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LATIN SIGNS MOU TO EVALUATE COPPER JOINT VENTURE IN CHILE

Highlights

- **Potential to earn up to 50% of a Copper-Gold project in Chile.**
- **Existing Measured, Indicated and Inferred Foreign Resource Estimate (NI 43-101) of 9.3Mt @ 0.80% Cu and 0.23 g/t Au done by GeoEstima in September 2014.**
- **36,957 metres of drilling completed from 1990 to 2013 by current and previous project owners.**
- **Project has mining permits that allow immediate small scale production.**
- **Project has excellent location in one of Chile's premium Copper Districts with copper mines of Anglo America, Freeport, Antofagasta and Australian listed company Hot Chilli.**

Latin Resources Limited (ASX: LRS) ("Latin" or "the Company") is pleased to announce it has entered into a legally binding Memorandum of Understanding (MOU) with Chilean company Minera Activa ("MA") to carry out due diligence on Minera Activa's Filipina Copper Project in Chile, South America ("Project").

The MOU gives LRS an exclusive 45 day period to complete due diligence on the Project to ascertain a project valuation. The consideration payable by LRS to MA will be negotiated in good faith on the completion of the due diligence with the following conditions:

a) The ability to enter into a joint venture agreement by funding a Bankable Feasibility Study to earn up to 50% of the Project; and

b) the ability at any stage during the due diligence period to elect not to proceed with the joint-venture by notifying MA within a 14 day period.

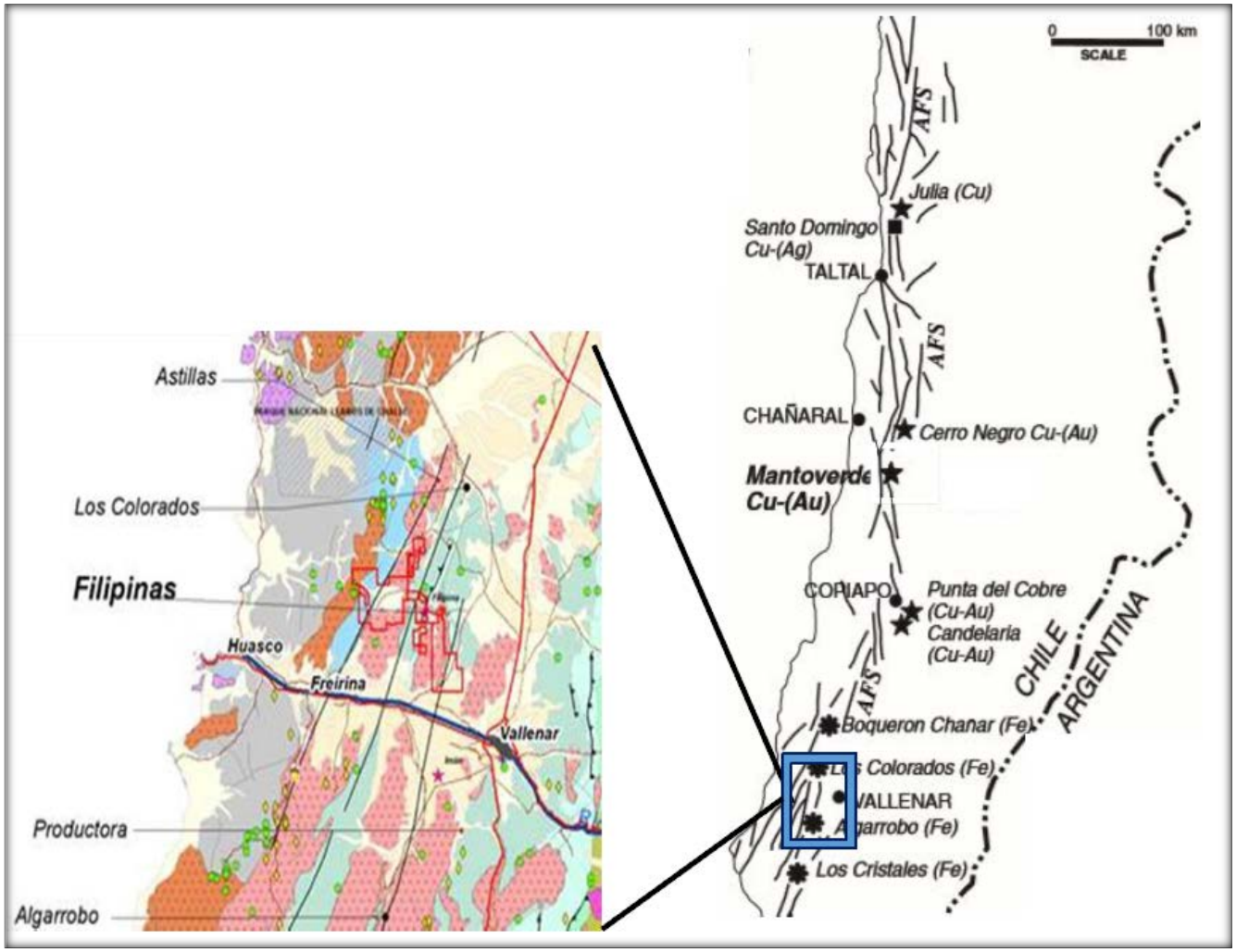
In the event that LRS elects to proceed with the Joint Venture upon the expiry of or during the due diligence period, commencement of the Joint Venture will occur on the date of the transfer of legal ownership of the Projects to a new company which shall be 60 days from the date of expiry of the due diligence period or such extended date as shall be agreed upon by the parties acting reasonably.

