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LATIN EXTENDS TERMS ON LARGE SCALE COPPER PROJECT IN JV DEAL WITH GLOBAL COPPER COMPANY AT MT03 PROJECT IN PERU

HIGHLIGHTS

- **First Quantum Minerals subsidiary “Antares Peru SAC” extends acquisition terms for Latin’s Peru copper project, MT03 (Pachamanca)**
- **First Quantum is Canadian listed and major global copper producer**
- **Latin Resources to be free carried through to mining decision by Antares**
- **MT03 is located in copper-rich multi-mine region of over 125 billion pounds Cu published resources within 130km radius**
- **Potential initial earn-in of 51% following 4000m drilling, funded by Antares**
- **Latin receives government approval for drill permitting**

Latin Resources Limited (ASX: LRS) (“Latin” or “the Company”) is pleased to announce that it’s 100% owned subsidiary Peruvian Latin Resources SAC (“PLR”) has signed an extension to the Binding Terms executed with Minera Antares Peru SAC (“Antares”) a fully owned subsidiary of Canadian Copper producer First Quantum Minerals Ltd.

The current term sheet has been extended to the 31st December 2020.

Latin Resources has received government approval to commence official drill permitting by Antares. The drill hole targets have been identified by Antares and a 4000-meter diamond drilling program will commence once drill permits have been approved.

Such a joint venture terms agreement for Latin Resources, with a global copper producer of the calibre of FQM is a rare opportunity and is testament to the work carried out over time by Latin in Peru and its dedication to exploration for mineral assets in one of the most prolific copper producing regions in the world. The board of Latin Resources recognises the company making potential of this project which will now begin to progress within the terms time frame. Receiving government approval to commence permitting on Pachamanca/MT-03 essentially triggers a significant period of exploration and permitting process for the Company operating in this minerals rich and mining friendly country.

Extension of Terms with Antares (wholly owned subsidiary of First Quantum Minerals)

The following terms have been agreed;

- **Antares to complete geophysical survey and following which may elect to proceed with a rights assignment and an option to earn an initial 51% of the project by completing 4,000m of drilling within 6 months of obtaining drilling approvals. It is at Antares election to drill the 4000 metres and complete the 4000m drill campaign**
- **Antares may exercise the first option within a maximum of 48 months after obtaining advanced stage drill permits, and will earn 51% on completion of drilling and technical studies to support a JORC resource estimate of >1Mt contained copper equivalent.**
- **PLR to receive staged payments totaling US\$0.5 million over the option period, as an additional condition precedent to exercise the option.**
- **Antares can earn up to a total of 80% of the project when technical documentation of work completed is provided to support a “decision to mine”. PLR free carried up to decision to mine. Antares will have an option to buy PLR’s remaining 20% share based on an independent valuation. PLR will then retain a 2% NSR royalty.**
- **Antares will have the right to reduce the NSR to 1% by paying US\$40 Million cash to PLR.**

Latin Managing Director Chris Gale stated: “The extension of terms granted by Antares (First Quantum) is a positive indication that they are very keen to start drilling on our MT03 Project. Latin will be free carried right through to a decision to mine, this means that our Peru operations are fully funded. If FQM move to mine the project this will mean a sizable and significant operation providing an exceptionally bright future for Latin, either through a significant 20% retained participation, or sizeable royalty stream.” He added further “ The approval from the government has taken considerable time, well over 2 years, however we are now in a positive position to move forward with the drilling of the project and add considerable value to Latin Resources”

ABOUT PACHAMANCA/MT-03 (Previously released summary information).

Pachamanca/MT-03 is large-scale target in an established copper mineralised district, with first class infrastructure on the doorstep, located central to a major copper producing region, along trend from an existing porphyry deposit at Southern Copper’s Tia Maria (639Mt @ 0.39% Cu & 0.19g/t Au). There are also 125 Billion pounds of contained copper in published reserves and resources including the Cuajone, Toquepala and Cerro Verde copper mines, all within 130 km of the Project (Figure 3).

MT03 Geophysics

A 5km diameter circular feature observed in the analytical signal processed from aero-magnetic data (Figure 1), shows a donut shaped low (possibly a phyllic alteration zone) surrounding a central high (possibly a potassic alteration zone). Interpreted Andean and cross arc structures also intersect in the target area. Together these features qualify as a potential large copper porphyry target in an area of the Southern Peru copper belt that is completely covered by recent sediments.

