

20 April 2018

## **LATIN SECURES OPTION ON LITHIUM MINE IN ARGENTINA**

### HIGHLIGHTS

- **Binding Letter of Intent gives direct path to 100% Latin Resources ownership of the Las Cuevas mining concession**
- **Other nearby prospective concessions included in agreement**
- **Main Pegmatite up to 70m thick, more than 400m long and gently dipping at 30 degrees. The area also contains multiple unexplored pegmatites**
- **Field work to identify lithium enriched pegmatites and develop drill target on the other four concessions to commence.**

**Latin Resources Limited (ASX: LRS)** (“Latin” or “the Company”) is very pleased to announce that it has signed a Letter of Intent for the 100% ownership of the Las Cuevas concessions in the province of San Luis, Argentina through the signing of a Binding Letter of Intent (LOI) with the Vendor.

The Las Cuevas mine has been historically linked to lithium mining in San Luis and contains high grade lithium bearing pegmatites.

San Luis Province has an established small mining industry that actively produce quartz and feldspar for the glass and ceramics industry from literally hundreds of small mines. There are around 100 miners in all of which the top 5 produce nearly 75% of the total minerals. In turn there are around 8 crushing/grinding plants that process and sell these minerals up the value chain for the ceramics and glass industry.

Latin Resources is currently in discussion with two plant owners/operators to enable a spodumene circuit to be added to the existing crushing plant.

**Latin Resources** has recently appointed Western Australian based **Primero Group** who are a turnkey design, construction and commission engineering company with specific experience on hard rock spodumene deposits. The brief for Primero is to commence testwork on Latin Resources Argentinian spodumene samples to determine a flowsheet to produce a spodumene concentrate.

## The Las Cuevas Mine

The Las Cuevas Mine has been operating sporadically via quarrying and underground methods since 1952 when it first went into production. Over its life it has been one of the largest producers of spodumene, beryl and tantalite in Argentina. Feldspar and quartz has also been recently produced from Las Cuevas.

The mine is located 133km to the north east from the Provincial Capital, San Luis and only 4.2km from the mining friendly centre of San Martin. Access to the mine is via good paved road to the mine gate. Nearby are both water and electrical supply.

