

11 May 2022

LATIN EXERCISES OPTION TO ACQUIRE HIGH-GRADE LITHIUM TENEMENT IN BANANAL VALLEY

HIGHLIGHTS

- Latin Resources exercises its option to acquire tenement 830.691/2017, in the highly prospective Bananal Valley district of the Salinas Lithium Project in eastern Brazil.
- The option exercise is part of the Company expansion plan, with Latin's lithium ground position now expanded to over 5,350 hectares, with multiple drill targets defined within the prospective 'lithium corridor'.
- The immediate consideration for the acquisition is USD \$15,000 in cash and USD \$15,000 in LRS ordinary shares, with an additional cash payment of USD \$75,000 to take place 12 months after the option exercise.
- Recent drilling on the acquired project area has confirmed the high-tenor lithium grades of the spodumene pegmatites in this region, with a peak grade of 3.22% Li₂O.
- Having recently completed a transformative placement of \$35 million, Latin will continue with its aggressive resource definition drilling program comprising of 25,000m on the Salinas Lithium Project to fast track its next major milestone of a maiden JORC Resource.

Latin Resources Limited (ASX: LRS) ("Latin" or "the Company") is pleased to announce it has exercised its option, through its 100% wholly owned subsidiary Belo Lithium Mineracao Ltda. ("Belo"), to acquire the highly prospective tenement 830.691/2017 at the Company's Salinas Lithium Project in Bananal Valley, Brazil ("Salinas" or the "Project").

This acquisition is part of the Company's plan to expand its holding of highly prospective tenements in the region, with Latin's strategic land package now expanded to over 5,350 hectares in the newly defined Salinas lithium corridor.

Latin Resources' Managing Director, Chris Gale, commented

"We are very pleased to have exercised our option to acquire the Bananal 830.691/2017 tenement, securing 100% ownership of the area where we will be undertaking an extensive diamond drilling program. Based on what we have seen so far from the results of the current maiden diamond drilling, we are very confident that this tenement contains significant potential for high-grade lithium pegmatites. The next phase of drilling is aimed at providing sufficient data to enable the Company to undertake a JORC Mineral Resource Estimate should results continue to be favourable."

