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29 November 2010

ASX RELEASE

GUADALUPITO

Iron and Heavy Mineral Sands Project

Exploration Update

Initial results from a mineralogical and geochemical studies of two phases of sampling including four "mini-bulk" samples, indicate that:

- **Magnetite with a low Titanium content has been confirmed as the dominant magnetic mineral.**
- **The Iron (Fe) and Titanium (TiO_2) content of two magnetic concentrates were 64% and 5% respectively and are comparable with those of iron concentrates reportedly produced from an operating iron sands mine in New Zealand.**
- **Gold grades of potential economic significance have been encountered.**
- **The majority of Gold was encountered in the - 150µm fraction.**
- **The 150µm fraction contained an average of 12% of the total mass of the four samples but contained 69% of the total contained Gold suggesting that simple screening will aid the recovery of gold significantly.**
- **The very fine (- 53µm) fraction of the samples contained negligible material indicating that slimes will not be a problem during the treatment process.**
- **Discrete mineral grains of recoverable size of Gold, Monazite, Zircon, Ilmenite and Wolframite have been identified.**
- **Significant quantities of the Rare Earth Elements Lanthanum, Cerium, Neodymium as well as Thorium were identified in Monazite.**
- **Andalusite mineral grains were identified as containing a low Iron content.**

Executive Summary

Initial results of analysis and testwork from two phases of preliminary sampling of the Guadalupito Iron and Heavy Mineral Sands Project under option by Latin are presented in this news release. These initial results are important in the sense that they confirm the presence of a number of minerals of economic interest in free forms. That is, no milling would be required to liberate the economic minerals of interest from the unconsolidated bulk material that might make up a resource in the future. This allows Latin to continue working to determine the concentration, distribution, recoverability and separability of each of the target minerals by gravimetric, magnetic, electrostatic or other means that are industry standard in the mining of heavy mineral deposits.

In the case of Iron minerals, results show that a concentrate with marketable characteristics (65% Fe, 5% TiO_2) can be produced using industry standard methodology from material represented by the samples tested by Goodall Business & Resource Management Pty Ltd, which in turn gives Latin encouragement to pursue further the economic evaluation of the Project in terms of its Iron content.

In the case of Gold, results show that grades have been encountered at Guadalupito that are comparable to other projects that are considered economic by their owners, or are undergoing continued economic evaluation because similar grade levels are present (>50 mg/m^3). In addition, at Guadalupito a very simple process of screening would appear to result in an effective pre-concentration method as part of a potential gold recovery process. These results certainly provide encouragement to Latin to continue to evaluate the gold content of the project area, especially as any potential future gold production would be a by-product or co-product of a multi-commodity operation.

In the case of Andalusite, the low Iron content apparent in the mineral grains analysed greatly encourages Latin to continue evaluating the economic potential of this mineral at Guadalupito given that low Iron content is one of the key characteristics that favour the marketing of Andalusite.

In the case of Monazite, an initial insight into the specific Rare Earth Elements that this mineral contains at Guadalupito has been obtained by this work. The fact that this mineral accounts for more than 1% of two 'mini-bulk' samples, greatly encourages Latin to continue evaluating the economic potential of this mineral at Guadalupito.

In the case of Zircon, Ilmentite, Wolframite and other minerals that may be present in material not represented by these preliminary samples, Latin is encouraged that these minerals are also present in a liberated form and will continue to evaluate their economic potential as part of the Guadalupito project.

Overall the Company is very pleased with these initial results because of the coincidence of positive results: the liberated nature of the minerals; their apparent quality and/or alignment with market requirements; and the sheer variety of commodities present, not least the favourable outlook for Iron and Gold at Guadalupito, together the key commodity focus for the Company. These results provide more than enough encouragement for the Company to continue evaluating processing alternatives and to undertake a more systematic evaluation of the concessions under its control for their resource potential during 2011.

Background

The Company has an option and lease agreement over 6 mining concessions totalling 2,218 hectares covering part of a larger coastal beach placer deposit in the Guadalupito district of the Department of La Libertad in North Central Peru. The concessions are located in uninhabited coastal desert with surface land owned by the Peruvian Government. The port town of Chimbote is 25 km south of the project along the paved Pan American highway which passes within 5 km of the project. Chimbote is host to Peru's largest Iron Smelter which is owned by the Brazilian based Gerdau Group, the leading long steel producer in the Americas (Figure 1).

