

FOR IMMEDIATE RELEASE

TSX Venture Exchange Symbol: LAT

LATIN AMERICAN MINERALS ANNOUNCES COMMENCEMENT OF PILOT PLANT OPERATION; CANCELS THE OPENING CEREMONY TO PROTECT VISITORS FROM DEMONSTRATING ARTISANAL MINERS; ALSO DRILLING COMMENCES ON THE PASO YOBAI NEW TREND

February 2, 2012 – Toronto, Ontario – Latin American Minerals Inc. (TSXV: LAT; OTCQX: LATNF) (the “**Company**”) reports that it has begun operations at its Pilot Plant facility, located at the Paso Yobai Gold Project in Paraguay. Following two weeks of trial operation in January, the Company suspended its scheduled plant inauguration ceremony to avoid potentially violent confrontations with demonstrating illegal miners. The Company has withdrawn its technical and exploration teams from the project for a cautionary stand-down period. This stand-down will briefly interrupt drilling, which began on the Company’s New Trend Concessions on January 5, 2012.

As previously announced, the Company has constructed a 100 tpd gravitational concentrator plant at the fully permitted Minera Guairá Mining concession, a portion of the Company’s Paso Yobai exploration project. In mid-January, plant engineers began processing mined mineral through the plant. Mineral stockpiling began in November, 2011 from excavations over a 200m extent of the Discovery Zone gold deposit. The Company planned an inauguration ceremony to celebrate this historic event, the commencement of Paraguay’s first official gold mine, to be named Mina Independencia.

Gold was discovered in the Paso Yobai regions more than a decade ago. Several local businesses established mineral claims and exploration activity. As a result of the discovery and delineation of the first gold trend, some local surface owners and mill owners began conducting unauthorised, artisanal mining on eleven surface lots located within the limits of the Minera Guairá mining permit. The Company lacked authority to prevent this work, which is limited to a small fraction of the concession. Approximately 11 surface owners, plus local workers and other entrepreneurs derive their livelihoods from these surface workings.

Recent Paraguayan government studies have documented mercury contamination in some streams draining the illegal operations. Several of the diggings and mills responsible for this damage have been closed by the Paraguayan environmental authority and the regional judiciary. The local illegal miners/surface owners protested the Paraguayan government’s action by organizing demonstrations around Paso Yobai and outside of Latin American’s test plant site, to coincide with the planned attendance of mining officials and politicians at the Company-hosted event.

In a statement by a local spokesman, the artisanal miners expressed concern that the law awarding the mining concession to the Company could lead to the expropriation of their surface lots located within the concession. Though the group has sought public attention to make a variety of claims, their objectives do not appear to be related to any past or current activities of the Company.

Although no injuries were threatened or sustained on either side, following sharp words and rocks thrown at company vehicles, and also at those of reporters and bystanders, the Company decided to defuse the situation by cancelling the Company's opening ceremony. Significantly, hundreds of national politicians, VIPs and industry figures were expected to attend the event.

Since the Company's exploration and plant activity involve the daily movement of staff on the local roads, these activities have also been temporarily suspended until the Company's public relations office in the town of Paso Yobai can indicate that the mood has returned to normal and amicable conditions.

Miles Rideout, the President and CEO of Latin American Minerals stated: "I visited the plant the day of the demonstration and one of the Company's directors was on site during the entire event to host visiting investors. We were able to observe the demonstrators, the operations of the Company's personnel, and the excellent support and conciliatory action provided by the local police and authorities. We'll continue dialogue with the artisanal leaders to help resolve their apprehensions regarding land rights. We'll be happy to soon get about 150 towns-people back to their regular jobs at our project."

Latin American Minerals considers the use of mercury in gold extraction to be a dangerous and damaging practice. The state-of-the-art Paso Yobai test plant is designed to validate the economic characteristics of the large epithermal gold system that is being delineated at the project. The plant was designed and built by Sepro Systems of Langley, British Columbia. It employs high-speed Falcon gravitational concentrators to extract gold using only water, following scrubbing and milling operations. No chemicals are used anywhere in the extraction process. The Company operates on a Best Practices policy with due consideration to its employees and all applicable laws.

The Company continues to advance the Paso Yobai Gold Project with the following additional recent milestones. Following the December, 2011 announcement of trench results on the 100% owned Tacuru Target, the Company received a drill permit from the Paraguayan Secretary of the Environment on Dec 22, 2011 and drilling of this target began on January 5, 2012. At this date, 6 diamond drill holes representing two 3-hole 'fences' have been completed. Samples from this drilling have been prepared and shipped for laboratory analysis, though no assay results have yet been received.

Rideout stated "Concluding fair surface rights agreements on our New Trend targets was one of our key objectives in 2011. Our Paraguayan country manager has done an outstanding job in this regard. We, and the other stakeholders in this venture, are eager to see these first drill results."

About the Paso Yobai Gold Project:

The Company is developing the Discovery Trend Pilot Plant operation on the Minera Guairá mining concession, part of the Company's larger Paso Yobai Gold Project. The objective of the new Pilot Plant is to facilitate resource evaluation on the Discovery Trend, which is characterised by coarse gold mineralization extending from surface to greater than 100m depth. The coarse granular gold

typical of the Discovery Trend complicates conventional resource estimation by diamond drilling due to the small sample volume extracted in exploration holes.

The Company's strategy to develop the Discovery Trend target is to detect and delineate mineral shoots by trenching and diamond drilling, then to verify the grades of these zones by bulk sampling. The Discovery Trend Pilot Plant will allow the Company to expand these operations to a commercial scale in order to accelerate the development of a resource.

The second New Trend at Paso Yobai is located on concessions that are 100% owned by the Company. The New Trend at Paso Yobai is approximately 14.8 km in length, located 3.5 km northeast of the Discovery Trend. The Company owns 100% of the prospecting concessions that contain this geologic feature. The results of the Company's 2011 work to define drill targets suggest that bulk tonnage potential could exist at several target zones along this extensive structure. The Company plans to focus 2012 exploration on these targets.

About the Company:

Latin American Minerals Inc. is a well-financed mineral exploration company focused on the acquisition and development of mineral projects in highly prospective countries of South America. In addition to the Paso Yobai Gold Project, the Company's Itapoty Diamond Project and Chiriguelo REE/Niobium Project are also located in Paraguay.

For more information, please contact:

Miles Rideout
President and CEO
Toronto: (1-416) 363-0841 or (1-416) 902-8558
Argentina: (54-261) 439-9268

www.latinamericanminerals.com

Andreas Curkovic
Investor Relations
416-577-9927

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