ASX Code: LCD

ABN 23 080 939 135

Corporate Structure

Issued Capital: ~275M

Options Issued: 16M

Share price: $0.021 (29 July 2020)

CORPORATE DIRECTORY

Non-Executive Directors

Timothy Moore (Chairman)

Morgan Barron

Nick Castleden

Roger Steinepreis

Company Secretary

Harry Miller

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Quarterly Activities Report

For the Period Ended 30 June 2020

HIGHLIGHTS

- **Secured exclusive option to acquire a 100% interest in the prospective Skye Gold Project in the Gawler Craton – due diligence currently progressing**
- **Skye Gold Project offers an excellent exploration address – multiple greenfield targets near several large-scale gold systems in a proven million-ounce gold terrain near to Marmota Limited's (ASX: MEU) Aurora Tank 'Goshawk Zone' discovery**
- **Latitude aiming to commence auger and RAB drilling this quarter to define new and existing bedrock mineralisation within the Skye Gold Project**
- **Field visit to Circle Valley Gold Project reinforces strong early-stage gold exploration potential – project strategically located along the Albany-Fraser Mobile Belt in WA**
- **Latitude considers that two bedrock gold occurrences within Circle Valley - in otherwise unexplored terrain - is an excellent indicator to potential broader gold mineralisation**
- **Circle Valley exploration program to run alongside exploration at Skye Gold Project – initial bedrock exploration will start with aircore drilling this quarter**
- **Latitude maintains a sound cash balance of ~ A$3.2m as at June 30 2020**
- **Latitude to focus its resources and capital on gold exploration across its Australian tenements and withdraw from Zimbabwe projects and activity**

Latitude Consolidated Limited (ASX: LCD) ("Latitude "or "the Company") is pleased to provide its Quarterly Activities Report for the period ended 30 June 2020.

June Quarter Review and Management Commentary:

Latitude's Chairman, Timothy Moore, commented, "A very productive quarter for Latitude and we are pleased to be increasing exploration activity across our portfolio in what is a very encouraging gold market.

"Although due diligence is still to be finalised, we are confident the Skye Gold Project will be a valuable addition to our portfolio and provides us with some exciting exposure to a proven gold producing region. As such, we are already planning our initial work programs and I look forward to providing further details on these over the next few weeks.

"Work is also progressing at our Circle Valley Gold Project which is very pleasing. The Circle Valley Project provides the Company with an opportunity to explore an area that has seen little modern exploration but is prospective for gold mineralisation and provides an excellent companion project to Skye Gold.

"Corporately, we remain in a steady position and our continued approach to prudently deploying capital has ensured we have the ability to advance exploration across our portfolio while also actively assessing other strategic opportunities within the resources sector. I look forward to providing regular progress updates to shareholders this quarter."

Option Secured to Acquire Skye Gold Project in the Gawler Craton:

In June, the Company made the strategic decision to sign a binding Option Agreement to acquire a 100% legal and beneficial interest in South Australian Exploration Licence Application ELA2019/128 (**Tenement**), known as the **Skye Gold Project** (**Option Agreement**).

The potential acquisition of the Skye Gold Project provides the Company with a commercially sensible entry point into a proven and low-risk gold mining jurisdiction, which hosts several large-scale gold systems. The Option Agreement is consistent with Latitude's broader strategy, focused on progressing exploration within the Company's existing portfolio, whilst maintaining the flexibility to assess and pursue additional project acquisition opportunities should they arise.

Latitude will look to build on the work of previous explorers within the Skye Gold project area, with an initial focus on geochemical drilling to continue to develop new and existing bedrock mineralisation. Importantly, large parts of the tenement, including areas with promising aeromagnetic features under paleochannel cover rocks can be considered completely unexplored (see Figure 3).

Full details on the Skye Gold transaction can be read in the ASX announcement dated 22 June 2020.

