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LATIN RESOURCES ADOPTS GLOBAL STANDARD FOR ESG REPORTING

HIGHLIGHTS:

- Latin Resources (LRS) to commence disclosing its Environmental, Social, and Governance (ESG) metrics
- Disclosures to be made using World Economic Forum ESG universal framework
- Adoption of Socialsuite technology platform “ESG Go” for disclosing and monitoring progress
- The Company is progressing a strategic review of its portfolio, with an increasing focus on exploring for, and developing those commodities that have a positive impact on our environment

Latin ESG purpose statement:

“Developing minerals to provide the planet with environmentally sustainable products “

Latin Resources Limited (ASX: LRS) (“Latin” or “the Company”) is pleased to announce that the Company has adopted an 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 its Environmental, Social and Governance (ESG) framework including the 21 core metrics and disclosures created by the World Economic Forum (WEF).¹

Latin Resources is a minerals explorer, transitioning into a developer at its Noomenberry Project, 300km east of Perth in Western Australia. The Cloud Nine deposit has a Maiden Mineral Resource Estimate of 207 million tonnes (Mt) of kaolinised granite with 123Mt of bright white kaolinite and 84Mt of halloysite-bearing material.

Kaolinite is a clay with a wide range of uses including paper and ceramics. In contrast, Halloysite has a unique property and occurs as halloysite nanotubes (HNT). Halloysite maintains several key environmentally friendly properties, can be utilised to assist with the management of Greenhouse Gases (GHG) and can be mined with extremely low environmental impact. The development of Latin’s halloysite project to manage greenhouse gases is key to Latin’s ESG Purpose Statement of ***“developing minerals to provide the planet with environmentally sustainable products”***.

¹ World Economic Forum, White Paper: Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation [22 September 2020], [weforum.org](http://www.weforum.org)

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In addition, Latin is committed to developing its lithium spodumene project in Brazil. Lithium is a key mineral used in electric vehicles and battery storage to decarbonise the world by directly contributing to technology driven GHG emission reduction targets.

Executive Director Chris Gale commented, *“Latin Resources is pleased to be following globally recommended ESG standards, especially with the development of our environmentally sustainable mineral projects with, Halloysite and lithium being our major focus. I am delighted our Board has adopted this universal ESG framework to measure and report our ESG performance. Latin is also dedicated to environmental management by identifying and minimising its footprint with the development of our projects.*

Adopting An ESG Framework

The context in which the Company operates has been transformed by the increasing focus on how its operations have an impact on the environment, and the sustainability of the businesses it operates and the products it creates. This transformation of global operating environment is challenging the traditional expectations of corporations and redirecting investment capital. Global sustainable investment now tops \$30 trillion, up 68% since 2014 and tenfold since 2004.² Latin Resources is charting a course to build resilience and enhance our social licence through a greater commitment to long-term, sustainable value creation that embraces the wider demands of people, planet and shared prosperity.

The Board of the Company has resolved to adopt the World Economic Forum’s ESG framework and instructed management to set up an impact measurement plan for each sustainability area which includes, but is not limited to, governance, anti-corruption practices, ethical behaviour, human rights, carbon emissions, land use, ecological sensitivity, water consumption, diversity and inclusion, pay equality and tax payments.

To ensure that Latin can measure, monitor, and report on its ESG disclosure progress, the Company has engaged impact monitoring technology platform Socialsuite to streamline the disclosure and ongoing ESG reporting process. The Company’s goal is to demonstrate commitment and progress on making ESG disclosures, but more broadly, aims to progress a range of ESG benchmarks as set out by the WEF’s ESG White Paper.

While it’s the Company's Halloysite and Lithium projects are creating inherent positive impact, the adoption of the WEF framework has already paid ESG dividends through the research into the development of Latin’s halloysite project to manage greenhouse gases. The Company will update the market regularly on its ESG disclosure progress and seek to ensure that Halloysite and Lithium projects remain an impact investment for shareholders and local communities.

As part of its shift towards an ESG-focused business, the Company is undertaking a strategic review of its entire portfolio of projects to ensure it continues to align itself with its purpose statement. This will include an increasing focus on those projects which seek to explore for and develop commodities for the future, being those that can be developed to have a positive impact on our global environment.

² Global Sustainable Investment Review 2018, Global Sustainable Investment Alliance, 2018, gsi-alliance.org

Baseline ESG Dashboard

The Company has deployed Socialsuite’s ESG Go technology platform to set its initial ESG baseline. With a tailored action plan, the Company will focus on delivering and reporting ongoing progress toward disclosing and improving ESG metrics and indicators.

Socialsuite’s ESG Go reporting technology provides an easy way for investors and other stakeholders to assess the commitment and progress of the Company on its journey to create “best in class” ESG credentials and outcomes.

