



10 May 2011

ASX Announcement

Exploration Update – Guadalupito and Ilo Norte - Peru - Clarification

The following information is clarification on the Guadalupito Project information released to the market on Monday, 09 May 2011.

With respect to the bullet point, *Conceptual exploration target mass doubled to over 2 billion tonnes based on initial testing of drilling equipment that confirms heavy mineral presence (including magnetite) to 20m below surface.*

The Company would like to clarify that this statement is based on information reported to the ASX on 10 February 2011, as quoted below:

“Geological mapping at Guadalupito confirms that at least 6,000 hectares within the Company’s concessions are highly prospective. Work conducted at Guadalupito to date highlights good potential for economic content of:

Magnetite (3.5 - 15.1%)
Andalusite (5.3 – 16.5%)
Gold (6 - 556 mg/m³)

And potentially economic content of:

Monazite (REE) (trace – 1.7%)
Zircon (trace – 1.1%)
Ilmenite (trace – 2.8%)
Wolframite (trace)”.

The area of highly prospective sediments mapped at surface were previously estimated to be at least 10m thick considering the shoreline depositional environment that gave rise to them. The density of coastal sediments can also be estimated at between 1.8-2.2 g/cm³. These general assumptions allowed for the development of a conceptual exploration target mass of at least 1 billion tonnes of sediment (range 1.0 – 1.3 billion tonnes). These assumptions were clarified in a press release dated 31 March 2011.

Logging information from tests of the drilling equipment supports the geological model previously reported for the Guadalupito project and in addition has provided clear evidence that the mineralised sediment thickness is potentially 20 m rather than the previously estimated 10 m. This potentially doubles the previously reported estimate of conceptual exploration target mass referred to above.

The company would like to reiterate that the above potential masses are conceptual in nature, that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

For further information please contact:

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The information above and in the press release to the market on May 09, 2011 is based on information compiled by Mr Andrew Bristow, a full time employee of Latin Resources Limited’s Peruvian subsidiary. Mr Bristow is a member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralization and the type of deposit under consideration to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Bristow consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.