



LATIN RESOURCES LIMITED

LATIN RESOURCES LIMITED
ACN: 131 405 144

Level 1, 173 Mounts Bay Road
Perth Western Australia 6000
P 08 9485 0601
F 08 9321 6666
E info@latinresources.com.au

22 February 2011

GROUND MAGNETIC SURVEY DELINEATES LARGE, HIGH INTENSITY MAGNETIC ANOMALY AT MARIELA IRON ORE PROJECT, 60 KM NORTH OF ILO PORT, SOUTHERN PERU.

Highlights

- **Ground magnetic survey delineates a high intensity (3000nT) anomaly with the modelled source under 30-100 m of cover and measuring 3000 m long, 1000 m wide and up to 200 m thick.**
- **30% magnetite equivalent cutoff (1SI unit) used in “straight forward model” completed to match measured total magnetic field.**
- **Bi-polar anomaly characteristic of low magnetic latitudes.**
- **Gravity survey will commence immediately to allow for improved drill targeting.**
- **Environmental permit for drilling in preparation, approval expected April 2011.**
- **RC Rig booked to commence drilling from mid April.**
- **Located directly on major road transport route and only 60 km from major mining port**

Latin Resources Limited (LRS.ASX) has received very positive results from a ground magnetic survey at its Mariela Iron Ore Project in Southern Peru. The survey delineates a high intensity magnetic anomaly of significant size.

The ground magnetic survey was interpreted by Val D'Or Geofisica (VDG Del Peru S.A.C) and has identified a high intensity (3000nT) anomaly with the modelled source under 30-100 metres of cover. The modelled source is sizeable and measures 3000 metres in length, 1000 metres in width and is up to 200 metres thick.

The “straightforward” model was completed to match the measured total magnetic field using a 1 SI unit cut-off equivalent to 30% magnetite.

Latin Resources will now prioritise the work programmes on the Mariela Iron Ore Project and will commence a gravity survey immediately to follow up on the magnetic survey. The results of the gravity survey will allow for improved drill targeting.

A maiden RC drilling program is planned to test the intense magnetic features and will commence in mid April 2011. The requisite environmental approvals process is well underway with approval expected to allow drilling to commence as planned in April 2011.

The Mariela Iron Ore Project (Mariela) is situated in very close proximity to key infrastructure as it is located directly on the Panamerican Highway, a major road transport route, and is only 60 km from a major port.

Mariela is based around 5 contiguous mining concessions covering 3,200 hectares in the Islay Province of Arequipa in Southern Peru. Figure 1 shows the location and proximity to the paved Panamerican Highway that crosses the concession area.

Latin Resources is actively progressing its portfolio of resources projects in Peru and recently announced a \$20 million expansion of its flagship iron and mineral sands project at Guadalupito. This project has the potential to become a world class Iron and Heavy Mineral Sand project and like Mariela is located in very close proximity to key infrastructure,

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Latin Resources' Managing Director, Chris Gale was very pleased to announce these highly promising magnetic survey results.

"The magnetic survey results we have received at Mariela are excellent and significantly exceed our expectations at this stage of the Project," Mr Gale said.

"The size and intensity of the results are such that they warrant immediate follow up with a gravity survey and the fast tracking of an extensive RC drilling program, which is scheduled to commence in April 2011.

"We're very pleased to receive such high quality survey results at a project that is located in such close proximity to key road and port infrastructure, after all, we all know that infrastructure is a very significant element of the development of iron ore projects.

"As a company we are very focused on delineating a JORC compliant resources at our recently expanded project at Guadalupito and the development of the Mariela project will be complementary to those plans.

Mariela Project Geophysical Survey Summary.

Initial mapping at Mariela identified intrusive rocks in the west of the concession block, and volcanic and sedimentary rocks to the east and north east. A significant portion of the concessions are covered by distal colluvial material that obscures underlying geology.

Historical government regional aero-magnetic data included a significant magnetic anomaly in the area of the concessions and was one of the reasons Latin staked these concessions in the area of the project.

A magnetic survey was completed over twenty nine (29) lines, for a total length of 95.40 km. by Zissou Peru S.A.C. Three instruments were used: one base and two mobiles with an integrated GPS system. The magnetic base recorded the diurnal variation of the local magnetic field, and the two mobile instruments acquired raw magnetic data and UTM coordinates along the survey lines in continuous mode with readings every 3 seconds.

The field data was processed and interpreted by VDG del Peru SAC who issued a report in February 2011 prepared by a member of a recognized overseas professional organisation accepted for the purpose of reporting in accordance with Appendix 5A of the Australian Stock Exchange listing rules (the JORC Code).

