



QUARTERLY ACTIVITIES REPORT for the period ending 31 December 2017

Highlights

Activities

Maria Del Huerto EIR Issued

- LRS has received the environmental approval which allows the drilling program to commence
- The company is targeting a JORC resource in June, 2018
- Drilling to commence in the second week of February

Ten New Exploration Concession Applications Submitted

- Prospective free ground in San Luis identified by satellite remote sensing and ground truthing
- Ten new concession applications totalling over 76,000 hectares have been submitted
- Total San Luis concession applications under 100% Latin Resources control is now over 101,000 hectares

Geminis Final Agreement Signed

- The Final Agreement with the owners of the Geminis Mine and Don Gregorio exploration concessions has been signed enabling the pathway to 100% LRS ownership

Lomo Pelada Mapping

- An initial mapping project completed at the prospective Lomo Pelada near Villisman Village in Catamarca
- Multiple pegmatites identified and sampled with results expected soon

Due Diligence Completed at Tres Tetas in Salta

- Due diligence completed at the Tres Tetas project that has identified several pegmatites which have been mapped and sampled.

Option for Lithium Extraction Signed

- Binding option agreement allows Latin Resources exclusive access to a patented spodumene to lithium carbonate technology developed by the National University of Cuyo (UnCuyo) in Mendoza, Argentina.

Primero Commenced High Level Scoping Study

- LRS has appointed Primero Consulting Engineers to carry out a high level scoping study for its lithium pegmatite projects in Argentina.

Corporate

- 4 October 2017 – General Meeting held with all resolutions passed on show of hands
- 5 October 2017 – Entered Agreement for lithium carbonate technology
- 10 October 2017 – Issued 250,000,000 options exercisable at \$0.01 expiring 12 October 2019
- 11 October 2017 – RCR Research Report on LRS
- 12 October 2017 – Placement of 428,571,457 shares to raise \$1.5 million
- 27 November 2017 – Placement of 125,000,000 shares to raise \$1.0 million
- General Meeting to be held 19 February 2018

OPERATIONS

Lithium and Cobalt Projects, Argentina

Since acquiring the initial lithium projects in Argentina during mid 2016 the Company's total landholding within Argentina's hard rock lithium concessions has rapidly expanded to total over 221,000 hectares over three main areas within the Catamarca, San Luis and Salta provinces. In addition the Company has acquired over 28,000 hectares in three cobalt concessions within the La Rioja province in Argentina's North West.

