LATIN RESOURCES LIMITED

ABN 81 131 405 144

Half Year Report
for the half-year ended
30 June 2017

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DIRECTORY

Directors

Mr David Vilensky
(Non-Executive Chairman)

Mr Christopher Gale
(Managing Director)

Mr Brent Jones
(Non-Executive Director)

Company Secretary

Ms Sarah Smith

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West Perth WA 6005

The Directors present their report together with the financial statements of the Group consisting of Latin Resources Limited (**Latin** or **the Company**) and its subsidiaries (collectively **the Group**) for the half-year ended 30 June 2017.

DIRECTORS

The names of company's directors in office during the half-year and until the date of this report are set out below.

- Mr David Vilensky
- Mr Christopher Gale
- Mr Brent Jones

Directors were in office for this entire period unless otherwise stated.

DIVIDENDS

No dividends were paid or declared during the half year or in the period to the date of this report.

PRINCIPAL ACTIVITIES

The Group's principal activities during the course of the half year continued to be mineral exploration and evaluation.

OPERATING RESULTS

The result for the consolidated entity for the six months ended 30 June 2017 was a loss of $1,405,965 (2016: loss of $4,242,527).

REVIEW OF OPERATIONS

The Group has a portfolio of projects in Peru and Argentina which it is actively progressing in its own right or via joint venture arrangements. A summary of the highlights for the six months ended 30 June 2017 for the projects is set out below.

The Group has operations located in Argentina and Peru and across the following minerals:

- Lithium
- Cobalt
- Copper, and
- Andalusite and Mineral sands

Lithium Projects

The Group continued to increase its landholding for areas prospective for lithium and cobalt in line with the Company's long term strategy of mineral exploration in South America. The Lithium projects are located within north-west and central Argentina and in the regional areas of –

- Catamarca
- San Luis, and
- Salta.

The following Figure 1 highlights the location of the Group's projects in Argentina.

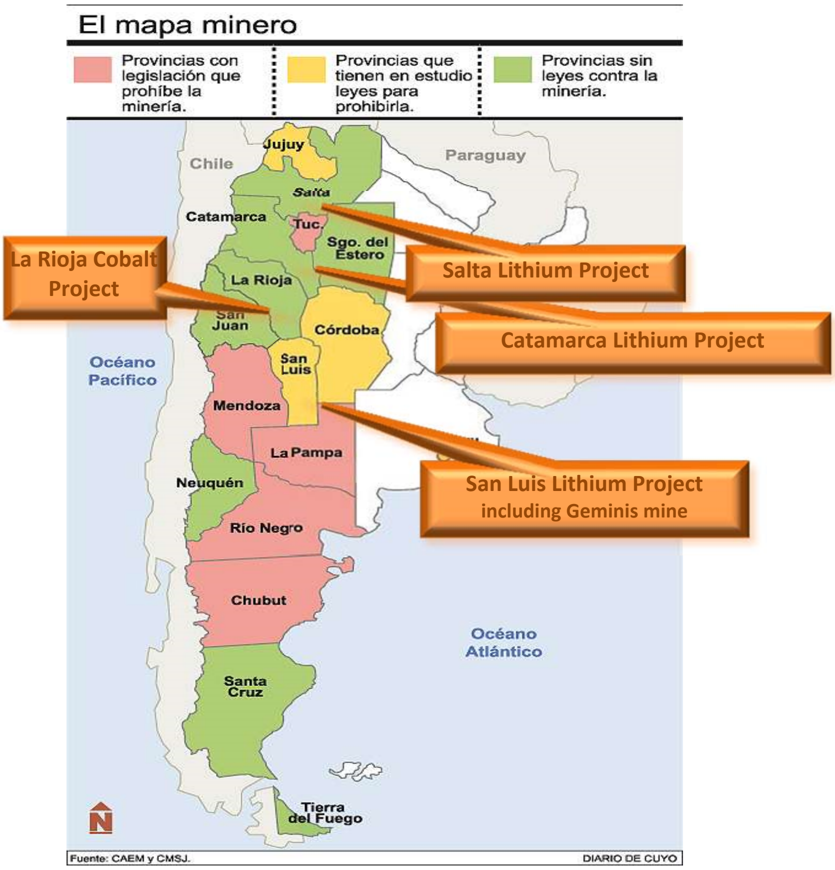

Figure 1: Location of Latin Resources lithium and cobalt projects in north-western and central Argentina.

