

24 January 2022

DIAMOND DRILLING SET TO COMMENCE ON BRAZIL LITHIUM PROJECTS

HIGHLIGHTS

- Drilling permits approved on the Salinas Lithium Project, Brazil, with diamond drilling scheduled to commence in early February 2022.
- Access roads and drill pad construction completed, with diamond drill rig scheduled to arrive on site the first week of February.
- Geology and recent rock chip assay results define highly compelling drill targets.
- Priority drill targets identified where sampling returned high-grade results including 2.71% Li₂O and 1.45% Li₂O from spodumene bearing pegmatites, mapped over a strike length of over 1.2 kilometres.
- The Bananal Valley is located within the Minas Gerais State – a rich mining region of Brazil, and home to the Grota do Cirilio Project under development by CAD1.3 billion market cap TSX-V listed Sigma Lithium Corporation.

Latin Resources Limited (ASX: LRS) (“Latin” or “the Company”) is pleased to confirm that diamond drilling will commence in early February on the Company’s Salinas Lithium Project in Brazil (“Salinas” or the “Project”), where the Company has defined multiple priority drill targets.

Salinas is located in the highly prospective Bananal Valley district of Minas Gerais Province of eastern Brazil (Figure 1). Minas Gerais hosts the Eastern Brazilian lithium pegmatite province, home to CAD1.3 billion market cap TSX-V listed company - Sigma Lithium Corporation (Figure 5).

The Company has planned a total of 14 diamond drillholes initially to test the outcropping high-grade Li bearing pegmatites identified in previous mapping and geochemical sampling programs (Figure 2).

The drilling is designed to test two priority target areas where sampling has returned multiple high-grade results including 2.71% Li₂O and 1.45% Li₂Oⁱ from highly weathered spodumene bearing pegmatites, mapped over a strike length of over 1.2 kilometres within the Company’s tenure.

The proposed drilling campaign will be the first drilling to test this highly anomalous and outcropping mineralised trend in a region that currently contains 100% of Brazil’s official lithium reserves.

Latin Resources’ Managing Director, Chris Gale, commented “Latin is very excited to be finally drilling our Brazil lithium projects. It has been a long time coming due to the Covid pandemic, however, our team in Brazil has got the Project back on track. We are confident the testing of multiple high priority targets at Salinas will deliver positive news over the next few months.

ⁱ Refer to ASX Announcement dated 26 October 2021

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Picture1: Road and drill pad - Salinas Lithium Project location