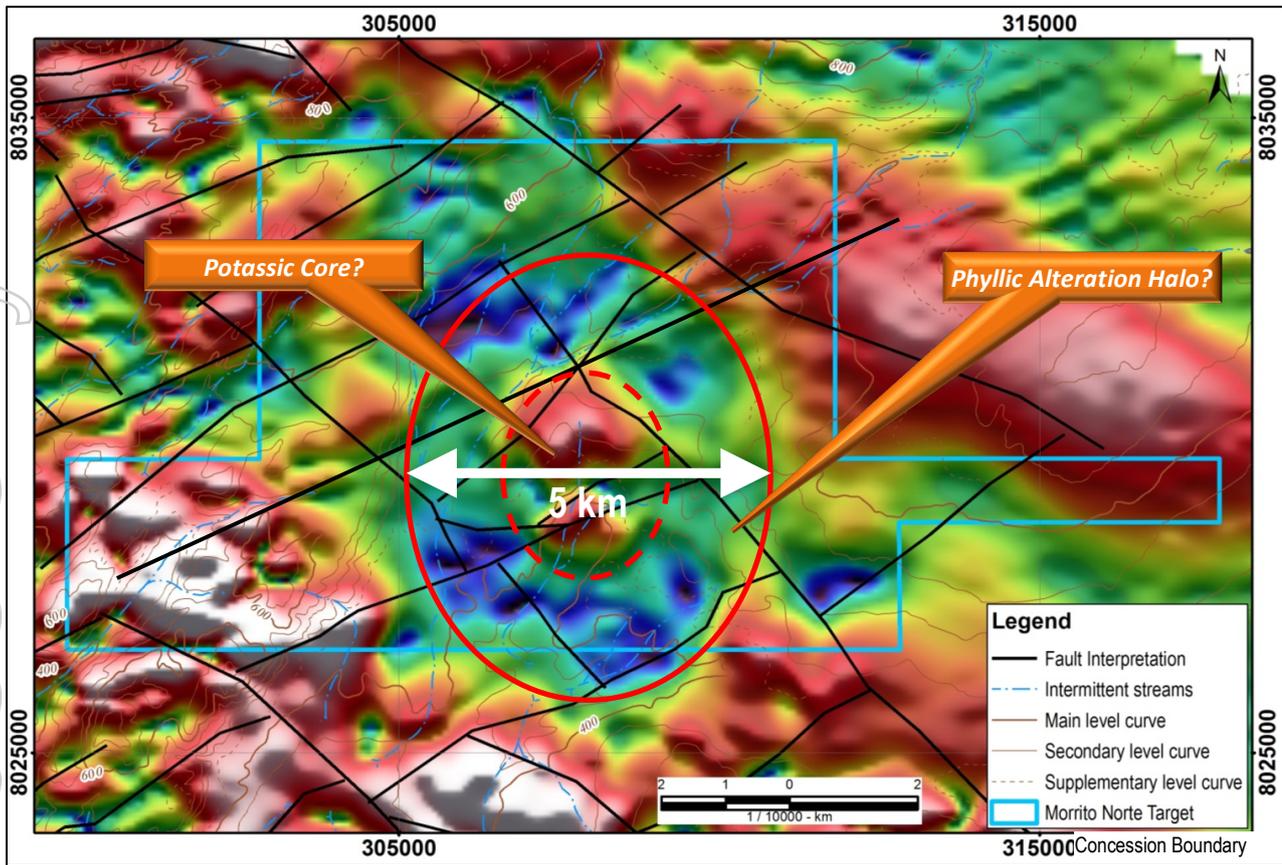


Figure 1 – Analytical Signal image of aeromagnetic data with 5 km diameter donut shaped low possibly representing the phyllic alteration zone, surrounding a central high possibly representing the potassic alteration zone of a copper porphyry system. NW trending Andean structures, and NE trending cross arc structures bound the central high. The area is completely covered.

MT03 Geology

The geology is dominated by extensive alluvial and young volcanic deposits in the low coastal ranges, obscuring the underlying rocks and any host mineralisation (Figure 2). Outcropping intrusive rocks to the immediate west of the target area together with a geomorphological assessment of the area suggest the cover may be less than 200 m thick.

Infrastructure

The Pachamanca/MT-03 target area is located between 400 m and 600 m altitude in uninhabited desert of the Tacna Region, adjacent to the Panamerican Highway and high tension transmission lines. There are 80 km of sealed highway between the project area and the port of Ilo. Such magnificent infrastructure located so close to the project would significantly reduce development capital compared with other large porphyry deposits located higher in the Andes.

