2021
Annual Report

For year ending 31 December 2021

ASX:**LRS**
latinresources.com.au

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Non-Executive Director

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Code: LRS

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01 Chairman's Letter

The 2021 financial year has been one of significant progress and excitement for Latin Resources Limited ("Company") despite the COVID-19 pandemic continuing to disrupt the business world in key areas such as travel, recruitment of new employees and restrictions on face to face meetings.

Undoubtedly, a highlight for the Company during the year in question was the share price reaching 10 cents in February 2021 which gave the Company a market capitalisation of more than $100m for the first time in its history. It created a lot of wealth for many new and existing shareholders and proved to the market what the Company is capable of. It also resulted in a substantial number of 'in the money' options being exercised which brought fresh capital into the Company of $2,278,357.

The significance of this milestone for the Company is that in past Chairman's letters a common theme has been to emphasise the importance that the Board of the Company places on rewarding shareholders and enhancing shareholder value. These objectives have not always been fulfilled for a variety of factors many of which have been beyond the control the Company. What the Company strives for is success and it is this success which is inevitably the driver of an improved share price and market capitalisation.

In my last Chairman's letter dated 22 July 2020 I made mention of transformational projects that have come about as a result of the strategic focus of the Company to identify and explore potential value accretive mineral projects. I am excited about two projects in particular which have become the current focus of the Company.

"I am excited about two projects in particular which have become the current focus of the Company.

1. SALINAS LITHIUM PROJECT IN BRAZIL

It is not in dispute that Brazil is the world's eighth largest economy and is Latin America's largest and most pro-mining jurisdiction. Minas Gerais is also known for its superior mining infrastructure and services.

As far back as August 2019 the Company identified the Minas Gerais Province in Brazil as being vastly underexplored for world class lithium spodumene deposits. To that end, the Company developed a strategy to build a significant lithium footprint in the district with the focus given to tenements secured by the Company in the Bananal Valley area of its Salinas Lithium Project in Minas Gerais where pegmatites containing spodumene were identified during field work and mapping confirming the projects high prospectivity for lithium. As part of that strategy, preliminary drill sites were selected, finalised and permits for drill targets were obtained. Unfortunately with the Covid pandemic hitting Brazil exceptionally hard, the work was delayed for over 18 months.

Once the exploration team was back on site in 2021 and building on the extensive sampling and mapping undertaken by the Company during 2021, as was announced by the Company to ASX on 16 February 2022 and again on 3 March 2022, drilling results at the Company's 100% wholly owned Salinas Lithium Project, located in the north east of Minas Gerais, confirmed the continuity and thickening of lithium spodumene pegmatites along strike. In summary, the Company's drilling program now underway continues to intersect three separate spodumene pegmatites. Importantly, these pegmatites are increasing in thickness. The Company is excited by the early signs from its greenfield lithium discovery at its Salinas Lithium Project.

The Salinas Lithium Project certainly falls within the category of a transformative project and so far the results speak for themselves. We believe there are exciting times ahead for the Company in relation to this project alone. This is especially the case given the buoyancy of the global lithium sector and the increasing demands for supply of this resource.

2. CLOUD NINE (NOOMBENBERRY) HALLOYSITE-KAOLIN DEPOSIT IN WA

The Company acquired the Noombenberry (now known as Cloud Nine) Halloysite-Kaolin Deposit located approximately 350 kilometres east of Perth in late 2019. Since securing the project the Company carried out significant field work including soil sampling assays by an independent UK based kaolin and halloysite specialist.

The results presented by the independent expert confirmed the prospectivity of the project and gave the Company the confidence to further explore the project via a deeper and expanded drill program. The Company then commenced an intensive two phase aircore vertical drilling program involving a total of 4,431 meters of drilling.

On 31 May 2021 the Company announced to the ASX its maiden Inferred (JORC 2012) Mineral Resource estimate prepared by independent consultancy RSC Global Pty Ltd. As announced, Cloud Nine has the potential to become the single largest undeveloped kaolin-halloysite deposit in Australia with substantial potential growth with the mineralisation open in all directions. Its large scale places Cloud Nine as a globally significant halloysite project with exceptional growth potential.

A global inferred mineral resource of 207 million tonnes of kaolinised granite has been estimated comprising 123 million tonnes of bright white kaolin bearing material and 84 million tonnes of kaolin/ halloysite bearing material. The JORC resource was developed within 18 months during the Covid pandemic, a credit to our exploration team who worked through very difficult conditions.

In August 2021 the Company announced to the ASX the completion of the Cloud Nine infill and step-out drilling program involving a total of 359 new aircore drillholes for 9,640 meters to extend the resource a further 4 kilometres to the north, the commencement of detailed metallurgical test work and the commencement of a scoping study to determine the best pathway to production.

The Cloud Nine project has put the Company on the map in the emerging kaolin-halloysite sector and provides the best opportunity to transform the Company from explorer to producer within a relatively brief period. Drilling is continuing with the dual focus of both uplifting the current resource to indicated or measured status, and to further increase the resource. Cloud Nine is a world class deposit situated close to major road and rail infrastructure with the potential for shallow open-pit mining.

As pointed out, it has provided the Company with an outstanding opportunity to push towards development and has added enormous value to the Company.

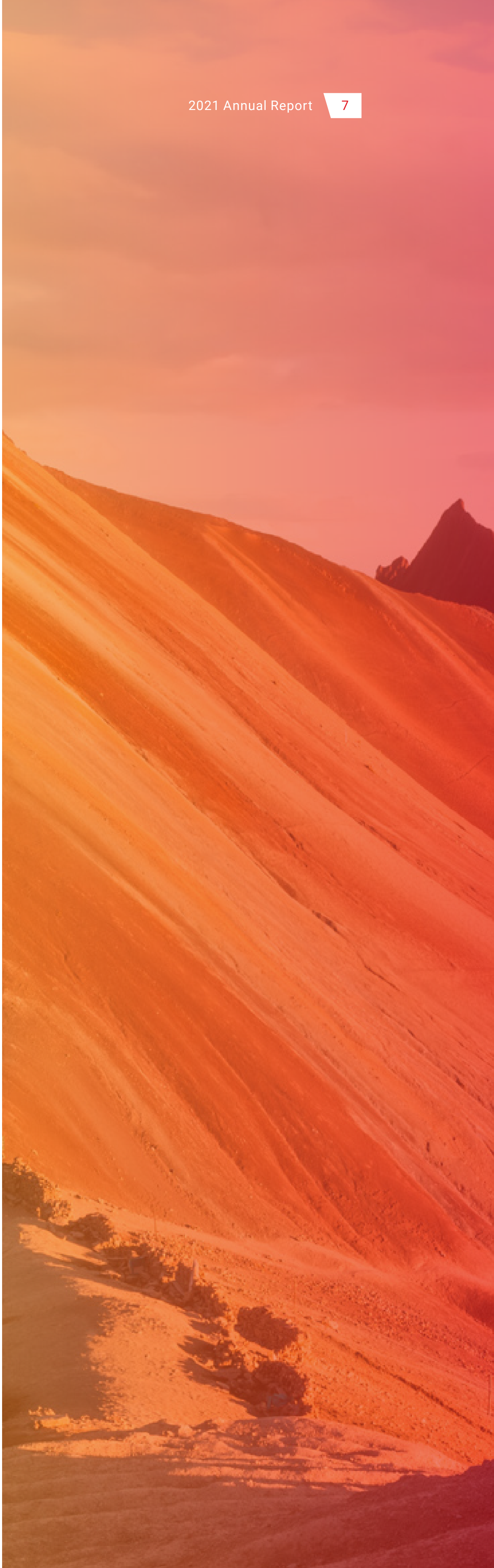
The Company is fast tracking the deposit through to development and is already in discussions with potential offtake partners. All of these milestones are significant achievements for the Company and augur well for its future success.

On 23 September 2021 the Company was pleased to announce that it had adopted the Environmental, Social and Governance (ESG) framework with a purpose statement “Developing minerals to provide the world with environmentally sustainable products”. This committed the Company to complying with the applicable laws and regulations including the 21 core metrics and disclosures created by the World Economic Forum.

Further enhancing its ESG credentials, the Company secured a collaborative research agreement with CRC CARE Pty Ltd, a company associated with the University of Newcastle, to fund over a three year period the research and development of innovative methane reduction technologies to exploit the halloysite from the Company’s 100% owned Cloud Nine project. The funding is linked to a series of agreed milestone deliverables with the research results and intellectual property rights associated with and derived from the research results being owned 100% by the Company.

A further milestone for the Company was the listing on the ASX on 24 December 2021 of copper focused Solis Minerals Ltd. in which the Company is the largest shareholder with a 13.14% stake valued at $1.6 million as at 31 December 2021 plus one seat on the Solis board.

With investments and cash in the bank of more than $4 million the Company is currently well funded enabling it to focus its attention on continued exploration at Cloud Nine and in Brazil. There is renewed interest in the Company as we embark on the next transformational period. Over the coming weeks and months there will be encouraging news to report on these projects and activities which we hope will further change the fortunes of the Company and bring joy to our loyal shareholders.



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Cloud Nine's large scale places as a globally significant halloysite project with exceptional growth potential.

The Company has been fortunate to be lead through the period the subject of this annual report by an exceptional management team headed by our hardworking Managing Director Chris Gale and our Exploration Manager Tony Greenaway who is a very experienced geologist with a long history within the resources industry.

I would like to thank our shareholders for your continued support and belief in the Company to achieve the strategic goals it has set out. The Board remains focused on delivering on these strategic goals and providing our shareholders with long term growth. I believe the year ahead will demonstrate just what the Company is capable of accomplishing.

I also thank our management and exploration team, our staff and our external consultants and drilling contractors for their efforts during 2021 and 2022, a period in which the Company has continued to face disruption and uncertainty due to the COVID-19 pandemic and its associated restrictions which from time to time have made our operations challenging.

I also take this opportunity to thank and note my appreciation of the collective efforts and wisdom of my fellow Board members.

I look forward to keeping you updated on our progress of what is shaping up to be another very exciting year ahead.

Yours sincerely,

David Vilensky
Chairman

02 Review of Operations

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

1. OPERATIONS

1.1. SALINAS LITHIUM PROJECT, BRAZIL

The Salinas Lithium Project is located in the highly prospective Jequitinhonha Valley district of Minas Gerais Provence of eastern Brazil. Minas Gerais hosts the Eastern Brazilian lithium pegmatite province, home to TSX-V listed Sigma Lithium Corporation and lithium producer Companhia Brasileira de Lítio (CBL).

The Company was previously restricted in accessing the Salinas Project due to Covid-19 travel restrictions, however after re-signing option agreements for project extensions, the Company managed to get on the ground in September, undertaking initial reconnaissance mapping and sampling.

Initial reconnaissance mapping completed over the tenement confirmed the presence of a series of parallel spodumene bearing pegmatites over a strike of greater than one kilometre. A series of outcrop samples were collected and submitted to the laboratory for analysis.

Results confirmed that the mapped pegmatites contain lithium bearing spodumene with one sample returning a grade of 2.71% Li_2O 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.

Latin considers these results, including two adjacent samples returning grades of 2.71% Li_2O and 1.45% Li_2O respectively, to represent an extremely high priority area for the Company.

Post the end of the reporting period, the Company commenced a 14-hole, 2,000m diamond drilling program at the Salinas Lithium Project. Six diamond drill holes have been completed on four sections covering 500m of strike, with all holes intersecting multiple spodumene bearing pegmatites. Logging has confirmed that the individual pegmatites range in true thickness to a maximum of 21.1m[1], with a cumulative intersection of over 36m in hole SADD004[2]. Initial assay results from holes SADD001 and SADD002 are anticipated in the next few weeks.

"Latin considers these results, including two adjacent samples returning grades of 2.71% Li_2O and 1.45% Li_2O respectively, to represent an extremely high priority area for the Company.

1. Refer to ASX Announcement dated 16 March 2022

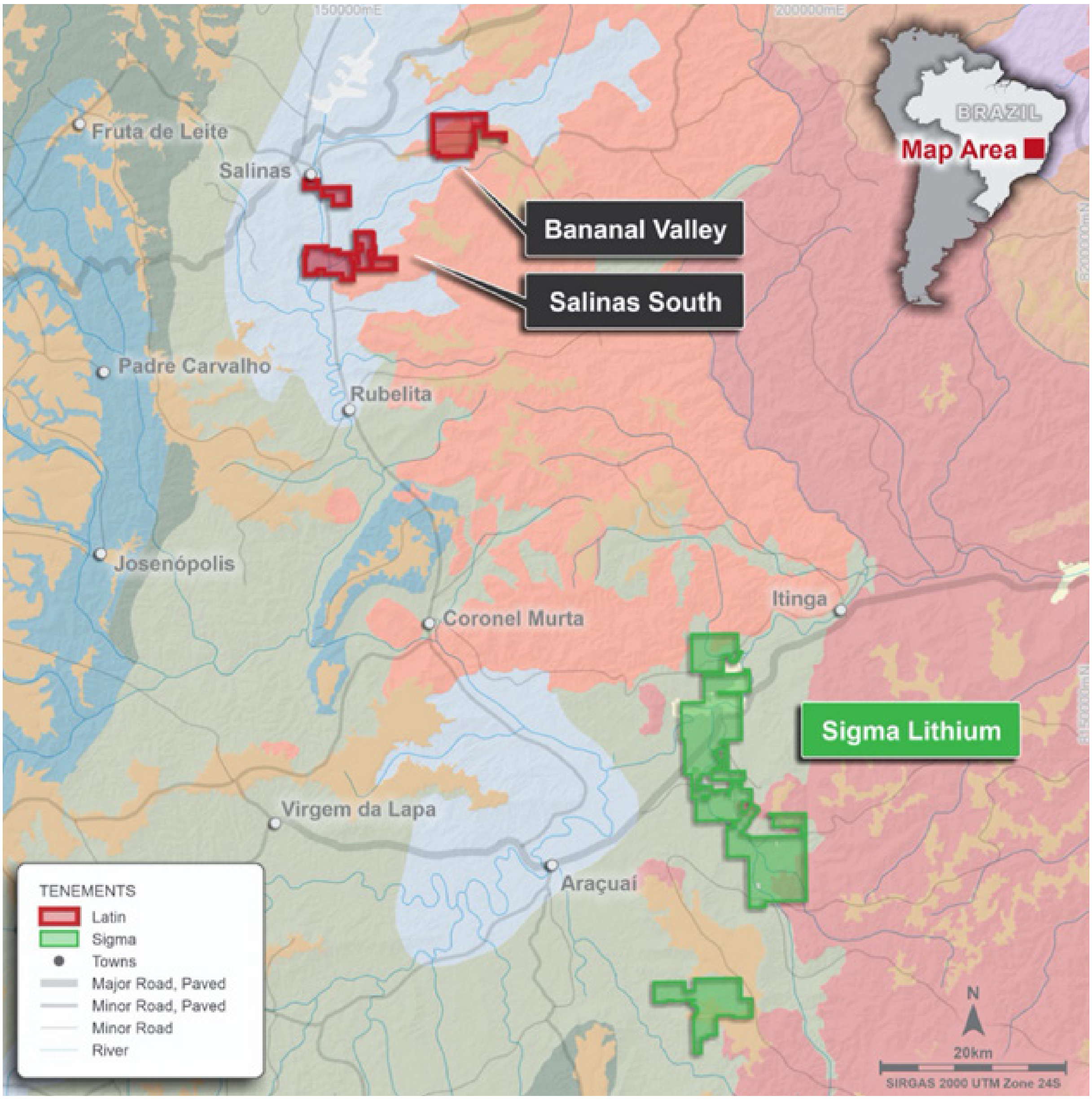

Figure 1: *Salinas Lithium Project location map*

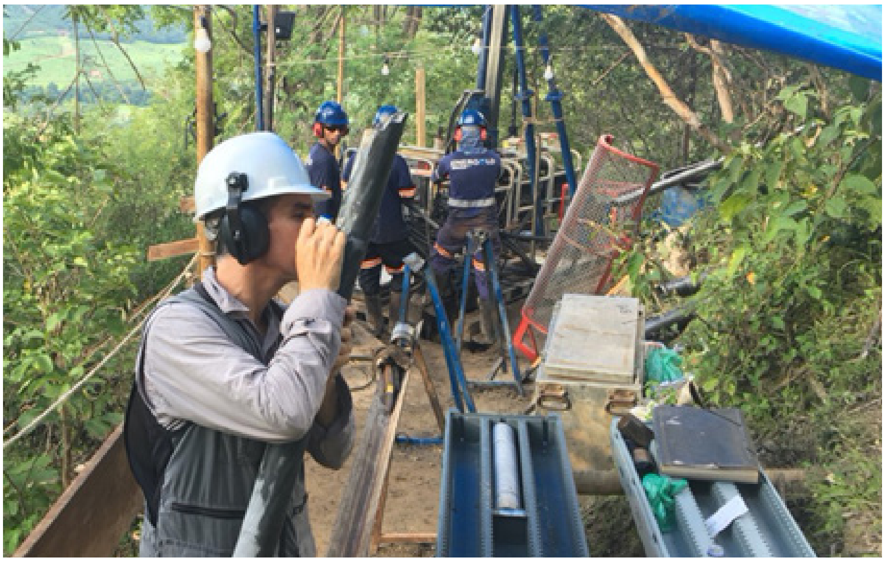

Figure 2: *Bananal Valley Project – Latin Resources Senior Geologist with spodumene rich pegmatite core, and core logging on site*

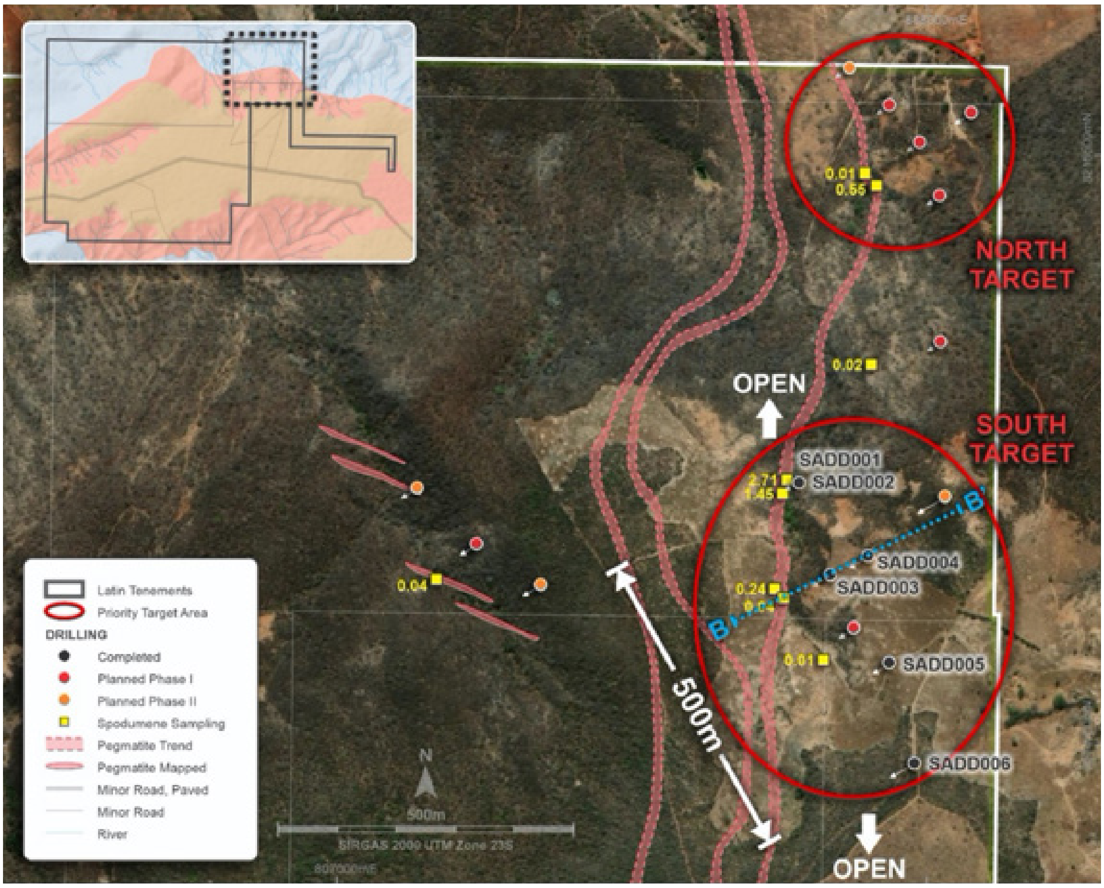

Figure 3: *Bananal Valley Project – completed drill collars and planned Phase I and Phase II drill sites and spodumene sampling results*