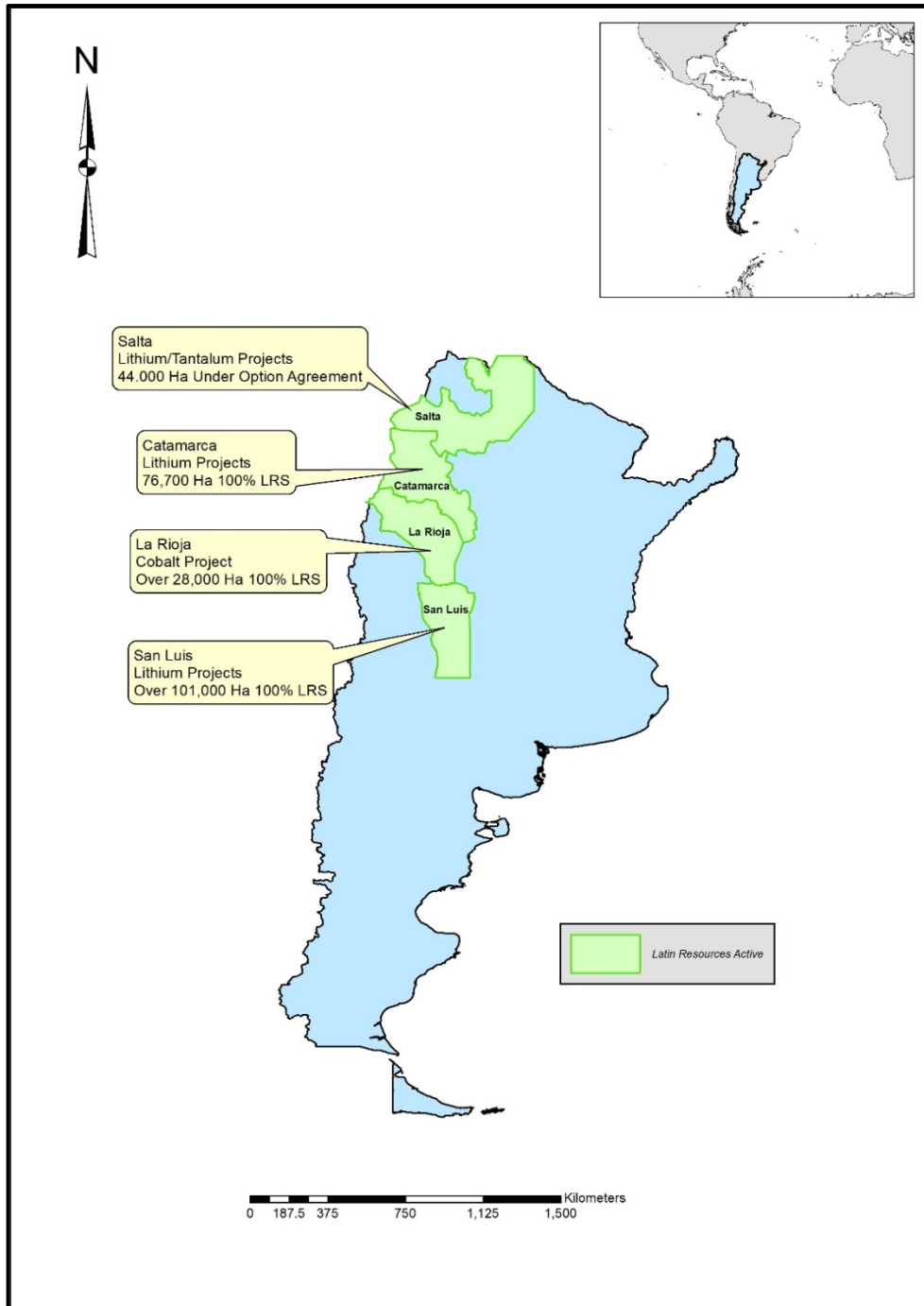


Figure 1 Location map of Latin Resources lithium and cobalt projects in Argentina

San Luis Lithium Project, Argentina

Maria Del Huerto EIR

The company has received notification that the Environmental Impact Report submitted in March for its wholly owned Maria Del Huerto project has been accepted and approved by the San Luis Minería Department. The issuance of the EIR allows LRS to undertake exploration and resource development drilling at the property.

Further detailed mapping and sampling was completed at the site which has allowed the generation of targets for the initial exploration and resource development drilling. Approximately 1,000m of diamond drilling and 3,000m of reverse circulation drilling has been planned to target the sheeted pegmatite mineralisation. The target zone contains at least three possibly four closely spaced pegmatites that are separated by 20 – 30 meters, dip at 50 – 60 degrees and extend over a strike length of approximately 400m (See Figure 2). Abundant spodumene is evident in the abandoned historic quarry which was the first lithium mine in San Luis, commencing operations in 1936.

