

Latin Resources Ltd

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Latin Resources: RB Milestone initiates coverage as lithium portfolio grows

Latin Resources (ASX:LRS) is rapidly growing its lithium portfolio, and has now attracted interest from the New York based RB Milestone Group, which has initiated coverage.

The following is an extract from the report.

Growing Lithium Player in Argentina

Latin Resources Limited (ASX:LRS) is a mineral exploration and development company operating in Latin America.

The Company's shares are traded on the Australian Stock Exchange.

Latin owns lithium projects in Argentina and copper projects in Peru.

At present, the Company is mainly focused on developing its lithium projects in Argentina, and it currently holds the largest concessions holdings covering Lithium rich (spodumene) pegmatites in Argentina, a historical spodumene producing country covering more than 100,000 hectares.

Argentina is one of only a handful of countries in the world that have produced spodumene and is one of only two countries in South America to have done so.

The Company currently owns mineral exploration rights in two key provinces, namely, Catamarca and San Luis.

It also holds an option on a Salta lithium/tantalum project in Argentina.

Recently, the Mining Authority of Catamarca granted exploration rights to the Company at the Catamarca Province.

Further, the Company is expected to commence drilling at its Catamarca concessions in December 2016, and obtain JORC complaint resource estimates in 2017.

Investment Rationale

Catamarca Project has tremendous Lithium potential

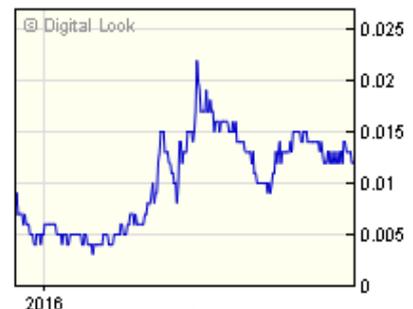
Latin's Catamarca Project is close to commencing exploration and drilling for pegmatite hosted lithium deposits.

As of November 29, 2016, the Company has obtained exploration permits for nine exploration tenements at Catamarca, Argentina, extending approximately 76,700 hectares.

Price: A\$0.014

Market Cap: A\$18.665M

1 Year Share Price Graph



Share Information

Code: LRS

Listing: ASX

52 week	High	Low
	0.022p	0.003p

Sector: Mining

Website: www.latinresources.com.au

Company Synopsis:

Latin Resources Ltd (ASX:LRS) is focused on exploration in Peru and Latin America.

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The Company plans to commence its drilling program in December 2016, and subsequently obtain JORC mineral resource estimates in the first half of 2017.

Eventually, Latin then plans to successfully mine spodumene and/or lithium carbonate by 2018, essential to producing high grade lithium (in high demand today).

San Luis Project adds significant value to the Company's portfolio of rich lithium mining concessions

On November 2, 2016, Latin claimed exploration rights in six lithium concessions covering 24,769 hectares in the San Luis Province, Central Argentina.

Eventually, Latin plans to commence drilling operations in the 1st Quarter 2017, and consequently obtain JORC resource estimates. Exploration concessions in San Luis have been blessed with rich lithium bearing pegmatite deposits.

Specifically, "Maria Del Huerto" concession has been the Company's prime target of interest, due to the presence of rich spodumene deposits enclosed in explorable dykes.

Further, Latin's exploration concessions have been historically mined for lithium, along with other minerals such as feldspar, quartz, tantalite and others, which further supports the Company's operations.

Significant opportunities from pending acquisition of Ansotana Project in Salta

Recently, Latin has entered into a purchase and earn-in agreement to acquire up to 90% interests in various lithium mining concessions (collectively called the Ansotana Project), located in Salta, Argentina.

The Ansotana Project holds 24 concessions, covering approximately 44,290 hectares in the El Quemado pegmatite district, Argentina.

The Ansotana pegmatites are highly fractionated and are known to contain valuable minerals such as tantalite-columbite as well as the lithium bearing minerals such as spodumene, lepidolite, and montebrasite.

Some of these pegmatites are known to have been historic producers of tantalite-columbite and bismuth, Latin could produce lithium from all 24 concessions quickly, as these concessions are already vested with mineral exploration rights by the Mining Authority of Argentina.

As a result, once the acquisition due diligence is completed, the Company could initiate lithium exploration immediately.

Joint Venture with First Quantum provides timely revenue

Latin has successfully entered into an earn-in agreement with First Quantum Minerals Ltd (FQM), a global mining company, to transfer up to 80% of Latin's interest in its Pachamanca/MT-03 copper project, located in Peru to FQM.

This agreement is in line with the Company's strategy of focusing more on its lithium projects and developing this copper project with joint ventures.

The Company is set to receive a consistent revenue of 2% Net Smelter Return (NSR) from FQM, upon sale of copper. Additionally, if FQM reduces NSR to 1%, Latin could also receive a royalty of \$40 million.

Lithium Market Dynamics remains robust

Lithium demand continues to increase significantly, driven by its wide industrial applications in batteries, ceramics, polymers, air treatment and others.

Batteries are expected to play a crucial role in driving global lithium demand.

Falling manufacturing costs, coupled with scaled up production facilities, have made Li-ion batteries ideal for usage in transportation and energy storage sectors.

Li-Ion production costs have fallen from US\$900/kWh to US\$225/kWh in the last five years; and this, has in turn, increased usage and opened up new markets/applications as well.

Further, surge in global electric vehicles production rate plays an important role in augmenting lithium demand growth.

According to the International Energy Agency (IEA), the Paris agreement on climate change calls for a global deployment target of 500 million electric vehicles (including cars, two & three wheelers) by 2030, thereby increasing the need for Li-ion batteries utilizable in EV's.

Planned production of electric vehicles by various auto makers should play an integral part in driving the demand for lithium in the years to come.

Therefore, increasing demand coupled with existing supply deficit should lead to short term increase in lithium prices, benefiting lithium miners such as Latin Resources.

Qualified and experienced management team should help Latin achieve operational success

Latin has an experienced management team with immense knowledge in drilling and exploring mineral services.

The combined experience of Latin's management team is more than 100 years.

Mr. Christopher Gale, Managing Director of the Company, has over 14 years of experience.

Mr. Gale has been advisor for many companies in the mining, oil & gas and technology sectors.

Mr. Vijay Mehta is the Process and Chemical Engineer of the Company and has more than 45 years of experience in the arena of Ore and Brine technology used for recovery of lithium, potash, magnesium and boron.

Mr. David Vilensky the Non-Executive Chairman of Latin Resources has over 30 years of experience in the field of business and corporate law and also in commercial and corporate management.

Mr. Kerry Griffin, who was recently appointed as its Exploration and Development Manager, has over 21 years of experience in the field of mining geology, resource development and exploration, including being for two years the Chief Geologist at the Wodgina, which at that time was the world's largest pegmatite hosted Tantalite mine.

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