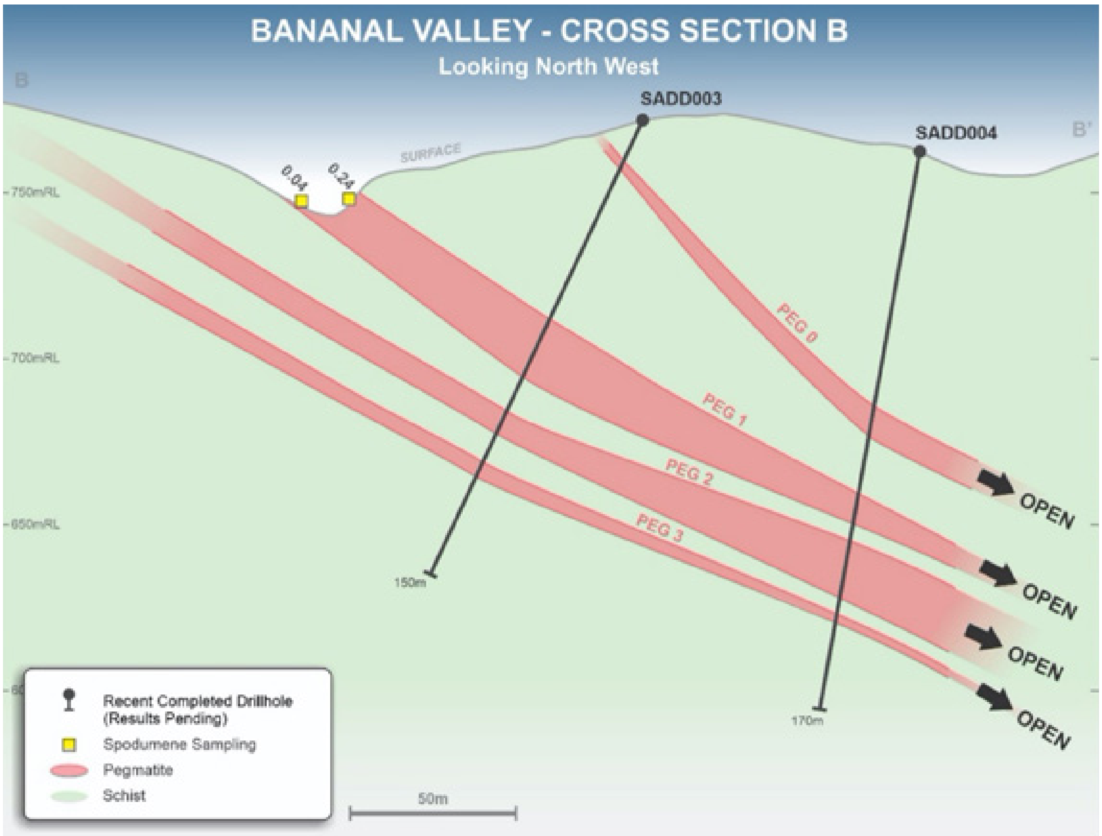

Figure 4: *Oblique drill section B – B' SADD004 showing a significant thickening of the pegmatites along strike and down dip*[2]

2. Refer to ASX Announcement dated 16 March 2022

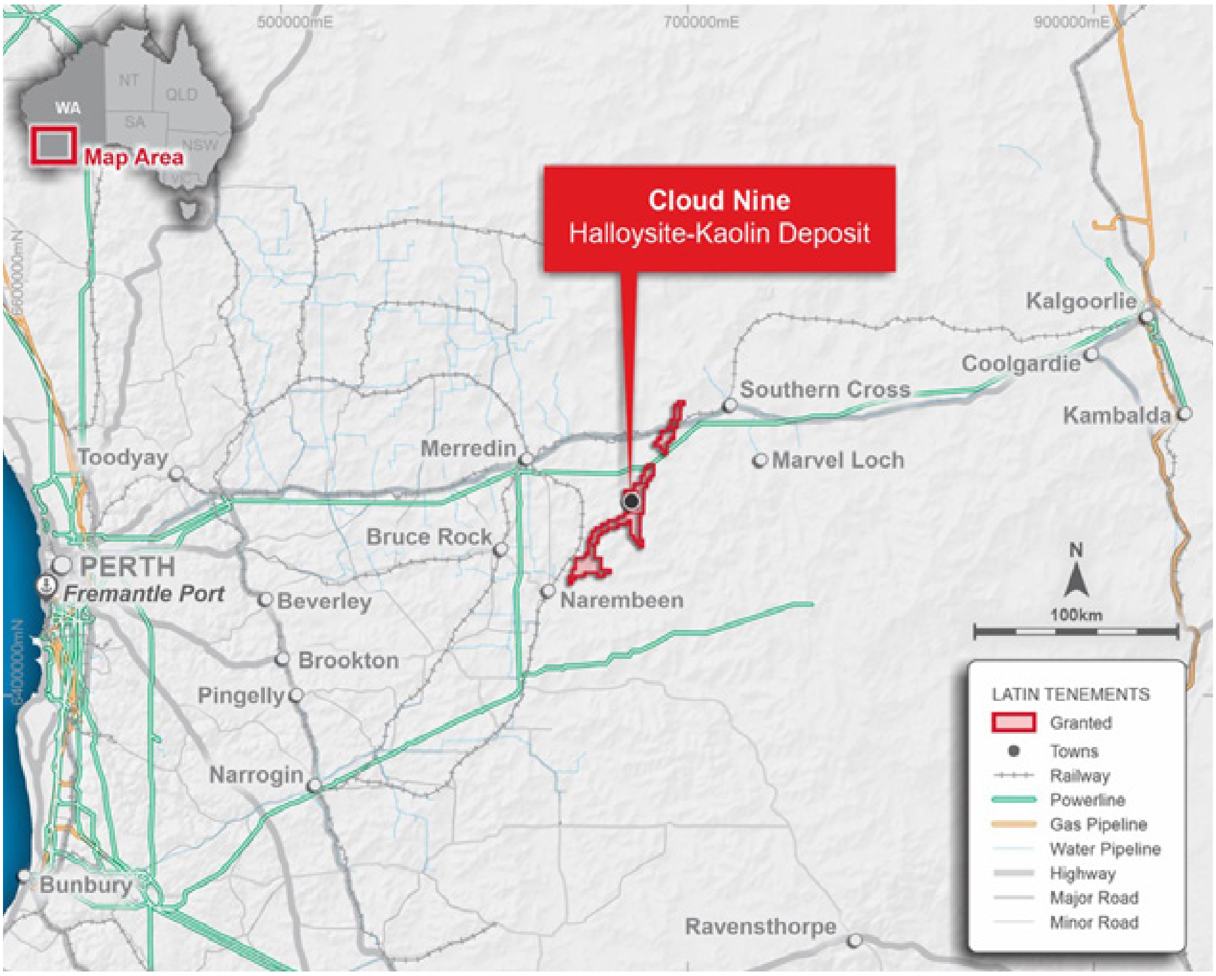

Figure 5: *Cloud Nine tenure and location map*

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The Cloud Nine project has put the Company on the map in the emerging kaolin-halloysite sector and provides the best opportunity to transform the Company from explorer to producer within a relatively brief period.

1.2. CLOUD NINE HALLOYSITE-KAOLIN DEPOSIT – MERREDIN, WESTERN AUSTRALIA

The Company's 100%-owned Cloud Nine Halloysite-Kaolin Deposit ("Cloud Nine") is located east-southeast of Merredin, Western Australia.

Following the discovery of the Cloud Nine Halloysite-Kaolin Deposit in 2020, the Company significantly advanced the deposit during the reporting period.

At the start of the period, the Company completed multiple drilling campaigns including first pass 400m x 400m Phase I, and 200m x 200m infill drilling. A total of 197 holes were drilled for 4,431 metres, with 747 composite samples delivered to the laboratory for analysis.

The analysis has confirmed the presence of a consistent flat-lying blanket of ultra-bright white kaolinite across the area tested, containing high-grade halloysite mineralisation.

> "The Company significantly advanced the deposit during the reporting period.

Best results included:

- **NBAC017:** 18m @ 13% halloysite, 68% Kaolinite, 79 ISO-B from 2m[3]
  - Incl. 8m @ 20% halloysite, 68% Kaolinite, 81 ISO-B from 2m
- **NBAC015:** 32m @ 12% halloysite, 76% Kaolinite, 81 ISO-B from 13m[3]
  - Incl. 13m @ 29% halloysite, 46% Kaolinite, 79 ISO-B from 32m
- **NBAC119:** 26m @ 24% halloysite, 57% Kaolinite, 80 ISO-B from 8m[4]
  - Incl. 8m @ 35% halloysite, 61% Kaolinite, 80 ISO-B from 8m
- **NBAC081:** 41m @ 12% halloysite, 72% Kaolinite, 81 ISO-B from 6m[4]
  - Incl. 12m @ 24% halloysite, 52% Kaolinite, 82 ISO-B from 22m
- **NBA159:** 23m @ 13% halloysite, 73% Kaolinite, 80 ISO-B from 11m[5]
  - Incl. 12m @ 22% halloysite, 71% Kaolinite, 82 ISO-B from 11m and 4m @ 44% halloysite, 45% Kaolinite, 84 ISO-B from 19m
- **NBAC161:** 3m @ 19% halloysite, 70% kaolinite, 79 ISO-B from 11m[5]
  - Incl. 8m @ 31% halloysite, 63% Kaolinite, 82 ISO-B from 17m

Figure 6: *Air-core infill drilling at the Cloud Nine Deposit, Merredin WA*

3. Refer to ASX Announcement dated 24 February 2021

4. Refer to ASX Announcement dated 8 April 2021

5. Refer to ASX Announcement dated 28 April 2021

In May, the Company announced a maiden Mineral Resource estimate for Cloud Nine, completed by independent consultancy RSC Global Pty Ltd ("RSC").

A global Inferred Mineral Resource of 207 million tonnes[6] of kaolinised granite was estimated (Figure 3), comprising two separate domains:

- 123 million tonnes of bright white kaolin-bearing material; and
- 84 million tonnes of kaolin/halloysite-bearing material.

The halloysite sub-domain yields 50Mt grading 6% halloysite using 1% halloysite cut-off, or 27Mt grading 8% halloysite using a 5% halloysite cut-off within the minus 45-micron (45 µm) subfraction. The large-scale of the Mineral Resource places Cloud Nine as a globally significant halloysite project, and with exceptional growth potential remaining, given the deposit is open in all directions.

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.

The close-spaced holes, completed along a 1km north-south line and a 1km east west line, 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 has 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), has been defined over an area approaching one square kilometre.

These exceptional results give the Company confidence to commence fast tracking of mining and other related studies, focused on an initial simple Direct Shipping Ore ("DSO") operation for the ultra-bright 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.

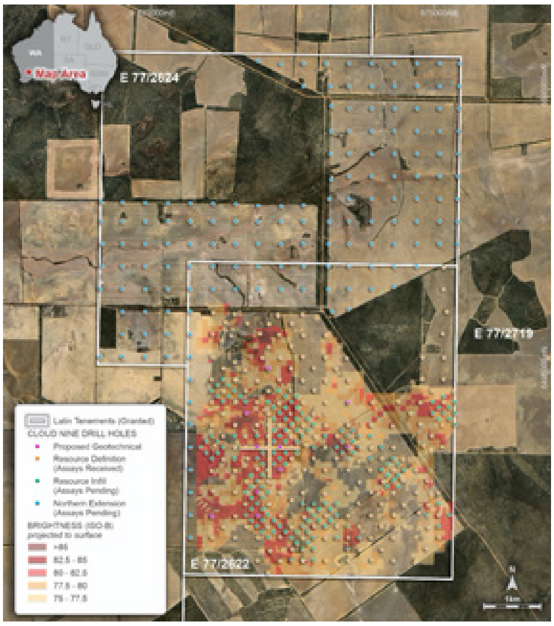


Figure 7: *Cloud Nine Deposit, Merredin WA – showing air core drill collar locations over the Resource estimate block model coloured by kaolin brightness*

> **"It has provided the Company with an outstanding opportunity to push towards development and has added enormous value to the Company.**

6. Refer to ASX Announcement dated 31 May 2021

1.2.1. METALLURGICAL TESTWORK PROGRAM

As a part of the Mineral Resource infill drilling program, the Company collected two separate metallurgical bulk samples for preliminary testwork. Specialist consultants, working with Nagrom Metallurgical Laboratories in Perth, are well advanced on this work, which is aimed at determining the most suitable unit operations to extract an on-grade kaolin/halloysite concentrate. Early results from size by assay and attritioning tests have shown that a significantly improved yield can be achieved in the fine fractions, with work now optimising the unit operations to further increase the recovery of the kaolin/halloysite concentrate.

The final process flowsheet will provide detailed mineralogical and metallurgical inputs for PFS and potential DSO product.

1.2.2. ALTERNATE ANALYSIS PATHWAY DEVELOPMENT

The Company experienced significant delays in the return of assay results. In order to combat this and de-bottleneck the analytical workflow, the Company worked with Cloud Nine 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.

1.2.3. CRC CARE HALLOYSITE R&D PROJECT

In November, the Company executed a binding agreement with world renowned CRC CARE Pty Ltd ("CRC CARE") to research and develop emission reduction technologies, utilising the Company's halloysite mineral from the Cloud Nine deposit in WA.

CRC CARE is an independent organisation that works with end users to perform research, develop technologies and provide policy guidance for assessing, cleaning up and preventing contamination of soil, water and air. Previous collaborators include BHP, Rio Tinto and the Australian Department of Defence. CRC CARE scientists have extensive experience in clay research, leading to environmental products with commercial applications.

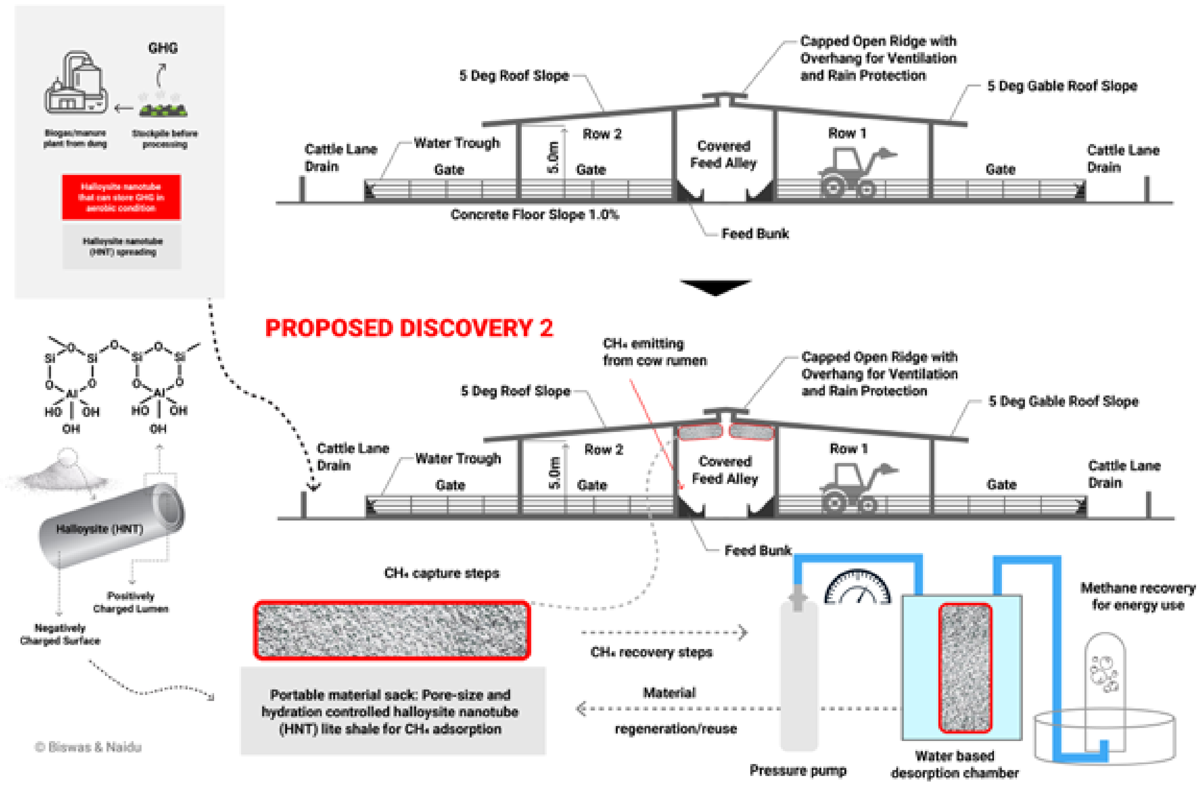
Under the agreement reached with CRC CARE, complementary to its current activities that include exploration for halloysite at its 100% owned Cloud Nine deposit in WA, Latin will fund two key research projects running in parallel to the extent of $3.2m over a three-year period. The $3.2m is the maximum 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 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 November, the Company executed a binding agreement with world renowned CRC CARE to research and develop emission reduction technologies.

