

Quarterly report

June 2015



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 & Minera sands) and Ilo (Copper and Gold).

Corporate summary

ASX: LRS

Shares issued: 384.6 Million
Options issued: 36.4 Million
Rights issued: 24.4 Million

Latin Resources Limited

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Highlights

Operations

Ilo Este (Peru)

Zahena mobilises in preparation for drill campaign at Ilo Este Pophyry Copper Project:

- Final approval for commencement of exploration activities granted.
- Definitive contract signed with Compañia Minera Zahena SAC (Zahena) under Peruvian Law, formalising Binding Terms Sheet announced February 2015.
- Zahena has mobilised for preparative activities (earthworks and camp construction) and is expected to commence drilling in August.
- The contract is a rights assignment and earn-in option to transfer 70% ownership of Latin's Ilo Este Project to Zahena for a total consideration of US\$1.0 million cash and minimum exploration work commitments totalling 11,000 m of diamond drilling valued at approximately US\$3.0 million.
- Latin's Peruvian Subsidiary (PLR) to receive staged payments over 3 years totalling US\$1.0 million.
- A minimum of 5,000 m of diamond drilling to be completed by Zahena within 6 months, 3,000 m more within 12 months and a further 3,000 m for a total of 11,000 m within 18 months.
- Once Zahena's 11,000 m of drilling is completed, the US\$1.0 million in payments to PLR can be made before schedule to exercise the option and earn 70% of Ilo Este.
- Following exercise of the option, a newco will be formed where PLR retains 30% ownership which Zahena will have a limited option to buy out for a cash sum to be negotiated plus a 2% Net Smelter Return royalty on all mineral sales.
- PLR will receive an "exploration success" payment of US\$5 Million in the event that a successful definitive feasibility study is produced to exploit mineral resources from the Ilo Este either during the option period or following the formation of newco.

Ilo Norte (Peru)

- Data and core was reviewed by potential JV partners during the quarter.
- Discussions with potential joint venture partners ongoing.

Ilo Copper Projects – Southern Concession Block (Peru)

MOU allowing Global Copper Producer to explore Latin's Copper Projects in Southern Peru:

