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# QUARTERLY ACTIVITIES REPORT
# for the period ending 30 June 2018

## Highlights

## Operations

***Catamarca - Argentina***

- MDA's have been issued
- Initial Catamarca Mapping, Rock Chip Analysis and Prospectivity Analysis identifies targets

***San Luis - Argentina***

- Director of Mines and Mining Secretary appointed increasing optimism on permit resolution

***La Rioja - Argentina***

- Three exploration concessions totalling over 22,000 hectares approved
- Rock chip results from mapping received

***Ilo Copper Project - Peru***

- Westminster has completed incorporation in Peru and transfer of licenses from PLRS commenced

**Technology - UnCuyo University**

- Pilot plant completed

***Corporate***

- Annual General Meeting held on 28 May 2018 with all resolutions passed on show of hands
- Following shareholders' approval at the AGM, the Company issued 100,000,000 restricted limited recourse loan funded shares to Directors
- On 19 June 2018 the Company executed a Convertible Security Funding Agreement to provide total funding of up to $6 million. The agreement includes an optional equity earn-in to Latin's Argentinean lithium projects with Lind Asset Management XII, LLC.

**OPERATIONS**

**Lithium and Cobalt Projects, Argentina**

The Company's total landholding within Argentina's hard rock lithium concessions is now approximately 222,000 hectares within the Catamarca and San Luis provinces.

Additionally, the Company holds over 28,000 hectares in three concessions prospective for cobalt and other minerals within the La Rioja province in Argentina's North West.

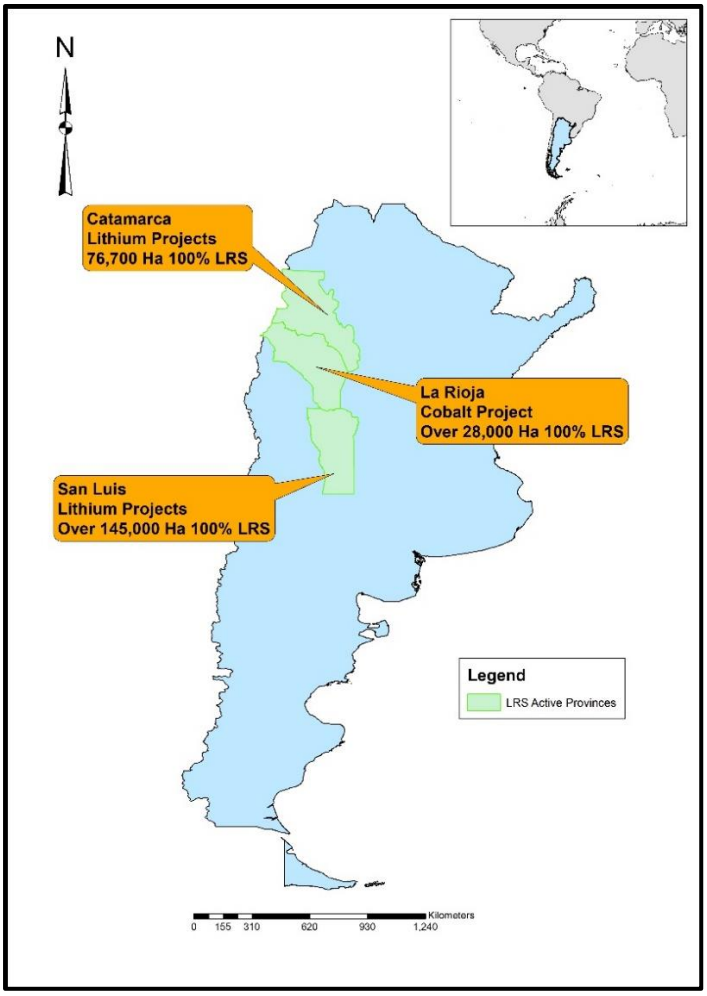


*Figure 1 Location map of Latin Resources lithium and cobalt projects in Argentina*

## *San Luis Lithium Project, Argentina*

**Exploration Concession Applications and Maria del Huerto EIR**

A new Director of Mines and Mining Secretary have been appointed in San Luis. The company has been engaging closely with them and is optimistic a resolution to the current permitting issues will be resolved over the coming quarter.

## *Catamarca Lithium Project, Argentina*

**MDA's Issued on the 5th June**

The company has had its 14 MDA applications granted. The MD's now allow the mining licenses to be granted after 100 days once certain work has been completed including bulk sampling and proving the presence of mineralisation. The areas converted cover existing mining areas and future zones which will be the focus of geological mapping and drilling over the coming months.

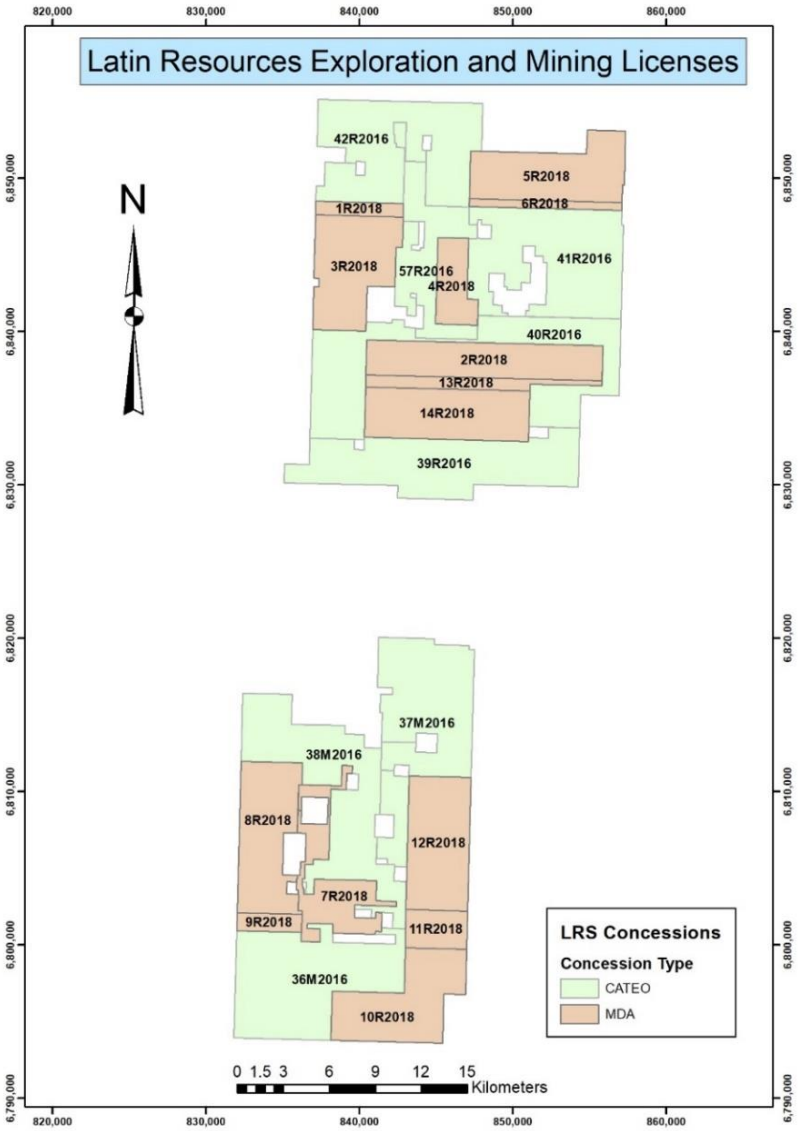


*Figure 2. LRS Current Granted Mining and Exploration Licenses*

| Concession Number | Consession Type | X Centroid | Y Centroid | Hectares |
|---|---|---|---|---|
| 36M2016 | CATEO | 3,545,711 | 6,805,294 | 6,012 |
| 37M2016 | CATEO | 3,549,976 | 6,818,211 | 6,012 |
| 38M2016 | CATEO | 3,546,236 | 6,812,805 | 6,012 |
| 39R2016 | CATEO | 3,550,737 | 6,837,435 | 6,012 |
| 40R2016 | CATEO | 3,552,569 | 6,843,998 | 6,013 |
| 41R2016 | CATEO | 3,556,436 | 6,849,827 | 6,013 |
| 42R2016 | CATEO | 3,547,993 | 6,857,128 | 6,012 |
| 57R2016 | CATEO | 3,550,135 | 6,851,638 | 3,055 |
| | | | ***Cateo Total*** | ***45,140*** |
| 2R2018 | MDA | 3,553,027 | 6,844,078 | 3,507 |
| 1R2018 | MDA | 3,546,746 | 6,853,582 | 501 |
| 3R2018 | MDA | 3,546,041 | 6,849,539 | 3,507 |
| 4R2018 | MDA | 3,552,957 | 6,849,037 | 1,253 |
| 5R2018 | MDA | 3,559,440 | 6,856,680 | 3,508 |
| 6R2018 | MDA | 3,559,284 | 6,854,156 | 501 |
| 7R2018 | MDA | 3,544,990 | 6,810,550 | 2,412 |
| 8R2018 | MDA | 3,542,497 | 6,811,369 | 3,507 |
| 9R2018 | MDA | 3,541,057 | 6,807,003 | 501 |
| 10R2018 | MDA | 3,551,236 | 6,802,460 | 3,507 |
| 11R2018 | MDA | 3,551,962 | 6,806,956 | 1,002 |
| 12R2018 | MDA | 3,551,958 | 6,813,179 | 3,507 |
| 13R2018 | MDA | 3,556,519 | 6,842,394 | 1,002 |
| 14R2018 | MDA | 3,553,282 | 6,839,954 | 3,507 |
| | | | ***MDA Total*** | ***31,723*** |
| | | | **Grand Total** | **76,864** |

*Table 1. LRS Catamarca Mining and Exploration Concessions*

**Catamarca Mapping, Rock Chip Analysis and Prospectivity**

In mid-May the LRS geological team began the systematic mapping of the Catamarca concessions that had not been previously covered as part of the work undertaken in evaluating the identified historical lithium mines in the district prior to drilling in 2017. The area to be mapped is greater than 90% of the total concession area and is highly prospective for lithium bearing pegmatites of considerable size given the knowledge gained from the previous work and remote sensing evaluation, where, what appear to be large pegmatites or swarms of pegmatite bodies have been identified by examining high resolution satellite imagery.