Feedlot facilities where cattle eat and expel methane, and other greenhouse gases are produced by farm activities



Halloysite for methane emission reduction in the cattle industry

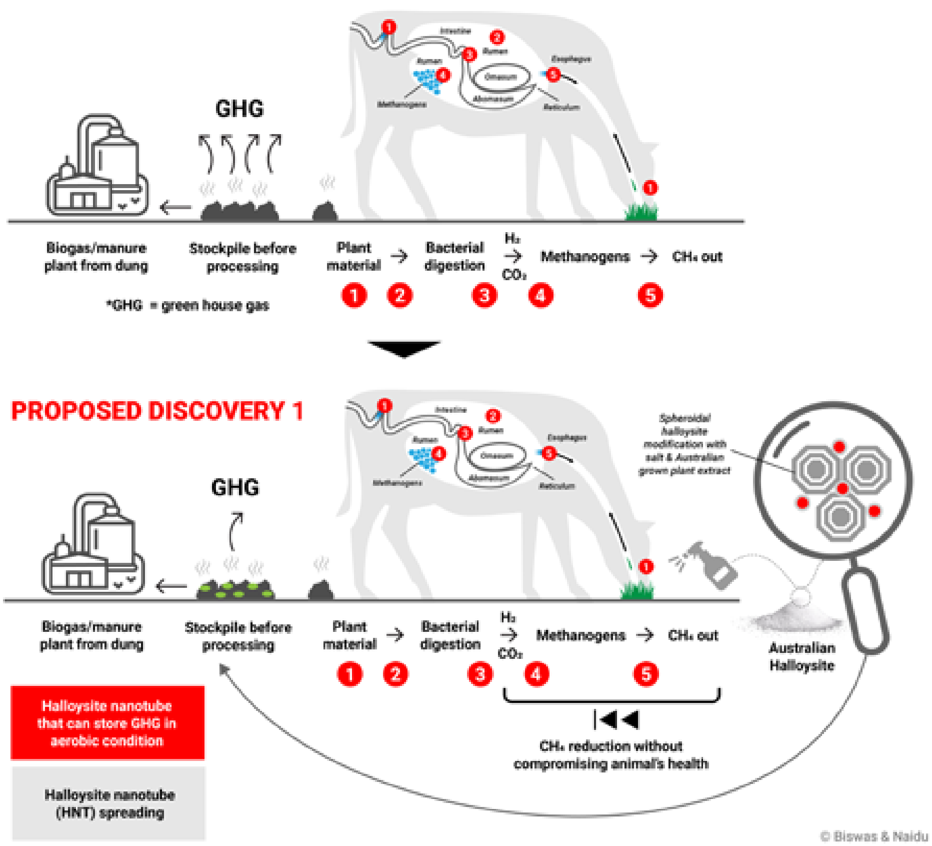


Figure 8: *Proposed CRC CARE research projects*

Figure 9: *Soil Sampling at the Peep O'Day Gold Prospect, Yarara Project NSW*

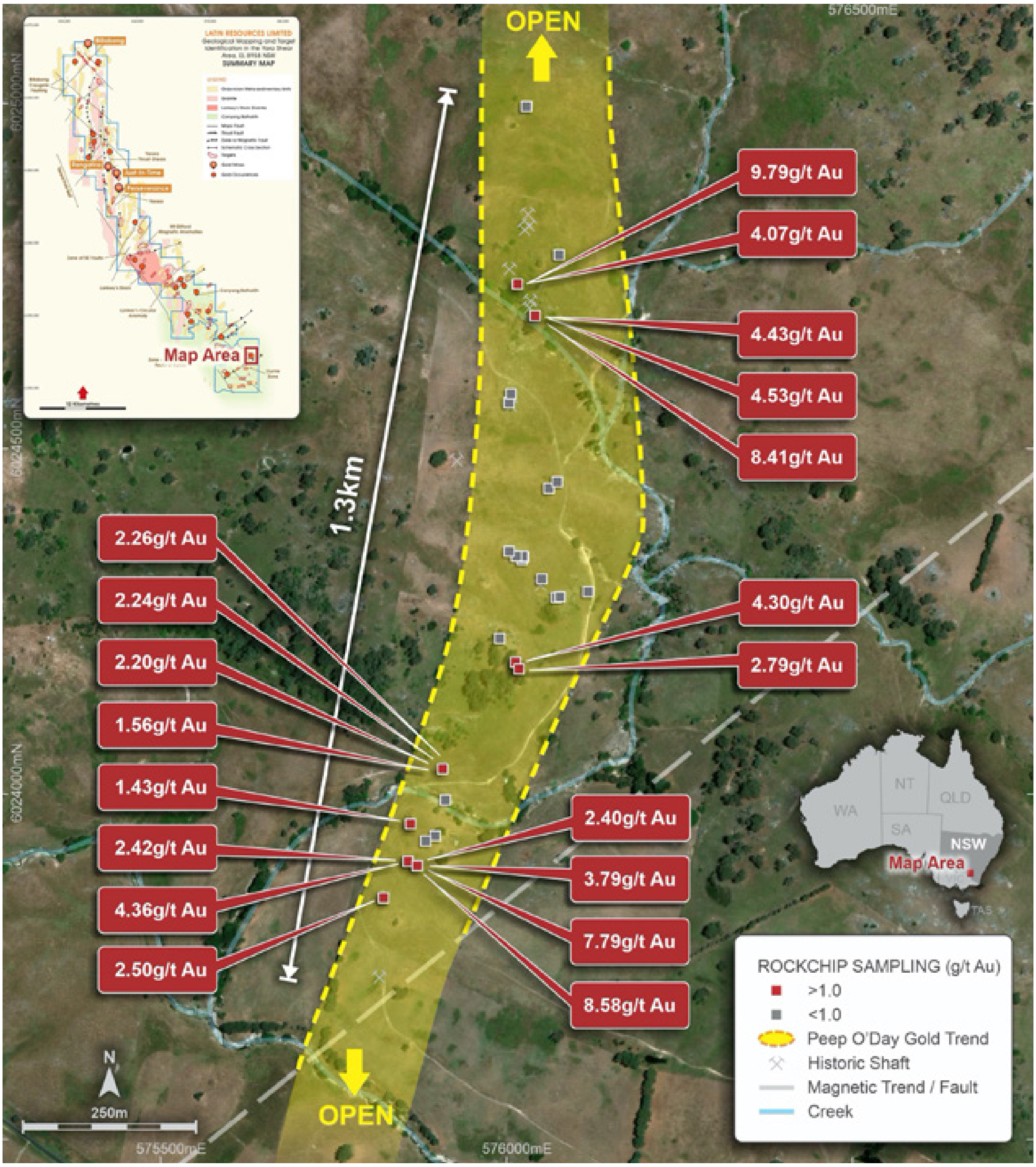


Figure 10: *Peep O'Day Gold Prospect showing rock chip sample location and gold grades*[7]

7. Refer to ASX Announcement dated 24 June 2021

1.2.4. CLOUD NINE - NEXT STEPS

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

The Company is progressing initial desktop scoping studies, including detailed metallurgical test work, updating of the geological model and other preliminary studies.

The objective of the studies is to consider the opportunity for a capital light approach to development through mining and selling an initial DSO product, while the Company continues more detailed studies and metallurgical test work to assess opportunities associated with a more processed and potentially higher value kaolin product.

It is anticipated that this work will lead to an upgrade of the Maiden JORC Inferred Mineral Resource estimate, once all results from the infill drilling have been received. It is expected that this will result in an increase in the JORC classification to Indicated status, with the potential to bring some areas into the measured status.

Other site works proposed for 2022 include additional geotechnical drilling, bulk sampling for additional metallurgical test work and the production potential offtake product samples, baseline environmental studies and preliminary mine design and costings.

1.3. ARGENTINIAN LITHIUM PROJECTS

In June 2020, Latin announced it had signed a joint venture agreement on the Company's Catamarca lithium pegmatite projects with Argentinian investment group Integra Capital S.A. Integra has a diversified portfolio in more than 10 countries and is one of Argentina's largest lithium explorers, holding more than 400,000 hectares of lithium brines projects in Jujuy and Catamarca provinces.

Integra will spend up to US$1 million (A$1.4 million) under a Joint Venture that will underpin an aggressive exploration program on the Catamarca concessions.

Under the JV, Latin will be free-carried through initial exploration with financing for the construction of the processing plant to be in line with percentage ownership between Integra and Latin of the project partnership at the time of the Final Investment Decision.

No field work was undertaken during the reporting period due to increased exposure of Covid in 2021, however the Company is finalising plans for field work to commence in the second quarter of 2022.

1.4. MT-03 COPPER PROJECT – PERU

On-ground activities on the MT-03 Copper Project continued to be delayed because of Covid-19 lockdown restrictions in Peru.

A detailed ground magnetic survey has been completed over the MT-03 anomaly to assist in the targeting of the planned maiden drill testing of the initial anomaly. SGS Perth completed the modelling of the data and have advised of recommended drill testing of the magnetic anomaly.

Drill permitting has commenced with exploration drilling to commence in the June quarter 2022.

1.5. OTHER PROJECTS

The Company has a number of other Australian projects, including the Big Grey Project in the Patterson region of WA and the Yarara Project in NSW.

On-ground mapping and reconnaissance prospecting work and a detailed systematic surface geochemical sampling programs were undertaken across a number of target area across the Company's extensive NSW tenement portfolio, including at the Peep O'Day Prospect within the NSW Yarara Project in 2021.

Analysis of 57 rock chip samples collected along the historic Peep O'Day workings have returned numerous samples with grades greater than 1.0 g/t Au, with a peak of 9.79 g/t Au over a strike extent of 1.3km, with the structure open along strike to the north and south (Figure 10).

> "The large-scale of the Mineral Resource places Cloud Nine as a globally significant halloysite project.

Proposed follow up work at the Peep O' Day Prospect includes a detailed drone magnetic survey to assist in identifying potential cross cutting controlling structures, and initial drill testing of the highlighted gold bearing structure.

Wet weather and Covid-19 related restrictions impacted further programs on our NSW projects. The exploration team in NSW spent time compiling historic data and progressing land access negotiations during the halt in field operations.

Due to a focus on Cloud Nine and Salinas, the Company is assessing divestment or joint venture opportunities for these projects.

2. INVESTMENTS

In 2018, the Company sold a group of projects in Peru to TSX-V listed Westminster Resources Limited (later renamed Solis Minerals Ltd.) for cash and scrip. In December of 2021, Solis completed a dual-listing onto the Australian Securities Exchange (ASX), with Latin retaining a strategic 13.14% shareholding in Solis.

Latin has invested a total of $683,816 into Solis Minerals which is valued at $1.6million as at 31 December 2021.

Solis holds three large-scale high-quality projects in one of the world's richest copper districts in the Andes porphyry copper belt. The newly acquired Mostazal Copper Project in Chile contains eight exploitation licenses totalling 16 km2.

Solis commenced its maiden drill program at Mostazal in January 2022.

Preliminary interpretation of the geophysical data indicate mineralisation at surface has a striking correlation to four deeply rooted magnetic anomalies – two of which measure a combined 1.6km in diameter.

Detailed historical resource studies have been produced along with 60 drill holes totalling 11,380 m. Mostazal is host to historical and recent small-scale production.

Further information on Solis Minerals can be found at solisminerals.com.

Competent Person Statement:

The information in this announcement that relates to Mineral Resource estimates, Exploration Results and general project comments is based on information compiled by Antony Greenaway, a Competent Person who is a Member of The Australian Institute of Geoscientists. Mr. Greenaway is an employee of Latin Resources. Mr. Greenaway has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Greenaway consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

No new information that is considered material is included in this document. All information relating to exploration results has been previously released to the market and is appropriately referenced in this document. JORC tables are not considered necessary to accompany this document.

03 Director's Report

03 Director's Report

The directors present their report together with the financial statements of the Group consisting of Latin Resources Limited (Latin or the Company) and its subsidiaries (together the Group) for the year ended 31 December 2021.

DIRECTORS

The names and details of the Company's directors in office during the financial period and until the date of this report are set out below. The directors were in office for this entire period unless otherwise stated.

DAVID VILENSKY (Independent Non-Executive Chairman)

David Vilensky is a practising corporate lawyer and an experienced listed company director. He is the Managing Director of Perth law firm Bowen Buchbinder Vilensky and has more than 35 years' experience in the areas of corporate and business law and in commercial and corporate management. Mr Vilensky practises in the areas of corporate and commercial law, corporate advisory, mergers and acquisitions, mining and resources and complex dispute resolution.

Mr Vilensky acts for a number of listed and public companies and advises on directors' duties, due diligence, capital raisings, compliance with ASX Listing rules, corporate governance and corporate transactions generally.

Mr Vilensky is also a non-executive director of ASX listed telecommunications company, Vonex Ltd (ASX:VN8) and Oar Resources Limited (ASX: OAR).

Mr Vilensky holds a BA LLB degree from the University of Cape Town and is a Member of the Law Society of Western Australia".

CHRISTOPHER GALE (Executive Director)

Christopher (Chris) Gale is the Executive Director of Latin Resources. Mr Gale has extensive experience in senior management roles in both the public and private sectors, especially in commercial and financial roles. He has also held various board and executive roles at several mining and technology companies during his career.

Mr Gale is also a non-executive Chairman of Solis Minerals Limited (ASX:SLM TSXV: SLMN) (appointed July 2018) and Executive Chairman of Oar Resources Limited (ASX: OAR). Chris is the former Chairman of the Council on Australian Latin American Relations (COALAR) established by the Australian Government Department of Foreign Affairs and Trade (DFAT) from 2012 to 2018.

He is a founding director of Allegra Capital, a boutique corporate advisory firm based in Perth and is a member of the Australian Institute of Company Directors (AICD).

BRENT JONES (Non-Executive Director)

Mr. Jones is an experienced financial services professional who has held numerous directorships and managerial positions. Currently Mr Jones acts as Managing Director of Professional Services at Sequoia Financial Group (ASX:SEQ). A national supplier of diversified professional services to the Accounting and Advice industry.

As a professional and personal investor Mr Jones has been exposed to numerous M&As, IPOs, capital raisings, early seed funding and development funding activities.

Mr. Jones has a degree in Information Technology from Monash University, is a member of the National Tax and Accountants Association and is a Graduate of the Australian Institute of Company Directors (AICD).

Other directorships of Australian listed companies held by Mr Jones in the last three years are: Nil

PABLO TARANTINI (Non-Executive Director)

Mr. Tarantini is experienced professional in the mining industry. He has served as Executive Director of the Argentinian Bureau of Investment and International Trade, coordinating investment initiatives, and contributing with his vast experience in several industries and countries. In that role, Mr Tarantini worked together with mining companies settled in the country and supported the promotion of the mining activity in Argentina, along with the Argentinian Secretary of Mining.

He has served as President and Executive Director of SAPISA and Minera Don Nicolás, an Argentinian private fund and one of its investments in the mining sector, respectively. Minera Don Nicolas is the first mining project based on Argentinian capital. He has also served as M&A Director at General Electric and Advent International Corporation for Latin America, and as Manager at A.T. Kearney. In all these roles, he carried out businesses and projects at the regional level.

Mr. Tarantini is a Public Accountant and holds a Bachelor's Degree in Business Administration from Universidad Católica Argentina (UCA)and a Master in Business Administration from Harvard Business School.

Other directorships of Australian listed companies held by Mr Tarantini in the last three years are: Nil

DIRECTORS' SHARES AND SHARE RIGHTS

As at the date of this report, the interests of the Directors in the shares and options of Latin are as follows:

Director	Ordinary shares Number	Share rights Number	Loan funded shares	Share options Number
David Vilensky	16,554,908	1,740,895	1,000,000	-
Brent Jones	30,288,854	1,343,283	1,000,000	15,833,250
Chris Gale	18,901,062	7,925,373	2,000,000	40,000
Pablo Tarantini	-	-	-	-

COMPANY SECRETARY

Sarah Smith

Ms Smith holds a Bachelor of Business and is a Chartered Accountant with significant experience in the administration of ASX listed companies, as well as capital raisings and IPOs, due diligence reviews and ASIC compliance.

PRINCIPAL ACTIVITIES

The principal activities during the year of entities within the consolidated entity were the exploration and evaluation of mining projects in Australia, Peru, Argentina and Brazil.

FINANCIAL REVIEW

Results

The consolidated loss after tax of the Group for the year ended 31 December 2021 was $4,366,344 (2020: profit of $2,323,304).

The result comprises of finance expenses of $0.7million (2020: $0.4 million), employee benefits expense of $1.4 million (2020: $1.9 million) and other income and expense items $2.4million (2020: $0.9 million). Last year result comprises of gain from discontinued operation of $4.7 million and reversal of prior year impairment of $0.8 million.

Assets

Total assets increased by $1.7 million during the year to $15 million. The movement primarily comprised of an increase in exploration expenditure of $4.7 million, an increase in trade and other receivable of $0.4 million and an increase in investments of $ 0.7 million, which were offset with the decrease in cash of $3.9 million.

Liabilities

Total liabilities decreased by $0.6 million to $1.7 million during the year. The decrease was due to the decrease in interest bearing loans and borrowings by about $0.9 million and an increase in trade and other payables of $0.3 million.

Equity

Total equity increased by $2.2 million during the year to $13.3 million. The increase reflects the current period loss of $4.4 million for the year together with an increase in share capital of $3.4 million.

Shareholder returns

The Company's share price decreased during the period however the market capitalisation of the company increased due to share and placement issues to fund the Company's defined strategic direction in the area of lithium in line with its long- term strategy of mineral exploration in South America.

Shareholder returns for the last 5 years is as follows:

	December 2021	December 2020*	December 2019	December 2018	December 2017
Profit/(Loss) attributable to the Group ($)	(4,366,344)	2,323,304	(5,539,154)	(5,553,476)	(2,381,967)
Basic earning/(loss) per share (Cents)	(0.3)	0.4	(3.7)	(0.2)	(0.12)
Dividends ($)	Nil	Nil	Nil	Nil	Nil
Closing share price ($)	$0.029	$0.033	$0.005	0.003	0.011
Total shareholder return (%)	(12)	560	(93)	(73)	(8)

*Refer Note 31: Adjustment of Comparatives

DIVIDENDS

No amounts have been paid or declared by way of a dividend since the end of the previous financial period and up until the date of this report. The Directors do not recommend the payment of any dividend for the financial year ended 31 December 2021.

LIQUIDITY AND CAPITAL RESOURCES

The Group's principal source of liquidity as at 31 December 2021 is cash and cash equivalents of $642,784 (2020: $4,533,257).

Funding for 2022 is expected from a combination of capital raisings, and the conversion of options.

SHARES, SHARE RIGHTS AND OPTIONS

As at 31 December 2021 the Company had 1,422,776,263 fully paid Shares on issue, 4,000,000 loan funded unquoted shares on issue, 508,570,167 Share Options on issue.

Shares

A total of 227,865,952 fully paid ordinary shares were issued during the year. A breakdown of the shares issued is shown at Note 18 of the financial statements.

Share rights

During the year 10,280,597 deferred share rights and 26,417,910 incentive rights were issued to directors and 4,112,239 deferred share rights and 10,567,164 incentive rights were converted in accordance with the share right plan approved by the shareholders.

Options

During the year 49,125,000 options were issued and 190,203,214 options were exercised during the period.

As at the date of this report there were 508,570,167 Share Options on issue.

Option holders do not have the right, by virtue of the option, to vote or participate in any share issue of the Company or any related body corporate.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Group other than those listed above.

RISK MANAGEMENT

The Board is responsible for identifying business risks and implementing actions to manage those risks and corporate systems to assure quality. The Board delegates these tasks to management who provide the Board with periodic reports identifying areas of potential risks and the safeguards in place to efficiently manage material business risks. Strategic and operational risks are reviewed at least annually as part of the forecasting and budgeting process.

The Executive Director and Chief Financial Officer have provided assurance in writing to the Board that they believe that the Group's material business risks are being managed effectively and that the Group's financial reporting, risk management and associated compliance and controls have been assessed and are operating effectively so far as they relate to the financial report.

SIGNIFICANT EVENTS AFTER BALANCE DATE

On 28 February 2022, the Company announced that it has executed an Options Funding Agreement to receive funding of $2,500,000 (face value $2,750,000) from Lind Asset Management XII, LLC. The Company will repay the funding progressively with proceeds from LRSOC options as they are exercised, or earlier, at the Company's election. The Company also issued 35,000,000 unlisted LRS options to Lind Asset Management, exercisable at $0.05 on or before 31 March 2026.

On 4 March 2022, Director Brent Jones has exercised 5,000,000 LRSOC Options to acquire 5,000,000 fully paid ordinary shares for a total consideration of $60,000.

IMPACT OF COVID-19

The Group has exploration projects in Latin America (Peru, Argentina and Brazil) where the region has been badly affected by COVID-19. Despite the situation, the Group has managed to undertake ground exploration in some areas during the period and made the assessment that there has been no significant impact on the performance or financial position of the Group as at 31 December 2021 due to COVID-19.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

In 2022, the Group intends to continue to progress its mineral projects in commodities that progress global efforts towards Net Zero emissions both in Australia and Latin America. The Group will also continue to look for other opportunities that will create value for its shareholders.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group carries out exploration and evaluation activities at its operations in Peru and Argentina which are subject to environmental regulations. During the year there has been no significant breach of these regulations.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the year insurance premiums were paid to insure the Directors and officers against certain liabilities arising out of their conduct while acting as a director or an officer of the Company. Under the terms and conditions of the insurance contract, the nature of the liabilities insured against and the premium paid cannot be disclosed.

DIRECTORS' MEETINGS

The number of meetings of directors (including meetings of committees of directors) held for the year ended 31 December 2021 and the number of meetings attended by each director is as follows:

Director	Board meetings held	Board meetings attended
David Vilensky	9	9
Chris Gale	9	9
Brent Jones	9	9
Pablo Tarantini	9	7

COMMITTEE MEMBERSHIP

During the year the Board did not set up separate Committees. The Board carried out the duties that would ordinarily be carried out by the Nomination, Remuneration and Audit and Risk Management Committees.

CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance statement is located on the Company's website at www.latinresources.com.au.

