LATIN RESOURCES LIMITED
Unit 3, 32 Harrogate Street
West Leedrville, Western Australia,
6007.

P 08 6117 4798
E info@latinresources.com.au

QUARTERLY ACTIVITIES REPORT
for the period ending 30 September 2018

Highlights

OPERATIONS

San Luis - Argentina

- Structural and procedural mining improvements within the San Luis Government improves confidence that granting of permits is expected shortly.
- Preliminary geological test work underway on the Geminis pegmatites.

Catamarca - Argentina

- Lithium identified in rock chip samples taken from mapped pegmatites in the target area of the NW Alto. The early mapping and rock sample information are encouraging.

TECHNOLOGY

UnCuyo University - Mendoza

- Pilot Plant first stage construction completed and initial testing was performed on part of a 250 kg sample of spodumene concentrate obtained from samples extracted from one of the Company's Catamarca properties. Initial testing continues to optimize laboratory test results.

CORPORATE

Financial

- Completion of Convertible Security Funding Agreement (CSFA) with Lind Asset Management XII, LLC (Lind) with balance of funds received on 6 July 2018.

- The Company has employed Mr Samuel Moyle as Exploration Manager principally in charge of the Argentinean mineral projects.

OPERATIONS

Lithium and Cobalt Projects, Argentina

The Company's total landholding in its Argentinean hard rock lithium concessions is now approximately 173,738 hectares within the combined Catamarca and San Luis provinces.

The company also holds 22,563 Hectares in La Rioja, prospective for cobalt.

The company is also assessing acquisition of a further 44,177 Hectares in San Luis.

During the period the Company decided not to progress the purchase option agreements for the Salta Project in Argentina in order to focus on the Catamarca and San Luis Lithium Projects.

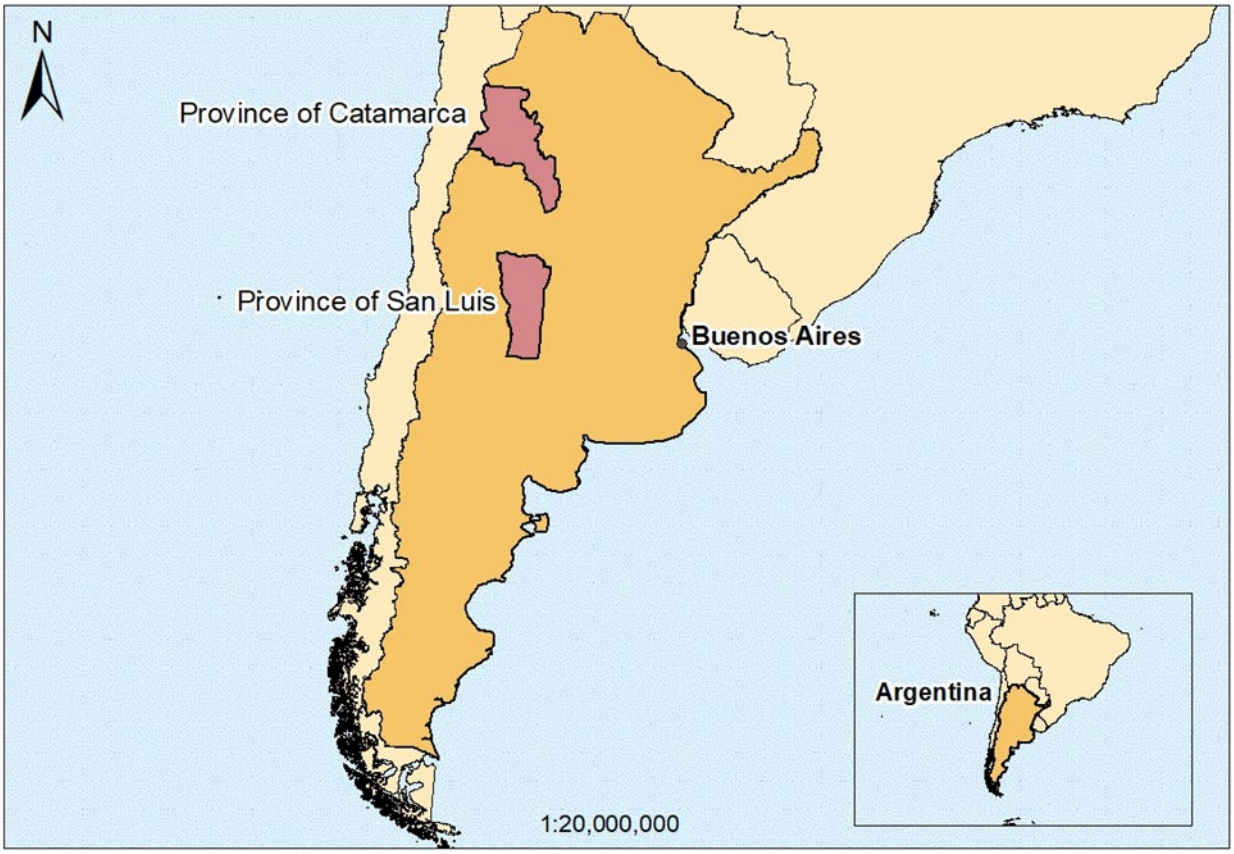

Figure 1 - Location Map of Latin Resources Operating Lithium Provinces in Argentina

San Luis Lithium Project, Argentina

(LRS - 100%)

Permitting

The company continued its negotiations with the San Luis government to grant outstanding exploration concessions. The company feels these negotiations are now in their final stage.

