



LAGUNA RESOURCES NL

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INITIAL DRILLING RESULTS ARQUEROS GOLD PROJECT

The Company is extremely pleased to release initial RC drilling results from its 100% owned Arqueros Gold Project which is located in the World Class Maricunga Gold Belt of Chile. These results include an exceptional drill intersect of:

111 metres at 1.23 g/t gold equivalent from 67 metres in AR09-09.

Better results in gold equivalents (AuEQ60) from Arqueros South Deposit include:

AR09-03 12 metres at 2.7 g/t gold equivalent

**AR09-05 13 metres at 3.5 g/t gold equivalent
including 4 metres at 7.1 g/t gold equivalent**

AR09-06 3 metres at 3.9 g/t gold equivalent

AR09-07 6 metres at 3.1 g/t gold equivalent

AR09-10 6 metres at 3.8 g/t gold equivalent

AR09-12 2 metres at 6.6 g/t gold equivalent

AR09-16 3 metres at 7.3 g/t gold equivalent

AR09-24 5 metres at 4.9 g/t gold equivalent

Better results in gold equivalents (AuEQ60) from the Arqueros North Deposit include:

AR09-21 36 metres at 1.2 g/t gold equivalent

AR09-22 28 metres at 1.2 g/t gold equivalent

The drilling programme commenced in late November 2009 and to date has completed approximately 6,500 metres of RC drilling in 30 holes. The Company currently has two drilling rigs operating on site. This programme is designed to delineate known mineralisation, verify the results of historical underground drilling and extend the current resource base.

Drilling from surface has demonstrated the continuity of grade and extent of the silver domain and reconciliation with the large historical database has already commenced and is making considerable positive progress.

Not all gold targets outlined by the Company have been able to be adequately tested by surface drilling and a programme of underground drilling has been initiated specifically to address these gold targets. Work has commenced on preparing for this 1,500 metre campaign, which will be completed before the onset



Outcrop mapping



RC drilling at Arqueros Sur



Diamond drilling at Arqueros Sur
(geotechnical study)

of winter.

Reverse circulation drilling at the Arqueros Gold Project continues with the focus on testing for extensions of the mineralised zone and the verification of historical data for an upgrade of the current JORC resource. Surface drilling will also test for a fault offset block to the west of the Arqueros South Deposit at depth.

Initial assay results and drilling data from the Arqueros Gold Project are presented below in table format.

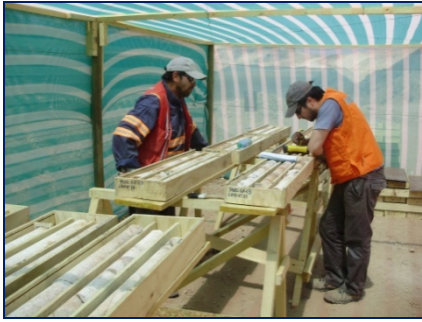
The Arqueros Gold Project:

- **Drilling well underway with exceptional results being generated.**
- **Company to soon have three drilling rigs operating on site.**
- **Mine studies, including mine design / resource-reserve / environmental / geotechnical / hydrological and mine permitting have all commenced and are progressing well.**
- **Arqueros was mined from 2000 to 2004 with approximately 278,000 ounces of gold equivalent extracted at an average gold equivalent grade (AuEQ60) of 7.1 g/t gold.**
- **JORC Inferred Resource of 783,000 oz gold equivalent at 1.5 g/t gold equivalent. (0.5 g/t gold equivalent cut off grade) announced on 4 November 2009.**
- **Gold and silver mineralisation at Arqueros is located 20 kilometres north of the producing Kinross Gold Corporation's La Coipa Gold Mine (225,000 ounces per annum of gold equivalent produced in 2008).**

Nick Lindsay Managing Director

Dr Nicholas Lindsay is a Member of the Australian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Lindsay is the Managing Director of Laguna Resources NL and consents to the inclusion in this release of the matters based on his information and information presented to him in the form and context in which it appears