Filipina Project

The Filipina Project is a 10,122 ha property owned 100 % by Mineria Activa, the mining branch of Larrain Vial, a local financial institution. Larrain Vial acquired the property in 2010 and from 2011 – 2013 performed exploration works in the central part of the property. The mining property comprises 6,500 hectares of exploitation concessions or mining claims and 3,622 hectares of applications for exploitation concessions in the process of being constituted.

The project contains Cu-IOCG deposits located 38 NW of Vallenar City in a zone known for its mining activities since the 16th century. Among other mines and projects currently in the same area, Anglo's Manto Verde Cu/Au project which in 2013 produced 56,800 t of fine copper; Freeport's Candelaria Cu/Au project which in 2014 produced more than 180,000 t of fine copper.

Other projects in the area are developed by Pucobre (Mina Manto de Cobre), Hot Chili (Productora Copper Project, Frontera Copper Project, and Banderas Copper Project) and Antofagasta Mineral's Astillas.



Historical Background

From October 1990 to October 1992 RTZ Mining and Exploration Chile Ltd. worked in the Filipina area, performing geological, geochemical and geophysical studies. Within the Filipina area, the major focus of RTZ drillings was the Caminada area. After RTZ, the property passed through Teck and LAC until 2010 when Mineria Activa acquired the concession.

Mineria Activa – Filipina Project

Between 2011 and 2013, Mineria Activa developed a drilling campaign in the central part of the concession, i.e. Caminada and Compañia. The campaign defined three mineralized IOCG deposits: Caminada, Filipina Norte and Filipina Sur.

The Filipina project with the Caminada area is the most promising area to start full scale production within the next 2 to 2.5 years.

Potential Early Stage Operation

Mineria Activa has advised that there are small scale mining permits in place that would allow an immediate small scale operation producing Cu-rich ores that could potentially be sold to ENAMI´s toll processing plant in Vallenar, located 38 km away from the project area. ENAMI is a Chilean state company that processes copper ore, refines and smelts copper concentrates for Chile´s small producers, aiming to support their growth. Therefore, as part of the due diligence, LRS is evaluating the opportunity as possible near term production and cash flow for the Company.

Mineria Activa also has an option agreement over the surface property for mine and tailings and additional permits for camp, magazine store, underground diesel storage, laboratory and other mining activities.

