

11 OCTOBER 2017

ARGENTINA, PERU

LITHIUM, COPPER, GOLD, COBALT,
MINERAL SANDS

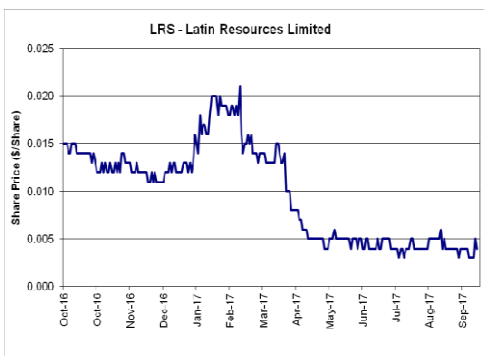
SCOPING STUDY, ADVANCED EXPLORATION

EXCHANGES: ASX:LRS

CAPITAL PROFILE

Share price (A\$)	0.004
52 week range (A\$/share)	0.003 to 0.021
Number of shares (M) [^]	2065.1
Options and warrants (M) [^]	34.1
Incentive rights (M)	65.0
Fully diluted (M)	2164.2
Market capitalisation (undiluted) (A\$M)	8.3
Debt (A\$M) - Sep 17F	0.4
Enterprise value (A\$M)	8.6
Major shareholders:	
Directors and mgmt (2.7%)	
Avg monthly volume (M)	1.5
Cash (A\$M) - Sep 17F [^]	0.1
Price/Cash (x)	62.2
Listed company options:	No

[^] Capital raising announced 10 Oct 2017: \$1.5M at \$0.0035/sh



DIRECTORS

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Christopher Gale (Managing Director)
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LATIN RESOURCES LIMITED

Focused on near term lithium production in Argentina

Share Price: A\$0.004

Speculative Buy

Latin Resource's has emerged from a period of transformation with a portfolio that includes strategic hardrock lithium projects in Argentina and First Quantum as a JV partner at the Ilo Sur copper project in Southern Peru. Lithium concessions include historic spodumene production and exciting potential for large scale, high grade discovery (drilling 4Q17 10,000m), potential for fast track resource definition 1Q18 and production at a third party processing plant from 2020.

INVESTMENT POINTS

- ◆ Mineral exploration and development company focused on lithium and cobalt in Argentina, and copper in Peru.
- ◆ Southern Peru copper belt is a major copper producing region. LRS has strategic exposure through a JV with First Quantum for Ilo Sur and a 43% stake in TSX.V:WMR for Ilo Este and Ilo Norte projects. Projects are proximal to power and key transport infrastructure - rail, road and port.
- ◆ Ilo Sur Copper Project (100/49/20/0% LRS) – potential large porphyry copper target interpreted from geophysics. Global copper producer First Quantum Minerals (TSX:FM) JV partner. LRS free carried.
- ◆ LRS holds over 100,000ha in Argentina prospective for hardrock lithium pegmatite. Drilling San Luis 4Q17 (10,000m); potential resource 1Q18.
- ◆ Geminis Lithium Mine (San Luis district, Argentina) acquired (binding LOI Aug '17): historic high grade lithium (spodumene) production. Potential for fast track, small scale production from 2020.
- ◆ Turnkey engineering company appointed by LRS to develop flowsheet for spodumene concentrate production at San Luis.
- ◆ Guadalupito mineral sands project (100% LRS, Peru): World class resource 1.1bt @ 6.1% Heavy Mineral (HM); conceptual exploration target 4.5bt @ 6.1% HM. Very large and shallow deposits. PFS stage. Seeking partner.
- ◆ Global lithium-ion battery capacity is expected to increase 521% from 2016 to 2020. Lithium battery offtake is expected to reach 374,000t LCE by 2025 up from 64,000t in 2015, driven by EV and grid storage.
- ◆ Share price catalysts include: Fast track exploration and development milestones for lithium projects in Argentina - drilling 4Q17 (10,000m); potential resource 1Q18; PFS 2H18; potential drilling La Rioja cobalt project 1H18; ongoing copper exploration in Peru; potential sale of Guadalupito.

