

Please find below newsletter written by *The Australian Investor* magazine that was sent out in July 2010.

Regards



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LIMITED

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## The Australian Investor - Business News & Market Wrap (27 July 2010)

Latin Resources Limited is a young but ambitious exploration and development company based in Perth with a number of attractive iron ore and gold concessions in Peru.

The private company recently released its IPO, which is expected to close at the end of this month, and says it will use the capital raised to fund the exploration of its Peru projects to prove up a resource.

Latin Resources is inviting applications for up to 25,000,000 Shares at an issue price of \$0.20 each to raise up to \$5,000,000.

Managing Director Christopher Gale said the company was founded in 2008, when he was in South America looking for possible acquisitions and found some highly prospective properties in Peru.

"I really liked what I saw," he told the Australian Investor.

"I was unaware how favourable the geological climate was."

Mr Gale said the reason why Peru hadn't kept up the pace of other popular exploration destinations in South America such as Chile and Brazil was due to some instability and terrorism in the 1990s which caused damage to its mining reputation.

"But in the last 15 years it has developed into a world-class mining destination."

Mr Gale said the major players such as BHP-Billiton, Newmont, Phelps Dodge and Barrick had been in the area for a long time but Latin Resources was one of the first junior Australian explorers to venture into the country.

With a strong resource base, extensive mineralisation and a long history of mining activities, Peru is rated highly by the Fraser Institute Survey as the 11th ranked mining country in the world and No 1 in Latin America for mining potential

"It's not only its geology, but the infrastructure, ease of grant mining processes and political stability," Mr Gale commented.

"It ranks up there not only with exploration but also production."

According to Mr Gale, another major benefit to operating in Peru was the lowered business costs.

"The cost of exploration is nowhere near the high costs of Australia."

Mr Gale added that Peru also offers a stable and favourable taxation regime for foreign mineral exploration and operating mining companies.

In 2008, Peru produced 179 tonnes of gold, ranking it number 5 for world gold-producing countries. This is an increase of 29% since 2001 and in comparison, Australia ranks number 4 and produced 225 tonnes of gold in 2008.

Mr Gale told the Australian Investor that there were five recognised provinces that are prospective for iron mineralisation but it is one area of exploration that needed to be further developed in the country.

"There has been a focus on base and precious metals in the past," he explained.

But now that iron ore prices have lifted he said it was a much more viable mineral to explore and iron ore activity was starting to pick up.

Latin Resources has built a portfolio of high potential concessions through direct ownership and also entered into option/exclusivity agreements.

The company has staked 24,200 hectares and optioned another block of concessions in three areas at Ilo - Ilo Norte (north), Ilo Este (east) and Ilo Sur (south).

Ilo is located on the southern Peruvian coast, 900 kilometres south of Lima in the Moquegua Department. Mr Gale said the properties were situated near a major port and well established infrastructure.

Latin Resources has completed geologic mapping, sampling, geophysical surveying (ground magnetics and gravity) and has discovered at least two compelling drill targets at the Ilo properties.

The company has designed a work program and budget to progress its mineral exploration portfolio over the next two years with the capital raised from its current IPO.

Mr Gale said the follow up drill program would be carried out over the second half of 2010.

The Company has also signed an agreement with Teck Cominco Peru S.A (Teck), a subsidiary of the largest diversified mining company in Canada, regarding the sharing and use of Teck airborne geophysical data flown by Teck in 2003. Teck flew the survey for copper exploration and Latin Resources is reprocessing the raw data for iron exploration.

Latin Resources views the agreement with Teck as a major step forward in potentially discovering a Marcona style deposit in the Ilo region and it has expedited the Company's exploration and concession staking program.

With this data, Latin Resources has had the opportunity to enhance its Ilo portfolio of properties by remodelling the Teck data for major Iron anomalies. Based on this work, Latin has applied for a further 32,200 hectares of concessions within the areas of interest.

These concessions will be 100% owned by Latin (when granted), however, Teck has certain royalty rights for any iron ore sales and the right to earn in to any gold or base metal projects that are discovered in concessions staked within the area of interest following the execution of the Teck Agreement.

“That’s a big a big coup for us and a major partner to have in Peru.”

The Company holds 100% of rights to 8,500 hectares of concessions in the Ferrobamba Iron Province which hosts known significant iron resources. The Toray Project is located in the Apurimac Department and is 4,500 hectares in area and the Coribeni Project is located in the Cusco Department and is 4,000 hectares in area.

Latin Resources has also staked additional concessions in the Coastal Sur Iron Province in close proximity to the large Marcona and Pampa de Pongo resources. Latin Pampa de Pongo is located in the Ica Department and is 900 hectares in area and is 5.0 kilometres from the Pampa de Pongo deposit.

Mr Gale has a positive view on future growth in the global iron-ore market:

“India is yet to kick in,” he said. “It still has a long way to go.”

He said China’s demand growth was obvious and that the US market was also picking up and starting to see improvement as well.

Looking ahead, Mr Gale says building up a portfolio of commercially viable mineral resources through to production has always been the ultimate goal for Latin Resources:

“We’ve spent 3 million dollars and 2 and a half years getting to the point where we are now with very good prospects,” Mr Gale stated.

“Now proving up a reserve is our short term focus. We’d like to get to the point where we have a JORC Resource. And ultimately, our long term strategic goal is to get into production.”

For more information: <http://www.australianinvestor.com.au/linkt.aspx?id=324>

ASX Afternoon Market Wrap – 27th July 2010 – Banks Lift Market

Australian shares continued the positive run for the week so far, with bank stocks advancing and erasing the mining losses....

For a full market wrap, visit our Stockmarket News section  
<http://www.theaustralianinvestor.com.au/newshome.asp>

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Today's top news stories:

- [AFR] Further coal intersections extend deposit at Sese Project
- [SRL] Goldminco Corporation Further Exploration update
- [NIP] Placement of \$2.6 million
- [CFE] Resource drilling returns significant intersections
- [ROL] Romang geophysics and drilling extends Batu Mas target zone
- [HRL] Otway Basin Geothermal Resource increased to 180,000PJ
- [TRF] Best gold mineralisation to date at Wilcherry Hill
- [EMX] Maiden 7.5 million pound JORC-compliant Inferred Resource Estimate
- [FTE] New mineralisation and additional targets identified
- Morning Market Mood – Gold
- Morning Market Mood – Oil
- Morning Market Mood – Dollar

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Recently updated magazine articles

- Latin Resources Limited is a young but ambitious exploration and development company based in Perth with a number of attractive iron ore and gold concessions in Peru.
- Millennium Minerals Limited (ASX: MOY) is an emerging metals company focused on the exploration and development of a large high-potential tenement portfolio in the East Pilbara region of Western Australia.
- Formed in August 2009 for the purpose of acquiring and developing highly prospective mineral properties, Doray Minerals Limited (ASX: DRM) has made remarkable progress since listing on the ASX in February this year.
- Having already established Australia's largest vanadium resource, NiPlats Australia Limited (ASX: NIP) has turned its sampling and mapping attention to copper and gold prospectivity at its Speewah Project.

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