

About Latin Resources Limited

Latin Resources Limited is a mineral exploration company focused on creating shareholder wealth through the identification and definition of mineral resources in Latin America, with a specific focus on Peru.

The company has a portfolio of projects in Peru and is actively progressing its Guadalupito (Iron and Mineral Sands) and Ilo and Mariela (Iron, Copper, and Gold) projects.

Corporate summary

ASX: LRS
SETSQX: LRS
OTCQX: LNRDY

Shares issued: 180.9 Million
Options issued: 62.4 Million

Latin Resources Limited
ABN 81 131 405 144

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Highlights

Operations

Guadalupito

- Drilling complete over new 1070 ha area, "Tres Chosas", along strike to SE of Initial Resource; new JORC compliant inferred resource estimate expected August 2012.
- Early results from "Tres Chosas" drilling show elevated Heavy Mineral content in samples from shafts and drill holes from surface to over 20m depth.
- Of the 33 shafts completed at "Tres Chosas" that represent the part of the deposit above the water table, 16 contained an average Heavy Mineral (HM) content of greater than 15% in the sand (-1mm+53um) fraction with a maximum of 23% HM.
- Detailed airborne laser (LIDAR) topographic survey completed over majority of Guadalupito Project area: high precision data to benefit resource estimation and future mine development studies.
- New bulk sample composites of mineralised sands received by CPG-Mineral Technologies for process test work.
- Following up high HM content at surface in pit results at "Los Conchaes", Latin drilled one hole (GUA-BL-045) to 39m that averaged 7.4% HM over its entire length including 15m @ 9.8% HM (from 0 to 15m).
- High grade HM zone at surface identified at "Los Conchaes" that is approximately 4 km long (parallel to coastline) and 300 to 500m wide.
- The high grade zone at Los Conchaes has been prioritized for follow up drilling immediately after the southern "Tres Chosas" area has been completed.
- Size and potential of Guadalupito continues to grow.

Ilo - Mariela

- The Drilling Permit was approved and Drilling commenced on Peruvian Latin Resources' Mariela iron project located 60km from the mining port of Ilo in southern Peru.
- Twenty (20) exploration diamond drill holes are planned to test a coincident magnetic-gravity anomaly measuring some 3,000 x 1,000 m and interpreted to be up to 200 m in thickness and buried beneath 30 – 100 m of alluvial sand cover (reported 29 Feb 2012).

Ilo – Mariela (continued)

- Junefield has informed Latin of the completion of the first three drill holes of the planned 20 hole program at Mariela.
- Junefield has appointed SRK consultants in July 2012 to oversee logging, sampling and analysis of drill core and to provide Latin with JORC compliant exploration results and resource estimates.

Ilo Norte

- Mapping and geological re-interpretation of the intersections of mineralisation at Ilo Norte resulted in planning of new geophysical survey and drilling to test IOCG model for mineralisation developed by new project manager Sam Garrett.
- Permitting to commence in Q3 and drilling expected to commence Q4.

Ilo Regional Exploration:

- Reconnaissance mapping of the coastal Iron-IOCG belt is underway with prioritization of targets for follow up ground geophysics and surface geochemistry to be presented in Q3.

Corporate

- Appointment of Mr David Vilensky as Non executive Chairman replacing Mr Rod Brown who resigned as a director of the Company.
- Appointment of Mr Anthony Begovich as sole Company secretary due to the resignation of Mr Zane Lewis.

