

9 August 2022

## COMMENCEMENT OF FEASIBILITY STUDIES FOR SALINAS LITHIUM PROJECT

### HIGHLIGHTS

- Latin Resources has appointed leading mining consultant SGS Geological Services (SGS) to carry out Metallurgical test work, JORC Mineral Resource Estimation and a Preliminary Economic Assessment (PEA) on the Colina prospect, an important milestone in the future development of the Salinas Lithium Project in Brazil.
- The PEA is being run in parallel with the current diamond drilling program which is designed to establish a maiden JORC Mineral Resource Estimate which will feed into the broader PEA studies.
- Latin Resources also plans to commission SGS to build a pilot plant to produce a representative sample of lithium concentrate product.
- Latin Resources expects to be positioned to fast track the project from PEA directly to Definitive Feasibility Study (DFS).

Latin Resources Limited (ASX: LRS) ("Latin" or "the Company") is pleased to announce the appointment of SGS Geological Services, Canada ("SGS") to commence and manage a Preliminary Economic Assessment ("PEA") on the Company's Colina prospect, a part of the larger Salinas Lithium Project ("Project"), located in the pro-mining district of Minas Gerais in southeast Brazil (*Figure 1 and Figure 2*).

SGS is a global leader in metallurgy and process development providing an integrated approach and delivering expertise throughout the mining cycle. SGS has extensive spodumene lithium expertise and have recently completed other similar lithium project studies in the region including the **Sigma Lithium** Grotto do Cirilo Project DFS (NPV<sup>1</sup> of US\$5.1 Billion<sup>1</sup>).

The Company expects to deliver its maiden JORC Mineral Resource for the Colina prospect by the end of calendar year 2022, and complete the PEA by March 2023. On successful completion of the PEA, the Company anticipates progressing directly to a Definitive Feasibility Study ("DFS") which is programmed to be completed by December 2023.

SGS will run a metallurgical test work program which may include variability sample analysis, semi quantitative XRD and QEMSCAN analysis, Heavy Liquid Separation ("HLS") testing, and whole ore flotation analysis. The Company also plans to commission SGS to build a Dense Media Separation ("DMS") pilot plant in Belo Horizonte, Minas Gerais and provide potential offtake customers with a representative lithium concentrate product.

Latin has held preliminary discussions with several international car and battery manufacturers as well as leading lithium trading houses with respect to future supply of its lithium product. Latin has now taken the approach to fast track the feasibility studies to then hopefully secure offtake agreements with suitable customers.

<sup>1</sup> Refer to Sigma announcement TSX: SGML 26 May 2022

**Latin Resources Managing Director, Chris Gale** said *“We are extremely pleased to have engaged SGS Geological Services as an integral part of the Salinas Lithium Project development team, this appointment is an important milestone in the future development of the Colina prospect.*

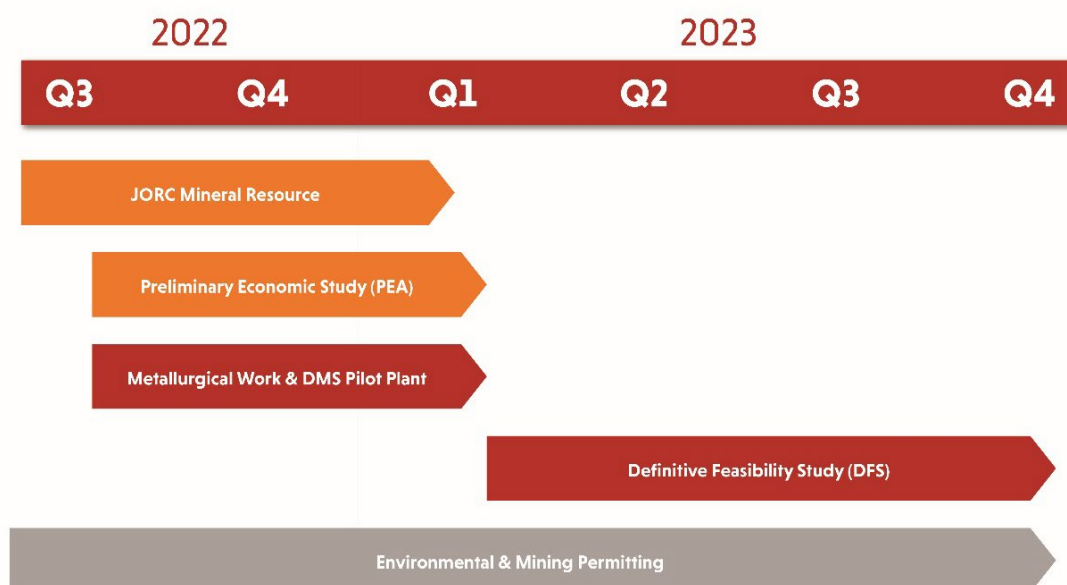
*“SGS is a well-respected group with a proven track record of delivering high quality studies and projects. They have vast experience in the region, with the recent successful completion of Sigma’s DFS. Their recent and very relevant experience will help Latin to fast track the development of our Salinas Project.”*

