



LATIN AMERICAN MINERALS CONTINUES TO ACTIVELY ADVANCE PASO YOBAI GOLD PROJECT WITH OPERATING CASHFLOW

December 12, 2013 – Toronto, Ontario – Latin American Minerals Inc. (TSXV: LAT; OTCQX: LATNF) (the “Company”) provides an exploration and operational update on its fully owned Paso Yobai gold project in Paraguay.

The Company continues to advance exploration efforts on its flagship Paso Yobai gold project despite the current downturn in the commodities market. The impressive results to date reinforce Paso Yobai as an important epithermal gold discovery.

Miles Rideout, President and CEO of the Company stated “At gold prices above \$1,200 per ounce, the Company has adequate financial resources for the near and mid-term and will not require additional equity financings. We have several catalysts that could significantly and favourably affect our cash flow such as the imminent addition of heap leach processing, local high grade zones at Independencia Mine within the confirmed pervasive low grade halo as seen in the current quarter, and any improvement in the gold spot price. These catalysts could result in the Company generating adequate cash flow to fund the pilot plant operations and the 2014 drilling program, a top priority going forward.”

Exploration update

The Company introduced cost containment measures in the third quarter and has deferred certain expenses to support the current working capital position. Exploration efforts are funded through operating cash flow supporting the ongoing bulk-sampling of the Discovery Trend, in addition to advancing our knowledge and understanding of the large X-Mile Trend targets.

October 2013 pilot gold production was the largest recorded since opening of the mill in 2012. The ongoing Independencia Mine open pit exploration activity has generated sufficient cash flow to fund the processing of 40,000 tonnes and 1,900 ounces of gold production to date at a continuously declining operating cost of US\$1,050 per ounce in the last three months.

Extensive exploration work on the X-Mile Trend demonstrates that the majority of these targets are fully preserved epithermal systems located close to the present-day surface. Based on the typical geometry for similar, classical epithermal gold systems, management has interpreted substantial potential for high-grade feeders between 200 and 400 metres below the identified surface gold targets.

Soil sampling, trenching, and geophysics, combined with limited drilling also indicated that the mapped gold zones may have significant shallow potential, as veining and as disseminated mineralization occurring in the first 200 m below surface. The Company will proceed with ground follow up work in 2014 to validate several shallow anomalous occurrences on the Discovery Trend and outlying areas.

Metallurgical testing

The Company has undertaken several metallurgical tests (conducted by Alex Stewart Assayers of Peru SRL and SGS Mexico) since 2008 and recently completed new leach tests from the low grade mineralization of the Discovery Trend. Samples yielded gold recoveries from 83% to 98%.

Management is finalizing the design of a 2,600 tonne heap leach pad at a construction cost of \$50,000. The leach pad is expected to be in place in the first quarter of 2014, subject to permitting, and will be funded with cash flow generated from bulk sampling operations in the last quarter. Initial operation will be based on 0.8 g/t feed material and 30-day leach period, with anticipated recoveries exceeding 60% based on recent metallurgical testing.

Following implementation of the first leach pad, the Company plans to add additional leach pads in 2014 using operating cash flow in order to process 140,000 tonnes of assayed, leachable mineral stockpiles available immediately from Independencia Mine operations to date. These stockpiles have been tested by 630 assay samples ranging from 0.3 to 7.3 g/t, with an average grade of 0.69 g/t. The high grade bulk sampling mineralization will continue to run through the gravity concentrator plant ("Mill").

The anticipated gold recovery from heap leach operations represents a new source of potential cash flow for the Company given low heap leach operating costs and large, immediately available stockpiles. This new cash flow would be in addition to the current Mill high-grade bulk sampling gold recoveries, which already cover operating costs. The Company observes that an independent feasibility study has not been completed and is required to advise the reader that there is no certainty the proposed operations will be economically viable.

