

Latin Resources acquires Brazilian iron ore project

Resources Roadhouse Wednesday, November 27, 2013

THE BOURSE WHISPERER: Latin Resources (ASX: LRS) has acquired the Borborema iron ore project from Rio Tinto Exploration, Brazil (Rio Tinto Desenvolvidos Mineraiis Ltda).

The company said the acquisition was in line with its stated strategy and objectives of identifying Iron ore projects in South America if the opportunity arose and if the project identified was close to port and infrastructure.



Railroad infrastructure in the northeast of Brazil. Source: Company announcement

Latin considers the Borborema iron ore project in Brazil fits the bill and has the potential for near term production of iron ore in conjunction with a suitable joint venture partner.

The project was suggested to Latin Resources by its exploration manager, Carlos Spier, who has been conducting exploration work over a six month period in the Rio Grande do Norte State.

His suggestion came after he had completed extensive due diligence on the project.

“We are very pleased to have been able to capitalise on Rio Tintó’s exploration work in this

very exciting new iron ore district in Brazil,” Latin Resources managing director Chris Gale said in the company’s announcement to the Australian Securities Exchange.

“This move into Brazil fits in with Latin Resources’ strategy of developing projects close to Port and infrastructure to enable near term production.”

The northeast of Brazil has only recently been explored for iron ore and several new projects have been developed in the region.

The Rio Grande do Norte State hosts two iron ore mines: the Bonito mine, owned by MHAG and the Saquinho Mine, operated by Zamin Resources.

The consideration payable to Rio Tinto is US\$200,000 plus taxes and legal costs (approx. US\$45,000) and a three per cent net smelter return royalty for 24 exploration claims (36,158 hectares) and four application claims (4,325 hectares).