

30 January 2023

QUARTERLY ACTIVITIES REPORT

for the period ending 31 December 2022

Highlights

Salinas Lithium Project, Brazil

- Maiden independent JORC Indicated and Inferred Mineral Resource Estimate for the Colina Lithium Deposit of 13.3 Mt @ 1.2% Li₂O reported above a cut-off of 0.5% Li₂O (2.08 Mt Indicated and 11.17 Mt Inferred).
- Significant upside growth potential identified at Colina, with SGS confirming an independent estimated JORC Exploration Target Range.
- Recent drilling at the Colina West prospect, 500m to the west of Colina has confirmed the continuity of the thick high-grade spodumene pegmatites.
- A 65,000m drilling campaign planned for 2023, with the addition of four more drilling rigs for a total of eight on site. This expanded drilling program is designed to fast track rapid resource growth at the Colina and Colina West Deposit and underpin a rapid move towards potential future development.
- Preliminary Economic Assessment (PEA) is well under way to allow fast tracking of a DFS in 2023.
- Exceptional metallurgical test work results showing consistency of lithium recovery across the known ore body; results also show increased crush size (12.5mm) recovery and grade remaining high, demonstrating very coarse liberation of spodumene:
 - Average recovery of 80.5% of Li₂O; and
 - Production of extremely high-grade Li₂O concentrate (up to 6.6%) from simple Heavy Liquid Separation (HLS).

Cloud Nine Halloysite-Kaolin Deposit, WA

- Significant Mineral Resource upgrade with 33% Increase in global Mineral Resource Estimate to 280 Mt of kaolinised granite, 70 Mt upgraded from Inferred to Indicated.
- Test pit excavation complete and bulk sample of kaolin material delivered to potential customers to advance offtake discussions.

Corporate

- Appointment of leading lithium director Peter Oliver to Board, bringing 20 years' experience in lithium leadership roles.
- Latin held \$26.871 million in cash and investments as at 31 December 2022.

Latin Resources Limited (ASX: LRS) ("Latin" or "the Company") is pleased to report on its activities for the three months ending 31 December 2022.

During the quarter, the Company progressed activities at its Salinas Lithium Project in Brazil, announcing the Maiden Mineral Resource Estimate (**MRE**) for the Colina Deposit; identifying the new discovery at Colina West; and reported further positive results from ongoing metallurgical test work.

At the Cloud Nine Halloysite-Kaolin Project in Western Australia the Company upgraded the MRE, completed excavation of the test-pit and collected bulk samples for offtake discussions.

Latin Resources Executive Director, Christopher Gale commented:

“This has been a standout quarter for Latin Resources, and we have made significant progress across our project portfolio.

“We are delighted to have announced the Maiden JORC Mineral Resource Estimate for the Colina Lithium Deposit, and even more pleasing is the significant upside identified in the Exploration Target Range. Add to this the high-grade results from our adjacent discoveries Colina West and Colina South, it gives us great confidence that we will extend the potential of the Salinas Lithium Project.

“Our ongoing metallurgical test work demonstrates the consistency of the ore body, with results continuing to show high recovery rates from simple processing. This is very encouraging for the potential economics of Colina.

“We made solid progress at Cloud Nine with the JORC MRE upgrade of 33% and the completion of the test mining pit shows great potential for this project.

“Elsewhere, we were very pleased to have our Exploration Manager on site for reconnaissance exploration activities at the Catamarca Lithium Project in Argentina, with the next phase of work to include systematic mapping and surface sampling to plan and define drill targets. We have also commenced drilling on our MT-03 Copper Project in Peru.”

Chris went on to say *“Latin Resources is looking forward to significant progress on its projects in South America in 2023. The focus for our team will be on growing our JORC Resource at our Salinas Lithium Project and completing our feasibility studies. We are expecting 2023 to be a watershed year in Latin’s 15 years of operations.”*

1. SALINAS LITHIUM PROJECT, BRAZIL

1.1. Colina Prospect Maiden Mineral Resource Estimate^{1 2}

During the period, the Company completed resource definition drilling and received final assay results confirming the continuity of high-grade at depth and along strike.

Latin commissioned Toronto based independent resource consultants SGS Geological Services (**SGS**), to undertake the estimation of the MRE, and a wider Exploration Target Range (**ETR**) for the Colina Lithium Deposit.

SGS, working closely with the Company’s geological team confirmed the presence of a series of moderately east dipping pegmatite bodies, extending from near surface to a depth of over 350m. These pegmatites remain open along strike to the north and south, and at depth.

Based on assay results from a total of 47 diamond drill holes for some 10,528m of drilling, SGS independently estimated the maiden Mineral Resource for the Colina Deposit in only 10 months since the commencement of drilling in early 2022. Of the 57 diamond drill holes completed at the cut-off date, 47 drill holes have assay results used for the MRE to produce a **JORC Indicated and Inferred Mineral Resource Estimate of 13.3 Mt @1.2% Li₂O** (2.08 Mt Indicated and 11.17 Mt Inferred).

SGS also estimated a **JORC ETR of 13.5 – 22 Mt with a grade range of 1.2 – 1.5% Li₂O** for the Colina Deposit based on data from all the available 57 diamond drill holes. The current interpretation indicates that that the modelled pegmatites potentially increase in both thickness and grade with depth, additional drilling is required to confirm these observations.

SGS reviewed the data and geological interpretation for each mineralised pegmatite, including validation of the drill hole database, QAQC results, assays results and overall structural model.

The main pegmatites zone was considered to have sufficient data to prepare an exploration target estimate using the mapped strike length as a base case for determining overall strike length. The strike length was adjusted using the positive pegmatite intersections (more than 0.3% Li₂O) to estimate the mineralised strike length of the Colina zone. The main pegmatite was extrapolated to 500 meters at a dip of 45 degrees. Based on the continuity of similar deposits in the region, a “base case” estimation of tonnes and grades was applied to the zone. It is known that the Colina Prospect is composed of multiple mineralised pegmatites surrounding the main zone and are also part of the exploration targets estimation.

The Colina West Prospect is not considered in the exploration target due to the limited amount of drill holes in the region and will be part of future exploration and potential MRE updates by Latin.

The Company has identified three potential mineral resource growth areas for the Salinas Lithium Project*, these are:

- **Colina Deposit:** 13-22 Mt based on the SGS ETR range;
- **Colina South:** extensions of the Colina Deposit to the south;
- **Colina West Pegmatites:** based on initial interpretations of pegmatite intersected in holes SADD033/060/063/065.

*The potential quantity and grade of the lithium mineralisation at the wider Colina project is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resources and it is uncertain if further exploration will confirm the target ranges.

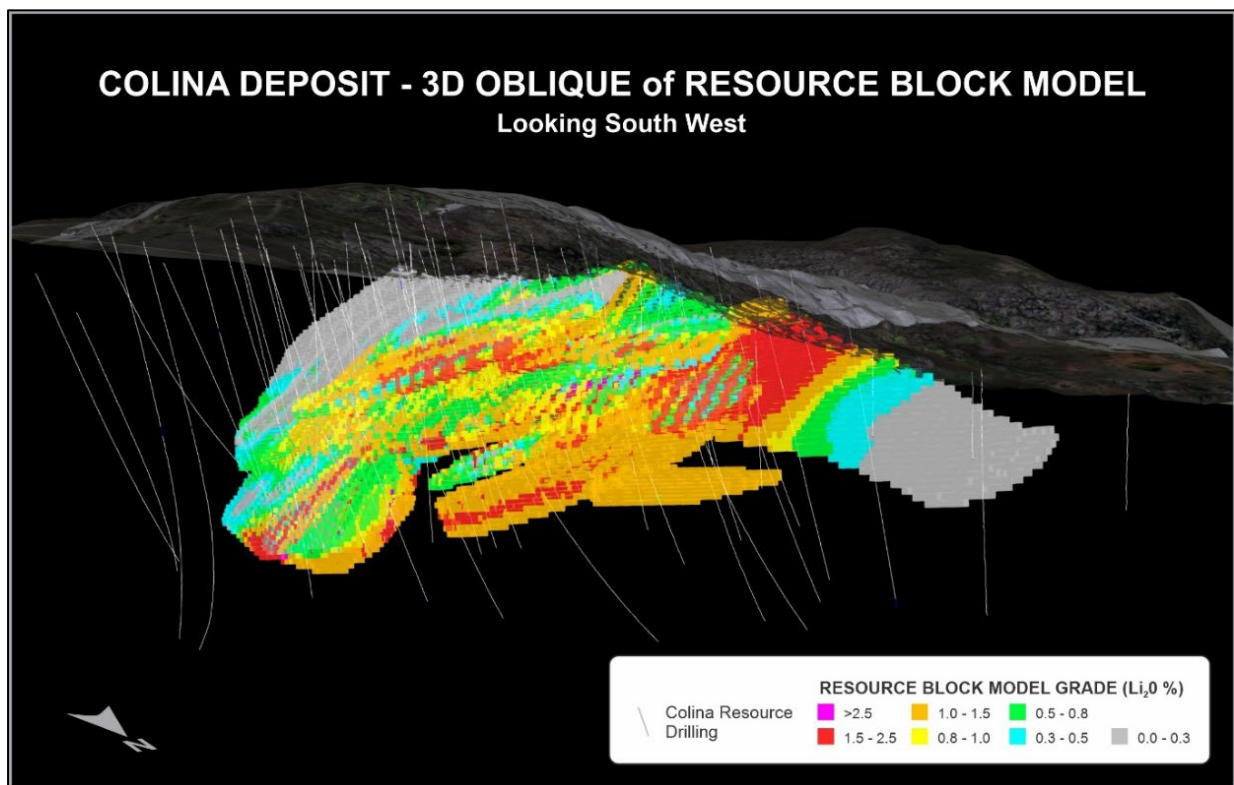


Figure 1: 3D image showing Colina Deposit block model

The maiden Mineral Resource Estimate by SGS is presented in *Table 1* below:

Table 1: Maiden Mineral Resource Estimate for the Colina Lithium Deposit (reported above a 0.5% Li₂O cut-off)

| Deposit | Resource Category | Grade Cut-off | Tonnes (Mt) | Grade (Li ₂ O %) | Li ₂ O (Kt) | Contained LCE (Kt) |
|--------------|-------------------|---------------|--------------|-----------------------------|------------------------|--------------------|
| Colina | Indicated | 0.50 | 2.08 | 1.21 | 25.1 | 60 |
| | Inferred | 0.50 | 11.17 | 1.21 | 135.2 | 334 |
| Total | | | 13.25 | 1.21 | 160.3 | 396 |

*NOTE:

- 1) Tonnage figures have been rounded to the nearest thousand.
- 2) A fixed density of 2.70 t/m³ was used to estimate the tonnage from block model volumes.
- 3) Resources are constrained by the topography of the overburden layer.
- 4) The results from the pit optimisation are used solely for the purpose of testing the “reasonable prospects for economic extraction” by an open pit and do not represent an attempt to estimate mineral reserves. There are no mineral reserves on the Property. The results are used as a guide to assist in the preparation of a Mineral Resource statement and to select an appropriate resource reporting cut-off grade.
- 5) Mineral resources which are not mineral reserves do not have demonstrated economic viability. An Inferred Mineral Resources has a lower level of confidence than that applying to a Measured and Indicated Resources and must not be converted to Mineral Reserves. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
- 6) All figures are rounded to reflect the relative accuracy of the estimate and numbers may not add due to rounding.
- 7) Effective date November 25th 2022.
- 8) The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing or other relevant issues.