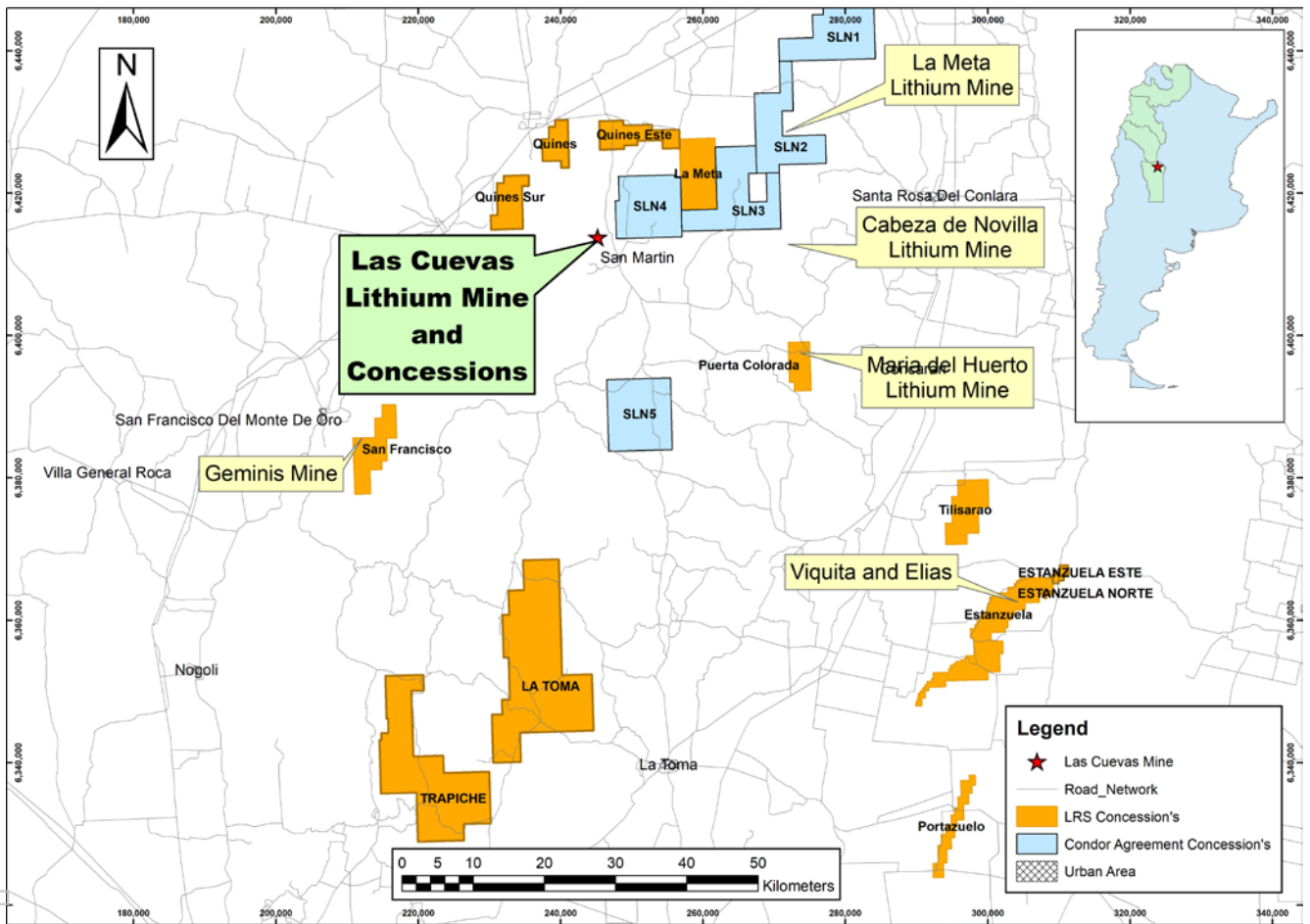


Figure 1. Las Cuevas Lithium Mine and Latins' other concessions

In addition to the Las Cuevas concession there are four other mining concessions included in the LOI which are also highly prospective for lithium and tantalum minerals. The San Roque concession has had historical quarrying activity where spodumene has been extracted.