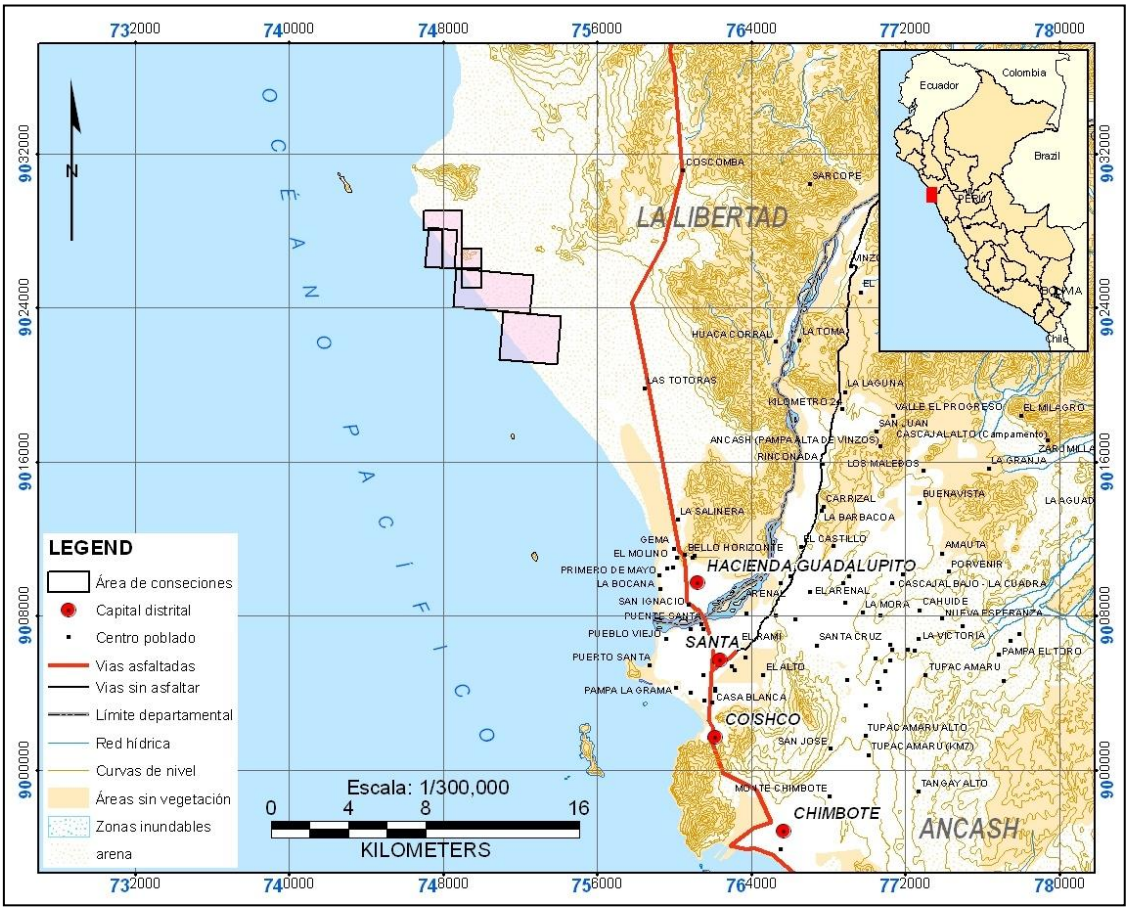

Figure 1 – Map showing the location of the Guadalupito Mineral Sands Project. Optioned concessions are shaded pink and total 2,218 hectares.

Magnetite and other heavy mineral bearing sand have been deposited over recent geological time as part of a westward prograding shoreline system to form a series of beach placer deposits. These deposits comprise unconsolidated sand and conglomerate horizons that extend north from the mouth of the Santa River for at least 60 km along the coast, extend up to 4 km inland, and are typically less than 5 m above mean sea level, and in their entirety, potentially represent a world class heavy mineral sand deposit.

Latin is approaching the evaluation of Guadalupito as a multi-commodity mineral sands project with historical work showing good potential for economic mineral content of Magnetite (iron ore), Gold and Andalusite (Industry preferred refractory mineral used in steel production). Other potentially economic minerals include Monazite (REE's), Ilmenite, Rutile, Titanite, Zircon, and wolframite and/or scheelite (tungsten ores).

Sample Analysis and Testwork Update

Sampling

Latin has completed two phases of preliminary sampling at Guadalupito:

The first phase conducted in November 2009, involved the excavation of three pits on the optioned properties and one just outside the properties to the North (Table 1). Chanel samples were collected over 0.5m intervals from surface to 1.5 m depth on four exposed faces of the pits (north, east, south and west facing).

Table 1 – Locations of pits sampled in November 2009.

Pit Id	Depth	Sample Number String	WGS 84 UTM mN	WGS84 UTM mE
G-001	0-1.5 m	672338 - 672349	9024637	749817
G-002	0-1.5 m	672350 - 672361	9025126	749481
G-003	0-1.5 m	672362 – 672373	9026210	749068
G-004	0-1.5 m	672374 – 672385	9028937	747007

The second phase of sampling in October 2010 involved three additional 'mini-bulk' samples collected from the optioned properties and a fourth 'mini-bulk' sample from another part of the beach complex from pits freshly excavated or existing exposures from previous activity (Table 2). The fourth sample was collected to verify published reports of significant monazite content of the sands at that location.

Table 2 – Locations of pits sampled in October 2010.

