

Los Cerros ramps-up to 2 rigs at 2 gold targets. 3rd rig arrived in-country

HIGHLIGHTS

- **Second diamond drill rig commences drilling at Chuscal, Quinchia Gold Project, Colombia**
- **Drilling continues at the Tesorito porphyry southern target**
- **Company-owned diamond rig has arrived in Colombia on track for late October start, which will take the drill fleet to 3 active diamond rigs at the Quinchia Project**

Los Cerros Limited (ASX: LCL) (Los Cerros or the Company) is pleased to advise that the Company has commenced drilling at the Chuscal gold target with a second service provider rig. Chuscal is 1.5km south of the Tesorito porphyry target where drilling continues, currently into the third hole (TS-DH010) of the expanded program. Assays of the second Tesorito drill hole (TS-DH009) are expected in the coming weeks.

In addition, the Company advises that its own Atlas Copco C5C diamond drill rig has arrived at the port of Buenaventura, on the Colombian Pacific coast and is planned to be drill-ready in late October, at which point the Company expects to have three diamond rigs active across its Quinchia Gold Project, promising a highly active and sustained period of drilling ahead.

Chuscal Drilling Program

The Chuscal drilling program will focus initially on short-hole step out drilling pursuing high grade gold carried in epithermal veining (Figure 1). This near surface, vein-hosted mineralisation could offer a potential source of top-up feed to enhance the Miraflores Project feasibility economics with the proposed plant location less than 2km north. Armed with further vectoring information from this shallow drilling, a program of deeper holes will then resume the search for causative porphyry(ies), the source of the extensive porphyry associated gold encountered over an expansive area of Chuscal.

Los Cerros completed its maiden drilling program at Chuscal in January 2020. A four hole ~1,900m program demonstrated that porphyry-associated gold is more widespread than previously assumed, as evidenced by the very long drill core intercepts over an extensive area including:

- **350m @ 0.57g/t Au from surface** in drill hole CHDDH001¹; and
- **320m @ 0.43g/t Au from 32m to 352m** in drill hole CHDDH002².

Overprinting by Intermediate Sulphidation System (ISS) epithermal veins is also more extensive than previously modelled and is noted in most rock units encountered, including breccias, and is typically correlated to an uplift in gold grade above the lower-grade widely disseminated, porphyry associated gold. ISS associated intercepts include³:

- **2m @ 8.28g/t Au from 248m** in CHDDH002;

¹ See announcement 25 November 2019. The Company confirms that it is not aware of any new information that affects the information contained in this release.

² See announcement 5 December 2019. The Company confirms that it is not aware of any new information that affects the information contained in this announcement.

³ See announcements 25 November 2019, 5 December 2019 and 23 December 2019. The Company confirms that it is not aware of any new information that affects the information contained in these announcements.

- **0.5m @ 17.1g/t Au from 333m** within 7m @ 2.07g/t Au from 331m in CHDDH002;
- **6m @ 2.97g/t Au from 250m** including a 0.4m high grade vein from 253.3m grading 31.8g/t Au in CHDDH003;
- **6m @ 2.52g/t Au and 10.25g/t Ag from 0m**, including 2m @ 5.56g/t Au and 29g/t Ag from surface in CHDDH0001;
- **2m @ 6.44g/t Au and 87.40g/t Ag from 324m** in CHDDH0001; and
- **8m @ 2.82g/t Au and 29.96g/t Ag from 342m** in CHDDH0001.

The first hole of the current Chuscal program, CHDDH005 will step out 150m west along strike from encouraging near surface vein hosted intercepts recorded in CHDDH001.

Los Cerros' Managing Director Jason Stirbinskis commented:

"The Chuscal program will initially be focussed on the Montana and Corporacion E-W vein corridors. These vein sets, and secondary splays branching from them, have been mined by small scale artisanal operations for two generations and are also accountable for many of the better intercepts from the Company's maiden drill program."

