LOS CERROS
LIMITED

14 September 2020
ASX Announcement
ASX: LCL

Early Extinguishment of Quinchia Project Debt

HIGHLIGHTS

- **Advanced negotiations regarding early settlement of outstanding debt to RMB**
- **Capital raising underway to fund discounted RMB payment and to further sustain multi-rig diamond drill programme at the Quinchia Gold Project**
- **Los Cerros to be well-funded to aggressively explore its Quinchia Gold Project in the prolific Mid-Cauca Gold Porphyry Belt of Colombia**
- **First hole (TS-DH09) to test Tesorito anomaly northern zone intersected moderate to strong potassic alteration and porphyry style mineralisation[1] interpreted as proximal to hydrothermal core**
- **Diamond drill relocated back to the Tesorito southern zone to follow-up the wide gold zone confirmed by at least 3 diamond holes:**
  - **384m @ 1.01 g/t from 16m,** incl **29.3m @ 1.9 g/t Au from 136.75m** in (TS-DH02)[2]
  - **253.1m @ 1.01 g/t Au from 2.9m,** incl **64m @ 1.67g/t Au from 144m** in (TS-DH07)[2]
  - **230m @ 1.0 g/t gold from surface** (TS-DH08)[3], including:
    - **18m @ 2.0g/t Au from surface** including **6m @ 4.1g/t Au from 6m**; and
    - **116m @ 1.38 g/t Au from 114m**, incl **74m @ 1.6g/t Au from 114m** including **4m @ 3.18 g/t Au from 148**, **and 2m @ 9.58g/t Au from 176m**

Los Cerros Limited (ASX: LCL) (Los Cerros or the **Company)**, is pleased to advise it that it is in advanced negotiations with FirstRand Investment Holdings (Pty) Ltd (**RMB**) to make a one-off discounted payment of A$2.21 million for the immediate extinguishment of the existing debt, which would have otherwise totalled A$3.5 million ("**Agreement**")[4].

In addition, potential future royalty payments on the Quinchia Project have been reduced from $15 million to $14 million (payable at a rate of 2% of net smelter revenue).

[1] Based on preliminary visual logs. Assay data not available at this stage
[2] See ASX announcements of 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
[3] See ASX announcement 10 September 2020. The Company confirms that it is not aware of any new information that affects the information contained in the announcements
[4] 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

The debt and royalty are a legacy of Los Cerros' transaction with RMB to acquire the Quinchia Project in 2016.

Los Cerros' Managing Director Jason Stirbinskis commented:

"We extend our sincere gratitude to RMB for their support and flexibility in a formative period for the Company which will enable Los Cerros to emerge in a robust financial position. The Company is better placed than ever before to do justice to this prized land package at Quinchia.

"We look forward to concluding our current capital raising to settle the proposed RMB transaction within the coming few days and continuing with our diamond drilling. This has got off to a great start at Tesorito which exhibits classic characteristics of a large gold-copper porphyry system."

The proposed agreement with RMB is subject to Los Cerros completing a capital raising of no less than $2.21 million before Friday 25 September 2020. Full details of the capital raising will be announced following conclusion of the capital raising process and lifting of the Trading Halt, expected to be on Wednesday 16th September 2020.

Tesorito Drilling Update

The Company's second diamond hole of the current drilling programme (TS-DH09) has been completed at the Tesorito northern anomaly – representing the first ever drill hole into this large gold-molybdenum soil geochemical and coincident magnetic geophysical anomaly (Figure 1).

Based on preliminary and only visual evidence of this first hole to test the northern anomaly it appears TS-DH09 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. Assay results will inform the location of follow up holes. At this stage we are uncertain if the Tesorito northern zone is spatially connected to the Tesorito southern zone or an entirely separate anomalous zone.

The drill rig will now return to the southern anomaly as planned, to follow up the very broad intersections previously established, and most recently confirmed by drill hole TS-DH-08 reported on 10 September 2020, which intersected a broad zone of **230m @ 1 g/t Au from surface**, including several higher grade intercepts.

This announcement does not lift 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.