Catamarca Lithium Projects

During January 2017, Latin was granted the drill permit for the Catamarca lithium project from the Catamarca Environmental and Mines department with the reverse circulation drilling programme commencing during February 2017.

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 Drilling Results 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 Li_2O 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 Li_2O 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 Li_2O 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.

Hole Number	From	To	Intercept Thickness	True Thickness	Li2O %	Na2O5 ppm	Ta2O5 ppm
LCRC001	18	24	6	5.2	1.62	75	193
Including	*20*	*21*	*1*	*0.9*	*3.38*	*93*	*193*
LCRC002	30	34	4	2.3	2.03	104	160
Including	*32*	*33*	*1*	*0.9*	*4.22*	*58*	*152*
LCRC004	90	93	3	2.8	2.98	219	453
Including	*90*	*91*	*1*	*0.9*	*4.61*	*232*	*623*

Table 2. La Culpable Significant Intercepts

San Luis Lithium Project

The Group has applications for 24,769 hectares of exploration concessions within the Conlara and Estanzuela pegmatite fields in the San Luis Province. A total six exploration concessions have been claimed including the "Maria del Huerto" mining concession.

Each claim surrounds documented lithium bearing pegmatite deposits that have been mined in the past for lithium bearing minerals (spodumene or lepidolite) and/or other related minerals including quartz, feldspar, albite, beryl, tantalite (tantalum ore) and colombite (niobium ore).

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. 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 with visible spodumene mineralisation within the mined area. 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.

Subsequent to period end the Group further acquired 100% ownership of the Geminis Lithium Mine and Don Gregorio concessions in the western part of the Libertador del San Martin region of San Luis, Argentina under a Binding Letter of Intent (LOI).

The Geminis mine has been historically linked to lithium mining in San Luis and has been rated with high grade lithium bearing pegmatites with lithium ore historically produced in the period between 1960 -1980.

Latin Resources has commenced discussions with two plant owners/operators investigating feasibility for a spodumene circuit to be added to the existing crushing plant. Latin has recently engaged Primero Group to commence testwork on Latin Resources Argentinian spodumene samples to determine a flowsheet to produce a spodumene concentrate.

Salta Lithium Project

The Group has an earn-in agreement to acquire the Ansotana group of concessions in Salta, Argentina. The 24 concessions, subject to the Binding Term Sheet, cover approx. 44,290 hectares in the El Quemado pegmatite district.

The project is located approximately 75 kilometres west from the city of Salta. The 60km long El Quemado pegmatite district is the most northerly of the various pegmatite districts in the 800km long Argentine Pampean Pegmatite province. These pegmatites are known to range in strike length up to 800m with widths up to 40m. The Ansotana mine produced commercial quantities of tantalum and bismuth. They are also known to contain the commercially important lithium minerals spodumene, amblygonite and lepidolite.

Initial Due Diligence has been completed and further exploration work is planned for 4th Quarter of 2017

La Rioja Cobalt Project- Argentina

The Group has continued to take advantage of free exploration ground still available in Argentina applications granted for exploration concessions in the known cobalt province of La Rioja. The three tenements acquired in March 2017 adjoin and fully encompass an area that contains the historic King Tut Cobalt - Gold Mine that operated between 1901 – 1902.

Southern Peru Copper Projects

Ilo Norte IOCG Project – Southern Peru
Ilo Este Porphyry Copper Project – Southern Peru
Ilo Southern Concession Block Copper Gold Projects – Southern Peru

Following enquiries and evaluating significant interest in the Ilo copper projects the Group appointed Ore Capital Partners Limited, a private company based in Vancouver, Canada to assist in selling its Ilo Copper projects in Peru, South America (refer Figure 2). The objective was to secure material tangible value for shareholders and realise value for the projects.