Except where there has been previous mining it is only the external zones of the potentially lithium bearing pegmatites that are exposed to geologists for mapping. As these outer/external zones do not contain lithium bearing minerals (Fig 3), it is necessary to use methods other than simply analysing the lithium content of the pegmatites to identify if it has the potential to bear lithium. The main way of identifying whether or not a pegmatite or swarm of pegmatites is prospective for lithium mineralisation (and/or Ta/Nb/Sn bearing) is to estimate the fractionation levels of the pegmatites.

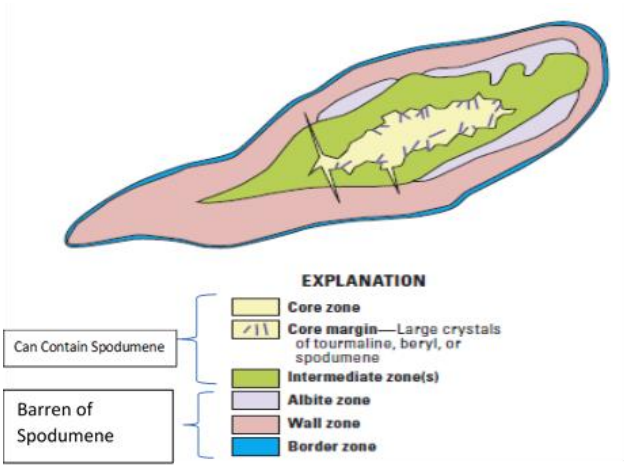


*Figure 3. Pegmatite Zoning* (Černˊy, 1982)

Fractionation is the process of pegmatite evolution, where, as the pegmatite is intruded into the country rock and moves away from the parent granite the more compatible elements crystallise out first, progressively leaving the lessor compatible elements within the melt to crystallise last. The progressive change in the melts composition is termed *fractionation*. The least compatible elements within lithium / cesium / tantalum (LCT) pegmatites are the rare metals lithium, tantalum, niobium and tin and these are the last to crystallise out into their various mineral species. Therefore, the most prospective pegmatites for lithium are highly fractionated.

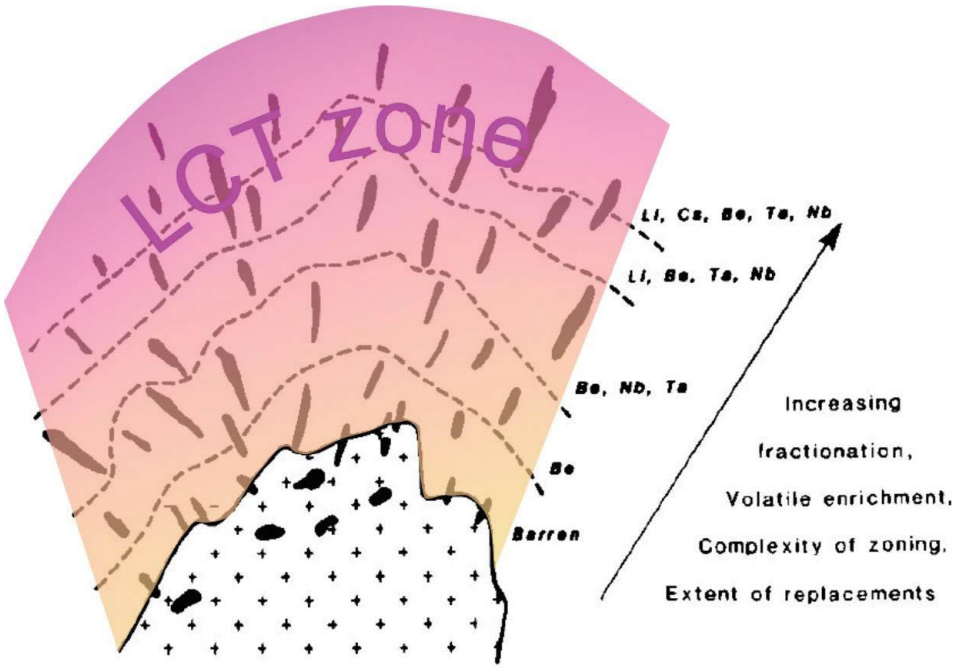


*Figure 4. Fractionation Trend (Cerny, 1991)*

Various literature has addressed the relationships between geochemical markers such as potassium/rubidium (K/Rb) ratios to infer fractionation. As a general rule, when the K/Rb ratio is below 50 we are dealing with highly fractionated pegmatites. There are many other possible geochemical markers that may indicate the pegmatite fractionation trend including the potassium/cesium (K/Cs) and the niobium/tantalum (Nb/Ta) ratios.

To apply and use these methods to assist in our exploration it is necesary to evaluate which geochemical markers may be helpful in assisting with our pegmatite ranking and targeting. To do this we have analysed our geochemical database which contains the laboratory analysis of all of our rock chips and drill hole samples to identify geochemical trends in our data where lithium mineralisation has been identified. The geochemical database was restricted to samples that contained meaningful amounts of lithium (>0.1%). The ranges of the fractionation geochemical markers K/Rb, K/Cs and Nb/Ta in samples that contained lithium were then calculated (Table 1).

| Item | Li2O % | K/Rb | K/Cs | Nb/Ta |
|---|---|---|---|---|
| **Min** | 0.10 | 9.1 | 22.4 | 0.05 |
| **Max** | 5.38 | 272.7 | 851.4 | 3.3 |
| **Avg** | 2.21 | 48.0 | 218.7 | 1.2 |

*Table 2. LRS Geochemical Database Fractionation Trend Ranges*

These ranges were then applied to the rock chip results from samples taken during a recent mapping campaign in Catamarca. Where the results matched the prospective range for each of the fractionation geochemical markers (K/Rb, K/Cs and Nb/Ta), the sample scored 1. If the sample was not in the prospective range it scored 0. The prospectivity Index is then calculated by summing the score for each sample. Each sample can therefore have a prospectivity index of between 0 and 3 or non-prospective to highly prospective, depending on how many of the three geochemical markers fell into the prospective ranges for that sample. This prospectivity Index (PI) will then be used to rank the targets for future possible drilling to test for lithium content.

| Prospectivity Index | Definition |
|---|---|
| 0 | Not Prospective |
| 1 | Weakly Prospective |
| 2 | Moderately Prospective |
| 3 | Highly Prospective |

*Table 3. LRS Prospectivity Index*

***It is very important to note that a high prospectivity index is not a guarantee of economic lithium content. This is a tool to assist in the prioritisation of pegmatites for exploration drilling which is the only definitive method of testing for lithium content. It is also important to note that although based on sound scientific theory, the prospectivity index has yet to be tested in the field through drilling***.

