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## QUARTERLY ACTIVITIES REPORT for the period ending 30 September 2017

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### Highlights

#### Activities

##### ***20 July and 6 September 2017 – LATIN RESOURCES SELLS ILO COPPER PROJECTS***

- On 20<sup>th</sup> of July the Company appointed Ore Capital Partners Limited (“Ore”) a private company based in Vancouver, Canada to assist in selling its Ilo Copper assets in Peru, South America
- On 6 September 2017 the Company entered into a binding agreement to sell its Ilo Norte and Ilo Este copper projects in Peru to Toronto SX listed Westminster Resources Limited. Total sale proceeds exceed \$6.8m in cash and shares and enabling focus of resources on the development of Lithium projects in Argentina

##### ***9 August 2017 - LATIN SECURES MAJOR LITHIUM MINE IN SAN LUIS, ARGENTINA***

- Binding agreement gives direct path to 100% ownership of the prized Geminis Mine and surrounding LRS Don Gregorio exploration concession
- Spodumene mineralisation is the best the Latin technical team has explored in Argentina with main pegmatite up to 18m thick, more than 200m long and gently dipping at 20-30 degrees. The area contains multiple similar unexplored pegmatites

##### ***19 September 2017 – ENCOURAGING ROCK CHIP ANALYSIS AND MAPPING RESULTS - GEMINIS MINE AND DON GREGORIO CONCESSION, SAN LUIS, ARGENTINA***

- Mapping activity confirms Two pegmatite zones in the vicinity of Geminis mine covering area of 2.1km by 1.7km
- Reconnaissance of the north east of the San Francisco concession shows strike length continuation of the Geminis group pegmatites of 7.5km
- Sample analysis collected from exposed pegmatites reports grades up to 3.83% Li<sub>2</sub>O with fractionation levels of pegmatites using geochemical K/Rb ratio showing all pegmatites prospective for lithium mineralisation
- Resumption of permitting by San Luis Minería Department progressing following change in provincial Government

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#### Corporate

- 17 July 2017 – General Meeting held with all resolutions passed on show of hands.
- 26 July 2017 – Placement of 250,000,000 Shares to raise \$1 million.
- 4 October 2017 – General Meeting held with all resolutions passed on show of hands
- 5 October 2017 – Entered Agreement for lithium carbonate technology
- 10 October 2017 – Issued 250,000,000 options exercisable at \$0.01 expiring 12 October 2019
- 11 October 2017 – RCR Research Report on LRS
- 12 October 2017 – Placement of 428,571,457 shares to raise \$1.5 million

## OPERATIONS

### Lithium and Cobalt Projects, Argentina

Since acquiring the initial lithium projects in Argentina during mid 2016 the Company's total landholding within Argentina's hard rock lithium concessions has rapidly expanded to total over 138,000 hectares over three main areas within the Catamarca, San Luis and Salta provinces. In addition the Company has acquired cobalt concessions within the La Rioja province in Argentina's North West.