Through a provincial decree by the Governor of the Ministry of Production - where the executive powers of Mining and Environmental Control belong - the structure and functions of the approval procedures have been modified. This gives the process a clear defined objective and it is expected

that in the coming weeks it will begin to normalise the authorisation of exploration and mining permits and concessions in the Province.

It is anticipated that the permits for Geminis, Don Gregorio and María del Huerto will be granted shortly and allow the company to commence planned drilling work.

Geminis & Don Gregorio Project

The Latin Resources Geminis & Don Gregorio Project tenements contain numerous large under explored pegmatites with known spodumene mineralisation, most famously the Geminis Mine. The company is working on a detailed approach to systematically map and sample the pegmatite field to identify potential further lithium mineralisation in the project area.

The Don Gregorio region consists of numerous pegmatites of granitic composition. The primary pegmatite, Geminis, has been the site of a historical mining operation in the early 20thcentury. The pegmatite shape is approximately tabular to lenticular, surfacing continuously over 300 meters on both sides of the valley "Arroyo de la mina". The historical mining activity has focused on the “Cantera Grande Adit” that contains spectacular spodumene crystals up to 4m in length, see Figure 3.

The spodumene is the main mineral exploited and exists as dimorphous sub-automorphic crystals of tabular prismatic habit reaching large dimensions.

The Pegmatite shows a mineralogical zonation moderately defined, concentrating spodumene crystals towards the centre and intermediate areas.

Additionally, the company has partnered with a local drone geophysics team that will conduct geological and geophysical studies including detailed magnetometry on the Geminis project area. The partnership is a low-cost application of advanced drone technology that will give the company a base geophysics model in a region that has not received any historical geophysical work.

The exploration team is currently based in San Luis surveying proposed access routes to the Geminis location from the local town of La Carolina, San Luis. Machinery contractors have been on-site assessing job metrics and preliminary costings.

The Geminis & Don Gregorio Project is now the primary focus of the company in San Luis.

Maria Del Huerto Project

During the quarter the exploration team re-interpreted the mapped pegmatites and re-designed the existing drilling program.

No further work was conducted at Maria Del Huerto.

Figure 2 - The Geminis Pegmatite

Figure 3 - Large Spodumene Crystals in the “Cantera Grande Adit” of the Geminis Pegmatite..

Catamarca Lithium Project, Argentina

(LRS - 100%)

Permitting

No further update since the granting of the companies 14 MDA Applications.

The company is in the process of completing the Legal Labour proving the existence of mineralisation in these Licences.