The VDG report stated:

"The Mariela project is located south of the magnetic equator where the geomagnetic field has an inclination of -9.2° , a declination of $3.3^{\circ}W$, and an amplitude of 24,120 nT. Under such conditions, magnetic bodies at depth have a strong negative component.

The magnetic data gathered by Zissou Perú S.A.C. was of good quality and reliable for further processing and modeling. Part of line 230000mE was measured twice for quality control and the results of both profiles are comparable although the repeats were not exactly at the very same coordinates.

The magnetic relief on Mariela is rather smooth suggesting a thick sand layer over most of the grid except for a few shallow magnetic responses scattered in the center of the grid. The color map [Figure 2] indicates two magnetic backgrounds. The lowest one and the most magnetic extends in the southern half of the grid indicating a magnetic rock unit contrasting with the highest magnetic background in the northern part of the grid over weaker magnetic susceptibility rock unit.

A broad negative magnetic anomaly was outlined in the southern unit rock centered along line 230200mE, station 8107700mN. The anomaly extends further towards the north and forms a positive shoulder.

A "straight forward" model was completed in order to match the measured total magnetic field. The model extends 500 meters on both sides of line 230200mE, and over 3,000 meters in the N-S direction. The magnetic susceptibility used for the magnetic body is 1.0 SI which corresponds to approximately 30% of magnetite.

The causal body extends at depth between 30 and 100 meters below the surface. The thick part of the mineralization [up to 200 m thick on the section shown in Figure 3] corresponds to the negative magnetic response whilst the positive part corresponds to a gently dipping extension in the northern part of the anomaly".

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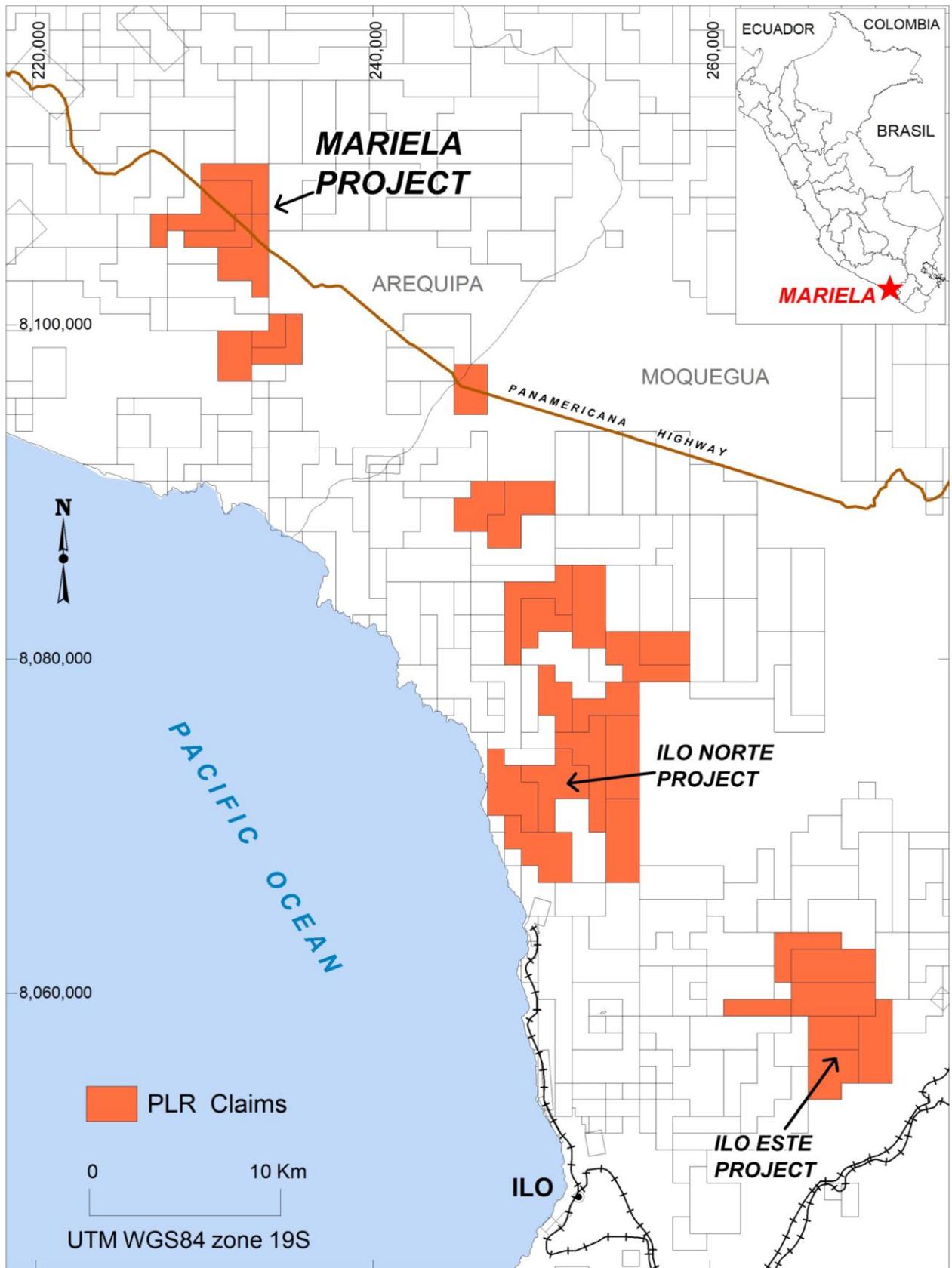


