

# Quarterly report September 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 & Heavy mineral sands) and Ilo (Copper and Gold).

## Corporate summary

ASX: LRS  
Shares issued: 690.9 Million  
Options issued: 136.9 Million  
Rights issued: 24.4 Million

## Latin Resources Limited

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## Highlights

### Operations

#### **Ilo Copper Projects – Ilo Este (Peru)**

##### Zahena prepares to drill Ilo Este Porphyry Copper Project:

- Zahena have advised that following subcontractor delays, drilling will now commence at Ilo Este in early November and that 2 rigs will be employed.
- Camp infrastructure now installed; access and drill platform construction underway.
- 11,000m drill program and US\$1 million cash to Latin for Zahena to exercise option.
- US\$5 million bonus to Latin on successful completion of DFS.

#### **Ilo Copper Projects – Southern Concession Block (Peru)**

##### New Porphyry Copper Target Resulting From Collaborative MOU Exploration in Southern Peru:

- March 2015 MOU between Latin Resources Limited’s Peruvian subsidiary, Peruvian Latin Resources S.A.C. (“PLR”) and Minera Antares Perú S.A.C., (“Antares”), Peruvian subsidiary of First Quantum Minerals Ltd., gives first collaborative exploration results.
- Antares has provided PLR with a structural interpretation and a number of preliminary targets generated from ongoing interpretations of integrated PLR/Antares datasets.
- One of these targets was a 5 km diameter circular feature uncovered in aeromagnetic data (Figure 1): A donut shaped low (possibly representing a phyllic alteration zone) surrounds a central high (possibly representing a potassic alteration zone). Andean and cross arc structures interpreted from the data also intersect in the target area.
- Together these features qualify as a potential large copper porphyry target in an area of the Southern Peru copper belt that is completely covered by recent sediments (Figure 2).
- Extensive cover means high probability that prior exploration was ineffective.
- PLR/Antares joint recommendation to follow up with advanced surface geochemical techniques (shown to be effective in similar covered terrains in Northern Chile) has been undertaken by PLR with 271 soil samples collected over the 36 km<sup>2</sup> target area.
- Initial results show soil acid anomalies coincident with the buried copper porphyry target (Figure 3). In such environments, acid can migrate into surface soils from deeper oxidising sulphide minerals such as those that would be expected in a mineralised porphyry system.
- The target area is between 400 m and 600 m altitude in uninhabited desert, adjacent to the Panamerican Highway, 80 km from the port of Ilo.

***Ilo Copper Projects – Ilo Norte (Peru)***

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

***Guadalupito (Peru)***

- 16 concessions abandoned with little resource potential to reduce concession maintenance costs, saving over US\$70,000 annually.
- PCF Capital Group appointed as funding advisors to aid in funding solutions for the Guadalupito project.

***Filipina (Chile)***

***Latin Signs Exclusive MOU to Evaluate Copper Production Joint Venture in Chile:***

- Potential to earn up to 50% of a Copper-Gold project in Chile.
- Existing Measured, Indicated and Inferred Foreign Resource Estimate (NI 43-101) of 9.3Mt @ 0.80% Cu and 0.23 g/t Au done by GeoEstima in September 2014.
- 36,957 metres of drilling completed from 1990 to 2013 by current and previous project owners.
- Project has mining permits that allow immediate small scale production.
- Project has excellent location in one of Chile's premium Copper Districts with copper mines of Anglo America, Freeport, Antofagasta and Australian listed company Hot Chilli.

***Borborema (Brazil)***

- The company has dropped all exploration licenses for iron ore on the Borborema Project, in order to avoid further expenses with mining rights fees.
- As an additional measure to reduce costs, it is now considering de-registering its Brazilian subsidiary (Mineracao Ferro Nordeste Ltda).

***PLR Services (Peru)***

***Latin's Peruvian Service Division on Track for 118% Growth in 2015:***

- Sales projection for 2015 year at least US\$223,600 based on existing contracts.
- Up 118% on 2014 year sales of US\$102,600.
- Proposals during 2nd semester offer opportunity for additional 2015 income.
- Clients are multi-national Mineral Exploration Companies operating in Peru.
- Services are predominantly for Environmental Permitting and related activities including environmental monitoring, environmental management plants, social base line and diagnostic studies, social intervention and community relations strategies, land access agreements, and archeological studies.

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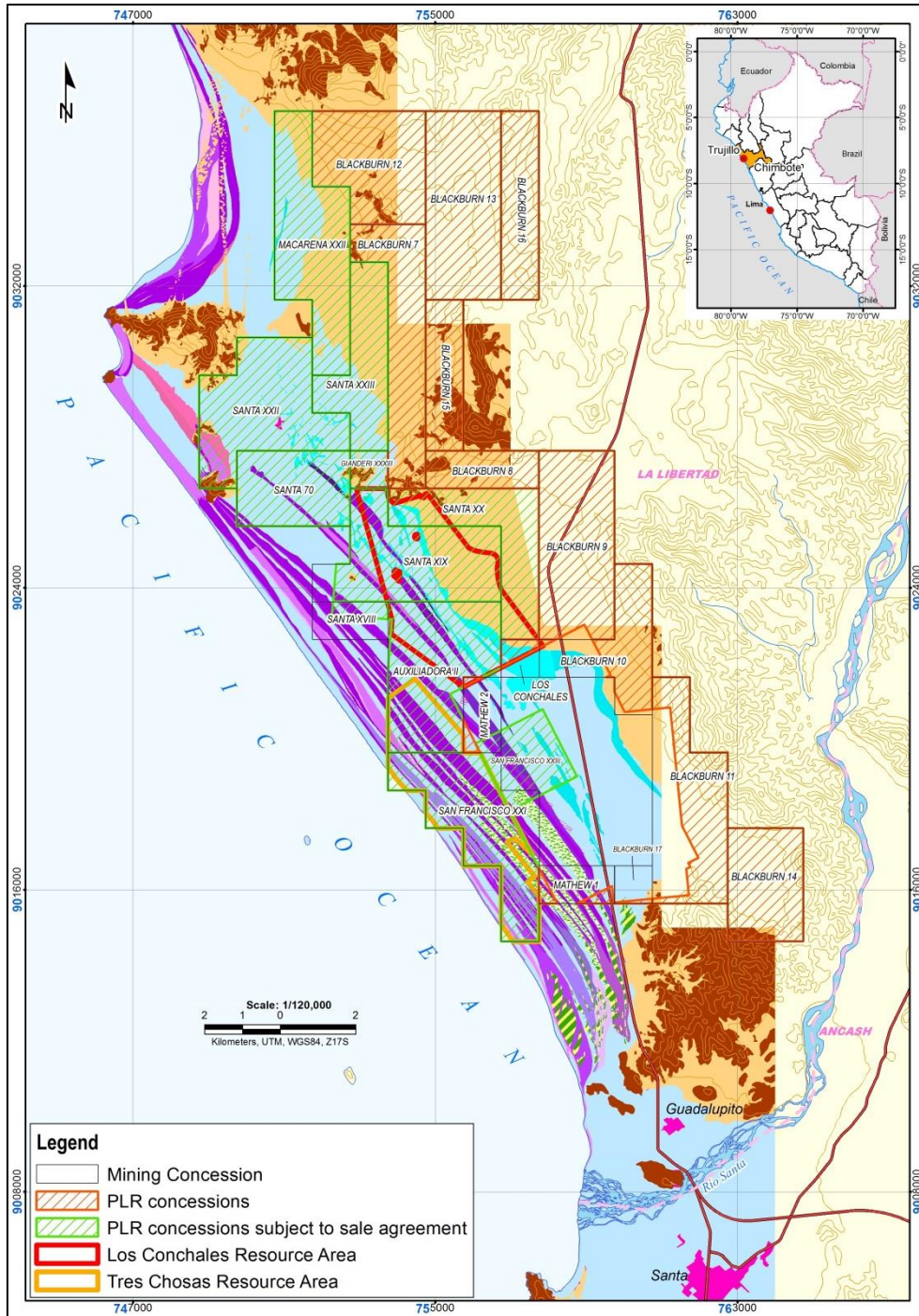
**Corporate**

- During the quarter a total of \$2.2 million (before costs) was taken up from the Entitlement issue and Shortfall offer.
- A total of \$2.3 million of debt was repaid during the quarter in cash (\$0.5 million) and shares (\$1.8 million).
- Mr Brent Jones joined the Board as a non-executive director on 14 September 2015.
- PCF Capital Group has been appointed by Latin to secure funding solutions and or JV partner for the Guadalupito Andalusite Project.

