



31 January 2022

QUARTERLY ACTIVITIES REPORT

for the period ending 31 December 2021

Highlights

Cloud Nine Halloysite-Kaolin Deposit, WA

- High-grade halloysite results were received from 28 holes in the geostatistical cross drilling program^{i,ii}. Significant intersections in consecutive holes included:
 - **NBA356: 12m @ 25% Halloysite from 34m**
 - **NBA357: 12m @ 24% Halloysite from 32m**
 - **NBA358: 25m @ 28% Halloysite from 14m**
 - **NBAC373: 3m @ 18% Halloysite from 3m and 15m @ 21% Halloysite from 10m**
 - **NBAC374: 16m @ 25% Halloysite from 9m to EOH**
- The Company announced a three-year, Research & Development project investigating emission reduction technologies, utilising halloysite from the Cloud Nine depositⁱⁱⁱ.
- The Company has fast tracked mining and other related studies, focused on an initial simple Direct Shipping Ore (DSO) operation for the Ultrabright white kaolinite materialⁱ.

Salinas Lithium Project, Brazil

- Assays from outcrop sampling on the Bananal Valley tenement returned high-grade lithium of 2.71% Li₂O and 1.45% Li₂O from adjacent samples^{iv}.
- The Company re-signed and extended the exclusive 2-year Option on the Bananal Valley 830.691 tenement^{iv}. The Company also secured an exclusive and binding 12-month option over two new concessions (830.219/2017 and 831.799/2005) adjacent to the existing Bananal Valley tenement^v.
- Drilling to commence in February, assessing 14 drill sites to test outcropping high-grade Li bearing pegmatites in the Bananal Valley^v.

Solis Minerals Initial Public Offering (IPO)

- Solis Minerals Ltd. (ASX: SLM) successfully listed onto Australian Securities Exchange (ASX) in December following A\$5.5 million equity raising^{vi}. Latin holds a 13.14% interest in Solis post-listing (with a market value of approximately A\$1.6 million at the IPO price of \$0.20).
- The Solis IPO was well supported by Latin shareholders via a priority offer.

Environment, Social and Governance (ESG)

- Latin advanced progress on several ESG reporting measures, the first ESG report was published on 28 January 2022.

Corporate

- Latin held \$2,243,000 in cash and investments as at 31 December 2021.
- The Company received \$167,232 in cash from option holders exercising in-the-money LRSOC Options (\$0.012 LRSOC, Expiry 31 Dec 2022) during the quarter.

Latin Resources Limited (ASX: LRS) (“Latin” or “the Company”) is pleased to report on its activities for the three months ending 31 December 2021.

The Company made significant progress on the Cloud Nine Halloysite-Kaolin Deposit (“**Cloud Nine**”) during the quarter, with drilling confirming high-grades and continuity and a major research project initiated investigating potential commercial uses of halloysite to reduce greenhouse gas emissions, particularly methane emissions from cattle.

At the Salinas Lithium Projects in Brazil, high-grade lithium assays were returned from outcrop sampling, additional tenure was secured and Latin’s first drilling of the project is planned to commence in February 2022.

Cloud Nine Halloysite-Kaolin Deposit, WA

As part of the focused advancement of Cloud Nine, the Company completed a series of close spaced aircore drillholes at 50 metre centres as part of a wider infill and extension drilling campaign^{i,ii}.

The close-spaced holes, completed along a 1km north-south line and a 1km east west line (Figure 1), were aimed at providing sufficient data to assess the variability of an area of ultra-bright white kaolinite and high-grade halloysite.

Results from this work confirmed that both the thickness and brightness of the kaolinised granite is extremely consistent within the area tested. A near surface blanket, up to 28 metres thick, of ultrabright (>80 ISO-B), was defined over an area approaching one square kilometre.

Of the 40 holes drilled in the Geostatistical Cross, a total of 31 holes have returned significant brightness values over 80 ISO-B.

