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## Canadian Resource Company Latin American Minerals Inc. is Leading Gold and Diamond Exploration in Paraguay, an Emerging Minerals District

**Resources  
Base and Precious Metals  
Exploration  
(LAT-TSXV)**

**Latin American Minerals  
Incorporated**

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**Miles Rideout, B.Sc.  
President and CEO**

**BIO:**

Mr. Rideout is a Canadian geophysicist who has focused on mineral exploration and building and running businesses in South America for more than 21 years. As a consultant, he has technical experience encompassing 600 mineral exploration, mining and engineering projects. Mr. Rideout played a key role in the genesis and management of a Canadian geophysical contracting firm in Argentina,

Bolivia, Brazil, Chile and Peru.

**Company Profile:**

Latin American Minerals Inc. is a well-financed mineral exploration company focused on the acquisition and development of base and precious metals projects in highly-prospective countries within South America.

The expansion and development of the Paso Yobai Gold Project is core to the company's current planning. The Corporation's Chiriguelo Rare Earth Elements Project and Itapoty Diamond Project are also located in Paraguay.

**Interview conducted by:  
Lynn Fosse, Senior Editor  
CEOFCFOinterviews.com**

**CEOFCFO:** Mr. Rideout, you have a long history in the industry; what attracted you to Latin American Minerals?

**Mr. Rideout:** I had been working as a geophysical consultant for Latin American Minerals for the last five or six years. I saw that Latin American was consistently generating high quality projects, doing a very effective evaluation and then moving on to new quality projects. When I came in as CEO of Latin American, I was aware that the pick of this crop were three excellent mineral prospects in Paraguay and Argentina.

**CEOFCFO:** Latin American Minerals describes itself as a dynamic company; what is the focus?

**Mr. Rideout:** While Mexico and Peru have typically received the largest exploration investment in Latin America, there are neglected areas with excellent geology and good political

and social conditions for mine development. Our company uses its broad experience across South America to explore in these emerging areas.

Paraguay has attracted Latin American because of its excellent geology and relatively low development costs. We have evaluated many projects in Argentina and have retained a very good prospect there.

**CEOFCFO:** Paraguay is not often mentioned with other exploration countries in Latin America; what is the mining atmosphere and would you tell us about your project?

**Mr. Rideout:** Paraguay is an interesting place. It is almost off the map in terms of global development. It has a booming agricultural economy however and life there is pretty quiet and easy. This is probably why Paraguay has lagged in industrial development.

Why mining companies have neglected Paraguay is a bit of a mystery; we see excellent geology. I suppose that the focus of historic exploration has been in the cordillera and in traditional mining regions of the Americas.

Without mountains in Paraguay, we don't have the mountain-forming processes of Mexico, Peru and Chile, etc. Mountain-forming creates important geologic mechanisms for concentrating minerals.

The primary mineralizing processes of Paraguay derive from events that occurred during the break-up of the ancient single super-continent. As a result, Paraguay's gold and diamonds are similar in origin to the deposits in southwest Africa. Paraguay has an

excellent potential but it is distinct from what we see in much of South America.

**CEOCFO:** What is the government like in Paraguay?

**Mr. Rideout:** The regulations of Paraguay strongly favor business investment with low taxes and tariffs and no royalty on mine production. It is a very easy place for a foreign company to invest and develop an attractive enterprise.

Paraguay can afford these low taxes because it still has small government and very basic spending on social programs. Although it has an agricultural landscape and associated infrastructure, Paraguay has also developed a massive hydroelectric project at its northern border with Brazil.

In modern times, if you look at the Paraguay's governmental practices you might conclude they are democratic and usually politically central and progressive.

**CEOCFO:** Would you tell me about your project in Paraguay; what is happening on the ground today?

**Mr. Rideout:** Our flagship project is named Paso Yobai. It is a structural gold system with, to date, two mineralized trends. The discovery trend is about 8 kilometers long and several kilometers to the north there is a second trend 11 kilometers long. The footprint of the mineral system is approaching 100 square kilometers.

There is obviously a very powerful mineralizing system in this area. On the discovery trend, there is a strong soil gold anomaly about 4.5 kilometers long. We have done reasonably intensive exploration to date over only 1.5 kilometers of this target and the remaining 3 kilometers is little explored with very limited drilling.

Latin American is doing deeper and in-fill drilling along the Discovery Zone where exploration focused in the past. We are also trenching and mapping over the outer areas that have not yet been intensively explored. We

are preparing them for the next phase of drilling.

