
QUARTERLY ACTIVITIES REPORT for the period ending 30 June 2017

Highlights

Activities

13 April 2017 – Encouraging lithium Assays received from the Ancasti Lithium Project, Catamarca, Argentina

- First pass drilling at Ancasti Lithium Project undertaken with 5 of 11 prospects drilled.
- Significant intercepts of spodumene bearing pegmatites reported at Reflejos del Mar, Campo el Abra, Santa Gertrudis and La Culpable Prospects – True thickness intercepts of up to 9 meters.
- Significant grades of up to 2.4% Li₂O at Campo el Abra that warrant follow up action.
- Campo el Abra mineralisation open along strike to the north and south and at depth down dip to the east.

26 April 2017 – Final Assays received from the Ancasti Lithium Project, Catamarca, Argentina

- All assays received from the first pass drilling at the Ancasti Lithium Project.
- Significant grades of up to 4.6% Li₂O and 622 ppm Ta₂O₅ at La Culpable.
- Prospectivity remains high at Catamarca with further exploration to be undertaken.
- Next phase is advanced exploration and drilling at San Luis concessions.

16th May 2017 – RB Milestone Group Completes Research Report on LRS

Corporate

May 2017

- Issue of 213,728,500 Ordinary Shares via placement
- All resolutions passed at Annual General Meeting

July 2017

- Agreement for additional placement of 250,000,000 Shares subsequent to end of quarter
- LRS announces agreement to sell Copper Assets

OPERATIONS

Catamarca – (Argentina)

During April 2017, Latin announced all analysis results from the initial reverse circulation drilling program at its lithium project in the Ancasti Region of Catamarca, Argentina.

The aim of the Catamarca drilling program was to provide initial geological information on five of the eleven historically mined pegmatites that make up the Ancasti Lithium project.

The first phase of drilling was completed on the 26th of March. All samples were then immediately submitted to ALS Mendoza for sample preparation and then transported to Vancouver for analysis using multi-element analysis by sodium peroxide fusion. A total of forty reverse circulation drill holes were completed, for a total of 2,680 meters producing a total of 223 samples.

Figure 1 details the location of all the projects where drilling was undertaken at the Ancasti Lithium Project in 2017.

Table 1 displays details of the number of holes and quantity of meters drilled at each of the five projects and a summary of the results and current thinking regarding the next phase for each prospect drilled thus far. The results can now be used to help prioritise the long-term plans for LRS and assist in deciding which projects to develop further.

Project	Number Holes	Total Meters	Min True Thickness	Max True Thickness	Open to North	Open to South	Open at Depth	Contains Promising Grade	Follow Up Work Warranted
Campo el Abra	8	393	3.8	9.2	Yes	Yes	Yes	Yes	Yes
Ipizca II	5	372	1.0	1.0	Yes	No	Yes	No	No
La Culpable	5	369	2.3	5.2	No	Yes	Yes	Yes	Yes
Reflejos del Mar	13	986	0.8	4.7	No	No	No	Yes	No
Santa Gertrudis	8	560	0.6	4.7	Yes	Yes	Yes	Yes	Yes
Total	39	2680							

Table 1. Ancasti Project Summary

Campo el Abra showed the thickest intercepts thus far drilled at the Ancasti project. At 150m+ in strike length it's the longest prospect delineated thus far, it is open in all directions except to the west (which is up dip) and it also has good Li₂O grade that justifies further delineation work toward developmental studies.

Santa Gertrudis is also open to the north, south and at depth. Whilst the grades are a little low they are sufficient to show that Li₂O is present. This combined with recent mapping and satellite interpretation shows the pegmatite possibly extends up to 500m from the known mineralisation.

La Culpable demonstrated that very high Li₂O grades were contained along with interesting elevated Ta/Nb grades that warrant further work to delineate these zones. The reported grades represent the highest grades within pegmatites so far encountered at Ancasti.

Detailed mapping with further sampling of the project area will continue at Catamarca to identify high priority pegmatite drill targets. This will include mapping and sampling at the highly prospective but under explored Lomo Pelada prospect where there is known to be extensive multiple pegmatite dykes in close proximity to each other.