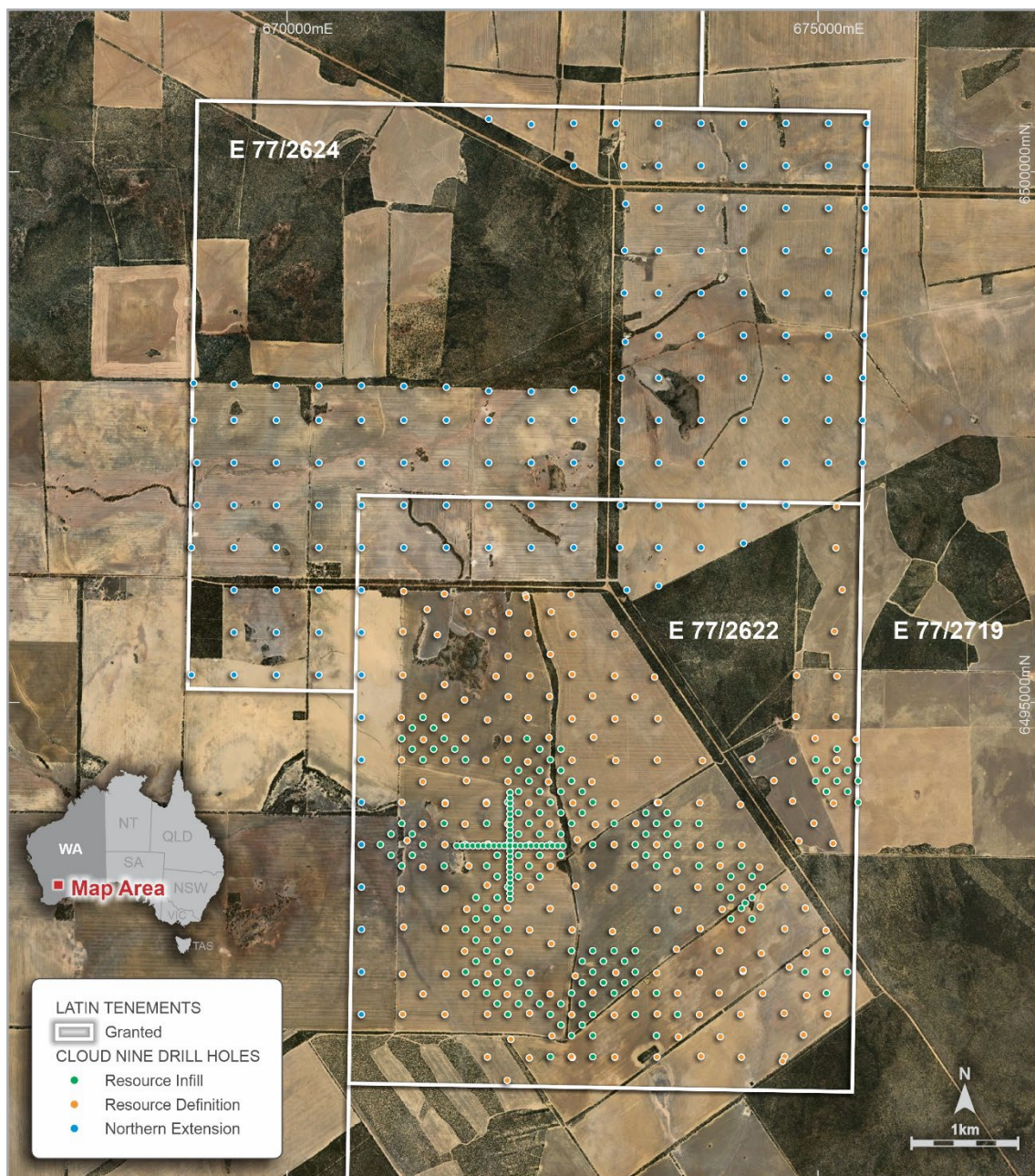
Selected intersections are listed below, with a full list of results included in ASX Announcements dated 12 November 2021:

- NBAC361: 10m @ 85.8 ISO-B from 10m
- NBAC356: 24m @ 83.4 ISO-B from 14m
- NBAC357: 28m @ 82.7 ISO-B from 16m
- NBAC358: 20m @ 82.5 ISO-B from 16m
- NBAC385: 28m @ 82.0 ISO-B from 11m
- NBAC386: 22m @ 82.0 ISO-B from 11m

This area also contains a blanket of high-grade halloysite material below the ultra-bright Kaolinite, with multiple holes returning thick zones (>10m) of +20% halloysite. Significant results received included:

- NBA356: 12m @ 25% Halloysite from 34m
- NBA357: 12m @ 24% Halloysite from 32m
- NBA358: 25m @ 28% Halloysite from 14m
- NBAC368: 19m @ 23.4% Halloysite from 13m
- NBAC373: 3m @ 18% Halloysite from 3m and 15m @ 21% Halloysite from 10m
- NBAC374: 16m @ 25% Halloysite from 9m to EOH
- NBAC375: 9m @ 36% Halloysite from 14m to EOH

Full results of the halloysite results can be found in ASX Announcements dated 12 November 2021 and 20 December 2021.



DSO Studies Fast Tracked

The exceptional results to date at Cloud Nine have provided the Company confidence to commence fasttracking of mining and other related studies, focused on an initial simple Direct Shipping Ore (DSO) operation for the Ultrabright white kaolinite material.

These studies will include detailed metallurgical testwork, which is currently underway, mine design and scheduling, environmental and other approvals, shipping and logistics, Capex-Opex modelling, and project execution plans along with other related work streams.

The objective of the studies is to consider the opportunity for a capital light approach to development through mining and selling a DSO product.

Alternate Analysis Pathway Developmentⁱ

In order to combat delays in assay result turnaround and to de-bottleneck the analytical workflow, the Company has been working with Cloud Nine Mineral Resource consultants, RSC Global Pty Ltd (RSC), to develop an alternate analysis pathway to the current X-Ray Diffraction (XRD) methodology.

This work, which involves a combination of Fourier Transform Infra-Red (FTIR) spectral analysis and Machine Learning (ML), will potentially enable more rapid quantification of kaolinite and particularly halloysite abundances.

Following the publication of a detailed technical peer review whitepaper in a recognised scientific journal, the Company is now able to utilise this alternate analytical pathway for its ongoing sample test work. Processing has already commenced on the significant number of samples from detailed infill drilling completed toward the end of 2021, which are ready for analysis.

Results from these samples will form the basis of the proposed mineral resource estimate update to be completed as part of the ongoing scoping studies assessing the viability of a mining operation at Cloud Nine.

