



QUARTERLY ACTIVITIES REPORT for the period ending 31 MARCH 2019

Highlights

OPERATIONS

San Luis - Argentina

- Permitting negotiations continue with San Luis government
- Latin ready to execute Exploration Plans in San Luis on issue of drilling permits

Catamarca - Argentina

- Desktop evaluations of the Ancasti and Vilisman Project continues

Minas Gerais - Brazil

- Reconnaissance in the Jequitinhonha valley region of Minas Gerais
- Significant spodumene occurrences identified

Montevideo - Uruguay

- Accepted invitation by the Uruguay mines department to investigate pegmatite occurrences.
- Reconnaissance in the nearby prospective regions to Montevideo.

Pachamanca/MT-03 Copper Project – Peru

- Expecting final government approval to commence drill permitting
-

TECHNOLOGY

UnCuyo University - Mendoza

- UnCuyo University successfully completes stage 1 test work
 - Negotiations to commence on agreement to develop commercial grade pilot plant to test the patented process on a larger scale
-

CORPORATE

Financial

- Repayments of the Convertible Security Funding Agreement continue

OPERATIONS

Lithium Projects, Argentina

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

The company is also continuing its assessment of the acquisition of a further 44,177 Hectares in San Luis.

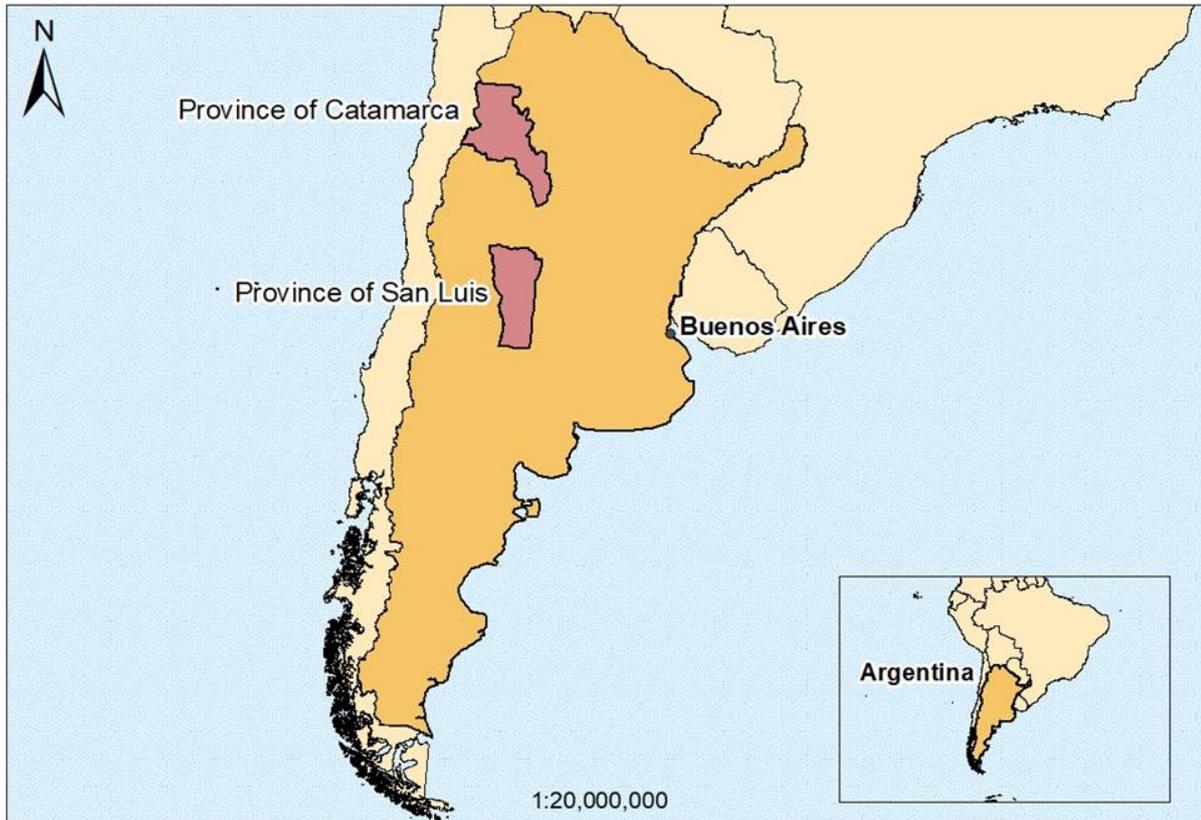


Figure 1 - Location Map of Latin Resources Operating Lithium Provinces in Argentina