*The Company's **exploration target** is 1 to 2 million gold equivalent ounces of potential gold-silver mineralisation grading between 1.5 and 2.0 g/t gold equivalents. The potential quantity and grade is conceptual in nature. There has been insufficient exploration to define a Mineral Resource under the JORC Code and it is uncertain if further exploration will result in the determination of a Mineral Resource.*



Logging diamond drill core at Arqueros



Driller preparing reverse circulation chips

Figure 1. Completed reverse circulation drill holes at Arqueros

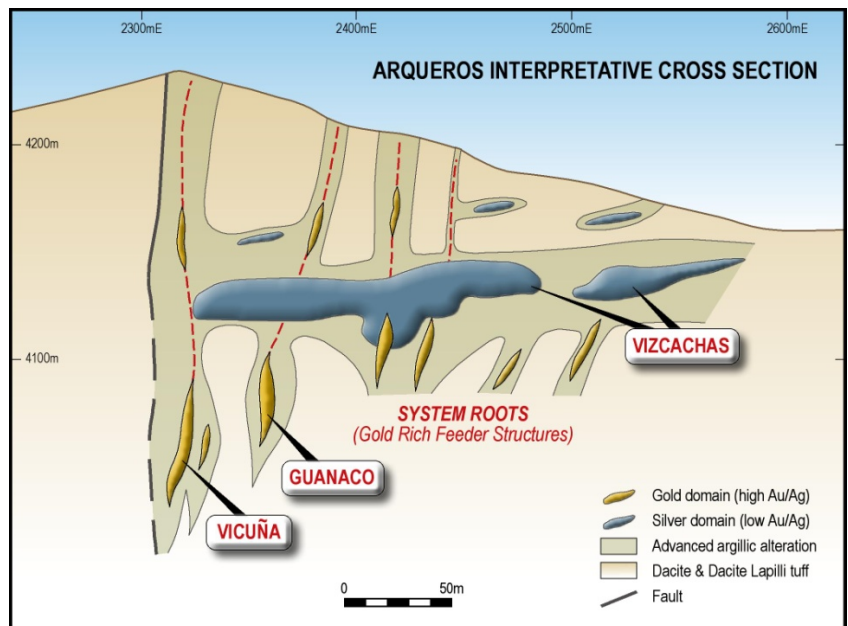
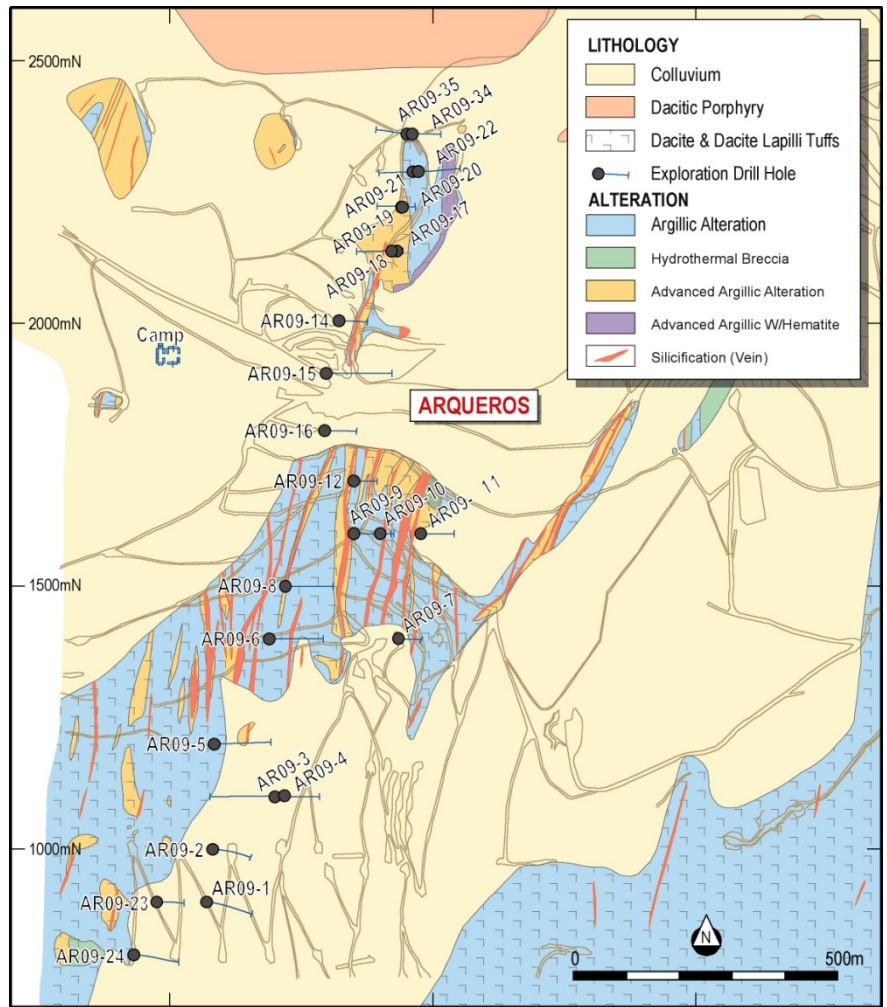


