



Latin Resources

May 8th 2014

Latin Resources highlights positive results from Guadalupito testing

Latin Resources (ASX: LRS) has overcome a key hurdle with the successful concentration of andalusite and magnetite using gravity techniques indicative of industrial scale processes on Los Conchaes composite from the Guadalupito project in Peru.

In addition, the use of Batch Reflux Classifier (BRC) is significantly more efficient than the use of wet table methodology.

Notably, 80% of the andalusite recovered was more than 80% liberated, grading 60% Al₂O₃ and 0.2% Fe₂O₃ which is the target specification for the final high purity Andalusite product in future bulk testing.

Andalusite was successfully recovered from the BRC concentrate using high intensity magnetic separation while magnetite was recovered using low intensity magnetic separation.

"We are very encouraged with these advances in testing of samples representing our billion tonne Los Conchaes Resource," managing director Chris Gale said.

"Clearly we have overcome a major hurdle in being able to successfully recover and concentrate andalusite by scalable cost-effective gravity methods, and at the same time we are very pleased to be able to provide a quality magnetite concentrate for evaluation by our natural market located only 25 kilometres from the project."

Gale added that the next phase of bulk testing was designed to recover andalusite product samples for marketing purposes.

Scope also exists for recovering other valuable heavy minerals such as Ilmenite, Rutile and Zircon.

Andalusite Testwork

Latin had submitted a 50 kilogram sand fraction from a 2,000 kilogram bulk sample composite to both Allied Mineral Laboratories (AML) and Valdrew Nominees (Nagrom) in Perth, Western Australia.

This composite had heavy mineral grade of 10.4% with the heavy mineral assemblage containing 24% magnetite and 23% andalusite.

Both laboratories undertook detailed characterisation of the samples using different, but equally thorough methodologies that utilised various combinations of Heavy Liquid Separations (HLS), size fraction analysis, magnetic fractionation and gravity concentration.

AML used wet table methodology while Nagrom used a Batch Reflux Classifier and also trialled wet tabling separately.

This demonstrated the recovery of magnetite and andalusite by scalable gravity concentration equipment and also the separation and concentration of each mineral by magnetic fractionation.

The outcomes of the testing are an important step towards defining process for recovery of a high purity Andalusite

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

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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concentrate from Los Conchaes ore.

Magnetite Testwork

While the test results performed in Australia have confirmed gravity and magnetic process to concentrate magnetite, this has been previously demonstrated at Guadalupito and other work has been ongoing in parallel to provide the larger quantities of concentrate required for marketing purposes.

The company has used available third party pilot plant equipment in Peru to recover a 1,880 kg of magnetite concentrate grading 61.4% iron and 2.2% TiO₂.

This has been dispatched to the Gerdau Group in Brazil, owner of the Steel Foundry located 25 km south of Los Conchaes, for testing

Andalusite

The natural high purity characteristics of the andalusite at Guadalupito are expected to facilitate production of a premium product.

Importantly, the potential for achieving an andalusite product of 60% Al₂O₃ and 0.2% Fe₂O₃ is encouraging given that its price ramps up with higher alumina content typically 55% to 59% - along with low iron content (0.5% to 1%).

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

Prices had averaged US\$400 per tonne in 2012, up from just under US\$350 in 2010.

Approximately 90% of the consumption of the Al₂SiO₅ are for refractory use in the steel industry, the non-ferrous industry, the glass industry and the cement industry.

Ground andalusite is most commonly used as a mass additive in the manufacture of sanitary and kitchen ceramics, tiles and electro-porcelain as well as brake shoes.

Guadalupito

Latin had in December 2013 received surface rights covering the 1.073 billion tonne JORC inferred resource at Los Conchaes and much of the 4.5Bt conceptual exploration target.

They allow unrestricted and exclusive access to the land overlying the mining concessions for future exploration and development work, including mining: provided other corresponding authorisations and permits are obtained.

Los Conchaes resource covers just 1,350 hectares of the Guadalupito project.

It is located in unpopulated desert, adjacent to Panamerican Highway, just 15 kilometres from the Santa River, 25 kilometres by road to Peru's largest steel smelter and 29 kilometres by road to Chimbote Port.

Analysis

With testwork successfully recovering high quality andalusite grading 60% Al₂O₃ and 0.2% Fe₂O₃ from samples taken from Guadalupito project in Peru, Latin Resources could potential produce a premium product from the billion tonne Los Conchaes Resource.

That this hurdle was overcome using scalable cost-effective gravity methods is another positive.

Latin has also successfully produced a quality magnetite concentrate that could potentially be sold into the local market in Peru.

Recovering a 1,880 kg magnetite concentrate grading 61.4% Fe and 2.2% TiO₂ from Guadalupito is very promising



indeed.

It was dispatched to the Gerdau Group in Brazil, owner of the Steel Foundry located 25 km south of Los Conchaes, which will evaluate the concentrate as feedstock for their SiderPeru operation.

That Latin's market for the product is located only 25 km from the project is a significant plus which provides a strong price catalyst ahead.

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