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INTEGRA CAPITAL CORNERSTONES LATIN RESOURCES WITH LITHIUM JV PROJECT AGREEMENT

HIGHLIGHTS

- The Catamarca JV Agreement has been signed with Integra Capital which signals both companies' efforts to develop the Catamarca hard rock lithium project to become a major player in the lithium sector.
- Integra Capital will spend up to USD \$1 million (AUD \$1.4 million) in a Joint Venture with Latin to explore, develop and earn 50% of its Catamarca lithium pegmatite projects.
- Integra has become Latin's largest corporate shareholder through an equity investment to take a cornerstone 10% holding in the Company.
- Aggressive exploration campaign targeting a maiden JORC Resource followed by feasibility, metallurgy and engineering studies.

Latin Resources Limited (ASX: LRS) ("Latin" or "the Company") is very pleased to announce that Argentinian investment group **Integra Capital S.A.** ("**Integra**") and **Latin Resources** have agreed the terms and signed a transformational joint venture agreement (the Agreement) on the Company's Catamarca lithium pegmatite projects. The Agreement underpins the strategic approach by Latin in identifying, acquiring and advancing large-scale land positions of highly prospective mineral projects to attract joint venture partners. Integra through their Founder and President, Jose Luis Manzano will take a 10% placement in Latin Resources.

Integra is an investment company that has a diversified portfolio covering more than ten countries. Founded in 1995, Integra has developed projects and ventures with private institutions and investors valued at more than \$16.5 billion. Integra is one of Argentina's largest lithium explorers and holds over 400,000 hectares of lithium brines projects in Jujuy and Catamarca provinces. The firm has developed a portfolio of assets in oil exploration and production, natural gas distribution, electricity generation and distribution. Integra also has investments in uranium and copper, and provides services such as mergers and acquisitions, financial structuring, IPOs, due diligence procedures, debt and company restructuring. Integra was attracted to Latin's highly prospective and large-scale lithium tenement portfolio in Argentina, as well the Company's renowned 10-year operational experience in Latin America. Integra is not a related party of the Company.

As per the Agreement, Integra will spend up to USD \$1 million (AUD \$1.4 million) under a Joint Venture ("**JV**") which will underpin an aggressive exploration program on the Catamarca concessions, with the initial aim of delivering a maiden JORC resource. Following the release of a maiden JORC Resource on the projects, the Joint Venture focus will turn to project development, including feasibility, engineering and metallurgy studies to

produce a lithium spodumene concentrate. Latin has already developed a high-level scoping study with consulting engineers Primero Group for development of the Argentinian lithium assets.

Under the JV, Latin will be free-carried through initial exploration with financing for the construction of the processing plant equating to the percentage ownership agreement between Integra and Latin as per the project partnership at the time of the Final Investment Decision.

Latin’s Executive Director Chris Gale described the completion of the transaction with Integra as an exciting milestone for Latin Resources.

“We welcome Integra as our new JV partner and largest shareholder which now places Latin along with Integra in a position to become a significant global lithium player. Integra’s financial capacity combined with our track record and exploration experience in Latin America makes us a formidable team with the ability to rapidly explore and develop our lithium projects. This deal has confirmed the confidence in our lithium projects in South America that will potentially take Latin to another level in the globally developing Electric Vehicle and Storage sector.”

Integra’s Founder and President, Jose Luis Manzano also commented to say;

“This agreement between Integra and Latin Resources evidences our trust in Argentina and in the central role that lithium plays both in Argentina and in the energy transition that the world is going through. In line with that, these properties that we are going to explore in the Province of Catamarca give us exposure to lithium in rock, consolidating our binary production strategy based on brine and rock, both in Argentina”.