Skye Gold Project, South Australia: Background Summary

The **Skye Gold Project** is in the Gawler Craton, South Australia a proven million-ounce terrain some 700km northwest of Adelaide (Figure 1). The tenement area is adjacent to Marmota Limited's (ASX: MEU) **Aurora Tank Gold Project** and reported significant high-grade gold intercepts at the **Goshawk Zone** (*refer to recent ASX: MEU announcements*). The project lies only 50km from the **Challenger Gold Mine** (Figure 2) that has produced more than 1Moz of gold, including open pit mining before an underground production history to end 2016 of 4.38Mt @ 6.26g/t Au for 881,000oz[1]. In addition, the presence of the 119,000oz **Golf Bore** JORC compliant Mineral Resource[2] within 2km of the tenement boundary (Figure 3) further attests to the underlying gold prospectivity within the region.

The Skye Gold Project tenement area is characterised by widespread shallow transported cover with minimal exposed geology, with exploration in the district led by auger geochemical sampling and RAB or aircore geochemical drilling.

Aeromagnetic imagery (Figure 3) suggests the tenure sits immediately along strike from the Golf Bore mineralised trend and has aeromagnetic anomalies consistent with metamorphosed banded iron formation that are similar to magnetic responses near the Goshawk Zone of the Aurora Tank Gold Project.

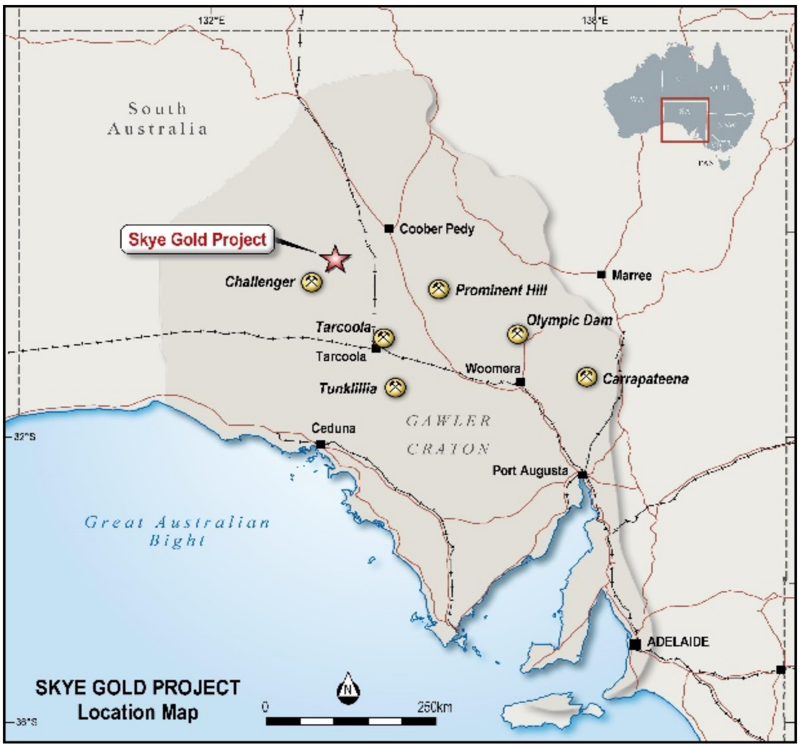

Figure 1: Skye Gold Project Location Map

Note 1. Refer to ASX: WPG 25th October 2016.
Note 2. Refer to ASX: TYX 30th May 2018.