Table 1. Intersections: Arqueros Sur (details on Table 2)

| Drillhole | Intersection, metres | | | Gold | Silver | AuEQ60 |
|--------------------|----------------------|-----|--------|------|--------|--------|
| | From | To | Length | g/t | g/t | g/t |
| AR09-03 | 248 | 285 | 37 | 0.13 | 71 | 1.31 |
| <i>.. includes</i> | 262 | 274 | 12 | 0.20 | 151 | 2.71 |
| AR09-05 | 248 | 261 | 13 | 0.02 | 206 | 3.45 |
| <i>.. includes</i> | 257 | 261 | 4 | 0.03 | 422 | 7.07 |
| AR09-06 | 159 | 185 | 26 | 0.01 | 68 | 1.14 |
| <i>Includes</i> | 178 | 181 | 3 | 0.01 | 232 | 3.88 |
| AR09-07 | 103 | 118 | 15 | 0 | 106 | 1.78 |
| <i>.. includes</i> | 103 | 109 | 6 | 0 | 184 | 3.09 |
| AR09-08 | 130 | 139 | 9 | 0.05 | 37 | 0.68 |
| AR09-09 | 67 | 178 | 111 | 0.51 | 43 | 1.23 |
| <i>.. includes</i> | 96 | 107 | 12 | 2.44 | 127 | 4.56 |
| <i>.. includes</i> | 175 | 177 | 2 | 5.59 | 41 | 6.27 |
| AR09-10 | 54 | 80 | 26 | 0.20 | 89 | 1.67 |
| <i>Includes</i> | 62 | 68 | 6 | 0.80 | 220 | 3.84 |
| AR09-11 | 16 | 20 | 4 | 0.60 | 1 | 0.63 |
| | 28 | 59 | 31 | 0.03 | 52 | 0.91 |
| AR09-12 | 73 | 97 | 24 | 1.28 | 22 | 1.64 |
| <i>.. includes</i> | 95 | 97 | 2 | 6.34 | 14 | 6.56 |
| AR09-16 | 40 | 58 | 18 | 2.76 | 4 | 2.83 |
| <i>.. includes</i> | 45 | 49 | 3 | 7.12 | 8 | 7.26 |
| AR09-24 | 316 | 347 | 34 | 0.15 | 77 | 1.43 |
| <i>.. includes</i> | 339 | 344 | 5 | 0.10 | 286 | 4.86 |

Gold equivalence (AuEQ) is estimated as $AuEQ = Au + (Ag * EQ)$, where Au = gold content, Ag = silver content and EQ = equivalence factor, which is calculated as the ratio of gold price to silver price * ratio of gold metallurgical recovery to silver metallurgical recovery.

