



QUARTERLY ACTIVITIES REPORT for the period ending 31 March 2020

Highlights

OPERATIONS

Pachamanca/MT-03 Copper Project – Peru

- Terms extended in JV deal with First Quantum Minerals subsidiary
- Drill Permitting is underway

Noomberry Halloysite Project – WA

- Halloysite located in surface sampling
- Testing completed by First Test Minerals

Lithium Projects – Argentina

- Discussions on potential JV continuing

OPERATIONS

Pachamanca/MT-03 Copper Project – Peru

In February, Latin announced its subsidiary Peruvian Latin Resources SAC (“PLR”) had signed an extension to the Binding Terms executed with Minera Antares Peru SAC (“Antares”), a subsidiary of Canadian copper producer First Quantum Minerals Ltd (“FQM”).

The current term sheet was extended to 31 December 2020.

The following terms have been agreed;

- Antares to complete geophysical survey and following which may elect to proceed with a rights assignment and an option to earn an initial 51% of the project by completing 4,000m of drilling within 6 months of obtaining drilling approvals. It is at Antares election to drill the 4000 metres and complete the 4000m drill campaign.
- Antares may exercise the first option within a maximum of 48 months after obtaining advanced stage drill permits, and will earn 51% on completion of drilling and technical studies to support a JORC resource estimate of >1Mt contained copper equivalent.
- PLR to receive staged payments totaling US\$0.5 million over the option period, as an additional condition precedent to exercise the option.

- Antares can earn up to a total of 80% of the project when technical documentation of work completed is provided to support a “decision to mine”. PLR free carried up to decision to mine. Antares will have an option to buy PLR’s remaining 20% share based on an independent valuation. PLR will then retain a 2% NSR royalty.
- Antares will have the right to reduce the NSR to 1% by paying US\$40 Million cash to PLR.

The JV with a global copper producer of the calibre of FQM is a rare opportunity and is testament to the work carried out by Latin in Peru and its dedication to exploration for mineral assets in one of the most prolific copper producing regions in the world.

Pachamanca/MT-03 is a project with company-making potential which will now begin to progress within the JV time frame. Receiving government approval to commence permitting on Pachamanca/MT-03 allows exploration and permitting process to begin.

Latin Resources has received government approval to commence official drill permitting by Antares. The drill hole targets have been identified by Antares and a 4000-metre diamond drilling program will commence once drill permits have been approved.

Noombenberry Halloysite Project – WA

The Company announced on the 22nd January 2020, positive results reported from a recent first pass sampling program conducted at the Company’s Noombenberry Project, located 300km east of Perth, Western Australia. The results prepared by an independent expert being First Test Minerals a United Kingdom based kaolin and halloysite specialist. First Test Minerals have been established in kaolin and industrial minerals analysis for over 30 years and have worked on assessment and development on kaolin and halloysite deposits across Australia, Middle East and the United States.

A series of four kaolinitic samples collected from the surface in the Noombenberry clay project in Western Australia (ASX 20 November 2019) submitted to First Test Minerals in the UK for determination of kaolin/halloysite clay content, quality and sales potential. Testing was conducted via Scanning Electron Microscopy (SEM) to identify halloysite occurrence in samples.

A total of 13 samples were taken from the Noombenberry project site which exhibits outcropping across an area of approximately 50km².



