

Quarterly report

December 2014



About Latin Resources Limited

Latin Resources Limited is a mineral exploration company focused on creating shareholder wealth through the identification and definition of mineral resources in Latin America, with a specific focus on Peru.

The company has a portfolio of projects in Peru and is actively progressing its two main project areas: Guadalupito (Andalusite) and Ilo (Copper and Gold).

Latin has also recently acquired the mineral rights covering a total of 40,483 hectares in the new Iron Ore district of Rio Grande do Norte State, Brazil.

Corporate summary

ASX: LRS

Shares issued: 320.5 Million
Options issued: 11.7 Million
Rights issued: 27.3 Million

Latin Resources Limited

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Highlights

Operations

Ilo Este (Peru)

Copper mineralisation in each of three drill holes completed over 1.1 km of strike at Ilo Este:

- First hole, IE-JDD-001, completed to a depth of 746.2 m with continuous copper and gold mineralisation from surface to 200 m down hole.

0-200m @ 0.14% Cu, 0.1g/t Au, 22ppm Mo, 0.8g/t Ag (uncut).

Highest grades intersected: 0.34% Cu, 1.4g/t Au, 251ppm Mo, 5.4g/t Ag

- Second hole, IE-JDD-002, completed to a depth of 629.2 m with continuous copper and gold mineralisation from surface to 318 m down hole in potassic altered quartz diorite porphyry. (Assays from 400 m-629.2 m pending).

0-318m @ 0.13% Cu, 0.1g/t Au, 14ppm Mo, 0.8g/t Ag (uncut).

Including 84m from surface @ 0.24% Cu (oxides) (0.1% Cu cut-off).

Highest grades intersected: 0.46% Cu, 3.1g/t Au, 86ppm Mo, 16g/t Ag

- Third hole, IE-JDD-003, completed to a depth of 697.9 m with significant intervals of visible copper mineralisation throughout the hole, assays pending.

Multiple, moderate to intensely stockworked and potassic altered porphyry phases are seen in the majority of the core.

- All outstanding assay results expected Q1 2015.
- Geology, alteration and mineralisation of first three holes all reinforce that Ilo Este is a very large copper porphyry system now intersected over 1.1km of strike in the northern belt alone with the southern belt and other targets yet to be tested.
- Latin in discussions with a number of potential partners to further explore such a large system - considered the most cost effective strategy to realise value for shareholders. The overall Ilo Este mineralised porphyry system covers at least 3km², located 6 km from the Pan-American Highway, a Railway and an Electrical Substation, and from there 32 km to the Port of Ilo.
- Over 560,000 tonnes per annum copper production and 125 billion pounds of copper in published resources and reserves within 130 km of Ilo Este.

Ilo Norte (Peru)

- Four new holes for a total of 3,057.9 m were completed at Ilo Norte in the second round of drilling by earn-in operator Zahena bringing the total number of holes drilled by Zahena in 2014 to 16, for a total of 12,657.9 m.
- Visible copper mineralisation observed over the following intervals:

Hole ID	From (m)	To (m)	Interval (m)	Hole ID	From (m)	To (m)	Interval (m)
IN-019A	379	401	22	IN-018A	323	352	29
IN-019A	532	556	24	IN-018A	568	585	17
IN-019A	682	684	2	IN-018A	623	658	35
IN-019A	767	801	34	IN-018A	873	881	8

Intervals are down-hole, true width unknown.

- Copper mineralisation exists as chalcopyrite filling fractures and replacing favourable beds in volcano-sedimentary rocks and also as disseminated chalcopyrite.
- Updates to follow when logging is completed and assays are received in January 2015.
- Drilling follows up high grade intersections reported in June:

Hole ID	From (m)	To (m)	Interval (m)	Cu (%)	Au (g/t)
IN-009	423	429	6	2.6 %	0.25
Incl.	426	429	3	4.9 %	0.32
IN-012	255	258	3	2.2 %	0.19
IN-016	381	399	18	0.66 %	0.09
Incl.	387	393	6	1.2 %	0.23
IN-019	282	312	30	0.93 %	0.12
Incl.	300	306	6	3.1 %	0.45

Intersections are down-hole, true width unknown.

- Ability to access deeper high-grade orebody underground from steep slope adjacent to mineralised area.
- Ilo Norte benefits from great infrastructure: 5km from sealed highway, 10km from a major copper smelter and 25km from the port city of Ilo.
- Over 560,000 tonnes per annum copper production and 125 billion pounds of copper in published resources and reserves within 100 km of Ilo Norte.

Guadalupito (Peru)

Andalusite samples being produced for market evaluation:

- Bulk composite processing commenced in Q3 2014 in Perth is ongoing with results expected to be reported in Q1 2015.
- Latin's conceptual Andalusite product specification for "Guadalupito" with greater than 60% Al_2O_3 , and less than 0.2% Fe_2O_3 is the target product from the bulk processing.
- Andalusite product samples from bulk processing to be used for market evaluation by South African specialist Andalusite consultant, Rob Bartelink.
- Latin Resources' High purity Andalusite product believed to have good potential in multiple markets including premium markets not viable for traditional Andalusite producers due to higher impurity levels.
- Andalusite has potential for use as base for manufacture of ceramic proppants (fracking agents) used increasingly to improve hydrocarbon production from oil and gas wells.
- Dredge mining with gravity concentration and magnetic separation at Guadalupito promise lower unit production costs compared with other Andalusite producers mining with excavators, scrubbing, crushing and concentrating using dense media separation and magnets.
- Discussions with potential joint venture partners ongoing.

	<p>Borborema (Brazil)</p> <ul style="list-style-type: none"> About 2,500 hectares of exploration licenses with low iron ore potential were transferred to local producers of building materials, saving costs in maintenance fees. The company is reviewing its exploration strategy for the Borborema Project, on the light of current iron ore prices. <p>Corporate</p> <p>The Company entered into a funding agreement for up to \$3.1 million (excluding costs) with institutional investor.</p>
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Operations	
<p>Guadalupito (Peru, Andalusite)</p>	<p>Andalusite to Market</p> <p>Andalusite is one of the key value drivers at Guadalupito and the Company is followed on from the testing successes reported May 2014 by proceeding with bulk processing of composite sample representing approximately 20% of the Los Conchaes JORC (2004) inferred resource estimate of 1.073Bt @ 6.1% HM. As reported in May 2014, the composite sample represents a portion of the Los Conchaes resource that could be suitable for consideration within a future dredge mine plan area. Bulk testing has continued through Q4 2014 and results are expected to be reported in Q1 2015.</p> <p>The Andalusite at Los Conchaes is “highly liberated” meaning that there is a high proportion of the Andalusite that has already been cleaned of deleterious gangue and associated minerals by nature in the process of deposition and concentration in the stacked shoreline deposits at Los Conchaes.</p> <p>Through QEMSCAN analysis (results reported in May 2014), which uses sophisticated computer software and a scanning electron microprobe to determine the characteristics of thousands of mineral grains in a sample, Latin has been able to estimate the conceptual specifications of an Andalusite product from Guadalupito, being called “Guadalupite” for marketing purposes (Table 1).</p> <p>This conceptual product considers only the Andalusite particles that are each estimated by QEMSCAN to have more than 80% sectional area Andalusite, but these account for more than 80% of the Andalusite mass found in the Los Conchaes composite.</p> <p>The bulk processing has been designed to recover the more liberated Andalusite into a clean concentrate using scalable processing technology determined by the testing reported in May 2014. Once produced, samples of the concentrate will be supplied to Rob Bartelink, a specialist Andalusite consultant in South Africa who will undertake a series of product testing evaluations that will allow for initial product marketing activities to begin.</p>

Table 1 – Conceptual Andalusite product specifications estimated by QEMSCAN analysis

Typical Chemical Analysis	Typical Sieve Profile			
	METRIC		IMPERIAL	
Al ₂ O ₃ 61.2%	+360 µm	0.9%	+45 Mesh	2.1%
SiO ₂ 37.9%	+200 µm	31.6%	-45+70 Mesh	29.50%
Fe ₂ O ₃ 0.18%	+140 µm	35.0%	-70+40 Mesh	55.40%
K ₂ O 0.11%	+100 µm	20.4%	-140 Mesh	13.0%
TiO ₂ 0.14%	+60 µm	10.0%		
MgO 0.07%	-60 µm	3.0%		
Na ₂ O 0.01%				
CaO 0.09%				
Cr ₂ O ₃ <0.01%				
ZrO ₂ <0.25%				

Commercial Andalusite products with greater than 60% Al_2O_3 and less than 0.5% Fe_2O_3 are currently not available. Alumina (Al_2O_3) content is sought to be as high as possible, commonly in the range of 55-59%, and Iron (Fe_2O_3) content is sought to be as low as possible, commonly in the range of 0.5-1%. At Los Conchaes the potential exists for achieving an Andalusite product of greater than 60% Al_2O_3 and less than 0.2% Fe_2O_3 and thus a premium product.