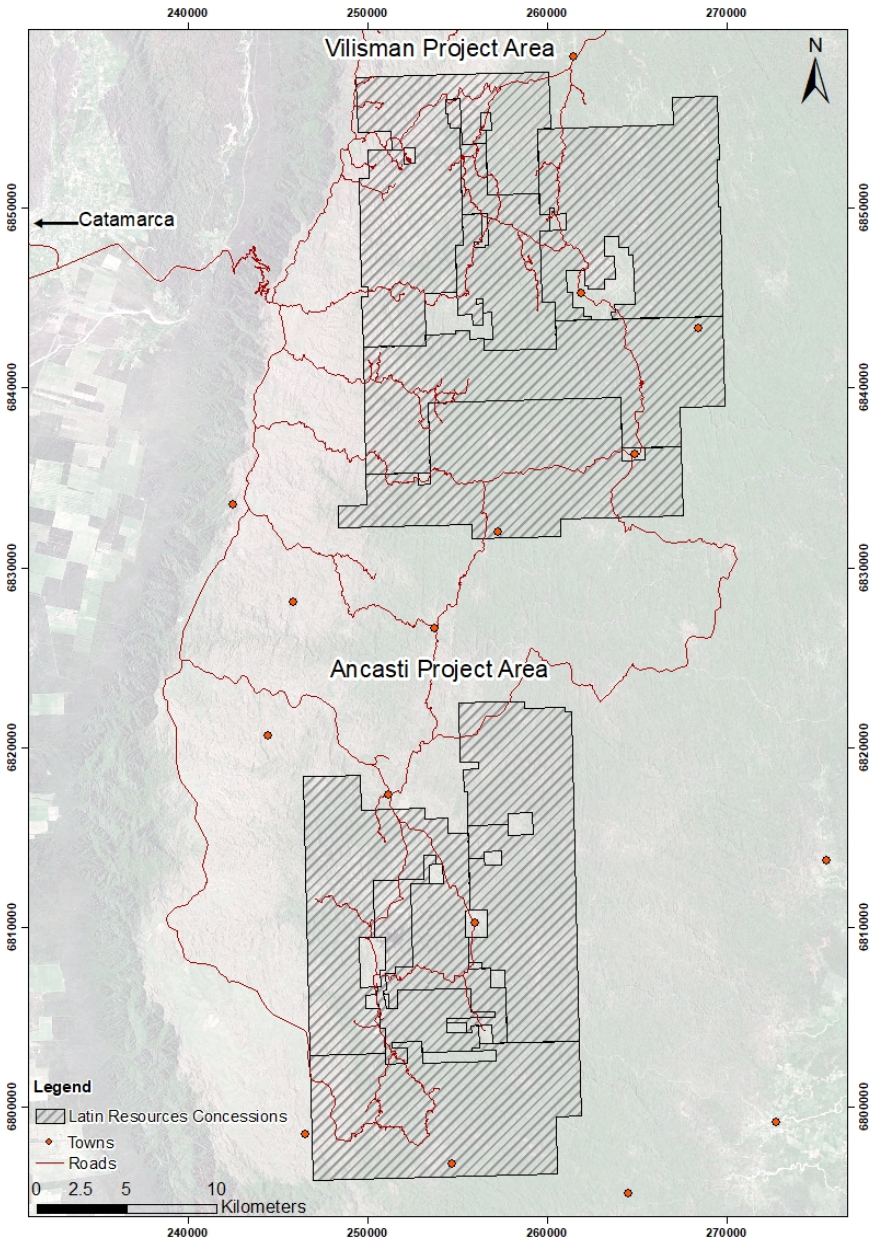

Figure 4 - Latin Resources Catamarca Concessions

NW Alto – Vilisman Project Area

Exploration this quarter in Catamarca continued the rock chipping program from the previous quarter focused primarily on the NW Alto.

In mid-May the LRS geological team began the systematic mapping of the NW Alto concessions. These concessions had not been previously covered as part of the work undertaken in evaluating the

identified historical lithium mines in the district. 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.

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, 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 achieving this is to estimate the fractionation levels of the pegmatites.