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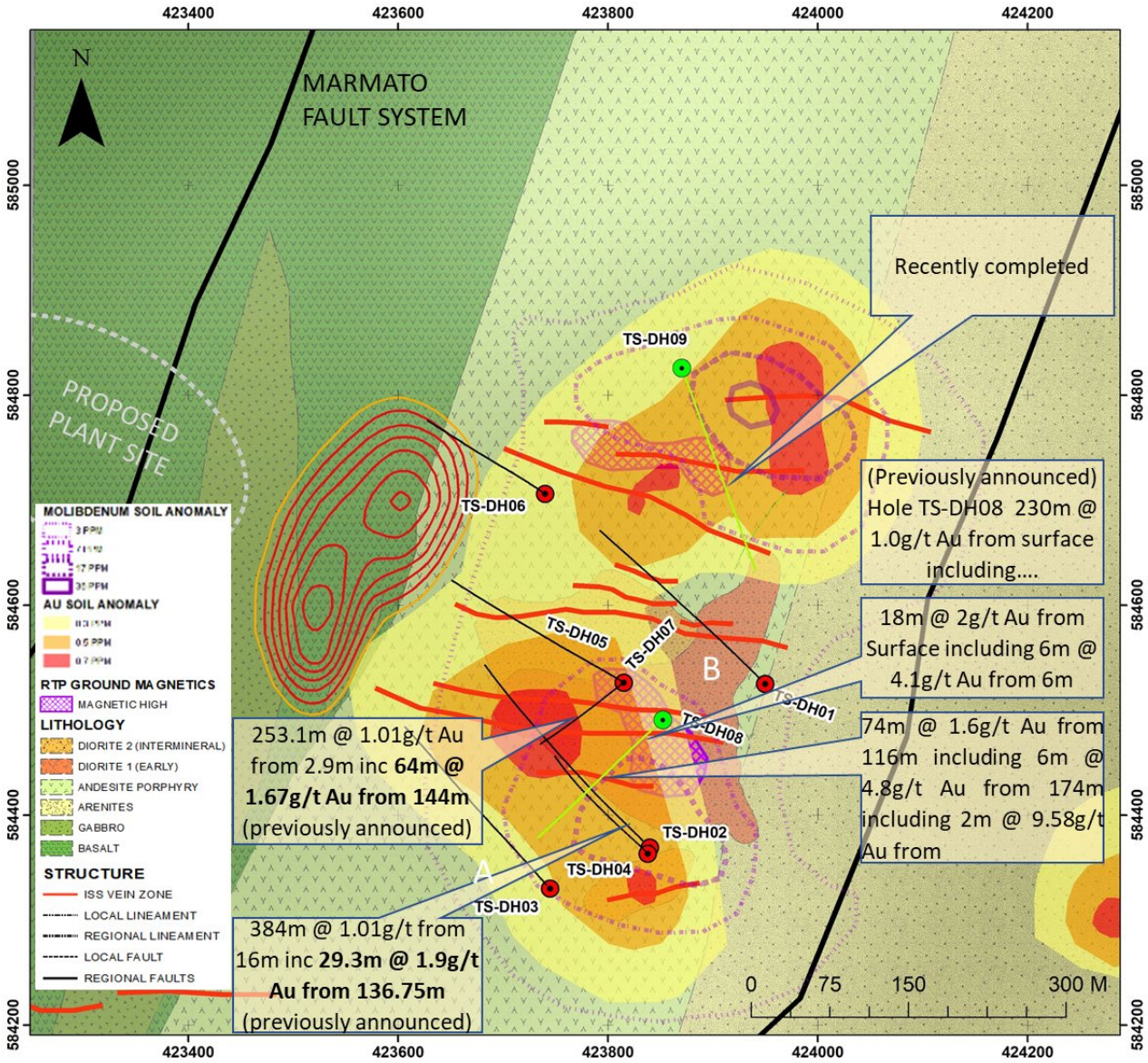

Figure 1: Hole TS-DH09 is the first hole to test the Tesorito northern anomaly.

About Los Cerros and the Quinchia Project

Los Cerros Limited is a gold/copper explorer with a dominant position within the Andes and Quinchia regions of the Mid-Cauca Gold belt of Colombia which hosts many major discoveries (Figure 2). The Quinchia Project hosts the Miraflores Gold Deposit with a **Resource of 877,000 Au ounces at 2.80g/t Au** and **Reserve of 457,000 Au ounces at 3.29g/t Au**[5].

Within 3km of Miraflores is the Tesorito near surface porphyry where the Company is currently drilling and the Chuscal target where a maiden drilling program was completed January 2020 and drilling is scheduled to re-commence in October 2020. There are several other targets within the region

[5] Refer ASX announcement dated 14 March 2017 (Resource) and 27 November 2017 (Reserve). The Company confirms that it is not aware of any new information or data that materially affects the information included in the market announcement, and that all material assumptions and technical parameters underpinning the estimate continue to apply

including the Dosquebradas deposit which has an Inferred Resource of 459,000 Au ounces grading 0.71g/t Au[6].