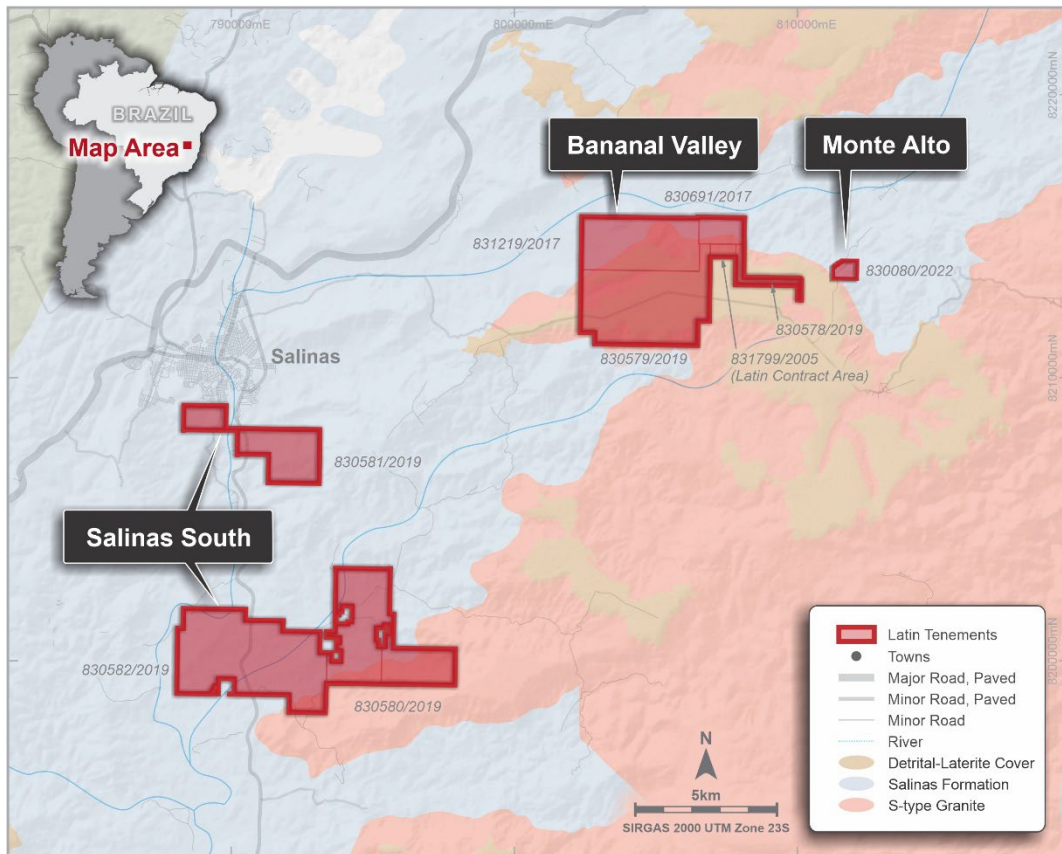


Figure 1: Salinas Lithium Project location - Minas Gerais District, Brazil

Results from the Company's maiden diamond drilling campaign on the acquired project area¹, has confirmed that the spodumene bearing pegmatites in the region contain high-tenor lithium, with the Company recently reporting a number of very high-grade results, including:

- **SADD001: 4.31m @ 2.22% Li₂O from 83.82m**
Including: 1.13m @ 2.85% Li₂O from 87.0m
- **SADD002: 8.13m @ 2.00% Li₂O from 111.3m**
Including: 1.0m @ 3.22% Li₂O from 112.3m
and: 3.0m @ 2.20% Li₂O from 115.3m
- **SADD003: 17.05m @ 0.95% Li₂O from 65.65m**
Including: 4.00m @ 1.96% Li₂O from 69.65m
and: 5.15m @ 1.31% Li₂O from 98.35m
Including: 1.90m @ 2.13% Li₂O from 98.35m
- **SADD004: 17.38m @ 1.46% Li₂O from 119.80m**
Including: 10.20m @ 2.05% Li₂O from 120.95m
Including: 3.05m @ 2.26% Li₂O from 120.95m
and: 2.00m @ 3.07% Li₂O from 127.00m
- **SADD005: 4.25m @ 1.32% Li₂O from 125.40m**
Including: 1.05m @ 2.65% Li₂O from 127.55m
and: 4.01m @ 1.36% Li₂O from 159.10m
Including: 1.00m @ 1.92% Li₂O from 161.10m
- **SADD006: 21.1m @ 1.20% Li₂O from 208.80m**
Including: 14.00m @ 1.69% Li₂O from 210.90m
Including: 3.00m @ 2.28% Li₂O from 214.90m

¹ Refer to ASX Announcement dated 30 March 2022, 11 April 2022 and 26 April 2022 for full details and JORC tables.

The Company has commenced a large systematic drilling campaign over the area aimed at providing sufficient data to undertake a maiden Mineral Resource Estimate (“MRE”) for the Salinas Lithium Project, as these results have confirmed the presence of thick high-grade lithium bearing pegmatites over a strike extent of more than 600m (Figure 2).

This resource definition drill out is expected to comprise approximately 25,000m of diamond drilling, testing a full 800m strike length of the known high-grade pegmatites, from surface to a down dip depth of around 400m. This activity, with multiple drilling rigs committed to the drill out of the project, will enable the Company to fast track its next major milestone of a maiden JORC Mineral Resource.

