incurred by you; and
- b) to deal with the proceeds of the sale as set out in the attached information sheet.

The sale price will be determined following the sale of Shares under the Facility. Each shareholder will receive their proportionate share of the relevant sale proceeds for Shares sold through the Facility.

Consistent with its continuous disclosure obligations, the Company may release to the ASX information that may be material to a shareholder's decision as to whether they wish to retain their Shares. This information will, if released, be available on the ASX website ([www.asx.com.au](http://www.asx.com.au)) and on the Company's website ([www.loscerros.com.au](http://www.loscerros.com.au)).

If you need help deciding what to do, or if you require information regarding the financial, legal or tax consequences of participating in the Facility you should consult your legal, financial or taxation adviser.

The attached information sheet provides further details about the Facility, which you should read before making any decision.

If you have any queries about lodging your form or the practical operation of the Facility please contact us on + 61 8 6245 2050 or at [info@loscerros.com.au](mailto:info@loscerros.com.au).

Yours faithfully,  
Jessamyn Lyons  
Company Secretary

## Small Share Parcel - Information Sheet

### 1. Key Dates

Small Share Parcel Record Date:	18 November 2020 (5.00pm WST)
Letter sent to shareholders holding Unmarketable Parcels:	19 November 2020
Closing date for receipt of Share Retention Forms:	8 January 2021 (5.00pm WST)

### 2. What is a Small Share Parcel?

A Small Share Parcel (also sometimes referred to as an unmarketable parcel) is a holding of Shares valued at less than AUD\$500 as at close of trade on 18 November 2020 ("**Record Date**"). Based on the Share price at the Record Date, this is a holding of 3,124 shares or less.

### 3. What price will I receive for shares sold through the Facility?

The price that you receive for your Shares under the Facility will be determined by when and how the shares are sold. Los Cerros's nominee broker, Euroz Hartleys Limited, may sell your Shares on market in any way they consider fair and reasonable in the circumstances. If the shares are sold on market the price will depend on a number of factors, including market conditions at the time of sale. You will not have control over the time at which your Shares are sold, the price you receive may be different from the price appearing in the newspaper or quoted by ASX on any day and may not be the best price obtained for all the other Shares sold under the Facility. If the nominee broker sells your Shares other than on market, the price will be the price that they have been able to negotiate with the acquirer(s).

### 4. What is the price of Los Cerros Shares?

The last sale price of the Shares on 18 November 2020 was \$0.16. The share price changes frequently and updated price information is available in newspapers and from the ASX website ([www.asx.com.au](http://www.asx.com.au)) under the ASX code "LCL".

### 5. When will the proceeds from the sale of Shares be sent to me?

Payment will be sent to you as soon as practicable pursuant to the Facility. If you have provided direct credit payment details to the Company's share registry, Automic, for your holding and authorised such payments to be made by direct credit, the payment will be paid to your nominated account by EFT. If you have not provided direct credit details to Automic, payment will be made via cheque. If you wish to update your direct credit instructions, please visit <https://investor.automic.com.au/#/home>, login and update your details. You will be notified by way of a transaction confirmation statement of the number of your shares sold, and the price and total sale proceeds. If payment is via cheque, it will be sent by post to your address as shown in the share register at the time the share sale payment is run.

### 6. If I buy more Shares, will I retain my holding?

The Company will treat any purchase of additional Shares that has the effect of increasing your Los Cerros shareholding above 3,117 Shares, as an indication that you do not want your shares to be sold through the Facility. For a purchase to be an effective notification that you wish to retain your Shares, any additional Shares must be registered by 5:00pm (WST) on 8 January 2021 under the same name and address and with the same holder number (SRN or HIN) as set out on the Share Retention Form.

### 7. What if my Shares are held in a CHES holding?

If your Shares remain in a CHES holding at 5:00pm (WST) on 8 January 2021 the Company may move those Shares to an issuer sponsored holding and the Shares will be sold through the Facility.

### 8. Where can I get further information?

If you have any questions concerning your shareholding or the Facility, please contact the Company by telephone:  
+61 8 6245 2050 or by email to [info@loscerros.com.au](mailto:info@loscerros.com.au).

### 9. Important notes

The Company reserves the right to change any of the dates referred to in this letter by notice to the ASX. The letter does not constitute advice or a recommendation to buy, sell or hold Shares or advice that the Facility is the best way to sell your Shares.

If you are in any doubt about what to do, you should contact your legal, financial or taxation adviser.

**NOTE: If you currently have more than one holding on the Los Cerros share register, you may wish to consider amalgamating them. This may result in your amalgamated holding no longer being a Small Share Parcel, in which case your Shares would not be sold as part of this Facility.**

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