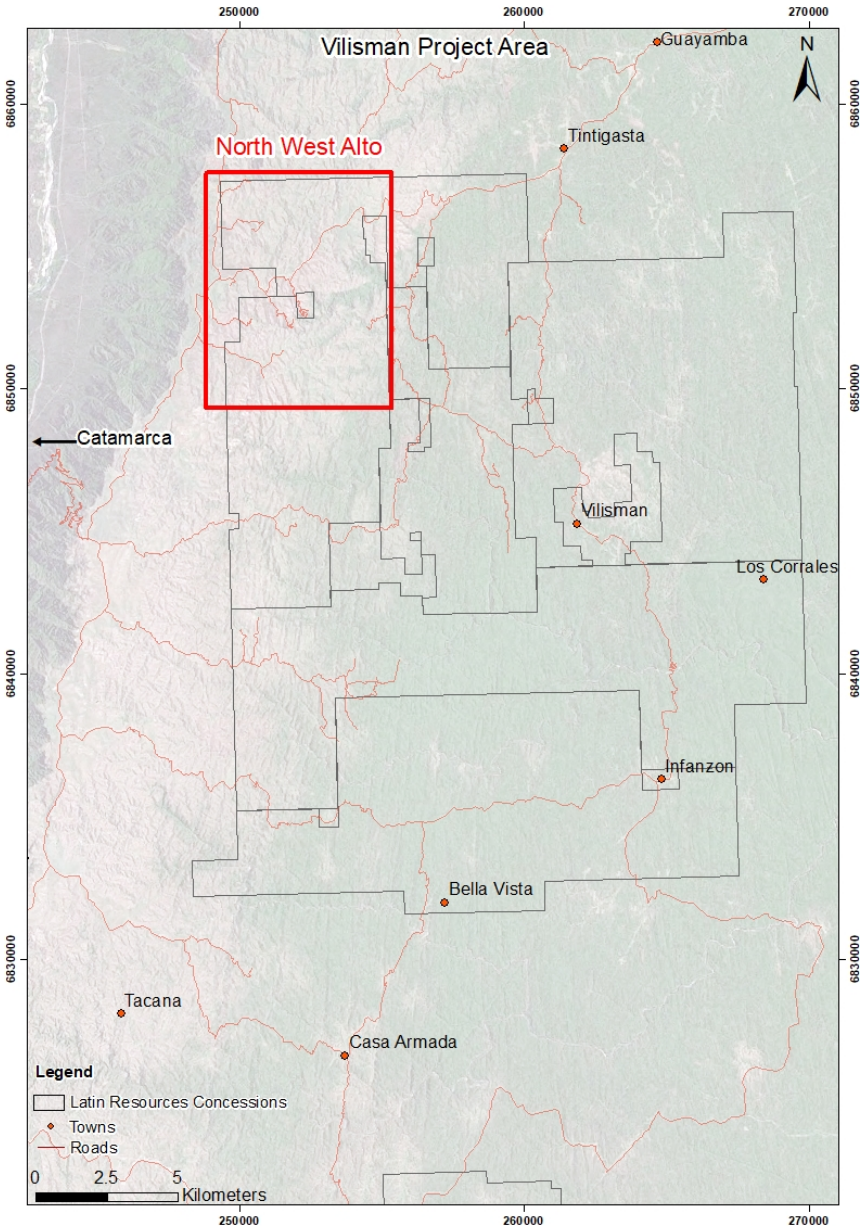

Figure 5 - NW Alto Project Location within the Vilisman Project Area

The company has examined high resolution satellite imagery and identified large pegmatites or swarms of pegmatite bodies within the NW Alto. These swarms have become the focus areas for the company in Catamarca for targeted mapping and rock-chipping programs.

A total of 50 rock chip samples were taken on mapped pegmatites in the target area. Analysis was completed by ALS, initially in Mendoza for preparation with final analysis completed in Vancouver. Samples underwent Multi-Element Analysis by Sodium Peroxide Fusion.

Results from the rock chipping work identified a clear fractionation trend amongst the pegmatites, see Figure 6. The company has continued work to the NE of the swarm towards the improving fractionation results.

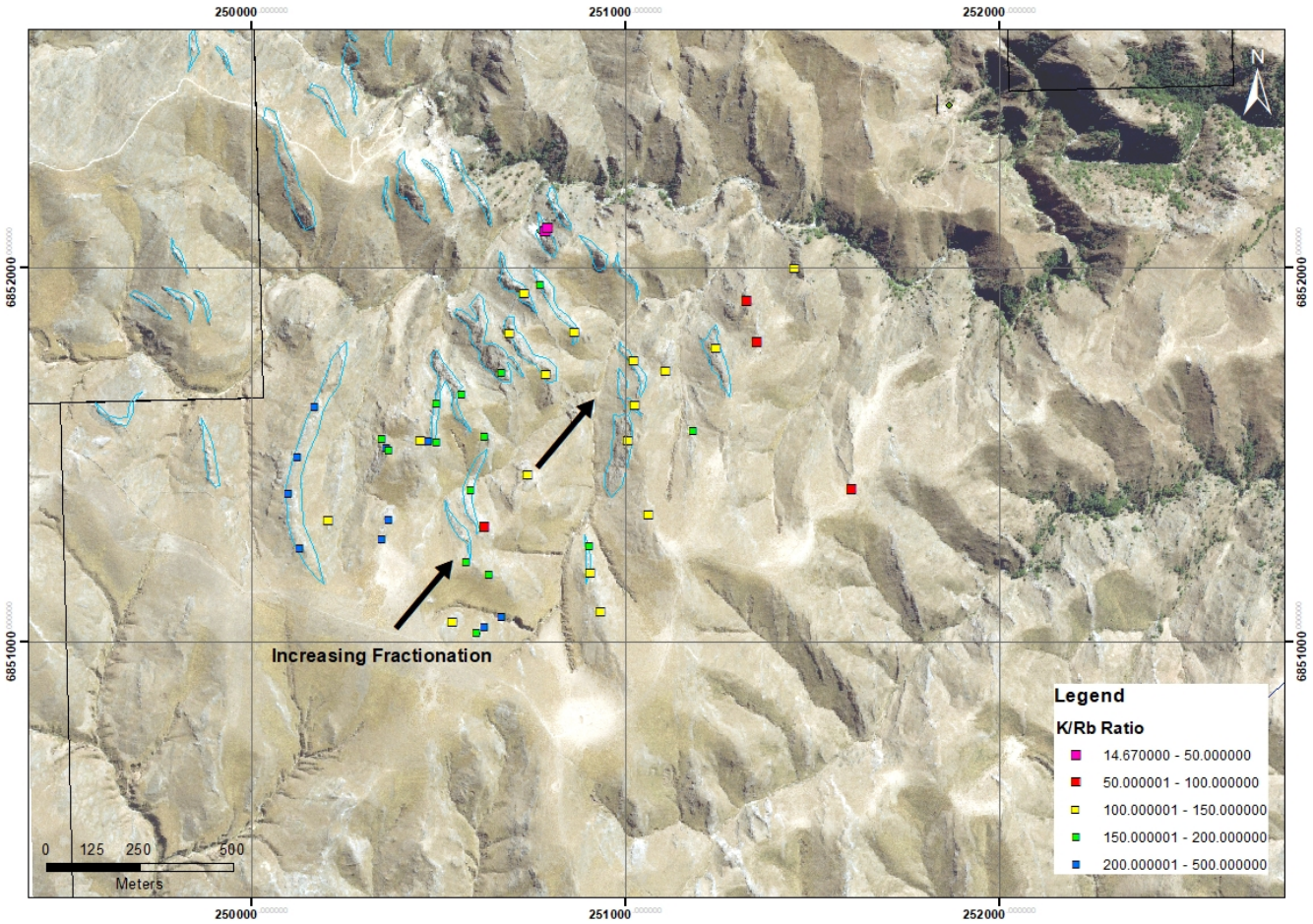

Figure 6 - Recent rock-chip locations within the NW Alto showing fractionation ratio results. Full assay results available in Table 1.