DIVERSITY

Latin strives to be an equal opportunity employer and we will not discriminate against prospective employees based on gender or any other non-skill related characteristic. We pride ourselves on the diversity of our staff and encourage suitably qualified young people, women, people from cultural minorities and people with disabilities to apply for positions.

Whilst efforts will be made to identify suitably qualified female candidates and candidates from a diversity of backgrounds when seeking to fulfil positions, the Company does not believe it is meaningful, nor in the best interests of shareholders to set formal targets for the composition of employees based on gender or any other non-skill related characteristic nor detailed policies in this regard.

The Board has established a policy regarding diversity and details of the policy are available on the Company's website. Gender composition of the Group's workforce for the 2021 year is included in the Company's Corporate Governance Statement

AUDITORS' INDEPENDENCE DECLARATION

The auditors' independence declaration is set out on page 69 and forms part of the Directors' report for the year ended 31 December 2021.

Non-audit services

Non-audit services provided by the Group's auditor Hall Chadwick during the year ended 31 December 2021 is shown at Note 27 of the financial statements.

The directors are satisfied that the provision of non-audit services, during the year by the auditor is compatible with the general standard of independence for auditors imposed by the *Corporation Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 31 December 2021 outlines the remuneration arrangements of the Group in accordance with the requirements of the *Corporations Act 2001* (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly and indirectly, including any director (whether executive or otherwise) of the parent company.

For the purposes of this report, the term executive includes executive directors and other senior management of the Group.

DIRECTOR AND SENIOR MANAGEMENT

Non-executive directors

David Vilensky	Non-Executive Chairman
Brent Jones	Non-Executive Director
Pablo Tarantini	Non-Executive Director

Executive director

Chris Gale	Executive Director

Other Executives

Sarah Smith	Company Secretary
Yugi Gouw	Chief Financial Officer
Anthony Greenaway	Exploration Manager

REMUNERATION GOVERNANCE

Remuneration Committee

The Board carries out the duties that would ordinarily be carried out by the Remuneration Committee under the Remuneration Committee Charter including the following processes to set the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

The Board approves the remuneration arrangements of the Executive Director and other executives and all awards made under incentive plans following recommendations from the Remuneration Committee.

The Board also sets the remuneration of Non-executive directors, subject to the fee pool approved by shareholders.

The Board approves, having regard to the recommendations of the Executive Director, the level of incentives to other personnel and contractors.

The Board seeks external remuneration advice as and when required to ensure it is fully informed when making remuneration decisions. Remuneration advisors are engaged by and report directly to the Board. No consultants were used or paid by the Group during the year.

NON-EXECUTIVE DIRECTOR REMUNERATION ARRANGEMENTS

The Board seeks to set aggregate remuneration at a level that provides the Group with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The Constitution and the ASX listing rules specify that the aggregate remuneration of Non-executive directors shall be determined from time to time by a general meeting of shareholders. The current limit is $350,000 which remains unchanged from when the company first listed on the ASX.

Non-executive directors are remunerated by way of fees based on remuneration of executive directors of comparable companies and scope and extent of the Company's activities. Non-executive directors are also entitled to participate in the Non-executive director Deferred Rights plan which was re-approved by shareholders on 31 July 2020. Directors do not receive retirement benefits nor do they participate in any incentive programs.

During the year 10,280,597 deferred share rights were issued to directors and 4,112,239 deferred share rights were converted on 2 March 2021 in accordance with the share right plan approved by the shareholders.

Non-executive director Deferred rights plan

The Non-Executive Director Deferred Rights Plan was re-approved by shareholders on 31 July 2020 for the purpose of retaining Non-executive directors, controlling the cash cost of directors fees and aligning the interests of Non-executive directors with shareholders and providing them with the opportunity to participate in the future growth of the Group.

Under the plan the Group may offer share rights to Non-executive directors of the Company. Share rights issued under the Deferred rights plan comprise of retention rights being rights that vest and may be exercised into Restricted Shares, based on completion of a period of service.

The Board in their absolute discretion determine the number of share rights to be offered and the criteria that may apply. Offers made under the Deferred rights plan must set out the number of share rights, the vesting conditions and the measurement period.

The retention rights are issued for no consideration, however, the vesting of the benefits are conditional on achieving certain measurable performance measures. The performance measure for retention rights is the completion of service for the year. Vesting of the share rights is measured over a three-year interval after the commencement of the respective measurement period. At the end of the measurement period and subject to the performance measures, each share right will convert into one ordinary share in the Company. The Group is aware that the vesting of share rights is treated as income to executives and attracts tax in a similar manner to cash payments irrespective of the executive selling or retaining the resulting shares.

The maximum percentage of base remuneration that a Non-executive director may receive in share rights is 100% which is pre-determined based on the advice of the remuneration consultant.

Where a non-executive director or employee ceases employment prior to their incentives vesting due to resignation or termination for cause, incentives will be forfeited. Where a non-executive director or employee ceases employment for any other reason, they may at the Board's discretion, retain a number of unvested share rights on a pro-rata basis to reflect their period of service during the measurement period. These unvested share rights only vest subject to meeting the relevant performance measures.

The Board will not seek any increase in the aggregate remuneration for the Non-executive director pool at the AGM.

EXECUTIVE REMUNERATION ARRANGEMENTS

The Group aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group that is competitive by market standards and aligns their interests with those of shareholders.

Executive remuneration consists of fixed remuneration and variable remuneration comprising short term incentives and long-term incentives.

Fixed remuneration

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Fixed remuneration is reviewed annually by the Board through a process that considers individual performance, Group performance and market conditions.

Variable remuneration

The Company established an Incentive Rights Plan (the Plan) that was re-approved by shareholders on 31 July 2020 and applies to full time and permanent part time employees and contractors.

The Plan provides the Company with a range of incentives to attract, retain and align the interest of shareholders and employees and contractors.

Short term incentives

Short term incentives (STI) may include cash and shares and are awarded to executives based on the achievement of KPI's. Given the current stage of the Company's evolution and the market conditions for mineral exploration and development companies, any entitlement to STI is determined at the discretion of the Board (Remuneration Committee).

Long term incentives

Long term incentives (LTI) are considered annually by the Remuneration Committee to align remuneration with the creation of shareholder value over the long term.

LTI's can include:

- cash;
- retention rights being rights that vest and may be exercised into Restricted Shares, based on completion of a period of service and comprise no more than third of the LTI value; and
- performance rights, being rights that vest and may be exercised into Restricted Shares, based on achievement of specified performance objectives and comprise no more than two thirds of the LTI value.

The retention and performance rights are issued for no consideration, however, the vesting of the benefits are conditional on achieving specific measurable performance measures that are aligned with the Group's strategic objectives.

The following performance measures were used, in equal weighting:

- Completion of service for the year; and
- Shareholder returns (Total shareholder return of 15% per annum or greater).

Vesting of the LTI is measured over a three-year interval after the commencement of the respective measurement period. At the end of the measurement period and subject to the performance measures, each share right will convert into one ordinary share in the Company. The Group is aware that the vesting of share rights is treated as income to executives and attracts tax in a similar manner to cash payments irrespective of the executive selling or retaining the resulting shares.

The maximum percentage of base remuneration that an executive may receive as a LTI is pre-determined based on the advice of the remuneration consultant. The maximum percentage of base remuneration that the Executive Director can receive is 60% and for other executives it is 45%.

Where a director or employee ceases employment prior to their incentives vesting due to resignation or termination for cause, incentives will be forfeited. Where a director or employee ceases employment for any other reason, they may at the Board's discretion, retain a number of unvested share rights on a pro-rata basis to reflect their period of service during the LTI grant performance period. These unvested share rights only vest subject to meeting the relevant LTI performance measures.

EMPLOYMENT AGREEMENTS AND CONTRACTS

The Group has entered into contracts and agreements with executives the details of which are provided below.

Non-Executive Directors

The Chairman and Non-Executive Directors are elected to the Board by shareholders on rotation. The pool of directors' remuneration, including cash payments for directors' fees and share based incentive remuneration, is approved by shareholders in Annual Meeting.

In accordance with the total directors' fees approved by shareholders, the Board has agreed the following directors' fees to be paid:

- Chairman $64,800 per annum
- Non-Executive directors $50,000 per annum

No committee fees are paid.

Executive Director

The Executive Director is currently employed under a renewed consultancy agreement for a three-year term ending on 30 September 2024. Mr Gale is paid a fixed remuneration of A$359,000 per annum during the year due to an uplift in remuneration from the increase in the market capitalisation of the Company.

The Group may terminate the agreement with or without cause by giving one month and six months' notice respectively. The Executive Director may terminate the agreement with or without cause by giving 21 days and three months' notice respectively. If the agreement is terminated without cause or due to a change of control the Executive Director is entitled to a payment equivalent of up to two year fees, the value of any annual fringe benefits and any vested entitlement under a LTI plan.

The Group retains the right to terminate the agreement immediately by making a payment in lieu of notice for termination by either party without cause.

Exploration Manager

The Exploration Manager is employed under an employment agreement with no fixed term where either party may terminate the agreement with or without cause by giving one month notice.

Company Secretary

The Company Secretary is employed under a consultancy agreement which is ongoing. Either party may terminate the agreement by giving 60 days written notice. The monthly retainer fee for the Company Secretary is $3,000 per month excluding GST with additional fees charged for shareholder meetings and corporate actions.

Chief Financial Officer (CFO)

The current CFO is employed under an employment agreement with no fixed term where either party may terminate the agreement with or without cause by giving one month and three months' notice respectively.

PROHIBITION ON TRADING

The Remuneration policy prohibits directors and employees that are granted shares as a result of share rights from entering into arrangements that limit their exposure to losses that would result from share price decreases. The policy also requires directors, and employees to seek approval from the Company prior to that individual buying or selling any company securities. Directors and employees are not permitted to trade during a closed period. Procedures are in place where trading during a closed period is sought in exceptional circumstances.

Remuneration of key management personnel and executives for the year ended 31 December 2021

12 months to 31 Dec 2021	Short-term benefits			Post-employment	Other long-term benefits	Share-based payments			Total	Performance related	Equity compensation
	Salary & Fees	Bonus	Non-cash benefits	Super	Long service leave	Share rights	Shares	Loan funded shares			
	$	$	$	$	$	$	$	$	$	%	%
Directors											
D. Vilensky	64,800	-	-	-	-	89,366	-	-	154,166	58	-
C. Gale	359,000	15,000	-	-	-	366,746	-	-	740,746	50	-
B. Jones	50,000	-	-	-	-	68,955	-	-	118,955	58	-
P. Tarantini	50,000	-	-	-	-	-	-	-	50,000	-	-
Other KMP											
S. Smith	51,800	-	-	-	-	-	-	-	51,800	-	-
Y. Gouw	117,500	-	-	11,487	-	-	-	-	128,987	-	-
A. Greenaway	144,714	-	-	13,850	-	-	49,000	-	207,564	24	24
Total	**837,814**	**15,000**	**-**	**25,337**	**-**	**525,067**	**49,000**	**-**	**1,452,218**	**40**	**3**

Remuneration of key management personnel and executives for the year ended 31 December 2020

	Short-term benefits			Post-employment	Other long-term benefits	Share-based payments			Total	Performance related	Equity compensation
12 months to 31 Dec 2020	Salary & Fees $	Bonus $	Non-cash benefits $	Super $	Long service leave $	Share rights/ Options [4,5] $	Shares $	Loan funded shares $	$	%	%
Directors											
D. Vilensky	64,800	-	-	-	-	207,465	-	-	272,265	76	-
C. Gale	270,000	20,000	-	-	-	952,303	-	-	1,242,303	77	-
B. Jones	50,000	-	-	-	-	205,336	-	-	255,336	80	-
P. Tarantini[1]	8,333	-	-	-	-	-	-	-	8,333	-	-
Other KMP											
S. Smith	44,150	-	-	-	-	-	8,000	-	52,150	15	15
Y. Gouw[2]	76,410	-	-	7,259	-	-	8,000	-	91,669	9	9
A. Greenaway[3]	38,141	-	-	3,623	-	-	-	-	41,764	-	-
Total	**551,834**	**20,000**	**-**	**10,882**	**-**	**1,365,104**	**16,000**	**-**	**1,963,820**	**70**	**1**

[1] Mr. Tarantini was appointed on 2nd November 2020 as a Non-Executive Director.

[2] Mr. Gouw was appointed on 20thJanuary 2020 as Chief Financial Officer.

[3] Mr. Greenaway was appointed on 11th August 2020 as General Manager – Explorations.

[4] Free attaching LRSOC Options were issued to directors as part of the payment of the outstanding directors' fees which was paid by ordinary shares in accordance with shareholder approval granted on 31 July 2020. The market value of the LRSOC Options was valued at $137,162.

[5] The Group has sought shareholder approval to issue to the Directors share rights based upon meeting performance and tenure conditions commencing in 2020. Due to the impact of Covid 19, the shareholder meeting to approve the issue of the rights did not take place until 10 February 2021. After careful consideration, the Group decided it is more appropriate for share right tranches which relate to 2020 financial period to be reflected in the 2020 financial statements and have adjusted the comparatives accordingly.

The independent valuation carried out by Bentleys for the Notice of Meeting announced on 8 January 2021 was based on share price of $0.015. The high valuation of the share-based payment expense (based on share price of $0.055) was due to accounting valuation prescribed by accounting standard that takes into account the rapid appreciation in the share price, due to extremely positive exploration results between the date when the Notice of Meeting was prepared when the share price was $0.015, and the actual date when the shareholder meeting was held when the share price had appreciated to $0.055 (Refer Note 31: Adjustment of Comparatives). The valuation prescribed by the accounting standard for this report is based on share price of 5.5c.

ADDITIONAL DISCLOSURES RELATING TO REMUNERATION

(a) Share holdings of key management personnel

31 Dec 2021	Balance at start of year	Granted as remuneration	On exercise of options/conversion of rights	Net change other	Balance at end of year
Directors					
D. Vilensky	9,131,579	-	10,550,013	(4,833,333)	14,848,259
C. Gale	8,857,778	-	19,065,193	(12,078,789)	15,844,182
B. Jones	22,055,438	-	1,757,712	166,667	23,979,817
Other KMP					
S. Smith	368,906	-	-	(368,906)	-
Y. Gouw	500,000	-	-	-	500,000
A. Greenaway	100,000	1,000,000	-	-	1,100,000
	41,013,701	**1,000,000**	**31,372,918**	**(17,114,361)**	**56,272,258**

31 Dec 2020	Balance at start of year	Granted as remuneration	On exercise of options	Net change other	Balance at end of year
D. Vilensky	602,366	7,450,000[3]	-	1,079,213	9,131,579
C. Gale	732,874	17,437,500[3]	-	(9,312,596)	8,857,778
B. Jones	1,473,877	20,833,250[3]	999,201	(1,250,890)	22,055,438
Other KMP					
S. Smith	-	500,000	-	(131,094)	368,906
Y. Gouw[1]	-	500,000	-	-	500,000
A. Greenaway[2]	-	-	-	100,000	100,000
	2,809,117	**46,720,750**	**999,201**	**(9,515,367)**	**41,013,701**

[1] Mr. Gouw was appointed on 20th January 2020 as Chief Financial Officer.

[2] Mr. Greenaway was appointed on 11thAugust 2020 as General Manager – Explorations.

[3] At the Annual General Meeting held on 31 July 2020, shareholders approved the settlement of outstanding Directors' fees with fully paid ordinary shares and listed LRSOC options.

Loan Funded Shares

31 Dec 2021	Balance at start of year	Granted as remuneration	On exercise of options	Net change other[1]	Balance at end of year
D. Vilensky	1,000,000	-	-	-	1,000,000
C. Gale	2,000,000	-	-	-	2,000,000
B. Jones	1,000,000	-	-	-	1,000,000
	4,000,000	**-**	**-**	**-**	**4,000,000**

31 Dec 2020	Balance at start of year	Granted as remuneration	On exercise of options	Net change other	Balance at end of year
D. Vilensky	1,000,000	-	-	-	1,000,000
C. Gale	2,000,000	-	-	-	2,000,000
B. Jones	1,000,000	-	-	-	1,000,000
	4,000,000	**-**	**-**	**-**	**4,000,000**

There were no loans to key management personnel during the financial year 2020 and 2021.

ADDITIONAL DISCLOSURES RELATING TO REMUNERATION

In 2018, At the Annual General Meeting held 28 May 2018, shareholders approved the adoption of the Latin Resources Limited Loan Funded Share Plan and also approved the issue of 100,000,000 loan funded shares to directors. The loan funded shares are issued at cost of 1.1 cents per share which is funded by a loan from the Company. The loans are interest free and with limited recourse to the participant and are unquoted shares until the loan has been repaid. The Plan requires the loan to be repaid before the participant can sell their shares. The reduction in the loan funded shares is due to the 1:25 share consolidation done in 2019.

(b) Share right holdings of key management personnel

31 Dec 2021	Balance at start of year	Granted as remuneration	Converted to Shares	Net change other	Balance at end of year
Directors					
D. Vilensky	-	5,802,985	(2,321,194)	-	3,481,791
C. Gale	-	26,417,910	(10,567,164)	-	15,850,746
B. Jones	-	4,477,612	(1,791,045)	-	2,686,567
Other KMP					
S. Smith	-	-	-	-	-
Y. Gouw	-	-	-	-	-
A. Greenaway	-	-	-	-	-
	-	**36,698,507**	**(14,679,403)**	**-**	**22,019,104**

At the Annual General Meeting held on 10 February 2021, shareholders approved 5,802,985 deferred rights to Mr Vilensky and 4,477,612 deferred rights to Mr Brent and 8,717,910 retention rights, together with 17,700,000 performance rights to Mr Gale.

31 Dec 2020	Balance at start of year	Granted as remuneration	Converted to Shares	Net change other	Balance at end of year
D. Vilensky	-	-	-	-	-
C. Gale	-	-	-	-	-
B. Jones	-	-	-	-	-
Other KMP					
S. Smith	-	-	-	-	-
Y. Gouw	-	-	-	-	-
A. Greenaway	-	-	-	-	-
	-	-	-	-	-

ADDITIONAL DISCLOSURES RELATING TO REMUNERATION

(c) Vesting profile of share rights granted to key management personnel

	Number	Grant date	Vested in year (%)	Net change other (%)	Measurement date of share rights
Directors					
C. Gale – Retention Rights					
Tranche 1	3,487,164	10/02/2021	100	-	31/12/2020[1]
Tranche 2	2,615,373	10/02/2021	100	-	31/12/2021[2]
Tranche 3	2,615,373	10/02/2021	-	-	31/12/2022
C. Gale – Performance Rights					
Tranche 1	7,080,000	10/02/2021	100	-	31/12/2020[1]
Tranche 2	5,310,000	10/02/2021	100	-	31/12/2021[2]
Tranche 3	5,310,000	10/02/2021	-	-	31/12/2022
D. Vilensky – Deferred Rights					
Tranche 1	2,321,194	10/02/2021	100	-	31/12/2020[1]
Tranche 2	1,740,895	10/02/2021	100	-	31/12/2021[2]
Tranche 3	1,740,896	10/02/2021	-	-	31/12/2022
B. Jones – Deferred Rights					
Tranche 1	1,791,045	10/02/2021	100	-	31/12/2020[1]
Tranche 2	1,343,284	10/02/2021	100	-	31/12/2021[2]
Tranche 3	1,343,283	10/02/2021	-	-	31/12/2022
Other KMP					
S. Smith	-	-	-	-	-
Y. Gouw	-	-	-	-	-
A. Greenaway	-	-	-	-	-

[1] Tranche 1 of the share rights was converted to shares on 2 March 2021.
[2] Tranche 2 of the share rights was converted to shares on 8 March 2022.

(d) Option holdings of key management personnel

The number of options held by directors and other key management personnel both directly and indirectly are set out below.

