

ASX Code: LCD

ABN 23 080 939 135

**Corporate Structure**

Issued Capital: 131M

Options Issued: 12M

Perform Shares: 4M

Perform Rights: 5M

Share price: \$0.023 (12 Jan 2018)

**CORPORATE DIRECTORY**

*Non-Executive Directors*

Timothy Moore (Chairman)

Morgan Barron

Nick Castleden

Roger Steinepreis

*Company Secretary*

Joel Ives

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## Latitude to Divest Mount Ida Gold Tenements to Alt Resources for A\$2 Million

### Highlights

- **Sale of Mt Ida Gold Project - comprising Quinn's Mining Centre (100%) and Mt Ida South JV (80%) assets - to Alt Resources Limited (ASX: ARS)**
- **Consideration of A\$1M cash and A\$1M in Shares and Options in Alt Resources**
- **Divestment strengthens Latitude's cash balance and enables clear focus on unlocking Gecko North and Levels Well Projects respectively**
- **Latitude actively assessing a number of strategic acquisition opportunities to further strengthen asset base in the near-term**

WA-focused gold exploration company **Latitude Consolidated Limited** (ASX: LCD) ("Latitude" or "the Company") wishes to advise that it has entered into a binding Heads of Agreement ("HOA") with Alt Resources Limited (ASX: ARS) ("Alt") for the sale of its Mt Ida Project tenements located approximately 200km north-west of Kalgoorlie in Western Australia. The sale will be a disposal of 100% of the issued capital MGK Resources Pty Ltd (Latitude's wholly owned subsidiary) to Alt on completion of the agreement.

The sale includes all gold projects (the "Projects") comprising the Mt Ida tenement package, including the Quinn's Mining Centre (QMC), Mt Ida South and the Mt Ida joint venture projects respectively.

Following the sale, Latitude will maintain a 100% interest in both the Gecko North and Levers Well Gold Projects in Western Australia.

### **Key Terms of Agreement**

Under the HOA executed between Latitude and Alt, Alt will meet the following conditions in order to acquire Latitude's interests in the Mt Ida Gold Projects:

- Make a cash payment of \$400,000 to LCD within 7 days of signing the Agreement;
- Issue \$750,000 in tradeable fully paid ordinary ARS shares at a deemed price of 6 cents for a total of 12,500,000 shares, with a voluntary escrow period of 6 months as at the 31<sup>st</sup> March 2018;
- Grant \$250,000 of options over fully paid ordinary ARS shares, being 3,125,000 options, with each option having an exercise price of 8 cents and exercisable for 3 years from date of issue. The issue of shares and options pursuant to the acquisition of the LCD assets is subject to shareholder approval;
- Make a cash payment of \$600,000 to LCD on or before the 31<sup>st</sup> March, 2018; and
- Latitude may be required under ASX Listing Rules to seek shareholder approval for the divestment of this asset. If required, the Company will seek to lodge a Notice of Meeting in the coming week.

**Latitude Chairman, Tim Moore, commented:**

“The sale of LCD’s Mt Ida Gold Project is a strategic decision aimed at providing Latitude with the requisite near-term flexibility and funding to actively pursue a number of opportunities that we believe can deliver significant near-term value for our shareholders.

“Importantly, the divestment also allows Latitude’s management team to narrow its focus towards unlocking value from its remaining highly prospective gold assets including the Gecko North Project and the recently acquired Levers Well Project in the Pilbara.

“Our exploration team is currently finalising an exploration program aimed at further investigating a number of key targets within both the Gecko North and Levers Well projects respectively, and we look forward to updating shareholders on these plans in the near-term.”

**Gecko North Project**

The Gecko North Project (Exploration License Application E15/1587) is considered to be highly prospective, and is situated in close proximity to Beacon Minerals Limited (ASX: BCN) Jaurdi Gold Project which has a (JORC 2012) Measured, Indicated and Inferred mineral resource of 2.75Mt @ 1.77g/t Au for 156,500 ounces Au. Immediately south of the application is Golden Eagle Mining’s Gecko Project, which has a (JORC 2012) Indicated and Inferred mineral resource of 2.7Mt @ 1.7g/t Au for 145,000 ounces. It is important to note that these references to JORC mineral resources do not in any way guarantee that LCD will have any success or similar successes in delineating a JORC compliant mineral resource on the Gecko North Project, if at all.

A review of historical data undertaken by Latitude’s exploration team has identified several highly prospective paleochannel targets that warrant immediate follow up work once the tenement is granted (see Figure 1). The regional drainage directions (NE and SW) are clearly visible from regolith and topographic maps, with paleochannel targets potentially draining from the Dunnsville Mining Centre and the Gecko Resource area. There also appears to be several areas where historical drilling has taken place. Further desk top work is being undertaken and the Company will update the market once this work is complete. The Company expects the tenement to be granted within the next 4-5 months.