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<b>Operations</b>	
<b>Guadalupito (Peru, Andalusite)</b>	PCF Capital Group has been appointed by Latin to secure funding solutions for the Guadalupito Andalusite Project.

8,135 ha in 16 of the original 41 concessions have been abandoned, resulting in a reduction in concession area for the Guadalupito project from 21,917 ha to 13,782 ha (representing an annual saving of over US\$70,000). Concessions retained that now comprise the project are shown on the following map:



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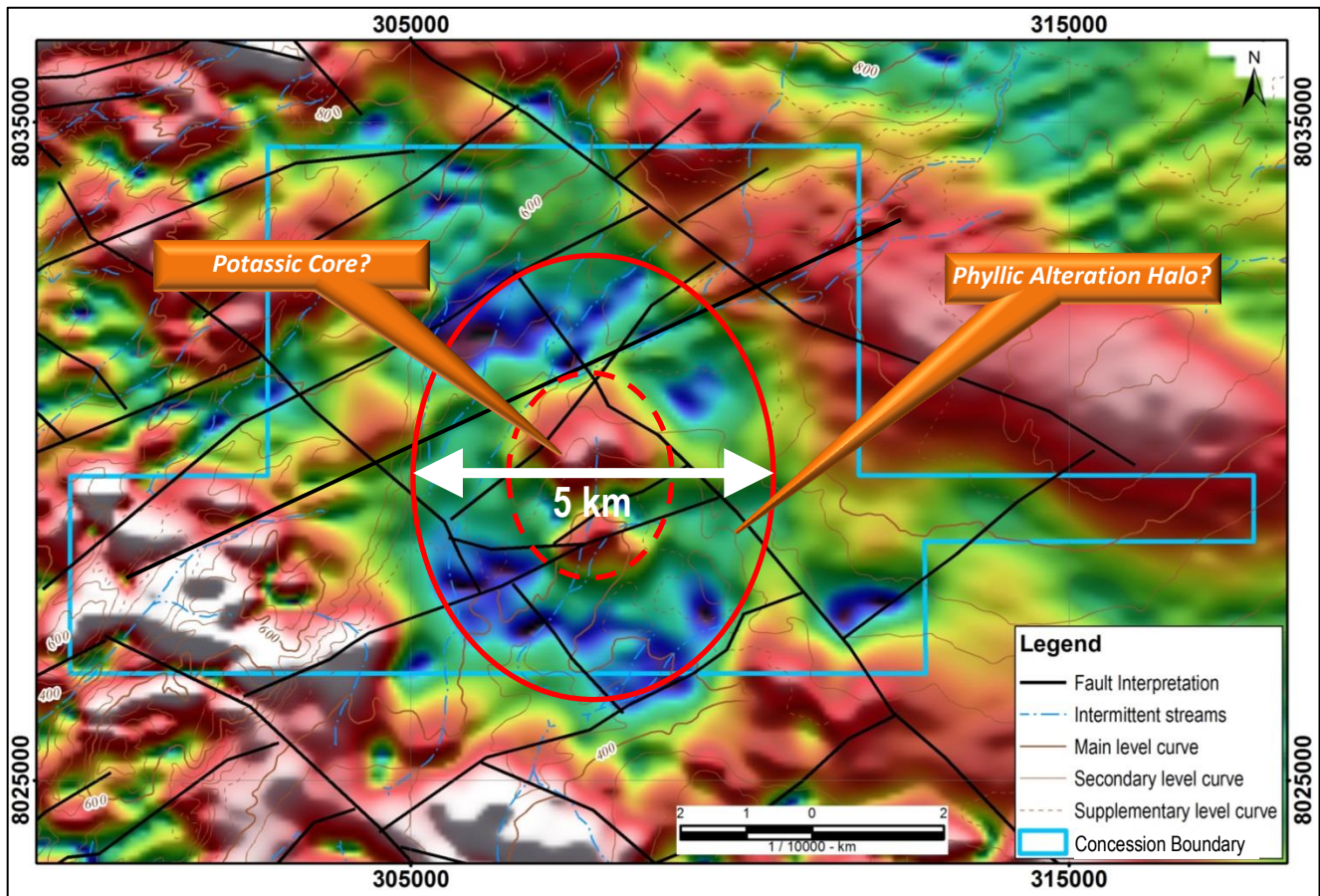
<p><b>Ilo Este</b>  <b>(Peru, Copper)</b></p>	<p><u><i>Zahena prepares to drill Ilo Este Porphyry Copper Project:</i></u></p> <p>The Company’s 100% owned subsidiary Peruvian Latin Resources SAC (PLR) has a registered contract under Peruvian Law granting a rights assignment and earn-in option to transfer 70% ownership of its Ilo Este Project to Peruvian firm, Compañía 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. In addition PLR will receive a US\$5 million bonus payment should a favourable DFS be produced for the project.</p> <p>All permits are in place for drilling, Zahena’s exploration camp has been installed, and access and drill platform construction are underway. Zahena has advised that due to sub-contractor delays the drilling is now expected to commence early November, but that 2 drill rigs will be employed to advance rapidly with the drilling.</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>
<p><b>Ilo Projects – Southern Concession Block</b>  <b>(Peru, Copper-Gold)</b></p>	<p><u><i>New Porphyry Copper Target Resulting From Collaborative MOU Exploration in Southern Peru:</i></u></p> <p>During the quarter the Company announced the first results from collaborative exploration activities between the Company’s Peruvian subsidiary, Peruvian Latin Resources S.A.C. (“PLR”), and Minera Antares S.A.C. (“Antares”), the Peruvian Subsidiary of First Quantum Minerals Ltd. PLR and Antares signed an MOU announced 16 March 2015.</p> <p>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, with Antares having exclusive rights (with PLR) to undertake exploration for 12 months within 36,430 hectares of PLR’s 100% owned mining concessions in Southern Peru, considered prospective by both companies for porphyry copper deposits of significant scale.</p> <p>Antares have provided PLR with a structural interpretation and a number of preliminary targets generated from ongoing interpretations of integrated PLR/Antares datasets by Antares, and both companies continue to further evaluate these.</p>



To date, one target has been selected by Latin (also recommendation by Antares) for follow up field exploration, **The Pachamanca Prospect**:

