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LATIN RESOURCES SIGNS BINDING AGREEMENT TO ENTER INTO YARARA GOLD PROJECT, NSW

Strategic move into gold exploration in the highly sought-after Lachlan Fold Belt

HIGHLIGHTS

- The Yarara Gold Project is located 70 km east of Albury (a major regional centre) in NSW, within the highly prospective Lachlan Fold Belt
- Latin Resources has executed a binding farm-in terms sheet to earn up to a 75% interest in the Yarara Gold Project
- The project covers 50 km of strike of the Yarara Shear Zone which contains 20 dormant historic high-grade gold mines and numerous gold workings
- Numerous metallic mineral occurrences have been recorded on the tenement block
- The Lachlan Fold Belt is a well-established mineral province hosting several world class mining operations such as Cadia, North Parkes, Tomingley, Cowal and Peak Hill gold mines
- The project is prospective for the following styles of mineral deposit:
 - *high-grade epithermal gold deposits in shear zones in the metasedimentary rocks;*
 - *intrusive related gold deposits;*
 - *bulk-tonnage gold deposits in granites; and*
 - *skarn deposits (gold, base metals).*

Latin Resources Limited (ASX: LRS) (“Latin” “LRS” or the “Company”) is very pleased to announce that it has signed a binding farm-in terms sheet (“Terms Sheet”) with Mining and Energy Group Pty Ltd (“MEG”) to earn up to a 75% interest in a gold project (“Yarara”), situated within the highly prospective Lachlan Fold gold belt of NSW. In addition to gold, the Yarara project is also, to a lesser extent, prospective for copper.

This new strategic shift into the gold sector comes after LRS has recently announced a joint venture with Integra Capital in respect of Latin Resources’ lithium project in Argentina and supplements Latin Resources’ existing joint venture with global copper major First Quantum Minerals, which sees First Quantum sole funding exploration costs on its copper porphyry project in Peru. The complete funding of its operations in South America by its partners now allows LRS to enter this exciting new chapter focused on gold exploration closer to home in the Lachlan Fold Belt of NSW. The Lachlan Fold Belt hosts many significant mineral projects including Junee, Boda, Woodlawn, Cadia Ridgeway, McPhillamys, Hill End, Copper Hill, Cowal, Commonwealth, Tomingley and North Parkes, and is currently experiencing significant renewed interest following a number of exploration successes over the past several months.

There are three principle areas of interest to the Company within the Yarara Project:

- 1) **Yarara Reefs (North):** The Yarara area hosts structurally located gold mineralisation in sediments. A major shear zone provides the main focus for mineralisation.
- 2) **Carboona (Centre):** At Carboona, known mineralisation includes a wide variety of metals, including lead, tin, tungsten, gold and silver which are spatially related to granite contact or to a major shear zone; and
- 3) **Ournie (South):** The Ournie goldfield contains historical workings for gold and silver hosted in granite.

Latin's Managing Director Chris Gale described the Farm-In joint venture opportunity as outstanding entry into one of Australia's premier gold jurisdictions to create strong shareholder value.

"The Yarara Project presents an excellent opportunity to secure a significant and highly prospective gold project which has not benefited from modern exploration techniques in an emerging area of the Lachlan Fold Belt which has an established reputation as a world-class mineral province.

"Now we have our South American projects fully funded in Peru and Argentina, we can move our focus onto a very exciting gold project in the Lachlan Fold Belt, an area that shows incredible promise to enable LRS to become an exciting Australian junior explorer."

TECHNICAL OVERVIEW OF THE YARARA GOLD PROJECT

The Yarara Shear Zone was mined from 1877 to the 1930's and the production mostly came from four mines in the northern part of the Shear Zone (i.e. Billabong, Rangitira, Just-in-Time and Perseverance) and very high-grade sheeted gold mined in the southern Ournie area (i.e. Peep-O-Day, Discovery and Hidden Treasure). This gold was generally hosted in quartz veins with pyrite in chlorite-graphite shear zones and micro-shear zones in the metasedimentary host rocks. The gold has a high fineness and is associated with quartz and sulphides. This is possibly analogous to the Bethanga gold workings in Victoria where the workings were taken to over 200 metres in mine development.