Independent Epithermal Specialist

Dr. Jeffrey W. Hedenquist, a well-known epithermal specialist based in Canada with world-wide experience, was retained during the quarter to provide expert independent advice on the exploration model, the nature of the Paso Yobai epithermal gold system and the ongoing exploration focus. Dr Hedenquist had previously visited the project in 2008. Using the extensive geochemical, geophysical, geological evidence and following inspection of exposed mineralization and drill core, Dr. Hedenquist has recommended further drilling as the top priority to determine if there are high grade feeders for the gold mineralization discovered to date near the surface.

Paso Yobai

Paso Yobai is a large epithermal gold system located within the 15,020 hectare property. The project is located near infrastructure including electricity, roads, water and labour force. Exploration activities to date include extensive geochemical soils grid comprising 19,000 samples, multiple grids of auger-hole samples totaling 612 sites, 94 exploration pits to ~ 2m depth, 44 large trenches excavated to depths of 8 to 15 m and up to 40 m in length, 3,700 line-km of helicopter VTEM and magnetics, 1,100 line-km of ground magnetics: 106 line-km of Controlled Source Audio Magneto Tellurics (CSAMT) geophysics, 55 line-km of induced polarization/resistivity (IP) and 11,000 m of diamond drilling in 84 exploration holes.

The project encompasses two primary parallel gold trends defined by continuous soil anomalies: the Discovery Trend (total length approximately 10 km) and the X-Mile Trend (total length 14.8 km). These anomalous gold soil values (greater than 5 ppb) occur over approximately 9,000 ha of the Paso Yobai property. Within the large anomalous surface, approximately 2,000 ha of area host seven large, anomalous target blocks with more than 75 ppb gold confirmed in soil sampling.

Epithermal gold mineralization with silver credits begins at surface, with coarse gold (up to 1 cm nuggets) being common. As such the Company built its Independencia Mine open pit bulk-sample Mill on the Discovery Trend at a funded cost of \$4 million. This exploration approach is the most effective methodology to bulk-sample and process a portion of the mineralized trend and to obtain vital information on the metallurgical characteristics of the mineralization.

Discovery Trend and Independencia Mine

The Discovery Trend hosts mineralization in gold shoots contained within an extensive mafic dike. The individual shoots are high grade as demonstrated by these trench results: Trench 1 - 21.47 g/t over 0.5 m; Trench 2 - 61.38 g/t over 0.5 m; Trench 3 - 34.79 g/t over 0.6 m (please refer to December 2011, February 2010 and January 2009 press releases for complete data disclosure). Drilling, trenching and the Independencia Mine open pit bulk sampling to date have confirmed these shoots are spatially close to each other, and contain significant mineralized lenses from surface of 1 to 6 m width, 5 to 25 m length and 2 to 15 m in vertical extent. A series of these high grade mineralized lenses has been confirmed to continue below surface to at least 150 m, remaining open to depth.

The average grade delivered to the Mill over 18 months of operation is 2.5 g/t Au with metallurgical gold recoveries of approximately 80%. The bulk sampling activities have confirmed high-grade shoots within a significant halo of low-grade mineralization averaging 0.6 to 0.8 g/t. The ratio of the low-grade to the high-grade shoots is approximately 10:1. After 18 months of plant operation, the Company has stockpiled and assayed 140,000 tonnes of mineralization, which is immediately available for heap-leach processing.

The Independencia Mine open pit is currently 550 m in length and 10 to 20 m in depth. The current pit plan contemplates a minimum 1,100 m pit extent, excavated to 30 m depth. The Company's prior drilling has confirmed the extension and notable improvement in mineral grades below 50 m depth, which could result in a significant expansion of the current pit plan.

The known Discovery Trend is known to extend a further 2.0 km to the NW which is available for bulk-sampling using the existing Mill facility. Drilling has identified mineralization at depths exceeding 150 m along the Discovery Trend, with intervals such as 6.5 m with 26.64 g/t Au at 100 m depth (January 2008 and May 2011 press releases). This provides evidence that the results of the bulk sampling program can be extrapolated across the Discovery Trend at surface and at depth.