Figure 1: 13 Samples taken from 4 locations sent to First Test Minerals

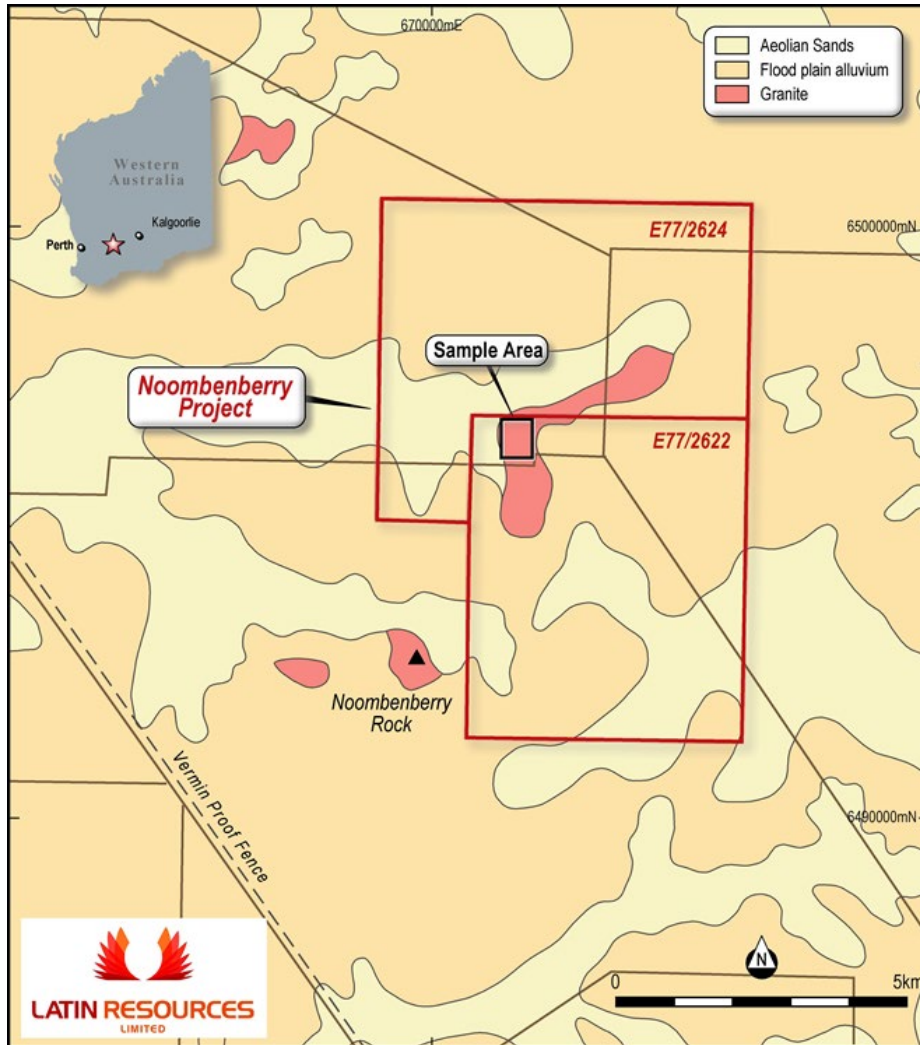


Figure 2: Location of Noomberry Project and Sample area

Summary

These results presented by the independent experts have confirmed the prospectivity of the project area and the best results (location 4) were taken from 3m below ground level. Location 4 was the least weathered sample, located at the base of a dam, and the other 3 were oxidised and taken from the surface. Samples from Location 4 delivered high grade kaolin results from the 45 to 180 um category, up to 15% halloysite by weight and up to 38.9% kaolinite by weight, and over 68% kaolinite at Location 3 and 44% kaolinite at Location 1. These grades are very encouraging and give confidence to further explore the project via a deeper and expanded drill program with assistance from First Test Minerals.

Lithium Projects – Argentina

The Company stated in their December Quarterly that they had been approached by an Argentinian company to discuss terms for a JV on its lithium projects in Argentina, the discussions are continuing but have been stalled due to the COVID-19 lock down restrictions.

CORPORATE

Entitlement Offer

An Entitlement Offer announced by the Company in December 2019 was extended until 17 February 2020.

Latin Resources received applications for 17,029,511 Shares at an issue price of \$0.006 each with 8,514,755 free attaching Options exercisable at \$0.012 at any time up to 31 December 2022, in accordance with the non-renounceable entitlement offer pursuant to the Prospectus lodged with ASX on 12 December 2019.