**Levers Well Project**

Exploration Licence application E45/5050 (Levers Well Project) encompassing prospective basal conglomerate horizons of the lowermost Fortescue Group, as mapped by the Geological Survey of Western Australia (GSWA). The 12.7km<sup>2</sup> application (in red) is located approximately 90km west of Nullagine, along the margin of the contact between Fortescue Group basalts and sedimentary rocks, and underlying older Archaean basement (see Figure 2).

GSWA mapping shows at least 7km of potential ‘basal’ stratigraphy, including ~4km of contact between a geologically ‘unassigned’ unit described as coarse-grained and pebbly sandstones and pebble conglomerates that lie directly over underlying Archaean rocks (see ASX LCD announcement dated 30<sup>th</sup> November 2017). The Company considers that this unit may be stratigraphically equivalent to Hardy Formation rocks basal rocks mapped to the west and east of the project (Figure 2).

Recent exploration in the area has been dominated by iron ore exploration in which gold is not routinely assayed.

Reported conglomerate-hosted gold occurrences in lower Fortescue Group rocks have opened a considerable expanse of Pilbara geology for first-ever gold exploration, including in the region extending between Purdy's Reward and Beatons Creek (Figure 2). The Company is currently addressing two separate objections lodged over the tenement, and will provide an update when more information arises.

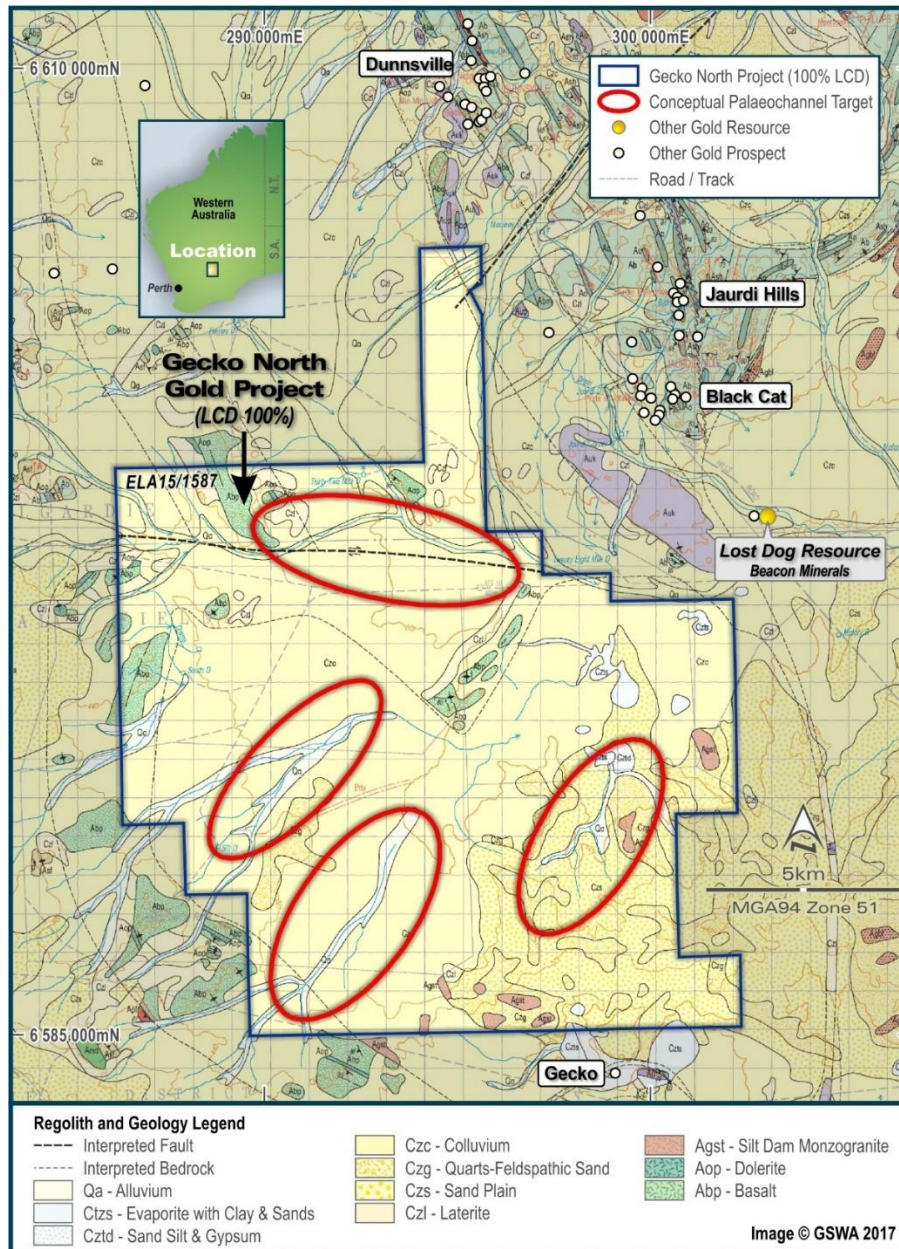
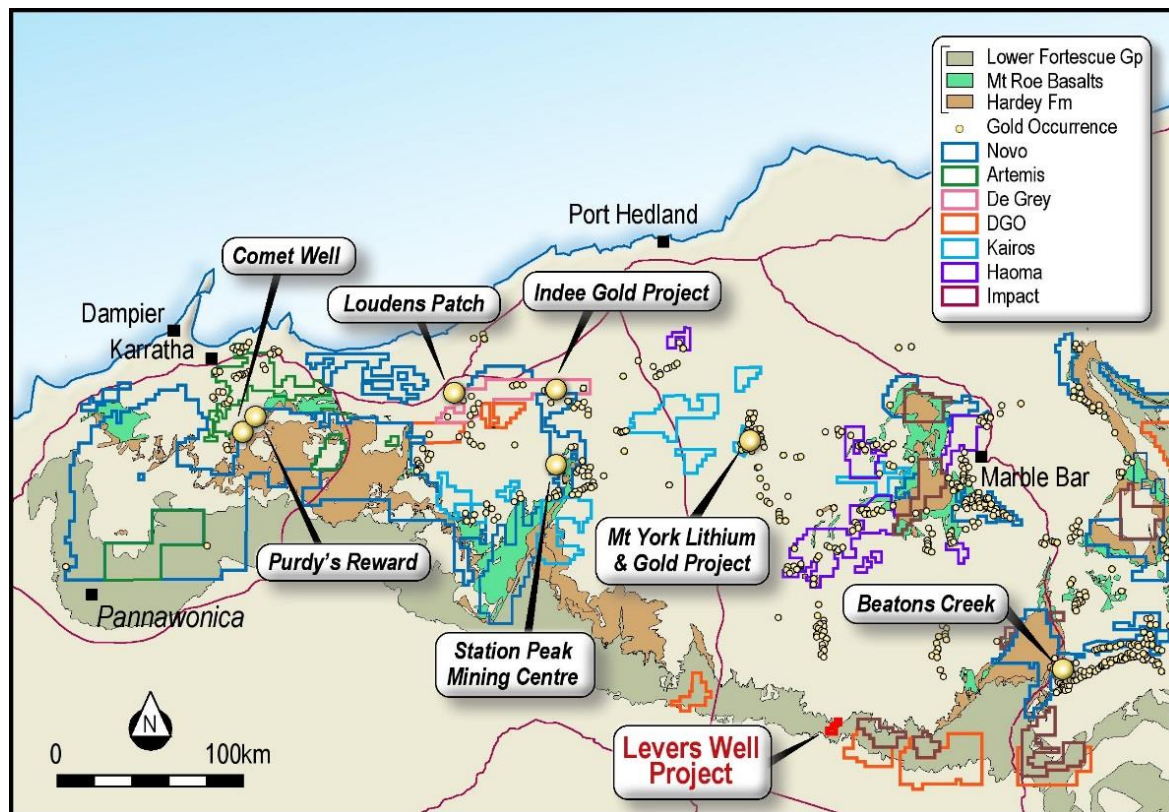