**He went on to say** *“Latin Resources is aiming to become one of the key lithium players to feed the world’s insatiable appetite for battery metals. The high level of inquiry we are fielding from potential offtake customers shows that they very much value the quality of Colina’s lithium grade, and tenure which gives them confidence of Salinas’s potential to become a significant lithium project.”*

#### Summary of SGS – PEA scope of works:

- Develop the process definition and description based on metallurgical test work results for a process flowsheet
- Prepare mine optimisation parameters for open pit design
- Prepare production schedule
- Define equipment requirements
- Access roads review and upgrade
- Assess power supply and distribution, fuel storage facilities
- Assess water management facilities (reclaim water, fresh water, potable water)
- Estimation of capital expenditure and operational expenditure for the process plant and surface infrastructures, including general and administrative costs, according to an AACE Class 4 estimate with an accuracy of +/-40%
- Produce pre-tax project economic evaluation results (IRR, NPV, payback)

## Fast Track Study Timeline

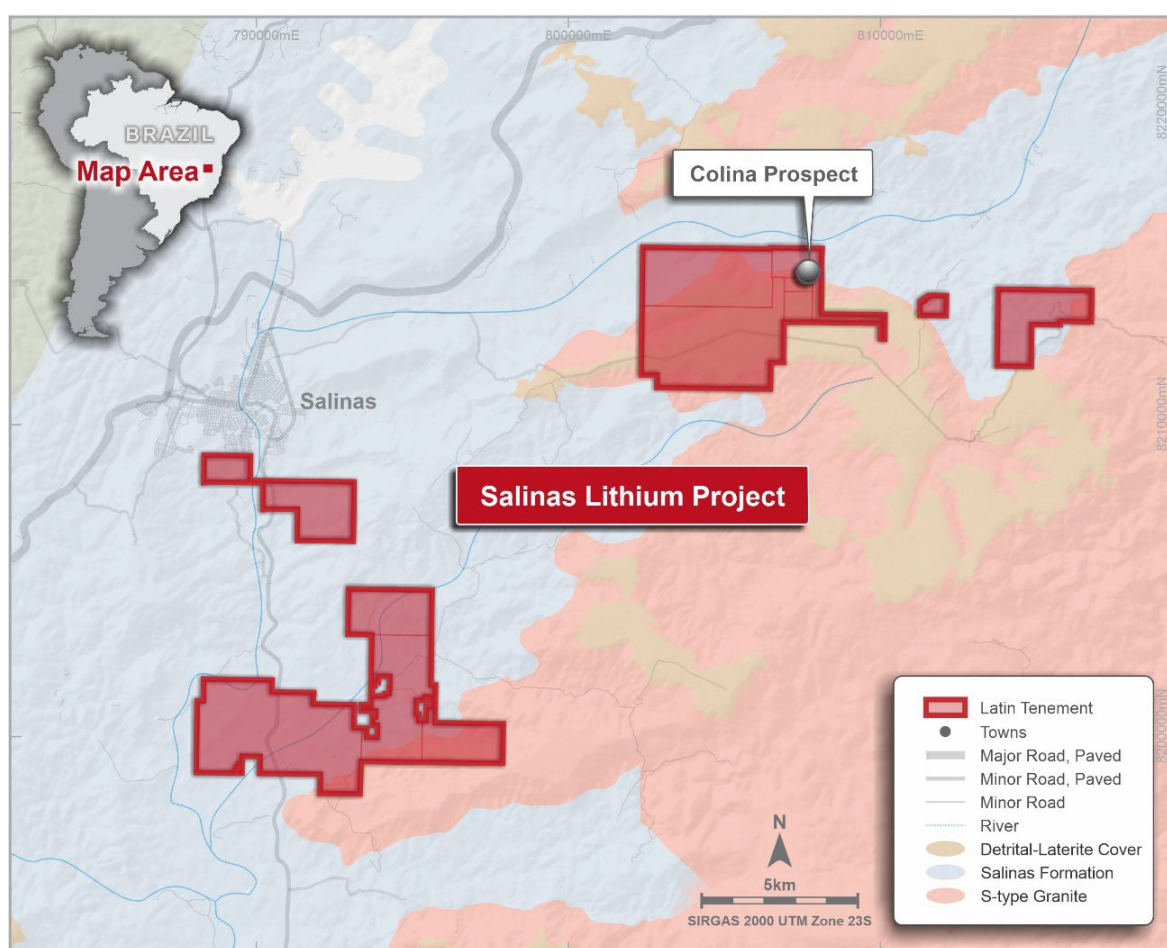


## About the Salinas Lithium Project

The Salinas Lithium Project is positioned over 6,341 hectares (*Figure 1*) of lithium ground where drilling and sampling work has identified an anomalous lithium corridor extending across the Project. The ongoing resource definition diamond drilling at the Colina prospect has confirmed high-tenor lithium grades of spodumene pegmatites with a peak grade of 4.22%  $\text{Li}_2\text{O}^2$ .

The Company is undertaking a large systematic drilling campaign over the Colina prospect aimed at providing sufficient data to establish a maiden JORC Mineral Resource Estimate ("**MRE**") for the Salinas Lithium Project in Brazil.

Positive assay results from drilling have continued to demonstrate continuity of the mineralisation along strike and down dip, with the emerging pegmatite swarm remaining open in all directions. These ongoing positive results provided Latin with the confidence to expand the drilling team to facilitate the fast tracking of systematic mineral resource definition drilling (*Figure 2, Table 1*) and commence the PEA of the Colina prospect.



*Figure 1: Salinas Lithium Project, Minas Gerais Brazil – showing simplified geology, Colina prospect location, and other Salinas projects*

