

# ASX Announcement

31 October 2023

## QUARTERLY ACTIVITIES REPORT for the period ending 30 September 2023

### HIGHLIGHTS

#### **Colina Lithium Project, Brazil – Preliminary Economic Assessment**

- After-tax NPV8% of A\$3.6 billion (US\$2.5 billion) – IRR of 132% – Total LOM revenue of A\$12.6 billion (US\$8.4 billion), with free cash flow of A\$6.8 billion (US\$4.7 billion)– Average LOM annual production of 405,000 tpa 5.5% Li<sub>2</sub>O spodumene concentrate (“SC5.5”) – Phase 1 capital expenditure of US\$253 million – Payback of 7 months.
- The Preliminary Economic Assessment (“PEA”) for the Colina Lithium Project (“Colina Project”) demonstrates a low-capital, two-phased operation that delivers high-quality SC5.5, and a 3% Li<sub>2</sub>O (“SC3”) spodumene tails concentrate product.
- A fully sustainable mine design with simple Dense Media Separation (“DMS”) and spirals for fine tails processing, hydroelectricity supply, dry-stack tailings and recycled water to meet ESG standards.
- DMS test work undertaken on Colina Deposit ore confirms the ability to produce a high-grade, low impurity spodumene concentrate.
- A remarkable lithium stage recovery of 93.1% was achieved from the coarse sample to a spodumene concentrate grading 5.5% Li<sub>2</sub>O, utilising pilot scale DMS equipment.
- Further positive assay results returned from infill drilling at Colina and Fog’s Block:
  - SADD139: 9.94m @ 1.50% Li<sub>2</sub>O from 328.91m
  - SADD148: 10.46m @ 1.29% Li<sub>2</sub>O from 160.04m
  - SADD149: 18.12m @ 1.67% Li<sub>2</sub>O from 244.88m
  - SADD155: 11.74m @ 1.40% Li<sub>2</sub>O from 76.26m
  - SADD156: 10.13m @ 1.63% Li<sub>2</sub>O from 49.62m

#### **Corporate**

- Latin held \$38.0 million in cash and investments as at 30 September 2023.
- The Company received \$2.1 million from the exercise of options as part of a 2022 placement and \$1.0 million from the Australian Tax Office (“ATO”) in recognition of research & development (“R&D”).
- The Company announced that it had been added to the Morgan Stanley Capital International (“MSCI”) Global Small-Cap Index.

#### **Events subsequent to the end of the quarter**

On 23<sup>rd</sup> October, the Company announced that it had received firm commitments to raise A\$35.0 million through a placement of new fully paid ordinary shares (“New Shares”) to institutional, sophisticated and professional investors (“Placement”).

The Placement will provide the Company with a significant capital injection to expand and accelerate its exploration program at the Salinas Lithium Project in Brazil, with an expanded drill program planned for 2024, in addition to funding geotech and hydrogeology works to support the Definitive Feasibility Study expected to be announced in H1 2024 (“DFS”).

### Uses of Funds

Funds raised by the Placement will be applied towards fast-tracking the Salinas Lithium Project, including:

- An expanded exploration drilling program through 2024;
- Completing additional Geotech and hydrogeology works to support the DFS;
- Providing additional funding to facilitate the Company’s expanded land acquisition budget; and
- Supporting the Company’s working capital requirements.

Under the Placement, the Company will issue approximately 140.0 million New Shares at an issue price of A\$0.25 per New Share under the Company’s Listing Rule 7.1 placement capacity to raise gross proceeds of approximately A\$35.0 million.

Canaccord Genuity (Australia) Limited acted as Lead Manager and Bookrunner to the Placement. PAC Partners Pty Ltd acted as Co-Manager to the Placement.

The expected settlement date of the New Shares to be issued under the Placement is 27<sup>th</sup> October 2023.

**Latin Resources Limited (ASX: LRS) (“Latin” or “the Company”)** is pleased to report on its activities for the three months ending 30 September 2023.

During the quarter, the Company progressed activities at its 100% owned Colina Lithium Project in Brazil, including the announcement of key outcomes of a technical and financial study (“**Preliminary Economic Assessment**” or the “**PEA**”), which demonstrated an NPV (after-tax) of A\$3.6 billion.

Successful PEA results followed from Dense Media Separation (“**DMS**”) test work that confirmed the ability to produce a high-grade, low impurity spodumene concentrate at pilot plant scale.

Almost 40,000m across 118 holes has been completed since January 2023, as part of the broader 65,000m drilling program. Positive diamond drilling assay results were returned, confirming a new pegmatite discovery located around 3km southwest of the Colina Deposit.

### Latin Resources Executive Director, Christopher Gale commented:

*“This has been an instrumental quarter for Latin Resources, with the release of our first feasibility study for the Colina Lithium Project in Brazil.*

*“The preliminary economic assessment exceeded our expectations, demonstrating a low-cost capex and a path for fast tracking to production in 2026. The Colina Project is shaping up to be a world class lithium mine, with very low operational costs.*

*“Successful metallurgical test results released during the quarter helped form inputs for the PEA, as DMS demonstrated an impressive 93.1% stage recovery to a spodumene concentrate grading of 5.5% Li<sub>2</sub>O.*

*“Our 65,000m 2023 drilling program continued during the quarter, with assay results confirming a new pegmatite discovery. The Colina Project hosts district scale potential, with drilling working towards a further increase of our existing MRE.*

*“We were also thrilled to announce that Latin has been added to the MSCI Global Index, which increases our exposure to larger global institutions and the international investment market.*

*“Latin look forward to bringing further developments from our activities to our shareholders, as we continue to push through our milestones towards production”.*

## 1. COLINA LITHIUM PROJECT, BRAZIL

### 1.1. Robust Results for PEA<sup>1</sup>

During the quarter, the Company was pleased to provide key outcomes for a technical and financial study (PEA) marking economic results on the first feasibility study conducted on the Colina Project. The PEA results demonstrated the Colina Project's potential as a world class lithium mine.

#### Executive Summary

The Colina Project PEA has been led by independent consultants SGS and is based on the Colina mineral resource estimate reported to the ASX on 20 June 2023, for 45.2Mt at 1.32% Li<sub>2</sub>O (including 0.43Mt @ 1.34% Li<sub>2</sub>O Measured + 29.7Mt @ 1.37% Li<sub>2</sub>O Indicated + 15.0Mt @ 1.22% Li<sub>2</sub>O Inferred)<sup>2</sup> (“Colina MRE” or “MRE”) for a proposed 3.6Mtpa standalone mining and processing operation, demonstrating strong financial metrics for the Colina Project. The PEA incorporates Phase 1 and a Phase 2 processing plant, and demonstrates robust combined economics, highlighted by a combined after-tax NPV<sub>8%</sub> of A\$3.6 billion (US\$2.5 billion) and combined after-tax IRR<sub>2F</sub> of 132%.

