



# Latin Resources

Oct 16<sup>th</sup> 2012

## Latin Resources first holes hit substantial iron intersection at Mariela

Latin Resources (ASX: LRS) has received preliminary drill assays from the Mariela Project showing the intersection of continuous iron mineralisation producing strong widths and grades of up to 55.7% iron from the first drill hole.

The assays were received from joint venture partner Junefield's Peruvian subsidiary, Total Genius Iron Mining SAC, following analysis by SGS laboratories in Lima, Peru.

The agreement allows Junefield to earn up to 70% of the Mariela Project by funding all activities to the completion of a Bankable Feasibility Study, or to a total cost of US\$35 million.

An intercept of 227.15 metres at 37.2% iron from 542.6 metres including 27.4 metres at 55.7% iron, that contained very low levels of sulphur and phosphorus, was returned from the first drill hole.

A second hole intersected multiple iron mineralised zones between 187 metres and 820 metres depth that range in thickness from 0.4 metres to at least 21.9 metres with grades ranging from 20% to 52% iron.

Eighteen individual samples of between 0.6 metres and 2.1 metres in thickness were selected for copper analyses from the first hole and ranged in grade from 0.01% to 0.46% copper, with a raw average of 0.19% copper.

Chris Gale, managing director, commented: "We are very pleased with these initial preliminary results which clearly indicate that Mariela is an important mineralised system with good iron grades and suggested potential for associated copper mineralisation.

"The similarities with initial drilling results from Pampa del Pongo are gratifying and we are also very encouraged by the enthusiasm shared by our exploration partners who have recently moved a total of six drill rigs onto the project to accelerate the drilling program."

Gale told Proactive Investors today results from the first three holes of drilling have been very positive.

"They are certainly good magnetite grades and, as we suspected, we believe that we potentially have a large IOCG deposit, with the copper shows as well."

Five drill holes are now completed, and another five are underway with Junefield having successfully modified its drilling permit to allow six drill rigs to operate simultaneously on the project.

Part of the agreement with Junefield requires the company to produce JORC-compliant reports to Latin on a monthly basis.

Gale said Junefield had appointed SRK to produce the first JORC-compliant report, which is expected in the next few weeks.

A total of 20 diamond drill holes were planned to test a coincident magnetic-gravity anomaly measuring some 3,000 by

**Price:** A\$0.18

**Market Cap:** A\$34.15M

### 1 Year Share Price Graph



### Share Information

**Code:** LRS

**Listing:** ASX

**Sector:** General Mining

**Website:** [www.latinresources.com.au](http://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 Guadalupe the target is iron and heavy mineral sands - with the company targeting a JORC Resource in 2011.*

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1,000 metres.

Planned drilling is targeting primarily the magnetic anomaly for Marcona and Pampa del Pongo style massive magnetite mineralisation.

The Marcona iron deposit in south-central Peru contains 1,900 million tonnes at 55.4% iron and 0.12% copper and is the preeminent central Andean iron oxide deposit.

Pampa Del Pongo is fast catching up with an Inferred resource of 863 million tonnes at 41.3% iron and 0.1% copper.

The deposit is believed to have the potential to host over 3 billion tonnes at 40% iron, 0.1% copper and 0.1 grams per tonne gold.

Although covered by Quaternary sands, the Mariela anomaly occupies a similar geological setting to that of the Marcona and Pampa del Pongo deposits.

Like other deposits of this style there is also potential for co-incident copper-gold mineralisation.

The intersection in the first hole at Mariela can be compared favourably to the initial intersections of iron mineralisation reported by Cardero Resources from the Pampa del Pongo deposit, which is now owned by Nanjinzhao Group and located 400 kilometres further northwest along the Peruvian Coast.

The Mariela Project comprises seven contiguous mining concessions covering 5,200 hectares in the Islay Province of Arequipa in Southern Peru.

It is located immediately adjacent to a major road transport route and only 60 kilometres from the mining port of Ilo.

## Analysis

This is a significant start for Latin at Mariela Project, the drilling is being funded by Junefield.

In just the first hole of drilling at Mariela, Latin and Junefield have unearthed substantial widths and grades with potential associated copper mineralisation.

Significantly, Mariela is in a similar geological setting to the 1.9 billion tonne at 55.4% iron and 0.12% copper Marcona deposit and the 863 million tonne at 41.3% iron and 0.1% copper Pampa Del Pongo deposit owned by Rio Tinto (ASX:RIO).

The intersection in the first hole at Mariela can be compared favourably to the initial intersections of iron mineralisation reported by Cardero Resources from the Pampa del Pongo deposit, 400 kilometres further northwest along the Peruvian Coast.

Drilling at Pampa del Pongo by Rio Tinto has returned wide intercepts with grades of up to 52.9% iron, while drilling by Cardero also returned wide intercepts with grades of up to 51.3% iron.

Pampa del Pongo is believed to have the potential to host over 3 billion tonnes at 40% iron, 0.1% copper and 0.1 grams per tonne gold.

The project was eventually sold to China's Nanjinzhao Group in January 2010 for US\$100 million.

Like these and other deposits, Mariela has also shown the potential for associated copper-gold mineralisation pointing towards the potential to become a large iron oxide copper gold deposit.

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