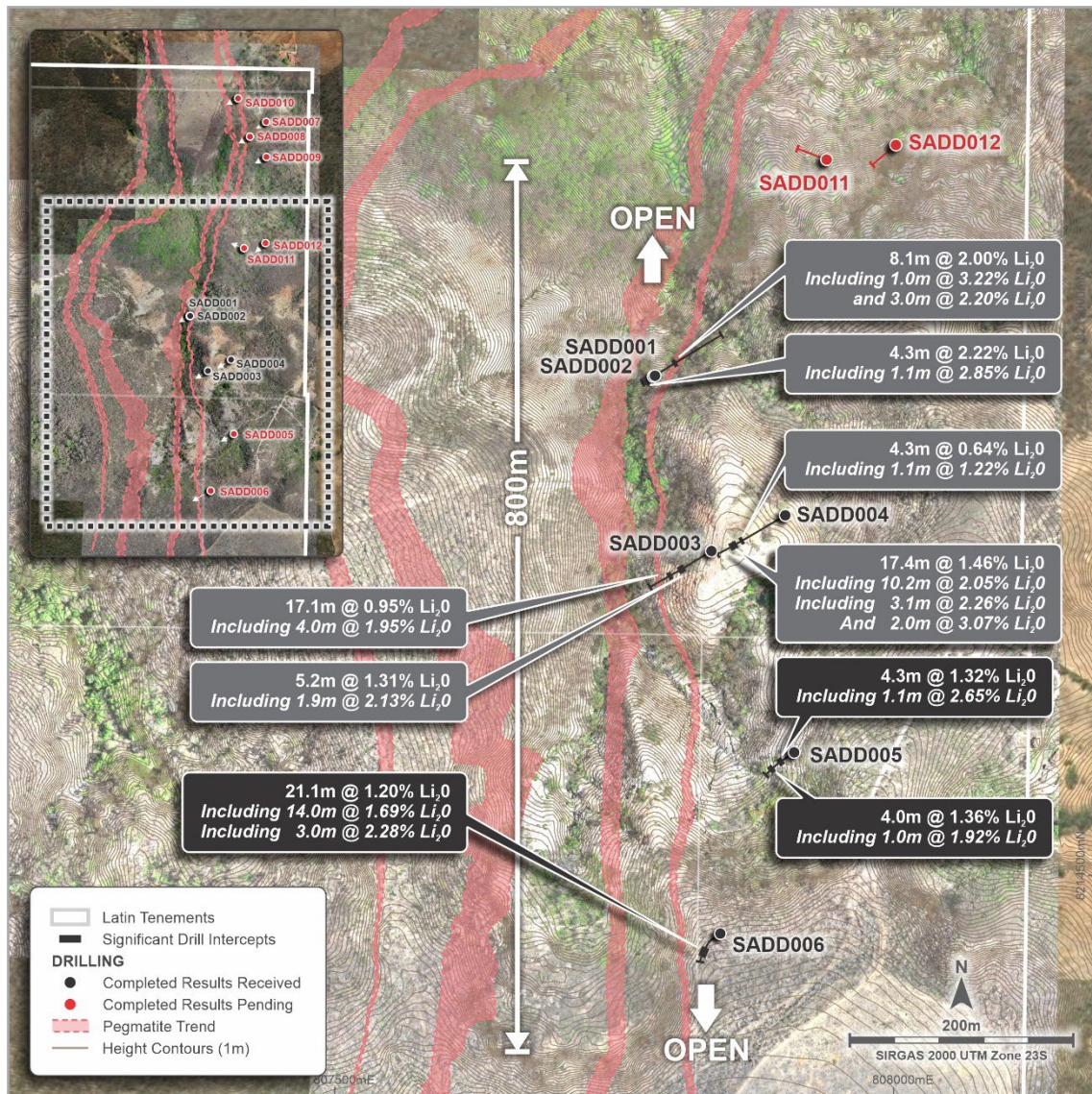


Figure 2: Bananal Valley “Southern Target Area” drill Collar plan showing significant intersections received to date

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TERMS OF OPTIONS EXERCISE BASED ON EXCLUSIVE CALL OPTION AGREEMENT ("AGREEMENT")

Under the terms of the Agreement with the Vendor, Latin Resources Limited ("**Company**") has exercised the option to acquire a 100% interest in tenement 830.691/2017 ("**Call Option**") with the following terms and conditions.

1. Upon the exercise of the Call Option, the Company shall pay the Vendor:
 - a) USD\$15,000 in cash, and
 - b) USD\$15,000 in LRS ordinary shares.
2. 12 months after the exercise of the Call Option, the Company must pay to the Vendor a further cash payment of USD\$75,000.
3. The Vendor retains a net smelter royalty of 3% - to be subject to a separate net smelter royalty agreement to be calculated in accordance with an agreed net smelter royalty formula with a buyout sum.
4. In addition to the sums referred to above, after the Call Option is exercised, if the Company defines a minimum of 10 million tonnes at 1.3% lithium in any JORC Code resource category, the Company must pay the Vendor, an additional USD\$50,000 in cash and USD\$50,000 in LRS ordinary shares within 30 days of declaration of the JORC Resource. These are milestone payments which are dependent upon a JORC Resource being established.

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 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.

Competent Person Statement

The information in this report that relates to Geological Data and Exploration Results is based on information compiled by Mr Pedro Fonseca, who is an employee of Latin resources and a Member of the Australian Institute of Mining and Metallurgy. Mr Fonseca 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 Fonseca 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.

All information relating to exploration results has been previously released to the market and is appropriately referenced in this document.