

Latin Resources Ltd

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Latin Resources extends acquisition deal terms with First Quantum Minerals for copper project in Peru

Latin Resources Ltd (ASX:LRS) has signed an extension to acquisition terms with major global copper producer First Quantum Minerals Limited (TSE:FM) (OTCMKTS:FQVLF) (FQM) for the MT03/Pachamanca Copper Project indicating FQM's intention to progress the joint venture program.

FQM will complete geophysical surveys at Latin's large-scale MT03 (Pachamanca) copper project in Peru following which it may elect to earn an initial 51% of the project by completing 4,000 metres of drilling within six months of obtaining drilling approvals.

Total potential acquisition to 80% is possible should project move to 'decision to mine' and LRS will be free carried to that point.

The joint venture terms with a global copper producer of the calibre of FQM is a rare opportunity for Latin and is testament to the work carried out over time by the company in Peru.

Key benefits for Latin Resources

- FQM may elect to earn 51% on completion of drilling and technical studies supporting a JORC resource estimate of >1 million tonnes of contained copper equivalent (valued at US\$5.8 billion at today's copper price).
- Latin will receive staged payments totalling US\$500,000 over the option period, as an additional condition precedent to exercise the option.
- FQM 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'. Latin will be free carried up to the decision to mine.
- FQM will have an option to buy Latin's remaining 20% share based on an independent valuation. Latin will then retain a 2% net smelter return (NSR) royalty.
- Latin will also have an opportunity to get US\$40 million in cash if FQM exercises its right to reduce the NSR to 1%.

Price: 0.02

Market Cap: \$18.11 m

1 Year Share Price Graph



Share Information

Code: LRS

Listing: ASX

52 week High Low
0.028 0.002

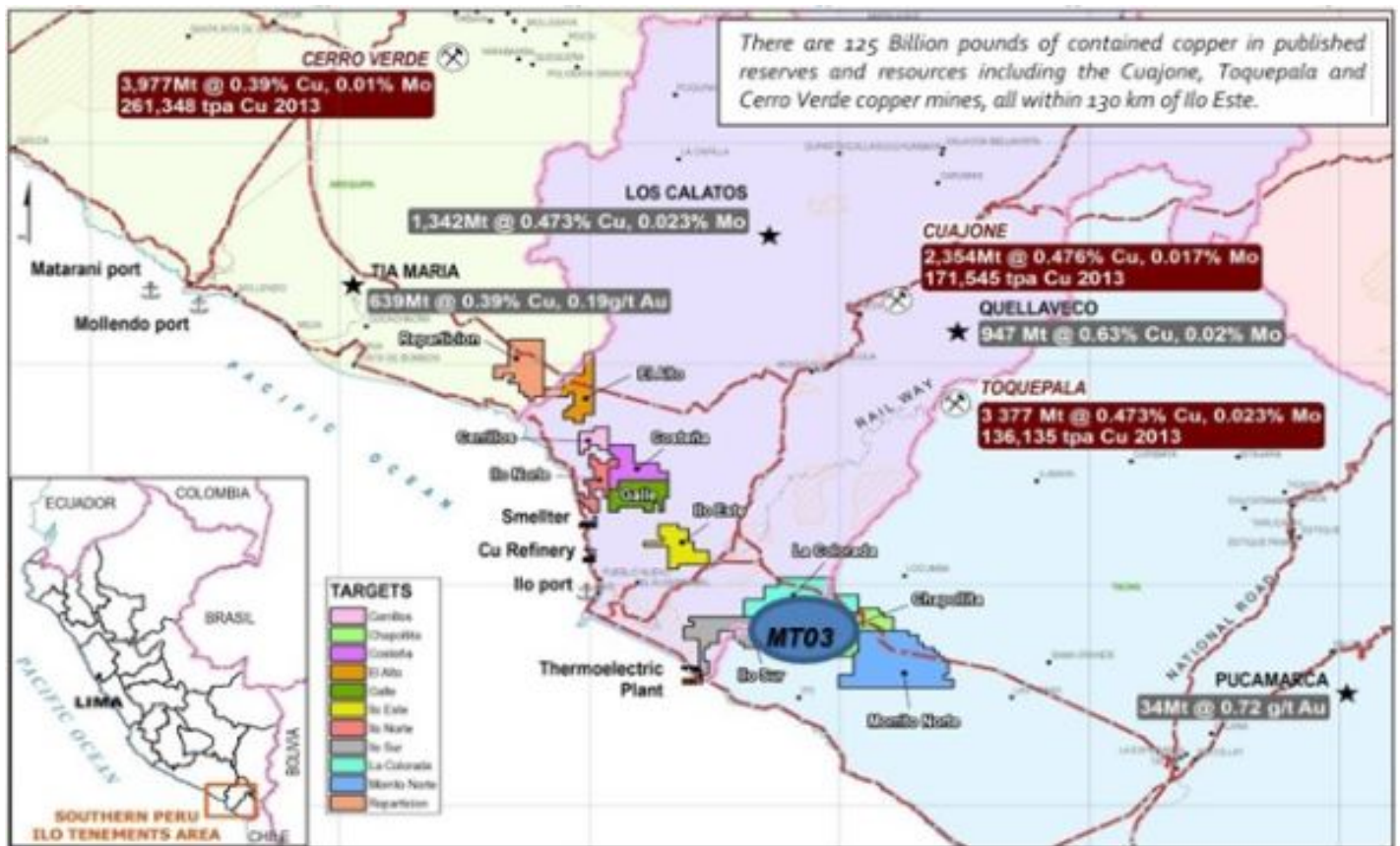
Sector: Rare earths & specialist minerals

Website: www.latinresources.com.au

Company Synopsis:

Latin Resources Ltd (ASX:LRS) is focused on exploration in Peru and Argentina.

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Pachamanca/MT03 in the Peruvian Ilo Copper District.

It is worth noting that MT03 is in a copper-rich multi-mine region with more than 125 billion pounds of published copper resources within a 130-kilometre radius.

Latin has already received government approvals to commence official drill permitting by FQM.

The drill hole targets have been identified by FQM and the 4,000-metre diamond drilling program will begin once drill permits have been approved.

This is anticipated to commence by the second half of 2020.

Commencement of the permitting process by FQM on Pachamanca/MT03 essentially triggers the potential for strong growth, a re-rate in value and rewards for Latin after operating many years in the mineral-rich and mining-friendly country.

"Exceptionally bright future for Latin"

Latin managing director Chris Gale said: "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 moves to mine the project this will mean a sizeable and significant operation providing an exceptionally bright future for Latin, either through a significant 20% retained participation, or sizeable royalty stream and that would be a

major and fantastic reward for our shareholders."

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