San Luis Lithium Project, Argentina

(LRS - 100%)

Permitting

On 27 November 2018 the Company announced that a social and environmental agreement had been reached with the communities of San Francisco and Rio Gomez in the province of San Luis. This agreement was an important step to secure the support and interest of the local community in actively participating in the development of a sustainable local mining industry based around the known lithium deposits in the locality of the projects of the Company known as Geminis, Don Gregorio and Maria Del Huerto.

The announcement on 27 November 2018 foreshadowed the entering into of further agreements with the province of San Luis moving the Company further along the required pathway to obtain the necessary drill permits to commence its exploration program.

Subsequent to the social and environmental agreement referred to above, a further agreement was signed

(Announcement: ASX: LRS 24 Jan 2019) with the San Luis province as a precursor to the issue of the long awaited drill permits. The objective of this preliminary agreement is to further enhance the co-operative relationship being developed between the Company and the province of San Luis and to establish the parameters for the issue of drill permits to the Company to enable it to commence its exploration activities on its various mining concessions within San Luis.

With the preliminary agreement signed, the Company entered discussions with the San Luis government with the objective of signing a more detailed Memorandum of Understanding (MOU) on behalf of the Company setting out the criteria to develop a lithium industry in the San Luis province.

In mid-February 2019 the Chairman and Managing Director of the company met with senior officials in the Mines Department of the province of San Luis to discuss the progress of the company's projects in the province. A presentation was given to the senior staff of the mining directorate to further update them on the opportunity. There continues to be positive discussions based around the signed co-operation agreement between Latin and the San Luis province. Further updates will be provided as the discussions continue.

Geminis & Don Gregorio Project

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

The company has maximised its field efforts in the region establishing important relationships with local contractors to quickly activate its exploration plans once permits are received.

The Company is also assisting the concession holder of the Geminis tenements with responding to some observations made by the Mining Directorate of San Luis. The observations are considered by the Company and the concession holder to be of a non-material nature and have been responded to by the concession owner as part of the process in place in San Luis province.

The Company has a binding exploration agreement with the concession holder of Geminis which is unaffected by the observations referred to.

During the quarter the team left its field exploration in San Luis on hold pending final negotiations with the San Luis government.

Catamarca Lithium Project, Argentina

(LRS - 100%)

Permitting

During the quarter the company completed rehabilitation works and the legal labour requirements to fulfil concession obligations and to ensure the Catamarca concessions remain in good standing.

