



ABN 81 131 405 144

**Half Yearly Report
30 June 2021**

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DIRECTORY

Directors

Mr David Vilensky
(Non-Executive Chairman)

Mr Christopher Gale
(Managing Director)

Mr Brent Jones
(Non-Executive Director)

Mr Pablo Tarantini
(Non-Executive Director)

Company Secretary

Ms Sarah Smith

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Solicitors

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Bankers

Australia and New Zealand Banking Group
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Subiaco WA 6008

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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 (collectively **the Group**) for the half-year ended 30 June 2021.

DIRECTORS

The names of company's directors in office during the half-year and until the date of this report are set out below.

- Mr. David Vilensky
- Mr. Christopher Gale
- Mr. Brent Jones
- Mr. Pablo Tarantini (appointed 2 November 2020)

Directors were in office for this entire period unless otherwise stated.

DIVIDENDS

No dividends were paid or declared during the half year or in the period to the date of this report.

PRINCIPAL ACTIVITIES

The Group's principal activities during the course of the half year continued to be mineral exploration and evaluation.

OPERATING RESULTS

The result for the consolidated entity for the six months ended 30 June 2021 was a loss of \$3,995,957 (2020: loss of \$2,299,681).

REVIEW OF OPERATIONS

Latin Resources Limited (LRS, the Company), is a diversified mineral resources exploration company with a portfolio of projects in demand driven commodities.

Latin's most advanced project is the 100% owned Noombenberry Halloysite-Kaolin Project located in Western Australia, where the Company has recently defined a maiden 207Mt Inferred JORC resources at the Cloud Nine Deposit¹. The Company is also actively exploring copper-gold targets across a suite of tenements in the highly prospective Lachlan Fold belt in Central NSW, copper porphyry targets in southern Peru, and hard-rock spodumene lithium projects in Argentina and Brazil.

Noombenberry Halloysite Project – WA

The Noombenberry Halloysite-Kaolin Project ("**Noombenberry**", or the "**Project**") is located less than 300km from Perth Western Australia, in an area that is serviced by major power, water, road and rail infrastructure. The Project comprises seven granted 100% owned exploration licences covering an area of approximately 567km² over a strike extent of 106km (*Figure 1 & Figure 2*).

The Company has undertaken three separate air core drilling campaigns at Noombenberry, with results confirming the presence of a flat lying thick blanket of ultra-bright white kaolinitic clays which contains pods of high-grade halloysite mineralisation across the full extent of the granted exploration license E77/2622 (*Figure 2*). A selection of the better results includes:

¹ Refer ASX announcement dated 31 May 2021 for full details and JORC Tables

- NBAC017: 18m @ 13% halloysite, 68% Kaolinite, 79 ISO-B from 2m²
Inc: 8m @ 20% halloysite, 68% Kaolinite, 81 ISO-B from 2m
- NBAC015: 32m @ 12% halloysite, 76% Kaolinite, 81 ISO-B from 13m²
Inc: 13m @ 29% halloysite, 46% Kaolinite, 79 ISO-B from 32m
- NBAC119: 26m @ 24% halloysite, 57% Kaolinite, 80 ISO-B from 8m³
Inc: 8m @ 35% halloysite, 61% Kaolinite, 80 ISO-B from 8m
- NBAC081: 41m @ 12% halloysite, 72% Kaolinite, 81 ISO-B from 6m³
Inc: 12m @ 24% halloysite, 52% Kaolinite, 82 ISO-B from 22m
- NBA159: 23m @ 13% halloysite, 73% Kaolinite, 80 ISO-B from 11m⁴
Inc: 12m @ 22% halloysite, 71% Kaolinite, 82 ISO-B from 11m
and: 4m @ 44% halloysite, 45% Kaolinite, 84 ISO-B from 19m

Mineral Resource Estimate

Based on results from these successful drilling campaigns, the Company engaged RSC Global Pty Ltd ("RSC"), to undertake a Mineral Resource Estimate ("MRE") for the Noombenberry Project, and in May 2021 announced the Maiden JORC Inferred MRS for the Cloud Nine Halloysite-Kaolin Deposit ("Cloud Nine").