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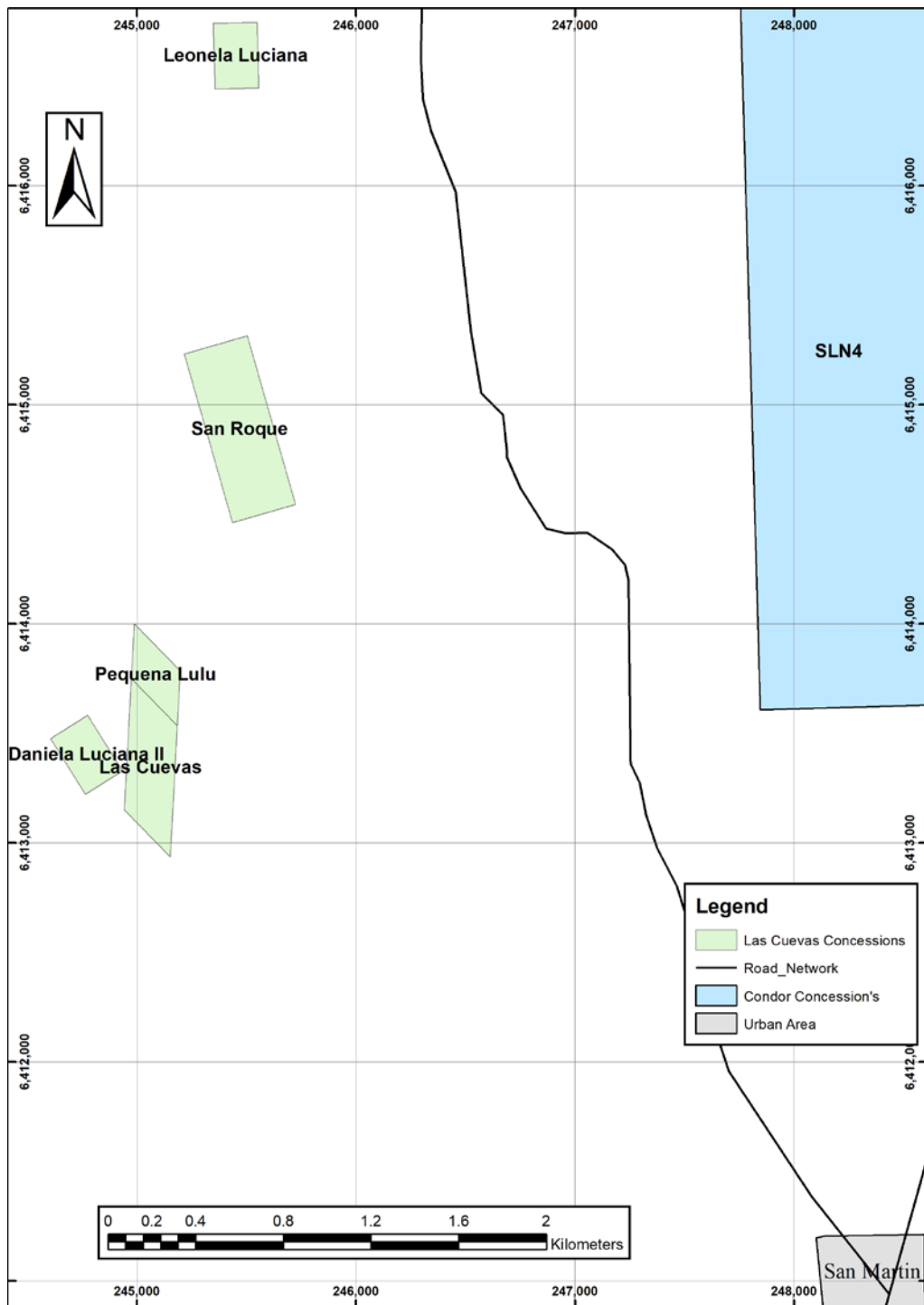