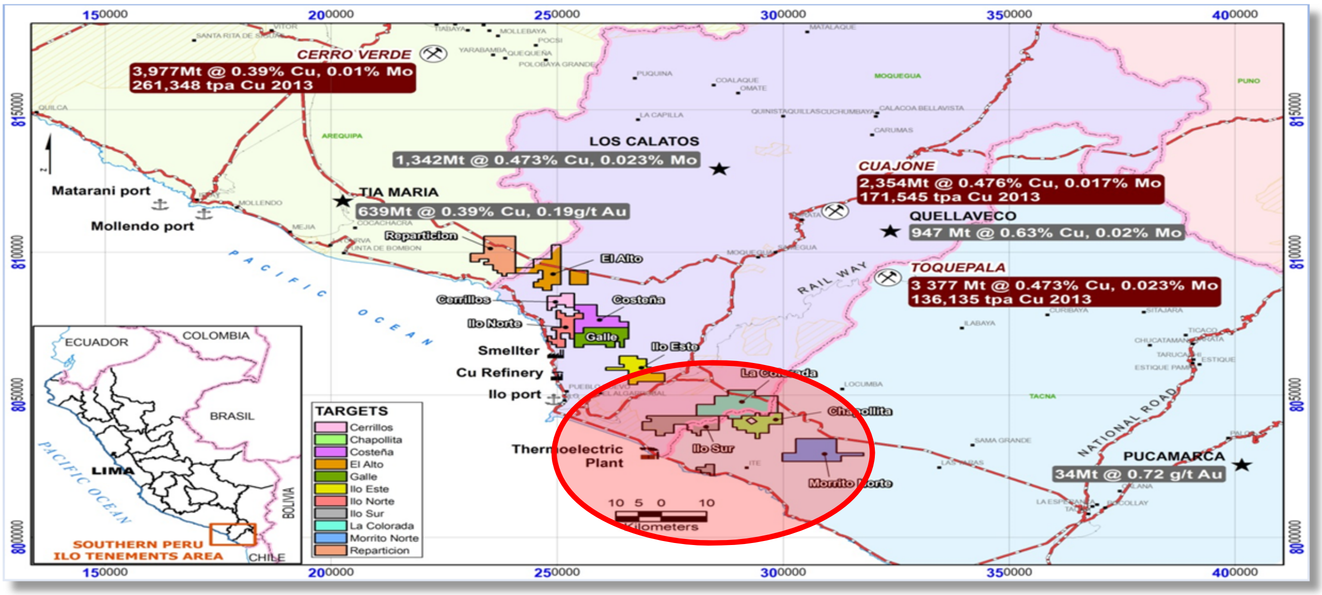

Figure 2. Location of Latin Resources Peru Copper projects

Subsequent to period end the Company entered into a binding term sheet with Westminster Resources Limited **("TSX-V: WMR" "Westminster")** a publicly listed company on the Toronto Venture Exchange, Canada to sell its Ilo Copper projects in Peru, South America. The parties have 30 days to complete a formal Sale Agreement at which time the Company will receive USD$150,000 and 19,000,000 WMR shares (which will be voluntarily escrowed for periods of 6 months to 18 months) and a further payment of USD$100,000 on the first anniversary of signing the Sale Agreement.

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.

ILO SUR – PACHAMANCA / MT-03 - PERU

During July 2016, the Group agreed to an earn-in agreement with the Peruvian Subsidiary of First Quantum Minerals Ltd., Minera Antares Peru SAC ("Antares) granting Antares the right to 80% ownership of the Groups' Pachamanca/MT-03 copper project.

Joint efforts continue with Antares, to obtain all necessary approvals to enable Antares access to the area and perform initial geophysical work.

Guadalupito Andalusite and Mineral sands Project – Peru

Guadalupito has a substantial heavy mineral (sand) resource containing andalusite and other mineral sands. The project is located in close proximity to high quality infrastructure, being 10 kilometres from Chimbote, home to a major Port and one of the largest steel smelters in Peru, which is owned by the Brazilian Gerdau Group, the largest long steel producer in the Americas.

The Company is continuing discussions with prospective investors for a potential divestment of this project.

Corporate

During March 2017, the Company received applications to exercise 14,054,768 Listed Options at 2 cents per share to raise $281,095. A total of 140,490,688 remaining Listed Options expired unexercised.

During May 2017, The Company placed 213,728,500 Ordinary at an issue price of $0.005 to raise $1,068,642. Shares comprising the Placement were issued to sophisticated and professional investors.

COMPETENT PERSON'S 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.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Company during the six months ended 30 June 2017 that are not disclosed elsewhere in this report, the financial statements or the attached notes.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 23 and forms part of the Directors' report for the half-year ended 30 June 2017.

This report is signed in accordance with a resolution of the Board of Directors pursuant to Section 306(3) of the Corporations Act 2001.