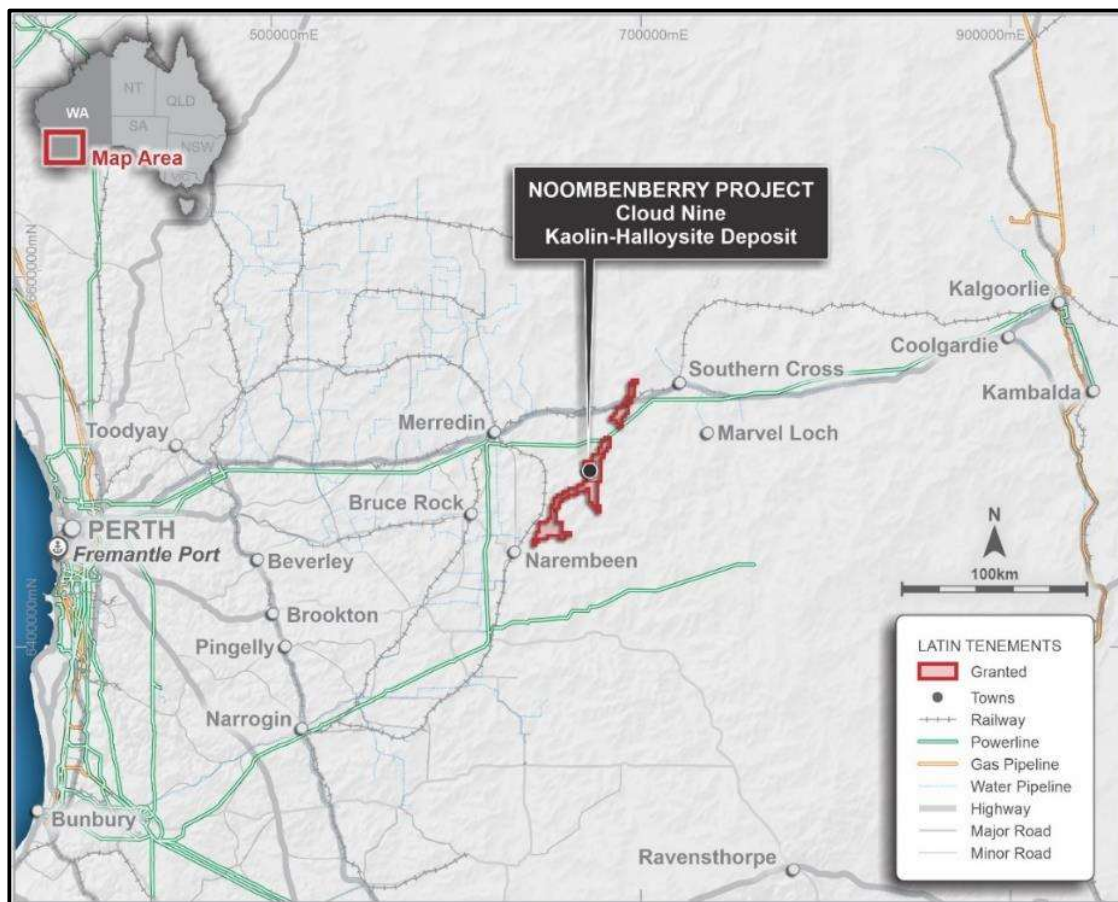


Figure 1: Noombenberry Halloysite Project Location

² Refer ASX announcement dated 24 February 2021 for full details and JORC Tables

³ Refer ASX announcement dated 8 April 2021 for full details and JORC Tables

⁴ Refer ASX announcement dated 28 April 2021 for full details and JORC Tables

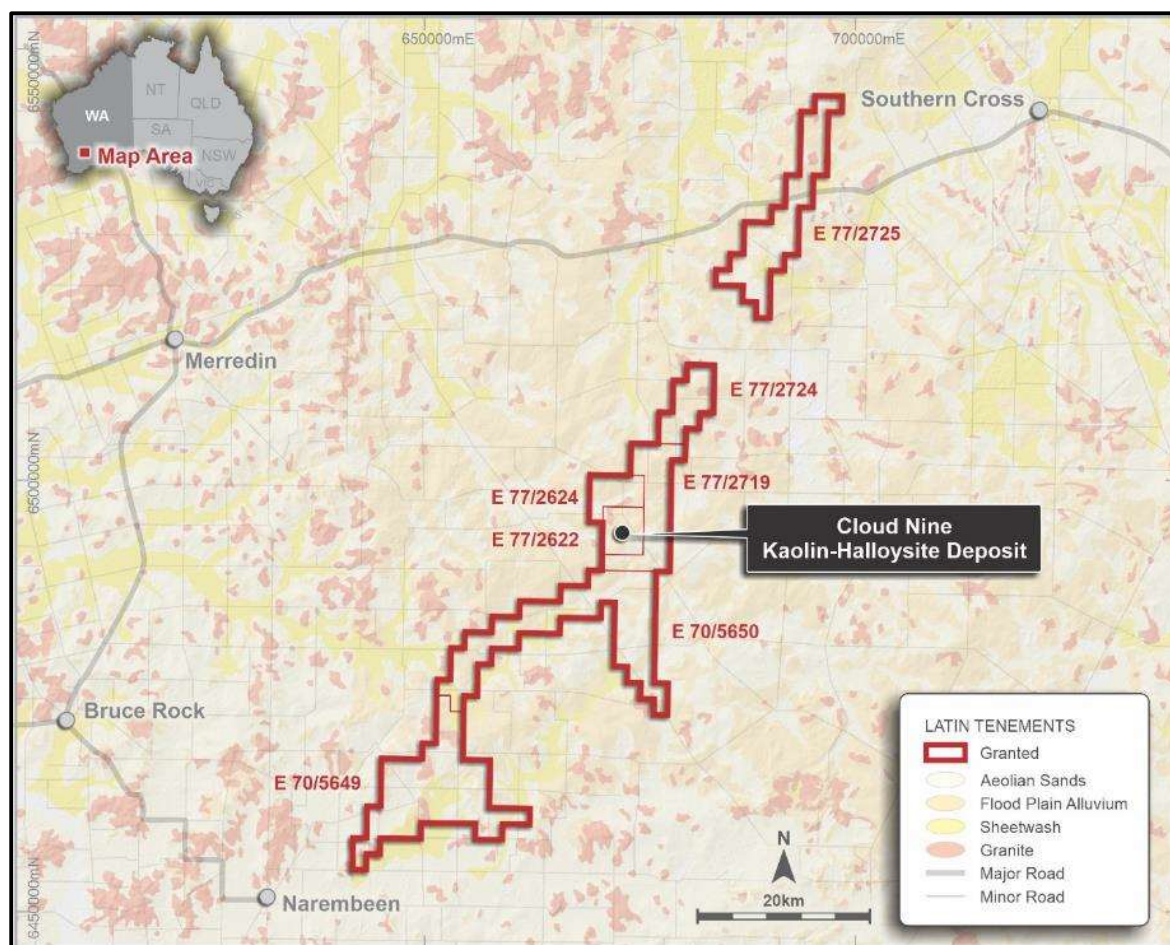


Figure 2: Noombenberry Halloysite Project Tenure

A global Inferred Mineral Resource Estimate for the Cloud Nine Deposit of **207Mt** of kaolinised granite has been reported by RSC Global Pty Ltd ("RSC"), using an ISO Brightness ("ISO-B") R457 cut-off of 75 (Table 1 & Figure 3 & Figure 4).

Domain	Mt	PSD -45 μ m	Brightness (ISO-B)
Kaolin Domain	123	42	79
Kaolin/ Halloysite Domain	84	42	80
Total	207	42	79

Table 1: Cloud Nine Inferred Mineral Resource Estimate summary⁵. Reported at a +75 ISO-B cut-off⁶

The global kaolinised granite Resource contains a total of **75Mt of bright white (+75 ISO-B)** Kaolin product with an **ISO-B of 79** in the -45 μ m size fraction, or **29Mt of ultra-bright white (+80 ISO-B)** kaolin product with an **ISO-B of 82**; both of which are considered high-quality product specifications, potentially suitable for a range of industrial applications.

⁵ Numbers are reported to 1 significant figure in accordance with the JORC Code (2012) guidance on reporting of Inferred Resources.

⁶ In accordance with Clause 49 of the JORC Code (2012), for minerals that are defined by a specification, the Mineral Resource estimation must be reported in terms of the minerals on which the project is to be based and must include the specification of those minerals.

The global Resource also contains a relatively contiguous halloysite domain within the kaolinitised granite. This domain contains **50Mt** at an average grade **6% halloysite**, using a 1% halloysite cut-off; or 35Mt at an average grade of 6% halloysite, using a +75 ISO-B cut-off (Table 2); or **27Mt** at an average grade of **8% halloysite** using a +5% halloysite cut-off.

Domain	MT	Brightness (ISO-B)	Kaolinite (%)	Halloysite (%)	Al ₂ O ₃ (%)	Fe ₂ O ₃ (%)	TiO ₂ (%)
Kaolin	52	79	87	0	35	1	1
Halloysite	35	80	78	6	35	1	1
Total	87	79	83	3	35	1	1

Table 2: Cloud Nine Inferred Mineral Resource Estimate for the -45 µm fraction. Reported at a +75 ISO-B cut-off

Within only 18 months of identifying the opportunity for halloysite⁷, given the very shallow nature of the resources (average <4 m from the surface) the Company has been able to rapidly define this maiden MRE, which has substantial potential to grow, being open in all directions.

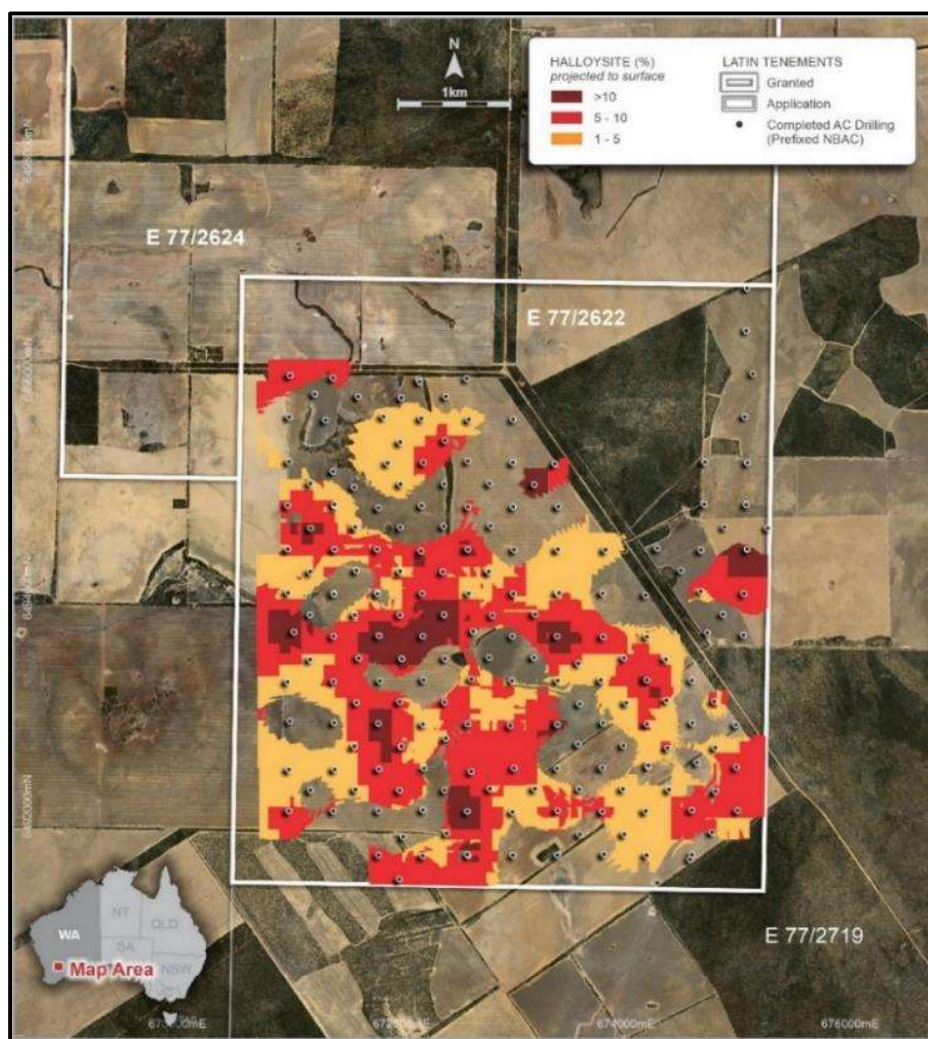


Figure 3: Cloud Nine Resource Block Model, showing halloysite block grades projected to surface.

⁷ Refer ASX announcement dated 22 January 2020 for full details including JORC Table 1.

