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TRANSFORMATIONAL A\$35 MILLION CAPITAL RAISING TO EXPEDITE LITHIUM BUSINESS IN BRAZIL

HIGHLIGHTS

- Latin raises A\$35 million in a placement anchored by Canadian cornerstone investor, Electrification and Decarbonization AIE LP Fund, with a lead order of A\$15 million.
- Latin now well-funded to rapidly accelerate its Bananal Valley drilling program at the Salinas Lithium Project in Brazil.
- Objective to delineate a maiden JORC Mineral Resource and establish project scale rapidly through escalating the drilling campaign from two to four diamond drill rigs with a planned 25,000 metre drill program on the Bananal Valley project.
- Additional drill rig to commence scout drilling at high priority regional lithium targets including Salinas South and the recently acquired Monte Alto prospect area.
- In parallel with advancement of the lithium business in South America, Latin will press forward to complete a Pre-Feasibility Study on its large-scale Cloud Nine Halloysite-Kaolin Deposit in Western Australia.

Latin Resources Limited (ASX: LRS) (“Latin” or “the Company”) is pleased to announce that it has received firm commitments from institutional and sophisticated investors to subscribe for a placement of new ordinary shares at an issue price of \$0.16 to raise gross proceeds of A\$35 million (“Placement”).

Demand for the Placement was strong, supported by a cornerstone investment of \$15 million by Electrification and Decarbonization AIE LP Fund (“E&D Fund”), a 100% owned subsidiary of Toronto based Waratah Capital Advisers (“Waratah”). The Placement was also supported by several institutional investors in Australia, North America and Asia.

The Waratah Electrification and Decarbonization fund invests in equities of critical battery materials companies and related decarbonisation investment opportunities. Waratah is the sponsor and general partner of Lithium Royalty Corp, a leading North American royalty corporation focused on lithium assets, which holds royalties on projects operated by Sigma Lithium, Zijin Mining, Core Lithium, Allkem and Sayona Mining.

The investment from a highly experienced lithium investor such as Waratah signals a strong vote of confidence in the Salinas Lithium Project and the potential for it to become a significant lithium operation.

Euroz Hartleys Limited and PAC Partners Securities Pty Ltd acted as Joint Lead Managers to the Placement, with Jett Capital Advisers being a Co-Manager to the Placement in North America.

Ernie Ortiz, Waratah's President and Managing Director said:

"We are very pleased to have the opportunity to invest in Latin Resources. The Salinas Lithium Project shows potential to become a significant lithium operation. We are excited about our partnership with Latin to advance its Salinas Lithium Project."

Latin Resources' Managing Director Chris Gale said:

"Our results at Salinas have been exceptional, revealing we have some very high-grade lithium spodumene mineralisation. We consider that winning the support of a technical-focused group, like Waratah's E&D fund, who are very well-versed on the lithium sector, is a big tick of approval for what we are doing and where we are headed with our Salinas Lithium Project."

"What's really exciting is the roadmap ahead for LRS shareholders. We are relatively early in the discovery phase of our Salinas Lithium Project, and we have much work ahead of us, however the level of attention we are receiving from industry players suggests we are not alone in thinking that Latin has a chance to develop a highly valuable lithium project in Brazil."

Use of Funds

Funds raised by the Placement will be applied towards:

- An aggressive resource definition program for the Bananal Valley prospect within the Salinas Lithium Project, Brazil;
- Exploration drilling at the Monte Alto and Salinas South lithium prospects in Brazil;
- A Pre-Feasibility Study, a Direct Shipping Ore Study and metallurgical test work in respect of the Cloud Nine Halloysite-Kaolin Deposit in Western Australia, as well as regional exploration at the broader Noomberry Project area;
- Initial exploration drilling at the MT-03 Copper Project in Peru; and
- Working capital.

The Company is planning to secure a further two (2) rigs, to take the total fleet to four (4) rigs in Brazil, with a focus on drilling at least 25,000 metres at the recent Bananal Valley lithium discovery to drive that prospect towards a maiden JORC Mineral Resource Estimate.

In addition, the Company will be planning for 5,000 metres of drilling at each of the Monte Alto and Salina South prospects.

Elsewhere, the Company is quickly advancing the Cloud Nine Halloysite-Kaolin Deposit in Western Australia, with key feasibility studies underway targeting delivery of an upgrade of the JORC Mineral Resource, and in a parallel undertaking a fast-start Direct Shipping Ore (DSO) Study.

Placement Details

The Placement was conducted at \$0.16 per share, representing a 13.5% discount to Latin's last close price prior to the transaction, and **an 8.3% premium to the Company's 10-day VWAP**. Every two (2) new Placement shares will have one (1) unlisted option attached, with an exercise price of \$0.22 and a five-year expiry ("**Options**").

The Placement was completed within the Company's placement capacity under ASX Listing Rules 7.1 (74,478,284 shares and 109,375,000 Options) and 7.1A (144,271,716 shares), with 11 million Options associated with the investment by Waratah to be issued subject to shareholder approval at a general meeting to be held in late May 2022. Full details are included in the Appendix 3B that follows this announcement.

The Company will issue a total 4 million Options to the Lead Managers and Co-Manager in connection with the Placement.

The Company will pay to Euroz Hartleys only a management fee equal to 1% of the proceeds of the Placement and to the Joint Lead Managers a distribution fee equal to 5% of the proceeds of the Placement, excluding the investment by Waratah.

All dollar amounts are in Australian dollars unless otherwise indicated.

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

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About Waratah Capital Advisors

Waratah Capital Advisors is the sponsor and general partner for the Waratah Electrification and Decarbonization (E&D) Fund. The Fund seeks to achieve attractive risk-adjusted returns through investments in battery material, decarbonisation, and electric vehicle related opportunities.

Waratah Capital Advisors is a Toronto-based asset manager that specialises in alternative strategies. Waratah Capital Advisors manages over \$3 billion in assets from high-net-worth individuals, family offices, foundations, Canadian bank platforms, and pension funds.

Waratah Capital Advisors is the sponsor and general partner of Lithium Royalty Corp, a North American royalty corporation.

About Latin Resources

Latin Resources Limited (ASX: LRS) is an Australian-based mineral exploration company, with projects in Australia and South America, that is developing mineral projects in commodities that progress global efforts towards Net Zero emissions.

In Latin America the Company focus is on its two Lithium projects, one in the state of Minas Gerais, Brazil and the other, the Catamarca Lithium Project in Argentina in which lithium is highly sought after as critical mineral for electric vehicles and battery storage.

The Australian projects include the Cloud Nine Halloysite-Kaolin Deposit. Cloud Nine Halloysite is being tested by CRC CARE aimed at identifying and refining halloysite usage in emissions reduction, specifically for the reduction in methane emissions from cattle.

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.

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