*Geophysics*

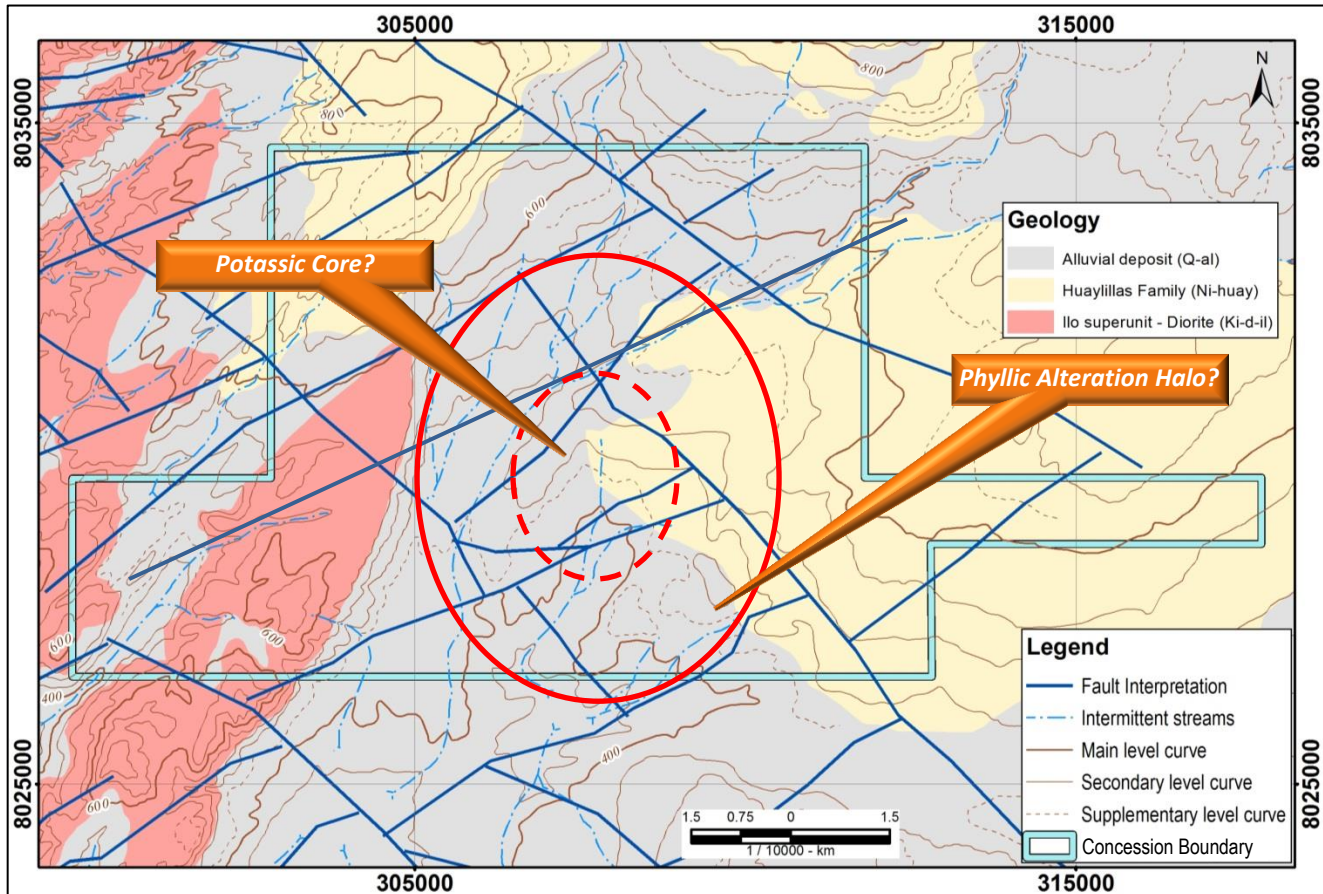
A 5 km diameter circular feature observed in the analytical signal processed from aero-magnetic data (Figure 1), shows a donut shaped low (possibly a phyllic alteration zone) surrounding a central high (possibly a potassic alteration zone). Interpreted Andean and cross arc structures also intersect in the target area. Together these features qualify as a potential large copper porphyry target in an area of the Southern Peru copper belt that is completely covered by recent sediments.



**Figure 1 – Analytical Signal image of aeromagnetic data with 5 km diameter donut shaped low possibly representing the phyllic alteration zone, surrounding a central high possibly representing the potassic alteration zone of a copper porphyry system. NW trending Andean structures, and NE trending cross arc structures bound the central high. The area is completely covered.**

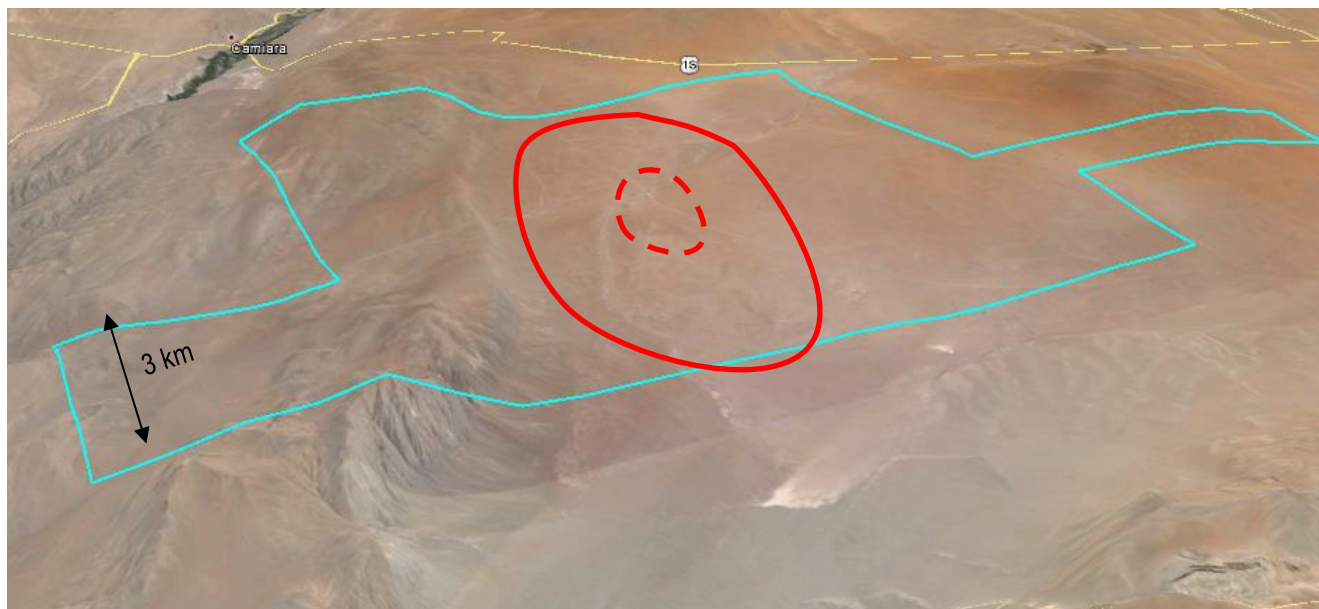
*Geology*

The geology is dominated by extensive alluvial and young volcanic deposits in the low coastal ranges, obscuring the underlying rocks and any host mineralisation (Figure 2). Outcropping intrusive rocks to the immediate west of the target area together with a geomorphological assessment of the area suggest the cover may be less than 100 m thick.



**Figure 2 – Geology Map showing the donut anomaly completely covered by alluvium (grey) and young volcanics (yellow), and flanked to the west by outcrops of Diorite Intrusive, part of the coastal batholith.**





**Figure 2a – Oblique aerial view of the concession area (cyan), showing relatively flat, covered terrain around the anomaly (red). The Pan-American Highway crosses the top of the view (yellow).**

#### Geochemistry

PLR has been trialling advanced geochemical methods in covered terrains in Southern Peru over the last year based on similar work undertaken in Northern Chile by several authors over the past decade<sup>1</sup>. PLR's methods are based around analysis of samples collected in the near surface of soil materials, that are collected with minimal disturbance, sieved to remove rock and other fragments >1mm, and then subject to measurements of Hydrogen Potential (pH), which measures acidity, and electrical conductivity (EC) which measures salinity. Trials of sequential partial extraction geochemical analysis to measure variably soluble metals in the soils have also been undertaken, and are planned to be applied at Pachamanca.

271 near surface, <1mm fraction soil samples were collected over the porphyry target area on a 400 m x 400 m grid. pH and EC were measured under controlled conditions in Latin's Ilo office. Analysis of the data reveals predominantly weakly alkaline soils across the target area as might be expected in such arid terrain, however a number of more acid (<pH 7) anomalies were detected apparently associated with the porphyry target and in particular, intersections of the interpreted structures (Figure 3).

