

With a Gold Project that has Multi-Million Ounce Potential and a Pilot Gold Plant in Operation – All Located in Mining Friendly Paraguay, Latin American Minerals Inc. has a Great Opportunity for Future Growth

#### Resources

**Mineral Exploration  
(LAT-TSXV) (LATNF-OTCQX)**

**Latin American Minerals Inc.**

**357 Bay St., Suite 602  
Toronto BC Canada M5H 2T7  
Phone: 416-363-0841  
www.latinamericanminerals.com**



**Miles Rideout, B.Sc. (Geophysics)  
President, CEO and Director**

#### BIO:

Mr. Rideout has practiced mineral exploration continuously in Canada and abroad since graduation in 1987. This includes 21 years of experience within South America encompassing 600 exploration, mining and engineering projects. In addition to this technical background, Mr. Rideout played a key role in the corporate development and management of Quantec Geoscience Limited 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 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.

**Interview conducted by:  
Lynn Fosse, Senior Editor  
CEOCFO Magazine**

**CEOCFO:** Mr. Rideout, it has been about year since we have spoken, what has happened at Latin American Minerals over the last year?

**Mr. Rideout:** The most significant advances with Latin American Minerals have been that we have taken our pilot plant construction through to completion. Our pilot plant began operation in February of this year (2012) at the Paso Yobai Gold Project. To recap, the objective of the pilot plant is to strip mineral from surface down 20 meters depth, fully exposing new gold veins and ore shoots along the more than 4-kilometer long gold trend. We will then be able to bulk sample and assay these exposed ore shoots. This will help us develop the resource for the entire trend. The other point about this type of pilot operation is that it is self-funding and is expected to produce enough funds to assist with future drilling on the projects.

**CEOCFO:** Would you tell us about the Latin American Minerals projects and where they are located?

**Mr. Rideout:** Over the last five years the company has focused on Para-

guay in South America. Paraguay does not have a significant mining history, which is surprising since there is a great deal of mineral wealth. Our flagship property, the Paso Yobai Gold Project, is located 150 kilometers east of Paraguay's capital city Asuncion. There are roads and towns in this farming area, so access is easy. Paso Yobai features two geological trends, which are characterized by soil anomalies and visible gold at surface. These shallow gold occurrences are related to vein-type gold mineralization extending to depth. Exploration is ongoing, we have many drill targets and other types of gold mineralization may still exist. In order to most effectively develop the more advanced Discovery Trend vein system at Paso Yobai, we have constructed a pilot plant extraction and processing operation, which we have named the 'Independencia Mine'. This is the first formal gold mine in Paraguay's history.

Also in Paraguay, we have our Itapoty Diamond Project, which we optioned last year to Olivut Resources Ltd., a Canadian diamond exploration company. Olivut can earn in 50% interest in the project by funding exploration over the next 24 months. We are also developing a portfolio of niobium and rare earth elements projects in the northern part of Paraguay, with a view to taking these to an IPO stage or a joint venture project. Niobium is a commercially interesting element, which is extracted in only three mines in the world. The environment of Brazil and Paraguay is the optimum for finding the largest and most prospective niobium deposits.

**CEOCFO:** Has it been a deliberate plan to diversify with diamonds and niobium or has it been more opportunistic?

**Mr. Rideout:** We have been opportunistic in this regard: we entered Paraguay specifically to acquire a tremendous gold discovery and very quickly found other mineral opportunities. We are leveraging our in-country investment and our pre-eminent local exploration team by following up a variety of regional mineral opportunities. We are not alone in this regional interest. Another company has published the discovery of a world-class titanium deposit in Paraguay.

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

**Mr. Rideout:** Although they have had military dictatorships in their history, they have now had a democracy for a couple of decades, and the sitting government is democratic and progressive. Paraguay is relatively deregulated and invites foreign investment, which has produced the fastest growing economy in South America. It is really a very favorable country for investing, building a business, producing, exporting and repatriating proceeds.

**CEOCFO:** Why has Paraguay remained under the radar screen and how did Latin American Minerals realize it was a good opportunity?

**Mr. Rideout:** In the historic record, there has been very limited exploration in Paraguay, which is surprising considering the country's ample mineral potential. Paraguay has geology that is very different from much of the primary mining countries in South America. Its geology is more akin to what we might see in southwest Africa, featuring gold and diamonds in formations related to rifting of the Atlantic Ocean. Most South American mining companies have focused in the mountainous parts of South America, where mineralization is related to the subduction zones of the Pacific coast.

Latin American Minerals has a very experienced and diverse exploration and management team. All of us

have been active in South America doing exploration, looking for new opportunities in virtually every country in South America. When we were actually focusing in Argentina, we came across news of a landmark gold discovery in Paraguay, which immediately attracted our attention. We took two options on that gold discovery, forming the core property of our Paso Yobai Gold Project. Our Itapoty Diamond Project spun off from the partners we acquired on the gold project. Latin is definitely an early mover in this emerging mining market.