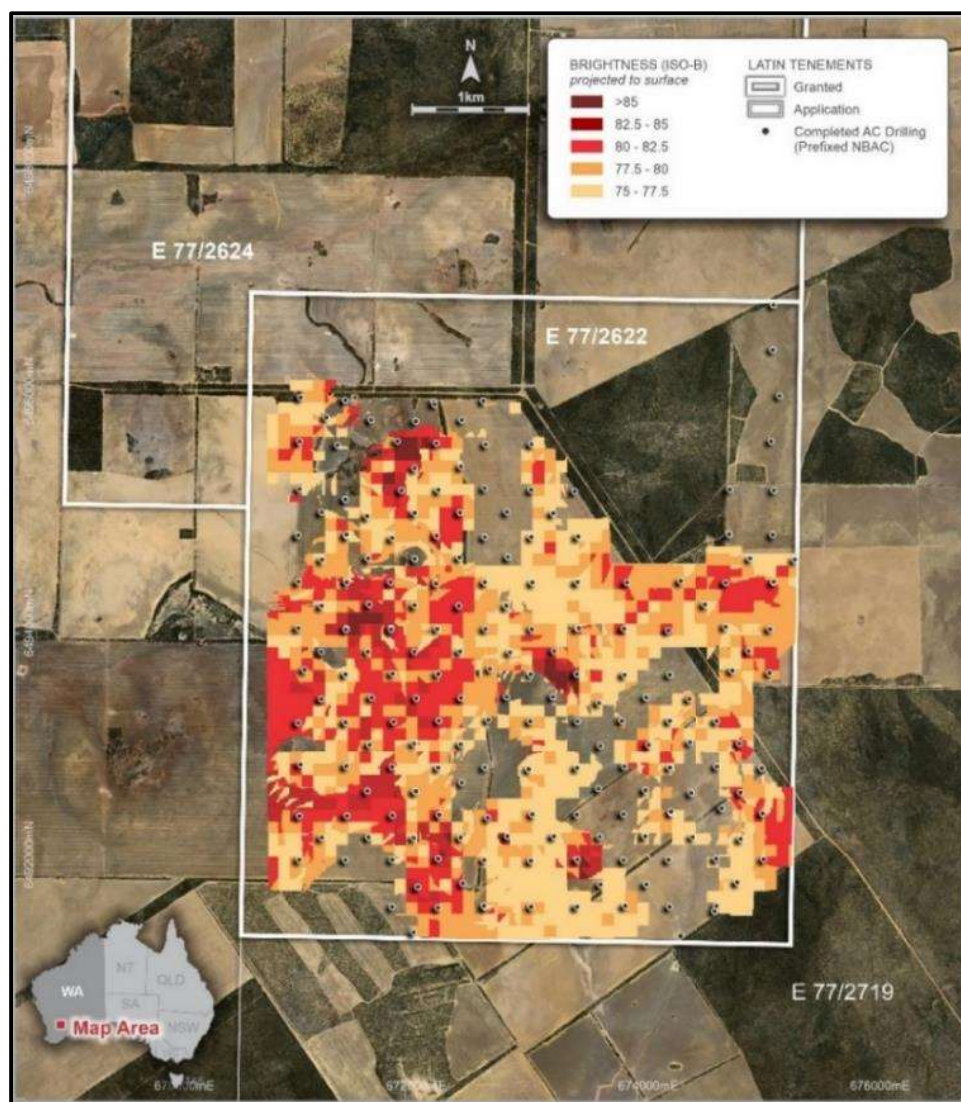


Figure 4: Cloud Nine Resource Block Model, showing ISO Brightness block grades projected to surface.

In June 2021 the Company commenced its latest campaign of exploration drilling which was designed to infill the existing resource definition drilling to allow for an upgrade of the MRE to JORC Indicated and/or Measured classification; as well as extend the current Cloud Nine MRE to the north for a further 4 kilometres where the resource remains open.

A total of 359 air-core holes were completed for 9,640 meters were completed (*Figure 5*). Initial sampling has been completed and detailed analysis of these samples is underway. Results from the initial test work are expected in Q4 2021.

Metallurgical test work program

Latin has engaged an independent metallurgical consultant group, BHM Process Consultants (“**BMH**”); who have considerable experience in kaolin ore and HPA feed stock analysis, to assist in the development a detailed process flowsheet for the Cloud Nine Deposit. Latin has collected bulk metallurgical samples from separate zones within the Cloud Nine Deposit, which represent the ultrabright white kaolin material and the high-grade halloysite bearing material. Test work is set to commence in the Q4 2021 once the testwork process flow-sheet has been finalised.

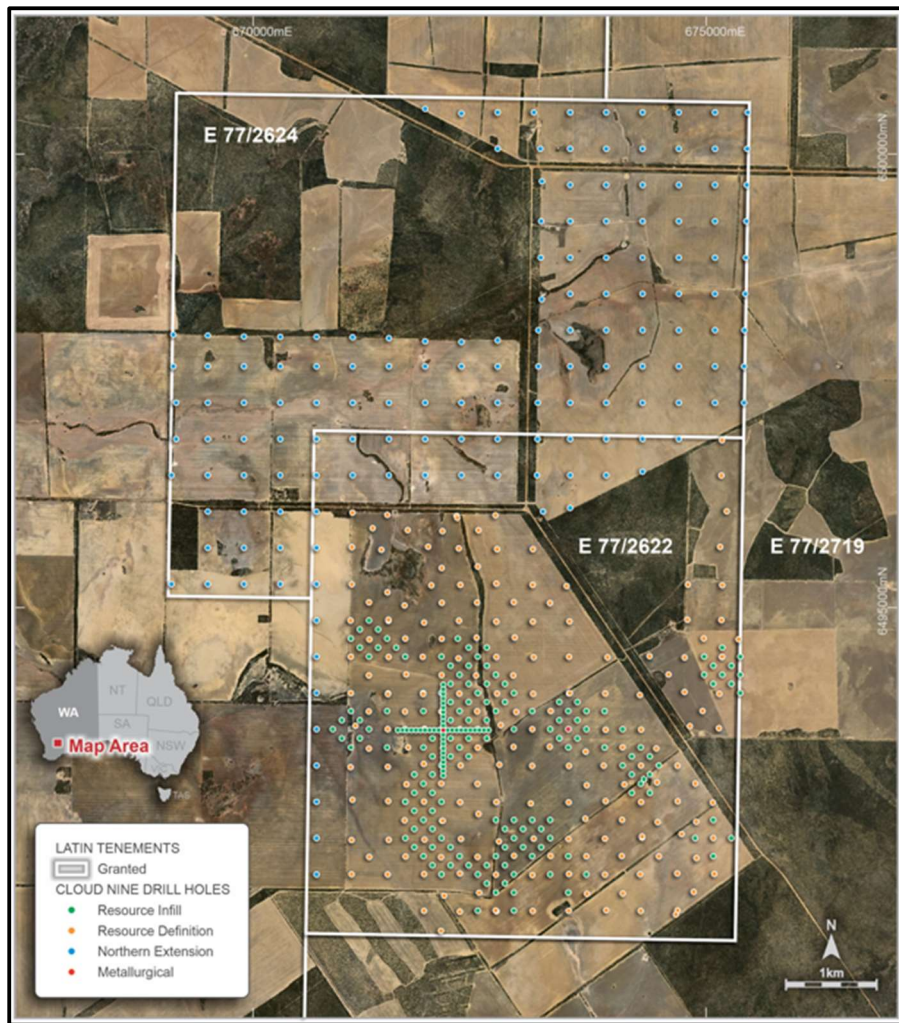


Figure 5: Cloud Nine Drillhole location plan



Figure 6: Sampling and Logging air-core drilling, Cloud Nine Kaolin-Halloysite Deposit.

Lachlan Fold Belt Copper-Gold Projects, NSW

The Company has secured an extensive portfolio of granted exploration tenements across the highly prospective Lachlan Fold belt in NSW (*Figure 7*). The Company has commenced field operations on the Yarara, Burdette and Manildra projects, and following their recent granting by the NSW Department of Planning, Industry and Environment ("DPIE"), is scheduled to commence work on the Boree Creek copper Gold Project and Gundagai NI-Cu-PGE Project.

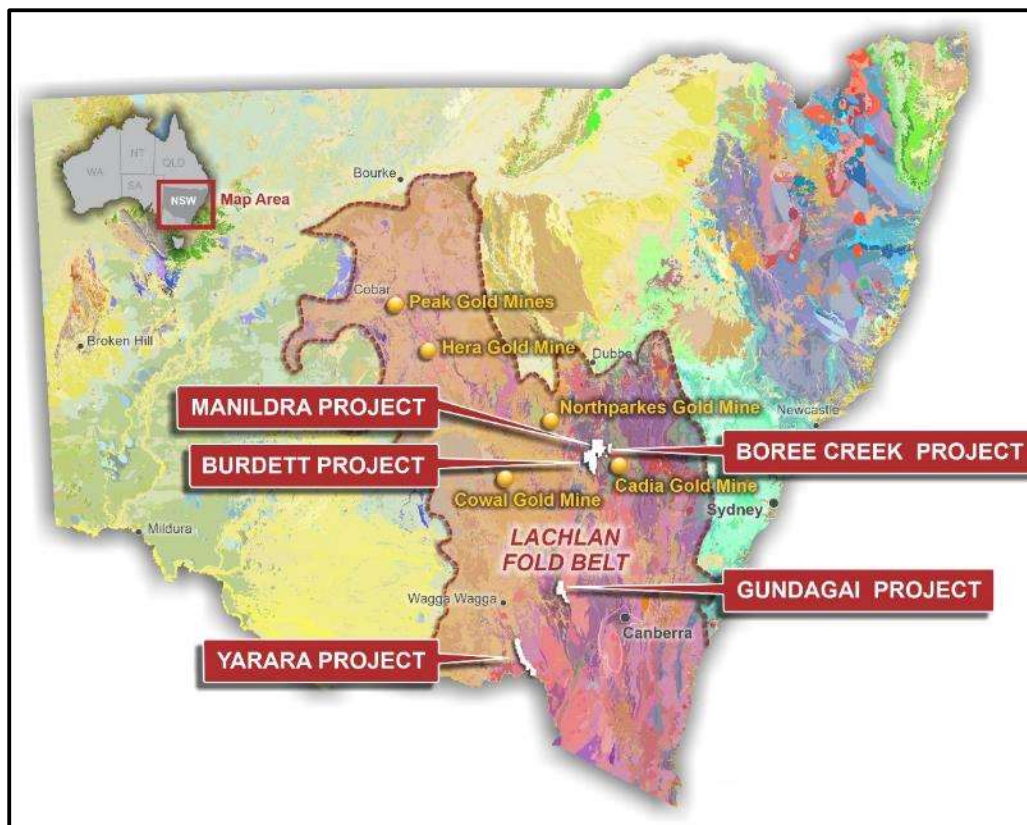


Figure 7: Latin resources' NSW Lachlan Fold Belt Projects Locations

Yarara Copper-Gold Project

Latin has undertaken a program of regional reconnaissance mapping and outcrop sampling across the known mineral occurrences at the Yarara project in Southern NSW. This work has initially been focused on the target areas (*Figure 8*), identified as part of Latin's detailed compilation, analysis and interpretation of historic data sets. The aim of this work is to develop drill targets to enable the submission of ground disturbing permits with the NSW mines department.