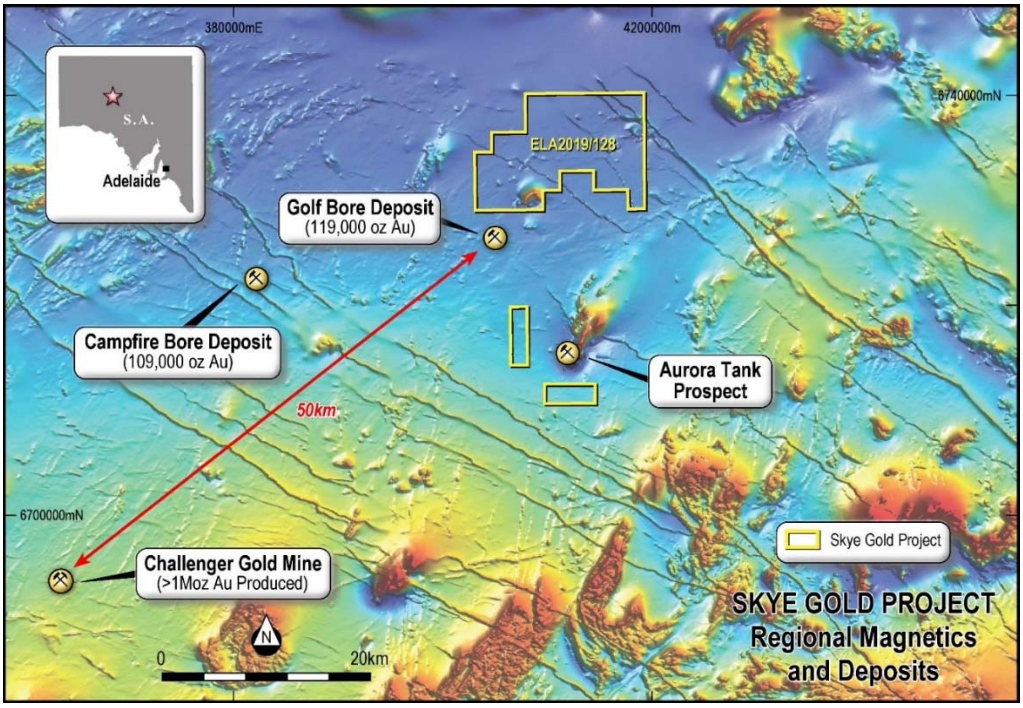

Figure 2: Skye Gold Project Regional TMI and Deposit Location Map

Past exploration[3] within the Skye Gold Project area has identified several areas of local bedrock mineralisation (Figure 3) each of which confirm that the tenement lies well within the regional mineralised corridor. Prospects identified to date include:

Skye Prospect

- **24m @ 0.8 g/t** gold from 40m including **6m @ 2.9g/t** and **1m @ 8.3g/t**
- **14m @ 0.4g/t** gold from 68m to EOH. **Bottom of hole assayed 0.5g/t**

This prospect offers potential for local plunging shoots of higher-grade mineralisation within a broader low grade mineralised envelope. Opportunity is seen for follow up drilling of the primary mineralised zone at depth and along strike to test for higher grade plunging shoots.

Birdie Prospect

- **8m @ 0.8g/t** gold from 40m, incl **4m @ 1.5g/t**
- **14m @ 0.4g/t** gold from 38m, incl **2m @ 2.4g/t**

Caddie & Club Prospects

- Auger anomalism and shallow RAB follow-up drilling

Eagle & Albatross Prospects

- Undrilled gold in calcrete anomalies 2-3km south of Goshawk Zone (ASX: MEU)