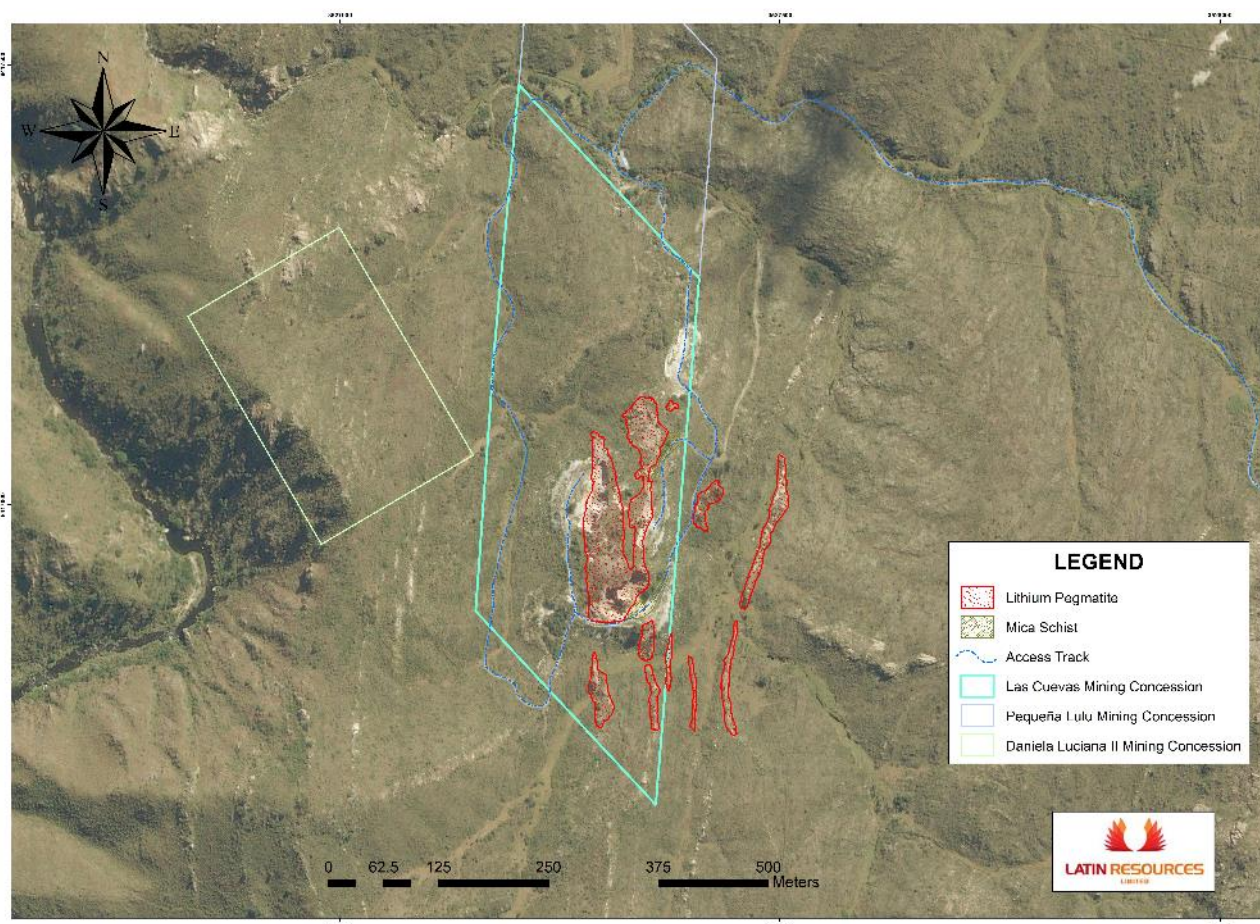
Figure 2. Las Cuevas mine and additional concession locations

Concession Name	Concession Number	Area (hectares)
Las Cuevas	22-T-53	13.3
Pequena Lulu	242-C-05	5.6
Daniela Luciana II	738-C-02	6.0
San Roque	589-T-53	23.9
Leonela Luciana	847-C-03	6.0
<b>Total Hectares</b>		<b>54.8</b>

Table 1. Las Cuevas Project Concession Details

Geologically the Las Cuevas deposit and additional licenses are situated within the Conlara pegmatite field which is the central of the three pegmatite fields in San Luis that are all part of the Pampean pegmatite province (the others being Totoral and Estanzuela). This is the same pegmatite field that hosts the company's Maria del Huerto mine and other locally significant historical lithium mines Cabeza de Novilla, La Meta, La Boca and La Puntillosa. The pegmatites are hosted within the Conlara metamorphic complex which is a series of late Neoproterozoic quartz mica schists and gneisses which have been intruded by Ordovician age granites (Martinez et al 2011).

Locally, the mine concession of Las Cuevas contains several exposed pegmatites. The main pegmatite, which has been the focus of the historical mining activity, has an exposed strike length of more than 400m, an apparent thickness of up to 70m in the central zone and a gentle dip to the west of 30 degrees making it an attractive target for drilling and potentially low strip quarrying. There are possible strike extensions to this pegmatite to the north and south that will require drilling to delineate. To the north the possible outcrop is covered with alluvial material and to the south there is also no obvious outcrop of pegmatite.