Latin's Managing Director, Mr. Chris Gale commented "*We are very pleased and excited to evaluate the Filipina Project as it may represent a tremendous value creating opportunity for Latin Resources and potentially provide near term production and cash flow for the Company".*

Overview of the Filipina Project, Vallenar, Chile

Foreign Mineral Resource Estimate

A NI 43-101 Technical Report for the Filipina Project was prepared on September 2014 by GeoEstima, a Chilean consultancy company. That report estimated measured, indicated and inferred resources of 9.29 Mt @ 0.80% Cu, 0.23% Au and 18.8% Fe, as shown on Table 1.

Table 1 – Filipina Project – Foreign Mineral Resource Estimate (NI 43-101 Mineral Resources)

Deposit	Resource´s Type/Category	Tonnage (t)	Total Cu (%)	Au (g/t)	Total Fe (%)
FILIPINA NORTE	SUM	537,475	0.79	0.17	14.5
	Oxide	***467,961***	***0.81***	***0.18***	***15.0***
	Sulphide	***69,514***	***0.65***	***0.09***	***11.2***
FILIPINA SUR	SUM	450,898	0.61	0.16	7.9
	Oxide	***141,049***	***0.60***	***0.15***	***6.9***
	Sulphide	***309,580***	***0.61***	***0.15***	***8.4***
CAMIINADA	SUM	8,301,791	0.81	0.24	19.6
	Oxide	***675,614***	***0.94***	***0.31***	***14.4***
	Sulphide	***7,626,176***	***0.80***	***0.24***	***20.1***
TOTAL		9,290,164	0.80	0.23	18.8

Units are in metric tons; 0.4% copper cut-off grade

National instrument 43-101 ("NI 43-101") is a national instrument for the Standards of Disclosure for Mineral Projects within Canada and as such this estimate is a foreign estimate. NI 43-101 is broadly comparable to the Joint Ore Reserves Committee Code (JORC Code) which regulates the publication of mineral exploration reports on the Australian Securities Exchange (ASX). The reporting codes are, however, not entirely congruent in practice, in that NI 43-101 is more prescriptive in terms of the manner in which mineral exploration reporting is presented, although the content of the technical reports, and the scientific rigors to which the mineral resource classifications within them are out, are often very similar.

The foreign resource estimate referred to in this release was sourced from the "NI 43-101 Technical Report - Filipina Project" prepared by Orlando Rojas, Principal Geologist of Consultoria Geológicas Geoestima Ltda – GeoEstima, dated 12 September 2014 on behalf of Minería Activa. Orlando Rojas is independent from Minería Activa as independence is described by Section 1.5 of the Canadian NI 43–101. Mr. Rojas is also a Qualified Person within the meaning of such terms under NI 43-101 and a member of the Australian Institute of Mining and Metallurgy (#301402) and of the Australian Institute of Geoscientists (#5543).

Cautionary Statement – The mineral resource estimates are regarded as a foreign estimate and are not reported in accordance with the JORC Code. The Competent Person for this market release has not done sufficient work to classify the foreign estimates as mineral resources in accordance with the JORC Code; and it is uncertain that following evaluation and/or further exploration work that the foreign estimates will be able to be reported as mineral resources in accordance with the JORC Code.

Filipina´s foreign resource estimate is relevant to Latin Resources as it provides some guidance as to the possible potential and value of the Filipina project and as such a selective extract from that technical report is included in Appendix 1 to enable an understanding of the reliability of the foreign resource estimate and of the project in general.

In order to verify the foreign estimate as a mineral resource in accordance with Appendix 5A of the Listing Rules (JORC Code) Latin Resources intends to undertake an audit of available data through its due diligence period to verify the previous work. If the due diligence is completed successfully and LRS enter into an agreement with the vendor, LRS will need to upgrade the present foreign resource estimate to a compliant JORC estimate.

While Latin is pleased to have this exclusive opportunity to evaluate the Project and negotiate terms in good faith, there can be no assurance that terms will ultimately be agreed by both parties.

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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 (Andalusite and Mineral Sands) and Ilo (Iron Oxide-Copper-Gold and Copper Porphyry).