This first pass work has highlighted the Peep O'Day prospect in the southern portion of the tenement as a priority target area, with the Company's field teams undertaking multiple sampling programs across this area.

A total of 57 samples were collected from the Peep O'Day within the NSW Yarara JV Project (*Figure 9*), by Latin's Geological team as a part of the first pass reconnaissance mapping exercise, which showed the area was dominated by altered granitic rock, cut through by a stockwork of sheeted quartz veins. Samples were taken from both the veins themselves and the altered wall rock, both of which have returned significant gold mineralisation.

Assay results from samples along the strike extent of the workings have shown distinct clusters of gold mineralisation (*Figure 8*), indicating the system may be open and extend to the north and south under cover. In total, approximately 30% of the samples collected have returned gold grades greater than 1.0 gram per tonne with some of the better results from the individually sampled veins including: 9.78g/t Au, 8.58g/t Au, 8.41g/t Au and 7.79g/t Au, with the altered wall rock returning grades up to 4.53g/t Au⁸.

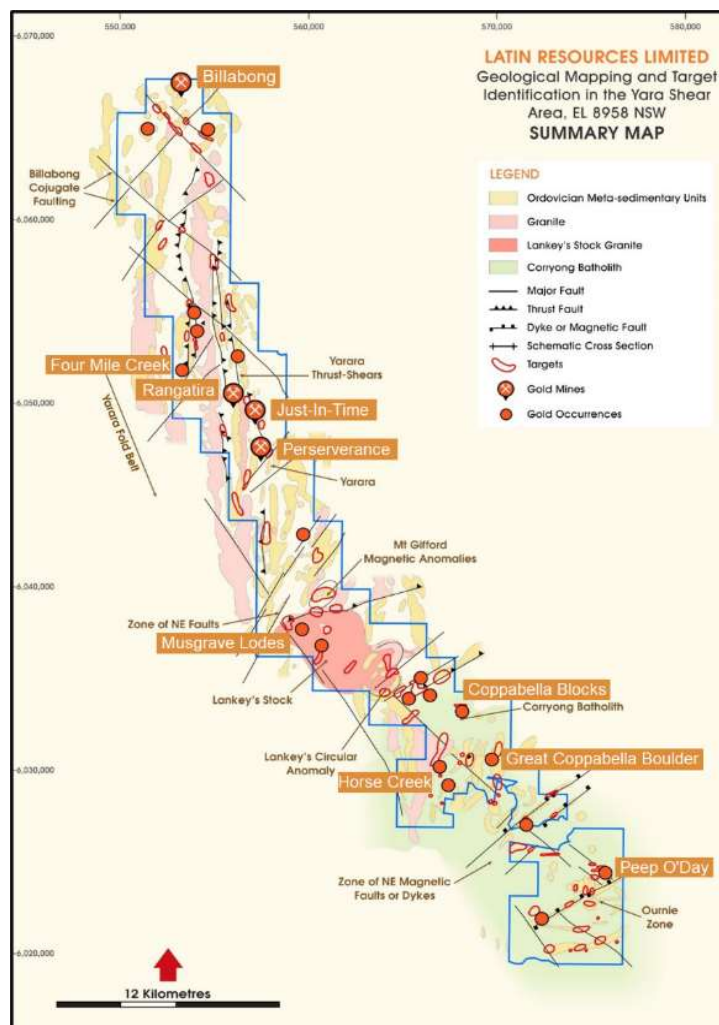


Figure 8: Yarara Copper-Gold Project NSW



Figure 9: Soil and Rock Chip Sampling at the Peep O'Day Gold Prospect, Yarara Project NSW.

⁸ Refer ASX Announcement dated 24 June 2021.

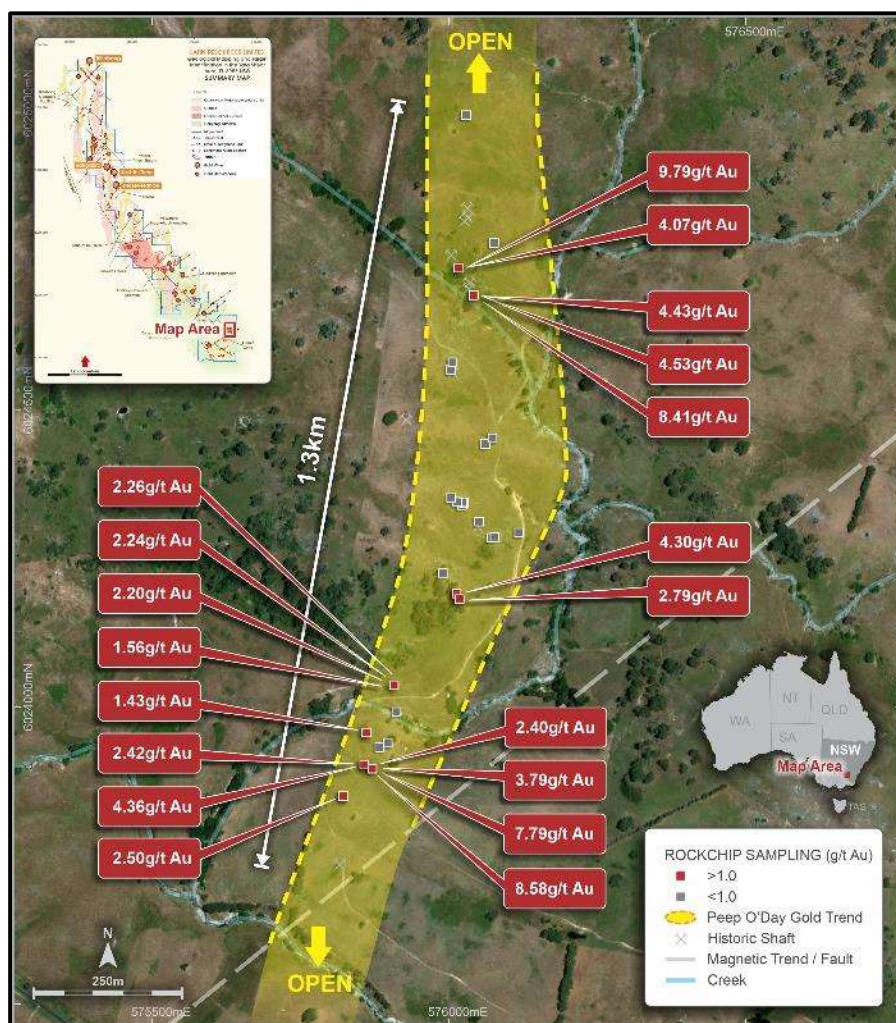


Figure 10: Peep O'Day Gold Prospect showing rock chip sample location and gold grades⁸

A detailed soil sampling program has commenced across the peep O'Day prospect area, however with significant rains in the area, sampling has been suspended until the soil is sufficiently dry to allow the resumption of work.

Burdette - Manildra Gold project, NSW

The project is located 30km west of Orange, 30km north west of Newcrest's world-class Cadia Au-Cu Mine (22Moz Au, 4.3Mt Cu⁹), 60km west of Regis Resources' McPhillamys Gold project (2Moz Au¹⁰) which is hosted by similar Silurian age stratigraphy, and within the highly prospective regional Lachlan Transverse Zone ("LTZ").

The Burdette - Manildra Gold Project straddles the regional north-south trending Manildra Fault structure for some 30km along strike, which hosts a number of gold and copper occurrences, including the historic Lady Burdett mining centre in the southwestern corner of the tenement (Figure 8), where previous

⁹ Cadia Mine reserves taken from Newcrest mining Ltd Market release dated 13 February 2020, "Annual Mineral Resources and Ore Reserves Statement".

¹⁰ McPhillamys resource taken from <https://regisresources.com.au/McPhillamys-Gold-Project/mcphillamys-gold-project.html>; Boda Porphyry exploration results taken from Alkane Resources Ltd ASX and Media Release dated 9 September 2020; Copper Hill Porphyry exploration results taken from Godolphin resources Ltd ASX Announcement dated 20 October 2020; Junction Reef Historic reserves taken from Golden Cross Resources Ltd September Quarterly Report dated 29 October 2020, Lady Burdett Gold fields results taken from DIGS reports RE0008558, RE0009084, RE0012105 & R11070340.

exploration has returned gold in shallow drilling, including: PRB0013 - 26m @ 1.5g/t Au from 25m¹¹, and RB0014: 3m @ 7.82g/t Au from 57m¹¹.