EXPLORATION AND FINANCIAL FORECASTS

Year End December	Jun-17A	Sep-17F	2016A	2017F	2018F
Exploration and evaluation (A\$M)	0.76	0.25	1.79	2.09	1.00
Corporate (A\$M)	0.48	0.45	1.80	1.72	1.80
Exploration/(Expl. + Corporate) (%)	61	36	50	55	36
Funding duration at current burn (years)			0.4	0.5	0.4
Shares on issue (pr end) (M shares)	1812.6	1812.6	1577.4	2241.2	2741.2
Drilling - RAB (m)	0	0	0	0	0
Drilling - Other/Diamond (m)	1,000	5,000	0	12,680	10,000
Land holding ('000 ha) [*]	172	172	172	172	0
Capital raisings (A\$M)	1.1	0.0	4.8	2.8	2.0
Funding from JV partners (A\$M)	0.0	0.0	1.3	0.0	0.0
Cash (A\$M)	0.1	0.1	1.3	1.9	1.1
Cash backing (Ac/share)	0.0	0.0	0.1	0.1	0.0

^{*} Tenements held and under application. Quarters refer to calendar year. Drill metres and JV exp. are RCR estimates

COMPANY COMMENT

Overview: LRS listed on the ASX Sep '10. The company is focused on exploration and development of its large strategic hardrock lithium portfolio in Argentina, which is also prospective for gold, cobalt and tantalum. LRS has exposure to IOCG/porphyry copper exploration projects in Peru close to infrastructure, including road, port and a large steelworks; and a large iron, mineral sands project.

Ancasti Lithium Project (Catamarca, Argentina): Strategic land holding of 77,000ha located in the Vilisman and Ancasti pegmatite groups with historic mine workings. First pass drilling completed 1Q17 (2680m; 40 RC holes) targeting 5 of 11 prospects comprising small scale historically mined pegmatites. Significant intercepts of spodumene bearing pegmatites at Reflejos del mar, Campo el Abra, Santa Gertrudis and La Culpable prospects - with intercepts up to 9m true thickness. **La Culpable Prospect:** 4 of 5 holes intercepted pegmatites of 3-6m apparent thickness drilling targets down dip of outcropping pegmatites subject to historic small scale mining. Best results with high Li grades and elevated Ta/Nb grades encountered La Culpable prospect include 1m at 4.6% Li₂O and 622ppm Ta₂O₅ (LCR004) and 1m at 4.22% Li₂O and 153ppm Ta₂O₅ (LCR002). The next stage of LRS lithium exploration will focus on San Luis.

San Luis Lithium Project (Argentina): Located in San Luis province 450km south of the Catamarca projects in historically mined Conlara and Estanzuela pegmatite fields. LRS has 6 exploration concessions and the Maria Del Huerto mining concession. The company has mapped over 25km of pegmatites ranging from 40m to 700m long and historical data indicates grades of 1% to 5% Li₂O. Further trenching, sampling and assaying is expected 3Q17.

The **Maria Del Huerto mining concession** comprises 3 parallel dykes mined for spodumene between 1936 and 1940. It is next to a road and ~17km from a crushing plant. Preliminary work is focused on the three pegmatites situated conceptually within a single open pit. The company has confirmed spodumene mineralisation is present in the historic working. The **6 exploration concessions** each surround pegmatite dykes previously mined for lithium minerals (spodumene or lepidolite) and/or related minerals (Ta, Nb, quartz, feldspar, beryl).

Geminis Lithium Mine and Don Gregorio exploration concession: (LRS acquisition Aug '17 - binding LOI); The mine was one of the main lithium deposits in a region with historical lithium production between 1960 to 1980; most mining at Geminis occurred between 1930 and 1959. There was a small open pit though most mining was underground producing 5-10t of spodumene per month over workings with a strike length of 150m. Mining records indicate the main high grade lithium pegmatite at Geminis is 12 to 18m thick over a strike length exceeding 200m. There is potential for other pegmatites identified from satellite imagery and preliminary mapping along strike to be connected and that the overall strike length of the mined pegmatite may be considerably longer than previously reported. The pegmatites are favorably dipping at a gentle 20-30 degrees.