Major Halloysite Research & Development Project Initiatedⁱⁱⁱ

During the quarter, the Company announced a major Research & Development (R&D) Project, to be undertaken by CRC CARE Pty Ltd ("CRC CARE"), investigating potential emission reduction technologies using halloysite from the Company's Cloud Nine deposit.

The three-year, \$3.2 million project is being led by Professor Ravi Naidu from CRC CARE.

Under the agreement reached with CRC CARE, complementary to its current activities that include exploration for halloysite at its 100% owned Cloud Nine Halloysite-Kaolin Deposit in WA, Latin will fund two key research projects running in parallel to the extent of \$3.2m over a three-year period.

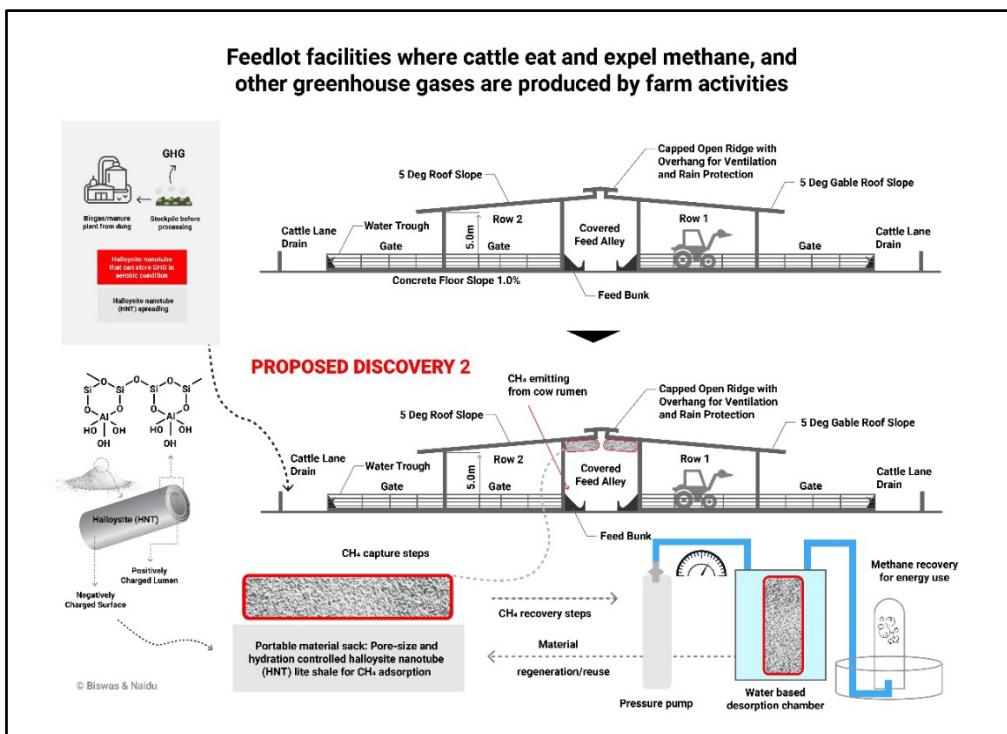
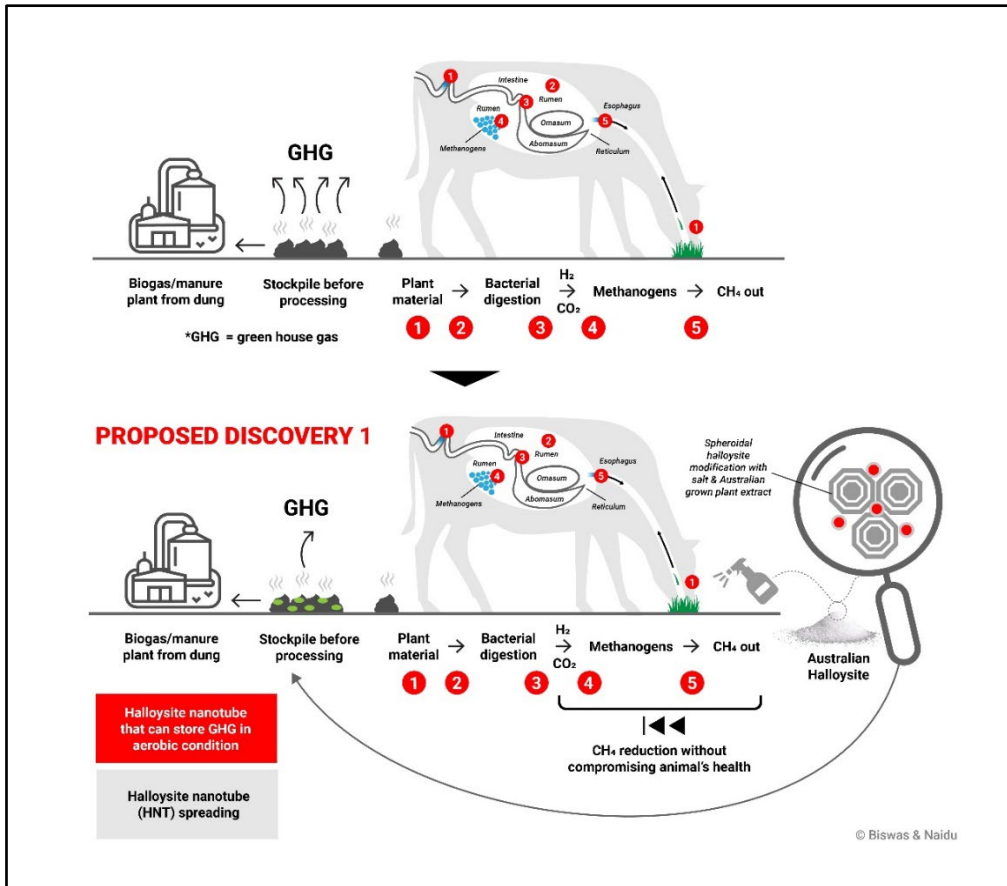
The research results and all intellectual property rights associated with and derived from the research results will be owned 100% by Latin.