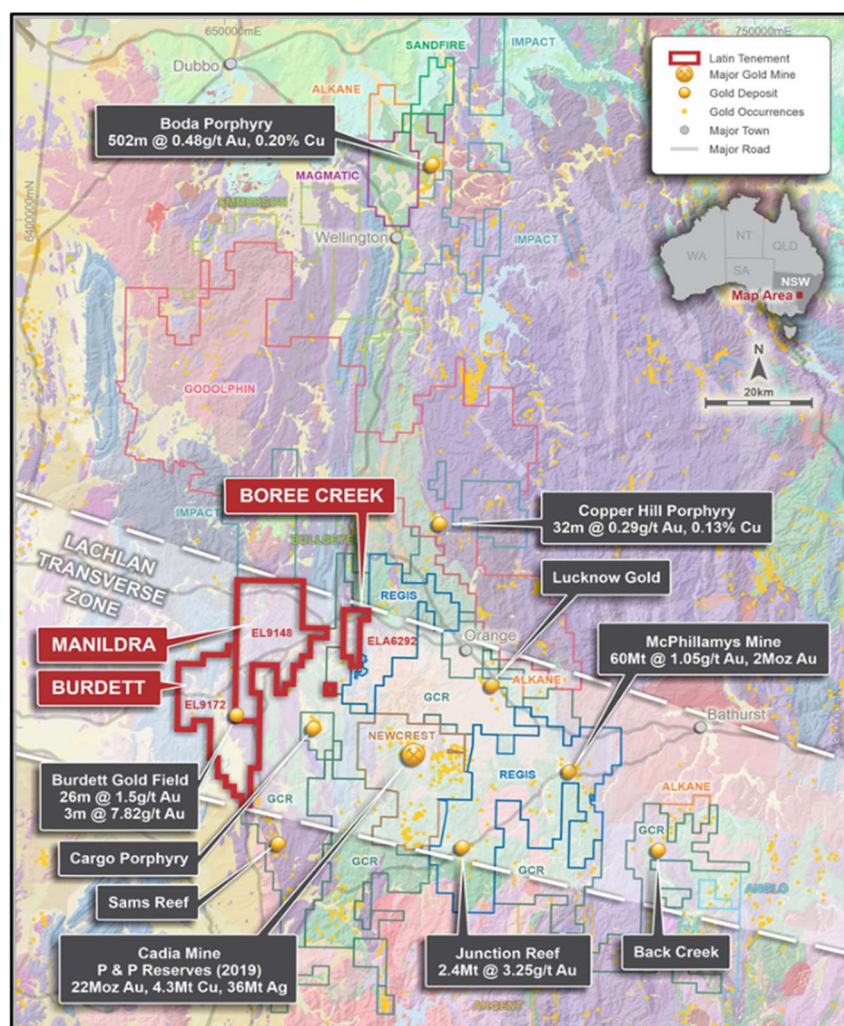


Figure 11: EL9148, EL9172 and ELA6292 Project Location and regional setting, highlighting major Gold Mines and Deposits in the district¹²

Following the granting of the new tenements and securing land access over key areas, Latin has commenced regional and project scale first pass targeting exploration, including reconnaissance mapping and low-impact geochemical sampling, with the aim of identifying RC drilling targets.

Boree Creek Copper-Gold project, NSW

The Company's Boree Creek Project is situated approximately 20km to the northwest of Newcrest's world class Cadia Copper-Gold mine covering the highly prospective Ordovician and Silurian ages rocks with host the Cadia Mine.

¹¹ Refer ASX Announcement dated 3 December 2020.

¹² Cadia Mine reserves taken from Newcrest mining Ltd Market release dated 13 February 2020, "Annual Mineral Resources and Ore Reserves Statement". McPhillamys resources taken from <https://regisresources.com.au/McPhillamys-Gold-Project/mcphillamys-gold-project.html>; Copper Hill Porphyry exploration results taken from Godolphin resources Ltd ASX Announcement dated 20 October 2020; Junction Reef Historic reserves taken from Golden Cross Resources Ltd September Quarterly Report dated 29 October 2020, Lady Burdett Gold fields results taken from DIS reports RE0008558, RE0009084, RE0012105 & R11070340 – Refer to LRS ASX Announcement dated 3 December 2020.

Historic work has highlighted the The Dairy Hill prospect with known copper mineralisation associated with a brecciated dacite porphyry body, with rock chip assays returning up to 2.7% Cu and 0.2ppm Au¹³.

With the DPIE recently granting the tenement, Latin has commenced engagement with key landholders in the area to secure site access and has scheduled the commencement of on-ground field work for Q4 2021.

The Gundagai Ni-Cu-PGE Project, NSW

Latin has secured a major new project area with the addition of two new tenement applications ELA6207 Mooney Mooney and ELA6209 Sandy Creek, located approximately 15km northeast of Gundagai in central southern NSW (Figure 12). Together these tenements total some 165km² of ground highly prospective for ultramafic layered intrusive nickel-copper-platinum group element style mineralisation, orogenic gold mineralisation, and skarn type mineralisation.

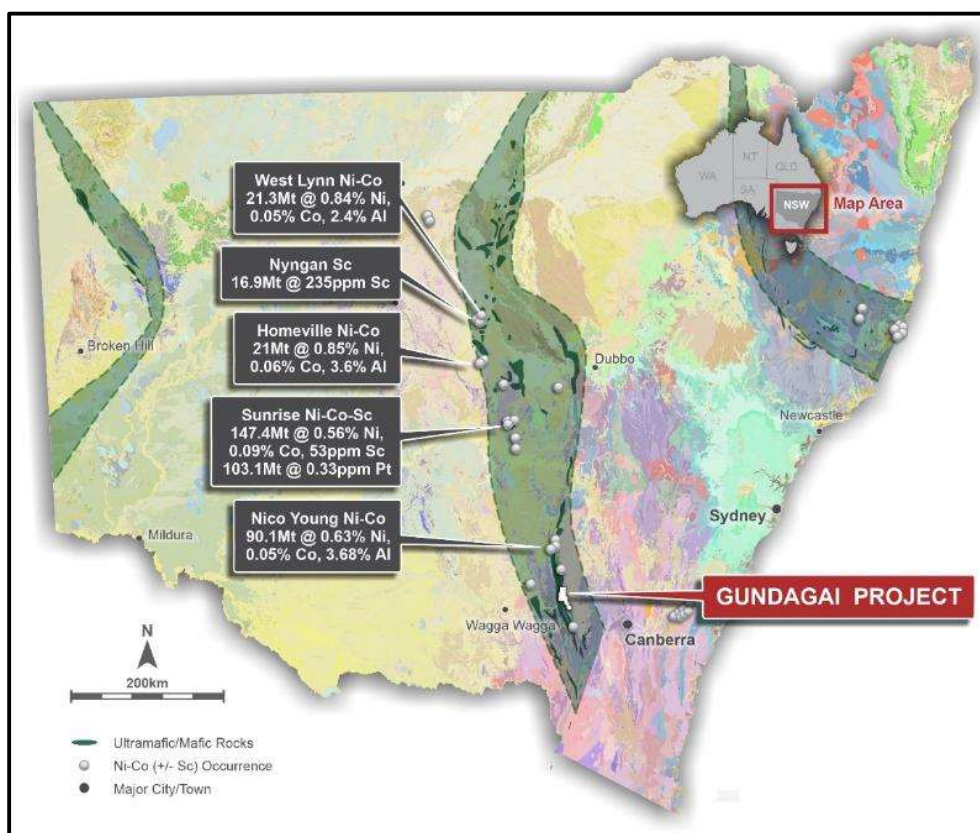


Figure 12: Ni-Co±Sc±PGE resources¹⁴ and occurrences within NSW showing locations of mafic-ultramafic belts and LRS Gundagai Project area

The project area covers the Early Silurian North Mooney Complex, whose dunite-wehrlites have been interpreted as ultramafic intrusions like those at the Sunrise Battery Mineral Complex near Fifield NSW (Figure 12) which have Sc, Co, Ni bearing laterite plus primary PGE's¹⁵. Additionally, there are numerous

¹³ CRA Exploration Pty Ltd (1993) Exploration reports, EL3938, 4155, 4156, 4118, 4127, 4128, 4234, 4226 and 4271, Orange, Manildra and Cumnock. DocType: EL Report GS:GS1993/026

¹⁴ West Lynn resource taken from <http://alchemyresources.com.au/cobar-basin-lachlan-fold-belt-projects-nsw-2/>; Nyngan scandium resource taken from <https://scandiummining.com/projects/nyngan-scandium-project>; Homeville Nickel-Cobalt resource taken from Alpha HPA Limited's Annual Report for the year ended 30 June 2020, ASX release dated 16 October 2020 "Annual Report and Notice of AGM"; Sunrise Ni-Co-Sc resource taken from Clean TeQ Holdings Limited Technical Report dated 25 June 2018 "Sunrise Nickel Cobalt Project, New South Wales, Australia NI 43-101 Technical Report" prepared by SKR Consulting (Australia) Pty Ltd; Sunrise Platinum resource taken from Clean TeQ Holdings Limited's ASX Release dated 17 November 2020 "Phoenix Platinum Zone Drilling Update"; Nico-Young resource taken from <https://jervoismining.com.au/our-assets/nico-young-project/>

¹⁵ Clean TeQ Holdings Limited Technical Report dated 25 June 2018 "Sunrise Nickel Cobalt Project, New South Wales, Australia NI 43-101 Technical Report" prepared by SKR Consulting (Australia) Pty Ltd.

chromite occurrences along the length of ELA 6207 Mooney Mooney within the Coolac Serpentine ultramafic belt (Figure 13), with chromite veining often found coincident with platinum group elements. Historic results from the Mingay area returned a major nickel anomaly of +2000ppm over an area of 1500m x 400m¹⁶, highlighting the potential of the area to host nickel mineralisation.