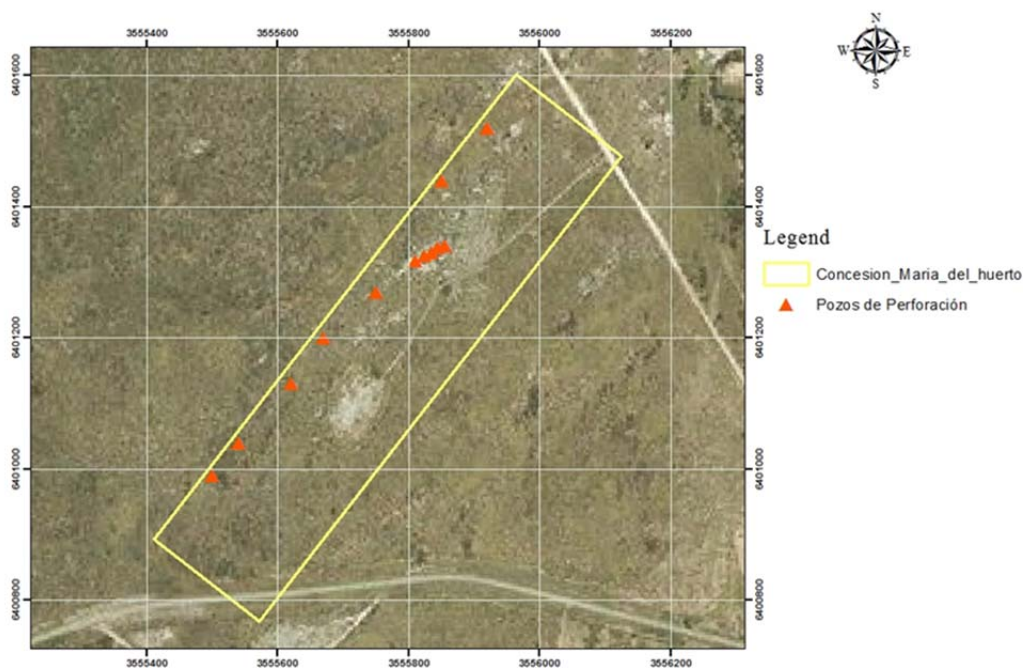


Figure 2. Maria Del Huerto Planned Initial Drill Holes

It is the company's intention to carry out the drilling at Maria Del Huerto in early February and the company is now in the final stages of negotiating a drilling contract with a high quality multinational drilling company to execute this program.

LRS is targeting the completion of a JORC resource estimate for Maria Del Huerto in June, 2018.

Metallurgical samples will also be derived from this program which will provide valuable information for the development of a flow sheet for initial processing plant design.

