

Peruvian play for Latin

Latin Resources Ltd (ASX:LRS) will have its hands full for the next few years with its Peruvian projects.

Managing director Chris Gale told *Gold & Minerals Gazette* that although Latin listed in September 2010, the company was, "feeling more advanced now," as they had been operating in Peru for about four years.

Latin's flagship project is the Guadalupito mineral iron sands deposit, which covers 16,000 hectares and is 25 kilometres from the export town of Chimbote in Peru.

The company announced an 119 Million tonnes JORC resource for Guadalupito in mid December last year.

"We got our JORC out early," Gale said.

"And that was only 40 odd holes out of 1500, so there's 16,000 ha, and we've only drilled 693 ha."

Gale says the company will continue to drill and upgrade the resource throughout 2012.

"It's a big resource," he said.

"We're only drilling 20 odd metres and we've started second phase drilling. There will be another 40 to 50 odd holes drilled in the first quarter of this year, so we'll have a resource upgrade again hopefully."

The company plans to have a scoping study at Guadalupito finished by the first quarter of 2012.

"If that scoping study proves to be



Sonic drill rig at Guadalupito.

successful, we will move into prefeasibility in the second quarter, coupled in with our drilling," Gale said.

"The scoping study is based around a dry mining operation for the first three years and we want to look, at some stage towards the end of 2013, a dry and wet mining or dredging operation to upgrade the tonnage.

"First we're looking at a 10 Mtpa dry mining operation and then when we start the wet mining or dredging we'll go to around 35 Mtpa. But we want to look at going into production at some stage towards the end of 2013.

"Initially there will be magnetite and gold in the dry mining, and when we're wet mining it'll be magnetite, gold, zircon, ilmenite and rutile. Very similar to what Iluka have mined."

The Mariela iron ore deposit is another key focus for Latin this year. Mariela is based on the Islay Province of Arequipa in Southern Peru and covers 3,200 ha.

If the Hong Kong listed Junefield Group spends up to \$35 M to bankable feasibility on Mariela they will earn 70% ownership.

"We think Mariela is an IOCG type anomaly and we're going to drill it, hopefully in April. We have magnetic and gravity surveys being put over it now."

Mariela is situated on the Panamerican Highway, a major road transport route, and is 60 km from a major port.

"Our major strategy is that we have ensured we are close to port and infrastructure so we don't have to spend millions and billions of dollars on roads and rail and that sort of thing," Gale said.

Gale believes South America is very open to foreign investment.

"We were the third Australian explorer in Peru in 2008 and now I think there are 12 Australian explorers in Peru," he said.

"The government is stable in Peru, we know what the growth rate has been in Brazil and Chile and we know how successful they have been in the last 5 to 10 years, I believe Peru is the next one in line."

Bree Swift