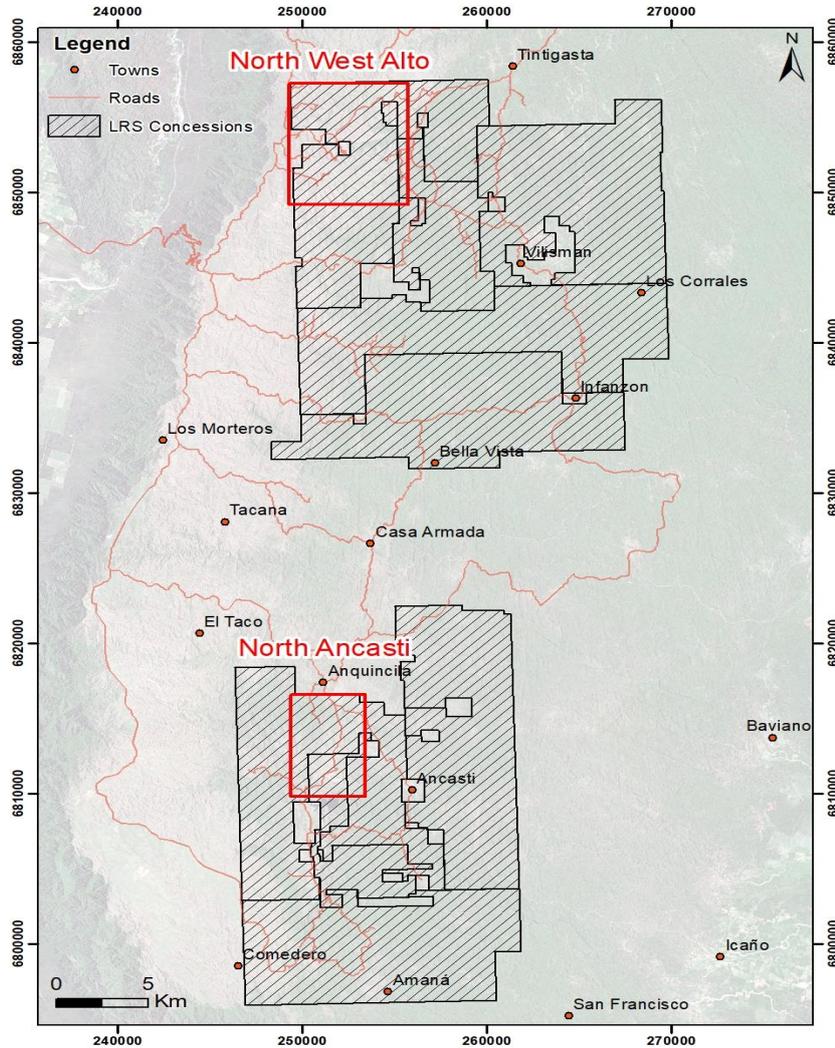


Figure 2 - Latin Resources Catamarca NW Alto Concession Area

NW Alto – Vilisman Project Area

Exploration this quarter in Catamarca paused the rock chipping and soil sampling programs from the previous quarter focusing primarily on the NW Alto region.

The LRS geological team is now evaluating the collected mapping and sampling results from the NW Alto concessions. These concessions had not been previously covered as part of the work undertaken in evaluating the identified historical lithium mines in the district. The area to be mapped is greater than 90% of the total Catamarca concession area and is highly prospective for lithium bearing pegmatites of considerable size.

No further rock-chips were collected over the quarter, field work has now been put on hold in Catamarca. The company continues to assess the potential of the region through desktop evaluation.

