

Latin Resources

25th January 2017

Latin Resources begins drilling for maiden lithium JORC resource



Latin Resources (ASX:LRS) has had required drilling permits approved at its Catamarca lithium project located in Argentina.

The initial exploration drilling program will commence immediately and will incorporate a 24 hole reverse circulation holes for 3,000 metre at four prospects.

This program will take around 15 to 20 days with assay results commencing to be released in February.

The project's prospectivity and ability to host a lithium deposit is supported by recently collected rock chip samples which graded up to 4.46% lithium oxide.

LRS is targeting a maiden JORC resource by mid-2017, which has the potential to provide a positive rerating for the company.

Chris Gale, managing director, commented: "The imminent commencement of drilling at the Catamarca lithium project takes Latin Resources into one of its most exciting phases since starting exploring in Argentina for lithium pegmatites."

Background

The company has secured over 94,000 hectares of exploration concessions in the lithium pegmatite districts of Catamarca and San Luis provinces in Argentina.

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LRS also has a portfolio of projects in Peru and is actively progressing its iron oxide-copper-gold (IOCG) and copper porphyry projects in the Ilo region with its joint venture partner First Quantum Minerals (TSE:FM).

Mapping combined with rock chips results provide confirmation of drilling targets for the upcoming 3,000 metre reverse circulation program at the Catamarca lithium project.

Recent rock chip assays

LRS recently received assays from 29 rock chip samples collected from seven prospects during a detailed mapping program at the end of 2016.

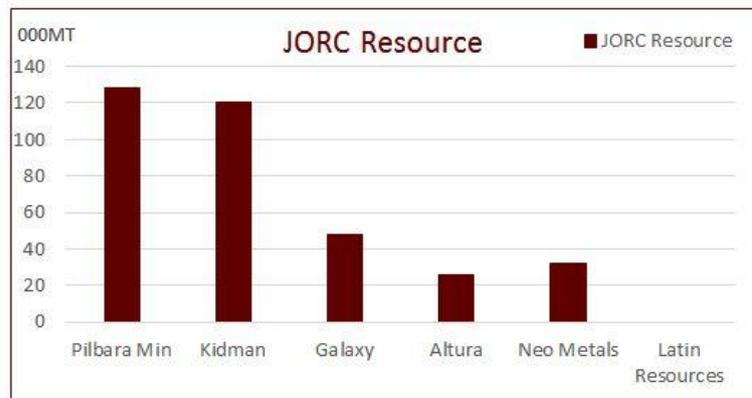
Samples targeted areas previously mined for the lithium mineral spodumene in both the Villisman and Ancasti districts.

The aim of the sampling and mapping was to confirm the presence of lithium and to estimate the size and orientation of the pegmatite dykes containing the spodumene mineralisation.

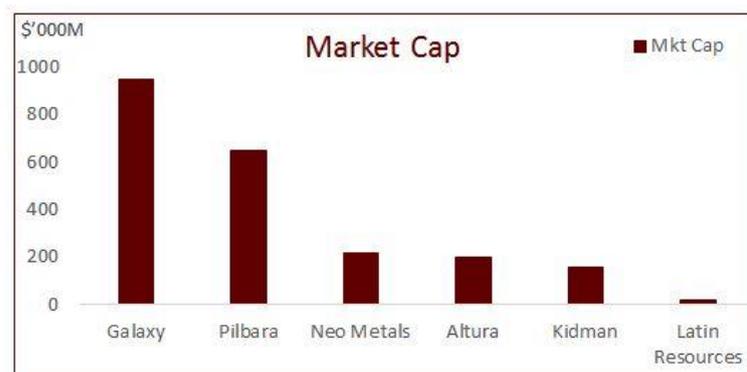
The results returned have confirmed that economic grades of lithium are contained within the target prospects with 19 of the 29 samples being 1% lithium oxide or higher.

The best grades ranged from 2.02% to 4.46% lithium oxide with an average grade of all samples being 1.42% lithium oxide.

ASX Companies with Resource	Resource Size	Mkt Cap
Galaxy* (GXY)	48MT	A\$950M
Pilbara Minerals (PLS)	128MT	A\$650M
Neo Metals (NMT)	32MT	A\$217M



ASX Companies with Resource	Resource Size	Mkt Cap
Altura Mining (AJM)	26MT	A\$198M
Kidman Resources (KDR)	120MT	\$158M
Latin Resources (LRS)	TBA	A\$20M



*General Mining Corp. (ASX:GMM) merged with Galaxy Resources (ASX:GXY) in August 2016

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Analysis

The approval of drilling permits at the Catamarca lithium project is a significant milestone for LRS as it allows it to drill out prospects known to host lithium mineralisation.

With near 60 lithium explorers on the ASX, and under 10 with JORC resources, drilling provides LRS with the opportunity to move into an exclusive club of stocks.

Given a maiden JORC resource is planned for mid-2017, LRS is well positioned for a re-rating of its share price.

The company currently has an undiluted market cap of \$23 million, providing plenty of opportunity for growth when compared to other ASX-listed lithium explorers.

Shares in LRS are trading up 15% intra-day, currently priced at \$0.015.

LRS investors will remain leveraged to news flow over the short term with assays from the current drill program expected in February.

The company also has a short term opportunity to raise up to \$6 million in cash with a number of \$0.02 options on issue approaching their expiry date of 9 March, 2017.

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