

Third diamond drill rig arrives and assigned to Miraflores gold deposit

HIGHLIGHTS

- **Third drill rig to be allocated to Miraflores to test new targets generated from geological review with the ultimate objective to enhance the Miraflores Resource/Reserve**
- **Third rig is the Company's recently purchased Atlas Copco diamond rig which is expected to bring significant operating and cost efficiencies**
- **Miraflores has an existing Resource of 877,000 Au ounces at 2.80g/t Au and Reserve of 457,000 Au ounces at 3.29g/t Au¹**
- **Tesorito south holes TD-DH10 and TS-DH11 completed - assays pending**
- **Chuscal holes CHDDH005, CHDDH006 and CHDDH007 completed - assays pending**
- **Drilling at Tesorito, Chuscal is continuing, and Miraflores to commence imminently, with sustained activity for the balance of 2020 expected to continue well into 2021.**

Los Cerros Limited (ASX: LCL) (Los Cerros or the Company) is pleased to advise that its newly purchased diamond drill rig has cleared Colombian customs and is in the process of being commissioned. The rig will initially be assigned to the Miraflores gold deposit and will take the Company's drill program to three rigs drilling concurrently across three sites within the Quinchia Project, being the Tesorito Prospect, Chuscal Prospect and now also at the Miraflores gold deposit.

The Company anticipates that the use of its own rig will bring efficiencies and economic savings not usually available through conventional service provider arrangements. Los Cerros is in a unique position in that it can commission the rig alongside two other rigs and leverage the expertise of the drilling service provider during the important commissioning process.

Recent Miraflores modelling reveals multiple drill targets

The Miraflores gold deposit is on the side of a hill overlooking the Tesorito southern porphyry which is ~900m downhill and onto the valley floor (Figure 1). Miraflores comprises intermediate sulphidation epithermal mineralisation in the form of a breccia pipe with a diameter of 250m x 280m, extending 600m vertically where it widens and remains open at depth. The breccia pipe itself consists of several pulses of breccia with a white-grey breccia pulse carrying higher gold grade than other breccia pulses. Some 20+ sheeted veins, predominantly NW trending, cut the breccia pipe and carry the highest gold values, in particular where the 220 and 800 vein sets intersect to form shoots within the white-grey breccia.

Recently completed drill core re-logging and 3D modelling has revealed that the abovementioned sheeted veins and white-grey breccia, potentially remain open in some directions and are more widespread than previously assumed. The drill program, initially comprising 4 to 6 holes for a total of ~1,000m (Figures 2 & 3), will explore zones both within the current resource model and extensions to the resource where sheeted veins or white-grey breccia are interpreted.

¹ 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 releases

Miraflores previous results include the following highly encouraging intercepts²:

- **449m @ 1g/t Au from 53.1m, including 23.95m @ 4.67g/t Au** from 282.55m in QM-DH-03
- **369.7m @ 1g/t Au from surface** in QM-DH-11
- **167.76m @ 1g/t Au** from 178.9m in QM-DH-24
- **6.0m @ 11.04 g/t Au** from 343.1m within 194.9m @ 1.57g/t from 159.4m in QM-DH-32A
- **10.6m @ 11.97g/t Au** from 233m within 114.7m @ 1.89g/t from 185.9m in QM-DH-33
- **60.0m @ 5.48 g/t Au** from 225m within 161.15m @ 3.23g/t Au from 183m in QM-DH-34
- **59.2m @ 5.72 g/t Au** from 182.8m within 238.15m @ 2.06g/t Au from 146m in QM-DH-50