The ETR estimated by SGS is presented in *Table 2* below¹:

Table 2: Summary of Exploration Target Ranges at various grade cut-off grades

| Exploration Zone | Lower Range (Mt) | Upper Range (Mt) | Grade Range (Li ₂ O %) |
|------------------|------------------|------------------|-----------------------------------|
| Colina Deposit | 13.5 | 22 | 1.2 – 1.5 |

1.2. Colina West Discovery

The Company was pleased to confirm the discovery of a new lithium mineralised zone, some 500m west of the Colina prospect³.

Assay results from diamond drill hole SADD033 were returned, confirming the intersection of a new swarm of spodumene bearing pegmatites. SADD033 is collared approximately 500m to the west of the main Colina pegmatites (*Figure 4*) and intersected a previously untested zone of mineralisation.

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

SADD033²: **1.78m @ 1.33% Li₂O (120.53 - 122.31m)**
 1.67m @ 1.36% Li₂O (275.38 - 277.05m)
 18.71m @ 1.32% Li₂O (321.15 - 339.86m)
 incl: **4.00m @ 1.94% Li₂O (322.00 - 326.00m)**
 and: **4.00m @ 1.58% Li₂O (334.00 - 338.00m)**

¹ The potential quantity and grade of the lithium mineralisation at the wider Colina project is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resources and it is uncertain if further exploration will confirm the target ranges

² Refer to ASX announcement dated 5 October 2022 for full details

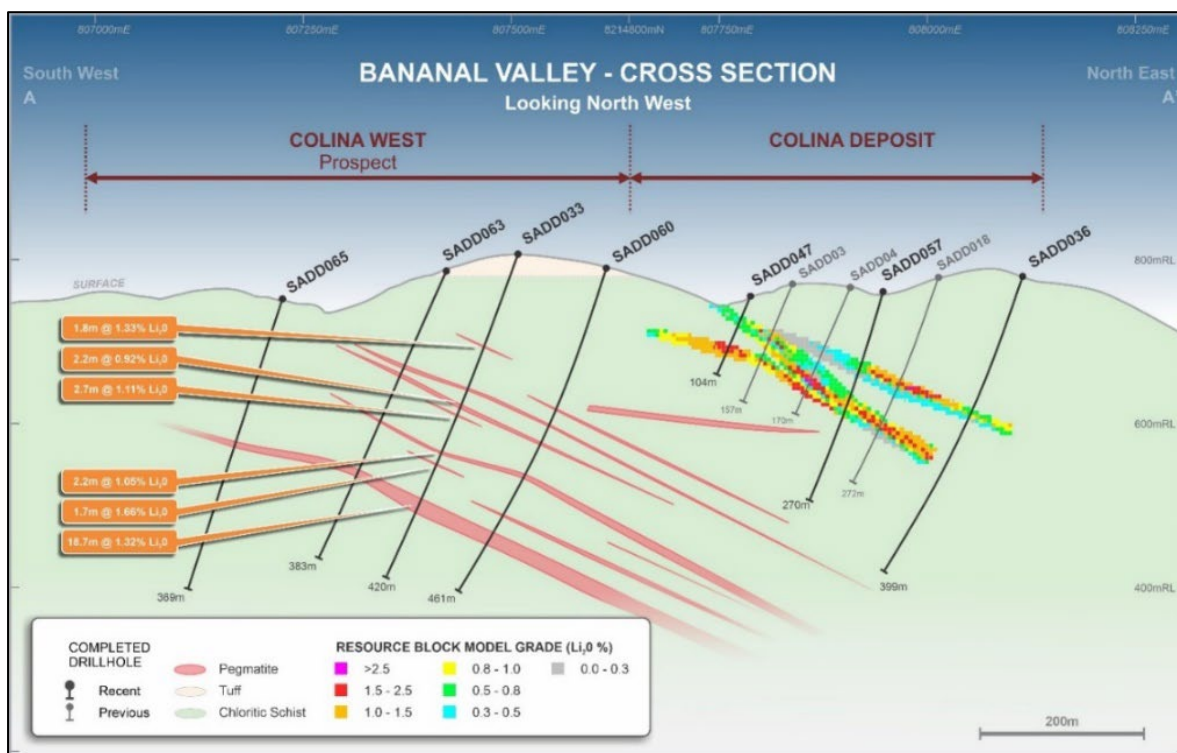


Figure 2: Colina Deposit plan and drill cross section

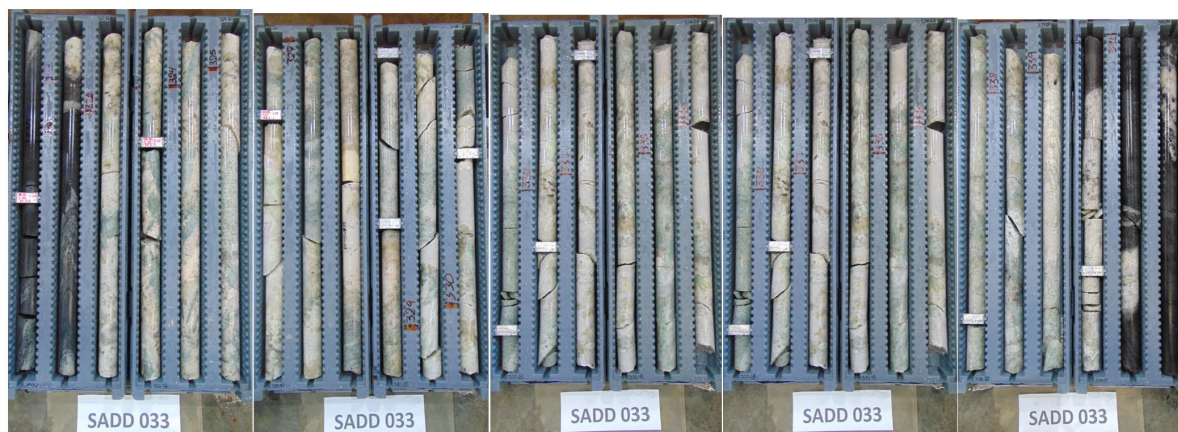


Figure 3: Colina West drill hole SADD033 – pegmatite intersection 319.40m – 341.94m (18.71m @ 1.32% Li₂O)

1.3. Metallurgical Test Work Results⁴

During the quarter, the Company expanded the program of metallurgical test work on the Colina lithium pegmatite.

Latin commissioned SGS GEOSOL laboratories (“SGS”), Belo Horizonte Brazil to undertake a program of HLS test work on 10 samples representing the total strike length of the current resource drilling program. A total of 367kg of representative sample was collected and each of the samples included interstitial waste between ore zones to simulate expected mining dilution.

One of the main objectives of this program was to investigate potential variability in metallurgical performance across the deposit, and at varying depths. Half of the samples were targeted in the top 50-100m of the ore body with the other half of the samples taken from the bottom 100-150 of the deposit. Results were independently reviewed and interpreted by Met Assist Pty Ltd, whose key personnel have significant experience in lithium processing, metallurgy, and process plant design.

Results of the test work has shown that **simple Heavy Liquid Separation (“HLS”) was able to recover an average of 80.5% of the Li₂O into a concentrate grading a very high average of 6.30% Li₂O.**

Key observations of the test work are outlined below:

Very coarse spodumene liberation: The Company conducted test work at a coarse top size of 12.5mm based on results of initial sighter testing reported in August 2022 (*Table 3*). HLS results for the coarse fraction demonstrated extremely high grades in excess of 7% Li₂O. Given pure Spodumene has a theoretical grade of 8.03% Li₂O, this suggests that full liberation of spodumene is achieved even at these coarse grind sizes. It also indicates that spodumene is by far the dominant lithium ore type, and the deposit is not challenged by lower grade variants such as Lepidolite or Petalite which can negatively impact final concentrate grades (*Table 4*).

Consistency in metallurgical performance: A key objective of this round of test work was to investigate variability within the deposit. A total of 10 samples were composited and represented approximately 20m of total intersection for each sample. The samples were selected over approximately 500m of known mineralisation. Five samples were taken from areas within the top 50-100m of the deposit and the other five samples were taken from depths of 100-150m within the deposit (*Refer Figures 4 & 5 for sample locations*). Results broadly demonstrated very close correlation between the two groups of samples.

Fines Generation: Size distributions indicate that the amount of Fines generated in a 12mm crush is very low with an average of 12.25% of the material reporting to the <0.5mm fraction. This is an important aspect when considering a future DMS plant as the <0.5mm fraction is not suitable for DMS feed. Higher proportions of Fines result in less of the Li₂O being presented to the DMS circuit which has a direct bearing on the overall expected Li₂O recovery for the project.

The results for the program on the Salinas samples suggest the -0.5mm fraction contains only 10% of the Li₂O and therefore potentially up to 90% of the contained Li₂O in the deposit would be processed through a future DMS plant.

Iron Content: The Colina composite samples demonstrated very low Iron content in the raw feed sample. Cumulative recoveries of the results for each SG cut point enabled the calculation of expected Iron grades for a concentrate of 6% Li₂O and these are outlined in *Table 5*.

In the conversion of lithium concentrates into lithium chemicals any iron must be removed and so a lithium concentrate with iron content well below 1% would be attractive to any potential offtake partner.

