

24 November 2022

RECOMMENCEMENT OF FIELD WORK AT CATAMARCA LITHIUM PROJECT, ARGENTINA DRILLING COMMENCES AT MT03 COPPER PROJECT, PERU

HIGHLIGHTS

- Priority areas for ongoing exploration work highlighted in recent on-ground reconnaissance field work by Latin's Geological team, including new areas of outcropping spodumene pegmatites in the Northwest Alto Project Area.
- Previously reported¹ drilling intersected high-grade lithium bearing pegmatites at Northwest Alto, including:
 - **LCRC004: 3.0m @ 2.98% Li₂O from 90m**
 - **LCRC002: 4.0m @ 2.3% Li₂O from 30m**
 - **LCRC001: 6.0m @ 1.62% Li₂O from 18m**
- New exploration work will include detailed and systematic geological mapping, outcrop rock chip sampling along strike from the known spodumene bearing pegmatites, designed to identify and pave the way for the next stage drilling targets.
- The Company will also commence a program of detailed Catamarca community liaison with landholder groups, as part of its strong and ongoing commitment to the region.
- The drilling of two scout holes at the MT03 Copper project has commenced

Latin Resources Limited (ASX: LRS) ("Latin" or "the Company") is pleased to provide the following update on recent reconnaissance exploration activities at the Company's high-grade Catamarca Lithium Project ("Catamarca") in Argentina (*Appendix 1* and *Figure 1*) and MT 03 project in Peru.

Latin Resources' Exploration Manager, Tony Greenaway, commented:

"It was good to get on the ground in Argentina. The site visit has confirmed my belief that the Catamarca Project has the potential to host a significant high-grade lithium deposit. Our initial work has shown that the project contains outcropping spodumene rich pegmatites, with early drilling results returning high-grade intersections.

"Our next phase of work will be aimed to developing our understanding of this fertile pegmatite system, through systematic mapping of the spodumene occurrences, coupled with detailed surface sampling to define follow-up drill targets.

"In parallel with this work we will be re-establishing our link with the wider Catamarca regional community through a program of ongoing and sustained community consultation via a network of local community representatives.

It is great to finally commence drilling at our MT03 copper target in Peru as well "

¹ Refer to ASX announcement dated 13 April 2017, 16 April 2017 for full details

Proposed commencement of field activities

An extended campaign of field work will commence with the objective of defining new drill targets, following the recent reconnaissance field visit to the Catamarca Lithium Project by the Company's Exploration Manager and in-country geology team.



Figure 1: Weathered spodumene in history mine workings on the Northwest Alto Tenement (left), mapping historic mine workings, Northwest Alto project (right)

Field work will include detailed and systematic geological mapping and follow-up geochemical surface sampling to better understand the nature and scale of the high-grade lithium pegmatite system encountered in previous drilling completed by the Company in 2017.

Results from this drilling campaign returned shallow, high-grade Li_2O results² across multiple prospect areas including:

- ***LCRC004: 3.0m @ 2.98% Li_2O from 90m***
- ***LCRC002: 4.0m @ 2.3% Li_2O from 30m***
- ***LCRC001: 6.0m @ 1.62% Li_2O from 18m***
- ***CER004: 12.0m @ 1.38% Li_2O from 29m***
- ***PDMRC002: 7.0m @ 2.17% Li_2O from 39m***



Figure 2: 2017 RC drilling campaign completed at the Catamarca Lithium Project

² Refer to ASX announcement dated 13 April 2017, 16 April 2017 for full details

The planned mapping and sampling campaign will aim to finalise drill targets for the next drilling campaign. The campaign will focus on the area immediately along strike to the north and south of the known high grade Li pegmatites to identify extension to the known mineralisation; as well as to the east and west to identify the presence of new parallel systems (*Figure 3*).