#### El mapa minero

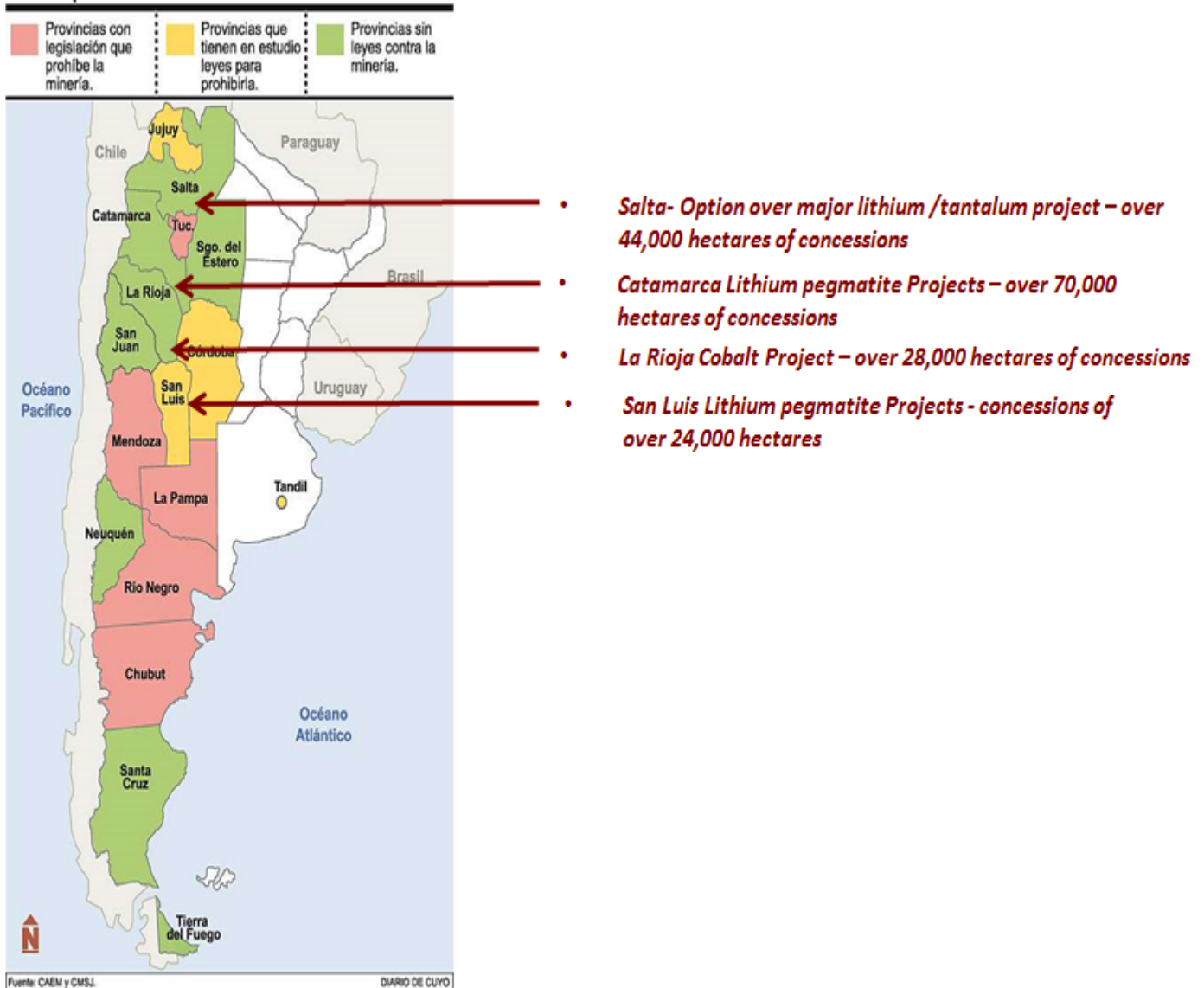
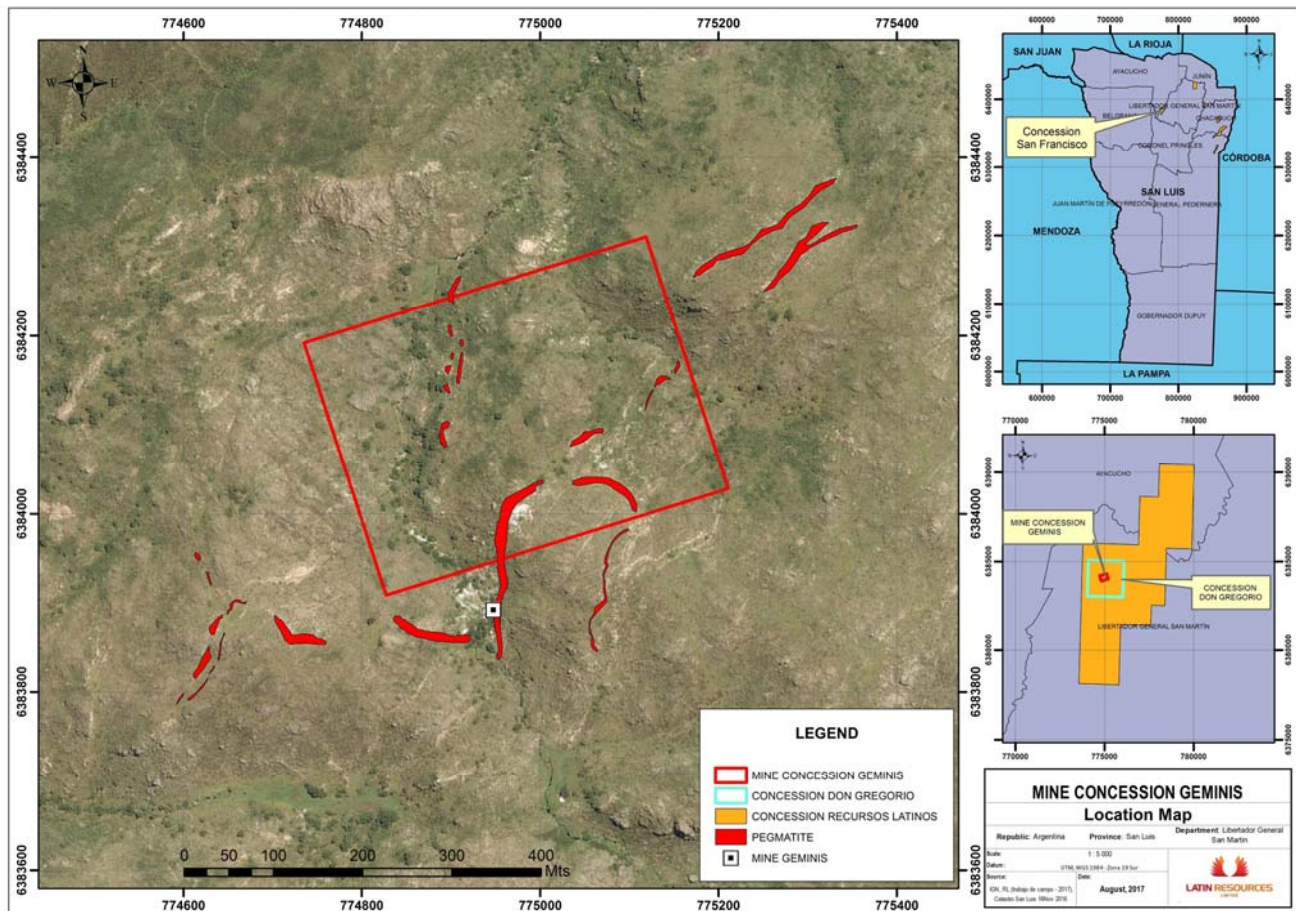