31 Dec 2021	Balance at start of year	Granted as remuneration	Exercised	Net change other	Balance at end of year	Vested exercisable	Vested not exercisable
Directors							
D. Vilensky	8,262,152	-	(8,262,152)	-	-	-	-
C. Gale	15,053,748	-	(15,013,748)	-	40,000	-	-
B. Jones	20,833,250	-	-	-	20,833,250	-	-
Other KMP							
S. Smith	-	-	-	-	-	-	-
Y. Gouw	-	-	-	-	-	-	-
A. Greenaway	-	-	-	-	-	-	-
	44,149,150	**-**	**(23,275,900)**	**-**	**20,873,250**	**-**	**-**

31 Dec 2020	Balance at start of year	Granted as remuneration	Exercised	Net change other	Balance at end of year	Vested exercisable	Vested not exercisable
Directors							
D. Vilensky	-	7,450,000[3]	-	812,152	8,262,152	-	-
C. Gale	-	17,437,500[3]	-	(2,383,752)	15,053,748	-	-
B. Jones	-	20,833,250[3]	(999,201)	999,201	20,833,250	-	-
Other KMP							
S. Smith	-	-	-	-	-	-	-
Y. Gouw	-	-	-	-	-	-	-
A. Greenaway	-	-	-	-	-	-	-
	-	**45,720,750**	**(999,201)**	**(572,399)**	**44,149,150**	**-**	**-**

[3] At the Annual General Meeting held on 31 July 2020, shareholders approved the settlement of outstanding Directors' fees with fully paid ordinary shares and listed LRSOC options.

ADDITIONAL DISCLOSURES RELATING TO REMUNERATION

(e) Loans to key management personnel

There were no loans to key management personnel during 2021 and 2020 financial years.

(f) Other transactions with key management personnel

Refer Note 22 for details of other transactions with directors. There were no other transactions with other key management personnel during the current or prior year.

This Report is signed in accordance with a resolution of the Board of Directors.

David Vilensky
Chairman
Signed on 31 March 2022

04. Consolidated Statement of Profit or Loss and other Comprehensive Income

For the twelve months ended 31 December 2021

	Notes	31 Dec 2021 $	31 Dec 2020 $ Restated*
Interest revenue		83	360
Other income and losses	5	99,038	176,522
Depreciation and amortisation expense	13	(24,573)	(16,606)
Employee benefits expense*	6(a)	(1,404,909)	(1,942,830)
Finance expenses	6(b)	(722,073)	(402,429)
Equity share of associated company gain/(loss)	12	(108,140)	42,413
Profit/(Loss) on fair value of financial assets through profit or loss		246,033	6,455
Reversal of impairment	12	-	765,835
Other share based payment	6(c)	(1,316,046)	-
Other expenses	6(d)	(1,135,757)	(1,029,496)
Profit/(Loss) continuing operations before tax*		(4,366,344)	(2,399,776)
Income tax benefit	7	-	-
Profit/(Loss) for the year from continuing operations*		(4,366,344)	(2,399,776)
Profit/(Loss) attributable to owners of the Parent Company*		(4,366,344)	(2,399,776)
Gain/(Loss) from discontinued operation	30	-	4,723,080
Net profit/(Loss) for the period*		(4,366,344)	2,323,304
Other comprehensive income/(expense)			
Items that cannot be reclassified to profit or loss in subsequent periods:		-	-
Items that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translating foreign operations	19	(38,908)	(491,090)
Total comprehensive profit/(loss) for the year attributable to owners of the Parent Company*		(4,405,252)	1,832,214
Profit/(Loss) attributable to:			
Owners of the Parent Company		(4,355,427)	2,323,304
Non-controlling Interests		(10,917)	-
		(4,366,344)	2,323,304
Total comprehensive profit/(loss) attributable to:			
Owners of the Parent Company		(4,394,335)	1,832,214
Non-controlling Interests		(10,917)	-
		(4,405,252)	1,832,214
Basic earning/(loss) per share (Cents)*	8	(0.3)	0.4
Diluted earning/(loss) per share (Cents)*	8	(0.2)	0.2

** Refer to Note 31: Adjustment of Comparatives*

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

05. Consolidated Statement of Financial Position

For the twelve months ended 31 December 2021

	Notes	31 Dec 2021 $	31 Dec 2020 $
ASSETS			
Current assets			
Cash and cash equivalents	9(a)	642,784	4,533,257
Trade and other receivables	10	765,713	331,719
Other assets	11(a)	82,555	43,700
Total current assets		**1,491,052**	**4,908,676**
Non-current assets			
Investments	12	1,627,323	924,860
Plant and equipment	13	116,462	39,347
Other assets	11(b)	-	376,000
Exploration and evaluation assets	14	11,760,126	7,082,034
Total non-current assets		**13,503,911**	**8,422,241**
Total assets		**14,994,963**	**13,330,917**
LIABILITIES			
Current liabilities			
Trade and other payables	15	1,660,416	1,356,643
Interest bearing loans and borrowings	16	-	900,000
Provisions	17	60,654	43,910
Total current liabilities		**1,721,070**	**2,300,553**
Non-current liabilities		-	-
Total non-current liabilities		**-**	**-**
Total liabilities		**1,721,070**	**2,300,553**
Net (deficiency)/assets		**13,273,893**	**11,030,364**
EQUITY			
Contributed equity	18	59,835,942	56,467,554
Reserves	19	15,156,535	12,162,161
Accumulated losses	20	(61,954,778)	(57,599,351)
Parent's Interest		13,037,699	11,030,364
Non-Controlling Interest	20	236,194	-
Total equity		**13,273,893**	**11,030,364**

The above consolidated statement of financial position should be read in conjunction with accompanying notes.

06. Consolidated Statement of Changes in Equity

For the twelve months ended 31 December 2021

	Contributed equity	Share based payment reserve	Foreign currency translation reserve	Accumulated losses	Non-Controlling Interest	Total
	$	$	$	$	$	$
Balance at 1 January 2020	48,218,621	5,067,448	5,899,762	(59,922,655)	-	(736,824)
Profit/(Loss) for the year*	-	-	-	2,323,304	-	2,323,304
Other comprehensive income/(loss)			(491,090)	-	-	(491,090)
Total comprehensive income/(loss)	-	-	(491,090)	2,323,304	-	1,832,214
Issue of shares	7,175,739	-	-	-	-	7,175,739
Share based payments *	1,657,583	1,686,041	-	-	-	3,343,624
Transaction costs	(584,389)	-	-	-	-	(584,389)
Balance at 31 December 2020*	**56,467,554**	**6,753,489**	**5,408,672**	**(57,599,351)**	**-**	**11,030,364**
Balance at 1 January 2021*	56,467,554	6,753,489	5,408,672	(57,599,351)	-	11,030,364
Profit/(Loss) for the year	-	-	-	(4,355,427)	(10,917)	(4,366,344)
Other comprehensive income/(loss)	-	-	(38,908)	-	-	(38,908)
Total comprehensive income/(loss)	-	-	(38,908)	(4,355,427)	(10,917)	(4,405,252)
Issue of shares	2,302,439	-	-	-	-	2,302,439
Share based payments	1,093,516	3,033,282	-	-	-	4,126,798
Issue of Equity in Subsidiary	-	-	-	-	247,111	247,111
Transaction costs	(27,567)	-	-	-	-	(27,567)
Balance at 31 December 2021	**59,835,942**	**9,786,771**	**5,369,764**	**(61,954,778)**	**236,194**	**13,273,893**

** Refer to Note 31: Adjustment of Comparatives.*

The above consolidated statement of changes in equity should be read in conjunction with accompanying notes.

07. Consolidated Statement of Cash Flows

For the twelve months ended 31 December 2021

	Notes	31 Dec 2021 $	31 Dec 2020 $
Cash flows from operating activities			
Receipts from other income		40,077	76,704
Payments to suppliers and employees		(1,790,825)	(1,101,479)
Interest received		83	360
Interest and other charges paid		(10,614)	(48,583)
Net cash flows used in operating activities	9(b)	**(1,761,279)**	**(1,072,998)**
Cash Flows from investing activities			
Payments for plant and equipment	13	(97,705)	(4,806)
Payments to acquire investments		(564,570)	(110,157)
Payments for exploration and evaluation assets		(3,046,001)	(748,495)
Proceeds from disposal of fixed assets		36	-
Payments for security deposits		(38,855)	-
Net cash flows used in investing activities		**(3,747,095)**	**(863,458)**
Cash flows from financing activities			
Proceeds from the issue of equity		2,298,357	7,175,739
Transaction costs of issuing shares		(27,567)	(434,390)
Proceeds from options exercised		-	13,082
Proceeds from / (repayment of) borrowing		(900,000)	(1,018,000)
Proceeds from share issues in subsidiary to outside equity interest		247,111	-
Net cash from financing activities		**1,617,901**	**5,736,431**
Net decrease in cash and cash equivalents		(3,890,473)	3,799,975
Cash and cash equivalents at the beginning of the year		4,533,257	733,282
Net foreign exchange difference		-	-
Cash and cash equivalents at the end of the year	9(a)	**642,784**	**4,533,257**

The above consolidated statement of cash flows should be read on conjunction with accompanying notes.

08. Notes to the Financial Statements

1. CORPORATE INFORMATION

The consolidated financial statements of the Group, being Latin Resources Limited (**the Company** or **Parent**) and its subsidiaries (collectively, **the Group**), for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors on 31 March 2022.

Latin Resources Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described in the directors' report. Information on the Group's structure and other related party relationships is provided in Note 23(c).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis except for certain financial instruments which are fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar unless otherwise stated.

(b) Compliance with IFRS

The financial report also complies with International Financial reporting Standards ('IFRS') as issued by the International Accounting Standards Board.

(c) Change in accounting policy and disclosures.

The accounting policies adopted are consistent with those of the previous financial year except as noted below.

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of Latin Resources Limited and its subsidiaries as at the end of each reporting period.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. Information regarding subsidiaries is disclosed in Note 23(c).

The financial statements of subsidiaries are prepared for the same reporting period as the Parent company, using consistent accounting policies or adjustments are made to the financial statements of subsidiaries to bring their accounting policies in to line with those used by other members of the Group.

In preparing the consolidated financial statements, all inter-company balances and transactions, income and expenses and profits and losses resulting from inter-group transactions, have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

The difference between the above items and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition.

(e) Comparative information

Certain comparative information in the financial report may have been reclassified to aid comparability with the current year.

(f) Going concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group incurred a loss for the period of $4,366,344 (2020: $2,399,776) and net operating cash outflow of $1,761,279 (2020: $1,072,998). As at 31 December 2021, the Group's cash and cash equivalents decreased to $642,784 (2020: $4,533,257) and had a working capital deficit of $230,018.

The directors have prepared a cash flow forecast, which indicates that the Consolidated Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this report. The ability of the Group to continue as a going concern is principally dependent upon the ability of the Group to secure funds by raising capital from equity markets and managing cash flow in line with available funds.

On 28 February 2022, the Company announced that it has executed an Options Funding Agreement to receive funding of $2,500,000 (face value $2,750,000) from Lind Asset Management XII, LLC. The Company will repay the funding progressively with proceeds from LRSOC options as they are exercised, or earlier, at the Company’s election. The Company also issued 35,000,000 unlisted LRS options to Lind Asset Management, exercisable at $0.05 on or before 31 March 2026 (Note 26: Events After The Reporting Period).

Based on the cash flow forecast and other factors referred to above, the Directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Group’s history of raising capital to date and the support from its shareholders, the directors are confident of the Group’s ability to raise additional funds as and when they are required.

Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

(g) Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity’s chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Operating segments have been identified based on the information provided to the chief operating decision makers being the Board.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

The Group determines and presents operating segments based on the information internally provided to the Board.

(h) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties. The following specific recognition criteria must also be met before revenue is recognised:

Interest income

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(i) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in a normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(j) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities related to the same taxable entity and the same taxation authority.

(k) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(l) Leases

Leases in which a significant portion of the risks and rewards of ownership benefits are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to Profit or Loss on a straight-line basis over the life of the lease.

(m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(n) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(o) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the Statement of Financial Position.

(p) Financial assets

Shares held for trading have been classified as financial assets at fair value through profit or loss. Financial assets held for trading purposes are stated at fair value, with any resultant gain or loss recognised in profit or loss. The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. Assets in this category are classified as current assets if they are expected to be realised within 12 months otherwise they are classified as non-current assets.

(q) Property, plant & equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

- Plant and equipment - over 3 to 5 years; and
- Motor Vehicles - over 8 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period the item is derecognised.

(r) Exploration and evaluation expenditure

Expenditure on exploration and evaluation expenditure is accounted for in accordance with the 'area of interest' method. Exploration and evaluation expenditure is capitalised provided the rights to tenure of the area of interest is current and either:

- the exploration and evaluation activities are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or relating to, the area of interest are continuing.

When technical feasibility and commercial viability of extracting a mineral resource have been demonstrated then any capitalised exploration and evaluation expenditure is reclassified as capitalised 'Mine properties in development'. Prior to reclassification, capitalised exploration and evaluation expenditure is assessed for impairment.

The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment at the cash generating unit level whenever facts and circumstances suggest that the carrying value of the asset may exceed its recoverable amount.

An impairment exists when the carrying amount of an asset or cash generating unit exceeds its estimated recoverable amount. The asset or cash generating unit is then written down to its recoverable amount. Any impairment losses are recognised in the statement of profit or loss and other comprehensive income.

Refer Note 3 and 14 for details regarding the impairment charge for the reporting period.

(s) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(t) Deferred consideration

Deferred consideration arises when settlement of all or any part of the cost of an exploration and evaluation properties is deferred.

It is stated at fair value at the date of acquisition, which is determined by discounting the amount due to present value at that date.

Interest is imputed on the fair value of non-interest bearing deferred consideration at the discount rate and capitalised as part of exploration and evaluation properties.

At each balance sheet date deferred consideration comprises the remaining deferred consideration valued at acquisition plus interest imputed on such amounts from acquisition to the balance sheet date.

(u) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

Provisions are measured at the present value of managements best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

(v) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate method (EIR). Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 16.

(w) Employee benefits

Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Long service leave and other employment entitlements

The liability for long service leave and other employment entitlements is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(x) Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in Australian dollars, which is Latin Resources Limited's functional and presentation currency.

Each entity in the Group determines its own functional currency based on the primary economic environment and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency at the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at a rate of exchange ruling at the reporting date.

All exchange differences in the consolidated financial statements are taken to the profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign operation. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in the profit or loss. On disposal of a foreign operation, the cumulative amount recognised in equity relating to that particular foreign operation is recognised in the profit or loss. Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Group companies

The functional currency of overseas subsidiaries within the Group is United States dollars.

The functional currency of these subsidiaries has been translated into Australian dollars for presentation purposes. The assets and liabilities of this subsidiary are translated using the exchange rates prevailing at the reporting date; revenues and expenses are translated using average exchange rates for the period; and equity transactions eliminated on consolidation are translated at exchange rates prevailing at the dates of transactions.

The resulting difference from translation is recognised in a foreign currency translation reserve through other comprehensive income.

(y) Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Group's investment in its associates is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. The statement of profit or loss reflects the Group's share of the results of operations of the associate.

(z) SHARE BASED PAYMENT TRANSACTIONS

Equity-settled share-based payments are measured at the fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of comprehensive income such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

(aa) Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; or
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(bb) DISCONTINUED OPERATION

Recognition and Measurement

A discontinued operation is a component of the Group that has either been disposed of, or is held for sale, and;

- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Profit or loss from discontinued operations, including prior year components of profit or loss, are presented in a single amount in the statement of profit or loss and other comprehensive income. This amount, which comprises the post-tax profit or loss of discontinued operations, is analysed in Note 30.

(cc) APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial year.

3. **SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

In the process of applying the Group's accounting policies management makes judgements. In addition the carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Determination of mineral resources and ore reserves

The Group reports its mineral resources and ore reserves in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2004 Edition (the JORC code) as a minimum standard. The information on mineral resources and ore reserves were prepared by or under the supervision of Competent Persons as defined in the JORC code.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in reserves or resources being restated.

Impairment of Exploration and evaluation assets

The Group accounts for Exploration and evaluation assets in accordance with its policy (refer Note 1(s)).

An impairment exists when the carrying amount of an asset or cash generating unit exceeds its estimated recoverable amount. The asset or cash generating unit is then written down to its recoverable amount. Any impairment losses are recognised in the statement of profit or loss and other comprehensive income.

The Group's projects are considered to not be at the stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

The future recoverability of Exploration and evaluation assets is dependent on a number of factors, including whether the Group decides to exploit the related concession itself or, if not, whether it can successfully recover the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised Exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

Deferred income tax benefit from carried forward tax losses

The future recoverability of the carried forward tax losses are dependent upon Group's ability to generate taxable profits in the future in the same tax jurisdiction in which the losses arise. This is also subject to determinations and assessments made by the taxation authorities.

The recognition of a deferred tax asset on carried forward tax losses (in excess of taxable temporary differences) is dependent on management's assessment of these two factors. The ultimate recoupment and the benefit of these tax losses could differ materially from management's assessment.

IGV/VAT recoverability

Included in the Expenditure and Evaluation assets (Note 14) is an amount that relates to VAT paid by the group that will only be recovered by Peruvian subsidiary through making future sales. A portion of this amount relates to VAT expenditure on Guadalupito Project. The Directors have confirmed that the termination of the Guadalupito project does not impact the rights of the Group to benefit from the total VAT recoverable from future sales.

Tax impact on discontinued operation

The Group has consulted with tax consultant in regards to the gain and loss arising from the discontinued operation. With that understanding, the Group has determined that there is no taxation impact from the discontinued operation.

Share based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuation using a Monte Carlo simulation model, using the assumptions detailed in Note 21 share-based payments.

4. OPERATING SEGMENT INFORMATION

The Group has identified its operating segments in accordance with its accounting policy as set out in Note 2(h) and based on the internal reports that are reviewed and used by the Board (chief operating decision maker) in assessing performance and in determining the allocation of resources. The Group's four operating segments are Australia, Brazil, Peru and Argentina.

The following is an analysis of the Group's revenues, results, assets, liabilities by reportable operating segment.