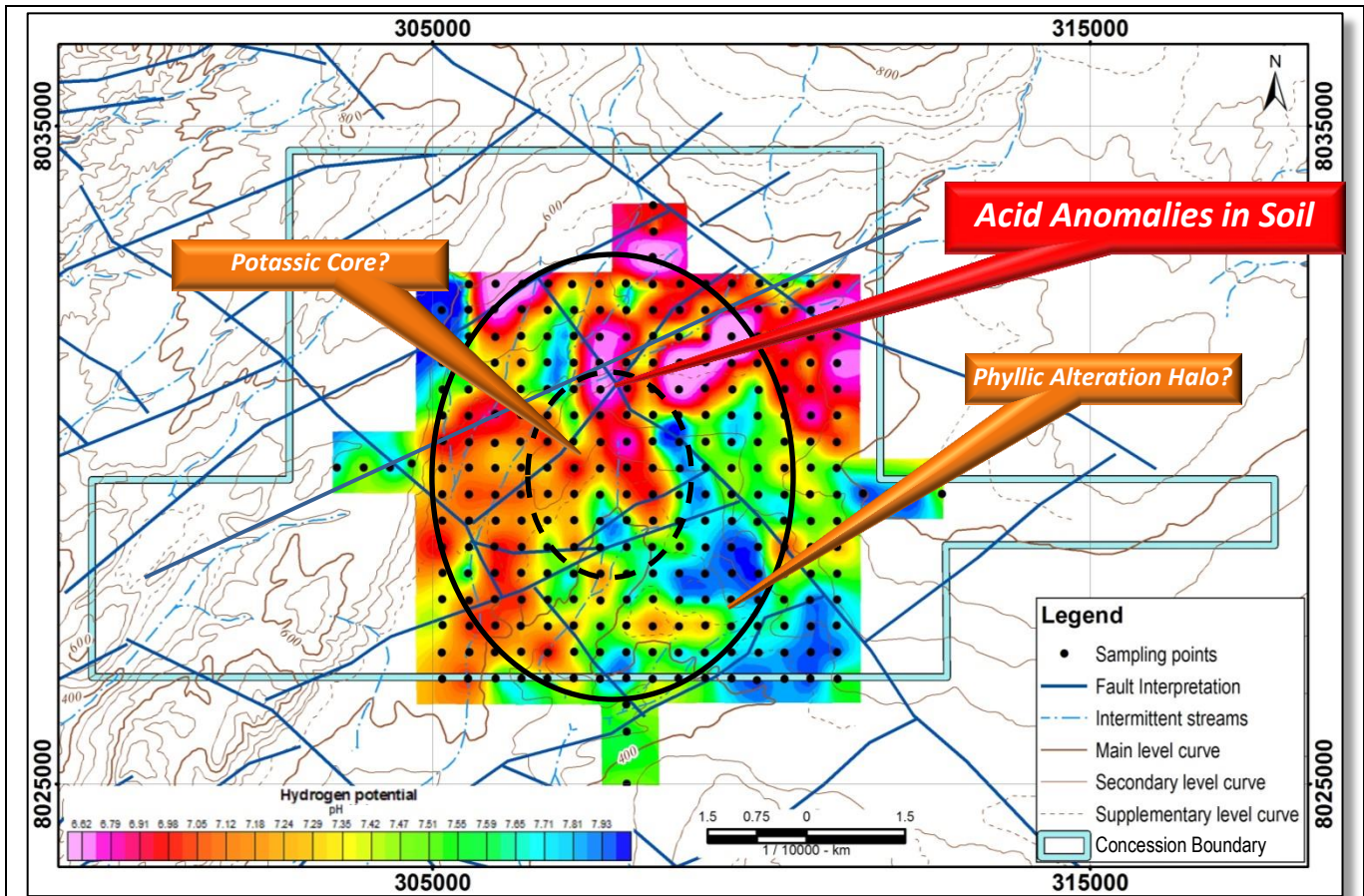
<sup>1</sup> **Kelley et al., 2003.** The use of partial extraction geochemistry for copper exploration in northern Chile. *Geochemistry: Exploration, Environment, Analysis* 2003, v.3; p85-104.

**Cameron et al., 2004.** Finding deeply buried deposits using geochemistry. *Geochemistry: Exploration, Environment, Analysis* 2004, v.4; p7-32.

**Cameron et al., 2005.** Relationship between groundwater chemistry and soil geochemical anomalies at the Spence copper porphyry deposit, Chile. *Geochemistry: Exploration, Environment, Analysis* 2005, v.5; p135-145.

**Cameron et al., 2010.** Geochemical anomalies in northern Chile as a surface expression of the extended supergene metallogeneis of buried copper deposits. *Geochemistry: Exploration, Environment, Analysis* 2010, v.10; p157-169.





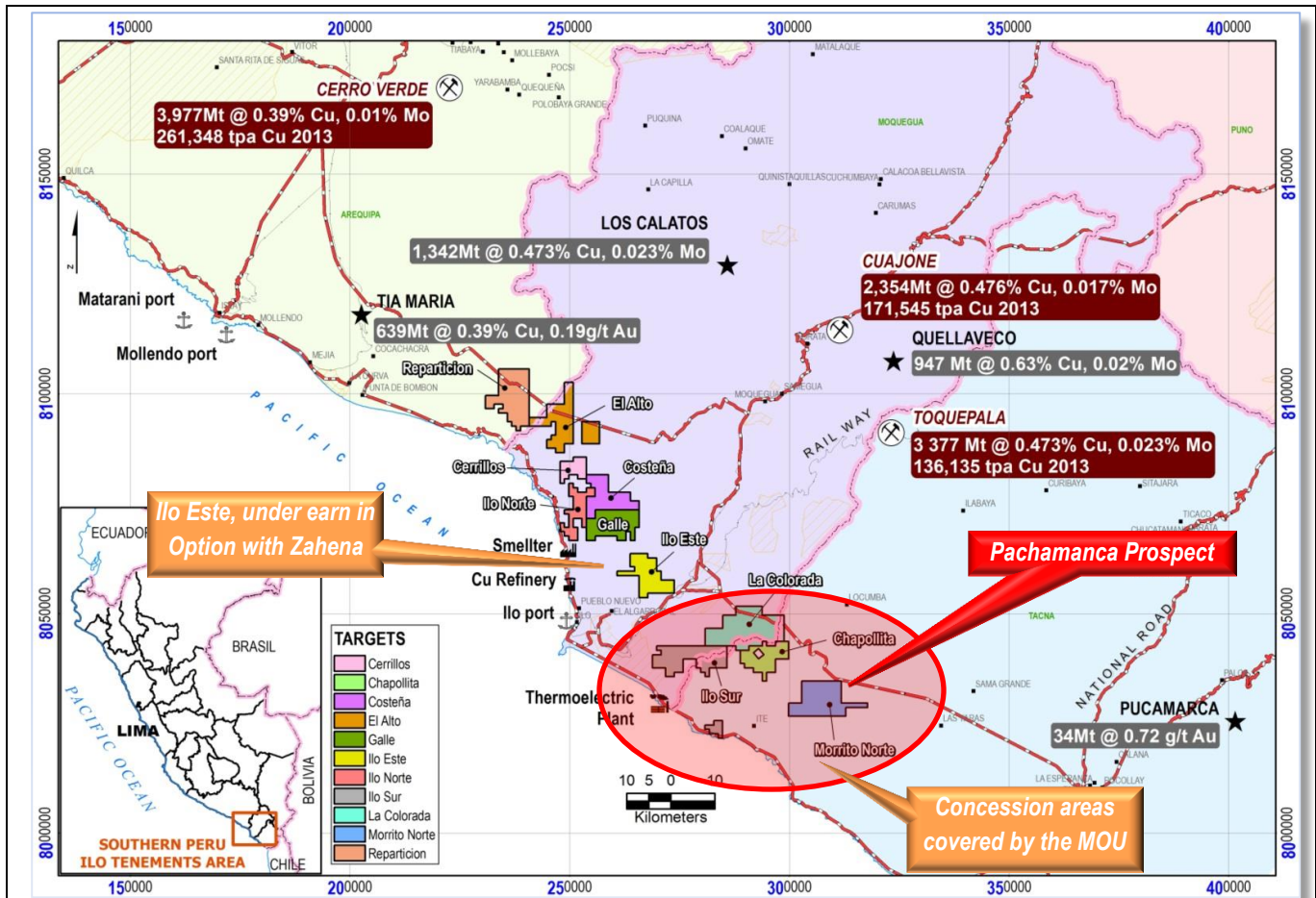
**Figure 3 – Gridded pH results from 1:1 soil:solution mix on <1 mm near surface soils. Sample points are marked with black points and the donut anomaly is marked in black rings.**

Acid content of <1 mm near surface soils is most anomalous in the northern portion of the porphyry target with multi-sample anomalies possibly associated with a prominent structural intersection. Extension of the grid to the north and north east, and selected infill is planned to attempt to better resolve the anomaly, and following this work, sequential partial extraction analyses of the samples are planned to measure soluble metal content that might provide additional anomalies that may provide further vectors to potential underlying mineralisation.

