

18 August 2021

LITHIUM POTENTIAL CONFIRMED AT SALINAS LITHIUM PROJECT, BRAZIL

HIGHLIGHTS:

- Field work and mapping of the Bananal Valley area of the Salinas Lithium Project has identified outcropping pegmatites containing spodumene over 4km² area, confirming the Project's high prospectivity for lithium.
- A total of 82 samples were collected during this initial mapping exercise including 38 stream sediment samples and 44 outcrop rock-chip samples. All samples have been dispatched to the laboratory for detailed analysis – assay results are pending.
- Data compilation and desktop reviews completed while COVID-19 lockdown conditions were in place, have highlighted several high priority target areas within the Salinas Project. Latin has commenced systematic mapping and sampling of these focus areas with the aim of identifying drill targets.
- Preliminary drill sites have been selected and will be finalised for the submission of the statutory approval documentation once all assay results from sampling have been received.
- Geology and sampling teams are now back on the ground to focus on the next priority areas.

Latin Resources Limited (ASX: LRS) (“Latin” or “the Company”) is pleased to provide an update of recent and ongoing activities at the Company’s Salinas Lithium Project (“Salinas” or the “Project”), located in the highly prospective Jequitinhonha Valley district of Minas Gerais Province of eastern Brazil (*Figure 1*). Minas Gerais hosts the Eastern Brazilian lithium pegmatite province, home to TSX-V listed Sigma Lithium Corporation and lithium producer Companhia Brasileira de Lítio (CBL).

In March 2021, the Company announced its intention to commence field work on the Salinas Lithium Project in Brazil; however, activities were delayed due to a major COVID-19 outbreak in the region resulting in widespread lockdowns and travel restrictions. There has been a significant improvement in the local COVID situation and corresponding easing of restrictions, allowing Latin’s fully vaccinated field team to safely commence on-ground activities. The field team has recently completed its initial site visit originally planned for earlier in the year, with

a number of highly encouraging results, suggesting strong potential for hard-rock lithium at the Salinas Project, as detailed within this announcement.