<sup>2</sup> Refer to ASX announcement dated 27 July 2022



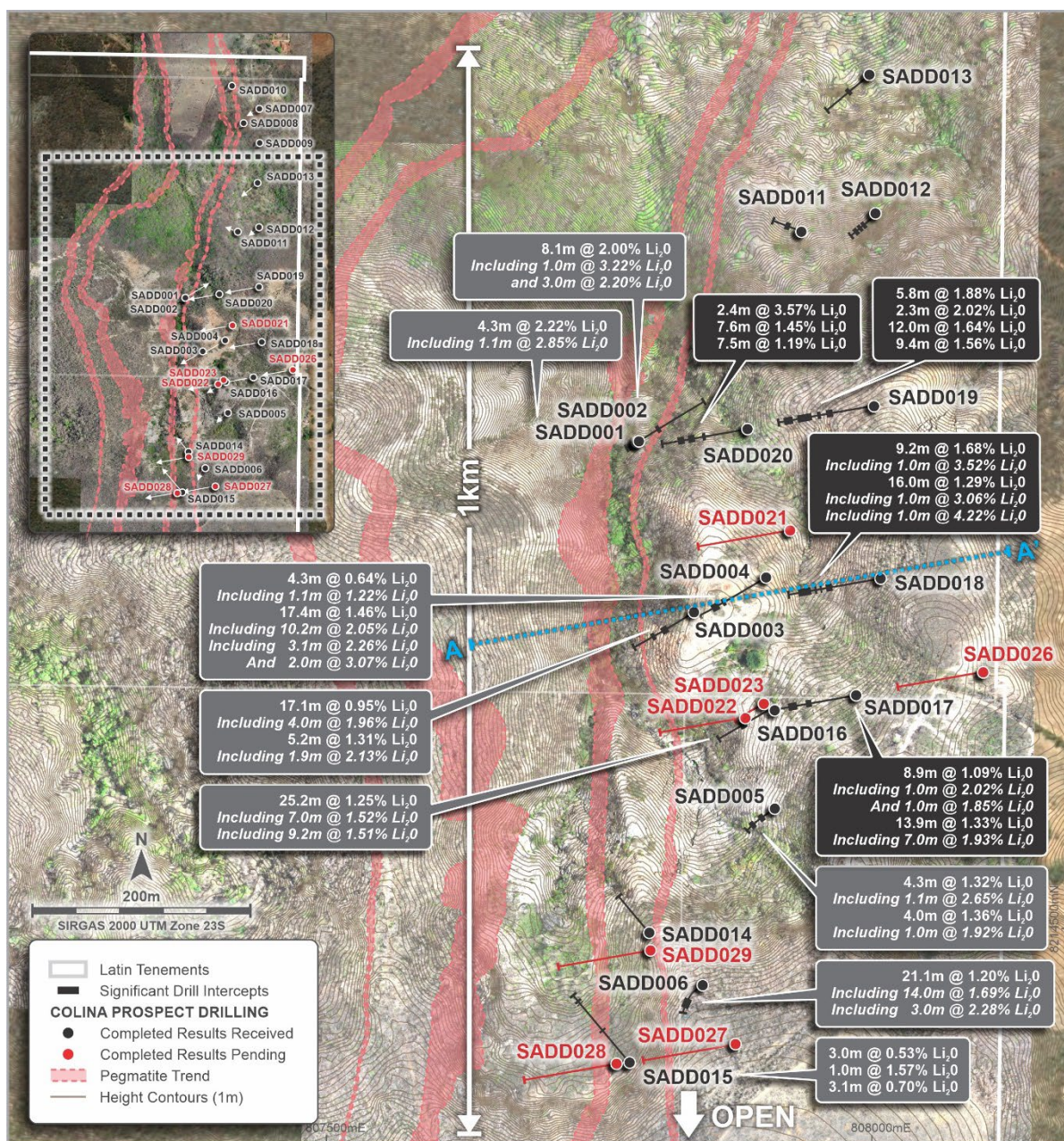


Figure 2: Colina prospect area, showing completed drill collars and significant intersections received to date<sup>3</sup>

The Salinas Lithium Project is in the mining friendly district of Minas Gerais in Brazil. Minas Gerais is vastly under-explored for lithium but hosts significant potential which commenced with the Sigma Lithium discovery in 2017, a world class spodumene lithium resource base located approximately 75km to the south-southeast of the Salinas Lithium Project in a similar geological setting (Figure 3). The recent DFS completed by SGS for Sigma announced by the filing of its Phase 1 DFS and Phase 2 PFS update of the NI 43-101 Technical Report for its 100% owned Grota do Cirilo Project. The Consolidated Technical Report incorporates the Phase 1 Feasibility Study and a Phase 2 Pre-Feasibility Study, which highlighted a combined after tax NPV<sub>8%</sub> of US\$5.1 billion and combined after-tax IRR of 589% and an annual free cash flow of US\$595m<sup>4</sup>.