Andalusite is one of the few mineral commodities that have experienced a sustained rise in price and demand over the past decade (Figure 1).

Traditional markets are refractory manufacturers who produce refractory materials for industries such as steel, aluminium, foundry, glass etc, and hence developed countries with significant steel, aluminium, foundry and glass industries are all markets for, and current users of, Andalusite.

The steel industry is the single largest user of Andalusite accounting for

more than 50% of world-wide Andalusite consumption.

Less traditional markets tend to favour finer grained and cleaner (lower iron) Andalusite for use in Foundry coatings (200# material); Foundry sands (0-1mm material); Abrasion resistant tiles; "low iron" Andalusite for use in fine ceramics, hotel-ware and technical ceramics.

Super fine, or micronized Andalusite has the advantage of gaining the mineral's revered refractory properties at a lower firing temperature, meaning lower energy cost. This characteristic is being increasingly exploited by Andalusite producers as they increase supply of finer product, albeit using their standard andalusite as a milling feedstock.

Latin also believes that markets in fine and technical ceramics which currently use expensive calcined and/or reactive alumina will also be particularly receptive to Andalusite of the quality promised from Guadalupito.

Andalusite has also been used by Imerys in the development of new hydraulic fracturing or fracking agents (proppants) used to increase hydrocarbon production from oil and gas wells.

Andalusite Resources of South Africa have increased their market share from Imerys in South Africa by making inroads into substitution of bauxite in certain applications. It should be noted that refractory grade bauxite supply, (priced higher than bauxite used to make aluminium), which has been dominated by China in the last two decades, has become less reliable and pricing has increased as the Chinese government has clamped down on exports.

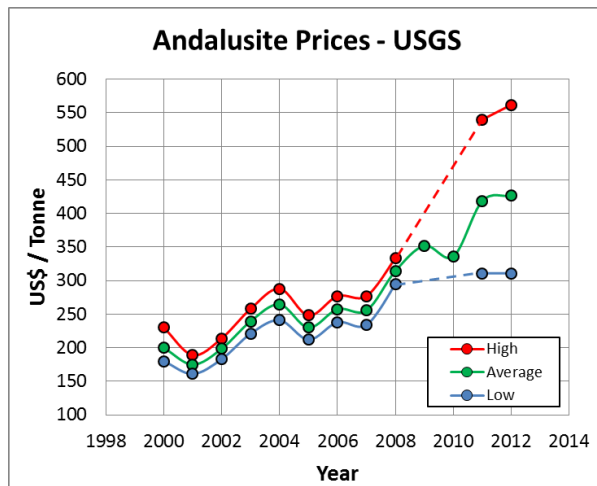


Figure 1 – Development of Andalusite prices since 2000, high range pricing for higher Al_2O_3 content.

Andalusite is a mineral with diverse markets, and a purer product such as “Guandalusite” promises to attract a premium in a broader range of developing and higher technology applications, as well as having its place in traditional refractory uses.

Almost two thirds of the world’s Andalusite is produced in South Africa with the global market estimated at over 400,000 tonnes per annum and growing. The remainder is produced in France, China and Peru (Figure 2).

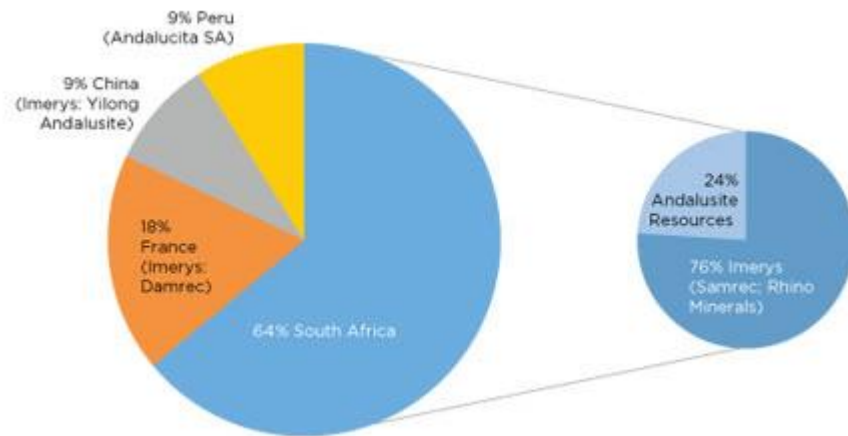


Figure 2 – Andalusite production from 2012 as reported by Industrial Minerals.

Andalusite is currently mined by hard rock or at best free digging (pit excavation) methods. Ore is then crushed, washed, scrubbed and/or screened or a combination of the aforementioned methods in what can be a costly pre-concentration methodology before being subject to dense media separation and final clean up using high intensity magnets to remove as much iron-containing gangue and associated minerals as possible.

At Guadalupito, the planned dredge mining method, gravity concentration using classifiers (not dense media) and magnetic separation to produce other commodities simultaneously, will allow for very low unit costs for a very high purity Andalusite product, characteristics that will undoubtedly have significant market impact.

Latin Resources Limited
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Ilo Este
(Peru, Copper)

During Q4, the Company has completed three diamond drill holes for a total of 2073.3 m drilling over 1.1 km of strike within the northern of two intrusive porphyry belts that make up the overall 3km² mineralised system identified by mapping and surface sampling reported in Q2 2014.

Significant assay results were reported during the quarter for the first two holes, with assay results pending from 400 m to 629.2 m depth in the second hole and from the entire third hole.

The first hole, IE-JDD-001 was consistently mineralised from surface to 200 m down hole depth, with uncut average grades of 200 m @ 0.14% Cu, 0.1g/t Au, 22ppm Mo and 0.8g/t Ag, including the following intersections applying a 0.1% Cu cut-off grade for the average (Avg), with the maximum (Max) grade of each metal in each intersection included for comparison (sample intervals are over 2m lengths of core):

From (m)	To (m)	Interval (m)	Cu (%)		Au (g/t)		Mo (ppm)		Ag (g/t)		m <0.1% Cu included in avg
			Avg	Max	Avg	Max	Avg	Max	Avg	Max	
0	10	10	0.15	0.32	0.11	0.23	22	31	0.2	0.5	2
36	72	36	0.15	0.28	0.09	0.17	19	38	0.6	1.7	6
78	96	18	0.20	0.28	0.12	0.22	14	19	2.1	5.4	0
104	142	38	0.14	0.23	0.09	0.20	11	30	0.7	3.8	8
148	200	52	0.19	0.34	0.15	1.4	39	251	1.1	2.7	4

The second hole, IE-JDD-002 was also consistently mineralised from surface to 318 m down hole depth, with uncut average grades of 318 m @ 0.13% Cu, 0.1g/t Au, 14ppm Mo and 0.9g/t Ag, including the following intersections applying a 0.1% Cu cut-off grade for the average (Avg), with the maximum (Max) grade of each metal in each intersection included for comparison (sample intervals are over 2m lengths of core, only intersections greater than 2m are shown):

From (m)	To (m)	Interval (m)	Cu (%)		Au (g/t)		Mo (ppm)		Ag (g/t)		m <0.1% Cu included in avg
			Avg	Max	Avg	Max	Avg	Max	Avg	Max	
0	110	110	0.21	0.46	0.11	0.40	16	86	1.0	3.2	12
Incl. 0	84	84	0.24	0.46	0.13	0.40	15	75	1.1	3.2	0
134	144	10	0.19	0.38	0.71	3.1	25	36	1.0	1.8	0
236	250	14	0.19	0.32	0.07	0.11	26	45	0.6	1.1	2
276	292	16	0.22	0.31	0.07	0.16	14	28	1.1	2.2	0
296	302	6	0.15	0.18	0.04	0.05	11	16	0.6	1.0	0

The third drill hole, IE-JDD-003, was completed to 697.9 m depth and has intersected significant intervals of visible copper mineralisation observed in multiple phases of moderate to intensely potassic altered and stockworked porphyry intrusives. The observed copper mineralisation is predominantly chalcopyrite (copper sulphide) and is commonly associated with potassic alteration observed as k-feldspar and more commonly secondary biotite. Chalcopyrite is seen in veinlets and also disseminated through the rock mass.

