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LATIN RESOURCES ESG HIGHLIGHTS

for the period ending 31 December 2021

Latin Resources Limited (“Latin” or “the Company”) is committed to the principles of stakeholder capitalism as the most effective means of creating long-term enterprise value and addressing the societal priorities enshrined in the United Nations’ Sustainable Development Goals.

In 2021, we made a commitment to commence reporting on the Environmental, Social, and Governance (ESG) disclosures of the Stakeholder Capitalism Metrics (SCM) of the World Economic Forum (WEF).

The Company is pleased to release its first ESG disclosure report for the three months ending 31 December 2021 (Appendix 1).

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 Yarara gold project in the NSW Lachlan Fold belt, Cloud Nine Halloysite-Kaolin Deposit near Merredin, WA, and the Big Grey Project in the Paterson region of WA. 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.

Environmental Social Governance

ESG Highlights

Period Ending 31 December 2021



Environmental, Social, And Governance (ESG)

Latin Resources Limited (“Latin Resources” “Latin” or “the Company”) is committed to the principles of stakeholder capitalism as the most effective means of creating long-term enterprise value and addressing the societal priorities enshrined in the United Nations’ Sustainable Development Goals. In 2021, we made a commitment to commence reporting on the Environmental, Social, and Governance (ESG) disclosures of the [Stakeholder Capitalism Metrics \(SCM\) of the World Economic Forum \(WEF\)](#).

We are in the process of making ESG disclosures in the form of a set of universal, comparable stakeholder capitalism metrics focused on people, planet, prosperity and principles of governance that organizations can report on regardless of industry or region. This table represents our [reporting against the 21 core metrics](#), being reviewed quarterly and updated periodically.

We use this universal ESG framework to align our mainstream reporting on performance against ESG indicators. By integrating ESG metrics into our governance, business strategy, and performance management process, we diligently consider all pertinent risks and opportunities in running our business. We continue to look for opportunities for further transparency on the topics which are material to our business.

To track our disclosure progress and demonstrate our sustainability performance against the WEF SCM framework we utilise [Socialsuite’s ESG Go disclosure platform](#). ESG Go enables us to demonstrate our ongoing commitment to ESG by providing a dedicated solution to track, report, and share our ESG disclosures. With ESG Go we have started the journey of building robust ESG credentials.

Governance

Governing purpose

Verified

Setting purpose

Latins ESG purpose statement:

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

Latin ESG Description statement:

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).

Latin Resources is a minerals explorer, transitioning into a developer at its Cloud Nine Halloysite-Kaolin Deposit, 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 plate-like clay with a wide range of uses including paper and ceramics. In contrast, halloysite has a unique property and occurs as halloysite nanotubes (HNT) and 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”.

As part of our evolving emissions project, Latin has secured an agreement with CRC CARE Pty Ltd to develop innovative methane reduction technologies to exploit the clay mineral halloysite from the Company’s Cloud Nine Halloysite-Kaolin Deposit near Merredin, WA.

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.

The Latin Resources purpose statement was released to the ASX on 23 September 2021 and has been updated for this report.

[Click here to view the announcement.](#)

Quality of governing body

Verified

Governance body composition

While the Latin Resources' Board of Directors strongly believes in the benefits of an independent, diverse, and socially inclusive Board, we recognise that we do not currently represent all these indicators. We are committed to ensuring equal gender representation, diverse skills and experience, and independence, amongst our board of directors in the future, and will work diligently to effect change.

In addition, all future Board appointments will collectively reflect the diverse nature of the business environment in which the organisation operates, and be made on merit in the context of the skills, experience, independence, and knowledge that the Board requires to be effective.

You can view our Board of Directors profiles on the Latin Resources website: [LRS Board of Directors](#).

Board of Directors Skills Matrix

 Board Skills Matrix				
Legend				
F: Familiar C: Competent E: Expert				
Name	David Wimbush	Chris Gale	Brent Jones	Pablo Barotol
Title	Non-Executive Chairman	Executive Director	Non-Executive Director	Non-Executive Director
Independent	NO	NO	NO	NO
Gender	M	M	M	M
Experience				
Corporate leadership	E	E	E	E
International experience	C	E	C	E
Industry & sector experience	C	E	C	E
Board experience	E	E	E	E
Capital projects	C	C	C	E
Knowledge and skills				
Strategy Development	E	E	C	E
Finance & Accounting	C	C	E	E
Legal & Regulatory	E	C	C	C
Digital & Information Technology	C	E	C	C
Human Resources & People	E	E	C	C
Public Relations, Marketing & Communications	C	E	C	C
Risk & Compliance	E	C	C	C
Capital Markets	C	E	E	E
Stakeholder engagement	E	E	E	C
Environmental & Climate	C	C	C	C
Social & Sustainability	C	E	C	E
Governance & Policy	E	E	E	C
Governance Competencies				
Director (medium organisation 10 - 99 employees)	E	E	E	E
Director (large organisation 100+ employees)	F	F	F	E
Financial literacy	C	E	E	E
Strategic thinking	E	E	C	E
Executive performance management	E	E	C	E
Risk management and mitigation	E	E	C	E
Compliance focus	E	E	E	E
Profile / reputation	E	E	E	E
Behavioural Competencies				
Team player / collaborative	E	E	E	C
Ability and willingness to challenge and probe	E	E	E	E
Common sense and sound judgement	E	E	C	C
Integrity and high ethical standards	E	E	E	E
Mentoring abilities	E	E	E	E
Interpersonal relations	E	E	E	E
Listening skills	E	E	E	E
Verbal communication skills	E	E	E	E
Understanding of effective decision-making process	E	E	E	E
Willingness and ability to devote time and energy to the role	E	E	E	E

