Latin Resources Limited

ABN: 81 131 405 144

Annual Report
31 December 2019

CORPORATE DIRECTORY

DIRECTORS

Mr David Vilensky
(Non-Executive Chairman)

Mr Christopher Gale
(Managing Director)

Mr Brent Jones
(Non-Executive Director)

COMPANY SECRETARY

Ms Sarah Smith

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NAB

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Banking Centre
Perth 6000
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REVIEW OF OPERATIONS

Latin Resources Limited ("Latin") has a portfolio of projects in Australia, Argentina, Peru and Brazil which it is actively progressing in its own right or via joint venture arrangements.

Latin aims to deliver value to its shareholders through the development of a diversified portfolio of battery mineral assets via a combination of joint ventures as well as developing its extensive suite of lithium projects in partnership with larger operators on these projects, therefore preserving cash to the fullest extent possible.

During the year, the Company made a strategic decision to continue its operations in South America only on the basis of a part sale or joint venture on its projects. The Company has secured a highly beneficial joint venture with First Quantum Minerals (FQM) in Peru, and this success encouraged the board to continue this approach with its lithium projects in Argentina and Brazil.

Latin has also committed to identifying and developing viable mineral projects in Australia in addition to those in Latin America to achieve the goals set out in this new strategy.

Details of the Company's activities on these projects for the year ended 31 December 2019 are set out below.

Noombenberry Halloysite Project – Australia

Latin entered a conditional Binding Terms Sheet to acquire Electric Metals Pty Ltd (Electric Metals), 100% owner of the Noombenberry Halloysite Project near Merredin, WA, and the Big Grey Silver-Lead Project in the Paterson region, WA in October 2019.

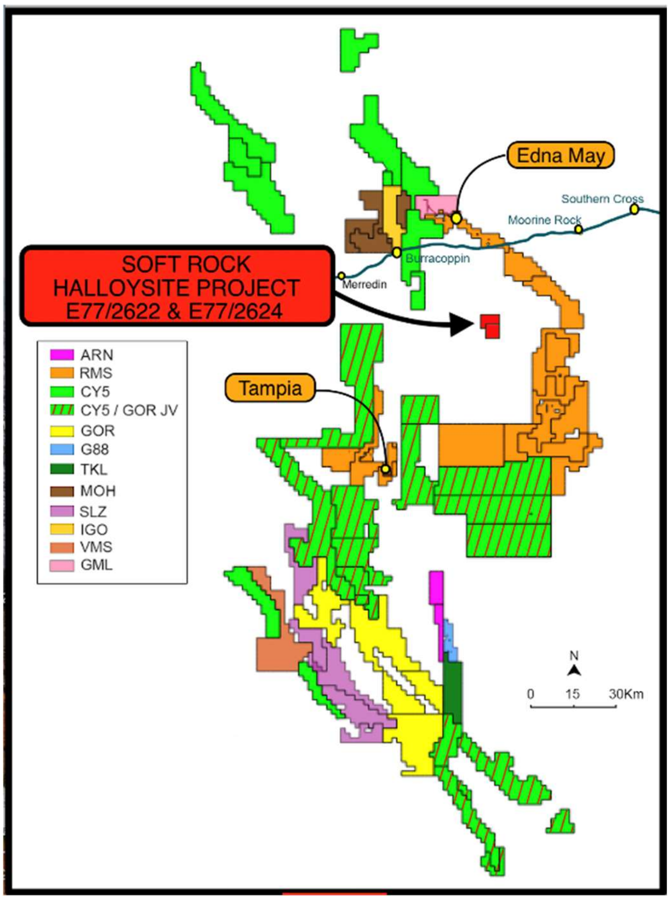

Figure 1 – Location of Electric Metals Halloysite Project

This acquisition supports the Company's decision to identify and develop strategic mineral projects in Australia as part of our strategic direction.

REVIEW OF OPERATIONS

First assay results from a sampling program conducted at Noombenberry Project announced on 20 November 2019 were encouraging, with raw samples displaying grades of Al_2O_3 of up to 25%.

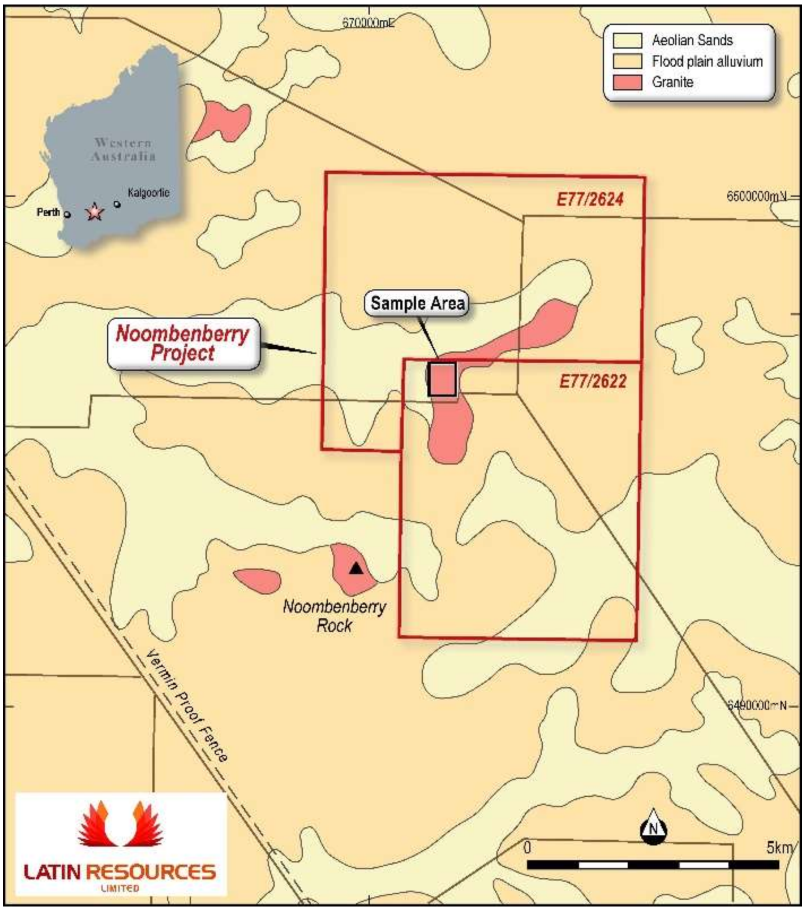

Figure 2: Noombenberry Project and sample location Map

A total of 13 rock chip samples (*see table .1*) were taken during the site visit and were submitted into the Intertek Lab for chemical analyses.

Samp ID	Easting	Northing	Al_2O_3 %	SiO_2 %	Comments
SR001	671,505	6,496,098	15.41	74.25	Dam Wall
SR002	671,430	6,495,463	22.24	67.23	Gully
SR004	671,386	6,495,489	25.56	61.81	Paddock Float
SR005	671,464	6,495,506	19.56	67.07	Float
SR006	671,505	6,496,098	19.57	68.33	Float
SR007	671,505	6,496,098	21.25	64.39	Float
SR008	671,505	6,496,098	20.72	65.5	Dam Wall
SR009	671,505	6,496,098	22.87	61.47	Dam Wall
SR010	671,505	6,496,098	20.95	65.61	Dam Wall
		Average	20.90%	66.20%	

AVON A	671,505	6,496,098	26.71	60.1	Composite
AVON B	671,505	6,496,098	18.82	69.95	Composite
AVON C	671,505	6,496,098	19.2	68.21	Composite
			21.57	66.08	
SR003	671,316	6,495,738	14.16	74.77	Granite

Table 1. Chemical Analyses of Noombenberry Field trip samples

Latin also engaged the services of a United Kingdom-based Kaolin and halloysite specialist, First Test Minerals. First Test Minerals will test for specific properties such as tube dimensions, surface area, pore volume and will advise Latin on the potential of the in-situ product for potential sales into new high value applications such as polymers, slow release, cosmetics, medical and cleantech.

First Test Minerals has worked in kaolin and industrial minerals analysis for more than 30 years, including assessment and development on kaolin and halloysite deposits across Australia, Middle East and the United States.

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

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

Fig 3: 13 Samples taken from 4 locations sent to First Test Minerals

LOCATION	LOC 1	LOC 3	LOC 4	LOC 1	LOC 3	LOC 4	LOC 1	LOC 3	LOC 4
Fraction Size	<45 um			45 to 180 um			>180 um		
Chemistry (Wt.%) XRF									
SiO_2	50.69	48.8	49.98	62.57	57.09	56.43	67.38	70.84	73.07
Al_2O_3	28.61	32.89	31.96	21.62	27.45	26	22.73	18.22	16.67
Fe_2O_3	2.73	2	2.76	1.51	1.57	1.9	0.47	1.05	1.44
TiO_2	0.43	1.21	0.53	0.33	1.68	0.77	0.4	0.21	0.4
CaO	0.34	0.06	0.07	0.57	0.08	0.07	<0.05	0.18	<0.05
MgO	1.03	0.16	0.18	0.72	0.12	0.13	0.08	0.57	0.12
Na_2O	0.46	0.14	0.22	1.24	0.19	0.28	0.17	0.35	0.18
K_2O	1.21	0.73	2.27	2.93	1.74	5.6	0.13	2.06	1.78
P_2O_5	<0.05	0.1	0.09	<0.05	<0.05	0.06	<0.05	<0.05	<0.05
Mn_3O_4	<0.05	<0.05	<0.05	<0.05	<0.05	<0.05	<0.05	<0.05	<0.05
Cr_2O_3	<0.05	<0.05	<0.05	<0.05	<0.05	<0.05	<0.05	<0.05	<0.05
BaO	0.11	0.16	0.13	0.09	0.25	0.26	<0.05	0.07	0.06
ZrO_2	0.05	0.06	0.05	0.06	0.1	0.08	0.05	<0.05	<0.05
ZnO	<0.05	<0.05	<0.05	<0.05	<0.05	<0.05	<0.05	<0.05	<0.05
V_2O_5	<0.05	<0.05	<0.05	<0.05	<0.05	<0.05	<0.05	<0.05	<0.05
SrO	<0.05	<0.05	<0.05	<0.05	<0.05	<0.05	<0.05	<0.05	<0.05
LOI	14.22	13.23	12.08	8.85	9.65	8.67	9.04	6.49	6.36
Mineralogy (Wt.%) XRD									
Kaolinite	77.0	86.7	67.0	44.0	68.6	38.9	41.5	61.7	49.6
Halloysite	1.0	5.0	15.0	1.0	3.0	15.0	0.0	0.0	0.0
Quartz	3.7	1.4	1.0	19.3	13.3	6.0	39.7	32.8	36.2
K-Feldspar	9.1	5.2	14.0	20.6	12.6	38.1	14.7	2.9	11.3
Plagioclase	4.5	0.9	0.7	12.4	1.2	1.0	2.0	1.6	0.7
Muscovite	4.7	0.8	2.3	2.7	1.3	1.0	2.1	1.0	2.2
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Table 2: Test results of 45um, 45-180 µm and >180 µm fractions

REVIEW OF OPERATIONS

Location Sample 4 shows potential, as Yield at <45 microns has been calculated 76% Kaolinite, 15% Halloysite and 11.3% K-feldspar. The 45-180 micron fraction was 14.88 % with 38.9% Kaolinite, 15% Halloysite 15% and 31.8% K-feldspar. Overall <180 micron Yield was 42.6%. Iron level was 2.76% reflecting the brightness of 72.3 with bleaching to no increase on bleaching.