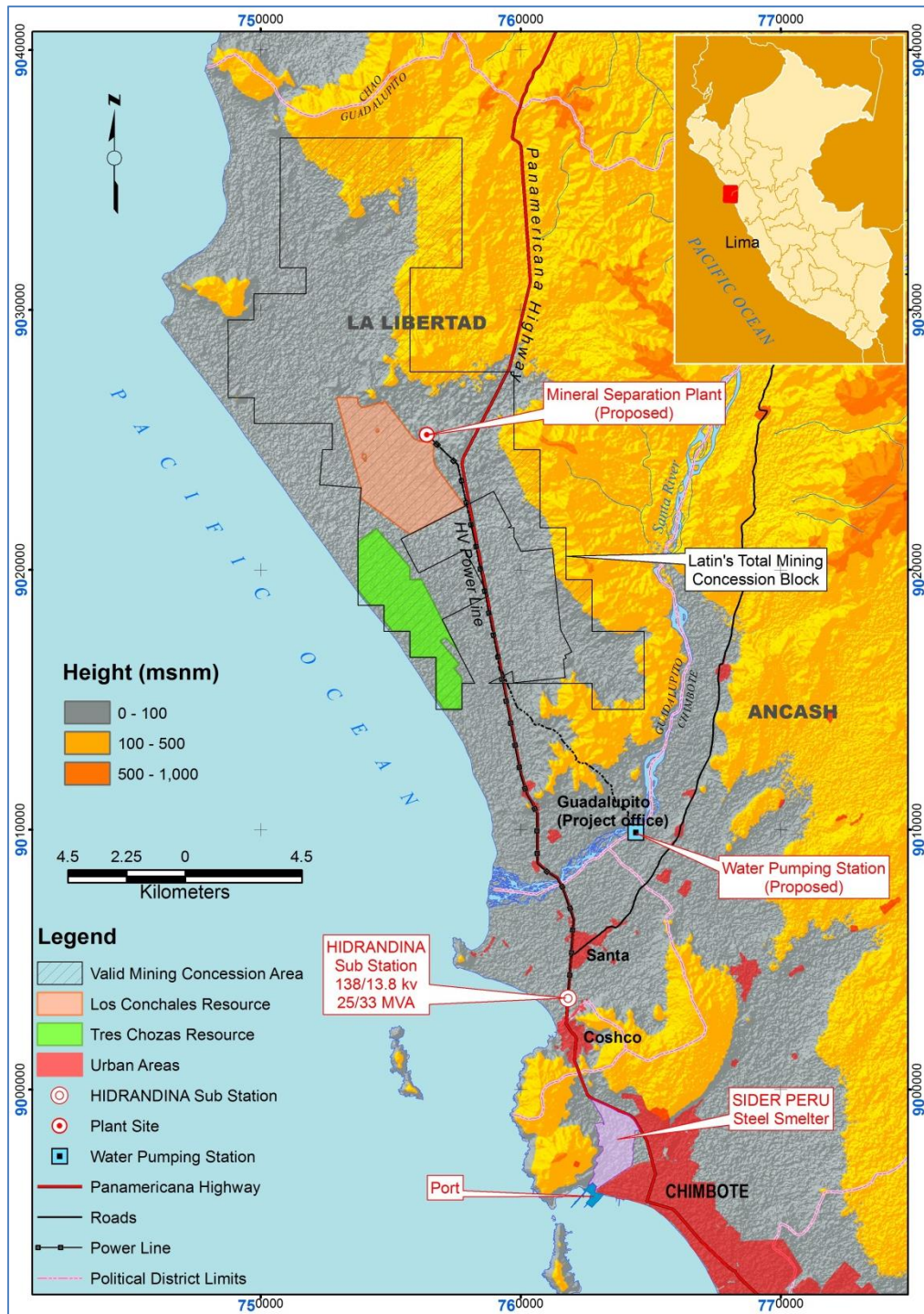
- Data analysis by Minera Antares SAC (First Quantum Minerals Ltd. Peruvian Subsidiary) continued during the quarter.
- Decision taken (with Antares consent) to reduce concession holding over ground identified as less prospective (excessively covered or with known surface rights impediments). Almost US\$90,000 savings annually.

