

## With Flagship Paso Yobai Epithermal Gold Project entering Pilot Production in 2012 showing Abundant Visible Gold Found Close to Surface, Latin American Minerals Inc. Is positioned to develop a Multimillion-Ounce Gold Resource

### Resources Gold

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**Miles Rideout**  
CEO

#### BIO:

Mr. Rideout has practiced mineral exploration in Canada and internationally since graduating in geophysics in 1987. This includes 24 years of experience within Latin America encompassing 600 exploration, mining and engineering projects. In the course of this work he has founded and operated businesses in Argentina, Bolivia, Brazil, Chile and Peru.

### About Latin American Minerals Inc. (TSXV:LAT, OTC.QX:LATNF)

Headquartered in Toronto, Canada, Latin American Minerals (LAT) is a mineral exploration company engaged in property exploration and development in South America. As one of the early entry exploration companies in Paraguay, LAT has had the opportunity to acquire a portfolio of gold, diamond and REE projects, all with mineral occurrences at surface and year-around road access.

The Company's flagship Paso Yobai epithermal gold project entered pilot production in 2012 within the fully mine permitted 'Discovery Trend' portion of the project, representing 40% of the total project area. The objective of the pilot operation is to strip and expose gold mineralization along 3 kilometers of the Discovery Trend, where gold is found from surface to depths exceeding 100 meters below surface. The operation facilitates comprehensive mapping and bulk sampling of this vein-style deposit. Gold sales from pilot production provide an important revenue stream, assisting in the exploration of the extensive gold features in the remaining X-Mile Trend portion of the project.

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

**CEOCFO:** Mr. Rideout, would you bring us up to date on what is happening in Paraguay these days with Latin American Minerals?

**Mr. Rideout:** We recently completed an extensive geophysical exploration program over a large portion of our Paso Yobai project. Our project is

notable for abundant visible gold, found both close to the surface and in drilling. Impressive surface gold values occur over two extensive linear trends and also at several off-trend gold zones. This comprises a very large mineral system approaching 100 square kilometers in area.

Since November 2012, we have been conducting geophysical imaging surveys over these gold areas, and through the 'blind' areas between exposed mineral features. Our objective is to detect and delineate geological formations and structures most likely to bear gold mineralization. We are now evaluating the data to identify and prioritize the best targets for drilling.

**CEOCFO:** What have you found so far?

**Mr. Rideout:** We announced in our Q1 2013 MD&A that we have located eight geophysical target features on our Tacurú Gold Zone. Tacurú was first announced when we sampled 3.8 grams per ton gold in trenches over 30 meters. We then drilled this target in 2012. All twelve drill holes encountered mineralization and this became a priority work area for us. This was the first drilling on the ten-mile long 'X-Mile Trend'.

Soil sampling at Tacurú shows elevated gold values over 2000 meters with a higher-grade center measuring 500 meters across. With our geophysics, we have now imaged this area from surface to 600 meters depth. We have identified eight structural targets distributed over a large portion of the Tacurú soils anomaly. Advanced geophysical imaging allows us to very

accurately delineate the likely target formations. This will greatly reduce the amount of drilling required to evaluate the gold potential.

**CEOCFO:** When you do a geophysical survey do you know immediately where you want to go or are there degrees of subjectivity in the analysis?

**Mr. Rideout:** The results require study and evaluation. Mineral systems are usually complex formations and the mineralization of interest will often occur only in certain parts of the system. We are looking for these features using geophysics, which allows us to explore to much greater depth and to achieve some degree of certainty that we are not missing blind targets.

In general geophysics allows imaging of the physical-property contrasts present in the geology. Although sulfides can usually be detected directly by geophysics, gold is too scarce to produce a direct response. The mineralizing processes that bring in the gold also introduce other minerals however, and cause changes in the geology that can be imaged with geophysics.

Our understanding of the geology is also enhanced by imaging different physical properties of the rock, such as electrical resistivity, induced polarization chargeability and magnetic susceptibility.

In practice, the geophysical images are correlated with our mapping, sampling and drill data. We develop our conceptual models and targets, which are tested by drilling. The drill results provide new information, allowing us to correct or refine our geological models.

The advantage of applying geophysics for exploration is that we can detect and delineate mineral targets far below the surface mapping, and we produce a finite number of specific targets than can be drill tested expeditiously.

**CEOCFO:** What are the next steps and when is the drilling season?

**Mr. Rideout:** We can work year-round at site, though October is usually rainy and we'd normally try to avoid moving heavy equipment then. We have quite a lot of data evaluation to do, now that we have deep data over most of the Paso Yobai property. We'll design our ideal drill program and determine our budget requirements. We are planning an ambitious program over a large project. I expect this will require a multi-year program, even considering that we'll have a finite number of specific targets. The present time is not a good moment to fund drilling, so that is also consideration.

The majority of the targets we are considering are structural or geological features located below significant surface gold occurrences or that correlate directly with prominent gold

**“The Paso Yobai project features gold grades and large footprint that suggest we can develop a multimillion-ounce gold resource in three or four years’ time. The project has entered pilot production, the proceeds assist with our exploration expenses. Latin American Minerals provides an excellent opportunity for investors to access a new gold district at a very attractive price.”- Miles Rideout**

values at surface. I think we can expect good success in these circumstances.

With twelve months of new drilling, we should be able to confirm the project trajectory is heading towards a multimillion ounce resource. We'll require significantly more drilling than this however to complete a full resource estimate.

**CEOCFO:** What have you learned over the years in raising money that is going to be helpful for you now when people are not looking at resources in a favorable light?

**Mr. Rideout:** There are sophisticated investors who view the present time as 'the' buying opportunity. The decisions made in the down market are the ones that pay-off in the recovery. This is an important time for investors to evaluate prospective projects.

