

ASX Announcement

29 November 2024

SCHEME BOOKLET REGISTERED WITH ASIC

Latin Resources Limited (ASX: LRS) (Latin Resources) refers to its announcement made on 28 November 2024 in relation to:

- the proposal by Pilbara Minerals Limited (ASX: PLS) (Pilbara Minerals) to acquire 100% of the fully paid ordinary shares and options in Latin Resources by way of a share scheme of arrangement (**Share Scheme**) and an option scheme of arrangement (**Option Scheme**) (together, the **Schemes**); and
- the orders made by the Supreme Court of Western Australia that Latin Resources convene and hold a meeting of Latin Resources shareholders (**Share Scheme Meeting**) and a meeting of Latin Resources optionholders (**Option Scheme Meeting**) to consider and vote on the Share Scheme and Option Scheme respectively (together, the **Scheme Meetings**) and approving the distribution to Latin Resources securityholders of an explanatory statement providing information about the Schemes and notices of Scheme Meetings (**Scheme Booklet**).

In conjunction with the Schemes, Latin Resources is also proposing to undertake a demerger of its non-core Australian, Peruvian and Argentinian mineral exploration assets and projects by way of a transfer of those assets such that they are held (directly or indirectly) by ESG Minerals Limited and a capital reduction and in-specie distribution of fully paid ordinary share in ESG Minerals Limited (**Demerger**). Latin Resources will also convene a general meeting of Latin Resources shareholders to consider a proposed resolution approving the capital reduction and in-specie distribution (**Demerger Meeting**). Details of the Demerger can be found in the demerger materials which are included as an annexure to the Scheme Booklet.

SCHEME BOOKLET

You should carefully read the Scheme Booklet in its entirety before making any decision in relation to the Share Scheme, Option Scheme and Demerger (as applicable). You are encouraged to seek financial, legal, taxation and/or other professional advice before making any voting or investment decision in relation to your Latin Resources securities. Reasons for you to vote for or against the Scheme are set out in the letter from the Chairman of Latin Resources and sections 1.2 to 1.4 of the Scheme Booklet.

Latin Resources confirms that the Scheme Booklet has today been registered with the Australian Securities and Investments Commission (**ASIC**). A copy of the Scheme Booklet is attached to this announcement and will be made available online at <https://www.latinresources.com.au/asx-announcements/>.

The Scheme Booklet will also be sent to Latin Resources securityholders as follows:

- securityholders who have elected to receive meeting documents electronically from Latin Resources will receive an email containing instructions about how to access or download an electronic copy of the Scheme Booklet, to access and lodge their proxy forms and to access and submit their opt-in notice (if applicable);
- securityholders who have elected to receive meeting documents in hard copy from Latin Resources will receive a letter (by post) with a physical copy of the Scheme Booklet, personalised proxy forms and a copy of an opt-in notice; and
- all other securityholders will receive a letter (by post) containing instructions about how to access or download an electronic copies of the Scheme Booklet, personalised proxy forms and a copy of an opt-in notice.

Latin Resources securityholders should read the Scheme Booklet in its entirety before deciding whether to vote in favour of the Share Scheme, Option Scheme and Demerger (as applicable).

INDEPENDENT EXPERT'S REPORT

The Scheme Booklet includes a copy of the independent expert's report prepared by BDO Corporate Finance Australia Pty Ltd (**Independent Expert**).

The Independent Expert has concluded that the Schemes are fair and reasonable and are therefore in the best interests of Latin Resources securityholders, in the absence of a superior proposal.

The Independent Expert's conclusion should be read in context of the full Independent Expert's report and the Scheme Booklet.

LATIN RESOURCES BOARD RECOMMENDATION

The directors of Latin Resources recommend that Latin Resources securityholders vote in favour of the Scheme relevant to them, in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the relevant Scheme is in the best interests of Latin Resources securityholders.

Each director of Latin Resources intends to vote, or cause to be voted, all shares and options (as applicable) in Latin Resources which they hold or control at the time of the Scheme Meetings in favour of the Share Scheme, the Option Scheme and the Demerger (as applicable), subject to the same qualifications.

It should be noted that the directors of Latin Resources will receive certain benefits in connection with the Share Scheme, which are described in Sections 10.1 and 10.2 of the Scheme Booklet.

SHAREHOLDER SUPPORT

Latin Resources' largest shareholder (excluding custodian accounts), José Luis Manzano (7.2% of Latin Resources shares on issue) has confirmed his intention to vote or cause to be voted all the shares that he holds (directly or indirectly) in Latin Resources in favour of the Share Scheme, in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Share Scheme is in the best interest of Latin Resources shareholders.

SCHEME MEETINGS AND DEMERGER MEETING

The Scheme Meetings and Demerger Meeting will take place in person on Thursday, 16 January at the Ebell room at Trinity College, 230 Hampden Road, Crawley. The Demerger Meeting will be held at 10.00am (AWST), the Share Scheme Meeting will be held at the later of 10.30am (AWST) and the conclusion of the Demerger Meeting, and the Option Scheme Meeting will be held at the later of 11.00am (AWST) and the conclusion of the Share Scheme Meeting.

All registered Latin Resources shareholders as at 7.00pm (AEDT) on Tuesday, 14 January 2024 will be eligible to vote at the Demerger Meeting and Share Scheme Meeting. All registered Latin Resources' optionholders as at 7.00pm (AEDT) on Tuesday, 14 January 2024 will be eligible to vote at the Option Scheme Meeting. All Latin Resources securityholders are encouraged to vote either by completing and returning the proxy form or alternatively by attending the Demerger Meeting, Share Scheme Meeting and Option Scheme Meeting (as applicable) in person, by proxy, attorney or corporate representative. The Scheme Booklet provides information on how to lodge your proxy forms (if applicable).

You should carefully read the Scheme Booklet in its entirety before making any decision in relation to the Share Scheme, Option Scheme and Demerger (as applicable). You are encouraged to seek financial, legal, taxation and/or other professional advice before making any voting or investment decision in relation to your Latin Resources securities. Reasons for you to vote for or against the Scheme are set out in the letter from the Chairman of Latin Resources and sections 1.2 to 1.4 of the Scheme Booklet.

KEY DATES

The indicative timetable for implementation of the Share Scheme, Option Scheme and Demerger is set out below:

Event	Time and date
Demerger Meeting	10.00am (AWST) on 16 January 2025
Share Scheme Meeting	The later of 10.30am (AWST) and the conclusion of the Demerger Meeting on 16 January 2025
Option Scheme Meeting	The later of 11.00am (AWST) and the conclusion of the Share Scheme Meeting on 16 January 2025
Demerger effective date	17 January 2025
Second court hearing	10.00am (AWST) on 21 January 2025
Effective date for Share Scheme and Option Scheme	22 January 2025
Demerger record date	22 January 2025
Record date for Share Scheme and Option Scheme	7.00 pm (AEDT) on 28 January 2025
Demerger implementation date	30 January 2025
Implementation date for Share Scheme and Option Scheme	4 February 2025

All dates are indicative only and, among other things, are subject to all necessary approvals from the Court and other regulatory authorities. Any changes to the above timetable will be announced through ASX and notified on www.latinresources.com.au.

FURTHER INFORMATION

For more information, please refer to the Scheme Booklet. If you have any questions in relation to the Share Scheme, Option Scheme, Demerger or the Scheme Booklet, please contact the Latin Resources Shareholder Information Line on 1300 521 162 (within Australia) or +61 3 9415 4603 (outside Australia), between 8.30am and 5.30pm (AEDT), Monday to Friday (excluding public holidays).

This announcement has been authorised for release to ASX by the Board of Latin Resources.

For further information please contact:

Chris Gale
Managing Director
Latin Resources Limited
+61 8 6117 4798
info@latinresources.com.au
www.latinresources.com.au

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



Scheme Booklet

for a scheme of arrangement in relation to the proposed acquisition of all of the fully paid ordinary shares in Latin Resources Limited by Pilbara Minerals Limited and related option scheme of arrangement.

VOTE IN FAVOUR

The Latin Resources Directors unanimously recommend that you vote in favour of the Scheme relevant to you in the absence of a Superior Proposal, subject to the Independent Expert continuing to conclude that the relevant Scheme is in the best interests of the relevant Latin Resources Securityholders.

Financial adviser



Legal adviser

KING & WOOD
MALLESONS

This is an important document and requires your immediate attention. You should read it carefully and in its entirety before deciding whether or not to vote in favour of the relevant Scheme. If you are in doubt as to what you should do, you should consult your legal, financial or other professional adviser.

Latin Resources has established a Latin Resources Information Line which you should call if you have any questions in relation to the Schemes.

Latin Resources Limited | ACN 131 405 144

Important notices

General

Latin Resources Securityholders should read this Scheme Booklet in its entirety before making a decision as to how to vote on the Share Scheme Resolution and/or Option Scheme Resolution to be considered at the relevant Scheme Meetings.

Purpose of Scheme Booklet

The purpose of this Scheme Booklet is to explain the terms of the Schemes and the manner in which the Schemes will be considered and implemented (if approved) and to provide such information as is prescribed or otherwise material to the decision of Latin Resources Securityholders whether or not to approve the Schemes.

This Scheme Booklet also contains information regarding the proposed demerger of ESG Minerals Ltd (**ESG Minerals**), the owner of certain non-core assets in Peru, Argentina and Australia (**Demerger**). The Schemes are conditional on the Demerger coming into effect. The Demerger will be conducted by way of capital reduction via the in-specie distribution of ESG Minerals Shares to Eligible Shareholders, and is therefore subject to approval from Latin Resources Shareholders as required under the Corporations Act and the ASX Listing Rules. Refer to Annexure I.

This Scheme Booklet includes the explanatory statement required to be sent to Latin Resources Securityholders under Part 5.1 of the Corporations Act in relation to the Schemes.

Other than in respect of the Demerger, the subject of Annexure I, this Scheme Booklet does not constitute or contain an offer to Latin Resources Securityholders, or a solicitation of an offer from Latin Resources Securityholders, in any jurisdiction. This Scheme Booklet is not a disclosure document required by Chapter 6D of the Corporations Act. Subsection 708(17) of the Corporations Act provides that Chapter 6D of the Corporations Act does not apply in relation to arrangements under Part 5.1 of the Corporations Act approved at a meeting held as a result of an order under subsection 411(1) of the Corporations Act. Instead, Latin Resources Securityholders asked to vote on an arrangement at the Share Scheme Meeting and/or Option Scheme Meeting (as the case may be) must be provided with an explanatory statement as referred to above.

Responsibility for information

The information contained in this Scheme Booklet, other than the Pilbara Minerals Information, the Independent Expert's Report (or references to the Independent Expert's analysis or conclusions)

has been prepared by Latin Resources and is the responsibility of Latin Resources. To the maximum extent permitted by law, none of Pilbara Minerals nor any of its Related Bodies Corporate, nor any of their respective directors, officers, employees or advisers, and none of Latin Resources' advisers, assume any responsibility for the accuracy or completeness of the Latin Resources Information and disclaim any liability in this regard.

The Pilbara Minerals Information has been provided by Pilbara Minerals and is the responsibility of Pilbara Minerals. To the maximum extent permitted by law, none of Latin Resources nor any of its Related Bodies Corporate, nor any of their respective directors, officers, employees or advisers, and none of Pilbara Minerals' advisers, assume any responsibility for the accuracy or completeness of the Pilbara Minerals Information and disclaim any liability in this regard.

The Independent Expert has prepared the Independent Expert's Report in relation to the Schemes contained in Annexure A and takes responsibility for that report. None of Latin Resources, Pilbara Minerals nor their respective Related Bodies Corporate, directors, officers and advisers (which, to avoid doubt, excludes the Independent Expert) assume any responsibility for the accuracy or completeness of the Independent Expert's Report, except in the case of Latin Resources and Pilbara Minerals, in relation to the information which it has respectively provided to the Independent Expert for the purposes of preparing the Independent Expert's Report.

No person consenting to be named in this Scheme Booklet has withdrawn their consent to be named before the date of this Scheme Booklet.

ASIC and ASX

A copy of this Scheme Booklet has been registered by ASIC under section 412(6) of the Corporations Act. ASIC has been requested to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Schemes. If ASIC provides the statement, it will be produced to the Court on the Second Court Date. Neither ASIC nor its officers take any responsibility for the contents of this Scheme Booklet.

A copy of this Scheme Booklet has been lodged with ASX. Neither ASX nor its officers take any responsibility for the contents of this Scheme Booklet.

Important notice associated with Court order under subsection 411(1) of the Corporations Act

The Court is not responsible for the contents of this Scheme Booklet and, in ordering that meetings of the Latin Resources Securityholders be convened by Latin Resources, the Court does not in any way indicate that the Court has approved or will approve the terms of the Schemes. An order of the Court under section 411(1) of the Corporations Act does not mean that the Court: (a) has formed any view as to the merits of the proposed Schemes or as to how Latin Resources Securityholders should vote (on this matter Latin Resources Securityholders must reach their own decision); (b) has or will approve the terms of the Schemes; (c) has prepared, or is responsible for the content of, the Scheme Booklet; or (d) otherwise endorses, or provides any other expression of opinion on, the Schemes.

Forward looking statements

This Scheme Booklet contains both historical and forward-looking statements.

The forward-looking statements reflect the views of Latin Resources or, in relation to the Pilbara Minerals Information, Pilbara Minerals, held only as at the date of this Scheme Booklet concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as "believe", "aim", "expect", "anticipated", "intending", "foreseeing", "likely", "should", "planned", "may", "estimated", "potential", or other similar words and phrases. Similarly, statements that describe Latin Resources' and Pilbara Minerals' objectives, plans, goals or expectations are or may be forward-looking statements.

The statements in this Scheme Booklet about the impact that the Schemes may have on the results or operations of Latin Resources, Pilbara Minerals, and/or the Enlarged Group, and the advantages and disadvantages anticipated to result from the Schemes, are also forward-looking statements.

Although Latin Resources believes that the views reflected in any forward-looking statements contained in the Latin Resources Information in this Scheme Booklet have been made on a reasonable basis, no assurance can be given that such views will prove to have been correct.

Although Pilbara Minerals believes that the views reflected in any forward-looking statements contained in the Pilbara Minerals Information in this Scheme Booklet have been made on a reasonable basis, no assurance can be given that such views will prove to have been correct.

Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause either Latin Resources' or Pilbara Minerals' actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed, projected or implied by these forward-looking statements. In addition, factors related to the Schemes that contribute to the uncertain nature of the forward-looking statements include, but are not limited to: expected timing to complete the Schemes; filings and approvals relating to the Schemes; the ability to complete the Schemes considering the various conditions precedent, including securityholder approvals; and the possibility that a Regulatory Authority may prohibit, delay or refuse to grant approval for the Schemes.

Deviations as to future results, performance and achievements are both normal and to be expected. Latin Resources Securityholders should note that the historical financial performance of Latin Resources and of Pilbara Minerals provides no assurance as to future financial performance of Latin Resources or Pilbara Minerals (whether the Schemes are implemented or not). Latin Resources Securityholders should review carefully all of the information included in this Scheme Booklet, including the risks described in Section 8.

The forward-looking statements included in this Scheme Booklet are made only as of the date of this Scheme Booklet. Neither Latin Resources, nor Pilbara Minerals nor their directors give any representation, assurance or guarantee to Latin Resources Securityholders that any forward-looking statements will actually occur or be achieved. Latin Resources Securityholders are cautioned not to place undue reliance on such forward-looking statements.

Subject to any continuing obligations under law or the ASX Listing Rules, Latin Resources and Pilbara Minerals do not give any undertaking to update or revise any forward-looking statements after the date of this Scheme Booklet to reflect any change in expectations in relation to those statements or any change in events, conditions or circumstances on which any such statement is based.

Latin Resources, Pilbara Minerals and their respective directors, officers and advisers disclaim any obligation or undertaking to distribute after the date of this Scheme Booklet any updates or revisions to any forward-looking statements to reflect: (a) any change in expectations in relation to such statements; or (b)

any change in events, conditions or circumstances on which such statement is based.

All subsequent written and oral forward-looking statements attributable to Latin Resources or Pilbara Minerals or any person acting on their behalf are qualified by this cautionary statement.

No investment advice

This Scheme Booklet does not constitute financial product advice and has been prepared without reference to the investment objectives, financial situation and needs of any particular Latin Resources Securityholders or any other person. This Scheme Booklet should not be relied upon as the sole basis for any investment decision in relation to a Scheme or your Latin Resources Securities. Before making an investment decision in relation to a Scheme or your Latin Resources Securities, including any decision to vote for or against a Scheme, you should consider whether that decision is appropriate in the light of your particular investment needs, objectives and financial circumstances. If you are in any doubt about what you should do, you should consult your legal, financial, taxation or other professional adviser.

Each Latin Resources Securityholder's tax position is different. Therefore, Latin Resources Securityholders are urged to seek their own independent tax advice regarding the specific tax consequences of the Schemes, including the application and effect of income tax and other tax laws to their particular circumstances.

A summary of the general Australian income tax, stamp duty and GST consequences of the Schemes for Latin Resources Securityholders is set out in Section 9. However, Latin Resources Securityholders should not rely on the summary in Section 9 in substitution for specific advice on their own affairs from a registered tax agent.

Foreign jurisdictions

This Scheme Booklet complies with the disclosure requirements applicable in Australia, which may be different to those in other countries. It is important that Latin Resources Securityholders who are not Australian resident taxpayers or who are liable for tax outside Australia seek specific tax advice in relation to the Australian and overseas tax consequences of the Schemes.

The release, publication or distribution of this Scheme Booklet in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons outside

of Australia who come into possession of this Scheme Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Scheme Booklet has been prepared in accordance with the laws of Australia and the information in this Scheme Booklet may not be the same as that which would have been disclosed if this Scheme Booklet had been prepared in accordance with the laws and regulations of a jurisdiction outside of Australia.

This Scheme Booklet and the Schemes do not in any way constitute an offer of securities in any place in which, or to any person to whom, it would not be lawful to make such an offer.

You will not be able to receive New Pilbara Minerals Shares if you are an Ineligible Foreign Holder. Any New Pilbara Minerals Shares you would have otherwise been entitled to, will be issued to the Sale Nominee and sold through the Sale Facility.

Latin Resources Securityholders who are nominees, trustees or custodians are encouraged to review Section 10.7 and seek independent advice as to how they should proceed.

Further information is set out in the 'Frequently asked questions' section and Sections 3.4(c) and 10.7.

Brazil

This Scheme Booklet has been prepared solely for Latin Resources Securityholders for their consideration and analysis of the Schemes. This Scheme Booklet should not be construed as a prospectus or offering document under Brazilian law.

Latin Resources is not listed with any stock exchange, over-the-counter market or electronic system of securities trading in Brazil. The New Pilbara Minerals Shares have not been, and will not be, registered with any securities exchange commission or other similar authority, including the Brazilian Securities and Exchange Commission (Comissão de Valores Mobiliários). The New Pilbara Minerals Shares may not be offered or sold in Brazil through any public offering.

This Scheme Booklet is directed exclusively to Latin Resources Securityholders and may not be distributed to the general public in Brazil or disclosed in any manner whatsoever to any other person in Brazil. Failure to comply with this restriction could constitute a violation of applicable securities laws.

Canada

The New Pilbara Minerals Shares will be issued by Pilbara Minerals in reliance upon exemptions from the prospectus and registration requirements of the applicable Canadian securities law in each province and territory of Canada.

No securities commission in Canada has reviewed or in any way passed upon this document or the merits of the Schemes.

Hong Kong

WARNING: The contents of this Scheme Booklet have not been reviewed or approved by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Schemes. If you are in any doubt about any of the contents of this Scheme Booklet, you should obtain independent professional advice.

This Scheme Booklet does not constitute an offer or invitation to the public in Hong Kong to acquire or subscribe for or dispose of any securities. This Scheme Booklet also does not constitute a prospectus (as defined in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong)) or notice, circular, brochure or advertisement offering any securities to the public for subscription or purchase or calculated to invite such offers by the public to subscribe for or purchase any securities, nor is it an advertisement, invitation or document containing an advertisement or invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or cause to be issued this Scheme Booklet in Hong Kong, other than to persons who are "professional investors" (as defined in the Securities and Futures Ordinance and any rules made thereunder) or in other circumstances that do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

No person may issue or have in its possession for the purposes of issue, this Scheme Booklet or any advertisement, invitation or document relating to these securities, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than any such advertisement, invitation or document

relating to securities that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors.

Copies of this Scheme Booklet may be issued to Latin Resources Securityholders in Hong Kong in a manner that does not constitute any issue, circulation or distribution of this Scheme Booklet, or any offer or an invitation in respect of these securities, to the public in Hong Kong. This Scheme Booklet is for the exclusive use of Latin Resources Securityholders in connection with the Schemes. No steps have been taken to register or seek authorisation for the issue of this Scheme Booklet in Hong Kong.

This Scheme Booklet is confidential to the person to whom it is addressed and no person to whom a copy of this Scheme Booklet is issued may issue, circulate, distribute, publish, reproduce or disclose (in whole or in part) this Scheme Booklet to any other person in Hong Kong or use for any purpose in Hong Kong other than in connection with consideration of the Schemes by Latin Resources Securityholders.

New Zealand

This Scheme Booklet is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Financial Markets Conduct Act 2013 or any other New Zealand law. The offer of New Pilbara Minerals Shares under the Schemes is being made to existing Latin Resources Securityholders in reliance upon the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 and, accordingly, this Scheme Booklet may not contain all the information that a disclosure document is required to contain under New Zealand law.

Switzerland

The New Pilbara Minerals Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this Scheme Booklet nor any other offering material relating to the New Pilbara Minerals Shares constitutes a prospectus or a similar notice as such terms are understood pursuant to art. 35 of the Swiss Financial Services Act (FinSA) or the listing rules of any stock exchange or regulated trading facility in Switzerland. Neither this Scheme Booklet nor any other offering material relating to the New Pilbara Minerals Shares may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Scheme Booklet nor any other offering material relating to the New Pilbara Minerals Shares have been, or will be, filed with or approved by any Swiss regulatory authority or authorized review body. In particular, this Scheme Booklet will not be filed with, and the offer of New Pilbara Minerals Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This Scheme Booklet may be distributed in Switzerland only to existing Latin Resources Securityholders and is not for general circulation in Switzerland.

United Kingdom

Neither this Scheme Booklet nor any other document relating to the Schemes has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Pilbara Minerals Shares.

This Scheme Booklet does not constitute an offer of transferable securities to the public within the meaning of the UK Prospectus Regulation or the FSMA. Accordingly, this Scheme Booklet does not constitute a prospectus for the purposes of the UK Prospectus Regulation or the FSMA.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the New Pilbara Minerals Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to Latin Resources or Pilbara Minerals.

In the United Kingdom, this Scheme Booklet is being distributed only to, and is directed at, persons (i) who fall within Article 43 (members of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, or (ii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this Scheme Booklet relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Scheme Booklet.

United States

Latin Resources and Pilbara Minerals intend to rely on an exemption from the registration requirements of the US Securities Act of 1933 provided by Section 3(a)(10) thereof in connection with the consummation of the Schemes and the issuance of New Pilbara Minerals Shares and the underlying ordinary shares. Approval of the Schemes by an Australian court will be relied upon by Latin Resources and Pilbara Minerals for purposes of qualifying for the Section 3(a)(10) exemption.

Latin Resources Securityholders with a Registered Address in the United States should note that the Schemes are made for the securities of an Australian company in accordance with the laws of Australia and the listing rules of ASX. The Schemes are subject to disclosure requirements of Australia that are different from those of the United States.

It may be difficult for you to enforce your rights and any claim you may have arising under US federal securities laws since Latin Resources and Pilbara Minerals are located in Australia and most of their respective officers and directors reside outside the United States. You may not be able to sue Latin Resources, Pilbara Minerals or their respective officers or directors in Australia for violations of the US securities laws. It may be difficult to compel Latin Resources and its affiliates to subject themselves to a US court's judgment.

You should be aware that Pilbara Minerals may purchase securities otherwise than under the Schemes, such as in open market or privately negotiated purchases.

The Scheme Booklet has not been filed with or reviewed by the US Securities and Exchange Commission or any state securities authority and none of them has passed upon or endorsed the merits of the Schemes or the accuracy, adequacy or completeness of the Scheme Booklet. Any representation to the contrary is a criminal offence.

The New Pilbara Minerals Shares to be issued pursuant to the Schemes have not been, and will not be, registered under the US Securities Act or the securities laws of any US state or other jurisdiction. The Schemes are not being made in any US state or other jurisdiction where it is not legally permitted to do so.

Privacy

Latin Resources and the Registry may collect personal information in the process of implementing the Schemes. The personal information may include the names, addresses, contact details and security holdings of Latin Resources Securityholders and the names of persons appointed by Latin Resources Securityholders as proxies, attorneys or corporate representatives at the Share Scheme Meeting and Option Scheme Meeting. The collection of some of this personal information is required or authorised by the Corporations Act.

The primary purpose of collecting this personal information is to assist the conduct of the Share Scheme Meeting and the Option Scheme Meeting and to enable implementation of the Schemes. The personal information may be disclosed to print and mail service providers, authorised securities brokers and any other service provider to the extent necessary to implement the Schemes.

If the information outlined above is not collected, Latin Resources may be hindered in, or prevented from, conducting the Share Scheme Meeting and Option Scheme Meeting and implementing the Schemes.

Latin Resources Securityholders who are individuals and the other individuals in respect of whom personal information is collected as outlined above have certain rights to access the personal information collected in relation to them. Such individuals should contact the Registry on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) if they wish to exercise these rights.

Latin Resources Securityholders who appoint a named person to act as their proxy, attorney or corporate representative should ensure that they inform that person of the matters outlined above.

The Privacy Policies of Latin Resources and the Registry are available at www.latinresources.com.au and www.computershare.com, respectively and contain information about how an individual may access personal information about the individual that is held by Latin Resources and the Registry, respectively, seek the correction of such information or make a privacy related complaint and how such a complaint will be dealt with.

Notices of Meetings

The Notice of Meeting for the Share Scheme Meeting is set out in Annexure G.

The Notice of Meeting for the Option Scheme Meeting is set out in Annexure H.

The Notice of Meeting for the Demerger Meeting is contained in Annexure I.

Notice of Second Court Hearing

At the Second Court Hearing for the Schemes, the Court will consider whether to approve the Schemes following the vote at the Scheme Meetings. Any Latin Resources Securityholder may appear at the Second Court Hearing, currently expected to be held at 10.00am (AWST) on 21 January 2025 at the Supreme Court of Western Australia, Level 11, David Malcolm Justice Centre, 28 Barrack Street, Perth, WA, 6000.

Any Latin Resources Securityholder who wishes to oppose approval of the relevant Scheme at the Second Court Hearing may do so by filing with the Court and serving on Latin Resources a notice of appearance in the prescribed form together with any affidavit that the Latin Resources Securityholder proposes to rely on.

Latin Resources and Pilbara Minerals websites

The content of Latin Resources' and Pilbara Minerals' respective websites do not form part of this Scheme Booklet and Latin Resources Securityholders should not rely on their content.

Any references in this Scheme Booklet to a website is a textual reference for information only and no information in any website forms part of this Scheme Booklet.

Charts and diagrams

Any diagrams, charts, graphs or tables in this Scheme Booklet are illustrative only and may not be drawn to scale. Unless stated otherwise, all data included in diagrams, charts, graphs and tables is based on information available as at the Last Practicable Date.

Effects of rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Scheme Booklet are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out

in this Scheme Booklet and any discrepancies between totals in tables or financial information, or in calculations, graphs or charts are due to rounding. All financial and operational information set out in this Scheme Booklet is current as at the date of this Scheme Booklet, unless otherwise stated.

Implied value

Any reference to the implied value of the Share Scheme Consideration or the Option Scheme Consideration should not be taken as an indication that Latin Resources Securityholders will receive cash. The implied value of the New Pilbara Minerals Shares is not fixed and will vary with the market price of Pilbara Minerals Shares, and there can be no guarantee of that price. This also applies to Ineligible Foreign Holders and Electing Scheme Participants, who will receive the Net Cash Proceeds of the sale of the New Pilbara Minerals Shares to which they would otherwise be entitled in accordance with the process described in Section 3.4(e).

Any cash remittance to Ineligible Foreign Holders and Electing Scheme Participants under this arrangement will depend on the market price of the New Pilbara Minerals Shares at the time of sales by the Sale Nominee and any applicable brokerage, stamp duty and other taxes and charges, and selling costs deducted from the proceeds of sale.

ASX Chapter 5 compliance

Refer to Section 10.8 for disclosures required under the ASX Listing Rules in respect of all Mineral Resource and Ore Reserve estimates, as well as production targets and any forecast financial information derived from productions targets contained in this Scheme Booklet.

Financial information

Investors should be aware that financial information in this Scheme Booklet includes "non-IFRS financial information" under ASIC Regulatory Guide 230 Disclosing non-IFRS financial information published by ASIC.

Latin Resources and Pilbara Minerals have included this non-IFRS financial information because they believe that it provides Latin Resources Securityholders with additional relevant information. The non-IFRS financial information does not have a standardised meaning prescribed by the Australian Accounting Standards or International Financial Reporting

Standards and therefore may not be comparable to similarly titled measures presented by other entities, nor should it be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards or International Financial Reporting Standards. You are cautioned, therefore, not to place undue reliance on any non-IFRS financial information included in this Scheme Booklet.

Timetables and dates

All references to times in this Scheme Booklet are references to AWST, unless otherwise stated.

All times and dates relating to the implementation of the Schemes referred to in this Scheme Booklet may change and, among other things, are subject to all necessary approvals from Regulatory Authorities.

Further information is set out in '**Important dates**' section of this Scheme Booklet.

Supplementary information

Latin Resources has established a Latin Resources Information Line which you should call if you have any questions or require further information in relation to the Schemes. The telephone number is 1300 521 162 (within Australia) and +61 3 9415 4603 (outside Australia). The Latin Resources Information Line is open between Monday and Friday (excluding public holidays in Australia) from 8.30am to 5.30pm (AEDT). Latin Resources Securityholders should consult their legal, financial or other professional adviser before making any decision in respect of the Schemes or the Demerger.

In certain circumstances, Latin Resources may provide additional disclosure to Latin Resources Securityholders in relation to the Schemes after the date of this Scheme Booklet. To the extent applicable, Latin Resources Securityholders should have regard to any such supplemental information in determining how to vote in relation to the Schemes.

Interpretation

Capitalised terms and certain abbreviations used in this Scheme Booklet have the meanings set out in the Glossary in Section 11. The documents reproduced in the annexures to this Scheme Booklet may have their own defined terms, which are sometimes different from those in the 'Glossary' section of this Scheme Booklet

Currency

Unless otherwise specified, all references to \$, A\$ or AUD and Australian cents are references to the currency of Australia.

Date

This Scheme Booklet is dated 29 November 2024.

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Letter from the Chairman of Latin Resources

Dear Latin Resources Securityholders,

On behalf of the Latin Resources Board, I am pleased to provide you with this Scheme Booklet, which contains important information for your consideration of the proposed acquisition of Latin Resources by Pilbara Minerals.

Background

As announced by Latin Resources and Pilbara Minerals on 15 August 2024, the parties have entered into a binding Scheme Implementation Agreement under which Pilbara Minerals will acquire all of the issued shares in Latin Resources under the Share Scheme.

The terms of the proposed Share Scheme provide that Latin Resources Shareholders will receive 0.07 New Pilbara Minerals Shares for each Latin Resources Share held on the Record Date.

The parties have also agreed terms for a separate scheme of arrangement under which Pilbara Minerals will acquire all of the outstanding Latin Resources Options under the Option Scheme.

Latin Resources Shareholders are being asked to vote in relation to the Share Scheme and Latin Resources Optionholders are being asked to vote in relation to the Option Scheme. Should the Schemes be implemented, Latin Resources Securityholders will hold approximately 6.4% of the Enlarged Group.¹

The purpose of this Scheme Booklet is to assist you in making an informed decision about how to vote in respect of the Schemes and contains important information, including the reasons to vote in favour of, or against, the Schemes (refer to Section 1) and certain risks relating to the Schemes and to the Enlarged Group (refer to Section 8).

Independent Expert's Report

Latin Resources has appointed BDO Corporate Finance Australia Pty Ltd as the Independent Expert. **The Independent Expert has concluded that the Schemes are fair and reasonable and in the best interests of Latin Resources Securityholders, in the absence of a Superior Proposal.** The Latin Resources Board encourages you to read and consider the Independent Expert's Report, which is contained in Annexure A to this Scheme Booklet.

Latin Resources Directors' recommendation

Your Latin Resources Directors have considered the advantages and disadvantages of the Schemes and concluded that the Schemes are in the best interests of Latin Resources Securityholders. Your Latin Resources Directors unanimously recommend that Latin Resources Securityholders vote in favour of the Scheme relevant to them in the absence of a Superior

1. Based on the 2,801,419,463 Latin Resources Shares, 89,500,000 Latin Resources Performance Rights, 4,000,000 Latin Resources Loan Funded Shares and 127,486,160 Latin Resources Options (excluding the Expiring Options), and 3,011,543,934 Pilbara Minerals Shares outstanding, in each case as at the Last Practicable Date. Assumes 205,521,016 New Pilbara Minerals Shares issued to Latin Resources Shareholders and Latin Resources Optionholders, inclusive of approximately 2,876,654 New Pilbara Minerals Shares to be issued under the Option Scheme.

Proposal, and subject to the Independent Expert continuing to conclude that the relevant Scheme is in the best interests of the relevant Latin Resources Securityholders.² Subject to these qualifications, each Latin Resources Director intends to vote in favour of the Schemes in respect of their own holdings in Latin Resources, which represents 4.8% of the total Latin Resources Shares on issue. As further detailed in Section 10.1, the total value of the securities held by the Latin Resources Directors (including the Latin Resources Performance Rights which vest prior to the Record Date) is approximately \$38,989,000, calculated as at the date of the Scheme Implementation Agreement, using the Share Scheme Consideration per Latin Resources Share and the last recorded trading price of Pilbara Minerals Shares on ASX (of \$2.85).

In reaching the unanimous decision to recommend the Schemes, subject to the qualifications described above, the Latin Resources Directors considered various strategic alternatives, including funding and developing the Salinas Project on a standalone basis. In considering these alternatives, the Latin Resources Directors had regard to the decrease in lithium prices since the preliminary economic assessment for the Salinas Project was released in September 2023, the funding requirements to establish the Salinas Project as a standalone operation and Pilbara Minerals' experience in developing and operating spodumene operations. After considering these alternatives, the Latin Resources Directors formed the view that the combination of value and certainty offered by Pilbara Minerals is likely to deliver a superior outcome for Latin Resources Securityholders, compared to what would otherwise be available, on a future risk adjusted basis, if Latin Resources continued to operate as a standalone entity.

Reasons to vote in favour of the Schemes

In reaching its recommendation in respect of the Schemes, the Latin Resources Directors had regard to a range of factors including:

- ✔ the Independent Expert has concluded that, in the absence of a Superior Proposal, the Schemes are fair and reasonable and therefore in the best interests of Latin Resources Securityholders;
- ✔ the Share Scheme Consideration represents an attractive premium of:
 - 66.3% to the closing price of Latin Resources Shares of \$0.120 on 14 August 2024 (based on the closing price of Pilbara Minerals Shares of \$2.850 on 14 August 2024, being the last Trading Day prior to announcement of the Schemes); and
 - 57.0% to the 10-day volume-weighted average price (VWAP) of Latin Resources Shares of \$0.127 up to and including 14 August 2024 (based on the closing price of Pilbara Minerals Shares of \$2.850 on 14 August 2024);
- ✔ by receiving Pilbara Minerals Shares, Latin Resources Securityholders retain ongoing exposure to the development of the Salinas Project and immediate exposure to the world's largest independently owned hard rock lithium producer;
- ✔ by receiving Pilbara Minerals Shares, Latin Resources Securityholders will benefit from significant diversification, enhanced market positioning, larger free float and significantly enhanced liquidity;
- ✔ no Superior Proposal has emerged as at the date of this Scheme Booklet;

2. In relation to the unanimous recommendation of the Latin Resources Directors, Latin Resources Securityholders should note that Latin Resources Directors will receive certain benefits in connection with the Share Scheme, which are described in Sections 10.1 and 10.2. In particular, in addition to holding Latin Resources Shares (which will be dealt with in the same manner as all other Latin Resources Shares under the Share Scheme), each Latin Resources Director holds Latin Resources Performance Rights which will vest on an accelerated basis in connection with the Share Scheme (consistent with the treatment of all other Latin Resources Performance Rights). As further detailed in Section 10.1, the total value of the securities held by the Latin Resources Directors (including the Latin Resources Performance Rights which vest prior to the Record Date) is approximately \$38,989,000, calculated as at the date of the Scheme Implementation Agreement, using the Share Scheme Consideration per Latin Resources Share and the last recorded trading price of Pilbara Minerals Shares on ASX (of \$2.85). If the Share Scheme becomes Effective, Mr Gale will receive a one-off lump sum payment under his consultancy agreement with Latin Resources of \$529,167. Mr Gale has also entered into a consultancy agreement with Pilbara Minerals which will become effective on the Implementation Date. In addition to receiving consultancy fees (as detailed in Section 10.2(e)) under that arrangement, Mr Gale will be entitled to be issued with Pilbara Minerals performance rights with a value of \$115,000 which will vest upon Mr Gale remaining engaged with Pilbara Minerals for a period of 6 months from the Implementation Date (provided that, if Pilbara Minerals terminates the consultancy agreement without cause before the end of the 6 month period, a pro rata portion of the Pilbara Minerals performance rights will vest). Each of the Latin Resources Directors considers that it is appropriate for them to make a recommendation in relation to the Schemes, as each of them believes that the benefits are not of such materiality to them that they impact their consideration of the Schemes or their ability to make a recommendation to Latin Resources Securityholders.

- ✓ the Latin Resources Board has determined that the combination of value and certainty offered by Pilbara Minerals is likely to deliver a superior outcome for Latin Resources Securityholders, compared to what would otherwise be available, on a future risk adjusted basis, if Latin Resources continued to operate as a standalone entity;
- ✓ Latin Resources Securityholders will benefit from access to Pilbara Minerals' experience in developing and operating spodumene operations, enhancing the prospect of successful development of the Salinas Project;
- ✓ the Share Scheme is supported by Latin Resources' largest shareholder (excluding custodian accounts);
- ✓ Latin Resources Shares might trade at a lower price if the Share Scheme is not implemented and no Superior Proposal emerges, in the absence of more favourable market conditions;
- ✓ implementation of the Share Scheme will allow Latin Resources Securityholders to avoid the prospect of a near-term, dilutive capital raising during a period of weak lithium market conditions; and
- ✓ Australian resident Latin Resources Shareholders may be eligible for CGT roll-over relief in respect of the transfer of Latin Resources Shares to Pilbara Minerals under the Share Scheme. In addition, eligible Latin Resources Securityholders will not incur brokerage costs on the transfer of their Latin Resources Shares or Latin Resources Options (as applicable) to Pilbara Minerals under the Schemes.

Reasons to vote against the Schemes

In forming their unanimous decision to recommend the Schemes to Latin Resources Securityholders, subject to the qualifications described above, the Latin Resources Directors also considered the potential disadvantages of the Schemes, including:

- you may believe that the Schemes are not in your individual best interests and disagree with the recommendation by the Latin Resources Directors and the conclusion of the Independent Expert;
- if the Share Scheme proceeds, the exposure of Latin Resources Securityholders to Latin Resources' key asset, the Salinas Project, will be diluted;
- you may consider there is a potential for a Superior Proposal to be made for Latin Resources in the future;
- you may believe it is in your best interests to maintain your current investment and risk profile;
- the exact monetary value of the Scheme Consideration is not certain and will depend on the price at which Pilbara Minerals Shares trade on the ASX after the Implementation Date; and
- the tax consequences of transferring Latin Resources Shares and/or Latin Resources Options (as applicable) pursuant to the Share Scheme and Option Scheme may not be optimal for all Latin Resources Securityholders.

The Latin Resources Directors unanimously believe that the benefits of the Schemes outweigh the potential disadvantages and the risks associated with an ongoing investment in Latin Resources Shares. Accordingly, the Latin Resources Directors unanimously recommend that Latin Resources Securityholders vote in favour of the Scheme relevant to them, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the relevant Scheme is in the best interest of the relevant Latin Resources Securityholders.³

3. In relation to the unanimous recommendation of the Latin Resources Directors, Latin Resources Securityholders should note that Latin Resources Directors will receive certain benefits in connection with the Share Scheme, which are described in Sections 10.1 and 10.2 and in footnote 2 above.

Substantial shareholder support

Latin Resources' largest shareholder (excluding custodian accounts) as at the Last Practicable Date, José Luis Manzano has confirmed his intention to vote or cause to be voted all the shares that he holds (directly or indirectly) in Latin Resources in favour of the Share Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Share Scheme is in the best interests of Latin Resources Shareholders. As at the Last Practicable Date, José Luis Manzano holds or controls 202,912,345 Latin Resources Shares, being 7.2% of all Latin Resources Shares currently on issue, and has not withdrawn his voting intention statement.

Implementation of the Schemes

Implementation of the Share Scheme is subject to a number of conditions, which are described in Section 3.5(a) and also Section 3.5(b) as to the Regulatory Authority Condition Precedent. The Option Scheme is conditional on the Share Scheme for Latin Resources Shares taking effect and other customary conditions which are described in Section 3.5(c). The Share Scheme is not conditional on the Option Scheme. Pilbara Minerals and Latin Resources have termination rights under the Scheme Implementation Agreement in certain circumstances which are summarised in paragraph (i) of Annexure B. A non-exhaustive summary of key risks relating to the Schemes, risks if the Share Scheme does not proceed and specific and general risks relating to the Enlarged Group are set out in Section 8.

Latin Resources Non-Core Assets

In conjunction with the proposed Schemes, Latin Resources is proposing the Demerger of ESG Minerals by way of a capital reduction via a pro rata in-specie distribution of shares under which each Eligible Shareholder will receive 1 fully paid ordinary share in ESG Minerals for every 50 Latin Resources Shares held on the Demerger Record Date.

Full details of the Demerger can be found in the Demerger Materials which are included as Annexure I to this Scheme Booklet.

Your Latin Resources Directors unanimously recommend that you vote in favour of the Demerger Resolution for the reasons set out in Annexure I, including because the Share Scheme is conditional on the satisfaction (or waiver) of the Condition Precedent requiring the approval of the Demerger Resolution and the coming into effect of the Demerger.

Your vote is important

Your vote is important and I encourage you to vote by attending the Share Scheme Meeting and/or the Option Scheme Meeting (as applicable), each of which is to be held at the Ebell room at Trinity College, 230 Hampden Road, Crawley WA 6009 on 16 January 2025, or otherwise by following the voting instructions in Section 4.7.

If you want the Schemes to proceed, it is important that you vote in favour of the relevant Scheme.

This Scheme Booklet is being dispatched to Latin Resources Securityholders shortly after its release to the ASX. Latin Resources Securityholders who have elected to receive electronic communications will receive an email containing instructions on how to view or download a copy of the Scheme Booklet, as well as instructions on how to lodge their proxies for the relevant Scheme Meeting. Latin Resources Securityholders who have elected to receive communications via post will receive a printed copy of the Scheme Booklet together with a personalised proxy form, with instructions on how to view or download a copy of the Scheme Booklet.

Please refer to Section 4. The Notice of Meeting for the Share Scheme Meeting is set out in Annexure G and the Notice of Meeting for the Option Scheme Meeting is set out in Annexure H. Both Annexures contain further instructions on how to attend the Scheme Meetings and how to cast your vote.

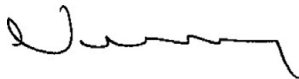
Conclusion

I encourage you to read this Scheme Booklet (including the Independent Expert's Report) carefully and in its entirety. You should also seek independent legal, financial, tax or other professional advice before making an investment decision in relation to your Latin Resources Shares or Latin Resources Options.

If you require any further information, please contact the Latin Resources Information Line on 1300 521 162 (within Australia) or +61 3 9415 4603 (outside Australia) between 8.30am and 5.30pm (AEDT), Monday to Friday (excluding public holidays in Australia).

On behalf of the Latin Resources Directors, I would like to thank you for your ongoing support of Latin Resources. We believe the Schemes are a transformational opportunity for Latin Resources Securityholders, providing the opportunity to receive an immediate and attractive upfront premium. Exchanging shares in Latin Resources for Pilbara Minerals Shares provides exposure to the world's largest independently owned hard rock lithium producer with strong growth prospects, a robust balance sheet and an excellent board and management team whilst retaining exposure to the future development of the Salinas Project.

We look forward to your participation at the Scheme Meetings and encourage you to vote in favour of the Scheme relevant to you, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the relevant Scheme is in the best interests of the relevant Latin Resources Securityholders.



David Vilensky
Chairman
Latin Resources Limited





Letter from the Chairman of Pilbara Minerals

Dear Latin Resources Securityholders,

On behalf of the Board of Pilbara Minerals, I am pleased to provide you with the opportunity to participate in the Schemes and become a shareholder of Pilbara Minerals, the world's largest independent pure play hard rock lithium producer.

I would also like to take this opportunity to congratulate the Latin Resources team who have progressed the Salinas Project from first discovery in 2022 through to delineating a large-scale Mineral Resource and delivering a preliminary economic assessment in 2023 that confirms the Salinas Project is a high quality project with a strong future. We are delighted that key members of the Latin Resources team will continue to work with us post implementation of the Share Scheme and look forward to working with them, alongside the State of Minas Gerais and the broader local community, as we seek to unlock the significant potential of the Salinas Project over time.

As part of the proposed Schemes, you will receive consideration in the form of New Pilbara Minerals Shares at an attractive premium to pre-transaction trading prices. By receiving Pilbara Minerals Shares, you will retain exposure to the long-term upside of the Salinas Project and benefit from its development being significantly de-risked through Pilbara Minerals' strong balance sheet and leading technical capabilities in hard rock lithium. Further, you will gain immediate exposure to Pilbara Minerals' tier one producing Pilgangoora operation, as well as the many benefits from being a shareholder in a leading ASX-listed lithium producer, including enhanced market positioning and trading liquidity.

The Latin Resources Board has unanimously recommended that you vote in favour of the Scheme relevant to you in the absence of a Superior Proposal, and subject to the Independent Expert continuing to conclude that the relevant Scheme is in the best interests of the relevant Latin Resources Securityholders.⁴

4. In relation to the unanimous recommendation of the Latin Resources Directors, Latin Resources Securityholders should note that Latin Resources Directors will receive certain benefits in connection with the Share Scheme. Refer to footnote 2 (located in the letter from the Chairman of Latin Resources) and Sections 10.1 and 10.2 for further details.

The Latin Resources Directors and Latin Resources' largest shareholder as at the Last Practicable Date (excluding custodian accounts), José Luis Manzano, representing 12.1% in aggregate of Latin Resources' total issued shares as at the Last Practicable Date, have each confirmed their intention to vote in favour of the Share Scheme, subject to those same qualifications.

This Scheme Booklet provides detailed information about the Schemes, including reasons for you to vote in favour of, or against, the relevant Scheme, and the risks relating to the Enlarged Group and an investment in Pilbara Minerals Shares (refer to Section 8). Potential disadvantages of the implementation of the Share Scheme (or, if applicable, both Schemes), which are discussed in Section 1.4, include that your exposure to the Salinas Project will be diluted. Latin Resources Securityholders are encouraged to read this Scheme Booklet carefully and in its entirety.

On behalf of the Board of Pilbara Minerals, I look forward to welcoming you as a Pilbara Minerals Shareholder upon completion of the Schemes and am excited by the opportunities that lie ahead for the Enlarged Group.

Yours sincerely



Kathleen Conlon
Chairman
Pilbara Minerals Limited



Important dates

Key events and expected timing in relation to the approval of the Schemes and the Demerger are set out below.

Event	Time and date
Receipt of proxy forms for the Demerger Meeting Latest time and date for receipt of proxy forms for the Demerger Meeting	10.00am (AWST) on 14 January 2025
Receipt of proxy forms for the Share Scheme Meeting Latest time and date for the receipt of proxy forms for the Share Scheme Meeting	10.30am (AWST) on 14 January 2025
Receipt of proxy forms for the Option Scheme Meeting Latest time and date for the receipt of proxy forms for the Option Scheme Meeting	11.00am (AWST) on 14 January 2025

Event	Time and date
Voting record date Time and date for determining eligibility to vote at the Scheme Meetings and Demerger Meeting	7.00pm (AEDT) on 14 January 2025
Demerger Meeting Latin Resources Shareholders' meeting to vote on the Demerger Resolution	10.00am (AWST) on 16 January 2025
Share Scheme Meeting Latin Resources Shareholders' meeting to vote on the Share Scheme	The later of 10.30am (AWST) and the conclusion of the Demerger Meeting on 16 January 2025
Option Scheme Meeting Latin Resources Optionholders' meeting to vote on the Option Scheme	The later of 11.00am (AWST) and the conclusion of the Share Scheme Meeting on 16 January 2025
If the Share Scheme is approved by Latin Resources Shareholders at the Share Scheme Meeting and the Demerger is approved at the Demerger Meeting:⁵	
Demerger Effective Date Effective date for the transfer of ESG Minerals Shares to Latin Resources Shareholders (in-specie distribution under the Demerger)	17 January 2025
Last day for trading of Latin Resources Shares on a "cum return of capital basis" (i.e with an entitlement to participate in the Demerger)	20 January 2025
Second Court Hearing Court hearing for approval of the Schemes	10.00am (AWST) on 21 January 2025
Effective Date Court order is lodged with ASIC and Schemes take effect Last day of ASX trading in Latin Resources Shares	22 January 2025

5. The remainder of this timetable assumes that the Option Scheme is also approved by Latin Resources Optionholders. If the Share Scheme is approved but the Option Scheme is not, the Share Scheme may still be implemented (subject to the satisfaction or waiver of the remaining Conditions Precedent to implementation of the Share Scheme) noting that in such circumstances, Pilbara Minerals has indicated that its current intention is to seek to acquire the Latin Resources Options under the compulsory acquisition provisions of the Corporations Act.

Event	Time and date
Last day of trading of Latin Resources Shares Suspension of Latin Resources Shares from trading on ASX from close of trading	22 January 2025
Demerger Record Date Record date for determining entitlements to the ESG Minerals Shares under the Demerger	22 January 2025
New Pilbara Minerals Shares expected to commence trading on a deferred settlement basis First day of trading in New Pilbara Minerals Shares on ASX on a deferred settlement basis (ASX: PLS)	23 January 2025
Latest time and date to receive Opt-in Notices Small Scheme Participants and Option Scheme Participants who do not wish to receive New Pilbara Minerals Shares may elect to participate in the Sale Facility by completing and returning an Opt-in Notice.	5.00pm (AWST) on 24 January 2025
Record Date Record Date for determining entitlement to receive Share Scheme Consideration and Option Scheme Consideration	7.00 pm (AEDT) on 28 January 2025
Demerger Implementation Date Implementation date for the transfer of ESG Minerals Shares to Eligible Shareholders	30 January 2025
Implementation Date Provision of the Share Scheme Consideration to Share Scheme Participants and Option Scheme Consideration to Option Scheme Participants Commencement of despatch to Share Scheme Participants and Option Scheme Participants of statements confirming the issue of New Pilbara Minerals Shares	4 February 2025
New Pilbara Minerals Shares expected to commence trading on a normal settlement basis First day of trading in New Pilbara Minerals Shares on ASX on a normal settlement basis (ASX: PLS)	5 February 2025

All dates following the date of the Scheme Meetings and Demerger Meeting are indicative only and, among other things, are subject to all necessary approvals from the Court and other Regulatory Authorities, including the Regulatory Approvals. Any changes to the above timetable will be announced through ASX and notified on www.latinresources.com.au. Except where indicated, all references to time in this Scheme Booklet are references to AWST.



01.

**Matters relevant to
your vote on the Schemes**

1. Matters relevant to your vote on the Schemes

1.1 Latin Resources Board recommendation

The Latin Resources Directors recommend that you vote in favour of the Scheme relevant to you, in the absence of a Superior Proposal, subject to the Independent Expert continuing to conclude that the relevant Scheme is in the best interests of the relevant Latin Resources Securityholders.⁶

Each of the Latin Resources Directors intends to vote, or cause to be voted, any Latin Resources Shares and Latin Resources Options (as applicable) which they hold or control at the time of the Scheme Meetings, in favour of the Share Scheme or Option Scheme (as applicable), subject to the same qualifications.

1.2 Summary of reasons to vote for the Schemes and possible reasons to vote against the Schemes

(a) Reasons to vote in favour of the Schemes

✓	The Latin Resources Directors unanimously recommend that you vote in favour of the Scheme relevant to you, in the absence of a Superior Proposal, subject to the Independent Expert continuing to conclude that the relevant Scheme is in the best interests of the relevant Latin Resources Securityholders
✓	The Independent Expert has concluded that the Schemes are fair and reasonable and therefore in the best interests of Latin Resources Securityholders, in the absence of a Superior Proposal
✓	The implied value of the Share Scheme Consideration represents an attractive premium to the trading prices of Latin Resources Shares prior to announcement of the Schemes
✓	By receiving Pilbara Minerals Shares, Latin Resources Securityholders retain ongoing exposure to the development of the Salinas Project and immediate exposure to the world's largest independently owned hard rock lithium producer
✓	By receiving Pilbara Minerals Shares, Latin Resources Securityholders will benefit from significant diversification, enhanced market positioning, larger free float and significantly enhanced liquidity
✓	No Superior Proposal has emerged as at the date of this Scheme Booklet
✓	The Latin Resources Board has determined that the combination of value and certainty offered by Pilbara Minerals is likely to deliver a superior outcome for Latin Resources Securityholders, compared to what would otherwise be available, on a future risk adjusted basis, if Latin Resources continued to operate as a standalone entity
✓	Latin Resources Securityholders will benefit from access to Pilbara Minerals' experience in developing and operating spodumene operations, enhancing the prospect of successful development of the Salinas Project
✓	The Share Scheme is supported by Latin Resources' largest shareholder (excluding custodian accounts)
✓	Latin Resources Shares might trade at a lower price if the Share Scheme is not implemented and no Superior Proposal emerges, in the absence of more favourable market conditions

⁶ In relation to the unanimous recommendation of the Latin Resources Directors, Latin Resources Securityholders should note that Latin Resources Directors will receive certain benefits in connection with the Share Scheme, which are described in Sections 10.1 and 10.2 and footnote 2 (located in the letter from the Chairman of Latin Resources).

✓	Implementation of the Share Scheme will allow Latin Resources Securityholders to avoid the prospect of a near-term, dilutive capital raising during a period of weak lithium market conditions
✓	Australian resident Latin Resources Shareholders may be eligible for Roll-Over Relief in respect of the transfer of Latin Resources Shares to Pilbara Minerals under the Share Scheme. In addition, Latin Resources Securityholders will not incur brokerage costs on the transfer of their Latin Resources Shares or Latin Resources Options (as applicable) to Pilbara Minerals under the Schemes

(b) Possible reasons to vote against the Schemes

✗	You may believe that the relevant Scheme is not in your individual best interests and disagree with the recommendation by the Latin Resources Directors and the conclusion of the Independent Expert
✗	If the Share Scheme proceeds, the exposure of Latin Resources Securityholders to Latin Resources' key asset, the Salinas Project, will be diluted
✗	You may consider there is potential for a Superior Proposal to be made for Latin Resources in the future
✗	You may believe it is in your best interests to maintain your current investment and risk profile
✗	The exact monetary value of the Scheme Consideration is not certain and will depend on the price at which Pilbara Minerals Shares trade on the ASX after the Implementation Date
✗	The tax consequences of transferring Latin Resources Shares and/or Latin Resources Options (as applicable) pursuant to the Share Scheme and/or Option Scheme may not be optimal for all Latin Resources Securityholders

1.3 Reasons to vote in favour of the Schemes

(a) The Latin Resources Directors unanimously recommend that you vote in favour of the Scheme relevant to you, in the absence of a Superior Proposal, subject to the Independent Expert continuing to conclude that the relevant Scheme is in the best interests of the relevant Latin Resources Securityholders⁷

In reaching this unanimous recommendation, the Latin Resources Directors considered (among other things):

- the merits and strategic rationale of the Schemes (which are outlined in this Section 1.3);
- the merits of alternate courses of action available to Latin Resources, including continuing to operate Latin Resources as a standalone entity; and
- the likelihood of a Superior Proposal emerging in the future.

Subject to the same qualifications expressed above for the Latin Resources Directors' unanimous recommendation, each Latin Resources Director who owns Latin Resources Shares, representing 4.8% of the total Latin Resources Shares on issue, intends to vote all their Latin Resources Shares in favour of the Share Scheme. The interests of the Latin Resources Directors in Latin Resources Shares are set out in Section 10.1(a). Whilst the Latin Resources Directors acknowledge that there may be reasons to vote against the Schemes, they believe that the advantages of the Schemes significantly outweigh the potential disadvantages (including those outlined in Section 1.4). The Latin Resources Directors

⁷ In relation to the unanimous recommendation of the Latin Resources Directors, Latin Resources Securityholders should note that Latin Resources Directors will receive certain benefits in connection with the Share Scheme, which are described in Sections 10.1 and 10.2 and footnote 2 (located in the letter from the Chairman of Latin Resources).

consider that the Schemes have the potential to realise greater benefits to Latin Resources Securityholders than any other alternative currently available.

(b) **The Independent Expert has concluded that, in the absence of a Superior Proposal, the Schemes are fair and reasonable and therefore in the best interests of Latin Resources Securityholders**

BDO Corporate Finance Australia Pty Ltd, as Independent Expert, has considered the terms of the Schemes and has concluded that, in the absence of a Superior Proposal, the Share Scheme is fair and reasonable and therefore in the best interests of Latin Resources Shareholders and that the Option Scheme is fair and reasonable and therefore in the best interests of Latin Resources Optionholders.

The Independent Expert considers the Share Scheme to be fair because the value of 0.07 Pilbara Minerals Shares in the Enlarged Group following the implementation of the Share Scheme is greater than the value of a Latin Resources Share prior to the Share Scheme.

The Independent Expert considers the Option Scheme to be fair because the value of the New Pilbara Minerals Shares in the Enlarged Group issued as the Option Scheme Consideration following the implementation of the Option Scheme is greater than the value of a Latin Resources Option (across the two relevant tranches of Latin Resources Options) prior to the Option Scheme.

The Schemes are considered reasonable by the Independent Expert because the position of Latin Resources Securityholders if the Schemes are approved is more advantageous than the position if the Schemes are not approved.

The advantages and disadvantages of the Schemes (as identified by the Independent Expert) are summarised in section 2.5 of the Independent Expert's Report and discussed in greater detail in section 16 of the Independent Expert's Report.

The Independent Expert's Report is set out in Annexure A to this Scheme Booklet. The Latin Resources Directors recommend that Latin Resources Securityholders read the Independent Expert's Report in full.

(c) **The implied value of the Share Scheme Consideration represents an attractive premium to the trading price of Latin Resources Shares prior to announcement of the Schemes**

Under the terms of the Share Scheme, subject to the Share Scheme becoming Effective, Latin Resources Shareholders will receive 0.07 New Pilbara Minerals Shares for each Latin Resources Share held on the Record Date.

The Share Scheme Consideration represented a significant premium to the trading prices of Latin Resources Shares as set out below:

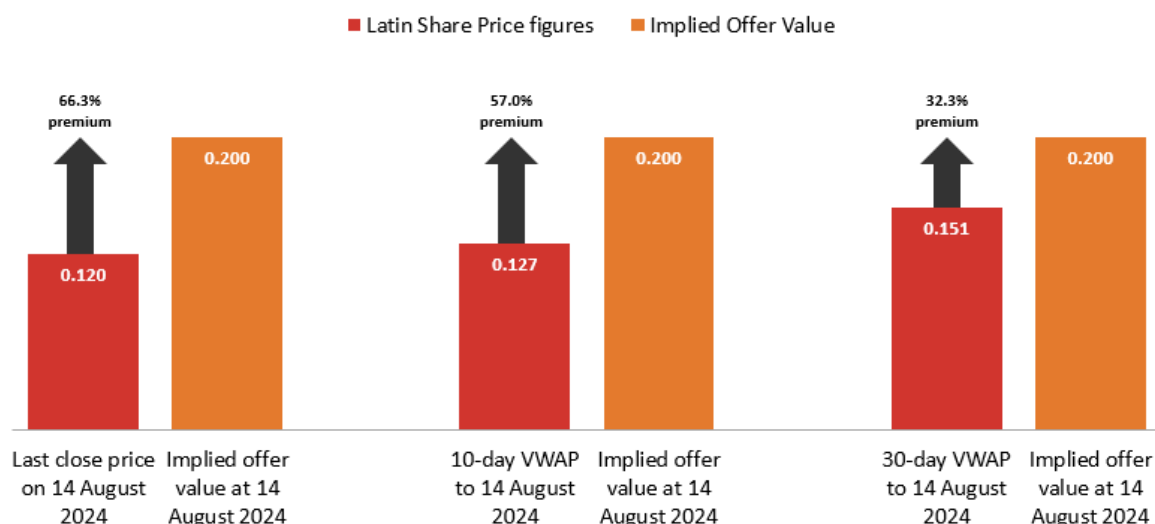
- 66.3% to the closing price of Latin Resources Shares of \$0.120 on 14 August 2024 (based on the closing price of Pilbara Minerals' Shares of \$2.850 on 14 August 2024, being the last Trading Day prior to announcement of the Schemes); and
- 57.0% to the 10-day volume-weighted average price (VWAP) of Latin Resources Shares of \$0.127 up to and including 14 August 2024 (based on the closing price of Pilbara Minerals' Shares of \$2.850 on 14 August 2024).

Based on the closing price of Pilbara Minerals Shares on the Last Practicable Date, the implied value of the Share Scheme Consideration is \$0.1827 per Latin Resources Share. The implied value of consideration per Latin Resources Share will change with movements in the Pilbara Minerals Share price.

If the Share Scheme is not implemented and no Superior Proposal emerges, it is possible the price of Latin Resources Shares may fall from current levels. As at the date of this Scheme Booklet, the Latin Resources Directors are not aware of any Superior Proposal and have no basis to believe that a Superior Proposal is likely to emerge.

The graph below shows the premiums to the Latin Resources Share price on 14 August 2024, being the last Trading Day prior to announcement of the Schemes.

Figure 1 – Share Scheme Consideration premia



- (d) **By receiving Pilbara Minerals Shares, Latin Resources Securityholders retain ongoing exposure to the development of the Salinas Project and immediate exposure to the world's largest independently owned hard rock lithium producer**

By receiving Pilbara Minerals Shares, Latin Resources Securityholders will retain ongoing exposure to the Salinas Project and its advancement under the guidance of Pilbara Minerals' experienced team, whilst also gaining immediate exposure to a multi-asset, globally diversified and integrated lithium producer including Pilbara Minerals' Pilgangoora operation, the world's largest independent hard rock lithium operation.⁸ Latin Resources Securityholders will also receive exposure to Pilbara Minerals' assets in the broader lithium chemical supply chain including a potential mid-stream demonstration plant exploring electric calcination technology; an 18% interest in a 43ktpa lithium hydroxide monohydrate chemical facility in South Korea (joint venture with POSCO) and a joint study with Ganfeng Lithium Group Co. Ltd to consider a potential jointly owned downstream conversion facility to produce lithium chemicals.

- (e) **By receiving Pilbara Minerals Shares, Latin Resources Securityholders will benefit from significant diversification, enhanced market positioning, larger free float and significantly enhanced liquidity**

If the Share Scheme is (or, if applicable, the Schemes are) approved and implemented, Latin Resources Securityholders will continue to retain an indirect interest in the Salinas Project through a shareholding in the Enlarged Group and will be in a position to benefit from the enhanced capital markets profile, financial capacity and trading liquidity offered by the Enlarged Group. As at the Last Practicable Date, Pilbara Minerals had an average daily traded value of \$109 million over the last twelve months relative to the Latin Resources' \$4 million average daily traded value over the last twelve months.

Latin Resources Securityholders will become part of a company which is expected to have a pro-forma market capitalisation of approximately \$8,397 million (based on the Pilbara Minerals Share price at the Last Practicable Date) and had cash and cash equivalents (on a pro forma basis) as at 30 September 2024 of approximately \$1.4 billion. The enhanced scale of the Enlarged Group also positions Latin

⁸ Refer to ASX release "P1000 Project Final Investment Decision" dated 29 March 2023 for further details and supporting information.

Resources Securityholders to benefit from larger free float, additional liquidity, and inclusion in relevant ASX and global indices.

(f) **No Superior Proposal has emerged as at the date of this Scheme Booklet**

There is the potential for a Superior Proposal to emerge. However, as at the date of this Scheme Booklet, no Superior Proposal has emerged.

If a proposal for a Competing Transaction is received prior to the Scheme Meetings, the Latin Resources Directors will carefully consider the proposal to determine whether it is a Superior Proposal, in accordance with and subject to the terms of the Scheme Implementation Agreement.

The Latin Resources Directors will keep you informed if a Superior Proposal emerges before the Scheme Meetings and will make an announcement on ASX in accordance with its continuous disclosure obligations.

(g) **The Latin Resources Board has determined that the combination of value and certainty offered by Pilbara Minerals is likely to deliver a superior outcome for Latin Resources Securityholders, compared to what would otherwise be available, on a future risk adjusted basis, if Latin Resources continued to operate as a standalone entity.**

In forming its unanimous recommendation to vote in favour of the Schemes, the Latin Resources Directors considered various strategic alternatives including funding and developing the Salinas Project on a standalone basis. In considering these alternatives, the Latin Resources Directors had regard to matters including:

- The 62% decrease in the spodumene price from a price of US\$2,290/t⁹ as at 27 September 2023 (being the day prior to PEA release), to US\$860/t¹⁰ as at 14 August 2024 (being the day before the announcement of the transaction with Pilbara Minerals).
- The potential for spodumene pricing to remain at depressed levels over the forthcoming year.
- The expected funding requirements to establish the Salinas Project as a standalone operation including initial capital, working capital, funding costs and contingencies, and the significant rise in challenges associated with raising capital given the decline in lithium prices and lithium market sentiment.
- The strategic offtake and funding process, launched in October 2023, which involved broad outreach and extensive engagement with a number of global parties who were granted access to site visits and due diligence information on the Salinas Project. Macquarie Capital (Australia) Limited acted as financial adviser to Latin Resources in connection with this process. Various global parties were engaged in discussions on potential funding and partnerships, however due to the values involved, the lack of binding terms and level of execution uncertainty, combined with the broader uncertainty around the additional debt and equity requirements, these were not as attractive to the Latin Resources Board as the proposed transaction with Pilbara Minerals.

After considering these matters, the Latin Resources Directors formed the view that, on balance, once accounting for market, funding and development risks, the combination of value and certainty offered by Pilbara Minerals is likely to deliver a superior outcome for Latin Resources Securityholders now, compared to what would otherwise be available, on a future risk adjusted basis, if Latin Resources continued to operate as a standalone entity.

(h) **Latin Resources Securityholders will benefit from access to Pilbara Minerals' experience in developing and operating spodumene operations, enhancing the prospect of successful development of the Salinas Project**

The proposed Schemes are expected to significantly mitigate funding risk for the Salinas Project via access to Pilbara Minerals' robust balance sheet (cash and cash equivalents as at 30 September 2024

⁹ Based on Bloomberg Asia Metals pricing, CIF China, SC6.0 basis.

¹⁰ Based on Bloomberg Asia Metals pricing, CIF China, SC6.0 basis.

of \$1.4 billion) and ongoing cashflows from Pilbara Minerals' Pilgangoora operation which are likely to support development of the Salinas Project along with the pursuit of other opportunities.

Latin Resources Securityholders will also benefit from lower development risk via Pilbara Minerals' proven technical expertise, project development, operating and marketing capabilities, intellectual property and know-how developed from operating two spodumene production facilities and associated infrastructure for over five years.

(i) **The Share Scheme is supported by José Luis Manzano, Latin Resources' largest shareholder as at the Last Practicable Date (excluding custodian accounts)**

Latin Resources' largest shareholder as at the Last Practicable Date (excluding custodian accounts), José Luis Manzano has confirmed his intention to vote or cause to be voted all the shares that he holds (directly or indirectly) in Latin Resources in favour of the Share Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Share Scheme is in the best interest of Latin Resources Shareholders. As at the Last Practicable Date, José Luis Manzano holds or controls 202,912,345 Latin Resources Shares, being 7.2% of all Latin Resources Shares currently on issue, and has not withdrawn his voting intention statement.

(j) **Latin Resources Shares might trade at a lower price if the Share Scheme is not implemented and no Superior Proposal emerges, in the absence of more favourable market conditions**

Between 14 August 2024 and the Last Practicable Date, Latin Resources Shares have traded in the range of \$0.120 to \$0.235 per share, reflecting the implied value of the Share Scheme Consideration. Your Latin Resources Directors expect that if the Share Scheme does not proceed, the trading price of Latin Resources Shares on ASX may fall, in the absence of a Superior Proposal emerging.

(k) **Implementation of the Share Scheme will allow Latin Resources Securityholders to avoid the prospect of a near-term, dilutive capital raising during a period of weak lithium market conditions**

Latin Resources' unaudited cash position as at 30 September 2024 was \$6.8 million. A potential near-term, dilutive capital raising presents further downward risk on the price of Latin Resources Shares.

(l) **Australian resident Latin Resources Shareholders may be eligible for Roll-Over Relief in respect of the transfer of Latin Resources Shares to Pilbara Minerals under the Share Scheme. In addition, Latin Resources Securityholders will also avoid brokerage costs on the transfer of their Latin Resources Shares or Latin Resources Options (as applicable) to Pilbara Minerals under the Schemes**

The New Pilbara Minerals Shares issued as Share Scheme Consideration are expected to satisfy the general requirements of the CGT scrip-for-scrip roll-over provision of the *Income Tax Assessment Act 1997* (Cth). As a result, Roll-Over Relief should be available to Australian tax resident Latin Resources Shareholders who receive the Share Scheme Consideration. Broadly, Roll-Over Relief enables Latin Resources Shareholders to disregard the capital gain they make from the disposal of their Latin Resources Shares under the Share Scheme. Latin Resources is seeking confirmation from the ATO that Roll-Over Relief is available.

Further details of the tax implications of the Schemes are set out in Section 9.

All Latin Resources Securityholders are advised to seek independent professional advice about their particular circumstances including, for non-resident Latin Resources Securityholders, foreign tax consequences.

Latin Resources Securityholders will not incur any brokerage cost on the transfer of their Latin Resources Shares or Latin Resources Options to Pilbara Minerals under the Schemes (other than brokerage costs which may be deducted before each Ineligible Foreign Holder and Electing Scheme Participant receive their proportion of the Net Cash Proceeds in respect of New Pilbara Minerals Shares sold under the Sale Facility).

1.4 Possible reasons to vote against the Schemes

- (a) **You may believe that the relevant Scheme is not in your individual best interests and disagree with the recommendation by the Latin Resources Directors and the conclusion of the Independent Expert**

You may disagree with the views of the Latin Resources Directors that the potential advantages of the relevant Scheme outweigh the potential disadvantages, and therefore disagree with the unanimous recommendation of the Latin Resources Directors that Latin Resources Securityholders vote in favour of the Scheme relevant to them, in the absence of a Superior Proposal subject to the Independent Expert continuing to conclude that the relevant Scheme is in the best interests of the relevant Latin Resources Securityholders.

You may also disagree with the conclusions of the Independent Expert that the Schemes are fair and reasonable to, and in the best interests of, Latin Resources Securityholders, in the absence of a Superior Proposal. Refer to Annexure A for a copy of the Independent Expert's Report.

- (b) **If the Share Scheme proceeds (or, if applicable, the Schemes proceed), the exposure of Latin Resources Securityholders to Latin Resources' key asset, the Salinas Project, will be diluted**

If the Share Scheme is implemented, Latin Resources Shareholders will hold approximately 6.3% of the issued share capital of the Enlarged Group. If both Schemes are implemented, Latin Resources Securityholders will hold approximately 6.4% of the issued share capital of the Enlarged Group.¹¹ Accordingly, Latin Resources Securityholders will have a reduced exposure to the Salinas Project.

You may wish Latin Resources to remain an independent entity because you are invested in Latin Resources to seek exposure to a company with the specific characteristics of Latin Resources and you do not want to have an investment exposure to Pilbara Minerals and its assets.

- (c) **You may consider there is a potential for a Superior Proposal to be made for Latin Resources in the future**

It is possible that a Superior Proposal for Latin Resources, which could be more attractive to Latin Resources Securityholders than the current Schemes, may materialise in the future. The implementation of the Schemes would mean that Latin Resources Securityholders would not obtain the benefit of any such proposal.

The Latin Resources Directors are not currently aware of any such proposal and note that since Pilbara Minerals and Latin Resources announced the Schemes, there has been a significant period of time and ample opportunity for a Superior Proposal for Latin Resources to emerge.

- (d) **You may believe it is in your best interests to maintain your current investment and risk profile**

You may prefer to keep your Latin Resources Shares to preserve your investment in a listed public company with the specific characteristics of Latin Resources. In particular, you may consider that despite the risk factors relevant to Latin Resources' potential future operations (including those set out in Section 8.6), Latin Resources may be able to return greater value from its assets by remaining a standalone entity, or by seeking alternative corporate transactions in the future. You may also consider that it would be difficult to identify or invest in alternative investments that have a similar investment profile to Latin Resources.

In assessing and recommending the Schemes, the Latin Resources Directors and their advisers evaluated the benefits and risks of Latin Resources' continuing operations against other strategic alternatives. In deciding that they should recommend the Schemes, the Latin Resources Directors determined that, on balance, the value represented by the Schemes would be more favourable to Latin Resources Securityholders than the options and risks that might otherwise be available to or faced by Latin Resources Securityholders if they were to retain their investment in Latin Resources.

¹¹ Based on the 2,801,419,463 Latin Resources Shares, 89,500,000 Latin Resources Performance Rights, 4,000,000 Latin Resources Loan Funded Shares, and 3,011,543,934 Pilbara Minerals Shares outstanding, in each case as at the Last Practicable Date. Assumes 202,644,362 New Pilbara Minerals Shares issued to Latin Resources Shareholders under the Share Scheme. Assuming an additional 2,876,654 New Pilbara Minerals Shares are issued under the Option Scheme, Latin Resources Securityholders will hold 6.4% of the issued share capital of the Enlarged Group following implementation of the Schemes.

- (e) **The exact monetary value of the Scheme Consideration is not certain and will depend on the price at which Pilbara Minerals Shares trade on the ASX after the Implementation Date**

The Share Scheme Consideration and Option Scheme Consideration is not certain and the exact monetary value that you receive for your Latin Resources Shares and/or Latin Resources Options may move adversely from the market value of the Share Scheme Consideration and Option Scheme Consideration on the date of this Scheme Booklet or at the time of the Scheme Meetings.

Alternatively, if there is an increase in the relative price of Pilbara Minerals Shares, the effective value you receive for your Latin Resources Shares and/or Latin Resources Options may move favourably from the market value of the Share Scheme Consideration and Option Scheme Consideration on the date of this Scheme Booklet or at the time of the Scheme Meetings.

- (f) **The tax consequences of transferring Latin Resources Shares and/or Latin Resources Options (as applicable) pursuant to the Share Scheme and/or Option Scheme may not be optimal for all Latin Resources Securityholders**

Implementation of the Schemes may trigger taxation implications for Latin Resources Securityholders. Please refer to Section 9 for further information on the Australian income tax implications of the Schemes. All Latin Resources Securityholders are advised to seek independent taxation advice from a registered tax agent with respect to their individual taxation situations, including foreign tax consequences for non-resident Latin Resources Securityholders.

1.5 Other relevant considerations

- (a) **The Schemes may be implemented even if you vote against them at the Scheme Meetings**

Even if you do not vote, or if you vote against the relevant Scheme, that Scheme will be implemented if it is approved by the Requisite Majorities of Latin Resources Shareholders or Latin Resources Optionholders (as applicable) and by the Court, and all other Conditions Precedent to that Scheme are satisfied or waived (as applicable). If this occurs and you are a Latin Resources Shareholder, you will receive the Share Scheme Consideration even though you did not vote on, or voted against, the Share Scheme. If this occurs and you are a Latin Resources Optionholder, you will receive the Option Scheme Consideration even though you did not vote on, or voted against, the Option Scheme.

- (b) **Latin Resources' cash position and future funding requirements**

Latin Resources' unaudited cash position as at 30 September 2024 was \$6.8 million.

Should the Share Scheme not proceed, Latin Resources will immediately evaluate its working capital requirements to determine an appropriate level of funding to continue to advance development activities at the Salinas Project. In this scenario, Latin Resources is expected to require additional funding.

In connection with the implementation of the Schemes, Pilbara Minerals has conditionally agreed to provide a \$10 million loan facility to Latin Resources. In November 2024, a \$5 million draw down was made on the facility for general working capital purposes.

The timing of repayment of the loan facility varies depending on the circumstances that trigger the obligation to repay. In particular, if the Latin Resources Board publicly recommends a Superior Proposal, Latin Resources must repay the loan facility within 5 days. If the Scheme Implementation Agreement is terminated because the Share Scheme is not approved by the Requisite Majorities of Latin Resources Shareholders but the Latin Resources Board has continued to unanimously recommend that Latin Resources Shareholders vote in favour of the Share Scheme (other than in certain prescribed circumstances) then Latin Resources must repay the loan facility within 5 months of the date that the Scheme Implementation Agreement is terminated.

Refer to Section 5.9 for further details of this facility.

Latin Resources' auditor included a material uncertainty paragraph on Latin Resources' 30 June 2024 accounts, relating to Latin Resources' working capital requirements and the existence of some doubt as to Latin Resources' ability to continue as a going concern. Although Latin Resources believes it can raise the capital required to continue as a going concern (including to pay for transaction costs and repay the Bridging Loan) from shareholders and/or equity and debt capital markets (and potentially other

sources), no assurances can be given that the necessary capital or funding will be available when needed, either at all or on terms favourable to Latin Resources.

(c) Status of the DFS for the Salinas Project

Latin Resources has been progressing a DFS for the Salinas Project based on the Colina Deposit which had been anticipated to be completed by the end of the September 2024, to which end Sedgman Minsol Pty Ltd was appointed as its new lead engineering partner in Brazil, including in respect of engineering design services for the DFS.

Under the Scheme Implementation Agreement, Latin Resources and Pilbara Minerals agreed to form an Integration Committee which provides (amongst other things) a forum for Pilbara Minerals to share its project development, mining and processing expertise to assist in optimising the DFS and the potential of the Salinas Project on the assumption that the Share Scheme is implemented.

As a result of these developments, the DFS is not expected to be finalised before the Implementation Date.

Refer to Section 7.3(c) in relation to Pilbara Minerals' intentions with respect to the DFS and FID timing if the Share Scheme is implemented.

(d) Costs of the Schemes

Latin Resources has already incurred, and will incur, significant costs in respect of the proposal to implement the Schemes. These include costs incurred as a result of negotiation with Pilbara Minerals, retention of advisers, provision of information to Pilbara Minerals, facilitating Pilbara Minerals' access to due diligence, undertaking reciprocal due diligence on Pilbara Minerals, engaging with ASIC, ASX and the Court, engagement of the Independent Expert and the preparation of this Scheme Booklet, the purpose of which is to provide information to Latin Resources Securityholders to enable decision-making. If the Share Scheme is not implemented and no Superior Proposal emerges, Latin Resources will not receive any material value for the costs it has incurred in connection with the Schemes. Refer to Section 10.6 for further information.

Under the Scheme Implementation Agreement, a break fee of \$6 million may become payable by either Latin Resources or Pilbara Minerals, in certain circumstances. Failure by Latin Resources Securityholders to approve the Schemes at the Scheme Meetings will not, of itself, trigger an obligation to pay the Break Fee. Further details of the circumstances in which a break fee may become payable are in paragraphs (f) and (g) of Annexure B.

(e) Warranties by Latin Resources Securityholders

Under the terms of the Share Scheme, each Share Scheme Participant is taken to have warranted to Pilbara Minerals, and authorised Latin Resources as its attorney and agent to warrant to Pilbara Minerals that:

- on the Implementation Date all their Latin Resources Shares (including any rights and entitlements attaching to those shares) which are transferred under the Share Scheme will, at the date of transfer, be fully paid and free from all security for the payment of money or performance of obligations, including mortgages, charges, liens, pledges, trusts, power or title retention or flawed deposit arrangement and any 'security interests' within the meaning of section 12(1) of (2) of the PPSA or any agreement to create any of them or allow them to exist, free from all interests of third parties of any kind and free from any restrictions on transfer of any kind;
- on the Implementation Date, they have full power and capacity to transfer their Latin Resources Shares (including any rights and entitlements attaching to those shares) to Pilbara Minerals under the Share Scheme; and
- on the Record Date, they have no existing right to be issued any other Latin Resources Shares or any other form of securities in Latin Resources.

Under the terms of the Option Scheme, each Option Scheme Participant is taken to have warranted to Pilbara Minerals, and authorised Latin Resources as its attorney and agent to warrant to Pilbara Minerals that:

- on the Implementation Date all their Latin Resources Options (including any rights and entitlements attaching to those options) which are transferred under the Option Scheme will, at the date of transfer, be fully paid and free from all security for the payment of money or performance of obligations, including mortgages, charges, liens, pledges, trusts, power or title retention or flawed deposit arrangement and any 'security interests' within the meaning of section 12(1) of (2) of the PPSA or any agreement to create any of them or allow them to exist, free from all interests of third parties of any kind and free from any restrictions on transfer of any kind;
- on the Implementation Date, they have full power and capacity to transfer their Latin Resources Options (including any rights and entitlements attaching to those options) to Pilbara Minerals under the Option Scheme; and
- on the Record Date, they have no existing right to be issued any other Latin Resources Option or any other form of securities in Latin Resources.

(f) **The Schemes have a number of Conditions Precedent**

In addition to the need to obtain Latin Resources Securityholder approval and Court approval, the Schemes are subject to a number of other Conditions Precedent. These Conditions Precedent are summarised in Sections 3.5(a), 3.5(b), 3.5(c) and in Annexure B. These conditions need to be satisfied (or alternatively waived, where permitted) in order for the relevant Scheme to proceed.

The Latin Resources Directors have reviewed the Conditions Precedent and do not consider them to be unduly onerous or inconsistent with market practice for a transaction of this nature. As at the date of this Scheme Booklet, the Latin Resources Directors are not aware of any matter that would result in a breach or non-fulfilment of any Condition Precedent.

(g) **All or nothing outcome – Share Scheme**

If all of the conditions and approvals for the Share Scheme are satisfied or waived (as applicable):

- it will bind all Latin Resources Shareholders, including those who do not vote on the Share Scheme and those who vote against it, meaning that all Latin Resources Shareholders will relinquish their ownership of their Latin Resources Shares and will receive the Share Scheme Consideration (or, in the case of Ineligible Foreign Holders or Electing Scheme Participants, receive their pro rata share of the Net Cash Proceeds under the Sale Facility); and
- Latin Resources will become a Subsidiary of Pilbara Minerals and be delisted from the ASX.

Conversely, if all of the conditions and approvals for the Share Scheme are not satisfied or waived (as applicable), the status quo will be preserved, meaning that:

- Latin Resources Shareholders will retain their Latin Resources Shares and will not receive the Share Scheme Consideration;
- the existing Latin Resources Board and management will continue to operate Latin Resources' business;
- the advantages of the Schemes will not be realised and equally some disadvantages of the Schemes will no longer be relevant, such advantages and disadvantages are set out in Sections 1.3 and 1.4; and
- Latin Resources Shareholders will retain their current investment in Latin Resources Shares and in doing so will continue to retain the benefits of that investment and continue to be exposed to the risks associated with that investment. These risks include risks specific to Latin Resources' business as outlined in Section 8.6(b).

(h) **All or nothing outcome – Option Scheme**

If all of the conditions and approvals for the Option Scheme are satisfied or waived (as applicable):

- it will bind all Latin Resources Optionholders, including those who do not vote on the Option Scheme and those who vote against it, meaning that all Latin Resources Optionholders will relinquish their ownership of their Latin Resources Options and will receive the Option Scheme Consideration (or, in the case of Ineligible Foreign Holders and Electing Scheme Participants receive their pro rata share of the Net Cash Proceeds under the Sale Facility); and
- Latin Resources will become a wholly-owned Subsidiary of Pilbara Minerals and be delisted from the ASX.

If all of the conditions and approvals for the Option Scheme are not satisfied, but all the conditions and approvals for the Share Scheme are satisfied or waived (as applicable), given that implementation of the Share Scheme is not conditional on the Option Scheme being implemented, Latin Resources Optionholders will retain their Latin Resources Options in the existing, but no longer listed, Latin Resources entity. If this occurs, Pilbara Minerals has indicated that its current intention is to seek to acquire the Latin Resources Options under the compulsory acquisition provisions of the Corporations Act. Under the Corporations Act, a person may compulsorily acquire (for a cash sum) all securities in a class (e.g. shares or options) if the person has 90% or more voting power in the company and the person holds full beneficial interests in 90% or more by value of all of the securities in the company that are either shares or convertible into shares. The consideration paid under compulsory acquisition must represent fair value as assessed by an independent expert nominated by ASIC and it may be possible that the consideration paid in connection with the compulsory acquisition process may be higher than, equal to or lower than the Option Scheme Consideration. Refer to Section 7.4 for further details.

If all of the conditions and approvals for the Option Scheme are not satisfied and the Share Scheme is not implemented, the status quo will be preserved, meaning that:

- Latin Resources Optionholders will retain their Latin Resources Options and will not receive the Option Scheme Consideration;
- the existing Latin Resources Board and management will continue to operate Latin Resources' business;
- the advantages of the Schemes will not be realised and equally some disadvantages of the Schemes will no longer be relevant, such advantages and disadvantages are set out in Sections 1.3 and 1.4; and
- Latin Resources Optionholders will retain their current investment in Latin Resources Options and in doing so will continue to retain the benefits of that investment and continue to be exposed to the risks associated with that investment. These risks include risks specific to Latin Resources' business as outlined in Section 8.6(b).

1.6 Demerger

In conjunction with the proposed Schemes, Latin Resources is seeking to undertake the Demerger of ESG Minerals by way of a capital reduction to be effected via a pro rata in-specie distribution of ESG Minerals Shares under which each Eligible Shareholder will receive 1 fully paid ordinary share in ESG Minerals for every 50 Latin Resources Shares held on the Demerger Record Date. As the Demerger will involve a capital reduction, the Demerger must be approved by Latin Resources Shareholders. The Demerger is also conditional on Latin Resources Shareholders approving the Share Scheme. Accordingly, if the Share Scheme Resolution is not approved by the Requisite Majorities, the Demerger will not proceed.

Full details of the Demerger can be found in the Demerger Materials which are included as Annexure I to this Scheme Booklet.

The Share Scheme is conditional on the Demerger Resolution being approved and the Demerger coming into effect, and the Option Scheme is conditional on the Share Scheme becoming Effective. Accordingly, if the Demerger Resolution is not approved by Latin Resources Shareholders then, subject to waiver of the relevant Condition Precedent, neither the Share Scheme nor Option Scheme will proceed.

1.7 Expiring Options

The Expiring Options will lapse (if they have not been exercised) on 30 December 2024 which is prior to the Record Date for the Option Scheme. Holders of this tranche of Latin Resources Options need to validly exercise their options on or before the expiry date of 30 December 2024 in order to receive Latin Resources Shares and participate in the Share Scheme.



02.

Frequently asked questions

2. Frequently asked questions

Question	Answer	More Information
Overview of the Schemes		
What is a scheme of arrangement?	A scheme of arrangement is a means of implementing an acquisition of shares and/or options under Part 5.1 of the Corporations Act. It requires a vote for the Schemes by certain majorities of relevant Latin Resources Securityholders at the relevant Scheme Meetings and also requires Court approval.	N/A
Why have I received this Scheme Booklet?	This Scheme Booklet has been made available to you because you are a Latin Resources Shareholder or a Latin Resources Optionholder and you are being asked to consider and vote on: - the Share Scheme for the acquisition by Pilbara Minerals of your Latin Resources Shares in exchange for the Share Scheme Consideration; and/or - the Option Scheme under which Latin Resources Options will be transferred to Pilbara Minerals in exchange for the Option Scheme Consideration. A separate Scheme Meeting has been convened to vote on each of the Share Scheme and the Option Scheme. The Share Scheme is only relevant to you if you are a Latin Resources Shareholder and the Option Scheme is only relevant to you if you are a Latin Resources Optionholder. This Scheme Booklet is intended to help you to consider and decide on how to vote on the Share Scheme and/or Option Scheme (as applicable) at the relevant Scheme Meeting and contains important information, including: - reasons to vote in favour of the Share Scheme and/or Option Scheme; - possible reasons to vote against the Share Scheme and/or the Option Scheme; - information about Latin Resources, Pilbara Minerals and the Enlarged Group; - the risks associated with the Share Scheme and the Option Scheme; and - the Independent Expert's Report.	Section 3
What are the Schemes?	The Share Scheme is the proposed scheme of arrangement between Latin Resources and its shareholders under Part 5.1 of the Corporations Act pursuant to which all Latin Resources Shares will be transferred to Pilbara Minerals in exchange for the Share Scheme Consideration being provided to Latin Resources Shareholders. The Option Scheme is a separate proposed scheme of arrangement between Latin Resources and its optionholders which contemplates the transfer of Latin Resources Options to Pilbara Minerals on the Implementation Date in exchange for the Option Scheme Consideration being provided to Latin Resources Optionholders. The Share Scheme is not conditional on Latin Resources Optionholders' approval of the Option Scheme. If the Share Scheme Resolution is approved by the Requisite Majorities but the Option Scheme Resolution is not, the Share Scheme may still proceed but Latin Resources Optionholders will continue to hold Latin Resources Options.	Section 3 and Annexures C and D

Question	Answer	More Information
	The Option Scheme is conditional on the Share Scheme becoming Effective. Accordingly, if the Share Scheme Resolution is not approved by the Requisite Majorities or other Conditions Precedent to the Share Scheme are not satisfied or waived, the Option Scheme will not proceed.	
Who is entitled to participate in the Schemes?	Latin Resources Shareholders as at the Record Date are entitled to participate in the Share Scheme. Latin Resources Optionholders as at the Record Date are entitled to participate in the Option Scheme.	Sections 3.2 and 3.3
How will the Schemes be implemented?	Details on how the Share Scheme will be implemented are described in Section 3.2. Details on how the Option Scheme will be implemented are described in Section 3.3.	Sections 3.2 and 3.3 and Annexures C and D
What should I do?	You should take the following steps: - carefully read this Scheme Booklet in its entirety and consult your legal, financial, tax or other professional adviser if you have any questions; and - vote on the Share Scheme Resolution and/or the Option Scheme Resolution (as applicable) should you wish to do so.	Section 4
Recommendations and intentions of the Latin Resources Directors		
What do the Latin Resources Directors recommend?	The Latin Resources Directors unanimously recommend that you vote in favour of the Scheme relevant to you in the absence of a Superior Proposal subject to the Independent Expert continuing to conclude that the relevant Scheme is in the best interests of the relevant Latin Resources Securityholders. ¹²	Latin Resources Chairman's Letter and Section 1.1
How are the Latin Resources Directors intending to vote?	Each of the Latin Resources Directors intends to vote, or cause to be voted, any Latin Resources Shares and Latin Resources Options (as applicable) which they hold or control at the time of the Scheme Meetings, in favour of the Share Scheme or Option Scheme (as applicable), in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the relevant Scheme is in the best interests of the relevant Latin Resources Securityholders.	Latin Resources Chairman's Letter and Section 1.1
What are the prospects of a Superior Proposal?	Since the Schemes were announced, no Superior Proposal has been received by the Latin Resources Board. If a Superior Proposal emerges, this will be announced to the ASX and the Latin Resources Directors will carefully reconsider the Schemes and advise you of their recommendation.	Section 1
Matters relevant to your vote		
What is the conclusion of the Independent Expert?	The Independent Expert has concluded that the Schemes are fair and reasonable and are therefore in the best interests of Latin Resources Securityholders, in the absence of a Superior Proposal. The reasons why the Independent Expert reached this conclusion are set out in the Independent Expert's Report, a copy of which is included in Annexure A. The Latin Resources Directors encourage you to read the Independent Expert's Report in full.	Section 10.3 and Annexure A

¹² In relation to the unanimous recommendation of the Latin Resources Directors, Latin Resources Securityholders should note that Latin Resources Directors will receive certain benefits in connection with the Share Scheme, which are described in Sections 10.1 and 10.2 and footnote 2 (located in the letter from the Chairman of Latin Resources).

Question	Answer	More Information
What are the reasons to vote in favour of the Schemes?	The reasons to vote in favour of the Schemes include: • The Latin Resources Directors unanimously recommend that you vote in favour of the Scheme relevant to you, in the absence of a Superior Proposal, subject to the Independent Expert continuing to conclude that the relevant Scheme is in the best interests of the relevant Latin Resources Securityholders.¹³ • The Independent Expert has concluded that the Schemes are fair and reasonable and therefore in the best interests of Latin Resources Securityholders, in the absence of a Superior Proposal. • The implied value of the Share Scheme Consideration represents an attractive premium to the trading prices of Latin Resources Shares prior to announcement of the Schemes. • By receiving Pilbara Minerals Shares, Latin Resources Securityholders retain ongoing exposure to the development of the Salinas Project and immediate exposure to the world's largest independently owned hard rock lithium producer. • By receiving Pilbara Minerals Shares, Latin Resources Securityholders will benefit from significant diversification, enhanced market positioning, larger free float and significantly enhanced liquidity. • No Superior Proposal has emerged as at the date of this Scheme Booklet. • The Latin Resources Board has determined that the combination of value and certainty offered by Pilbara Minerals is likely to deliver a superior outcome for Latin Resources Securityholders, compared to what would otherwise be available, on a future risk adjusted basis, if Latin Resources continued to operate as a standalone entity. • Latin Resources Securityholders will benefit from access to Pilbara Minerals' experience in developing and operating spodumene operations, enhancing the prospect of successful development of the Salinas Project. • The Share Scheme is supported by José Luis Manzano, Latin Resources' largest shareholder as at the Last Practicable Date (excluding custodian accounts). • Latin Resources Shares might trade at a lower price if the Share Scheme is not implemented and no Superior Proposal emerges in the absence of more favourable market conditions. • Implementation of the Share Scheme will allow Latin Resources Securityholders to avoid the prospect of a near-term, dilutive capital raising during a period of weak lithium market conditions. • Australian resident Latin Resources Shareholders may be eligible for Roll-Over Relief in respect of the transfer of Latin Resources Shares to Pilbara Minerals under the Share Scheme. In addition, Latin Resources Securityholders will not incur brokerage costs on the transfer of their Latin Resources Shares and/or Latin	Section 1.3

¹³ In relation to the unanimous recommendation of the Latin Resources Directors, Latin Resources Securityholders should note that the Latin Resources Directors will receive certain benefits in connection with the Share Scheme, which are described in Sections 10.1 and 10.2 and footnote 2 (located in the letter from the Chairman of Latin Resources).

Question	Answer	More Information
	Resources Options (as applicable) to Pilbara Minerals under the Schemes.	
What are the possible reasons to vote against the Schemes?	The reasons you may wish to vote against the Schemes include: - You may believe that the relevant Scheme is not in your individual best interests and disagree with the recommendation by the Latin Resources Directors and the conclusion of the Independent Expert. - If the Share Scheme proceeds, the exposure of Latin Resources Securityholders to Latin Resources' key asset, the Salinas Project, will be diluted. - You may consider there is a potential for a Superior Proposal to be made for Latin Resources in the future. - You may believe it is in your best interests to maintain your current investment and risk profile. - The exact monetary value of the Scheme Consideration is not certain and will depend on the price at which Pilbara Minerals Shares trade on the ASX after the Implementation Date. - The tax consequences of transferring your Latin Resources Shares and/or Latin Resources Options (as applicable) pursuant to the Share Scheme and Option Scheme may not be optimal for you.	Section 1.4
What happens if the Share Scheme is not implemented?	If the Share Scheme is not approved by Latin Resources Shareholders or if the Share Scheme is not approved by the Court: - Pilbara Minerals will not acquire Latin Resources; - you will not receive the Share Scheme Consideration or Option Scheme Consideration or a pro rata share of the Net Cash Proceeds (as applicable); - the trading price of Latin Resources Shares may fall below recent trading prices in the absence of a Superior Proposal for Latin Resources; - Latin Resources will remain listed on ASX; - the transaction costs will be borne by Latin Resources alone, subject to any off-set by way of the Reverse Break Fee payment from Pilbara Minerals (if payable); - the benefits associated with the Enlarged Group will not be realised; and - Latin Resources expects that it will need to raise additional funds immediately following the termination of the Share Scheme to repay any amounts that have been drawn down and remain unpaid under the Bridging Loan and to fund Latin Resources' ongoing activities. Additional funding may be dilutive to Latin Resources Shareholders (if undertaken through a share issue) or impose restrictions on the operating activities or expansion of Latin Resources' operation (if undertaken through debt financing).	Section 8.6
What are the risks relating to the Enlarged Group?	An investment in the Enlarged Group is subject to several key risks, including: - the Enlarged Group failing to realise benefits of the combination; and - risks relating to the Enlarged Group's businesses and operations. Further details on the risks associated with the implementation of the Schemes and the creation of the Enlarged Group are detailed in Section 8.4.	Sections 8.2, 8.3 and 8.4

Question	Answer	More Information
What are my options as a Latin Resources Securityholder?	As a Latin Resources Shareholder you have the following choices: • vote in favour of the Share Scheme Resolution; • vote against the Share Scheme Resolution; • seek to sell some or all your Latin Resources Shares on ASX at any time prior to the close of trade on the Effective Date. If you sell your Latin Resources Shares on ASX you may incur brokerage and other sale costs; or • do nothing. As a Latin Resources Optionholder, you have the following choices: • vote in favour of the Option Scheme Resolution; • vote against the Option Scheme Resolution; • exercise your Latin Resources Options at any time prior to 5.00pm (AWST) on the Business Day immediately prior to the Record Date in order to receive Latin Resources Shares to be eligible to participate in the Share Scheme (provided the Latin Resources Shares are still held at the Record Date);¹⁴ • sell your Latin Resources Options privately provided that the transfer is lodged with the Registry by no later than 5.00pm (AWST) on the Business Day immediately prior to the Record Date; or • do nothing. You should carefully read this Scheme Booklet in its entirety before deciding whether to vote in favour of the relevant Scheme. If you are in any doubt as to what you should do, please consult your legal, financial, tax or other professional adviser.	Section 4.1
Can I sell my Latin Resources Shares now?	Yes. Latin Resources Shareholders may seek to sell some or all of their Latin Resources Shares on ASX at any time prior to the close of trade on the Effective Date, following which Latin Resources Shares will cease trading on ASX. If you sell your Latin Resources Shares on ASX before trading in Latin Resources Shares ends, you: • may receive the proceeds from the sale of your Latin Resources Shares sooner than you would receive the Share Scheme Consideration under the Share Scheme (noting that your sale proceeds may vary from the Share Scheme Consideration); • may incur brokerage and other sale costs; • may be subject to capital gains tax (CGT); and • will not be able to participate in the Share Scheme or a Superior Proposal, if one emerges.	Section 4.1
Can I exercise my Latin Resources Options now?	Yes. Latin Resources Optionholders may elect to exercise their Latin Resources Options at any time prior to 5.00pm (AWST) on the Business Day immediately prior the Record Date. Latin Resources Optionholders who exercise their Latin Resources Options will, in accordance with the terms of the relevant Latin Resources Options, be issued with Latin Resources Shares. Latin Resources Optionholders who have exercised their Latin Resources Options and received Latin Resources	Section 4.2

¹⁴ The Expiring Options will lapse (if they have not been exercised) on 30 December 2024 which is prior to the Record Date for the Option Scheme. Holders of this tranche of Latin Resources Options need to validly exercise their options on or before the expiry date of 30 December 2024 in order to receive Latin Resources Shares and participate in the Share Scheme.

Question	Answer	More Information
	Shares prior to the Demerger Record Date will be eligible to participate in the Demerger (provided the Latin Resources Shares are still held at the Demerger Record Date). Latin Resources Optionholders who have exercised their Latin Resources Options and received Latin Resources Shares prior to the Record Date will be eligible to participate in the Share Scheme (provided the Latin Resources Shares are still held at the Record Date). In deciding what action to take, Latin Resources Optionholders should consider the following matters in relation to their Latin Resources Options: - the value of exercising their Latin Resources Options compared with the value of the Option Scheme Consideration under the Option Scheme. In determining the value of exercising a Latin Resources Option, Latin Resources Optionholders should compare the exercise price of that Latin Resources Option with: - the prevailing Latin Resources Share price; and - the value of the Share Scheme Consideration; and - the tax consequences of exercising their Latin Resources Options and receiving the Share Scheme Consideration under the Share Scheme compared with the tax consequences of receiving the Option Scheme Consideration under the Option Scheme. As these tax consequences may vary depending on individual circumstances, Latin Resources Optionholders should consider their own tax position and the tax implications of the Share Scheme.	
Scheme Consideration		
What is the Share Scheme Consideration?	If the Share Scheme becomes Effective, Latin Resources Shareholders will receive the Share Scheme Consideration comprising of 0.07 New Pilbara Minerals Shares for each Latin Resources Share held as at the Record Date, except for Ineligible Foreign Holders and Electing Scheme Participants, who will receive their pro rata share of the Net Cash Proceeds from the sale of the New Pilbara Minerals Shares under the Sale Facility as described in Section 3.4(e). The implied value of the Share Scheme Consideration will vary with movements in the trading price of Pilbara Minerals Shares.	Section 3.4(a)
What is the Option Scheme Consideration?	If the Option Scheme becomes Effective, Latin Resources Optionholders will receive the Option Scheme Consideration of between 0.0020 and 0.0250 New Pilbara Minerals Shares per Latin Resources Option held as at the Record Date, except for Ineligible Foreign Holders and Electing Scheme Participants, who will receive their pro rata share of the Net Cash Proceeds under the Sale Facility as described in Section 3.4(e). Please refer to the table in Section 3.4(b) which specifies the consideration per Latin Resources Option based on the relevant tranche of Latin Resources Options. Instead of receiving New Pilbara Minerals Shares, Option Scheme Participants may elect to participate in the Sale Facility (refer to question “<i>What are my options if I am a Small Scheme Participant or an Option Scheme Participant?</i>” below for further details).	Section 3.4(b)

Question	Answer	More Information
Who is entitled to Share Scheme Consideration and Option Scheme Consideration?	All Latin Resources Shareholders who are the registered holders of Latin Resources Shares as at the Record Date (of 7.00pm AEDT on 28 January 2025) will be entitled to receive the Share Scheme Consideration in the form of New Pilbara Minerals Shares, except for Ineligible Foreign Holders and Electing Scheme Participants who will receive their pro rata share of the Net Cash Proceeds under the Sale Facility as described in Section 3.4(e). All Latin Resources Optionholders who are the registered holders of Latin Resources Options as at the Record Date (of 7.00pm AEDT on 28 January 2025) will be entitled to receive the Option Scheme Consideration in the form of New Pilbara Minerals Shares, except for Ineligible Foreign Holders and Electing Scheme Participants who will receive their pro rata share of the Net Cash Proceeds under the Sale Facility as described in Section 3.4(e). The Expiring Options will lapse (if they have not been exercised) on 30 December 2024 which is prior to the Record Date for the Option Scheme. Holders of this tranche of Latin Resources Options need to validly exercise their options on or before the expiry date of 30 December 2024 in order to receive Latin Resources Shares and participate in the Share Scheme.	Sections 3.2(e), 3.3(d) 3.4(c) and 3.4(d)
When will I receive the Scheme Consideration?	If the Share Scheme becomes Effective, Pilbara Minerals will provide or procure the provision of the Share Scheme Consideration to each of the Share Scheme Participants (other than Ineligible Foreign Holders and Electing Scheme Participants) on the Implementation Date, which is currently expected to be 4 February 2025. If the Option Scheme becomes Effective, Pilbara Minerals will provide or procure the provision of the Option Scheme Consideration to each of the Option Scheme Participants (other than Ineligible Foreign Holders and Electing Scheme Participants) on the Implementation Date, which is currently expected to be 4 February 2025. Ineligible Foreign Holders and Electing Scheme Participants will not receive New Pilbara Minerals Shares. Instead, they will receive their pro rata share of the Net Cash Proceeds under the Sale Facility as described in Section 3.4(e).	Section 3.2(h), 3.3(g) and 3.4(e)
Will I be able to trade my New Pilbara Minerals Shares on the ASX?	Yes, the New Pilbara Minerals Shares will be able to be traded on the ASX in the same way as Latin Resources Shares are currently traded. Deferred settlement trading of New Pilbara Minerals Shares is expected to be available on the ASX from 23 January 2025. New Pilbara Minerals Shares are expected to commence trading on the ASX on a normal settlement basis from 5 February 2025.	Important dates
What are the risks relating to New Pilbara Minerals Shares?	There are a number of risks associated with New Pilbara Minerals Shares including: • risk factors relating to Pilbara Minerals, and to certain additional risks relating to the Enlarged Group and the integration of Latin Resources into the Pilbara Minerals business; • failure to realise the benefits of the Schemes; and • risks that Latin Resources and Pilbara Minerals securityholders are currently exposed to, which will apply to the Enlarged Group after implementation of the Schemes. Further details of the risks associated with New Pilbara Minerals Shares are set out in Section 8.3 to 8.5.	Section 8.3 to 8.5

Question	Answer	More Information
What are the taxation implications of the Schemes?	If the Share Scheme (or, if applicable, the Schemes) become Effective, there will be tax consequences for Latin Resources Securityholders which may include tax being payable on any gain on disposal of their Latin Resources Shares and/or Latin Resources Options (as applicable). Section 9 provides a general description of certain Australian taxation consequences for Latin Resources Securityholders. Latin Resources is in the process of applying to the ATO requesting the ATO Class Ruling to confirm certain specific Australian taxation implications of the Schemes. The ATO Class Ruling is not expected to be issued by the ATO until after the Implementation Date. It is anticipated that the Australian income tax implications in the ATO Class Ruling will likely be generally consistent with the key implications summarised in Section 9. When the final ATO Class Ruling is published by the ATO, it will be available on the ATO's website at www.ato.gov.au.	Section 9
Will Share Scheme Participants and Option Scheme Participants have to pay brokerage or stamp duty?	No brokerage or stamp duty should be payable by Share Scheme Participants or Option Scheme Participants on the acquisition by Pilbara Minerals of their Latin Resources Shares and/or Latin Resources Options (as applicable) under the relevant Scheme or on the receipt by Share Scheme Participants or Option Scheme Participants of the New Pilbara Minerals Shares as Share Scheme Consideration and/or Option Scheme Consideration (as applicable). If you dispose of your Latin Resources Shares and/or Latin Resources Options (as applicable) before the Record Date, brokerage fees may be payable.	N/A
Ineligible Foreign Holders and Electing Scheme Participants		
Who is an Ineligible Foreign Holder?	An Ineligible Foreign Holder is a Latin Resources Shareholder or Latin Resources Optionholder: • whose Registered Address is a place other than Australia and its external territories, New Zealand, Switzerland, Brazil, Canada, Hong Kong, the United Kingdom and the United States; or • who is acting on behalf of such a person, unless Pilbara Minerals determines that: • it is lawful and not unduly onerous or unduly impracticable to issue that Share Scheme Participant or Option Scheme Participant with the New Pilbara Minerals Shares on implementation of the Share Scheme or Option Scheme (as applicable); and • it is lawful for that Share Scheme Participant or Option Scheme Participant to participate in the Share Scheme or Option Scheme (as applicable) by the law of the relevant place outside Australia and its external territories.	Section 3.4(c)
What will Ineligible Foreign Holders receive under the Schemes?	If you are an Ineligible Foreign Holder, you will not receive New Pilbara Minerals Shares as Share Scheme Consideration or Option Scheme Consideration. Instead, any New Pilbara Minerals Shares you would have otherwise been entitled to, will be issued to the Sale Nominee and sold through the Sale Facility. You will then be entitled to receive your pro rata share of the Net Cash Proceeds under the Sale Facility.	Section 3.4(e)
Who is an Electing Scheme Participant?	An Electing Scheme Participant is a Small Scheme Participant (under the Share Scheme) or an Option Scheme Participant (under the Option Scheme) who has elected in	Section 11

Question	Answer	More Information
	writing to have all of their Share Scheme Consideration or Option Scheme Consideration (as the case may be) issued to the Sale Nominee and sold on their behalf.	
What is a Small Scheme Participant?	A Small Scheme Participant is a Latin Resources Shareholder (other than an Ineligible Foreign Holder) who, based on their holding of Latin Resources Shares on the Record Date, would, upon implementation of the Share Scheme, be entitled to receive less than a Marketable Parcel.	Section 11
What are my options if I am a Small Scheme Participant or an Option Scheme Participant?	Small Scheme Participants and Option Scheme Participants who do not wish to receive New Pilbara Minerals Shares may elect to participate in the Sale Facility by completing and returning an Opt-in Notice so it is received by the Registry before 5.00pm (AWST) on 24 January 2025 (being the Business Day prior to the Record Date). Small Scheme Participants and Option Scheme Participants who have provided the Registry with a valid Opt-in Notice will have the Share Scheme Consideration or Option Scheme Consideration (as the case may be) to which they would otherwise be entitled issued to the Sale Nominee. The Sale Nominee will sell those New Pilbara Minerals Shares and remit to Electing Scheme Participants their pro rata share of the Net Cash Proceeds under the Sale Facility.	Section 3.4(d) and 3.4(e)
What is the Sale Facility?	The Sale Facility will be used to sell New Pilbara Minerals Shares that otherwise would have been received by: • Ineligible Foreign Holders; • Small Scheme Participants who have provided the Registry with a valid Opt-in Notice; and • Option Scheme Participants who have provided the Registry with a valid Opt-in Notice. Under the Sale Facility, the Sale Nominee will as soon as reasonably practicable (and in any event not more than 30 Business Days after the Implementation Date), sell all of the relevant Pilbara Minerals Shares (including on an aggregated or partially aggregated basis) in the ordinary course of trading on ASX at such price and in such manner as the Sale Nominee reasonably determines in good faith. Ineligible Foreign Holders and Electing Scheme Participants will receive their proportion of the Net Cash Proceeds of the sale. The Sale Facility proceeds will be dispatched as soon as reasonably practicable after the settlement of the sale of all relevant Pilbara Minerals Shares.	Section 3.4(e)
Scheme Meetings		
When and where will the Scheme Meetings be held?	The Share Scheme Meeting will be held at the later of 10.30am (AWST) and the conclusion of the Demerger Meeting on 16 January 2025. The Share Scheme Meeting will be held in person at the Ebell room at Trinity College, 230 Hampden Road, Crawley WA 6009. The Option Scheme Meeting will be held at the later of 11.00am (AWST) and the conclusion of the Share Scheme Meeting on 16 January 2025. The Option Scheme Meeting will be held in person at the Ebell room at Trinity College, 230 Hampden Road, Crawley WA 6009.	Section 4.3 and Annexure G Section 4.3 and Annexure H

Question	Answer	More Information
What will Latin Resources Securityholders be asked to vote on at the Scheme Meetings?	At the Share Scheme Meeting, Latin Resources Shareholders will be asked to vote on whether to approve the Share Scheme Resolution. At the Option Scheme Meeting, Latin Resources Optionholders will be asked to vote on whether to approve the Option Scheme Resolution.	Section 3.2(a) and Annexure G Section 3.3(a) and Annexure H
What is the approval threshold for the Share Scheme and Option Scheme?	In order to become Effective, the Share Scheme must be approved by the Requisite Majorities, being: - unless the Court orders otherwise, a majority in number (more than 50%) of Latin Resources Shareholders present and voting at the Share Scheme Meeting (either in person or by proxy, attorney or, in the case of corporate Latin Resources Shareholders, body corporate representative); and - at least 75% of the total number of votes cast on the Share Scheme Resolution at the Share Scheme Meeting. Even if the Share Scheme is approved by the Requisite Majorities at the Share Scheme Meeting, the Share Scheme is still subject to the approval of the Court. In order to become Effective, the Option Scheme must be approved by the Requisite Majorities, being: - unless the Court orders otherwise, a majority in number (more than 50%) of Latin Resources Optionholders present and voting at the Option Scheme Meeting (either in person or by proxy, attorney or, in the case of corporate Latin Resources Optionholders, body corporate representative); and - at least 75% of the total number of votes cast on the Option Scheme Resolution at the Option Scheme Meeting. Even if the Option Scheme is approved by the Requisite Majorities at the Option Scheme Meeting, the Option Scheme is still subject to the approval of the Court and is conditional on the Share Scheme becoming Effective.	Section 3.2(a) and Annexure G Section 3.3(a) and Annexure H
Am I entitled to vote at the Scheme Meetings?	If you are registered as a Latin Resources Shareholder on the Latin Resources Register as at 7.00pm (AEDT) on 14 January 2025, you will be entitled to attend and vote at the Share Scheme Meeting. If you are registered as a Latin Resources Optionholder on the Latin Resources Register as at 7.00pm (AEDT) on 14 January 2025, you will be entitled to attend and vote at the Option Scheme Meeting.	Section 4.4 Annexure G Annexure H
How do I vote at the Scheme Meetings?	You can vote: - in person, by attending the relevant Scheme Meeting held at the Ebell room at Trinity College, 230 Hampden Road, Crawley WA 6009; or - by appointing a proxy, attorney or a corporate representative (if you are a body corporate), to attend the relevant Scheme Meeting and vote on your behalf. Proxy appointments must be received by 10.30am (AWST) on 14 January 2025 for the Share Scheme Meeting and 11.00am (AWST) on 14 January 2025 for the Option Scheme Meeting.	Section 4.7 Annexure G Annexure H
Is voting at the Scheme Meeting compulsory for Latin Resources Securityholders?	Voting is not compulsory. However, your vote is important in determining whether the Share Scheme and Option Scheme will proceed, because:	Section 4.1 and 4.2

Question	Answer	More Information
	- only those votes cast by Latin Resources Shareholders on the Share Scheme will be counted in determining whether the Share Scheme has been approved by the Requisite Majorities of Latin Resources Shareholders; and - only those votes cast by Latin Resources Optionholders on the Option Scheme will be counted in determining whether the Option Scheme has been approved by the Requisite Majorities of Latin Resources Optionholders. The Share Scheme and Option Scheme may be implemented even if you do not vote on the Share Scheme Resolution or Option Scheme Resolution.	
When will the results of the Scheme Meetings be known?	The results of the Scheme Meetings are expected to be available shortly after the conclusion of the relevant Scheme Meetings and will be announced to ASX (www.asx.com.au).	N/A
Conditions and implementation of the Share Scheme		
What are the conditions that must be satisfied or waived for the Share Scheme to be implemented?	The Share Scheme is subject to a number of Conditions Precedent, which are set out in clause 3.1 of the Scheme Implementation Agreement and summarised in Section 3.5(a). As at the Last Practicable Date, the following conditions remain outstanding: - completion of the Demerger; - Latin Resources Shareholder approval of the Share Scheme Resolution by the Requisite Majorities; - Court approval of the Share Scheme at the Second Court Hearing; - all approvals of a Regulatory Authority which Pilbara Minerals and Latin Resources (acting reasonably) agree are necessary or desirable to implement the Share Scheme or material to the development of the Salinas Project, having been obtained. Refer to Section 3.5(b) for further information on this Condition Precedent; and - other customary conditions.	Section 3.5(a) and 3.5(b)
What is required for the Share Scheme to become Effective?	The Share Scheme will become Effective if: - the Share Scheme is approved by the Requisite Majorities of Latin Resources Shareholders at the Scheme Meeting; - the Court approves the Share Scheme at the Second Court Hearing and the Court order is lodged with ASIC; and - all of the other Conditions Precedent to the Scheme are satisfied or waived (where capable of waiver).	Section 3.2
Can the Share Scheme be terminated?	The Scheme Implementation Agreement may be terminated in certain circumstances. If the Scheme Implementation Agreement is terminated, the Share Scheme will not proceed.	Paragraph (i) of Annexure B
What happens to my Latin Resources Shares if I do not vote or vote against the Share Scheme, and the Share Scheme becomes Effective and is implemented?	If you do not vote, or vote against the Share Scheme, and the Share Scheme becomes Effective and is implemented, any Latin Resources Shares held by you will be transferred to Pilbara Minerals and you will receive the Share Scheme Consideration (unless you are an Ineligible Foreign Holder or an Electing Scheme Participant, in which case you will receive your pro rata share of the Net Cash Proceeds under the Sale Facility, instead of the Share Scheme	Section 4.1(b) and 4.1(d)(i)

Question	Answer	More Information
	Consideration), despite not having voted or having voted against the Share Scheme.	
Conditions to and implementation of the Option Scheme		
What are the conditions that must be satisfied or waived for the Option Scheme to be implemented?	The Option Scheme is subject to a number of Conditions Precedent, which are set out in clause 3.2 of the Scheme Implementation Agreement and summarised in Section 3.5(c). As at the Last Practicable Date, the following conditions remain outstanding: - the Share Scheme becoming Effective; - Latin Resources Optionholder approval of the Option Scheme Resolution by the Requisite Majorities; - Court approval of the Option Scheme at the Second Court Hearing; and - other customary conditions.	Section 3.5(c)
What is required for the Option Scheme to become Effective?	The Option Scheme will become Effective if: - the Option Scheme is approved by the Requisite Majorities of Latin Resources Optionholders at the Option Scheme Meeting; - the Court approves the Option Scheme at the Second Court Hearing and the Court order is lodged with ASIC; and - all of the other Conditions Precedent to the Option Scheme are satisfied or waived (where capable of waiver).	Section 3.3
Can the Option Scheme be terminated?	The Scheme Implementation Agreement may be terminated in certain circumstances. If the Scheme Implementation Agreement is terminated, the Option Scheme will not proceed.	Paragraph (i) of Annexure B
What happens to my Latin Resources Options if I do not vote or vote against the Option Scheme, and the Option Scheme becomes Effective and is implemented?	If you do not vote, or vote against the Option Scheme, and the Option Scheme becomes Effective and is implemented, any Latin Resources Options held by you will be transferred to Pilbara Minerals and you will receive the Option Scheme Consideration (unless you are an Ineligible Foreign Holder or elect to participate in the Sale Facility in which case you will receive your pro rata share of the Net Cash Proceeds under the Sale Facility, instead of the Option Scheme Consideration), despite not having voted or having voted against the Option Scheme.	Section 4.2(b) and 4.2(e)(i)
Relationship between Share Scheme, Option Scheme and Demerger		
What happens if the Share Scheme is not approved?	The Option Scheme is conditional on the Share Scheme becoming Effective. Accordingly, if the Share Scheme Resolution is not approved by the Requisite Majorities, the Option Scheme will not proceed. The Demerger is also conditional on the Share Scheme being approved by the Requisite Majorities. Accordingly, if the Share Scheme Resolution is not approved by the Requisite Majorities, the Demerger will not proceed.	Section 3.1
What happens if the Share Scheme is approved but the Option Scheme is not?	The Share Scheme is not conditional on Latin Resources Optionholders' approval of the Option Scheme. If the Share Scheme Resolution is approved by the Requisite Majorities but the Option Scheme Resolution is not, the Share Scheme will still proceed but Latin Resources Optionholders will continue to hold Latin Resources Options in the existing, but no longer listed Latin Resources entity. If this occurs, Pilbara Minerals has indicated that it is its current intention to seek to acquire the Latin Resources	Section 3.1 and Section 7.4

Question	Answer	More Information
	Options under the compulsory acquisition provisions of the Corporations Act. Refer to Section 7.4 for further details.	
What happens if the Demerger Resolution is not approved?	The Share Scheme is conditional on the Demerger Resolution being approved and the Demerger coming into effect, and the Option Scheme is conditional on the Share Scheme Resolution being approved by the Requisite Majorities. Accordingly, if the Demerger Resolution is not approved by Latin Resources Shareholders, neither the Share Scheme nor Option Scheme will proceed.	Section 3.1
Information about Pilbara Minerals		
Who is Pilbara Minerals?	Pilbara Minerals is an Australian based company listed on the ASX (ASX: PLS). Pilbara Minerals is a leading lithium producer that owns and operates the Pilgangoora lithium operation, the world's largest, independently owned hard rock lithium operation and an important source of lithium raw materials globally. Located in Western Australia's resource-rich Pilbara region, Pilgangoora produces spodumene and tantalite concentrate. While Pilgangoora continues to deliver a quality product, Pilbara Minerals is actively pursuing a growth and diversification strategy to become a sustainable battery materials supplier and has attracted a consortium of high-quality global partners, including POSCO, Ganfeng Lithium Group Co Ltd and Calix Limited. Pilbara Minerals' business is being fuelled by the increasing demand for clean energy technologies, such as electric vehicles and renewable energy storage. See Section 6 for further information on Pilbara Minerals and Section 7 for further information on the Enlarged Group.	Sections 6 and 7
Why does Pilbara Minerals wish to acquire Latin Resources?	The acquisition of Latin Resources, and with it the Salinas Project, is consistent with Pilbara Minerals' strategy to diversify revenue beyond Pilgangoora. The acquisition will enable Pilbara Minerals to utilise its significant technical experience in developing and operating hard rock lithium projects and enhanced funding capabilities to de-risk development and optimise the Salinas Project. For further details regarding the benefits and rationale of the Schemes refer to Section 7.2.	Section 7.2
Information about the Enlarged Group		
What is the Enlarged Group?	The Enlarged Group is the Pilbara Minerals Group following implementation of the Share Scheme, including the Latin Resources Group but excluding the Non-Core Group Members. If the Share Scheme is implemented, Pilbara Minerals will become the parent company of the Enlarged Group. Information in relation to the Enlarged Group is contained in Section 7.	Section 7
What are Pilbara Minerals' intentions if the Share Scheme (or the Share Scheme and Option Scheme) proceeds?	Upon completion of the Share Scheme, the Enlarged Group's strategy will remain consistent with Pilbara Minerals' current strategy, as outlined in Section 6.3. Upon implementation of the Share Scheme, Pilbara Minerals intends to continue to progress and optimise the definitive feasibility study for the Salinas Project towards completion, building on the work undertaken by Latin Resources between now and then. Pilbara Minerals plans to further optimise the mine plan, project flowsheet and design incorporating the learnings from Pilgangoora and other	Section 7.3

Question	Answer	More Information
	producers in the region using a combination of Pilbara Minerals' projects engineering team and the Latin Resources in-country and study team. Upon completion of the definitive feasibility study and permitting for the Salinas Project, Pilbara Minerals will consider a FID having regard to the prevailing lithium market conditions and customer requirements at the time, consistent with previous Pilbara Minerals production expansions. Pilbara Minerals intends to explore a range of funding options to support the future development of the Salinas Project. Pilbara Minerals will only make a FID on development of the Salinas Project if and when market conditions are supportive, noting that the Salinas Project is anticipated to be a low cost and low capital intensity project. See Section 7.3 for further information. Latin Resources Shareholders should be aware, if the Share Scheme proceeds, there will be various risks associated with an investment in Pilbara Minerals, which are described (non-exhaustively) in Section 8.	
Will there be any changes to the Board of Pilbara Minerals?	The Board of Pilbara Minerals following implementation of the Share Scheme is expected to comprise the existing directors of Pilbara Minerals.	Section 7.6(a)
Will there be any changes to the key management personnel of Pilbara Minerals?	The implementation of the Share Scheme is not expected to result in any changes to the key management personnel of Pilbara Minerals. Upon implementation of the Share Scheme, Latin Resources' managing director, Mr Gale, has agreed to join Pilbara Minerals as a consultant for a period of 6 months to provide leadership continuity with key stakeholders and progress key activities at the Salinas Project.	Sections 7.3(f) and 7.6(b)
What are the key risks in relation to the business and operations of the Enlarged Group?	Please refer to Section 8.3 for a summary of the risk factors in relation to the business and operations of the Enlarged Group.	Section 8.3
Information about ESG Minerals and the Demerger		
What is ESG Minerals?	ESG Minerals is an unlisted public company incorporated on 4 October 2021 in Western Australia. Following the Corporate Restructure, ESG Minerals will hold: - the Noombenberry Project (including the Cloud Nine Deposit) in Western Australia; - the Gibraltar Project in South Australia; - the Lachlan Fold Tenements of the Lachlan Fold Belt Project in New South Wales; - the Emissions Reduction Research Projects; - Latin Resources' 50% interest in the Catamarca Project in Northern Argentina; and - the MT-03 Project in Southern Peru. Refer to schedule 1 of Annexure I for further details of these assets. ESG Minerals will initially be an unlisted public company with the intention to undertake an initial public offer and list on the Official List of ASX in due course following the Demerger, however there is no guarantee that a listing will be achieved.	

Question	Answer	More Information
What is the Demerger?	In conjunction with the proposed Schemes, Latin Resources is seeking to undertake a demerger of ESG Minerals by way of a capital reduction to be effected via a pro rata in-specie distribution of ESG Minerals Shares under which each Eligible Shareholder will receive 1 fully paid ordinary share in ESG Minerals for every 50 Latin Resources Shares held on the Demerger Record Date. As the Demerger will involve a capital reduction, the Demerger must be approved by Latin Resources Shareholders.	
What is a capital reduction in relation to the Demerger?	A capital reduction is a return of capital and is a necessary step in the Demerger. The capital reduction involves a return of capital on your Latin Resources Shares and in exchange, Latin Resources will make an in-specie distribution to Latin Resources Shareholders (other than Demerger Ineligible Overseas Shareholders) of 1 fully paid ordinary share in ESG Minerals for every 50 Latin Resources Shares held on the Demerger Record Date. Demerger Ineligible Overseas Shareholders on the Demerger Record Date will not be issued the ESG Minerals Shares to which they would otherwise be entitled and instead their ESG Minerals Shares will be issued to a Nominee (as defined in Annexure I) to be held on their behalf, pending a liquidity opportunity or event (for example, an ASX listing). Upon the sale of the ESG Minerals Shares held on behalf of a Demerger Ineligible Overseas Shareholder, the Nominee will pay the net proceeds of the sale to the Demerger Ineligible Overseas Shareholder (net of fees and brokerage).	Annexure I
What is the Corporate Restructure in relation to the Demerger?	After the Demerger Meeting and before the Demerger Implementation Date, Latin Resources will conduct an internal corporate restructure to ensure ESG Minerals holds all Non-Core Assets. Refer to Annexure I.	Annexure I
When and where will the Demerger Meeting be held?	The Demerger Meeting will be held at 10.00am (AWST) on 16 January 2025. The Demerger Meeting will be held in person at the Ebell room at Trinity College, 230 Hampden Road, Crawley WA 6009.	Annexure I
What will Latin Resources Shareholders be asked to vote on at the Demerger Meeting?	At the Demerger Meeting, Latin Resources Shareholders will be asked to vote on whether to approve the Demerger Resolution.	Annexure I
What is the Latin Resources Shareholder approval threshold for the Demerger Resolution?	The Demerger Resolution is an ordinary resolution, and must be passed by a simple majority of the votes of those Latin Resources Shareholders entitled to vote and voting on the resolution.	Annexure I
How do I vote at the Demerger Meeting?	You can vote: - in person, by attending the Demerger Meeting held at the Ebell room at Trinity College, 230 Hampden Road, Crawley WA 6009; or - by appointing a proxy, attorney or a corporate representative (if you are a body corporate), to attend the Demerger Meeting and vote on your behalf. Proxy appointments must be received by 10.00am (AWST) on 14 January 2025 for the Demerger Meeting.	Annexure I
Is voting at the Demerger Meeting	Voting is not compulsory. However, your vote is important in determining whether the Demerger will proceed, as only	Annexure I

Question	Answer	More Information
compulsory for Latin Resources Shareholders?	those votes cast by Latin Resources Shareholders on the Demerger Resolution will be counted in determining whether the Demerger Resolution has been approved by the requisite majorities of Latin Resources Shareholders. The Demerger may be implemented even if you do not vote on the Demerger Resolution.	
When will the Demerger occur?	If the Demerger is approved by a simple majority of the total number of votes cast on the Demerger Resolution by Latin Resources Shareholders present and voting, and assuming the Share Scheme Resolution is approved by the Requisite Majorities, the Demerger will become effective on 17 January 2025 and the in-specie distribution of ESG Minerals Shares will be made to Eligible Shareholders on 30 January 2025.	Annexure I
When will I receive ESG Minerals Shares?	If the Demerger is implemented, the ESG Minerals Shares will be distributed on the Demerger Implementation Date, which is expected to be 30 January 2025. The ESG Minerals Shares to which Demerger Ineligible Overseas Shareholders would otherwise be entitled will be transferred to the Nominee (as defined in Annexure I) appointed for the purposes of the Demerger, to be held by the Nominee pending a future liquidity event.	Annexure I
Where can I find more information about ESG Minerals and the Demerger?	Further information about ESG Minerals and the Demerger can be found in the Demerger Materials which form Annexure I to this Scheme Booklet	Annexure I
Additional information		
What if you have further questions about the Schemes?	For further information, please contact the Latin Resources Information Line on 1300 521 162 (within Australia) or +61 3 9415 4603 (outside Australia), between 8.30am and 5.30pm (AEDT), Monday to Friday (excluding public holidays in Australia). If you are in doubt about anything in this Scheme Booklet, please contact your legal, financial, tax or other professional adviser.	N/A



03.

