Latitude Consolidated Limited

ASX Code: LCD
ABN 23 080 939 135

Corporate Structure
Issued Capital: 275M
Options Issued: 16M
Share price: $0.021 (3 August 2020)

CORPORATE DIRECTORY

Non-Executive Directors
Timothy Moore (Chairman)
Morgan Barron
Nick Castleden
Roger Steinepreis

Company Secretary
Harry Miller

CONTACT DETAILS
Ground Floor
16 Ord Street
West Perth WA 6005

PO Box 902
West Perth WA 6872

E:info@latitudeconsolidated.com.au
T: +61 8 9482 0550
F: +61 8 9482 0505

www.latitudeconsolidated.com.au

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Exploration Licence Granted for Skye Gold Project and Exercise of the Option

HIGHLIGHTS

- **Due Diligence completed**
- **Exploration Licence Application ELA2019/128 has been granted as Exploration Licence EL6492 (Skye Gold Project)**
- **Excellent exploration address – multiple greenfield targets in close proximity to several large-scale gold systems in a proven million-ounce gold terrain**
- **Preparations underway to commence exploration in the current quarter – initial activities will include auger and RAB drilling to further define new and existing bedrock mineralisation**
- **Latitude to simultaneously commence exploration at Circle Valley Gold Project in WA – initial reconnaissance works underway**
- **Company has given notice of exercise of the Option to acquire 100% of the Skye Gold Project**

Latitude Consolidated Limited (ASX: LCD) ("**Latitude**" or "**the Company**") is pleased to advise that the Exploration Licence Application ELA2019/128 has been granted as Exploration Licence EL6492 (**Tenement**) (**Skye Gold Project**) and that the Company has given notice of exercise of the Option to acquire 100% of the Skye Gold Project.

The **Skye Gold Project** is located in the Gawler Craton, South Australia in a proven million-ounce terrain some 700km northwest of Adelaide (Figure 1). The tenement area is adjacent to Marmota Limited's (ASX: MEU) **Aurora Tank Gold Project** and reported significant high-grade gold intercepts at the **Goshawk Zone** (*refer to recent ASX: MEU announcements*). The project also lies only 50km from the **Challenger Gold Mine** (Figure 2).

Gold Deposits in the "Challenger terrain", including the million-ounce Challenger Gold Mine, have all been initially identified as shallow, modest grade gold deposits. Once controls on gold mineralisation have been defined at depth, Challenger, Aurora Tank and Golf Bore are understood to include very-high "bonanza" grade gold shoots with very predictable NE plunge.

The Skye Gold Project includes multiple prospects where near-surface gold mineralisation has been identified in shallow drilling by previous explorers. Latitude is planning to apply an exploration model that identified shallow gold targets that potentially represent the top of a system of high grade plunging gold shoots as exampled within 2kms of the Project at Aurora Tank (MEU) and Golf Bore (TYX) and at Challenger (Barton Gold).

Refer to the Company's announcement of 22 June 2020 "*Latitude Secures Option to Acquire Skye Gold Project*" for the Skye Gold Project Overview and Geology.

The Company plans to commence exploration in the next months once land access process is complete to better define gold mineralisation in the near surface to target these gold systems for high grade plunging gold shoots later this year.