Operations	
	<p>Guadalupito (Iron and Mineral sands)</p> <p>Background Guadalupito is one of Latin’s most advanced projects and has the potential to become a world class Iron and Heavy Mineral Sand project. The project is located in close proximity to high quality infrastructure, being 10 kilometres from Chimbote, home to a major Port and one of the largest steel smelters in Peru, which is owned by the Brazilian Gerda Group, the largest long steel producer in the Americas.</p> <p>Latin Resources Limited’s Peruvian subsidiary owns or controls a total of 33 mining concessions totaling 17,237 hectares along Peru’s North Central coast (800 additional hectares were claimed during the period).</p> <p>Tres Chosas During Q2, Latin announced results from the first 41 drill holes and 33 shafts completed within an area called “Tres Chosas” (see Map 1). This new area is now the subject of a new JORC compliant resource estimation over a surface area of 1,070 hectares along strike to the south east of the Initial (Heldmaier) resource estimate area.</p> <p>The new resource estimate is expected to be completed in August 2012 following receipt of results throughout June 2012 from a further 99 drill holes that were completed at the end of May 2012 (Drill plan in Figure 1).</p> <p>Samples from the shafts represent the part of the deposit which is above the water table (average depth 1.9m) with 16 out of the 33 shafts containing an average of greater than 15% Heavy Mineral (HM) in the sand (-1mm+53µm) fraction. The highest average HM content in the sand fraction of the 33 shafts was 23%HM and the average was 13.2%HM.</p> <p>Bulk samples Bulk sample composites of mineralised sands have been prepared from shaft samples above the water table that represent areas of the Initial (“Heldmaier”) resource estimate and the New (“Tres Chosas”) resource area.</p> <p>These bulk composites have been received by CPG-Mineral Technologies in Carrara, Queensland where they are undergoing an exhaustive process test work programme.</p> <p>Preliminary mineralogical results from this program will constitute important data for the Scoping Study currently being undertaken by Ausenco. In order to maximise the value of the scoping study, this work has been extended to incorporate the preliminary mineralogical data from CPG-Mineral Technologies and is expected to be completed in Q3.</p> <p>Airborne laser topographic survey A detailed airborne laser topographic survey has been completed over the majority of Latin’s concessions at Guadalupito and is an important advance for determining the upper surface of all future resource estimates and fundamental for mine planning as part of future scoping and potential feasibility studies due to the high level of detail inherent in the survey.</p> <p>The survey provides topographic contour maps and a digital terrain model based on an average of 13,000 individual measurements per hectare with a precision of 0.5 m vertical metres. The data provides accurate definition of important relief variations between sea level and 7 metres below surface characteristic of the accumulated ancient shoreline sediments that comprise the project area (Figure 2).</p>

Los Conchales (see Map 1)

The company also announced during Q2 results from exploratory drilling from a section of drill holes designed to test continuity of geology and mineralisation across the strike of the heavy mineral bearing shoreline sediment package at Guadalupito that extends 45 km north of the mouth of the Santa River and continues from the present coastline up to 5 km inland.

In addition to the five drill holes completed on a section drilled along 2.5 km to the north east from the eastern boundary of the initial resource area (each with a shaft sampled immediately adjacent), twelve more shafts were sampled on two sections over a high grade zone as identified by previously reported pit results.

GUA-BL-045 was the most easterly hole drilled across strike on a section to the north east of the southern part of the initial JORC compliant inferred resource estimate announced 21 December 2011. Impressive in both the high content of HM and the depth to which the high grade HM continues below surface, GUA-BL-045 was sighted over a high grade HM zone identified by pitting that is close to the eastern margin of the sediment package and continues over more than 4 km of strike and up to several hundred metres wide.

Together with GUA-BL-045, the four most easterly holes on the section all demonstrate higher grades on average than holes further west with grades in part associated with repeat sequences of conglomerates and sand more than 10 m below surface. The higher grades at depth are very positive indicators of the enormous potential for more mineralisation at Guadalupito (Figure 3).

Heldmaier

The company also announced an update of results available from within Heldmaier (see Map 1), the area of the initial JORC compliant inferred resource estimate announced 21 December 2011.

Together with an additional 150 pit samples within the area that were reported 15 March 2012, these new results will be used to update the initial estimate of 119Mt @ 5.7% HM.