Overview of the Schemes

3. Overview of the Schemes

3.1 Background

On 15 August 2024, Latin Resources announced that it had entered into the Scheme Implementation Agreement with Pilbara Minerals under which, subject to the satisfaction or waiver (where permitted) of the Conditions Precedent, Latin Resources agreed to propose the Schemes to Latin Resources Securityholders. A summary of the key terms of the Scheme Implementation Agreement are set out in Annexure B, a copy of the Share Scheme is set out in Annexure C and a copy of the Option Scheme is set out in Annexure D.

The Share Scheme is not conditional on Latin Resources Optionholders approving the Option Scheme. If the Share Scheme Resolution is approved by the Requisite Majorities but the Option Scheme Resolution is not, the Share Scheme will still proceed but Latin Resources Optionholders will continue to hold Latin Resources Options. If this occurs, Pilbara Minerals has indicated that it is its present intention to seek to acquire the Latin Resources Options under the compulsory acquisition provisions of the Corporations Act. Refer to Section 7.4 for further details.

The Option Scheme is conditional on the Share Scheme becoming Effective. Accordingly, if the Share Scheme Resolution is not approved by the Requisite Majorities, the Option Scheme will not proceed. The Demerger is also conditional on the Share Scheme being approved by the Requisite Majorities. Accordingly, if the Share Scheme Resolution is not approved by the Requisite Majorities, the Demerger will not proceed.

The Share Scheme is conditional on the Demerger Resolution being approved and the Demerger becoming effective, and the Option Scheme is conditional on the Share Scheme becoming Effective. Accordingly, if the Demerger Resolution is not approved by Latin Resources Shareholders (and Pilbara Minerals does not otherwise waive the condition to the Share Scheme relating to the Demerger), neither the Share Scheme nor Option Scheme will proceed.

3.2 Key steps to implement the Share Scheme

(a) Share Scheme Meeting

The Court has ordered that the Share Scheme Meeting be held at the later of 10.30am (AWST) and the conclusion of the Demerger Meeting on 16 January 2025 at the Ebell room at Trinity College, 230 Hampden Road, Crawley WA 6009 for the purposes of approving the Share Scheme Resolution. The Notice of Share Scheme Meeting setting out the Share Scheme Resolution is included in Annexure G.

To be passed, the Share Scheme Resolution must be approved by the Requisite Majorities of Latin Resources Shareholders, being:

- unless the Court orders otherwise, a majority in number (more than 50%) of Latin Resources Shareholders present and voting at the Share Scheme Meeting (either in person or by proxy, attorney or, in the case of corporate Latin Resources Shareholders, body corporate representative); and
- at least 75% of the total number of votes cast on the Share Scheme Resolution at the Share Scheme Meeting.

Latin Resources Shareholders who are registered on the Latin Resources Register at 7.00pm (AEDT) on 14 January 2025 will be entitled to vote on the Share Scheme.

Instructions on how to attend and vote at the Share Scheme Meeting in person, or to appoint a proxy to attend and vote on your behalf, are set in Section 4 and the Notice of Share Scheme Meeting is set out in Annexure G.

Voting is not compulsory. However, the Latin Resources Directors recommend that Latin Resources Shareholders vote in favour of the Share Scheme, in the absence of a Superior Proposal and subject to

the Independent Expert continuing to conclude that the Share Scheme is in the best interests of Latin Resources Shareholders.¹⁵

You should be aware that even if you do not vote, or vote against the Share Scheme, the Share Scheme may still be implemented if it is approved by the Requisite Majorities of Latin Resources Shareholders and the Court. If this occurs, your Latin Resources Shares will be transferred to Pilbara Minerals and you will receive the Share Scheme Consideration¹⁶ even if you did not vote on, or voted against, the Share Scheme.

The results of the Share Scheme Meeting will be available shortly after the conclusion of the Share Scheme Meeting and will be announced to ASX (www.asx.com.au).

(b) Court approval of the Share Scheme

Latin Resources will apply to the Court for orders approving the Share Scheme if:

- the Share Scheme Resolution is approved by the Requisite Majorities of Latin Resources Shareholders at the Share Scheme Meeting; and
- all Conditions Precedent to the Share Scheme have been satisfied or waived (where capable of waiver).

Each Latin Resources Shareholder or, with the Court's permission, any other interested person, may appear at the Second Court Hearing.

(c) Effective Date

If the Court approves the Share Scheme at the Second Court Hearing, Latin Resources will lodge an office copy of the Court order with ASIC. The Share Scheme will become Effective upon lodgement of the Court order with ASIC and Latin Resources will give notice of this event by announcement to ASX.

(d) Suspension of trading

Latin Resources Shares will continue to trade on ASX until the Effective Date. Latin Resources intends to apply to ASX for Latin Resources Shares to be suspended from trading on ASX from close of trading on the Effective Date.

(e) Record Date and entitlement to Share Scheme Consideration

Latin Resources Shareholders who are registered on the Latin Resources Register on the Record Date (currently expected to be 7.00pm AEDT on 28 January 2025) will be entitled to receive the Share Scheme Consideration in respect of the Latin Resources Shares they hold at that time.¹⁷

(f) Dealings on or prior to the Record Date

For the purposes of determining which Latin Resources Shareholders are eligible to participate in the Share Scheme, dealings in Latin Resources Shares will be recognised only if:

- in the case of dealings of the type to be effected using CHESS, the transferee is registered on the Latin Resources Register as the holder of the relevant Latin Resources Shares before the Record Date (and the transferee remains registered as at the Record Date); and

¹⁵ In relation to the unanimous recommendation of the Latin Resources Directors, Latin Resources Securityholders should note that Latin Resources Directors will receive certain benefits in connection with the Share Scheme, which are described in Sections 10.1 and 10.2 and footnote 2 (located in the letter from the Chairman of Latin Resources).

¹⁶ Ineligible Foreign Holders and Electing Scheme Participants will be entitled to receive their pro rata share of the Net Cash Proceeds under the Sale Facility, instead of the Share Scheme Consideration.

¹⁷ Ineligible Foreign Holders and Electing Scheme Participants will be entitled to receive their pro rata share of the Net Cash Proceeds under the Sale Facility, instead of the Share Scheme Consideration.

- in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received by the Registry before the Record Date (and the transferee remains registered as at the Record Date).

For the purposes of determining entitlements under the Share Scheme, Latin Resources will not accept for registration or recognise any transfer or transmission applications in respect of Latin Resources Shares received after the Record Date.

(g) Dealings after the Record Date

For the purpose of determining entitlements to the Share Scheme Consideration, Latin Resources must maintain the Latin Resources Register in its form as at the Record Date until the Share Scheme Consideration has been issued to the Share Scheme Participants and Pilbara Minerals has been entered in the Latin Resources Register as the holder of all the Latin Resources Shares. The Latin Resources Register in this form will solely determine entitlements to the Share Scheme Consideration.

After the Record Date:

- all statements of holding for Latin Resources Shares or share certificates (other than statements of holding in favour of Pilbara Minerals) will cease to have effect as documents relating to title in respect of such Latin Resources Shares; and
- each entry on the Latin Resources Register (other than entries on the Latin Resources Register in respect of Pilbara Minerals) will cease to have effect except as evidence of entitlement to the Share Scheme Consideration in respect of the Latin Resources Shares relating to that entry.

(h) Implementation Date

Share Scheme Participants (other than Ineligible Foreign Holders and Electing Scheme Participants) will be issued the Share Scheme Consideration on the Implementation Date (which is currently expected to be 4 February 2025). Subject to the provision of the Share Scheme Consideration to Share Scheme Participants, the Latin Resources Shares will be transferred to Pilbara Minerals.

After the Implementation Date, Pilbara Minerals must send a holding statement or equivalent document to each Share Scheme Participant (other than an Ineligible Foreign Holder and an Electing Scheme Participant) representing the number of New Pilbara Minerals Shares issued to the Share Scheme Participant pursuant to the Share Scheme.

3.3 Key steps to implement the Option Scheme

(a) Option Scheme Meeting

The Court has ordered that the Option Scheme Meeting be held at the later of 11.00am (AWST) and the conclusion of the Share Scheme Meeting on 16 January 2025 at the Ebell room at Trinity College, 230 Hampden Road, Crawley WA 6009 for the purposes of approving the Option Scheme Resolution. The Notice of Option Scheme Meeting setting out the Option Scheme Resolution is included in Annexure H.

To be passed, the Option Scheme Resolution must be approved by the Requisite Majorities of Latin Resources Optionholders, being:

- unless the Court orders otherwise, a majority in number (more than 50%) of Latin Resources Optionholders present and voting at the Option Scheme Meeting (either in person or by proxy, attorney or, in the case of corporate Latin Resources Optionholders, body corporate representative); and
- at least 75% of the total number of votes cast on the Option Scheme Resolution at the Option Scheme Meeting.

Latin Resources Optionholders who are registered on the Latin Resources Register at 7.00pm (AEDT) on 14 January 2025 will be entitled to vote on the Option Scheme.

Instructions on how to attend and vote at the Option Scheme Meeting in person, or to appoint a proxy to attend and vote on your behalf, are set in Section 4 and the Notice of Option Scheme Meeting is set out in Annexure H.

The number of votes that each Latin Resources Optionholder will have on the Option Scheme Resolution will be determined by the value of the Latin Resources Options they hold (calculated by reference to the Option Scheme Consideration for those Latin Resources Options, which was in turn determined using the Black-Scholes option valuation model).

Voting is not compulsory. However, the Latin Resources Directors recommend that Latin Resources Optionholders vote in favour of the Option Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Option Scheme is in the best interests of Latin Resources Optionholders.¹⁸

You should be aware that even if you do not vote, or vote against the Option Scheme, the Option Scheme may still be implemented if it is approved by the Requisite Majorities of Latin Resources Optionholders and the Court. If this occurs, your Latin Resources Options will be transferred to Pilbara Minerals and you will receive the Option Scheme Consideration¹⁹ even if you did not vote on, or voted against, the Option Scheme.

The results of the Option Scheme Meeting will be available shortly after the conclusion of the Option Scheme Meeting and will be announced to ASX (www.asx.com.au).

(b) Court approval of the Option Scheme

Latin Resources will apply to the Court for orders approving the Option Scheme if:

- the Option Scheme Resolution is approved by the Requisite Majorities of Latin Resources Optionholders at the Option Scheme Meeting; and
- all Conditions Precedent to the Option Scheme have been satisfied or waived (where capable of waiver).

Each Latin Resources Optionholder or, with the Court's permission, any other interested person, may appear at the Second Court Hearing.

(c) Effective Date

If the Court approves the Option Scheme at the Second Court Hearing, Latin Resources will lodge an office copy of the Court order with ASIC. The Option Scheme will become Effective upon lodgement of the Court order with ASIC and Latin Resources will give notice of this event by announcement to ASX.

(d) Record Date and entitlement to Option Scheme Consideration

Latin Resources Optionholders who are registered on the Latin Resources Register on the Record Date (currently expected to be 7.00pm AEDT on 28 January 2025) will be entitled to receive the Option Scheme Consideration in respect of the Latin Resources Options they hold at that time.²⁰

The Expiring Options will lapse (if they have not been exercised) on 30 December 2024 which is prior to the Record Date for the Option Scheme. Holders of this tranche of Latin Resources Options need to validly exercise their options on or before the expiry date of 30 December 2024 in order to receive Latin Resources Shares and participate in the Share Scheme.

¹⁸ In relation to the unanimous recommendation of the Latin Resources Directors, Latin Resources Securityholders should note that Latin Resources Directors will receive certain benefits in connection with the Share Scheme, which are described in Sections 10.1 and 10.2 and footnote 2 (located in the letter from the Chairman of Latin Resources).

¹⁹ Ineligible Foreign Holders and Electing Scheme Participants will be entitled to receive their pro rata share of the Net Cash Proceeds under the Sale Facility, instead of the Option Scheme Consideration.

²⁰ Ineligible Foreign Holders and Electing Scheme Participants will be entitled to receive their pro rata share of the Net Cash Proceeds under the Sale Facility, instead of the Option Scheme Consideration.

(e) Dealings on or prior to the Record Date

For the purposes of determining which Latin Resources Optionholders are eligible to participate in the Option Scheme, dealings in Latin Resources Options will be recognised only if a registrable transfer or transmission application in respect of those dealings, or valid requests in respect of other alterations, are received by the Registry before 5.00pm (AWST) on the Business Day immediately before the Record Date (and the transferee remains registered as at the Record Date) and are in accordance with the terms and conditions of the Latin Resources Options.

For the purposes of determining entitlements under the Option Scheme, Latin Resources will not accept for registration or recognise any transfer or transmission applications in respect of Latin Resources Options received after 5.00pm (AWST) on the Business Day immediately before the Record Date.

Latin Resources Optionholders who exercise their Latin Resources Options prior to 5.00pm (AWST) on the Business Day immediately before the Record Date will, in accordance with the terms of the relevant Latin Resources Options, be issued with Latin Resources Shares and will be eligible to participate in the Share Scheme (provided the Latin Resources Shares are still held at the Record Date). Latin Resources Optionholders who have validly exercised their Latin Resources Options prior to 5.00pm (AWST) on the Business Day immediately before the Demerger Record Date will, in accordance with the terms of the relevant Latin Resources Options, be issued with Latin Resources Shares and will be eligible to participate in the Demerger (provided the Latin Resources Shares are still held at the Demerger Record Date). In order to exercise your Latin Resources Options you must provide notice in writing to Latin Resources in the manner specified on the relevant Latin Resources Option certificate and pay the relevant exercise price in cleared funds. Details of how to pay the exercise price for your Latin Resources Options can be obtained by contacting the Latin Resources Information Line on 1300 521 162 (within Australia) and +61 3 9415 4603 (outside Australia). The Latin Resources Information Line is open between Monday and Friday (excluding public holidays in Australia) from 8.30am to 5.30pm (AEDT).

(f) Dealings after the Record Date

For the purpose of determining entitlements to the Option Scheme Consideration, Latin Resources must maintain the Latin Resources Register in its form as at the Record Date until the Option Scheme Consideration has been issued to the Option Scheme Participants and Pilbara Minerals has been entered in the Latin Resources Register as the holder of all Latin Resources Options. The Latin Resources Register in this form will solely determine entitlements to the Option Scheme Consideration.

After the Record Date:

- all statements of holding for Latin Resources Options or option certificates (other than statements of holding in favour of Pilbara Minerals) will cease to have effect as documents relating to title in respect of such Latin Resources Options; and
- each entry on the Latin Resources Register (other than entries on the Latin Resources Register in respect of Pilbara Minerals) will cease to have effect except as evidence of entitlement to the Option Scheme Consideration in respect of the Latin Resources Options relating to that entry.

(g) Implementation Date

Option Scheme Participants (other than Ineligible Foreign Holders and Electing Scheme Participants) will be issued the Option Scheme Consideration on the Implementation Date (which is currently expected to be 4 February 2025). Subject to provision of the Option Scheme Consideration to Option Scheme Participants, the Latin Resources Options will be transferred to Pilbara Minerals.

After the Implementation Date, Pilbara Minerals must send a holding statement or equivalent document to each Option Scheme Participant (other than an Ineligible Foreign Holder or an Electing Scheme Participant) representing the number of New Pilbara Minerals Shares issued to the Option Scheme Participant pursuant to the Option Scheme.

3.4 Scheme Consideration

(a) Share Scheme Consideration

If the Share Scheme becomes Effective, Share Scheme Participants will receive 0.07 New Pilbara Minerals Shares for each Latin Resources Share held on the Record Date, except for Ineligible Foreign Holders and Electing Scheme Participants, who will receive their pro rata share of the Net Cash Proceeds from the sale of New Pilbara Minerals Shares under the Sale Facility as described in Section 3.4(e). See Section 6.15 for details of the rights attaching to the New Pilbara Minerals Shares.

(b) Option Scheme Consideration

If the Option Scheme becomes Effective, Option Scheme Participants will receive that number of New Pilbara Minerals Shares for each relevant Latin Resources Option held on the Record Date as is set out below, except for Ineligible Foreign Holders and Electing Scheme Participants, who will receive their pro rata share of the Net Cash Proceeds from the sale of New Pilbara Minerals Shares under the Sale Facility as described in Section 3.4(e).

Latin Resources Option tranche and the number of the Latin Resources Options in the relevant tranche as at the date of this document	Exercise price of the Latin Resources Option	Expiry date of the Latin Resources Option	Number of New Pilbara Minerals Shares per Latin Resources Option to be provided as the Option Scheme Consideration
Options – LRSAAF 13,500,000	\$0.55	30 June 2025	0.0020
Options – LRSAY 113,986,160	\$0.22	27 April 2027	0.0250

The above Option Scheme Consideration has been calculated using the Black-Scholes option valuation model which takes account of factors such as the exercise price, the current level and volatility of the price of Latin Resources Shares and the time to maturity of the option. The Black-Scholes option valuation model recognises that the value of an option may vary up to its expiry date based on movements in the future price of the underlying share and seeks to assign a theoretical value for the option based on a number of inputs (including the current price of the underlying security and length of time until the option expires) and assumptions (including the estimated volatility of the future price of the underlying security during that time). See section 14 of the Independent Expert's Report for an evaluation the Option Scheme Consideration.

See Section 6.15 for details of the rights attaching to the New Pilbara Minerals Shares.

Latin Resources Optionholders should note that if the Demerger is implemented then, in accordance with the terms of the Latin Resources Options and ASX Listing Rule 7.22.3, the exercise price of each Latin Resources Option will be reduced by the value of the return of capital to Latin Resources Shareholders. The extent of this reduction is outlined in section 3.9 of the Demerger Materials in Annexure I, and is considered immaterial in the context of the Option Scheme. However, no adjustment will be made to the Option Scheme Consideration as a result of this reduction in the exercise price.

(c) Ineligible Foreign Holders

Restrictions in certain foreign countries may make it impractical or unlawful for New Pilbara Minerals Shares to be issued under the Share Scheme or Option Scheme to Latin Resources Securityholders in those countries.

Ineligible Foreign Holders are Latin Resources Shareholders and Latin Resources Optionholders whose Registered Address is a place other than Australia and its external territories, New Zealand, Switzerland, Brazil, Canada, Hong Kong, the United Kingdom and the United States or who is acting on behalf of such a person, unless Pilbara Minerals determines that:

- it is lawful and not unduly onerous or unduly impracticable to issue that Share Scheme Participant or Option Scheme Participant with the New Pilbara Minerals Shares on implementation of the Share Scheme or Option Scheme (as applicable); and
- it is lawful for that Share Scheme Participant or Option Scheme Participant to participate in the Share Scheme or Option Scheme (as applicable) by the law of the relevant place outside Australia and its external territories.

Pilbara Minerals is under no obligation to issue, and will not issue, any New Pilbara Minerals Shares to any Ineligible Foreign Holder. Instead, if the Share Scheme and Option Scheme (as applicable) becomes Effective, Pilbara Minerals will issue the New Pilbara Minerals Shares to which the Ineligible Foreign Holder would otherwise have been entitled to the Sale Nominee for sale through the Sale Facility. Refer to Section 3.4(e) for further information about the Sale Facility.

(d) **Small Scheme Participants and Option Scheme Participants**

A Latin Resources Shareholder (other than an Ineligible Foreign Holder) who, based on their holding of Latin Resources Shares on the Record Date, would, upon implementation of the Share Scheme, be entitled to receive less than a Marketable Parcel of New Pilbara Minerals Shares is a Small Scheme Participant.

A Small Scheme Participant who has provided the Registry with a duly completed Opt-in Notice before 5.00pm (AWST) on 24 January 2025 (being the Business Day prior to the Record Date) is an Electing Scheme Participant.

Option Scheme Participants may also elect to have all the Option Scheme Consideration to which they would otherwise be entitled issued to the Sale Nominee and sold on their behalf. An Option Scheme Participant who has provided the Registry with a duly completed Opt-in Notice before 5.00pm (AWST) on 24 January 2025 (being the Business Day prior to the Record Date) is also an Electing Scheme Participant.

Pilbara Minerals is under no obligation to issue, and will not issue, any New Pilbara Minerals Shares to any Electing Scheme Participant. Instead, if the Share Scheme and Option Scheme (as applicable) become Effective, Pilbara Minerals will issue the New Pilbara Minerals Shares to which the Electing Scheme Participant would otherwise have been entitled to the Sale Nominee for sale through the Sale Facility. Refer to Section 3.4(e) for further information about the Sale Facility.

For an Opt-in Notice to be effective, it must be duly completed and returned to the Registry by email to corpactprocessing@computershare.com.au, or by mail in accordance with the instructions on the Opt-in Notice, prior to 5.00pm (AWST) on 24 January 2025 (being the Business Day prior to the Record Date). An Opt-in Notice has been made available to each Latin Resources Shareholder and Latin Resources Optionholder, either physically or by email.

(e) **Sale Facility**

Pilbara Minerals will, on behalf of all Ineligible Foreign Holders and Electing Scheme Participants, assist in establishing the Sale Facility, pursuant to which the Sale Nominee, on behalf of all Ineligible Foreign Holders and Electing Scheme Participants, will sell or procure the sale of any New Pilbara Minerals Shares that an Ineligible Foreign Holder and Electing Scheme Participant would otherwise be entitled to receive (**Relevant Pilbara Minerals Shares**).

Acting on behalf of all Ineligible Foreign Holders and Electing Scheme Participants, the Sale Nominee will, as soon as reasonably practicable (and in any event not more than 30 Business Days after the Implementation Date), sell all of the Relevant Pilbara Minerals Shares (including on an aggregated or partially aggregated basis) in the ordinary course of trading on ASX at such price and in such manner as the Sale Nominee reasonably determines in good faith.

The Sale Nominee will then remit the proceeds of such sale (net of any applicable brokerage, stamp duty and other selling costs, taxes and charges) (**Net Cash Proceeds**) to Pilbara Minerals as soon as reasonably practicable after settlement. Pilbara Minerals will procure the payment of an amount equal to

the proportion of the Net Cash Proceeds of the sale to each entitled Ineligible Foreign Holder and each Electing Scheme Participant in full satisfaction of the Ineligible Foreign Holder and Electing Scheme Participant's entitlement to the relevant New Pilbara Minerals Shares, in accordance with the following formula and rounded down to the nearest cent:

$$A = (B/C) \times D$$

Where:

A is the amount to be paid to the Ineligible Foreign Holder or Electing Scheme Participant (as applicable);

B is the number of Relevant Pilbara Minerals Shares attributable to, and that would otherwise have been issued to, that Ineligible Foreign Holder or Electing Scheme Participant (as applicable) had it not been an Ineligible Foreign Holder or Electing Scheme Participant (as applicable) and which are instead issued to the Sale Nominee;

C is the number of Relevant Pilbara Minerals Shares attributable to, and which would otherwise have been issued to all Ineligible Foreign Holders and Electing Scheme Participants collectively and which are instead issued to the Sale Nominee; and

D is the Net Cash Proceeds.

Pilbara Minerals will make, or procure the making of, payments to Ineligible Foreign Holders and Electing Scheme Participants by either (in the absolute discretion of Pilbara Minerals):

- paying, or procuring the payment of, the relevant amount in Australian dollars by electronic means to a bank account nominated by the Ineligible Foreign Holder or Electing Scheme Participant (as applicable) by an appropriate authority from the Ineligible Foreign Holder or Electing Scheme Participant (as applicable) to Pilbara Minerals; or
- if a bank account has not been nominated by the Ineligible Foreign Holder or Electing Scheme Participant (as applicable):
 - if an Ineligible Foreign Holder or Electing Scheme Participant (as applicable) has, before the Record Date, made a valid election in accordance with the requirements of the Registry to receive dividend payments in Australian dollars from Latin Resources by electronic funds transfer, to a bank account nominated by the Ineligible Foreign Holder or Electing Scheme Participant (as applicable), paying, or procuring the payment of, the relevant amount in Australian dollars by electronic means in accordance with that election; and
 - otherwise, dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian dollars to the Ineligible Foreign Holder or Electing Scheme Participant (except where the Ineligible Foreign Holder or Electing Scheme Participant has a Registered Address in New Zealand or Papua New Guinea) by prepaid post to their Registered Address, such cheque being drawn in the name of the Ineligible Foreign Holder or Electing Scheme Participant (as applicable). Ineligible Foreign Holders and Electing Scheme Participants with a Registered Address in New Zealand or Papua New Guinea must nominate a valid bank account before the Record Date to receive the relevant amount directly into their bank account. If they do not provide their bank account details, the relevant amount will be withheld pending receipt of payment instructions.

Ineligible Foreign Holders and Electing Scheme Participants can nominate their bank account or update their bank account details:

- on the Registry website at www.investorcentre.com/au. If they have already registered, they can log in using their user ID and password. If they are not a member, they will need their HIN/SRN to register. The new user registration process requires an account verification code to be mailed to the Ineligible Foreign Holder's or Electing Scheme Participant's Registered Address as an additional layer of security. Ineligible Foreign Holders and Electing Scheme Participants should allow sufficient time for delivery of the verification code so that they can update their bank account details before the Record Date;

- by email at web.queries@computershare.com.au; or
- by mail at Computershare Investor Services Pty Limited, GPO Box 2975 Melbourne, Victoria 3001 Australia.

Interest will not be paid on the Net Cash Proceeds. The payment of the Net Cash Proceeds will be in full satisfaction of the rights of Ineligible Foreign Holders and Electing Scheme Participants under the Share Scheme and Option Scheme (as applicable).

None of Pilbara Minerals, Latin Resources or the Sale Nominee gives any assurances or representations as to the price that will be achieved for the sale of Relevant Pilbara Minerals Shares under the Sale Facility or the amount of the Net Cash Proceeds to be received by Ineligible Foreign Holders and Electing Scheme Participants.

The Net Cash Proceeds received by the Ineligible Foreign Holders and Electing Scheme Participants will depend on the price at which each Relevant Pilbara Minerals Share can be sold by the Sale Nominee at the relevant time and the amount of any applicable brokerage, taxes and charges incurred by the Sale Nominee in connection with the sales under the Sale Facility. Accordingly, the cash amount received by the Ineligible Foreign Holders and Electing Scheme Participants may be different (either more or less) than the value of the New Pilbara Minerals Shares they would have received if they were not an Ineligible Foreign Holder or Electing Scheme Participant.

(f) Commencement of trading of New Pilbara Minerals Shares

Deferred settlement trading of New Pilbara Minerals Shares is expected to be available on ASX from 23 January 2025.

Trading on ASX of New Pilbara Minerals Shares is expected to commence on a normal settlement basis on 5 February 2025.

(g) Fractional entitlements

If the number of Latin Resources Shares or Latin Resources Options held by a Share Scheme Participant or Option Scheme Participant (as applicable) at the Record Date is such that the aggregate entitlement of the Share Scheme Participant or Option Scheme Participant to New Pilbara Minerals Shares includes a fractional entitlement to a New Pilbara Minerals Share (as applicable), the fractional entitlement will be rounded as follows:

- if the fractional entitlement is less than 0.5, the entitlement will be rounded down to the nearest whole number of New Pilbara Minerals Shares; and
- if the fractional entitlement is equal to or more than 0.5, it will be rounded up to the nearest whole number of New Pilbara Minerals Shares.

If Latin Resources or Pilbara Minerals is of the opinion that two or more Share Scheme Participants or Option Scheme Participants have, before the Record Date, been party to a shareholding or optionholding splitting or division in an attempt to obtain an advantage by reference to such rounding, Latin Resources must provide the relevant details of the relevant Share Scheme Participants or Option Scheme Participants to Pilbara Minerals, and if reasonably requested by Pilbara Minerals, Latin Resources must give notice to those Share Scheme Participants or Option Scheme Participants (as applicable):

- setting out their names and Registered Addresses;
- stating that opinion; and
- attributing to one of them specifically identified in the notice the Latin Resources Shares or Latin Resources Options held by all of them.

After such notice has been given, the Share Scheme Participant or Option Scheme Participant (as the case may be) specifically identified in the notice as the deemed holder of the specified Latin Resources Shares or Latin Resources Options (as applicable) will, for the purposes of the provisions of the Share Scheme or the Option Scheme, be taken to hold all of those Latin Resources Shares or Latin Resources Options (as applicable) and each of the other Share Scheme Participants or Option Scheme Participants

(as applicable) whose names and Registered Addresses are set out in the notice will, for the purposes of the Share Scheme or Option Scheme (as applicable), be taken to hold no Latin Resources Shares or Latin Resources Options (as the case may be).

3.5 Conditions Precedent

(a) Share Scheme

The Share Scheme is subject to a number of Conditions Precedent set out in clause 3.1 of the Scheme Implementation Agreement and summarised in Annexure B. The key conditions of the Share Scheme include (without limitation) the following:

Condition Precedent	Status as at Last Practicable Date
ASIC and ASX: ASIC and ASX issue or provide any consents or approvals, or have done any other acts, which the parties agree are reasonably necessary or desirable to implement the Share Scheme	To be confirmed prior to Second Court Hearing.
Latin Resources Shareholder approval: the Latin Resources Shareholders approve the Share Scheme by the Requisite Majorities at the Share Scheme Meeting.	The Share Scheme Meeting is scheduled for 16 January 2025.
Court approval: the Court approves the Share Scheme in accordance with section 411(4)(b) of the Corporations Act.	The Second Court Hearing is scheduled for 21 January 2025.
Regulatory Authority: all other approvals of a Regulatory Authority which Pilbara Minerals and Latin Resources (acting reasonably) agree are necessary or desirable to implement the Share Scheme or material to the development of the Salinas Project, are obtained.	Refer to Section 3.5(b).
Regulatory intervention: no court of competent authority or other Regulatory Authority has issued an order injunction, decision, decree or ruling or any action taken enjoining, restraining or otherwise imposing a legal restraint or prohibition which restrains, prohibits, or otherwise materially adversely affects the Share Scheme (or could reasonably be expected to do so) or requires the divestiture by Pilbara Minerals or its associates of any Latin Resources Shares or the divestiture of any material assets of the Pilbara Minerals Group or Latin Resources Group.	To be confirmed prior to Second Court Hearing. As at the Last Practicable Date, no intervention of the kind contemplated by this Condition Precedent has occurred.
Independent Expert: the Independent Expert has issued the Independent Expert's Report and concluded that the Share Scheme is in the best interests of the Latin Resources Shareholders before this Scheme Booklet is registered with ASIC, and does not change, withdraw or qualify its conclusion.	The Independent Expert has concluded that the Share Scheme is fair and reasonable and is therefore in the best interests of Latin Resources Shareholders, in the absence of a Superior Proposal and has not changed or withdrawn its conclusion. See further details in Annexure A.
Third party consents: all other approvals of a third party which Pilbara Minerals and Latin Resources agree in writing on or prior to the execution of the Scheme Implementation Agreement are necessary or desirable to implement the Share Scheme are obtained.	Satisfied.

Condition Precedent	Status as at Last Practicable Date
No Latin Resources Prescribed Event: no Latin Resources Prescribed Event occurs or becomes known to Pilbara Minerals.	Latin Resources is not aware of anything that would cause this Condition Precedent not to be satisfied.
No Latin Resources Material Adverse Effect: no Latin Resources Material Adverse Effect occurs, or is reasonably likely to occur, or is discovered, announced, disclosed or otherwise becomes known to Pilbara Minerals.	Latin Resources is not aware of anything that would cause this Condition Precedent not to be satisfied.
Latin Resources Representations and Warranties: the Latin Resources representations and warranties in certain specified clauses of the Scheme Implementation Agreement are true and correct in all material respects.	Latin Resources is not aware of anything that would cause this Condition Precedent not to be satisfied.
No Pilbara Minerals Prescribed Event: no Pilbara Minerals Prescribed Event occurs or becomes known to Latin Resources.	Pilbara Minerals is not aware of anything that would cause this Condition Precedent not to be satisfied.
No Pilbara Minerals Material Adverse Effect: no Pilbara Minerals Material Adverse Effect occurs, or becomes known to Latin Resources, or is reasonably likely to occur, or is discovered, announced, disclosed or otherwise becomes known to Latin Resources.	Pilbara Minerals is not aware of anything that would cause this Condition Precedent not to be satisfied.
Pilbara Minerals Representations and Warranties: each of the Pilbara Minerals representations and warranties in certain specified clauses of the Scheme Implementation Agreement are true and correct in all material respects.	Pilbara Minerals is not aware of anything that would cause this Condition Precedent not to be satisfied.
Quotation: ASX has not indicated to Pilbara Minerals that it will not grant official quotation of the New Pilbara Minerals Shares on ASX from the trading day following the Implementation Date.	Pilbara Minerals is not aware of anything that would cause this Condition Precedent not to be satisfied.
Non-Core Assets Disposal Program: - the Demerger Resolution has been approved by the requisite majority; - all Non-Core Assets are held (directly or indirectly) by ESG Minerals in the manner contemplated by the Non-Core Assets Disposal Program (except to the extent such assets have been transferred to a third party pursuant to the Non-Core Assets Disposal Program); and - the Demerger Effective Date has occurred.	The Demerger Meeting is scheduled for 16 January 2025. Refer to Annexure I for full details of the Demerger. Latin Resources has no reason to believe or expect that Pilbara Minerals would waive this Condition Precedent.

An update on the status of the Conditions Precedent will be provided at the Share Scheme Meeting.

(b) **Status of Regulatory Authority approval**

Latin Resources and Pilbara Minerals have agreed that the approval by the Brazilian National Mining Agency (**ANM**) of the Integrated Plan of Economic Development (Plano Integrado de Aproveitamento Econômico) (**PIAE**) submitted by Latin Resources insofar as it relates to the exploitation of lithium in Mineral Rights N. 831.799/2005, 831.219/2017 and 830.691/2017 is material to the development of the Salinas Project and therefore a Regulatory Authority approval required for the purposes of the Regulatory Authority Condition Precedent to the Share Scheme.

The PIAE was submitted to the ANM by Latin Resources' subsidiary, Belo Lithium Mineração Ltda, in March 2024 (and has been subsequently updated).

As at the date of the Scheme Booklet, the Regulatory Authority Condition Precedent has not been satisfied or waived. The timing of the satisfaction (or waiver) of the Regulatory Authority Condition Precedent is not certain and is not within the control of Latin Resources or Pilbara Minerals, and there is a risk that this Condition Precedent may not be satisfied (or waived) in a timely manner.

If the Regulatory Authority Condition Precedent has not been satisfied or waived in advance of the Scheme Meeting, the Latin Resources Board may consider delaying the Scheme Meetings and/or the Second Court Hearing until such time as that Condition Precedent has been satisfied or waived. Latin Resources will provide material updates to Latin Resources Securityholders by way of ASX announcement in advance of the Scheme Meetings.

Please refer to Section 8.2(b) for further relevant discussion of the risks associated with a delay or failure of the Regulatory Authority Condition Precedent.

If the Regulatory Authority Condition Precedent has not been satisfied or waived by 7 February 2025 (being the date that is 5 Business Days prior to the "End Date" set out in the Scheme Implementation Agreement), either Latin Resources or Pilbara Minerals may extend the "End Date" by a further 3 months.

(c) Option Scheme

The Option Scheme is subject to a number of Conditions Precedent set out in clause 3.2 of the Scheme Implementation Agreement and summarised below:

Condition Precedent	Status as at Last Practicable Date
Share Scheme: the Share Scheme becomes Effective.	The Share Scheme Meeting is scheduled for 16 January 2025.
ASIC and ASX: ASIC and ASX issue or provide any consents or approvals, or have done any other acts, which the parties agree are reasonably necessary or desirable to implement the Option Scheme.	To be confirmed prior to Second Court Hearing.
Latin Resources Optionholder approval: the Latin Resources Optionholders approve the Option Scheme by the Requisite Majorities at the Option Scheme Meeting.	The Option Scheme Meeting is scheduled for 16 January 2025.
Court Approval: the Court approves the Option Scheme in accordance with section 411(4)(b) of the Corporations Act.	The Second Court Hearing is scheduled 21 January 2025.
Regulatory intervention: no court of competent authority or other Regulatory Authority has issued an order injunction, decision, decree or ruling or any action taken enjoining, restraining or otherwise imposing a legal restraint or prohibition which restrains, prohibits, or otherwise materially adversely affects the Option Scheme (or could reasonably be expected to do so) or requires the divestiture by Pilbara Minerals or its associates of any Latin Resources Options or the divestiture of any material assets of the Pilbara Minerals Group or Latin Resources Group.	To be confirmed prior to Second Court Hearing. As at the Last Practicable Date, no intervention of the kind contemplated by this Condition Precedent has occurred.

3.6 Treatment of equity incentives

(a) Treatment of Performance Rights

Under the Scheme Implementation Agreement, Latin Resources must take all action necessary to ensure that definitive arrangements have been made to ensure that there will be no outstanding Latin Resources Performance Rights upon the Implementation Date. To comply with this, Latin Resources must:

- by no later than the trading day before the Record Date, cause all of the outstanding Latin Resources Performance Rights to vest and, following such vesting, cause the relevant number of Latin Resources Shares to be transferred or issued to the relevant former holder to allow that holder to participate in the Share Scheme; and
- take such action as may be necessary to cancel any outstanding Latin Resources Performance Rights which it does not cause to vest.

The Latin Resources Board has resolved to exercise its discretion to cause all outstanding Latin Resources Performance Rights to vest with effect from Court approval of the Share Scheme at the Second Court Hearing. Following such vesting of the Latin Resources Performance Rights, Latin Resources will issue the relevant number of Latin Resources Shares to the relevant former holder of Latin Resources Performance Rights in sufficient time to allow the relevant former holders of Latin Resources Performance Rights to participate in the Share Scheme and the Demerger.

Section 10.1(a) sets out details of the Latin Resources Performance Rights which are held by or on behalf of Latin Resources Directors.

(b) Treatment of Latin Resources Loan Funded Shares

Under the Scheme Implementation Agreement, Latin Resources and Pilbara Minerals have agreed that the Latin Resources Loan Funded Shares will be treated in all respects consistently with Latin Resources Shares under the Share Scheme.

The Latin Resources Board has made a determination that a change of control will occur upon the Share Scheme Resolution being passed by the Requisite Majorities for the purposes of the Latin Resources Loan Funded Share Plan. The outstanding loans in respect of the Latin Resources Loan Funded Shares may be repaid in full before this date.

Subject to the Share Scheme Resolution being passed by the Requisite Majorities and to part or all of the relevant loan remaining outstanding on the date the Share Scheme Resolution is passed, each holder of Latin Resources Loan Funded Shares has irrevocably instructed a broker appointed by Latin Resources to sell on market on their behalf all of the Latin Resources Loan Funded Shares that they hold. In accordance with the terms of the Latin Resources Loan Funded Share Plan, all outstanding loans in respect of the Latin Resources Loan Funded Shares will be deemed repaid (to the limited recourse extent required under their terms) from the proceeds (net any brokerage fees or transaction costs) of such sale such that there will be no outstanding loans in respect of the Latin Resources Loan Funded Shares. The Latin Resources Loan Funded Shares will, following the repayment of the relevant loan, be (and be treated as) Latin Resources Shares under the Share Scheme.

Section 10.1(a) sets out details of the Latin Resources Loan Funded Shares which are held by or on behalf of Latin Resources Directors.

3.7 Maintenance of the Latin Resources Register

For the purpose of determining entitlements to the Share Scheme Consideration and Option Scheme Consideration, Latin Resources will maintain the Latin Resources Register until the Share Scheme Consideration and Option Scheme Consideration has been provided to the Share Scheme Participants and Option Scheme Participants and Pilbara Minerals has been entered in the Latin Resources Register as the holder of all the Latin Resources Shares and Latin Resources Options. The Latin Resources Register in this form will solely determine entitlements to the Share Scheme Consideration and Option Scheme Consideration.

3.8 Deemed warranty on transfer of Latin Resources Securities to Pilbara Minerals

Under the terms of the Share Scheme, each Share Scheme Participant is taken to have warranted to Pilbara Minerals, and authorised Latin Resources as its attorney and agent to warrant to Pilbara Minerals that:

- on the Implementation Date all their Latin Resources Shares (including any rights and entitlements attaching to those shares) which are transferred under the Share Scheme will, at the date of transfer, be fully paid and free from all security for the payment of money or performance of obligations, including mortgages, charges, liens, pledges, trusts, power or title retention or flawed deposit arrangement and any 'security interests' within the meaning of section 12(1) of (2) of the PPSA or any agreement to create any of them or allow them to exist, free from all interests of third parties of any kind and free from any restrictions on transfer of any kind;
- on the Implementation Date, they have full power and capacity to transfer their Latin Resources Shares (including any rights and entitlements attaching to those shares) to Pilbara Minerals under the Share Scheme; and
- on the Record Date, they have no existing right to be issued any other Latin Resources Shares or any other form of securities in Latin Resources.

Under the terms of the Option Scheme, each Option Scheme Participant is taken to have warranted to Pilbara Minerals, and authorised Latin Resources as its attorney and agent to warrant to Pilbara Minerals that:

- on the Implementation Date all their Latin Resources Options (including any rights and entitlements attaching to those options) which are transferred under the Option Scheme will, at the date of transfer, be fully paid and free from all security for the payment of money or performance of obligations, including mortgages, charges, liens, pledges, trusts, power or title retention or flawed deposit arrangement and any 'security interests' within the meaning of section 12(1) of (2) of the PPSA or any agreement to create any of them or allow them to exist, free from all interests of third parties of any kind and free from any restrictions on transfer of any kind;
- on the Implementation Date, they have full power and capacity to transfer their Latin Resources Options (including any rights and entitlements attaching to those options) to Pilbara Minerals under the Option Scheme; and
- on the Record Date, they have no existing right to be issued any other Latin Resources Option or any other form of securities in Latin Resources.

3.9 Deed Polls

The Share Scheme Deed Poll has been entered into by Pilbara Minerals to undertake, subject to the Share Scheme becoming Effective:

- in favour of each Share Scheme Participant, to provide, or procure the provision of, the Share Scheme Consideration to all Share Scheme Participants under the Share Scheme; and
- to perform all other actions attributed to Pilbara Minerals under the Share Scheme.

A copy of the Share Scheme Deed Poll is included in Annexure E.

The Option Scheme Deed Poll has been entered into by Pilbara Minerals to undertake, subject to the Option Scheme becoming Effective:

- in favour of each Option Scheme Participant, to provide, or procure the provision of, the Option Scheme Consideration to all Option Scheme Participants under the Option Scheme; and
- to perform all other actions attributed to Pilbara Minerals under the Option Scheme.

A copy of the Option Scheme Deed Poll is included in Annexure F.

3.10 Taxation implications

A general guide to the Australian taxation implications of the Schemes for Latin Resources Securityholders is set out in Section 9. This guide is expressed in general terms and is not intended to provide taxation advice in respect of the particular circumstances of any Latin Resources Securityholder.

3.11 Suspension of trading

Latin Resources will apply to ASX for suspension of trading in Latin Resources Shares on ASX with effect from close of trading on the Effective Date. Following implementation of the Share Scheme, Latin Resources will request ASX to remove it from the official list of ASX.



04.

Your choices and how to vote

4. Your choices and how to vote

4.1 Your choices as a Latin Resources Shareholder

As a Latin Resources Shareholder you have the following choices:

- (a) **Vote in favour** - you can vote in favour of the Share Scheme Resolution at the Share Scheme Meeting. The Latin Resources Directors recommend that Latin Resources Shareholders vote in favour of the Share Scheme, in the absence of a Superior Proposal subject to the Independent Expert continuing to conclude that the Share Scheme is in the best interests of Latin Resources Shareholders.²¹ In addition, the Independent Expert has concluded that, in the absence of a Superior Proposal, the Share Scheme is fair and reasonable and therefore in the best interests of Latin Resources Shareholders. For a summary of how to vote on the Share Scheme Resolution, refer to Section 4.7 and the Notice of Share Scheme Meeting contained in Annexure G of this Scheme Booklet;
- (b) **Vote against** - if, despite your Latin Resources Directors' unanimous recommendation and the Independent Expert's conclusion that, in the absence of a Superior Proposal, the Share Scheme is fair and reasonable and therefore in the best interests of Latin Resources Shareholders, you do not support the Share Scheme, you may vote against the Share Scheme Resolution at the Share Scheme Meeting. However, if the Share Scheme becomes Effective, the Share Scheme will bind all Latin Resources Shareholders, including those who voted against the Share Scheme Resolution and those who did not vote at all;
- (c) **Sell your Latin Resources Shares** - you can sell your Latin Resources Shares on ASX at any time prior to the close of trading on the Effective Date, following which Latin Resources Shares will cease trading on ASX. Latin Resources Shareholders who sell some or all of their Latin Resources Shares on market before trading in Latin Resources Shares ends:
 - (i) may receive payment (which may vary from the ultimate value of the Share Scheme Consideration) for the sale of their Latin Resources Shares sooner than they would receive the Share Scheme Consideration under the Share Scheme;
 - (ii) may incur brokerage and other sale costs;
 - (iii) may be subject to capital gains tax (CGT), or may otherwise be required to include an amount in respect of the disposal in their assessable income (as applicable); and
 - (iv) will not be able to participate in the Share Scheme or, if one emerges, a Superior Proposal for Latin Resources, in respect of those Latin Resources Shares they have sold.
- (d) **Do nothing** - you can do nothing. Latin Resources Shareholders who elect not to vote at the Share Scheme Meeting and do not sell their Latin Resources Shares on market will:
 - (i) if the Share Scheme is implemented, have their Latin Resources Shares transferred to Pilbara Minerals by operation of the Share Scheme and receive the Share Scheme Consideration; or
 - (ii) if the Share Scheme is not implemented, retain their Latin Resources Shares.

You should carefully read this Scheme Booklet in its entirety before deciding what to do in respect of the Share Scheme. If you have any questions, please contact the Latin Resources Information Line on 1300 521 162 (within Australia) or +61 3 9415 4603 (outside Australia) between 8.30am and 5.30pm (AEDT), Monday to Friday (excluding public holidays in Australia). If you are in any doubt as to what you should do, please consult your legal, financial, tax or other professional adviser.

²¹ In relation to the unanimous recommendation of the Latin Resources Directors, Latin Resources Securityholders should note that Latin Resources Directors will receive certain benefits in connection with the Share Scheme, which are described in Sections 10.1 and 10.2 and footnote 2 (located in the letter from the Chairman of Latin Resources).

4.2 Your choice as a Latin Resources Optionholder

As a Latin Resources Optionholder you have the following choices:

- (a) **Vote in favour** - you can vote in favour of the Option Scheme Resolution at the Option Scheme Meeting. The Latin Resources Directors recommend that Latin Resources Optionholders vote in favour of the Option Scheme, in the absence of a Superior Proposal subject to the Independent Expert continuing to conclude that the Option Scheme is in the best interests of Latin Resources Optionholders.²² In addition, the Independent Expert has concluded that, in the absence of a Superior Proposal, the Option Scheme is fair and reasonable and therefore in the best interest of Latin Resources Optionholders. For a summary of how to vote on the Option Scheme Resolution, refer to Section 4.7 and the Notice of Option Scheme Meeting contained in Annexure H of this Scheme Booklet;
- (b) **Vote against** - if, despite your Latin Resources Directors' unanimous recommendation and the Independent Expert's conclusion that, in the absence of a Superior Proposal, the Option Scheme is fair and reasonable and therefore in the best interest of Latin Resources Optionholders, you do not support the Option Scheme, you may vote against the Option Scheme Resolution at the Option Scheme Meeting. However, if the Option Scheme becomes Effective, the Option Scheme will bind all Latin Resources Optionholders, including those who voted against the Option Scheme Resolution and those who did not vote at all;
- (c) **Exercise your Latin Resources Options** - you may elect to exercise your Latin Resources Options at any time prior to 5.00pm (AWST) on the Business Day immediately before the Record Date.²³ Latin Resources Optionholders who exercise their Latin Resources Options prior to 5.00pm (AWST) on the Business Day immediately before the Record Date will, in accordance with the terms of the relevant Latin Resources Options, be issued with Latin Resources Shares and will be eligible to participate in the Share Scheme (provided the Latin Resources Shares are still held at the Record Date). Latin Resources Optionholders who have validly exercised their Latin Resources Options prior to 5.00pm (AWST) on the Business Day immediately before the Demerger Record Date will, in accordance with the terms of the relevant Latin Resources Options, be issued with Latin Resources Shares and will be eligible to participate in the Demerger (provided the Latin Resources Shares are still held at the Demerger Record Date). In order to exercise your Latin Resources Options you must provide notice in writing to Latin Resources in the manner specified on the relevant Latin Resources Option certificate and pay the relevant exercise price in cleared funds. Details of how to pay the exercise price for your Latin Resources Options can be obtained by contacting the Latin Resources Information Line on 1300 521 162 (within Australia) and +61 3 9415 4603 (outside Australia). The Latin Resources Information Line is open between Monday and Friday (excluding public holidays in Australia) from 8.30am to 5.30pm (AEDT);
- (d) **Sell your Latin Resources Options** - you can sell your Latin Resources Options privately provided that the transfer is lodged with the Registry by no later than 5.00pm (AWST) on the Business Day immediately before Record Date;
- (e) **Do nothing** - you can do nothing. Latin Resources Optionholders who elect not to vote at the Option Scheme Meeting and do not sell their Latin Resources Options will:
 - (i) if the Option Scheme is implemented, have their Latin Resources Options transferred to Pilbara Minerals by operation of the Option Scheme and receive the Option Scheme Consideration; or
 - (ii) if the Option Scheme is not implemented, retain their Latin Resources Options. If the Share Scheme Resolution is approved by the Requisite Majorities but the Option Scheme Resolution is not, the Share Scheme will still proceed but Latin Resources Optionholders will continue to hold Latin Resources Options in the existing, but no longer ASX-listed, Latin Resources entity. If this occurs, Pilbara Minerals has indicated that its present intention is to seek to acquire the Latin Resources Options

²² In relation to the unanimous recommendation of the Latin Resources Directors, Latin Resources Securityholders should note that Latin Resources Directors will receive certain benefits in connection with the Share Scheme, which are described in Sections 10.1 and 10.2 and footnote 2 (located in the letter from the Chairman of Latin Resources).

²³ The Expiring Options will lapse (if they have not been exercised) on 30 December 2024 which is prior to the Record Date for the Option Scheme. Holders of this tranche of Latin Resources Options need to validly exercise their options on or before the expiry date of 30 December 2024 in order to receive Latin Resources Shares and participate in the Share Scheme.

under the compulsory acquisition provisions of the Corporations Act. Refer to Section 7.4 for further details.

You should carefully read this Scheme Booklet in its entirety before deciding what to do in respect of the Option Scheme. If you have any questions, please contact the Latin Resources Information Line on 1300 521 162 (within Australia) or +61 3 9415 4603 (outside Australia) between 8.30am and 5.30pm (AEDT), Monday to Friday (excluding public holidays in Australia). If you are in any doubt as to what you should do, please consult your legal, financial, tax or other professional adviser.

4.3 Details of Scheme Meetings

The details of the Share Scheme Meeting are as follows:

Location	the Ebell room at Trinity College, 230 Hampden Road, Crawley WA 6009
Date	16 January 2025
Time	The later of 10.30am (AWST) and the completion of the Demerger Meeting

The details of the Option Scheme Meeting are as follows:

Location	the Ebell room at Trinity College, 230 Hampden Road, Crawley WA 6009
Date	16 January 2025
Time	The later of 11.00am (AWST) and the completion of the Share Scheme Meeting

4.4 Eligibility to vote

The time for determining eligibility to vote at the Scheme Meetings is 7.00pm (AEDT) on 14 January 2025. Only those Latin Resources Securityholders entered on the Latin Resources Register at that time will be entitled to attend and vote at the relevant Scheme Meetings.

4.5 Option Scheme voting entitlement

The number of votes that each Latin Resources Optionholder will have on the Option Scheme Resolution will be determined by the value of the Latin Resources Options they hold (calculated by reference to the Option Scheme Consideration for those Latin Resources Options, which was in turn determined using the Black-Scholes option valuation model).

4.6 Voting by joint holders

In the case of Latin Resources Shares and Latin Resources Options held by joint holders, only one of the joint holders is entitled to vote. If more than one joint holder votes in respect of jointly held Latin Resources Shares or Latin Resources Options, only the vote of the Latin Resources Shareholder or Latin Resources Optionholder whose name appears first in the Latin Resources Register will be counted.

4.7 How to vote

Latin Resources Securityholders who are entitled to vote can vote in the following ways:

- **In person**, by attending the relevant Scheme Meeting at the Ebell room at Trinity College, 230 Hampden Road, Crawley WA 6009
- **By proxy**, by lodging a proxy form in one of the following ways:
 - **online**: at www.investorvote.com.au using their secure access information or on their mobile device by scanning the personalised QR code on the proxy form. For Intermediary Online subscribers (custodians), go to www.intermediaryonline.com
 - **by mail**: in the reply-paid envelope provided with the proxy form to Computershare Investor Services Pty Limited, GPO Box 1282, Melbourne, Victoria, 3001, Australia
 - **by fax**: to the Registry (within Australia) 1800 783 447 or (outside Australia) +61 3 9473 2555
- **By attorney**: by appointing an attorney to attend and vote at the relevant Scheme Meeting on your behalf. An attorney may only vote at the relevant Scheme Meeting if the instrument appointing the attorney, and the authority under which the instrument is signed or a certified copy of the authority are provided to Latin Resources prior to the relevant Scheme Meeting (unless it has been previously provided to Latin Resources).
- **By corporate representative**: by an individual appointed to attend and vote at the relevant Scheme Meeting as the corporate representative of the Latin Resources Securityholder, if the Latin Resources Securityholder is a body corporate. This appointment must comply with the requirements of the Corporations Act. The corporate representative must ensure that Latin Resources has received a certificate of appointment and any authority under which the appointment is signed, prior to the relevant Scheme Meeting (unless this has previously been provided to Latin Resources). A form of notice of appointment can be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Proxy appointments must be received by 10.00am (AWST) on 14 January 2025 for the Demerger Meeting, 10.30am (AWST) on 14 January 2025 for the Share Scheme Meeting and 11.00am (AWST) on 14 January 2025 for the Option Scheme Meeting.



05.

Information on Latin Resources

5. Information on Latin Resources

5.1 Introduction

Latin Resources Limited (ASX: LRS) is an ASX-listed company which was formed on 2 June 2008 and subsequently admitted to the official list of the ASX on 21 September 2010. Latin Resources is an Australia-based mineral exploration company. Latin Resources is focussed primarily on the development of its flagship Salinas Project in the pro-mining district of Minas Gerais, Brazil.

Further information can be found at www.latinresources.com.au/ and in the Independent Expert's Report.

5.2 Overview of Latin Resources' business and assets

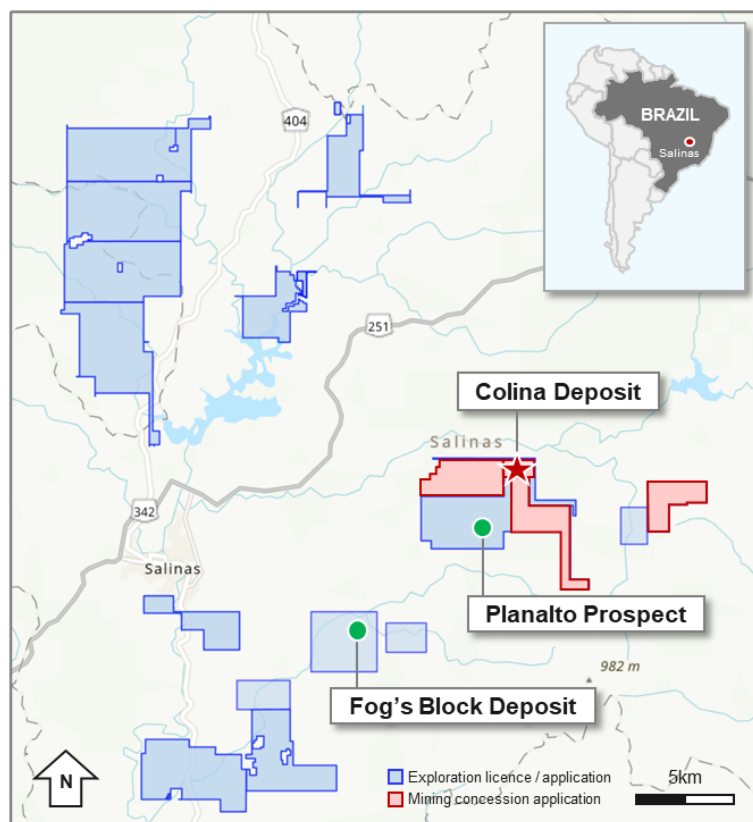
(a) Salinas Project (Latin Resources 100%)

In August 2019, Latin Resources acquired the Salinas Project, located in northeastern Minas Gerais State, in the Municipalities of Salinas, approximately 22 km east of the town and 645 km northeast of Belo Horizonte.

The Salinas Project is well served by a public and private road network, with proximity to National Road 251, which also provides access to the Port of Vitoria in the State of Espirito Santo, some 850 km from the site. The Salinas Project is accessible year-round by a network of state arterial and municipal access roads.

The Salinas Project is comprised of a total of 34 claims that cover approximately 35,314.94 hectares (353.15 km²). Of the 34 claims, Latin Resources fully owns 31 claims, covering approximately 33,776.91 hectares (337.77 km²). Additionally, there are 3 claims under option agreements, that cover approximately about 1,538.03 hectares (15.38 km²). The Salinas Project currently comprises the Colina Deposit, Fog's Block Deposit and the Planalto prospect.

Figure 2 – Map of Salinas Project



Latin Resources developed a strategy to build a lithium footprint in the Minas Gerais district with the focus given to tenements secured by Latin Resources in the Bananal Valley area of its Salinas Project where pegmatites containing spodumene were identified during field work and mapping confirming the projects high prospectivity for lithium.

In 2019, Latin Resources identified initial drill sites and secured the necessary permits for drilling targets. However, the global Covid pandemic caused an 18-month delay in exploration activities. The exploration team resumed exploration work on the Salinas Project in 2021, identifying outcropping pegmatites containing spodumene over an area of 4km². Diamond drilling commenced in 2022 where results confirmed lithium bearing spodumene pegmatites leading to the discovery of the Colina Deposit.

Latin Resources has conducted intensive exploration and resource drilling programs on the Salinas Project, completing over 300 diamond drill holes totalling over 90,000 meters.

Timeline of progress at the Salinas Project:

- In December 2022, maiden MRE released on the Colina Deposit for a global MRE of 13.3Mt @ 1.2% Li₂O.
- In January 2023, Mineral Resource expansion drilling program commenced with 65,000m of diamond drilling.
- In June 2023, updated Colina MRE released for a global MRE of 45.2Mt @ 1.34% Li₂O.
- In September 2023, PEA released for Colina Deposit.
 - PEA detailed a 11-year mine life 3.6Mtpa operation with LOM average production of 405kpa of 5.5 Li₂O spodumene concentrate (SC5.5) and 123ktpa 3 Li₂O spodumene concentrate (SC3).
 - Total estimated capital expenditure of US\$308m with LOM AISC of US\$536/t²⁴ CIF China.
- In December 2023, updated Colina MRE and maiden Fog's Block MRE released for a global MRE of 70.3Mt @ 1.27% Li₂O.
- In December 2023, the Environmental License application for the Salinas Project, including the Environmental Impact Assessment and Environmental Impact Report (collectively "EIA-RIMA"), was submitted.
- In December 2023, a subsidiary was established in Singapore to conduct marketing and finance activities for the Salinas Project.
- In January 2024, high-grade assays confirmed a discovery at Planalto.
- Between January and March 2024, five Mining License applications were submitted to Brazil's National Agency of Mining (Agência Nacional de Mineração or "ANM").
- In May 2024, drilling concluded with a total of 304 holes for 93,909m of diamond drilling at the Colina Deposit since first commencement.
- In May 2024, updated Colina MRE released for a global MRE of 77.7Mt @ 1.24% Li₂O.
- Latin Resources has been progressing a DFS for the Salinas Project based on the Colina Deposit which had been anticipated to be completed by the end of the September Quarter 2024 to which end Sedgman Minsol Pty Ltd was appointed as its new lead engineering partner in Brazil, including in respect of engineering design services for the DFS. Under the Scheme Implementation Agreement, Latin Resources and Pilbara Minerals agreed to form an Integration Committee which provides (amongst other things) a forum for Pilbara Minerals to share its project development, mining and processing expertise to assist in optimising the DFS and the potential of the Salinas Project on the assumption that the Share Scheme is

²⁴ All-in sustaining cost ("AISC") CIF China including operating costs, sustaining capital and royalties.

implemented. As a result of these updates, the DFS is not expected to be finalised before the Implementation Date.

- As at the Last Practicable Date, Latin Resources does not expect to be in a position to provide further updates with respect to the MRE or metallurgical results prior to the Implementation Date.

(b) Salinas Project funding

As announced to the ASX on 30 October 2023, Latin Resources commenced a strategic offtake and funding process involving broad outreach and extensive engagement with a number of parties who were granted access to site visits and due diligence information on the Salinas Project.

Various global parties were engaged in discussions on potential funding and partnerships, however due to the values involved, the lack of binding terms and level of execution uncertainty combined with the broader uncertainty around the additional debt and equity requirements, these were not as attractive to the Latin Resources Board as the current Schemes with Pilbara Minerals.

After considering these matters, the Latin Resources Directors formed the view that, on balance, once accounting for market, funding and development risk, the combination of value and certainty offered by Pilbara Minerals is likely to deliver a superior outcome for Latin Resources Securityholders now, compared to what would otherwise be available, on a future risk adjusted basis, if Latin Resources continued to operate as a standalone entity.

As at the Last Practicable Date, Latin Resources has not received any binding proposals in relation to the Salinas Project strategic offtake and funding process. Latin Resources has also had early discussions with debt providers including various development banks, however no binding proposals have been received as at the Last Practicable Date.

(c) 15% shareholding in Solis Minerals Limited

Solis Minerals Limited (ASX: SLM, TSX-V: SLMN) (**Solis**) is an ASX and TSX-V listed company. The head office is located in Western Australia and the registered office of Solis is located in Vancouver, British Columbia, Canada.

Solis is a mineral exploration company focused on South America. In its most recent financial year, Solis concentrated on exploring for copper and other metals in Peru and lithium and other metals in Brazil. In Peru, Solis holds exploration interests in over 40,000 hectares of land, primarily situated along the coastal porphyry belt, where several other copper operations are situated.

In 2018, Latin Resources sold a group of projects in Peru to Solis (known at that time as Westminster Resources Limited) for cash and shares. Through the sale, Latin Resources became entitled to appoint a director to the board of Solis for as long as it maintains at least a 10% interest in Solis shares. On 24 December 2021, Solis completed a dual-listing onto ASX through the issue of CHESS Depository Interests. As at the Last Practicable Date, Latin Resources holds 15.25% in Solis, and is represented on the board by Mr Gale, the Latin Resources Managing Director, as the Non-Executive Chair.

5.3 Demerger

In conjunction with the proposed Schemes, Latin Resources is seeking to undertake a demerger of ESG Minerals by way of a capital reduction to be effected via a pro rata in-specie distribution of ESG Minerals Shares under which each Eligible Shareholder will receive 1 ESG Minerals Share for every 50 Latin Resources Shares held on the Demerger Record Date.

ESG Minerals is an unlisted public company incorporated on 4 October 2021 in Western Australia.

Following the Corporate Restructure, ESG Minerals will hold:

- the Noombenberry Project (including the Cloud Nine Deposit) in Western Australia;
- the Gibraltar Tenement of the Gibraltar Project in South Australia;
- the Emissions Reduction Projects;
- the Lachlan Fold Tenements of the Lachlan Fold Belt Project in New South Wales;

- Latin Resources' 50% interest in the Catamarca Lithium Project in Northern Argentina; and
- the MT-03 Project in Southern Peru.

ESG Minerals will initially be an unlisted public company with the intention to undertake an initial public offer and list on the Official List of ASX in due course, however there is no guarantee that a listing will be achieved.

Full details of the Demerger and ESG Minerals can be found in the Demerger Materials which is included as Annexure I to this Scheme Booklet.

As the Demerger will involve a capital reduction, the Demerger must be approved by Latin Resources Shareholders. The Demerger is also conditional on Latin Resources Shareholders approving the Share Scheme. Accordingly, if Latin Resources Shareholders do not approve of the Demerger or the Share Scheme Resolution is not approved by the Requisite Majorities, the Demerger will not proceed.

The Share Scheme is conditional on the Demerger Resolution being approved and the Demerger becoming effective, and the Option Scheme is conditional on the Share Scheme becoming Effective. Accordingly, if the Demerger Resolution is not approved by Latin Resources Shareholders, neither the Share Scheme nor Option Scheme will proceed.

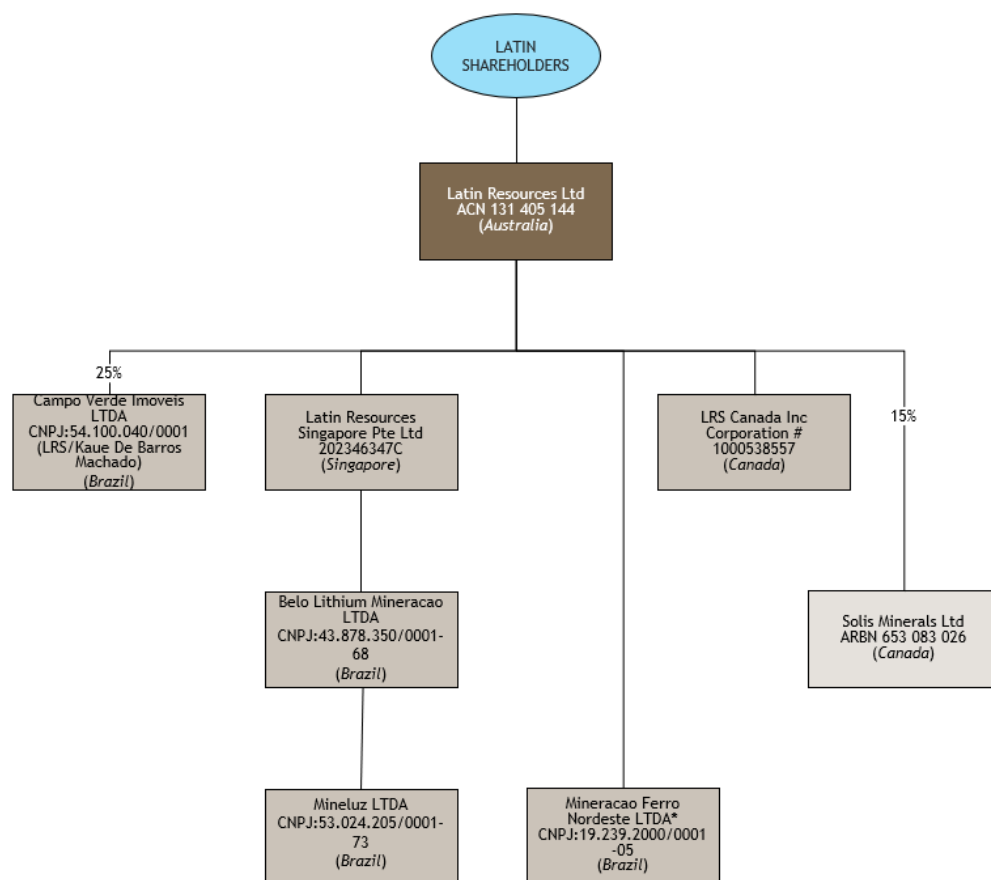
5.4 Corporate structure

(a) Current structure

The current corporate structure of the Latin Resources Group is set out in Part A of Schedule 3 of the Demerger Materials in Annexure I.

(b) Post-Demerger structure

As detailed in Section 5.3 and in Annexure I, it is proposed that the Non-Core Group Members will be demerged from the Latin Resources Group, so that by the Implementation Date for the Schemes these entities will not be Subsidiaries of Latin Resources and will not form part of the Enlarged Group. The structure of the Latin Resources Group following the implementation of the Demerger (and prior to implementation of the Share Scheme) is set out below:



Notes:

1. All entities are wholly owned unless specified otherwise.
2. * Mineracao Ferro Nordeste LTDA is effectively wholly owned by Latin Resources Ltd through direct ownership of all shares, except 1 share is held on trust by Chris Gale on behalf of Latin Resources Ltd as the beneficial owner.
3. Campo Verde Imoveis LTDA is owned 25% by LRS and 75% by Kaue De Barros Machado pursuant to a Quotaholders Agreement dated 21 February 2024.

5.5 Directors and senior management

(a) Latin Resources Director profiles

As of the date of this Scheme Booklet, the Latin Resources Directors are as follows:

Name and Position	Profile
David Vilensky Independent Non-Executive Chairman	Mr Vilensky is a practising corporate lawyer and an experienced listed company director. He is the Managing Director of Perth law firm Bowen Buchbinder Vilensky and has more than 36 years' experience in the areas of corporate and business law and in commercial and corporate management. Mr Vilensky practises in the areas of corporate and commercial law, corporate advisory, mergers and acquisitions, mining and resources and complex dispute resolution. Mr Vilensky acts for a number of listed and public companies and advises on directors' duties, due diligence, capital raisings, compliance with ASX Listing Rules, corporate governance and corporate transactions generally.

Name and Position	Profile
	Mr Vilensky is also a non-executive director of ASX listed Oar Resources Limited (ASX:OAR) and, until his resignation in March 2023, was a non-executive director of telecommunications company Vonex Ltd (ASX:VN8). Mr Vilensky holds a BA LLB degree from the University of Cape Town and is a member of the Law Society of Western Australia.
Christopher Gale Managing Director	Mr Gale is the Managing Director of Latin Resources. Mr Gale has extensive experience in senior management roles in both the public and private sectors, especially in commercial and financial roles. He has also held various board and executive roles at several mining and technology companies during his career. Mr Gale is also a non-executive Chairman of Solis Minerals Limited (ASX:SLM TSXV:SLMN) (appointed July 2018) and Oar Resources Limited (ASX:OAR). Mr Gale is the former Chairman of the Council on Australian Latin Resources American Relations (COALAR) established by the Australian Government Department of Foreign Affairs and Trade (DFAT) from 2012 to 2018. He is a founding director of Allegra Capital, a boutique corporate advisory firm based in Perth and is a member of the Australian Institute of Company Directors (AICD).
Peter Oliver Executive Director	Mr Oliver is a highly accomplished C-suite leader, with nearly 20 years' experience in lithium leadership roles which includes global M&A and financing as well as managing mining operations. Mr Oliver has a background in Chemistry and has spent many years working in the Western Australian Mining Industry. Mr Oliver joined Talison Lithium (then Sons of Gwalia) in 2003. In his time at Talison, he had several roles including General Manager of Wodgina and Greenbushes, Chief Operating officer and Chief Executive Officer/ Managing Director. As Chief Executive Officer he led the IPO process that successfully led to Talison Lithium being listed on the Toronto Stock Exchange in 2010. Mr Oliver acted as an advisor to Tianqi Lithium between 2013 until March 2022. This included advising on the acquisition of 24% of SQM for in excess of USD\$4 billion, significant further expansions of Talison Lithium's Greenbushes lithium concentrate production capacity and the building of Tianqi Lithium's Kwinana Lithium Hydroxide plant. Mr Oliver has an extensive skill set in the lithium sector as well as his experience in leading strong corporate teams, managing a public company, and acting in an advisory capacity in corporate structures, and global M&A and financing.
Brent Jones Non-Executive Director	Mr Jones is an experienced financial services professional who has held numerous directorships and managerial positions. Most recently, Mr Jones acted as Managing Director of Professional Services at Sequoia Financial Group (ASX:SEQ) a national supplier of diversified professional services to the Accounting and Advice industry. As a professional and personal investor, Mr Jones has been exposed to numerous M&As, IPOs, capital raisings, early seed funding and development funding activities. Mr Jones has a degree in Information Technology from Monash University and is a Graduate of the Australian Institute of Company Directors (AICD).

Name and Position	Profile
Pablo Tarantini Non-Executive Director	Mr Tarantini is an experienced professional in the mining industry. He has served as Executive Director of the Argentinian Bureau of Investment and International Trade, coordinating investment initiatives, and contributing with his vast experience in several industries and countries. In that role, Mr Tarantini worked together with mining companies settled in the country and supported the promotion of the mining activity in Argentina, along with the Argentinian Secretary of Mining. He has served as President and Executive Director of SAPISA and Minera Don Nicolás, an Argentinian private fund and one of its investments in the mining sector, respectively. Minera Don Nicolas is the first mining project based on Argentinian capital. He has also served as M&A Director at General Electric and Advent International Corporation for Latin Resources America, and as Manager at A.T. Kearney. In all these roles, he carried out businesses and projects at the regional level. Mr Tarantini is a Public Accountant and holds a Bachelor's Degree in Business Administration from Universidad Católica Argentina (UCA) and a Master in Business Administration from Harvard Business School.

(b) **Latin Resources Executive Officer profiles**

As of the date of this Scheme Booklet, the Latin Resources Executive Officers are the following individuals:

Name and Position	Profile
Aaron Maurer Chief Operating Officer	Mr Maurer career includes key roles at Mineral Resources Limited for over 5 years, where he served as Executive General Manager – Operations, overseeing the Mt Marion Lithium mine and three Iron Ore operations. Mr Maurer's recent role as Head of Operations at Atlantic Lithium saw him spearhead the company's transition from exploration to near-term producer, overseeing the approvals and operational readiness of the first lithium mine in Ghana.
Mitch Thomas Chief Financial Officer	Mr Thomas is an experienced CFO in the resources sector. Broad exposure across commodities (precious, base, etc.) and geographies (Australia, Africa, Europe). Mr Thomas has previous lithium experience from his former role as Rio Tinto's CFO of Battery Materials based in Los Angeles, USA.
Anthony Greenaway VP of Operations – Americas	Mr Greenaway is a senior geologist with greater than 25 years of international mining and exploration experience in Australia, Latin America, Asia and Africa. Involved with the exploration, development and production of copper and gold projects with Hancock Prospecting, Iron Ore Mining, White Star Resources and Talisman Mining.
Leandro Gobbo Brazil Director and Commercial General Manager	Mr Gobbo is a lawyer with over 15 years of experience in mining deals and contracts. A graduate of the University of Brasilia Law School, he holds a PhD in Business Law and a master's degree in Law and Economics. He specializes in Corporate Law, Mining, Mergers and Acquisitions, and Contracts. Mr Gobbo has successfully negotiated and structured mining projects in Brazil and has extensive experience in the corporate and management aspects of exploration and mining companies. He is currently a partner at Machado Gobbo Advogados, a premier law firm headquartered in Brasilia, and has previously worked at top Brazilian law firms. Mr Gobbo is also a professor of Business and Contract Law at IDP.

If the Share Scheme does not proceed, the current senior management of Latin Resources will remain. If the Share Scheme is approved, the intentions of Pilbara Minerals in relation to employees generally is set out in Section 7.3.

5.6 Mineral Resources

(a) **Global mineral resource estimate (“MRE”) for the Salinas Project (reported above a 0.50% Li₂O cut-off grade)**

Deposit	Resource Category	Tonnes (Mt)	Grade (Li ₂ O %)	Li ₂ O (Kt)	Contained LCE (Kt)
Colina	Measured	28.64	1.31	357.2	927.8
	Indicated	38.6	1.23	475.1	1,275.0
	<i>Measured + Indicated</i>	67.27	1.27	854.3	2,112.8
	Inferred	3.59	1.10	39.5	97.7
	Total	70.89	1.25	889.8	2,200.5
Fog's Block	Inferred	6.79	0.87	59.1	146.1
	Total	6.79	0.87	579.1	146.1
GLOBAL MRE TOTAL		77.7	1.24	948.9	2,346.6

(b) **Fog's Block independent Exploration Target Range:**

Deposit	Lower Range (Mt)	Upper Range (Mt)	Grade Range (Li ₂ O %)
Fog's Block	7.0	18.0	0.8 – 1.1

** The potential quantity and grade of the Fog's Block Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.*

Refer to Section 10.8(a) for disclosures required under the ASX Listing Rules and the JORC Code in respect of all Mineral Resource estimates contained in this Scheme Booklet.

5.7 Historical financial information

(a) **Overview**

The selected historical financial information in this Section 5.7 (**Latin Resources Financial Information**) has been extracted from Latin Resources' audited consolidated financial statements for the financial years ended 31 December 2023 and 31 December 2022 and the reviewed consolidated financial statements for the half year ended 30 June 2024. The information for FY22 has been derived from Latin Resources' audited consolidated financial statements for FY23, noting that these reflected restatements of comparable information as at and for FY22.

(b) **Basis of preparation**

The information in this Section 5.7 is a summary only and has been prepared solely for inclusion in this Scheme Booklet. Latin Resources' full financial accounts and the reviewed consolidated financial statements for the half year ended 30 June 2024 are available on its website www.latinresources.com.au, or by requesting a copy free of charge from Latin Resources' Company Secretary on +61 8 6117 4798 or ss@miradorcorporate.com.

The Latin Resources financial statements for:

- (i) the years ended 31 December 2023 and 31 December 2022 were audited by Ernst & Young and Hall Chadwick respectively in accordance with the Auditing Standards. Unqualified audit opinions were issued on these financial statements; and

- (ii) the half-year ended 30 June 2024 were subject to review by Ernst & Young. Ernst & Young issued an unqualified review conclusion on these financial statements with a material uncertainty paragraph related to going concern.

The significant accounting policies used in the preparation of the Latin Resources Financial Information are consistent with those set out in Latin Resources' 30 June 2024 Half Year Report, FY23 Annual Report and FY22 Annual Report. The Latin Resources Financial Information has been prepared in accordance with the recognition and measurement principles contained in Australian Accounting Standards adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

(c) **Consolidated Statements of Profit or Loss and Other Comprehensive Income**

The historical consolidated statements of profit or loss and other comprehensive income of the Latin Resources Group detailed below have been derived from the reviewed consolidated statement of profit or loss and other comprehensive income for the half year ended 30 June 2024 and from the audited consolidated statement of profit or loss and other comprehensive income for the financial year ended 31 December 2023 including comparable information for the financial year ended 31 December 2022, noting that these reflected restatements of comparable information as at and for FY22. The consolidated statement of profit or loss and other comprehensive income detailed below should be read in conjunction with the accompanying notes to Latin Resources', HY24 Interim Report, FY23 Annual Report and FY22 Annual Report.

	Reviewed for the half year ended 30 June 2024	Audited for the year ended 31 December 2023	Audited for the year ended 31 December 2022
Continuing operations	\$	\$	\$
Interest revenue	847,920	1,542,695	345,961
Other income	159,807	91,299	185,630
Employee benefits expenses	(2,010,641)	(2,189,776)	(1,630,706)
Equity settled share-based payments	(2,702,336)	(13,190,317)	(3,232,955)
Other expenses	(1,498,876)	(3,340,615)	(2,171,510)
Finance expenses	(114,982)	(47,474)	(214,506)
Depreciation and amortisation expenses	(116,082)	(193,059)	(106,543)
Exploration & evaluation expenses	(337,321)	(458,070)	-
Impairment of exploration and evaluation costs	(429,544)	-	(266,311)
Share of results of joint ventures	(346,058)	(405,291)	(476,620)
Impairment of investment in joint ventures carrying values	(555,362)	(1,253,614)	(278,525)
Gain/ (loss) extinguish of financial liabilities	-	-	691,357
Loss before tax from continuing operations	(7,103,475)	(19,444,222)	(7,154,728)
Tax benefit/(expense)	-	-	90,509
Net (loss) after tax	(7,103,475)	(19,444,222)	(7,064,219)
Profit/(Loss) for the period attributable to:			
Equity holders of the parent	(7,103,475)	(19,444,222)	(7,064,219)
Non-controlling interests	-	-	-
	(7,103,475)	(19,444,222)	(7,064,219)
Other comprehensive income/(expense)			
<i>Items that may be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translation of foreign operations	(7,724,922)	342,538	(514,443)
Net other comprehensive profit/(loss) for the period	(14,828,397)	(19,101,684)	(7,578,662)

Total comprehensive income/(Loss) attributable to:			
Equity holders of the parent	(14,828,397)	(19,101,684)	(7,578,662)
Non-controlling interests	-	-	-
	(14,828,397)	(19,101,684)	(7,578,662)

(d) **Consolidated Statements of Financial Position**

The historical consolidated statements of financial position of the Latin Resources Group detailed below have been derived from the reviewed consolidated statement of financial position for the half year ended 30 June 2024 and from the audited consolidated statements of financial position for the financial years ended 31 December 2023 and 31 December 2022. The consolidated statements of financial position detailed below should be read in conjunction with the accompanying notes to Latin Resources' HY24 Interim Report, FY23 Annual Report and FY22 Annual Report. The information for FY22 has been derived from Latin Resources' audited consolidated financial statements for FY23, noting that these reflected restatements of comparable information as at and for FY22.

ASSETS	Reviewed as at 30 June 2024	Audited as at 31 December 2023	Audited as at 31 December 2022
Current assets	\$	\$	\$
Cash and cash equivalents	20,510,401	51,788,688	25,909,429
Trade and other receivables	1,650,601	1,202,657	579,780
Financial assets	358,722	260,810	116,742
Total current assets	22,519,724	53,252,155	26,605,951
Non-current assets			
Plant and equipment	609,087	655,347	465,423
Right of use assets	145,294	216,757	299,323
Investments in an associate and a joint venture	1,281,427	2,182,847	845,305
Exploration and evaluation assets	91,927,975	66,468,306	23,828,213
Total non-current assets	93,963,783	69,523,257	25,438,264
Total assets	116,483,507	122,775,412	52,044,215
LIABILITIES			
Current liabilities			
Trade and other payables	12,396,240	6,966,722	5,027,810
Lease liabilities	137,951	145,890	121,651
Provisions	274,299	150,280	76,739
Total current liabilities	12,808,490	7,262,892	5,226,200
Non-current liabilities			
Lease liabilities	13,669	77,748	181,265
Provisions	14,151	10,126	-
Total non-current liabilities	27,820	87,874	181,265
Total liabilities	12,836,310	7,350,766	5,407,465
Net assets	103,647,197	115,424,646	46,636,750
EQUITY			
Contributing equity	199,593,519	197,537,994	103,163,413

Capital reserves	2,951,212	9,745,821	15,888,284
Accumulated losses	(98,897,534)	(91,859,169)	(72,414,947)
Total equity	103,647,197	115,424,646	46,636,750

(e) **Historical Consolidated Statements of Cash Flows**

The historical consolidated statements of cash flows of the Latin Resources Group detailed below have been derived from the reviewed consolidated statement of cash flows for the half year ended 30 June 2024 and from the audited consolidated statements of cash flows for the financial years ended 31 December 2023 and 31 December 2022. The consolidated statements of cash flows detailed below should be read in conjunction with the accompanying notes to Latin Resources' HY24 Interim Report, FY23 Annual Report and FY22 Annual Report. The information for FY22 has been derived from Latin Resources' audited consolidated financial statements for FY23, noting that these reflected restatements of comparable information as at and for FY22.

	Reviewed as at 30 June 2024	Audited as at 31 December 2023	Audited as at 31 December 2022
Cash flows from operating activities	\$	\$	\$
Payments to suppliers and employees	(1,805,919)	(5,391,422)	(3,520,604)
Payments for exploration & evaluation costs	(432,317)	-	-
Interest received	1,033,996	1,309,959	317,630
Other finance costs	-	(16,114)	(18,556)
Other income	-	331,844	90,509
Net cash inflow / (outflow) from operating activities	(1,204,240)	(3,765,733)	(3,131,021)
Cash flows from investing activities			
Payments for plant and equipment	(83,082)	(320,969)	(400,940)
Payments for security deposits	(83,487)	(84,260)	(34,188)
Proceeds from disposal of plant and equipment	-	22,273	-
Payment on financial assets	(15,943)	(57,985)	-
Payment for explorations and evaluation costs	(29,553,910)	(37,373,774)	(12,539,316)
Tenement acquisition costs	-	(500,000)	-
Payment of Investment in Solis Minerals	-	(3,000,000)	-
Net cash inflow / (outflow) from investing activities	(29,736,422)	(41,314,715)	(12,974,444)
Cash flows from financing activities			
Proceeds from the issue of equity	-	72,100,000	35,000,000
Proceeds from options exercised	-	3,277,625	8,332,339
Costs associated with share issues	(45,378)	(4,339,665)	(1,545,826)
Proceeds from borrowings	-	-	2,425,000
Financial costs associated with borrowings	-	-	(200,000)
Repayment of borrowings	-	-	(2,425,000)
Payment of lease liabilities	(76,500)	(149,500)	(66,000)
Net cash inflow / (outflow) from financing activities	(121,878)	70,888,460	41,520,513
Net increase / (decrease) in cash held for reporting period	(31,062,540)	25,808,012	25,415,048
Cash at beginning of period	51,788,688	25,909,429	642,784
Effects of exchange rate changes on cash	(215,747)	71,247	(148,403)

Cash at the end of the period	20,510,401	51,788,688	25,909,429

5.8 Material changes in Latin Resources' financial position

To the knowledge of the Latin Resources Board, and except as disclosed elsewhere in this Scheme Booklet, the financial position of Latin Resources has not materially changed since 30 June 2024.

5.9 Bridging Loan facility

On 9 September 2024, Latin Resources and Pilbara Minerals entered into a secured loan agreement, under which Pilbara Minerals has agreed to make available to Latin Resources funding of \$10,000,000 (**Bridging Loan**). The Bridging Loan is for general working capital purposes, and will only become available to Latin Resources following the earlier of Latin Resources' available cash reserves falling below \$5,000,000 and 30 November 2024. In November 2024, a \$5,000,000 draw down was made on the facility for general working capital purposes.

The material terms of the Bridging Loan are as follows:

(a) Conditions precedent to draw down

Drawdown of the Bridging Loan is subject to certain conditions which, in addition to drawdown conditions typical for a loan of this nature, include the following conditions:

- the Latin Resources Board continuing to unanimously recommend to Latin Resources Shareholders that they vote in favour of the Share Scheme;
- the Effective Date of the Share Scheme not having occurred; and
- no party having exercised a right to terminate the Scheme Implementation Agreement.

(b) Repayment

The timing of repayment is a function of the circumstances that trigger the obligation to repay:

- **Share Scheme is implemented:** if the Share Scheme becomes Effective, Latin Resources must repay the Bridging Loan within 5 months of the Effective Date;
- **Scheme Implementation Agreement is terminated – no breach:** if the Scheme Implementation Agreement is terminated because the Share Scheme is not approved by the Requisite Majorities of Latin Resources Shareholders or the Scheme Implementation Agreement is terminated (other than if the Scheme Implementation Agreement is terminated because of a breach of the Scheme Implementation Agreement by Latin Resources or by the occurrence of a Latin Resources Prescribed Event), but the Latin Resources Board has continued to unanimously recommend Latin Resources Shareholders vote in favour of the Share Scheme (other than in certain prescribed circumstances), Latin Resources must repay the Bridging Loan within 5 months of the date that the Scheme Implementation Agreement is terminated;
- **Superior Proposal recommendation:** if the Latin Resources Board recommends a Superior Proposal, Latin Resources must repay the Bridging Loan within 5 days after the Latin Resources Board first publicly recommends the Superior Proposal;
- **Scheme Implementation Agreement is terminated – breach:** if the Scheme Implementation Agreement is terminated because of a breach of the Scheme Implementation Agreement by Latin Resources or by the occurrence of a Latin Resources Prescribed Event, Latin Resources must repay the Bridging Loan within 2 months of the date that the Scheme Implementation Agreement is terminated; and

- **Event of default:** following an event of default, which includes, in addition to events of default typical for a loan of this nature, the occurrence (after the termination of the Scheme Implementation Agreement) of a Latin Resources Material Adverse Effect, the Bridging Loan together with all accrued interest will become immediately due and payable.

(c) **Interest**

The Bridging Loan is subject to an interest rate of 10% p.a. payable on repayment of the loan. In circumstances where an event of default is continuing, an additional interest rate of 2% p.a. will apply to the Bridging Loan.

(d) **Other**

The Bridging Loan is otherwise subject to standard terms typical for a loan of this nature.

5.10 Capital structure

(a) **Latin Resources Shares on issue**

As at the Last Practicable Date, there were 2,801,419,463 Latin Resources Shares on issue.

(b) **Latin Resources Options on issue**

As at the Last Practicable Date, the outstanding Latin Resources Options on issue are as listed below:

Tranche	Exercise price of the Latin Resources Option	Expiry date of the Latin Resources Option	Number of Latin Resources Options
Options – LRSAAE	\$0.45	30 December 2024	10,000,000 ²⁵
Options – LRSAAF	\$0.55	30 June 2025	13,500,000
Options – LRSAY	\$0.22	27 April 2027	113,986,160
Total			137,486,160

(c) **Latin Resources Performance Rights on issue**

As at the Last Practicable Date, Latin Resources' outstanding performance rights on issue are as detailed below:

Description	Units
Performance incentive rights Reference PR3	11,000,000
Performance incentive rights Reference PR4	3,000,000

²⁵ The Expiring Options will lapse (if they have not been exercised) on 30 December 2024 which is prior to the Record Date for the Option Scheme. Holders of this tranche of Latin Resources Options need to validly exercise their options on or before the expiry date of 30 December 2024 in order to receive Latin Resources Shares and participate in the Share Scheme.

Performance incentive rights Reference PR5	47,550,000
Performance incentive rights Reference PR6	27,950,000
Total	89,500,000

Refer to Section 3.6(a) for details of the proposed treatment of the Latin Resources Performance Rights.

(d) **Latin Resources Loan Funded Shares**

As at the Last Practicable Date, there were 4,000,000 Latin Resources Loan Funded Shares on issue.

Refer to Section 3.6(b) for details of the proposed treatment of the Latin Resources Loan Funded Shares.

5.11 Substantial shareholders

As extracted from substantial holder filings released to ASX on or before the Last Practicable Date,²⁶ the following persons are substantial holders of Latin Resources Shares:

Substantial holder	Number of Latin Resources Shares	Voting power in Latin Resources
The Goldman Sachs Group Inc.	241,979,882	8.64%
UBS Group AG and its related bodies corporate	205,376,355	7.33%
José Luis Manzano	202,912,345	7.24%
Weiss Asset Management LP	200,108,213	7.14%

5.12 Recent share price history

The closing price of Latin Resources Shares on ASX on the Last Practicable Date was \$0.175.

The current price of Latin Resources Shares on ASX can be obtained from the ASX website (www.asx.com.au) or <https://www.latinresources.com.au/investor-dashboard/>.

The chart below illustrates Latin Resources' Share price performance over the 12 month period up to and including 14 August 2024, being the last trading day prior to the announcement of the Schemes on ASX on 15 August 2024.

²⁶ Other than in respect of José Luis Manzano, whose shareholding has been determined by reference to the Latin Resources Register.



5.13 Corporate governance

To the extent that they are applicable to Latin Resources, the Latin Resources Board has adopted the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations where the Latin Resources Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where, after due consideration, Latin Resources' corporate governance practices depart from a recommendation, the Latin Resources Board has disclosed the reasons for the departure in its Corporate Governance Statement for the financial year ended 31 December 2023, a copy of which can be found in Latin Resources' Appendix 4G dated 27 March 2024.

A summary of Latin Resources' corporate governance policies and procedures is available on its website at <https://www.latinresources.com.au/corporate-governance/>.

5.14 Directors' intentions for the business

The Corporations Regulations require a statement by the Latin Resources Directors of their intentions regarding the continuation of Latin Resources' business, major changes, if any, to be made to Latin Resources' business or any future employment of Latin Resources' current employees.

If the Share Scheme is implemented, Pilbara Minerals will acquire and control Latin Resources. On the Implementation Date, the Latin Resources Board is expected to be reconstituted with nominees of Pilbara Minerals. The Latin Resources Board will be reconstituted as described in Section 7.3(e). Accordingly, it is not possible for the Latin Resources Directors to provide a statement of their intentions after the Share Scheme is implemented regarding the above matters. The current intentions of Pilbara Minerals with respect to these matters are set out in Section 7.3.

If the Share Scheme is not implemented, the Latin Resources Directors intend to continue to operate Latin Resources in the ordinary course of business and for Latin Resources to remain listed on ASX. Further, Latin Resources will immediately evaluate its working capital requirements to determine an appropriate level of funding to continue to advance development activities at the Salinas Project. In this scenario, Latin Resources is expected to require additional funding.

5.15 Publicly available information

(a) Continuous disclosure and publicly available information

As an ASX listed company and a "disclosing entity" for the purposes of section 111AC(1) of the Corporations Act, Latin Resources is subject to regular reporting and disclosure obligations. Broadly these require it to announce price sensitive information to ASX as soon as it becomes aware of the information, subject to exceptions for certain confidential information. Latin Resources' most recent announcements are available from its website www.latinresources.com.au/. Further announcements concerning Latin Resources will continue to be made available on this website after the date of this Scheme Booklet.

ASX maintains files containing publicly available information about entities listed on their exchange. Latin Resources' files are available for inspection at ASX during normal business hours and are available on the ASX website (www.asx.com.au).

Additionally copies of documents lodged with ASIC in relation to Latin Resources may be obtained from or inspected at an ASIC service centre. Please note ASIC may charge a fee in respect of such services.

The following documents are available for inspection free of charge prior to the Scheme Meetings during normal business hours at the registered office of Latin Resources:

- constitution of Latin Resources;
- Latin Resources' annual report for the financial year ended 31 December 2023;
- Latin Resources' half year report for the 6 months ended 30 June 2024; and
- Latin Resources' public announcements.

Latin Resources' annual and interim reports and public announcements are also available at its website www.latinresources.com.au/.

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules, and which is required to be set out in this Scheme Booklet.

A list of announcements made by Latin Resources to ASX (or under Latin Resources' ASX ticker code) from the date of the Scheme Implementation Agreement on 14 August 2024 to the Last Practicable Date is included below:

Date	Announcement
19 November 2024	First Drawdown (\$5M) of Pilbara Minerals Loan Facility
11 November 2024	Change in substantial holding
4 November 2024	Change in substantial holding
30 October 2024	Change in substantial holding
30 October 2024	Quarterly Activities/Appendix 5B Cash Flow Report
29 October 2024	Minas Gerais Presentation - October 2024
23 October 2024	Ceasing to be a substantial holder
22 October 2024	Becoming a substantial holder
22 October 2024	Becoming a substantial holder
18 October 2024	Ceasing to be a substantial holder
17 October 2024	Becoming a substantial holder
16 October 2024	Change in substantial holder
9 October 2024	Ceasing to be a substantial holder
8 October 2024	Change in substantial holding
4 October 2024	Change in substantial holding
2 October 2024	Becoming a substantial holder

1 October 2024	Ceasing to be a substantial holder
30 September 2024	Becoming a substantial holder
23 September 2024	Change in substantial holding
23 September 2024	Ceasing to be a substantial holder
19 September 2024	Change in substantial holding
19 September 2024	Change in substantial holding
17 September 2024	Becoming a substantial holder
17 September 2024	Change in substantial holding
13 September 2024	Change in substantial holding
13 September 2024	Ceasing to be a substantial holder
12 September 2024	Becoming a substantial holder
12 September 2024	Half Yearly Report and Accounts
10 September 2024	Cleansing statement
10 September 2024	Application for quotation of securities
10 September 2024	Notification regarding unquoted securities
9 September 2024	Change in substantial holding
5 September 2024	Ceasing to be a substantial holder
30 August 2024	Change in substantial holding
30 August 2024	Becoming a substantial holder
28 August 2024	Ceasing to be a substantial holder
26 August 2024	Becoming a substantial holder
26 August 2024	Becoming a substantial holder
23 August 2024	Becoming a substantial holder
20 August 2024	Ceasing to be a substantial holder
15 August 2024	Letter to Shareholders
15 August 2024	Presentation - Pilbara Minerals to acquire Latin Resources
15 August 2024	Pilbara Minerals to acquire Latin Resources

(b) **Right to inspect and obtain copies of the Latin Resources Register**

In accordance with section 168 of the Corporations Act, Latin Resources maintains a register of all Latin Resources Securityholders. A Latin Resources Securityholder has the right to inspect the Latin Resources Register under section 173 of the Corporations Act, which contains the name and address of

each Latin Resources Securityholder and certain other prescribed details relating to Latin Resources Securities, without charge. A Latin Resources Securityholder also has the right to request a copy of the relevant register under section 173 of the Corporations Act, upon payment of a fee (if any) up to a prescribed amount.



06.

Information on Pilbara Minerals

6. Information on Pilbara Minerals

The information in this Section of the Scheme Booklet has been prepared by Pilbara Minerals as at the Last Practicable Date (unless otherwise stated) and is Pilbara Minerals Information. Additional information is included in the Independent Expert's Report attached in Annexure A. The information concerning Pilbara Minerals and the intentions, views and opinions contained in this Section 6 are the responsibility of Pilbara Minerals. Latin Resources and its Directors, officers, employees and advisers do not assume any responsibility for the accuracy or completeness of this information.

6.1 Background

Pilbara Minerals is a leading ASX-listed lithium producer that owns 100% of Pilgangoora, the world's largest, independently owned hard rock lithium operation and an important source of lithium raw materials globally. Located in Western Australia's resource-rich Pilbara region, Pilgangoora produces spodumene and tantalite concentrate. While Pilgangoora continues to deliver a quality product to market, Pilbara Minerals is actively pursuing a growth and diversification strategy to become a sustainable battery materials supplier and has attracted a consortium of high-quality global partners, including POSCO, Ganfeng Lithium Group Co Ltd (**Ganfeng**)²⁷ and Calix Limited (**Calix**). Pilbara Minerals' business is being fuelled by the increasing demand for clean energy technologies, such as electric vehicles and renewable energy storage.

6.2 History

Pilbara Minerals is an Australian-based company listed on the ASX (ASX:PLS). As at the Last Practicable Date, Pilbara Minerals had a market capitalisation of approximately \$7.9 billion.

Pilbara Minerals completed the acquisition of Pilgangoora from Global Advanced Metals Wodgina Pty Ltd in July 2014 and successfully financed and developed the project to first production of spodumene and tantalite concentrate in 2018, with commercial production later declared in 2019. In 2021, Pilbara Minerals completed the acquisition of the Altura lithium project through the purchase of the shares in Altura Lithium Operations Pty Ltd for ~US\$175 million.²⁸ The acquisition allowed Pilbara Minerals to consolidate an adjoining tenement package and obtain an additional processing plant (**Ngungaju Plant**) located to the west of Pilgangoora.

Over recent years, Pilbara Minerals has embarked on a staged and incremental expansion strategy at Pilgangoora, including the:

- P680 expansion project (**P680 Project**), which received a final investment decision (**FID**) in 2022. The P680 Project consists of a primary rejection facility, enabling the expansion of nameplate production capacity at Pilgangoora from ~580,000 tonnes to ~680,000 tonnes per annum of spodumene concentrate and a crushing and ore sorting facility.²⁹ Commissioning of the primary rejection facility was completed in the December quarter 2023. Commissioning of the crushing and ore sorting facility was completed in the September quarter 2024;
- P1000 expansion project (**P1000 Project**), which received a FID in 2023 and is expected to enable nameplate production capacity at Pilgangoora to be expanded to ~1,150,000 tonnes per annum of spodumene concentrate.³⁰ The P1000 Project is in progress and expected to be commissioned in the March quarter 2025; and
- pre-feasibility study on the P2000 expansion project (**P2000 Project**) which was announced in June 2024. The pre-feasibility study established that Pilgangoora could be expanded to an annualised

²⁷ The term, "Ganfeng" is used to refer to Ganfeng Lithium Group Co. Ltd or any subsidiaries thereof, as the context requires.

²⁸ Comprised upfront cash consideration of US\$155m and ~69 million Pilbara Minerals Shares in deferred consideration which had an implied minimum value of US\$20 million at the time of signing the implementation deed announced on 28 October 2020.

²⁹ For more information, refer to ASX Release "Final Investment Decision To Increase Pilgangoora Production Capacity".

³⁰ Production nameplate capacity of 1,150,000 tonnes per annum is the production capacity over a 5 year period post ramp up of the P1000 Project and is the total production capacity across both the Pilgan Plant and the Ngungaju Plant and is based on the current mine plan and a SC5.2% product grade. Actual production achieved in any year will depend on the actual concentrate grade and ore grade and is variable over the mine plan. Refer to ASX release "P1000 Project Final Investment Decision" dated 29 March 2023 for further details and supporting information.

production volume of more than ~2,000,000 tonnes per annum of spodumene concentrate.³¹ Pilbara Minerals recently commenced work on a feasibility study for the P2000 Project, with any subsequent FID to be subject to the outcomes of the feasibility study and prevailing market conditions at the time.

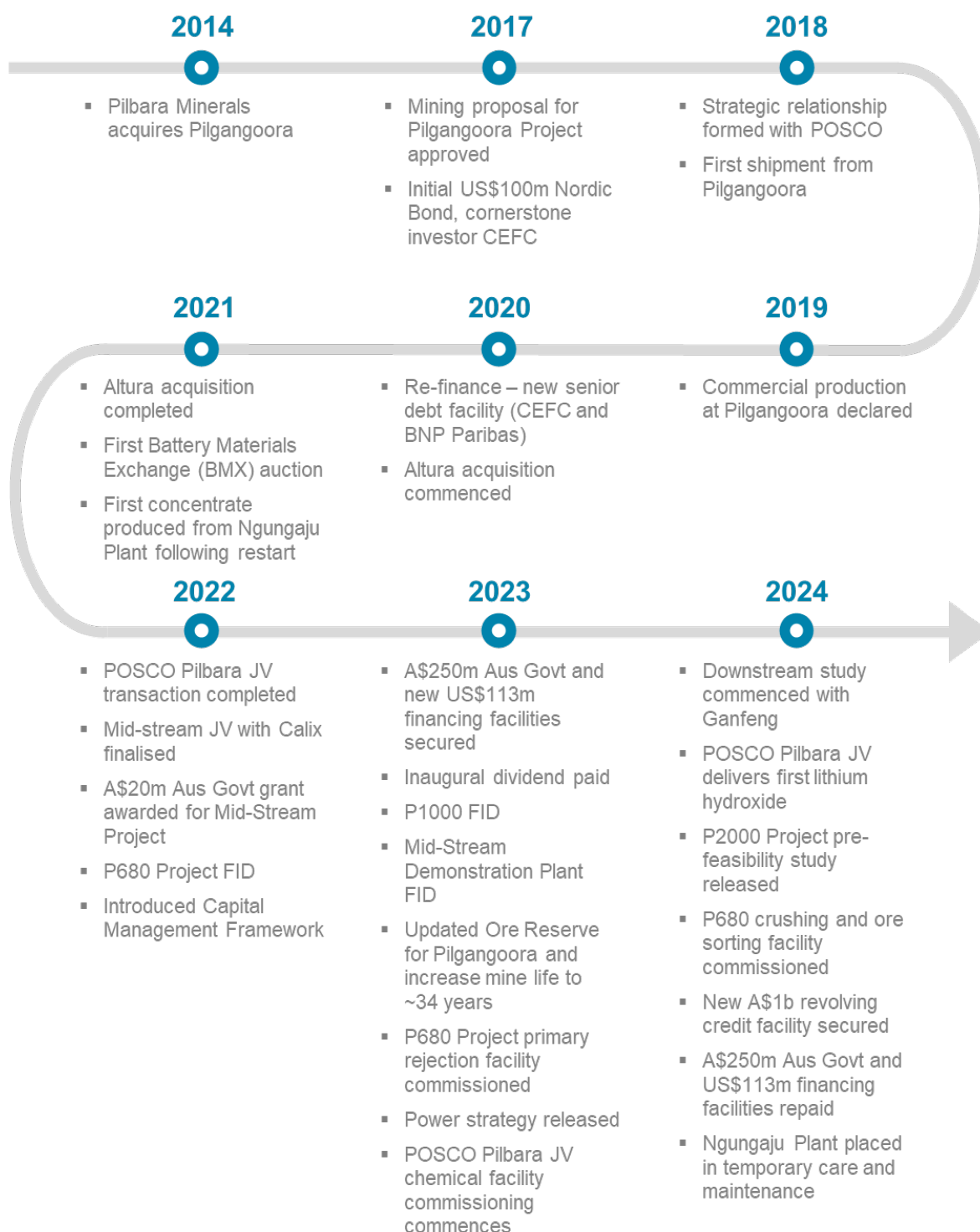
Further to the ongoing expansion of operations at Pilgangoora, Pilbara Minerals delivered record production of 725,329 dry metric tonnes of spodumene concentrate during FY24.

In addition to expanding its production capacity at Pilgangoora:

- in October 2021, Pilbara Minerals expanded into downstream processing through a strategic joint venture with POSCO, which is focused on the development of a ~43,000 tonnes per annum Lithium Hydroxide Monohydrate (**LHM**) chemical processing facility in South Korea;
- in November 2022, Pilbara Minerals entered into a joint venture with ASX-listed Calix to develop a midstream demonstration plant at Pilgangoora with the aim of producing lithium salts via an innovative refining process using Calix's patented calcination technology; and
- in March 2024, Pilbara Minerals announced commencement of a joint feasibility study with Ganfeng to explore development of a downstream lithium conversion facility with a nominal capacity of ~32,000 tonnes per annum lithium carbonate equivalent of lithium chemicals.

Further information on these initiatives outlined above is contained in Section 6.4. A summary of the key milestones in Pilbara Minerals' history is outlined in the figure below.

³¹ The pre-feasibility study for the P2000 Project determined that the expansion is expected to result in the first ten years of annual production averaging approximately 1,900,000 tonnes per annum, with production of more than 2,000,000 tonnes per annum over the first six years after ramp up. Refer to ASX release "Study Delivers 2MTPA Expansion Option – Highly Accretive" dated 21 June 2022 for further details and supporting information.

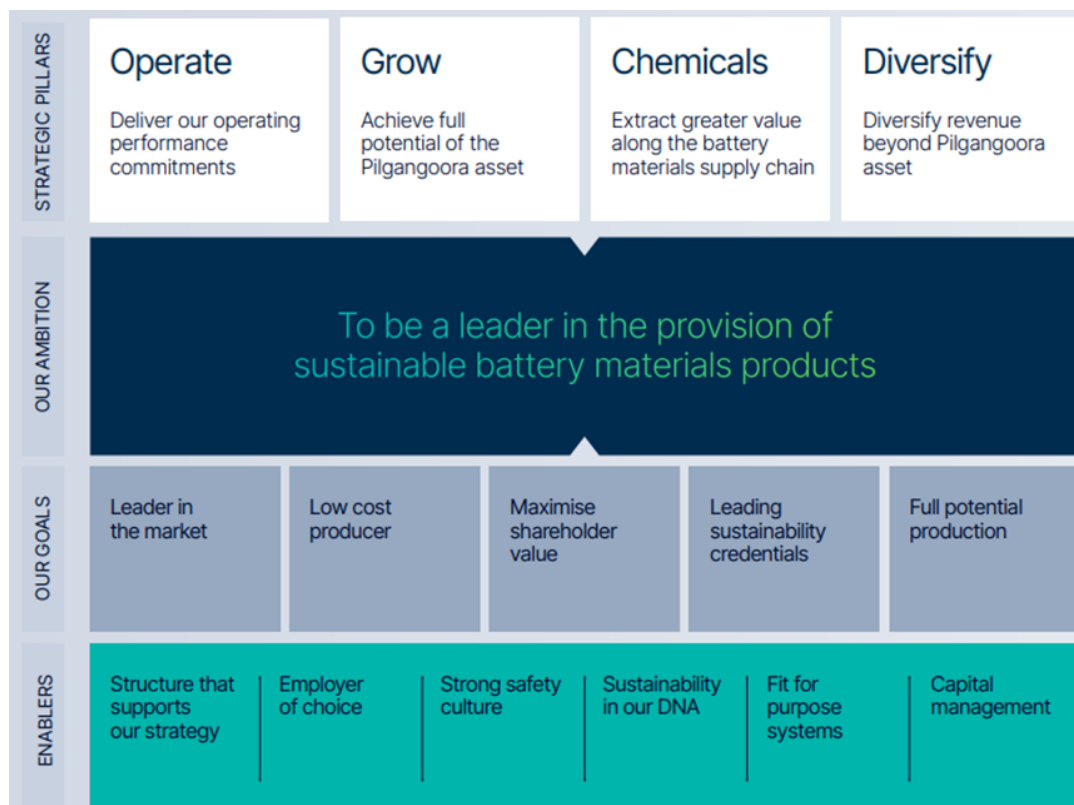


6.3 Strategy

Pilbara Minerals' strategy is designed to generate rapid value creation for its shareholders in line with its vision to be a leader in the provision of sustainable battery materials products.

Pilbara Minerals is guided by its 'Operate', 'Grow', 'Chemicals' and 'Diversify' strategic pillars, and is focussed on ensuring sustainability is embedded throughout the entire business. Through the execution of this strategy, Pilbara Minerals will continue to play a leading role in the world's rapidly growing battery materials supply chain.

An overview of Pilbara Minerals' strategy is outlined in the figure below.



6.4 Pilbara Minerals' business and assets

(a) Pilgangoora

Pilgangoora is a well-established, tier one hard rock lithium operation with an Ore Reserve of 208.7 Mt at 1.19% Li₂O, and a ~33 year mine life. Upon completion of the P1000 Project and subject to the Ngungaju Plant being in operation, Pilgangoora is expected to have production capacity of ~1,150,000 tonnes per annum of spodumene concentrate across the Pilgan and Ngungaju Plants.³² Pilgangoora is located in the Pilbara region of Western Australia, approximately 140km to the port of Port Hedland via road. From Port Hedland, Pilgangoora spodumene concentrate is shipped to leading lithium chemical converters located in China, Indonesia and South Korea.

In response to current lithium market conditions, near term outlook, and the ramp-up of newly expanded processing facilities at the Pilgangoora operation, Pilbara Minerals is intending to optimise the Pilgangoora operation to a single processing plant via the Pilgan Plant. The Pilgan Plant, following the ramp up of the P1000 Project (specifically the Pilgan Plant expansion), is expected to have a standalone production capacity of ~850,000 tonnes per annum of spodumene concentrate (**P850**).³³ Production at the higher cost, lower capacity Ngungaju Plant will be placed into temporary care and maintenance from 1 December 2024. The Ngungaju Plant will remain in care and maintenance, ready to be fully ramped up within approximately four months when market conditions improve, allowing Pilbara Minerals to quickly capture value in a rising price environment.³⁴

³² Production nameplate capacity of 1,150,000 tonnes per annum is the production capacity over a 5 year period post ramp up of the P1000 Project and is the total production capacity across both the Pilgan Plant and the Ngungaju Plant and is based on the current mine plan and a SC5.2% product grade. Actual production achieved in any year will depend on the actual concentrate grade and ore grade and is variable over the mine plan. Refer to ASX release "P1000 Project Final Investment Decision" dated 29 March 2023 for further details and supporting information.

³³ Based on the current mine plan and a SC5.2% product grade. Actual production achieved in any year will depend on the actual concentrate grade and ore grade and is variable over the mine plan.

³⁴ For more information, please see Pilbara Minerals' ASX announcement "September Quarterly Activities Report" released on 30 October 2024.

Pilgangoora is the foundation of Pilbara Minerals' business and Pilbara Minerals continues to prioritise the delivery of its expansion projects at Pilgangoora with the aim of capitalising on the anticipated increase in lithium demand over the coming years.

Pilgangoora Ore Reserve estimate as at 30 June 2024 (using 0.3% Li₂O cut-off)

Pilgangoora's Ore Reserves as at 30 June 2024 are outlined in the table below.³⁵

Category	Tonnes (Mt)	Li ₂ O (%)	Ta ₂ O ₅ (ppm)	Fe ₂ O ₃ (%)
Proved	14.0	1.30	131	0.95
Probable	194.7	1.18	101	1.00
Total	208.7	1.19	103	1.00

Pilgangoora's Mineral Resources as at 30 June 2024 (using 0.2% Li₂O cut-off)

Pilgangoora's Mineral Resources as at 30 June 2024 are outlined in the table below³⁶

Category	Tonnes (Mt)	Li ₂ O (%)	Ta ₂ O ₅ (ppm)	Fe ₂ O ₃ (%)
Measured	16.5	1.33	144	0.44
Indicated	314.4	1.15	106	0.53
Inferred	76.6	1.07	124	0.54
Total	407.5	1.15	111	0.53

P1000 Project

The P1000 Project aims to increase total spodumene concentrate production capacity at Pilgangoora to ~1,150,000 tonnes per annum across the Pilgan Plant and Ngungaju Plant.³⁷ The P1000 Project involves a series of upgrades to the Pilgan Plant's concentrator and a range of supporting infrastructure, and leverages the new infrastructure delivered as part of the P680 Project.

Construction is now well underway with the P1000 Project 80% complete as at the September quarter 2024.

The P1000 Project remains on track with first ore targeted in the March quarter 2025 with full nameplate capacity at the Pilgan Plant of ~850,000 tonnes per annum³⁸ expected by September quarter 2025. This expansion investment supports Pilbara Minerals' long term growth strategy to scale up production capacity at Pilgangoora to capitalise on Pilbara Minerals' anticipated future growth in demand for lithium, cementing Pilbara Minerals' position as a globally significant supplier of battery raw materials.

P2000 Project

A pre-feasibility study was completed during FY24 which determined that spodumene concentrate production capacity at Pilgangoora could be expanded to over ~2,000,000 tonnes per annum under the P2000 Project.³⁹ The P2000 Project would require the construction of a new processing plant at Pilgangoora which would complement existing processing flowsheets currently in use.

³⁵ Information in the table may not add up due to rounding.

³⁶ Information in the table may not add up due to rounding.

³⁷ Production nameplate capacity of 1,150,000 tonnes per annum is the production capacity over a 5 year period post ramp up of the P1000 Project and is the total production capacity across both the Pilgan Plant and the Ngungaju Plant and is based on the current mine plan and a SC5.2% product grade. Actual production achieved in any year will depend on the actual concentrate grade and ore grade and is variable over the mine plan. Refer to ASX release "P1000 Project Final Investment Decision" dated 29 March 2023 for further details and supporting information.

³⁸ Based on the current mine plan and a SC5.2% product grade. Actual production achieved in any year will depend on the actual concentrate grade and ore grade and is variable over the mine plan.

³⁹ For more information, please see Pilbara Minerals' ASX announcement "Study delivers 2MTPA expansion option – highly accretive" released on 21 June 2024.

A feasibility study is now underway which will include assessments and studies to support mine planning, regulatory approvals, water supply, metallurgy and processing, tailings management, supporting infrastructure and financial analysis. The feasibility study outcomes are expected to be completed in the December quarter 2025. The timing of any FID for the P2000 Project will be considered in conjunction with prevailing market conditions.

(b) **PPLS Joint Venture**

POSCO-Pilbara Minerals Lithium Solution Co Ltd (**PPLS**) is an incorporated joint venture (**POSCO Pilbara JV** or **PPLS JV**) between Pilbara Minerals (18%) and POSCO (82%) which was formed in April 2022 to jointly construct and operate a ~43,000 tonnes per annum LHM chemical processing facility (**Conversion Facility**) in Gwangyang, South Korea. The Conversion Facility will consist of two trains, each with a ~21,500 tonnes per annum LHM production capacity, with one of the two trains using POSCO's patented "PosLX" purification technology which has been developed by POSCO for more than 10 years and is licensed on a non-exclusive basis to the PPLS JV.⁴⁰

Pilbara Minerals has a call option (exercisable at Pilbara Minerals' election) to increase its interest in the PPLS JV from 18% to 30%. This call option will be available for up to 20 months after the successful ramp up of the Conversion Facility to 90% of nameplate capacity. This call option will initially be exercisable at cost (plus 3.58% interest per annum) up until the date the Conversion Facility receives battery certification from tier 1 battery producers, and thereafter at fair value. Should there be significant cost overruns or the Conversion Facility is substantially delayed in achieving successful ramp up (including achieving certain operating parameters for nameplate capacity, product quality specifications or unit operating costs), Pilbara Minerals will also have the right (exercisable at Pilbara Minerals' election) to exit the PPLS JV and sell its shares in the PPLS JV to POSCO at the original price paid by Pilbara Minerals.

Pilbara Minerals has agreed to supply up to 315,000 tonnes per annum of chemical grade spodumene concentrate to the Conversion Facility from Pilgangoora at prevailing market prices.⁴¹

The PPLS JV achieved a number of key milestones in the last twelve months:

- In November 2023, the Conversion Facility was officially opened and commissioning commenced for Train 1 which has progressed to ramp up phase. The first train achieved 45% of nameplate capacity for the month of June 2024. The first batch of uncertified LHM was shipped in April 2024 and represented South Korea's first domestically produced LHM product. Full production capacity of Train 1 is scheduled for the September quarter 2025.
- Construction of Train 2 was completed in July 2024 and commissioning activities commenced in August 2024. The ramp up of Train 2 is anticipated to be achieved within 12-18 months following the completion of commissioning.
- The certification processes for the battery grade LHM from Train 1 continued with two South Korean customers during the September quarter 2024.

The PPLS JV positions Pilbara Minerals and POSCO as one of the few near term lithium chemicals producers outside of China. The Conversion Facility's nameplate LHM production capacity of ~43,000 tonnes per annum is enough to produce batteries for approximately one million electric vehicles per year.

(c) **Mid-Stream Joint Venture**

On 27 November 2022, Pilbara Minerals (through its wholly-owned subsidiary Pilbara Lithium Pty Ltd) executed an unincorporated joint venture agreement with Calix Lithium Pty Ltd (a subsidiary of Calix) for the development of a demonstration plant (**Demonstration Plant**) at Pilgangoora with the aim of producing lithium salts via an innovative mid-stream "value added" refining process utilising Calix's patented electric kiln calcination technology, as well as for the potential commercialisation of the

⁴⁰ For more information, please see Pilbara Minerals' ASX announcements "Pilbara Minerals finalises joint venture with POSCO to participate in downstream lithium chemicals facility" released on 26 October 2021, "Update on downstream joint venture with POSCO" released on 11 April 2022 and "POSCO downstream joint venture transaction completed" released on 13 April 2022.

⁴¹ 75,000 tonnes per annum of the total 315,000 tonnes per annum is conditional on a US\$25 million prepayment facility being made available to Pilbara Minerals by PPLS. For more information, please see Pilbara Minerals' ASX announcements "Pilbara Minerals finalises joint venture with POSCO to participate in downstream lithium chemicals facility" released on 26 October 2021 and "Update on downstream joint venture with POSCO" released on 11 April 2022.

process.⁴² The processing path being explored has the potential to reduce transport volumes, transport costs and carbon emission intensity (when powered by renewable energy) and capture additional value from Pilgangoora and other projects. The development of the Demonstration Plant was approved by the Pilbara Minerals' Board in July 2023.

Pilbara Minerals has a 55% participating interest in the joint venture (Calix 45%) and its wholly-owned subsidiary, Pilbara Lithium Pty Ltd, as manager, will oversee both the construction and operation of the Demonstration Plant. Both parties are required to fund agreed portions of operating and capital costs for the Demonstration Plant and Calix will license its patented technology and calcination knowhow into the joint venture. Calix has agreed to provide an exclusive, worldwide, royalty free licence for its innovative calciner technology to the joint venture for lithium processing applications.

In light of the current market conditions, Pilbara Minerals has agreed with Calix to defer any construction works not currently under contract for the Demonstration Plant project. The project remains on budget and is 60% complete to the end of September 2024. Construction works in progress will be completed after which the project will be paused until market conditions are supportive or further government support for project continuation can be secured. Pilbara Minerals remains committed to the progression of the Demonstration Plant project and continues to work with various government bodies in relation to further funding options.

A successful demonstration of the calcination technology via the Demonstration Plant could potentially lead to its commercialisation with the joint venture licensing the technology to the global spodumene processing industry.

(d) **Downstream Feasibility Study with Ganfeng**

On 24 March 2024, Pilbara Minerals signed a binding term sheet with Ganfeng to complete a joint feasibility study on a ~32,000 tonnes per annum lithium carbonate equivalent (**LCE**) downstream lithium conversion plant (**Downstream Feasibility Study**).⁴³ The Downstream Feasibility Study will consider location, fiscal incentives, flowsheet, sustainability and economics. Location evaluation will focus on emerging battery materials hubs with an aim to diversify the parties' respective businesses geographically and ensuring emerging markets for lithium demand are efficiently served.

Once the Downstream Feasibility Study is completed, the parties have the option to progress to a FID along with formation of a joint venture following that. An agreement has been reached on a range of principles which the parties intend to give effect to if the joint venture proceeds, including 50:50 joint venture ownership, offtake of 300,000 tonnes per annum of spodumene concentrate supplied by Pilbara Minerals, and a willingness to explore the United States' Inflation Reduction Act benefits via project equity sell-down (if required).⁴⁴

Costs are limited to the Downstream Feasibility Study and no capital investment is expected on the proposed joint venture until after a FID is approved. The Downstream Feasibility Study represents a key milestone in Pilbara Minerals' downstream strategy, creating further potential to:

- extract a greater proportion of value across the battery materials supply chain;
- benefit from the substantial increase in public and private investment planned to develop geographically diversified battery chemicals processing capability; and
- further strengthen a customer relationship, while supporting Pilbara Minerals' core upstream business through a concomitant offtake agreement.

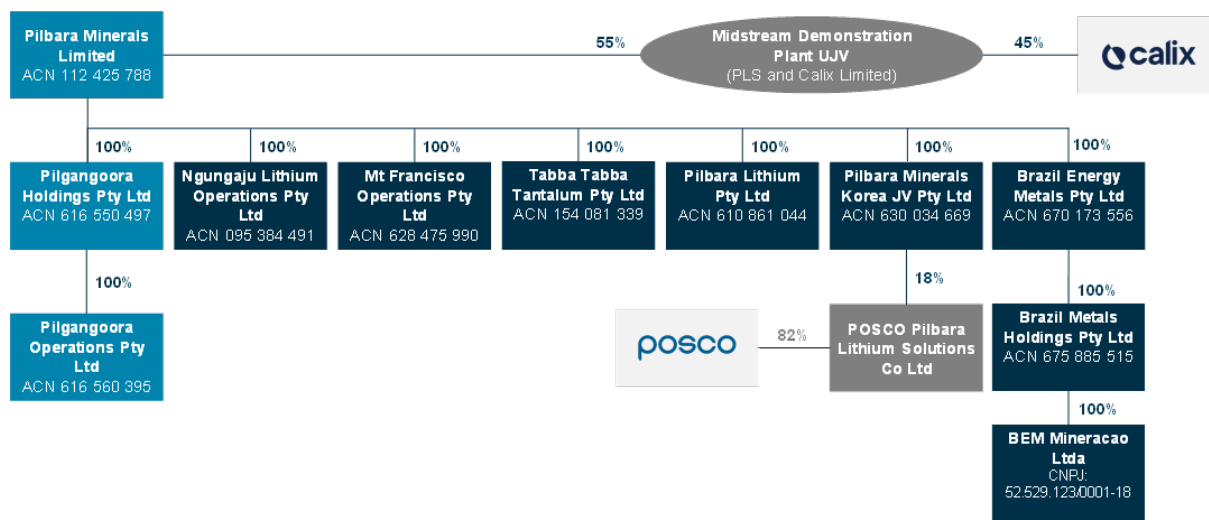
⁴² For more information, please see Pilbara Minerals' ASX announcements "Pilbara and Calix enter into Joint Venture Agreement for Mid-Stream Demonstration Plant" released on 28 November 2022 and "September 2024 Quarterly Activities Report" released on 30 October 2024.

⁴³ ~32,000 tonnes per annum lithium carbonate equivalent of lithium chemicals (hydroxide and/or carbonate).

⁴⁴ For more information, please see Pilbara Minerals' ASX announcement "Downstream Partnering Outcome – Study commences with Ganfeng" released on 25 March 2024.

6.5 Corporate structure

Pilbara Minerals' corporate structure is outlined in the figure below.⁴⁵



If the Share Scheme is implemented, Latin Resources will become a subsidiary of Pilbara Minerals, and Latin Resources' Subsidiaries that are part of the Core Latin Resources Group will in turn become part of the Pilbara Minerals' Group.

6.6 Dividend framework and history

(a) Dividend framework

Pilbara Minerals' Capital Management Framework prioritises allocation of capital first to maintaining safe and reliable operations, as well as near term productivity initiatives designed to maximise cash being generated from existing operations. Net operating cash flow generated should then be allocated to:

- sustaining capital to maintain operational performance;
- further investment into sustainability commitments and initiatives;
- establishing and maintaining balance sheet strength to protect Pilbara Minerals through all commodity price cycles (inclusive of prudent gearing ratios); and
- paying a sustainable dividend to Pilbara Minerals Shareholders, with a target dividend payout ratio of between 20-30% of free cash flow.⁴⁶

Excess cash flow above and beyond these priorities is allocated to further investment to improve Pilbara Minerals' operations, investment in organic and inorganic growth and acquisition opportunities, debt reduction and/or further returns to shareholders.

The Pilbara Minerals' Board did not declare a FY24 dividend as part of Pilbara Minerals' disciplined approach to capital management.