First Test Minerals undertook a detailed evaluation on the samples, including refining a <2-micron fraction to give specific detail on levels of kaolinite and halloysite in the different fractions. Centrifuge/cyclones separated out the finer material and the underflow (coarser particles) tested for quality and grade.

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

Upon grant of the Exploration Lease, the company will pursue an aggressive drilling programme to test the deeper zones of the surface profile (0-30m) to test for commercial qualities of kalonitic/halloysite material.

Consideration

Consideration for the acquisition comprised the issue of 25,000,000 fully paid ordinary shares in the Company (Shares) and 6,250,000 options to subscribe for Shares at an exercise price $0.012 expiring 31 December 2022 (Vendor Options). Electric Metals will also be eligible for 16.5M milestone shares and 4.125M milestone options on a successful Kaolin/Halloysite JORC resource of 3 million tonnes at 30% Ceramic Alumina (Al203) or greater.

The Company received shareholder approval for the acquisition of Electric Metals and the issue of the Consideration Securities under Listing Rule 11.1.2 at a General Meeting of Shareholders held on 11 December 2019.

Pachamanca/MT-03 Copper Project – Peru

Pachamanca/MT-03 is large-scale target in an established copper mineralised district, with first class infrastructure on the doorstep, located central to a major copper producing region, along trend from an existing porphyry deposit at Southern Copper's Tia Maria (639Mt @ 0.39% Cu & 0.19g/t Au). There are also 125 billion pounds of contained copper in published reserves and resources including the Cuajone, Toquepala and Cerro Verde copper mines, all within 130km of the Project.

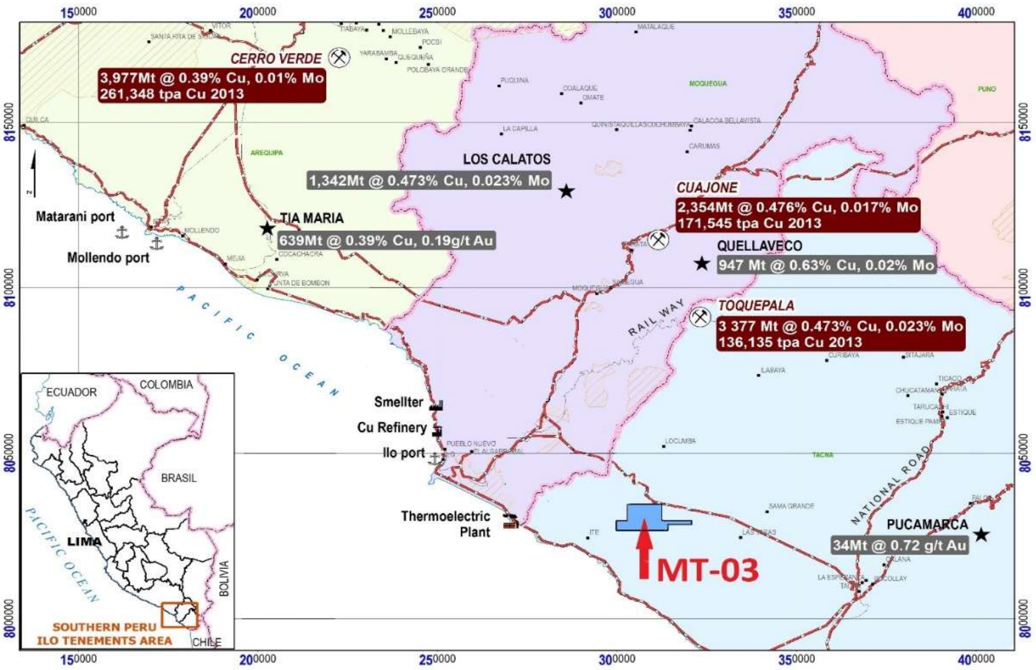

Figure 4 - Location of MT03 in the Peruvian Ilo Copper District

REVIEW OF OPERATIONS

During the year, Latin progressed the government approvals for the permitting of MT-03 to allow First Quantum Minerals Ltd to commence a drill program for this project. First Quantum, a Canadian listed major global copper producer, is earning an 80% interest in the project.

Subsequent to year end, Latin's 100%-owned subsidiary Peruvian Latin Resources SAC ("PLR") signed an extension to the Binding Terms executed with Minera Antares Peru SAC ("Antares"), a subsidiary of First Quantum, and the current term sheet was extended to the 31 December 2020. Latin will be free carried through to mining decision by Antares.

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

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

Westminster Copper Projects – Peru

(LRS -Indirect via 40.19% owned Westminster Resources TSXV: WMR)

Latin completed the transfer of concessions to Westminster Resources in June 2019. No field work was conducted during the period.

San Luis & Catamarca projects – Argentina

At San Luis, Latin had been working to obtain necessary permits to commence exploration programmes, which resulted in community agreements with San Francisco and Rio Gomez in the province of San Luis. A further agreement was signed with the San Luis province with the objective of enhancing the co-operative relationship being developed between the Company and the San Luis province, and Latin entered discussions with the San Luis government with the objective of signing a Memorandum of Understanding (MOU) setting out the criteria to develop a lithium industry in the San Luis province, meeting with senior officials in the Mines Department. Progress was halted during May and June 2019 as the province entered provincial elections.

At Catamarca, Latin completed rehabilitation works and the legal labour requirements to fulfil concession obligations and to ensure the concessions remain in good standing. Field work was suspended in the Catamarca concession as the Company continued to assess the potential of the region through desktop evaluation.

The Company announced on 4 October 2019 negotiations with a party to conclude a joint venture on its lithium projects in Argentina. While negotiations reached an advanced stage, suitable terms and conditions were not able to be agreed between the parties to the satisfaction of the Company. As a result, the Company decided to end the negotiations.

Minas Gerais Project – Brazil

Latin completed 100% ownership of the tenure as at June 2019. Construction of a prospective lithium portfolio at the site began from June 2019 and detailed field reconnaissance was carried out in the areas of Montes Clarinhos, Salinas, Seletas, Rubelita and Coronel Muerta in the September quarter. The Company executed five quality tenement applications around the town of Salinas in Minas Gerais.

Latin suspended further acquisition and exploration in the region during the September quarter. The strategy for the Brazil projects is to identify a suitable joint venture partner.

Guadalupito Mineral Sands Project – Peru

The Company did not carry out any work on the Guadalupito project during this period. The Company is assessing its options for the project.

REVIEW OF OPERATIONS

TECHNOLOGY

UnCuyo University, Mendoza, Argentina

Following the successful completion of the final stage of test work on the spodumene to lithium carbonate process pilot plant in Mendoza, Argentina with UnCuyo University during November 2018, Latin continued negotiations to complete the option agreement and progress to a formal Licencing Agreement and to move into the next stage of developing a commercial grade pilot plant to test the patented process on a larger scale.

CORPORATE

Convertible Security Funding Agreement

The Company had entered a Convertible Security Funding Agreement with Lind Asset Management XII, LLC in the prior year. On 26 June 2019 the Company drew down another $250,000 under the Facility. The Company has to date drawn $2.85 million under the facility limit of $6 million with undrawn facility of $3.15 million available to the Company.

Prior to the 1:25 share consolidation, the Company issued 200 million unlisted options exercisable at A$0.0013 per share and maturing 3 July 2023. In addition, 100 million fully paid Ordinary Shares were issued as collateral security during the period.

Monthly Repayments continued during the period with repayments totalling $864,000 made through the issue of 603,558,323 fully paid ordinary shares excluding the collateral shares.

At 31 December 2019 A$2,196,000 remained repayable under the Facility.

Share Consolidation

At a General Meeting of Shareholders held 2 September 2019, it was approved to consolidate the issued shares of the Company on the basis of 1 share for every 25 held.

Capital Raising

Share Purchase Plan

During February 2019 the Company completed a Share Purchase Plan raising $523,100 through the issue of 261,550,000 ordinary shares at an issue price of $0.002 per share.

On 24 October 2019 the Company announced a capital raising programme consisting of the following:

Placement:

A share placement to professional and sophisticated investors to raise capital for exploration, project development, working and other capital requirements including paying down debt with Lind Asset Management.

The Placement was completed as follows:

- Placement to raise up to $1,000,000 ("Placement") Via the issue of up to 166,666,667 shares at $0.006 per share (Placement Shares);
- Placement Shares come with 1 for 2 free-attaching Options, on the same terms as the Vendor Options.

The Placement was made without a prospectus or other disclosure document as an exempt issue to sophisticated and professional investors only.

Convertible Notes

Convertible notes were issued in the September quarter to raise $520,000 ("Notes"). The Notes will convert to fully paid ordinary shares at a 20% discount to historical 5-day VWAP or $0.012 per share, at the time of the Note holders' election. The Notes will pay a 12% pa coupon, with interest paid quarterly in cash or shares. The Notes include 80 attaching options per $1 of Notes. The Options will be issued on the same terms as the Vendor Options.

REVIEW OF OPERATIONS

Rights Issue

Latin offered a rights issue on a 1 for 1 basis, the rights issue price will be 0.006 per share with 1 for 2 free-attaching Options, on the same terms as the Electric Metals Vendor Options.

In addition, the Company offered holders of the LRSOB Listed Option class that expired on 12 October 2019 the opportunity to subscribe for new options ("New Options"). These options have the same terms as the Vendor Options. The maximum number of New Options to be issued will be 34,042,873.

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 Nicholas Revell, a Competent Person who is a Member of The Australian Institute of Geoscientists. Mr. Revell is a geologist consultant to Latin Resources. Mr. Revell has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Revell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

DIRECTORS' 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 2019.

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 Vonex Ltd (ASX:VN8) and Oakdale Resources Limited (ASX: OAR).

CHRISTOPHER GALE (Managing Director)

Christopher (Chris) Gale is the Managing 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 a number of mining and technology companies during his career.

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 also 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).

Mr Gale is also a non-executive director of Westminster Resources Limited (TSXV: WMR) (appointed July 2018) and Oakdale Resources Limited (ASX: OAR).

BRENT JONES (Non-Executive Director)

Mr. Jones is an experienced financial services professional who has held operating roles at Woolworths, AFL, Civil Engineers - Ostojic Group and the National Tax and Accountants' Association prior to his current management position.

Over the past 15 years, Mr. Jones has been the joint Managing Director of InterPrac Limited, an unlisted public company, specializing in providing the accounting industry access to financial services products and distribution capabilities.

Mr. Jones has a degree in information technology, 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

Directors' shares and share rights

As at the date of this report, the interests of the Directors in the shares and options of Latin post 1:25 consolidation were as follows:

Director	Ordinary shares Number	Share rights Number	Loan funded shares	Share options Number
David Vilensky	1,136,487	-	1,000,000	267,060
Brent Jones	2,177,895	-	1,000,000	454,109
Chris Gale	1,375,185	-	2,000,000	321,155

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.

DIRECTORS' REPORT

Principal activities

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

Financial review

RESULTS

The consolidated loss after tax of the Group for the year ended 31 December 2019 was $5,539,154 (2018: $$5,553,476).

The result comprises of unrealised loss on fair value of financial assets of $1.1 million (2018: $0.2 million), finance expenses of $1.8 million (2018: $1.2 million), employee benefits expense of $0.7 million (2018: $1.3 million) and other income and expense items $1.9 million (2018: $2.8 million).

ASSETS

Total assets decreased marginally by $0.1 million during the year to $12.7 million. The movement primarily comprised an increase in exploration expenditure of $0.7 million and an increase in cash of $0.5 million, which were offset with the decrease in value of investment in associated company of $1.1 million.