Sample Number		Depth	WGS 84 UTM mN	WGS84 UTM mE	Description
Composite of	1933	0-1 m	9024638	749819	Sand
	1934	0-0.8 m	9025121	749487	Sand
	1935	0-0.1 m	9025284	749348	Sand
	1937	0-0.8 m	9026214	749068	Conglomerate
	1938	0-0.5 m	9014102	758043	Sand

Iron Results

Sand samples from phase one sampling were composited and sent to Goodall Business & Resource Management Pty Ltd for preliminary metallurgical test work with the objective of determining whether or not it was possible to obtain a high grade iron (magnetite) product from them. The samples were passed over a Wilfley Table to produce a heavy mineral concentrate and then magnetic separators to produce various magnetic fractions.

This work has indicated that a high grade magnetite concentrate assaying 63.5 – 64.0% Fe can be produced using standard concentrating technologies.

When compared with the magnetic concentrate grades reported from iron sands projects in New Zealand and Peru (Table 3), the initial indications are that using simple standard treatment processes it is possible to produce iron concentrates from Latin's Guadalupito iron and mineral sands prospect that are arguably higher in Fe grade with possibly a lower TiO2 content than those produced by the Blue Scope Steel operations in New Zealand. It should be noted in this context that the vanadium content of the Blue Scope Steel concentrates represent a valuable byproduct for their operation[1] and that the vanadium content of the Latin Guadalupito concentrate was similar to those of Blue Scope. In Peru, Cardero Resource Corporation is undertaking feasibility studies on

[1] Bluescope Steel, new Zealand Steel - Analyst site visit 5-6 June 2008. Available on the website of Bluescope Steel.

their 'El Toro' Iron Sands project in southern Peru based on an indicated and inferred resource of over 850 million tonnes grading approximately 6.5% Fe. Latin's initial test work also show a higher Fe content in magnetic concentrates than those produced at El Toro (Table 3).

Table 3 - Concentrate grades produced from Latin's Guadalupito Option compared with other Iron sands projects – Peru and New Zealand

DESCRIPTION	% concentrate in ROM material	REPORTED CONCENTRATE GRADES					
		Fe %	TiO2 %	V2O5 %	Al2O3 %	P %	SiO2 %
LATIN - GUADALUPITO: Sample 5148 – Carpo mag	11.54%	63.5	4.9	0.4	1.1	0.1	2.5
LATIN - GUADALUPITO: Sample 5156 – Rare earth/Carpo mag	11.57%	64.0	5.0	0.4	0.9	0.1	2.5
Reported average – **El Toro Iron sands project (Peru)**. Website 4th May 2010	~ 11.00%	61.5	4.3-6.41	?	0.61–1.41	0.09–0.12	1.22–1.82
Reported average – **Taharoa Iron Sands (NZ) – Blue Scope Steel** 6th June 2008		56.8	7.7	0.45			
Reported average – **Waikato North Head (NZ) – Blue Scope Steel** 6th June 2008		58.5					

Phase two samples were subject to a variety of analyses including mineral characterization using a combination of Scanning Electron Microscopy (SEM) and Energy Dispersive X-Ray Spectrometry (EDS) analysis which was undertaken by Dr Gladys Ocharan of MyAP, a specialist mineralogy consultancy in Lima, Peru with the aim of determining the size, morphology and chemistry of individual target minerals.

Initial results on the -300µm fraction of 'head' samples has confirmed the presence of Magnetite as the dominant magnetic mineral which occurs predominantly as angular free grains of variable morphology and low Titanium content (Figure 2). Other subordinate Iron bearing minerals identified were Titano-magnetite, hematite and ilmenite.