Competent Persons Statements

The information in this report that relates to sampling techniques and data, exploration results and mineral resources is based on information extracted by Carlos Spier from the "Filipina Project – NI 43-101 Technical Report" issued by Mineria Activa on 12/09/2014". Carlos Spier is a Fellow of The Australasian Institute of Mining and Metallurgy (# 302771) and a full time employee of Latin Resources Ltd. Mr. Spier has sufficient experience that is relevant to the style of mineralization 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. Spier consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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Appendix 1 – Additional Accompanying Notes Relating to the Foreign Mineral Resource Estimates and ASX Listing Rules Section 5.12

The following information has been selectively extracted from the "NI 43-101 Technical Report - Filipina Project" prepared by Orlando Rojas, Principal Geologist of *Consultoria Geológicas Geoestima Ltda – GeoEstima,* dated 12 September 2014 on behalf of Minería Activa to enable an understanding of the reliability of the foreign resource estimate in the main text of this ASX announcement.

Historical Background

The exploration of the Filipinas Project has started prior to 1990 with artisanal mining of Cu-rich veins by local miners, via shafts and small underground channels. Since then the project has been explored by the following companies:

Period	Company	Work Performed
1990-1992	RTZ Mining & Exploration Chile Ltd (RTZ)	Surveying works, Geological survey which includes geological mapping 1: 10.000; Geophysics, including magnetometry and induced polarization. Drilling campaign: conventional and diamond.
1992-1995	Cenizas	Surface geology 1:5000, at Caminada 1:1000. Geophysics, induced polarization (1.000m in 8 sections every 100m.) Drilling campaign 2.586m (diamond).
1998	ENAMI	5 drill hole at Filipina Norte (528m, reverse circulation).
2004-2006	LAC	Surface geology (1:5.000, lithology and alteration). Geochemistry on surface and underground galleries. Geophysics (Magnetometry induced polarization). 33 drill holes (10.392 m, reverse circulation and diamond). Geological model and interpretation. Internal resource estimate. Scoping Study.