The mineralisation observed in IE-JDD-003, clearly verifies the importance of the porphyry system as mapped over more than 3km² as a large and significantly mineralised system with substantial scope for improved grades within the overall envelope of alteration and mineralisation mapped to date. The three holes drilled so far, each hosting porphyry copper mineralisation, cover 1.1 km of strike in the northern intrusive belt (Figure 3 & 4), with the southern intrusive belt still to be tested (Figure 6).

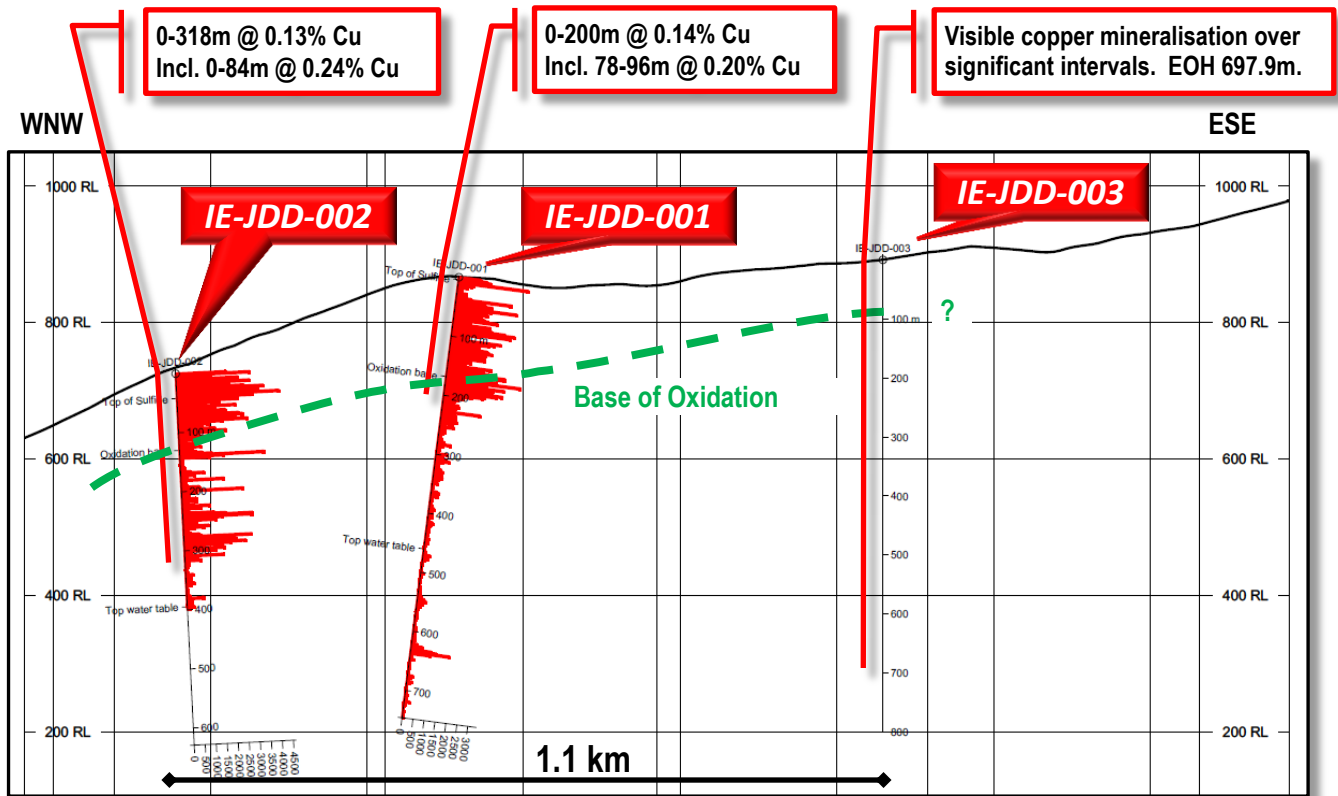


Figure 3 – Long section parallel with the strike of the Northern Intrusive Belt showing copper assay results (red) from drill holes IE-JDD-001 and IE-JDD-002. Note the base of oxidation. Section line appears on map in Figure 4.

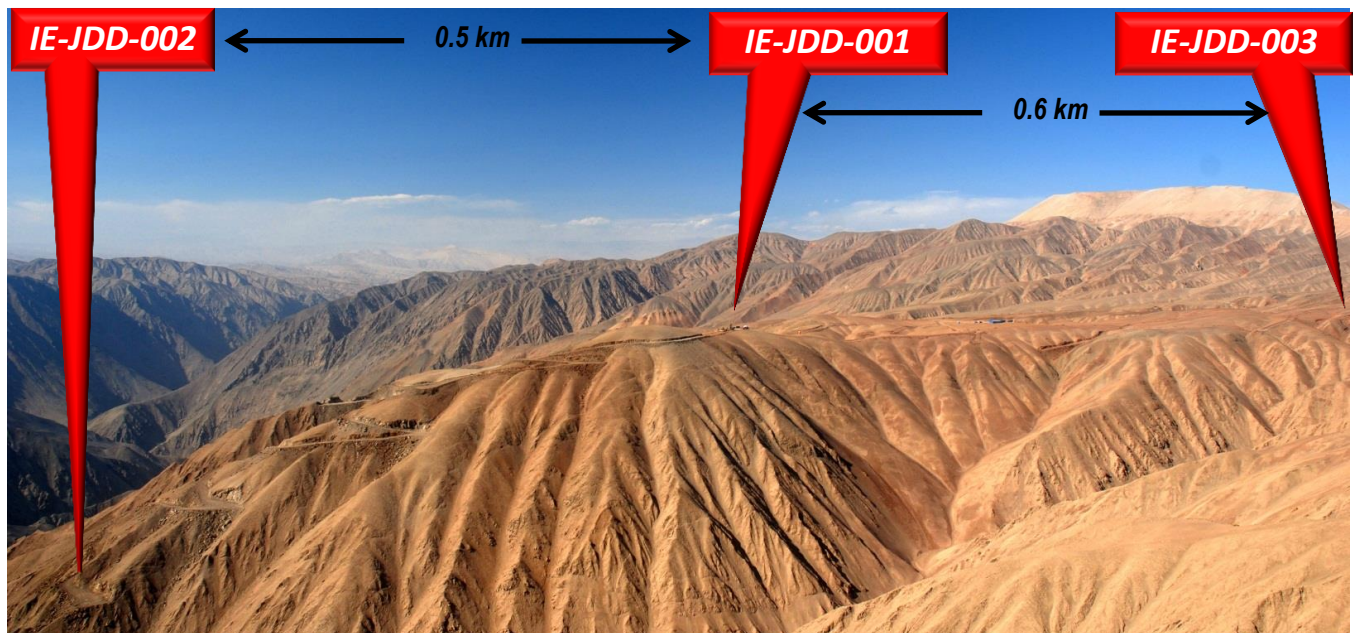


Figure 4 – View of the Northern intrusive belt at Ilo Este taken from the Southern intrusive belt. Approximately 1.1 km separates the first three holes within the large porphyry intrusive complex.

In addition, the likely extension of the northern intrusive belt under cover to the East South East increases the size potential of the system as does the possible fault offset upper portion of the porphyry which may host the typically higher grade phyllic zone which is only observed in restricted areas of the outcropping system as mapped, suggesting that it has either been eroded, or possibly cut by the low angle Chololo Fault adjacent to the South East (Figure 5).

Such a variety of potential over such a large area will require significant time and investment to realise, and for this reason Latin has begun discussions with a number of parties with the aim of attracting the required investment at the project level through a joint venture or earn in arrangement in order to more rapidly unlock value for Latin shareholders.

Preparations are underway to drill the fourth planned hole. IE-JDD-004 aims to intersect a highly anomalous area within the Southern Intrusive Belt characterised by strongly stockworked Quartz Diorite Porphyry and an adjacent hornfels unit which being more mafic than the other rocks in the system, promises to potentially host higher grade copper mineralisation.