The San Luis region offers fast track development potential: LRS land holdings are situated within an established mining district with a large number of small mines active (over 100) and 8 toll crushing and grinding plants. These third party processing plants offer LRS a route to fast track production of spodumene concentrate via a low capex addition of a spodumene circuit. Fast track regulatory approvals are anticipated given the current operating status of plants in the area and LRS has commenced commercial, legal and permitting processes. LRS has also commenced geological mapping and sampling of the mine area and vicinity are underway with a view to identifying initial drill targets. LRS has appointed WA based **Primerio Group** experienced in turnkey design, construction and commission of spodumene deposits to design a flowsheet spodumene concentrate production.

LRS has also acquired an option (Oct '17) from **UnCuyo** for alternative, low cost patented technology under development to convert spodumene concentrate into lithium carbonate.

The company is actively accumulating lithium prospective ground in the region. A 10,000m drill program is anticipated 4Q17; potential JORC 1Q18.

La Rioja Cobalt Project (Argentina): 3 exploration licences (28,220ha) applied for adjoining historic King Tut mine that produced cobalt and gold. (A subsidiary of the Lundin Group currently holds the King Tut mine). Historic production 60 to 80t of high grade cobalt averaging 1.3% Co between 1901-02. The tenement's applied for by LRS have never been systematically explored and represent an attractive wildcard opportunity. First pass mapping and geochem work anticipated 4Q17.

Ilo Projects (southern Peru): LRS has a strategic landholding of 70,000ha in the prolific southern Peru copper belt, part of the world's most prolific copper belt. This is a major copper producing region with half of Peru's 1.2mtpa copper output mined within 100km. LRS pegged ground early (2008) in coastal Southern Peru prior to renewed interest in the region and now holds a strategic land position in the tightly held Ilo district dominated by majors like BHP, RIO, Southern Copper, Junefield, Anglo American and Antofagasta. The region is host to a number of tier one porphyry copper deposits including Cerro Verde (4bt @ 0.39% Cu, 0.01% Mo), Toquepala (3.4bt @ 0.47% Cu, 0.023% Mo) and Cuajone (2.4bt @ 0.48% Cu, 0.017% Mo). There is established power and transportation infrastructure including rail, road and port, as well as a copper smelter and refinery.

Ilo Sur Copper Project (100/49/20/0% LRS, porphyry copper): In JV with global copper producer First Quantum Minerals (TSX:FM; 27 July '16) first stage earning 51% by completing a 4,000m drill program and technical studies for JORC resource >1Mt contained copper equivalent and staged payments of \$0.5M to LRS (within 4 years of obtaining drill permits); additional 29% (80% total) on completion of technical work to support decision to mine - LRS free carried to this point; option to move to 100% by paying market price for remaining 20% stake; LRS to retain 2% NSR royalty (FM right to reduce NSR to 1% with US\$40M cash payment to LRS).

FM completed a geophysics survey over the 8,900ha covered concessions and geochemistry. Further work required to identify suitable potential drill targets. Aeromagnetic data indicates a 5km diameter donut shaped low interpreted as a possible phyllic alteration zone surrounding a central high potassic alteration zone of a porphyry copper system. Interpreted Andean and cross arc structural features are coincident under cover of recent sediments.

Ilo Norte and Ilo Este (100% TSX.V:WMR): LRS announced sale to Westminster Resources Limited 6 Sept. Total consideration \$6.8M comprising 19M WMR shares (giving LRS a 43% stake in WMR) and staged payment of US\$250k. WMR mkt cap C\$8.6M pre acquisition; capital raising expected. Prospective IOCG/porphyry copper (36,000Ha). Over 10,000m of drilling completed at Ilo Norte and Ilo Este.

Investment Comment: At the current share price of \$0.004 and market cap of \$8.3M, LRS appears good value: with a major producer TSX:FM as a JV partner in a global copper hotspot, the deal with WMR valued at \$6.8M, an expanding portfolio of prospective lithium projects in historic production districts in Argentina with large scale, high grade discovery and fast track development potential; and \$1.5M (capital raising 10 Oct). Over the past 2 years companies with lithium assets have enjoyed significant re-ratings, some by 10 fold. LRS, with exploration success and aiming for an initial resource in San Luis 1Q18 is well positioned for a market re-rating.