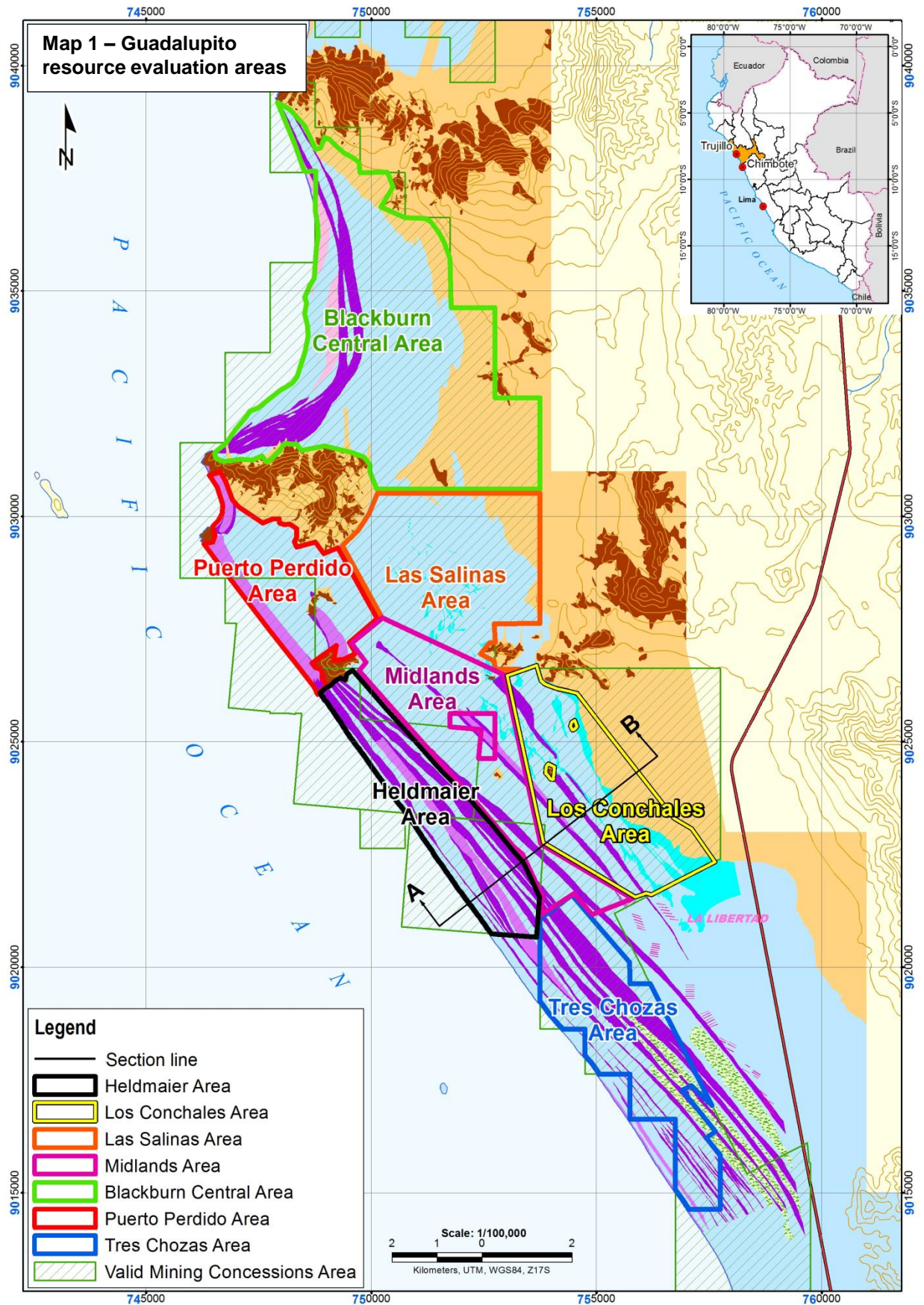
The new heavy mineral content results from drill holes and shafts are of similar grade to those that were used in the initial resource estimate and the area covered by sampling will increase from 682 to 850 hectares.