**Other Targets:**

A number of other targets are being evaluated in ongoing data analysis by PLR and Antares and will be reported as follow up continues. This evaluation work also allowed for the concession areas under the MOU to be optimised at the time annual fees were due. Less favourable areas having very deep cover and potential land access issues were identified by both PLR and Antares and were not renewed, resulting in cash savings for Latin.

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**Figure 4 – Location of concessions under the MOU (36,830 ha) within Latin’s 81,530 hectare holding in Southern Peru.**

<p><b>Ilo Norte</b> (Peru, Copper-Gold)</p>	<p>Exploration to date by Latin and previous earn-in partner Zahena 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.</p> <p>Discussions continue with prospective exploration partners for Ilo Norte to unravel the complex structural setting required to deliver exploration success.</p>
<p><b>Filipina</b> (Chile, Copper-Gold)</p>	<p><u><i>Latin Signs Exclusive MOU to Evaluate Copper Production Joint Venture in Chile:</i></u></p> <p>During the quarter the Company announced it entered into an exclusive Memorandum of Understanding (MOU) with Chilean company Minera Activa to carry out Due Diligence on Minera Activa’s Filipina Copper Project in Chile, South America.</p> <p>The Company continues to negotiate in good faith the terms of a joint venture agreement under which LRS may earn up to 50% of the project and become the manager of the Project by funding a bankable Feasibility Study (BFS).</p>

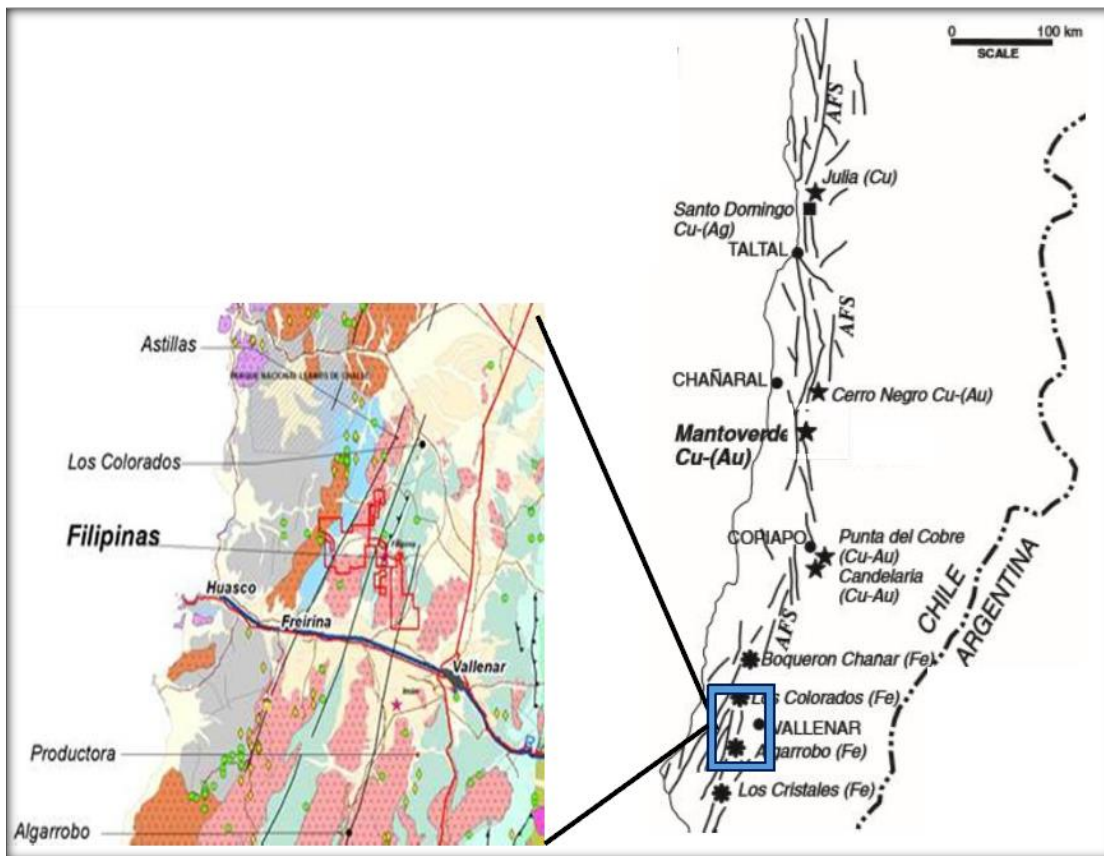
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**Filipina Project**

The Filipina Project is a 10,122 ha property owned 100 % by Minería Activa, the mining branch of Larrain Vial, a local financial institution. Larrain Vial acquired the property in 2010 and from 2011 – 2013 performed exploration works in the central part of the property. The mining property comprises 6,500 hectares of exploitation concessions or mining claims and 3,622 hectares of applications for exploitation concessions in process of being constituted.

The project contains Cu-IOCG deposits located 38 NW of Vallenar City in a zone known for its mining activities since the XVI century. Among other mines and projects currently in the same area, the CMP's Los Colorados iron ore mine producing some 7 Mt of Fe concentrate per annum; Anglo's Manto Verde Cu/Au project which in 2013 produced 56,800 Mt of fine copper; Freeport's Candelaria Cu/Au project which in 2014 produced more than 180,000 t of fine copper.

Other projects in the area are developed by Pucobre (Mina Punta de Cobre, Mina Manto de Cobre), Hot Chili (Productora Copper Project, Frontera Copper Project, and Banderas Copper Project) and Antofagasta Mineral's Astillas.



**Historical Background**

From October 1990 to October 1992 RTZ Mining and Exploration Chile Ltd. worked in the Filipina area, performing geological, geochemical and geophysical studies. Within the Filipina area, the major focus of RTZ drillings was the Caminada area. After RTZ, the property passed through Teck and LAC until 2010 when Minería Activa acquired the concession.

*Minería Activa – Filipina Project*

Between 2011 and 2013, Minería Activa developed a drilling campaign in the central part of the concession, i.e. Caminada and Compania. The campaign defined three mineralized IOCG deposits: Caminada, Filipina Norte and Filipina Sur.

*Filipina - Caminada*

The Filipina project with the Caminada area is the most promising area to start production in the next 2 to 2.5 years.