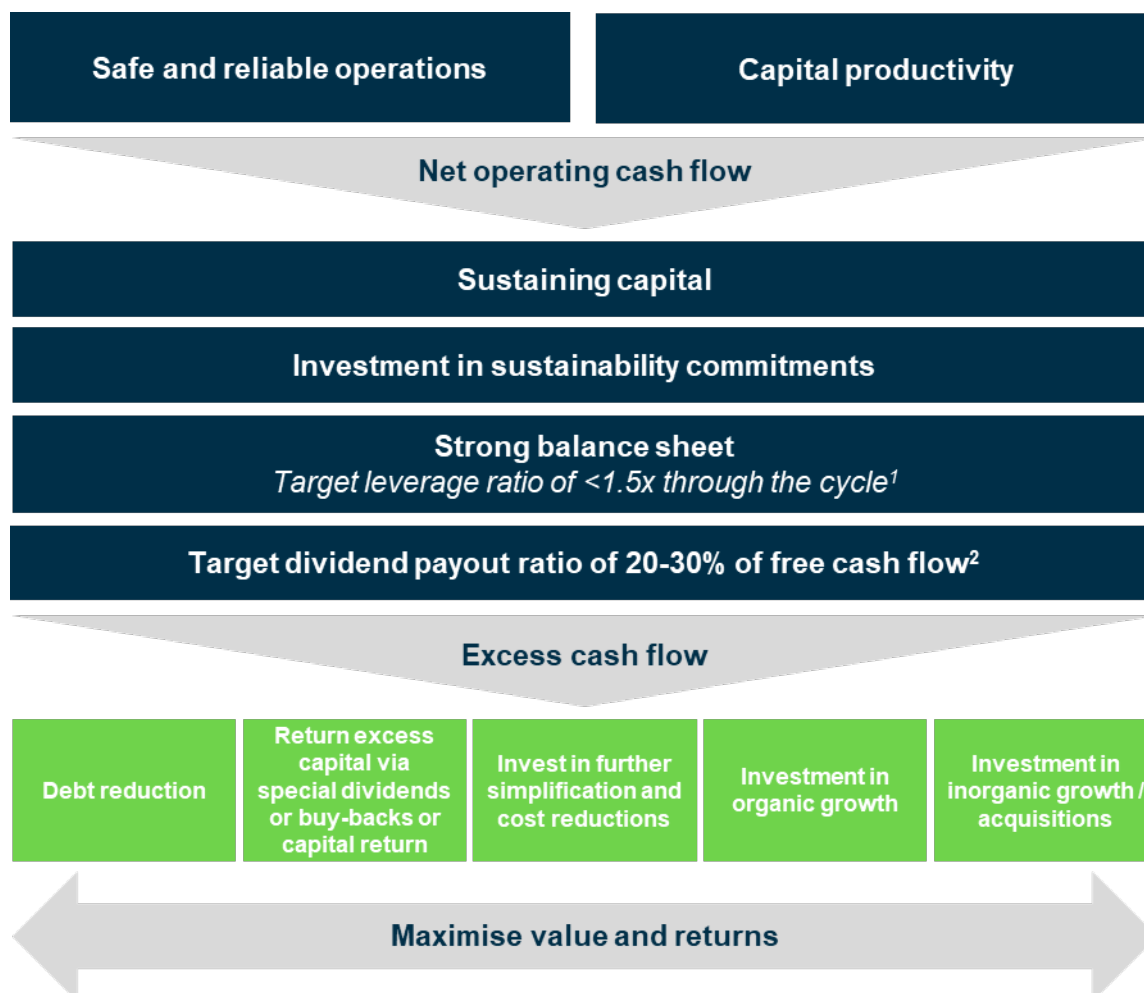
The declaration and payment of future dividends remain at the discretion of the Pilbara Minerals' Board and will be determined based on Pilbara Minerals' financial results, balance sheet strength, cash and liquidity requirements, future prospects, commodity prices, and other factors deemed relevant by the Board. Pilbara Minerals' dividend framework is non-binding and does not represent a legal commitment. The Pilbara Minerals' Board periodically reviews and assesses this non-binding dividend framework and

⁴⁵ POSCO Pilbara Lithium Solution Co Ltd is a company incorporated in South Korea of which Pilbara Minerals Korea JV Pty Ltd has an 18% equity interest with an option at Pilbara Minerals' election to increase to a 30% equity interest.

⁴⁶ Free cash flow is defined as statutory cashflow from operating activities less tax paid/payable less sustaining capital (inclusive of capitalised waste mine development).

reserves all powers related to the declaration and payment of dividends. Consequently, in determining the dividends to be declared and paid on Pilbara Minerals' Shares, the Pilbara Minerals' Board may revise or terminate the payment level at any time without prior notice.

An overview of Pilbara Minerals' Capital Management Framework is outlined in the figure below.



Note 1: Net senior debt / EBITDA, subject to prevailing market conditions

Note 2: Free cash flow is defined as statutory cashflow from operating activities less tax paid / payable less sustaining capital (inclusive of capitalised waste mine development).

(b) **Dividend history**

Record date	Payment date	Unfranked cents per Pilbara Minerals Share (\$)	Fully franked cents per Pilbara Minerals Share (\$)	Total dividend (\$ million)
3 March 2023	24 March 2023	-	0.11	330
6 September 2023	27 September 2023	-	0.14	421

6.7 Directors and senior management

(a) Directors

As of the date of this Scheme Booklet, the Pilbara Minerals Board comprises the following directors:

Name and Position	Profile
Ms Kathleen Conlon Chairman and Independent Non-Executive Director	Ms Conlon has been a professional non-executive director for more than 20 years. She has extensive experience advising and leading some of Australia's largest companies, most recently as Chairman of Lynas Rare Earths Limited. Ms Conlon is currently a Non-Executive Director of ASX-listed companies Aristocrat Leisure Limited and BlueScope Steel Limited and chairs the Corporate Governance Committee of the Australian Institute of Company Directors (AICD) and is a member of Chief Executive Women. Ms Conlon is a former Non-Executive Director of CSR Limited, REA Group Limited, DLA Philips Fox and the Benevolent Society. Prior to becoming a Non-Executive Director, Ms Conlon was a partner with The Boston Consulting Group where she held several Australia and US based leadership positions. In her 20 years of professional consulting, Ms Conlon provided strategic and operational advice to companies across a wide range of industries and countries. In 2003, Ms Conlon was awarded a Commonwealth Centenary Medal in recognition of her service to business leadership in Australia. Ms Conlon is a member of the People and Culture Committee.
Ms Miriam Stanborough AM Independent Non-Executive Director	Ms Stanborough is a chemical engineer with more than 25 years experience in the mineral processing industry across various commodities including copper, uranium, gold, silver, alumina, mineral sands, lithium, salt and vanadium. She has previously held a number of senior roles at Monadelphous, Iluka Resources, Alcoa of Australia and WMC Resources in innovation & technology, technical development, production management, project management, business improvement, HR & diversity strategy, and sales & marketing. She is currently a Non-Executive Director of ASX-listed companies Australian Vanadium Limited and BCI Minerals Limited. Ms Stanborough is the Chairman of the Minerals Research Institute of Western Australia (MRIWA), Deputy Chairman of ChemCentre (WA Government Statutory Authority) and a member of the Advisory Board of the Mental Awareness, Respect and Safety (MARS) Centre (Tertiary Education Institution). Ms Stanborough was recognised in the 2023 King's Birthday Honours List where she was made a Member (AM) of the Order of Australia in the General Division for her significant service to the minerals and mining sector, and to the community. Ms Stanborough is a member of the Audit and Risk Committee and Sustainability Committee.
Mr Nicholas Cernotta Independent Non-Executive Director	Mr Cernotta has more than 40 years of experience in the mining industry, spanning various commodities and operations in Australia, Africa, South East and Central Asia, Saudi Arabia and Papua New Guinea. Graduating with a Bachelor of Mining Engineering, Mr Cernotta has held senior executive roles with extensive operational experience in both the public and private sectors of the mineral resources industry. Mr Cernotta has prided himself in delivering improved results through leadership, and in particular with respect to embedding both safety and performance based leadership cultures in both established and new organisations.

Name and Position	Profile
	Previous roles Mr Cernotta has held include Director of Operations at Fortescue Metals Group, Chief Operating Officer at MacMahon Contracting and Director of Operations at Barrick Gold. He is currently a Non-Executive Director of ASX-listed companies Northern Star Resources Ltd and Critica Limited. Mr Cernotta is the Chairman of the People and Culture Committee and a member of the Sustainability Committee.
Ms Sally-Anne Layman Independent Non-Executive Director	Ms Layman is a mining professional, corporate financier and advisor with 27 years of international and cross-commodity experience across six continents and more than 20 countries. Previously, Ms Layman held a range of senior positions with Macquarie Group Limited, including as Division Director and Joint Head of the Perth office of the Metals, Mining & Agriculture Division. She is currently a Non-Executive Director of ASX-listed companies Beach Energy Limited and Imdex Limited, and was appointed as a director of Newmont Corporation Limited in November 2023. Ms Layman is the Chairman of the Sustainability Committee and a member of the Audit and Risk Committee.
Mr Steve Scudamore AM Independent Non-Executive Director	Mr Scudamore is an experienced Australian company director. His distinguished career includes more than three decades with KPMG, including senior roles in Australia, London and Papua New Guinea including Chairman of Partners WA, Head of Corporate Finance in Western Australia and National Head of Valuations, KPMG Australia. He was a senior advisor with Lazard for a number of years. Mr Scudamore is a Non-Executive Director of Australis Oil & Gas Limited (ASX:ATS) and Regis Resources Limited (ASX:RRL) and a member of the Order of Australia. Mr Scudamore has ongoing involvement in community organisations including as WA Council Chairman and National Board Member of the Australian British Chamber of Commerce. He was previously Chairman of Amana Living, MDA Insurance and Vice Chairman of the Museum of Western Australia. Mr Scudamore joined the Pilbara Minerals Board on 18 July 2016. He is the Chairman of the Audit and Risk Committee and a member of the People and Culture Committee.
Mr Dale Henderson Managing Director and Chief Executive Officer	Mr Henderson is an experienced mining executive with a strong track record of delivering positive financial outcomes for resource businesses and complex operations. Since joining Pilbara Minerals in 2017 as Chief Operating Officer, Mr Henderson has played an instrumental role in leading the company from project developer to becoming a leading ASX-listed lithium production company, now operating the largest independent hard-rock lithium operation in the world in Pilgangoora.

(b) **Pilbara Minerals senior management profiles**

As of the date of this Scheme Booklet, the Pilbara Minerals senior management team are as follows:

Name and Position	Profile
Mr Luke Bortoli Chief Financial Officer	Mr Bortoli is a globally experienced finance executive with a passion for growth, technology and new industries. He has worked for some of Australia's fastest growing companies including Afterpay, where as CFO he oversaw Afterpay's expansion from a single region start-up to one of the world's fastest growing multi-national platforms. Prior to that, he held senior leadership roles with Aristocrat Leisure during which time it scaled to become one of the largest gaming companies globally and Chainlink one of the world's most significant blockchain projects.
Ms Sandra McInnes Chief Sustainability Officer	Ms McInnes is a corporate affairs and sustainability executive with an accomplished career in the resources sector. Ms McInnes has led and advised on corporate strategy and stakeholder relationship management to maintain company reputation and driven improvement in sustainability and social performance. She has deep leadership experience across all facets of people and culture, with a focus on building teams and people capability, and creating a more inclusive work environment. Prior to joining Pilbara Minerals, Ms McInnes was Vice President of Corporate Affairs at Woodside.
Mr John Stanning Chief Development Officer	Mr Stanning is responsible for corporate development, the PPLS JV, and exploration. He is an experienced growth focused executive with a proven track record of executing growth, joint venture and funding strategies. As an investment banker, Mr Stanning advised on 15 transactions in the lithium sector. Prior to joining Pilbara Minerals, Mr Stanning co-headed Macquarie Capital Perth and advised Pilbara Minerals on the successful acquisition of Altura and associated equity raising.
Mr Paul Laybourne Project Director	Mr Laybourne is an experienced project executive with an extensive career in the resources industry, successfully delivering complex studies and projects in both a brownfield and greenfield environment. Mr Laybourne has a strong track record of success, leading all aspects of project management with a strong focus on safety, budget, time and cost. Prior to joining Pilbara Minerals, Mr Laybourne played a lead role in successfully delivering major and mega projects including Roy Hill Iron Ore, which at the time was the world's largest debt-funded resource project.
Ms Jen Mintz General Counsel	Ms Mintz is an accomplished legal executive specialising in the mining industry and projects involving the construction of major infrastructure. She has been both a partner in and consultant to, major international and national law firms. Ms Mintz has also held other senior roles within major mining companies. Recognised consistently in the publication Best Lawyers, Ms Mintz joined Pilbara Minerals in 2019 and has been instrumental in advising Pilbara Minerals through a number of complex transactions and major projects including the Altura acquisition, the P680 and P1000 Projects, offtake and joint venture agreements as well as the establishment of the BMX platform.

Name and Position	Profile
Mr Brett McFadgen Executive General Manager	Mr McFadgen is a skilled metallurgist and mining operations leader with extensive experience across multiple commodities including gold, nickel, copper and lithium. Mr McFadgen is well placed to draw upon his technical knowledge and industry experience to drive strategic and operational success at Pilgangoora. He was formerly the Global Head of Health and Safety for Newcrest where he led risk, hygiene and safety culture development. Mr McFadgen joined Pilbara Minerals in 2023 as General Manager Operations and was appointed as Executive General Manager in 2024. He has oversight of the mine and processing plants including performance, maintenance, safety and quality. Prior to joining Pilbara Minerals, Mr McFadgen held roles with Newcrest Mining, Mineral Resources and Kalgoorlie Consolidated Gold Mines.

6.8 Pilbara Minerals Director interests

(a) Shareholding interest in Latin Resources

As at the Last Practicable Date, no Directors of Pilbara Minerals hold a Relevant Interest in Latin Resources Securities.

(b) Shareholding interest in Pilbara Minerals

The table below sets out the number, description and amount of Pilbara Minerals' securities each Pilbara Minerals Director has a Relevant Interest in as at the Last Practicable Date.

Director	Pilbara Minerals Shares	Pilbara Minerals performance rights	Pilbara Minerals share rights ³
Kathleen Conlon	81,733	Nil	Nil
Dale Henderson ¹	1,594,687	1,261,060	Nil
Stephen Scudamore	185,432	Nil	Nil
Nicholas Cernotta	273,853	Nil	19,975 ²
Sally-Anne Layman	171,652	Nil	Nil
Miriam Stanborough	54,600	Nil	9,226 ²

Notes:

¹ Further equity securities may be issued to Dale Henderson, under the Pilbara Minerals' Employee Award Plan and pursuant to the FY2024 and FY2025 Remuneration Frameworks. These securities will be subject to shareholder approval at the Pilbara Minerals' 2024 Annual General Meeting.

² Pilbara Minerals share rights have a vesting date of 30 November 2024. Subject to vesting outcomes, and if exercised by the relevant Director, they may convert to Pilbara Minerals Shares.

³ In late November 2024, eligible Non-Executive Directors will be invited to participate in a new tranche of the 2023 Non-Executive Director Fee Sacrifice Offer, which, subject to their election, may result in the issue of additional Share Rights.

(c) **Other interests**

The Pilbara Minerals Directors have no interest in the outcome of the Schemes, except as provided for in this Scheme Booklet.

(d) **Disclosure of interests**

Except as otherwise provided in this Scheme Booklet, no:

- Pilbara Minerals Directors or proposed director of Pilbara Minerals;
- person named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet for or on behalf of Pilbara Minerals; or
- promoter, stockbroker or underwriter of Pilbara Minerals or the Enlarged Group,

(together, the **Pilbara Minerals Interested Persons**) holds, or held at any time during the two years before the date of this Scheme Booklet, any interests in:

- the formation or promotion of Pilbara Minerals or the Enlarged Group;
- property acquired or proposed to be acquired by Pilbara Minerals in connection with the formation or promotion of Pilbara Minerals or the Enlarged Group or the offer of Pilbara Minerals Shares under the Schemes; or
- the offer of Pilbara Minerals Shares under the Schemes.

(e) **Disclosure of fees and other benefits**

Except as otherwise disclosed in this Scheme Booklet, Pilbara Minerals has not paid or agreed to pay any fees, or provided or agreed to provide any benefit:

- to a Pilbara Minerals Director or proposed director to induce them to become or qualify as a Pilbara Minerals Director; or
- for services provided by any Pilbara Minerals Interested Persons in connection with:
 - the formation or promotion of Pilbara Minerals or the Enlarged Group; or
 - the offer of Pilbara Minerals Shares under the Schemes.

6.9 Corporate governance

Pilbara Minerals appreciates the importance of maintaining the highest standards of business ethics and good governance practices. Pilbara Minerals has adopted corporate governance policies and practices consistent with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

Such policies include, but are not limited to, the Code of Conduct, Board and Board Committee Charters, Continuous Disclosure, Securities Trading, Shareholder Communications and Investor Relations, Whistleblower and Anti-Bribery and Corruption policies. The full version of Pilbara Minerals current corporate governance policies can be viewed on the Pilbara Minerals' website (<https://pilbaraminerals.com.au/our-company/corporate-governance/>)

6.10 Historical financial information

(a) Overview

The selected historical financial information in this Section 6.10 has been extracted from Pilbara Minerals audited consolidated financial statements for the financial years ended 30 June 2024, 30 June 2023 and 30 June 2022.

(b) Basis of preparation

The historical financial information set out in this Section 6.10 is intended to provide an overview of the historical financial performance, position and cash flows, and is not intended to provide the level of detail or understanding which is available from a review of the Pilbara Minerals published financial reports (which include the full financial accounts and the notes to those accounts) which are available on the ASX website at www.asx.com.au and the Pilbara Minerals website at www.pilbaraminerals.com.au. Accordingly, Pilbara Minerals recommends that the following be read in conjunction with the financial statements of Pilbara Minerals for the respective periods, including the description of the significant accounting policies contained in those financial statements and the notes to those financial statements.

The Pilbara Minerals historical financial information has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The historical financial information in this Section 6.10 related to Pilbara Minerals on a standalone basis, and, accordingly does not reflect any impact of the Schemes.

The Pilbara Minerals financial statements for the years ended 30 June 2024, 30 June 2023 and 30 June 2022 were audited by KPMG in accordance with the Auditing Standards. KPMG issued an unqualified audit opinion on the financial statements.

The Pilbara Minerals Historical Financial Information has been prepared in a manner consistent with the accounting policies and accounting principles applied by Pilbara Minerals in preparing the Annual Report for the year ended 30 June 2024. The Financial Statements have been prepared in accordance with Australian Accounting Standards (AAS) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared on the historical cost basis except for, where applicable, the revaluation of financial assets and liabilities.

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions are subject to the effect of rounding. Accordingly, totals in tables may not add due to rounding. It should be noted that past financial performance is not an indicator of future performance.

(c) Consolidated statements of profit or loss and other comprehensive income

The historical consolidated statements of profit or loss and other comprehensive income of Pilbara Minerals detailed below have been derived from the audited consolidated statements of profit or loss and other comprehensive income for the financial years ended 30 June 2024, 30 June 2023 and 30 June 2022.

	30 June 2024	30 June 2023	30 June 2022
	\$'000	\$'000	\$'000
Operating revenue	1,254,118	4,064,019	1,189,591
Operating costs	(725,282)	(776,261)	(380,284)
Gross profit	528,836	3,287,758	809,307
Other (costs) / income	-	-	114
Expenses			
General and administration expense	(65,773)	(41,771)	(20,929)
Acquisition costs expensed	-	-	990
Exploration and feasibility expense	(45,757)	(19,740)	(13,915)

	30 June 2024	30 June 2023	30 June 2022
	\$'000	\$'000	\$'000
Inventory write-down	-	-	(588)
Depreciation expense	(3,807)	(1,516)	(729)
Share-based payment expense	(15,780)	(12,808)	(5,178)
Operating profit	397,719	3,211,923	769,072
Finance income	118,168	191,091	11,330
Finance costs	(102,341)	(30,842)	(55,591)
Net financing income	15,827	160,249	(44,261)
Share of loss from equity accounted investee	(10,552)	(606)	208
Profit before tax	402,994	3,371,566	725,019
Income tax expense	(146,111)	(980,431)	(163,194)
Net profit for the period	256,883	2,391,135	561,825
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss, net of tax:</i>			
Cash flow hedges reclassified to profit or loss	6,252	928	-
Change in fair value of cash flow hedges	(2,987)	(5,565)	-
Exchange differences on translation of foreign operations	(2,898)	1,865	1,188
<i>Items that will not be reclassified subsequently to profit or loss, net of tax:</i>			
Loss on disposal of equity investments	(4,848)	-	-
Change in fair value of equity investments at FVOCI	(9,830)	(992)	-
	(14,311)	(3,764)	1,188
Total comprehensive profit for the period	242,572	2,387,371	563,013
Basic earnings per share (cents)	8.54	79.91	18.98
Diluted earnings per share (cents)	8.45	78.93	18.47

(d) **Historical consolidated statements of financial position**

The historical consolidated statements of financial position of Pilbara Minerals detailed below has been derived from Pilbara Minerals' audited consolidated statements of financial position for the financial years ended 30 June 2024, 30 June 2023 and 30 June 2022.

	30 June 2024	30 June 2023	30 June 2022
	\$'000	\$'000	\$'000
Assets			
Current assets			
Cash and cash equivalents	1,626,476	3,338,553	591,739
Trade and other receivables	78,080	132,039	299,145
Inventories	132,230	97,251	69,307
Financial assets	2,031	88	-
Current tax asset	106,778	-	-
Total current assets	1,945,595	3,567,931	960,191
Non-current assets			
Inventories	82,387	29,121	-
Property, plant and equipment	2,147,762	1,375,545	929,361
Equity accounted investments	65,589	78,929	77,594

	30 June 2024	30 June 2023	30 June 2022
	\$'000	\$'000	\$'000
Exploration and evaluation expenditure	5,398	8,989	9,289
Financial assets	62,514	138,320	1,953
Total non-current assets	2,363,650	1,630,904	1,018,197
Total assets	4,309,245	5,198,835	1,978,388
Liabilities			
Current liabilities			
Trade and other payables	285,408	387,212	184,155
Provisions	9,271	6,203	3,494
Borrowings and lease liabilities	135,773	124,331	55,768
Financial liability	-	2,984	3,782
Current tax liabilities	-	773,347	90,148
Total current liabilities	430,452	1,294,077	337,347
Non-current liabilities			
Trade and other payables	-	3,880	10,929
Provisions	57,150	41,869	38,250
Borrowings and lease liabilities	419,970	347,618	236,196
Deferred tax liabilities	157,504	121,369	63,640
Total non-current liabilities	634,624	514,736	349,015
Total liabilities	1,065,076	1,808,813	686,362
Net assets	3,244,169	3,390,022	1,292,026
Equity			
Issued capital	966,948	966,230	965,078
Reserves	6,654	14,529	9,558
Retained earnings	2,270,567	2,409,263	317,390
Total equity	3,244,169	3,390,022	1,292,026

(e) **Historical statements of cash flows**

The historical consolidated statements of cash flows of Pilbara Minerals detailed below has been derived from Pilbara Minerals' audited consolidated statements of cash flows for the financial years ended 30 June 2024, 30 June 2023 and 30 June 2022.

	30 June 2024	30 June 2023	30 June 2022
	\$'000	\$'000	\$'000
Cash flows from operating activities			
Receipts from customers	1,172,820	4,386,963	968,089
Payments to suppliers and employees	(721,006)	(762,604)	(310,884)
Payments for exploration and evaluation expenditure	(42,415)	(17,940)	(9,919)
Interest received	117,563	59,609	321
Payments for financial assets	(1,387)	(7,851)	-
Proceeds from government grant	7,000	8,000	-
Income taxes paid	(972,799)	(209,484)	-
Net cash (outflow) / inflow from operating activities	(440,224)	3,456,693	647,607
Cash flows from investing activities			
Payments for property, plant, equipment and mine properties	(810,001)	(385,540)	(128,327)

	30 June 2024	30 June 2023	30 June 2022
	\$'000	\$'000	\$'000
Payments for purchase of equity investments	(85,140)	(22,342)	-
Costs related to the acquisition of subsidiary	(12,663)	(76)	(76,198)
Proceeds from sale of equity investments	80,292	-	-
Net cash outflow from investing activities	(827,512)	(407,958)	(204,525)
Cash flows from financing activities			
Proceeds from the issue of shares and exercise of options	718	1,152	3,564
Proceeds from borrowings	142,264	277,165	107,254
Transaction costs related to borrowings	-	(10,009)	(1,253)
Repayment of borrowings	(33,697)	(183,807)	(27,859)
Repayment of leases	(74,164)	(42,080)	(21,932)
Repayment of contract liabilities	(6,837)	(6,837)	(2,605)
Interest and other costs of finance paid	(40,816)	(20,928)	(11,631)
Dividends paid	(421,021)	(329,781)	-
Net cash outflow from financing activities	(433,553)	(315,125)	45,538
Net (decrease) / increase in cash held	(1,701,289)	2,733,610	488,620
Cash and cash equivalents at the beginning of the period	3,338,553	591,739	99,712
Effect of exchange rate fluctuations on cash held	(10,788)	13,204	3,407
Cash and cash equivalents at the end of the period	1,626,476	3,338,553	591,739

6.11 Material changes in Pilbara Minerals' financial position

On 26 August 2024, Pilbara Minerals released its FY24 Annual Report and results presentation to the ASX. Included in the results presentation was FY25 guidance for production, unit operating cost and capital expenditure. The guidance was subsequently revised in Pilbara Minerals' September 2024 Quarterly Activities Report released to the ASX on 30 October 2024. The FY25 guidance is on the basis of Pilbara Minerals only prior to the implementation of the Share Scheme.

To the knowledge of the Pilbara Minerals Board, the financial position of Pilbara Minerals has not materially changed since 30 June 2024, other than (i) as disclosed in this Scheme Booklet or as otherwise disclosed to the ASX by Pilbara Minerals; and (ii) in accordance with generally known market conditions.

6.12 Financing arrangements

Pilbara Minerals believes its existing cash and cash equivalents and cash generated from continuing operations will be adequate to satisfy working capital needs, fund future growth, meet debt obligations and meet other liquidity requirements for the foreseeable future.

On 14 October 2024, Pilbara Minerals executed transaction documentation for a new A\$1 billion debt facility in the form of a Revolving Credit Facility (RCF) with a group of domestic and international banks. The RCF can be utilised for refinancing and general corporate and working capital purposes subject to drawdown conditions and represents a further step in the maturity of the Pilbara Minerals Group's capital structure.

Financial close of the RCF was achieved in late October 2024. As a condition to financial close, Pilbara Minerals used cash on hand to repay all drawn debt and other costs associated with closing an existing 10-year \$250 million debt facility with Export Finance Australia and the Northern Australia Infrastructure Facility and a 5-year US\$113 million syndicated debt facility in the sum of \$374 million. The Pilbara Minerals 30 September 2024 cash balance of \$1.4 billion subsequently reduced to \$1.0 billion pro forma to adjust for the \$374 million debt repayment. Net cash is unchanged.

6.13 Capital structure

(a) Ownership

Pilbara Minerals is listed on the ASX and has a diverse shareholder base. As at the Last Practicable Date, Pilbara Minerals had 110,900 holders of ordinary shares.

To the best of its knowledge, Pilbara Minerals is not directly or indirectly controlled by another corporation or any person or foreign government and there are no current activities known which may, at a subsequent date, result in a change of control of Pilbara Minerals.

(b) Pilbara Minerals issued securities

As at the Last Practicable Date, the total securities of Pilbara Minerals on issue were as follows:

Security	Number
Fully paid ordinary shares (ASX code: PLS)	3,011,543,934
Performance rights expiring 30 September 2025 (ASX code: PLSAAB)	384,570
Performance rights expiring 30 November 2025 (ASX code: PLSAV)	2,180,822
Performance rights expiring 31 December 2025 (ASX code: PLSAN)	199,518
Performance rights expiring 31 December 2025 (ASX code: PLSAX)	230,497
Performance rights expiring 31 December 2026 (ASX code: PLSAT)	2,047,783
Performance rights expiring 31 December 2027 (ASX code: PLSAAA)	2,000,655
Share rights (ASX code: PLSAZ)	29,201
Convertible bonds (ASX code: PLSAR)	79,603,050

The rights and liabilities attaching to Pilbara Minerals Shares are set out in Section 6.15.

The rights and liabilities attaching to other securities in Pilbara Minerals are summarised in the below table.

Security	Summary of rights
Performance rights	The performance rights in Pilbara Minerals were issued under the Employee Award Plan. The performance rights have various expiry dates and vesting conditions. All performance rights have a nil exercise price and convert into Pilbara Minerals Shares on a 1:1 basis. There are no voting rights attached to the performance rights. Further information in relation to the Employee Award Plan can be found in Section 6.17(a).

Share rights	The share rights in Pilbara Minerals were issued under the Employee Award Plan, as part of the 2023 Non-Executive Director Fee Sacrifice Offer (Offer). The Offer allows eligible non-executive directors to elect to sacrifice a fixed component of their fee each year (up to 40%) over a twelve-month period for share rights. The share rights have only a service condition attached and will vest on or around 30 November of each relevant year. The exercise price for the rights is nil and the share rights convert into Pilbara Minerals Shares on a 1:1 basis. There are no voting rights attached to the share rights. Subject to any securities trading policy or other legal restriction, the share rights can be exercised at the director's discretion up to 15 years from grant. The fees payable to a director are reduced by the value of rights provided under the Offer. Further information in relation to the Employee Award Plan can be found in Section 6.17.
Convertible bonds	Pilbara Minerals has issued convertible bonds (at a face value of \$79.6 million) to POSCO's wholly owned Australian subsidiary pursuant to a convertible bond agreement entered into on 21 October 2021. The convertible bonds have a maturity date of 13 April 2027 and are convertible to Pilbara Minerals Shares at Pilbara Minerals' election at any time upon notice being provided. There are no voting rights attached to the convertible bonds. The bonds are convertible at a conversion price that is 92.5% of a volume weighted average Pilbara Minerals' share price for a period ending prior to the issue of the conversion notice. Interest at 1.5% above the RBA interbank overnight cash rate accumulates and is payable on redemption or conversion of the convertible bonds.

6.14 Substantial holders

As at the Last Practicable Date, so far as known to Pilbara Minerals, there are no substantial holders of Pilbara Minerals, except as set out below:

Substantial Holder	Ordinary Shares Held	Voting Power ¹
State Street Corporation and its subsidiaries	322,638,507	10.71%
Australian Super Pty Ltd	315,756,255	10.48%
JPMorgan Chase & Co. and its affiliates	191,911,928	6.37%
Blackrock Group	190,043,220	6.31%
GFL International Co Limited	172,684,971	5.73%
Citigroup Group	165,407,887	5.49%
Vanguard Group	150,507,909	5.00%

Notes:

¹ Based on the 3,011,543,934 Pilbara Minerals Shares outstanding as at the Last Practicable Date.

² The holdings listed in this section are as disclosed to Pilbara Minerals by shareholders in substantial holding notices or otherwise based on information known to Pilbara Minerals as at the Last Practicable Date. Information regarding substantial holdings that arise, change or cease after the date of the substantial holding notices disclosed to Pilbara Minerals, or in respect of which the relevant announcement is not available on the ASX's website (www.asx.com.au), is not included above.

6.15 Rights attaching to New Pilbara Minerals Shares

(a) Introduction

The rights and liabilities attaching to the New Pilbara Minerals Shares which will be issued as Share Scheme Consideration and Option Scheme Consideration are set out in Pilbara Minerals' constitution and are subject to the Corporations Act and the ASX Listing Rules.

The main rights and liabilities attaching to the New Pilbara Minerals Shares are summarised below. This summary does not purport to be exhaustive and must be read subject to the full text of Pilbara Minerals' constitution, available at: <https://pilbaraminerals.com.au/wp-content/uploads/2022/03/NewConstitution.pdf>

Under the Corporations Act, the Pilbara Minerals constitution has effect as a contract between:

- Pilbara Minerals and each Pilbara Minerals shareholder;
- Pilbara Minerals and each director and company secretary of Pilbara Minerals; and
- a Pilbara Minerals Shareholder and each other Pilbara Minerals Shareholder.

Accordingly, if you receive New Pilbara Minerals Shares as Share Scheme Consideration or Option Scheme Consideration, you are taken to receive them subject to the terms of the Pilbara Minerals constitution and you will be bound by the terms of the Pilbara Minerals constitution. Latin Resources Securityholders should seek their own independent advice in relation to their rights and liabilities as potential holders of Pilbara Minerals shares in specific circumstances.

(b) Liability of Pilbara Minerals Shareholders

Subject to the Corporations Act, the ASX Listing Rules and the terms upon which the Pilbara Minerals Shares are issued, Pilbara Minerals may make calls upon Pilbara Minerals Shareholders in respect of any money unpaid on their shares.

(c) Issue of further shares

Subject to the Corporations Act and the ASX Listing Rules, Pilbara Minerals Directors have the power to allot and issue shares, options or rights to acquire shares in Pilbara Minerals on the terms that the Pilbara Minerals Directors see fit.

(d) Alteration of share capital

Pilbara Minerals may alter its share capital in any matter permitted by the Corporations Act including converting all or any of its shares into a larger or smaller number of shares and cancelling shares that, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person or have been forfeited.

(e) General meetings and notices

Each Pilbara Minerals Shareholder is entitled to receive at least 28 days' written notice of, and to attend and vote at, general meetings of Pilbara Minerals. At a general meeting, Pilbara Minerals Shareholders are entitled to be present in person (physically or by electronic means), or by proxy, attorney or (in the case of a body corporate) by representative.

(f) Transfer of shares

Pilbara Minerals Shares may be transferred by:

- a Proper ASTC Transfer (as defined in the Corporations Regulations); or
- an instrument of transfer in any usual or common form or in any other form that the Pilbara Minerals Directors approve.

The Pilbara Minerals Board may refuse to register a transfer of shares or request ASX Settlement to apply a holding lock to prevent a transfer where:

- the transfer is not in registrable form;
- registration of the transfer may breach a law of Australia, including where a law relating to stamp duty prohibits Pilbara Minerals from registering it;
- Pilbara Minerals has a lien on the securities the subject of the transfer;
- the transfer is paper-based and registration of the transfer will result in the creation of less than a marketable parcel;
- the transfer is not permitted under the constitution;
- the transfer is not permitted under the terms of an employee share plan;
- Pilbara Minerals is served with a court order that restricts the holder's capacity to transfer the shares;
- permitted or required by the ASX Listing Rules or terms of issue of the shares; or
- the transfer is a transfer of restricted securities which is or may be in breach of the ASX Listing Rules or any escrow agreement entered into by Pilbara Minerals in respect of the securities.

(g) Voting rights

At a general meeting of Pilbara Minerals, subject to any rights or restrictions attached to a class of Pilbara Minerals shares, on a show of hands, each Pilbara Minerals Shareholder present has one vote (even if a proxy, attorney or representative represents more than one shareholder).

Subject to any rights or restrictions attached to a class of Pilbara Minerals shares, on a poll, each Pilbara Minerals Shareholder has one vote for each Pilbara Minerals Share.

(h) Dividends

The Pilbara Minerals Directors may pay any dividends that, in their judgment, the financial position of Pilbara Minerals justifies out of any available source. Subject to any rights or restrictions attached to a class of shares, the person entitled to a dividend on a share is entitled to the whole of the dividend (if the share is fully paid) or a proportion of the dividend (where the share is partly paid).

(i) Capitalisation of profits

Subject to the Corporations Act, the Pilbara Minerals constitution, the ASX Listing Rules and the terms of issue of shares (or classes of shares), the Pilbara Minerals Directors may resolve to capitalise any amount:

- forming part of the undivided profits of Pilbara Minerals;
- representing profits arising from an ascertained accretion to capital or a revaluation of the assets of Pilbara Minerals;
- arising from the realisation of any assets of Pilbara Minerals; or

- otherwise available for distribution as a dividend.

(j) Appointment and retirement of directors

The minimum number of Pilbara Minerals Directors is three.

The Pilbara Minerals Directors may appoint any person to be a director either to fill a casual vacancy or as an addition to the existing directors. A person appointed as a director (other than the managing director) must have their appointment confirmed at the next annual general meeting, otherwise they will cease to be a director at the conclusion of the annual general meeting.

A Pilbara Minerals Director (excluding the managing director) must not hold office (without re-election) past the third annual general meeting following their appointment or three years, whichever is later. The ASX Listing Rules also provide for circumstances in which an election of Directors is to be held.

(k) Removal of directors

In addition to the provisions for retirement of a Pilbara Minerals Director and in addition to the provisions of the Corporations Act regarding the removal of directors, the office of a Pilbara Minerals Director becomes vacant in certain prescribed circumstances, including if the director becomes bankrupt or if the director is absent from meetings of the Pilbara Minerals Directors for a continuous period of three months without a leave of absence being granted.

A Pilbara Minerals Director may also be removed by resolution at a general meeting.

(l) Indemnity

To the extent permitted by law and subject to the Corporations Act, Pilbara Minerals must indemnify each person who is or has been an officer of Pilbara Minerals (which includes Pilbara Minerals Directors and the company secretary) or a Subsidiary of Pilbara Minerals (where Pilbara Minerals requested the officer to accept that appointment) against any liability and reasonable legal costs incurred by that person as an officer of Pilbara Minerals or any of its Subsidiaries.

(m) Winding up

If Pilbara Minerals is wound up, the liquidator may, with the sanction of a special resolution:

- distribute among the shareholders in kind the whole or any part of the property of Pilbara Minerals;
- decide how the distribution is to be carried out as between the shareholders or different classes of shareholders; and
- vest the whole or any part of the assets of Pilbara Minerals in a trustee on trust for the shareholders entitled.

(n) Variation of rights attaching to Pilbara Minerals Shares

Subject to the terms of the issue of shares of a particular class, Pilbara Minerals may vary the rights of shares provided that at least 75% of the holders of that class of shares have given written consent to the variation, or holders of that class of shares have approved the variation by special resolution.

(o) Non-marketable parcels

Pilbara Minerals may sell the shares held by a shareholder if they comprise less than a marketable parcel within the meaning of the ASX Listing Rules, by following the procedure set out in the Pilbara Minerals constitution and the ASX Listing Rules.

(p) Alteration of Pilbara Minerals' constitution

Pilbara Minerals may modify or repeal its constitution, or a provision of its constitution, by special resolution.

6.16 Recent share price history

The following chart shows the closing price of Pilbara Minerals Shares traded on the ASX over the last 12 months up to and including the Last Practicable Date:



Source: IRESS as at the Last Practicable Date. This data has been produced without permission.

As at close of trading on the ASX on the Last Practicable Date:

- the last recorded trading price of Pilbara Minerals Shares on the ASX was \$2.61;
- the highest recorded traded price of Pilbara Minerals Shares in the previous three months was \$3.405 on 2 October 2024;
- the lowest recorded traded price of Pilbara Minerals Shares in the previous three months was \$2.31 on 10 September 2024;
- The highest recorded trading price of Pilbara Minerals Shares in the previous 12 months was \$4.58 on 4 March 2024; and
- the lowest recorded traded price of Pilbara Minerals Shares in the previous 12 months was \$2.31 on 10 September 2024.

As at 14 August 2024, being the last Trading Day prior to the joint announcement of Pilbara Minerals and Latin Resources of the entry into the Scheme Implementation Agreement, the closing price of Pilbara Minerals Shares on the ASX was \$2.85.

The current price of Pilbara Minerals Shares on ASX can be obtained from the ASX website (www.asx.com.au) or on Pilbara Mineral's website (www.pilbaraminerals.com.au).

6.17 Pilbara Minerals equity incentives

(a) Employee Award Plan

Pilbara Minerals has established an employee incentive scheme titled "Pilbara Minerals Limited Award Plan" (**Employee Award Plan**). The Employee Award Plan was approved at Pilbara Minerals' 2023 annual general meeting.

The Employee Award Plan enables Pilbara Minerals to grant performance rights, share rights and options (**Awards**) to eligible participants, including selected employees, directors, contractors and members of the key management personnel which, subject to vesting and upon their exercise, entitles Award holders to Pilbara Minerals Shares.

The Employee Award Plan aims to:

- enable Pilbara Minerals to incentivise and retain existing key management personnel and other eligible employees, directors and contractors needed to achieve Pilbara Minerals' business objectives;
- link the reward of key staff with the achievement of strategic goals and the long term performance of Pilbara Minerals;
- align the financial interest of participants of the Employee Award Plan with those of Pilbara Minerals Shareholders; and
- provide incentives to participants under the Employee Award Plan to focus on superior performance that creates value for Pilbara Minerals Shareholders.

The Pilbara Minerals' Board may determine that an eligible participant may participate in the Employee Award Plan and make an invitation to that person to apply for any Awards provided under the Employee Award Plan on such terms and conditions as the Board decides from time to time. Awards will be issued for nil consideration and options will have the exercise price specified in the relevant invitation. An invitation may allow for a cashless exercise facility.

The Pilbara Minerals Board may, in its absolute discretion and at any time until an Award is settled, provide an amount (in cash, shares or Awards) to a participant which is equal in value to the cash dividend or distribution payment that participant would have received had they held a Pilbara Minerals Share rather than an Award as at the relevant record date.

Any vesting conditions which must be satisfied before Awards can be exercised and converted to Pilbara Minerals Shares will be described in the invitation. Awards will lapse on the earlier of the expiry date and the date that the Pilbara Minerals Board determines that any applicable conditions have not been met or cannot be met by the relevant date.

Once an Award is exercised, Pilbara Minerals will issue or cause to be transferred the number of Pilbara Minerals Shares to which the participant is entitled (determined in accordance with the Employee Award Plan and the relevant invitation).

For more information regarding the Employee Award Plan, please refer to Pilbara Minerals' Notice of Annual General Meeting dated 20 October 2023, available from ASX's website or Pilbara Minerals' website (www.pilbaraminerals.com.au).

(b) **Employee Share Purchase Plan**

Pilbara Minerals has established an employee share purchase plan titled "PLS Share" (**Share Purchase Plan**).

The Share Purchase Plan enables Pilbara Minerals to grant shares and performance rights to eligible participants, including selected employees, who elect to participate in the Share Purchase Plan and make pre-tax payroll contributions each month (subject to contribution limit(s) determined by the Pilbara Minerals Board).

Under the terms of the Share Purchase Plan, the participants' contributions are used to purchase Pilbara Minerals Shares on-market on the ASX, and at the conclusion of the relevant participation period, Pilbara Minerals will then match the participant's contribution amount, via the award of matching performance rights. Upon conversion, each performance right will entitle the holder to one Pilbara Minerals Share.

The Pilbara Minerals' Board may determine that an eligible participant may participate in the Share Purchase Plan and make an invitation to that person in accordance with the terms of the Share Purchase Plan, and on such additional terms and conditions as the Pilbara Minerals Board determines.

6.18 Litigation

As far as the Pilbara Minerals Directors are aware, as at the Last Practicable Date, Pilbara Minerals is not involved in any material legal disputes and is not party to any material litigation proceedings.

6.19 Environment, social and governance

Pilbara Minerals contributes to a sustainable future by operating responsibly and ethically. Pilbara Minerals' aim is to nurture an inclusive and empowered workplace, provide economic returns for Pilbara Minerals shareholders and create shared value within the community.

Demand for lithium is expected to continue to increase strongly in the coming years as the world transitions towards cleaner energy in response to climate change. Pilbara Minerals' mission is meeting this demand while ensuring that lithium mining contributes to a sustainable future. This involves responsible, safe, and socially conscious operations that prioritise environmental stewardship and community engagement.

Pilbara Minerals' Sustainability Policy and strategy underpin Pilbara Minerals' approach to sustainability and support its integration into the day-to-day business. Pilbara Minerals' three sustainability pillars ensure a focus on environmental, social and governance aspects and are listed in the table below.

Pilbara Minerals' three sustainability pillars.

Valuing our people	Sustainable operations	Responsible and ethical actions
Great people that go home safe and well each day, proud of their contribution.	Make a positive contribution, minimise our impacts and leverage opportunities.	Responsible and ethical actions underpinning long-term success.

Pilbara Minerals' Sustainability Report can be viewed in the 2024 Annual Report released to the ASX on 26 August 2024. To gain a comprehensive view of Pilbara Minerals' sustainability performance, interested persons can access the full suite of sustainability disclosures on the company's website at pilbaraminerals.com.au/sustainability/reporting-disclosures. This includes the Sustainability Databook, Gender Pay Equality Statement, Corporate Governance Statement and Reconciliation Action Plan. These documents provide detailed information on various aspects of Pilbara Minerals' sustainability initiatives and performance.

6.20 Pre-transaction benefits

Except as otherwise provided in this Scheme Booklet, during the period of 4 months before the date of this Scheme Booklet, neither Pilbara Minerals nor any of its Associates gave, or offered to give, a benefit to another person which was likely to induce the other person, or an Associate of the other person to:

- vote in favour of the Schemes; or
- dispose of Latin Resources Shares or Latin Resources Options,

and which will not be provided to all Share Scheme Participants under the Share Scheme or Option Scheme Participants under the Option Scheme (as applicable)

6.21 Pilbara Minerals' interests in Latin Resources shares

As at the Last Practicable Date, none of Pilbara Minerals or any of its Associates had any Relevant Interest or voting power in any Latin Resources Securities.

6.22 Dealing in Latin Resources Securities in previous 4 months

Except for the Share Scheme Consideration and Option Scheme Consideration to be provided under the Schemes and as described in this Scheme Booklet, none of Pilbara Minerals or any of its Associates has provided, or agreed to provide, consideration for Latin Resources Securities under any purchase or agreement during the four months before the date of this Scheme Booklet.

6.23 Publicly available information

Pilbara Minerals is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure requirements of the Corporations Act and ASX Listing Rules. Specifically, as a listed company, Pilbara Minerals is subject to the ASX Listing Rules which require continuous disclosure of any information Pilbara Minerals has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities. Copies of these announcements can be obtained free of charge from Pilbara Minerals' website at www.pilbaraminerals.com.au or by visiting the ASX website at www.asx.com.au. Further announcements concerning developments at Pilbara Minerals may be made and placed on these websites after the date of this Scheme Booklet.

ASIC also maintains a record of documents lodged with it by Pilbara Minerals which can be obtained using services provided by ASIC, information in respect of which can be found on the ASIC website at www.asic.gov.au. Please note, ASIC may charge a fee in respect of such services. Pilbara Minerals is required to prepare and lodge with ASIC and ASX both annual and half-year financial statements accompanied by a statement and report from Pilbara Minerals' Directors and an audit or review report.

Pilbara Minerals also lodges quarterly activity reports with ASX. Copies of these and other documents lodged with ASIC and ASX may be obtained from an ASIC office and are accessible by visiting the ASX website at www.asx.com.au.

Further information about Pilbara Minerals is available in electronic form from Pilbara Minerals' website at www.pilbaraminerals.com.au.

On request to Pilbara Minerals and free of charge, Latin Resources Securityholders may obtain a copy of:

- the annual financial report of Pilbara Minerals for the year ended 30 June 2024 (being the annual financial report most recently lodged with ASIC before lodgement of this Scheme Booklet with ASIC); and
- any continuous disclosure notice given to ASX by Pilbara Minerals since the lodgement with ASIC of the 30 June 2024 annual report for Pilbara Minerals referred to above and before lodgement of this Scheme Booklet with ASIC.

Latin Resources Securityholders may request copies of the above documents by email to shareholderservices@pilbaraminerals.com.au or by phone at +61 8 6266 6266.

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules, and which is required to be set out in this Scheme Booklet.

A list of announcements made by Pilbara Minerals to ASX (or under Pilbara Minerals' ASX ticker code) from the date of the Scheme Implementation Agreement on 14 August 2024 to the Last Practicable Date is included below:

Date	Announcement
22 November 2024	Change in substantial holding
22 November 2024	Notification regarding unquoted securities – PLS
20 November 2024	Ceasing to be a substantial holder
19 November 2024	Becoming a substantial holder
19 November 2024	Change in substantial holding
18 November 2024	Notification of cessation of securities – PLS
18 November 2024	Application for quotation of securities – PLS
15 November 2024	Ceasing to be a substantial holder

11 November 2024	Change in substantial holding
1 November 2024	Change in substantial holding
31 October 2024	Ceasing to be a substantial holder from MUFG
30 October 2024	Change in substantial holding
30 October 2024	Change in substantial holding
30 October 2024	CXL: Calix & PLS Midstream Project Update
30 October 2024	September 2024 Quarterly Activities Presentation
30 October 2024	September 2024 Quarterly Activities Report
29 October 2024	Becoming a substantial holder from MUFG
29 October 2024	Notification regarding unquoted securities – PLS
28 October 2024	Becoming a substantial holder
25 October 2024	Becoming a substantial holder
25 October 2024	2024 Notice of Annual General Meeting / Proxy Form
24 October 2024	Change in substantial holding
15 October 2024	Pilbara Minerals Establishes A\$1B Debt Facility
10 October 2024	Ceasing to be a substantial holder from MUFG
9 October 2024	Becoming a substantial holder from MUFG
9 October 2024	September 2024 Quarterly Activities Report Advisory
7 October 2024	Becoming a substantial holder
4 October 2024	Disclosure of Equity Derivative Positions
4 October 2024	Change in substantial holding
30 September 2024	Change of Director's Interest Notice
30 September 2024	Notification of cessation of securities
30 September 2024	Application for quotation of securities
24 September 2024	Notification of cessation of securities
24 September 2024	Application for quotation of securities
16 September 2024	2024 Annual General Meeting
11 September 2024	Change of Director's Interest Notice
6 September 2024	Notification of cessation of securities
4 September 2024	Change in substantial holding

3 September 2024	Change of Director's Interest Notice
3 September 2024	Application for quotation of securities - PLS
26 August 2024	Becoming a substantial holder
26 August 2024	FY24 Full Year Results Presentation
26 August 2024	FY24 Full Year Results
26 August 2024	2024 Corporate Governance Statement and Appendix 4G
26 August 2024	2024 Annual Report (incorporating Appendix 4E)
22 August 2024	Change in substantial holding
19 August 2024	Becoming a substantial holder
19 August 2024	Notification of cessation of securities - PLS
15 August 2024	Proposed issue of securities - PLS
15 August 2024	Proposed issue of securities - PLS
15 August 2024	Presentation - Pilbara Minerals to acquire Latin Resources
15 August 2024	Pilbara Minerals to acquire Latin Resources

6.24 Risk factors

Risk factors relating to Pilbara Minerals and its business are discussed in Section 8.

6.25 No other material information

Except as disclosed elsewhere in this Scheme Booklet, there is no other information that is material to the making of a decision in relation to the Schemes, being information that is within the knowledge of any director of Pilbara Minerals, at the date of this Scheme Booklet, which has not previously been disclosed to Latin Resources Securityholders.



07.

Information on the Enlarged Group

7. Information on the Enlarged Group

This Section 7 contains information in relation to the Enlarged Group if the Share Scheme (or the Share Scheme and Option Scheme) is implemented. Additional information is included in the Independent Expert's Report attached in Annexure A.

7.1 Overview of the business and assets

If the Share Scheme is implemented, Latin Resources will become a Subsidiary of Pilbara Minerals, and each of the Subsidiaries of Latin Resources in the Core Latin Resources Group will form part of the Pilbara Minerals Group.

Following implementation of the Share Scheme, Pilbara Minerals' interests in its key projects will become:

- 100% of Pilgangoora;
- 100% of the Salinas Project;⁴⁷
- 55% of the unincorporated joint venture between Pilbara Minerals and Calix; and
- 18% of POSCO Pilbara Lithium Solution Co Ltd.⁴⁸

7.2 Rationale for the Schemes

The acquisition of Latin Resources, and with it the Salinas Project, is consistent with Pilbara Minerals' strategy to diversify revenue beyond Pilgangoora. The acquisition enables Pilbara Minerals to utilise its significant technical experience in developing and operating hard rock lithium projects and enhanced funding capabilities to de-risk development and optimise the Salinas Project.

Latin Resources Shareholders are receiving an attractive premium for their Latin Resources Shares. In addition, by receiving Pilbara Minerals Shares under the Schemes, Latin Resources Securityholders will maintain exposure to (and any future value unlocked from) the Salinas Project, while also benefiting from its development being significantly de-risked given Pilbara Minerals' strong balance sheet and proven technical expertise. Further, Latin Resources Shareholders will gain exposure to Pilbara Minerals' world-class Pilgangoora operation, as well as the many benefits that form part of being a shareholder in a larger, more diversified company, including enhanced market positioning and trading liquidity.

The reasons to vote in favour of the Schemes are discussed in Section 1.3.

7.3 Pilbara Minerals' intentions

(a) Overview

This Section 7.3 sets out Pilbara Minerals' current intentions in relation to Latin Resources and the Enlarged Group if the Share Scheme (or the Share Scheme and the Option Scheme) is implemented. These intentions are based on facts and information known to Pilbara Minerals at the time of preparing this Scheme Booklet that concern Pilbara Minerals and Latin Resources as well as the general economic and business environment and are statements of current intention only and, accordingly, may vary as new information becomes available or circumstances change. Final decisions on these matters will only be made by Pilbara Minerals in light of all material facts and circumstances at the relevant time. Pilbara Minerals' intentions if the Option Scheme is not implemented are set out in Section 7.4.

⁴⁷ Pilbara Minerals will own 100% of the Salinas Project if both Schemes are implemented. If only the Share Scheme is implemented, Pilbara Minerals will own 95.8% of the Salinas Project on a diluted basis.

⁴⁸ POSCO Pilbara Lithium Solution Co Ltd is a company incorporated in South Korea of which Pilbara Minerals Korea JV Pty Ltd has an 18% equity interest with an option at Pilbara Minerals' election to increase to a 30% equity interest.

(b) Corporate

If the Share Scheme is implemented:

- Pilbara Minerals will become the holder of all Latin Resources Shares (and the Latin Resources Options if the Option Scheme is implemented);
- Latin Resources will become a Subsidiary of Pilbara Minerals; and
- Latin Resources will apply to be removed from the ASX and will be removed from the Frankfurt Stock Exchange following its removal from the ASX.

(c) Strategy

Upon completion of the Share Scheme, the Enlarged Group's strategy will remain consistent with Pilbara Minerals' current strategy, as outlined in Section 6.3.

Strategy with respect to the Salinas Project

Latin Resources has been progressing a DFS for the Salinas Project which had been anticipated to be completed by the end of the September quarter 2024 based on a standalone development scenario.

Since announcing the Schemes, Pilbara Minerals and Latin Resources have formed an Integration Committee and have been meeting together to, amongst other things, provide a forum for Pilbara Minerals to share its project development, mining and processing experience to assist in optimising the DFS and the potential of the Salinas Project to unlock value for both Latin Resources and Pilbara Minerals shareholders on the assumption that the Share Scheme is implemented.

Upon implementation of the Share Scheme, Pilbara Minerals intends to continue to progress and optimise the DFS towards completion, building on the work undertaken by Latin Resources between now and then. Pilbara Minerals plans to further optimise the mine plan, project flowsheet and design incorporating the learnings from Pilgangoora and other producers in the region using a combination of Pilbara Minerals' projects engineering team and the Latin Resources in-country and study team.

Upon completion of the DFS and permitting for the Salinas Project, Pilbara Minerals will consider a FID having regard to the prevailing lithium market conditions and customer requirements at the time, consistent with previous Pilbara Minerals production expansions.

Pilbara Minerals intends to explore a range of funding options to support the future development of the Salinas Project including project finance, corporate debt facilities, strategic partnership opportunities, funding sources tied to the Salinas Project's uncommitted offtake, Pilbara Minerals' cash on balance sheet and cash generated from existing operations. Pilbara Minerals will only make a FID on development of the Salinas Project if and when market conditions are supportive, noting that the Salinas Project is anticipated to be a low cost and low capital intensity project.

(d) Dividend framework

It is expected that Pilbara Minerals' current dividend framework, as outlined in Section 6.6, will be the dividend framework of the Enlarged Group, following implementation of the Share Scheme.

(e) Board of directors

Pilbara Minerals intends to replace the existing members of the Latin Resources Board and the boards of Latin Resources' Subsidiaries (other than the directors of the Brazilian incorporated members of the Core Latin Resources Group) with Pilbara Minerals nominees.

Under the Scheme Implementation Agreement, Latin Resources is required to take all actions necessary to procure that, with effect from the Implementation Date:

- the Pilbara Minerals nominees are appointed to the Latin Resources Board and the boards of Latin Resources' Subsidiaries; and
- all directors on the Latin Resources Board and the board of Latin Resources' Subsidiaries resign.

(f) Current Latin Resources employees

If the Share Scheme is implemented, with the exception of its directors, the majority of Latin Resources' remaining workforce is expected to join Pilbara Minerals following implementation of the Share Scheme. Any employees made redundant will receive their full contractual and statutory entitlements, which would be paid from Pilbara Minerals' cash reserves.

If the Share Scheme is implemented, Latin Resources' Managing Director, Christopher Gale, will join Pilbara Minerals as a consultant for a period of 6 months to provide leadership continuity with key stakeholders, including the Latin Resources in-country team, senior government officials and local community representatives to progress key activities at the Salinas Project.

Further details regarding the arrangements with Christopher Gale are set out in Section 10.2(e).

As noted in Section 10.2(e), Pilbara Minerals has also entered into retention and escrow arrangements with several other employees of Latin Resources. All members of Pilbara Minerals' senior management (as set out in Section 6.7(b)) are expected to continue in their roles with Pilbara Minerals.

(g) Employee incentive arrangements

Latin Resources' existing employee incentive plans will no longer be applicable following implementation of the Share Scheme. Refer to Section 3.6(a) for how existing Latin Resources Performance Rights will be treated in connection with the implementation of the Share Scheme.

Pilbara Minerals intends to continue utilising its existing incentive arrangements to provide incentives to its employees as described in Section 6.17. Certain Latin Resources employees may become eligible to participate in those arrangements if they remain employed by the Enlarged Group.

As noted in Section 10.2(e), Pilbara Minerals has entered into retention arrangements with several employees of Latin Resources under which, subject to the Share Scheme being implemented, those employees will be granted performance rights in Pilbara Minerals which vest upon the relevant employee remaining engaged with Pilbara Minerals for a period of 12 months following the Implementation Date.

(h) Delisting

If the Share Scheme is implemented, it is intended that Latin Resources will request to be removed from the Official List of the ASX. Following its delisting from the ASX, Latin Resources Shareholders will no longer be able to acquire or trade in Latin Resources Shares as Latin Resources will be an unlisted Subsidiary of Pilbara Minerals. Latin Resources Shareholders who receive New Pilbara Minerals Shares as Share Scheme Consideration (and Latin Resources Optionholders who receive New Pilbara Minerals Shares as Option Scheme Consideration if the Option Scheme is implemented) will, however, be able to trade in New Pilbara Minerals Shares on ASX.

Following its delisting from the ASX, Latin Resources will also be delisted from the Frankfurt Stock Exchange.

(i) Headquarters

If the Share Scheme is implemented, the Enlarged Group's corporate operations will be headquartered at Pilbara Minerals' corporate offices in Perth, Western Australia. Pilbara Minerals intends to conduct a review of the Enlarged Group's other offices following implementation of the Share Scheme to determine the optimal office arrangements for the Enlarged Group.

7.4 Pilbara Minerals' intentions if the Option Scheme is not implemented

This Section 7.4 sets out Pilbara Minerals' current intentions in relation to Latin Resources and the Enlarged Group if the Share Scheme is approved but the Option Scheme is not approved or otherwise implemented. These intentions are based on facts and information known to Pilbara Minerals at the time of preparing this Scheme Booklet that concern Pilbara Minerals and Latin Resources as well as the general economic and business environment and are statements of current intention only and, accordingly, may vary as new information becomes available or circumstances change. Final decisions

on these matters will only be made by Pilbara Minerals in light of all material facts and circumstances at the relevant time.

If the Share Scheme is approved but the Option Scheme is not approved, the Share Scheme will proceed and Pilbara Minerals will acquire all the Latin Resources Shares, but Latin Resources Optionholders will continue to hold their Latin Resources Options. Importantly, following implementation of the Share Scheme, it is likely that Latin Resources will be removed from the official list of ASX, which will mean that any Latin Resources Shares issued on exercise of Latin Resources Options will not be able to be traded on the ASX.

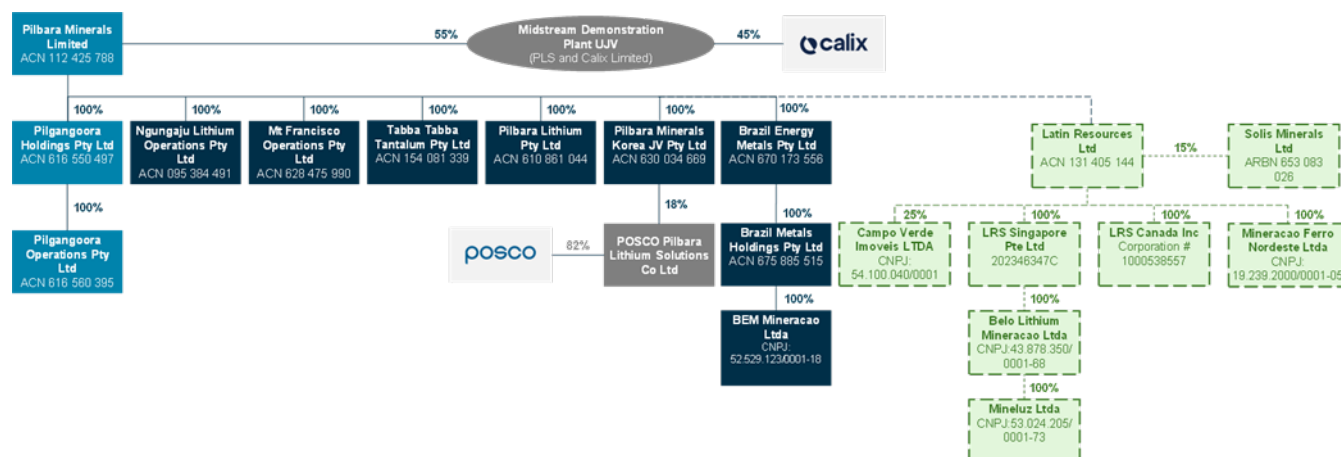
Pilbara Minerals would have alternatives available to it in relation to the Latin Resources Options, including seeking to rely on the compulsory acquisition provisions under the Corporations Act. It is the present intention of Pilbara Minerals to seek to acquire any Latin Resources Options following the implementation of the Share Scheme via the compulsory acquisition provisions in the Corporations Act, but Pilbara Minerals reserves the right to change its intention having regard to the prevailing circumstances. Under the Corporations Act, a person may compulsorily acquire (for a cash sum) all securities in a class (e.g. shares or options) if the person has 90% or more voting power in the company and the person holds full beneficial interests in 90% or more by value of all of the securities in the company that are either shares or convertible into shares. The consideration paid under compulsory acquisition must represent fair value as assessed by an independent expert nominated by ASIC and it may be possible that the consideration paid in connection with the compulsory acquisition process may be higher than, equal to or lower than the Option Scheme Consideration.

If Pilbara Minerals seeks to exercise its compulsory acquisition rights, the Corporations Act sets out procedures and safeguards for Latin Resources Optionholders. If people who hold at least 10% of the Latin Resources Options and/or Latin Resources Shares validly object to the compulsory acquisition, Pilbara Minerals can apply to the court for approval of the compulsory acquisition, and such approval may only be granted by the court where Pilbara Minerals establishes that the Latin Resources Optionholders will receive fair value for their Latin Resources Options and/or Latin Resources Shares.

7.5 Corporate structure

On implementation of the Share Scheme, Latin Resources will be a Subsidiary of Pilbara Minerals.

The corporate structure of the Enlarged Group is outlined in the figure below.



7.6 Board and management

(a) Board

It is expected that there will be no changes to the Pilbara Minerals Board and each of the existing Pilbara Minerals Directors will continue as directors following implementation of the Share Scheme. See Section 6.7(a) for further details of the Pilbara Minerals Directors.

Under Pilbara Minerals' constitution and the ASX Listing Rules, the total aggregate amount paid to all Non-Executive Directors for their services as Directors in any financial year cannot exceed the amount fixed by Pilbara Minerals in a general meeting. The amount is currently fixed at \$1.7 million per annum.

(b) Senior management

It is expected that there will be no changes to the senior management of Pilbara Minerals (as set out in Section 6.7(b)) and each of the existing members of senior management will continue in their existing roles following implementation of the Share Scheme.

The proposed arrangements with respect to the Latin Resources key management personnel are set out in Section 7.3(f).

Detailed profiles of the senior management teams of both Pilbara Minerals and Latin Resources can be seen in Section 6.7 and 5.5(b) respectively.

(c) Deeds of indemnity

Each of Pilbara Minerals' Directors has entered into a deed of indemnity under which Pilbara Minerals agrees to indemnify the Director, to the extent permitted under law, against all liabilities to another person (other than Pilbara Minerals or a Related Body Corporate) that may arise from their position as directors of Pilbara Minerals and its controlled entities, except where the indemnification is not permitted under the Corporations Act. Each agreement stipulates that Pilbara Minerals will meet the full amount of any such liabilities, including costs and expenses.

7.7 Capital structure

(a) Share capital

The table below summarises the share capital structure of the Enlarged Group on implementation of the Schemes (assuming that no other Pilbara Minerals Shares are issued other than the New Pilbara Minerals Shares):

Timing	Number
Pilbara Minerals Shares on issue as at the Last Practicable Date	3,011,543,934
Pilbara Minerals Shares to be issued under the Share Scheme	202,644,362
Pilbara Minerals Shares to be issued under the Option Scheme	2,876,654
Pro-forma Pilbara Minerals Shares on issue	3,217,064,950

Notes: This table assumes that:

- all Latin Resources Performance Rights vest and are exercised into Latin Resources Shares before the Record Date;
- all outstanding loans in respect of the Latin Resources Loan Funded Shares are repaid and become Latin Resources Shares before the Record Date;
- none of the Latin Resources Options as set out in table at Section 3.4(b) are exercised prior to the implementation of the Option Scheme; and
- none of the Expiring Options are exercised before they lapse on 30 December 2024.

(b) Pro-forma ownership

On implementation of the Schemes, Latin Resources Securityholders will own approximately 6.4% of the Enlarged Group.

(c) **Convertible securities**

On implementation of the Schemes, it is expected that Pilbara Minerals will have the following convertible securities on issue:

Security	Number
Performance rights expiring 30 September 2025 (ASX code: PLSAAB)	384,570
Performance rights expiring 30 November 2025 (ASX code: PLSAV)	2,180,822
Performance rights expiring 31 December 2025 (ASX code: PLSAN)	199,518
Performance rights expiring 31 December 2025 (ASX code: PLSAX)	230,497
Performance rights expiring 31 December 2026 (ASX code: PLSAT)	2,047,783
Performance rights expiring 31 December 2027 (ASX code: PLSAAA)	2,000,655
Share rights (ASX code: PLSAZ)	29,201
Convertible bonds (ASX code: PLSAR)	79,603,050

Notes: This table assumes that no convertible securities expire or are exercised, converted or cancelled after the Last Practicable Date.

7.8 Substantial holdings

Based on holdings as at the Last Practicable Date as set out in Sections 5.11 and 6.14 and excluding any Relevant Interest in Pilbara Minerals securities which are acquired subsequent to the Last Practicable Date, so far as known to Pilbara Minerals, there will be no substantial holders of Pilbara Minerals if the Share Scheme is implemented, except as set out below:

Substantial Holder	Ordinary Shares Held	Voting Power ¹
State Street Corporation and its subsidiaries	322,638,507	10.03%
Australian Super Pty Ltd	315,756,255	9.82%
JPMorgan Chase & Co. and its affiliates	191,911,928	5.97%
Blackrock Group	190,043,220	5.91%
GFL International Co Limited	172,684,971	5.37%
Citigroup Group	165,407,887	5.14%

Notes:

¹ Based on the pro-forma Pilbara Mineral Shares on issue on implementation of the Schemes (being 3,217,064,950 Pilbara Minerals Shares).

7.9 Quotation of New Pilbara Minerals Shares

Pilbara Minerals will apply to ASX after the date of this Scheme Booklet for official quotation of the New Pilbara Minerals Shares to be issued on implementation of the Schemes.

Trading in the New Pilbara Minerals Shares issued under the Schemes is expected to commence on a normal settlement basis on the ASX from the next Business Day after the Implementation Date (or such other date as ASX requires). The Implementation Date is currently expected to be 4 February 2025. The actual dates will be announced to ASX.

It is the responsibility of each Latin Resources Securityholder to determine their entitlement to New Pilbara Minerals Shares under the Schemes before trading those shares to avoid the risk of selling shares they do not own.

7.10 Pro forma historical information of the Enlarged Group

(a) Overview

The combined pro forma historical financial information of the Enlarged Group comprises a pro forma consolidated statement of financial position at 30 June 2024 which is based on:

- (i) Latin Resources reviewed historical consolidated statement of financial position as at 30 June 2024;
- (ii) Pilbara Minerals audited historical consolidated statement of financial position as at 30 June 2024; and
- (iii) the pro-forma adjustments described in Section 7.10(d).

(b) Basis of preparation

The Enlarged Group pro forma historical financial information is provided for illustrative purposes only and is prepared on the assumption that the Demerger and Schemes had been implemented on 30 June 2024 and Latin Resources became a wholly-owned Subsidiary of Pilbara Minerals on that date.

The Enlarged Group pro forma historical financial information has been prepared by the management of Pilbara Minerals with input from the management of Latin Resources. The pro forma historical financial information has been prepared in accordance with Australian Accounting Standards (AAS) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act and comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB). The Enlarged Group pro forma historical financial information have been prepared on the historical cost basis except for, where applicable, the revaluation of financial assets and liabilities.

The Enlarged Group pro forma historical financial information is presented in an abbreviated form and does not contain all the disclosures that are usually provided in an annual report prepared in accordance with the Corporations Act. In particular, it does not include the notes to and forming part of the financial statements of Latin Resources and Pilbara Minerals.

The information provided in this Section 7.10 is presented on a pro forma basis only and as a result, it is likely this information will differ from the actual financial information of the Enlarged Group.

The Enlarged Group pro forma historical financial information has been prepared on the basis that:

- (i) the Demerger of the Non-Core Group Members was completed prior to the date of the pro forma balance sheet;
- (ii) both the Share Scheme and the Option Scheme are implemented; and
- (iii) the acquisition of Latin Resources is considered an asset acquisition under accounting standards.

The Enlarged Group pro forma historical financial information also includes an assumption that the Schemes were implemented on 30 June 2024.

The value of the consideration for the acquisition of the Latin Resources Securities under the Schemes will be measured based upon the value of the Pilbara Minerals Shares at close of trading on the Implementation Date. For the purposes of the Enlarged Group pro forma historical financial information, a value of \$2.85 per Pilbara Minerals Share has been assumed, being the ASX closing price of Pilbara Minerals Shares on 14 August 2024 (the last trading day before the announcement of the Schemes). Consequently, the value of the purchase consideration for accounting purposes may differ from the amount assumed in the Enlarged Group pro forma historical financial information due to future changes in the market price of Pilbara Minerals Shares.

(c) Pro-forma historical statement of financial position

The following pro forma adjustments to the historical statement of financial position have been made in order to present the Enlarged Group pro forma historical financial information as at 30 June 2024. Totals may not add up due to rounding.

	Pilbara Minerals Historical Statement of Financial Position 30 June 2024 \$'000	Latin Resources Historical Statement of Financial Position 30 June 2024 \$'000	Pro Forma Adjustments Note (i) 30 June 2024 \$'000	Latin Resources Pro-Forma Historical Statement of Financial Position 30 June 2024 \$'000	Pro-Forma Adjustments Note (ii) 30 June 2024 \$'000	Pro-Forma Historical Consolidated Statement of Financial Position 30 June 2024 \$'000
CURRENT ASSETS						
Cash and cash equivalents	1,626,476	20,510	(1,472)	19,038	(16,439)	1,629,075
Trade and other receivables	78,080	1,651	(28)	1,623	-	79,703
Inventories	132,230	-	-	-	-	132,230
Financial assets	2,031	359	(179)	180	-	2,211
Current tax asset	106,778	-	-	-	-	106,778
Total current assets	1,945,595	22,520	(1,679)	20,841	(16,439)	1,949,997
NON-CURRENT ASSETS						
Inventories	82,387	-	-	-	-	82,387
Property, plant and equipment	2,147,762	754	(60)	694	-	2,148,456
Equity accounted investments	65,589	1,281	(170)	1,111	-	66,700
Exploration and evaluation expenditure	5,398	91,928	(14,264)	77,664	514,462	597,524
Financial assets	62,514	-	-	-	-	62,514
Total non-current assets	2,363,650	93,963	(14,494)	79,469	514,462	2,957,581
Total assets	4,309,245	116,483	(16,173)	100,310	498,023	4,907,578
CURRENT LIABILITIES						
Trade and other payables	285,408	12,396	(203)	12,193	-	297,601
Provisions	9,271	274	(2)	272	-	9,543
Borrowings and lease liabilities	135,773	138	(19)	119	-	135,892
Total current liabilities	430,452	12,808	(224)	12,584	-	443,036

	Pilbara Minerals Historical Statement of Financial Position 30 June 2024 \$'000	Latin Resources Historical Statement of Financial Position 30 June 2024 \$'000	Pro Forma Adjustments Note (i) 30 June 2024 \$'000	Latin Resources Pro-Forma Historical Statement of Financial Position 30 June 2024 \$'000	Pro-Forma Adjustments Note (ii) 30 June 2024 \$'000	Pro-Forma Historical Consolidated Statement of Financial Position 30 June 2024 \$'000
NON-CURRENT LIABILITIES						
Provisions	57,150	14	-	14	-	57,164
Borrowings and lease liabilities	419,970	14	(14)	-	-	419,970
Deferred tax liabilities	157,504	-	-	-	-	157,504
Total non-current liabilities	634,624	28	(14)	14	-	634,638
Total liabilities	1,065,076	12,836	(238)	12,598	-	1,077,674
NET ASSETS	3,244,169	103,647	(15,935)	87,712	498,023	3,829,904
EQUITY						
Issued capital	966,948	199,594	-	199,594	386,141	1,552,683
Reserves	6,654	2,951	(13,635)	(10,684)	10,684	6,654
Retained earnings	2,270,567	(98,898)	(2,300)	(101,198)	101,198	2,270,567
TOTAL EQUITY	3,244,169	103,647	(15,935)	87,712	498,023	3,829,904

(d) **Notes to the pro forma adjustments**

- (i) The Latin Resources pro-forma historical statement of financial position has been derived from the historical statement of financial position of Latin Resources as at 30 June 2024, adjusted for the Demerger of the Non-Core Assets of Latin Resources, as disclosed in Schedule 2 to the Demerger Materials, which are included as Annexure I to this Scheme Booklet.
- (ii) Cash and cash equivalents of \$16.4 million – this includes \$9.4 million of Latin Resources transaction costs, net of \$1.1 million from full payment of the outstanding Latin Resources Loan Funded Shares via sales proceeds based off the best available ASX market price and \$7.0 million of Pilbara Minerals transaction costs.

Exploration and evaluation expenditure of \$514.5 million – the acquisition of Latin Resources is an asset acquisition. Therefore, the fair value of the New Pilbara Minerals Shares, including transactions costs, paid in consideration has been allocated to the acquired assets and liabilities based on their relative fair value. Given the nature of the assets and liabilities acquired, the main adjustment to book value related to exploration and evaluation assets representing the Salinas Project.

Equity – removes Latin Resources equity and replaces it with the Pilbara Minerals share capital issued as part of the transaction. Represents share subscription price of \$2.85 per New Pilbara Minerals Share (based on the closing price of Pilbara Minerals Shares of \$2.85 on 14 August 2024, being the last trading day prior to announcement of the Schemes) for the 205,521,016 New Pilbara Minerals Shares to be issued under the Schemes.

7.11 Financial forecasts

Each of the Pilbara Minerals Board and the Latin Resources Board has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information in relation to the Enlarged Group. Each of the Pilbara Minerals Board and the Latin Resources Board has concluded that such forecast financial information would have the potential to be misleading and a reasonable basis does not exist for producing forecasts that would be sufficiently meaningful and reliable as required by applicable law, policy and market practice to be of value to either set of shareholders.

Latin Resources Securityholders should refer to the Independent Expert's Report for the Independent Expert's conclusion regarding valuations of Latin Resources and Pilbara Minerals.

7.12 Risks associated with the Enlarged Group

There are a number of risks associated with the Enlarged Group. These are summarised in Section 8.

7.13 Enlarged Group's register of shareholders

In accordance with Australian law, Pilbara Minerals' register of shareholders will be maintained in Australia by its Australian registry, being Computershare Investor Services Pty Limited.



08.

Risk factors

8. Risk factors

8.1 Risks relating to the Schemes

In considering the Schemes, Latin Resources Securityholders should be aware that there are a number of risks, both general and specific, associated with the Schemes. This Section 8 describes:

- risks associated with the implementation of the Schemes (Section 8.2);
- specific risks relating to the Enlarged Group (Section 8.3);
- risks relating to the Enlarged Group (Section 8.4);
- risks relating to the Pilbara Minerals Shares (Section 8.5); and
- risks for Latin Resources if the Share Scheme is not implemented (Section 8.6).

A number of these risks are, or will be, risks to which Latin Resources Securityholders are already exposed. However, the nature of the Enlarged Group's business will differ from that of Latin Resources as a standalone business and Latin Resources Securityholders may be subject to additional risks in respect of the Enlarged Group. These risks should be considered in conjunction with other information contained in this Scheme Booklet and do not take into account the individual investment objectives, financial situation, position or particular needs of Latin Resources Securityholders.

This Section 8 is a summary only and should not be relied on as an exhaustive list of all risks that Latin Resources Securityholders may face. There may be additional risks and uncertainties not currently known to Latin Resources or Pilbara Minerals or that are currently considered immaterial, which may become important factors that can have a material adverse effect on the Enlarged Group's operating and financial performance.

8.2 Risks associated with implementation of the Schemes

(a) Market value of the Share Scheme Consideration and Option Scheme Consideration

If the Share Scheme is implemented, Share Scheme Participants will receive the Share Scheme Consideration, comprising 0.07 New Pilbara Minerals Shares for each Latin Resources Share and, if the Option Scheme is implemented, Option Scheme Participants will receive the Option Scheme Consideration (unless the Share Scheme Participant or Option Scheme Participant is an Ineligible Foreign Holder or Electing Scheme Participant, in which case they will receive their pro rata share of the Net Cash Proceeds under the Sale Facility, instead of the Share Scheme Consideration or Option Scheme Consideration, as applicable). The Exchange Ratio was fixed in the Scheme Implementation Agreement and will not be adjusted to reflect changes in the market price of Latin Resources Shares, Pilbara Minerals Shares, or any other event before the Implementation Date. As a result, the implied value of the Share Scheme Consideration and Option Scheme Consideration will vary over time. Because the Exchange Ratio is fixed, prior to implementation of the Schemes, Latin Resources Securityholders cannot be sure of the market value of the Share Scheme Consideration or Option Scheme Consideration that will be provided on the Implementation Date.

Further, for Ineligible Foreign Holders and Electing Scheme Participants, there is no guarantee as to the price at which New Pilbara Minerals Shares may be sold by the Sale Nominee as detailed in Section 3.4(e).

The price of Pilbara Minerals Shares, following implementation of the Share Scheme (or, if applicable, the Schemes) will vary and may be volatile as a result of a number of factors, including the financial and operating performance of the Enlarged Group and general market conditions. Investor and analyst perception in relation to the Enlarged Group will also impact the price of the Pilbara Minerals Shares issued as Share Scheme Consideration and Option Scheme Consideration.

There can be no guarantee that there will continue to be an active market for Pilbara Minerals Shares or that the price of Pilbara Minerals Shares will increase. Latin Resources and the Latin Resources Board do not warrant the future performance of Pilbara Minerals or the Enlarged Group or any return on an investment in Pilbara Minerals or the Enlarged Group.

(b) Conditions Precedent

The Share Scheme and Option Scheme are each subject to a number of Conditions Precedent as summarised in Section 3.5. The Conditions Precedent to the Share Scheme include obtaining certain Regulatory Approvals, including the Condition Precedent summarised in Section 3.5(b). Certain Conditions Precedent are beyond the control of Pilbara Minerals and Latin Resources. There can be no guarantee that the Conditions Precedent will be satisfied or waived in a timely manner or at all. Any failure or delay in satisfying the Conditions Precedent could prevent or delay the implementation of the Share Scheme or Option Scheme, which could reduce the benefits that Pilbara Minerals and Latin Resources expect to obtain from the Schemes, increase the costs associated with the Schemes and impede successful integration of Pilbara Minerals and Latin Resources' businesses.

(c) Court approval

There is a risk that the Court may not approve the Share Scheme or Option Scheme or that the approval of the Court is delayed. In particular, if there is a material change in circumstances between the Scheme Meetings and the Second Court Date, then the Court will have regard to that change in deciding how it should proceed. If such changes are so important that they materially alter the Share Scheme and/or Option Scheme, there is a risk that the Court may not approve the Share Scheme and/or Option Scheme at the Second Court Hearing.

(d) Transaction costs

Both Pilbara Minerals and Latin Resources have, and will, incur significant costs associated with the Share Scheme and Option Scheme. Fees and expenses related to the Share Scheme and Option Scheme include financial adviser fees, filing fees, taxes and stamp duty, legal and accounting fees, and regulatory fees. Some of these fees will be paid regardless of whether the Schemes are implemented or become Effective.

(e) Change in risk and investment profile

After implementation of the Share Scheme and Option Scheme, Latin Resources Securityholders (other than Ineligible Foreign Holders or Electing Scheme Participants) will be exposed to additional risks relating to Pilbara Minerals, and to certain additional risks relating to the Enlarged Group and the integration of the two businesses as set out in Sections 8.3 and 8.4. Those risks may be different from or additional to those related to Latin Resources and you may prefer the risks and investment profile of the Latin Resources business as a standalone entity. Whilst the operations of Latin Resources and Pilbara Minerals are similar in a number of ways, the business, capital structure and size of the Enlarged Group will be different from that of Latin Resources currently.

(f) Taxation consequences

If the Share Scheme (or, if applicable, the Schemes) are implemented, there may be tax consequences for Latin Resources Securityholders. The tax consequences will vary depending on a number of factors, including place of residence for tax purposes and individual tax circumstances. A summary of the general Australian income tax, stamp duty and GST consequences for Latin Resources Securityholders is set out in Section 9.

(g) Pro forma financial information

The Enlarged Group Pro Forma Historical Information contained in this Scheme Booklet is presented for illustrative purposes only and may not be an indication of Pilbara Minerals' financial condition or results of operations following the Share Scheme, Option Scheme and Demerger for several reasons. For example, the Enlarged Group Pro Forma Historical Financial Information has been derived from the historical financial statements of Pilbara Minerals and Latin Resources and certain adjustments and assumptions have been made regarding Pilbara Minerals after giving effect to the Schemes. The information upon which these adjustments and assumptions have been made is preliminary, and these kinds of adjustments and assumptions are difficult to make with complete accuracy. In addition, the Enlarged Group Pro Forma Financial Information does not reflect all costs that are expected to be incurred by Pilbara Minerals in connection with the Share Scheme, Option Scheme and Demerger. For example, the impact of any incremental costs incurred in integrating Pilbara Minerals and Latin Resources is not reflected in the Enlarged Group Pro Forma Historical Financial Information. As a result, the actual financial condition and results of the Enlarged Group following the implementation of the Schemes may not be consistent with the Enlarged Group Pro Forma Historical Information. Additionally, the purchase price used in preparing the Enlarged Group Pro Forma Historical Information is based on

the closing market price of Pilbara Minerals Shares as at the date of announcement of the Schemes, which may be materially different from the closing price of Pilbara Minerals Shares on the Implementation Date. The assumptions used in preparing the Enlarged Group Pro Forma Historical Financial Information may not prove to be accurate, and other factors may affect the financial condition and results of the Enlarged Group following the implementation of the Schemes.

(h) Integration

The long-term success of the Enlarged Group will depend, amongst other things, on the success of management in integrating the respective businesses and the strength of management of the Enlarged Group. There is no guarantee that the businesses of the Enlarged Group will be able to be integrated successfully within a reasonable period of time. There are risks that any integration of the businesses of Pilbara Minerals and Latin Resources may take longer than expected and that anticipated efficiencies and benefits of that integration may be less than estimated. These risks include possible differences in the management culture of the two groups, inability to achieve synergy benefits and cost savings, and the potential loss of key personnel.

8.3 Specific risks relating to the Enlarged Group

(a) Change in risk and investment profile

If the Share Scheme (or, if applicable, the Schemes) are implemented, Latin Resources Securityholders will be exposed to risk factors relating to Pilbara Minerals, and to certain additional risks relating to the Enlarged Group and the integration of Latin Resources into the Pilbara Minerals business.

These include risks relating to the operation of a broader asset (both in nature and scale) than Latin Resources owns.

(b) Failure to realise the benefits of the Share Scheme

After implementation of the Share Scheme, the Enlarged Group will seek to pursue those strategies, operational objectives and benefits described in this Scheme Booklet. There is a risk that the Enlarged Group may not be able to realise those strategies, operational objectives and benefits (in whole or in part), that it will not materialise or will not materialise to the extent that it anticipates (for whatever reasons, including matters beyond the control of the Enlarged Group), or that the realisation of the strategies, operational objectives and benefits detailed in this Scheme Booklet, are delayed. This could have an adverse impact on the Enlarged Group's operations, financial performance and financial position and prospects.

(c) Accounting treatment of Latin Resources Group assets in the Enlarged Group

Following implementation of the Share Scheme, the Enlarged Group will be required to perform a fair value assessment of all of the assets and liabilities of the Enlarged Group, including tangible and intangible assets, which may differ from preliminary assessments. As a result of that fair value assessment, the Enlarged Group's charges (for example, depreciation expense and amortisation expense) and asset carrying values may be substantially different to the corresponding charges and asset carrying values applied by Latin Resources and Pilbara Minerals as standalone entities and, to that extent, may impact upon the future financial performance and financial results of the Enlarged Group.

The Australian Accounting Standards are set by the AASB and will be outside of the Enlarged Group's control. The Enlarged Group will also be subject to risks arising as a result of any future changes in accounting policies applied by the Enlarged Group which may have an adverse impact on the Enlarged Group.

Changes to accounting standards may also adversely affect the Enlarged Group's reported earnings performance in any given reporting period and its consolidated statement of financial position from time to time.

8.4 Risks relating to the Enlarged Group

The following risk factors apply equally to Pilbara Minerals and Latin Resources Securityholders prior to and after implementation of the Share Scheme (or, if applicable, the Schemes) (after which time Pilbara Minerals would include Latin Resources Securityholders, as part of the Enlarged Group):

(a) Production, operating and capital costs

The ability of the Enlarged Group to achieve production targets within anticipated timelines, or at all, or meet operating and capital expenditure estimates cannot be assured. The Enlarged Group's main operating expenses are expected to be contractor costs, materials and reagents, personnel costs, energy costs and equipment costs. The Enlarged Group's main capital costs will be development and sustaining capital expenditure for Pilgangoora and the Salinas Project and for any future expansions contemplated. Pilbara Minerals expects that certain costs may be incurred in foreign currencies.

The Enlarged Group's assets and mining operations are subject to uncertainty with respect to (among other things): ore tonnes, grade, metallurgical recovery and impurities, ground conditions, operational environment, funding for development, availability of power and water supply, regulatory changes, accidents, contractual risks and other unforeseen circumstances such as unplanned mechanical failure of plant or equipment, cyclones, storms, floods, bushfires or other natural disasters. If faced by the Enlarged Group, these circumstances could result in the Enlarged Group not realising its operational or development plans or in such plans costing more than expected or taking longer to realise than expected. Any of these outcomes could have an adverse effect on the Enlarged Group's financial and operational performance.

Capital costs may be affected by unexpected modifications to plant design, changes to estimates of non-fixed components, delays in commissioning and sourcing financing, and further cost inflation. Both now and in the future, higher than expected inflation rates generally, specific to the mining industry, or specific to Australia, may increase operating and capital expenditure costs and potentially reduce the value of future project developments. While, in some cases, such costs increases might be offset by increased selling prices, there is no assurance that this would be possible. To the extent that such offset is not possible, this could have an adverse impact on the Enlarged Group's future cash flows, profitability, results of operations and financial condition.

The Enlarged Group will continue to enter into various agreements for its projects. Risks associated with these agreements include rising contract prices as well as disputes regarding variations, extensions of time and costs, operational interfaces with adjacent projects, and global events impacting contractual performance and liability (for examples, the outbreak of another global pandemic), all of which may give rise to delay and/or increased costs. Additionally, the inability to resource teams, supply chain issues (particularly in relation to transportation and equipment) or other operational incidents within the Enlarged Group may result in production and equipment shortages, increased costs and delays.

Production guidance and targets are subject to assumptions and contingencies which are subject to change as operational performance and market conditions change or other unexpected events arise. Any production guidance is dependent on a number of factors including maintenance and operation of the mine and associated infrastructure operating without material equipment failure, continuity of experienced personnel, and achievement of recovery rates from the Enlarged Group's projects. Moreover, unforeseen production cost increases could result in the Enlarged Group not realising its operational or development plans or such plans costing more than expected or taking longer to realise than expected. Any of these outcomes could have an adverse effect on the Enlarged Group's financial and operational performance.

(b) Acquisitions

A key element of Pilbara Minerals strategy involves the potential acquisition of companies or investments in projects to diversify its portfolio. Whilst Pilbara Minerals and the Enlarged Group will seek

to conduct a thorough due diligence process in relation to any such acquisition, these transactions involve inherent risks, including:

- accurately assessing the value, strengths, weaknesses, contingent and other liabilities and potential profitability of acquisition candidates;
- ability to achieve identified and anticipated synergies;
- unanticipated costs and problems or latent liabilities such as the existence of native title or environmental liabilities on the acquired properties;
- diversion of management attention from existing business;
- potential loss of its key employees or the key employees of any business it acquires;
- unanticipated changes in business industry or general economic conditions that affect the assumptions underlying the acquisitions; and
- decline in the value of acquired projects, companies or securities.

Any one or more of these factors or other risks could cause the Enlarged Group not to realise the benefits anticipated to result from the acquisition of projects, companies or securities and could have a material adverse effect on its ability to grow and on its financial position and financial performance.

(c) Joint ventures

Pilbara Minerals is currently party to a number of joint ventures (including with POSCO and Calix) and may in the future, as the Enlarged Group, become a party to further joint venture partnerships (for example, with Ganfeng). There is a risk that the Enlarged Group's joint venture partners or other contractors may default on their joint venture obligations or not act in the best interests of the joint venture. There is also a risk of legal or other disputes between the Enlarged Group and co-venturers or contractors or other suppliers. This may have an adverse effect on the interests and prospects of the Enlarged Group.

Additionally, the Enlarged Group may be subject to certain funding requirements in connection with its joint ventures. Joint venture funding requirements, as well as the ability of joint venture partners to meet their financial and other obligations, may have an adverse impact on the Enlarged Group's financial performance.

(d) Exploration risk

Exploration is an inherently speculative and high-risk activity that requires significant amounts of expenditure over extended periods of time to present a reasonable probability of success. The Enlarged Group's exploration activities are subject to all the hazards and risks normally encountered in the exploration of minerals, including climatic conditions, hazards of operating vehicles and plant, technical difficulties, lack of sufficient water or power sources, industrial and environmental accident, adverse changes in government policy or legislation, lack of access to sufficient funding, lack of access to sufficient infrastructure, risks associated with operating in remote areas and other similar considerations.

Conclusions drawn during mineral exploration are subject to all the uncertainties associated with all sampling techniques and to the risk of incorrect interpretation of geological, geochemical, geophysical, drilling and other data.

No assurance can be given that during the exploration process mineral resources will be defined with preferred or desirable tonnages and/or grades that would result in feasible economic extraction. Substantial expense may be incurred without the requisite or expected degree of reward.

Further, the costs of the Enlarged Group's exploration activities may materially differ from its estimates and assumptions. No assurance can be given that the Enlarged Group's cost estimates and the

underlying assumptions will be realised in practice, which may materially and adversely affect the value of the Enlarged Group's shares.

(e) Development risk

If the Share Scheme proceeds, there is no guarantee that the Enlarged Group will achieve commercial viability at the Salinas Project which is currently at the pre-development stage or that the Enlarged Group will achieve its expansion plans at Pilgangoora.

Future development activities of the Enlarged Group may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, Indigenous rights process, changing government regulations and many other factors beyond the Enlarged Group's control.

The Enlarged Group's development costs are based on certain assumptions with respect to the method and timing of development. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may adversely affect the Enlarged Group's viability.

(f) Exchange rate fluctuations

Pilbara Minerals holds derivative financial instruments to hedge its short-term foreign currency risk exposure. Although this is Pilbara Minerals' current hedging policy, there can be no assurance that the company will continue to hedge exchange rate risk, or continue to hedge on this basis, moving forward.

Given that Pilbara Minerals' existing reporting currency is the Australian dollar, post-implementation the Enlarged Group's Australian dollar earnings may be adversely affected by movements in the Brazilian real and other foreign currencies.

(g) Dependence of licences and permits

The Enlarged Group's projects generally require governmental licences, permits, authorisations, concessions and other approvals in connection with their activities. Obtaining and complying with the necessary governmental permits and regulations can be particularly complex, costly and time-consuming and is therefore not assured.

The duration, cost and success of permit applications are contingent on many factors, including those outside the control of the Enlarged Group. Delays in obtaining or renewing, or failure to obtain or renew, a necessary permit could mean that the Enlarged Group may be delayed or, in a worst case scenario, unable to proceed with the development or continued operation of a mine or project. The permits that the Enlarged Groups and its investee entities need may not be issued, maintained or renewed either in a timely fashion or at all, which may constrain the ability of the Enlarged Group and its investee entities to conduct their operations, which in turn may impact the Enlarged Group's operating and financial results.

There are risks of inadvertently not complying with licences and permits (due to, for example, ambiguity in or misunderstanding of the conditions imposed, oversight, inability to access the necessary resources required for compliance, changes to compliance requirements, etc.). Lack of compliance may result in loss of licences and permits and/or fines and additional costs, among other things.

(h) Security of tenure

All tenements in which Pilbara Minerals and Latin Resources have interests are subject to renewal conditions or are yet to be granted, which will be at the discretion of the relevant mining authorities. The maintenance of tenements, obtaining renewals, or getting tenements granted often depends on Pilbara Minerals and Latin Resources being successful in obtaining required statutory approvals for proposed activities. Pilbara Minerals or Latin Resources (and later, the Enlarged Group) may lose title to, or interests in, its tenements if the conditions to which those tenements are subject are not satisfied or if insufficient funds are available to meet expenditure commitments.

In the jurisdictions in which Pilbara Minerals and Latin Resources operate, both the conduct of operations and the steps involved in acquiring interests will involve compliance with numerous procedures and formalities. It is not always possible to comply with, or obtain waivers from, all such requirements and it is not always clear whether requirements have been properly completed, or that it is possible or practical to obtain evidence of compliance. In particular, tenements may be subject to

expenditure and work commitments which must be complied with in order to keep the tenements in good standing. In certain circumstances, these commitments may be varied at the discretion of the relevant mining authority.

Failure to meet these commitments could lead to forfeiture of the tenement(s). Where tenement expenditures and work commitments or other regulatory requirements are not complied with, regulatory exemptions may need to be applied for within specified periods. If exemptions are not applied for in time, or are applied for in time but are not ultimately granted, fines may be payable to avoid the tenement(s) being forfeited or, in extreme cases, the tenement(s) may be forfeited. While Pilbara Minerals and Latin Resources anticipate that subsequent renewals or mineral tenure grants will be given as and when sought, there is no assurance that such renewals or grants will be given as a matter of course and there is no assurance that new conditions will not be imposed in connection therewith.

(i) Third party risks

Under state and federal legislation (as applicable), the Enlarged Group may be required to obtain the consent of and/or pay compensation to the holders of third-party interests which overlay areas within the tenements, including pastoral leases, privately held land, petroleum tenure and other mining tenure in respect of exploration or mining activities on the tenements. The Enlarged Group may not be successful in negotiating access with holders of third-party interests. Any delays in respect of conflicting third-party rights, obtaining necessary consents, or compensation obligations, may adversely impact the Enlarged Group's ability to carry out exploration or mining activities within the affected areas.

Any third party may terminate or rescind the relevant agreement whether lawfully or not and, accordingly, the Enlarged Group may lose its rights to exclusive use of, and access to any, or all, of the tenements. Third parties may also default on their obligations under the contracts which may lead to termination of the contracts.

(j) Native title

The *Native Title Act 1993* (Cth) recognises certain rights of Indigenous Australians over land where those rights have not been extinguished. These rights, where they exist, may impact on the ability of the Enlarged Group to carry out exploration or obtain production tenements in Australia. In applying for certain production tenements, the Enlarged Group must observe the provisions of native title legislation (where applicable) and Aboriginal heritage legislation which protects Aboriginal sites and objects of significance. In certain circumstances the consent of registered native title claimants must be obtained prior to carrying out certain activities on land to which their claim relates. It is possible that the conditions imposed by native title claimants on such consent may be on terms unacceptable to the Enlarged Group. If any known, or currently as yet undiscovered, Aboriginal heritage sites are present on the tenements of the Enlarged Group there is a risk that the presence of such sites may limit or prevent exploration or mining activity on the affected areas of those tenements. If Aboriginal heritage sites or objects do exist, the Enlarged Group may need to enter into agreements with the traditional owners of the sites. The ability of the Enlarged Group to implement its work programmes may be adversely affected in both time and cost. The failure to obtain the approval of the relevant minister to impact the Aboriginal heritage sites can result in offences being committed and significant fines or orders to stop work being made. In addition, the Enlarged Group may be required to pay compensation under applicable native title and Aboriginal heritage legislation and determinations if certain circumstances materialise or events occur. Significant liability could be imposed on the Enlarged Group for damages or penalties in the event of any non-compliance with native title or Aboriginal heritage legislation or regulations. This could have an adverse impact on the Enlarged Group's operations, business and financial performance.

(k) Indigenous Peoples

In addition to the native title risks outlined above, the Enlarged Group may be subject to native title laws and regulations, and to the rights or asserted rights of various community stakeholders (including Indigenous Peoples), in any foreign jurisdictions in which it operates presently or in the future. Observance of such laws, regulations and rights, and the acquisition of rights or approvals to explore, develop and operate its projects in these jurisdictions, may delay or restrict its operations and activities, and may result in additional costs being incurred by the Enlarged Group or otherwise adversely impact the Enlarged Group's financial performance.

In the event there is opposition to the Enlarged Group's operations or development plans, or exploration activities, the Enlarged Group's ability to conduct its operations and/or carry out exploration or development activities could be materially and adversely impacted. Such opposition may be directed through legal or administrative proceedings or expressed in manifestations such as protests, delayed or

protracted consultations, blockades or other forms of public expression against the Enlarged Group. Such opposition may require court proceedings, modification of, or preclude, operation or development of the Enlarged Group's projects or may require that the Enlarged Group provide significant financial (or other) compensation.

(l) Closure and rehabilitation risk

At the completion of any existing or future mining operations, the Enlarged Group will be required to rehabilitate or otherwise close those operations in accordance with its approved plans and applicable laws and regulations. No assurance can be given that the cost, or time taken, to rehabilitate or otherwise close any mining operation will not exceed any estimates or provisions made by the Enlarged Group (or any existing estimates made by Latin Resources or Pilbara Minerals) in respect of such rehabilitation or closure. The ultimate cost of rehabilitation and/or closure of mining operations is uncertain and can vary as a result of many factors, including but not limited to changes in applicable laws and regulations or the emergence of new restoration techniques.

(m) Transport and infrastructure

The Enlarged Group's operations depend on an uninterrupted flow of finished products, materials, supplies, services and equipment. The Enlarged Group is dependent on third parties for the provision of trucking, port, shipping and other transportation services. Contractual disputes, port capacity issues, availability of trucks or vessels, inclement weather, labour disruptions, or other factors could have a material adverse effect on the Enlarged Group's ability to transport (or take delivery of transported) product and materials to meet schedules and contractual commitments, which may in turn impact the Enlarged Group's business, results of operations and financial performance.

Mining, processing, development and exploration activities depend, to a significant degree, on adequate infrastructure. In the course of developing future mines or processing facilities, the Enlarged Group may need to construct and/or update existing infrastructure, which includes permanent water supplies, dewatering, tailings storage facilities, power, maintenance facilities, housing facilities and logistics services and access roads. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could materially adversely affect the Enlarged Group's operations, financial condition and results of operations. Any such issues arising in respect of the supporting infrastructure or on the Enlarged Group's sites could materially adversely affect the Enlarged Group's results of operations or financial condition. Furthermore, any failure or unavailability of the Enlarged Group's operational infrastructure (for example, through equipment failure or disruption to its transportation arrangements) could materially adversely affect its exploration activities or development of a mine or project.

(n) Geopolitical risk

The Enlarged Group will have operations across Australia, South Korea and Brazil and will be subject to geopolitical risks which may impact any of these regions.

The Chinese market is a significant source of global demand for lithium minerals and chemicals across the global lithium supply chain. As such, the Enlarged Group's operations could be exposed to geopolitical risks, particularly between Australia and China, which have become more prevalent in recent times including China imposing import restrictions on various Australian commodities.

While the Enlarged Group will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that we would not be impacted by such occurrences. Such risks could result in adverse impacts to the Enlarged Group's operational settings, business and financial performance.

(o) Litigation risk

All industries, including the mining industry, are subject to legal claims, with and without merit. Possible litigation risks include native title claims, royalty disputes (including royalty calculation disputes and other potential claims from royalty holders), offtake disputes, construction and development claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Defence and settlement costs of legal claims can be substantial, even with respect to claims that lack merit. Due to the inherent uncertainty of litigation, the litigation process could take away from management time and effort and the resolution of any particular legal proceeding to which the Enlarged Group is or may

become subject could have a material effect on the Enlarged Group's financial position, results of operations or project development activities.

(p) Investigations

The Enlarged Group may be subject to legal and regulatory investigations, reviews and other compliance queries from regulators and enforcement bodies from time to time. If adverse findings are made by a regulatory or enforcement body as a result of an investigation or review, there may be reputational consequences for the Enlarged Group, and a risk of civil and criminal penalties, statutory or regulatory sanctions, a requirement to pay compensation, infringement notices or fines. Further, the Enlarged Group may be subject to recommendations and directions to enhance its control framework, governance and systems. Any material investigation or adverse finding resulting from that investigation involving the Enlarged Group could have a material adverse impact on the financial performance and position of the Enlarged Group.

(q) Ore Reserve and Mineral Resource estimates

The Mineral Resource and Ore Reserve estimates for Pilgangoora and the Mineral Resource estimate for the Salinas Project are estimates only and no assurance can be given that any particular recovery level of metals will in fact be realised. These estimates are prepared in accordance with the JORC Code, but they are expressions of judgement based on knowledge, experience and industry practice, and may require revision based on actual production experience which could in turn affect the Enlarged Group's mining plans and ultimately its financial performance and value. There can be no guarantee that the Mineral Resource estimates will be converted to Ore Reserves, or that material included in Pilbara Minerals' Ore Reserve estimates will be successfully produced. Nor can there be any guarantee that the Enlarged Group's exploration activities will result in the discovery of new material, or reclassification of material previously discovered, to be included in Mineral Resources and Ore Reserves estimates.

Estimates that are valid when made may change significantly when new information becomes available. In addition, commodity price fluctuations, as well as increased production costs or reduced throughput or recovery rates, may render reserves and resources uneconomic and so may materially affect the estimates.

(r) Replacement of Ore Reserves and exploration risk

The Enlarged Group may need to replace Ore Reserves depleted by production to maintain production levels over the long term for ongoing stability of the Enlarged Group's operations and financial performance. Ore Reserves can be replaced by expanding known ore bodies, locating new deposits or making acquisitions. There is a risk that depletion of Ore Reserves will not be offset by discoveries or acquisitions, or that divestitures of assets will lead to a lower Ore Reserve base. The Ore Reserve base of the Enlarged Group may decline if Ore Reserves are mined without adequate replacement and the Enlarged Group may not be able to sustain production beyond the current mine lives, based on current production rates.

Exploration activities are speculative by nature and therefore are often unsuccessful. Such activities also require substantial expenditure and can take several years before it is known whether they will result in mines being developed. If a discovery is made, it may, in some cases, take up to a decade or longer from the initial phases of exploration drilling until mining is permitted and production is possible. There is no certainty that the expenditures made by the Enlarged Group towards the search for and evaluation of mineral deposits will ultimately result in economically viable production of commercial quantities of ore.

Whether a mineral deposit is commercially viable depends on a number of factors, including the particular attributes of the deposit, including but not limited to size, grade and proximity to infrastructure, commodity prices, government regulation, land tenure, land use, and environmental protection.

In addition, the exploitation of successful discoveries involves obtaining the necessary licences or permits from relevant authorities that may require conditions to be satisfied and the exercise of discretions by such authorities. No assurance can be given that the Enlarged Group will be successful in obtaining any required licences or permits, including on terms that are not adverse to the Enlarged Group.

Further, the decision to proceed to further exploitation may require the participation of other companies whose interests and objectives may not be the same as those of the Enlarged Group.

Accordingly, if the exploration activities undertaken by the Enlarged Group do not ultimately result in the economically viable production of commercial quantities of ore, there may be an adverse impact on the Enlarged Group's financial performance.

(s) Lithium and tantalum recovery

Mineral recoveries are dependent upon the process that is required to liberate economic minerals and produce a saleable product and by nature contain elements of significant risk such as:

- identifying a process through test work to produce a saleable metal and/or concentrate;
- developing an economic process route to produce lithium and/or tantalum concentrate; and
- changes in mineralogy in the ore deposit can result in inconsistent minerals recovery,

affecting the economic viability of the Enlarged Groups' projects.

(t) Lithium market

Pilgangoora produces a lithium spodumene concentrate and a tantalum by-product and the Salinas Project is seeking to produce a lithium spodumene concentrate. Demand for, and pricing of, spodumene concentrate and tantalum is sensitive to a variety of external factors, most of which are beyond the Enlarged Group's control.

A reduction in the growth of the electronics industry, particularly the need for tantalum capacitors and/or tantalum's use in the health and aerospace can impact the demand for tantalum. Changes in battery technology and emerging technologies could impact the demand for lithium and other battery metals. For example, development of new cathode chemistries could reduce the reliance on traditional lithium-ion batteries, research into alternative materials could shift demand away from lithium and impact other battery metal markets, advances in technology might lead to the substitution of certain metals with more abundant or cost-effective alternatives, the development of alternative energy storage solutions could impact the overall demand for lithium-ion batteries and associated metals. Changes in battery technology may require adjustments to mining, processing, and supply chain infrastructure, which could impact metal availability and pricing.

(u) Changes in commodity price

The Enlarged Group's current and future revenues, based on Pilgangoora and (if it is brought into production) the Salinas Project, will be from the sale of lithium spodumene concentrate, tantalum by-products and/or from potential joint ventures or from mineral projects sold. Consequently, the Enlarged Group's performance will be dependent on lithium spodumene and tantalum prices.

Fluctuations in the market price of lithium spodumene concentrate has historically been highly volatile and may continue to fluctuate significantly over time. The factors which affect the price for lithium and other minerals (many of which are outside the control of the Enlarged Group and its directors) include, among many other factors, the terms of its offtake agreements; manufacturing activities; the quantity of global supply in lithium as a result of the commissioning of new mines and the decommissioning of others; political developments in countries which produce and consume lithium, and the demand for the applications for which lithium may be used and/or the advancement of alternative technologies for use in such applications and which do not require the use of lithium or a lesser quantity of lithium; the grade and quality of lithium produced; and sentiment or conditions in the countries and sectors in which the Enlarged Group and its business/commercial partners sell or intend to sell their products.

Most lithium spodumene concentrate is currently sold into China with mature supply chains yet to develop in other jurisdictions, which may contribute to the significant volatility observed in lithium prices. The tantalum industry has historically been susceptible to rapid changes in market balance with volatile price movements and may continue to fluctuate significantly over time.

(v) Offtake risk

Spodumene is commonly sold to customers under offtake contracts and sale agreements. Pilbara Minerals currently has offtake arrangements in place with a number of counterparties. The Enlarged Group's operations and revenues will be in part dependent on counterparties to existing and future offtake agreements performing their obligations. If counterparties do not take their obligated quantities of product or seek to renegotiate the price or quantity of product, the Enlarged Group's profit could be

adversely affected. The risk of non-performance or attempted renegotiation of terms by offtake customers is enhanced by the prevailing demand and pricing sensitivities currently impacting the global market for lithium products.

Additionally, trading and other terms and conditions ultimately agreed with offtake parties may expose the Enlarged Group to adverse changes in the freight and insurance markets, and may expose the Enlarged Group to different legal jurisdictions. In addition, there is a risk that an offtake party may become insolvent or may not be able to meet its future buying obligations under relevant offtake agreements. Where an offtake party does not meet its obligations, there is a risk that excess product will not be able to be sold on the limited spot market. If the Enlarged Group is not able to achieve any required product specification to satisfy the customer offtake agreements, there is no guarantee the Enlarged Group will be able to sell its product. There is no certainty or assurance that the Enlarged Group will be able to continuously meet product specifications particularly on account of inherent risks associated with the extraction and processing of ore.

Latin Resources is yet to secure any binding offtake contracts with potential customers. The Enlarged Group's ability to generate sufficient revenue or to secure financing for the Salinas Project could be dependent upon its ability to secure offtakes covering future production at prices and on terms which support the economics and funding of the Enlarged Group's projects.

(w) Actions by government or political events

The operations of Pilbara Minerals are, and will be for the Enlarged Group, subject to various federal, state and local laws and regulations in the jurisdictions in which the Enlarged Group operates. The laws include those relating to mining, prospecting, development permit and licensing requirements, industrial relations, environment, land use, water, royalties, native title and cultural heritage, mine safety and occupational health. The Enlarged Group and its business could be adversely affected by changes in, or new, government regulations, such as controls on imports, exports and/or prices. Increasing requirements relating to regulatory and environmental approvals may affect existing operations or potentially cause delays in and adversely affect the expansion of existing operations.

In addition, the Enlarged Group and its business could be exposed to the risk of terrorism, civil unrest, nationalisation, renegotiation or nullification of existing contracts, leases, permits or other agreements, changes in laws and policy (including changes in exchange control policies regulating the repatriation of earnings or capital out of the relevant jurisdiction) and governmental reviews and investigations (including historical tax audits), as well as other unforeseeable risks in the jurisdictions in which it operates that could have an adverse impact upon the profitability of an operation.

(x) Employee and union relations

The employees of Pilbara Minerals are not currently engaged under any collective labour agreements. However, there is a risk that the Enlarged Group's workforce may seek bargaining for collective labour agreement(s) in the future and that the Enlarged Group may not be able to satisfactorily negotiate such agreement(s) and/or may face higher wages/changes in benefits, or restrictions to current work practices, as a consequence of such negotiations. Furthermore, any such collective bargaining process may impact productivity whilst negotiations are underway, even if a satisfactory agreement is ultimately agreed.

In addition, any future negotiation of collective labour agreements may not prevent protected industrial action which could have an adverse effect on the operations and financial results of the Enlarged Group.

(y) Occupational health and safety

Pilbara Minerals' and Latin Resources' operations are subject to a variety of industry specific health and safety laws and regulations which are formulated to improve and to protect the safety and health of employees.

Mining and mining-related operations and activities can potentially be hazardous. Workplace incidents may occur for various reasons, including as a result of non-compliance with occupational health and safety laws and regulations in Western Australia and Brazil. Whilst the Enlarged Group will seek to implement appropriate practice systems and procedures in respect of occupational health and safety, the Enlarged Group may be liable for workplace incidents including industrial accidents, workplace incidents, and any fatalities that occur to the Enlarged Group's employees or other persons under such applicable occupational health and safety laws. If the Enlarged Group is liable under such laws, in whole or part, the Enlarged Group may be liable for significant penalties, which may adversely impact the

Enlarged Group's operations, financial performance and financial position, as well as negatively affecting the Enlarged Group's reputation. Such workplace incidents may not be covered, or may be inadequately covered, by the Enlarged Group's insurance policies. Additionally, any accidents or injuries that occur at any of the Enlarged Group's operations could result in delays or stoppages to operations and activities.

(z) Reliance on consultants, contractors and suppliers

The Enlarged Group has relied on, and is expected to continue to rely on, certain consultants and others for various mineral exploration and exploitation expertise, as well as other business operations and functions from time to time. If the work conducted by such consultants is ultimately found to be incorrect or inadequate in any material respect, this may have an adverse effect on the Enlarged Group's operations or financial performance, including potential delays or increased costs in developing its mineral properties.

There is a risk of insolvency or managerial failure by any of the contractors or other suppliers used by the Enlarged Group in any of its activities, or that any of those agreements are terminated in accordance with their terms.

(aa) Unexpected natural or operational catastrophes

The operations of the Enlarged Group may both be affected by various factors outside of the Enlarged Group's control, including natural disasters, and operational and technical catastrophes.

These include but are not limited to: flooding or adverse weather conditions, earthquakes, fires, explosions, rock falls, and unusual or unexpected rock formations that affect the exploration, development or mining operations of the business.

(bb) Environmental risk

The operations and activities of Pilbara Minerals and Latin Resources are, and the Enlarged Group will be, subject to the environmental laws and regulations of Australia, Brazil and the other places it conducts business. As with all mining operations and exploration projects, the Enlarged Group's operations and activities are expected to have an impact on the environment. The Enlarged Group will aim to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws and regulations. Nevertheless, significant liability could be imposed on the Enlarged Group for damages, clean-up costs or penalties in the event of any non-compliance with environmental laws or regulations. This could have an adverse impact on the Enlarged Group's business, operations and financial performance.

Additionally, environmental laws and regulations are increasingly evolving to require stricter standards and enforcement behaviours, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility (and liability) for companies and their officers, directors and employees. Changes in environmental laws and regulations deal with air quality, water and noise pollution and other discharges of materials into the environment, plant and wildlife protection, the reclamation and restoration of mining properties, greenhouse gas emissions, the storage, treatment and disposal of wastes, the effects of mining on the water table and groundwater quality. Changes in environmental legislation could increase the cost of the Enlarged Group's exploration, development and mining activities or delay or preclude those activities altogether.

Environmental hazards may exist on the assets or properties in which the Enlarged Group holds an interest and these hazards may be unknown to the Enlarged Group at present. There is the potential that the Enlarged Group may need to bear the burden of rectification of such hazards that arise and become known to the Enlarged Group. Environmental hazards may also adversely affect the operations of the Enlarged Group, including excessive levels of dust during high winds or through operational activities which can adversely impact site work fronts and flora and fauna.

The Enlarged Group is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Enlarged Group's cost of doing business or affect its operations in any area. However, there can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Enlarged Group to incur significant expenses and undertake

significant investments which could have material adverse effects on the Enlarged Group's business, financial condition and performance.

(cc) Climate change

The physical and non-physical impacts of climate change may affect the Enlarged Group's assets, its productivity, the markets in which it sells its products, and the communities in which the Enlarged Group operates. Risks related to the physical impacts of climate change include acute risks resulting from increased severity of extreme weather events and chronic risks resulting from longer-term changes in climate patterns.

Non-physical risks arise from a variety of policy, regulatory, legal, technology, financial and market responses to the challenges posed by climate change and the transition to a lower-carbon economy. Any changes to government regulation or policy relating to climate change, including relating to greenhouse gas emissions or energy intensive assets, may directly or indirectly impact the Enlarged Group's costs and operational efficiency.

The Enlarged Group may be adversely impacted by the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation, as well as changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further adversely impact the Enlarged Group and its business, operations and financial performance. While the Enlarged Group intends to manage these risks and limit any consequential impacts, there can be no guarantee that the Enlarged Group will not be adversely impacted by these occurrences.

(dd) Information technology and cyber risk

The Enlarged Group is potentially exposed to risks ranging from uncoordinated individual attempts to gain unauthorised access to its information technology systems, to sophisticated attempts targeted at the Enlarged Group. Internal human error can also be a contributing factor. Any such disruptions or the failure of the information technology and cybersecurity systems to operate as expected could, depending on the magnitude of the problem, result in the loss of sensitive information, operational disruptions, the loss of current or future business, reputational harm and/or potential claims against the Enlarged Group, all of which could have an adverse effect on the Enlarged Group's business, financial performance and position, results of operations and prospects.

(ee) No certainty the Enlarged Group will pay dividends

Any future determination as to the payment of dividends by the Enlarged Group will be at the discretion of the board of the Enlarged Group and will depend on the financial condition of the Enlarged Group, future capital requirements and general business and other factors considered relevant to the board of the Enlarged Group. No assurance in relation to the continued or future payment of dividends or franking credits attaching to dividends can be given by the Enlarged Group.

(ff) Unforeseen expenses

The Enlarged Group may be subject to significant unforeseen expenses or actions. This may include unplanned operating expenses, future legal actions or expenses in relation to future unforeseen events. The directors of the Enlarged Group expect that the Enlarged Group will have adequate working capital to carry out its stated objectives however there is the risk that additional funds may be required to fund the Enlarged Group's future objectives.

(gg) Workforce attraction and retention

The safe and efficient operation of the Enlarged Group's business will partially depend on its ability to attract and retain skilled employees, and is critical to retaining a positive operational and development culture. Mining projects are often in remote locations and employees often work based on a fly-in, fly-out schedule. As a result, there can be shortages of labour that make it challenging to recruit and retain employees. Tight general labour market conditions are also expected to remain in the nearer term due to a shortage of skilled labour. These factors combined with a high industry turnover rate and growing competition for skilled labour, may impact upon the Enlarged Group's ability to hire and retain employees and may lead to exposure to increased labour costs where the demand for labour is strong.

Human resources impacts could be characterised by high employee turnover rates and reduced production output and increased development timelines. These challenges have the potential to lead to increased operating costs, increased development costs, delayed development timelines, elevated recruitment and training expenses, the need for more competitive remuneration packages and benefits and could adversely affect safety performance records. The intensified competition for skilled talent may impact on succession planning and increase workload on existing employees in the organisation. Collectively, these factors may create workforce instability, introduce operational inefficiencies and result in financial loss.

(hh) **Key personnel**

The Enlarged Group will be dependent on the experience, skills and knowledge of its key personnel, to successfully manage its business.

The loss of any of the Enlarged Group's key personnel, the inability to recruit necessary staff as needed, the increased cost to recruit or retain the necessary staff, any disputes with employees (through personal injuries, industrial matters or otherwise), changes in labour regulations or other developments in the area, may cause a significant disruption to the Enlarged Group and adversely impact the Enlarged Group's operations, financial performance and financial position.

(ii) **Supply chain resilience**

The Enlarged Group will rely upon a number of key suppliers for its operations, particularly across areas relating to consumables, maintenance requirements and general asset management. The Enlarged Group's operations could be impacted depending on the nature of the general supply chain disruption. This would result in development / study delays and operational losses which would lead to reduced capacity to deliver spodumene concentrate on agreed rates to offtake partners resulting in financial loss and reputational damages.

(jj) **Bribery and corruption**

The Enlarged Group may suffer a significant loss resulting from historic or future fraud, bribery, corruption, other illegal acts by its employees, inadequate or failed internal processes or systems, or from external events, such as security threats affecting its ability to operate. The Enlarged Group relies on its workforce to follow policies and processes as well as applicable laws in their activities. Risk of illegal acts or failed systems is managed through the Enlarged Group's infrastructure, controls, systems and people, complemented by a focus on enterprise-wide management of specific operational risks such as fraud, bribery and corruption, as well as personnel and systems risks. Specific programs, policies, standards and methodologies have been developed to support the management of these risks, however these cannot guarantee that such conduct does not occur and if it does, it can result in direct or indirect financial loss, reputational impact or regulatory consequences.

(kk) **Water management**

The Enlarged Group's long mine life at Pilgangoora and potential long-term future mine life at the Salinas Project mean that it is important that a long-term sustainable water supply can be maintained at Pilgangoora and be successfully secured (and maintained) at the Salinas Project. Not having a sufficient and sustainable water supply could have material adverse impacts on the Enlarged Group's operations as they are heavily reliant on water for processing activities and supplementary requirements for mining, village accommodation and general amenities.

There can be no guarantee that the cost of ensuring sufficient access to water at the Enlarged Group's operations will not substantially increase in the future. Reduced access to water may result in the reduction or suspension of the Enlarged Group's operations.

Additionally, having and managing large quantities of water required at the Enlarged Group's operations poses potential health and safety risks, environmental risks, and the risk of damage to property, in the event of a spillage or other accident.

(ll) **Economic conditions**

The operating and financial performance of the Enlarged Group is influenced by a variety of general economic and business conditions, including levels of consumer spending, spodumene prices, tantalum prices, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets, and government fiscal, monetary and regulatory policies. Changes in general

economic conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities or war, or natural disasters. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have an adverse impact on the Enlarged Group's operating and financial performance and financial position. The Enlarged Group's future possible revenues and share price can be affected by these factors, which are beyond the Enlarged Group's control.

(mm) Debt and equity funding (including shareholder dilution)

Pilbara Minerals recently established a new \$1,000,000,000 debt facility in the form of a Revolving Credit Facility (**RCF**) with a group of domestic and international banks. As is customary with such arrangements, the RCF contains covenants restricting Pilbara Minerals' (and therefore the Enlarged Group following implementation of the Share Scheme) operating flexibility.

While Pilbara Minerals considers it has the funding it requires, it is difficult to predict the level of funding that may be required for future operations with accuracy at this point. No assurance can be given that any additional financing will be available or that, if available, it will be available on terms acceptable to the Enlarged Group or its shareholders. The terms on which debt financiers are willing to offer finance may vary from time to time depending on macro-economic conditions, the performance of the Enlarged Group and an assessment of the risks and intended use of funds. Debt finance, if available on terms acceptable to the Enlarged Group, may involve restrictions on financing and operating activities. In the future, Pilbara Minerals may also elect to issue Pilbara Minerals Shares or engage in capital raisings to fund acquisitions, undertake other strategic initiatives, or for working capital purposes, and Pilbara Minerals may also issue Pilbara Minerals Shares in connection with employee share plans. While Pilbara Minerals will be subject to the constraints of the ASX Listing Rules regarding the percentage of capital that it is able to issue within a 12 month period (other than where exceptions apply), Pilbara Minerals Shareholders at the time may be diluted as a result of such issues of Pilbara Minerals Shares and capital raisings.

If sufficient funds are not available from either debt or equity markets to satisfy the Enlarged Group's short, medium or long-term capital requirements, when required, this may adversely impact the Enlarged Group's operations, financial performance and financial position.

(nn) Changes in taxation rules or their interpretation

Changes in tax law (including value added taxes and stamp duties), or changes in the way taxation laws are interpreted may impact Pilbara Minerals' tax liabilities or the tax treatment of a Pilbara Minerals Shareholder's investment. In addition, an investment in Pilbara Minerals Shares involves tax considerations which may differ for each Pilbara Minerals Shareholder. Each Latin Resources Securityholder is encouraged to seek independent tax advice in relation to their own personal circumstances in connection with the relevant Scheme and how they may be discretely impacted.

(oo) Transfer of cash

The Enlarged Group will conduct operations through subsidiaries, including foreign subsidiaries in Singapore, Canada and Brazil. Accordingly, any limitation on the transfer of cash or other assets between the parent corporation and such entities, or among such entities, could restrict the Enlarged Group's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on the Enlarged Group's operations or financial performance.

(pp) Competition

The mining industry is competitive in all its phases and requires significant capital, as well as technical and operational resources. Competition is also intensive for mining projects, mining equipment, supplies and qualified service providers, particularly in Australia and Brazil where mining personnel are often in high demand and short supply. If equipment, supplies or qualified expertise cannot be sourced and at cost effective rates within Australia or Brazil, the Enlarged Group may need to procure that equipment, supplies or personnel from outside of Australia or Brazil, which could result in additional delays and higher costs. The Enlarged Group will face strong competition from other mining companies, some with greater financial resources, operational experience or technical capabilities. As a result of this

competition, the Enlarged Group may be unable to maintain or acquire financing, personnel, technical resources or attractive mining properties on terms it considers acceptable.

(qq) Government and community relations

The Enlarged Group's relationships with host governments, communities and other relevant stakeholders (including, for example, regulatory bodies and non-governmental organisations) are critical to ensuring the success of its existing operations and the construction and development of new projects. There is an increasing level of public concern relating to the perceived effects of mining activities on the environment and on host communities due to events that have happened with other companies in the recent past. The evolving expectations related to human rights, Indigenous rights, and environmental protection may result in opposition to the Enlarged Group's current or future operations or further development of its projects. Such opposition may be directed through legal or administrative proceedings or expressed in public opposition such as protests, roadblocks, or other forms of expression against the Enlarged Group's activities and may have a negative impact on the Enlarged Group's reputation and operations.

Opposition by any of the aforementioned groups to the Enlarged Group's operations or projects may require modification of, or preclude the operation or development of, the Enlarged Group's projects or may require the Enlarged Group to enter into agreements with such groups or host governments with respect to the Enlarged Group's operations or projects, in some cases causing increased cost and considerable delays to the advancement of the Enlarged Group's operations or projects. Further, publicity adverse to the Enlarged Group, its operations or projects, or extractive industries generally, could have an adverse effect on the Enlarged Group and may impact relationships with the communities in which the Enlarged Group operates and other stakeholders. There can be no assurance that the Enlarged Group's efforts to operate in a socially responsible manner will fully mitigate this potential risk.

The Enlarged Group's operations and projects may also be impacted by relations with various governmental and community stakeholders, and the Enlarged Group's ability to develop related mining assets may still be affected by unforeseen outcomes from such government and community relations.

(rr) Insurance

During exploration, development and production of mineral properties, certain risks (in particular, risks related to operational and environmental incidents) may occur. The Enlarged Group will maintain insurance coverage to protect against certain risks with such scope of coverage and in such amounts as determined appropriate by the Enlarged Group's directors and management in the circumstances or to the extent commercially available. However, insurance may not be available to insure against certain risks, the terms of the insurance available may be unfavourable, or the costs of such insurance may be uneconomic. The Enlarged Group may also elect not to obtain insurance for other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs which could have an adverse effect on the Enlarged Group's operations and financial position. Even if the Enlarged Group maintains liability insurance, the nature of these types of risks is such that liabilities could exceed policy limits and the Enlarged Group could incur significant costs that could have a material adverse effect on its business, results of operations and financial condition. Losses from uninsured or underinsured liabilities have the potential to materially affect the Enlarged Group's financial position and prospects.

(ss) Force majeure events

Events may occur within or outside Australia, Korea or Brazil that could impact upon the Australian, Korean and/or Brazilian economy, the Enlarged Group's operations and the price of the Enlarged Group's shares. These events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or man-made events or occurrences that can have an adverse effect on the demand for the Enlarged Group's products and its ability to operate its assets. The Enlarged Group has only a limited ability to insure against some of these risks, if it chooses to do so, having regard to the terms, conditions, exclusions and cost of the relevant insurance policies.

8.5 Risks relating to Pilbara Minerals Shares

(a) Delivery of key projects

Pilbara Minerals' major capital expansion project, the P1000 Project, is currently underway. The introduction of this project aims to reduce unit operating costs by increasing production volumes,

however material delays in the delivery of this project may adversely affect this objective. Substantial work has been undertaken to deliver the P1000 Project on time and budget, however, there remains the possibility of unexpected challenges arising that may adversely impact the timeline for delivery, capital expenditure and expected benefits or synergies. This may adversely affect the price of Pilbara Minerals Shares.

Additionally, the P680 Project crushing and ore sorting facility is currently in its ramp up phase to full operating capacity following its recent commissioning. As with any major plant construction, there is inherent risk that operational ramp up may take longer than expected, including due to the ore sorting equipment being of considerable size and complexity.