Fig 1. Location map of Latin Resources lithium and cobalt projects in Argentina

### San Luis Lithium Project, Argentina

On 9 August 2017 the Company extended its landholding in the San Luis region in the northern central area of Argentina in signing a Binding Letter of Intent (LOI) with the Vendor for the Geminis mine and the surrounding

Don Gregorio(DG) exploration concessions. The Geminis mine and DG concessions complete the land holding of the Company's 100% owned San Francisco concession which surrounds the Geminis lithium mine and DG concessions.



*Fig 2. Satellite image showing the Geminis Mine Entrance Location with the known pegmatite outcrops marked in red. Other white rock outcrops that can be seen are possible pegmatites (to be confirmed with geological mapping).*

The Geminis Mine (12 Ha) and surrounding Don Gregorio (388 Ha) exploration concessions are located approximately 8km to the south east of the village of San Francisco del Monte de Ore and 18km to the north of the historical gold mining centre of La Carolina in the Sierra Grande de San Luis mountains. The mine area is well serviced with access available by two 4WD tracks and connects in the south to the main sealed road to the La Toma processing facilities.

Mining at Geminis began in the 1930's and continued until 1959. Since then very sporadic mining has taken place with majority of mining undertaken using underground methods. The underground workings observed to date consist of three adits which access a series of tunnels that vary in size and length. The main adit to the south contains approximately 70m of tunnels. Mining activity was small scale and carried out in campaigns and it is thought that on average the mine produced approximately 5-10 tonnes of spodumene per month with mine workings spread over a strike distance of approximately 150m.

### ***The Geminis LOI Terms***

The Company paid US\$5,000 to the vendor on signing the LOI to secure a binding agreement to finalise the sale agreement. The parties are presently finalising the formal sale agreement (Final Agreement).

The Final Agreement consideration consists of three stages under the following terms and conditions;

#### **Stage 1:**

- I. Within five days of signing the Final Agreement Latin to pay the vendor US\$15,000
- II. From the time of signing the Final Agreement Latin has at its own cost to meet the following milestones;
  - a. Approval of the Environmental Impact Report (EIR).
  - b. Obtaining the registration by the competent authority of the Manifestations of Discovery.
  - c. The approval of the reactivation plan requested by the competent authority of the Geminis Mine.