Table 3: Mass size distribution of prepared samples

| Sample | Sample weight (kg) | SIZE DISTRIBUTION | | | |
|-----------------|-----------------------|-------------------|--------------|--------------|--------------|
| | | 12.5-6.3mm | 6.3-1.7mm | 1.7-0.5mm | -0.5mm |
| | | (%) | (%) | (%) | (%) |
| METSA-002 | 54.20 | 34.32 | 34.71 | 16.21 | 14.75 |
| METSA-003 | 22.30 | 39.15 | 35.50 | 14.75 | 10.60 |
| METSA-004 | 12.19 | 40.38 | 33.88 | 14.56 | 11.18 |
| METSA-005 | 37.44 | 39.05 | 34.16 | 13.93 | 12.86 |
| METSA-006 | 29.92 | 38.16 | 34.80 | 14.98 | 12.06 |
| METSA-007 | 20.53 | 36.92 | 31.10 | 16.60 | 15.38 |
| METSA-008 | 56.59 | 41.90 | 32.51 | 14.06 | 11.53 |
| METSA-009 | 49.91 | 37.96 | 36.29 | 14.48 | 11.27 |
| METSA-010 | 23.65 | 37.84 | 36.65 | 14.88 | 10.63 |
| METSA-011 | 60.90 | 37.26 | 35.56 | 14.98 | 12.19 |
| AVERAGES | | 38.29 | 34.52 | 14.94 | 12.25 |

Table 4: Summary of HLS concentrate grades at each SG cut point

| | | Li ₂ O (%) | | | | | | | | | |
|-------------|-----------|-----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Size range | METSA | 002-A | 003-A | 004-A | 005-A | 006-A | 007-A | 008-A | 009-A | 010-A | 011-A |
| Feed Grade | | 1.44 | 1.51 | 0.85 | 1.05 | 1.43 | 1.28 | 1.24 | 1.33 | 1.38 | 1.52 |
| 12.5-6.3 mm | Sink 3.0 | 7.34 | 7.73 | 7.00 | 7.48 | 6.54 | 7.90 | 7.36 | 7.33 | 7.39 | 7.15 |
| | Sink 2.9 | 6.19 | 6.41 | 5.96 | 5.81 | 5.96 | 5.21 | 6.46 | 6.10 | 6.12 | 5.89 |
| | Sink 2.8 | 4.01 | 4.37 | 5.12 | 3.83 | 4.34 | 2.62 | 3.89 | 3.89 | 4.78 | 3.96 |
| | Sink 2.7 | 1.20 | 1.74 | 2.91 | 1.97 | 1.74 | 1.85 | 2.05 | 2.21 | 2.32 | 2.45 |
| | Float 2.7 | 0.19 | 0.15 | 0.25 | 0.12 | 0.14 | 0.16 | 0.16 | 0.14 | 0.16 | 0.16 |
| 6.3-1.7 mm | Sink 3.0 | 7.49 | 7.28 | 7.96 | 7.18 | 7.12 | 7.00 | 7.57 | 7.75 | 7.53 | 6.72 |
| | Sink 2.9 | 6.93 | 6.31 | 6.00 | 6.48 | 6.26 | 6.73 | 6.32 | 6.07 | 6.33 | 6.04 |
| | Sink 2.8 | 4.55 | 2.48 | 4.56 | 3.54 | 4.89 | 3.11 | 4.06 | 4.14 | 4.80 | 2.71 |
| | Sink 2.7 | 1.21 | 1.02 | 1.98 | 1.62 | 1.54 | 1.04 | 1.44 | 1.22 | 1.43 | 1.22 |
| | Float 2.7 | 0.12 | 0.11 | 0.17 | 0.11 | 0.12 | 0.16 | 0.09 | 0.11 | 0.09 | 0.09 |
| 1.7-0.5 mm | Sink 3.0 | 7.01 | 7.23 | 7.26 | 7.19 | 7.39 | 6.36 | 7.49 | 6.68 | 7.20 | 7.18 |
| | Sink 2.9 | 6.03 | 6.92 | 6.82 | 6.78 | 6.73 | 5.94 | 7.05 | 6.31 | 6.90 | 5.88 |
| | Sink 2.8 | 3.60 | 1.85 | 1.56 | 1.88 | 3.95 | 1.43 | 2.07 | 2.35 | 1.51 | 2.35 |
| | Sink 2.7 | 0.72 | 0.78 | 1.00 | 0.81 | 0.89 | 0.46 | 0.87 | 0.76 | 0.91 | 0.90 |
| | Float 2.7 | 0.07 | 0.08 | 0.08 | 0.07 | 0.08 | 0.07 | 0.05 | 0.07 | 0.05 | 0.09 |

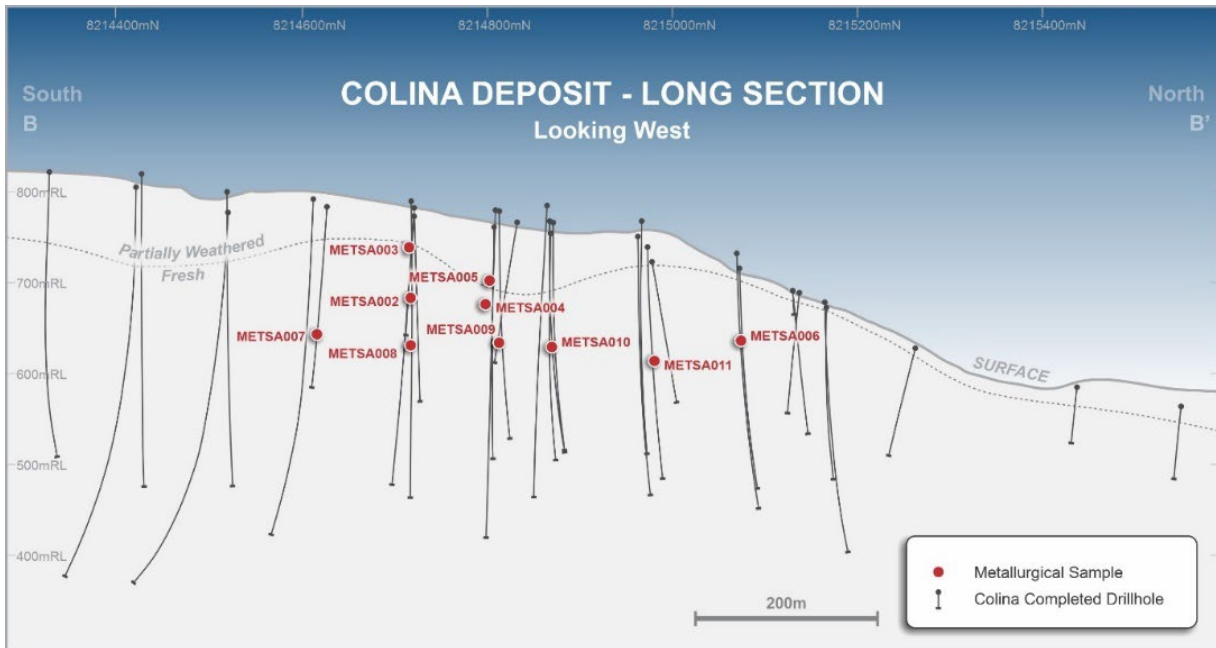


Figure 4: Projected long section showing sample selection across the deposit (see Figure 5 for section location)

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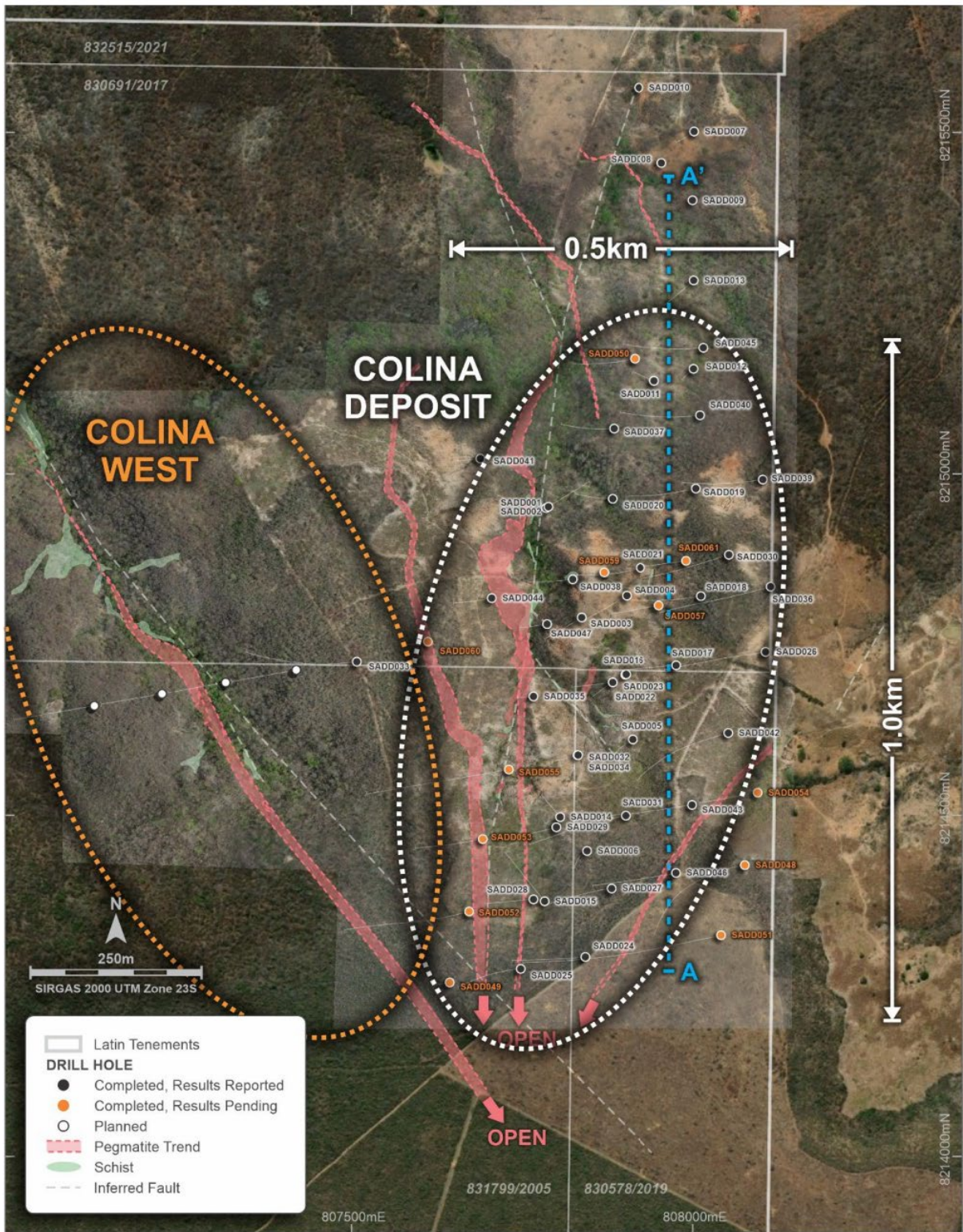


Figure 5: Colina Deposit drill collar plan showing metallurgical long section location

1.4. Ongoing works at Colina

The Company's board has approved an aggressive exploration budget for the wider Salinas Lithium Project. This includes the addition of four diamond drilling rigs, taking the total rigs on site to eight, operating on a double shift basis, with an estimated 65,000m planned to be drilling in the 2023.