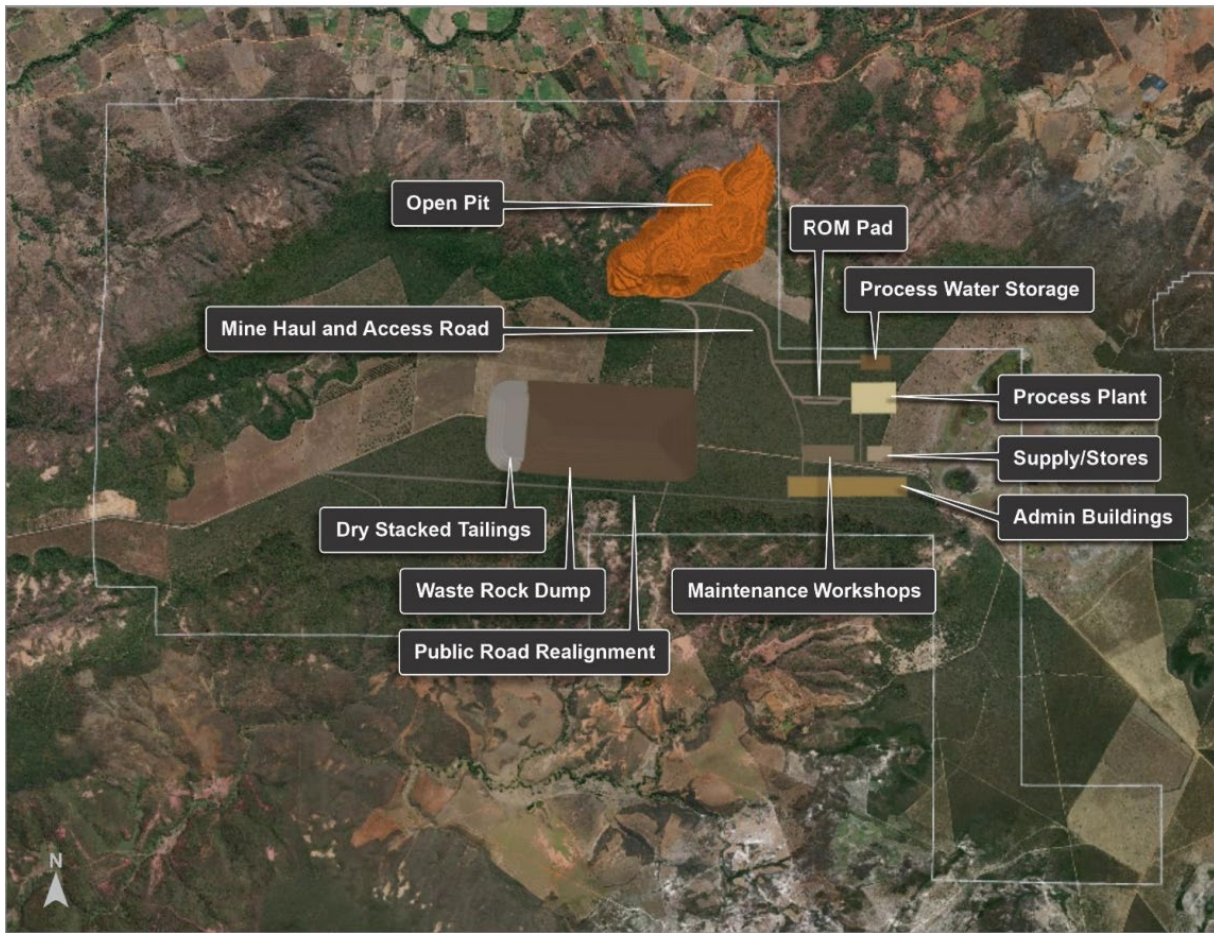
The PEA confirms that the Company will be a large-scale, low-cost producer of a fully integrated concentrate plant and environmentally sustainable production of SC5.5 and SC3 spodumene concentrate, with significant cost saving benefits and competitive market advantages from its geographical location.

The PEA contemplates an initial mine life of 11 years generating significant net cash flows over the Life of Mine (“LOM”) with a capital payback achieved in the first 7 months of the Colina Project life under Phase 1. Financials are based on a weighted average spodumene concentrate price of US\$1,699t/CIF SC5.5 and US\$927t/CIF SC3, using an average of price forecasts from Fast Markets and Benchmark Minerals; the two leading price reporting agencies in the lithium sector.

Key factors influencing the robust PEA economics include:

- High average feed grades of 1.24% Li<sub>2</sub>O across both Phase 1 and Phase 2;
- Excellent average recovery rates achieved by Dense Media Separation (“DMS”) circuit of 78.3% comprised of 67.2% for SC5.5 and 11.1% for SC3; and
- Phase 1 production commencing in 2026 with Phase 2 average production of 525,000 tpa SC5.5 and 159,000 tpa SC3 commencing 2029.

The Company expects to announce an updated MRE in the fourth quarter of 2023, with the goal of increasing tonnage and converting existing Colina resources to higher JORC classifications. The results of the PEA and expected MRE expansion will serve as the foundation for the definitive feasibility study (“DFS”) which is expected to be completed in mid-2024.



**Figure 1:** Proposed Colina Mine Open pit and Infrastructure layout.

### Economic Analysis

The combined Phase 1 and Phase 2 provides an average annual production run-rate of 405,000tpa of SC5.5 and 123,000tpa of SC3 over an 11-year operating mine life. Based on this production rate and mine life, a calculated after-tax NPV<sub>8%</sub> of A\$3.6 billion (US\$2.5 billion) and IRR of 132% is delivered for the combined Phase 1 and 2 developments. Table 1 contains a financial summary of the Colina Project, showcasing the strong economic viability of the Colina Project.

The PEA was completed to an overall  $\pm 35\%$  accuracy using the key parameters and assumptions set out in Table 1 and 2 below and as further outlined in Appendix 1.

**Table 1:** Key Physical Assumptions for the Colina Project.

Assumption	Unit	Total
<b>Mining and Production</b>		
Life Of Mine	Years	11
Plant Nameplate Capacity ROM	Mtpa	3.6
LOM Average head Li <sub>2</sub> O Grade	%	1.24 <sup>1</sup>

Assumption	Unit	Total
Total quantity mined	Mt ore	31.4
Stripping ratio	x	17.6
Total Production (SC5.5)	Mt	4.45
Annual Production (SC5.5)	ktpa	405
Total Production (SC3)	Mt	1.35
Annual Production (SC3)	ktpa	123
Process Plant Recovery (SC5.5)	%	67.2
Process Plan Recovery (SC3)	%	11.1

**Table 2: Summary of outputs and assumptions for the Colina Project.**

Item	Unit	Total
<b>Economic Analysis</b>		
Post-Tax NPV <sub>8</sub>	A\$B	3.6
Post-Tax IRR	%	132
Payback Period	Months	7
Concentrate price (CIF) SC5.5 (weighted average)	US\$/t SC5.5 real	1,699
Concentrate price (CIF) SC3 (weighted average)	US\$/t SC3 real	927
Exchange rate	AUD:USD	0.70
Corporate tax rate (incorporating the Sudene tax incentive)	%	15.25
<b>Revenues, Cash Flow and Capex</b>		
Average annual revenue	US\$m	802
Average annual after-tax free cash flow	US\$m	383
Phase 1 capital expenditure (initial capital including pre-strip)	US\$m	253
Phase 2 capital expenditure (deferred capital) (excluding closure)	US\$m	55
<b>Costs per tonne of spodumene</b>		
Total cash costs (AISC, CIF, including royalties)	US\$/t	536
Phase 1 and 2 global lithium recovery rate, comprised of:	%	78.3
SC5.5 spodumene recovery	%	67.2
SC3.0 spodumene recovery	%	11.1
<b>Integrated costs per tonne of spodumene concentrate</b>		
Mining costs	US\$/t	328
Plant processing costs	US\$/t	36
G&A costs	US\$/t	15
Royalties	US\$/t	31
Transportation costs (mine to CIF China) (dry metric tonne ("DMT"))	US\$/t	126