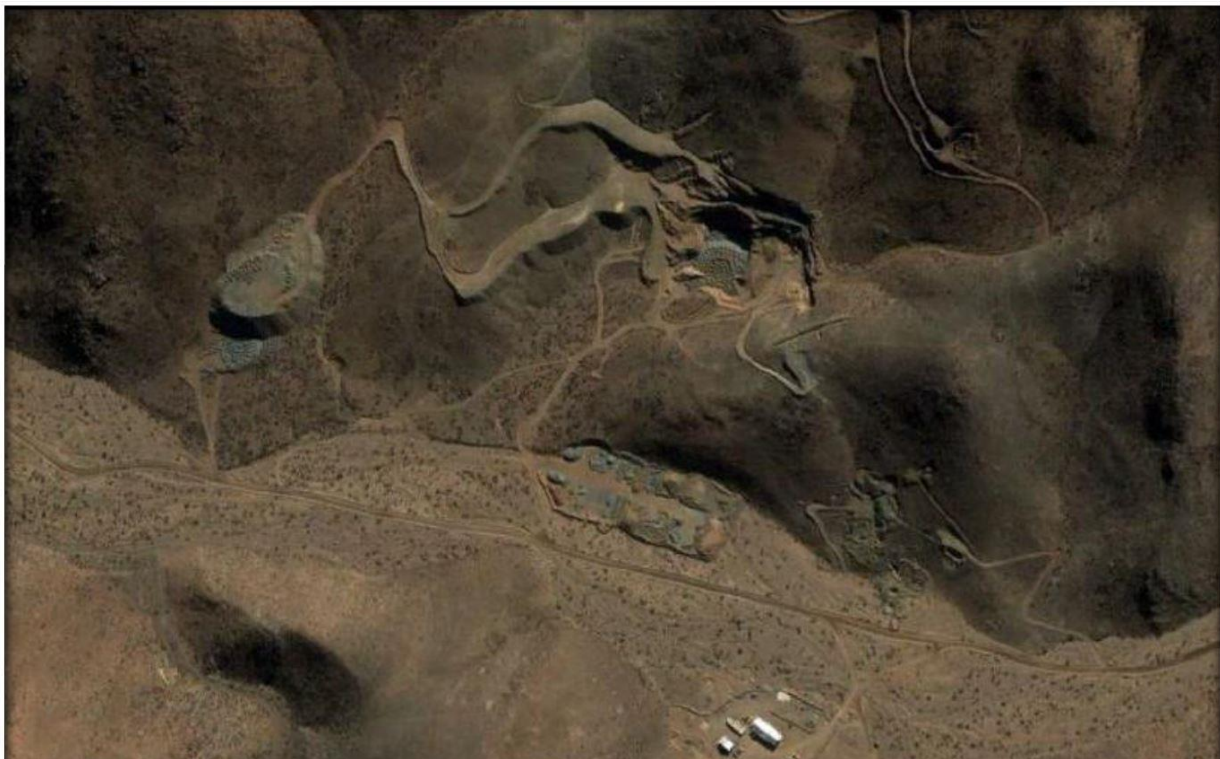
**Potential Early Stage Operation**

Mineria Activa has informed that there are mining permits in place that would allow an immediate small scale operation producing Cu-rich ores that could potentially be sold to ENAMI’s plant in Vallenar, located 38 km away from the project area. ENAMI is a Chilean state company that processes copper ore, refines and smelts copper concentrates for Chile’s small producers, aiming to support their growth. Therefore, as part of the due diligence, LRS is evaluating the opportunity as a possible near term production and cash flow for the Company.

Mineria Activa also has an option agreement over the surface property for mine and tailings and additional permits for camp, magazine store, underground diesel storage, laboratory and other mining activities.

Latin’s Managing Director, Mr. Chris Gale commented “We are very happy and excited to evaluate the Filipina Project as it may represent a tremendous value creating opportunity for Latin Resources and a possible near term production and cash flow generator for the Company”.

**Overview of the Filipina Project, Vallenar, Chile**





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**Foreign Mineral Resource Estimate**

A NI 43-101 Technical Report for the Filipina Project was prepared on September 2014 by GeoEstima, a Chilean consultancy company. That report estimated measured, indicated and inferred resources of 9.29 Mt @ 0.80% Cu, 0.23% Au and 18.8% Fe, as shown on Table 1.

<b>Table 1 – Filipina Project – Foreign Mineral Resource Estimate (NI 43-101 Mineral Resources)</b>					
<b>Deposit</b>	<b>Resource's Type/Category</b>	<b>Tonnage (t)</b>	<b>Total Cu (%)</b>	<b>Au (g/t)</b>	<b>Total Fe (%)</b>
FILIPINA NORTE	SUM	537,475	0.79	0.17	14.5
	<i>Oxide</i>	<b>467,961</b>	<b>0.81</b>	<b>0.18</b>	<b>15.0</b>
	<i>Sulphide</i>	<b>69,514</b>	<b>0.65</b>	<b>0.09</b>	<b>11.2</b>
FILIPINA SUR	SUM	450,898	0.61	0.16	7.9
	<i>Oxide</i>	<b>141,049</b>	<b>0.60</b>	<b>0.15</b>	<b>6.9</b>
	<i>Sulphide</i>	<b>309,580</b>	<b>0.61</b>	<b>0.15</b>	<b>8.4</b>
CAMIINADA	SUM	8,301,791	0.81	0.24	19.6
	<i>Oxide</i>	<b>675,614</b>	<b>0.94</b>	<b>0.31</b>	<b>14.4</b>
	<i>Sulphide</i>	<b>7,626,176</b>	<b>0.80</b>	<b>0.24</b>	<b>20.1</b>
<b>TOTAL</b>		<b>9,290,164</b>	<b>0.80</b>	<b>0.23</b>	<b>18.8</b>

Units are in metric tons; 0.4% copper cut-off grade

National instrument 43-101 (“NI 43-101”) is a national instrument for the Standards of Disclosure for Mineral Projects within Canada and as such this estimate is a foreign estimate. NI 43-101 is broadly comparable to the Joint Ore Reserves Committee Code (JORC Code) which regulates the publication of mineral exploration reports on the Australian Securities Exchange (ASX). The reporting codes are, however, not entirely congruent in practice, in that NI 43-101 is more prescriptive in terms of the manner in which mineral exploration reporting is presented, although the content of the technical reports, and the scientific rigors to which the mineral resource classifications within them are out, are often very similar.

The foreign resource estimate referred to in this release was sourced from the “NI 43-101 Technical Report - Filipina Project” prepared by Orlando Rojas, Principal Geologist of Consultoria Geológica Geoestima Ltda – GeoEstima, dated 12 September 2014 on behalf of Minería Activa. Orlando Rojas is independent from Minería Activa as independence is described by Section 1.5 of the Canadian NI 43–101. Mr. Rojas is also a Qualified Person within the meaning of such terms under NI 43-101 and a member of the Australian Institute of Mining and Metallurgy (#301402) and of the Australian Institute of Geoscientists (#5543).

*Cautionary Statement – The mineral resource estimates are regarded as a foreign estimate and are not reported in accordance with the JORC Code. The Competent Person for this market release has not done sufficient work to classify the foreign estimates as mineral resources in accordance with the JORC Code; and it is uncertain that following evaluation and/or further exploration work that the foreign estimates will be able to be reported as mineral resources in accordance with the JORC Code.*

Filipina’s foreign resource estimate is relevant to Latin Resources as it provides some guidance as to the possible potential and value of the Filipina project and as such a selective extract from that technical report is included in Appendix 1 to enable an understanding of the reliability of the foreign resource estimate and of the project in general.

In order to verify the foreign estimate as a mineral resource in accordance with Appendix 5A of the Listing Rules (JORC Code) Latin Resources intends to undertake an audit of available data through its due diligence period to verify the previous work. If the Due Diligence is completed successfully and LRS enter into an agreement with the vendor, LRS will need to upgrade the present foreign resource estimate to a compliant JORC estimate.

While Latin is pleased to have this exclusive opportunity to evaluate the Project and negotiate terms in good faith, there can be no assurance that terms will ultimately be agreed.

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<p><b>Borborema</b> <b>(Brazil Iron Ore)</b></p>	<p>After considering current iron ore prices and the negative outlook for the iron ore industry in the short/medium term, the company has decided not to proceed with the exploration program for Borborema previously foreshadowed and to drop all exploration licenses.</p> <p>This initiative will avoid further expenses with mining right fees and iron ore exploration. 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 and are being processed.</p> <p>The company is now considering de-registering its Brazilian subsidiary Mineraco Ferro Nordeste Ltda, as an additional measure to reduce costs.</p>
<p><b>PLR Services</b> <b>(Peru)</b></p>	<p><u><i>Latin's Peruvian Service Division on Track for 118% Growth in 2015:</i></u></p> <p>During the quarter the Company announced continued successful growth of its service division "PLR Services", the registered brand of Latin's 100% owned Peruvian subsidiary, Peruvian Latin Resources S.A.C. PLR Services was launched in late 2013 to take advantage of the Company's successful experience in permitting, social management and other activities to provide similar services to other companies as a means of generating additional income during the prevailing challenging market conditions.</p> <p>Clients include the local subsidiaries of large multi-national operators such as Vale Exploration Peru S.A.C. and also Latin's project partners such as Compañia Minera Zahena S.A.C. as well as other major metal producing companies. Junior explorers relatively new to the Peruvian operating environment have also appreciated Latin's extensive in-house experience in Peru coupled with a direct understanding of the non-geological challenges faced by publicly listed mineral explorers.</p> <p>Sales projections for 2015 are at least US\$223,600 based on existing contracts, up 118% on 2014 year sales of US\$102,600.</p>
<p><b>Corporate</b></p>	
	<p><b><i>Entitlement issue and shortfall</i></b></p> <p>During the quarter \$2.2 million (before costs) was taken up from the Entitlement issue and Shortfall offer comprising of cash of \$1.1 million and a reduction of debt of \$1.1 million via a debt for equity swap arrangement.</p> <p>This resulted in the Company issuing a total of 134.7 million shares at \$0.008 per share and 55.0 million shares at \$0.02 per share and 97.3 million free attaching options exercisable at \$0.02 each on or before 9 March 2017.</p> <p>The Company expects to place the remaining \$0.9 million before the Entitlement issue and Shortfall offer closes.</p> <p><b><i>Debt reduction</i></b></p> <p>A total of \$2.3 million of debt was repaid during the quarter in cash (\$0.5 million) and from the issue of shares and options (\$1.8 million).</p> <p>The debt reduction of \$1.8 million from the issue of shares and options comprises of \$1.1 million via the issue of 55.0 million shares at \$0.02 per share and 27.5 million free attaching options exercisable at \$0.02 each on or before 9 March 2017 and another \$0.7 million via the issue of 36.4 million shares at prices ranging from \$0.02 per share and \$0.004 per share.</p>