KEY PROJECTS

Project	Ownership/ Option	Metal	JV Partner	Target Type	Process Route	Project Status	Location
San Luis Lithium Project	100%	Li,Au	na	Hardrock	na	Mid Expl	Argentina
Ilo Sur	100/49/20/0%	Cu,Au	First Quantum	Porphyry	na	Mid Expl	Peru
Catamarca Lithium Project	100%	Li,Au	na	Hardrock	na	Mid Expl	Argentina
La Rioja	100%	Co,Au	na	Vein	na	Early Expl	Argentina
Guadalupito	100%	Fe,Zr,Ti, Au,Al	na	Sands	mag sep.	Scoping Study	Peru

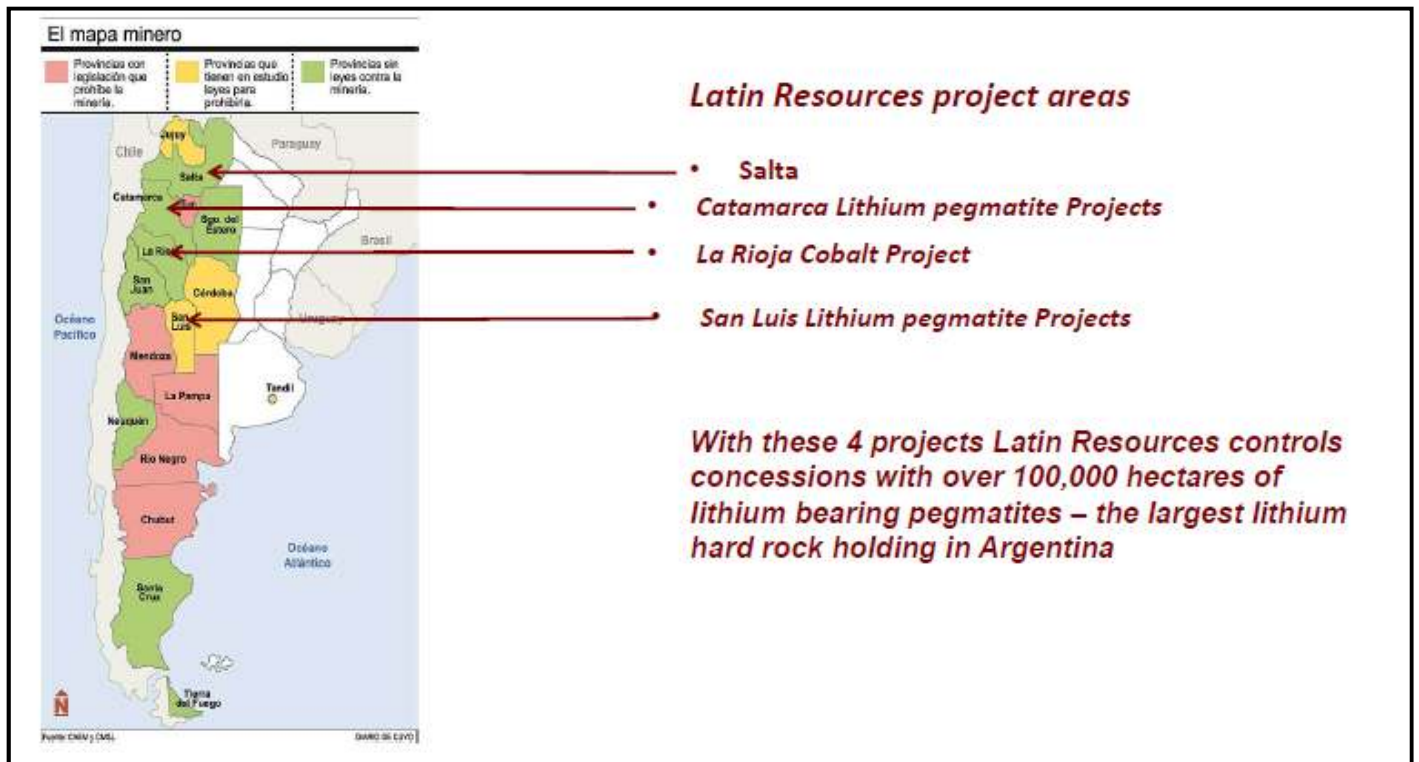
RESERVES AND RESOURCES

Code for reporting mineral resources - Australian: JORC

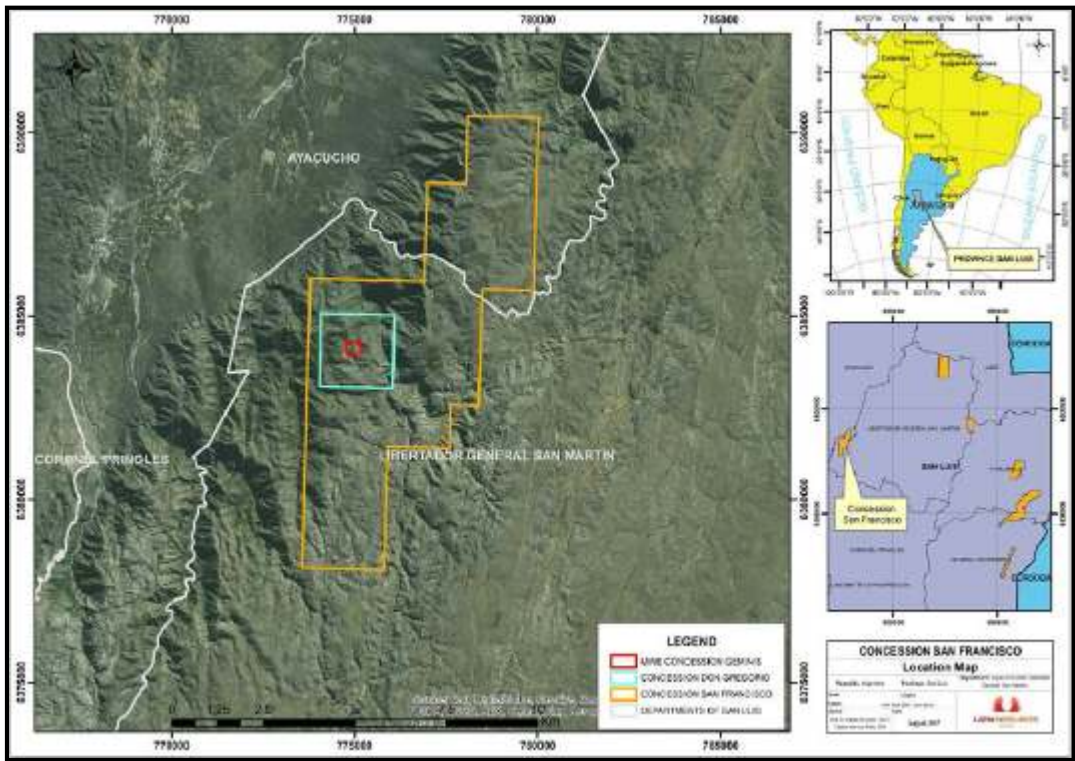
Iron (Fe), Mineral Sands	Classification	Project Equity	Ore mt	HM * %	Cut Off % HM	HM mt	HM Equity mt
Guadalupito Iron & Mineral Sands Project							
Resources							
Guadalupito - above water table	Inferred	100%	127.0	8.3	1.0	10.5	10.5
Guadalupito - below water table	Inferred	100%	1,202.1	5.4	1.0	64.9	64.9
Guadalupito - total resource	Inferred	100%	1,329.1	5.7	1.0	75.5	75.5
<i>Los Conchaes (included in above)</i>	<i>Inferred</i>	<i>100%</i>	<i>1072.8</i>	<i>6.1</i>	<i>1.0</i>	<i>65.4</i>	<i>65.4</i>
Conceptual Exploration Target							
Guadalupito		100%	3.9-5.1bt	3.2%-8.4%			

* Average HM grade in the sand fraction (-1mm +53µm) which is 76% of total tonnage is 7.6% (10.6% HM above water table). The sand fraction represents a higher grade screened deslimed product likely to form ROM feed in production.

