LATIN RESOURCES LIMITED
ACN: 131 405 144

Unit 3, 32 Harrogate Street,
West Leederville, Western Australia
6007
**P** +61 8 6181 9798
**F** +61 8 9380 9666

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# NEW PORPHYRY COPPER TARGET RESULTING FROM COLLABORATIVE MOU EXPLORATION IN SOUTHERN PERU

## Highlights

- **March 2015 MOU between Latin Resources Limited's Peruvian subsidiary, Peruvian Latin Resources S.A.C. ("PLR") and Minera Antares Perú S.A.C., ("Antares"), Peruvian subsidiary of First Quantum Minerals Ltd., delivers first collaborative exploration results.**
- **Antares has provided PLR with a structural interpretation and a number of preliminary targets generated from ongoing interpretations of integrated PLR/Antares datasets.**
- **One of these targets was a 5 km diameter circular feature uncovered in aeromagnetic data (Figure 1): A donut shaped low (possibly representing a phyllic alteration zone) surrounds a central high (possibly representing a potassic alteration zone). Andean and cross arc structures interpreted from the data also intersect in the target area.**
- **Together these features qualify as a potential large copper porphyry target in an area of the Southern Peru copper belt that is completely covered by recent sediments (Figure 2).**
- **Extensive cover means high probability that prior exploration was ineffective.**
- **PLR/Antares joint recommendation to follow up with advanced surface geochemical techniques (shown to be effective in similar covered terrains in Northern Chile) has been undertaken by PLR with 271 soil samples collected over the 36 km$^2$ target area.**
- **Initial results show soil acid anomalies coincident with the buried copper porphyry target (Figure 3). In such environments, acid can migrate into surface soils from deeper oxidising sulphide minerals such as those that would be expected in a mineralised porphyry system.**
- **The target area is between 400 m and 600 m altitude in uninhabited desert, adjacent to the Panamerican Highway, 80 km from the port of Ilo.**

Latin Resources Limited (ASX: LRS) ("Latin" or "the Company") is pleased to announce the first results from collaborative exploration activities between the Company's Peruvian subsidiary, Peruvian Latin Resources S.A.C. ("PLR"), and Minera Antares S.A.C. ("Antares"), the Peruvian Subsidiary of First Quantum Minerals Ltd. PLR and Antares signed an MOU announced 16 March 2015.

The objective is for the two companies to collaborate together under the terms of the MOU with the aim of discovering mineral deposits worthy of further exploration and development, with Antares having exclusive rights (with PLR) to undertake exploration for 12 months within 36,430 hectares of PLR's 100% owned mining concessions in Southern Peru, considered prospective by both companies for porphyry copper deposits of significant scale.

Antares have provided PLR with a structural interpretation and a number of preliminary targets generated from ongoing interpretations of integrated PLR/Antares datasets by Antares, and both companies continue to further evaluate these.

To date, one target has been selected by Latin (also recommendation by Antares) for follow up field exploration, ***The Pachamanca Prospect***:

***Geophysics***

A 5 km diameter circular feature observed in the analytical signal processed from aero-magnetic data (Figure 1), shows a donut shaped low (possibly a phyllic alteration zone) surrounding a central high (possibly a potassic alteration zone). Interpreted Andean and cross arc structures also intersect in the target area. Together these features qualify as a potential large copper porphyry target in an area of the Southern Peru copper belt that is completely covered by recent sediments.

