
INTRODUCTION

In the news: Latin Resources & Richland Resources

Following Latin Resources' successful roadshow in London last week, BRR Media has posted an interview with CEO Chris Gale on its website. ASX-listed Latin Resources (LRS) has publicly stated that it is looking at the possibility of an AIM listing later this year, so for anyone who wasn't able to secure a one-on-one, just click [here](#).

LRS holds copper-gold prospects within a strategic land position in the prolific and tightly held southern Peru copper belt. Half of Peru's 1.2Mtpa copper output is mined within 100km of LRS' projects. The company is focused on Cu-Au exploration and large-scale iron and mineral sands deposits.

LRS has a strategic landholding covering 110,000ha over 11 projects in the busy Ilo district of southern Peru. The area is now dominated by majors such as BHP, Rio Tinto, Southern Peru Copper, Antofagasta and Anglo American. LRS pegged ground early (2008), prior to the renewed interest in the area. Power and key transport infrastructure (ie, rail, road and port) are all in close proximity to LRS' projects. The company is also successfully farming out some of its large exploration portfolio, with First Quantum the most recent to sign an MoU with LRS over its southern tenement package in Peru.

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METALS & MINING EQUITIES

RICHLAND RESOURCES⁺ — Commencement of Production at Capricorn — The ASX-listed gemstone miner has announced that production mining is now underway at the Capricorn Sapphire Project in Queensland, Australia. The mine is now in a staggered ramp-up phase towards full commercial production, enabling testing and optimisation of mining circuits under production conditions. Ore from Open-pit 1 being processed through the 200 loose cubic metres per hour refurbished alluvial processing plant, which is one of the largest of its type in the Southern Hemisphere. Material concentrated at the plant is then transferred to the company's secure facility in the nearby town of Emerald for further processing and sorting. A blue and coloured sapphire mix is anticipated, to be recovered under advanced, 'no touch' security systems.

The first phase of mining will cover a roughly one acre area within the boundaries of the recent 633m, 57-hole infill drilling campaign. This infill drilling work has led to the formulation of the current mine plan and schedule, and will be continued to verify and expand the 2004 JORC resource.

The company expects first sapphire sales to coincide with the Hong Kong Jewellery and Gem Fair in late June.

RFC Ambrian Comment: *We continue to be impressed by the timeframe within which Richland has reached its milestones at the Capricorn Sapphire Project; it has now achieved first production just nine months after redevelopment work was initiated on site. The company has also shown strong budgetary discipline in bringing the project to production, with 2014 operating expenses (inclusive of corporate overheads) standing at only US\$1.7m. Following the US\$4.1m cash injection from the sale of the tanzanite operations in March, and the transfer of US\$10.8m of historic liabilities related to purchaser Sky Associates on transaction completion, the company should have a comfortable funding cushion during production ramp-up, and benefits from a debt-free balance sheet.*

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