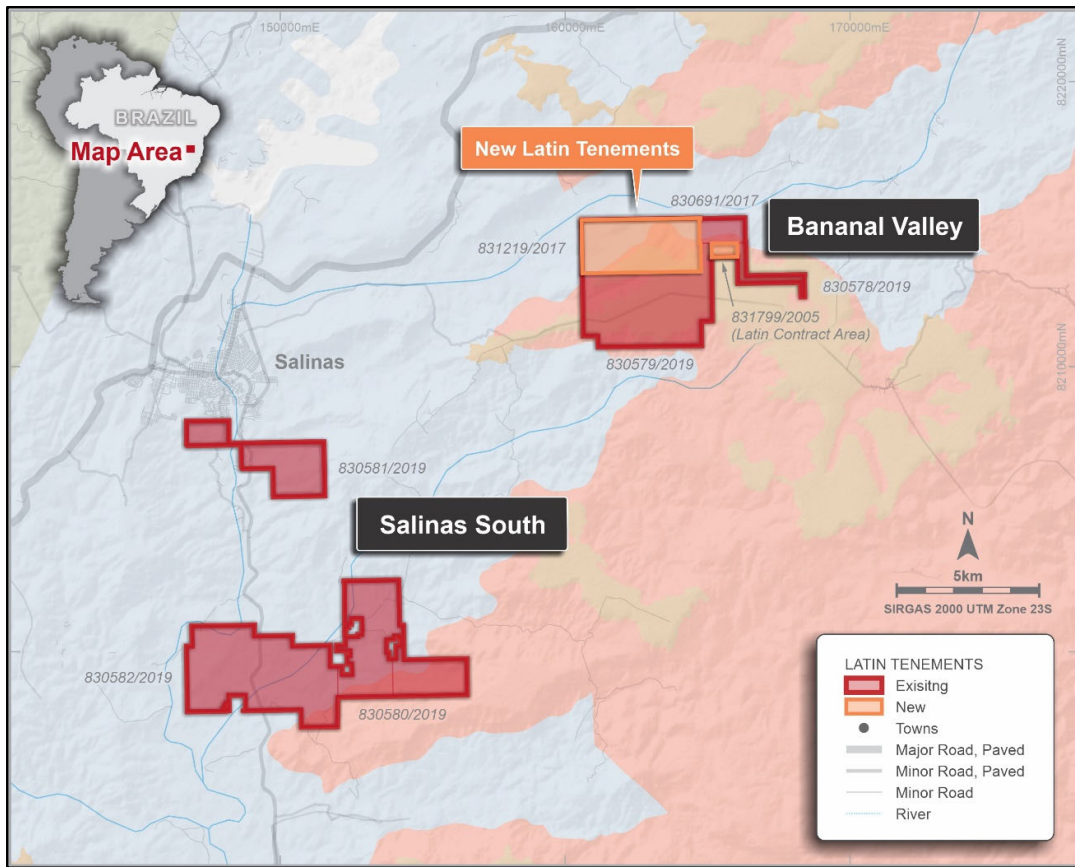


Figure 1: Salinas Lithium Project location - Minas Gerais District, Brazil

HIGH GRADE SPODUMENE PEGMATITES

The initial exploration program carried out by Latin in 2019 showed numerous pegmatites were hosted in schist and displayed homogenous spodumene mineralisation (Figure 3 and Figure 4). Further work carried out in 2021 on the pegmatites by the Company determined their relationship to the main Salinas pegmatite, showing spodumene mineralisation with potential for a continuous pegmatite structure below surface.

In summary, the exploration highlighted:

- Numerous pegmatites are hosted in schist zones and show homogenous spodumene mineralisation.
- The largest exposure of pegmatite visited on the tenement displays 12m of outcrop width.
- Weathered spodumene crystals in pegmatite outcropping in drainage.
- Discovery of new pegmatite occurrences showed consistent spodumene mineralisation.

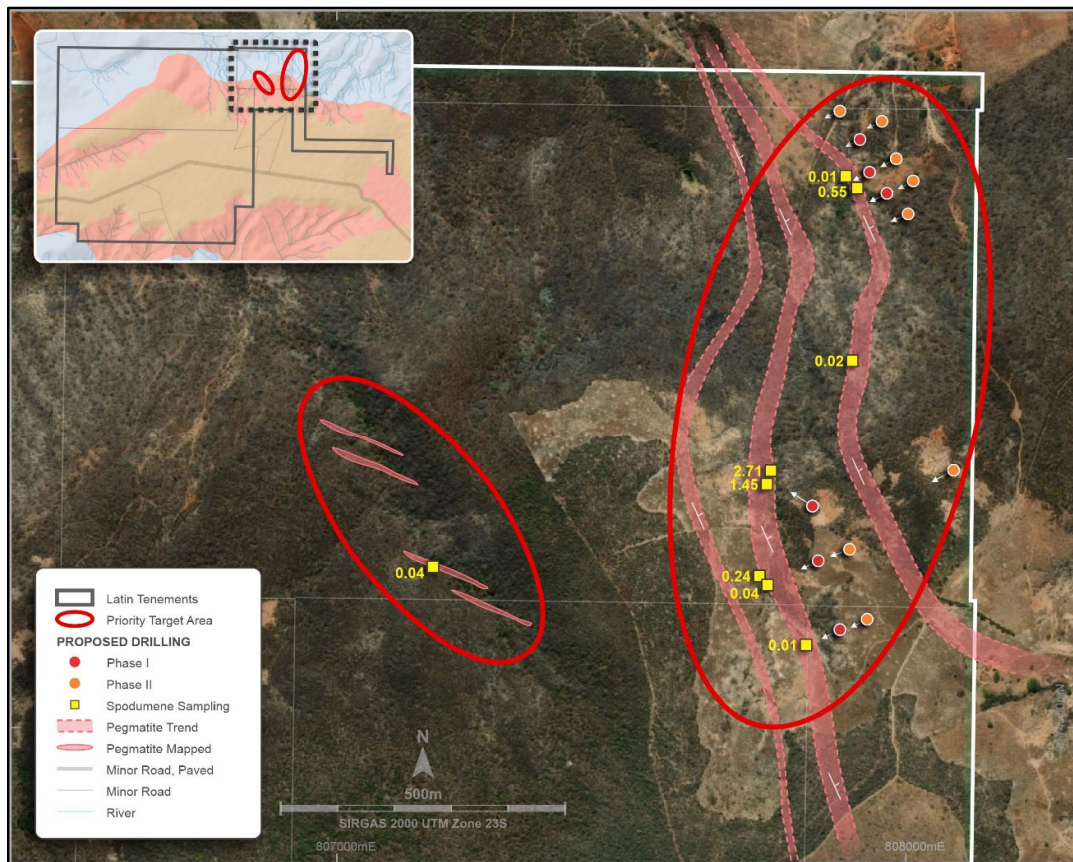


Figure 2: Bananal Valley Project – Planned Phase I and Phase II drill sites

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Figure 3: LRS geology team on site at the Bananal Valley Project - Mineralised pegmatite identified in mapping, with weathered spodumene



Figure 4: LRS geology team on site at the Bananal Valley Project - Mineralised pegmatite inside drainage showing spodumene in outcrop

ABOUT LITHIUM IN MINAS GERAIS, BRAZIL

Sigma Lithium (TSXV: SGMA) is the most active lithium explorer in the region with a world-class lithium resource base which currently stands at 45.7Mt @1.38% Li₂O¹. Sigma is focused on 10 high-grade hard-rock lithium pegmatites, nine of which were past-producing lithium mines, yet have reported over 200 pegmatites within their tenure. Sigma is now in pre-construction of its large-scale lithium concentration commercial production plant in Minas Gerais. Based on the Feasibility Study Report² the Commercial Production Plant will contemplate a capacity of 220,000 tonnes annually of battery-grade “green” lithium concentrate and Sigma will be amongst the lowest-cost producers of lithium concentrate globally.