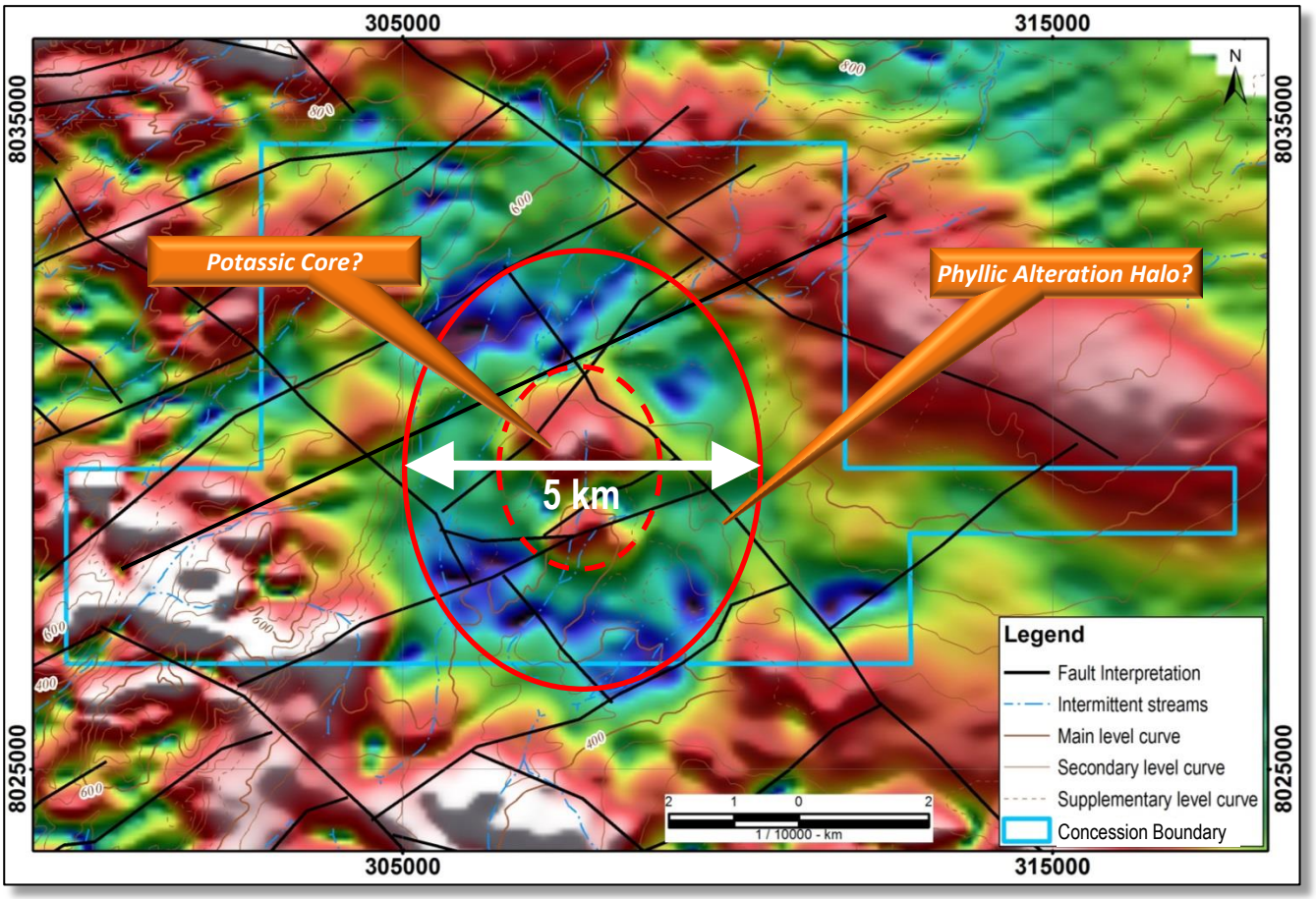



***Figure 1 – Analytical Signal image of aeromagnetic data with 5 km diameter donut shaped low possibly representing the phyllic alteration zone, surrounding a central high possibly representing the potassic alteration zone of a copper porphyry system. NW trending Andean structures, and NE trending cross arc structures bound the central high. The area is completely covered.***

### *Geology*

The geology is dominated by extensive alluvial and young volcanic deposits in the low coastal ranges, obscuring the underlying rocks and any host mineralisation (Figure 2). Outcropping intrusive rocks to the immediate west of the target area together with a geomorphological assessment of the area suggest the cover may be less than 100 m thick.