	<p>Guadalupito (Peru)</p> <p><u>New Terms Agreed with Guadalupito Project Vendors:</u></p> <ul style="list-style-type: none"> • Total sale price reduced by US\$7.219M • No cash payments until after release of a successful Definitive Feasibility Study (DFS). • Terms facilitate the Company's aim of attracting direct investment in the Project from a JV Partner. • Discussions with potential joint venture partners ongoing. • Decision to abandon 16 concessions with little resource potential to reduce concession maintenance costs, saving over US\$70,000 annually. <p>Borborema (Brazil)</p> <ul style="list-style-type: none"> • In the light of the negative scenario for the iron ore industry in the short-medium term, the company has decided to drop its exploration licenses on the Borborema Project and avoid further expenses with mining rights fees. <p>Corporate</p> <ul style="list-style-type: none"> • The Company continued its strategy to reduce costs during the quarter by decreasing the size of its Board by two, lowering annual concession fees by US\$160,000 and renegotiating the contract with the Guadalupito project vendors resulting in savings to the Company of US\$7.2m. • In May 2015 the Company entered into a funding arrangement for US\$300,000 with a New York based investment firm. • A Prospectus was lodged with ASIC on 29 June 2015 for a Non-renounceable Entitlement Issue to raise up to \$3.1m. • Short term loans totalling approx. \$393k were obtained during the quarter to assist in funding the Company's working capital requirements.
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Operations																																		
Guadalupito (Peru, Andalusite)	<p><u><i>New Terms Agreed with Guadalupito Project Vendors:</i></u></p> <p>On 29 June 2015 the Company announced the signing of a letter agreement with the Guadalupito Project Vendors outlining further amendments to be made to the sale agreement originally announced 10 February 2011, and subsequently amended in March 2014 and again in August 2014, through which the Company’s Peruvian subsidiary acquired 22 mining concessions totalling 14,568 hectares at the Guadalupito project from 16 vendor companies.</p> <p>Amendments in 2014 were related to the offsetting of, and extensions to, the payment schedule and the payment of some cash obligations in shares of the Company, and were announced 28 March 2014 and in the September Quarterly report 31 October 2014.</p> <p>In the letter agreement, the purchase price is reduced by US\$7.219 million leaving a pending amount of US\$10 million. A new payment schedule has also been agreed with the pending amount paid in 5 annual instalments beginning 6 months after the release to market of a favourable Definitive Feasibility Study (DFS), that the Company has a maximum of four years to achieve (no later than July 2019). In addition 2 million ordinary shares will be issued to the Vendor every 05 January in 2016, 2017 2018 and 2019. The revised payment schedule is as follows:</p> <table><tr><th>Date</th><th>Cash Payments</th><th>Share Based Payments</th></tr><tr><td>05 January 2016</td><td>-</td><td>2 Million Shares</td></tr><tr><td>05 January 2017</td><td>-</td><td>2 Million Shares</td></tr><tr><td>05 January 2018</td><td>-</td><td>2 Million Shares</td></tr><tr><td>05 January 2019</td><td>-</td><td>2 Million Shares</td></tr><tr><td>January 2020*</td><td>US\$250,000.00</td><td></td></tr><tr><td>January 2021*</td><td>US\$750,000.00</td><td></td></tr><tr><td>January 2022*</td><td>US\$1’000,000.00</td><td></td></tr><tr><td>January 2023*</td><td>US\$2’000,000.00</td><td></td></tr><tr><td>January 2024*</td><td>US\$6’000,000.00</td><td></td></tr><tr><td>TOTAL</td><td>US\$10’000,000.00</td><td></td></tr></table> <p><i>* - Cash payments are due 6, 18, 30, 42 and 54 months following publication of a favourable Definitive Feasibility Study, no later than July 2019.</i></p> <p>The final agreed amendment is to increase the Royalty payment to the vendors from 1.5% NSR to 3.0% NSR, with 1.0% NSR able to be extinguished by the payment of a further US\$10 million at Latin’s option.</p> <p>The new terms were accepted by the vendors in consideration of the challenging investment environment, and with the full understanding that deferring cash payments beyond the DFS completion is required in order to achieve the direct investment sought by the company in the Project from a JV partner.</p> <p>Finally, the letter agreement commits the parties to proceed as soon as possible to complete the required documentation to register the agreement as previous amendments have been under Peruvian law.</p> <p>Discussions with potential joint venture partners ongoing.</p>	Date	Cash Payments	Share Based Payments	05 January 2016	-	2 Million Shares	05 January 2017	-	2 Million Shares	05 January 2018	-	2 Million Shares	05 January 2019	-	2 Million Shares	January 2020*	US\$250,000.00		January 2021*	US\$750,000.00		January 2022*	US\$1’000,000.00		January 2023*	US\$2’000,000.00		January 2024*	US\$6’000,000.00		TOTAL	US\$10’000,000.00	
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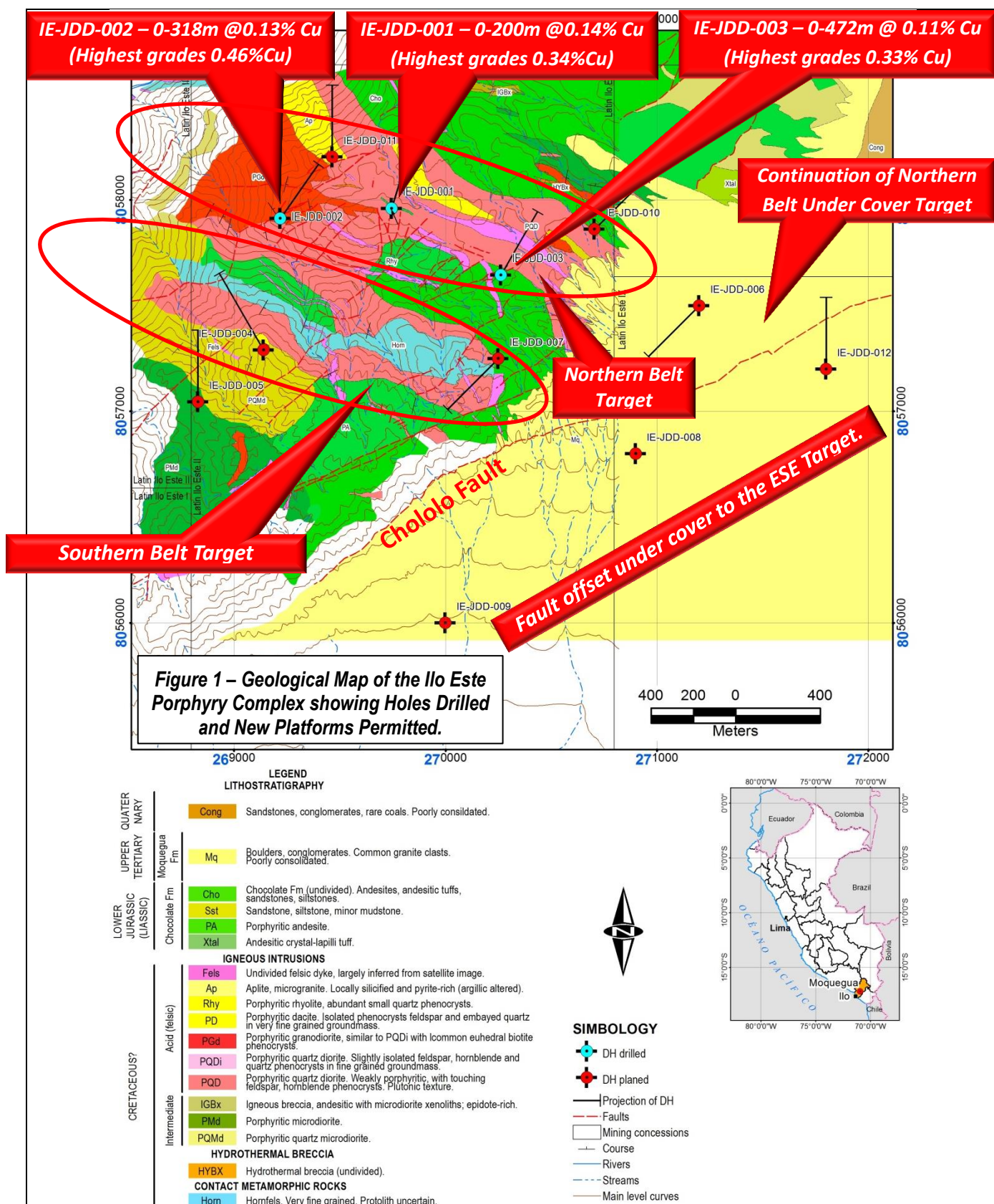
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A thorough review of exploration data was undertaken at Guadalupe, and based on the review, a decision was taken not to renew areas with little or no resource potential or known surface rights issues, Fees were payable at the end of the quarter and changes will take place from the beginning of Q3. 8,135 ha in 16 of the original 41 concessions were not renewed, that will result in a reduction in concession area for the Guadalupe project from 21,917 ha to 13,782 ha (representing an annual saving of over US\$70,000). Concessions to be retained are shown on the following map:



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<p>Ilo Este (Peru, Copper)</p>	<p><u><i>Zahena mobilises in preparation for drill campaign at Ilo Este Pophyry Copper Project:</i></u></p> <p>The Company's 100% owned subsidiary Peruvian Latin Resources SAC (PLR) signed a definitive contract under Peruvian Law granting a rights assignment and earn-in option to transfer 70% ownership of its Ilo Este Project to Peruvian firm, Compañia Minera Zahena SAC (Zahena), for a total consideration of US\$1.0 million cash and minimum exploration work commitments of 11,000 m of diamond drilling valued at approximately US\$3.0 million.</p> <p>Under the contract, PLR will receive the following cash payments:</p> <table border="1" data-bbox="540 596 1433 1003"> <thead> <tr> <th>Payment Trigger</th><th>Payment Amount</th></tr> </thead> <tbody> <tr> <td>6 months from the date the definitive contract is inscribed in the Peruvian Public Registry (Inscription Date) or the completion of 4 exploratory holes on the Project, whichever occurs first.</td><td>US\$ 75,000</td></tr> <tr> <td>12 months from the Inscription Date.</td><td>US\$ 75,000</td></tr> <tr> <td>18 months from the Inscription Date.</td><td>US\$ 150,000</td></tr> <tr> <td>24 months from the Inscription Date.</td><td>US\$ 150,000</td></tr> <tr> <td>30 months from the Inscription Date.</td><td>US\$ 200,000</td></tr> <tr> <td>36 months from the Inscription Date.</td><td>US\$ 350,000</td></tr> <tr> <td>TOTAL</td><td>US\$ 1,000,000</td></tr> </tbody> </table> <p>In addition to completing the above cash payments, Zahena is required to complete a diamond drilling program for a minimum of 5,000 metres within 6 months of 1 September 2015, 8,000 metres within 12 months and a total of 11,000 metres within 18 months (valued at approximately US\$3.0 million).</p> <p>The Inscription Date is expected to occur in August given the approval of the modification to the drilling permit which accommodates Zahena's drill plan including drill targets on the southern intrusive belt, and also covered targets to the west and south east of the Chololo Fault (Figure 1).</p> <p>The drill permit modification is fully approved including authorisation to commence exploration activities. This work was undertaken by PLR's service division for which Zahena paid US\$45,821.17.</p> <p>The assignment of rights and earn-in option have been given over the mining concessions Latin Ilo Este I, Latin Ilo Este II, Latin Ilo Este III, Latin Ilo Este IV, Latin Ilo Este V, Latin Ilo Este VI, Latin Ilo Este VII and Latin Ilo Este IX totalling 6,200 hectares.</p> <p><u><i>Ilo Este's Special Location</i></u></p> <p>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.</p> <p>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.</p>	Payment Trigger	Payment Amount	6 months from the date the definitive contract is inscribed in the Peruvian Public Registry (Inscription Date) or the completion of 4 exploratory holes on the Project, whichever occurs first.	US\$ 75,000	12 months from the Inscription Date.	US\$ 75,000	18 months from the Inscription Date.	US\$ 150,000	24 months from the Inscription Date.	US\$ 150,000	30 months from the Inscription Date.	US\$ 200,000	36 months from the Inscription Date.	US\$ 350,000	TOTAL	US\$ 1,000,000
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Ilo Norte
(Peru, Copper-Gold)

