



# Latin Resources

Nov 4<sup>th</sup> 2014

## Latin Resources in funding talks, drilling Ilo Este

Latin Resources (ASX:LRS) is in advanced negotiations with a number of parties to secure funding to continue exploration and development of its projects in South America.

Further details are expected within a week or so.

Ongoing drilling at Ilo Este has seen the first hole intersect 200 metres of continuous copper and gold mineralisation from surface.

Highest grades intersected are 0.34% copper, 1.4 grams per tonne gold, 251ppm molybdenum and 5.4g/t silver.

Core sampling and logging are underway with first results to be released in the current quarter.

The company is also preparing to carry out bulk processing of andalusite samples from the Guadalupito project.

Bulk composite processing of andalusite samples from Guadalupito will begin in Perth based on positive testing results reported May 2014.

Samples from bulk sampling will be used for market evaluation by South African specialist Andalusite consultant, Rob Bartelink.

During the September quarter, it also appointed Northcott Capital to secure funding solutions for Guadalupito.

LRS is reviewing exploration at the Borborema Iron Ore Project in Brazil, which will include geological mapping, rock chip sampling and trenching.

The company is actively searching for new business development opportunities in Brazil in order to build a large iron ore footprint and be ready for the market when it turns.

At Ilo Norte, earn-in operator Compañía Minera Zahena (Zahena) continued with interpretation of data and permitting activities for additional drilling to begin in the fourth quarter.

Details regarding the funding will be provided once negotiations have been finalised which is expected within a week.

LRS recently raised \$2.3 million through a Share Purchase Plan and a shortfall placement.

### Ilo Este

During the September quarter, LRS completed permitting, mobilisation of drilling equipment and commencement of drilling at the Ilo Este Porphyry Copper project.

The first hole intersected 200 metres of continuous copper and gold mineralisation from surface.

This is evidence of potential for a large tonnage, economic, porphyry deposit within the Ilo Este system.

Large porphyry deposits typically have many discrete, higher grade pods, indicating that Latin could be on the edge of the system.

### 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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In addition, classic stockwork mineralisation and potassic alteration characteristic of porphyry deposits have been observed over much of the 407 metres drilled and reported to date.

Sampling of drill core is underway with analytical results from the first batch of samples to be reported the current quarter which will provide copper, gold and other metal grades.

The second hole, IE-JDD-002 targets the depth extension of a large area of intensely stockworked, fractured and mineralised Porphyritic Grandodiorite mapped at surface with rock chip samples in excess of 0.3% copper.

Visible copper mineralisation and stockwork veining has already been observed from surface.

It is expected that grade should improve beyond the zone of surface leaching, also considering the increase in sulphide content seen in IE-JDD-001

The company has permitted 13 diamond drill holes of between 800 metres and 1,000 metre depth, each angled at 60 degrees in order to cut across as much width as possible of the two mineralised porphyry belts while taking advantage of the access provided by existing tracks and topography.

The initial program underway will see the first 4 holes drilled for a total of 3,200 metres.

A second drill rig was mobilised, but is not yet on site.

## Guadalupito

Andalusite is one of the key value drivers at Guadalupito and the company is following the recent successes in testing reported May 2014.

This consists of bulk processing of composite sample representing approximately 20% of the Los Conchaes JORC 2004 Inferred Resource of 1.073 billion tonnes at 6.1% heavy minerals.

The composite sample represents a portion of the Los Conchaes resource that could be suitable for consideration within a future dredge mine plan area.

Los Conchaes andalusite is "highly liberated" meaning that there is a high proportion of the andalusite that has already been cleaned of deleterious gangue and associated minerals by nature in the process of deposition and concentration in the stacked shoreline deposits at Los Conchaes

Bulk processing has been designed to recover the more liberated Andalusite into a clean concentrate using scalable processing technology.

Once produced, samples of the concentrate will be supplied to Rob Bartelink , a specialist Andalusite consultant in South Africa who will undertake a series of product testing evaluations that will allow for initial product marketing activities to begin.

Los Conchaes has the potential to produce a premium andalusite product of greater than 60% Al<sub>2</sub>O<sub>3</sub> and less than 0.2% Fe<sub>2</sub>O<sub>3</sub>, which is not currently available on the market.

Andalusite is one of the few mineral commodities that have experienced a sustained rise in price and demand over the past decade.

The steel industry is the single largest user of andalusite accounting for more than 50% of worldwide andalusite consumption.

It has also been used by Imerys in the development of new hydraulic fracturing or fracking agents (proppants) used to increase hydrocarbon production from oil and gas wells.

Almost two thirds of the world's andalusite is produced in South Africa with the global market estimated at over 400,000



tonnes per annum and growing.

While andalusite is currently mined by hard rock or pit excavation methods, at Guadalupito the planned dredge mining method, gravity concentration using classifiers and magnetic separation will allow for very low unit costs.

## Ilo Norte

At Ilo Norte, earn-in operator Zahena continued to evaluate and interpret drilling results reported in the second quarter.

Highlights of the earlier drilling were 30 metres at 0.93% copper and 0.12g/t gold from 282 metres, including 6 metres at 3.1% copper and 0.45g/t gold in drill hole IN-019 (0.1% copper cut-off).

Zahena is also progressing permitting activities for additional drilling to commence in the current quarter.

## Borborema Iron Ore

Field geological reconnaissance work undertaken by Latin on the Borborema project since December 2013 has identified iron formations hosted by amphibolites and mafic schists in four exploration blocks.

These iron formations, locally called itabirites, are metamorphosed and highly deformed rocks, comprising mostly quartz and iron oxides.

Rock chip samples taken from four exploration blocks returned grades of between 28% and 41% iron.

This kind of iron ore would readily upgrade to a premium pellet feed product with low levels of contaminants.

Further work is being considered for the tenements including the reinterpretation of airborne magnetic data, ground magnetic and gravity surveys, detailed geological mapping, rock chip sampling and trenching.

LRS is seeking to take advantage of the current downturn in the mining industry and is actively searching for new projects in Brazil.

The strategy is to build a large iron ore footprint over the next 3 years in order to be ready for the market when it returns to higher iron ore prices.

It is also searching for new business development opportunities in other commodities like copper and nickel.

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