

27 October 2022

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## QUARTERLY ACTIVITIES REPORT

### for the period ending 30 September 2022

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#### Highlights

##### *Salinas Lithium Project, Brazil*

- Resource definition diamond drilling is on track for the delivery of the maiden Mineral Resource Estimate (“MRE”) for the Colina Lithium Prospect in December 2022.
- New lithium discovery at Colina West, located 500m west of the Colina Lithium Prospect.
- Leading consultants SGS Geological Services (“SGS”) appointed to carry out metallurgical test work, JORC MRE and a Preliminary Economic Assessment (“PEA”) on the Colina Lithium Prospect.
- Latin expects to progress from PEA directly to Definitive Feasibility Study (“DFS”).
- Extremely positive first pass sighter metallurgical test work results on the Colina lithium pegmatite sample where the simple liberation and high recovery of the spodumene has potential to drive highly positive outcomes for project economics, showing:
  - High recovery of 78.72% of Li<sub>2</sub>O; and
  - Production of an extremely high-grade Li<sub>2</sub>O concentrate (up to 6.57%) from simple Heavy Liquid Separation (“HLS”).
- Regional mapping teams recommenced field work in the area to the south-east at the Salinas South tenement area, where previous work identified a ‘lithium corridor’ over a distance of 4.0km.

##### *Cloud Nine Halloysite-Kaolin Deposit, WA*

- Trial mining test-pit completed with 50 Tonnes bulk sample collected.
- Bulk sample will be used to provide kaolin material to potential customers as offtake discussions advance.
- Bulk scale metallurgical test work will be used to optimise mining design.

##### *Corporate*

- Appointment of Peter Oliver as Non-Executive Director, a highly accomplished C-suite leader with 20+ years’ experience in lithium leadership roles including Tianqi Lithium and Talison – Greenbushes Lithium mine.
- Latin held \$29.9 million in cash and investments as at 30 September 2022.

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Latin Resources Limited (ASX: LRS) (“Latin” or “the Company”) is pleased to report on its activities for the three months ending 30 September 2022.

During the quarter, the Company progressed activities at its Salinas Lithium Project in Brazil, reporting completion of the resource definition drilling campaign, positive metallurgical test work, and the commencement of Feasibility Studies.

At the Cloud Nine Halloysite-Kaolin Project in Western Australia the Company completed the test-pit and collection of bulk samples.

**Latin Resources Executive Director, Christopher Gale commented:**

*“I am absolutely delighted with the progress made this quarter at Latin Resources as we have continued to complete our milestones at a rapid pace.*

*“The team has now completed all the required drilling at the Colina Prospect for our Maiden Mineral Resource Estimate, which remains on track for December, and we are very excited to prove to our shareholders the great potential of this project.*

*“Our drilling campaign has uncovered significant potential with the new Colina West discovery, and we are also pleased to be back on the ground at Salinas South where we hope to further extend the potential of the Salinas Lithium Project.*

*“The preliminary results from our metallurgical test work are very positive, indicating high recovery rates without the need for complicated and costly processing, which gives us great confidence in the economics of this project.*

*“Finally, the completion of the test-pit and collection of bulk samples at Cloud Nine is an important stepping-stone in the development of the Project as a world class kaolin deposit”.*

## **SALINAS LITHIUM PROJECT, BRAZIL**

During the quarter, the Company completed a large systematic drilling campaign over the Colina Prospect aimed at providing sufficient data to establish a maiden MRE for the Salinas Lithium Project in Brazil.

The Company announced a new discovery Colina West, located 500m to the west of the Colina Prospect. Additional tenure was secured in the highly prospective Bananal Valley district in eastern Brazil to expand the Company’s strategic landholding to over 6,341 hectares<sup>1</sup>.

Latin further progressed its activities during the quarter with the appointment of leading mining consultant SGS to commence Feasibility Studies on the Colina Prospect. The Company also announced commencement of a series of metallurgical test work programs with the initial first pass sighter test work showing a high recovery of **78.72% of the Li<sub>2</sub>O** into a concentrate grading a very high **6.57% Li<sub>2</sub>O**.

### **1.1. Colina Prospect Resource Definition Drilling<sup>2 3</sup>**

Resource definition diamond drilling is on track for the delivery of the maiden MRE for Colina in December this year. All holes for the inferred JORC MRE were completed, including detailed geological logging and sampling. Sample process and assay turnaround from the laboratory in Brazil remains on track to enable the Company to meet the December delivery date.

The Company was pleased to report results confirming the continuity of grade and thickness of the high-grade Colina pegmatites at depth.

Significant results are detailed below and in Table 1 including the highest-grade intersected to date **4.17m @ 5.79% Li<sub>2</sub>O** in hole SADD031.