Delays to the P1000 Project or ramp up of the P680 Project crushing and ore sorting facility may adversely affect the price of Pilbara Minerals Shares.

(b) The price of Pilbara Minerals Shares is subject to volatility

The price at which Pilbara Minerals Shares are quoted on the ASX may increase or decrease due to several factors. These factors may cause Pilbara Minerals Shares to trade at prices below the Pilbara Minerals Share price at the date of announcement of the Schemes. There is no assurance that the price of the Pilbara Minerals Shares will increase following implementation of the Share Scheme (or, if applicable, the Schemes), even if Pilbara Minerals' earnings increase. The past performance of Pilbara Minerals is not necessarily an indication as to the future performance of Pilbara Minerals or the Enlarged Group.

If the Share Scheme (or, if applicable, the Schemes) is implemented, a larger number of Pilbara Minerals Shares will be available for trading in the public market. The increase in the number of Pilbara Minerals Shares may lead to sale of such shares or the perception that such sales may occur, either of which may adversely affect the market for, and the market price of, Pilbara Minerals Shares.

Some of the factors which may adversely impact the price of the Pilbara Minerals Shares include fluctuations in the domestic and international market for listed securities, general economic conditions including interest rates, inflation rates, exchange rates, commodity and oil prices, changes to government fiscal, monetary or regulatory policies and settings, country trade and importation policies, changes in legislation or regulation, inclusion in or removal from market indices, the nature of the markets in which Pilbara Minerals operates and general operational and business risks.

(c) Liquidity

There can be no guarantee that there will always be an active market for Pilbara Minerals Shares or that the price of these shares will increase. There may be relatively few buyers or sellers of shares on the ASX at any given time, and the demand for these shares specifically is subject to various factors, many of which are beyond Pilbara Minerals' control. This may affect the stability or volatility of the market price of the Pilbara Minerals Shares, and may also affect the prevailing market price at which shareholders are able to sell their shares at any given time.

(d) The issuance of additional Pilbara Minerals Shares may impact the trading price of the Pilbara Minerals Shares

In times of depressed lithium prices or if undertaking an acquisition, Pilbara Minerals may be required to raise additional capital to meet its liquidity requirements, through the issuance of additional Pilbara Minerals Shares, and/or dispose of assets. If additional funding is raised by issuing additional equity securities or securities convertible, exercisable or exchangeable for equity securities, such financing may substantially dilute the interests of Pilbara Minerals Shareholders and reduce the value of their investment. Similar dilution could result from the sale of assets to meet liquidity requirements.

(e) Future offerings of debt or preferred equity securities, which could rank senior to Pilbara Minerals Shares, may adversely affect the market price of Pilbara Minerals Shares

If, in the future, Pilbara Minerals issues debt securities or preferred equity securities that rank senior to Pilbara Minerals Shares, it is likely that such securities will be governed by an indenture or other instrument containing covenants restricting Pilbara Minerals' operating flexibility. Any convertible or exchangeable securities that Pilbara Minerals issues in the future may have rights, preferences and privileges more favourable than those of the Pilbara Minerals Shares and may result in dilution to holders of Pilbara Minerals Shares. Pilbara Minerals, and indirectly, its shareholders, will bear the cost of

issuing and servicing such securities. Because Pilbara Minerals' decision to issue debt securities or equity securities in any future offering will depend on market conditions and other factors beyond its control, Pilbara Minerals cannot predict or estimate the amount, timing or nature of future offerings. Thus, holders of Pilbara Minerals Shares will bear the risk of future offerings reducing the market price of Pilbara Minerals Shares and diluting the value of their stock holdings.

8.6 Risks and implications for Latin Resources if the Share Scheme is not implemented

If the Share Scheme does not proceed, Latin Resources will continue as a standalone entity and Latin Resources Securityholders will retain their Latin Resources Shares and Latin Resources Options (as applicable). In these circumstances, Latin Resources may be subject to the risks set out in this Section 8.6.

(a) Risks arising from the consequences of the Share Scheme not being implemented

- (i) **Latin Resources Securityholders will not receive the Share Scheme Consideration, Option Scheme Consideration or a pro rata share of the Net Cash Proceeds (as applicable):** If the Share Scheme is not implemented Latin Resources Shareholders and Latin Resources Optionholders will retain their Latin Resources Securities and will not receive the Scheme Consideration (or in the case of Ineligible Foreign Holders or Electing Scheme Participant, they will not receive their pro rata share of the Net Cash Proceeds). If the Share Scheme is not implemented, Latin Resources would remain listed on ASX and would continue to operate its business. In those circumstances, Latin Resources Securityholders will continue to be exposed to the risks and benefits of owning Latin Resources Shares or Latin Resources Options (as applicable).
- (ii) **The trading price of Latin Resources Shares may fall below recent trading prices in the absence of a Superior Proposal for Latin Resources:** The market price of a company's publicly traded securities is affected by many variables, including changes in investor behaviour and strategies, interest rates, general market and economic conditions, and government regulation. There can be no assurance that such fluctuations will not affect the price of Latin Resources Shares in the future if the Share Scheme does not proceed.

The trading price of Latin Resources Shares rose by 54.2% on announcement of the Scheme Implementation Agreement on 15 August 2024. Since market close on 14 August 2024 (being the last day on which Latin Resources Shares traded before announcement of the Schemes on 15 August 2024) the Latin Resources Share price has increased 45.8% up to a closing price of \$0.175 on the Last Practicable Date. If the Share Scheme is not approved and no comparable proposal or Superior Proposal for Latin Resources emerges, it is expected that the trading price of Latin Resources Shares will fall.
- (iii) **Transaction costs will be borne by Latin Resources:** If the Share Scheme is not implemented, Latin Resources' transaction costs will be borne by Latin Resources alone, subject to any off-set by way of the Reverse Break Fee payment from Pilbara Minerals (if payable). Latin Resources may also be required to pay the Break Fee to Pilbara Minerals, depending on the circumstances in which the Share Scheme does not proceed. Further information regarding the Reverse Break Fee and Break Fee the circumstances in which they may become payable are described in Annexure B.
- (iv) **The benefits associated with the Enlarged Group will not be realised:** If the Share Scheme is not implemented, Latin Resources will remain listed on the ASX as a standalone entity and the benefits anticipated from the Enlarged Group will not be realised.
- (v) **Risks associated with the Bridging Loan:** If the Share Scheme is not implemented, Latin Resources expects that it will need to raise additional funds shortly following the termination of the Scheme Implementation Agreement to (i) repay amounts that have been drawn down and remain unpaid under the Bridging Loan and (ii) provide working capital to fund Latin Resources' ongoing activities. Additional funding may be sourced from share issues, the sale of non-core assets, entering into offtake related funding

arrangements or longer-term debt financing. Additional funding through share issues is dependent upon market conditions at the time and would be dilutive to Latin Resources Shareholders. Debt financing and/or offtake related funding arrangements may not be available, and if available, may impose restrictions on operating activities or any expansion of Latin Resources' operations.

- (vi) **Going concern uncertainty:** Latin Resources' auditor included a material uncertainty paragraph on Latin Resources' 30 June 2024 accounts, relating to Latin Resources' working capital requirements and the existence of some doubt as to Latin Resources' ability to continue as a going concern. Although Latin Resources believes it can raise the capital required to continue as a going concern (including to pay for transaction costs and repay the Bridging Loan) from shareholders and/or equity and debt capital markets (and potentially other sources), no assurances can be given that the necessary capital or funding will be available when needed, either at all or on terms favourable to Latin Resources.

(b) **Other risks for Latin Resources as a standalone entity**

(i) **Risks as a standalone entity**

If the Share Scheme is not implemented, and no Superior Proposal emerges, Latin Resources intends to continue with its existing strategy. As a standalone entity, Latin Resources will remain exposed to the number of risks outlined in Section 8.4, save to the extent that those risks are derived from the Enlarged Group's exposure to Pilbara Minerals, its businesses or operations.

(ii) **Financing risk**

In the future, Latin Resources will need to raise additional funds (by way of debt and/or equity) to:

- complete feasibility studies on its projects
- undertake the future development of its projects and, in particular, the Salinas Project subject to the results of the feasibility studies;
- meet any exploration expenditure commitments on projects that are not yet at the development stage; and
- fund corporate, administrative and working capital needs.

The ability of Latin Resources to meet these future funding requirements will depend upon its continued capacity to access funding sources and/or debt facilities. Funding via additional equity issues may be dilutive to Latin Resources' existing shareholders and, if available, debt financing may be subject to Latin Resources agreeing to certain debt covenants. If Latin Resources is unable to obtain additional financing as needed, it may be required to reduce the scope of operations, delay, suspend or scale back the development of the Salinas Project, its exploration programmes and plans for other projects, as the case may be. There is no guarantee that Latin Resources will be able to secure any additional funding as and when required or be able to secure funding on terms favourable to Latin Resources.

(iii) **Risks associated with operating in Brazil**

If the Share Scheme is not implemented, Latin Resources' principal operations, development and exploration activities will remain exposed to the jurisdiction of Minas Gerais, Brazil. The success of Latin Resources' mineral exploration and development activities in Brazil depends, in part, upon the laws and regulations of Brazil and performance of the Brazilian economy. Government policy changes (or the risk of the same) can occur following elections or in response to domestic or international issues and may have important effects on Latin Resources' operations.

While Minas Gerais is a pro-mining state and the governments in Brazil have historically supported the development of natural resources by foreign companies, there is no assurance that such governments will not in the future adopt different regulations

policies or interpretations with respect to, but not limited to, foreign ownership of mineral resources, royalty rates, taxation, rates of exchange, environmental protection, labour relations, repatriation of income or return of capital, restrictions on production or processing, price controls, export controls, currency remittance, or Latin Resources' obligations under its respective mining codes and stability conventions. The possibility that such governments may adopt substantially different policies or interpretations, which might extend to the expropriation of assets, may have a material adverse effect on Latin Resources. No assurance can be given that applicable governments will not revoke or significantly alter the conditions of the applicable exploration and mining authorisations nor can assurance be given that such exploration and mining authorisations will not be challenged or impugned by third parties. The effect of any of these factors may have a material adverse effect on Latin Resources' operations and financial condition.



09.

Australian tax implications

9. Australian tax implications

9.1 Australian taxation outline

The following is a general description of the Australian tax consequences of the Share Scheme (assuming it becomes Effective) for Share Scheme Participants and the Option Scheme (assuming it becomes Effective) for Option Scheme Participants upon implementation of the Share Scheme or Option Scheme (where relevant). It does not constitute tax advice and should not be relied upon as such.

The description is based upon the Australian law and administrative practice in effect as at the Last Practicable Date but is general in nature and is not intended to be an authoritative or complete statement of the laws applicable to the particular circumstances of a Latin Resources Securityholder. Latin Resources Securityholders should seek independent professional advice in relation to their own particular circumstances.

The income tax comments set out below are relevant only to those Latin Resources Securityholders who hold their Latin Resources Shares on capital account. The description does not address the Australian income tax consequences for Latin Resources Securityholders who:

- hold their Latin Resources Shares and/or Latin Resources Options for the purposes of speculation or a business of dealing in securities (for example, as trading stock);
- acquired their Latin Resources Shares and/or Latin Resources Options pursuant to an employee share, option or rights plan;
- are financial institutions, insurance / life insurance companies, partnerships, superannuation funds, tax exempt organisations or temporary residents;
- are Australian residents who hold their Latin Resources Shares and/or Latin Resources Options as part of an enterprise carried on at or through a permanent establishment in a foreign country;
- change their tax residence while holding Latin Resources Shares and/or Latin Resources Options;
- invest indirectly into Latin Resources Shares and/or Latin Resources Options through directed portfolio services, master funds or other portfolio administration services;
- are dealers in Latin Resources Shares and/or Latin Resources Options;
- are subject to the taxation of financial arrangements rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to gains and losses on their Latin Resources Shares; or
- are Ineligible Foreign Holders or Electing Scheme Participants.

Latin Resources Securityholders who are tax residents of a country other than Australia (whether or not they are also residents, or are temporary residents, of Australia for tax purposes) should take into account the income tax consequences of the Share Scheme and/or Option Scheme (as relevant) under the laws of their country of residence, as well as under Australian law.

9.2 Australian resident Latin Resources Securityholders

(a) General

The following is a general summary of the Australian income tax implications expected to arise for certain Australian resident Latin Resources Securityholders on implementation of the Share Scheme or Option Scheme (as relevant). As this summary is necessarily general in nature, Latin Resources Securityholders should consult with a professional tax adviser regarding their particular circumstances.

(b) **ATO Class Ruling**

Latin Resources is in the process of applying to the ATO for a class ruling to confirm certain specific Australian income tax implications for certain Latin Resources Securityholders in relation to their disposal of Latin Resources Shares or Latin Resources Options under the Share Scheme or Option Scheme (as relevant) (including the availability of scrip-for-scrip roll-over relief in relation to the Share Scheme) (**ATO Class Ruling**).

The final ATO Class Ruling is not expected to be issued until after implementation of the Share Scheme and/or the Option Scheme.

It is anticipated that the ATO's views to be expressed in the ATO Class Ruling will be generally consistent with the summary of the key implications set out below. It is possible, however, that the ATO may take a different view to the consequences below.

(c) **Disposal of Latin Resources Shares or Latin Resources Options**

The disposal of Latin Resources Shares and/or Latin Resources Options by Latin Resources Securityholders to Pilbara Minerals gives rise to a CGT event for the Latin Resources Securityholders. The timing of the CGT event should be the date the Latin Resources Shares and/or Latin Resources Options are disposed of, which will occur on the Implementation Date. In the absence of CGT roll-over relief (discussed below), the following income tax consequences are expected to arise for the Latin Resources Securityholders that acquired (or are deemed to have acquired) their Latin Resources Shares or Latin Resources Options on or after 20 September 1985. A Latin Resources Securityholder will generate:

- a capital gain if the capital proceeds from the disposal of their Latin Resources Shares or Latin Resources Options are greater than the cost base of their Latin Resources Shares or Latin Resources Options (as relevant); or
- a capital loss if the capital proceeds from the disposal of their Latin Resources Shares or Latin Resources Options are less than the reduced cost base of their Latin Resources Shares or Latin Resources Options (as relevant).

(d) **Capital proceeds received under the Share Scheme or Option Scheme**

The capital proceeds received for the disposal of a Latin Resources Securityholder's Latin Resources Shares or Latin Resources Options should be equal to the market value of the Share Scheme Consideration or Option Scheme Consideration (as relevant) received by them (determined on the Implementation Date).

(e) **Cost base and reduced cost base**

The cost base (and reduced cost base) of the Latin Resources Shares or Latin Resources Options should generally be equal to the cost of acquiring that Latin Resources Share or Latin Resources Option plus any certain incidental costs of acquisition, ownership and disposal (such as brokerage fees and legal costs). The reduced cost base of a Latin Resources Share or Latin Resources Option is determined in a manner similar to the cost base although some differences in the calculation of reduced cost base do exist depending on the Latin Resources Securityholder's individual circumstances. The cost base and reduced cost base of each Latin Resources Share or Latin Resources Option will depend on the individual circumstances of each Latin Resources Securityholder.

(f) **CGT discount**

The CGT discount may apply to individuals, complying superannuation entities or trustees that have held Latin Resources Shares or Latin Resources Options (as relevant) for at least 12 months (not including the date of acquisition or the date of disposal) prior to the CGT event. The CGT discount is:

- 50% in the case of individuals and trustees; or
- 33.3% for complying superannuation entities.

For trustees, the ultimate availability of the discount for beneficiaries of the trusts will depend on the particular circumstances of the beneficiaries.

Companies that hold Latin Resources Shares or Latin Resources Options are not eligible for the CGT discount.

If the Latin Resources Securityholder makes a discounted capital gain, any current year and/or carried forward capital losses will be applied to reduce the undiscounted capital gain before the relevant CGT discount is applied. The resulting amount is then included in the Latin Resources Securityholder's net capital gain for the income year and included in assessable income.

The CGT discount rules relating to trusts are complex. Accordingly, we recommend trustees seek their own independent advice on how the CGT discount applies to them and the trust's beneficiaries.

(g) Capital gains and capital losses

Capital gains (prior to any CGT discount) and capital losses of a taxpayer in an income year are aggregated to determine whether there is a net capital gain. Any net capital gain is included in the assessable income of the relevant Latin Resources Securityholder and is subject to income tax. Capital losses may not be deducted against other income for income tax purposes, but may be carried forward to offset future capital gains (subject to satisfaction of loss recoupment tests for certain taxpayers).

(h) Scrip-for-scrip Roll-Over Relief from CGT

Scrip-for-scrip roll-over relief allows taxpayers to defer a capital gain made by a taxpayer if, broadly, under a single arrangement, a taxpayer exchanges a share in a company for a share in another company, or an option to acquire shares in a company for an option to acquire shares in another company, in certain circumstances (**Roll-Over Relief**). Latin Resources is seeking confirmation that Roll-Over Relief is available for certain Latin Resources Shareholders in the ATO Class Ruling.

Roll-Over Relief is not available in relation to the exchange of Latin Resources Options for New Pilbara Minerals Shares under the Option Scheme.

For Australian resident Latin Resources Shareholders who exchange their Latin Resources Shares for New Pilbara Minerals Shares and would otherwise realise a capital gain in respect of the disposal of their Latin Resources Shares, Roll-Over Relief should be available if they choose to obtain Roll-Over Relief. Broadly, the consequences of an Australian resident Latin Resources Shareholder choosing Roll-Over Relief would be that:

- any capital gain made upon the disposal of the Latin Resources Shares will be deferred;
- the first element of cost base (and reduced cost base) of the New Pilbara Minerals Shares is determined by attributing, on a reasonable basis, the existing cost base (and reduced cost base) of their original Latin Resources Shares for which the New Pilbara Minerals Shares were exchanged; and
- for the purposes of determining future eligibility of the CGT discount, the Latin Resources Shareholder will be deemed to have acquired their New Pilbara Minerals Shares at the time that they originally acquired, or are deemed to have acquired, their Latin Resources Shares.

Latin Resources Shareholders who duly elect to choose Roll-Over Relief should not include any capital gain from the disposal of their Latin Resources Shares in their net capital gain calculation for the year in which the Implementation Date occurs.

Latin Resources Shareholders do not need to inform the ATO, or document their choice to claim Roll-Over Relief in any particular way, other than to complete their income tax return in a manner consistent with their choice.

For Latin Resources Shareholders who do not qualify for Roll-Over Relief or choose not to obtain Roll-Over Relief, the general CGT treatment outlined in Section 9.2(c) should apply.

If a Latin Resources Shareholder makes a capital loss as a result of disposing of their Latin Resources Shares under the Share Scheme, Roll-Over Relief will not be available. However, this loss may be used to offset capital gains in the same or subsequent income years (subject to satisfying certain conditions). The capital loss cannot be offset against ordinary income or carried back to offset net capital gains arising in earlier income years.

The benefit of choosing Roll-Over Relief will depend on the individual circumstances of each Latin Resources Shareholder and therefore Latin Resources Shareholders should seek professional tax advice.

9.3 Non-resident Latin Resources Shareholders

For a Latin Resources Shareholder who:

- is not a resident of Australia for Australian tax purposes; and
- does not hold or use (and has not at any time held or used) their Latin Resources Shares in carrying on a business through a permanent establishment in Australia,

you will generally not have to pay Australian tax on any capital gain when you dispose of your Latin Resources Shares, unless they are “indirect Australian real property interests”. The Latin Resources Shares will be “indirect Australian real property interests” if both of the following requirements are satisfied:

- you hold a “non-portfolio interest” in Latin Resources; and
- the Latin Resources Shares pass the “principal asset test”.

If either element is absent, any capital gain made on the disposal of your Latin Resources Shares should not be subject to income tax in Australia (i.e. it should be disregarded for Australian tax purposes).

You will hold a “non-portfolio interest” in Latin Resources if you (together with your associates as defined in section 318 of the *Income Tax Assessment Act 1997* (Cth)) own, or owned, throughout a 12 month period during the 24 month period preceding the sale of your Latin Resources Shares, 10% or more of (broadly) all of the shares in Latin Resources.

Broadly, the Latin Resources Shares would pass the “principal asset test” if the market value of Latin Resources’ direct and indirect interests in Australian land (including leases, and mining, quarrying or prospecting rights) is more than the market value of its other assets at the time of the Implementation Date. Detailed calculations are necessary to determine the results of the “principal asset test”.

Latin Resources does not expect the Latin Resources Shares should constitute “indirect Australian real property interests” given the nature of the assets it holds.

If you cannot disregard your capital gain, Roll-Over Relief should only be available if immediately after you acquire the Share Scheme Consideration:

- you hold or use your New Pilbara Minerals Shares in carrying on business through a permanent establishment in Australia; or
- both of the following apply:
 - you hold a “non-portfolio interest” in Pilbara Minerals (refer to the description above); and
 - more than 50% of Pilbara Minerals’ value is attributable to direct or indirect interests in “taxable Australian real property” (as defined in the *Income Tax Assessment Act 1997* (Cth)). Latin Resources does not expect this will be the case given the nature of the assets it holds.

You should also seek advice from your tax adviser as to the taxation implications of the Share Scheme in your country of residence.

9.4 Non-Australian resident Latin Resources Optionholders

For a Latin Resources Optionholder who:

- is not a resident of Australia for Australian tax purposes; and
- does not hold or use (and has not at any time held or used) their Latin Resources Options in carrying on a business through a permanent establishment in Australia,

you will generally not have to pay Australian tax on any capital gain when you dispose of your Latin Resources Options, unless your Latin Resources Options are options to acquire Latin Resources Shares which are “indirect Australian real property interests” (refer to description above).

If the relevant Latin Resources Shares are not “indirect Australian real property interests”, any capital gain made on the disposal of your Latin Resources Options should not be subject to income tax in Australia (i.e. it should be disregarded for Australian tax purposes). Latin Resources does not expect the relevant Latin Resources Shares to be “indirect Australian real property interests” given the nature of the assets it holds.

You should also seek advice from your tax adviser as to the taxation implications of the Option Scheme in your country of residence.

9.5 Foreign resident capital gains withholding tax

Under the foreign resident capital gains tax withholding (**FRCGW**) rules in Subdivision 14-D of Schedule 1 to the *Taxation Administration Act 1953* (Cth), Pilbara Minerals may have the obligation to withhold an amount of up to 12.5% of the Share Scheme Consideration or the Option Scheme Consideration (as relevant) payable to you and pay such amount to the ATO, if certain criteria are satisfied including that (very broadly) your Latin Resources Shares are “indirect Australian real property interests” (described above) or your Latin Resources Options are options to acquire Latin Resources Shares which are “indirect Australian real property interests”. Latin Resources does not expect that this Subdivision should apply in the context of the Share Scheme or the Option Scheme, given the nature of the assets it holds. However, if Pilbara Minerals determines or reasonably believes that it has an obligation to withhold and make the above payment, Pilbara Minerals may withhold the applicable FRCGW amount from the Share Scheme Consideration or Option Scheme Consideration (as relevant) payable to you and pay that amount to the ATO. This mechanism may be facilitated through the Sale Facility. If so, you will only receive the net proceeds and will be taken to receive the full Share Scheme Consideration or Option Scheme Consideration for the purposes of the Share Scheme or Option Scheme, such that Pilbara Minerals will be discharged of any liability to pay that amount of the Share Scheme Consideration or Option Scheme Consideration to you.

Depending on your specific circumstances, you may be entitled to apply to the ATO, before the disposal of your Latin Resources Shares or Latin Resources Options, for the ATO to vary and reduce the rate of withholding below 12.5% of the Share Scheme Consideration or Option Scheme Consideration (including to nil) (**Variation Notice**).

(a) Declaration for non-withholding of FRCGW

Pilbara Minerals may request certain Share Scheme Participants or Option Scheme Participants to provide Pilbara Minerals with either:

- a Variation Notice; or
- a completed declaration to the effect that, for a specified period (during which period the Scheme is implemented), either:
 - you are an Australian resident for Australian tax purposes (**Australian Residency Declaration**); or
 - your Latin Resources Shares, or the Latin Resources Shares which are the subject of your Latin Resources Options, do not satisfy the non-portfolio test (see above) and/or do not satisfy the principal asset test (see above) (**Non-Portfolio Interest Declaration**).

If Pilbara Minerals requests you to provide a Variation Notice before Pilbara Minerals acquires your Latin Resources Shares or Latin Resources Options, and you provide a valid Variation Notice before that time, Pilbara Minerals should withhold, under the FRCGW regime, the amount required to be withheld in accordance with the Variation Notice.

If Pilbara Minerals requests you to provide a completed Australian Residency Declaration or Non-Portfolio Interest Declaration to Pilbara Minerals before Pilbara Minerals acquires your Latin Resources Shares or Latin Resources Options, and you provide such a declaration, Pilbara Minerals should not deduct any amount for FRCGW from the Share Scheme Consideration or Option Scheme Consideration payable to you, unless Pilbara Minerals knows or reasonably believes the declaration to be false, or the period specified in the declaration includes days later than 6 months after the day the declaration was made.

If Pilbara Minerals requests that you provide a Variation Notice, Australian Residency Declaration or Non-Portfolio Interest Declaration and you do not provide any of these before Pilbara Minerals acquires your Latin Resources Shares or Latin Resources Options, it is expected that Pilbara Minerals will withhold the applicable FRCGW amount from the Share Scheme Consideration or Option Scheme Consideration payable to you.

(b) Credit for FRCGW tax

Any amount withheld from the Share Scheme Consideration or Option Scheme Consideration for FRCGW is not a final tax. You should be entitled to claim a credit in your Australian income tax return, for the relevant income year, for any amount withheld for FRCGW and remitted by Pilbara Minerals in respect of your Latin Resources Shares or Latin Resources Options. To the extent the FRCGW tax exceeds your final Australian tax liability for the disposal of your Latin Resources Shares or Latin Resources Options, you should be entitled to a refund of the difference.

9.6 Goods and services tax (GST)

Latin Resources Securityholders should not be liable for GST in respect of a disposal of their Latin Resources Shares under the Share Scheme or their Latin Resources Options under the Option Scheme.

If Latin Resources Securityholders incur GST on acquisitions (e.g. GST on legal, financial or tax advice they seek), to the extent that any of these acquisitions relate to the disposal of their Latin Resources Shares or Latin Resources Options, they may not be entitled to claim input tax credits or may only be entitled to reduced input tax credits in relation to any GST incurred on these acquisitions. Latin Resources Securityholders should seek independent tax advice in relation to their individual circumstances.

9.7 Stamp duty

Latin Resources Shareholders should not be liable for any stamp duty in any Australian State or Territory in relation to the disposal of their Latin Resources Shares. Under the terms of the Scheme Implementation Agreement (refer to clause 19.2), Pilbara Minerals must pay all stamp duty payable on the Scheme Implementation Agreement and any transaction contemplated by the Scheme Implementation Agreement.



10.

Additional Information

10. Additional information

10.1 Interests of Latin Resources Directors

(a) Interests of Latin Resources Directors in Latin Resources Securities

As at the Last Practicable Date, the Latin Resources Directors have the following Relevant Interests in Latin Resources Shares, Latin Resources Performance Rights and Latin Resources Loan Funded Shares, with the total value of the Latin Resources Securities held by each Latin Resources Directors as follows:

Latin Resources Director	Number of Latin Resources Shares	Number of Latin Resources Performance Rights	Number of Latin Resources Loan Funded Shares	Number of Latin Resources Options	Total value ⁴⁹
Christopher Gale	42,900,768	31,000,000	2,000,000	Nil	\$14,743,203.90
David Vilensky	21,625,015	3,000,000	1,000,000	Nil	\$4,912,690.35
Peter Oliver	11,000,000	20,000,000	Nil	Nil	\$6,184,500.00
Brent Jones	53,069,792	3,000,000	1,000,000	Nil	\$11,185,922.25
Pablo Tarantini	6,836,648	3,000,000	Nil	Nil	\$1,962,410.25

No Latin Resources Director acquired or disposed of a Relevant Interest in any Latin Resources Shares during the four months before the date of this Scheme Booklet.

See Section 3.6 for details regarding the treatment of Latin Resources Performance Rights and Latin Resources Loan Funded Shares in connection with the Schemes.

(b) Interests of Latin Resources Directors in Pilbara Minerals securities

Except as disclosed in Section 10.2(e), no Latin Resources Director has a Relevant Interest in any securities in Pilbara Minerals. No Latin Resources Director has acquired or disposed of a Relevant Interest in any securities in Pilbara Minerals during the four months before the date of this Scheme Booklet.

10.2 Benefits and agreements

(a) Interests of Latin Resources Directors in contracts with Pilbara Minerals

Except as disclosed in Section 10.2(e), no Latin Resources Director has any interest in any contract entered into by Pilbara Minerals, or any of its Related Bodies Corporate.

(b) Deeds of indemnity, insurance and access

Latin Resources has entered into deeds of indemnity, insurance and access with all Latin Resources Directors and officers, on customary terms. In addition, Latin Resources pays premiums in respect of a

⁴⁹ The total value of the securities held by the Latin Resources Directors (including the Latin Resources Performance Rights which are exercised prior the Record Date) is measured as at the date of the Scheme Implementation Agreement, using the Share Scheme Consideration per Latin Resources Share and the last recorded trading price of Pilbara Minerals Shares on ASX as at the date of the Scheme Implementation Agreement (of \$2.850). Assumes no value received by any Latin Resources Director in accordance with the treatment of the Latin Resources Loan Funded Shares (refer to Section 3.6(b)).

directors' and officers' insurance policy for the benefit of the directors and officers of the Core Latin Resources Group. Latin Resources may enter into an arrangement to provide insurance coverage for all current directors and officers of the Core Latin Resources Group for a period of up to seven years from Implementation.

(c) **Benefits in connection with retirement from office**

Except as disclosed in Section 10.2(e), there is no payment or other benefit that is proposed to be made or given to any director, secretary or executive officer of Latin Resources (or any of its Related Bodies Corporate) as compensation for the loss of, or consideration for or in connection with his or her retirement from, office in Latin Resources (or any of its Related Bodies Corporate) in connection with, or that is materially affected by, implementation of the Share Scheme or Option Scheme.

(d) **Agreements connected with or conditional on the Schemes**

Other than as disclosed in Section 10.2(e) there are no agreements or arrangements made between any Latin Resources Director and any other person in connection with, or conditional on, the outcome of the Schemes.

(e) **Agreements or arrangements connected with or conditional on the Schemes**

Under the consultancy agreement between Mr Gale and Latin Resources, in connection with Mr Gale ceasing his role as Managing Director of Latin Resources, Mr Gale will be entitled to receive a one-off lump sum payment of \$529,167 (inclusive of GST) and will be paid after the Share Scheme becomes Effective.

In addition, Mr Gale and Pilbara Minerals have entered into a consultancy agreement, which will become effective on the Implementation Date and expire 6 months following the Implementation Date under which:

- **Consultancy Fee:** Mr Gale will be required to work for 52 days during the 6 month term (equivalent to 2 days per week) for a consultancy fee of \$2,769 (plus GST) per day. At the end of the 6 month term from the Implementation Date, the consultancy will terminate unless Pilbara Minerals and Mr Gale agree to extend the arrangement;
- **Pilbara Minerals Performance Rights:** Mr Gale is also entitled to Pilbara Minerals performance rights, to be issued to Mr Gale within 10 Business Days of the consultancy agreement becoming effective. Such Pilbara Minerals performance rights will vest upon Mr Gale remaining engaged with Pilbara Minerals for a period of 6 months following the Implementation Date (provided that, if Pilbara Minerals terminates the consultancy agreement without cause before the end of the 6 month period, a pro rata portion of the Pilbara Minerals' performance rights will vest). The total number of unvested Pilbara Minerals performance rights to be issued to Mr Gale will be determined by dividing the maximum value of Mr Gale's Pilbara Minerals performance rights (being \$115,000) by the volume-weighted average price (VWAP) of Pilbara Minerals Shares over the 10 days leading up to the Implementation Date; and
- **Escrow:** Allegra Capital Pty Ltd currently holds 28,000,000 Latin Resources Performance Rights on behalf of Mr Gale. Mr Gale has agreed to voluntarily escrow for a period of 6 months following the Implementation Date:
 - 20,000,000 of the 28,000,000 Latin Resources Shares that will be issued to Allegra Capital Pty Ltd as a result of the Latin Resources Performance Rights vesting in connection with the Share Scheme; and
 - the 1,400,000 New Pilbara Minerals Shares that will be issued to Allegra Capital Pty Ltd as Scheme Consideration in connection with Mr Gale's escrowed Latin Resources Shares.

If, in certain prescribed circumstances, the consultancy agreement is terminated before the end of the 6 month period, the voluntary escrow will immediately lapse.

Pilbara Minerals has entered into retention arrangements with several other employees of Latin Resources under which, subject to the Share Scheme being implemented, those employees will be

granted performance rights in Pilbara Minerals which vest upon the relevant employee remaining engaged with Pilbara Minerals for a period of 12 months following the Implementation Date (provided that, if Pilbara Minerals terminates the employment of any of these employees without cause before the end of the 12 month period, a pro rata portion of the relevant employee's Pilbara Minerals performance rights will vest). The aggregate value of these Pilbara Minerals performance rights are expected to be approximately \$1,248,000. Certain of these employees have agreed that any New Pilbara Minerals Shares issued to them as Scheme Consideration will be escrowed for a period of 3 months following the Implementation Date.

A number of directors and employees hold Latin Resources Performance Rights. As noted in Section 3.6(a), under the Scheme Implementation Agreement, Latin Resources is required to ensure that there will be no outstanding Latin Resources Performance Rights upon the Implementation Date. The Latin Resources Board has resolved to exercise its discretion to cause all outstanding Latin Resources Performance Rights to vest with effect from the Second Court Date. Following such vesting of the Latin Resources Performance Rights, Latin Resources will issue the relevant number of Latin Resources Shares to the relevant former holder of Latin Resources Performance Rights in sufficient time to allow the relevant former holders of Latin Resources Performance Rights to participate in the Share Scheme and Demerger.

A number of Latin Resources Directors hold Latin Resources Loan Funded Shares. As noted in Section 3.6(b), under the Scheme Implementation Agreement, Latin Resources and Pilbara Minerals have agreed that the Latin Resources Loan Funded Shares will be treated in all respects consistently with Latin Resources Shares under the Share Scheme. The Latin Resources Board have made a determination that a change of control will occur upon the Share Scheme Resolution being passed by the Requisite Majorities for the purposes of the Latin Resources Loan Funded Share Plan. The outstanding loans in respect of the Latin Resources Loan Funded Shares may be repaid in full before this date.

Subject to the Share Scheme Resolution being passed by the Requisite Majorities, and part or all of the relevant loan remaining outstanding on the date the Share Scheme Resolution is passed, each holder of Latin Resources Loan Funded Shares has irrevocably instructed a broker appointed by Latin Resources to sell on market on their behalf all of the Latin Resources Loan Funded Shares that they hold. In accordance with the terms of the Latin Resources Loan Funded Share Plan, all outstanding loans in respect of the Latin Resources Loan Funded Shares will be deemed repaid (to the limited recourse extent required under their terms) from the proceeds (net any brokerage fees or transaction costs) of such sale such that there will be no outstanding loans in respect of the Latin Resources Loan Funded Shares. The Latin Resources Loan Funded Shares will, following the repayment of the relevant loan, be (and be treated as) Latin Resources Shares under the Share Scheme.

10.3 Independent Expert

The Independent Expert has prepared the Independent Expert's Report set out in Annexure A of this Scheme Booklet advising as to whether, in its opinion, each of the Share Scheme and the Option Scheme is in the best interests of Latin Resources Shareholders and Latin Resources Optionholders respectively.

The Independent Expert has concluded that:

- the Share Scheme is fair and reasonable and in the best interests of Latin Resources Shareholders in the absence of a Superior Proposal; and
- the Option Scheme is fair and reasonable and in the best interests of Latin Resources Optionholders in the absence of a Superior Proposal.

10.4 Consents

The following parties have given and have not withdrawn, before the registration of this Scheme Booklet by ASIC, their written consent to be named in this Scheme Booklet in the form and context in which they are named:

- King & Wood Mallesons as legal adviser to Latin Resources;
- Macquarie Capital (Australia) Limited as financial adviser to Latin Resources;

- BDO Corporate Finance Australia Pty Ltd as Independent Expert;
- Valuation and Resource Management Pty Ltd as Technical Expert;
- Ernst & Young as auditor of Latin Resources;
- Hall Chadwick Audit (WA) Pty Ltd as auditor of Latin Resources;
- KPMG as auditor of Pilbara Minerals;
- Computershare Investor Services Pty Ltd as the Registry;
- José Luis Manzano; and
- Pilbara Minerals.

The Independent Expert has also given and has not withdrawn, before the time of registration of this Scheme Booklet with ASIC, its written consent to the inclusion of its Independent Expert's Report in this Scheme Booklet in the form and context in which it is included and to all references in this Scheme Booklet to that report in the form and context in which they appear.

Pilbara Minerals has also given and has not withdrawn, before the time of registration of this Scheme Booklet by ASIC, its written consent to the inclusion of the Pilbara Minerals Information in the form and context in which it is included and to all references in this Scheme Booklet to the Pilbara Minerals Information in the form and context in which they appear.

10.5 Disclaimers

None of the persons referred to in Section 10.4 have authorised or caused the issue of this Scheme Booklet and do not make or purport to make any statement in this Scheme Booklet other than those statements made in the capacity and to the extent the person has provided its consent, as referred to above.

To the maximum extent permitted by law, each person referred to in Section 10.4 disclaims all liability in respect of, makes no representation regarding and takes no responsibility for, any part of this Scheme Booklet other than as described in this Section 10.5 with that person's consent.

The Pilbara Minerals Information has been prepared by and is the responsibility of Pilbara Minerals. Latin Resources does not assume responsibility for the accuracy or completeness of the Pilbara Minerals Information.

10.6 Fees

Each of the persons named in Section 10.4 of this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the Schemes and the preparation of this Scheme Booklet, will be entitled to receive professional fees charged in accordance with their normal basis of charging.

If the Share Scheme is implemented, Latin Resources estimates that it will incur approximately \$11,900,000 (including GST) in transaction costs relating to the Schemes (which includes \$1,400,000 of costs relating to the Demerger), which includes:

- fees and expenses for professional services paid or payable to the persons listed in Section 10.4; and
- other fees and expenses associated with the Court proceedings, Scheme Booklet design, printing and distribution, convening and holding the Scheme Meeting and other general and administrative expenses.

If the Share Scheme is not implemented, Latin Resources expects to pay approximately \$3,200,000 (excluding GST) in transaction costs, being costs that have already been incurred as at the Last

Practicable Date or that will be incurred even if the Share Scheme is not implemented (but excluding any break fee that may be payable).

10.7 Foreign disclaimers

No action has been taken to register or qualify the New Pilbara Minerals Shares or otherwise permit a public offer of such securities in any jurisdiction outside Australia.

Based on the information available, Latin Resources Securityholders whose Registered Addresses on the Record Date are shown as being in the following jurisdictions will be entitled to receive the Scheme Booklet and have New Pilbara Minerals Shares issued to them under the Share Scheme or Option Scheme (as applicable) subject to any qualifications set out below or in the important notices section at the front of the Scheme Booklet in respect of that jurisdiction:

- Australia;
- Brazil;
- New Zealand;
- Switzerland;
- Canada;
- Hong Kong;
- the United Kingdom;
- the United States; and
- any other person or jurisdiction in respect of which Pilbara Minerals reasonably believes that it is not prohibited and not unduly onerous or impractical to issue New Pilbara Minerals Shares to a Latin Resources Securityholder with a registered address in such jurisdiction.

Nominees and custodians who hold Latin Resources Shares or Latin Resources Options on behalf of a beneficial owner resident outside Australia, Brazil, New Zealand, Switzerland, Canada, Hong Kong, the United Kingdom and the United States may not forward this Scheme Booklet (or any accompanying document) to anyone outside these countries without the consent of Latin Resources.

(a) **Brazil**

This Scheme Booklet has been prepared solely for Latin Resources Securityholders for their consideration and analysis of the Schemes. This Scheme Booklet should not be construed as a prospectus or offering document under Brazilian law. Latin Resources is not listed with any stock exchange, over-the-counter market or electronic system of securities trading in Brazil. The New Pilbara Minerals Shares have not been, and will not be, registered with any securities exchange commission or other similar authority, including the Brazilian Securities and Exchange Commission (Comissão de Valores Mobiliários). The New Pilbara Minerals Shares may not be offered or sold in Brazil through any public offering. This Scheme Booklet is directed exclusively to Latin Resources Securityholders and may not be distributed to the general public in Brazil or disclosed in any manner whatsoever to any other person in Brazil. Failure to comply with this restriction could constitute a violation of applicable securities laws.

(b) **Canada**

The New Pilbara Minerals Shares will be issued by Pilbara Minerals in reliance upon exemptions from the prospectus and registration requirements of the applicable Canadian securities law in each province and territory of Canada.

No securities commission in Canada has reviewed or in any way passed upon this document or the merits of the Schemes.

(c) Hong Kong

WARNING: The contents of this Scheme Booklet have not been reviewed or approved by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Schemes. If you are in any doubt about any of the contents of this Scheme Booklet, you should obtain independent professional advice.

This Scheme Booklet does not constitute an offer or invitation to the public in Hong Kong to acquire or subscribe for or dispose of any securities. This Scheme Booklet also does not constitute a prospectus (as defined in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong)) or notice, circular, brochure or advertisement offering any securities to the public for subscription or purchase or calculated to invite such offers by the public to subscribe for or purchase any securities, nor is it an advertisement, invitation or document containing an advertisement or invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or cause to be issued this Scheme Booklet in Hong Kong, other than to persons who are “professional investors” (as defined in the Securities and Futures Ordinance and any rules made thereunder) or in other circumstances that do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

No person may issue or have in its possession for the purposes of issue, this Scheme Booklet or any advertisement, invitation or document relating to these securities, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than any such advertisement, invitation or document relating to securities that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors.

Copies of this Scheme Booklet may be issued to Latin Resources Securityholders in Hong Kong in a manner that does not constitute any issue, circulation or distribution of this Scheme Booklet, or any offer or an invitation in respect of these securities, to the public in Hong Kong. This Scheme Booklet is for the exclusive use of Latin Resources Securityholders in connection with the Schemes. No steps have been taken to register or seek authorisation for the issue of this Scheme Booklet in Hong Kong.

This Scheme Booklet is confidential to the person to whom it is addressed and no person to whom a copy of this Scheme Booklet is issued may issue, circulate, distribute, publish, reproduce or disclose (in whole or in part) this Scheme Booklet to any other person in Hong Kong or use for any purpose in Hong Kong other than in connection with consideration of the Schemes by Latin Resources Securityholders.

(d) New Zealand

This Scheme Booklet is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Financial Markets Conduct Act 2013 or any other New Zealand law. The offer of New Pilbara Minerals Shares under the Schemes is being made to Latin Resources Securityholders in reliance upon the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 and, accordingly, this Scheme Booklet may not contain all the information that a disclosure document is required to contain under New Zealand law.

(e) Switzerland

The New Pilbara Minerals Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this Scheme Booklet nor any other offering material relating to the New Pilbara Minerals Shares constitutes a prospectus or a similar notice as such terms are understood pursuant to art. 35 of the Swiss Financial Services Act (FinSA) or the listing rules of any stock exchange or regulated trading facility in Switzerland.

Neither this Scheme Booklet nor any other offering material relating to the New Pilbara Minerals Shares may be publicly distributed or otherwise made publicly available in Switzerland. Neither this Scheme Booklet nor any other offering material relating to the New Pilbara Minerals Shares have been, or will be, filed with or approved by any Swiss regulatory authority or authorized review body. In particular, this Scheme Booklet will not be filed with, and the offer of Pilbara Minerals Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This Scheme Booklet may be distributed in Switzerland only to Latin Resources Securityholders and is not for general circulation in Switzerland.

(f) United Kingdom

Neither this Scheme Booklet nor any other document relating to the Schemes has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Pilbara Minerals Shares.

This Scheme Booklet does not constitute an offer of transferable securities to the public within the meaning of the UK Prospectus Regulation or the FSMA. Accordingly, this Scheme Booklet does not constitute a prospectus for the purposes of the UK Prospectus Regulation or the FSMA.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the New Pilbara Minerals Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to Latin Resources or Pilbara Minerals.

In the United Kingdom, this Scheme Booklet is being distributed only to, and is directed at, persons (i) who fall within Article 43 (members of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, or (ii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this Scheme Booklet relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Scheme Booklet.

(g) United States

Latin Resources and Pilbara Minerals intend to rely on an exemption from the registration requirements of the US Securities Act of 1933 provided by Section 3(a)(10) thereof in connection with the consummation of the Schemes and the issuance of New Pilbara Minerals Shares and the underlying ordinary shares. Approval of the Schemes by an Australian court will be relied upon by Latin Resources and Pilbara Minerals for purposes of qualifying for the Section 3(a)(10) exemption.

US Latin Resources Securityholders should note that the Schemes are made for the securities of an Australian company in accordance with the laws of Australia and the listing rules of ASX. The Schemes are subject to disclosure requirements of Australia that are different from those of the United States.

It may be difficult for you to enforce your rights and any claim you may have arising under US federal securities laws since Latin Resources and Pilbara Minerals are located in Australia and most of their respective officers and directors reside outside the United States. You may not be able to sue Latin Resources, Pilbara Minerals or their respective officers or directors in Australia for violations of the US securities laws. It may be difficult to compel Latin Resources and its affiliates to subject themselves to a US court's judgment.

You should be aware that Pilbara Minerals may purchase securities otherwise than under the Schemes, such as in open market or privately negotiated purchases.

The Scheme Booklet has not been filed with or reviewed by the US Securities and Exchange Commission or any state securities authority and none of them has passed upon or endorsed the merits of the Schemes or the accuracy, adequacy or completeness of the Scheme Booklet. Any representation to the contrary is a criminal offence.

The New Pilbara Minerals Shares to be issued pursuant to the Schemes have not been, and will not be, registered under the US Securities Act or the securities laws of any US state or other jurisdiction. The Schemes are not being made in any US state or other jurisdiction where it is not legally permitted to do so.

10.8 ASX Listing Rules Chapter 5 disclosures

(a) Latin Resources ASX Listing Rules Chapter 5 and JORC Code disclosures

Unless otherwise noted, information in this Scheme Booklet that relates to Mineral Resources for the Salinas Project is extracted from Latin Resources' ASX announcement titled "Colina Lithium Deposit-Mineral Resource Estimate Upgrade" released to ASX on 30 May 2024 which is available on Latin Resources' website <https://www.latinresources.com.au/>. Latin Resources confirms that it is not aware of any new information or data that materially affects the information included in the original announcement, and that all material assumptions and technical parameters underpinning the estimates in the original announcement continue to apply and have not materially changed. Latin Resources confirms that the form and context in which the competent person's findings are presented have not been materially modified from the original announcement.

Unless otherwise noted, information in this Scheme Booklet that relates to exploration targets for the Salinas Project, as originally reported to the ASX on 6 December 2023 in an announcement titled "56% Increase in Global Resource Salinas Lithium Project", is based on information compiled by Mr Marc-Antoine Laporte M.Sc., P.Geo, 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 has more than 15 years of experience in industrial mineral, base and precious metals exploration as well as Mineral Resource evaluation and reporting. Mr Laporte has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 Laporte consents to the inclusion in this Scheme Booklet of the matters based on his information in the form and context in which it appears.

Unless otherwise noted, production targets and forecast financial information based on the Salinas production targets in this Scheme Booklet is extracted from Latin Resources' ASX announcement titled "Robust Results for Colina Lithium Project Preliminary Economic Assessment (PEA)" released to ASX on 28 September 2023 which is available on Latin Resources' website <https://www.latinresources.com.au/> and which was based on the Mineral Resource Estimate of 45.2Mt@1.32% Li₂O as at the date of the PEA which has been subsequently expanded (see Latin Resources' ASX announcement titled "Colina Lithium Deposit – Mineral Resource Estimate Upgrade" released to ASX on 30 May 2024 (**Salinas MRE Upgrade Announcement**)). Latin Resources confirms all material assumptions underpinning the production targets and forecast financial information derived from the production targets in the initial announcement (save for the expanded Mineral Resource Estimate in the Salinas MRE Upgrade Announcement) continue to apply and have not materially changed. Other than the Expanded Mineral Resource estimate, Latin Resources confirms that it is not aware of any new information or data that materially affects the information included in that release or report and that all material assumptions and technical parameters underpinning the Salinas production targets and forecast financial information continue to apply and have not materially changed.

(b) Pilbara Minerals ASX Listing Rules Chapter 5 and JORC Code disclosures

The information in this Scheme Booklet that relates to production targets, forecast financial information based on production targets and expansions in nameplate capacity of Pilbara Minerals' Pilgangoora operation in respect of the P680, P1000 (and P850) and P2000 Projects are underpinned solely by existing Ore Reserves that have been prepared by a competent person in accordance with the JORC Code and were released by Pilbara Minerals to the ASX on 24 August 2023 in its announcement titled "55Mt increase in Ore Reserves to 214Mt" and Pilbara Minerals' 2024 Annual Report released to ASX on 26 August 2024, which adjusts for depletion. The relevant proportions of proved Ore Reserves and probable Ore Reserves underpinning the production targets are 7% proved Ore Reserves and 93% probable Ore Reserves. Pilbara Minerals has confirmed it is not aware of any new information or data that materially affects the information included in that 24 August 2023 release (other than depletion as set out in the 2024 Annual Report) and that all material assumptions and technical parameters underpinning the Ore Reserves estimates continue to apply and have not materially changed. Pilbara Minerals has confirmed that the form and context in which the competent person's findings have been presented have not been materially modified from the original market announcement. Refer to Pilbara Minerals' ASX announcement "Study Delivers 2MPTA Expansion Option – Highly Accretive" dated 21 June 2024 for further details regarding the P2000 Project.

The information in this Scheme Booklet that relates to the Mineral Resource estimates in respect to Pilgangoora is extracted from Pilbara Minerals' ASX announcement titled "Substantial 109Mt Mineral Resource increase to 414Mt – further extends Pilgangoora's position as a world class lithium project" released to ASX on 7 August 2023 and Pilbara Minerals' 2024 Annual Report, which adjusts for

depletion, released to the ASX on 26 August 2024 (which are available on Pilbara Minerals' website (www.pilbaraminerals.com.au)). Pilbara Minerals has confirmed that it is not aware of any new information or data that materially affects the information included in the original announcement (other than depletion as set out in the 2024 Annual Report) and that all material assumptions and technical parameters underpinning the estimates in the original announcement continue to apply and have not materially changed. Pilbara Minerals confirms that the form and context in which the competent person's findings have been presented have not been materially modified from the original announcement.

The information in this Scheme Booklet that relates to the Ore Reserve estimate for Pilgangoora is extracted from Pilbara Minerals' ASX announcement titled "55Mt increase in Ore Reserves to 214Mt" released to the ASX on 25 August 2023 and Pilbara Minerals' 2024 Annual Report, which adjusts for depletion, released to ASX on 26 August 2024 (which are available on Pilbara Minerals' website (www.pilbaraminerals.com.au)). Pilbara Minerals has confirmed that it is not aware of any new information or data that materially affects the information included in the original announcement (other than depletion as set out in the 2024 Annual Report), and that all material assumptions and technical parameters underpinning the estimates in the original announcement continue to apply and have not materially changed. Pilbara Minerals confirms that the form and context in which the competent person's findings have been presented have not been materially modified from the original announcement.

10.9 Regulatory relief and waivers in respect of the Schemes

Paragraph 8302(h) of Part 3 of Schedule 8 of the Corporations Regulations requires this Scheme Booklet to set out whether, within the knowledge of the Latin Resources Directors, the financial position of Latin Resources has materially changed since the date of the last balance sheet laid before Latin Resources in general meeting (being its financial statements for the year ended 31 December 2023) or sent to Latin Resources Shareholders in accordance with section 314 or 317 of the Corporations Act and, if so, full particulars of any change. ASIC has granted Latin Resources relief from this requirement so that this Scheme Booklet only needs to set out whether, within the knowledge of the Latin Resources Directors, the financial position of Latin Resources has materially changed since 30 June 2024 and, if so, full particulars of any change. Latin Resources Shareholders can access a copy of Latin Resources' financial statements for the year ended 30 June 2024 from the ASX (www.asx.com.au) and Latin Resources' website (www.latinresources.com.au).

ASIC has granted Latin Resources customary relief for disclosure in this Scheme Booklet from the requirement under paragraph 8302(d) of Part 3 of Schedule 8 of the Corporations Regulations in relation to payments to directors and officers. ASIC has also granted relief to Latin Resources from compliance with paragraphs 8201(a), (b), (c), (d) and (e) and 8203(a) and (b) of Part 2 of Schedule 8 of the Corporations Regulations which set out various content requirements in connection with the Option Scheme, including the requirement to name all Latin Resources Optionholders.

10.10 Deed Polls

Pilbara Minerals has entered into:

- the Share Scheme Deed Poll in favour of the Latin Resources Shareholders under which Pilbara Minerals has undertaken to provide or procure the provision of (as applicable) the Share Scheme Consideration to Latin Resources Shareholders if the Share Scheme becomes Effective; and
- the Option Scheme Deed Poll in favour of the Latin Resources Optionholders under which Pilbara Minerals has undertaken to provide or procure the provision of (as applicable) the Option Scheme Consideration to Latin Resources Optionholders if the Option Scheme becomes Effective.

The Deed Polls may be relied upon by any Latin Resources Shareholder or Latin Resources Optionholder (as applicable) despite the fact that they are not a party to it and each Latin Resources Securityholder appoints Latin Resources as its agent and attorney to enforce their rights under the Deed Polls against Pilbara Minerals.

10.11 Other information material to the making of a decision in relation to the Schemes

Except as set out in this Scheme Booklet, so far as the Latin Resources Board is aware, there is no other information material to the making of a decision in relation to the Schemes, being information that is within the knowledge of any Director or any director of a Related Body Corporate of Latin Resources which has not previously been disclosed to Latin Resources Securityholders.

10.12 Supplementary information

Latin Resources will issue a supplementary document to this Scheme Booklet if it becomes aware, between the date of lodgement of this Scheme Booklet for registration by ASIC and the Effective Date:

- (a) that a material statement in this Scheme Booklet is false or misleading in a material respect;
- (b) that there is a material omission from this Scheme Booklet;
- (c) of a significant change affecting a matter included in this Scheme Booklet has occurred; or
- (d) of a significant new matter that has arisen which would have been required to be included in this Scheme Booklet if it had arisen before the date of lodgement of this Scheme Booklet for registration by ASIC.

The form which the supplementary document may take will depend on the nature and timing of the new or changed circumstances.



11.

Glossary

11. Glossary

AAS	the Australian Accounting Standards adopted by the AASB.
AASB	Australian Accounting Standard Board.
AISC	all in sustaining cost.
ASIC	the Australian Securities & Investments Commission.
Associate	has the meaning set out in section 12 of the Corporations Act, as if section 12(1) of the Corporations Act included a reference to the Scheme Implementation Agreement.
ASX	ASX Limited, or the market operated by it, as the context requires.
ASX Listing Rules	the official listing rules of the ASX and any other applicable rules of ASX modified to the extent of any express written waiver by ASX.
ASX Settlement	ASX Settlement Pty Ltd ABN 49 008 504 532.
ATO	the Australian Taxation Office.
ATO Class Ruling	has the meaning set out in Section 9.2(b).
Break Fee	\$6 million.
Bridging Loan	the secured loan agreement between Latin Resources and Pilbara Minerals under which Pilbara Minerals has agreed to make available to Latin Resources funding of \$10,000,000 as described in Section 5.9.
Business Day	a business day as defined in the ASX Listing Rules, provided that day is not a day on which banks in Perth, Western Australia, are authorised or required to close.
Calix	Calix Limited ACN 117 372 540.
CHESS	the clearing house electronic sub-register system of security transfers operated by ASX Settlement and ASX Clear Pty Limited.
CIF	means cost, insurance and freight as defined in Incoterms® 2020.
Class Ruling	a binding public ruling issued by the Commissioner of Taxation pursuant to Division 358 of Schedule 1 to the TAA and as described in the class ruling CR 2001/1.
Competing Transaction	means a proposal, offer, agreement, transaction or arrangement, or expression of interest therefor, or a series of any of the foregoing which, if entered into, or completed substantially in accordance with its terms, would mean: (a) a person (other than Pilbara Minerals or its Related Bodies Corporate) whether alone or together with its Associates would: (i) directly or indirectly acquire a Relevant Interest in, or have a right to acquire, a legal, beneficial or economic interest in, or control of, 20% or more of the Latin Resources Shares or of the share

	capital of any member of the Core Latin Resources Group;
	(ii) acquire Control of Latin Resources or any member of the Core Latin Resources Group;
	(iii) directly or indirectly acquire or become the holder of, or otherwise directly or indirectly acquire or become the holder of, or otherwise acquire or having a right to acquire, a legal, beneficial or economic interest in, or control of, all or a material part of Latin Resources' business or assets or the business or assets of the Core Latin Resources Group; or
	(iv) otherwise directly or indirectly acquire or merge, or be involved in an amalgamation or reconstruction, with Latin Resources or a member of the Core Latin Resources Group; or
	(b) Latin Resources would be required to abandon, or otherwise fail to proceed with, the Share Scheme, whether by way of takeover bid, members' or creditors' scheme of arrangement, reverse takeover, shareholder approved acquisition, capital reduction, buy back, sale or purchase of shares, other securities or assets, assignment of assets and liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), deed of company arrangement, any debt for equity arrangement, recapitalisation, refinancing or other transaction or arrangement.
Conditions Precedent	the conditions precedent set out in clauses 3.1 (in respect of the Share Scheme) and 3.2 (in respect of the Option Scheme) of the Scheme Implementation Agreement, as summarised in Annexure B.
Confidentiality Agreement	the Confidentiality Agreement between Latin Resources and Pilbara Minerals dated 28 February 2024.
Control	has the meaning given in section 50AA of the Corporations Act.
Core Latin Resources Group	the Latin Resources Group excluding the Non-Core Group Members.
Corporate Restructure	has the meaning given in Annexure I.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Corporations Regulations	the <i>Corporations Regulations 2001</i> (Cth).
Court	means the Supreme Court of Western Australia.
Deed Polls	the Share Scheme Deed Poll and the Option Scheme Deed Poll.
Demerger	the in-specie distribution of all of the shares in ESG Minerals to Latin Resources Shareholders on the Demerger Implementation Date, to be implemented by way of capital reduction pursuant to the Demerger Deed and the Demerger Resolution.
Demerger Deed	the demerger implementation deed dated 22 November 2024 between Latin Resources, ESG Minerals and Pilbara Minerals which records the terms of the Demerger and associated separation matters.

Demerger Effective Date	the effective date for the return of capital announced to ASX by Latin Resources in respect of the Demerger.
Demerger Implementation Date	the date of the capital reduction comprised in the Demerger and the implementation of the Demerger.
Demerger Ineligible Overseas Shareholders	has the meaning given in Annexure I.
Demerger Materials	the Demerger Meeting materials set out in Annexure I.
Demerger Meeting	the meeting of Latin Resources Shareholders at which Latin Resources Shareholders will vote on the Demerger Resolution (including any meeting following an adjournment or postponement of that meeting).
Demerger Record Date	the record date for determining entitlements to ESG Minerals Shares pursuant to the capital reduction comprised in the Demerger.
Demerger Resolution	the resolution set out in the Notice of Demerger Meeting contained in Annexure I.
DFS	definitive feasibility study.
Disclosed	has the meaning given in the Scheme Implementation Agreement.
Effective	the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Share Scheme or Option Scheme (as the case may be), but in any event at no time before an office copy of the order of the Court is lodged with ASIC.
Effective Date	in respect of a Scheme, the date on which that Scheme becomes Effective.
Electing Scheme Participant	a Small Scheme Participant or Option Scheme Participant who has elected in writing to have all of their Share Scheme Consideration or Option Scheme Consideration (as the case may be) issued to the Sale Nominee and sold on their behalf.
Eligible Shareholders	a person registered as the holder of Latin Resources Shares on the Demerger Record Date, other than a Demerger Ineligible Overseas Shareholder.
Employee Award Plan	the employee incentive scheme titled "Pilbara Minerals Limited Award Plan" approved at Pilbara Minerals' 2023 annual general meeting.
End Date	14 February 2025 (or three months thereafter if extended pursuant to clause 3.11 of the Scheme Implementation Agreement), or such other date as is agreed by Pilbara Minerals and Latin Resources.
Enlarged Group	the Pilbara Minerals Group including the Core Latin Resources Group following implementation of the Share Scheme (excluding, for the avoidance of doubt, the Non-Core Group Members).
ESG Minerals	ESG Minerals Ltd (ACN 653 388 884).
ESG Minerals Share	a fully paid ordinary share in the capital of ESG Minerals.
Exchange Ratio	0.07.

Exclusivity Period	the period from and including the date of the Scheme Implementation Agreement to the earlier of: (a) the termination of the Scheme Implementation Agreement in accordance with its terms; (b) the Implementation Date; and (c) the End Date.
Expiring Options	the 10,000,000 Latin Resources Options with the designation LRSAAE with an exercise price of \$0.45 and an expiry date of 30 December 2024.
FID	final investment decision.
First Court Date	the first day on which an application made to the Court for orders under section 411(1) of the Corporations Act to convene the Scheme Meetings is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.
FRCGW	foreign resident capital gains tax withholding.
FY	financial year.
Ganfeng	Ganfeng Lithium Group Co Ltd or any subsidiaries thereof, as the context requires.
GST	has the meaning given in the GST Act.
GST Act	the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
Implementation Date	the 5 th Trading Day following the Record Date.
Independent Expert	BDO Corporate Finance Australia Pty Ltd, the independent expert in respect of the Schemes appointed by Latin Resources.
Independent Expert's Report	the report of the Independent Expert, as set out in Annexure A.
Independent Technical Report	the report of the Technical Expert, as set out in Appendix 3 of the Independent Expert's Report.
Ineligible Foreign Holder	a Share Scheme Participant or an Option Scheme Participant (as applicable) whose Registered Address is a place outside Australia and its external territories, New Zealand, Switzerland, Brazil, Canada, Hong Kong, the United Kingdom and the United States or who is acting on behalf of such a person, unless Pilbara Minerals determines that: (a) it is lawful and not unduly onerous or unduly impracticable to issue that Share Scheme Participant or Option Scheme Participant with the New Pilbara Minerals Shares on implementation of the Share Scheme or Option Scheme (as applicable); and (b) it is lawful for that Share Scheme Participant or Option Scheme Participant to participate in the Share Scheme or Option Scheme (as applicable) by the law of the relevant place outside Australia and its external territories.

Integration Committee	a committee comprising at least two senior Latin Resources executives and two senior Pilbara Minerals representatives, or such other persons as agreed by the parties.
JORC Code	the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012, as updated from time to time.
Kt	kilotonnes.
Ktpa	kilotonnes per annum.
Last Practicable Date	22 November 2024, being the last practicable date to prepare information before finalising this Scheme Booklet for registration by ASIC.
Latin Resources	Latin Resources Limited (ACN 131 405 144).
Latin Resources Board	the board of directors of Latin Resources.
Latin Resources Director	a director of Latin Resources.
Latin Resources Group	Latin Resources and its Subsidiaries.
Latin Resources Group Member	a member of the Latin Resources Group.
Latin Resources Information	all information contained in this Scheme Booklet (or any amendment or supplement), other than the Pilbara Minerals Information and the Independent Expert's Report (or references to the Independent Expert's analysis or conclusions).
Latin Resources Information Line	the shareholder information line established by Latin Resources for Latin Resources Securityholders to call if they have any questions or require further information in relation to the Schemes or the Demerger.
Latin Resources Loan Funded Share	a Latin Resources Share issued under the Latin Resources Loan Funded Share Plan.
Latin Resources Loan Funded Share Plan	the loan funded share plan titled "Loan Funded Share Plan Rules" approved by Latin Resources Shareholders at Latin Resources' annual general meeting held on 28 May 2018.
Latin Resources Material Adverse Effect	has the meaning given in Annexure B.
Latin Resources Optionholder	each person registered in the Latin Resources Register as a holder of Latin Resources Options.
Latin Resources Options	the unlisted options granted by Latin Resources.
Latin Resources Performance Right	a right to subscribe for and be issued a Latin Resources Share under the Latin Resources Securities Incentive Plan.
Latin Resources Prescribed Event	has the meaning given in Annexure B.
Latin Resources Register	a register of Latin Resources Securityholders (either Latin Resources Shareholders or Latin Resources Optionholders) maintained by Latin Resources in accordance with the Corporations Act.
Latin Resources Securities	Latin Resources Shares and/or Latin Resources Options (as applicable).

Latin Resources Securities Incentive Plan	the employee incentive scheme titled “Employee Incentive Securities Plan” approved by Latin Resources Shareholders at Latin Resources’ annual general meeting held on 19 December 2022.
Latin Resources Securityholder	a Latin Resources Shareholder or a Latin Resources Optionholder, as applicable.
Latin Resources Share	a fully paid ordinary share in Latin Resources.
Latin Resources Shareholder	each person registered in the Latin Resources Register as a holder of Latin Resources Shares.
LOM	life of mine.
Marketable Parcel	\$500 worth of New Pilbara Minerals Shares assessed by reference to the highest closing price of Pilbara Minerals Shares on the ASX beginning on the date the Scheme Booklet is registered by ASIC under section 412(6) of the Corporations Act and ending on the Effective Date.
Mineral Resources	has the meaning given to that term in the JORC Code.
Mining Code	the <i>Mining Code (Decree Law No. 227/67)</i> (Brazil).
MRE	Mineral Resource Estimate.
Net Cash Proceeds	the net cash proceeds of the sale of New Pilbara Minerals Shares via the Sale Facility (after the deduction of any applicable brokerage, stamp duty or other selling costs, taxes and charges).
New Pilbara Minerals Share	a Pilbara Minerals Share to be issued as consideration under the Share Scheme and/or Option Scheme.
Ngungaju Plant	the processing plant at Pilgangoora titled the “Ngungaju Plant”.
Non-Core Assets	has the meaning given in Annexure B.
Non-Core Assets Disposal Program	has the meaning given in Annexure B.
Non-Core Group Members	the following bodies corporate in which Latin Resources directly or indirectly holds shares: (a) ESG Minerals; (b) ESG Global Solutions Pty Ltd (ACN 676 812 927); (c) Electric Metals Pty Ltd (ACN 625 770 774); (d) Lotus Minerals Pty Ltd (ACN 664 687 156); (e) Lotus Prospecting Pty Ltd (ACN 665 490 497); (f) Litios del Norte S.A.; (g) Latin 2 Pty Ltd (ACN 675 757 963); (h) Peruvian Latin Resources SAC; (i) Minera Dylan SAC; and (j) Recursos Latinos SA.

Opt-in Notice	the form to be completed by Option Scheme Participants or Small Scheme Participants who wish to participate in the Sale Facility and not receive New Pilbara Minerals Shares.
Option Scheme	the scheme of arrangement under Part 5.1 of the Corporations Act under which all the Latin Resources Options will be transferred to Pilbara Minerals and the Option Scheme Participant will receive the Option Scheme Consideration, as set out in Annexure D, together with any amendment or modification made pursuant to section 411(6) of the Corporations Act approved in writing by Latin Resources and Pilbara Minerals.
Option Scheme Consideration	the consideration to be provided by Pilbara Minerals to each Option Scheme Participant for the transfer of their Latin Resources Options being, in respect of each Latin Resources Option, that number of New Pilbara Minerals Shares for each relevant Latin Resources Option as set out in the Option Scheme.
Option Scheme Deed Poll	the deed poll for the Option Scheme set out in Annexure F.
Option Scheme Meeting	the meeting of Latin Resources Optionholders, ordered by the Court, at which Latin Resources Optionholders will vote on the Option Scheme and including any meeting following an adjournment or postponement of that meeting.
Option Scheme Participant	a Latin Resources Optionholder at the Record Date.
Option Scheme Resolution	the resolution set out in the Notice of Option Scheme Meeting set out in Annexure H.
Ore Reserves	has the meaning given to that term in the JORC Code.
P850	the Pilgangoora operating model which was announced in October 2024.
P1000 Project	the Pilgan Plant P1000 expansion project which received an FID in 2023.
P2000 Project	the Pilgangoora P2000 expansion project which was announced in June 2024.
P680 Project	the Pilgan Plant P680 expansion project which received an FID in 2022.
PEA	Preliminary Economic Assessment.
Pilbara Minerals	Pilbara Minerals Limited (ACN 112 425 788).
Pilbara Minerals Board	the board of directors of Pilbara Minerals.
Pilbara Minerals Director	a director of Pilbara Minerals.
Pilbara Minerals Group	Pilbara Minerals and its Subsidiaries.
Pilbara Minerals Group Member	a member of the Pilbara Minerals Group.
Pilbara Minerals Information	information in this Scheme Booklet (or any amendment or supplement): (a) relating to the Pilbara Minerals Group, the Enlarged Group, the businesses of the Pilbara Minerals Group and Enlarged Group, New Pilbara Minerals Shares, Pilbara Minerals' interests and dealings in Latin Resources Shares, Pilbara Minerals' intentions

for the Enlarged Group and Enlarged Group's employees and Pilbara Minerals' funding, expressly provided by or on behalf of Pilbara Minerals to Latin Resources in writing for inclusion in this Scheme Booklet (or any amendment or supplement); and

- (b) any other information that Latin Resources and Pilbara Minerals agree in writing is "Pilbara Minerals Information" and that is identified in the Scheme Booklet,

being the information in the following sections or parts of those sections of this Scheme Booklet:

- (c) the Letter from the Chair of Pilbara Minerals;
- (d) the "Frequently asked questions" section under the part named "Information about Pilbara Minerals" and the part named "Information about the Enlarged Group";
- (e) Sections 6 and 7;
- (f) Sections 8.3, 8.4 and 8.5; and
- (g) Section 10.8(b).

in each case, excluding any information based on information provided or prepared by or on behalf of Latin Resources.

Pilbara Minerals Material Adverse Effect	has the meaning given in Annexure B.
Pilbara Minerals Prescribed Event	has the meaning given in Annexure B.
Pilbara Minerals Share	a fully paid ordinary share in the capital of Pilbara Minerals.
Pilbara Minerals Shareholder	a holder of a Pilbara Minerals Share.
Pilgan Plant	the processing plant at Pilgangoora titled the "Pilgan Plant".
Pilgangoora	the Pilgangoora operation operated by Pilbara Minerals and situated in the Pilbara region of Western Australia, comprising the Pilgan Plant and the Ngungaju Plant.
POSCO	POSCO Holdings Inc, headquartered in South Korea.
Record Date	7.00pm (AEDT) on the 2 nd Trading Day following the Effective Date, or such other date as Latin Resources and Pilbara Minerals agree.
Registered Address	(a) in relation to a Latin Resources Shareholder, the address shown in the Latin Resources Register for that Latin Resources Shareholder as at the Record Date; and (b) in relation to a Latin Resources Optionholder, the address shown in the Latin Resources Register for that Latin Resources Optionholder as at the Record Date.
Registry	Computershare Investor Services Pty Limited.
Regulatory Approval	any approval of a Regulatory Authority to the Scheme or Option Scheme or any aspect of it which Pilbara Minerals, acting reasonably, determines is necessary or desirable to implement the Scheme and/or the Option Scheme.

Regulatory Authority	includes: (a) ASX, ASIC, the Takeovers Panel and the Brazilian National Mining Agency; (b) a foreign or Australian government or governmental, semi-governmental or judicial entity or authority; (c) a foreign or Australian minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and (d) any foreign or Australian regulatory organisation established under statute.
Related Body Corporate	has the meaning it has in the Corporations Act.
Relevant Interest	has the meaning it has in sections 608 and 609 of the Corporations Act.
Requisite Majorities	(a) in relation to the Share Scheme Resolution: (i) unless the Court orders otherwise, a majority in number (more than 50%) of Latin Resources Shareholders present and voting at the Share Scheme Meeting (either in person or by proxy, attorney, or in the case of corporate Latin Resources Shareholders, body corporate representative); and (ii) at least 75% of the total number of votes cast on the Share Scheme Resolution at the Share Scheme Meeting by Latin Resources Shareholders present and voting (either in person or by proxy, attorney or, in the case of corporate Latin Resources Shareholders, body corporate representative), and (b) in relation to the Option Scheme Resolution: (i) unless the Court orders otherwise, a majority in number (more than 50%) of Latin Resources Optionholders present and voting at the Option Scheme Meeting (either in person or by proxy, attorney, or in the case of corporate Latin Resources Optionholders, body corporate representative); and (ii) at least 75% of the total number of votes cast on the Option Scheme Resolution at the Option Scheme Meeting by Latin Resources Optionholders present and voting (either in person or by proxy, attorney or, in the case of corporate Latin Resources Optionholders, body corporate representative).
Reverse Break Fee	\$6 million.
Roll-Over Relief	scrip-for-scrip roll-over relief is the form of relief available under subdivision 124-M of the <i>Income Tax Assessment Act 1997</i> (Cth) under which eligible taxpayers may choose to defer a capital gain made by a taxpayer if, broadly, under a single arrangement, a taxpayer exchanges a share in a company for a share in another company in certain circumstances.
Sale Facility	the mechanism under which the Share Scheme Consideration or Option Scheme Consideration (as applicable) to which an Ineligible Foreign Holder or Electing Scheme Participant would otherwise be

	entitled is sold by the Sale Nominee and the proceeds remitted to the Ineligible Foreign Holder or Electing Scheme Participant.
Sale Nominee	a person appointed by Pilbara Minerals (in consultation with Latin Resources) to sell the New Pilbara Minerals Shares that would otherwise be issued to or for the benefit of Ineligible Foreign Holders or Electing Scheme Participants under the terms of the Schemes.
Salinas Project	the Salinas Lithium Project in the Bananal Valley region of Minas Gerais.
SC	spodumene concentrate.
Scheme Booklet	this booklet.
Scheme Consideration	the Share Scheme Consideration or Option Scheme Consideration as applicable.
Scheme Implementation Agreement	the Scheme Implementation Agreement dated 14 August 2024 between Latin Resources and Pilbara Minerals relating to the implementation of the Schemes, as amended from time to time.
Scheme Meeting	the Share Scheme Meeting and/or Option Scheme Meeting (as applicable).
Schemes	the Share Scheme and Option Scheme and Scheme shall, as the context requires, mean the Share Scheme or the Option Scheme.
Second Court Date	the first day on which an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Schemes is heard or scheduled to be heard or, if the application is adjourned for any reason, the date on which the adjourned application is heard or scheduled to be heard.
Second Court Hearing	the hearing of an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Share Scheme or Option Scheme (as applicable).
Share Scheme	the scheme of arrangement under Part 5.1 of the Corporations Act under which all the Latin Resources Shares will be transferred to Pilbara Minerals, as set out in Annexure C, together with any amendment or modification made pursuant to section 411(6) of the Corporations Act to the extent approved in writing by Latin Resources and Pilbara Minerals.
Share Scheme Consideration	the consideration payable by Pilbara Minerals for the transfer of Latin Resources Shares held by a Share Scheme Participant to Pilbara Minerals, being, in respect of each Latin Resources Share, the Exchange Ratio of New Pilbara Minerals Shares.
Share Scheme Deed Poll	the deed poll for the Share Scheme set out in Annexure E.
Share Scheme Meeting	the meeting of Latin Resources Shareholders, ordered by the Court, at which Latin Resources Shareholders will vote on the Share Scheme and including any meeting following an adjournment or postponement of that meeting.
Share Scheme Participant	a Latin Resources Shareholder at the Record Date.
Share Scheme Resolution	the resolution set out in the Notice of Share Scheme Meeting set out in Annexure G.
Small Scheme Participant	a Latin Resources Shareholder (other than an Ineligible Foreign Holder) who, based on their holding of Latin Resources Shares on

	the Record Date, would, upon implementation of the Share Scheme, be entitled to receive less than a Marketable Parcel.
Subsidiary	another entity which: (a) is a subsidiary of the first entity within the meaning of the Corporations Act; or (b) is otherwise part of a consolidated entity constituted by the first entity and the entities it is required to include in the consolidated financial statements it prepares or would be, if the first entity was required to prepare consolidated financial statements.
Superior Proposal	a genuine Competing Transaction of the kind referred to in any of the paragraphs (a)(ii), (a)(iii), (a)(iv) or (b) of the definition of Competing Transaction under the Scheme Implementation Agreement which the Latin Resources Board, acting in good faith, and after taking written legal advice from its legal and written financial advice from its financial advisers, determines: (a) is reasonably capable of being valued and completed within a reasonable timeframe; and (b) would, if completed substantially in accordance with its terms, be more favourable to Latin Resources Shareholders (as a whole) than the Share Scheme (and, if applicable, than the Share Scheme as amended or varied following application of the matching right set out in clause 10.8 of the Scheme Implementation Agreement), in each case taking into account all aspects of the Competing Transaction, including the terms of the Competing Transaction, the price and/or value of the Competing Transaction, any conditions, timing considerations, any other matters affecting the probability of the Competing Transaction being completed in accordance with its terms, the identity, reputation and financial condition of the person making such proposal, and legal, regulatory and financial matters.
TAA	<i>Taxation Administration Act 1953 (Cth).</i>
Takeovers Panel	the Takeovers Panel constituted under the <i>Australian Securities and Investments Commission Act 2001 (Cth)</i> .
Tax	any tax, levy, charge, excise, GST, impost, rates, duty, fee, deduction, which is assessed, levied, imposed or collected by any fiscal Regulatory Authority and includes any interest, fine, penalty, charge or other amount imposed by any fiscal Regulatory Authority on or in respect of any of the above.
Tax Act	the <i>Income Tax Assessment Act 1936 (Cth)</i> or the <i>Income Tax Assessment Act 1997 (Cth)</i> , or both as the context requires.
Tax Law	a law with respect to or imposing any Tax.
Technical Expert	Valuation and Resource Management Pty Ltd, the independent technical expert in respect of the Schemes appointed by Latin Resources.
Trading Day	a business day as defined in the ASX Listing Rules.

In this Scheme Booklet (other than the Annexures), unless stated otherwise:

- (a) all words and phrases used in this Scheme Booklet have the meanings (if any) given to them by the Corporations Act;
- (b) if a word or phrase is defined in the Glossary in Section 11, its other grammatical forms have a corresponding meaning;
- (c) headings and bold type are for convenience only and will not affect the interpretation of this Scheme Booklet;
- (d) words importing the singular, where the context requires, include the plural and vice versa;
- (e) words importing any gender include all genders;
- (f) a reference to a person includes a reference to any individual, a body corporate, a partnership, a joint venture, an unincorporated association, a corporation and an authority or any other entity or organisation;
- (g) a reference to \$, A\$ and AUD is to the currency of Australia; and
- (h) a reference to a Section or Annexure is to a Section in or Annexure to this Scheme Booklet, unless otherwise stated.

Annexure A – Independent Expert’s Report



IDEAS | PEOPLE | TRUST

Latin Resources Limited

Independent Expert's Report

26 November 2024



Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9 Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

FINANCIAL SERVICES GUIDE

Dated: 26 November 2024

This Financial Services Guide (FSG) helps you decide whether to use any of the financial services offered by BDO Corporate Finance Australia Pty Ltd (BDO Corporate Finance, we, us, our).

The FSG includes information about:

- Who we are and how we can be contacted
- The services we are authorised to provide under our Australian Financial Services Licence, Licence No: 247420
- Remuneration that we and/or our staff and any associates receive in connection with the financial services
- Any relevant associations or relationships we have
- Our complaints handling procedures and how you may access them.

FINANCIAL SERVICES WE ARE LICENSED TO PROVIDE

We hold an Australian Financial Services Licence which authorises us to provide financial product advice to retail and wholesale clients about securities and certain derivatives (limited to old law securities, options contracts, and warrants). We can also arrange for customers to deal in securities, in some circumstances. Whilst we are authorised to provide personal and general advice to retail and wholesale clients, we only provide *general* advice to retail clients.

Any general advice we provide is provided on our own behalf, as a financial services licensee.

GENERAL FINANCIAL PRODUCT ADVICE

Our general advice is typically included in written reports. In those reports, we provide general financial product advice that is prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of the general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

FEES, COMMISSIONS AND OTHER BENEFITS THAT WE MAY RECEIVE

We charge fees for providing reports. These fees are negotiated and agreed to with the person who engages us to provide the report. Fees will be agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. In this instance, the Company has agreed to pay us \$75,000 for preparing the Report.

Except for the fees referred to above, neither BDO Corporate Finance, nor any of its directors, employees, or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of general advice.

All our employees receive a salary. Our employees are eligible for bonuses based on overall company performance but not directly in connection with any engagement for the provision of a report.

REFERRALS

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

ASSOCIATIONS AND RELATIONSHIPS

BDO Corporate Finance is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The general financial product advice in our report is provided by BDO Corporate Finance and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting, and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

COMPLAINTS RESOLUTION

We are committed to meeting your needs and maintaining a high level of client satisfaction. If you are unsatisfied with a service we have provided you, we have avenues available to you for the investigation and resolution of any complaint you may have.

To make a formal complaint, please use the Complaints Form. For more on this, including the Complaints Form and contact details, see the [BDO Complaints Policy](#) available on our website.

BDO Corporate Finance is a member of AFCA (Member Number 11843). Where you are unsatisfied with the resolution reached through our Internal Dispute Resolution process, you may escalate this complaint to the Australian Financial Complaints Authority (AFCA) using the below contact details:

Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001
Email: info@afca.org.au
Phone: 1800 931 678
Fax: (03) 9613 6399
Interpreter service: 131 450
Website: <http://www.afca.org.au>

COMPENSATION ARRANGEMENTS

BDO Corporate Finance and its related entities hold Professional Indemnity insurance for the purpose of compensating retail clients for loss or damage suffered because of breaches of relevant obligations by BDO Corporate Finance or its representatives under Chapter 7 of the Corporations Act 2001. These arrangements and the level of cover held by BDO Corporate Finance satisfy the requirements of section 912B of the Corporations Act 2001.

CONTACT DETAILS

You may provide us with instructions using the details set out at the top of this FSG or by emailing - cf.ecp@bdo.com.au

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Appendix 1 - Glossary and copyright notice

Appendix 2 - Valuation Methodologies

Appendix 3 - Independent Valuation Report prepared by VRM

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Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9 Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

26 November 2024

The Directors
Latin Resources Limited
Unit 3, 32 Harrogate Street
West Leederville WA 6007

Dear Directors,

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 15 August 2024, Latin Resources Limited ('Latin Resources' or 'the Company') announced that it had entered into a binding Scheme Implementation Agreement ('SIA') with Pilbara Minerals Limited ('Pilbara Minerals'), under which Pilbara Minerals will acquire 100% of the issued shares in Latin Resources by way of a scheme of arrangement under the *Corporations Act 2001* (Cth) ('Corporations Act' or 'the Act') ('Share Scheme').

Under the terms of the SIA, each Latin Resources shareholder will receive 0.07 new Pilbara Minerals shares for every Latin Resources share held on the Share Scheme record date ('Share Scheme Consideration').

The Share Scheme is subject to the following conditions precedent:

- An independent expert concluding (and continuing to conclude) that the Share Scheme is in the best interests of Latin Resources shareholders ('Shareholders').
- Customary conditions and no material adverse change or prescribed events occurring in respect of either Pilbara Minerals or Latin Resources.
- Receipt of all regulatory approvals necessary to implement the Share Scheme or material to the development of the Salinas Project.
- Approval by Shareholders at a meeting of shareholders to vote on the Share Scheme ('Scheme Meeting'). For the Share Scheme to proceed, the resolutions at the Scheme Meeting must be approved by at least 75% of all votes cast by Shareholders and a majority by number of all Shareholders present and voting at the Scheme Meeting.
- A Shareholder-approved in-specie distribution of all of Latin Resources' non-core assets (which predominantly consist of tenement interests in Peru, Argentina and Australia) ('Non-Core Assets') coming into effect.
- Requisite Court approval.

In addition, Pilbara Minerals will acquire 100% of the options on issue in Latin Resources ('Latin Resources Options') at the 'Record Date', by way of a scheme of arrangement ('Option Scheme'). Details of the Latin Resources Options subject to the Option Scheme and the respective consideration ('Option Scheme Consideration') are outlined below.

*being 7.00pm (AEDT) on the 2nd trading day following the date on which the respective scheme becomes effective, or such other date as Latin and Pilbara Minerals agree.

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Tranche	Number of options	Exercise price	Expiry date	Number of new Pilbara Minerals shares to be provided per option
LRSAAF	13,500,000	\$0.55	30 June 2025	0.0020
LRSAY	113,986,160	\$0.22	27 April 2027	0.0250

Source: Scheme Implementation Agreement

We note that there are 10,000,000 Latin Resources Options with the designation LRSAAE with an exercise price of \$0.45 and an expiry date of 30 December 2024 (**‘the Expiring Options’**). The Expiring Options will lapse (if they have not been exercised) on 30 December 2024 which is prior to the Record Date for the Option Scheme. Holders of this tranche of Latin Resources Options need to validly exercise their options on or before the expiry date of 30 December 2024 in order to receive Latin Resources Shares and participate in the Share Scheme.

The Option Scheme is conditional on, amongst other conditions, the Share Scheme becoming effective, however the Share Scheme is not conditional on the Option Scheme becoming effective.

The Share Scheme and the Option Scheme are together referred to as **‘the Schemes’**. Further details of the Schemes are outlined in Section 4 of our Report.

Upon implementation of the Schemes, Shareholders and option holders of Latin Resources Options (**‘Optionholders’**) will receive shares in the enlarged Pilbara Minerals (**‘Enlarged Group’**) and will collectively hold approximately 6.4% of the Enlarged Group’s shares.

All figures are quoted in Australian dollars (**‘AUD’** or **‘\$’**) unless otherwise stated.

2. Summary and opinion

2.1 Requirement for the report

The directors of Latin Resources have requested that BDO Corporate Finance Australia Pty Ltd (**‘BDO’**) prepare an independent expert’s report (**‘our Report’**) to express an opinion as to whether the Schemes are in the best interests of Shareholders and Optionholders.

Our Report is prepared pursuant to section 411 of the Corporations Act and is to be included in the scheme booklet for Latin Resources to assist Shareholders and Optionholders in their decisions whether to approve the Share Scheme and Option Scheme, respectively (**‘Scheme Booklet’**).

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission (**‘ASIC’**) Regulatory Guide 60 ‘Schemes of arrangements’ (**‘RG 60’**), Regulatory Guide 111 ‘Content of expert reports’ (**‘RG 111’**), Regulatory Guide 112 ‘Independence of experts’ (**‘RG 112’**), Regulatory Guide 170 ‘Prospective financial information’ (**‘RG 170’**), and Information Sheet 214: Mining and Resources: Forward-looking statements (**‘IS 214’**).

In arriving at our opinion, we have assessed the terms of the Schemes as outlined in the body of this report. We have considered the following:

- How the value of a Latin Resources share (on a controlling interest basis) compares to the value of the Share Scheme Consideration, being 0.07 new Pilbara Minerals shares (on a minority interest basis).
- How the value of a Latin Resources option (on a controlling interest basis) compares to the value of the Option Scheme Consideration (on a minority interest basis).

- The likelihood of an alternative offer being made to Latin Resources.
- Other factors which we consider to be relevant to Shareholders and Optionholders in their assessment of the Schemes.
- The position of Shareholders and Optionholders should the Schemes not proceed.

2.3 Opinion

Share Scheme

We have considered the terms of the Share Scheme as outlined in the body of this Report and have concluded that, in the absence of a superior proposal, the Share Scheme is fair and reasonable to Shareholders. Therefore, in the absence of a superior proposal, we consider the Share Scheme to be in the best interests of Shareholders.

Option Scheme

We have considered the terms of the Option Scheme as outlined in the body of this Report and have concluded that, in the absence of a superior proposal, the Option Scheme is fair and reasonable to Optionholders. Therefore, in the absence of a superior proposal, we consider the Option Scheme to be in the best interests of Optionholders.

2.4 Fairness

Share Scheme

The value of a Latin Resources share (on a controlling interest basis) and the value of the Share Scheme Consideration, being 0.07 new Pilbara Minerals shares (on a minority interest basis), are compared below:

	Ref	Low \$	Preferred \$	High \$
Value of a Latin Resources share (controlling interest basis)	11	0.097	0.137	0.177
Value of 0.07 new Pilbara Minerals shares (minority interest basis)	12	0.193	0.198	0.203

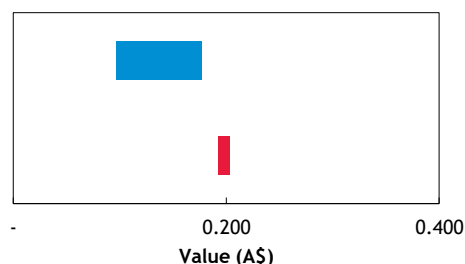
Source: BDO analysis

The above valuation ranges are graphically presented below:

Valuation Summary

Value of a Latin Resources share (controlling interest basis)

Value of 0.07 new Pilbara Minerals shares (minority interest basis)



Under RG 111.11 an offer is 'fair' if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer. The above pricing indicates that, in the absence of a superior proposal, the Share Scheme is fair for Shareholders.

Option Scheme

In assessing whether the Option Scheme is fair for Optionholders, we have compared the value of a Latin Resources Option (on a controlling interest basis) and the value of the relevant Option Scheme Consideration (on a minority interest basis), for each individual tranche of Latin Resources Options.

LRSAAF Options

The value of an LRSAAF option (on a controlling interest basis) and the value of the LRSAAF Option Scheme Consideration, being 0.0020 new Pilbara Minerals shares (on a minority interest basis), are compared below:

	Ref	Low \$	Preferred \$	High \$
Value of an LRSAAF Option (control) <i>rounded 3 decimal places</i>	13	0.000	0.001	0.001
Value of 0.0020 new Pilbara Minerals shares (minority) <i>rounded 3 decimal places</i>	14	0.006	0.006	0.006

Source: BDO analysis

LR SAY Options

The value of an LR SAY option (on a controlling interest basis) and the value of the LR SAY Option Scheme Consideration, being 0.0250 new Pilbara Minerals shares (on a minority interest basis), are compared below:

	Ref	Low \$	Preferred \$	High \$
Value of an LR SAY Option (control) <i>rounded 3 decimal places</i>	13	0.027	0.048	0.069
Value of 0.0250 new Pilbara Minerals shares (minority) <i>rounded 3 decimal places</i>	14	0.069	0.071	0.073

Source: BDO analysis

Conclusion

Under RG 111.11 an offer is 'fair' if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer. The above pricing indicates that, in the absence of a superior proposal, the Option Scheme is fair for Optionholders.

2.5 Reasonableness

We have considered the analysis in Section 16 of this Report, in terms of the following:

- Advantages and disadvantages of the Schemes.
- Other considerations, including the position of Shareholders and Optionholders if the Schemes do not proceed and the consequences of not approving the Schemes.

In our opinion, the position of Shareholders and Optionholders if the Schemes are approved is more advantageous than the position if the Schemes are not approved. Accordingly, in the absence of any other relevant information and/or an alternate proposal we consider that the Schemes are reasonable for Shareholders and Optionholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
16.2	The Share Scheme is fair for Shareholders	16.3	Dilution of Shareholders' and Optionholders' interests and exposure to the Salinas Project
16.2	The Option Scheme is fair for Optionholders	16.3	Optionholders will no longer have exposure to the potential upside from their derivate instrument
16.2	Exposure to Pilbara Minerals' tier one producing lithium asset whilst also retaining an interest in the Salinas Project		
16.2	Pilbara Minerals has a large free float, resulting in a greater liquidity, should Shareholders wish to exit their investment		
16.2	Pilbara Minerals has a large market presence and strong balance sheet making it easier for Pilbara Minerals to fund the future development of the Salinas Project		
16.2	Pilbara Minerals has historically paid dividends to its shareholders		
16.2	The Scheme Consideration offers Shareholders a premium to the last traded price of a Latin Resources shares prior to the announcement of the Schemes		
16.2	Option Scheme Consideration provides Optionholders with Pilbara Minerals shares		

Other key matters we have considered include:

Section	Description
16.4	Consequences of not approving the Schemes
16.5	Tax implications

Section	Description
16.6	Demerger of Non-Core Assets

3. Scope of the Report

3.1 Purpose of the Report

The Schemes are to be implemented pursuant to section 411 of the Corporations Act. Part 3 of Schedule 8 to the *Corporations Regulations 2001* ('**Regulations**') prescribes the information to be sent to shareholders in relation to schemes of arrangement pursuant to section 411 of the Corporations Act ('**Section 411**'). Part 2 of Schedule 8 of the Regulations prescribes the information to be sent to option holders in relation to creditors schemes of arrangement pursuant to Section 411.

An independent expert's report must be obtained by a scheme company if:

- There is one or more common directors; or
- The other party to the scheme holds 30% or more of the voting shares in the scheme company.

The expert must be independent and must state whether or not, in his or her opinion, the proposed scheme is in the best interests of the members of the company the subject of the scheme and set out the reasons for that opinion.

There are no common directors of Latin Resources and Pilbara Minerals, nor is there any party to the Schemes which holds 30% or more of the scheme company, being Latin Resources. Accordingly, there is no requirement for this Report pursuant to Section 411.

Notwithstanding the fact that there is no requirement to engage an independent expert to report on the Schemes, pursuant to the SIA, the Share Scheme is subject to an independent expert concluding (and continuing to conclude) that the Share Scheme is in the best interests of Shareholders.

Accordingly, the directors of Latin Resources have requested that BDO prepare this independent expert's report and provide an opinion as to whether the Share Scheme is in the best interests of Shareholders. In addition, the directors of Latin Resources have also requested that BDO provide an opinion as to whether the Option Scheme is in the best interests of Optionholders.

3.2 Regulatory guidance

Neither the Corporations Act nor the Regulations define the term 'in the best interests of'. In determining whether the Schemes are in the best interests of Shareholders and Optionholders, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

A key matter under RG 111 that an expert needs to consider when determining the appropriate form of analysis is whether or not the effect of the transaction is comparable to a takeover bid and is therefore representative of a change of 'control' transaction.

In the circumstance of a scheme that achieves the same outcome as a takeover bid, RG 111 suggests that the form of the analysis undertaken by the independent expert should be substantially the same as for a takeover. Independent expert reports required under the Act in the circumstance of a takeover are

required to provide an opinion as to whether or not the takeover bid is 'fair and reasonable'. While there is no definition of 'fair and reasonable', RG 111 provides some guidance as to how the terms should be interpreted in a range of circumstances.

RG 111 suggests that an opinion as to whether transactions are fair and reasonable should focus on the purpose and outcome of the transaction, that is, the substance of the transaction rather than the legal mechanism to effect the transaction.

Schemes of arrangement pursuant to Section 411 can encompass a wide range of transactions. Accordingly, 'in the best interests' must be capable of a broad interpretation to meet the particular circumstances of each transaction. This involves a judgment on the part of the expert as to the overall commercial effect of the transaction, the circumstances that have led to the transaction and the alternatives available. The expert must weigh up the advantages and disadvantages of the proposed transaction and form an overall view as to whether security holders are likely to be better off if the proposed transaction is implemented than if it is not. This assessment is the same as that required for a 'fair and reasonable' assessment in the case of a takeover. If the expert would conclude that a proposal was 'fair and reasonable' if it was in the form of a takeover bid, the expert will also be able to conclude that the scheme is in the best interests of security holders. An opinion of 'in the best interests' does not imply the best possible outcome for security holders.

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the securities subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Having regard to the above, BDO has completed this comparison in four parts:

- A comparison between the value of a Latin Resources share (on a controlling interest basis) and the value of the Share Scheme Consideration, being 0.07 new Pilbara Minerals shares (on a minority interest basis) (fairness - see Section 15.1).
- A comparison between the value of a Latin Resources option (on a controlling interest basis) and the value of the Option Scheme Consideration, being a varying number of new Pilbara Minerals shares (on a minority interest basis) (fairness - see Section 15.2).
- An investigation into other significant factors to which Shareholders and Optionholders might give consideration, prior to approving the Schemes, after reference to the values derived above (reasonableness - see Section 16 'Are the Schemes reasonable?').
- A consideration of whether the Schemes are in the best interests of Shareholders and Optionholders.

RG 111 states that if a transaction is fair and reasonable then the expert can conclude that the transaction is in the best interests of security holders. If a transaction is not fair but reasonable an expert can still conclude that the transaction is in the best interests of security holders. If a transaction is neither fair nor reasonable then the expert would conclude that the transaction is not in the best interests of security holders.

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

A Valuation Engagement is defined by APES 225 as follows:

‘an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Member is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Member at that time.’

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Schemes

On 15 August 2024, Latin Resources announced that it had entered into a binding SIA with Pilbara Minerals, under which Pilbara Minerals will acquire 100% of the shares in Latin Resources by way of a scheme of arrangement under the Corporations Act.

Share Scheme

Under the terms of the SIA, each Latin Resources shareholder will receive 0.07 new Pilbara Minerals shares for every Latin Resources share held on the Share Scheme record date.

The Share Scheme is subject to the following conditions precedent:

- An independent expert concluding (and continuing to conclude) that the Share Scheme is in the best interests of Shareholders.
- Customary conditions and no material adverse change or prescribed events occurring in respect of either Pilbara Minerals or Latin Resources.
- Receipt of all regulatory approvals necessary to implement the Share Scheme or material to the development of the Salinas Project.
- Approval by Shareholders at the Scheme Meeting. For the Share Scheme to proceed, the resolutions at the Scheme Meeting must be approved by at least 75% of all votes cast by Shareholders and a majority by number of all Shareholders present and voting at the Scheme Meeting.
- A Shareholder-approved in-specie distribution of all of Latin Resources' Non-Core Assets coming into effect.
- Requisite Court approval.

Upon implementation of the Share Scheme, Shareholders will receive shares in the Enlarged Group and will collectively hold approximately 6.3% of the Enlarged Group's shares.

Option Scheme

In connection with the Share Scheme, Pilbara Minerals will acquire 100% of the Latin Resources Options on the Record Date, by way of a scheme of arrangement. Details of the Latin Resources Options subject to the Option Scheme and the Option Scheme Consideration are outlined below.

Tranche	Number of options	Exercise price	Expiry date	Number of new Pilbara Minerals shares to be provided per option
LRSAAF	13,500,000	\$0.55	30 June 2025	0.0020
LRSAY	113,986,160	\$0.22	27 April 2027	0.0250

Source: Scheme Implementation Agreement

The Option Scheme is conditional on, amongst other conditions, the Share Scheme becoming effective, however the Share Scheme is not conditional on the Option Scheme becoming effective.

Demerger of Non-Core Assets

In conjunction with the Schemes, Latin Resources is seeking to undertake a demerger of ESG Minerals Limited ('ESG Minerals') ('Demerger') by way of a capital reduction and pro rata in-specie distribution of shares under which each Shareholder will receive one fully paid ordinary share in ESG Minerals for every 50 Latin Resources Shares held on the record date. As the Demerger will involve a capital reduction, the

Demerger must be approved by Shareholders. ESG Minerals is an unlisted public company incorporated on 4 October 2021 in Western Australia. Following the Demerger, ESG Minerals will hold:

- the Noombenberry Project (including the Cloud Nine Deposit) in Western Australia;
- the Gibraltar Project in South Australia;
- the Emissions Reduction Research Projects;
- the Lachlan Fold Tenements of the Lachlan Fold Belt Project in New South Wales;
- Latin's 50% interest in the Catamarca Project in Northern Argentina; and
- the MT-03 Project in Southern Peru.

ESG Minerals will initially be an unlisted public company with the intention to undertake an initial public offer and list on the Official List of the Australian Securities Exchange ('ASX') in the future following the Demerger. At this stage, details of the initial public offer (including, pricing, offer details and offer structure) have not been determined.

Full details of the Demerger and ESG Minerals can be found in Annexure I of the Scheme Booklet.

The Share Scheme is conditional on the Demerger Resolution being approved and the Demerger becoming effective, and the Option Scheme is conditional on the Share Scheme becoming effective. Accordingly, if the Demerger Resolution is not approved by Latin Resources Shareholders (and Pilbara Minerals does not otherwise waive the condition to the Share Scheme relating to the Demerger), neither the Share Scheme nor Option Scheme will proceed.

Our Report does not opine on the Demerger and we do not specifically undertake a valuation of the Non-Core Assets in our valuation of Latin Resources Shares or Options, noting however the value of the Non-Core Assets is inherently included in the QMP assessment of a Latin Resources share. In the event that Pilbara Minerals waives the condition to the Share Scheme relating to the Demerger, Latin Resources would retain the Non-Core Assets, we have discussed the impact of this on the valuation of a Latin Resources share in Section 11.3 and 16.6 of our Report.

Performance rights

All performance rights on issue in Latin Resources will vest in connection with the Share Scheme, with the resulting Latin Resources shares to be subject to the Share Scheme.

Loan Shares

Under the SIA, Latin Resources and Pilbara Minerals have agreed that the Latin Resources Loan Funded Shares ('Loan Shares') will be treated in all respects equal with Latin Resources Shares under the Share Scheme. The Latin Resources' Board has decided that a change of control has occurred for the purposes of the Latin Resources Loan Funded Share Plan.

Subject to the Share Scheme resolution being passed by the Requisite Majorities and to the prior repayment in full of the relevant loan, the Loan Shares will be sold on market by the holders of the Loan Shares. In accordance with the terms of the Latin Loan Funded Share Plan, all outstanding loans in respect of the Loan Shares will be repaid (to the limited recourse extent required under their terms) from the proceeds of such sale such that there will be no outstanding loans in respect of the Loan Shares. The Loan Shares will, following the repayment of the relevant loan, be (and be treated as) Latin Resources Shares under the Share Scheme.

Break fees

Under the terms of the SIA, Latin Resources agrees to pay Pilbara Minerals a \$6 million break fee, and Pilbara Minerals agrees to pay Latin Resources a \$6 million reverse break fee under various customary circumstances. The complete set of circumstances under which the break fees are payable are detailed in the Scheme Booklet.

Bridging Facility

On 9 September 2024, Latin Resources and Pilbara Minerals entered into a secured loan agreement, under which Pilbara Minerals has agreed to make available to Latin Resources funding of \$10,000,000 ('**Bridging Loan**'). The Bridging Loan is for general working capital purposes and will only become available to Latin Resources following the earlier of Latin Resources' available cash reserves falling below \$5,000,000 and 30 November 2024. The material terms of the Bridging Loan are as follows:

Terms	Details
Conditions precedent to draw down	- the Latin Resources Board continuing to unanimously recommend to Latin Shareholders that they vote in favour of the Share Scheme; - the Effective Date of the Share Scheme not having occurred; and - no party having exercised a right to terminate the Scheme Implementation Agreement.
Repayment	The timing of repayment is a function of the circumstances that trigger the obligation to repay: - Share Scheme is implemented: if the Share Scheme becomes Effective, Latin Resources must repay the Bridging Loan within 5 months; - No vote, or SIA is terminated - no breach: if the SIA is terminated because the Share Scheme is not approved by the Requisite Majorities of Latin Shareholders or the SIA is terminated (other than if the SIA is terminated because of a breach of the SIA by Latin Resources or by the occurrence of a Latin Prescribed Event), but the Latin Resources board has continued to unanimously recommend the Shareholders vote in favour of the Share Scheme (other than in certain prescribed occurrences), Latin Resources must repay the Bridging Loan within 5 months; - Superior Proposal recommendation: if the Latin Resources Board recommends a Superior Proposal, Latin Resources must repay the Bridging Loan within 5 days after the Latin Resources Board first publicly recommends the Superior Proposal; - SIA terminated - breach: if the SIA is terminated because of a breach of the SIA by Latin Resources or by the occurrence of a Latin Prescribed Event, Latin Resources must repay the Bridging Loan within 2 months; and - Event of default: following an event of default, which includes, in addition to events of default typical for a loan of this nature, the occurrence (after the termination of the SIA) of a Latin Material Adverse Effect, the Bridging Loan together with all accrued interest will become immediately due and payable.
Interest	The Bridging Loan is subject to an interest rate of 10% p.a. payable on repayment of the loan. In circumstances where an event of default is continuing, an additional interest rate of 2% p.a. will apply to the Bridging Loan.

On 19 November 2024, Latin Resources announced that it had drawn down \$5.0 million under the Bridging Loan.

Capital structure following implementation of the Schemes

The capital structure of the Enlarged Group is set out in the table below (subject to rounding):

Share structure following the implementation of the Schemes	
Number of Latin Resources shares on issue as at the date of our Report	2,801,419,463
Number of Latin Resources shares to be issued on vesting of Latin Resources Performance Rights	89,500,000
Number of Latin Resources shares to be issued on treatment of Loan Shares	4,000,000
Total number of Latin Resources shares on issue at the Share Scheme record date	2,894,919,463
<i>Number of Pilbara Minerals shares that Latin Resources Shareholders will receive for every share they hold in Latin Resources</i>	0.07
Number of shares in the Enlarged Group to be issued to Latin Resources Shareholders	202,644,362
Number of shares in the Enlarged Group to be issued to Optionholders under the Option Scheme	2,876,654
Number of Pilbara Minerals shares on issue prior to the Schemes	3,011,543,934
Number of shares on issue in the Enlarged Group following the implementation of the Schemes	3,217,064,950
<i>Percentage of the Enlarged Group to be held by Latin Resources Shareholders</i>	6.30%
<i>Percentage of the Enlarged Group to be held by Latin Resources Optionholders</i>	0.09%
<i>Percentage of the Enlarged Group to be held by Latin Resources Shareholders and Optionholders</i>	6.39%
<i>Percentage of the Enlarged Group to be held by Pilbara Minerals Shareholders and Optionholders</i>	93.61%

5. Profile of Latin Resources

5.1 History

Latin Resources is an ASX listed and Frankfurt Stock Exchange listed exploration and development company with projects located in South America and Australia. The Company's flagship asset is the Salinas Lithium Project ('**Salinas Project**' or '**the Project**') located in the district of Minas Gerais, Brazil. The Company was incorporated in 2008 and is headquartered in West Leederville, Western Australia ('**WA**').

The current directors of Latin Resources are:

- David Vilensky - Non-Executive Chairman
- Christopher Gale - Managing Director
- Brent Jones - Non-Executive Director
- Pablo Tarantini - Non-Executive Director
- Peter Oliver - Executive Director and Chairman of the Development Committee

5.2 Salinas Project

The Salinas Project is located in the Bananal Valley District, north-east of Minas Gerais and 600 kilometres ('km') north-east of Belo Horizonte, Brazil. The Project is located 80 kms from Sigma Lithium's producing Grotto do Cirilo lithium mine.

The Company completed the acquisition of the Project in June 2019. Following the acquisition, the Company begun field reconnaissance, however all exploration activity came to a halt in 2020 as a result of the COVID-19 pandemic. Exploration recommenced in 2021, with reconnaissance mapping confirming the presence of a series of parallel spodumene bearing pegmatites over a strike of greater than one kilometre. A series of outcrop samples were collected, and results confirmed that the mapped pegmatites contained lithium bearing spodumene. Drilling commenced in February 2022 with an initial 14-hole, 2,000 metre diamond drilling program designed to test outcropping spodumene-bearing pegmatites where high-grade results were returned from the Company's mapping and geochemical sampling programs.

Following completion of the initial drill program the Company commissioned SGS Geological Services ('**SGS**'), to undertake the estimation of a JORC-2012 Mineral Resource Estimate ('**MRE**'), Exploration Target Range and Preliminary Economic Assessment ('**PEA**') for the Company's Colina Prospect. The PEA commenced during 2022 and ran parallel with the resource definition drilling campaign, with the MRE feeding into the broader PEA studies.

On 8 December 2022, the Company announced its maiden JORC indicated and inferred resource estimate for the Colina deposit and in June 2023, the Company announced a 241% increase on the Colina Mineral Resource following additional resource definition drilling. A further resource upgrade was announced in December 2023, which included a maiden inferred resource estimate at the Fog's Block Prospect. The most recent update to the global MRE for the Project was announced in May 2024.

On 28 September 2023, the Company released key outcomes from the PEA. The PEA contemplated a two-phase operation, with an initial mine life of 11 years. It demonstrated the financial viability of a 3.6 million tonne per annum ('**Mtpa**') standalone mining and processing operation. Following the positive outcomes set out in the PEA, the Company noted it would be progressing the Project through a definitive feasibility study ('**DFS**') before a Final Investment Decision on the Project.

In October 2023, Latin Resources commenced an offtake partnering process. To assist the Company in securing offtake funding Macquarie Capital (Australia) Limited was appointed as a financial adviser. During the December quarter of 2023, the Company continued to progress discussions with a range of parties including Tier 1 mining companies, converters, battery manufacturers and metals trading houses. In the Company's quarterly activities report for the June 2024 quarter, it was noted that the Company had received offtake proposals that were being compared with a wider range of project funding alternatives, including bank funding terms.

In January 2024 the Company announced that it had identified lithium mineralisation at its Planalto Prospect, located 1,500 metres southwest from the Colina Deposit. In July 2024, the Company announced that drilling at the Planalto Prospect had confirmed the existence of a widespread mineralised system.

Further information on the Salinas Project can be found in the independent technical assessment and valuation report prepared by Valuation and Resource Management Pty Ltd ('VRM') ('**Technical Specialist Report**') in Appendix 3 of our Report.

5.3 Solis Minerals Limited

Solis Minerals Limited ('Solis') is a Latin American-focused mining exploration company. Solis was incorporated in Canada and is listed on the TSX Venture Exchange and the ASX. Solis holds a 100% interest in the Borborema Lithium Project in Brazil and holds a 100% interest in prospective iron oxide copper/gold and porphyry copper projects in southwestern Peru. Latin Resources currently holds a 15.25% shareholding in Solis (consisting of shares and CHESS Depository Interests) and is represented on the Board by Latin Resources' Managing Director, Christopher Gale.

The Company's investment in Solis, formerly known as Westminster Resources Limited, originated from the settlement of the sale of the Company's Ilo copper project in Peru. In June 2023 Latin Resources announced it had invested \$3.0 million in Solis by subscribing for 5,454,545 fully paid ordinary shares in Solis at \$0.55 per share, as part of a capital raise being undertaken by Solis.

5.4 Non-Core Assets

In conjunction with the Schemes, Latin Resources is seeking to undertake a demerger of ESG Minerals. Following the Demerger, ESG Minerals will hold the following Latin Resources projects:

- the Noomberry Project (including the Cloud Nine Deposit) in Western Australia;
- the Gibraltar Project in South Australia;
- the Emissions Reduction Research Projects;
- the Lachlan Fold Tenements of the Lachlan Fold Belt Project in New South Wales;
- Latin's 50% interest in the Catamarca Project in Northern Argentina; and
- the MT-03 Project in Southern Peru.

Further details on these Non-Core Assets can be found in Annexure I of the Scheme Booklet and Demerger documentation to be provided to Latin Resources Shareholders.

5.5 Recent Corporate Events

Capital Raisings

On 19 April 2023, Latin Resources raised a total of \$37.1 million through a two-tranche placement, which involved the issue of 353,333,334 fully paid ordinary shares at an issue price of \$0.105 to institutional, sophisticated and professional investors. This placement was used as funding to accelerate exploration at the Salinas Project.

On 23 October 2023, the Company also announced it had received firm commitments to raise \$35 million through a placement of new fully paid ordinary shares to institutional, sophisticated and professional investors. This involved the issue of 140,000,000 shares at an issue price of \$0.25. The funds obtained from this placement were employed to support the expanded drilling program at the Salinas Project, in preparation for the DFS.

Index Inclusions

On 4 September 2023, the Company announced it had been added to the Morgan Stanley Capital International Global Small-Cap Index. In addition, in March 2024, the Company also announced that it had been added to the S&P/ASX 300 Index.

5.6 Historical Statements of Financial Position

Historical Statement of Financial Position	Reviewed as at 30-Jun-24	Audited as at 31-Dec-23	Audited as at 31-Dec-22*
	\$	\$	\$
CURRENT ASSETS			
Cash and cash equivalents	20,510,401	51,788,688	25,909,429
Trade and other receivables	1,650,601	1,202,657	579,780
Financial assets	358,722	260,810	116,742
TOTAL CURRENT ASSETS	22,519,724	53,252,155	26,605,951
NON-CURRENT ASSETS			
Plant and equipment	609,087	655,347	465,423
Right of use assets	145,294	216,757	299,323
Investments in an associated and a joint venture	1,281,427	2,182,847	845,305
Exploration and evaluation assets	91,927,975	66,468,306	23,828,213
TOTAL NON-CURRENT ASSETS	93,963,783	69,523,257	25,438,264
TOTAL ASSETS	116,483,507	122,775,412	52,044,215
CURRENT LIABILITIES			
Trade and other payables	12,396,240	6,966,722	5,027,810
Lease liabilities	137,951	145,890	121,651
Provisions	274,299	150,280	76,739
TOTAL CURRENT LIABILITIES	12,808,490	7,262,892	5,226,200
NON-CURRENT LIABILITIES			
Lease liabilities	13,669	77,748	181,265
Provisions	14,151	10,126	-
TOTAL NON-CURRENT LIABILITIES	27,820	87,874	181,265
TOTAL LIABILITIES	12,836,310	7,350,766	5,407,465
NET ASSETS	103,647,197	115,424,646	46,636,750
EQUITY			
Contributed equity	199,593,519	197,537,994	103,163,413
Capital reserves	2,951,212	9,745,821	15,888,284
Accumulated losses	(98,897,534)	(91,859,169)	(72,414,947)
TOTAL EQUITY	103,647,197	115,424,646	46,636,750

Source: Latin's audited financial statements for the years ended 31 December 2022 and 31 December 2023 and reviewed financial statements for the half year ended 30 June 2024

* In 2023, the Company reviewed the accounting treatments applied in relation to its Investments and Exploration and Evaluation Assets, this resulted in the accounting treatment being revised and therefore the financial statements for the year ended 31 December 2022 have been restated accordingly.

Commentary on Historical Statements of Financial Position

- Cash and cash equivalents decreased from \$51.79 million as at 31 December 2023 to \$20.51 million as at 30 June 2024. This decrease was largely attributable to payments for exploration and evaluation costs.
- Investments in an associate and a joint venture relate to the Company's investment in Solis and its interest in the joint venture that holds the Catamarca Project (Non-Core Asset). This balance decreased from \$2.18 million as at 31 December 2023 to \$1.28 million at 30 June 2024. This decrease was largely attributable to an impairment of \$0.83 million in relation to the Company's investment in Solis.
- Exploration and evaluation assets increased from \$66.47 million as at 31 December 2023 to \$91.93 million at 30 June 2024, as a result of exploration expenditure at the Salinas Project. Latin Resources capitalises exploration and evaluation expenditure provided the rights to tenure of the area of interest is current and:

- The exploration and evaluation activities are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- Exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or relating to, the area of interest are continuing.

5.7 Historical Statements of Profit or Loss and Other Comprehensive Income

Historical Statement of Profit or Loss and Other Comprehensive Income	Reviewed for the half-year ended 30-Jun-24 \$	Audited for the year ended 31-Dec-23 \$	Audited for the year ended 31-Dec-22* \$
Interest revenue	847,920	1,542,695	345,961
Other income	159,807	91,299	185,630
Employee benefits expenses	(2,010,641)	(2,189,776)	(1,630,706)
Equity settled share-based payments	(2,702,336)	(13,190,317)	(3,232,955)
Other expenses	(1,498,876)	(3,340,615)	(2,171,510)
Finance expenses	(114,982)	(47,474)	(214,506)
Depreciation and amortisation expenses	(116,082)	(193,059)	(106,543)
Exploration and evaluation expenses	(337,321)	(458,070)	-
Impairment of exploration and evaluation costs	(429,544)	-	(266,311)
Share of results of joint ventures	(346,058)	(405,291)	(476,620)
Impairment of investment in joint ventures carrying values	(555,362)	(1,253,614)	(278,525)
Gain/(loss) extinguish of financial liabilities	-	-	691,357
Loss before income tax from continuing operations	(7,103,475)	(19,444,222)	(7,154,728)
Income tax benefit	-	-	90,509
Loss after income tax from continuing operations	(7,103,475)	(19,444,222)	(7,064,219)
Loss attributable to			
Exchange differences on translation of foreign operations	(7,724,922)	342,538	(514,443)
Net other comprehensive profit/(loss) for the period	(14,828,397)	(19,101,684)	(7,578,662)

Source: Latin's audited financial statements for the years ended 31 December 2022 and 31 December 2023 and reviewed financial statements for the half year ended 30 June 2024

* In 2023, the Company reviewed the accounting treatments applied in relation to its Investments and Exploration and Evaluation Assets, this resulted in the accounting treatment being revised and therefore the financial statements for the year ended 31 December 2022 have been restated accordingly.

Commentary on Historical Statements of Profit or Loss and Other Comprehensive Income

- Equity settled share-based payments of \$13.19 million for the year ended 31 December 2023 consisted of share-based payments to directors, as well as employees and technical consultants, of \$9.78 million and \$3.41 million respectively.
- Employee benefits expenses of \$2.01 million for the half year ended 30 June 2024 primarily consisted of directors' remuneration, salaries and superannuation, other personnel costs and capitalisation to exploration and evaluation projects.
- Other expenses of \$1.50 million for the half year ended 30 June 2024 primarily comprised of corporate expenses, marketing and conference expenses, travel expenses and administrative expenses.
- Impairment of investment in joint ventures carrying values for the half year ended 30 June 2024 primarily related to an impairment of Latin Resources' investment in Solis.

5.8 Capital Structure

The number of ordinary shares on issue in Latin Resources at the date of our Report is outlined below:

	Number
Total ordinary shares on issue	2,801,419,463

Source: Latin's share registry

The ordinary shares held by the most significant shareholders as at the date of our Report are detailed below:

Name	No. of ordinary shares	Percentage of issued shares (%)
The Goldman Sachs Group Inc.	241,979,882	8.64%
UBS Group AG and its related bodies corporate	205,376,355	7.33%
José Luis Manzano	202,912,345	7.24%
Weiss Asset Management LP	200,108,213	7.14%
Subtotal	850,376,795	30.36%
Others	1,951,042,668	69.64%
Total ordinary shares on Issue	2,801,419,463	100.00%

Source: Latin's share registry

The Loan Shares currently on issue in Latin Resources are as follows:

Description	No. of Loan Shares	Issue Price (A\$)
Loan Shares	4,000,000	0.011
Total Loan Shares on issue	4,000,000	

The options on issue in Latin Resources are outlined below:

Description	No. of options/rights	Exercise price (A\$)	Expiry Date
LRSAAE Options	10,000,000	0.45	30-Dec-24
LRSAAF Options	13,500,000	0.55	30-Jun-25
LRSAY Options	113,986,160	0.22	27-Apr-27
Total number of options	137,486,160		

Source: Latin's option register

The performance rights on issue in Latin Resources are outlined below:

Description	Units
Performance incentive rights - PR3	11,000,000
Performance incentive rights - PR4	3,000,000
Performance incentive rights - PR5	47,550,000
Performance incentive rights- PR6	27,950,000
Total number of performance rights	89,500,000

6. Profile of Pilbara Minerals

6.1 Overview

Pilbara Minerals is an ASX listed lithium producer and explorer. Its flagship asset is its 100% owned Pilgangoora Lithium Operation (**'Pilgangoora Operation'** or **'Pilgangoora'**), located 140 km from Port Hedland in WA's Pilbara region. The Pilgangoora Operation consists of a series of open mine pits and two processing plants, being the Pilgan Plant, which produces spodumene and tantalite concentrates (**'Pilgan Plant'**), and the Ngungaju Plant, which produces a spodumene concentrate (**'Ngungaju Plant'**). Pilbara Minerals holds over 1,000 km² of granted tenure outside of the Pilgangoora mine area, in the Strelley, Tabba Tabba, and Wodgina districts. Pilbara Minerals is guided by its 'Operate', 'Grow', 'Chemicals' and 'Diversify' strategic pillars, and is focussed on ensuring sustainability is embedded throughout the entire business. Pilbara Minerals' head office is located in Perth WA.

As at 30 October 2024, Pilbara Minerals had a market capitalisation of approximately \$8.67 billion.

The current directors of Pilbara Minerals are:

- Ms Kathleen Conlon - Chairman and Non-Executive Director
- Mr Dale Henderson - Managing Director and Chief Executive Officer
- Ms Miriam Stanborough AM - Non-Executive Director
- Mr Nick Cernotta - Non-Executive Director
- Ms Sally-Anne Layman - Non-Executive Director
- Mr Steve Scudamore AM - Non-Executive Director

6.2 Pilgangoora Operation

The Pilgangoora pegmatite field was discovered in 1905. Until 1975, the area was worked for alluvial tin and tantalite by various companies before larger scale eluvial operations took place. Exploration for rare metals and other commodities including gold and base metals has been undertaken by numerous companies.

Pilbara Minerals acquired Pilgangoora in July 2014. Following the acquisition of the project the company undertook extensive exploration activity and begun evaluating the significant lithium and tantalum resource potential of the deposit. Pilgangoora was rapidly progressed, as metallurgical results began to generate international interest for its potential output.

In 2016 a DFS for a 2 Mtpa stand-alone mining and processing operation was undertaken, in addition to a pre-feasibility study (**'PFS'**) which assessed the option of expanding Pilgangoora's production and processing capacity to 4Mtpa.

In June 2017 the Pilbara Minerals board of directors announced a final investment decision (**'FID'**) for the project. Following a tender process, RCR Tomlinson was awarded the EPC contract and MACA Mining was awarded the mining contract (for a five-year period). Major site works commenced in July 2017 and mining operations commenced in December 2017, utilising open pit excavation using drill, blast load and haul.

Delivery of the 2 Mtpa mining and processing operation was the key focus of 2018. Commissioning of the Pilgan Plant commenced in May 2018 and first concentrate was produced in June 2018. In October 2018, the company announced the first shipment of spodumene concentrate bound for offtake partners in north Asia. In April 2019, Pilbara Minerals declared commercial production at Pilgangoora.

Altura Acquisition

In December 2020, Pilbara Minerals signed a conditional Share Sale Agreement with Altura Mining Limited ('Altura') and Richard Tucker and John Bumbak in their capacity as joint and several receivers and managers of Altura for the acquisition of the shares in Altura Lithium Operations Pty Ltd ('ALO'). The acquisition was completed in January 2021, with Pilbara Minerals acquiring 100% of the shares in ALO for an upfront cash payment of US\$155.0 million, a Deed of Company Arrangement contribution of \$6.0 million, and a deferred consideration component represented by 68.8 million new ordinary shares in Pilbara Minerals (payable at Pilbara Mineral's election) in either shares or their equivalent cash value anytime up to 12 months after completion.

Altura's mine and processing assets, including the Ngungaju Plant, were located on an adjoining tenement package to the west of the Pilgangoora Operation, offering Pilbara Minerals tangible synergies. Following completion of the acquisition, Altura's mine and processing assets remained on care and maintenance while Pilbara Minerals formed an operational strategy. In June 2021 the Board of Pilbara Minerals approved the staged restart of the Ngungaju Plant. First spodumene concentrate from the coarse circuit at the Ngungaju Plant was achieved in mid-October 2021. Following a period of ramp up, the Ngungaju Plant achieved its nameplate capacity of 180,000 -200,000 tonnes per annum ('tpa') during the September Quarter of 2022.

On 30 October 2024, Pilbara Minerals announced that the Ngungaju Plant would be put on care and maintenance from 1 December 2024, in line with its P850 Optimisation Strategy ('P850 Strategy'). Under the P850 Strategy the company will reduce mining activity from seven budgeted mine fleets to four, requiring a smaller workforce but with the benefit of retaining key employees by redeploying personnel from the Ngungaju plant to the expanded Pilgan plant. The Ngungaju plant will remain in care and maintenance and be ready to be fully ramped up within approximately four months when market conditions improve.

Pilgan Plant Expansion

P680 Expansion Project

In June 2022 the Pilbara Minerals Board approved a FID to expand spodumene concentrate production capacity at the Pilgan Plant by a further 100,000 dry metric tonnes ('dmt') per annum to increase nameplate production capacity at Pilgangoora to 640,000-680,000 dmt per annum of spodumene concentrate ('P680 Project'). Key activities of the P680 Project included:

- Construction of a primary rejection heavy media separation circuit; and
- Construction of an integrated crushing and ore sorting facility capable of processing up to 5Mtpa of ore throughput.

Commissioning of the primary rejection facility was completed in the December Quarter of 2023.

Commissioning of the crushing and ore sorting facility was completed in the September Quarter of 2024.

P1000 Expansion Project

In March 2023, the Pilbara Minerals Board approved a FID to further expand the production capacity at the Pilgan Plant to increase the overall spodumene concentrate production capacity at Pilgangoora to approximately 1.15Mtpa ('P1000 Project'). The P1000 Project involved a series of upgrades to the Pilgan Plant's concentrator and a range of supporting infrastructure and leverages the new infrastructure delivered as part of the P680 Project.

Construction of the P1000 Project is currently underway. Bulk earthworks, concrete construction and underground services are complete, and construction works continue to schedule. The P1000 Project

remains on track with first ore targeted in the March Quarter of 2025 with full nameplate capacity at the Pilgan Plant expected by the September Quarter of 2025.

P2000 Project

A Pre-Feasibility Study was undertaken during 2024 which determined that spodumene concentrate production capacity at the Pilgangoora Operation could be expanded to more than 2Mtpa. The expansion project, known as the P2000 Project (**'P2000 Project'**), would require the construction of a new processing plant at the Pilgangoora Operation which would complement existing processing flowsheets currently in use.

A Feasibility Study is now underway which will include assessments and studies to support mine planning, regulatory approvals, water supply, metallurgy and processing, tailing management, supporting infrastructure and financial analysis. The Feasibility Study outcomes are expected to be completed by the December Quarter of 2025. The timing of any investment decision will be considered in conjunction with prevailing market conditions.

6.3 Diversification Strategy

One of Pilbara Minerals' key strategic pillars is to extract greater value along the battery metals supply chain.

PPLS JV

In October 2021, Pilbara Minerals announced that it had executed a Shareholders Agreement with POSCO for the formation of an incorporated joint venture (**'POSCO Pilbara JV'** or **'PPLS JV'**) to develop and operate a 43 kilotonnes per annum (**'ktpa'**) lithium hydroxide monohydrate (**'LHM'**) Conversion Facility (**'Conversion Facility'**) in South Korea. The Conversion Facility would consist of two production trains, each with a 21.5 ktpa LHM production capacity. POSCO's patented **'POSLX'** purification technology would be licensed on a nonexclusive basis to the PPLS JV. Pilbara Minerals would make a staged investment of up to 30% in the PPLS JV, with the company initially subscribing for an 18% interest, and having a call option available to increase its interest to 30%. Should there be significant cost overruns or the Conversion Facility is substantially delayed in achieving successful ramp up (including achieving certain operating parameters for nameplate capacity, product quality specifications or unit operating costs), Pilbara Minerals will also have the right (exercisable at Pilbara Minerals' election) to exit the PPLS JV and sell its shares in the PPLS JV to POSCO at the original price paid by Pilbara Minerals. In April 2022, Pilbara Minerals finalised its participation in the PPLS JV, following the satisfaction of key conditions precedent and other completion criteria for the formation of the JV.

Initial development work at the site in Gwangyang, South Korea commenced in the June Quarter of 2022. The first shipment of spodumene concentrate for the Conversion Facility departed Port Hedland for South Korea in September 2023. In November 2023, the Conversion Facility was officially opened.