David Vilensky
Chairman

Dated this 13th day of September 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 June 2017

	Note	6 months to 30 June 2017 $	6 months to 30 June 2016 $
Revenue	4(a)	2,253	38,183
Other income	4(b)	870	172,111
Gain from settlement of liabilities		-	21,797
Depreciation expense		(10,952)	(22,214)
Employee benefits expense		(311,137)	(484,138)
Finance costs	5(a)	(475,526)	(813,748)
Exploration and evaluation expenditure	5(b)	-	(2,766,078)
Other expenses	5(c)	(611,473)	(388,440)
Loss before income tax		**(1,405,965)**	**(4,242,527)**
Income tax benefit		-	-
Loss after income tax		**(1,405,965)**	**(4,242,527)**
Loss attributable to owners of the Group		**(1,405,965)**	**(4,242,527)**
Other comprehensive income			
Items that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translating foreign operations		(601,103)	173,752
Total comprehensive loss for the period attributable to owners of the Group		**(2,007,068)**	**(4,068,775)**
Basic and diluted loss per share (cents)		(0.09)	(0.34)

The above Consolidated Statement of Profit or Loss and Other Comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2017

	Note	30 June 2017	31 Dec 2016
		$	**$**
ASSETS			
Current assets			
Cash and cash equivalents	6	85,420	1,338,668
Trade and other receivables	7(a)	163,371	152,275
Assets held for sale	8(a)	2,884,684	-
Other financial assets		133,700	177,481
Total current assets		**3,267,175**	**1,668,424**
Non-current assets			
Trade and other receivables	7(b)	1,658,367	1,603,327
Property, plant & equipment		60,101	76,827
Exploration & evaluation assets	8	5,977,386	7,842,533
Total non-current assets		**7,695,854**	**9,522,687**
Total assets		**10,963,029**	**11,191,111**
LIABILITIES			
Current liabilities			
Trade and other payables	9	1,392,886	917,433
Interest bearing loans and borrowings	10	442,082	500,000
Deferred consideration	11(a)	16,755	9,222
Provisions		42,412	42,995
Total current liabilities		**1,894,135**	**1,469,650**
Non-current liabilities			
Deferred consideration	11(b)	6,032,614	6,036,695
Total non-current liabilities		**6,032,614**	**6,036,695**
Total liabilities		**7,926,749**	**7,506,345**
Net assets		**3,036,280**	**3,684,766**
EQUITY			
Contributed equity	12	43,318,206	42,041,903
Reserves	13	7,572,097	8,090,921
Accumulated losses		(47,854,023)	(46,448,058)
Total equity		**3,036,280**	**3,684,766**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the half-year ended 30 June 2017

	Issued capital	Share based payment reserve	Foreign currency translation reserve	Accumulated losses	Total
	$	$	$	$	$
Balance at 1 January 2017	**42,041,903**	**2,532,576**	**5,558,345**	**(46,448,058)**	**3,684,766**
Loss for the period	-	-	-	(1,405,965)	(1,405,965)
Other comprehensive (loss)	-	-	(601,103)	-	(601,103)
Total comprehensive (loss) for the period	**-**	**-**	**(601,103)**	**(1,405,965)**	**(2,007,068)**
Issue of shares	1,349,738	-	-	-	1,349,738
Share based payments	-	82,279	-	-	82,279
Cost of equity issues	(73,435)	-	-	-	(73,435)
Balance at 30 June 2017	**43,318,206**	**2,614,855**	**4,957,242**	**(47,854,023)**	**3,036,280**
Balance at 1 January 2016	**36,202,047**	**2,247,712**	**5,117,180**	**(38,603,082)**	**4,963,857**
Loss for the period	-	-	-	(4,242,527)	(4,242,527)
Other comprehensive income	-	-	173,752	-	173,752
Total comprehensive income/(loss) for the period	**-**	**-**	**173,752**	**(4,242,527)**	**(4,068,775)**
Issue of shares	2,309,796	-	-	-	2,309,796
Share based payments	-	133,667	-	-	133,667
Cost of equity issues	(312,658)	-	-	-	(312,658)
Balance at 30 June 2016	**38,199,185**	**2,381,379**	**5,290,932**	**(42,845,609)**	**3,025,887**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
for the six months ended 30 June 2017