**SADD017: 8.87m @ 1.09% Li<sub>2</sub>O from 137.00m**

*Inc: 1.00m @ 2.02% Li<sub>2</sub>O from 137.00m*

**13.86m @ 1.33% Li<sub>2</sub>O from 173.29m**

*Inc: 7.00m @ 1.93% Li<sub>2</sub>O from 178.00m*

**SADD018: 9.16m @ 1.68% Li<sub>2</sub>O from 133.84m**

*Inc: 6.00m @ 2.16% Li<sub>2</sub>O from 135.0m*

*Inc: 1.00m @ 3.52% Li<sub>2</sub>O from 137.00m*

**16.00m @ 1.29% Li<sub>2</sub>O from 189.00m**

*Inc: 1.00m @ 3.06% Li<sub>2</sub>O from 190.00m*

*and: 1.00m @ 4.22% Li<sub>2</sub>O from 196.00m*

**SADD019: 11.96m @ 1.64% Li<sub>2</sub>O from 206.24m**

*Inc: 8.20m @ 1.82% Li<sub>2</sub>O from 210.00m*

**SADD020: 2.35m @ 3.57% Li<sub>2</sub>O from 120.33m**

**7.58m @ 1.45% Li<sub>2</sub>O from 143.77m**

*Inc: 1.60m @ 2.45% Li<sub>2</sub>O from 144.40m*

**SADD021: 20.40m @ 0.97% Li<sub>2</sub>O from 120.60m**

*Inc: 10.00m @ 1.20% Li<sub>2</sub>O from 120.60m*

**5.81m @ 1.53% Li<sub>2</sub>O from 188.93m**

**SADD022: 20.09m @ 1.35% Li<sub>2</sub>O from 71.00m**

*Inc: 2.00m @ 2.17% Li<sub>2</sub>O from 73.00m*

*and: 2.00 @ 2.32% Li<sub>2</sub>O from 80.00m*

**SADD030: 12.00m @ 1.82% Li<sub>2</sub>O from 149.00m**

*incl: 8.00m @ 2.31% Li<sub>2</sub>O from 149.00m*

**20.19m @ 1.45% Li<sub>2</sub>O from 209.00m**

*incl: 10.00m @ 1.88% Li<sub>2</sub>O from 213.00m*

**SADD031: 7.00m @ 1.13% Li<sub>2</sub>O from 201.00m**

*incl: 2.00m @ 2.20% Li<sub>2</sub>O from 201.00m*

**6.15m @ 1.56% Li<sub>2</sub>O from 286.60m**

*incl: 3.15m @ 2.12% Li<sub>2</sub>O from 289.30m*

**8.45m @ 3.57% Li<sub>2</sub>O from 306.00m**

*incl: 4.17m @ 5.79% Li<sub>2</sub>O from 309.10m*

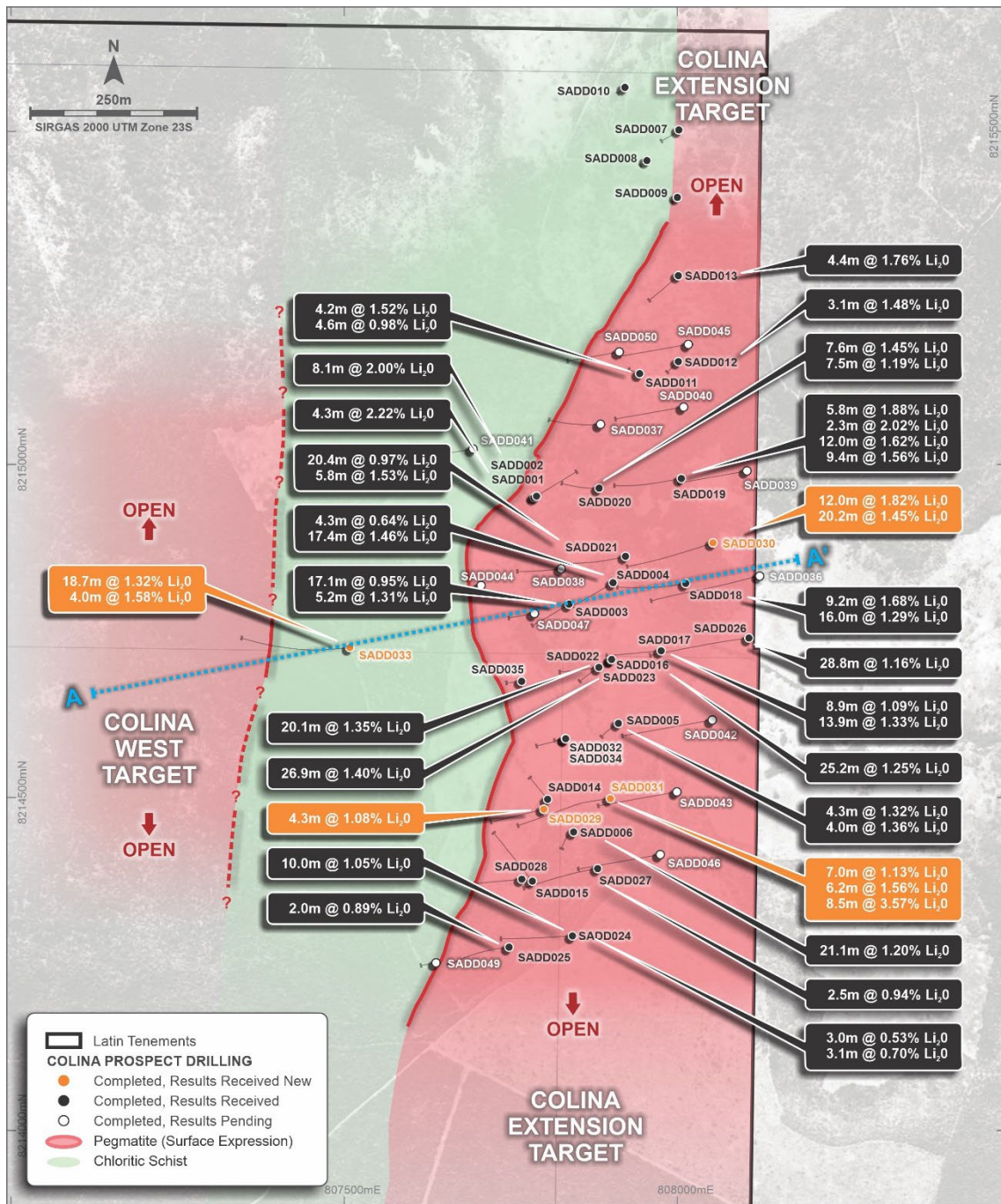


Figure 1: Colina Prospect area showing completed drill collars and significant intersections received to date

## 1.2. Colina West Discovery<sup>4 5</sup>

The Company was pleased to confirm the discovery of a new lithium mineralised zone, some 500m west of the Colina prospect.

Subsequent to the quarter, assay results from diamond drill hole SADD033 were returned, confirming the intersection of a new swarm of spodumene bearing pegmatites. SADD033 is collared approximately 500m to the west of the main Colina pegmatites (*Figure 1 and Figure 2*) and intersected a previously untested zone of mineralisation (*Figure 3*).

Logging highlighted 15 separate pegmatites, many of which returned significant lithium grades including:

**SADD033:**      **1.78m @ 1.33% Li<sub>2</sub>O (120.53 - 122.31m)**  
                       **1.67m @ 1.36% Li<sub>2</sub>O (275.38 - 277.05m)**  
                       **18.71m @ 1.32% Li<sub>2</sub>O (321.15 - 339.86m)**  
 incl:      4.00m @ 1.94% Li<sub>2</sub>O (322.00 - 326.00m)  
 and:      4.00m @ 1.58% Li<sub>2</sub>O (334.00 - 338.00m)

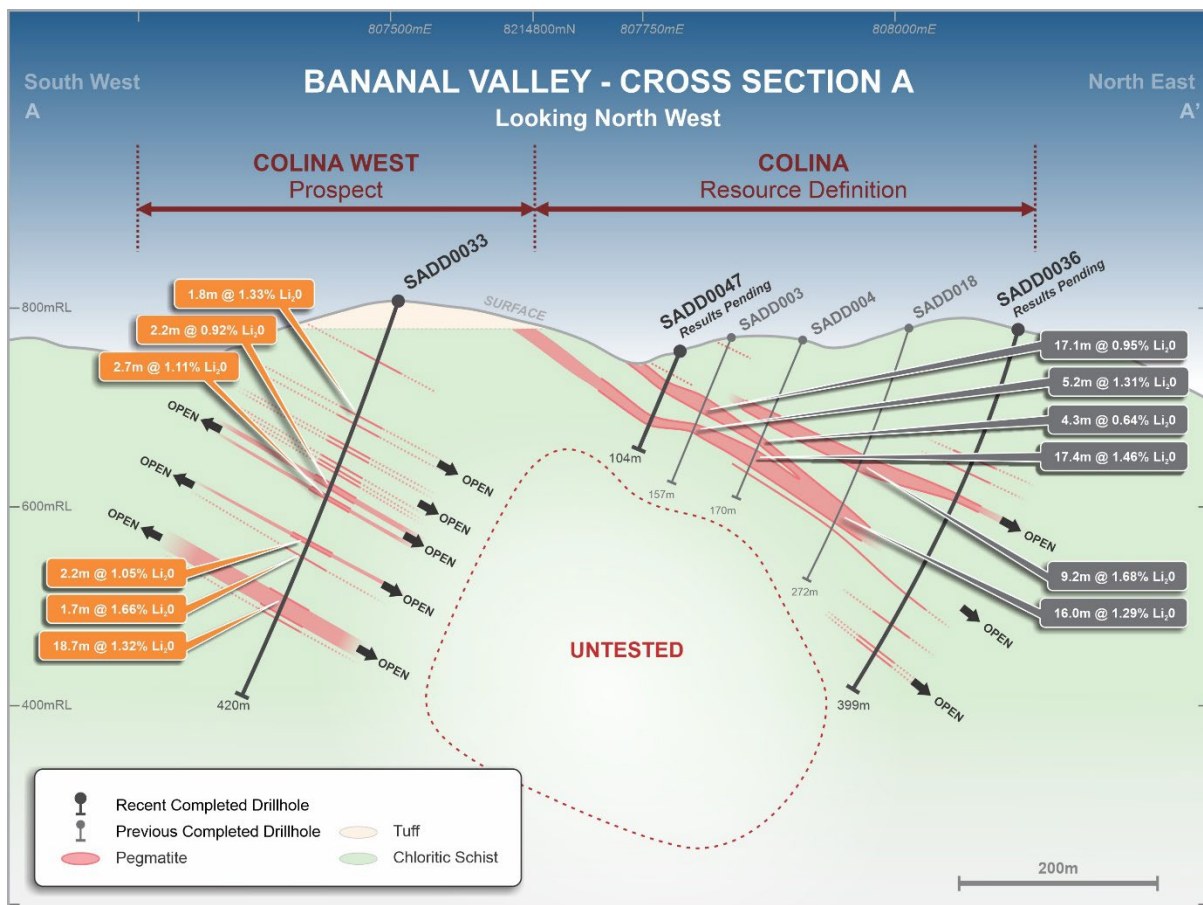


Figure 2: Colina West drill section showing completed drill collars and significant intersections received to date