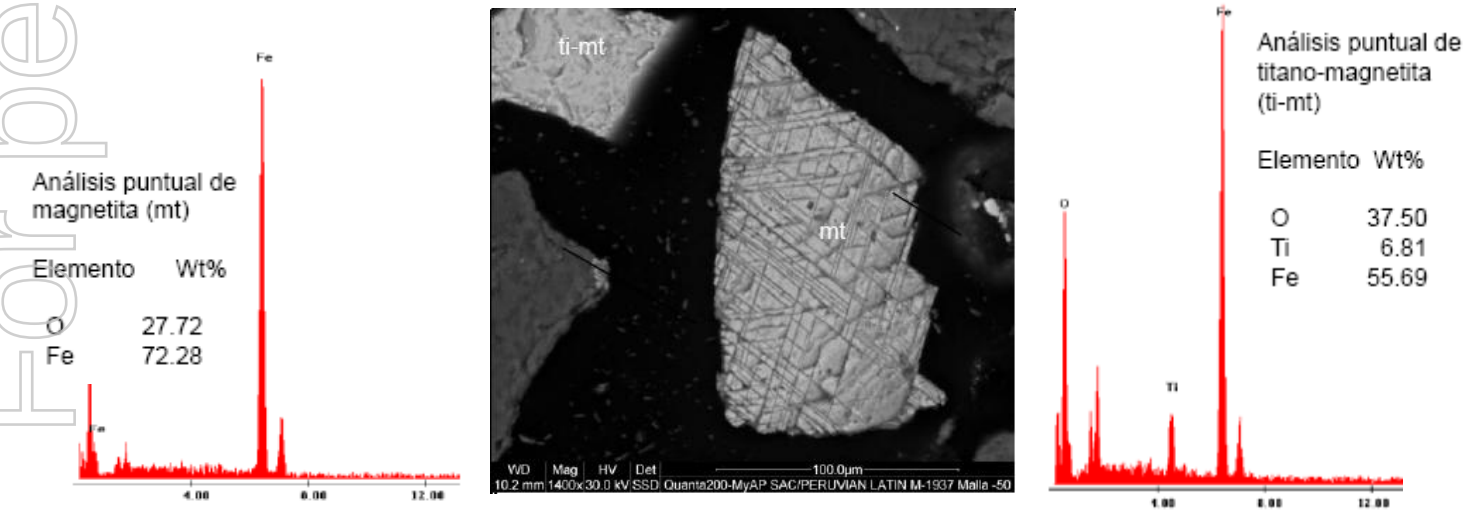

Figure 2 – SEM backscatter image from Sample 1937 with typical point analysis spectra by EDS of both Magnetite and Titano-Magnetite. Note the absence of any measurable peak for Titanium in the Magnetite spectra.

Gold Results

Analysis of phase one samples has confirmed the gold content of the sands. Four pits were excavated and were channel sampled over 0.5 m lengths down each side (west, north, east and south) to the full depth of the pit (approximately 1.5 m). These individual samples were sent to two separate laboratories, Ultratrace in Australia and ALS in Peru, for gold analyses with comparable results (Table 4).

Table 4 – Gold analyses of Samples from pitting by Latin on the Guadalupito optioned concessions.

LATIN PIT No.	Sample	Au ppb WEST	Au ppb NORTH	Au ppb EAST	Au ppb SOUTH
G-001	672338/41/44/47	4	5	10	4
	672339/42/45/48	27	3	21	3
	672340/43/46/49	11	4	5	4
G-002	672350/53/56/59	6	4	6	8
	672351/54/57/60	14	29	278	6
	672352/55/58/61	5	63	27	85
G-003	672362/65/68/71	110	66	63	26
	672363/66/69/72	11	12	23	91
	672364/67/79/73	9	5	6	4
G-004	672374/77/80/83	36	118	29	30
	672375/78/81/84	82	129	27	22
	672376/79/82/85	22	36	10	4
Value	> 25ppb (or 50mg/m^3 at SG=2.0)				
Value	> 50ppb (or 100mg/m^3 at SG=2.0)				
SAMPLES ASSAYED BY					
	Utratrace (Perth, Australia)				
	ALS (Lima, Peru)				

NOTE: Pits were channel sampled in 0.5m lengths down the west, north, east and south walls. Samples from the west and east walls were assayed for gold by Ultratrace in Perth by Fire Assay using a 40g sample weight, the North and south samples were assayed by ALS in Lima, Peru using their method Au-ICP22 which is a Fire Assay using a 50g sample weight and ICP finish. All samples were generally <1mm.

Extensive studies of the New Zealand alluvial gold dredging industry (Fricker, A.G., 1989) show that in 1986 the mean grade of 100 gold dredges operating at that time was "less than 100mg/m^3." And that "This is around the limit for economic viability"[2]. A gold grade of 100mg/m^3 is equivalent to a grade of 50ppb assuming a SG of 2.0 for the iron and heavy mineral sands. Similar historical literature suggests that a lower cut-off grade for viable mining is around 50mg/m^3 or 25ppb gold.

For comparative and discussion purposes only, it is noted that the order of magnitude of these estimates of economic viability are supported by recent announcements made by US listed company Constitutiojn Mining Corp. (code CMIN.OB) who when reporting on their alluvial gold exploration property in Peru, throughout 2009 and 2010, noted that a similar alluvial gold operation "in Columbia has been producing more than 100,000ozs of gold per year from gravels

[2] Fricker, A.G., (1989). *The Processing of Placer Gold in Mineral Deposits of New Zealand.* AusIMM Monography 13. The AusIMM, Melbourne. Fricker was with the NZ DSIR Industrial Processing Division. DSIR = Department of Scientific and Industrial Research

and sands with an average grade of only 150mg/m^3 and a cutoff grade of a mere 90mg/m^3.[3], and that economic modeling had resulted in their exploration program using a "targeted cutoff of 50mg/m^3." [4]

Phase two, 'mini-bulk' samples were screened as part of a series of testwork undertaken by Transmin Metallurgical Consultants, a Peru based firm with extensive international experience in metallurgical troubleshooting. Samples 1933/1934, 1935 and 1938 passed completely through 1mm screens while 1937 contained 49% coarse stones by weight. Between 1 kg and 1.5 kg of the -1 mm sands were then screened into -1 mm+300 µm, -300 µm+150 µm and -150 µm fractions. Recovery of a -53 µm fraction was attempted but this finer fraction was a negligible component of the all the samples. Screened fractions of sand were then analysed for gold content by fire assay (50 g charge with ICP finish at ALS, Lima, Peru) to reveal the size distribution of the gold in the sands (Table 5). The contained gold in each sample is found dominantly in the -150 µm fraction, and significant upgrading of the head grade can be achieved by simple screening of the sample.