New Exploration Concession Applications

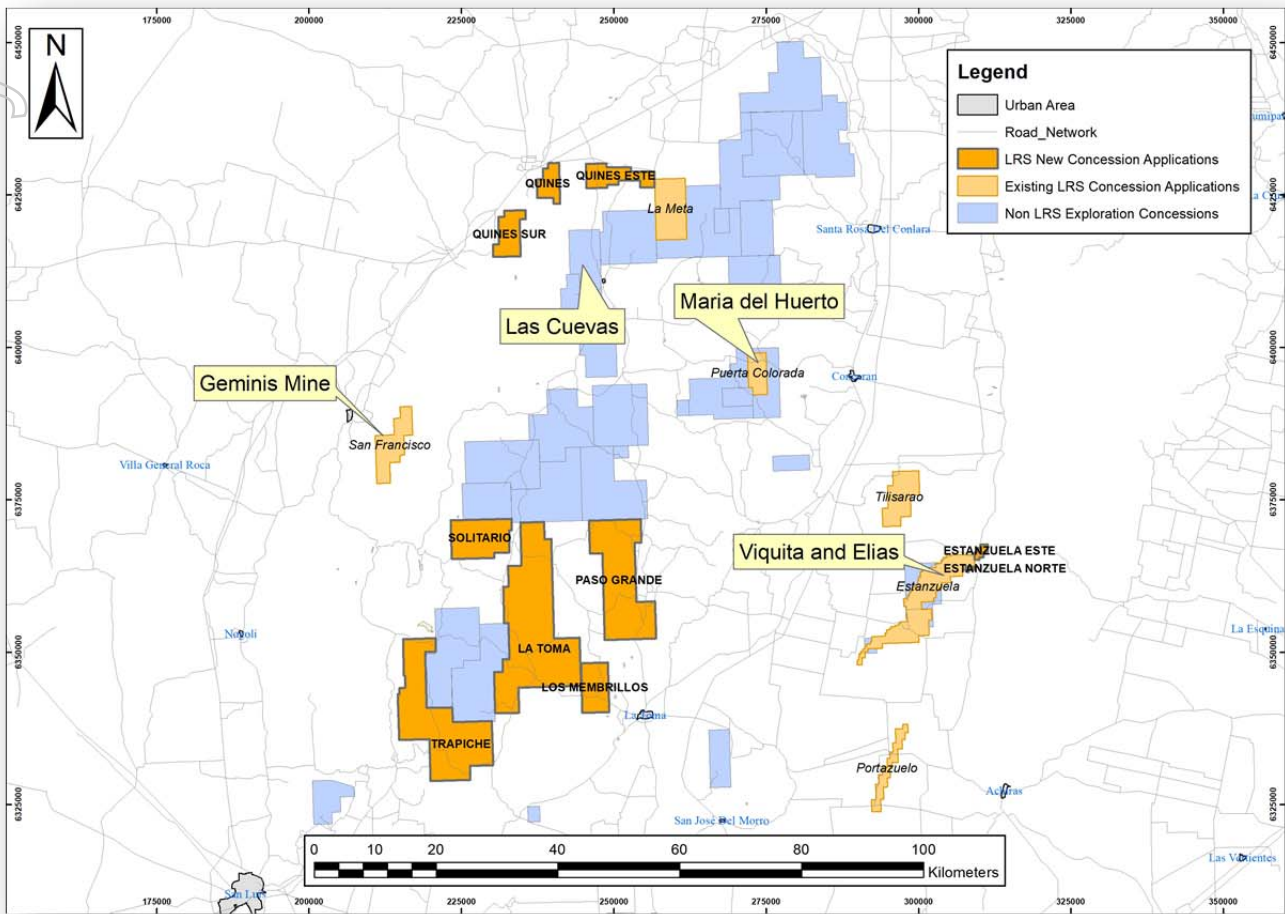


Figure 3. New Concession Application Locations

The company's exploration team completed reconnaissance work on prospective free areas in the San Luis province. Evaluation of these zones was completed by identifying possible pegmatitic outcrops using satellite imagery analysis and then ground truthing the outcrops to confirm they were pegmatites. Ten new exploration zones were identified through this process and exploration concession applications have been submitted for these areas (See Figure 3).

The area of the ten new concession applications is 76,309 ha. The company now has 101,096 Ha under application or agreement in San Luis Province

Existing Concession Name	Area (Ha)
La Meta	5,000
La Estanzuela	7,976
El Portazuelo	1,988
Tilisarao	3,838
San Francisco	3,977
Puerta Colorada	1,990
Maria del Huerto	18
Total Existing Concessions	24,787

New Concession Name	Area (Ha)
Estanzuela Este	3,407
Estanzuela Norte	86
Quines	1,878
Quines Sur	2,875
Quines Este	3,174
Trapiche	17,274
La Toma	24,248
Solitario	5,878
Paso Grande	13,926
Los Membrillos	3,564
Total New Concession Applications	76,309
Total San Luis Concessions	101,096

Table 1. New San Luis Concession Applications

Geminis Final Agreement

On Thursday the 26th October the Final Agreement was signed with the owners of the Geminis Mine and Don Gregorio exploration concessions. This has solidified the company's pathway to 100% ownership of the prized historic lithium mine and allows the continuation with certainty the steps required for the permitting to allow the resource development work to commence at the project. Under the terms of the Final Agreement LRS now has six months to gain the approval of the EIR and the reactivation plan. This is a maximum time frame however and it is the company's intention to fast track this process to gain the approvals as quickly as possible.

Catamarca Lithium Project, Argentina

Lomo Pelada Mapping

The Latin Resources geology team spent 4 days at the Lomo Pelada prospect in the Villisman area in Catamarca. The zone contains several sheeted pegmatites that contain visual spodumene in historical quarry's and these have now been mapped and sampled. The samples have been submitted to ALS laboratories and the results are expected soon.

Salta Lithium and Tantalum Project, Argentina

Tres Tetras Due Diligence

Due Diligence of the Tres Tetras mining concession was carried out by LRS Senior geological staff from November 30 to December 3, 2017. The work focused geological-structural mapping of the pegmatitic bodies within the Tres Tetras concession, Nine geochemical samples were also taken and submitted to ALS laboratory in Mendoza.