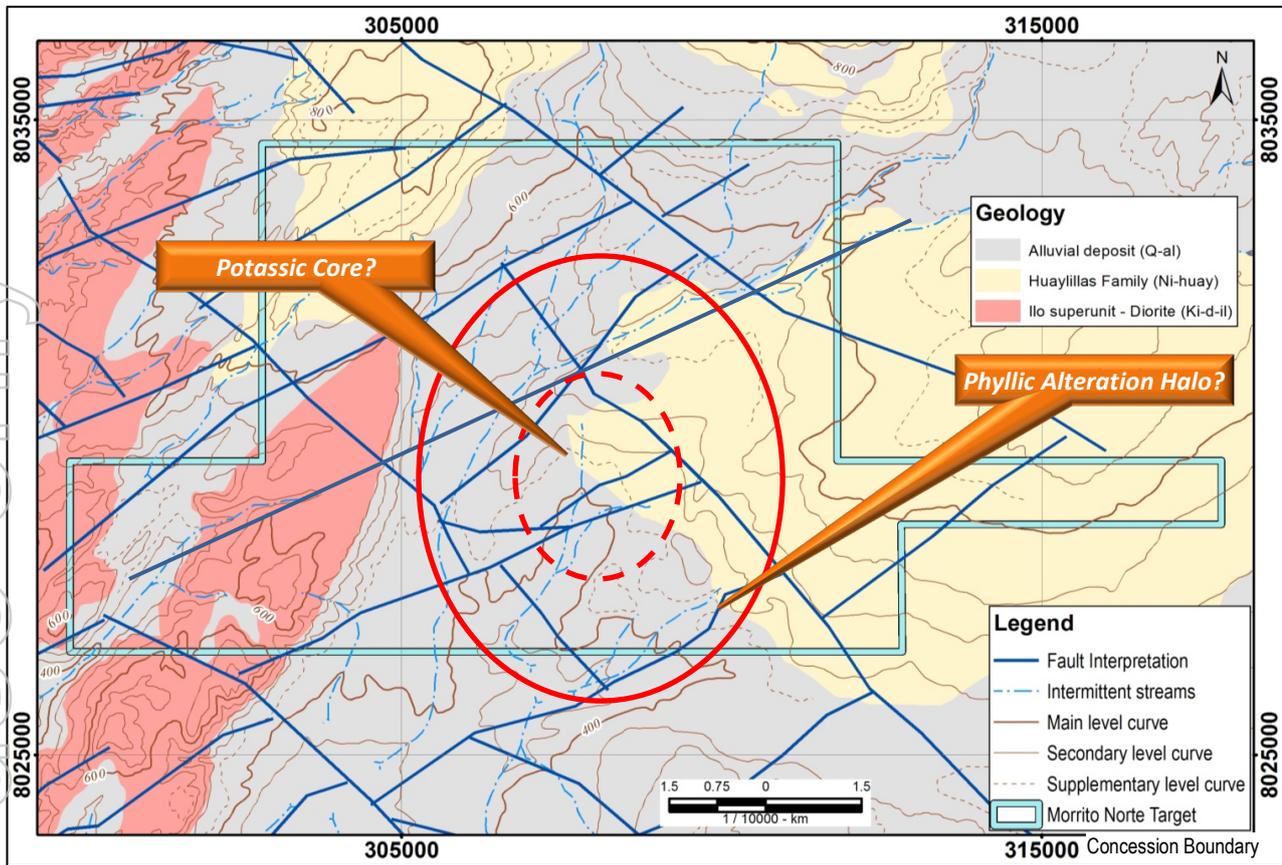


Figure 2 – Geology Map showing the donut anomaly completely covered by alluvium (grey) and young volcanics (yellow) and flanked to the west by outcrops of Diorite Intrusive, part of the coastal batholith.