<sup>1</sup> Weighted average fully diluted grade over LOM

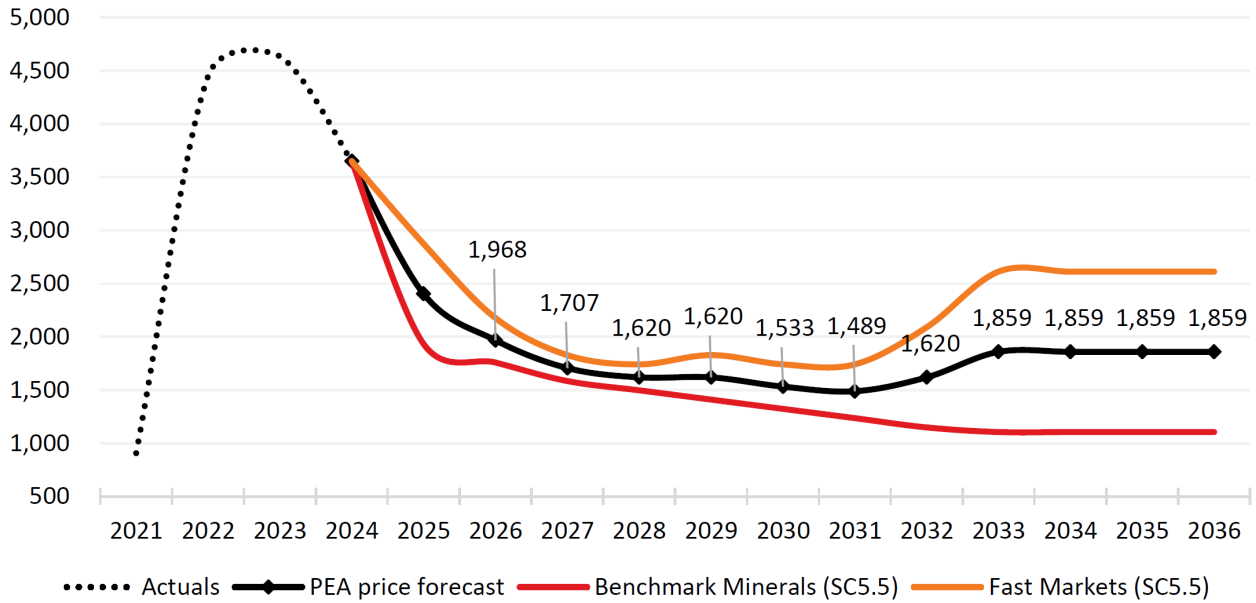
Item	Unit	Total
<b>Integrated costs as modelled</b>		
Mining costs	US\$/t material	3.42
Plant processing costs (2026 and 2027)	US\$/t ore	7.13
Plant processing costs (2028+)	US\$/t ore	4.62
Tailings costs	US\$/t tailings	2.18
G&A costs	US\$/t ore	2.70
Royalties	% revenue	2.0
Transportation costs (mine to CIF China) (wet metric tonne (“WMT”))	US\$/t spod	120

The Company has based the spodumene concentrate SC5.5 prices on an average of price forecasts from Benchmark Minerals and Fast Markets; two of the leading price repotting agencies in the lithium sector. The price forecasts were published in Q2 2023 and August 2023 respectively.

The price forecasts from Benchmark Minerals and Fast Markets are presented on a 6% Li<sub>2</sub>O spodumene concentrate (“**SC6**”) basis. These have been calibrated to SC5.5 and SC3 by adjusting for lithium content and applying a five percent discount to derive a SC5.5 and SC3 price forecast. These formulas and discounts are consistent with observed industry benchmarks in Western Australia.

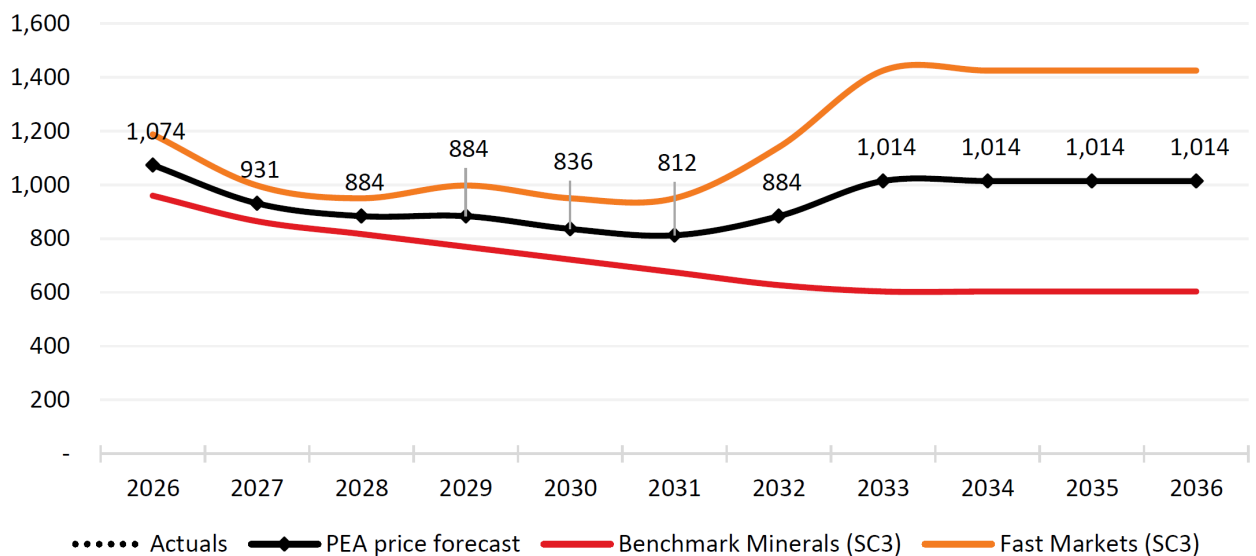
The forecast from Benchmark Minerals has been prepared on a free-on-board (“**FOB**”) basis. The Fast Markets forecast is presented on a cost, insurance and freight (“**CIF**”) basis. To align these forecasts, a shipping cost of US\$120/t has been added to Benchmark Minerals’ forecast to achieve a like-for-like basis. Based on a logistical study completed by the Company, this can be reduced to approximately US\$88/t of spodumene if shipped to a converter in North America. Opportunities for North American offtake will be evaluated as part of the DFS.

SC5.5 price	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Avg
Forecast	1,968	1,707	1,620	1,620	1,533	1,489	1,620	1,859	1,859	1,859	1,859	1,699