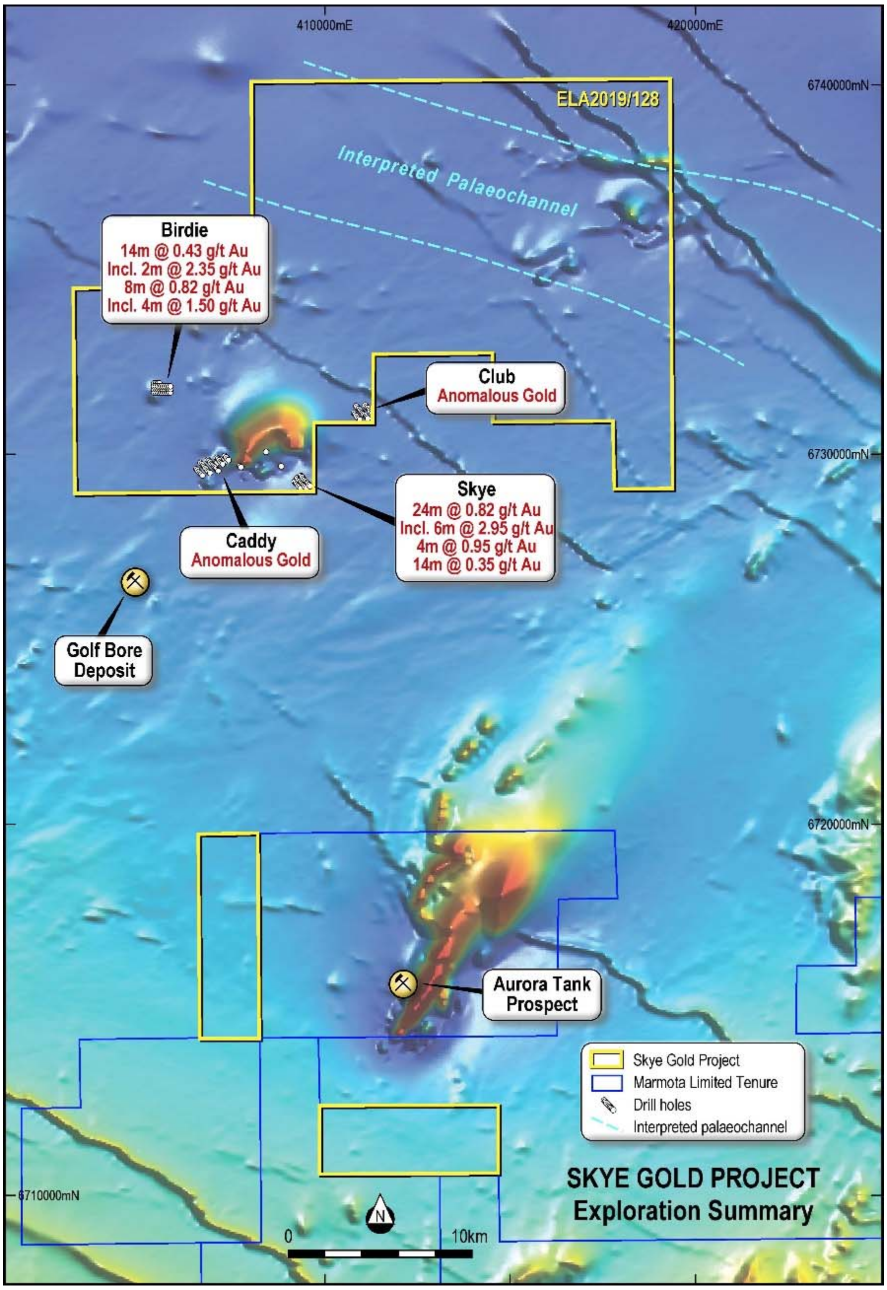

Figure 3: Skye Gold Project All Drill Collars and Gold Results on TMI Imagery

Note 3. Collar locations and gold intercepts in past drilling on the project area are presented in Table 1 and exploration history is summarised in Appendix 1 in the ASX announcement dated 22 June 2020.

<u>Skye Gold Project: Next Steps</u>

The Company is currently in the process of finalising due diligence, ahead of the grant of tenure and completion of relevant access agreements. In preparation for the successful completion of the acquisition, exploration programs are being designed and will initially be led by infill and extensional auger sampling, followed by both first-pass and infill RAB drilling. The Company expects field work to commence at the Skye Gold Project this quarter.

Western Australian Tenement Portfolio:

Exploration Underway at Circle Valley Gold Project

In late June, Latitude provided an update on its **Circle Valley Gold Project**, a greenfield exploration project which is located 85km south of Norseman (Figure 1) in Western Australia. This update followed the granting of Exploration Licence E63/2007 and an initial field visit completed by Latitude geologists.

Circle Valley covers a soil-covered section of the southwestern Albany-Fraser Mobile Belt where limited past reconnaissance-style aircore (AC) drilling had located primary gold mineralisation in two separate locations: **Anomaly A** and **Fenceline** (*see past exploration details in ASX: LCD 6th March 2020 "Priority Gold Targets Identified at Circle Valley"*).

Despite the positive indications, no systematic gold exploration has been undertaken to date. Multiple kilometers of unexplored magnetic features extend from each of these prospects (Figure 2).

Latitude considers that two bedrock gold occurrences in otherwise unexplored terrain is an excellent indicator and suggests broader gold exploration potential. The potential prize in this type of target could be a new gold 'camp'. Gold exploration along the western edge of the Albany Fraser Mobile Belt has met with considerable success as highlighted by the discovery and development of the **7.1Moz Tropicana** gold mine (AngloGold Ashanti and IGO Limited Joint Venture).

Field activity has now begun, with an initial geological reconnaissance visit undertaken as part of positive access meetings with local freehold landowners.