Historical records show an average ROM grade in excess of an ounce per tonne (to a depth of less than 70m).

Mine	Max working DEPTH	Production Dates	Average Grade	Output (Oz Au)
Rangatira	45m	1877,1905,1935	60 g/t	781
Just in Time	24m	1876,1905,1935	30 g/t	22,515
Perseverance	66m	1875-81, 1905-10 1935-37	45 g/t	2,540
Four Mile Creek & Mountaineer	50m	1870's 1902-06 1935	45 g/t	Unknown
TOTAL			16-37 g/t	26,036

Table 1: Data taken from the Wagga Wagga 1:250,000 Metallogenic Map – Mine data and Metallogenic Study (Mine No. 195-200), Geological Survey of New South Wales 1982 as published in the JC Downes Report, October 2003. The information presented in the above table is open to the public via the Geological Survey of New South Wales, Mine data and Metallogenic Study (Mine No. 195-200) and this information is to be used to assist the company in its exploration efforts over the Yarara Gold Project.
<https://search.geoscience.nsw.gov.au/report/R00055625>

These results suggest potential for the discovery of bulk tonnage granite-hosted gold deposits similar to those at Cadia-Ridgeway, and there is also significant and relatively untested exploration potential for high-grade shear zone hosted gold deposits in the area and, to a lesser extent, copper.