Table 5 – Size fraction analysis of Phase Two samples and their corresponding gold analyses. Note the significant potential for upgrading of gold grade by screening.

Sample	1933/1934			1935			1937			1938		
Size Fraction	Weight %	Au ppb	Au %	Weight %	Au ppb	Au %	Weight %	Au ppb	Au %	Weight %	Au ppb	Au %
+1000um	0%	N/A	N/A	0%	N/A	N/A	49%	N/A	N/A	0%	N/A	N/A
-1000um+300um	44%	4	9%	12%	6	2%	4%	13	1%	61%	6	9%
-300um+150um	51%	11	30%	70%	22	37%	29%	73	27%	33%	20	16%
-150um	5%	230	61%	18%	141	61%	18%	317	73%	6%	501	75%
Head (calculated)		19			42			79			40	

Characteristics of Other Minerals Identified

Phase two samples were subject to a variety of analyses including mineral characterization using a combination of Scanning Electron Microscopy (SEM) and Energy Dispersive X-Ray Spectrometry (EDS) analysis which was undertaken by Dr Gladys Ocharan of MyAP, a specialist mineralogy consultancy in Lima, Peru, with the aim of determining the size, morphology and chemistry of individual target minerals.

The nature of this work is essentially qualitative, although the use of automated sampling across the mounts of each sample provided a semi-quantitative measure of the contents of several target minerals in the -300 µm fraction of each sample that was prepared for mineralogical analysis (Table 6).

[3] Constitution Mining Corpn press release dated 8th September 2009. A head grade of 150mg/m3 is equivalent to 75ppb at a SG of 2.0

[4] Constitution Mining Corpn press release dated 23 July 2010. 50mg.m3 is equivalent to 25ppb at a SG of 2.0.

Table 6 – Semi-quantitative analyses of mineral percentages contained in -300 µm fraction of the sands. Reference can be made to weight % of the -300 µm fraction in Table 5.

Mineral (%)	1933/1934	1935	1937	1938
Magnetite (mt)	3.5	15.1	13.2	8.5
Titano-Magnetite (t-m)	2.3	4.4	3.2	3.1
Hematite, Goethite (hm-goe)	3.7	3.6	5.6	5.9
Ilmenite (il)	tr	1.2	1.3	2.8
Andalusite (ad)	6.5	16.5		5.3
Monazite (mo)	tr	1.7	tr	1.1
Zircon (zr)	tr	tr	1.1	
Native Gold (Au)		tr		
Others: Chalcopyrite, wolframite, casiterite			tr	

Andalusite was identified in significant proportions in three of the four samples and appears as sub-angular separate mineral grains with a variety of sizes. Of greatest significant is the very low Iron content of the grains (<1%) as demonstrated by consistent EDS spectra of point analyses of a number of grains.

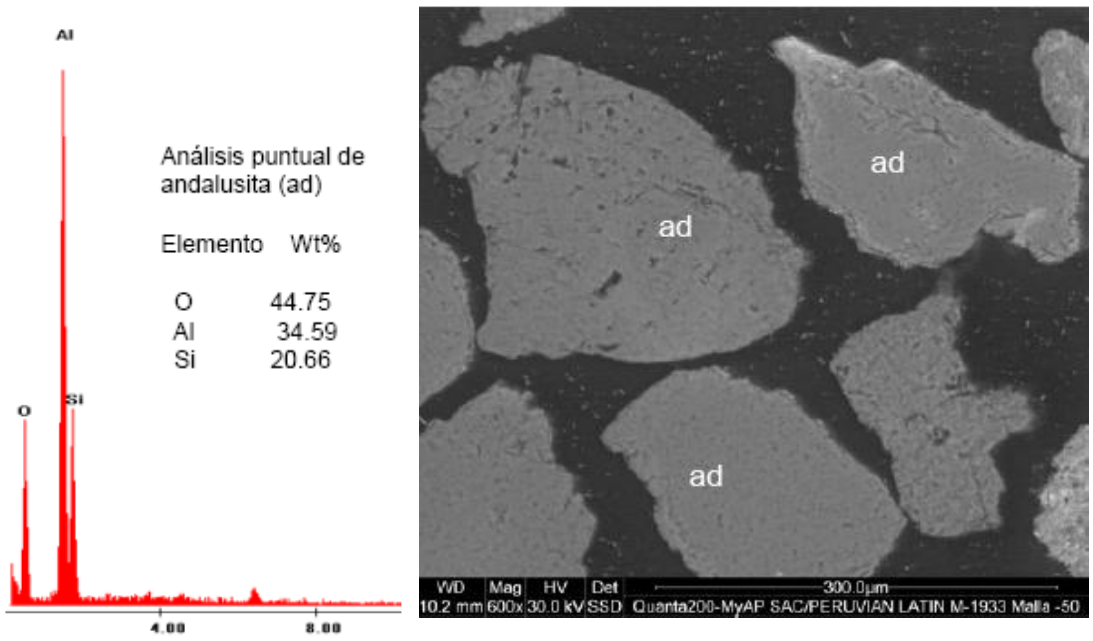

Figure 3 – SEM backscatter image of Andalusite grains in Sample 1933 with a typical point analysis spectra by EDS.

