

11 November 2015

## **DRILLING COMMENCES AT ILO ESTE PORPHYRY COPPER PROJECT, ILO PERU.**

### **Highlights**

- **Drilling of Zahena's first hole at Ilo Este has commenced, second rig to commence second hole this week.**



- **Latin assigned the rights and an earn-in option to transfer 70% ownership of its Ilo Este Project to Zahena for a total consideration of US\$1.0 million cash and minimum exploration work commitments totalling 11,000 m of diamond drilling valued at approximately US\$3.0 million.**
- **Latin's Peruvian Subsidiary (PLR) to receive staged payments over 3 years totalling US\$1.0 million.**
- **A minimum of 5,000 m of diamond drilling to be completed by Zahena within 6 months, 3,000 m more within 12 months and a further 3,000 m for a total of 11,000 m within 18 months.**
- **PLR will receive an "exploration success" payment of US\$5 Million in the event that a successful definitive feasibility study is produced to exploit mineral resources from the Ilo Este either during the option period or following the formation of newco.**

Latin Resources Limited (ASX: LRS) (“Latin” or “the Company”) is pleased to announce that earn-in operator Compañía Minera Zahena SAC (Zahena) has commenced drilling at Latin’s Ilo Este Porphyry Copper Project. The first hole is labelled IE-JDD-010 on the map in Figure 3.



**First Drill Hole at Ilo Este testing the North Eastern extension of the Porphyry system.**



**Platform 8, east of the Chololo Fault where drilling of the second hole will commence later this week to test the potential fault offset and covered extension of the Ilo Este system.**



**Zahena's Camp infrastructure at Ilo Este.**

***The Ilo Este Earn-In Assignment Deal:***

The Company's 100% owned subsidiary Peruvian Latin Resources SAC (PLR) has a registered contract granting a rights assignment and earn-in option to transfer 70% ownership of its Ilo Este Project to Peruvian firm, Compañía Minera Zahena SAC (Zahena), for a total consideration of US\$1.0 million cash and minimum exploration work commitments of 11,000 m of diamond drilling valued at approximately US\$3.0 million.

Under the contract, registered on 12 October 2015 (inscription date), PLR will receive the following cash payments:

<b>Payment Trigger</b>	<b>Payment Amount</b>
12 April 2016 or the completion of 4 exploratory holes on the Project, whichever occurs first.	US\$ 75,000
12 October 2016	US\$ 75,000
12 April 2017	US\$ 150,000
12 October 2017	US\$ 150,000
12 April 2018	US\$ 200,000
12 October 2018	US\$ 350,000
<b>TOTAL</b>	<b>US\$ 1,000,000</b>

In addition to completing the above cash payments, Zahena is required to complete a diamond drilling program for a minimum of 5,000 metres before 1 March 2016, 8,000 metres before 1 September 2016 and a total of 11,000 metres before 1 March 2017 (valued at approximately US\$3.0 million). If the drilling is completed early, the option payments can also be made early to exercise the option.