Latin Resources Location Map - Lithium Province: NW Argentina.



Location Map: historic Geminis Lithium Mine, Don Gregorio and San Francisco exploration concessions. The mine was one of the main lithium deposits in a region with historical lithium production between 1960 to 1980; most mining at Geminis occurred between 1930 and 1959. There was a small open pit though most mining was underground producing 5-10t of spodumene per month over workings with a strike length of 150m.

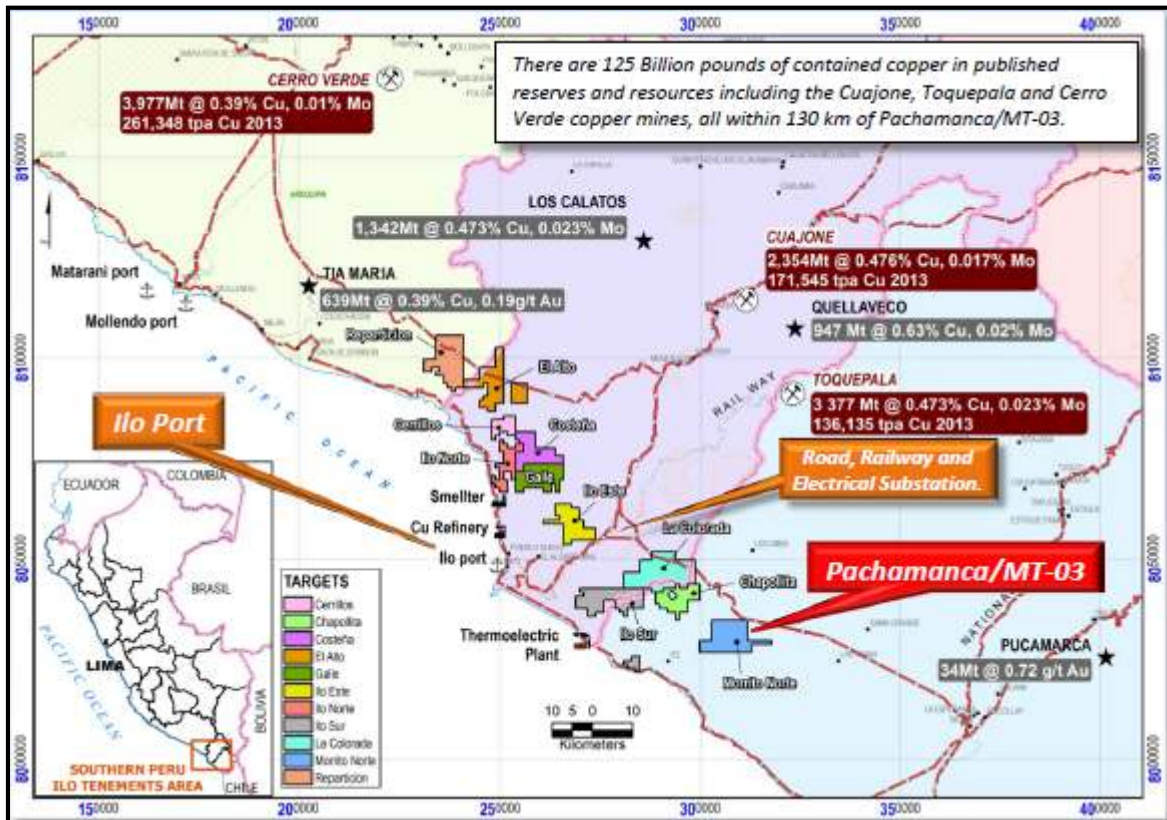


San Luis - processing plants: Situated within an established mining district with a large number of small mines active in the area (over 100) and 8 toll crushing and grinding plants. LRS has appointed WA based Primero Group experienced in turnkey design, construction and commission of spodumene deposits to design a flowsheet spodumene concentrate production. Fast track regulatory approvals are anticipated given the current operating status of plants in the area and LRS has commenced commercial, legal and permitting processes.