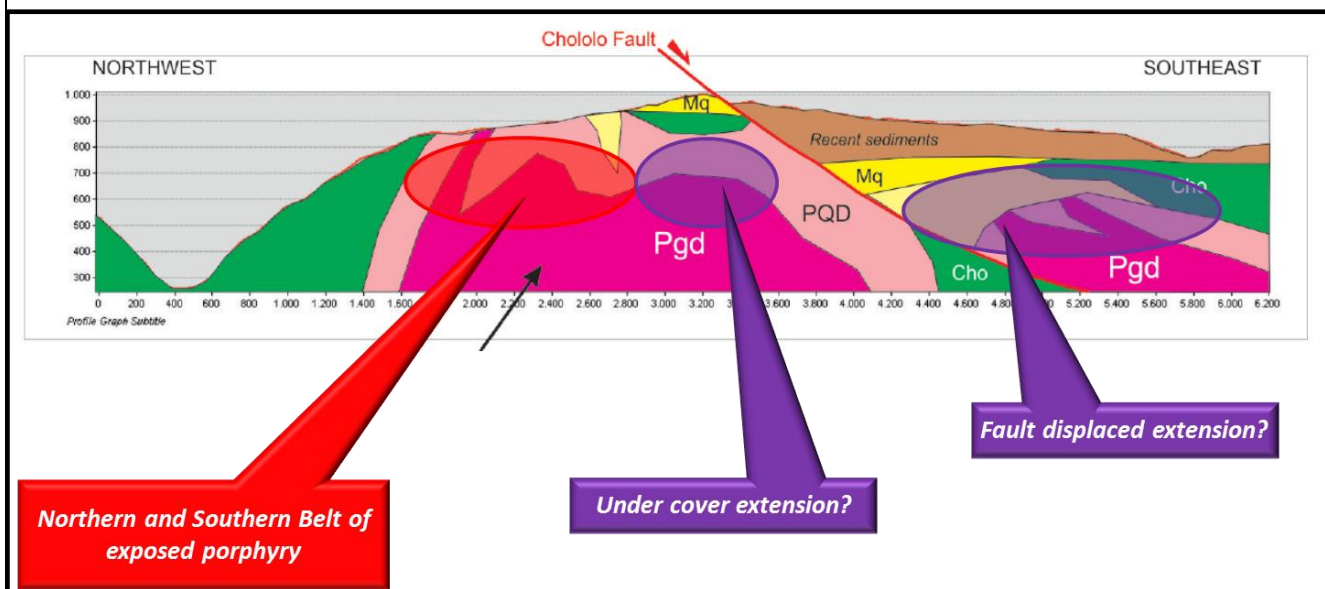


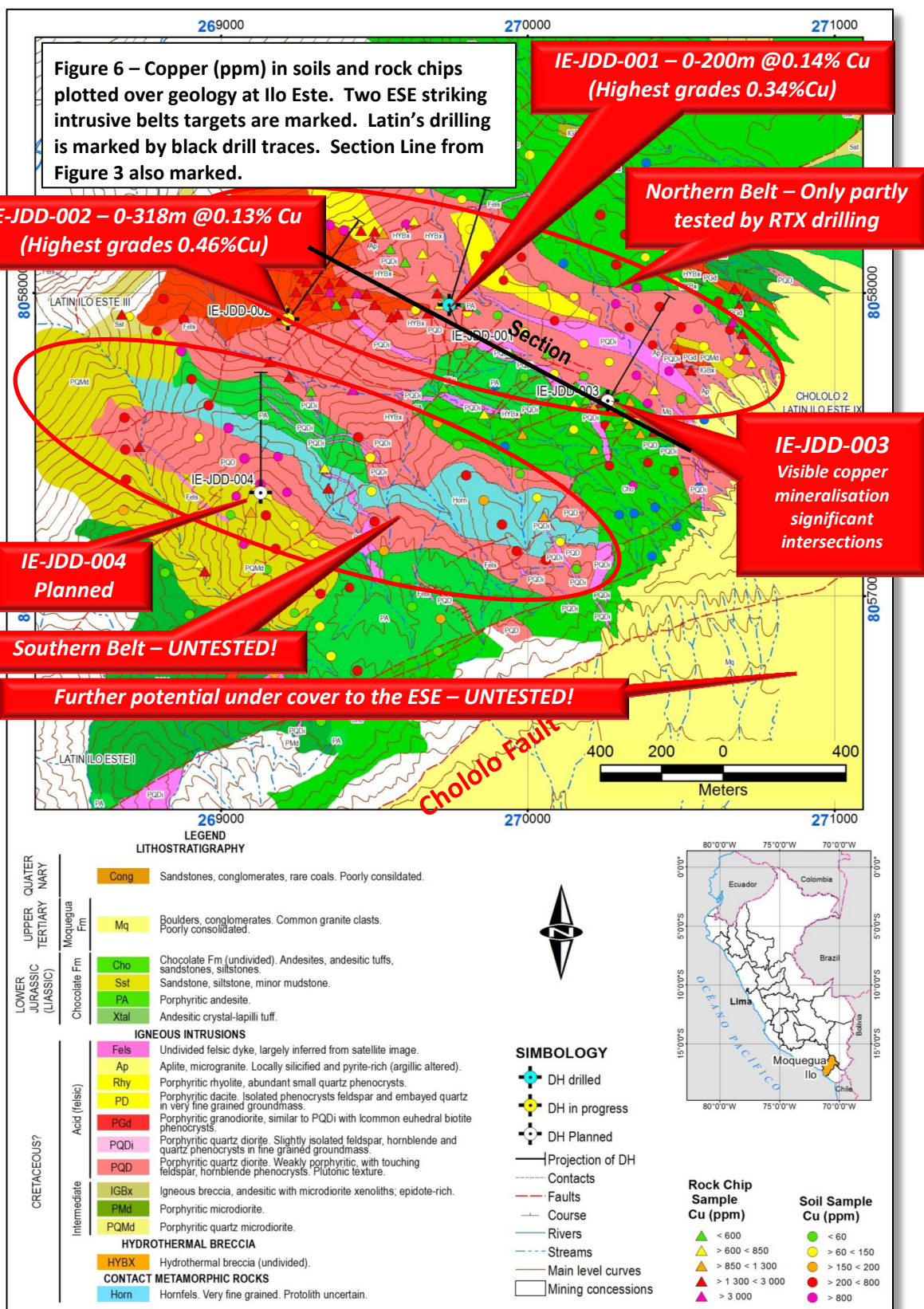
Figure 5 – Schematic section showing the exposed porphyry system currently being drill tested, its likely covered extension to the East, and the low angle Chololo Fault that has potentially offset the upper part of the porphyry system, possibly preserving the typically higher grade phyllic alteration zone in the hanging wall of the fault under cover further to the South East.

Ilo Este's Special Location

Infrastructure

The Ilo Este mineralised system is located at less than 1000 m above sea level, 6 km from the Pan-American Highway, a Railway Line and an Electrical Substation, and from there 32 km to the Port of Ilo. The project area is also located within uninhabited desert lands owned by the Peruvian State.

Such magnificent infrastructure located so close to the project would significantly reduce development capital compared with other large porphyry deposits located higher in the Andes.



**Ilo Norte
(Peru, Copper-Gold)**

During Q4, the Company announced recommencement of drilling at Ilo Norte and new evidence of copper mineralisation from the first four new drill holes completed by earn-in operator Compañía Minera Zahena S.A.C. ("Zahena").

The four holes completed, IN-018A, IN-019A, IN-019B and IN-021 are located in the North Eastern part of the drill pattern completed in June (Table 2 & Figure 8).

Table 1 – Collar information of the first four new holes drilled at Ilo Norte.

Hole ID	Easting (m) WGS84	Northing (m) WGS84	Elevation (m)	Azimuth (degrees)	Declination (degrees)	Depth (m)
IN-018A	251756	8074946	1384	60	-65	917
IN-019A	252031	8074671	1375	60	-65	940.9
IN-019B	252030	8074670	1375	330	-65	400
IN-021	252528	8075563	1410	175	-65	800

These holes were drilled to follow up high grade intersections of copper reported in June and also to test the intersection of a number of NW and NE trending structures, believed to be important controls on the mineralisation at Ilo Norte.

Core from each of the holes has been inspected by Latin geologists who have observed visible copper mineralisation over significant intersections in IN 018A and IN 019A listed in the table in the highlights section of this report. No significant intervals with visible copper mineralisation were observed in IN 019B or IN 021.