	Note	6 months to 30 June 2017 $	6 months to 30 June 2016 $
Cash flows from operating activities			
Receipts from customers		870	149,374
Payments to suppliers and employees		(1,029,674)	(1,036,645)
Interest received		2,253	38,183
Interest paid		(66,664)	(3,304)
R&D refund		-	949,560
Net cash flows (used in)/from operating activities		**(1,093,215)**	**97,168**
Cash flows from investing activities			
Proceeds from sale of plant and equipment		-	5,977
Payments for exploration & evaluation costs		(1,355,564)	(926,698)
Proceeds from security deposits		-	584
Net cash flows (used in) investing activities		**(1,355,564)**	**(920,137)**
Cash flows from financing activities			
Proceeds from the issue of equity		1,349,738	1,390,128
Capital raising costs		(73,435)	(73,859)
Loan to related party		(20,000)	-
Repayment of borrowings		(57,363)	(365,793)
Net cash flows from financing activities		**1,198,940**	**950,476**
Net (decrease)/increase in cash and cash equivalents		(1,249,839)	127,507
Cash and cash equivalents at the beginning of the period		1,338,668	32,076
Effects of movement in foreign exchange		(3,409)	(172)
Cash and cash equivalents at the end of the period	6	**85,420**	**159,411**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. CORPORATE INFORMATION

The interim consolidated financial statements of Latin Resources Limited (**the Company**) and its subsidiaries (collectively, **the Group**) for the six months ended 30 June 2017 were authorised in accordance with a resolution of the directors on 13 September 2017.

The Company is a for profit company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

The principal activity of the Group during the half-year was mineral exploration and evaluation.

2. BASIS OF PREPARATION AND CHANGES TO GROUP'S ACCOUNTING POLICIES

Basis of preparation

The interim consolidated financial statements for the six months ended 30 June 2017 have been prepared in accordance with AASB 134 *Interim Financial Reporting*.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2016.

Changes in accounting policies, accounting standards and interpretations

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2016.

The Group has also reviewed all new Standards and Interpretations that are applicable on or after 1 January 2017 and determined that their application to the financial statements is not relevant or not material.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half year 30 June 2017. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

Going concern

The interim consolidated financial statements have been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

For the six months ended 30 June 2017 the consolidated entity incurred a loss of $1,405,965 (2016: $4,242,527) and had net cash outflows used in operating and investing activities of $2,448,779 (2016: $822,969). Cash and cash equivalents at 30 June 2017 amount to $85,420 (31 December 2016: $1,338,668)

These conditions indicate a material uncertainty that may cast significant doubt about the company and the consolidated entity's ability to continue as a going concern.

The Company is planning to undertake a capital raising. The ability of the company and the consolidated entity to continue as going concerns are principally dependent upon obtaining new funding. Subsequent to balance date the Company has completed a placement of 250,000,000 fully paid ordinary shares to raise $1,000,000 before issue costs.
Based on the Company's ability to modify expenditure outlays if required and the Directors confidence and historical performance of ability to raise additional funds, the Directors consider there are reasonable grounds to believe the Group will be able to pay its debts as and when they become due and payable, and therefore the going concern basis preparation is considered to be appropriate for these interim consolidated financial statements.

In the event that the Company is not able to continue as a going concern, it may be required to realise assets and extinguish liabilities other than in the normal course of business and at amounts different to those stated in its financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the company and consolidated entity do not continue as going concerns.

3. SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by senior management in assessing performance and in determining the allocation of resources.

The Group's four operating segments are Australia, Peru, Argentina and Brazil. Discrete financial information regarding these operating segments is reported to senior management on a monthly basis. The accounting policies used by the Group in reporting segments internally are the same as the Group's accounting policies.

The following is an analysis of the Group's revenues, results, assets and liabilities by reportable operating segment for the periods under review.

