



LATIN RESOURCES LIMITED
ACN: 131 405 144

Unit 3, 32 Harrogate Street
West Leederville, Western Australia,
6007.
P 08 6117 4798
E info@latinresources.com.au
W www.latinresources.com.au

1 October 2020

DD ON ARGENTINA LITHIUM PROJECTS WITH INTEGRA CAPITAL APPROVED

HIGHLIGHTS

- **Integra Capital have confirmed successful Due Diligence completion and will spend up to USD \$1 million (AUD \$1.4 million) in a Joint Venture with Latin to explore, develop and earn 50% of its Catamarca lithium pegmatite projects.**
- **Integra will exercise their option to become Latin's largest corporate shareholder through an equity investment to take a cornerstone 10% holding in the Company.**
- **Agreement with Latin signals Integra's move into the hard rock lithium sector to become a major player in the lithium sector.**
- **Aggressive exploration campaign targeting a maiden JORC Resource followed by feasibility, metallurgy and engineering studies.**

Latin Resources Limited (ASX: LRS) ("Latin" or "the Company") is very pleased to announce that Argentinian investment group **Integra Capital S.A. ("Integra")** have completed their Due Diligence and will enter into a transformational joint venture agreement on the Company's Catamarca lithium Pegmatite projects. The agreement underpins the strategic approach by Latin in identifying, acquiring and advancing large-scale land positions of highly prospective mineral projects to attract joint venture partners. The signing of the final Joint Venture Agreement is intended to be completed in October. Following completion, Integra will take a 10% placement in Latin Resources.

Integra is an investment company that has a diversified portfolio in more than ten countries. Founded in 1995, Integra has developed projects and ventures with private institutions and investors for more than \$16.5 billion in financing and investment projects. Integra is one of Argentina's largest lithium explorers and holds over 400,000 hectares of lithium brines projects in Jujuy and Catamarca provinces. The firm has developed a portfolio of assets in oil exploration and production, natural gas distribution, electricity generation and distribution. Integra also has investments in uranium and copper, and provides services such as mergers and acquisitions, financial structuring, IPOs, due diligence procedures, debt and company restructuring. Integra was attracted to Latin's highly prospective and large-scale lithium tenement portfolio in Argentina, as well the Company's renowned 10-year operational experience in Latin America. Integra is not a related party of the Company.

Integra will spend up to USD \$1 million (AUD \$1.4 million) under a Joint Venture ("**JV**") which will underpin an aggressive exploration program on the Catamarca concessions, with the initial aim of delivering a maiden JORC resource. Following the release of a maiden JORC resource on the projects, the Joint Venture focus will turn to project development, including feasibility, engineering and metallurgy studies to produce a lithium spodumene

concentrate. Latin has already developed a high-level scoping study with consulting engineers Primero Group for development of the Argentinian lithium assets.

Under the JV, Latin will be free-carried through initial exploration with financing for the construction of the processing plant to be in line with percentage ownership between Integra and Latin of the project partnership at the time of the Final Investment Decision.

Latin's Managing Director Chris Gale described the completion of the transaction with Integra as an excellent outcome for Latin Resources.

"We welcome Integra as our partner and this Joint Venture places Latin in a position to become a significant lithium player to create strong shareholder value at our highly-prospective Argentinian lithium Pegmatite projects. Integra's financial capacity combined with our track record and experience in Latin America makes a formidable team with the ability to rapidly explore and develop our lithium projects."

"We can now move forward rapidly to define a JORC resource and then commence the development of these great projects with a dependable partner. This transaction will also be reinforced by Integra becoming a cornerstone investor in Latin which displays confidence in our Board, Management, and our other projects in South America."

