

# 2023

## ANNUAL REPORT

For year ending 31 December 2023

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# CORPORATE DIRECTORY

## DIRECTORS

**Mr David Vilensky**  
*Non-Executive Chairman*

**Mr Christopher Gale**  
*Managing Director*

**Mr Brent Jones**  
*Non-Executive Director*

**Mr Pablo Tarantini**  
*Non-Executive Director*

**Peter Oliver**  
*Executive Director and Chairman  
of the Development Committee*

## COMPANY SECRETARY

**Ms Sarah Smith**

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Code: LRS

Frankfurt Stock Exchange (FRA)  
Code: XL5

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NAB  
Central Business Banking Centre,  
Perth 6000, Western Australia

## AUDITORS

Ernst & Young,  
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Perth, WA 6000

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# 01

## CHAIRMAN'S LETTER

Dear Shareholders,

The financial year ending 31 December 2023 has been a transformational year for Latin Resources Limited ("**Company**"). Latin has made significant strides in advancing our wholly owned Salinas Lithium Project, contributing to the global efforts towards the low carbon energy transition.

In my last Chairman's letter dated 16 March 2023 I stated that enhancing shareholder value and rewarding our shareholders remained a fundamental priority for the Company and predicted that the year ahead would demonstrate what the Company was capable of achieving. It is self evident that our exploration accomplishments directly correlate with improvements in our share price and overall market capitalisation and the substantial milestones achieved by the Company in the reporting period in question serve as clear testament to this success.

A highlight of the year was the substantial increase in our mineral resource estimate at our Salinas Lithium Project. We saw a remarkable 241% increase in the Colina Mineral Resource, followed by a further 41% increase in December 2023 totalling 63.5Mt @ 1.3% Li<sub>2</sub>O, placing us among the largest scale Tier-One undeveloped lithium resources globally.

Details of the drilling program are outlined in the Review of Operations section of this Audited Financial Report. This achievement underscores the immense potential of our project and its significance in meeting the growing demand for lithium.

Our Preliminary Economic Assessment (**PEA**) results marked another substantial milestone, demonstrating the robust financial metrics of the Salinas Project. With an after-tax NPV of A\$3.6 billion and an internal rate of return (**IRR**) of 132%, the PEA confirmed the viability of our operations and solidified our position and potential as a large-scale, low-cost producer in the lithium market.

"A highlight of the year was the substantial increase in our Mineral Resource Estimate (MRE) at our Salinas Lithium Project."

– David Vilensky, Non-Executive Chairman

Furthermore, our extended drilling programs have continued to yield promising results, confirming the district-scale lithium corridor at Salinas. The discovery of the Planalto Prospect and the ongoing exploration efforts highlight the vast potential of our project, which we believe will continue to grow significantly in the near future as we transform from an explorer to a developer.

The offtake partnering process initiated post-PEA has attracted significant interest, reflecting the market's recognition of the quality and potential of our project. We are confident that securing competitive offtake agreements will further enhance the value of the Salinas Project and support its continued development.

The support from the surrounding community at Salinas has been further entrenched in 2023. The pro-mining sector, pro-investment, and pro-business approach of the State of Minas Gerais was further strengthened through our partnership with Invest Minas, strengthening our ties to the local community and underscoring our dedication to responsible development in an area now known as Lithium Valley. The support of the mining sector by the Brazilian government at Federal and State level cannot be underestimated in creating what is a world class welcoming and sustainable jurisdiction.

On 4 September 2023, the Company was pleased to announce that it had been added to the Morgan Stanley Capital International ("MSCI") Global Small-Cap Index, with multiple associated advantages, including increased exposure to larger global institutions. Subsequent to the reporting period, we are also pleased to share that as a result of a successful December 2023 quarter, Latin was added to the S&P/ASX 300 Index, effective prior to the market open on 18 March 2024. Becoming an ASX top 300 Company is another significant milestone we can all be proud of.

Another noteworthy achievement for the Company occurred subsequent to the reporting period, with the appointment of Peter Oliver as Executive Director and Chairman of the Company's Development Committee with effect from 1 February 2024. Peter was previously a non-executive director of the Company and will proactively accelerate efforts to progress the Salinas Lithium Project into production.

Tony Greenaway's dedication and commitment to the Company was also evident through his promotion to VP of Operations – Americas in April 2023, a role that required his relocation to Canada. This strategic move enables the Company to maintain timeliness in its exploration and growth endeavours. Mitch Thomas was appointed as our Chief Financial Officer in April 2023, following a 12-year career at Rio Tinto, working in Australia, Peru, USA and its London head office.

Subsequent to the reporting period, Mike Drake was appointed as VP of Development based in Belo Horizonte in January 2024, and Aaron Maurer was recently appointed as Chief Operating Officer in March 2024, bringing a distinguished portfolio of lithium experience in the mining industry to the Company. The Company has assembled a strong, capable and dedicated team whose collective experience augurs well for even further success going forward.

I am also pleased to report that over the past twelve months the Company has further advanced its ESG credentials and commitments to ESG principles. More details about this are contained elsewhere in this Annual Report.

The Company successfully raised capital through a series of strategic and well timed placements in 2023, providing the Company with significant capital injections to expand and accelerate the exploration program at Salinas. In April 2023 the Company raised \$37.1m through a two-tranche placement of new fully paid ordinary shares, as well as a subsequent \$35m placement in October 2023, welcoming several new significant funds to our register. The objective always was to have the Company fully-funded through to Final Investment Decision (FID) planned for the end of 2024.

The Company has garnered significant global interest as we enter the next transformative phase of expanding the size and scale of our lithium resource at our flagship Salinas Project, leading up to the release of our Definitive Feasibility Study. In the upcoming months, we anticipate sharing encouraging updates on our projects and activities, aiming to sustain the positive trajectory of the Company with the ultimate goal of taking Latin Resources into production in 2026.

The Company is privileged to be guided by an outstanding and growing management team under the leadership of our incredibly diligent and energetic Managing Director, Chris Gale. Chris has been instrumental in tirelessly driving the strategic goals of the Company, leaving no opportunity unexplored to achieve tangible success within ambitious timelines. His unwavering dedication and passion for the Company, evident in his extensive travels and inspiring leadership, are truly commendable and deserving of special recognition.

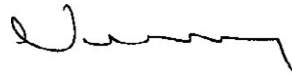
Crucially, Latin is grateful for the full support from the local community in Salinas, including its elected representatives, who have embraced the Company and its growing workforce, comprised largely of local residents. The Company's social licence to execute its Salinas Lithium Project is firmly established.

I express my gratitude to our shareholders for their unwavering support and confidence in the Company's pursuit of its strategic objectives. I extend a warm welcome to the many thousands of new investors who have joined our shareholder base over the past 12 months.

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

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

Yours sincerely,



**David Vilensky**  
Chairman

26 March 2024

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# 02

## REVIEW OF OPERATIONS

Latin Resources Limited (ASX:LRS, FRA:XL5) 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 (“Salinas”) in the pro-mining district of Minas Gerais, Brazil. The state of Minas Gerais is well serviced by infrastructure, roads, hydroelectric power, water and the port of Vitoria in the neighbouring Espirito Santo State. The province is particularly efficient in its issuing of drilling permits and environmental approvals.



Tony Greenaway - VP of Operations - Americas and  
Chris Gale - Managing Director







# SALINAS LITHIUM PROJECT

## INCREASE TO MINERAL RESOURCE ESTIMATE

In June 2023, Latin Resources was pleased to announce an impressive 241% increase on the Colina Mineral Resource at Salinas<sup>1</sup>. An updated JORC Measured, Indicated and Inferred Mineral Resource Estimate (“MRE”) totalled **45.2Mt @ 1.32% Li<sub>2</sub>O**, reported above a cut-off of 0.5% Li<sub>2</sub>O (Table 1).

The resource definition drilling program was undertaken at the Colina Deposit in the first half of 2023 on significant pegmatite swarms, down dip and extending to the southwest of the existing MRE, comprised of 135 diamond drillholes (Figure 2) for 39,033m.

Table 1: June 2023 MRE for the Colina Lithium Deposit

Deposit	Resource Category	Grade Cut-off	Tonnes (Mt)	Grade (Li <sub>2</sub> O %)	Li <sub>2</sub> O (Kt)	Contained LCE (Kt)
Colina	Measured	0.50	0.43	1.34	5.8	14.3
	Indicated	0.50	29.74	1.37	408.1	1,009.3
	Measured + Indicated	0.50	30.17	1.37	413.9	1,023.6
	Inferred	0.50	15.02	1.22	183.5	453.7
<b>Total</b>			<b>45.19</b>	<b>1.32</b>	<b>597.4</b>	<b>1,477.3</b>

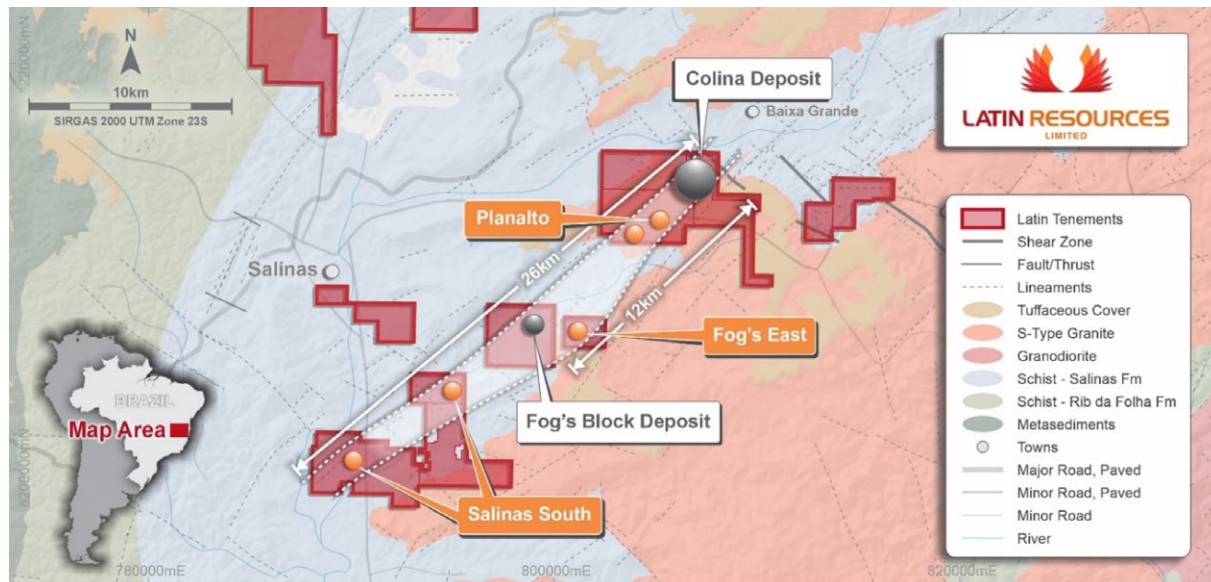


Figure 1: Location Plan showing Colina Deposit, Fog's Block Deposit and the Planalto Prospect Discovery

1. Refer to ASX Announcement 20 June 2023 - 241% Increase for the Colina Mineral Resource

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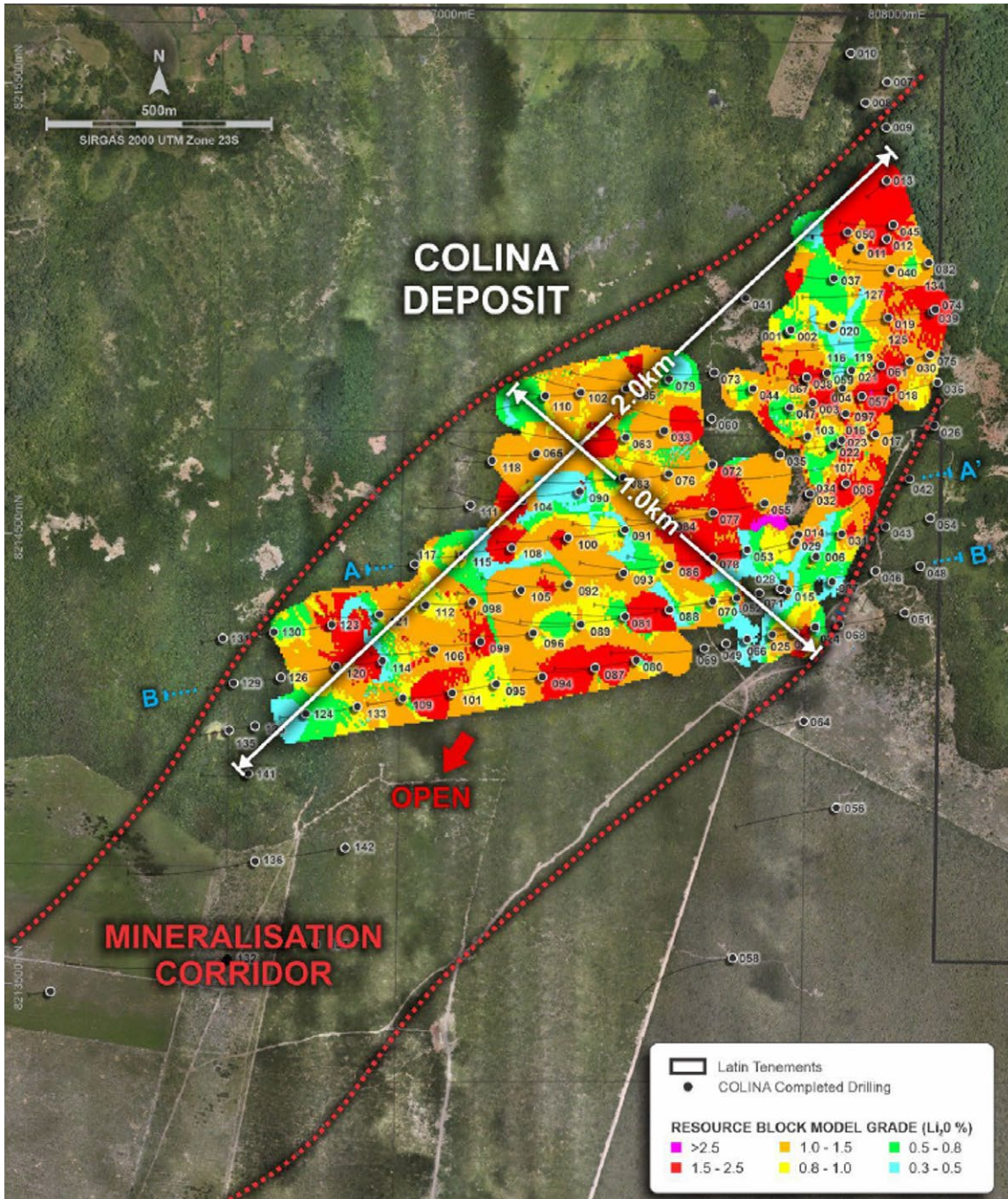


Figure 2: Colina drill collar plan showing the June 2023 MRE Block model, drill collar location and drillhole

A further significant increase to the Salinas Resource was announced in December 2023, totalling a 41% increase to the Colina Deposit MRE to **63.5Mt @ 1.3% Li<sub>2</sub>O<sup>2</sup>**, placing it amongst one of the largest scale Tier-One undeveloped lithium resources globally (Figure 3). The MRE was recorded above a cut-off of 0.5% Li<sub>2</sub>O (including **1.7Mt @ 1.5% Li<sub>2</sub>O Measured + 39.3Mt @ 1.4% Li<sub>2</sub>O Indicated + approximately 22.5Mt @ 1.2% Li<sub>2</sub>O Inferred**) (Table 2).

A total of 198 drill holes for 64,769m were incorporated into the MRE update, an increase of 63 holes and 25,736m since the previous MRE update in June 2023 (Figure 4).

2. Refer to ASX Announcement 6 December 2023 - Significant increase to JORC Resource at Salinas

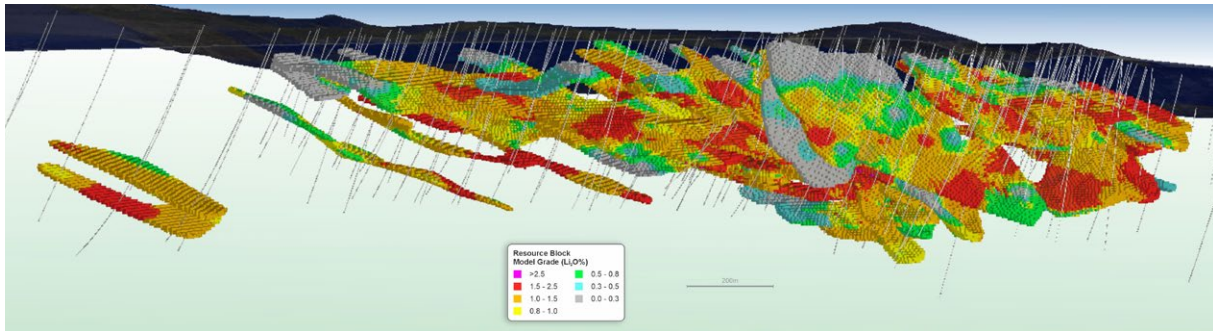


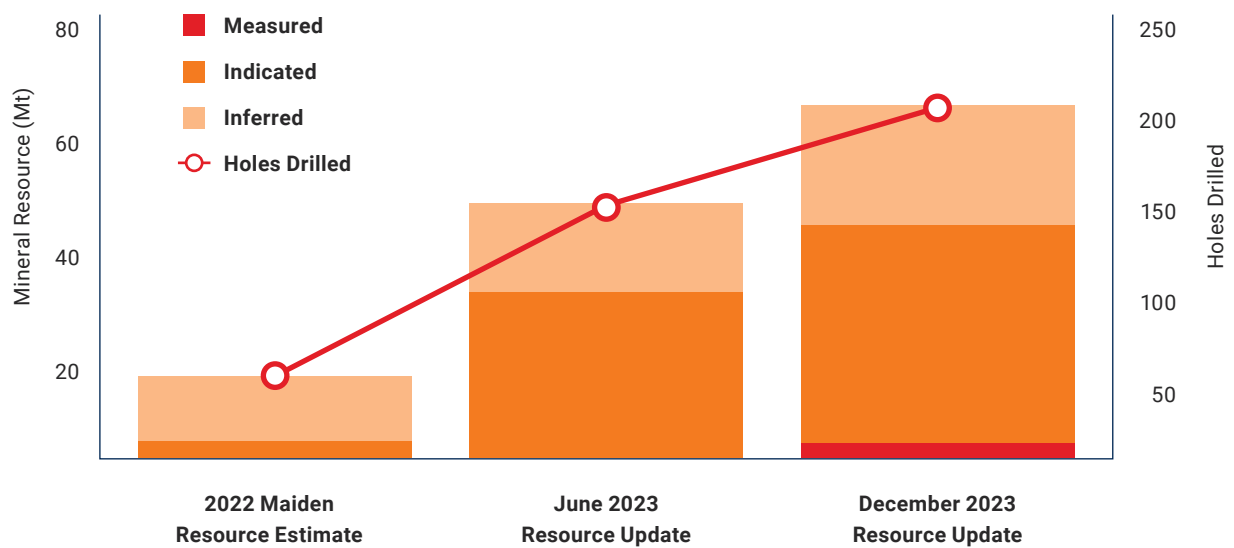
Figure 3: Oblique 3D view of the December 2023 Colina MRE Block Model

Table 2: December 2023 MRE for the Colina Lithium Deposit (reported above a 0.50% Li<sub>2</sub>O cut-off grade)

Deposit	Resource Category	Tonnes (Mt)	Grade (Li <sub>2</sub> O%)	Li <sub>2</sub> O (Kt)	Contained LCE (Kt)
Colina	Measured	1.73	1.47	25.8	62.8
	Indicated	39.29	1.36	534.0	1,320.6
	Measured + Indicated	41.2	1.36	559.4	1,383.4
	Inferred	22.47	1.21	271.8	672.1
<b>Total</b>		<b>63.49</b>	<b>1.31</b>	<b>831.2</b>	<b>2,055.6</b>

## COLINA DEPOSIT MINERAL RESOURCE GROWTH

Figure 4: Colina MRE resource growth timeline showing JORC resource classification breakdown and drillholes completed



The resource upgrade encompassed an increase in contained Lithium Carbonate Equivalent (“LCE”) from 1.47Mt to 2.05Mt, as well as a significant increase in the grade of JORC Measured resources, from 1.34% to 1.47% due to closer spaced infill drilling.

SGS, working closely with the Company’s geological team, incorporated the structural and geological information from the infill drilling program, resulting in an update to the existing geological model. The geological model has reconfirmed that the Colina Deposit consists of a series of 30 moderately east dipping pegmatite bodies, extending from near surface to a depth of over 350 meters which remain open at depth.

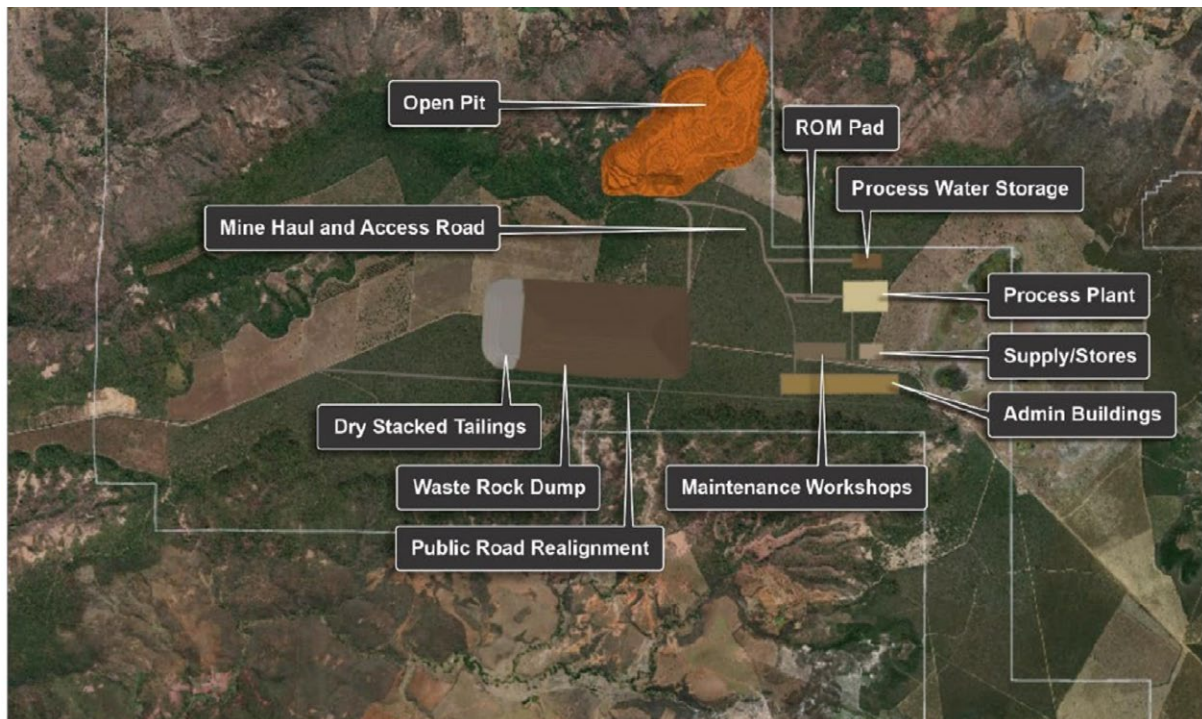
The MRE increase entailed a maiden Inferred Resource Estimate at the Fog’s Block prospect of **6.8Mt @ 0.9% Li<sub>2</sub>O**. This resulted in a 56% increase to the global resource at Salinas, totalling **70.3Mt @ 1.27% Li<sub>2</sub>O**. The Fog’s Block target is located approximately 12km southwest of the Company’s 63.5Mt Colina Lithium Deposit (*Figure 1*), where drilling first commenced in August 2023.

Fog’s Block remains open up-dip, at depth and along strike, with drilling continuing to test for extensions to the defined deposit to further build on the maiden resource.

## PRELIMINARY ECONOMIC ASSESSMENT

During the reporting period, Latin Resources was pleased to release key outcomes for a technical and financial Preliminary Economic Assessment<sup>3</sup> (“PEA”), marking economic results on the first feasibility study conducted on the Salinas Lithium Project. The PEA results demonstrated the potential for Salinas as a world class lithium mine.

The Salinas Project PEA was led by independent consultants SGS, based on the 45.2Mt @ 1.32% Li<sub>2</sub>O (June 2023) Colina mineral resource estimate for a proposed 3.6Mtpa standalone mining and processing operation, demonstrating strong financial metrics for the Salinas Project. The PEA incorporated Phase 1 and a Phase 2 processing plant, demonstrating robust combined economics, highlighted by a **combined after-tax NPV<sub>8</sub> of A\$3.6 billion (US\$2.5 billion) and combined after-tax IRR of 132%**.