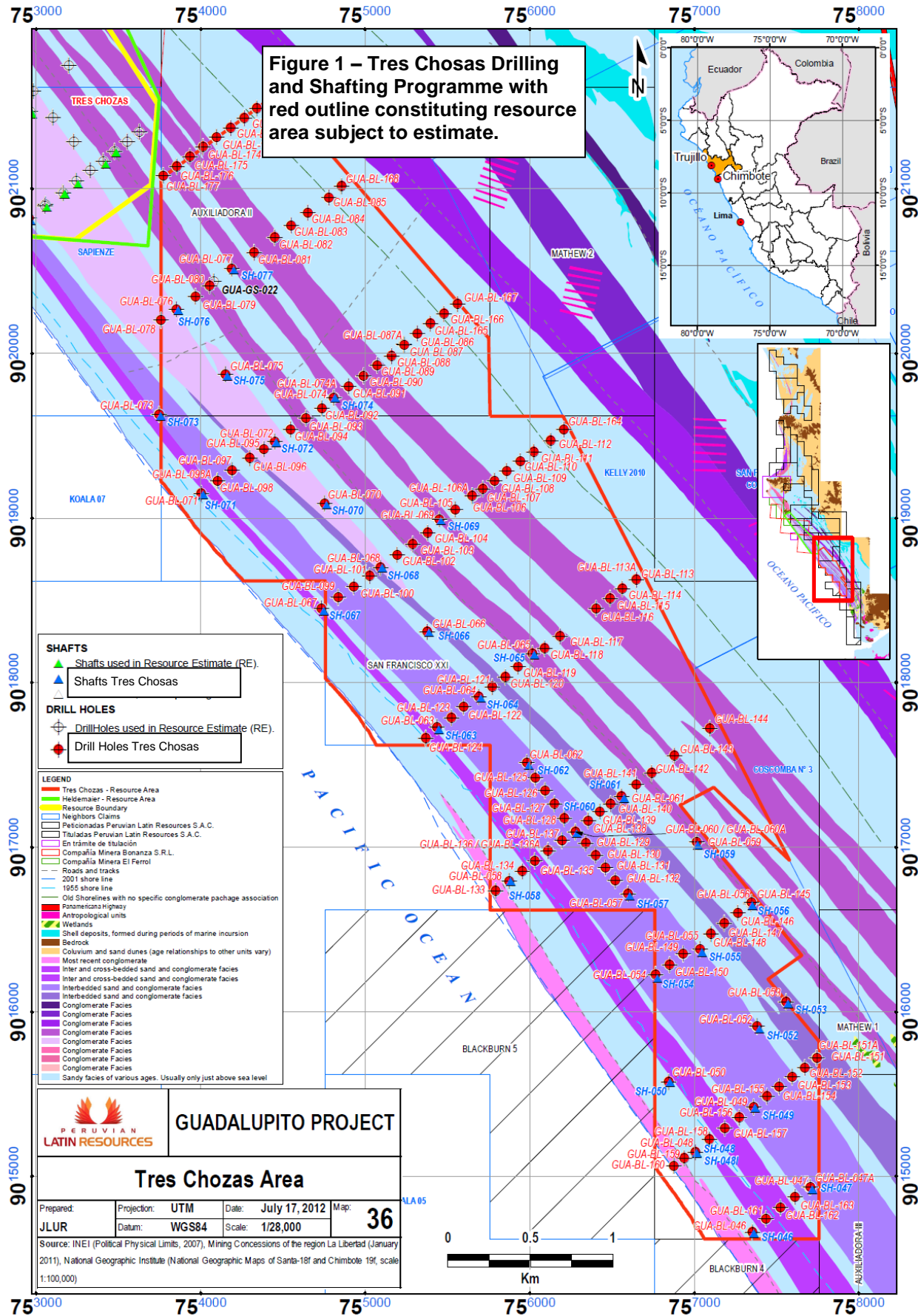
The updated inferred resource estimate is expected from Snowden in Q3.

Puerto Perdido

Results from 21 shafts excavated within the western most coastal conglomerate formation in the “Puerto Perdido” area (see Map 1) to the north of the initial resource were also released during Q2.

While the sand fraction of the conglomerates contained significant heavy mineral, the sand fraction itself represented a minor weight component of the formation.