Drilling in the new year will target:

- Infilling drilling on the main Colina Deposit pegmatites.
- The newly discovered "Colina West" pegmatite swarm.
- The southwestern extension of Colina's high-grade pegmatite lenses; and
- The regional Salinas South Project area.

The Company will continue to review and update the Colina resource model as more drilling information becomes available and looks forward to delivering further resource upgrades in 2023.

2. CLOUD NINE HALLOYSITE-KAOLIN DEPOSIT, WA

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

The Company was pleased to announce a Mineral Resource upgrade for the project, as well as progressing the trial mining test pit to advance offtake discussions; and reporting on rare earth element (REE) analysis.

2.1. Significant Mineral Resource Upgrade

The Company was pleased to report a 33% increase in the Mineral Resource Estimate to 280 Mt³ of kaolinised granite:

- 70 Mt upgraded from Inferred to Indicated
- 210 Mt of Inferred Mineral Resource comprises:
 - 125 Mt of bright white kaolinite-bearing material⁴
 - 85 Mt of halloysite-bearing material⁵

The updated Mineral Resource for the Cloud Nine Deposit includes an in situ Indicated Mineral Resource of 70 Mt kaolinised granite at an average Brightness ("ISO-B") grade of 81 (*Table 5*). In addition to the Indicated Mineral Resource is an in situ Inferred Mineral Resource of 210 Mt kaolinised granite at an average ISO-B grade of 79, for a total global in situ Indicated and Inferred Mineral Resource of 280 Mt, an increase of ~33% from the May 2021 global estimate of 207 Mt. The Inferred Mineral Resource includes an 85 Mt high-grade (>3%) portion with an average halloysite grade of 4% (*Table 1*).

The Mineral Resource upgrade contains a total of 26.7 Mt of bright white kaolinised granite, classified as Indicated, with an ISO-B grade of 81, reporting to the <45 µm size fraction. In addition, the global Mineral Resource contains 90 Mt kaolinised granite classified as Inferred, reporting to the <45 µm size fraction, with an average ISO-B of 79. This domain also includes 35 Mt halloysite, averaging 10% halloysite, estimated using a 3% halloysite cut-off and reported to the <45 µm size fraction (*Table 6*). The deposit contains low Fe contamination averaging 0.8% Fe₂O₃ (*Table 7*).

All Mineral Resources are reported to the <45 µm fraction at a cut-off grade of 75 ISO-B in accordance with Clause 49 of the JORC Code (2012)⁵.

³ Using an ISO Brightness ("ISO-B") R457 cut-off of 75

⁴ Using a >3% halloysite cut-off

⁵ Using a >3% halloysite cut-off

Table 5: Cloud Nine in situ Mineral Resource Estimate summary. Reported at a >75 ISO-B cut-off

| Classification | Mineral | Mass Mt | Brightness ISO-B | <45 µm % |
|-----------------------------|--------------|------------|------------------|-------------|
| Inferred | Kaolinite | 125 | 79 | 44 |
| | Halloysite | 85 | 80 | 44 |
| | Total | 210 | 79 | 44 |
| Indicated | Kaolin | 70 | 81 | 39.8 |
| Indicated + Inferred | | 280 | 80 | 43.1 |

Notes:

1. The Mineral Resource is classified in accordance with the JORC Code (2012)
2. The effective date of the Mineral Resource is 31 October 2022
3. The Mineral Resource is contained within exploration licence E77/2622
4. Estimates are rounded to reflect the level of confidence in these Mineral Resources at the time of reporting
5. The Mineral Resource is reported at a >75 Brightness cut-off

Table 6: Cloud Nine Mineral Resource Estimate summary classified in the Indicated and Inferred categories. Reported at a >75 ISO-B cut-off for the <45 µm fraction

| Classification | Mineral | Mass Mt | Brightness ISO-B | Kaolinite % | Halloysite % | Kaolinite kt | Halloysite kt |
|-----------------------------|--------------|------------|------------------|-------------|--------------|---------------|---------------|
| Inferred | Kaolinite | 55 | 79 | 81 | 0.3 | 44,000 | 150 |
| | Halloysite | 35 | 80 | 77 | 10 | 29,000 | 3,600 |
| | Total | 90 | 79 | 79 | 4 | 73,000 | 3,800 |
| Indicated | Kaolin | 26.7 | 81 | 77.9 | - | 21,000 | - |
| Indicated + Inferred | | 116 | 80 | 79 | 4 | 94,000 | 3,800 |

Notes:

1. The Mineral Resource is classified in accordance with the JORC Code (2012).
2. The effective date of the Mineral Resource is 31 October 2022
3. The Mineral Resource is contained within exploration licence E77/2622.
4. Estimates are rounded to reflect the level of confidence in these Mineral Resources at the time of reporting.
5. In accordance with Clause 49 of the JORC Code (2012), for minerals that are defined by a specification, the Mineral Resource is reported for the <45 µm size fraction.
6. The Mineral Resource is reported at a >75 Brightness cut-off.
7. The Inferred Halloysite Mineral Resource is reported at a >3% halloysite cut-off.

Table 7: Cloud Nine in-situ Mineral Resource Estimate summary for Al₂O₃, Fe₂O₃, SiO₂, TiO₂, and LOI. Reported at a >75 brightness cut-off for the <45 µm fraction

| Classification | Mineral | Al ₂ O ₃ % | Fe ₂ O ₃ % | SiO ₂ % | TiO ₂ % | LOI % |
|----------------|----------------|----------------------------------|----------------------------------|--------------------|--------------------|-----------|
| Inferred | Kaolinite | 35 | 0.8 | 49 | 0.7 | 12 |
| | Halloysite | 35 | 0.8 | 49 | 0.6 | 12 |
| | Average | 35 | 0.8 | 49 | 0.7 | 12 |
| Indicated | Kaolinite | 35.5 | 0.70 | 49.2 | 0.47 | 12.1 |
| Average | | 35 | 0.8 | 49 | 0.6 | 12 |