**Figure 5:** Proposed Colina Mine Open pit and infrastructure layout

3. Refer to ASX Announcement 28 September 2023 - Robust Results for Colina Lithium Project Preliminary Economic Assessment (PEA)

The PEA confirmed that the Company will be a large-scale, low-cost producer of a fully integrated concentrate plant and environmentally sustainable production of SC5.5 and SC3 spodumene concentrate, with significant cost saving benefits and competitive market advantages from its geographical location.

The PEA contemplates an initial mine life of 11 years generating significant net cash flows over the Life of Mine (“LOM”) with a capital payback achieved in the first 7 months of the Colina Project life under Phase 1.

The excellent average recovery rates achieved by Dense Media Separation (“DMS”) were a key factor in influencing the robust PEA economics<sup>4</sup>. DMS test work confirmed the ability produce a high-grade, low impurity spodumene concentrate, with an impressive **93.1% stage recovery** achieved from the coarse sample, to a high-quality spodumene concentrate grading **5.5% Li<sub>2</sub>O**, utilising pilot scale DMS equipment.

The results of the PEA and December 2023 MRE expansion will serve as the foundation for the Definitive Feasibility Study (“DFS”) which is expected to be completed in mid-2024.

"The excellent average recovery rates achieved by Dense Media Separation (“DMS”) were a key factor in influencing the robust PEA economics."

## EXTENSIONAL DRILLING

During the 2023 financial year, Latin’s field teams arrived on site to conduct the 2023 drilling program at Salinas, focused on the Colina deposit mineral resource expansion. Diamond drilling at Colina returned impressive results, extending the footprint of the pegmatite swarm to over 2.0km long by 1.0km wide<sup>5</sup>. Significant assay results included<sup>6,7</sup>:

- SADD081: **16.92m @ 1.36% Li<sub>2</sub>O** from 242.48m
- SADD082: **27.15m @ 1.45% Li<sub>2</sub>O** from 237.00m
- SADD088: **15.42m @ 1.48% Li<sub>2</sub>O** from 288.64m
- SADD089: **18.21m @ 1.90% Li<sub>2</sub>O** from 212.72m
- SADD091: **15.92m @ 1.64% Li<sub>2</sub>O** from 290.29m
- SADD092: **16.12m @ 1.23% Li<sub>2</sub>O** from 202.92m
- SADD097: **19.60m @ 1.42% Li<sub>2</sub>O** from 114.30m
- SADD107: **24.74m @ 1.23% Li<sub>2</sub>O** from 50.16m
- SADD114: **16.93m @ 1.36% Li<sub>2</sub>O** from 187.07m
- SADD119: **14.70m @ 1.72% Li<sub>2</sub>O** from 132.94m
- SADD134: **13.24m @ 1.89% Li<sub>2</sub>O** from 168.07m

Extension drill testing 560m to the southwest of the Colina Deposit intersected spodumene rich pegmatites, confirming a district scale lithium corridor at Salinas<sup>8</sup>. The drilling and mapping results extended up to 26km to the southwest of the Company’s flagship Colina Deposit.

Further positive assay results were returned in August 2023, from infill drilling conducted at Colina and Fog’s Block, confirming a new pegmatite discovery approximately 3km southwest of the Colina Deposit<sup>9</sup>. Significant results included:

- SADD139: **9.94m @ 1.50% Li<sub>2</sub>O** from 328.91m
- SADD148: **10.46m @ 1.29% Li<sub>2</sub>O** from 160.04m
- SADD149: **18.12m @ 1.67% Li<sub>2</sub>O** from 244.88m
- SADD155: **11.74m @ 1.40% Li<sub>2</sub>O** from 76.26m
- SADD156: **10.13m @ 1.63% Li<sub>2</sub>O** from 49.62m

4. Refer to ASX Announcement 10 August 2023 - Positive DMS Test Work - Salinas Lithium Project

5. Refer to ASX Announcement 18 May 2023 - Drilling Confirms Colina Lithium Pegmatites extend to 2KM

6. Refer to ASX Announcement 12 April 2023 - More High-Grade Colina Intersections

7. Refer to ASX Announcement 2 May 2023 - Diamond Drilling On Track for June Resource Update - Colina

8. Refer to ASX Announcement 28 June 2023 - New Salinas lithium corridor confirmed

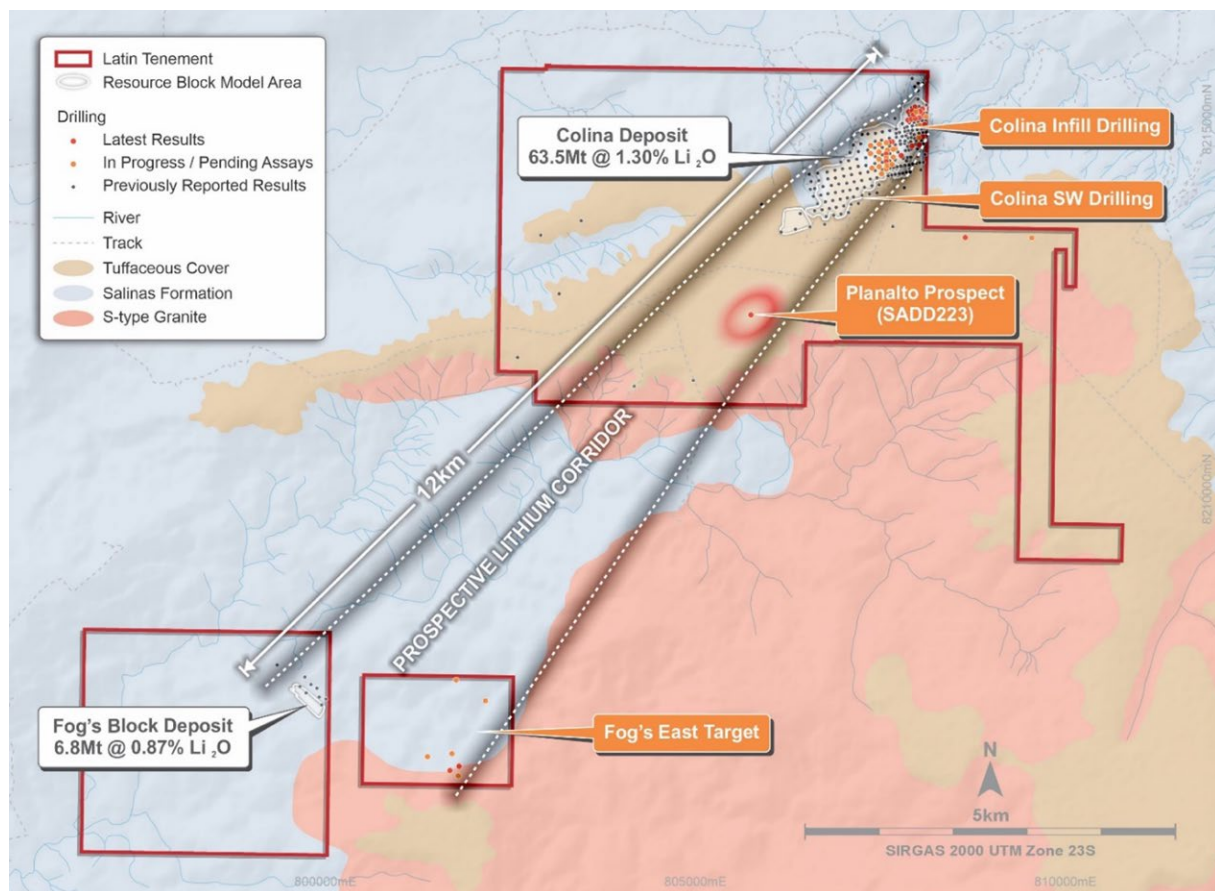
9. Refer to ASX Announcement 28 August 2023 - Positive High-Grade Lithium Results Continue at Colina

Further assay results from extensional drilling were returned in November 2023, slowly displaying the sheer scale of Salinas, with significant results including:

- SADD158: **15.70m @ 1.59% Li<sub>2</sub>O** from 206.09m
- SADD158: **20.74m @ 1.42% Li<sub>2</sub>O** from 335.45m
- SADD170: **17.54m @ 1.42% Li<sub>2</sub>O** from 350.53m
- SADD184: **17.00m @ 1.55% Li<sub>2</sub>O** from 139.00m
- SADD195: **13.56m @ 2.03% Li<sub>2</sub>O** from 98.44m

Diamond drill rigs will continue to operate at the Salinas Project throughout 2024, where the Company expects the Global JORC MRE to grow significantly by implementing additional drilling programmes.

In November 2023, Latin discovered a third spodumene occurrence at the Colina Deposit, named the Planalto Prospect. Around 1.8km to the Southwest of the Colina MRE, ~45m of cumulative spodumene<sup>10</sup> was encountered in hole SADD223, displaying abundant coarse grained spodumene and similar mineralisation characteristics to the high-grade Colina Deposit (Figure 6).



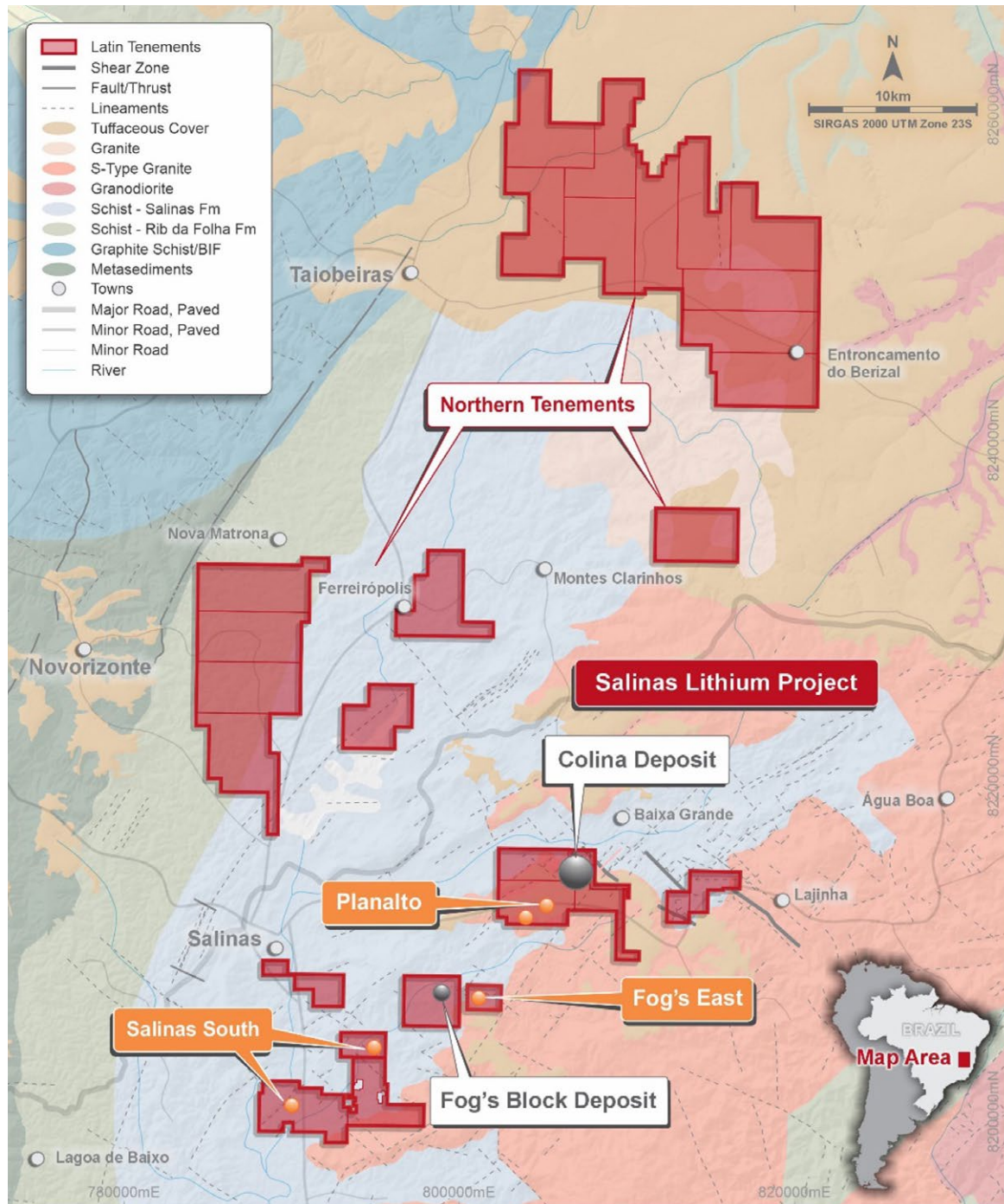
**Figure 6:** Colina Deposit plan, showing location of the new Planalto Discovery in relation to the Colina MRE and within the Prospective Lithium Corridor

10. Refer to ASX Announcement 22 November 2022 - Another Significant Spodumene Discovery at Salinas

## TENURE EXPANSION

In February 2023, the Salinas Lithium Project tenure expanded by approximately 367% over the Company's previous holdings, to a total of over 38,000 hectares now under Latin's control<sup>11</sup>.

Through 17 new applications with the Brazilian National Mining Agency (ANM), Latin expanded its mineral exploration title holdings over an area of more than 29,940 hectares in the highly prospective Bananal Valley District in Minas Gerais, Brazil (Figure 8), which are considered to be 'green fields' exploration areas.



**Figure 7:** Salinas Lithium Project tenure, showing new tenement application to the north of the Company's 100% owned Colina Lithium Deposit, existing LRS tenure, and tenements currently under LRS option agreements.

11. Refer to ASX Announcement 8 February 2023 - Salinas Lithium Project Tenure Expanded by Over 367%

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## NON-BINDING MEMORANDUM OF UNDERSTANDING

During the reporting period, Latin Resources signed a non-binding Memorandum of Understanding (“MoU”) with the Minas Gerais Integrated Development Institute (INDI), referred to as Invest Minas (Figure 8)<sup>12</sup>. The purpose of the MoU is to provide mutual support between the parties, to better support the battery materials sector and supply chain investment in the region.

Latin will uphold the partnership through development support of a battery materials sector in Minas Gerais, as well as investment into local employment and leveraging its access to world class engineers and lithium supply chain specialists.

In return, Invest Minas will support and prioritise the development of Latin’s lithium project through facilitating approvals, licencing and suppliers. Invest Minas will also assist Latin with securing additional land tenure, connecting suppliers, and promotion of Latin’s activities.

## OFFTAKE PARTNERING PROCESS

Following the publishing of the PEA, Latin received numerous inbound offtake enquiries for its Salinas Lithium Project and formalised this interest by commencing an offtake partnering process<sup>13</sup>.

As part of the Offtake Process, Latin sought funding proposals from potential offtake partners in exchange for offtake, with funding to be used to progress the development of Salinas. Latin’s objectives in undertaking the Offtake Process were to secure:

- Competitive offtake terms;
- Well credentialed partner(s) whose expertise and credentials can add value to Salinas and de-risk development; and
- Attractive funding support.

The Company appointed Macquarie Capital Australia Limited as a financial adviser to support Latin in structuring and securing offtake agreements and potential project funding from selected offtakers for Salinas.

<sup>12</sup> Refer to ASX Announcement 29 March 2023 - MoU to Assist Fast-Tracking Approvals for Salinas Project

<sup>13</sup> Refer to ASX Announcement 30 October 2023 - Offtake Process to commence for Salinas Lithium Project

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Figure 8: MoU Signing Ceremony Perth, Western Australia

## ARGENTINA OPERATIONS

Latin currently has a joint venture agreement on the Catamarca Lithium Project totalling over 70,000 hectares of hard rock spodumene landholding in north-western Argentina, within the lithium triangle area, with the Argentinian investment group Integra.

In 2023 Latin has employed two full time staff to help accelerate the exploration process and approvals in Argentina: Diego Bauret has been employed as General Manager in country and Miguel Valente as Senior Geologist for Argentina. Diego has previously worked for companies including Brancote Holdings plc, Patagonia Gold and Minsud and has extensive experience in all aspects of permitting and operations of mining and mineral exploration in hard rock environment throughout Argentina. Miguel is an experienced geologist with 30 years exploration experience in Argentina and South America.

During the second semester of 2023, three Environmental Impact studies were submitted for the prospection and exploration of the Catamarca Lithium project property blocks, including systematic geological mapping and follow-up geochemical surface sampling. These studies were to better understand the nature and scale of the high-grade lithium pegmatite system encountered in previous drill campaigns, as well as a provision for drilling during the first semester of 2024, subject to permitting.

Latin's management and geological staff in Argentina continue reviewing new business opportunities for prospection and exploration in lithium-rich spodumene pegmatites around the country.





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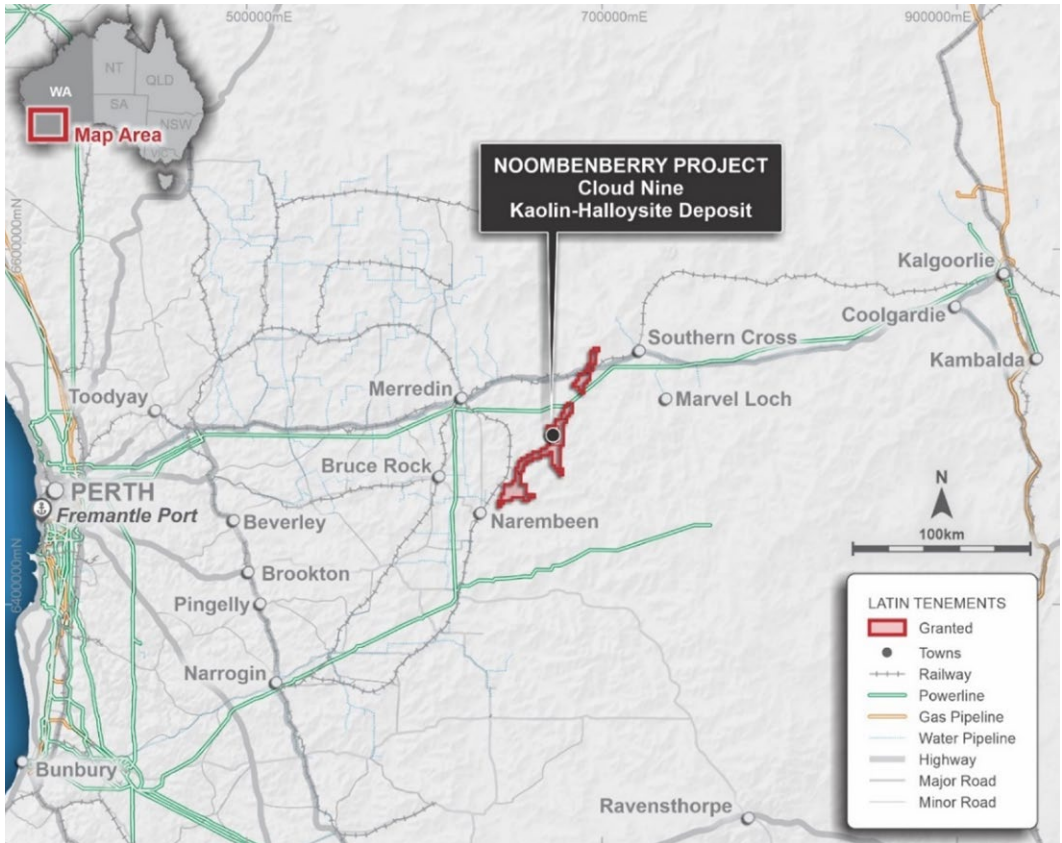


Figure 9: Noomberry Project location

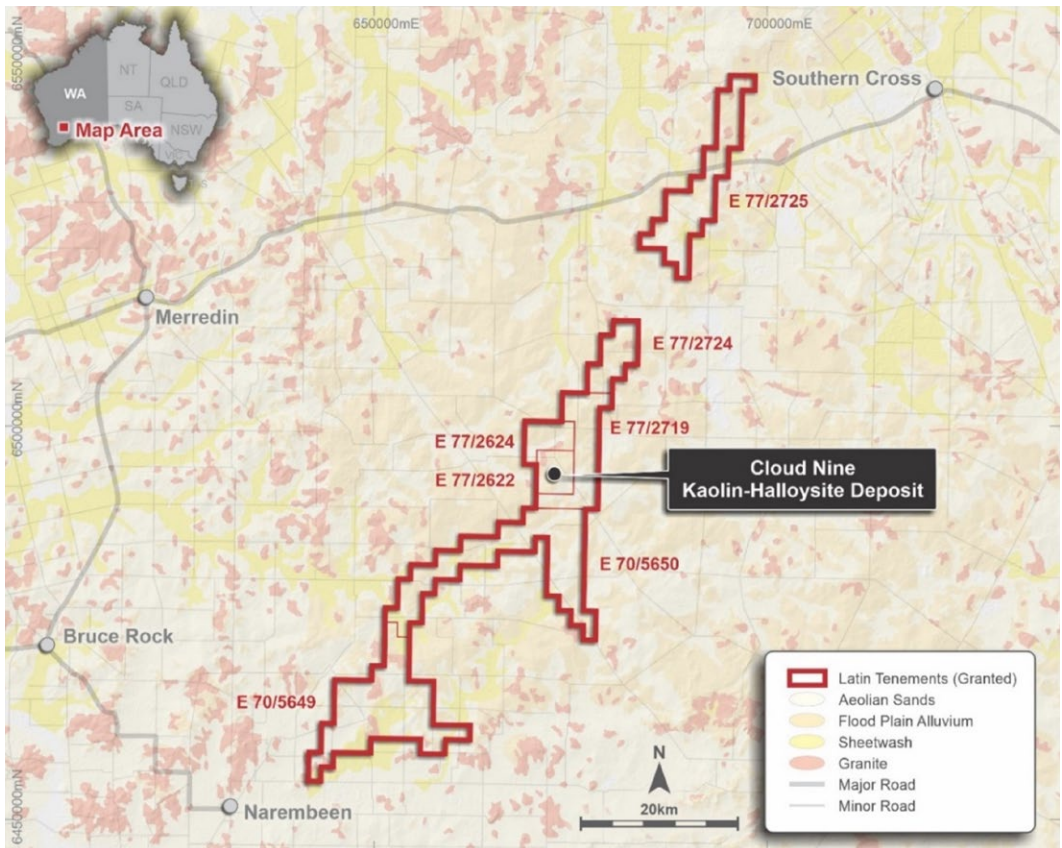


Figure 10: Cloud Nine Deposit within regional tenement package

## CLOUD NINE HALLOYSITE AND KAOLINITE DEPOSIT – MERREDIN, WESTERN AUSTRALIA

The Company's 100% owned Cloud Nine Halloysite and Kaolinite Deposit (Cloud Nine Deposit) is located east-southeast of Merredin, Western Australia. The Company controls a commanding regional tenement package (Noomberry Project) covering 560km<sup>2</sup> (Figures 9 and 10) of prospective ground in the region, to successfully identify repetitions of the high-grade Cloud Nine Deposit.

The Cloud Nine Deposit resides entirely within exploration license E77/2622 and comprises of a MRE (JORC 2012) of 280Mt of kaolinized granite. This includes 70Mt of classified as Indicated and 210Mt classified as Inferred. 85Mt of the Inferred MRE is halloysite bearing material.

During the year, the Company conducted an airborne geophysical survey over the whole of the Noomberry Project comprising 13,844 linear kilometres. The results will be interpreted and assessed for prospectivity and future exploration activities.

## ESG MINERALS HALLOYSITE AND KAOLINITE R&D PROJECT

Latin is pleased to report on progress on its halloysite and kaolinite R&D project being conducted via its 100% owned subsidiary, ESG Minerals Pty Ltd in collaboration with crcCARE. 2023 was the second year of this project, during which in vivo trials were conducted on sheep at the University of New England. As the first of a series of in vivo trials, a low dosage of modified halloysite and kaolinite feed supplement was fed to 48 sheep over a period of 35 days. Encouraging results in reduction of enteric methane gas emissions were obtained in association with the achievement of complete animal welfare. Every sheep accepted the modified feed with no veterinarian intervention necessary during the trials with all sheep returned to pasture. The next step is to conduct in vivo trials on cattle at the University of New England to be followed by feedlot and grass pasture trials.

Carbon capture trials have begun which have demonstrated encouraging results in capturing greenhouse gases from cattle faeces. The next step is to harvest the faeces and recycle them into soil improvements products and with potential biogas by-product.

Global focus on greenhouse gas emissions reduction, particularly methane, is driving government policies to encourage research into mitigating causes of global warming. ESG Minerals is focused on utilising the unique properties of its pristine Australian halloysite and kaolinite resources to capture carbon and reduce greenhouse gas emissions.

## MT-03 COPPER PROJECT – PERU

The MT03 permits contain a central magnetic anomaly from aerial surveying that was tested by 4 diamond drill holes by LRS totalling 2,521.35m from November 2022 to March 2023.

Targeting of the first 2 holes focused on results from ground mag that complemented the aerial mag data. The depth to target was found to be an underestimation and Quaternary cover of 300-500m was encountered.