Figure 3: SADD033 – Spodumene rich pegmatite over 18.75m down hole thickness (321.15-339.90m)

Table 1: Colina Prospect significant diamond drill results

Hole ID	From (m)	To (m)	Interval (m)	Li <sub>2</sub> O (%)
SADD001	24.22	26.22	2.00	0.56
SADD001	83.82	88.13	4.31	<b>2.22</b>
SADD002	48.50	54.95	6.45	0.78
SADD002	111.30	119.43	8.13	<b>2.00</b>
<i>Including:</i>	112.30	113.3	1.00	<b>3.22</b>
	115.30	118.30	3.00	2.20
SADD003	65.65	82.70	<b>17.05</b>	<b>0.95</b>
<i>Including:</i>	69.65	73.65	4.00	1.96
	98.35	103.50	5.15	1.31
<i>Including:</i>	98.35	100.25	1.90	<b>2.13</b>
SADD004	119.80	137.18	<b>17.38</b>	<b>1.46</b>
<i>Including:</i>	120.95	131.15	<b>10.20</b>	<b>2.05</b>
<i>Including:</i>	120.95	124.00	3.05	<b>2.26</b>
	127.00	129.00	2.00	<b>3.07</b>
SADD005	125.4	129.65	4.25	1.32
<i>Including:</i>	127.55	128.60	1.05	<b>2.65</b>
	159.10	163.10	4.00	1.36
<i>Including:</i>	161.10	162.10	1.00	1.92
SADD006	208.80	229.90	<b>21.10</b>	<b>1.26</b>
<i>Including:</i>	210.90	224.90	<b>14.00</b>	<b>1.69</b>
<i>Including:</i>	214.90	217.90	3.00	<b>2.28</b>
SADD007	No Significant results			
SADD008	No Significant results			
SADD009	No Significant results			
SADD010	No Significant results			
SADD011	49.90	51.00	1.10	1.15
	60.82	63.95	3.13	1.48

Hole ID	From (m)	To (m)	Interval (m)	Li <sub>2</sub> O (%)
<i>including:</i>	60.82	61.95	1.13	1.73
SADD012	64.80	69.03	4.23	1.52
<i>Including:</i>	64.80	66.90	2.10	<b>2.27</b>
	97.95	102.50	4.55	0.98
<i>Including:</i>	98.86	101.59	2.73	1.32
	110.05	111.60	1.55	1.37
<i>Including:</i>	110.05	110.85	0.80	<b>2.12</b>
SADD013	36.75	41.10	4.35	1.76
<i>Including:</i>	36.75	40.05	3.30	<b>2.08</b>
SADD014	<i>No Significant results</i>			
SADD015	97.87	100.87	3.00	0.53
	183.53	184.50	0.97	1.57
	189.78	192.88	3.10	0.70
SADD016	94.14	119.38	<b>25.24</b>	<b>1.25</b>
<i>Including:</i>	97.00	104.00	7.00	1.52
<i>And:</i>	109.00	118.19	9.19	1.51
SADD017	133.00	141.87	8.87	1.09
<i>Including:</i>	137.00	138.00	1.00	<b>2.02</b>
<i>And:</i>	144.00	145.00	1.00	1.85
	173.29	187	<b>13.86</b>	<b>1.33</b>
<i>Including:</i>	178.00	185.00	7.00	1.93
SADD018	133.84	143.00	9.16	1.68
<i>Including:</i>	135.00	141.00	6.00	<b>2.16</b>
<i>Including:</i>	137.00	138.00	1.00	<b>3.52</b>
	146.00	147.00	1.00	0.75
	149.00	150.00	1.00	1.30
	189.00	205.00	<b>16.00</b>	<b>1.29</b>
<i>Including:</i>	190.00	198.00	8.00	1.98
<i>Including:</i>	190.00	191.00	1.00	<b>3.06</b>
<i>And:</i>	196.00	197.00	1.00	<b>4.22</b>
SADD019	117.12	119.73	2.61	0.80
	140.94	146.78	5.84	1.88
	164.57	166.15	1.58	0.77
	185.13	187.44	2.31	<b>2.02</b>
<i>Including:</i>	186.00	187.44	1.44	<b>2.66</b>
	206.24	218.20	<b>11.96</b>	<b>1.62</b>
<i>Including</i>	210.00	218.20	8.20	1.82
	237.30	246.73	9.43	1.56
<i>Including</i>	240.00	244.00	4.00	<b>2.42</b>
SADD020	94.05	95.10	1.05	0.74
	97.97	100.00	2.03	0.98
	120.33	122.68	2.35	<b>3.57</b>
	143.77	151.35	7.58	1.45
<i>Including:</i>	144.40	146.00	1.60	<b>2.45</b>
	207.08	214.54	7.46	1.19
SADD021	120.60	141.00	<b>20.40</b>	<b>0.97</b>
<i>Including:</i>	120.60	131.00	10.4	1.25
	188.93	194.74	5.81	1.53
SADD022	71.00	91.09	<b>20.09</b>	<b>1.35</b>
<i>Including:</i>	73.00	75.00	2.00	<b>2.17</b>
<i>And:</i>	80.00	82.00	2.00	<b>2.32</b>

Hole ID	From (m)	To (m)	Interval (m)	Li <sub>2</sub> O (%)
SADD023	94.00	120.88	<b>26.88</b>	<b>1.40</b>
<i>Including:</i>	97.00	115.00	18.00	1.61
SADD024	186.00	196.00	10.00	1.05
<i>Including:</i>	190.00	195.00	5.00	1.61
	293.00	295.00	2.00	0.64
SADD025	190.00	192.00	2.00	0.89
SADD026	307.00	335.80	<b>28.80</b>	<b>1.16</b>
<i>Including:</i>	321.00	335.80	<b>14.80</b>	<b>1.51</b>
SADD027	197.80	199.95	2.15	0.67
	219.64	221.30	2.51	0.94
SADD028	<i>No Significant results*</i>			
SADD029	183.55	187.85	4.30	1.08
SADD030	149.00	161.00	<b>12.00</b>	<b>1.82</b>
<i>Including:</i>	149.00	157.00	<b>8.00</b>	<b>2.31</b>
	209.00	229.12	<b>20.19</b>	<b>1.45</b>
<i>Including:</i>	213.00	223.00	<b>10.00</b>	<b>1.88</b>
SADD031	201.00	207.00	7.00	1.13
<i>Including:</i>	201.00	203.00	2.00	2.20
	286.30	292.45	6.15	1.56
<i>Including:</i>	289.30	292.45	<b>3.15</b>	<b>2.12</b>
	306.00	314.45	<b>8.45</b>	<b>3.57</b>
<i>Including:</i>	309.10	313.27	<b>4.17</b>	<b>5.79</b>
SADD032	<i>No Significant results*</i>			
SADD033	210.53	122.31	1.78	1.33
	197.78	200.00	2.22	0.92
	210.44	213.15	2.71	1.11
	259.78	262.00	2.22	1.05
	275.38	277.05	1.67	1.36
	321.15	339.86	<b>18.71</b>	<b>1.32</b>
<i>Including:</i>	322.00	326.00	4.00	1.94
<i>And:</i>	334.00	338.00	4.00	1.58
SADD034	<i>No Significant results*</i>			
SADD035	<i>No Significant results*</i>			

*\*Note: Highly weathered hallow Spodumene Pegmatite intersection, with remnant pseudo morphed (kaolinised) spodumene crystals.*

### 1.3. Commencement of Feasibility Studies<sup>6</sup>

The Company announced the appointment of mining consultants SGS to commence and manage a PEA on the Company's Colina Prospect, a part of the larger Salinas Lithium Project.