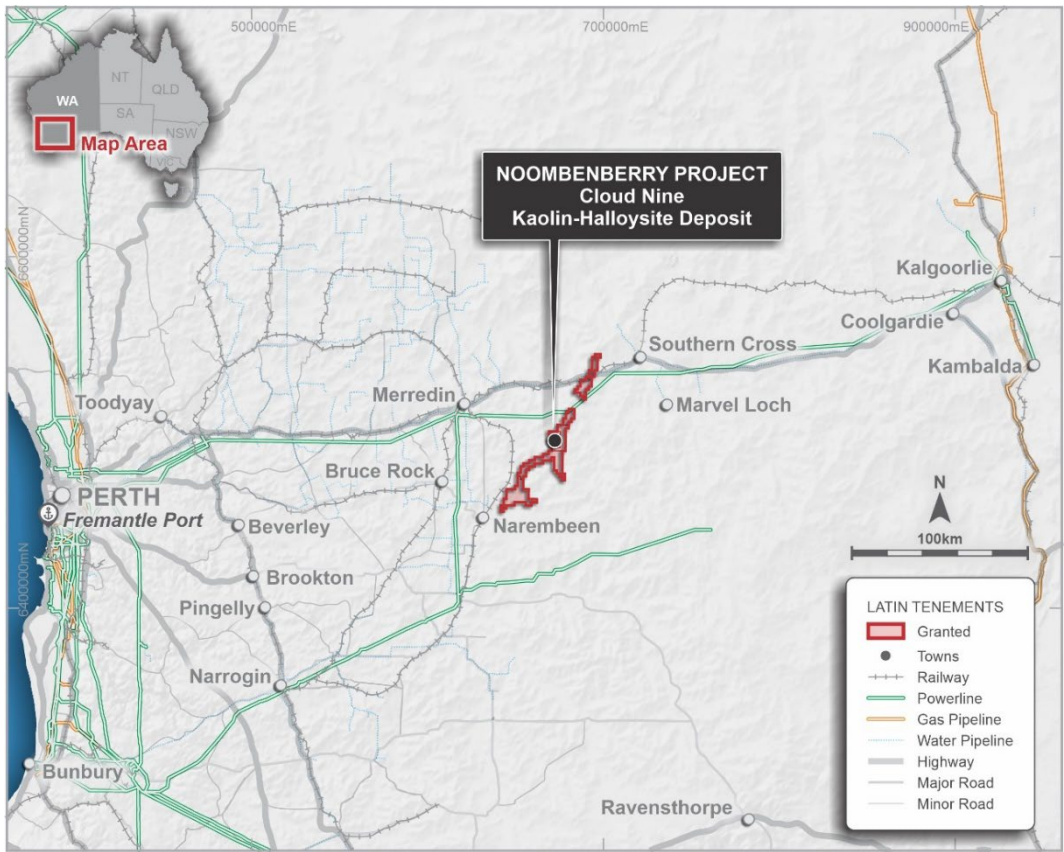


Figure 6: Noomberry Project location

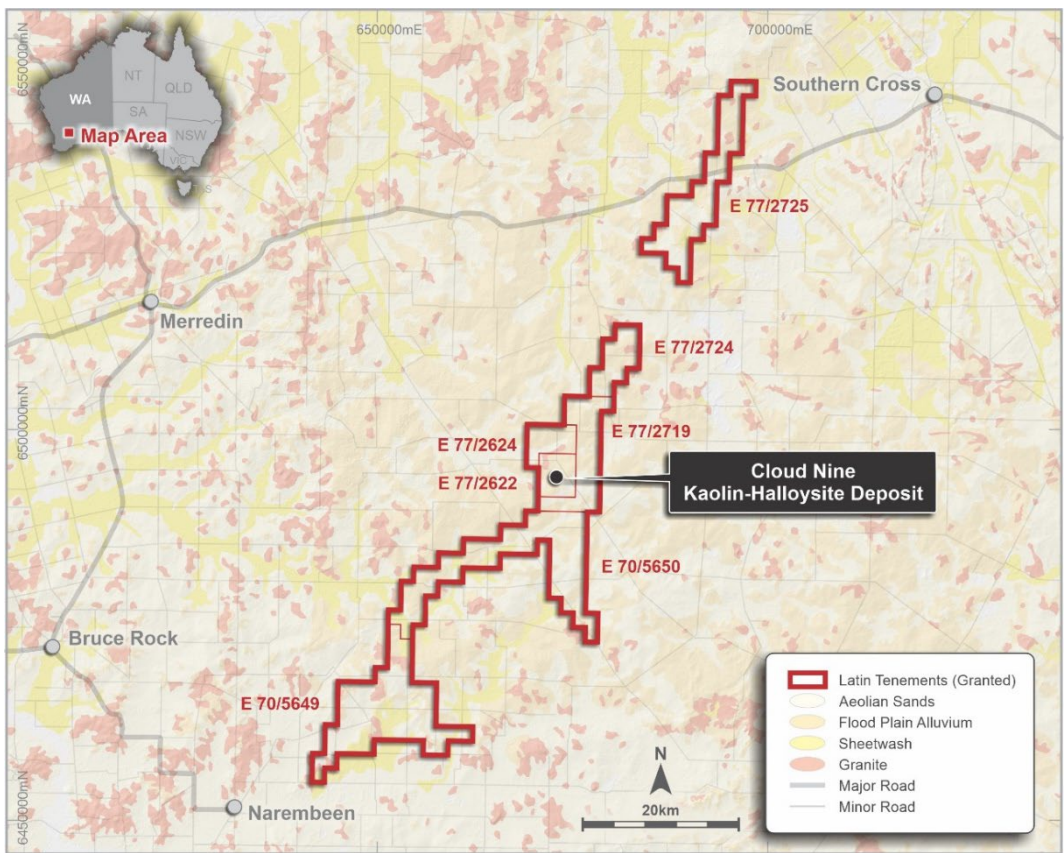


Figure 7: Cloud Nine Deposit within regional tenement package

2.2. Trial Mining Test-Pit

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

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

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

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

The Company now aims to enter into negotiation with potential offtake customers, which will include options to supply short-term products, as well as supplying value-added processed kaolin and halloysite products in the longer term.

Excavation of the test pit (*Figure 8*) has also provided the Company with valuable information to further refine preliminary assumptions, including mining and stockpile designs, mining method and equipment selection and preliminary geotechnical assumptions. Material samples will also assist with further testing and analysis to continue improving the understanding of the deposit including the overlying material.



Figure 8: Test-pit in progress

A preliminary desktop environmental study has also been undertaken on the Cloud Nine Project site. Outcomes of this study will be used to inform the scope of work required to support the pathway to apply for the relevant environmental approvals in support of the project. This information is being factored into an updated forward work plan to support the development of the Cloud Nine Halloysite-Kaolin Deposit⁶.

2.3. Rare Earth Elements

During the quarter, the Company reported the results from the rare earth element (**REE**) analysis at the Cloud Nine Project. The results confirmed REE mineralisation with anomalous concentrations in 38% of the samples⁷.

Analysis was conducted on a small random selection (one out of every 20) of existing <45 µm fraction samples collected from the recent infill drill programme at Cloud Nine. Results from 30 of 78 samples submitted for analysis have returned anomalous total rare earth oxide (TREO) concentrations of >1000 ppm; five have TREO concentrations >3500 ppm, with a maximum TREO value of 3617 ppm.

Importantly, a large proportion of the TREO encountered in analysis are the in-demand magnetic rare earth oxides (MREO), which are a critical component of high-performance magnets used for climate economy products such as electric vehicles and wind turbines. The key magnetic rare earth oxides are neodymium (Nd) and praseodymium (Pr) which form the majority of the MREO mix in the samples.

The Company believes these results are encouraging and warrant further analyses to identify the extent of the REE mineralisation encountered at Cloud Nine.

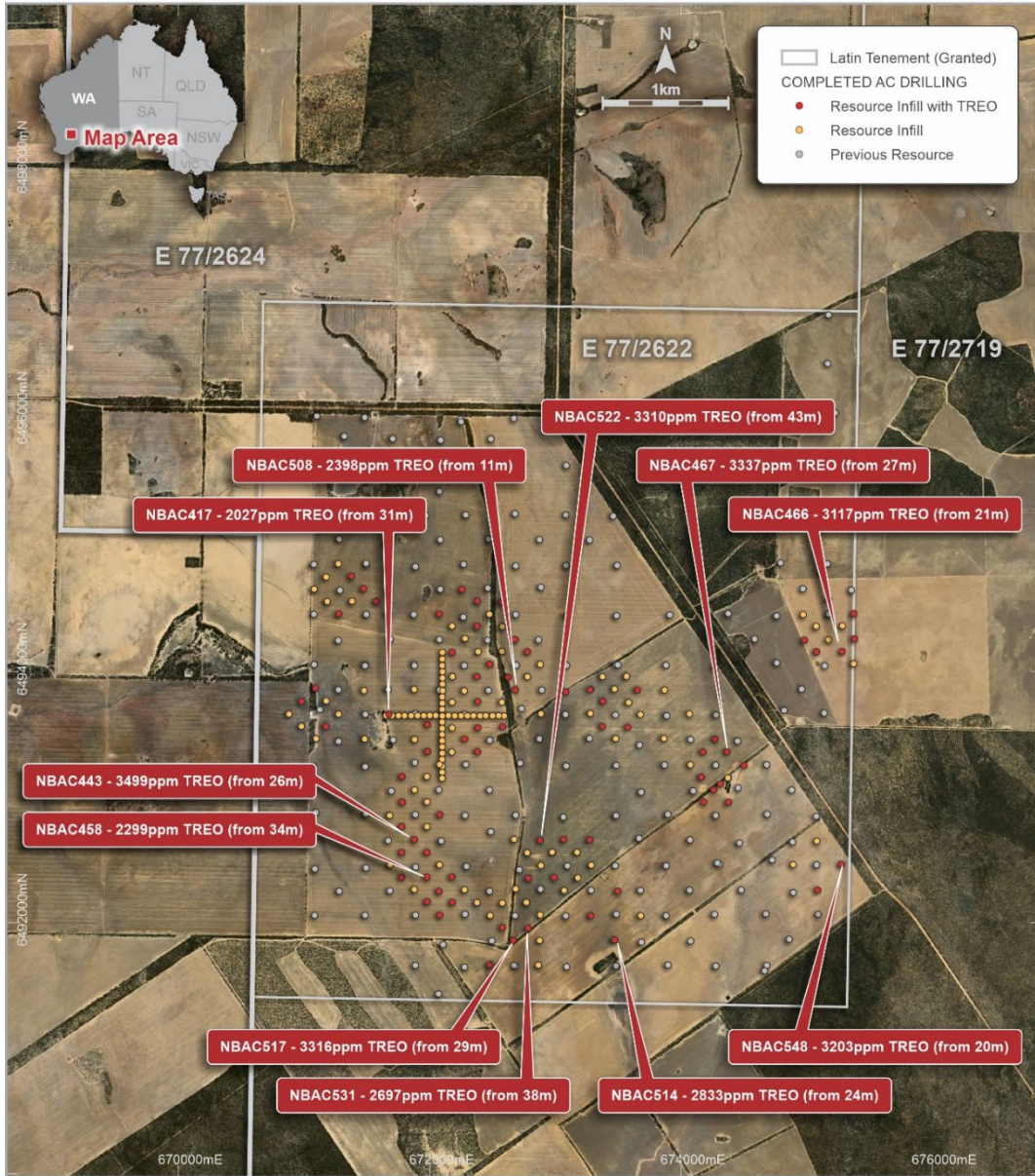


Figure 9: Location REE samples from infill drilling at Cloud Nine

Table 8: Significant REE analyses of the one-metre intervals

| Sample ID | La | Ce | Pr | Nd | Sm | Eu | Gd | Tb | Dy | Ho | Er | Tm | Yb | Lu | Y | TREO | MREO |
|-----------|-----|------|-----|-----|------|------|-----|-----|------|-----|-----|-----|-----|-----|-----|------|------|
| | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | % |
| 1007848 | 854 | 1380 | 158 | 473 | 52.5 | 10 | 27 | 2.5 | 9.5 | 2 | 3 | | 3 | | 32 | 3607 | 24 |
| 1008088 | 609 | 1410 | 140 | 472 | 79.5 | 11 | 62 | 7.5 | 31.5 | 5 | 11 | | 7 | 0.5 | 109 | 3553 | 26 |
| 1008428 | 931 | 1210 | 139 | 412 | 44 | 7 | 31 | 3.5 | 15 | 3 | 10 | 1 | 8 | 1.5 | 141 | 3549 | 21 |
| 1008488 | 633 | 1170 | 137 | 511 | 80 | 11 | 71 | 9.5 | 51.5 | 10 | 25 | 3 | 18 | 2.5 | 215 | 3539 | 28 |
| 1008548 | 666 | 1300 | 142 | 471 | 76 | 4 | 63 | 9 | 48 | 9 | 20 | 2 | 11 | 1.5 | 187 | 3617 | 26 |
| 1008628 | 495 | 1060 | 120 | 432 | 65 | 10.5 | 44 | 6 | 31.5 | 5 | 15 | 2 | 14 | 1.5 | 114 | 2901 | 28 |
| 1008848 | 725 | 1140 | 139 | 476 | 68 | 10.5 | 50 | 5.5 | 23 | 4 | 8 | | 4 | 0.5 | 82 | 3278 | 27 |

2.4. CRC CARE Methane Reduction Program

Latin is pleased to report progress on the research agreement with CRC CARE which was announced in November 2021 and commenced in January 2022.

The three-year, \$3.2m project is focused on modifying Latin Resources' halloysite/kaolinite minerals to develop innovative technologies that lead to commercial applications for the capture and reduction of methane using the clays from the Cloud Nine Kaolin-Halloysite Deposit.

In particular, the research is focused on reducing methane emissions in the cattle industry by modifying the Cloud Nine clays to achieve reduction through (1) a feed additive for cows to reduce the emissions produced and released from the stomach and (2) a carbon capture technology to be used in feedlots to contain and capture gases emitted from cows.

The first year of this project is coming to an end and significant advancements have been made towards these objectives. Laboratory testing has been underway with a synthesised cow's stomach using various modified clay formulas. The results show significant reduction of methane when used as a feedstock additive, these formulas have been submitted for a provisional patent.