| | | | | | | | Elemental Concentrations | | | | | | | | | Fractionation Ratios | | | Prospectivity Index | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sample Id | Target / Zone | Easting | Northing | Elevation | Lithology | Minerals | Be ppm | Cs ppm | K % | Nb ppm | Rb ppm | Sn ppm | Sr ppm | Ta ppm | Li2O % | K/Rb | K/Cs | Nb/Ta | K/Rb | K/Cs | Nb / Ta | Total PI |
| IP000301 | Ipizca | 250,459 | 6,808,248 | 968 | Pegmatite | Qz, Plag, musc, tour, beryl, garnet | 4.8 | 14.3 | 5.24 | 3.8 | 301 | <3 | <20 | 1.12 | 0.00 | 30 | 3,664 | 3.39 | 1 | 0 | 0 | 1 |
| IP000302 | Ipizca | 250,629 | 6,808,024 | 1,021 | Pegmatite | Qz, Plag, musc, tour, beryl, garnet | 21.5 | 14 | 2.54 | 12.2 | 263 | <3 | <20 | 2.31 | 0.01 | 97 | 1,814 | 5.28 | 1 | 0 | 0 | 1 |
| IP000303 | Ipizca | 250,588 | 6,810,983 | 1,006 | Pegmatite | Qz, K-Feld, Plag, musc, tour | 16.5 | 24.7 | 1.09 | 17.5 | 244 | 4 | 100 | 3.46 | 0.00 | 31 | 441 | 5.06 | 1 | 1 | 0 | 2 |
| IP000304 | Ipizca | 250,584 | 6,810,956 | 1,003 | Pegmatite | Qz, K-Feld, Plag, musc, tour | 32.8 | 10.7 | 0.43 | 8.9 | 72.9 | <3 | <20 | 5.82 | 0.00 | 59 | 402 | 1.53 | 1 | 1 | 1 | 3 |
| IP000305 | Ipizca | 250,570 | 6,811,063 | 1,025 | Pegmatite | Qz, K-Feld, Plag, musc, tour | 9 | 72.1 | 8.12 | 11.2 | 969 | <3 | 320 | 2.13 | 0.01 | 32 | 1,126 | 5.26 | 1 | 0 | 0 | 1 |
| IP000306 | Ipizca | 250,551 | 6,811,172 | 1,027 | Pegmatite | Qz, K-Feld, Plag, musc, tour | 61.6 | 29.2 | 3.12 | 14.9 | 403 | <3 | <20 | 2.6 | 0.00 | 77 | 1,068 | 5.73 | 1 | 0 | 0 | 1 |
| IP000307 | Ipizca | 250,600 | 6,811,146 | 1,018 | Pegmatite | Qz, K-Feld, Plag, musc, tour | 114 | 15.1 | 0.77 | 5.6 | 88.4 | <3 | <20 | 1.87 | 0.01 | 33 | 510 | 2.99 | 1 | 1 | 1 | 3 |
| IP000308 | Ipizca | 250,601 | 6,811,140 | 1,016 | Pegmatite | Qz, K-Feld, Plag, Ox spod (?) | 6.2 | 20.6 | 2.98 | 12.8 | 288 | <3 | <20 | 2.19 | 0.01 | 103 | 1,447 | 5.84 | 1 | 0 | 0 | 1 |
| IP000310 | Ipizca | 250,608 | 6,811,143 | 1,015 | Pegmatite | Qz, K-Feld, Plag, Ox spod (?) | 7.9 | 16.3 | 0.93 | 18.3 | 167 | 3 | <20 | 2.71 | 0.01 | 56 | 571 | 6.75 | 1 | 1 | 0 | 2 |
| IP000311 | Ipizca | 249,220 | 6,811,031 | 1,102 | Pegmatite | Qz, K-Feld, Plag, musc, tour | 3.7 | 4.8 | 4.25 | 4.2 | 121 | <3 | 60 | 0.39 | 0.01 | 35 | 8,854 | 10.77 | 1 | 0 | 0 | 1 |
| IP000312 | Ipizca | 249,136 | 6,811,023 | 1,116 | Pegmatite | Qz, K-Feld, Plag, musc, tour | 2.2 | 4.7 | 5.7 | 3.8 | 190 | <3 | 30 | 0.34 | 0.01 | 301 | 12,128 | 11.18 | 0 | 0 | 0 | 0 |
| IP000313 | Ipizca | 250,507 | 6,806,969 | 1,033 | Pegmatite | Qz, K-Feld, Plag, musc, tour | 6.7 | 45.1 | 3.54 | 5.4 | 311 | 4 | <20 | 0.69 | 0.01 | 36 | 785 | 7.83 | 1 | 1 | 0 | 2 |
| IP000314 | Ipizca | 250,941 | 6,802,079 | 1,194 | Pegmatite | Qz, K-Feld, Plag, musc, tour | 5.5 | 7.1 | 1.77 | 10.8 | 131 | 4 | <20 | 1.6 | 0.00 | 136 | 2,493 | 6.75 | 1 | 0 | 0 | 1 |
| IP000315 | Ipizca | 248,456 | 6,798,786 | 1,298 | Pegmatite | Qz, K-Feld, Plag, musc, tour | 2.8 | 4.2 | 4.92 | 3.8 | 115 | <3 | 120 | 0.26 | 0.00 | 37 | 11,714 | 14.62 | 1 | 0 | 0 | 1 |
| IP000316 | TG4 | 251,041 | 6,797,985 | 1,181 | Pegmatite | Qz, K-Feld, Plag, musc, tour | 2.1 | 4.1 | 5.67 | 3.6 | 149 | 4 | 80 | 0.22 | 0.00 | 381 | 13,829 | 16.36 | 0 | 0 | 0 | 0 |
| IP000317 | TG4 | 251,143 | 6,797,869 | 1,190 | Pegmatite | Qz, K-Feld, Plag, musc, tour | 2.1 | 5.9 | 5.36 | 5.4 | 176 | 5 | 40 | 0.57 | 0.01 | 38 | 9,085 | 9.47 | 1 | 0 | 0 | 1 |
| IP000318 | TG4 | 251,130 | 6,798,065 | 1,198 | Pegmatite | Qz, K-Feld, Plag, musc, tour | 4.1 | 5 | 3.82 | 7.5 | 146 | 5 | 30 | 0.63 | 0.01 | 262 | 7,640 | 11.90 | 1 | 0 | 0 | 1 |
| IP000319 | Ipizca | 250,766 | 6,814,715 | 1,104 | Pegmatite | Qz, K-Feld, Plag, musc, tour | 3.6 | 16.3 | 6.62 | 2.3 | 368 | <3 | 20 | 0.4 | 0.01 | 39 | 4,061 | 5.75 | 1 | 0 | 0 | 1 |
| IP000320 | Ipizca | 250,639 | 6,814,693 | 1,087 | Pegmatite | Qz, K-Feld, Plag, musc, tour, beryl | 51.6 | 7 | 3.63 | 5.7 | 207 | 3 | <20 | 0.91 | 0.01 | 175 | 5,186 | 6.26 | 1 | 0 | 0 | 1 |
| IP000321 | Ipizca | 250,612 | 6,814,874 | 1,098 | Pegmatite | Qz, K-Feld, Plag, musc, tour | 7.1 | 10.1 | 3.14 | 3.6 | 172 | <3 | <20 | 1.07 | 0.01 | 40 | 3,109 | 3.36 | 1 | 0 | 0 | 1 |
| IP000322 | Ipizca | 250,332 | 6,814,854 | 1,102 | Pegmatite | Qz, K-Feld, Plag, musc, tour | 5.2 | 8.9 | 4.72 | 9.2 | 222 | <3 | <20 | 4.14 | 0.01 | 213 | 5,303 | 2.22 | 1 | 0 | 1 | 2 |
| IP000323 | Vilisman | 250,182 | 6,814,655 | 1,136 | Pegmatite | Qz, K-Feld, Plag, musc, tour | 4.9 | 4.2 | 1.76 | 2.2 | 83.8 | <3 | <20 | 0.74 | 0.01 | 41 | 4,190 | 2.97 | 1 | 0 | 1 | 2 |
| VI000324 | La Joyita | 256,176 | 6,850,528 | 1,314 | Pegmatite | Qz, Plag, spod | 186 | 80.6 | 0.51 | 33.7 | 220 | <3 | <20 | 75.1 | 4.07 | 23 | 63 | 0.45 | 1 | 1 | 1 | 3 |
| VI000325 | La Joyita | 256,172 | 6,850,511 | 1,316 | Pegmatite | Qz, Plag, spod | 37.8 | 69.5 | 0.89 | 60.2 | 363 | <3 | <20 | 72.7 | 2.99 | 42 | 128 | 0.83 | 1 | 1 | 1 | 3 |
| VI000326 | Vilisman | 249,745 | 6,853,719 | 2,024 | Pegmatite | Qz, K-Feld, Plag, musc, tour, beryl, Ox spod (?) | 5.1 | 5 | 1.79 | 3.1 | 55.1 | 3 | 120 | 0.49 | 0.01 | 325 | 3,580 | 6.33 | 0 | 0 | 0 | 0 |
| VI000327 | Vilisman | 249,872 | 6,853,729 | 2,033 | Pegmatite | Qz, K-Feld, Plag, musc, tour, beryl, Ox spod (?) | 3.3 | 7.2 | 2.54 | 6.2 | 100 | <3 | 70 | 0.65 | 0.01 | 43 | 3,528 | 9.54 | 1 | 0 | 0 | 1 |
| VI000328 | Vilisman | 249,866 | 6,853,710 | 2,033 | Pegmatite | Qz, K-Feld, Plag, musc, tour, beryl, Ox spod (?) | 8.5 | 2.7 | 0.68 | 1.8 | 18.8 | <3 | 40 | 0.19 | 0.01 | 362 | 2,519 | 9.47 | 0 | 0 | 0 | 0 |
| VI000330 | Vilisman | 251,376 | 6,852,764 | 1,900 | Pegmatite | Qz, K-Feld, Plag, musc, tour | 16.1 | 18.1 | 4.58 | 3.5 | 262 | <3 | 20 | 0.59 | 0.01 | 175 | 2,530 | 5.93 | 1 | 0 | 0 | 1 |
| VI000332 | Vilisman | 251,304 | 6,853,043 | 1,934 | Pegmatite | Qz, K-Feld, Plag, musc, tour | 2.4 | 15.7 | 5.78 | 5.8 | 322 | <3 | <20 | 0.71 | 0.00 | 180 | 3,682 | 8.17 | 1 | 0 | 0 | 1 |
| VI000333 | Vilisman | 251,296 | 6,853,203 | 1,911 | Pegmatite | Qz, K-Feld, Plag, musc, tour | 7 | 20.7 | 5.02 | 7.6 | 313 | <3 | <20 | 1.15 | 0.00 | 46 | 2,425 | 6.61 | 1 | 0 | 0 | 1 |
| VI000334 | CEA | 255,331 | 6,845,208 | 1,311 | Pegmatite | Qz, K-Feld, Plag, musc, tour, beryl, spod | 119 | 32.7 | 0.64 | 44.1 | 276 | <3 | <20 | 99.8 | 2.94 | 23 | 196 | 0.44 | 1 | 1 | 1 | 3 |
| VI000335 | Vilisman | 251,749 | 6,845,926 | 1,555 | Pegmatite | Qz, Plag, musc, tour, beryl, garnet | 46.5 | 11.4 | 4.7 | 7.6 | 253 | <3 | <20 | 1.43 | 0.01 | 47 | 4,123 | 5.31 | 1 | 0 | 0 | 1 |
| VI000336 | Vilisman | 251,432 | 6,845,452 | 1,587 | Pegmatite | Qz, Plag, musc, tour, beryl, garnet | 2.7 | 16.4 | 5.91 | 7.3 | 232 | <3 | 30 | 1.05 | 0.02 | 255 | 3,604 | 6.95 | 1 | 0 | 0 | 1 |
| VI000337 | Vilisman | 251,299 | 6,845,293 | 1,569 | Pegmatite | Qz, Plag, musc, tour, beryl, garnet | 3.4 | 6.5 | 2.77 | 3.7 | 98.6 | <3 | 40 | 0.52 | 0.00 | 48 | 4,262 | 7.12 | 1 | 0 | 0 | 1 |