Total consideration received from the applications was \$102,177. The Shares subscribed for under the Offer, and free attaching Options were issued on 21 February 2020. A total of 2,084,650 Shares and 1,042,324 free attaching Options were issued to Directors for their participation in the Entitlement Offer.

Annual Report / Corporate Governance

During the quarter, Latin Resources lodged its Annual Report and Corporate Governance Statement for the financial year ending 31 December 2019. These can be found on the Company's website:

<https://www.latinresources.com.au/>

<u>About Latin Resources</u>	<u>Corporate Summary</u>
<i>Latin Resources is an Australian-based mineral exploration company with several mineral resource projects in Latin America and Australia. The company has entered into a conditional Binding Terms Sheet to acquire Electric Metals Pty Ltd the 100% owner of the Noombenberry Halloysite Project near Merredin, WA, and the Big Grey Silver-Lead Project in the Paterson region, WA. The company is actively progressing its Copper Porphyry MT03 project in the Ilo region with its joint venture partner First Quantum Minerals Ltd.</i>	ASX LRS <i>At March 2020</i>
<i>The Company has also secured over 173,000 hectares of exploration concessions in the lithium pegmatite districts of Catamarca and San Luis Provinces, Argentina. The Company has also assembled a portfolio of lithium projects in Brazil.</i>	Shares Issued: - Quoted 360.4 M* <i>*5.0M subject to voluntary escrow</i> - Unquoted Loan Funded Shares 4.0 M
	Options Issued: - Listed 163.4 M - Unlisted 14.6
	Convertible Notes 520,000 Convertible Securities (Lind) 2
	Rights Issued: Nil

Enquires

Chris Gale
Managing Director
Latin Resources Limited
+61 8 6117 4798

The information in this announcement that relates to Mineral Resource estimates, Exploration Results and general project comments is based on information compiled by Nicholas Revell, a Competent Person who is a Member of The Australian Institute of Geoscientists. Mr. Revell is a geologist consultant to Latin Resources. Mr. Revell 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. Revell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

For personal use only

APPENDIX 1

The following table sets out the tenement information reported on a consolidated basis as required by ASX Listing Rule 5.3.3.

Mining tenements held at the end of the Quarter and their location

Project Name	Location	Tenement Licences	Interest held by Group
PERU			
AUXILIADORA II	Peru	01-00586-07	100%
GIANDERI XXXIII	Peru	01-01560-06	100%
MACARENA XXII	Peru	01-00588-07	100%
SAN FRANCISCO XXIII	Peru	63-00026-10	100%
SANTA XIX	Peru	01.00590-07	100%
SANTA XVIII	Peru	63-00041-09	100%
SANTA XX	Peru	63-00042-09	100%
SANTA XXIII	Peru	01-00595-07	100%
BLACKBURN 10	Peru	01-02897-12	100%
BLACKBURN 12	Peru	01-02899-12	100%
BLACKBURN 13	Peru	01-03176-12	100%
BLACKBURN 15	Peru	01-03179-12	100%
BLACKBURN 7	Peru	01-02850-12	100%
BLACKBURN 8	Peru	01-02895-12	100%
BLACKBURN 9	Peru	01-02896-12	100%
LOS CONCHALES	Peru	01-02590-12	100%
MATHEW 2	Peru	01.01635-11	100%
LATIN ILO ESTE I ¹	Peru	01-05005-08	41.02%
LATIN ILO ESTE II ¹	Peru	01-05003-08	41.02%
LATIN ILO ESTE III ¹	Peru	01-05001-08	41.02%
LATIN ILO ESTE IV ¹	Peru	01-05007-08	41.02%
LATIN ILO ESTE IX ¹	Peru	01-01952-14	41.02%
LATIN ILO ESTE V ¹	Peru	01.05008-08	41.02%
LATIN ILO ESTE VI ¹	Peru	01-05009-08	41.02%
LATIN ILO ESTE VII ¹	Peru	01-00335-10	41.02%
LATIN ILO NORTE 3 ¹	Peru	01-00830-09	41.02%
LATIN ILO NORTE 4 ¹	Peru	01-00831-09	41.02%
LATIN ILO NORTE 5 ¹	Peru	01-02510-09	41.02%
LATIN ILO NORTE 6 ¹	Peru	01-02511-09	41.02%
BRIDGETTE 1 ¹	Peru	01-01844-11	41.02%
ESSENDON 10 ¹	Peru	01-02249-10	41.02%
ESSENDON 14 ¹	Peru	01-01824-11	41.02%
ESSENDON 21 ¹	Peru	01-01841-11	41.02%
ESSENDON 26 ¹	Peru	01-01849-11	41.02%
ESSENDON 4 ¹	Peru	01-01897-10	41.02%
ESSENDON 5 ¹	Peru	01-01898-10	41.02%
ESSENDON 6 ¹	Peru	01-01899-10	41.02%
ESSENDON 7 ¹	Peru	01-02246-10	41.02%
ESSENDON 8 ¹	Peru	01-02247-10	41.02%
ESSENDON 9 ¹	Peru	01-02248-10	41.02%
LATIN ILO NORTE 7 ¹	Peru	01-02512-09	41.02%
LATIN ILO NORTE 8 ¹	Peru	01-02513-09	41.02%
MADDISON 1 ¹	Peru	01-01845-11	41.02%
RYAN 1 ¹	Peru	01-01843-11	41.02%
DOCKERS 1	Peru	01-01865-11	41.02%
DOCKERS 2 ²	Peru	01-01866-11	41.02%