LIABILITIES

Total liabilities increased by $2 million to $13.5 million during the year. The increase was due to the increase in interest bearing loans and borrowings of $0.3 million together with an increase of $1.1 million in deferred consideration for the Guadalupito project due to the unwinding of interest, and increase in trade and other payables of $0.6 million.

EQUITY

Total equity decreased by $2.1 million during the year to ($0.7 million). The decrease reflects the current period loss of $5.5 million for the year countered by an increase in Reserves of $1.1 million from foreign currency translation movements of $0.6 million and increase in share-based payments and share capital of $2.3 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 2019	December 2018	December 2017	December 2016	December 2015
Loss attributable to the Group ($)	(5,539,154)	(5,553,476)	(2,381,967)	(7,844,976)	(12,183,490)
Basic loss per share (Cents)	(3.7)	(0.2)	(0.12)	(0.63)	(2.41)
Dividends ($)	Nil	Nil	Nil	Nil	Nil
Closing share price ($)	$0.005	0.003	0.011	0.012	0.005
Total shareholder return (%)	(93)	(73)	(8)	140	(78)

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 2019.

Liquidity and capital resources

The Group's principal source of liquidity as at 31 December 2019 is cash and cash equivalents of $733,282 (2018: $204,764).

The Company had entered a Convertible Security Funding Agreement with Lind Asset Management XII, LLC in the prior year. The Company has drawn $2.85 million under a facility limit of $6 million with undrawn facility of $3.15 million available to the Company. During the year the Company had also entered a Convertible Note of $520,000 with various third parties.

Funding for 2020 is expected from a combination of proceeds from the sale or joint venturing of interests in existing projects, further capital raisings, the potential conversion of options and drawdowns of available limits under the Convertible Security Funding Agreement.

Shares, share rights and options

As at 31 December 2019 the Company had 343,365,795 fully paid Shares on issue, 4,000,000 loan funded unquoted shares on issue, 144,250,001 Share Options on issue.

SHARES

A total of 1,003,795,956 fully paid ordinary shares were issued before the 1:25 share consolidation and 191,666,667 fully paid ordinary shares were issued after the 1:25 share consolidation. A breakdown of the shares issued is shown at Note 19 of the financial statements

SHARE RIGHTS

During the year no share rights were issued to directors or employees, 53,324,009 share rights lapsed and 11,707,633 share rights were converted in accordance with the deferred rights plan approved by shareholders on 31 May 2017.

OPTIONS

During the year 200,000,000 options were issued to the convertible note holder under the terms of the Convertible Security Funding Agreement, before the 1:25 option consolidation and 129,583,334 options were issued after the 1:25 option consolidation. No options were exercised during the period.

After the 1:25 option consolidation, a total of 34,042,873 options expired in the period unexercised.

As at the date of this report there were 178,101,371 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 Managing Director and Chief Financial Officer have provided assurance in writing to the Board that they believe that the Company's material business risks are being managed effectively and that the Company'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

Please refer to Note 27 for details of significant events after date

Likely developments and expected results

In 2020 the Group intends to continue to progress its mineral projects in Argentina and Peru via JV arrangements or via the sale of its interests in the projects. The Group will also continue to look for other opportunities within South America 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 2019 and the number of meetings attended by each director is as follows:

Director	Board meetings held	Board meetings attended
David Vilensky	7	7
Chris Gale	7	7
Brent Jones	7	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 2019 year is included in the Company's Corporate Governance Statement

Auditors' independence declaration

The auditors' independence declaration is set out on page 56 and forms part of the Directors' report for the year ended 31 December 2019.

Non-audit services

Non-audit services provided by the Group's auditor Stantons International during the year ended 31 December 2019 is shown at Note 28 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.

DIRECTORS' REPORT

Remuneration report (Audited)

This remuneration report for the year ended 31 December 2019 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
Executive director	
Chris Gale	Managing Director
Other Executives	
Sarah Smith	Company Secretary
Jon Grygorcewicz	Chief financial Officer *(Terminated 31 December 2019)*
Sam Moyle	Exploration Manager *(Terminated 2 September 2019)*

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 Managing 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 Managing 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 approved by shareholders on 31 May 2017. Directors do not receive retirement benefits nor do they participate in any incentive programs.

No share rights were issued to directors during the year.

No options were awarded to non-executive directors as remuneration during the year.

Non-executive director Deferred rights plan

The Non-Executive Director Deferred Rights Plan was approved by shareholders on 31 May 2017 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 27 November 2015 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, no STI targets were established at the start of the reporting period, and hence no STI's were issued for the year ended 31 December 2019.

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 Managing 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.

Managing Director

The Managing Director is currently employed under a consultancy agreement for a three-year term ending on 30 September 2019, which was renewed subsequent to the end of the financial year. Mr Gale is paid a fixed remuneration of A$295,000 per annum with an uplift in remuneration in the event of an 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 Managing 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 Managing Director is entitled to a payment equivalent to fees for one year, 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 and Development Manager was employed under employment agreement at an annual salary of $162,000 per annum plus superannuation, prior to moving to a consultancy arrangement.

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 plus GST with additional fees charged for shareholder meetings and corporate actions.

Chief Financial Officer (CFO)

The CFO services are supplied by a third-party consultancy group under a consultancy agreement which is ongoing. Either party may terminate the agreement by giving 1 months' notice. The CFO services are supplied at the rate of $1,600 per day plus GST on an as needs basis with a minimum of 1 day per week. Either party may terminate the agreement by giving 1 month written notice.

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 2019

12 months to 31 Dec 2019	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	-	-	-	-	-	-	-	64,800	-	-
C. Gale	295,000	-	-	-	-	82,279[3]	-	-	377,279	22	-
B. Jones	50,000	-	-	-	-	-	-	-	50,000	-	-
Other KMP											
S. Smith	52,106	-	-	-	-	-	-	-	52,106	-	-
J. Grygorcewicz[1]	86,100	-	-	-	-	-	-	-	86,100	-	-
S. Moyle[2]	72,938	-	-	4,545	-	-	-	-	77,483	-	-
Total	**620,944**	**-**	**-**	**4,545**	**-**	**82,279**	**-**	**-**	**707,768**	**12**	**-**

[1] Mr Grygorcewicz's consultancy contract with the Company was terminated effective 31 December 2019.

[2] Mr Moyle contract with the Company was changed into a consultancy arrangement before termination effective 31 August 2019.

[3] $82,279 relates to 48,026,319 incentive and 9,005,323 retention share rights approved for issue by shareholders in prior years. Of this amount $32,912 was expensed and the balance was capitalised.
On 29 March 2019 and subsequent to year the 48,026,319 incentive rights did not meet the performance criteria and lapsed and no financial benefit was realised.

REMUNERATION OF KEY MANAGEMENT PERSONNEL AND EXECUTIVES FOR THE YEAR ENDED 31 DECEMBER 2018

	Short-term benefits			Post-employment	Other long-term benefits	Share-based payments			Total	Performance related	Equity compensation
12 months to 31 Dec 2018	**Salary & Fees**	**Bonus**	**Non-cash benefits**	**Super**	**Long service leave**	**Share rights**	**Shares**	**Loan funded shares**			
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**%**	**%**
Directors											
D. Vilensky	64,800	-	-	-	-	47,340	-	35,400	147,540	-	56%
C. Gale	300,000	20,000	-	-	-	268,212 [3, 4]	-	70,800	659,012	44%	11%
B. Jones	50,000	-	-	-	-	36,528	-	35,400	121,928	-	59%
Other KMP											
S. Smith	41,300	-	-	-	-	-	-	-	41,300	-	-
J. Grygorcewicz	128,000	-	-	-	-	-	-	-	128,000	-	-
K. Griffin [1]	155,361	-	-	-	-	-	14,000	-	169,361	-	8%
S. Moyle [2]	65,322	-	-	6,206	-	-	6,000	-	77,528	-	8%
Total	**804,783**	**20,000**	**-**	**6,206**	**-**	**352,080**	**20,000**	**141,600**	**1,344,669**	**21%**	**18%**

[1] Mr Griffin's consultancy contract with the Company was terminated effective 2 January 2019.

[2] Mr Moyle commenced with the company on 6 July 2018 and remuneration commencing 6 August 2018.

[3] Of this amount $164,558 relates to 48,026,319 incentive and 9,005,323 retention share rights approved for issue by shareholders in prior years. Of this amount $41,462 was expensed and the balance was capitalised.
On 29 March 2019 and subsequent to year the 48,026,319 incentive rights did not meet the performance criteria and lapsed and no financial benefit was realised.

[4] Of this amount, $103,654 relates to 13,846,154 share rights approved for issue by shareholders in General Meeting on 19 February 2018. A portion of $65,824 was expensed and the balance capitalised.
Of the 13,846,154 share rights approved for issued to Mr Gale during the year, 4,569,231 of the share rights were incentive share rights which did not meet the performance criteria and lapsed. The balance of 9,276,923 were retention rights of which 9,000,000 were transferred to third parties. The balance of 276,923 retention rights held by Mr Gale were converted into 186,014 ordinary shares.

ADDITIONAL DISCLOSURES RELATING TO REMUNERATION

(a) Share holdings of key management personnel

31 Dec 2019	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	15,059,136	-	-	(14,456,770) [3]	602,366
C. Gale	9,531,042	-	8,790,792	(17,588,960) [3]	732,874
B. Jones	29,346,899	-	-	(27,873,022) [3]	1,473,877
Other KMP					
S. Smith	-	-	-	-	-
J. Grygorcewicz [1]	1,000,000	-	-	(1,000,000)	-
S Moyle [2]	2,000,000	-	-	(2,000,000)	-
	56,937,077	**-**	**8,790,792**	**(62,918,752)**	**2,809,117**

[1] Mr Grygorcewicz consultancy contract with the Company was terminated effective 31 December 2019.
[2] Mr Moyle consultancy contract with the Company was terminated effective 31 August 2019.
[3] The Reduction is due to 1:25 share consolidation.

31 Dec 2018	Balance at start of year	Granted as remuneration	On exercise of options	Net change other	Balance at end of year
D. Vilensky	10,913,122	-	4,146,014	-	15,059,136
C. Gale	9,345,028	-	186,014	-	9,531,042
B. Jones	41,966,653	-	3,178,322	(15,798,076) [1]	29,346,899
Other KMP					
S. Smith	-	-	-	-	-
J. Grygorcewicz	1,000,000	-	-	-	1,000,000
K. Griffin [2]	-	2,000,000	-	(2,000,000)	-
S Moyle	-	2,000,000	-	-	2,000,000
	63,224,803	**4,000,000**	**7,510,350**	**(17,798,076)**	**56,937,077**

[1] 15,798,076 shares sold by Interprac Limited of which Mr Jones was a Director.
[2] Mr Griffin consultancy contract with the Company was terminated effective 2 January 2019.

Loan Funded Shares

31 Dec 2019	Balance at start of year	Granted as remuneration	On exercise of options	Net change other[1]	Balance at end of year
D. Vilensky	25,000,000	-	-	(24,000,000)	1,000,000
C. Gale	50,000,000	-	-	(48,000,000)	2,000,000
B. Jones	25,000,000	-	-	(24,000,000)	1,000,000
	100,000,000	**-**	**-**	**(96,000,000)**	**4,000,000**

31 Dec 2018	Balance at start of year	Granted as remuneration	On exercise of options	Net change other	Balance at end of year
D. Vilensky	-	25,000,000	-	-	25,000,000
C. Gale	-	50,000,000	-	-	50,000,000
B. Jones	-	25,000,000	-	-	25,000,000
	-	**100,000,000**	**-**	**-**	**100,000,000**

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. [1] The reduction is due to the 1:25 share consolidation.