The newer 11 kilometer trend features 5 discreet geochemical gold anomaly targets. These are large soil anomaly targets indicating gold mineralization. We are developing these targets with auger-hole sampling and trenching. I anticipate we will have permitting to drill some of these targets before the end of the year.

Another aspect to Paso Yobai relates to mine development. Our oldest concession has been advanced from the exploration stage to the government-mandated production stage. Paraguay is different from most countries. To encourage mine development, exploration concessions are automatically promoted to mining concessions after a 6-to-9 year period.

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Latin American is required to start gold production on this oldest concession. We are now building a small commercial plant, capable of processing 100 tons of ore daily. This new plant will allow us to do bulk sampling on the explored part of the trend, proving the mineralization grades and the gold recoveries during processing. It will also demonstrate to investors and large gold producers the viability of mining this deposit.

**CEOCFO:** Do you have the personnel you need for your project?

**Mr. Rideout:** Our development team largely consists of Paraguayan professionals. They are extremely motivated, extremely well prepared for this job and they love the project. We prefer to employ Paraguayans to encourage local support for the project.

Of course, when we need them, we will bring in foreign consultants for some technical details. Our management is largely composed of experienced mineral exploration technocrats; we have high confidence in the Paraguayan development team and our consultants.

**CEOCFO:** It is very interesting to be involved in this kind of a project!

**Mr. Rideout:** It is; I love visiting Paraguay. Firstly, it is a beautiful country. Secondly, the geological evidence we see at Paso Yobai is truly impressive. Latin American has made more than a dozen large mechanized trenches, excavated to a 13 or 14 meters depth. You can take a penknife to the wall of the trenches and dig out little bits of this soft material with visible gold flakes. After working on hundreds of gold projects, I haven't previously witnessed this quantity of visible gold.

**CEOCFO:** What is happening in Argentina?

**Mr. Rideout:** In Argentina, we have the Tendal massive sulphide project in La Rioja Province, where we have a joint venture agreement with Votorantim Metais of Brazil. They are the largest zinc producer in South America and I think the fourth largest

in the world. In the last two decades, they moved beyond the limits of Brazil, purchasing several zinc projects in Peru. Votorantim is now looking hard at Argentina and is focusing on Latin American's Tendal project. Their JV commitment allows them to earn in 51% of our project by spending \$4.5 million on exploration and development over the next three years. They are conducting an aggressive program combining relatively deep geophysical exploration and extensive drilling.

**CEOCFO:** What is the financial picture like for Latin American Minerals today?

**Mr. Rideout:** We have today about \$11 million in the bank. After exhausting our treasury in 2008, we applied a financing strategy whereby we established and developed a lithium project with private backing. We spun the

project off in exchange for shares and, late last year, sold those shares, receiving \$12.5 million. It was a drawn out process and it meant that the company was essentially inactive, or with restricted activity on our core projects, for about eighteen months.

This signifies to potential investors that Latin American is now well financed, has several first class projects, but because it has been inactive for eighteen months the stock price is depressed. Now that we are fully funded and operational, this is probably a very good time to buy in.

**CEO CFO:** That is a nice cash position for a company in your sector; you rarely hear that at all!

**Mr. Rideout:** I entered the company about five months ago and fortunately, most of the hard work was done prior to my direct involvement.

I'd like to add that we have two additional projects in Paraguay, one of which is a first-rate diamond prospect. We have just completed a letter of intent with Olivut Resources, a Cana-

dian diamond exploration company. This will produce an option agreement whereby Olivut can earn 50% of our Itapoty diamond project by funding and executing the diamond exploration over the next thirty months.

55 diamonds have been recovered to date at Itapoty. Latin American has focused on assembling a large exploration concession, so that the probable sources of these diamonds will be found within our property limits. Due to the size of the project and the probability of multiple diamond sources, it was prudent for us to team with a technically astute diamond company. This represents a great joint venture opportunity, now with better technical resources and additional financial resources to take on this very serious, very large-scale diamond project.

**CEO CFO:** In closing, why should investors pick Latin American Minerals out of the crowd?

**Mr. Rideout:** The key point would be we have several outstanding projects. We have selected very good joint

venture partners on two of our leading projects so they are investing their capital and they are applying their technical ability in areas where they are specialists.

Additionally Latin American Minerals is taking on and developing our large scale Paso Yobai gold project. This project is now permitted for mining and a small mine operation will begin within months.

Finally, because the company was inactive for eighteen months, the stock is depressed, only beginning to recover now. I anticipate our market value will have a very good trajectory as investors learn about the company, and as we publish results from the gold project and our joint ventured massive sulphide and diamond projects.



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