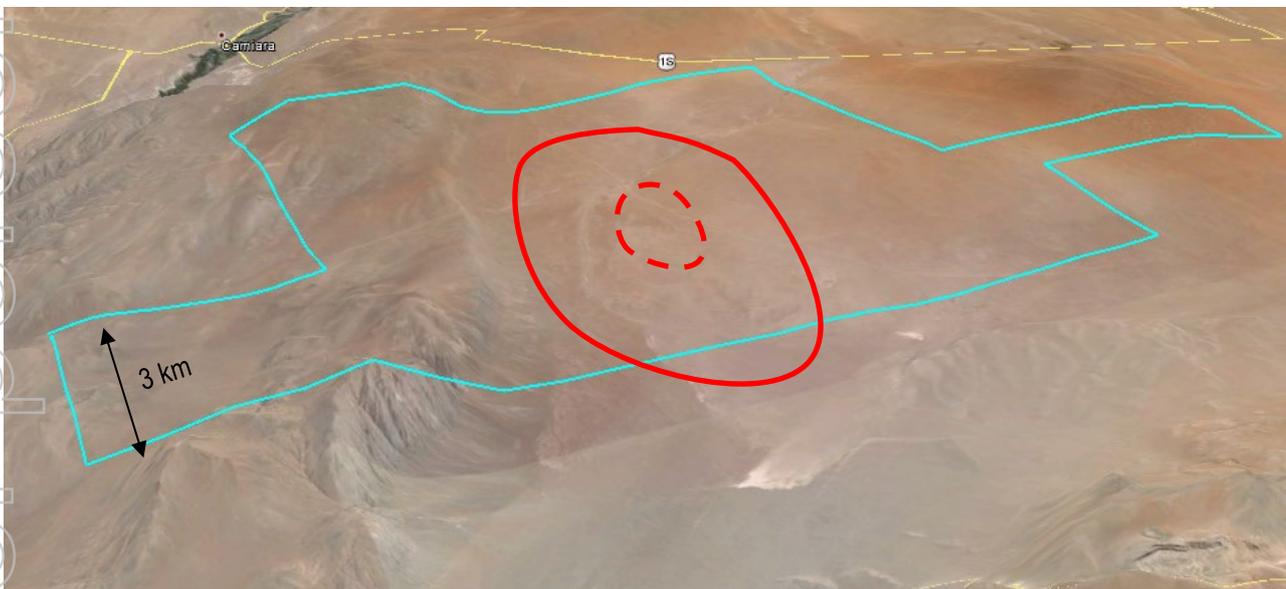


Figure 2a – Oblique aerial view of the Project area (cyan), showing relatively flat, covered terrain around the anomaly (red). The Pan-American Highway crosses the top of the view (yellow).