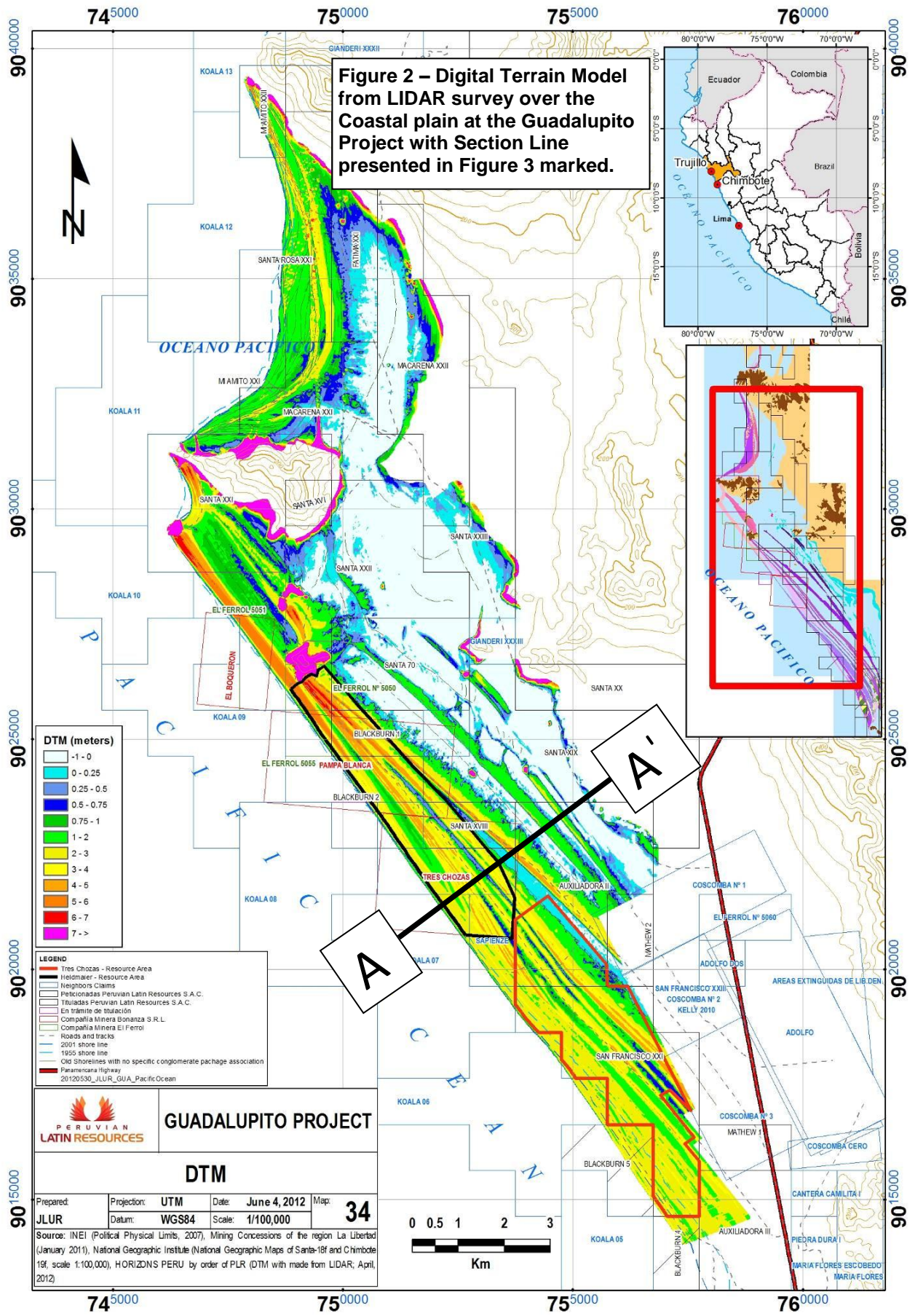
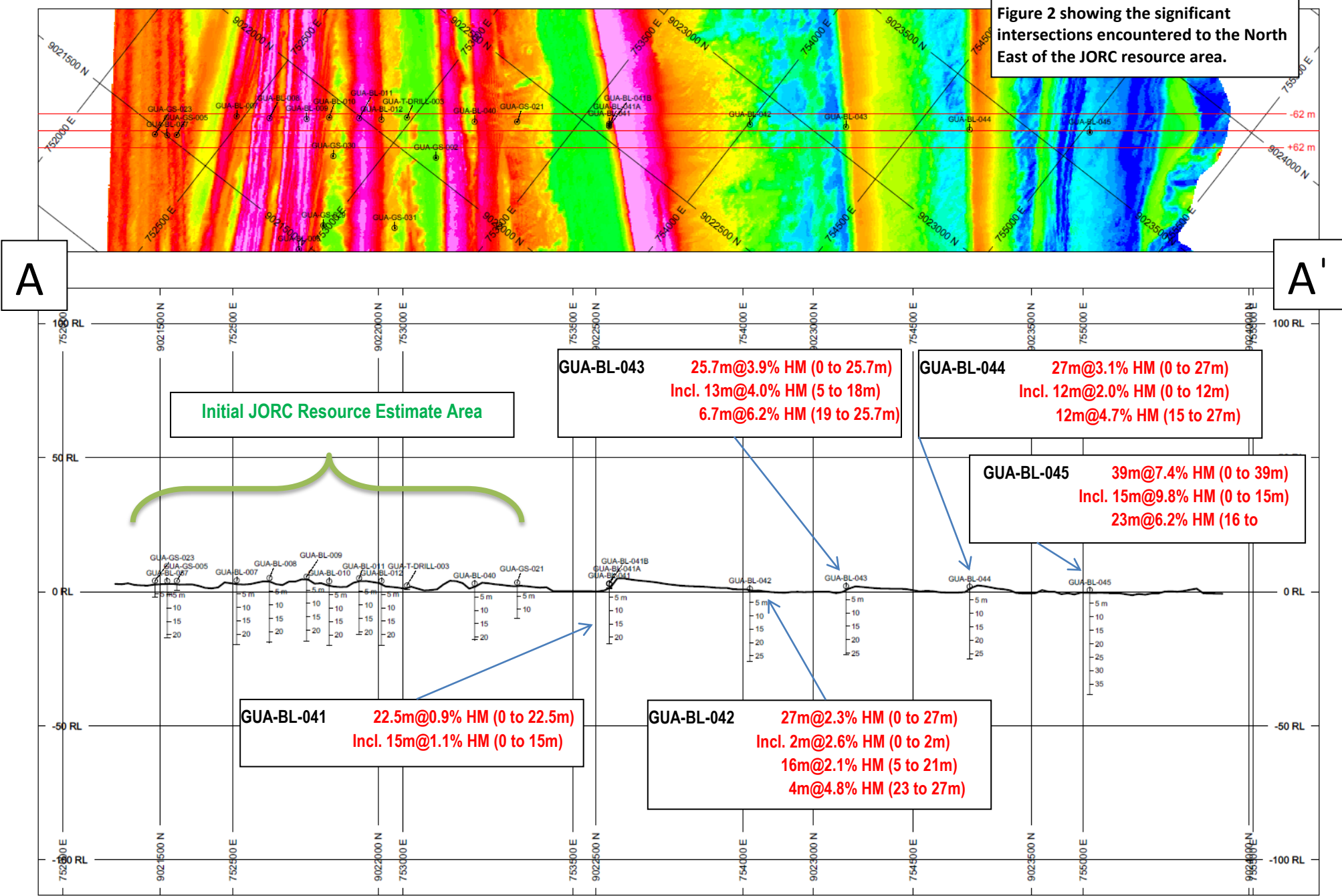