Copper mineralisation was observed as chalcopyrite (copper sulphide) filling fractures and replacing favourable beds in volcano-sedimentary rocks in drill hole IN-018A (Figure 7) and also as disseminated chalcopyrite in drill hole IN-019A over 34 m from 767m. Assay results are expected to be reported in Q1 2015.

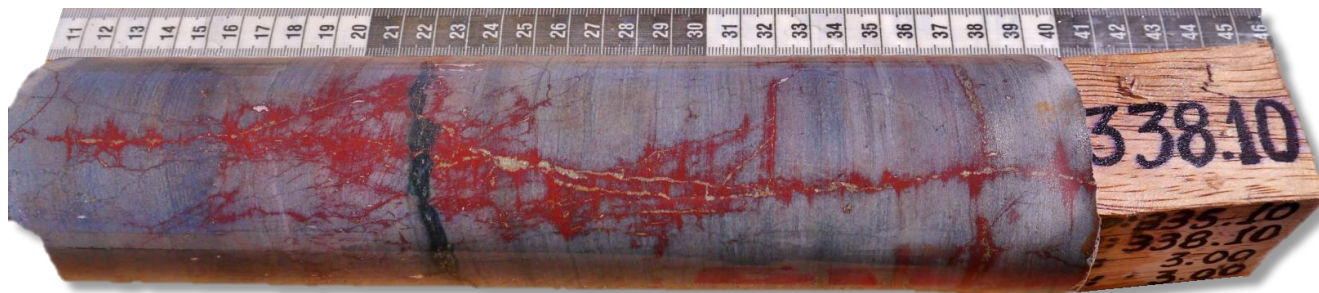


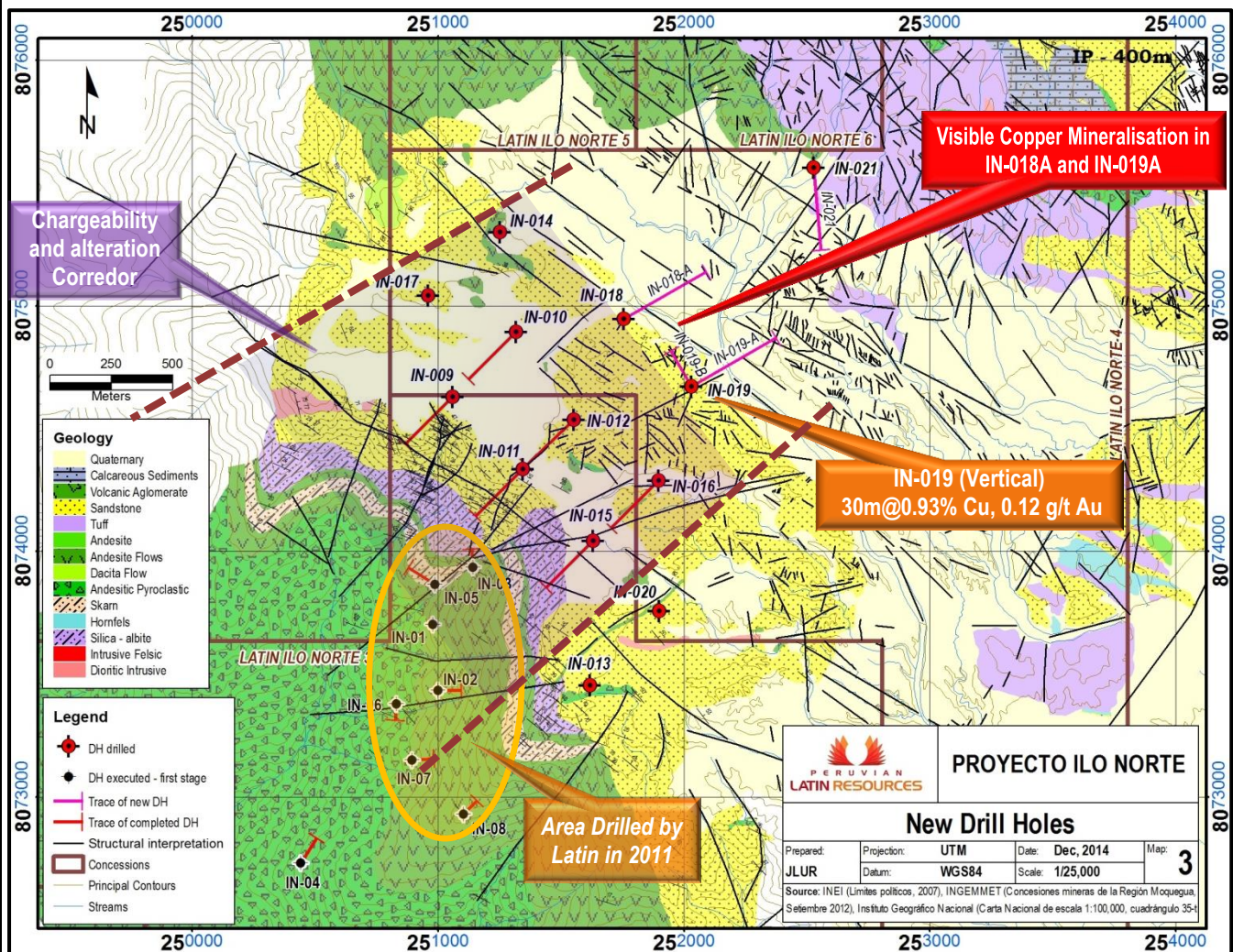
Figure 7 – Photo of drill core from IN-018A from 338 m showing chalcopyrite mineralisation along structures and also replacing bedding in the Volcano-sedimentary sequence. Red haematite seen surrounding the chalcopyrite, is presumably after oxidised pyrite.

At least 3 km² of intense alteration (Magnetite-Pyrite-Albite-Kspar) has been defined between Latin's drilling in 2011 and the drilling undertaken earlier in 2014, and adds weight for the potential to discover significant high grade mineralisation within the overall alteration envelope, in particular towards the North East of the area drilled which is completely obscured by recent cover.

The significance of such high-grade copper intersections with associated gold is their structural control. Where such mineralised structures intersect one another, and where they intersect favourable stratigraphic horizons, there is potential to form a significant tonnage, high grade copper ore body (with associated gold), with considerable depth extent.

Potential mining access to such an ore body would most likely be underground given the topographic advantage provided by the steep slope to the immediate south-west of the mineralised area which drops from 1400m altitude at the drilling area down to 400m altitude over only three kilometres towards the south-west.

Significant infrastructure is also on the doorstep of Ilo Norte, with the sealed coastal highway only 5 km to the South West of the drilling area, a major copper smelter 10 km to the south, with the port city of Ilo only another 15 km south from the smelter.



**Other Ilo Projects
(Peru, Copper-Gold)**

Southern Peru's Prolific Copper District

The Western flanks of the Andes in Southern Peru host a number of Tier one Porphyry copper deposits including Cerro Verde (4Bt @ 0.39% Cu, 0.01% Mo), Toquepala (3.4Bt @ 0.47% Cu, 0.023% Mo) and Cuaione (2.4Bt @ 0.48% Cu, 0.017% Mo), each of which produced 261,348, 136,135 and 171,545 tonnes of copper respectively in 2013, and together accounted for over 40% of Peru's 2013 copper production.

In addition the Quellaveco (947Mt @ 0.63% Cu, 0.02% Mo), Tia Maria (639Mt @ 0.39% Cu, 0.19 g/t Au), and Los Calatos (1.4Bt @ 0.47% Cu, 0.023% Mo) projects are under development.

All of these projects are within 100-150 km from the ten IOCG/Porphyry Cu target areas in the Company's more than 100,000 hectares of 100% owned concession holdings in this highly prospective Copper belt (Figure 9).