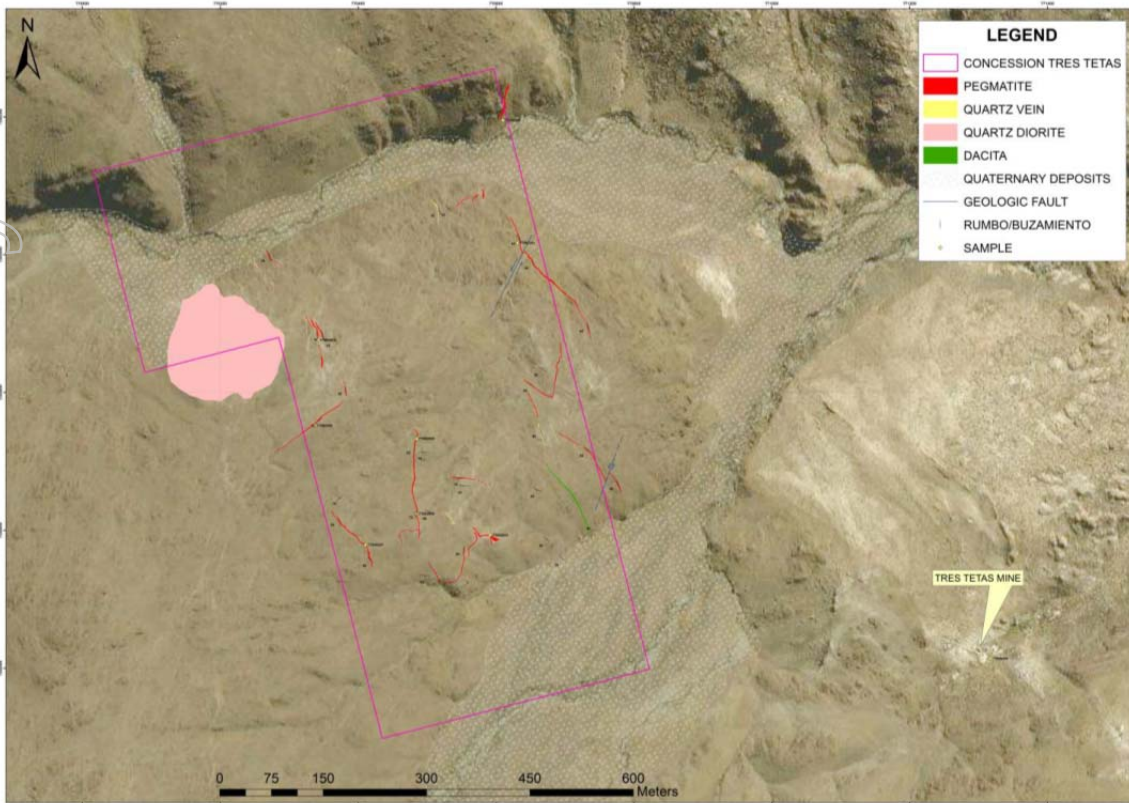


Figure 4. Tres Tetas Mapping

Licence Option Agreement for Patented Lithium Extraction Technology in Argentina

The company announced that it has secured the first option to acquire on an exclusive basis the license of the patented technology from the University of Cuyo in Mendoza Argentina for commercial use and exploitation in Argentina, Australia, China, Canada and the USA.

UnCuyo through the Secretariat of Science, Technology and Postgraduate, the Secretariat of Institutional Development and the Foundation of the National University of Cuyo, has identified, protected and promoted a now patented technology to be licensed which consists of the process of obtaining Lithium Carbonate from Lithium Aluminosilicates including spodumene.

The UnCuyo researchers discovered and developed the Technology as an alternative to the current method of lithium extraction: the rock is crushed and, through chemical treatments, the lithium is recovered in the form of salts. The method is environmentally friendly, and it leaves no environmental legacies which other procedures do that are currently being used for lithium carbonate recovery.

Importantly, the Technology was developed at the UnCuyo University using lithium spodumene samples from the San Luis province of Argentina. The Technology would therefore prove to be highly valuable to Latin if proven successful at a scalable size as Latin controls a large number of concessions that host lithium spodumene pegmatites in the San Luis province.

Primero - High Level Scoping Study

Latin Resources has appointed Primero Consulting Engineers to carry out a high level scoping study for its lithium pegmatite projects in Argentina. The metallurgical test work will be carried out on material derived from drill core at the Maria Del Huerto project.

The Company strategy is to run the scoping study in parallel with the drilling to determine a JORC resource in respect of its lithium projects in Argentina.