Whilst not far away, CBL is actively mining spodumene pegmatites, producing a spodumene concentrate which is then transferred to a chemical plant in Divisa Alegre, Minas Gerais, where it is transformed into industrial grade lithium hydroxide.

Latin Resources is particularly excited by the opportunities this may present in the future for battery grade lithium hydroxide production.

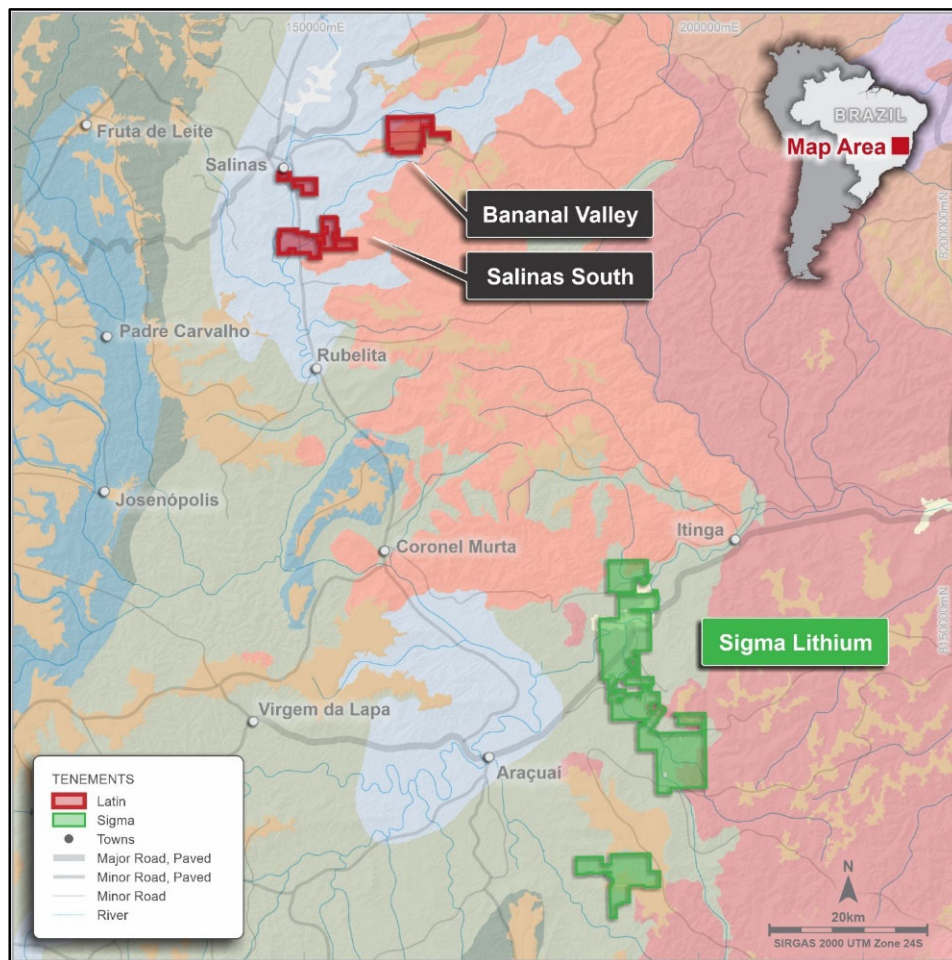


Figure 5: Salinas Project Location, Jequitinhonha Valley district of Minas Gerais Province of eastern Brazil

¹ Refer to Sigma Lithium TSX announcement “Sigma Lithium Triples Measured and Indicated Mineral Resources at Grota do Cirilo” - Dated 10.01.2019

² Refer to Sigma Lithium TSX announcement “Sigma Lithium Announces a Positive Feasibility Study with forecast LOM Net Revenue of US\$1.4 billion and EBITDA of US\$ 690 million for the high-grade, low-cost Xuxa Deposit” - Dated 01.10.2019

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

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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, Lachlan Fold gold projects in the NSW, and the Big Grey Project in the Paterson region, WA.

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

Forward-Looking Statement

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.

Competent Person Statement

The information in this report that relates to Geological Data and Exploration Results 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.

No new information that is considered material is included in this document. All information relating to exploration results has been previously released to the market and is appropriately referenced in this document. JORC tables are not considered necessary to accompany this document.

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