2021	Australia	Peru	Argentina	Brazil	Discontinued Operations	Total
	$	$	$	$	$	$
Revenue						
Interest revenue	83	-	-	-	-	83
Other income	81,427	10,441	-	-	-	91,868
Total revenue	**81,510**	**10,441**	**-**	**-**	**-**	**91,951**
Results						
Depreciation & amortisation expense	(18,148)	(6,425)	-	-	-	(24,573)
Finance cost	(655,009)	(425)	-	(459)	-	(655,893)
Net foreign exchange gain/(loss)	7,979	(808)	-	-	-	7,171
Other expenses	(2,857,300)	(73,078)	(989,959)	(2,556)	-	(3,922,893)
Share of Associate Company loss	(108,140)	-	-	-	-	(108,140)
Revaluation gain on investment	246,033					246,033
Total expenses	**(3,384,585)**	**(80,736)**	**(989,959)**	**(3,015)**		**(4,458,295)**
Segment profit/(loss)	**(3,303,075)**	**(70,295)**	**(989,959)**	**(3,015)**	-	**(4,366,344)**
Segment assets	**8,096,358**	**2,500,549**	**3,680,019**	**718,037**	-	**14,994,963**
Segment liabilities	**(863,562)**	**(798,968)**	**(28,139)**	**(30,401)**	**-**	**(1,721,070)**
Additions to non-current assets						
Plant & equipment	97,814	-	1,347	-	-	99,161
Exploration & evaluation assets	2,898,223	227,910	68,352	121,732	-	3,316,217
Milestone consideration of exploration assets – Noombenberry Project	985,875	-	-	-	-	985,875
Total additions to non-current assets	**3,981,912**	**227,910**	**69,699**	**121,732**	**-**	**4,401,253**

2020	Australia $	Peru $	Argentina $	Brazil $	Discontinued Operations $	Total $
Revenue						
Interest revenue	360	-	-	-	-	360
Other income	141,698	35,710	-	-	-	177,408
Total revenue	**142,058**	**35,710**	**-**	**-**	**-**	**177,768**
Results						
Depreciation & amortisation expense	(6,082)	(10,524)	-	-	-	(16,606)
Share based payments	(25,337)	-	-	-	-	(25,337)
Finance cost	(399,484)	811				(398,673)
Net foreign exchange gain/(loss)	(7)	(878)	-	-	-	(885)
Other expenses*	(1,900,364)	(213,129)	(64,963)	-	-	(2,178,456)
Share of Associate Company loss	42,413	-	-	-	-	42,413
Exploration and evaluation expenses	-	-	-	-	(4,299,991)	(4,299,991)
Gain on extinguishment of liability	-	-	-	-	10,754,313	10,754,313
Unwinding of interest	-	-	-	-	(1,731,242)	(1,731,242)
Total expenses*	**(2,288,861)**	**(223,720)**	**(64,963)**	**-**	**4,723,080**	**2,145,536**
Segment profit/(loss)*	**(2,146,803)**	**(188,010)**	**(64,963)**	**-**	**4,723,080**	**2,323,304**
Segment assets	**6,717,555**	**2,319,016**	**3,817,784**	**476,562**	**-**	**13,330,917**
Segment liabilities	**(1,391,455)**	**(784,290)**	**(97,268)**	**(27,540)**	**-**	**(2,300,553)**
Additions to non-current assets						
Plant & equipment	4,806	-	-	-	-	4,806
Exploration & evaluation assets	373,449	1,485,505	57,567	7,300	-	1,923,821
Deposit for acquisition of Burdett project	376,000	-	-	-	-	376,000
Total additions to non-current assets	**754,255**	**1,485,505**	**57,567**	**7,300**	**-**	**2,304,627**

Segment loss represents the loss incurred by each segment without allocation of corporate overhead costs. This is the information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

** Refer to Note 31: Adjustment of Comparatives*

5. OTHER INCOME AND LOSSES

	2021 $	2020 $
Sundry income	14,632	112,413
Administration Fees	77,235	64,994
Other	7,171	(885)
	99,038	**176,522**

6. EXPENSES

(a) Employee benefits expense

Employee benefits and Director Fees	(830,842)	(545,726)
Employee and Director Share based payments (refer note 21) [1,2]	(574,067)	(1,397,104)
	(1,404,909)	**(1,942,830)**

[1] Out of Employee share based payments of $574,067 (2020: $1,397,104), the full amount (2020: $1,397,104) was expensed during the year with the nil balance (2020: nil) being capitalised.

[2] *Refer to Note 31: Adjustment of Comparatives*

(b) Finance expenses

Bank fees and charges	(7,305)	(3,755)
Interest expense	(3,216)	(398,342)
Share based payment - Lind Partners[3]	(652,621)	-
Other finance charges	(58,931)	(332)
	(722,073)	**(402,429)**

[3] 20,000,000 Unlisted Options exercisable at $0.03 on or before 1 December 2022 was issued on 29 January 2021 to Lind Partners New York as part of the security funding settlement (Refer to ASX Announcement - 1 February 2021).

(c) Other share based payment

Share based payment – corporate advisory services[4]	(1,316,046)	-
	(1,316,046)	**-**

[4] 25,000,000 Unlisted Option exercisable at $0.03 on or before 12 February 2024 was issued to Euroz Hartleys on 12 February 2021 after receiving shareholder approval on 10 February 2021. The share-based payment was amortised over 18 months in accordance with the agreement, with amount in relation the remaining period classified as prepayment (Refer to Note 10 & 19).

(d) Other expenses

Administration expenses	(267,592)	(210,251)
Corporate expenses	(835,121)	(612,528)
Occupancy expenses	(33,044)	(21,232)
Receivable written-off	-	(160,148)
Share based payments - Other	-	(25,337)
	(1,135,757)	**(1,029,496)**

7. INCOME TAXES

	2021 $	2020 $
The components of income tax benefit comprise:		
Current income tax benefit	-	-
Deferred income tax benefit		
Income tax benefit reported in the consolidated statement of profit or loss and other comprehensive income	-	-
Income tax expense recognised in equity	-	-
Accounting profit/(loss) before tax	(4,366,344)	2,323,304
At the statutory income tax rate of 26% (27.5% in 2020) (in Australia and Peru)	(1,135,249)	638,909
Other non-deductible expenditure for income tax purposes	-	-
R&D tax rebate claim	-	-
Unrecognised tax losses	1,135,249	(638,909)
Income tax benefit reported in the consolidated statement comprehensive income	-	-
Deferred tax assets		
Carried forward revenue losses - Australia	4,692,849	3,840,197
Carried forward revenue losses - Peru	-	-
Carried forward revenue losses - Brazil	186,988	197,776
Carried forward revenue losses - MD (Peru)	4,254	(143)
Carried forward revenue losses - Argentina	498,144	513,423
Carried forward revenue losses -LDN	(22,841)	-
Carried forward revenue losses - BL	(784)	-
Exploration and evaluation assets	3,860	(226,096)
Provisions and accruals	43,056	30,684
Other	117,452	(22,925)
Deferred Consideration Write Back	-	-
Gross deferred tax asset	5,522,978	4,332,916
Offset against deferred tax liability	-	-
Unrecognised tax losses	5,522,978	4,332,916
Deferred tax liabilities		
Exploration and evaluation assets	-	-
Plant and equipment	-	-
Carried forward revenue losses - Peru	-	-
Gross deferred tax liability	-	-
Offset against deferred tax asset	-	-
Net deferred tax liability	-	-

8. EARNINGS/(LOSS) PER SHARE

	2021 Cents	2020 Cents
Basic earnings/(loss) per share[1]	(0.3)	0.4
Diluted earnings/(loss) per share[1]	(0.2)	0.2
	$	$
Loss used in calculating basic and diluted earnings/(loss) per share[1]	(4,366,344)	2,323,304
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings/(loss) per share[2]	1,391,886,450	622,423,444
Weighted average number of ordinary shares used in calculating diluted earnings/(loss) per share[2]	1,951,813,857	957,869,218

[1] *Refer to Note 31: Adjustment of Comparatives*

[2] The weighted average number of shares takes into account the weighted average effect of changes in share transactions during the year. At balance date there were 508,570,167 (2020: 649,648,381) share options and 14,546,071 (2020: nil) share rights on issue which were considered dilutive only for the current period and therefore included from the weighted average number of ordinary shares used in calculating dilutive earnings per share.

9. CASH

	2021 $	2020 $
Cash and short term deposits		
Cash in hand	306	306
Cash at bank	642,478	4,532,951
	642,784	**4,533,257**
Reconciliation of net loss after income tax to net cash flows from operating activities:		
Profit/(Loss) for the year	(4,366,344)	2,323,304
Adjustments to reconcile loss after tax to net cash flows from operating activities:		
(Gain) on sale of investments	(137,893)	-
(Profit)/Loss on fair value of financial assets through profit and loss		(6,455)
Reversal of prior year impairment	-	(765,835)
Depreciation	24,573	16,606
Options issued to corporate advisor	1,694,719	-
Accrued interest payable	652,621	353,845
Share of (gain)/loss from associated companies	-	(42,413)
Net (gain)/loss on disposal of discontinued operations	-	(4,723,080)
Share based payments	574,067	1,397,104
Net foreign exchange loss/(gain)	1,099	(31,472)
Unwinding of the effective interest rate	-	-
***Working capital adjustments*:**		
(Increase)/decrease in trade and other receivables	(528,917)	396,057
Increase/(decrease) in trade and other payables	308,053	6,760
Increase/(decrease) in provisions for annual leave	16,743	2,581
Net cash flows used in operating activities	**(1,761,279)**	**(1,072,998)**

Non-cash financing and investing activities

During the year, the Group issued 4,950,000 fully paid ordinary shares to settle expenses and liabilities amounting to $219,516. The Group also issued 16,500,000 fully paid ordinary shares valued at $825,000 as Milestone securities for the acquisition of Electric Metals upon achievement of the milestone.

10. TRADE AND OTHER RECEIVABLES

	2021 $	2020 $
Current		
Trade receivables	230,394	171,859
Other receivables	68,498	50,935
Related party receivables	14,735	12,999
Tax credits	54,116	88,014
Prepayments	19,297	7,912
Prepayments – Corporate Advisory Services (Refer to Note 6c)	378,673	-
	765,713	**331,719**

The Group applies simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward-looking information.

11. OTHER ASSETS

	2021 $	2020 $
(a) Current Asset		
Security deposits and bonds	82,555	43,700
	82,555	**43,700**
(b) Non-current Asset		
Acquisition of the Burdett project[1]	-	376,000
	-	**376,000**

[1] The Group acquired Burdett gold tenement from Syndicate Minerals Pty Ltd for the consideration of 10,000,000 fully paid Ordinary Shares in Latin Resources Ltd and 2,000,000 LRSOC Options. During the year the Burdett gold tenement has been transferred to Exploration and Evaluation assets.

12. INVESTMENT

	2021 $	2020 $
Shares in listed entities		
Associated Company Investment – at carrying value[2]	1,489,430	882,447
Equity Share of Associated Company profit/(loss) based on Equity method	(108,140)	42,413
Revaluation gain on investment based on market method	246,033	-
	1,627,323	**924,860**

Movement:	2021 $	2020 $
Opening balance	**924,860**	-
Additional investment	564,570	116,612
Share of (loss)/profit from associates	(108,140)	42,413
Revaluation gain on investment	246,033	-
Reversal of prior year impairment	-	765,835
Closing balance	**1,627,323**	**924,860**

[2] The investment in Solis Minerals Limited formerly known as Westminster Resources Limited originated from the settlement of the sale of the Peru Ilo copper project. At balance date the Company has a 13.14% (2020:27.62%) ownership interest. The ownership dilution was due to additional shares issued by Solis Mineral Limited for its dual listing on ASX. The valuation of the investment is currently measured at fair value through Other Comprehensive Income.

13. PLANT AND EQUIPMENT

	2021 $	2020 $
Furniture and equipment		
At cost	294,100	185,962
Less: Accumulated depreciation	(177,638)	(146,615)
	116,462	**39,347**

Furniture and equipment		
Balance at beginning of period	**39,347**	**55,757**
Additions	99,161	4,806
Depreciation expense	(24,573)	(16,606)
Effects of exchange rate movements	2,527	(4,610)
Balance at end of period	**116,462**	**39,347**

14. EXPLORATION AND EVALUATION ASSETS

	2021 $	2020 $
Balance at beginning of period	**7,082,034**	**11,292,382**
Additions	3,254,912	748,495
Milestone consideration for the Noombenberry Project[1]	985,875	-
Acquisition of the Yarara project	-	150,000
Acquisition of Burdett project[2]	376,000	-
Discontinued Operations	-	(4,299,991)
Other expenses (GST/VAT movement) [3]	100,164	9,246
Foreign currency translation movement	(38,859)	(818,098)
Balance at end of period	**11,760,126**	**7,082,034**

[1] The Acquisition Agreement require the Group to pay the Vendor, 16.5 million fully paid ordinary shares and 4.125 million options exercisable at $0.012 on or before 31 December 2022 on a successful Kaolin/Halloysite JORC Inferred Resources of 3 million tonnes at 30% Ceramic Alumina or greater.

[2] Group acquired the Burdett Project in 2020, the acquisition was previously classified under Other Assets due to the tenement only being granted in 2021.

[3] The Goods and services tax/value added tax (GST/VAT) refers to a receivable by the company's subsidiary in Peru and Argentina which can only be offset against GST/VAT attributable to future sales. The prior year balance has been reclassified from Non-Current Trade and Other Receivables.

15. TRADE AND OTHER PAYABLES

	2021 $	2020 $
Trade payables	1,396,645	1,123,384
Other payables	173,516	154,766
Accruals	90,255	78,493
	1,660,416	**1,356,643**

Trade payables are generally 30 days term from end of month of supply.

16. INTEREST BEARING LOANS AND BORROWINGS

	2021 $	2020 $
Convertible Security Funding – Lind[4]	-	900,000
	-	**900,000**

[4] During the year, the Company has repaid the $900,000 debt in full and concluded the Convertible Security Funding Agreement with Lind Partners New York.

17. PROVISIONS

	2021 $	2020 $
Employee benefits – Leave entitlements	**60,654**	**43,910**

18. CONTRIBUTED EQUITY

	2021 $	2020 $
(a) Issued capital		
Issued shares	**59,835,942**	**56,467,554**

(b) Movements in issued capital	**Number**	**$**
Issued shares		
Balance 1 January 2021	**1,194,910,311**	**56,467,554**
Options conversion	190,203,214	2,282,439
Shares issued in lieu of fees to consultant	4,450,000	200,000
Vesting and conversion of incentive rights	10,500,498	-
Vesting and conversion of deferred rights	4,045,573	-
Director participation in Placement	666,667	20,000
Shares issued to employees and contractors	1,500,000	68,516
Milestone consideration to the Vendor of Electric Metals	16,500,000	825,000
Costs of issue	-	(27,567)
Balance 31 December 2021	**1,422,776,263**	**59,835,942**
Balance 1 January 2020	**347,365,795**	**48,218,621**
Entitlement Offer	17,029,511	102,177
Placement	53,800,000	215,200
Conversion of convertible notes (190,000)	38,000,000	190,000
Share Purchase Plan	125,458,494	627,292
Conversion of convertible notes (330,000)	58,928,571	330,000
Payment for Director fees with shares	45,720,750	182,883
Convertible Security repayment	114,000,000	342,000
Repayment of creditors with shares	5,712,500	45,700
Placement – acquisition of the JV for Yarara project	40,000,000	120,000
Placement	59,272,728	652,000
LRSOC Option Conversion	6,504,962	78,060
Placement – Integra	100,200,000	501,000
Shares issued to employees	2,000,000	32,000
Placement- acquisition of the Burdett project	10,000,000	340,000
Placement - S3 Consortium	4,250,000	75,000
Placement	166,667,000	5,000,010
Transaction costs	-	(584,389)
Balance 31 December 2020	**1,194,910,311**	**56,467,554**

19. RESERVES

	2021 $	2020 $
(a) Foreign currency translation reserve		
Balance at beginning of year	5,408,672	5,899,762
Foreign currency translations	(38,908)	(491,090)
Balance at the end of the year	**5,369,764**	**5,408,672**

	2021 $	2020 $
(b) Share based payments reserve		
Balance at the beginning of year	6,753,489	5,067,448
Capital raising costs – issue of broker options	-	150,000
Share based payment – Lind Partners[1]	652,621	-
Share based payment – corporate advisory services[2]	1,694,719	-
Share based payments – Share rights to directors[3]	525,067	1,365,104
Replacement option	-	25,337
Project acquisition /milestone consideration	160,875	36,000
Borrowing cost	-	109,600
Balance at the end of the year	**9,786,771**	**6,753,489**
Total reserves	**15,156,535**	**12,162,161**

[1] The unlisted options exercisable at $0.03 on or before 1 December 2022 was issued on 29 January 2021 to Lind Partners New York as part of the security funding settlement (Refer to ASX Announcement - 1 February 2021).

[2] The terms and conditions of the options has been disclosed in the Notice of Meeting for the shareholder meeting held on 10 February 2021 and the issue was approved by shareholders at the meeting.

[3] The terms and conditions of the share rights has been disclosed in the Notice of Meeting for the shareholder meeting held on 10 February 2021 and the issue was approved by shareholders at the meeting (*Refer to Note 31: Adjustment of Comparatives).*

Nature and purpose of reserves

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Share based payments reserve

The share-based payments reserve is used to recognise the value of equity benefits provided to directors, employees and other parties. Refer Note 21 for further details regarding share-based payments.

	Number of options	Weighted average exercise price
Options outstanding *(includes share-based payment options and non-share based payment options)*		
Balance at 1 January 2021	**649,648,381**	**$0.012**
Issued during the year – quoted[4,]	4,125,000	$0.012
Issued during the year – unquoted[5,6]	45,000,000	$0.03
Options exercised	(190,203,214)	$0.012
Balance at 31 December 2021	**508,570,167**	**$0.012**

Consisting of:

Quoted options -	exercisable at $0.012 per share expiring 31 December 2022	**348,703,500**
	Exercisable at $0.012 per share expiring 31 December 2022 (subject to voluntary escrow)	**100,200,000**
Unquoted options -	exercisable at $0.0325cents per share expiring 03 July 2023	**8,000,000**
	exercisable at $0.1075 per share expiring 18 December 2022	**6,666,667**
	exercisable at $0.03 per share expiring 1 December 2022	**20,000,000**
	exercisable at $0.03 per share expiring 12 February 2024	**25,000,000**

[4] 4,125,000 listed LRSOC options were issued to Milestone securities for the acquisition of Electric Metals upon achievement of milestone in June 2021.

[5] 20,000,000 unlisted options were issued to Lind pursuant to the Deed of Settlement and Release relating to the settlement of the outstanding debt in January 2021.

[6] 25,000,000 unlisted options were issued to Euroz Hartley Limited for the provision of corporate advisory services that support the Company's exploration activities in February 2021.

Share based payments reserve

The share-based payments reserve is used to recognise the value of equity benefits provided to directors, employees and other parties. Refer Note 21 for further details regarding share-based payments.

20. ACCUMULATED LOSSES

	2021 $	2020 $
Balance at the beginning of the year*	(57,599,351)	(59,922,655)
Profit/(Loss) after income tax*	(4,355,427)	2,323,304
Balance at the end of the year*	**(61,954,778)**	**(57,599,351)**
Non-controlling interest		
Issue of Equity in Subsidiary	247,111	-
Loss for the period	(10,917)	-
	236,194	**-**

** Refer to Note 31: Adjustment of Comparatives*

21. SHARE BASED PAYMENTS

	2021 $	2020 $
Expenses arising from share-based payment transactions to key management personnel		
Employee share benefits payments	49,000	153,162
Performance rights issued to Director*	232,490	621,890
Retention rights issued to Director*	134,256	278,101
Deferred rights issued to Directors*	158,321	327,951
	574,067	**1,381,104**

** Refer to Note 31: Adjustment of Comparatives*

Employee and Directors share-based payments benefits totalled $574,067 (2020: $1,381,104), of which the full amount (2020: $1,381,104) was expensed during the year.

Share-based payment on Share rights:

Share Rights	**Grant Date**	**Vesting Date**	**Share based payment**
Performance Rights			
Tranche 1	10/02/2021	31/12/2020	-
Tranche 2	10/02/2021	31/12/2021	140,981
Tranche 3	10/02/2021	31/12/2022	91,509
			232,490
Retention Rights			
Tranche 1	10/02/2021	31/12/2020	-
Tranche 2	10/02/2021	31/12/2021	86,307
Tranche 3	10/02/2021	31/12/2022	47,949
			134,256
Deferred Rights			
Tranche 1	10/02/2021	31/12/2020	-
Tranche 2	10/02/2021	31/12/2021	101,778
Tranche 3	10/02/2021	31/12/2022	56,543
			158,321
			525,067

(a) Share rights

Incentive rights plan

The Incentive rights plan was approved by shareholders on 30 November 2012 for the purpose of attracting, motivating and retaining key employees and providing them with the opportunity to participate in the future growth of the Group.

Under the plan the Group may offer share rights to eligible persons. Executive directors and full time and permanent part time employees are eligible persons for the purposes of the Incentive rights plan.

Share rights issued under the Incentive rights plan comprise of retention rights being rights that vest and may be exercised into Restricted Shares, based on completion of a period of service and performance rights, being rights that vest and may be exercised into Restricted Shares, based on achievement of specified performance objectives.

The Board, based on the recommendation of the Remuneration Committee, in their absolute discretion determine the number of share rights to be offered and any performance criteria that may apply. Offers made under the Incentive rights plan must set out the number of share rights, the vesting conditions and the measurement period.

The retention and performance rights are issued for no consideration, however, the vesting of the benefits are conditional on achieving specific measurable performance measures that are aligned with the Group's strategic objectives.

Vesting of the share rights is measured over a three-year interval after the commencement of the respective measurement period. At the end of the measurement period and subject to the performance measures and each share right will convert into one ordinary share in the Company.