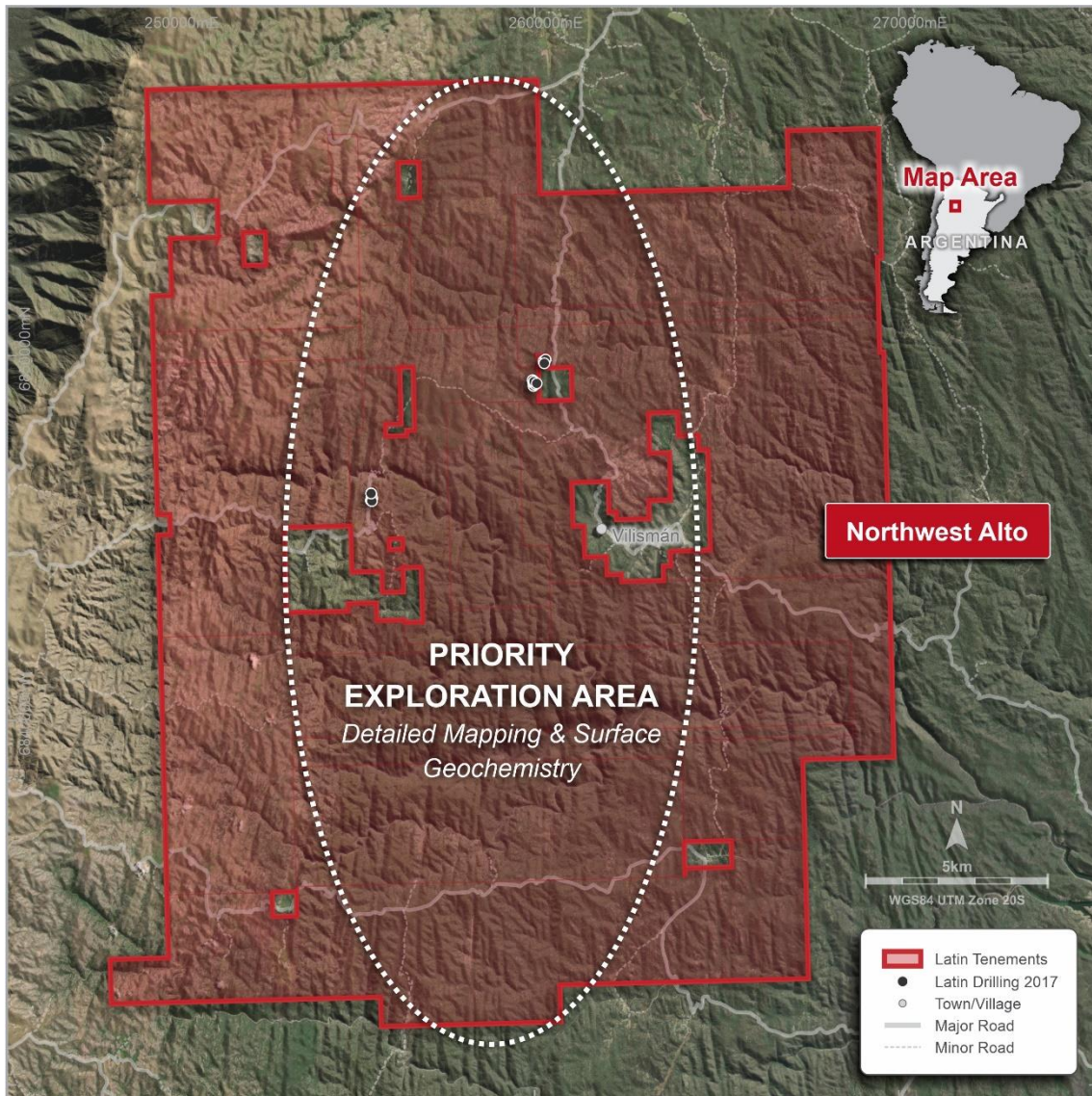


Figure 3: Northwest Alto Tenement area showing 2017 RC drilling collars, and the priority area for the Company's planned mapping and geochemical surface sampling campaign

Community Engagement and Liaison

The Company recently met with the Catamarca Mines department to discuss intentions of Latin and its joint venture partner, Integra Capital, for the Catamarca lithium project. The meeting was very well received and productive, as a result the Company will embark on a campaign of community engagement with information relating to the recommencement of planned exploration activities. The Company will also establish a network of liaison offices within the local communities to assist in the dissemination of the exploration information, and act as a conduit for feedback for the various community stakeholders.