Project Name	Location	Tenement Licences	Interest held by Group
DOCKERS 3 ²	Peru	01-01867-11	41.02%
DOCKERS 4 ²	Peru	01-01868-11	41.02%
FLEMANTLE 16 ¹	Peru	01-02431-10	41.02%
FREMANTLE 1 ¹	Peru	01-02062-10	41.02%
FREMANTLE 10 ¹	Peru	01-02425-10	41.02%
FREMANTLE 11 ¹	Peru	01-02426-10	41.02%
FREMANTLE 14 ¹	Peru	01-02429-10	41.02%
FREMANTLE 18 ¹	Peru	01-02433-10	41.02%
FREMANTLE 2 ¹	Peru	01-02063-10	41.02%
FREMANTLE 22 ¹	Peru	01-01831-11	41.02%
FREMANTLE 29 ¹	Peru	01-01838-11	41.02%
FREMANTLE 3 ¹	Peru	01-02064-10	41.02%
FREMANTLE 4 ¹	Peru	01-02065-10	41.02%
FREMANTLE 5 ¹	Peru	01-02066-10	41.02%
FREMANTLE 7	Peru	01-02068-10	41.02%
FREMANTLE 8 ¹	Peru	01-02250-10	41.02%
FREMANTLE 9 ¹	Peru	01-02424-10	41.02%
KELLY 00 ¹	Peru	01-01840-11	41.02%
KELLY 01 ¹	Peru	01-04977-11	41.02%
LATIN ILO SUR F ¹	Peru	01-02824-09	41.02%
LATIN MORRITO 1 ²	Peru	01-02827-09	100%
LATIN MORRITO 2 ²	Peru	01-02828-09	100%
VANDALS 1 ²	Peru	01-02437-10	100%
VANDALS 2 ²	Peru	01-02438-10	100%
ARGENTINA - Catamarca			
LATINA 1	Argentina	1/18	100%
LATINA 2	Argentina	3/18	100%
LATINA 3	Argentina	5/18	100%
LATINA 4	Argentina	6/18	100%
LATINA 5	Argentina	4/18	100%
LATINA 6	Argentina	2/18	100%
LATINA 7	Argentina	13/18	100%
LATINA 8	Argentina	14/18	100%
LATINA 9	Argentina	12/18	100%
LATINA 10	Argentina	11/18	100%
LATINA 11	Argentina	10/18	100%
LATINA 12	Argentina	9/18	100%
LATINA 13	Argentina	8/18	100%
LATINA 14	Argentina	7/18	100%
LATINA 15	Argentina	163/18	100%
LATINA 16	Argentina	207/18	100%
LATINA 17	Argentina	208/18	100%
LATINA 18	Argentina	209/18	100%
LATINA 19	Argentina	210/18	100%
LATINA 20	Argentina	211/18	100%
LATINA 21	Argentina	212/18	100%
LATINA 22	Argentina	213/18	100%
ARGENTINA - San Luis			
PORTEZUELO	Argentina	65-C-2016	100%
ESTANZUELA	Argentina	64-C-2016	100%
LA META	Argentina	63-C-2016	100%
TILISARAO	Argentina	66-C-2016	100%
BAJO DE VELIZ	Argentina	76-C-2016	100%
DE GEMINIS	Argentina	84-C-2016	100%
MARIA DEL HUERTO	Argentina	85-C-2016	100%

