



# Latin Resources

Mar 4<sup>th</sup> 2014

## Latin Resources: drilling commences at Ilo Norte copper-gold project

Latin Resources' (ASX: LRS) partner Compañía Minera Zahena SAC (CMZ) has started drilling the first two holes at their Ilo Norte copper-gold project in Peru.

These holes are being drilled as part of CMZ's US\$5.35 million exploration commitment to earn 70% in the project with Latin free-carried through the program.

Significantly, under the agreement Latin geologists are able to access the drilling sites and log drill core, and assay data will be provided to Latin as it becomes available.

With first results expected during March 2014, there is news flow to follow.

The holes are planned to intersect the IP chargeability anomaly from around 300 metres to 400 metres depth and are expected to reach 600 metres to 800 metres total depth.

This is sufficient to test the target for potential copper-gold mineralisation.

Oxidised sulphides from replacement style mineralisation were observed in the volcano-sedimentary sequence cut by the holes thus far with inspections carried out on the first 91 metres of core from Hole IN-09 and 104 metres of core from Hole IN-10.

This kind of mineralisation is consistent with Latin's geological model and was expected to be intersected by these holes given the outcrop of similar rocks across the slope to the south east that had been previously mapped.

"We are extremely pleased that drilling has commenced so quickly following signing of the definitive earn-in option and assignment agreement over Ilo Norte," managing director Chris Gale said.

"We are also very pleased that two rigs have been allocated to the project, increasing confidence in the timely realisation of work commitments on the Project and ultimately more rapid testing of this fantastic copper-gold target.

"That signs of mineralisation in line with Latin's geological model have been encountered so early in the program is also very encouraging."

### Ilo Norte

CMZ is required to drill 12 diamond drill holes within 18 months. Of these, the first six holes must total 4,800 metres. These are part of the US\$5.35 million exploration commitment to earn 70% in 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,

**Price:** A\$0.05

**Market Cap:** A\$11.34M

### 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, 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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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.

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

## Analysis

While in its early days, the early observation of oxidised sulphides from replacement style mineralisation in initial cores from the first two holes drilled by CMZ supports Latin's geological model.

This is a positive especially given the proven potential of the region with 125 billion pounds of contained copper in published reserves and resources.

With first results expected during March 2014, there are catalysts and share price triggers for Latin based on work to date.

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