This network will extend across both the Northwest Alto Project area as well as the Ancasti Project area to the south (*Appendix 1*), where the Company is planning to undertake similar reconnaissance mapping and sampling work in due course.

MT-03 PROJECT.

The company has commenced drilling on the MT03 copper porphyry project (*Figure 4 and Appendix 1*). There will be two holes drilled initially in an overall 2000-meter diamond drilling program. The objective of the drilling is to test the target to ascertain the geology and to determine if the target has any indication of a copper porphyry style mineralisation setting.



Figure 4: Drill rig on the MT-03 project Southern Peru, November 2022

ABOUT MT-03 .

A large-scale target in an established copper mineralised district, MT-03 with first class infrastructure on the doorstep, located central to a major copper producing region, along trend from an existing porphyry deposit at Southern Copper's Tia Maria (639Mt @ 0.39% Cu & 0.19g/t Au)³.

A 5km diameter circular feature observed in the analytical signal processed from aero-magnetic data (Figure 4), shows a donut shaped low (possibly a phyllic alteration zone) surrounding a central high (possibly a potassic alteration zone). Interpreted Andean and cross arc structures also intersect in the target area. Together these features qualify as a potential large copper porphyry target in an area of the Southern Peru copper belt that is completely covered by recent sediments.

³ Source: Quantitative Mineral Resource Assessment of Copper, Molybdenum, Gold and Silver in Undiscovered Porphyry Copper Deposits in the Andes Mountains of South America (2008). Prepared and published jointly by the geological surveys of Argentina, Chile, Colombia, Peru and the United States. Open-File Report 2008-1253, version 1.0