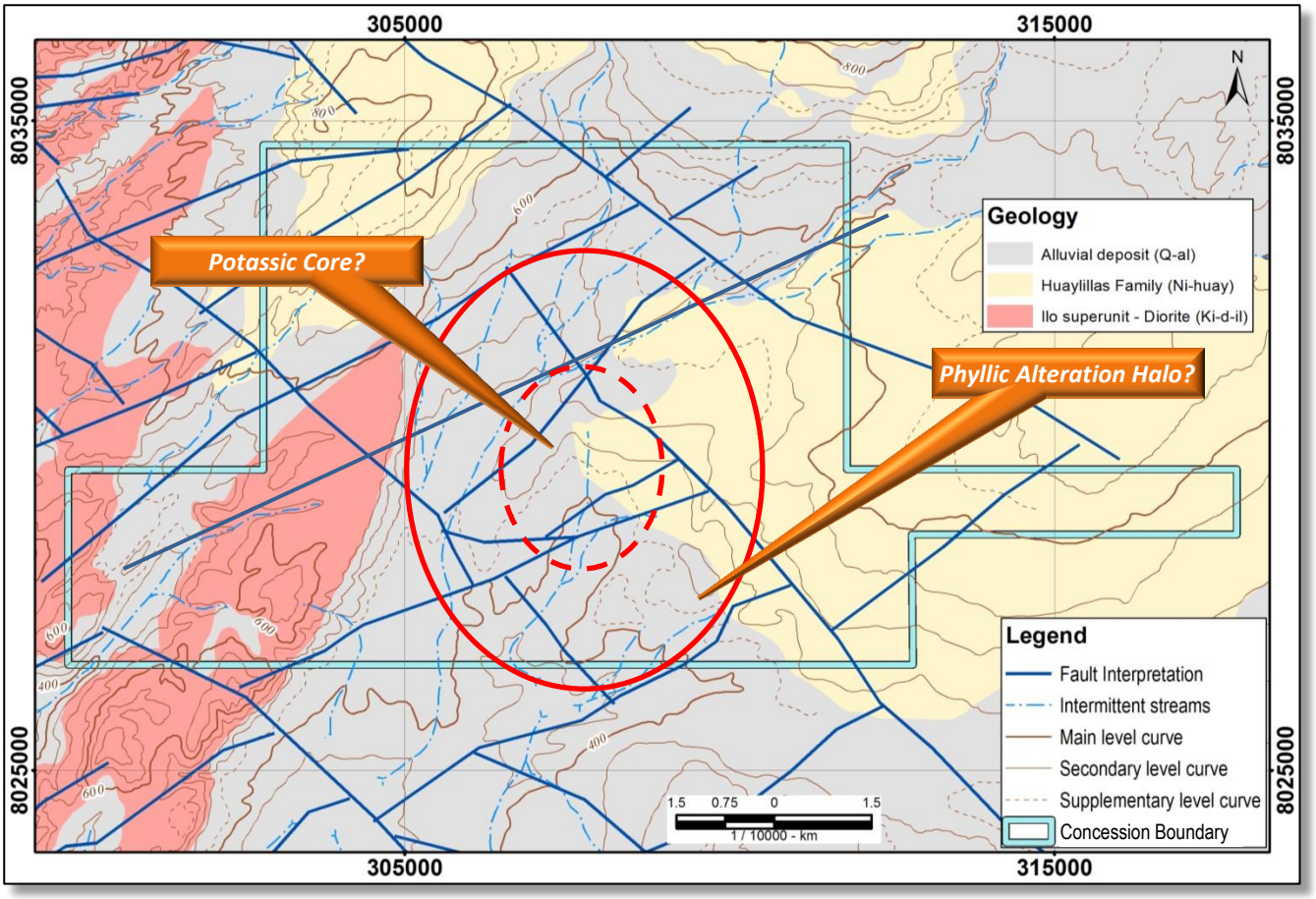



***Figure 2 – Geology Map showing the donut anomaly completely covered by alluvium (grey) and young volcanics (yellow), and flanked to the west by outcrops of Diorite Intrusive, part of the coastal batholith.***


***Figure 2a – Oblique aerial view of the concession area (cyan), showing relatively flat, covered terrain around the anomaly (red). The Pan-American Highway crosses the top of the view (yellow).***

### *Geochemistry*

PLR has been trialling advanced geochemical methods in covered terrains in Southern Peru over the last year based on similar work undertaken in Northern Chile by several authors over the past decade[1]. PLR's methods are based around analysis of samples collected in the near surface of soil materials, that are collected with minimal disturbance, sieved to remove rock and other fragments >1mm, and then subject to measurements of Hydrogen Potential (pH), which measures acidity, and electrical conductivity (EC) which measures salinity. Trials of sequential partial extraction geochemical analysis to measure variably soluble metals in the soils have also been undertaken, and are planned to be applied at Pachamanca.