During Q1, the Company announced that operational control of the company's 100% owned Ilo Norte Project has been returned to Latin following the termination of the earn-in option agreement by Minera Zahena. Minera Zahena have now entered into a new earn-in option agreement over Latin's 100% owned Ilo Este Project.

Zahena's exploration activities at Ilo Norte brought US\$200,000 in cash payments to Latin's Peruvian subsidiary, and the 12,657.9 m of diamond drilling from 16 holes completed represented an estimated investment of more than US\$3 million into the Project, with the drill core and all exploration data retained as property of Latin. All exploration data including final assay results from the latest drilling have been received.

Of the 16 diamond drill holes drilled over a 2 km² area, 14 made several intersections over the length of the holes. Within each of these 14 holes, totals of between 21 to 189 metres of low grade Cu mineralisation (0.1%-0.3% Cu) were intersected, highlighting the extent of the mineralised system.

Within this extensive mineralised system, the best intersections were associated with structural zones as follows:

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.

At least 3 km² of intense alteration (Magnetite-Pyrite-Albite-Kspar) has been defined between Latin's drilling in 2011 and the drilling undertaken by Zahena in 2014. Copper mineralisation in the range of 0.1%-0.3% Cu has been intersected over numerous lengths in excess of 10 m within this overall alteration package and high grade structure related intersections have also been intersected. Structures are abundant, both NE/SW and NW/SE directions appear important controls on mineralisation, with significant offsets apparent from the drilling.

Given drilling to date has been on a broad (400x400m) spacing, Latin believes there is still good potential for defining a significant high grade structurally controlled ore body within the overall alteration envelope. This is supported by the several high grade intersections made to date, along with the numerous lower grade intersections that are considered the "smoke" indicative of much potential for more "fire" to come.