Six months to 30 June 2017	**Australia**	**Peru**	**Argentina**	**Brazil**	**Total**
	$	**$**	**$**	**$**	**$**
Revenue					
Interest revenue	2,253	-	-	-	2,253
Other income	487	383	-	-	870
Total segment revenue	**2,740**	**383**	**-**	**-**	**3,123**
Results					
Depreciation expense	-	(10,952)	-	-	(10,952)
Share based payments	(20,570)	-	-	-	(20,570)
Interest expense	(51,277)	(4,109)	(11,278)	-	(66,664)
Net foreign exchange gain/(loss)	(22,956)	1,585	-	-	(21,371)
Segment loss	**(802,533)**	**(518,801)**	**(84,631)**	**-**	**(1,405,965)**

3. SEGMENT INFORMATION (CONTINUED)

As at 30 June 2017	**Australia**	**Peru**	**Argentina**	**Brazil**	**Total**
	$	**$**	**$**	**$**	**$**
Segment assets	3,306,654	7,300,328	324,121	31,926	10,963,029
Segment liabilities	(789,913)	(6,770,957)	(319,734)	(46,145)	(7,926,749)
Additions to non-current assets					
Plant & equipment	-	-	-	-	-
Exploration and evaluation assets	-	(266,412)	1,621,976	-	1,355,564
Total	-	(266,412)	1,621,976	-	1,355,564

Six months to 30 June 2016	Australia	Peru	Brazil	Total
	$	**$**	**$**	**$**
Revenue				
Interest revenue	38,183	-	-	38,183
Gain from settlement of liabilities	21,797	-	-	21,797
Other income	(10,897)	183,008	-	172,111
Total segment revenue	**49,083**	**183,008**	**-**	**232,091**
Results				
Depreciation expense	(13,303)	(8,911)	-	(22,214)
Share based payments	(142,879)	-	-	(142,879)
Interest expense	(83,916)	(3,029)	-	(86,945)
Net foreign exchange gain/(loss)	(10,899)	33,636	-	22,737
Segment loss	**(1,081,882)**	**(3,155,804)**	**(4,841)**	**(4,242,527)**

As at 30 June 2016	**Australia**	**Peru**	**Brazil**	**Total**
	$	**$**	**$**	**$**
Segment assets	**1,182,403**	**9,735,221**	**33,555**	**10,951,179**
Segment liabilities	**(1,459,663)**	**(6,417,105)**	**(48,524)**	**(7,925,292)**
Additions to non-current assets				
Plant & equipment	1,203	-	-	1,203
Exploration and evaluation assets	-	632,772	-	632,772
Total	**1,203**	**632,772**	**-**	**633,975**

	6 months to 30 June 2017	6 months to 30 June 2016
	$	**$**

4. REVENUES

(a) Finance revenue

Interest income	**2,253**	**38,183**

(b) Other revenue

Sundry income	870	149,374
Net foreign exchange gain	-	22,737
	870	**172,111**

5. EXPENSES

(a) Finance expenses

Bank fees and expenses	4,284	6,309
Interest expense	66,664	86,945
Unwinding of the effective interest rate[1]	404,578	466,371
Other finance expenses	-	254,123
	475,526	**813,748**

[1] Unwinding of the effective interest rate refers to the discounting of the Convertible securities ($nil, 2016: $104,177) and the remaining cost of the concessions relating to the Guadalupito project ($404,578, 2016: $362,194).

(b) Exploration and evaluation expenditure

Impairment expense	-	2,766,078
	-	**2,766,078**

Impairment expense refers to the costs associated with concessions that were relinquished.

	6 months to 30 June 2017 $	6 months to 30 June 2016 $
5. EXPENSES (CONTINUED)		
(c) Other expenses		
Administration expenses	72,544	88,350
Corporate expenses	451,177	274,582
Loss on fair value of financial assets	40,000	-
Net foreign exchange loss	21,371	-
Occupancy expenses	26,381	25,508
	611,473	**388,440**

	30 June 2016 $	31 December 2016 $
6. CASH AND CASH EQUIVALENTS		
Cash in hand	414	310
Cash at bank	85,006	1,338,358
	85,420	**1,338,668**
7. TRADE AND OTHER RECEIVABLES		
(a) Current		
Trade receivables	-	3,715
Other receivables	65,829	71,309
Good and services tax	49,463	26,593
Related party receivable	20,000	-
Prepayments	28,079	50,658
	163,371	**152,275**

Related party receivable is short term loan to a party related to a director. The loan is for a maximum period of 4 months at an interest rate of 10% pa and is secured by a director’s personal guarantee.

(b) Non-current		
Good and services tax	1,658,367	1,603,327
	1,658,367	**1,603,327**

Goods and services tax (‘GST’) receivable by the Company’s subsidiary in Peru which can only be offset against GST attributable to future income.