DIRECTORS' REPORT

ADDITIONAL DISCLOSURES RELATING TO REMUNERATION

(a) Share right holdings of key management personnel (continued)

31 Dec 2019	Balance at start of year	Granted as remuneration	Converted to Shares	Net change other	Balance at end of year
Directors					
D. Vilensky	-	-	-	-	-
C. Gale	57,031,642	-	(9,005,323)	(48,026,319)	-
B. Jones	-	-	-	-	-
Other KMP					
S. Smith	-	-	-	-	-
J. Grygorcewicz	-	-	-	-	-
S. Moyle	-	-	-	-	-
	57,031,642	**-**	**(9,005,323)**	**(48,026,319)**	**-**

31 Dec 2018	Balance at start of year	Granted as remuneration	Converted to Shares	Net change other	Balance at end of year
D. Vilensky	-	4,236,923	(4,236,923)	-	-
C. Gale	57,031,642	13,846,154	(276,923)	(13,569,231)	57,031,642
B. Jones	-	3,269,231	(3,269,231)	-	-
Other KMP					
S. Smith	-	-	-	-	-
J. Grygorcewicz	-	-	-	-	-
K. Griffin	-	-	-	-	-
	57,031,642	**21,352,308**	**(7,786,077)**	**(13,569,231)**	**57,031,642**

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

	Number	Grant date	Vested in year (%)	Net change other (%)	Date at which share rights are to be vested
Directors					
D. Vilensky– Retention rights	4,235,923	19/2/2018	100%	-	16/3/2018
C. Gale – Retention rights[1]	9,005,323	31/10/2016	-	-	31/10/2019
C. Gale – Retention rights	9,276,923	19/2/2018	100%	-	16/3/2018
C. Gale – Performance rights[1]	48,026,319	31/10/2016	-	-	31/10/2019
C. Gale – Performance rights	4,569,231	19/2/2018	3%	(97%)[2]	16/3/2018
B. Jones– Retention rights	3,269,231	19/2/2018	100%	-	16/3/2018
Other KMP					
S. Smith	-	-	-	-	-
J. Grygorcewicz	-	-	-	-	-
K. Griffin	-	-	-	-	-

[1] Performance rights are subject to the vesting conditions being satisfied after the Measurement Period of 3 years commencing 1 January 2016. These performance rights lapsed on 29 March 2019.

[2] 4,569,231 of the performance rights issued to Mr Gale lapsed as they did not meet the vesting criteria.

(c) 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 2019	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	-	-	-	-	-	-	-
C. Gale	-	-	-	-	-	-	-
B. Jones	-	-	-	-	-	-	-
Other KMP							
S. Smith	-	-	-	-	-	-	-
J. Grygorcewicz[1]	1,000,000	-	-	(1,000,000)	-	-	-
S. Moyle	-	-	-	-	-	-	-
	1,000,000	**-**	**-**	**(1,000,000)**	**-**	**-**	**-**

[1] Mr Grygorcewicz consultancy contract with the Company was terminated effective 31 December 2019.

31 Dec 2018	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	-	-	-	-	-	-	-
C. Gale	-	-	-	-	-	-	-
B. Jones	-	-	-	-	-	-	-
Other KMP							
S. Smith	-	-	-	-	-	-	-
J. Grygorcewicz	-	-	-	1,000,000	1,000,000	1,000,000	-
K. Griffin	-	-	-	-	-	-	-
S. Moyle	-	-	-	-	-	-	-
	-	**-**	**-**	**1,000,000**	**1,000,000**	**1,000,000**	**-**

(d) Loans to key management personnel

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 and 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 in full before the participant can sell their shares.

As at 31 December 2019 and post the 1:25 share consolidation, the balance of the loan funded shares to directors is reduced to 4,000,000.

(e) Other transactions with key management personnel

Refer Note 23 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 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the twelve months ended 31 December 2019

	Notes	31 Dec 2019 $	31 Dec 2018 $
Interest revenue		905	704
Other income and losses	5	(1,119,481)	(1,799,700)
Depreciation and amortisation expense	13	(19,123)	(15,875)
Employee benefits expense	6(a)	(655,909)	(1,259,775)
Finance expenses	6(b)	(1,763,114)	(1,195,855)
Equity share of associated company loss	12	(215,069)	(34,275)
Exploration and evaluation expenditure	14	-	-
Profit/(Loss) on fair value of financial assets through profit or loss		(1,136,967)	(214,500)
Other expenses	6(c)	(630,396)	(1,034,200)
Loss before tax		(5,539,154)	(5,553,476)
Income tax benefit	7	-	-
Loss for the year		(5,539,154)	(5,553,476)
Loss attributable to owners of the Parent Company		(5,539,154)	(5,553,476)
Other comprehensive income			
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	20	672,078	492,336
Total comprehensive loss for the year attributable to owners of the Parent Company		(4,867,076)	(5,061,140)
Basic and diluted loss per share (Cents)	8	(3.7)	(5.1)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Notes	31 Dec 2019 $	31 Dec 2018 $
ASSETS			
Current assets			
Cash and cash equivalents	9(a)	733,282	204,764
Trade and other receivables	10(a)	575,147	751,708
Other financial assets	11	43,700	43,700
Total current assets		**1,352,129**	**1,000,172**
Non-current assets			
Trade and other receivables	10(b)	1,710,528	1,824,598
Investments accounted for using the equity method	12	-	1,051,214
Plant and equipment	13	55,757	80,374
Exploration and evaluation assets	14	9,598,392	8,866,009
Total non-current assets		**11,364,677**	**11,822,195**
Total assets		**12,716,806**	**12,822,367**
LIABILITIES			
Current liabilities			
Trade and other payables	15	1,693,434	1,100,194
Interest bearing loans and borrowings	16	2,535,755	2,235,341
Deferred consideration	17(a)	22,000	22,000
Provisions	18	41,330	65,234
Total current liabilities		**4,292,519**	**3,422,769**
Non-current liabilities			
Deferred consideration	17(b)	9,161,111	8,036,068
Total non-current liabilities		**9,161,111**	**8,036,068**
Total liabilities		**13,453,630**	**11,458,837**
Net (deficiency)/assets		**(736,824)**	**1,363,530**
EQUITY			
Contributed equity	19	48,218,621	45,902,186
Reserves	20	10,967,210	9,844,845
Accumulated losses	21	(59,922,655)	(54,383,501)
Total equity		**(736,824)**	**1,363,530**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the twelve months ended 31 December 2019

	Contributed equity	Share based payment reserve	Foreign currency translation reserve	Accumulated losses	Total
	$	$	$	$	$
Balance at 1 January 2018	46,437,382	2,822,133	4,735,348	(48,830,025)	5,164,838
Loss for the year	-	-	-	(5,553,476)	(5,553,476)
Other comprehensive loss			492,336	-	492,336
Total comprehensive loss	-	-	492,336	(5,553,476)	(5,061,140)
Issue of shares	595,720	-	-	-	595,720
Share based payments	-	687,885	-	-	687,885
Transaction costs	(1,130,916)	1,107,143	-	-	(23,773)
Balance at 31 December 2018	**45,902,186**	**4,617,161**	**5,227,684**	**(54,383,501)**	**1,363,530**
Balance at 1 January 2019	45,902,186	4,617,161	5,227,684	(54,383,501)	1,363,530
Loss for the year	-	-	-	(5,539,154)	(5,539,154)
Other comprehensive loss	-	-	672,078	-	672,078
Total comprehensive loss	-	-	672,078	(5,539,154)	(4,867,076)
Issue of shares	2,690,935	-	-	-	2,690,935
Share based payments	-	450,287	-	-	450,287
Transaction costs	(374,500)	-	-	-	(374,500)
Balance at 31 December 2019	**48,218,621**	**5,067,448**	**5,899,762**	**(59,922,655)**	**(736,824)**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the twelve months ended 31 December 2019

	Notes	31 Dec 2019 $	31 Dec 2018 $
Cash flows from operating activities			
Receipts from other income		-	34,745
Payments to suppliers and employees		(722,791)	(1,969,145)
Interest received		905	704
Interest paid		-	(34,824)
Net cash flows used in operating activities	9(b)	**(721,886)**	**(1,968,520)**
Cash Flows from investing activities			
Payments for plant and equipment	13	-	(31,444)
Proceeds from sale of exploration and evaluation assets		-	189,873
Proceeds from sale of investments		-	237,360
Purchase of equity investments in listed entities		-	-
Payments for exploration and evaluation assets		(840,805)	(1,681,627)
Proceeds from security deposits		-	(13,590)
Net cash flows used in investing activities		**(840,805)**	**(1,299,428)**
Cash flows from financing activities			
Proceeds from the issue of equity	19	1,523,100	-
Transaction costs of issuing shares		(170,691)	(23,775)
Proceeds from borrowing		770,000	2,600,000
Transaction costs of borrowings		(31,200)	(91,000)
Repayment of borrowings		-	(66,620)
Net cash from financing activities		**2,091,209**	**2,418,605**
Net (decrease in cash and cash equivalents		528,518	(849,343)
Cash and cash equivalents at the beginning of the year		204,764	995,492
Net foreign exchange difference		-	58,615
Cash and cash equivalents at the end of the year	9(a)	**733,282**	**204,764**

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

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 2019 were authorised for issue in accordance with a resolution of the directors on 31 March 2020.

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) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Application of new and revised Accounting Standards

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2019:

- AASB 16 Leases
- AASB 2017-6 Amendments to Australian Accounting Standards – Prepayment Feature with Negative Compensation
- AASB 2017-7 Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures
- AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015-2017 Cycle
- AASB 2018-2 Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement
- Interpretation 23 Uncertainty over Income Tax Treatments

The Group also elected to adopt the following amendments early:

- AASB 2018-1 AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material

The Group had to change its accounting policies as a result of adopting AASB 16:Leases. The Group elected to adopt the new rules retrospectively but recognised the cumulative effect of initially applying the new standard on 1 January 2019. The Group only has short term leases which can be cancelled upon two to three months written notice. There is no financial impact upon the adoption of AASB 16: Leases. The other amendments listed did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(e) 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 into 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.

(f) COMPARATIVE INFORMATION

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

(g) 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.

For the year ended 31 December 2019 the consolidated entity incurred a loss of $5,539,154 (2018 $5,553,476), had net cash outflows from operating and investing activities of $1,562,691 (2018: $3,267,948) and had net working capital deficit of $2,940,390 as at 31 December 2019 (2018: $2,422,597).

These conditions indicate a material uncertainty that may cast significant doubt about the company and the consolidated entity's ability to continue as a going concern.

At the date of this report, the directors are satisfied there are reasonable grounds to believe that the Group will be able to continue its planned operations and the Group will be able to meet its obligations as and when they fall due because the directors are confident that the Group will be able to realise certain of its assets or seek alternative sources of funding if required. The Directors believe it is appropriate to prepare these accounts on going concern basis as the Directors have an appropriate plan to contain certain expenditure if appropriate funding is unavailable. Should the Group not achieve the matters set out above, there is uncertainty whether the Group would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The consolidated financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

Since the balance date, the Coronavirus (COVID-19) has had a significant impact on local and world economies and it may affect financial performance of the Group in the future.

(h) 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.

(i) 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.

(j) 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.

(k) 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.

(l) 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.

(m) 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.

(n) 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.

(o) 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.

(p) 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.

(q) 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.

(r) 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.

(s) 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.

(t) 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.

(u) 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.

(v) 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.

(w) 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.

(x) 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.