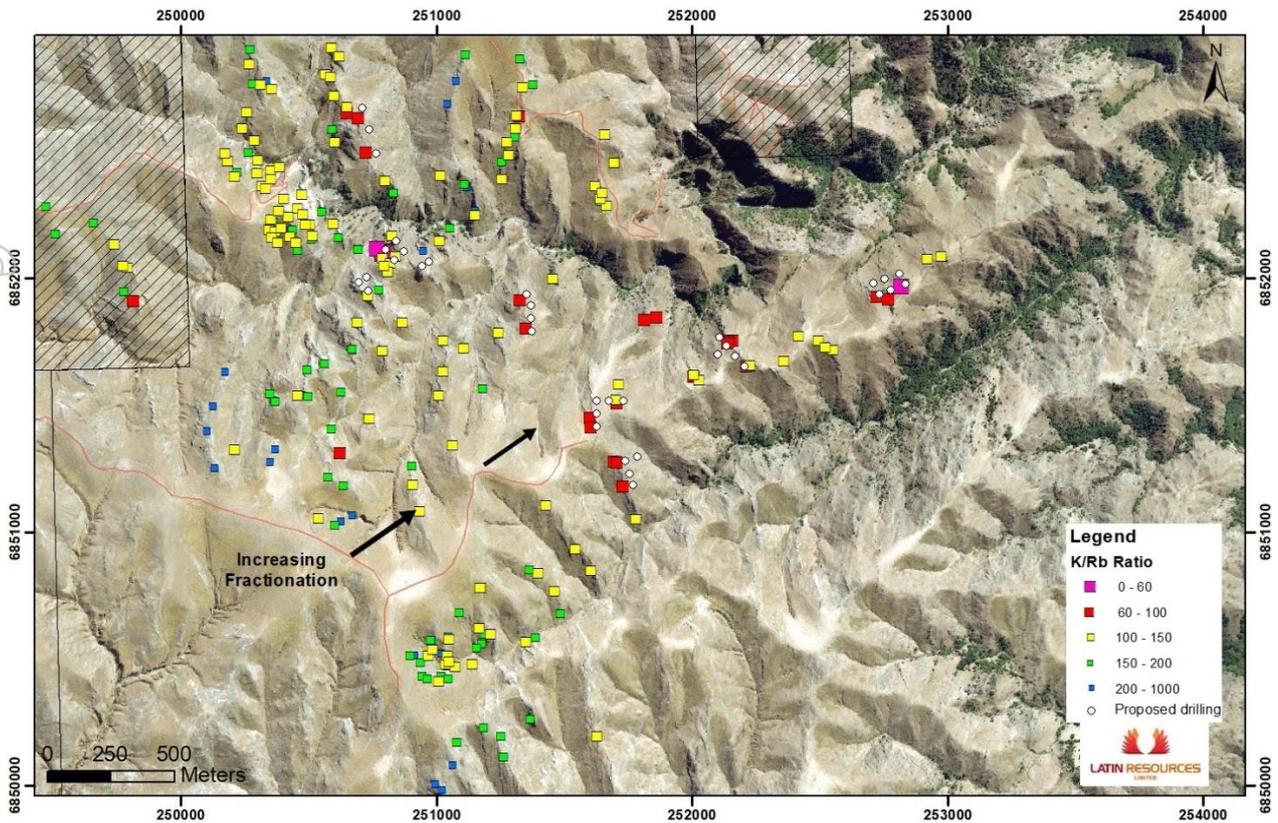


Figure 3 - All rock-chip locations within the NW Alto showing fractionation ratio results. Assay results from recent sampling available in Appendix 1.

N Ancasti – Ancasti Project Area

Exploration this quarter continued to evaluate the potential of the North Ancasti project. An extensive review of recently acquired historical exploration literature, highlighted the existence of Beryl/Lithium pegmatites which have received very little modern exploration attention.

The company intends to complete thorough rock chipping and mapping over the region with the intention of delineating suitable drilling targets as has been done in the NW Alto.

