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H O M E O R P O R A P T R E O R E G I S T R A R I O N S E R V I C E S N E W S O N T A

## Latin American Minerals Signs Option Agreement With Olivut Resources for Development of Latin American's Itapoty Diamond Project

July 6, 2011 - Latin American Minerals Inc. (TSX VENTURE:LAT) (the "**Company**") announced that on July 5, 2011, it signed a definitive Option Agreement (the Agreement) for the potential earn-in and joint venture development of the Company's Itapoty Diamond Project by Olivut Resources Ltd (TSX VENTURE:OLV). Olivut is a Canadian diamond exploration company focused on projects in the NWT, Canada and in Uruguay, South America. The Itapoty Diamond Project is one of several exploration and mining projects being developed by Latin American Minerals in Paraguay.

The Agreement provides Olivut with the option to earn 50% of the project by investing CDN\$250,000 in exploration and project expenses during the first 12 months and an additional CDN\$750,000 during the following 18 month period. Olivut will be the Operator of the project and expects to initiate their exploration programme immediately. After completing the earn-in conditions, a Joint Venture representing the two companies in equal proportion would be formed and the continued project development would be overseen by a joint management committee.

Miles Rideout, the President and CEO of Latin American Minerals Inc. said, "LAT holds a large property package with multiple probable diamond sources. Eleven percent of our Itapoty reconnaissance samples have returned diamonds, which is an extraordinarily high success rate. By teaming with Olivut on this project, we increase the technical and financial resources available to move this important project through exploration and development. The agreement also enables us to further focus our own technical expertise on our growing Paso Yobai gold project."

The Itapoty Diamond Project is located in eastern Paraguay and consists of four mineral concessions 100% owned or controlled by the Company. Work to date at Itapoty has produced encouraging results:

- In controlled sampling programs conducted by the Company, 37 diamonds have been recovered.
- An additional 18 diamonds have been reported in other exploration work and due-diligence programs.
- Stream sediment sampling has produced many occurrences of Kimberlite Indicator Minerals (KIMs), often occurring with or proximal to the diamond samples.
- The distribution of the diamonds and KIMS suggests multiple local sources.
- Geological and geophysical evidence supports emplacement of diatremes and dykes, likely sources for the diamonds recovered in sampling.

Good road access and infrastructure facilitate work at the project. Although Paraguay is underexplored, it has tremendous potential for mineral wealth. It further boasts excellent regulations for investment and has infrastructure and social conditions well suited to mine and industrial development.

### About the Company:

Latin American Minerals is a mineral exploration company focused on new mineral regions within Latin America. The company is developing its Paso Yobai Gold Project, also located in Paraguay, by building a pilot plant and extending exploration over extensive new gold targets. The Company's Chiriguano Niobium and Rare Earth Element project is also located in Paraguay.

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

*The statements made in this press release that are not historical facts contain forward-looking information that involves risk and uncertainties. All statements, other than statements of historical facts, which address Latin American Minerals' expectations, should be considered forward-looking statements. Such statements are based on management's exercise of business judgment as well as assumptions made by and information currently available to management. When used in this document, the words "may", "will", "anticipate", "believe", "estimate", "expect", "intend" and words of similar import, are intended to identify any forward-looking statements. You should not place undue reliance on these forward-looking statements. These statements reflect our current view of future events and are subject to certain risks and uncertainties as contained in Latin American Minerals' filings with Canadian securities regulatory authorities. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, our actual results could differ materially from those anticipated in these forward-looking statements. We undertake no obligation, and do not intend, to update, revise or otherwise publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of any unanticipated events, unless required under applicable securities laws. Although we believe that our expectations are based on reasonable assumptions, we can give no assurance that our expectations will materialize.*

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