$EQ60 = P_{Au}/P_{Ag} * R_{Au}/R_{Ag} = 60$, based on long-range prices of gold at US\$800/oz & silver US\$15/oz, and recoveries of gold at 90% and silver at 80% respectively

Table 2. Summary of results from reverse circulation holes drilled as of 20 January 2010; refer Figure 1.

| Drill Hole | ARQUEROS Sector | Section | Total Metres | Collar coordinates, metres | | | Azimuth (°) | Dip. (°) | Intersection, metres | | | Grades, g/t | | |
|------------|-----------------|---------|--------------|----------------------------|---------|-----------|-------------|--|--|------|--------|-------------|--------|--------|
| | | | | North | East | Elevation | | | From | To | Length | Gold | Silver | AuEQ60 |
| AR09-01 | SUR | N-900 | 330 | 7,050,900 | 482,070 | 4377 | 90 | -80 | Mineralisation absent or less than 0.5 g/t Au equivalent | | | | | |
| AR09-02 | SUR | N-1000 | 317 | 7,051,000 | 482,082 | 4365 | 90 | -80 | Mineralisation absent or less than 0.5 g/t Au equivalent | | | | | |
| AR09-03 | SUR | N-1100 | 380 | 7,051,100 | 482,077 | 4364 | 90 | -70 <i>includes</i> | 248 | 285 | 37 | 0.13 | 71 | 1.31 |
| | | | | | | | | | 262 | 274 | 12 | 0.20 | 151 | 2.71 |
| | | | | | | | | | 300 | 304 | 4 | 0.32 | 19 | 0.63 |
| AR09-04 | SUR | N-1100 | 235 | 7,051,100 | 482,200 | 4321 | 90 | -70 | Mineralisation absent or less than 0.5 g/t Au equivalent | | | | | |
| AR09-05 | SUR | N-1200 | 261 | 7,051,200 | 482,085 | 4350 | 90 | -65 <i>includes</i> | 248 | 261 | 13 | 0.02 | 206 | 3.45 |
| | | | | | | | | | 257 | 261* | 4 | 0.03 | 422 | 7.1 |
| AR09-06 | SUR | N-1400 | 224 | 7,051,405 | 482,190 | 4260 | 90 | -63 <i>includes</i> | 159 | 185 | 26 | 0.01 | 52 | 0.87 |
| | | | | | | | | | 178 | 181 | 3 | 0.01 | 233 | 3.88 |
| AR09-07 | SUR | N-1400 | 126 | 7,051,400 | 482,435 | 4241 | 90 | -70 <i>includes</i> | 103 | 118 | 15 | 0 | 106 | 1.78 |
| | | | | | | | | | 103 | 109 | 6 | 0 | 184 | 3.09 |
| AR09-08 | SUR | N-1500 | 180 | 7,051,492 | 482,220 | 4220 | 90 | -60 | 130 | 139 | 9 | 0.05 | 37 | 0.68 |
| AR09-09 | SUR | N-1600 | 180 | 7,051,608 | 482,353 | 4192 | 90 | -65 <i>Includes</i> <i>or</i> <i>includes</i> | 67 | 178 | 111 | 0.51 | 43 | 1.23 |
| | | | | | | | | | 89 | 110 | 21 | 1.69 | 101 | 3.38 |
| | | | | | | | | | 96 | 107 | 12 | 2.44 | 127 | 4.56 |
| | | | | | | | | | 175 | 177 | 2 | 5.59 | 41 | 6.27 |
| AR09-10 | SUR | N-1600 | 80 | 7,051,598 | 482,395 | 4190 | 90 | -75 <i>includes</i> | 54 | 80 | 26 | 0.20 | 89 | 1.67 |
| | | | | | | | | | 62 | 68 | 6 | 0.10 | 220 | 3.84 |
| AR09-11 | SUR | N-1600 | 150 | 7,051,600 | 482,476 | 4166 | 90 | -45 | 16 | 20 | 4 | 0.60 | 1.4 | 0.63 |
| | | | | | | | | | 28 | 59 | 31 | 0.03 | 52 | 0.91 |
| AR09-12 | SUR | N-1700 | 97 | 7,051,682 | 482,320 | 4148 | 90 | -63 <i>includes</i> | 73 | 97 | 24 | 1.28 | 22 | 1.64 |
| | | | | | | | | | 95 | 97* | 2 | 6.34 | 14 | 6.56 |
| AR09-14 | NORTE | N-2000 | 105 | 7,052,005 | 482,322 | 4085 | 90 | -60 | 2 | 9 | 7 | 0.66 | 3 | 0.71 |
| | | | | | | | | | 58 | 66 | 8 | 0.66 | 3 | 0.72 |

Table continues on next page ...