Figure 3 – Section line as marked on Figure 2 showing the significant intersections encountered to the North East of the JORC resource area.



Ilo - Mariela (Iron, Copper & Gold)

Background

The Mariela project comprises 7 mining concessions covering approximately 5,200 hectares in the Islay Province of Arequipa in southern Peru. It is situated in very close proximity to key infrastructure as it is located directly on the Panamerican Highway, a major road transport route, and is only 60 km from the port of Ilo.

Following up a regional aeromagnetic anomaly, exploration geophysical work by Latin successfully delineated a large and intense coincident magnetic and gravity anomaly which has since been modelled to represent a flat, tabular body measuring approximately 3000 x 1000m in area and reportedly up to 200m in thickness. The buried anomaly is interpreted to comprise a central magnetite-rich core (magnetite anomaly) flanked on both sides to east and west by the gravity anomaly.

Approval of Drilling permit

During Q2, Latin announced the approval of the initial drilling permit for Mariela and the commencement of drilling of the first of 20 planned diamond holes (12,000 m) to test a large coincident magnetic-gravity anomaly for Marcona-style Fe+Cu mineralisation.

The Marcona iron deposit in south-central Peru contains some 1.9 Billion tonnes of ore at 55.4% Fe and is the preeminent central Andean iron oxide deposit. A potential secondary iron-copper target associated with the gravity anomaly will also be tested.

Drilling programme

The drilling programme at Mariela is being managed by Hong Kong based Junefield Group ('Junefield') as per the Earn In Option Agreement (reported Nov 2011). The agreement allows Junefield to earn up to 70% of the Mariela Project by funding all activities to the completion of a Bankable Feasibility Study or to a total cost of US\$35 million.

Latin received the following drill collar information from Junefield from the first three holes completed at Mariela during Q2:

Hole ID	Northing (WGS84)* mN	Easting (WGS84)* mE	Depth (m)	Dip	Azimuth
MA-02	8107498	229874	796.90	83°	90°
MA-20-03	8107424	230247	821.05	90°	N/A
MA-18-4	8107045	230181	666.40	90°	N/A

*Hole locations were measured with hand held GPS.

Following the completion of the first hole to 797 m Junefield moved a second diamond rig onto the project. These first three holes were centred over the most intense part of the ground magnetic anomaly and are plotted together with the rest of the planned program over the Total Field magnetic response from the VDG ground magnetic survey reported in May 2012 in Figure 4.

The programme is planned to be completed in two (2) stages with an initial six (6) holes designed to test the anomalies on a broad scale.

Figure 4 – First three drill holes mapped over the total field ground magnetic results.