Commissioning of Train 1 was undertaken during the March Quarter of 2024 and ramp up is currently ongoing. Construction of Train 2 was completed in July 2024 and commissioning commenced in August 2024. The ramp-up of Train 2 is scheduled for 2025, with full capacity anticipated to be achieved within 12-18 months from the completion of commissioning.

Pilbara Minerals has agreed to supply up to 315,000 tonnes per annum of chemical grade spodumene concentrate to the Conversion Facility from Pilgangoora at prevailing market prices."

Mid-stream demonstration plant in joint venture with Calix

The development of a Mid-stream Demonstration Plant ('**Demonstration Plant**') was approved by the Pilbara Minerals' Board in July 2023. The development of the Demonstration Plant will be an unincorporated joint venture ('**JV**') with Australian company Calix Limited ('**Calix**').

The Demonstration Plant will utilise Calix's patented electric kiln technology on site at the Pilgangoora Operation. The processing path being explored has the potential to reduce transport volumes, transport costs and carbon emission intensity (when powered by renewable energy) and create more value at the mine site. Bulk earthworks were completed in early 2024 in preparation for concrete and detailed earthworks commencing in July 2024. Off-site fabrication of key equipment progressed, including the Calix electric calciner, structural steel modules and tanks, with many equipment packages being dispatched to the site.

Pilbara Minerals has a 55% interest in the JV and will oversee both the construction and operation of the Demonstration Plant. Both parties will fund agreed portions of operating and capital costs for the Demonstration Plant and Calix will license its patented technology and calcination knowhow into the joint venture. Calix has agreed to provide an exclusive, worldwide, royalty free licence for its innovative calciner technology to the joint venture for lithium processing applications.

A successful demonstration of the calcination technology via the Demonstration Plant could potentially lead to its commercialisation with the joint venture licensing the technology to the global spodumene processing industry.

On 30 October 2024, Pilbara Minerals announced that any construction works not currently under contract for the Demonstration Plant will be deferred until market conditions improve or further government support for the project can be secured. The project remains on budget and is 60% complete to the end of September 2024. Both Pilbara Minerals and Calix remain committed to the progression of the Demonstration Plant and continue to work with various government bodies in relation to further funding options.

Joint downstream partnering study with Ganfeng

In March 2024, Pilbara Minerals announced it had signed a binding term sheet signed with Ganfeng Lithium Group Co. Ltd ('**Ganfeng**') to complete a joint Feasibility Study for a potential downstream conversion facility to produce lithium chemicals. The Feasibility Study leverages the expertise of both parties to explore a preferred location and optimal flowsheet for a downstream lithium chemicals facility. This study-first approach provides Pilbara Minerals with the option, but not the obligation, to proceed with a lithium chemicals joint venture. The agreement includes principles which are intended to be incorporated into key agreements if the joint venture proceeds including 50:50 JV ownership and offtake of 300,000tpa spodumene concentrate supplied by Pilbara Minerals. The parties will have an option to progress to final investment decision and formation of a joint venture after they receive the outcomes of the Feasibility Study.

6.4 Recent Corporate Events

Offtakes

Production from the Pilgangoora Operation is currently allocated under long-term offtake agreements with tier one customers including:

- Ganfeng
- Chengxin Lithium

- Sichuan Yahua
- General Lithium
- Yibin Tianyi Lithium
- POSCO

Offtake agreements utilise a variety of pricing methodologies linked to either spodumene concentrate prices as reported by price reporting agencies, or pricing formulas linked to lithium chemicals. All offtake agreements provide the ability for price reviews to be undertaken to ensure pricing methodologies derive an outcome aligned with the prevailing market price for spodumene concentrate.

Production not sold under Pilbara Minerals' long-term offtakes are typically sold through spot or short-term sales contracts, or through auctions such as Pilbara Mineral's Battery Materials Exchange ('BMX') platform.

Financing

Secured syndicated debt facility

In 2023, the Company refinanced the existing secured USD syndicated debt facility with a new US\$113.0 million five-year secured syndicated debt facility with improved terms and conditions. The secured syndicated debt facility was fully drawn during 2023 and contains semi-annual USD principal repayments based on straight line amortisation with a variable USD interest rate based on the Secured Overnight Finance Rate ('SOFR') plus a Credit Adjustment Spread ('CAS') and a fixed margin.

Secured government debt facility

During 2023, Pilbara Minerals executed a 10-year \$250.0 million Secured Government debt facility agreement with two Australian Government funding agencies, being the Export Finance Australia ('EFA') and Northern Australia Infrastructure Facility ('NAIF'). These facilities were provided to Pilbara Minerals to support the P680 Expansion Project.

The key terms of these facilities are:

- EFA: USD equivalent of A\$125M facility limit with semi-annual USD principal repayments and a variable USD interest rate based on SOFR plus a CAS and a fixed margin; and
- NAIF: A\$125M facility limit with semi-annual AUD principal repayments and a fixed interest rate.

Revolving credit facility

In October 2024, Pilbara Minerals completed a new \$1.0 billion debt facility in the form of a Revolving Credit Facility ('RCF') with a group of domestic and international banks. In order to facilitate the financial close of the RCF, Pilbara Minerals repaid all outstanding amounts under its 10-year \$250M debt facility with EFA and NAIF and its 5-year US\$113M syndicated debt facility. The key terms of the RCF are set out below.

Lenders	Lenders BNP Paribas, Australia Branch, Commonwealth Bank of Australia, National Australia Bank Limited, The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch, Societe Generale, Sydney Branch and ING Bank (Australia) Limited	
Borrower	Pilbara Minerals Limited	
Guarantors	Pilgangoora Holdings Pty Ltd and Pilgangoora Operations Pty Ltd	
Facility commitment	Facility A - A\$500M	Facility B - A\$500M

Tenor	4 years from the date of the syndicated facility agreement	5 years from the date of the syndicated facility agreement
Purpose	Refinance existing debt facilities and general corporate and working capital purposes	
Currency	AUD or USD	
Security	Senior secured over all assets of the Borrower and Guarantors subject to certain excluded assets	
Funding cost	Floating base rate plus a Margin linked to a senior net leverage ratio	
Repayment profile	Bullet repayment at maturity	
Financial covenants	Customary for a corporate-style debt facility and more flexible than the existing debt facilities, comprising minimum liquidity, senior net leverage ratio and senior net interest coverage ratio	
Permitted indebtedness	Flexibility to consider additional debt in the form of senior debt, asset finance, offtake prepayments, project finance under a project finance subsidiary, secured second lien and unsecured debt	
Other Terms	Typical representations, financial undertakings, general undertakings, review events and events of default for a facility of this nature	

For further details on the RCF please refer to Pilbara Minerals' announcement on 15 October 2024.

6.5 Historical Statements of Financial Position

Historical Statements of Financial Position	Audited as at 30-Jun-24	Audited as at 30-Jun-23	Audited as at 30-Jun-22
	\$'000	\$'000	\$'000
CURRENT ASSETS			
Cash and cash equivalents	1,626,476	3,338,553	591,739
Trade and other receivables	78,080	132,039	299,145
Inventories	132,230	97,251	69,307
Financial assets	2,031	88	-
Current tax assets	106,778	-	-
TOTAL CURRENT ASSETS	1,945,595	3,567,931	960,191
NON-CURRENT ASSETS			
Inventories	82,387	29,121	-
Property, plant and equipment	2,147,762	1,375,545	929,361
Equity accounted investments	65,589	78,929	77,594
Deferred exploration and evaluation expenditure	5,398	8,989	9,289
Financial assets	62,514	138,320	1,953
TOTAL NON-CURRENT ASSETS	2,363,650	1,630,904	1,018,197
TOTAL ASSETS	4,309,245	5,198,835	1,978,388
CURRENT LIABILITIES			
Trade and other payables	285,408	387,212	184,155
Provisions	9,271	6,203	3,494
Borrowings and lease liabilities	135,773	124,331	55,768
Financial liability	-	2,984	3,782
Current tax liabilities	-	773,347	90,148
TOTAL CURRENT LIABILITIES	430,452	1,294,077	337,347
NON-CURRENT LIABILITIES			
Trade and other payables	-	3,880	10,929
Provisions	57,150	41,869	38,250
Borrowings and lease liabilities	419,970	347,618	236,196
Deferred tax liabilities	157,504	121,369	63,640
TOTAL NON-CURRENT LIABILITIES	634,624	514,736	349,015
TOTAL LIABILITIES	1,065,076	1,808,813	686,362
NET ASSETS	3,244,169	3,390,022	1,292,026
EQUITY			
Issued capital	966,948	966,230	965,078
Reserves	6,654	14,529	9,558
Retained earnings	2,270,567	2,409,263	317,390
TOTAL EQUITY	3,244,169	3,390,022	1,292,026

Source: Pilbara audited financial statements for the years ended 30 June 2022, 30 June 2023, and 30 June 2024.

Commentary on Historical Statements of Financial Position

- Cash and cash equivalents decreased from \$3.34 billion as at 30 June 2023 to \$1.63 billion as at 30 June 2024. The decrease was primarily the result of expenditure on the P680 Project and the P1000 Project, in addition to an income tax payment of approximately \$773 million.
- Property, plant and equipment ('PP&E') increased from \$1.38 billion as at 30 June 2023 to \$2.15 billion as at 30 June 2024. The balance is primarily made up of mine properties in production and mine properties in development accounting for \$1.32 billion and \$0.52 billion respectively. The increase in PP&E during the period to 30 June 2024 was primarily additions to mine properties in production of \$0.44 billion.

- Non-current borrowings and lease liabilities increased from \$0.35 billion as at 30 June 2023 to \$0.42 billion as at 30 June 2024. The balance is primarily made up of secured government debt and convertible notes accounting for \$0.22 billion and \$0.08 billion respectively. The increase was primarily the result of an increase in the secured government debt facility from \$0.07 billion as at 30 June 2023 to \$0.22 billion as at 30 June 2024.
- Equity accounted investments of \$0.07 billion as at 30 June 2024 relate solely to Pilbara Minerals' 18% equity interest in the PPLS JV. The PPLSJV was established to construct and operate a downstream 43ktpa LHM processing facility in South Korea.
- The financial assets balance is primarily attributed Pilbara Minerals' call option in relation to its interest in the PPLS JV. The call option will be available for up to 20 months following the successful ramp up to 90% of nameplate capacity of the Conversion Facility

6.6 Historical Statements of Profit or Loss and Other Comprehensive Income

Consolidated Statement of Profit or Loss and Other Comprehensive Income	Audited for the year ended 30-Jun-24 \$'000	Audited for the year ended 30-Jun-23 \$'000	Audited for the year ended 30-Jun-22 \$'000
Revenue from contracts with customers	1,254,118	4,064,019	1,189,591
Operating costs	(725,282)	(776,261)	(380,284)
Gross Profit	528,836	3,287,758	809,307
Other (costs) / income	-	(83)	114
Expenses			
General and administration expense	(65,773)	(41,688)	(20,929)
Acquisition costs expensed	-	-	990
Exploration and feasibility costs expense	(45,757)	(19,740)	(13,915)
Inventory write-down	-	-	(588)
Depreciation and amortisation expense	(3,807)	(1,516)	(729)
Share-based payment expense	(15,780)	(12,808)	(5,178)
Operating Profit	397,719	3,211,923	769,072
Finance income	118,168	191,091	11,330
Finance costs	(102,341)	(30,842)	(55,591)
Net financing income / (costs)	15,827	160,249	(44,261)
Share of (loss) / profit equity accounted investee	(10,552)	-606	208
Profit before tax	402,994	3,371,566	725,019
Income tax expense	(146,111)	(980,431)	(163,194)
Net Profit for the period	256,883	2,391,135	561,825
Other comprehensive income			
Cash flow hedges reclassified to profit or loss	6,252	928	-
Change in fair value of cash flow hedges	(2,987)	(5,565)	-
Exchange differences on translation of foreign operations	(2,898)	1,865	1,188
Loss on disposal of equity investments	(4,848)	-	-
Change in fair value of equity investments at FVOCI*	(9,830)	(992)	-
Total comprehensive profit for the period	242,572	2,387,371	563,013

Source: Pilbara audited financial statements for the years ended 30 June 2022, 30 June 2023, and 30 June 2024.

*Fair value through other comprehensive income ('FVOCI')

Commentary on Historical Statements of Profit or Loss and Other Comprehensive Income

- Revenue decreased from \$4.06 billion for the year ended 30 June 2023 to \$1.25 billion for the year ended 30 June 2024. The decrease of approximately \$2.81 billion was primarily due to a decrease in spodumene concentrate revenue as a result of a softening of spodumene concentrate prices.
- Operating costs were \$0.73 billion for the year ended 30 June 2023, which was primarily mining and processing costs totalling \$0.59 billion.
- Net financing income decreased \$0.16 billion for the year ended 30 June 2023 to \$0.02 billion for the year ended 30 June 2024. This decrease of approximately \$0.14 billion was primarily due to fair value movement in the financial asset in relation to a call option granted by POSCO representing Pilbara's interest in the PPLS JV of \$0.06 billion.

6.7 Capital Structure

The number of ordinary shares on issue in Pilbara Minerals at the date of our Report is outlined below:

	Number
Total ordinary shares on issue	3,011,543,934

Source: Pilbara share registry information

The ordinary shares held by substantial shareholders as at the date of our Report are detailed below:

Name	No. of ordinary shares	% of shares on issue
State Street Corporation and its subsidiaries	322,638,507	10.71%
Australian Super Pty Ltd	315,756,255	10.48%
JPMorgan Chase & Co. and its affiliates	191,911,928	6.37%
BlackRock Inc and various subsidiaries	190,043,220	6.31%
GFL International Co Limited	172,684,971	5.73%
Citigroup Global Markets Australia Pty Ltd	165,407,887	5.49%
The Vanguard Group Inc and its controlled entities	150,507,909	5.00%

Source: Pilbara FY24 Annual Report

The other securities on issue in Pilbara Minerals as at the date of our Report are outlined below:

Description	No. of securities
Performance rights expiring 30 September 2025 (ASX code: PLSAAB)	384,570
Performance rights expiring 30 November 2025 (ASX code: PLSAV)	2,180,822
Performance rights expiring 31 December 2025 (ASX code: PLSAN)	199,518
Performance rights expiring 31 December 2025 (ASX code: PLSAX)	230,497
Performance rights expiring 31 December 2026 (ASX code: PLSAT)	2,047,783
Performance rights expiring 31 December 2027 (ASX code: PLSAAA)	2,000,655
Share rights (ASX code: PLSAZ)	29,201
Convertible bonds (ASX code: PLSAR)	79,603,050

Source: Pilbara Share Registry Information

7. Profile of the Enlarged Group

Upon implementation of the Share Scheme, the Enlarged Group will represent the operations of Pilbara Minerals and Latin Resources but will not include the Non-Core Assets. Pilbara Minerals will become the parent company of the Enlarged Group and Latin Resources will become a wholly owned subsidiary of Pilbara Minerals.

Upon implementation of the Schemes, Shareholders and Optionholders will receive shares in the Enlarged Group and will collectively hold approximately 6.4% of the Enlarged Group's shares.

7.1 Operations

Following implementation of the Share Scheme, Pilbara Minerals' interests in its key projects will become:

- 100% of Pilgangoora
- 100% of the Salinas Project
- 55% of the unincorporated joint venture between Pilbara Minerals and Calix
- 18% of POSCO Pilbara Lithium Solution Co Ltd.

7.2 Board of Directors

Following the implementation of the Schemes, the board of directors is intended to comprise the existing directors of Pilbara Minerals. Latin Resources' Managing Director, Mr Christopher Gale, has agreed to join Pilbara Minerals as a consultant for a period of 6 months to provide leadership continuity with key stakeholders and progress key activities at the Salinas Project.

7.3 Stock Exchange Listing

If the Share Scheme is implemented, Latin Resources will become a subsidiary of Pilbara Minerals, and the Enlarged Group will continue to be listed on the ASX, under Pilbara Minerals' ASX code, PLS. Latin Resources will be removed from the Official List of the ASX. Following Latin Resources being removed from the ASX, Latin Resources will also be removed from the Frankfurt Stock Exchange.

8. Economic analysis

Latin Resources is primarily exposed to the risks and opportunities of the Brazilian and Australian markets through the geographical location of its Salinas Project and its listing on the ASX. In addition, Pilbara Minerals is primarily exposed to the risks and opportunities of the Australian market through the geographical location of its projects and its listing on the ASX. As such, we have presented an analysis of the Brazilian and Australian economies.

8.1 Australia

As the September 2024 Monetary Policy Decision meeting, the Reserve Bank of Australia ('RBA') left the cash rate unchanged at 4.35%. Since the November 2023 meeting, the Board of the RBA has kept interest rates at the highest since April 2022, in line with the post-COVID-19 deflationary policy. The current monetary policy is aimed at returning inflation to the RBA's target of 2-3% within a reasonable timeframe, noting that indicators such as a strengthening of the labour market and growing labour and non-labour costs pose upside risks to inflation. In line with the June and August 2024 meeting, progress in disinflation appears to be slowing, with inflation sitting outside the target band. For the year ended June 2024, the trimmed mean consumer price index ('CPI') rose by 3.9%, broadly as forecast in the May 2024 Statement of Monetary Policy.

At the August 2024 meeting, in a slight adjustment to the May 2024 forecast, the RBA predicted inflation to approach, and sit within, the target 2-3% range by late 2025, with a focus on gradually approaching the midpoint through 2026. However, as at the September 2024 meeting, the RBA indicated that it forecasts do not see inflation returning sustainably to target until 2026. The adjustment to the inflation forecast reflects the resilient nature of the growth in aggregate consumer demand, combined with the RBA Board's assessment that the economy is weaker than previously forecast based on less capacity to meet economic demand. In addition, indicators of household consumption and economic activity appear to be slowing where the unemployment rate is gradually rising.

Economic recovery appears to be slower than estimated headlined by disruptions to the economic position of Australia's trading partners, specifically China and the United States. In China, property woes have led to weaker consumption and commodity prices such iron ore, whereas in the United States, an unexpectedly weaker labour market and higher than expected inflation have had a dampening effect on economic growth.

Based on the most recent data, household and public consumption led to a strengthening of domestic demand, greater than forecast in May 2024, although the net effect of import growth and softer exports have had a negative effect on gross domestic product ('GDP') growth. For the year ended June 2024, GDP growth was 0.9%, which is lower than the forecasted outcome from May 2024 of 1.2%.

Since late 2022, equity prices in Australia have continued to increase, following suit from the United States equity market. The rise in equity prices has largely been driven by increased expectations of future earnings growth, most notably in the technology sector, although in the recent weeks, markets have seen significant pullbacks due to lower than expected earnings of some large technology companies and scepticism over the convertibility of investment in artificial intelligence into earnings. More recently, global equities were significantly set back by a rise in interest rates by the Bank of Japan as the policy setters looked to support a struggling Yen, causing a sell off of both Japanese and global equities, including in Australia.

Among other major economies around the world, the rebound from the COVID-19 pandemic waned throughout 2022 which contributed to a significant slowdown in the global economy. In Australia, as in

many advanced economies, persistent systematic inflation and energy prices have weighed on demand. For the remainder of 2024, it is anticipated that GDP growth in Australia's key trading partners will continue to fall below expectations. As Chinese domestic consumption struggles and the property sector continues to face significant challenges, China's growth is expected to remain subdued over the remainder of 2024 and 2025.

Outlook

The economic outlook remains uncertain, and according to the RBA, recent data indicates that the process of returning inflation to target is unlikely to be smooth and may take longer than previously expected. To date, medium-term inflation expectations have been consistent with the inflation target and the RBA emphasised the importance of this remaining the case. Inflation is easing but at a slower pace than previously expected. Returning inflation to target within a reasonable timeframe remains the RBA's highest priority, however, it expects it will take some time. Services price inflation remains high, as observed overseas, but it is expected to gradually decline as domestic inflationary pressures moderate and growth in labour and non-labour costs ease.

Conditions in the labour market are expected to further ease to align broadly with full employment conditions that can be sustained over time without contributing to inflationary pressures in the coming years. Nominal wage growth is expected to remain strong in the near term and then gradually decline in line with labour market easing.

Economic growth in Australia is forecast to remain subdued as earlier interest rate hikes and inflation continue to weigh on consumption, albeit at a gradual pace. Growth is expected to gradually increase from late 2024 as inflation declines and household income pressure eases. However, the full impact of policy tightening on household consumption is uncertain and seems to be lagging behind. Household consumption is expected to experience growth to levels seen pre-pandemic by around mid-2025 supported by increases in real income growth due to tax cuts and declining inflation.

Considering that economic growth of Australia's trading partners has been slower than expected, domestic growth expectations have been pushed out. However, there remains a high level of uncertainty around the Chinese economic outlook and the implications of the conflicts in Ukraine and the Middle East, which may have significant implications for supply chains.

Source: www.rba.gov.au Statement by the Reserve Bank Board: Monetary Policy Decision dated 24 September 2024 and prior periods, www.rba.gov.au Minutes of the Monetary Policy Meeting of the Reserve Bank Board 6 August 2024 and prior periods.

8.2 Brazil

In 2023, the Brazilian economy grew approximately 2.9%, outpacing the economies of both Australia and the United States of America. This growth was attributed to robust private consumption due to a rise in the minimum wage, the easing of interest rates, and complimentary export markets. Based on the Central Bank of Brazil's (Banco Central do Brazil) ('BCB') March 2024 Inflation Report, economic growth over 2024 is estimated to be approximately 2.3%, as a result of the lagging effects of the unwinding of prior contractionary monetary policy.

Similar to many major economies, Brazil continues to experience an inflationary environment following the effects of COVID-19. As of June 2024, BCB reported inflation of approximately 3.9%, representing a significant reduction from the peak of 12% seen in April 2022. In a similar strategy to Australia, the United States of America and China, the BCB attempted to subdue rising inflation over a period of 6 to 8 months by implementing a stepped increase in the country's benchmark interest rate, the Special System of Clearance and Custody ('Selic') interest rate.

Over the period from February 2021 to June 2022, the BCB's Monetary Policy Committee ('Copom') increased the Selic interest rate from 2.0% to a high of 13.8%, citing a weak Brazilian Real and high core inflation as the main drivers behind the restrictive monetary policy. Over the following year, the BCB refrained from changing the interest rate policy, noting that the deflationary effects of the policy were lagging behind implementation, and that the general domestic economy was beginning to slow.

From August 2023, the BCB performed a series of staged cuts to the Selic interest rate, decreasing the rate from the high of 13.8% to 10.8% in April 2024. The achieved objective of the prior deflationary policy was noted as the driver of the decrease, coupled with the need to bring the interest rate policy back towards normalised levels. However, the BCB recognised that inflation may not reduce to its long-term goal of 3%. Additionally, the BCB acknowledged a slowing of domestic economic activity, however, it anticipates that an increase in household income due to a rise in the minimum wage and a strong labour market would be drivers to a short turn around.

Over the past two years, the Brazilian government has significantly changed its stance towards the country's lithium trade. In July 2022, the then-President Jair Bolsonaro enacted a new decree removing restrictions on the foreign export of lithium minerals, which had previously been restricted since 1997. The new decree has attracted both domestic and international mining companies and has resulted in an approximate 18-fold increase in the number of exploration permit requests made to the Brazilian government to conduct lithium exploration activities in Minas Gerais.

Outlook

The BCB projects inflation to be 4.2% for the remainder of 2024, followed by a slight slowdown to 3.6% over 2025. However, Copom has emphasized that risks to both the upside and downside still remain, with global inflationary pressures remaining stubborn and higher-than-expected services inflation posing a risk to the upside. On the downside, the global economy is decelerating at a rate which is faster than projected and the effect of global tightening of monetary policy is having a larger impact on inflation than was initially anticipated.

Minas Gerais

The Salinas Project is located in Minas Gerais, the second most populous state in Brazil, and currently hosts approximately 85% of Brazil's known lithium reserves. Minas Gerais is a pro-mining state and is well serviced by infrastructure, roads, hydroelectric power, water, and the port of Vitoria in the neighbouring Espirito Santo State. Minas Gerais has long been known for its wealth of natural resources (in particular, iron ore and manganese) and its mining activities, supplying over half the mineral production of Brazil.

Minas Gerais is home to over 300 operating mines, including three lithium mines, namely Companhia Brasileira de Lito's Mina da Cachoeira, Sigma Lithium Corporation's Grota do Cirilo project, and AMG Lithium GmbH's Mibra project.

Source: www.bcb.gov.br Monetary Policy Committee (Copom), 264th meeting - July 2024 and prior periods, www.bcb.gov.br March 24 Inflation Report, S&P Capital and BDO analysis

9. Industry analysis

Latin Resources and Pilbara Minerals operate in the lithium mining industry with operations in the development and production phase. As such, we have presented an overview of the global lithium mining industry.

9.1 Lithium

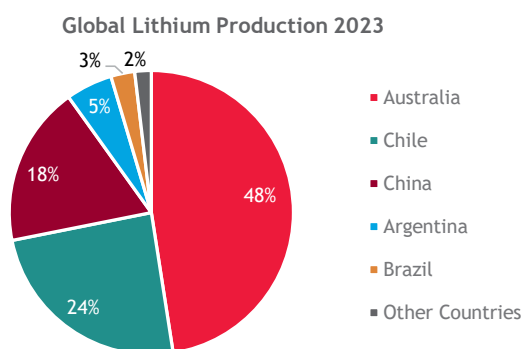
Lithium is a soft, silver-white metal belonging to the alkali metal group of chemical elements. Lithium metal is the lightest and least dense metal and coupled with its thermochemical properties, lithium is suitable for use in power generation and energy storage technology. The reactivity of lithium means that it does not occur naturally as a metal in nature. Common forms of naturally occurring lithium include lithium aluminium inosilicate in hard rock lithium ore (also known as spodumene), and lithium chloride in an aqueous solution (also known as lithium brine). Other sources of lithium include minerals such as lepidolite or petalite, and non-conventional sources.

Lithium has a variety of uses including the producing of battery technology, ceramics and glasses, and greases. It is also alloyed with aluminium and copper to reduce weight in airframe structural components. Recent and expected demand growth for lithium is attributed to battery technology, particularly in rechargeable batteries used in electronic devices, electric tools, electric vehicles ('EVs') and grid storage applications.

Growth in the EV manufacturing industry is a key driver for expected lithium demand, as major players within the industry, including Tesla, expand production and increasingly target mainstream markets. This has driven many EV manufacturers to form strategic alliances and joint ventures with lithium mining companies to establish a reliable, diversified supply of lithium.

Lithium production and reserves

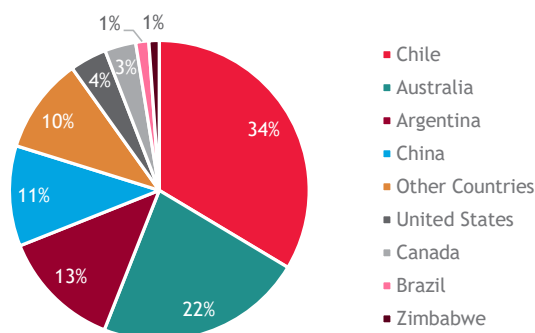
According to data released by the United States Geological Survey ('USGS'), Australia was the leading producer of lithium in 2023, contributing approximately 86,000 tonnes of lithium, equating to 48% of global lithium production.



Source: U.S. Geological Survey, January 2024
*excluding undisclosed United States production data

Whilst Chile was the second largest producer of lithium, it holds the largest amount in reserves by a substantial margin. As of 2023, Chile held approximately 9.3 Mt of lithium, accounting for approximately 34% of global reserves, followed by Australia which held approximately 6.2 Mt, representing 22% of global reserves.

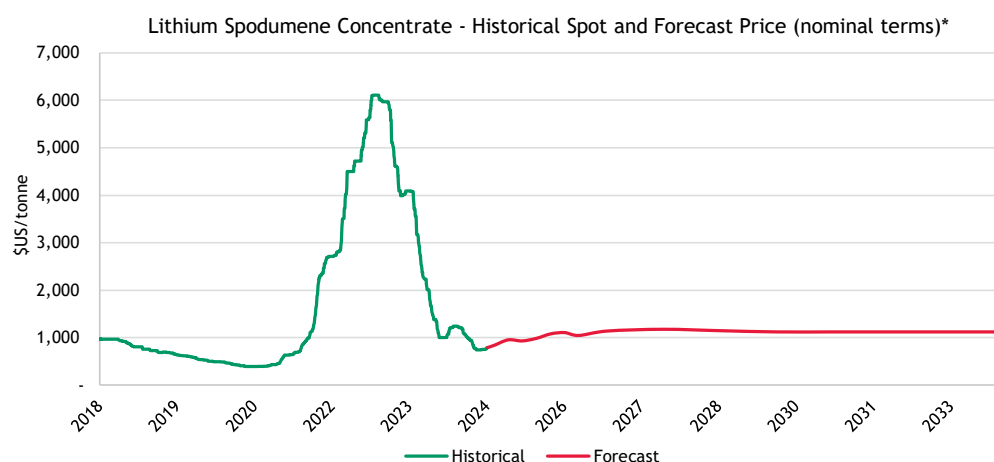
Global Lithium Reserves 2023



Source: U.S. Geological Survey, January 2024

Lithium prices

Lithium trade is currently confined to a small number of producers and customers and is predominantly priced under fixed-term contracts. There are multiple lithium products, being lithium ore concentrate, lithium carbonate (battery and non-battery grade), and lithium hydroxide. Additionally, there is an extensive range of products that can be made from lithium, with prices set according to the product and purity. We present the historical and forecast price of lithium spodumene concentrate, noting that the demand for lithium is expected to be driven by its consumption in battery technology.



Source: Bloomberg, Consensus Economics and BDO analysis

*Pricing based on 5-6% spodumene concentrate

The figure above illustrates the historical fluctuations in the global average lithium spodumene spot prices from January 2018 to November 2024 and the consensus economics forecast for lithium spodumene prices for the remainder of 2024 through to 2033.

The strong performance of the lithium price over 2017 was reversed in subsequent years through to 2020 as a correction in the oversupply and the delay in demand across the industry played out. Just as higher

prices incentivised the rapid commissioning of production capacity throughout the supply chain, the slide in lithium prices led to output curtailments or suspensions of production. Subsequently, prices reduced to below US\$500/t in 2020.

The combination of the existing supply issues and a substantial increase in consumer demand since 2021 placed significant upward price pressures on lithium. A substantial portion of consumer demand is driven by Tesla and other auto makers, as global EV sales grew considerably. Additionally, global supply side issues, originating from the COVID-19 pandemic further exacerbated prices in the lithium market, with spot prices exceeding US\$4,000/t in July 2022. Lithium spodumene prices increased further in August 2022 owing to the Chinese domestic market, where stronger-than-anticipated lithium demand, driven by EV demand, outpaced lithium supply significantly. Subsequently, in November 2022, lithium spodumene prices reached a record high of more than US\$6,000/t, primarily due to the Chinese government's extension of its EV subsidy programme, combined with an effort from refiners and battery manufacturers to build up inventories in response to concerns surrounding global supply chains.

Since 2022, lithium spodumene prices have fallen rapidly to approximately US\$1,000/t in January 2024. This decline coincides with a broad slowdown of growth in China's EV market, and as downstream companies in the industry continue to work down their inventories. Since late February 2024, prices have steadily increased amid improved demand and higher offers. These higher prices have been bolstered by a bidding event held by Albemarle Corporation on 26 March 2024, which saw 10,000 tonnes of spodumene concentrate sell for US\$1,200/t. In addition, prices on lithium carbonate futures contracts on China's Guangzhou Futures Exchange have been moving higher in the past few weeks, underpinning spodumene prices.

In April 2024, prices recovered to approximately US\$1,240/t, which persisted through to late May 2024, foreshadowing a potential revival in positive lithium sentiment. However, prices quickly reverted over the subsequent months, falling to US\$740/t in September 2024. Prices have since recovered marginally to \$US790 in November 2024.

According to Consensus Economics, the medium-term forecast lithium spodumene price from 2026 to 2028 is expected to range between US\$1,137/t and US\$1,175/t, with the long term (2029-2033) nominal forecast at approximately US\$1,119/t.

Source: Bloomberg, Consensus Economics, and IBISWorld.

10. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME')
- Discounted cash flow ('DCF')
- Quoted market price basis ('QMP')
- Net asset value ('NAV')
- Market based assessment, such as a Resource Multiple.

A summary of each of these methodologies is outlined in Appendix 2 of our Report.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information.

It is possible for a combination of different methodologies to be used together to determine an overall value, where separate assets and liabilities are valued using different methodologies. When such a combination of methodologies is used, it is referred to as a 'sum-of-parts' valuation ('Sum-of-Parts').

The approach using Sum-of-Parts involves separately valuing each asset and liability of the company. The value of each asset may be determined using different methodologies as described above. The component parts are then valued using the NAV methodology, which involves aggregating the estimated fair market value of each component part.

10.1 Valuation of a Latin Resources share

In our assessment of the value of a Latin Resources share, we have chosen to employ the following methodologies:

- Sum-of-Parts as our primary methodology, which estimates the fair market value of a company by assessing the realisable value of each of its component parts. The value of each component part may be determined using different methodologies and the component parts are then aggregated using the NAV methodology. The value derived from this methodology reflects a control value.
- QMP as our secondary methodology, which represents the value that a Shareholder may receive for a Latin Resources share if it were sold on market prior to the announcement of the Share Scheme. The value derived from this methodology reflects a minority interest value. Given our valuation assessment of a Latin Resources share is on a controlling interest basis, we have applied a premium for control to our QMP value.

We have employed the Sum-of-Parts methodology in estimating the fair market value of a Latin Resources share, by aggregating the fair market values of its underlying assets and liabilities. We have considered the following component parts in our valuation of Latin Resources:

- The value of the Salinas Project, having reliance on the valuation performed by an independent technical specialist, Valuation and Resource Management Pty Ltd ('VRM').
- The value of other assets and liabilities, using the cost approach under the NAV valuation methodology.

We have chosen these methodologies for the following reasons:

- The core value of Latin Resources lies in the future cash flows to be generated from its Salinas Project. Based on discussions with VRM, and in accordance with RG 170 and IS 214, we do not consider

there to be sufficient reasonable grounds to estimate the future cash flows to be generated from the Salinas Project. The reasons for VRM's advice to not using an income-based valuation approach is set out in its Independent Technical Assessment Report. Therefore, we do not consider the application of a DCF approach to be appropriate for the purposes of our valuation of the Salinas Project.

- As detailed in Section 4, the Company will divest its Non-Core Assets prior to the Share Scheme being implemented. Accordingly, we have not instructed VRM to perform a valuation of the Non-Core Assets, as the value of these assets will be considered separately as part of the Demerger process. In the event that Pilbara Minerals waives the condition to the Share Scheme relating to the Demerger, Latin Resources would retain the Non-Core Assets, we have discussed the impact of this on the valuation of a Latin Resources share in Sections 11.3 and 16.6 of our Report.
- We have adopted the QMP methodology as our secondary approach. The QMP basis is a relevant methodology to consider because the shares of Latin Resources are listed on the ASX, therefore reflecting the value that a Shareholder will receive for a share sold on market prior to the announcement of the Share Scheme. This means there is a regulated and observable market where the shares of Latin Resources can be traded. However, in order for the QMP methodology to be considered appropriate, the listed shares should be liquid, and the market should be fully informed of the Company's activities. We have analysed the liquidity of Latin Resources' shares in assessing whether the application of the QMP methodology is appropriate. We note that the QMP value of a Latin Resources share will reflect the value of the Non-Core Assets as these had not been demerged at the date of our analysis. We still consider the QMP methodology to be a relevant cross check as the value of the Non-Core Assets is not material to the overall value of Latin Resources.
- As detailed in Section 5.5 of our Report, Latin Resources completed capital raisings in April 2023 and October 2023, at an issue price of \$0.105 and \$0.250, respectively. However, we have not referenced the capital raising issue prices in arriving at our valuation of a Latin Resources share. Due to the passage of time from the completion of these capital raisings to the date of our Report, we note that movements in the lithium price as well as broader market movements over this period would not be reflected in the capital raising prices.
- The FME methodology is most commonly applicable to profitable businesses with steady growth histories and forecasts. Further, the FME methodology is not considered appropriate for valuing finite life assets, such as mining assets. Therefore, we do not consider the application of the FME approach to be appropriate.

Independent Technical Expert

In performing our valuation of a Latin Resources share, we have relied on the Independent Technical Assessment Report prepared by VRM ('**ITAR**'), which includes an assessment of the market value of the Salinas Project, including the Mineral Resource and any exploration tenure.

VRM's ITAR has been prepared in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuation of Mineral Assets (2015 Edition) ('**VALMIN Code**') and the JORC Code. We are satisfied with the valuation methodologies adopted by VRM, which we believe are in accordance with industry practices and are compliant with the requirements of the VALMIN Code.

The specific valuation methodologies used by VRM are referred to in the respective sections of our Report and further detailed in the ITAR contained in Appendix 3.

10.2 Valuation of the Share Scheme Consideration

Under the terms of the SIA, Shareholders will receive 0.07 new Pilbara Minerals shares for every Latin Resources share held. In our assessment of the value of the Share Scheme Consideration, we have chosen to employ the QMP methodology, utilising the QMP of Pilbara Minerals' shares following the announcement of the Schemes. The value derived from this methodology reflects a minority interest value.

Under RG 111.34 it is noted that if, in a scrip bid, the target is likely to become a controlled entity of the bidder, the bidder's securities can also be valued using a notionally combined entity. However, it should still be noted that the accepting holders are likely to hold minority interests in that combined entity. Therefore, on the basis that Shareholders will hold minority interests in the Enlarged Group, we have assessed the value of the Share Scheme Consideration on a minority interest basis.

We have chosen the QMP methodology for the following reasons:

- Given that we are valuing the Share Scheme Consideration, being shares in Pilbara Minerals, we have considered the QMP of Pilbara Minerals' shares following the announcement of the Share Scheme. The QMP of Pilbara Minerals' shares in the period following the announcement of the Share Scheme is considered an indicator of the value of the Enlarged Group because market participants are fully informed of the terms of the Share Scheme, and therefore reflects the market's view of the value of the Enlarged Group following the implementation of the Share Scheme. We note that market pricing following the announcement of a transaction can be volatile, and as such, we have assessed the QMP of Pilbara Minerals' shares on a volume-weighted average price ('VWAP') basis over several time periods following the announcement of the Share Scheme to smooth the daily price fluctuations.
- Based on the market capitalisations of Latin Resources and Pilbara Minerals prior to the announcement of the Share Scheme of \$336 million and \$8.58 billion, respectively, the market value of the equity of Latin Resources equates to approximately 3.92% of Pilbara Minerals' market capitalisation. In addition, on the date the Share Scheme was announced, the share price of Pilbara Minerals closed at \$2.740, representing a 3.86% decrease from the closing price of \$2.850 on the previous trading day. As such, in the event that the Share Scheme is implemented, we do not consider the incremental change in the value of Pilbara Minerals to be significant. Therefore, based on the relative market values of Latin Resources and Pilbara Minerals prior to the announcement of the Share Scheme, and the high level of liquidity of Pilbara Minerals' shares, we consider the QMP methodology utilising the QMP of Pilbara Minerals' shares following the announcement of the Share Scheme, to be an appropriate approach for the purposes of valuing the Enlarged Group and in turn, the Share Scheme Consideration.

10.3 Valuation of the Latin Resources Options

As detailed in Section 4, there are two separate tranches of Latin Resources Options that are subject to the Option Scheme, with each tranche being subject to a different Option Scheme Consideration, being a varying number of new Pilbara Minerals shares per option held.

The Latin Resources Options are unlisted and therefore there is no regulated and observable market on which they are traded. In addition, the Latin Resources Options do not have any vesting conditions attached. Options without vesting conditions can be exercised at any time up to the expiry date, and as such are more suitably valued using the Black-Scholes option pricing model.

Therefore, we have used the Black-Scholes option pricing model to value the Latin Resources Options. We have performed a separate valuation assessment for each individual tranche of the Latin Resources

Options. We note that our assessment of the value of the Latin Resources Options reflects a controlling interest value.

10.4 Valuation of the Option Scheme Consideration

As mentioned above, each tranche of Latin Resources Options is subject to a different Option Scheme Consideration, being a varying number of new Pilbara Minerals shares per option held.

Therefore, we have performed a separate assessment of the value of the Option Scheme Consideration for each individual tranche of the Latin Resources Options, being the value of the relevant number of new Pilbara Minerals shares to be provided per option held.

Given that we are valuing the Option Scheme Consideration, being shares in Pilbara Minerals, we have considered the QMP of Pilbara Minerals' shares following the announcement of the Schemes. The QMP of Pilbara Minerals' shares in the period following the announcement of the Schemes is considered an indicator of the value of the Enlarged Group because market participants are fully informed of the terms of the Schemes, and therefore reflects the market's view of the value of the Enlarged Group following the implementation of the Schemes.

Our assessment of the value of Option Scheme Consideration was based on our QMP assessment of a Pilbara Minerals share following the announcement of the Schemes in Section 12. On the basis that Optionholders will hold minority interests in the Enlarged Group, we have assessed the value of the Option Scheme Consideration on a minority interest basis.

11. Valuation of a Latin Resources share

11.1 Sum-of-Parts valuation

We have employed the Sum-of-Parts methodology in estimating the fair market value of a Latin Resources share on a controlling interest basis, by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration to the following:

- The value of the Salinas Project
- The value of other assets and liabilities.

Our Sum-of-Parts valuation of a Latin Resources share is set out in the table below:

Sum-of-Parts valuation of a Latin Resources share	Ref	Low \$'000	Preferred \$'000	High \$'000
Value of the Salinas Project	11.1.1	248,000	285,000	373,000
Value of other assets and liabilities	11.1.2	375	375	375
Transaction costs	11.1.3	(3,200)	(3,200)	(3,200)
Total value of Latin Resources (control)		245,175	282,175	370,175
Number of Latin Resources shares on issue	11.1.4	2,894,919,463	2,894,919,463	2,894,919,463
Value per Latin Resources share (control) (\$/share)		0.085	0.097	0.128

Source: BDO analysis

Based on the above, we have assessed the value of a Latin Resources share (on a controlling interest basis) to be in the range of \$0.085 to \$0.128, with a preferred value of \$0.097.

11.1.1. Valuation of the Salinas Project

In performing our valuation of the Salinas Project, we have relied on the ITAR prepared by VRM. We instructed VRM to perform an independent market valuation of the Salinas Project, which includes the Mineral Resource and any exploration tenure.

VRM determined the fair market value of the Salinas Project to be within the range of \$248 million to \$373 million, with a preferred value of \$285 million. The breakdown of VRM's valuation of the Salinas Project is set out in the table below:

Value of the Salinas Project	Low \$'000	Preferred \$'000	High \$'000
Resource	229,900	255,500	332,100
Exploration tenure	17,800	29,300	40,800
Value of the Salinas Project (rounded)	248,000	285,000	373,000

Source: ITAR prepared by VRM

VRM considered various valuation methodologies when valuing the Salinas Project, including the comparable market transactions approach as the primary valuation methodology and the yardstick approach as the secondary valuation methodology. As discussed in the ITAR, VRM has elected to adopt the assessed values implied by the comparable market transactions valuation methodology in forming its valuation range of the Salinas Project.

For further information on VRM's approach and conclusions, refer to the ITAR, which is included as Appendix 3 of our Report.

11.1.2. Valuation of other assets and liabilities

The other assets and liabilities of Latin Resources represent the assets and liabilities that have not been specifically addressed elsewhere in our Sum-of-Parts valuation. From our discussions with management of Latin Resources, and our analysis of the other assets and liabilities outlined in the table below, we do not consider there to be a material difference between book value and fair value, unless an adjustment has been noted below.

As detailed in Section 4, Latin Resources will demerge its holdings in the following entities prior to the Share Scheme being implemented:

- ESG Minerals
- ESG Global Solutions Pty Ltd
- Electric Metals Pty Ltd
- Lotus Minerals Pty Ltd
- Lotus Prospecting Pty Ltd
- Litios del Norte S.A.
- Latin 2 Pty Ltd
- Peruvian Latin Resources S.A.C.
- Minera Dylan S.A.C.
- Recursos Latinos S.A.

We note that the reviewed statement of financial position of Latin Resources as at 30 June 2024 was prepared on a consolidated basis. However, upon implementation of the Share Scheme, Latin Resources will have demerged its holdings in the above entities. Therefore, we have removed these entities' balances as at 30 June 2024, to arrive at an adjusted statement of financial position as at 30 June 2024.

The table below represents a summary of the assets and liabilities identified:

Statement of Financial Position	Notes	Reviewed as at 30-Jun-24 \$	Adjusted as at 30-Jun-24 \$	Adjusted \$
CURRENT ASSETS				
Cash and cash equivalents	a	20,510,401	20,467,803	9,183,587
Trade and other receivables		1,650,601	1,622,738	1,622,738
Financial assets		358,722	179,803	179,803
TOTAL CURRENT ASSETS		22,519,724	22,270,344	10,986,128
NON-CURRENT ASSETS				
Plant and equipment	b	609,087	580,791	-
Right of use assets		145,294	145,294	145,294
Investments in an associate and a joint venture	c	1,281,427	1,352,498	1,305,789
Exploration and evaluation assets	d	91,927,975	75,847,838	-
TOTAL NON-CURRENT ASSETS		93,963,783	77,926,421	1,451,083
TOTAL ASSETS		116,483,507	100,196,765	12,437,211

Statement of Financial Position	Notes	Reviewed as at 30-Jun-24 \$	Adjusted as at 30-Jun-24 \$	Adjusted \$
CURRENT LIABILITIES				
Trade and other payables	e	12,396,240	11,342,023	6,624,189
Lease liabilities		137,951	137,951	137,951
Provisions		274,299	271,806	271,806
Bridging Loan from Pilbara Minerals	f	-	-	5,000,000
TOTAL CURRENT LIABILITIES		12,808,490	11,751,780	12,033,946
NON-CURRENT LIABILITIES				
Lease liabilities		13,669	13,669	13,669
Provisions		14,151	14,151	14,151
TOTAL NON-CURRENT LIABILITIES		27,820	27,820	27,820
TOTAL LIABILITIES		12,836,310	11,779,600	12,061,766
NET ASSETS		103,647,197	88,417,165	375,445

Source: Reviewed accounts of Latin Resources for the half-year ended 30 June 2024, Latin Resources management accounts for the period ended 31 October 2024 and BDO analysis.

We have not undertaken a review of Latin Resources' unaudited management accounts in accordance with Australian Auditing and Assurance Standards Board's Standard 2405 *Review of Historical Financial Information Other than a Financial Report*, and do not express an opinion on this financial information. However, nothing has come to our attention as a result of our procedures that would suggest the financial information within the management accounts has not been prepared on a reasonable basis.

We have been advised that there have not been any significant changes to the net assets of Latin Resources since 30 June 2024 and that the above assets and liabilities represent their fair market values, apart from the adjustments detailed below. Where the above balances differ materially from the reviewed position at 30 June 2024, we have obtained supporting documentation to validate the adjusted values used.

We note the following in relation to the above valuation of Latin Resources' other assets and liabilities:

Note a) Cash and cash equivalents

We have adjusted the reviewed cash position at 30 June 2024 to reflect the cash balance as at 31 October 2024. We have obtained bank statements supporting the 31 October 2024 bank balances per Latin Resources' management accounts. We have also made an adjustment to the cash balance for the repayment of the loan associated with the Loan Shares, which is detailed in Section 4 of our Report. We have also made an adjustment for the \$5 million drawn down under the loan provided by Pilbara Minerals, as announced to the market on 19 November 2024.

These adjustments are set out in the table below.

Cash and cash equivalents	
Cash and cash equivalents as at 31-Oct-24 (\$000's)	4,140
Add: Bridging Loan from Pilbara Minerals (\$000's)	5,000
Number of loan shares	4,000,000
Issue Price (\$)	0.011
Add: Total Loan amount repayable (\$000's)	44
Latin Resources' adjusted cash and cash equivalents as at 31-Oct-24 (\$000's)	9,184

Source: Reviewed accounts of Latin Resources for the half-year ended 30 June 2024, Latin Resources management accounts for the period ended 31 October 2024 and BDO analysis.

Note b) Plant and equipment

The total book value of plant and equipment of \$0.58 million as at 30 June 2024 relates solely to plant and equipment used for mining related activities. Therefore, we have adjusted the book value of plant and equipment to nil as it is reflected in the valuation of the Salinas Project, which has been valued separately in Section 11.1.1 of our Report.

Note c) Investments in an associate and a joint venture

Investments in an associate and a joint venture relates to the Company's investment in Solis, and its joint venture with Litios del Norte S.A. ('Litios'). Given that the Company will demerge its investment in Litios as part of the Demerger, we have adjusted the book value of this to nil.

We have adjusted the book value of Latin Resources' investment in Solis (15.25% shareholding) to reflect Solis' recent quoted market prices on the ASX.

We have assessed the value of the Company's investment in Solis at a recent date (and not prior to the announcement of the Share Scheme) because the Share Scheme is between Latin Resources and Pilbara Minerals and is unlikely to have an impact on the market value of the Company's investment in Solis. In addition, on the date of the announcement of the Share Scheme, the closing share price of Solis remained unchanged at \$0.105.

The Company's investment in Solis is currently recognised using the equity method, i.e. initially recognised at cost and adjusted thereafter for the post-acquisition changes in the Company's share of Solis' net assets.

In assessing the fair value of Latin Resources' investment in Solis, we have had regard to International Financial Reporting Standards 13 *Fair Value Measurement*, which gives the highest priority to unadjusted quoted prices in active markets and does not allow for premia or discounts that reflect size as a characteristic of the entity's holding. Although the QMP is reflective of a minority interest, we have not applied a premium to reflect Latin Resources' potential to influence the operations of its investment. We consider the shares of Solis to display a moderate level of liquidity and therefore consider it appropriate to rely on the QMP of Solis shares for our assessment.

In our analysis of the market prices of Solis' shares, we have considered the VWAP for 10-, 30-, 60- and 90-day periods to 22 November 2024.

Share price per unit	22-Nov-24	10 Days	30 Days	60 Days	90 Days
Closing price	\$0.092				
VWAP		\$0.087	\$0.103	\$0.096	\$0.104

Source: Bloomberg and BDO analysis

Our assessment is that a range of values for a Solis share based on market pricing, is between \$0.090 and \$0.105. Our valuation of Latin Resources' investment in Solis is set out below:

Value of Latin Resources' investment in Solis	Low	High
Number of Solis shares held by Latin Resources	13,392,703	13,392,703
QMP value of a Solis share (minority interest) (\$/share)	\$0.090	\$0.105
Total value of Latin Resources' investment in Solis (\$'000)	1,205	1,406

Source: Bloomberg and BDO analysis

Based on the above, our valuation of Latin Resources' investment in Solis based on the QMP methodology is between \$1.205 million and \$1.406 million, with our preferred value being a midpoint of \$1.306 million. We have selected the midpoint between the low and high values as the preferred value as there is no reason for us to select a value on either end of the above assessed range.

Note d) Exploration and evaluation assets

The book value of exploration and evaluation assets relates to capitalised historical expenditure. We have adjusted the book value of exploration and evaluation assets to nil, as it is reflected in the valuation of the Salinas Project, which has been valued separately in Section 11.1.1 of our Report.

Note e) Trade and other payables

We have adjusted the value of trade and other payables to reflect the trade and other payables position as at 31 October 2024 of \$6.62 million, given the movement in this balance since 30 June 2024. We have agreed the balance to aged payables listings to validate the adjusted value.

Note f) Bridging Loan from Pilbara Minerals

As announced by Latin Resources on 19 November 2024, the Company has drawn down an initial \$5.0 million of the \$10.0 million Bridging Loan provided by Pilbara Minerals. We have adjusted the other assets and liabilities of Latin Resources to reflect the draw down of this Bridging Loan.

11.1.3. Transaction costs

In performing our valuation of Latin Resources prior to the Schemes, we have reflected the transaction costs that are expected to be incurred by Latin Resources following 30 June 2024, but prior to the implementation of the Schemes, regardless of whether the Schemes proceed.

The transaction costs to be incurred by Latin Resources have been estimated to be \$3.20 million as detailed in the Scheme Booklet. We have not considered the transaction costs that have been incurred by Latin Resources prior to 30 June 2024, as these costs are reflected in the valuation of Latin Resources' other assets and liabilities.

11.1.4. Number of Latin Resources shares on issue

As detailed in Section 5.8, the number of ordinary fully paid Latin Resources shares on issue at the date of our Report is 2,801,419,463. We have adjusted the number of shares on issue to account for the Loan Shares and conversion of performance rights as detailed in section 4 of our Report. The Latin Resources Options are treated separately under the Option Scheme. Our valuation of the Latin Resources Options is set out in Section 13 of our Report.

Latin Resources share structure	
Number of Latin Resources shares on issue	2,801,419,463
Latin Resources' shares issued through Loan Shares	4,000,000
Latin Resources' shares issued through vesting of performance rights	89,500,000
Total ordinary Latin Resources shares on issue prior to the Schemes (including the vesting of performance rights and Loan Shares)	2,894,919,463

Source: BDO analysis

11.2 QMP valuation

To provide a comparison to the valuation of a Latin Resources share in Section 11.1, we have also assessed the QMP of a Latin Resources share.

The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

RG 111.43 suggests that when considering the value of a company's shares for the purposes of a control transaction, the expert should consider a premium for control. An acquirer could be expected to pay a premium for control due to the advantages they will receive should they obtain 100% control of another company. These advantages include the following:

- Control over decision making and strategic direction
- Access to underlying cash flows
- Control over dividend policies
- Access to potential tax losses.

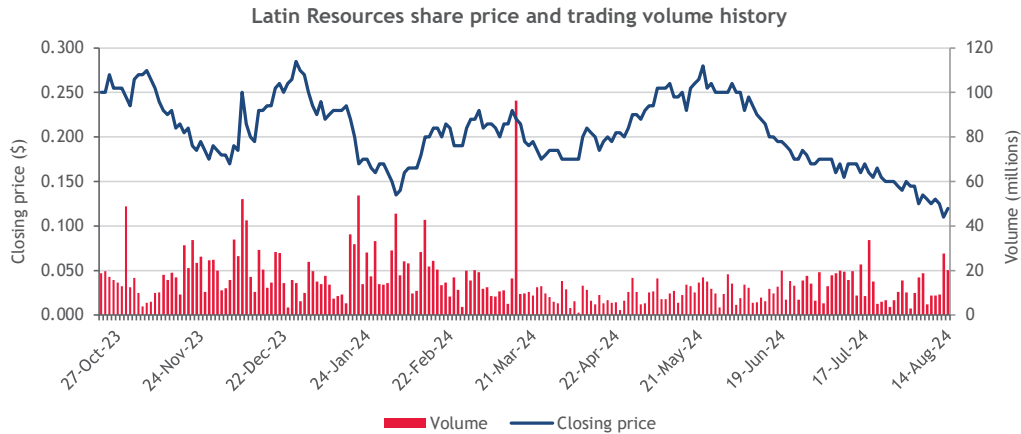
Under the Share Scheme, Pilbara Minerals seeks to obtain 100% of the shares in Latin Resources. RG 111 states that the expert should calculate the value of a target's shares as if 100% control were being obtained. The expert can then consider an acquirer's practical level of control when considering reasonableness. Reasonableness has been considered in Section 16.

Therefore, our calculation of the QMP of a Latin Resources share including a premium for control has been prepared in two parts. The first part is to calculate the QMP of a Latin Resources share on a minority interest basis. The second part is to add a premium for control to the minority interest value to arrive at a QMP value of a Latin Resources share that includes a premium for control.

Minority interest value

Our analysis of the QMP of a Latin Resources share is based on the pricing prior to the announcement of the Share Scheme. This is because the value of a Latin Resources share after the announcement may include the effects of any change in value as a result of the Share Scheme. However, we have considered the value of a Latin Resources share following the announcement of the Share Scheme when we have considered reasonableness in Section 16. We note that Latin Resources is listed on the Frankfurt Stock Exchange in addition to the ASX. We have analysed the trading of Latin Resources shares on the Frankfurt Stock Exchange over the twelve-month period to the date of the announcement of the Share Scheme and consider it to be insignificant. Therefore, our analysis below relates solely to trading on the ASX.

Information on the Share Scheme was announced to the market on 15 August 2024. Within the 12-month period leading up to the date of announcement, the shares of Latin Resources were placed into several trading halts, with the most recent trading halt occurring from 20 October 2023 to 23 October 2023. Therefore, we have assessed the QMP of a Latin Resources share over the 10-month period from 23 October 2023 to 14 August 2024, the last trading day prior to the announcement. The following chart provides a summary of the closing share price movements and trading volume over this period.



Source: Bloomberg and BDO analysis

The daily price of a Latin Resources share over the period from 23 October 2023 to 14 August 2024 ranged from a low of \$0.110 on 13 August 2024, to a high of \$0.285 on 29 December 2023. The largest single day of trading over the assessed period was on 15 March 2024, when 96,365,391 shares were traded.

During this period a number of announcements were made to the market. The key announcements are set out below:

Date	Announcement	Closing Share Price Following Announcement \$ (movement)			Closing Share Price Three Days After Announcement \$ (movement)		
31/07/2024	Latin Resources - Quarterly Presentation	0.150	▲	7.1%	0.125	▼	16.7%
31/07/2024	Quarterly Activities/Appendix 5B Cash Flow Report	0.150	▲	7.1%	0.125	▼	16.7%
13/05/2024	Colina Resource Drilling Program Complete	0.245	▼	5.8%	0.230	▼	6.1%
25/03/2024	Investor Presentation - Future Facing Commodities Conference	0.175	▼	5.4%	0.185	▲	5.7%
18/03/2024	Maverick Minerals Spinout - Withdrawal of Priority Offer	0.215	▼	2.3%	0.195	▼	9.3%
14/02/2024	Appointment of Peter Oliver to Executive Director	0.200	▲	11.1%	0.210	▲	5.0%
12/02/2024	Maverick Minerals Limited - Extension of Priority Offer	0.165	►	0.0%	0.200	▲	21.2%
31/01/2024	Update and 2024 Strategy - Investor Presentation	0.170	►	0.0%	0.135	▼	20.6%
31/01/2024	New Assays Confirm Planalto Discovery	0.170	►	0.0%	0.135	▼	20.6%
30/01/2024	Quarterly Activities/Appendix 5B Cash Flow Report	0.170	▲	6.3%	0.150	▼	11.8%
30/01/2024	NSW Project Update and Maverick Minerals Spinout	0.170	▲	6.3%	0.150	▼	11.8%
14/12/2023	LRS Salinas MRE update presentation	0.230	▲	17.9%	0.235	▲	2.2%
06/12/2023	Significant increase to JORC Resource at Salinas	0.190	▲	11.8%	0.215	▲	13.2%
30/11/2023	Colina High Grade Results	0.185	▼	2.6%	0.170	▼	8.1%
22/11/2023	Another Significant Spodumene Discovery at Salinas	0.190	▼	9.5%	0.185	▼	2.6%

Date	Announcement	Closing Share Price Following Announcement \$ (movement)		Closing Share Price Three Days After Announcement \$ (movement)	
01/11/2023	Investor Presentation - IMARC	0.235	▼ 4.1%	0.270	▲ 14.9%
31/10/2023	Quarterly Activities/Appendix 5B Cash Flow Report	0.245	▼ 3.9%	0.270	▲ 10.2%

Source: Bloomberg and BDO analysis

On 31 October 2023, the Company released its quarterly activities and cash flow report for the September 2023 quarter, which highlighted the results of the preliminary economic assessment for its Salinas Lithium Project, and further assay results from infill drilling at the Colina and Fog's Block deposits. On the date of the announcement the share price decreased by 3.9% to close at \$0.245, before increasing by 10.2% over the subsequent three-day trading period to close at \$0.270.

On 30 November 2023, the Company released assay results from its drilling program at the Salinas Project. The announcement noted that an additional 53 holes had been drilled at the Colina deposit and 13 diamond drill holes had been completed at the Fog's Block deposit since the previous Mineral Resource Estimate ('MRE') was completed in June 2023. On the date of the announcement the share price decreased by 2.6% to close at \$0.185, before decreasing by a further 8.1% over the subsequent three-day trading period to close at \$0.170.

On 6 December 2023, the Company announced a 56% increase in the Salinas Project's MRE, from 45.2Mt at 1.32% Li₂O to 63.5Mt at 1.31% Li₂O. The increase comprised a 41% increase to the Colina deposit's existing MRE and a maiden MRE for the Fog's Block deposit. On the date of the announcement the share price increased by 11.8% to close at \$0.190, before increasing by a further 13.2% over the subsequent three-day trading period to close at \$0.215.

On 31 January 2024, the Company released assay results from its drilling program at the Salinas Project. The announcement noted that the results confirmed a third spodumene discovery, named the Planalto prospect. On the date of the announcement the share price remained unchanged to close at \$0.170, before decreasing by 20.6% over the subsequent three-day trading period to close at \$0.135.

On 13 May 2024, the Company announced that the drilling program at the Colina deposit had been completed. The announcement highlighted an increase in the Salinas Project's MRE from 63.5Mt at 1.3% Li₂O, to 70.3Mt at 1.27% Li₂O, which would provide the basis for the definitive feasibility study. On the date of the announcement, the share price decreased by 5.8% to close at \$0.245, before decreasing by a further 6.1% over the subsequent three-day trading period to close at \$0.230.

To provide further analysis of the market prices for a Latin Resources share, we have also considered the VWAP for 10-, 30-, 60- and 90-day periods to 14 August 2024.

Share price per unit	14-Aug-24	10 days	30 days	60 days	90 days
Closing price	\$0.120				
Volume-weighted average price (VWAP)		\$0.127	\$0.150	\$0.179	\$0.192

Source: Bloomberg and BDO analysis

The above VWAPs are prior to the date of the announcement of the Share Scheme, to avoid the influence of any movements in the price of Latin Resources shares that have occurred since the Share Scheme was announced.

An analysis of the volume of trading in Latin Resources shares over the period from 23 October 2023 to 14 August 2024 is set out below:

Trading days	Share price low	Share price high	Cumulative volume traded	As a % of issued capital
1 day	\$0.120	\$0.130	20,206,339	0.72%
10 days	\$0.110	\$0.150	127,601,972	4.55%
30 days	\$0.110	\$0.185	404,559,884	14.43%
60 days	\$0.110	\$0.280	740,863,738	26.43%
90 days	\$0.110	\$0.280	1,003,060,571	35.78%
180 days	\$0.110	\$0.288	2,641,184,267	94.21%
205 days	\$0.110	\$0.288	3,077,501,535	109.78%

Source: Bloomberg and BDO analysis

This table indicates that Latin Resources' shares display a high level of liquidity, with 94.21% of the Company's issued capital being traded over the assessed 180-day period. RG 111.86 states that for the QMP methodology to be an appropriate methodology, there needs to be a 'liquid and active' market in the shares and allowing for the fact that the quoted price may not reflect their value should 100% of the securities not be available for sale. We consider the following characteristics to be representative of a liquid and active market:

- Regular trading in a company's securities.
- Approximately 1% of a company's securities are traded on a weekly basis.
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company.
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'liquid and active', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of Latin Resources, we consider the shares to display a high level of liquidity, on the basis that more than 1% of securities have been traded weekly on average. Of the 43 weeks in which our analysis is based on, more than 1% of the Company's securities had been traded in 41 of those weeks.

Our assessment is that a range of values for a Latin Resources share based on market pricing, after disregarding post-announcement pricing, is between \$0.120 and \$0.150.

Control premium

We have reviewed the control premiums on completed transactions, paid by acquirers of ASX-listed general mining companies and all ASX-listed companies over the ten-year period from January 2014 to August 2024. In assessing the appropriate sample of transactions from which to determine an appropriate control premium, we have excluded transactions where an acquirer obtained a controlling interest (20% and above) at a discount (i.e., less than a 0% premium) and at a premium in excess of 100%. We have summarised our findings below:

ASX-listed general mining companies

Year	Number of Transactions	Average Deal Value (\$m)	Average Control Premium (%)
2024	6	240.38	37.34
2023	14	162.16	30.31
2022	9	1,929.90	22.67
2021	6	1,235.14	29.89
2020	5	592.06	35.90
2019	9	182.08	41.27
2018	6	68.30	28.27
2017	4	9.28	39.86
2016	10	72.56	50.15
2015	6	318.69	58.37
2014	13	79.54	41.48

Source: Bloomberg and BDO analysis

All ASX-listed companies

Year	Number of Transactions	Average Deal Value (\$m)	Average Control Premium (%)
2024	21	717.14	25.05
2023	35	421.28	27.41
2022	39	3,199.03	23.39
2021	28	1,095.24	35.17
2020	16	367.97	40.43
2019	29	4,165.55	32.83
2018	26	1,571.79	30.07
2017	24	1,168.71	36.75
2016	28	490.46	38.53
2015	28	948.39	33.53
2014	35	394.93	38.31

Source: Bloomberg and BDO analysis

The mean and median of the entire data sets comprising control transactions from 2014 onwards for ASX-listed diversified metals companies, ASX-listed general mining and all ASX-listed companies are set out below:

Entire Data Set Metrics	ASX-listed Mining Companies		All ASX-listed Companies	
	Deal Value (\$m)	Control Premium (%)	Deal Value (\$m)	Control Premium (%)
Mean	427.60	37.53	1,396.10	32.37
Median	55.31	33.01	134.96	28.36

Source: Bloomberg and BDO analysis

In arriving at an appropriate control premium to apply we note that observed control premiums can vary due to the:

- Nature and magnitude of non-operating assets.
- Nature and magnitude of discretionary expenses.
- Perceived quality of existing management.
- Nature and magnitude of business opportunities not currently being exploited.
- Ability to integrate the acquiree into the acquirer's business.
- Level of pre-announcement speculation of the transaction.
- Level of liquidity in the trade of the acquiree's securities.

When performing our control premium analysis, we consider completed transactions where the acquirer held a controlling interest, defined at 20% or above, pre-transaction or proceed to hold a controlling interest post-transaction in the target company.

We have removed transactions for which the announced premium was in excess of 100%. We have removed these transactions because we consider it likely that the acquirer in these transactions would be paying for special value and/or synergies in excess of the standard premium for control. Whereas the purpose of this analysis is to assess the premium that is likely to be paid for control, not specific value to the acquirer.

The table above indicates that the long-term average control premium by acquirers of ASX-listed general mining companies and all ASX-listed companies is approximately 37.53% and 32.37% respectively. However, in assessing the transactions included in the table above, we noted that control premiums appeared to be positively skewed.

In population where the data is skewed, the median often represents a superior measure of central tendency compared to the mean. We note that the median announced control premium over the assessed period was approximately 33.01% for ASX-listed general mining companies and 28.36% for all ASX-listed companies. Based on the above, we consider an appropriate premium for control to be between 25% and 35%.

QMP including control premium

Applying a control premium to Latin's quoted market share price results in the following QMP value including a premium for control:

QMP valuation of a Latin Resources share	Low \$	High \$
QMP	\$0.120	\$0.150
Control premium	25%	35%
QMP valuation including a premium for control	\$0.150	\$0.203

Source: BDO analysis

Therefore, our valuation of a Latin Resources share based on the QMP methodology and including a premium for control is between \$0.150 and \$0.203, with our preferred QMP value of a Latin Resources share being a rounded midpoint value of \$0.177. We have selected the midpoint between the low and high values as the preferred value as there is no reason for us to select a value on either end of the above assessed range.

11.3 Assessment of the value of a Latin Resources share

The results of the valuations performed are summarised in the table below:

Valuation of a Latin Resources share	Ref	Low \$	Preferred \$	High \$
Sum-of-Parts (controlling interest basis)	11.1	\$0.085	\$0.097	\$0.128
QMP (controlling interest basis)	11.2	\$0.150	\$0.177	\$0.203

Source: BDO analysis

We consider the Sum-of-Parts approach to be the most appropriate valuation methodology to value a Latin Resources share, as the core value of the Company lies in its Salinas Project, which has been independently valued by VRM, an independent technical specialist, in accordance with the VALMIN Code, JORC Code, and ASIC's Regulatory Guides. Notwithstanding this, given we consider the shares of Latin Resources to display a high level of liquidity, we also consider the QMP approach to be relevant for the purposes of our assessment of the value of a Latin Resources share.

The difference in the valuation results under our two valuation approaches are explained by the following:

- The valuation under the QMP methodology may include an element of blue sky value of the Salinas Project. In performing our valuation of the Salinas Project, we have relied on the ITAR prepared by VRM, which has been prepared in accordance with the VALMIN Code and the JORC Code, whilst also adhering to guidance provided by ASIC's Regulatory Guides. Market participants are not governed by these industry codes and therefore may be using more optimistic technical and economic assumptions in their valuations.
- In addition, the value of the Non-Core Assets is not included in our Sum-of-Parts analysis, however the value of the Non-Core Assets is reflected in the value of a Latin Resources share utilising the QMP methodology. As at the date of our QMP assessment, the Non-Core Assets have yet to be demerged. Therefore, the QMP of Latin Resources' shares prior to the announcement of the Share Scheme may be overstating the value of a Latin Resources share prior to the implementation of the Share Scheme.

Based on the above, we consider both valuation methodologies to be relevant and appropriate for the purposes of our valuation assessment of a Latin Resources share. Therefore, our valuation range has been informed by the values derived from both valuation methodologies.

The Pro Forma Balance Sheet of ESG Minerals, as set in 'Annexure I - Demerger Materials' in the Scheme Booklet, records the fair value of the Non-Core Mineral Assets of ESG Minerals as approximately \$13.2 million. This is consistent with the information we were provided with in relation to the divestment process. We have also been provided with valuation reports on the Non-Core Assets by Latin Resources Management commissioned for tax and accounting purposes, in which the preferred value of the assets is approximately \$13.2 million. As the value of these Non-core Assets is not material to the overall valuation of a Latin Resources Share, and the primary intention of Latin Resources is to demerge these assets prior to the implementation of the Schemes, we have not included them in our Sum of Parts valuation of a Latin Resources share.

In the event that Pilbara Minerals waives the condition to the Share Scheme relating to the Demerger, Latin Resources would retain the Non-Core Assets. This scenario is considered under our 'High' valuation, as the value of the Non-Core Assets included in our QMP assessment of a Latin Resources share. We have separately demonstrated the impact of including the Non-Core Assets on our sum of parts valuation of a

Latin Resources share, and explained how it would not change our fairness opinion in Section 16.6 of our Report.

Based on the results above, we consider the value of a Latin Resources share (on a controlling interest basis) to be in the range of \$0.097 and \$0.177, with a preferred value of \$0.137. We note that the low end of our range is based on the preferred value derived under the Sum-of-Parts methodology, and the high end of our range is based on the preferred value derived under the QMP methodology.

As determined in Section 15.1 of our Report, we note that our opinion would not change if the high end of our valuation range of a Latin Resources share (on a controlling interest basis) had been based on the high value derived under the QMP methodology.

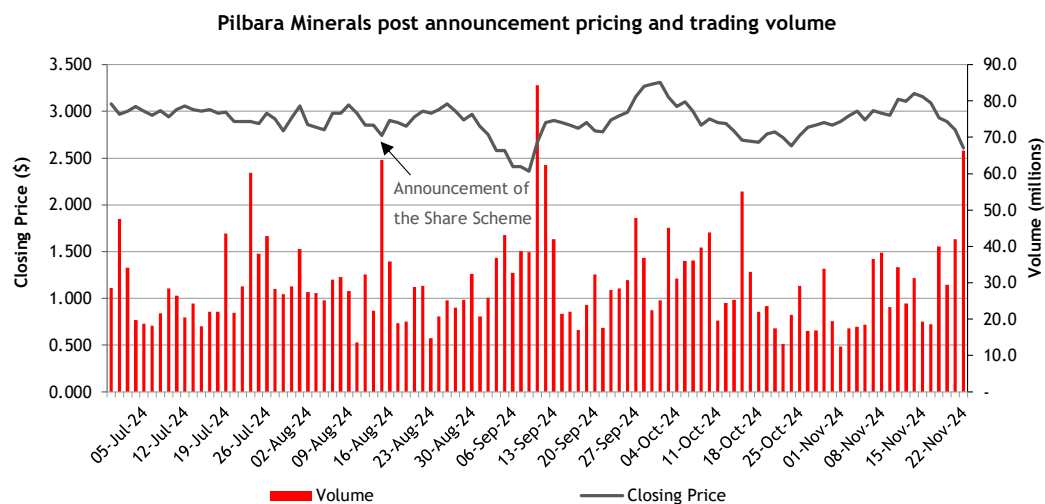
12. Valuation of the Share Scheme Consideration

The Share Scheme Consideration comprises 0.07 new Pilbara Minerals shares for every Latin Resources share held. In valuing the Share Scheme Consideration, we have adopted the QMP valuation methodology to assess the value of 0.07 new Pilbara Minerals shares. The value derived from this methodology reflects a minority interest value.

Post-announcement pricing of Pilbara Minerals

Given that we are valuing the Share Scheme Consideration, being the shares in the Enlarged Group that are to be received by Shareholders, we have used the market pricing of Pilbara Minerals following the announcement of the Share Scheme. The market price of Pilbara Minerals shares in the period following the announcement of the Share Scheme can be considered as an indicator of the value of Enlarged Group because market participants are fully informed as to the terms of the Share Scheme, with the post announcement pricing of Pilbara Minerals' shares reflecting the market's view of the value of a share in the Enlarged Group (on a minority interest basis). This value includes the acquisition of Latin Resources and the associated dilution from issuing the Share Scheme Consideration.

We have analysed the movements of Pilbara Minerals' share price since the Share Scheme was announced. A graph of Pilbara Minerals' share price and trading volume leading up to, and following the announcement of the Share Scheme is set out below.



Source: Bloomberg, BDO analysis

The Share Scheme was announced on 15 August 2024. On the date that the Share Scheme was announced, Pilbara Minerals' share price closed at \$2.740, down from a closing price of \$2.850 on the previous trading day. On that day, 63,854,636 shares were traded, representing approximately 2.12% of Pilbara Minerals' issued capital. Following the announcement of the Share Scheme, the closing share price of Pilbara Minerals has fluctuated between a low of \$2.360 on 10 September 2024 to a high of \$3.310 on 2 October 2024.

To provide further analysis of the market prices for a Pilbara Minerals share post the announcement of the Share Scheme, we have also considered the weighted average market price for the below periods following the announcement up to 22 November 2024:

Share Price per unit	15-Aug-24	5 Days	10 Days	15 Days	20 Days	72 Days
Closing price	\$2.740					
Volume weighted average price (VWAP)		\$2.816	\$2.893	\$2.870	\$2.748	\$2.872

Source: Bloomberg, BDO analysis

In accordance with the guidance in RG 111, we also consider it appropriate to assess the liquidity of Pilbara Minerals shares before utilising the QMP methodology to value a share in the Enlarged Group. The table below sets out the liquidity of Pilbara Minerals shares as proxied by the volume traded as a percentage of the number of shares on issue. We have this analysis over the twelve months prior to the announcement of the Share Scheme, in order to determine whether there is sufficient trading in Pilbara Minerals shares historically in order to rely on a QMP approach.

Trading days	Share price low	Share price high	Cumulative volume traded	As a % of issued capital
1 day	\$2.840	\$2.950	22,383,702	0.74%
10 days	\$2.790	\$3.100	277,660,494	9.22%
30 days	\$2.770	\$3.120	837,368,177	27.81%
60 days	\$2.770	\$4.150	1,750,647,046	58.14%
90 days	\$2.770	\$4.240	2,360,613,003	78.40%
180 days	\$2.770	\$4.580	5,280,128,245	175.37%
1 year	\$2.770	\$5.240	7,827,107,768	259.96%

Source: Bloomberg, BDO analysis

The table above indicates that Pilbara Minerals' shares display a high level of liquidity, with 259.96% of Pilbara Minerals' current issued capital being traded in a twelve-month period. RG 111.86 states that for the quoted market price methodology to be an appropriate methodology there needs to be a 'liquid and active' market in the shares and allowing for the fact that the quoted price may not reflect their value should 100% of the securities not be available for sale. We consider the following characteristics to be representative of a liquid and active market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'liquid and active', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of Pilbara Minerals, we consider the shares to display a high level of liquidity, on the basis that more than 1% of securities have been traded weekly on average. Of the 52 weeks in which our analysis is based on, more than 1% of the Pilbara Minerals' securities had been traded in all 52 of those weeks.

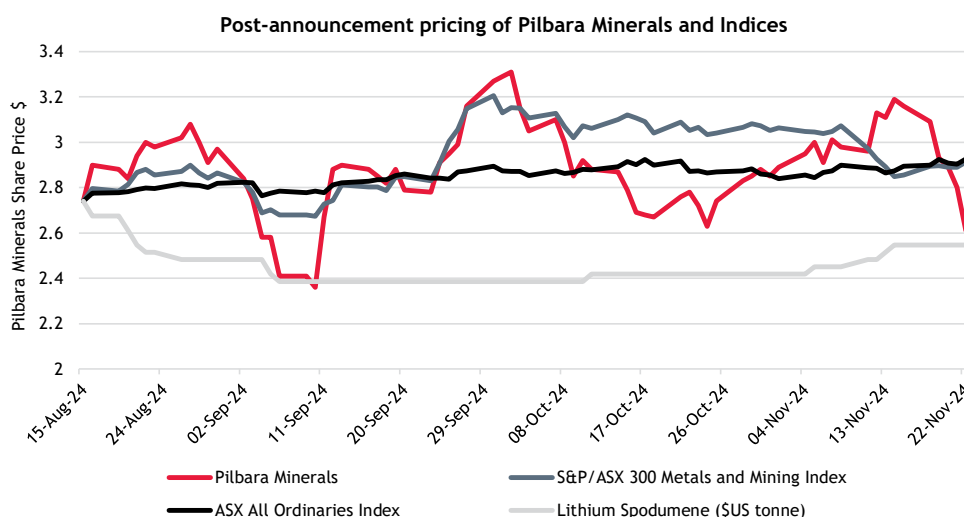
We have also analysed the liquidity of Pilbara Minerals shares, as proxied by the volume traded as a percentage of the number of shares on issue, over the post announcement period up to 22 November 2024. We conduct this analysis in order to determine whether we consider the Pilbara Minerals shares to be liquid and active in the period following the announcement of the Share Scheme.

Trading days	Share price low	Share price high	Cumulative volume traded	As a % of Issued capital
1 day	\$2.740	\$2.740	63,854,636	2.12%
5 days	\$2.740	\$2.940	166,761,434	5.54%
10 days	\$2.740	\$3.080	279,855,851	9.29%
15 days	\$2.580	\$3.080	421,192,685	13.99%
20 days	\$2.360	\$3.080	658,471,651	21.87%
Up to 22-Nov-24	\$2.360	\$3.310	2,190,063,307	72.72%

Source: Bloomberg, BDO analysis

We consider the trading following the announcement of the Share Scheme to show high levels of liquidity with 72.72% of Pilbara Minerals' shares being traded in the period (72 trading days) following the announcement of the Share Scheme. However, we consider the share price over the period following the announcement of the Share Scheme to display high levels of volatility, with the closing share price ranging from \$2.360 to \$3.310 in the period up to 22 November 2024, reflecting an approximate 40.3% movement in the closing share price. This could typically indicate uncertainty in the market about the potential transaction, however, given the relative contribution of the value of Latin Resources to the Enlarged Group, we do not consider this to be a significant factor in assessing the reliability of the QMP valuation.

We have considered whether there are other market factors which could influence the Pilbara Minerals share price following the announcement of the Share Scheme by analysing movements in the ASX All Ordinaries Index, as a proxy for the market, the S&P/ASX 300 Metals and Mining Index, as a proxy for Latin Resources and Pilbara Minerals' industry, and the lithium spodumene spot pricing, over the same post-announcement period. Our analysis is depicted in the graph below, with each factor rebased to Pilbara Minerals' share price following the announcement of the Share Scheme in order to illustrate the relative performance of the indices, lithium prices and Pilbara Minerals.



Source: Bloomberg, BDO analysis

We note the performance of the ASX All Ordinaries Index and the S&P/ASX 300 Metals and Mining Index has remained stable over the period following the announcement of the Share Scheme. Over the same post announcement period, the lithium spodumene price trended downwards from US\$850/tonne to US\$740/tonne, before rebounding marginally to US\$790/tonne. In light of this, we consider there is no

indication that the Pilbara Minerals share price has been affected by market conditions outside the operations of Pilbara Minerals following the announcement of the Share Scheme.

Based on the above analysis, we consider there to be sufficient liquidity in Pilbara Minerals' shares in order to utilise post-announcement pricing as an approach to valuing the Share Scheme Consideration. Further, there does not appear to be any market wide or industry events that have occurred between the announcement of the Scheme and the date of our Report that would distort our assessment of the impact of the Share Scheme on the value of an Enlarged Group share.

We also note the current short position of Pilbara Minerals' shares in the market. The proportion of Pilbara Minerals' shares held in short positions was 17.17% as at 19 November 2024, and has been consistently above 20% since November 2023, indicating that there is an expectation among certain market participants that the Pilbara Minerals share price will fall. Given this short position has been consistent and is known to the market, we have relied on the QMP of Pilbara Minerals' shares in arriving at our valuation opinion.

Our assessment of the value of a Pilbara Minerals share, utilising the QMP of Pilbara Minerals' shares following the announcement of the Share Scheme, which is reflective of the value of a share in the Enlarged Group (on a minority interest basis), is between \$2.750 and \$2.900, with a rounded midpoint value of \$2.825.

Based on the above, our valuation of the Share Scheme consideration is set out in the table below:

Valuation of the Share Scheme Consideration	Low \$	Preferred \$	High \$
QMP valuation of a Pilbara Minerals share (minority interest basis)	2.750	2.825	2.900
Number of Pilbara Minerals shares that Shareholders will receive for each share held in Latin Resources	0.07	0.07	0.07
Valuation of the Share Scheme Consideration (minority interest basis)	0.193	0.198	0.203

Source: BDO analysis

13. Valuation of the Latin Resources Options

As detailed in Section 4, there are two separate tranches of Latin Resources Options that are subject to the Option Scheme, with each tranche being subject to a different Option Scheme Consideration, being a varying number of new Pilbara Minerals shares per option held.

Details of the Latin Resources Options by tranche are summarised below.

Tranche	Number of options	Exercise price	Expiry date	Number of new Pilbara Minerals shares to be provided per option
LRSAAF	13,500,000	\$0.55	30-Jun-2025	0.0020
LRSAY	113,986,160	\$0.22	27-Apr-2027	0.0250

Source: Scheme Implementation Agreement

We have performed a separate valuation assessment for each individual tranche of the Latin Resources Options. We note that our assessment of the value of the Latin Resources Options reflects a controlling interest value.

Valuation methodology

The Latin Resources Options are unlisted and therefore there is no regulated and observable market on which they are traded. In addition, the Latin Resources Options do not have any vesting conditions attached. Options without vesting conditions can be exercised at any time up to the expiry date, and as such are more suitably valued using the Black-Scholes option pricing model. Therefore, we have used the Black-Scholes option pricing model to value the Latin Resources Options.

Under AASB 2 *Share-based Payment* and option valuation theory, no discount is made to the fundamental value derived from the option valuation model for unlisted options over listed shares.

We have made the following assumptions in performing our valuation of the Latin Resources Options:

Valuation Date

We have valued the Options as at 22 November 2024, being a recent date prior to the date of our report ('Valuation Date').

Value of the underlying share

We have adopted a range of values for the underlying value of a Latin Resources share, based on our assessment of a Latin Resources share in Section 11. The range of values we have adopted as the underlying value of a Latin Resources share is summarised below:

Value of a Latin Resources share	Low	Preferred	High
	\$	\$	\$
Value of a Latin Resources share (control)	0.097	0.137	0.177

Source: BDO analysis

Exercise price

The exercise price is the price at which the underlying ordinary shares will be issued. According to the terms of the Latin Resources Options, each Latin Resources Option will be exercisable at the following prices which we have used as inputs in our option pricing model:

Tranche	Exercise price
LRSAAF	\$0.55
LRSAY	\$0.22

Source: Scheme Implementation Agreement

We note that if the Demerger is implemented then, in accordance with the terms of the Latin Resources Options and ASX Listing Rule 7.22.3, the exercise price of each Latin Resources Option will be reduced by the value of the return of capital on each Latin Resources Share. To avoid doubt, taking into account the immaterial reduction of the exercise price would not change the conclusion in this Report. The extent of this reduction is outlined in Annexure I of the Scheme Booklet and is considered immaterial in the context of the Option Scheme. No adjustment will be made to the Option Scheme Consideration as a result of this reduction in the exercise price.

Life of the Latin Resources Options

We have estimated the life of the Latin Resources Options for the purpose of our valuation. The minimum life of the Latin Resources Options is the length of any vesting period, and the maximum life is based on the expiry date. Under AASB 2 *Share-based Payment*, the expected life of the options needs to reflect the potential for early exercise. The potential for early exercise tends to reduce the effective life, and consequently the value of options. There are many factors that determine the rationale for exercising options and therefore, the effective life of those options.

There is a limited track record of options being exercised early. Generally, early exercise occurs:

- If the options are deep in the money as it is profitable for the holder of the options to exercise the options.
- If the stock pays a dividend as the opportunity cost of holding the options is high.
- If the volatility of the underlying share price is low as the probability of the options becoming deeper in the money is low relative to a highly volatile stock.
- When the options are held by junior level employees. Senior employees are more likely to continue their employment with the company and therefore there is no incentive to exercise their options.

For the purpose of valuing the Latin Resources Options, we have estimated an exercise date as the respective expiry date. We have assessed the life of the Latin Resources Options based on the Valuation Date, being a recent date prior to the date of our report.

The effective lives of the Latin Resources Options which we have used as an input in our option pricing model are summarised below:

Tranche	Valuation date	Expiry date	Effective life (years)
LRSAAF	22-Nov-2024	30-Jun-2025	0.60
LRSAY	22-Nov-2024	27-Apr-2027	2.43

Volatility

Expected volatility is a measure of the amount by which a price is expected to fluctuate during a period. The measure of volatility used in option pricing models is the annualised standard deviation of the continuously compounded rates of return on the share over a period of time.

A summary of the techniques we use that can be applied in determining volatility is set out below:

- The square root of the mean of the squared deviations of closing prices from a sample. This can be calculated using a combination of the opening, high, low, and closing share prices each day the underlying security trades, for all days in the sample time period chosen.
- The exponential weighted moving average model adopts the closing share price of the Company in a given time period. This model estimates a smoothing constant using the maximum likelihood method, which estimates volatility assuming that volatility is not a constant measure and is predicted to change in the future.
- The generalised autoregressive conditional heteroscedasticity model. This model takes into account periods of time where volatility may be higher than normal and/or lower than normal, as well as the tendency for the volatility to run at its long run average level after such periods of abnormality. The model will calculate the rate at which this is likely to occur from the sample of prices thereby enabling estimates of future volatility by time to be made.

The recent volatility of the share price of Latin Resources, and the share price of companies comparable to Latin Resources was calculated for one, two and three-year periods, using historical data extracted from Bloomberg. For the purpose of our valuation, we have used a future estimated volatility level of 80% for the share price of Latin Resources.

Risk-free rate of interest

We have used the Australian Government bond rate as at the closest date available prior to the Valuation Date, as a proxy for the risk-free rate over the effective lives of the Latin Resources Options.

The risk-free rates of interest which we have used as an input in our option pricing model are summarised below:

Tranche	Valuation date	Bond maturity	Bond yield
LRSAAF	20-Nov-2024	2-year	4.083%
LRSAY	20-Nov-2024	2-year	4.083%

Source: Reserve Bank of Australia

Dividend yield

Latin Resources is currently unlikely to pay a dividend during the life of the Latin Resources Options. Therefore, we have assumed a dividend yield of nil in our option pricing model.

Conclusion

Our conclusion as to the value of the Latin Resources Options is set out below:

Item	LRSAAF Options		
	Low	Preferred	High
Valuation date	22-Nov-24	22-Nov-24	22-Nov-24
Value of the underlying share	\$0.097	\$0.137	\$0.177
Exercise price	\$0.55	\$0.55	\$0.55
Expiry date	30-Jun-25	30-Jun-25	30-Jun-25
Life of the Options (years)	0.60	0.60	0.60
Volatility	80%	80%	80%
Risk-free rate	4.083%	4.083%	4.083%
Dividend yield	Nil	Nil	Nil
Valuation per Option	\$0.000	\$0.001	\$0.001

Item	LRSAY Options		
	Low	Preferred	High
Valuation date	22-Nov-24	22-Nov-24	22-Nov-24
Value of the underlying share	\$0.097	\$0.137	\$0.177
Exercise price	\$0.22	\$0.22	\$0.22
Expiry date	27-Apr-27	27-Apr-27	27-Apr-27
Life of the Options (years)	2.43	2.43	2.43
Volatility	80%	80%	80%
Risk-free rate	4.083%	4.083%	4.083%
Dividend yield	Nil	Nil	Nil
Valuation per Option	\$0.027	\$0.048	\$0.069

Source: BDO Analysis

14. Valuation of the Option Scheme Consideration

As detailed in Section 4, there are two separate tranches of Latin Resources Options that are subject to the Option Scheme. Each tranche of Latin Resources Options is subject to a different Option Scheme Consideration, being a varying number of new Pilbara Minerals shares per option held.

Details of the Option Scheme Consideration by tranche are summarised below.

Tranche	Number of options	Number of new Pilbara Minerals shares to be provided per option
LRSAAF	13,500,000	0.0020
LRSAY	113,986,160	0.0250

Source: Scheme Implementation Agreement

Therefore, we have performed a separate assessment of the value of the Option Scheme Consideration for each individual tranche of the Latin Resources Options, being the value of the relevant number of new Pilbara Minerals shares to be provided per option held.

Our assessment of the Option Scheme Consideration was based on our QMP assessment of a Pilbara Minerals share following the announcement of the Schemes in Section 12. On the basis that Optionholders will hold minority interests in the Enlarged Group, we have assessed the value of the Option Scheme Consideration on a minority interest basis.

Our QMP valuation of a Pilbara Minerals share (on a minority interest basis) as determined in Section 12 of our Report is summarised below:

QMP valuation of a Pilbara Minerals share	Low \$	Preferred \$	High \$
QMP valuation of a Pilbara Minerals share (minority interest basis)	2.750	2.825	2.900

Source: Bloomberg and BDO analysis

Our valuation of the Option Scheme Consideration for the individual tranches are detailed below.

Valuation of the LRSAAF Option Scheme Consideration

Valuation of the LRSAAF Option Scheme Consideration	Low \$	Preferred \$	High \$
QMP valuation of a Pilbara Minerals share (minority interest basis)	2.750	2.825	2.900
Number of Pilbara Minerals shares to be provided per LRSAAF Option	0.0020	0.0020	0.0020
Value of the LRSAAF Option Scheme Consideration (rounded 3 dp)	0.006	0.006	0.006

Source: Bloomberg and BDO analysis

Based on the above, we have assessed the value of the LRSAAF Option Scheme Consideration (on a minority interest basis) to be \$0.006.

Valuation of the LRSAY Option Scheme Consideration

Valuation of the LRSAY Option Scheme Consideration	Low \$	Preferred \$	High \$
QMP valuation of a Pilbara Minerals share (minority interest basis)	2.750	2.825	2.900
Number of Pilbara Minerals shares to be provided per LRSAY Option	0.0250	0.0250	0.0250
Value of the LRSAY Option Scheme Consideration (rounded 3 dp)	0.069	0.071	0.073

Source: Bloomberg and BDO analysis

Based on the above, we have assessed the value of the LRSAY Option Scheme Consideration (on a minority interest basis) to be in the range of \$0.069 to \$0.073, with a preferred value of \$0.071.

15. Are the Schemes fair?

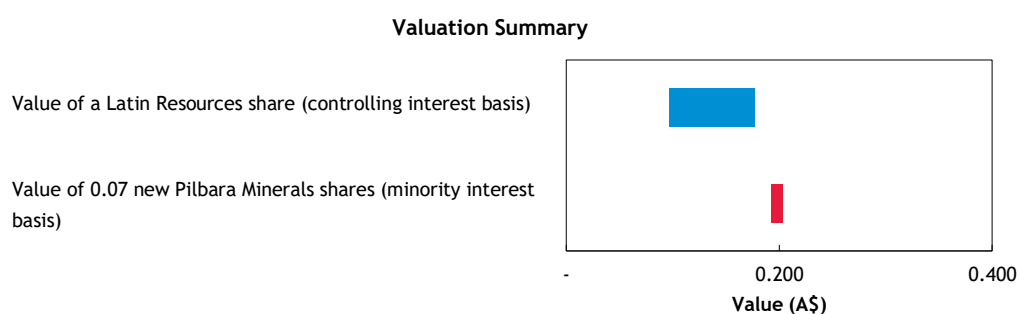
15.1 Share Scheme

The value of a Latin Resources share (on a controlling interest basis) and the value of the Share Scheme Consideration, being 0.07 new Pilbara Minerals shares (on a minority interest basis), are compared below:

Fairness assessment (Share Scheme)	Ref	Low \$	Preferred \$	High \$
Value of a Latin Resources share (controlling interest basis)	11	0.097	0.137	0.177
Value of 0.07 new Pilbara Minerals shares (minority interest basis)	12	0.193	0.198	0.203

Source: BDO analysis

The above valuation ranges are graphically presented below:



Under RG 111.11 an offer is 'fair' if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer. The above pricing indicates that, in the absence of a superior proposal, the Share Scheme is fair for Shareholders. We note that the Share Scheme would have also been fair if the high end of our valuation range of a Latin Resources share (on a controlling interest basis) had been based on the high value derived under the QMP methodology.

15.2 Option Scheme

As detailed in Section 4, there are two separate tranches of Latin Resources options that are subject to the Option Scheme. Under the terms of the Option Scheme, the Option Scheme Consideration is different for each tranche of options and is summarised below:

Tranche	Number of options	Number of new Pilbara Minerals shares to be provided per option
LRSAAF	13,500,000	0.0020
LRSAY	113,986,160	0.0250

Source: Scheme Implementation Agreement

Therefore, we have performed a separate assessment for each individual tranche, comparing the value of a Latin Resources option (on a controlling interest basis) and the value of the relevant Option Scheme Consideration (on a minority interest basis).

LRSAAF Options

The value of an LRSAAF option (on a controlling interest basis) and the value of the LRSAAF Option Scheme Consideration, being 0.0020 new Pilbara Minerals shares (on a minority interest basis), are compared below:

	Ref	Low \$	Preferred \$	High \$
Value of an LRSAAF Option (control)	13	0.000	0.001	0.001
Value of 0.0020 new Pilbara Minerals shares (minority)	14	0.006	0.006	0.006

Source: BDO analysis

LRSAY Options

The value of an LRSAY option (on a controlling interest basis) and the value of the LRSAY Option Scheme Consideration, being 0.0250 new Pilbara Minerals shares (on a minority interest basis), are compared below:

	Ref	Low \$	Preferred \$	High \$
Value of an LRSAY Option (control)	13	0.027	0.048	0.069
Value of 0.0250 new Pilbara Minerals shares (minority)	14	0.069	0.071	0.073

Source: BDO analysis

Conclusion

Under RG 111.11 an offer is 'fair' if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer. The above pricing indicates that, in the absence of a superior proposal, the Option Scheme is fair for Optionholders. We note that the Option Scheme would have also been fair if the high end of our valuation of a Latin Resources share (on a controlling interest basis) had been based on the high value derived under the QMP methodology.

16. Are the Schemes reasonable?

We have considered the analysis below, in terms of the following:

- Advantages and disadvantages of the Schemes.
- Other considerations, including the position of Shareholders and Optionholders if the Schemes do not proceed and the consequences of not approving the Schemes.

In our opinion, the position of Shareholders and Optionholders if the Schemes are approved is more advantageous than the position if the Schemes are not approved. Accordingly, in the absence of any other relevant information and/or an alternate proposal we consider that the Schemes are reasonable for Shareholders and Optionholders.

16.1 Alternative proposal

We are unaware of any alternative proposal that might offer the Shareholders or Optionholders of Latin Resources a premium over the value resulting from the Schemes.

16.2 Advantages of approving the Schemes

We have considered the following advantages in our assessment of whether the Schemes are reasonable.

Advantage	Description
The Share Scheme is fair for Shareholders	As set out in section 15, the Share Scheme is fair. RG 111.12 states that an offer is reasonable if it is fair.
The Option Scheme is fair for Optionholders	As set out in section 15, the Option Scheme is fair. RG 111.12 states that an offer is reasonable if it is fair.
Exposure to Pilbara Minerals' tier one producing lithium asset whilst also retaining an interest in the Salinas Project	The mineral assets of Latin Resources are currently in the development phase, and as such, the shareholders of Latin Resources currently have no immediate exposure to a cash generating asset. However, if the Share Scheme is implemented, Shareholders will receive immediate exposure to Pilbara Minerals' Pilgangoora Operation which is a tier one producing mine, whilst also retaining exposure to the potential of the Salinas Project.
Pilbara Minerals has a large free float, resulting in a greater liquidity, should Shareholders wish to exit their investment	If Shareholders approve the Share Scheme, they will receive shares in a larger company with a larger free float and greater liquidity than Latin Resources prior to the Share Scheme. Improved liquidity may result in an increased ability for Shareholders to realise their investment at less of a discount to the most recently traded price, should they choose to exit their position.
Pilbara Minerals has a large market presence and strong balance sheet making it easier for	The Salinas Project needs significant expenditure to develop the project into an operating lithium mine.

Advantage	Description
Pilbara Minerals to fund the future development of the Salinas Project	Pilbara Minerals is significantly larger than Latin Resources. Given the size and market presence of Pilbara Resources, it would likely be easier for Pilbara Resources (relative to Latin Resources on a standalone basis) to raise capital to fund the capital expenditure required to develop the Salinas Project should it make a decision to proceed with development of the Salinas Project following completion of optimised DFS studies.
Pilbara Minerals has historically paid dividends to its shareholders	If Shareholders approve the Share Scheme, they will receive shares in a company that has historically paid dividends to its shareholders. There is little likelihood of Latin being able to pay dividends to Shareholders in the short to medium term.
The Scheme Consideration offers Shareholders a premium over the last traded price of a Latin Resources share prior to the announcement of the Schemes	Based on our analysis of Pilbara Minerals market pricing following the announcement of the Schemes (as set out below), the Scheme Consideration (being 0.07 shares in Pilbara Minerals) offers Shareholders a premium to the last traded price of Latin Resources prior to the announcement of the Schemes. Our assessment is that a range of values for Pilbara Minerals shares based on market pricing following the announcement of the Schemes is between \$2.75 and \$2.90. Pursuant to the Share Scheme, Shareholders will receive 0.07 shares in Pilbara Resources for every Latin Resources share held. Therefore, our assessment of the value of 0.07 shares in Pilbara Resources based on market pricing following the announcement of the Schemes, is between \$0.193 and \$0.203. Latin Resources' closing price on the last trading day prior to the announcement of the Schemes was \$0.120. Therefore, based on market pricing available on market for an individual Latin Resources shareholder, the Share Scheme is value accretive, such that if Shareholders elected to realise their investment on market, the value of the proceeds would likely be higher if the Share Scheme is implemented.
Option Scheme Consideration provides Optionholders with Pilbara Minerals shares	The Scheme Options are unlisted, as such, there is no observable market on which the Latin Resources Options can be traded. The Option Scheme therefore provides Optionholders with guaranteed exposure to Pilbara Minerals through the receipt of Pilbara Minerals shares as consideration for the cancellation of their Scheme Options. Alternatively, the Option Scheme provides Optionholders with an opportunity to exit their investment through the sale of highly liquid Pilbara Minerals shares.

16.3 Disadvantages of approving the Schemes

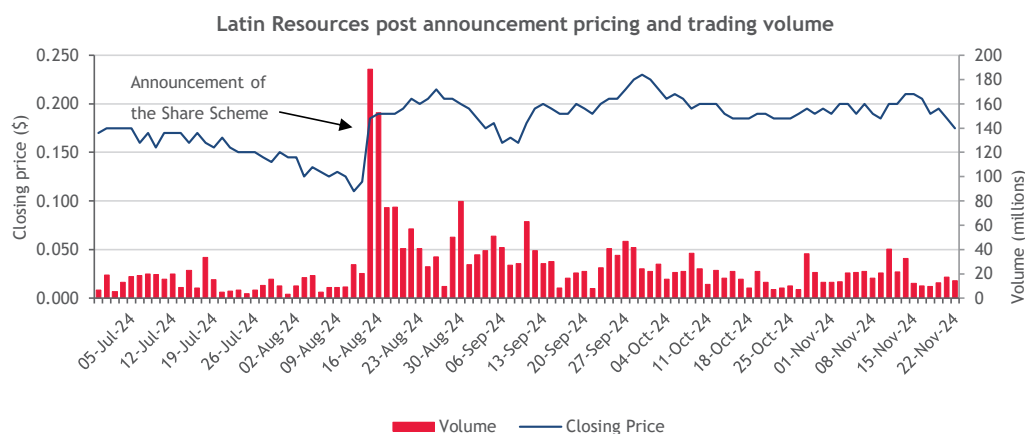
We have considered the following disadvantages in our assessment of whether the Schemes are reasonable.

Disadvantage	Description
Dilution of Shareholders' and Optionholders' interests and exposure to the Salinas Project	Following the implementation of the Schemes, Shareholders' and Optionholders' interests will be diluted from holding 100% of the assets of Latin Resources to holding approximately 6.4% of Pilbara Minerals. Therefore, Shareholders' and Optionholders' ability to participate in the potential upside of the Salinas Project will be reduced as a result of the dilution.
Optionholders will no longer have exposure to the potential upside from their derivative instrument	If the Option Scheme is approved, Optionholders will no longer hold their Latin Resources Options and therefore will not be able to participate in any upside, if their Latin Resources Options are 'in-the money'.

16.4 Consequences of not approving the Schemes

Potential decline in share price

We have analysed movements in Latin Resources' share price since the announcement of the Schemes. A graph of Latin Resources' share price and trading volume leading up to and following the announcement of the Schemes is set out below.



Source: Bloomberg, BDO Analysis

The closing price of a Latin Resources share from 1 July 2024 to 22 November 2024 ranged from a low of \$0.110 on 13 August 2024 to a high of \$0.230 on 1 October 2024.

The Schemes were announced on 15 August 2024. On the date that the Schemes were announced, the share price closed at \$0.185, up from closing price of \$0.120 on the previous trading day. On that day, 188,575,413 shares were traded, representing approximately 6.73% of Latin Resources' current issued

capital. Following the announcement of the Schemes, the share price of Latin Resources has fluctuated from a low of \$0.160 on 6 September 2024 and 10 September 2024, to a high of \$0.230 on 1 October 2024.

Given the above analysis it is possible that if the Schemes are not approved then Latin Resources' share price may decline.

Repayment of the Bridging Loan provided by Pilbara Minerals

Pilbara Minerals has agreed to provide Latin Resources with a \$10 million Bridging Loan, we note that as at the date of our Report, Latin Resources has drawn down \$5.0 million of the Bridging Loan. Timing of repayment of the Bridging Loan will be a function of the circumstances in which the Scheme process concludes. Should the SIA be terminated because the Share Scheme is not approved by Shareholders or if the SIA is terminated (other than if the SIA is terminated because of a breach of the SIA by Latin Resources or by the occurrence of a Latin Resources prescribed event), but the Latin Resources board has continued to unanimously recommend Shareholders vote in favour of the Share Scheme (other than in certain prescribed circumstances), Latin Resources must repay the Bridging Loan within five months. If the Share Scheme is not approved, Latin Resources expects that it will need to raise additional funds to repay any amounts that have been drawn down and remain unpaid under the Bridging Loan and to fund Latin Resources' ongoing activities. Additional funding may be dilutive to Shareholders (if undertaken through a share issue) or impose restrictions on the operating activities or expansion of Latin Resources' operations (if undertaken through debt financing).

Optionholders may be left holding an option over an unlisted share

If the Share Scheme is approved by Shareholders and the Court, but the Option Scheme is not approved, the merger will still proceed and Pilbara Minerals will acquire all of the Latin Resources shares, but Optionholders will continue to hold their Latin Resources Options. In those circumstances, Latin Resources would become a wholly owned subsidiary of Pilbara Minerals, meaning there will not be an active market for Optionholders to exercise their Latin Resources Options. Pilbara Minerals may have a right to compulsorily acquire the Latin Resources Options after the Share Scheme is implemented but are under no obligation to do so. Therefore, there is a risk to Optionholders that if the Share Scheme is approved, but the Option Scheme is not, they will be unable to sell their shares if they were to exercise the Latin Resources Options. This will reduce the value of the underlying asset and therefore the value of the Latin Resources Options.

Transaction costs

If the Schemes are not implemented, transaction costs of approximately \$3.20 million will be borne by Latin Resources with no achieved outcome. In addition to this, there is a potential break fee of \$6.0 million that may be payable to Pilbara Minerals, depending on the circumstances under which the Share Scheme does not proceed. We note that the break fee is not payable by Latin Resources as a result in itself of Latin Resources not obtaining the requisite approval level from Shareholders. The conditions around the payment of the break fee are set out in the Scheme Booklet.

16.5 Tax Implications

Shareholders and Optionholders are directed to Section 9 of the Scheme Booklet for a more detailed explanation of the tax implications of the Schemes for Shareholders and Optionholders. We emphasise that the tax circumstances of each security holder can differ significantly, and individual security holders are advised to obtain their own specific advice.

16.6 Demerger of Non-Core Assets

Prior to the Schemes being implemented, Latin Resources will undertake a program of demerging its non-core assets which comprise tenement interests in Peru, Argentina and Australia.

The Share Scheme is conditional on the Demerger Resolution being approved and the Demerger becoming effective, and the Option Scheme is conditional on the Share Scheme becoming effective. Accordingly, if the Demerger Resolution is not approved by Latin Resources Shareholders (and Pilbara Minerals does not otherwise waive the condition to the Share Scheme relating to the Demerger), neither the Share Scheme nor Option Scheme will proceed.

In the event that Pilbara Minerals waives the condition to the Share Scheme relating to the Demerger, Latin Resources would retain the Non-Core Assets.

The Pro Forma Balance Sheet of ESG Minerals, as set in 'Annexure I - Demerger Materials' in the Scheme Booklet, records the fair value of the Non-Core Mineral Assets of ESG Minerals as approximately \$13.2 million. This is consistent with the information we were provided with in relation to the divestment process. We have also been provided with valuation reports on the Non-Core Assets by Latin Resources Management commissioned for tax and accounting purposes, in which the preferred value of the assets is approximately \$13.2 million.

In order to demonstrate how the inclusion of these assets would impact our sum of parts valuation, we have added \$13.2 million to the value of Latin Resources in our sum-of-parts analysis, as set out below.

Sum-of-Parts valuation of a Latin Resources share	Ref	Low \$'000	Preferred \$'000	High \$'000
Value of the Salinas Project	11.1.1	248,000	285,000	373,000
Value of the Non-Core Assets		13,200	13,200	13,200
Value of other assets and liabilities	11.1.2	375	375	375
Transaction costs	11.1.3	(3,200)	(3,200)	(3,200)
Total value of Latin Resources (control)		258,375	295,375	383,375
Number of Latin Resources shares on issue	11.1.4	2,894,919,463	2,894,919,463	2,894,919,463
Value per Latin Resources share (control) (\$/share)		0.089	0.102	0.132

Using the preferred value of our sum of parts valuation of a Latin Resources share (inclusive of the Non-Core Assets), we have updated the fairness assessment table below, to indicate how that valuation would impact our fairness assessment, noting it would not change our fairness opinion.

Fairness assessment (Share Scheme)	Ref	Low \$	Preferred \$	High \$
Value of a Latin Resources share (controlling interest basis)		0.102	0.140	0.177
Value of 0.07 new Pilbara Minerals shares (minority interest basis)		0.193	0.198	0.203

17. Sources of information

This report has been based on the following information:

- Draft Scheme Booklet on or about the date of this report
- Scheme Implementation Agreement
- Audited financial statements of Latin Resources for the years ended 31 December 2022 and 31 December 2023.
- Reviewed financial statements of Latin Resources for the half-year ended 30 June 2024.
- Unaudited financial statements of Latin Resources for the period ended 31 October 2024.
- Consolidation workbook of Latin Resources for the year ended 31 December 2023 and the half-year ended 30 June 2024
- Audited financial statements of Pilbara Minerals for the years ended 30 June 2022, 30 June 2023 and 30 June 2024 .
- Independent Technical Assessment Report of Latin Resources' Salinas Project dated 30 September 2024 performed by Valuation and Resource Management Pty Ltd
- Reports on the value of the Non-Core Assets
- Bloomberg
- S&P Capital IQ
- United States Geological Survey
- Consensus Economics
- Share registry information
- Announcements made by Latin Resources and Pilbara Minerals through the ASX
- Information in the public domain
- Discussions with Directors and Management of Latin Resources.

18. Independence

BDO Corporate Finance Australia Pty Ltd is entitled to receive a fee of \$75,000 (excluding GST and reimbursement of out-of-pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance Australia Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance Australia Pty Ltd has been indemnified by Latin Resources in respect of any claim arising from BDO Corporate Finance Australia Pty Ltd's reliance on information provided by Latin Resources, including the non-provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance Australia Pty Ltd has considered its independence with respect to Latin Resources, Pilbara Minerals, and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance Australia Pty Ltd's opinion it is independent of Latin Resources, Pilbara Minerals, and their respective associates.

Neither the two signatories to this report nor BDO Corporate Finance Australia Pty Ltd, have had within the past two years any professional relationship with Latin Resources, or their associates, other than in connection with the preparation of this report.

A draft of this report was provided to Latin Resources and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

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19. Qualifications

BDO Corporate Finance Australia Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance Australia Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investments Commission for giving expert reports pursuant to the listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance Australia Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 35 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 700 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These expert's reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Corporate Finance Practice Group Leader of BDO in Western Australia, the Global Head of Natural Resources for BDO and a former Chairman of BDO in Western Australia.

Adam Myers is a Fellow of Chartered Accountants Australia & New Zealand and the Joint Ore Reserves Committee. Adam's career spans over 25 years in the audit and corporate finance areas. Adam is a CA BV Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

20. Disclaimers and consents

This report has been prepared at the request of Latin Resources for inclusion in the Scheme Booklet which will be sent to all Shareholders and Optionholders. Latin Resources engaged BDO Corporate Finance Australia Pty Ltd to prepare an independent expert's report to consider whether the proposed share scheme of arrangement with Pilbara Minerals is in the best interests of Shareholders, and whether the proposed option scheme of arrangement with Pilbara Minerals is in the best interests of Optionholders.

BDO Corporate Finance Australia Pty Ltd hereby consents to this report accompanying the above Scheme Booklet. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement, or letter without the prior written consent of BDO Corporate Finance Australia Pty Ltd.

BDO Corporate Finance Australia Pty Ltd takes no responsibility for the contents of the Scheme Booklet other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance Australia Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to Pilbara Minerals. BDO Corporate Finance Australia Pty Ltd provides no warranty as to the adequacy, effectiveness, or completeness of the due diligence process.

The opinion of BDO Corporate Finance Australia Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

With respect to taxation implications it is recommended that individual Shareholders and Optionholders obtain their own taxation advice, in respect of the Schemes, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to Shareholders, Optionholders, or any other party.

BDO Corporate Finance Australia Pty Ltd has also considered and relied upon independent valuations for mineral assets held by Latin Resources. The valuer engaged for the mineral asset valuation, Valuation and Resource Management Pty Ltd, possess the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation are appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance Australia Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting or during the offer period.

Yours faithfully

BDO Corporate Finance Australia Pty Ltd



Sherif Andrawes
Director



Adam Myers
Director

Appendix 1 – Glossary of Terms

Reference	Definition
\$ or AUD	Australian Dollars
Act	Corporations Act 2001 Cth
AFCA	Australian Financial Complaints Authority
ALO	Altura Lithium Operations Pty Ltd
Altura	Altura Mining Limited
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
BCB	Banco Central do Brazil
BDO	BDO Corporate Finance Australia Pty Ltd
BMX	Battery materials exchange
Bridging Loan	A secured loan agreement entered into between Latin Resources and Pilbara Minerals in which Pilbara Minerals has agreed to make available funding of \$10,000,000 to Latin Resources
Calix	Calix Limited
CAS	Credit adjustment spread
Company	Latin Resources Limited
Conversion Facility	Lithium hydroxide monohydrate conversion facility
Copom	The BCB's Monetary Policy Committee
Corporations Act	Corporations Act 2001 Cth
CPI	Consumer price index
DCF	Discounted cash flow
Demerger	Latin Resources' demerger of ESG Minerals in conjunction with the Schemes
Demonstration Plant	Mid-stream demonstration plant
DFS	Definitive feasibility study
Dmt	Dry metric tonnes
EFA	Export Finance Australia
Enlarged Group	Enlarged Pilbara Minerals group following implementation of the Share Scheme
ESG Minerals	ESG Minerals Limited
EVs	Electric vehicles
Expiring Options	10,000,000 Latin Resources Options with the designation LRSAAE with an exercise price of \$0.45 and an expiry date of 30 December 2024

Reference	Definition
FID	Final investment decision
FME	Future maintainable earnings
FVOCI	Fair value through other comprehensive income
Ganfeng	Ganfeng Lithium Group Co. Ltd
GDP	Gross domestic product
IS 214	Mining and resources: Forward-looking statements (March 2011)
ITAR	Independent Technical Assessment Report
JV	Joint venture
Km	Kilometres
Ktpa	Kilotonnes per annum
Latin Resources	Latin Resources Limited
Latin Resources Options	100% of Latin Resource's options on issue
LHM	Lithium hydroxide monohydrate
Litios	Litios del Norter S.A.
Loan Shares	Latin Resources loan funded Shares
MRE	Mineral resource estimate
Mtpa	Million tonne per annum
NAIF	Northern Australia Infrastructure Facility
NAV	Net asset value
Ngungaju Plant	Plant at Pilgangoora that produces spodumene concentrate
Non-Core Assets	Latin Resources' interests in Peru, Argentina and Australia
Option Scheme	Under the SIA, Pilbara Minerals will acquire 100% of the options on issue in Latin Resources
Option Scheme Consideration	Consideration paid for to the Optionholders for every option in Latin Resources that they hold at the record date
Optionholders	Option holders of Latin Resources
Our Report	This Independent Expert's Report prepared by BDO
P680 Project	Plan to increase spodumene concentrate production capacity at Pilgangoora up to 680,000 dmt
P850 Strategy	Pilbara Minerals P850 Optimisation Strategy
P1000 Project	Plan to increase spodumene concentrate production capacity at Pilgangoora to 1Mtpa
P2000 Project	Plan to increase spodumene concentrate production capacity at Pilgangoora to 2Mtpa
PEA	Preliminary economic assessment
PFS	Pre-feasibility study
Pilbara Minerals	Pilbara Minerals Limited

Reference	Definition
Pilgan Plant	Plant at Pilgangoora that produces spodumene and tantalite concentrate
Pilgangoora	Pilgangoora lithium operation
Pilgangoora Operation	Pilgangoora lithium operation
POSCO Pilbara JV	An incorporated joint venture between POSCO and Pilbara Minerals
PP&E	Property, plant and equipment
PPLS JV	An incorporated joint venture between POSCO and Pilbara Minerals
The Project	Salinas lithium project
QMP	Quoted market price
RBA	Reserve Bank of Australia
RCF	Revolving credit facility
Record Date	7.00pm (AEDT) on the 2nd trading day following the date on which the respective scheme becomes effective, or such other date as Latin and Pilbara Minerals agree.
Regulations	Corporations Act Regulations 2001 (Cth)
RG 60	Schemes of arrangements (September 2020)
RG 111	Content of expert reports (October 2020)
RG 112	Independence of experts (March 2011)
RG 170	Prospective financial information (April 2011)
Salinas Project	Salinas lithium project
Scheme Booklet	Booklet outlining the Schemes to assist Shareholders and Optionholders in their decisions whether to approve the Schemes
Scheme Meetings	Meeting of Shareholders held to vote on the Share Scheme and the meeting of Optionholders to vote on the Option Scheme
The Schemes	Collectively, the Share Scheme and the Option Scheme
Section 411	Section 411 of the Corporations Act
Selic	Brazil's benchmark interest rate, the Special System of Clearance and Custody interest rate
SGS	SGS Geological Services
Share Scheme	The scheme of arrangement between Pilbara Minerals and Latin Resources whereby Pilbara Minerals will acquire 100% of the issued shares in Latin Resources under the Corporations Act
Share Scheme Consideration	Under the terms of the Share Scheme, each Latin Resources Shareholder will receive 0.07 new Pilbara Minerals shares for every Latin Resources share held
Shareholders	Shareholders of Latin Resources
SIA	Scheme Implementation Agreement
SOFR	Secured Overnight Finance Rate
Solis	Solis Minerals Limited
Sum-of-Parts	A combination of different methodologies used together to determine an overall value where separate assets and liabilities are valued using different methodologies

Reference	Definition
Tpa	Tonnes per annum
USGS	United States Geological Survey
VALMIN Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition)
Valuation Date	Date in which the Latin Resources Options are valued at, being 22 November 2024
VRM	Valuation and Resource Management Pty Ltd
VWAP	Volume-weighted average price
WA	Western Australia
We	BDO Corporate Finance Pty Ltd

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For permission requests, write to BDO Corporate Finance Australia Pty Ltd, at the address below:

The Directors
BDO Corporate Finance Australia Pty Ltd
Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
Australia

Appendix 2 – Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 Net asset value

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 Quoted market price basis

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

3 Capitalisation of future maintainable earnings

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax or earnings before interest, tax, depreciation and amortisation. The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

4 Discounted future cash flows

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start-up phase, or experience irregular cash flows.

5 Market-based assessment

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

The resource multiple is a market based approach which seeks to arrive at a value for a company by reference to its total reported resources and to the enterprise value per tonne/lb/oz of the reported resources of comparable listed companies. The resource multiple represents the value placed on the resources of comparable companies by a liquid market.

Appendix 3 - Independent Technical Assessment Report



INDEPENDENT TECHNICAL ASSESSMENT AND VALUATION REPORT

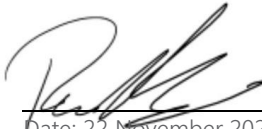
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Peer Reviewer	Deborah Lord	
Competent Persons	Lynda Burnett Rebecca Morgan	Exploration Results review, Valuation Mineral Resource Estimates review
VRM Approval	Paul Dunbar	 Date: 22 November 2024
Effective Report Date	30 September 2024	
Valuation Date	15 August 2024	
Report Prepared by	Valuation and Resource Management Pty Ltd P O Box 1506 WEST PERTH WA 6872 ABN: 12 632 859 780 Tel: +61 (0) 433 761 500 www.varm.com.au	

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Executive Summary

Valuation and Resource Management Pty Ltd (**VRM**) was engaged by Latin Resources Ltd (ASX: LRS, FRA: XL5) (**Latin Resources** or the **Company**) but instructed by BDO Corporate Finance Australia Pty Ltd (**BDO**) to prepare an Independent Technical Assessment Report (**Report** or **ITAR**), including valuation for the Mineral Assets of Latin Resources specifically the Salinas Project in the State of Minas Gerais in Brazil. The ITAR is prepared to assist BDO in completing its Independent Expert Report (**IER**) in relation to the proposed scheme of arrangement (**SOA**) between Latin Resources and Pilbara Minerals Ltd (**Proposed Transaction**).

This Report has been prepared as a public document, in the format of an independent specialist's report and in accordance with the guidelines of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets – the 2015 VALMIN Code (**VALMIN**) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – the 2012 JORC Code (**JORC**).

VRM understands that BDO will include the Report within its IER relating to the Proposed Transaction.

This Report is a technical review and valuation opinion of selected mineral assets of Latin Resources. Applying the principles of the VALMIN Code, VRM has used several valuation methods to determine the value for the mineral assets. Importantly, as neither the principal author nor VRM hold an Australian Financial Securities Licence, this valuation is not a valuation of Latin Resources but rather an asset valuation of the mineral properties of the Company.

The Valuation Date is 15 August 2024 and remains current / considers commodity prices as at 19 September 2024. VRM provided a redacted draft report on 12 September 2024 to BDO for factual accuracy checking by the companies. The final report includes any updated technical information associated with the factual accuracy checking conducted by the Company.

As commodity prices, exchange rates and cost inputs fluctuate this valuation is subject to change over time. The valuation derived by VRM is based on information provided by Latin Resources along with publicly available data including ASX releases and published technical information. VRM has made reasonable endeavours to confirm the accuracy, validity and completeness of the technical data which forms the basis of this Report. The opinions and statements in this Report are given in good faith and under the belief that they are accurate and not false nor misleading.

The default currency is Australian dollars (unless otherwise stated). As with all technical valuations the valuation included in this Report is the likely value of the mineral projects and not an absolute value. A range of likely values for the various mineral assets is provided with that range indicating the accuracy of the valuation.

Salinas Project

The Salinas Project is in the northeast of the State of Minas Gerais, Brazil approximately 600 kilometres north northeast of Belo Horizonte the capital of Minas Gerais. Currently Latin Resources owns 100% of the project.

VRM has estimated the value of the project on a 100% equity ownership basis considering the technical information supporting its prospectivity. As at the valuation date the Salinas Project contains declared Mineral Resource Estimates prepared applying the guidelines of JORC. The valuation has been prepared



as a sum of the parts with the value attributed to both the declared Mineral Resources and the exploration potential in the adjacent tenements. The Mineral Resources were valued using a comparable transaction method as the primary valuation technique. Additional value from the exploration tenements can be determined from the Geoscientific / Kilburn method. Secondary valuations were determined based on the Yardstick approach and the Prospectivity Enhancement Multiplier (PEM) method.

The Report documents the technical aspects of the tenements along with explaining valuations for the properties applying the principles and guidelines of the VALMIN and JORC Codes.

Valuation Opinion

VRM has estimated the value of the Salinas Project considering the technical information available as at the valuation date as described further in the body of the Report.

There are declared Mineral Resource estimates within the Salinas Project owned by Latin Resources which have been prepared applying the guidelines of JORC. It is uncertain whether future exploration will result in the definition of any further Mineral Resource estimates on any of the Latin Resources tenements.

The Salinas Project, 100% owned by Latin Resources, was primarily valued using a comparable transaction method based on resource multiples for tenements hosting Mineral Resource estimates. A secondary valuation was determined using the Yardstick Method. Additional value relates to the high exploration potential of the tenure and this was valued via the Geoscientific / Kilburn Method with a secondary PEM method for the exploration tenements which contain no Mineral Resources.

The Report documents the technical aspects of the tenements along with explaining valuations for the properties applying the principles and guidelines of the VALMIN and JORC Codes.

Conclusions

Considering the Mineral Resources, and exploration potential of the Salinas Project, in VRM's opinion, the Mineral Assets owned by Latin Resources have a market value of between A\$248 million and A\$373 million with a preferred value of A\$285 million. These valuations and the value of the combined assets is summarised in the table below.

Method		Lower Valuation	Preferred Valuation	Upper Valuation
Comparable Transactions (A\$M)	Primary	229.9	255.5	332.1
Yardstick (A\$M)	Supporting	177.7	292.1	406.4
Geoscientific (A\$M)	Primary	17.8	29.3	40.8
PEM (A\$M)	Supporting	32.7	36.5	40.4
Preferred Valuation	A\$M	248	285	373

1. Introduction

Valuation and Resource Management Pty Ltd (**VRM**) was engaged by Latin Resources Ltd (ASX: LRS, FRA: XL5) (**Latin Resources** or the **Company**) but instructed by BDO Corporate Finance Australia Pty Ltd (**BDO**) to prepare an Independent Technical Assessment Report (**Report** or **ITAR**), including valuation for the Mineral Assets of Latin Resources. The ITAR is prepared to assist BDO in completing its Independent Expert Report (**IER**) in relation to the proposed Scheme of Arrangement (**SOA**) between Latin Resources and Pilbara Minerals (**Proposed Transaction**).

The main Mineral Assets of Latin comprises the Salinas Project and Regional Tenements in the northeast of the State of Minas Gerais (Figure 1).

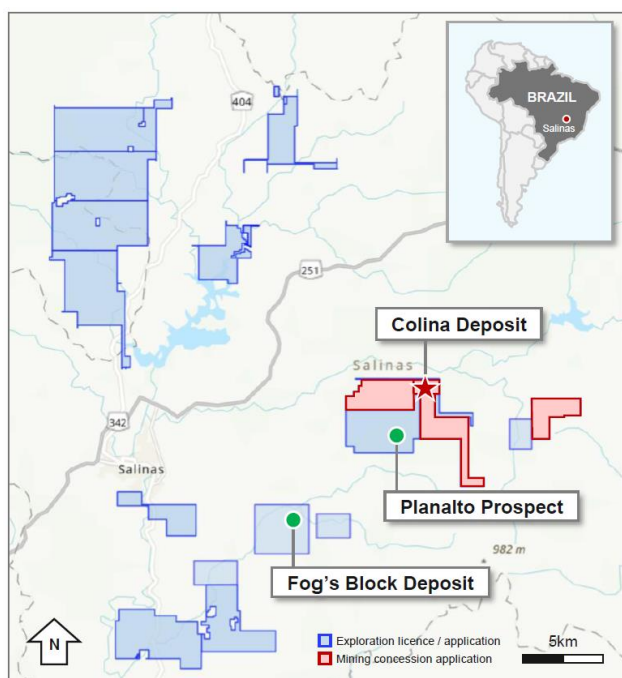


Figure 1: Location of Salinas Project, Minas Gerais, Brazil

Source: ASX: LRS, 15 August 2024 (note 11 Salinas N2 Tens excluded from this diagram)

1.1 Compliance with the JORC and VALMIN Codes and ASIC Regulatory Guides

In preparing the ITAR, VRM has applied the guidelines and principles of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets – 2015 VALMIN Code (**VALMIN**) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – the 2012 JORC Code (**JORC**). Both industry codes are mandatory for all members of the Australasian Institute of Mining and Metallurgy (**AusIMM**) and the Australian Institute of Geoscientists (**AIG**). These codes are also requirements under Australian Securities and Investments Commission (**ASIC**) rules and guidelines and the listing rules of the Australian Securities Exchange (**ASX**).



This ITAR is a Public Report as described in the VALMIN Code (Clause 5) and the JORC Code (Clause 9). It is based on, and fairly reflects, the information and supporting documentation provided by Latin Resources and previous owners and associated Competent Persons as referenced in this ITAR and additional publicly available information.

1.2 Scope of Work

VRM's primary obligation in preparing this ITAR is to independently describe and value the Mineral Assets of Latin Resources applying the guidelines of the JORC and VALMIN Codes. These require that the Report contains all the relevant information at the date of disclosure, which investors and their professional advisors would reasonably require in making a reasoned and balanced judgement regarding the Projects.

VRM has compiled the Report based on the principle of reviewing and interrogating both the documentation of the companies involved and their consultants, and other previous exploration within the area. This Report is a summary of the work conducted, completed, and reported by the companies from pegging or acquisition of the Projects to 19 September 2024, based on information supplied to VRM by both companies, and other information sourced in the public domain, to the extent required by the VALMIN and JORC Codes.

VRM understands that its review and report will be included in the Scheme Booklet and as such, it is understood that VRM's review will be a public document. Accordingly, this report has been prepared in accordance with the requirements of the 2015 VALMIN Code.

1.3 Statement of Independence

VRM was engaged to undertake an ITAR of the Salinas Project that comprise the main asset within the portfolio of Latin. This work was conducted applying the principles of the JORC and VALMIN Codes, which in turn reference ASIC Regulatory Guide 111 Content of expert reports (**RG111**) and ASIC Regulatory Guide 112 Independence of Experts (**RG112**).