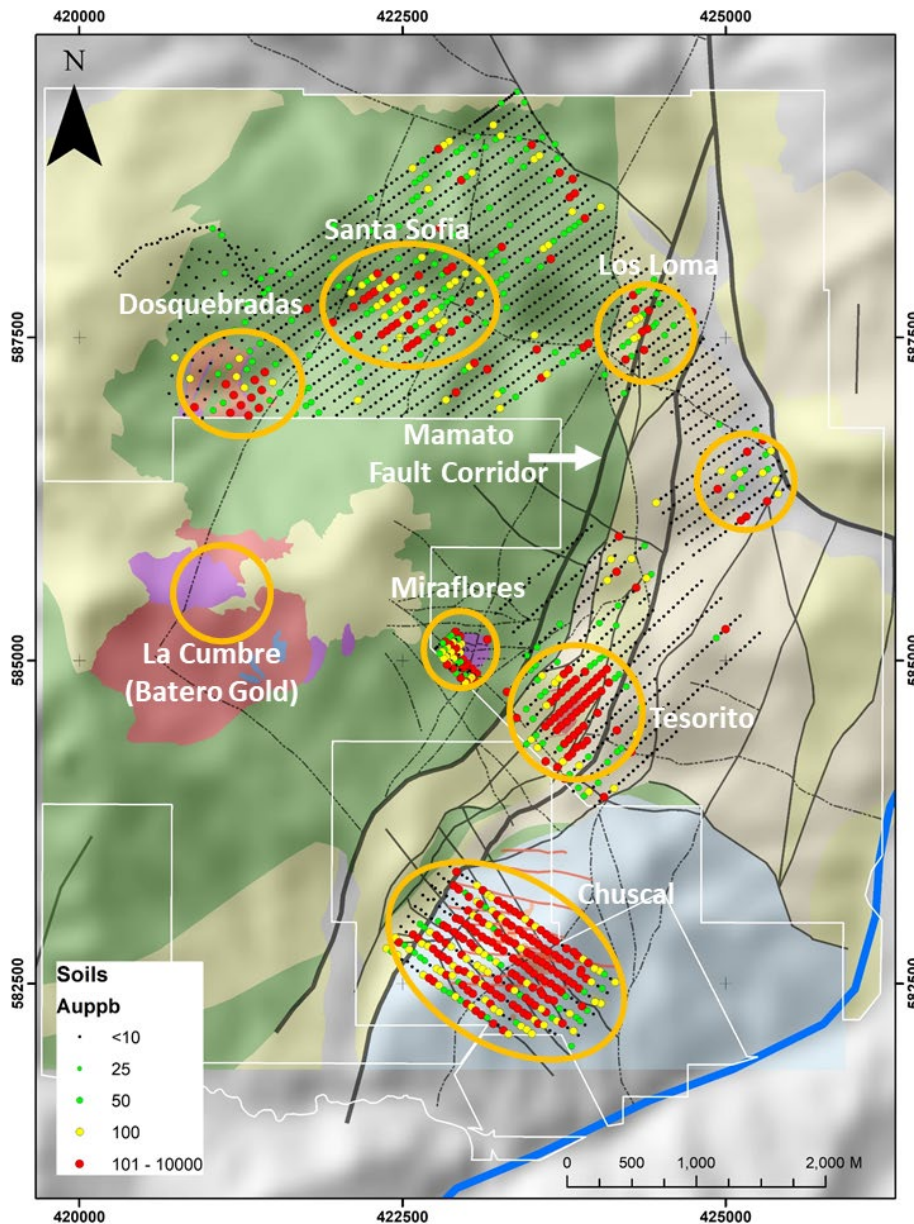


Figure 1: Miraflores is at the centre of the Quinchia Gold Project and overlooks the Tesorito porphyry targets in a valley to the south east.

² Refer announcement 14 March 2017. The Company confirms that it is not aware of any new information that affects the information contained in this release