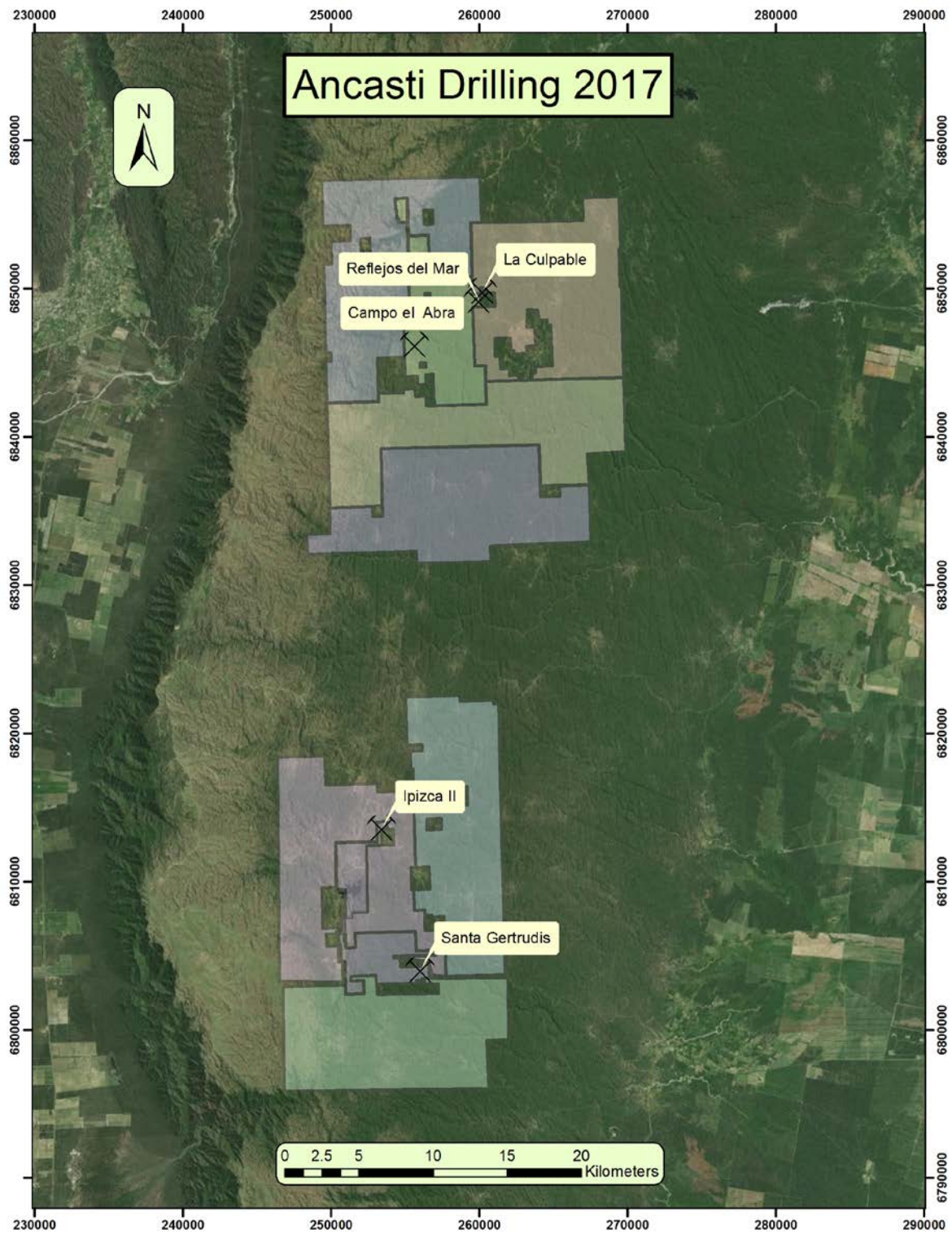


Figure 1. Ancasti Project Locations

San Luis, Argentina

Latin announced the Company had claimed a significant land package in the San Luis Province with good potential for significant lithium bearing pegmatite mineralisation. The Maria del Huerto mine concession is a significant exploration target with field work due to be undertaken to define drill targets once the Environmental Impact Assessment Report is approved which will allow trenching to be carried out. Drilling at Maria del Huerto will commence once the target generation work is complete and the drill permits are approved by the San Luis mining authorities. The mineral resource will be defined according to the JORC Code 2012 should the data produced via the drilling allow such an estimate to be prepared.



Figure 2 – View to the South Western end of the main pit at Maria Del Huerto

Proposed Next Steps

The next stage of exploration work will now take place at Latin's concessions in the San Luis province, located 450km to the south of the Catamarca projects. Initial detailed trenching, mapping and sampling will be carried out at the Maria del Huerto Project. At this location, there are at least three pegmatites emplaced within an area that could theoretically be encompassed by one open pit. One pegmatite has been the subject of previous mining and is well exposed. Within the mined exposure spodumene mineralisation is evident. This initial surface sampling work will confirm that each of the pegmatites is prospective for lithium and or other minerals such as tantalum and niobium prior to commencing drilling at this target.

RB Milestone Research Report

A detailed Research Report by New York based was published by RB Milestone. The Report can be found at: <http://latinresources.com.au/Research> .

Corporate

During May 2017, The Company issued 213,728,500 Ordinary Shares by way of placement of shares at an issue price of \$0.005 to raise \$1,068,642. Shares comprising the Placement were issued to sophisticated and professional investor clients of PAC Partners Pty Ltd and Merchant Capital Group, who acted as joint Lead Managers to the Placement. The Placement shares were issued under the Company's existing 15% placement capacity pursuant to ASX Listing Rule 7.1.