The research projects to be undertaken by CRC CARE are designed to develop applications that are superior to those of other natural materials including:

- **Microbial intervention:** use of halloysite in feed supplement formulation to influence methane producing rumen microbes.
- **Nutrient and methane adsorption in the cattle industry:** real-time capture and desorption of animal gas emissions for energy conversion as well as capturing nutrients from animal excreta (Figure 2).
- **Carbon capture:** adsorption at various pressures (industrial uses) and conversion of the captured carbon into fuel or the whole adsorbent into value-added material such as building material or fertiliser (Figure 3).
- **Low-cost precise purification of halloysite nanotubes (HNT):** from variants of halloysite and kaolinite mixtures (pure HNT can generate double the revenue of HNT/kaolinite mixes).

Methane expelled from cattle rumen is a significant unsolved problem in reducing overall Green House Gas emissions. Furthermore, the stockpile of cattle excreta is another source of methane in the cattle farm and feedlots industry. The research project aims to modify the Cloud Nine halloysite/kaolinite minerals to develop material-based emission reduction technologies, including feed supplements for cattle, spreadable material and halloysite shale for inhibiting and adsorbing methane in this growing industry.

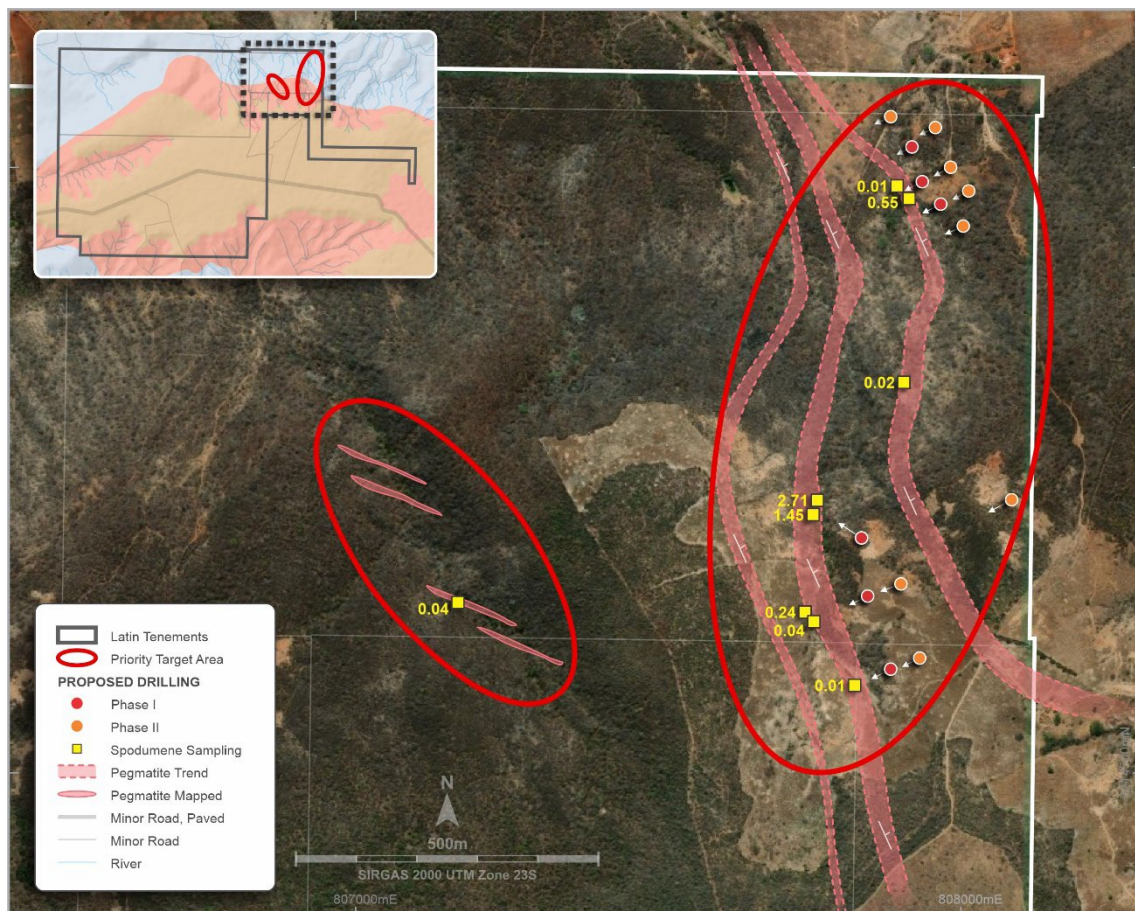
The diagrams below show the two projects including nutrient and methane adsorption in Proposed Discovery 1 and carbon capture in Proposed Discovery 2. Each diagram compares the current state and the proposed state by CRC CARE.



