

23 November 2021

SALINAS LITHIUM PROJECT EXPANDED, AND DRILLING SET TO COMMENCE IN FEBRUARY

HIGHLIGHTS

- Latin Resources has secured two new lithium tenements, contiguous with its existing position, in the highly prospective Bananal Valley district in eastern Brazil.
- Latin's lithium ground position, now expanded to 5,338 hectares, with multiple drill targets defined in the lithium corridor.
- The Bananal Valley is within the Minas Gerais State – a rich mining region of Brazil, and home to the Grota do Cirilio Project under development by TSX-V listed Sigma Lithium Corporation.
- Drilling permits lodged with drilling to commence February 2022.
- Geology and recent assay results define highly compelling drill targets.
- Priority drill targets identified where sampling returned high-grade results including 2.71% Li₂O and 1.45% Li₂O from spodumene bearing pegmatites, mapped over a strike length of over 1.2 kilometres.

Latin Resources Limited (ASX: LRS) ("Latin" or "the Company") is pleased to provide an update of recent and ongoing activities at the Company's Salinas Lithium Project in Brazil ("Salinas" or the "Project"), where the Company has defined multiple drill targets and submitted drill permits to commence drilling. The Company has also secured two new highly prospective tenements to grow its footprint at the project area (Figure 1) with known outcropping high-grade lithium spodumene bearing pegmatites.

Salinas is located in the highly prospective Jequitinhonha Valley district of Minas Gerais Province of eastern Brazil (Appendix 1). Minas Gerais hosts the Eastern Brazilian lithium pegmatite province, home to TSX-V listed Sigma Lithium Corporation and lithium producer Companhia Brasileira de Lítio (CBL).

Latin has secured an exclusive and binding 12-month option over two new concessions in the Bananal Valley 830.219/2017 & 831.799/2005, whereby Latin may acquire a 100% interest in these tenements contiguous with the Company's existing Bananal Valley Project. These two new tenements now position Latin with a very large land package of over 5,338 hectares in the newly defined Salinas lithium corridor.

Latin Resources' Managing Director, Chris Gale, commented "Our geological team is extremely keen to commence drilling in early 2022, testing multiple high priority targets at Salinas.

"In addition, the option agreement to acquire two tenements next door to Bananal Valley significantly increases the prospectivity of the Project, given the two new tenements contain outcropping high-grade lithium spodumene bearing pegmatites."