SGS is a global leader in metallurgy and process development providing an integrated approach and delivering expertise throughout the mining cycle. SGS has extensive spodumene lithium expertise and have recently completed other similar lithium project studies in the region including the Sigma Lithium Grotta do Cirilo Project DFS (NPV8% of US\$5.1 Billion<sup>7</sup>).

Latin announced that it expects to deliver its maiden MRE for the Colina prospect by the end of calendar year 2022. Once the company has established an optimum resource estimate we will be ready to initiate the PEA.



SGS will run a metallurgical test work program which may include variability sample analysis, semi quantitative XRD and QEMSCAN analysis, HLS testing, and whole ore flotation analysis. The Company also plans to commission SGS to build a Dense Media Separation (“DMS”) pilot plant in Belo Horizonte, Minas Gerais and provide potential offtake customers with a representative lithium concentrate product.

Latin held preliminary discussions with several international car and battery manufacturers as well as leading lithium trading houses with respect to future supply of its lithium product. Latin has now taken the approach to fast track the feasibility studies to then hopefully secure offtake agreements with suitable customers.

#### **Summary of SGS – PEA scope of works:**

- Develop the process definition and description based on metallurgical test work results for a process flowsheet
- Prepare mine optimisation parameters for open pit design
- Prepare production schedule
- Define equipment requirements
- Access roads review and upgrade
- Assess power supply and distribution, fuel storage facilities
- Assess water management facilities (reclaim water, fresh water, potable water)
- Estimation of capital expenditure and operational expenditure for the process plant and surface infrastructures, including general and administrative costs, according to an AACE Class 4 estimate with an accuracy of +/-40%
- Produce pre-tax project economic evaluation results (IRR, NPV, payback)

#### **1.4. Metallurgical Test Work at Colina Prospect<sup>8</sup>**

During the quarter, the Company confirmed that preliminary metallurgical test work on the Colina lithium pegmatite had commenced.

Latin commissioned SGS, Belo Horizonte Brazil to undertake a program of “sighter” bench scale metallurgical test work on drill core from its Salinas Lithium Project. Results were independently reviewed and interpreted by Australian company, BHM Process Consultants (“BHM”), whose key personnel have significant experience in spodumene processing, metallurgy, and process plant design.

Results of the test work has shown that simple HLS, was able to recover 78.72% of the Li<sub>2</sub>O into a high-grade concentrate of 6.57% Li<sub>2</sub>O. A mass balance for the single sample test work results is tabulate below (*Table 2*).

The simple liberation process and high recovery rate of the Colina spodumene, at a relatively coarse crush has potential to drive tremendous positive outcomes for the projects economics.

For the purposes of summarising and qualifying the HLS data, BHM have provided a mass balance extrapolation to a potential process scenario. BHM have combined the +6.3 and 6.3-1.7mm size fractions to represent a “Coarse DMS” process and report the -1.7 – 0.5mm as “Fines DMS” processing, and the -0.5mm fraction as “Sand Processing” relating to potential Spiral and Tabling recovery.

This balance only takes into account the “sinks” material recovered at greater than the 2.85 g/cm<sup>3</sup> specific gravity mark and may be conservative in relation to overall recovery. The coarse concentrates that have been generated from this preliminary round of test work are interpreted by BHM to be considered as a widely acceptable industry standard, by which ingress of penalty and deleterious elements such as iron are below cut-off at 0.45 – 0.61% Fe (0.64 – 0.88% Fe<sub>2</sub>O<sub>3</sub>), well below the tolerable level of 1% Fe contained.

Further sighter test work is underway, which will further explore the optimal crush size, and additional heavy liquid separation (HLS) cut points, and fine fraction flotation in order to optimise the larger test work flowsheet for the planned detailed PEA.

Table 2: BHM conceptual mass balance and interpretation based on the raw SGS 2.85g/cm<sup>3</sup> test work data

Operation	Feed Mass (%)	Mass Yield to Cons	Lithium Grade (Li <sub>2</sub> O %)	Overall Lithium Recovery (%)
Coarse DMS: (+6.3-1.7mm)	7.05	11.22	6.55	61.332
Fines DMS: (-1.7-0.5mm)	15.2	2.022	6.74	11.372
Sand Processing: (<0.5mm)	13.8	1.121	6.45	6.030
Recovered		14.36	<b>6.569</b>	<b>78.72</b>
DMS Losses	N/A	73.62	0.27	16.58
Fines Losses	N/A	11.96	0.47	4.69
Total	100.5	100.00	1.199	100

### 1.5. Salinas South Lithium Corridor

Latin recommenced regional mapping activities focused on the Salinas South tenement area located approximately 17.0km to the south-west of the Colina Prospect, where the previous seasons' exploration work identified a 'lithium corridor' extending across 4.0km. Soil sampling completed toward the end of the previous campaign highlighted an area of anomalous lithium in the northeast of the tenement (*Figure 5*). New mapping will focus in this area to refine the initial drill targets as well as extending geochemical sampling along the full extent of the mapped prospective corridor.

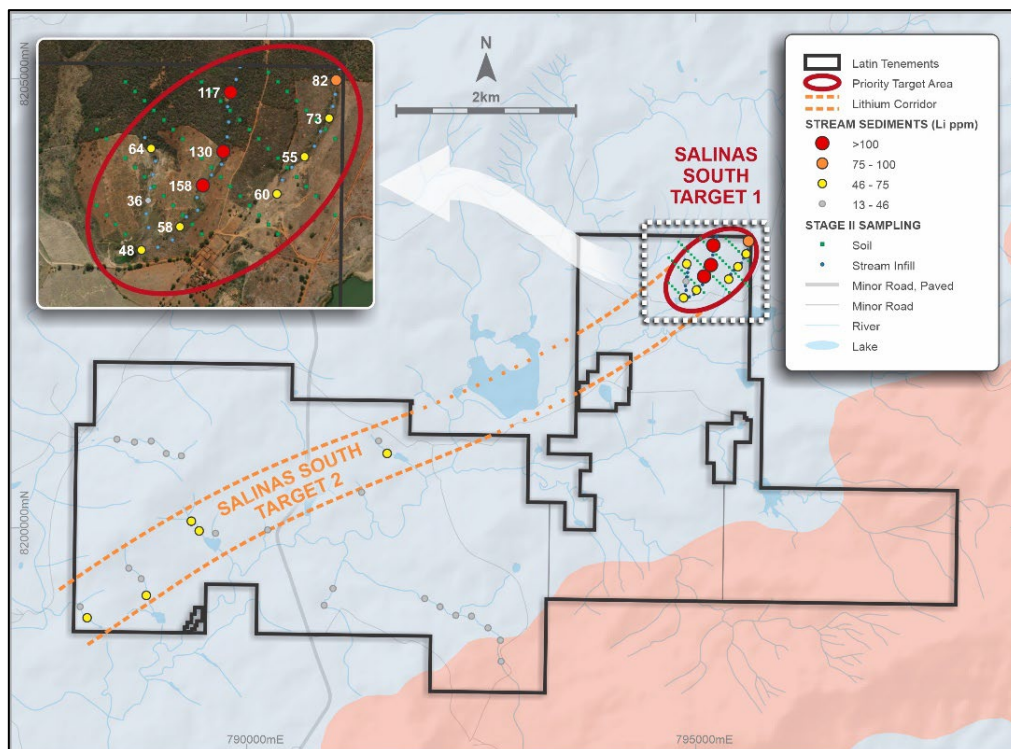


Figure 5: Salinas South tenement package, highlighting the mapped 'Lithium Corridor' and initial target areas

## CLOUD NINE HALLOYSITE-KAOLIN DEPOSIT, WA<sup>9</sup>

During the quarter, the Company continued to progress exploration activities at its 100% owned Cloud Nine Halloysite-Kaolin Deposit (“**Cloud Nine**”) in Western Australia.