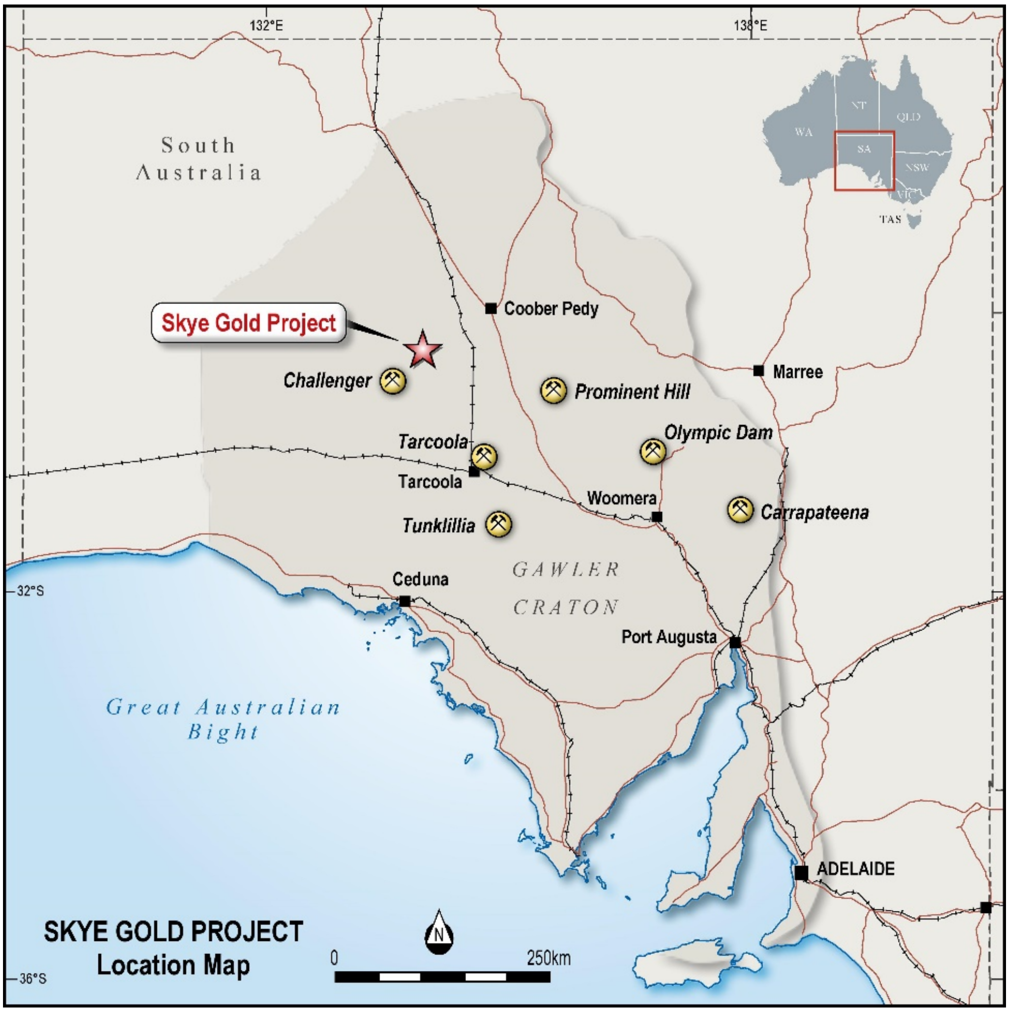

Figure 1: Skye Gold Project Location Map

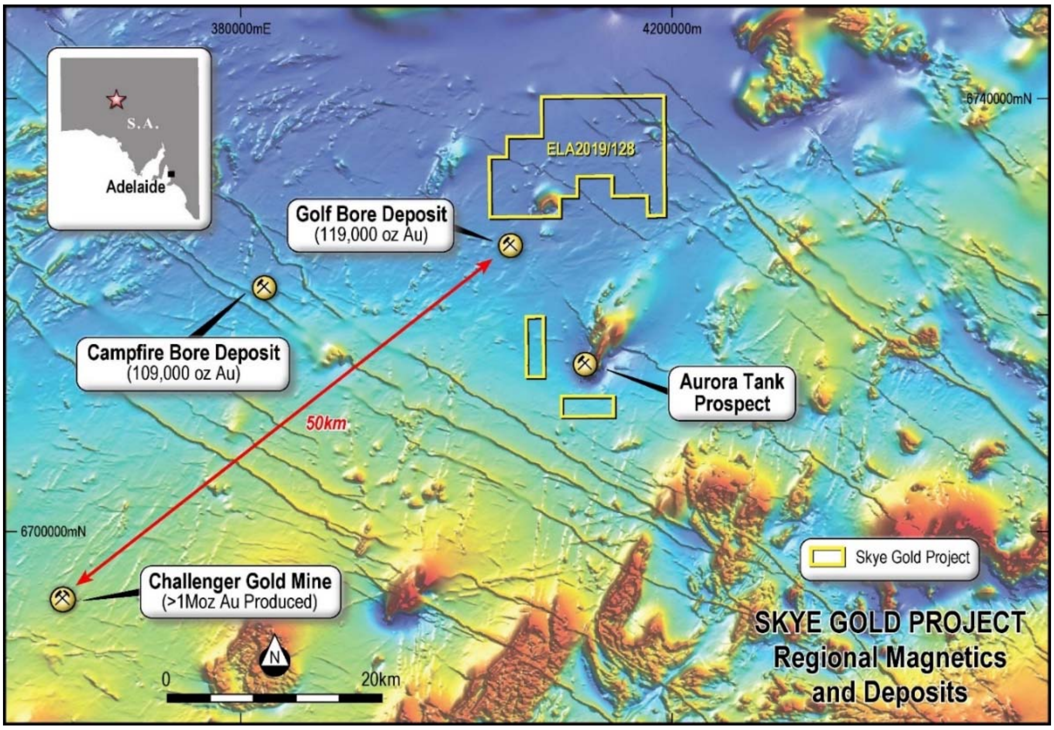

Figure 2: Skye Gold Project Regional TMI and Deposit Location Map

Next Steps

- Exploration will be led by infill and extensional auger sampling, followed by both first-pass and infill RAB drilling with an expectation that field activities will be able to commence in this current quarter (Q3 2020).
- As the Option has been exercised, the Company will now immediately move to obtain the necessary approvals (including ASX approval for the performance shares and shareholder approval). At completion, the consideration payable by the Company to the Vendor is:
  - i) $25,000 cash;
  - ii) The issue of 4,411,765 fully paid ordinary shares in the Company at a deemed issue price of $0.017 (1.7 cents) per share (**Consideration Shares**);
  - iii) The issue of 2,941,176 fully paid ordinary shares on or before 5 months from the settlement date (**Deferred Shares A**);
  - iv) Subject to ASX and shareholder approval (including ASX Listing rule 6.1 approval), the issue of 8,823,529 **Class A Performance Shares** which convert into ordinary shares; and
  - v) The issue of 8,823,529 fully paid ordinary shares as deferred consideration on the 2nd anniversary of the date of signing the Option Agreement (**Deferred Shares B**) in the event that the Company still owns the Tenement. Latitude may elect that it no longer wishes to own the Tenement and may transfer the Tenement back to the Vendor and retain a 1% net smelter return royalty.
- The Consideration Shares will be subject to a 3-month period of voluntary escrow and the Deferred Shares A and Deferred Shares B, if issued, will not be restricted.

The Class A Performance Shares will be issued on standard terms and conditions with the approval of the ASX and shareholders and with the following milestone:

