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LATIN APPOINTS NORTHCOTT CAPITAL AS FUNDING ADVISORS FOR GUADALUPITO

ANDALUSITE SAMPLES BEING PRODUCED FOR MARKET EVALUATION

Highlights:

- **Northcott Capital Limited have been appointed by Latin to secure funding solutions for the Guadalupito Iron and Mineral Sands Project.**
- **The Northcott team have closed 55 transactions and raised over US$15,000 million for natural resource sector projects including mineral sands projects.**
- **Bulk composite processing to commence in Perth based on positive testing results reported May 2014.**
- **Latin's conceptual Andalusite product specification for "Guadalusite" with greater than 60% Al_2O_3, and less than 0.2% Fe_2O_3 is the target product from the bulk processing.**
- **Andalusite product samples from bulk processing to be used for market evaluation by South African specialist Andalusite consultant, Rob Bartelink.**
- **Latin Resources' High purity Andalusite product believed to have good potential in multiple markets including premium markets not viable for traditional Andalusite producers due to higher impurity levels.**
- **Dredge mining with gravity concentration and magnetic separation at Guadalupito promise lower unit production costs compared with other Andalusite producers mining with excavators, scrubbing, crushing and concentrating using dense media separation and magnets.**
- **Other simultaneously produced products from Guadalupito including magnetite, and potentially Ilmenite, rutile and zircon will contribute to lower unit cost production.**

Latin Resources Limited (ASX:LRS) is pleased to announce the appointment of Northcott Capital Limited as its advisor to secure funding arrangements for the Guadalupito Iron and Mineral Sand Project.

"Northcott Capital Limited is an independent financial advisory company providing bespoke, creative and integrated solutions to the global natural resources sector. Northcott Capital offers advice for mergers and acquisitions; project and structured debt finance; equity-linked/offtake financings; strategic partnerships/joint ventures and risk management/hedging solutions.

With offices in London, Sydney and Perth and combined with an established network of partners, Northcott Capital's platform provides a global access to innovative funding sources. Having closed 55 transactions and raised over USD15bn, Northcott Capital's team has demonstrated significant success in previously combining people, capital and ideas."

Andalusite to Market

Andalusite is one of the key value drivers at Guadalupito and the Company is following the recent successes in testing reported May 2014 by proceeding with bulk processing of composite sample representing approximately 20% of the Los Conchales JORC (2004) inferred resource estimate of 1.073Bt @ 6.1% HM. As reported in May, the composite sample represents a portion of the Los Conchales resource that could be suitable for consideration within a future dredge mine plan area.

The Andalusite at Los Conchales 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 Conchales.

Through QEMSCAN analysis (results reported in May), which uses sophisticated computer software and a scanning electron microprobe to determine the characteristics of thousands of mineral grains in a sample, Latin has been able to estimate the conceptual specifications of an Andalusite product from Guadalupito, being called "Guadalusite" for marketing purposes (Table 1).

Table 1 – Conceptual Andalusite product specifications estimated by QEMSCAN analysis

Andalusite Sand "GUADALUSITE"

Typical Chemical Analysis		*Typical Sieve Profile*			
		METRIC		IMPERIAL	
Al_2O_3	61.2%	+360 µm	0.9%	+45 Mesh	2.1%
SiO_2	37.9%	+200 µm	31.6%	-45+70 Mesh	29.50%
Fe_2O_3	0.18%	+140 µm	35.0%	-70+40 Mesh	55.40%
K_2O	0.11%	+100 µm	20.4%	-140 Mesh	13.0%
TiO_2	0.14%	+60 µm	10.0%		
MgO	0.07%	-60 µm	3.0%		
Na_2O	0.01%				
CaO	0.09%				
Cr_2O_3	<0.01%				
ZrO_2	<0.25%				

This conceptual product considers only the Andalusite particles that are each estimated by QEMSCAN to have more than 80% sectional area Andalusite, but these account for more than 80% of the Andalusite mass found in the Los Conchales composite.

The bulk processing has been designed to recover the more liberated Andalusite into a clean concentrate using scalable processing technology determined by the testing reported in May. Once produced, samples of the concentrate will be supplied to Rob Bartelink[1], 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.

Commercial Andalusite products with greater than 60% Al_2O_3 and less than 0.5% Fe_2O_3 are currently not available. Alumina (Al_2O_3) content is sought to be as high as possible, commonly in the range of 55-59%, and Iron (Fe_2O_3) content is sought to be as low as possible, commonly in the range of 0.5-1%. At Los Conchales the potential exists for achieving an Andalusite product of greater than 60% Al_2O_3 and less than 0.2% Fe_2O_3 and thus a premium product.

Andalusite is one of the few mineral commodities that have experienced a sustained rise in price and demand over the past decade (Figure 1).

Traditional markets are refractory manufacturers who produce refractory materials for industries such as steel, aluminium, foundry, glass etc, and hence developed countries with significant steel, aluminium, foundry and glass industries are all markets for, and current users of, Andalusite.

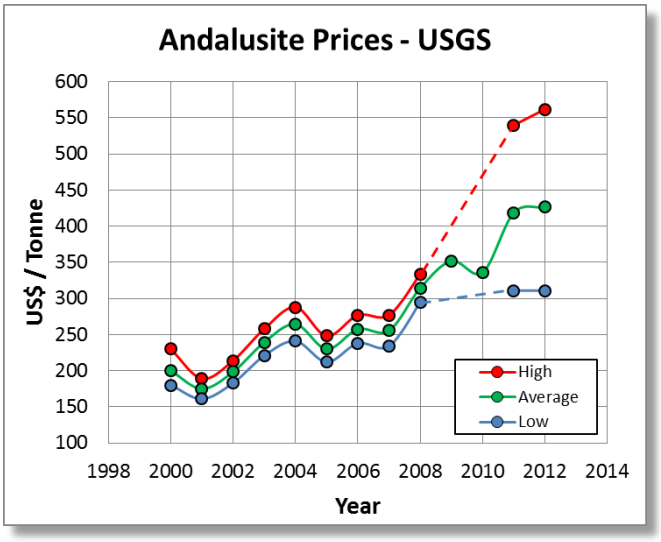

Figure 1 – Development of Andalusite prices since 2000, high range pricing for higher Al_2O_3 content.