Stakeholder engagement

In Development

Material issues impacting stakeholders

Latin has outlined a plan to identify material issues that the Company and our stakeholders consider to be of the highest importance for improving our Company's sustainable growth and corporate value for driving progress on sustainable development.

We will work to resolve issues identified through our business activities while monitoring the progress against our goals. We will provide updates on the progress of material issues in our quarterly ESG report.

Anti-corruption

Partial Disclosure

Anti-corruption practices

Latin Resources is committed to conducting all of its business activities fairly, honestly with integrity and in compliance with all applicable laws, rules and regulations.

Latin's Board, management and employees are dedicated to high ethical standards and recognise and support the Company's commitment to compliance with these standards.

Latin Resources does not yet formally train staff on anti-corruption, though all staff must follow the Company's Anti Bribery & Anti-Corruption Policy and Code of Conduct and understand related policies as employees or contractors of the Company.

During the current quarter, and current financial year to date, there have been no reported incidents of corruption.

[Click here to read our Anti-bribery and Anti-corruption Policy.](#)

[Click here to read our Code of Conduct.](#)

Ethical behaviour

Verified

Mechanisms to protect ethical behaviour

Latin Resources has adopted the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

Latin Resources' Whistleblower Policy and Code of Conduct form part of the Corporate Governance Plan and are in place to protect ethical behaviour.

Latin encourages a culture within the Group of 'speaking up' to raise concerns about possible unlawful, unethical or socially irresponsible behaviour or other improprieties of or within the Group without fear of retaliation or otherwise being disadvantaged.

The Company encourages employees (and non-employees) who are aware of possible wrongdoing to have the confidence to speak up. This policy encourages reporting of such matters and provides effective protection from victimisation or dismissal to those reporting by implementing systems for confidentiality and report handling.

As per the Whistleblower Policy we have in place a Whistleblower Protection and Investigation Officer (WPIO) that an eligible whistleblower can report to.

[Click here to read our Whistleblower Protection Policy.](#)

In addition, Latin's Code of Conduct provides a framework for decisions and actions in relation to ethical conduct in employment.

Latin Resources' Code of Conduct underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders.

The document sets out the principles covering appropriate conduct in a variety of contexts and outlines the minimum standard of behaviour expected from employees.

[Click here to read our Code of Conduct.](#)

Risk and opportunity oversight

In Development

Risk framework and processes

The Latin Risk Committee report is currently included as part of the monthly Board Meeting. The Latin Board endeavors to review its current risk strategy & register to be ESG inclusive and will proactively look beyond traditional risks and opportunities to the business, identifying specifically emerging economic, environmental and social issues.

Latin will provide updates on the progress of the Company's risk framework and process in our quarterly ESG report.

[Click here to read our Risk Management Policy.](#)

Planet

Climate change

In Development

Greenhouse gas (GHG) emissions

The Company has reviewed the Greenhouse Gas (GHG) Protocol and its implications as it relates to Latin's operations.

Understanding the key role Latin can play in contributing to emission reduction in Australia and globally, the Company is in the early stages of implementing a process to identify risks associated with GHG constraints and cost-effective reduction opportunities, set GHG targets and begin measuring and reporting on our GHG emissions.

As part of our evolving emissions project, Latin has secured an agreement with CRC CARE Pty Ltd to develop innovative methane reduction technologies to exploit the clay mineral halloysite from the Company's Cloud Nine Halloysite-Kaolin Deposit near Merredin, WA.

Under the agreement with CRC CARE, complementary to its current activities that include exploration for halloysite at its 100% owned Cloud Nine deposit in WA, Latin will fund two key research projects running in parallel to the extent of \$3.2m over a three-year period, commencing in January 2022.

The \$3.2m is the maximum exposure of Latin over the three-year period in terms of the funding of the research projects with payments staggered over the three year period linked to a series of agreed milestone deliverables. Latin has the right to cease funding either or both research projects at any time in the absence of the key deliverables.

The research results and all intellectual property rights associated with and derived from the research results will be owned 100% by Latin.

The research projects to be undertaken by CRC CARE are designed to develop applications that are superior to those of other natural materials including:

Microbial intervention: use of halloysite in feed supplement formulation to influence methane producing rumen microbes.

Nutrient and methane adsorption in the cattle industry: real-time capture and desorption of animal gas emissions for energy conversion as well as capturing nutrients from animal excreta.