Figure 1. – Showing existing gold deposits and conceptual palaeochannel targets within ELA15/1587 (Gecko North Project).



**Figure 2: Regional tenement plan showing location of the tenement application, simplified lower Fortescue Group geology (GSWA), and gold deposits, including significant conglomerate-hosted gold occurrences of Purdy's Reward, Comet Well and Beatons Creek.**

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**About Latitude Consolidated:**

**Latitude Consolidated (ASX: LCD)** is an ASX-listed Perth-based resources company currently focused on exploring and developing its Western Australian gold portfolio, which comprises the Gecko North and Levers Well projects respectively. Latitude is also review a number of strategic opportunities in the resources sector, both in Australia and overseas, aimed at generating increased shareholder value.

**Cautionary Statement**

Levers Well application E45/5050 is an early stage, greenfield exploration project. The information in this release that relates to pebble conglomerates was obtained from the Geological Survey of Western Australia (GSWA) Mt Marsh 1: 100,000 scale geological sheet. Latitude Consolidated has not completed a comprehensive historical review and/or the appropriate verification process relating the prospectivity of the GSWA mapped pebble conglomerates and there are no reported occurrences of gold on tenure.

No Competent Person has done sufficient work to confirm the mapping by the GSWA or generally in accordance with JORC Code 2012. Investors are therefore cautioned against placing any reliance on any information provided in this release until the appropriate verification process and exploration evaluation has been undertaken and reported under JORC Code 2012. It is possible that following further evaluation and/or exploration work that the confidence in the information used to identify and acquire an interest in the area of interest may be reduced when reported under JORC Code 2012.

No work other than compilation, targeting and low-impact reconnaissance mapping and sampling can be undertaken until the licences are granted which amongst other things requires the consent of the Minister, or an Officer of the department acting with the authority of the Minister, and is also subject to the statutory Native Title notification and negotiation period. There are no material exploration results in this release and there is also no requirement for a JORC Code, 2012 Edition table.