The purpose of this work is to provide Latin Resources an indicative CAPEX for a stand-alone process plant, based on benchmark data located in Argentina.

Southern Peru Copper Project, Peru

The agreement with Westminster Resources is nearing finalisation with the 43-101 Technical Report currently being reviewed by the TSX.

Proposed Next Steps

The next quarter's activities will centre on San Luis province. The San Luis Government Mining Department will reopen after the New Year break in the first week of February and the company will be concentrating on engaging the new team in that department and attempting to gain the issuance of the concessions currently under application as soon as possible.

The drilling program at Maria Del Huerto will continue for the first quarter 2018 and the company looks forward to providing regular updates as the program advances.

Research Reports

A detailed Research Report was published by RCR on 11 October 2017. The Report can be found at:

<http://latinresources.com.au/Research> .

Corporate

A General Meeting of shareholders was held on 4 October 2017 with all resolutions being passed on a show of hands.

At the General Meeting, shareholders approved resolutions to issue 125,000,000 listed placement options exercisable at \$0.01 on or before 12 October 2019. Shareholders further approved the issue of 125,000,000 listed broker options with the same terms and conditions relating to the placement completed on 26 July 2017. The Company lodged a Prospectus for the listed options on 10 October 2017, and these were subsequently issued on 12 October 2017.

On 18 October 2017, the Company completed a placement to professional and sophisticated investors of 428,571,457 shares at an issue price of \$0.035 to raise \$1,500,000 (before costs). In addition, the Company will issue a one (1) for two (2) free attaching option (*exercisable at \$0.01; 2 year term*) to placement participants, subject to shareholder approval. The Company will also issue 214,285,728 free attaching options (*exercisable at \$0.01; 2 year term*) to the placement Brokers for capital raising services in connection with the placement.

Funds raised from the Placement were used to fund exploration work on the lithium targets identified in Argentina, to maintain the Peruvian mineral properties in good standing and for working capital.

Resolutions for the issue of the placement and broker options will be put to a General Meeting of shareholders to be held at 10.00am on 19 February 2018.

On 27 November 2017 the Company completed a placement to professional and sophisticated investors of 125,000,000 shares at an issue price of \$0.08 to raise \$1,000,000 (before costs). In addition, the Company will issue a one (1) for two (2) free attaching option (*exercisable at \$0.01; 2 year term*) to Placement participants, subject to shareholder approval. The Company will also issue 62,500,000 free attaching options (*exercisable at \$0.01; 2 year term*) to the placement Brokers for capital raising services in connection with the placement.

Funds raised from the Placement were used to fund exploration work on the lithium targets identified in Argentina, to maintain the Peruvian mineral properties in good standing and for working capital.

Resolutions for the issue of the placement and broker options will be put to a General Meeting of shareholders to be held at 10.00am on 19 February 2018.

About Latin Resources

Latin Resources Limited is a mineral exploration company focused on creating shareholder wealth through the identification and definition of mineral resources in Latin America. The Company has secured over 221,000 hectares of exploration concessions in the lithium pegmatite districts of Catamarca, San Luis and Salta Provinces, Argentina as well as 28,000 hectares prospective for Cobalt in La Rioja.

The company also has a portfolio of projects in Peru and is actively progressing its Iron Oxide-Copper-Gold and Copper Porphyry projects in the Ilo region with its joint venture partner First Quantum Minerals Ltd.

Corporate Summary

ASX: **LRS**

Shares Issued: **2,622.4 M**

Options Issued: **259.4 M**

Rights Issued: **65.0 M**

Competent persons statement

The information in this report that relates to Geological Data and Exploration Results is based on information compiled by Mr Kerry Griffin, who is a Member of the Australian Institute of Geoscientists. Mr Griffin has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Griffin is the Exploration and Development Manager of Latin Resources Limited and consents to the inclusion in this report of the matters based on his information, and information presented to him, in the form and context in which it appears.

Enquires

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Appendix 5B

The Appendix 5B for the Quarter is attached.

Schedule 1 – Tenements held

Further to the Quarterly Report lodged with ASX on 31 January 2018, 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 as at 31 December 2017.