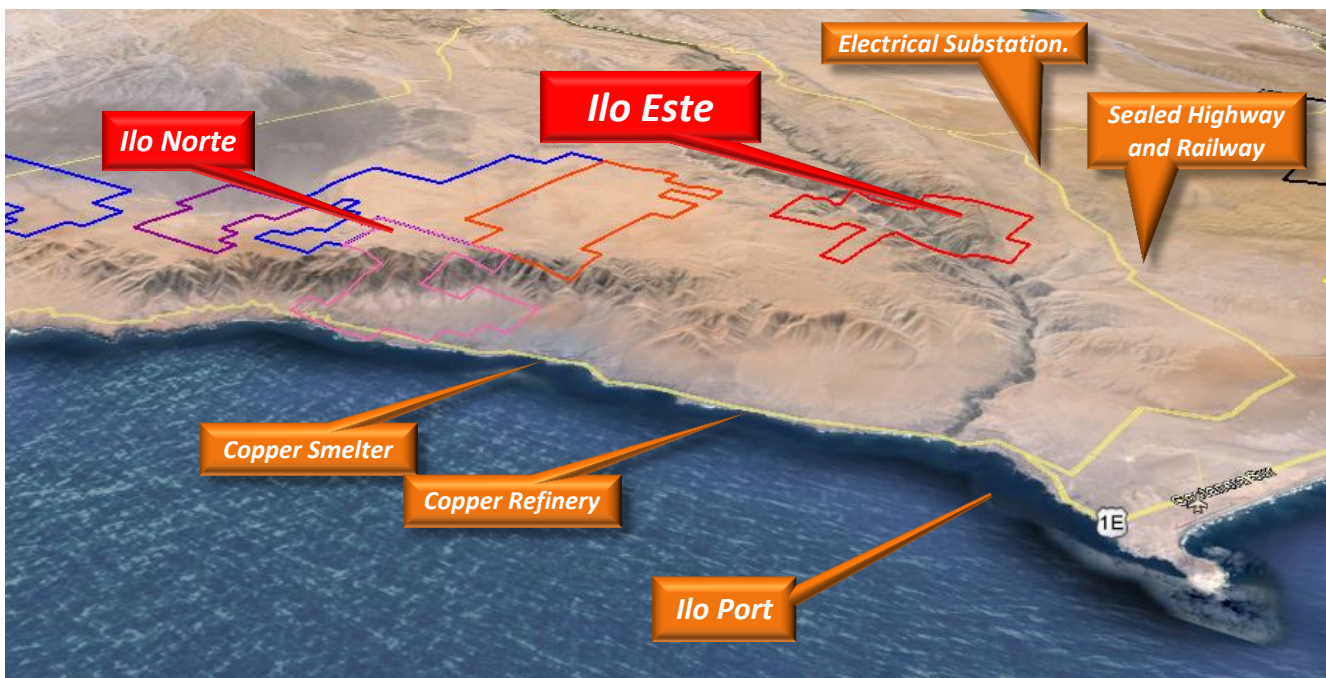
The assignment of rights and earn-in option was granted over the mining concessions Latin Ilo Este I,

Latin Ilo Este II, Latin Ilo Este III, Latin Ilo Este IV, Latin Ilo Este V, Latin Ilo Este VI, Latin Ilo Este VII and Latin Ilo Este IX totalling 6,200 hectares (Map Page 9).

Latin managing director Chris Gale said: *“We are excited that Zahena’s drilling campaign at Latin’s Ilo Este copper porphyry has now finally commenced. The 3 holes that Latin drilled in 2014 proved there is potential for a copper project if we find better grade. The big opportunity here is having Zahena find the better grade by drilling 11,000 over the coming months.”*

He went on to say: *“We look forward to keeping the market informed as the program progresses with the first assays expected in Q1 2016.”*

*Ilo Este has first class infrastructure on the doorstep, right in the heart of a major copper producing region, where there are 125 Billion pounds of contained copper in published reserves and resources including the Cuajone, Toquepala and Cerro Verde copper mines, all within 130 km of Ilo Este.”*



***Latin’s Ilo Copper Projects are surrounded by outstanding infrastructure.***

## ABOUT ILO ESTE

Ilo Este is a large Copper Porphyry System with coincident Gold, Silver and Molybdenum mineralisation which has been mapped at surface over more than 3km<sup>2</sup>, and believed to potentially continue over a similar area under cover to the east of the area where it outcrops both as an extension to two ESE striking intrusive belts under cover, and also potentially fault offset by a major, apparently low angle listric fault striking to the NE. Rio Tinto (RTX) drilled shallow RC holes at Ilo Este in 2000 in the northern of the two ESE striking intrusive belts.

Latin recently completed three diamond drill holes for a total of 2073.3 m drilling over 1.1 km of strike within the northern of the two ESE striking intrusive porphyry belts that make up the overall 3km<sup>2</sup> mineralised system identified by mapping and surface sampling reported in Q2 2014.

The first hole, **IE-JDD-001** was consistently mineralised from surface to 200 m down hole depth, with uncut average grades of **200 m @ 0.14% Cu, 0.1g/t Au, 22ppm Mo and 0.8g/t Ag, (with maximum grades of 0.34% Cu, 1.4g/t Au, 251ppm Mo and 5.4g/t Ag)**, including the following intersections applying a 0.1% Cu cut-off grade for the average (Avg), with the maximum (Max) grade of each metal in each intersection included for comparison (sample intervals are over 2m lengths of core):