271 near surface, <1mm fraction soil samples were collected over the porphyry target area on a 400 m x 400 m grid. pH and EC were measured under controlled conditions in Latin's Ilo office. Analysis of the data reveals predominantly weakly alkaline soils across the target area as might be expected in such arid terrain, however a number of more acid (<pH 7) anomalies were detected apparently associated with the porphyry target and in particular, intersections of the interpreted structures (Figure 3).

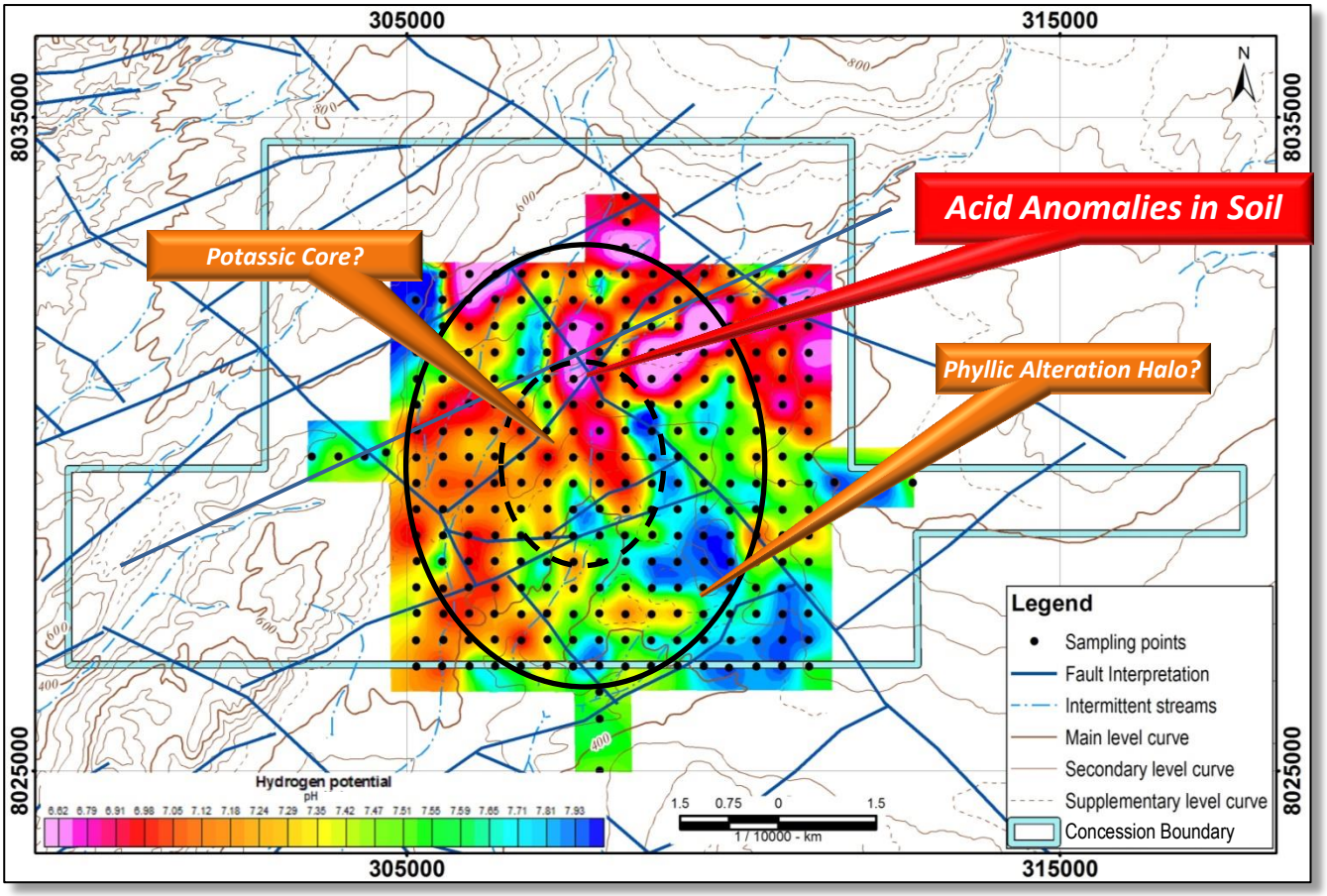


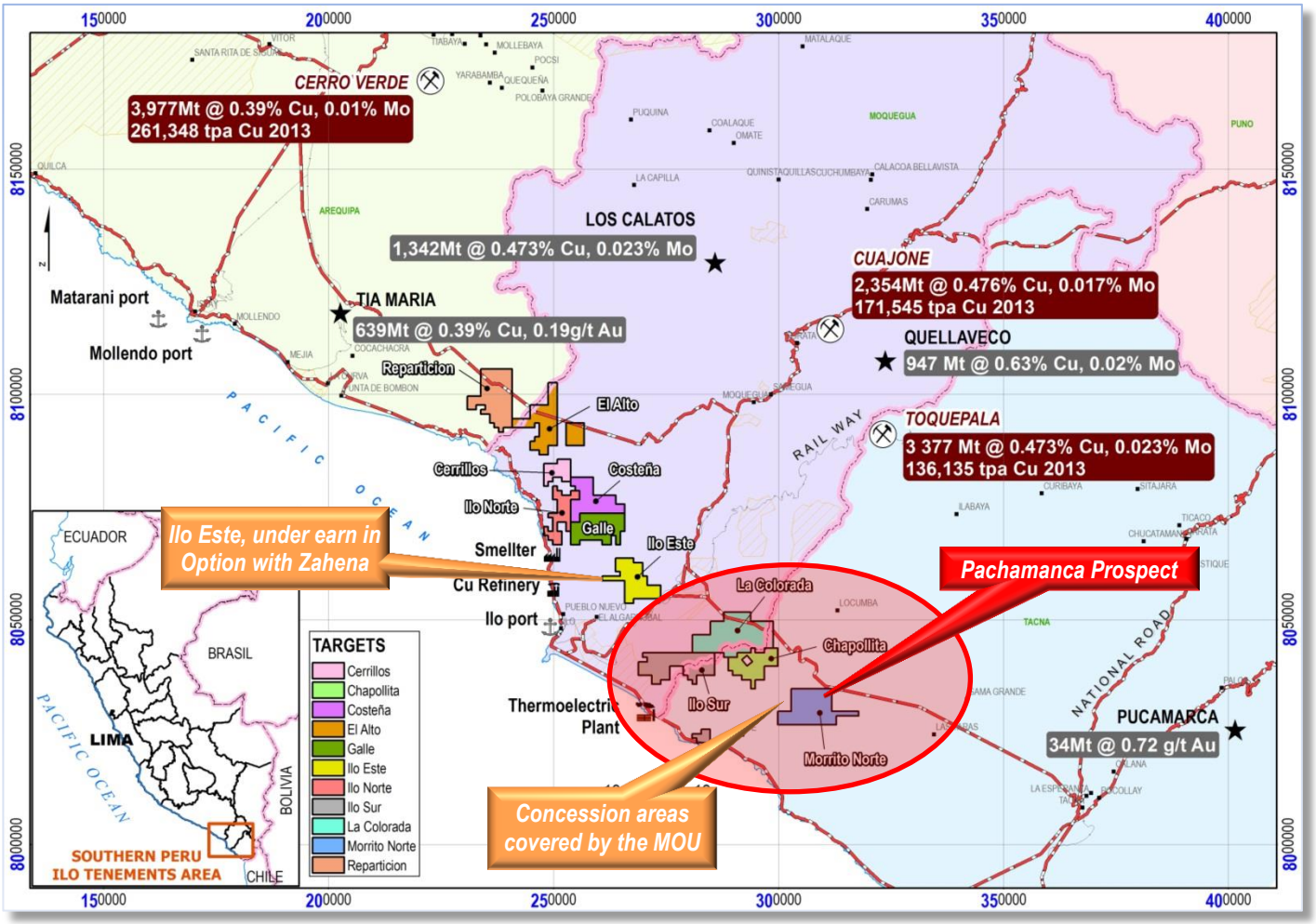

***Figure 3 – Gridded pH results from 1:1 soil:solution mix on <1 mm near surface soils. Sample points are marked with black points and the donut anomaly is marked in black rings.***

[1] **Kelley et.al, 2003.** The use of partial extraction geochemistry for copper exploration in northern Chile. Geochemistry: Exploration, Environment, Analysis 2003, v.3; p85-104.
**Cameron et.al., 2004**. Finding deeply buried deposits using geochemistry. Geochemistry: Exploration, Environment, Analysis 2004, v.4; p7-32.
**Cameron et.al., 2005.** Relationship between groundwater chemistry and soil geochemical anomalies at the Spence copper porphyry deposit, Chile. Geochemistry: Exploration, Environment, Analysis 2005, v.5; p135-145.
**Cameron et.al., 2010.