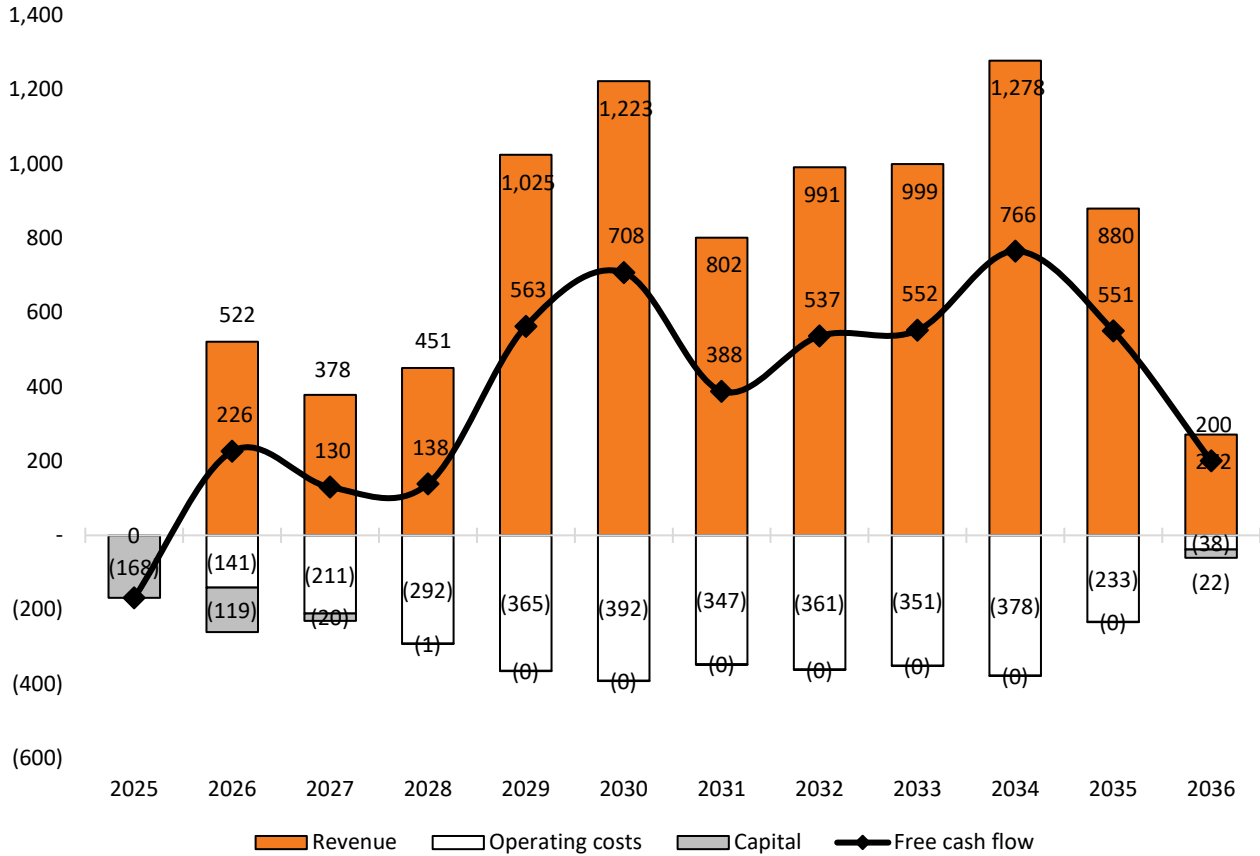


**Figure 2:** PEA, Benchmark Minerals and Fast Markets SC5.5 pricing forecast. Prices presented in US\$/t SC5.5 spodumene, CIF China, real dollars.

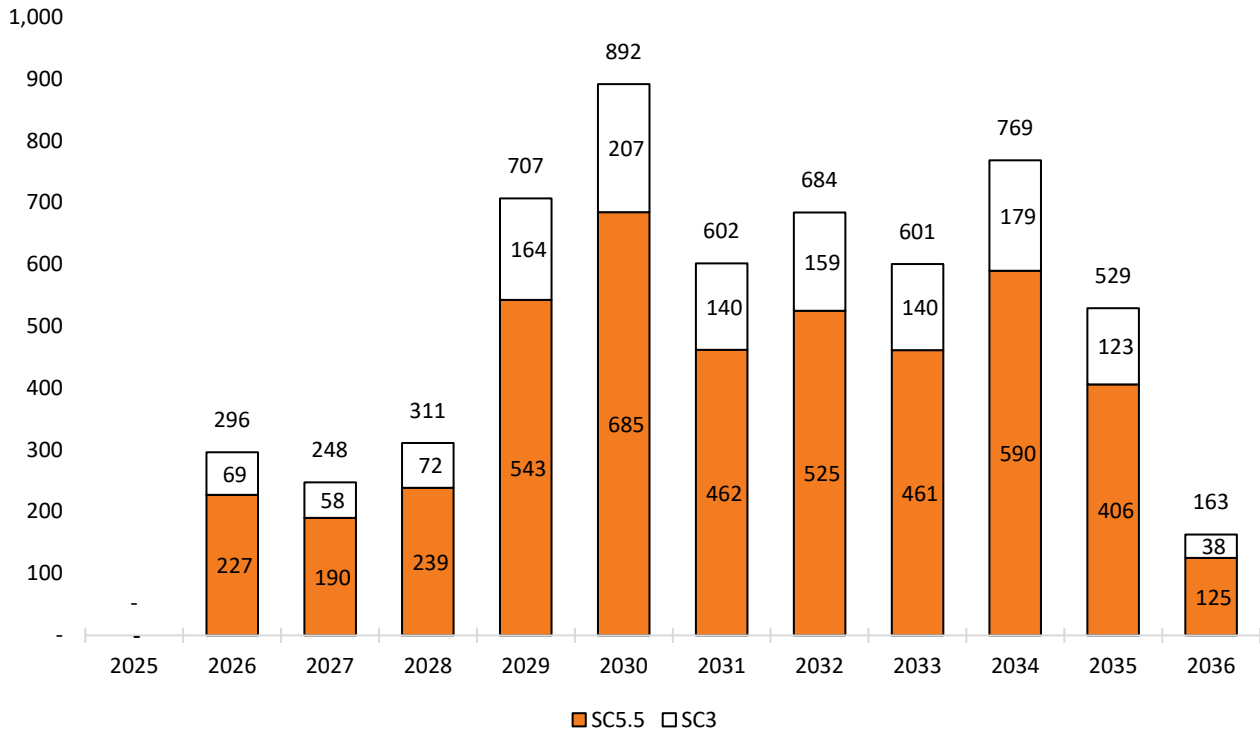
SC3 price	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Avg
Forecast	1,074	931	884	884	836	812	884	1,014	1,014	1,014	1,014	927



**Figure 3:** PEA, Benchmark Minerals and Fast Markets SC3 pricing forecast. Prices presented in US\$/t SC3 spodumene, CIF China, real dollars.