Where a director or employee ceases employment prior to their incentives vesting due to resignation or termination for cause, incentives will be forfeited. Where a director or employee ceases employment for any other reason, they may at the Board's discretion, retain a number of unvested share rights on a pro-rata basis to reflect their period of service during the measurement period. These unvested shares only vest subject to meeting the relevant performance measures.

Non-executive Director Deferred rights plan

The Deferred rights plan was approved by shareholders on 27 May 2014 for the purpose of retaining Non-executive directors, controlling the cash cost of directors fees and aligning the interests of Non-executive directors with shareholders and providing them with the opportunity to participate in the future growth of the Group.

Under the plan the Group may offer share rights to Non–executive directors of the Company. Share rights issued under the Deferred rights plan comprise of retention rights being rights that vest and may be exercised into Restricted Shares, based on completion of a period of service.

The Board based on the recommendation of the Remuneration Committee in their absolute discretion determine the number of share rights to be offered and the criteria that may apply. Offers made under the Deferred rights plan must set out the number of share rights, the vesting conditions and the measurement period.

The retention rights are issued for no consideration, however, the vesting of the benefits are conditional on achieving certain measurable performance measures.

Vesting of the share rights is measured over a three-year interval after the commencement of the respective measurement period. At the end of the measurement period and subject to the performance measures and the share rights will convert into one ordinary share in the Company.

Where a non-executive director ceases employment prior to their incentives vesting due to resignation or termination for cause, incentives will be forfeited. Where a non-executive director ceases employment for any other reason, they may at the Board's discretion, retain a number of unvested share options on a pro-rata basis to reflect their period of service during the measurement period. These unvested shares only vest subject to meeting the relevant performance measures.

Share rights outstanding

During 2021, 8,717,910 retention share rights and 17,700,000 performance share rights as well as 10,280,597 deferred share rights were issued. There were 5,230,746 retention share rights and 10,620,000 performance share rights as well as 6,168,358 deferred share rights still outstanding as at 31 December 2021 (2020: nil).

Valuation of Performance Share Rights to Executive Director	Tranche 1	Tranche 2	Tranche 3
Grant date	10 February 2021	10 February 2021	10 February 2021
Measurement date	31 December 2020[1]	31 December 2021[2]	31 December 2022
Expected Volatility	195.50%	195.50%	205.20%
Exercise price	$0.0550	$0.0531	$0.0517
Risk-free interest rate	0.09%	0.09%	0.09%
Share price at grant date	$0.055	$0.055	$0.055

Valuation of Retention Share Rights to Executive Director	Tranche 1	Tranche 2	Tranche 3
Grant date	10 February 2021	10 February 2021	10 February 2021
Measurement date	31 December 2020[1]	31 December 2021[2]	31 December 2022
Exercise price	$0.055	$0.055	$0.055
Share price at grant date	$0.055	$0.055	$0.055

Valuation of Retention Share Rights to Non-Executive Directors	Tranche 1	Tranche 2	Tranche 3
Grant date	10 February 2021	10 February 2021	10 February 2021
Measurement date	31 December 2020[1]	31 December 2021[2]	31 December 2022
Exercise price	$0.055	$0.055	$0.055
Share price at grant date	$0.055	$0.055	$0.055

[1]Tranche 1 of the share rights was converted to shares on 2 March 2021.
[2]Tranche 2 of the share rights was converted to shares on 8 March 2022.

SHARES ISSUED AS SHARE BASED PAYMENTS

Loan Funded shares

At the Annual General Meeting held 28 May 2018, shareholders approved the adoption of the Latin Resources Limited Loan Funded Share Plan and also approved the issue of 100,000,000 loan funded shares to directors. The loan funded shares are issued at 1.1 cents per share. The loans are interest free and with limited recourse to the participant and are unquoted shares until the loan has been paid. The Plan requires the loan to be repaid before the participant can sell their shares. As at 31 December 2019, after the 1:25 share consolidation, the balance of the loan funded shares to directors is 4,000,000.

Loan funded shares with market-based vesting conditions are also valued at the 10-day VWAP share price prior to the grant date however a 20% discount is applied to the valuation to take into account the likelihood of meeting any market based vesting conditions.

(b) Options

Valuation of Options to Brokers and Convertible Note Holder

2021

4,125,000 listed LRSOC options were issued to Milestone securities for the acquisition of Electric Metals upon achievement of milestone in June 2021.[3]

20,000,000 unlisted options were issued to Lind pursuant to the Deed of Settlement and Release relating to the settlement of the outstanding debt in January 2021.[4]

25,000,000 unlisted options were issued to Euroz Hartley Limited for the provision of corporate advisory services that support the Company's exploration activities in February 2021.[5]

2020

All listed LRSOC Options were valued at the grant date market price.

15,200,000 LRSOC Options issued to convertible note holder on conversion and were valued at $0.002 on the grant date.[6]

26,400,000 LRSOC Options issued to convertible note holder on conversion and were valued at $0.003 on the grant date.[7]

The Company issued free attaching 45,720,750 LRSOC Options to the Directors as part of the settlement of their outstanding directors' fees via the issue of ordinary shares.[8]

The Company issued 50,000,000 LRSOC Options to Euroz Hartleys for introductory and facilitation services in relation to the Yarara project JV transaction.[9]

The Company issued 2,000,000 LRSOC Options in relation to the acquisition of Burdett project from Syndicate Minerals Pty Ltd.[10]

Input variables	**31 Dec 2021[3]**	**31 Dec 2021[4]**	**31 Dec 2021[5]**
Grant date share/option price	$0.038	$0.046	$0.079
Exercise price	$0.012	$0.03	$0.03
Expected volatility	-%	135%	135%
Risk-free interest rate	-%	0.08%	0.10%
Option life	1.5 Years	1.8 Years	3 Years
Grant date	25 June 2021	28 Jan 2021	15Feb 2021
Expiry date	31 Dec 2022	1 Dec 2022	12Feb2024
Fair value at grant date	$0.039	$0.033	$0.068

Input variables	**31 Dec 2020[6]**	**31 Dec 2020[7]**	**31 Dec 2020[8]**
Grant date share/option price	$0.005	$0.0056	$0.004
Exercise price	$0.012	$0.012	$0.012
Expected volatility	-%	-%	-%
Risk-free interest rate	-%	-%	-%
Option life	2.5 Years	2.5 Years	2.4 Years
Grant date	02 Jul 2020	16 Jul 2020	13 Aug 2020
Expiry date	31 Dec 2022	31 Dec 2022	31 Dec 2022
Fair value at grant date	$0.002	$0.003	$0.003

Input variables	**31 Dec 2020[9]**	**31 Dec 2020[10]**
Grant date share/option price	$0.004	$0.018
Exercise price	$0.012	$0.012
Expected volatility	-%	-%
Risk-free interest rate	-%	-%
Option life	2.4 Years	2 Years
Grant date	13 Aug 2020	21 Dec 2020
Expiry date	31 Dec 2022	31 Dec 2022
Fair value at grant date	$0.003	$0.018

22. RELATED PARTY DISCLOSURES

Information regarding individual directors' and executives' compensation and equity instrument disclosures are disclosed in the Remuneration report.

	2021	**2020**
	$	**$**
(a) Compensation of directors and other key management personnel		
Short term employee benefits	801,014	527,684
Post-employment benefits	25,337	10,882
Share based payments*	525,067	1,365,104
	1,351,418	**1,903,670**

** Refer to Note 31: Adjustment of Comparatives*

(b) Transactions with related parties

Bowen Buchbinder Vilensky, a legal firm associated with Mr Vilensky, charged fees totalling $25,290 excluding GST for the year ended 31 December 2021 in relation to legal fees.

Oar Resource Limited, a listed company with Mr Gale and Mr Vilensky as Directors, was invoiced $140,283 excluding GST for the shared administration and technical services provided by Latin Resources' facilities and staff during the year ended 31 December 2021.

(c) Subsidiaries

The consolidated financial statements include the financial statements of Latin Resources Limited and its subsidiaries which are listed below.

Name of entity	Country of incorporation	Equity holding 2021 %	Equity holding 2020 %
PERUVIAN LATIN RESOURCES SAC (PLR)	Peru	100	100
MINERA DYLAN SAC (MD)	Peru	100	100
Mineracao Ferro Nordeste Ltda (MFN)	Brazil	100	100
Recursos Latinos S.A.	Argentina	100	100
Electric Metals Pty Ltd	Australia	100	100
Belo Lithium Mineracao Ltda	Brazil	100	-
Litios del Norte S.A.	Argentina	88	-
Associated Company			
Solis Minerals Ltd. (formerly Westminster Resources Limited)	Canada	-	27.62

Peruvian Latin Resources Limited SAC (PLR) and Mineracao Ferro Nordeste Ltda (MFN) are effectively 100% owned by the Company through 99.9% of shares held directly and 0.1% of shares are held in trust on behalf of the Company. Minera Dylan SAC is 50% each owned by the Company and PLR.

The Company has advanced funds to Recursos Latinos S.A., PLR, Belo Lithium and MFN which at the date of this report do not attract interest and are not subject to a repayment schedule.

Litios del Norte S.A. has been incorporated as a wholly owned subsidiary for the Group's Catamarca lithium pegmatite projects in joint venture with Argentinian investment group Integra Capital S.A. The JV partner has subscribed for 12% equity interest as at 31 December 2021.

At balance date the Company has a 13.14% (2020:27.62%) direct shareholding in the capital of Solis Minerals Limited formerly known as Westminster Resources Limited. Due to its ownership dilution, Solis Minerals Limited is no longer considered as an associated company (Note 12: Investment).

(d) Ultimate parent company

Latin Resources Limited is the ultimate parent of the Group.

23. COMMITMENTS

	2021 $	2020 $
Exploration Commitments:		
Not later than one year	682,500	264,000
Later than one year but not later than five years	2,784,500	642,000
Later than five years	-	-
	3,467,000	**906,000**
Expenditure Commitments:		
Not later than one year	796,002	-
Later than one year but not later than five years	2,381,212	-
Later than five years	-	-
	3,177,214	**-**

24. CONTINGENCIES

The Group has no contingent assets or contingent liabilities.

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group also has transactional currency exposures from operating costs and concession payments that are denominated in currencies other than the Australian dollar (AUD). The currencies in which these transactions are primarily denominated are the United States dollar (USD).

The Board attempts to mitigate the effect of its foreign currency exposure by acquiring USD in accordance with budgeted expenditures when the exchange rate is favourable. Where possible receipts of USD are maintained in a USD account as a natural hedge. The USD are converted to AUD at prevailing rates as AUD funds are required.

As at 31 December 2021, the Group had the following exposure to USD that is not designated in cash flow hedges:

	2021 $	2020 $
Financial assets		
Cash and cash equivalents	124,984	33,084
Trade and other receivables	1,931,965	1,828,421
	2,056,949	**1,861,505**
Financial liabilities		
Trade and other payables	(847,936)	(1,163,739)
Provisions	(8,086)	(7,618)
	(856,022)	**(1,171,357)**
Net exposure	**1,200,927**	**690,148**

The following sensitivity analysis is based on the judgements by management of reasonably possible movements in foreign exchange rates after consideration of the views of market commentators. The sensitivity is also based on foreign currency risk exposures to financial asset and liability balances as at 31 December 2021.

The following tables demonstrate the sensitivity to a reasonably possible change in the AUD/USD exchange rate with all other variables held constant.

The impact on the Group's pre-tax profit is due to changes in the fair value of monetary assets and liabilities. The impact on the Group's equity is due to changes in the fair value of the deferred consideration.

The Group's exposure for all other currencies is not material.

	Effect on loss before tax $	Effect on equity $
31 December 2021		
AUD/USD +10%	120,093	120,093
AUD/USD -10%	(120,093)	(120,093)
31 December 2020		
AUD/USD +10%	69,015	69,015
AUD/USD -10%	(69,015)	(69,015)

The movement in pre-tax profit is a result of changes to the fair value of monetary assets and liabilities denominated in USD.

(a) Interest rate risk

Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates. The Group is exposed to interest rate risk on its cash and cash equivalent balances.

The Board constantly monitors its interest rate exposure and attempts to maximise interest income by using a mixture of fixed and variable interest rates, whilst ensuring sufficient funds are available for the Group's operating activities.

As at 31 December 2021 the Group had the following exposure to Australian variable interest rate risk.

The convertible security funding effective interest rate is determined on the uplift of 20% of drawn values and the associated transactions costs, therefore the impact of prevailing market interest rate risk is minimal.

	2021 $	2020 $
Financial assets		
Cash and cash equivalents	**517,494**	**4,499,867**
Convertible Security Funding	**-**	**900,000**

Movement of 50 basis points on the interest rate (considered a reasonably possible change) would not have a material impact on the consolidated loss or equity.

(b) Credit risk

Credit risk is the risk to the Group if a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Group's maximum exposure to credit risk at the reporting date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the Consolidated Statement of Financial Position.

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents (refer Note 9(a)) and trade and other receivables (refer Note 10(a) and (b)) and investment in associates (refer Note 12).

The Group only trades with recognised creditworthy third parties. The Group only invests in high credit quality financial institutions with a credit rating of investment grade or better.

31 December 2021	**Less than 1 month $**	**1-3 months $**	**3-12 months $**	**1-5 years $**	**5+ years $**	**Total $**
Trade and other payables	1,660,415	-	-	-	-	1,660,415
Interest bearing liabilities	-	-	-	-	-	-
Deferred consideration	-	-	-	-	-	-
	1,660,415	**-**	**-**	**-**	**-**	**1,660,415**

31 December 2020	**Less than 1 month $**	**1-3 months $**	**3-12 months $**	**1-5 years $**	**5+ years $**	**Total $**
Trade and other payables	1,356,643	-	-	-	-	1,356,643
Interest bearing liabilities	900,000	-	-	-	-	900,000
Deferred consideration	-	-	-	-	-	-
	2,256,643	**-**	**-**	**-**	**-**	**2,256,643**

(c) Price risk

The Group is exposed to equity securities price risk. This arises from investments held and classified on the statement of financial position as at fair value through profit or loss. The Group is not exposed to commodity price risk.

The Group's equity investment is publicly traded on the Australian Securities Exchange (ASX).

A movement of 10% in the fair value of financial assets at fair value through profit and loss (considered a reasonably possible change) on the Group's post tax loss for the year and on equity would not have been material.

(d) Capital management

The Board is responsible for capital management of the Group. The Board's objective is to ensure the entity continues as a going concern as well as to maintain an optimal structure to reduce the cost of capital.

The Group is dependent from time to time on its ability to raise capital from the issue of new shares, obtain debt and its ability to realise value from its existing assets. This involves the use of cashflow forecasts to determine future capital management requirements.

Capital management is undertaken to ensure a secure, cost effective and flexible supply of funds is available to meet the Group's operating and capital expenditure requirements.

As at 31 December 2021 the Group is not subject to any external capital requirements.

(e) Net fair values

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and liabilities approximates their carrying value.

The net fair value of financial assets and financial liabilities is based upon market prices at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in arm's length transaction or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

Listed equity investment has been valued by reference to market price prevailing at balance date.

26. EVENTS AFTER THE REPORTING PERIOD

On 28 February 2022, the Company announced that it has executed an Options Funding Agreement to receive funding of $2,500,000 (face value $2,750,000) from Lind Asset Management XII, LLC. The Company will repay the funding progressively with proceeds from LRSOC options as they are exercised, or earlier, at the Company's election. The Company also issued 35,000,000 unlisted LRS options to Lind Asset Management, exercisable at $0.05 on or before 31 March 2026.

On 4 March 2022, Director Brent Jones has exercised 5,000,000 LRSOC Options to acquire 5,000,000 fully paid ordinary shares for a total consideration of $60,000.

27. AUDITOR'S REMUNERATION

	2021 $	2020 $
Amounts received or due and receivable by the auditor for:		
An audit or review of the financial report of the consolidated group	45,400	37,150
Under provision for prior year audit	-	-
Amounts received or due and receivable by related practices of the auditor for:		
An audit or review of the financial report of the consolidated group	-	-
Other services in relation to the consolidated group	-	-
	45,400	37,150
Amounts received or due and receivable by non-related practices of the auditor for:		
An audit or review of the financial report of the consolidated group	**-**	**-**
	45,400	**37,150**

28. PARENT ENTITY INFORMATION

	2021 $	2020 $
(a) Financial position		
Assets		
Current assets	1,161,813	4,620,815
Non-current assets	12,954,883	7,747,160
Total assets	**14,116,696**	**12,367,975**
Liabilities		
Current liabilities	842,803	1,337,611
Non-current liabilities	-	-
	842,803	**1,337,611**
Net assets	**13,273,893**	**11,030,364**
Equity		
Contributed equity	59,715,942	56,347,554
Reserves*	8,552,373	6,747,034
Accumulated losses*	(54,994,422)	(52,064,224)
	13,273,893	**11,030,364**

(b) Financial performance

(Loss)/Profit of the parent entity*	**(4,156,241)**	**(3,427,406)**
Total comprehensive profit/(loss) of the parent entity*	**(4,156,241)**	**(3,427,406)**

** Refer to Note 31: Adjustment of Comparatives*

Exploration Commitments:

	2021 $	2020 $
Not later than one year	682,500	264,000
Later than one year but not later than five years	2,784,500	642,000
	3,467,000	**906,000**

Expenditure Commitments:	2021 $	2020 $
Not later than one year	796,002	-
Later than one year but not later than five years	2,381,212	-
Later than five years	-	-
	3,177,214	-

29. IMPACT OF COVID-19

The Group has exploration projects in Latin America (Peru, Argentina and Brazil) where the region has been badly affected by COVID-19. Despite the situation, the Group has managed to undertake ground exploration in some areas during the period and made the assessment that there has been no significant impact on the performance or financial position of the Group as at 31 December 2021 due to COVID-19.

30. DISCONTINUED OPERATIONS

In 2011, the Group entered into an agreement to acquire the Guadalupito Project in Peru for US$20,035,000 to be paid in instalment over 10 years. The acquisition was completed when it was ratified by shareholders on 11 August 2011. The transaction has been recorded in the accounts based on the present value of the instalments.

In 2015, the Group signed a letter agreement with the Vendor of the Guadalupito Project where the purchase price is reduced by US$7.219 million leaving a remaining payable amount of US$10 million. A new payment schedule has also been agreed with the pending amount to be paid in 5 annual instalments beginning 6 months after the release to the market of a favourable Definitive Feasibility Study (DFS) that the Company has a maximum of four years to achieve (no later than July 2019). In addition, 2 million ordinary shares to be issued to the Vendor on January 2016, 2017, 2018 and 2019 (Refer to Note 17: Deferred Consideration).

Subsequent to 30 June 2020, Latin's wholly owned subsidiary Peruvian Latin Resources S.A.C ("PLR") lawfully terminated the Contract of Transference of Mining Rights ("Contract") relating to the Guadalupito Project. As a result of the termination of the Contract ownership of the Mining Rights have reverted back to the Vendors and PLR was released from any obligation to pay to the vendors any unpaid portion of the purchase price for the Mining Rights. There was no material cash flow attributable to the discontinued operations with the gain of $4,723,080 being comprised of the net from the written off exploration and evaluation assets and the extinguishment of deferred consideration liability that does not involved any cash movement.

Assets and liabilities of discontinued operations	**2021 $**	**2020 $**
Assets		
Exploration and Evaluation assets	-	4,299,991
Liabilities		
Deferred Consideration liabilities	-	(10,754,313)
Net Assets	-	(6,454,322)
Results of discontinued operations		
Unwinding of the effective interest rate[1]	-	(1,731,242)
Results from operating activities	-	(1,731,242)
Net Liability disposed	-	6,454,322
Results from operating activities after tax	-	4,723,080
	-	4,723,080
Other comprehensive income from discontinued operations		
Exchange gain/loss from discontinued operations	-	-
	-	-
Cash flows gained from/(used in) discontinued operations		
Net cash gained from operating activities	-	-
Net cash flow for the year	-	-

[1] Unwinding of the effective interest rate refers to the discounting of the remaining cost of the concessions relating to the Guadalupito project.