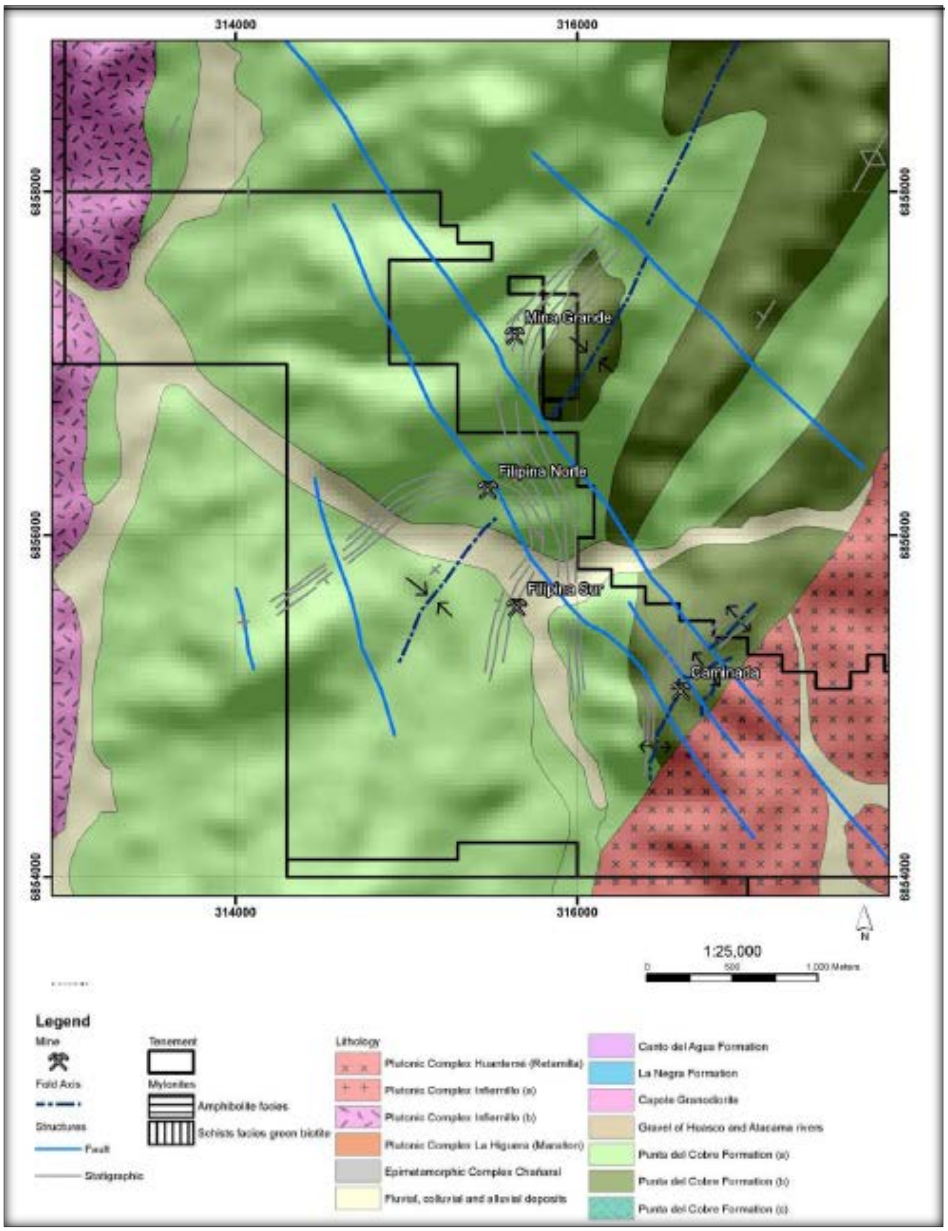
Mineral Tenement and Land Tenure Status

The mining property is comprised of a total of 10,122 hectares of which 6,500 are exploitation concessions or mining claims and 3,622 hectares are exploitation concessions in process of being constituted. The concessions were originally constituted under the name of Compañía Minera Filipinas and its related parent company Minería Activa UNO SpA. There are no concessions acquired through mining option contracts.

The area where the foreign mineral resources were defined (Caminada, Filipina Norte and Sur) is located comprises three lots of land named Lot I of 290 hectares, Lot II of 221 hectares and Lot III of 534 hectares. Compañía Minera Filipinas acquired Lot II on June 2014 and has entered into a promissory sale agreement for Lots I and III.

Geological Setting

The Filipina Project is a Cu-IOCG style deposit comprising three sectors: Filipina Norte (FN), Filipina Sur (FS) and Caminada (CAM). Filipina Oeste and Mina Grande are exploration targets, adjacent to those sectors. The mineralization is hosted in a volcanic sedimentary sequence with calcareous intercalations, assigned to the Punta del Cobre Formation in the vicinity of what is called Los Colorados´s fold-and-thrust belt (CFTB). The sequence is folded and elongated in NS-NNE direction, and is cut and displaced by a NW sinistral strike-slip faults.



Exploration Works

Exploration works have been completed primarily with geophysical surveys (MAG and IP), surface mapping, underground channel sampling and drilling. A total of 259 drill holes have been drilled in the project area since 1990, as shown of the following table.

Caminada			***Filipina Norte***		***Filipina Sur***		***Filipina Oeste***		***Mina Grande***	
Type	***Number***	***Meters***	***Number***	***Meters***	***Number***	***Meters***	***Number***	***Meters***	***Number***	***Meters***
DDH	*33*	*10,994*	*2*	*793*	*12*	*2,373*	*3*	*778*	*3*	*825*
RC	*8*	*2,856*	*8*	*1,014*	*-*	*-*	*2*	*583*	*10*	*2,772*
RC-DDH	*4*	*1,719*	*1*	*196*	*-*	*-*			*3*	*994*
DTH	*53*	*4,198*	*93*	*4,880*	*24*	*1,982*				
Total	***98***	***19,767***	***104***	***6,883***	***36***	***4,355***	***5***	***1,361***	***16***	***4,591***
DDH=diamond drill hole, RC=reverse circulation, RC-DDH = combined reverse circulation and diamond drilling, DTH=down-the-hole drill										

Several ground magnetic and induced polarization surveys have been carried out on the Project since 2005. The results indicate interesting magnetic anomalies susceptibilities of up to 0.5 SI suggesting potential for economic magnetite grades, located outside the perimeter of current block models. Many of these anomalies are associated with high chargeabilities and low resistivities, indicating a strong potential for IOCG mineralization as well.

