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Latin in \$3m funding deal with Lind

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Site works at Latin Resources' Guadalupito project.

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Latin Resources has entered into a \$3.12 million funding agreement with US-based Lind Partners Australia to fund the development of its copper projects and its Guadalupito Andaulsite heavy mineral sands project in Peru.

The funding agreement comprises two unsecured convertible notes for a maximum 36-month term, which will be available in two tranches.

The first \$1.12 million tranche will be available within 10 days of the execution of the agreement, while the second \$2 million tranche will be available to the company if certain conditions are met, and after 80 per cent of the face value of the first tranche has been repaid.

"The funding arrangement allows Latin to continue to develop its projects by providing capital through a highly flexible convertible instrument over a staged period," Latin said in a statement.

"The structure also allows the company at its election to issue shares or cash to repay the loan to Lind Partners on a monthly basis.

"If the repayment is paid by shares, the price will be linked to current share price at the time of issuance."

As part of the deal, Lind Partners has the option to convert any amounts outstanding into ordinary shares after a 60 day period from initial drawdown.

Latin will also issue 7.5 million collateral shares to Lind, which will be credited or returned to the company when the face value of the convertible note has been repaid.

Latin is searching for a joint venture partner for its Guadalupito project.

Shares in Latin closed 10.3 per cent higher at 3.2 cents per share.