

Latin American Minerals Rapidly Exploring Potential New Gold District in Paraguay

Intense Focus on South America Also Yielding Diamond, Base Metals Discoveries

Latin American Minerals, Inc. (TSX.V: LAT), quietly exploring in South America for the past eight years, is poised to make major news as it develops a potentially huge gold property in Paraguay and joins with a major base metals producer and a Canadian diamond exploration company to develop its other mineral projects.

"Paraguay has very good geology and the country is virtually unexplored", says Miles Rideout, Latin American Minerals President and CEO, pointing to a striking similarity to gold- and diamond-rich southwest Africa. That similarity is not surprising; at one time the two continents were connected.

For a number of years, Latin American Minerals was the primary mineral explorer in Paraguay and, as a result, has had its pick of the best prospective areas. While the country is not known for modern mining projects, the Paraguay's laws favor investment, mine development and mineral export.

Today, the company has three major projects in Paraguay – the Paso Yobai (gold), Itapoty (diamonds), and the most recently acquired Chiriguelo (niobium/rare earths) properties. A large massive sulphide project in Argentina has already enticed a major base metals mining company into a joint venture.

Paso Yobai Gold Project Focus of 2011 Exploration Program

The company's flagship Paso Yobai Gold Project encompasses about 100 square kilometers of what the company describes as a "pervasive epithermal gold system" that has the potential to yield several million ounces of gold and become a significant gold producer.

"Paso Yobai is really something special," says Rideout. "It has abundant visible gold mineralization at surface that we've found to extend beyond one hundred meters depth."

Latin American Minerals has advanced the project steadily over the past four years, having invested over \$8 million on exploration and now \$2 million on a pilot plant. The 8-km-long Discovery Trend encompasses the high-grade area where Latin American Minerals has excavated 17 mechanical trenches and drilled 64 holes totaling 9,030 meters. Drill core assays returned intersections up to 26.6 gpt gold over 6.5 meters, and confirmed the continuity of gold mineralization to depths significantly exceeding 100 meters.

The company also holds exploration concessions over a second area, the northern 'Valientes Trend' where initial auger-hole testing demonstrated comparable gold values. This second trend extends for almost 15 kilometers.

Because of the coarseness of the gold mineralization at Paso Yobai, analysis of bulk sampling, in conjunction with definition drilling, will continue



Paso Yobai Gold Project

Abundant visible gold mineralization is found at surface and extends to depths exceeding 100 meters at Latin American Minerals' huge Paraguay epithermal property, Paso Yobai. New trenching has discovered continued evidence of significant new gold mineralization on the company's emerging gold trend.

earn-in period, each partner will hold a 50% interest and will share financial responsibilities and management oversight.

Rideout stated that "Existing work on this very large project indicates multiple primary diamond sources. The option agreement assures the technical and financial resources to maximize the development potential of this ground breaking diamond project."

Niobium/Rare Earths Project Show Promise

Latin American Minerals is developing a new project in northeastern Paraguay, the 25,500 hectare Chiriguelo exploration concession. The project has government approval and environmental permitting.

The primary niobium-producing ore, pyrochlore, has been found in abundance at surface and in historic drilling. Worldwide, neighboring Brazil is the primary producer of niobium, which is essential in the production of steel alloys and high-strength super alloys that are important in high-temperature applications.

"The geological evidence points to a large intrusive source below surface with values of various rare earth elements comparable with several other world class REE deposits," says Rideout.

Management Poised to Fast-Track Paso Yobai Project Development

Latin American Minerals' management and board of directors are comprised of recognized exploration, mining and finance professionals with decades of experience in metal and diamond exploration, advanced project development and South American exploration and business practice.

The Paso Yobai gold project is managed by a well trained and experienced Paraguayan geology and engineering team aided by international consultants and exploration experts.

Investment Considerations

Latin American Minerals is well financed for the next two years with approximately C\$8.3 million in its treasury and a diverse inventory of gold, base metal, niobium, rare-earth and diamond properties.

"We are executing an aggressive \$3 million 2011 exploration program and \$2 million development plan at our highly prospective Paso Yobai gold project in Paraguay. This will be followed by at least another \$3 million in continued exploration and production development in 2012," Rideout says.

"Our primary objective is to develop Paso Yobai into the kind of large 100 km plus footprint gold system that has commanded such high shareholder takeout premiums during the past couple of years," says Rideout. "Our project-level partnerships in base metals and diamonds allow us to participate in those developments while maintaining our gold focus."

as the company's exploration strategy. A laboratory-scale processing plant has been used to verify high-grade mineral zones in trenches. A commercial scale bulk sample processing plant is under construction and expected to be producing gold by November 2011.

Exploration continues on both mineral trends with auger and diamond drilling, large scale trenching and bulk sample gold evaluation.

"The pilot plant will demonstrate the significance of the deposit and expose mineralization for mapping and assaying," says Rideout. "For gold production, the metallurgy is simple and we anticipate being able to define and stabilize recovery very quickly with our new pilot plant, currently en route to Paraguay. We also anticipate significant proceeds from the gold recovered at the pilot plant will subsidize ongoing mine development."

Massive Sulphide Project in Argentina Attracts Major Partner

In 2010 Latin American Minerals optioned a 51% interest in its Argentinian base metals project, the Tendal Mineral Concessions, to Votorantim Metais Argentina SA in exchange for that company funding a \$4.5 million exploration program over the next three years. Votorantim, the largest zinc producer in Latin America and fourth largest worldwide, can earn an additional 19% by funding development through completion of a feasibility study over the following three years.

The Tendal zinc, copper, lead and silver concession comprises two land parcels totaling approximately 36,000 hectares and is accessible by all-season gravel road. Massive sulphides outcrop on surface for over 2 km and extend at depth.

"The extent of surface mineralization and the promising results at depth show that the mineral camp has potential for a major new zinc discovery in Argentina," says Rideout. "Votorantim is an extremely able partner to explore and develop Tendal."

A New Joint Venture Provides Technical and Financial Resources to Advance the Itapoty Diamond Project

In a new development, Latin American Minerals has signed an option agreement with Olivut Resources Ltd., a Canadian diamond exploration company.

Initial exploration at the Itapoty Diamond Project, also in Paraguay, identified 55 diamonds and extensive kimberlite-indicator minerals. The contiguous property is about 40 km wide by 75 km, with an additional outlying concession on trend.

Olivut's participation will contribute extensive diamond experience and will finance 100% of the development over the next 30 months. After the




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