The Company has previously reported a JORC (2012) Inferred MRE of 207Mt of kaolinised granite at Cloud Nine, which includes separate domains containing 123Mt of bright-white kaolinite and 84Mt of kaolin/halloysite-bearing material<sup>10</sup>.

### 2.1. Trial Mining Test-Pit

Subsequent to the quarter, the company reported that a test pit has been successfully excavated at the Cloud Nine Halloysite-Kaolin Deposit. The objective of the test pit is to:

- Collect a large sample for bulk metallurgical testing; and
- Provide product samples to a number of potential offtake partners for their qualification test work.

The test pit was excavated in accordance with the Program of Works, which was approved by DMIRS early in 2022, and successfully extracted the planned volume of kaolin.

Kaolin extracted from the test-pit will be used in bulk scale metallurgical testing, and importantly, will be used to prepare bulk product samples which will be sent to two separate groups currently in discussion with the Company in respect to potential offtake agreements. This will enable them to undertake their own product qualification testing.

The Company has previously provided multiple small-scale samples from Cloud Nine to these two parties. Discussions with both groups are ongoing and have included options to supply short term Direct Shipping Ore (“**DSO**”) products, as well as supplying value-added processed kaolin and halloysite products in the longer term.

Excavation of the test pit has also provided the Company with valuable information to further refine preliminary assumptions, including mining and stockpile designs, mining method and equipment selection and preliminary geotechnical assumptions. Material samples will also assist with further testing and analysis to continue improving the understanding of the deposit including the overlying material.



*Figure 6: Test-pit in progress*

A preliminary desktop environmental study has also been undertaken on the Cloud Nine Project site. Outcomes of this study will be used to inform the scope of work required to support the pathway to apply for the relevant environmental approvals in support of the project. This information is being factored into an updated forward work plan to support the development of the Cloud Nine Halloysite-Kaolin Deposit.

The Company also reported that it has recently submitted a selection of samples of kaolinite for detailed Rare Earth Element (“REE”) analysis. REEs are commonly found in association with Kaolinitic clays, sometimes constituting a significant source of these strategic minerals.



*Figure 7: Further test-pit progress photos showing kaolin product to be shipped out to potential customers*

#### **MT-03 COPPER PROJECT, PERU**

No activities were carried out at this project during the quarter.

#### **CATAMARCA LITHIUM PROJECT, ARGENTINA**

No activities were carried out at this project during the quarter.

#### **NEW SOUTH WALES EXPLORATION**

During the quarter, the Company exercised its option to secure 100% ownership of the high-grade gold Peep O’Day Prospect in the southern Lachlan Fold Belt in New South Wales<sup>11</sup>.

Exploration completed at Peep O’Day by Latin has confirmed high-grade gold at surface with results from outcrop sampling including 9.79 g/t Au, 8.58 g/t Au, 8.41 g/t Au and 7.79 g/t Au<sup>12</sup>.

Drilling permit applications for first pass Reverse Circulation (“RC”) drill testing have been resubmitted following the change of ownership.

The Company is in discussion with third-party groups in relation to the divestment of the Peep O’Day and other non-core assets in the Lachlan Fold.

## **ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)**

As previously reported, 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, with the Company's fourth ESG Report for the period ending 30 September 2022 attached (*Appendix 2*).

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 continue progress on our exploration programs and increased measuring/reporting of ESG metrics, Latin's employees and contractors are conscious that all activities are to be completed to a high ESG level.

## **CORPORATE**

### **7.1.1. Appointment of Non-Executive Director**

Subsequent to the quarter, the Company was pleased to announce the appointment of Peter Oliver as Non-Executive Director. Mr Oliver is a highly accomplished C-suite leader, with nearly 20 years' experience in lithium leadership roles which includes, global M&A and financing as well as managing mining operations<sup>13</sup>.

### **7.1.2. Cash**

The Group had \$29.3 million in cash at bank and \$0.6 million in investments as at 30 September 2022. The Company also has 222.2m 0.012 listed options on issue, expiring 31 December 2022, with a total conversion value of \$2.7m.

## **7.2. ASX announcements**

This Quarterly Activities Report contains information reported in accordance with JORC 2012 in the following announcements released during the September quarter:

- 13 July 2022 – Salinas Tenement Extended
- 27 July 2022 - Drilling continues to show high-grade Lithium - Salinas
- 7 September 2022 – Further high-grade Lithium encountered in Colina drilling
- 16 August 2022 – Drilling confirms significant new discovery at Colina West
- 5 October 2022 – Results Confirm Significant Colina West Lithium Discovery
- 9 August 2022 – Commencement of Feasibility Studies for Salinas Lithium Project
- 13 July 2022 – Latin Secures New Colina Extension Doubles Strike Length
- 13 October 2022 – Test pit and bulk samples to advance offtake – Cloud Nine
- 31 May 2021 - Maiden JORC Mineral Resource - Noomberry Project
- 8 July 2022 – LRS exercises option agreement over high-grade gold prospect
- 24 June 2021 – Rock Chip Samples return positive results – Yarara Project
- 4 October 2022 – Appointment of leading Lithium Director to Latin Board

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

For further information please contact:

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### **About Latin Resources**

*Latin Resources Limited (ASX: LRS) is an Australian-based mineral exploration company, with projects in South America and Australia, that is developing mineral projects in commodities that progress global efforts towards Net Zero emissions.*

*The Company is focused on its flagship Salinas Lithium Project in the pro-mining district of Minas Gerais Brazil, where the Company has its maiden resource drilling definition campaign underway. Latin has appointed leading mining consultant SGS Geological Services to establish a JORC Mineral Resource and commence feasibility studies at the Salinas Lithium Project. Latin also holds the Catamarca Lithium Project in Argentina and through developing these assets, aims to become one of the key lithium players to feed the world's insatiable appetite for battery metals.*

*The Australian projects include the Cloud Nine Halloysite-Kaolin Deposit. Cloud Nine Halloysite is being tested by CRC CARE aimed at identifying and refining halloysite usage in emissions reduction, specifically for the reduction in methane emissions from cattle.*

### **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 report that relates to Geological Data and Exploration Results is based on information compiled by Mr Anthony Greenaway, who is a Member of the Australian Institute of Mining and Metallurgy. Mr Greenaway 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 Greenaway 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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<sup>1</sup> ASX Announcement 13 July 2022 – Salinas Tenement Extended

<sup>2</sup> ASX Announcement 27 July 2022 - Drilling continues to show high-grade Lithium - Salinas

<sup>3</sup> ASX Announcement 7 September 2022 – Further high-grade Lithium encountered in Colina drilling

<sup>4</sup> ASX Announcement 16 August 2022 – Drilling confirms significant new discovery at Colina West