The exploration potential for Paso Yobai is enormous. Since we are permitted for mining and are actually in pilot operation, I think this also creates an additional degree of comfort for investors.

**CEOCFO:** What is happening with your other properties?

**Mr. Rideout:** The Itapoty diamond property is a very significant project for Paraguay. We have recovered 80 diamonds to date, many of which are pristine clear stones. Although we have yet to locate the source formations, about 10 percent of our exploration sampling recovers diamonds. This is an astonishingly high rate of diamond recovery. We have claimed an extensive exploration area and are working to find the source formations.

We have three additional prospects near the Brazilian border in northern Paraguay. These have potential for niobium, rare earth elements and phosphates. Currently these prospects are on standby while we seek a partner to take these projects forward.

We continue to do reconnaissance for gold and diamond projects in Paraguay.

We recently claimed a new gold property located about 20 kilometers north of our Paso Yobai project. We will start basic exploration work on that property in the near future.

**CEOCFO:** What did you like about the new property; what specifically made you pay attention?

**Mr. Rideout:** Considering the large size of the Paso Yobai project, we believe the region is likely to become a new gold district. When we launched our regional sampling program to find a second similar gold project, I had high confidence we would succeed in finding new gold occurrences. We found the new area after completing only half our initial regional sampling targets. Streams running off a highland area bear significant gold, indicating this highland area is the likely source zone.

We claimed a large land package completely surrounding the area of

interest. From these initial results, I think we were justified in making the premise that this is a gold district. Now we will advance this project with mapping, sampling and some basic geophysics.

**CEOCFO:** Properties seem to change hands often. How are you able to see the potential when perhaps the current owner was not?

**Mr. Rideout:** In this case there was no previous mineral claim. In countries with a long mining history, surface mineral occurrences tend to get picked over thoroughly. In areas without mining history, you can find large deposits right at surface.

Even in well developed areas though, many large deposits have been found by the second or third owner to occupy the ground. A better idea and some persistence are often required.

**CEOCFO:** Is there much open ground available?

**Mr. Rideout:** There is in Paraguay. This is an important reason we focus our efforts there. We are frequently working in areas which have never been explored in modern times and we often encounter new mineral evidence at surface. In particular we find a lot of gold. We believe Paraguay to be a nascent gold mining region.

**CEOCFO:** Is that exciting for you as a geophysicist?

**Mr. Rideout:** It is! Mineral exploration is an extremely satisfying endeavor. Paraguay presents a tremendous opportunity. We found a new gold district at Paso Yobai. The future geological text books on the region will be based on our work today.

We then found what appears to be a stunning diamond project with abundant diamonds. We expect to see a couple of significant projects developed from our work.

**CEOCFO:** Does Paraguay encourage mining?

**Mr. Rideout:** It does. The government encourages foreign investment and has a favorable national mining law. They provide us strong support at

our Paso Yobai project and would like us to develop a full-sized mine.

We particularly appreciate that the regulating authority is accessible when we have challenges and concerns.

**CEOCFO:** Are the people of Paraguay happy with the effort?

**Mr. Rideout:** I believe many Paraguayans are not well informed about mining in general. Those who are aware of international events understand the potential of mining and are typically more in favor of advanced development. However if you are a small farm producer you might have concerns regarding how a local mine will affect your future.

**CEOCFO:** Do you foresee any challenges as you start the next phase?

**Mr. Rideout:** We have the benefits of good weather, road access and good support infrastructure. A primary concern is that these are farming areas. Much of the ground is already in production of some sort. Before we start any drilling we develop a definitive surface rights agreement with the surface owners. Those agreements allow us to explore and specify the terms by which we could take the property forward to a full mine. Our intention is that building a full-scale mine on this land will be a significant benefit to the existing owners. We have been very successful to date but there are competing interests and we need to make certain we have continued community support.

**CEOCFO:** On your website you mention social and environmental responsibility as well as health and education. Would you tell us more about that?

**Mr. Rideout:**

Our own direct action program has many components: assisting with medical services to the community, helping the local schools with basic materials and constructing safe and comfortable classrooms. We also help the local municipality with their development programs and we assist local small scale agricultural producers with their production and the marketing of their produce.

We are also involved with some of the indigenous communities in the region. These are special people living in the most basic conditions, but are an important cultural attribute of Paraguay. They require some assistance to live decently.

A producing mine can be a tremendous benefit to the community over many decades. We are in early stages at this time, so our primary influence is through direct community assistance, but we still provide ninety well-paid jobs to the local populace. As the project develops, I think we can expect a large indirect benefit to the economy of this area.

On the environmental side, we report to the Paraguayan environmental authority on all our projects. We conduct baseline environmental sampling studies before we start any exploration work, and we then monitor and report any changes observed.

**CEOCFO:** Do you have a specific timetable in place?

**Mr. Rideout:** At Paso Yobai, we currently have more than 10,000 meters drilled in 70 holes, primarily targeted on the Discovery Trend. I anticipate one to two years of work ahead of us as we extensively probe six new anomalous gold areas outside this trend. This work should establish which targets have the best potential for development. We will then continue drilling to define the resource. If we can rely on cyclical market trends, we should be prepared to consider a major deal for the project, or for the company, when the market is running strongly again in perhaps 3 or 4 years' time.

**CEOCFO:** Never a down time for you!

**Mr. Rideout:** If we have an agenda to develop the property so that we can take it to the next step in the next up-cycle, we need to advance it in the down-cycle.

**CEOCFO:** Why should the business and investment community pay attention to Latin American Minerals?

**Mr. Rideout:** The Paso Yobai project features gold grades and large footprint that suggest we can develop a

multimillion-ounce gold resource in three or four years' time. The project has entered pilot production, the pro-

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