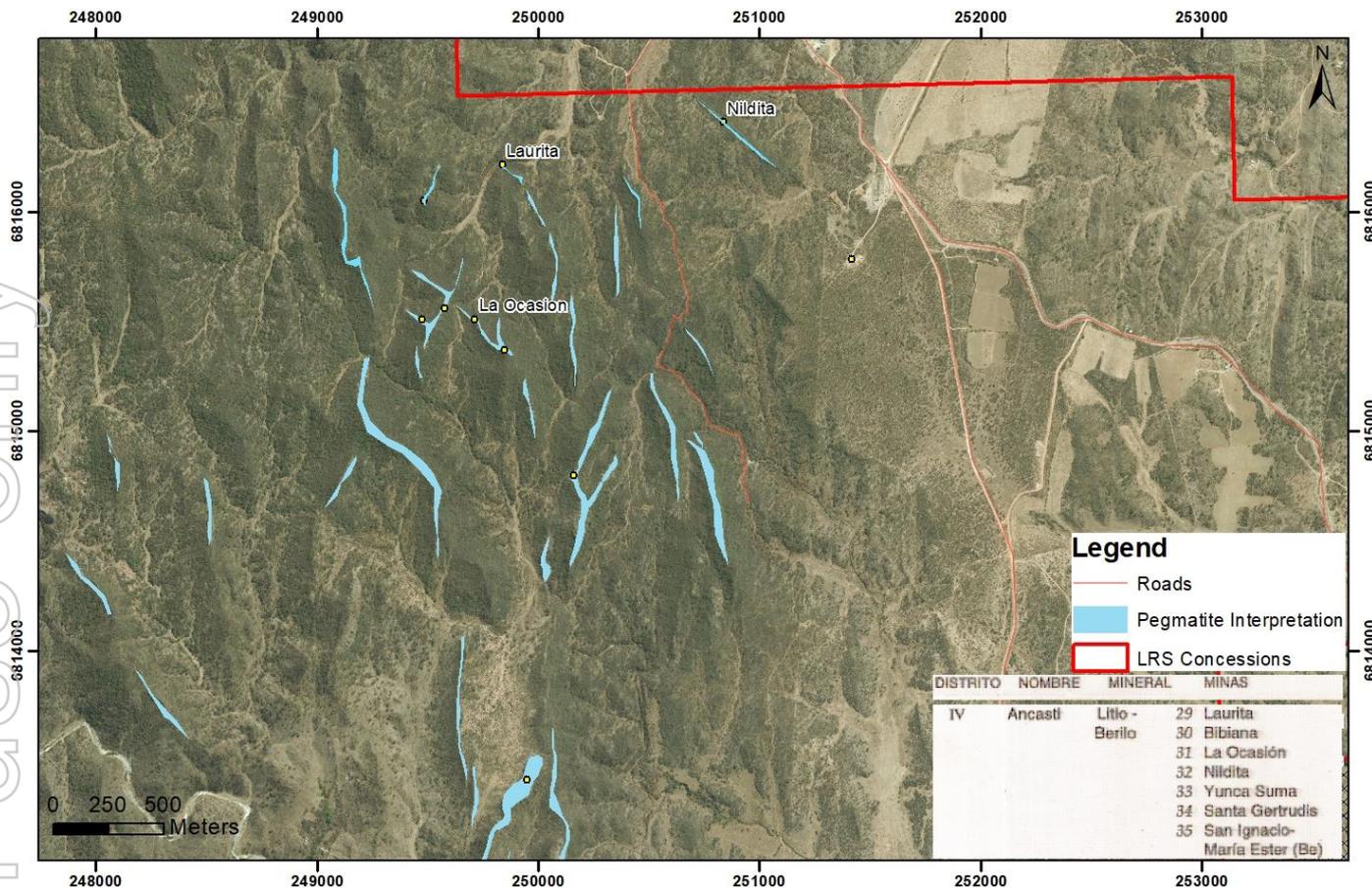


Figure 4- Pegmatites unexplored in the N Ancasti

Pachamanca MT-03 Copper Project, Southern Peru

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

Latin Resources are now in final stages of receiving government approval for the drilling of the Pachamanca – MT03 Project. This approval will enable its joint venture partner First Quantum to commence planning and permitting for the drilling of the project.

Guadalupito Mineral Sands Project, Peru

(LRS 100%)

The company has completed a review of its mineral sands project in Peru. The company is encouraged by the presence of Vanadium in its historical studies and will now improve its economic understanding of the project.

The company has commenced a new round of soil sampling in the coming quarter with sampling directed at the zone previously reporting high-grade Vanadium.

The company will continue to keep the market updated on any further information that comes to hand.

Minas Gerais, Brazil

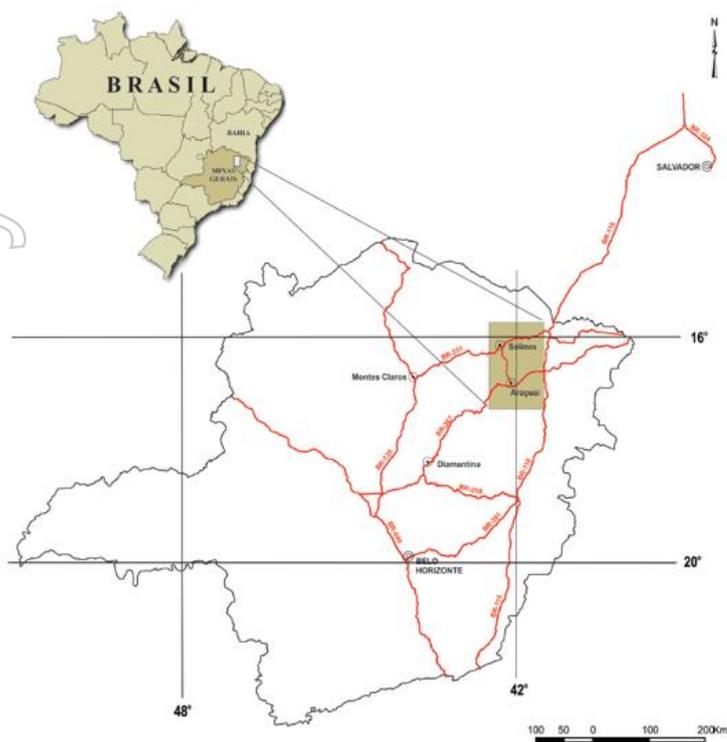


Figure 5 – Location Map – Minas Gerais State, Brazil.
Highlighted Work Area

The company is pleased to advise that it has invested significant time and geological resources investigating the lithium potential of Jequitinhonha valley region of Minas Gerais which hosts the Eastern Brazilian pegmatite province, home to Sigma Lithium and Companhia Brasileira de Lítio (CBL).