The Coolac Fault is a significant regional structure dissecting ELA6209 (Figure 13), hosting quartz veining and fine sulphides. There are numerous gold occurrences in the southwest of ELA6209, highlighting the further prospectivity of these two new tenements for orogenic gold mineralisation. Historic rock chips from the Mingay area reported gold up to 7.31 g/t¹⁷.

Following the grant of the two new tenements, and securing land access and other statutory approvals, Latin proposes to complete regional and project scale first pass targeting exploration, which may include geophysical surveys and low-impact geochemical sampling, followed by RC drilling of any defined targets.

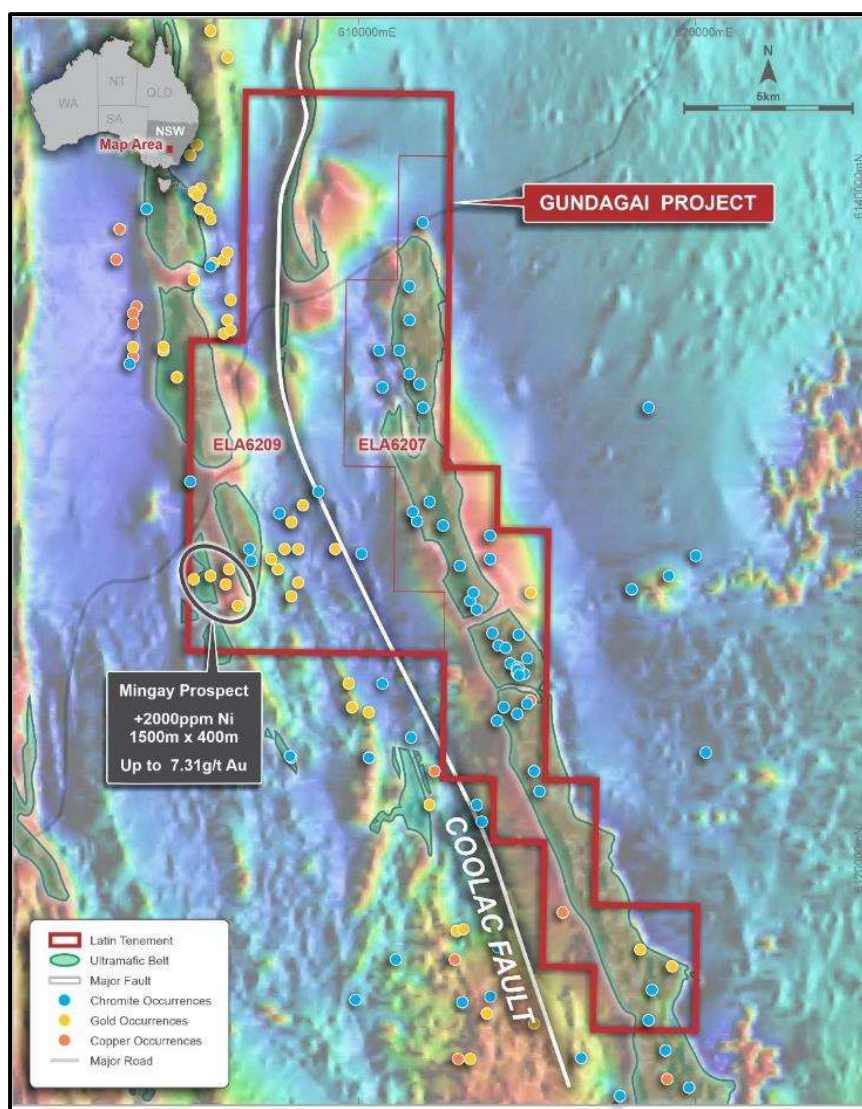


Figure 13: ELA6207 and ELA6209 regional magnetics showing historic mineral occurrences, ultramafic belts, and the regional scale Coolac Fault.

¹⁶ Ausminindex NL (2000) Final Report on EL4247 Coolac, NSW For the Period 24/04/1992 – 18/04/2000. DocType:EL Report R00042566.

¹⁷ Refer NSW Department of Industry, Planning & Environment DIGS Report RE00019002, RE0019003, R00020213 for full details.

Catamarca Lithium Project, Argentina

A field reconnaissance visit has been planned by Latin Resources Argentine personnel and its JV partner Integra Capital. The initial phase of field work in Catamarca will consist of a reconnaissance program to improve the understanding of the local geology. The program will include geological mapping and rock chip sampling, designed to test previously identified lithium targets. This will be followed up by systematic geochemical soil sampling aimed at defining and refining drill targets ahead of a proposed drilling program.

Detailed interpretation of regional geophysical data and field work previously conducted by Latin Resources highlighted the potential prospectivity of the known lithium pegmatites and identified at least 12 separate target areas. These 12 target areas will be the subject of the geological mapping and rock chip sampling to be conducted in the initial phase of field work to;

- Confirm location and resource potential of known Lithium Bearing Pegmatites in the Catamarca district, and determine drill targets.
- Determine new drill targets on previously drilled Lithium bearing pegmatites within the Ancasti pegmatite swarm trends.

Salinas Lithium Project, Brazil

Latin has completed an extensive compilation and review of the available historic data covering the Company's 100% owned Salinas Lithium Project in Eastern Brazil. This process highlighted several priority areas within the Company tenure based geological and structural targeting criteria from the available government and historic databases.

The Company has commenced a field reconnaissance mapping and sampling program with the aim of verifying the data from previous exploration.

Initial field observations have been positive, with outcropping spodumene bearing pegmatites mapped and sampled (Figure 14). At the completion of the field program all samples will be submitted for detailed analysis.

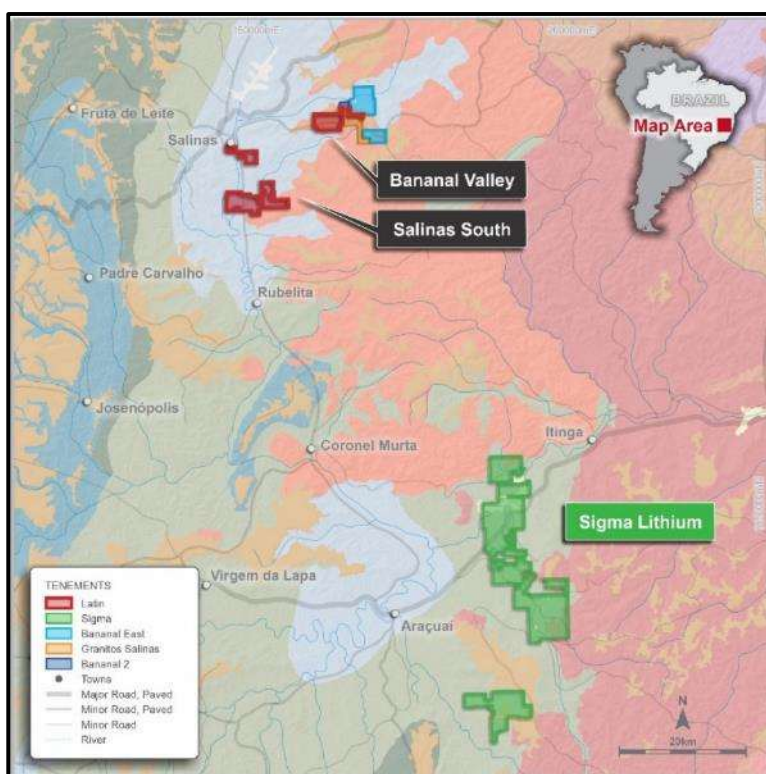


Figure 14: Salinas Lithium Project Locations Minas Gerais District, Brazil

CORPORATE

Debt Repayment

In January 2021, the Company concluded its Convertible Security Funding Agreement with Lind Partners New York (Lind) by repaying the debt in full.

As part of the termination arrangements between the Company and Lind, the following was agreed:

1. Cash payment of \$300,000 (paid on 29 December 2020);
2. Balance payment of \$900,000 (paid on 7 January 2021); and
3. Issue of 20,000,000 Unlisted Options exercisable at \$0.030 on or before 1 December 2022 (issued on 29 January 2021).

Following the termination of the convertible funding agreement with Lind, the Company remains in a very positive financial position with sufficient funding available and no debt.

Director Share Purchase and Options Exercise

The Company's cash balance is also being strengthened by a steady flow of funds from option holders exercising in-the-money LRSOC Options (\$0.012 LRSOC, Expiry 31 Dec 2022) of which approximately \$1.8 million has been received for the option exercise during the six months period.

During the period, Directors David Vilensky exercised 8,262,152 LRSOC Options for a consideration of \$99,146 and Christopher Gale exercised 8,564,696 LRSOC Options for a consideration of \$102,776.

In addition, Euroz Hartleys Limited has also exercised 8,500,000 LRSOC options for a consideration of \$102,000.

Investment in Solis Minerals Ltd (TSX-V: SLMN) – formerly known as Westminster Resources Limited (TSX-V: WMR)

In May 2021, the Company subscribed for 2,700,000 shares at CAD\$0.20 (CAD\$540,000) in Solis' Placement which raised a total of CAD\$2.75 million to maintain its position as Solis' largest shareholder, holding approximately 24% once the private placement was completed.

The Company's investment was valued at \$2.6 million based on Solis' share price of CAD \$0.31 at 30 June 2021.