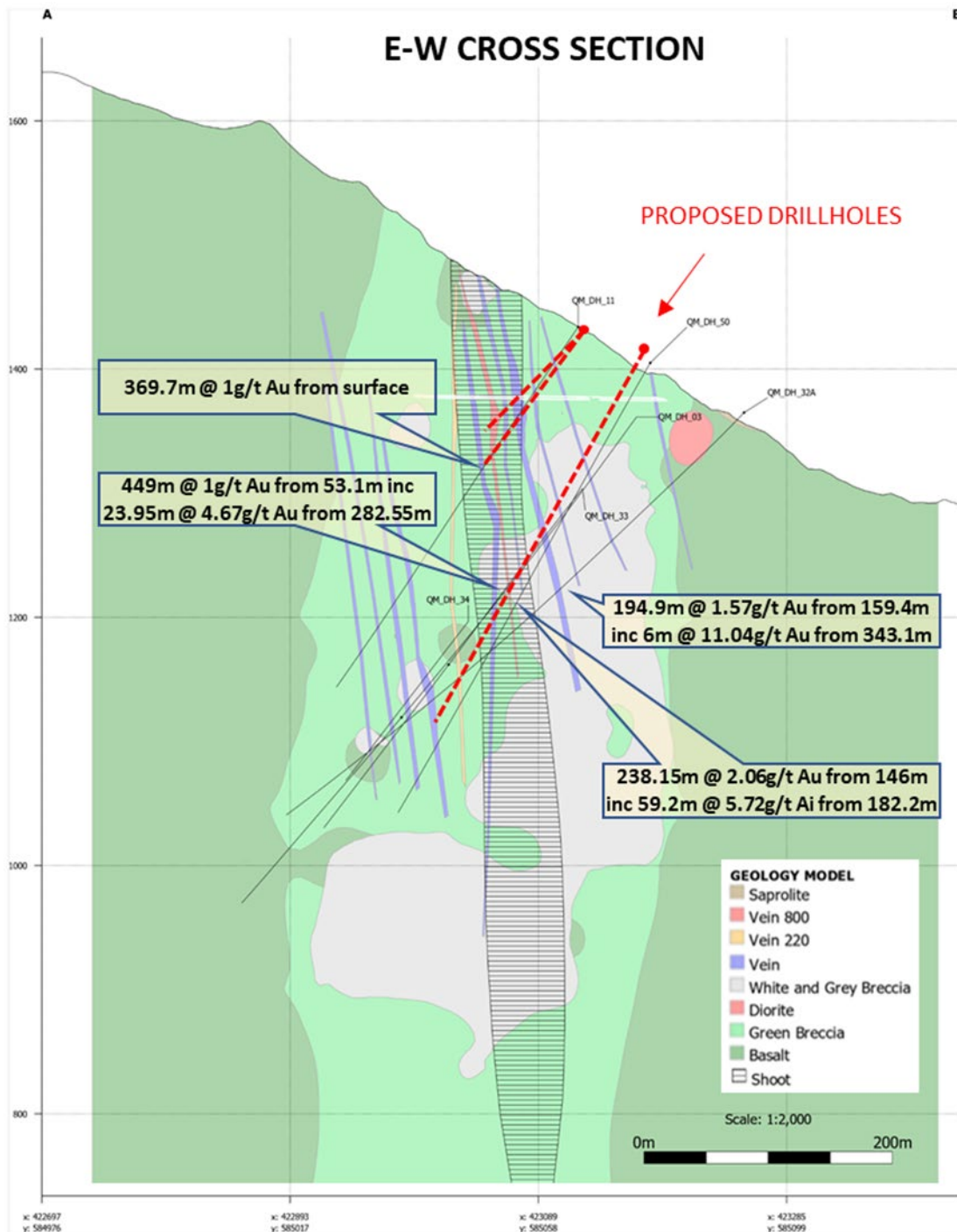


Figure 2: Miraflores cross-section with proposed drillholes and previously announced intercepts. Proposed drillholes focus on areas of anticipated white breccia and a mineralised shoot that hosts many of the higher grade historical intercepts. Note, traces of historic drill holes sit within a wide band and are projected onto the cross section plane (see Figure 3). Planned holes form part of the Company's current workplan however there is no guarantee that all holes will be drilled.