From (m)	To (m)	Interval (m)	Cu (%)		Au (g/t)		Mo (ppm)		Ag (g/t)		m <0.1% Cu included in avg
			Avg	Max	Avg	Max	Avg	Max	Avg	Max	
0	10	10	0.15	0.32	0.11	0.23	22	31	0.2	0.5	2
36	72	36	0.15	0.28	0.09	0.17	19	38	0.6	1.7	6
78	96	18	0.20	0.28	0.12	0.22	14	19	2.1	5.4	0
104	142	38	0.14	0.23	0.09	0.20	11	30	0.7	3.8	8
148	200	52	0.19	0.34	0.15	1.4	39	251	1.1	2.7	4

The second hole, **IE-JDD-002** was also consistently mineralised from surface to 318 m down hole depth, with uncut average grades of **318 m @ 0.13% Cu, 0.1g/t Au, 14ppm Mo and 0.9g/t Ag, (with maximum grades of 0.46% Cu, 3.1g/t Au, 86ppm Mo and 3.2g/t Ag)**, including the following intersections applying a 0.1% Cu cut-off grade for the average (Avg), with the maximum (Max) grade of each metal in each intersection included for comparison (sample intervals are over 2m lengths of core, only intersections greater than 2m are shown):

From (m)	To (m)	Interval (m)	Cu (%)		Au (g/t)		Mo (ppm)		Ag (g/t)		m <0.1% Cu included in avg
			Avg	Max	Avg	Max	Avg	Max	Avg	Max	
0	110	110	0.21	0.46	0.11	0.40	16	86	1.0	3.2	12
Incl. 0	84	84	0.24	0.46	0.13	0.40	15	75	1.1	3.2	0
134	144	10	0.19	0.38	0.71	3.1	25	36	1.0	1.8	0
236	250	14	0.19	0.32	0.07	0.11	26	45	0.6	1.1	2
276	292	16	0.22	0.31	0.07	0.16	14	28	1.1	2.2	0
296	302	6	0.15	0.18	0.04	0.05	11	16	0.6	1.0	0

The third drill hole, IE-JDD-003, was completed to 697.9 m depth and was also consistently mineralised from surface to 472 m down hole depth, the longest mineralised intersection to date at Ilo Este, with uncut average grades of **472 m @ 0.11% Cu, 0.09g/t Au, 11ppm Mo and 1.6g/t Ag, (with maximum grades of 0.33% Cu, 1.5g/t Au, 68ppm Mo and 41g/t Ag)**, including the following intersections applying a 0.1% Cu cut-off grade for the average (Avg), with the maximum (Max) grade of each metal in each intersection included for comparison (sample intervals are over 2m lengths of core, only intersections greater than 2m are shown):

From (m)	To (m)	Interval (m)	Cu (%)		Au (g/t)		Mo (ppm)		Ag (g/t)		m <0.1% Cu included in avg
			Avg	Max	Avg	Max	Avg	Max	Avg	Max	
0	472	472	0.11	0.33	0.09	1.5	11	68	1.6	41	212
Including:											
6	64	60	0.11	0.23	0.08	0.29	9	36	1.3	5.4	28
84	178	94	0.15	0.33	0.15	0.44	10	34	2.4	12	2
188	284	96	0.12	0.25	0.11	1.5	16	38	2.4	41	40
292	298	6	0.12	0.13	0.05	0.06	23	29	1.4	1.9	0
306	310	4	0.13	0.15	0.07	0.09	23	25	0.9	1.0	0
316	322	6	0.12	0.12	0.06	0.07	18	32	1.2	1.9	0
334	342	8	0.12	0.17	0.24	0.73	13	28	2.6	6.3	2
360	364	4	0.17	0.23	0.12	0.12	9	12	1.7	2.3	0
384	472	88	0.12	0.23	0.07	0.34	7	27	0.8	1.9	32

The mineralisation observed in IE-JDD-003, clearly verifies the importance of the porphyry system as mapped over more than 3km<sup>2</sup> as a large and significantly mineralised system with substantial scope for improved grades within the overall envelope of alteration and mineralisation mapped to date. The three holes drilled so far, each hosting porphyry copper mineralisation, cover 1.1 km of strike in the northern intrusive belt (Figure 1 & 2), with the southern intrusive belt still to be tested (Figure 3).

