



Latin Resources

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Latin Resources shows potential of Guadalupito to produce high value magnetite product

Latin Resources (LRS: ASX) has advanced mineralogical test work at its Guadalupito Iron Sands Project in northern Peru which has confirmed that a high iron (62%) and relatively low titanium (4%) magnetite product can be produced from pilot plant style processing on bulk sample composites.

However, it is also further demonstrating the value building in the resource for Latin Resources.

Results were received from mineralogical studies undertaken on bulk composite samples and Heavy Mineral (HM) composites that are representative of the Heldmaier and Tres Chosas JORC Inferred Resource areas.

The company said the relatively low levels of titanium and other impurities, which is a function of the high level of natural liberation of magnetite at Guadalupito, should allow for a premium price over that of other titanomagnetite sands in the market.

Work on producing a high purity andalusite concentrate is nearing completion, and to date all indications are that this type of concentrate should have impurities well below even the lower limits of andalusite sold in existing markets.

This opens up a range of favourable alternatives for the sale of an andalusite concentrate from Guadalupito, with andalusite products currently sold at between US\$350 and US\$450 per tonne into a range of markets.

Magnetite and andalusite dominate the HM assemblage associated with the above water table portion of the Heldmaier and Tres Chosas Resource areas, constituting 26% and 25% of the HM respectively.

The HM assemblage of the below water table portion of the southern half of the Heldmaier Resource is similar, being dominated by Magnetite (21%) and Andalusite (17%).

With a Resource of 393 million tonnes at an average grade of around 4% HM, that equates to 16 million tonnes of HM, of which 26% is magnetite and 25% is andalusite.

The significance of this is that a magnetite product, which is currently priced between US\$125 and \$US135 per tonne in Chinese ports, has the potential to generate a minimum of about US\$500 million for Latin, while the higher value andalusite could deliver US\$1.4 billion in minimum revenues.

Guadalupito is tipped to be the largest andalusite deposit in the world.

The two JORC Inferred Resource areas cover a strike length of 15 kilometres parallel with the coastline and between 1 and 2 kilometres wide.

The above water table portion of both areas totals 84 million tonnes at 8% for a total of 6.7 million tonnes of HM, and the below water table portion of both areas totals 308 million tonnes at 3.5% for a total of 10.8 million tonnes of HM.

Latin prepared bulk samples for mineralogy and process test work using large numbers of samples from within the

Price: A\$0.29

Market Cap: A\$34.85M

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.

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resource areas rather than relying on a single point bulk sample, making results much more representative of the overall material that would potentially be mined.

A suite of titanium minerals ilmenite, rutile, leucoxene and titanite make up an average 4.4%, with accessory minerals zircon, garnets and apatite all with some potentially viable commercial significance to be determined by further metallurgical test work.

Chris Gale, managing director, commented: We are very pleased with the advance of mineralogical test work at Guadalupito with these results aiding the valuation of our already considerable resource base at the project.

As Guadalupito continues to grow, the company will be focusing more attention on mineralogical and process test work to prepare sample products for direct market evaluation, which will in turn allow for upgrading of Inferred Resources to higher confidence categories and allow us to better value this considerable asset.

With these encouraging results from within our JORC Inferred Resource areas, we are very excited about the new Los Conchaes area that is returning higher grades of HM to depths of over 40 metres.

Targeting over 1Bt resource

Latin is aiming to define over 1 billion tonnes of Resources at Guadalupito by the end of this year.

The company has previously outlined an exploration target of 690 million tonnes on Los Conchaes.

Analysis

Latin's Guadalupito Iron Sands Project in northern Peru has the potential to be the world's largest andalusite deposit.

Mineralogical test work has confirmed that a high iron (62%) and relatively low titanium (4%) magnetite product can be produced from pilot plant style processing on bulk sample composites.

With both magnetite and the higher value andalusite dominating the Heavy Mineral assemblage, revenues will be substantial.

With a Resource of 393 million tonnes at an average grade of around 4% HM, that equates to 16 million tonnes of HM, of which 26% is magnetite and 25% is andalusite.

The significance of this is that a magnetite product, which is currently priced between US\$125 and US\$135 per tonne in Chinese ports, has the potential to generate a minimum of about US\$500 million for Latin, while the higher value andalusite could deliver US\$1.4 billion in minimum revenues.

This is against a current Market Cap. of just \$52 million.

On top of this Latin has previously outlined an exploration target of 690 million tonnes on Los Conchaes, which if achieved by the end of the year as the company anticipates, will take the Resource at Guadalupito to over 1 billion tonnes. This would propel the valuation of Latin Resources even higher.

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