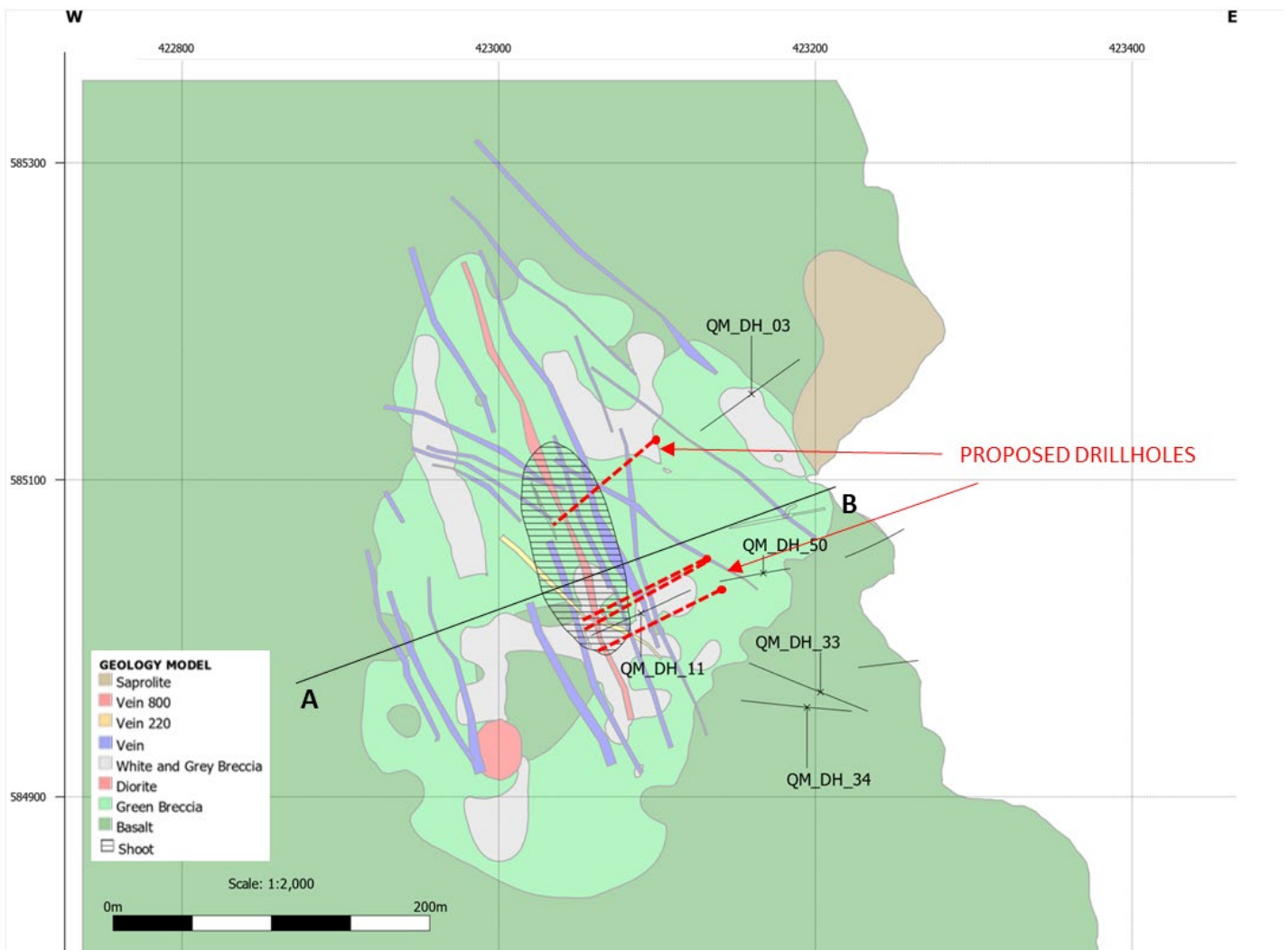


Figure 3: Miraflores plan view at 1,375m elevation.

Los Cerros' Managing Director Jason Stirbinskis commented:

"This will be the first drill program that Los Cerros has drilled at Miraflores since before the DFS was completed by prior management in October 2017 in what was a very different gold price environment.

The new executive team's fresh re-evaluation of the geological model has created considerable opportunity for drilling a potential boost to grade and/or tonnes at Miraflores which has delivered very encouraging intercepts in historical drilling.

The drilling program is a critical input into any subsequent potential re-assessment of the Miraflores Resource and its role in the broader Quinchia Project of which Miraflores, Tesorito and Chuscal are a part".

Drilling at Tesorito, Chuscal and Miraflores to see the year out

The current expanded drilling program broke ground mid-August and has thus far completed seven holes for a total of 1,963m. Drill results released have included -

- **230m @ 1.0g/t gold from surface (uncut)³ in TS-DH08⁴ including higher grade intercepts at depth as it passed through the diorite porphyry core**
- **360m grading 0.39g/t gold from surface⁵ in TS-DH09 and revealing strong indications for a nearby porphyry at similar depths to the southern Tesorito diorite porphyry**

The Company currently has an additional two drillholes completed with assay results pending at Tesorito. Holes TS-DH10 and TS-DH11 tested the eastern and western extremes of the southern Tesorito porphyry (Figure 4) and assay results are expected in early November. The rig has returned to Tesorito north to test vectors and pathfinders encountered in TS-DH09. Current drilling at the north will allow time to refine 3D models of the southern porphyry before the rig returns to further explore lateral and depth extent of this mineralised system.

At Chuscal there are three shallow holes completed with assay results pending for CHDDH005, CHDDH006 and CHDDH007 (Figure 5). These holes, and CHDDH008 in progress, were designed as short holes, pursuing near-surface gold in epithermal vein systems and providing critical structural and vector information to assist in targeting the deeper mineralised porphyry(ies).