(y) 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 Peruvian Latin Resources SAC, Minera Dylan SAC, Recursos Latinos S.A. and Mineracao Ferro Nordeste Ltda 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.

(z) 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.

(aa) 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.

(ab) 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.

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. No concessions were relinquished during 2019 and no impairment charge was made.

Share-based payment transactions
The Group measures the cost of equity-settled and cash-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model and the assumptions and carrying amount at the reporting date.

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.

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.

2019	**Australia**	**Peru**	**Argentina**	**Brazil**	**Total**
	$	**$**	$	$	**$**
Revenue					
Interest revenue	905	-	-	-	905
Other income	-	123,659	-	-	123,659
Total revenue	**905**	**123,659**	**-**	**-**	**124,564**
Results					
Depreciation & amortisation expense	(7,503)	(11,620)	-	-	(19,123)
Share based payments	(32,912)	-	-	-	(32,912)
Interest expense	(409,106)	-	-	-	(409,106)
Loss on fair value of financial assets	(1,136,967)	-	-	-	(1,136,967)
Net foreign exchange gain(loss)	(6,138)	(3,176)	(1,233,826)	-	(1,243,140)
Other expenses	(1,203,963)	(201,197)	(20,608)		(1,425,768)
Share of Associate Company loss	(215,069)	-	-	-	(215,069)
Unwinding of interest	-	(1,181,633)	-	-	(1,181,633)
Total expenses	**(3,011,706)**	**(1,397,626)**	**(1,254,434)**	**-**	**(5,663,718)**
Segment loss	**(3,010,753)**	**(1,273,967)**	**(1,254,434)**	**-**	**(5,539,154)**
Segment assets	**1,061,909**	**7,311,812**	**3,864,522**	**478,563**	**12,716,806**
Segment liabilities	**(3,188,180)**	**(10,204,784)**	**(31,309)**	**(40,985)**	**(13,453,630)**
Additions to non-current assets					
Plant & equipment	-	-	-	-	-
Exploration & evaluation assets	201,631	163,175	(82,630)	450,207	732,383
Total additions to non-current assets	**201,631**	**163,175**	**(82,630)**	**450,207**	**732,383**

2018	**Australia**	**Peru**	**Argentina**	**Brazil**	**Total**
Revenue					
Interest revenue	704	-	-	-	704
Other income	133,360	179,448	-	-	312,808
Total revenue	**134,064**	**179,448**	**-**	**-**	**313,512**
Results					
Depreciation & amortisation expense	(4,211)	(11,664)	-	-	(15,875)
Share based payments	(394,754)	-	-	-	(394,754)
Interest expense	(224,574)	(1,589)	-	-	(226,163)
Loss on sale of exploration project	(447,993)	(1,086,997)	-	-	(1,534,990)
Net foreign exchange gain(loss)	(39,862)	(318,588)	(219,068)	-	(577,518)
Other expenses	(1,529,805)	(426,621)	(165,359)		(2,121,785)
Share of Associate Company loss	(34,275)	-	-	-	(34,275)
Unwinding of interest	-	(961,628)	-	-	(961,628)
Total expenses	**(2,675,474)**	**(2,807,087)**	**(384,427)**	**-**	**(5,866,988)**
Segment loss	**(2,541,410)**	**(2,627,639)**	**(384,427)**	**-**	**(5,553,476)**
Segment assets	**1,623,512**	**7,072,540**	**1,301,642**	**29,213**	**10,026,907**

Segment liabilities	**(2,510,223)**	**(8,847,856)**	**(58,534)**	**(42,224)**	**(11,458,837)**
Additions to non-current assets					
Plant & equipment	14,239	10,571	6,634	-	31,444
Exploration & evaluation assets	-	69,722	1,658,084		1,727,806
Total additions to non-current assets	**14,239**	**80,293**	**1,664,718**	**-**	**1,759,250**

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.

5. OTHER INCOME AND LOSSES

	2019 $	2018 $
Sundry income	123,659	179,448
Profit on sale of shares	-	133,360
Loss on sale of exploration project	-	(1,534,990)
Net foreign exchange gain(loss)	(1,243,140)	(577,518)
	(1,119,481)	**(1,799,700)**

[1] Loss on sale of Ilo Copper project is determined as follow:

Total consideration received	-	1,297,921
Exploration costs	-	(5,832,911)
Less – previously written off	-	3,000,000
Loss on sale of exploration projects	**-**	**(1,534,990)**

6. EXPENSES

	2019 $	2018 $
(a) Employee benefits expense		
Employee benefits and Director Fees	622,997	865,021
Employee Share based payments (refer note 22)	32,912	394,754[1]
	655,909	**1,259,775**

[1] Out of Employee share based payments of $82,279 (2018: $555,684), a portion of $32,912 (2018: $394,754) was expensed during the year with the balance being capitalised.

	2019 $	2018 $
(b) Finance expenses		
Bank fees and charges	4,397	6,592
Interest expense	409,106	226,162
Unwinding of the effective interest rate[1]	1,181,633	961,628
Other finance charges	167,978	1,473
	1,763,114	**1,195,855**

[1] Unwinding of the effective interest rate refers to the discounting of the remaining cost of the concessions relating to the Guadalupito project $1,181,633 (2018: $961,628).

	2019 $	2018 $
(c) Other expenses		
Administration expenses	139,807	161,338
Corporate expenses	437,417	814,860
Net foreign exchange loss	-	-
Occupancy expenses	53,172	58,002
	630,396	**1,034,200**

7. INCOME TAXES

	2019 $	2018 $
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 loss before tax	(5,539,154)	(5,553,476)
At the statutory income tax rate of 27.5% (in Australia and Peru)	(1,523,267)	(1,527,206)
Other non-deductible expenditure for income tax purposes		
R&D tax rebate claim		
Unrecognised tax losses	1,523,267	1,527,206
Income tax benefit reported in the consolidated statement comprehensive income	-	-
Deferred tax assets		
Carried forward revenue losses - Australia	5,881,613	5,228,501
Carried forward revenue losses - Peru	(2,546,779)	(2,200,235)
Carried forward revenue losses - Brazil	197,776	197,776
Carried forward revenue losses - Argentina	495,559	150,589
Exploration and evaluation assets	15,658	34,688
Provisions and accruals	16,263	19,659
Other	626,669	515,382
Gross deferred tax asset	4,686,759	3,946,360
Offset against deferred tax liability	-	-
Unrecognised tax losses	4,686,759	3,946,360
Deferred tax liabilities		
Exploration and evaluation assets	-	-
Plant and equipment	-	-
Gross deferred tax liability	-	-
Offset against deferred tax asset	-	-
Net deferred tax liability	-	-

8. EARNINGS PER SHARE

	2019 Cents	2018 Cents
Basic and diluted earnings per share	(3.7)	(5.1)
	$	**$**
Loss used in calculating basic and diluted earnings per share	(5,539,154)	(5,553,476)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share*	151,435,353	108,822,059

* 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 144,250,001 (2018: 1,017,738,109) share options and nil (2018: 65,031,642) share rights on issue which were anti-dilutive and therefore excluded from the weighted average number of ordinary shares used in calculating dilutive earnings per share.

9. CASH

	2019 $	2018 $
(a) Cash and short term deposits		
Cash in hand	309	309
Cash at bank	732,973	204,455
	733,282	**204,764**

(b) Reconciliation of net loss after income tax to net cash flows from operating activities:

	2019 $	2018 $
Loss for the year	(5,539,154)	(5,553,476)
Adjustments to reconcile loss after tax to net cash flows from operating activities:		
(Gain) on sale of investments	-	(133,360)
Loss on fair value of financial assets through profit and loss	1,119,481	214,500
Loss on sale of Ilo Copper Project	-	1,534,99
Depreciation	19,123	15,875
Transaction cost of borrowing	31,200	-
Accrued interest payable	409,106	226,162
Share of loss attributable to investment in associated companies	215,069	34,275
Share based payments	165,266	394,754
Net foreign exchange loss/(gain)	876,657	577,518
Unwinding of the effective interest rate	1,181,633	961,628
Working capital adjustments:		
(Increase)/decrease in trade and other receivables	176,561	(505,128)
Increase/(decrease) in trade and other payables	647,075	244,393
Increase/(decrease) in provisions for annual leave	(23,903)	19,349
Net cash flows used in operating activities	**(721,886)**	**(1,968,520)**

Non-cash financing and investing activities

During the year the Group issued 603,558,323 (2018: 95,294,119) ordinary shares before the 1:25 share consolidation to settle liabilities amounting to $864,000 (2018: $360,000). After the 1:25 share consolidation, the Group also issued 25,000,000 ordinary shares and 6,250,000 LRSOC Listed Options to acquire the Noombenberry Halloysite Project and Big Grey Silver-Lead Project, valuing the acquisition at $181,845.

10. TRADE AND OTHER RECEIVABLES

	2019 $	2018 $
(a) Current		
Trade receivables	302,704	281,424
Other receivables	220,499	396,877
Related party receivables	16,372	7,822
Goods & services tax	27,322	16,059
Prepayments	8,250	49,526
	575,147	**751,708**

The current trade and other receivables at 31 December 2019 were neither provided for or impaired and are considered fully recoverable. Other receivables include collateral shares issued to convertible note holder totalling $43,900 (2018: $244,722).

	2019 $	2018 $
(b) Non-Current		
Goods & services tax[1]	**1,710,528**	**1,824,598**

[1] The Non-current Goods and services tax/value added tax (GST/VAT) refers to a receivable by the company's subsidiary in Peru which can only be offset against GST/VAT attributable to future sales.

11. OTHER FINANCIAL ASSETS

	2019 $	2018 $
Current Asset		
Security deposits and bonds	43,700	43,700
	43,700	**43,700**

12. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

	2019 $	2018 $
Shares in listed entities		
Associated Company Investment – at market [1]	249,344	1,085,489
Less – Equity Share of Associated Company loss	(249,344)	(34,275)
	-	**1,051,214**

[1] Investment in Associate arising from settlement of the sale of the Peru Ilo copper project. At balance date the Company has a 40.19% direct shareholding in the capital of Westminster Resources Limited.

13. PLANT AND EQUIPMENT

	2019 $	2018 $
Furniture and equipment		
At cost	197,299	210,027
Less: Accumulated depreciation	(141,542)	(129,653)
	55,757	**80,374**
Furniture and equipment		
Balance at beginning of period	**80,374**	**65,541**
Additions	-	31,444
Disposals	-	-
Depreciation expense	(19,123)	(15,875)
Effects of exchange rate movements	(5,494)	(736)
Balance at end of period	**55,757**	**80,374**
Net book value	**55,757**	**80,374**

14. EXPLORATION AND EVALUATION ASSETS

	2019 $	2018 $
Balance at beginning of period	**8,866,009**	**6,368,500**
Additions	890,171	1,727,806
Acquisition of exploration assets [1]	181,845	-
Transferred to assets held for sale	-	2,898,233
Disposals	-	(5,832,911)
Write-back of impairment in previous years in relation to disposed assets	-	3,000,000
Foreign currency translation movement	(339,633)	704,381
Balance at end of period	**9,598,392**	**8,866,009**

[1] The Group acquired the Noombenberry Halloysite Project and Big Grey Silver-Lead Project through the acquisition of Electric Metals Pty Ltd (ASX Announcement dated 24 October 2019). The consideration for the acquisition is as follows:

- 25,000,000 fully paid ordinary shares in Latin Resources Ltd
- 6,250,000 options to subscribe for Shares, exercise price $0.012, expiry 31 December 2022
- The Vendor will also be eligible for 16.5 million fully paid ordinary shares in Latin Resources Ltd and 4.125 million options to subscribe for Shares, exercisable at $0.012, on or before 31 December 2022 on a successful Kaolin/Halloysite JORC inferred resource of 3 million tonnes at 30% Ceramic Alumina (Al_2O_3) or greater.