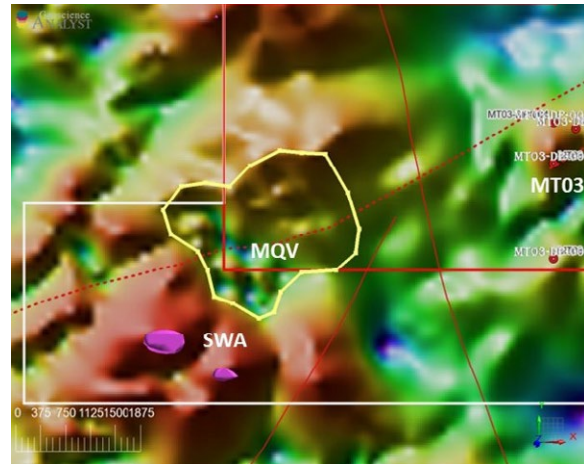
Targeting of holes 3 and 4 reverted to digital output from a magnetic vector inversion (MVI) carried out by FQM in 2014.

The drilling intercepted intrusive rocks, some porphyritic in nature, that supported the 2014 MVI modelling of FQM. Although geologically and texturally favourable, the zone did not exhibit evidence of the nearby presence of a large Cu porphyry (little to no CuOx in structures, weak alteration etc.).

Some magnetic response was observed in segregated parts of the overlying cover which potentially explains the ground mag results.

In April-May 2023, limited mapping and sampling was carried out in the SWA (South-Western Area of the licences – see Figure 11) based on regional remote sensing responses.

In June/July of 2023, a further, more detailed, MVI was carried out taking advantage of advances in magnetic modelling software and the knowledge of cover rocks garnered from the 2022-3 drill campaign.



### Underlying Image from Aerial Mag Filtering:

Analytical signal filter of the RTP data which highlights the location of rapid changes to data. Highs will occur over the top of bodies with high susceptibility. Response of SWA is stronger than MT03 probably due to much less cover at SWA.

### Magenta Zones:

Modelling of SWA induced response - peaks near-surface.

### Yellow Outline:

Area magnetic disturbance possibly due to alteration.

**Figure 11:** SWA Drone Magnetic Survey Results

The SWA revealed prospective geological outcrops and one positive result (Au and Cu) from Mesothermal Quartz Vein (MQV) sampling to the north-east. Unlike MT03 which is 5km to the NE, there is relatively little cover in a zone of over 15 square kilometres.

The MQV area is in a magnetic low indicating potential magnetite destruction due to phyllic alteration. Most mag outputs show a subtly disturbed magnetic response in the area that may be due to alteration.

The SWA was flown by a drone survey in December 2023 (Figure 12) and the resultant better defined magnetic targets are being permitted to allow drilling later in 2024.

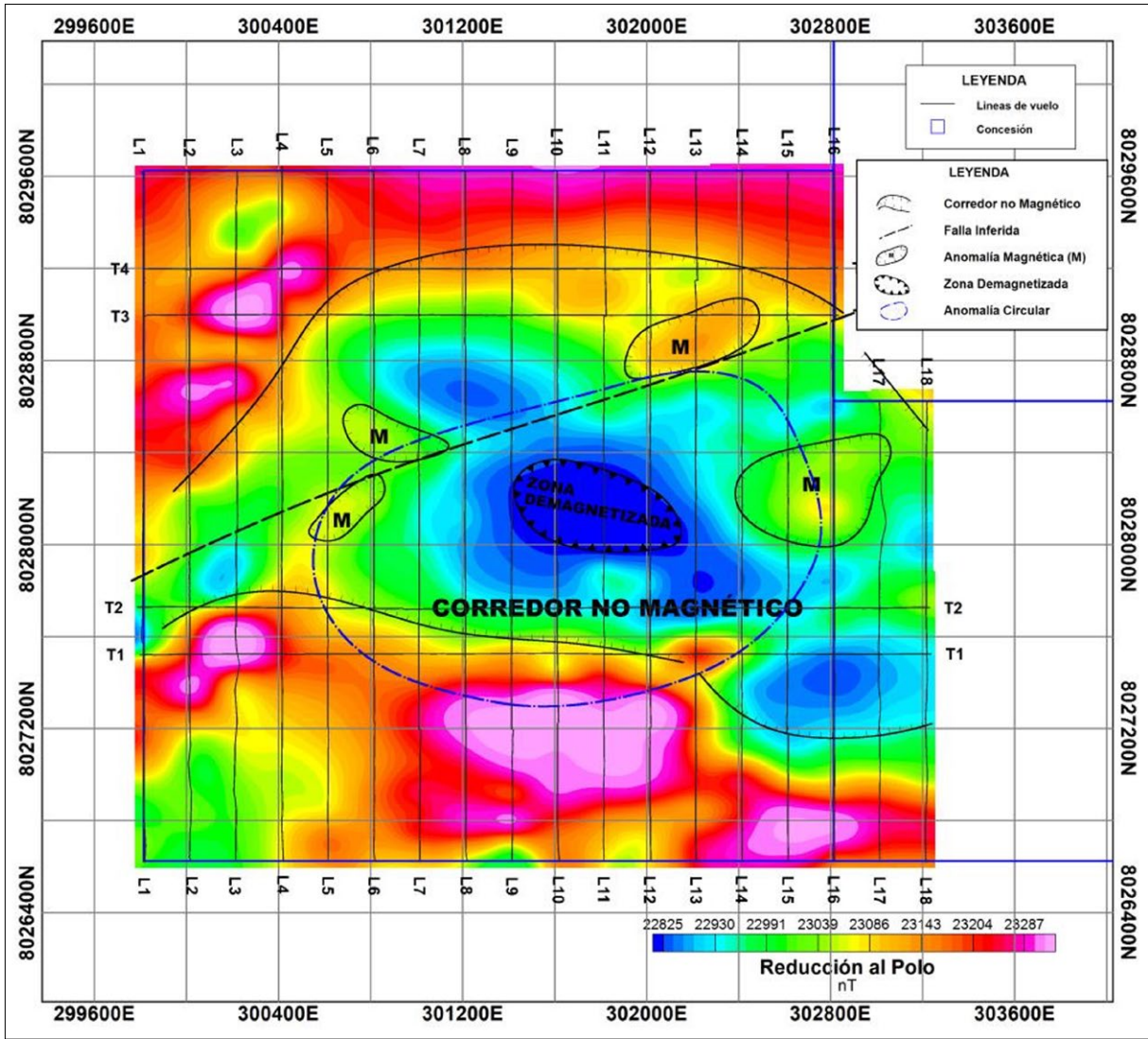


Figure 12: SWA Drone Magnetic Survey Results

## MINERAL RESOURCES AND ORE RESERVES STATEMENT

The Company undertakes an annual review of its Mineral Resources, and any Ore Reserves as required by the JORC Code 2012 edition and ASX listing rules.

### SALINAS LITHIUM PROJECT - MINERAL RESOURCES

The Salinas Lithium Project comprises the Colina Lithium Deposit and the Fog's Block Lithium Deposit.

The maiden MRE for the Colina Deposit was first announced on 8 December 2022, with further updates on 20 June 2023 and 6 December 2023. The maiden MRE for the Fog's Block Deposit was first announced on 6 December 2023 along with a maiden Exploration Target. No ore reserves have been reported for the Salinas Lithium Project.

The Salinas MRE presented in this years' annual report is the December 2023 estimate (*Table 3*), which is compared to the December 2022 estimate (*Table 4*). The 2023 Salinas MRE represents an increase of approximately 57.0Mt (or 430%) when compared to the 2022 estimate. The increase in the Salinas MRE is attributed to an additional 160 diamond drill holes for 57,950m of drilling undertaken from 2022 to 2023, along with the inclusion of the maiden Fog's Block MRE.

**Table 3:** Combined MRE for the Salinas Lithium Project as at 31 December 2023 (reported above a 0.50% Li<sub>2</sub>O cut-off grade).

Deposit	Resource Category	Tonnes (Mt)	Grade (Li <sub>2</sub> O %)	Li <sub>2</sub> O (Kt)	Contained LCE (Kt)
Colina	Measured	1.73	1.47	25.4	62.8
	Indicated	39.29	1.36	534.0	1,320.6
	Measured + Indicated	41.02	1.36	559.4	1,383.4
	Inferred	22.47	1.21	271.8	672.1
	Total	63.49	1.31	831.2	2,055.6
Fog's Block	Inferred	6.79	0.87	57.3	141.7
	Total	6.79	0.87	57.3	141.7
<b>Combined MRE Total</b>		<b>70.28</b>	<b>1.27</b>	<b>888.5</b>	<b>2,197.2</b>



**Table 4:** 2023 Salinas Lithium Project MRE compared with the 2022 estimate (reported above a 0.50% Li<sub>2</sub>O cut-off grade).

Deposit	Resource Category	2022 MRE (as at 31 December 2022)		2023 MRE (as at 31 December 2023)	
		Tonnes (Mt)	Grade (Li <sub>2</sub> O%)	Tonnes (Mt)	Grade (Li <sub>2</sub> O%)
Colina	Measured	-	-	1.73	1.47
	Indicated	2.08	1.21	39.29	1.36
	Inferred	11.17	1.21	22.47	1.21
	<b>Total</b>	<b>13.25</b>	<b>1.21</b>	<b>63.49</b>	<b>1.31</b>
Fog's Block	Inferred	-	-	6.79	0.87
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>6.79</b>	<b>0.87</b>
<b>Combined MRE Total</b>				<b>70.28</b>	<b>1.27</b>

**Table 5:** Exploration Target for Fog's Block as at 31 December 2023.

Deposit	Lower Range (Mt)	Upper Range (Mt)	Grade Range (Li <sub>2</sub> O %)
<b>Fog's Block</b>	7.0	18.0	0.8 – 1.1

\*The potential quantity and grade of the Fog's Block Exploration Target is conceptual in nature, that there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.

## NOOMBENBERRY PROJECT - MINERAL RESOURCES

The Noombenberry Project comprises the Cloud Nine Halloysite and Kaolinite Deposit (Cloud Nine Deposit).

The maiden MRE for the Cloud Nine Deposit was first announced on 31 May 2021, with a further update on 29 November 2022. No ore reserves have been reported for the Cloud Nine Deposit.

No revisions to the Cloud Nine MRE were made during this year's reporting period.

**Table 6:** MRE for the Cloud Nine Deposit as at 31 December 2023 (reported at a >75 ISO-B cut-off).

Deposit	Resource Category	Mineral	Mass Mt	Brightness ISO-B	<45 µm %
Cloud Nine	Inferred	Kaolinite	125	79	44
		Halloysite	85	80	44
		<b>Total</b>	<b>210</b>	<b>79</b>	<b>44</b>
	Indicated	Kaolin	70	81	39.8
	<b>Indicated + Inferred</b>		<b>280</b>	<b>80</b>	<b>43.1</b>

## **MINERAL RESOURCE GOVERNANCE AND INTERNAL CONTROLS**

The Salinas Lithium Project and Noombenberry Project Mineral Resource estimates are undertaken and reviewed by independent, internationally recognised industry consultants who qualify as a Competent Person under JORC 2012. Suitably qualified members from the Company review the estimates and procedures and provide input where required. The Company ensures that the Mineral Resource estimates are subject to good governance processes and internal controls.

All resource data is subject to industry standard validation procedures and quality controls, ensuring data integrity is maintained throughout the drilling, collection, assaying and estimating stages.

## **COMPETENT PERSON STATEMENTS – 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 to the Mineral Resource Estimate for the Salinas Lithium Project is based on the information compiled by Mr Marc-Antoine Laporte M.Sc., P.Geol, 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 has 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 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'.

The information in this report that relates to the Exploration Target for the Salinas Lithium Project is based on the information compiled by Mr Marc-Antoine Laporte M.Sc., P.Geol, 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 has 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 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'.

## **CONFIRMATION STATEMENT – COLINA PROJECT PRELIMINARY ECONOMIC ASSESSMENT**

The production targets and forecast financial information disclosed in this Announcement is extracted from the Company's ASX announcement entitled "Robust Results for Colina Lithium Project Preliminary Economic Assessment (PEA)", dated 28 September 2023. The Company confirms all material assumptions underpinning the production targets and forecast financial information derived from the production targets in the initial announcement continue to apply and have not materially changed.

## COMPETENT PERSON STATEMENTS – NOOMBENBERRY PROJECT

The information in this report that relates to Exploration Results at the Noombenberry 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 Noombenberry 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.



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## CORPORATE

### FUND RAISING

In April 2023, the Company received firm commitments to raise A\$37.1 million<sup>14</sup> through a two-tranche placement of new fully paid ordinary shares (“**New Shares**”) to institutional, sophisticated, and professional investors (“**Placement**”). The Placement provided Latin with a significant capital injection to expand and accelerate the exploration program at the Salinas Lithium Project.

The Company was pleased to welcome several new funds to the register, including specialist North American battery metals funds, a well-regarded domestic institution and two major Brazilian funds. The Brazilian funds that took a shareholding in Latin Resources were BTG Pactual, Brazil’s largest investment bank and JPG, one of Brazil’s largest asset and wealth management institutions.

In October 2023, Latin announced that it had received firm commitments to raise A\$35.0 million<sup>15</sup> through a placement of new fully paid ordinary shares to institutional, sophisticated and professional investors. The Placement funds provide the Company with sufficient capital to support the expanded drilling program in the lead up to the DFS and continue throughout the entirety of 2024.

The Company also received \$1.0 million from the ATO in recognition of research & development (R&D) investments.

### OPTIONS

During the reporting period, a total of 73,258,914 options were exercised and the company received total option proceeds of \$3,651,861 from both quoted and unquoted options (\$0.22 unquoted options expiring 27 April 2027, \$0.03 unquoted options expiring 12 February 2024, \$0.05 unquoted options expiring 31 May 2027 and \$0.012 quoted options expiring 31 December 2022).

At the end of the reporting period, 113,986,160 unlisted options were on issue at \$0.22 with an expiry date of 27 April 2027 were unexercised.

### INCREASE IN SOLIS MINERALS INVESTMENT

During the reporting period, Latin acted as a cornerstone investor by investing \$3m into Solis Minerals Limited<sup>16</sup> (“**Solis**”) at \$0.55 per share as part of Solis’s oversubscribed \$8m capital raise in June 2023. The Company’s interest increased to 15.25%.

### INDEX INCLUSIONS

The Company was pleased to announce that it had been added to the Morgan Stanley Capital International (“**MSCI**”) Global Small-Cap Index<sup>17</sup>, with multiple advantages associated with admittance, including:

- Increased exposure to larger global institutions
- Broader exposure to international investment market
- Increased trading liquidity
- Institutional research coverage
- Broader access to capital sources

Subsequent to the reporting period, Latin was pleased to announce that as a result of a successful March 2023 quarterly review, the Company has been added to the S&P/ASX 300 Index<sup>18</sup>.

14. Refer to ASX Announcement 19 April 2023 - A\$37.1M Capital Raising to Accelerate Resource Growth

15. Refer to ASX Announcement 23 October 2023 - Latin completes A\$35M Capital Raising

16. Refer to ASX Announcement 8 June 2023 - Latin increases investment in Solis Minerals to 17.79%

17. Refer to ASX Announcement 4 September 2023 - Latin Resources Added to the MSCI Global Index

18. Refer to ASX Announcement 1 March 2024 - S&P DJI Announces March 2024 Quarterly Rebalance

## KEY APPOINTMENTS TO DRIVE GROWTH

In February 2024, subsequent to the reporting period, Peter Oliver was appointed as Executive Director and Chairman of the Development Committee<sup>19</sup>, to proactively accelerate the Salinas Lithium Project into production. Peter had been serving as a Non-Executive Director to the board since October 2022, bringing a wealth of experience and expertise with over two decades of experience in the lithium industry. Most notably, he served as the CEO / Managing Director of Talison Lithium, the owner and operator of the world's largest lithium mine, Greenbushes, in Western Australia.

The Company was pleased to announce that Tony Greenaway, the Company's General Manager of Geology, was appointed as Vice President of Operations – Americas<sup>20</sup>. Tony relocated to Canada, allowing the Company to ensure that timelines for mineral resource upgrades, test work, DFS are met with consultants that have been engaged in Canada for feasibility and design work. Latin Resources also announced the appointment of Mr. Mitchell Thomas as Chief Financial Officer ("**CFO**"), who brings a wealth of professional experience across a 12-year career at Rio Tinto, working in Australia, Peru, USA and London head office.

Subsequent to the reporting period, Mike Drake was appointed as Vice President of Development<sup>21</sup>, hosting experience in project delivery, as well as operations establishment experience in Australia, Africa, Brazil, Chile and Colombia. He is residential in Minas Gerais, Brazil, and is leading the environmental, permitting, mining licensing and study program. Latin Resources further bolstered the development leadership with the recent appointment of Aaron Maurer as Chief Operating Officer ("**COO**")<sup>22</sup>, bringing a distinguished portfolio of experience in the mining industry, with a significant focus on lithium operations. Aaron's career includes key roles at Mineral Resources Limited for over 5 years, where he served as Executive General Manager - Operations, overseeing the Mt Marion Lithium mine and their three Iron Ore operations.



19. Refer to ASX Announcement 14 February 2024 - Appointment of Peter Oliver to Executive Director

20. Refer to ASX Announcement 27 April 2023 - Appointment of CFO and VP of Operations - Americas

21. Refer to ASX Announcement 31 January 2024 - New Assays Confirm Planalto Discovery

22. Refer to ASX Announcement 1 March 2023 - Appointment of Aaron Maurer as Chief Operating Officer

## ENVIRONMENTAL SOCIAL GOVERNANCE (ESG) REVIEW

### COMMUNITY ENGAGEMENT ACTIVITIES

In February 2023, Latin Resources established a strategic partnership with Invest Minas, which is the Investment Promotion Agency of the Brazil state of Minas Gerais, solidifying a cooperation agreement aimed at facilitating government approvals and licensing for the development of the Salinas Lithium Project in Salinas. Latin Resources plans to create over 300 jobs for the Salinas Lithium Project during the exploration and construction phase of the mine, throughout 2024 and 2025.

Latin Resources adopts a strategic approach in its relationships with all stakeholders. As part of its investment, it maintains an open dialogue with the executive, legislative, and judicial branches at the municipal, state, and federal levels. Engagement and collaboration with these levels of government not only aid in the process of obtaining the necessary licenses but also establish a solid foundation for managing potential regulatory and environmental challenges. This is a strategic investment in the business' sustainability, crucial for navigating the complex intersection between economic development, environmental conservation, and social well-being. The strategy is composed of Proactive Dialogue, Regulatory Knowledge, Advocacy, Transparency and Responsibility.

A community centre was opened in the host city for the Salinas Project in Minas Gerais. The facility is used to display key aspects of project development and provides a meeting place for the community to discuss their involvement within the company and project.

"In February 2023, Latin Resources established a strategic partnership with Invest Minas, which is the Investment Promotion Agency of the Brazil state of Minas Gerais."

### ESG PERFORMANCE

In 2023, comprehensive diagnostic studies encompassing physical, environmental, and socioeconomic aspects were conducted for the environmental licensing of the Salinas Lithium Project. These studies were performed by an expert multidisciplinary team tasked with gathering primary data on fauna, flora, water, air, and soil, as well as socioeconomic information. The data was then analysed to ensure that the Project's impact is optimised and in compliance with Brazilian regulations.

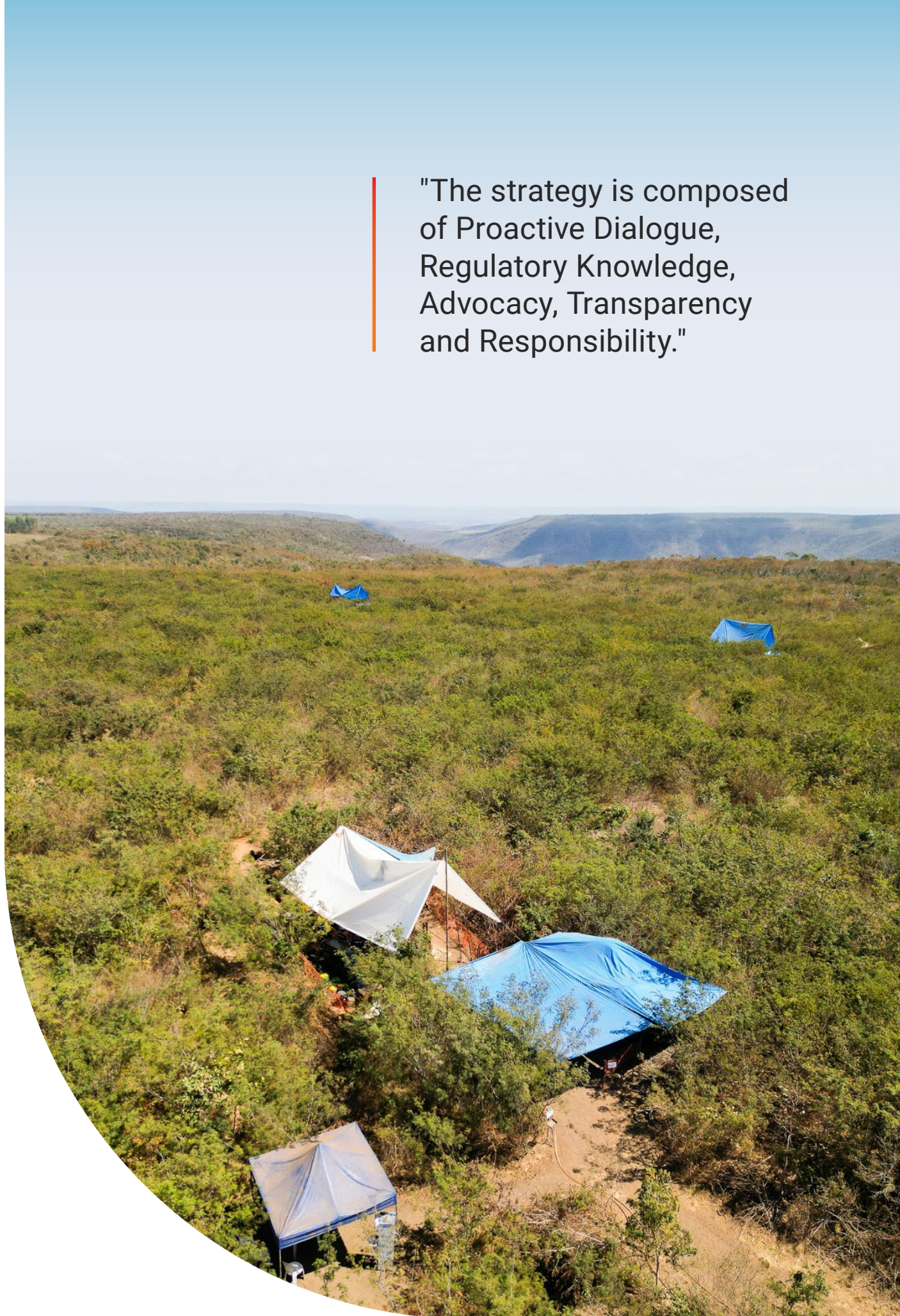
The studies were compiled into two key documents: the Environmental Impact Assessment (EIA) and the Environmental Impact Report (EIR or RIMA in Portuguese), which serves as a plain-language summary of the EIA for consultation with community stakeholders. This was made available to the community for public consultation in early 2024, and received a positive response and ample support. These documents were submitted to the Department of the Environment of the State of Minas Gerais (SEMAD/FEAM) in December 2023 as part of the process aimed at evaluating the project's impacts for the issuance of the Concomitant Prior and Project Implementation License - LAC 2.

The EIA-RIMA is a requirement and major milestone for environmental permits and mining license approvals. Latin Resources has negotiated an expedited environmental permitting process that combines a preliminary environmental license with the installation license, called "LAC2", which ensures that robust environmental controls are in place and that the timeframe for development approval is reduced in comparison to separate processes. The EIA documents the physical, biological, and social characteristics of the Project, providing a detailed evaluation of the potential impacts, benefits and the environmental and social-economic management plan (including water, air, noise, vibration, flora and fauna, local employment, community health, safety and cultural heritage parameters).

Granting of the preliminary environmental license ("LP" or Licença Prévia) and installation license ("LI" or Licença de Instalação) is expected during Q4 2024 ahead of an FID before year-end.

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"The strategy is composed of Proactive Dialogue, Regulatory Knowledge, Advocacy, Transparency and Responsibility."



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# 03

DIRECTORS'  
REPORT



The directors present their report together with the financial statements of the Group consisting of Latin Resources Limited (Latin or the Company) and its subsidiaries (together the Group) for the year ended 31 December 2023.

## **DIRECTORS**

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

### **DAVID VILENSKY** (Independent Non-Executive Chairman)

David Vilensky is a practising corporate lawyer and an experienced listed company director. He is the Managing Director of Perth law firm Bowen Buchbinder Vilensky and has more than 36 years' experience in the areas of corporate and business law and in commercial and corporate management. Mr Vilensky practises in the areas of corporate and commercial law, corporate advisory, mergers and acquisitions, mining and resources and complex dispute resolution.