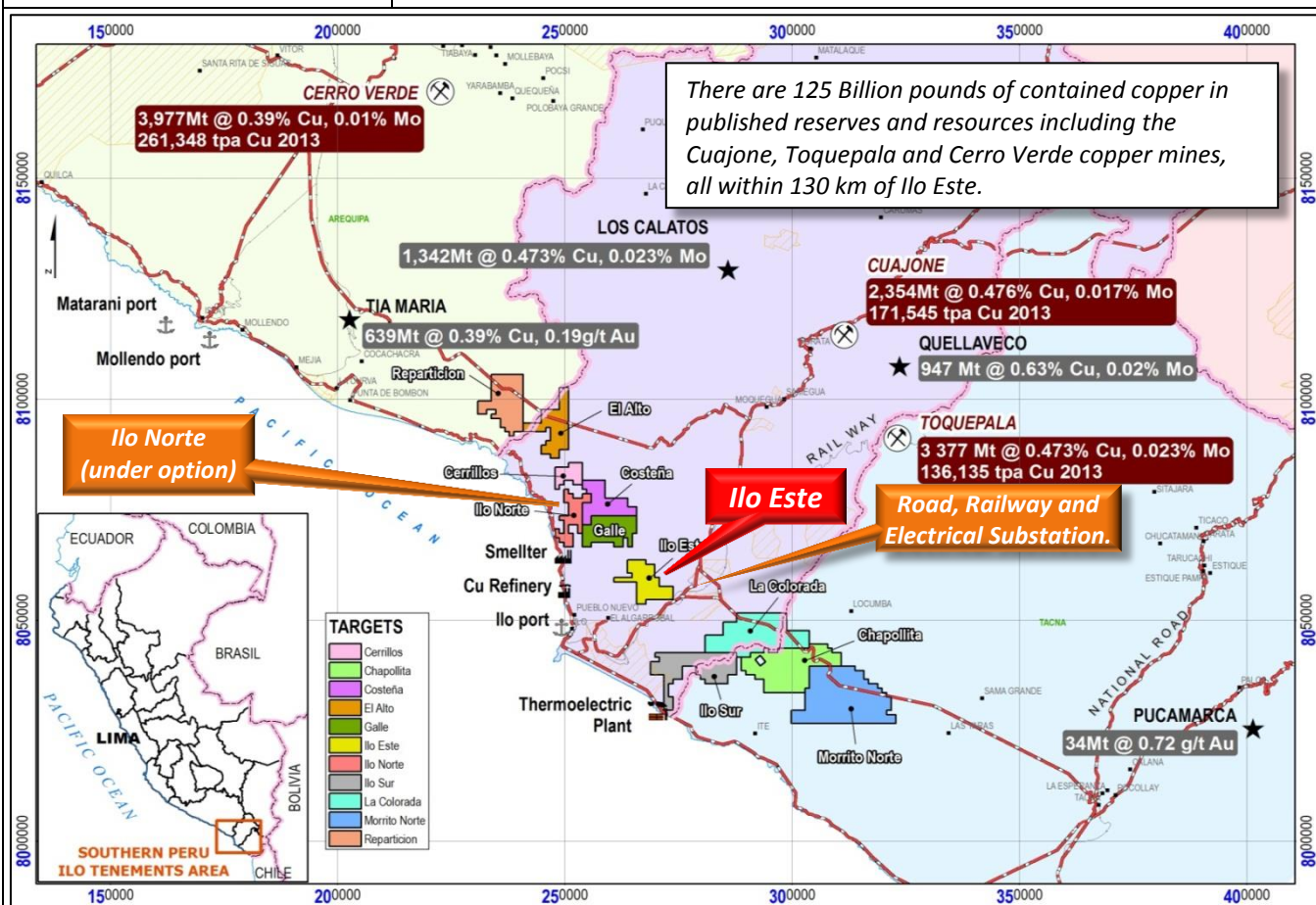


Figure 9 - Location of Ilo Este Project and 10 other target areas within Latin's over 100,000 hectare concession holding in the prolific Southern Peru copper district.

Latin Resources Limited
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<p>Borborema (Iron Ore) BRAZIL</p>	<p>The reconnaissance mapping carried by LRS on all exploration licenses of the Borborema Project has shown that the majority of the exploration licenses located within the Exploration Block I comprise Cretaceous and Cenozoic sediments with limited potential for iron ore. Those licenses will be dropped in 2015, avoiding the costs to be incurred in maintenance fees.</p> <div data-bbox="621 472 1352 980" data-label="Image"> </div> <p>Regional Geology Map showing the contact of Cretaceous Sediments with older units.</p> <p>In order to recover part of the funds invested in the region, Latin has transferred the mining rights of the area located along the Assu river to local producers of building materials (gravels and sands). A total of 2,568.33 hectares (out of 12,958.60 hectares that comprise the Block I) were transferred in Q4 2014. Latin has received R\$ 140,000 (approximately US\$ 54,000) for the transfer, which will be paid in twelve monthly instalments.</p> <p>The Company is reviewing its strategy for the Borborema Project in light of current iron ore prices.</p>
<p>Corporate</p>	
	<p>Funding Agreement</p> <p>The Company announced on 13 November 2014 that it had secured funding of up to \$3.125 million with the Australian Special Opportunity Fund LP, an institutional investor managed by New York based The Lind Partners Australia LLC.</p> <p>The funding comprises of two unsecured convertible notes for a maximum term of 36 months that are available in two tranches. Tranche 1 proceeds of \$1.125 million were drawn down during the quarter.</p> <p>The convertible note is repayable in cash or shares at the election of the Company in accordance with the funding agreement.</p> <p>Refer ASX announcement titled “Funding Agreement” dated 13/11/2014 for further details.</p>

Latin Resources Limited
Report on activities – December 2014

Appendix 5B			
	The Appendix 5B for the Quarter is attached		
Competent persons statement			
	<p><i>The information in this report that relates to Exploration Results from Projects in Peru is based on information compiled by Mr Andrew Bristow, a Competent Person who is a Member of the Australian Institute of Geoscientist and a full time employee of Latin Resources Limited's Peruvian subsidiary. Mr Bristow has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 Bristow consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.</i></p> <p><i>The information in this report that relates to Exploration Results from Projects in Brazil is based on information compiled by Dr Carlos Spier, a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) and a full time employee of Latin Resources Limited. Dr Spier has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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'. Dr Spier consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.</i></p> <p><i>Some of the information in this report relates to previously released exploration results and geological data relating to projects in Peru that were prepared and first disclosed under the JORC Code 2004. This has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported, and was based on information compiled by Mr Andrew Bristow, a full time employee of Latin Resources Limited's Peruvian subsidiary. Mr Bristow is a member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralization and the type of deposit under consideration to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Bristow consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.</i></p> <p><i>Some of the information in this report relates to previously released exploration results and geological data relating to projects in Brazil that were prepared and first disclosed under the JORC Code 2004. This has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported, and was based on information compiled by Dr Carlos Spier, a full time employee of Latin Resources Limited. Dr Spier is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience which is relevant to the style of mineralization and the type of deposit under consideration to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Dr Spier consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.</i></p>		
Enquiries			
	<table border="1"> <tr> <td data-bbox="488 1801 987 1940">Chris Gale Managing Director Latin Resources Limited +61 8 9485 0601</td><td data-bbox="987 1801 1487 1940">David Tasker Professional Public Relations Perth +61 8 9388 0944</td></tr> </table>	Chris Gale Managing Director Latin Resources Limited +61 8 9485 0601	David Tasker Professional Public Relations Perth +61 8 9388 0944
Chris Gale Managing Director Latin Resources Limited +61 8 9485 0601	David Tasker Professional Public Relations Perth +61 8 9388 0944		

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Latin Resources Limited

ABN

81 131 405 144

Quarter ended ("current quarter")

December 2014

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	10	103
1.2	Payments for (a) exploration & evaluation (*)	(730)	(2,684)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(566)	(2,530)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	2	13
1.5	Interest and other costs of finance paid	67	(230)
1.6	Income taxes paid	-	-
1.7	Other (R&D claim)	-	371
Net Operating Cash Flows		(1,217)	(4,957)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects (*)	221	(394)
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	(47)	2,183
	(b) equity investments	-	-
	(c) other fixed assets	39	41
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other – Security deposits/bonds	-	-
Net investing cash flows		213	1,830
1.13	Total operating and investing cash flows (carried forward)	(1,004)	(3,127)

* includes an adjustment to reallocate annual concession fees from item 1.8 to 1.2

Latin Resources Limited
Report on cash flows - December 2014

1.13	Total operating and investing cash flows (brought forward)	(1,004)	(3,127)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	(6)	2,153
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	1,112	1,962
1.17	Repayment of borrowings	-	(1,100)
1.18	Dividends paid	-	-
1.19	Other	-	-
	Net financing cash flows	1,106	3,015
	Net increase (decrease) in cash held	102	(112)
1.20	Cash at beginning of quarter/year to date	184	391
1.21	Exchange rate adjustments to item 1.20	22	29
1.22	Cash at end of quarter	308	308