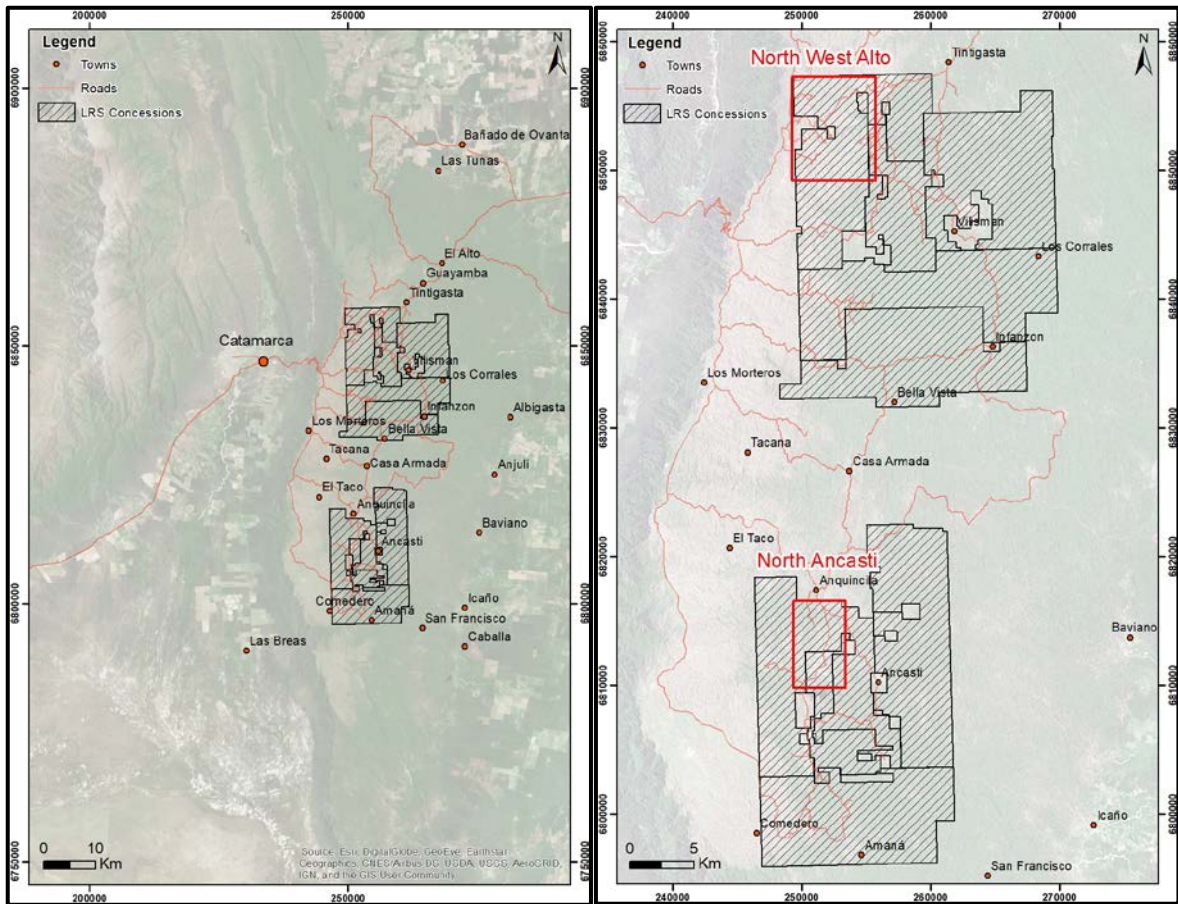


Figure 1 – The Ancasti and Villisman concessions in the province of Catamarca.

Joint-Venture Details

Under the Joint-Venture partnership, Integra will be the operating partner, but will leverage with Latin's exploration team in Argentina.

Key terms:

- Contribution of up to US\$1,000,000 ("**Expenditure Commitment**") valued at the average between the seller and buyer exchange rate of the Banco Nación Argentina from the closing of business of the business day previous to that of the execution of the Formal Documentation over a three-year period to fund exploration, feasibility analysis and related works to explore, investigate and develop the Catamarca Project Assets.
- The Expenditure Commitment shall be contributed in cash directly to the newly created Litios del Norte or through the direct payment of any expenditures related to the works, as may be so agreed under the above-mentioned budget and working plan.
- Latin Resources Limited shall transfer all the Catamarca Project Assets to a new Company ("**Litios del Norte**") incorporated in Argentina.
- The exploration works will be carried out by Integra with the assistance of the Latin's exploration team as per agreed among the Parties in accordance to the exploration budget.
- Upon completion of the transfer of the Project Assets to Litios del Norte, and registration thereof at the applicable registry of mining rights, Integra will subscribe for shares in Litios del Norte in exchange for subscription consideration of the contribution of up to US\$1,000,000.
- The Expenditure Commitment shall be disbursed according to the financial needs of Litios del Norte to achieve its agreed exploration programs. Integra will be issued shares in Newco of up to 50% based on the full US\$1,000,000 being required by Litios del Norte and invested by Integra. If Litios del Norte does not require the full US\$1,000,000, the percentage interest of Integra in Litios del Norte shall be reduced accordingly. By way of example, if Integra were to contribute with US\$500,000, such a contribution would represent 25% of the capital stock and voting power in Litios del Norte.
- After completion of works up to the value of the Expenditure Commitment by Integra, each party will be then responsible for their portion of expenditure required for further funding for exploration, feasibility analysis and related works to explore, investigate and develop the Project Assets.
- Integra through its Affiliate, Jose Luis Manzano has exercised the option ("**Option**") to take a placement of up to 10% of the issued capital of Latin ("**Placement**") at an issue price of A\$0.005 per share; the issue of 100,200,000 shares for an investment of \$501,000 will be completed by the 30th October . The shares will be escrowed for a period of 12 months . As part of the Placement, Latin must also issue Integra one free attached listed option for every one share issued (exercisable at AU\$ \$0.012 on or before 31 December 2022).

Shareholder approval for the Placement shares and options to be issued to Integra was obtained at Latin's Annual General Meeting held on 31 July 2020 (refer to notice of meeting lodged with ASX on 1 July 2020). Entry into the Joint Venture by Latin does not require any further regulatory or shareholder approvals.

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

About Latin Resources

Latin Resources Limited (ASX: LRS) is an Australian-based mineral exploration company with several mineral resource projects in Latin America and Australia. The Australian projects include the Yarara gold project in the NSW Lachlan Fold belt, Noombenberry Halloysite Kaolin Project near Merredin, WA, and the Big Grey Project in the Paterson region, WA.

The company is also actively progressing its Copper Porphyry MT03 project in the Ilo region with its joint venture partner First Quantum Minerals Ltd. The Company recently signed a JV agreement with the Argentinian company Integra Capital to fund the next phase of exploration on its lithium pegmatite projects in Catamarca, Argentina.

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