**Figure 4:** The Colina Project Phase 1, 2 and Combined Revenue, Capital and Operating Costs (US\$M, real).

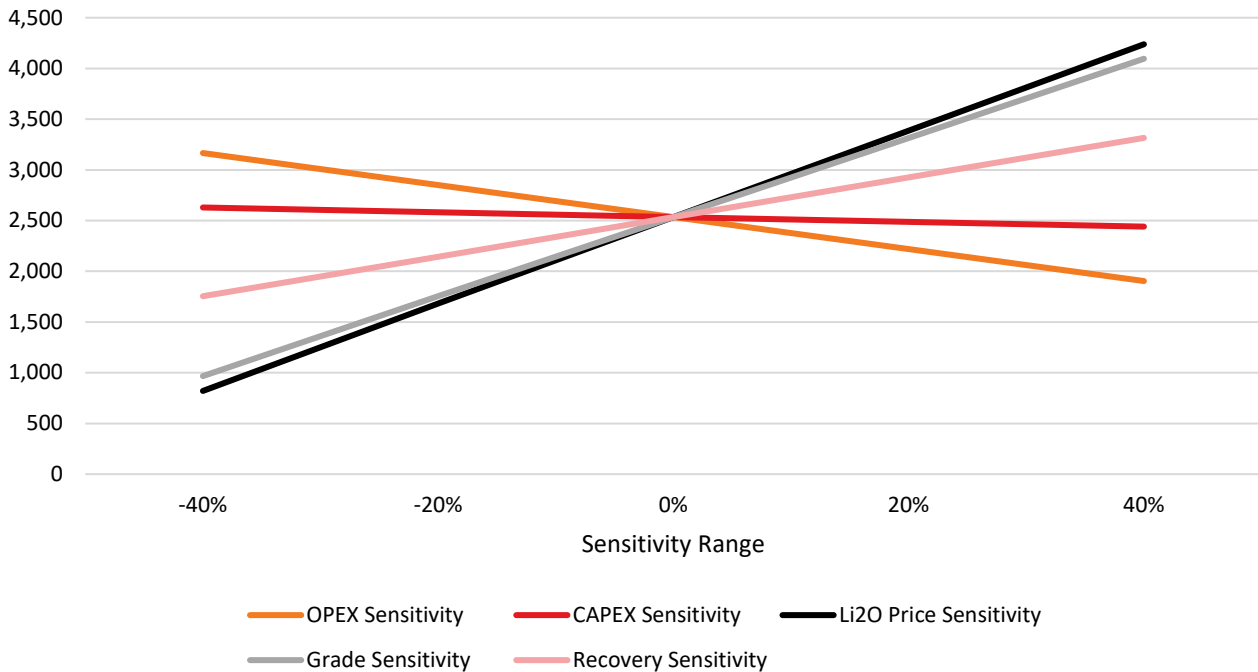


**Figure 1:** The Colina Project Phase 1, 2 spodumene production (kt). A Phase 3 extension and expansion to production will be evaluated in the DFS.



## Sensitivity Analysis

The Colina Project’s after- tax NPV<sub>8%</sub> demonstrates resilience to changes in key assumptions. The Colina Project is most sensitive to changes in lithium pricing, mined grade and – to a lesser extent – process recovery.



**Figure 2:** Sensitivities of key assumptions (reflected against US\$M post-tax NPV<sub>8</sub>, real).

### 1.2. DMS Test Work at Pilot Plant Scale<sup>3</sup>

Latin was pleased to announce that Dense Media Separation (“**DMS**”) test work undertaken on the Colina Deposit confirmed the ability to produce a high-grade, low impurity spodumene concentrate. An impressive **93.1% stage recovery** was achieved from the coarse sample, to a high-quality spodumene concentrate grading **5.5% Li<sub>2</sub>O**, utilising pilot scale DMS equipment. The recovery came from a representative sample with a head grade of 1.38% Li<sub>2</sub>O.

The Company engaged SGS Lakefield laboratories (“**SGS**”), Canada to conduct a bulk metallurgical test work program on ore from the Company’s 45.2Mt Colina Deposit. Results were independently reviewed and interpreted by MinSol Engineering Pty Ltd (“**MinSol**”), whose key personnel have significant experience in lithium processing, metallurgy, and process plant design.

The purpose of this program was to assess the efficiency of DMS, a conventional and industry standard process that beneficiates spodumene from gangue minerals under a gravity-based separation technique. To compliment this, Heavy Liquid Separation (“**HLS**”) test work was also carried out in parallel on the composite samples to assess the larger scale DMS process performance.

The results are considered a reliable indication of commercial DMS performance, due to the sheer scale of testing. DMS findings were used when conducting the PEA and will form variable inputs for the upcoming DFS.



**Figure 7:** Colina composite 1 indicating 6.3mm (+1mm) sink (left) and float (right) results produced from DMS test work on the Colina ore samples.

### 1.3. District Scale Potential Confirmed<sup>4</sup>

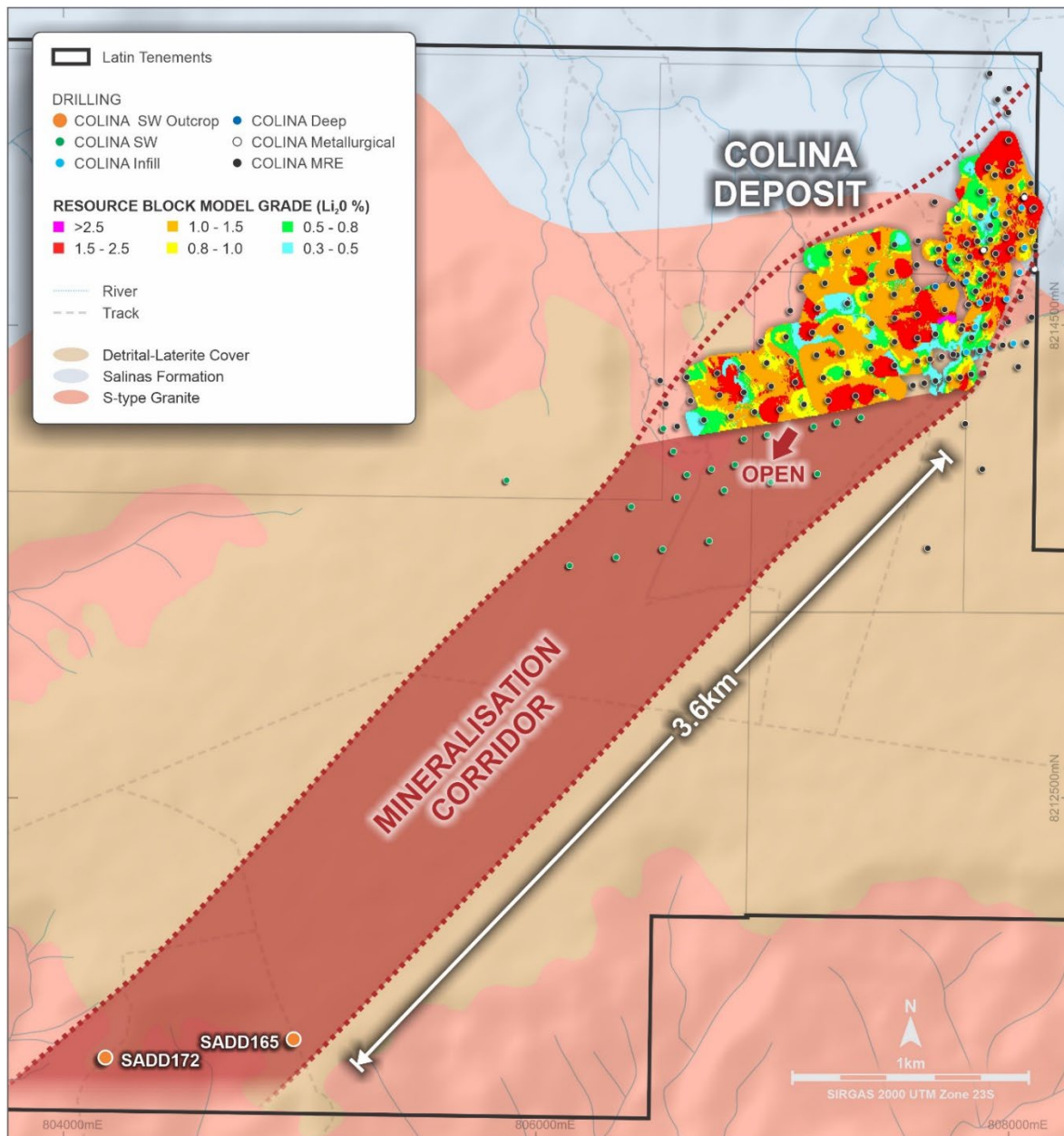
During the quarter, Latin announced further positive assays results, with a total of 118 holes completed (39,360m) as part of the broader 65,000m drilling program for 2023. The new results confirmed a new pegmatite discovery approximately 3km southwest of the Colina Deposit. The new results support the Company's interpretation that the mineralisation corridor extends to a significant distance of around 12km to the southwest of the existing Colina Deposit (Figure 8).

