



Latin finds sands in time

Latin Resources Ltd managing director Chris Gale is not worried by slowdowns in Europe or the stimulus package policies of China, that is because he feels his company's Guadalupito iron and mineral sands project in Peru could support a burgeoning local industry.

"Apart from the mineralogy of the project was the neatness of the project," Gale said. "It is right on the Pan American Highway and 25km from the port which houses Peru's largest iron smelter. Our first thought was that here was a great resource which had a ready-made market because it is close to the largest iron smelter in Peru, owned by Gerdau Group, Brazil's largest steelmaker.

"South America is an amazing place. It has well over 1 billion people and most of these countries are growing at well over 5%, in other words, who needs China. We think we can supply our material through internal demand in Peru and the rest of South America."

Latin Resources picked up Guadalupito following its November 2010 listing and the company has worked quickly to establish a development path for the project.

"We were initially focused on magnetite with low titanium. Once we started assaying we realised there was significant gold mineralisation – we believe at least 1 mozt of alluvial



Chris Gale

gold is present – and have also found zircon, ilmenite and andalusite."

Engineers Snowden defined a resource of 119mt @ 5.7% heavy mineral sands for the project but with the company only 68 holes into a 1,000 sonic hole drilling programme, a 2bt mineralised sediments exploration target has been placed on Guadalupito.

Latin Resources will look to develop the project in two stages. The first will involve mining the dry material above the water table, to be processed through a 10 mtpa dry

processing plant. This process will produce a heavy mineral stockpile from which the magnetite, gold and andalusite will be extracted.

The initial stage will be followed by a dredging operation which will supply feed to a 35 mtpa dry/wet processing plant.

"The water table sits 4m below the surface so mining that top 4m presents us with the quickest path to cash flow. It will mean we will be able to go from explorer to producer in the space of seven years."

Ausenco has undertaken a scoping study which Gale said would be released in July.

Elsewhere, the company has started drilling on IOCG targets near the port of Ilo in the south of Peru.

First pass drilling included hits of 120m @ 0.13% copper and 20.38% iron, 14m @ 0.55% copper and 0.13 g/t gold and 22m @ 0.25% copper and 0.09 g/t gold.

"Antofagasta (Minerals plc), BHP (Billiton Ltd) and Metminco (Ltd) have all taken land around Ilo. We believe the Ilo district can play host to large IOCG systems. We were initially drilling for iron ore but got some copper-gold, and even zinc, numbers we want to follow up on," Gale said.

– Dominic Piper