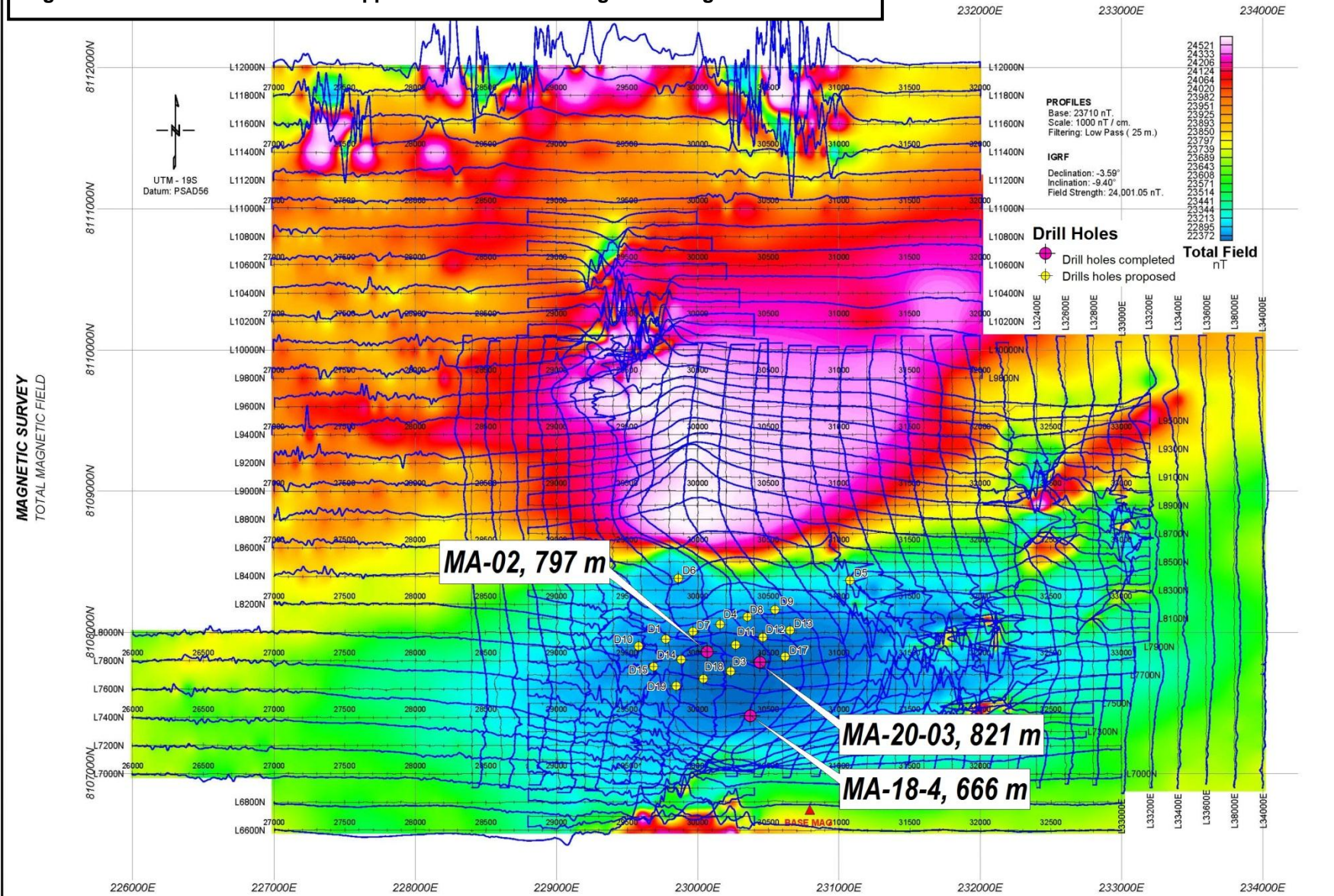


FIGURE 2A

Date: March, 2012

Reference: 12-P404C

PERUVIAN LATIN RESOURCES S.A.C.

Marela Project

Arequipa, Perú

VDG DEL PERU

S.A.C.

VAL DOR
GEOFISICA

	<p>Ilo - Norte (Iron)</p> <p>The Ilo – Norte project comprises concessions covering approximately 7,300 hectares.</p> <p>Following the appointment of Samuel Garrett as Project Manager for the Ilo Area Latin has evaluated positive drill results (Fe-Cu-Au) and is in the process of planning ground Geophysics and a new drilling program to test a reinterpreted target area to the east and down dip of the mineralisation intersected in 2011 based around IOCG style mineralisation.</p> <p>Geophysics and drill permitting are expected to be completed during Q3 with the commencement of drilling estimated for Q4 once permits have been granted.</p>
	<p>Ilo – Regional exploration</p> <p>Latin controls more than 115,000 hectares of mining concessions covering the coastal copper-iron belt in the departments of Tacna, Moquegua and Arequipa.</p> <p>This strategic mineral rights control is in line with the company’s strategic exploration focus on geologically favorable areas close to infrastructure.</p> <p>The company has been recompiling all available exploration data over this area of interest and has embarked upon a systematic, multi-disciplinary regional exploration program combining mineral mapping using remotely sensed data, interpretations of stereo aerial photography, field mapping, geophysics and geochemistry.</p>
<p>Corporate</p>	
	<p>New appointments</p> <p>The Company announced the appointment of Mr David Vilensky as Non executive Chairman on 29 May 2012 replacing Mr Rod Brown who resigned as a director of the Company.</p> <p>Mr Brown joined the Board of LRS in May 2010 and has made a valuable contribution to the business and development of the company since listing on the ASX in September 2010.</p> <p>The Board of Latin Resources would like to thank Mr Brown for his contribution and wishes him well in his future endeavours.</p> <p>Mr Vilensky has been on the Board of LRS as a Non-Executive Director since the company was incorporated in August 2008 and is one of the founders of the Company.</p> <p>Mr Vilensky is a corporate and resources lawyer and Managing Director of Perth law firm Bowen Buchbinder Vilensky. He has more than 30 years experience in the field of corporate and business law and management. Mr Vilensky acts for a number of listed companies and is Chairman of ASX Listed Zambezi Resources Ltd.</p> <p>On the 29 June 2012 Mr Begovich assumed the sole Company secretary role due to the resignation of Mr Zane Lewis.</p> <p>The Company thanks Mr Lewis for his input and wishes him well in his future endeavours.</p>