<sup>3</sup> Refer to ASX announcement dated 27 Jul 2022

<sup>4</sup> Refer to Sigma announcement TSX: SGML 26 May 2022



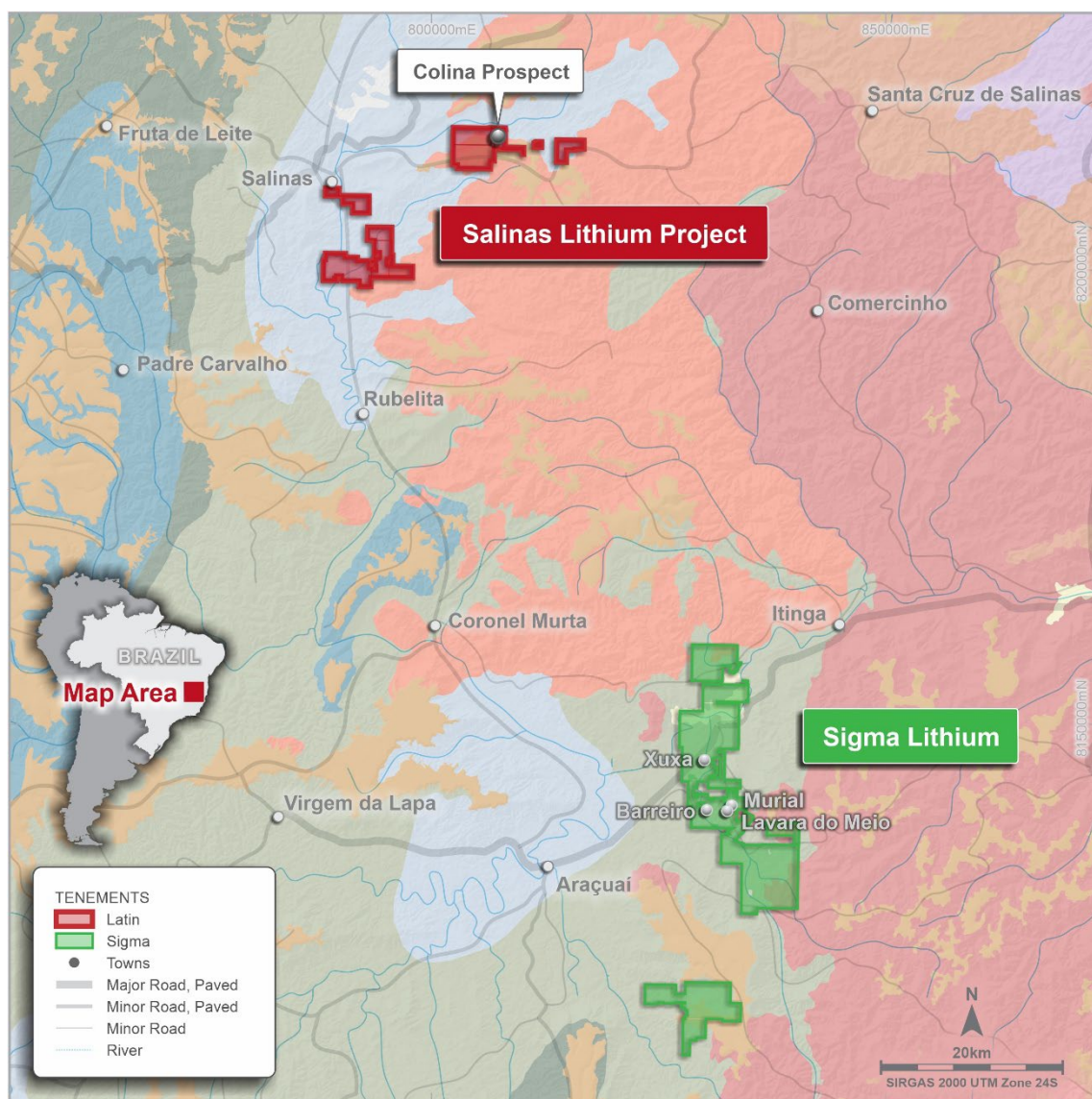


Figure 3: Salinas Lithium Project showing simplified geology regional tenure and Sigma location

