



24 January 2019

PROJECTS UPDATE

HIGHLIGHTS

- **San Luis drill permit update**
- **UnCuyo University pilot plant – final stage testing completed**
- **Peru Copper update**

Latin Resources Limited (ASX: LRS) (“Latin” or “the Company”) provides the following update on its various projects located in Argentina and Peru, South America.

San Luis

On 27 November 2018 the Company announced that a social and environmental agreement had been reached with the communities of San Francisco and Rio Gomez in the province of San Luis. This agreement was an important step to secure the support and interest of the local community in actively participating in the development of a sustainable local mining industry based around the known lithium deposits in the locality of the projects of the Company known as Geminis, Don Gregorio and Maria Del Huerto.

The announcement on 27 November 2018 foreshadowed the entering into of further agreements with the province of San Luis moving the Company further along the required pathway to obtain the necessary drill permits to commence its exploration program.

Subsequent to the social and environmental agreement referred to above, a further agreement has now been signed with the San Luis province as a precursor to the issue of the long awaited drill permits. The objective of this preliminary agreement is to further enhance the co-operative relationship being developed between the Company and the province of San Luis and to establish the parameters for the issue of the drill permits to the Company to enable it to commence its exploration activities on its various mining concessions referred to.

With the preliminary agreement now signed, the authorised representative of the Company will now enter into discussions with the San Luis government with the objective of signing a more detailed Memorandum of Understanding (MOU) on behalf of the Company setting out the criteria to develop a lithium industry in the San Luis province. Upon the issue of the permits drilling will commence on selected projects within San Luis where drill targets have already been identified to ascertain the size and grade of the lithium resource.



Figure 1- "The Geminis concession"

The Geminis & Don Gregorio projects of the Company remains the focus of its exploration team in San Luis. The project tenements contain numerous large under explored pegmatites with known spodumene mineralization, most famously the Geminis Mine. The Company has been working on a detailed approach to systematically map and sample the pegmatite field to identify drill targets and potential for further lithium mineralization in the project area. A drilling specialist has also been appointed to drill test the Geminis pegmatite. The objective of the drill program will be to determine the extent along strike of the known pegmatite, overall thickness and consistency and grade of mineralisation and depth throughout.

UnCuyo University, Mendoza, Argentina

The UnCuyo University has completed the successful final stage test work on the spodumene to lithium carbonate process pilot plant in Mendoza, Argentina with Latin Resources receiving an advanced technical report on the process and the outcome. (See [ASX Quarterly Report dated 31 October 2018](#) and [ASX announcement dated 27 November 2018](#)).

The conclusions of the report highlight the establishment of optimal dissolution conditions to obtain a percentage of lithium carbonate extraction of 88%, with 90% of the maximum expected value with the patented procedure. The optimal conditions of chemical precipitation and the filtration surface have also been identified. Based on these results, it is considered that the process has been successful and the scientists at UnCuyo University believe with these positive test results the technology can host a viable large scale industrial plant.

The formal communication of the successful results of the lithium carbonate technological tests obtained by the University now meets the object of compliance with the license option agreement, from which arises the obligation of the parties entering into a licensing agreement for the commercial development of the technology. In this sense and as described in the first article of the licence agreement: *"the parties agree that after the first results have been obtained and considered successful according to the consideration of the parties, the University will grant the Latin Resources the first option to finance the second stage"*,

Therefore Latin Resources will now negotiate to enter into an agreement to move into the next stage of developing a commercial grade pilot plant to test the process on a larger scale.

MTO3 JV – First Quantum Minerals (FQM), Peru

Latin Resources is expecting final government approval to develop the exploration work to commence official drill permitting by First Quantum Minerals in February. The drill design has been completed for a 5000 meter diamond drilling program to be conducted once drill permits have been approved.

Westminster- Ausquest JV Copper Project, Southern Peru

The transfer of concessions from Latin Resources to its Canadian partner Westminster Resources (WMR) will be completed in February. This will enable the Ausquest JV arrangement to commence. WMR has entered into a Farm-In Agreement with AusQuest Limited (ASX:AQD). The Agreement covers 5 of the 36 Peruvian copper licences recently acquired by Westminster from LRS, covering 4,900 hectares. These licences form part of the Ilo Sur project, which Westminster acquired from Latin Resources along with Ilo Norte and Ilo Este projects.

The Farm-In Agreement requires AusQuest completing 13,000 metres of drilling over 7.5 years to earn 65%, with an option to earn 75% by completing a Pre-Feasibility Study. The 5 licences being farmed to AusQuest are part of a 12,225 ha project area lying southwest of Westminster's Ilo Este Copper Project. AusQuest have licences adjacent to the Westminster licences which were drilled in 2016, providing them with encouragement to continue exploring this area for a possible buried porphyry copper target. Terms of the Farm-In Agreement include an 18-month Phase 1 program to identify drill targets, a 3-year Phase 2 program of a minimum 3,000 m of drilling to earn the initial 35%, a 3-year Phase 3 program of a further 10,000 m of drilling or US\$2.5 million of additional expenditure (whichever comes first) to achieve 65% interest, and then a final Phase 4 PFS program, to complete a Pre-Feasibility Study to achieve a 75% interest in the licences. Once AusQuest has earned 75%, it can offer to buyout Westminster's remaining 25% interest for fair market value.

JV Negotiations

The Company has continued discussions with a number of different parties in relation to potential joint venture agreements or offtake arrangements in respect of its lithium assets in Argentina.

There remains strong interest from a number of parties to enter into a JV with the Company once the permits for drilling the San Luis projects are approved.

Managing Director Chris Gale commented, *"We are extremely pleased by the signing of this agreement with the Province of San Luis. It is an important milestone which is the first step to commence work on our lithium projects in San Luis. Upon the approval of the drilling permits for our San Luis projects the Company will move forward with our objective of developing our maiden JORC resource. We are also very excited about the success of the final test work conducted by the UnCuyo University on the spodumene to lithium carbonate technology. This will now lead us into building the next stage of proving up the commercial viability of a large scale lithium carbonate operation"*

He went on to say *"The corporate strategy of joint venturing our Copper projects in Peru should also hopefully bring some positive news from our JV partner First Quantum and Westminster Resources once the drilling starts on these exciting copper projects in one of the world's largest copper provinces."*

For further information please contact:

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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 173,000 hectares of exploration concessions in the lithium pegmatite districts of Catamarca and San Luis, 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 Southern region of Ilo with its joint venture partner First Quantum Minerals Ltd.

Latin Resources recently divested its other Peruvian copper projects into Canadian listed company Westminster Resources (TSX-V; WMR) and is now Westminster's largest shareholder.

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