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	<p><b>New director</b></p> <p>Mr. Brent Jones joined the Board as a non-executive director on 14 September 2015.</p> <p>Mr. Jones is an experienced financial services professional who has held operating roles at Woolworths, AFL, Civil Engineers - Ostoic Group and the National Tax and Accountants' Association prior to his current management position.</p> <p>Mr. Jones is the joint Managing Director of InterPrac Limited, a Melbourne based unlisted public company, specializing in providing the accounting profession access to financial services products and distribution capabilities.</p> <p>Mr. Jones has a degree in information technology, is a member of the National Tax and Accountants Association and is a Graduate of the Australian Institute of Company Directors.</p> <p><b>Corporate advisor appointed for Guadalupito</b></p> <p>The Company has appointed PCF Capital Group to secure funding solutions and or JV partner for the Guadalupito Andalusite Project.</p> <p>PCF Capital Group is a leading independent corporate advisory firm focused on serving clients in the resources sector with an international presence and extensive corporate network.</p>
<p><b>Appendix 5B</b></p>	
	<p>The Appendix 5B for the Quarter is attached</p>
<p><b>Competent persons statement</b></p>	
	<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>The information in this report that relates to sampling techniques and data, exploration results and mineral resources in Chile is based on information extracted by Carlos Spier from the "Filipina Project – NI 43-101 Technical Report" issued by Minería Activa on 12/09/2014". Carlos Spier is a Fellow of The Australasian Institute of Mining and Metallurgy (# 302771) and a full time employee of Latin Resources Ltd.</i></p> <p><i>Dr Spier has sufficient experience that is relevant to the styles of mineralisation and types 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>

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	<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>	
<b>Enquiries</b>		
	Chris Gale Managing Director Latin Resources Limited +61 8 6181 9798	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")

September 2015

#### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	140	215
1.2 Payments for (a) exploration & evaluation	(216)	(906)
(b) development	-	-
(c) production	-	-
(d) administration	(473)	(1,336)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	2
1.5 Interest and other costs of finance paid	(9)	(34)
1.6 Income taxes paid	-	-
1.7 Other (R&D claim)	-	105
<b>Net Operating Cash Flows</b>	<b>(557)</b>	<b>(1,954)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(7)	(7)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	3	92
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – Security deposits/bonds	39	90
<b>Net investing cash flows</b>	<b>35</b>	<b>175</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(522)</b>	<b>(1,779)</b>

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1.13	Total operating and investing cash flows (brought forward)	(522)	(1,779)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	1,022	1,277
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	5	774
1.17	Repayment of borrowings	(475)	(475)
1.18	Dividends paid	-	-
1.19	Other	-	-
	<b>Net financing cash flows</b>	552	1,576
	<b>Net increase (decrease) in cash held</b>	30	(203)
1.20	Cash at beginning of quarter/year to date	76	308
1.21	Exchange rate adjustments to item 1.20	2	3
1.22	<b>Cash at end of quarter</b>	108	108

**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	180
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. For the period 1 September 2013 to 30 June 2015 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

A total of approximately \$1.8 million (YTD: \$2.0 million) of debt was repaid during the quarter via the issue of 116.4 million (YTD: 139.0 million) shares at prices ranging from \$0.02 per share to \$0.004 per share.

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

Nil

### 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	4,483	2,483
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	233
4.2 Development	-
4.3 Production	-
4.4 Administration	434
<b>Total</b>	<b>667</b>

### 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	108	23
5.2 Deposits at call	-	53
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>108</b>	<b>76</b>

### 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 Title owner	100%	Nil

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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 <b>Preference *securities</b> <i>(description)</i>	-	-	-	-
7.2 Changes during quarter	-	-	-	-
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>*Ordinary securities</b>	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 <b>*Convertible debt securities</b> <i>(description)</i>	1,237,277	-	\$1	\$1
7.6 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	2,694,625	-	\$1	\$1
7.7 <b>Options</b> <i>(description and conversion factor)</i>	114,730,440	114,730,440	<b>Exercise price</b> \$0.020	<b>Expiry date</b> 9/3/2017
	10,687,500	-	\$0.046	1/12/2017
	11,468,643	-	\$0.017	22/5/2018
	# 24,430,005	-		
7.8 Issued during quarter	100,486,690	100,486,690	\$0.020	9/3/2017
7.9 Exercised during quarter	6,250	6,250	\$0.020	-
7.10 Expired during quarter	#2,861,284	-	-	-
7.11 <b>Debentures</b> <i>(totals only)</i>	-	-		
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	-	-		

# Share rights issued pursuant to Plans approved by shareholders. 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: 30/10/2015

(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%	Concession
Latin Ilo Este II	01-05003-08	Peru	100%	Concession
Latin Ilo Este III	01-05001-08	Peru	100%	Concession
Latin Ilo Este IV	01-05007-08	Peru	100%	Concession
Latin Ilo Este V	01.05008-08	Peru	100%	Concession
Latin Ilo Este VI	01-05009-08	Peru	100%	Concession
Latin Ilo Este IX	01-01952-14	Peru	100%	Concession
Latin Ilo Sur A	01-05276-08	Peru	100%	Concession
Latin Ilo Sur B	01-06227-08	Peru	100%	Concession
Latin Ilo Sur C 1	01-05275-08	Peru	100%	Concession
Latin Ilo Sur C 2	01-05277-08	Peru	100%	Concession
Latin Ilo Sur E 2	01-06721-08	Peru	100%	Concession
Latin Ilo Norte 1	01-00828-09	Peru	100%	Concession
Latin Ilo Norte 2	01-00829-09	Peru	100%	Under Application
Latin Ilo Norte 3	01-00830-09	Peru	100%	Concession
Latin Ilo Norte 4	01-00831-09	Peru	100%	Concession
Latin Ilo Norte 5	01-02510-09	Peru	100%	Concession
Latin Ilo Norte 6	01-02511-09	Peru	100%	Concession
Latin Ilo Norte 7	01-02512-09	Peru	100%	Concession
Latin Ilo Norte 8	01-02513-09	Peru	100%	Concession
Latin Ilo Sur G	01-02514-09	Peru	100%	Concession
Latin Ilo Sur H	01-02515-09	Peru	100%	Concession
Latin Ilo Sur I	01-02516-09	Peru	100%	Concession
Latin Ilo Sur J	01-02517-09	Peru	100%	Concession
Latin Ilo Sur F	01-02824-09	Peru	100%	Concession
Latin Morrito 1	01-02827-09	Peru	100%	Concession
Latin Morrito 2	01-02828-09	Peru	100%	Concession
Latin Ilo Este VII	01-00335-10	Peru	100%	Concession
Essendon 2	01-01895-10	Peru	100%	Concession
Essendon 3	01-01896-10	Peru	100%	Concession
Essendon 4	01-01897-10	Peru	100%	Concession
Essendon 5	01-01898-10	Peru	100%	Concession
Essendon 6	01-01899-10	Peru	100%	Concession
Fremantle 1	01-02062-10	Peru	100%	Concession
Fremantle 2	01-02063-10	Peru	100%	Concession
Fremantle 3	01-02064-10	Peru	100%	Concession
Fremantle 4	01-02065-10	Peru	100%	Concession
Fremantle 5	01-02066-10	Peru	100%	Concession
Fremantle 7	01-02068-10	Peru	100%	Concession
Fremantle 8	01-02250-10	Peru	100%	Concession
Essendon 7	01-02246-10	Peru	100%	Concession
Essendon 8	01-02247-10	Peru	100%	Concession
Essendon 9	01-02248-10	Peru	100%	Concession
Essendon 10	01-02249-10	Peru	100%	Concession
Bombers 5	01-02422-10	Peru	100%	Concession