*Table 4. Recent Catamarca rock chip sample results with Prospective Index (PI) calculated*

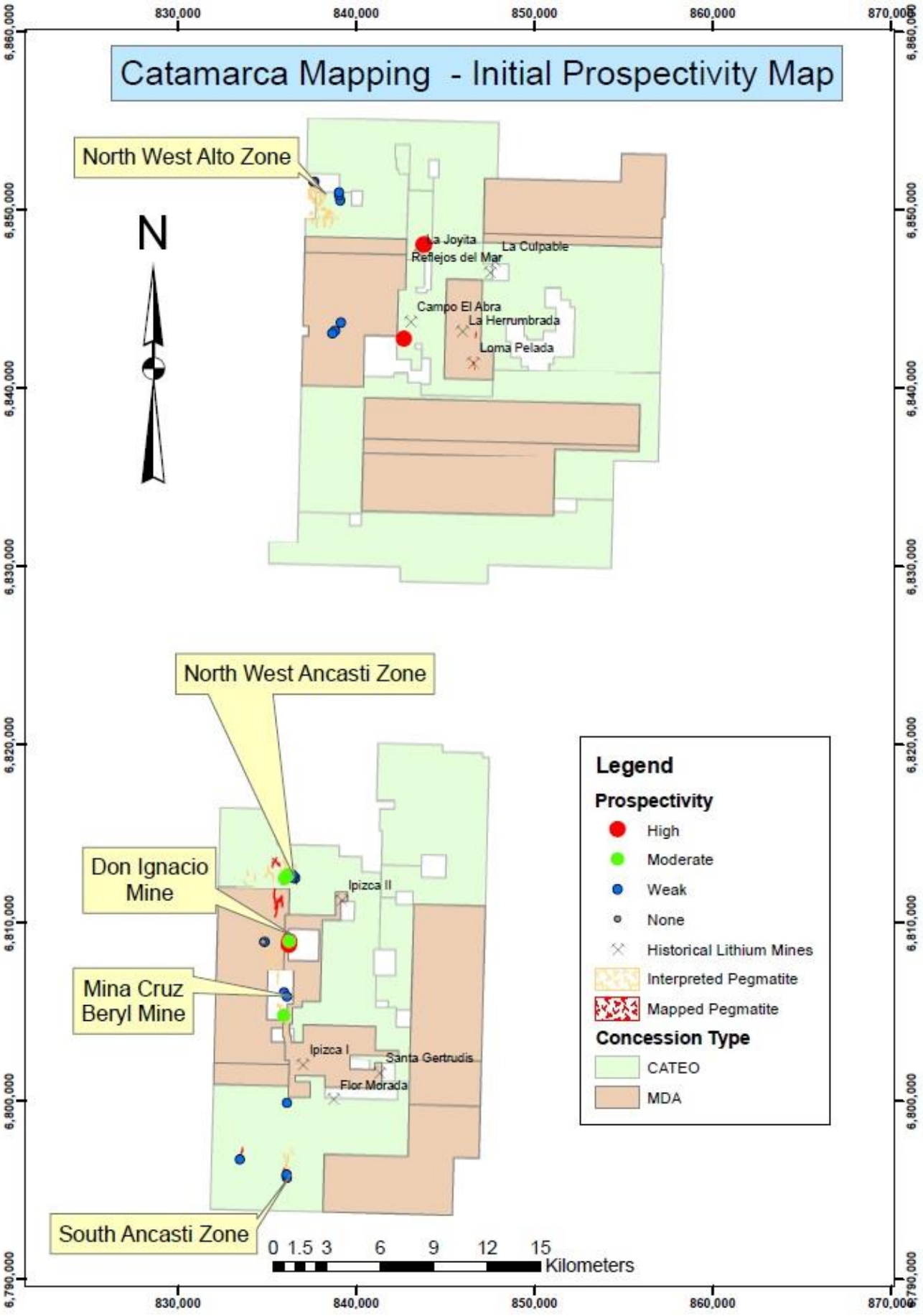


*Figure 6. Interim Prospectivity Map*

The prospectivity analysis has identified several pegmatites which show sufficient prospectivity to warrant scout drilling to test for lithium content with their internal/core zones. This analysis will progress with the collection of samples from the continued geological mapping and sampling planned for the next quarter.

**Airborne Geophysical Survey**

The company has decided to suspend the previously planned aeromagnetic and radiometric survey. The reasons for this are; it is now thought prudent to spend those allocated funds on drilling once permitting is completed in either San Luis or Catamarca; that the amount of time savings the airborne methods affords the cost is not commensurate with the benefits given it is necessary to ground map and geochemically sample the pegmatites anyway.

## *La Rioja Cobalt Project, Argentina*

**Concession Application Approvals**

In Mid-May, the company received notification that the three exploration concession applications submitted in 2017 had been approved and that its cobalt exploration licenses had been issued. This allows LRS to commence detailed exploration including trenching, geophysics and drill targeting.

The three exploration licenses cover an area of 22,563 hectares of exploration ground that completely surrounds the historical King Tut high grade cobalt-gold mine.

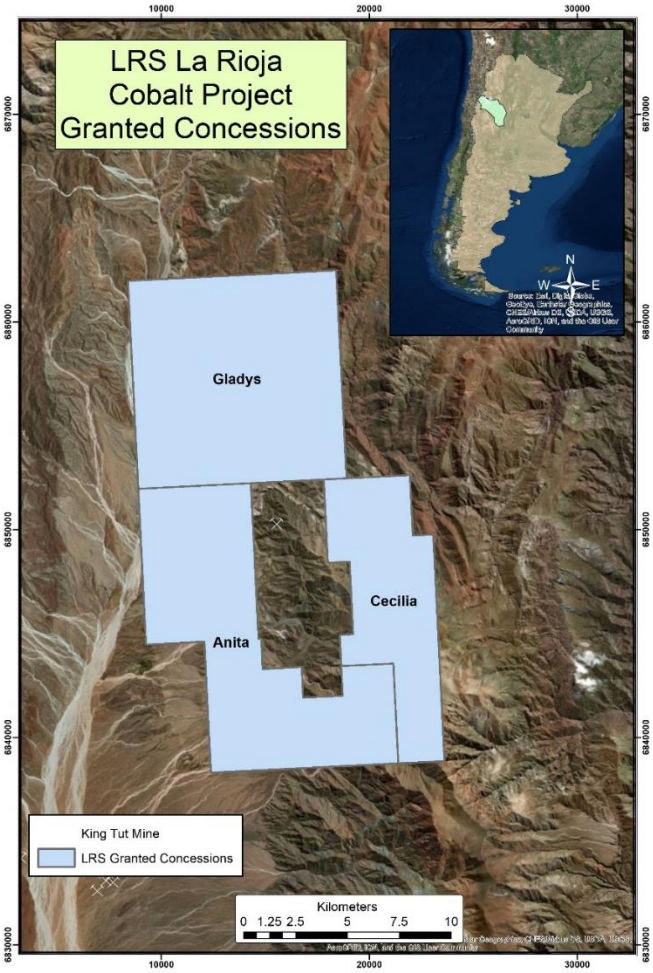


*Figure 7. LRS La Rioja Granted Concessions*

| LICENSE NUMBER | TENEMENT NAME | LRS OWNERSHIP | STATUS | AREA (Hectares) |
|---|---|---|---|---|
| 04-F-2017 | CECILIA | 100% | GRANTED | 4,062 |
| 05-F-2017 | ANITA | 100% | GRANTED | 8,513 |
| 03-F-2017 | GLADYS | 100% | GRANTED | 9,988 |
| | | | TOTAL | 22,563 |

*Table 5. List and Area of Granted Cobalt Exploration Concessions in La Rioja*

**La Rioja Mapping and Rock Chip Analysis**

In late April to early May the LRS geological team spent two weeks exploring the company's concessions to the east and north east of the King Tut mine. On the Cecilia concession the team discovered a broad zone of polymetallic veins which had been the subject of rudimentary underground mining possibly operational at a similar time to King Tut.