The Jequitinhonha valley is a highly underexplored region that currently contains 100% of the official lithium reserves of Brazil. Latin Resources geologists have now based themselves out of the city of Salvador in close proximity to the area of interest. The team has just completed their third trip to the region and have continued to locate occurrences of spodumene never previously known or reported.

lithium resource base which currently stands at 45.7Mt @1.38% Li₂O. Sigma is focused on 10 high-grade hard-rock lithium pegmatites, nine of which were past-producing lithium mines, yet have reported over 200 pegmatites within their tenure. Whilst not far away, CBL is actively mining spodumene pegmatites, producing a spodumene concentrate which is then transferred to a chemical plant in Divisa Alegre, Minas Gerais, where it is transformed into industrial grade lithium hydroxide. Latin Resources is particularly excited by the opportunities this may present in the future for battery grade lithium hydroxide production.

Sigma Lithium are the most active explorers in the region currently drilling out a world-class

The state of Minas Gerais is well served by infrastructure, roads, hydroelectric power, water and the port of Vitoria in the neighbouring Espirito Santo State. The province is particularly efficient in its issuing of drilling permits and environmental approvals.

The company is continuing its due diligence of the province, however intends to begin making acquisitions of its priority one targets in the coming weeks.

Focus will be given to well advanced tenure which will allow the company to rapidly drill test any potential spodumene deposit and enable it to quickly be advanced to JORC compliancy.

The company's resources will continue to be directed at Brazil where Latin Resources believe they can effectively execute exploration programs and deliver positive news and results to its shareholders in a timely manner.