<sup>5</sup> ASX Announcement 5 October 2022 – Results Confirm Significant Colina West Lithium Discovery

<sup>6</sup> ASX Announcement 9 August 2022 – Commencement of Feasibility Studies for Salinas Lithium Project

<sup>7</sup> SIGMA announcement TSX: SGML 26 May 2022

<sup>8</sup> ASX Announcement 13 July 2022 – Latin Secures New Colina Extension Doubles Strike Length

<sup>9</sup> ASX Announcement 13 October 2022 – Test pit and bulk samples to advance offtake – Cloud Nine

<sup>10</sup> ASX Announcement 31 May 2021 - Maiden JORC Mineral Resource - Noombenberry Project

<sup>11</sup> ASX Announcement 8 July 2022 – LRS exercises option agreement over high-grade gold prospect

<sup>12</sup> ASX Announcement 24 June 2021 – Rock Chip Samples return positive results – Yarara Project

<sup>13</sup> ASX Announcement 4 October 2022 – Appointment of leading Lithium Director to Latin Board

**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
<b>Peru</b>					
01-01865-11	Dockers 1	Minera Dylan SAC	Peru	100%	100%
01-01866-11	Dockers 2	Minera Dylan SAC	Peru	100%	100%
01-01867-11	Dockers 3	Minera Dylan SAC	Peru	100%	100%
01-01868-11	Dockers 4	Minera Dylan SAC	Peru	100%	100%
01-02068-10	Fremantle 7	Minera Dylan SAC	Peru	100%	100%
01-02827-09	Latin Morrito 1	Minera Dylan SAC	Peru	100%	100%
01-02828-09	Latin Morrito 2	Minera Dylan SAC	Peru	100%	100%
01-02437-10	Vandals 1	Minera Dylan SAC	Peru	100%	100%
01-02438-10	Vandals 2	Minera Dylan SAC	Peru	100%	100%
<b>ARGENTINA – Catamarca <sup>1</sup></b>					
1/18	Latina 1	Litios del Norte SA	Argentina	100%	82%
3/18	Latina 2	Litios del Norte SA	Argentina	100%	82%
5/18	Latina 3	Litios del Norte SA	Argentina	100%	82%
6/18	Latina 4	Litios del Norte SA	Argentina	100%	82%
4/18	Latina 5	Litios del Norte SA	Argentina	100%	82%
2/18	Latina 6	Litios del Norte SA	Argentina	100%	82%
13/18	Latina 7	Litios del Norte SA	Argentina	100%	82%
14/18	Latina 8	Litios del Norte SA	Argentina	100%	82%
12/18	Latina 9	Litios del Norte SA	Argentina	100%	82%
11/18	Latina 10	Litios del Norte SA	Argentina	100%	82%
10/18	Latina 11	Litios del Norte SA	Argentina	100%	82%
9/18	Latina 12	Litios del Norte SA	Argentina	100%	82%
8/18	Latina 13	Litios del Norte SA	Argentina	100%	82%
7/18	Latina 14	Litios del Norte SA	Argentina	100%	82%
163/18	Latina 15	Litios del Norte SA	Argentina	100%	82%
207/18	Latina 16	Litios del Norte SA	Argentina	100%	82%
208/18	Latina 17	Litios del Norte SA	Argentina	100%	82%
209/18	Latina 18	Litios del Norte SA	Argentina	100%	82%
210/18	Latina 19	Litios del Norte SA	Argentina	100%	82%
211/18	Latina 20	Litios del Norte SA	Argentina	100%	82%
212/18	Latina 21	Litios del Norte SA	Argentina	100%	82%
213/18	Latina 22	Litios del Norte SA	Argentina	100%	82%
<b>ARGENTINA - San Luis</b>					
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%
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%
<b>BRAZIL</b>					
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 <sup>2</sup>	Bentes Mineração Exportação e Importação	Brazil	0%	0%
830691/2017	Carlos André	Belo Lithium	Brazil	0%	100%
831799/2015	Granitos Salinas <sup>2</sup>	Granitos Salinas Ltda	Brazil	0%	0%
830080/2022	Monte Alto <sup>2</sup>	Mineração Salinas Ltda.	Brazil	0%	0%
<b>AUSTRALIA</b>					
E77/2622	Noomberry	Electric Metals Pty Ltd	WA	100%	100%
E77/2624	Noomberry	Electric Metals Pty Ltd	WA	100%	100%
E77/2719	Mount Cramphorne	Electric Metals Pty Ltd	WA	100%	100%
E77/2725	Noomberry	Electric Metals Pty Ltd	WA	100%	100%
E77/2724	Noomberry	Electric Metals Pty Ltd	WA	100%	100%
E70/5650	Noomberry	Electric Metals Pty Ltd	WA	100%	100%
E70/5649	Noomberry	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%
EL9412	Peep O' Day	Latin Resources Limited	NSW	0%	100%
EL9273	Boree Creek	Latin Resources Limited	NSW	100%	100%
EL9274	BC Gundagai	Latin Resources Limited	NSW	100%	100%

<sup>1</sup>JV with Integra Capital SA

<sup>2</sup>Tenement Concession under Option Agreement

<sup>3</sup>Binding 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 \$3.858M. 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 sets out the information as required by ASX Listing Rule 5.3.5 regarding payments to related parties of the entity and their associates:

Amounts paid to related parties of the entity and their associates during the quarter were \$378,712. These amounts related to periodical director fees for executive and non-executive directors paid during the quarter.

**APPENDIX 2**

**ESG HIGHLIGHTS**

**PERIOD ENDING 30 SEPTEMBER 2022**

# Environmental Social Governance

## ESG Highlights

Period Ending 30 September 2022



## Environmental, Social, And Governance (ESG)

Latin Resources Limited (“Latin Resources” “Latin” or “the Company”) is committed to the principles of stakeholder capitalism as the most effective means of creating long-term enterprise value and addressing the societal priorities enshrined in the United Nations’ Sustainable Development Goals. In 2021, we made a commitment to commence reporting on the Environmental, Social, and Governance (ESG) disclosures of the [Stakeholder Capitalism Metrics \(SCM\) of the World Economic Forum \(WEF\)](#).

We are in the process of making ESG disclosures in the form of a set of universal, comparable stakeholder capitalism metrics focused on people, planet, prosperity and principles of governance that organizations can report on regardless of industry or region. This table represents our [reporting against the 21 core metrics](#), being reviewed quarterly and updated periodically.

We use this universal ESG framework to align our mainstream reporting on performance against ESG indicators. By integrating ESG metrics into our governance, business strategy, and performance management process, we diligently consider all pertinent risks and opportunities in running our business. We continue to look for opportunities for further transparency on the topics which are material to our business.

To track our disclosure progress and demonstrate our sustainability performance against the WEF SCM framework we utilise [Socialsuite’s ESG Go disclosure platform](#). ESG Go enables us to demonstrate our ongoing commitment to ESG by providing a dedicated solution to track, report, and share our ESG disclosures. With ESG Go we have started the journey of building robust ESG credentials.

# Governance

Governing purpose	Full Disclosure
Setting purpose	

**Latins ESG purpose statement:**

“Developing minerals to provide the planet with environmentally sustainable products.”

**Latin ESG Description statement:**

Latin Resources Limited (ASX: LRS) (“Latin” or “the Company”) is pleased to announce that the Company has adopted an Environmental, Social, and Governance (ESG) framework. The Company is committed to complying with applicable laws and regulations relating to health, safety, environment and community impacts by meeting and exceeding its Environmental, Social and Governance (ESG) framework including the 21 core metrics and disclosures created by the World Economic Forum (WEF).