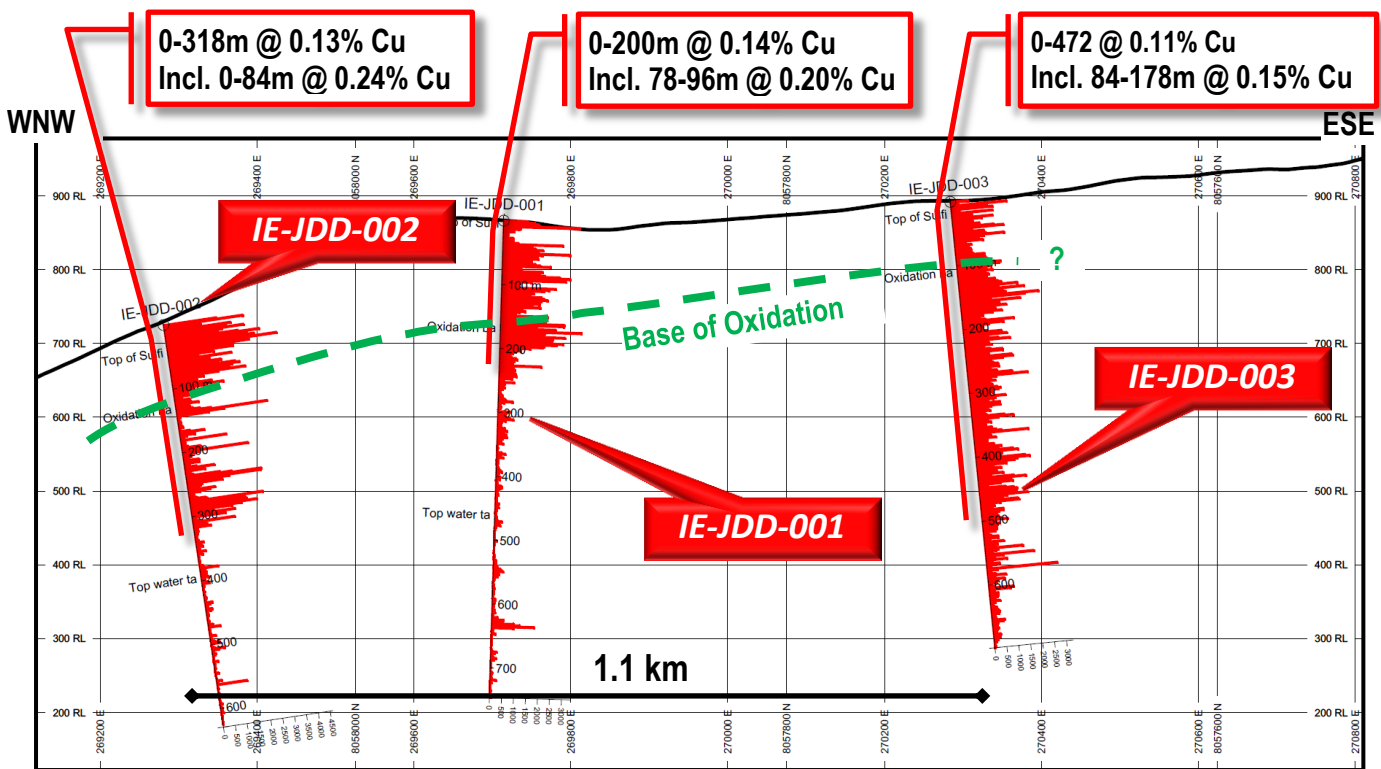


Figure 1 – Long section parallel with the strike of the Northern Intrusive Belt showing copper assay results (red) from drill holes IE-JDD-001 and IE-JDD-002. Note the base of oxidation. Section line appears on map in Figure 3.

The likely extension of the northern intrusive belt under cover to the East South East increases the size potential of the already very large system, as does the possible fault offset upper portion of the porphyry which may host the typically higher grade phyllic zone. The phyllic zone is only observed in restricted areas of the outcropping system as mapped, suggesting that it has either been eroded, or possibly cut by the low angle Chololo Fault adjacent to the South East (Figure 2).