Exploration to date suggests there is good potential for a moderate tonnage high grade copper-gold deposit at Ilo Norte, which given the proximity to infrastructure and favourable topography, would likely be an attractive mine development.

The Company is in the process of attracting a new partner for the Ilo Norte to unravel the complex structural setting required to deliver exploration success. Visits to the project area and in particular to view core stored in Latin's Ilo facilities occurred during Q2, and discussions continue with prospective exploration partners.

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**Ilo Projects – Southern
Concession Block
(Peru, Copper-Gold)**

MOU Allowing Global Copper Producer to Explore Latin's Copper Projects in Southern Peru.

During Q1, the Company announced the signing of a memorandum of understanding ("MOU") by its Peruvian subsidiary, Peruvian Latin Resources S.A.C. ("PLR") and Minera Antares Perú S.A.C. ("Antares"), the Peruvian subsidiary of First Quantum Minerals Ltd.

The objective is for the two companies to collaborate together under the terms of the MOU with the aim of discovering mineral deposits worthy of further exploration and development.

Data analysis and thorough review undertaken in conjunction with Antares resulted in the optimization of the concession package under the MOU. A decision has been made to abandon 28,900 ha of concessions (out of the 65,730 ha originally under the MOU) considered unprospective, with excessive cover and/or unfeasible surface rights issues which has reduced Latin's holding under the MOU to 36,830 ha (Figure 2), and saved almost US\$90,000 annually in fees.

Results from collaborative exploration will begin to be announced in Q3 2015.