**CEOCFO:** Going from exploration to production often requires different people and a different skill set; is your team up and running and have you put the pieces together for the new phase at Latin American Minerals?

**Mr. Rideout:** We have made some significant changes. Probably the

**When you consider that the gold project has multi-million ounce potential, that we have a pilot gold plant in operation, and that we are in one of the best possible countries in terms of investment regulation, I do not think that the investment market recognizes the opportunity that Latin American Minerals has in Paraguay. - Miles Rideout, B.Sc. (Geophysics)**

most visible is taking on a new CFO with a much more Latin American focus; Julio Martinez is a Canadian resident, but is Uruguayan. He has been active in a mine start-up in Chile in addition to his work experience in Canada and Uruguay. He well fits our requirements for a CFO now that we are building an entirely new side to our business. At the local level, we prefer to hire Paraguayans for our Paraguayan projects, but a lot of the technical expertise we require cannot be found in Paraguay. In these cases, we have selected the most qualified bilingual mining and production professionals to help us set up and to guide us through these first phases of pilot production.

**CEOCFO:** What are the upcoming milestones for Latin American Minerals over the next year as you ramp-up?

**Mr. Rideout:** One of the key milestones will be the review of our initial

production. By this pilot production and bulk sampling, we will be proving recovery rates for our ore, the head grade for the ore, and exposing new mineral zones for sampling. The export and sale of our doré will be the first gold production in the history of Paraguay, a tremendously significant event.

We continue with our exploration over the greater part of our Paso Yobai Gold Project, where we will test several new gold targets this year. We recently found a new gold mineralization style at the Tacurú target, which is not unexpected since this is still an early stage exploration program. We are going back to complete drilling out that target. We may yet find additional mineral styles at the other gold targets, and are particularly hopeful to find a bulk-tonnage deposit within this large gold system. Each drill program provides additional information to improve our understanding of this unexplored gold region and to identify new mineral potential.

**CEOCFO:** When you say new gold mineralization styles; what do you mean by that?

**Mr. Rideout:** The original Discovery Trend features epithermal-style gold veins, though the gold mineralization is primarily a replacement style mineralization. The deposit is located in flat-bedded sandstones. The ground has been fractured along faults and a subsequent event was an upwelling of diabase dyke material, a dark intrusive rock. This formed inclined sheets and lenses of reactive material, which represented a favorable host for subsequent gold mineralization introduced by hydrothermal solutions moving upwards in the same faults.

The new deposit style we encountered at Tacurú is extensive high-grade gold mineralization hosted in the sandstones themselves. This signifies that we do not necessarily need to restrict ourselves to diabase intrusive as prospective host for gold mineralization. Another conceptual model we expect to encounter is breccia-style

mineralization, which might signify a bulk-tonnage gold deposit.

**CEOCFO:** What is the financial picture like for the company?

**Mr. Rideout:** At the end of April, we had about \$3.5 million in the bank. Our projection for this year as we ramp up our pilot plant and start to sell gold is that we should close the year with about \$2 million in the bank, after overhead and exploration expenses, and after gold sales.

**CEOCFO:** Has the investment community started to pay attention?

**Mr. Rideout:** The impression I have is that we are still unknown and significantly undervalued. When you consider that the gold project has multi-million ounce potential, that we

have a pilot gold plant in operation, and that we are in one of the best possible countries in terms of investment regulation, I do not think that the investment market recognizes the opportunity that Latin American Minerals has in Paraguay. Then when you consider that we have a diverse portfolio of other mineral projects, including diamonds, rare earths and niobium, as well as zinc and copper in Argentina, I think there is a tremendous upside, which is not yet recognized in the market.

**CEOCFO:** Do you do much investor outreach?

**Mr. Rideout:** We are a fairly small company, based in Toronto. We have an investor relations firm, we organize meetings with local brokers and we do

a number of investor shows during the year. This year, in concert with the pilot plant coming online, we intend to do a much more promotion in Canada, the United States and in Europe.

**CEOCFO:** Why should potential investors pick Latin American Minerals out of the crowd?

**Mr. Rideout:** If you are looking for a leading gold exploration opportunity with good mill grades, good size, and you would want the properties located in an optimum business environment and you desire a competent, experienced exploration team to lead that development; in Latin American Minerals, you have all these points in your favor.



**Latin American Minerals Inc.**  
**357 Bay St., Suite 602**  
**Toronto BC Canada M5H 2T7**  
**Phone: 416-363-0841**  
**[www.latinamericanminerals.com](http://www.latinamericanminerals.com)**