Carbon capture: adsorption at various pressures (industrial uses) and conversion of the captured carbon into fuel or the whole adsorbent into value-added material such as building material or fertiliser.

Low-cost precise purification of halloysite nanotubes ("HNT"): from variants of halloysite and kaolinite mixtures (pure HNT can generate double the revenue of HNT/kaolinite mixes).

In addition, the CRC CARE research project has the potential to generate a carbon offset for Latin.

[Click here to read the full announcement.](#)

TCFD implementation

While use of the TCFD framework is currently voluntary in Australia, there is an increasing expectation from investors, governments, customers and the community that businesses assess and disclose climate-related risks.

As a result of ongoing and growing expectations of key stakeholders, Latin is investigating early disclosure of climate risk in accordance with the recommendations of the TCFD framework as they relate to both physical risks, and transition risks (and opportunities).

Nature loss

Partial Disclosure

Land use and ecological sensitivity

Latin does not currently measure impact on land use, and key biodiversity areas (KBA's), though is expected to do so where potential impact on biodiversity is possible on land owned, leased or managed by Latin, on or adjacent to protected areas and/or KBAs.

Freshwater availability

Explanation

Water consumption

Water consumption (including full value chain) is considered immaterial at the current time. This may change as Latin progresses key projects. Initial assessments will be conducted where Latin's future operational plans dictate they are relevant.

People

Dignity and equality

Partial Disclosure

Diversity and inclusion

Latin is committed to empowering and promoting social and economic inclusion, irrespective of diversity.

The Company has identified the breakdown indicators relating to economic inclusion and diversity, though has not yet begun reporting this indicator.

Pay equality

Latin recognises that pay equality reflect an organisation's culture and helps bridge diversity gaps, attract talent and drive long-term competitiveness.

The Company reports remuneration of Directors and Key Management Personnel in the [Full Year Statutory Accounts](#) and our [Diversity Policy](#) is inclusive of pay equity.

At this time, the Company has not begun reporting key indicators in this category.

Wage level

Latin recognise that fair compensation and benefits contribute to the economic well-being of employees, since the distribution of income is crucial for eliminating inequality and poverty.

At this time, the Company has not yet begun reporting this indicator.

Human rights

In Development

Risk for incidents of child, forced or compulsory labour

Latin upholds the highest moral, ethical and legal standards in all we do, especially surrounding human rights and modern slavery.

Latin does not condone, support or contribute, either directly or indirectly, to Modern Slavery and is working towards formalising this statement in a Modern Slavery Policy.

At this time, the company has not begun reporting this indicator.

Health and well-being

Partial Disclosure

Health and safety

Maintaining strong standards of health, safety and labour rights can improve employee productivity and operational efficiency and enhance employee well-being.

Latin reports monthly on Lost Time to Injury and active man days on site to the Department of Mines, Industry Regulation and Safety's – Safety Regulation System (SRS).

During the quarter from October to December 2021, the Company had zero (0) Lost Time to Injuries and, as at end of this period, had recorded 78 active man days on site (780 hours).

Skills for the future

In Development

Training provided

Although Latin provides staff training, the Company has not begun reporting this indicator.

Prosperity

Employment and wealth generation

Partial Disclosure

Absolute number and rate of employment

Employment and job creation are key drivers of economic growth, dignity and prosperity, and provide a basic indication of a company's capacity to attract diverse talent, which is key to innovate new products and services.

Latin is undertaking a full review of all staff including contractors and consultants and will provide details of absolute number and rate of employment in future quarterly updates.

Economic contribution

Disclosure in relation to the total monetary value of financial assistance received from the government has been made on the Company's ASX Announcement Platform.

Disclosures relating to revenues, operating costs, wages & benefits, payments to providers of capital, payments to government, and monetary support from government appear in the [Company's Full Year Statutory Annual Report](#), as well as in the [Quarterly Activity Report & Appendix 5B](#), which can be found on the Company's ASX Announcement Platform and Website.

Financial investment contribution

The Company operates in the mineral exploration and development field with the objective to provide the planet with environmentally sustainable products.

The Company undertake capital expenditure in the form of mineral exploration and development activity. It discloses its total capital expenditures (less depreciation) and how it relates and supports the Company's growth strategy in the [Full Year Statutory Annual Report](#), as well as in [the Quarterly Activity Report & Appendix 5B](#).

The Company does not have a share buyback policy and does not currently pay dividends.

Innovation of better products and services

Partial Disclosure

Total R&D expenses

The Company's [Full Year Statutory Annual Report](#), [Quarterly Activity Report & Appendix 5B](#) disclosure of expenditure and activity in relation to Cloud Nine reflects the level of R&D costs during each relevant reporting periods. Further information on R&D can be found on Company's website, or on its ASX Platform, as above.

As noted above, the Company has an agreement with CRC CARE for a three-year research project assessing the potential of halloysite from Cloud Nine to contribute to a reduction in GHG emissions.

Community and social vitality

Partial Disclosure

Total tax paid

Please refer to the [Full Year Statutory Annual Report](#), [Quarterly Activity Report & Appendix 5B](#) for disclosure of the total level of tax paid during relevant reporting period.