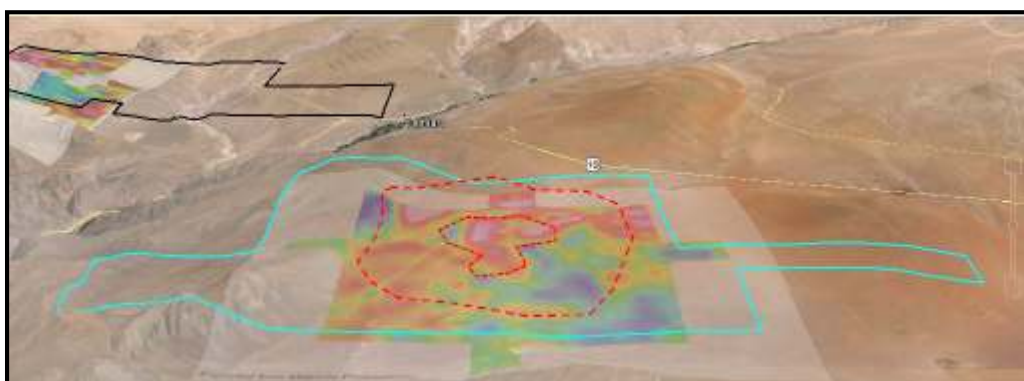


- *The opportunity to add a spodumene circuit to a current processing plant in San Luis will save permitting and construction time for production*
- *Primero consulting engineers have been appointed to commence testwork on San Luis pegmatites*
- *The immediate plan is to define resource as soon as possible then move into PFS phase based on upgrading existing processing plant*
- *There is also an opportunity for local miners to toll process spodumene at LRS plant*

Location Map: Ilo Sur Copper Project - Pachamanca/MT-03; (LRS 100/49/0%, Cu porphyry). JV with global copper producer First Quantum Minerals (TSX:FM; 27 July '16). Early stage exploration - LRS free carried to decision to mine. Ilo Sur is situated within the world's most prolific copper belt: on the west side of the Andes in Chile and Peru is host to tier one porphyry copper deposits including Cerro Verde, Toquepala and Cuajone.

