



Latin Resources

Jan 28th 2014

Latin Resources: CMZ to start drilling soon at Ilo Norte copper-gold project

Latin Resources' (ASX: LRS) partner Compañía Minera Zahena SAC (CMZ) is moving quickly to unlock the potential of their Ilo Norte copper-gold project in Peru with the mobilisation of two drill rigs.

The drilling will be carried out as part of CMZ's US\$5.35 million exploration commitment to earn 70% in the project with Latin free-carried through the program.

CMZ is required to drill 12 diamond drill holes within 18 months. Of these, the first six holes must total 4,800 metres.

Drilling should begin within seven days on completion of transfer of environmental permits to assignment and option holder.

"We are extremely pleased with the speed with which preparations have been made to drill at Ilo Norte, and are also very encouraged that two rigs have been allocated to the project, promising the timely realisation of work commitments and ultimately the rapid testing of this fantastic copper-gold target," Latin managing director Chris Gale said.

In addition to the exploration commitment, Latin is receiving US\$3.65 million in cash over four years.

Ilo Norte

Ilo Norte project is an advanced exploration property at the heart of a major copper producing region in Peru's south.

There are 125 billion pounds of contained copper in published reserves and resources including the Cuajone, Toquepala and Cerro Verde copper mines that are located within 100 kilometres of the project.

The project hosts a very large alteration system, which is at least 10 kilometres long and several hundred metres thick, and is prospective for copper-gold mineralisation.

Latin drilled Ilo Norte in 2011. Drilling was downslope of the (then undiscovered) alteration package, but nonetheless returned some very good intersections.

Best results were 36 metres at 0.29% copper and 0.09g/t gold; and 21 metres at 0.25% copper and 0.09g/t gold.

These results prove that the system hosts copper and gold and it would not be unreasonable to expect better results within the heart of the alteration system.

A geophysical survey completed in early 2013 defined a 2,000 metre by 800 metre Induced Polarisation anomaly indicative of chargeable material within the alteration system.

This may indicate the presence of sulphides, which in turn may be associated with copper and gold.

Soil sampling in early 2013 identified anomalous copper in soil samples with values ranging between 700 ppm and 2430 ppm copper. The centre of the anomalous copper zone coincides with the centre of the IP chargeability anomaly.

Price: A\$0.06

Market Cap: A\$14.01M

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.

Author:

Proactive Investors +61 2 9299 5001

action@proactiveinvestors.com.au



This was further enhanced by anomalous concentrations of gold within the central zone of anomalous copper with values ranging from 20ppb to 139ppb gold.

Chip channel sampling at a soil anomaly repeated 1 kilometre along strike returned 80 metres at 0.19% copper and 0.05g/t gold which is encouraging given the leached nature of the outcrops.

These suggest great promise for much higher grades in the unleached rocks to be targeted by drilling down-dip to the northeast.

Analysis

That drilling will soon be underway at the Ilo Norte project is a positive for Latin Resources, especially given the proven potential of the region with 125 billion pounds of contained copper in published reserves and resources.

To top of it, the company will be free carried by Compañía Minera Zahena, allowing it to retain meaningful (30%) exposure to the project in the event of exploration success while minimising risk.

It also allows the company to realise the potential of the project while focusing on the Borborema Iron Ore Project in Brazil with the US\$3.65 million it will receive from CMZ.

With a market cap of \$13.88 million, Latin is unchallenging and we see short to medium term share price potential of \$0.082 to \$0.105.

Proactive Investors Australia is the market leader in producing news, articles and research reports on ASX "Small and Mid-cap" stocks with distribution in Australia, UK, North America and Hong Kong / China.

You understand and agree that no content published constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential advisability, value or suitability of any particular security, portfolio of securities, transaction, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including company related products and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made.

However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The contributors make every effort to ensure that the information and material contained in this report is accurate and correct and has been obtained from reliable sources. However, no representation is made about the accuracy or completeness of the information and material and it should not be relied upon as a substitute for the exercise of independent judgment. Proactive Investors does not accept any liability, including negligence, for any loss or damage arising from the use of, or reliance on, the material contained in this report. There are general risks associated with any investment in securities. Investors should be aware that these risks might result in loss of income and capital invested.

WARNING: No recipients should rely on any recommendation (whether express or implied) contained in this document without obtaining specific advice from



their advisers. All investors should therefore consider the appropriateness, in light of their own objectives, financial situation and/or needs, before acting on the advice.

DISCLOSURE: The Company, its directors, associates, employees or representatives may not effect a transaction upon its or their own account in the investments referred to in this report or any related investment until the expiry of 24 hours after the report has been published.