** Geochemical anomalies in northern Chile as a surface expression of the extended supergene metallogeneis of buried copper deposits. Geochemistry: Exploration, Environment, Analysis 2010, v.10; p157-169.

Acid content of <1 mm near surface soils is most anomalous in the northern portion of the porphyry target with multi-sample anomalies possibly associated with a prominent structural intersection. Extension of the grid to the north and north east, and selected infill is planned to attempt to better resolve the anomaly, and following this work, sequential partial extraction analyses of the samples are planned to measure soluble metal content that might provide additional anomalies that may provide further vectors to potential underlying mineralisation.

***Other Targets***

A number of other targets are being evaluated in ongoing data analysis by PLR and Antares and will be reported as follow up continues. This evaluation work also allowed for the concession areas under the MOU to be optimised at the time annual fees were due. Less favourable areas having very deep cover and potential land access issues were identified by both PLR and Antares and were not renewed, resulting in cash savings for Latin.




Latin's managing director Chris Gale said: *"We have always thought that the extensive cover in the Southern Peru copper belt was a tremendous opportunity to make discoveries where past exploration may not have been effective, and this most recent collaborative work with First Quantum has given us a very large, great looking target under the desert sands to be further revealed in coming months."*

He went on to say: *"By combining our technical strengths and applying systematic exploration methodology with First Quantum, we are well on the way to unlocking the potential of our strategic concession holding."*

**For further information please contact:**


Chris Gale
Managing Director
Latin Resources Limited
+61 8 6181 9798

David Tasker
Professional Public Relations
Perth
+61 8 9388 0944


**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: Ilo (Iron oxide-Copper-Gold and Copper Porphyry) and Guadalupito (Andalusite and Mineral sands).

**Competent Persons Statements**

*The information in this report that relates to geological and geochemical data and exploration results is based on information compiled by Mr Andrew Bristow, a Competent Person who is a Member of the Australian Institute of Geoscientists 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.*


info@latinresources.com.au

www.latinresources.com.au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## APPENDIX

The following information is provided to comply with the JORC Code (2012) requirements for the reporting of the above exploration results at the Pachamanca Prospect, comprising the Peruvian Mining concessions: Dockers 1, Dockers 2, Dockers 3, Dockers 4, Vandals 1, Vandals 2, Latin Morrito 1 and Latin Morrito 2, totalling 8,000 hectares.