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

Mr Vilensky is also a non-executive director of ASX listed Oar Resources Limited (ASX: OAR) and resigned in March 2023 as a non-executive director of telecommunications company Vonex Ltd (ASX:VN8).

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

### **CHRISTOPHER GALE** (Managing Director)

Christopher (Chris) Gale is the founder (2008) and Managing Director of Latin Resources. Mr Gale has extensive experience in senior management roles in both the public and private sectors, especially in commercial and financial roles. He has also held various board and executive roles at several mining and technology companies during his career.

Mr Gale is also a non-executive Chairman of Solis Minerals Limited (ASX:SLM TSXV: SLMN) (appointed July 2018) and Executive Chairman of Oar Resources Limited (ASX: OAR). Chris is the former Chairman of the Council on Australian Latin American Relations (COALAR) from 2012 to 2018, which was established by the Australian Government Department of Foreign Affairs and Trade (DFAT) in 2001.

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

### **BRENT JONES** (Non-Executive Director)

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

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

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

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

### **PABLO TARANTINI** (Non-Executive Director)

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

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

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

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

**PETER OLIVER** (Non-Executive Director ceased 14 February 2024) (Appointed as Executive Director and Chairman of the Development Committee 14 February 2024)

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 operations. Mr Oliver has a background in Chemistry and has spent many years working in the Western Australian Mining Industry. Mr Oliver joined Talison Lithium (then Sons of Gwalia) in 2003. In his time at Talison, he had several roles including General Manager of Wodgina and Greenbushes, Chief Operating officer and Chief Executive Officer/ Managing Director. As Chief Executive Officer he led the IPO process that successfully led to Talison Lithium being listed on the Toronto Stock Exchange in 2010. Mr Oliver acted as an advisor to Tianqi Lithium between 2013 until March 2022. This included advising on the acquisition of 24% of SQM for in excess of \$4 Billion USD, significant further expansions of Talison Lithium's Greenbushes lithium concentrate production capacity and the building of Tianqi Lithium's Kwinana Lithium Hydroxide plant.

Mr Oliver has extensive skill set in the lithium sector as well as his experience in leading strong corporate teams, managing a public company, and acting in an advisory capacity in corporate structures, and global M&A and financing.

Other directorships of Australian listed companies held by Mr Oliver in the last three years are: nil.

#### **DIRECTORS' SHARES AND SHARE RIGHTS**

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

Directors	Ordinary shares	Share rights	Loan funded shares
	Number	Number	Number
David Vilensky	24,375,015	3,000,000	1,000,000
Brent Jones	52,069,792	3,000,000	1,000,000
Chris Gale	38,900,768	22,000,000	2,000,000
Pablo Tarantini	6,836,648	3,000,000	-
Peter Oliver	11,000,000	10,000,000	-

#### **COMPANY SECRETARY**

##### ***Sarah Smith***

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

#### **PRINCIPAL ACTIVITIES**

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

#### **FINANCIAL REVIEW**

##### ***Results***

The consolidated loss after tax of the Group for the year ended 31 December 2023 was \$19,444,222 (2022: loss of \$7,064,219).

The Group incurred other income of \$1,633,994 (2022: \$531,591) due to increased term deposit income from higher interest rates on funds received from share placements.

Expenses increased to \$21,078,216 (2022: \$7,686,319) including \$13,190,317 (2022: \$3,232,955) in share-based payments, \$2,189,776 (2022: \$1,630,706) in employee benefits, \$3,340,615 (2022: \$2,171,510) in other expenses, \$458,070 (2022: \$266,311) in exploration expenses, \$47,474 (2022: \$214,506) in finance costs and \$193,059 (2022: \$106,543) in depreciation and amortisation. The Group also included its share of loss of associates and joint venture of \$405,291 (2022: \$476,620) and impairment in carrying value of investment in associate and joint venture of \$1,253,614 (2022: \$278,525).

## Assets

Total assets increased by \$70,731,197 during the year to \$122,775,412. The movement primarily comprised of an increase in cash of \$25,879,259, an increase in exploration expenditure of \$42,640,093 and an increase in investments of \$1,337,542.

During the year, the Company participated in Solis Minerals' June 2023 placement through the investment of \$3,000,000, increasing its shareholding to 15.25%.

During the year, the Group purchased the Gibraltar Halloysite-Kaolin project for \$500,000 to support ongoing development of methane emission reduction and carbon capture technologies through its subsidiary ESG Minerals Limited.

## Liabilities

Total liabilities increased by \$1,943,301 to \$7,350,766 during the year. The increase was primarily due to an increase in trade and other payables.

## Equity

Total equity increased by \$68,747,896 during the year to \$115,424,646. The increase reflects the current period loss of \$19,444,222 for the year together with an increase in share capital of \$94,374,581.

The Company raised \$37,100,000 through a two-tranche placement priced at \$0.105 per share in April 2023. The Placement was for institutional, sophisticated and professional investors, including specialist North America battery metals funds, a well-regarded domestic institution and two major Brazilian funds.

In October 2023, Latin raised \$35,000,000 through an institutional placement priced at \$0.25 per share. Placement funds will progress exploration on the Salinas Project and support the expanded drilling program in 2024.

These placements provided the Company with a significant capital injection to aid in the expansion and acceleration of the exploration project at the Salinas Lithium Project. The Placement has also funded the Definitive Feasibility Study (DFS); the fast-tracking of environmental studies; securing development licence approvals; and further exploration work on the Colina Deposit.

During the year, the Company also received a total \$3,651,861 in cash from option holders exercising in-the-money options (\$0.22 unquoted options expiring 27 April 2027, \$0.03 unquoted options expiring 12 February 2024, \$0.05 unquoted options expiring 31 May 2027 and \$0.012 quoted options expiring 31 December 2022).

## Shareholder returns

The Company's share price increased during the period. The increased market capitalisation is due to significant progress made with the Company's mineral exploration in South America, in addition to share issues and placements to support funding.

Shareholder returns for the last five years:

	December 2023	December 2022	December 2021	December 2020	December 2019
Profit/(Loss) attributable to the Group (\$)	(19,444,222)	(7,064,219)	(4,366,344)	2,323,304	(5,539,154)
Basic earning/(loss) per share (Cents)	(0.8)	(0.4)	(0.3)	0.4	(3.7)
Dividends (\$)	Nil	Nil	Nil	Nil	Nil
Closing share price (\$)	\$0.285	\$0.098	\$0.029	\$0.033	\$0.006

## DIVIDENDS

No amounts have been paid or declared by way of a dividend since the end of the previous financial period and up until the date of this report. The Directors do not recommend the payment of any dividend for the financial year ended 31 December 2023.

## LIQUIDITY AND CAPITAL RESOURCES

The Group reported an increase in cash and cash equivalents in the year ended 31 December 2023 of \$25,808,012 (2022: \$25,415,048). The increase in cash inflow was from a total of \$72.1 million over two placements and total proceeds from options exercised of \$3,651,861 during the financial year.

This net increase is used to fund exploration activities of \$37,373,773, primarily for the Salinas' Lithium project in Brazil, as well as an additional investment in Solis Minerals of \$3 million and purchase of the Gibraltar Halloysite-Kaolin project for \$0.5 million. The Group also reported net expenditure for operating activities of \$3,765,733.

The Company concludes the reporting period with cash and cash equivalents \$51,788,688 (2022: \$25,909,429) as at 31 December 2023.

#### **SHARES, SHARE RIGHTS AND OPTIONS**

As at 31 December 2023 the Company had 2,789,806,200 fully paid shares on issue, 4,000,000 loan funded unquoted shares on issue, 68,550,000 share rights on issue and 113,986,160 share options on issue.

##### **Shares**

A total of 645,492,073 fully paid ordinary shares were issued during the year. A breakdown of the shares issued is shown at Note 18 of the financial statements.

##### **Share rights**

During the year 103,025,000 share rights were granted and 77,734,551 were vested and converted to directors, employees and consultants. The movement is detailed in Note 19 of the financial statements.

##### **Options**

During the reporting period, a total of 73,258,914 options were exercised and the company received total option proceeds of \$3,651,861 from both quoted and unquoted options (\$0.22 unquoted options expiring 27 April 2027, \$0.03 unquoted options expiring 12 February 2024, \$0.05 unquoted options expiring 31 May 2027 and \$0.012 quoted options expiring 31 December 2022).

At the end of the reporting period, 113,986,160 unlisted options were on issue at \$0.22 with an expiry date of 27 April 2027 were unexercised.

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

#### **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

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

#### **RISK MANAGEMENT**

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

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

Outlined below are the Material Business Risks faced by the Group that could impact its future prospects, along with how the Group manages these risks:

##### ***Lithium prices and foreign exchange***

The prices of lithium concentrate and other commodities are subject to fluctuations influenced by various factors beyond the Company's control. The potential future production from the Company's mineral properties depends upon commodity prices to make these properties economically viable. The Company is actively pursuing binding offtakes with reputable partners at different levels of the supply chain and across different jurisdictions. Planned development and operational activities will involve currencies such as Australian Dollars, Brazilian Real, and United States Dollars. Sales revenues are expected to be in US Dollars, and the Company's ability to fund activities and make debt repayments might be adversely affected if the Brazilian Real or Australian Dollar appreciates against the US Dollars.

##### ***Development Risks***

Mine development projects entail substantial expenditures and are susceptible to material cost overruns, cost inflation, labour shortages, and supply chain interruptions due to a high inflation environment. The capital expenditures and time required for new mines are significant, and changes in costs or construction schedules could significantly extend both the time and capital needed for project completion.

### **Capital Requirements**

Additional funding will be necessary for the development of the Company's projects. The directors have prepared a cash flow estimate of required development capital as reported in the Preliminary Economic Assessment, indicating a minimum additional funding requirement of US\$253 million progressively over the period starting from January 2025 to cover development costs associated with the Project and to address the Group's working capital requirements until positive net cash flows are generated.

### **Government Regulations and Approvals**

The development of the Salinas Lithium Project is subject to obtaining further key approvals from relevant government authorities. The Company possesses an approvals schedule and a management team with significant experience in securing approvals required for mining projects in Brazil. Any delays or failures in obtaining required permits may impact the Company's schedule or ability to develop the project. Additionally, any material adverse changes in government policies or legislation in Minas Gerais and Brazil affecting mining, processing, development, and mineral exploration activities, as well as environmental issues, may impact the viability and profitability of any planned development of the Salinas Lithium Project and other projects in the Company's portfolio. The Group cannot assure that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could adversely impact the Group's mineral properties.

### **SIGNIFICANT EVENTS AFTER BALANCE DATE**

Subsequent to reporting period, the Company issued 2.45 million share rights under the Company's existing Security Incentive Rights Plan.

On 8 October 2023, the Company entered a binding agreement with Maverick Minerals Limited (Maverick) for the sale of 100% of its Lachlan Fold Belt Project (LFB). Subsequent to the reporting period, the Company announced the spinout of its LFB project as part of an Initial Public Offer (IPO) for shares in Maverick. On 24 January 2024, Maverick released a priority offer of up to 12.5 million shares to Latin's shareholders to raise a maximum of \$2.5 million. The closing date for the Priority Offer was extended subsequently from 9 February 2024 to 1 March 2024. On 18 March 2024, the Company announced that the IPO was put on hold due to challenging market conditions. The Company will pursue other options for its LFB project in 2024 that will include, but not be limited to, another IPO.

On 21 November 2023, the Group purchased the Gibraltar Halloysite-Kaolin project from Lymex Tenements Pty Ltd for \$500,000 cash on the fulfillment of conditions precedent. The key conditions included a confirmation from the ASX and the granting of the Divisions Application by the Department. The Group paid for the project on 22 November 2023 and the divisional application was granted on 8 February 2024.

On 12 February 2024, the Company announced the appointment of Peter Oliver to Executive Director to accelerate development of the Salinas Lithium Project into production.

On 1 March 2024, the Company announced the appointment of Aaron Maurer as Chief Operating Officer to accelerate development of the Salinas Lithium Project into production.

In March 2024, the Company opened a Singapore office to support marketing and project finance activities.

There are no other significant events that have occurred after the reporting date.

## LIKELY DEVELOPMENTS AND EXPECTED RESULTS

In 2024, the Group intends to continue to progress its mineral projects in commodities that progress global efforts towards Net Zero emissions both in Australia and Latin America. The Group will also continue to look for other opportunities that will create value for its shareholders.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Latin 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).

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.

## INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

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

## DIRECTORS' MEETINGS

The number of meetings of directors (including meetings of committees of directors) held for the year ended 31 December 2023 and the number of meetings attended by each director is as follows:

Directors	Board		Audit Committee		Risk Committee		Remuneration Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
David Vilensky	5	5	3	3	-	-	2	2
Chris Gale	5	5	-	-	-	-	-	-
Peter Oliver	5	5	-	-	-	-	-	-
Pablo Tarantini	5	5	-	-	-	-	-	-
Brent Jones	5	4	3	3	4	4	2	2

## COMMITTEE MEMBERSHIP

During the year, the Board operated remuneration, audit and risk management committees.

## CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance statement is located on the Company's website at [www.latinresources.com.au](http://www.latinresources.com.au).

## DIVERSITY

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

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

The Board has established a policy regarding diversity and details of the policy are available on the Company's website. Gender composition of the Group's workforce for the 2023 year is included in the Company's Corporate Governance Statement.

#### **INDEMNIFICATION OF AUDITORS**

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

#### **AUDITORS' INDEPENDENCE DECLARATION**

The auditors' independence declaration is set out on page 91 and forms part of the Directors' report for the year ended 31 December 2023.

#### **NON-AUDIT SERVICES**

Non-audit services provided by the Group's auditor Ernst and Young during the year ended 31 December 2023 is shown at Note 21 of the financial statements.

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

## REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 31 December 2023 outlines the remuneration arrangements of the Group in accordance with the requirements of the *Corporations Act 2001* (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

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

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

### DIRECTOR AND SENIOR MANAGEMENT

#### *Non-Executive directors*

David Vilensky	Non-Executive Chairman
Brent Jones	Non-Executive Director
Pablo Tarantini	Non-Executive Director
Peter Oliver	Non-Executive Director (ceased 14 February 2024)

#### *Executive director*

Chris Gale	Managing Director
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#### *Other Executives*

Mitch Thomas	Chief Financial Officer (appointed 13 March 2023)
Yugi Gouw	Chief Financial Officer (ceased 13 March 2023)
Anthony Greenaway	VP of Operations – Americas

#### *Changes post year end*

Peter Oliver	Executive Director (appointed 14 February 2024)
Aaron Maurer	Chief Operating Officer (appointed 1 March 2024)

### REMUNERATION GOVERNANCE

#### *Remuneration Committee*

The success of the Company hinges on the calibre of its directors and executives. The Company's approach to determining compensation levels aims to offer competitive packages that draw and retain top-tier Directors, Executives, and staff. Additionally, a substantial portion of executive incentives is tied to generating shareholder value. The Company also takes into account its size, scope, and financial stability when establishing compensation levels, ensuring the sustainability of its operations.

A Remuneration Committee sets the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

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

The remuneration committee seeks external remuneration advice as and when required to ensure it is fully informed when making remuneration decisions. Remuneration advisors are engaged by and report directly to the remuneration committee. A consultant, Godfrey Remuneration Group, was engaged during the year to provide remuneration advice. This service cost \$35,750. The review was performed externally and independently of the Executive director and key management personnel. The Board is satisfied that remuneration recommendations were made without undue influence from key management personnel given processes implemented to ensure independence.



### **Link between performance and executive remuneration**

The focus was on fixed compensation, options, and performance rights under the Incentive Plan, all aimed at increasing the Company's value as reflected in its share price. This alignment of executive remuneration with the business strategy and shareholder interests was a key objective. Below is the performance summary for the past five years:

<b>31 December:</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Share price (\$)	\$0.006	\$0.033	\$0.029	\$0.098	\$0.285
Market capitalisation (\$'000)	\$284	\$39,432	\$41,261	\$210,535	\$796,235

### **NON-EXECUTIVE DIRECTOR REMUNERATION ARRANGEMENTS**

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

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

Non-executive directors are remunerated by way of fees based on remuneration of non-executive directors of comparable companies and scope and extent of the Company's activities. Non-executive directors are also entitled to participate in the LRS Securities Incentive Plan which was re-approved by shareholders on 30 May 2023. Directors do not receive retirement benefits nor do they participate in any other incentive programs. During the year, 73,000,000 share rights were approved by the shareholders on 19 May 2023.

At the Annual General Meeting held 28 May 2018, Shareholders approved the adoption of the Company's Loan Funded Share Plan, and 100 million loan funded shares were subsequently issued to the directors. The loans are interest free and with limited recourse to the participant and are unquoted shares until the loan has been repaid. The Plan requires the loan to be repaid before the participant can sell their shares. The loan funded shares were consolidated 1 on 25 basis in 2019 and the balance of the loan funded shares to directors reduced to 4 million at 27.5 cents per share. The loan funded shares have an expiry date on 30 June 2023, however the terms of the loan funded share plan allow this date to be extended at the Board discretion. The loan funded shares have been extended by 12 months to 30 June 2024.

### **Director Securities Incentive Rights Plan**

The Director Securities Incentive Rights plan were re-approved by shareholders on 30 May 2023 for the purpose of retaining executive and non-executive directors, controlling the cash cost of directors fees and aligning the interests of non-executive directors with shareholders and providing them with the opportunity to participate in the future growth of the Group.

Under the plan the Group may offer share rights to directors of the Company. Share rights issued under the plan comprise performance rights being rights that vest and may be exercised into Restricted Shares, based on completion of performance conditions as disclosed in the LTI table below.

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

The rights are issued for no consideration, however, the vesting of the benefits is conditional on achieving certain measurable performance measures. The performance measure for retention rights is resource growth for the Salinas Lithium Project. Vesting of the share rights is measured over a five-year interval after the commencement of the respective measurement period. At the end of the measurement period and subject to the service and performance conditions being met, each share right will convert into one ordinary share in the Company.

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

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

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

## EXECUTIVE REMUNERATION ARRANGEMENTS

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

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

### **Fixed remuneration**

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

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

### **Variable remuneration**

The Company established an Incentive Rights Plan (the Plan) that was re-approved by shareholders on 30 May 2023 and applies to full time and permanent part time employees and contractors.

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

### **Short term incentives**

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

The Board made an STI award of \$300,000 to the Managing Director in the period ended 31 December 2023 given significant KPI achievements including project advancement, resource growth and fundraising outcomes.

### **Long term incentives**

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

LTI's can include:

- Retention rights being rights that vest based on completion of a period of service; and
- Performance rights, being rights that vest based on achievement of specified performance.

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

Summary of LTI issued or vested in FY23:

Tranche and vesting conditions	Grant date	Expiry date	# of share rights issued	Fair value per share rights	Total fair value / SBP in FY23
<b>Directors Securities Rights Plan</b>					
Confirmation of a minimum 10Mt JORC resource for Colina	19 December 2022	19 December 2027	Mr Gale: 1,500,000	\$0.1100	Mr Gale: \$165,000
Confirmation of a minimum 20Mt JORC resource for Colina	19 December 2022	19 December 2027	Mr Gale: 1,500,000	\$0.1100	Mr Gale: \$165,000
Confirmation of a minimum 30Mt JORC resource for Colina	19 December 2022	19 December 2027	Mr Gale: 1,500,000	\$0.1100	Mr Gale: \$165,000
Confirmation of a definitive feasibility study for Colina	19 December 2022	19 December 2027	Mr Gale: 3,000,000	\$0.1100	Mr Gale: \$330,000
Continued employment at the Company as a non-executive director on 29 September 2023	19 December 2022	19 December 2027	Mr Oliver: 2,500,000	\$0.1100	Mr Oliver: \$275,000
Continued employment at the Company as a non-executive director on 29 September 2024	19 December 2022	19 December 2027	Mr Oliver: 2,500,000	\$0.1100	Mr Oliver: \$275,000
Market capitalisation of the Company exceeds \$800 million for a continuous period of 30 days	19 December 2022	19 December 2027	Mr Oliver: 2,500,000	\$0.0938	Mr Oliver: \$234,500
Market capitalisation of the Company exceeds \$1 billion for a continuous period of 30 days	19 December 2022	19 December 2027	Mr Oliver: 2,500,000	\$0.0873	Mr Oliver: \$218,250
Market capitalisation of the Company exceeds \$1.2 billion for a continuous period of 30 days	19 December 2022	19 December 2027	Mr Oliver: 1,000,000	\$0.0849	Mr Oliver: \$84,900
Market capitalisation of the Company exceeds \$1.5 billion for a continuous period of 30 days	19 December 2022	19 December 2027	Mr Oliver: 1,000,000	\$0.0816	Mr Oliver: \$81,600
Confirmation of a minimum 40Mt JORC resource for Colina	30 May 2023	30 May 2028	Mr Tarantini: 3,000,000 Mr Vilevsky: 3,000,000 Mr Oliver: 3,000,000 Mr Gale: 9,000,000 Mr Jones:	\$0.1850	Mr Tarantini: \$555,000 Mr Vilevsky: \$555,000 Mr Oliver: \$555,000 Mr Gale: \$1,665,000 Mr Jones:

Confirmation of a minimum 60Mt JORC resource for Colina	30 May 2023	30 May 2028	3,000,000 Total: 21 million	\$0.1850	\$555,000 Total: \$3,885,000
			Mr Tarantini: 3,000,000		Mr Tarantini: \$555,000
			Mr Vilensky: 3,000,000		Mr Vilensky: \$555,000
			Mr Oliver: 3,000,000		Mr Oliver: \$555,000
			Mr Gale: 9,000,000		Mr Gale: \$1,665,000
			Mr Jones: 3,000,000		Mr Jones: \$555,000
			Total: 21 million		Total: \$3,885,000
Confirmation of a minimum 80Mt JORC resource for Colina	30 May 2023	30 May 2028	3,000,000 Total: 21 million	\$0.1850	\$555,000 Total: \$3,885,000
			Mr Tarantini: 3,000,000		Mr Tarantini: \$555,000
			Mr Vilensky: 3,000,000		Mr Vilensky: \$555,000
			Mr Oliver: 3,000,000		Mr Oliver: \$555,000
			Mr Gale: 9,000,000		Mr Gale: \$1,665,000
			Mr Jones: 3,000,000		Mr Jones: \$555,000
			Total: 21 million		Total: \$3,885,000
Market capitalisation of the Company exceeds \$1 billion for a continuous period of 30 days	30 May 2023	30 May 2028	Mr Gale: 10,000,000	\$0.1685	Mr Gale: \$1,685,000
Lodgement of the Company's Development Application for its Salinas Lithium Project in Brazil	30 January 2024	30 January 2029	Mr Gale: 4,000,000	\$0.1700	Mr Gale: \$680,000
Formal granting of the Company's Development Application for Brazil Lithium Project	30 January 2024	30 January 2029	Mr Gale: 4,000,000	\$0.1700	Mr Gale: \$680,000
Final investment decision to commence the construction of the Brazil Lithium Project, including having all required approvals and funding in place to complete the construction of the Brazil Lithium Project	30 January 2024	30 January 2029	Mr Gale: 5,000,000	\$0.1700	Mr Gale: \$850,000

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Total LTI issued to directors		105,500,000		\$17,544,250	
<b>KMP Securities Rights Plan</b>					
Continued employment to 31 December 2022	1 July 2022	31 December 2022	Mr Greenaway: 1,000,000	\$0.0730	Mr Greenaway: \$73,000
Continued employment to 31 December 2023	1 July 2022	31 December 2023	Mr Greenaway: 1,000,000	\$0.0730	Mr Greenaway: \$73,000
Confirmation of a minimum 10Mt JORC resource for Colina	1 July 2022	31 December 2023	Mr Greenaway: 1,000,000	\$0.0730	Mr Greenaway: \$73,000
Confirmation of a minimum 20Mt JORC resource for Colina	1 July 2022	31 December 2023	Mr Greenaway: 1,000,000	\$0.0730	Mr Greenaway: \$73,000
Confirmation of a minimum 30Mt JORC resource for Colina	1 July 2022	31 December 2023	Mr Greenaway: 1,000,000	\$0.0730	Mr Greenaway: \$73,000
Confirmation of a minimum 40Mt JORC resource for Colina	3 July 2023	3 July 2028	Mr Greenaway: 3,000,000	\$0.3450	Mr Greenaway: \$1,035,000
Confirmation of a minimum 50Mt (indicated) JORC resource for Colina	3 July 2023	3 July 2028	Mr Greenaway: 4,000,000	\$0.3450	Mr Greenaway: \$1,380,000
Confirmation of a minimum 80Mt JORC resource for Colina	3 July 2023	3 July 2028	Mr Greenaway: 5,000,000	\$0.3450	Mr Greenaway: \$1,725,000
Confirmation of a definitive feasibility study for Colina	1 July 2022	31 July 2028	Mr Greenaway: 2,000,000	\$0.0730	Mr Greenaway: \$146,000
Continued employment at the Company on 31 March 2024	13 March 2023	13 March 2024	Mr Thomas: 500,000	\$0.1100	Mr Thomas: \$55,000
Implementation of an ERP system	13 March 2023	13 March 2024	Mr Thomas: 250,000	\$0.1100	Mr Thomas: \$27,500
Market capitalisation of the Company exceeds \$500 million and employment for 24 months	13 March 2023	13 March 2025	Mr Thomas: 250,000	\$0.0770	Mr Thomas: \$19,250
Market capitalisation of the Company exceeds \$1 billion and employment for 36 months	13 March 2023	13 March 2026	Mr Thomas: 250,000	\$0.0890	Mr Thomas: \$22,250
Continued employment at the Company on 31 December 2022	22 December 2022	22 December 2022	Mr Gouw: -	\$0.0980	Mr Gouw: -

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	1,000,000				\$98,000
Continued employment at the Company on 31 December 2023	Mr Gouw: 500,000	22 December 2022	22 December 2023	\$0.0980	Mr Gouw: \$49,000
<b>Total LTI issued to other KMP</b>	<b>21,750,000</b>				<b>\$4,922,000</b>

<b>Total LTI issued to directors and other KMP</b>	<b>127,250,000</b>				<b>\$22,466,250</b>
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These measures were utilised as they are reflective of the Company's business objectives including growing the Colina resource, delivering attractive study outcomes for shareholders concerning the Salinas Lithium Project and obtainment of permitting approvals. These milestones will support a planned final investment decision (FID) in 2024.