Methane reduction in the cattle industry is becoming an issue on government agendas to support their reduced carbon emissions goals. Methane is the number one source of agricultural gases worldwide and a cow will belch about 100 kilograms of methane per annum. New Zealand, for example, has already introduced a new policy that will tax farmers for animal generated methane, therefore the market for developing methane-inhibiting feed additives and capture technologies is a significant prospect. The Company is pleased to progress this initiative and continue to affirm its commitment to its Environmental, Social and Governance (ESG) credentials.

3. CATAMARCA LITHIUM PROJECT, ARGENTINA

The Company completed reconnaissance exploration activities with a site visit to the Catamarca Lithium Project where previous drill results returned high grade intersections.

Latin is planning an extended campaign of field work which will include detailed and systematic geological mapping and follow-up geochemical surface sampling to better understand the nature and scale of the high-grade lithium pegmatite system encountered in previous drilling completed by the Company in 2017.

The planned mapping and sampling campaign will aim to finalise drill targets for the next drilling campaign. The campaign will focus on the area immediately along strike to the north and south of the known high grade Li pegmatites to identify extension to the known mineralisation; as well as to the east and west to identify the presence of new parallel systems (*Figure 10*).

The Company announced that it will embark on a campaign of community engagement with information relating to the recommencement of planned exploration activities. Latin executives met with the Catamarca Mines Department to discuss intentions of Latin and its joint venture partner, Integra Capital, for the Catamarca Lithium Project. The Company plans to establish a network of liaison offices within the local communities to assist in the dissemination of the exploration information, and act as a conduit for feedback for the various community stakeholders⁸.

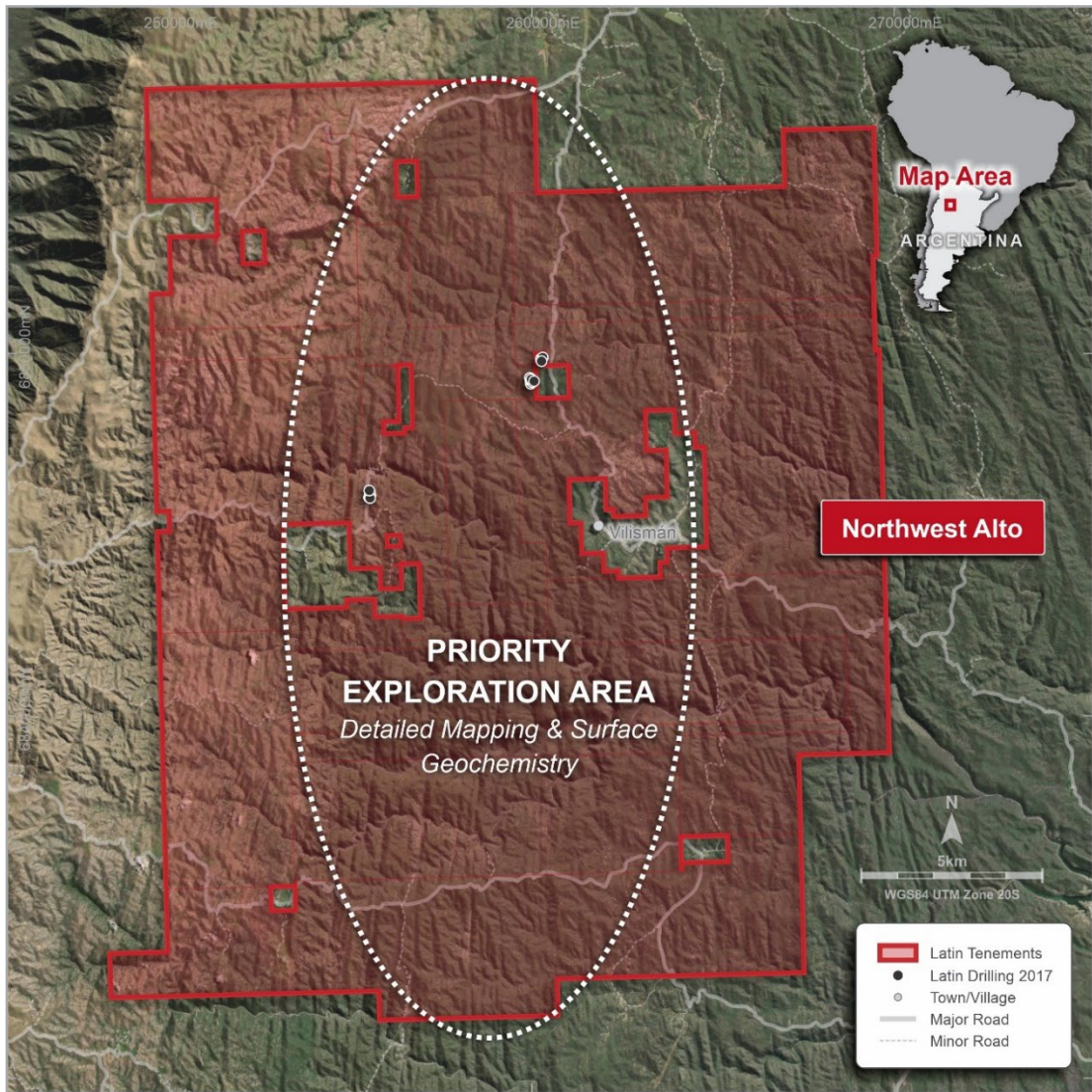


Figure 10: Northwest Alto tenement area showing 2017 RC drilling collars, and the priority area for the Company’s planned mapping and geochemical surface sampling campaign



Figure 11: Weathered spodumene in history mine workings on the Northwest Alto Tenement (left), mapping historic mine workings, northwest Alto Project (right)

4. MT-03 COPPER PROJECT, PERU

The company reported during the quarter that it has commenced drilling on the MT-03 Copper Project (*Figure 12*). There will be two holes drilled initially in an overall 2000-meter diamond drilling program. The objective of the drilling is to test the target to ascertain the geology and to determine if the target has any indication of a copper porphyry style mineralisation setting.



Figure 12: Drill rig on the MT-03 Project Southern Peru, November 2022

5. ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

As previously reported, the Company has adopted Socialsuite for the management and reporting of ESG metrics.

Following the establishment of a baseline dashboard, the Company has developed an action plan for 2022, with the Company's fourth ESG Report for the period ending 31 December 2022 attached (*Appendix 2*).

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

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

6. CORPORATE

6.1. Appointment of Non-Executive Director

The Company was pleased to announce the appointment of Peter Oliver as Non-Executive Director. Mr Oliver is a highly accomplished C-suite leader, with nearly 20 years' experience in lithium leadership roles which includes, global M&A and financing as well as managing mining operations⁹.

6.2. Cash

The Group had \$26.277 million in cash at bank and \$0.6 million in investments as at 31 December 2022.

6.3. Option exercise

The Company had 222.2m LRSOC listed options on issue, expiring 31 December 2022, with a total conversion value of \$2.7m at the beginning of the quarter. During the period, the Company received a total funds of \$3.116 million from the exercise of LRSOC and LRSAY options.

Director Brent Jones exercised a total of 15,833,250 LRSOC option to acquire 15,833,250 fully paid ordinary shares in the Company, for a total consideration of approximately \$0.19 million.

6.4. ASX announcements

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

- 4 October 2022 – Appointment of Leading Lithium Director to Latin Board
- 5 October 2022 – Results Confirm Significant Colina West Lithium Discovery
- 13 October 2022 – Test pit and bulk samples to advance Offtake – Cloud Nine
- 20 October 2022 – Final assay results received from Colina Resource drilling
- 3 November 2022 – Encouraging rare earth element results – Cloud Nine Project
- 24 November 2022 – Catamarca exploration update & drilling at MT-03 Project Peru
- 29 November 2022 – Significant Mineral Resource Upgrade – Cloud Nine
- 5 December 2022 – Exceptional Metallurgical Test Work Results – Salinas
- 8 December 2022 – Maiden JORC Mineral Resource – Colina Lithium Deposit
- 23 December 2022 – Director exercises LRSOC options

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

For further information please contact:

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About Latin Resources

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

The Company is focused on its flagship Salinas Lithium Project in the pro-mining district of Minas Gerais Brazil, where the Company has defined a Maiden Mineral Resource Estimate of 13.3Mt @ 1.2% Li₂O at its Colina Deposit. Latin has appointed leading mining consultant SGS Geological Services to commence feasibility studies at the Salinas Lithium Project. Latin also holds the Catamarca Lithium Project in Argentina and through developing these assets, aims to become one of the key lithium players to feed the world's insatiable appetite for battery metals.

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

Forward-Looking Statement

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

Competent Person Statement – Salinas Lithium Project

The information in this report that relates to Geological Data and Exploration Results for the Salinas Lithium Project is based on information compiled by Mr Anthony Greenaway, who is a Member of the Australian Institute of Mining and Metallurgy. Mr Greenaway sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Greenaway consents to the inclusion in this report of the matters based on his information, and information presented to him, in the form and context in which it appears.

The information in this report that relates the Mineral Resource Estimate and exploration targets for the Salinas Lithium Project are based on the information compiled by Mr Marc-Antoine Laporte M.Sc., P.Geo, who is an employee of SGS Canada Ltd and a member of the L'Ordre des Géologues du Québec. He is a Senior Geologist for the SGS Geological Services Group and as more than 15 years of experience in industrial mineral, base and precious metals exploration as well as Mineral Resource evaluation and reporting. Mr Laporte 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 quality as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Competent Person Statement – Cloud Nine Project

The information in this report that relates to Exploration Results at the Cloud Nine Project in Western Australia is based on information compiled by Mr Ross Cameron, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy. Mr Cameron is a full-time employee of Latin Resources Ltd. The full nature of the relationship between Mr Cameron and Latin Resources Ltd., including any issue that could be perceived as a conflict of interest has been disclosed. Mr Cameron 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 Cameron consents to the inclusion in this release of the matters based on his information, and information presented to him, in the form and context in which it appears.

The information in this report that relates to Mineral Resources at the Cloud Nine Project in Western Australia is based on information compiled under the supervision of Mr Louis Fourie. Mr Fourie is a licenced Professional Geoscientist registered with APEGS (Association of Professional Engineers and Geoscientists of Saskatchewan) in the Province of Saskatchewan, a 'Recognised Professional Organisation' (RPO) included in a list that is posted on the ASX website from time to time. Mr Fourie is owner and Principal of Terra Modelling Services. The full nature of the relationship between Mr Fourie and Latin Resources Ltd., including an issue that could be perceived as a conflict of interest has been disclosed. Mr Fourie has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity of resource estimation to qualify as a Competent Person as defined in the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Fourie consents to the inclusion in the release of the matters based on their information in the form and context in which it appears.