The significance of the lack of Andalusite in the -300 µm fraction of the sample from the conglomerate unit (1937) will be considered in future evaluation work.

Monazite was identified in each of the four samples and in 1935 and 1938 was greater than 1%. Monazite occurs both as inclusions in a variety of other minerals, but also importantly as free and relatively large individual sub-rounded to angular grains. Several point analyses of different Monazites showed significant quantities of the Rare Earth Elements Lanthanum, Cerium, Neodymium as well as Thorium (Figure 4).

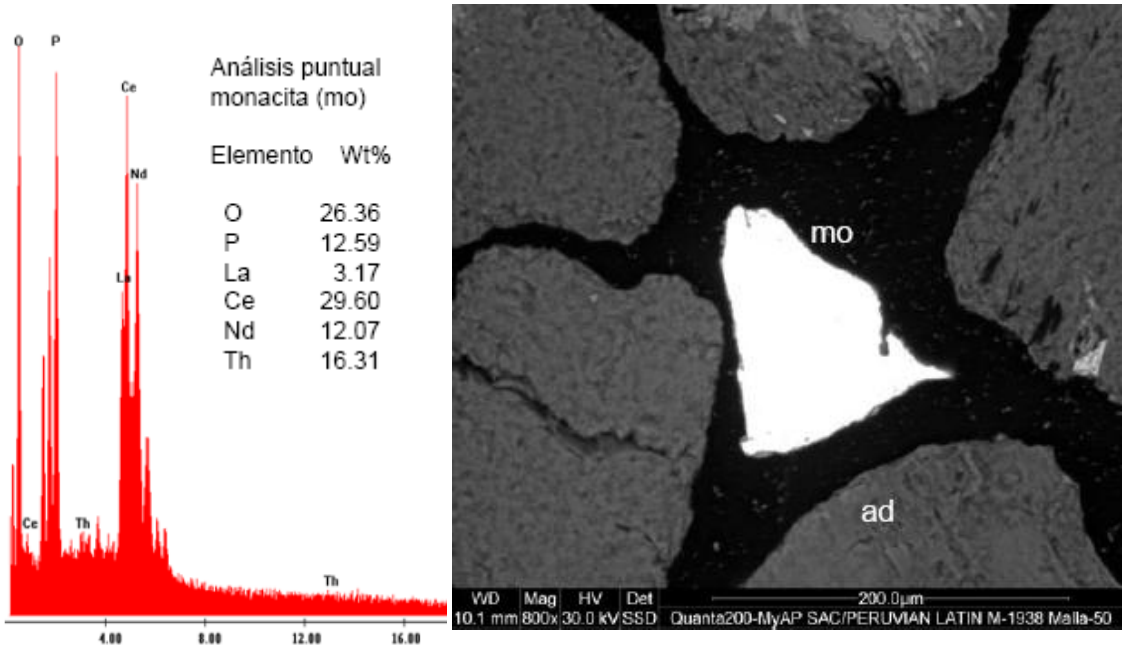

Figure 4 - SEM backscatter image of a Monazite grain in Sample 1938 with a typical point analysis spectra by EDS.

Zircon was also present in three of the four samples with the -300 µm fraction of sample 1937 containing over 1%. This result contributes to a series of data that suggests the conglomerate units on the beach have a distinct mineral distribution and composition. The zircon appears commonly as rounded bullet shaped grains and also as angular grains but is predominantly present as individual free grains.