The multiple veins cover were encountered over a broad area of approximately 3.2 x 2.2 kilometres. Veins measured up to 4m in thickness and can be traced up to 800m in strike. The main minerals contained within the quartz host are galena, sphalerite and minor copper oxide within heavily iron oxide staining

In total 28 rock chip samples were taken from LRS concessions and sent to ALS in Mendoza for preparation with analysis completed in Vancouver.

| Sample_Id | Target | Easting | Northing | Elevation | Au ppm | Ag ppm | Co ppm | Cu ppm | Pb% | Zn% |
|---|---|---|---|---|---|---|---|---|---|---|
| KT000255 | Cecilia | 606,472 | 6,858,815 | 2858 m | 0.1 | 1045 | <10 | 80 | 75.02 | 0.003 |
| KT000256 | Cecilia | 606,472 | 6,858,816 | 2858 m | 0.03 | 92 | <10 | 70 | 10.3 | 0.11 |
| KT000257 | Cecilia | 606,473 | 6,858,803 | 2872 m | 0.01 | 3 | <10 | 40 | 0.205 | 0.061 |
| KT000258 | Cecilia | 606,474 | 6,858,800 | 2872 m | 0.02 | 66 | <10 | 40 | 9.23 | 0.029 |
| KT000259 | Cecilia | 606,454 | 6,858,782 | 2882 m | 0.07 | 284 | <10 | 180 | 31.33 | 0.178 |
| KT000260 | Cecilia | 606,455 | 6,858,776 | 2887 m | 0.06 | 347 | <10 | 100 | 35.44 | 0.192 |
| KT000261 | Cecilia | 606,418 | 6,858,694 | 2936 m | <0.01 | 4 | <10 | 10 | 0.375 | 0.152 |
| KT000262 | Cecilia | 606,415 | 6,858,699 | 2934 m | 0.01 | 35 | <10 | 30 | 3.09 | 0.172 |
| KT000263 | Cecilia | 606,382 | 6,858,632 | 2968 m | <0.01 | <1 | <10 | 10 | 0.034 | 0.025 |
| KT000264 | Cecilia | 606,466 | 6,858,523 | 3036 m | <0.01 | <1 | <10 | 20 | 0.005 | 0.003 |
| KT000265 | Cecilia | 607,533 | 6,856,523 | 3333 m | <0.01 | <1 | 20 | 30 | 0.013 | 0.015 |
| KT000266 | Cecilia | 607,465 | 6,856,557 | 3316 m | 0.01 | <1 | 10 | 10 | 0.019 | 0.006 |
| KT000267 | Cecilia | 607,157 | 6,856,824 | 3195 m | 0.01 | 2 | <10 | 10 | 0.009 | 0.002 |
| KT000269 | Cecilia | 607,605 | 6,859,505 | 3016 m | <0.01 | <1 | <10 | 10 | 0.006 | <0.002 |
| KT000270 | Cecilia | 607,551 | 6,859,629 | 2939 m | <0.01 | <1 | 10 | 10 | 0.004 | 0.003 |
| KT000271 | Cecilia | 608,321 | 6,858,012 | 3233 m | <0.01 | <1 | 10 | 10 | 0.003 | 0.003 |
| KT000272 | Cecilia | 607,669 | 6,858,234 | 3014 m | <0.01 | <1 | <10 | 20 | 0.006 | 0.003 |
| KT000273 | Cecilia | 606,583 | 6,858,800 | 2913 m | <0.01 | <1 | <10 | 10 | 0.003 | 0.002 |
| KT000274 | Cecilia | 606,650 | 6,858,662 | 2975 m | <0.01 | <1 | <10 | 10 | 0.004 | 0.002 |
| KT000275 | Cecilia | 606,685 | 6,858,596 | 2982 m | <0.01 | <1 | <10 | <10 | 0.006 | 0.003 |
| KT000276 | Cecilia | 606,711 | 6,858,554 | 2960 m | <0.01 | <1 | <10 | <10 | 0.018 | 0.003 |
| KT000277 | Cecilia | 606,705 | 6,858,366 | 3035 m | <0.01 | <1 | <10 | 20 | 0.006 | 0.005 |
| KT000278 | Cecilia | 606,463 | 6,858,430 | 3049 m | <0.01 | <1 | <10 | 20 | 0.006 | 0.002 |
| KT000279 | Cecilia | 606,379 | 6,858,665 | 2938 m | 0.01 | 1 | 10 | 70 | 0.115 | 0.269 |
| KT000280 | Cecilia | 606,388 | 6,858,690 | 2941 m | <0.01 | 4 | <10 | 30 | 0.333 | 0.142 |
| KT000281 | Cecilia | 606,395 | 6,858,693 | 2933 m | <0.01 | <1 | <10 | 10 | 0.01 | 0.041 |
| KT000282 | Cecilia | 606,524 | 6,858,878 | 2853 m | <0.01 | <1 | <10 | 10 | 0.003 | 0.003 |
| KT000283 | Cecilia | 581,607 | 6,857,996 | 3466 m | <0.01 | <1 | 40 | 40 | 0.016 | 0.015 |

