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OPERATIONS UPDATE

HIGHLIGHTS

- **Environmental Impact Assessment (EIA) Drill Permit nearing final approval.**
- **Fieldwork including mapping and sampling completed in Catamarca.**
- **Catamarca drill targets confirmed on three concessions.**
- **San Luis field work commenced.**
- **Ansotana project due diligence.**
- **Extension signed with Joint Venture partner on Ilo Sur.**
- **Talks continuing with potential Guadalupito Joint Venture partner.**

Latin Resources Limited (ASX: LRS) (“Latin” or “the Company”) provides the following update on its Lithium projects in Argentina.

Catamarca

Permitting

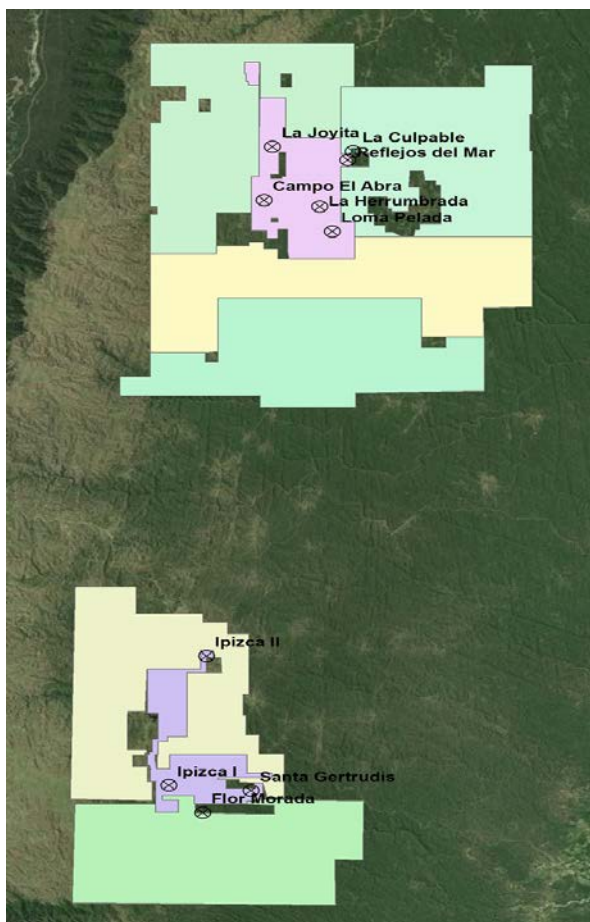
The Environmental Impact Assessment (EIA) report for the Catamarca lithium projects, which is required before drilling can commence, was submitted in November. It has passed through the environmental department and is now with the archaeological department. On the 12th of December Latin Resources was advised that our EIA required a separate archaeological report before being approved. This report is now being compiled and will be submitted to the mining authorities. It is expected that the permitting process can be completed before the end of the year and that the EIA approval will be completed shortly thereafter.

Prospect Mapping

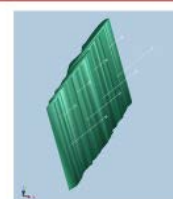
Fieldwork in both Ancasti and Villisman areas was undertaken from the 29th November until the 8th of December. The aim of this work was to carry out mapping and sampling of the main prospects in order to assist in prospect ranking and drill hole design.

Following the approval of the EIA it is proposed to start drilling immediately at the 3 top ranked drill ready prospects. Each of the prospects will have 6-8 holes drilled using reverse circulation drilling technique. Reverse Circulation (RC) will be faster, cheaper and take a more representative sample (larger diameter bit than DDH). Drilling is now expected to commence in early January with assays being processed throughout January and February.

Figure 1: Location of the Vilisman and Ancasti Lithium Pegmatite Groups, with old mines marked. The initial drill targets will be Reflejo's del Mar, Campo el Abra, San Gertrudis.

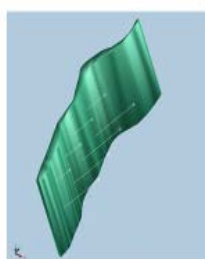


Projects – Catamarca
Drill Targets – Reflejo del Mar



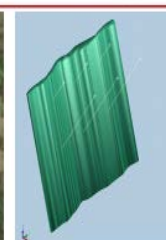
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Projects – Catamarca
Drill Targets – Campo El Abra



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Projects – Catamarca
Drill Targets – Santa Gertrudis



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The Vilisman Group hosts at least 8 pegmatite deposits that have evidence of past mining activity. Six of these are individual dykes emplaced along structures in banded mica schists, while two are formed as multiple dykes. Most of the dykes outcrop over at least 100 m of strike length with thicknesses of between 1 m and 5 m (Announced 14 June 2016). Acosta et al (1988) mentions 11 other deposits in the Vilisman Group that were visited as part of this work, but cites insufficient data preventing their inclusion in the tabulated list, despite having observed good mineralisation and workings.

San Luis Field Work

A field visit to Geminis and Don Gregorio, Maria del Guerto and Cabeza de Novillo mines took place from the 11th December to the 14th December.

The pegmatite is quite different to others in the region being relatively flat lying (approx. 20 degrees), quite thick (10-15m) and containing massive spodumene crystals that measure meters in length.

The area where the mine is located has very easy access, is nearby power and good roads and is not environmentally sensitive.

The process for the EIR / drill permit will commence in January with drill permit approval expected to take 4-6 weeks.

Ansotana project, Salta

Planned due diligence for the Ansotana concessions in Salta will now occur after the completion of the first phase of drilling at Catamarca and commence in February, 2017.

Ilo Sur, MT-03 Project, Peru

On the 27th of July Latin announced that it's 100% owned subsidiary Peruvian Latin Resources SAC ("PLR") had signed an earn-in agreement with the Peruvian Subsidiary of First Quantum Minerals Ltd., Minera Antares Peru SAC ("Antares") First Quantum Minerals is the largest copper producer in Canada and the Binding Terms Sheet ("BTS") documents the terms of a rights assignment and earn-in option to transfer up to 80% ownership of Latin's Pachamanca/MT-03 copper project to Antares.

The rights assignment and earn-in option is given in return for a total consideration of US\$0.5 million cash and exploration work, resource estimation and development studies sufficient to support a decision to mine resources containing in excess of 1 million tonnes of copper metal or equivalent.

The geophysical surveys are still being completed, the signing of the definitive joint venture agreement has been extended to be signed by 30th June 2017 to enable further exploration and permitting work to be completed. The permitting requires environmental, military and social approval and is expected to be completed in the 1st quarter 2017.

On signing the definitive contract, Antares will be assigned rights and an initial option by PLR to earn 51% of the 8,900 hectares of concessions hosting the Pachamanca/MT-03 covered porphyry copper target.

Antares will obtain all permits required for initial and advanced drilling phases, and once obtained, will have up to 4 years to undertake drilling and technical studies to support a JORC resource estimate of at least 1 million tonnes of copper metal (or equivalent) to earn 51% of the project.

Guadalupito, Peru

The Guadalupito Mineral sands project in Northern Peru is still under care and maintenance. Their continues to be discussions with several interested parties on forming a joint venture with the project.

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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 94,000 hectares of exploration concessions in the lithium pegmatite districts of Catamarca and San Luis Provinces, Argentina.

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.

Competent Persons Statements

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.

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