#### **Stage 2:**

- I. At the completion of Stage 1 or sooner at Latin's discretion, Stage 2 begins under the following payment obligations:
  - a. Within five days of the start of Stage 2 Latin to pay the vendor US\$20,000
  - b. Within five days of the beginning of the third month of Stage 2 Latin to pay the vendor US\$20,000
- II. The objective of stage 2 is to complete the necessary permits and the initial exploration drilling

#### **Stage 3:**

- I. At the completion of Stage 2, Stage 3 commences under the following payment obligations:
  - a. Within five days of the commencement Latin to pay the Vendor US\$50,000
  - b. Within five days of the beginning of the third, sixth and ninth month Latin to pay the Vendor US\$50,000 for a total of US\$150,000.
- II. The purpose of Stage 3 is to allow Latin to complete resource definition drilling aimed at defining a mineral resource containing a minimum of one million tonnes of spodumene.

Once all stages 3 are completed and payments made (totalling US\$260,000), Latin then has the right to exercise its option to acquire 100% of the project with the payment to the Vendor of US\$2,000,000.

### ***Preliminary mapping and surface sampling results***

#### ***San Francisco, Geminis mine and Don Gregorio concessions***

On 19 September 20017 the Company announced results of field activities undertaken at the Geminis Mine including mapping and surface sampling undertaken with very positive results. Individual pegmatites were identified with varying thicknesses from 4m to 20m and dipping relatively gently to the south east at between 15 to 30 degrees which is an ideal orientation for any future possible open pit mining.

The results from the sampling (refer extract in table 1) have confirmed that the mined and exposed spodumene zones contain encouraging lithium grades even after having been significantly weathered.

Sample_Id	Easting	Northing	Elevation	Li2O %	Be ppm	Nb ppm	Ta ppm	K/Rb Ratio
GE000066	774949	6383896	1367	1.62	9.4	7.2	7.86	9
GE000067	774963	6383902	1368	1.86	6.7	13	7.28	16
GE000068	774965	6383915	1369	1.51	6.3	14.3	23	24
GE000069	774951	6383918	1380	0.09	60.2	33.3	10.5	38
GE000070	774944	6383909	1377	1.88	6.3	12.2	52.1	9
GE000071	774904	6383849	1368	1.08	39.6	8.4	23.9	15
GE000072	774894	6383857	1368	3.83	5.1	4.4	89.3	15

Table 1. Extract of surface sample analysis – Geminis mine and surrounding area.

### **Southern Peru Copper Project, Peru**

On 6 September 2017 the Company entered a binding sale agreement 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 binding agreement, which is subject to regulatory and shareholder approvals and due diligence, will entitle Westminster to 100% ownership of a total of 44 concessions, including the Ilo Norte and Ilo Este projects, spread over 36,000 hectares (“Projects”) held by Latin’s 100% owned subsidiary, Peruvian Latin Resources SAC.

### **Ilo Norte and Ilo Este Sale Terms**

Upon completion of the due diligence and receipt of all necessary regulatory approvals, the following terms and conditions will apply to the Sale Agreement;

#### **- Cash**

- A lump sum of USD \$150,000 is payable by WMR to Latin on the signing of the Sale Agreement;
- The payment of a further USD\$100,000 is payable by WMR to Latin on the first anniversary of the signing of the Sale Agreement.

#### **- WMR Shares**

Upon transfer of ownership of the concessions comprising the Projects to WMR or its subsidiary WMR shall issue to Latin as part of the consideration for the Projects a total of 19,000,000 fully paid ordinary shares in the capital of WMR (“Purchase Shares”).

The Purchase Shares will be placed into voluntary escrow and held until the concessions comprising the Projects have been effectively transferred by Latin to **WMR** or its subsidiary. The Purchase Shares shall be released from escrow on the following milestones:

- 1,000,000 shares on the 6 month anniversary of the signing of the Sale Agreement;
- 3,000,000 shares on the 12 month anniversary of the signing of the Sale Agreement; and
- 15,000,000 shares on the 18 month anniversary of the signing of the Sale Agreement.

Based on the closing share price of WMR of CAD\$0.345 as at 5 September 2017 the sale transaction has a total value of more than AUD\$6.8 million comprising AUD\$6.5 million in shares and USD\$250k in cash.



On completion of issue of share, Latin Resources will be the largest shareholder of WMR holding approximately 40% of its issued capital. Latin will also be entitled to appoint a director to the Board of WMR.

Westminster being well capitalised to commence work on the Projects and is likely to progress the Projects quickly to take advantage of the copper price recently hitting 4 year highs.