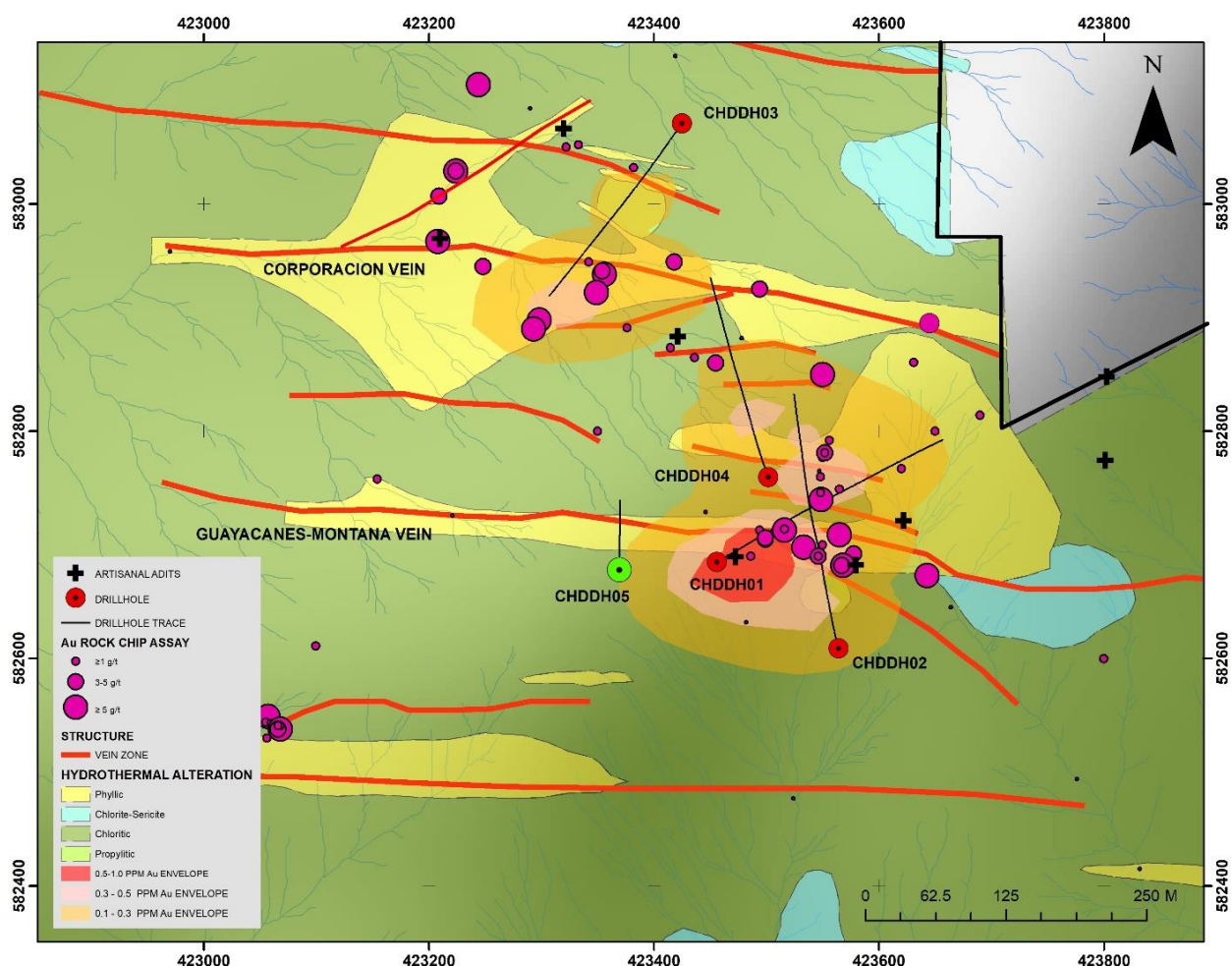


Figure 1: The first hole of the Chuscal drill program (CHDDH005 - green circle) will test the strike extent of high grade mineralisation encountered in previous drilling associated with the Guyacanes-Montana vein set.

Tesorito Drilling Program Update

Assay results from the second diamond hole of the current drilling programme (TS-DH09) remain pending and are expected within the first two weeks of October. TS-DH09 is the maiden drill hole into this large northern gold-molybdenum soil geochemical and coincident magnetic geophysical anomaly (Figure 2). As announced previously, and based on preliminary logs, this first hole appears to have passed next to a causative intrusion (potential porphyry) as suggested by zones of moderate to strong potassic alteration and porphyry style mineralization, where we see high temperature hydrothermal features.

The Tesorito drill rig has now returned to the southern anomaly as planned, to follow up the very broad intersections previously established. This was most recently confirmed by drill hole TS-DH08 reported on 10 September 2020, which intersected **230m @ 1.0g/t Au from surface⁴**, including several higher grade intercepts. The current hole, TS-DH10, is designed to test the eastern and north eastern extent of mineralisation and target the porphyry core below the intersection recorded in TS-DH08 and to the east (Figure 2).