Located 70km to the north of Quinchia, the Andes Project is a large, cohesive and substantially underexplored tenement package of international significance in the Mid-Cauca Gold Belt with only ~10% of the land parcel explored with modern techniques. To date over 14,000 surface and rock chip samples have been collected to define multiple vein hosted and porphyry targets including the Gibraltar porphyry copper/gold target just 22km from, and in the same porphyry belt, as AngloGold Ashanti's Nuevo Chaquiro deposit.

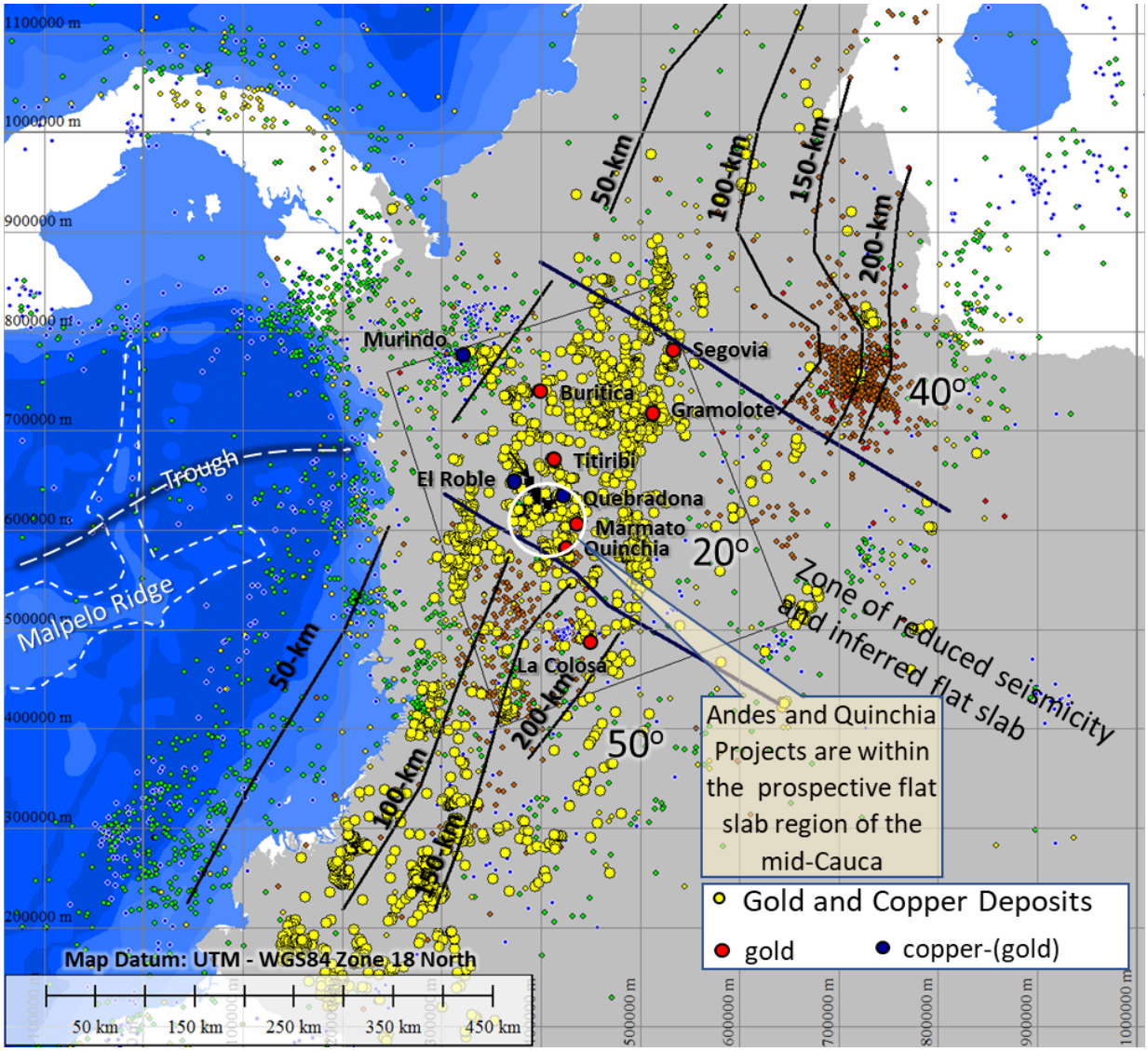

Figure 2: *Earthquake Hypocentres & Benioff Zone Contours. Approximate dips of Benioff zone are indicated by sector. Majority of large Au-(Cu) deposits occur in relatively aseismic zones, characterized by a volcanic gap and underlain by 'flat' slabs. The flat slab region of the Mid Cauca also hosts major discoveries such as Nuevo Chaquiro (also known as Quebradona), Marmato and Buritica*