**Selected significant intersections received to date<sup>3</sup>:**

<b>SADD004:</b>	<b>17.38m @ 1.46% Li<sub>2</sub>O from 119.80m</b>
	<i>Inc: 10.20m @ 2.05% Li<sub>2</sub>O from 120.95m</i>
	<i>Inc: 3.05m @ 2.26% Li<sub>2</sub>O from 120.95m</i>
	<i>and: 2.00m @ <b>3.07%</b> Li<sub>2</sub>O from 127.00m</i>
<b>SADD006:</b>	<b>21.1m @ 1.20% Li<sub>2</sub>O from 208.80m</b>
	<i>Inc: 14.00m @ 1.69% Li<sub>2</sub>O from 210.90m</i>
	<i>Inc: 3.00m @ 2.28% Li<sub>2</sub>O from 214.90m</i>
<b>SADD017:</b>	<b>8.87m @ 1.09% Li<sub>2</sub>O from 137.00m</b>
	<i>Inc: 1.00m @ 2.02% Li<sub>2</sub>O from 137.00m</i>
	<b>13.86m @ 1.33% Li<sub>2</sub>O from 173.29m</b>
	<i>Inc: 7.00m @ 1.93% Li<sub>2</sub>O from 178.00m</i>
<b>SADD019:</b>	<b>11.96m @ 1.64% Li<sub>2</sub>O from 206.24m</b>
	<i>Inc: 8.20m @ 1.82% Li<sub>2</sub>O from 210.00m</i>
<b>SADD020:</b>	<b>2.35m @ 3.57% Li<sub>2</sub>O from 120.33m</b>
	<i>7.58m @ 1.45% Li<sub>2</sub>O from 143.77m</i>
	<i>Inc: 1.60m @ <b>2.45%</b> Li<sub>2</sub>O from 144.40m</i>

Table 1: Colina prospect - significant diamond drill results<sup>5</sup>

Hole ID	From (m)	To (m)	Interval (m)	Li <sub>2</sub> O (%)
SADD001	24.22	26.22	2.00	0.56
SADD001	83.82	88.13	4.31	<b>2.22</b>
SADD002	48.50	54.95	6.45	0.78
SADD002	111.30	119.43	8.13	<b>2.00</b>
<i>Including:</i>	<i>112.30</i>	<i>113.3</i>	<i>1.00</i>	<b>3.22</b>
	115.30	118.30	3.00	2.20
SADD003	65.65	82.70	17.05	0.95
<i>Including:</i>	<i>69.65</i>	<i>73.65</i>	<i>4.00</i>	<i>1.96</i>
	98.35	103.50	5.15	1.31
<i>Including:</i>	<i>98.35</i>	<i>100.25</i>	<i>1.90</i>	<b>2.13</b>
SADD004	119.80	137.18	17.38	1.46
<i>Including:</i>	<i>120.95</i>	<i>131.15</i>	<i>10.20</i>	<b>2.05</b>
<i>Including:</i>	<i>120.95</i>	<i>124.00</i>	<i>3.05</i>	<b>2.26</b>
	127.00	129.00	2.00	<b>3.07</b>
SADD005	125.4	129.65	4.25	1.32
<i>Including:</i>	<i>127.55</i>	<i>128.60</i>	<i>1.05</i>	<b>2.65</b>
	159.10	163.10	4.00	1.36
<i>Including:</i>	<i>161.10</i>	<i>162.10</i>	<i>1.00</i>	1.92
SADD006	208.80	229.90	21.10	1.26
<i>Including:</i>	<i>210.90</i>	<i>224.90</i>	<i>14.00</i>	1.69
<i>Including:</i>	<i>214.90</i>	<i>217.90</i>	<i>3.00</i>	<b>2.28</b>
SADD007	No Significant results			
SADD008	No Significant results			
SADD009	No Significant results			
SADD010	No Significant results			
SADD011	49.90	51.00	1.10	1.15
	60.82	63.95	3.13	1.48
<i>including:</i>	<i>60.82</i>	<i>61.95</i>	<i>1.13</i>	1.73
SADD012	64.80	69.03	4.23	1.52
<i>Including:</i>	<i>64.80</i>	<i>66.90</i>	<i>2.10</i>	<b>2.27</b>
	97.95	102.50	4.55	0.98
<i>Including:</i>	<i>98.86</i>	<i>101.59</i>	<i>2.73</i>	1.32
	110.05	111.60	1.55	1.37
<i>Including:</i>	<i>110.05</i>	<i>110.85</i>	<i>0.80</i>	<b>2.12</b>
SADD013	36.75	41.10	4.35	1.76
<i>Including:</i>	<i>36.75</i>	<i>40.05</i>	<i>3.30</i>	<b>2.08</b>
SADD014	No Significant results			
SADD015	97.87	100.87	3.00	0.53
	183.53	184.50	0.97	1.57
	189.78	192.88	3.10	0.70
SADD016	94.14	119.38	25.24	1.25
<i>Including:</i>	<i>97.00</i>	<i>104.00</i>	<i>7.00</i>	1.52
<i>And:</i>	<i>109.00</i>	<i>118.19</i>	<i>9.19</i>	1.51
SADD017	133.00	141.87	8.87	1.09
<i>Including:</i>	<i>137.00</i>	<i>138.00</i>	<i>1.00</i>	<b>2.02</b>