Figure 1 – Location of the Mariela Project concessions, crossed by the Panamericana Highway and 60 km north of the Ilo mineral port. Latin’s Ilo Norte and Ilo Este projects are also marked.

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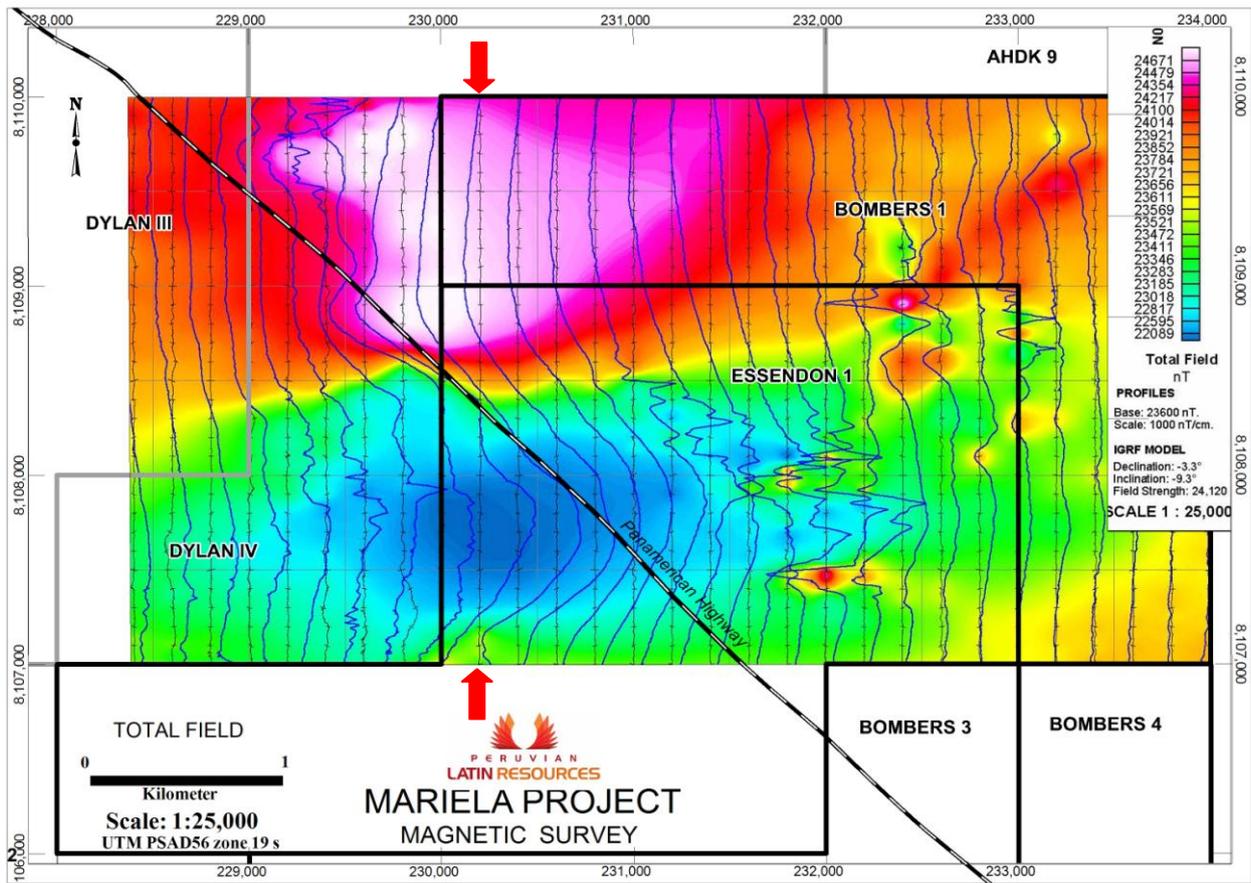


