

22 July 2020

## Letter to Shareholders from the Chairman of Latin Resources Limited

Dear Shareholders

I trust you and your family are remaining safe and healthy through the COVID-19 pandemic that has had such a disruptive impact on our lives and economy. On the plus side, while the global economic outlook remains in a state of flux, the ASX seems to be reflecting a relatively optimistic outlook and many global commodities are enjoying a buoyant investment market.

I would like to start by welcoming all new shareholders and investors to Latin Resources Limited ("**Company**") and also to say thank you to our long standing shareholders for their loyalty and patience. In past Chairman's letters a common theme has been to emphasise the importance that the board of the Company places on rewarding shareholders and enhancing shareholder value. These objectives have not always been fulfilled for a variety of factors many of which have been beyond the control of the Company. More to the point, what the Company desires is success which inevitably results in an improved share price and market capitalisation.

I am pleased to report that I believe the Company is at the most exciting point in its history and the purpose of this letter is to help explain why I believe this to be the position.

The strategic focus of the Company over many years has been to identify and explore potential value accretive minerals projects in the richly endowed South American continent and identify and secure Joint Venture partners for these projects. This journey has brought much experience and knowledge to the Company and also some disappointment. That said, I am pleased to inform you in this report of several transformational projects that have come about as a result of adherence to our long-term strategy. The MT03 Copper project in Peru and the Catamarca lithium project in Argentina have both now secured strong joint venture partners to take the projects to the next stage.

We believe the new Yarara Gold project that has recently been announced reflects a major turning point in the Company's growth and trajectory for long term value to shareholders of the Company.

More specific details of each of the Company's projects are set out below.

## **Yarara Gold Project – Lachlan Fold Belt NSW**

While the two South American JV projects referred to in this letter are now fully funded by major partners, the Company has recently ensured participation in the strong gold market. The highly prospective gold project is in the proven gold region of the Lachlan Fold belt of NSW where multiple companies are currently reporting strong gold exploration results.

The Yarara Gold Project is located 70 kilometres east of Albury and the Company has entered into a favourable binding Farm-in Agreement to earn up to 75% of the project which hosts three target areas:

1. Yarara Reefs, (North): hosts structural gold mineralisation in sediments, a major shear provides focus for exploration.
2. Carboona (Centre): known mineralisation includes multiple metals including tungsten, lead, tin, gold and silver.
3. Ournie (South): Ournie Goldfield contains historic workings for gold and silver in granite host.

The Yarara Gold Project offers the Company a near term, proven mineralised project in the Lachlan Fold Belt which through recent exploration and mining success has proven itself as a world class minerals province. Historical mining locally includes average grades of **16-37 g/t Au** for 26,036 ounces between 1870 and 1935 at the Rangaritia, Perseverance, Four Mile/Mountaineer and Just In Time gold mines. We cannot wait to get a deeper look down from the historic surface mines. To this end, our geologists will commence work on the site once permits have been approved and will plan for the next stage of geochemical sampling and a well-defined drill program. The exploration tenements are granted which means the Company can expect drill permits to be approved very quickly once initial exploration work is completed.

## **Noombenberry Halloysite and Kaolin Project – WA**

The Company acquired the Noombenberry halloysite project located 300km east of Perth, Western Australia in late 2019. The Company has carried out significant field work since securing the project including having soil sampling assayed by an independent expert being First Test Minerals, a United Kingdom based kaolin and halloysite specialist.

These results presented by the independent expert have confirmed the prospectivity of the project. The results were very encouraging and give confidence to further explore the project via a deeper and expanded drill program.

The Exploration Lease has now been granted and the drill permit has been lodged so the Company can expect to start drilling the project within this 3<sup>rd</sup> quarter. The Company will pursue an aggressive drilling programme to test the deeper zones of the surface profile (0-30m) to test for commercial qualities of kalonitic/halloysite material.

### **Catamarca Lithium Pegmatite Project – Argentina**

There has been a substantial value enhancing project recently announced by the Company which is the joint venture recently agreed to with major Argentinian investment group, Integra Capital to advance the Company's Catamarca lithium project. Integra is one of Argentina's largest lithium explorers and also manages a broad portfolio of businesses including mining, manufacturing, telecoms and agriculture and has completed over US\$16 billion worth of funding deals.

The key deal terms which are favourable to the Company are as follows:

- Integra to spend US\$1 million in a joint venture ("**JV**") with the Company to explore and develop Catamarca to earn 50% on completion of their Due Diligence process ;
- Integra has option to become the Company's largest shareholder via a cornerstone 10% equity stake;
- Planning is underway for aggressive exploration for a JORC Resource delineation followed by feasibility, metallurgy and engineering studies;

Under the JV, the Company will be carried through the initial exploration stage to financing of development stage.

The Company's projects have received widespread interest and a major advantage Integra brings to the table is their financial capacity and proven experience in bringing mining projects to production on time and under budget in Argentina. We see the combination of the Company and Integra on this project as a winning and mutually supportive partnership with tremendous potential for success.

Once again, consistent with the Company's strategy, this is a minimal risk JV with much value upside for the Company and its shareholders.

### **MT03 Copper Project – Southern Peru**

There has existed for some years a collaborative exploration agreement between the Company and First Quantum Minerals Limited on our copper properties in Southern Peru. However, delays came about as a result of a rather protracted and unexpected process to obtain access to the property for the purpose of the exploration program. As a result, the exploration program stalled for nearly 3 years. However as recently announced, all of the formalities necessary to obtain access to our MT03 property have now been obtained from the Peruvian authorities to resume the exploration program at long last. As part of this agreement, First Quantum will now carry out a geophysical survey to ascertain and define drill targets on the MT03 project .

To support these endeavours and to continue to progress our exploration activities, the Company has recently completed a capital raising and an SPP to all shareholders which was heavily oversubscribed. The Company is now well funded to focus its attention on the NSW Yarara gold

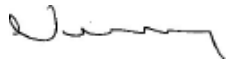
project over the coming weeks. There is renewed interest in the Company as we embark on this next major and transformational period.

I am pleased to report to you that the strategy of the Company to identify and exploit high value resource opportunities for growth is coming together and I am most excited for what lies ahead as we progress these exciting opportunities.

Over the coming weeks and months there will be encouraging news to report on all of these projects and activities which we hope will change the fortunes of the Company relatively quickly and bring some joy to our loyal and patient shareholders.

I look forward to sharing our future success with you.

Yours sincerely



David Vilenksy  
Chairman

***This announcement has been authorised by the Board of Directors of the Company.***

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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 Yarara gold project in the NSW Lachlan Fold belt, Noombenberry Halloysite Project near Merredin, WA, and the Big Grey Project in the Paterson region, WA.*

*The company is also actively progressing its Copper Porphyry MT03 project in the Ilo region with its joint venture partner First Quantum Minerals Ltd. The Company recently signed a JV agreement with the Argentinian company Integra Capital to fund the next phase of exploration on its lithium pegmatite projects in Catamarca, Argentina .*