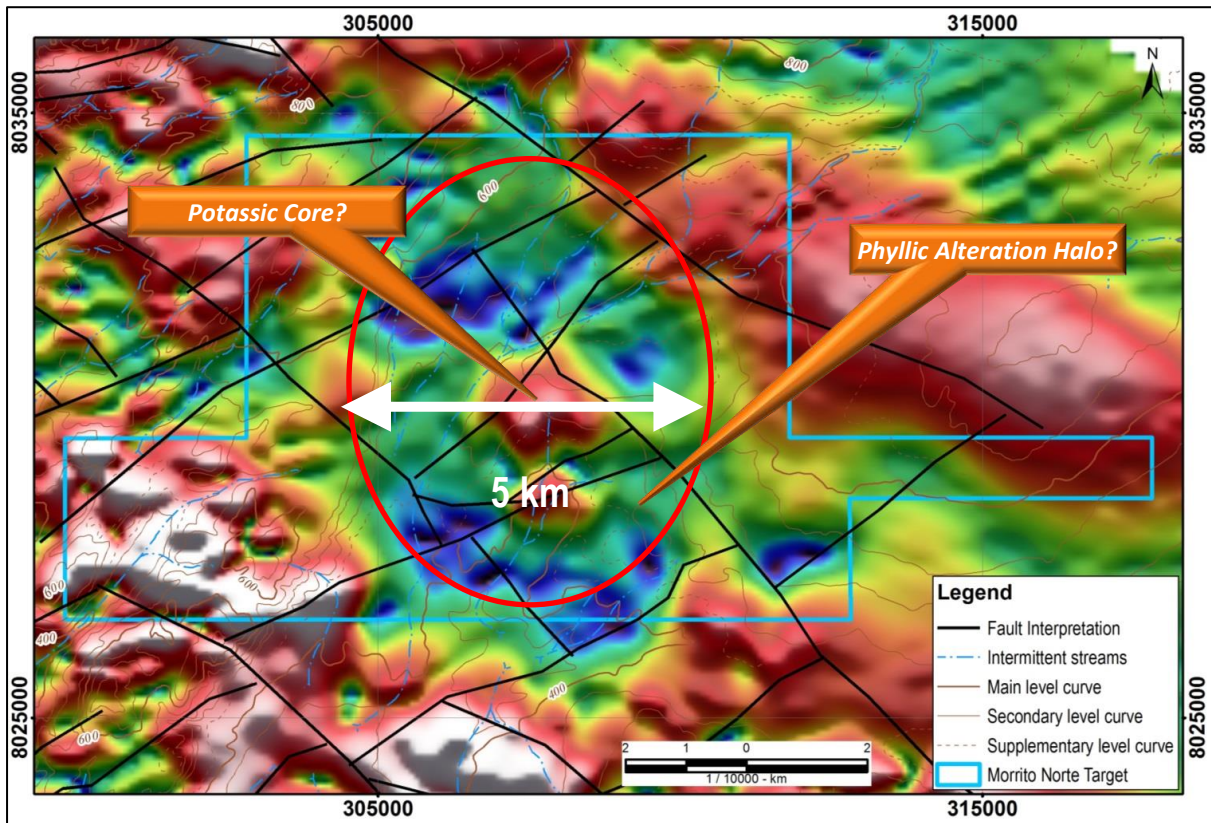


Figure 5: MT-03 Analytical Signal image of aeromagnetic data with 5 km diameter donut shaped low possibly representing the phyllic alteration zone, surrounding a central high possibly representing the potassic alteration zone of a copper porphyry system.

This Announcement has been authorised for release to ASX by the Board of Latin Resources.

For further information please contact:

Chris Gale
Executive Director
Latin Resources Limited
+61 8 6117 4798

Fiona Marshall
Senior Communications Advisor
White Noise Communications
+61 400 512 109

info@latinresources.com.au
www.latinresources.com.au

About Latin Resources

Latin Resources Limited (ASX: LRS) is an Australian-based mineral exploration company, with projects in South America and Australia, that is developing mineral projects in commodities that progress global efforts towards Net Zero emissions.

The Company is focused on its flagship Salinas Lithium Project in the pro-mining district of Minas Gerais Brazil, where the Company has its maiden resource drilling definition campaign underway. Latin has appointed leading mining consultant SGS Geological Services to establish a JORC Mineral Resource and commence feasibility studies at the Salinas Lithium Project. Latin also holds the Catamarca Lithium Project in Argentina and through developing these assets, aims to become one of the key lithium players to feed the world's insatiable appetite for battery metals.

The Australian projects include the Cloud Nine Halloysite-Kaolin Deposit. Cloud Nine Halloysite is being tested by CRC CARE aimed at identifying and refining halloysite usage in emissions reduction, specifically for the reduction in methane emissions from cattle.

Forward-Looking Statement

This ASX announcement may include forward-looking statements. These forward-looking statements are not historical facts but rather are based on Latin Resources Ltd.'s current expectations, estimates and assumptions about the industry in which Latin Resources Ltd operates, and beliefs and assumptions regarding Latin Resources Ltd.'s future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "potential" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are only predictions and are not guaranteed, and they are subject to known and unknown risks, uncertainties and assumptions, some of which are outside the control of Latin Resources Ltd. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecast. Actual values, results or events may be materially different to those expressed or implied in this ASX announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward-looking statements in this announcement speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Latin Resources Ltd does not undertake any obligation to update or revise any information or any of the forward-looking statements in this announcement or any changes in events, conditions or circumstances on which any such forward looking statement is based.

Competent Person Statement

The information in this report that relates to Geological Data and Exploration Results is based on information compiled by Mr Anthony Greenaway, who is an employee of Latin resources and a Member of the Australian Institute of Mining and Metallurgy. Mr Greenaway sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Greenaway consents to the inclusion in this report of the matters based on his information, and information presented to him, in the form and context in which it appears.