31. ADJUSTMENT OF COMPARATIVES

The Group has sought shareholder approval to issue to the Directors share rights based upon meeting performance and tenure conditions commencing in 2020. Due to the impact of Covid 19, the shareholder meeting to approve the issue of the rights did not take place until 10 February 2021. After careful consideration, the Group decided it is more appropriate for share right tranches which relate to 2020 financial period to be reflected in the 2020 financial statements and have adjusted the comparatives accordingly.

The independent valuation carried out by Bentleys for the Notice of Meeting announced on 8 January 2021 was based on share price of $0.015. The high valuation of the share-based payment expense (based on share price of $0.055) was due to accounting valuation prescribed by accounting standard that takes into account the rapid appreciation in the share price, due to extremely positive exploration results between the date when the Notice of Meeting was prepared when the share price was $0.015, and the actual date when the shareholder meeting was held when the share price had appreciated to $0.055 (Refer Note 31: Adjustment of Comparatives). The valuation prescribed by the accounting standard is based on share price of 5.5c.

Effect of the adjustment:

Had the share rights tranches which relates to 2020 financial period are included in the 2020 financial period, the following table demonstrates the effect of this change. The change does not have an impact on cash flow.

	Restated 31/12/2020	Change	Previously Reported 31/12/2020
Remuneration of Key Management Personnel and Executives (Remuneration Report)			
D. Vilensky - share-based payments	207,465	185,115	22,350
C. Gale - share-based payments	952,303	899,991	52,312
B. Jones - share-based payments	205,336	142,836	62,500
	1,365,104	1,227,942	137,162
Consolidated Statement of Profit or Loss and Other Comprehensive Income			
Employee benefits expense	(1,942,830)	(1,227,942)	(714,888)
Profit/(Loss) continuing operations before tax	(2,399,776)	(1,227,942)	(1,171,834)
Profit/(Loss) for the year from continuing operations	(2,399,776)	(1,227,942)	(1,171,834)
Profit/(Loss) attributable to owners of the Parent Company	(2,399,776)	(1,227,942)	(1,171,834)
Net profit for the period	2,323,304	(1,227,942)	3,551,246
Total comprehensive profit/(loss) for the year attributable to owners of the Parent Company	1,832,214	(1,227,942)	3,060,156
Basic earning/(loss) per share (Cents)	0.4	(0.2)	0.6
Diluted earning/(loss) per share (Cents)	0.2	(0.2)	0.4
Consolidated Statement of Financial Position			
Equity			
Contributed Equity	56,467,554	-	56,467,554
Reserves	12,162,161	1,227,942	10,934,219
Accumulated losses	(57,599,351)	(1,227,942)	(56,371,409)
	11,030,365	-	11,030,365

09. Director's Declaration

In accordance with a resolution of the directors of Latin Resources Limited, I state that:

1. In the opinion of the directors:

   a) The financial statements and notes of Latin Resources Limited for the financial year ended 31 December 2021 are in accordance with the *Corporations Act 2001*, including:

      i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the year ended on that date; and

      ii) complying with Accounting Standards and the Corporations Regulations 2001;

   b) the financial statements and notes also comply with International Financial Reporting Standards, as stated in note 2(b); and

   c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the directors by the executive director and chief financial officer in accordance with section 295A of the Corporations Act 2001 for the financial year ended 31 December 2021.

On behalf of the Directors

David Vilensky
Chairman
Signed on 31 March 2022

10. Auditors' Independence Declaration

HALL CHADWICK

To the Board of Directors,

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As audit partner of Latin Resources Limited for the year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

HALL CHADWICK AUDIT (WA) PTY LTD	**MICHAEL HILLGROVE CA**
ABN 42 163 529 682	**Director**

Dated this 31st day of March 2022
Perth, Western Australia

11. Independent Auditor's Report

HALL CHADWICK

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LATIN RESOURCES LIMITED

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Latin Resources Limited ("the Company") and its subsidiaries (collectively "the Group"), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of Latin Resources Limited is in accordance with the Corporations Act 2001, including:

i. Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the year ended on that date; and

ii. Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's Responsibility section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

HALL CHADWICK

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Carrying value of capitalised exploration and evaluation assets – Note 14

Why significant	How our audit addressed the Key Audit Matter
We identified the capitalised exploration and evaluation assets of $11,760,126 as at 31 December 2021 to be a key audit matter due to its significance and the level of judgement required by us in evaluating management's application of the requirements of AASB 6 Exploration for and Evaluation of Mineral Resources. AASB 6 is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset and subsequent requirements which must be complied with for capitalised expenditure to continue to be carried as an asset. In addition, the assessment of impairment of capitalised exploration and evaluation assets can be inherently difficult particularly in uncertain or depressed market conditions	Our work included, but was not limited to, the following procedures: • Assessing management's determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the tenements in which the Group holds an interest in, the budgeted and future exploration programmes planned for the areas, made inquiries of management, reviewed the Group's ASX announcements and the Directors' minutes as to the Group's future plans for the areas. • For the area of interest, we assessed the Group's rights to tenure by corroborating to government registries/correspondences and evaluating agreements in place with other parties; and • We tested the additions to capitalised expenditure for the year by evaluating sample of recorded expenditure for consistency to underlying records, the requirements of the Group's accounting policy and requirements of AASB 6.

HALL CHADWICK

Why significant	How our audit addressed the Key Audit Matter
	• Evaluating the competence, capabilities and objectivity of management's experts in the evaluation of impairment triggers and considered the Director's assessment of potential indicators of impairment. • Assessing that disclosures relating to the capitalised exploration and evaluation assets are in accordance with Australian Accounting Standards

2. **Share Based Payments – Note 6**

Why significant	How our audit addressed the Key Audit Matter
As disclosed in note 6 in the financial statements, during the year ended 31 December 2021, the Company had share based payments to Employees and Directors of $574,067, Finance expenses $652,621 and Corporate advisory services $1,316,046 totalling $2,542,734. In addition to these payments, the company has restated the results for the year ended 31 December 2020 and included in the comparatives $1,227,942 share based payments refer note 31. Share based payments are considered to be a key audit matter due to • the value of the transactions; • the complexities involved in recognition and measurement of these instruments; and • the judgement involved in determining the inputs used in the valuation. Management used the Monte Carlo simulation model and Black-Scholes option valuation model to determine the fair value of the rights and options granted respectively. This process involved significant estimation and judgement required to determine the fair value of the equity instruments granted	Our procedures included, amongst others: • Analysing contractual agreements to identify the key terms and conditions of share-based payments issued and relevant vesting conditions in accordance with AASB 2 Share Based Payments; • Evaluating management's Valuation Models and assessing the assumptions and inputs used; • Engaging an expert to review the valuation models used and reperform the calculations • Assessing the amount recognised during the year against the vesting conditions of the agreements and assessing the achievements of the relevant mile stones; and ; • Assessing the adequacy of the disclosures included in the financial report.

HALL CHADWICK

Other Information

Other information is financial and non-financial information in the annual report of the Group which is provided in addition to the Financial Report and the Auditor's Report. The directors are responsible for Other Information in the annual report. The Other Information we obtained prior to the date of this Auditor's Report was the Director's report. The remaining Other Information is expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, the auditor does not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information in the Financial Report and based on the work we have performed on the Other Information that we obtained prior the date of this Auditor's Report we have nothing to report.

Directors' Responsibilities for the Financial Report

The Directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2(b), the Directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using a going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

HALL CHADWICK

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation. We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

HALL CHADWICK

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2021.

In our opinion, the Remuneration Report of Latin Resources for the year ended 31 December 2021, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Hall Chadwick

HALL CHADWICK AUDIT (WA) PTY LTD
ABN 42 163 529 682

MICHAEL HILLGROVE CA
Director

Dated this 31st day of March 2022
Perth, Western Australia

12. ASX Additional Information

Additional information required by the ASX Limited Listing Rules not disclosed elsewhere in this Annual Report is set out below. The information was applicable as at 28 March 2022.

CLASS OF EQUITY SECURITIES AND VOTING RIGHTS

Shares

There were 1,493,922,407 ordinary fully paid shares on issue. All issued ordinary shares carry one vote per share.

There were also 4,000,000 unquoted ordinary loan funded shares on issue.

Share rights

There were 11,009,551 share rights on issue.

Option

The Company has the following classes of options on issue as at 28 March 2022 as detailed below. Options do not carry any rights to vote.

Code	Class	Terms	Number
LRSOC	Listed	Exercisable at $0.012 each and expiring on 31 December 2022	402,629,921
	Unlisted	Exercisable at $0.1075 each and expiring on 18 December 2022	6,666,667
	Unlisted	Exercisable at $0.0325 each and expiring on 3 July 2023	8,000,000
	Unlisted	Exercisable at $0.03 each and expiring on 1 December 2022	10,000,000
	Unlisted	Exercisable at $0.03 each and expiring on 12 February 2024	25,000,000
	Unlisted	Exercisable at $0.05 each and expiring on 31 March 2026	35,000,000

Voting rights

In accordance with the Company's Constitution:

- on a show of hands every shareholder present in person or by proxy, attorney or representative of a shareholder has one vote and
- on a poll every shareholder present in person or by proxy, attorney or representative of a shareholder has in respect of fully paid shares, one vote for every share held. No class of option holder has a right to vote, however the shares issued upon exercise of options will rank parri passu with the then existing issued fully paid ordinary shares.

DISTRIBUTION OF EQUITY SECURITIES

The number of equity holders by size and holding, in each class are:

Range	Ordinary shares (listed)	Share rights (unlisted)	Loan funded shares (unquoted)	Options (listed)	Options (unlisted)
1 – 1,000	136	-	-	21	-
1,001 – 5,000	100	-	-	24	-
5,001 – 10,000	787	-	-	21	-
10,001 – 100,000	4,735	-	-	201	-
100,001 and over	1,773	3	3	339	5
Total	**7,531**	**3**	**3**	**606**	**4**

HOLDING LESS THAN A MARKETABLE PARCEL

	Ordinary shares (listed)	Share rights (unlisted)	Loan funded shares (unquoted)	Options (listed)	Options (unlisted)
	284	**-**	**-**	**58**	**-**

Restricted securities

The Company has no Restricted Securities on issue.

SUBSTANTIAL SHAREHOLDERS

The substantial shareholders in the Company, as disclosed in substantial shareholding notices given to the company are:

Shareholder	***No. of Shares Held***	***% Held***
CITICORP NOMINEES PTY LIMITED	134,899,511	9.01
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	91,639,029	6.12

Twenty largest holders of quoted shares

Rank	**Shareholder**	**No. of Shares Held**	**% Held**
1.	CITICORP NOMINEES PTY LIMITED	134,899,511	9.01
2.	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	91,639,029	6.12
3.	UNRANDOM PTY LTD <UNRANDOM A/C>	25,619,088	1.71
4.	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	24,532,047	1.64
5.	MR BRYCE MATTHEW WILSON	20,196,575	1.35
6.	COILENS CORPORATIONS PTY LTD	17,554,908	1.17
7.	CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C>	14,675,309	0.98
8.	MR WILLIAM SCOTT ALDERS	14,107,558	0.94
9.	CHRIS GALE + STEPHANIE GALE <THE GALE SUPER FUND A/C>	12,505,406	0.83
10.	MR GARETH JOHN EDWARDS	10,330,000	0.69
11.	MR HOANG HUY HUYNH	10,001,700	0.67
12.	MOONAH CAPITAL PTY LTD	9,000,000	0.60
13	MRS LYNDELL AYLEN + MR CHRISTOPHER RAMON AYLEN	8,000,000	0.53
14.	LIND ASSET MANAGEMENT XII LLC	7,500,000	0.50
15.	SUPERHERO NOMINEES PTY LTD <CLIENT A/C>	7,412,841	0.49
16.	S3 CONSORTIUM PTY LTD	7,110,000	0.47
17.	MR ANTHONY JASON MARSHALL	7,000,000	0.47
18.	MR VINCENZO BRIZZI + MRS RITA LUCIA BRIZZI <BRIZZI FAMILY S/F A/C>	6,270,556	0.42
19.	GLENVAR NOMINEES PTY LTD <THE GLENVAR PASTORAL SF A/C>	6,250,000	0.42
20.	MR PAUL NAGLE	6,000,000	0.40
20.	MR MEDHAT SAWIRES	6,000,000	0.40
Total		**446,604,528**	**29.81**

Twenty largest holders of quoted options

Rank	**Shareholder**	**No. of Options Held**	**% Held**
1.	CITICORP NOMINEES PTY LIMITED	103,887,934	25.80
2.	UNRANDOM PTY LTD <UNRANDOM A/C>	15,833,250	3.93
3.	MR PAUL NAGLE	7,400,000	1.84
4.	MRS JIEYA ZHU	6,601,891	1.64
5.	JSML PTY LTD	6,400,000	1.59
6.	MR DAVID WAYNE AUSTIN + MRS CHRISTINA YIT LING AUSTIN <AUSTIN SUPER FUND A/C>	5,000,000	1.24
7.	RAM SYSTEMS PTY LIMITED <REARDON FAMILY SUPER A/C>	5,000,000	1.24
8.	EQUITY TRUSTEES SUPERANNUATION LIMITED <AMG - WILLIAM GOODAIR A/C>	4,806,348	1.19
9.	MR STEPHEN SHERRIN	4,500,000	1.12
10.	MR SHERMAN ALVO FRANCIS PICARDO	4,100,000	1.02
11.	MR JUSTIN MACDONALD AITKEN	4,075,000	1.01
12.	MR GIUSEPPE BORGOMASTRO	4,050,000	1.01
13.	MR WILLIAM JAY GOODAIR	4,000,000	0.99
14.	MRS ANTOINETTE KATEHOS	4,000,000	0.99
15.	TWO TOPS PTY LTD	4,000,000	0.99
16.	MR JASON LEE BERRY <BERRY FAMILY ACCOUNT>	3,640,000	0.90
17.	MR NING HAN + DR MIN RU QIU <HQSUPER FUND A/C>	3,600,000	0.89
18.	JBM TRADING PTY LTD	3,400,000	0.84
19.	QUID CAPITAL PTY LTD	3,361,459	0.83
20.	MR GABRIEL GOVINDA HEWITT	3,281,250	0.81
Total		**200,937,132**	**49.91**

13. Tenement Schedule

PERU				
DOCKERS 1	01-01865-11	Peru	100%	Concession
DOCKERS 2	01-01866-11	Peru	100%	Concession
DOCKERS 3	01-01867-11	Peru	100%	Concession
DOCKERS 4	01-01868-11	Peru	100%	Concession
FREMANTLE 7	01-02068-10	Peru	100%	Concession
LATIN MORRITO 1	01-02827-09	Peru	100%	Concession
LATIN MORRITO 2	01-02828-09	Peru	100%	Concession
VANDALS 1	01-02437-10	Peru	100%	Concession
VANDALS 2	01-02438-10	Peru	100%	Concession
BRAZIL				
MINAS GERAIS LITHIUM	830578/2019	Brazil	100%	Concession
MINAS GERAIS LITHIUM	830579/2019	Brazil	100%	Concession
MINAS GERAIS LITHIUM	830580/2019	Brazil	100%	Concession
MINAS GERAIS LITHIUM	830581/2019	Brazil	100%	Concession
MINAS GERAIS LITHIUM	830582/2019	Brazil	100%	Concession
MINAS GERAIS LITHIUM	832515/2021	Brazil	100%	Concession
BentesMineração[1]	831219/2017	Brazil		Concession
Carlos André [1]	830691/2017	Brazil		Concession
Granitos Salinas [1]	831799/2015	Brazil		Concession
AUSTRALIA				
NOOMBENBERRY	E77/2622	WA	100%	Concession
NOOMBENBERRY	E77/2624	WA	100%	Concession
NOOMBENBERRY	E77/2725	WA	100%	Concession
NOOMBENBERRY	E77/2724	WA	100%	Concession
NOOMBENBERRY	E70/5650	WA	100%	Concession
NOOMBENBERRY	E70/5649	WA	100%	Concession
MOUNT CRAMPHORNE	E77/2719	WA	100%	Concession
BIG GREY	E45/5246	WA	100%	Concession
MANILDRA	EL9148	NSW	100%	Concession
BURDETT	EL9172	NSW	100%	Concession
YARARA[2]	EL8958	NSW		Concession
BOREE CREEK	EL9273	NSW	100%	Concession
BC GUNDAGAI	EL9274	NSW	100%	Concession
ARGENTINA				
Catamarca				
LATINA 1[3]	1/18	Argentina	100%	Exploration Concession
LATINA 2[3]	3/18	Argentina	100%	Exploration Concession
LATINA 3[3]	5/18	Argentina	100%	Exploration Concession
LATINA 4[3]	6/18	Argentina	100%	Exploration Concession
LATINA 5[3]	4/18	Argentina	100%	Exploration Concession
LATINA 6[3]	2/18	Argentina	100%	Exploration Concession
LATINA 7[3]	13/18	Argentina	100%	Exploration Concession
LATINA 8[3]	14/18	Argentina	100%	Exploration Concession
LATINA 9[3]	12/18	Argentina	100%	Exploration Concession
LATINA 10[3]	11/18	Argentina	100%	Exploration Concession
LATINA 11[3]	10/18	Argentina	100%	Exploration Concession
LATINA 12[3]	9/18	Argentina	100%	Exploration Concession

ARGENTINA

Catamarca

LATINA 13[3]	8/18	Argentina	100%	Exploration Concession
LATINA 14[3]	7/18	Argentina	100%	Exploration Concession
LATINA 15[3]	163/18	Argentina	100%	Exploration Concession
LATINA 16[3]	207/18	Argentina	100%	Exploration Concession
LATINA 17[3]	208/18	Argentina	100%	Exploration Concession
LATINA 18[3]	209/18	Argentina	100%	Exploration Concession
LATINA 19[3]	210/18	Argentina	100%	Exploration Concession
LATINA 20[3]	211/18	Argentina	100%	Exploration Concession
LATINA 21[3]	212/18	Argentina	100%	Exploration Concession
LATINA 22[3]	213/18	Argentina	100%	Exploration Concession

San Luis

PORTEZUELO	65-C-2016	Argentina	100%	Exploration Concession
ESTANZUELA	64-C-2016	Argentina	100%	Exploration Concession
LA META	63-C-2016	Argentina	100%	Exploration Concession
TILISARAO	66-C-2016	Argentina	100%	Exploration Concession
BAJO DE VELIZ	76-C-2016	Argentina	100%	Exploration Concession
DE GEMINIS	84-C-2016	Argentina	100%	Exploration Concession
MARIA DEL HUERTO	85-C-2016	Argentina	100%	Exploration Concession
MARIA DEL HUERTO	134-Q-1936	Argentina	100%	Mining Concession
ESTANZUELA SUR	64-R-2017	Argentina	100%	Exploration Concession
LOS MEMBRILLOS	65-R-2017	Argentina	100%	Exploration Concession
QUINES SUR	66-R-2017	Argentina	100%	Exploration Concession
PASO GRANDE NORTE	67-R-2017	Argentina	100%	Exploration Concession
SOLITARIO	68-R-2017	Argentina	100%	Exploration Concession
TRAPICHE NORTE	69-R-2017	Argentina	100%	Exploration Concession
ESTANZUELA NORTE	70-R-2017	Argentina	100%	Exploration Concession
QUINES	71-R-2017	Argentina	100%	Exploration Concession
LA TOMA NORTE	72-R-2017	Argentina	100%	Exploration Concession
QUINES ESTE	72-R-2017	Argentina	100%	Exploration Concession
PASO GRANDE SUR	1-R-2018	Argentina	100%	Exploration Concession
TRAPICHE SUR	2-R-2018	Argentina	100%	Exploration Concession
LA TOMA SUR	3-R-2018	Argentina	100%	Exploration Concession

NOTES

[1]Tenement Concession under Option Agreement

[2]Binding Farm-in Agreement with Mining and Energy Group Pty Ltd

[3]JV with Integra Capital SA

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