³ Includes values below 0.1 g/t Au intervals which occur in isolated intervals of up to 4m length. Maximum value was 9.58 g/t Au over 2m. All widths quoted are intercept widths, not true widths, as there is insufficient information at this stage of exploration to know the geometries within the system

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

⁵ First released 9 October 2020. The Company confirms that it is not aware of any new information that affects the information contained in the announcement

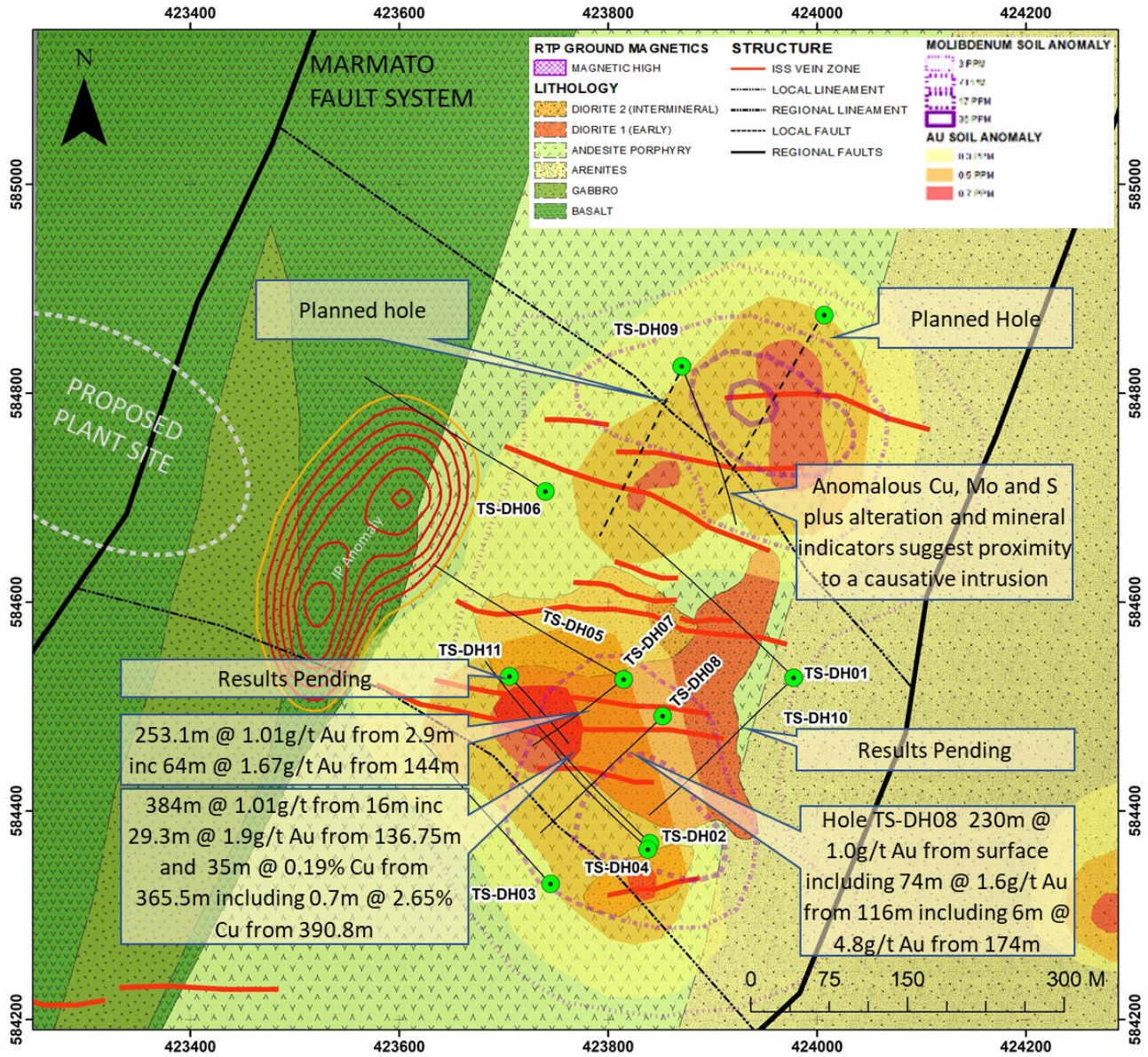


Figure 4: The rig is currently drilling at the early stage northern target before returning to the southern target to test the northerly extent of the southern porphyry diorite.