Latin Resources (LRS)

ESG Go Report
Baseline 18/08/21

Action E Explanation D Development R Reported V Verified A Audited

Dashboard - Baseline		MATERIAL	PRIORITY	TIMEFRAME	DISCLOSURE	MATURITY
						A1 A2 A3 A4 A5
GOVERNANCE	GO-01-A Setting purpose	Y	Y	Q4 2021	D	D
	GO-02-A Governance body composition	Y	N	Q2 2022	D	D D R D
	GO-03-A Material Issues impacting stakeholders	Y	Y	Q4 2021	D	D
	GO-04-A Anti-corruption practices	Y	Y	Q4 2021	D	R D D
	GO-04-B Mechanisms to protect ethical behaviour	Y	Y	Q4 2021	R	R R
	GO-05-A Integrating risk and opportunity into business process	Y	Y	Q4 2021	D	D
PLANET	PL-01-A GHG emissions	Y	N	Q2 2022	D	D
	PL-01-B TCFD implementation	Y	N	Q4 2022	D	D
	PL-02-A Land use and ecological sensitivity	Y	Y	Q4 2021	D	D
	PL-03-A Water consumption	Y	Y	Q1 2022	D	D
PEOPLE	PE-01-A Diversity and inclusion	Y	Y	Q4 2021	D	D D D D
	PE-01-B Pay equality	Y	Y	Q1 2022	D	D
	PE-01-C Wage level	Y	Y	Q1 2022	D	D
	PE-01-D Child, forced or compulsory labour	Y	N	Q1 2022	D	D
	PE-02-A Health and safety	Y	Y	Q4 2021	D	D D
	PE-03-A Training provided	Y	Y	Q4 2021	D	D
PROSPERITY	PR-01-A Rate of employment	Y	N	Q4 2021	D	D
	PR-01-B Economic contribution	Y	Y	Q4 2021	D	D D
	PR-01-C Financial investment contribution	Y	Y	Q4 2021	D	D D
	PR-02-A Total R&D expenses	Y	Y	Q4 2021	D	D
	PR-03-A Total tax paid	Y	N	Q4 2021	D	D

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ESG Background

In its Summer Meeting for 2019, the WEF's International Business Council (IBC) flagged the existence of multiple ESG reporting frameworks and the lack of consistency and comparability of metrics as pain points preventing companies from credibly demonstrating to all stakeholders their progress on sustainability and their contributions to the sustainable development goals.

In collaboration with Deloitte, EY, KPMG and PwC, a set of universal, material ESG metrics and recommended disclosures were identified that could be reflected in the mainstream annual reports of companies on a consistent basis across industry sectors and countries.

The metrics were designed to be capable of verification and assurance, to enhance transparency and alignment among corporations, investors, and all stakeholders. The wider objective was to begin reporting collectively on this basis to encourage greater cooperation and alignment among existing standards as well as to catalyse progress towards a systemic solution, such as a generally accepted international accounting standard in this respect.

The result of this process is 21 core and 34 expanded metrics and disclosures, which the project commends to both IBC members and non-IBC companies for adoption.

About Socialsuite

Socialsuite's ESG Go technology (<https://socialsuitehq.com/esg/>) helps a diverse range of organisations monitor and report their impact on people, planet and prosperity. It is a global leader in impact-management and ESG disclosure software.

Socialsuite's ESG Go technology helps companies work towards best-in-class ESG credentials over time through:

- tracking quarterly progress toward key ESG disclosures,
- quarterly prioritisation of ESG disclosure actions,
- assistance to implement ESG improvements,
- team responsibilities and task management through quarterly ESG action plans,
- ongoing ESG reporting to key stakeholders.

Socialsuite has clients across the Asia-Pacific, Americas and Europe. They include financial institutions, companies, government agencies, philanthropic foundations, not-for-profits, and NGOs.

This announcement is authorised for release by the Latin Resources Board of Directors.

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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 Cloud Nine Halloysite Project near Merredin, WA, the Big Grey Project in the Paterson region, WA, and a number of properties prospective for base metals and precious metals in the Lachlan Fold Belt of NSW.

In Latin America the Company has two Lithium projects; a hard-rock lithium exploration projects in Brazil; and a JV agreement with Argentinian company Integra Capital to fund the next phase of exploration on its lithium pegmatite projects in Catamarca, Argentina. The Company is also actively progressing its Copper Porphyry MT03 project in the Ilo region of Peru.

Forward Looking Statements

This ASX announcement may include forward-looking statements. These forward-looking statements are not historical facts but rather are based on Latin Resources Ltd.'s current expectations, estimates and assumptions about the industry in which Latin Resources Ltd operates, and beliefs and assumptions regarding Latin Resources Ltd.'s future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "potential" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are only predictions and are not guaranteed, and they are subject to known and unknown risks, uncertainties and assumptions, some of which are outside the control of Latin Resources Ltd. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecast. Actual values, results or events may be materially different to those expressed or implied in this ASX announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward-looking statements in this announcement speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Latin Resources Ltd does not undertake any obligation to update or revise any information or any of the forward-looking statements in this announcement or any changes in events, conditions or circumstances on which any such forward looking statement is based.

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