The funds raised from the Placement were used to fund drilling on the lithium targets identified in Argentina, maintain the Peruvian mineral properties in good standing and for working capital.

On 31 May 2017, the Company held its Annual General Meeting with all resolutions put to the meeting passed on a show of hands.

Subsequent Events

Subsequent to the end of the quarter (20 July 2017), the Company agreed terms for a placement of 250,000,000 shares at an issue price of \$0.004 to raise \$1,000,000. In addition the Company will issue a 1 for 2 free attaching option expiring two years from inception at an exercise price of \$0.01. The placement was significantly oversubscribed. Shares comprising the Placement will be issued to sophisticated and professional investor clients of PAC Partners Pty Ltd, and will be issued under the Company's existing 15% placement capacity pursuant to ASX Listing Rule 7.1.

The funds raised from the Placement will be used to fund exploration work on the lithium targets identified in Argentina, maintain the Peruvian mineral properties and for working capital.

On 20 July 2017, the Company announced that it has entered into an agreement with Ore Capital Partners Limited ("Ore") a private company based in Vancouver, Canada to assist in selling the Ilo Copper assets in Peru, South America. The agreement gives the right to Ore Capital Partners to negotiate the sale of the Ilo Norte, Ilo Este and other Ilo concessions with companies listed on the Toronto Venture Stock Exchange in which preliminary discussions on the sale of the assets have taken place.

The Ilo Sur (MT03) project, that is the subject of a Joint Venture agreement with First Quantum Minerals Ltd, will be retained by Latin Resources and is not included in the sale.

Latin has received and is evaluating significant interest in the Ilo projects. The objective is to secure material tangible value for shareholders upon potential completion of a transaction pertaining to these projects.

About Latin Resources

Latin Resources Limited is a mineral exploration company focused on creating shareholder wealth through the identification and definition of mineral resources in Latin America. The Company has secured over 101,450 hectares of exploration concessions in the lithium pegmatite districts of Catamarca and San Luis Provinces, Argentina.

The company also has a portfolio of projects in Peru and is actively progressing its Iron Oxide-Copper-Gold and Copper Porphyry projects in the Ilo region with its joint venture partner First Quantum Minerals Ltd.

Corporate Summary

ASX: **LRS**

Shares Issued: **1,812.5 M**

Options Issued: **34.1 M**

Rights Issued: **65.0 M**

Competent persons statement

The information in this report that relates to Geological Data and Exploration Results is based on information compiled by Mr Kerry Griffin, who is a Member of the Australian Institute of Geoscientists. Mr Griffin 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Griffin is the Exploration and Development Manager of Latin Resources Limited and consents to the inclusion in this report of the matters based on his information, and information presented to him, in the form and context in which it appears.

Enquires

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Appendix 5B

The Appendix 5B for the Quarter is attached.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Name of entity

LATIN RESOURCES LIMITED

ABN

81 131 405 144

Quarter ended ("current quarter")

June 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(755)	(1,592)
(b) development	-	-
(c) production	-	-
(d) staff costs	(231)	(290)
(e) administration and corporate costs	(250)	(530)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	(41)	(42)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(1,277)	(2,453)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	30	(20)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	30	(20)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	1,068	1,068
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	0	280
3.4	Transaction costs related to issues of shares, convertible notes or options	(64)	(64)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(58)	(58)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	946	1,226

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period	(301)	(1,247)
4.1	Cash and cash equivalents at beginning of period	392	1,339
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,277)	(2,453)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	30	(20)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	946	1,227
4.5	Effect of movement in exchange rates on cash held	(6)	(7)
4.6	Cash and cash equivalents at end of period	85	85

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	85	392
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	85	392

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
(110)
30

6.1 - Includes wages and directors fees including superannuation. Amounts above are inclusive of GST and exclude the reimbursement of expenses.

6.2 - Amount advanced to a related party being a secured short term loan for a maximum period of 3 months at an interest rate of 10% pa. The loan is secured by a director's personal guarantee.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

8. Financing facilities available

Add notes as necessary for an understanding of the position

- 8.1 Loan facilities
- 8.2 Credit standby arrangements
- 8.3 Other (please specify)

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
442	442
-	-
-	-

- 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Loan with Junefield High Value Metals Investments Limited (JHVM) is unsecured and attracts interest at 12% pa.

Mining exploration entity and oil and gas exploration entity quarterly report

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	295
9.2	Development	-
9.3	Production	-
9.4	Staff costs	75
9.5	Administration and corporate costs	250
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	620

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2	Interests in mining tenements and petroleum tenements acquired or increased		-	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:

Date: 28 July 2017

Company secretary

Print name:

Sarah Smith

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.