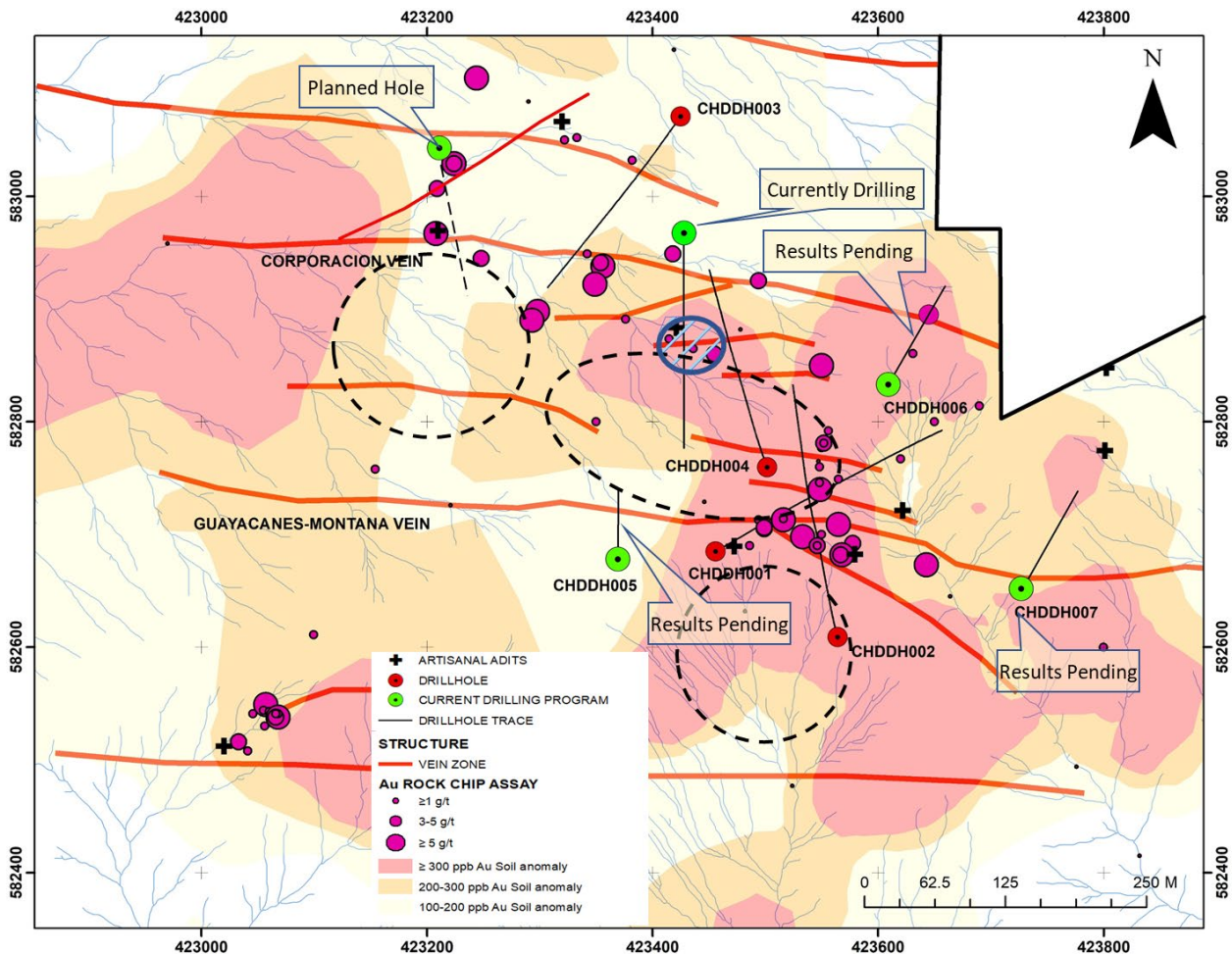


Figure 5: The current short hole program will provide valuable information for targeting potential underlying porphyry(ies). The Company is currently drilling CHDDH008 which is expected to also test the Tres Cuevas Breccia (blue circle), a breccia pipe containing historical artisanal mines. Black circles define interpreted regions of interest for possible porphyry sources.

Jason Stirbinskis added:

“We expect the above programs described at Miraflores, Tesorito and Chuscal will see us through to year end. We anticipate the new year will see us infill drilling at Tesorito south, further developing Tesorito north and drilling for the porphyry, or more likely porphyries, that are behind the expansive Chuscal surface anomalism. At Miraflores, the above-mentioned drill program is a critical input into the next steps of exploration with several pathways to consider once results are in-hand. The Company is well positioned to continue its exploration program at pace and maintaining the current momentum into 2021”.

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 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.

TABLE 2 - 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