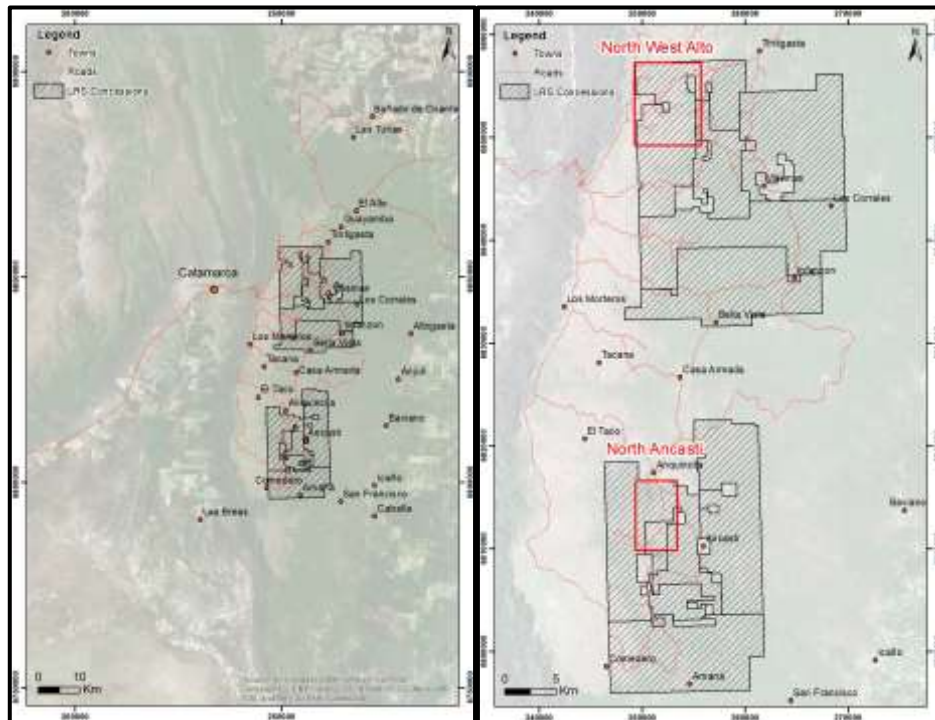


Figure 1 – The Ancasti and Villisman concessions in the province of Catamarca.

Joint-Venture Details

Under the Joint-Venture partnership, Integra will be the operating partner, but will leverage with Latin's exploration team in Argentina.

Key terms:

- Contribution of up to US\$1,000,000 ("**Expenditure Commitment**") valued at the average between the seller and buyer exchange rate of the Banco Nación Argentina from the closing of business of the business day previous to that of the execution of the Formal Documentation over a three-year period to fund exploration, feasibility analysis and related works to explore, investigate and develop the Catamarca Project Assets.
- The Expenditure Commitment shall be contributed in cash directly to the NewCo or through the direct payment of any expenditures related to the works, as may be so agreed under the above-mentioned budget and working plan.
- Latin Resources Limited shall transfer all the Catamarca Project Assets to a new Company ("**NewCo**") to be incorporated in Argentina.
- The exploration works will be carried out by Integra with the assistance of the Latin's exploration team as per agreed among the Parties in accordance to the exploration budget.
- Upon completion of the transfer of the Project Assets to NewCo, and registration thereof at the applicable registry of mining rights, Integra will subscribe for shares in NewCo in exchange for subscription consideration of the contribution of up to US\$1,000,000.
- The Expenditure Commitment shall be disbursed according to the financial needs of NewCo to achieve its agreed exploration programs. Integra will be issued shares in NewCo of up to 50% based on the full US\$1,000,000 being required by NewCo and invested by Integra. If NewCo does not require the full US\$1,000,000, the percentage interest of Integra in NewCo shall be reduced accordingly. By way of example, if Integra were to contribute with US\$500,000, such a contribution would represent 25% of the capital stock and voting power in NewCo.
- After completion of works up to the value of the Expenditure Commitment by Integra, each party will be then responsible for their portion of expenditure required for further funding for exploration, feasibility analysis and related works to explore, investigate and develop the Project Assets.
- Within seven days of the completion of signing of the Joint Venture agreement, Integra or any of its Affiliates will have the option ("**Option**") to take a placement of up to 10% of the issued capital of Latin ("**Placement**") at an issue price equivalent to the lower of: (i) A\$0.005 per share; or (ii) the volume - weighted average market price of the shares of Latin in the last 10 calendar days, immediately preceding the date of the Placement . As part of the Placement, Latin must also issue Integra one free attached listed option for every one share issued (exercisable at AU\$ \$0.012 on or before 31 December 2022).

Shareholder approval for the Placement shares and options to be issued to Integra was obtained at Latin's Annual General Meeting held on 31 July 2020 (refer to notice of meeting lodged with ASX on 1 July 2020).

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

For further information please contact:

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

Peter Taylor
Investor Relations
NWR Communications.
P: +61 412 036 231

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

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 company is actively progressing its Copper Porphyry MT03 project in the Ilo region with its joint venture partner First Quantum Minerals Ltd. The Company has secured over 173,000 hectares of exploration concessions in the lithium pegmatite districts of Catamarca and San Luis Provinces, Argentina as well as a portfolio of lithium projects in Brazil.

The company is also progressing its Noombenberry Halloysite Project near Merredin, WA, and the Big Grey Silver-Lead Project in the Paterson region, WA.

info@latinresources.com.au

www.latinresources.com.au