### JORC Code, 2012 Edition – Table 1

## Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Sampling techniques* | • *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*<br>• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>• *Aspects of the determination of mineralisation that are Material to the Public Report.*<br>• *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.* | • A total of 271 soil samples are the subject of this announcement.<br>• Soil samples were collected on a square 400 m 400 m grid over approximately 36 $km^2$. Soils were predominantly sandy loams developed in transported alluvial/colluvial deposits of Quaternary age, and also in Miocene ash fall/tuff deposits. Calcrete and gypsum deposits were commonly encountered near surface. At each sample location, any surface Aeolian component was removed and a sample taken from the most friable material within 20 cm of surface and sieved (stainless steel) to <1 mm to obtain approximately 1.0 kg of sample collected in polyethylene bags. Industry standard sample labeling and chain of custody process was followed.<br>• The soil sample locations were measured by hand held GPS using a 1 minute average.<br>• The Non-linear stretched Analytical Signal Aeromagnetic Image reported in the announcement was processed by Southern Geoscience Consultants, Perth, from an aeromagnetic survey undertaken by Fugro Aeromagnetic Surveys in 2003. The survey was undertaken over a wider area that that reported here using a Geometrics G-822 magnetometer mounted in a fixed wing aircraft. Flight height was 120 m AGL with N-S flight lines 400 m apart. |
| *Drilling techniques* | • *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).* | • There are no drilling results reported in this announcement. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Drill sample recovery* | • *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.* | • There are no drilling results reported in this announcement. |
| *Logging* | • *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*<br>• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*<br>• *The total length and percentage of the relevant intersections logged.* | • Slope characteristics were recorded for each soil sample site, as were dominant geological characteristics of sieved +1mm rock fragments.<br>• Photographs of each soil sample location were taken.<br>• Sample logging was qualitative. |
| *Sub-sampling techniques and sample preparation* | • *If core, whether cut or sawn and whether quarter, half or all core taken.*<br>• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*<br>• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>• *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.*<br>• *Whether sample sizes are appropriate to the grain size of the material being sampled.* | • Samples of soil were returned daily, sorted, stored and collated in Latin's field office in Ilo.<br>• Subsampling undertaken with micro riffle splitter.<br>• Sample sizes were appropriate for grain size of material sampled. |
| *Quality of assay data and laboratory tests* | • *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*<br>• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*<br>• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.* | • 100g of soil (as sampled), was mixed with 100 ml of deionized water in disposable plastic beakers and pH of the soil solution measured using a Spectrum Technologies IQ-150 pH meter using an IFSET probe.<br>• pH measurements were undertaken under constant and controlled conditions in the field office, with instrument calibration undertaken using buffers pH4 and pH7 after every 10 sample measurements.<br>• pH buffer measurements taken after every 10 sample measurements varied typically less than 0.1pH unit from the buffer value. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Verification of sampling and assaying* | • *The verification of significant intersections by either independent or alternative company personnel.*<br>• *The use of twinned holes.*<br>• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>• *Discuss any adjustment to assay data.* | • Sample data were recorded on field and lab sheets and data entered into a digital data base according to industry standard practice. |
| *Location of data points* | • *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*<br>• *Specification of the grid system used.*<br>• *Quality and adequacy of topographic control.* | • Soil sample locations were measured using hand held GPS with 1 minute data averaging. Coordinates of samples were recorded in UTM WGS 84 and stored in digital database. Coordinate system on all maps in the announcement is UTM WGS 84.<br>• Topographic control on all maps show contours taken from 1:100,000 scale national topographic maps. Topographic control is considered adequate for this initial phase of exploration. |
| *Data spacing and distribution* | • *Data spacing for reporting of Exploration Results.*<br>• *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*<br>• *Whether sample compositing has been applied.* | • Soil samples were collected on a square 400 m 400 m grid over approximately 36 $km^2$. Sample locations are marked on the respective maps in the announcement.<br>• Soil samples were spaced sufficiently to define discrete anomalous areas represented by a significant number of samples. Infill and extensions of the area sampled are planned to increase confidence in sample spacing.<br>• The geological mapping in this announcement was prepared from national geological maps with field verification.<br>• The aeromagnetic survey was undertaken with 400 m spaced N-S flight lines, more than sufficient to adequately define the main anomaly of interest in Figure 1. Other methods will be used to investigate this anomaly further.<br>• No sample compositing was undertaken associated with this announcement. |
| *Orientation of data in relation to geological* | • *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* | • The orientation of soil sampling was systematic and the square grid unbiased with respect to structure and geology.<br>• At the scale of surface sampling and considering the number of samples reported, sampling bias is not considered to be relevant.<br>• The orientation of sample lines of the geophysical survey was appropriate |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *structure* | • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.* | for crossing the main NW Andean and NE Cross Arc structures, mineralized or otherwise. |
| *Sample security* | • *The measures taken to ensure sample security.* | • Pre-assay sample security was managed by the Company using industry standard chain of custody procedure with samples collected daily stored in a locked and dedicated storage facility accessible only by Company geologists. Company Geologists transported the samples to the store. |
| *Audits or reviews* | • *The results of any audits or reviews of sampling techniques and data.* | • No external audit or review of the sampling techniques or data has been undertaken beyond that of normal internal Company procedures and that of the respective Competent Persons in the compilation of this and supporting, separate reports. |

