

ASX Announcement

30 October 2023

OFFTAKE PARTNERING PROCESS TO COMMENCE FOR THE SALINAS LITHIUM PROJECT

HIGHLIGHTS

- Latin Resources has received numerous inbound offtake enquiries for its flagship Salinas Lithium project in Minas Gerais, Brazil
- The enquiries have been received from key battery manufactures, chemical converters, Original Equipment Manufacturers (OEM's) and leading trading companies
- On the back of this interest, Latin has commenced an Offtake Process to formally assess proposals and associated project financing opportunities for the Salinas Project
- The Offtake Process aligns with Latin's objective to de-risk the development, funding and operations of Salinas to maximise value for Latin shareholders
- Macquarie Capital has been appointed as financial adviser for the Offtake Process
- The Offtake Process will run in parallel with key workstreams necessary to support FID for Salinas by the end of CY 2024

Latin Resources Limited (ASX: LRS) ("Latin" or "the Company") is pleased to announce the commencement of an offtake partnering process ("Offtake Process") for the Company's 100% owned Salinas Lithium Project ("Salinas") located in Minas Gerais, Brazil.

The Offtake Process follows Latin's recently completed Preliminary Economic Assessment ("PEA") for Salinas (see ASX announcement: 28 September 2023), which demonstrates a low-capital, two-phased operation delivering high-quality 5.5% Li₂O spodumene concentrate ("SC5.5"), and a 3% Li₂O fine spodumene concentrate ("SC3").

The combined Phase 1 and Phase 2 results detailed in the PEA include LOM average production of approximately 405,000 tpa (55,068 tpa LCE) of SC5.5 and 123,000 tpa (9,125 tpa LCE) of SC3 over an initial 11 year mine life. The project will require Phase 1 capital expenditure of US\$253m to deliver first production in 2026, followed by a further US\$55m in Phase 2 capital which is expected to be fully funded by Phase 1 production.

As part of the Offtake Process, Latin is also seeking funding proposals from potential offtake partners in exchange for offtake, with funding to be used to progress the development of Salinas. Latin's objectives in undertaking the Offtake Process are to secure:

- competitive offtake terms;
- a well credentialed partner whose expertise and credentials can add value to Salinas and de-risk development; and
- attractive funding support.

The Company has appointed Macquarie Capital Australia Limited (“**Macquarie Capital**”) as financial adviser to support Latin in structuring and securing offtake agreements and potential project funding from selected off-takers for Salinas.

Latin Resources’ Managing Director, Chris Gale, commented:

“Following extensive unsolicited interest, we are pleased to announce the commencement of a formal offtake partnering process for the Salinas Lithium Project. The PEA released in September 2023 defined an enviable production profile and now is a logical time for Latin to consider offtake partnering and potential funding to help de-risk the development and funding of Salinas. The offtake partnering process is another step towards our goal of bringing Salinas into production in 2026.

Macquarie Capital is a leading advisor in the critical minerals space and brings particularly strong relationships across the lithium sector and battery supply chain. Macquarie will play a crucial role supporting Latin’s decision-making in securing any offtake agreement and funding”.

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

For further information please contact:

Chris Gale
Executive Director
Latin Resources Limited
+61 8 6117 4798

Fiona Marshall
Senior Communications Advisor
White Noise Communications
+61 400 512 109

info@latinresources.com.au
www.latinresources.com.au

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.*

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 for the Salinas Lithium Project are based on the information compiled by Mr Marc-Antoine Laporte M.Sc., P.Geol, 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'.

Confirmation Statement – Colina Project Preliminary Economic Assessment

The production targets and forecast financial information disclosed in this Announcement is extracted from the Company's ASX announcement entitled "Robust Results for Colina Lithium Project Preliminary Economic Assessment (PEA)", dated 28 September 2023. The Company confirms all material assumptions underpinning the production targets and forecast financial information derived from the production targets in the initial announcement continue to apply and have not materially changed.