Latin Resources is a minerals explorer, committed to developing its lithium spodumene project in Brazil. Lithium is a key mineral used in electric vehicles and battery storage to decarbonise the world by directly contributing to technology-driven GHG emission reduction targets.

Latin has invested significant time and geological resources investigating the lithium potential of the Bananal Valley region of Minas Gerais, which hosts the Eastern Brazilian pegmatite province. Regional success story Sigma Lithium is the most active explorer in the region, currently in development of a world-class lithium mineral resource base with a “Greentech” processing plant and strong ESG credentials. As Latin moves towards its maiden JORC Mineral Resource Estimate for this project, the Company is excited by the opportunities this may present in the future for battery grade lithium hydroxide production using renewable energy, recycled water and dry-stack tailings.

In addition to this, Latin is transitioning into a developer at its Cloud Nine Halloysite-Kaolin Deposit, 300km east of Perth in Western Australia. The Cloud Nine deposit has a maiden Mineral Resource Estimate of 207 million tonnes (Mt) of kaolinised granite with 123Mt of bright white kaolinite and 84Mt of halloysite-bearing material. Kaolinite is a plate-like clay with a wide range of uses including paper and ceramics. In contrast, halloysite has a unique property and occurs as halloysite nanotubes (HNT) and maintains several key environmentally friendly properties, can be utilised to assist with the management of Greenhouse Gases (GHG) and can be mined with extremely low environmental impact.

As part of our evolving emissions project, Latin has secured an agreement with CRC CARE Pty Ltd to develop innovative methane reduction technologies to exploit the clay mineral halloysite from the Company’s Cloud Nine Halloysite-Kaolin Deposit near Merredin, WA.

The development of both of these projects will provide Latin with the platform to reduce carbon emissions and are key to Latin’s ESG Purpose Statement of “developing minerals to provide the planet with environmentally sustainable products”.

The Latin Resources purpose statement was updated for the period ending 30 June 2022.

**Governance body composition**

While the Latin Resources' Board of Directors strongly believes in the benefits of an independent, diverse, and socially inclusive Board, we recognise that we do not currently represent all these indicators. We are committed to ensuring equal gender representation, diverse skills and experience, and independence, amongst our board of directors in the future, and will work diligently to effect change.

In addition, all future Board appointments will collectively reflect the diverse nature of the business environment in which the organisation operates and be made on merit in the context of the skills, experience, independence, and knowledge that the Board requires to be effective.

You can view our Board of Directors profiles on the Latin Resources website: [LRS Board of Directors](#).


**Board Skills Matrix**

Legend

F: Familiar

C: Competent

E: Expert

Name	David Vilensky	Chris Gale	Brent Jones	Pablo Taratini
Title	Non-Executive Chairman	Executive Director	Non-Executive Director	Non-Executive Director
Independent	YES	NO	YES	NO
Gender	M	M	M	M
<b>Experience</b>				
Corporate leadership	E	E	E	E
International experience	C	E	C	E
Industry & sector experience	C	E	C	E
Board experience	E	E	E	E
Capital projects	C	E	C	E
<b>Knowledge and skills</b>				
Strategy Development	E	E	C	E
Finance & Accounting	C	E	E	E
Legal & Regulatory	E	C	C	C
Digital & Information Technology	C	E	C	C
Human Resources & People	E	E	C	C
Public Relations, Marketing & Communications	C	E	C	C
Risk & Compliance	E	C	C	C
Capital Markets	C	E	E	E
Stakeholder engagement	E	E	E	C
Environmental & Climate	C	C	C	C
Social & Sustainability	C	E	C	E
Governance & Policy	E	E	E	C
<b>Governance Competencies</b>				
Director (medium organisation 10 - 99 employees)	E	E	E	E
Director (large organisation 100+ employees)	F	F	F	E
Financial literacy	C	E	E	E
Strategic thinking	E	E	C	E
Executive performance management	E	E	C	E
Risk management and mitigation	E	E	C	E
Compliance focus	E	E	E	E
Profile / reputation	E	E	E	E
<b>Behavioural Competencies</b>				
Team player / collaborative	E	E	E	C
Ability and willingness to challenge and probe	E	E	E	E
Common sense and sound judgement	E	E	C	C
Integrity and high ethical standards	E	E	E	E
Mentoring abilities	E	E	E	E
Interpersonal relations	E	E	E	E
Listening skills	E	E	E	E
Verbal communication skills	E	E	E	E
Understanding of effective decision-making process	E	E	E	E
Willingness and ability to devote time and energy to the role	E	E	E	E

**Stakeholder engagement**

*In Development*

**Material issues impacting stakeholders**

Latin has outlined a plan to identify material issues that the Company and our stakeholders consider to be of the highest importance for improving our Company’s sustainable growth and corporate value for driving progress on sustainable development.

We will work to resolve issues identified through our business activities while monitoring the progress against our goals. We will provide updates on the progress of material issues in our quarterly ESG report.

**Anti-corruption**

*Partial Disclosure*

**Anti-corruption practices**

Latin Resources is committed to conducting all of its business activities fairly, honestly with integrity and in compliance with all applicable laws, rules and regulations.

Latin’s Board, management and employees are dedicated to high ethical standards and recognise and support the Company’s commitment to compliance with these standards.

Latin Resources does not yet formally train staff on anti-corruption, though all staff must follow the Company’s Anti Bribery & Anti-Corruption Policy and Code of Conduct and understand related policies as employees or contractors of the Company.

During the current quarter, and current financial year to date, there have been no reported incidents of corruption.

[Click here to read our Anti-bribery and Anti-corruption Policy.](#)

[Click here to read our Code of Conduct.](#)



## **Mechanisms to protect ethical behaviour**

Latin Resources has adopted the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations.

Latin Resources’ Whistleblower Policy and Code of Conduct form part of the Corporate Governance Plan and are in place to protect ethical behaviour.

Latin encourages a culture within the Group of ‘speaking up’ to raise concerns about possible unlawful, unethical or socially irresponsible behaviour or other improprieties of or within the Group without fear of retaliation or otherwise being disadvantaged.

The Company encourages employees (and non-employees) who are aware of possible wrongdoing to have the confidence to speak up. This policy encourages reporting of such matters and provides effective protection from victimisation or dismissal to those reporting by implementing systems for confidentiality and report handling.

As per the Whistleblower Policy we have in place a Whistleblower Protection and Investigation Officer (WPIO) that an eligible whistleblower can report to.

[Click here to read our Whistleblower Protection Policy.](#)

In addition, Latin’s Code of Conduct provides a framework for decisions and actions in relation to ethical conduct in employment.

Latin Resources’ Code of Conduct underpins the Company’s commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders.

The document sets out the principles covering appropriate conduct in a variety of contexts and outlines the minimum standard of behaviour expected from employees.

[Click here to read our Code of Conduct.](#)

## **Risk framework and processes**

Risk is a critical facet of all business operations, especially within a rapidly evolving global landscape. Latin Resources is committed to risk management and understands its role, not only in the minimisation and elimination of risk, but also in the subsequent creation of sustainable business growth, the achievement of company goals, and importantly, the strengthening of stakeholder confidence and value.

As part of our commitment, Latin’s Audit and Risk Committee monitors all emerging risks, including ESG risks and opportunities, reviewing them regularly as part of our Company’s risk management plan. Risks that are captured during this ongoing process are included in a risk register which is reviewed on a monthly basis.

[Click here to read our Risk Management Policy.](#)

# Planet

Climate change

*In Development*

## Greenhouse gas (GHG) emissions

The Company has reviewed the Greenhouse Gas (GHG) Protocol and its implications as it relates to Latin's operations.