One rock-chip from the sampling program exhibited 1.219% Li_2O (5660ppm). The sample was taken from within one of the only small mines within the region, “Buena Estrella”, previously exploited for Beryl. The sample was not of any traditional lithium ore mineral, rather the company has concluded in this early stage that the results are from the lithium phosphate mineral Ferrisicklerite.

This is early exploration information however the company is encouraged by the presence of lithium in the NW Alto and will continue to progress its understanding here.

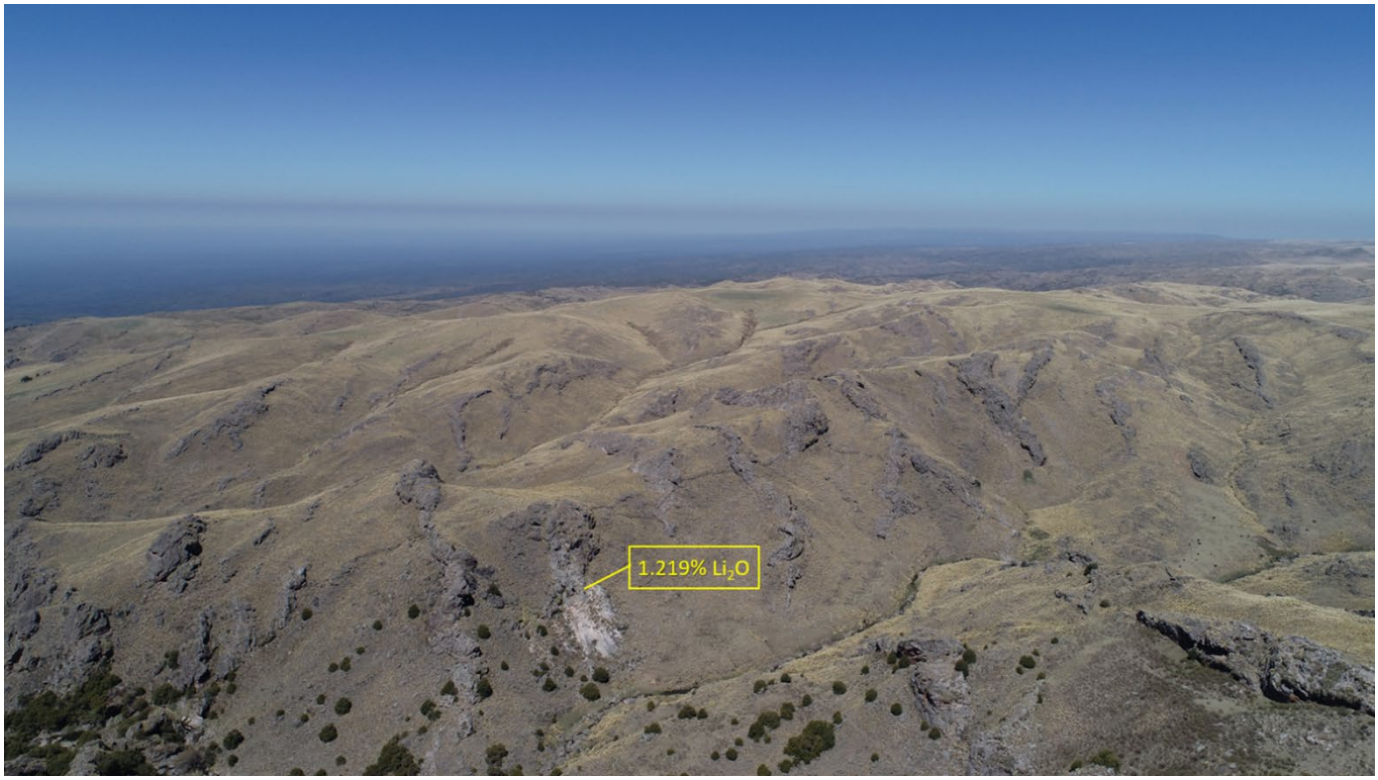

Figure 7 - Location of the 1.219% Li2O sample in the NW Alto. Note the location of numerous pegmatites in the region.