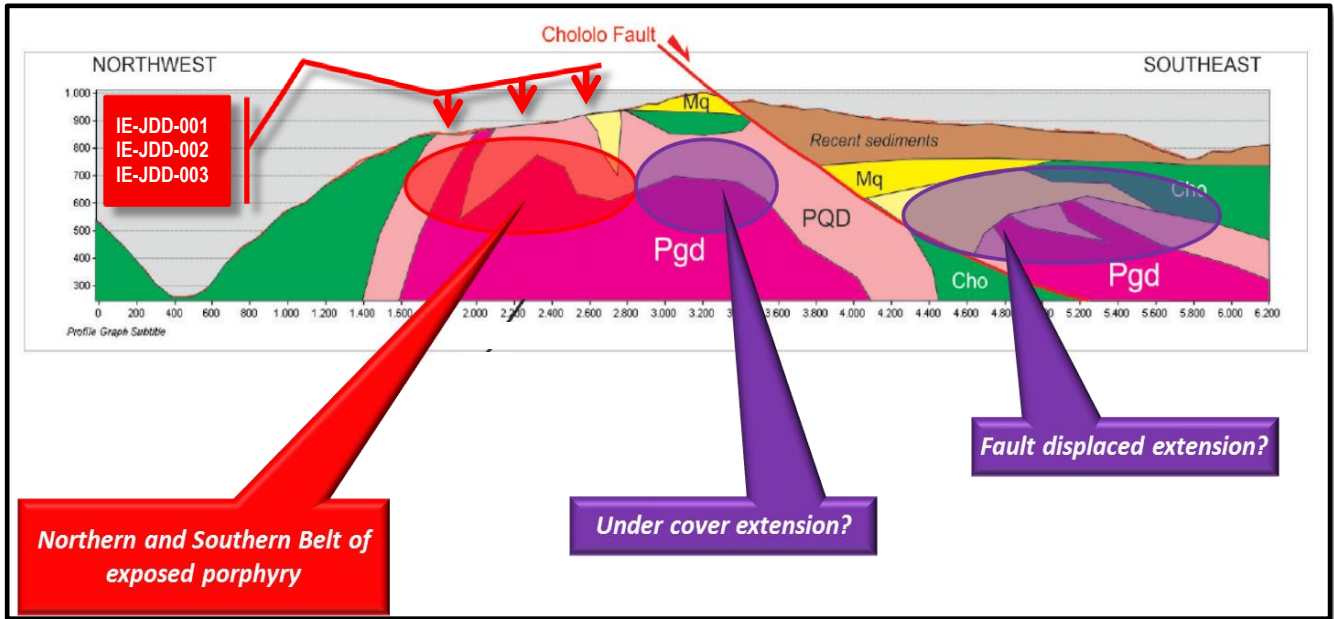
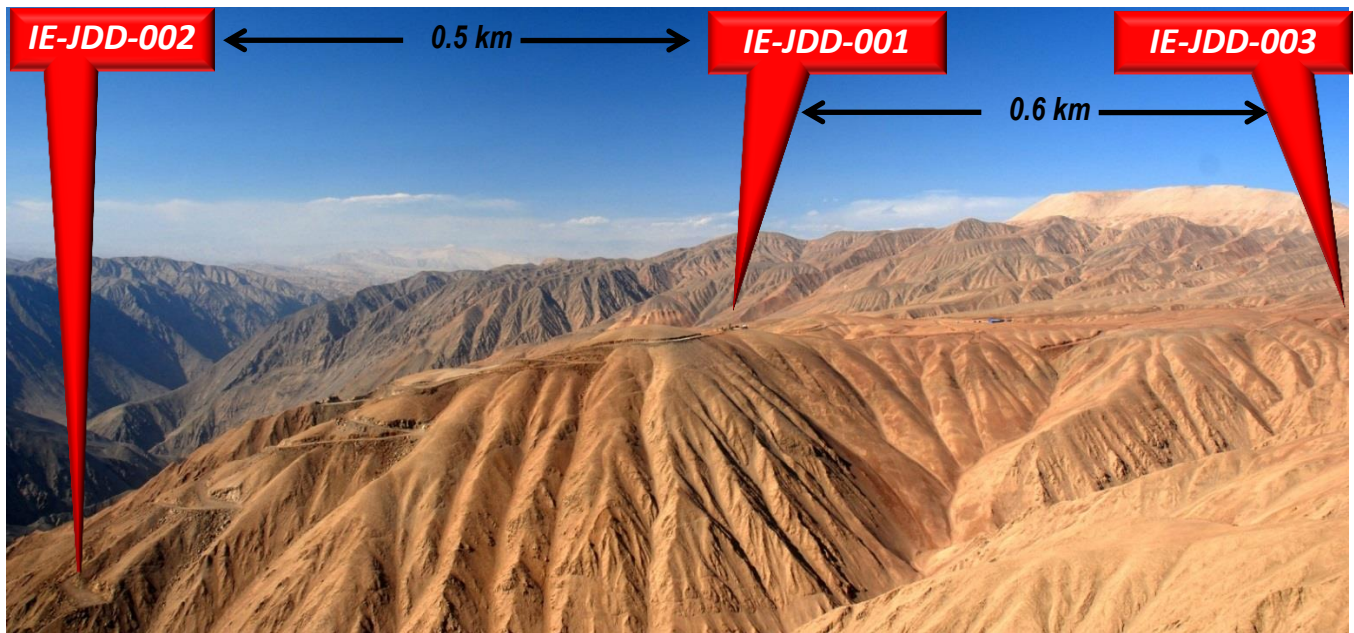