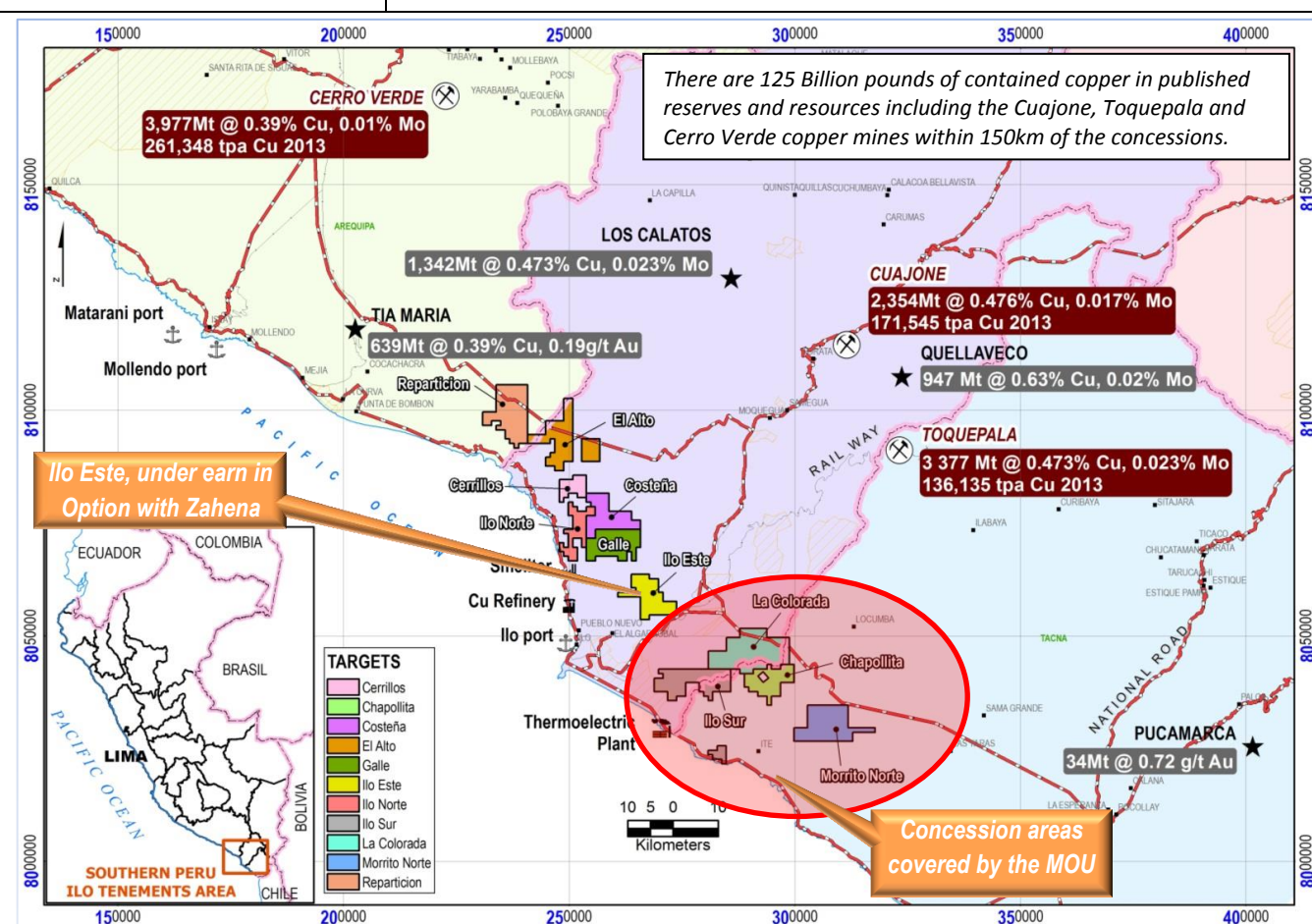


Figure 2 – Location of concessions under the MOU (36,830 ha) within Latin's 81,530 hectare holding in Southern Peru.

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Ilo Projects – Northern Concession Block (Peru, Copper-Gold)	<p>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 Cuacone (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.</p> <p>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.</p> <p>All of these projects are within 100-150 km of the six IOCG/Porphyry Cu target areas in the Company's almost 40,000 hectares of 100% owned and unrestricted concession holdings (including Ilo Norte) in this highly prospective Copper belt (Figure 2).</p> <p>Latin has consistently demonstrated the ability to attract quality partnerships on its projects in Ilo and is now in discussions to continue advancing exploration of the Northern Concession Block at Ilo using the same model.</p>
Borborema (Iron Ore) BRAZIL	<p>The company has reviewed the exploration strategy for the Borborema Project in light of current iron ore prices and the negative outlook for this commodity in the short/medium term.</p> <p>LRS's directors have decided to shut down Borborema's exploration program and to drop all exploration licenses, in order to avoid further expenses with mining rights fees and iron ore exploration.</p> <p>The final exploration reports and the applications to drop the exploration licenses were lodged at the Departamento Nacional da Producao Mineral (DNPM) on June 11.</p> <p>The company will maintain its Brazilian subsidiary Mineraco Ferro Nordeste Ltda registered, as it is searching for new business development opportunities in Brazil.</p>
Corporate	
	<p>Cost savings</p> <p>The Company continued its strategy to reduce costs during the quarter as a result of the following:</p> <ul style="list-style-type: none"> • decreasing the size of its Board to three as a result of the resignations of Mr Rowbottam and Mr Liu on 30 April 2015 to reflect the current level of activity of the Company and the prevailing capital markets; • lowering annual concession fees by US\$160,000 as a result of the relinquishment of concessions considered to have little or no potential; and • renegotiating the contract with the Guadalupito project vendors resulting in savings to the Company of US\$7.2m over the life of the contract. <p>The full impact of these changes and others implemented in the first quarter will be received in the months ahead along with more planned cost savings from additional cuts to operating and overhead expenditure.</p> <p>Funding arrangement</p> <p>As announced on 8 May 2015 the Company entered into a funding arrangement for US\$300,000 ('Funding') with Magna Equities II LLC ('Magna'), a New York based investment firm.</p>