Solis is using the funds to acquire a 100% interest in the 16-square kilometer Mostazal copper property located in one of the world's best copper district in the Atacama region of Chile.

Less than Marketable Parcel Sale Facility

During the period, the Company established a share sale facility for holders of Less than Marketable Parcels (also referred to as Unmarketable Parcels) of the Company's shares. The ASX Listing Rules define a Less than Marketable Parcel as those with a market value of less than \$500.

At the conclusion of the process, the remaining shares from the Less than Marketable Parcel Sale Facility, a total of 5,133,274 ordinary shares ("Sale Facility Shares") were sold at a price of 4.94 cents each by the Company's Broker, Euroz Hartleys Limited.

COMPETENT PERSON'S STATEMENT

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

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Company during the six months ended 30 June 2021 that are not disclosed elsewhere in this report, the financial statements or the attached notes.

IMPACT OF COVID-19

As previously disclosed, the Group has exploration projects in Latin America (Peru, Argentina and Brazil). The region has been badly affected by COVID-19. The Group's offices in Latin American are now closed, and staff are working from home. Despite this, the Group assessment has determined that there has been no significant impact on the performance nor financial position of the Group as at 30 June 2021.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 31 and forms part of the Directors' report for the half-year ended 30 June 2021.

This report is signed in accordance with a resolution of the Board of Directors pursuant to Section 306(3) of the Corporations Act 2001.



David Vilensky
Chairman

Dated this 10th day of September 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 June 2021

	Note	6 months to 30 June 2021	6 months to 30 June 2020
			\$
Interest Revenue	4(a)	42	221
Other income and losses	4(b)	49,228	72,349
Depreciation and amortisation expense		(8,441)	(9,300)
Employee benefits expense	5(c)	(1,820,102)	(244,913)
Finance costs	5(a)	(654,235)	(379,143)
Equity share of associated company (gain)/loss		(108,140)	-
Loss on fair value of financial asset through profit or loss		-	-
Other expenses	5(b)	(1,454,309)	(448,324)
Loss continuing operations before income tax		(3,995,957)	(1,009,110)
Income tax benefit		-	-
Loss continuing operations after income tax		(3,995,957)	(1,009,110)
Loss attributable to owners of the Group		(3,995,957)	(1,009,110)
Loss from discontinued operation	14	-	(1,290,571)
Net profit for the period		(3,995,957)	(2,299,681)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translating foreign operations	13	(36,645)	197,420
Total comprehensive loss for the period attributable to owners of the Group		(4,032,602)	(2,102,261)
Basic and diluted loss per share (cents)		(0.6)	(1.3)

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 30 June 2021

	Note	30 June 2021 \$	31 December 2020 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	2,703,581	4,533,257
Trade and other receivables	7	1,292,080	331,719
Other financial assets		64,100	43,700
Total current assets		4,059,761	4,908,676
Non-current assets			
Investments accounted for using the equity method	8	1,381,290	924,860
Plant & equipment		68,836	39,347
Exploration & evaluation assets	9	9,755,527	7,082,034
Total non-current assets		11,205,653	8,422,241
Total assets		15,265,414	13,330,917
LIABILITIES			
Current liabilities			
Trade and other payables	10	1,339,221	1,356,643
Interest bearing loans and borrowings	11	-	900,000
Provisions		62,071	43,910
Total current liabilities		1,401,292	2,300,553
Total liabilities		1,401,292	2,300,553
Net assets		13,864,122	11,030,364
EQUITY			
Contributed equity	12	59,392,627	56,467,554
Reserves	13	14,838,861	10,934,219
Accumulated losses		(60,367,366)	(56,371,409)
Total equity		13,864,122	11,030,364

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the half-year ended 30 June 2021

	Issued capital \$	Share based payment reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total \$
Balance at 1 January 2021	56,467,554	5,525,547	5,408,672	(56,371,409)	11,030,364
Loss for the period	-	-	-	(3,995,957)	(3,995,957)
Other comprehensive income/(loss)	-	-	(36,645)	-	(36,645)
Total comprehensive income/(loss) for the period	-	-	(36,645)	(3,995,957)	(4,032,602)
Issue of shares	2,952,640	-	-	-	2,952,640
Share based payments	-	3,941,287	-	-	3,941,287
Cost of equity issues	(27,567)	-	-	-	(27,567)
Balance at 30 June 2021	59,392,627	9,466,834	5,372,027	(60,367,366)	13,864,122
Balance at 1 January 2020	48,218,621	5,067,448	5,899,762	(59,922,655)	(736,824)
Loss for the period	-	-	-	(2,299,681)	(2,299,681)
Other comprehensive income	-	-	197,420	-	197,420
Total comprehensive (loss) for the period	-	-	197,420	(2,299,681)	(2,102,261)
Issue of shares	317,377	-	-	-	317,337
Share based payments	-	25,337	-	-	25,377
Cost of equity issues	(22,366)	-	-	-	(22,366)
Balance at 30 June 2020	48,513,632	5,092,785	6,097,182	(62,222,336)	(2,518,737)

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
for the six months ended 30 June 2021

	Note	6 months to 30 June 2021	6 months to 30 June 2020
		\$	\$
Cash flows from operating activities			
Other Income		-	24,568
Payments to suppliers and employees		(770,414)	(140,102)
Interest received		42	221
Interest paid		(1,651)	(14,150)
Net cash flows (used in) operating activities		(772,023)	(129,463)
Cash flows from investing activities			
Payments for plant and equipment		(37,864)	-
Proceeds from disposal of plant and equipment		36	-
Payments for Security Deposits		(20,400)	-
Investments acquisition		(564,570)	-
Payments for exploration & evaluation costs		(1,367,967)	(246,195)
Net cash flows (used in) investing activities		(1,990,765)	(246,195)
Cash flows from financing activities			
Proceeds from the issue of equity		1,845,778	317,377
Proceeds from options exercised		11,716	-
Capital raising costs		(24,382)	(22,366)
Repayment of borrowings		(900,000)	(468,000)
Net cash flows from financing activities		933,112	(172,989)
Net (decrease) in cash and cash equivalents		(1,829,676)	(548,647)
Cash and cash equivalents at the beginning of the period		4,533,257	733,282
Effects of movement in foreign exchange		-	-
Cash and cash equivalents at the end of the period	6	2,703,581	184,635

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS for the half-year ended 30 June 2021

1. CORPORATE INFORMATION

The interim consolidated financial statements of Latin Resources Limited (**the Company**) and its subsidiaries (collectively, **the Group**) for the six months ended 30 June 2021 were authorised in accordance with a resolution of the directors on 10 September 2021.

The Company is a for profit company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

The principal activity of the Group during the half-year was mineral exploration and evaluation.

2. BASIS OF PREPARATION AND CHANGES TO GROUP'S ACCOUNTING POLICIES

Basis of preparation

The interim consolidated financial statements for the six months ended 30 June 2021 have been prepared in accordance with AASB 134 *Interim Financial Reporting*.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 31 December 2020.

Changes in accounting policies, accounting standards and interpretations

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020.

The Group has also reviewed all new Standards and Interpretations that are applicable on or after 1 January 2021 and determined that their application to the financial statements is not relevant or not material.

Going concern

The interim consolidated financial statements have 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.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS
for the half-year ended 30 June 2021

3. SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by senior management in assessing performance and in determining the allocation of resources. The Group's four operating segments are Australia, Peru, Argentina, and Brazil. Discrete financial information regarding these operating segments is reported to senior management on a monthly basis. The accounting policies used by the Group in reporting segments internally are the same as the Group's accounting policies. The following is an analysis of the Group's revenues, results, assets and liabilities by reportable operating segment for the periods under review.

Six months to 30 June 2021	Australia	Peru	Argentina	Brazil	Discontinued Operation	Total
	\$	\$	\$	\$	\$	\$
Revenue						
Interest revenue	42	-	-	-	-	42
Other income	40,113	9,115	-	-	-	49,228
Total segment revenue	40,155	9,115	-	-	-	49,270
Expenses						
Depreciation expense	(4,574)	(3,867)	-	-	-	(8,441)
Finance expense	(653,143)	(10)	(1,082)	-	-	(654,235)
Equity shares of Associates	(108,140)	-	-	-	-	(108,140)
Net foreign exchange (loss)	8,216	(256)	-	-	-	7,960
Other expenses	(2,918,323)	(25,336)	(338,712)	-	-	(3,282,371)
	(3,675,964)	(29,469)	(339,794)	-	-	(4,045,227)
Segment loss	(3,635,809)	(20,354)	(339,794)	-	-	(3,995,957)
Segment assets	8,572,663	2,400,414	3,785,214	507,123	-	15,265,414
Segment liabilities	(590,232)	(776,467)	(6,379)	(28,214)	-	(1,401,292)
Additions to non-current assets						
Plant and Equipment	42,861	-	-	-	-	42,861
Exploration and evaluation assets	407,347	59,439	(42,373)	20,635	-	445,048
Total	450,208	59,439	(42,373)	20,635	-	487,909