Salinas Lithium Project, Brazil

During the quarter, the Company completed initial reconnaissance mapping over the tenement and confirmed the presence of a series of parallel spodumene bearing pegmatites over a strike of greater than one kilometre^{iv}. A series of outcrop samples were collected, and results confirmed that the mapped pegmatites contain lithium bearing spodumene with one sample returning a grade of 2.71% Li₂O from highly weathered outcrop, and several others returning anomalous lithium grades.

These initial results represent a significant anomaly in an area of highly weathered outcrop. Lithium, being a highly volatile element is rapidly leached when exposed, therefore lowering Li grades in weathered material. As such, visual identification of remnant spodumene in outcrop, which is often pseudo-morphed by micaceous minerals containing no lithium, is highly encouraging in itself.

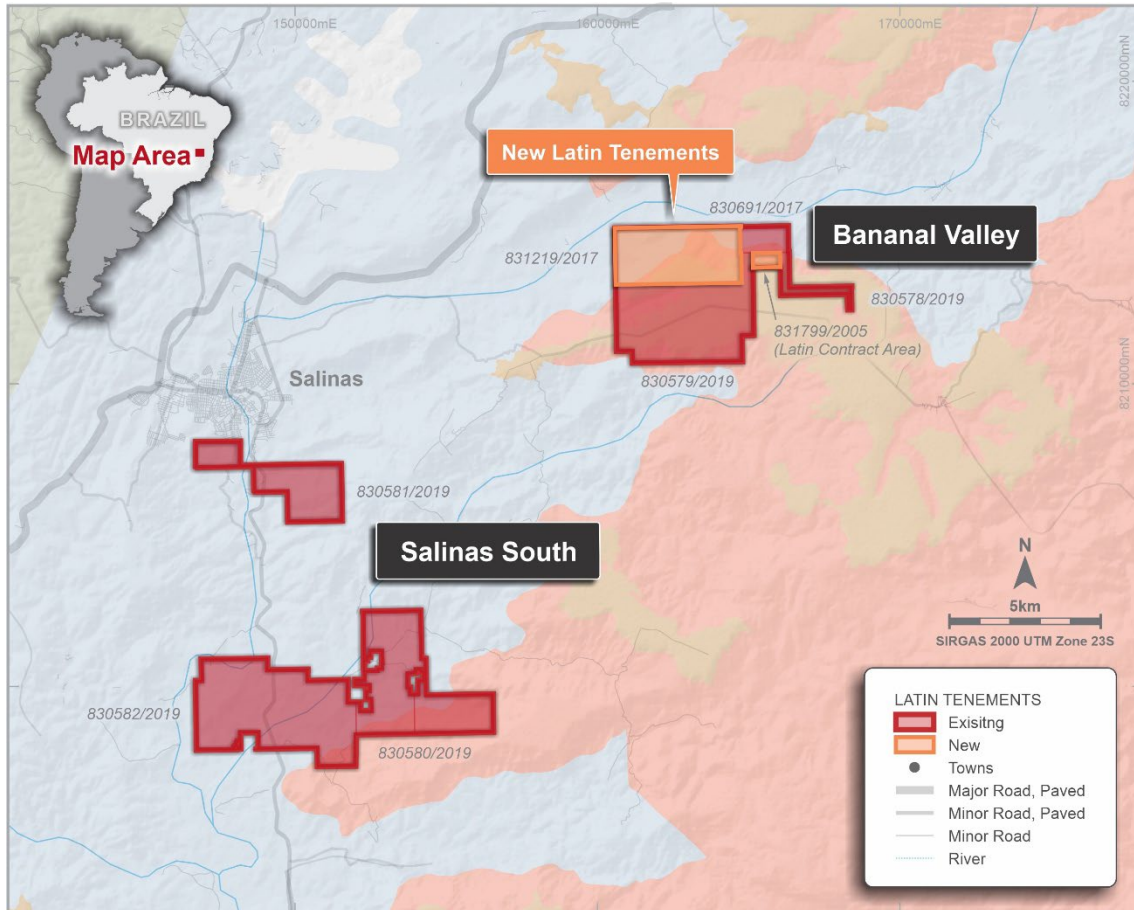


As such Latin considers these results, including two adjacent samples returning grades of 2.71% Li₂O and 1.45% Li₂O respectively, to represent an extremely high priority area for the Company. Further details are available in the ASX Announcement dated 26 October 2021.

Bananal Valley Option Extension and New Tenure

During the quarter, Latin re-signed and extended an exclusive 2-year Option on the Bananal 830.691 tenement agreement, whereby Latin may acquire a 100% interest in the tenement contiguous with the Company's existing Bananal Valley Project^{iv}. This tenement contains the anomalous outcrop samples mentioned above.

In addition, during the quarter, the Company also secured two new lithium tenements contiguous with the existing Bananal Valley tenements, increasing Latin's ground position to 5,338 hectares^v.



