



Latin Resources

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Latin Resources has huge Heavy Mineral Sands resource in the making at Guadalupito in 2012

Latin Resources (ASX: LRS) has identified a new heavy mineral deposit that highlights that Guadalupito Iron Sands Project in Peru is becoming a world class Heavy Mineral (HM) sands project.

Perhaps missed by some investors, Snowdens in its recent Proof of Mining study estimated an Exploration Target of up to 4.4 billion tonnes of Heavy Mineral (HM) Sands at Guadalupito.

The Los Conchaes deposit, which was discovered by 11 drill holes that were continuously mineralised from surface to end of hole ranging from 33 metres to 48 metres deep, will provide a new area of focus for future exploration and development at Guadalupito.

This has led to a Conceptual Exploration Target of 690 million tonnes at 6.8% heavy minerals

With these results, the Guadalupito project has taken on a new dimension with even greater size potential, managing director Chris Gale said.

We are extremely encouraged that every new follow up hole at Los Conchaes has reported intersections of continuous high grade HM from surface to between 33 and 48 m depth, giving us the confidence to release this Conceptual Exploration Target focused only on 6% of the Companys 17,500 ha concession holding.

Los Conchaes

The Target at Los Conchaes extends to at least 40 metres below surface compared with the 13.3 metres average depth used in Snowden Minings Proof of Concept Mining Study that was released earlier this month.

This implies that about two thirds of the Los Conchaes target is outside the bounds of the overall Conceptual Exploration Target for Guadalupito, indicating that the assumptions made in the study were very conservative.

The Snowden study is based on a conceptual model which makes an assumption about the number of tonnes Run of Mine within the revised exploration target of 1.1 4.4 billion tonnes.

The marine sands with minor gravel lenses that host the Los Conchaes mineralisation are clearly an older sedimentary basin overlain by the conglomerate strandlines and sands further to the west.

One of the easterly most holes was drilled through a colluvial fan which overlies mineralised marine sands, and is also hosting significant HM grades itself, extending the previously mapped limits of the Guadalupito Heavy Mineral system and further expanding its potential as a world class deposit.

Mineralisation is open in most directions and at depth.

With 20 holes completed to date along 4.6 kilometres of strike and between 0.5 and 2 kilometres of width, the remaining results are expected to be highly anticipated.

Price: A\$0.26

Market Cap: A\$31.24M

1 Year Share Price Graph



Share Information

Code: LRS

Listing: ASX

Sector: General Mining

Website: www.latinresources.com.au

Company Synopsis:

Latin Resources (ASX: LRS) is focused on Peru where the company has several projects

At Ilo Norte the focus is iron, copper and gold, while at Guadalupito the target is iron and heavy mineral sands - with the company targeting a JORC Resource in 2011

Author:

Proactive Investors +61 2 9299 5001

Investors

action@proactiveinvestors.com.au



This drilling had followed up on results from GUA-BL-045 that had returned results of 39 metres at 7.4% heavy minerals including 15 metres at 9.8% heavy minerals from surface.

Guadalupito Project

Guadalupito, Latin's flagship project, has a JORC Resource of 119 million tonnes at 5.7% Heavy Minerals, released in December 2011.

The project is located 10 kilometres from Chimbote, home to a major port and one of the largest steel smelters in Peru.

In addition, it is close to existing projects, including Barrick Golds (NYSE: ABX, TSE: ABX) Pierina Mine, an open pit truck and loader operation.

In 2011, Pierina produced 152,000 ounces of gold, and at the end of December had Proved and Probable Reserves of 771,000 ounces of gold.

Analysis

Perhaps missed in the recent release from LRS, was that Snowden's own exploration target was up to 4.4 billion tonnes of Heavy Mineral (HM) Sands at Guadalupito.

Today's news of a Conceptual Exploration Target of 690 million tonnes at 6.8% Heavy Mineral (HM) at Los Conchaes is significant for a number of reasons.

The Exploration Target extends at least 40 metres below surface compared to the 13.3 metres average depth used in Snowden's conceptual Proof of Mining Study.

Therefore, more than two thirds of the Conceptual Exploration Target at Los Conchaes is outside the bounds of the overall Conceptual Exploration Target for Guadalupito estimated by Snowden.

This highlights again the enormous scale and potential resource building at Guadalupito.

Together with the 119 million tonnes JORC resource at Heldmaier, could well see Latin Resources move to a JORC resource of 1 billion tonnes by the end of 2012, early 2013. However, even this is likely to be just the tip of the iceberg.

Los Conchaes represents just 6% of Latin Resource's 17,500 hectares mineral rights at Guadalupito. Grade is also king at Guadalupito with every new follow up hole at Los Conchaes reporting intersections of continuous high grade HM.

Guadalupito is already a significant resource but is shaping up as a massive resource, when taking into account Snowden's exploration target. For Latin Resources, capped at just \$31 million, there is an imbalance between intrinsic value of the HM resource and current Market Cap.

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