

27 May 2011

## **RMB Resources Limited to become a substantial shareholder following completion of Placement**

### **Highlights**

- Latin announces firm commitments to raise \$4 million through a private placement
- Major global resources investor RMB Resources Limited (RMB) to invest \$2m in the placement and will become a substantial shareholder
- Share Purchase Plan available to all shareholders, to raise up to \$7.68m
- All equity raised priced at \$0.26 per share
- Proceeds will be used to fast track exploration activities at projects in Peru with goal of delineating a maiden JORC resource later this year

Latin Resources Limited (LRS:ASX, Latin or the Company) is pleased to announce that it has received firm commitments to raise \$4 million by way of share placement to institutional and sophisticated investors. The firm commitments will result in the issue of 15,384,618 shares at an issue price of \$0.26.

The largest participant in the placement will be global resources investor RMB which has made a firm commitment for 7,692,308 shares, equating to an investment of \$2 million in Latin. Following the placement, RMB will be a substantial shareholder in the Company. The remainder of the placement will be to sophisticated and high net worth investors including Cape Lambert Resources Limited Latin's largest shareholder.

RMB is the resources investment banking business of the FirstRand Group, one of the largest financial institutions in South Africa. RMB has extensive experience across a broad range of commodities including precious and base metals, bulk commodities and oil and gas. RMB also has a number of resource investments in South America and believes Latin has highly prospective projects which may mature into mine developments.

Latin will also implement a Share Purchase Plan (SPP) to allow its existing shareholders to participate in the raising at the same price as the placement. Under the SPP up to 29.53 million shares will be issued to raise up to \$7.68 million. The record date for the share purchase plan will be 8 June 2011 and full documentation will be sent to shareholders on 9 June 2011.

Proceeds of the raising will be primarily used to advance the exploration activities at the Company's two major projects in Peru; Guadalupito and Ilo. Part of the proceeds of the capital raising will also be utilised to commence a preliminary scoping study at Guadalupito. The remainder will be used for working capital requirements.

The Company recently announced a conceptual exploration target of approximately 2 billion tonnes<sup>A</sup> at its Guadalupito iron and mineral sands project in Peru.

Latin's other iron ore projects are known as the Ilo Projects, made up of Mariela, Ilo Norte and Ilo Sur in the Ilo region of Peru.

Latin Resources' Managing Director Chris Gale was very pleased to complete the capital raising and to welcome RMB Resources as a substantial shareholder.

"We are delighted to welcome our newest substantial shareholder RMB, an institutional investor with extensive experience and success investing in global resources assets and companies," Mr Gale said.

"RMB have particular expertise investing in resource assets and are very excited about the future of Latin's projects.

"RMB's investment represents a very strong vote of confidence in our company and major projects and with their support Latin will now accelerate our already aggressive exploration plans with the goal of delineating an inferred JORC resource later this year followed by a scoping study.

"We are also pleased to offer our loyal shareholders the opportunity to participate in a share placement plan at the same price as the placement in recognition of their strong support since our IPO last year."

Latin's projects are located in Peru, South America and are in close proximity key infrastructure including port and rail.

### **About Latin Resources Limited**

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.

#### **For further information:**

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

Roderick Brown  
Non Executive Chairman  
Latin Resources Limited  
+61 8 9485 0601

Gemma Young  
FD  
+61 8 9386 1233

<sup>A</sup> As stated on 10 February 2011, 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/m<sup>3</sup>)

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/cm<sup>3</sup>. 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.

*The information in this footnote 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. The geological mapping that is referred to and in part reproduced in this report was also undertaken by Mr Bristow earlier in his career. The company has been granted free and unrestricted use of the mapping and all information used to produce it. 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.*