The Group is aware that the vesting of share rights is treated as income to executives, Board members and consultants and attracts tax in a similar manner to cash payments irrespective of the executive selling or retaining the resulting shares.

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

## **EMPLOYMENT AGREEMENTS AND CONTRACTS**

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

### ***Non-Executive Directors***

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

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

- Chairman \$102,000 per annum
- Non-Executive Directors \$96,000 per annum

No committee fees are paid.

### ***Managing Director***

The Managing Director was employed under a consultancy agreement for a three-year term ending on 30 September 2024. Mr Gale's remuneration is in accordance with the consultancy agreement, where Mr Gale is paid a base consultancy fee of \$270,000 per annum which increases based on the following performance matrix:

- If the Company achieves a market capitalisation of \$50M for three consecutive months, the consultancy fee will increase to \$330,000 per annum;
- If the Company achieves a market capitalisation of \$70M for three consecutive months, the consultancy fee will increase to \$400,000 per annum;
- If the Company achieves a market capitalisation of \$100M for three consecutive months, the consultancy fee will increase to \$450,000 per annum;
- If the Company achieves a market capitalisation of \$200M for three consecutive months, the consultancy fee will increase to \$500,000 per annum;
- If the market capitalisation of the Company decreases for three consecutive months, the consultancy fee will similarly decrease to the level commensurate with the market capitalisation.

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

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

### ***VP of Operations – Americas***

The VP of Operations – Americas is employed under an employment agreement with no fixed term where either party may terminate the agreement with or without cause by giving one month notice.

### ***Chief Financial Officer (CFO)***

The CFO is employed under an employment agreement with no fixed term where the Company may terminate the agreement by giving one month's notice and the employee by giving two months' notice.

## **PROHIBITION ON TRADING**

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

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Remuneration of key management personnel for the year ended 31 December 2023

12 months to 31 Dec 2023	Short-term benefits			Post-employment	Share-based payments		Total	Performance related
	Salary & Fees	Bonus	Other non-cash short-term benefits		Leave expenses	Superannuation		
	\$	\$	\$	\$	\$	\$	\$	%
<b>Directors</b>								
D. Vilensky	91,625	-	-	-	1,175,384	1,267,009	1,267,009	93%
C. Gale <sup>1</sup>	498,000	300,000	-	-	4,336,266	5,134,266	5,134,266	84%
B. Jones	86,125	-	-	-	1,175,384	1,261,509	1,261,509	93%
P. Tarantini	86,125	-	-	-	1,175,384	1,261,509	1,261,509	93%
P. Oliver	86,125	-	-	-	1,914,634	2,000,759	2,000,759	96%
<b>Other KMP</b>								
M. Thomas <sup>2</sup>	225,341	-	16,967	18,639	26,192	372,470	372,470	23%
Y. Gouw <sup>3</sup>	32,500	-	-	1,990	3,413	83,977	83,977	55%
A. Greenaway	355,997	-	24,203	35,064	39,900	3,247,183	3,247,183	86%
<b>Total</b>	<b>1,461,838</b>	<b>300,000</b>	<b>41,170</b>	<b>55,693</b>	<b>69,505</b>	<b>12,700,476</b>	<b>14,628,682</b>	<b>87%</b>

<sup>1</sup> Mr Gale's fee increased upon meeting the market capitalisation milestone of \$200M for three consecutive months.

<sup>2</sup> Mr. Thomas was appointed on 13 March 2023 as Chief Financial Officer.

<sup>3</sup> Mr. Gouw ceased his role as Chief Financial Officer from 13 March 2023 with no termination benefits paid.

Remuneration of key management personnel for the year ended 31 December 2022

12 months to 31 Dec 2022	Short-term benefits			Post-employment		Share-based payments		Total	Performance related
	Salary & Fees \$	Bonus \$	Other non-cash short-term benefits \$	Leave expenses \$	Superannuation \$	Share rights \$	\$		
<b>Directors</b>									
D. Vilensky	86,500	-	-	-	-	171,706	258,206	66%	
C. Gale	409,500	300,000	-	-	-	805,135	1,514,635	73%	
B. Jones	76,833	-	-	-	-	133,489	210,322	63%	
P. Tarantini	76,833	-	-	-	-	98,011	174,844	56%	
P. Oliver <sup>1</sup>	24,000	-	-	-	-	9,229	33,229	28%	
<b>Other KMP</b>									
Y. Gouw	130,000	-	-	7,961	13,325	100,925	252,211	40%	
A. Greenaway	244,897	25,000	-	14,587	26,749	202,984	514,215	39%	
<b>Total</b>	<b>1,048,563</b>	<b>325,000</b>	<b>-</b>	<b>22,548</b>	<b>40,074</b>	<b>1,521,478</b>	<b>2,957,663</b>	<b>51%</b>	

<sup>1</sup> Mr. Oliver was appointed on 4 October 2022 as a non-executive director.

## ADDITIONAL DISCLOSURES RELATING TO REMUNERATION

### (a) Share holdings of key management personnel

31 Dec 2023	Balance at start of year	Granted as remuneration	On vested/ conversion of rights <sup>3</sup>	Net change other	Balance at end of year
<b>Directors</b>					
D. Vilensky	17,643,828	-	7,731,187	(1,000,000)	24,375,015
C. Gale	24,494,812	-	30,405,956	(16,000,000)	38,900,768
B. Jones	45,158,752	-	7,333,575	(422,535)	52,069,792
P. Tarantini	836,648	-	6,000,000	-	6,836,648
P. Oliver	-	-	11,000,000	-	11,000,000
<b>Other KMP</b>					
M. Thomas <sup>1</sup>	-	-	-	623,000	623,000
Y. Gouw <sup>2</sup>	1,500,000	-	-	-	1,500,000
A. Greenaway	2,100,000	-	6,000,000	-	8,100,000
	<b>91,734,040</b>	<b>-</b>	<b>68,470,718</b>	<b>(16,799,535)</b>	<b>143,405,223</b>

<sup>1</sup> Mr. Thomas was appointed on 13 March 2023 as Chief Financial Officer and the holdings was reflected at the date he joined.

<sup>2</sup> Mr. Gouw ceased his role as Chief Financial Officer from 13 March 2023 and the holdings was reflected at the date he resigned.

<sup>3</sup> All share rights under Securities Incentive Rights Plan were vested and converted to shares at nil considerations. The total value of these vested and converted share rights for FY2023 were as follows: Mr Vilensky \$1,205,749, Mr Gale \$4,234,373, Mr Jones \$1,183,881, Mr Tarantini \$1,110,000, Mr Oliver \$1,619,500 and Mr Greenaway \$1,254,000.

### Loan Funded Shares

31 Dec 2023	Balance at start of year	Granted as remuneration	On exercise of options	Net change other	Balance at end of year
D. Vilensky	1,000,000	-	-	-	1,000,000
C. Gale	2,000,000	-	-	-	2,000,000
B. Jones	1,000,000	-	-	-	1,000,000
	<b>4,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,000,000</b>

At the Annual General Meeting held 28 May 2018, Shareholders approved the adoption of the Company's Loan Funded Share Plan, and 100 million loan funded shares were subsequent issued to the directors. The loans are interest free and with limited recourse to the participant and are unquoted shares until the loan has been repaid. The Plan requires the loan to be repaid before the participant can sell their shares. The loan funded shares were consolidated 1 on 25 basis in 2019 and the balance of the loan funded shares to directors reduced to 4 million at 27.5 cents per share. The loan funded shares have an expiry date on 30 June 2023, however the terms of the loan funded share plan allow this date to be extended at the Board's discretion. The loan funded shares have been extended by 12 months to 30 June 2024.

### (b) Share right holdings under Securities Incentive Rights Plan of key management personnel

31 Dec 2023	Balance at start of year	Granted as remuneration	Converted to Shares	Net change other	Balance at end of year
<b>Directors</b>					
D. Vilensky	1,740,895	9,000,000	(7,740,895)	-	3,000,000
C. Gale	15,425,373	37,000,000	(30,425,373)	-	22,000,000
B. Jones	1,343,283	9,000,000	(7,343,283)	-	3,000,000
P. Tarantini	-	9,000,000	(6,000,000)	-	3,000,000
P. Oliver	12,000,000	9,000,000	(11,000,000)	-	10,000,000
<b>Other KMP</b>					
M. Thomas <sup>1</sup>	-	1,250,000	-	-	1,250,000
Y. Gouw <sup>2</sup>	500,000	-	-	(500,000)	-
A. Greenaway	6,000,000	12,000,000	(6,000,000)	-	12,000,000
	<b>37,009,551</b>	<b>86,250,000</b>	<b>(68,509,551)</b>	<b>(500,000)</b>	<b>54,250,000</b>

<sup>1</sup> Mr. Thomas was appointed on 13 March 2023 as Chief Financial Officer and at the time held nil share rights.

<sup>2</sup> Mr. Gouw ceased his role as Chief Financial Officer from 13 March 2023 and at the time held 500,000 share rights.

## ADDITIONAL DISCLOSURES RELATING TO REMUNERATION

### Current year issue

At the General Meeting on 30 May 2023, shareholders approved the granting of 73,000,000 share rights under Securities Incentive Rights Plan to Directors with the following milestones:

Performance Milestone	Grant date	Expiry date	Number Granted	Vesting conditions	Total Fair Value \$	Vested date
2023 T1 <sup>1</sup>	30/05/2023	30/05/2028	21,000,000	Non-market vesting	\$3,885,000	3/07/2023
2023 T2 <sup>1</sup>	30/05/2023	30/05/2028	21,000,000	Non-market vesting	\$3,885,000	12/12/2023
2023 T3 <sup>1</sup>	30/05/2023	30/05/2028	21,000,000	Non-market vesting	\$3,885,000	-
2023 T4 <sup>2</sup>	30/05/2023	30/05/2028	10,000,000	Market vesting	\$1,685,000	-
<b>Total number of share rights granted</b>			<b>73,000,000</b>		<b>\$13,340,000</b>	

<sup>1</sup> Share rights were valued at \$0.1850 per share right based on share price at grant date.

<sup>2</sup> Share rights were value at \$0.1685 based on Hoadley's Hybrid ESO model assuming 5-year measuring period, 3.41% risk-free interest rate and 100% volatility.

The share rights have the following milestones,

T1 share rights vest upon confirmation of a minimum of 40 Mt inferred JORC Resources for the LRS Brazil Lithium Project;  
T2 share rights vest upon confirmation of a minimum of 60 Mt inferred JORC Resources for the LRS Brazil Lithium Project;  
T3 share rights vest upon confirmation of a minimum of 80 Mt inferred JORC Resources for the LRS Brazil Lithium Project;  
T4 share rights vest if the market capitalisation of the Company reaches A\$1 billion for a continuous period of 30 days.

There were 31,000,000 share rights outstanding as at 31 December 2023.

### Prior year issue

At the General Meeting on 19 December 2022, shareholder approved the granting of 19,500,000 share rights under Securities Incentive Rights Plan to Directors with the following vesting profile,

Performance Milestone	Grant date	Expiry date	Number Granted	Vesting conditions	Total Fair Value \$	Vested date
2021 plan <sup>1</sup>	10/02/2021	31/12/2022	5,699,551	Non-market vesting	\$313,475	13/01/2023
2021 plan <sup>2</sup>	10/02/2021	31/12/2022	5,310,000	Market vesting	\$274,527	13/01/2023
Mr Gale <sup>3</sup>	19/12/2022	19/12/2027	7,500,000	Non-market vesting	\$825,000	various
Mr Oliver <sup>3</sup>	19/12/2022	19/12/2027	5,000,000	Non-market vesting	\$550,000	various
Mr Oliver <sup>4</sup>	19/12/2022	19/12/2027	7,000,000	Market vesting	\$619,250	various
<b>Total number of share rights granted</b>			<b>30,509,551</b>		<b>\$2,582,252</b>	

<sup>1</sup> Share rights were valued at \$0.055 per share right based on share price at grant date.

<sup>2</sup> Share rights were value at \$0.0517 based on Hoadley's Hybrid ESO model assuming 5-year measuring period, 0.09% risk-free interest rate and 205.2% volatility.

<sup>3</sup> Share rights were valued at \$0.11 per share right based on share price at grant date.

<sup>4</sup> Share rights were value at \$0.0816-\$0.0938 based on Hoadley's Hybrid ESO model assuming 5-year measuring period, 3.25% risk-free interest rate and 100% volatility.

Mr Gale's share rights have the following milestones,

T1 share rights vest upon confirmation of a minimum of 10 Mt inferred JORC Resources for the LRS Brazil Lithium Project;  
T2 share rights vest upon confirmation of a minimum of 20 Mt inferred JORC Resources for the LRS Brazil Lithium Project;  
T3 share rights vest upon confirmation of a minimum of 30 Mt inferred JORC Resources for the LRS Brazil Lithium Project;  
T4 share rights vest upon confirmation of a Definitive Feasibility Study for the LRS Brazil Lithium Project.

Mr Oliver's share rights have the following milestones,

T1 share rights vest upon continuing one-year service;  
T2 share rights vest upon continuing two-year service;  
T3 share rights vest if the market capitalisation of the Company reaches A\$0.8 billion for a continuous period of 30 days;  
T4 share rights vest if the market capitalisation of the Company reaches A\$1 billion for a continuous period of 30 days;  
T5 share rights vest if the market capitalisation of the Company reaches A\$1.2 billion for a continuous period of 30 days;  
T6 share rights vest if the market capitalisation of the Company reaches A\$1.5 billion for a continuous period of 30 days;

There were 10,000,000 share rights outstanding as at 31 December 2023.

### To be issued

At the General Meeting on 30 January 2024, shareholders approved the granting of 13,000,000 share rights to Mr Gale with the following performance milestones:

T1 share rights vest upon the lodgement of the Company's Development Application for its Salinas Lithium Project in Brazil;

T2 share rights vest upon the formal granting of the Company's Development Application for its Salinas Lithium Project in Brazil;

T3 share rights vest upon the Board Company making the final investment decision to commence the construction of the Brazil Lithium Project, including having all required approvals and funding in place to complete the construction of the Brazil Lithium Project.

Details of key management personnel share rights are as follows:

### Current year issue

KMP	Grant date	Expiry date	Number Granted	Vesting conditions	Total Fair Value \$	Vested date
A Greenaway <sup>1</sup>	03/07/2023	03/07/2028	12,000,000	Non-market	\$4,140,000	various
M Thomas <sup>2</sup>	13/03/2023	various	750,000	Non-market	\$82,500	-
M Thomas <sup>3</sup>	13/03/2023	various	500,000	Market	\$41,500	-
<b>Total number of share rights granted</b>			<b>13,250,000</b>		<b>\$4,264,000</b>	

<sup>1</sup> Share rights were valued at \$0.3450 per share right based on share price at grant date.

<sup>2</sup> Share rights were valued at \$0.1100 per share right based on share price at grant date.

<sup>3</sup> Mr Thomas share rights were valued at \$0.0770-0.0890 based on Hoadley's Hybrid ESO model assuming 2-3 year measuring period, 3.19-3.20% risk-free interest rate and 100.8-145.0% volatility.

Mr Greenaway share rights have the following milestone:

T1 share rights vest upon confirmation of a minimum of 40 Mt inferred JORC Resources for the LRS Brazil Lithium Project;  
T2 share rights vest upon confirmation of a minimum of 50 Mt indicated JORC Resources for the LRS Brazil Lithium Project;

T3 share rights vest upon confirmation of a minimum of 80 Mt inferred and indicated JORC Resources for the LRS Brazil Lithium Project.

Mr Thomas share rights have the following milestone,

T1 share rights vest upon continuing one-year service;

T2 share rights vest upon completion of specific performance condition;

T3 share rights vest upon continuing two-year service and if the market capitalisation of the Company reaches A\$0.5 billion for a continuous period of 30 days;

T4 share rights vest upon continuing three-year service and if the market capitalisation of the Company reaches A\$0.1 billion for a continuous period of 30 days.

There were 6,250,000 share rights outstanding as at 31 December 2023.

### Prior year issue

KMP	Grant date	Expiry date	Vesting conditions	Number Granted	Total Fair Value \$	Vested date
A Greenaway <sup>1</sup>	01/07/2022	various	Non-market	7,000,000	\$511,000	various
Y Gouw <sup>2</sup>	22/12/2022	various	Non-market	1,500,000	\$147,000	various
<b>Total number of share rights granted</b>				<b>8,500,000</b>	<b>\$658,000</b>	

<sup>1</sup> Share rights were valued at \$0.073 per share right based on share price at grant date.

<sup>2</sup> Share rights were valued at \$0.098 per share right based on share price at grant date.

Mr Gouw share rights vest upon continuing employment services;

Mr Greenaway share rights have the following milestone,

T3 share rights vest upon confirmation of a minimum of 10 Mt inferred JORC Resources for the LRS Brazil Lithium Project;

T4 share rights vest upon confirmation of a minimum of 20 Mt inferred JORC Resources for the LRS Brazil Lithium Project;

T5 share rights vest upon confirmation of a minimum of 30 Mt inferred JORC Resources for the LRS Brazil Lithium Project;

T6 share rights vest upon confirmation of a Definitive Feasibility Study for the LRS Brazil Lithium Project.

There were 2,000,000 share rights outstanding as at 31 December 2023.

## ADDITIONAL DISCLOSURES RELATING TO REMUNERATION

### (c) Loans to key management personnel

There were no loans to key management personnel during the 2023 and 2022 financial years.

### (d) Other transactions with key management personnel

#### Related party transactions

The following related party transactions have occurred during the financial year ended 31 December 2023.

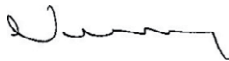
The Company paid a total of \$212,310 for legal services to Bowen Buchbinder Vilensky Lawyers, a business which Mr Vilensky is a director. At 31 December 2023, there was an outstanding payable of \$23,760 to Bowen Buchbinder Vilensky Lawyers and the amount has been fully paid at the date of this report.

The Company invoiced \$42,534 for expenses to Allegra Capital Pty Ltd, an entity which Mr Chris Gale is a director. At 31 December 2023, there was an outstanding receivable of \$332 to Allegra Capital and the amount has been fully paid at the date of this report.

The Company invoiced \$127,303 for the shared administration services to OAR Resources Ltd, a listed entity which Mr Gale and Mr Vilensky are common directors. At 31 December 2023, there was a receivable of \$189,632 owed by OAR Resources Ltd. During the reporting period, the Group purchased Gibraltar Halloysite-Kaolin project from a subsidiary of OAR Resources Limited for \$500,000. The cash consideration was fully paid on 22 November 2023.

The Company invoiced \$88,505 for the shared administration and technical services to Solis Minerals Ltd, a listed entity which Mr Gale is a common director. At 31 December 2023, there was an outstanding payable of \$3,565 to Solis Minerals that has been fully paid at the time of this report. During the reporting period, the Company provided a total amount of BRL\$2,791,537 as a temporary financial facility to a subsidiary of Solis Minerals that was fully repaid during the financial year with terms including repayment within 24 hours and interest charged at 0% per annum.

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



**David Vilensky**  
Chairman  
Signed on 26 March 2024

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# 04

FINANCIAL  
STATEMENTS

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the twelve months ended 31 December 2023

	Note	31 December 2023 \$	*31 December 2022 Restated \$
<b>Continuing operations</b>			
Interest revenue		1,542,695	345,961
Other income	5	91,299	185,630
Employee benefits expenses	6(a)	(2,189,776)	(1,630,706)
Equity settled share-based payments	6(b)	(13,190,317)	(3,232,955)
Other expenses	6(c)	(3,340,615)	(2,171,510)
Finance expenses	6(d)	(47,474)	(214,506)
Depreciation and amortisation expenses	6(e)	(193,059)	(106,543)
Exploration & evaluation expenses		(458,070)	-
Impairment of exploration and evaluation costs	14	-	(266,311)
Share of results of joint ventures	12	(405,291)	(476,620)
Impairment of investment in joint ventures carrying values	12	(1,253,614)	(278,525)
Gain/ (loss) extinguish of financial liabilities		-	691,357
<b>Loss before tax from continuing operations</b>		<b>(19,444,222)</b>	<b>(7,154,728)</b>
Tax benefit/(expense)	7	-	90,509
<b>Net (loss) after tax</b>		<b>(19,444,222)</b>	<b>(7,064,219)</b>
<b>Other comprehensive income/(expense)</b>			
<i>Items that may be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translation of foreign operations	19(c)	342,538	(514,443)
<b>Net other comprehensive profit/(loss) for the period</b>		<b>(19,101,684)</b>	<b>(7,578,662)</b>
Basic and diluted EPS (cents per share)	8	(0.78)	(0.39)

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



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the twelve months ended 31 December 2023

	Note	31 December 2023	*31 December 2022 Restated
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	9(a)	51,788,688	25,909,429
Trade and other receivables	10	1,202,657	579,780
Financial assets	11	260,810	116,742
<b>Total current assets</b>		<b>53,252,155</b>	<b>26,605,951</b>
<b>Non-current assets</b>			
Plant and equipment	13	655,347	465,423
Right of use assets	16	216,757	299,323
Investments in an associate and a joint venture	12	2,182,847	845,305
Exploration and evaluation assets	14	66,468,306	23,828,213
<b>Total non-current assets</b>		<b>69,523,257</b>	<b>25,438,264</b>
<b>Total assets</b>		<b>122,775,412</b>	<b>52,044,215</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	15	6,966,722	5,027,810
Lease liabilities	16(b)	145,890	121,651
Provisions	17	150,280	76,739
<b>Total current liabilities</b>		<b>7,262,892</b>	<b>5,226,200</b>
<b>Non-current liabilities</b>			
Lease liabilities	16(b)	77,748	181,265
Provisions	17	10,126	-
<b>Total non-current liabilities</b>		<b>87,874</b>	<b>181,265</b>
<b>Total liabilities</b>		<b>7,350,766</b>	<b>5,407,465</b>
<b>Net assets</b>		<b>115,424,646</b>	<b>46,636,750</b>
<b>EQUITY</b>			
Contributing equity	18(a)	197,537,994	103,163,413
Capital reserves	19	9,745,821	15,888,284
Accumulated losses		(91,859,169)	(72,414,947)
<b>Total equity</b>		<b>115,424,646</b>	<b>46,636,750</b>

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

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## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the twelve months ended 31 December 2023

	Issued Capital \$	Share-based payment Reserve \$	Foreign currency Reserve \$	Accumulated losses \$	Non- controlling interest \$	Total Equity \$
<b>Balance at 1 January 2023</b>	<b>103,163,415</b>	<b>11,036,651</b>	<b>4,862,713</b>	<b>(69,195,750)</b>	<b>704,749</b>	<b>50,571,778</b>
Restatement adjustment	-	-	(11,082)	(3,219,197)	(704,749)	(3,935,028)
<b>*Balance at 1 January 2023 (restated)</b>	<b>103,163,415</b>	<b>11,036,651</b>	<b>4,851,631</b>	<b>(72,414,947)</b>	-	<b>46,636,750</b>
Loss for the year	-	-	-	(19,444,222)	-	(19,444,222)
Other comprehensive loss	-	-	342,538	-	-	342,538
<b>Total comprehensive loss</b>	-	-	<b>342,538</b>	<b>(19,444,222)</b>	-	<b>(19,101,684)</b>
Issue of shares	75,751,861	-	-	-	-	75,751,861
Cost of equity issues	(4,376,077)	-	-	-	-	(4,376,077)
Share rights conversion	22,553,275	(22,553,275)	-	-	-	-
Share-based payments	445,520	16,068,276	-	-	-	16,513,796
<b>Balance at 31 December 2023</b>	<b>197,537,994</b>	<b>4,551,652</b>	<b>5,194,169</b>	<b>(91,859,169)</b>	-	<b>115,424,646</b>