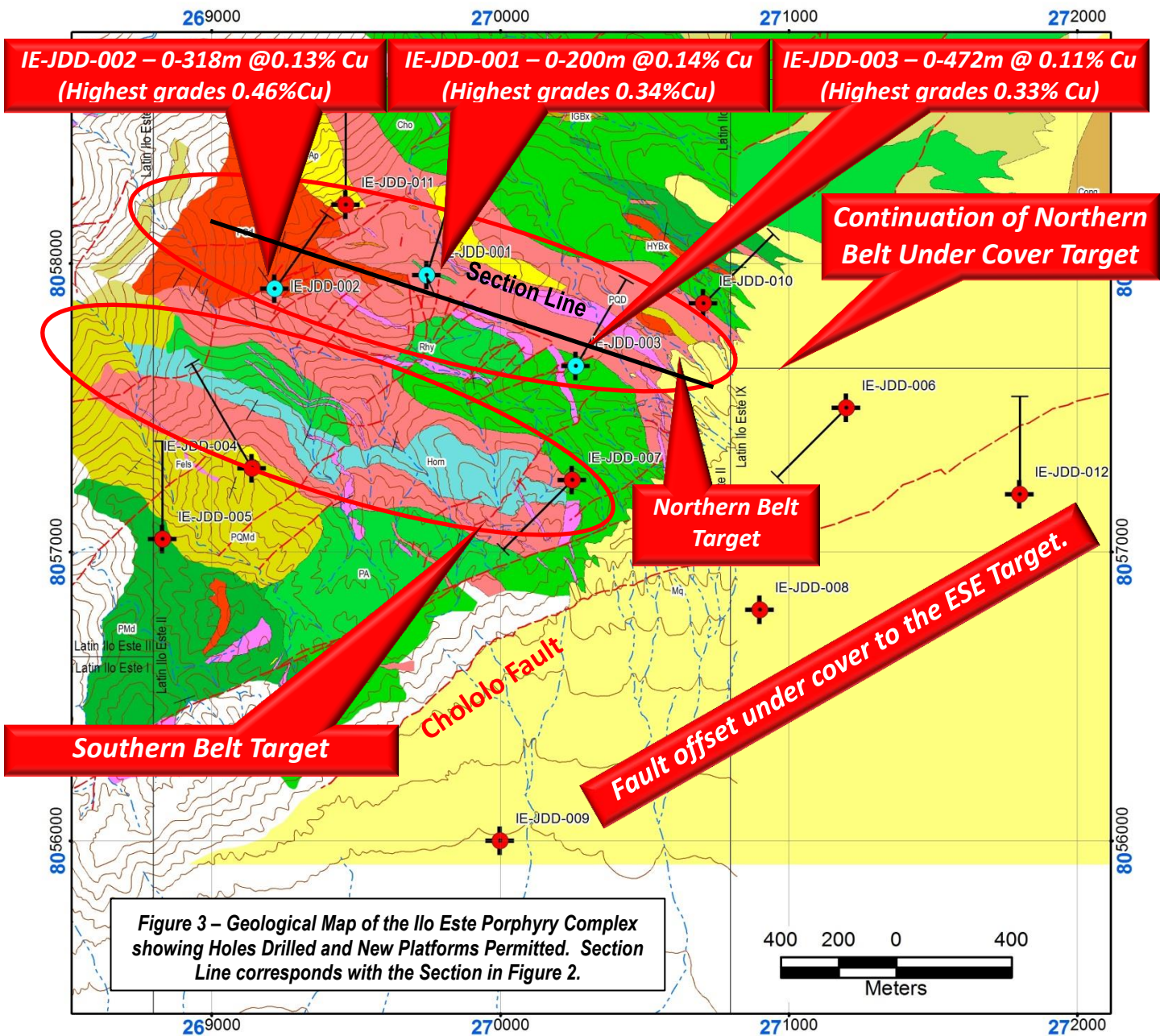