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	115
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payment of directors' fees, salaries and superannuation for the quarter.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

--

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

--

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	5,625	3,625
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	320
4.2 Development	-
4.3 Production	-
4.4 Administration	424
Total	744

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	107	49
5.2 Deposits at call	201	135
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	308	184

Changes in interests in mining tenements

See Schedule 1 for the current full list of tenements

	Tenement reference Name/Code	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Acu 848.543/2010	Exploration claim	100%	71%
	Acu 848.546/2010	Exploration claim	100%	79%
	Acu 848.547/2010	Exploration claim	100%	79%
	Acu 848.580/2010	Exploration claim	100%	72%
	Acu 848.624/2010	Exploration claim	100%	81%
	Acu 848.625/2010	Exploration claim	100%	81%
	Acu 848.626/2010	Exploration claim	100%	78%

6.2 Interests in mining
tenements acquired or
increased

-	-	-	-
---	---	---	---

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference *securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter	-	-	-	-
(a) Increases through issues				
(b) Decreases through returns of capital, buy- backs, redemptions				
7.3 *Ordinary securities	320,469,243	320,469,243	-	-
7.4 Changes during quarter				
(a) Increases through issues	3,640,064	3,640,064	0.038	0.038
	8,750,000	8,750,000	0.046	0.046
	250,000	250,000		
(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 *Convertible debt securities <i>(description)</i>	1	-	\$2,500,000	\$2,500,000
	1	-	\$1,125,000	\$1,125,000
7.6 Changes during quarter				
(a) Increases through issues	1	-	\$1,125,000	\$1,125,000
(b) Decreases through securities matured, converted	-	-	-	-
7.7 Options <i>(description and conversion factor)</i>	1,000,000	-	Exercise price \$0.30	Expiry date 25/6/201
	# 27,291,289	-	-	-
7.8 Issued during quarter	# 582,842	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	56,971,354	56,971,354	\$0.20	26/10/2014
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

Share rights issued pursuant to an approved Employee share scheme. The Share rights form part of the Long Term Incentive scheme in compliance with the Company's Remuneration Policy. The Share rights have various expiry dates and vesting criteria.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:

Date: 30/1/2015

(Company secretary)

Print name: Anthony Begovich

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* applies to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

Schedule 1 - Tenements

Latin Resources Limited (ASX: LRS, LRSO) advises that in accordance with Listing Rule 5.3.3 the company has an interest in the following mining concessions/exploration rights.

Tenement name	Code	Location	Ownership	Status
Latin Ilo Este I	01-05005-08	Peru	100% PLR	Concession
Latin Ilo Este II	01-05003-08	Peru	100% PLR	Concession
Latin Ilo Este III	01-05001-08	Peru	100% PLR	Concession
Latin Ilo Este IV	01-05007-08	Peru	100% PLR	Concession
Latin Ilo Este V	01-05008-08	Peru	100% PLR	Concession
Latin Ilo Este VI	01-05009-08	Peru	100% PLR	Concession
Latin Ilo Este IX	01-01952-14	Peru	100% PLR	Concession
Latin Ilo Sur A	01-05276-08	Peru	100% PLR	Concession
Latin Ilo Sur B	01-06227-08	Peru	100% PLR	Concession
Latin Ilo Sur C 1	01-05275-08	Peru	100% PLR	Concession
Latin Ilo Sur C 2	01-05277-08	Peru	100% PLR	Concession
Latin Ilo Sur D	01-05278-08	Peru	100% PLR	Concession
Latin Ilo Sur E 1	01-06720-08	Peru	100% PLR	Concession
Latin Ilo Sur E 2	01-06721-08	Peru	100% PLR	Concession
Latin Ilo Norte 1	01-00828-09	Peru	100% PLR	Concession
Latin Ilo Norte 2	01-00829-09	Peru	100% PLR	Under Application
Latin Ilo Norte 3	01-00830-09	Peru	100% PLR	Concession
Latin Ilo Norte 4	01-00831-09	Peru	100% PLR	Concession
Latin Ilo Norte 5	01-02510-09	Peru	100% PLR	Concession
Latin Ilo Norte 6	01-02511-09	Peru	100% PLR	Concession
Latin Ilo Norte 7	01-02512-09	Peru	100% PLR	Concession
Latin Ilo Norte 8	01-02513-09	Peru	100% PLR	Concession
Latin Ilo Sur G	01-02514-09	Peru	100% PLR	Concession
Latin Ilo Sur H	01-02515-09	Peru	100% PLR	Concession
Latin Ilo Sur I	01-02516-09	Peru	100% PLR	Concession
Latin Ilo Sur J	01-02517-09	Peru	100% PLR	Concession
Latin Ilo Sur K	01-02825-09	Peru	100% PLR	Concession
Latin Ilo Sur L	01-02826-09	Peru	100% PLR	Concession
Latin Ilo Sur F	01-02824-09	Peru	100% PLR	Concession
Latin Morrito 1	01-02827-09	Peru	100% PLR	Concession
Latin Morrito 2	01-02828-09	Peru	100% PLR	Concession
Latin Morrito 3	01-02829-09	Peru	100% PLR	Concession
Latin Pampa de Pongo 1	01-02932-09	Peru	100% PLR	Concession
Latin Ilo Este VII	01-00335-10	Peru	100% PLR	Concession
Essendon 2	01-01895-10	Peru	100% PLR	Concession
Essendon 3	01-01896-10	Peru	100% PLR	Concession
Essendon 4	01-01897-10	Peru	100% PLR	Concession
Essendon 5	01-01898-10	Peru	100% PLR	Concession
Essendon 6	01-01899-10	Peru	100% PLR	Concession
Fremantle 1	01-02062-10	Peru	100% PLR	Concession
Fremantle 2	01-02063-10	Peru	100% PLR	Concession
Fremantle 3	01-02064-10	Peru	100% PLR	Concession
Fremantle 4	01-02065-10	Peru	100% PLR	Concession
Fremantle 5	01-02066-10	Peru	100% PLR	Concession
Fremantle 6	01-02067-10	Peru	100% PLR	Concession
Fremantle 7	01-02068-10	Peru	100% PLR	Concession

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Fremantle 8	01-02250-10	Peru	100% PLR	Concession
Essendon 7	01-02246-10	Peru	100% PLR	Concession
Essendon 8	01-02247-10	Peru	100% PLR	Concession
Essendon 9	01-02248-10	Peru	100% PLR	Concession
Essendon 10	01-02249-10	Peru	100% PLR	Concession
Bombers 5	01-02422-10	Peru	100% PLR	Concession
Bombers 6	01-02423-10	Peru	100% PLR	Concession
Fremantle 9	01-02424-10	Peru	100% PLR	Concession
Fremantle 10	01-02425-10	Peru	100% PLR	Concession
Fremantle 11	01-02426-10	Peru	100% PLR	Concession
Fremantle 12	01-02427-10	Peru	100% PLR	Concession
Fremantle 13	01-02428-10	Peru	100% PLR	Concession
Fremantle 14	01-02429-10	Peru	100% PLR	Concession
Fremantle 15	01-02430-10	Peru	100% PLR	Concession
Fremantle 16	01-02431-10	Peru	100% PLR	Concession
Fremantle 17	01-02432-10	Peru	100% PLR	Concession
Fremantle 18	01-02433-10	Peru	100% PLR	Concession
Fremantle 19	01-02434-10	Peru	100% PLR	Concession
Fremantle 20	01-02435-10	Peru	100% PLR	Concession
Fremantle 21	01-02436-10	Peru	100% PLR	Concession
Vandals 1	01-02437-10	Peru	100% PLR	Concession
Vandals 2	01-02438-10	Peru	100% PLR	Concession
Vandals 3	01-02439-10	Peru	100% PLR	Concession
Vandals 4	01-02440-10	Peru	100% PLR	Concession
Vandals 5	01-02441-10	Peru	100% PLR	Concession
Essendon 11	01-01818-11	Peru	100% PLR	Concession
Essendon 12	01-01819-11	Peru	100% PLR	Concession
Ryan	01-01821-11	Peru	100% PLR	Concession
Bridgette	01-01820-11	Peru	100% PLR	Concession
Maddison	01-01822-11	Peru	100% PLR	Concession
Essendon 13	01-01823-11	Peru	100% PLR	Concession
Essendon 14	01-01824-11	Peru	100% PLR	Concession
Essendon 15	01-01825-11	Peru	100% PLR	Concession
Essendon 16	01-01826-11	Peru	100% PLR	Concession
Essendon 17	01-01827-11	Peru	100% PLR	Concession
Essendon 18	01-01828-11	Peru	100% PLR	Concession
Essendon 19	01-01829-11	Peru	100% PLR	Concession
Essendon 20	01-01830-11	Peru	100% PLR	Concession
Essendon 21	01-01841-11	Peru	100% PLR	Concession
Essendon 22	01-01842-11	Peru	100% PLR	Concession
Ryan 1	01-01843-11	Peru	100% PLR	Concession
Bridgette 1	01-01844-11	Peru	100% PLR	Concession
Maddison 1	01-01845-11	Peru	100% PLR	Concession
Essendon 23	01-01846-11	Peru	100% PLR	Concession
Essendon 24	01-01847-11	Peru	100% PLR	Concession
Essendon 25	01-01848-11	Peru	100% PLR	Concession
Essendon 26	01-01849-11	Peru	100% PLR	Concession
Essendon 27	01-01850-11	Peru	100% PLR	Concession
Essendon 28	01-05116-11	Peru	100% PLR	Concession
Essendon 29	01-05117-11	Peru	100% PLR	Concession
Fremantle 22	01-01831-11	Peru	100% PLR	Concession
Fremantle 23	01-01832-11	Peru	100% PLR	Concession
Fremantle 24	01-01833-11	Peru	100% PLR	Concession