Lynda Burnett, Rebecca Morgan, Deborah Lord and Paul Dunbar of VRM have not, within the past two years had any association with Latin Resources, its individual employees, or any interest in the securities of Latin Resources and Pilbara Minerals or potential interest, nor are they expected to be employed by either company after the proposed transaction, which could be regarded as affecting their ability to give an independent, objective, and unbiased opinion. VRM will be paid a fee for this work based on standard commercial rates for professional services. The fee is not contingent on the results of this review and is estimated to be approximately \$48,000.

1.4 Competent Persons Declaration and Qualifications

This Report was prepared by Mrs Lynda Burnett and Ms Rebecca Morgan as the primary authors. Ms Deborah Lord reviewed the report and Mr Paul Dunbar also reviewed the valuation.

The Report and information that relates to geology, exploration results, exploration potential and mineral asset valuation is based on information compiled by Mrs Lynda Burnett, BSc (Hons), a Competent Person who is a member of the AUSIMM. Mrs Burnett is an associate of VRM and has sufficient experience, which is relevant to the style of mineralisation, geology, and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person under the 2012 JORC Code. Mrs Burnett consents to the inclusion in the Report of the matters based on her information in the form and context in which it appears.



The Report and information that relates to Mineral Resources review is based on information compiled by Ms Rebecca Morgan, B Mining Eng, a Competent Person who is a member of the AUSIMM. Ms Morgan is an associate of VRM and has sufficient experience, which is relevant to the style of mineralisation, geology, and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person under the 2012 JORC Code. Ms Morgan consents to the inclusion in the Report of the matters based on her information in the form and context in which it appears.

The Report and information that relates to mineral asset valuation, Mineral Resources and exploration potential was reviewed by Ms Deborah Lord, BSc (Hons), a VALMIN Specialist who is a fellow of the AusIMM, Chartered Professional (Valuation) and a member of the AIG. Ms Lord is a Principal of VRM and has sufficient experience, which is relevant to the style of mineralisation, geology, and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person under the 2012 JORC Code and a Specialist under the 2015 VALMIN Code. Ms Lord consents to the inclusion in the Report of the matters based on her information in the form and context in which it appears.

The information that relates to mineral asset valuation was reviewed by Mr Paul Dunbar, BSc (Hons), MSc (Minex), a VALMIN Specialist who is a member of the AusIMM and of the AIG. Mr Dunbar is a Principal of VRM and has sufficient experience, which is relevant to the style of mineralisation, geology, and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person under the 2012 JORC Code and a Specialist under the 2015 VALMIN Code. Mr Dunbar consents to the inclusion in the Report of the matters based on his information in the form and context in which it appears.

1.5 Reliance on Experts

The authors of this Report are not qualified to provide extensive commentary on the legal aspects of the tenure of the mineral properties or the compliance with the legislative environment and permitting in Brazil. In relation to the tenement standing, VRM has relied on the information publicly available on the databases of the Brazilian (Agencia Nacional de Mineracao, ANM). On this basis VRM has confirmed the tenements which constitute the Project held by Latin Resources are in good standing. The company has confirmed the tenement status of its Project.

In respect of the information contained in this Report, VRM has relied on information and technical reports obtained from Latin Resources or the public domain including but not limited to:

- Presentation material including several cross sections and plans.
- Information provided by Latin Resources including Mineral Resource reports.
- Annual Technical Reports for the tenements.
- Various Latin Resources ASX releases including but not limited to,
- ASX announcement of the Scheme of Arrangement on 15 August 2024 which includes the details of the various Mineral Resource estimates,
- Annual Reports
- Quarterly Reports
- ASX releases detailing any initial and updates to the Mineral Resource Estimates.
- ASX releases detailing exploration activities.
- Various ASX releases from previous owners and neighboring companies.

- Publicly available information including several publications on the regional geology and tectonic evolution of the Region; and
- Government Regional datasets, including geological mapping and explanatory notes.

All information and conclusions within this Report are based on information that VRM requested from Latin to assist with this Report and other relevant publicly available data to 19 September 2024. Reference has been made to other sources of information, published and unpublished, including government reports where it has been considered necessary. VRM has, as far as possible and making all reasonable enquiries, attempted to confirm the authenticity and completeness of the technical data used in the preparation of this Report and to ensure that it had access to all relevant technical information. VRM has assessed the content of these reports and information and confirm that the contents are reasonable and that they meet the Reasonable Grounds Requirements. VRM has relied on the information contained within the reports, articles and databases provided by Latin Resources as detailed in the reference list. A draft of this Report was provided to BDO for provision to the companies, for the purpose of identifying and addressing any factual errors or omissions prior to finalisation of the Report. The valuation sections of the Report were not provided to the companies until the technical aspects were validated and the Report was declared final.

This ITAR contains statements attributable to third parties. These statements are made or based upon statements made in previous technical reports that are publicly available from either government departments or the ASX. The authors of these previous reports have not consented to the statements' use in the Report, and these statements are included in accordance with ASIC Corporations (Consent to Statements) Instrument 2016/72.

1.6 Site visit

A site visit to the Projects was not undertaken for this ITAR.

The Independent Competent Persons who undertook the Mineral Resource estimates for all of the deposits have previously visited the Project. VRM considers that these independent consultants who have visited site have accurately represented the aspects on the sites and therefore does not believe that undertaking a site visit would provide any additional information that would materially change the opinions, conclusions or valuation contained within the Report.

2. Mineral Tenure

2.1 Salinas Project

The Salinas Project is located in northeast Minas Gerais (Figure 2). The tenure consists of 11 Applications for Mining Concessions, which are all pending over an area of 52.43 km². The tenure also consists of 30 other regional exploration licenses which are granted cover other prospective areas to the north of Salinas and southwest of the mineralised trend covering 320.5km². Appendix A contains a list of all the tenements.

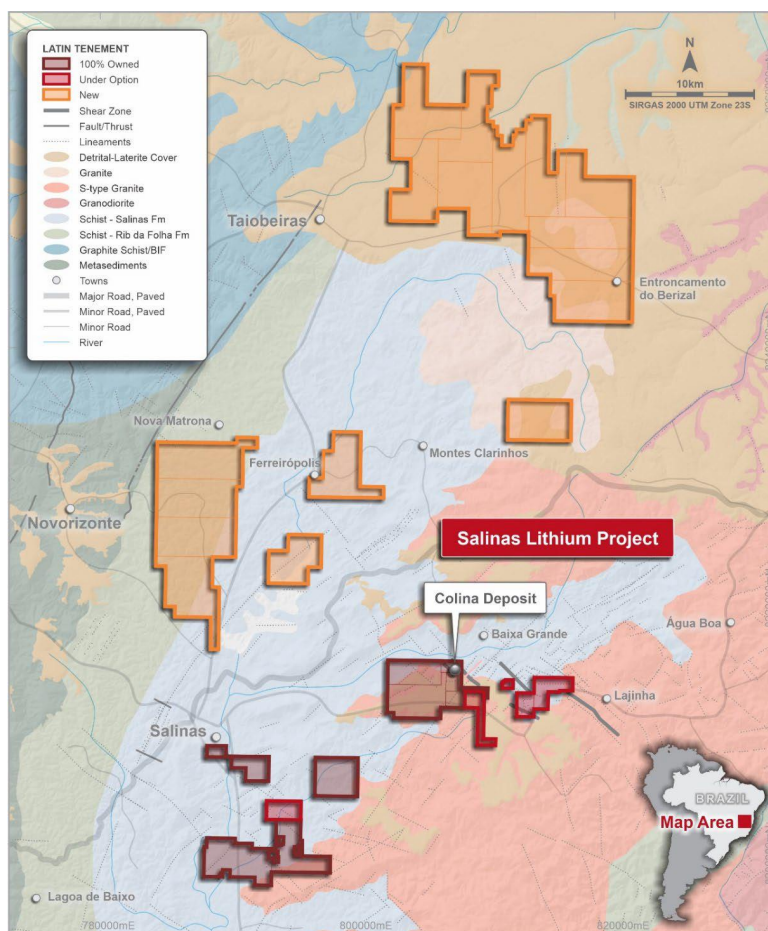


Figure 2: Salinas Tenement Locations

Source: ASX LRS 25 March 2024

The Mining Code is overseen by the National Mining Agency (Agência Nacional de Mineração, or ANM). There are two main legal regimes under the Mining Code regulating Exploration and Mining in Brazil: Exploration Authorization ("Autorização de Pesquisa") and Mining Concession ("Concessão de Lavra").



The Latin Resources tenements have been validated by VRM reviewing the tenement information provided in the Scheme Implementation Agreement (ASX: LRS 15 August 2024) Schedule 3 Target Mineral Rights and comparing this with the digital tenement details on the S&P Capital IQ Global Mapping Application using data supplied by the Brazilian National Department of Mineral Production accessed on 3 September 2024 (also known as the Brazilian National Mining Agency **ANM**).

The area and anniversary dates for each tenement were validated by VRM during the search.

VRM relies on and has reviewed the tenement information supplied by Latin Resources and ANM via the S&P Capital IQ Mapping Portal. VRM is not qualified or a specialist in the mining tenure or mining act of the state of Minas Gerais in Brazil and as no warranty, actual or implied is made regarding the validity or security of the tenure listed in Appendix 1 and shown in Figure 2. The 11 tenements are documented as Applications for Mining Concessions including all the tenements containing Mineral Resource Estimates.

3. Latin's Salinas Mineral Asset

3.1 Location and Access

The nearest local town is Salinas which is around 70km north of the town of Araçuaí (Figure 3). The climate is dry, hot and semi-arid, with June the driest month and November the wettest month. Access to the Project area is via regional and local roads which provide year-round access.

The Company reports that exploration activities can be conducted all year round with the topography consisting of gently rolling hills. The area is characterised by thick thorn scrub and trees of medium height - except where it has been cleared for agriculture. The natural vegetation on the hilltops is typical of savannah grassland.

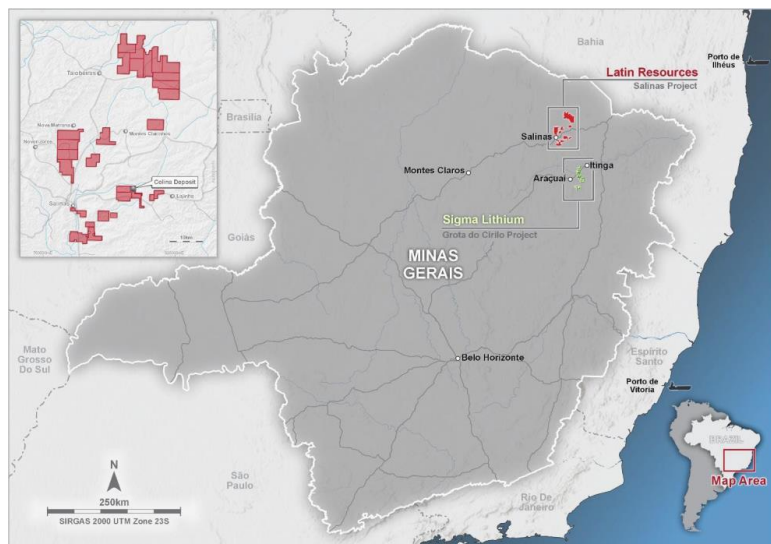


Figure 3: Location of Latin Resources Salinas tenements in Northeast Minas Gerais, Brazil

Source: ASX:LRS

3.2 Regional Geological Setting

The Salinas Project is in the northern part of the Eastern Brazilian Pegmatite Province (EBPP).

According to Pedrosa-Soares *et al* 2009, the EBPP encompasses a very large region of about 150,000km², from Bahia to Rio de Janeiro states, but more than 90% of its whole area is within eastern Minas Gerais State, specifically the geotectonic unit called the Araçuaí orogen (Figure 5).

Geologically, the area is part of the Araçuaí Orogen, a Neo-Proterozoic to Cambrian belt that extends from the southeastern edge of the Sao Francisco Craton to the Atlantic Coast and previously connected to the West Congo Orogen prior to continent break up in the Cretaceous (Pedrosa-Soares *et al.*, 2009). The belt is characterised by widespread anatectic rocks of metasedimentary origin and prolonged granitoid magmatism.

Five granitic supersuites have been recognised and known as G1 to G5, based on field relations, geochemistry, petrology and geochronology. G4 one of the post collisional supersuites is associated

with the lithium pegmatites in the Salinas area north of the town of Araçuaí and are dated around 535-490 Ma and are considered residual, forming through magmatic differentiation.

The G4 supersuite consists of biotite granite cores and roots grading into two mica and garnet bearing leucogranites on the margins, capped by pegmatoidal cupolas. Xenoliths and roof pendants of country rock are also common. Lithium bearing pegmatites occur within and external to these granites. Thicknesses range from a few metres to more than 50m. Igneous flow structures on intrusion borders commonly parallel regional foliation.

The main host for pegmatites external to the granites is the Salinas Formation which is considered to be an orogenic basin made up of deep sea turbiditic sediment fans deposited between 580-560 Ma (Santos et al., 2009). The unit has been metamorphosed to meta-pelite, calcsilicate marl, meta-sandstone and meta-conglomerates. This Formation is the main local and regional host of spodumene rich pegmatites of the EBPP.

Historically pegmatite related gemstones have been recorded since the 17th century with frontier pioneer naturalists and geologists documenting pegmatite gem deposits in the Jequitinhonha and Doce River Valleys. During and after the Second World War, mica, beryl and quartz in pegmatites were mined for the US military. In the 20th century EBPP pegmatites have also been mined for aquamarine, tourmaline, topaz, quartz, tin (Sn), lithium (Li), and beryllium (Be) minerals and other rare tantalum (Ta), niobium (Nb) and uranium (U) related minerals all by artisanal mining with the exception of the Cachoeira underground mine. Dimension stone quarries are also common based on large pegmatites and related granites.

Prior to Latin Resources commencing field work in 2019, the Cachoeira underground mine a few kilometres to the southeast of the Salinas Project, was the only mechanised operating mine. The Cachoeira mine is owned 100% by Companhia Brasileira de Litio (CBL) and has operated continuously in the Araçuaí area since 1991.

Following years of private interest, small scale open pit alluvial gravel and pegmatite mining from 1957 to the 1980s for tin and tantalite, in 2012, Sigma Lithium (TXV: SGML) commenced exploration at Grota do Cirilo north and south of the town of Araçuaí. A Definitive Feasibility Study for the project was filed in 2019 with construction commencing in 2021 with Phase 1 commissioned in 2022 and Phase 2 commissioned in 2023. The project has just completed its first year of commercial operation at its Grota do Cirilo mine and processed 270,000 tonnes of concentrate. The mine is unique in that it states that the lithium is produced with zero carbon, zero dirty power, zero potable water, zero toxic chemicals and zero tailings. In addition, Sigma Lithium states that its ores are of higher quality than Australian or Canadian concentrates in that a dry, coarse, spodumene concentrate is produced versus Wet fines in Australian and Canadian operations (TXV: SGML 22 August 2024). In addition, the cash costs are reported as sector leading and profitable at current prices. The currently reported Measured and Indicated Mineral Resource was announced in January 2024 (TXV: SGML 18 January 2024).

The Sigma deposits occur as single thick pegmatite dykes emplaced into the Salinas Formation biotite quartz schist, dipping shallowly to steeply to the southeast (Barreiro, Lavra do Meio, Naezinho do Chicão and west (Xuxa) and mostly concordant with the regional foliation (Xuxa, Lavra do Meio, Nezinho do Chicão) with Barreiro both discordant and concordant (TXV: SGML 18 January 2024) (Figure 4).

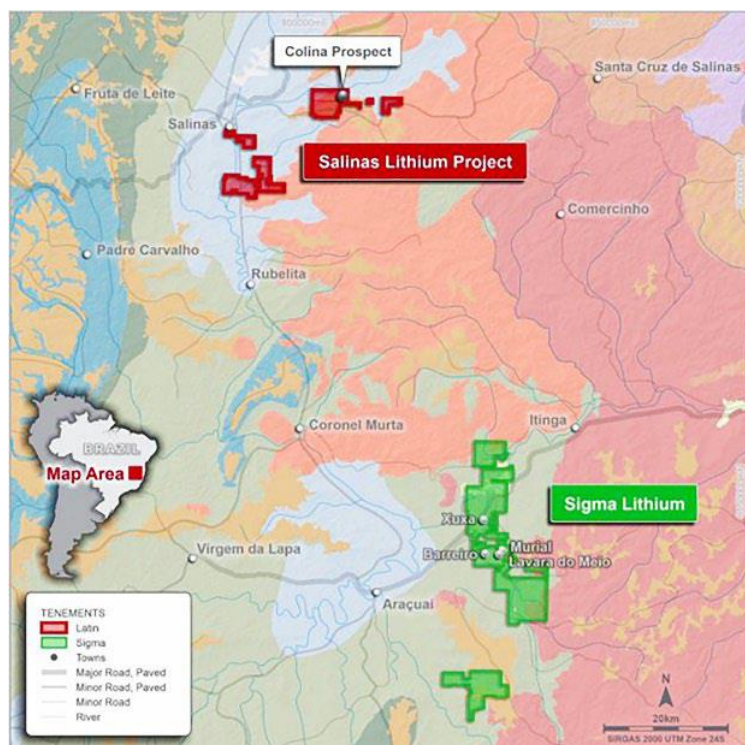


Figure 4: Location of Sigma Lithium mine in relation to location of Latin's Salinas Lithium Project

Source: ASX: LRS 24 June 2024

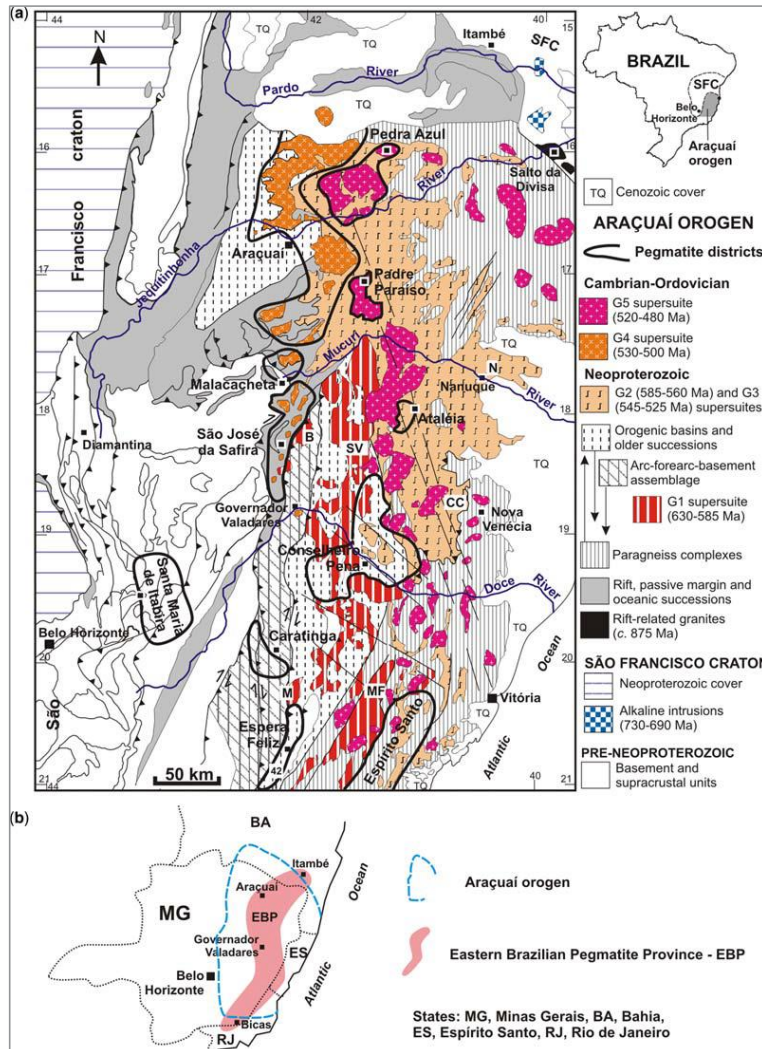


Figure 5: Location of the Eastern Brazilian Pegmatite Province

Source: Pedro Soares et al 2011

3.3 Local Geology and Mineralisation – Salinas Project

Local geology is largely from Latin Resource's most recent Mineral Resource Estimation (MRE) Report, (SGS, 2024). The local geology consists of S-type granite interpreted to be of the G4 supersuite, which has intruded sedimentary biotite cordierite schist of the Salinas Formation, a metamorphosed flysch unit. In the north of the project area where the most northerly block of tenements is located, shallow post mineral laterite and detrital cover mask the potential prospective geology. Much of the outcrop is exposed in drainages below the residual laterite.

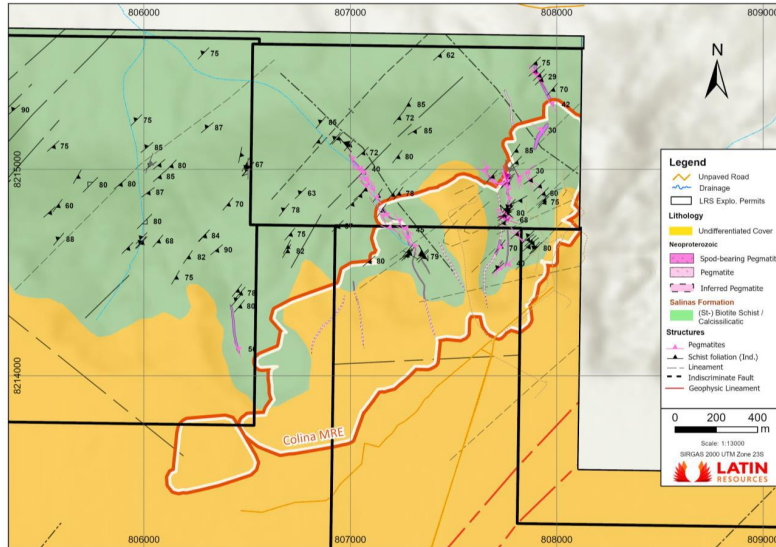


Figure 6: Local Geology Colina Deposit

Source: SGS,2024

In the Colina deposit area outcropping Salinas Formation is located on steep northwest and southeast dipping slopes with creeks providing the best exposures. The Salinas Formation is strongly deformed with intruded by pegmatites. No evidence of the assumed causative G4 granites is found at Colina, but the interpreted causative granite outcrops around 5km to the east.

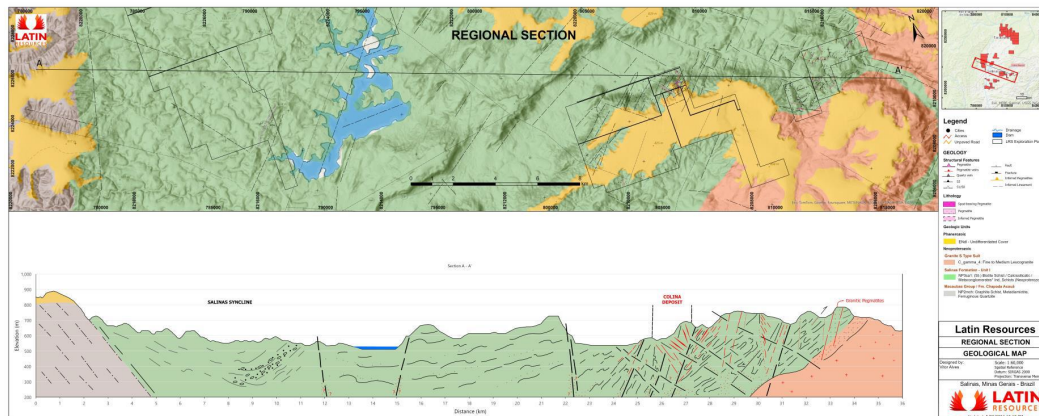


Figure 7: Regional Cross Section showing relationship of Colina deposits to G4 granite

Source: SGS,2024

Pegmatite orientations, where observed in outcrop, are northwest to southeast (parallel to the spaced cleavage as shown in Figure 8) and north to south. According to Soares et al 2023, in the Colina area, the pegmatites vary between spodumene rich pegmatites, barren granitic pegmatites, pegmatite-like

veins and residual silica that forms late-stage quartz veins. All the pegmatites are hosted in the Salinas Formation schists and metawacks and present sharp discordant contacts, with centimetric hydrothermal alteration overprinting the biotite schist matrix (muscovite, tourmaline alteration).

The spodumene rich pegmatites are of variable widths (up to 33m) and lengths and are of tabular shape with mineralogy of spodumene, feldspar, quartz and muscovite with spodumene around 15-19% of the body. The orientations of the dykes vary regionally due to local structural variations, however, northeast to northwest trending structures have been determined as the most prospective.

Figure 8 summarises the structural evolution of the deposit.

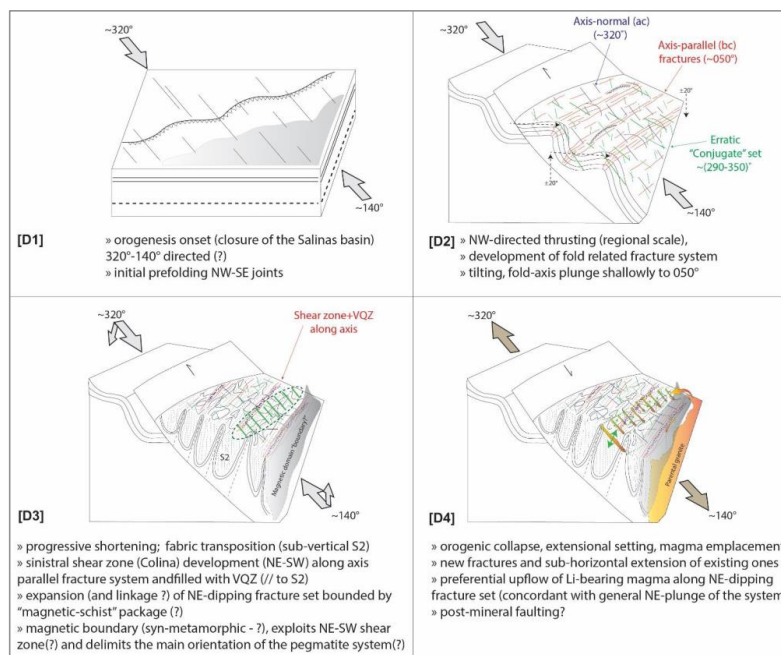


Figure 8: Structural evolution of the Colina deposit (from Nassif 2003)

Source: SGS, 2024

Figure 9 shows a typical geological summary of the Colina spodumene rich pegmatites (**SRP**) based on drillhole SADD039. According to Pedrosa-Soares et al 2023 in Silva et al 2023, these pegmatites are unlike other lithium-caesium-tantalite (**LCT**) deposits in that they are not complex zoned bodies but in contrast are unzoned to poorly zoned with abundant large spodumene crystals disseminated in a fine to coarse matrix of quartz, albite, perthite and muscovite. These components make up to 90-95% of the pegmatite volume with the remainder made up of lithium, phosphates, chlorites and micas, apatite, Nb-Ta-Sn oxides, carbonate and graphite. The Colina deposit pegmatites style and mineralogy are considered to be comparable to Bandeira held by Lithium Ionic and Xuxa held by Sigma Lithium and at Cachoeira Mine held by CBL.

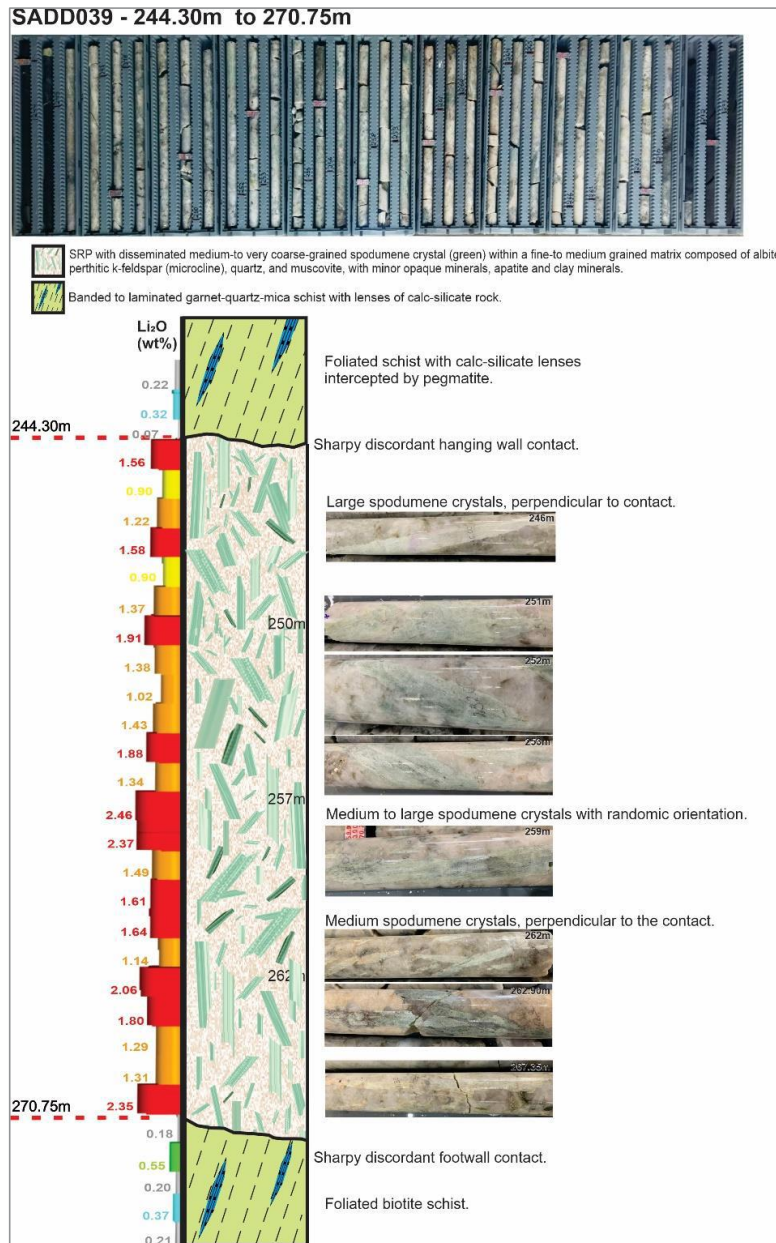


Figure 9: Geological Illustration of a typical spodumene rich pegmatite in SADD039

Source: SGS, 2024

Cenozoic post mineral cover commonly obscures outcrop particularly in the south of the deposit and forms wide plateaus. In addition, intense *insitu* weathering has formed deep soil and saprolite with weathered pegmatites decaying to fragments of feldspar, quartz and coarse muscovite.

3.4 Previous and Current Exploration

No previous exploration or documented spodumene occurrences were recorded by Latin Resources prior to their initial exploration on the tenements. In 2019, local geologists employed by Latin Resources identified several spodumene occurrences which were previously unknown and unreported including a pegmatite outcrop 12m wide (ASX: LRS 1 March 2021). The initial areas of concentration were around the CBL mine but inspired by Sigma's discovery of lithium in spodumene bearing pegmatites to the south.

The initial drilling program commenced in February 2022 following a COVID-19 induced hiatus testing two target areas where surface sampling had returned rock chip results of up to 2.7% Li_2O and 1.45% Li_2O over 1.2km of strike of anomalous outcropping pegmatites. On 16 February 2022, Latin Resources confirmed drill intersections of spodumene bearing pegmatite with six holes drilled by the end of March when initial assays in hole one SADD001 returned 4.31m at 2.22% Li_2O from 83.82m and 8.13m at 2% Li_2O from 111.3m (ASX: LRS 30 March 2022) (Figure 10).

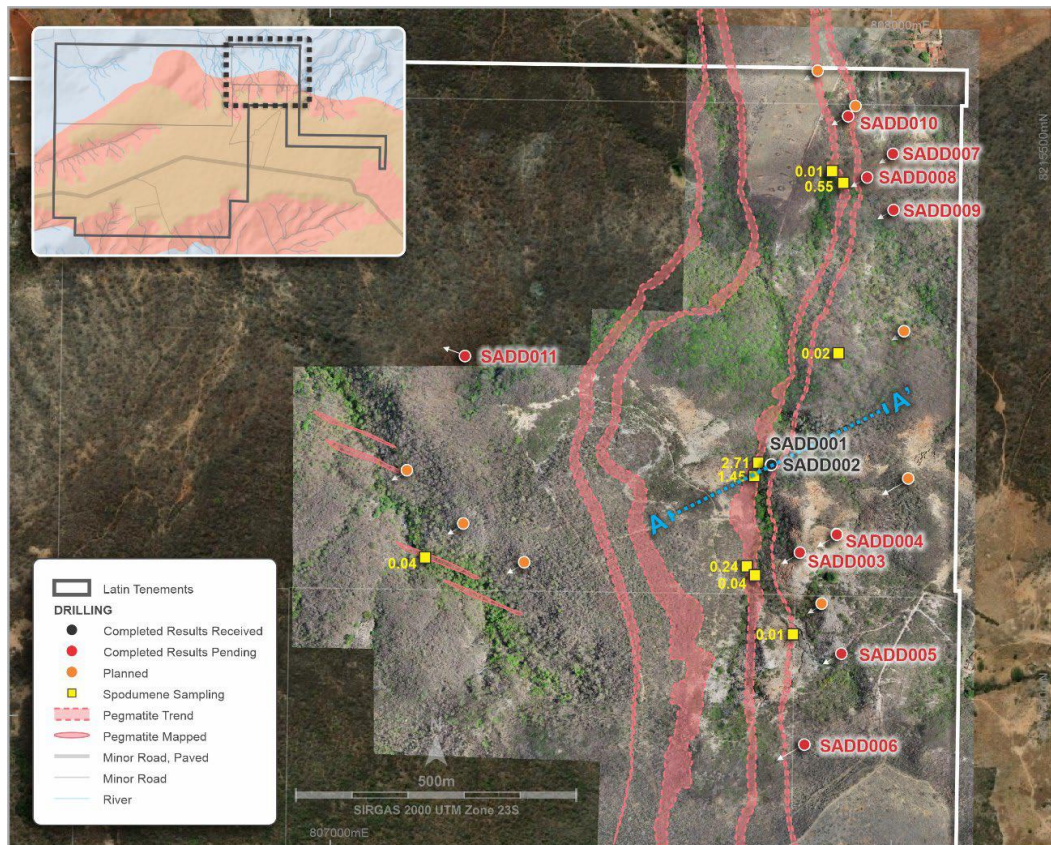


Figure 10: Plan of mapped pegmatites and discovery drillholes at Colina

Source: ASX LRS 30 March 2022

For the remainder of 2022, Latin Resources drilled the resource and acquired its ground holding with the first MRE at Colina released on the 8 December 2022 based on information from 47 diamond holes for

10,528m with an additional Exploration Target also announced (ASX: LRS 8 December 2022) following return of positive dense media separation results from metallurgical test work.

In 2023, expansion drilling commenced and 17 tenement applications “Northern Tenements” (Figure 2) were lodged over a 299km² area to the north of the Salinas tenements. A 200m by 200m spaced drill out continued to the southwest along an interpreted pegmatite mineralised corridor. Further MREs were announced on 20 June 2023 and 6 December 2023 when the resources also included an initial MRE Fogs Block and an additional exploration target of 7 to 18mt at 0.8% to 1.1% Li₂O (see also Section 3.6 on Mineral Resource Estimates).

3.5 Exploration Potential

Planalto

Continued drilling in 2024 resulted in the discovery of further mineralisation at Planalto 3km to the southwest of the Colina Deposit. Figure 11 shows the most recent drilling along the southwest trending corridor and a schematic long section of the drilling (Figure 12).

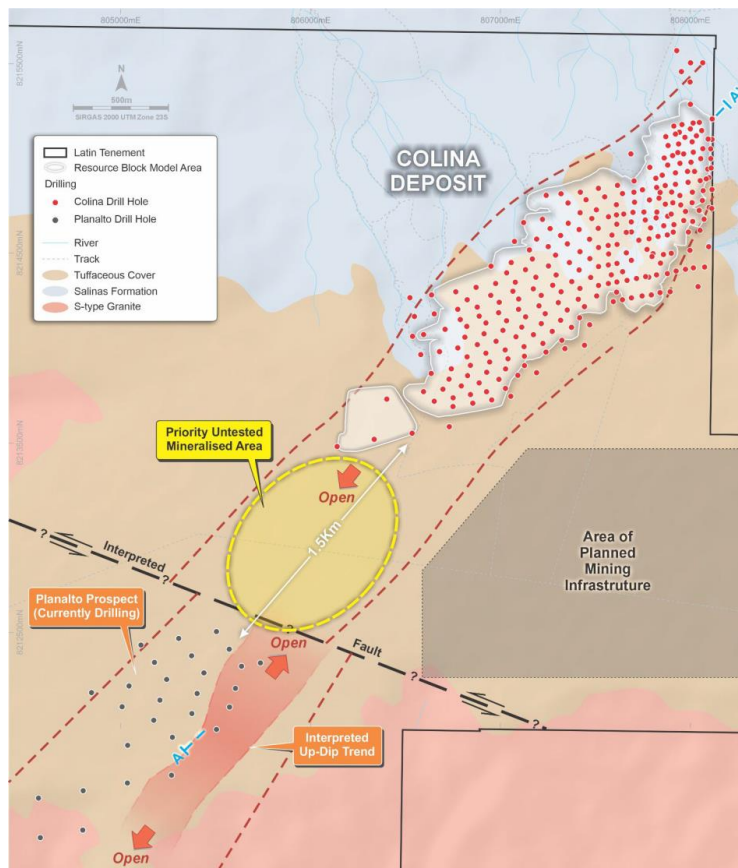


Figure 11: Southwest Corridor drilling with Planalto drilling shown

Source: ASX LRS 25 July 2024

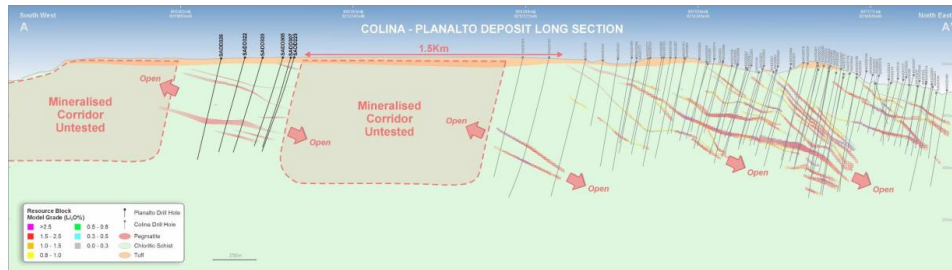


Figure 12: Schematic long section Colina to Planalto.

Source ASX LRS 25 July 2024

The most recent assay results released on 25 July 2024 have highlighted a thick high-grade zone on the eastern flank of the current drilling program at Planalto, which is interpreted to extend up plunge. Further drilling will focus on extending this high-grade zone up-plunge to where the mineralisation is interpreted to extend nearer to the surface (Figure 11).

Results from the recent drilling include:

- SADD320 16.05m @ 2.18% Li_2O from 293.29m including: 9.22m @ 2.54% Li_2O from 293.29m and 3.59m @ 2.52% Li_2O from 305.14m
- SADD323 6.22m @ 1.83% Li_2O from 230.38m
- SADD322 13.83m @ 1.09% Li_2O from 293.17m
- SADD311 5.41m @ 1.96% Li_2O from 280.00m
- SADD308 12.59m @ 1.65% Li_2O from 260.41m including: 5.79m @ 2.29% Li_2O from 260.41m
- SADD306 4.25m @ 2.57% Li_2O from 298.01m
- SADD305 6.63m @ 1.86% Li_2O from 401.37m

Indications from the MRE report (SGS 2024) were that the drilling to date has already generated enough data to estimate an Inferred MRE from the 23 holes for 8837m drilled to that time.

Fog's Block

12km to the southwest of Colina, the Fog's Block area has been drilled with an initial MRE announced on 6 December 2023 and an Exploration Target of 7 to 18 Mt at 0.8 to 1.1% Li_2O (see also Mineral Resource Estimates Section 3.6).

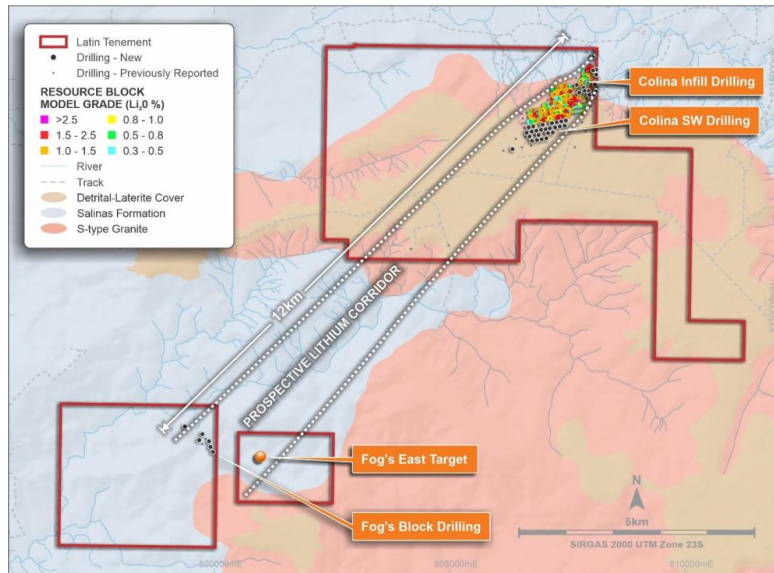


Figure 13: Location of Fog's Block Drilling and Fog's East Target

Source: ASX LRS 18 October 2023

The Fog's East tenement shows anomalous lithium soil data interpreted and a coincident outcrop of spodumene rich pegmatite – refer to Figure 14 .

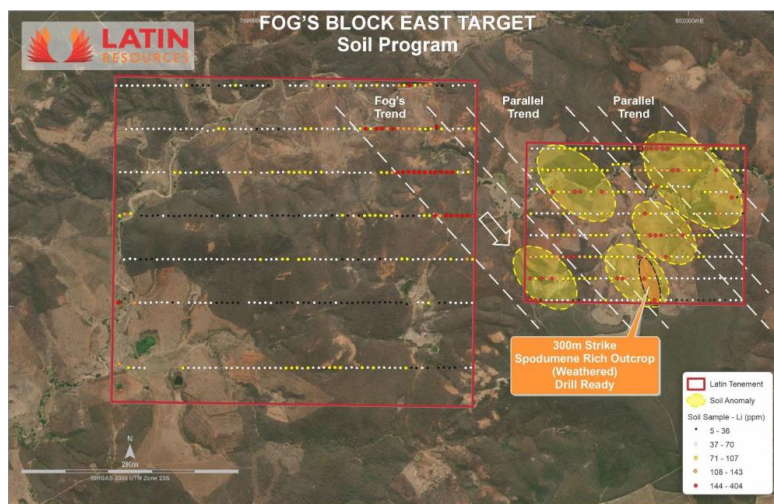


Figure 14: Location of Fog's East prospect, soils and outcropping spodumene bearing pegmatite.

Source: ASX LRS 18 October 2023

Fog's East shows similar geologic-structural framework to Colina to the northeast. The prospect has different types of mineralised pegmatites. One type corresponds to pegmatites that are oriented

northwest to southeast similar to the Colina direction with mineralogy marked by the presence of fine-grained spodumene pseudomorphs. The other type occurs with northeast to southwest and north-south directions locally associated with spodumene, but also with barren pegmatite. Six exploration holes were drilled in 2023 with the intersection of 7.73m of spodumene bearing pegmatite with more drilling planned.

Salinas South

At Salinas South, the Company has interpreted a continuation of the lithium prospective corridor to the southwest (Figure 15). This is supported by stream sediment sampling (Figure 16) and soils sampling results (Figure 17).

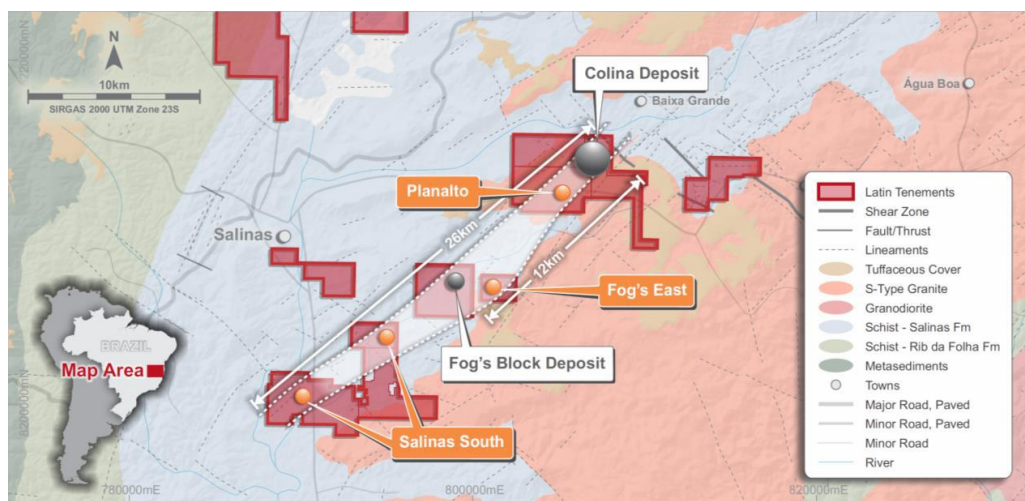


Figure 15: SW Corridor Exploration potential and known prospects

Source: ASX: LRS 15 August 2024

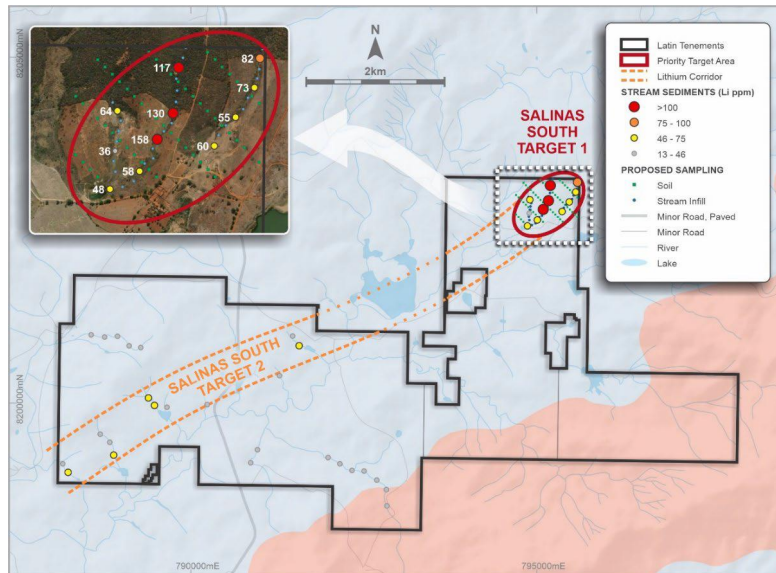


Figure 16: Salinas South Stream sediment data showing extension of southwest corridor.

Source: ASX LRS 8 Feb 2023

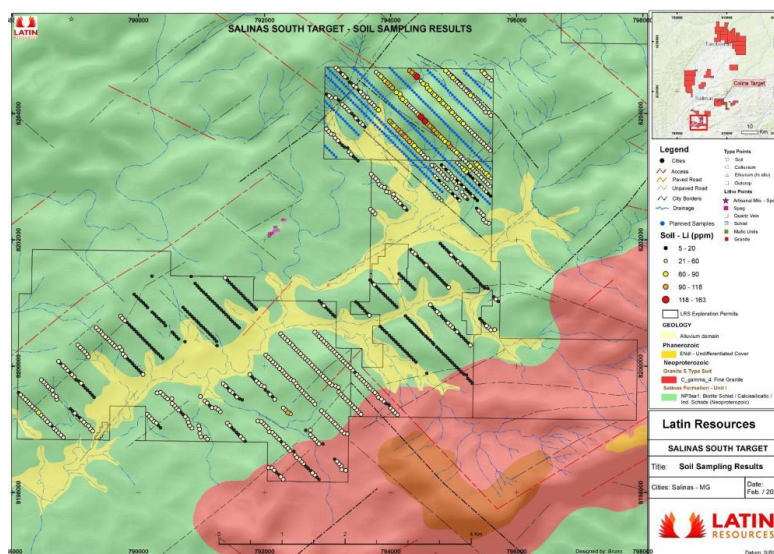


Figure 17: Salinas South Soil sampling results

Source: ASX: LRS 2 March 2023

Lahinja

To the east of Colina the Lahinja properties have undergone mapping, rock sampling and soils with anomalous soils up to 810ppm lithium in the north, mapped spodumene bearing pegmatites and rock chips up to 3.09% Li₂O (Figure 18).

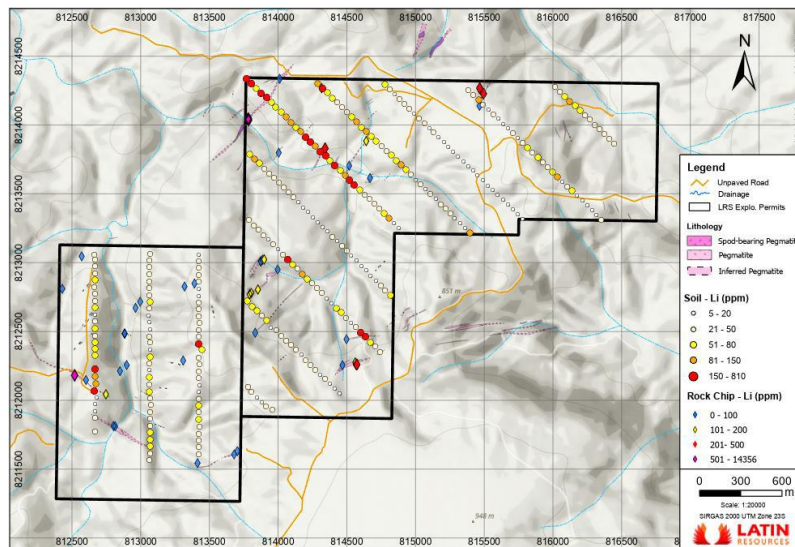


Figure 18: Lahinja rock chip and soil results

Source: SGS, 2024

This work has confirmed strong prospectivity with scout drilling planned for 2004 and 2025 (SGS, 2024).

Regional Tenements

To the north of Salinas a series of tenements have been applied for. Drone geophysical magnetic surveys have proven effective in mapping geology in particular basement structure which is considered to assist in targeting vein corridors.

VRM Comment

VRM considers the Planalto prospect has high potential to continue the Colina mineralisation and add resources in a similar style and rate to those already identified and estimated at Colina.

At Fog's Block an inferred MRE and Exploration Target has been defined and VRM considers this adequately defines the current known potential.

At Fog's East, scout drilling has intersection spodumene bearing pegmatites with more drilling planned indicating high prospectivity.

To the east of Colina at Lahinja further indications of spodumene bearing pegmatites have been detected in mapping, rocks chips and soils with further work including drilling planned by Latin Resources.

Further to the south at Salinas South, soils and rock chips identified along the same northeast trend indicate high potential to define mineralisation. However given no drilling has taken place to date, the

uncertainty and risk is higher than areas of mapped and outcropping pegmatites and drilling of these to depth.

In VRM's opinion, the corridor identified southwest of Colina for at least 12km and the prospects identified and drilled so far have very strong potential to add significantly to the existing MRE. The quality of these spodumene bearing pegmatites is very high with very coarse and abundant 15-19% spodumene crystals in the Colina deposit.

3.6 Mineral Resource Estimates

The Salinas Lithium Project contains a total of 77.7 Mt of Measured, Indicated, and Inferred Mineral Resources at 1.24% Li₂O (Table 1). The Colina Measured, Indicated, and Inferred Mineral Resource Estimate (MRE) totals 70.89 Mt at 1.25% Li₂O, and the Fogs Block Inferred MRE totals 6.79 Mt at 0.87% Li₂O.

Table 1: Mineral Resource Estimate for the Colina Lithium Deposit and Global Salinas Project (reported above a 0.50% Li₂O cut-off grade).

Deposit	Resource Category	Tonnes (Mt)	Grade (Li ₂ O %)	Li ₂ O (Kt)	Contained LCE (Kt)
Colina	Measured	28.64	1.31	375.2	927.8
	Indicated	38.63	1.23	475.1	1,175.0
	Measured + Indicated	67.27	1.27	854.3	2,112.8
	Inferred	3.59	1.10	39.5	97.7
	Total	70.89	1.25	889.8	2,200.5
Fog's Block	Inferred	6.79	0.87	59.1	146.1
	Total	6.79	0.87	59.1	146.1
GLOBAL MRE TOTAL		77.7	1.24	948.9	2,346.6

Source: ASX: LRS 30 May 2024

The information is extracted from the announcement entitled 'Colina Lithium Deposit MRE Upgrade' and is available to view at www.latinresources.com.au/asx-announcements. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's finding are presented have not been materially modified from the original market announcement.

As required by the VALMIN Code, Clause 4.1, VRM is required to undertake an assessment of the reasonableness of any MREs. This MRE review has been limited to publicly available ASX releases, and the following reports which were provided to VRM by Latin Resources:

- SGS, 2023. Maiden Mineral Resource Estimates for the Colina Lithium Project. JORC Technical Report for Latin Resources Limited, dated 12 April 2023.
- SGS, 2023. Preliminary Economic Assessment for the Colina Lithium Project. JORC Technical Report for Latin Resources Limited, dated 3 November 2023.
- SGS, 2024. Resource Estimate Update for the Salinas Lithium Project. JORC Technical Report for Latin Resources Limited, dated 19 July 2024.

VRM has not verified the underlying geological databases or completed a full review of the Mineral Resource Estimates and all associated input data, and macro processes used. The resource models have

not been loaded or re-reported by VRM. A complete and detailed due diligence of the technical data has not been undertaken by VRM as part of this high-level review.

3.6.1 Colina MRE

The initial Colina MRE was estimated by SGS Canada Inc (**SGS**) in November 2022 (LSR ASX Announcement dated 8 December 2022). The MRE was updated in June 2023 (LSR ASX Announcement dated 20 June 2023), again in December 2023 (LSR ASX Announcement dated 6 December 2023), and again in May 2024 (LSR ASX Announcement dated 30 May 2024).

As of May 2024, the Colina JORC compliant MRE is reported at 70.89 Mt at 1.25% Li₂O of Measured, Indicated, and Inferred Mineral Resources for a total of 2,200.5 Kt of contained Lithium Carbonate Equivalent (**LCE**) (Table 1).

3.6.2 Fog's Block MRE

The initial Fog's Block MRE was estimated by SGS Canada Inc (**SGS**) and announced in December 2023 (LSR ASX Announcement dated 6 December 2023). As of December 2023, the Fog's Block JORC compliant MRE is reported at 6.79 Mt at 0.87% Li₂O of Inferred Mineral Resources for a total of 141.7 Kt of contained LCE (Table 1). The Fog's Block deposit also contains a JORC compliant Exploration Target of 7 to 18 Mt at 0.8 to 1.1% Li₂O (Table 2).

Table 2: Fog's Block Exploration Target

Deposit	Lower Range (Mt)	Upper Range (Mt)	Grade Range (Li ₂ O %)
Fog's Block	7.0	18.0	0.8 – 1.1

**The potential quantity and grade of the Fog's Block Exploration Target is conceptual in nature, that there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.*

Source: ASX: LRS 30 May 2024

The information is extracted from the announcement entitled 'Colina Lithium Deposit MRE Upgrade' and is available to view at www.latinresources.com.au/asx-announcements. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's finding are presented have not been materially modified from the original market announcement.

3.6.3 Database & Data Integrity

All drillholes included in the MREs are diamond drillholes that have been drilled by Latin Resources since 2022. Drillhole grid spacing varies from 100 m by 100 m, to 100 m by 50 m, to 50 m by 50 m. Downhole surveys were collected every 3m. Drill sample recovery was logged, but results were not included in the provided MRE reports.

Quality Assurance / Quality Control (**QAQC**) protocols implemented are considered industry standard practice. Batches with Certified Reference Material (**CRM**) failures were resubmitted for analysis, and overall CRM performance is acceptable. Coarse crush duplicates and pulp duplicates performed well with correlation coefficient of over 0.99. The correlation coefficient between ¼ core samples is lower at 0.78, which is likely attributed to the coarse nature of mineralisation and using ¼ core samples (instead of ½ core samples). Where core duplicate samples were collected, the results for the duplicate pairs have been

averaged. Whilst this is not considered to have a material impact on the MRE, VRM does not consider this best practice.

SGS conducted a review of the database by randomly selecting 20% of the digital assay records and checking them against laboratory assay certificates. SGS also carried out verification checks on drillhole collar locations, downhole surveys, lithology, specific gravity (**SG**), topographical errors, overlapping intervals, data gaps, sample preparation, sample analysis, and sample security.

In VRM's opinion there are no major fatal flaws with the database, and it appears to be of sufficient quality to use for MRE purposes.

3.6.4 Density

Density measurements have been collected by Latin Resources mostly by the weight in air over-weight in water method, but where required, a wax coating was also applied. A total of 6,437 bulk density measurements have been collected by Latin Resources which were reviewed by SGS as part of the MRE work undertaken. Average SG values were applied to blocks tagged weakly weathered, moderately weathered, and strongly weathered. A formula based on $\text{Li}_2\text{O}\%$ was established to calculate SG values for fresh (unweathered) blocks.

VRM does not have any significant concerns regarding density measurements.

3.6.5 Modelling

The geological and mineralisation interpretation of the deposit were made using Leapfrog and Genesis 3D software. A total of 43 geologically and mineralisation-controlled pegmatite wireframes were generated at Colina, and five (5) were generated at Fog's Block. Only spodumene bearing mineralised pegmatite wireframes were used in the MRE. Barren pegmatites were excluded from the mineralised block model but were still considered for modelling purposes.

A nominal grade of 0.3% Li_2O has been used by Latin Resources to define a 'significant intersection'. Wireframes were generated by SGS using a minimum cut-off grade (**COG**) of 0.3% Li_2O over a 3 m horizontal thickness within a preliminary lithological model. A downward extrapolation of 50 m was assigned to each mineralisation wireframe.

The final block model was coded by weathering profile, and only mineralised pegmatites under the weakly weathered and inside the fresh weathering profile were considered in resource estimation disclosure.

Whilst a 0.3% Li_2O cut-off grade seems reasonable, there is no statistical or economic basis or justification for the nominated cut-off grade provided in the supplied MRE documentation.

3.6.6 Grade Estimation

Lithium and iron grades were interpolated by ordinary kriging (**OK**) into 5m by 5m by 5m parent blocks using 1 m composited samples. Block sizes were reported to be selected based on drillhole spacing, composite assay length, the geometry of the mineralized structures, and the selected starting mining method (open pit). Subcells were not used. Instead, the portion of each block within the wireframe was recorded (as a percentage per block). In VRM's opinion, the drillhole spacing (100 m by 100 m, to 100 m by 50 m, to 50 m by 50 m) does not support a parent block size of 5 m by 5 m by 5m. VRM recommends that with future MRE updates a Kriging Neighbourhood Analysis (**KNA**) be undertaken to determine the optimal parent block size.

Top cuts were not applied to the samples. Instead, a top cut of 3.5% Li₂O was applied to all estimation passes for search distance over 25m based on an analysis of histogram, plots and cumulative probability plots of composite data. It is not clear from the provided data whether the analysis was undertaken globally or on a “domain” basis. From the sole cumulative frequency plot provided within the SGS 2024 report it is VRM’s opinion that a slightly lower top-cut (of 3.2% Li₂O) would be more appropriate. However, this is unlikely to have a material effect on the MRE. VRM recommends that with future MRE updates that a top-cut analysis be assessed on a “domain” basis and that top-cuts are applied to the input composite data instead of using a search restriction approach.

Hard boundaries and a variable ellipse search were used. At Colina, 52% of blocks were estimated in the first pass, 38% in the second pass, with the remainder in the third pass. At Fog’s Block 93% of blocks were estimated in the first pass, and 7% in the second pass. No blocks were estimated during the third pass.

3.6.7 Model Validation

Validation checks included wireframe vs block volume, visual comparison (by section and plan), and spatial comparison of block grades vs. composite grades. Based on data from provided reports, global mean comparisons demonstrated that 25% of domains estimated had differences of +/- 10%. In general, estimated domains with pronounced differences of +/-10% are related to poorly informed estimated regions. The number of samples by domain has not been provided, so it is not possible for VRM to determine whether this is the case. Global swath plots for the Colina MRE were provided, which demonstrate a level of smoothing. VRM recommends that the number of composites per domain and swath plots per domain be provided in future MRE reports.

3.6.8 Classification and Reporting

MREs were classified in accordance with JORC (2012) and the classification is based on a combination of search volume, internal structure of the mineralised zone, drill-spacing, number of samples, weathering profile, and extrapolation of mineralisation.

Mineral Resources are currently reported at a cut-off grade of 0.5% Li₂O and constrained by an optimised pit shell at Colina. It is not clear from the provided documentation whether the reported Fog’s Block MRE is also constrained by an optimised pit shell.

Iron grades have been estimated but have not been reported (in the provided MRE reports). VRM recommends that the MRE iron grades be reviewed to understand the distribution of iron grades across the deposit to determine whether there could be any potential concerns surrounding high iron grades.

3.6.9 Metallurgical Testwork

A metallurgical program was undertaken at SGS Canada Natural Resources Lakefield using HQ core from the 2022 and 2023 Colina diamond drilling programs. The testwork included spodumene concentrate testwork on two (2) composite samples

Testwork completed in 2023 includes Heavy Liquid Separation (**HLS**), and pilot-scale Dense Media Separation (**DMS**). Results published by Latin Resources indicate that DMS testwork yields 93.1% stage recovery to produce a spodumene concentrate of 5.5% Li₂O (Source: ASX: LRS 10 August 2023).

As part of an on-going testwork program sighter and bulk ore sorting, 4-off pilot-scale variability DMS tests, 36-off variability HLS tests, mineralogy assessments, and fines gravity separation work is in progress. Results were not available at the time of writing this report.

According to the 2023 Preliminary Economic Assessment (PEA), the iron levels of the composite samples collected from Colina “demonstrated very low iron content” (SGS 2023) (Table 3). However, the location of the metallurgical drillholes is all in the north-eastern portion of the Colina deposit (Figure 19). VRM does not have the data granularity to comment on whether these holes are “representative” of the deposit.

Table 3: Li₂O and Fe Feed Grades vs Expected Fe Grade in a 6% Li₂O Concentrate

	SAMPLES									
	002-A	003-A	004-A	005-A	006-A	007-A	008-A	009-A	010-A	011-A
Feed Grade (Li ₂ O)	1.44	1.51	0.85	1.05	1.43	1.28	1.24	1.33	1.38	1.52
Feed Grade (Fe)	0.34	0.18	0.11	0.19	0.17	0.26	0.17	0.16	0.14	0.15
Concentrate Grade (Fe)	0.56	0.44	0.35	0.33	0.31	0.82	0.50	0.63	0.43	0.32

Source: SGS 2023

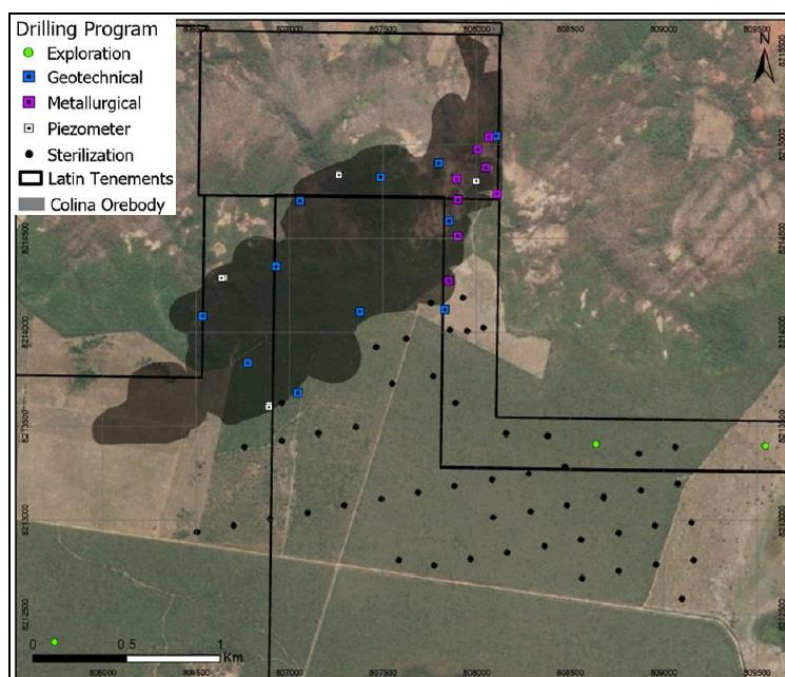


Figure 19: Location of drill holes performed for engineering studies support (Geotechnical, hydrogeological, metallurgical and sterilization holes)

Source: SGS 2024

3.6.10 Historical Mining

Historical artisanal mining for columbite-tantalite, morganite feldspar, tourmaline, lepidolite, amblygonite, and beryl took place in the 1940s and 1950s in the area surrounding Colina.

3.6.11 Independent Reviews

No external audits or reviews (other than the database reviews conducted by SGS) have been undertaken at this stage.

VRM Comment

VRM has conducted a high-level review of the reasonableness of the Mineral Resources within the Salinas Project and has not identified any material areas of concern. During the review VRM noted several areas of improvement (duplicates, parent block size, cut-off grade (**COG**) selection, iron distribution, top cuts etc) that are recommended to be reviewed/ implemented. However, VRM does not consider that these impact on the reasonableness of the global Mineral Resource as reported by Latin Resources.

3.7 Project Status, Technical and Economic Studies

A Preliminary Economic Assessment (**PEA**) of the Colina Lithium Project was undertaken in 2023 by Latin Resources with results announced by the Company on 28 September 2023. The PEA was undertaken to provide a preliminary financial evaluation for the proposed mining of the Colina Lithium Deposit, based on low level technical and economic assessments that are not sufficient to support the estimation of Ore Reserves.

The PEA was based on a two phase project targeting a spodumene concentrate product grade of 5.5% Li₂O (**SC5.5**) and a 3% Li₂O (**SC3**) spodumene tails concentrate product. Assumed process plant recovery for SC5.5 was 67.2% and for SC3 was 11.1%. The Company included information in the PEA announcement regarding potential mine-life and associated cash flows including information as to why it considered that it has reasonable grounds for disclosing a Production Target.

A Definitive Feasibility Study (**DFS**) is currently underway. Results of the DFS are pending as at the time of reporting.

VRM Comment

VRM considers that due to the PEA being based on 70% Indicated and 30% Inferred MRE (at that time) over the evaluation period, and the uncertainty of material assumptions applied in the PEA that the results announced should be read in the context of the full announcement including the associated Cautionary Statements. The reader is referred to the announcement made by the Company on 28 September 2023 for further information.

4. Valuation Methodology

The VALMIN Code outlines various valuation approaches that are applicable for Properties at various stages of the development pipeline. These include valuations based on market-based transactions, income or costs as shown in Table 4 and provides a guide as to the most applicable valuation techniques for different assets.

Table 4: VALMIN Code 2015 valuation approaches suitable for mineral Properties

Valuation Approaches suitable for mineral properties				
Valuation Approach	Exploration Projects	Pre-development Projects	Development Projects	Production Projects
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

In accordance with the definitions used in the VALMIN Code the Salinas Project is best described as an Advanced Exploration project. There are MRE's within the Project which are reported under JORC (2012).

In VRM's opinion, the Salinas Project should be valued using a comparable transaction method based on Resource Multiples as a primary valuation method (with appropriate discounts or premiums applied), with a secondary valuation being a yardstick approach. Additional valuations, being a Geoscientific or Kilburn approach and a prospectivity enhancement multiplier (**PEM**) have been used to determine the value of the exploration potential within the tenements but along strike and away from the currently estimated Mineral Resources.

4.1 Previous Valuations

VRM is not aware of any previous valuations for the Mineral Assets owned by Latin Resources.

4.2 Valuation Subject to Change

The valuation of any mineral Property is subject to several critical inputs most of these change over time and this valuation is using information available as of 15 August 2024 being the valuation date of this Report and considering information up to 19 September 2024. This valuation is subject to change due to updates in the geological understanding, variable assumptions and mining conditions, climatic variability that may impact on the development assumptions, the ability and timing of available funding to advance the properties, the current and future metal prices, exchange rates, political, social, environmental aspects of a possible development, a multitude of input costs including but not limited to fuel and energy prices, steel prices, labour rates and supply and demand dynamics for critical aspects of the potential development like mining equipment. While VRM has undertaken a review of several key technical aspects that could impact the valuation there are numerous factors that are beyond the control of VRM.

As at the date of this Report in VRM's opinion there have been no significant changes in the underlying inputs or circumstances that would make a material impact on the outcomes or findings of this Report.

4.3 General Assumptions

The Mineral Assets of Latin are valued using appropriate methodologies as outlined in Table 4 and in detailed in the following sections. The valuation is based on several specific assumptions detailed above, including the following general assumptions:

- That all information provided to VRM is accurate and can be relied upon.
- The valuations only relate to the Mineral Assets located within the tenements controlled by the respective Companies, and not the Companies, their shares or market value.
- That the mineral rights, tenement security and statutory obligations were fairly stated to VRM and that the mineral licenses will remain active.
- That all other regulatory approvals for exploration and mining are either active or will be obtained in the required and expected timeframe.
- That the owners of the mineral assets can obtain the required funding to continue exploration activities.
- The lithium prices assumed (where it is used / considered in the valuation) are current at the Report date applying fortnightly reported prices from 4 September 2024, being US\$817.50/t for Spodumene Concentrate (Free on Board (**FOB**) Australia) and US\$10,360.98/t for Li Carbonate (Global Average) (source S&P Capital IQ).
- Spodumene Concentrate (FOB Australia) is published by S&P Capital IQ every two weeks (alternate Wednesdays by 4pm London) and sourced from Benchmark Mineral Intelligence. This was used as spodumene supply in 2020 was 95% from Australia and 5% from the rest of the world. The price published by S&P Capital IQ is for 6% Li₂O which is the pricing is closest approximation for the Salinas Project PEA that models delivery of a 5.5% spodumene concentrate.
- The US\$ - AUS\$ exchange rate of 0.672 from 4 September 2024 for consistency with lithium pricing (source: www.xe.com).
- All currency in this report are Australian Dollars or A\$, unless otherwise noted, if a particular value is in United States Dollars, it is prefixed with US\$.

4.4 Lithium Commodity Market Analysis

As can be seen from Figure 20 the lithium price has experienced extreme volatility in the past five years with the high prices experienced during 2022 and 2023 related to an expectation of increasing demand due to the electrification of the world's vehicle industry and the associated uptake in battery usage. The demand has not kept up with expectation and uptake of battery electric vehicles has slowed. With the decrease in demand the price has slumped, while substantial supply in the way of new mines coming into production has also increased.

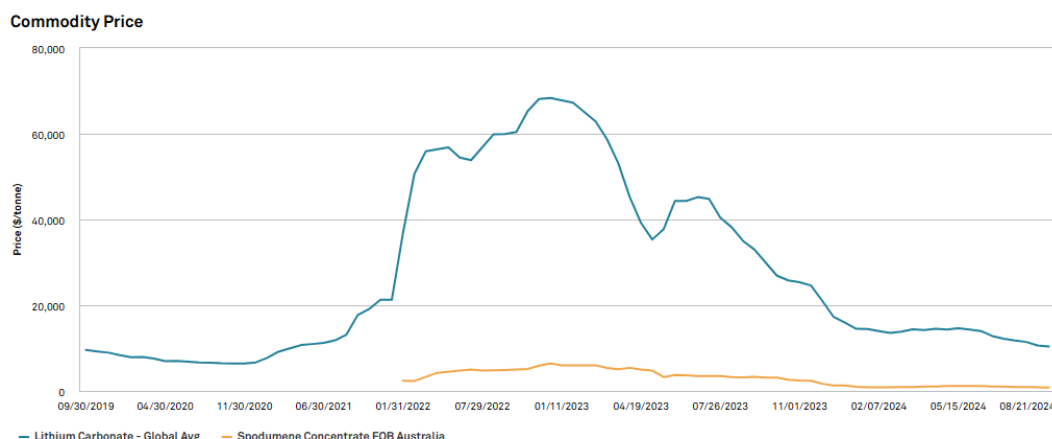


Figure 20: Lithium Carbonate Global Average and Spodumene (SC6) concentrate FOB Australia

Source: 19 September 2024 S&P Capital IQ

According to Alice Yu of Market Intelligence (S&P Capital IQ, 21 August 2024), the lithium market is currently experiencing a renewed wave of supply curtailments spurred by record-low prices and producers' weak June-quarter earnings. The Platts-assessed spodumene concentrate FOB Australia price fell a staggering 15.6% month-to-Aug. 19 to \$760/t, the lowest since June 2021. The price undercuts 24% of modelled production on an all-in sustaining cost basis for 2024 and 20% on a total cash cost basis. Meanwhile, the lithium carbonate cost, insurance and freight (CIF) Asia price declined 9.8% month-to-19 August 2024 to \$11,000/t, the lowest level since April 2021. Considering spodumene costs, at these price levels, merchant lithium carbonate refineries are likely to reduce their production due to it being loss-making in August, compared to a small positive margin in July.

The ongoing lithium price decline is being driven by growing demand headwinds, a persistent market surplus this year after relatively tame cuts to supply in the March quarter and ongoing project ramp-ups, especially by emerging suppliers, including Zimbabwe, Argentina and Brazil.

The extreme variation in lithium price has had a strong effect on the valuation ranges where comparative transactions have been used. The set of valuations used for this was seven transactions and the extreme range of lithium carbonate prices for these transactions is shown where prices of between US\$10,946 per tonne in June 2021 and US\$60,442 in October 2022 have been used for specific comparative transactions. For this reason, a broad range of +30% to -10% was used around the preferred value and a view that the range should be skewed to the upside given the price at the Valuation Date and the report date is low compared to prices in the past five years. Skewing the valuation to the upside is designed to reflect this extreme volatility whilst reflecting a lower downside price risk as supply and demand retain a balance.

4.5 Valuation of Advanced Properties

There are several valuation methods that are suitable for advanced Properties including the following:

- Financial modelling including discounted cash flow (DCF) valuations (generally limited to Properties with published Ore Reserves),

- Comparable Market Based transactions including Resource and Reserve Multiples
- Joint Venture Transactions
- Yardstick valuations

At the Valuation Date there are no current Ore Reserves estimated for the Salinas Project so no income-based methods have been used.

4.5.1 Comparable Market Based Transactions – Resource Based

A comparable transactional valuation is a simple and easily understood valuation method which is broadly based on the real estate approach to valuation. It can be applied to a transaction based on the contained metal for projects with Mineral Resource Estimates reported. Advantages of this type of valuation method include that it is easily understood and applied, especially where the resources or tenement area is comparable, and the resource or exploration work is reported according to an industry standard (like the JORC Code or NI43-101).

However, it is not as robust for projects where the resources are either historic in nature, reported according to a more relaxed standard, or are using a cut-off grade that reflects a commodity price that is not justified by the current market fundamentals. If the projects being valued are in the same or a comparable jurisdiction, then it removes the requirement for a geopolitical adjustment. Finally, if the transactions being used are recent then they should reflect the current market conditions.

Difficulties arise when there are a limited number of transactions, where the projects have subtle but identifiable differences that impact the economic viability of one of the projects. For example, the requirement for a very fine grind required to liberate gold from a sulphide rich ore or where the ore is refractory in nature and requires a non-standard processing method.

The information for the comparable transactions has been derived from various sources including the ASX and other securities exchange releases associated with these transactions, a database compiled by VRM for exploration stage projects (with resources estimated) and development ready projects.

This valuation method is the primary valuation method for exploration or advanced (pre-development) projects where Mineral Resources have been estimated. More advanced projects would typically be valued using an income approach due to the Modifying Factors for a mining operation being better defined or having less uncertainty.

The preference is to limit the transactions and resource multiples to completed transactions from the past two to five years in either the same geopolitical region or same geological terrain. The comparable transactions have been compiled where Mineral Resources and in some cases Ore Reserves have been estimated. Appendix B details the Resource Multiples for a series of transactions that are considered at least broadly comparable with the Projects.

4.5.2 Yardstick Valuation

A yardstick valuation was undertaken as a check of the comparable transactions. This yardstick valuation is based on a rule of thumb as supported by a large database of transactions where resources and reserves at various degrees of confidence are multiplied by a percentage of the spot commodity price. The yardstick valuation factors used in this report are in line with other yardstick valuation factors commonly used by other independent specialists and used in other VALMIN reports. The US\$-AUS\$ exchange rate and lithium price as of 4 September 2024 as documented above have been used to determine the yardstick valuation.

Table 5: Typical Yardstick Multiples used for Gold Projects (and modified for Lithium)

Resource or Reserve Classification	Lower Yardstick Multiple (% of Spot Price)	Upper Yardstick Multiple (% of Spot Price)
Ore Reserves	5%	10%
Measured Resources	2%	5%
Indicated Resources	1%	2%
Inferred Resources	0.5%	1%

4.6 Exploration Asset Valuation

To generate a value of an early-stage exploration property or the exploration potential away from a mineral deposit it is important to value all the separate parts of the mineral assets under consideration. In the case of the advanced Properties the most significant value drivers for the overall property are the declared Mineral Resources or Ore Reserves, while for earlier stage properties a significant contributor to the Property's value is the exploration potential. There are several ways to determine the potential of pre-resource Properties, these being:

- A Geoscientific (Kilburn) Valuation.
- Comparable transactions (purchase) based on the Properties' area or Mineral Resource estimates (both current and historic).
- Joint Venture terms based on the Properties' area; and
- A prospectivity enhancement multiplier (**PEM**).

The methodology to determine the Comparable transactions based on a projects area is undertaken using the same methodology as that described for the Comparable transactions' valuation for advanced projects section; however transactional value is applied to the project's area rather than the Mineral Resources or Ore Reserves. The Joint Venture terms valuation is similar to the comparable transactions based on the project area, other than a discount to the Joint Venture terms is applied to account for the time value of money (an appropriate discount rate is applied) and a discount to the earn-in expenditure to account for the chance that the Joint Venture earn-in expenditure is not completed in the agreed timeframe.

VRM considers a Geoscientific or Kilburn valuation as a robust valuation method. The area based comparable transaction multiples can also be useful in valuations but are strongly related to the projects tenement area so can be conservative for small areas and overstated for large areas. It is the view of VRM that the least transparent and most variable valuation method is a PEM valuation as this depends on an assessment of the effectiveness of the expenditure.

4.6.1 Geoscientific (Kilburn) Valuation

One valuation technique that is widely used to determine the value of a project that is at an early exploration stage without any Mineral Resources or Ore Reserve estimates was developed and is described in an article published in the CIM bulletin by Kilburn (1990). This method is widely termed the geoscientific method where a series of factors within a project are assessed for their potential.

While this technique is somewhat subjective and open to interpretation it is a method that when applied correctly by a suitably experienced specialist enables an accurate estimate of the value of the project.

There are five critical aspects that need to be considered when using a Kilburn or Geoscientific valuation, these are the base acquisition cost, which put simply is the cost to acquire and continue to retain the tenements being valued. The other aspects are the proximity to both adjacent to and along strike of a major deposit (Off Property Factors), the occurrence of a mineral system on the tenement (On Property Factors), the success of previous exploration within the tenement (Anomaly Factors) and the geological prospectivity of the geological terrain covered by the mineral claims or tenements (Geological Factors). In early-stage projects often the anomaly factors and geological factors have limited information.

While this valuation method is robust and transparent it can generate a very wide range in valuations, especially when the ranking criteria are assigned to a large tenement. This method was initially developed in Canada where the mineral claims are generally small therefore reducing the potential errors associated with spreading both favourable and unfavourable ranking criteria to be spread over a large tenement. Therefore, VRM either values each tenement or breaks down a larger tenement into areas of higher and lower prospectivity.

Table 6 documents the ranking criteria that were used in conjunction with the base acquisition cost (**BAC**) for the project tenements to determine the technical valuation of the project.

VRM determines the BAC based on the holding cost of maintaining the tenement for the next year. That cost is determined by the minimum exploration commitment required on the tenement. For the Latin Resources tenements, the BAC has been determined using WA prospecting license expenditure conditions as a proxy.

The technical valuation derived from the Kilburn ranking factors are frequently adjusted to reflect the geopolitical risks associated with the location of the project and the current market conditions toward a specific commodity or geological terrain. These adjustments can either increase or decrease the technical value to derive the fair market valuation.

Using the ranking criteria from Table 6 along with the base acquisition costs tabulated in the appendices an overall technical valuation is determined.

Table 6: Ranking Criteria used to determine the geoscientific technical valuation

Geoscientific Ranking Criteria				
Rating	Off-property factor	On-property factor	Anomaly factor	Geological factor
0.1				Generally unfavourable geological setting
0.5			Extensive previous exploration with poor results	Poor geological setting
0.9			Poor results to date	Generally unfavourable geological setting, under cover
1.0	No known mineralisation in district	No known mineralisation within	No targets defined	Generally favourable geological setting
1.5	Mineralisation identified	Mineralisation identified	Target identified; initial indications positive	
2.0	Resource targets identified	Exploration targets identified		Favourable geological setting
2.5			Significant intersections – not correlated on section	
3.0	Along strike or adjacent to known mineralisation	Mine or abundant workings with significant previous production		Mineralised zones exposed in prospective host rocks
3.5			Several significant ore grade intersections that can be correlated	
4.0	Along strike from a major mine(s)	Major mine with significant historical production		
5.0	Along strike from world class mine			

The total technical valuation was adjusted to derive a market valuation by making a market factor adjustment and a locational adjustment.

For early-stage Projects (where there are no Mineral Resources estimated), VRM considers the Geoscientific (Kilburn) Valuation method to be the most robust and is commonly the primary valuation method used for the surrounding exploration potential.

4.6.2 Prospectivity Enhancement Multiplier (PEM) Valuation

As outlined in Table 4 and in the VALMIN Code a cost – based or appraised value method is an appropriate valuation technique for early-stage exploration Properties. Under this method, the previous

exploration expenditure is assessed as either improving or decreasing the potential of the Property. The prospectivity enhancement multiplier (**PEM**) involves a factor which is directly related to the success of the exploration expenditure to advance the Property. There are several alternate PEM factors that can be used depending on the specific Property and commodity being evaluated. Onley, (1994) included several guidelines for the use and selection of appropriate PEM criteria. The PEM ranking criteria used in this report are outlined in Table 7 below. VRM considers the PEM valuation method as a secondary valuation method. In the opinion of the author, it is preferable to use resource multiples for comparable transactions once a JORC 2012 resource has been estimated however if there are no comparable transactions then a PEM is a viable valuation method.

Table 7: Prospectivity Enhancement Multiplier (PEM) ranking criteria

PEM Ranking Criteria	
Range	Criteria
0.2 – 0.5	Exploration downgrades the potential
0.5 – 1	Exploration has maintained the potential
1.0 – 1.3	Exploration has slightly increased the potential
1.3 – 1.5	Exploration has considerably increased the potential
1.5 – 2.0	Limited Preliminary Drilling intersected interesting, mineralised intersections
2.0 – 2.5	Detailed Drilling has defined targets with potential economic interest
2.5 – 3.0	A Mineral Resource has been estimated at an Inferred category

5. Valuation of the Mineral Assets

The principal mineral asset valued as a part of this ITAR is the Salinas Lithium Project including the Colina and Fog's Block deposits and includes additional exploration tenements 100% owned by Latin Resources.

While there are no Ore Reserves within the Salinas Project, Measured, Indicated and Inferred MRE exist and a PEA has been completed (Section 3.6). BDO has requested VRM to undertake a valuation of the project in accordance with the VALMIN Code using valuation methods that VRM considers to be reasonable. An income valuation is not considered a viable valuation method due to lack of detailed and reliable financial modelling. VRM has completed two alternate valuations of the project with the preferred valuation being based on the comparable transaction resource multiple approach.

VRM has undertaken a valuation based on several techniques, these being a Comparable Transaction (Resource Multiplier) and Yardstick method as a cross check for the reported Mineral Resources in the Project. The surrounding exploration tenure has been valued considering a Kilburn or Geoscientific valuation method and a PEM method as detailed further below.

There are royalties associated with several of the tenements however, the timeframe for these royalties to be achieved or payable are highly uncertain. Therefore, these have not been valued as a part of this Report and they are considered to have an insignificant value when compared to the Mineral Assets of the Company.

5.1 Comparable Transactions – Resource Multiples

For the lithium Mineral Resources in the Salinas Project, an analysis of completed project-based lithium transactions was compiled for projects that are considered possibly comparable in geopolitical jurisdictions, of similar geology and possible development scenarios.

Given the globally limited number of transactions with lithium resources, the final set of data used to derive the valuation included seven transactions involving lithium resources from Canada, Australia and Portugal as detailed in Appendix B. The comparable transactions used for the valuation are exclusively compiled from projects with Mineral Resources but no Ore Reserves reported at the time of the transactions. The resource multiples based on the comparable transactions were normalised to the lithium carbonate (Global average CIF) US\$ price and converted to A\$ using the exchange rate discussed previously.

Applying this methodology, the average normalised multiples are A\$169 per tonne of contained lithium. If the transactions are not normalised to the lithium price the average per tonne of contained lithium is A\$381, reflecting the extreme variation in lithium price over the last three to five years. If a long-term price forecast of US\$15,500 is applied for normalisation the average per tonne of contained lithium is A\$253. VRM has applied the A\$253 multiple as the preferred multiple for the valuation, and considers that a range should be determined as +30% and -10% from the preferred resource multiple for the Salinas Project, due to the extreme recent variation in lithium prices and the lower downside risk.

The resource multiples detailed above and supported by the information in Appendix B have been used along with the Mineral Resource estimates in Table 1 to derive the value of the Mineral Resources within the tenements that contain Mineral Resources. The contained lithium in the Mineral Resources has been calculated by VRM based on the reported Resource tonnage and grades, and results in a slightly different contained lithium for the Projects compared to the declared MRE's. This variation is due to

rounding in the estimates. The exploration potential within the tenements away from the Mineral Resources has been determined by a Geoscientific and also the PEM method.

5.1.1 Salinas Project – Resource Multiples

VRM undertook an extensive global search of lithium project transactions since 2016. A total of 46 lithium project transactions were identified for properties with Mineral Resources reported.

In assessing those transactions VRM considers that the only projects that are potentially comparable are hard-rock pegmatite-hosted deposits. Those that were classified by S&P Capital IQ as being at a more advanced stage (i.e. Feasibility Complete or Operating) were excluded, as were those with reported Ore Reserves or insufficient information to calculate a transaction value. Transactions that related to company takeovers, rather than property acquisitions were also not considered.

VRM conducted an analysis of this transaction subset and concluded that some of the earlier transactions represented a separate population of lower values. The final set of seven transactions included five transactions on projects in Canada, one from Australia, and one from a project in Portugal.

Brazil, and particularly Minas Gerais, is considered a mining friendly jurisdiction and hence comparable with advanced economies such as Canada and Australia. Evidence from Sigma Lithium's nearby project acquisition and development timeline, indicates that the State of Minas Gerais is currently considered favourably with regards to efficient and timely project approvals with its Grota do Cirilo project in Aracuai taking approximately five years to achieve commercial production.

Appendix B summarises these transactions applied, including summary statistics on the data set. VRM notes the non-normalised average multiple is A\$381 per tonne of contained Li_2O , but when normalised to the current lithium carbonate (global average) price the multiple value is considerably lower being A\$169 per tonne of contained Li_2O .

As noted above it is expected that lithium prices may continue to be volatile, so VRM also researched information on long-term forward prices and applied a lithium carbonate price of US\$15,500 per tonne (The Motley Fool website, accessed 19 September 2024) for transaction normalisation. This resulted in a long-term price normalised average multiple of A\$253 per tonne of contained Li_2O . In VRM's opinion, the lithium carbonate price forecast applied for transaction normalisation is reasonable as it results in a transaction multiple that is less than the mid-point and within the range of the normalised and non-normalised multiples that define the lower and upper ranges. While the forecast price is a forward-looking statement, VRM has concluded that this forms a reasonable basis and it is used to take into account longer term pricing trends than the commodity price at the Valuation Date.

To generate a valuation by this method, VRM selected the normalised multiple of A\$169 to generate the lower value, the non-normalised multiple of A\$381 to generate the higher value with the preferred value being calculated applying the long-term price normalised multiple of A\$253 to calculate the range of possible valuation of Mineral Resources and with a 50% discount applied the Fog's Block Exploration Target.

To provide a more meaningful range and given the high prospectivity of the Project, VRM has elected to apply the long-term price normalised multiple of A\$253 per tonne of contained Li_2O with a 10% discount to define the lower value and a 30% premium to define the higher value.

Table 8 below summarises the valuation of the lithium Mineral Resources owned by Latin Resources.

Table 8: Comparable transaction valuation of the Salinas Mineral Resources and Exploration Target

Comparable Transaction Valuation Salinas Project			
	Lower (ave-10%)	Preferred	Upper (ave+30%)
Mineral Resource estimates (contained Li ₂ O tonnes)	948,900	948,900	948,900
Long-term price normalised Resource Multiple applied (A\$/t contained Li ₂ O)	\$228	\$253	\$329
Mineral Resource Valuation (A\$ million)	\$216.4	\$240.4	\$312.6
Exploration Target estimates (contained Li ₂ O tonnes) (midpoint)	118,750	118,750	118,750
50% of long-term price Normalised Resource Multiple (A\$/t contained Li ₂ O)	\$114	\$127	\$164
Exploration Target estimate Valuation (A\$ million)	\$13.5	\$15.0	\$19.6
Total Valuation (A\$ million)	\$229.9	\$255.5	\$332.1

Note appropriate rounding has been applied to the valuation totals. US\$ to A\$ exchange rate of 0.672 has been applied.

Therefore, VRM considers that the Mineral Resources within the Salinas Project have a market value, based on comparable transactions, of between **\$229 million** and **\$332 million** with a preferred valuation of **\$256 million**.

5.2 Yardstick Method

As detailed above the yardstick method can also be considered as a valuation approach, particularly as a cross check or supporting valuation technique to support the valuation generated by a comparable transaction method. This method is typically used as a supporting approach for valuation of Ore Reserves and / or Mineral Resources and is based on a percentage of the current metal price.

For gold Mineral Resource estimates, a common yardstick value would be between 0.5% and 5% of the current commodity price, dependent on the Mineral Resource classification as at the valuation date. For lower classification levels such as Inferred Mineral Resources this percentage is lower reflecting the higher uncertainty compared to Indicated or Measured categories. The risks relating to the resources described above have been incorporated into the Yardstick approach. The yardstick multiples are commonly used for gold transactions and has been developed by the valuation industry as a basis of possible project valuations based on a large dataset of gold transactions. As there are few transactions for lithium projects this is considered a reasonable guide as to a possible value however due to the lack of transactions it is considered a guide to a possible valuation.

VRM has applied a range of percentage values, corresponding to the classification of the Lithium Mineral Resources within the Project and the lithium spodumene concentrate prices at the valuation date to value the resources within the Project. A recovery factor of 67% based on the reported processing plant recovery for SC5.5 in the PEA completed and published by Latin Resources. The valuations are summarised in Table 9.

Table 9: Yardstick Valuation Summary of Salinas Mineral Resources and Exploration Target

Yardstick Valuation Summary Salinas Project							
Type	Yardstick Multiples	MRE tonnes (Mt) SC6%	\$A/t SC6	Equity	Lower (A\$M)	Midpoint (A\$M)	Upper (A\$M)
Measured Resources	2.0 – 5.0%	4.2	\$1,216	100%	102.2	178.9	255.5
Indicated Resources	1.0 – 2.0%	5.3	\$1,216	100%	64.7	97.1	129.4
Inferred Resources	0.5 – 1.0%	1.1	\$1,216	100%	6.7	10.1	13.4
Exploration Target	0.25 – 0.5%	1.3	\$1,216	100%	4.0	6.1	8.1
Valuation Salinas Mineral Resources (A\$M)				100%	177.7	292.1	406.4

Note – Yardstick Valuation based on lithium Spodumene Concentrate 6% price of US\$817.50 (A\$1,216) per tonne, the MRE tonnes are calculated by multiplying the contained Li₂O in Kt by 6% to estimate Spodumene Concentrate and by an assumed 67% metallurgical recovery for SC5.5 from the PEA. As these relate to resources and not reserves, no mining dilution was applied. The contained lithium may vary slightly from the reported contained metal due to the contained metal in the table above being calculated by VRM. Appropriate rounding has been applied to the Mineral Resource estimates and valuation.

Therefore, VRM considers the Mineral Resources Estimates within the Salinas Project as detailed above to be valued, based on a yardstick approach, at between **\$178 million** and **\$406 million** with a preferred valuation of **\$292 million**.

5.3 Geoscientific Valuation

There are several specific inputs that are critical in determining a valid geoscientific or Kilburn valuation, these are ensuring that the specialist undertaking the valuation has a good understanding of the mineralisation styles within the overall region, the tenements and has access to all the exploration and geological information to ensure that the rankings are based on a thorough knowledge of the project. In addition to ensuring the rankings are correct deriving the BAC is critical as that is the primary driver of the final value. In this case the BAC is derived by the exploration commitment to maintain the tenement in good standing. The costs of tenement applications and targeting have not been included.

The Geoscientific rankings were derived for each of the ranking criteria with the Off-Property Criteria considered to be between 1 and 4, the On-Property Criteria between 1 and 3, the Anomaly Factor between 1 and 5 while the Geology Criteria are between 2 and 4. When these ranking criteria are combined with the base acquisition cost, as detailed in Appendix C, this has determined the technical value. A 20% premium was applied to the Salinas Project for locational aspects given the location within

Minas Gerais a mining state and the tight land status in this area around the G4 granite intrusions and the Sigma mine and Lithium Ionic Projects in this area. No premium or discount was applied to the technical value to account for the current market conditions.

The Technical and Market Values are shown in Table 10. The technical valuation is the base acquisition cost multiplied by the ranking factors outlined in Appendix C while the Market Value is the Technical Value multiplied by the geopolitical risk and market adjustment.

Table 10: Geoscientific valuation of the Salinas Tenure

Project	Technical Valuation (A\$M)			Market Valuation (A\$M)		
	Lower	Preferred	Upper	Lower	Preferred	Upper
Salinas Tenure (excluding Resources)						
Exploration	\$14.9	\$24.5	\$34.0	\$17.8	\$29.3	\$40.8

Appropriate rounding to the total valuation has been undertaken.

The Salinas Project exploration potential is considered by VRM to have a market value using the Geoscientific method of between **\$17.8 million** and **\$40.8 million** with a preferred value of **\$29.3 million**.

5.4 Prospectivity Enhancement Multiplier (PEM) Valuation

VRM has undertaken a PEM valuation of the tenements based on the exploration expenditure provided by the company. According to the Company a total of \$A75 million has been spent since 2019 on the projects on exploration and evaluation. Project acquisitions costs were excluded from the analysis as these are considered sunk costs and not contributing to geological / prospectivity knowledge. The \$75 million was distributed broadly by VRM over the tenements based on the location of the mineral assets and drilling, excluding the tenements with declared MREs. A total of \$21 million out of the \$75 million has been apportioned by VRM to exploration tenements based roughly on drill density, this includes Concession 830.579/2019 which hosts the Planalto drilling which has exploration drilling at a resources stage but not yet calculated (SGS, 2024).

This expenditure has been multiplied by the PEM as detailed in Table 7. To generate a range in the PEM valuation VRM has assessed the effectiveness of the exploration expenditure and used an upper and lower PEM multiple to generate a range of likely values with the preferred valuation being the average. Table 11 details the expenditure, the PEM multiples, and the valuations for the tenure. The individual tenement expenditures and assigned PEM multiples are detailed in the appendices to this Report.

Table 11: PEM Valuation by Project

Project	Expenditure (\$M)	Lower Value (\$M)	Preferred Value (\$M)	Upper Value (\$M)
Salinas Exploration Tenure				
	\$21.0	\$32.7	\$39.2	\$40.4

Note Appropriate rounding has been undertaken.

For the Salinas Exploration Tenure, the market valuation estimated by the PEM valuation method is between **\$32.7 million** and **\$40.4 million** with a preferred valuation of **\$39.2 million**.

6. Risks and Opportunities

6.1 General Risks and Opportunities

There are JORC (2012) Mineral Resource estimates within the Salinas Project, however a PEA has been conducted on the project and direct comparisons have been made to the highly profitable and very similar in geology Sigma Lithium mining project around 60km to the south. It is for this reason that preferred comparable transaction value was normalised applying a long-term price for the preferred valuation as described previously.

Mineral exploration, by its very nature has significant risks, particularly for early-stage projects, of which many of the Exploration Project areas are considered. Based on the industry-wide exploration success rates it is possible that no additional significant economic mineralisation will be located within any of the Projects. Even in the event significant additional mineralisation does exist within the Project, factors both in and out of the control of the Company may prevent the identification or development of such mineralisation.

There are often environmental, safety and regulatory risks associated with exploration. This may include, but is not limited to, factors such as community consultation and agreements, as well as environmental considerations. Once more advanced, Projects are assessed for risks associated with mining, metallurgical and processing facilities requirements and services, ability to develop infrastructure appropriately, and mine closure processes. Assessment of these risks would be addressed in successive technical-economic studies, which generally commence once a Project has initiated Mineral Resource definition drilling and estimation activities. A risk exists that fatal flaws may be identified during these studies, that impede project development.

The data included in this Report and the basis of the interpretations herein have been derived from a compilation of data included in annual and quarterly technical reports and ASX releases sourced from the companies and other public data. In addition, company presentations and academic literature has been utilised to evaluate the historic exploration data, and to ascertain the prospectivity potential and possible mineralisation systems present within the tenement holdings. There is a risk that material information may not have been identified in the data compilation, but this is mitigated by the Company conducting a review for factual accuracy.

Global economics such as changes to commodity prices and access to capital to fund exploration can be considered as both risks and opportunities. These are factors that are outside of the control of the Company, as are broader societal issues. For example, at the time of drafting this Report, globally significant unrest in Ukraine and the Middle East is being felt globally and inflationary pressures are leading to uncertainty in the investment environment. There has also been a recent increase in the recognition of the need for a rapid transition of the global energy requirements and there has been a significant push toward a change toward a lower carbon intensity power generation. This shift has dramatically changed the demand profile for several “green” or “future facing” commodities including lithium, nickel, copper in the electrification of vehicles and uranium in power generation.

6.2 Project Specific Risks and Opportunities

The Salinas exploration tenure has additional exploration potential adjacent to or along strike of the current Mineral Resources and regional exploration targets that require additional evaluation and assessment. These potential Mineral Resource extensions represent a material opportunity for the Company.



Given the success of the Sigma Lithium project nearby, an opportunity exists to follow a similar path to production, learning from the recent approval process achieved by Sigma. In addition, the Salinas Project is geologically similar, potentially producing a coarse grained spodumene concentrate which has commanded a premium price above the quoted current prices. Further, Sigma Lithium states that their mine recycles 100% of its water, uses dry stacked tailings and is powered by hydropower, a similar opportunity to create a similar sustainable operation is desirable and could assist further premium pricing in the future.

For the regional tenure there are the typical risks associated with early-stage exploration properties. While there are risks that no additional material that may be exploitable would be delineated, VRM considers that these risks are minimal and that there is a significant opportunity associated with the potential to delineate additional mineralisation within the Salinas Project.

7. Preferred Valuations

Based on the valuation techniques detailed above, Table 12 provides a summary of the valuations derived for the Mineral Resources and the exploration potential within the Salinas Project by the various techniques. Figure 21 graphically shows the valuation range and preferred valuation for the Mineral Resources and exploration potential within the Salinas Project and the combined valuation range and preferred valuation for the mineral assets.

VRM's preferred valuation is based on the comparable transaction approach recognising that most of the value in the Projects are attributed to the Mineral Resources estimates. The comparable transaction valuation is supported by the yardstick approach but this has a broader range.

The Geoscientific method is considered the preferable method to value the exploration potential adjacent to the Mineral Resources. The geoscientific method is supported by the PEM method where the expenditures are based on the last five years expenditure and the proportion of the minimum exploration expenditure since the last tenement anniversary.

Based on the rationale outlined in the body of this Report, VRM is of the view that the Mineral Resource estimates are most appropriately valued considering a comparable transaction approach. A secondary approach has been to use the Yardstick method supplemented with the Geoscientific or Kilburn valuation method.

On this basis in VRM's opinion, as detailed in Table 12 the likely market value of the Latin Resources Projects is between A\$248 million and A\$373 million with a preferred valuation of A\$285 million.

This valuation is highly influenced by the current low lithium price, if a more positive outlook is taken on the lithium price the valuation could push and exceed the upper valuations outlined in this report.

Table 12: Valuation Summary Salinas Project by method

Valuation Technique	Priority	Lower (\$M)	Preferred (\$M)	Upper (\$M)
Salinas Project				
Comparable	Primary	\$229.9	\$255.5	\$332.1
Yardstick	Secondary	\$177.7	\$292.1	\$406.4
Geoscientific	Primary	\$17.8	\$29.3	\$40.8
PEM	Secondary	\$32.7	\$39.2	\$40.4
Preferred Valuation		\$248	\$285	\$373

Note the totals may not add due to rounding in the valuations.

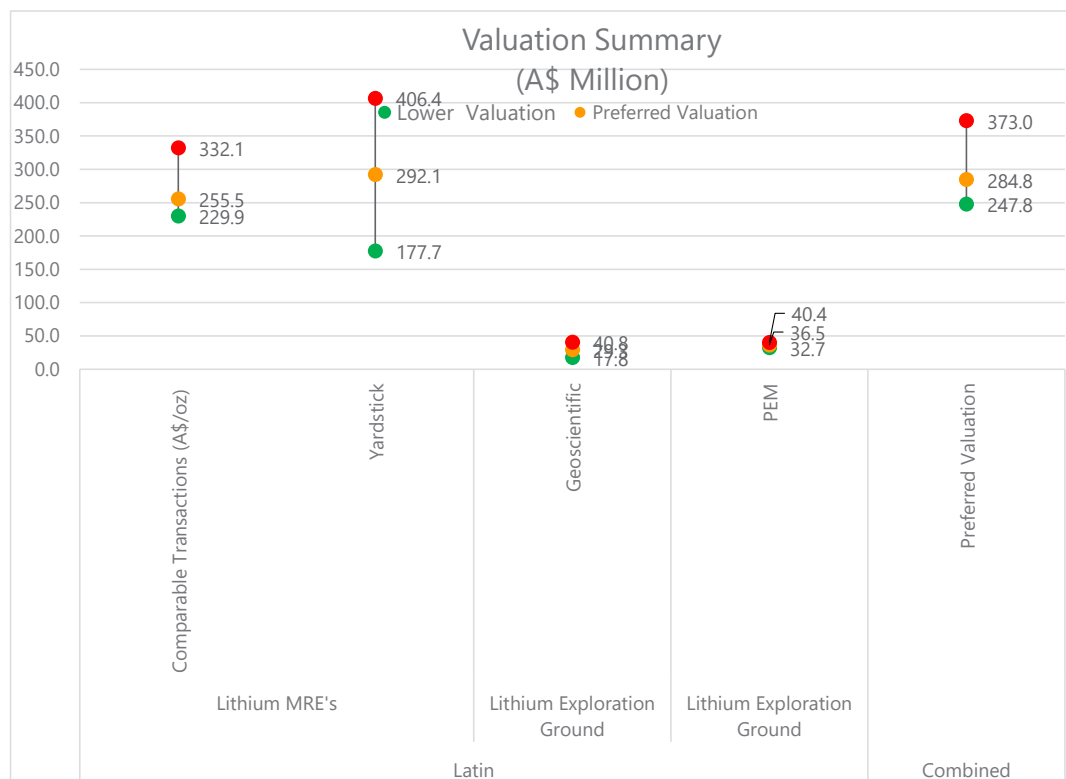


Figure 21: Valuation Summary Salinas Project

Source: VRM

8. References

The reference list below includes public domain and unpublished company reports obtained either directly from the Company or ASX releases of previous Joint Venture holders or previous holders of the tenements.

The Annual Technical Reports lodged with the DMIRS and subsequently made public either after five years or when the tenement was surrendered are listed in the Project specific references section below.

8.1 Published References

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Appendix A Tenement Summary

Project	Tenement Number	Holder	Company	Expiry Date	Total Area (HA)	Nature of Interest	Status	Type
Fogs Block East	830.237/2018	Nemual Carvalho Ribeiro	Latin Resources Ltd		296.1		Pending	Application for Mining Concession
Salinas N1	830.314/2024	Belo Lithium Mineracao Ltda	Latin Resources Ltd	5/09/2027	18.3	100.00%	Live	ExplorationLicense
Salinas - Colina Deposit	830.578/2019	Belo Lithium Mineracao Ltda	Latin Resources Ltd	21/02/2025	103.47	100.00%	Pending	Application for Mining Concession
Salinas - Planalto Prospect	830.579/2019	Mineracao Ferro Nordeste Ltda	Latin Resources Ltd	30/09/2024	1172.25	100.00%	Pending	Application for Mining Concession
Salinas South	830.580/2019	Belo Lithium Mineracao Ltda	Latin Resources Ltd	21/2/2025	1060.28	100.00%	Live	ExplorationLicense
Salinas Town	830.581/2019	Belo Lithium Mineracao Ltda	Latin Resources Ltd	21/2/2025	573.00	100.00%	Live	ExplorationLicense
Salinas South	830.582/2019	Belo Lithium Mineracao Ltda	Latin Resources Ltd	21/2/2025	1426.51	100.00%	Live	ExplorationLicense
Salinas - Colina Deposit	830.691/2017	Belo Lithium Mineracao Ltda	Latin Resources Ltd		139.73	100.00%	Pending	Application for Mining Concession
Salinas	831.003/2023	Belo Lithium Mineracao Ltda	Latin Resources Ltd	1/12/2027	38.82		Live	ExplorationLicense
Lajinha	831.118/2008	Mineracao Salinas Ltda	Latin Resources Ltd		469.89		Pending	Application for Mining Concession
Salinas main block	831.219/2017	Belo Lithium Mineracao Ltda	Latin Resources Ltd		696.90	0.00%	Pending	Application for Mining Concession
Salinas South	831.798/2015	Mineracao Salinas Ltda	Latin Resources Ltd		389.10		Pending	Application for Mining Concession
Salinas - Colina Deposit	831.799/2005	Belo Lithium Mineracao Ltda	Latin Resources Ltd		695.10	0.00%	Pending	Application for Mining Concession
Salinas	832.515/2021	Belo Lithium Mineracao Ltda	Latin Resources Ltd	2/04/2025	23.92	100.00%	Live	ExplorationLicense
Salinas N2	832.601/2022	Belo Lithium Mineracao Ltda	Latin Resources Ltd	6/11/2027	1963.26		Live	ExplorationLicense
Salinas N2	832.602/2022	Belo Lithium Mineracao Ltda	Latin Resources Ltd	6/11/2027	1956.74		Live	ExplorationLicense
Salinas N2	832.604/2022	Belo Lithium Mineracao Ltda	Latin Resources Ltd	6/11/2027	1985.87		Live	ExplorationLicense
Salinas N2	832.605/2022	Belo Lithium Mineracao Ltda	Latin Resources Ltd	6/11/2027	1969.91		Live	ExplorationLicense
Salinas N2	832.606/2022	Belo Lithium Mineracao Ltda	Latin Resources Ltd	6/11/2027	1978.61		Live	ExplorationLicense
Salinas N2	832.607/2022	Belo Lithium Mineracao Ltda	Latin Resources Ltd	5/09/2026	1842.82		Live	ExplorationLicense
Salinas N2	832.608/2022	Belo Lithium Mineracao Ltda	Latin Resources Ltd	3/07/2026	1850.80		Live	ExplorationLicense
Salinas N2	832.609/2022	Belo Lithium Mineracao Ltda	Latin Resources Ltd	5/04/2026	1855.33		Live	ExplorationLicense
Salinas N2	832.611/2022	Belo Lithium Mineracao Ltda	Latin Resources Ltd	19/5/2026	1802.10		Live	ExplorationLicense



Project	Tenement Number	Holder	Company	Expiry Date	Total Area (HA)	Nature of Interest	Status	Type
Salinas N2	832.612/2022	Belo Lithium Mineracao Ltda	Latin Resources Ltd	5/09/2026	1766.55		Live	ExplorationLicense
Salinas N2	832.613/2022	Belo Lithium Mineracao Ltda	Latin Resources Ltd	1/12/2027	1538.57		Live	ExplorationLicense
Salinas N1	832.614/2022	Belo Lithium Mineracao Ltda	Latin Resources Ltd	15/3/2027	1680.61		Live	ExplorationLicense
Salinas N1	832.616/2022	Belo Lithium Mineracao Ltda	Latin Resources Ltd		38.82		Pending	Application for Mining Concession
Salinas N1	832.801/2022	Belo Lithium Mineracao Ltda	Latin Resources Ltd	17/4/2026	1609.19		Live	ExplorationLicense
Salinas N1	832.802/2022	Belo Lithium Mineracao Ltda	Latin Resources Ltd	2/07/2026	1701.88		Live	ExplorationLicense
Salinas N1	832.803/2022	Belo Lithium Mineracao Ltda	Latin Resources Ltd	17/4/2026	1711.52		Live	ExplorationLicense
Salinas N1	832.804/2022	Belo Lithium Mineracao Ltda	Latin Resources Ltd	17/4/2026	1699.49		Live	ExplorationLicense
Lajinha	833.881/2010	Mineracao Laje Ltda	Latin Resources Ltd		246.48		Pending	Application for Mining Concession
Fogs Block - Deposit	834.282/2007	Gesner Carlos de Andrade	Latin Resources Ltd		995.41		Pending	Application for Mining Concession



Appendix B Comparable Transactions

PROP_NAME	Type	ACTUAL_AQUIRER_NAME	TARGET	DATE	% ACQUIRED	DEAL_VALUE A\$	LiCO3 price (CIF Global Avg) US\$ per tonne	Normalisation Ratio	Reserves and Resources (eq) at Transaction (cont'd)	Non Normalised A\$ per tonne contained Li2O	Normalised Price paid per R and R t of Li2O
Manna	Australia	Global Lithium Resources NL	Global Lithium Resources NL	25/10/2022	100.0%	60.00	60,442.00	0.17	112,860	\$ 531.63	\$ 91.13
Root Lake, Seymour	Canada	Green Technology Metals Limited	Green Technology Metals Limited/Seymour	23/06/2021	80%	9.20	10,945.83	0.95	91,128	\$ 100.96	\$ 95.56
Root Lake, Seymour	Canada	Green Technology Metals Limited	Green Technology Metals Limited/Lithium	24/10/2022	20%	18.50	60,442.00	0.17	30,588	\$ 604.81	\$ 103.68
Lilypad Lakes, Separation Rapids	Canada	SCR-Sibelco N.V.	SCR-Sibelco N.V./Separation Rapids and	2/11/2023	60%	38.62	25,365.00	0.41	105,000	\$ 367.84	\$ 150.25
Thompson Bros	Canada	Snow Lake Resources Ltd.	Nova Minerals Limited/Thompson Bros. Inc.	11/07/2019	20%	3.46	11,133.00	0.93	17,388	\$ 198.78	\$ 184.99
Mina do Barroso	Portugal	Savannah Resources Plc	Savannah Resources Plc/Mina do Barroso	20/06/2019	25%	16.81	11,521.00	0.90	71,475	\$ 235.23	\$ 211.55
Mobian	Canada	GUO AO Lithium Ltd.	GUO AO Lithium Ltd./Mobian project	16/10/2017	60%	76.04	18,750.00	0.55	120,555	\$ 630.71	\$ 348.52

Statistics	Non Normalised Normalised \$/t	
Average	381.42	169.38
median	367.84	150.25
25th percentile	198.78	95.56
75th percentile	604.81	211.55
Min	100.96	91.13
Max	630.71	348.52
Count	7	7



Appendix C Geoscientific and PEM tables

Project	Tenement	Total Exploration Expenditure	PEM Low	PEM High	PEM Valuation Low	PEM Mid Valuation Point	PEM High Valuation	Off Properties Low	Off Properties High	On Properties Low	On Properties High	Anomaly Low	Anomaly High	Geology Low	Geology High	Economic Assessment 40% to 55%	Geoscientific Valuation										Market High
																	Technical Valuation Low	Technical Valuation Mid	Technical Valuation High	Market Low	Market Mid						
Fogo Block East	830.237/2018	1,000,000	13	15	130	140	150	3.5	4.0	2.5	3.0	2.0	2.5	2.5	3.0	\$ 11,846	0.62	0.79	1.07	0.62	0.95	1.28					
	Salinas NI	5,000,000	10	13	500	575	650	1.0	1.5	1.0	1.5	1.0	1.5	2.5	3.0	\$ 732	0.00	0.00	0.01	0.00	0.01	0.01					
	Salinas - Planalto Prospect	10,000,000	2.0	2.5	20.00	22.50	25.00	3.5	4.0	2.5	3.0	3.5	4.0	3.0	3.5	\$ 46,890	4.31	6.09	7.88	5.17	7.31	9.45					
Salinas South	830.579/2019	1,000,000	13	15	130	140	150	3.5	4.0	2.5	3.0	2.0	2.5	3.0	2.5	\$ 42,411	2.23	2.70	3.18	2.67	3.24	3.82					
	Salinas Town	-	10	13	0.00	0.00	0.00	3.5	4.0	1.5	2.0	1.0	1.5	2.5	3.0	\$ 22,820	0.30	0.56	0.83	0.36	0.68	0.89					
	Salinas South	1,000,000	13	15	130	140	150	3.5	4.0	2.5	3.0	2.0	2.5	2.5	3.0	\$ 57,060	2.50	3.82	5.14	3.00	4.58	6.16					
Salinas	831.003/2023	500,000	10	13	0.50	0.58	0.65	3.5	4.0	1.5	2.0	1.0	1.5	2.5	3.0	\$ 1,953	0.02	0.04	0.06	0.02	0.05	0.07					
	831.188/2008	1,000,000	13	15	130	140	150	3.5	4.0	2.5	3.0	2.0	2.5	2.5	3.0	\$ 18,796	0.82	1.26	1.63	0.93	1.51	2.03					
	Salinas main block	-	13	15	0.00	0.00	0.00	3.5	4.0	1.5	2.0	2.0	2.5	2.5	3.0	\$ 27,876	0.73	1.20	1.67	0.88	1.44	2.01					
Salinas South	831.798/2015	500,000	13	15	0.65	0.70	0.75	3.5	4.0	2.5	3.0	2.0	2.5	2.5	3.0	\$ 15,664	0.68	1.04	1.40	0.82	1.25	1.68					
	Salinas	-	10	13	0.00	0.00	0.00	3.5	4.0	1.0	1.5	2.0	2.5	2.5	3.0	\$ 397	0.02	0.03	0.04	0.02	0.04	0.05					
	Salinas N2	832.516/2021	-	10	13	0.00	0.00	0.00	1.0	1.5	1.0	1.5	1.0	1.5	2.5	3.0	\$ 78,530	0.20	0.50	0.80	0.24	0.59	0.95				
Salinas N2	832.601/2022	-	10	13	0.00	0.00	0.00	1.0	1.5	1.0	1.5	1.0	1.5	2.5	3.0	\$ 78,270	0.20	0.49	0.79	0.23	0.59	0.95					
	Salinas N2	832.602/2022	-	10	13	0.00	0.00	0.00	1.0	1.5	1.0	1.5	1.0	1.5	2.5	3.0	\$ 79,435	0.20	0.50	0.80	0.24	0.60	0.97				
	Salinas N2	832.604/2022	-	10	13	0.00	0.00	0.00	1.0	1.5	1.0	1.5	1.0	1.5	2.5	3.0	\$ 78,796	0.20	0.50	0.80	0.24	0.60	0.96				
Salinas N2	832.606/2022	-	10	13	0.00	0.00	0.00	1.0	1.5	1.0	1.5	1.0	1.5	2.5	3.0	\$ 79,144	0.20	0.50	0.80	0.24	0.60	0.96					
	Salinas N2	832.608/2022	-	10	13	0.00	0.00	0.00	1.0	1.5	1.0	1.5	1.0	1.5	2.5	3.0	\$ 74,032	0.19	0.47	0.75	0.22	0.56	0.90				
	Salinas N2	832.609/2022	-	10	13	0.00	0.00	0.00	1.0	1.5	1.0	1.5	1.0	1.5	2.5	3.0	\$ 74,213	0.19	0.47	0.75	0.22	0.56	0.90				
Salinas N2	832.609/2022	-	10	13	0.00	0.00	0.00	1.0	1.5	1.0	1.5	1.0	1.5	2.5	3.0	\$ 72,084	0.18	0.46	0.73	0.22	0.55	0.88					
	Salinas N2	832.611/2022	-	10	13	0.00	0.00	0.00	1.0	1.5	1.0	1.5	1.0	1.5	2.5	3.0	\$ 70,862	0.18	0.45	0.72	0.21	0.54	0.86				
	Salinas N2	832.612/2022	-	10	13	0.00	0.00	0.00	1.0	1.5	1.0	1.5	1.0	1.5	2.5	3.0	\$ 61,643	0.15	0.39	0.62	0.18	0.47	0.75				
Salinas NI	832.613/2022	-	10	13	0.00	0.00	0.00	1.0	1.5	1.0	1.5	1.0	1.5	2.5	3.0	\$ 67,224	0.17	0.42	0.68	0.20	0.51	0.82					
	Salinas NI	832.614/2022	-	10	13	0.00	0.00	0.00	1.0	1.5	1.0	1.5	1.0	1.5	2.5	3.0	\$ 1,953	0.00	0.01	0.02	0.00	0.01	0.02				
	Salinas NI	832.616/2022	-	10	13	0.00	0.00	0.00	1.0	1.5	1.0	1.5	1.0	1.5	2.5	3.0	\$ 64,368	0.16	0.41	0.65	0.19	0.49	0.78				
Salinas NI	832.601/2022	-	10	13	0.00	0.00	0.00	1.0	1.5	1.0	1.5	1.0	1.5	2.5	3.0	\$ 68,075	0.17	0.43	0.69	0.20	0.52	0.83					
	Salinas NI	832.602/2022	-	10	13	0.00	0.00	0.00	1.0	1.5	1.0	1.5	1.0	1.5	2.5	3.0	\$ 68,461	0.17	0.43	0.69	0.21	0.52	0.83				
	Salinas NI	832.603/2022	-	10	13	0.00	0.00	0.00	1.0	1.5	1.0	1.5	1.0	1.5	2.5	3.0	\$ 67,980	0.17	0.43	0.69	0.20	0.51	0.83				
Lahinja	832.804/2022	-	10	13	0.00	0.00	0.00	1.0	1.5	1.0	1.5	1.0	1.5	2.5	3.0	\$ 9,859	0.02	0.06	0.10	0.03	0.07	0.12					
	833.881/2010	1,000,000	13	15	130	140	150	1.0	1.5	1.0	1.5	1.0	1.5	2.5	3.0	\$ 9,859	0.02	0.06	0.10	0.03	0.07	0.12					
TOTAL																14.86	24.45	34.04	17.8	29.3	40.8						

Glossary

Below are brief descriptions of some terms used in this report. For further information or for terms that are not described here, please refer to internet sources such as Webmineral ([Mineralogy Database \(webmineral.com\)](http://Mineralogy.Database(webmineral.com))) and Wikipedia (Wikipedia).

The terms listed below are taken from the 2015 VALMIN Code (The VALMIN Code - 2015 Edition).

Annual Report means a document published by public corporations on a yearly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

Australasian means Australia, New Zealand, Papua New Guinea and their off-shore territories.

Code of Ethics means the Code of Ethics of the relevant Professional Organisation or Recognised Professional Organisations.

Corporations Act means the *Australian Corporations Act 2001 (Cth)*.

Experts are persons defined in the Corporations Act whose profession or reputation gives authority to a statement made by him or her in relation to a matter. A Practitioner may be an Expert. Also see Clause 2.1 of the VALMIN Code.

Exploration Results is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <https://www.jorc.org/> for further information.

Feasibility Study means a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-feasibility Study.

Financial Reporting Standards means Australian statements of generally accepted accounting practice in the relevant jurisdiction in accordance with the Australian Accounting Standards Board (AASB) and the *Corporations Act*.

Independent Expert Report means a Public Report as may be required by the *Corporations Act*, the Listing Rules of the ASX or other security exchanges prepared by a Practitioner who is acknowledged as being independent of the Commissioning Entity. Also see ASIC Regulatory Guides RG 111 and RG 112 as well as Clause 5.5 of the VALMIN Code for guidance on Independent Expert Reports.

Information Memoranda means documents used in financing of projects detailing the project and financing arrangements.

Investment Value means the benefit of an asset to the owner or prospective owner for individual investment or operational objectives.

Life-of-Mine Plan means a design and costing study of an existing or proposed mining operation where all Modifying Factors have been considered in sufficient detail to demonstrate at the time of reporting that extraction is reasonably justified. Such a study should be inclusive of all development and mining activities proposed through to the effective closure of the existing or proposed mining operation.

Market Value means the estimated amount of money (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing wherein the parties each acted knowledgeably, prudently and without compulsion. Also see Clause 8.1 of the VALMIN Code for guidance on Market Value.

Materiality or being **Material** requires that a Public Report contains all the relevant information that investors and their professional advisors would reasonably require, and reasonably expect to find in the report, for the purpose of making a reasoned and balanced judgement regarding the Technical Assessment or Mineral Asset Valuation being reported. Where relevant information is not supplied, an explanation must be provided to justify its exclusion. Also see Clause 3.2 of the VALMIN Code for guidance on what is Material.

Member means a person who has been accepted and entitled to the post-nominals associated with the AIG or the AusIMM or both. Alternatively, it may be a person who is a member of a Recognised Professional Organisation included in a list promulgated from time to time.

Mineable means those parts of the mineralised body, both economic and uneconomic, that are extracted or to be extracted during the normal course of mining.

Mineral Asset means all property including (but not limited to) tangible property, intellectual property, mining and exploration Tenure and other rights held or acquired in connection with the exploration, development of and production from those Tenures. This may include the plant, equipment and infrastructure owned or acquired for the development, extraction and processing of Minerals in connection with that Tenure.

Most Mineral Assets can be classified as:

(a) **Early-stage Exploration Projects** – Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified;

(b) **Advanced Exploration Projects** – Tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category;

(c) **Pre-Development Projects** – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken;

(d) **Development Projects** – Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a Pre-Feasibility Study;

(e) **Production Projects** – Tenure holdings – particularly mines, wellfields and processing plants – that have been commissioned and are in production.

Mine Design means a framework of mining components and processes taking into account mining methods, access to the Mineralisation, personnel, material handling, ventilation, water, power and other technical requirements spanning commissioning, operation and closure so that mine planning can be undertaken.

Mine Planning includes production planning, scheduling and economic studies within the Mine Design taking into account geological structures and mineralisation, associated infrastructure and constraints, and other relevant aspects that span commissioning, operation and closure.

Mineral means any naturally occurring material found in or on the Earth's crust that is either useful to or has a value placed on it by humankind, or both. This excludes hydrocarbons, which are classified as Petroleum.

Mineralisation means any single mineral or combination of minerals occurring in a mass, or deposit, of economic interest. The term is intended to cover all forms in which mineralisation might occur, whether by class of deposit, mode of occurrence, genesis or composition.

Mineral Project means any exploration, development or production activity, including a royalty or similar interest in these activities, in respect of Minerals.

Mineral Securities means those Securities issued by a body corporate or an unincorporated body whose business includes exploration, development or extraction and processing of Minerals.

Mineral Resource is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

Mining means all activities related to extraction of Minerals by any method (e.g. quarries, open cast, open cut, solution mining, dredging, etc.).

Mining Industry means the business of exploring for, extracting, processing and marketing Minerals.

Modifying Factors is defined in the current version of the *Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves* (the JORC Code). Refer to <https://www.jorc.org/> for further information.

Ore Reserve is defined in the current version of the *Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves* (the JORC Code). Refer to <https://www.jorc.org/> for further information.

Petroleum means any naturally occurring hydrocarbon in a gaseous or liquid state, including coal-based methane, tar sands and oil-shale.

Petroleum Resources and **Petroleum Reserves** are defined in the current version of the Petroleum Resources Management System (PRMS) published by the Society of Petroleum Engineers, the American Association of Petroleum Geologists, the World Petroleum Council and the Society of Petroleum Evaluation Engineers. Refer to [Society of Petroleum Engineers \(SPE\) | Oil & Gas Membership Association](#) for further information.

Practitioner is an Expert as defined in the *Corporations Act*, who prepares a Public Report on a Technical Assessment or Valuation Report for Mineral Assets. This collective term includes Specialists and Securities Experts.

Preliminary Feasibility Study (Pre-Feasibility Study) means a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors that are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.

Professional Organisation means a self-regulating body, such as one of engineers or geoscientists or of both, that:



- (a) admits members primarily on the basis of their academic qualifications and professional experience;
- (b) requires compliance with professional standards of expertise and behaviour according to a Code of Ethics established by the organisation; and
- (c) has enforceable disciplinary powers, including that of suspension or expulsion of a member, should its Code of Ethics be breached.

Public Presentation means the process of presenting a topic or project to a public audience. It may include, but not be limited to, a demonstration, lecture or speech meant to inform, persuade or build goodwill.

Public Report means a report prepared for the purpose of informing investors or potential investors and their advisers when making investment decisions, or to satisfy regulatory requirements. It includes, but is not limited to, Annual Reports, Quarterly Reports, press releases, Information Memoranda, Technical Assessment Reports, Valuation Reports, Independent Expert Reports, website postings and Public Presentations. Also see Clause 5 of the VALMIN Code for guidance on Public Reports.

Quarterly Report means a document published by public corporations on a quarterly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

Reasonableness implies that an assessment which is impartial, rational, realistic and logical in its treatment of the inputs to a Valuation or Technical Assessment has been used, to the extent that another Practitioner with the same information would make a similar Technical Assessment or Valuation.

Royalty or **Royalty Interest** means the amount of benefit accruing to the royalty owner from the royalty share of production.

Securities has the meaning as defined in the *Corporations Act*.

Securities Experts are persons whose profession, reputation or experience provides them with the authority to assess or value Securities in compliance with the requirements of the *Corporations Act*, ASIC Regulatory Guides and ASX Listing Rules.

Scoping Study means an order of magnitude technical and economic study of the potential viability of Mineral Resources. It includes appropriate assessments of realistically assumed Modifying Factors together with any other relevant operational factors that are necessary to demonstrate at the time of reporting that progress to a Pre-Feasibility Study can be reasonably justified.

Specialists are persons whose profession, reputation or relevant industry experience in a technical discipline (such as geology, mine engineering or metallurgy) provides them with the authority to assess or value Mineral Assets.

Status in relation to Tenure means an assessment of the security of title to the Tenure.

Technical Assessment is an evaluation prepared by a Specialist of the technical aspects of a Mineral Asset. Depending on the development status of the Mineral Asset, a Technical Assessment may include the review of geology, mining methods, metallurgical processes and recoveries, provision of infrastructure and environmental aspects.

Technical Assessment Report involves the Technical Assessment of elements that may affect the economic benefit of a Mineral Asset.

Technical Value is an assessment of a Mineral Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations.

