



Latin Resources

Feb 28th 2013

Latin Resources' Guadalupito testing yields high quality magnetite product

Latin Resources (ASX: LRS) has received highly positive results from mineral separation testing undertaken by CPG-Mineral Technologies on samples from the Guadalupito iron and heavy mineral project in Peru.

The samples were from material representative of the above water table resource at the Heldmaier and Tres Chosas areas.

Significantly, this testing proved that Guadalupito is capable of producing a high quality magnetite product using conventional proven technologies.

High grade magnetite products, containing 63% Fe and less than 4% TiO₂ were obtained using conventional wet Low Intensity Magnetic drum Separators (LIMS).

The gross mass yield from the Heldmaier composite compares favourably with results from Davis Tube Recovery testing on the heavy mineral fraction separated from shaft samples from the Heldmaier area.

The -106 micron fractions contained even higher grade magnetite of up to 66.9% Fe with less than 3% TiO₂.

Chris Gale, managing director, commented: "We are very pleased to receive CPG's report, the results from which are really Latin's first round of properly focused separation testing on bulk composites, despite these being still relatively small in size.

"With this work we have demonstrated the capacity to obtain a high quality magnetite product using conventional proven technologies and we are also now well on the way to doing the same with respect to Zircon, Gold, Andalusite, Rutile and Ilmenite.

"With such promising results from the Heldmaier and Tres Chosas areas, we are now very much looking forward to using this base knowledge to start testing much larger samples from our new higher grade, more than 1 billion tonne resource area at Los Conchales, which in turn promises an even better mineral assemblage."

Similarity of test results from both bulk samples further demonstrates good geological continuity between the Heldmaier and Tres Chosas resource areas.

Potential for further high quality products

Just as importantly, Latin is well advanced towards demonstrating the same potential for high grade products of zircon, gold, andalusite, rutile and ilmenite.

Gold concentrates were obtained using conventional gravimetric processes and contained between 10 and 19 grams per tonne gold.

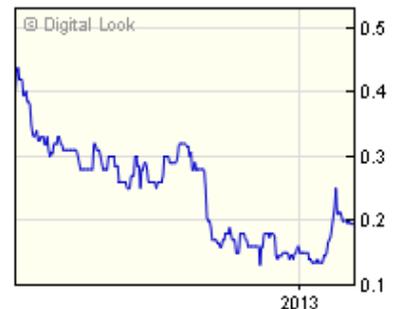
CPG recommends further work on larger samples to better quantify both mass yields and gold contents but the recoverability of gold has been demonstrated.

A high quality Andalusite product (up to 58% Al₂O₃) was achievable by heavy liquid separation in this round of testing.

Price: A\$0.19

Market Cap: A\$40.65M

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, SETSQX: LRS, OTCQX: LNRDY) is focused on Peru where the company has several projects, including Ilo Norte where the focus is iron, copper and gold, while at Guadalupito the target is iron and heavy mineral sands.

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It was demonstrated that titanium and phosphorus contaminants could be reduced by electrostatic separation techniques, but further testing is required to investigate optimising physical separation methodologies for the production of a high quality Andalusite product.

Zircon products were generated using conventional wet gravity, magnetic and electrostatic separation processes.

The Zircon quality was mostly in line with typical zircon product specifications with ZrO₂ above 65% for both the Heldmaier and Tres Chosas composites.

Overall mass yields compare favourably to previously reported Zircon contents from QEMSCAN analyses of the heavy mineral fraction generated from these composites.

CPG recommends additional work by processing larger feed samples.

Rutile samples were obtained using heavy liquid separation and the quality was consistent with typical rutile product specifications.

Iron/titanium oxide (ilmenite type) products were produced using conventional magnetic and electrostatic separation techniques from both composites having TiO₂ and Fe contents of 23% and 46% respectively.

Overall mass yields were significantly higher than expected from previously reported QEMSCAN analyses of samples of the heavy mineral fraction separated from these composites.

No testing has yet been completed on samples from the higher grade Los Conchaes JORC Inferred Resource Area, located 2 kilometres east of the Heldmaier area.

Future work will focus on larger composites (10 tonnes) to further refine separation processes and obtain sufficient product samples for marketing purposes.

Analysis

Today's first pass mineral separation testing results are significant in that they prove Guadalupito can produce a high quality magnetite product, as well as potentially high quality zircon, gold, andalusite, rutile and ilmenite products.

Importantly, this magnetite product is low in titanium and can be produced using conventional proven technologies meaning a lower cost to reach a high quality end product.

The Guadalupito iron and mineral sands project is Latin's most advanced project with a JORC Resource of 1.5 billion tonnes.

Additionally, the resource is only a part of a total 5 billion tonne target, indicating the potential size and scale of the project.

Conceivably, Latin could be mining at Guadalupito in 18 to 24 months, with the company set to begin mining planning this year.

As importantly there are significant milestones and catalysts ahead to continue upward growth in valuation for Latin in 2013.

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