



Latin Resources

Jun 29th 2012

Latin Resources' largest shareholder lifts holding, could there be corporate moves afoot?

Latin Resources (ASX:LRS) has been sent a change of substantial shareholding Form 604 notice by its largest shareholder, Hong Kong based Junefield Group that it has acquired a further 3,750,000 shares.

In an off-market transaction Junefield Group acquired the shares at \$0.28 per share that takes Junefield Group to 18.7 per cent of Latin Resources.

Which edges it closer to the takeover threshold of 19.9 per cent. After that it's daylight.

Cape Lambert Australia is the second largest shareholder in Latin Resources. RMB Resources acquired a 5 per cent stake in May.

Junefield participated in an A\$8.4 million placement via Junefield High Value Metals Investments in March 2012.

Highlighting the confidence of Junefield in the operations of Latin Resources, the placement was struck at a then 51% premium to the last traded price prior to the announcement of the deal.

Intriguingly, the founder of Hong Kong's Junefield Group has built a \$2 billion fund to invest in resources and in Peru. Junefield, itself has been drilling at a property around Latin's Ilo project and Mariela and is known to be bullish on the exploration potential.

Recent M&A activity and acquisitions by major mining companies in the area is a testament to the potential.

Latin Resources and Hong Kongs Junefield Group have begun a highly anticipated maiden drilling program at the companys Mariela Iron Project in the Ilo district of southern Peru.

The agreement allows Junefield to earn up to 70% of the Mariela Project by funding all activities to the completion of a Bankable Feasibility Study or to a total cost of A\$35 million.

This region has become a "hotspot" for copper discoveries and is a renowned iron oxide copper gold district which should see lightly capped Latin Resources being watched closely now that drilling has begun.

Analysis

Latin Resources' MD Chris Gale would likely be supportive of the increase in shareholding by Junefield Group and it is a vote of confidence in the company and its potential to spring from its current valuation. That said, its investment does add spice and an element of intrigue and potential corporate activity to a register that was already interesting...and just got a whole lot more so.

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Price: A\$0.25

Market Cap: A\$30.04M

1 Year Share Price Graph



Share Information

Code: LRS

Listing: ASX

Sector: General Mining

Website: www.latinresources.com.au

Company Synopsis:

Latin Resources (ASX: LRS) is focused on Peru where the company has several projects

At Ilo Norte the focus is iron, copper and gold, while at Guadalupito the target is iron and heavy mineral sands - with the company targeting a JORC Resource in 2011

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