**Table 6. Cecilia concession, La Rioja, rock chip geochemical results**

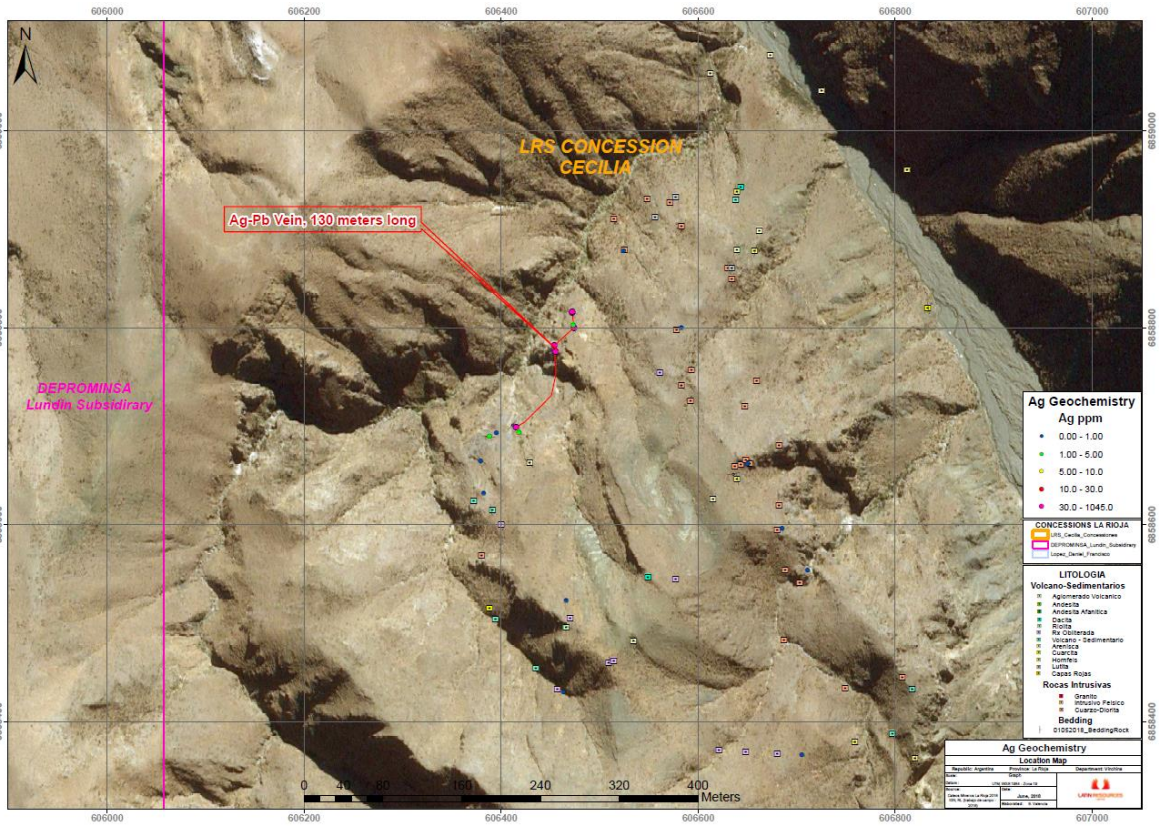


*Figure 8. Cecilia Concession Rock Chips – Silver*

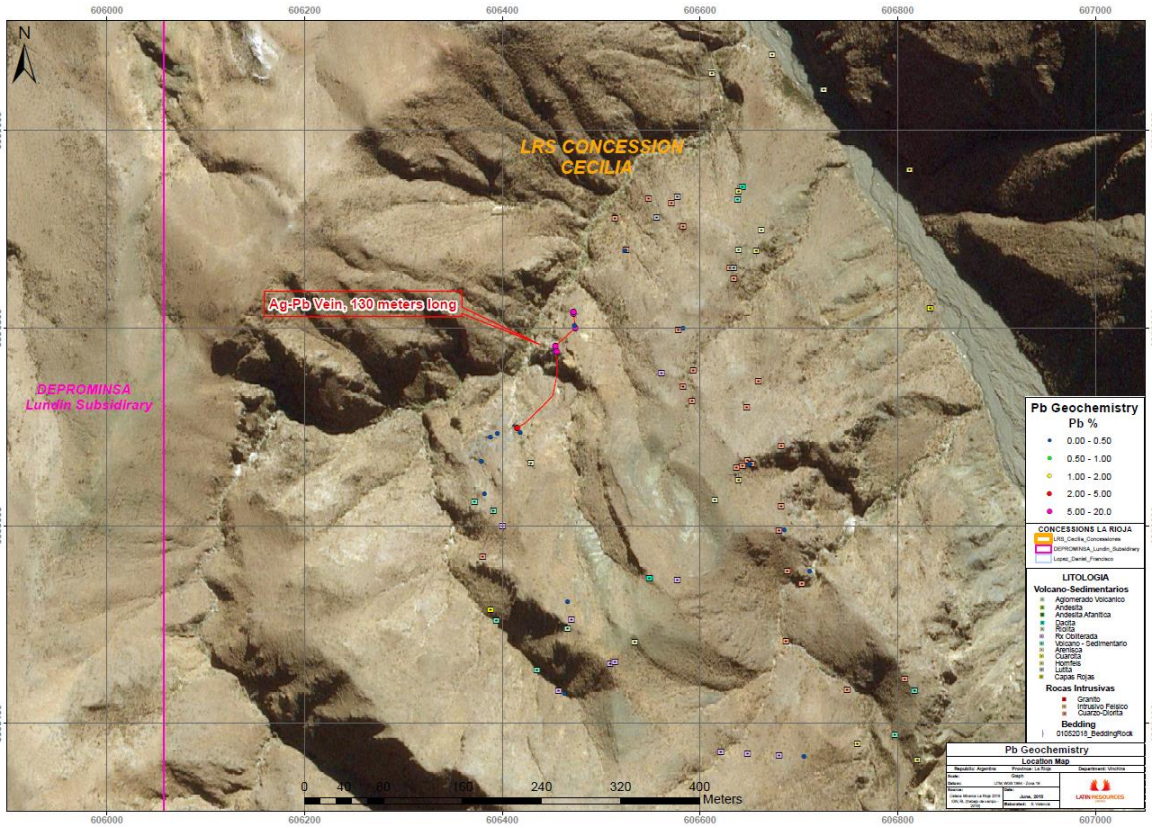


*Figure 9. Cecilia Concession Rock Chips – Lead*

This has lead to observations over the project area that there is a large mineralisation system in the region which extends over 35km. It's quite likely that the base metal veins that are distributed over this wide area point to possible large porphyry or multiple porphyry centres being present as exist

along strike to the south.

The next phase of exploration work to be carried out on the la Rioja concessions will reflect the change up in scale and involve further broad scale mapping and magnetic and induced polarisation geophysical surveys to identify drill targets.

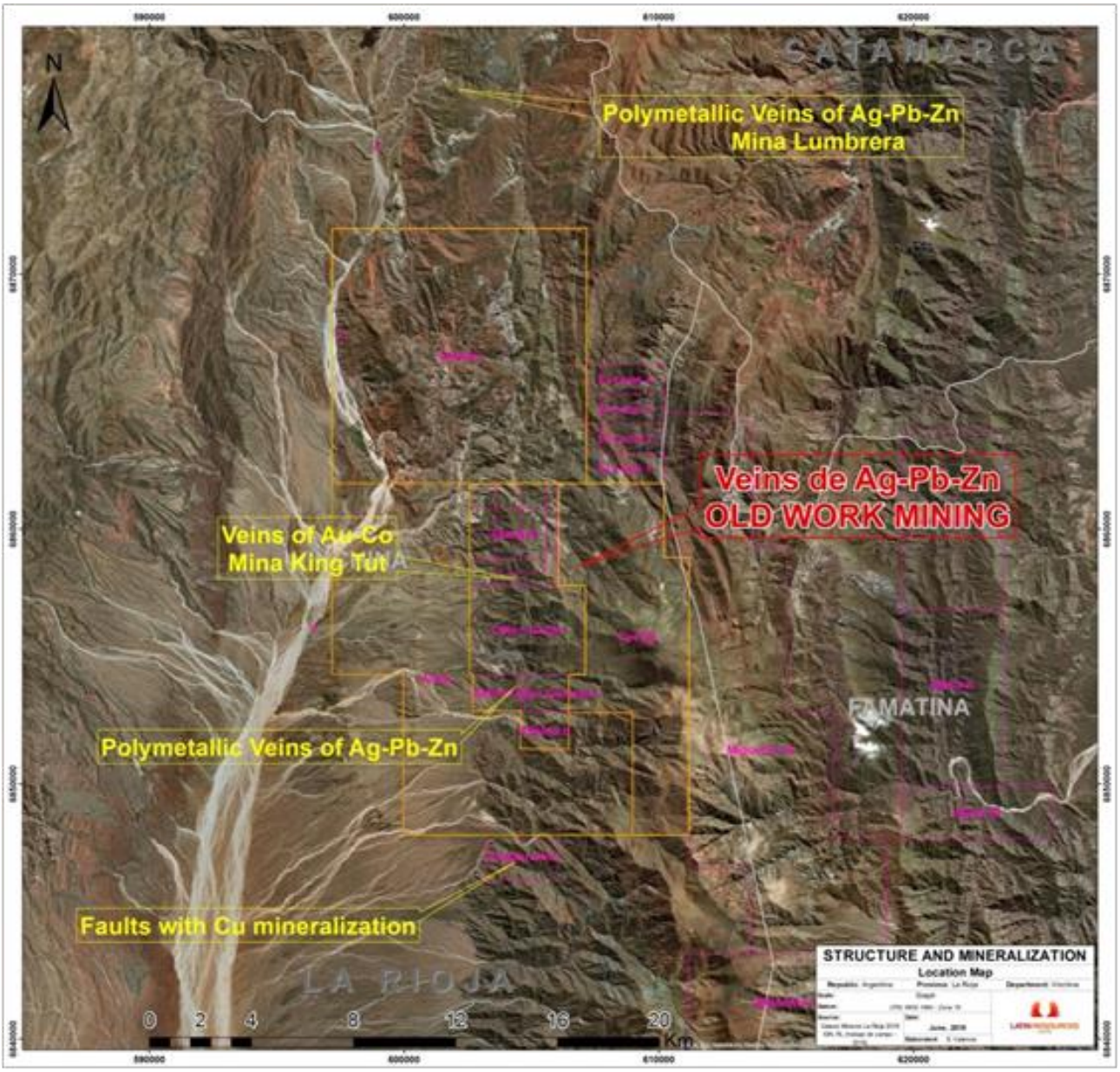


Figure 10. La Rioja Concessions and surrounding areas mineral occurrences

***UnCuyo University, Mendoza, Argentina***

The construction of the UnCuyo University first stage pilot plant has been completed and test work has commenced in July with results coming expected to be released over the next 8 weeks.

***Ilo Copper Project, Southern Peru***

Westminster Resources Ltd. (TSX.V: WMR) (Westminster) has now completed the incorporation of its subsidiary in Peru, and has started the process to transfer the Peruvian copper projects acquired from Latin.

The projects consist of 36,225 hectares of exploration licences covering iron oxide copper gold (IOCG) and porphyry targets, near the port of Ilo in southern Peru, home to half of Peru's copper production. Two of the projects, Ilo Norte and Ilo Este, are advanced targets with significant historical exploration results, with another four earlier-stage projects that are considered highly prospective, based on both historical geophysical surveys and mapping/sampling programs.

The closing of the transaction includes the issue of 19 million common shares of the capital of Westminster to Latin Resources Ltd, which vest as follows:

- 1 million shares vest on 8 August 2018
- 3 million shares vest on 8 February 2019, along with the final US$100,000 payment
- 15 million shares vest on 8 August 2019

Westminster has also appointed, Chris Gale, Managing Director of Latin Resources to its board.

## *Proposed Next Steps*

### Near Term Resource Development Plan for Argentina

The geological mapping work in Catamarca will continue with the goal to identify further drill targets. Over the rest of July and August geological mapping and sampling will be completed over the north west/centre west of the El Alto block and the western part of the Ancasti block.