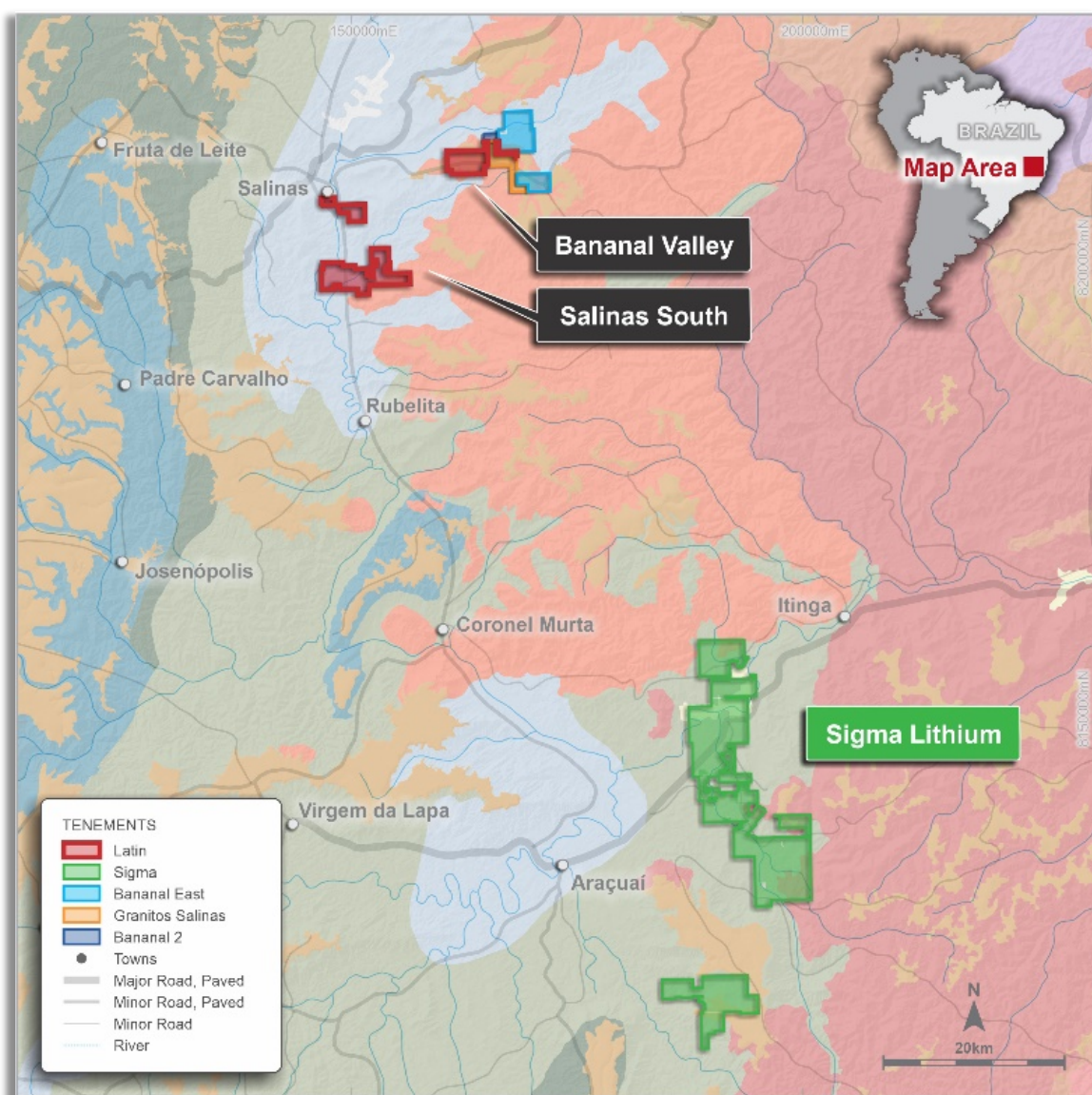


Figure 1: Salinas Lithium project location Minas Gerais District, Brazil

The Jequitinhonha valley is a highly underexplored region that currently contains 100% of the official lithium reserves of Brazil. Latin Resources' geologists completed major field work on the tenements in 2019 in which they located several occurrences of spodumene never previously known or reported. Latin Resources' lithium exploration efforts will now focus on advancing this highly prospective spodumene tenure. The Company's in-country resources will be working exclusively on these Brazilian lithium projects so they can effectively execute exploration programs to deliver exploration updates and results to its shareholders in a timely manner.

The exploration program carried out by Latin Resources in 2019 showed numerous pegmatites hosted in schist, which showed homogenous spodumene mineralisation. The pegmatites cross-cut the rivers with exposure in a general NNW trend and continued into the neighbouring tenement to the south. Further work on the pegmatites have now been followed up to determine their relationship to the Salinas main pegmatite which is 1.5km NE.

The 600m distance between points in the west and points in the east showing spodumene mineralisation is a good sign for a potentially continuous pegmatite system below surface.

In summary exploration work carried out as follows:

- **Numerous pegmatites were located, hosted in schist zones and showed homogenous spodumene mineralisation.**
- **The largest exposure of pegmatite visited on the tenement displayed 12m of outcrop width.**
- **Weathered spodumene crystals in pegmatite outcropping in drainage.**
- **Discovery of new pegmatite occurrence showed consistent spodumene mineralisation.**

Desktop studies completed during the hiatus in field work included the compilation and review of historic data and results from previous explorers in the area. The historical work includes extensive abandoned mines and outcrop (*Figure 2*), where Latin has undertaken work previously when it first identified the opportunity to secure these high-quality tenements in 2019. The recent review process has resulted in the identification and ranking of a number of targets in three key areas key focus areas, where Latin intends to undertake systematic mapping and sampling over the coming weeks, with the aim of finalising drill targets.



Figure 2 – Weathered pegmatite with near-vertical crystal trend of spodumene.

The initial focus of exploration work was the Bananal Valley area located in the northeast of the properties (*Figure 1*). Detailed mapping, stream sediment and outcrop sampling was completed across an area of approximately 4 square kilometres. Several spodumene bearing pegmatites were mapped at surface, over strike lengths of more than 200m. A total of 44 outcrop samples and 38 stream sediment samples were collected in the field (*Figure 3 & Figure 4*). All samples have been dispatched to the laboratory for analysis, with results anticipated in September 2021.



Figure 3: Mapping and sampling of outcropping pegmatites, Salinas Lithium Project Brazil.



Figure 4: Stream sediment sampling, Salinas Lithium Project Brazil.

Latin's field teams are currently back on-ground and have commenced the next phase of mapping and sampling to the west of the initial focus area. Historic data from this next area indicates a favourable geological setting including mapped pegmatite occurrences and proximity to fertile granites. The planned field work will focus on verifying and sampling the

historic pegmatite occurrences in the field, along with completing regional stream sediment sampling aimed at identifying new occurrences. The aim of this work will be to identify potential drill sites for the next stage of exploration. Latin Resources will deploy significant resources to fast-track the definition and drilling of the lithium pegmatites over the next 6 months.

Executive Director Chris Gale commented, “It has been a difficult working environment with Brazil having one of the highest rates of Covid cases in the world. However, we are now back on the ground and the Company has developed a detailed work program on our very exciting Brazilian lithium projects. The recent field work has shown us there is significant upside on our lithium projects with assay results only a few weeks away”.

He went on to say, “The development of the Sigma lithium mine with construction well under way gives Latin enormous confidence to emulate this same achievement over the next few years. The significant time and investment that Latin has invested in our lithium projects, along with the Covid situation in Brazil becoming more manageable, now allows the Company’s lithium strategy to reboot to develop our valuable lithium projects in a fantastic mining province”.

About Minas Gerais, Brazil

The Brazilian state of Minas Gerais is the country’s fourth largest, second most populous, and as suggested by its name, which in Portuguese means “General Mines”, is Brazil’s warehouse of mineral resources including iron ore, manganese, bauxite, gold, and lithium bearing pegmatites. The regional capital of Belo Horizonte is a significant mining centre containing major local and international exploration and mining service provider groups.

About Lithium in Minas Gerais, Brazil

Sigma Lithium RC (TSX-V: SGMA – Mkt Cap \$850m) has proven that the Minas Gerais district is a highly favourable jurisdiction for mining. Sigma commenced exploration, and resource drilling on their projects in 2018. The company completed its feasibility study in 2020 and is now in construction phase, targeting first production of lithium spodumene in 2022.

Sigma are the most active lithium explorers in the region with a world-class lithium resource base which currently stands at 52 Mt @1.48% 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.

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

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 (*Figure 5*).

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



Figure 5: Divisa Alegre Lithium Hydroxide Plant Mina Gerais, Brazil

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 Brazil and has a JV agreement with Argentinian company Integra Capital to fund the next phase of exploration on its lithium pegmatite projects in Catamarca, Argentina. 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 Pedro Fonseca, who is a Member of the Australian Institute of Mining and Metallurgy. Mr Fonseca has 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.

This Announcement contains no new information. All references to original source information are included as foot-note references as indicated throughout the announcement where required.