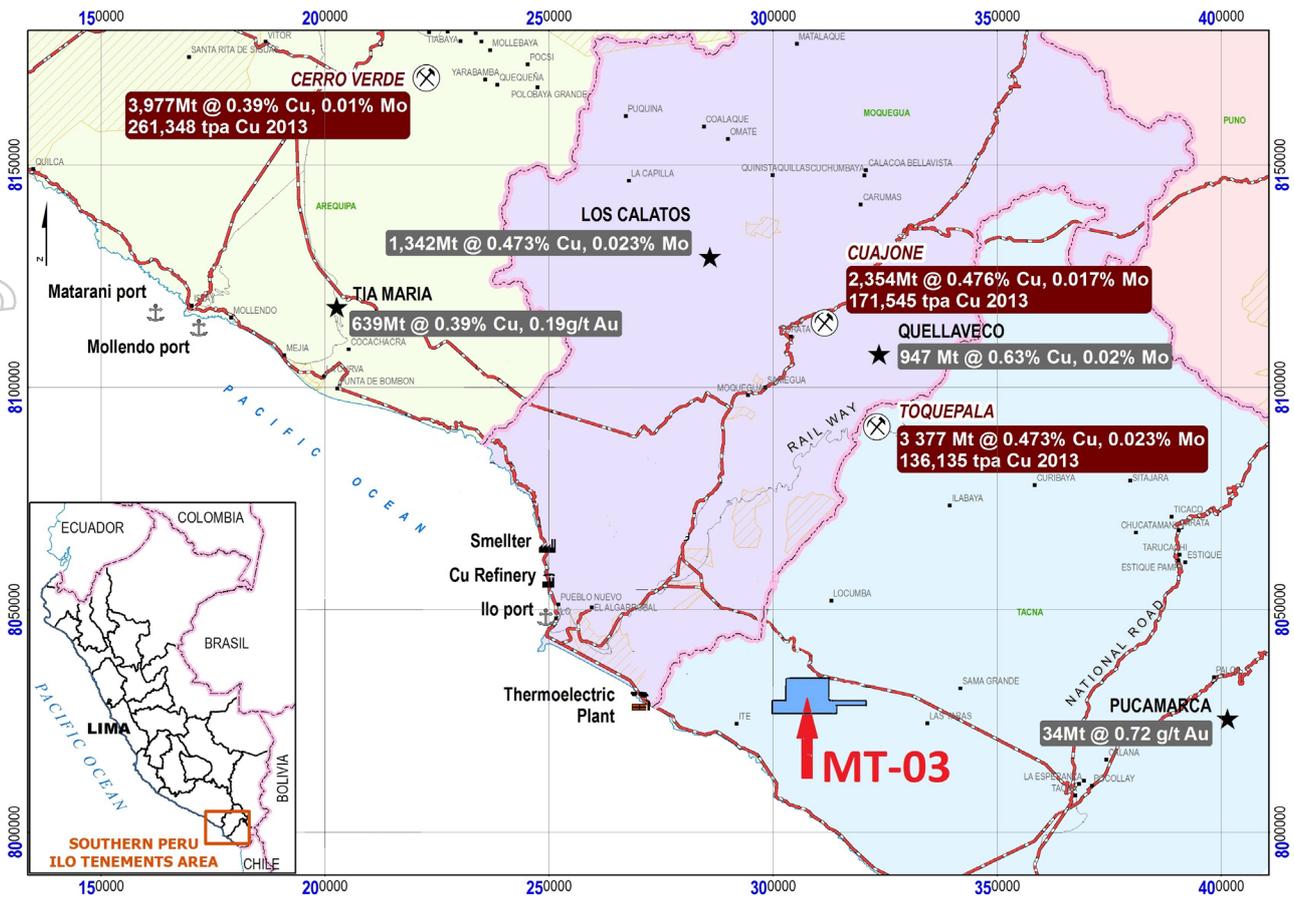


Figure 3 - Location of MT03 in the Peruvian Ilo Copper District

Southern Peru's Prolific Copper District

The Western flanks of the Andes in Southern Peru (Figure 4) host a number of Tier one Porphyry copper deposits including Cerro Verde (4Bt @ 0.39% Cu, 0.01% Mo), Toquepala (3.4Bt @ 0.47% Cu, 0.023% Mo) and Cujajone (2.4Bt @ 0.48% Cu, 0.017% Mo), each of which produced 261,348, 136,135 and 171,545 tonnes of copper respectively in 2013, and together accounted for over 40% of Peru's 2013 copper production. In addition, the Quellaveco (947Mt @ 0.63% Cu, 0.02% Mo), Tia Maria (639Mt @ 0.39% Cu, 0.19 g/t Au), and Los Calatos (1.4Bt @ 0.47% Cu, 0.023% Mo) projects are under development.

Porphyry Copper Deposits are the world's largest source of copper mined today and are generally the lowest unit cost mines due to their size and additional bi-product credits for Mo, Au, Ag and other metals. **Peru and Chile** together produce around **one third of the world's copper** and the Western flanks of the Andes Mountains in Southern Peru are host to Peru's largest and most prolific copper producers. Nearly **600,000 tonnes of copper** is produced each year **within 100 km of Latin's concessions** and is set to increase substantially in coming years with expansions and new mines coming on line. Latin's concessions have good potential for Copper Porphyry deposits and such a discovery would be extremely valuable to the Company.



Picture 1 - Cujajone Mine, Peru: 2.4Bt @ 0.48% Cu, 0.017% Mo; 140ktpa Cu production. 70km NE of Ilo Este.

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This announcement has been authorised for release to ASX by the Board of Latin Resources Limited.

About Latin Resources

Latin Resources Limited (ASX: LRS) is an Australian-based mineral exploration company with several mineral resource projects in Latin America and Australia. The company has entered into a conditional Binding Terms Sheet to acquire Electric Metals Pty Ltd the 100% owner of the Noombenberry Halloysite Project near Merredin, WA, and the Big Grey Silver-Lead Project in the Paterson region, WA. The company is actively progressing its Copper Porphyry MT03 project in the Ilo region with its joint venture partner First Quantum Minerals Ltd. The Company has also secured over 173,000 hectares of exploration concessions in the lithium pegmatite districts of Catamarca and San Luis Provinces, Argentina. The Company has also assembled a portfolio of lithium projects in Brazil.

Competent Persons Statement

The information in this report that relates to the previously released technical summary of the Pachamanca/MT03 project has not materially changed since it was last reported, and was based on information compiled by Mr Andrew Bristow, a consultant of Latin Resources Limited. Mr Bristow is a member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralization and the type of deposit under consideration 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 (JORC Code). Mr Bristow consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

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