Circle Valley Gold Project Background

Figure 1: Location Circle Valley Project

Geological reconnaissance in the **Anomaly A** area located several local 'windows' of exposed felsic and mafic gneissic rocks through the transported cover profile, demonstrating that parts of this prospect are only shallowly-covered and potentially suitable for wider auger geochemical sampling.

Significantly these 'windows' lie up to 1km along strike from previous drilling (Figure 3) and **show evidence of fold deformation, quartz veining and alteration** that is consistent with observed silicification and sulphides noted within anomalous drill intervals at this prospect.

Historical drilling[1] at Anomaly A comprised a 100m x 100m pattern of shallow AC holes over a local auger anomaly (Figure 3). Despite the wide drill pattern, the aircore holes encountered multiple composite intersections of greater than 0.10g/t Au over some 600m strike. **The bedrock anomaly remains open-ended** (Figure 3).

The Company now plans to get detailed magnetic surveying and auger work underway as soon as possible, focusing on east and northeast extensions to the Anomaly A grid. The **Fenceline** prospect was also visited, confirming that past aircore drilling had penetrated a thicker transported profile.

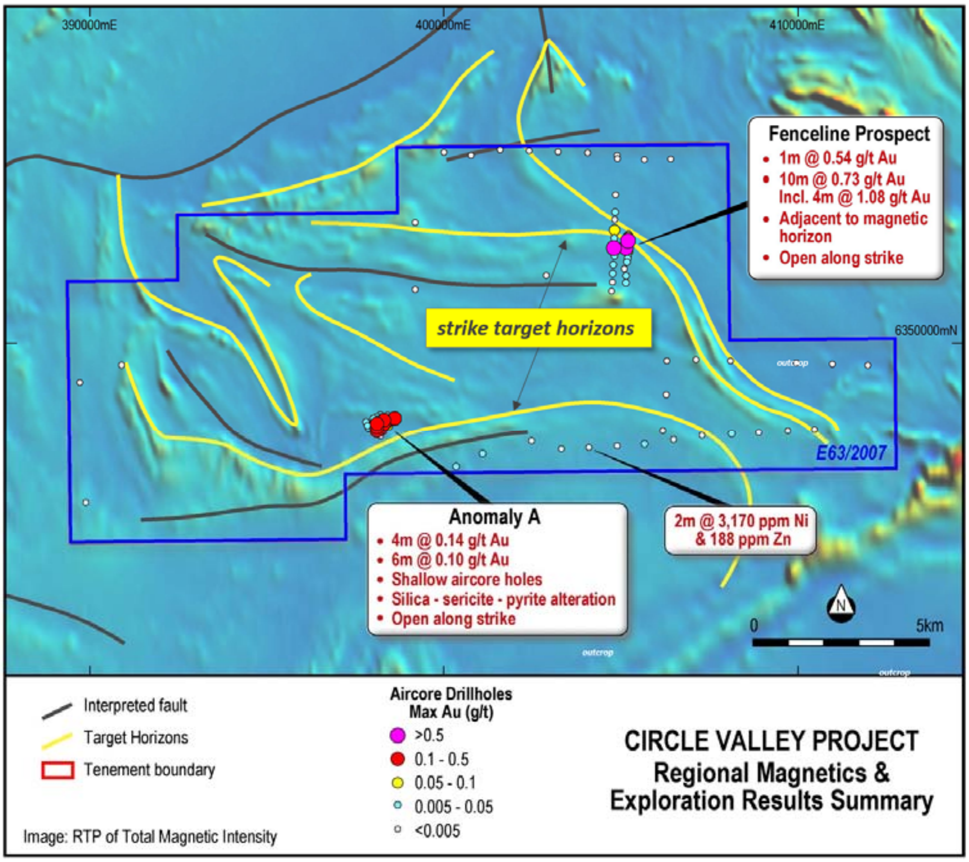

*Figure 2: Regional aeromagnetic image showing **all previous gold drilling** and gold results at the key Fenceline and Anomaly A target prospects. Note strike-extensive magnetic and structural corridors remain unexplored.*