Sampling Method, Approach & Security

The sampling techniques have varied along the time accordingly with the company and with the target area:

Caminada

The core drilling samples were routinely taken (92%) every 2.0 m in length. These samples are from the campaigns carried out by LAC (FG) and CMF (CA, and MF), there are samples taken with lengths of 1m (6%) which are from drilling CAD01 and CAD02. Samples lengths from the campaigns carried out by RTZ and Cenizas are irregular and are defined according to the presence of copper mineralization, reason for which not all the sections of the drilling were sampled and therefore analysed.

Core samples were marked by the geologists responsible for mapping for subsequent cut with a diamond saw (MF) and with hydraulic press (CAD). Half of the core sample is packaged with its respective sample number to be sent to the preparation and analysis laboratory; the other half is returned to the box and is stored.

Filipina Norte

The core drilling samples were routinely taken (98%) every 2.0 m in length. These samples are from the campaigns carried out by LAC (FG) and CMF (FN, COMP and MF). Samples lengths from the campaigns carried out by RTZ and ENAMI are irregular and are defined according to the presence of copper mineralization, reason for which not all the sections of the drilling were sampled and therefore analyzed.

Core samples were marked by the geologists responsible for mapping for subsequent cut with a diamond saw. Half of the core sample is packaged with its respective sample number to be sent to the preparation and analysis laboratory; the other half is returned to the box and is stored.

Filipina Sur

The core drilling samples were routinely taken (70%) every 2.0 m in length. These samples are from the campaigns carried out by CMF (FS), samples were also taken with lengths of 1m (26%) in the drilling performed by CMF (FSD).

Samples lengths from the campaigns carried out by RTZ are irregular and are defined according to the presence of copper mineralization, reason for which not all the sections of the drilling were sampled.

Core samples were marked by the geologists responsible for mapping for subsequent cut with a diamond saw (MF) and with hydraulic press (FSD). Half of the core sample is packaged with its respective sample number to be sent to the preparation and analysis laboratory; the other half is returned to the box and is stored.

The laboratory tests carried out at the project varied along the time accordingly with the company and with the chemical element assayed. Copper analyses were carried out via ICP, AAS and volumetry. Gold assays were carried by fire assay and Fe assays by volumetry, ICP and AAS.

For the last drilling campaign, Compañía Minera Filipina has adopted quality control procedures consisting of duplicate samples, blanks, commercial standards, coarse duplicates (10#) and pulp duplicates. The samples were sent to different laboratories which were: ALS, Activation, San Lorenzo

and Filipina's own Laboratory. The standards were acquired from Geostats Pty Ltd, 2 Au standards, 3 Cu standards, and 3 Fe standards. The assay results returned within acceptable ranges.

GeoEstima considers that the data spacing and distribution at Caminada, Filipina Norte and Filipina Sur have been collected using standard procedures and is adequate to support resource estimation.

Sample security for the campaigns carried out by RTZ, Las Cenizas and LAC is not documented. During the latest drilling campaign, conducted by Cia. Minera Filipina, the drill cores were removed twice a day from drilling platforms and storage in Core Warehouse, after being reviewed and marked for cutting by the geologist. Sampling was performed and stored in sturdy plastic bags to be sent to the laboratory, staff ACME laboratories were responsible for removing and transporting the sample to its facilities.

Mineria Activa has drilled three twin diamond holes at the Caminada Deposit in order to check the quality of DTH´s assays. The paired drill holes show a good correlation in general terms, nevertheless there is not an exactly correlation between the high and low copper values samples.

The competent person considers that the DTH samples are good enough to classify resources as indicated resources, but not as measured resources.

Mineral Resource Estimate

GeoEstima has considered the Caminada, Filipina Norte and Filipina Sur databases adequate to support the estimation of Mineral Resources. Uncertainty related to sampling methodology or downhole survey was included in the classification criterion.