¹ ASX Announcement 20 October 2022 – Final assay results received from Colina Resource Drilling

² ASX Announcement 8 December 2022 – Maiden JORC Mineral Resource – Colina Lithium Deposit

³ ASX Announcement 5 October 2022 – Results Confirm Significant Colina West Lithium Discovery

⁴ ASX Announcement 5 December 2022 – Exceptional Metallurgical Test Work Results - Salinas

⁵ ASX Announcement 29 November 2022 – Significant Mineral Resource Upgrade – Cloud Nine

⁶ ASX Announcement 13 October 2022 – Test pit and bulk samples to advance Offtake – Cloud Nine

⁷ ASX Announcement 3 November 2022 – Encouraging rare earth element results – Cloud Nine Project

⁸ ASX Announcement 24 November 2022 – Catamarca exploration update and drilling at MT03 Project Peru

⁹ ASX Announcement 4 October 2022 – Appointment of leading Lithium Director to Latin Board

APPENDIX 1

THE FOLLOWING TABLE SETS OUT THE TENEMENT INFORMATION REPORTED ON A CONSOLIDATED BASIS AS REQUIRED BY ASX LISTING RULE 5.3.3.

MINING TENEMENTS HELD AT THE END OF THE QUARTER AND THEIR LOCATION

| Tenement Licences | Project Name | Registered Holder | Location | Interest held at the beginning of Qtr | Interest held at the End of Qtr |
|---|------------------|---------------------|-----------|---------------------------------------|---------------------------------|
| Peru | | | | | |
| 01-01865-11 | Dockers 1 | Minera Dylan SAC | Peru | 100% | 100% |
| 01-01866-11 | Dockers 2 | Minera Dylan SAC | Peru | 100% | 100% |
| 01-01867-11 | Dockers 3 | Minera Dylan SAC | Peru | 100% | 100% |
| 01-01868-11 | Dockers 4 | Minera Dylan SAC | Peru | 100% | 100% |
| 01-02068-10 | Fremantle 7 | Minera Dylan SAC | Peru | 100% | 100% |
| 01-02827-09 | Latin Morrito 1 | Minera Dylan SAC | Peru | 100% | 100% |
| 01-02828-09 | Latin Morrito 2 | Minera Dylan SAC | Peru | 100% | 100% |
| 01-02437-10 | Vandals 1 | Minera Dylan SAC | Peru | 100% | 100% |
| 01-02438-10 | Vandals 2 | Minera Dylan SAC | Peru | 100% | 100% |
| ARGENTINA – Catamarca ¹ | | | | | |
| 1/18 | Latina 1 | Litios del Norte SA | Argentina | 82% | 50% |
| 3/18 | Latina 2 | Litios del Norte SA | Argentina | 82% | 50% |
| 5/18 | Latina 3 | Litios del Norte SA | Argentina | 82% | 50% |
| 6/18 | Latina 4 | Litios del Norte SA | Argentina | 82% | 50% |
| 4/18 | Latina 5 | Litios del Norte SA | Argentina | 82% | 50% |
| 2/18 | Latina 6 | Litios del Norte SA | Argentina | 82% | 50% |
| 13/18 | Latina 7 | Litios del Norte SA | Argentina | 82% | 50% |
| 14/18 | Latina 8 | Litios del Norte SA | Argentina | 82% | 50% |
| 12/18 | Latina 9 | Litios del Norte SA | Argentina | 82% | 50% |
| 11/18 | Latina 10 | Litios del Norte SA | Argentina | 82% | 50% |
| 10/18 | Latina 11 | Litios del Norte SA | Argentina | 82% | 50% |
| 9/18 | Latina 12 | Litios del Norte SA | Argentina | 82% | 50% |
| 8/18 | Latina 13 | Litios del Norte SA | Argentina | 82% | 50% |
| 7/18 | Latina 14 | Litios del Norte SA | Argentina | 82% | 50% |
| 163/18 | Latina 15 | Litios del Norte SA | Argentina | 82% | 50% |
| 207/18 | Latina 16 | Litios del Norte SA | Argentina | 82% | 50% |
| 208/18 | Latina 17 | Litios del Norte SA | Argentina | 82% | 50% |
| 209/18 | Latina 18 | Litios del Norte SA | Argentina | 82% | 50% |
| 210/18 | Latina 19 | Litios del Norte SA | Argentina | 82% | 50% |
| 211/18 | Latina 20 | Litios del Norte SA | Argentina | 82% | 50% |
| 212/18 | Latina 21 | Litios del Norte SA | Argentina | 82% | 50% |
| 213/18 | Latina 22 | Litios del Norte SA | Argentina | 82% | 50% |
| ARGENTINA - San Luis | | | | | |
| 65-C-2016 | Portezuelo | Recursos Latinos SA | Argentina | 100% | 100% |
| 64-C-2016 | Estanzuela | Recursos Latinos SA | Argentina | 100% | 100% |
| 63-C-2016 | La Meta | Recursos Latinos SA | Argentina | 100% | 100% |
| 66-C-2016 | Tilisarao | Recursos Latinos SA | Argentina | 100% | 100% |
| 76-C-2016 | Bajo De Veliz | Recursos Latinos SA | Argentina | 100% | 100% |
| 84-C-2016 | De Geminis | Recursos Latinos SA | Argentina | 100% | 100% |
| 85-C-2016 | Maria Del Huerto | Recursos Latinos SA | Argentina | 100% | 100% |
| 134-Q-1936 | Maria Del Huerto | Recursos Latinos SA | Argentina | 100% | 100% |

| | | | | | |
|------------------|-------------------------------|--|-----------|------|------|
| 64-R-2017 | Estanzuela Sur | Recursos Latinos SA | Argentina | 100% | 100% |
| 65-R-2017 | Los Membrillos | Recursos Latinos SA | Argentina | 100% | 100% |
| 66-R-2017 | Quines Sur | Recursos Latinos SA | Argentina | 100% | 100% |
| 67-R-2017 | Paso Grande Norte | Recursos Latinos SA | Argentina | 100% | 100% |
| 68-R-2017 | Solitario | Recursos Latinos SA | Argentina | 100% | 100% |
| 69-R-2017 | Trapiche Norte | Recursos Latinos SA | Argentina | 100% | 100% |
| 70-R-2017 | Estanzuela Norte | Recursos Latinos SA | Argentina | 100% | 100% |
| 71-R-2017 | Quines | Recursos Latinos SA | Argentina | 100% | 100% |
| 72-R-2017 | La Toma Norte | Recursos Latinos SA | Argentina | 100% | 100% |
| 72-R-2017 | Quines Este | Recursos Latinos SA | Argentina | 100% | 100% |
| 1-R-2018 | Paso Grande Sur | Recursos Latinos SA | Argentina | 100% | 100% |
| 2-R-2018 | Trapiche Sur | Recursos Latinos SA | Argentina | 100% | 100% |
| 3-R-2018 | La Toma Sur | Recursos Latinos SA | Argentina | 100% | 100% |
| BRAZIL | | | | | |
| 830578/2019 | Minas Gerais Lithium | Mineracao Ferro Nordeste Ltda | Brazil | 100% | 100% |
| 830579/2019 | Minas Gerais Lithium | Mineracao Ferro Nordeste Ltda | Brazil | 100% | 100% |
| 830580/2019 | Minas Gerais Lithium | Mineracao Ferro Nordeste Ltda | Brazil | 100% | 100% |
| 830581/2019 | Minas Gerais Lithium | Mineracao Ferro Nordeste Ltda | Brazil | 100% | 100% |
| 830582/2019 | Minas Gerais Lithium | Mineracao Ferro Nordeste Ltda | Brazil | 100% | 100% |
| 832515/2021 | Minas Gerais Lithium | Belo Lithium | Brazil | 100% | 100% |
| 831219/2017 | Bentes Mineração ² | Bentes Mineração Exportação e Importação | Brazil | 0% | 0% |
| 830691/2017 | Carlos André | Belo Lithium | Brazil | 0% | 100% |
| 831799/2015 | Granitos Salinas ² | Granitos Salinas Ltda | Brazil | 0% | 0% |
| 830080/2022 | Monte Alto ² | Mineração Salinas Ltda. | Brazil | 0% | 0% |
| AUSTRALIA | | | | | |
| E77/2622 | Noomberry | Electric Metals Pty Ltd | WA | 100% | 100% |
| E77/2624 | Noomberry | Electric Metals Pty Ltd | WA | 100% | 100% |
| E77/2719 | Mount Cramphorne | Electric Metals Pty Ltd | WA | 100% | 100% |
| E77/2725 | Noomberry | Electric Metals Pty Ltd | WA | 100% | 100% |
| E77/2724 | Noomberry | Electric Metals Pty Ltd | WA | 100% | 100% |
| E70/5650 | Noomberry | Electric Metals Pty Ltd | WA | 100% | 100% |
| E70/5649 | Noomberry | Electric Metals Pty Ltd | WA | 100% | 100% |
| E45/5246 | Big Grey | Electric Metals Pty Ltd | WA | 100% | 100% |
| EL9148 | Manildra | Latin Resources Limited | NSW | 100% | 100% |
| EL9172 | Burdett | Latin Resources Limited | NSW | 100% | 100% |
| EL9412 | Peep O' Day | Latin Resources Limited | NSW | 0% | 100% |
| EL9273 | Boree Creek | Latin Resources Limited | NSW | 100% | 100% |
| EL9274 | BC Gundagai | Latin Resources Limited | NSW | 100% | 100% |

¹JV with Integra Capital SA

²Tenement Concession under Option Agreement

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

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

ASX Listing Rule 5.3.1

Exploration and evaluation expenditure during the quarter was \$4.978M. The majority of this was spent on maintaining the Company's tenement portfolio in good standing including payment of shire rates, tenement rents, as well as expenditure on the Company's projects both overseas and Australia which include geological consultant, assay labs and drilling contractor.

ASX Listing Rule 5.3.2

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

ASX Listing Rule 5.3.5

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

Amounts paid to related parties of the entity and their associates during the quarter were \$257K. These amounts related to periodical director fees for executive and non-executive directors, as well as legal fees paid to an associate of an NED during the quarter.