An infill drilling program at the Colina Deposit aims to improve the existing 45.2Mt @ 1.34% Li<sub>2</sub>O MRE, designed to increase the overall tonnage and upgrade the confidence level of the Colina MRE. Further assay results were received from an additional 12 diamond drillholes for 3,700.42m of drilling, which confirmed the consistency of spodumene grade and thickness within the Colina MRE envelope. Significant results included:

- **SADD139: 9.94m @ 1.50% Li<sub>2</sub>O from 328.91m**
- **SADD148: 10.46m @ 1.29% Li<sub>2</sub>O from 160.04m**
- **SADD149: 18.12m @ 1.67% Li<sub>2</sub>O from 244.88m**
- **SADD155: 11.74m @ 1.40% Li<sub>2</sub>O from 76.26m**
- **SADD156: 10.13m @ 1.63% Li<sub>2</sub>O from 49.62m**

Six drill rigs continue to operate at the Colina SW target, located approximately 560m immediately southwest of the Colina Deposit (Figure 8). Identified via geophysical data and regional mapping, the target returned encouraging initial results, including:

- **SADD132: 4.31m @ 1.60% Li<sub>2</sub>O from 466.00m**
- **SADD136: 7.44m @ 1.31% Li<sub>2</sub>O from 457.91m**
- **SADD137: 4.02m @ 1.75% Li<sub>2</sub>O from 593.82m**



**Figure 8:** Location of the Colina Southwest Outcrop (new discovery) in relation to the Colina Deposit; identified through drill holes SADD165 and SADD172

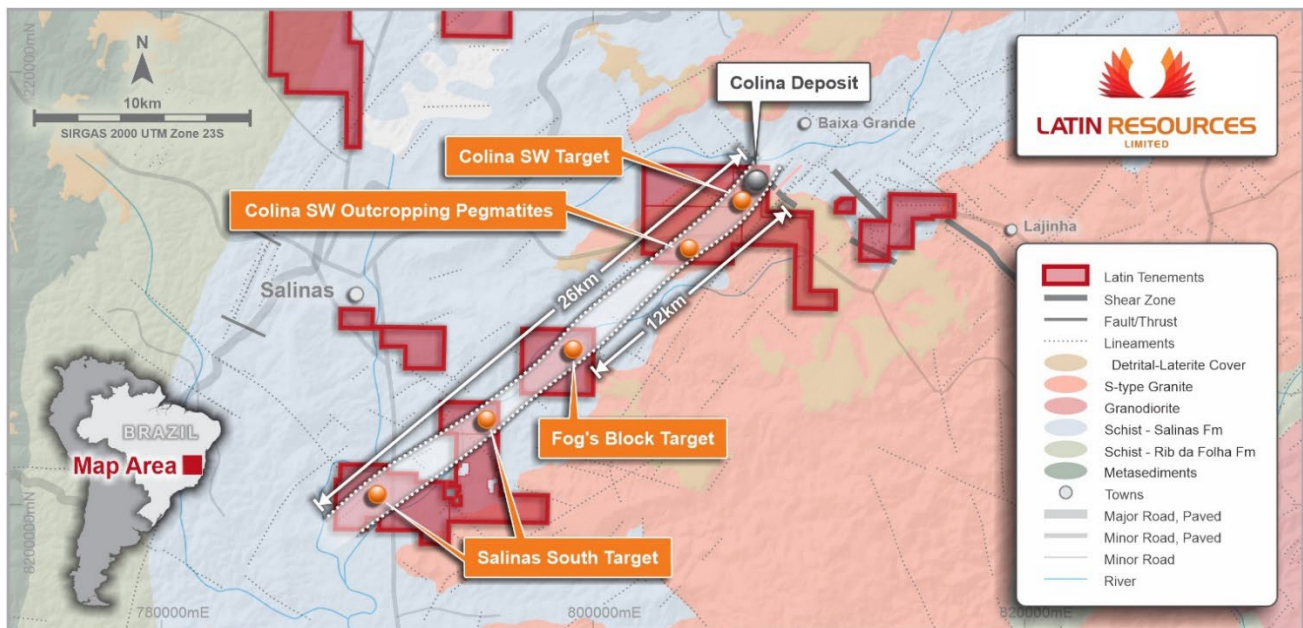
The Company remains confident that the potential for the Colina MRE footprint can increase along strike to the southwest and upgrade in resource category, with further tonnage moving into the indicated and measured expected in future MRE updates.

Fog's Block, located around 12km to the southwest of the Colina Deposit, was originally identified by the Company via a regional field mapping programme of outcropping pegmatites (Figure 9). The initial program at this target comprised one diamond drill rig for 5 holes over a total of 2,000m, with 1,899.84m being completed over the September quarter.

Assays results were also returned for this target, confirming previous visual observations, with hole MCDD002 returning **13.06m @ 1.34% Li<sub>2</sub>O** from 210.94m, including **6.06m @ 1.61% Li<sub>2</sub>O** from 210.94.

The Company remains confident that the spodumene mineralisation encountered in the core at Fog's Block relates directly to the Colina MRE, with the same mineralised system being observed.

The Company announced that a total of 11 diamond drill rigs now operate on the Colina Project to further accelerate the 65,000m 2023 drill program.



**Figure 9:** Colina Deposit plan, showing general location of the Colina Deposit and Fog's Block drilling programs

## 2. CLOUD NINE HALLOYSITE-KAOLIN DEPOSIT, WA

No activities were carried out at this project during the quarter.

## 3. CATAMARCA LITHIUM PROJECT, ARGENTINA

No activities were carried out at this project during the quarter.

## 4. MT-03 COPPER PROJECT, PERU

No activities were carried out at this project during the quarter.

## 5. CORP

### 5.1. Cash

The Group had \$34.2 million in cash at bank and \$3.8 million in investments as at 30 September 2023.

The Company received \$1.0 million from the ATO in recognition of research & development R&D investments. Additionally, Latin's rising share price has resulted in 9.6 million \$0.22 options exercised at the date of this report providing funding of \$2.1 million in the September quarter. Approximately 124 million \$0.22 options were issued as part of a 2022 placement.

On 23<sup>rd</sup> October, the Company announced that it had received firm commitments to raise A\$35.0 million through a placement of new fully paid ordinary shares to institutional, sophisticated and professional investors.

## 5.2. MSCI Global Index

The Company was pleased to announce that it had been added to the Morgan Stanley Capital International (“MSCI”) Global Small-Cap Index, effective as of 31 August 2023<sup>5</sup>.

The MSCI comprises 4,324 constituents, designed the index to measure and represent the performance of the small-cap segment of companies across 23 developed market countries.

There are multiple advantages associated with admittance to the MSCI index, including:

- Increased exposure to larger global institutions
- Broader exposure to international investment market
- Increased trading liquidity
- Institutional research coverage
- Broader access to capital sources

## 5.3. ASX announcements

This Quarterly Activities Report contains information reported in accordance with JORC 2012 in the following announcements released during the June quarter:

- 14 July 2023 – Appointment of Ernst and Young as Auditor
- 10 August 2023 – Positive DMS Test Work – Salinas Lithium Project
- 28 August 2023 – Positive High-Grade Lithium Results Continue at Colina
- 4 September 2023 – Latin Resources added to MSCI Global Index
- 28 September 2023 – Robust Results for Colina Lithium Project PEA

## 5.4. Post Quarter Events

The Company has commenced an offtake partnering process (“**Offtake Process**”) for the Company’s Salinas Project.