	Issued Capital \$	Share-based payment Reserve \$	Foreign currency Reserve \$	Accumulated losses \$	Non- controlling interest \$	Total Equity \$
<b>Balance at 1 January 2022</b>	<b>59,835,944</b>	<b>9,786,772</b>	<b>5,369,761</b>	<b>(61,954,778)</b>	<b>236,194</b>	<b>13,273,893</b>
Restatement adjustment	-	-	-	(3,420,178)	54,238	(3,365,940)
<b>*Balance at 1 January 2022 (restated)</b>	<b>59,835,944</b>	<b>9,786,772</b>	<b>5,369,761</b>	<b>(65,374,956)</b>	<b>290,432</b>	<b>9,907,953</b>
Loss for the year	-	-	-	(7,064,219)	-	(7,064,219)
Other comprehensive loss	-	-	(518,130)	24,228	-	(493,902)
<b>Total comprehensive loss</b>	-	-	<b>(518,130)</b>	<b>(7,039,991)</b>	-	<b>(7,558,121)</b>
Issue of shares	44,882,084	(1,914,981)	-	-	-	42,967,103
Cost of equity issues	(1,871,718)	-	-	-	-	(1,871,718)
Share rights conversion	317,105	(317,105)	-	-	-	-
Share-based payments	-	3,481,965	-	-	-	3,481,965
Loss of control of subsidiary	-	-	-	-	(290,432)	(290,432)
<b>*Balance at 31 December 2022</b>	<b>103,163,415</b>	<b>11,036,651</b>	<b>4,851,631</b>	<b>(72,414,947)</b>	-	<b>46,636,750</b>

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

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the twelve months ended 31 December 2023

	Notes	31 December 2023 \$	*31 December 2022 Restated \$
<b>Cash flows from Operating Activities</b>			
Payments to suppliers and employees		(5,391,422)	(3,520,604)
Interest received		1,309,959	317,630
Other finance costs		(16,114)	(18,556)
Other income		331,844	90,509
<b>Net cash inflow / (outflow) from operating activities</b>	9(b)	<b>(3,765,733)</b>	<b>(3,131,021)</b>
<b>Cash flows from investing activities</b>			
Payments for plant and equipment	13(b)	(320,969)	(400,940)
Payments for security deposits		(84,260)	(34,188)
Proceeds from disposal of plant and equipment		22,273	-
Payment on financial assets		(57,985)	-
Payment for explorations and evaluation costs		(38,388,672)	(12,539,316)
Proceeds for R&D incentive in relation to the project		1,014,898	-
Tenement acquisition costs		(500,000)	-
Payment of Investment in Solis Minerals	12	(3,000,000)	-
<b>Net cash inflow / (outflow) from investing activities</b>		<b>(41,314,715)</b>	<b>(12,974,444)</b>
<b>Cash flows from financing activities</b>			
Proceeds from the issue of equity	18(b)	72,100,000	35,000,000
Proceeds from options exercised		3,277,625	8,332,339
Costs associated with share issues		(4,339,665)	(1,545,826)
Proceeds from borrowings		-	2,425,000
Financial costs associated with borrowings		-	(200,000)
Repayment of borrowings		-	(2,425,000)
Payment of lease liabilities		(149,500)	(66,000)
<b>Net cash inflow / (outflow) from financing activities</b>		<b>70,888,460</b>	<b>41,520,513</b>
<b>Net increase / (decrease) in cash held for reporting period</b>		<b>25,808,012</b>	<b>25,415,048</b>
Cash at beginning of period		25,909,429	642,784
Effects of exchange rate changes on cash		71,247	(148,403)
<b>Cash at the end of the period</b>	9(a)	<b>51,788,688</b>	<b>25,909,429</b>

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

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# NOTES TO THE FINANCIAL STATEMENTS

## 1. CORPORATE INFORMATION

The consolidated financial statements of the Group, being Latin Resources Limited (**the Company** or **Parent**) and its subsidiaries (collectively, **the Group**), for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 26 March 2024.

Latin Resources Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. Latin Resources Limited is a for-profit entity for the purpose of preparing the consolidation financial statements.

The nature of the operations and principal activities of the Group are described in the directors' report. Information on the Group's structure and other related party relationships is provided in Note 20(b).

## 2. STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION

### (a) Basis of preparation

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

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

### (b) Compliance with IFRS

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

### (c) Application of new and revised accounting standards

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

### (d) Change in accounting policy and disclosures

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

The Group has reviewed all new and revised Accounting Standards and Interpretations that are relevant to its operations and applicable for the current reporting period.

New and revised standards and amendments thereof and interpretations effective for the current year that are relevant to the Group include:

- AASB 2020-1 *Amendments to AASs – Disclosure of Accounting Policies and Definition of Accounting Estimates* (Amendments to AASB 7, 101, 134, 108)

The adoption of these standards do not have a material effect on the amount disclosed in the financial statements.

Australian Accounting Standards and Interpretation that have recently been issued or amended but are not yet effective have not been adopted by the Group for the reporting period ended 31 December 2023. Those which may be relevant to the Group are set out in the table below, but these are not expected to have any significant impact on the Group's financial statements as detailed below.

Standard/Interpretation	Application date of standard	Application date for Group
AASB 2020-1 Amendments to AASs – <i>Classification of Liabilities as Current or Non-Current</i>	1 January 2024	1 January 2024
AASB 2014-10 Amendments to AASs – <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	1 January 2025	1 January 2025
AASB 2023-1 Amendments to AAS – <i>Amendments to AASB 107 and AASB 7 – Disclosures of Supplier Finance Arrangement</i>	1 January 2024	1 January 2024
AASB 2023-5 Amendments to Australian Accounting Standards – <i>Lack of Exchangeability</i>	1 January 2025	1 January 2025

## NOTES TO THE FINANCIAL STATEMENTS

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### (e) Basis of consolidation

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

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. Information regarding subsidiaries is disclosed in Note 20(C).

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

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

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

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

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

### (f) Going concern

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

The Group incurred a loss for the period of \$19,444,222 (2022: \$7,064,219) and net operating cash outflow of \$3,765,733 (2022: \$3,131,021). As at 31 December 2023, the Group's cash and cash equivalents increased to \$51,788,688 (2022: \$25,909,429) and had a working capital surplus of \$25,808,012 (2022: surplus of \$25,415,048).

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

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

### (g) Segment reporting

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

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

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

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

### (h) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at fair value of the

## NOTES TO THE FINANCIAL STATEMENTS

consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties. The following specific recognition criteria must also be met before revenue is recognised:

### **Interest income**

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

#### **(i) Current versus non-current classification**

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

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

#### **(j) Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income. When the grant relates to an asset, it is offset against the related asset.

Research and development rebates are recognised when there is reasonable assurance that the rebate will be received. Management judgement is required to assess that the rebate meets the recognition criteria and in determining the measurement of the rebate including the assessment of the eligibility and appropriateness of the apportionment of eligible expenses based on research and development activities undertaken by the consolidated entity and taking into consideration relevant legislative requirements.

## NOTES TO THE FINANCIAL STATEMENTS

### (k) Income tax

#### **Tax consolidation**

Latin Resources Limited and its wholly owned Australian subsidiaries formed a tax consolidated group (the Tax Group). Members of the Tax Group have entered into a tax sharing agreement, which provides for the allocation of income tax liabilities between members of the Tax Group should the parent, Latin Resources Limited, default on its tax payments obligations.

#### **Current tax**

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

#### **Deferred tax**

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

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

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

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

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

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

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

### (l) Goods and services tax

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

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

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

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

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

### (m) Leases

At inception of a contract, the Group assess if the contract contains or is a lease. If there is a lease present, a right of use asset and a corresponding lease liability are recognised by the Group where the Group is a lessee.

Initially the lease liability is measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed lease payments less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase options, if the lessee is reasonably certain to exercise the options; or
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Right of use assets are depreciated over the lease term.

### (n) Earnings per share

#### *Basic earnings per share*

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

#### *Diluted earnings per share*

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

### (o) Cash and cash equivalents

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

### (p) Financial assets

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. Assets in this category are classified as current assets if they are expected to be realised within 12 months otherwise they are classified as non-current assets.



## NOTES TO THE FINANCIAL STATEMENTS

### (q) Property, plant & equipment

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

- Plant and equipment 3 to 10 years
- Motor vehicles 5 years

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

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

### (r) Exploration and evaluation expenditure

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

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

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

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

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

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

### (s) Trade and other payables

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

### (t) Provisions

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

### (u) Financial liabilities

#### *Initial recognition and measurement*

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

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

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

#### *Subsequent measurement*

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

#### *Loans and borrowings*

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

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

### (v) Employee benefits

#### *Wages, salaries, annual leave and sick leave*

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

#### *Long service leave and other employment entitlements*

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

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

### (w) Foreign currency translation

#### *Functional and presentation currency*

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

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

#### *Transactions and balances*

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

### **Group companies**

The functional currency of overseas subsidiaries within the Group is United States Dollars, Canadian Dollars and Brazilian Reals.

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

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

### **(x) Investment in associates and joint venture**

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

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

### **(y) Share-based payment transactions**

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

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

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

### **(z) Fair Value of Assets and Liabilities**

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

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

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

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

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

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

#### ***Determination of mineral resources and ore reserves***

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

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

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

#### ***Impairment of exploration and evaluation assets***

The Group accounts for exploration and evaluation assets in accordance with its policy (refer Note 2(r)).

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

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

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

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

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

#### ***Deferred income tax benefit from carried forward tax losses***

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

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

#### ***IGV/VAT recoverability***

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

## NOTES TO THE FINANCIAL STATEMENTS

### ***Significant influence assessment***

Judgement is also required to assess whether the Group has the ability to exert significant influence over the financial and operating policies of its investees without having full control. The Group has assessed that it does hold significant influence despite ownership percentages equal to or less than 20% of the voting rights in the investees given board representation and influence over operational decisions. The Group has applied the equity method of accounting in accordance with AASB 128 *Investment in Associates and Joint Ventures*.

### ***Equity settled share-based payments***

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuation using Black Scholes and Hoadley's Hybrid ESO models, using the assumptions detailed in Note 19 share-based payments.

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## NOTES TO THE FINANCIAL STATEMENTS

### 4. OPERATING SEGMENT INFORMATION

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

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

31 December 2023	Australia \$	Brazil \$	Peru \$	Argentina \$	Unallocated \$	Total \$
Other income	-	-	2,666	-	1,631,328	1,633,994
Other operating expenses	(1,934)	-	(195,206)	-	(5,573,784)	(5,770,924)
Exploration expenses	(22,792)	-	-	(348,829)	(86,449)	(458,070)
Share-based payments	-	-	-	-	(13,190,317)	(13,190,317)
Impairment of investments in JVs	-	-	-	-	(1,253,614)	(1,253,614)
Share of results of joint ventures	-	-	-	-	(405,291)	(405,291)
<b>Total segment expenses</b>	<b>(24,726)</b>	<b>-</b>	<b>(195,206)</b>	<b>(348,829)</b>	<b>(20,509,455)</b>	<b>(21,078,216)</b>
<b>Segment results</b>	<b>(24,726)</b>	<b>-</b>	<b>(192,540)</b>	<b>(348,829)</b>	<b>(18,878,127)</b>	<b>(19,444,222)</b>
Segment assets	18,878,237	46,772,225	3,803,148	70,300	53,251,502	122,775,412
Segment liabilities	(643,364)	(5,775,820)	(149,887)	(25,418)	(756,277)	(7,350,766)

*31 December 2022 Restated	Australia \$	Brazil \$	Peru \$	Argentina \$	Unallocated \$	Total \$
Other income	-	-	2,686	-	528,905	531,591
Other operating expenses	-	-	(34,938)	(185,809)	(3,688,012)	(3,908,759)
Finance expense	-	-	(125)	-	(214,381)	(214,506)
Gain on derecognition of financial liabilities	-	-	691,357	-	-	691,357
Exploration expenses	(178,838)	-	(87,473)	-	-	(266,311)
Share-based payments	-	-	-	-	(3,232,955)	(3,232,955)
Impairment of investments in JVs	-	-	-	-	(278,525)	(278,525)
Share of results of joint ventures	-	-	-	-	(476,620)	(476,620)
<b>Total segment expenses</b>	<b>(178,838)</b>	<b>-</b>	<b>(568,821)</b>	<b>(185,809)</b>	<b>(7,890,493)</b>	<b>(7,686,319)</b>
<b>Segment results</b>	<b>(178,838)</b>	<b>-</b>	<b>571,507</b>	<b>(185,809)</b>	<b>(7,361,588)</b>	<b>(7,154,728)</b>
Segment assets	9,764,983	12,518,771	3,116,947	11,308	26,632,206	52,044,215
Segment liabilities	(221,000)	(3,742,480)	(244,759)	(10,447)	(1,188,778)	(5,407,465)

The countries outlined in the table are consistent with the Geographical areas these operations are in.

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

## NOTES TO THE FINANCIAL STATEMENTS

	31 December 2023	*31 December 2022 Restated
	\$	\$
<b>5. OTHER INCOME</b>		
Administration fees	91,299	72,893
Sundry income	-	101,998
Foreign exchange gain	-	10,739
	<b>91,299</b>	<b>185,630</b>
<b>6. EXPENSES</b>		
<b>(a) EMPLOYEE BENEFIT EXPENSES</b>		
Directors' remuneration	(1,148,000)	(974,667)
Salaries and superannuation	(1,840,868)	(1,283,225)
Other personnel costs	(374,123)	(138,702)
Capitalisation to exploration and evaluation projects	1,173,215	765,888
	<b>(2,189,776)</b>	<b>(1,630,706)</b>
<b>(b) EQUITY SETTLED SHARE-BASED PAYMENTS</b>		
Directors' share-based payments	(9,777,052)	(1,216,570)
Employees and technical consultants share-based payments	(3,413,265)	(557,817)
Corporate advisory share-based payments <sup>1</sup>	-	(378,674)
Share-based payments in relation to Option Funding Agreement <sup>2</sup>	-	(1,079,894)
	<b>(13,190,317)</b>	<b>(3,232,955)</b>
<b>(c) OTHER EXPENSES</b>		
Corporate expenses	(1,154,388)	(800,075)
Marketing & conferences expenses	(1,080,012)	(822,855)
Travel expenses	(596,854)	(167,769)
Administrative expenses	(504,130)	(380,811)
Loss on fixed asset sale	(5,231)	-
	<b>(3,340,615)</b>	<b>(2,171,510)</b>
<b>(d) FINANCE EXPENSES</b>		
Interest expense on right of use assets	(13,056)	(8,346)
Other finance charges	(9,709)	(6,160)
Finance costs in relations to OFA agreement	-	(200,000)
Foreign exchange losses	(24,709)	-
	<b>(47,474)</b>	<b>(214,506)</b>
<b>(e) DEPRECIATION AND AMORTISATION EXPENSES</b>		
Furniture and equipment	(53,327)	(34,296)
Right of use assets	(139,732)	(72,247)
	<b>(193,059)</b>	<b>(106,543)</b>

<sup>1</sup> Prior year share-based payments related to 25,000,000 unlisted option exercisable at \$0.03 on or before 12 February 2024 were issued to Euroz Hartleys on 12 February 2021 after receiving shareholder approval on 10 February 2021.

<sup>2</sup> 35,000,000 unlisted options exercisable at \$0.05 on or before 31 March 2026 were issued on 8 March 2022 to Lind Asset Management XII, LLC as part of the Option Funding Agreement (OFA) (refer to ASX Announcement – 28 February 2022).



## NOTES TO THE FINANCIAL STATEMENTS

	31 December 2023	*31 December 2022
	\$	Restated \$
<b>7. INCOME TAX</b>		
The prima facie tax loss before income tax is reconciled to the income tax expense as follows:		
Profit/loss before tax	(19,444,222)	(7,154,728)
Income tax rate <sup>3</sup>	25%	25%
Prima facie tax benefit/(expense) from activities before income tax	(4,861,056)	(1,788,682)
Non-deductible expenditure		
R&D tax rebate	-	90,509
Deferred tax assets	4,861,056	1,788,682
<b>Current income tax expense/ (benefit)</b>	<b>-</b>	<b>90,509</b>
Income tax expense comprises,		
Deferred tax benefit/(expense)	(4,861,056)	(1,788,682)
Deferred tax assets	4,861,056	1,788,682
<b>Total tax benefit/ (expense)</b>	<b>-</b>	<b>-</b>
Deferred tax assets		
Carried forward revenue losses - Australia	7,292,967	6,363,502
Carried forward revenue losses – Peru	132,696	103,579
Carried forward revenue losses – Brazil	179,043	179,043
Carried forward revenue losses – Argentina	569,849	482,641
Carried forward revenue losses – Canada	2,563	-
Carried forward revenue losses – Singapore	3,121	-
Gross deferred tax assets	8,180,239	7,128,765
<b>Unrecognised tax losses</b>	<b>8,180,239</b>	<b>7,128,765</b>

<sup>3</sup>The Company is a base rate entity and the 25% company tax rate applies.

## NOTES TO THE FINANCIAL STATEMENTS

	31 December 2023	*31 December 2022 Restated
	\$	\$
<b>8. EARNINGS PER SHARE</b>		
Basic and Diluted EPS (cents per share)	(0.78)	(0.39)
Loss used in calculating basic and diluted (loss) per share	(19,444,222)	(7,064,219)
<b>Weighted average number of shares</b>	<b>Number</b>	<b>Number</b>
Weighted average number of shares used in basic and diluted EPS	2,503,905,975	1,818,608,908

The weighted average number of shares considers the weighted average effect of changes in share transactions during the year.

At balance date there were 113,986,160 (2022: 198,239,058) share options and 68,550,000 (2022: 43,509,551) share rights on issue. The share options and share rights are not considered dilutive as the Group has a net loss.

### 9. CASH AND CASH EQUIVALENTS

#### (a) Cash

	31 December 2023	*31 December 2022 Restated
	\$	\$
Cash and cash equivalents include the following:		
Cash at bank <sup>3</sup>	21,788,688	15,909,429
Term deposits <sup>4</sup>	30,000,000	10,000,000
	51,788,688	25,909,429

<sup>3</sup> Cash at bank earns interest at floating rates based on daily bank deposit rates.

<sup>4</sup> Cash funds invested in term deposits, which the Company may draw down with 31 days' notice without any significant penalties.

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

Net (loss) after tax	(19,444,222)	(7,064,219)
<i>Adjustments to reconcile loss after tax to net cash flows from operating activities:</i>		
Equity settled share-based payments	13,190,317	3,232,955
Depreciation and amortisation expenses	193,059	106,543
Finance expenses	13,056	8,346
Exploration & evaluation expenses	(641,265)	(3,013,658)
Share of results of joint ventures	405,291	794,962
Loss on deemed disposal	-	(318,342)
Impairment of investment carrying value	1,253,614	278,525
Gain on derecognition of payable	-	(691,357)
Loss on fixed asset sale	5,231	-
Foreign exchange	3,552	-
<i>Working capital adjustments:</i>		
(increase)/decrease in receivables	(622,877)	185,933
(increase)/decrease in other assets	(144,068)	(34,187)
Increase/(decrease) in payables	1,938,912	3,367,394
Increase/(decrease) in provisions	83,667	16,085
<b>Net cash (outflows) from operating activities</b>	<b>(3,765,733)</b>	<b>(3,131,021)</b>

#### 9 (c) NON-CASH FINANCING AND INVESTING ACTIVITIES

During the year, the company issued 419,738 broker options to settle expenses and liabilities relating to 2022 placement amounting to \$36,411 Refer Note 19(a).

## NOTES TO THE FINANCIAL STATEMENTS

	31 December 2023	*31 December 2022 Restated
	\$	\$
<b>10. TRADE AND OTHER RECEIVABLES</b>		
Related party receivables (Note 20)	194,492	235,522
Project acquisition prepayment <sup>5</sup>	500,000	-
GST receivables	18,647	101,208
Other receivables	489,518	243,050
	<b>1,202,657</b>	<b>579,780</b>

<sup>5</sup> The Group purchased the Gibraltar Halloysite-Kaolin project from a subsidiary of Oar Resources Limited. (ASX announcement - 21 November 2023). The granting of the divisional application was finalised in the subsequent period.

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

<b>11. OTHER FINANCIAL ASSETS</b>		
Term deposits	97,985	40,000
Security deposits	162,825	76,742
<b>Total other financial assets</b>	<b>260,810</b>	<b>116,742</b>

### 12. INVESTMENTS ACCOUNTED UNDER EQUITY METHOD

At the balance date 31 December 2023, the Company has the following investments which are accounted under AASB128 *Investments in Associates and Joint Venture*,

Name of entity	Country of incorporation	% of ownership		Nature of relations	Measurement method	Carrying amount	
		31 Dec 2023	31 Dec 2022			31 Dec 2023	31 Dec 2022
						\$	\$
Solis Minerals Limited (ASX: SLM) <sup>6</sup>	Canada	15.25%	13.13%	Associate	Equity method	1,941,943	595,363
Litios del Norte S.A. <sup>7</sup>	Argentina	50%	50%	Joint Venture	Equity method	240,904	249,942

<sup>6</sup> The investment in Solis Minerals Limited, formerly known as Westminster Resources Limited, originated from the settlement of the sale of the Ilo copper project in Peru.

During the financial year ended 31 December 2022, the Company applied AASB 9 *Financial Instrument* and accounted for its investment in Solis Minerals at fair value through profit and loss. Upon review, the Company has determined that the equity method of accounting is more appropriate given that the Company was deemed to have significant influence over Solis Minerals in the financial year ended 31 December 2022 given that the Company is the largest shareholder of Solis Minerals and has board representation.

<sup>7</sup> The group entered a joint venture agreement on 26 October 2020 and the JV partner completed the earn-in contribution in the third quarter of 2022.

During the financial year ended 31 December 2022, the Company accounted for its investment in the Litios joint venture as a subsidiary. Upon review, the Company determined that joint venture accounting was more appropriate following Integra's final contribution in August 2022 to achieve 50% ownership. The Company and Integra Capital now share joint control over Litios through respective ownership interests (50:50) and equal board representation.

	Solis Minerals Ltd	Litios del Norte SA	Total Investments
	\$	\$	\$
<b>31 December 2023</b>			
<b>Carrying amount at 1 January 2023</b>	<b>595,363</b>	<b>249,942</b>	<b>845,305</b>
Share of results for the year <sup>8</sup>	(529,296)	124,005	(405,291)
Additions <sup>10</sup>	3,000,000	-	3,000,000
Impairment expenses <sup>9</sup>	(1,124,124)	(129,490)	(1,253,614)
Effect of foreign exchange	-	(3,553)	(3,553)
<b>Carrying amount at 31 December 2023</b>	<b>1,941,943</b>	<b>240,904</b>	<b>2,182,847</b>

## NOTES TO THE FINANCIAL STATEMENTS

*31 December 2022 Restated	Solis Minerals Ltd \$	Litios del Norte SA \$	Total Investments \$
Carrying amount at 1 January 2022	1,274,107	290,431	1,564,538
Impairment expenses <sup>9</sup>	(278,525)	-	(278,525)
Share of results for the period <sup>8</sup>	(400,219)	(40,489)	(440,708)
<b>Carrying amount at 31 December 2022</b>	<b>595,363</b>	<b>249,942</b>	<b>845,305</b>

<sup>8</sup> Profit or loss for the period is the amount attributed to the Group.

<sup>9</sup> Impairment written down relating to the excess carrying amount of the investment. The quoted price of SLM as at 31 December 2023 was \$0.145 (2022: \$0.075)

<sup>10</sup> The Company participated in Solis' private placement resulting in an increase in ownership to 15.25%

### 13. PLANT AND EQUIPMENT

31 December 2023	31 December 2023 \$	*31 December 2022 Restated \$
<b>(a) Furniture and equipment at cost:</b>		
At cost	823,910	559,448
Accumulated Depreciation	(168,563)	(94,025)
<b>Balance at 31 December</b>	<b>655,347</b>	<b>465,423</b>
<b>(b) Movement in furniture and equipment:</b>		
Balance at 1 January	465,423	116,462
Additions	320,969	400,940
Disposals	(33,564)	-
Depreciation	(53,327)	(34,296)
Transferred to exploration and evaluation projects	(73,943)	-
Effect of foreign exchange	29,789	(17,683)
<b>Balance at 31 December</b>	<b>655,347</b>	<b>465,423</b>

### 14. EXPLORATION AND EVALUATION ASSETS

	31 December 2023 \$	*31 December 2022 Restated \$
<b>Balance at the beginning of the financial year</b>	<b>23,828,213</b>	<b>8,336,261</b>
Exploration expenditure during the year	42,522,102	15,691,959
2022 R&D tax rebate in relation to the project	(1,014,898)	-
Other expenses (GST/VAT movement) <sup>12</sup>	134,337	36,862
Impairment of exploration and evaluation costs	-	(266,312)
Tenement acquisition costs <sup>13 14 15</sup>	-	77,105
Effect of foreign exchange	998,552	(47,662)
<b>Balance for the end of the financial year</b>	<b>66,468,306</b>	<b>23,828,213</b>

<sup>12</sup> The goods and services tax/value added tax (GST/VAT) refers to a receivable by the company's subsidiary in Peru which can only be offset against GST/VAT attributable to future operations.