Sample ID	Easting	Northing	Elevation	Li_2O (%)	Li (ppm)	Cs (ppm)	Rb (ppm)	Ta (ppm)	Mn (ppm)	K (%)	Fe (%)
VI000338	250792	6852107	1837 m	0.003	13	10.4	285	1.84	140	0.83	0.65
VI000339	250788	6852097	1841 m	1.219	5660	3.6	61.2	0.58	>25000	0.29	13.1
VI000340	250367	6851512	1897 m	0.007	31	9.8	211	1.32	410	3.46	0.92
VI000341	250361	6851520	1887 m	0.006	29	6.6	149.5	0.43	230	3.26	0.91
VI000342	250347	6851543	1865 m	0.006	28	4.5	141.5	1.35	460	2.38	1.16
VI000343	250453	6851538	1914 m	0.008	38	8.3	287	1.22	250	4.23	0.68
VI000344	250472	6851539	1915 m	0.003	14	8.3	245	0.32	140	5.35	0.81
VI000345	250495	6851534	1906 m	0.008	37	10.2	270	1.05	370	4.5	1.1
VI000346	250367	6851328	1906 m	0.001	4	11.2	280	0.27	100	6.53	0.72
VI000347	250347	6851277	1908 m	0.005	22	4	124.5	0.35	160	2.53	0.98
VI000348	250574	6851215	1916 m	0.002	10	7.7	264	0.52	200	4.12	1.17
VI000349	250635	6851182	1899 m	0.006	26	8.1	285	1.47	130	4.51	0.88
VI000350	250621	6851309	1899 m	0.006	30	9.1	294	1.97	570	2.75	1
VI000351	250585	6851405	1876 m	0.005	25	7.6	187.5	0.8	140	3.69	1.03
VI000352	250536	6851054	1905 m	0.010	45	14.4	397	0.49	170	5.43	1.16
VI000353	250600	6851026	1900 m	0.005	22	29	283	3.79	180	4.62	1.19
VI000354	250623	6851041	1889 m	0.005	23	4.7	218	0.37	140	5.42	1.04
VI000355	250669	6851067	1872 m	0.007	33	7.9	216	0.4	110	4.8	0.74
VI000356	250932	6851080	1881 m	0.008	37	7.3	286	3.06	280	3.91	1.15
VI000357	250906	6851185	1866 m	0.006	26	7.5	113	1.33	350	1.33	2.47
VI000358	250903	6851258	1848 m	0.003	14	9.5	275	0.36	150	5.22	1.17
VI000360	251062	6851340	1877 m	0.008	38	6.1	280	0.97	150	3.84	1.16
VI000361	251005	6851536	1863 m	0.005	22	6.7	203	0.69	240	2.72	1.73
VI000362	251025	6851631	1855 m	0.005	24	12.2	282	2.69	1600	3.48	1.31
VI000363	251022	6851752	1831 m	0.007	34	10	223	2.44	5670	2.55	2.75
VI000364	287845	6860465	463 m	0.002	7	3.6	108	0.86	170	2.66	1.02
VI000365	250737	6851446	1872 m	0.005	21	4.6	241	1.37	200	2.72	1.54
VI000366	250623	6851551	1889 m	0.003	12	6.3	188.5	0.36	140	3.61	0.82
VI000367	250493	6851637	1902 m	0.004	19	7.4	200	0.54	150	3.87	1.05
VI000368	250560	6851661	1904 m	0.008	39	4.4	204	1.35	320	3.34	1.01
VI000369	250669	6851719	1899 m	0.006	27	7.5	270	0.66	200	4.69	1.02
VI000370	250787	6851713	1875 m	0.004	18	7.8	207	0.72	130	3.05	0.99
VI000371	250688	6851825	1888 m	0.011	49	9	255	1.15	150	3.66	1.15
VI000372	250729	6851930	1879 m	0.004	18	11.3	352	1.34	300	4.47	0.9
VI000373	250772	6851955	1868 m	0.006	26	13.2	287	0.62	600	5.03	1.1
VI000374	250864	6851826	1854 m	0.002	10	15.4	480	0.43	90	6.6	0.71
VI000375	257702	6852480	1270 m	0.902	4190	38.7	658	30.2	1090	1.08	1.22
VI000376	257704	6852525	1274 m	0.379	1760	87.7	2270	35	550	3.33	0.71
VI000377	251602	6851410	1834 m	0.008	36	16.9	372	3.13	940	2.43	1.25
VI000378	251349	6851802	1842 m	0.005	25	11.9	292	3.56	370	2.03	1.18
VI000380	251452	6851999	1830 m	0.004	19	12.4	237	1.47	960	2.75	1.08
VI000381	251324	6851912	1841 m	0.004	17	23.5	477	1.64	220	4.19	1.11
VI000382	251239	6851784	1846 m	0.003	16	9	193	1.21	340	2.13	1
VI000383	251105	6851724	1839 m	0.003	15	12.6	260	1.08	260	3.74	1.05
VI000384	251180	6851565	1845 m	0.002	11	6	327	0.5	140	5.49	0.85
VI000385	250128	6851252	1919 m	0.004	20	8	208	0.32	120	4.44	0.87
VI000386	250099	6851398	1909 m	0.004	18	9.5	283	0.24	90	7	0.66
VI000387	250122	6851495	1902 m	0.002	8	6.1	180.5	0.19	150	4.62	0.95
VI000388	250169	6851630	1900 m	0.002	11	7.8	233	0.37	110	5.6	0.9
VI000389	250206	6851325	1901 m	0.002	7	23.6	228	1.6	260	3.25	1.64

Projection WGS 84 Zone 20 S

Table 1 - Rock-Chip Sampling Results - NW Alto

La Rioja Cobalt Project, Argentina

(LRS - 100%)

No update since previous quarter.