	30 June 2017 $	31 Dec 2016 $

8. EXPLORATION AND EVALUATION ASSETS

	30 June 2017 $	31 Dec 2016 $
Opening balance	7,842,533	11,170,432
Additions	1,355,564	1,265,520
Amounts written off	-	(4,861,649)
Transferred to assets held for sale – note (a)	(2,884,684)	-
Other	61,709	126,535
Foreign currency translation movement	(397,736)	141,695
	5,977,386	7,842,533

(a) Assets held for sale include value attributed to the Peruvian Ilo Copper Project assets being sold to Westminster Resources Limited under the binding term sheet as announced subsequent to balance date. Refer details in Note 16.

9. TRADE AND OTHER PAYABLES

	30 June 2017 $	31 Dec 2016 $
Trade payables	1,264,600	833,981
Other payables	67,955	30,676
Accruals	60,331	52,776
	1,392,886	**917,433**

10. INTEREST BEARING LOANS AND BORROWINGS

Current	30 June 2017 $	31 Dec 2016 $
Loans	442,082	500,000
	442,082	**500,000**

Loan with Junefield High Value Metals Investments Limited (JVHM) $400,000 (2016: $500,000) attracts interest at 12%pa with a maturity date of 27 February 2017. Subsequent to period end JVHM has agreed to extend the loan repayment date to 31 October 2017.

	30 June 2017	31 Dec 2016
	$	$
11. DEFERRED CONSIDERATION		
(a) Current	**16,755**	**9,222**
(b) Non-current	**6,032,614**	**6,036,695**

The deferred consideration balances reflect the current and non-current portions of the present value of the remaining US$10.0 million (31 December 2016: US$10.1 million) the Group is required to pay in cash and shares for the acquisition of the concessions relating to the Guadalupito project, as follows:

Share issues	
- September 2017	2,000,000 fully paid shares
- January 2018	2,000,000 fully paid shares
- January 2019	2,000,000 fully paid shares
Cash Payments	
- January 2018	US$50,000
- January 2019	US$50,000
- Within 6 months of feasibility study	US$150,000
- Within 18 months of feasibility study	US$750,000
- Within 30 months of feasibility study	US$1,000,000
- Within 42 months of feasibility study	US$2,000,000
- Within 54 months of feasibility study	US$6,000,000

12. CONTRIBUTED EQUITY

(a) Issued capital	**30 June 2017**	**31 Dec 2016**
	$	**$**
Issued shares	41,580,762	40,304,459
Option premium	1,737,444	1,737,444
	43,318,206	**42,041,903**

	Number	**$**
(b) Movements in issued capital		
Issued shares		
Balance at 1 July 2016	**1,214,957,236**	**36,461,741**
Shares issued	362,440,862	4,151,333
Transaction costs	-	(308,615)
Balance at 31 December 2016	**1,577,398,098**	**40,304,459**
Shares issued	235,187,066	1,349,738
Transaction costs	-	(73,435)
Balance at 30 June 2017	**1,812,585,164**	**41,580,762**

12. CONTRIBUTED EQUITY CONTINUED

Option Premium

	30 June 2017	31 Dec 2016
	$	$
Balance at 1 July 2016	**14,812,500**	**1,737,444**
Balance at 31 December 2016	**14,812,500**	**1,737,444**
Balance at 30 June 2017	**14,812,500**	**1,737,444**
Total issued capital		**43,318,206**

13. RESERVES

Foreign currency translation reserve		
Balance at beginning of period	5,558,345	5,117,180
Foreign currency translations	(601,103)	441,165
	4,957,242	**5,558,345**
Share based payments reserve		
Balance at beginning of period	2,532,576	2,247,712
Share based payments	82,279	284,864
	2,614,855	**2,532,576**
Total reserves	**7,572,097**	**8,090,921**

14. COMMITMENTS AND CONTINGENCIES

Commitments

(a) Operating commitments:

Not later than one year	412,892	438,229
Later than one year but not later than five years	-	-
Later than five years	-	-
	412,892	**438,229**

(b) Mining concessions

The Group is required to pay a right of concession fee of US$3 per hectare per annum. The estimated fee to be paid in 2018 is approximately US$190,000.

15. CONTINGENT LIABILITIES

There are no changes to the contingent liabilities disclosed in the most recent annual financial report.