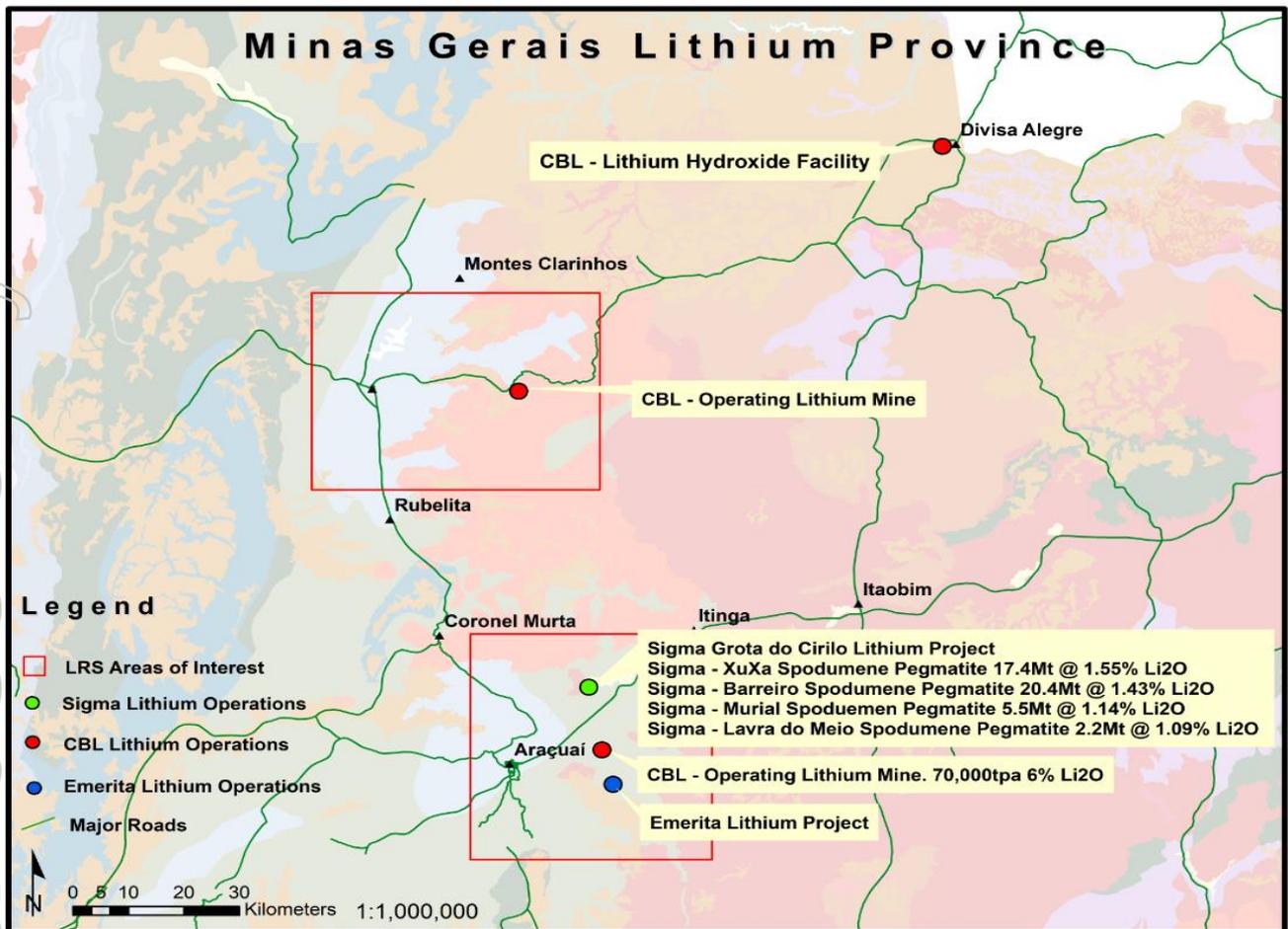


Figure 6 – Latin Resources Area of Interest. North Western Minas Gerais, Brazil



Figure 7 (Right) – CBL Lithium Concentrate Sample
 Figure 8 (Above) – CBL Underground Spodumene Mining Operation

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Figure 9 – CBL Lithium Hydroxide Facility as seen from Google Earth, Minas Gerais, Brazil.



Figure 10 – Latin Resources geologists identifying large spodumene crystals in an abandoned spodumene mine, Minas Gerais, Brazil.



Figure 11 – Historical lithium mine workings, Minas Gerais, Brazil.



Figure 12 & 13 – Latin Resources geologists assisting locals with the sampling of pegmatite trenches, Minas Gerais, Brazil.

Montevideo, Uruguay



The Latin exploration team was invited in mid-January to visit the mines department (DINMAGE) in Montevideo, Uruguay with the objective of using the company's lithium expertise to locate underexplored pegmatites in the region. The team spent numerous days in the field with the DINMAGE team however was unable to successfully locate spodumene mineralisation. This was in part due to the significant ground cover throughout Uruguay and an inability to access more prospective areas.

Figure 14 - LRS Geologists assessing pegmatite outcrop in Uruguay

Other Opportunities

The company continues to invest exploration effort for further acquisition opportunities primarily in lithium and other battery metals within Argentina, Brazil, Uruguay and internationally.

Proposed Next Steps

Exploration Strategy

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

Given the company's time spent in Brazil and Uruguay this quarter and the slow progression of San Luis permits, the company has paused the Catamarca field exploration program.

In the interim, the Company's resources will continue to be directed at Brazil where we believe the company can effectively execute exploration programs and deliver results to its shareholders.

TECHNOLOGY

UnCuyo University, Mendoza, Argentina

The UnCuyo University has successfully completed the second and final stage test work on the spodumene to lithium carbonate process pilot plant in Mendoza, Argentina. The Company funded the development and construction of the experimental test plant.

The second round of testing, completed in November 2018, established the optimal dissolution conditions to obtain an 88% lithium carbonate extraction with 90% being the maximum expected value with the patented procedure. The optimal conditions of chemical precipitation and the filtration medium have also been identified.

Based on these successful results of the process with the scientists at UnCuyo University believing the technology can host a viable large-scale industrial plant.