Understanding the key role Latin can play in contributing to emission reduction in Australia and globally, the Company has engaged Carbon Neutral Pty Ltd to begin a baseline assessment of the Company's global carbon footprint.

The Company will assess all direct and indirect Scope 1, 2 & 3 emissions with a target completion date of the end of the year (i.e. December 2022) as part of the Company's journey toward net zero.

As part of our evolving emissions project, Latin has secured an agreement with CRC CARE Pty Ltd to develop innovative methane reduction technologies to exploit the clay mineral halloysite from the Company's Cloud Nine Halloysite-Kaolin Deposit near Merredin, WA.

Under the agreement with CRC CARE, complementary to its current activities that include exploration for halloysite at its 100% owned Cloud Nine deposit in WA, Latin will fund two key research projects running in parallel to the extent of \$3.2m over a three-year period, commencing in January 2022.

The \$3.2m is the maximum exposure of Latin over the three-year period in terms of the funding of the research projects with payments staggered over the three year period linked to a series of agreed milestone deliverables. Latin has the right to cease funding either or both research projects at any time in the absence of the key deliverables.

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.

**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.

**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).

In addition, the CRC CARE research project has the potential to generate a carbon offset for Latin.

[Click here to read the full announcement.](#)

## TCFD implementation

While use of the TCFD framework is currently voluntary in Australia, there is an increasing expectation from investors, governments, customers and the community that businesses assess and disclose climate-related risks.

As a result of ongoing and growing expectations of key stakeholders, Latin is investigating early disclosure of climate risk in accordance with the recommendations of the TCFD framework as they relate to both physical risks, and transition risks (and opportunities).

### Nature loss

*Explanation*

#### Land use and ecological sensitivity

Latin does not currently measure impact on land use, and key biodiversity areas (KBA's), though is expected to do so where potential impact on biodiversity is possible on land owned, leased or managed by Latin, on or adjacent to protected areas and/or KBAs.

### Freshwater availability

*Explanation*

#### Water consumption

Water consumption (including full value chain) is considered immaterial at the current time. This may change as Latin progresses key projects. Initial assessments will be conducted where Latin's future operational plans dictate they are relevant.

# People

## Dignity and equality

*Partial Disclosure*

### Diversity and inclusion

Latin is committed to empowering and promoting social and economic inclusion, irrespective of diversity.

The Company has identified the breakdown indicators relating to economic inclusion and diversity, though has not yet begun reporting this indicator.

### Pay equality

Latin recognises that pay equality reflect an organisation's culture and helps bridge diversity gaps, attract talent and drive long-term competitiveness.

The Company reports remuneration of Directors and Key Management Personnel in the [Full Year Statutory Accounts](#) and our [Diversity Policy](#) is inclusive of pay equity.

At this time, the Company has not begun reporting key indicators in this category.

### Wage level

Latin recognises that fair compensation and benefits contribute to the economic well-being of employees, since the distribution of income is crucial for eliminating inequality and poverty.

At this time, the Company has not yet begun reporting this indicator.

## Human rights

*Full Disclosure*

### Risk for incidents of child, forced or compulsory labour

Latin upholds the highest moral, ethical and legal standards in all we do, especially surrounding human rights and modern slavery.

Latin does not condone, support or contribute, either directly or indirectly, to Modern Slavery and has formalised a [Modern Slavery Policy](#).

**Health and well-being**

*Partial Disclosure*

**Health and safety**

Maintaining strong standards of health, safety and labour rights can improve employee productivity and operational efficiency and enhance employee well-being.

Latin reports monthly on Lost Time to Injury and active man days on site to the Department of Mines, Industry Regulation and Safety's – Safety Regulation System (SRS).

During the quarter from July to September 2022, LRS had zero (0) Lost Time to Injuries and had recorded eight (8) active man days on site (96 hours).

**Skills for the future**

*Full Disclosure*

**Training provided**

Latin Resources is committed to providing professional development and training opportunities to all employees.

The Company seeks to create, promote and foster an environment that values development, diversity and growth.

Latin Resources full-time employees completed an average of 1.50 hours of training, with an average expenditure of \$277.50 for the period ending 30 September 2022.

# Prosperity

## Employment and wealth generation

*Partial Disclosure*

### Absolute number and rate of employment

Employment and job creation are key drivers of economic growth, dignity and prosperity, and provide a basic indication of a company's capacity to attract diverse talent, which is key to innovate new products and services.

Latin is undertaking a full review of all staff including contractors and consultants and will provide details of absolute number and rate of employment in future quarterly updates.

### Economic contribution

Disclosure in relation to the total monetary value of financial assistance received from the government has been made on the Company's ASX Announcement Platform.

Disclosures relating to revenues, operating costs, wages & benefits, payments to providers of capital, payments to government, and monetary support from government appear in the Company's [Full Year Statutory Annual Report](#), as well as in the [Quarterly Activity Report & Appendix 5B](#), which can be found on the Company's ASX Announcement Platform and Website.

### Financial investment contribution

The Company operates in the mineral exploration and development field with the objective to provide the planet with environmentally sustainable products.

The Company undertake capital expenditure in the form of mineral exploration and development activity. It discloses its total capital expenditures (less depreciation) and how it relates and supports the Company's growth strategy in the [Full Year Statutory Annual Report](#), as well as in the [Quarterly Activity Report & Appendix 5B](#).

The Company does not have a share buyback policy and does not currently pay dividends.

## Innovation of better products and services

*Full Disclosure*

### Total R&D expenses

The Company's [Full Year Statutory Annual Report](#), [Quarterly Activity Report & Appendix 5B](#) disclosure of expenditure and activity in relation to Cloud Nine reflects the level of R&D costs during each relevant reporting periods. Further information on R&D can be found on Company's website, or on its ASX Platform, as above.

As noted above, the Company has an agreement with CRC CARE for a three-year research project assessing the potential of halloysite from Cloud Nine to contribute to a reduction in GHG emissions.

**Total tax paid**

Please refer to the [Full Year Statutory Annual Report](#), [Quarterly Activity Report & Appendix 5B](#) for disclosure of the total level of tax paid during relevant reporting period.

## 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")

30 September 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(3,858)	(7,834)
(b) development	-	-
(c) production	-	-
(d) staff costs	(797)	(1,204)
(e) administration and corporate costs	(437)	(1,422)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	132	139
1.5 Interest and other costs of finance paid	(41)	(55)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	91
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(5,001)</b>	<b>(10,285)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(117)	(141)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	(25)



## 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 (9 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(117)</b>	<b>(166)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	35,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	514	5,216
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(30)	(1,546)
3.5	Proceeds from borrowings	-	2,425
3.6	Repayment of borrowings	-	(2,425)
3.7	Transaction costs related to loans and borrowings	-	(200)
3.8	Dividends paid	-	-
3.9	Other (Contribution - Argentina JV Partner)	407	641
	Other (repayment of lease liabilities)	(33)	(33)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>858</b>	<b>39,078</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	33,530	643
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(5,001)	(10,285)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(117)	(166)

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	858	39,078
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>29,270</b>	<b>29,270</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	2,270	3,530
5.2	Call deposits	27,000	30,000
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>29,270</b>	<b>33,530</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	378
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

*Note: Amount shown at 6.1 relates to periodical director fees for executive and non-executive directors paid during the quarter.*

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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<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)		
<b>7.4 Total financing facilities</b>	-	-
<b>7.5 Unused financing facilities available at quarter end</b>		-
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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(5,001)
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)	(5,001)
8.4 Cash and cash equivalents at quarter end (item 4.6)	29,270
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	29,270
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	5.8
<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: N/A	
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: N/A	
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: N/A	
<i>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.</i>	

## 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: 27 October 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.