

13 October 2022

TEST PIT AND BULK SAMPLES TO ADVANCE OFFTAKE CLOUD NINE KAOLIN DEPOSIT

HIGHLIGHTS

- Trial mining test-pit completed, 50 Tonnes bulk sample collected.
- Bulk sample will be used to provide kaolin material to potential customers as offtake discussions advance.
- Bulk scale metallurgical test work to optimise mining design.

Latin Resources Limited (ASX: LRS) (“Latin” or “the Company”) is pleased to report the completion of the trial mining test-pit to advance mine pit design and discussions with offtake partners at its 100% owned Cloud Nine Halloysite-Kaolin Deposit (“Cloud Nine”) in Western Australia.

The Company previously released its Maiden JORC (2012) Inferred Mineral Resource¹ (“MRE”) of 207Mt of kaolinised granite including a sub-domain of 50Mt grading 6% halloysite – making Cloud Nine one of the largest undeveloped kaolin-halloysite deposits in Australia.

Latin Resources Managing Director, Chris Gale commented:

“The completion of the test-pit and collection of bulk samples is an important stepping-stone in the development of the Cloud Nine Project as a world class kaolin deposit. The bulk samples have now been sent to the potential customers for final analysis. We are also working on our scope of works, along with mine permitting for a DSO style product to sell to our potential customers. If the numbers stack up, Cloud Nine could develop into a great project for Latin Resources.”

TRIAL MINING TEST-PIT

A test pit has been successfully excavated at the Cloud Nine Halloysite-Kaolin Deposit. The objective of the test pit is to:

- Collect a large sample for bulk metallurgical testing; and
- Provide product samples to a number of potential offtake partners for their qualification test work.

The test pit was excavated in accordance with the Program of Works, which was approved by DMIRS early in 2022, and successfully extracted the planned volume of kaolin.

Kaolin extracted from the test-pit will be used in bulk scale metallurgical testing, and importantly, will be used to prepare bulk product samples which will be sent to two separate groups currently in discussion with the Company in respect to potential offtake agreements, this will enable them to undertake their own product qualification testing.

¹ Refer to ASX announcement dated 31 May 2021

The Company has previously provided multiple small-scale samples from Cloud Nine to these two parties. Discussions with both groups are ongoing and have included options to supply short term Direct Shipping Ore (“DSO”) products, as well as supplying value-added processed kaolin and halloysite products in the longer term.

Excavation of the test pit has also provided the Company with valuable information to further refine preliminary assumptions, including mining and stockpile designs, mining method and equipment selection and preliminary geotechnical assumptions. Material samples will also assist with further testing and analysis to continue improving the understanding of the deposit including the overlying material.



Figure 1: Test-pit in progress

A preliminary desktop environmental study has also been undertaken on the Cloud Nine Project site. Outcomes of this study will be used to inform the scope of work required to support the pathway to apply for the relevant environmental approvals in support of the project. This information is being factored into an updated forward work plan to support the development of the Cloud Nine Halloysite-Kaolin Deposit.

The Company has also recently submitted a selection of samples of kaolinite for detailed Rare Earth Element (“REE”) analysis. REEs are commonly found in association with Kaolinitic clays, sometimes constituting a significant source of these strategic minerals.



Figure 2: Further test-pit progress photos showing kaolin product to be shipped out to potential customers

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 its maiden resource drilling definition campaign underway. Latin has appointed leading mining consultant SGS Geological Services to establish a JORC Mineral Resource and commence feasibility studies at the Salinas Lithium Project. 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.

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 ASX Announcement for Latin Resources Limited was compiled by Mr. Ross Cameron, a Competent Person, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Cameron is an employee of Latin Resources Limited. Mr Cameron has sufficient experience, which is relevant to the style of mineralisation and types of deposits under consideration and to the activity to 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 Cameron consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

All references to original source information are included as footnote and endnote references as indicated throughout the announcement where required.