[6] Inferred Mineral Resources using 0.5g/t Au cut-off grade. See announcement 25 February 2020. The Company confirms that it is not aware of any new information or data that materially affects the information included in the market announcement and that all material assumptions and technical parameters underpinning the estimate continue to apply

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.

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.

The information presented here that relates to Mineral Resources of the Dosquebradas Project, Quinchia District, Republic of Colombia is based on and fairly represents information and supporting documentation compiled by Mr. Scott E. Wilson of Resource Development Associates Inc, of Highlands Ranch Colorado, USA. Mr Wilson takes overall responsibility for the Resource Estimate. Mr. Wilson is Member of the American Institute of Professionals Geologists, a "Recognised Professional Organisation" as defined by the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Wilson is not an employee or related party of the Company. Mr. Wilson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012)'. Mr. Wilson consents to the inclusion in the news release of the information 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.

MIRAFLORES PROJECT RESOURCES AND RESERVES

The Miraflores Project Mineral Resource estimate has been estimated by Metal Mining Consultants in accordance with the JORC Code (2012 Edition) and first publicly reported on 14 March 2017. No material changes have occurred after the reporting of these resource estimates since their first reporting.

Miraflores Mineral Resource Estimate, as at 14 March 2017 (100% basis)

Resource Classification	Tonnes (000t)	Au (g/t)	Ag (g/t)	Contained Metal (koz Au)	Contained Metal (koz Ag)
Measured	2,958	2.98	2.49	283	237
Indicated	6,311	2.74	2.90	557	588
Measured & Indicated	**9,269**	**2.82**	**2.77**	**840**	**826**
Inferred	487	2.36	3.64	37	57

Notes:

i) Reported at a 1.2 g/t gold cut-off.
ii) Mineral Resource estimated by Metal Mining Consultants Inc.
iii) First publicly released on 14 March 2017. No material change has occurred after that date that may affect the JORC Code (2012 Edition) Mineral Resource estimation.
iv) These Mineral Resources are inclusive of the Mineral Reserves listed below.
v) Rounding may result in minor discrepancies.

Miraflores Mineral Reserve Estimate, as at 27 November 2017 (100% basis)

The Miraflores Project Ore Reserve estimate has been estimated by Ausenco in accordance with the JORC Code (2012 Edition) and first publicly reported on 18 October 2017 and updated on 27 November 2017. No material changes have occurred after the reporting of these reserve estimates since their reporting in November 2017.

Reserve Classification	Tonnes (Mt)	Au (g/t)	Ag (g/t)	Contained Metal (koz Au)	Contained Metal (koz Ag)
Proved	1.70	2.75	2.20	150	120
Probable	2.62	3.64	3.13	307	264
Total	**4.32**	**3.29**	**2.77**	**457**	**385**

Notes:

i) Rounding of numbers may result in minor computational errors, which are not deemed to be significant.
ii) These Ore Reserves are included in the Mineral Resources listed in the Table above.
iii) First publicly released on 27 November 2017. No material change has occurred after that date that may affect the JORC Code (2012 Edition) Ore Reserve estimation.

Source: Ausenco, 2017

Dosquebradas Inferred Mineral Resource Estimate, as at 25 February 2020 (100% basis)

Cut-Off (g/t Au)	Tonnes ('000t)	Au (g/t)	Au (koz)	Ag (g/t)	Ag (koz)	Cu (%)	Cu (pounds)
0.3	57,794	0.50	920.8	0.6	1,036	0.04	56,767
0.4	34,593	0.60	664.1	0.6	683.8	0.05	38,428
0.5	**20,206**	**0.71**	**459.1**	**0.7**	**431.7**	**0.06**	**24,867**

Notes:

i) No more than 6m internal waste is included in the weighted intervals
ii) Inferred Mineral Resources shown using various cut offs.
iii) Based on gold selling price of US$1,470/oz.
iv) Mineral Resource estimated by Resource Development Associates Inc.

First publicly released on 25 February 2020. No material change has occurred after that date that may affect the JORC Code (2012 Edition).