The combined Phase 1 and Phase 2 results detailed in the Company’s PEA include LOM average production of approximately 405,000 tpa (55,068 tpa LCE) of SC5.5 and 123,000 tpa (9,125 tpa LCE) of SC3 over an initial 11 year mine life. The project will require Phase 1 capital expenditure of US\$253m to deliver first production in 2026, followed by a further US\$55m in Phase 2 capital which is expected to be fully funded by Phase 1 production.

As part of the Offtake Process, Latin is also seeking funding proposals from potential offtake partners in exchange for offtake, with funding to be used to progress the development of Salinas. Latin’s objectives in undertaking the Offtake Process are to secure:

- competitive offtake terms;
- a well credentialed partner whose expertise and credentials can add value to Salinas and de-risk development; and
- attractive funding support.

The Company has appointed Macquarie Capital Australia Limited as financial adviser to support Latin in structuring and securing offtake agreements and potential project funding from selected off-takers for Salinas.

**Colina Mineral Resource Estimate<sup>2</sup> reported at 0.5% Li<sub>2</sub>O cut-off grade separated by category.**

Deposit	Resource Category	Tonnes (Mt)	Grade (Li <sub>2</sub> O %)	Li <sub>2</sub> O (Kt)	Contained LCE (Kt)
Colina	Measured	0.43	1.34	5.8	14.3
	Indicated	29.74	1.37	408.1	1,009.3
	<i>Measured + Indicated</i>	<i>30.17</i>	<i>1.37</i>	<i>413.9</i>	<i>1,023.6</i>
	Inferred	15.02	1.22	183.5	453.7
<b>Total</b>		<b>45.19</b>	<b>1.32</b>	<b>597.4</b>	<b>1,477.3</b>

**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 projects in South America and Australia, that is developing mineral projects in commodities that progress global efforts towards Net Zero emissions.

The Company is focused on its flagship Colina Lithium Project in the pro-mining district of Minas Gerais Brazil, where the Company has defined a Maiden Mineral Resource Estimate at its Colina Deposit\* of 45.2Mt @ 1.32% Li<sub>2</sub>O, reported above a cut-off of 0.5% Li<sub>2</sub>O.

The classification of this JORC MRE includes 0.43Mt @ 1.34% Li<sub>2</sub>O Measured + 29.7Mt @ 1.37% Li<sub>2</sub>O Indicated + 15.0Mt @ 1.22% Li<sub>2</sub>O Inferred. This MRE is subject to a Preliminary Economic Assessment (PEA) currently underway and scheduled for completion in the third quarter of 2023 by leading mining consultant SGS Geological Services.

Latin also holds the Catamarca Lithium Project in Argentina and through developing these assets, aims to become one of the key lithium players to feed the world's insatiable appetite for battery metals.

\*For full details of the Colina Lithium Deposit MRE, please refer to ASX Announcement dated 20 June 2023.

### Competent Person Statements – Colina Lithium Project

The information in this report that relates to Geological Data and Exploration Results for the Colina Lithium Project 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

<sup>2</sup> Refer to LRS's ASX Announcement dated 20 June 2023, entitled "241% Increase for the Colina Mineral Resource".

*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.*

*The information in this report that relates the Mineral Resource Estimate for the Colina Lithium Project are based on the information compiled by Mr Marc-Antoine Laporte M.Sc., P.Geol, who is an employee of SGS Canada Ltd and a member of the L'Ordre des Géologues du Québec. He is a Senior Geologist for the SGS Geological Services Group and as more than 15 years of experience in industrial mineral, base and precious metals exploration as well as Mineral Resource evaluation and reporting. Mr Laporte 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'.*

*The information in this release that relates to metallurgy and plant design has been reviewed by Mr Robert Simmons, MAusIMM, B. Eng. (Chemical Engineering). Mr Simmons is not an employee of the Company, he is employed as a contract consultant. Mr Simmons is a Member of the Australasian Institute of Mining and Metallurgy, he has sufficient experience with the style of processing response and type of deposit under consideration, and to the activities undertaken, to qualify as a competent person as defined in the 2012 edition of the "Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves" (The JORC Code). Mr Simmons consents to the inclusion in this report of the contained technical information in the form and context as it appears.*

#### **Confirmation Statement – Colina Project Preliminary Economic Assessment**

*The production targets and forecast financial information disclosed in this Announcement is extracted from the Company's ASX announcement entitled "Robust Results for Colina Lithium Project Preliminary Economic Assessment (PEA)", dated 28 September 2023. The Company confirms all material assumptions underpinning the production targets and forecast financial information derived from the production targets in the initial announcement continue to apply and have not materially changed.*

#### **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.*

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- <sup>1</sup> ASX Announcement 28 September 2023 – Robust Results for Colina Lithium Project Preliminary Economic Assessment (PEA)  
<sup>2</sup> Refer to ASX Announcement 20 June 2023 – 241% Increase for the Colina Mineral Resource  
<sup>3</sup> ASX Announcement 10 August 2023 – Positive DMS Test Work Demonstrates Success at Pilot Plant Scale  
<sup>4</sup> ASX Announcement 28 August 2023 – Positive High-Grade Lithium Results Continue at Colina  
<sup>5</sup> ASX Announcement 4 September 2023 – Latin Resources Added to the MSCI Global Index



**APPENDIX 1A**

THE FOLLOWING TABLE SETS OUT THE TENEMENT INFORMATION REPORTED ON A CONSOLIDATED BASIS AS REQUIRED BY ASX LISTING RULE 5.3.3.

**MINING TENEMENTS HELD AT THE END OF THE QUARTER AND THEIR LOCATION**

Tenement Licences	Project Name	Registered Holder	Location	Interest held at the beginning of Qtr	Interest held at the End of Qtr
<b>Peru</b>					
01-01865-11	Dockers 1	Minera Dylan SAC	Peru	100%	100%
01-01866-11	Dockers 2	Minera Dylan SAC	Peru	100%	100%
01-01867-11	Dockers 3	Minera Dylan SAC	Peru	100%	100%
01-01868-11	Dockers 4	Minera Dylan SAC	Peru	100%	100%
01-02068-10	Fremantle 7	Minera Dylan SAC	Peru	100%	100%
01-02827-09	Latin Morrito 1	Minera Dylan SAC	Peru	100%	100%
01-02828-09	Latin Morrito 2	Minera Dylan SAC	Peru	100%	100%
01-02437-10	Vandals 1	Minera Dylan SAC	Peru	100%	100%
01-02438-10	Vandals 2	Minera Dylan SAC	Peru	100%	100%
<b>ARGENTINA – Catamarca <sup>1</sup></b>					
1/18	Latina 1	Litios del Norte SA	Argentina	50%	50%
3/18	Latina 2	Litios del Norte SA	Argentina	50%	50%
5/18	Latina 3	Litios del Norte SA	Argentina	50%	50%
6/18	Latina 4	Litios del Norte SA	Argentina	50%	50%
4/18	Latina 5	Litios del Norte SA	Argentina	50%	50%
2/18	Latina 6	Litios del Norte SA	Argentina	50%	50%
13/18	Latina 7	Litios del Norte SA	Argentina	50%	50%
14/18	Latina 8	Litios del Norte SA	Argentina	50%	50%
12/18	Latina 9	Litios del Norte SA	Argentina	50%	50%
11/18	Latina 10	Litios del Norte SA	Argentina	50%	50%
10/18	Latina 11	Litios del Norte SA	Argentina	50%	50%
9/18	Latina 12	Litios del Norte SA	Argentina	50%	50%
8/18	Latina 13	Litios del Norte SA	Argentina	50%	50%
7/18	Latina 14	Litios del Norte SA	Argentina	50%	50%
163/18	Latina 15	Litios del Norte SA	Argentina	50%	50%
207/18	Latina 16	Litios del Norte SA	Argentina	50%	50%
208/18	Latina 17	Litios del Norte SA	Argentina	50%	50%
209/18	Latina 18	Litios del Norte SA	Argentina	50%	50%
210/18	Latina 19	Litios del Norte SA	Argentina	50%	50%
211/18	Latina 20	Litios del Norte SA	Argentina	50%	50%
212/18	Latina 21	Litios del Norte SA	Argentina	50%	50%
213/18	Latina 22	Litios del Norte SA	Argentina	50%	50%
<b>ARGENTINA - San Luis</b>					
65-C-2016	Portezuelo	Recursos Latinos SA	Argentina	100%	100%
64-C-2016	Estanzuela	Recursos Latinos SA	Argentina	100%	100%
63-C-2016	La Meta	Recursos Latinos SA	Argentina	100%	100%
66-C-2016	Tilisrao	Recursos Latinos SA	Argentina	100%	100%
76-C-2016	Bajo De Veliz	Recursos Latinos SA	Argentina	100%	100%
84-C-2016	De Geminis	Recursos Latinos SA	Argentina	100%	100%
85-C-2016	Maria Del Huerto	Recursos Latinos SA	Argentina	100%	100%
134-Q-1936	Maria Del Huerto	Recursos Latinos SA	Argentina	100%	100%
64-R-2017	Estanzuela Sur	Recursos Latinos SA	Argentina	100%	100%

