

# ASX Announcement

13 October 2023

## SPIN-OUT OF THE LACHLAN FOLD PROJECT

Latin Resources Limited (ASX: LRS) (“Latin” or “the Company”) is pleased to announce that it has entered into a binding Heads of Agreement with Maverick Minerals Limited (**Maverick**) for the sale of 100% of the issued capital in its wholly owned subsidiary Lotus Minerals Limited (**Lotus**) (**Transaction**).

Lotus is the sole holder of the **Lachlan Fold Belt Project**, comprising the following tenements:

- a) the Boree Creek Copper Project (EL9273);
- b) the Peep O’Day Gold Project (EL9412);
- c) the Manildra and Burdette Gold Projects (EL9172 and EL9148);
- d) the Gundagai Ni-Cu-Au-PGE Project (EL9274);
- e) the Boree Creek Copper Project (EL6638); and
- f) the Mt Unicorn North Project (ELA007373).

Maverick has been established with a target of listing on the Australian Stock Exchange (ASX) in the coming months. Maverick’s focus will be a portfolio of projects in New South Wales (as acquired from Lotus), Western Australia and Canada. Commodity exposure will include lithium, copper and base metals and will target the growing battery minerals and critical minerals thematic, with projects located in tier one exploration and mining jurisdictions.

Maverick has appointed experienced director and mining engineer Sam Smith to lead the company through the ASX listing process and to be the Managing Director post listing. Mr Smith has over 15 years’ experience in the resources sector working in executive level positions, including his most recent position as CEO and Executive Director of Breaker Resources.

Mr Smith said: “Maverick is in the fortunate position of having a great portfolio of projects to begin its journey, and having the support of Latin Resources as a major shareholder and with a vested interest at Board level too.”

The sale of Lotus will allow the Company to focus on its flagship Salinas Project in Brazil, Cloud Nine Project, Catamarca Project and MT-03 Project, while undertaking a disposal of the Lachlan Fold Belt Project so that it can be further explored externally to the Company by Maverick.

This streamlining will also enable Latin Shareholders to participate in the growth of Maverick, with the prospective nature of the Lachlan Fold Belt Project warranting investigation by its own experienced Board and management team.

Under the terms of the Transaction, in consideration for the acquisition of Lotus, Maverick will issue:

- (a) (i) 6,000,000 fully paid ordinary shares in the capital of Maverick (**Shares**) to the Company at a deemed issue price of \$0.20 per Share (**Consideration Shares**); and  
(ii) 5,000,000 options to acquire Shares (**Options**) to the Company, exercisable at \$0.30 on or before the date which is 5 years from the date of issue of the Options (**Consideration Options**);
- (b) Maverick will issue a further 1,000,000 Shares to the Company at a deemed issue price of \$0.20 per Share to extinguish an inter-company loan payable by Lotus to Latin;
- (c) Maverick will raise \$500,000 in seed funding via the issue of 5,000,000 Shares at \$0.10 per Share;
- (d) Maverick will raise \$5,000,000 (before costs) via an issue of 25,000,000 Shares at an issue price of \$0.20 per Share pursuant to its IPO (a minimum raise of \$4,000,000 under the IPO is required). The IPO is to contain a priority offer to Shareholders of Latin to subscribe for up to 50% of the total funds raised in the IPO (**Priority Offer**). Latin will keep shareholders informed with respect to the Priority Offer and how they can participate;
- (e) a loyalty option will be issued to holders of Shares in Maverick at the 3-month anniversary of the IPO on a 2 for 5 basis. This will result in 17,200,000 Options being issued on the same terms.; and
- (f) Latin will have the right to appoint up to two representatives to the board of directors of Maverick.

Completion of settlement of the Transaction will be subject to and conditional on satisfaction (or waiver) of the following conditions precedent:

- (a) Completion of financial, legal and technical due diligence by Maverick on Lotus and the tenements forming the Lachlan Fold Belt Project, to the absolute satisfaction of Maverick within two (2) months of execution of the Agreement; and
- (b) Maverick completing a capital raising of at least \$4,000,000 (before costs) and receiving conditional approval for admission to the official list of the ASX.

In addition, the Company has received confirmation from the ASX that ASX Listing Rules 11.1.2, 11.1.3, 11.2 and 11.4 do not apply to the Transaction.

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