APPENDIX 1

FIGURE 6
CATAMARCA LITHIUM PROJECT REGIONAL PROJECT LOCATION MAP



For personal use only

For personal use only

FIGURE 7
CATAMARCA LITHIUM PROJECT REGIONAL GEOLOGY AND TENURE

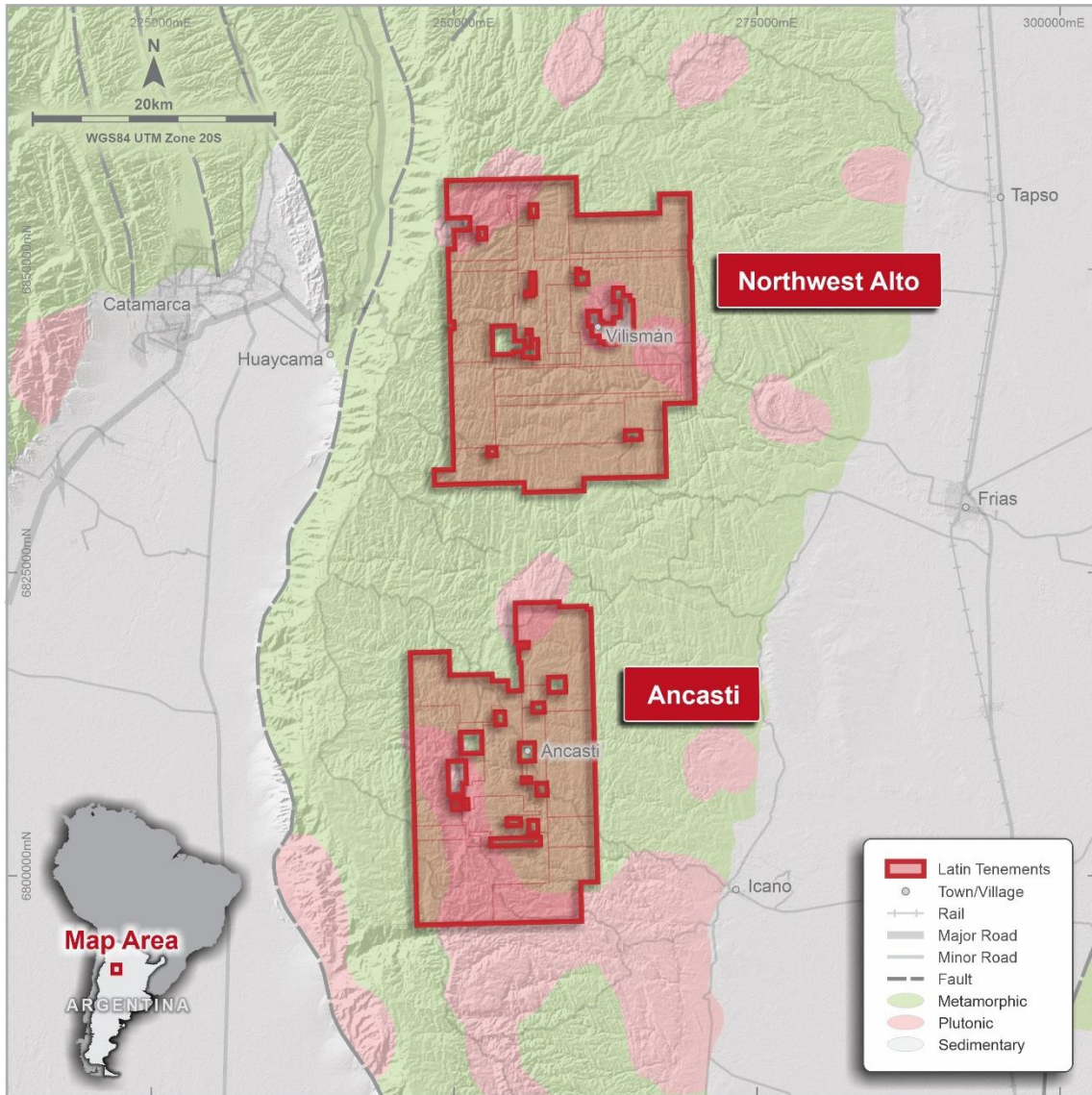
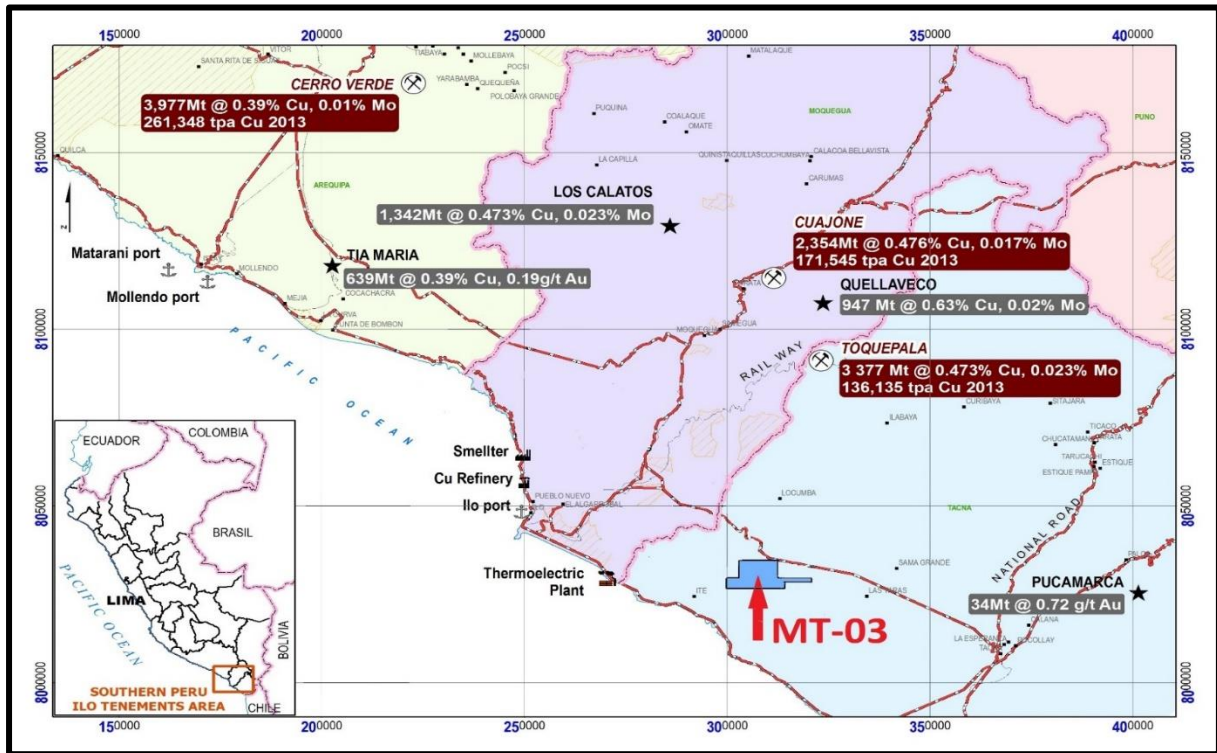