Bananal Valley Drilling from February 2022^v

The Company has finalised a total of 14 drill sites to test the outcropping high-grade Li bearing pegmatites identified in previous mapping and geochemical sampling programs. Drill permits have been submitted for the Phase I drillholes, with drilling scheduled to commence in February 2022.

The drilling is designed to test two priority target areas where sampling has returned multiple high-grade results including 2.71% Li₂O and 1.45% Li₂O from highly weathered spodumene bearing pegmatites, mapped over a strike length of over 1.2 kilometres within the Company's tenure.

The proposed drilling campaign will be the first drilling to test this highly anomalous and outcropping mineralised trend in an under-explored region that currently contains 100% of the Brazil's official lithium reserves.

MT03 Copper Project, Peru

The Company has commenced the process of drill permitting for the MT03 Copper Project. The Company expects to have the drill permits approved in the first quarter of this year.

Catamarca Lithium Project, Argentina

The Company's Joint Venture partner, Integra Lithium, has confirmed that field work will commence in the first quarter of this year.

New South Wales Exploration

With exploration programs in Brazil recommencing and studies underway at Cloud Nine, the Company is considering its options with regards to its New South Wales projects.

The Company has been approached by and had discussions with several parties with respect to a potential sale or vending of the assets into a new vehicle.

No decision has been made regarding these assets and an announcement via the ASX platform will be made if and when a decision is reached.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

As per the September Quarterly Report, the Company has adopted Socialsuite for the management and reporting of ESG metrics.

Following the establishment of a baseline dashboard, the Company has developed an action plan for 2022, the Company's initial ESG Report was published on 28 January 2022.

The Company's action plan has been formulated around the Company's ESG purpose statement "Developing minerals to provide the planet with environmentally sustainable products".

As we kick off the 2022 exploration program and increased measuring/reporting of ESG metrics, all staff and contractors are conscious that all activities are to be completed to a high ESG level.

CORPORATE

Cash and Investment

\$2,243,000 in cash and investments as at 31 December 2021.

During the quarter, Solis Minerals successfully completed the process of dual listing on the Australian Securities Exchange (ASX: SLM, TSX-V: SLMN) following an equity raising of \$5.5 million. The IPO was well supported by Latin shareholders that participated in the Priority Offer.

Following the IPO, Latin holds approximately 13.14% of Solis, valued at \$1.6 million as at 31 December 2021.

Options Exercise

The Company has received \$167,232 in cash from option holders exercising in-the-money LRSOC Options (\$0.012 LRSOC, Expiry 31 Dec 2022) during the quarter.

448,903,500 LRSOC in the money options remain, which may convert to \$5.4 million in cash over the next 12 months if all of those options are exercised.

This Announcement has been authorised for release to ASX by the Board of Latin Resources.

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About Latin Resources

Latin Resources Limited (ASX: LRS) is an Australian-based mineral exploration company with several mineral resource projects in Latin America and Australia. The Australian projects include the Yarara gold project in the NSW Lachlan Fold belt, Cloud Nine Halloysite-Kaolin Deposit near Merredin, WA, and the Big Grey Project in the Paterson region of WA.

The Company recently signed a JV agreement with the Argentinian company Integra Capital to fund the next phase of exploration on its lithium pegmatite projects in Catamarca, Argentina.

Forward-Looking Statement

This ASX announcement may include forward-looking statements. These forward-looking statements are not historical facts but rather are based on Latin Resources Ltd.'s current expectations, estimates and assumptions about the industry in which Latin Resources Ltd operates, and beliefs and assumptions regarding Latin Resources Ltd.'s future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "potential" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are only predictions and are not guaranteed, and they are subject to known and unknown risks, uncertainties and assumptions, some of which are outside the control of Latin Resources Ltd. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecast. Actual values, results or events may be materially different to those expressed or implied in this ASX announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward-looking statements in this announcement speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Latin Resources Ltd does not undertake any obligation to update or revise any information or any of the forward-looking statements in this announcement or any changes in events, conditions or circumstances on which any such forward looking statement is based.

Competent Person Statement

The information in this ASX release that relates to Exploration Results is based on information compiled by Mr Anthony Greenaway, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Greenaway is a full-time employee of Latin Resources Ltd and has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the exploration activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australian Code for Reporting of Mineral Resources and Ore Reserves". Mr Greenaway consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

The information in this ASX release that relates to Mineral Resources is based on information compiled under the supervision of Mr Louis Fourie. Mr Fourie is a licenced Professional Geoscientist registered with APEGS (Association of Professional Engineers and Geoscientists of Saskatchewan) in the Province of Saskatchewan, a 'Recognised Professional Organisation' (RPO) included in a list that is posted on the ASX website from time to time. Mr Fourie has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity of resource estimation to qualify as a Competent Person as defined in the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Latin confirms it is not aware of any new information or data that materially affects the information included in the market announcement. Latin confirms that the form and context in which the Competent Person's findings are presented have not been materially modified.