<sup>5</sup> Refer to ASX announcement dated 27 July 2022

Hole ID	From (m)	To (m)	Interval (m)	Li <sub>2</sub> O (%)
<i>And:</i>	144.00	145.00	1.00	1.85
	173.29	187	13.86	1.33
<i>Including:</i>	178.00	185.00	7.00	1.93
SADD018	133.84	143.00	9.16	1.68
<i>Including:</i>	135.00	141.00	6.00	<b>2.16</b>
<i>Including:</i>	137.00	138.00	1.00	<b>3.52</b>
	146.00	147.00	1.00	0.75
	149.00	150.00	1.00	1.30
	189.00	205.00	16.00	1.29
<i>Including:</i>	190.00	198.00	8.00	1.98
<i>Including:</i>	190.00	191.00	1.00	<b>3.06</b>
<i>And:</i>	196.00	197.00	1.00	<b>4.22</b>
SADD019	117.12	119.73	2.61	0.80
	140.94	146.78	5.84	1.88
	164.57	166.15	1.58	0.77
	185.13	187.44	2.31	<b>2.02</b>
<i>Including:</i>	186.00	187.44	1.44	<b>2.66</b>
	206.24	218.20	11.96	1.62
<i>Including</i>	210.00	218.20	8.20	1.82
	237.30	246.73	9.43	1.56
<i>Including</i>	240.00	244.00	4.00	<b>2.42</b>
SADD020	94.05	95.10	1.05	0.74
	97.97	100.00	2.03	0.98
	120.33	122.68	2.35	<b>3.57</b>
	143.77	151.35	7.58	1.45
<i>Including:</i>	144.40	146.00	1.60	<b>2.45</b>
	207.08	214.54	7.46	1.19

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

[info@latinresources.com.au](mailto:info@latinresources.com.au)  
[www.latinresources.com.au](http://www.latinresources.com.au)

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

## About Latin Resources

*Latin Resources Limited (ASX: LRS) is an Australian-based mineral exploration company, with projects in Australia and South America, that is developing mineral projects in commodities that progress global efforts towards Net Zero emissions.*

*In Latin America the Company focus is on its two Lithium projects, one in the state of Minas Gerais, Brazil and the other, the Catamarca Lithium Project in Argentina in which lithium is highly sought after as a critical mineral for electric vehicles and battery storage.*

*The Australian projects include the Cloud Nine Halloysite-Kaolin Deposit. Cloud Nine Halloysite is being tested by CRC CARE aimed at identifying and refining halloysite usage in emissions reduction, specifically for the reduction in methane emissions from cattle.*

## About SGS

*SGS Geological Services is known globally as the expert in ore body modelling and reserve evaluation with over 40 years and 1000 consulting projects of experience providing the mining industry with computer-assisted mineral resource estimation services using cutting edge geostatistical techniques.*

*SGS bring the disciplines of geology, geostatistics, and mining engineering together to provide accurate and timely mineral project evaluation solutions. As part of the larger SGS Natural Resources group, they draw upon their massive network of laboratories, metallurgists, process engineers and other professionals to help bring mineral projects to the next level.*

*SGS have extensive spodumene lithium expertise and have recently completed other similar lithium project studies in the region including the Sigma Lithium's Grota do Cirilo Project.*

## 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.*