Density data was determined by Compania Mineria Filipina by measuring the volume and mass of 17 Fe-rich samples. A correlation curve between density and iron grade was obtained and applied to estimate the density of Fe-rich ores. The average density of 11 samples with iron content below 2.8% was determined by the same methodology. The result was 2.7 g/cm^3 and is considered as the background value for country rocks in the project area.

The Caminada, Filipina Norte and Sur deposits are located very close to each other; are emplaced at the same geological setting and have similar geological features, but are not connected in between. Therefore, the Mineral Resource estimation has been made considering each deposit independently. The resource model was completed using ISATIS Software after creating the block model using Vulcan Software with sub cell option, and based on the geological model´s wireframes created by the Mineria Filipina´s project geologists.

GeoEstima has considered that the geological setting is adequately known to support resource estimations and preliminary mine planning. A block model has been created in Vulcan for each one of Filipina´s deposits. The models were imported into the Isatis software for the estimations and resource classification.

The estimation was completed using a local searching methodology and Ordinary Co-Kriging for copper and gold, and Ordinary Kriging for iron. Copper, gold and iron grades were estimated based on 4 m composites of drilling samples, using ISITIS software. Each layer into the stratigraphic sequence has been considered as a unique domain. Only the samples located within each sector/domain were used for the estimation of that domain.

Model Validation consisted of visual inspection of cross-sections and plan-sections comparing estimated grades to the 4m composites. Box plots and swath plots were used to compare grade estimates to nearest-neighbour grades and 4m composite grades.

The criterion to classify indicated resources was based on the Kriging Efficiency (KE) index. After a review in 3D of several thresholds of KE, Mr. Rojas has decided to use a threshold equal to 0.5 to classify Indicated Mineral Resources and a threshold equal to **0.7** to classify Measured Mineral Resources.

Filipina Project – Foreign Mineral Resource Estimate (NI 43-101 Mineral Resources)					
Deposit	**Resource´s Type/Category**	**Tonnage (t)**	**Total Cu (%)**	**Au (g/t)**	**Total Fe (%)**
FILIPINA NORTE	**TOTAL**	**537,475**	**0.79**	**0.17**	**14.5**
	Oxide	***467,961***	***0.81***	***0.18***	***15.0***
	Measured	342,148	0.83	0.21	15.9
	Indicated	71,955	0.77	0.11	13.6
	Inferred	53,857	0.76	0.07	11.5
	Sulphide	***69,514***	***0.65***	***0.09***	***11.2***
	Measured	10,045	0.66	0.06	12.2
	Indicated	6,283	0.67	0.07	11.7
	Inferred	53,186	0.65	0.10	10.9
FILIPINA SUR	**TOTAL**	**450,898**	**0.61**	**0.16**	**7.9**
	Oxide	***141,049***	***0.60***	***0.15***	***6.9***
	Measured	0	0.00	0.00	0.0
	Indicated	98,193	0.62	0.15	7.7
	Inferred	42,856	0.56	0.13	5.0
	Sulphide	***309,580***	***0.61***	***0.15***	***8.4***
	Measured	0	0.00	0.00	0.0
	Indicated	252,797	0.63	0.15	8.9
	Inferred	57,053	0.53	0.13	6.0
CAMIINADA	**TOTAL**	**8,301,791**	**0.81**	**0.24**	**19.6**
	Oxide	***675,614***	***0.94***	***0.31***	***14.4***
	Measured	0	0.00	0.00	0.0
	Indicated	400,428	1.00	0.31	15.3
	Inferred	275,186	0.87	0.30	13.2
	Sulphide	***7,626,176***	***0.80***	***0.24***	***20.1***
	Measured	0	0.00	0.00	0.0
	Indicated	1,551,944	0.83	0.24	22.1
	Inferred	6,074,232	0.79	0.23	19.6
TOTAL		**9,290,164**	**0.80**	**0.23**	**18.8**
Units are in metric tons; 0.4% copper cut-off grade					

End of Extract