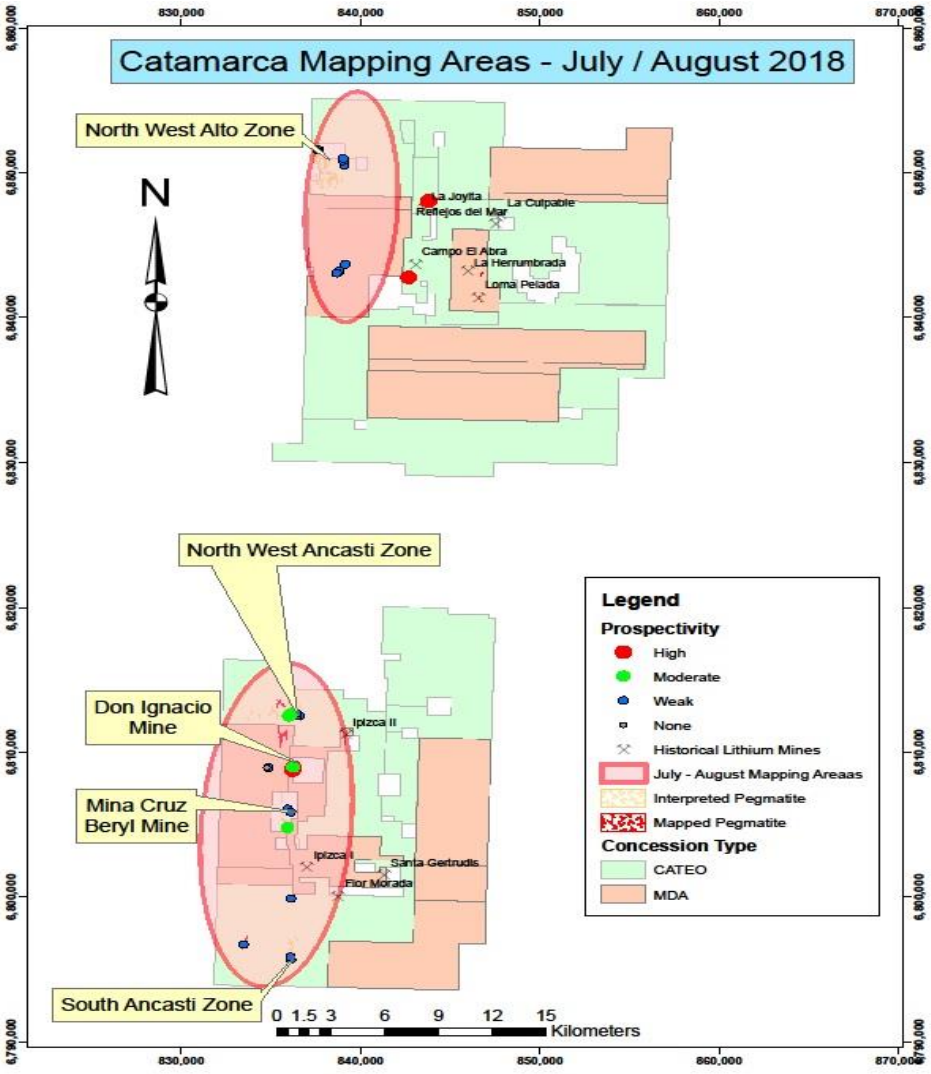


*Figure 11. Catamarca Mapping Areas – July / August 2018*

Once mapping is completed and expected drill permits in Catamarca and san Luis start to be approved it will be necessary to decide where to carry out exploration drilling first to give us the best chance of success in delineating a potential deposit of good size and grade for follow up resource development drilling.

It is the company's intention to delineate the deposit and drill out the initial resource should it be warranted over the remaining part of 2018 and to be in a position to finalise an initial resource in the first quarter of 2019.

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***Corporate***

*Annual General Meeting*

The Annual General Meeting of shareholders was held on 28 May 2018 with resolutions being passed on a show of hands.

At the Annual General Meeting, shareholders approved resolutions :

- Adoption of the Remuneration Report
- The Re-election of Mr David Vilensky as Director
- Approval of 10% placement capacity
- Approval of Loan Funded Share Plan
- Approved the issue of :
  - 25,000,000 Loan Funded Shares to Mr David Vilensky
  - 25,000,000 Loan Funded Shares to Mr Brent Jones
  - 50,000,000 Loan Funded Shares to Mr Christopher Gale

*Convertible Security Funding Agreement*

On 19 June the Company entered a Convertible Security Funding Agreement (CSFA) with Lind Asset Management XII, LLC (Lind).

The key terms of the CSFA are set out below:

- Total funding of up to $6 million, including an initial amount of $2 million to be advanced to the Company, and a further investment of up to $4 million, subject to certain conditions having been met;
- 24 month term with a Face Value of $2.4 million for the initial investment, being 120% of the amount advanced (equivalent to an effective interest rate of 10%pa);
- The Company may elect to buy back the note at a discounted $2.15m Face Value within 3 months and $2.3 million within six months;
- Lind will be restricted from converting or selling shares for a period of 90 days (Restriction Period);
- After the 90 day Restriction Period, the Convertible Security may be converted into shares, in whole or in increments at 1.5 cents;
- Lind will have the option, with the permission of Latin, to waive the repayment of AU$2,400,000 and, instead, take a 5% direct equity ownership in the Argentine lithium projects in lieu of repayment of the Face Value;
- The Company may elect to buy-back any outstanding amounts at no premium; and
- Commencing 90 days after advancing funds, the Company must make monthly repayments of 1/20$^{th}$of the original Face Value of the note. The Company may make these payments, at its option, in cash (at a 3% premium), or in shares (priced at 90% of the average of 5 daily VWAPS chosen by the Investor from the prior 20 Trading Days), or a combination of both (subject to share issue limits).

- The Company issued 110,000,000 listed options to Lind exercisable at 1.0cents per share and expiring 12 October 2018.

For further details of the CSFA please refer to the detailed *ASX announcement* dated 19 June 2018.

### *References*


Černy, P. (1982). Anatomy and classification of granitic pegmatites. *Granitic Pegmatites in Science and Industry*.

Mineral-Deposit Model for Lithium-Cesium-Tantalum Pegmatites. (2010). In U. G. Survey, *Mineral Deposit Models for Resource Assessment.*

P. Möller. (1989). Exploration strategy and methods for pegmatite deposits of tantalum. In *Lanthanides, Tantalum and.*

T. Martins, R. L. (2017). Whole-rock and mineral geochemistry as exploration tools for rare-element pegmatite in Manitoba.


| ***About Latin Resources*** | ***Corporate Summary*** | |
|---|---|---|
| *Latin Resources Limited is an Australian-based mineral exploration company focused on creating shareholder wealth through the identification and definition of mineral resources in Latin America. The Company has secured over 263,000 hectares of exploration concessions in the lithium pegmatite districts of Catamarca, San Luis and Salta Provinces, Argentina as well as 28,000 hectares prospective for Cobalt in La Rioja.* | ***ASX:*** | ***LRS*** |
| | ***Shares Issued:*** | ***2,646.9 M*** |
| | ***Unlisted shares :*** | |
| | ***- Escrow:*** | ***37.0 M*** |
| | ***- Unquoted:*** | ***100.0 M*** |
| | ***Options Issued:*** | |
| | ***- Listed*** | ***851.1 M*** |
| | ***- Unlisted*** | ***9.4 M*** |
| | ***Rights Issued:*** | **65.0 *M*** |
| *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.* | | |
| *Latin Resources recently divested its other Peruvian copper projects into Canadian listed company Westminster Resources (TSX-V; WMR) and is now Westminster's largest shareholder.* | | |

### *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

The following information is provided to comply with the JORC Code (2012) requirements for the reporting of the above exploration results at the Ancasti Lithium Project in Catamarca Province, Argentina and the La Rioja Cobalt Project in La Rioja Province, Argentina. The Catamarca project comprises the Catamarca concession numbers 42R2016, 57R2016, 3R2018, 88M2016, 8R2018, 7R2018 and 36M2016. The La Rioja project comprises the La Rioja concession numbers 04-F-2017.

