



# Latin Resources

Apr 29<sup>th</sup> 2014

## Latin Resources defines copper-gold porphyry system at Ilo Este

Latin Resources (ASX: LRS) has defined a copper-gold porphyry system over at least 3 square kilometres with up to 8.4% copper rock chips and soils and associated drill targets at its Ilo Este project in southern Peru.

Ilo Este Copper Project comprises 5,300 hectares of the company's more than 100,000 hectare, 100% owned concession holdings in the highly prospective coastal IOCG/Porphyry Copper belt of Southern Peru.

The anomalous copper was found over at least 3 km<sup>2</sup>.

The results provide further upside for a joint venture partner for Ilo Este and adds to the scale of the potential at the project.

The system was defined by surface (soil and rock chip) geochemistry, a ground magnetic survey and specialised geological and alteration mapping.

Ilo Este covers 5,300 hectares and is located 20 kilometres northeast of the port city of Ilo in the heart of Southern Peru's prolific copper producing district where over 125 billion pounds of contained copper in published reserves and resources have been found within 100 kilometres of the tenements.

The district hosts Tier one Porphyry copper deposits including Cerro Verde (4 billion tonnes at 0.39% copper, 0.01% molybdenum), Toquepala (3.4Bt at 0.47% copper, 0.023% molybdenum) and Cuajone (2.4Bt at 0.48% copper, 0.017% molybdenum).

These have in turn produced 261,348, 136,135 and 171,545 tonnes of copper respectively in 2013, and together accounted for over 40% of Peru's 2013 copper production.

In addition, the Quellaveco (947 million tonnes at 0.63% copper, 0.02% molybdenum), Tia Maria (639Mt at 0.39% copper, 0.19 grams per tonne gold), and Los Calatos (1.4Bt at 0.47% copper, 0.023% molybdenum) projects are under development.

These are all located within 130 kilometres of Ilo Este.

"We are extremely pleased to provide our shareholders with these excellent results at Ilo Este and we are confident this project will add significant value to the company going forward," managing director Chris Gale said.

"By applying systematic exploration methodology, we have not only defined a significant exposed copper-gold porphyry system that extends well beyond historical drill testing, but we have also identified significant upside potential under cover to the east.

"Now that Ilo Norte is being drilled by our JV partners, Latin's priority at Ilo Este is to focus on unlocking more value at by drilling the project as soon as possible."

Latin had previously noted that it was discussing its Ilo projects with several potential joint venture partners.

### Exploration Results

**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.*

**Author:**

**Proactive Investors** +61 2 9299 5001

[action@proactiveinvestors.com.au](mailto:action@proactiveinvestors.com.au)



Sampling at Ilo Este has recovered 81 rock chip samples ranging from 0.002% to 0.37% copper were collected along with 67 soil samples ranging from 0.001% to 0.31% copper.

Geological and alteration mapping by internationally recognised porphyry geologist Dr Warren Pratt has defined two roughly parallel, east-southeast trending intrusive belts, each over 1 kilometre in length, 0.5 kilometres in width, and both hosting typical copper-gold porphyry alteration and mineralisation, supported by significant soil and rock chip copper anomalies.

The southern of the two belts includes rock types more favourable for hosting higher grade copper mineralisation, representing a significant drill target.

Ground geophysics has identified a 800 metre by 200 metre magnetic high zone within the northern intrusive belt, modelled to be around 100 metres below surface, that could indicate a magnetite + intense potassic altered intrusive phase with potentially higher grade copper-gold mineralisation.

The northern belt was drilled by Rio Tinto in 2000 though this only tested parts of the belt to a relatively shallow depth of between 80 and 200 metres.

Copper and gold occur within potassic and sodic-calcic altered rocks that mostly coincide with quartz vein stockworks and the zone represents another significant drill target.

Mapping suggests both intrusive belts continue east under Recent cover, adding a further two drill targets.

## Ilo Este

Part of Ilo Este was drilled by Rio Tinto in 2000, when the average copper price was less than US\$1/lb. Rio Tinto later abandoned the concessions, which were subsequently claimed by Latin's 100% owned Peruvian subsidiary, Peruvian Latin Resources.

The mining giant had drilled 12 reverse circulation holes that appear to have been shallow and only partially tested a relatively limited part of the Northern Intrusive Belt.

Rio also constructed 14 kilometres of access road from the Pan-American Highway, which remain in good condition and provide access for future drilling with minimal investment.

The mineralised system is 6 kilometres from the Pan-American Highway, a railway line and an electrical substation, and from there 32 kilometres to the Port of Ilo.

Drill permitting is underway and expected to be complete in the current quarter.

## Analysis

With its Ilo Norte project being drilled by partner Compania Minera Zahena, Latin Resources' exploration work at Ilo Este sets the stage for the company to attract a joint venture partner to assist with exploration and developing the project.

Its work to date has already defined a number of drilling targets with permitting underway and poised for completion in the current quarter.

Significantly, Ilo Este is within 130 kilometres of a Tier one Porphyry copper deposits as well as developing projects that hint at the prospectivity of the district.

First pass soil and rock chip sampling commenced on a selection of the 10 targets generated last quarter with a priority focus on Ilo Este which hosts the ex-Rio Tinto project "El Yaral" drilled in 2000 that shows evidence of a porphyry system with copper oxides at surface.

That Latin is discussing Ilo Projects with several potential JV partners provides share price catalysts ahead.



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.