Tenure is any form of title, right, licence, permit or lease granted by the responsible government in accordance with its mining legislation that confers on the holder certain rights to explore for and/or extract agreed minerals that may be (or is known to be) contained. Tenure can include third-party ownership of the Minerals (for example, a royalty stream). Tenure and Title have the same connotation as Tenement.

Transparency or being **Transparent** requires that the reader of a Public Report is provided with sufficient information, the presentation of which is clear and unambiguous, to understand the report and not be misled by this information or by omission of Material information that is known to the Practitioner.

Valuation is the process of determining the monetary Value of a Mineral Asset at a set Valuation Date.

Valuation Approach means a grouping of valuation methods for which there is a common underlying rationale or basis.

Valuation Date means the reference date on which the monetary amount of a Valuation in real (dollars of the day) terms is current. This date could be different from the dates of finalisation of the Public Report or the cut-off date of available data. The Valuation Date and date of finalisation of the Public Report must not be more than 12 months apart.

Valuation Methods means a subset of Valuation Approaches and may represent variations on a common rationale or basis.

Valuation Report expresses an opinion as to monetary Value of a Mineral Asset but specifically excludes commentary on the value of any related Securities.

Value means the Market Value of a Mineral Asset.

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Annexure B – Summary of Scheme Implementation Agreement

On 14 August 2024, Latin Resources and Pilbara Minerals entered into the Scheme Implementation Agreement, under which the parties agreed to implement the Share Scheme and Option Scheme.

A summary of the key terms of the Scheme Implementation Agreement is set out in this Annexure B. A full copy of the Scheme Implementation Agreement is available on ASX's website (www.asx.com.au) and Latin Resources' website (www.latinresources.com.au/asx-announcements/).

(a) Conditions Precedent (clause 3.1 and 3.2)

Each of the Share Scheme and Option Scheme is subject to a number of Conditions Precedent, including those set out in Section 3.5 of the Scheme Booklet. The Schemes will not proceed unless all of the Conditions Precedent applicable to the relevant Scheme are satisfied or waived (where waiver is permitted) in accordance with the Scheme Implementation Agreement.

The Conditions Precedent to the Share Scheme are set out in clause 3.1 of the Scheme Implementation Agreement and summarised below:

- **ASIC and ASX:** before 8.00am on the Second Court Date, ASIC and ASX issue or provide any consents or approvals, or have done any other acts, which the parties agree are reasonably necessary or desirable to implement the Share Scheme, and those consents, approvals or other acts have not been withdrawn or revoked at that time
- **Latin Resources Shareholder approval:** the Latin Resources Shareholders approve the Share Scheme by the Requisite Majorities at the Share Scheme Meeting.
- **Court Approval:** the Court approves the Share Scheme in accordance with section 411(4)(b) of the Corporations Act.
- **Regulatory Authority:** all other approvals of a Regulatory Authority which Pilbara Minerals and Latin Resources (acting reasonably) agree are (i) necessary or desirable to implement the Share Scheme or (ii) material to the development of the Salinas Project, are obtained and those approvals have not been withdrawn or revoked.
- **Regulatory intervention:** between (and including) the date of the Scheme Implementation Agreement and 8.00am on the Second Court Date, there is not in effect any temporary, preliminary or final order, temporary restraining order, preliminary or permanent injunction, decision, decree or ruling or any action taken enjoining, restraining or otherwise imposing a legal restraint or prohibition which is issued by any court of competent jurisdiction or other Regulatory Authority; no action or investigation is announced, commenced or threatened by any Regulatory Authority; and no application is made to any Regulatory Authority, in consequence of, or in connection with, the Share Scheme which:
 - restrains, prohibits, or otherwise materially adversely affects (or could reasonably be expected to restrain, prohibit or otherwise materially adversely affect) the Share Scheme, completion of the Share Scheme or the rights of Pilbara Minerals in respect of Latin Resources or the Latin Resources Shares to be acquired under the Share Scheme; or
 - requires the divestiture by Pilbara Minerals or its Associates of any Latin Resources Shares or the divestiture of any material assets of the Pilbara Minerals Group or Latin Resources Group,

unless such order, injunction, decision, decree, ruling, investigation, application or other action or refusal has been disposed of to the satisfaction of Pilbara Minerals (acting reasonably and in good faith), or is otherwise no longer in effect or enforceable by 8.00am on the Second Court Date.

- **Independent Expert:** the Independent Expert has issued the Independent Expert's Report and concluded that the Scheme is in the best interests of the Latin Resources Shareholders before this Scheme Booklet is registered with ASIC, and does not change, withdraw or qualify its conclusion in any written update to its report or withdraw the report prior to 8.00am on the Second Court Date.
- **Third party consents:** all other approvals of a third party which Pilbara Minerals and Latin Resources agree in writing on or prior to the execution of the Scheme Implementation Agreement are necessary or desirable to implement the Share Scheme are obtained.
- **No Latin Resources Prescribed Event:** no Latin Resources Prescribed Event occurs or becomes known to Pilbara Minerals between (and including) the date of the Scheme Implementation Agreement and 8.00am on the Second Court Date.
- **No Latin Resources Material Adverse Effect:** no Latin Resources Material Adverse Effect occurs, or is reasonably likely to occur, or is discovered, announced, disclosed or otherwise becomes known to Pilbara Minerals between (and including) the date of the Scheme Implementation Agreement and 8.00am on the Second Court Date.
- **Latin Resources Representations and Warranties:** the Latin Resources representations and warranties in clauses 13.1(a), 13.1(b), 13.1(c), 13.1(e), 13.1(f), 13.1(j), 13.1(l), 13.1(p), 13.1(r), 13.1(u)(i), 13.1(v), 13.1(bb), 13.1(cc), 13.1(jj)(i) and 13.1(nn) of the Scheme Implementation Agreement are true and correct in all material respects
- **No Pilbara Minerals Prescribed Event:** no Pilbara Minerals Prescribed Event occurs or becomes known to Latin Resources between (and including) the date of the Scheme Implementation Agreement and 8.00am on the Second Court Date.
- **No Pilbara Minerals Material Adverse Effect:** no Pilbara Minerals Material Adverse Effect occurs, or is reasonably likely to occur, or is discovered, announced, disclosed or otherwise becomes known to Latin Resources between (and including) the date of the Scheme Implementation Agreement and 8.00am on the Second Court Date.
- **Pilbara Minerals Representations and Warranties:** each of the Pilbara Minerals representations and warranties in clauses 13.4(a), 13.4(b), 13.4(c), 13.4(d), 13.4(e), 13.4(i), 13.4(k), 13.4(o) and 13.4(p) of the Scheme Implementation Agreement are true and correct in all material respects between (and including) the date of the Scheme Implementation Agreement and 8.00am on the Second Court Date except where expressed to be operative at another date.
- **Quotation:** before 8.00am on the Second Court Date, ASX has not indicated to Pilbara Minerals that it will not grant official quotation of the New Pilbara Minerals Shares on ASX from the trading day following the Implementation Date.
- **Non-Core Assets Disposal Program:** before 8.00am on the Second Court Date, the Demerger Resolution have been approved by the requisite majorities; all Non-Core Assets are held (directly or indirectly) by ESG Minerals in the manner contemplated by the Non-Core Assets Disposal Program (except to the extent such assets have been transferred to a third party pursuant to the Non-Core Assets Disposal Program); and the Demerger Effective Date has occurred.

The Conditions Precedent to the Option Scheme are set out in clause 3.2 of the Scheme Implementation Agreement and summarised below:

- **Share Scheme:** the Share Scheme becomes Effective.
- **ASIC and ASX:** before 8.00am on the Second Court Date, ASIC and ASX issue or provide any consents or approvals, or have done any other acts, which the parties agree are reasonably necessary or desirable to implement the Option Scheme, and those consents, approvals or other acts have not been withdrawn or revoked at that time.
- **Latin Resources Optionholder approval:** the Latin Resources Optionholders approve the Option Scheme by the Requisite Majorities at the Share Scheme Meeting.

- **Court Approval:** the Court approves the Option Scheme in accordance with section 411(4)(b) of the Corporations Act.
- **Regulatory intervention:** between (and including) the date of the Scheme Implementation Agreement and 8.00am on the Second Court Date, there is not in effect any temporary, preliminary or final order, temporary restraining order, preliminary or permanent injunction, decision, decree or ruling or any action taken enjoining, restraining or otherwise imposing a legal restraint or prohibition which is issued by any court of competent jurisdiction or other Regulatory Authority; no action or investigation is announced, commenced or threatened by any Regulatory Authority; and no application is made to any Regulatory Authority, in consequence of, or in connection with, the Option Scheme which:
 - restrains, prohibits, or otherwise materially adversely affects (or could reasonably be expected to restrain, prohibit or otherwise materially adversely affect) the Option Scheme, completion of the Option Scheme or the rights of Pilbara Minerals in respect of Latin Resources or the Latin Resources Option to be acquired under the Option Scheme; or
 - requires the divestiture by Pilbara Minerals or its Associates of any Latin Resources Options or the divestiture of any material assets of the Pilbara Minerals Group or Latin Resources Group,

unless such order, injunction, decision, decree, ruling, investigation, application or other action or refusal has been disposed of to the satisfaction of Pilbara Minerals (acting reasonably and in good faith), or is otherwise no longer in effect or enforceable by 8.00am on the Second Court Date.

Latin Resources and Pilbara Minerals have each agreed to use reasonable endeavours to procure satisfaction of each Condition Precedent as soon as practicable, and to ensure that there is no occurrence within its control that would prevent a relevant Condition Precedent from being satisfied.

(b) Latin Resources Board recommendation (clause 6)

Latin Resources must use its best endeavours to procure that no Latin Resources Director withdraws, adversely modifies, adversely qualifies or changes their recommendation or voting intention statement from the form set out in the Scheme Implementation Agreement, unless:

- Latin Resources has received a Superior Proposal and, after complying with the matching right procedure in the Scheme Implementation Agreement (see below), the Latin Resources Board has determined in good faith having received written legal advice that by virtue of the fiduciary or statutory duties of the Latin Resources Directors, they are required to so change their recommendation;
- the Independent Expert's Report concludes that the Share Scheme is not in the best interests of the Latin Resources Shareholders, or adversely changes its previously given opinion that the Share Scheme is in the best interests of the Latin Resources Shareholders; or
- the Court requires that the Latin Resources Director abstain from making a recommendation.

(c) Conduct of business (clause 8)

Until Implementation, Latin Resources must carry on its business and operations in the ordinary and usual course, consistent with an approved budget and with the manner of past conduct. In addition, subject to some exceptions, Latin Resources must not undertake certain specific activities relating to the conduct of its business without the consent of Pilbara Minerals. The Latin Resources conduct of business restrictions (and exceptions) are set out in full in clauses 8.1 to 8.4 of the Scheme Implementation Agreement.

Until Implementation, subject to some exceptions, Pilbara Minerals must carry out its business and operations in the ordinary course unless Latin Resources consents otherwise. Certain business conduct events of Pilbara Minerals require them to promptly notify Latin Resources in writing. The Pilbara Minerals conduct of business restrictions (and exceptions) are set out in full in clause 8.5 of the Scheme Implementation Agreement.

(d) **Non-Core Assets (clause 9)**

Latin Resources and Pilbara Minerals acknowledge that Latin Resources intends to dispose of all Non-Core Assets by:

- other than the ESG Minerals Shares, selling them in exchange for cash (or shares in an entity listed on a recognised securities exchange) where the Latin Resources Group retains no realistic further liability beyond the consideration received under the sale, and/or
- undertaking a capital reduction and pro rata in-specie distribution of all ESG Minerals Shares, with ESG Minerals holding all Non-Core Assets of Latin Resources that have not been sold to third parties.

Latin Resources must take all reasonably necessary steps to obtain approval of the Demerger Resolutions and implement the Demerger as soon as reasonably practicable after the date of the Scheme Implementation Agreement.

(e) **Exclusivity (clause 10)**

The Scheme Implementation Agreement contains the following customary exclusivity provisions applicable to Latin Resources during the Exclusivity Period:

- **No shop:** Latin Resources must not directly or indirectly solicit, invite, encourage or initiate any enquiries, expressions of interest, offers, proposals, negotiations, or other communications, or communicate an intention to do any of these things, which could reasonably be expected to lead to the making of any enquiry, expression of interest, offer, proposal, negotiation, discussion or other communication from any person in relation to a Competing Transaction.
- **No talk:** Latin Resources must not directly or indirectly negotiate, accept or enter into (or offer to agree to do any of these things), or facilitate, participate or continue in negotiations, discussions or other communications with respect to any enquiry, expression of interest, offer, proposal, negotiation or discussion by any other person regarding, a Competing Transaction or any agreement that may be reasonably expected to lead to a Competing Transaction. However, Latin Resources may communicate and participate in discussions with another person to acknowledge receipt of an inquiry, clarify the terms of any proposal to determine if fiduciary out mechanisms apply or advising any person that Latin Resources is unable to engage in respect to the Competing Transaction.
- **No due diligence:** Latin Resources must not, in relation to a Competing Transaction, directly or indirectly enable any person other than Pilbara Minerals to undertake due diligence investigations on it and its business (or solicit or facilitate any other person than Pilbara Minerals to do these things) or make available to any other person, other than Pilbara Minerals, any non-public information relating to it.
- **Notification:** Latin Resources must promptly inform Pilbara Minerals, and provide all material details if it:
 - receives any approach or other attempt to initiate any other communications with respect to any actual, proposed or potential Competing Transaction;
 - receives any request for information relating to any Latin Resources Group Member or any of their business or operations or any request for access to any non-public information of any Latin Resources Group Member, which may be reasonably expected to relate to a current or future Competing Transaction; or
 - provides any information relating to any Latin Resources Group Member, or any of their businesses to any person in connection with a current or future Competing Transaction.
 - Where non-public information about the affairs of the Latin Resources Group are made available to any person in connection with a Competing Transaction and have not previously been made available to Pilbara Minerals, Latin Resources must promptly provide Pilbara Minerals reasonable access to the non-public information.

- **Fiduciary exception:** The no-talk and no due diligence restrictions do not apply to the extent that they restrict Latin Resources (or the Latin Resources Board) from taking or refusing to take action with respect to a genuine Competing Transaction (which did not result from a breach of exclusivity provisions in the Scheme Implementation Agreement), provided that the Latin Resources Board has determined that, acting reasonably and in good faith:
 - after consultation with its financial advisors, the Competing Transaction is, or could reasonably be considered to become, a Superior Proposal; and
 - after receiving written legal advice from its external legal advisers, failing to respond to the Competing Transaction would be reasonably likely to breach the relevant Board's fiduciary or statutory obligations;

and any disclosure of non-public information must be pursuant to a confidentiality agreement entered into by Latin Resources and the offeror of the Competing Transaction, on terms no less favourable in the aggregate to Latin Resources than those contained in the Confidentiality Agreement. Any action taken by Latin Resources taken in respect to the fiduciary exception must be promptly notified to Pilbara Minerals.

- **Matching right:**

Latin Resources must:

- not enter into an agreement under which a third party, Latin Resources or both propose to undertake or give effect to a Competing Transaction; and
- use best endeavours to procure none of its directors change their recommendation or voting intention in favour of the Schemes, or publicly support a Competing Transaction (actual or proposed),

unless:

- the Latin Resources Board acting in good faith and in order to satisfy its statutory or fiduciary duties (having received written advice from its external legal and financial advisers) determines that the Competing Transaction is a Superior Proposal;
- Latin Resources has provided Pilbara Minerals with the material terms and conditions of the Competing Transaction;
- Latin Resources has given Pilbara Minerals at least 5 Business Days to provide a matching or Superior Proposal to the terms of the Competing Transaction (**Pilbara Minerals Counterproposal**); and
- Pilbara Minerals has not announced or formally proposed to Latin Resources a Pilbara Minerals Counterproposal by the expiry of that period.

However, if Pilbara Minerals provides a Pilbara Minerals Counterproposal by the expiry of that period, Latin Resources must procure that the Latin Resources Board considers the Pilbara Minerals Counterproposal. If acting in good faith, the Latin Resources Board determines that the Pilbara Minerals Counterproposal would provide an equivalent or superior outcome for Latin Resources Shareholders compared with the Competing Transaction, then Latin Resources and Pilbara Minerals will use their best endeavours to implement the Pilbara Minerals Counterproposal as soon as reasonably practicable.

(f) **Break Fee (clause 11)**

Latin Resources has agreed to pay the Break Fee to Pilbara Minerals in the following circumstances:

- **Competing Transaction:** a Competing Transaction is announced on or before the End Date and a Competing Transaction of the kind referred to in paragraph (a) of the definition of Competing Transaction completes within 12 months of the End Date;
- **Change of recommendation:** any Latin Resources Director fails to make a recommendation or give the voting intention in the form set out in the Scheme Implementation Agreement, or

withdraws or adversely modifies that recommendation or voting intention statement or makes a public statement that indicates they no longer support either Scheme, except where:

- the Independent Expert's Report concludes that the respective Scheme is not in the best interests of the Latin Resources Securityholders, other than due to the existence of a Competing Transaction; or
- the Court requires the Latin Resources Director abstain from making a recommendation.
- **Superior Proposal:** Latin Resources terminates the Scheme Implementation Agreement where Latin Resources receives a Competing Transaction and, after complying with the fiduciary out, notice of approach and matching right procedures in the Scheme Implementation Agreement, the Latin Resources Board determines that it constitutes a Superior Proposal, or Latin Resources enters into any legally binding understanding to give effect to an actual or potential Competing Transaction.
- **Termination:** Pilbara Minerals terminates the Scheme Implementation Agreement due to:
 - a material breach (excluding a breach of any representation or warranty or the occurrence of a Latin Resources Prescribed Event) by Latin Resources of the Scheme Implementation Agreement where such breach is material in the context of the Share Scheme as a whole, and that breach has not been remedied within a prescribed period;
 - a breach of a representation or warranty (not the subject of the Condition Precedent in clause 3.1(j) of the Scheme Implementation Agreement) by Latin Resources which has or would reasonably be expected to have the effect of reducing the consolidated net assets of the Latin Resources Group (taken as a whole) by at least \$20 million, and that breach has not been remedied within a prescribed period; or
 - a failure to satisfy a Condition Precedent due to a breach of the Scheme Implementation Agreement by Latin Resources or a deliberate act or omission of Latin Resources.

No Break Fee will be payable by Latin Resources, and any amount that has been paid as a Break Fee must be refunded by Pilbara Minerals, if:

- the Share Scheme becomes Effective;
- prior to or at the time the Break Fee became payable, Latin Resources was entitled to terminate the document for material breach (excluding a breach of a representation or warranty or the occurrence of a Latin Resources Prescribed Event) (as set out in the Scheme Implementation Agreement), and that breach has not been remedied within a prescribed period, or as a result of a Condition Precedent not being satisfied.

(g) **Reverse Break Fee (clause 12)**

Pilbara Minerals has agreed to pay the Reverse Break Fee to Latin Resources if Latin Resources validly terminates the Scheme Implementation Agreement due to a material breach by Pilbara Minerals of the Scheme Implementation Agreement (excluding a breach of a representation or warranty or the occurrence of a Pilbara Minerals Prescribed Event) where such breach is material in the context of the Share Scheme as a whole, and that breach has not been remedied within a prescribed period.

If the Share Scheme becomes Effective, no Reverse Break Fee is payable by Pilbara Minerals and any amount that has been paid as a Reverse Break Fee must be refunded by Latin Resources.

(h) **Representations and warranties (clause 13)**

Latin Resources and Pilbara Minerals give each other representations and warranties as set out in the Scheme Implementation Agreement, subject to certain qualifications and limitations, which are customary for a transaction of this nature. The details regarding the representations and warranties are set out in full in clause 13 of the Scheme Implementation Agreement.

(i) **Termination (clause 14)**

Latin Resources may terminate the Scheme Implementation Agreement in the following circumstances:

- **Breach of warranty by Pilbara Minerals:** if there is a breach of representation and warranty given by Pilbara Minerals (not the subject to the Condition Precedent in clause 3.1(m) of the Scheme Implementation Agreement) which has or would reasonably be expected to have the effect of reducing the consolidated net assets of the Pilbara Minerals Group (taken as a whole) by at least \$320 million provided that Latin Resources has given notice to Pilbara Minerals setting out the relevant circumstances and the relevant circumstances continue to exist for 5 Business Days after such notice.
- **Competing Transaction:** if the Latin Resources Board determines (after following the notification, matching rights and fiduciary out provisions in the Scheme Implementation Agreement) that a Competing Transaction constitutes a Superior Proposal, or Latin Resources enters into any legally binding understanding to give effect to an actual or potential Competing Transaction.

Pilbara Minerals may terminate the Scheme Implementation Agreement in the following circumstances:

- **Lack of support:** if any Latin Resources Director for any reason (other than where the Court requires the Latin Resources Director abstain from making a recommendation):
 - fails to make their recommendation or voting intention statement in the form set out in the Scheme Implementation Agreement;
 - changes, withdraws, or adversely modifies or qualifies that recommendation or voting intention statement;
 - publicly recommends, supports or endorses a Competing Transaction; or
 - otherwise makes a public statement indicating that it no longer supports the Share Scheme.
- **Breach of warranty by Latin Resources:** if there is a breach of representation and warranty given by Latin Resources (not the subject to the Condition Precedent in clause 3.1(j) of the Scheme Implementation Agreement) which has or would reasonably be expected to have the effect of reducing the consolidated net assets of the Latin Resources Group (taken as a whole) by at least \$20 million provided that Pilbara Minerals has given notice to Latin Resources setting out the relevant circumstances and the relevant circumstances continue to exist for 5 Business Days after such notice.

Either Latin Resources or Pilbara Minerals may terminate the Scheme Implementation Agreement in the following circumstances:

- **End Date:** if the Share Scheme is not Effective by the End Date (except where the failure of the Scheme to become Effective is due to failure of the party seeking to terminate).
- **Regulatory Authority restraint:** a Regulatory Authority who must grant Regulatory Approval under a Condition Precedent makes a final and non-appealable denial, or a Regulatory Authority of competent jurisdiction issues a legal restraint which permanently prohibits or makes illegal the consummation of the Share Scheme, unless such an action is the result of the failure of the party seeking to terminate.
- **Material breach:** the other party is in material breach of the Scheme Implementation Agreement in the context of the document as a whole (excluding the breach of certain representations and warranties, or the occurrence of a Latin Resources Prescribed Event or Pilbara Minerals Prescribed Event), provided the non-breaching party has given notice of the relevant circumstances to the other party and the relevant circumstances continue to exist for 5 Business Days after such notice.
- **Failure of a Condition Precedent:** for breach or non-fulfilment of a Condition Precedent and the parties are unable to reach an agreement to proceed with the Share Scheme by alternative methods or to extend the relevant deadlines (except where the failure of such Condition

Precedent is due to a breach of the Scheme Implementation Agreement by the party seeking to terminate).

- **Agreement:** if agreed in writing by Latin Resources and Pilbara Minerals.

(j) **Relevant Definitions under the Scheme Implementation Agreement (clause 1.1)**

- **Latin Resources Material Adverse Effect** means an event, occurrence or matter that occurs before, on or after the date of the Scheme Implementation Agreement which has, has had, or is reasonably likely to have, either individually or when aggregated with any other events, occurrences or matters of a similar kind or category that have occurred or are reasonably likely to occur:

- (a) the effect of the value of consolidated net assets of the Latin Resources Group (taken as a whole) being reduced by at least \$40 million (as compared to the consolidated net assets set out in Latin Resources' most recent audited financial statements);
- (b) a material adverse effect on the ability of the Latin Resources Group to develop the Salinas Project in the manner proposed by the Latin Resources Group as at the date of the Scheme Implementation Agreement (including as a result of any change in legal status or the terms of (or rights attaching to) any of the "Target Key Mineral Rights" or any of the "Access Rights" (as defined in the Scheme Implementation Agreement), or the refusal of any Regulatory Authority to grant any licence, approval, permit or authorisation that has been applied for by a Latin Resources Group Member that is material to the development of the Salinas Project);
- (c) a material adverse effect on the assets, liabilities (contingent or otherwise), financial or trading condition, business, results, operations or prospects of the Latin Resources Group (taken as a whole),

but does not include any matter, event or circumstance:

- (d) that was Disclosed;
 - (e) arising from changes or developments in general economic or political conditions, including taxation, interest rates, foreign currency exchange rates or the securities market in general except to the extent that the effect of such changes or developments are disproportionately adverse to Latin Resources as compared to the effects on other companies in the industry in which Latin Resources operates;
 - (f) arising from any generally applicable change in any laws or the interpretation or non-application of any laws by any Regulatory Authority;
 - (g) arising from any change in generally accepted accounting principles or standards or the interpretation of them;
 - (h) occurring directly or indirectly as a result of any matter, event or circumstance required or permitted to be done or procured by Latin Resources pursuant to the Scheme Implementation Agreement, the Scheme, the Option Scheme, the Non-Core Assets Disposal Program or the transactions contemplated by them;
 - (i) agreed to in writing by Pilbara Minerals; or
 - (j) that is within the actual knowledge of Pilbara Minerals before the date of the Scheme Implementation Agreement (which does not include knowledge of the generic risk of the relevant matter, event or circumstance occurring, but does include knowledge of a specific risk of the relevant matter, event or circumstance occurring).
- **Latin Resources Prescribed Event** means any of the following events:
- (a) **(conversion)** Latin Resources converts all or any of its shares into a larger or smaller number of shares;

- (b) **(reduction of share capital)** Latin Resources or another Latin Resources Group Member resolves to reduce its share capital in any way or resolves to reclassify, combine, split or redeem or repurchase directly or indirectly any of its shares;
- (c) **(buy-back)** Latin Resources or another Latin Resources Group Member:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under the Corporations Act;
- (d) **(distribution)** Latin Resources makes or declares, or announces an intention to make or declare, any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie);
- (e) **(issuing or granting shares or options)** any Latin Resources Group Member:
 - (i) issues shares;
 - (ii) grants an option over its shares; or
 - (iii) agrees to make such an issue or grant such an option,

in each case to a person outside the Latin Resources Group, other than as Disclosed;
- (f) **(securities or other instruments)** any Latin Resources Group Member:
 - (i) issues or agrees to issue securities or other instruments convertible into shares or debt securities in each case to a person outside the Latin Resources Group other than as Disclosed; or
 - (ii) amends the terms attaching to or associated with any securities issued by that member (including, for the avoidance of doubt, amending any terms attaching to or associated with Latin Resources Performance Rights or Latin Resources Loan Funded Shares);
- (g) **(incentive and loan plans)** Latin Resources amends the “Employee Incentive Securities Plan” approved by Latin Resources Shareholders at Latin Resources’ annual general meeting held on 19 December 2022 or the Latin Resources Loan Funded Share Plan other than as Disclosed or otherwise agreed between Pilbara Minerals and the Latin Resources on or before the execution of the Scheme Implementation Agreement;
- (h) **(constitution)** Latin Resources adopts a new constitution or modifies or repeals its constitution or a provision of it;
- (i) **(disposals)** any member of the Core Latin Resources Group disposes, or agrees to dispose of, the whole or a substantial part of its business or property;
- (j) **(acquisitions, disposals or tenders)** any member of the Core Latin Resources Group:
 - (i) acquires or disposes of;
 - (ii) agrees to acquire or dispose of; or
 - (iii) offers, proposes, announces a bid or tenders for,

any business, assets, entity or undertaking the value of which exceeds \$5 million (individually or in aggregate) or which would or would reasonably be likely to involve a material change in:

 - (iv) the manner in which the Latin Resources Group conducts its business;

- (v) the nature (including balance sheet classification), extent or value of the assets of the Latin Resources Group; or
 - (vi) the nature (including balance sheet classification), extent or value of the liabilities of the Latin Resources Group;
- (k) **(business activities)** a member of the Latin Resources Group commences a line of business not carried out as at the date of the Scheme Implementation Agreement, whether by way of acquisition or otherwise;
- (l) **(encumbrances)** any member of the Core Latin Resources Group creates, or agrees to create, any "Encumbrance" (as defined in the Scheme Implementation Agreement) over or declares itself the trustee of the whole or a substantial part of its business or property (including any "Target Key Mineral Right" (as defined in the Scheme Implementation Agreement) or over the issued share capital in any member of the Core Latin Resources Group);
- (m) **(commitments and settlements)** other than in the ordinary course of business and consistent with past practice, any Latin Resources Group Member:
 - (i) enters into any contract or commitment involving:
 - (A) revenue or expenditure of more than \$1 million over the term of the contract or commitment of more than \$1 million per annum; or
 - (B) a term of more than 12 months (inclusive of any option to renew or extend);
 - (ii) (without limiting the above) enters into any contract or commitment relating to the same matter or project involving:
 - (A) revenue or expenditure which exceeds \$1 million in aggregate over the term of the contracts or commitments of more than \$1 million in aggregate per annum; or
 - (B) an aggregate term of more than 12 months (inclusive of any option to renew or extend);
 - (iii) terminates or amends in a material manner any contract material to the conduct of the Latin Resources Group's business or which involves revenue or expenditure of more than \$1 million over the term of the contract or more than \$1 million per annum;
 - (iv) waives any material third party default;
 - (v) accepts as a settlement or compromise of a material matter (relating to an amount in excess of \$1 million) less than the full compensation due to Latin Resources or a Subsidiary of Latin Resources; or
 - (vi) forgives any loans given in favour of any other person;
- (n) **(financial accommodation)** a Latin Resources Group Member provides financial accommodation (which includes the giving of a guarantee of, or security for, or indemnity in connection with the obligations of any person or any undertaking to pay) to any person other than to another Latin Resources Group Member;
- (o) **(insolvency)** any member of the Latin Resources Group becomes "Insolvent" (as defined in the Scheme Implementation Agreement);
- (p) **(Deregistration)** a Latin Resources Group Member is deregistered as a company or otherwise dissolved except in the case of a company with less than \$10,000 in net assets as at the date of the Scheme Implementation Agreement;

- (q) any Latin Resources Group Member authorises, procures or commits or agrees to do any of the matters set out above,

provided that a Latin Resources Prescribed Event will not include any matter:

- (r) where Latin Resources has been consulted, and Latin Resources has approved the proposed event; or
- (s) required or permitted under the Scheme Implementation Agreement, the Scheme or the Option Scheme (including as part of or in connection with the Non-Core Assets Disposal Program).

- **Non-Core Assets** means:

- (a) the ESG Minerals Shares, including all of the kaolin/halloysite interests and associated intellectual property rights held by ESG Minerals and its Subsidiary, with ESG Minerals being the holder of 100% of the shares in the capital of ESG Global Solutions Pty Ltd (ACN 676 812 927);
- (b) 100% of the shares in the capital of Electric Metals Pty Ltd (ACN 625 770 774);
- (c) 100% of the shares in the capital of Lotus Minerals Pty Ltd (ACN 664 687 156), being the holder of:
 - (i) the Lachlan Fold gold tenements located in New South Wales, Australia; and
 - (ii) 100% of the shares in the capital of Lotus Prospecting Pty Ltd (ACN 665 490 497);
- (d) all of Latin Resources' shares in Litios del Norte S.A. (being 50% of all issued shares), being the holder of the Catamarca Project located in Argentina;
- (e) 100% of the shares in Latin 2 Pty Ltd (ACN 675 757 963), being the holder of:
 - (i) 99.9% of the shares in Peruvian Latin Resources SAC and 99.66% of the shares in Minera Dylan SAC (which holds a 100% interest in the MT-03 Copper Project located in Peru); and
 - (ii) all of the shares in Recursos Latinos SA;
- (f) 0.1% of the shares in Peruvian Latin Resources SAC, which are beneficially held by Latin Resources;
- (g) 0.34% of the shares in Minera Dylan SAC, which are beneficially held by Latin Resources; and
- (h) the lease of 4/33 Buckingham Drive, Wangara, Western Australia dated 29 March 2023, pursuant to which Latin Resources is the lessee.

- **Non-Core Assets Disposal Program** means the program of Non-Core Assets disposal transactions as agreed in writing between the parties on or prior to the execution of the Scheme Implementation Agreement, including the agreed parameters and principles for giving effect to such transactions.

- **Pilbara Minerals Material Adverse Effect** means an event, occurrence or matter that occurs before, on or after the date the Scheme Implementation Agreement which has, has had, or is reasonably likely to have, either individually or when aggregated with any other events, occurrences or matters of a similar kind or category that have occurred or are reasonably likely to occur:

- (a) the effect of the value of consolidated net assets of the Pilbara Minerals Group (taken as a whole) being reduced by at least \$640 million (as compared to the consolidated net assets set out in Pilbara Minerals' most recent audited financial statements); or otherwise

- (b) a material adverse effect on the assets, liabilities (contingent or otherwise), financial or trading condition, business, results, operations or prospects of the Pilbara Minerals Group (taken as a whole),

but does not include any matter, event or circumstance:

- (c) that was Disclosed;
- (d) arising from changes or developments in general economic or political conditions, including taxation, interest rates, foreign currency exchange rates or the securities market in general except to the extent that the effect of such changes or developments are disproportionately adverse to Pilbara Minerals as compared to the effects on other companies in the industry in which Pilbara Minerals operates;
- (e) arising from any generally applicable change in any laws or the interpretation or non-application of any laws by any Regulatory Authority;
- (f) arising from any change in "Accounting Standards" (as defined in the Scheme Implementation Agreement) or the interpretation of them;
- (g) occurring directly or indirectly as a result of any matter, event or circumstance required or permitted to be done or procured by Pilbara Minerals pursuant to the Scheme Implementation Agreement, the Scheme, the Option Scheme or the transactions contemplated by any of them;
- (h) agreed to in writing by Latin Resources; or
- (i) that is within the actual knowledge of Latin Resources before the date of the Scheme Implementation Agreement (which does not include knowledge of the generic risk of the relevant matter, event or circumstance occurring, but does include knowledge of a specific risk of the relevant matter, event or circumstance occurring).

- **Pilbara Minerals Prescribed Event** means, except to the extent contemplated by the Scheme Implementation Agreement, the Scheme or the Option Scheme, any of the following events:

- (a) **(conversion)** Pilbara Minerals converts all or any of its shares into a larger or smaller number of shares;
- (b) **(reduction of share capital)** Pilbara Minerals or another member of the Pilbara Minerals Group resolves to reduce its share capital in any way or resolves to reclassify, combine, split or redeem or repurchase directly or indirectly any of its shares;
- (c) **(buy-back)** Pilbara Minerals or another member of the Pilbara Minerals Group:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under the Corporations Act;
- (d) **(issuing or granting shares or options)** Pilbara Minerals:
 - (i) issues shares;
 - (ii) grants an option convertible into new shares; or
 - (iii) agrees to make such an issue or grant such an option,

where such issue or grant (when aggregated with all other such issues or grants) would result (including upon exercise of such options) in an increase of 10% or more in Pilbara Minerals' issued share capital as at the date of the Scheme Implementation Agreement, but excluding any issues of shares, options or other rights relating to shares that have been Disclosed;

- (e) **(constitution)** Pilbara Minerals adopts a new constitution or modifies or repeals its constitution or a provision of it; or
- (f) **(Insolvency)** Pilbara Minerals or any of its Related Bodies Corporate becomes “Insolvent” (as defined in the Scheme Implementation Agreement),

provided that a Pilbara Minerals Prescribed Event will not include any matter:

- (g) Disclosed to Latin Resources;
- (h) required by law, regulation, changes in “Accounting Standards” (as defined in the Scheme Implementation Agreement) or by an order of a court or Regulatory Authority;
- (i) made at the written request of Latin Resources;
- (j) consented to in writing by Latin Resources (in its sole discretion); or
- (k) required to be done or procured by Pilbara Minerals pursuant to the Scheme Implementation Agreement or which is otherwise contemplated by the Scheme Implementation Agreement, the Scheme or the Option Scheme.

Annexure C – Share Scheme of Arrangement

KING&WOOD
MALLESONS
金杜律师事务所

Scheme of Arrangement – share scheme

Latin Resources Limited (**Target**)
Scheme Participants

King & Wood Mallesons
Level 30
QV1 Building
250 St Georges Terrace
Perth WA 6000
Australia
T +61 8 9269 7000
F +61 8 9269 7999
DX 210 Perth
www.kwm.com

Scheme of Arrangement – share scheme

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Scheme of Arrangement – share scheme

Details

Parties

Target	Name	Latin Resources Limited
	ACN	131 405 144
	Formed in	Western Australia, Australia
	Address	Unit 3, 32 Harrogate Street, West Leederville, WA 6009
	Email	cgale@latinresources.com.au
	Attention	Managing Director

Scheme Participants	Each person registered as a holder of Scheme Shares as at the Record Date.

Governing law	Western Australia

General terms

1 Definitions and interpretation

1.1 Definitions

Unless the contrary intention appears, these meanings apply:

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited, or the market operated by it, as the context requires.

ASX Official List means the official list of the entities that ASX has admitted and not removed.

ATO means the Australian Taxation Office.

Bidder means Pilbara Minerals Limited (ACN 112 425 788).

Bidder Register means the share register of Bidder.

Bidder Registry means Computershare Investor Services Pty Limited.

Bidder Share means a fully paid ordinary share in the capital of Bidder.

Business Day means a business day as defined in the Listing Rules, provided that day is not a day on which banks in Perth, Western Australia, are authorised or required to close.

CHES means the Clearing House Electronic Subregister System of share transfers operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited.

CHES Holding has the meaning given in the Settlement Rules.

Commissioner means the Australian Federal Commissioner of Taxation.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Federal Court of Australia (Western Australia registry), or such other court of competent jurisdiction under the Corporations Act agreed by Target and Bidder.

Deed Poll means the deed poll executed by Bidder substantially in the form of Annexure B of the Scheme Implementation Agreement or as otherwise agreed by Target and Bidder under which Bidder covenants in favour of each Scheme Participant to perform the actions attributed to it under this Scheme.

Details means the section of this document headed "Details".

Effective when used in relation to this Scheme, means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to this Scheme, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.

Effective Date means the date on which the Scheme becomes Effective.

Electing Small Scheme Participant means a Small Scheme Participant who has provided Target with an Opt-in Notice before 5.00pm on the Business Day prior to the Record Date.

Encumbrance means any security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement and any "security interest" as defined in sections 12(1) or (2) of the PPSA or any agreement to create any of them or allow them to exist.

End Date means the date that is 6 months (or, if Bidder or Target gives a written notice under clause 3.11 of the Scheme Implementation Agreement, 9 months) after the date of the Scheme Implementation Agreement, or such other date as is agreed by Bidder and Target.

First Court Date means the first day on which an application made to the Court for orders under section 411(1) of the Corporations Act convening the Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.

Implementation Date means the 5th Trading Day following the Record Date.

Ineligible Foreign Shareholder means a Scheme Participant whose Registered Address is a place outside Australia and its external territories, New Zealand, Switzerland, Brazil, Canada, Hong Kong, the United Kingdom and the United States or who is acting on behalf of such a person, unless Bidder determines that:

- (a) it is lawful and not unduly onerous or unduly impracticable to issue that Scheme Participant with the New Bidder Shares on implementation of this Scheme; and
- (b) it is lawful for that Scheme Participant to participate in this Scheme by the law of the relevant place outside Australia and its external territories.

Issuer Sponsored Holding has the meaning given in the Settlement Rules.

Listing Rules means the Listing Rules of ASX and any other applicable rules of ASX modified to the extent of any express written waiver by ASX.

New Bidder Share means a Bidder Share to be issued to Scheme Participants under this Scheme.

Nominee Holder means a Scheme Participant who holds one or more parcels of Scheme Shares as trustee or nominee for, or otherwise on account of, another person.

Opt-in Notice means the form to be completed by a Small Scheme Participant electing to have the Scheme Consideration to which they would otherwise be entitled issued to the Sale Nominee and sold on their behalf in accordance with clause 6.6.

PPSA means the *Personal Property Securities Act 2009* (Cth).

Proceeds has the meaning given to it in clause 6.6(b)(ii).

Record Date means 7.00pm (Sydney time) on the 3rd Trading Day following the Effective Date or such other date as Target and Bidder agree.

Register means the share register of Target maintained by or on behalf of Target in accordance with the Corporations Act.

Registered Address means, in relation to a Scheme Participant, the address shown in the Register as at the Record Date.

Registry means Computershare Investor Services Pty Limited.

Regulatory Authority includes:

- (a) ASX, ASIC, and the Takeovers Panel;
- (b) a government or governmental, semi-governmental or judicial entity or authority;
- (c) a minister, department, office, commission, delegate, instrumentality, agency, board, authority, or organisation of any government; and
- (d) any regulatory organisation established under statute.

Sale Nominee means, subject to obtaining relevant ASIC relief (if, and to the extent, required) a person appointed by Bidder (in consultation with Target) to sell the New Bidder Shares that would otherwise be issued to or for the benefit of Ineligible Foreign Shareholders or Electing Small Scheme Participants under the terms of this Scheme.

Scheme means this scheme of arrangement under Part 5.1 of the Corporations Act under which all the Scheme Shares held by Scheme Participants will be transferred to Bidder, together with any amendment or modification made pursuant to section 411(6) of the Corporations Act to the extent they are approved in writing by Target and Bidder in accordance with this Scheme.

Scheme Booklet means, in respect of the Scheme, the information booklet to be approved by the Court and despatched to Target Shareholders and which includes, amongst other things, the Scheme.

Scheme Consideration means the consideration payable by Bidder for the transfer of Scheme Shares held by a Scheme Participant to Bidder, being, in respect of each Scheme Share, 0.07 New Bidder Shares.

Scheme Implementation Agreement means the scheme implementation agreement dated 14 August 2024 between Target and Bidder as amended from time to time under which, amongst other things, Target has agreed to propose this Scheme to Scheme Shareholders, and each of Target and Bidder has agreed to take certain steps to give effect to this Scheme.

Scheme Meeting means the meeting of Scheme Shareholders, ordered by the Court, at which Scheme Shareholders will vote on this Scheme and including any meeting following an adjournment or postponement of that meeting.

Scheme Participant means a person who is a Scheme Shareholder at the Record Date.

Scheme Share means a Target Share.

Scheme Shareholder means a person who is a holder of Scheme Shares.

Second Court Date means the first day on which an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving this Scheme is heard or scheduled to be heard or, if the application is

adjourned for any reason means the date on which the adjourned application is heard or scheduled to be heard.

Settlement Rules means the ASX Settlement Operating Rules, being the official operating rules of the settlement facility provided by ASX Settlement Pty Ltd.

Small Scheme Participant means a Scheme Participant (other than an Ineligible Foreign Shareholder) who, based on their holding of Scheme Shares as at the Record Date (including any Scheme Shares issued on or before the Record Date), would on the Implementation Date be entitled to receive less than a marketable parcel (as that term is defined in the Listing Rules) of New Bidder Shares (assessed by reference to the highest closing price of Bidder Shares on the ASX beginning on the date the Scheme Booklet is registered by ASIC under section 412(6) of the Corporations Act and ending on the Effective Date) as Scheme Consideration.

Subsidiary of an entity means another entity which:

- (a) is a subsidiary of the first entity within the meaning of the Corporations Act; or
- (b) is otherwise part of a consolidated entity constituted by the first entity and the entities it is required to include in the consolidated financial statements it prepares or would be, if the first entity was required to prepare consolidated financial statements.

TAA means the *Tax Administration Act 1953* (Cth).

Takeovers Panel means the Takeovers Panel constituted under the *Australian Securities and Investments Commission Act 2001* (Cth).

Target Share means a fully paid ordinary share in the capital of Target.

Target Shareholder means each person recorded in the Register as a holder of Target Shares.

Trading Day means a business day as defined in the Listing Rules.

Transfer means a duly completed proper instrument of transfer of the Scheme Shares held by Scheme Participants for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all such Scheme Shares.

1.2 General interpretation

Headings and labels used for definitions are for convenience only and do not affect interpretation. Unless the contrary intention appears, in this document:

- (a) the singular includes the plural and vice versa;
- (b) a reference to a document includes any agreement or other legally enforceable arrangement created by it (whether the document is in the form of an agreement, deed or otherwise);
- (c) a reference to a document also includes any variation, replacement or novation of it;
- (d) the meaning of general words is not limited by specific examples introduced by “including”, “for example”, “such as” or similar expressions;

- (e) a reference to “**person**” includes an individual, a body corporate, a partnership, a joint venture, an unincorporated association and an authority or any other entity or organisation;
- (f) a reference to a particular person includes the person’s executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (g) a reference to a time of day is a reference to the time in Perth, Western Australia, unless otherwise indicated;
- (h) a reference to dollars, \$ or A\$ is a reference to the currency of Australia;
- (i) a reference to “**law**” includes common law, principles of equity and legislation (including regulations);
- (j) a reference to any legislation includes regulations under it and any consolidations, amendments, re-enactments or replacements of any of them;
- (k) a reference to “**regulations**” includes instruments of a legislative character under legislation (such as regulations, rules, by-laws, ordinances and proclamations);
- (l) a reference to a group of persons is a reference to any 2 or more of them jointly and to each of them individually;
- (m) a reference to any thing (including an amount) is a reference to the whole and each part of it;
- (n) a period of time starting from a given day or the day of an act or event, is to be calculated exclusive of that day;
- (o) if a party must do something under this document on or by a given day and it is done after 5.00pm on that day, it is taken to be done on the next day;
- (p) if the day on which a party must do something under this document is not a Business Day, the party must do it on the next Business Day;
- (q) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (r) other parts of speech and grammatical forms of a word or phrase defined in this document have a corresponding meaning;
- (s) a reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to this document;
- (t) a term defined in or for the purposes of the Corporations Act, and which is not defined in clause 1.1, has the same meaning when used in this document;
- (u) no provision of this Scheme will be construed adversely to a party because that party was responsible for the preparation of this document or that provision;
- (v) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;

- (w) a reference to a body (including an institute, association or authority), other than a party to this document, whether statutory or not:
 - (i) which ceases to exist; or
 - (ii) whose powers or functions are transferred to another body,
 is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (x) a reference to the Listing Rules or the Settlement Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party; and
- (y) a reference to something being “reasonably likely” (or to a similar expression) is a reference to that thing being more likely than not to occur when assessed objectively.

2 Preliminary

2.1 Agreement to implement this Scheme

- (a) Target and Bidder have agreed, by executing the Scheme Implementation Agreement, to implement this Scheme on and subject to the terms and conditions of the Scheme Implementation Agreement.
- (b) This Scheme attributes actions to Bidder but does not itself impose an obligation on Bidder to perform those actions. Bidder has undertaken, by executing the Deed Poll, to perform the actions attributed to it under this Scheme, including the provision or procuring of the provision of the Scheme Consideration to the Scheme Participants subject to the terms and conditions of this Scheme.

2.2 Target

Target is:

- (a) a public company limited by shares;
- (b) incorporated in Australia and registered in Western Australia; and
- (c) admitted to the ASX Official List and Target Shares are quoted for trading on ASX.

2.3 Bidder

Bidder is:

- (a) a public company limited by shares;
- (b) incorporated in Australia and registered in Victoria, Australia; and
- (c) admitted to the ASX Official List and Bidder Shares are quoted for trading on ASX.

2.4 If Scheme becomes Effective

If this Scheme becomes Effective:

- (a) in consideration of the transfer of each Scheme Share held by Scheme Participants to Bidder, Bidder will provide, or procure the provision of, the Scheme Consideration to each Scheme Participant in accordance with the terms of this Scheme and the Deed Poll; and
- (b) subject to the provision of the Scheme Consideration for the Scheme Shares as contemplated by clause 6, on the Implementation Date:
 - (i) all Scheme Shares held by Scheme Participants, and all the rights and entitlements attaching to them as at the Implementation Date, must be transferred to Bidder; and
 - (ii) Target will enter the name of Bidder in the Register in respect of all of the Scheme Shares transferred to Bidder in accordance with the terms of this Scheme.

3 Conditions precedent

3.1 Conditions precedent to Scheme

This Scheme is conditional on, and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) neither the Scheme Implementation Agreement nor the Deed Poll having been terminated in accordance with their terms before 8.00am on the Second Court Date;
- (b) all of the conditions precedent in clause 3.1 of the Scheme Implementation Agreement having been satisfied or waived by 8.00am on the Second Court Date (other than the condition precedent in clause 3.1(c) of the Scheme Implementation Agreement relating to Court approval of this Scheme) in accordance with the terms of the Scheme Implementation Agreement;
- (c) the Court having approved this Scheme, with or without any modification or condition, pursuant to section 411(4)(b) of the Corporations Act, and if applicable, Target and Bidder having accepted in writing any modification or condition made or required by the Court under section 411(6) of the Corporations Act;
- (d) subject to clause 10.1, such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme and agreed to by Target and Bidder having been satisfied or waived; and
- (e) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) in relation to this Scheme on or before the End Date (or any later date Target and Bidder agree in writing in accordance with the Scheme Implementation Agreement).

3.2 Conditions precedent and operation of clause 5

The satisfaction of each condition of clause 3.1 is a condition precedent to the operation of clause 5.

3.3 Certificate in relation to conditions precedent

- (a) Target and Bidder must each provide to the Court on the Second Court Date a certificate in a form agreed by Target and Bidder, acting reasonably, (and/or such other evidence as the Court requests) confirming (in respect of matters within its knowledge) whether or not the conditions precedent set out in clause 3.1(a) and clause 3.1(b) have been satisfied or waived.
- (b) The certificates referred to in clause 3.3(a) will constitute conclusive evidence (in the absence of manifest error) of whether the conditions precedent referred to in clause 3.1(a) and clause 3.1(b) have been satisfied or waived as at 8.00am on the Second Court Date.

4 Scheme

4.1 Effective Date

Subject to clause 4.2, this Scheme will come into effect pursuant to section 411(10) of the Corporations Act on and from the Effective Date.

4.2 End Date

Without limiting any rights or obligations under the Scheme Implementation Agreement, this Scheme will lapse and be of no further force or effect if:

- (a) the Effective Date does not occur on or before the End Date; or
- (b) the Scheme Implementation Agreement or the Deed Poll is terminated in accordance with its terms,

unless Target and Bidder otherwise agree in writing (and, if required, as approved by the Court).

5 Implementation of Scheme

5.1 Lodgement of Court orders with ASIC

If the conditions precedent set out in clause 3.1 (other than the condition precedent in clause 3.1(e)) are satisfied, Target must lodge with ASIC in accordance with section 411(10) of the Corporations Act an office copy of the Court order approving this Scheme as soon as possible, and in any event by no later than 5.00pm on the first Business Day after the day on which the Court provides its written orders approving this Scheme or such later time as agreed in writing with Bidder.

5.2 Transfer and registration of Scheme Shares

On the Implementation Date, but subject to the provision of the Scheme Consideration for the Scheme Shares held by Scheme Participants in accordance with clause 6:

- (a) all Scheme Shares held by Scheme Participants, together with all rights and entitlements attaching to the Scheme Shares held by Scheme Participants as at the Implementation Date, will be transferred to Bidder without the need for any further act by any Scheme Participant (other

than acts performed by Target as attorney and agent for Scheme Participants under clause 5.8) by:

- (i) Target delivering to Bidder a Transfer duly executed on behalf of the Scheme Participants by Target; and
- (ii) Bidder duly executing the Transfer as transferee and delivering it to Target for registration; and
- (b) immediately following receipt of the duly executed Transfer, but subject to the stamping of that Transfer (if required), Target must enter, or procure the entry of, the name of Bidder in the Register in respect of all of the Scheme Shares transferred to Bidder in accordance with the terms of this Scheme.

5.3 Entitlement to Scheme Consideration

Subject to the remaining provisions of this Scheme (including clauses 6.4 and 6.5 in relation to Ineligible Foreign Shareholders and Electing Small Scheme Participants), on the Implementation Date, in consideration for the transfer to Bidder of all of the Scheme Shares held by Scheme Participants, each Scheme Participant will be entitled to receive the Scheme Consideration in respect of each of their Scheme Shares in accordance with clause 6.

5.4 Title and rights in Scheme Shares

- (a) Subject to the provision of the Scheme Consideration for the Scheme Shares held by Scheme Participants as contemplated by clause 6, Bidder will be beneficially entitled to the Scheme Shares held by Scheme Participants transferred to it under this Scheme, pending registration by Target of Bidder in the Register as the holder of the Scheme Shares.
- (b) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to Bidder will, at the time of transfer, vest in Bidder free from all Encumbrances and interests of third parties of any kind, whether legal or otherwise, and free from any restrictions on transfer of any kind.

5.5 Scheme Participant's agreements

Under this Scheme, each Scheme Participant (and, to the extent relevant, the Sale Nominee) irrevocably and without the need for any further act by the Scheme Participant:

- (a) subject to the provision of the Scheme Consideration for the Scheme Shares held by Scheme Participants in accordance with clause 6:
 - (i) agrees for all purposes to the transfer of their Scheme Shares together with all rights and entitlements attaching to those Scheme Shares in accordance with this Scheme;
 - (ii) agrees to the variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from this Scheme; and
 - (iii) agrees to, on the direction of Bidder, destroy any holding statements or share certificates relating to their Scheme Shares;
- (b) agrees, in the case of Scheme Shares held in a CHES Holding, to the conversion of those Scheme Shares to an Issuer Sponsored Holding and irrevocably authorises Target to do anything necessary or expedient

(whether required by the Settlement Rules or otherwise) to effect or facilitate such conversion;

- (c) agrees, in the case of Scheme Shares held in an Issuer Sponsored Holding, to complete and sign on behalf of the Scheme Participant any required form of Transfer;
- (d) if the Scheme Participant is not an Ineligible Foreign Shareholder or an Electing Small Scheme Participant, agrees to become a member of Bidder, to have their name entered in the Bidder Register, accepts the New Bidder Shares issued to them and agrees to be bound by Bidder's constitution;
- (e) agrees and acknowledges that the issue of New Bidder Shares in accordance with clause 6.2 or the provision of the Proceeds in accordance with clause 6.6(c) constitutes satisfaction of all their entitlements to Scheme Consideration under this Scheme;
- (f) acknowledges that this Scheme binds Target and all of the Scheme Participants from time to time (including those who do not attend the Scheme Meeting and those who do not vote, or vote against this Scheme, at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of Target;
- (g) appoints Target, and each director and officer of Target, as its agent to receive on its behalf any financial services guide (or similar or equivalent document) and any other notices (including any updates of those documents) that the Sale Nominee is required to provide to Ineligible Foreign Shareholders or Electing Small Scheme Participants under the Corporations Act or any other applicable law; and
- (h) consents to Target and Bidder doing all things and executing all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to this Scheme and the transactions contemplated by it.

5.6 Warranty by Scheme Participants

- (a) Each Scheme Participant warrants to Bidder and is deemed to have authorised Target to warrant to Bidder as agent and attorney for the Scheme Participant by virtue of this clause 5.6, that:
 - (i) on the Implementation Date, all their Scheme Shares (including any rights and entitlements attaching to those shares) transferred to Bidder under this Scheme will, as at the date of the transfer, be fully paid and free from all Encumbrances and interests of third parties of any kind, whether legal or otherwise, and free from any restrictions on transfer of any kind; and
 - (ii) on the Implementation Date, they have full power and capacity to sell and to transfer their Scheme Shares (including any rights and entitlements attaching to those shares) to Bidder under the Scheme; and
 - (iii) on the Record Date, they have no existing right to be issued any other Scheme Shares or any other form of securities in Target.
- (b) Target undertakes that it will provide such warranty in clause 5.6(a) to Bidder as agent and attorney of each Scheme Participant.

5.7 Appointment of Bidder as sole proxy

- (a) Subject to the provision of the Scheme Consideration for the Scheme Shares held by Scheme Participants as contemplated by clause 6, on and from the Implementation Date until Target registers Bidder as the holder of all of the Scheme Shares held by Scheme Participants in the Register, each Scheme Participant:
- (i) is deemed to have irrevocably appointed Target as attorney and agent, and directs Target (in such capacity) to appoint Bidder and each of its directors from time to time (jointly and each of them individually) as its sole proxy (and where applicable, corporate representative), to attend shareholders' meetings, exercise the votes attaching to Scheme Shares registered in its name and sign any shareholders' resolution or document (whether in person, by proxy or corporate representative);
 - (ii) must not attend or vote at any Target shareholders' meetings, exercise the votes attaching to Scheme Shares registered in its name or sign any Target shareholders' resolution, whether in person, by proxy or by corporate representative (other than pursuant to clause 5.7(a)(i));
 - (iii) must take all other actions in the capacity of the registered holder of Scheme Shares as Bidder reasonably directs; and
 - (iv) acknowledges and agrees that in exercising the powers referred to in clause 5.7(a)(i), Bidder and any director may act in the best interests of Bidder as the intended registered holder of the Scheme Shares.
- (b) Target undertakes in favour of each Scheme Participant that it will appoint Bidder and each of its directors from time to time (jointly and each of them individually) as that Scheme Participant's proxy or, where applicable, corporate representative in accordance with clause 5.7(a)(i).

5.8 Appointment of Target as attorney for implementation of Scheme

Each Scheme Participant, without the need for any further act by any Scheme Participant, irrevocably appoints Target and each of its directors and secretaries (jointly and each of them individually) as its attorney and agent for the purpose of:

- (a) on the Implementation Date, executing any document or doing or taking any other act necessary, desirable or expedient, or incidental to give effect to this Scheme and the transactions contemplated by it including executing and delivering any executed Transfer and any other deed or document reasonably required by Bidder, that causes each Scheme Participant (or the Sale Nominee, if applicable) to become a shareholder of Bidder or holder of New Bidder Shares and to be bound by the terms of the constitution of Bidder; and
- (b) on and from the Effective Date, enforcing the Deed Poll against Bidder,

and Target accepts such appointment and undertakes in favour of each Scheme Participant to enforce the Deed Poll against Bidder on behalf of and as agent and attorney for the Scheme Participants. Target as attorney and agent of each Scheme Participant may sub-delegate its functions, authorities or powers under this clause 5.8 to all or any of its directors, officers, secretaries or employees (jointly, severally or jointly and severally).

6 Scheme Consideration

6.1 Consideration under this Scheme

On the Implementation Date, Bidder must provide, or procure the provision of, the Scheme Consideration to the Scheme Participants (or to the Sale Nominee) in accordance with this clause 6.

6.2 Provision of Scheme Consideration

- (a) Subject to the other provisions of this clause 6, the obligations of Bidder to provide, or procure the provision of, the Scheme Consideration to the Scheme Participants will be satisfied by Bidder:
 - (i) on the Implementation Date, issuing to, or procuring the issuance to, each Scheme Participant (other than the Ineligible Foreign Shareholders and Electing Small Scheme Participants) the Scheme Consideration for each Scheme Share transferred to Bidder on the Implementation Date by that Scheme Participant; and
 - (ii) procuring that the name and address of each such Scheme Participant (other than the Ineligible Foreign Shareholders and Electing Small Scheme Participants) is entered into the Bidder Register on the Implementation Date in respect of the New Bidder Shares to which it is entitled under this clause 6.
- (b) Bidder must procure that, as soon as practicable after the Implementation Date (and in any event within the time period required by the Listing Rules), a holding statement (or equivalent document) is sent to the Registered Address of each Scheme Participant who is not an Ineligible Foreign Shareholder or Electing Small Scheme Participant, representing the number of New Bidder Shares issued to such Scheme Participant pursuant to this Scheme.

6.3 Fractional entitlements

- (a) If the number of Scheme Shares held by a Scheme Participant at the Record Date is such that the aggregate entitlement of the Scheme Participant to New Bidder Shares includes a fractional entitlement to a New Bidder Share, the entitlement will be rounded as follows:
 - (i) if the fractional entitlement is less than 0.5, the entitlement will be rounded down to the nearest whole number of New Bidder Shares; and
 - (ii) if the fractional entitlement is equal to or more than 0.5, the entitlement will be rounded up to the nearest whole number of New Bidder Shares.
- (b) If a Nominee Holder holds more than one parcel of Scheme Shares as trustee or nominee for, or otherwise on account of, another person, then for the purposes of this clause 6.3, the Scheme Consideration for the Nominee Holder will be calculated and rounded based on the aggregate number of Scheme Shares held by the Nominee Holder in those parcels as trustee or nominee for, or otherwise on account of, other persons.
- (c) If Bidder or Target is of the opinion that two or more Scheme Participants (each of whom holds a number of Scheme Shares which results in rounding in accordance with clause 6.3(a) or each of whom holds less than or equal to the number of Target Shares required to classify as a

Small Scheme Participant) have, before the Record Date, been party to a shareholding splitting or division in an attempt to obtain an advantage by reference to such rounding. Target must provide the relevant details of the relevant Scheme Participants to Bidder, and if reasonably requested by Bidder, Target must give notice to those Scheme Participants:

- (i) setting out their names and Registered Addresses;
- (ii) stating that opinion; and
- (iii) attributing to one of them specifically identified in the notice the Scheme Shares held by all of them,

and, after such notice has been given, the Scheme Participant specifically identified in the notice as the deemed holder of the specified Scheme Shares will, for the purpose of the provisions of this Scheme, be taken to hold all of those Scheme Shares and each of the other Scheme Participants whose names and Registered Addresses are set out in the notice will, for the purposes of the provisions of this Scheme, be taken to hold no Scheme Shares. Bidder, in complying with the other provisions of this Scheme relating to it in respect of the Scheme Participant specifically identified in the notice as the deemed holder of the specified Scheme Shares, will be taken to have satisfied and discharged its obligations to other Scheme Participants named under the notice under the terms of this Scheme.

6.4 Election by Small Scheme Participant

- (a) Target must provide each Small Scheme Participant with, or procure the provision to each Small Scheme Participant of, an Opt-in Notice.
- (b) If a Small Scheme Participant has provided Target with a duly completed Opt-in Notice prior to 5.00pm on the Business Day prior to the Record Date, Bidder will be under no obligation under this Scheme or the Deed Poll to issue, and will not issue, any New Bidder Shares to that Small Scheme Participant, and instead Bidder must procure that the New Bidder Shares to which that Small Scheme Participant would otherwise be entitled are dealt with in accordance with clause 6.6.

6.5 Ineligible Foreign Shareholders

Bidder will be under no obligation under this Scheme or the Deed Poll to issue, and will not issue, any New Bidder Shares to any Ineligible Foreign Shareholder, and instead Bidder must procure that the New Bidder Shares to which that Ineligible Foreign Shareholder would otherwise be entitled are dealt with in accordance with clause 6.6.

6.6 Sale facility

Each Ineligible Foreign Shareholder and Electing Small Scheme Participant authorises Bidder to, and Bidder must, subject to clauses 6.3 and 6.10:

- (a) issue or procure the issue of any New Bidder Shares to which an Ineligible Foreign Shareholder or an Electing Small Scheme Participant would otherwise be entitled to receive (**Relevant Bidder Shares**) to the Sale Nominee;
- (b) procure that the Sale Nominee:

- (i) as soon as reasonably practicable and in any event not more than 30 Business Days after the Implementation Date, sells or procures the sale of all of the Relevant Bidder Shares issued to the Sale Nominee pursuant to clause 6.6(a) (including on an aggregated or partially aggregated basis), in the ordinary course of trading on ASX, at such price and in the manner and on such terms as the Sale Nominee reasonably determines in good faith (and at the risk of the Ineligible Foreign Shareholders and the Electing Small Scheme Participants); and
 - (ii) as soon as reasonably practicable after settlement remits to Bidder the proceeds of such sale (net of any applicable brokerage, stamp duty and other selling costs, taxes and charges) (**Proceeds**); and
- (c) promptly after the last sale of the Relevant Bidder Shares in accordance with clause 6.6(b)(i), and after receiving the Proceeds of such sale, pays or procures the payment to each Ineligible Foreign Shareholder and Electing Small Scheme Participant an amount in Australian dollars equal to the proportion of the Proceeds received by Bidder under clause 6.6(b)(ii) to which that Ineligible Foreign Shareholder or Electing Small Scheme Participant (as applicable) is entitled in full satisfaction of their entitlement to the Scheme Consideration, in accordance with the following formula and rounded down to the nearest cent:

$$A = (B/C) \times D$$

Where:

A is the amount in A\$ to be paid to the Ineligible Foreign Shareholder or the Electing Small Scheme Participant (as applicable);

B is the number of Relevant Bidder Shares attributable to, and that would otherwise have been issued to, that Ineligible Foreign Shareholder or Electing Small Scheme Participant (as applicable) if they had not been an Ineligible Foreign Shareholder or Electing Small Scheme Participant (as applicable) and which are instead issued to the Sale Nominee;

C is the total number of Relevant Bidder Shares attributable to, and which would otherwise have been issued to, all Ineligible Foreign Shareholders and all Electing Small Scheme Participants collectively and which are instead issued to the Sale Nominee; and

D is the Proceeds.

- (d) Each Ineligible Foreign Shareholder and Electing Small Scheme Participant acknowledges and agrees that:
- (i) none of Target, Bidder or the Sale Nominee make any assurances or representation as to the price that will be achieved for the sale of the Relevant Bidder Shares under clause 6.6(b)(i) or the amount of Proceeds to be received by Ineligible Foreign Shareholders and Electing Small Scheme Participants under clause 6.6(c); and
 - (ii) each of Target, Bidder and the Sale Nominee expressly disclaim any fiduciary duty to the Ineligible Foreign Shareholders and

Electing Small Scheme Participants which may otherwise arise in connection with this clause 6.6.

- (e) Bidder must make, or procure the making of, payments to Ineligible Foreign Shareholders and Electing Small Scheme Participants under clause 6.6(c) by either (in the absolute discretion of Bidder, and despite any election referred to in clause 6.6(e)(ii) or authority referred to in clause 6.6(e)(i) made or given by the Scheme Participant):
 - (i) paying, or procuring the payment of, the relevant amount in Australian dollars by electronic means to a bank account nominated by the Ineligible Foreign Shareholder or Electing Small Scheme Participant (as applicable) (**Bank Account**) by an appropriate authority from the Ineligible Foreign Shareholder or Electing Small Scheme Participant (as applicable) to Bidder; or
 - (ii) if a Bank Account has not been nominated by the Ineligible Foreign Shareholder or Electing Small Scheme Participant (as applicable) in accordance with clause 6.6(e)(i):
 - (A) if an Ineligible Foreign Shareholder or an Electing Small Scheme Participant (as applicable) has, before the Record Date, made a valid election in accordance with the requirements of the Registry to receive dividend payments from Target by electronic funds transfer to a Bank Account nominated by the Ineligible Foreign Shareholder or Electing Small Scheme Participant (as applicable), paying, or procuring the payment of, the relevant amount in Australian dollars by electronic means in accordance with that election; or
 - (B) otherwise dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian dollars to the Ineligible Foreign Shareholder or Electing Small Scheme Participant by prepaid post to their Registered Address, such cheque being drawn in the name of the Ineligible Foreign Shareholder or the Electing Small Scheme Participant (as applicable) (or in the case of joint holders, in accordance with the procedures set out in clause 6.12).
- (f) Each Ineligible Foreign Shareholder and Electing Small Scheme Participant appoints Target as its agent to receive on its behalf any financial services guide (or similar or equivalent document) and other notices (including any updates of those documents) that the Sale Nominee is required to provide to Ineligible Foreign Shareholders and Electing Small Scheme Participants under the Corporations Act or any other applicable law.
- (g) Payment of the amount 'A' calculated in accordance with clause 6.6(c) to an Ineligible Foreign Shareholder or an Electing Small Scheme Participant (as applicable) in accordance with this clause 6.6 satisfies in full the rights of the Ineligible Foreign Shareholder or of the Electing Small Scheme Participant (as applicable) to Scheme Consideration and interest will not be paid on any Proceeds.

6.7 Other ineligible Scheme Shareholders

Where the issue of New Bidder Shares to which a Scheme Participant (other than an Ineligible Foreign Shareholder or an Electing Small Scheme Participant) would otherwise be entitled under this Scheme would result in a breach of law:

- (a) Bidder will issue the maximum possible number of New Bidder Shares to the Scheme Participant without giving rise to such a breach; and
- (b) any further New Bidder Shares to which that Scheme Participant is entitled, but the issue of which to the Scheme Participant would give rise to such a breach of law, will instead be issued to the Sale Nominee and dealt with under clause 6.6, as if:
 - (i) references to Ineligible Foreign Shareholders also included that Scheme Participant; and
 - (ii) references to Relevant Bidder Shares also included any of that Scheme Participant's New Bidder Shares that have been issued to the Sale Nominee.

6.8 Withholding

Bidder acknowledges and agrees that it will not deduct any amounts from the payment of the Scheme Consideration or pay any amounts to the Commissioner under or on account of Subdivision 14-D of Schedule 1 to the TAA with respect to a Scheme Shareholder unless Bidder is required by law to do so under Subdivision 14-D of Schedule 1 to the TAA (the **Withholding Amount**) in which case Bidder will be able to take the required steps to withhold (which may include holding back sufficient Scheme Consideration to sell under the sale facility, referred to at clause 6.6, to fund the Withholding Amount).

6.9 Unclaimed monies

- (a) Bidder may cancel a cheque issued under this clause 6 if the cheque:
 - (i) is returned to Bidder; or
 - (ii) has not been presented for payment within 6 months after the date on which the cheque was sent.
- (b) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Participant to Target, the Registry or Bidder, Bidder must as soon as practicable reissue a cheque that was previously cancelled under 6.9(a).
- (c) The *Unclaimed Money Act 1990* (WA) will apply in relation to any Scheme Consideration or Proceeds that becomes "unclaimed money" (as defined in section 6 of the *Unclaimed Money Act 1990* (WA)), but any interest or other benefit accrued from the unclaimed Scheme Consideration or Proceeds will be for the benefit of Bidder.

6.10 Orders of a court or Regulatory Authority

- (a) Target or Bidder may deduct and withhold from any consideration which would otherwise be provided to a Scheme Participant in accordance with this clause 6, provided that Target or Bidder has obtained advice from an appropriately qualified professional adviser to the effect that the relevant amount is required to be deducted and withheld from the Scheme Consideration under applicable laws, including any order, direction or notice made or given by a court of competent jurisdiction or by another Regulatory Authority.
- (b) If written notice is given to Target (or the Registry) or Bidder (or the Bidder Registry) of an order, direction or notice made or given by a court of competent jurisdiction or by another Regulatory Authority that:

- (i) requires consideration which would otherwise be provided to a Scheme Participant in accordance with this clause 6 to instead be provided to a Regulatory Authority or other third party (either through payment of a sum or the issuance of a security), or which requires any amount to be deducted or withheld from any consideration which would otherwise be provided to a Scheme Participant in accordance with this clause 6, then Target or Bidder (as applicable) shall be entitled to procure that provision of that consideration is made in accordance with that order, direction or notice (and payment or provision of, or the deduction or withholding from, that consideration in accordance with that order, direction or notice will be treated for all purposes under this Scheme as having been paid or provided to that Scheme Participant); or
- (ii) prevents consideration being provided to any particular Scheme Participant in accordance with this clause 6, or the payment or provision of such consideration is otherwise prohibited by applicable law, Target or Bidder shall be entitled to (as applicable):
 - (A) in the case of an Ineligible Foreign Shareholder or an Electing Small Scheme Participant (as applicable), retain an amount, in Australian dollars, equal to the relevant Ineligible Foreign Shareholder's or Electing Small Scheme Participant's (as applicable) share of the Proceeds; or
 - (B) not issue (or procure the issue of), or to issue (or procure the issue) to a trustee or nominee, such number of New Bidder Shares as that Scheme Participant would otherwise be entitled to under this clause 6,

until such time as payment or provision of the consideration in accordance with this clause 6 is permitted by that order or direction or otherwise by law.

- (c) To the extent that amounts are deducted or withheld under or in accordance with this clause 6.10, such deducted or withheld amounts will be treated for all purposes under this Scheme as having been paid to the person in respect of which such deduction or withholding was made.

6.11 Status of New Bidder Shares

- (a) Bidder covenants in favour of Target (in its own right and on behalf of the Scheme Participants) that, subject to the Scheme becoming Effective, the New Bidder Shares required to be issued under this Scheme will, upon their issue:
 - (i) rank equally in all respects with all other Bidder Shares then on issue;
 - (ii) be duly and validly issued in accordance with applicable laws and Bidder's constitution; and
 - (iii) be fully paid and free from any Encumbrance.
- (b) Bidder will use its best endeavours to ensure that the New Bidder Shares issued in connection with the Scheme Consideration will commence trading on a normal settlement basis on the ASX as soon as reasonably practicable after the Implementation Date.

6.12 Joint holders

In the case of Scheme Shares held by Scheme Participants in joint names:

- (a) any New Bidder Shares to be issued under this Scheme must be issued to and registered in the names of the joint holders and entry in the Bidder Register must take place in the same order as the holders' names appear in the Register as at the Record Date;
- (b) any cheque required to be sent under this Scheme must be payable to the joint holders and be forwarded to the Registered Address of the holder whose name appears first in the Register as at the Record Date or to the joint holders; and
- (c) any other document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of Target, the Registered Address of the holder whose name appears first in the Register as at the Record Date or to the joint holders.

7 Dealings in Scheme Shares

7.1 Determination of Scheme Participants

To establish the identity of the Scheme Participants, dealings in Scheme Shares or other alterations to the Register will only be recognised by Target if:

- (a) in the case of dealings of the type to be effected using CHESSE, the transferee is registered in the Register as the holder of the relevant Scheme Shares on or before the Record Date; and
- (b) in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received on or before the Record Date at the place where the Register is kept,

and, subject to clause 7.3(b), Target must not accept for registration, nor recognise for any purpose any transfer or transmission application or other request received after such time, or received prior to such time but not in registrable or actionable form, as appropriate.

7.2 Register

Target must register any registrable transmission applications or transfers of the Scheme Shares received in accordance with clause 7.1(b) on or before the Record Date.

7.3 No disposals after Record Date

- (a) If this Scheme becomes Effective, a Scheme Participant (and any person claiming through that Scheme Participant) must not dispose of or deal with or purport or agree to dispose of or deal with any Scheme Shares or any interest in them after the Record Date in any way except as set out in this Scheme and any such disposal will be void and of no legal effect whatsoever, and Target shall be entitled to disregard any such disposals or dealings.
- (b) Target will not accept for registration or recognise for any purpose any transmission, application or transfer in respect of Scheme Shares received after the Record Date (except a transfer to Bidder pursuant to this Scheme and any subsequent transfer by Bidder or its successors in title).

7.4 Maintenance of Target Register

For the purpose of determining entitlements to the Scheme Consideration, Target will maintain the Register in accordance with the provisions of clause 7 until the Scheme Consideration has been issued to the Scheme Participants and Bidder has been entered in the Register as the holder of all the Scheme Shares. The Register in this form will solely determine entitlements to the Scheme Consideration.

7.5 Effect of certificates and holding statements

Subject to provision of the Scheme Consideration and registration of the transfer to Bidder contemplated in clauses 5.2 and 7.4, any statements of holding or share certificates (or equivalent document) in respect of Scheme Shares will cease to have effect after the Record Date as documents of title in respect of those shares (other than statements of holding in favour of Bidder and its successors in title). After the Record Date, each entry current on the Register as at the Record Date (other than entries in respect of Bidder or its successors in title) will cease to have effect except as evidence of entitlement to the Scheme Consideration.

7.6 Details of Scheme Participants

As soon as possible on or after the Record Date, and in any event by 5.00pm on the first Business Day after the Record Date, Target will ensure that details of the names, Registered Addresses and holdings of Scheme Shares for each Scheme Participant, as shown in the Register at the Record Date, are available to Bidder in such form as Bidder reasonably requires.

7.7 Quotation of Target Shares

Target must apply to ASX to suspend trading on ASX of Target Shares with effect from the close of trading on the Effective Date.

7.8 Termination of quotation of Target Shares

After this Scheme has been fully implemented, on a date determined by Bidder, Target will apply:

- (a) for termination of the official quotation of Target Shares on ASX; and
- (b) to have itself removed from the official list of the ASX.

8 Instructions and notifications

If not prohibited by law (and including where permitted or facilitated by relief granted by a Regulatory Authority), all instructions, notifications or elections by a Scheme Participant to Target that are binding or deemed binding between the Scheme Participant and Target relating to Target or Target Shares, including instructions, notifications or elections relating to:

- (a) whether dividends are to be paid by cheque or into a specific bank account;
- (b) payments of dividends on Target Shares; and
- (c) notices or other communications from Target (including by email),

will be deemed from the Implementation Date (except to the extent determined otherwise by Bidder in its sole discretion), by reason of this Scheme, to be made

by the Scheme Participant to Bidder and to be a binding instruction, notification or election to, and accepted by, Bidder until that instruction, notification or election is revoked or amended in writing addressed to Bidder at its registry.

9 Notices

9.1 No deemed receipt

If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Target, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Target's registered office or at the office of the Registry.

9.2 Accidental omission

The accidental omission to give notice of the Scheme Meeting or the non-receipt of such a notice by any Target Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

10 General

10.1 Variations, alterations and conditions

- (a) Target may, with the prior consent of Bidder, by its counsel or solicitor, consent on behalf of all persons concerned to any variations, alterations or conditions to this Scheme which the Court thinks fit to impose.
- (b) Each Scheme Participant agrees to any variations, alterations or conditions to this Scheme which Target has consented to in accordance with clause 10.1(a).

10.2 Further action by Target

Target will execute all documents and do all things (on its own behalf and on behalf of each Scheme Participant) necessary or expedient to implement, and perform its obligations under, this Scheme.

10.3 Authority and acknowledgement

Each Scheme Participant irrevocably consents to Target and Bidder doing all things necessary or expedient for or incidental to the implementation of this Scheme and the transactions contemplated by it.

10.4 No liability when acting in good faith

Each Scheme Participant agrees that, without prejudice to Target's or Bidder's rights and obligations under the Scheme Implementation Agreement, neither Target nor Bidder, nor any of their respective officers or employees, will be liable to a Scheme Participant for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

10.5 Stamp duty

Bidder:

- (a) must pay all stamp duty (including any fines, penalties and interest) payable in connection with this Scheme or the transactions effected by or made under the Scheme; and
 - (b) indemnifies each Scheme Participant against any liability arising from failure to comply with clause 10.5(a),
- subject to and in accordance with clause 6 of the Deed Poll.

11 Governing law

11.1 Governing law and jurisdiction

The law in force in the place specified in the Details governs this document. The parties submit to the non-exclusive jurisdiction of the courts of that place.

11.2 Serving documents

Without preventing any other method of service, any document in an action in connection with this document may be served on a party by being delivered or left at that party's address set out in the Details.

Annexure D – Option Scheme of Arrangement

KING&WOOD
MALLESONS
金杜律师事务所

Scheme of Arrangement – option scheme

Latin Resources Limited (**Target**)
Option Scheme Participants

King & Wood Mallesons
Level 30
QV1 Building
250 St Georges Terrace
Perth WA 6000
Australia
T +61 8 9269 7000
F +61 8 9269 7999
DX 210 Perth
www.kwm.com

Scheme of Arrangement – option scheme

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Scheme of Arrangement – option scheme

Details

Parties

Target	Name	Latin Resources Limited
	ACN	131 405 144
	Formed in	Western Australia, Australia
	Address	Unit 3, 32 Harrogate Street, West Leederville, WA 6009
	Email	cgale@latinresources.com.au
	Attention	Managing Director

Option Scheme Participants	Each person registered as a holder of Target Options as at the Option Scheme Record Date.

Governing law	Western Australia

General terms

1 Definitions and interpretation

1.1 Definitions

Unless the contrary intention appears, these meanings apply:

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited, or the market operated by it, as the context requires.

ASX Official List means the official list of the entities that ASX has admitted and not removed.

ATO means the Australian Taxation Office.

Bidder means Pilbara Minerals Limited (ACN 112 425 788).

Bidder Register means the share register of Bidder.

Bidder Registry means Computershare Investor Services Pty Limited.

Bidder Share means a fully paid ordinary share in the capital of Bidder.

Business Day means a business day as defined in the Listing Rules, provided that day is not a day on which banks in Perth, Western Australia, are authorised or required to close.

CHES means the Clearing House Electronic Subregister System of share transfers operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited.

CHES Holding has the meaning given in the Settlement Rules.

Commissioner means the Australian Federal Commissioner of Taxation.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Federal Court of Australia (Western Australia registry), or such other court of competent jurisdiction under the Corporations Act agreed by Target and Bidder.

Deed Poll means the deed poll executed by Bidder substantially in the form of Annexure B of the Scheme Implementation Agreement or as otherwise agreed by Target and Bidder under which Bidder covenants in favour of each Scheme Participant to perform the actions attributed to it under the Scheme.

Details means the section of this document headed "Details".

Effective means:

- (a) when used in relation to the Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the

Scheme, but in any event at no time before an office copy of the order of the Court in respect of the Scheme is lodged with ASIC; and

- (b) when used in relation to this Option Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Option Scheme, but in any event at no time before an office copy of the order of the Court in respect of this Option Scheme is lodged with ASIC.

Electing Option Scheme Participant means an Option Scheme Participant who has provided Target with an Optionholder Opt-in Notice before 5.00pm on the Business Day prior to the Option Scheme Record Date.

Encumbrance means any security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement and any “security interest” as defined in sections 12(1) or (2) of the PPSA or any agreement to create any of them or allow them to exist.

End Date means the date that is 6 months (or, if Bidder or Target gives a written notice under clause 3.11 of the Scheme Implementation Agreement, 9 months) after the date of the Scheme Implementation Agreement, or such other date as is agreed by Bidder and Target.

First Court Date means the first day on which an application made to the Court for orders under section 411(1) of the Corporations Act convening the Option Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.

Ineligible Foreign Optionholder means an Option Scheme Participant whose Registered Address is a place outside Australia and its external territories, New Zealand, Switzerland, Brazil, Canada, Hong Kong, the United Kingdom and the United States or who is acting on behalf of such a person, unless Bidder determines that:

- (a) it is lawful and not unduly onerous or unduly impracticable to issue that Option Scheme Participant with the New Bidder Shares on implementation of this Option Scheme; and
- (b) it is lawful for that Option Scheme Participant to participate in this Option Scheme by the law of the relevant place outside Australia and its external territories.

Issuer Sponsored Holding has the meaning given in the Settlement Rules.

Listing Rules means the Listing Rules of ASX and any other applicable rules of ASX modified to the extent of any express written waiver by ASX.

New Bidder Share means a Bidder Share to be issued to Option Scheme Participants under this Option Scheme.

Nominee Holder means an Option Scheme Participant who holds one or more parcels of Target Options as trustee or nominee for, or otherwise on account of, another person.

Optionholder Opt-in Notice means the form to be completed by an Option Scheme Participant electing to have the Option Scheme Consideration to which they would otherwise be entitled issued to the Sale Nominee and sold on their behalf in accordance with clause 6.6.

Option Scheme means this scheme of arrangement under Part 5.1 of the Corporations Act under which all the Target Options held by Option Scheme Participants will be transferred to Bidder and the Option Scheme Participant will receive the Option Scheme Consideration, together with any amendment or modification made pursuant to section 411(6) of the Corporations Act to the extent they are approved in writing by Target and Bidder in accordance with this Option Scheme.

Option Scheme Consideration means the consideration to be provided by Bidder to each Option Scheme Participant for the transfer of their Target Options being, in respect of each Target Option, that number of New Bidder Shares for each relevant Target Option set out in Schedule 1.

Option Scheme Deed Poll means the deed poll executed by Bidder substantially in the form of Annexure D of the Scheme Implementation Agreement or as otherwise agreed by Target and Bidder under which Bidder covenants in favour of each Option Scheme Participant to perform the actions attributed to it under this Option Scheme.

Option Scheme Effective Date means the date on which the Option Scheme becomes Effective.

Option Scheme Implementation Date means the 5th Trading Day following the Option Scheme Record Date.

Option Scheme Meeting means the meeting of Target Optionholders, ordered by the Court, at which Target Optionholders will vote on this Option Scheme and including any meeting following an adjournment or postponement of that meeting.

Option Scheme Participant means a person who is a Target Optionholder at the Option Scheme Record Date.

Option Scheme Record Date means 7.00pm (Sydney time) on the 3rd Trading Day following the Option Scheme Effective Date, or such other date as Target and Bidder agree.

PPSA means the *Personal Property Securities Act 2009* (Cth).

Proceeds has the meaning given to it in clause 6.6(b)(ii).

Record Date means 7.00pm (Sydney time) on the 3rd Trading Day following the Effective Date or such other date as Target and Bidder agree.

Registered Address means, in relation to an Option Scheme Participant, the address shown in the Target Option Register as at the Option Scheme Record Date.

Registry means Computershare Investor Services Pty Limited.

Regulatory Authority includes:

- (a) ASX, ASIC, and the Takeovers Panel;
- (b) a government or governmental, semi-governmental or judicial entity or authority;
- (c) a minister, department, office, commission, delegate, instrumentality, agency, board, authority, or organisation of any government; and
- (d) any regulatory organisation established under statute.

Sale Nominee means, subject to obtaining relevant ASIC relief (if, and to the extent, required) a person appointed by Bidder (in consultation with Target) to sell the New Bidder Shares that would otherwise be issued to or for the benefit of Ineligible Foreign Optionholders or Electing Option Scheme Participants under the terms of this Option Scheme.

Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act under which all the Scheme Shares held by Scheme Participants will be transferred to Bidder together with any amendment or modification made pursuant to section 411(6) of the Corporations Act to the extent they are approved in writing by Target and Bidder in accordance with the Scheme.

Scheme Implementation Agreement means the scheme implementation agreement dated 14 August 2024 between Target and Bidder as amended from time to time under which, amongst other things, Target has agreed to propose this Option Scheme to Target Optionholders, and each of Target and Bidder has agreed to take certain steps to give effect to this Option Scheme.

Scheme Participant means a person who is a Scheme Shareholder at the Record Date.

Scheme Share means a Target Share.

Scheme Shareholder means a person who is a holder of Scheme Shares.

Second Court Date means the first day on which an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving this Option Scheme is heard or scheduled to be heard or, if the application is adjourned for any reason means the date on which the adjourned application is heard or scheduled to be heard.

Settlement Rules means the ASX Settlement Operating Rules, being the official operating rules of the settlement facility provided by ASX Settlement Pty Ltd.

Subsidiary of an entity means another entity which:

- (a) is a subsidiary of the first entity within the meaning of the Corporations Act; or
- (b) is otherwise part of a consolidated entity constituted by the first entity and the entities it is required to include in the consolidated financial statements it prepares or would be, if the first entity was required to prepare consolidated financial statements.

TAA means the *Tax Administration Act 1953* (Cth).

Takeovers Panel means the Takeovers Panel constituted under the *Australian Securities and Investments Commission Act 2001* (Cth).

Target Option means an unlisted option to subscribe for a Target Share granted by Target as set out in the first column of Schedule 1.

Target Optionholder means each person recorded in the Target Option Register as a holder of Target Options.

Target Option Register means the register of Target Optionholders maintained by or on behalf of the Target in accordance with the Corporations Act.

Target Share means a fully paid ordinary share in the capital of Target.

Trading Day means a business day as defined in the Listing Rules.

Transfer means a duly completed proper instrument of transfer of the Target Options held by Option Scheme Participants for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all such Target Options.

1.2 General interpretation

Headings and labels used for definitions are for convenience only and do not affect interpretation. Unless the contrary intention appears, in this document:

- (a) the singular includes the plural and vice versa;
- (b) a reference to a document includes any agreement or other legally enforceable arrangement created by it (whether the document is in the form of an agreement, deed or otherwise);
- (c) a reference to a document also includes any variation, replacement or novation of it;
- (d) the meaning of general words is not limited by specific examples introduced by “including”, “for example”, “such as” or similar expressions;
- (e) a reference to “**person**” includes an individual, a body corporate, a partnership, a joint venture, an unincorporated association and an authority or any other entity or organisation;
- (f) a reference to a particular person includes the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (g) a reference to a time of day is a reference to the time in Perth, Western Australia, unless otherwise indicated;
- (h) a reference to dollars, \$ or A\$ is a reference to the currency of Australia;
- (i) a reference to “**law**” includes common law, principles of equity and legislation (including regulations);
- (j) a reference to any legislation includes regulations under it and any consolidations, amendments, re-enactments or replacements of any of them;
- (k) a reference to “**regulations**” includes instruments of a legislative character under legislation (such as regulations, rules, by-laws, ordinances and proclamations);
- (l) a reference to a group of persons is a reference to any 2 or more of them jointly and to each of them individually;
- (m) a reference to any thing (including an amount) is a reference to the whole and each part of it;
- (n) a period of time starting from a given day or the day of an act or event, is to be calculated exclusive of that day;
- (o) if a party must do something under this document on or by a given day and it is done after 5.00pm on that day, it is taken to be done on the next day;
- (p) if the day on which a party must do something under this document is not a Business Day, the party must do it on the next Business Day;

- (q) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (r) other parts of speech and grammatical forms of a word or phrase defined in this document have a corresponding meaning;
- (s) a reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to this document;
- (t) a term defined in or for the purposes of the Corporations Act, and which is not defined in clause 1.1, has the same meaning when used in this document;
- (u) no provision of this Option Scheme will be construed adversely to a party because that party was responsible for the preparation of this document or that provision;
- (v) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;
- (w) a reference to a body (including an institute, association or authority), other than a party to this document, whether statutory or not:
 - (i) which ceases to exist; or
 - (ii) whose powers or functions are transferred to another body,
 is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (x) a reference to the Listing Rules or the Settlement Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party; and
- (y) a reference to something being "reasonably likely" (or to a similar expression) is a reference to that thing being more likely than not to occur when assessed objectively.

2 Preliminary

2.1 Agreement to implement this Option Scheme

- (a) Target and Bidder have agreed, by executing the Scheme Implementation Agreement, to implement this Option Scheme on and subject to the terms and conditions of the Scheme Implementation Agreement.
- (b) This Option Scheme attributes actions to Bidder but does not itself impose an obligation on Bidder to perform those actions. Bidder has undertaken, by executing the Option Scheme Deed Poll, to perform the actions attributed to it under this Option Scheme, including the provision or procuring of the provision of the Option Scheme Consideration to the Option Scheme Participants subject to the terms and conditions of this Option Scheme.

2.2 Target

Target is:

- (a) a public company limited by shares;
- (b) incorporated in Australia and registered in Western Australia; and
- (c) admitted to the ASX Official List and Target Shares are quoted for trading on ASX.

2.3 Bidder

Bidder is:

- (a) a public company limited by shares;
- (b) incorporated in Australia and registered in Victoria, Australia; and
- (c) admitted to the ASX Official List and Bidder Shares are quoted for trading on ASX.

2.4 If Option Scheme becomes Effective

If this Option Scheme becomes Effective:

- (a) in consideration of the transfer of each Target Option held by Option Scheme Participants to Bidder, Bidder will provide, or procure the provision of, the Option Scheme Consideration to each Option Scheme Participant in accordance with the terms of this Option Scheme and the Option Scheme Deed Poll; and
- (b) subject to the provision of the Option Scheme Consideration for the Target Options as contemplated by clause 6, on the Option Scheme Implementation Date:
 - (i) all Target Options held by Option Scheme Participants, and all the rights and entitlements attaching to them as at the Option Scheme Implementation Date, must be transferred to Bidder; and
 - (ii) Target will enter the name of Bidder in the Target Option Register in respect of all of the Target Options transferred to Bidder in accordance with the terms of this Option Scheme.

3 Conditions precedent

3.1 Conditions precedent to Option Scheme

This Option Scheme is conditional on, and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) neither the Scheme Implementation Agreement nor the Option Scheme Deed Poll having been terminated in accordance with their terms before 8.00am on the Second Court Date;
- (b) all of the conditions precedent in clause 3.2 of the Scheme Implementation Agreement having been satisfied or waived by 8.00am on the Second Court Date (other than the conditions precedent in clauses 3.2(a) and 3.2(d) of the Scheme Implementation Agreement)

relating to the coming into effect of the Scheme and Court approval of this Option Scheme) in accordance with the terms of the Scheme Implementation Agreement;

- (c) the Court having approved this Option Scheme, with or without any modification or condition, pursuant to section 411(4)(b) of the Corporations Act, and if applicable, Target and Bidder having accepted in writing any modification or condition made or required by the Court under section 411(6) of the Corporations Act;
- (d) subject to clause 10.1, such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Option Scheme or the Scheme and agreed to by Target and Bidder having been satisfied or waived;
- (e) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) in relation to this Option Scheme on or before the End Date (or any later date Target and Bidder agree in writing in accordance with the Scheme Implementation Agreement); and
- (f) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) in relation to the Scheme on or before the End Date (or any later date Target and Bidder agree in writing in accordance with the Scheme Implementation Agreement).

3.2 Conditions precedent and operation of clause 5

The satisfaction of each condition of clause 3.1 is a condition precedent to the operation of clause 5.

3.3 Certificate in relation to conditions precedent

- (a) Target and Bidder must each provide to the Court on the Second Court Date a certificate in a form agreed by Target and Bidder, acting reasonably, (and/or such other evidence as the Court requests) confirming (in respect of matters within its knowledge) whether or not the conditions precedent set out in clause 3.1(a) and clause 3.1(b) have been satisfied or waived.
- (b) The certificates referred to in clause 3.3(a) will constitute conclusive evidence (in the absence of manifest error) of whether the conditions precedent referred to in clause 3.1(a) and clause 3.1(b) have been satisfied or waived as at 8.00am on the Second Court Date.

4 Option Scheme

4.1 Option Scheme Effective Date

Subject to clause 4.2, this Option Scheme will come into effect pursuant to section 411(10) of the Corporations Act on and from the Option Scheme Effective Date.

4.2 End Date

Without limiting any rights or obligations under the Scheme Implementation Agreement, this Option Scheme will lapse and be of no further force or effect if:

- (a) the Option Scheme Effective Date does not occur on or before the End Date; or
- (b) the Scheme Implementation Agreement, the Deed Poll or the Option Scheme Deed Poll is terminated in accordance with its terms,

unless Target and Bidder otherwise agree in writing (and, if required, as approved by the Court).

5 Implementation of Option Scheme

5.1 Lodgement of Court orders with ASIC

If the conditions precedent set out in clause 3.1 (other than the condition precedent in clause 3.1(e)) are satisfied, Target must lodge with ASIC in accordance with section 411(10) of the Corporations Act an office copy of the Court order approving this Option Scheme as soon as possible, and in any event by no later than 5.00pm on the first Business Day after the day on which the Court provides its written orders approving this Option Scheme or such later time as agreed in writing with Bidder.

5.2 Transfer and registration of Target Options

On the Option Scheme Implementation Date, but subject to the provision of the Option Scheme Consideration for the Target Options held by Option Scheme Participants in accordance with clause 6:

- (a) all Target Options held by Option Scheme Participants, together with all rights and entitlements attaching to the Target Options held by Option Scheme Participants as at the Option Scheme Implementation Date, will be transferred to Bidder without the need for any further act by any Option Scheme Participant (other than acts performed by Target as attorney and agent for Option Scheme Participants under clause 5.8) by:
 - (i) Target delivering to Bidder a Transfer duly executed on behalf of the Option Scheme Participants by Target; and
 - (ii) Bidder duly executing the Transfer as transferee and delivering it to Target for registration; and
- (b) immediately following receipt of the duly executed Transfer, but subject to the stamping of that Transfer (if required), Target must enter, or procure the entry of, the name of Bidder in the Target Option Register in respect of all of the Target Options transferred to Bidder in accordance with the terms of this Option Scheme.

5.3 Entitlement to Option Scheme Consideration

Subject to the remaining provisions of this Option Scheme (including clauses 6.4 and 6.5 in relation to Ineligible Foreign Optionholders and Electing Option Scheme Participants), on the Option Scheme Implementation Date, in consideration for the transfer to Bidder of all of the Target Options held by Option Scheme Participants, each Option Scheme Participant will be entitled to receive the Option Scheme Consideration in respect of each of their Target Options in accordance with clause 6.

5.4 Title and rights in Target Options

- (a) Subject to the provision of the Option Scheme Consideration for the Target Options held by Option Scheme Participants as contemplated by clause 6, Bidder will be beneficially entitled to the Target Options held by Option Scheme Participants transferred to it under this Option Scheme, pending registration by Target of Bidder in the Target Option Register as the holder of the Target Options.
- (b) To the extent permitted by law, the Target Options (including all rights and entitlements attaching to the Target Options) transferred under this Option Scheme to Bidder will, at the time of transfer, vest in Bidder free from all Encumbrances and interests of third parties of any kind, whether legal or otherwise, and free from any restrictions on transfer of any kind.

5.5 Option Scheme Participant's agreements

Under this Option Scheme, each Option Scheme Participant (and, to the extent relevant, the Sale Nominee) irrevocably and without the need for any further act by the Option Scheme Participant:

- (a) subject to the provision of the Option Scheme Consideration for the Target Options held by Option Scheme Participants in accordance with clause 6:
 - (i) agrees for all purposes to the transfer of their Target Options together with all rights and entitlements attaching to those Target Options in accordance with this Option Scheme;
 - (ii) agrees to the variation, cancellation or modification of the rights attached to their Target Options constituted by or resulting from this Option Scheme; and
 - (iii) agrees to, on the direction of Bidder, destroy any holding statements or option certificates relating to their Target Options;
- (b) agrees, in the case of Target Options held in a CHESS Holding, to the conversion of those Target Options to an Issuer Sponsored Holding and irrevocably authorises Target to do anything necessary or expedient (whether required by the Settlement Rules or otherwise) to effect or facilitate such conversion;
- (c) agrees, in the case of Target Options held in an Issuer Sponsored Holding, to complete and sign on behalf of the Option Scheme Participant any required form of Transfer;
- (d) if the Option Scheme Participant is not an Ineligible Foreign Optionholder or an Electing Option Scheme Participant, agrees to become a member of the Bidder, to have their name entered in the Bidder Register, accepts the New Bidder Shares issued to them and agrees to be bound by Bidder's constitution;
- (e) agrees and acknowledges that the issue of New Bidder Shares in accordance with clause 6.2 or the provision of the Proceeds in accordance with clause 6.6(c) constitutes satisfaction of all their entitlements to Option Scheme Consideration under this Option Scheme;
- (f) acknowledges that this Option Scheme binds Target and all of the Option Scheme Participants from time to time (including those who do not attend the Option Scheme Meeting and those who do not vote, or

vote against this Option Scheme, at the Option Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of Target;

- (g) appoints Target, and each director and officer of Target, as its agent to receive on its behalf any financial services guide (or similar or equivalent document) and any other notices (including any updates of those documents) that the Sale Nominee is required to provide to Ineligible Foreign Optionholders or Electing Option Scheme Participants under the Corporations Act or any other applicable law; and
- (h) consents to Target and Bidder doing all things and executing all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to this Option Scheme and the transactions contemplated by it.

5.6 Warranty by Option Scheme Participants

- (a) Each Option Scheme Participant warrants to Bidder and is deemed to have authorised Target to warrant to Bidder as agent and attorney for the Option Scheme Participant by virtue of this clause 5.6, that:
 - (i) on the Option Scheme Implementation Date, all their Target Options (including any rights and entitlements attaching to those options) transferred to Bidder under this Option Scheme will, as at the date of the transfer, be fully paid and free from all Encumbrances and interests of third parties of any kind, whether legal or otherwise, and free from any restrictions on transfer of any kind;
 - (ii) on the Option Scheme Implementation Date, they have full power and capacity to sell and to transfer their Target Options (including any rights and entitlements attaching to those options) to Bidder under this Option Scheme; and
 - (iii) on the Option Scheme Record Date, they have no existing right to be issued any other Target Options or any other form of securities in Target.
- (b) Target undertakes that it will provide such warranty in clause 5.6(a) to Bidder as agent and attorney of each Option Scheme Participant.

5.7 Appointment of Bidder as sole proxy

- (a) Subject to the provision of the Option Scheme Consideration for the Target Options held by Option Scheme Participants as contemplated by clause 6, on and from the Option Scheme Implementation Date until Target registers Bidder as the holder of all of the Target Options held by Option Scheme Participants in the Target Option Register, each Option Scheme Participant:
 - (i) is deemed to have irrevocably appointed Target as attorney and agent and directs Target (in such capacity) to appoint Bidder and each of its directors from time to time (jointly and each of them individually) as its sole proxy (and where applicable, corporate representative), to attend optionholders' meetings, exercise the votes attaching to Target Options registered in its name and sign any optionholders' resolution or document (whether in person, by proxy or corporate representative);
 - (ii) must not attend or vote at any Target optionholders' meetings, exercise the votes attaching to Target Options registered in its

name or sign any Target optionholders' resolution, whether in person, by proxy or by corporate representative (other than pursuant to clause 5.7(a)(i));

- (iii) must take all other actions in the capacity of the registered holder of Target Options as Bidder reasonably directs; and
 - (iv) acknowledges and agrees that in exercising the powers referred to in clause 5.7(a)(i), Bidder and any director may act in the best interests of Bidder as the intended registered holder of the Target Options.
- (b) Target undertakes in favour of each Option Scheme Participant that it will appoint Bidder and each of its directors from time to time (jointly and each of them individually) as that Option Scheme Participant's proxy or, where applicable, corporate representative in accordance with clause 5.7(a)(i).

5.8 Appointment of Target as attorney for implementation of Scheme

Each Option Scheme Participant, without the need for any further act by any Option Scheme Participant, irrevocably appoints Target and each of its directors and secretaries (jointly and each of them individually) as its attorney and agent for the purpose of:

- (a) on the Option Scheme Implementation Date, executing any document or doing or taking any other act necessary, desirable or expedient, or incidental to give effect to this Option Scheme and the transactions contemplated by it including executing and delivering any executed Transfer and any other deed or document reasonably required by Bidder, that causes each Option Scheme Participant (or the Sale Nominee, if applicable) to become a shareholder of Bidder or holder of New Bidder Shares and to be bound by the terms of the constitution of Bidder; and
- (b) on and from the Option Scheme Effective Date, enforcing the Option Scheme Deed Poll against Bidder,

and Target accepts such appointment and undertakes in favour of each Option Scheme Participant to enforce the Option Scheme Deed Poll against Bidder on behalf of and as agent and attorney for the Option Scheme Participants. Target as attorney and agent of each Option Scheme Participant may sub-delegate its functions, authorities or powers under this clause 5.8 to all or any of its directors, officers, secretaries or employees (jointly, severally or jointly and severally).

6 Option Scheme Consideration

6.1 Consideration under this Option Scheme

On the Option Scheme Implementation Date, Bidder must provide, or procure the provision of, the Option Scheme Consideration to the Option Scheme Participants (or to the Sale Nominee) in accordance with this clause 6.

6.2 Provision of Option Scheme Consideration

- (a) Subject to the other provisions of this clause 6, the obligations of Bidder to provide or procure the provision of the Option Scheme Consideration to the Option Scheme Participants will be satisfied by Bidder:

- (i) on the Option Scheme Implementation Date, issuing to or procuring the issuance to, each Option Scheme Participant (other than the Ineligible Foreign Optionholders and Electing Option Scheme Participants) the Option Scheme Consideration for each Target Option transferred to Bidder on the Option Scheme Implementation Date by that Option Scheme Participant; and
 - (ii) procuring that the name and address of each such Option Scheme Participant (other than the Ineligible Foreign Optionholders and Electing Option Scheme Participants) is entered into the Bidder Register on the Option Scheme Implementation Date in respect of the New Bidder Shares to which it is entitled under this clause 6.
- (b) Bidder must procure that, as soon as practicable after the Option Scheme Implementation Date (and in any event within the time period required by the Listing Rules), a holding statement (or equivalent document) is sent to the Registered Address of each Option Scheme Participant who is not an Ineligible Foreign Optionholder or Electing Option Scheme Participant representing the number of New Bidder Shares issued to such Option Scheme Participant pursuant to this Option Scheme.

6.3 Fractional entitlements

- (a) If the number of Target Options held by an Option Scheme Participant at the Option Scheme Record Date is such that the aggregate entitlement of the Option Scheme Participant to New Bidder Shares includes a fractional entitlement to a New Bidder Share, the entitlement will be rounded as follows:
 - (i) if the fractional entitlement is less than 0.5, the entitlement will be rounded down to the nearest whole number of New Bidder Shares; and
 - (ii) if the fractional entitlement is equal to or more than 0.5, the entitlement will be rounded up to the nearest whole number of New Bidder Shares.
- (b) If a Nominee Holder holds more than one parcel of Target Options as trustee or nominee for, or otherwise on account of, another person, then for the purposes of this clause 6.3, the Option Scheme Consideration for the Nominee Holder will be calculated and rounded based on the aggregate number of Target Options held by the Nominee Holder in those parcels as trustee or nominee for, or otherwise on account of, other persons.
- (c) If Bidder or Target is of the opinion that two or more Option Scheme Participants (each of whom holds a number of Target Options which results in rounding in accordance with clause 6.3(a)) have, before the Option Scheme Record Date, been party to an optionholding splitting or division in an attempt to obtain an advantage by reference to such rounding, Target must provide the relevant details of the relevant Option Scheme Participants to Bidder, and if reasonably requested by Bidder, Target must give notice to those Option Scheme Participants:
 - (i) setting out their names and Registered Addresses;
 - (ii) stating that opinion; and

- (iii) attributing to one of them specifically identified in the notice the Target Options held by all of them,

and, after such notice has been given, the Option Scheme Participant specifically identified in the notice as the deemed holder of the specified Target Options will, for the purpose of the provisions of this Option Scheme, be taken to hold all of those Target Options and each of the other Option Scheme Participants whose names and Registered Addresses are set out in the notice will, for the purposes of the provisions of this Option Scheme, be taken to hold no Target Options. Bidder, in complying with the other provisions of this Option Scheme relating to it in respect of the Option Scheme Participant specifically identified in the notice as the deemed holder of the specified Target Options, will be taken to have satisfied and discharged its obligations to other Option Scheme Participants named under the notice under the terms of this Option Scheme.

6.4 Election by Option Scheme Participant

- (a) Target must provide each Option Scheme Participant with, or procure the provision to each Option Scheme Participant of, an Optionholder Opt-in Notice.
- (b) If an Option Scheme Participant has provided Target with a duly completed Optionholder Opt-in Notice prior to 5.00pm on the Business Day prior to the Record Date, Bidder will be under no obligation under this Option Scheme or the Option Scheme Deed Poll to issue, and will not issue, any New Bidder Shares to that Option Scheme Participant, and instead Bidder must procure that the New Bidder Shares to which that Option Scheme Participant would otherwise be entitled are dealt with in accordance with clause 6.6.

6.5 Ineligible Foreign Optionholders

Bidder will be under no obligation under this Option Scheme or the Option Scheme Deed Poll to issue, and will not issue, any New Bidder Shares to any Ineligible Foreign Optionholder, and instead Bidder must procure that the New Bidder Shares to which that Ineligible Foreign Optionholder would otherwise be entitled are dealt with in accordance with clause 6.6.

6.6 Sale facility

Each Ineligible Foreign Optionholder and Electing Option Scheme Participant authorises Bidder to, and Bidder must, subject to clauses 6.3 and 6.10:

- (a) issue or procure the issue of any New Bidder Shares to which an Ineligible Foreign Optionholder or an Electing Option Scheme Participant would otherwise be entitled to receive (**Relevant Bidder Shares**) to the Sale Nominee;
- (b) procure that the Sale Nominee:
 - (i) as soon as reasonably practicable and in any event not more than 30 Business Days after the Option Scheme Implementation Date, sells or procures the sale of all of the Relevant Bidder Shares issued to the Sale Nominee pursuant to clause 6.6(a) (including on an aggregated or partially aggregated basis), in the ordinary course of trading on ASX, at such price and in the manner and on such terms as the Sale Nominee reasonably determines in good faith (and at the risk of the Ineligible Foreign

Optionholders and the Electing Option Scheme Participants);
and

- (ii) as soon as reasonably practicable after settlement remits to Bidder the proceeds of such sale (net of any applicable brokerage, stamp duty and other selling costs, taxes and charges) (**Proceeds**); and
- (c) promptly after the last sale of the Relevant Bidder Shares in accordance with clause 6.6(b)(i), and after receiving the Proceeds of such sale, pays or procures the payment to each Ineligible Foreign Optionholder and Electing Option Scheme Participant an amount in Australian dollars equal to the proportion of the Proceeds received by Bidder under clause 6.6(b)(ii) to which that Ineligible Foreign Optionholder or Electing Option Scheme Participant (as applicable) is entitled in full satisfaction of their entitlement to the Option Scheme Consideration, in accordance with the following formula and rounded down to the nearest cent:

$$A = (B/C) \times D$$

Where:

A is the amount in A\$ to be paid to the Ineligible Foreign Optionholder or the Electing Option Scheme Participant (as applicable);

B is the number of Relevant Bidder Shares attributable to, and that would otherwise have been issued to, that Ineligible Foreign Optionholder or Electing Option Scheme Participant (as applicable) if they had not been an Ineligible Foreign Optionholder or Electing Option Scheme Participant (as applicable) and which are instead issued to the Sale Nominee;

C is the total number of Relevant Bidder Shares attributable to, and which would otherwise have been issued to, all Ineligible Foreign Optionholders and all Electing Option Scheme Participants collectively and which are instead issued to the Sale Nominee; and

D is the Proceeds.

- (d) Each Ineligible Foreign Optionholder and Electing Option Scheme Participant acknowledges and agrees that:
 - (i) none of Target, Bidder or the Sale Nominee make any assurances or representation as to the price that will be achieved for the sale of the Relevant Bidder Shares under clause 6.6(b)(i) or the amount of Proceeds to be received by Ineligible Foreign Optionholders and Electing Option Scheme Participants under clause 6.6(c); and
 - (ii) each of Target, Bidder and the Sale Nominee expressly disclaim any fiduciary duty to the Ineligible Foreign Optionholders and Electing Option Scheme Participants which may otherwise arise in connection with this clause 6.6.
- (e) Bidder must make, or procure the making of, payments to Ineligible Foreign Optionholders and Electing Option Scheme Participants under clause 6.6(c) by either (in the absolute discretion of Bidder, and despite any election referred to in clause 6.6(e)(ii) or authority referred to in clause 6.6(e)(i) made or given by the Option Scheme Participant):

- (i) paying, or procuring the payment of, the relevant amount in Australian dollars by electronic means to a bank account nominated by the Ineligible Foreign Optionholder or Electing Option Scheme Participant (as applicable) (**Bank Account**) by an appropriate authority from the Ineligible Foreign Optionholder or Electing Option Scheme Participant (as applicable) to Bidder; or
- (ii) if a Bank Account has not been nominated by the Ineligible Foreign Optionholder or Electing Option Scheme Participant (as applicable) in accordance with clause 6.6(e)(i):
 - (A) if an Ineligible Foreign Optionholder or an Electing Option Scheme Participant (as applicable) has, before the Option Scheme Record Date, made a valid election in accordance with the requirements of the Registry to receive dividend payments from Target by electronic funds transfer to a Bank Account nominated by the Ineligible Foreign Optionholder or Electing Option Scheme Participant (as applicable), paying, or procuring the payment of, the relevant amount in Australian dollars by electronic means in accordance with that election; or
 - (B) otherwise dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian dollars to the Ineligible Foreign Optionholder or Electing Option Scheme Participant by prepaid post to their Registered Address, such cheque being drawn in the name of the Ineligible Foreign Optionholder or the Electing Option Scheme Participant (as applicable) (or in the case of joint holders, in accordance with the procedures set out in clause 6.12).
- (f) Each Ineligible Foreign Optionholder and Electing Option Scheme Participant appoints Target as its agent to receive on its behalf any financial services guide (or similar or equivalent document) and other notices (including any updates of those documents) that the Sale Nominee is required to provide to Ineligible Foreign Optionholders and Electing Option Scheme Participants under the Corporations Act or any other applicable law.
- (g) Payment of the amount 'A' calculated in accordance with clause 6.6(c) to an Ineligible Foreign Optionholder or an Electing Option Scheme Participant (as applicable) in accordance with this clause 6.6 satisfies in full the rights of the Ineligible Foreign Optionholder or of the Electing Option Scheme Participant (as applicable) to Option Scheme Consideration and interest will not be paid on any Proceeds.

6.7 Other ineligible Option Scheme Participants

Where the issue of New Bidder Shares to which an Option Scheme Participant (other than an Ineligible Foreign Optionholder or an Electing Option Scheme Participant) would otherwise be entitled under this Option Scheme would result in a breach of law:

- (a) Bidder will issue the maximum possible number of New Bidder Shares to the Option Scheme Participant without giving rise to such a breach; and
- (b) any further New Bidder Shares to which that Option Scheme Participant is entitled, but the issue of which to the Option Scheme Participant would

give rise to such a breach of law, will instead be issued to the Sale Nominee and dealt with under clause 6.6, as if:

- (i) references to Ineligible Foreign Optionholders also included that Option Scheme Participant; and
- (ii) references to Relevant Bidder Shares also included any of that Option Scheme Participant's New Bidder Shares that have been issued to the Sale Nominee.

6.8 Withholding

Bidder acknowledges and agrees that it will not deduct any amounts from the payment of the Option Scheme Consideration or pay any amounts to the Commissioner under or on account of Subdivision 14-D of Schedule 1 to the TAA with respect to an Option Scheme Participant unless Bidder is required by law to do so under Subdivision 14-D of Schedule 1 to the TAA (the **Withholding Amount**) in which case Bidder will be able to take the required steps to withhold (which may include holding back sufficient Option Scheme Consideration to sell under the sale facility, referred to at clause 6.6, to fund the Withholding Amount).

6.9 Unclaimed monies

- (a) Bidder may cancel a cheque issued under this clause 6 if the cheque:
 - (i) is returned to Bidder; or
 - (ii) has not been presented for payment within 6 months after the date on which the cheque was sent.
- (b) During the period of 12 months commencing on the Option Scheme Implementation Date, on request in writing from an Option Scheme Participant to Target, the Registry or Bidder, Bidder must as soon as practicable reissue a cheque that was previously cancelled under 6.9(a).
- (c) The *Unclaimed Money Act 1990* (WA) will apply in relation to any Option Scheme Consideration or Proceeds that becomes "unclaimed money" (as defined in section 6 of the *Unclaimed Money Act 1990* (WA)), but any interest or other benefit accrued from the unclaimed Option Scheme Consideration or Proceeds will be for the benefit of Bidder.

6.10 Orders of a court or Regulatory Authority

- (a) Target or Bidder may deduct and withhold from any consideration which would otherwise be provided to an Option Scheme Participant in accordance with this clause 6, provided that Target or Bidder has obtained advice from an appropriately qualified professional adviser to the effect that the relevant amount is required to be deducted and withheld from the Option Scheme Consideration under applicable laws, including any order, direction or notice made or given by a court of competent jurisdiction or by another Regulatory Authority.
- (b) If written notice is given to Target (or the Registry) or Bidder (or the Bidder Registry) of an order, direction or notice made or given by a court of competent jurisdiction or by another Regulatory Authority that:
 - (i) requires consideration which would otherwise be provided to an Option Scheme Participant in accordance with this clause 6 to instead be provided to a Regulatory Authority or other third party (either through payment of a sum or the issuance of a security), or which requires any amount to be deducted or withheld from

any consideration which would otherwise be provided to an Option Scheme Participant in accordance with this clause 6, then Target or Bidder (as applicable) shall be entitled to procure that provision of that consideration is made in accordance with that order, direction or notice (and payment or provision of, or the deduction or withholding from, that consideration in accordance with that order, direction or notice will be treated for all purposes under this Option Scheme as having been paid or provided to that Option Scheme Participant); or

- (ii) prevents consideration being provided to any particular Option Scheme Participant in accordance with this clause 6, or the payment or provision of such consideration is otherwise prohibited by applicable law, Target or Bidder shall be entitled to (as applicable):

- (A) in the case of an Ineligible Foreign Optionholder or an Electing Option Scheme Participant (as applicable), retain an amount, in Australian dollars, equal to the relevant Ineligible Foreign Optionholder's or Electing Option Scheme Participant's (as applicable) share of the Proceeds; or

- (B) not issue (or procure the issue of), or to issue (or procure the issue) to a trustee or nominee, such number of New Bidder Shares as that Option Scheme Participant would otherwise be entitled to under this clause 6,

until such time as payment or provision of the consideration in accordance with this clause 6 is permitted by that order or direction or otherwise by law.

- (c) To the extent that amounts are deducted or withheld under or in accordance with this clause 6.10, such deducted or withheld amounts will be treated for all purposes under this Option Scheme as having been paid to the person in respect of which such deduction or withholding was made.

6.11 Status of New Bidder Shares

- (a) Bidder covenants in favour of Target (in its own right and on behalf of the Option Scheme Participants) that, subject to the Option Scheme becoming Effective, the New Bidder Shares required to be issued under this Option Scheme will, upon their issue:
 - (i) rank equally in all respects with all other Bidder Shares then on issue;
 - (ii) be duly and validly issued in accordance with applicable laws and Bidder's constitution; and
 - (iii) be fully paid and free from any Encumbrance.
- (b) Bidder will use its best endeavours to ensure that the New Bidder Shares issued in connection with the Option Scheme Consideration will commence trading on a normal settlement basis on the ASX as soon as reasonably practicable after the Option Scheme Implementation Date.

6.12 Joint holders

In the case of Target Options held by Option Scheme Participants in joint names:

- (a) any New Bidder Shares to be issued under this Option Scheme must be issued to and registered in the names of the joint holders and entry in the Bidder Register must take place in the same order as the holders' names appear in the Target Option Register as at the Option Scheme Record Date;
- (b) any cheque required to be sent under this Option Scheme must be payable to the joint holders and be forwarded to the Registered Address of the holder whose name appears first in the Target Option Register as at the Record Date or to the joint holders; and
- (c) any other document required to be sent under this Option Scheme, will be forwarded to either, at the sole discretion of Target, the Registered Address of the holder whose name appears first in the Target Option Register as at the Option Scheme Record Date or to the joint holders.

7 Dealings in Target Options

7.1 Determination of Option Scheme Participants

To establish the identity of the Option Scheme Participants, Target will not accept as valid, nor recognise for any purpose, any notice of assignment, transfer, novation (or similar) or exercise of a Target Option that is either or both:

- (a) received after 5.00pm on the day which is the Business Day immediately before the Option Scheme Record Date; and/or
- (b) not in accordance with the terms and conditions of the Target Options.

7.2 Exercise prior to Option Scheme Record Date

Subject to clause 7.4, Target will issue, and register the Target Optionholder as the holder of, a Target Share in respect of any valid exercise of a Target Option registered in the name of the Target permitted by, and received by the time specified in, clause 7.1 and in accordance with the Target Options terms and conditions, and the Target Optionholder acknowledges and agrees that, if the Scheme becomes Effective and the Target Optionholder has validly exercised a Target Option in accordance with the foregoing, the Target Optionholder will be bound by the terms of the Scheme in respect of each such Target Share and accordingly, each such Target Share will be transferred to Bidder in accordance with the terms of the Scheme.

7.3 Target Option Register

Subject to clause 7.4, Target must register any registrable transmission applications or transfers of the Target Options received in accordance with clause 7.1 on or before 5.00pm on the day which is the Business Day immediately before the Option Scheme Record Date.

7.4 Minimum holding

Nothing in clause 7.2 or 7.3 requires Target to register a transfer that would result in a Target Optionholder holding a parcel of Target Options that is less than a 'marketable parcel' (as defined in the operating rules of ASX).

7.5 Maintenance of Target Option Register

For the purpose of determining entitlements to the Option Scheme Consideration, Target will maintain the Target Option Register in accordance with the provisions of clause 7 until the Option Scheme Consideration has been issued to the Option Scheme Participants and Bidder has been entered in the Target Option Register as the holder of all the Target Options. The Target Option Register in this form will solely determine entitlements to the Option Scheme Consideration.

7.6 Effect of certificates and holding statements

Subject to provision of the Option Scheme Consideration and registration of the transfer to Bidder contemplated in clauses 5.2 and 7.5, any statements of holding or option certificates (or equivalent document) in respect of Target Options will cease to have effect after the Option Scheme Record Date as documents of title in respect of those Target Options (other than statements of holding in favour of Bidder and its successors in title). After the Option Scheme Record Date, each entry current on the Target Option Register as at the Option Scheme Record Date (other than entries in respect of Bidder or its successors in title) will cease to have effect except as evidence of entitlement to the Option Scheme Consideration.

7.7 Details of Option Scheme Participants

As soon as possible on or after the Option Scheme Record Date, and in any event by 5.00pm on the first Business Day after the Option Scheme Record Date, Target will ensure that details of the names, Registered Addresses and holdings of Target Options for each Option Scheme Participant, as shown in the Target Option Register at the Option Scheme Record Date, are available to Bidder in such form as Bidder reasonably requires.

8 Instructions and notifications

If not prohibited by law (and including where permitted or facilitated by relief granted by a Regulatory Authority), all instructions, notifications or elections by an Option Scheme Participant to Target that are binding or deemed binding between the Option Scheme Participant and Target relating to Target or Target Options, including instructions, notifications or elections relating to notices or other communications from Target (including by email), will be deemed from the Option Scheme Implementation Date (except to the extent determined otherwise by Bidder in its sole discretion), by reason of this Option Scheme, to be made by the Option Scheme Participant to Bidder and to be a binding instruction, notification or election to, and accepted by, Bidder until that instruction, notification or election is revoked or amended in writing addressed to Bidder at its registry.

9 Notices

9.1 No deemed receipt

If a notice, transfer, transmission application, direction or other communication referred to in this Option Scheme is sent by post to Target, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Target's registered office or at the office of the Registry.

9.2 Accidental omission

The accidental omission to give notice of the Option Scheme Meeting or the non-receipt of such a notice by any Target Optionholder will not, unless so ordered by the Court, invalidate the Option Scheme Meeting or the proceedings of the Option Scheme Meeting.

10 General

10.1 Variations, alterations and conditions

- (a) Target may, with the prior consent of Bidder, by its counsel or solicitor, consent on behalf of all persons concerned to any variations, alterations or conditions to this Option Scheme which the Court thinks fit to impose.
- (b) Each Option Scheme Participant agrees to any variations, alterations or conditions to this Option Scheme which Target has consented to in accordance with clause 10.1(a).

10.2 Further action by Target

Target will execute all documents and do all things (on its own behalf and on behalf of each Option Scheme Participant) necessary or expedient to implement, and perform its obligations under, this Option Scheme.

10.3 Authority and acknowledgement

Each Option Scheme Participant irrevocably consents to Target and Bidder doing all things necessary or expedient for or incidental to the implementation of this Option Scheme and the transactions contemplated by it.

10.4 No liability when acting in good faith

Each Option Scheme Participant agrees that, without prejudice to Target's or Bidder's rights and obligations under the Scheme Implementation Agreement, neither Target nor Bidder, nor any of their respective officers or employees, will be liable to an Option Scheme Participant for anything done or omitted to be done in the performance of this Option Scheme or the Option Scheme Deed Poll in good faith.

10.5 Stamp duty

Bidder:

- (a) must pay all stamp duty (including any fines, penalties and interest) payable in connection with this Option Scheme or the transactions effected by or made under the Option Scheme; and
- (b) indemnifies each Option Scheme Participant against any liability arising from failure to comply with clause 10.5(a),

subject to and in accordance with clause 6 of the Option Scheme Deed Poll.

11 Governing law

11.1 Governing law and jurisdiction

The law in force in the place specified in the Details governs this document. The parties submit to the non-exclusive jurisdiction of the courts of that place.

11.2 Serving documents

Without preventing any other method of service, any document in an action in connection with this document may be served on a party by being delivered or left at that party's address set out in the Details.

Schedule 1 Option Scheme Consideration

Target Option tranche	Exercise price of the Target Options	Expiry date of the Target Options	Number of New Bidder Shares per Target Option to be provided as the Option Scheme Consideration
Options – LRSAAF (ASX code)	\$0.55	30 June 2025	0.0020
Options – LRSAY (ASX code)	\$0.22	27 April 2027	0.0250

Annexure E – Share Scheme Deed Poll

KING&WOOD
MALLESONS
金杜律师事务所

Deed Poll – share scheme

Pilbara Minerals Limited (**Bidder**)

In favour of each registered holder of fully paid ordinary shares in Latin Resources Limited (**Target**) as at the Record Date (**Scheme Participants**)

King & Wood Mallesons

Level 30
QV1 Building
250 St Georges Terrace
Perth WA 6000
Australia
T +61 8 9269 7000
F +61 8 9269 7999
DX 210 Perth
www.kwm.com

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Details

Parties

Bidder	Name	Pilbara Minerals Limited
	ACN	112 425 788
	Address	Level 2, 146 Colin St, West Perth WA 6005
	Email	john.stanning@pilbaraminerals.com.au
	Attention	Chief Development Officer

In favour of	Each registered holder of Scheme Shares as at the Record Date.

Governing law	Western Australia

Recitals	A	The effect of the Scheme will be that all Scheme Shares held by Scheme Participants will be transferred to Bidder.
	B	Target and Bidder have entered into the Scheme Implementation Agreement.
	C	In the Scheme Implementation Agreement, Bidder agreed (amongst other things) to provide or procure the provision of the Scheme Consideration to each Scheme Participant, subject to the satisfaction of certain conditions.
	D	Bidder is entering into this document for the purpose of undertaking in favour of Scheme Participants to perform its obligations in relation to the Scheme.

General terms

1 Definitions and interpretation

1.1 Definitions

Unless the contrary intention appears, these meanings apply:

Details means the section of this document headed “Details”.

First Court Date means the first day on which an application made to the Court for an order under subsection 411(1) of the Corporations Act convening the Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.

Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act under which all the Scheme Shares held by Scheme Participants will be transferred to Bidder, substantially in the form of Annexure A to this document, together with any amendment or modification made pursuant to section 411(6) of the Corporations Act to the extent they are approved in writing by Target and Bidder in accordance with clause 10.1 of the Scheme.

Scheme Implementation Agreement means the scheme implementation agreement dated 14 August 2024 between Target and Bidder as amended from time to time and under which, amongst other things, Target has agreed to propose the Scheme to Scheme Shareholders, and each of Target and Bidder has agreed to take certain steps to give effect to the Scheme.

All other words and phrases used in this document have the same meaning as given to them in the Scheme, unless otherwise stated.

1.2 General interpretation

Clause 1.2 of the Scheme applies to this document except that references to “this Scheme” are to be read as references to “this document”.

1.3 Nature of deed poll

Bidder acknowledges that:

- (a) this document is entered into and has effect as a deed poll and may be relied on and enforced by any Scheme Participant in accordance with its terms even though the Scheme Participants are not a party to it; and
- (b) under the Scheme, each Scheme Participant irrevocably appoints Target and each of its directors, officers and secretaries (jointly and individually) as its agent and attorney to enforce this document against Bidder in accordance with its terms.

2 Conditions precedent and termination

2.1 Conditions precedent

Bidder's obligations under clause 3 are subject to the Scheme becoming Effective.

2.2 Termination

Bidder's obligations under this document will automatically terminate and the terms of this document will be of no further force or effect if:

- (a) the Scheme has not become Effective on or before the End Date, unless Target and Bidder otherwise agree in writing; or
- (b) the Scheme Implementation Agreement is terminated in accordance with its terms.

2.3 Consequences of termination

If this document is terminated under clause 2.2, then, in addition and without prejudice to any other rights, powers or remedies available to Scheme Participants:

- (a) Bidder is released from its obligations to further perform this document; and
- (b) each Scheme Participant retains the rights, powers or remedies they have against Bidder in respect of any breach of this document which occurs before it is terminated.

3 Scheme Consideration

3.1 Scheme Consideration

Subject to clause 2, Bidder undertakes:

- (a) in favour of each Scheme Participant to provide, or procure the provision of, the Scheme Consideration to each Scheme Participant; and
- (b) to perform all other actions attributed to it under the Scheme,

subject to and in accordance with the terms of the Scheme.