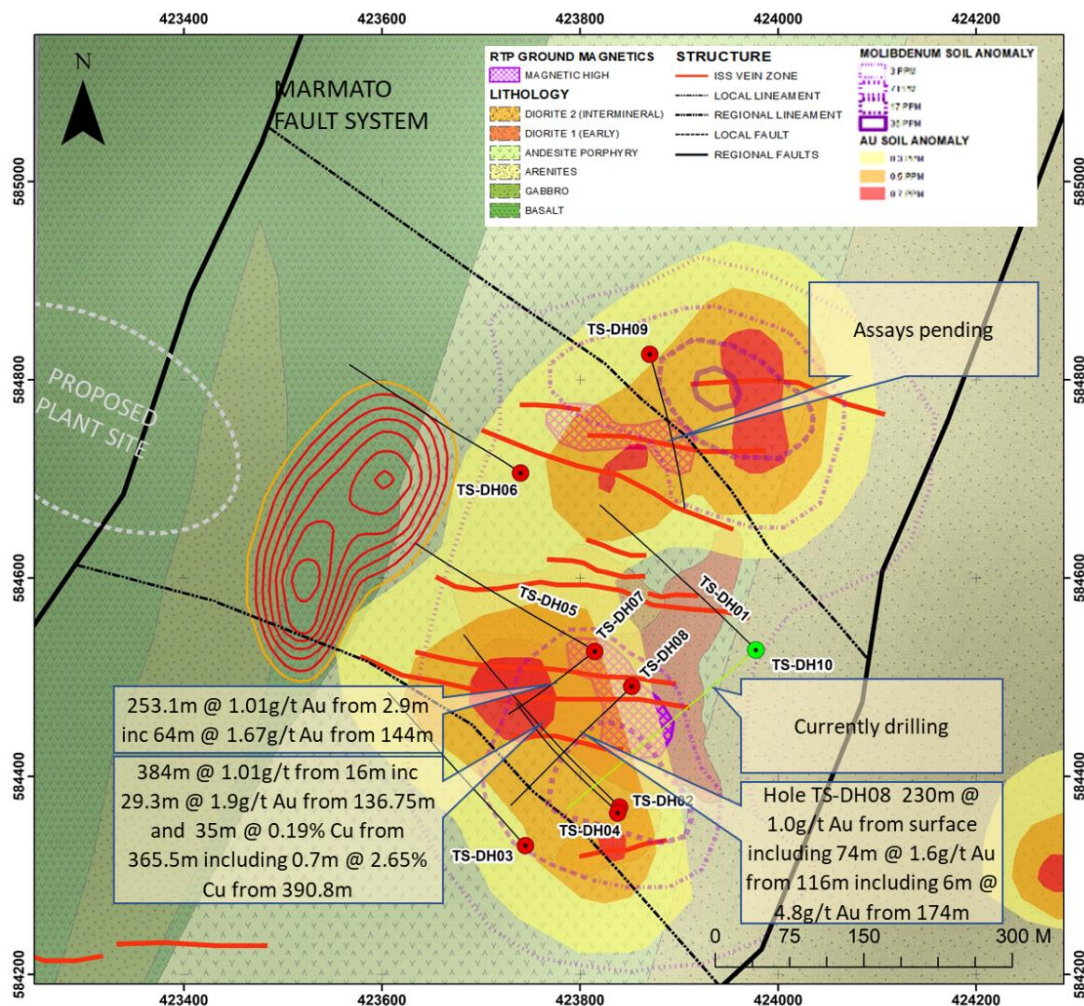


Figure 2: Tesorito prospect and drill traces with previously announced drill results⁵.

⁴ See announcement 10 September 2020. The Company confirms that it is not aware of any new information that affects the information contained in these announcements.

⁵ See ASX announcements of 10 September 2020 (TS-DH08) and announcements 31 July 2018 and 30 August 2018 for the initial reporting of the assays for drill holes TS-DH01 to TS-DH07. The Company confirms that it is not aware of any new information that affects the information contained in the announcements

Company's Own Rig

The Company's Atlas Copco C5C Drill Rig has arrived at Buenaventura, a port on the Colombian Pacific coast 320km south of Quinchia. The rig has yet to clear customs and will then go to Medellin for re-assembly and dry commissioning. The rig remains on schedule for field commissioning in Quinchia in late October.

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

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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 Company is not aware of any new information or data that materially affects the information included in this release.