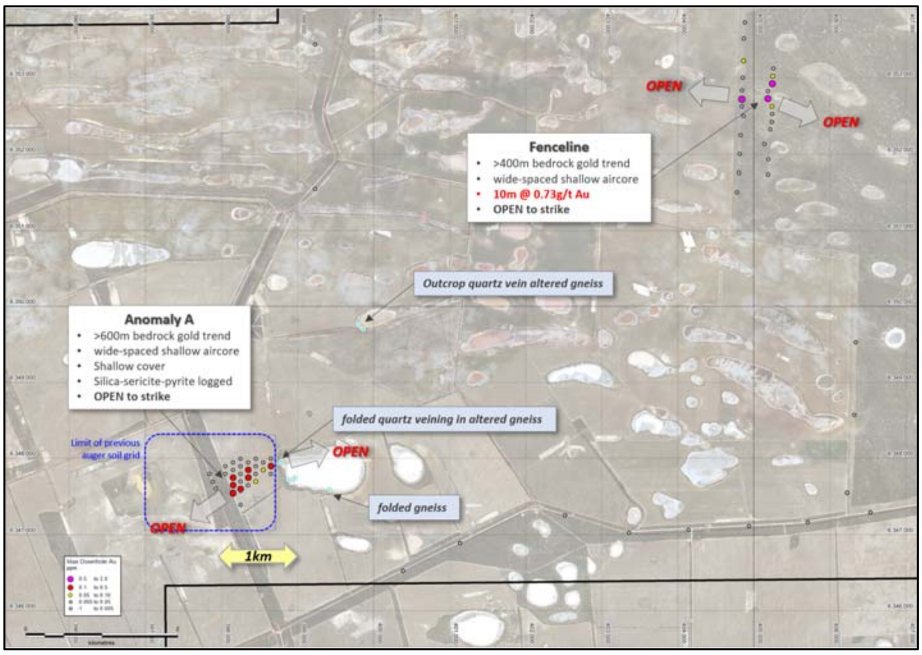

*Figure 3: Aerial photograph showing location of recent reconnaissance mapping, **Fenceline** and **Anomaly A** gold prospects and **all previous gold drilling**. Note 1km grid.*

The Project offers potential for infill Aircore or RC drilling to upgrade results in the immediate area of observed gold mineralisation, and/or discover additional gold mineralisation in structural & magnetic targets along-strike. Multiple kilometres of unexplored magnetic features extend from each occurrence, and in the remaining project area.

Gecko North Project Update (Jaurdi hills)

Gecko North E15/1587 is situated north west of Coolgardie in the WA Goldfields and covers unexplored paleochannel positions similar to that in production at the Jaurdi Gold Project (ASX: BCN) 5km to the north-east of the Project.

Segments of paleochannel are recognized in the north-eastern part of the tenement and the Company is planning reconnaissance aircore drilling to test for gold shed from the western side of the Jaurdi Range bedrock gold deposits.

During the period Latitude continued targeting and planning and intends to carry out several traverses of initial aircore geochemical drilling during Q3 2020, targeting untested paleochannel sediments and underlying structural positions.