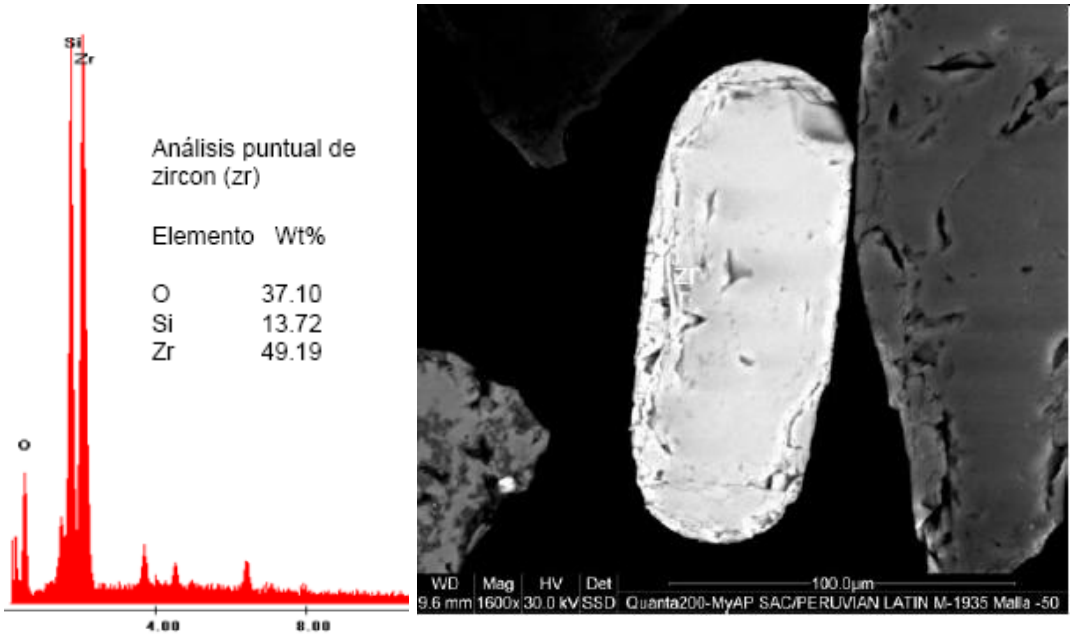

Figure 5 - SEM backscatter image of a Zircon grain in Sample 1935 with a typical point analysis spectra by EDS.

Ilmenite was present in the -300 µm fraction of all four samples from trace levels up to 2.8%. The grains vary in size, shape and texture and appear as free individual grains (Figure 6) and also inter-related with titano-magnetite.

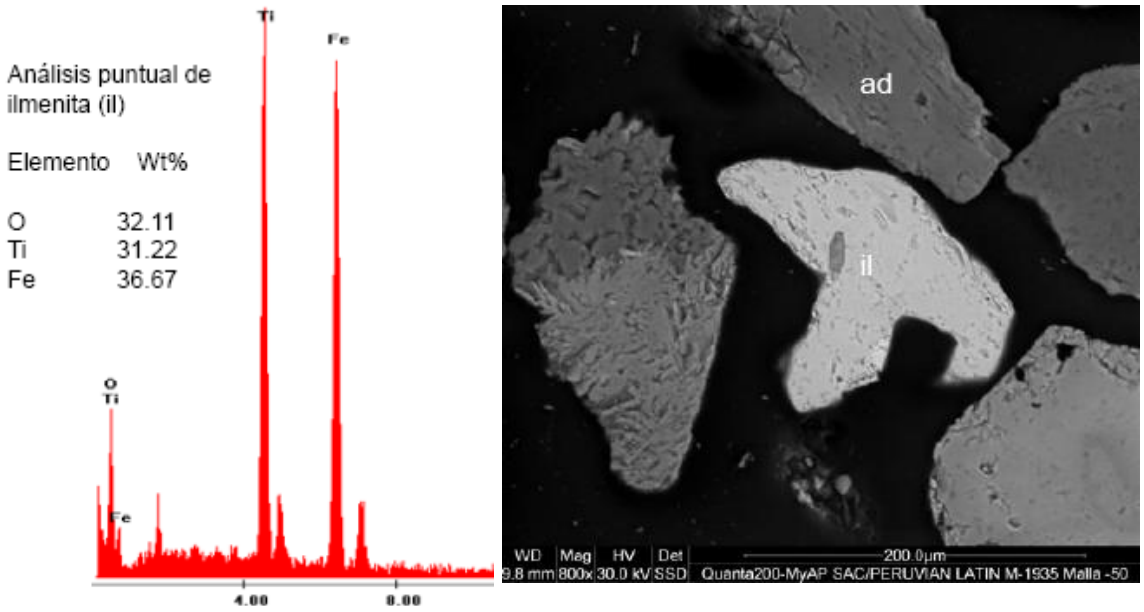

Figure 6 - SEM backscatter image of an Ilmenite grain in Sample 1935 with a typical point analysis spectra by EDS.

Trace levels of Wolframite were identified in Sample 1937 and angular, individual mineral grains identified of a recoverable size (Figure 7).