**Figure 3. The Las Cuevas Mine with extensive exposed lithium bearing pegmatites**

The western portion of the main pegmatite is exposed along its strike length by quarrying. The mineralised zones in the southern part of the quarry contain massive spodumene crystals intergrown with quartz of up to 2.5m in length. Moving to the north of the quarry the lithium mineralisation occurs as large spodumene crystals and lepidolite associated with tourmaline. There are multiple underground workings on the north eastern flank of the main pegmatite that reportedly were



developed to access the tantalum minerals that were found to be concentrated here (Martinez et al 2011).



**Figure 4. LRS geologists at each end of a 2.5m long spodumene crystal**



**Figure 5. LRS geologist with another impressive spodumene crystal**

The team will complete further detailed geological mapping and sampling to confirm current thinking and to delineate possible extensions to the Las Cuevas deposit and the surrounding four licenses once the legal and permitting requirements including the Environmental Impact Reports and the reactivation of Las Cuevas mining concession are approved.

**Managing Director Chris Gale** commented, *“A further acquisition of a known lithium mine is continuing to build the Latin Resources strategy of controlling all of the known hard rock Lithium pegmatites in Argentina. We now control the largest lithium hard rock concession base in Argentina”.*

He went on to say, *“Latin Resources is very focused on now moving forward to developing a JORC resource and then moving into production to take advantage of the buoyant and high lithium prices.”*

### ***The Las Cuevas Terms***

The transaction requires within five days of signing the LOI Latin must pay the vendor US\$5,000. This payment has been completed and secures a binding agreement to finalise the Sale agreement. The parties now have one month to finalise the signing of the Sale agreement.

The final Sale agreement will consist of the following stages with the following terms and conditions;

1. Within thirty days of signing of the LOI and successful due diligence completed a Sale Agreement will be signed and Latin must pay the vendor US\$25,000
2. From the time of signing the Sale Agreement the owner has to meet the following milestones;
  - a. Approval of the Environmental Impact Report (EIR) for exploration and exploitation.
  - b. At the completion of the exploration and exploitation permit a payment of \$175,000
  - c. Within five days of the approval of the EIR Latin must pay the vendor US\$10,000 per month for 12 months.
3.
  - a. On completion of 12 months anniversary of the EIR and to the satisfaction of Latin Resources of the project a payment of US\$2,000,000
  - b. At the 24 months anniversary of approval the EIR a payment of USD\$1,000,000

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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 266,000 hectares of exploration concessions in the lithium pegmatite districts of Catamarca, San Luis and Salta Provinces, Argentina as well as 28,000 hectares prospective for Cobalt in La Rioja.*

*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.*

## **References:**

**Galliski, M.A. 1996** *The Mineralized Pegmatites from the Pampean Ranges*. Instituto Argentino de Nivología, Glaciología y Ciencias Ambientales (IANIGLA), 30 Years of Basic and Applied Research on Environmental Sciences, pp 243-247.

**Galliski, M.A. and Cerny, P., 2006** *Geochemistry and structural state of colombite-group Minerals in granitic pegmatites of the Pampean Ranges, Argentina*. The Canadian Mineralogist, Vol 44. pp 645-666.

**Galliski, M.A., Marquez-Zavalía, M.F., 2011** *FieldTrip Guidebook -Granitic Pegmatites of the San Luis Ranges*, CONICET.

**Martinez et al 2011**, *Geología Mineralogía y Geoquímica de la Pegmatita Las Cuevas*, San Luis

## **Competent Persons Statements**

*The information in this report that relates to Geological Data and Exploration Results is based on information compiled by Mr Kerry Griffin, who is a Member of the Australian Institute of Geoscientists. Mr Griffin 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 Griffin is the Exploration and Development Manager of Latin Resources Limited and consents to the inclusion in this report of the matters based on his information, and information presented to him, in the form and context in which it appears.*

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