65-R-2017	Los Membrillos	Recursos Latinos SA	Argentina	100%	100%
66-R-2017	Quines Sur	Recursos Latinos SA	Argentina	100%	100%
67-R-2017	Paso Grande Norte	Recursos Latinos SA	Argentina	100%	100%
68-R-2017	Solitario	Recursos Latinos SA	Argentina	100%	100%
69-R-2017	Trapiche Norte	Recursos Latinos SA	Argentina	100%	100%
70-R-2017	Estanzuela Norte	Recursos Latinos SA	Argentina	100%	100%
71-R-2017	Quines	Recursos Latinos SA	Argentina	100%	100%
72-R-2017	La Toma Norte	Recursos Latinos SA	Argentina	100%	100%
72-R-2017	Quines Este	Recursos Latinos SA	Argentina	100%	100%
1-R-2018	Paso Grande Sur	Recursos Latinos SA	Argentina	100%	100%
2-R-2018	Trapiche Sur	Recursos Latinos SA	Argentina	100%	100%
3-R-2018	La Toma Sur	Recursos Latinos SA	Argentina	100%	100%
<b>BRAZIL</b>					
830578/2019	Minas Gerais Lithium	Mineracao Ferro Nordeste Ltda	Brazil	100%	100%
830579/2019	Minas Gerais Lithium	Mineracao Ferro Nordeste Ltda	Brazil	100%	100%
830580/2019	Minas Gerais Lithium	Mineracao Ferro Nordeste Ltda	Brazil	100%	100%
830581/2019	Minas Gerais Lithium	Mineracao Ferro Nordeste Ltda	Brazil	100%	100%
830582/2019	Minas Gerais Lithium	Mineracao Ferro Nordeste Ltda	Brazil	100%	100%
832515/2021	Minas Gerais Lithium	Belo Lithium	Brazil	100%	100%
831219/2017	Bentes Mineração <sup>2</sup>	Bentes Mineração Exportação e Importação	Brazil	0%	0%
830691/2017	Carlos André	Belo Lithium	Brazil	0%	100%
831799/2015	Granitos Salinas <sup>2</sup>	Granitos Salinas Ltda	Brazil	0%	0%
830080/2022	Monte Alto <sup>2</sup>	Mineração Salinas Ltda.	Brazil	0%	0%
<b>AUSTRALIA</b>					
E77/2622	Noomberry	Electric Metals Pty Ltd	WA	100%	100%
E77/2624	Noomberry	Electric Metals Pty Ltd	WA	100%	100%
E77/2719	Mount Cramphorne	Electric Metals Pty Ltd	WA	100%	100%
E77/2725	Noomberry	Electric Metals Pty Ltd	WA	100%	100%
E77/2724	Noomberry	Electric Metals Pty Ltd	WA	100%	100%
E70/5650	Noomberry	Electric Metals Pty Ltd	WA	100%	100%
E70/5649	Noomberry	Electric Metals Pty Ltd	WA	100%	100%
E45/5246	Big Grey	Electric Metals Pty Ltd	WA	100%	100%
EL9148	Manildra	Latin Resources Limited	NSW	100%	100%
EL9172	Burdett	Latin Resources Limited	NSW	100%	100%
EL9412	Peep O'Day	Latin Resources Limited	NSW	0%	100%
EL9273	Boree Creek	Latin Resources Limited	NSW	100%	100%
EL9274	BC Gundagai	Latin Resources Limited	NSW	100%	100%

<sup>1</sup>JV with Integra Capital SA

<sup>2</sup>Tenement Concession under Option Agreement

<sup>3</sup>Binding Farm-in Agreement with Mining and Energy Group Pty Ltd

- 1. The mining tenement interests acquired during the quarter and their location**  
As per table above.
- 2. Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter**  
As per table above.
- 3. Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter**  
As per table above.

#### **ASX Listing Rule 5.3.1**

Exploration and evaluation expenditure during the quarter was \$10.2m. The majority of this was spent on drilling in Brazil and maintaining the Company's global tenement portfolio in good standing including payment of shire rates, tenement rents, as well as geological consultants, assay labs and drilling contractors.

#### **ASX Listing Rule 5.3.2**

There were no substantive mining production and development activities during the quarter.

#### **ASX Listing Rule 5.3.5**

The following sets out the information as required by ASX Listing Rule 5.3.5 regarding payments to related parties of the entity and their associates:

Amounts paid to related parties of the entity and their associates during the quarter were \$0.5m. These amounts related to periodical director fees for executive and non-executive directors, as well as legal fees paid to an associate of an NED during the quarter.

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

LATIN RESOURCES LIMITED

ABN

81 131 405 144

Quarter ended ("current quarter")

30 September 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(10,229)	(24,742)
(b) development	-	-
(c) production	-	-
(d) staff costs	(656)	(1,523)
(e) administration and corporate costs	(931)	(2,008)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	300	625
1.5 Interest and other costs of finance paid	(8)	(16)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	1,015	1,015
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(10,509)</b>	<b>(26,649)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(163)	(268)
(d) exploration & evaluation	-	-
(e) investments	(3,000)	(3,000)
(f) other non-current assets	(110)	(143)

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	5
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(3,273)</b>	<b>(3,406)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	37,100
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	2,148	3,189
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(134)	(2,169)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Contribution - Argentina JV Partner)	-	-
	Other (repayment of lease liabilities)	(38)	(111)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,976</b>	<b>38,009</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	46,037	26,277
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(10,509)	(26,649)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,273)	(3,406)

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,976	38,009
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>34,231</b>	<b>34,231</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	13,231	8,037
5.2	Call deposits	21,000	38,000
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>34,231</b>	<b>46,037</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	525
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*Note: Amount shown at 6.1 relates to periodical director fees paid to executive, non-executive directors, cash bonus paid to executive director and legal fees paid to an associate of an NED during the quarter.*

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements		
7.3 Other (please specify)		
<b>7.4 Total financing facilities</b>	-	-
<b>7.5 Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
-		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(10,509)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(10,509)
8.4 Cash and cash equivalents at quarter end (item 4.6)	34,231
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	34,231
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	3.3
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 October 2023

Authorised by: By the board

(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.