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## LATIN RESOURCES SIGNS LICENCE OPTION AGREEMENT FOR PATENTED LITHIUM EXTRACTION TECHNOLOGY IN ARGENTINA.

### HIGHLIGHTS

- **Binding option agreement allows Latin Resources exclusive access to a patented spodumene to lithium carbonate technology developed by the National University of Cuyo (UnCuyo) in Mendoza, Argentina.**
- **The agreement gives Latin Resources the exclusive rights to the use and commercial exploitation of the patented technology in Argentina, Australia, China, Canada and the USA.**
- **The patented technology, will potentially allow Latin Resources the opportunity in its own right to develop its large scale hard rock spodumene pegmatite projects in Argentina into lithium carbonate production.**

**Latin Resources Limited (ASX: LRS) ("Latin" or "the Company")** is very pleased to announce that it has secured the first option to acquire on an exclusive basis the license of the patented technology from the University of Cuyo (**UnCuyo**) in Mendoza Argentina for commercial use and exploitation in Argentina, Australia, China, Canada and the USA ("**Agreement**").

UnCuyo through the Secretariat of Science, Technology and Postgraduate, the Secretariat of Institutional Development and the Foundation of the National University of Cuyo, has identified, protected and promoted a now patented technology to be licensed which consists of the process of obtaining Lithium Carbonate from Lithium Aluminosilicates including spodumene ("**the Technology**").

Through the patent applications AR20140101536 (9/4/2014) and PCT / IB2015 / 052512 (7/4/2015) the Technology was developed and protected by UnCuyo for the purpose of eventually entering into a license agreement with a third party for the commercial use and exploitation of the Technology for industrial purposes. Latin is now that third party.

Pursuant to the Agreement Latin Resources has agreed with UnCuyo to support the development of the Technology through the financing and scaling up of the Technology. The first stage of funding to be provided by Latin will enable UnCuyo to build a lab scale pilot plant to test the Technology within their Mendoza campus. The second stage funding will then allow UnCuyo to build a full size pilot plant to test the Technology at a commercial scale level.

Depending on the results of the first technological tests carried out by UnCuyo in relation to the development of the Technology, Latin will have the following rights and/or benefits under the Agreement:

- A first option to acquire an exclusive license for the commercial use and exploitation of the Technology, under conditions to be defined (**the "License Option"**). If Latin exercises its right to the License Option such license will be subject to the payment of royalties, which shall be established on a range between 1 and 3% based on the amount of Carbonate Lithium obtained through the Technology and sold by Latin or its nominee.
- Latin's right to acquire the Technology, for an amount to be agreed in good faith, shall become effective upon completion of the first technological laboratory tests carried out by UnCuyo.
- After the first results of the technological tests are obtained and considered successful by agreement between Latin and UnCuyo, UnCuyo will grant Latin the first option to fund a second stage which will consist on the scaling up of the process to a pilot plant aiming to increase the production capacity.
- The exclusive license to the Technology will be granted in favor of Latin in the territories of Argentina, Australia, China, Canada and the United States of America.
- This Agreement does not prevent UnCuyo from using its patents and associated intellectual and industrial property rights to freely protected technology for research purposes and as a basis for new developments.

The recovery procedure comprising the patented Technology was developed by the researcher Mario Rodriguez, Extractive Metallurgy Laboratory and Synthesis of Materials (Mesimat) of the Faculty of Exact Sciences at UnCuyo. He was assisted in the studies and tests by his colleagues, Drs. Daniel Rosales and Maria del Carmen Ruiz.

Minerals with which they worked were extracted from a spodumene mine located in San Luis, and correspond to the family of lithium aluminosilicate: spodumene, lepidolite and petalite.

The UNCuyo researchers discovered and developed the Technology as an alternative to the current method of lithium extraction: the rock is crushed and, through chemical treatments, the lithium is recovered in the form of salts. The method is environmentally friendly, and it leaves no environmental legacies which other procedures do that are currently being used for lithium carbonate recovery.