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Bombers 6	01-02423-10	Peru	100%	Concession
Fremantle 9	01-02424-10	Peru	100%	Concession
Fremantle 10	01-02425-10	Peru	100%	Concession
Fremantle 11	01-02426-10	Peru	100%	Concession
Fremantle 12	01-02427-10	Peru	100%	Concession
Fremantle 13	01-02428-10	Peru	100%	Concession
Fremantle 14	01-02429-10	Peru	100%	Concession
Fremantle 15	01-02430-10	Peru	100%	Concession
Fremantle 16	01-02431-10	Peru	100%	Concession
Fremantle 18	01-02433-10	Peru	100%	Concession
Vandals 1	01-02437-10	Peru	100%	Concession
Vandals 2	01-02438-10	Peru	100%	Concession
Essendon 11	01-01818-11	Peru	100%	Concession
Essendon 12	01-01819-11	Peru	100%	Concession
Ryan	01-01821-11	Peru	100%	Concession
Bridgette	01-01820-11	Peru	100%	Concession
Maddison	01-01822-11	Peru	100%	Concession
Essendon 13	01-01823-11	Peru	100%	Concession
Essendon 14	01-01824-11	Peru	100%	Concession
Essendon 15	01-01825-11	Peru	100%	Concession
Essendon 16	01-01826-11	Peru	100%	Concession
Essendon 17	01-01827-11	Peru	100%	Concession
Essendon 18	01-01828-11	Peru	100%	Concession
Essendon 19	01-01829-11	Peru	100%	Concession
Essendon 20	01-01830-11	Peru	100%	Concession
Essendon 21	01-01841-11	Peru	100%	Concession
Essendon 22	01-01842-11	Peru	100%	Concession
Ryan 1	01-01843-11	Peru	100%	Concession
Bridgette 1	01-01844-11	Peru	100%	Concession
Maddison 1	01-01845-11	Peru	100%	Concession
Essendon 23	01-01846-11	Peru	100%	Concession
Essendon 24	01-01847-11	Peru	100%	Concession
Essendon 25	01-01848-11	Peru	100%	Concession
Essendon 26	01-01849-11	Peru	100%	Concession
Essendon 27	01-01850-11	Peru	100%	Concession
Essendon 28	01-05116-11	Peru	100%	Concession
Essendon 29	01-05117-11	Peru	100%	Concession
Fremantle 22	01-01831-11	Peru	100%	Concession
Fremantle 23	01-01832-11	Peru	100%	Concession
Fremantle 24	01-01833-11	Peru	100%	Concession
Fremantle 26	01-01835-11	Peru	100%	Concession
Fremantle 27	01-01836-11	Peru	100%	Concession
Fremantle 29	01-01838-11	Peru	100%	Concession
Kelly 00	01-01840-11	Peru	100%	Concession
Dockers 1	01-01865-11	Peru	100%	Concession
Dockers 2	01-01866-11	Peru	100%	Concession
Dockers 3	01-01867-11	Peru	100%	Concession
Dockers 4	01-01868-11	Peru	100%	Concession
Fremantle 44	01-01874-11	Peru	100%	Concession
Auxiliadora II	01-00586-07	Peru	100%	Concession
Santa 70	6300029-08	Peru	100%	Concession

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Santa XIX	01.00590-07	Peru	100%	Concession
Santa XXII	01-00591-07	Peru	100%	Concession
Santa XXIII	01-00595-07	Peru	100%	Concession
Macarena XXII	01-00588-07	Peru	100%	Concession
San francisco XXI	01-00589-07	Peru	100%	Concession
Santa XX	63-00042-09	Peru	100%	Concession
Santa XVIII	63-00041-09	Peru	100%	Concession
San Francisco XXIII	63-00026-10	Peru	100%	Under Application
GIANDERI XXXIII	01-01560-06	Peru	100%	Concession
Mathew 1	01-01634-11	Peru	100%	Concession
Mathew 2	01.01635-11	Peru	100%	Concession
Kelly 01	01-04977-11	Peru	100%	Concession
Los Conchaes	01-02590-12	Peru	100%	Concession
Blackburn 7	01-02850-12	Peru	100%	Concession
Blackburn 8	01-02895-12	Peru	100%	Concession
Blackburn 9	01-02896-12	Peru	100%	Concession
Blackburn 10	01-02897-12	Peru	100%	Concession
Blackburn 11	01-02898-12	Peru	100%	Concession
Blackburn 12	01-02899-12	Peru	100%	Concession
Blackburn 13	01-03176-12	Peru	100%	Concession
Blackburn 14	01-03177-12	Peru	100%	Concession
Blackburn 15	01-03179-12	Peru	100%	Concession
Blackburn 16	01-03178-12	Peru	100%	Concession
Blackburn 17	01-03208-12	Peru	100%	Concession



## Schedule 2 – Tenements relinquished

Tenement name	Code	Location	Ownership	Status
Latin Ilo Sur D	01-05278-08	Peru	0%	Concession
Latin Ilo Sur E 1	01-06720-08	Peru	0%	Concession
Latin Ilo Sur K	01-02825-09	Peru	0%	Concession
Latin Morrito 3	01-02829-09	Peru	0%	Concession
Latin Pampa de Pongo 1	01-02932-09	Peru	0%	Concession
Fremantle 6	01-02067-10	Peru	0%	Concession
Fremantle 17	01-02432-10	Peru	0%	Concession
Fremantle 19	01-02434-10	Peru	0%	Concession
Fremantle 20	01-02435-10	Peru	0%	Concession
Fremantle 21	01-02436-10	Peru	0%	Concession
Vandals 3	01-02439-10	Peru	0%	Concession
Vandals 4	01-02440-10	Peru	0%	Concession
Vandals 5	01-02441-10	Peru	0%	Concession
Fremantle 25	01-01834-11	Peru	0%	Concession
Fremantle 28	01-01837-11	Peru	0%	Concession
Stephanie	01-01839-11	Peru	0%	Concession
Fremantle 30	01-01856-11	Peru	0%	Concession
Fremantle 31	01-01857-11	Peru	0%	Concession
Fremantle 32	01-01858-11	Peru	0%	Concession
Fremantle 33	01-01859-11	Peru	0%	Concession
Fremantle 34	01-01860-11	Peru	0%	Concession
Fremantle 35	01-01861-11	Peru	0%	Concession
Fremantle 36	01-01862-11	Peru	0%	Concession
Fremantle 37	01-01863-11	Peru	0%	Concession
Fremantle 38	01-01864-11	Peru	0%	Concession
Ashleigh	01-01869-11	Peru	0%	Concession
Fremantle 39	01-01870-11	Peru	0%	Concession
Fremantle 40	01-01871-11	Peru	0%	Concession
Fremantle 41	01-01872-11	Peru	0%	Concession
Fremantle 42	01-01875-11	Peru	0%	Concession
Fremantle 43	01-01873-11	Peru	0%	Concession
Auxiliadora III	01-00587-07	Peru	0%	Concession
Santa Norte XXI	01-01101-07	Peru	0%	Concession
Santa Norte XXII	01-01102-07	Peru	0%	Concession
Santa Norte XXIII	01-01100-07	Peru	0%	Concession
Mi Amito XXII	01-00527-00	Peru	0%	Concession
Fatima XXI	01-01408-00	Peru	0%	Concession
Sta. Rosa XXI	01-01349-98	Peru	0%	Concession
Macarena XXI	03-00052-97	Peru	0%	Concession
Santa XXI	63-00035-09	Peru	0%	Concession
Santa XVI	63-00040-09	Peru	0%	Concession
Mi Amito XXI	01-01836-99	Peru	0%	Concession
Blackburn 1	01-03226-11	Peru	0%	Concession
Blackburn 2	01-03534-11	Peru	0%	Under Application
Blackburn 3	01-00467-12	Peru	0%	Concession
Blackburn 4	01-00468-12	Peru	0%	Concession
Blackburn 6	01-00470-12	Peru	0%	Concession
Perthiam 1	01-00675-12	Peru	0%	Concession
Perthiam 2	01-00676-12	Peru	0%	Concession