CONDENSED NOTES TO THE FINANCIAL STATEMENTS
for the half-year ended 30 June 2021

3. SEGMENT INFORMATION continued

	Australia	Peru	Argentina	Brazil	Discontinued Operation	Total
	\$	\$	\$	\$	\$	\$
Six months to 30 June 2020						
Revenue						
Interest revenue	221	-	-	-	-	221
Other income	64,920	7,429	-	-	-	72,349
Total segment revenue	65,141	7,429	-	-	-	72,570
Expenses						
Depreciation expense	(3,530)	(5,770)	-	-	-	(9,300)
Employee benefits expense	(186,857)	(58,056)	-	-	-	(244,913)
Finance expense	(377,390)	-	-	-	-	(377,390)
Unwinding of interest	-	-	-	-	(1,290,571)	(1,290,571)
Share based payments	(25,337)	-	-	-	-	(25,337)
Net foreign exchange (loss)	(718)	(580)	(56,665)	-	-	(57,963)
Other expenses	(185,334)	(121,134)	(60,309)	-	-	(366,777)
	(779,166)	(185,540)	(116,974)	-	(1,290,571)	(2,372,251)
Segment loss	(714,025)	(178,111)	(116,974)	-	(1,290,571)	(2,299,681)
As at 31 December 2020						
Segment assets	6,717,555	2,319,016	3,817,784	476,562	-	13,330,917
Segment liabilities	(1,391,455)	(784,290)	(97,268)	(27,540)	-	(2,300,553)
Additions to non-current assets						
Plant & equipment	4,806	-	-	-	-	4,806
Exploration & evaluation assets	373,449	1,485,505	57,567	7,300	-	1,923,821
Deposit for acquisition of Burdett project	376,000	-	-	-	-	376,000
Total	754,255	1,485,505	57,567	7,300	-	2,304,627

CONDENSED NOTES TO THE FINANCIAL STATEMENTS
for the half-year ended 30 June 2021

	6 months to 30 June 2021	6 months to 30 June 2020
	\$	\$
4. REVENUES		
(a) Finance revenue		
Interest income	42	221
(b) Other revenue		
Sundry income	9,151	31,997
Administration fee	40,077	28,792
Gain on fair value of financial asset through profit and loss	-	11,560
	49,228	72,349
5. EXPENSES		
(a) Finance expenses		
Bank fees and expenses	(1,591)	(1,753)
Interest expense	-	(377,390)
Share based payment - Lind Partners ¹	(652,621)	-
Other Finance Charges	(23)	-
	(654,235)	(379,143)
(b) Other expenses		
Administration expenses	(134,892)	(146,313)
Corporate expenses	(493,697)	(234,747)
Share based payment – corporate advisory services ²	(744,931)	-
Recruitment expenses	(74,934)	-
Net foreign exchange (loss)/gain	7,960	(57,963)
Occupancy expenses	(13,815)	(9,301)
	(1,454,309)	(448,324)
(c) Employee Benefits Expense		
Employee benefits including salaries and wages	(79,630)	(133,513)
Directors' fees	(258,400)	(111,400)
Share based payments – directors & employees (Refer to Note 13)	(1,482,072)	-
	(1,820,102)	(244,913)

¹20,000,000 Unlisted Options exercisable at \$0.03 on or before 1 December 2022 was issued on 29 January 2021 to Lind Partners New York as part of the security funding settlement (Refer to ASX Announcement - 1 February 2021).

²25,000,000 Unlisted Option exercisable at \$0.03 on or before 12 February 2024 was issued to Euroz Hartleys on 12 February 2021 after receiving shareholder approval on 10 February 2021. The share based payment was amortised over 18 months in accordance with the agreement, with amount in relation the remaining period classified as prepayment (Refer to Note 7 & 13).

CONDENSED NOTES TO THE FINANCIAL STATEMENTS
for the half-year ended 30 June 2021

6. CASH AND CASH EQUIVALENTS

	30 June 2021	31 Dec 2020
	\$	\$
Cash in hand	306	306
Cash at bank	2,703,275	4,532,951
	2,703,581	4,533,257

7. TRADE AND OTHER RECEIVABLES

Current

Trade receivables	189,473	171,859
Other receivables	61,160	50,935
Related party receivables	7,822	12,999
Tax credits	33,984	88,014
Prepayments	49,853	7,912
Prepayments – corporate advisory services (Refer to Note 5b)	949,788	-
	1,292,080	331,719

8. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

Associated Company Investment – at carrying value	1,489,430	882,447
Equity Share of Associated Company profit/(loss)	(108,140)	42,413
	1,381,290	924,860

Movement:

Opening balance	924,860	-
Additional Investment	564,570	116,612
Share of (loss)/profit from associates	(108,140)	42,413
Reversal of prior year impairment	-	765,835
Closing balance	1,381,290	924,860

9. EXPLORATION AND EVALUATION ASSETS

Opening balance	7,082,034	11,292,382
Additions	1,304,588	748,495
Acquisition of the Yarara Project	-	150,000
Acquisition of Burdett Project [^]	376,000	-
Milestone consideration for the Noombenberry Project [*]	985,875	-
Discontinued Operations	-	(4,299,991)
Other expenses (GST/VAT movement)	43,911	9,246
Foreign currency translation movement	(36,881)	(818,098)
	9,755,527	7,082,034

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

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

CONDENSED NOTES TO THE FINANCIAL STATEMENTS
for the half-year ended 30 June 2021

10. TRADE AND OTHER PAYABLES	30 June 2021	31 Dec 2020
	\$	\$
Trade payables	1,074,557	1,123,384
Other payables	200,704	154,766
Accruals	63,960	78,493
	1,339,221	1,356,643

11. INTEREST BEARING LOANS AND BORROWINGS

Current

Convertible Security Funding - Lind	-	900,000
	-	900,000

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

12. CONTRIBUTED EQUITY

(a) Issued capital

Issued shares	59,392,627	56,467,554
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(b) Movement in issued shares

	Number	\$
Balance at 1 July 2020	418,195,306	48,513,632
Shares issued	776,715,005	8,210,389
Costs of issue	-	(256,467)
Balance at 31 December 2020	1,194,910,311	56,467,554
Shares issued during the period		
Options Conversion	153,260,283	1,839,124
Shares issued in lieu of fees to consultant	4,450,000	200,000
Director participation in Placement	666,667	20,000
Shares issued to employees and contractors	1,500,000	68,516
Milestone consideration to the Vendor of Electric Metals	16,500,000	825,000
Vesting and conversion of incentive rights	10,500,498	-
Vesting and conversion of deferred rights	4,045,573	-
Costs of issue	-	(27,567)
Balance at 30 June 2021	1,385,833,332	59,392,627

CONDENSED NOTES TO THE FINANCIAL STATEMENTS
for the half-year ended 30 June 2021

13. RESERVES

	30 June 2021	31 Dec 2020
	\$	\$
Foreign currency translation reserve		
Balance at beginning of period	5,408,672	5,899,762
Foreign currency translations	(36,645)	(491,090)
	5,372,027	5,408,672
Share based payments reserve		
Balance at beginning of period	5,525,547	5,067,448
Capital raising costs – issue of broker options	-	150,000
Share based payment – Lind Partners ¹	652,621	-
Share based payment – corporate advisory services ²	1,694,719	-
Share based payments – directors & employees ³	1,433,072	137,162
Replacement option	-	25,337
Project acquisition/milestone consideration	160,875	36,000
Borrowing cost	-	109,600
	9,466,834	5,525,547
Total reserves	14,838,861	10,934,219

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

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

³ The terms and conditions of the share rights has been disclosed in the Notice of Meeting for the shareholder meeting held on 10 February 2021 and the issue was approved by shareholders at the meeting.

14. DISCONTINUED OPERATIONS

Assets and liabilities of discontinued operations	30 June 2021	30 June 2020
	\$	\$
Assets		
Exploration and Evaluation assets	-	4,840,052
Liabilities		
Deferred Consideration liabilities	-	(10,754,313)
Net Assets	-	(5,914,261)
Results of discontinued operations		
Unwinding of the effective interest rate [#]	-	(1,290,571)
Results from operating activities	-	(1,290,571)

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

Subsequent to 30 June 2020, Latin's wholly owned subsidiary Peruvian Latin Resources S.A.C (PLR) lawfully terminated the Contract of Transference of Mining Rights relating to the Guadalupito Project.

15. CONTINGENT LIABILITIES

There are no contingent liabilities at the date of this report.

16. EVENTS OCCURING AFTER BALANCE DATE

At the date of this report, there are no significant events that have occurred after the reporting date.

DIRECTORS' DECLARATION

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

In the opinion of the directors:

- (a) The financial statements and notes of Latin Resources Limited for the half-year ended 30 June 2021 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134: *Interim financial reporting and the Corporations Regulations 2001*.
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



David Vilensky
Chairman

Dated this, the 10th day of September 2021

AUDITOR'S INDEPENDENCE DECLARATION
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 lead audit partner for the review of the financial report of Latin Resources Limited for the half-year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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



Hall Chadwick Audit (WA) Pty Ltd
ABN 42 163 529 682



Michael Hillgrove
Director

Dated 10 September 2021

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

Report on the half-year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Latin Resources Limited (the Company) and its controlled entities (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the Corporations Act 2001, including:

- giving a true and fair view of the consolidated financial position of the Group as at 30 June 2021 and of its consolidated financial performance for the half-year ended on that date; and
- complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Directors' responsibility for the half-year Financial Report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Group's consolidated financial position as at 30 June 2021 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.



Hall Chadwick Audit (WA) Pty Ltd
ABN 42 163 529 682



Michael Hillgrove
Director

Dated 10 September 2021