APPENDIX 1A

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

Tenement Licences	Project Name	Registered Holder	Location	Interest held at the beginning of Qtr	Interest held at the End of Qtr
Peru					
01-01865-11	DOCKERS 1	Peruvian Latin Resources SAC	Peru	100%	100%
01-01866-11	DOCKERS 2	Peruvian Latin Resources SAC	Peru	100%	100%
01-01867-11	DOCKERS 3	Peruvian Latin Resources SAC	Peru	100%	100%
01-01868-11	DOCKERS 4	Peruvian Latin Resources SAC	Peru	100%	100%
01-02068-10	FREMANTLE 7	Peruvian Latin Resources SAC	Peru	100%	100%
01-02827-09	LATIN MORRITO 1	Peruvian Latin Resources SAC	Peru	100%	100%
01-02828-09	LATIN MORRITO 2	Peruvian Latin Resources SAC	Peru	100%	100%
01-02437-10	VANDALS 1	Peruvian Latin Resources SAC	Peru	100%	100%
01-02438-10	VANDALS 2	Peruvian Latin Resources SAC	Peru	100%	100%
ARGENTINA – Catamarca ¹					
1/18	LATINA 1	Litios del Norte SA	Argentina	100%	88%
3/18	LATINA 2	Litios del Norte SA	Argentina	100%	88%
5/18	LATINA 3	Litios del Norte SA	Argentina	100%	88%
6/18	LATINA 4	Litios del Norte SA	Argentina	100%	88%
4/18	LATINA 5	Litios del Norte SA	Argentina	100%	88%
2/18	LATINA 6	Litios del Norte SA	Argentina	100%	88%
13/18	LATINA 7	Litios del Norte SA	Argentina	100%	88%
14/18	LATINA 8	Litios del Norte SA	Argentina	100%	88%
12/18	LATINA 9	Litios del Norte SA	Argentina	100%	88%
11/18	LATINA 10	Litios del Norte SA	Argentina	100%	88%
10/18	LATINA 11	Litios del Norte SA	Argentina	100%	88%
9/18	LATINA 12	Litios del Norte SA	Argentina	100%	88%
8/18	LATINA 13	Litios del Norte SA	Argentina	100%	88%
7/18	LATINA 14	Litios del Norte SA	Argentina	100%	88%
163/18	LATINA 15	Litios del Norte SA	Argentina	100%	88%
207/18	LATINA 16	Litios del Norte SA	Argentina	100%	88%
208/18	LATINA 17	Litios del Norte SA	Argentina	100%	88%
209/18	LATINA 18	Litios del Norte SA	Argentina	100%	88%
210/18	LATINA 19	Litios del Norte SA	Argentina	100%	88%
211/18	LATINA 20	Litios del Norte SA	Argentina	100%	88%
212/18	LATINA 21	Litios del Norte SA	Argentina	100%	88%
213/18	LATINA 22	Litios del Norte SA	Argentina	100%	88%
ARGENTINA - San Luis					
65-C-2016	PORTEZUELO	Recursos Latinos SA	Argentina	100%	100%
64-C-2016	ESTANZUELA	Recursos Latinos SA	Argentina	100%	100%
63-C-2016	LA META	Recursos Latinos SA	Argentina	100%	100%
66-C-2016	TILISARAO	Recursos Latinos SA	Argentina	100%	100%
76-C-2016	BAJO DE VELIZ	Recursos Latinos SA	Argentina	100%	100%
84-C-2016	DE GEMINIS	Recursos Latinos SA	Argentina	100%	100%
85-C-2016	MARIA DEL HUERTO	Recursos Latinos SA	Argentina	100%	100%

Tenement Licences	Project Name	Registered Holder	Location	Interest held at the beginning of Qtr	Interest held at the End of Qtr
134-Q-1936	MARIA DEL HUERTO	Recursos Latinos SA	Argentina	100%	100%
64-R-2017	ESTANZUELA SUR	Recursos Latinos SA	Argentina	100%	100%
65-R-2017	LOS MEMBRILLOS	Recursos Latinos SA	Argentina	100%	100%
66-R-2017	QUINES SUR	Recursos Latinos SA	Argentina	100%	100%
67-R-2017	PASO GRANDE NORTE	Recursos Latinos SA	Argentina	100%	100%
68-R-2017	SOLITARIO	Recursos Latinos SA	Argentina	100%	100%
69-R-2017	TRAPICHE NORTE	Recursos Latinos SA	Argentina	100%	100%
70-R-2017	ESTANZUELA NORTE	Recursos Latinos SA	Argentina	100%	100%
71-R-2017	QUINES	Recursos Latinos SA	Argentina	100%	100%
72-R-2017	LA TOMA NORTE	Recursos Latinos SA	Argentina	100%	100%
72-R-2017	QUINES ESTE	Recursos Latinos SA	Argentina	100%	100%
1-R-2018	PASO GRANDE SUR	Recursos Latinos SA	Argentina	100%	100%
2-R-2018	TRAPICHE SUR	Recursos Latinos SA	Argentina	100%	100%
3-R-2018	LA TOMA SUR	Recursos Latinos SA	Argentina	100%	100%
BRAZIL					
830578/2019	MINAS GERAIS LITHIUM	Mineracao Ferro Nordeste Ltda	Brazil	100%	100%
830579/2019	MINAS GERAIS LITHIUM	Mineracao Ferro Nordeste Ltda	Brazil	100%	100%
830580/2019	MINAS GERAIS LITHIUM	Mineracao Ferro Nordeste Ltda	Brazil	100%	100%
830581/2019	MINAS GERAIS LITHIUM	Mineracao Ferro Nordeste Ltda	Brazil	100%	100%
830582/2019	MINAS GERAIS LITHIUM	Mineracao Ferro Nordeste Ltda	Brazil	100%	100%
832515/2021	MINAS GERAIS LITHIUM	Belo Lithium	Brazil	100%	100%
831219/2017	Bentes Mineração ²	Bentes Mineração Exportação e Importação	Brazil	0%	0%
830691/2017	Carlos André ²	Carlos André Orneles	Brazil	0%	0%
831799/2015	Granitos Salinas ²	Granitos Salinas Ltda	Brazil	0%	0%
AUSTRALIA					
E77/2622	Noombenberry	Electric Metals Pty Ltd	WA	100%	100%
E77/2624	Noombenberry	Electric Metals Pty Ltd	WA	100%	100%
E77/2719	Mount Cramphorne	Electric Metals Pty Ltd	WA	100%	100%
E77/2725	Noombenberry	Electric Metals Pty Ltd	WA	100%	100%
E77/2724	Noombenberry	Electric Metals Pty Ltd	WA	100%	100%
E70/5650	Noombenberry	Electric Metals Pty Ltd	WA	100%	100%
E70/5649	Noombenberry	Electric Metals Pty Ltd	WA	100%	100%
E45/5246	Big Grey	Electric Metals Pty Ltd	WA	100%	100%
EL9148	Manildra	Latin Resources Limited	NSW	100%	100%
EL9172	Burdett	Latin Resources Limited	NSW	100%	100%
EL8958	Yarara ³	Mining and Energy Group Pty Ltd	NSW	0%	0%
EL9273	Boree Creek	Latin Resources Limited	NSW	100%	100%
EL9274	BC Gundagai	Latin Resources Limited	NSW	100%	100%