Class A Performance Shares Milestone – 8,823,529 performance shares vest on the achievement of a milestone drill intersection reported in accordance with the JORC Code containing greater than 20 g/metres (g/metres drill intersection of greater than 1 metre length, calculated at >0.50g/t gold lower cut-off and allowing a maximum of 2 metres internal dilution at <0.50 g/t gold) from drilling on the Tenement.

A notice of meeting will be despatched to shareholders shortly.

This announcement was authorised by the Latitude Board.

-ENDS-

For further information please contact:

Tim Moore
Chairman
(p) 08 9482 0550
(e) info@latitudeconsolidated.com.au

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Follow LCD on LinkedIn at https://www.linkedin.com/company-beta/18001019/

For media enquiries please contact Sam Burns, Six Degrees Investor Relations, M: +61 400 164 067

About Latitude Consolidated:

Latitude Consolidated (ASX: LCD) is an ASX-listed Perth-based resources development company currently focused on exploring opportunities in Australia. Latitude currently holds a portfolio of prospective gold tenements in Western Australia and South Australia.

Competent Persons Statement

This information in this release that relates to Exploration Results, Mineral Resources, or Ore Resources, as those terms are defined in the 2012 Edition of the “Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve”, is based on information compiled by Mr Nick Castleden, who is a director of the Company and a Member of the Australian Institute of Geoscientists. Mr Castleden has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the “Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve”. Mr Castleden consents to the inclusion of the matters based on his information in the form and context in which it appears.