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Fremantle 25	01-01834-11	Peru	100% PLR	Concession
Fremantle 26	01-01835-11	Peru	100% PLR	Concession
Fremantle 27	01-01836-11	Peru	100% PLR	Concession
Fremantle 28	01-01837-11	Peru	100% PLR	Concession
Fremantle 29	01-01838-11	Peru	100% PLR	Concession
Stephanie	01-01839-11	Peru	100% PLR	Concession
Kelly 00	01-01840-11	Peru	100% PLR	Concession
Fremantle 30	01-01856-11	Peru	100% PLR	Concession
Fremantle 31	01-01857-11	Peru	100% PLR	Concession
Fremantle 32	01-01858-11	Peru	100% PLR	Concession
Fremantle 33	01-01859-11	Peru	100% PLR	Concession
Fremantle 34	01-01860-11	Peru	100% PLR	Concession
Fremantle 35	01-01861-11	Peru	100% PLR	Concession
Fremantle 36	01-01862-11	Peru	100% PLR	Concession
Fremantle 37	01-01863-11	Peru	100% PLR	Concession
Fremantle 38	01-01864-11	Peru	100% PLR	Concession
Dockers 1	01-01865-11	Peru	100% PLR	Concession
Dockers 2	01-01866-11	Peru	100% PLR	Concession
Dockers 3	01-01867-11	Peru	100% PLR	Concession
Dockers 4	01-01868-11	Peru	100% PLR	Concession
Ashleigh	01-01869-11	Peru	100% PLR	Concession
Fremantle 39	01-01870-11	Peru	100% PLR	Concession
Fremantle 40	01-01871-11	Peru	100% PLR	Concession
Fremantle 41	01-01872-11	Peru	100% PLR	Concession
Fremantle 42	01-01875-11	Peru	100% PLR	Concession
Fremantle 43	01-01873-11	Peru	100% PLR	Concession
Fremantle 44	01-01874-11	Peru	100% PLR	Concession
Auxiliadora II	01-00586-07	Peru	100% PLR	Concession
Auxiliadora III	01-00587-07	Peru	100% PLR	Concession
Santa 70	6300029-08	Peru	100% PLR	Concession
Santa XIX	01.00590-07	Peru	100% PLR	Concession
Santa XXII	01-00591-07	Peru	100% PLR	Concession
Santa XXIII	01-00595-07	Peru	100% PLR	Concession
Santa Norte XXI	01-01101-07	Peru	100% PLR	Concession
Santa Norte XXII	01-01102-07	Peru	100% PLR	Concession
Santa Norte XXIII	01-01100-07	Peru	100% PLR	Concession
Mi Amto XXII	01-00527-00	Peru	100% PLR	Concession
Fatima XXI	01-01408-00	Peru	100% PLR	Concession
Sta. Rosa XXI	01-01349-98	Peru	100% PLR	Concession
Macarena XXI	03-00052-97	Peru	100% PLR	Concession
Macarena XXII	01-00588-07	Peru	100% PLR	Concession
San francisco XXI	01-00589-07	Peru	100% PLR	Concession
Santa XXI	63-00035-09	Peru	100% PLR	Concession
Santa XX	63-00042-09	Peru	100% PLR	Concession
Santa XVIII	63-00041-09	Peru	100% PLR	Concession
Santa XVI	63-00040-09	Peru	100% PLR	Concession
Mi Amto XXI	01-01836-99	Peru	100% PLR	Concession
San Francisco XXIII	63-00026-10	Peru	100% PLR	Under Application
GIANDERI XXXIII	01-01560-06	Peru	100% PLR	Concession
Mathew 1	01-01634-11	Peru	100% PLR	Concession
Mathew 2	01.01635-11	Peru	100% PLR	Concession
Blackburn 1	01-03226-11	Peru	100% PLR	Concession
Blackburn 2	01-03534-11	Peru	100% PLR	Under Application

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Kelly 01	01-04977-11	Peru	100% PLR	Concession
Blackburn 3	01-00467-12	Peru	100% PLR	Concession
Blackburn 4	01-00468-12	Peru	100% PLR	Concession
Blackburn 6	01-00470-12	Peru	100% PLR	Concession
Perthiam 1	01-00675-12	Peru	100% PLR	Concession
Perthiam 2	01-00676-12	Peru	100% PLR	Concession
Los Conchaes	01-02590-12	Peru	100% PLR	Concession
Blackburn 7	01-02850-12	Peru	100% PLR	Concession
Blackburn 8	01-02895-12	Peru	100% PLR	Concession
Blackburn 9	01-02896-12	Peru	100% PLR	Concession
Blackburn 10	01-02897-12	Peru	100% PLR	Concession
Blackburn 11	01-02898-12	Peru	100% PLR	Concession
Blackburn 12	01-02899-12	Peru	100% PLR	Concession
Blackburn 13	01-03176-12	Peru	100% PLR	Concession
Blackburn 14	01-03177-12	Peru	100% PLR	Concession
Blackburn 15	01-03179-12	Peru	100% PLR	Concession
Blackburn 16	01-03178-12	Peru	100% PLR	Concession
Blackburn 17	01-03208-12	Peru	100% PLR	Concession
Acu	848.543/2010	Brazil	71%MFN	Exploration claim
Acu	848.545/2010	Brazil	100%MFN	Exploration claim
Acu	848.546/2010	Brazil	79%MFN	Exploration claim
Acu	848.547/2010	Brazil	79%MFN	Exploration claim
Acu	848.580/2010	Brazil	72%MFN	Exploration claim
Acu	848.624/2010	Brazil	81%MFN	Exploration claim
Acu	848.625/2010	Brazil	81%MFN	Exploration claim
Acu	848.626/2010	Brazil	78%MFN	Exploration claim
Jucurutu	848.555/2010	Brazil	100%MFN	Exploration claim
Jucurutu	848.556/2010	Brazil	100%MFN	Exploration claim
Jucurutu	848.572/2010	Brazil	100%MFN	Exploration claim
Jucurutu	848.583/2010	Brazil	100%MFN	Exploration claim
Jucurutu	848.552/2010	Brazil	100%MFN	Exploration claim
Jucurutu	848.574/2010	Brazil	100%MFN	Exploration claim
Sabugi	848.571/2010	Brazil	100%MFN	Exploration claim
Sabugi	848.573/2010	Brazil	100%MFN	Exploration claim
Sabugi	848.201/2011	Brazil	100%MFN	Exploration claim
Sabugi	848.375/2011	Brazil	100%MFN	Exploration claim
Sabugi	846.199/2011	Brazil	100%MFN	Exploration claim
Sabugi	848.553/2010	Brazil	100%MFN	Exploration claim
Sabugi	848.554/2010	Brazil	100%MFN	Exploration claim
Sabugi	848.576/2010	Brazil	100%MFN	Exploration claim
Sabugi	848.570/2010	Brazil	100%MFN	Exploration claim