



15 August 2024

Dear Fellow Shareholders

Pilbara Minerals to Acquire Latin Resources

As you are no doubt aware, on 15 August 2024 we announced a proposal under which Pilbara Minerals (ASX:PLS) will acquire all of the shares in Latin Resources. You will find the announcement of the transaction using this link <https://www.investi.com.au/api/announcements/lrs/261d2119-49e.pdf>. Ahead of sending you detailed documentation we wanted to share some information about the Pilbara Minerals proposal and let you know how the transaction will progress from here.

Shareholders who have been on the journey with us will appreciate that we have made great progress over the course of the last 5 years in discovering the Salinas Project and advancing it to the point where we are close to delivering a definitive feasibility study. Getting to this point has involved a huge amount of work by a committed board and management team here and in Brazil. This has not been easy, and it is an achievement that we are all very proud of.

Like you, we have been doing all we can to weather the storm in lithium markets over the course of this year. Whilst your Board is confident that we could have continued on the pathway to development as an independently listed company, the reality is that the world has changed dramatically in the last twelve months and the challenges of raising the capital we need to develop Salinas have risen significantly. The Scheme Implementation Agreement (**SIA** or **the Scheme**) agreed with Pilbara Minerals takes most, if not all, of those challenges off the table.

This is the primary reason your Board unanimously concluded that combining with Pilbara Minerals on the terms we have agreed will deliver a great outcome for us all. All the Latin Directors have agreed to support the transaction and vote our shares in favour of the deal, assuming that a superior offer has not emerged by that time.

This transaction will also be of great benefit to our Belo Lithium employees and Lithium Valley in the State of Minas Gerais, which has been very supportive of all of the Company's activities in Brazil. Pilbara Minerals' strong balance sheet, technical capability and development and operating expertise will greatly enhance the prospect of the timely and successful development of the Salinas project.

As well as the immediate uplift in the value of Latin Resources shares through the premium that Pilbara Minerals is offering through the Scheme, exchanging shares in Latin for Pilbara shares will give us all the opportunity to hold shares in the world's largest independent hard rock lithium producer with strong growth prospects and an excellent management team and Board. Pilbara Minerals' management team will be further enhanced through the integration of key Latin Resources personnel who have been so integral to our success.

In other words, by de-risking the Salinas Lithium Project, our shareholders will now own shares in an ASX top 50 major lithium player with global exposure. By holding Pilbara Minerals shares we will all benefit from being shareholders in a much larger company with enhanced market positioning, a much larger free float, significantly increased liquidity, enhanced access to capital markets and inclusion in relevant ASX and global indices.

In terms of next steps, you do not need to take any action at this time. In the coming weeks we will provide you with the materials you need to consider the merits of the transaction, and we aim to have a meeting of shareholders to approve the Scheme prior to the end of this calendar year.

Please reach out to me if you have any questions.

In the meantime, we very much appreciate the support you have given us to date and look forward to your ongoing support as we look to complete this exciting partnership with Pilbara Minerals.

Regards

A handwritten signature in black ink, appearing to be 'Chris Gale', written in a cursive style.

Chris Gale
Managing Director
Latin Resources Limited