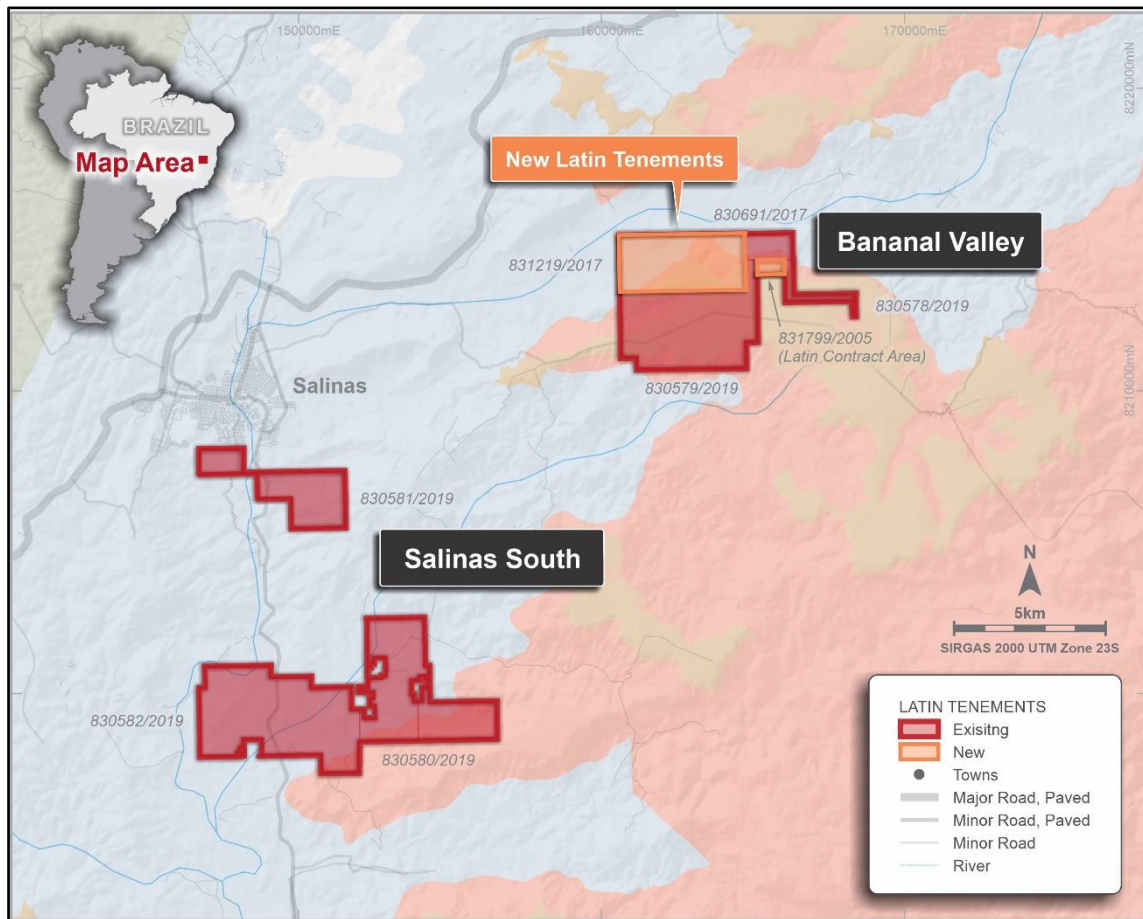


Figure 1: Salinas lithium project location - Minas Gerais District, Brazil

DRILLING HIGH GRADE SPODUMENE PEGMATITES

The Company has finalised a total of 14 drill sites to test the outcropping high-grade Li bearing pegmatites identified in previous mapping and geochemical sampling programs. Drill permits have been submitted for the Phase I drillholes, with drilling scheduled to commence in February 2022. Additional permits for the follow-up Phase II holes will be lodged in the coming weeks.

The drilling is designed to test two priority target areas where sampling has returned multiple high-grade results including 2.71% Li_2O and 1.45% Li_2O from highly weathered spodumene bearing pegmatites, mapped over a strike length of over 1.2 kilometres within the Company's tenure.

The proposed drilling campaign will be the first drilling to test this highly anomalous and outcropping mineralised trend in an underexplored region that currently contains 100% of the Brazil's official lithium reserves.

Lithium, as a highly volatile element, is rapidly leached and depleted from weathered spodumene. Therefore, the presence of remnant lithium anomalism of this calibre in weathered outcrop is extremely encouraging and worthy of a targeted drilling campaign.