¹JV with Integra Capital SA

²Tenement Concession under Option Agreement

³Binding Farm-in Agreement with Mining and Energy Group Pty Ltd

1. **The mining tenement interests acquired during the quarter and their location**
As per table above.
2. **Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter**
As per table above.
3. **Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter**
As per table above.

ASX Listing Rule 5.3.1

Exploration and evaluation expenditure during the quarter was \$1.032 M. The majority of this was spent on maintaining the Company's tenement portfolio in good standing including payment of shire rates, tenement rents, as well as expenditure on the Company's projects both overseas and Australia which include geological consultant, assay labs and drilling contractor.

ASX Listing Rule 5.3.2

There were no substantive mining production and development activities during the quarter.

ASX Listing Rule 5.3.5

The following table sets out the information as required by ASX Listing Rule 5.3.5 regarding payments to related parties of the entity and their associates:

Related Party	Amount	Description
Director (Executive)	\$99,000	Periodical Director Fees
Director (Non-Executive)	\$32,903	Periodical Director Fees
Legal Firm	\$7,233	Legal Firm associated with a Director

ⁱ ASX Announcement 12 November 2021 – Noombenberry Halloysite-Kaolin Project Update

ⁱⁱ ASX Announcement 20 December 2021 – High Grade Halloysite Intersected at the Cloud Nine Deposit

ⁱⁱⁱ ASX Announcement 18 November 2021 – Cloud Nine – R&D Project to Reduce Methane Emissions

^{iv} ASX Announcement 26 October 2021 – High Grade Assay Results in Brazil

^v ASX Announcement 23 November 2021 – Salina Lithium Project Update - Brazil

^{vi} ASX Announcement 3 December 2021 – Public Offer Closing – Solis Minerals

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 December 2021

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	(1,032)	(3,033)
(b) development	-	-
(c) production	-	-
(d) staff costs	(180)	(509)
(e) administration and corporate costs	(300)	(1,235)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(9)	(11)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	40	40
1.9 Net cash from / (used in) operating activities	(1,481)	(4,748)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(2)	(97)
(d) exploration & evaluation	-	-
(e) investments	-	(565)
(f) other non-current assets	-	(39)

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 (12 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 (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(2)	(701)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	20
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	168	2,279
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(28)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(900)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Contribution - Argentina JV Partner)	247	247
3.10	Net cash from / (used in) financing activities	415	1,618

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,770	4,533
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,481)	(4,748)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(701)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	415	1,618

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(59)	(59)
4.6	Cash and cash equivalents at end of period	643	643

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	643	1,770
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) *	643	1,770

* The Company also has investment in Solis Minerals Ltd which recently listed on ASX (ASX:SLM) valued at \$1.6 Million as at 31 December 2021 in addition to the cash at bank.

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	139
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note:

6.1 Executive Director Remuneration; \$99,000, Non-Executive Director Remuneration; \$32,903 , and Legal Fees : \$7,233.

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		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities		
7.5 Unused financing facilities available at quarter end		
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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,481)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,481)
8.4 Cash and cash equivalents at quarter end (item 4.6)	643
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	643
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 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: Yes.	
8.8.2 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: The Company currently expect to receive more funds from the LRSOC options exercise as evidenced in the current quarter where it has received \$168K and the current financial year where it has received over \$2 million from the option exercise.	
The Company also has investment in Solis Minerals Ltd which recently listed on ASX (ASX:SLM) valued at \$1.6 Million as at 31 December 2021.	

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

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

Answer: Yes - based on the answer to section 8.8.1 and 8.8.2

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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: 31 January 2022

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.