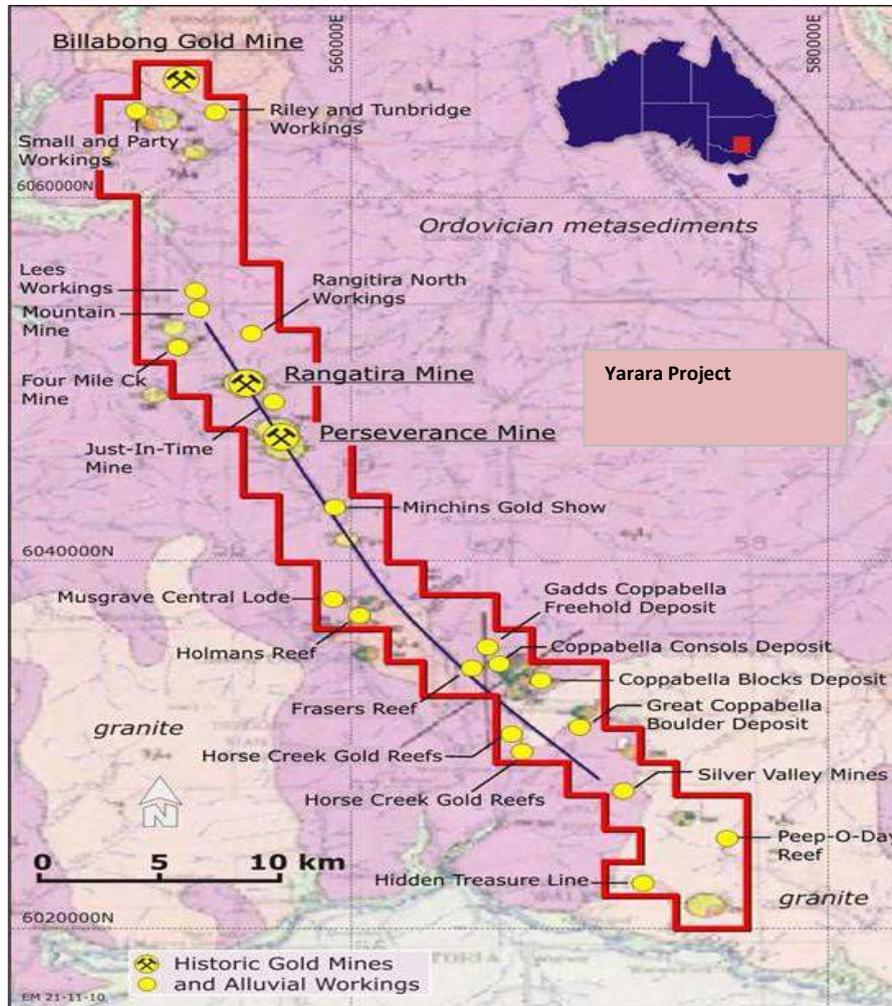


Figure 1 – EL8958 Exploration License tenement showing historical mines

The Carboona fluorite-silver-lead mine (also known as Coppabella) was mined by then BHP Billiton from 1905 to 1925 and produced a mine product of fluorite. Drill testing by BHP encountered disseminated mineralisation that was not assayed. There has been no exploration of the area since that time.

There has been very little exploration of this area in the past 40 years, with limited drilling undertaken in 1956 and 1969 at the Carboona mine and more recently some drilling undertaken at the Rangitira gold mine in 1980/81. More recent exploration activity has been limited with no meaningful comprehensive programs undertaken.

Latin Resources intends on carrying out pre-drilling exploration activities that would initially involve the acquisition of high resolution geophysics, in particular low level closely spaced TEM type of surveys method in conjunction with detailed data compilation and interpretation followed by structural control studies/interpretations leading to drilling target definition. This approach will enable the prioritisation of high value targets and initial reconnaissance drill testing to be completed within 3 -6 months.

FARM-IN TERMS SHEET DETAILS

Latin Resources has the right to acquire up to a 75% interest (“**Joint Venture Interest**”) in EL 8958 (comprising the Yarra Project) (“**Tenement**”) from MEG and is subject to the satisfaction of the Conditions Precedent (as defined below) and LRS meeting the obligations as follows:

- Within 10 days of execution of the Terms Sheet, LRS shall pay a non-refundable deposit of \$30,000 to MEG and MEG will provide LRS with all mining information in its possession.
- Stage 1: Within 14 days of the date of satisfaction of the Conditions (“**Commencement Date**”), LRS may earn a 20% Joint Venture Interest by:
 - issuing to MEG or its nominee 40,000,000 LRS Shares at a deemed issue price of the lesser of \$0.003 per share or equal to the price at which LRS issues shares only in the next placement that occurs after the date of the Terms Sheet, with such LRS Shares received by MEG to be voluntarily escrowed for 6 months from the date of issue by LRS;
 - paying MEG \$20,000 cash and issuing to MEG or its nominee that number of LRS Shares calculated by dividing \$130,000 by the lower of \$0.003 and the 30 day VWAP of LRS Shares prior to the grant of the Drilling Permits, such payment and issue to be made upon grant of drill permits for the first phase of drilling on the Tenement.
- Stage 2: LRS will have the right, but not the obligation, to earn an additional 20% Joint Venture Interest (to have a total 40% Joint Venture Interest) by undertaking approved “on the ground” exploration activities totalling no less than \$250,000, including responsibility for environmental bonds, within 18 months of the Commencement Date.
- Stage 3: LRS will have the right, but not the obligation, to earn an additional 10% Joint Venture Interest (to have a total 50% Joint Venture Interest) by acquiring and analysing high quality airborne VTEM data of no less than 2,500 line km within 24 months of the Commencement Date.
- Stage 4: LRS will have the right, but not the obligation, to earn an additional 10% Joint Venture Interest (to have a total 60% Joint Venture Interest) by drilling no less than 2,500m of a mix of RAB, RC and/or diamond drilling within 36 months of the Commencement Date.
- Stage 5: LRS will have the right, but not the obligation, to earn an additional 15% Joint Venture Interest (to have a total 75% Joint Venture Interest) by drilling no less than 10,000m of a mix of RAB, RC and/or diamond drilling (but including a minimum of 2,500m of diamond drilling) within 36 months of the Commencement Date.
- Commencement of the farm-in is conditional on the following conditions precedent (“**Conditions Precedent**”):
 - the parties obtaining all necessary regulatory, shareholder and third-party approvals, consents or waivers that are required to give effect to the terms of the Terms Sheet (including in relation to the Stage 1 consideration at the Company’s next AGM); and
 - there being no event occurring prior to the date of satisfaction of the Condition Precedent above which materially and adversely affects the Tenement and/or MEG.