Project Name	Location	Tenement Licences	Interest held by Group
MARIA DEL HUERTO	Argentina	134-Q-1936	100%
GEMINIS	Argentina	674-S-1968	100%
DON GREGORIO	Argentina	470-O-2006	100%
ESTANZUELA SUR	Argentina	64-R-2017	100%
LOS MEMBRILLOS	Argentina	65-R-2017	100%
QUINES SUR	Argentina	66-R-2017	100%
PASO GRANDE NORTE	Argentina	67-R-2017	100%
SOLITARIO	Argentina	68-R-2017	100%
TRAPICHE NORTE	Argentina	69-R-2017	100%
ESTANZUELA NORTE	Argentina	70-R-2017	100%
QUINES	Argentina	71-R-2017	100%
LA TOMA NORTE	Argentina	72-R-2017	100%
QUINES ESTE	Argentina	72-R-2017	100%
PASO GRANDE SUR	Argentina	1-R-2018	100%
TRAPICHE SUR	Argentina	2-R-2018	100%
LA TOMA SUR	Argentina	3-R-2018	100%

NOTES

¹Indirect interest via 41.02% shareholding in Westminster Resources Ltd

²Acquisition is pursuant to an option agreement.

1. The mining tenement interests acquired during the quarter and their location

Not applicable.

2. Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter

Not applicable.

3. Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter

Not applicable.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

LATIN RESOURCES LIMITED

ABN

81 131 405 144

Quarter ended ("current quarter")

31 March 2020

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 (if expensed)	See item 2.1(d)	See item 2.1(d)
(b) development	-	-
(c) production	-	-
(d) staff costs	(41)	(41)
(e) administration and corporate costs	(91)	(91)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(12)	(12)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(144)	(144)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation (if capitalised)	(181)	(181)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	Net cash from / (used in) investing activities	(181)	(181)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	102	102
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(4)	(4)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(468)	(468)
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	(370)	(370)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	733	733
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(144)	(144)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(181)	(181)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(370)	(370)

For personal use only

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	38	38

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	38	733
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)	38	733

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

80

-

Director Remuneration - \$57,000

Legal related services - \$23,000

For personal use only

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	6,000	2,850
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	6,000	2,850

7.5 **Unused financing facilities available at quarter end** 3,150

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Loan facilities include the Convertible Security Funding Agreement established on 19 June 2018. At 31 March 2020, A\$ 1,728,000 remains repayable under the \$6,000,000 Facility. \$468,000 in cash repayments were made during the quarter.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(144)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(181)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(325)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	38
8.5 Unused finance facilities available at quarter end (Item 7.5)	3,150
8.6 Total available funding (Item 8.4 + Item 8.5)	3,188
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	10

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

For personal use only

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.

Date: 30 April 2020

Authorised by: By the board

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.