Note: * Mineralisation not closed off

Table continued from previous page

| Drill Hole | ARQUEROS Sector | Section | Total Metres | Collar coordinates, metres | | | Azimuth (°) | Dip. (°) | Intersection, metres | | | Grades, g/t | | |
|------------|-----------------|---------|--------------|----------------------------|---------|-----------|-------------|------------------------|--|-----|--------|-------------|--------|--------|
| | | | | North | East | Elevation | | | From | To | Length | Gold | Silver | AuEQ60 |
| AR09-15 | NORTE | N-1900 | 250 | 7,051,905 | 482,297 | 4064 | 90 | -60 | 2 | 4 | 2 | 0.52 | 4 | 0.59 |
| | | | | | | | | | 141 | 142 | 1 | 0.62 | 7 | 0.74 |
| | | | | | | | | | 235 | 236 | 1 | 0.28 | 31 | 0.80 |
| AR09-16 | SUR | N-1800 | 150 | 7,051,796 | 482,294 | 4078 | 90 | -65 <i>includes</i> | 40 | 58 | 18 | 2.76 | 4 | 2.83 |
| | | | | | | | | | 45 | 49 | 3 | 7.12 | 8 | 7.26 |
| | | | | | | | | | 109 | 112 | 3 | 0.63 | 9 | 0.80 |
| AR09-17 | NORTE | N-2100 | 37 | 7,052,137 | 482,428 | 4150 | 90 | -65 | Hole abandoned | | | | | |
| AR09-18 | NORTE | N-2100 | 160 | 7,052,137 | 482,422 | 4151 | 270 | -65 | 88 | 98 | 10 | 0.57 | 15 | 0.82 |
| AR09-19 | NORTE | N-2200 | 110 | 7,052,223 | 482,440 | 4165 | 270 | -65 | 68 | 74 | 7 | 0.26 | 22 | 0.63 |
| AR09-20 | NORTE | N-2200 | 80 | 7,052,221 | 482,439 | 4165 | 90 | -70 | 38 | 55 | 17 | 0.25 | 42 | 0.96 |
| AR09-21 | NORTE | N-2300 | 150 | 7,052,288 | 482,463 | 4163 | 270 | -65 | 36 | 72 | 36 | 0.27 | 55 | 1.18 |
| | | | | | | | | | 97 | 100 | 3 | 0.16 | 50 | 1.00 |
| AR09-22 | NORTE | N-2300 | 150 | 7,052,289 | 482,470 | 4163 | 90 | -60 <i>includes</i> | 34 | 62 | 28 | 0.02 | 70 | 1.19 |
| | | | | | | | | | 41 | 44 | 3 | 0.02 | 131 | 2.20 |
| | | | | | | | | | 71 | 79 | 8 | 0.18 | 23 | 0.56 |
| AR09-23 | SUR | N-900 | 277 | 7,050,900 | 481,976 | 4410 | 90 | -80 | Mineralisation absent or less than 0.5 g/t Au equivalent | | | | | |
| AR09-24 | SUR | N-800 | 350 | 7,050,800 | 481,933 | 4433 | 90 | -80 <i>includes</i> | 316 | 347 | 34 | 0.15 | 77 | 1.43 |
| | | | | | | | | | 339 | 344 | 5 | 0.10 | 286 | 4.86 |
| AR09-25 | SUR | N-700 | 338 | 7,050,700 | 481,940 | 4429 | 90 | -85 | 307 | 314 | 7 | 0.11 | 42 | 0.81 |
| AR09-26 | SUR | N-600 | 362 | 7,050,600 | 482,452 | 4425 | 270 | -65 | Assay results pending | | | | | |
| AR09-27 | SUR | N-600 | 350 | 7,050,590 | 482,040 | 4392 | 270 | -65 | Assay results pending | | | | | |
| AR09-28 | SUR | N-500 | 400 | 7,050,496 | 481,987 | 4418 | 270 | -65 | Assay results pending | | | | | |
| AR09-29 | SUR | N-700 | 338 | 7,050,700 | 481,935 | 4429 | 270 | -80 | Assay results pending | | | | | |
| AR09-30 | SUR | N-800 | 311 | 7,505,800 | 482,018 | 4398 | 90 | -80 | Drill hole in progress | | | | | |
| AR09-34 | NORTE | N-2400 | 80 | 7,052,400 | 482,460 | 4148 | 90 | -60 | Assay results pending | | | | | |
| AR09-35 | NORTE | N-2400 | 70 | 7,052,400 | 482,452 | 4148 | 270 | -70 | 51 | 53 | 2 | 0.65 | 29 | 1.13 |