<sup>13</sup> The Group exercised option agreement over the Peep O'Day gold prospect on 8 July 2022, the company issued the 6,000,000 shares to the Vendor following the grant of the Peep O'Day tenement.

<sup>14</sup> During FY2022, the company issued 772,962 shares as part of considerations for exercise of option to acquire tenements at the Company's Salinas Lithium Project in Brazil.

<sup>15</sup> The Group purchased Gibraltar Halloysite-Kaolin project from a subsidiary of Oar Resources Limited. (ASX announcement – 21 November 2023). The granting of application was finalised in the subsequent period.

## NOTES TO THE FINANCIAL STATEMENTS

	31 December 2023	*31 December 2022 Restated
	\$	\$
<b>15. TRADE AND OTHER PAYABLES</b>		
Trade payables	6,448,939	4,165,179
Accrued expenses	58,330	30,000
Other payables	459,453	832,631
	<b>6,966,722</b>	<b>5,027,810</b>

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

	31 December 2023	*31 December 2022 Restated
	\$	\$
<b>16. LEASES</b>		
<b>(a) Right of use assets at cost:</b>		
<b>Balance at 1 January</b>	<b>299,323</b>	-
Additions	57,166	371,570
Accumulated depreciation	(139,732)	(72,247)
<b>Balance at 31 December</b>	<b>216,757</b>	<b>299,323</b>
<b>(b) Movements in lease liabilities:</b>		
<b>Balance at 1 January</b>	<b>302,916</b>	-
Additions	57,166	371,570
Interest expenses	13,056	8,346
Repayment of liabilities	(149,500)	(77,000)
<b>Balance at 31 December</b>	<b>223,638</b>	<b>302,916</b>
Current	145,890	121,651
Non-current	77,748	181,265
<b>(c) Right of use assets impact on the Profit and loss</b>		
Depreciation of right of use assets	139,732	72,247
Interest expense	13,056	8,346
<b>Total recognised in the Profit and Loss</b>	<b>152,788</b>	<b>80,593</b>

The Company recognised leases as right of use assets and corresponding liabilities at the date which the leased premises are available for use by the Company. Right of use assets reflect the lease liabilities and is depreciated over the term of the leases. Lease liabilities were measured at the present value basis, discounting using borrowing rate from RBA. The incremental borrowing rate used for the year was 4.18% - 6.42% (2022: 4.18%).

The Group presented interest expense on lease liabilities under finance costs and the depreciation charge on the right-of-use assets under depreciation expenses. The finance cost is charged separately to Consolidated Statement of Profit or Loss and Other Comprehensive income over the lease period.

	31 December 2023	*31 December 2022 Restated
	\$	\$
<b>17. PROVISIONS</b>		
Employee benefits	160,406	76,739
Current	150,280	76,739
Non-current	10,126	-

## NOTES TO THE FINANCIAL STATEMENTS

### 18. CONTRIBUTING EQUITY

#### a) Ordinary shares

	31 December 2023	*31 December 2022 Restated
	\$	\$
Ordinary shares	197,396,394	103,021,815
Treasury shares	141,600	141,600
	<b>197,537,994</b>	<b>103,163,415</b>

The total number of issued shares at 31 December 2023 was 2,793,806,200 (2022: 2,148,314,127)

The total treasury shares under the Company's Loan Funded Share Plan at 31 December 2023 was 4,000,000 (2022: 4,000,000)

#### (b) Movements in ordinary shares

31 December 2023	Number	2023 \$
<b>Balance at 1 January 2023</b>	<b>2,148,314,127</b>	<b>\$103,163,415</b>
Placement @ \$0.105	353,333,334	\$37,100,000
Placement @ \$0.25	140,000,000	\$35,000,000
Transferred in from share option reserve	-	\$9,113,655
Listed options conversion	40,370,074	\$484,441
Unlisted options conversion	32,888,840	\$3,167,420
Vesting and conversion of share rights	77,695,717	\$13,439,620
Milestone share-based payments for acquisitions of project tenements <sup>17</sup>	1,204,108	\$445,520
Less: costs of issue		(\$4,376,077)
<b>Closing balance at 31 December 2023</b>	<b>2,793,806,200</b>	<b>\$197,537,994</b>

<sup>17</sup> The Group issued 1,204,108 shares to Vendors for reaching 10Mt JORC resource for the Salinas Lithium Project in Brazil.

*31 December 2022 Restated	Number	2022 \$
<b>Balance at 1 January 2022</b>	<b>1,422,776,263</b>	<b>\$59,835,944</b>
Placement	218,750,000	\$35,000,000
Listed options conversion	397,119,704	\$4,765,436
Unlisted options conversion	72,166,667	\$3,201,667
Shares issued in lieu of fees to consultant	8,000,000	\$240,000
Vesting and conversion of share rights	22,728,531	\$1,914,981
Share-based payments for acquisitions of project tenements	6,772,962	\$77,105
Less: costs of issue		(\$1,871,718)
<b>Balance at 31 December 2022</b>	<b>2,148,314,127</b>	<b>\$103,163,415</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 19. CAPITAL RESERVES

At balance date 31 December 2023, the Group has the following capital reserves,

	31 December 2023	*31 December 2022 Restated
	\$	\$
Share options reserve	346,992	9,424,236
Share rights reserve	4,204,660	1,612,415
Foreign currency reserve	5,194,169	4,851,631
	<b>9,745,821</b>	<b>15,888,282</b>

#### *Nature and purpose of share-based payment reserves*

The share-based payments reserve is used to recognise the value of equity benefits provided to directors, employees and other parties. Refer Note 6(b) for further details regarding share-based payments.

#### (a) Share options reserves

##### (i) Movements in share options

	31 December 2023	*31 December 2022 Restated
	\$	\$
<b>Balance at beginning of the financial year</b>	<b>9,424,236</b>	<b>8,033,761</b>
Options exercised, converted and transferred out to issued capital	(9,113,655)	-
Issued of 35 million Lind Partners	-	1,079,894
Issued of 4 million broker options	36,411	310,581
<b>Balance at the end of financial year</b>	<b>346,992</b>	<b>9,424,236</b>

##### (ii) Movement in the balance of share options

	Number	Number
<b>Outstanding balance at beginning of period</b>	<b>198,239,058</b>	<b>508,570,167</b>
Listed options exercised	(40,370,074)	(397,119,704)
Listed options lapsed unexercised	(11,413,722)	-
Unlisted options exercised	(32,888,840)	(72,166,667)
New issue unlisted option \$0.05 expiring 31 March 2026	-	35,000,000
New issue unlisted option \$0.22 expiry April 2027	419,738	123,955,262
<b>Outstanding balance at end of the period</b>	<b>113,986,160</b>	<b>198,239,058</b>

The outstanding balance of share options as at 31 December 2023 is represented by:

- 113,986,160 unlisted options exercisable at \$0.22 per option expiring 27 April 2027.

## NOTES TO THE FINANCIAL STATEMENTS

### (b) Share rights reserves

The Group issued Securities Incentive Rights Plan to attract, motivate and retain key employees and provide them with the opportunity to participate in the future growth of the Group.

#### Securities Incentive Rights Plan

##### (i) Movements in share rights

	31 December 2023	*31 December 2022 Restated
	\$	\$
<b>Balance at beginning of the financial year</b>	<b>1,612,415</b>	<b>1,753,011</b>
Granted as share rights <sup>18 19 20</sup>	16,031,865	1,774,385
Vested and conversion of share rights	(13,439,620)	(1,914,981)
<b>Balance at the end of financial year</b>	<b>4,204,660</b>	<b>1,612,415</b>
<b>(ii) Movement in the balance of share rights</b>	<b>Number</b>	<b>Number</b>
<b>Outstanding balance at beginning of period</b>	<b>43,509,551</b>	<b>11,009,552</b>
Granted as share rights <sup>18 19 20</sup>	103,025,000	44,434,091
Vested and conversion of share rights	(77,734,551)	(11,934,092)
Lapsed of share rights	(250,000)	-
<b>Outstanding balance at end of the period</b>	<b>68,550,000</b>	<b>43,509,551</b>

<sup>18</sup> The terms and conditions of the share rights has been disclosed in the Notice of Meeting for the shareholder meeting held on 10 February 2021 and the issue was approved by shareholders at the meeting.

<sup>19</sup> The terms and conditions of the share rights has been disclosed in the Notice of Meeting for the shareholder meeting held on 30 May 2022 and the issue was approved by shareholders at the meeting.

<sup>20</sup> The terms and conditions of the share rights has been disclosed in the Notice of Meeting for the shareholder meeting held on 30 May 2023 and the issue was approved by shareholders at the meeting.

The Group may offer share rights to eligible persons under the Company's existing Securities Incentive Plan. Executive directors and full time and permanent part time employees are eligible persons for the purposes of the Securities Incentive plan.

Share rights are issued to the key employees and are vested based on completion of a service period and / or achievement of specific performance objectives.

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

The rights are issued for no consideration, however, the vesting of the benefits is conditional on achieving certain measurable performance measures. The performance measure for retention rights is resource growth for the Salinas Lithium Project. Vesting of the share rights is measured over a 3-5 years interval after the commencement of the respective measurement period. At the end of the measurement period and subject to the service and performance conditions being met, each share right will convert into one ordinary share in the Company.

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



## NOTES TO THE FINANCIAL STATEMENTS

### Current year issue

At the General Meeting on 30 May 2023, shareholder approved the granting of 73,000,000 share rights under Securities Incentive Rights Plan to Directors with the following milestones,

Performance					
Milestone	Grant date	Expiry date	Number Granted	Vesting conditions	Total Fair Value \$
2023 T1 <sup>21</sup>	30/05/2023	30/05/2028	21,000,000	Non-market vesting	\$3,885,000
2023 T2 <sup>21</sup>	30/05/2023	30/05/2028	21,000,000	Non-market vesting	\$3,885,000
2023 T3 <sup>21</sup>	30/05/2023	30/05/2028	21,000,000	Non-market vesting	\$3,885,000
2023 T4 <sup>22</sup>	30/05/2023	30/05/2028	10,000,000	Market vesting	\$1,685,000
<b>Total number of share rights granted</b>			<b>73,000,000</b>		<b>\$13,340,000</b>

<sup>21</sup> Share rights were valued at \$0.1850 per share right based on share price at grant date.

<sup>22</sup> Share rights were value at \$0.1685 based on Hoadley's Hybrid ESO model assuming 5-year measuring period, 3.41% risk-free interest rate and 100% volatility.

The share rights have the following milestones,

T1 share rights vest upon confirmation of a minimum of 40 Mt inferred JORC Resources for the LRS Brazil Lithium Project;  
 T2 share rights vest upon confirmation of a minimum of 60 Mt inferred JORC Resources for the LRS Brazil Lithium Project;  
 T3 share rights vest upon confirmation of a minimum of 80 Mt inferred JORC Resources for the LRS Brazil Lithium Project;  
 T4 share rights vest if the market capitalisation of the Company reaches A\$1 billion for a continuous period of 30 days.

There were 31,000,000 share rights outstanding as at 31 December 2023.

### Prior year issue

At the General Meeting on 19 December 2022, shareholder approved the granting of 19,500,000 share rights under Securities Incentive Rights Plan to Directors with the following vesting profile,

Performance					
Milestone	Grant date	Expiry date	Number Granted	Vesting conditions	Total Fair Value \$
2021 plan <sup>23</sup>	10/02/2021	31/12/2022	5,699,551	Non-market vesting	\$313,475
2021 plan <sup>24</sup>	10/02/2021	31/12/2022	5,310,000	Market vesting	\$274,527
Mr Gale <sup>25</sup>	19/12/2022	19/12/2027	7,500,000	Non-market vesting	\$825,000
Mr Oliver <sup>25</sup>	19/12/2022	19/12/2027	5,000,000	Non-market	\$550,000
Mr Oliver <sup>26</sup>	19/12/2022	19/12/2027	7,000,000	Market vesting	\$619,250
<b>Total number of share rights granted</b>			<b>30,509,551</b>		<b>\$2,582,252</b>

<sup>23</sup> Share rights were valued at \$0.055 per share right based on share price at grant date.

<sup>24</sup> Share rights were value at \$0.0517 based on Hoadley's Hybrid ESO model assuming 5-year measuring period, 0.09% risk-free interest rate and 205.2% volatility.

<sup>25</sup> Share rights were valued at \$0.11 per share right based on share price at grant date.

<sup>26</sup> Share rights were value at \$0.0816-\$0.0938 based on Hoadley's Hybrid ESO model assuming 5-year measuring period, 3.25% risk-free interest rate and 100% volatility.

Mr Gale's share rights have the following milestones,

T1 share rights vest upon confirmation of a minimum of 10 Mt inferred JORC Resources for the LRS Brazil Lithium Project;  
 T2 share rights vest upon confirmation of a minimum of 20 Mt inferred JORC Resources for the LRS Brazil Lithium Project;  
 T3 share rights vest upon confirmation of a minimum of 30 Mt inferred JORC Resources for the LRS Brazil Lithium Project;  
 T4 share rights vest upon confirmation of a Definitive Feasibility Study for the LRS Brazil Lithium Project.

Mr Oliver's share rights have the following milestones,

T1 share rights vest upon continuing one-year employment service;  
 T2 share rights vest upon continuing two-year employment service;  
 T3 share rights vest if the market capitalisation of the Company reaches A\$0.8 billion for a continuous period of 30 days;  
 T4 share rights vest if the market capitalisation of the Company reaches A\$1 billion for a continuous period of 30 days;  
 T5 share rights vest if the market capitalisation of the Company reaches A\$1.2 billion for a continuous period of 30 days;  
 T6 share rights vest if the market capitalisation of the Company reaches A\$1.5 billion for a continuous period of 30 days;

There were 10,000,000 share rights outstanding as at 31 December 2023.

## NOTES TO THE FINANCIAL STATEMENTS

### To be issued

At the General Meeting on 30 January 2024, shareholder approved the granting of 13,000,000 share rights to Mr Gale with the following performance milestones,

T1 share rights vest upon the lodgement of the Company's Development Application for its Salinas Lithium Project in Brazil;

T2 share rights vest upon the formal granting of the Company's Development Application for its Salinas Lithium Project in Brazil;

T3 share rights vest upon the Board Company making the final investment decision to commence the construction of the Brazil Lithium Project, including having all required approvals and funding in place to complete the construction of the Brazil Lithium Project.

Details of employees and consultants share rights are as follows:

Performance Milestone	Grant date	Expiry date	Number Granted	Vesting conditions
2022 plan <sup>27</sup>	Various	Various	6,250,000	Non-market
2022 plan <sup>28</sup>	Various	Various	10,000,000	Non-market
2023 plan <sup>29</sup>	03/07/2023	03/07/2028	11,400,000	Non-market
2023 plan <sup>29</sup>	03/07/2023	03/07/2028	350,000	Non-market
2023 plan <sup>29</sup>	03/0/2023	03/07/2023	12,000,000	Non-market
2023 plan <sup>30</sup>	Various	Various	4,000,000	Non-market
2023 plan <sup>31</sup>	13/03/2023	Various	500,000	Market
2023 plan <sup>32</sup>	03/07/2023	various	1,775,000	Non-market
<b>Total number of share rights</b>			<b>46,275,000</b>	

<sup>27</sup> Share rights were valued at \$0.0390-\$0.0980 per share right based on share price at grant date. 4% of the share rights were forfeited during the year.

<sup>28</sup> Share rights were valued at \$0.0390-\$0.0730 per share right based on share price at grant date.

<sup>29</sup> Share rights were valued at \$0.3450 per share right based on share price at grant date.

<sup>30</sup> Share rights were valued at \$0.1150-\$0.2400 per share right based on share price at grant date.

<sup>31</sup> Share rights were value at \$0.0770-\$0.0890 based on Hoadley's Hybrid ESO model assuming 2-3 year measuring period, 3.19-3.20% risk-free interest rate and 100.8-145.0% volatility.

<sup>32</sup> Share rights were valued at \$0.1850-\$0.2400 per share right based on share price at grant date.

Employees and consultants share rights have the following milestones,

Share rights vest upon continuing employment services;

Share rights vest upon completion of specific performance condition;

Share rights vest upon continuing two-year service and if the market capitalisation of the Company reaches A\$0.5 billion for a continuous period of 30 days;

Share rights vest upon continuing three-year service and if the market capitalisation of the Company reaches A\$0.1 billion for a continuous period of 30 days.

T1 share rights vest upon confirmation of a minimum of 10 Mt inferred JORC Resources for the LRS Brazil Lithium Project.

T2 share rights vest upon confirmation of a minimum of 20 Mt inferred JORC Resources for the LRS Brazil Lithium Project.

T3 share rights vest upon confirmation of a minimum of 30 Mt inferred JORC Resources for the LRS Brazil Lithium Project.

T4 share rights vest upon confirmation of a minimum of 40 Mt inferred JORC Resources for the LRS Brazil Lithium Project;

T5 share rights vest upon confirmation of a minimum of 50 Mt inferred JORC Resources for the LRS Brazil Lithium Project.

T6 share rights vest upon confirmation of a minimum of 80 Mt inferred JORC Resources for the LRS Brazil Lithium Project;

2022 Securities Incentive Rights Plan T6, Share rights vest upon confirmation of a Definitive Feasibility Study for the LRS Brazil Lithium Project.

There were 9,750,000 share rights outstanding as at 31 December 2023.

## NOTES TO THE FINANCIAL STATEMENTS

### (c) Foreign currency translation reserve

#### *Nature and purpose of foreign currency translation reserve*

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

#### Movements in foreign currency translation reserve:

	31 December 2023	*31 December 2022 Restated
	\$	\$
Balance at beginning of the financial year	4,851,631	5,369,761
Foreign currency translations	342,538	(518,130)
<b>Balance at the end of financial year</b>	<b>5,194,169</b>	<b>4,851,631</b>

## 20. RELATED PARTY DISCLOSURES

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

### a) Compensation other key management personnel

	31 December 2023	*31 December 2022 Restated
	\$	\$
Short term employee benefits	1,858,701	1,373,563
Post-employment benefits	69,505	62,621
Share-based payments	12,700,476	1,521,478
	<b>14,628,682</b>	<b>2,957,663</b>

### (b) Related party transactions

The following related party transactions have occurred during the financial year ended 31 December 2023.

The Company paid a total of \$212,310 for legal services to Bowen Buchbinder Vilensky Lawyers, a business which Mr Vilensky is a director. At 31 December 2023, there was an outstanding payable of \$23,760 to Bowen Buchbinder Vilensky Lawyers and the amount has been fully paid at the date of this report.

The Company invoiced \$42,534 for expenses to Allegra Capital Pty Ltd, an entity which Mr Chris Gale is a director. At 31 December 2023, there was an outstanding receivable of \$332 to Allegra Capital and the amount has been fully paid at the date of this report.

The Company invoiced \$127,303 for the shared administration services to Oar Resources Ltd, a listed entity which Mr Gale and Mr Vilensky are common directors. At 31 December 2023, there was a receivable of \$189,632 owed by Oar Resources Ltd. During the reporting period, the Group purchased Gibraltar Halloysite-Kaolin project from a subsidiary of Oar Resources Limited for \$500,000. The cash consideration was fully paid on 22 November 2023.

The Company invoiced \$88,505 for the shared administration and technical services to Solis Minerals Ltd, a listed entity which Mr Gale is a common director. At 31 December 2023, there was an outstanding payable of \$3,565 to Solis Minerals that has been fully paid at the time of this report. During the reporting period, the Company provided a total amount BRL\$2,791,537 as a temporary financial facility to a subsidiary of Solis Minerals that was fully repaid during the financial year with terms including repayment within 24 hours and interest charged at 0% per annum.

## NOTES TO THE FINANCIAL STATEMENTS

### (c) Subsidiaries

Latin Resources Limited has the following subsidiaries:

Subsidiaries	Country of incorporation	31 December 2023	Equity Holding %
			*31 December 2022 Restated
Peruvian Latin Resources S.A.C.	Peru	100%	100%
Minera Dylan S.A.C.	Peru	100%	100%
Recursos Latinos S.A.	Argentina	100%	100%
Mineração Ferro Nordeste Ltda	Brazil	100%	100%
Electric Metals Pty Ltd	Australia	100%	100%
Belo Lithium Mineração Ltda	Brazil	100%	100%
ESG Minerals Ltd	Australia	100%	100%
Lotus Minerals Pty Ltd	Australia	100%	100%
LRS Canada Inc	Canada	100%	0%
LRS Singapore Pte Ltd	Singapore	100%	0%
<b>Associates</b>			
Solis Minerals Ltd	Canada	15.25%	13.13%
<b>Joint Control</b>			
Litios del Norte S.A.	Argentina	50%	50%

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

The Company has advanced funds to Recursos Latinos S.A., Peruvian Latin Resources Limited SAC, Belo Lithium Mineracao Ltda and Mineracao Ferro Nordeste Ltda which at the date of this report do not attract interest and are not subject to a repayment schedule.

Litios del Norte S.A. has been incorporated as a wholly owned subsidiary which held the Group's Catamarca lithium pegmatite projects with Argentinian investment group Integra Capital S.A. subscribing for additional shares as joint venture partner. At balance date the company has a 50% (2022: 50%) direct shareholding in the capital of Litios del Norte S.A. The Company and Integra Capital have joint control over Litios through their respective ownership interest and equal board representation.

### (d) Ultimate Parent Company

Latin Resources Limited is the ultimate parent company of the Group.

### Parent Entity Information

	31 December 2023	*31 December 2022 Restated
	\$	\$
<b>Financial Position</b>		
<b>Assets</b>		
Current assets	50,509,106	25,621,459
Non-current assets	11,720,663	24,280,922
<b>Total assets</b>	<b>62,229,769</b>	<b>49,902,381</b>
<b>Liabilities</b>		
Current liabilities	(1,311,766)	(1,228,516)
Non-current liabilities	(87,874)	(181,265)
<b>Total liabilities</b>	<b>(1,399,640)</b>	<b>(1,409,781)</b>
<b>Net assets</b>	<b>60,830,129</b>	<b>48,492,600</b>

## NOTES TO THE FINANCIAL STATEMENTS

	31 December 2023	*31 December 2022 Restated
	\$	\$
<b>Equity</b>		
Contributing equity	(197,537,994)	(103,163,415)
Reserves	(4,548,099)	(11,036,651)
Accumulated losses	141,255,964	65,707,466
<b>Total Equity</b>	<b>(60,830,129)</b>	<b>(48,492,600)</b>
<b>Financial Performance</b>		
Loss for the year	(18,855,393)	(10,713,041)
Other comprehensive loss	-	-
Total comprehensive loss for the year	(18,855,393)	(10,713,041)

### 21. AUDITOR'S REMUNERATION

	31 December 2023	*31 December 2022 Restated
	\$	\$
<b>Audit services</b>		
Audit/ review of the financial report by Ernst & Young	105,000	-
Audit/ review of the financial report by Hall Chadwick	-	33,500
Total audit services	105,000	33,500
<b>Other services</b>		
Taxation and compliance and advisory by Ernst & Young	25,500	-
Total auditor remuneration	130,500	33,500

### 22. COMMITMENTS

#### (a) Exploration Commitments

Not later than one year	366,000	757,667
Later than one year but not later than five years	955,000	2,939,333
Later than five years	30,000	-
	<b>1,351,000</b>	<b>3,697,000</b>

#### (b) Expenditure Commitments

Not later than one year	978,780	1,051,232
Later than one year but not later than five years	141,395	1,053,480
Later than five years	-	-
	<b>1,120,175</b>	<b>2,104,712</b>

Included in the commitments are payments to acquire future mining rights.

## NOTES TO THE FINANCIAL STATEMENTS

### 23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

#### (a) Interest rate risk

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

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

As at 31 December 2023 the Group had the following exposure to Australian variable interest rate risk.

	31 December 2023	*31 December 2022 Restated
	\$	\$
<b>Interest rate risk</b>		
Cash & cash equivalents	49,942,898	25,095,123

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

#### (b) Credit risk

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

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

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

The Group only trades with recognised creditworthy third parties. The Group only invests in high credit quality financial institutions.

