



# Latin Resources

Apr 9<sup>th</sup> 2014

## Latin Resources drilling at Ilo Norte ups ante for significant orebody

Latin Resources (ASX:LRS) may be honing in on a significant orebody after drilling and logging at the Ilo Norte Project in Peru intersected IOCG style alteration and mineralisation in the four holes drilled.

Investors will not have long to wait as assay results from the first two holes are expected by the end of April to confirm the significance of these intersections.

There are two rigs spinning at Ilo Norte, operated by a joint venture partner.

All at zero cash cost to Latin.

In fact, on 29th November, Latin announced the signing of a binding term sheet with Peruvian company Compania Minera Zahena (CMZ) for a staged consideration of US\$9 million to earn a 70% stake in the Ilo Norte project.

In a fast track program, six holes have already been completed, each to 800 metres depth, with the seventh and eighth holes in progress.

To boot, Latin Resources has banked a US\$100,000 payment received following completion of first four holes. Latin retains 30% of the Project and 100% of the remaining Ilo tenement package consisting of some 105,600 hectares.

Earn in operator CMZ has rapidly advanced drilling and all of the first 4 holes host stratagraphically controlled skarn - replacement style mineralisation of Pyrite and Magnetite with visually identified copper and zinc mineralisation.

Interestingly, copper minerals appear to increase to the NE within the IP Chargeability corridor.

This could provide a grid to a potentially higher grade skarn - replacement style mineralisation, and as importantly a possible intrusive source.

Why the promise?

Veins of coarse Chalcopyrite with Specularite and Calcite imply additional structural targets where favourable horizons meet faults with potential to form a significant ore body - as occurs in the IOCG ore bodies of the Punta de Cobre district in northern Chile.

Or as Chris Gale managing director of Latin Resources said:

"We are excited that Latin's geological model has been confirmed, and IOCG style alteration and mineralisation have been intersected by drilling."

Further, "Such intense IOCG style alteration over more than 1 km<sup>2</sup> with apparent vectors towards potentially higher grade mineralisation suggests a good probability of a significant find to come at Ilo Norte."

History

Latin Resources drilled Ilo Norte in 2011. Drilling was downslope of the (then undiscovered) alteration package, but

**Price:** A\$0.06

**Market Cap:** A\$13.67M

### 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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nonetheless returned some very good intersections including 36 metres at 0.29% copper and 0.09g/t gold (including 14 metres at 0.55% Cu and 0.13g/t gold); and 21 metres at 0.25% copper and 0.09g/t gold.

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

A geophysical survey completed in early 2013 defined a large (2000m by 800m) Induced Polarization (IP) anomaly.

The anomaly is indicative of chargeable material within the alteration system which may indicate the presence of sulphides, which in turn may be associated with copper and gold.

Adding similar such deposit styles to the already prolific porphyry deposits in Southern Peru would further highlight the world class status of this important copper district, and bridge the gap between the coastal IOCG' of Chile with those further north in Peru.

## Analysis

The first drilling and logging results with JV partner appear very encouraging and promising for Latin. With significant drilling ahead, it should assist to thread the needle at Ilo Norte.

The holes now completed and underway are the first 8 of 12 holes totalling 10,000 metres that are required to be completed within 18 months as part of the earn-in conditions with a free carry for Latin.

Latin's geological model has been confirmed, and IOCG style alteration and mineralisation have been intersected by drilling.

All suggestive of a potentially significant find to come at Ilo Norte?

There are 125 billion pounds of contained copper in published reserves and resources including the Cuajone, oquepala and Cerro Verde copper mines, all within 100 km of Ilo Norte. To find elephants you need to be in elephant country.

Ilo Norte hosts a very large alteration system, which is at least 10 kilometres long and several hundred metres thick. Previously Latin had very promising results from exploration. The new program could take it a step further.

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