The formal communication of these successful results of the lithium carbonate technological tests meets the first objective of the license option agreement. Accordingly the University and the Company are progressing to the second stage of confirming the economic extraction of lithium carbonate from spodumene in a commercial grade pilot plant. Negotiations continue between the University and the Company to finalise an Intellectual Property Licence Agreement.

CORPORATE

Convertible Security Funding Agreement

Monthly repayments of the convertible note facility continued during the March 2019 quarter with the issue of 44,444,445, 60,000,000 and 93,088,236 fully paid ordinary shares for the months of January, February and March 2019 respectively.

Total drawn under the \$6 million Facility is \$2.6 million of which A\$1.96M remains outstanding at 31 March 2019.

Subsequent to quarter end the April 2019 repayment was made by issue of 102,692,308 fully paid ordinary shares.

About Latin Resources

Latin Resources Limited is an Australian-based mineral exploration company focused on creating shareholder wealth through the identification and definition of mineral resources in Latin America. The Company has secured over 173,000 hectares of exploration concessions in the lithium pegmatite districts of Catamarca, San Luis and Salta Provinces, Argentina as well as 22,000 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.

Latin Resources recently divested its other Peruvian copper projects into Canadian listed company Westminster Resources (TSX-V; WMR) with a current shareholding of approx. 41%.

Corporate Summary**At 30 April 2019****ASX: LRS****Shares Issued:****- Listed 3,377.4 M****- Unlisted 100.0 M****Options Issued:****- Listed 851.1 M****- Unlisted 166.7M****Rights Issued: 12.0 M**

Competent persons statement

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

Enquires

Chris Gale
Managing Director
Latin Resources Limited
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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")

March 2019

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|------------------------------------|--|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | - | - |
| 1.2 Payments for | | |
| (a) exploration & evaluation | (242) | (242) |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | (82) | (82) |
| (e) administration and corporate costs | (151) | (151) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | - | - |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Research and development refunds | - | - |
| 1.8 Other | - | - |
| 1.9 Net cash from / (used in) operating activities | (475) | (475) |
| 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 (3 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 | - | - |
| (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 | - | - |

| | | |
|---|------------|------------|
| 3. Cash flows from financing activities | | |
| 3.1 Proceeds from issues of shares | 523 | 523 |
| 3.2 Proceeds from issue of convertible notes | - | - |
| 3.3 Proceeds from exercise of share options | - | - |
| 3.4 Transaction costs related to issues of shares, convertible notes or options | (27) | (27) |
| 3.5 Proceeds from borrowings | - | - |
| 3.6 Repayment of borrowings | - | - |
| 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 | 496 | 496 |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|--|------------------------------------|--|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | 21 | 21 |
| 4.1 | Cash and cash equivalents at beginning of period | 204 | 204 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (475) | (475) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | - | - |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 496 | 496 |
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 225 | 225 |

| 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 | 225 | 204 |
| 5.2 | Call deposits | - | - |
| 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) | 225 | 204 |

| 6. | Payments to directors of the entity and their associates | Current quarter \$A'000 |
|---|--|------------------------------------|
| 6.1 | Aggregate amount of payments to these parties included in item 1.2 | (49) |
| 6.2 | Aggregate amount of cash flow from loans to these parties included in item 2.3 | - |
| 6.3 | Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2 | |
| 6.1 - Includes wages and directors fees including superannuation. Amounts above are inclusive of GST and exclude the reimbursement of expenses. | | |

| 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 | 6,000 | 2,600 |
| 8.2 Credit standby arrangements | - | - |
| 8.3 Other (please specify) | - | - |
| 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well. | | |

Loan facilities include the Convertible Security Funding Agreement established on 19 June 2018.
As at 31 March 2019 the balance outstanding of the amount drawn under the Facility is \$1,962,656
The maturity date of the Facility is 26 June 2020.

| 9. Estimated cash outflows for next quarter | \$A'000 |
|--|----------------|
| 9.1 Exploration and evaluation | 100 |
| 9.2 Development | - |
| 9.3 Production | - |
| 9.4 Staff costs | 50 |
| 9.5 Administration and corporate costs | 150 |
| 9.6 Other (provide details if material) | - |
| 9.7 Total estimated cash outflows | 300 |

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

Compliance statement

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

Sign here: Company secretary Date: 30 April 2019



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.