The Conditions Precedent are for the benefit of both parties and may only be waived by both parties in writing.

- While LRS is sole funding exploration expenditure on the Tenement, LRS shall be responsible for all Tenement rental costs (including for the full current tenement year, to be reimbursed to MEG upon the Commencement Date), preparing tenement reporting, rehabilitation bonding and rehabilitation works (including replacement of existing environmental bonds within 7 days of commencement date) and shall indemnify MEG against any liability arising as a result of LRS' activities on the Tenement. All mining information obtained will form part of the joint venture property and will therefore be the property of MEG and LRS.
- Upon the earlier of LRS ceasing to sole fund exploration and LRS completing the Stage 5 Joint Venture Interest, LRS and MEG shall form an unincorporated joint venture on standard industry terms.

The Terms Sheet may be terminated upon the Conditions Precedent not being satisfied or waived within 45 days of execution of the Terms Sheet (unless extended by the parties) and may be replaced by a more formal, full-form, farm-in agreement based on the terms of the Terms Sheet.

MEG is not a related party of the Company.

Capital Raising – Share Placement and Share Purchase Plan

The Company has conducted a share placement to professional and sophisticated investors (“**Placement**”) and also plans on launching a share purchase plan to eligible shareholders of the Company (“**SPP**”) to raise capital for exploration, project development, working and other capital requirements.

The Placement will raise up to \$215,200 (before costs) through placing 53,800,000 shares in LRS (“**Shares**”) at an issue price of \$0.004 per Share, with 1 free attaching listed options (LRSOC) for every 1 Share subscribed for and issued, with an expiry date 31 December 2022 and \$0.012 exercise price (“**Listed Option**”). The Listed Options will be issued subject to shareholder approval. The Placement is made without a prospectus or other disclosure document and will utilise the Company’s existing placement capacity under ASX Listing Rule 7.1.

The Company also intends to conduct the SPP to existing shareholders at the lowest price per Share possible permitted by the ASX Listing Rules, being \$0.005 (i.e. 80% of the 5-day VWAP of traded Shares immediately prior to this announcement), together with 1 Listed Option for every 1 Share issued under the SPP (a similar structure to the Placement). The SPP offer will allow eligible shareholders to subscribe for up to \$15,000 worth of Shares at the determined issue price per Share (**SPP Shares**), together with one (1) attaching Listed Option for every SPP Share subscribed for and issued (**SPP Options**).

The full terms and conditions of the SPP including the SPP prospectus will be announced and mailed to shareholders in due course, together with a notice of annual general meeting which deals with various approvals required in connection with the Placement and SPP.

This announcement has been authorised by the Board of Directors of the Company.

FOR FURTHER INFORMATION PLEASE CONTACT

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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 is actively progressing its copper porphyry MT03 project in the Ilo Region with its joint venture partner, First Quantum Minerals Ltd. The Company has secured over 173,000 hectares of exploration concessions in the lithium pegmatite districts of Catamarca and San Luis Provinces, Argentina as well as a portfolio of lithium projects in Brazil.

The Company is also progressing its Noombenberry Halloysite Project near Merredin, WA, and the Big Grey Silver-Lead Project in the Paterson region, WA.

COMPETENT PERSON STATEMENT

The information in this announcement that relates to Mineral Resource estimates, Exploration Results and general project comments is based on information compiled by Nicholas Revell, a Competent Person who is a Member of The Australian Institute of Geoscientists. Mr. Revell is a geologist consultant to Latin Resources. Mr. Revell 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. Revell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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