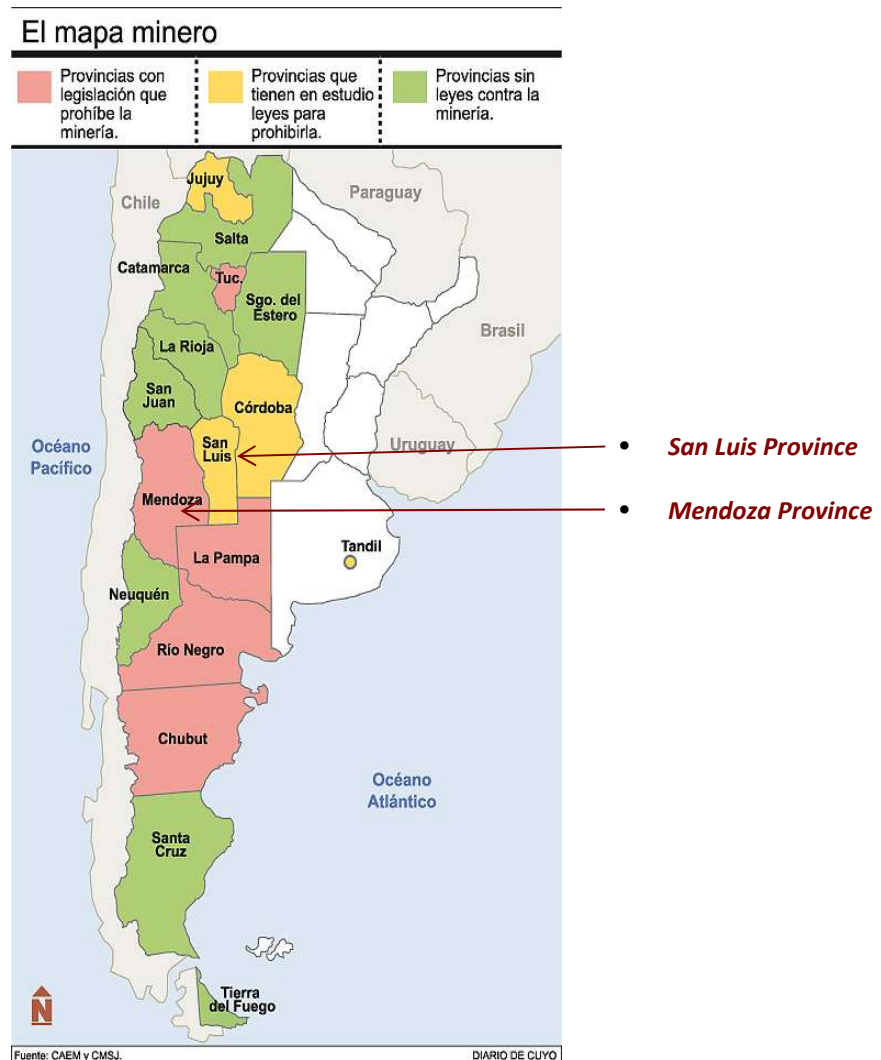
**Dr Rodriguez has stated** *"It is an alternative process that lower the costs and makes intensive use of the mineral besides lithium; several commercially important products are also obtained through the process"*

Importantly, the Technology was developed at the UnCuyo University using lithium spodumene samples from the San Luis province of Argentina. The Technology would therefore prove to be highly

valuable to Latin if proven successful at a scalable size as Latin controls a large number of concessions that host lithium spodumene pegmatites in the San Luis province.

The strategy moving forward for Latin Resources is now to produce a maiden JORC resource, to run in parallel with the design and permitting of a spodumene plant to add to an existing mining plant operation in San Luis.

**The recent acquisition of known high grade lithium deposits coupled with Latin Resources other lithium pegmatite concessions together with existing plant processing capacity in San Luis presents a unique opportunity for Latin Resources to fast track production of spodumene concentrate. The successful development of the lithium carbonate Technology would then enable Latin Resources to provide the full value chain of processing hard rock to spodumene concentrate to lithium carbonate for the expanding global electric battery market.**



**Figure 1: Mendoza and San Luis Province.**

**Managing Director Chris Gale** commented: *“The securing of a lithium carbonate technology is another step forward for Latin Resources to move into the lucrative production of the highly valued electric battery minerals market. The current price of spodumene concentrate is \$700-\$900 compared to lithium carbonate price of between \$12,000 - \$15, 0000 ,this will add incredible value if the technology is proven successful at commercial scale.”*

He went on to say, *“Latin Resources is now very focused on developing a JORC resource over the coming months and then moving into design phase for a spodumene concentrate plant.”*

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**About Latin Resources**

*Latin Resources Limited is a mineral exploration company focused on creating shareholder wealth through the identification and definition of mineral resources in Latin America. The Company has secured over 101,450 hectares of exploration concessions in the lithium pegmatite districts of Catamarca and San Luis Provinces, Argentina.*

*The company also has a portfolio of projects in Peru and is actively progressing its Iron Oxide-Copper-Gold and Copper Porphyry projects in the Ilo region with its joint venture partner First Quantum Minerals Ltd.*

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