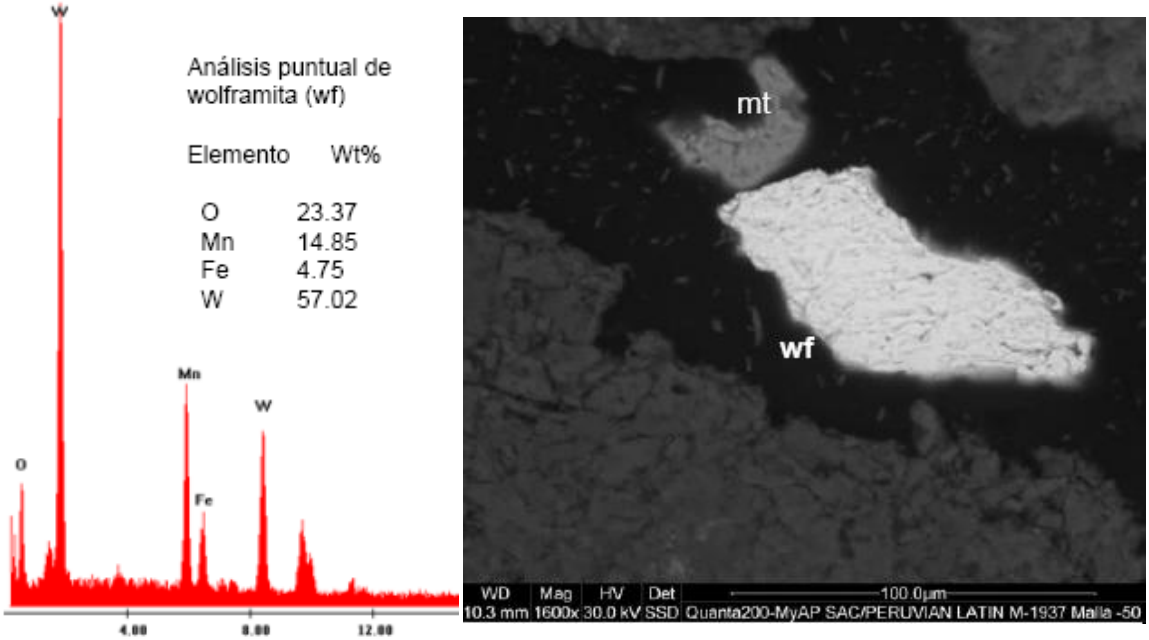

Figure 7 – SEM backscatter image of a Wolframite grain in Sample 1937 with a typical point analysis spectra by EDS.

Finally, despite the relatively low concentrations of Gold in the samples, one small grain (3 µm) of free native gold was identified in Sample 1935 (Figure 8). Ongoing work on gravimetric concentration of gold will provide greater scope for classification of the gold in these samples.

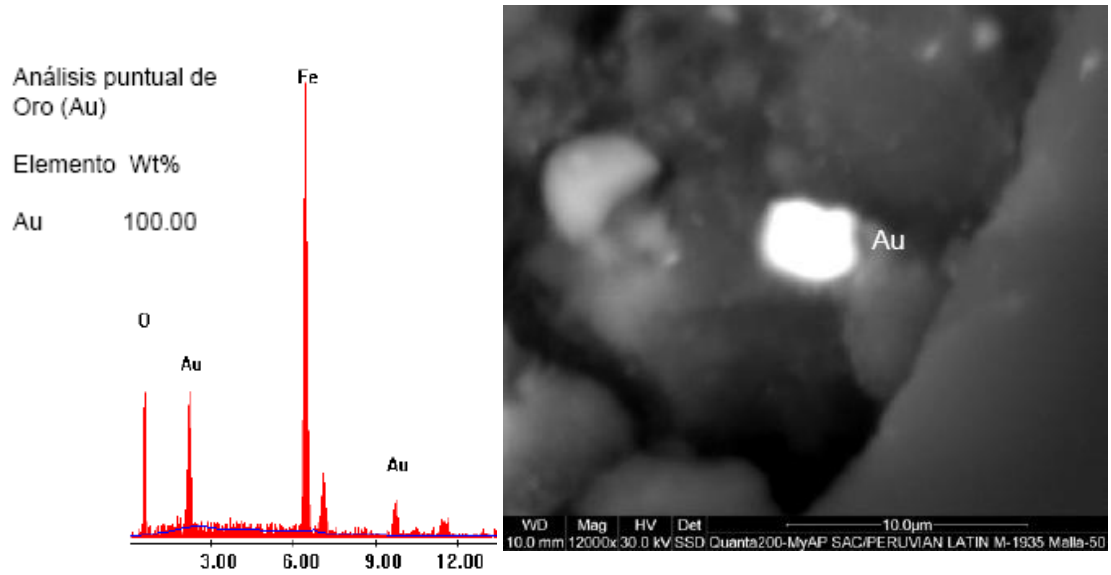

Figure 8 – SEM backscatter image of a Gold grain in Sample 1935 with a point analysis spectra by EDS.

Latin Resources Limited

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Issued Capital:
132,750,000 Ordinary Shares
11,000,000 Unlisted Options

ASX Code:
LRS (Ordinary Shares Fully Paid)

Cash (30 September 2010):
$3.465 million

Directors:
Roderick Brown – Chairman
Christopher Gale – Managing Director
Mark Rowbottam – Non Executive Director
David Vilensky – Non Executive Director

Company Secretary:
Jim Moran

The information in this report that relates to Geological Data and Exploration Results 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.

About Latin Resources

Latin Resources Limited is a mineral exploration company focused on creating shareholder wealth through the identification and definition of mineral resources in Latin America, with a specific focus on Peru.

ENDS