Figure 2– Schematic section showing the exposed porphyry system currently being drill tested, its likely covered extension to the East, and the low angle Chololo Fault that has potentially offset the upper part of the porphyry system, possibly preserving the typically higher grade phyllic alteration zone in the hanging wall of the fault under cover further to the South East.

Such a variety of potential over such a large area will require significant time and investment to realise, and for this reason Latin is pleased to have entered into an earn-in arrangement with Zahena in order to more rapidly unlock value for Latin shareholders.



View of the Northern intrusive belt at Ilo Este taken from the Southern intrusive belt. Approximately 1.1 km separates the first three holes within the large porphyry intrusive complex.



**Figure 3 – Geological Map of the Ilo Este Porphyry Complex showing Holes Drilled and New Platforms Permitted. Section Line corresponds with the Section in Figure 2.**

LEGEND		LITHOSTRATIGRAPHY	
UPPER QUATERNARY	Cong	Sandstones, conglomerates, rare coals. Poorly consolidated.	
	Mq	Boulders, conglomerates. Common granite clasts. Poorly consolidated.	
LOWER JURASSIC (LIASSIC)	Cho	Chocolate Fm (undivided). Andesites, andesitic tuffs, sandstones, siltstones.	
	Sst	Sandstone, siltstone, minor mudstone.	
	PA	Porphyritic andesite.	
	Xtal	Andesitic crystal-lapilli tuff.	
CRETACEOUS?	IGNEOUS INTRUSIONS		
	Fels	Undivided felsic dyke, largely inferred from satellite image.	
	Ap	Aplite, microgranite. Locally silicified and pyrite-rich (argillic altered).	
	Rhy	Porphyritic rhyolite, abundant small quartz phenocrysts.	
	PD	Porphyritic dacite. Isolated phenocrysts feldspar and embayed quartz in very fine grained groundmass.	
	PGd	Porphyritic granodiorite, similar to PQDi with common euhedral biotite phenocrysts.	
	PQDi	Porphyritic quartz diorite. Slightly isolated feldspar, hornblende and quartz phenocrysts in fine grained groundmass.	
	PQD	Porphyritic quartz diorite. Weakly porphyritic, with touching feldspar, hornblende phenocrysts. Plutonic texture.	
	IGBx	Igneous breccia, andesitic with microdiorite xenoliths; epidote-rich.	
	PMd	Porphyritic microdiorite.	
	PQMd	Porphyritic quartz microdiorite.	
	HYDROTHERMAL BRECCIA		
HYBX	Hydrothermal breccia (undivided).		
CONTACT METAMORPHIC ROCKS			
Hom	Hornfels. Very fine grained. Protolith uncertain.		

SIMBOLOGY	
	DH drilled
	DH planned
	Projection of DH
	Faults
	Mining concessions
	Course
	Rivers
	Streams
	Main level curves





## ILO ESTE's SPECIAL LOCATION

### Infrastructure

The Ilo Este mineralised system is located at less than 1000 m above sea level, 6 km from the Pan-American Highway, a Railway Line and an Electrical Substation, and from there 32 km to the Port of Ilo. The project area is also located within uninhabited desert lands owned by the Peruvian State.