Figure 2 – Total field data and imaging from the ground magnetic survey at Mariela showing a clear bipolar anomaly with a strong positive in red and a strong negative in blue. The thickest part of the modelled magnetic body source corresponds to the negative (blue) part of the anomaly. The North South Section along the 230200mE line that appears in Figure 3 is marked with red arrows. Mining concessions Essendon 1 and Bombers 1, 3 and 4 are Latin concessions. Concessions Dylan III and IV are owned by third parties.

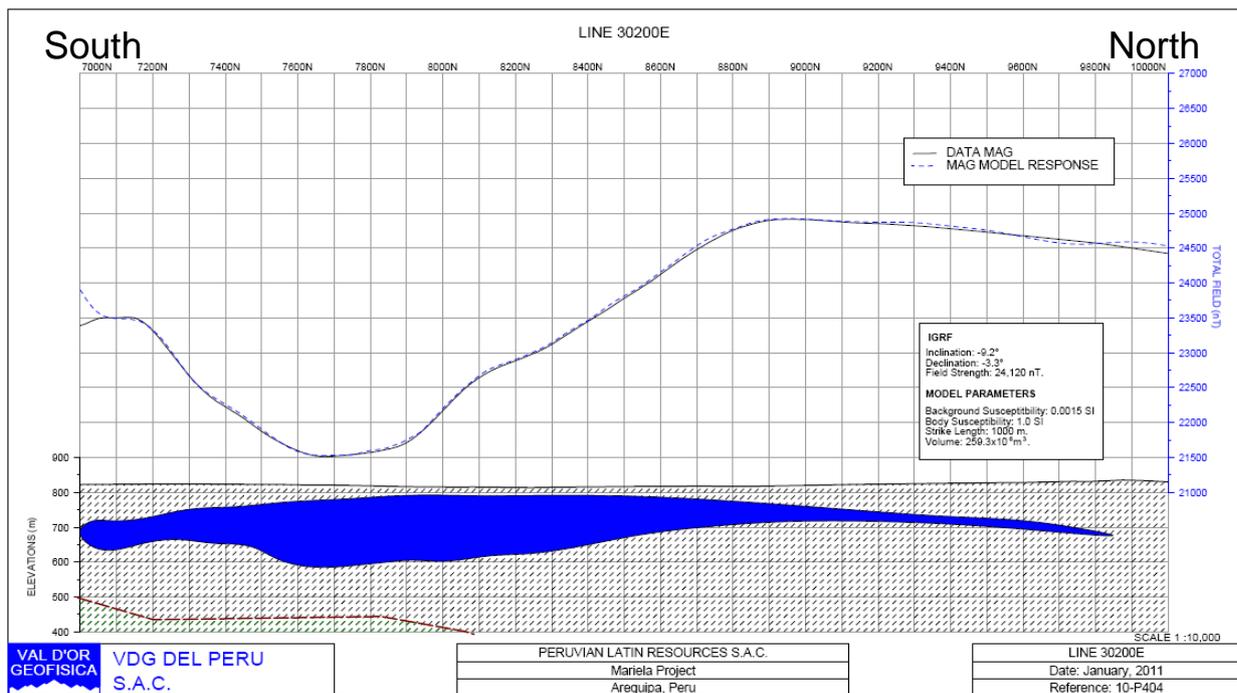


Figure 3 – North/South section along 230200mE survey line showing the modelled magnetic body in blue solid. The section line is marked with red arrows in Figure 2.

For further information please contact:

Chris Gale
Managing Director
Latin Resources Limited
+61 8 9485 0601

Roderick Brown
Chairman
Latin Resources Limited
+61 8 9485 0601

Gemma Young/Shawn Duffy
FD
+61 8 9386 1233

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.

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. The VDG Del Peru S.A.C. report referred to in this report was prepared by Réjean Pineault, General Manager of VDG Del Peru S.A.C. and a member of the Recognised Overseas Professional Organisation "Ordre des Ingénieurs du Québec". Mr Pineault 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 Pineault consents to the inclusion in this report of the matters based on his report in the form and context in which they appear.

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