

ASX Announcement

23 October 2023

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LATIN RESOURCES RECEIVES FIRM COMMITMENTS FOR A A\$35.0 MILLION PLACEMENT TO PROGRESS EXPLORATION ON ITS SALINAS PROJECT

HIGHLIGHTS

- Latin has received firm commitments to raise A\$35.0 million through an institutional placement priced at A\$0.25 per share.
- Placement funds will primarily be used to expand the drilling program through the entirety of 2024 based on new strike extensions at Colina and new pegmatites to the Southwest, conduct geotech and hydrogeology work, enable further land tenement acquisitions and provide additional working capital.
- The Company expects the global JORC MRE to expand significantly by implementing the additional drilling program.
- Strong support was received from new and existing institutional and sophisticated investors.
- The Placement provides the Company with sufficient capital to progress exploration on the Company's Salinas Project in Brazil and support the expanded drilling program in 2024.
- Upon settlement of the Placement, Latin will have a cash balance of approximately A\$65 million (before costs).

Latin Resources Limited (ASX: LRS) ("Latin" or the "Company") is pleased to announce that it has received firm commitments to raise A\$35.0 million through a placement of new fully paid ordinary shares ("New Shares") to institutional, sophisticated and professional investors ("Placement").

The Placement provides the Company with a significant capital injection to expand and accelerate its exploration program at the Salinas Lithium Project in Brazil, with an expanded drill program planned for 2024, in addition to funding geotech and hydrogeology works to support the Definitive Feasibility Study expected to be announced in H1 2024 ("DFS").

Latin's Managing Director, Chris Gale, commented:

'We are delighted to announce the completion of the Placement which provides the Company with significant headroom to accelerate its drilling efforts into 2024, with 10 drill rigs mobilized currently.

The new funds will enable the Company to continue to grow its Salinas resource to become a Tier one lithium global project.

I would like to thank all new and existing shareholders for their ongoing support and look forward to accelerating the development of Latin's Salinas Project as we continue to meet our objectives.

We look forward to releasing to the market the DFS in H1 2024, with the Final Investment Decision to be announced in Q4 2024”.

Uses of Funds

Funds raised by the Placement will be applied towards fast-tracking the Salinas Lithium Project, including:

- An expanded exploration drilling program through 2024;
- Completing additional Geotech and hydrogeology works to support the DFS;
- Providing additional funding to facilitate the Company’s expanded land acquisition budget; and
- Supporting the Company’s working capital requirements.

Placement Details

Under the Placement, the Company will issue approximately 140.0 million New Shares at an issue price of A\$0.25 per New Share (“**Offer Price**”), raising gross proceeds of approximately A\$35.0 million. New Shares will be issued in a single tranche under the Company’s available placement capacity under Listing Rule 7.1.

The Offer Price of A\$0.25 per New Share, represents a:

- 5.7% discount to the last closing price of A\$0.265 on 19 October 2023;
- 11.7% discount to the 5-day VWAP of A\$0.283; and
- 11.1% discount to the 10-day VWAP of A\$0.281.

Canaccord Genuity (Australia) Limited acted as Lead Manager and Bookrunner to the Placement. PAC Partners Pty Ltd acted as Co-Manager to the Placement.

Indicative Timetable

| Event | Date |
|--|-------------------------|
| Trading Halt | Friday, 20 October 2023 |
| Announcement of Placement completion | Monday, 23 October 2023 |
| Expected Settlement of New Shares Issued Under the Placement | Friday, 27 October 2023 |
| Expected date of ASX Quotation of New Shares under the Placement | Monday, 30 October 2023 |

**Dates and times are indicative only and subject to change without notice. The Company reserves the right to alter the dates in this announcement at its discretion and without notice, subject to the ASX Listing Rules and the Corporations Act 2001 (Cth).*

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 South America and Australia, that is developing mineral projects in commodities that progress global efforts towards Net Zero emissions.

The Company is focused on its flagship Salinas Lithium Project in the pro-mining district of Minas Gerais Brazil, where the Company has defined a total Mineral Resource Estimate at its Colina Lithium Deposit* of 45.2Mt @ 1.32% Li₂O, reported above a cut-off of 0.5% Li₂O.

The classification of this JORC MRE includes **30.2Mt @ 1.4% Li₂O of the total resource now sitting in the Measured + Indicated category** (0.43Mt @ 1.34% Li₂O Measured + 29.7Mt @ 1.37% Li₂O Indicated) + 15.0Mt @ 1.22% Li₂O Inferred.

The Company recently defined a Preliminary Economic Assessment (PEA)** which contemplates a proposed 3.6Mtpa standalone mining and processing operation over two phases. where the economics show after-tax NPV8% of A\$3.6 billion (US\$2.5 billion) and combined after-tax IRR of 132%.

Latin also holds the Catamarca Lithium Project in Argentina and through developing these assets, aims to become one of the key lithium players to feed the world's insatiable appetite for battery metals.

*For full details of the Colina Lithium Deposit MRE, please refer to ASX Announcement dated 20 June 2023.

**For full details of the Colina Lithium Project PEA, please refer to ASX Announcement dated 28 September 2023. The Company confirms that it is not aware of any new information or data that materially affects the information included in these announcements and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

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 – Salinas Lithium Project

The information in this report that relates to Geological Data and Exploration Results for the Salinas Lithium Project 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.

The information in this report that relates the Mineral Resource Estimate and exploration targets for the Salinas Lithium Project are based on the information compiled by Mr Marc-Antoine Laporte M.Sc., P.Geo, who is an employee of SGS Canada Ltd and a member of the L'Ordre des Géologues du Québec. He is a Senior

Geologist for the SGS Geological Services Group and as more than 15 years of experience in industrial mineral, base and precious metals exploration as well as Mineral Resource evaluation and reporting. Mr Laporte 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'.

Not an offer in the United States

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