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Not reporting on assaying or sampling for drill hole TS-DH09 at this stage. • No analytical data is currently available at this stage for TS-DH09. • Information on lithology, alteration and indications of mineralisation ie sulphide concentrations and vein densities are qualitative, based on visual logging by the project geologists. These features indicate zones of potential gold mineralisation, however geochemistry is required to confirm the presence and grade of gold value.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• The Tesorito drilling program is a diamond drilling using HQ diameter core. In the case of operational necessity this will be reduced to NQ core. Where ground conditions permit, core orientation is conducted on a regular basis.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to*	• The drillers are required to meet a minimum recovery rate of 95%. • On receipt the core is visually verified for inconsistencies including depth labels, degree of fracturing (core breakage versus natural), lithology progression etc. If the core meets the required conditions it is cleaned, core pieces are orientated and joined, lengths and labelling are verified, and geotechnical observations made. The core box is then photographed.

Criteria	JORC Code explanation	Commentary
	preferential loss/gain of fine/coarse material.	• Orientated sections of core are aligned, and a geologic log prepared. • Following logging, sample intervals are determined and marked up and the cutting line transferred to the core.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Preliminary field logging is completed by Company Geologists on standard log sheet templates. The logging is predominantly qualitative with visual estimates made of vein densities. No reports on assays or sampling or quantitative values is made at this stage. • Initially a quicklog is carried out to guide sampling and then this is followed by detailed logging. The level of logging is appropriate for exploration and initial resource estimation evaluation.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• After logging and definition of sample intervals by the geologist, the marked core is cut in half using a diamond saw in a specially designed facility on site. All core is cut and sampled. The standard sample interval is 2m but may be varied by the geologist to reflect lithology, alteration or mineralization variations. • As appropriate, all half or quarter core generated for a specific sample interval is collected and bagged. The other half of the core remains in the core box as a physical archive. • The large size (4-8kg) of individual samples and continuous sampling of the drill hole, provides representative samples for exploration activities. • Through the use of QA/QC sample procedure in this phase of drilling, any special sample preparation requirements eg due to unexpectedly coarse gold, will be identified and addressed prior to the resource drilling phase.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Gold assays will be obtained using a lead collection fire assay technique (AuAA26) and analyses for an additional 48 elements obtained using multiacid (four acid) digest with ICP finish (ME-MS61) at ALS's laboratory in Lima, Peru. • Fire assay for gold is considered a "total" assay technique. • An acid (4 acid) digest is considered a total digestion technique. However, for some resistant minerals, not considered of economic value at this time, the digestion may be partial e.g. Zr, Ti etc. • No field non-assay analysis instruments were used in the analyses reported. • Los Cerros uses certified reference material and sample blanks and field duplicates inserted into the sample sequence. • Geochemistry results are reviewed by Los Cerros for indications of any significant analytical bias or preparation errors in the reported analyses.

Criteria	JORC Code explanation	Commentary
		• Internal laboratory QAQC checks are also reported by the laboratory and are reviewed as part of the Los Cerros QAQC analysis. The geochemical data is only accepted where the analyses are performed within acceptable limits.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• All digital data received is verified and validated by the Company's Competent Person before loading into the assay database. • Over limit gold or base metal samples are re-analysed using appropriate, alternative analytical techniques. (Au-Grav22 50g and OG46) • Reported results are compiled by the Company's geologists and verified by the Company's database administrator and exploration manager. • No adjustments to assay data were made.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• The drill hole is located using a handheld GPS and Lider DTM. This has an approximate accuracy of 3-5m considered sufficient at this stage of exploration. • On completion of the drilling program the collars of all holes will be surveyed using high precision survey equipment. • Downhole deviations of the drill hole are evaluated on a regular basis and recorded in a drill hole survey file to allow plotting in 3D. • The grid system is WGS84 UTM Z18N.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• n/a.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Drill hole is preferentially located in prospective area. • All drillholes are planned to best test the lithologies and structures as known taking into account that steep topography limits alternatives for locating holes.
Sample security	• *The measures taken to ensure sample security.*	• All samples are secured in a closed facility at Quinchia secured by armed guard on a 24/7 basis. Each batch of samples are transferred in a locked vehicle and driven 165km to ALS laboratories for sample preparation in Medellin.