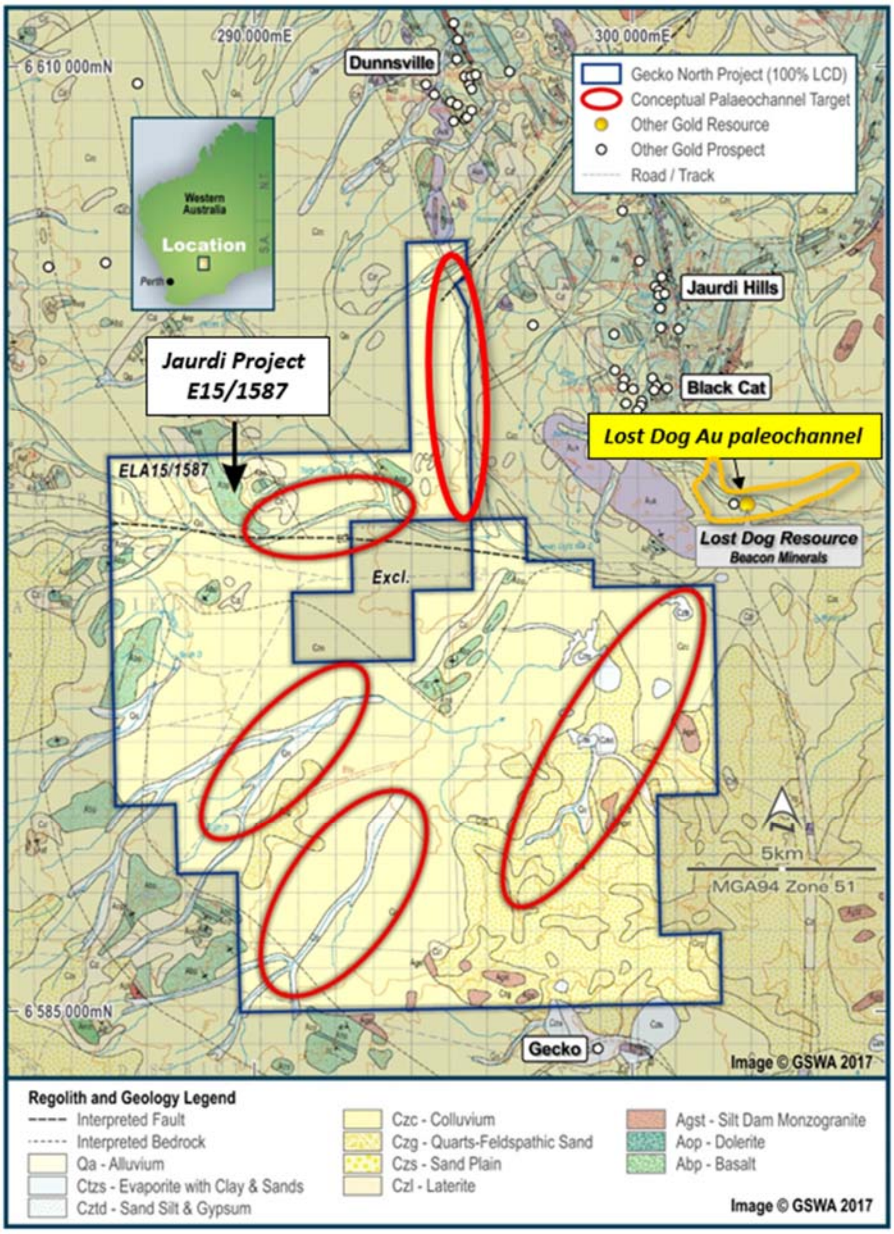

Figure 3: Gecko North E15/1587 location map showing potential paleochannel gold targets

Corporate Activity Summary:

Director Resignation

On 30 April, the Company advised that Ms Kim Eckhof had resigned as a Director of the Company. Ms Eckhof had been a Director of the Company since mid-2018 and the Board sincerely thanks her for her efforts and valuable contribution over her tenure.

Withdrawal from Zimbabwe Activities

As previously announced on 14 October 2019, the Company confirmed that it had received a notice from the Ministry of Mines and Development in Gwanda, Zimbabwe that the Department intended to cancel the certificates of registration that it issued comprising the Mbeta Project in Zimbabwe.

The Company remains of the view that the proposed cancellation has no legal basis and had applied in writing to the Ministry against the cancellation. The cancellation has not been acted on by the Ministry however the Board has assessed the Mbeta Project in light of the current lithium market, the probable legal costs that may be incurred and our current prospective gold projects in Australia and has formed the opinion that the Company should withdraw from Zimbabwe and allow the cancellation of the Mbeta Project to proceed. The Company advised its legal counsel in Zimbabwe of this intention on 28 June 2020.

Cash Position

As of 30 June 2020, the Company had ~ A$3.2m in cash and zero debt. As disclosed in item 6.1 And item 6.2 of the Appendix 5B, $56,000 was paid in respect of directors' fees and consulting fees to entities associated with the directors including legal services, company secretarial, CFO, registered office and accounting and bookkeeping services.

This announcement was authorized for release by the board of Latitude Consolidated Limited.

-ENDS-

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For media enquiries please contact Sam Burns, Six Degrees Investor Relations, M: +61 400 164 067

Competent Persons Statement

The information in this release that relates to Exploration Results, Minerals Resources or Ore Reserves, as those terms are defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve", is based on information compiled by Mr. Nick Castleden, who is a director of the Company and a Member of the Australian Institute of Geoscientists. Mr. Castleden has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are 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 Reserve". Mr. Castleden consents to the inclusion of the matters based on his information in the form and context in which it appears.