Ilo Copper Project, Southern Peru

(LRS -Indirect via 42.9% owned Westminster Resources TSXV: WMR)

On 16 August 2018, Westminster announced that it had entered into a Farm-In Agreement with AusQuest Limited (ASX: AQD). The Farm-In Agreement covers 5 Peruvian copper licences over an area of 4,900 hectares. These particular licences form part of the Ilo Sur project, which Westminster recently acquired along with the flagship Ilo Norte and Ilo Este projects from LRS. The Farm-In

Agreement contemplates AusQuest completing 13,000 metres of drilling over 7.5 years to earn a 65% direct interest, with an option to earn 75% by completing a Pre-Feasibility Study.

The 5 licences being farmed to AusQuest are part of a 12,225 ha project area lying southwest of Westminster's Ilo Este Copper Project. AusQuest have licences adjacent to the Westminster licences which were drilled in 2016, providing AusQuest with encouragement to continue exploring this area for a possible buried porphyry copper target.

From a regional geological perspective, this project area is dominated by a Cretaceous-age diorite-granodiorite batholith, with coincident magnetic and radiometric anomalies adjacent to known structures, hosting multiple porphyry targets.

Terms of the Farm-In Agreement include an 18-month Phase 1 program to identify drill targets, a 3-year Phase 2 program of a minimum 3,000 m of drilling to earn the initial 35%, a 3-year Phase 3 program of a further 10,000 m of drilling or US$2.5 million of additional expenditure (whichever comes first) to achieve a 65% interest, and then a final Phase 4 PFS program, to complete a Pre-Feasibility Study to achieve a 75% interest in the licences. Once AusQuest has earned 75%, it can offer to buyout Westminster's remaining 25% interest for fair market value.

Pachamanca MT-03 Copper Project, Southern Peru

(LRS 100%– First Quantum Minerals earning 80% direct interest)

The company has continued to submit paperwork for the exploration permitting with the relevant Government departments to obtain the right to start the Joint Venture work with First Quantum Minerals.

Proposed Next Steps

Exploration Strategy

The company will continue its exploration program of the NW Alto following up on encouraging fractionation results and the presence of lithium in the pegmatite swarm.

The exploration objective in Catamarca for the coming quarter will be to continue to identify potential drill targets in the NW Alto aimed at defining a resource of suitable size and grade.

Efforts will continue with the San Luis Provincial Government and Mines Department for the issue of exploration and drilling permits in the province. On issue and granting of the San Luis permits, all exploration focus will shift to the Geminis/Don Gregorio region and activating exploration plans that have been in place for some time.

In the meantime the exploration team will continue planning for commencement of exploration activity including surveying of suitable access tracks, surface sampling and geological target mapping in preparation for a drilling campaign as soon as permits are granted.

TECHNOLOGY

UnCuyo University, Mendoza, Argentina

During October 2017, the Company secured the first option to acquire, on an exclusive basis, the license of the patented technology held by the National University of Cuyo **(UnCuyo)** in Mendoza Argentina for commercial use and exploitation in Argentina, Australia, China, Canada and the USA **("Agreement").**

UnCuyo identified and owns the now patented technology which consists of the process of obtaining Lithium Carbonate from Lithium Aluminosilicates including spodumene **("the Technology").**

Pursuant to the Agreement, the Company agreed to financially support the development of the Technology through the financing and scaling up of the Technology. The first stage of funding provided by the Company enabled UnCuyo to build a lab scale pilot plant to test the Technology within their Mendoza campus. A second stage funding will then allow UnCuyo to build a full size pilot plant to test the Technology at a commercial scale level.

The initial trials were performed in a new pilot plant laboratory, financed by the company, constructed during the first and second quarters of this year. The University has completed the initial stage test work to test the patented process to convert spodumene concentrate to a lithium carbonate product as required by the battery market.

The initial testing was performed on part of a 250 kg sample of spodumene concentrate obtained from samples extracted from one of the Company's Catamarca properties. The initial testing phase involved concentrating the spodumene to a 7.06 -7.2% Li_2O testing sample followed by reactor tests comparing outcomes over a number of varying conditions including temperature, reactor times and varying chemical solutions and concentrations.

Initial results from the initial stage test work returned mineral dissolution of 81 -89% (target – 95%) with the most favorable rates obtained at a temperature of 125^0C over a residence time of 120 minutes.

While encouraging, further testing is in progress to vary the underlying conditions particularly increasing temperatures, grind sizing, solution concentrates and residence times to achieve results to the initial target.