Latin Resources Limited
Report on activities – March 2012

Appendix 5B			
	The Appendix 5B for the Quarter is attached		
Competent persons statement			
	<p><i>The information in this report that relates to Geological and Geochemical Data, Exploration Results, Mineral Resources and Conceptual Exploration Targets is based on information compiled by Mr Andrew Bristow, a full time employee of Latin Resources Limited's Peruvian subsidiary. Mr Bristow is a member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralization and the type of deposit under consideration to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Bristow consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.</i></p>		
Enquiries	Australia	United Kingdom	United States
	<p>Chris Gale Managing Director Latin Resources Limited +61 8 9485 0601</p> <p>David Vilensky Chairman Latin Resources Limited +61 8 9485 0601</p> <p>David Tasker PPR +61 8 9388 0944</p>	<p>finnCap (Broker) Ben Thompson Elizabeth Johnson +44 20 7220 0500</p>	<p>Allen & Caron Rudy Bario +1 212 691 8087</p>

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Latin Resources Limited

ABN

81 131 405 144

Quarter ended ("current quarter")

June 2012

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	16
1.2	Payments for (a) exploration & evaluation	(2,717)	(6,837)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(836)	(2,805)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	48	65
1.5	Interest and other costs of finance paid	(6)	(24)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	(3)	(3)
Net Operating Cash Flows		(3,514)	(9,588)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	(295)	(824)
	(b) equity investments	-	-
	(c) other fixed assets	(54)	(165)
1.9	Proceeds from sale of: (a) prospects	169	848
	(b) equity investments	-	-
	(c) other fixed assets	1	1
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other – Security deposits/bonds	(12)	(196)
Net investing cash flows		(191)	(336)
1.13	Total operating and investing cash flows (carried forward)	(3,705)	(9,924)

Latin Resources Limited
Report on cash flows - March 2012

1.13	Total operating and investing cash flows (brought forward)	(3,705)	(9,924)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1	8,870
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other	(11)	(20)
	Net financing cash flows	(10)	8,850
	Net increase (decrease) in cash held	(3,715)	(1,074)
1.20	Cash at beginning of quarter/year to date	5,987	3,314
1.21	Exchange rate adjustments to item 1.20	(55)	(23)
1.22	Cash at end of quarter	2,217	2,217

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	188
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	

Payment of director and consultant fees, salaries and superannuation paid to directors for the quarter.

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,459
4.2 Development	
4.3 Production	
4.4 Administration	741
Total	2,200

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	827	487
5.2 Deposits at call	1,390	5,500
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,217	5,987

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Nil	Nil	Nil
6.2	Interests in mining tenements acquired or increased	Blackburn 3 (100 ha) Blackburn 4 (200 ha) Blackburn 6 (500 ha)	Nil Nil Nil	100% 100% 100%

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	*Ordinary securities	180,925,141	120,175,141	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	4,000	4,000	\$0.30 \$0.30
7.5	*Convertible debt securities (description)			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted			
7.7	Options (description and conversion factor)	52,446,000 10,000,000	44,446,000 -	Exercise price \$0.30 \$0.30 Expiry date 31/3/2013 20/6/2013
7.8	Issued during quarter			
7.9	Exercised during quarter	4,000	4,000	\$0.30 31/3/2013
7.10	Expired during quarter			
7.11	Debentures (totals only)			
7.12	Unsecured notes (totals only)			

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

Date: 31/7/2012

(Company secretary)

Print name: Anthony Begovich

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.