FIGURE 7
MT-03 REGIONAL PROJECT LOCATION, INFRASTRUCTURE AND REGIONAL OPERATIONAL MINES AND
ADVANCED PROJECTS⁴



⁴ Source: Quantitative Mineral Resource Assessment of Copper, Molybdenum, Gold and Silver in Undiscovered Porphyry Copper Deposits in the Andes Mountains of South America (2008). Prepared and published jointly by the geological surveys of Argentina, Chile, Colombia, Peru and the United States. Open-File Report 2008-1253, version 1.0

APPENDIX 2

JORC CODE, 2012 EDITION – TABLE 1

SECTION 1 SAMPLING TECHNIQUES AND DATA

(CRITERIA IN THIS SECTION APPLY TO ALL SUCCEEDING SECTIONS)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information. 	<p>Catamarca: Historic Drilling by Latin resources (2017)</p> <ul style="list-style-type: none"> RC chips have been sampled at 1m intervals using a two-tier splitter to produce a 5-6kg sample. The splitter was cleaned with compressed air between all samples. Reject material from the splitting has been retained in plastic bags at site. <hr/> <p>MT-03: No historic sampling</p>
Drilling techniques	<ul style="list-style-type: none"> Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<p>Historic Catamarca Drilling by Latin resources (2017)</p> <ul style="list-style-type: none"> 51/2-inch Reverse Circulation using face sampling hammer. <hr/> <p>MT-03: N/A</p>
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<p>Historic Catamarca Drilling by Latin resources (2017)</p> <ul style="list-style-type: none"> Sample recovery was assessed visually. No zones of significant sample loss were indicated in the drill logs. <hr/> <p>MT-03: N/A</p>
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate 	<p>Historic Catamarca Drilling by Latin resources (2017)</p>

Criteria	JORC Code explanation	Commentary
	<p>Mineral Resource estimation, mining studies and metallurgical studies.</p> <ul style="list-style-type: none"> Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> All intervals from the drill chips have been logged by geologists. Logging is by nature qualitative. <hr/> <p>MT-03: N/A</p>
<p>Sub-sampling techniques and sample preparation</p>	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<p>Historic Catamarca Drilling by Latin resources (2017)</p> <ul style="list-style-type: none"> Samples were split using a standard 2 tier splitter All samples were dry Samples are logged into the lab tracking system, weigh the sample as received, crush 70% <2mm, split off 1000g approx. then pulverize split to >85% -75 microns (>85% - 200#). Aliquots of pulverized samples were subject Multi-Element Analysis by Sodium Peroxide Fusion and ICP-MS (ME-MS89L) and Li Analysis by Sodium Peroxide Fusion and ICP-ES for sample over 2.5% lithium (ME-ICP82b) Sample sizes were appropriate for grain size of material sampled considering the specific targeted nature of the sampling for spodumene <hr/> <p>MT-03: N/A</p>
<p>Quality of assay data and laboratory tests</p>	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established. 	<p>Historic Catamarca Drilling by Latin resources (2017)</p> <ul style="list-style-type: none"> The Peroxide Fusion digestion is a specialized and appropriate method for accurately measuring ore grade Lithium content. Standards, blanks and field duplicates were submitted with the samples for analysis. <hr/> <p>MT-03: N/A</p>
<p>Verification of sampling and assaying</p>	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<p>Historic Catamarca Drilling by Latin resources (2017)</p> <ul style="list-style-type: none"> All Latin Resources data is verified by the Competent person. All data is stored in an electronic Access Database: <ul style="list-style-type: none"> Sample data were recorded on field logging sheets and data entered into a digital MS Access database Analysis is checked by the use of certified reference materials

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> Data is recorded on both paper and electronic formats with back up Assay data and results is reported, unadjusted Li₂O results used in the market are converted from Li results multiplying it by the industry factor 2.153 <hr/> <p>MT-03: N/A</p>
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<p>Historic Catamarca Drilling by Latin resources (2017)</p> <ul style="list-style-type: none"> Drill hole locations were measured using hand held GPS. Coordinates of drill holes were recorded in UTM WGS 84. At the completion of the program the collars will be resurveyed by a licensed surveyor using total station equipment. Topographic control was using handheld GPS and SRTM data. The grid system used was UTM WGS84 zone 20 South. <hr/> <p>MT-03: N/A</p>
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<p>Historic Catamarca Drilling by Latin resources (2017)</p> <ul style="list-style-type: none"> Drill hole spacing occurs at a nominal spacing of 40-50m. No sample compositing occurred. There is insufficient data for a mineral resource estimate. <hr/> <p>MT-03: N/A</p>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<p>Historic Catamarca Drilling by Latin resources (2017)</p> <ul style="list-style-type: none"> Angled Drill holes were orientated perpendicular to the strike of the pegmatites. <hr/> <p>MT-03: N/A</p>
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<p>Historic Catamarca Drilling by Latin resources (2017)</p> <ul style="list-style-type: none"> Company geologists, directors and consultants and licensed couriers transported the samples from the field to the ALS laboratory for reception. <hr/> <p>MT-03: N/A</p>
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> The Competent Person for Exploration Results reported here has reviewed the field procedures used for sampling program at field