APPENDIX 2

ESG HIGHLIGHTS

PERIOD ENDING 31 DECEMBER 2022

For personal use only

Environmental Social Governance

ESG Highlights

Period Ending 31 December 2022



For personal use only

Environmental, Social, And Governance (ESG)

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

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

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

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

Governance

Governing purpose

Full Disclosure

Setting purpose

Latin ESG purpose statement:

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

Latin ESG Description statement:

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

Latin Resources is a minerals explorer, committed to developing its lithium spodumene project in Brazil, as well as progressing early-stage exploration at its Catamarca Project in Argentina. Lithium is a key mineral used in electric vehicles and battery storage to decarbonise the world by directly contributing to technology-driven GHG emission reduction targets.

Latin has invested significant time and geological resources investigating the lithium potential of the Bananal Valley region of Minas Gerais, which hosts the Eastern Brazilian pegmatite province. Regional success story Sigma Lithium is the most active explorer in the region, currently in development of a world-class lithium mineral resource base with a “Greentech” processing plant and strong ESG credentials. With the announcement of the maiden JORC Mineral Resource Estimate for the Colina Deposit of 13.3 Mt @ 1.2% Li₂O and moving into feasibility studies for the project, the Company is excited by the opportunities this may present in the future for battery grade lithium hydroxide production using renewable energy, recycled water and dry-stack tailings.

In addition to this, Latin is transitioning into a developer at its Cloud Nine Halloysite-Kaolin Deposit, 300km east of Perth in Western Australia. The Cloud Nine deposit has an upgraded Mineral Resource Estimate of 280 million tonnes (Mt) of kaolinised granite with 125 Mt of bright white kaolinite and 85 Mt of halloysite-bearing material. Kaolinite is a plate-like clay with a wide range of uses including paper and ceramics. In contrast, halloysite has a unique property and occurs as halloysite nanotubes (HNT) and maintains several key environmentally friendly properties, can be utilised to assist with the management of Greenhouse Gases (GHG) and can be mined with extremely low environmental impact.

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

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

The Latin Resources purpose statement was updated for the period ending 31 December 2022.

Governance body composition

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

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

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



Board Skills Matrix

Legend

F: Familiar

C: Competent

E: Expert

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

Material issues impacting stakeholders

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

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

During this quarter a range of community engagement activities were undertaken to inform, consult and involve participants across the community, including:

- Salinas Nursery visit to talk about potential future partnerships for donations of tree seedlings, and educational events with the neighbouring communities of the Salinas Lithium Project.



- Lecture about Mining & Environment to students, teachers and educational supervisors at the local public school in Minas Gerais, Escola Estadual Vicente Jose Ferreira.



In addition, Latin Resources Limited invested US\$100,000 to assist with a flood fund to build a new levy wall. Now under construction, the purpose of the levy wall project is to create a significant barrier to protect the town of Salinas in Brazil against future river overflows.

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Latin Resources Exploration Manager Brazil, Pedro Fonseca, and Engineer, Leandro Nunes, visited in September to review the works. Also present at this visit to support the new wall was the president of the municipal council and the municipal engineer.

Latin will also be opening an information office in Salinas town, available for the community to answer any queries on the Salinas Lithium Project and the Company's ESG initiatives.



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Anti-corruption

Partial Disclosure

Anti-corruption practices

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

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

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

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

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

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

Ethical behaviour

Full Disclosure

Mechanisms to protect ethical behaviour

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

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

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

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

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

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

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

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

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

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

Risk and opportunity oversight

Partial Disclosure

Risk framework and processes

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

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

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

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Planet

Climate change

In Development

Greenhouse gas (GHG) emissions

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

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

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

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

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

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

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

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

Microbial intervention: use of halloysite in feed supplement formulation to influence methane producing rumen microbes.

Nutrient and methane adsorption in the cattle industry: real-time capture and desorption of animal gas emissions for energy conversion as well as capturing nutrients from animal excreta.

Carbon capture: adsorption at various pressures (industrial uses) and conversion of the captured carbon into fuel or the whole adsorbent into value-added material such as building material or fertiliser.

Low-cost precise purification of halloysite nanotubes ("HNT"): from variants of halloysite and kaolinite mixtures (pure HNT can generate double the revenue of HNT/kaolinite mixes).

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

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

TCFD implementation

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

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

Nature loss

Explanation

Land use and ecological sensitivity

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

Freshwater availability

Explanation

Water consumption

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

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People

Dignity and equality

Partial Disclosure

Diversity and inclusion

Latin is committed to empowering and promoting social and economic inclusion, irrespective of individual's background.

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

Pay equality

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

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

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

Wage level

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

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

Human rights

Full Disclosure

Risk for incidents of child, forced or compulsory labour

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

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

Health and well-being

Partial Disclosure

Health and safety

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

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

Latin's Cloud Nine Project had zero (0) Lost Time to Injuries and recorded two (2) active man days on site (20 hours).

Latin's Salinas Lithium Project reported one (1) hour Lost Time to Injuries and recorded one hundred and sixty (160) active man days on site (34,101 hours).

Skills for the future

Full Disclosure

Training provided

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

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

Latin Resources full-time employees completed an average of 19 hours of training, with an average expenditure of \$305.00 for the period ending 31 December 2022.

During October and November the Salinas Lithium Project team in Brazil participated in a lecture and daily safety dialog on [Pink October](#) and [Blue November](#). These initiatives provide an opportunity to promote and reinforce how fundamental it is to prioritise adequate and prompt healthcare.

PINK OCTOBER CAMPAIGN, BRAZIL

Every year, the month of October is dedicated to breast cancer awareness and provides an opportunity for us all to focus on breast cancer and its impact on those affected by the disease in our community. In order to promote breast cancer awareness and reinforce the importance of women's healthcare our team in Brazil, organised and participated in a lecture and daily safety dialog at the Council Hospital in Salinas about Pink October.

Breast cancer is one of the leading causes of cancer death among women and early detection affects survival rates. It is important for all women to be breast aware and to be screened through high-quality, organised screening programmes. Treatment for breast cancer can be highly effective, especially when the disease is identified early.



BLUE NOVEMBER CAMPAIGN, BRAZIL

In order to reinforce the importance of men's health care, during November our team in Brazil, organised and participated in a lecture and daily safety dialog at the Council Hospital in Salinas about Blue November.

This action aims to highlight the importance of early diagnosis as a means to save lives, especially in regard to prostate cancer. When treated in the early stages of the disease, 9 out of 10 patients can be cured, so a proactive diagnosis is a key element to saves lives.



Prosperity

Employment and wealth generation

Partial Disclosure

Absolute number and rate of employment

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

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

Economic contribution

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

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

Financial investment contribution

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

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

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

Innovation of better products and services

Full Disclosure

Total R&D expenses

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

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

Community and social vitality

Full Disclosure

Total tax paid

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

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Appendix 5B

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

Name of entity

LATIN RESOURCES LIMITED

ABN

81 131 405 144

Quarter ended ("current quarter")

31 December 2022

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|---|----------------------------|--|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | - | - |
| 1.2 Payments for | | |
| (a) exploration & evaluation | (4,978) | (12,813) |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | (514) | (1,718) |
| (e) administration and corporate costs | (356) | (1,777) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 189 | 328 |
| 1.5 Interest and other costs of finance paid | - | (55) |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | - | 91 |
| 1.8 Other (provide details if material) | - | - |
| 1.9 Net cash from / (used in) operating activities | (5,659) | (15,944) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | - | - |
| (b) tenements | - | - |
| (c) property, plant and equipment | (260) | (401) |
| (d) exploration & evaluation | - | - |
| (e) investments | - | - |
| (f) other non-current assets | (9) | (34) |

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

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|--------------------------------------|---|----------------------------|--|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| 2.6 | Net cash from / (used in) investing activities | (269) | (435) |

| | | | |
|-------------|---|--------------|---------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | 35,000 |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | 3,116 | 8,332 |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | (1,546) |
| 3.5 | Proceeds from borrowings | - | 2,425 |
| 3.6 | Repayment of borrowings | - | (2,425) |
| 3.7 | Transaction costs related to loans and borrowings | - | (200) |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (Contribution - Argentina JV Partner) | - | 641 |
| | Other (repayment of lease liabilities) | (33) | (66) |
| 3.10 | Net cash from / (used in) financing activities | 3,083 | 42,161 |

| | | | |
|-----------|--|---------|----------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 29,270 | 643 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (5,659) | (15,944) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (269) | (435) |

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

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|---|--|------------------------------------|---|
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 3,083 | 42,161 |
| 4.5 | Effect of movement in exchange rates on cash held | (148) | (148) |
| 4.6 | Cash and cash equivalents at end of period | 26,277 | 26,277 |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|------------|---|------------------------------------|-------------------------------------|
| 5.1 | Bank balances | 16,277 | 2,270 |
| 5.2 | Call deposits | 10,000 | 27,000 |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 26,277 | 29,270 |

| 6. | Payments to related parties of the entity and their associates | Current quarter \$A'000 |
|-----------|---|------------------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 257 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |

Note: Amount shown at 6.1 relates to periodical director fees paid to executive, non-executive directors, and legal fees paid to an associate of an NED during the quarter.

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

| 7. Financing facilities | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|---|---|--|
| <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | | |
| 7.1 Loan facilities | - | - |
| 7.2 Credit standby arrangements | | |
| 7.3 Other (please specify) | | |
| 7.4 Total financing facilities | - | - |
| 7.5 Unused financing facilities available at quarter end | | - |
| 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |
| The Company previously has an Option Funding Agreement of \$2,500,000 established in February 2022 between the Company and Lind Asset Management XII, LLC, with a 14-month term and face value of \$2,750,000 (an implied interest rate of 10%). | | |
| The Company has fully repaid the facility during the quarter. | | |

| 8. Estimated cash available for future operating activities | \$A'000 |
|---|----------------|
| 8.1 Net cash from / (used in) operating activities (item 1.9) | (5,659) |
| 8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | - |
| 8.3 Total relevant outgoings (item 8.1 + item 8.2) | (5,659) |
| 8.4 Cash and cash equivalents at quarter end (item 4.6) | 26,277 |
| 8.5 Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 Total available funding (item 8.4 + item 8.5) | 26,277 |
| 8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3) | 4.6 |
| <i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i> | |
| 8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions: | |
| 8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? | |
| Answer: N/A | |
| 8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? | |
| Answer: N/A | |

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

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

Answer: N/A

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

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 January 2023

Authorised by: By the board

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.