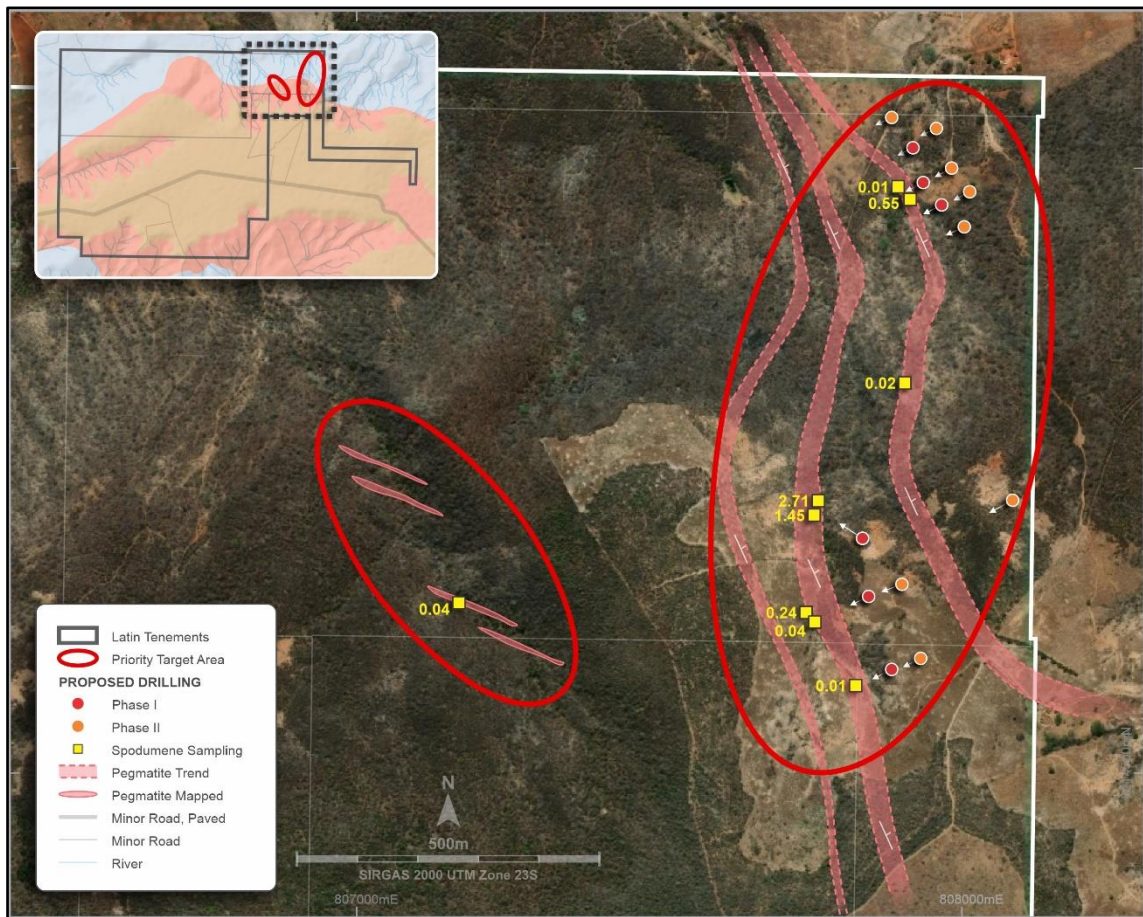




Figure 4: LRS geology team on site at the Bananal Valley Project - Mineralised pegmatite inside drainage showing highly weathered spodumene in outcrop

OPTION AGREEMENTS OVERVIEW

Under the terms of the agreement, Latin has the option to acquire a 100% interest.

TENEMENT 8331.219/2017

- To acquire the exclusive purchase option, Latin Resources (LRS) will issue a monthly payments of BRL 3,000 (~A\$750), to the vendor for a period of 12 months. At any time during the 12 months, LRS have the right to exercise its option to purchase, at which point monthly payments will cease and purchase payments will begin.
- Within 15 (fifteen) days of the date of the exercise date, LRS or its designated entity or individual shall pay or allocate to the vendor:
 - the total amount of US\$20,000 cash; and
 - the total amount of US\$10,000 in Ordinary LRS shares.
- Within 15 (fifteen) days of the completion of twelve (12) months after the exercise date, LRS or its designated entity or individual shall pay to the Vendor the total amount of US\$60,000.
- If LRS exercises the option and acquires 100% of the concessions, the vendor will retain a transferable 3% net smelter royalty on all commercial sales from the Project. LRS will have the right to purchase this on fair agreeable commercial terms in the future.
- In addition, if a Mineral Resource as defined by the JORC-2012 Code of at least 10Mt in any category with a grade of at least 1.3% Li₂O is established within the concession, LRS will pay a bonus of US\$50,000 cash plus US\$50,000 in Ordinary LRS shares to the vendor.

TENEMENT 831.799/2005

- To acquire the exclusive purchase option, Latin Resources (LRS) will pay the fixed amount of US\$10,000 within 30 (thirty) days from the latest signature date on this Agreement and the monthly amount of US\$1,000 for the first (6) months as of 30 (thirty) days from the latest signature date on this Agreement.
- Within 30 (thirty) days of the date of the Exercise, LRS or its designated entity or individual shall pay or allocate to the vendor:
 - the total amount of US\$40,000 cash; and
 - the total amount of US\$15,000 in Ordinary LRS shares.
- Within 30 (thirty) days of the completion of twelve (12) months after the exercise date, LRS or its designated entity or individual shall pay to the Vendor the total amount of US\$75,000.
- If LRS exercises the option and acquires 100% of the concessions, the vendor will retain a transferable 3% net smelter royalty on all commercial sales from the project. LRS will have the right to purchase this on fair agreeable commercial terms in the future.
- In addition, if a Mineral Resource as defined by the JORC-2012 Code of at least 10Mt in any category with a grade of at least 1.3% Li₂O is established within the concession, LRS will pay a bonus of US\$50,000 cash plus US\$50,000 in Ordinary LRS shares to the vendor.

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 several mineral resource projects in Latin America and Australia. The Australian projects include the Cloud Nine Halloysite Project near Merredin, WA, Lachlan Fold gold projects in the NSW, and the Big Grey Project in the Paterson region, WA.

In Latin America the Company has two Lithium projects, one in Brazil and has a JV agreement with Argentinian company Integra Capital to fund the next phase of exploration on its lithium pegmatite projects in Catamarca, Argentina. The Company is also actively progressing its Copper Porphyry MT03 project in the Ilo region of Peru.

