



# Latin looks at local scene

Latin America should be viewed as a source of funding and customers, as well as mining prospects, according to Latin Resources Ltd managing director Chris Gale.

Speaking in the opening session of Latin America Down Under, Gale said the region's growing prosperity gave it financial clout that companies could well tap into.

"The biggest challenge [at the moment] is funding, but there are other avenues in Latin America," Gale said. "The Lima Stock Exchange is expanding rapidly and together with its MILA partners [the Santiago and Bogota exchanges] it will soon merge with the Mexican Stock Exchange to create the region's second-largest exchange.

"We will most likely list on the Lima Exchange by the end of this year."

Gale is also chair of the Council on Australian and Latin American Relations (COALAR) and it is obvious he is enamoured with the enormous potential he sees for greater cooperation between Australia and the countries of the region.

"The internal demand in Latin America is definitely there. There are 700 million people living in the region and most of its countries are growing at 3-6% pa."

Latin Resources' primary asset is the Guadalupito iron sands project in Peru. Gale said the company's intention to sell Guadalupito's magnetite production to local customers was an example of what can be achieved in the region.

"Our position is not to sell to China but to tap into those growing internal Latin American markets. The project is just 25km north of the largest steel mill in Peru at Chimbote and we are talking to a Brazilian company about the andulsite product we will produce."

The company's interaction with local markets extends to its copper-gold projects around the port town of Ilo in Peru's south. There, the company recently signed a JV over its Ilo Norte IOCG project with Peruvian private company Zahena. Under the terms of the farm-in, Zahena can earn a 70% interest in the project by drilling 10,000m and paying Latin Resources \$5.3 million in cash.

"We have been very impressed by the way Zahena has gone about its work," Latin Resources country manager Andrew Bristow said. "They've been drilling very rapidly since February and we should see some results very soon. We have seen some exciting alteration in the area and we are confident about the work."



Chris Gale

of just what you can achieve in a place like Peru. Infrastructure through the country is excellent and there is no more sovereign risk in Latin America than there is in Australia," he said.

Gale's enthusiasm has now spread to Brazil, where the company has acquired an interest in the Borborema iron ore project in Rio Grande do Norte State.

"Rio Tinto [Ltd] had previously been working on this project. The Government wants to open up more areas for iron ore exploration and this is a wonderful opportunity for us because the majors are not there. Despite that, it has good infrastructure with rail, roads and port nearby."

Rock chip samples from the project returned values of 36-41% iron and Gale said the company would begin exploration before the end of 2014.

- Dominic Piper

Bristow said the deal was a boon for a junior such as Latin Resources, particularly in the current market.

"It allows us to generate income for the company and put holes in the ground at a pace we would've found difficult to do ourselves."

Elsewhere around Ilo, the company's 100%-owned Ilo Este copper project is showing potential for porphyry mineralisation.

"Geophysics have allowed us to identify what is clearly a copper-gold porphyry system and within that we have identified a number of exciting geophysical targets that were not tested by previous drilling," Bristow said.

Gale said the progress the company had made across its portfolio was testament to the regulatory environment Peru provided.

"We hope to have Guadalupito in production within five years of starting work and that is an example



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