15. TRADE AND OTHER PAYABLES

	2019 $	2018 $
Trade payables	1,409,872	986,697
Other payables	218,562	75,997
Accruals	65,000	37,500
	1,693,434	**1,100,194**

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

16. INTEREST BEARING LOANS AND BORROWINGS

	2019 $	2018 $
Convertible Security Funding - Lind [1]	2,015,755	2,235,341
Convertible Note [2]	520,000	-
	2,535,755	**2,235,341**

[1] Convertible Security Funding - Lind

The Convertible security provides a funding limit of $6 million and repayable in either cash or shares at the election of the Company. The Facility is for a period of 24 months with a maturity date of 26 June 2020. The convertible note holder has the election of requesting repayment of the original convertible note valued at $2,000,000 by acquiring a direct 5% interest in the Argentine Projects. The Company drew down a further $250,000 during the year ended 31 December 2019.

Security for the facility is provided by a general security agreement by the Company in favour of Lind and pledges over all shares in each subsidiary and the Company. A total of 144,500,000 ordinary fully paid shares (collateral shares) have been issued as to the convertible note holder prior to 1:25 share consolidation.

As part of the transaction costs, prior to 1:25 option consolidation, the company issued 110,000,000 listed options exercisable at 1 cent per share which expired on 12 October 2019, 166,666,667 unlisted options exercisable at 0.43 cents per share expiring 18 December 2022, and 200,000,000 unlisted options exercisable at 0.13 cents per share expiring 3 July 2023.

[2] Convertible Note

The Convertible Note has a repayment date of 30 April 2020, and will convert to fully paid ordinary shares at the lower of $0.012 per share or 20% discount to historical 5 days VWAP prior to the date the Noteholders' sent the Conversion Notice, with a floor price of $0.004. Upon conversion the Noteholders will also receive for every $1.00 raised under the Notes, 80 free attaching options exercisable at $0.012 on or before 31 December 2022.

17. DEFERRED CONSIDERATION

	2019 $	2018 $
(a) Current	**22,000**	**22,000**
(b) Non-current	**9,161,111**	**8,036,068**
TOTAL	**9,183,111**	**8,058,068**

The deferred consideration balances reflect the current and non-current portions of the present value of the remaining US$10.0 million (31 December 2018: US$10.0 million) the Group is required to pay in cash and shares for the acquisition of the concessions relating to the Guadalupito project. The deferred consideration is payable as follows:

Share issues

-	January 2019	4,000,000 fully paid shares

Cash Payments

-	Within 6 months of favourable feasibility study	US$250,000
-	Within 18 months of favourable feasibility study	US$750,000
-	Within 30 months of favourable feasibility study	US$1,000,000
-	Within 42 months of favourable feasibility study	US$2,000,000
-	Within 54 months of favourable feasibility study	US$6,000,000

The favourable feasibility study is to be published no later than July 2019.

The 4,000,000 shares and cash payments have not been issued subsequent to balance date as the Company seeks to re-negotiate the payment terms under the Sale Agreement.

18. PROVISIONS

	2019 $	2018 $
Employee benefits – Leave entitlements	**41,330**	**65,234**

19. CONTRIBUTED EQUITY

	2019 $	2018 $
(a) Issued capital		
Issued shares	**48,218,621**	**45,902,186**

(b) Movements in issued capital	**Number**	**$**
Issued shares		
Balance 1 January 2018	**2,622,366,170**	**46,437,382**
Deferred rights conversion	24,510,350	-
Collateral shares [1]	37,000,000	207,222
Convertible Security repayment – October 2018 [2]	26,666,667	120,000
Convertible Security repayment – November 2018 [2]	33,333,334	120,000
Convertible Security repayment – December 2018 [2]	35,294,118	120,000
Collateral shares [3]	7,500,000	22,500
Employee shares [4]	2,000,000	6,000
Loan funded shares [5]	100,000,000	-
Cost of Broker options issues [6]	-	(1,107,143)
Transaction costs	-	(23,775)
Balance 31 December 2018	**2,888,670,639**	**45,902,186**

[1] Collateral shares issued as security for initial drawdown under Convertible Security Funding Agreement

[2] Repayment of Convertible security Funding in shares at $120,000 per month.

[3] Collateral shares issued as security for additional drawdown under Convertible Security Funding Agreement.

[4] On 18 December 2018 issued employee shares under Employment Agreement.

[5] Loan funded shares issued to Directors and approved for issue by shareholders at the Annual General Meeting held 28 May 2018.

[6] Valuation of options issued in conjunction with placement issues in October and November 2018 and approved for issue by shareholders at the General Meeting held on 19 February 2018.

	Number	$
Balance 1 January 2019	**2,888,670,639**	**45,902,186**
Placement	26,980,000	53,835
Share Purchase Plan	261,550,000	523,100
Convertible Security repayment - January 2019[1]	44,444,445	120,000
Convertible Security repayment - February 2019[1]	60,000,000	120,000
Convertible Security repayment - March 2019[1]	93,088,236	156,000
Convertible Security repayment - April 2019[1]	102,692,308	156,000
Convertible Security repayment - May 2019[1]	130,000,000	156,000
Convertible Security repayment - June 2019[1]	173,333,334	156,000
Collateral shares[2]	100,000,000	100,000
Deferred rights conversion[3]	11,707,633	-
Share consolidation[4]	(3,736,767,467)	-
Placement	166,666,667	1,000,000
Acquisition - Electric Metals Pty Ltd	25,000,000	150,000
Cost of Broker options issues	-	(203,809)
Transaction costs	-	(170,691)
Balance at 31 December 2019	**347,365,795**	**48,218,621**

[1] Repayment of Convertible security Funding in shares at $120,000 per month for January – February 2019 and at $156,000 for March – June 2019.

[2] Collateral shares issued as security for additional drawdown under Convertible Security Funding Agreement

[3] Vesting of incentive rights issued in accordance with Incentive Rights Plan approved by shareholders on 27 November 2017.

[4] Share consolidation on 1:25 basis.

20. RESERVES

	2019 $	2018 $
(a) Foreign currency translation reserve		
Balance at beginning of year	5,227,684	4,735,348
Foreign currency translations	672,078	492,336
Balance at the end of the year	**5,899,762**	**5,227,684**

(b) Share based payments reserve	2019 $	2018 $
Balance at the beginning of year	4,617,161	2,822,133
Capital raising costs – issue of broker options	203,809	1,107,143
Loan establishment costs	132,354	138,201
Share based payments	82,279	549,684
Project acquisition	31,845	-
Balance at the end of the year	**5,067,448**	**4,617,161**
Total reserves	**10,967,210**	**9,844,845**

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 22 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 2019	**1,017,738,109**	**$0.01**
Issued during the year – quoted[1,2,3]	129,583,334	$0.012
Issued during the year – unquoted[4]	200,000,000	$0.0013
1:25 Consolidation	(1,169,028,569)	$0.0078
Options lapsed	(34,042,873)	$0.01
Balance at 31 December 2019	**144,250,001**	**$0.018**

Consisting of:

Quoted options -	exercisable at $0.012 per share expiring 31 December 2022	**129,583,334**
Unquoted options -	exercisable at $0.0325 cents per share expiring 3 July 2023	**8,000,000**
	exercisable at $0.1075 per share expiring 18 December 2022	**6,666,667**

[1] 83,333,334 free attaching placement listed options were issued on a 1 for 2 basis in relation to the placement completed in October 2019 and approved for issue by shareholders in general meeting held on 11 December 2019.
[2] 40,000,000 listed options were issued to brokers of the October 2019 placements for capital raising services provided and approved for issue by shareholders in general meeting held on 11 December 2019.
[3] 6,250,000 listed options were issued to the vendor of Electric Metals Pty Ltd as consideration for the acquisition as announced on 24 October 2019 and approved for issue by shareholders in general meeting held on 11 December 2019.
[4] 200,000,000 unlisted options issued pursuant to the Deed of Variation for the Convertible Security Funding Agreement with the Lind Partners New York.

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 22 for further details regarding share-based payments.

21. ACCUMULATED LOSSES

	2019 $	2018 $
Balance at the beginning of the year	(54,383,501)	(48,830,025)
Loss after income tax	(5,539,154)	(5,553,476)
Balance at the end of the year	**(59,922,655)**	**(54,383,501)**

22. SHARE BASED PAYMENTS

	2019 $	2018 $
Expenses arising from share-based payment transactions to key management personnel		
Employee share benefits payments	82,279	555,684

Employee share based payments benefits totalled $82,279 (2018: $555,684), of which $32,912 (2018: $394,754) was expensed during the year with the balance being capitalised.

(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

There were no share rights outstanding as at 31 December 2019 (2018: 65,031,642). During 2018, 11,993,347, share rights vested on 31 October 2018. 11,707,633 share rights were converted into shares and the remaining share rights lapsed.

As at the date of this report, there were no share rights outstanding.

Valuation of Share Rights - 2018
(Retention and performance)

Issued to	Directors
Grant date	19 February 2018
Expiry date	19 February 2021
Quantity	21,352,308 [1]
Exercise price	-
Consideration	-
Fair value at grant date	$0. 01024
10 days VWAP at grant date	$0.01024
Discount	10%
Maximum life	3 Years

[1] Of the share rights issued, 4,569,231 were performance rights which have been assessed by management to have a 25% probability of achievement.

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.

Valuation of Loan Funded Shares
The model inputs for loan funded shares issued during the year ended 31 December 2018 are as follows:

Issued to	Directors
Grant date	28 May 2018
Expiry date	28 May 2020
Quantity	100,000,000
Exercise price	$0.011
Volatility	60%
Fair value at grant date	$ 0.00141
Share price at grant date	$0.0007
Maximum life	2 Years

(b) Options

Valuation of Options to Brokers and Convertible Note Holder

2019

No options were issued to key management personnel during the year.

Before the 1:25 option consolidation 200,000,000 unquoted options were issued in June 2019 to the convertible loan holder and valued using Black and Scholes valuation pricing model [2].

After the 1:25 option consolidation, 46,250,000 quoted options were issued in December 2019 to the placement participants, broker and the vendor of Electric Metals Pty Ltd acquisition. The options were valued using Black and Scholes valuation pricing model [1].

Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioural considerations.

2018

No options were issued to key management personnel during the year and the previous year.

276,785,714 quoted options were valued at the market price of $0.004 on the grant date of 19 February 2018 (refer Note 21(b). 110,000,000 listed options issued to the convertible note holder valued at the market price of $0.001 on the grant date of 26 June 2018.

166,666,667 unquoted options were valued using Black and Scholes valuation pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioural considerations.

Input variables	**31 Dec 2019[1]**	**31 Dec 2019[2]**	**31 Dec 2018**
Grant date share price	$0.009	$0.0015	$0.004
Exercise price	$0.012	$0.0013	$0.0043
Expected volatility	100%	50%	5%
Risk-free interest rate	0.71%	1.14%	1.93%
Option life	3 Years	4 Years	4 Years
Grant date	11 Dec 2019	3 July 2019	18 Dec 2018
Expiry date	31 Dec 2022	3 July 2023	18 Dec 2022
Fair value at grant date	$0.005095	$0.000662	$0.00017

23. RELATED PARTY DISCLOSURES

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

	2019	**2018**
	$	**$**
(a) Compensation of directors and other key management personnel		
Short term employee benefits	620,944	824,783
Post-employment benefits	4,545	6,206
Share based payments	82,279	513,680
	707,768	**1,344,669**

(b) Transactions with related parties

Bowen Buchbinder Vilenksy, a related party of Mr David Vilensky, charged fees totalling $23,033 (exclusive of GST) for the year ended 31 December 2019 in relation to legal fees.