# JORC Code, 2012 Edition – Table 1

## Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Sampling techniques* | • *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*<br>• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>• *Aspects of the determination of mineralisation that are Material to the Public Report.*<br>• *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.* | • A total of 37 rock chip samples taken from the pit walls and outcrop in Catamarca and are partially the subject of this announcement.<br>• A total of 28 rock chip samples taken from the pit walls, adits and outcrop in La Rioja and are partially the subject of this announcement.<br>• The rock chip sample locations were measured with a hand held GPS and can be considered accurate to within 5m which is considered sufficient for the scope of the sample results. |
| *Drilling techniques* | • *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core* | • There are no drilling results reported in this announcement. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *is oriented and if so, by what method, etc).* | |
| *Drill sample recovery* | • *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.* | • There are no drilling results reported in this announcement. |
| *Logging* | • *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*<br>• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*<br>• *The total length and percentage of the relevant intersections logged.* | • Samples were collected from in and around old mine workings and outcrops and were logged on logging sheets as such. |
| *Sub-sampling techniques and sample preparation* | • *If core, whether cut or sawn and whether quarter, half or all core taken.*<br>• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*<br>• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>• *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.*<br>• *Whether sample sizes are appropriate to the grain size of the material being sampled.* | • Samples as described above were submitted to laboratory without subsampling.<br>• Samples are logged into the lab tracking system, weigh the sample as received, crush 70% <2mm, split off 1000g approx. then pulverize split to >85% -75 microns (>85% -200#).<br>• For pegmatite samples, aliquots of pulverized samples were subject Multi-Element Analysis by Sodium Peroxide Fusion and ICP-MS (ME-MS89L) and Li Analysis by Sodium Peroxide Fusion and ICP-ES for sample over 2.5% lithium (ME-ICP82b)<br>• For base metal vein samples, aliquots of pulverized samples were subject Multi-Element Analysis by fire assay fusion with an Ag collector (FA-FUSPG3).<br>• Sample sizes were appropriate for grain size of material sampled considering the specific targeted nature of the sampling for spodumene. |
| *Quality of assay data and laboratory tests* | • *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*<br>• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*<br>• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of* | • The Peroxide Fusion digestion is a specialized and appropriate method for accurately measuring ore grade Lithium content.<br>• No standards, blanks or duplicates were submitted with the samples for analysis. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *accuracy (ie lack of bias) and precision have been established.* | |
| *Verification of sampling and assaying* | • *The verification of significant intersections by either independent or alternative company personnel.*<br>• *The use of twinned holes.*<br>• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>• *Discuss any adjustment to assay data.* | • Sample data were recorded on field logging sheets and data entered into a digital MS Access database.<br>• Assay data were incorporated into the database using sample number matching. |
| *Location of data points* | • *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*<br>• *Specification of the grid system used.*<br>• *Quality and adequacy of topographic control.* | • Sample locations were measured using hand held GPS. Coordinates of samples were recorded in UTM WGS 84.<br>• Topographic control was using handheld GPS and SRTM data. It is considered adequate for this application |
| *Data spacing and distribution* | • *Data spacing for reporting of Exploration Results.*<br>• *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*<br>• *Whether sample compositing has been applied.* | • Rock chip samples were collected from specific outcrops of pegmatite and were not collected on a regular spacing. The nature of the sampling was to assess lithium and other element contained in the pegmatites in and around old mine workings and adjacent outcrops.<br>• No sample compositing occurred. |
| *Orientation of data in relation to geological structure* | • *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*<br>• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.* | • Samples were collected within pegmatite dykes. Where possible samples were collected across the strike of the dykes in order to be representative |
| *Sample security* | • *The measures taken to ensure sample security.* | • Pre-assay sample security was managed by the Company using industry standard chain of custody procedure. Company geologists, directors and consultants and licensed couriers transported the samples from the field to the ALS laboratory for reception. |
| *Audits or reviews* | • *The results of any audits or reviews of sampling techniques and data.* | • No external audit or review of the sampling techniques or data has been undertaken beyond that of normal internal Company procedures and that of the respective Competent Persons in the compilation of this and supporting, separate reports. |

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Mineral tenement and land tenure status* | • *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*<br>• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.* | • The La Rioja project comprises the La Rioja concession number 04-F-2017<br>• The Catamarca project comprises the Catamarca concession numbers 42R2016, 57R2016, 3R2018, 88M2016, 8R2018, 7R2018 and 36M2016.<br>• All claim applications have been approved |
| *Exploration done by other parties* | • *Acknowledgment and appraisal of exploration by other parties.* | • Not applicable |
| *Geology* | • *Deposit type, geological setting and style of mineralisation.* | • Deposit types in Catamarca are pegmatite dykes of intrusive origin resulting in the crystallization and differentiation of a number of mineral species including Spodumene and to a lesser extent other Lithium species. These dykes are lenticular having up to several hundred metres of strike and several metres width. They appear to have been emplaced along favourable structures within granodiorites in the vicinity (+/- km's) of larger intrusive bodies.<br>• Deposit types in La Rioja are base metal veins and stockworks of intrusive origin resulting in the crystallization and differentiation of a number of mineral species including galena, chalcopyrite, pyrite and secondary copper oxides. These veins are lenticular having up to 1km of strike and between 5cm to several metres width. |
| *Drill hole Information* | • *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*<br>  ○ *easting and northing of the drill hole collar*<br>  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>  ○ *dip and azimuth of the hole*<br>  ○ *down hole length and interception depth* | • There are no drilling data reported or to the knowledge of the company pre-existing within the project area and none are referred to in the extensive literature.<br>• The material data regarding the 20 samples reported have been provided on the body of the release and in the tables in Appendix 1.<br>• Not applicable, all available information has been provided above. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | ○ *hole length.*<br><br>• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.* | |
| *Data aggregation methods* | • *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*<br>• *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*<br>• *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | • Not applicable – no weighted average grades or intersections are subject of this announcement.<br>• Not applicable – no aggregate intersections are subject of this announcement.<br>• Not applicable – no metal equivalents were mentioned in this announcement. |
| *Relationship between mineralisation widths and intercept lengths* | • *These relationships are particularly important in the reporting of Exploration Results.*<br>• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').* | • No intercept lengths or mineralisation widths were reported in this announcement. |
| *Diagrams* | • *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.* | • Appropriate maps are included in the body of the announcement to show the location from where the samples were collected. |
| *Balanced reporting* | • *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.* | • The reporting of the results from 65 samples in this announcement is considered balanced. |
| *Other substantive exploration data* | • *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.* | • To the extent possible in such an announcement, the exploration data generated by Latin is meaningfully represented and has been related in an integral fashion. Relationships of the data have been made to past exploration data that is available, ie sample results corroborate the previously published occurrences of spodumene at seven old mines. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Further work* | • *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*<br>• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | • Further mapping, surface sampling and drilling are planned to estimate resources according to JORC.<br>• Maps showing the locations of the principle studied known deposits has been included in the body of the report. Subsequent work by the company will provide more detail of each of these, and also exploration results aimed at locating more lithium bearing pegmatites within the project area. |

*Rule 5.5*

# Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

**Name of entity**

LATIN RESOURCES LIMITED

| **ABN** | **Quarter ended ("current quarter")** |
|---|---|
| 81 131 405 144 | June 2018 |

| **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 | (499) | (925) |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) staff costs | (100) | (179) |
| | (e) administration and corporate costs | (372) | (703) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | - | - |
| 1.5 | Interest and other costs of finance paid | - | (35) |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Research and development refunds | (72) | (72) |
| 1.8 | Other | - | - |
| **1.9** | **Net cash from / (used in) operating activities** | **(1,043)** | **(1,914)** |

| | | | |
|---|---|---|---|
| **2.** | **Cash flows from investing activities** | | |
| 2.1 | Payments to acquire: | | |
| | (a) property, plant and equipment | - | (12) |
| | (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) | - | 189 |
| | (c) investments | 212 | 237 |
| | (d) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| **2.6** | **Net cash from / (used in) investing activities** | **212** | **414** |

| | | | |
|---|---|---|---|
| **3.** | **Cash flows from financing activities** | | |
| 3.1 | Proceeds from issues of shares | - | - |
| 3.2 | Proceeds from issue of convertible notes | - | - |
| 3.3 | Proceeds from exercise of share options | - | - |
| 3.4 | Transaction costs related to issues of shares, convertible notes or options | (104) | (104) |
| 3.5 | Proceeds from borrowings | 1,200 | 1,200 |
| 3.6 | Repayment of borrowings | - | (65) |
| 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** | **1,096** | **1,031** |

| **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** | 265 | (469) |
| 4.1 | Cash and cash equivalents at beginning of period | 263 | 995 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (1,043) | (1,914) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | 212 | 414 |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 1,096 | 1,031 |
| 4.5 | Effect of movement in exchange rates on cash held | (17) | (15) |
| **4.6** | **Cash and cash equivalents at end of period** | **511** | **511** |

| **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 | *391* | 263 |
| 5.2 | Call deposits | *120* | - |
| 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)** | 511 | 263 |

| **6.** | **Payments to directors of the entity and their associates** | **Current quarter $A'000** |
|---|---|---|
| 6.1 | Aggregate amount of payments to these parties included in item 1.2 | (320) |
| 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

6.1 - Includes wages and directors fees including superannuation. Amounts above are inclusive of GST and exclude the reimbursement of expenses. Included in item 6.1 is $92,200 paid to a related party (Bowen Buchbinder Vilensky ) for legal services provided in the 6 months to June 2018.

| 7. | Payments to related entities of the entity and their associates | Current quarter $A'000 |
|---|---|---|
| 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

| |
|---|
| |

| 8. | Financing facilities available<br>*Add notes as necessary for an understanding of the position* | Total facility amount at quarter end $A'000 | Amount drawn at quarter end $A'000 |
|---|---|---|---|
| 8.1 | Loan facilities | 6,000 | 1,200 |
| 8.2 | Credit standby arrangements | - | - |
| 8.3 | Other (please specify) | - | - |

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.

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|---|
| Loan facilities include the Convertible Security Funding Agreement with Lind Asset Management XII LLC. Full details of the facility are detailed in the ASX release dated 19 June 2018.<br>On 5 July 2018 the Company drew down a further A$800,000 under the convertible security for a total drawn balance of $2.0M. |

| 9. | Estimated cash outflows for next quarter | $A'000 |
|---|---|---|
| 9.1 | Exploration and evaluation | 600 |
| 9.2 | Development | - |
| 9.3 | Production | - |
| 9.4 | Staff costs | 80 |
| 9.5 | Administration and corporate costs | 300 |
| 9.6 | Other (provide details if material) | - |
| **9.7** | **Total estimated cash outflows** | **980** |

| **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: Company secretary Date: 31 July 2018

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.