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Mineral tenement and land tenure status* | • *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*<br>• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.* | • The Pachamanca Prospect comprises 8 titled Peruvian mining concessions: Dockers 1, Dockers 2, Dockers 3, Dockers 4, Vandals 1, Vandals 2, Latin Morrito 1 and Latin Morrito 2, totalling 8,000 hectares. The titled mining concessions are located as a block on the map in the body of the announcement (Figure 1 and map on p5). The Company's 100% owned subsidiary, Peruvian Latin Resources S.A.C. (PLR) holds title inscribed in the Peruvian public mining registry for all concessions. Surface land rights are believed to be barren state owned land to be confirmed by ongoing title searches. |
| *Exploration done by other parties* | • *Acknowledgment and appraisal of exploration by other parties.* | • Details of past significant exploration activities undertaken in this area are unknown. |
| *Geology* | • *Deposit type, geological setting and style of mineralisation.* | • The Pachamanca Prospect is considered a target for a Porphyry Copper Deposit / system. Geophysical evidence suggests potential for 5km diameter phyllic alteration zone surrounding a potassic alteration core of 1.5 km diameter. This deposit style is found along strike to the north west at the Company's Ilo Este project and further NW at Southern Peru Copper's Tía Maria depost. The target area is completely covered and |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | geochemical methods are subject of this announcement, results of which lend evidence for oxidation of sulphide mineralisation at depth. Significant additional exploration will be required including drilling to determine if economic copper mineralisation exists. |
| *Drill hole Information* | • *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*<br>  ○ *easting and northing of the drill hole collar*<br>  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>  ○ *dip and azimuth of the hole*<br>  ○ *down hole length and interception depth*<br>  ○ *hole length.*<br>• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.* | • Not applicable, no drill hole information has been reported. |
| *Data aggregation methods* | • *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*<br>• *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*<br>• *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | • Not applicable – no weighted average grades or intersections are subject of this announcement.<br>• Not applicable – no aggregate intersections are subject of this announcement.<br>• Not applicable – no metal equivalents were mentioned in this announcement. |
| *Relationship between mineralisation widths and intercept lengths* | • *These relationships are particularly important in the reporting of Exploration Results.*<br>• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').* | • No intercept lengths or mineralisation widths were reported in this announcement. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Diagrams* | • *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.* | • Appropriate maps are included in the body of the announcement to show the location of exploration results with respect to geology and geophysics. |
| *Balanced reporting* | • *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.* | • The reporting of the surface geochemistry, magnetics and geological mapping undertaken to date and subject of this announcement is considered balanced. |
| *Other substantive exploration data* | • *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.* | • To the extent possible in such an announcement, the exploration data generated by Latin is meaningfully represented and has been related in an integral fashion. |
| *Further work* | • *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*<br>• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | • Further mapping, surface sampling, geochemical analysis of existing samples and geophysics are planned to both infill and extend the information presented in this announcement to provide further evidence of a porphyry copper system and to define likely depth of cover.<br>• Diagrams and geological interpretations have been included in the body of the announcement to highlight possible extensions to the porphyry mineralisation that may form future drill targets. |