Gold equivalence (AuEQ) is estimated as $AuEQ = Au + (Ag * EQ)$, where *Au* = gold content, *Ag* = silver content and *EQ* = equivalence factor, which is calculated as the ratio of gold price to silver price * ratio of gold metallurgical recovery to silver metallurgical recovery. $EQ60 = PAu/PAg * RAu/RAg = 60$, based on long-range prices of gold at US\$800/oz & silver US\$15/oz, and recoveries of gold at 90% and silver at 80% respectively

Table 3. Summary of reverse circulation drillholes planned but not executed as of 20 January 2010.

| Drill Hole | ARQUEROS Sector | Section | Total Metres | Collar coordinates, metres | | | Azimuth (°) | Dip. (°) | Intersection, metres | | | Grades, g/t | | |
|------------|-----------------|---------|--------------|----------------------------|---------|-----------|-------------|----------|----------------------|----|--------|-------------|--------|--------|
| | | | | North | East | Elevation | | | From | To | Length | Gold | Silver | AuEQ60 |
| AR09-31 | SUR | N-1300 | 400 | 7,051,300 | 482,208 | 4306 | 90 | -75 | Planned | | | | | |
| AR09-32 | NORTE | N-2300 | 130 | 7,052,300 | 482,408 | 4144 | 270 | -65 | Planned | | | | | |
| AR09-33 | NORTE | N-2100 | 110 | 7,052,135 | 482,463 | 4128 | 0 | -90 | Planned | | | | | |
| AR09-36 | SUR | N-1400 | 400 | 7,051,400 | 482,020 | 4243 | 90 | -70 | Planned | | | | | |
| AR09-37 | SUR | N-1500 | 350 | 7,051,500 | 482,085 | 4181 | 90 | -65 | Planned | | | | | |
| AR09-38 | SUR | N-1600 | 300 | 7,051,600 | 482,155 | 4148 | 90 | -70 | Planned | | | | | |
| AR09-39 | SUR | N-1700 | 250 | 7,051,700 | 482,163 | 4107 | 90 | -70 | Planned | | | | | |
| AR09-41 | SUR | N-1600 | 170 | 7,051,600 | 482,400 | 4217 | 270 | -60 | Planned | | | | | |
| AR09-42 | SUR | N-1500 | 150 | 7,051,500 | 482,460 | 4203 | 270 | -70 | Planned | | | | | |
| AR09-43 | SUR | N-1400 | 200 | 7,051,400 | 482,435 | 4243 | 270 | -75 | Planned | | | | | |
| AR09-44 | SUR | N-1300 | 200 | 7,051,300 | 482,455 | 4235 | 270 | -65 | Planned | | | | | |
| AR09-45 | SUR | N-1200 | 220 | 7,051,200 | 482,420 | 4252 | 270 | -75 | Planned | | | | | |