

17 June 2020

LATIN RESOURCES SIGNS JV AGREEMENT WITH MAJOR ARGENTINIAN INVESTMENT COMPANY

HIGHLIGHTS

- Integra to spend up to USD \$1million (AUD \$1.4 Million) in a Joint Venture with Latin to explore, develop and earn 50% of its Catamarca lithium pegmatite projects
- Integra has an 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 it has signed a transformational joint venture agreement on the Company's Catamarca lithium Pegmatite projects with the Argentinian investment group **Integra Capital S.A.** ("**Integra**"). 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 binding Joint Venture agreement comes after an extensive and thorough negotiations on Latin's concessions which encompasses over 70,000 hectares in the province of Catamarca in Argentina.

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. The company also has investments in uranium and copper. Integra provides services such as mergers and acquisitions, financial structuring, IPOs, due diligence procedures, debt and company restructuring.

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 the Argentinian lithium assets.

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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.

Integra has an option on completion of its due diligence to take a 10% stake in Latin and become the Company's largest corporate shareholder. 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.

Latin's Managing Director Chris Gale described the deal with Integra as an excellent outcome for Latin Resources and stated that the agreement placed the Company in a position to become a significant lithium player to create strong shareholder value.

"We welcome Integra as our partner at our highly-prospective Argentinian lithium Pegmatite projects and look forward to delivering significant shareholder value with our new partner. 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 a lithium project."

"Our projects have received widespread interest, but one major advantage Integra offers Latin is their proven in country experience in Argentina with developing and operating on time and under budget. This has given the board and management a high-level of confidence that Integra, as a local company in Argentina, is focussed on making these highly prospective prospects that are situated across more than 70,000 hectares of hard-rock lithium pegmatites extremely successful. This will be reinforced by Integra becoming a cornerstone investor in Latin which displays confidence in our Board, Management, and our other projects in South America."

Integra Capital Founder and President Jose Luis Manzano stated *"we are very happy in becoming partners with Latin Resources in Argentina to advance this promising lithium pegmatite project. We expect to benefit from the knowledge of Latin Resources and contribute with our experience in Argentina and our highly qualified team to advance the project"*

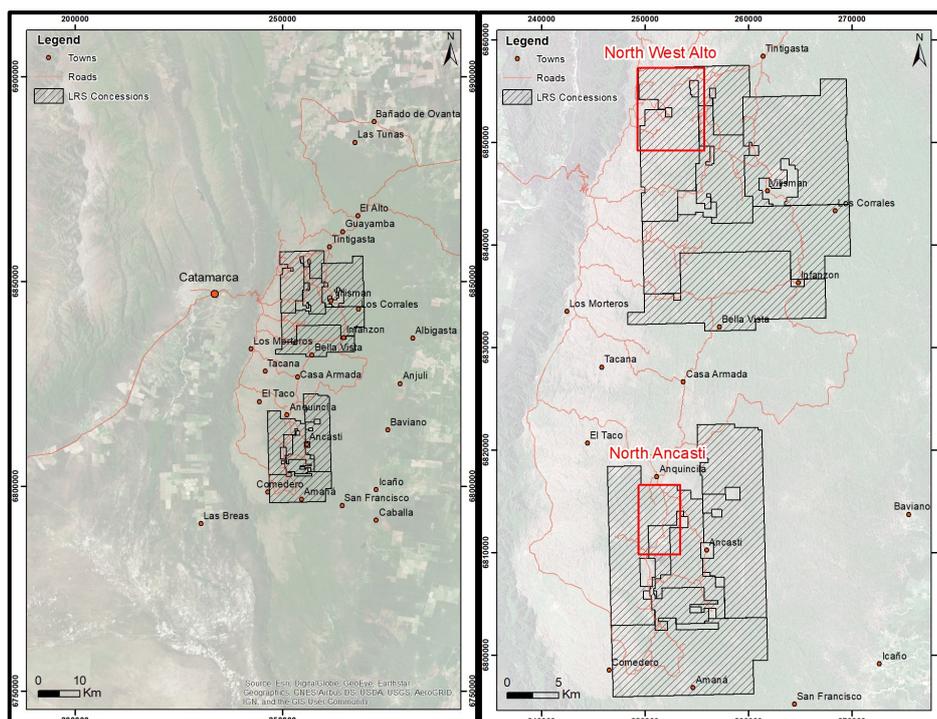


Figure 1 – The Ancasti and Villisman concessions in the province of Catamarca.

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.
- NewCo shall constitute a corporate joint venture between Integra and Latin Resources Limited to hold, explore, develop and mine the Catamarca Project Assets following the completion of the 30-day Exclusivity Period and satisfaction of the Due Diligence Condition at which point the Project JV shall commence.
- The exploration works will be carried out by Integra with the assistance of the Latin 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 shares of 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 the Due Diligence Period, 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 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 (completion of DD period). The maximum number of shares that may be issued is 40,926,533. 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).

Entry into the joint venture by Latin does not require any regulatory or shareholder approvals. However, if Integra exercises its rights under the Option outlined above, the issue of shares and options to Integra will be subject to the receipt of prior shareholder approval in general meeting.

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

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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.

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