Oakdale Resource Limited, a related party of Mr Chris Gale and Mr Vilensky, was charged $15,880 for admin services in Australia for the year ended 31 December 2019. The Group has received $13,863 prepayment from Oakdale Resources Limited as at 31 December 2019.

Ozinca Peru SAC, a subsidiary of Oakdale Resources Limited in Peru was charged a net of US$12,812 for the year ended 31 December 2019 for office and motor vehicle hire provided by a subsidiary. At balance date an amount of US$9,178 was payable by a subsidiary company to Ozinca Peru SAC for admin and repair services provided.

Westminster Resources Limited, an associated company based in Canada, was charged US$85,935 for the year ended 31 December 2019 for office, secretarial and other services provided by a subsidiary in Peru. At balance date an amount of US$221,675 was payable to a subsidiary company by Westminster.

(c) Subsidiaries

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

		Equity holding	
		2019	2018
Name of entity	**Country of incorporation**	**%**	**%**
Peruvian Latin Resources SAC (PLR)	Peru		100
Minera Dylan SAC (MD)	Peru		100
Mineracao Ferro Nordeste Ltda (MFN)	Brazil		100
Recursos Latinos S.A.	Argentina		100
Electric Metals Pty Ltd	Australia	100	-
Associated Company			
Westminster Resources Limited	Canada	40.19	41.02

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 and MFN which at the date of this report do not attract interest and are not subject to a repayment schedule.

(d) Ultimate parent company

Latin Resources Limited is the ultimate parent of the Group.

24. COMMITMENTS

	2019 $	2018 $
Operating lease commitments:		
Not later than one year	141,062	170,247
Later than one year but not later than five years	-	-
Later than five years	-	-
	141,062	**170,247**

25. CONTINGENCIES

Guadalupito project – Royalty Obligation

On February 8, 2011, Peruvian Latin Resources SAC (PLR) signed an Acquisition Agreement with 14 different vendor companies (Vendors) all with a common principal shareholder to acquire additional mining concessions for its Guadalupito project.

The Acquisition Agreement requires PLR to pay the Vendors a net smelting royalty of 1.5% which is calculated on all extracted and commercialised minerals from the New concessions. The royalty is payable once commercial mining operations have been initiated and mineral products are produced, at an average rate of not less than 70% of the normal capacity of the mining facilities.

Noombenberry Halloysite Project and Big Grey Silver-Lead Project – Contingent Consideration Obligation

The Acquisition Agreement require the Group to pay the Vendor 16.5 million fully paid ordinary shares in Latin Resources Ltd and 4.125 million options to subscribe for Shares, exercisable at $0.012, on or before 31 December 2022 on a successful Kaolin/Halloysite JORC inferred resource of 3 million tonnes at 30% Ceramic Alumina (Al2O3) or greater.

26. 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 2019, the Group had the following exposure to USD that is not designated in cash flow hedges:

	2019 $	2018 $
Financial assets		
Cash and cash equivalents	32,221	30,645
Trade and other receivables	2,174,585	2,233,758
Other financial assets	-	-
	2,206,806	**2,264,403**
Financial liabilities		
Trade and other payables	(1,047,437)	(838,346)
Provisions	(34,902)	(52,203)
Deferred consideration[1]	(9,183,111)	(8,058,068)
	(10,265,450)	**(8,948,617)**
Net exposure	**(8,058,644)**	**(6,684,214)**

[1] As at 31 December 2019, the Group has an obligation to pay US$10.0 million (2017: US$10.1 million) in various instalments by 1 January 2024. The liability is recognised in the Group's subsidiary in Peru whose functional currency is US dollars.

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 2019.

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 2019		
AUD/USD +10%	112,447	112,447
AUD/USD -10%	(112,447)	(112,447)
31 December 2018		
AUD/USD +10%	137,385	189,194
AUD/USD -10%	(137,385)	(189,194)

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

The deferred consideration liability is recognised in the Group's subsidiary in Peru whose functional currency is US dollars. Hence the sensitivity of deferred consideration is recognised in equity. The sensitivity is measured based on the carrying amount of the liabilities rather than the contractual cash outflows up to 1 January 2024.

NOTES TO THE FINANCIAL STATEMENTS

Apart from the above exposure to AUD/USD exchange rate, the Group also has an investment in listed securities listed on the TSXV and denominated in Canadian dollars (CAD). At 31 December 2019 this investment was valued at $249,344. A 10% movement in the AUD /CAD would result in the investment carrying value increasing/decreasing by $24,934.

(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 2019 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.

	2019 $	2018 $
Financial assets		
Cash and cash equivalents	**700,760**	**204,744**
Convertible Security Funding	**2,535,755**	**2,235,341**

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 2019	**Less than 1 month $**	**1-3 months $**	**3-12 months $**	**1-5 years $**	**5+ years $**	**Total $**
Trade and other payables	1,693,434	-	-	-	-	1,693,434
Interest bearing liabilities	468,000	513,000	1,554,755	-	-	2,535,755
Deferred consideration	-	356,837	1,070,511	12,846,132	-	14,273,480
	2,161,434	**869,837**	**2,625,266**	**12,846,132**	**-**	**18,502,669**

31 December 2018	**Less than 1 month $**	**1-3 months $**	**3-12 months $**	**1-5 years $**	**5+ years $**	**Total $**
Trade and other payables	1,100,194	-	-	-	-	1,100,194
Interest bearing liabilities	120,000	276,000	1,404,000	435,341	-	2,235,341
Deferred consideration	-	-	22,000	14,168,320	-	14,190,320
	1,220,194	**276,000**	**1,426,000**	**14,603,661**	**-**	**17,525,855**

(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 2019 the Group is not subject to any external capital requirements.

27. EVENTS AFTER THE REPORTING PERIOD

On 18 February 2020, the Company announced that it has received applications for 17,029,511 Shares at an issue price of $0.006 each with 8,514,755 free attaching Options exercisable at $0.012 on or before 31 December 2022, in accordance with the non-renounceable entitlement offer pursuant to the Prospectus lodged with ASX on 12 December 2019.

On 20 February 2020, the Company announced that First Quantum Minerals subsidiary "Antares Peru SAC" extends the Binding Terms executed with its 100% owned subsidiary, Peruvian Latin Resources SAC for the JV on Latin's Peru copper project, MT03 (Pachamanca) to 31 December 2020, with Latin to be free carried through to mining decision.

On 21 February 2020, the Company announced the issue of 25,336,626 replacement options, exercisable at $0.012 on or before 31 December 2022.

28. AUDITOR'S REMUNERATION

	2019 $	2018 $
Amounts received or due and receivable by the auditor for:		
An audit or review of the financial report of the consolidated group	49,580	49,132
Underprovision for prior year audit	8,066	-
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	-	-
	57,646	49,132
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	-	-
	57,646	**49,132**

29. PARENT ENTITY INFORMATION

	2019 $	2018 $
(a) Financial position		
Assets		
Current assets	855,852	560,368
Non-current assets	7,695,177	9,449,886
Total assets (i)	**8,551,029**	**10,010,254**
Liabilities		
Current liabilities (ii)	3,188,180	2,510,224
Non-current liabilities	-	-
	3,188,180	2,510,224
Net assets	**5,362,849**	**7,500,030**
Equity		
Contributed equity	48,218,621	45,902,186
Reserves	5,067,448	4,617,157
Accumulated losses	(47,923,220)	(43,019,313)
	5,362,849	**7,500,030**
(i) Assets		
Balance per parent company	**8,551,029**	**10,010,254**
Elimination for intercompany loans and consolidation entry	(3,450,045)	(5,083,630)
Elimination for intercompany charge	(4,039,075)	
Balance per operating segment note (Note 4)	**1,061,909**	**4,926,624**
(ii) Liabilities		
Balance per parent company	3,188,180	2,510,224
Movement relating to mineral projects (inter-company)	-	-
Balance per operating segment note (Note 4)	**3,188,180**	**2,510,224**
(b) Financial performance		
(Loss)/Profit of the parent entity (i)	**(4,654,564)**	**(8,141,035)**
Total comprehensive profit/(loss) of the parent entity	**(4,654,564)**	**(8,141,035)**
(i) (Loss)/Profit for the year		
(Loss)/Profit per parent company	(4,654,564)	(8,141,035)
Provision for intercompany loans and consolidation entry	1,858,879	5,599,625
Balance per operating segment note (Note 4)	**(2,795,686)**	**(2,541,410)**

(c) Contingencies and commitments

Operating lease commitments:		
Not later than one year	136,550	160,100
Later than one year but not later than five years	-	-
	136,550	**160,100**

DIRECTORS' 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 2019 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 2019 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 managing director and chief financial officer in accordance with section 295A of the Corporations Act 2001 for the financial year ended 31 December 2019.

On behalf of the Directors

David Vilensky
Chairman
Signed on 31 March 2020

AUDITORS' INDEPENDENCE DECLARATION

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
Chartered Accountants and Consultants

PO Box 1908
West Perth WA 6872
Australia

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Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

31 March 2020

Board of Directors
Latin Resources Limited
Unit 3, 32 Harrogate Street
West Leederville, WA 6007

Dear Sirs

RE: LATIN RESOURCES LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Latin Resources Limited.

As Audit Director for the audit of the financial statements of Latin Resources Limited for the financial year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully,

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED
(Trading as Stantons International)
(An Authorised Audit Company)

Samir Tirodkar
Director

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
Chartered Accountants and Consultants

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Latin Resources Limited, the Company and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, 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, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its financial performance for the year then ended; 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of 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.

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

Emphasis of Matters

Material Uncertainty Regarding Going Concern

We draw attention to Note 2(g) of the financial report which describe the going concern basis of preparation of the financial report.

As referred to in Note 2(g) to the financial statements, the financial statements have been prepared on a going concern basis. As at 31 December 2019, the Group had a working capital deficiency of $2,940,390 and had incurred a loss for the year of $5,539,154. The ability of the Group to continue as a going concern is subject to the successful recapitalisation of the Group, commencement of profitable operations and/or sale of the underlying projects. In the event that the Board is not successful in recapitalising the Group, commencing profitable operations and/or sale of the underlying projects, the Group may not be able to pay its debts as and when they become due and may be required to realise its assets and discharge its liabilities other than in the normal course of business, and at amounts different to those stated in the financial report.

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Material Uncertainty Regarding Carrying Value of Exploration and Evaluation Assets and Recoverability of the Peruvian VAT Receivable

We draw attention to Note 14 and Note 10(b) of the financial report, which discloses the carrying value of the Peruvian VAT and the exploration and evaluation assets respectively.

As referred to in Note 14 and Note 10(b) respectively, the recoverability of the Group's carrying value of exploration and evaluation assets of $9,598,392 and VAT receivable of $1,710,528 in its subsidiary in Peru is dependent on the successful commercial exploitation of the exploration and evaluation assets and/or sale of those assets at amounts in excess of the book values. In the event that the Group is not successful in commercial exploitation and/or sale of the exploration and evaluation assets, the realisable value of the Group's assets including VAT receivable in Peru may be significantly less than their current carrying values. Furthermore, we also note the cashflow forecasts used to underpin the recoverability of the carrying value of exploration and evaluation assets and VAT receivable were prepared by management prior to the recent market uncertainty arising from the spread of the COVID-19 virus and its effects on the business environments in Australia and Peru. Management are reviewing what impact, if any, this will have on their business, and the stated balances.