#### (c) Liquidity risk

31 December 2023	Less than 1 month \$	1-3 months \$	3-12 months \$	1-5 years \$	5+ years \$	Total \$
Trade and other payables	6,966,722	-	-	-	-	6,966,722
Lease liabilities	11,892	35,676	98,321	77,748	-	223,637
	<b>6,978,614</b>	<b>35,676</b>	<b>98,321</b>	<b>77,748</b>	<b>-</b>	<b>7,190,359</b>

31 December 2022	Less than 1 month \$	1-3 months \$	3-12 months \$	1-5 years \$	5+ years \$	Total \$
Trade and other payables	5,027,943	-	-	-	-	5,027,943
Lease liabilities	9,945	29,731	81,975	181,265	-	302,916
	<b>5,037,888</b>	<b>29,731</b>	<b>81,975</b>	<b>181,265</b>	<b>-</b>	<b>5,330,859</b>

#### (d) Price risk

The Group is exposed to equity securities price risk and commodity price risk.

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

#### (e) Capital management

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

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

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

As at 31 December 2023 the Group is not subject to any external capital requirements.

## NOTES TO THE FINANCIAL STATEMENTS

### (f) Fair values

The fair value of financial assets and financial liabilities is based upon market prices at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in arm's length transaction or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles. The carrying amount of financial assets and financial liabilities other than lease liabilities recognised in the Consolidated Statements of Financial Position approximates their fair value.

### g) Currency risk

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

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

As at 31 December 2023, the Group had the following exposure to USD that is not designated in cash flow hedges:

	31 December 2023	*31 December 2022 Restated
	\$	\$
<b>Exposure to USD</b>		
<b>Financial assets</b>		
Cash & cash equivalents	1,845,790	814,299
Trade & other receivables	295,260	1,886,344
	<b>2,141,050</b>	<b>2,700,643</b>
<b>Financial liabilities</b>		
Trade & other payables	(5,869,997)	(3,977,321)
Provisions	(81,128)	(20,365)
	<b>(5,951,125)</b>	<b>(3,997,686)</b>
<b>Net exposure</b>	<b>(3,810,075)</b>	<b>(1,297,043)</b>

The following sensitivity analysis is based on the judgements by management of reasonably possible movements in foreign exchange rates after consideration of the views of market commentators. The sensitivity is also based on foreign currency risk exposures to financial asset and liability balances as at 31 December 2023.

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

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

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

	Effect on results	Effect on equity
<b>31 December 2023</b>		
AUD/USD +10%	(381,008)	381,008
AUD/USD -10%	381,008	(381,008)
<b>*31 December 2022</b>		
AUD/USD +10%	(129,704)	(129,704)
AUD/USD -10%	129,704	129,704

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

## NOTES TO THE FINANCIAL STATEMENTS

### 24. ADJUSTMENTS TO THE COMPARATIVE PERIOD

During the reporting period, the Company reviewed the accounting treatments applied in relation to its investments in Solis Minerals and Litios and Exploration and Evaluation Assets. Based on this assessment this resulted in the accounting treatment being revised and Comparatives have been restated accordingly.

#### 1 Restatements associated with the Company's Litios joint venture in Argentina

In the consolidated financial statements for the year ended 31 December 2022, the Company accounted for its investment in Litios as a subsidiary. The Company identified that the investment in Litios should have been accounted for as a joint venture given that from August 2022 the Company had joint control over Litios following Integra's final contribution to achieve 50 per cent ownership in Litios. The Company and Integra Capital have joint control over Litios through their respective ownership interests (50:50) and equal board representation.

Joint control is defined as the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Under joint venture accounting, the investment in Litios is accounted for using equity accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition changes in the investor's share of the investee's net assets. The investor each period recognises its share of both the investee's profit or loss and other comprehensive income.

The impact on the Company's consolidated financial statements resulted in the de-recognition of the assets, liabilities and equity of Litios at the date the Company lost control of Litios and the recognition of an investment in joint venture of \$249,942. The impact on the 31 December 2022 consolidated statement of financial position from the change in accounting treatment is a decrease in net assets of \$511,163. The net impact on the Company's consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2022 is \$193,586. The full effect of the restatement on 31 December 2022 balances are disclosed in the table below.

#### 2 Restatements associated with the Company's investment in Solis Minerals

In the 2022 financial statements, the Company accounted for its investment in Solis Minerals at fair value through profit and loss. The Company has determined that its investment should have been accounted as an investment in associate as the Company was deemed to have significant influence over Solis Minerals in the financial year ended 31 December 2022. Significant influence has been assessed as the Company is the largest shareholder of Solis Minerals and has board representation.

An investment in associate is accounted for using the equity method of accounting. The equity method is a method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition changes in the investor's share of the investee's net assets. The investor each period recognises its share of both the investee's profit or loss and other comprehensive income.

Given that the fair value of the Company's investment in Solis Minerals at 31 December 2022 – determined by Solis Minerals' share price – was below the restated carrying value of the investment in associate, the net financial impact from the change in accounting treatment on the consolidated financial statements is nil. Changes to reporting classifications within the consolidated statement of profit or loss and other comprehensive income have been reflected. The full effect of the restatement on 31 December 2022 balances are disclosed in the table below.

#### 3 Restatement of historical exploration and evaluation expenditure

The Company has undertaken a review of historical expenditure capitalised as part of exploration and evaluation assets and identified that \$3,423,865 did not meet the criteria under the Company's accounting policy to be capitalised. The Company has restated the opening accumulated losses and exploration and evaluation assets for the year ended 31 December 2022 to reflect that the expenditure should have been expensed in prior years. The impact of opening balance of the accumulated retained earnings of FY2022 was \$3,254,238. The impact on the consolidated statement of financial position as at 31 December 2022 is a decrease in net assets and an increase in accumulated losses of \$3,423,865. The full effect of the restatement on 31 December 2022 balances are disclosed in the table below.



## NOTES TO THE FINANCIAL STATEMENTS

### RESTATEMENT OF COMPARATIVE FINANCIAL INFORMATION

#### Impact on consolidated statement of profit or loss and other comprehensive income

	31 Dec 2022 Previously disclosed \$	31 Dec 2022 Adjustment <sup>3</sup> \$	31 Dec 2022 Adjustment <sup>2</sup> \$	31 Dec 2022 Adjustments <sup>1</sup> \$	31 Dec 2022 Restated \$
Interest revenue	345,961	-	-	-	345,961
Other income	196,678	-	-	(11,047)	185,631
Depreciation and amortisation expense	(106,819)	-	-	275	(106,544)
Employee benefits expense	(3,391,346)	-	-	-	(3,391,346)
Finance expense	(1,301,391)	-	-	6,991	(1,294,400)
Share of loss of an associate	-	-	(753,435)	-	(753,435)
Impairment of investments	-	-	(278,525)	-	(278,525)
Share of loss of a joint venture	-	-	-	(41,527)	(41,527)
Gain on deemed disposal	-	-	-	318,341	318,341
Fair value on investments using FVPTL	(1,031,960)	-	1,031,960	-	-
Profit on derecognition of payables	691,357	-	-	-	691,357
Impairment of exploration expenditure costs	(266,311)	-	-	-	(266,311)
Other expenses	(2,491,879)	-	-	(72,052)	(2,563,931)
<b>Profit/(loss) before income tax</b>	<b>(7,355,710)</b>	-	-	<b>200,981</b>	<b>(7,154,729)</b>
Income tax benefit	90,509	-	-	-	90,509
<b>Profit/(loss) after income tax</b>	<b>(7,265,201)</b>	-	-	<b>200,981</b>	<b>(7,064,220)</b>
<b>Other comprehensive income/(loss)</b>					
Exchange differences on translating foreign operations	(507,048)	-	-	(7,395)	(514,443)
<b>Other comprehensive loss, net of income tax</b>	<b>(507,048)</b>	-	-	<b>(7,395)</b>	<b>(514,443)</b>
<b>Total comprehensive income/(loss) for the year attributed to members of Latin Resources Limited</b>	<b>(7,772,249)</b>	-	-	<b>193,586</b>	<b>(7,578,663)</b>
Basic and diluted EPS (cents per share)	(0.40)				(0.39)

<sup>1</sup> Restatements associated with the Company's Litos joint venture in Argentina.

<sup>2</sup> Restatements associated with the Company's investment in Solis Minerals

<sup>3</sup> Restatement of historical exploration and evaluation expenditure

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## NOTES TO THE FINANCIAL STATEMENTS

### Impact on consolidated statement of financial position

	31 Dec 2022 Previously disclosed \$	31 Dec 2022 Adjustments <sup>3</sup> \$	31 Dec 2022 Adjustments <sup>2</sup> \$	31 Dec 2022 Adjustments <sup>1</sup> \$	31 Dec 2022 Restated \$
Cash and cash equivalents	26,276,726	-	-	(367,297)	25,909,429
Trade and other receivables	629,453	-	-	(49,673)	579,780
Other financial assets	116,742	-	-	-	116,742
<b>Total current assets</b>	<b>27,022,921</b>	<b>-</b>	<b>-</b>	<b>(416,970)</b>	<b>26,605,951</b>
Investments using equity method	-	-	595,363	249,942	845,305
Investments using FVPTL method	595,363	-	(595,363)	-	-
Rights of use assets	299,323	-	-	-	299,323
Plant and equipment	465,989	-	-	(566)	465,423
Exploration and evaluation assets	27,595,780	(3,423,865)	-	(343,702)	23,828,213
<b>Total non-current assets</b>	<b>28,956,455</b>	<b>(3,423,865)</b>	<b>-</b>	<b>(94,326)</b>	<b>25,438,264</b>
<b>Total assets</b>	<b>55,979,376</b>	<b>(3,423,865)</b>	<b>-</b>	<b>(511,296)</b>	<b>52,044,215</b>
Trade and other payables	5,027,943	-	-	(133)	5,027,810
Lease liabilities	121,651	-	-	-	121,651
Provisions	76,739	-	-	-	76,739
<b>Total current liabilities</b>	<b>5,226,333</b>	<b>-</b>	<b>-</b>	<b>(133)</b>	<b>5,226,200</b>
Lease liabilities	181,265	-	-	-	181,265
<b>Total liabilities</b>	<b>5,407,598</b>	<b>-</b>	<b>-</b>	<b>(133)</b>	<b>5,407,465</b>
<b>Net assets</b>	<b>50,571,778</b>	<b>(3,423,865)</b>	<b>-</b>	<b>(511,163)</b>	<b>46,636,750</b>
Contributed equity	103,163,413	-	-	-	103,163,413
Reserves	15,899,366	(3,688)	-	(7,395)	15,888,283
Accumulated losses	(69,195,750)	(3,420,177)	-	200,981	(72,414,946)
Parents' interest	49,867,029	(3,423,865)	-	193,586	46,636,750
Non-controlling interests	704,749	-	-	(704,749)	-
<b>Total equity</b>	<b>50,571,778</b>	<b>(3,423,865)</b>	<b>-</b>	<b>(511,163)</b>	<b>46,636,750</b>

<sup>1</sup> Restatements associated with the Company's Litios joint venture in Argentina.

<sup>2</sup> Restatements associated with the Company's investment in Solis Minerals

<sup>3</sup> Restatement of historical exploration and evaluation expenditure

## NOTES TO THE FINANCIAL STATEMENTS

### 25. EVENTS AFTER THE REPORTING PERIOD

Subsequent to reporting period, the Company issued 2.45 million share rights under the Company's existing Security Incentive Rights Plan.

On 8 October 2023, the Company entered a binding agreement with Maverick Minerals Limited (Maverick) for the sale of 100% of its Lachlan Fold Belt Project (LFB). Subsequent to the reporting period, the Company announced the spinout of its LFB project as part of an Initial Public Offer (IPO) for shares in Maverick. On 24 January 2024, Maverick released a priority offer of up to 12.5 million shares to Latin's shareholders to raise a maximum of \$2.5 million. The closing date for the Priority Offer was extended subsequently from 9 February 2024 to 1 March 2024. On 18 March 2024, the Company announced that the IPO was put on hold due to challenging market conditions. The Company will pursue other options for its LFB project in 2024 that will include, but not be limited to, another IPO.

On 21 November 2023, the Group purchased the Gibraltar Halloysite-Kaolin project from Lymex Tenements Pty Ltd for \$500,000 cash on the fulfillment of conditions precedent. The key Conditions included a confirmation from the ASX and the granting of the Divisions Application by the Department. The Group paid for the project on 22 November 2023 and the divisional application was granted on 8 February 2024.

On 12 February 2024, the Company announced the appointment of Peter Oliver to Executive Director to accelerate development of the Salinas Lithium Project into production.

On 1 March 2024, the Company announced the appointment of Aaron Maurer as Chief Operating Officer to accelerate development of the Salinas Lithium Project into production.

In March 2024, the Company opened a Singapore office to support marketing and project finance activities.

Other than above, there are no other significant events that have occurred after the reporting date.

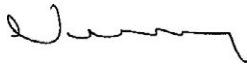
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## DIRECTORS' DECLARATION

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

1. In the opinion of the directors:
  - a) The financial statements and notes of Latin Resources Limited for the financial year ended 31 December 2023 are in accordance with the *Corporations Act 2001*, including:
    - i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the year ended on that date; and
    - ii) complying with Accounting Standards and the Corporations Regulations 2001;
  - b) the financial statements and notes also comply with International Financial Reporting Standards, as stated in note 2(b); and
  - c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the directors by the executive director in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 31 December 2023.

On behalf of the Directors



**David Vilensky**  
**Chairman**

Signed on 26 March 2024



Building a better  
working world

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## Auditor's independence declaration to the directors of Latin Resources Limited

As lead auditor for the audit of the financial report of Latin Resources Limited for the financial year ended 31 December 2023, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Latin Resources Limited and the entities it controlled during the financial year.

Ernst & Young

Jared Jaworski  
Partner  
26 March 2024

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## Independent auditor's report to the members of Latin Resources Limited

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of Latin Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Key audit matters

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

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

### Carrying value of Exploration and Evaluation Assets

Why significant	How our audit addressed the key audit matter
<p>As disclosed in Note 14 of the financial report, as at 31 December 2023, the Group held capitalised exploration and evaluation assets of \$66.5 million (2022: \$23.8 million).</p> <p>The carrying value of exploration and evaluation assets is assessed for impairment by the Group when facts and circumstances indicate that the exploration and evaluation assets may exceed its recoverable amount.</p> <p>The determination as to whether there are any indicators to require an exploration and evaluation asset to be assessed for impairment, involves a number of judgments including whether the Group has tenure, intends to perform ongoing exploration and evaluation activity and whether there is sufficient information for a decision to be made that the area of interest is not commercially viable.</p> <p>The Group determined that there had been no indicators of impairment for its areas of interests.</p>	<p>In performing our procedures, we:</p> <ul style="list-style-type: none"> <li>▶ Tested the exploration and evaluation expenditure to confirm the nature of the costs incurred, and the appropriateness of the classification of the expenditure as an asset or expense.</li> <li>▶ Considered the Group's right to explore in the relevant areas of interests, which included obtaining and assessing supporting documentation such as tenure documents.</li> <li>▶ Considered the Group's intention to carry out significant exploration and evaluation activity in the relevant exploration area, which included assessment of the Group's cash-flow forecast models, discussions with senior management and Directors as to the intentions and strategy of the Group.</li> <li>▶ Considered whether the exploration activities within each area of interest have reached a stage where a commercially viable resource estimate could be made.</li> <li>▶ Assessed the adequacy of the disclosure included in the financial report.</li> </ul>

### Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2023 annual report but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

### **Responsibilities of the directors for the financial report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial report**

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

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

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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



## Report on the audit of the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 38 to 52 of the directors' report for the year ended 31 December 2023.

In our opinion, the Remuneration Report of Latin Resources Limited for the year ended 31 December 2023, complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

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

Ernst & Young

Jared Jaworski  
Partner  
Perth  
26 March 2024

## ASX ADDITIONAL INFORMATION

Additional information required by the ASX Limited Listing Rules not disclosed elsewhere in this Annual Report is set out below. The information was applicable as at 13 February 2024.

### CLASS OF EQUITY SECURITIES AND VOTING RIGHTS

#### Shares

There were 2,792,369,463 ordinary fully paid shares on issue. All issued ordinary shares carry one vote per share.

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

#### Share rights

There were 66,100,000 share rights on issue.

#### Option

The Company has the following classes of options on issue as at 13 February 2024 as detailed below. Options do not carry any rights to vote.

Code	Class	Terms	Number
	Unlisted	Exercisable at \$0.22 each and expiring on 27 April 2027	113,986,160

#### Voting rights

In accordance with the Company's Constitution:

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

### DISTRIBUTION OF EQUITY SECURITIES

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

Range	Ordinary shares (listed)	Share rights (unlisted)	Loan funded shares (unquoted)	Options (listed)	Options (unlisted)
1 – 1,000	215	-	-	-	1
1,001 – 5,000	2,015	-	-	-	4
5,001 – 10,000	2,030	-	-	-	14
10,001 – 100,000	6,408	-	-	-	61
100,001 and over	2,221	21	3	-	27
<b>Total</b>	<b>12,889</b>	<b>21</b>	<b>3</b>	<b>-</b>	<b>107</b>

#### HOLDING LESS THAN A MARKETABLE PARCEL

	<b>2,778</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
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#### Restricted securities

The Company has no Restricted Securities on issue.

## ASX ADDITIONAL INFORMATION

### SUBSTANTIAL SHAREHOLDERS

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

<i>Shareholder</i>	<i>No. of Shares Held</i>	<i>% Held</i>
Jose Luis Manzano	180,400,000	8.19%

### *Twenty largest holders of quoted shares*

<b>Rank</b>	<b>Shareholder</b>	<b>No. of Shares</b>	
		<b>Held</b>	<b>% Held</b>
1.	CITICORP NOMINEES PTY LIMITED	365,209,508	13.08%
2.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	211,927,508	7.59%
3.	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	155,630,704	5.57%
4.	UBS NOMINEES PTY LTD	110,131,426	3.94%
5.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	101,421,138	3.63%
6.	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	63,217,198	2.26%
7.	UNRANDOM PTY LTD <UNRANDOM A/C>	48,709,063	1.74%
8.	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	40,560,943	1.45%
9.	MR BRYCE MATTHEW WILSON	27,842,139	1.00%
10.	BNP PARIBAS NOMS PTY LTD	23,489,695	0.84%
11.	WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C>	22,680,817	0.81%
12.	COILENS CORPORATION PTY LTD	18,375,015	0.66%
13.	MR WILLIAM SCOTT ALDERS	16,277,656	0.58%
14.	CHRIS GALE + STEPHANIE GALE <THE GALE SUPER FUND A/C>	16,005,111	0.57%
15.	ALLEGRA CAPITAL PTY LTD	12,200,000	0.44%
16.	MR PAUL NAGLE	11,800,000	0.42%
17.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <EUROCLEAR BANK SA NV A/C>	11,669,517	0.42%
18.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	11,061,130	0.40%
19.	KERRY ROSE OLIVER <THE OLIVER FAMILY A/C>	11,000,000	0.39%
20.	FINCLEAR PTY LTD <SUPERHERO SECURITIES A/C>	10,883,056	0.39%
<b>Total</b>		<b>1,290,091,624</b>	<b>46.2%</b>

## TENEMENT SCHEDULE

Tenement Licences	Project Name	Registered Holder	Interest held
<b>Peru</b>			
01-01865-11	Dockers 1	Minera Dylan SAC	100%
01-01866-11	Dockers 2	Minera Dylan SAC	100%
01-01867-11	Dockers 3	Minera Dylan SAC	100%
01-01868-11	Dockers 4	Minera Dylan SAC	100%
01-02068-10	Fremantle 7	Minera Dylan SAC	100%
01-02827-09	Latin Morrito 1	Minera Dylan SAC	100%
01-02828-09	Latin Morrito 2	Minera Dylan SAC	100%
01-02437-10	Vandals 1	Minera Dylan SAC	100%
01-02438-10	Vandals 2	Minera Dylan SAC	100%
<b>ARGENTINA – Catamarca <sup>1</sup></b>			
43101	Latina 1	Litios del Norte SA	50%
43160	Latina 2	Litios del Norte SA	50%
43221	Latina 3	Litios del Norte SA	50%
43252	Latina 4	Litios del Norte SA	50%
43191	Latina 5	Litios del Norte SA	50%
43132	Latina 6	Litios del Norte SA	50%
13/18	Latina 7	Litios del Norte SA	50%
14/18	Latina 8	Litios del Norte SA	50%
43435	Latina 9	Litios del Norte SA	50%
43405	Latina 10	Litios del Norte SA	50%
43374	Latina 11	Litios del Norte SA	50%
43344	Latina 12	Litios del Norte SA	50%
43313	Latina 13	Litios del Norte SA	50%
43282	Latina 14	Litios del Norte SA	50%
163/18	Latina 15	Litios del Norte SA	50%
207/18	Latina 16	Litios del Norte SA	50%
208/18	Latina 17	Litios del Norte SA	50%
209/18	Latina 18	Litios del Norte SA	50%
210/18	Latina 19	Litios del Norte SA	50%
211/18	Latina 20	Litios del Norte SA	50%
212/18	Latina 21	Litios del Norte SA	50%
213/18	Latina 22	Litios del Norte SA	50%
<b>ARGENTINA - San Luis <sup>3</sup></b>			
65-C-2016	Portezuelo	Recursos Latinos SA	100%
64-C-2016	Estanzuela	Recursos Latinos SA	100%
63-C-2016	La Meta	Recursos Latinos SA	100%
66-C-2016	Tilisarao	Recursos Latinos SA	100%
76-C-2016	Bajo De Veliz	Recursos Latinos SA	100%
84-C-2016	De Geminis	Recursos Latinos SA	100%
85-C-2016	Maria Del Huerto	Recursos Latinos SA	100%
134-Q-1936	Maria Del Huerto	Recursos Latinos SA	100%
64-R-2017	Estanzuela Sur	Recursos Latinos SA	100%
65-R-2017	Los Membrillos	Recursos Latinos SA	100%
66-R-2017	Quines Sur	Recursos Latinos SA	100%
67-R-2017	Paso Grande Norte	Recursos Latinos SA	100%
68-R-2017	Solitario	Recursos Latinos SA	100%
69-R-2017	Trapiche Norte	Recursos Latinos SA	100%
70-R-2017	Estanzuela Norte	Recursos Latinos SA	100%
71-R-2017	Quines	Recursos Latinos SA	100%
72-R-2017	La Toma Norte	Recursos Latinos SA	100%
72-R-2017	Quines Este	Recursos Latinos SA	100%

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## TENEMENT SCHEDULE

1-R-2018	Paso Grande Sur	Recursos Latinos SA	100%
2-R-2018	Trapiche Sur	Recursos Latinos SA	100%
3-R-2018	La Toma Sur	Recursos Latinos SA	100%
<b>BRAZIL</b>			
830578/2019	Minas Gerais Lithium	Mineracao Ferro Nordeste Ltda	100%
830579/2019	Minas Gerais Lithium	Mineracao Ferro Nordeste Ltda	100%
830580/2019	Minas Gerais Lithium	Mineracao Ferro Nordeste Ltda	100%
830581/2019	Minas Gerais Lithium	Mineracao Ferro Nordeste Ltda	100%
830582/2019	Minas Gerais Lithium	Mineracao Ferro Nordeste Ltda	100%
832515/2021	Minas Gerais Lithium	Belo Lithium	100%
831219/2017	Bentes Mineração <sup>2</sup>	Bentes Mineração Exportação e Importação	0%
830691/2017	Carlos André	Belo Lithium	100%
831799/2015	Granitos Salinas <sup>2</sup>	Granitos Salinas Ltda	0%
830080/2022	Monte Alto <sup>2</sup>	Mineração Salinas Ltda.	0%
<b>AUSTRALIA</b>			
E77/2622	Noombenberry	Electric Metals Pty Ltd	100%
E77/2624	Noombenberry	Electric Metals Pty Ltd	100%
E77/2719	Mount Cramphorne	Electric Metals Pty Ltd	100%
E77/2725	Noombenberry	Electric Metals Pty Ltd	100%
E77/2724	Noombenberry	Electric Metals Pty Ltd	100%
E70/5650	Noombenberry	Electric Metals Pty Ltd	100%
E70/5649	Noombenberry	Electric Metals Pty Ltd	100%
E70/6013	Noombenberry	Electric Metals Pty Ltd	100%
E45/5246	Big Grey	Electric Metals Pty Ltd	100%
ELA 2023/00056	Gibraltar <sup>3</sup>	ESG Minerals Pty Ltd	100%
EL9148	Manildra	Lotus Minerals Limited	100%
EL9172	Burdett	Lotus Minerals Limited	100%
EL8345	Corryong <sup>3</sup>	Lotus Minerals Limited	100%
EL9412	Peep O'Day	Lotus Minerals Limited	100%
EL9273	Boree Creek	Lotus Minerals Limited	100%
EL9274	BC Gundagai	Lotus Minerals Limited	100%

<sup>1</sup>JV with Integra Capital SA

<sup>2</sup>Tenement Concession under Option Agreement

<sup>3</sup>Tenements Concession in application

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