16. EVENTS OCCURING AFTER BALANCE DATE

The following significant events and transactions have taken place subsequent to 30 June 2017:

On 26 July 2017 the Company placed 250,000,000 fully paid ordinary shares at an issue price of $0.004 per share to raise $1,000,000 before costs. Subscribers to the issue are to also receive 125,000,000 free attaching options at an exercise price of $0.01 per share with an expiry of 2 years from date of issue. The broker to the issue is to receive 125,000,000 options to acquire fully paid at an exercise price of $0.01 per share with an expiry of 2 years from date of issue.
The issue of the options and broker options are subject to shareholder approval to be put to shareholders at a General Meeting to be held 4 October 2017.

On 9 August 2017, the Company announced the signing of a Binding Letter of Intent (LOI) granting the Company the right to acquire 100% of the Geminis Mine and the surrounding LRS Don Gregorio exploration concession. On signing of the LOI the Company paid the vendors USD$5,000. Further payment milestones are conditional on completion of a formal Sale Agreement and completion of staged exploration programmes over 2 years.

On 9 August 2017 the Company issued 522,049 fully paid ordinary shares to a former employee of the Company for services provided during the term of employment.

On 18 August 2017 the Company issued 2,000,000 fully paid ordinary shares to a consultant in lieu of cash fees for services provided.

On 9 September 2017 the Company announced it had entered into a binding term sheet with Westminster Resources Limited **("TSX-V: WMR" "Westminster")** a publicly listed company on the Toronto Venture Exchange, Canada to sell its Ilo Copper assets in Peru, South America. The parties have 30 days to complete a formal Sale Agreement at which time the Company will receive USD$150,000 and 19,000,000 WMR shares (which will be voluntarily escrowed for periods of 6 months to 18 months) and a further payment of USD$100,000 on the first anniversary of signing the Sale Agreement.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Latin Resources Limited, I state that:

In the opinion of the directors:

(a) The financial statements and notes of Latin Resources Limited for the half-year ended 30 June 2017 are in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the half-year ended on that date; and

  (ii) complying with Accounting Standard AASB 134: *Interim financial reporting and the Corporations Regulations 2001*

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

David Vilensky
Chairman

Dated this, the 13th day of September 2017

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13 September 2017

Board of Directors
Latin Resources Limited
Unit 3, 32 Harrogate Street
West Leederville, WA 6007

Dear Sirs

RE: LATIN RESOURCES LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Latin Resources Limited.

As Audit Director for the review of the financial statements of Latin Resources Limited for the half year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED
(Trading as Stantons International)
(An Authorised Audit Company)

Martin Michalik

Martin Michalik
Director

Stantons International Audit and Consulting Pty Ltd
trading as
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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
LATIN RESOURCES LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Latin Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Latin Resources Limited (the consolidated entity). The consolidated entity comprises both Latin Resources Limited (the Company) and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of Latin Resources Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Latin Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Latin Resources Limited on 13 September 2017.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Latin Resources Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 I*nterim Financial Reporting* and the Corporations Regulations 2001.

Without qualification to the conclusion expressed above, attention is drawn to the following matters:

As referred to in Note 2 to the financial statements, the financial statements have been prepared on a going concern basis. As at 30 June 2017, the entity had working capital of $1,373,040 and had incurred a loss for the six months to 30 June 2017 of $1,405,965. The ability of the consolidated entity to continue as a going concern is subject to the successful recapitalisation of the consolidated entity, commencing profitable operations and/or the sale of assets. In the event that the Board is not successful in recapitalising the consolidated entity, commencing profitable operations and/or selling its assets, the consolidated entity may not be able to pay its debts as and when they fall due and may be required to realise its assets and discharge its liabilities at amounts different to those stated in the financial report.

The recoverability of the consolidated entity's carrying value of exploration and evaluation assets of $5,977,386 is dependent on the successful commercial exploitation of the assets and/or sale of the exploration and evaluation assets. The recoverability of the non-current tax receivable of $1,658,367, is dependent upon the consolidated entity commencing production/generating income and thus paying taxes in Peru and offsetting against the tax receivable which is recorded in the consolidated entity's accounts.

In the event that the consolidated entity is not successful in the commercial exploitation and/or sale of the assets, or the consolidated entity is not successful in generating sufficient revenue, and thus utilising the non-current tax receivable, the realisable value of the consolidated entity's exploration and evaluation assets and non-current tax receivable may be significantly less than their current carrying values.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
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Stantons International Audit & Consulting Pty Ltd

Martin Michalik
Director

West Perth, Western Australia
13 September 2017