Our opinion is not modified in respect of these matters.

Key Audit Matters

In addition to the matters described in the Emphasis of Matter paragraphs, we have defined the matters described below to be key audit matters to be communicated in our report.

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 period. 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.

<table>
<tr><th>Key Audit Matters</th><th>How the matter was addressed in the audit</th></tr>
<tr><td>

Contributed Equity and Share Based Payments

The Group's Contributed Equity amounted to $48,218,621 at 31 December 2019. During the year, this increased by the issuance of 1,003,795,956 ordinary shares pre-consolidation and 191,666,667 ordinary shares post consolidation through placements, the exercise of options, conversions of share rights, settlement of liabilities, acquisition of business interests treated as acquisition of an asset and settlement of brokerage fees to raise $2,690,935 before costs. Capital raising costs, which included legal fees, ASX fees and fair value of options issued to brokers, amounted to $2,374,500 resulting in a net increase in the Contributed Equity compared to last year.

During the year, the company also issued share options to directors, employees, convertible loan holders and service providers resulting in an in increase in the share-based payment reserve of $450,287.

Contributed equity and Share based payments are key audit matters due to:

- the quantum of transactions having been effected during the year; and
- the complexities involved in recognition and measurement of these instruments.
- the judgement required in the application of

</td><td>

Inter alia, our audit procedures included the following:

i. Obtaining an understanding of the underlying transactions;

ii. For share placements, trancing funds raised to bank statements and other relevant supporting documentation;

iii. Auditing the option valuations and assessed the assumptions used;

iv. Checking that the fair-value of share rights granted in the prior year are appropriately charged over the vesting period and allocated to expenses or capitalised exploration and evaluation expenditure as appropriate, in accordance with AASB 2; and

v. Discussing with management the requirements of the relevant accounting standards and need for disclosures to achieve fair presentation and reviewed the financial statements to ensure appropriate disclosures are made.

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AASB 2 *Share-Based Payment*.

We have spent significant audit effort on ensuring the issued capital was appropriately accounted for and that other share-based payments were appropriately valued and accounted for in accordance with AASB 2 *Share-Based Payments* (AASB 2).

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2019 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Auditor's Responsibilities for the Audit of the Financial Report

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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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 the 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.

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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 group 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.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated 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 on the Remuneration Report

We have audited the Remuneration Report included in pages 16 to 24 of the directors' report for the year ended 31 December 2019.

In our opinion the Remuneration Report of Latin Resources Limited for the year ended 31 December 2019 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.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd

Samir Tirodkar
Director

West Perth, Western Australia
31 March 2020

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 26 March 2020.

Class of equity securities and voting rights

SHARES

There were 360,395,306 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 no share rights.

OPTION

The Company has the following classes of options on issue at 26 March 2020 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	163,434,704
	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

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	366	-	-	22	-
1,001 – 5,000	1,120	-	-	38	-
5,001 – 10,000	546	-	-	16	-
10,001 – 100,000	1,101	-	-	68	-
100,001 and over	373	-	3	78	1
Total	**3,506**	**-**	**3**	**222**	**1**

HOLDING LESS THAN A MARKETABLE PARCEL

	Ordinary shares (listed)	Share rights (unlisted)	Loan funded shares (unquoted)	Options (listed)	Options (unlisted)
	3,236	**-**	**-**	**176**	**-**

RESTRICTED SECURITIES

5,000,000 fully paid ordinary shares are subject to voluntary escrow. Other than this, 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***

Not applicable	-	-

Twenty largest holders of quoted shares

Rank	*Shareholder*	*No. of Shares Held*	*% Held*
1.	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	31,741,173	8.71
2.	MS CHUNYAN NIU	23,614,587	6.48
3.	MR MERVYN JOHN RULE	16,629,819	4.56
4.	MR WILLIAM SCOTT ALDERS	12,472,280	3.42
5.	ALLEKIAN EXCHANGE PTY LTD	10,000,000	2.74
6.	MR GABRIEL GOVINDA HEWITT	10,000,000	2.74
7.	MR MARK HOLMES	8,333,333	2.29
8.	ROBBIE HUNT PTY LTD <ROBBIE HUNT SUPER A/C>	6,232,672	1.71
9.	M & K KORKIDAS PTY LTD <M&K KORKIDAS P/L S/FUND A/C>	5,081,600	1.39
10.	MR DOMINIC DIRUPO <DIRUPO INVESTMENT A/C>	4,442,188	1.22
11.	ROBBIE HUNT PTY LTD <ROBBIE HUNT FAMILY SUP A/C>	4,000,000	1.10
12.	MR IAN MICHAEL PATERSON PARKER+MRS CATRIONA SYLVIA PARKER<IMPP A/C>	3,666,666	1.01
13.	MR VINCENZO BRIZZI + MRS RITA LUCIA BRIZZI <BRIZZI FAMILY S/F A/C>	3,500,000	0.96
14.	B MCCORMACK SMSF PTY LTD <B MCCORMACK SMSF A/C>	3,333,333	0.91
15.	BVB CUSTODIAN PTY LTD <BVB A/C>	3,333,333	0.91
16.	ALLOWSIDE PTY LTD	3,006,264	0.83
17.	MR DAVID WAYNE AUSTIN + MRS CHRISTINA YIT LING AUSTIN <AUSTIN SUPER FUND A/C>	3,000,000	0.82
18.	MOONAH CAPITAL PTY LTD	3,000,000	0.82
19.	MR GABRIEL GOVINDA HEWITT	2,625,000	0.72
20.	CITICORP NOMINEES PTY LIMITED	2,559,836	0.70
Total		**160,572,084**	**44.07**

Twenty largest holders of quoted options

Rank	*Shareholder*	*No. of Options Held*	*% Held*
1.	SHAPE WEALTH PTY LTD	24,737,314	15.14
2.	SABA NOMINEES PTY LTD <SABA A/C>	17,062,500	10.44
3.	MS CHUNYAN NIU	11,807,293	7.22
4.	GOVINDA FREEDOM FUND PTY LTD <SUPER GOVINDA A/C>	11,634,116	7.12
5.	ALLEKIAN EXCHANGE PTY LTD	7,500,000	4.59
6.	MR PETER ANDREW PROKSA	6,320,314	3.87
7.	MR JULIAN KWOK YUN CHEANG	6,019,884	3.68
8.	SJ CAPITAL PTY LTD	4,600,000	2.81
9.	CITICORP NOMINEES PTY LIMITED	4,496,000	2.75
10.	MR MARK HOLMES	4,166,666	2.55
11.	MR VINCENZO BRIZZI + MRS RITA LUCIA BRIZZI <BRIZZI FAMILY S/F A/C>	3,500,000	2.14
12.	QUID CAPITAL PTY LTD	3,361,459	2.06
13.	MR GABRIEL GOVINDA HEWITT	3,281,250	2.01
14.	SEED STRATEGIC ADVISORY PTY LTD	3,160,157	1.93
15.	MR BOYUN LIU	3,160,156	1.93
16.	JINDABYNE CAPITAL PTY LTD <PROVIDENCE EQUITY A/C>	3,000,000	1.84
17.	HH SMSF PTY LTD <HH SUPER FUND A/C>	2,212,109	1.35
18.	THREE ZEBRAS PTY LTD <JUDD FAMILY A/C>	2,036,721	1.25
19.	GOFFACAN PTY LTD <KMM FAMILY A/C>	2,000,000	1.22
20.	MR DOMINIC DIRUPO <DIRUPO INVESTMENT A/C>	1,896,094	1.16
Total		**125,952,033**	**77.07**

TENEMENT SCHEDULE

PERU

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

TENEMENT SCHEDULE

DOCKERS 1	01-01865-11	Peru	41.02%	Concession
DOCKERS 2 [2]	01-01866-11	Peru	41.02%	Concession
DOCKERS 3 [2]	01-01867-11	Peru	41.02%	Concession
DOCKERS 4 [2]	01-01868-11	Peru	41.02%	Concession
FLEMANTLE 16 [1]	01-02431-10	Peru	41.02%	Concession
FREMANTLE 1 [1]	01-02062-10	Peru	41.02%	Concession
FREMANTLE 10 [1]	01-02425-10	Peru	41.02%	Concession
FREMANTLE 11 [1]	01-02426-10	Peru	41.02%	Concession
FREMANTLE 14 [1]	01-02429-10	Peru	41.02%	Concession
FREMANTLE 18 [1]	01-02433-10	Peru	41.02%	Concession
FREMANTLE 2 [1]	01-02063-10	Peru	41.02%	Concession
FREMANTLE 22 [1]	01-01831-11	Peru	41.02%	Concession
FREMANTLE 29 [1]	01-01838-11	Peru	41.02%	Concession
FREMANTLE 3 [1]	01-02064-10	Peru	41.02%	Concession
FREMANTLE 4 [1]	01-02065-10	Peru	41.02%	Concession
FREMANTLE 5 [1]	01-02066-10	Peru	41.02%	Concession
FREMANTLE 7	01-02068-10	Peru	41.02%	Concession
FREMANTLE 8 [1]	01-02250-10	Peru	41.02%	Concession
FREMANTLE 9 [1]	01-02424-10	Peru	41.02%	Concession
KELLY 00 [1]	01-01840-11	Peru	41.02%	Concession
KELLY 01 [1]	01-04977-11	Peru	41.02%	Concession
LATIN ILO SUR F [1]	01-02824-09	Peru	41.02%	Concession
LATIN MORRITO 1 [2]	01-02827-09	Peru	100%	Concession
LATIN MORRITO 2 [2]	01-02828-09	Peru	100%	Concession
VANDALS 1 [2]	01-02437-10	Peru	100%	Concession
VANDALS 2 [2]	01-02438-10	Peru	100%	Concession

ARGENTINA

Catamarca

LATINA 1	1/18	Argentina	100%	Exploration Concession
LATINA 2	3/18	Argentina	100%	Exploration Concession
LATINA 3	5/18	Argentina	100%	Exploration Concession
LATINA 4	6/18	Argentina	100%	Exploration Concession
LATINA 5	4/18	Argentina	100%	Exploration Concession
LATINA 6	2/18	Argentina	100%	Exploration Concession
LATINA 7	13/18	Argentina	100%	Exploration Concession
LATINA 8	14/18	Argentina	100%	Exploration Concession
LATINA 9	12/18	Argentina	100%	Exploration Concession
LATINA 10	11/18	Argentina	100%	Exploration Concession
LATINA 11	10/18	Argentina	100%	Exploration Concession
LATINA 12	9/18	Argentina	100%	Exploration Concession
LATINA 13	8/18	Argentina	100%	Exploration Concession
LATINA 14	7/18	Argentina	100%	Exploration Concession
LATINA 15	163/18	Argentina	100%	Exploration Concession
LATINA 16	207/18	Argentina	100%	Exploration Concession
LATINA 17	208/18	Argentina	100%	Exploration Concession

TENEMENT SCHEDULE

LATINA 18	209/18	Argentina	100%	Exploration Concession
LATINA 19	210/18	Argentina	100%	Exploration Concession
LATINA 20	211/18	Argentina	100%	Exploration Concession
LATINA 21	212/18	Argentina	100%	Exploration Concession
LATINA 22	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
GEMINIS[3]	674-S-1968	Argentina	100%	Mining Concession
DON GREGORIO [3]	470-O-2006	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] Indirect interest via 41.02% shareholding in Westminster Resources Ltd

[2]Acquisition is pursuant to an option agreement.