CORPORATE

Convertible Security Funding Agreement

On 19 June 2018 the Company entered a Convertible Security Funding Agreement (CSFA) with Lind Asset Management XII, LLC (Lind) to provide total funding up to $6 million, including an initial amount of $2 million advanced to the Company, and a further investment of up to $4 million, subject to certain conditions having been met.

Under the Agreement, Lind advanced $1.2 million in the previous quarter and further advanced the balance of the initial amount of $800,000 on 6 July 2018.

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

Appointment of Exploration Manager

During August 2018, the Company employed Mr Samuel Moyle as Exploration Manager principally in charge of the Argentinean mineral projects. Mr Moyle has 8 years professional experience in mineral exploration and resource development having previously held roles at TNG Ltd, FMG, Hot Chili Ltd and Pilbara Minerals throughout Australia, Chile and Argentina.

Mr Moyles most recent experience was as Senior Exploration Geologist at Pilbara Minerals Pilgangoora Lithium Project where he played a significant role in the discovery of the 213.3Mt lithium JORC Resource. Sam's qualifications include a BSc (Mineral Exploration & Mining Geology), a GCert (Mineral Economics) and he is a member of AusIMM.

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.	***ASX:***	***LRS***
The Company has secured over 173,000 hectares of exploration concessions in the lithium pegmatite districts of Catamarca and San Luis Provinces, Argentina as well as 22,000 hectares prospective for Cobalt in La Rioja Province.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.	***Shares Issued:***	***2,710.5 M***
	Unlisted shares:	
	- Unquoted:	***100.0 M***
	Options Issued:	
	- Listed	***851.1 M***
	- Unlisted	***9.4 M***
Latin Resources recently divested its other Peruvian copper projects into Canadian listed company Westminster Resources (TSX-V; WMR) and on settlement will become Westminster's largest shareholder holding approx. 42.9%.	***Rights Issued:***	**65.0 *M***

Competent persons statement

The information in this report that relates to Geological Data and Exploration Results is based on information compiled by Mr Samuel Moyle, who is a Member of the Australian Institute of Mining and Metallurgy. Mr Moyle 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 Moyle is the Exploration 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

Chris Gale
Managing Director
Latin Resources Limited
+61 8 6117 4798

APPENDIX

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

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.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *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 50 rock chip samples taken from the pit walls and outcrop in Catamarca and are partially the subject of this announcement. • 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 is oriented and if so, by what method, etc).*	• There are no drilling results reported in this announcement.

Criteria	JORC Code explanation	Commentary
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *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.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Samples as described above were submitted to laboratory without subsampling. • 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#). • 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) • 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.* • *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.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The Peroxide Fusion digestion is a specialized and appropriate method for accurately measuring ore grade Lithium content. • No standards, blanks or duplicates were submitted with the samples for analysis.
Verification of sampling	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.*	• Sample data were recorded on field logging sheets and data entered into a digital MS Access database. • Assay data were incorporated into the database using sample number

Criteria	JORC Code explanation	Commentary
and assaying	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Sample locations were measured using hand held GPS. Coordinates of samples were recorded in UTM WGS 84. • 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.* • *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.* • *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. • 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.* • *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.* • *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 Catamarca project comprises the Catamarca concession numbers 42R2016, 57R2016, 3R2018, 88M2016, 8R2018, 7R2018 and 36M2016. • 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.

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:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *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.*
		• 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.
		• The material data regarding the 50 rock chip samples reported have been provided on the body of the release and in table 1.
		• Not applicable, all available information has been provided above.

Data aggregation	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off*	• Not applicable – no weighted average grades or intersections are subject of this announcement.

Criteria	JORC Code explanation	Commentary
methods	*grades are usually Material and should be stated.* • *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.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Not applicable – no aggregate intersections are subject of this announcement. • 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.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *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 the 50 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.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *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. • 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	September 2018

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(276)	(1,201)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(80)	(259)
	(e) administration and corporate costs	(356)	(1,059)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(130)	(165)
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**	**(842)**	**(2,756)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(14)	(26)
	(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)	-	189
	(c) investments	-	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**	**(14)**	**400**

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)
3.5	Proceeds from borrowings	800	2,000
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**	**800**	**1,831**

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
4.	**Net increase / (decrease) in cash and cash equivalents for the period**	(56)	(525)
4.1	Cash and cash equivalents at beginning of period	511	995
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(842)	(2,756)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(14)	400
4.4	Net cash from / (used in) financing activities (item 3.10 above)	800	1,831
4.5	Effect of movement in exchange rates on cash held	(18)	(33)
4.6	**Cash and cash equivalents at end of period**	**437**	**437**

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	357	391
5.2	Call deposits	80	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)**	437	511

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	(140)
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 $9,900 paid to a related party (Bowen Buchbinder Vilensky) for legal services provided in the period.

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 *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	2,000
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.

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.

9.	Estimated cash outflows for next quarter	$A'000
9.1	Exploration and evaluation	400
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**	**780**

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: 30 October 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.