[1] *Rob Bartelink has a geology degree and has spent a career spanning 30 years involved in the refractory industry in South Africa, with refractory manufacturers, and also marketing andalusite to existing and new markets worldwide.*

The steel industry is the single largest user of Andalusite accounting for more than 50% of world-wide Andalusite consumption.

Less traditional markets tend to favour finer grained and cleaner (lower iron) Andalusite for use in Foundry coatings (200# material); Foundry sands (0-1mm material); Abrasion resistant tiles; "low iron" Andalusite for use in fine ceramics, hotel-ware and technical ceramics.

Super fine, or micronized Andalusite has the advantage of gaining the mineral's revered refractory properties at a lower firing temperature, meaning lower energy cost. This characteristic is being increasingly exploited by Andalusite producers as they increase supply of finer product, albeit using their standard andalusite as a milling feedstock.

Latin also believes that markets in fine and technical ceramics which currently use expensive calcined and/or reactive alumina will also be particularly receptive to Andalusite of the quality promised from Guadalupito. Andalusite 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. Andalusite Resources of South Africa have increased their market share from Imerys in South Africa by making inroads into substitution of bauxite in certain applications. It should be noted that refractory grade bauxite supply, (priced higher than bauxite used to make aluminium), which has been dominated by China in the last two decades, has become less reliable and pricing has increased as the Chinese government has clamped down on exports.

Andalusite is a mineral with diverse markets, and a purer product such as "Guadalusite" promises to attract a premium in a broader range of developing and higher technology applications, as well as having its place in traditional refractory uses.

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. The remainder is produced in France, China and Peru (Figure 2).

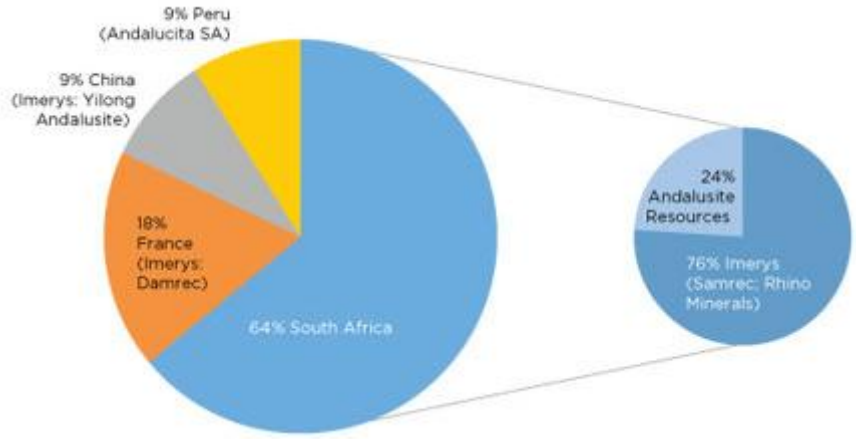

Figure 2 – Andalusite production from 2012 as reported by Industrial Minerals.

Andalusite is currently mined by hard rock or at best free digging (pit excavation) methods. Ore is then crushed, washed, scrubbed and/or screened or a combination of the aforementioned methods in what can be a costly pre-concentration methodology before being subject to dense media separation and final clean up using high intensity magnets to remove as much iron-containing gangue and associated minerals as possible.

At Guadalupito, the planned dredge mining method, gravity concentration using classifiers (not dense media) and magnetic separation to produce other commodities simultaneously, will allow for very low unit costs for a very high purity Andalusite product, characteristics that will undoubtedly have significant market impact.

Latin managing director Chris Gale said: *"We are very encouraged by Northcott Capital's track record and strongly believe their experience and contact base will find us the right funding match to see Guadalupito through feasibility and into production."*

He went on to say: *"In the meantime we are recognising the value of our Andalusite product and are working to get samples produced by scalable industrial processes and have them evaluated by market specialists to unlock all the value promised by such a clean specification to hopefully obtain offtake agreements ."*

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About Latin Resources

Latin Resources Limited is a mineral exploration company focused on creating shareholder wealth through the identification and definition of mineral resources in Latin America, with a specific focus on Peru. The company has a portfolio of projects in Peru and is actively progressing its two main project areas: Guadalupito (Iron and Heavy Mineral Sands) and Ilo (Iron Oxide-Copper-Gold/Copper Porphyry). Latin has also recently acquired the mineral rights covering a total of 40,483 hectares in the new Iron Ore district of Rio Grande do Norte State, Brazil.

The information in this report that relates to composite sample preparation and testing results undertaken in 2014 is based on information compiled by Mr Andrew Bristow, a Competent Person who is a Member of the Australian Institute of Geoscientist and a full time employee of Latin Resources Limited's Peruvian subsidiary. Mr Bristow has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Bristow consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Some of the information in this report relates to previously released exploration results, geological data and mineral resources that were prepared and first disclosed under the JORC Code 2004. This has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported, and was based on information compiled by Mr Andrew Bristow, a full time employee of Latin Resources Limited's Peruvian subsidiary. Mr Bristow is a member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralization and the type of deposit under consideration to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Bristow consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

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