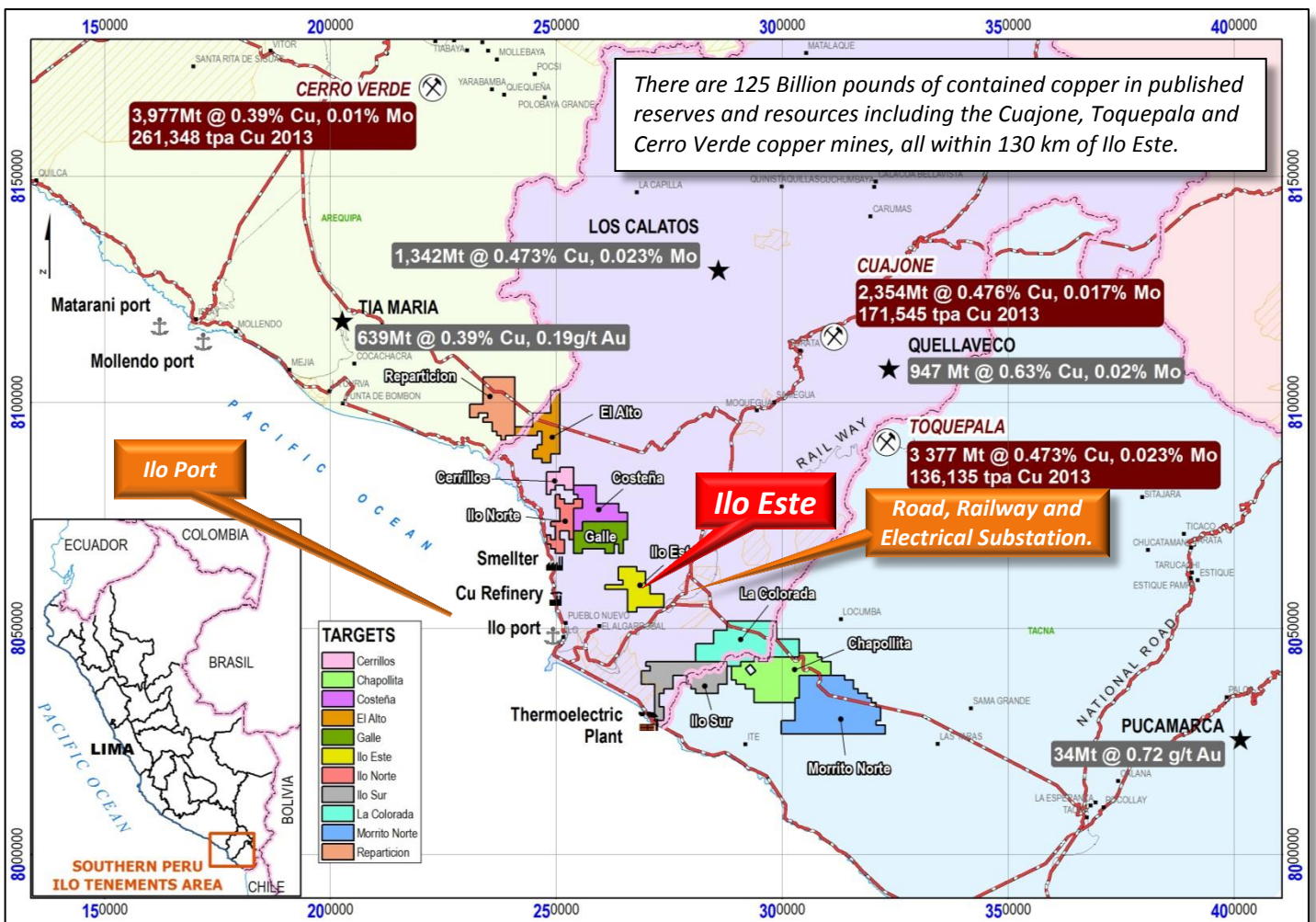
Such magnificent infrastructure located so close to the project would significantly reduce development capital compared with other large porphyry deposits located higher in the Andes.

### Southern Peru's Prolific Copper District

The Western flanks of the Andes in Southern Peru host a number of Tier one Porphyry copper deposits including Cerro Verde (4Bt @ 0.39% Cu, 0.01% Mo), Toquepala (3.4Bt @ 0.47% Cu, 0.023% Mo) and Cujajone (2.4Bt @ 0.48% Cu, 0.017% Mo), each of which produced 261,348, 136,135 and 171,545 tonnes of copper respectively in 2013, and together accounted for over 40% of Peru's 2013 copper production.

In addition the Quellaveco (947Mt @ 0.63% Cu, 0.02% Mo), Tia Maria (639Mt @ 0.39% Cu, 0.19 g/t Au), and Los Calatos (1.4Bt @ 0.47% Cu, 0.023% Mo) projects are under development.

**All these projects are within 130 km of Ilo Este.**



Location of Ilo Este Project and 10 other target areas in the prolific Southern Peru copper district.

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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: Ilo (Copper Projects) and Guadalupito (Andalusite and Iron sands projects).

**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 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.*

*The information in this report that relates to geological and alteration mapping of the Ilo Este Porphyry System is based on a separate report supplied by Dr Warren Pratt (CGeol), a Competent Person who is a Fellow of the Recognised Overseas Professional Organisation "Geological Society of London" and a Director of Geological Mapping Limited, and has no affiliation with Latin Resources Limited other than as a consultant. Dr Pratt 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Dr Pratt consents to the inclusion in this report of the matters based on his report in the form and context in which they appear.*

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