X-Mile Trend

The X-Mile Trend presently features six target areas that manifest as discrete circular-to-elongate soil anomalies of greater than 1 kilometre scale. Only one target area, namely Tacurú, has been drilled to date, returning the best results to date for the Paso Yobai property including (in the same drill hole) 4.2 g/t Au over 22 m, 94.6 g/t over 2.13 m, and 107.7 g/t over 2.7 m Au (July 2012 press release). Management's interpretation of geophysical imaging of the Tacurú target indicates a 1,500 m wide collapse structure exhibiting multiple faults with evidence of weak sulphide mineralization, and evidence of hydrothermal alteration extending to hundreds of metres depth below the 500 m wide primary soil anomaly.

Five of the six surveyed X-Mile Trend target areas have produced resistivity and chargeability responses consistent with expectation for epithermal gold alteration. These responses correlate well with geological data and the soil anomalies, and suggest that the five priority gold zones reflect

relatively shallow epithermal mineralization. Geological and geophysical evidence points to limited erosion of these gold zones. Drill target prioritization is underway.

Option Grant

The Company also announces a grant of 650,000 incentive stock options to certain directors exercisable at \$0.10 per share, subject to a term of five years, and vesting over a twelve month period.

Dr. Waldo Perez is the Company's internal "Qualified Person" under the requirements of National Instrument 43-101.

About the Company:

Latin American Minerals Inc. is a mineral exploration company with its flagship Paso Yobai property located in Paraguay, an emerging gold district. Paso Yobai hosts a large epithermal gold footprint on two parallel gold trends, namely its 10 km Discovery Trend and 14.8 km X-Mile Trend.

Since 2011, the Company earned a 99% interest in the fully permitted Independencia Mine portion of the project, and has constructed and operated a gravity plant (Mill) to process high-grade bulk-sampling from its open pit located on the Discovery Trend. This bulk sampling exploration strategy has generated adequate cash flow to fund operations and has provided vital information on the metallurgical characteristics of the Paso Yobai mineralization. The Company holds a 100% interest in the X-Mile Trend exploration concessions

. The Company also holds 100% interests in highly prospective diamond, rare earth (REE, niobium) and green-fields gold projects in Paraguay and base metals projects in Argentina.

For more information, please contact:

Miles Rideout, President and CEO

Toronto: (1-416) 902-8558

information@latinamericanminerals.com

The Company's public documents may be accessed at www.sedar.com.

For further information, please visit our website at www.latinamericanminerals.com or email us at information@latinamericanminerals.com.

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This news release includes certain forward-looking statements concerning the future performance of our business, its operations and its financial performance and condition, as well as management's objectives, strategies, beliefs and intentions. Forward-looking statements are frequently identified by such words as "may", "will", "plan", "expect", "anticipate", "estimate", "intend" and similar words referring to future events and results. Forward-looking statements are based on the current opinions and expectations of management. All forward-looking information is inherently uncertain and subject to a variety of assumptions, risks and uncertainties, including the speculative nature of mineral exploration and development, fluctuating commodity prices, competitive risks and the availability of financing, as described in more detail in our recent securities filings available at www.sedar.com. Actual events or results may differ materially from those projected in the forward looking-statements and we caution against placing undue reliance thereon. We assume no obligation to revise or update these forward-looking statements.

Sampling and Analytical Protocol: The sampling and analytical protocols were established, implemented and supervised by or under the direction of Dr. Waldo Perez, the Company's internal Qualified Person. The samples from the trenches each weighed more than 5 Kg and were collected in continuous channels 4 cm deep and 4 cm wide, varying between 0.5 and 2 m in length. Samples were prepared in the Company's sample preparation facility, operated by Company technicians under the onsite

supervision and QA/QC provided by professionals from Alex Stewart Laboratories. Alex Stewart Assayers Argentina S.A. ("ASAA") laboratory is an ISO 9001-certified laboratory with laboratory facilities in Mendoza, Argentina and headquarters in England. The trench samples were dried, crushed and split. In each case, a 200 gram sample was separated for delivery by bonded courier to "ASAA" laboratories in Mendoza Argentina for analysis. All samples were assayed for gold by Fire Assay with AA finish using 50 gram sample. Accuracy and Precision of results is tested through the systematic inclusion of duplicates, blanks and certified reference standards.