Criteria	JORC Code explanation	Commentary
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• At this stage no audits have been undertaken.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Exploration Titles were validly issued as Concession Agreements pursuant to the Mining Code. • The Concession Agreement grants its holders the exclusive right to explore for and exploit all mineral substances on the parcel of land covered by such concession agreement. • There are no outstanding encumbrances or charges registered against the Exploration Title at the National Registry.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Artisanal gold production was most significant from the Miraflores mines during the 1950s. Interest was renewed in the area in the late 1970s. In the 1980s the artisanal mining cooperative "Asociación de Mineros de Miraflores" (AMM) was formed. • In 2000, the Colombian government's geological division, INGEOMINAS, with the permission of the AMM, undertook a series of technical studies at Miraflores, which included geological mapping, geochemical and geophysical studies, and non-JORC compliant resource estimations. • In 2005, Sociedad Kedahda S.A. (Kedahda), now called AngloGold Ashanti de Colombia S.A., a subsidiary of AngloGold Ashanti Ltd., entered into an exploration agreement with the AMM, and carried out exploration including diamond drilling in 2005 to 2007 at Miraflores, completing 1,414.75m. • In 2007 Kedahda optioned the project to B2Gold Corp. (B2Gold), which carried out exploration including additional diamond drilling from 2007 to 2009. B2Gold made a NI 43-101 technical study of the Miraflores Project in 2007. • On 24 March 2009, B2Gold advised the AMM that it had decided not to make further option payments and the property reverted to AMM under the terms of the option agreement. • Seafield signed a sale-purchase contract with AMM to acquire a 100% interest in the Mining Contract on 16 April 2010. • Seafield completed the payments to acquire 100% of rights and obligations on

Criteria	JORC Code explanation	Commentary
		the Miraflores property in 30 November 2012. AMM stopped the artisanal exploitation activities in the La Cruzada tunnel on the same date, 30 November 2012 and transferred control of the mine to Seafield. • Since June 2010, Seafield has drilled 63 drillholes for a total of 22,259m on the Miraflores Project adjacent to Tesorito. • The initial exploration undertaken by Seafield at Tesorito in 2012 and 2013 included systematic geological mapping, rock and soil sampling, followed by trenching within the area of anomalous Au and Cu in soils. • Seafield commissioned an Induced Polarisation (IP) survey over the Tesorito Prospect in August 2012 and undertook a three-hole diamond drilling program for a total of 1,150.5m in 2013.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Tesorito area is underlain mainly by fine to coarse grained, intrusive porphyritic rocks of granodioritic to dioritic composition, which intrude an andesite porphyry body of the Miocene Combia formation, Tertiary sandstones and mudstones of the Amaga Formation, as well as basaltic rocks of the Barroso Formation of Cretaceous age. The intrusives suite show variable intensities of hydrothermal alteration, including potassic alteration overprinted by quartz-sericite and sericite-chlorite alteration. NNE to EW faulting controls the intrusive emplacement and mineralization, including faulting of contacts between the rock units. The depth of sulphide oxidation observed in the drill holes is approximately 20m. • Gold, copper and molybdenite observed in the intrusive rocks is typical of Au-Cu-Mo rich porphyry deposit; mineralisation occurs as sulphides and magnetite in disseminations as well as in veinlets and stockworks of quartz. Pyrite, chalcopyrite and molybdenite have been recognised.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does*	<table><tr><th>Drill Hole</th><th>Easting</th><th>Northing</th><th>Azimuth</th><th>Inclination</th><th>RL</th><th>Final Depth</th></tr><tr><td>TS-DH09</td><td>423871</td><td>584826</td><td>160</td><td>70</td><td>1267masl</td><td>452,50m</td></tr></table>

Criteria	JORC Code explanation	Commentary
	not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Not reporting on assaying or sampling – not required.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The results reported in this announcement are considered to be of an early stage in the exploration of the project. • Mineralisation geometry is not accurately known as the exact number, orientation and extent of mineralised structures are not yet determined.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Geological map showing exploration results including drilling over the Tesorito Prospect is shown in the body of the announcement.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Reporting is considered balanced.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• A ground magnetic survey that covered the Chuscal and Tesorito Prospects was performed in 2019 and presented two magnetic high anomalies that are spatially related to the soil gold and molybdenum anomalies. The magnetic high anomalies appear associated with the presence of potassic alteration and quartz-magnetite veining and stockworks.

Criteria	JORC Code explanation	Commentary
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Drillhole TS-DH09 is the first drillhole into the Tesorito northern anomaly. Following receipt of assays, it is likely that additional drilling is required to systematically test the nature and extent of any mineralization. • The objective of TS-DH09 is to test the northern coincident gold-molybdenum soil geochemistry and magnetic anomalies.