

RMB settlement – debt extinguished

HIGHLIGHTS

Residual Chile assets sold

- **RMB debt extinguished¹**
- **Sale of residual Chilean assets nets USD\$100k**

Los Cerros Limited (ASX: LCL) (Los Cerros or the Company) is pleased to advise that it has now executed a binding agreement (**RMB Agreement**) with FirstRand Investment Holdings (Pty) Ltd (**RMB**) for Los Cerros to make a one-off payment of A\$2.21 million for the extinguishment of an existing debt held by RMB which would have otherwise totalled A\$3.5 million¹. The RMB agreement is subject to completion of the current capital raise placement expected to be on or around 22 September 2020. The RMB 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).

The Company also advises that it has sold North Hill Ovalle Inc (**NHO**, a 100% BVI subsidiary of LCL); Minera Hampton Chile Limitada (a 100% subsidiary of NHO); and the Loica and Vallecillo projects held within the aforementioned vehicle, to a Chilean citizen for USD\$100,000. The sale of the Company's residual interests in Chile follows on from the sale of the Mollacas project in January 2020 for ~USD\$1 million².

Resolving the RMB debt and completing the asset sales are part of the broader strategic re-invention of Los Cerros which has included a critical review and prioritisation of the extensive asset portfolio, resolution of legacy issues and stream-lining of the Company structure to focus on our Colombian portfolio. In line with those objectives, the Company also advises that it has liquidated its Peruvian subsidiaries, Cerro Norte Mining Inc and North Hill Peru Inc. The two subsidiaries did not hold assets and were relics of previous Company activity.

Correction to June announcements

The Company wishes to correct an inadvertent error in the AGM presentation pack (released 23 June 2020) and related ASX release (16 June 2020) quoting a series of historical, previously released intercepts at the Miraflores gold deposit including: **10.6m @ 11.97g/t Au from 233m** within **114.7m @ 1.89g/t Au from 185.9m**³. The abovementioned June 2020 releases quoted an interval length of 1,145.7m rather than 114.7m, the result of a typographical error. All subsequent references to the historical results quote the correct value, including the information pack released 11 September 2020.

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

¹ The Company announced 14 September 2020 that they had entered advanced negotiations with RMB

² See announcement 10 February 2020

³ First released 14 March 2017. The Company confirms that it is not aware of any new information that affects the information contained in the announcements

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