The objective of the sale is to secure material tangible value for Latin's shareholders which are no longer a strategic priority of Latin and are surplus to its requirements and will also save the Company approx. UD\$140,000 in annual concession costs.

The parties are progressing through due diligence, finalising a formal Agreement and obtaining the necessary regulatory and shareholder approvals.

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

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### ***Proposed Next Steps***

The Company will continue to maintain close contact with the mining department of San Luis to expedite the issuance of our exploration licenses and EIR's. Whilst this is ongoing our field team will complete high level reconnaissance work of free areas in San Luis and apply for new exploration licenses over prospective areas.

In Catamarca, geological mapping and sampling will be undertaken at Lomo Pelada and la Herrumbra to generate drill targets and the EIR for these prospects and Ipizca I will be finalised/completed.

The spring weather in Salta will also allow the company to complete due diligence on the Tres Teta's property, the final part of the Ansotana project to be visited by the technical team before an investment decision is reached.

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### ***Research Reports***

A detailed Research Report was published by RCR on 11 October 2017. The Report can be found at:  
<http://latinresources.com.au/Research> .

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### ***Corporate***

On 26 July 2017, the Company completed a placement to professional and sophisticated investors of 250,000,000 shares at an issue price of \$0.004 to raise \$1,000,000 (before costs). In addition, the Company issued 125,000,000 free attaching listed options on a 1 for 2 basis, and exercisable at \$0.01 on or before 12 October 2019 (Placement Options). A further 125,000,000 listed options with the same terms and conditions were issued to the brokers to the placement for capital raising services provided (Broker Options). Funds raised from the Placement were used to fund exploration work on the lithium targets identified in Argentina, to maintain the Peruvian mineral properties in good standing and for working capital.

The Placement and Broker options were issued on 12 October 2017 following shareholder approval at a General Meeting held on 4 October 2017.

### ***Events subsequent to quarter end***

A General Meeting of shareholders was held on 4 October 2017 with all resolutions passed on show of hands.

On 12 October 2017 the Company completed a placement to professional and sophisticated investors of 428,571,457 shares at an issue price of \$0.0035 to raise \$1,500,000 (before costs). The Company will issue 214,285,728 free attaching listed options on a 1 for 2 basis and exercisable at \$0.01 on or before 12 October 2019. In addition, 214,285,728 listed options with the same terms and conditions will be issued to the brokers to the placement subject to shareholder approval. Funds raised from the Placement will be used to fund exploration work on the lithium targets identified in Argentina, to maintain the Peruvian mineral properties in good standing and for working capital. The General Meeting to seek shareholder approval for the issue of the options associated with the October 2017 Placement will be held as soon as practicable.

<b>About Latin Resources</b>	<b>Corporate Summary</b>
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.	<b>ASX:</b> <b>LRS</b>
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.	<b>Shares Issued:</b> <b>2,497.4 M</b>
	<b>Options Issued:</b> <b>284.1 M</b>
	<b>Rights Issued:</b> <b>65.0 M</b>

### ***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")**

September 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(593)	(2,185)
(b) development	-	-
(c) production	-	-
(d) staff costs	(165)	(455)
(e) administration and corporate costs	(176)	(707)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	4
1.5 Interest and other costs of finance paid	(10)	(52)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(941)</b>	<b>(3,395)</b>

<b>2. Cash flows from investing activities</b>		
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 (9 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	20	(0)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	<b>Net cash from / (used in) investing activities</b>	<b>20</b>	<b>(0)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	1,002	2,070
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	(79)	(143)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(50)	(108)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	<b>Net cash from / (used in) financing activities</b>	<b>873</b>	<b>2,009</b>

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>	(48)	(1,296)
4.1	Cash and cash equivalents at beginning of period	85	1,339
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(941)	(3,395)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	20	(0)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	873	2,009
4.5	Effect of movement in exchange rates on cash held	(3)	(9)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>34</b>	<b>34</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	34	85
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>34</b>	<b>85</b>

**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
(108)
20

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 was repaid in full during the September Quarter.

**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
400	400
-	-
-	-

- 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

<b>9.</b>	<b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1	Exploration and evaluation	575
9.2	Development	-
9.3	Production	-
9.4	Staff costs	105
9.5	Administration and corporate costs	200
9.6	Other (provide details if material)	-
<b>9.7</b>	<b>Total estimated cash outflows</b>	<b>880</b>

<b>10.</b>	<b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
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: 31 October 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.