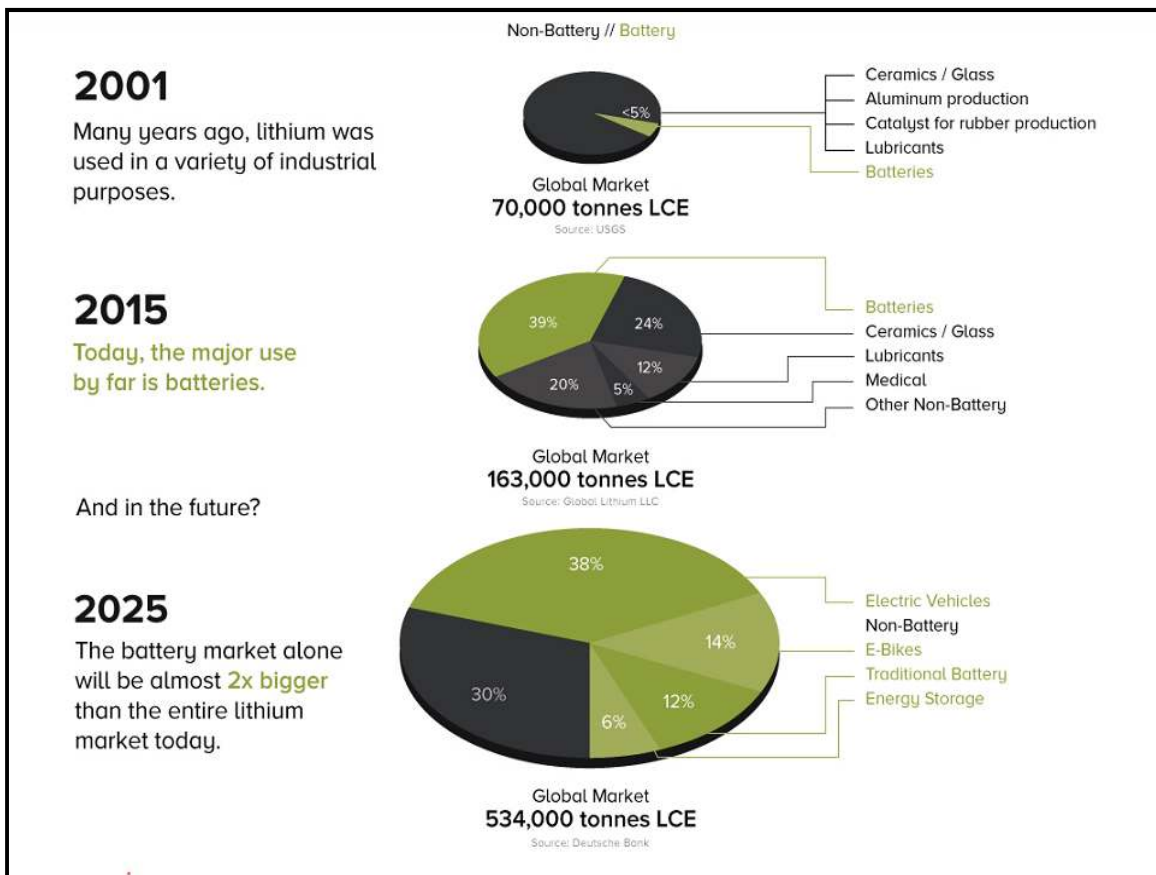


Location Map: Ilo Sur - Pachamanca/MT-03: First Quantum has completed a geophysics survey and geochemistry on the project. Aeromagnetic data indicates a 5km diameter donut shaped low interpreted as a possible phyllic alteration zone surrounding a central high potassic alteration zone of a porphyry copper system. Further work required to identify suitable potential drill targets.

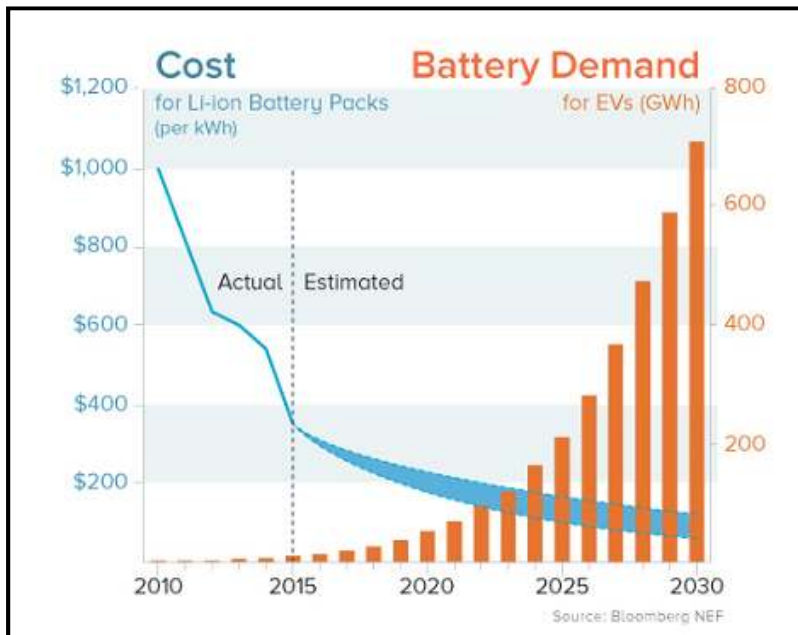


Global Lithium Market Demand (2001-2025): Key Offtake Segments.

The global market for lithium is forecast to grow from 163,000t LCE in 2015 to 534,000t in 2025. Market growth is expected to be dominated by batteries, especially for electric vehicles.



Source: www.visualcapitalist.com/lithium-fuel-green-revolution



Source: www.visualcapitalist.com/lithium-fuel-green-revolution

Electric Vehicle Lithium Battery Demand (2010-2030).

Growth in demand for lithium-ion batteries is expected to come from rapid growth in electric vehicles. Each car requires up to 63kg of lithium.

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