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.

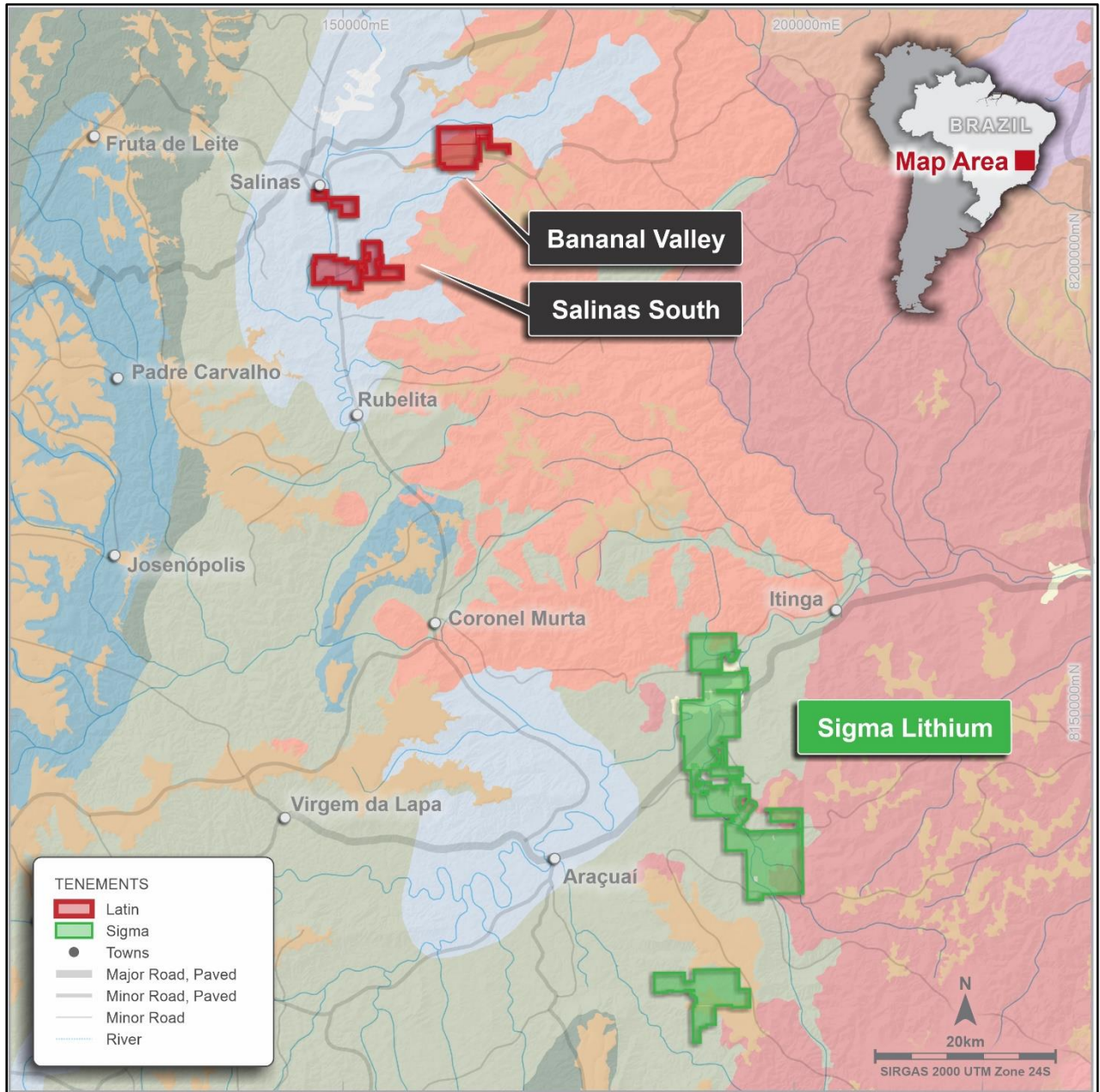
Competent Person Statement

The information in this report that relates to Geological Data and Exploration Results 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.

No new information that is considered material is included in this document. All information relating to exploration results has been previously released to the market and is appropriately referenced in this document. JORC tables are not considered necessary to accompany this document.

APPENDIX 1

Salinas Project Location, Jequitinhonha Valley district of Minas Gerais Province of eastern Brazil



i Refer to ASX Announcement dated 26 October 2021