Criteria	JORC Code explanation	Commentary
		<p><i>and has compiled results from the original sampling and laboratory data.</i></p> <ul style="list-style-type: none"><li data-bbox="917 293 1469 353">• <i>No External audit has been undertaken at this stage.</i>

SECTION 2 REPORTING OF EXPLORATION RESULTS

(CRITERIA LISTED IN THE PRECEDING SECTION ALSO APPLY TO THIS SECTION.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> • Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> • The Ancasti Ranges Lithium project comprises the Catamarca exploration tenements: 36M2016, 37M2016, 38M2016, 39M2016, 40M2016, 41M2016, 42M2016, 56M2016 and 57M2016 totaling 77,051 hectares. The concessions are located as blocks on the map in the body of the announcement (Appendix 1). • The MT-03 Project comprises the MT03 exploration tenements: Dockers 1, Dockers 2, Dockers 3, Dockers 4, Fremantle 7, Latin Morrito 1, Latin Morrito 2, Vandals 1 and Vandal 2. The concessions are located as blocks on the map in the body of the announcement (Appendix 1). • All claim applications have been approved.
Exploration done by other parties	<ul style="list-style-type: none"> • Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> • Not Applicable.
Geology	<ul style="list-style-type: none"> • Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> • Catamarca Project deposit types are pegmatite dykes of intrusive origin resulting in the crystallization and differentiation of a number of mineral species including Spodumene and to a lesser extent other Lithium species. These dkyes are lenticular having up to several hundred metres of strike and several metres width. They appear to have been emplaced along favorable structures within granodiorites in the vicinity (+/- km's) of larger intrusive bodies. • MT-03 project deposit types are porphyry copper deposits associated with the southern Peruvian Cretaceous Coastal batholith intruding the Jurassic volcanics and Volcaniclastics of the Guaneros and Chocolate formations.
Drill hole Information	<ul style="list-style-type: none"> • A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the 	<ul style="list-style-type: none"> • Not Applicable. No new drilling information is provided in this report. • Any references to historic data have been appropriately referenced.

Criteria	JORC Code explanation	Commentary
	<i>report, the Competent Person should clearly explain why this is the case.</i>	
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high-grades) and cut-off grades are usually Material and should be stated.</i> <i>Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> <i>Not applicable. No new information is being reported.</i>
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> <i>Not Applicable. No new information is being reported.</i>
<i>Diagrams</i>	<ul style="list-style-type: none"> <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> <i>The Company has released various maps and figures showing the project location in the regional and geological context.</i>
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high-grades and/or widths should be practiced avoiding misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> <i>All analytical results have been reported, with appropriate references to historical results.</i>
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> <i>All information that is considered material has been reported and or is appropriately referenced to, including Drilling results and geological context, etc.</i> <i>To the extent possible in such an announcement, the exploration data generated by Latin is meaningfully represented and has been related in an integral fashion. Relationships of the data have been made to past exploration data that is available, ie sample results corroborate the previously published occurrences of spodumene at seven old mines.</i>

Criteria	JORC Code explanation	Commentary
Further work	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<p>Catamarca Project:</p> <ul style="list-style-type: none"> <i>Latin plans to undertake additional reconnaissance mapping, infill stream sediment and other surface geochemical sampling at the Catamarca Project to generate potential future drilling targets.</i> <p>MT-03 Project:</p> <ul style="list-style-type: none"> <i>Latin plans to undertake initial reconnaissance diamond drilling. Depending on initial results, the Company may undertake a follow-up drilling program.</i>