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 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 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 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
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 14	01-02429-10	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 14	01-01824-11	Peru	100%	Concession
Essendon 21	01-01841-11	Peru	100%	Concession
Ryan 1	01-01843-11	Peru	100%	Concession
Bridgette 1	01-01844-11	Peru	100%	Concession

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Maddison 1	01-01845-11	Peru	100%	Concession
Essendon 26	01-01849-11	Peru	100%	Concession
Fremantle 22	01-01831-11	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
Auxiliadora II	01-00586-07	Peru	100%	Concession
Santa XIX	01.00590-07	Peru	100%	Concession
Santa XXIII	01-00595-07	Peru	100%	Concession
Macarena XXII	01-00588-07	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 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 12	01-02899-12	Peru	100%	Concession
Blackburn 13	01-03176-12	Peru	100%	Concession
Blackburn 15	01-03179-12	Peru	100%	Concession

Tenement name	Code	Location	Ownership	Status
La Meta	63C2016	Argentina	100%	Under Application
La Estanzuela	64C2016	Argentina	100%	Under Application
El Portazuelo	65C2016	Argentina	100%	Under Application
Tilisarao	66C2016	Argentina	100%	Under Application
San Francisco	84C2016	Argentina	100%	Under Application
Puerta Colorada	85C2016	Argentina	100%	Under Application
Maria del Huerto	134Q1936	Argentina	100%	Concession
Estanzuela Este	64 - R - 2017	Argentina	100%	Under Application
Estanzuela Norte	65 - R - 2017	Argentina	100%	Under Application
Quines	66 - R - 2017	Argentina	100%	Under Application
Quines Sur	67 - R - 2017	Argentina	100%	Under Application
Quines Este	68 - R - 2017	Argentina	100%	Under Application
Trapiche	69 - R - 2017	Argentina	100%	Under Application
La Toma	70 - R - 2017	Argentina	100%	Under Application
Solitario	71 - R - 2017	Argentina	100%	Under Application
Paso Grande	72 - R - 2017	Argentina	100%	Under Application
Los Membrillos	73 - R - 2017	Argentina	100%	Under Application

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Ancasti I	36M2016	Argentina	100%	Concession
Ancasti II	37M2016	Argentina	100%	Concession
Ancasti III	38M2016	Argentina	100%	Concession
Villisman I	39M2016	Argentina	100%	Concession
Villisman II	40M2016	Argentina	100%	Concession
Villisman III	41M2016	Argentina	100%	Concession
Villisman IV	42M2016	Argentina	100%	Concession
Ancasti IV	56M2016	Argentina	100%	Concession
Villisman V	57M2016	Argentina	100%	Concession

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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Name of entity

LATIN RESOURCES LIMITED

ABN

81 131 405 144

Quarter ended ("current quarter")

December 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(728)	(2,913)
(b) development	-	-
(c) production	-	-
(d) staff costs	(106)	(561)
(e) administration and corporate costs	(410)	(1,117)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	5
1.5 Interest and other costs of finance paid	(9)	(61)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(1,252)	(4,647)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-

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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	208	208
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	208	208

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	2,499	4,569
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	280
3.4 Transaction costs related to issues of shares, convertible notes or options	(182)	(325)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(296)	(404)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	2,021	4,120

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
4. Net increase / (decrease) in cash and cash equivalents for the period	977	(319)
4.1 Cash and cash equivalents at beginning of period	34	1,339
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,252)	(4,647)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	208	208
4.4 Net cash from / (used in) financing activities (item 3.10 above)	2,021	4,120
4.5 Effect of movement in exchange rates on cash held	(16)	(25)
4.6 Cash and cash equivalents at end of period	995	995

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	235	34
5.2 Call deposits	760	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	995	34

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
(151)
-

6.1 - Includes wages and directors fees including superannuation. Amounts above are inclusive of GST and exclude the reimbursement of expenses.

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7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	100	100
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Loan with Junefield High Value Metals Investments Limited (JHVM) was fully repaid on 9 January 2018.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	400
9.2 Development	-
9.3 Production	-
9.4 Staff costs	135
9.5 Administration and corporate costs	250
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	785

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10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



Date: 31 January 2018

Company secretary

Print name:

Sarah Smith

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.