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	<p>The Funding comprises of an unsecured Convertible Promissory Note and Subscription Deed with a five month term at an interest rate of 12% per annum.</p> <p>The funding can be repaid in cash or shares in accordance with the at the election of Magna in accordance with the funding arrangement.</p> <p>Refer ASX announcement titled “Pre AIM listing funding” dated 8/5/2015 for further details.</p> <p>Entitlement Issue</p> <p>The Company lodged a Prospectus with ASIC on 29 June 2015 for a Non-renounceable Entitlement Issue of one (1) Share for every one (1) Share held by those Shareholders registered at the Record Date at an issue price of \$0.008 per Share (based on the number of Shares on issue as at the date of this Prospectus) together with one (1) free attaching Option exercisable at \$0.02 on or before 9 March 2017 for every two (2) Shares subscribed for and issued to raise up to \$3,076,798 (‘Offer’).</p> <p>The Closing date for the Offer has been extended to 4 August 2015.</p> <p>Loans</p> <p>The Company obtained short term loans totalling approximately \$392,000 during the quarter to assist it with funding working capital requirements whilst it completes the Non-renounceable Entitlement Issue.</p>
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.</i></p> <p><i>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’.</i></p> <p><i>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.</i></p> <p><i>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’.</i></p> <p><i>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>

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	<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.</i></p> <p><i>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).</i></p> <p><i>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.</i></p> <p><i>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.</i></p> <p><i>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).</i></p> <p><i>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		
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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")

June 2015

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	49	75
1.2	Payments for (a) exploration & evaluation (*)	(484)	(690)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(479)	(863)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	1
1.5	Interest and other costs of finance paid	(21)	(25)
1.6	Income taxes paid	-	-
1.7	Other (R&D claim)	105	105
	Net Operating Cash Flows	(830)	(1,397)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	23	89
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other – Security deposits/bonds	20	51
	Net investing cash flows	43	140
1.13	Total operating and investing cash flows (carried forward)	(787)	(1,257)

* includes annual Concession fees of approx. \$325,000 paid in June 2015.

1.13	Total operating and investing cash flows (brought forward)	(787)	(1,257)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	(9)	255
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	769	769
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other	-	-
	Net financing cash flows	760	1,024
	Net increase (decrease) in cash held	(27)	(233)
1.20	Cash at beginning of quarter/year to date	103	308
1.21	Exchange rate adjustments to item 1.20	-	1
1.22	Cash at end of quarter	76	76

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	74
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. As from 1 September 2013 the Directors have agreed to accept 20% of their cash remuneration in shares in the Company.

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

The Company secured a funding facility of up to \$3.125m in December 2014 of which \$1.125m has been drawn down. In accordance with the funding facility agreement the drawn down amount is being repaid in shares in the Company.

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

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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	6,262	4,262
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	305
4.2 Development	-
4.3 Production	-
4.4 Administration	411
Total	716

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	23	93
5.2 Deposits at call	53	10
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	76	103

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	Refer Schedule 2 for list of tenements relinquished	Owned	71% to 100%	Nil

6.2 Interests in mining
tenements acquired or
increased

-	-	-	-
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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 (description)	-	-	-	-
7.2 Changes during quarter	-	-	-	-
(a) Increases through issues				
(b) Decreases through returns of capital, buy- backs, redemptions				
7.3 *Ordinary securities	384,599,770	384,599,770	-	-
7.4 Changes during quarter				
(a) Increases through issues	5,000,000	5,000,000	0.010	0.010
	5,328,772	5,328,772	0.017	0.017
	1,834,983	1,834,983	0.017	0.017
	8,333,333	8,333,333	0.006	0.006
	750,000	750,000	0.020	0.020
(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 *Convertible debt securities (description)	1	-	\$2,500,000	\$2,500,000
	1	-	\$1,125,000	\$1,125,000
	1	-	US\$300,000	US\$300,000
7.6 Changes during quarter				
(a) Increases through issues	1	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-
7.7 Options (description and conversion factor)	10,687,500	-	Exercise price \$0.046	Expiry date 1/12/2017
	14,250,000	-	\$0.020	9/3/2017
	11,468,643	-	\$0.017	22/5/2018
	# 27,291,289	-		
7.8 Issued during quarter		-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	1,000,000	-	\$0.30	25/6/2015
	# 2,861,284	-		
7.11 Debentures (totals only)	-	-		
7.12 Unsecured notes (totals only)	-	-		

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: 31/07/2015

(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 held

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

Schedule 2 – Tenements relinquished

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