3.2 New Bidder Shares to rank equally

Bidder covenants in favour of each Scheme Participant that all New Bidder Shares issued in connection with the provision of the Scheme Consideration to each Scheme Participant or the Sale Nominee in accordance with the Scheme will, upon their issue:

- (a) rank equally in all respects with all other Bidder Shares then on issue; and
- (b) be fully paid and free from any Encumbrance.

4 Representations and warranties

Bidder represents and warrants that:

- (a) **(status)** it has been incorporated or formed in accordance with the laws of its place of incorporation or formation and is validly existing under those laws;
- (b) **(power)** it has power to enter into this document, to comply with its obligations under it and exercise its rights under it;
- (c) **(no contravention)** its entry by it into, its compliance with its obligations and the exercise of its rights under, this document in accordance with its terms do not and will not conflict with:
 - (i) its constituent documents or cause a limitation on its powers or the powers of its directors to be exceeded;
 - (ii) any law binding on or applicable to it or its assets; or
 - (iii) any Encumbrance binding on or applicable to it;
- (d) **(authorisations)** it has in full force and effect each corporate authorisation necessary for it to enter into this document, to comply with its obligations and exercise its rights under it, and to allow them to be enforced;
- (e) **(validity of obligations)** its obligations under this document are valid and binding and are enforceable against it in accordance with its terms; and
- (f) **(solvency)** it is not Insolvent (as defined in the Scheme Implementation Agreement).

5 Continuing obligations

This document is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) Bidder has fully performed its obligations under this document; or
- (b) the earlier termination of this document under clause 2.2.

6 Stamp duty

Bidder:

- (a) must pay or reimburse all stamp duty, registration fees and similar taxes payable or assessed as being payable in connection with this document or any other transaction contemplated by this document (including any fees, fines, penalties and interest in connection with any of these amounts); and
- (b) indemnifies each Scheme Participant against, and agrees to reimburse and compensate each Scheme Participant for, any liability in respect of stamp duty under clause 6(a).

7 Notices

7.1 Form

- (a) A notice or other communication in connection with this document must be:
 - (i) in writing and in English and signed for or on behalf of the sending party; and
 - (ii) marked for attention of the person referred to in the Details (or if the recipient has notified otherwise, then marked for attention in the way last notified).
- (b) If a person sends a communication contemplated by this document other than by email, they must use all reasonable endeavours to send a copy of the communication promptly by email.
- (c) Communications are taken to be received:
 - (i) if sent by post, 6 Business Days after posting (or 10 Business Days after posting if sent from one country to another);
 - (ii) if sent by email:
 - (A) when the sender receives an automated message confirming delivery; or
 - (B) 4 hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that delivery failed,

whichever happens first.
- (d) Despite anything else in this clause 7, if communications are received or taken to be received under clause 7(c) after 5.00pm on a Business Day or on a non-Business Day, they are taken to be received at 9.00am on the next Business Day. For the purposes of this clause, the place in the definition of Business Day is taken to be the place specified in the Details as the address of the recipient and the time of receipt is the time in that place.

8 General

8.1 Variation

A provision of this document or any right created under it may not be varied, altered or otherwise amended unless:

- (a) if before the First Court Date, the variation is agreed to by Target and Bidder in writing; and
- (b) if on or after the First Court Date, the variation is agreed to by Target and Bidder in writing and the Court indicates that the variation, alteration or amendment would not itself preclude approval of the Scheme,

in which event Bidder must enter into a further deed poll in favour of the Scheme Participants giving effect to the variation, alteration or amendment.

8.2 Partial exercising of rights

Unless this document expressly states otherwise, if Bidder does not exercise a right, power or remedy in connection with this document fully or at a given time, it may still exercise it later.

8.3 No waiver

- (a) Bidder may not rely on the words or conduct of any Scheme Participant as a waiver of any right unless the waiver is in writing signed by the Scheme Participant granting the waiver. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.
- (b) No Scheme Participant may rely on words or conduct of Bidder as a waiver of any right unless the waiver is in writing and signed by Bidder. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.
- (c) Failure to exercise or enforce, a delay in exercising or enforcing, or the partial exercise or enforcement of any right, power or remedy provided by law or under this document by Bidder or by any Scheme Participant will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of, that right or any other right provided by law or under this document.

8.4 Remedies cumulative

The rights, powers and remedies in connection with this document are in addition to other rights, powers and remedies given by law independently of this document.

8.5 Assignment or other dealings

Bidder and each Scheme Participant may not assign or otherwise deal with its rights under this document or allow any interest in them to arise or be varied without the consent of Bidder and Target. Any purported dealing in contravention of this clause 8.5 is invalid.

8.6 Further steps

Bidder agrees to do all things (including executing all documents) necessary to give full effect to this document and the transactions contemplated by it.

9 Governing law and jurisdiction

9.1 Governing law and jurisdiction

- (a) The law in force in the place specified in the Details governs this document.
- (b) Bidder irrevocably submits to the non-exclusive jurisdiction of the courts of that place and courts of appeal from them in respect of any such proceedings arising out of or in connection with this document.

9.2 Serving documents

Without preventing any other method of service, any document in an action in connection with this document may be served on Bidder by being delivered or left at Bidder's address set out in the Details.

EXECUTED as a deed poll

Deed Poll – share scheme

Signing page

DATED: 26 November 2024

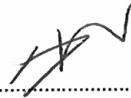
EXECUTED by **PILBARA MINERALS
LIMITED** in accordance with section
127(1) of the *Corporations Act 2001*
(Cth):



Signature of director

Dale Henderson

Name of director (block letters)



Signature of ~~director~~ company
secretary

Danielle Webber

Name of ~~director~~ company secretary
(block letters)

Annexure F – Option Scheme Deed Poll

KING & WOOD
MALLESONS
金杜律师事务所

Deed Poll – option scheme

Pilbara Minerals Limited (**Bidder**)

In favour of each registered holder of options in Latin Resources Limited
(**Target**) as at the Option Scheme Record Date (**Option Scheme
Participants**)

King & Wood Mallesons

Level 30
QV1 Building
250 St Georges Terrace
Perth WA 6000
Australia
T +61 8 9269 7000
F +61 8 9269 7999
DX 210 Perth
www.kwm.com

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Details

Parties

Bidder	Name	Pilbara Minerals Limited
	ACN	112 425 788
	Address	Level 2, 146 Colin St, West Perth WA 6005
	Email	john.stanning@pilbaraminerals.com.au
	Attention	Chief Development Officer

In favour of	Each registered holder of Target Options as at the Option Scheme Record Date.

Governing law	Western Australia

Recitals	A	The effect of the Option Scheme will be that all Target Options held by Option Scheme Participants will be transferred to Bidder.
	B	Target and Bidder have entered into the Scheme Implementation Agreement.
	C	In the Scheme Implementation Agreement, Bidder agreed (amongst other things) to provide or procure the provision of the Option Scheme Consideration to each Option Scheme Participant, subject to the satisfaction of certain conditions.
	D	Bidder is entering into this document for the purpose of undertaking in favour of Option Scheme Participants to perform its obligations in relation to the Option Scheme.

General terms

1 Definitions and interpretation

1.1 Definitions

Unless the contrary intention appears, these meanings apply:

Details means the section of this document headed “Details”.

First Court Date means the first day on which an application made to the Court for an order under subsection 411(1) of the Corporations Act convening the Option Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.

Option Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act under which all the Target Options held by Option Scheme Participants will be transferred to Bidder, substantially in the form of Annexure A to this document, together with any amendment or modification made pursuant to section 411(6) of the Corporations Act to the extent they are approved in writing by Target and Bidder in accordance with clause 10.1 of the Option Scheme.

Scheme Implementation Agreement means the scheme implementation agreement dated 14 August 2024 between Target and Bidder as amended from time to time and under which, amongst other things, Target has agreed to propose the Option Scheme to Target Optionholders, and each of Target and Bidder has agreed to take certain steps to give effect to the Option Scheme.

All other words and phrases used in this document have the same meaning as given to them in the Option Scheme, unless otherwise stated.

1.2 General interpretation

Clause 1.2 of the Option Scheme applies to this document except that references to “this Option Scheme” are to be read as references to “this document”.

1.3 Nature of deed poll

Bidder acknowledges that:

- (a) this document is entered into and has effect as a deed poll and may be relied on and enforced by any Option Scheme Participant in accordance with its terms even though the Option Scheme Participants are not a party to it; and
- (b) under the Option Scheme, each Option Scheme Participant irrevocably appoints Target and each of its directors, officers and secretaries (jointly and individually) as its agent and attorney to enforce this document against Bidder in accordance with its terms.

2 Conditions precedent and termination

2.1 Conditions precedent

Bidder's obligations under clause 3 are subject to the Option Scheme becoming Effective.

2.2 Termination

Bidder's obligations under this document will automatically terminate and the terms of this document will be of no further force or effect if:

- (a) the Option Scheme has not become Effective on or before the End Date, unless Target and Bidder otherwise agree in writing; or
- (b) the Scheme Implementation Agreement is terminated in accordance with its terms.

2.3 Consequences of termination

If this document is terminated under clause 2.2, then, in addition and without prejudice to any other rights, powers or remedies available to Option Scheme Participants:

- (a) Bidder is released from its obligations to further perform this document; and
- (b) each Option Scheme Participant retains the rights, powers or remedies they have against Bidder in respect of any breach of this document which occurs before it is terminated.

3 Option Scheme Consideration

3.1 Option Scheme Consideration

Subject to clause 2, Bidder undertakes:

- (a) in favour of each Option Scheme Participant to provide, or procure the provision of, the Option Scheme Consideration to each Option Scheme Participant; and
- (b) to perform all other actions attributed to it under the Option Scheme, subject to and in accordance with the terms of the Option Scheme.

3.2 New Bidder Shares to rank equally

Bidder covenants in favour of each Option Scheme Participant that all New Bidder Shares issued in connection with the provision of the Option Scheme Consideration to each Option Scheme Participant or the Sale Nominee in accordance with the Option Scheme will, upon their issue:

- (a) rank equally in all respects with all other Bidder Shares then on issue; and
- (b) be fully paid and free from any Encumbrance.

4 Representations and warranties

Bidder represents and warrants that:

- (a) **(status)** it has been incorporated or formed in accordance with the laws of its place of incorporation or formation and is validly existing under those laws;
- (b) **(power)** it has power to enter into this document, to comply with its obligations under it and exercise its rights under it;
- (c) **(no contravention)** its entry by it into, its compliance with its obligations and the exercise of its rights under, this document in accordance with its terms do not and will not conflict with:
 - (i) its constituent documents or cause a limitation on its powers or the powers of its directors to be exceeded;
 - (ii) any law binding on or applicable to it or its assets; or
 - (iii) any Encumbrance binding on or applicable to it;
- (d) **(authorisations)** it has in full force and effect each corporate authorisation necessary for it to enter into this document, to comply with its obligations and exercise its rights under it, and to allow them to be enforced;
- (e) **(validity of obligations)** its obligations under this document are valid and binding and are enforceable against it in accordance with its terms; and
- (f) **(solvency)** it is not Insolvent (as defined in the Scheme Implementation Agreement).

5 Continuing obligations

This document is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) Bidder has fully performed its obligations under this document; or
- (b) the earlier termination of this document under clause 2.2.

6 Stamp duty

Bidder:

- (a) must pay or reimburse all stamp duty, registration fees and similar taxes payable or assessed as being payable in connection with this document or any other transaction contemplated by this document (including any fees, fines, penalties and interest in connection with any of these amounts); and
- (b) indemnifies each Option Scheme Participant against, and agrees to reimburse and compensate each Option Scheme Participant for, any liability in respect of stamp duty under clause 6(a).

7 Notices

7.1 Form

- (a) A notice or other communication in connection with this document must be:
 - (i) in writing and in English and signed for or on behalf of the sending party; and
 - (ii) marked for attention of the person referred to in the Details (or if the recipient has notified otherwise, then marked for attention in the way last notified).
- (b) If a person sends a communication contemplated by this document other than by email, they must use all reasonable endeavours to send a copy of the communication promptly by email.
- (c) Communications are taken to be received:
 - (i) if sent by post, 6 Business Days after posting (or 10 Business Days after posting if sent from one country to another);
 - (ii) if sent by email:
 - (A) when the sender receives an automated message confirming delivery; or
 - (B) 4 hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that delivery failed,

whichever happens first.
- (d) Despite anything else in this clause 7, if communications are received or taken to be received under clause 7(c) after 5.00pm on a Business Day or on a non-Business Day, they are taken to be received at 9.00am on the next Business Day. For the purposes of this clause, the place in the definition of Business Day is taken to be the place specified in the Details as the address of the recipient and the time of receipt is the time in that place.

8 General

8.1 Variation

A provision of this document or any right created under it may not be varied, altered or otherwise amended unless:

- (a) if before the First Court Date, the variation is agreed to by Target and Bidder in writing; and
- (b) if on or after the First Court Date, the variation is agreed to by Target and Bidder in writing and the Court indicates that the variation, alteration or amendment would not itself preclude approval of the Option Scheme,

in which event Bidder must enter into a further deed poll in favour of the Option Scheme Participants giving effect to the variation, alteration or amendment.

8.2 Partial exercising of rights

Unless this document expressly states otherwise, if Bidder does not exercise a right, power or remedy in connection with this document fully or at a given time, it may still exercise it later.

8.3 No waiver

- (a) Bidder may not rely on the words or conduct of any Option Scheme Participant as a waiver of any right unless the waiver is in writing and signed by the Option Scheme Participant granting the waiver. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.
- (b) No Option Scheme Participant may rely on words or conduct of Bidder as a waiver of any right unless the waiver is in writing and signed by Bidder. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.
- (c) Failure to exercise or enforce, a delay in exercising or enforcing, or the partial exercise or enforcement of any right, power or remedy provided by law or under this document by Bidder or by any Option Scheme Participant will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that right or any other right provided by law or under this document.

8.4 Remedies cumulative

The rights, powers and remedies in connection with this document are in addition to other rights, powers and remedies given by law independently of this document.

8.5 Assignment or other dealings

Bidder and each Option Scheme Participant may not assign or otherwise deal with its rights under this document or allow any interest in them to arise or be varied without the consent of Bidder and Target. Any purported dealing in contravention of this clause 8.5 is invalid.

8.6 Further steps

Bidder agrees to do all things (including executing all documents) necessary to give full effect to this document and the transactions contemplated by it.

9 Governing law and jurisdiction

9.1 Governing law and jurisdiction

- (a) The law in force in the place specified in the Details governs this document.
- (b) Bidder irrevocably submits to the non-exclusive jurisdiction of the courts of that place and courts of appeal from them in respect of any such proceedings arising out of or in connection with this document.

9.2 Serving documents

Without preventing any other method of service, any document in an action in connection with this document may be served on Bidder by being delivered or left at Bidder's address set out in the Details.

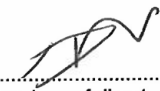
EXECUTED as a deed poll

Deed Poll – option scheme

Signing page

DATED: 26 November 2024

EXECUTED by **PILBARA MINERALS
LIMITED** in accordance with section
127(1) of the *Corporations Act 2001*
(Cth):

 Signature of director	 Signature of director/company secretary
Dale Henderson Name of director (block letters)	Danielle Webber Name of director/company secretary (block letters)

Annexure G - Notice of Share Scheme Meeting

Notice of Share Scheme Meeting

Latin Resources Limited (ACN 131 405 144) (**Latin Resources**) gives notice that, by order of the Supreme Court of Western Australia (**Court**) pursuant to section 411(1) of the Corporations Act, a meeting of holders of fully paid ordinary shares in Latin Resources (**Share Scheme Meeting**) will be held on 16 January 2025 at the later of 10.30am (AWST) and the conclusion of the Demerger Meeting.

The Share Scheme Meeting will be held at the Ebell room at Trinity College, 230 Hampden Road, Crawley WA 6009.

Business of the Share Scheme Meeting

The purpose of the Share Scheme Meeting is to consider and, if thought fit, agree to a scheme of arrangement proposed to be entered into between Latin Resources and its shareholders (with or without modification or conditions) (**Share Scheme**).

A copy of the Share Scheme and a copy of the explanatory statement required by section 412 of the Corporations Act 2001 (Cth) in relation to the Share Scheme are contained in the Scheme Booklet, of which this notice forms part.

Share Scheme Resolution

To consider and, if thought fit pass (with or without modification or conditions) the following resolution (**Share Scheme Resolution**):

"That, pursuant to and in accordance with section 411 of the Corporations Act 2001 (Cth): (a) the scheme of arrangement proposed between Latin Resources Limited and the holders of its fully paid ordinary shares as contained in and more precisely described in the Scheme Booklet of which the notice convening this meeting forms part, is agreed to (with or without modification as approved by the Supreme Court of Western Australia to which Latin Resources Limited and Pilbara Minerals Limited agree); and (b) the directors of Latin Resources Limited are authorised to agree to such alterations or conditions as are thought fit by the Court, and subject to approval of the Share Scheme by the Court, the board of directors of Latin Resources Limited is authorised to implement the Share Scheme with any such modifications or conditions."

Chair

The Court has directed that David Vilensky is to act as chair of the Share Scheme Meeting (and that, if he is unable or unwilling to attend, Peter Oliver is to act as chair of the Share Scheme Meeting).

By order of the Court and the Board of Latin Resources Limited.



Sarah Smith
Company Secretary

Latin Resources Limited

Explanatory notes

1 General

This notice of meeting and the Share Scheme Resolution should be read in conjunction with the Scheme Booklet of which this notice forms part. The Scheme Booklet provides the important information you need to help you decide on how to vote on the Share Scheme Resolution.

Unless otherwise defined, terms used in this notice have the same meaning as set out in the Glossary in Section 11 of the Scheme Booklet.

2 Requisite Majorities at the Share Scheme Meeting

In accordance with section 411(4)(a) of the Corporations Act, for the Share Scheme to be approved by Latin Resources Shareholders, the Share Scheme Resolution must be passed by:

- unless the Court orders otherwise, a majority in number (more than 50%) of Latin Resources Shareholders present and voting at the Share Scheme Meeting (either in person or by proxy, attorney or, in the case of corporate Latin Resources Shareholders, body corporate representative); and
- at least 75% of the total number of votes cast on the Share Scheme Resolution at the Share Scheme Meeting by Latin Resources Shareholders present and voting (either in person or by proxy, attorney or, in the case of corporate Latin Resources Shareholders, body corporate representative).

3 Court approval

In accordance with section 411(4)(b) of the Corporations Act, the Share Scheme must be approved by an order of the Court. If the Share Scheme Resolution is passed by the Requisite Majorities and the Conditions Precedent set out in the Scheme Implementation Agreement are satisfied or waived (where capable of waiver), Latin Resources will apply to the Court for the necessary orders to approve the Share Scheme.

4 Entitlement to participate in and vote at the Share Scheme Meeting

For the purpose of voting at the Share Scheme Meeting, Latin Resources Shareholders will be entitled to participate in and vote at the Share Scheme Meeting if they are a registered holder of Latin Resources Shares on the Latin Resources Register as at 7.00pm (AEDT) on 14 January 2025.

Latin Resources Shareholders (or their proxies, attorneys or authorised corporate representatives) will be able to participate in the Share Scheme Meeting by attending in person at the Ebell room at Trinity College, 230 Hampden Road, Crawley WA 6009.

5 How to vote

Latin Resources Shareholders entitled to vote at the Share Scheme Meeting may do so as set out in this Section 5.

If Latin Resources Shares are jointly held, each of the joint Latin Resources Shareholders is entitled to vote. However, if more than one Latin Resources Shareholder votes in respect of jointly held Latin Resources Shares, only the vote of the shareholder whose name appears first on the Latin Resources Register will be counted.

Voting at the Share Scheme Meeting will be conducted by poll.

Latin Resources Shareholders entitled to vote at the Share Scheme Meeting may vote:

- **in person**, by attending the Share Scheme Meeting at the Ebell room at Trinity College, 230 Hampden Road, Crawley WA 6009.
- **by proxy**, by lodging a proxy form in one of the following ways:
 - **online**: at www.investorvote.com.au using their secure access information or on their mobile device by scanning the personalised QR code on the proxy form. For Intermediary Online subscribers (custodians), go to www.intermediaryonline.com;
 - **by mail**: in the reply-paid envelope provided with the proxy form to Computershare Investor Services Pty Limited, GPO Box 1282, Melbourne, Victoria, 3001, Australia;
 - **by fax**: to the Registry (within Australia) 1800 783 447 or (outside Australia) +61 3 9473 2555.
- **by attorney**: by appointing an attorney to attend and vote at the Share Scheme Meeting on your behalf. An attorney may only vote at the Share Scheme Meeting if the instrument appointing the attorney, and the authority under which the instrument is signed or a certified copy of the authority are provided to Latin Resources prior to the Share Scheme Meeting (unless it has been previously provided to Latin Resources).
- **by corporate representative**: by an individual appointed to attend and vote at the Share Scheme Meeting as the corporate representative of the Latin Resources Shareholder, if the Latin Resources Shareholder is a body corporate. This appointment must comply with the requirements of the Corporations Act. The corporate representative must ensure that Latin Resources has received a certificate of appointment and any authority under which the appointment is signed, prior to the Share Scheme Meeting (unless this has previously been provided to Latin Resources). A form of notice of appointment can be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Proxy appointments must be received by 10.30am (AWST) on 14 January 2025 for the Share Scheme Meeting.

Other matters relevant to proxy voting

A Latin Resources Shareholder who is entitled to cast two or more votes may appoint not more than two proxies. A proxy need not be a Latin Resources Shareholder. A proxy may be either an individual or a body corporate. A corporation appointed as a proxy will need to appoint a corporate representative, in the same manner as outlined in this notice in relation to appointments by Latin Resources Shareholders, to exercise its powers as proxy at the meeting.

A shareholder entitled to cast more than one vote on a resolution may appoint two proxies to vote by poll. Each proxy should be appointed to represent a specified proportion or number of the shareholder's votes. If proportions or numbers are not specified, then each proxy may exercise half of the shareholder's votes.

Latin Resources Shareholders are encouraged to direct their proxies how to vote on the resolution. A Latin Resources Shareholder can provide such a direction by marking the appropriate box on the hard copy proxy form. If a proxy is not directed on how to vote on a resolution, the proxy may vote, or abstain from voting, as that person thinks fit (subject to the other provisions of these notes). If a proxy appointment does direct the relevant proxy how to vote on a resolution, then (subject to the other provisions of these notes):

- the proxy must vote by poll;
- if the proxy is the Chair of the meeting, the proxy must vote in that capacity on a poll and must vote as directed; and

- if the proxy is not the Chair of the meeting, the proxy need not vote in that capacity on a poll but if the proxy does vote, the proxy must do so as directed.

If the proxy is a member, the above does not affect the way that proxy votes in their capacity as a member.

If the Chair of the Share Scheme Meeting is a proxy, either by appointment or default, and the appointment does not provide any voting directions on the proxy form, by signing and returning the proxy form, the Latin Resources Shareholder will be expressly authorising the Chair of the Share Scheme Meeting to cast their vote on the Share Scheme Resolution as the chair of the Share Scheme Meeting sees fit.

The Chair of the Share Scheme Meeting intends to vote undirected proxies in favour of the Share Scheme Resolution.

6 How to ask questions

(a) Before the Share Scheme Meeting

Latin Resources Shareholders may submit questions before the Share Scheme Meeting. Written questions must be received by no later than 5.00pm (AWST) on 14 January 2025.

Any written questions to Latin Resources should be sent by email to info@latinresources.com.au providing the last 4 digits of your SRN/HIN and your postcode.

(b) At the Share Scheme Meeting

Latin Resources Shareholders will have a reasonable opportunity to ask questions or make comments about the Share Scheme at the Share Scheme Meeting.

7 Changes to the current arrangement

Latin Resources may be required to make changes to the arrangements for the Share Scheme Meeting. If there are any updates, Latin Resources will ensure that Latin Resources Shareholders are given as much notice as possible. Further information will also be made available on the Latin Resources website at <https://www.latinresources.com.au/asx-announcements/>.

8 Advertisement

Where this notice of meeting is advertised unaccompanied by the Scheme Booklet, a copy of the Scheme Booklet can be obtained by anyone entitled to attend the meeting from the Latin Resources website at <https://www.latinresources.com.au/>, from the ASX website at www.asx.com.au or by contacting the Registry.

Annexure H – Notice of Option Scheme Meeting

Notice of Option Scheme Meeting

Latin Resources Limited (ACN 131 405 144) (**Latin Resources**) gives notice that, by order of the Supreme Court of Western Australia (**Court**) pursuant to section 411(1) of the Corporations Act, a meeting of holders of options in Latin Resources (**Option Scheme Meeting**) will be held on 16 January 2025 at the later of 11.00am (AWST) and the conclusion of the Share Scheme Meeting.

The Option Scheme Meeting will be held at the Ebell room at Trinity College, 230 Hampden Road, Crawley WA 6009.

Business of the Option Scheme Meeting

The purpose of the Option Scheme Meeting is to consider and, if thought fit, agree to a scheme of arrangement proposed to be entered into between Latin Resources and its optionholders (with or without modification or conditions) (**Option Scheme**).

A copy of the Option Scheme and a copy of the explanatory statement required by section 412 of the Corporations Act 2001 (Cth) in relation to the Option Scheme are contained in the Scheme Booklet, of which this notice forms part.

Option Scheme Resolution

To consider and, if thought fit pass (with or without modification or conditions) the following resolution (**Option Scheme Resolution**):

“That, pursuant to and in accordance with section 411 of the Corporations Act 2001 (Cth): (a) the scheme of arrangement proposed between Latin Resources Limited and the holders of its options as contained in and more precisely described in the Scheme Booklet of which the notice convening this meeting forms part, is agreed to (with or without modification as approved by the Supreme Court of Western Australia to which Latin Resources Limited and Pilbara Minerals Limited agree); and (b) the directors of Latin Resources Limited are authorised to agree to such alterations or conditions as are thought fit by the Court, and subject to approval of the Option Scheme by the Court, the board of directors of Latin Resources Limited is authorised to implement the Option Scheme with any such modifications or conditions.”

Chair

The Court has directed that David Vilensky is to act as chair of the Option Scheme Meeting (and that, if he is unable or unwilling to attend, Peter Oliver is to act as chair of the Option Scheme Meeting).

By order of the Court and the Board of Latin Resources Limited.



Sarah Smith
Company Secretary

Latin Resources Limited

Explanatory notes

1 General

This notice of meeting and the Option Scheme Resolution should be read in conjunction with the Scheme Booklet of which this notice forms part. The Scheme Booklet provides the important information you need to help you decide on how to vote on the Option Scheme Resolution.

Unless otherwise defined, terms used in this notice have the same meaning as set out in the Glossary in Section 11 of the Scheme Booklet.

2 Requisite Majorities at the Option Scheme Meeting

In accordance with section 411(4)(a) of the Corporations Act, for the Option Scheme to be approved by Latin Resources Optionholders, the Option Scheme Resolution must be passed by:

- unless the Court orders otherwise, a majority in number (more than 50%) of Latin Resources Optionholders present and voting at the Option Scheme Meeting (either in person or by proxy, attorney or, in the case of corporate Latin Resources Optionholders, body corporate representative); and
- at least 75% of the total number of votes cast on the Option Scheme Resolution at the Option Scheme Meeting by Latin Resources Optionholders present and voting (either in person or by proxy, attorney or, in the case of corporate Latin Resources Optionholders, body corporate representative).

3 Court approval

In accordance with section 411(4)(b) of the Corporations Act, the Option Scheme must be approved by an order of the Court. If the Option Scheme Resolution is passed by the Requisite Majorities and the Conditions Precedent set out in the Scheme Implementation Agreement are satisfied or waived (where capable of waiver), Latin Resources will apply to the Court for the necessary orders to approve the Option Scheme.

4 Entitlement to participate in and vote at the Option Scheme Meeting

For the purpose of voting at the Option Scheme Meeting, Latin Resources Optionholders will be entitled to participate in and vote at the Option Scheme Meeting if they are a registered holder of Latin Resources Option on the Latin Resources Register as at 7.00pm (AEDT) on 14 January 2025.

Latin Resources Optionholders (or their proxies, attorneys or authorised corporate representatives) will be able to participate in the Option Scheme Meeting by attending in person at the Ebell room at Trinity College, 230 Hampden Road, Crawley WA 6009.

5 Voting entitlement

The number of votes that each Latin Resources Optionholder will have on the Option Scheme Resolution will be determined by the value of the Latin Resources Options they hold. Latin Resources has calculated the value of Latin Resources Options for this purpose using the Black-Scholes valuation model.

6 How to vote

Latin Resources Optionholders entitled to vote at the Option Scheme Meeting may do so as set out in this Section 6.

If Latin Resources Options are jointly held, each of the joint Latin Resources Optionholders is entitled to vote. However, if more than one Latin Resources Optionholder votes in respect of jointly held Latin Resources Option, only the vote of the optionholder whose name appears first on the Latin Resources Register will be counted.

Voting at the Option Scheme Meeting will be conducted by poll.

Latin Resources Optionholders entitled to vote at the Option Scheme Meeting may vote:

- **in person**, by attending the Option Scheme Meeting at the Ebell room at Trinity College, 230 Hampden Road, Crawley WA 6009.
- **by proxy**, by lodging a proxy form in one of the following ways:
 - **online**: at www.investorvote.com.au using their secure access information or on their mobile device by scanning the personalised QR code on the proxy form. For Intermediary Online subscribers (custodians), go to www.intermediaryonline.com;
 - **by mail**: in the reply-paid envelope provided with the proxy form to Computershare Investor Services Pty Limited, GPO Box 1282, Melbourne, Victoria, 3001, Australia;
 - **by fax**: to the Registry (within Australia) 1800 783 447 (outside Australia) +61 3 9473 2555.
- **by attorney**: by appointing an attorney to attend and vote at the Option Scheme Meeting on your behalf. An attorney may only vote at the Option Scheme Meeting if the instrument appointing the attorney, and the authority under which the instrument is signed or a certified copy of the authority are provided to Latin Resources prior to the Option Scheme Meeting (unless it has been previously provided to Latin Resources).
- **by corporate representative**: by an individual appointed to attend and vote at the Option Scheme Meeting as the corporate representative of the Latin Resources Optionholder, if the Latin Resources Optionholder is a body corporate. This appointment must comply with the requirements of the Corporations Act. The corporate representative must ensure that Latin Resources has received a certificate of appointment and any authority under which the appointment is signed, prior to the Option Scheme Meeting (unless this has previously been provided to Latin Resources). A form of notice of appointment can be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Proxy appointments must be received by 11.00am (AWST) on 14 January 2025 for the Option Scheme Meeting.

Other matters relevant to proxy voting

A Latin Resources Optionholder who is entitled to cast two or more votes may appoint not more than two proxies. A proxy need not be a Latin Resources Optionholder. A proxy may be either an individual or a body corporate. A corporation appointed as a proxy will need to appoint a corporate representative, in the same manner as outlined in this notice in relation to appointments by Latin Resources Optionholders, to exercise its powers as proxy at the meeting.

An optionholder entitled to cast more than one vote on a resolution may appoint two proxies to vote by poll. Each proxy should be appointed to represent a specified proportion or number of the optionholder's votes. If proportions or numbers are not specified, then each proxy may exercise half of the optionholder's votes.

Latin Resources Optionholders are encouraged to direct their proxies how to vote on the resolution. A Latin Resources Optionholder can provide such a direction by marking the appropriate box on the hard copy proxy form. If a proxy is not directed on how to vote on a resolution, the proxy may vote, or abstain

from voting, as that person thinks fit (subject to the other provisions of these notes). If a proxy appointment does direct the relevant proxy how to vote on a resolution, then (subject to the other provisions of these notes):

- the proxy must vote by poll;
- if the proxy is the Chair of the meeting, the proxy must vote in that capacity on a poll and must vote as directed; and
- if the proxy is not the Chair of the meeting, the proxy need not vote in that capacity on a poll but if the proxy does vote, the proxy must do so as directed.

If the proxy is a member, the above does not affect the way that proxy votes in their capacity as a member.

If the Chair of the Option Scheme Meeting is a proxy, either by appointment or default, and the appointment does not provide any voting directions on the proxy form, by signing and returning the proxy form, the Latin Resources Optionholder will be expressly authorising the Chair of the Option Scheme Meeting to cast their vote on the Option Scheme Resolution as the Chair of the Option Scheme Meeting sees fit.

The Chair of the Option Scheme Meeting intends to vote undirected proxies in favour of the Option Scheme Resolution.

7 How to ask questions

(a) Before the Option Scheme Meeting

Latin Resources Optionholders may submit questions before the Option Scheme Meeting. Written questions must be received by no later than 5.00pm (AWST) on 14 January 2025.

Any written questions to Latin Resources should be sent by email to info@latinresources.com.au providing the Latin Resources Optionholders name and postcode.

(b) At the Option Scheme Meeting

Latin Resources Optionholders will have a reasonable opportunity to ask questions or make comments about the Option Scheme at the Option Scheme Meeting.

8 Changes to the current arrangement

Latin Resources may be required to make changes to the arrangements for the Option Scheme Meeting. If there are any updates, Latin Resources will ensure that Latin Resources Optionholders are given as much notice as possible. Further information will also be made available on the Latin Resources website at <https://www.latinresources.com.au/asx-announcements/>.

9 Advertisement

Where this notice of meeting is advertised unaccompanied by the Scheme Booklet, a copy of the Scheme Booklet can be obtained by anyone entitled to attend the meeting from the Latin Resources website at <https://www.latinresources.com.au/>, from the ASX website at www.asx.com.au or by contacting the Registry.

Annexure I – Demerger Meeting Materials



Latin Resources Limited
ACN 131 405 144

Notice of General Meeting

Notice is given that a General Meeting will be held at:

Date: 16 January 2025

Time: 10.00am (AWST)

Place: The Ebell Room at Trinity College, 230 Hampden Road, Crawley WA 6009

The business of the Demerger Meeting affects your shareholding and your vote is important.

This Demerger Notice, including the Explanatory Memorandum, should be read in its entirety. If Latin Resources Shareholders are in doubt as to what they should do, they should consult their legal, financial or other professional adviser.

The Latin Resources Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the Latin Resources Shareholders that are eligible to vote at the Demerger Meeting are those registered at 7.00pm (AEDT) on 14 January 2025.

Important notices

Defined terms

Terms and abbreviations used in this Demerger Notice (including the Explanatory Memorandum) are defined in the Glossary in Section 6 of the Explanatory Memorandum.

General

Latin Resources Shareholders should read this Demerger Notice (including the Explanatory Memorandum) in its entirety before making a decision as to how to vote on the Demerger Resolution to be considered at the Demerger Meeting.

ASIC and ASX

A final copy of this Demerger Notice (including the Explanatory Memorandum) has been lodged with ASIC and ASX. None of ASIC, ASX nor any of their respective officers takes any responsibility for the contents of these documents.

Forward-looking statements

This Demerger Notice (including the Explanatory Memorandum) contains both historical and forward-looking statements.

The forward-looking statements reflect the views of Latin Resources or ESG Minerals held only as at the date of this Demerger Notice concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as “believe”, “aim”, “expect”, “anticipated”, “intending”, “foreseeing”, “likely”, “should”, “planned”, “may”, “estimated”, “potential”, or other similar words and phrases. Similarly, statements that describe Latin Resources’ and ESG Minerals’ objectives, plans, goals or expectations are or may be forward-looking statements.

The statements in this Demerger Notice about the impact that the Demerger may have on the results or operations of Latin Resources or ESG Minerals, and the advantages and disadvantages anticipated to result from the Demerger, are also forward-looking statements.

Although Latin Resources and ESG Minerals each believe that the views reflected in any forward-looking statements contained in this Demerger Notice have been made on a reasonable basis, no assurance can be given that such views will prove to have been correct.

Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause either Latin Resources’ or ESG Minerals’ actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed, projected or implied by these forward-looking statements. In addition, factors related to the Demerger that contribute to the uncertain nature of the forward-looking statements include, but are not limited to: expected timing to complete the Demerger; filings and approvals relating to the Demerger; and the ability to complete the Demerger considering the various conditions precedent, including Latin Resources Shareholder approvals.

Deviations as to future results, performance and achievements are both normal and to be expected. Latin Resources Shareholders should note that the historical financial performance of Latin Resources or ESG Minerals provides no assurance as to future financial performance of Latin Resources or ESG Minerals (whether the Demerger is implemented or not). Latin Resources Shareholders should review carefully all of the information included in this Demerger Notice (including the Explanatory Memorandum), particularly the risks described in Schedule 5.

The forward-looking statements included in this Demerger Notice are made only as of the date of this Demerger Notice. Neither Latin Resources, ESG Minerals nor any of their directors, officers or representatives give any representation, assurance or guarantee to Latin Resources Shareholders that any forward-looking statements will actually occur or be achieved. Latin Resources Shareholders are cautioned not to place undue reliance on such forward-looking statements.

Subject to any continuing obligations under law or the ASX Listing Rules, Latin Resources and ESG Minerals do not give any undertaking to update or revise any forward-looking statements after the date of this Demerger Notice to reflect any change in expectations in relation to those statements or any change in events, conditions or circumstances on which any such statement is based.

Latin Resources, ESG Minerals and their respective directors, officers and advisers disclaim any obligation or undertaking to distribute after the date of this Demerger Notice any updates or revisions to any forward-looking statements to reflect: (a) any change in expectations in relation to such statements; or (b) any change in events, conditions or circumstances on which such statements are or may be based.

All subsequent written and oral forward-looking statements attributable to Latin Resources or ESG Minerals or any person acting on their behalf are qualified by this cautionary statement.

Foreign jurisdictions

This Demerger Notice (including the Explanatory Memorandum) complies with the disclosure requirements applicable in Australia, which may be different to those in other countries.

The release, publication or distribution of this Demerger Notice (including the Explanatory Memorandum) (including in electronic form) in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons outside of Australia who come into possession of this Demerger Notice (including the Explanatory Memorandum) should seek advice on, and observe, any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Demerger Notice (including the Explanatory Memorandum) has been prepared in accordance with the laws of Australia and the information in this Demerger Notice (including the Explanatory Memorandum) may not be the same as that which would have been disclosed if this Demerger Notice (including the Explanatory Memorandum) had been prepared in accordance with the laws and regulations of a jurisdiction outside of Australia.

This Demerger Notice (including the Explanatory Memorandum) and the Demerger do not in any way constitute an offer of securities in any place in which, or to any person to whom, it would not be lawful to make such an offer.

You will not be able to receive Demerger Shares if you are a Demerger Ineligible Overseas Shareholder. Any new ESG Minerals Shares you would have otherwise been entitled to, will be transferred to the Nominee in accordance with Section 3.14 of the Explanatory Memorandum.

Latin Resources Shareholders that are nominees, trustees or custodians are encouraged to seek independent advice as to how they should proceed.

Further information is set out in Section 3.14 of the Explanatory Memorandum.

No investment advice

This Demerger Notice (including the Explanatory Memorandum) does not constitute financial product advice and has been prepared without reference to the investment objectives, financial situation and needs of any particular Latin Resources Shareholders or any other person. This Demerger Notice should not be relied upon as the sole basis for any investment decision in relation to the Demerger, your Latin Resources Shares or ESG Minerals Shares. Before making an investment decision in relation to the Demerger or your Latin Resources Shares, including any decision to vote for or against the Demerger, you should consider whether that decision is appropriate in light of your particular investment needs, objectives and financial circumstances. If you are in any doubt about what you should do, you should consult your legal, financial or other professional adviser.

No internet site is part of this Demerger Notice

No internet site forms part of this Demerger Notice (including the Explanatory Memorandum). Latin Resources maintains an internet site (<https://www.latinresources.com.au/>). Any reference in this Demerger Notice (including the Explanatory Memorandum) to this internet site is a textual reference only and does not form part of this Demerger Notice.

Business of the meeting

AGENDA

Demerger Resolution – Approval of Capital Reduction and in-specie distribution of ESG Minerals Shares

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of section 256B and section 256C(1) of the Corporations Act, and for all other purposes, approval is given for:

- (i) the issued share capital of the Company to be reduced, without cancelling any Latin Resources Shares, by an amount equal to the market value of the Demerger Shares (as determined by the Latin Resources Directors), with such amount being applied equally against each Latin Resources Share on issue on the Demerger Record Date; and*
- (ii) the reduction of capital be effected and satisfied by the Company making a pro rata distribution in-specie of the Demerger Shares to all Eligible Shareholders (or the Nominee) at the Demerger Record Date, in accordance with the Constitution, the ASX Listing Rules and as otherwise determined by the Latin Resources Directors,*

on the terms and conditions set out in the Explanatory Memorandum."

Dated: 29 November 2024

By order of the Latin Resources Board



Sarah Smith
Company Secretary
Latin Resources Limited

Voting information

1.1 Voting in person

To vote in person, attend the Demerger Meeting at the time, date and place set out above.

1.2 Voting by proxy

To vote by proxy, please complete and sign the enclosed Demerger Proxy Form and return it by the time and in accordance with the instructions set out on the Demerger Proxy Form.

In accordance with section 249L of the Corporations Act, Latin Resources Shareholders are advised that:

- each Latin Resources Shareholder has a right to appoint a proxy;
- the proxy need not be a Latin Resources Shareholder; and
- a Latin Resources Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Please follow the instructions on the Demerger Proxy Form if you wish to appoint a proxy.

Where the name of the proxy is not specified, the Chair of the Latin Resources Board will be appointed as the Latin Resources Shareholder's proxy. The Chair of the Latin Resources Board intends to vote undirected proxies in favour of the Demerger Resolution.

A Latin Resources Shareholder may direct their proxy how to vote by marking the relevant box on the Demerger Proxy Form (that is, 'for', 'against' or 'abstain'). Latin Resources Shareholders are encouraged to direct their proxy how to vote. If a Latin Resources Shareholder does not mark a voting box in respect of the Demerger Resolution, their proxy can vote or abstain as they choose, subject to any voting exclusions that apply to the proxy.

Demerger Proxy Forms must be received by no later than 10.00am (AWST) on 14 January 2025. Demerger Proxy Forms received after this time will not be effective. Please follow the instructions on the Demerger Proxy Form for lodgement.

1.3 Jointly held shares

Where shares are held jointly and more than one joint holder votes (either personally or by proxy, attorney or representative) in respect of the Demerger Resolution, the vote of the holder named first in the Latin Resources Register will be accepted to the exclusion of the votes of other joint holders.

1.4 Appointing an attorney

A Latin Resources Shareholder may appoint an attorney to act on their behalf at the Demerger Meeting. If you wish to appoint an attorney, such appointment must be made by a duly executed power of attorney. If the power of attorney has not previously been provided to Latin Resources or Latin Resources' Registry a copy must be provided before the Demerger Meeting.

1.5 Appointing a corporate representative

Where a Latin Resources Shareholder is a body corporate or a body corporate is appointed as proxy, the body corporate will need to ensure that it appoints an individual as its corporate representative to attend and vote at the Demerger Meeting. This appointment must comply with the requirements of the Corporations Act. The corporate representative must ensure that Latin Resources has received a certificate of appointment and any authority under which the appointment is signed prior to the Demerger Meeting (unless this has previously been provided to Latin Resources). A form of notice of appointment can be obtained from Latin Resources' Registry or online at www.investorcentre.com/au and select "Printable Forms".

Should you wish to discuss the matters in this Demerger Notice please contact the Latin Resources Information Line on 1300 521 162 (within Australia) or +61 3 9415 4603 (outside Australia) between 8.30am and 5.30pm (AEDT), Monday to Friday (excluding public holidays).

Explanatory Memorandum

This Explanatory Memorandum has been prepared to provide information which the Latin Resources Directors believe to be material to Latin Resources Shareholders in deciding whether or not to pass the Demerger Resolution.

This Explanatory Memorandum forms part of the Demerger Notice which should be read in its entirety. This Explanatory Memorandum contains the terms and conditions on which the Demerger Resolution will be voted.

The Explanatory Memorandum also includes information about the following to assist Latin Resources Shareholders in deciding how to vote on the Demerger Resolution.

Section 1	Introduction
Section 2	Overview of Latin Resources, ESG Minerals and the Demerger
Section 3	Capital Reduction information
Section 4	Taxation
Section 5	Additional information
Section 6	Glossary
Schedule 1	Demerger Assets
Schedule 2	Financial information for Latin Resources and ESG Minerals
Schedule 3	Demerger Group corporate structure
Schedule 4	Rights attaching to ESG Minerals Shares
Schedule 5	Risk factors
Schedule 6	Material contracts

The Demerger Proxy Form accompanies this Explanatory Memorandum.

1. Introduction

1.1 Purpose of this Demerger Notice

The main purpose of this Demerger Notice is to:

- (a) explain the terms of the Demerger, and how the Demerger will be implemented (if approved); and
- (b) provide such information as is prescribed or otherwise material to Latin Resources Shareholders to assist them in considering whether or not to approve the Demerger Resolution required to give effect to the Demerger.

This Demerger Notice contains all the information known to Latin Resources that is material to Latin Resources Shareholders in deciding how to vote on the Demerger Resolution, as required by section 256C(4) of the Corporations Act.

1.2 Key dates

Event	Date
Latest time and date for lodgement of completed Demerger Proxy Forms	10.00am (AWST) on 14 January 2025
Time and date for determining eligibility to vote at the Demerger Meeting	7.00pm (AEDT) on 14 January 2025
Demerger Meeting to approve the Demerger Resolution ASX informed of Latin Resources Shareholder approval of Demerger Resolution	10.00am (AWST) on 16 January 2025
Completion of Corporate Restructure	16 January 2025
Demerger Effective Date	17 January 2025
Last day for trading of Latin Resources Shares on a "cum return of capital basis" (i.e. with an entitlement to participate in the Demerger)	20 January 2025
Option Exercise Deadline	5.00pm (AWST) on 21 January 2025
Demerger Record Date (record date for determining entitlements to ESG Minerals Shares under the Demerger)	7.00pm (AEDT) on 22 January 2025
Demerger Implementation Date In-specie distribution of ESG Minerals to Latin Resources Shareholders	30 January 2025
Dispatch of holding statements for Demerger Shares	5 February 2025

All dates following the date of the Demerger Meeting are indicative only and, among other things, depend on the timing of the satisfaction of the conditions precedent in the Demerger Deed. The above timetable may change without notice. Any changes to the above timetable will be announced through ASX and notified on www.latinresources.com.au.

2. Overview of Latin Resources, ESG Minerals and the Demerger

2.1 Background to Latin

Latin Resources Limited (ASX: LRS) is an ASX-listed company formed on 2 July 2008 and admitted to the official list of ASX on 21 September 2010. Latin Resources is an Australia-based company with an emphasis on mineral exploration in Latin America.

Since 2019, Latin Resources has been focussed on the development of the Salinas Project in the district of Minas Gerais, Brazil. The Salinas Project is comprised of a total of 34 claims that cover approximately 30,940.75 hectares (309.41 km²). Over this time, Latin Resources has completed intensive exploration and resource drilling programs, released a maiden and updated MREs, and a Preliminary Economic Analysis and has been progressing a Definitive Feasibility Study for the Salinas Project based on the Colina Deposit.

In addition to the Salinas Project, Latin Resources has other mineral assets and exploration projects in Australia focused on exploring for halloysite, kaolinite and copper-gold, and in Argentina and Peru focussed on exploring for lithium and copper respectively.

Further details with respect to the Salinas Project and Latin Resources' other projects (excluding the Demerger Assets) are set out in Section 5 of the Scheme Booklet.

2.2 Demerger overview

Background

On 15 August 2024, Latin Resources announced that it had entered into a Scheme Implementation Agreement with Pilbara Minerals pursuant to which Pilbara Minerals will acquire Latin Resources by way of a scheme of arrangement (**Share Scheme**). A separate scheme of arrangement for the acquisition of Latin Resources Options is also being pursued (**Option Scheme**, and together with the Share Scheme, the **Schemes**). If the Share Scheme is approved by Latin Resources Shareholders and all other conditions precedents are satisfied, each Latin Resources Shareholder will transfer their Latin Resources Shares to Pilbara Minerals in exchange for new Pilbara Minerals Shares. On implementation of the Share Scheme, Latin Resources will be a Subsidiary of Pilbara Minerals.

In conjunction with the proposed Schemes, Latin Resources is seeking to undertake a demerger of its Australian, Peruvian and Argentinian mineral exploration assets and projects by way of a pro rata in-specie distribution of shares in ESG Minerals to the Latin Resources Shareholders (**Demerger**). The Demerger becoming effective is a condition precedent to the Share Scheme. To achieve the Demerger, the Demerger Assets, which are currently owned by various Latin Resources Subsidiaries, will be consolidated under ESG Minerals by way of the Corporate Restructure.

Latin Resources, ESG Minerals and Pilbara Minerals have entered into a demerger implementation deed which sets out the process by which the Demerger will be proposed and implemented by the parties, and also sets out parameters for the relationship between Latin Resources and ESG Minerals going forward (**Demerger Deed**). The proposed Demerger is conditional on the approval of the Share Scheme. If the Share Scheme is not approved by the requisite majorities, the Demerger will not proceed.

Demerger Assets

The material assets and projects which will be owned by ESG Minerals following the Corporate Restructure and which will be the subject of the Demerger are as follows:

- (a) the Gibraltar Project in South Australia where drilling has intersected high-grade, halloysite bearing ore, as described in Section 2 of Schedule 1;
- (b) the Noombenberry Project in Western Australia, which is focused on exploration for halloysite and kaolinite, and includes the Cloud Nine Deposit for which an MRE was published in November 2022, as described in Section 3 of Schedule 1;
- (c) the Emissions Reduction Research Projects, which investigate the potential for the use of halloysite and kaolinite, as present at the Cloud Nine Deposit, for methane emission reduction in the cattle industry and carbon capture applications to reduce GHG emissions in the agricultural sector. Trials under the Emissions Reduction Research Projects have demonstrated encouraging results to date, as described in Section 4 of Schedule 1;

- (d) the Lachlan Fold Project in New South Wales and Victoria which is focused on assessing and defining copper-gold mineral deposits, as described in Section 5 of Schedule 1;
- (e) a 50% interest in the Catamarca Project in Northern Argentina which is focused on the exploration of spodumene pegmatites deposits, as described in Section 6 of Schedule 1; and
- (f) the MT-03 Project in Southern Peru where initial drilling has been conducted to test the target geology for indications of copper porphyry style mineralisation, as described in Section 7 of Schedule 1,

(together, the **Demerger Assets**). For further information on the Demerger Assets, refer to Schedule 1.

Reasons for the Demerger

The Latin Resources Board is proposing the Demerger with a view to delivering the following benefits to Latin Resources Shareholders:

- (a) to enable the Demerger Group to pursue an independent business strategy with an emphasis on growth in the Emissions Reduction Research Projects and further mineral exploration in Australia, Argentina and Peru;
- (b) to allow greater management focus, and potentially the allocation of greater resources, to advance the Demerger Assets;
- (c) to enable a more transparent market value to be placed on the Demerger Assets (in particular, the Emissions Reduction Research Projects) and allow Latin Resources Shareholders the opportunity to participate in their potential growth; and
- (d) to unlock the underlying value of the Demerger Assets over time, initially benefitting from the low overheads associated with an unlisted structure and thereafter through a potential listing on ASX (however, there is no guarantee that such a listing will be achieved).

The proposed Demerger is conditional on the approval of the Share Scheme, while the Share Scheme is conditional on the Demerger becoming effective.

The Latin Resources Board considers that the proposed Demerger is in the best interests of Latin Resources Shareholders as it will allow the newly consolidated ESG Minerals to prioritise resources to further advance the Demerger Assets. It will also facilitate the implementation of the Schemes in circumstances where no value has been attributed by Pilbara Minerals to the Demerger Assets under the Share Scheme.

Key steps to give effect to the Demerger

Subject to the satisfaction or waiver of the Demerger Conditions (including the approval of the Share Scheme by the requisite majorities of Latin Resources Shareholders), the key steps remaining to implement the Demerger are:

- (a) Latin Resources:
 - (i) transferring all of the shares in Latin 2 to ESG Minerals;
 - (ii) transferring all of the shares in Lotus Minerals to ESG Minerals;
 - (iii) novating any relevant agreements from Latin Resources Group Members to Demerger Group Members; and
 - (iv) capitalising all intercompany loans between Latin Resources and any Demerger Group Member,
 (together, the **Corporate Restructure**);
- (b) Latin Resources paying the Working Capital Amount (plus, in certain circumstances, an amount equal to ESG Minerals' Demerger transaction costs (if any) in accordance with the Demerger Deed) to ESG Minerals and in exchange, ESG Minerals issuing new ESG Minerals Shares (the number of ESG Minerals Shares will be determined after the Demerger Record Date) to Latin Resources (**Subscription**); and

- (c) 100% of the ESG Minerals Shares being distributed in-specie to Eligible Shareholders (and the Nominee in relation to Demerger Ineligible Overseas Shareholders) on a pro rata basis so that each Eligible Shareholder (and the Nominee in relation to Demerger Ineligible Overseas Shareholders) will receive one ESG Minerals Share for every 50 Latin Resources Shares held on the Demerger Record Date (with fractional entitlements to be rounded down to the nearest whole ESG Minerals Share).

The Demerger will result in two distinct corporate groups:

- (a) the Demerger Group consolidated under ESG Minerals, which will initially be unlisted and will focus on the advancement of the Demerger Assets. For further information on the details of the corporate structure post-Demerger, refer to Schedule 3; and
- (b) the Latin Resources Group, which on implementation of the Share Scheme, will form part of the Enlarged Group (as defined in the Scheme Booklet, comprising the Pilbara Minerals Group and the Latin Resources Group), with Pilbara Minerals remaining listed on the ASX.

2.3 Background to ESG Minerals

ESG Minerals is a public unlisted company incorporated on 4 October 2021 in Western Australia.

Following completion of the Corporate Restructure, each of the following entities will be wholly-owned Subsidiaries of ESG Minerals (unless otherwise specified):¹

- (a) ESG Global;
- (b) Electric Metals;
- (c) Latin 2;
- (d) Lotus Minerals;
- (e) Lotus Prospecting;
- (f) Recursos;
- (g) Litios del Norte (50% interest only);
- (h) Peruvian Latin Resources; and
- (i) Minera Dylan,

(together with ESG Minerals, the **Demerger Group**).

The corporate structure of the Demerger Group after the Demerger is depicted in Part C of Schedule 3.

Each Demerger Group Member has been historically funded by Latin Resources by inter-company loans and currently has limited cash resources. Following completion of the Demerger, the ESG Minerals Group will have \$500,000 of working capital.

Refer to Schedules 2 and 3, which set out the financial position and corporate structure of ESG Minerals pre and post Demerger.

In due course after the Demerger, it is intended that ESG Minerals will pursue an initial public offering with a view to applying for admission to the official list of ASX (however, there is no guarantee that a listing will be achieved). Given ESG Minerals will not be listed on the ASX immediately following the Demerger, ongoing disclosure of information to shareholders will mostly be by shareholder updates communicated directly to ESG Minerals Shareholders, and by statutory returns. If and when ESG Minerals is admitted to the ASX, ESG Minerals will be subject to the ASX disclosure requirements.

In due course, ESG Minerals intends to replicate Latin Resources' corporate governance arrangements to the extent appropriate for an unlisted public company.

¹ Mr Christopher Gale holds the following shares on trust for Latin 2: (i) 5,000 (5%) of the shares in Recursos, (ii) one share in Peruvian Latin Resources, and (iii) one share in Minera Dylan.

2.4 Demerger Deed overview

On 22 November 2024, Latin Resources and ESG Minerals entered into the Demerger Deed.

The Demerger Deed sets out the terms upon which Latin Resources will conduct an equal capital reduction and in-specie distribution to Eligible Shareholders in accordance with sections 256B and 256C of the Corporations Act. The Demerger Deed also prescribes the key restructuring steps (which are summarised in Section 2.2 and comprise the Corporate Restructure) and the agreed principles to coordinate the completion of the Demerger, including the transition and emergence of the Demerger Group and the Latin Resources Group as independent corporate groups.

The Demerger Deed includes the following conditions precedent which must be satisfied (or waived by Latin Resources) for the Demerger to proceed (together, the **Demerger Conditions**):

- (a) the Demerger Resolution being approved by Latin Resources Shareholders; and
- (b) the Share Scheme being approved by Latin Resources Shareholders by the requisite majorities.

Assuming the Demerger Conditions are satisfied or, where possible, waived, the Demerger Deed provides that Latin Resources and ESG Minerals will do all things necessarily or conveniently done to implement, and give full effect to, the Corporate Restructure (including, for example, the transfer of any shares or the novation of any agreements with third parties as required).

Following completion of the Corporate Restructure and pursuant to the Subscription, Latin Resources will contribute the Working Capital Amount (plus, in certain circumstances, an amount equal to ESG Minerals' Demerger transaction costs (if any) in accordance with the Demerger Deed) to ESG Minerals by way of a subscription for new ESG Minerals Shares. On the Demerger Implementation Date, Latin Resources will transfer 100% of the ESG Minerals Shares to Eligible Shareholders (and the Nominee, in respect of Demerger Ineligible Overseas Shareholders), by way of an in-specie distribution in satisfaction of the Capital Reduction.

Under the Demerger Deed, ESG Minerals has agreed to indemnify Latin Resources against any liability incurred in relation to the Demerger Group Business, and Latin Resources has agreed to indemnify ESG Minerals against any liability incurred in relation to the Latin Resources Group Business.

The Demerger Deed may be terminated, including in circumstances where the Demerger is not implemented by 14 February 2025 (or such later date agreed by the parties), or if a Demerger Condition is breached or becomes incapable of satisfaction and is not waived.

The Demerger Deed otherwise contains terms and conditions that are commonly included in an agreement facilitating the separation of businesses and a demerger. Refer to Schedule 6 for a summary of the terms of the Demerger Deed.

2.5 Advantages and disadvantages of the Demerger

The Latin Resources Directors are of the view that the following non-exhaustive list of advantages and disadvantages may be relevant to a Latin Resources Shareholder's decision on how to vote on the Demerger Resolution:

Advantages

- (a) Latin Resources Shareholders will retain their current shareholding in Latin Resources and be entitled to the consideration under the Share Scheme (if the Share Scheme is implemented), and (other than Demerger Ineligible Overseas Shareholders – refer to Section 3.14) also receive a proportionate shareholding in ESG Minerals. Latin Resources Shareholders will also avoid their collective interests in the Demerger Assets being diluted by the operation of the Share Scheme.
- (b) ESG Minerals will be in a position to prosecute an independent business strategy with an emphasis on growth in the Emissions Reduction Research Projects and further minerals exploration in Australia, Peru and Argentina.
- (c) The Demerger will allow greater management focus, and potentially additional resources, to advance the Demerger Assets.

- (d) A separate entity focused on the Demerger Assets is expected to deliver greater value to Latin Resources Shareholders given its focus will only be on the advancement of those assets, without being affected by events or occurrences relating to the Salinas Project.
- (e) The Latin Resources Board considers that the Demerger will enable a more transparent market value to be placed on the Demerger Assets, particularly the Emissions Reduction Research Projects, and allow Latin Resources Shareholders the opportunity to participate in the potential growth of these projects.
- (f) The Demerger can, over time, unlock the underlying value of the Demerger Assets, with a separate entity initially benefitting from the low overheads associated with an unlisted structure and thereafter through a potential listing on ASX (however, there is no guarantee that a listing will be achieved).
- (g) After a full and proper assessment of all available information, the Latin Resources Directors believe that the Demerger is in the best interests of Latin Resources Shareholders.

Disadvantages

- (a) For so long as ESG Minerals is an unlisted company, there will not be a liquid market for ESG Minerals Shares and they will therefore not be readily tradeable, so the ability of an ESG Minerals Shareholder to dispose of their ESG Minerals Shares in a timely manner may be affected. Whilst every effort will be made to unlock the value of the Demerger Assets and establish liquidity in ESG Minerals Shares (likely through an ASX listing in the future), there is no guarantee that this will be achieved.
- (b) Although ESG Minerals intends to provide regular shareholder updates, for so long as ESG Minerals is not listed on ASX it will not be subject to ASX continuous disclosure rules.
- (c) As a separate entity, ESG Minerals will incur additional costs for administration and management.
- (d) ESG Minerals will have limited cash available to it for the advancement of the Demerger Assets. ESG Minerals will need to obtain adequate funding (through capital raising or potentially partial or full divestments of the Demerger Assets) to continue its stated business objectives and exploration programs, which may not be achieved.
- (e) Latin Resources Shareholders may incur additional transaction costs if they wish to dispose of their ESG Minerals Shares (e.g. brokerage costs).
- (f) There is no guarantee that ESG Minerals Shares will rise in value.

2.6 Intentions of Latin Resources

(a) Future of Latin Resources following implementation of the Demerger

Following implementation of the Demerger and successful implementation of the Share Scheme, Latin Resources expects that the development of its flagship Salinas Project will be pursued within the Enlarged Group. For further information regarding Pilbara Minerals' intentions for the Enlarged Group following the Demerger, please refer to Section 7.3 of the Scheme Booklet.

There are no changes proposed to the Latin Resources Board as a result of the Demerger. Upon the implementation of Share Scheme, however, there will be changes to the Latin Resources Board. For further information regarding Pilbara Minerals' intentions for the Latin Resources Board, please refer to Section 7.3 of the Scheme Booklet.

(b) Future of Latin Resources if the Demerger is not approved

If the Demerger Resolution is not approved by the Latin Resources Shareholders, the Demerger will not be implemented and the Demerger Deed will be terminated.

The consequences of the Demerger not being implemented include the following:

- neither the Share Scheme nor the Option Scheme will proceed (unless Pilbara Minerals waives the relevant condition precedent), which means that Pilbara Minerals will not acquire Latin Resources and Latin Resources Shareholders will not receive any consideration in the form of Pilbara Minerals Shares;

- Latin Resources Shareholders will not receive any ESG Minerals Shares;
- ESG Minerals will remain a wholly-owned Subsidiary of Latin Resources;
- you will remain a Latin Resources Shareholder and continue to be exposed to the risks associated with your investment in Latin Resources Shares (see Section 8.6 of the Scheme Booklet);
- the Latin Resources Board and management will continue to operate the Demerger Assets alongside the Salinas Project (which would remain the primary focus) and the Demerger Assets may not receive the same level of management focus and resource allocation for advancement in the short term; and
- the expected advantages of the Demerger (set out in Section 2.5) will not be realised.

In the event that neither the Share Scheme nor the Demerger is implemented, the Latin Resources Directors intend to continue to operate Latin Resources in the ordinary course of business and for Latin Resources to remain listed on ASX.

The Latin Resources Board believes that the Demerger is the most advantageous outcome for existing Latin Resources Shareholders, taking account of (amongst other things) the Share Scheme being conditional on the Demerger.

2.7 Intentions of ESG Minerals if the Demerger is approved

Following implementation of the Demerger, ESG Minerals will:

- advance the Demerger Assets through expenditure and investment in the relevant projects, subject to any corporate, divestment, joint venture or co-funding opportunities involving the Demerger Assets that the ESG Minerals Board considers may deliver better value;
- optimise the portfolio of projects held by ESG Minerals, including by pursuing divestment opportunities for certain Demerger Assets where the ESG Minerals Board considers such divestment to advance the corporate interest of ESG Minerals;
- pursue other opportunities in the resources sector including pursuing acquisition opportunities that may arise; and
- take steps to raise capital (including by way of an initial public offering), and pursue a listing on the ASX (however, there is no guarantee that a listing will be achieved).

Although the Demerger is not contingent on an ASX listing, in due course following implementation of the Demerger the ESG Minerals Board is proposing to pursue an ASX listing, with a view to raising the capital it will need to advance its objectives.

2.8 Latin Resources Directors' recommendation

After considering all relevant factors, the Latin Resources Directors unanimously recommend the Latin Resources Shareholders vote in favour of the Demerger Resolution for the following reasons:

- after a full and proper assessment of all available information, they believe that the proposed Demerger is in the best interests of Latin Resources Shareholders and Latin Resources;
- in the opinion of the Latin Resources Directors, the advantages of the Demerger outweigh its disadvantages as set out in Section 2.5; and
- the Latin Resources Directors are satisfied that the Demerger is the best option available to realise the value of the Demerger Assets in the current circumstances, taking account of the lack of value ascribed to Demerger Assets as part of the proposed Share Scheme.

Each Latin Resources Director who holds or controls Latin Resources Shares intends to vote (or cause to be voted) such Latin Resources Shares in favour of the Demerger Resolution (representing approximately 4.8% of the Latin Resources Shares on issue).

3. Capital Reduction information

3.1 General

As detailed in Section 2.4, Latin Resources and ESG Minerals have entered into the Demerger Deed pursuant to which, subject to Latin Resources Shareholders approving the Demerger Resolution and the Share Scheme, Latin Resources will complete the Corporate Restructure and contribute the Working Capital Amount in cash to ESG Minerals pursuant to the Subscription.

On completion under the Demerger Deed, Latin Resources will transfer the Demerger Shares, comprising 100% of all ESG Minerals Shares, to the Eligible Shareholders (and, on behalf of the Demerger Ineligible Overseas Shareholders, the Nominee). Accordingly, following Latin Resources Shareholders approving the Demerger Resolution and the Share Scheme, Latin Resources will complete the Corporate Restructure and the Subscription, and Latin Resources will distribute 100% of all ESG Minerals Shares to the Latin Resources Shareholders pursuant to an equal reduction of capital.

Each of the Eligible Shareholders (and, on behalf of the Demerger Ineligible Overseas Shareholders, the Nominee) will receive 1 ESG Minerals Share for every 50 Latin Resources Shares held on the Demerger Record Date (with fractional entitlements to be rounded down to the nearest whole ESG Minerals Share).

The proposed Demerger will deliver to Eligible Shareholders (as at the Demerger Record Date) and the Nominee (on behalf of the Demerger Ineligible Overseas Shareholders) 100% of the issued capital of ESG Minerals, which in turn will own the Demerger Assets.

Relevant general information in respect of the Demerger is set out in Section 2.

3.2 Summary of the Demerger Resolution

The Demerger Resolution seeks Latin Resources Shareholder approval to enable Latin Resources to undertake a pro rata in-specie distribution of the Demerger Shares to Eligible Shareholders (and the Nominee on behalf of the Demerger Ineligible Overseas Shareholders) at the Demerger Record Date.

The return of capital will be effected by a pro rata distribution of the Demerger Shares, proportionately to all Latin Resources Shareholders registered as such as at 7.00pm (AEDT) on the Demerger Record Date.

If the Demerger Resolution is passed, and the Share Scheme is approved, Latin Resources will (i) complete the Corporate Restructure so that ESG Minerals holds the Demerger Assets and complete the Subscription, and (ii) subsequently undertake the in-specie distribution of ESG Minerals Shares.

The Demerger Resolution is an ordinary resolution, and must be passed by a simple majority of the votes of those Latin Resources Shareholders entitled to vote and voting on the resolution.

3.3 Timetable

The anticipated timetable for the Capital Reduction and in-specie distribution of the Demerger Shares is set out at Section 1.2.

3.4 ESG Minerals Shares not listed on ASX

ESG Minerals is an unlisted Australian public company. The ESG Minerals Shares will not be listed on the ASX nor any other securities exchange at the time of the distribution to Eligible Shareholders.

In due course following the distribution of ESG Minerals Shares to Eligible Shareholders (and the Nominee), ESG Minerals intends to pursue a capital raising with a view to applying for admission to the official list of ASX. There is no guarantee that this proposal will eventuate. Please refer to Schedule 5 for the risks associated with an investment in an unlisted company.

3.5 Requirements under section 256B and section 256C of the Corporations Act

The in-specie distribution of the Demerger Shares to Eligible Shareholders by way of the Capital Reduction is an equal reduction of capital under the Corporations Act. Under section 256C of the Corporations Act, an equal reduction must be approved by an ordinary resolution passed at a general meeting of Latin Resources.

Section 256B of the Corporations Act provides that Latin Resources may only reduce its share capital if the reduction:

- (a) is fair and reasonable to the Latin Resources Shareholders as a whole;
- (b) does not materially prejudice Latin Resources' ability to pay its creditors; and
- (c) is approved by Latin Resources Shareholders under section 256C of the Corporations Act.

For the reasons set out in this Explanatory Memorandum, the Latin Resources Directors are of the view that the proposed Capital Reduction is fair and reasonable to Latin Resources Shareholders and that the Capital Reduction will not prejudice Latin Resources' ability to pay its creditors.

In accordance with the Corporations Act, this Explanatory Memorandum and previous ASX announcements set out all information known to Latin Resources that is material to the decision on how to vote on the Demerger Resolution and Latin Resources has lodged with ASIC a copy of this Demerger Notice.

3.6 ASX Listing Rule 7.17

ASX Listing Rule 7.17 provides in part that a listed entity, in offering shareholders an entitlement to securities, must offer those securities pro rata or in such other way as, in the ASX's opinion, is fair in all the circumstances. In addition, there must be no restriction on the number of securities which a shareholder holds before this entitlement accrues.

The Demerger satisfies the requirements of ASX Listing Rule 7.17, as the issue of ESG Minerals Shares is being made to Latin Resources Shareholders on a pro rata basis, and there is no restriction on the number of Latin Resources Shares a Latin Resources Shareholder must hold before the entitlement to the ESG Minerals Shares accrues.

3.7 The effect of the proposed Capital Reduction on Latin Resources

A pro forma balance sheet of Latin Resources as at 30 June 2024 is contained in Schedule 2 which shows the financial impact of the Capital Reduction on Latin Resources.

3.8 The effect of the proposed Capital Reduction on Latin Resources Shareholders

The Demerger Shares will be distributed to Eligible Shareholders (and the Nominee) on a pro rata basis, with fractional entitlements rounded down to the nearest whole ESG Minerals Share. Eligible Shareholders will not be required to pay any additional consideration for the ESG Minerals Shares. The terms of the Capital Reduction are the same for each Eligible Shareholder (subject to Section 3.14).

As at the Last Practicable Date, Latin Resources has 2,805,419,463 Latin Resources Shares (including the Latin Resources Loan Funded Shares), 137,486,160 Latin Resources Options and 89,500,000 Latin Resources Performance Rights on issue. Refer to Section 5.10 of the Scheme Booklet for more information on the capital structure of Latin Resources.

As at the Demerger Record Date, it is anticipated that there will be 2,894,919,463 Latin Resources Shares on issue following the issue of 89,500,000 Latin Resources Shares on the vesting and exercise of the Latin Resources Performance Rights. No additional Latin Resources Shares will be issued as a result of the Demerger.

The Latin Resources Directors propose to distribute 1 ESG Minerals Share for every 50 Latin Resources Shares held by Latin Resources Shareholders on the Demerger Record Date (with fractional entitlements rounded down to the nearest whole ESG Minerals Share). Therefore, the number of ESG Minerals Shares distributed will depend on the number of Latin Resources Shares on issue (and the number of Latin Resources Shareholders) as at the Demerger Record Date.

Assuming that:

- (a) all Latin Resources Performance Rights are vested and exercised, and no Latin Resources Options are exercised prior to the Demerger Record Date, there will be 2,894,919,463 Latin Resources Shares on issue on the Demerger Record Date and the 1:50 ratio will result in 57,898,389 ESG Minerals

Shares (ignoring rounding, noting that fractional entitlements will be rounded down to the nearest whole ESG Minerals) being available for distribution to Latin Resources Shareholders; and

- (b) all Latin Resources Performance Rights are vested and exercised, and all unexpired Latin Resources Options are exercised prior to the Demerger Record Date, there will be 3,022,405,623 Latin Resources Shares on issue on the Demerger Record Date and the 1:50 ratio will result in 60,448,112 ESG Minerals Shares (ignoring rounding, noting that fractional entitlements will be rounded down to the nearest whole ESG Minerals Share) being available for distribution to Latin Resources Shareholders.

The number of Latin Resources Shares held by Latin Resources Shareholders will not change, and Latin Resources Shareholders will retain their current shareholding interest in Latin Resources after the Demerger (subject to the subsequent operation of the Share Scheme). The rights attaching to Latin Resources Shares will not be altered by the Demerger. However, if the Demerger is implemented, the value of the Latin Resources Shares is expected to be less than the value of the Latin Resources Shares held prior to the Demerger because Latin Resources will no longer have an interest in the Demerger Assets.

Given the Capital Reduction is equal and Latin Resources will still have positive net assets following the Demerger, the Latin Resources Directors consider the Capital Reduction is fair and reasonable to Latin Resources Shareholders as a whole.

3.9 The effect of the proposed Capital Reduction on Latin Resources Optionholders

As at the Last Practicable Date, Latin Resources has a total of 137,486,160 unlisted Latin Resources Options on issue. As at the Demerger Record Date, it is anticipated that there will be 127,486,160 unlisted Latin Resources Options on issue, taking account of the expected expiry of the \$0.45 exercise price Latin Resources Options (LRSAAE) on 30 December 2024. Refer to Section 5.10 of the Scheme Booklet for more information on the capital structure of Latin Resources.

The Latin Resources Options are the subject of the Option Scheme, under which Latin Resources Options will be transferred to Pilbara Minerals in exchange for the Option Scheme Consideration.

Latin Resources Optionholders that wish to participate in the Demerger must have validly exercised their Latin Resources Options prior to 5.00pm (AWST) on the Business Day immediately before the Demerger Record Date (**Option Exercise Deadline**), and in accordance with the terms of the relevant Latin Resources Options, will be issued with Latin Resources Shares and may be eligible to participate in the Demerger (provided the Latin Resources Shares are still held at the Demerger Record Date by Eligible Shareholders).

In order to exercise your Latin Resources Options, you must provide notice in writing to Latin Resources in the manner specified on the relevant Latin Resources Option certificate and pay the relevant exercise price in cleared funds. Details of how to pay the exercise price for your Latin Resources Options can be obtained by contacting the Latin Resources Information Line on 1300 521 162 (within Australia) and +61 3 9415 4603 (outside Australia). The Latin Resources Information Line is open between Monday and Friday (excluding public holidays in Australia) from 8.30am to 5.30pm (AEDT).

Latin Resources Optionholders that do not exercise their Latin Resources Options before the Option Exercise Deadline will not participate in the Demerger. Instead, in accordance with the Latin Resources Option terms and ASX Listing Rule 7.22.3, as a result of the Capital Reduction, the exercise price of each Latin Resources Option will be reduced by the amount returned on each Latin Resources Share. The number of Latin Resources Options on issue following the Capital Reduction will remain the same.

Details of the Latin Resources Options that are anticipated to be on issue as at the Demerger Record Date are set out in the table below, together with the effect of the proposed Capital Reduction on the exercise price of such Latin Resources Options, based on an assumed valuation for ESG Minerals of \$13.7 million² and assuming no Latin Resources Options are exercised prior to the Demerger Record Date.

² The market value of ESG Minerals (and resulting impact on the exercise price of the Latin Resources Options post-Demerger) will be determined as at the Demerger Implementation Date.

Latin Resources Options (type and number)	Exercise price pre-Demerger	Exercise price post-Demerger	Expiry
Options – LRSAAF 13,500,000	\$0.55	\$0.5453	30 June 2025
Options – LRSAY 113,986,160	\$0.22	\$0.2153	27 April 2027

The Option Scheme Consideration under the Option Scheme will not be adjusted on account of the adjustment to the exercise price of the Latin Resources Options resulting from the Capital Reduction.

3.10 Proposed treatment of Latin Resources Performance Rights

As at the Last Practicable Date, Latin Resources has a total of 89,500,000 unquoted Latin Resources Performance Rights on issue.

All of the Latin Resources Performance Rights will vest and be exercised into new Latin Resources Shares immediately before the Demerger Record Date such that the Latin Resources Performance Rights holders may participate in the Demerger in respect of the newly issued Latin Resources Shares (provided the Latin Resources Shares are still held at the Demerger Record Date by Eligible Shareholders).

Refer to Section 3.6 of the Scheme Booklet for further information.

3.11 Capital structure of Latin Resources

Below is a table showing Latin Resources' capital structure pre- and post-Demerger (assuming all of the Latin Resources Performance Rights are vested and exercised) in circumstances (i) where all of the Latin Resources Options on issue on the Demerger Record Date are exercised and (ii) where none of the Latin Resources Options are exercised.

	Number of Latin Resources Shares (All Latin Resources Options exercised)	Number of Latin Resources Shares (No Latin Resources Options exercised)
Latin Resources Shares (including the Latin Resources Loan Funded Shares) at the Last Practicable Date	2,805,419,463	2,805,419,463
Latin Resources Shares issued upon vesting and exercise of Latin Resources Performance Rights	89,500,000	89,500,000
Latin Resources Shares issued upon exercise of Latin Resources Options	127,486,160	0
Balance following implementation of the Demerger	3,022,405,623	2,894,919,463

3.12 Capital structure of ESG Minerals

The number of ESG Minerals Shares distributed to Eligible Shareholders pursuant to the Demerger will be a function of the number of Eligible Shareholders registered on the Demerger Record Date.

Below is a table showing ESG Minerals' capital structure pre- and post-Demerger (assuming all of the Latin Resources Performance Rights are vested and exercised) in circumstances (i) where all of the Latin Resources Options are exercised, and (ii) where none of the Latin Resources Options are exercised.

	Number of ESG Minerals Shares (All Latin Resources Options exercised)	Number of ESG Minerals Shares (No Latin Resources Options exercised)
ESG Minerals Shares	100	100
ESG Minerals Shares to be issued as part of the Corporate Restructure and pursuant to the Subscription	60,448,012	57,898,289
ESG Minerals Shares distributed to Eligible Shareholders (and the Nominee) pursuant to the Demerger	60,448,112	57,898,389

Latin Resources Shareholders should note that this structure is indicative only and that ESG Minerals retains its discretion to amend the structure and issue more or less ESG Minerals Shares (including due to fractional entitlements being rounded down to the nearest whole ESG Minerals Share).

3.13 Substantial ESG Minerals Shareholders

ESG Minerals is a directly wholly-owned Subsidiary of Latin Resources and Latin Resources holds 100% of the issued share capital of ESG Minerals.

Based on information extracted from substantial holder filings released to ASX on or before the Last Practicable Date,³ upon the successful implementation of the Demerger, the following persons will have a relevant interest in 5% or more of the ESG Minerals shares on issue (assuming all of the Latin Resources Performance Rights are vested and exercised, and no Latin Resources Options are exercised):

Name of substantial shareholder	Number of Latin Resources Shares	Number of ESG Minerals Shares	Voting power in ESG Minerals
The Goldman Sachs Group Inc.	241,979,882	4,839,597	8.36%
UBS Group AG and its related bodies corporate	205,376,355	4,107,527	7.09%
José Luis Manzano	202,912,345	4,058,246	7.01%
Weiss Asset Management LP	200,108,213	4,002,164	6.91%

3.14 Demerger Ineligible Overseas Shareholders

The distribution of ESG Minerals Shares under the Capital Reduction to Latin Resources Shareholders with registered addresses overseas is subject to legal and regulatory requirements in those relevant overseas jurisdictions.

Latin Resources has determined that it would be unreasonable to issue ESG Minerals Shares under the Demerger to the Demerger Ineligible Overseas Shareholders having regard to:

- (a) the number of Latin Resources Shareholders with addresses outside the Eligible Jurisdictions;

³ Other than in respect of José Luis Manzano, whose shareholding has been determined by reference to the Latin Resources Register.

- (b) the number and value of the shares to which those Demerger Ineligible Overseas Shareholders would otherwise have been entitled; and
- (c) the cost of complying with the legal requirements, and requirements of regulatory authorities, in each of the countries concerned.

Latin Resources Shareholders with a registered address outside an Eligible Jurisdiction as at the date of this Demerger Notice can update their registered address on Latin Resources Register prior to the Demerger Record Date by contacting Latin Resources' Registry on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia), or Latin Resources Secretary. If a Latin Resources Shareholder's registered address remains outside an Eligible Jurisdiction as at the Demerger Record Date, they will be treated as a Demerger Ineligible Overseas Shareholder for the purposes of the Demerger.

Accordingly, Demerger Ineligible Overseas Shareholders on the Demerger Record Date will not be issued the ESG Minerals Shares to which they would otherwise be entitled and instead their ESG Minerals Shares will be issued to the Nominee to be held on their behalf, pending a liquidity opportunity or event (for example, an ASX listing).

Upon the sale of the ESG Minerals Shares held on behalf of a Demerger Ineligible Overseas Shareholder, the Nominee will pay the net proceeds of the sale to the Demerger Ineligible Overseas Shareholder (net of withholding taxes (paid or payable by Latin Resources), if any, and net of fees and brokerage, if any). The net proceeds will be paid to Demerger Ineligible Overseas Shareholders in Australian dollars. The Nominee will deal with and sell the Demerger Ineligible Overseas Shareholders' ESG Minerals Shares on a reasonable endeavours basis. None of Latin Resources, ESG Minerals or the Nominee accept any liability to the Demerger Ineligible Overseas Shareholders for any loss that may be suffered as a result of the sale of the ESG Minerals Shares, including (without limitation) in connection with foreign exchange rates.

As the return of capital and in-specie distribution is being represented and satisfied by the distribution of ESG Minerals Shares and there is no guarantee as to the value that might be obtained, the net proceeds of sale to such Demerger Ineligible Overseas Shareholders may be more or less than the notional dollar value of the reduction of capital.

3.15 Trading of ESG Minerals Shares

Following the Demerger, ESG Minerals will be an unlisted company and there will not be a liquid market for ESG Minerals Shares. Nevertheless, Eligible Shareholders will be permitted to sell and trade their ESG Minerals Shares, at their own risk, during this period.

Eligible Shareholders may contact ESG Minerals or its share registry to request a share transfer form, which is necessary to give effect to any transfer of ESG Minerals Shares that they may wish to undertake.

3.16 ESG Minerals Board

The ESG Minerals Board comprises the following:

Name and Position	Profile
Christopher Gale Director	Mr Gale is the Managing Director of Latin Resources. Upon the Demerger and approval of the Share Scheme, Mr Gale will leave the Latin Resources Board and join Pilbara Minerals as a consultant for a period of 6 months. Mr Gale has extensive experience in senior management roles in both the public and private sectors, especially in commercial and financial roles. He has also held various board and executive roles at several mining and technology companies during his career. Mr Gale is also the non-executive Chairman of Solis Minerals Limited (ASX:SLM TSXV:SLMN) (appointed July 2018) and Oar Resources Limited (ASX:OAR). Mr Gale is the former Chairman of the Council on Australian Latin American Relations (COALAR) established by the Australian Government Department of Foreign Affairs and Trade (DFAT) from 2012 to 2018. He is a founding director of Allegra Capital, a boutique corporate advisory firm based in Perth and is a member of the Australian Institute of Company Directors (AICD). Mr Gale was appointed to the ESG Minerals Board on 4 October 2021 and will remain on the ESG Minerals Board after the Demerger.

Name and Position	Profile
David Vilensky Director	Mr Vilensky is a practising corporate lawyer and an experienced listed company director. He is the Managing Director of Perth law firm Bowen Buchbinder Vilensky and has more than 36 years' experience in the areas of corporate and business law and in commercial and corporate management. Mr Vilensky practises in the areas of corporate and commercial law, corporate advisory, mergers and acquisitions, mining and resources and complex dispute resolution. Mr Vilensky acts for a number of listed and public companies and advises on directors' duties, due diligence, capital raisings, compliance with ASX Listing Rules, corporate governance and corporate transactions generally. Mr Vilensky is also a non-executive director of ASX listed Oar Resources Limited (ASX:OAR) and resigned in March 2023 as a non-executive director of telecommunications company Vonex Ltd (ASX:VN8). Mr Vilensky holds a BA LLB degree from the University of Cape Town and is a member of the Law Society of Western Australia. Mr Vilensky was appointed to the ESG Minerals Board on 4 October 2021 and will remain on the ESG Minerals Board after the Demerger.
Brent Jones Director	Mr Jones is an experienced financial services professional who has held numerous directorships and managerial positions. Most recently, Mr Jones acted as Managing Director of Professional Services at Sequoia Financial Group (ASX:SEQ) a national supplier of diversified professional services to the Accounting and Advice industry. As a professional and personal investor, Mr Jones has been exposed to numerous mergers and acquisitions, initial public offerings, capital raisings, early seed funding and development funding activities. Mr Jones has a degree in Information Technology from Monash University and is a graduate of the Australian Institute of Company Directors (AICD). Mr Jones was appointed to the ESG Minerals Board on 22 November 2023 and will remain on the ESG Minerals Board after the Demerger.

3.17 Latin Resources Directors' interests

Set out in the table below are details of the Latin Resources Directors' relevant interests in the securities of Latin Resources at the Last Practicable Date and the ESG Minerals Shares that they will receive if the Demerger is approved and all other Latin Resources securities (including the Latin Resources Performance Rights held by Directors and identified below) are exercised prior to the Demerger Record Date:

Latin Resources Director	Latin Resources Shares	Latin Resources Loan Funded Shares	Latin Resources Options	Latin Resources Performance Rights	ESG Minerals Shares ⁴
David Vilensky	21,625,015	1,000,000	Nil	3,000,000	492,500
Christopher Gale	42,900,768	2,000,000	Nil	31,000,000	1,478,015
Peter Oliver	11,000,000	Nil	Nil	20,000,000	620,000
Brent Jones	53,069,792	1,000,000	Nil	3,000,000	1,121,395
Pablo Tarantini	6,836,648	Nil	Nil	3,000,000	196,732

⁴ Assumes no Latin Resources Loan Funded Shares will be held by any Latin Resources Director at the Demerger Record Date in accordance with the treatment of the Latin Resources Loan Funded Shares (refer to Section 3.6(b) of the Scheme Booklet).

Christopher Gale holds shares in Recursos, Minera Dylan and Peruvian Latin Resources on trust for the benefit of Latin 2.

3.18 Latin Resources Directors' remuneration

(a) Latin Resources remuneration

In accordance with the Latin Resources Constitution, the Latin Resources Shareholders have approved an aggregate amount of up to \$750,000 per annum to be paid as non-executive directors' fees.

Directors have received the following remuneration for the preceding two complete financial years:

Latin Resources Directors	Year (to 31 December)	Salary & Fees (\$)	Bonus (\$)	Share Based Payments (\$)	Total (\$)
David Vilensky	2022	86,500	Nil	171,706	258,206
	2023	91,625	Nil	1,175,384	1,267,009
Christopher Gale	2022	409,500	300,000	805,135	1,514,635
	2023	498,000	300,000	4,336,266	5,134,266
Peter Oliver	2022	24,000	Nil	9,229	33,229
	2023	86,125	Nil	1,914,634	2,000,759
Brent Jones	2022	76,833	Nil	133,489	210,322
	2023	86,125	Nil	1,175,384	1,261,509
Pablo Tarantini	2022	76,833	Nil	98,011	174,844
	2023	86,125	Nil	1,175,384	1,261,509

(b) ESG Minerals remuneration

The ESG Minerals Constitution specifies an aggregate amount of up to \$500,000 per annum to be paid as non-executive director fees, however, no directors' fees have been paid (or will be paid) by ESG Minerals until after the Demerger as described above.

3.19 Rights attaching to ESG Minerals Shares

Refer to Schedule 4 for a summary of the rights attaching to ESG Minerals Shares.

3.20 Risk factors

On implementation of the Demerger, Eligible Shareholders will become direct shareholders in ESG Minerals and should be aware of the general and specific risks that may affect ESG Minerals and the value of its securities. These risk factors are outlined in Schedule 5.

4. Taxation

4.1 Overview

The following is a general summary of the Australian taxation consequences for Australian resident Latin Resources Shareholders who receive ESG Minerals Shares pursuant to the Demerger. It does not constitute tax advice and should not be relied upon as such. The income tax comments set out below are relevant only to those Latin Resources Shareholders who hold their Latin Resources Shares on capital account. The description does not address the Australian income tax consequences for Latin Resources Shareholders who:

- hold their Latin Resources Shares for the purposes of speculation or a business of dealing in securities (for example, as trading stock);
- acquired their Latin Resources Shares pursuant to an employee share, option or rights plan;
- are financial institutions, insurance / life insurance companies, partnerships, superannuation funds, tax exempt organisations or temporary residents;
- are Australian residents who hold their Latin Resources Shares as part of an enterprise carried on at or through a permanent establishment in a foreign country;
- change their tax residence while holding Latin Resources Shares;
- invest indirectly into Latin Resources Shares through directed portfolio services, master funds or other portfolio administration services;
- are dealers in Latin Resources Shares;
- are subject to the taxation of financial arrangements rules in Division 230 of the ITAA 1997 in relation to gains and losses on their Latin Resources Shares; or
- are Demerger Ineligible Overseas Shareholders.

The information below is not a complete analysis of all taxation implications relevant to the proposed Demerger and all Latin Resources Shareholders should obtain independent tax advice regarding the income tax and capital gains tax implications specific to their circumstances. The information below does not consider the future tax implications associated with holding or selling the Latin Resources Shares or ESG Minerals Shares following implementation of the Demerger. The comments relate to Australian income tax consequences only and not, for instance, Australian stamp duty or goods and services tax implications. Latin Resources Shareholders who are not residents of Australia for income tax purposes, should also seek independent taxation advice, including in relation to potential withholding tax consequences should a dividend (or deemed dividend) be paid.

The information below has been prepared based on the taxation laws, regulations, rulings and administrative guidance and judicial interpretations as at the date of this Explanatory Memorandum. It is important to note the ultimate interpretation of taxation law rests with the courts and that the law, and the way the revenue authorities seek to administer the law, may change over time. Accordingly, information below represents an interpretation of existing law based upon generally accepted interpretations of that law, or taxation consequences in jurisdictions outside Australia.

Australian tax laws are complicated and subject to legislative and interpretive change both prospectively and (occasionally) retrospectively. Changes in the tax law or interpretation of the tax law subsequent to the date of this Explanatory Memorandum may alter the tax treatment of the Demerger.

There could also be implications for Latin Resources Shareholders in addition to those described above. The information provided below is general in nature and the individual circumstances of each Latin Resources Shareholder may affect the tax implications of the Demerger for that shareholder. Latin Resources Shareholders should seek appropriate independent professional advice that considers the tax implications in respect of their own specific circumstances, including any potential tax implications in jurisdictions outside Australia.

4.2 ATO Ruling

Latin Resources has made an application to the Commissioner of Taxation (**Commissioner**) for a class ruling confirming certain Australian income tax implications of the Demerger for Latin Resources Shareholders (the **ATO Ruling**), including:

- whether demerger tax relief under Division 125 of the ITAA 1997 applies to the Demerger (**Demerger Relief**); and
- whether the Commissioner will make a determination under section 45B of the ITAA 1936.

This includes seeking confirmation from the ATO as to what component of the distribution of ESG Minerals Shares to Latin Resources Shareholders is to be treated by the ATO as a dividend (if any) for tax purposes and what component will be treated as a return of capital, which will not constitute a taxable dividend to Latin Resources Shareholders.

The ATO Ruling may or may not be consistent with the outline below. The information below discusses, at a high level, the potential Australian income tax consequences for shareholders who are residents of Australia and hold their Latin Resources Shares on capital account. It outlines the potential consequences if Demerger Relief is available and, alternatively, if Demerger Relief is not available.

The Latin Resources Board considers that a decision from the ATO not to grant Demerger Relief should not impact the Demerger and the Demerger may still proceed, if approved by Latin Resources Shareholders.

The Latin Resources Board considers that a decision from the ATO to make a determination under section 45B of the ITAA 1936 should not impact the Demerger and the Demerger may still proceed, if approved by Latin Resources Shareholders.

4.3 CGT and income consequences

The Capital Reduction will give rise to a CGT event for Latin Resources Shareholders representing the distribution of ESG Minerals Shares. The CGT event will happen at the time Latin Resources completes the Capital Reduction.

If the Demerger Relief is available, Latin Resources Shareholders can choose whether or not to obtain the Demerger Relief. The Australian income tax outcomes for Australian resident Latin Resources Shareholders will be different if the Commissioner determines that Demerger Relief is not available or that a determination under section 45B of the ITAA 1936 will be made.

(a) Implications for Australian resident Latin Resources Shareholders if Demerger Relief is not available

If Demerger Relief is not available and if the Commissioner does not make a determination under section 45B of the ITAA 1936:

- The dividend component (if any) should be included in the assessable income of Australian resident Latin Resources Shareholders as an unfranked dividend.
- Australian resident Latin Resources Shareholders must reduce the cost base and reduced cost base of the Latin Resources Shares by the capital return amount (but not below zero).
- If the capital return amount exceeds the cost base in the Latin Resources Shares, the Australian resident Latin Resources Shareholder will make a capital gain under CGT event G1 to the extent of the excess.
- Australian resident Latin Resources Shareholders will have a cost base and reduced cost base in their ESG Minerals Shares equal to their market value at the time they are transferred to the Latin Resources Shareholders.
- For the purposes of determining the availability of the CGT discount on a subsequent sale of ESG Minerals Shares, Australian resident Latin Resources Shareholders will be treated as having acquired the ESG Minerals Shares at the time they are transferred to the Latin Resources Shareholders (i.e. as at the Demerger Implementation Date). Latin Resources Shareholders should seek appropriate tax advice to determine the application of the CGT discount (if applicable) in their specific circumstances.

(b) **Implications for Australian resident Latin Resources Shareholders who choose Demerger Relief (if Demerger Relief is available)**

If Demerger Relief is available and if the Commissioner does not make a determination under section 45B of the ITAA 1936, the following Australian income tax consequences should arise for Australian resident Latin Resources Shareholders who choose demerger tax relief:

- The demerger dividend (if any) should not be included in the assessable income of Australian resident Latin Resources Shareholders.
- Australian resident Latin Resources Shareholders should disregard any capital gain that would otherwise arise under CGT event G1 from the Capital Reduction.
- Latin Resources Shareholders will need to apportion the CGT cost base of their original Latin Resources Shares between their original Latin Resources Shares and new ESG Minerals Shares in accordance with the market values of the Latin Resources Shares and ESG Minerals Shares (or a reasonable approximation of these market values) just after the Demerger.
- For the purposes of determining the availability of the CGT discount on a subsequent sale of ESG Minerals Shares, ESG Minerals Shares should be taken to have been acquired at the time the shareholder acquired their original Latin Resources Shares. Latin Resources Shareholders should seek appropriate tax advice to determine the application of the CGT discount (if applicable) in their specific circumstances.

(c) **Implications for Australian resident Latin Resources Shareholders who do not choose Demerger Relief (if Demerger Relief is available)**

If Demerger Relief is available and if the Commissioner does not make a determination under section 45B of the ITAA 1936, the following Australian income tax consequences should arise for Australian resident Latin Resources Shareholders who do not choose demerger tax relief:

- The demerger dividend (if any) should not be included in the assessable income of Australian resident Latin Resources Shareholders.
- Australian resident Latin Resources Shareholders must reduce the cost base of the Latin Resources Shares by the amount of the capital return amount (but not below zero).
- If the capital return amount exceeds the cost base in the Latin Resources Shares, the Australian resident Latin Resources Shareholder will make a capital gain under CGT event G1 to the extent of the excess. This capital gain is not disregarded.
- Latin Resources Shareholders will need to apportion the CGT cost base of their original Latin Resources Shares between their original Latin Resources Shares and new ESG Minerals Shares in the same manner as if they had chosen to apply the demerger roll-over.
- For the purposes of determining the availability of the CGT discount (if applicable) on a subsequent sale of ESG Minerals Shares, ESG Minerals Shares should be taken to have been acquired at the time the shareholder acquired their original Latin Resources Shares. Latin Resources Shareholders should seek appropriate tax advice to determine the application of the CGT discount in their specific circumstances.

4.4 Application of tax integrity measures

The Commissioner may make a determination under section 45B of the ITAA 1936 to deem certain payments to be treated as taxable unfranked dividends for taxation purposes. Latin Resources expects the Commissioner to confirm in the ATO Ruling whether he intends to make a determination under section 45B of the ITAA 1936 or not. For completeness, the following is an outline of the potential Australian income tax implications for Australian resident Latin Resources Shareholders who hold their shares on capital account should the Commissioner make a determination under section 45B of the ITAA 1936 in respect of the Demerger:

- Latin Resources Shareholders may make a capital gain to the extent that the capital return amount exceeds the particular Latin Resources Shareholder's cost base.
- All or part of the capital return amount may be treated as an unfranked dividend. This amount would be assessable income for Australian resident Latin Resources Shareholders.

- The CGT cost base in the Latin Resources Shares may not change as a result of the Demerger.
- The CGT cost base in ESG Minerals Shares should be equal to the market value of the ESG Minerals Shares at the time of the in-specie distribution.
- ESG Minerals Shares should be treated as having been acquired at the time they are transferred to Latin Resources Shareholders.

4.5 Withholding tax where any part of the ESG Minerals Shares are treated as a dividend

To the extent that the demerger of ESG Minerals Shares to Latin Resources Shareholders is treated as a dividend under any of the scenarios outlined above, Latin Resources may have a withholding obligation to the ATO. Withholding may arise in the following situations:

- If the Latin Resources Shareholder is a non-resident of Australia for tax purpose. In such circumstances the amount withheld and remitted to the ATO will depend on the country of residence of the Latin Resources Shareholder and the availability of any tax treaty relief.
- If the Latin Resources Shareholder is an Australian tax resident and has failed to provide Latin Resources with their tax file number (or, in some cases, their ABN) withholding tax should also be applicable.

If Latin Resources has a withholding obligation, it may require that an amount is withheld by the Nominee from the proceeds of the sale of ESG Minerals Shares.

If the proceeds of the sale of ESG Minerals Shares have already been distributed prior to any part of the Demerger being treated as a dividend, Latin Resources may be required to fund the amount of the withholding obligation.

5. Additional information

5.1 Lodgement with ASIC

Latin Resources has lodged with ASIC a copy of this Demerger Notice (including the Explanatory Memorandum) in accordance with section 256C(5) of the Corporations Act.

ASIC and its officers take no responsibility for the contents of this Demerger Notice or the merits of the transaction to which this Demerger Notice relates.

5.2 Disclosure to ASX and ASIC

Latin Resources is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the ASX Listing Rules.

Copies of documents lodged with ASIC in relation to Latin Resources may be obtained from, or inspected at, an ASIC office.

5.3 Other material information

There is no information material to the making of a decision by Latin Resources Shareholders whether or not to approve the Demerger Resolution (being information that is known to any of the Latin Resources Directors and which has not been previously disclosed to Latin Resources Shareholders) other than as disclosed in this Demerger Notice (including the Explanatory Memorandum).

5.4 Competent person's statements and JORC Code disclosures

Unless otherwise noted, information in this Explanatory Memorandum that relate to the Exploration Results and the Mineral Resources for the Noombenberry Project in Western Australia (including the Cloud Nine Deposit) is extracted from Latin Resources' ASX announcement titled "Significant Mineral Resource Upgrade at Cloud Nine Halloysite-Kaolin Project 33% Increase to 280MT" released to ASX on 29 November 2022 which is available on Latin Resources' website <https://www.latinresources.com.au/>.

Unless otherwise noted, information in this Explanatory Memorandum that relates to the Exploration Results for the Catamarca Project in Argentina is extracted from Latin Resources' ASX announcement titled "Final assays received from the Ancasti Lithium Project, Catamarca, Argentina" released to ASX on 26 April 2017 which is available on Latin Resources' website <https://www.latinresources.com.au/>.

Latin Resources confirms that it is not aware of any new information or data that materially affects the information included in the original announcements, and that all material assumptions and technical parameters underpinning the estimates in the original announcements continue to apply and have not materially changed. Latin Resources confirms that the form and context in which the competent persons' findings are presented have not been materially modified from the original announcement.

5.5 Prospectus relief for the offer to transfer ESG Minerals Shares

The Corporations Act restricts:

- (a) Latin Resources from disposing of the ESG Minerals Shares to Latin Resources Shareholders by way of an in-specie distribution without issuing a disclosure document; and
- (b) the Latin Resources Shareholders from on-selling their ESG Minerals Shares within the first 12 months after receiving them under an in-specie distribution where a disclosure document has not accompanied the original offer.

The invitation to Latin Resources Shareholders to vote on the Demerger Resolution constitutes an offer to transfer ESG Minerals Shares to Latin Resources Shareholders pursuant to an in-specie distribution.

Latin Resources has obtained ASIC relief from the requirement to issue a disclosure document in conjunction with this Demerger Notice, or in respect of the on-sale of the ESG Minerals Shares. This Demerger Notice is in substantially the same form as the draft notice of meeting previously provided to ASIC on 27 November 2024.

6. Glossary

AAS means the Australian Accounting Standards adopted by the AASB.

AASB means Australian Accounting Standard Board.

A\$ and \$ means Australian dollars unless otherwise indicated.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691), or the market operated by it, as the context requires.

ASX Listing Rules means the official listing rules of the ASX and any other applicable rules of ASX modified to the extent of any express written waiver by ASX.

ASX Settlement means ASX Settlement Pty Ltd (ABN 49 008 504 532).

ASX Settlement Operating Rules means the official operating rules set by ASX Settlement.

ATO means the Australian Taxation Office.

ATO Ruling has the meaning given in Section 4.2.

Business Day means a business day as defined in the ASX Listing Rules, provided that day is not a day on which banks in Perth, Western Australia, are authorised or required to close.

Capital Reduction means the reduction of the share capital of Latin Resources as contemplated by the Demerger Resolution.

Capital Reduction Amount means an aggregate amount equal to the value of the Demerger Shares.

Carbon Capture Project means the project described in Section 4 of Schedule 1.

Catamarca Project means the project described in Section 6 of Schedule 1.

Cattle Feed Project means the project described in Section 4 of Schedule 1.

CGT means capital gains tax.

CGT event G1 has the meaning given in section 104-135 of ITAA 1997.

Cloud Nine Deposit has the meaning given in Section 3 of Schedule 1.

Commissioner means the Commissioner of Taxation.

Company or **Latin Resources** means Latin Resources Limited (ACN 131 405 144).

Constitution or **Latin Resources Constitution** means the constitution of Latin Resources.

Corporate Restructure has the meaning given in Section 2.2.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Supreme Court of Western Australia.

CRC Care means CRC Care Pty Ltd (ACN 113 908 044), being the Cooperative Research Centre for Contamination Assessment and Remediation of the Environment.

Demerger means the in-specie distribution of all of the shares in ESG Minerals to Latin Resources Shareholders (or the Nominee) on the Demerger Implementation Date, to be implemented by way of capital reduction pursuant to the Demerger Deed and the Demerger Resolution.

Demerger Assets has the meaning given in Section 2.2.

Demerger Conditions has the meaning given in Section 2.4.

Demerger Costs has the meaning given in Schedule 6.

Demerger Deed means the demerger implementation deed dated 22 November 2024 between Latin Resources, ESG Minerals and Pilbara Minerals.

Demerger Distribution has the meaning given in Schedule 2.

Demerger Effective Date means the effective date for the return of capital announced by Latin Resources to ASX in respect of the Demerger, as set out in the timetable in Section 1.2.

Demerger Group means ESG Minerals and each of its Subsidiaries after the completion of the Corporate Restructure and as depicted in Schedule 3.

Demerger Group Business means all of the businesses, operations and activities undertaken by, or on behalf of, the Demerger Group anywhere in the world at any time, including in relation to the Demerger Assets.

Demerger Group Member means a member of the Demerger Group.

Demerger Implementation Date means the date on which the Demerger is implemented.

Demerger Ineligible Overseas Shareholder means a person registered as a holder of Latin Resources Shares on the Demerger Record Date, whose registered address is not in an Eligible Jurisdiction.

Demerger Meeting means the meeting of Latin Resources Shareholders at which Latin Resources Shareholders will vote on the Demerger Resolution (including any meeting following an adjournment or postponement of that meeting).

Demerger Notice means this notice of meeting including this Explanatory Memorandum and the Demerger Proxy Form.

Demerger Principles has the meaning given in Schedule 6.

Demerger Proxy Form means the proxy form accompanying the Demerger Notice.

Demerger Record Date means the record date for determining entitlements to ESG Minerals Shares pursuant to the Capital Reduction comprising in the Demerger, as set out in the timetable in Section 1.2.

Demerger Relief has the meaning given to that term in Section 4.2.

Demerger Resolution means the ordinary resolution to approve the Capital Reduction to be considered at the general meeting set out in this Demerger Notice.

Demerger Shares means 100% of the ESG Minerals Shares to be distributed in-specie to Eligible Shareholders (and the Nominee).

Effective means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Share Scheme or Option Scheme (as the case may be), but in any event at no time before an office copy of the order of the Court is lodged with ASIC.

Electric Metals means Electric Metals Pty Ltd (ACN 625 770 774).

Eligible Jurisdiction means:

- (a) Australia; or
- (b) such other jurisdictions as the Latin Resources Directors consider reasonable to extend the distribution of ESG Minerals Shares outside Australia.

Eligible Shareholder means a person registered as the holder of Latin Resources Shares on the Demerger Record Date, other than a Demerger Ineligible Overseas Shareholder.

Emissions Reduction Research Projects has the meaning given in Section 4 of Schedule 1.

Enlarged Group means the Pilbara Minerals Group including the Latin Resources Group.

ESG Global means ESG Global Solutions Pty Ltd (ACN 676 812 927).

ESG Minerals means ESG Minerals Limited (ACN 653 388 884).

ESG Minerals Board means the board of directors of ESG Minerals.

ESG Minerals Constitution means the constitution of ESG Minerals.

ESG Minerals Directors means the directors of ESG Minerals.

ESG Minerals Financial Information has the meaning given in Schedule 2.

ESG Minerals Historical Balance Sheet has the meaning given in Schedule 2.

ESG Minerals Pro Forma Balance Sheet has the meaning given in Schedule 2.

ESG Minerals Share means a fully paid ordinary share in the capital of ESG Minerals.

ESG Minerals Shareholder means a holder of an ESG Minerals Share following the Demerger.

Explanatory Memorandum means this explanatory memorandum which accompanies the Demerger Notice.

Exploration Results has the meaning given to that term in the JORC Code.

Fe means iron.

GHG means greenhouse gases.

Gibraltar Project means the project described in Section 2 of Schedule 1.

IASB means the International Accounting Standards Board.

IFRS means the International Financial Reporting Standards.

Indicated MRE has the meaning given to that term in the JORC Code.

Inferred MRE has the meaning given to that term in the JORC Code.

Integra means Integra Recursos Naturales Minerales S.A. (a company incorporated in Argentina under correlative no. 1933226).

ISO-B has the meaning given in Schedule 1.

ITAA 1936 means the *Income Tax Assessment Act 1936* (Cth).

ITAA 1997 means the *Income Tax Assessment Act 1997* (Cth).

Joint Venture Agreement has the meaning given in Schedule 6.

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012, as updated from time to time.

Km² means square kilometres.

Kt means kilotonnes.

Lachlan Fold Project means the project described in Section 5 of Schedule 1.

Last Practicable Date means 22 November 2024, being the last practicable date to prepare information before finalising the Demerger Booklet as Annexure I to the Scheme Booklet for registration by ASIC.

Latin 2 means Latin 2 Pty Ltd (ACN 675 757 963).

Latin Resources means Latin Resources Limited (ACN 131 405 144).

Latin Resources Board means the board of directors of Latin Resources.

Latin Resources Directors means the directors of Latin Resources.

Latin Resources Financial Information has the meaning given in Schedule 2.

Latin Resources Group means Latin Resources and each of its Subsidiaries excluding the Demerger Group.

Latin Resources Group Business means all of the businesses, operations and activities undertaken by, or on behalf of, the Latin Resources Group anywhere in the world at any time (excluding the Demerger Group Business and the interests of the Latin Resources Group in the Demerger Group).

Latin Resources Group Member means a member of the Latin Resources Group.

Latin Resources Historical Balance Sheet has the meaning given in Schedule 2.

Latin Resources Loan Funded Shares means the unquoted loan funded shares issued under the Latin Resources Loan Funded Share Plan.

Latin Resources Loan Funded Share Plan means the loan funded share plan titled "Loan Funded Share Plan Rules" approved by Latin Resources Shareholders at Latin Resources' annual general meeting held on 28 May 2018.

Latin Resources Option means the unlisted options granted by Latin Resources.

Latin Resources Optionholder means a holder of a Latin Resources Option.

Latin Resources Performance Rights means a right to subscribe for and be issued a Latin Resources Share under the Latin Resources Securities Incentive Plan.

Latin Resources Pro Forma Balance Sheet has the meaning given in Schedule 2.

Latin Resources Register means a register of either Latin Resources Shareholders or Latin Resources Optionholders maintained by Latin Resources in accordance with the Corporations Act.

Latin Resources' Registry means Computershare Investor Services Pty Limited.

Latin Resources Information Line means the shareholder information line established by Latin Resources for Latin Resources Shareholders to call if they have any questions or require further information in relation to the Schemes or the Demerger.

Latin Resources Securities Incentive Plan means the employee incentive scheme titled "Employee Incentive Securities Plan" approved by Latin Resources Shareholders at Latin Resources' annual general meeting held on 19 December 2022.

Latin Resources Share means a fully paid ordinary share in the capital of Latin Resources.

Latin Resources Shareholder means a holder of a Latin Resources Share.

Litios del Norte means Litios del Norte S.A. (a company incorporated in Argentina under correlative no. 1904219).

Lotus Minerals means Lotus Minerals Pty Ltd (ACN 664 687 156)

Lotus Prospecting means Lotus Prospecting Pty Ltd (ACN 665 490 497).

Minera Dylan means Minera Dylan S.A.C. (a company incorporated in Peru with RUC 20545747627).

Mineral Resources has the meaning given to that term in the JORC Code.

MRE means mineral resource estimate.

Mt means million tonnes.

MT-03 Project means the project described in Section 7 of Schedule 1.

New Pilbara Minerals Share means a Pilbara Minerals Share to be issued as consideration under the Share Scheme and/or Option Scheme.

Nominee means an entity nominated by ESG Minerals to hold and/or sell the ESG Minerals Shares that would otherwise have been issued to Demerger Ineligible Overseas Shareholders under the Demerger.

Noombenberry Project means the project described in Section 3 of Schedule 1.

Option Exercise Deadline means 5.00pm (AWST) on the Business Day immediately before the Demerger Record Date.

Option Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act under which all the Latin Resources Options will be transferred to Pilbara Minerals and the Option Scheme Participant will receive the Option Scheme Consideration, as set out in Annexure D of the Scheme Booklet, together with any amendment or modification made pursuant to section 411(6) of the Corporations Act approved in writing by Latin Resources and Pilbara Minerals.

Option Scheme Consideration means the consideration to be provided by Pilbara Minerals to each Option Scheme Participant for the transfer of their Latin Resources Options being, in respect of each Latin Resources Option, that number of New Pilbara Minerals Shares for each relevant Latin Resources Option as set out in the Option Scheme.

Option Scheme Participant means a Latin Resources Optionholder at the Share Scheme Record Date.

Peruvian Latin Resources means Peruvian Latin Resources S.A.C. (a company incorporated in Peru with RUC 20493092791).

Pilbara Minerals means Pilbara Minerals Limited (ACN 112 425 788).

Pilbara Minerals Group means Pilbara Minerals and its Subsidiaries.

Pilbara Minerals Share a fully paid ordinary share in the capital of Pilbara Minerals.

Recursos means Recursos Latinos S.A. (a company incorporated in Argentina under correlative no. 1904220).

Research Agreement has the meaning given to that term in Section 2 of Schedule 6.

Salinas Project means the Salinas Lithium Project in the Bananal Valley region of Minas Gerais.

Schedule means a schedule to this Explanatory Memorandum.

Scheme Booklet means the scheme booklet prepared and issued in connection with the Schemes, of which this Demerger Notice forms part, at Annexure I.

Scheme Implementation Agreement means the Scheme Implementation Agreement dated 14 August 2024 between Latin Resources and Pilbara Minerals relating to the implementation of the Schemes, as amended from time to time.

Schemes means either or both the Share Scheme and the Option Scheme, as the context requires.

Section means a section of this Explanatory Memorandum.

Share Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act under which all the Latin Resources Shares will be transferred to Pilbara Minerals, as set out in Annexure C of the Scheme Booklet, together with any amendment or modification made pursuant to section 411(6) of the Corporations Act to the extent approved in writing by Latin Resources and Pilbara Minerals.

Share Scheme Effective Date means in respect of a Share Scheme, the date on which that Share Scheme becomes Effective.

Share Scheme Record Date means 7.00pm (AEDT) on the 2nd Trading Day following the Share Scheme Effective Date, or such other date as Latin Resources and Pilbara Minerals agree.

Subscription has the meaning described in Section 2.2.

Subsidiary has the meaning given to that term in the Corporations Act.

Trading Day means a business day as defined in the ASX Listing Rules.

µm means micrometre.

WA Landholder Duty means any duty imposed under Chapter 3 of the *Duties Act 2008 (WA)* in respect of the distribution of ESG Minerals Shares on the Demerger Implementation Date pursuant to the Capital Reduction.

Working Capital Amount means such amount as would result in the ESG Minerals Group having \$500,000 (excluding any reimbursement amounts for Demerger Costs) in cash, cash equivalents and third party accounts receivables immediately following completion of the Subscription.

Schedule 1 Demerger Assets

1 Overview

ESG Minerals is an unlisted public company incorporated on 4 October 2021 and is a wholly-owned Subsidiary of Latin Resources. After the Corporate Restructure and Demerger are implemented, ESG Minerals will become the ultimate holding company of the Demerger Group. Its principal activities will be to advance the Demerger Assets in Australia, Peru and Argentina, comprising:

- exploration tenure targeting halloysite and kaolinite in South Australia and Western Australia, including the Cloud Nine Deposit;
- the Emissions Reduction Research Projects, utilising halloysite and kaolinite from the Cloud Nine Deposit;
- exploration licences targeting copper-gold within the Lachlan Orogen of central NSW and northern Victoria;
- tenements targeting spodumene (lithium) in Argentina; and
- concessions targeting porphyry copper in Peru.

A corporate structure chart for the Demerger Group is set out in Schedule 3.

2 Gibraltar Project

In November 2023, ESG Minerals acquired the halloysite and kaolinite tenements known as the Gibraltar Project covering an area of 91km². The Gibraltar Project comprises the 100% owned exploration licence EL6976 which is located on the Eyre Peninsula in South Australia.

The minimum annual expenditure commitment for the Gibraltar Project is \$20,000. After the Demerger is implemented, ESG Minerals intends to analyse historical drilling results ahead of a possible drilling campaign with a view to defining a JORC-compliant mineral resource.

3 Noombenberry Project

The Noombenberry Project comprises seven granted exploration licenses covering an area of over 560km² as set out in the table below. The key kaolinite and halloysite deposit named "Cloud Nine" lies entirely within the boundary of exploration license E77/2622 (**Cloud Nine Deposit**).

Tenement	Status	Date Granted	Blocks	Area (km ²)	Min. Expenditure
E77/2622	Live	5 May 2020	9	26.3	\$30,000
E77/2624	Live	5 May 2020	9	26.3	\$30,000
E70/5649	Live	23 April 2021	53	154.3	\$79,500
E77/2719	Live	2 June 2021	22	64.3	\$33,000
E77/2724	Live	5 July 2021	13	38.0	\$30,000
E77/2725	Live	5 July 2021	35	102.6	\$52,500
E70/5650	Live	20 July 2021	53	154.6	\$79,500

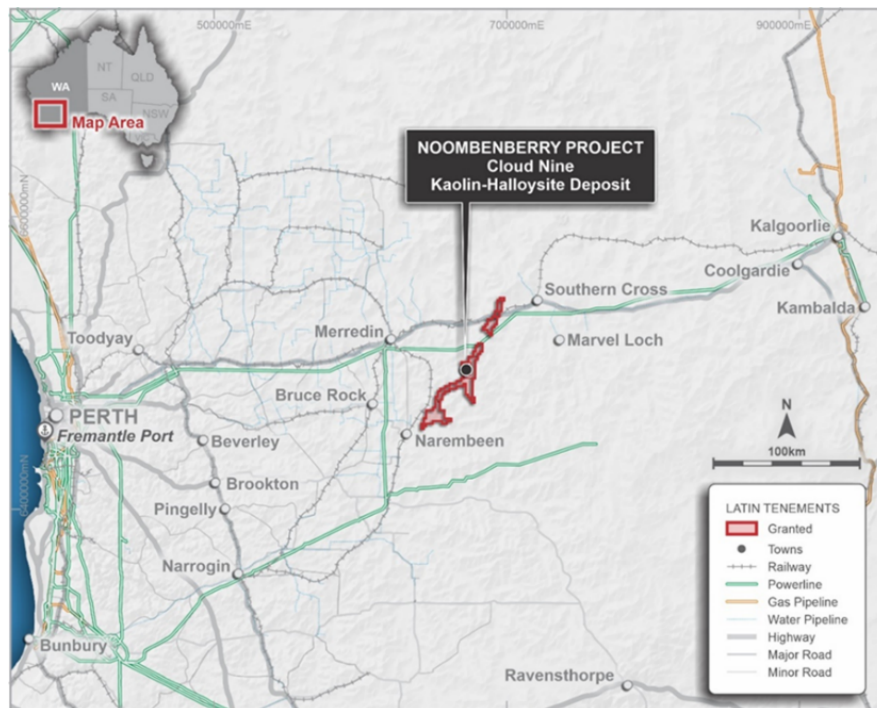


Figure 1: Location map of Noombenberry Project's exploration tenements

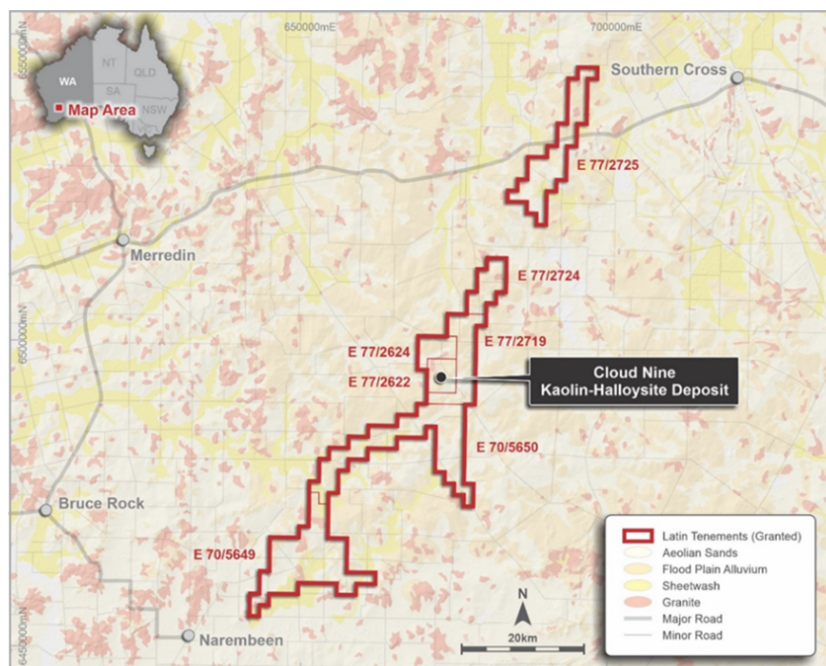


Figure 2: Location map of Cloud Nine project within regional tenement package

Cloud Nine Deposit Mineral Resources Estimate

On 29 November 2022, an MRE was published for the Cloud Nine Deposit which included an in situ Indicated MRE of 70Mt kaolinised granite at an average brightness (ISO-B) grade of 81 (Table 1). In addition to the Indicated MRE is an in situ Inferred MRE of 210Mt kaolinised granite at an average ISO-B grade of 79, for a total global in situ Indicated and Inferred MRE of 280Mt. The Inferred MRE includes an 85Mt high-grade portion with an average halloysite grade of 4% (Table 1, Table 2).

The MRE contains a total of 26.7Mt of bright white kaolinised granite, classified as Indicated, with an ISO-B of 81, reporting to the <45 µm size fraction. In addition, the global MRE contains 90Mt kaolinised granite classified as Inferred, reporting to the <45 µm size fraction, with an average ISO-B of 79. This domain also includes 35Mt halloysite, averaging 10% halloysite, estimated using a 3% halloysite cut-off and reported to the <45 µm size fraction (Table 2). The deposit contains low Fe contamination averaging 0.8% Fe₂O₃ (Table 3).

All MREs are reported to the <45 µm fraction at a cut-off grade of 75 ISO-B in accordance with Clause 49 of the JORC Code.

Table 1: Cloud Nine in situ MRE estimate summary. Reported at a >75 ISO-B cut-off.

Classification	Mineral	Mass Mt	Brightness ISO-B	<45 µm %
Inferred	Kaolinite	125	79	44
	Halloysite	85	80	44
	Total	210	79	44
Indicated	Kaolin	70	81	39.8
Indicated + Inferred		280	80	43.1

Notes:

1. The MRE is classified in accordance with the JORC Code.
2. The effective date of the MRE is 31 October 2022.
3. The MRE is contained within exploration licence E77/2622.
4. Estimates are rounded to reflect the level of confidence in these MREs at the time of reporting.
5. The MRE is reported at a >75 Brightness cut-off.

Table 2: Cloud Nine MRE summary classified in the Indicated and Inferred categories. Reported at a >75 ISO-B cut-off for the <45 µm fraction.

Classification	Mineral	Mass Mt	Brightness ISO-B	Kaolinite %	Halloysite %	Kaolinite Kt	Halloysite Kt
Inferred	Kaolinite	55	79	81	0.3	44,000	150
	Halloysite	35	80	77	10	29,000	3,600
	Total	90	79	79	4	73,000	3,800
Indicated	Kaolin	26.7	81	77.9	-	21,000	-
Indicated + Inferred		116	80	79	4	94,000	3,800

Notes:

1. The MRE is classified in accordance with the JORC Code.
2. The effective date of the MRE is 31 October 2022.
3. The MRE is contained within exploration licence E77/2622.
4. Estimates are rounded to reflect the level of confidence in these MREs at the time of reporting.
5. In accordance with Clause 49 of the JORC Code, for minerals that are defined by a specification, the MRE is reported for the <45 µm size fraction.
6. The MRE is reported at a >75 Brightness cut-off.
7. The Inferred MRE for halloysite is reported at a >3% halloysite cut-off.

Table 3: Cloud Nine in situ MRE summary for Al₂O₃, Fe₂O₃, SiO₂, TiO₂, and LOI.
Reported at a >75 brightness cut-off for the <45 µm fraction.

Classification	Mineral	Al ₂ O ₃ %	Fe ₂ O ₃ %	SiO ₂ %	TiO ₂ %	LOI %
Inferred	Kaolinite	35	0.8	49	0.7	12
	Halloysite	35	0.8	49	0.6	12
	Average	35	0.8	49	0.7	12
Indicated	Kaolinite	35.5	0.70	49.2	0.47	12.1
Average		35	0.8	49.2	0.6	12.0

After the Demerger, ESG Minerals intends to continue investigating the potential use of halloysite, as found at the Cloud Nine Deposit, in carbon capture and emission reduction solutions, as discussed below.

4 Emissions Reduction Research Projects

In November 2019, Latin Resources entered into a Research Agreement with CRC Care to conduct two research projects investigating the potential use of halloysite and kaolinite, as found at the Cloud Nine Deposit, for methane emission reduction as a feed additive in the cattle industry (the **Cattle Feed Project**) and in carbon capture applications to reduce GHG emissions in the agriculture sector (the **Carbon Capture Project**) (together, the **Emissions Reduction Research Projects**).

The Emissions Reduction Research Projects undertaken by CRC Care are designed to develop applications that are superior to those of other natural materials including:

- the use of halloysite and kaolinite in feed supplement formulation to influence methane producing rumen microbes;
- real-time capture and desorption of animal gas emissions for energy conversion as well as capturing nutrients from animal excreta;
- adsorption at various pressures (industrial uses) and conversion of the captured carbon into fuel or the whole adsorbent into value-added material such as building material or fertiliser; and
- low-cost precise purification of halloysite nanotubes from variants of halloysite and kaolinite mixtures.

Results from trials of the Cattle Feed Project have shown a significant reduction of methane when used as a feedstock additive. Similarly, trials from the Carbon Capture Project have demonstrated encouraging results in capturing GHG from cattle faeces.

After the date of this Demerger Notice and before the implementation of the Demerger, Latin Resources will assign all its obligations and rights (including all intellectual property rights) under the Research Agreement to ESG Global. CRC Care is entitled to receive a royalty in the event that either of the Emissions Reduction Research Projects become commercially economic.

Refer to Schedule 6 for a summary of the terms of the Research Agreement.

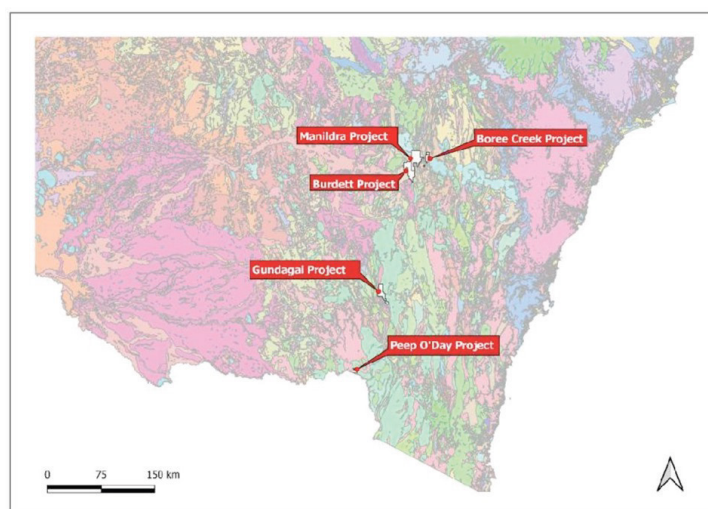
5 Lachlan Fold Project

The Lachlan Fold Project comprises six granted exploration licenses and one pending exploration license covering an area of 2,469km² as set out in the table below. The Lachlan Fold Project is focused on assessing and defining copper-gold mineral deposits within the Lachlan Orogen of central NSW and northern Victoria.

After the Demerger, ESG Minerals intends to continue exploration of these projects, which may include compilation of historic exploration data, surface evaluation of tenements, field testing, geological mapping followed by drilling of any defined targets.

Tenement	Location	Project Name	Status	Date Granted	Km ²	Security Held	Min. Exp.
EL9148	NSW	Manildra	Live	3 May 2021	291	\$10,000	\$118,750
EL9172	NSW	Burdett	Live	12 May 2021	264	\$10,000	\$100,000

EL9273	NSW	Boree Creek	Live	27 August 2021	39	\$10,000	\$75,000
EL9274	NSW	Gundagai	Live	27 August 2021	174	\$10,000	\$162,500
EL9412	NSW	Yarara	Live	31 May 2022	45	\$52,000	\$175,000
EL9609	NSW	Boree Creek	Live	13 October 2023	12	\$10,000	\$66,667
EL008345	VIC	Corryong	Pending	27 July 2023	1,644	-	-



Source: Latin Resources

Figure 3: Location map of the Lachlan Fold Project excluding the pending Corryong Project located in northern Victoria.

6 Catamarca Project

The Catamarca Project comprises approximately 76,000 hectares across 22 tenements in north-western Argentina, which are considered prospective for spodumene (see table below for details). The Catamarca Project is held through a joint venture with Integra, a related party of José Luis Manzano, Latin Resources' largest shareholder as at the Last Practicable Date (excluding custodian accounts). Refer to Schedule 6 for a summary of the Joint Venture Agreement.

Drilling was last conducted in 2017 which indicated the presence of a high-grade lithium pegmatite system. The drilling results were announced on ASX on 26 April 2017. Initial studies, including systematic geological mapping and follow-up geochemical surface sampling, as well as initial environmental impact studies have since been completed.

After the Demerger is implemented, ESG Minerals intends to continue to work with its joint venture partner, Integra, to undertake exploration of this project including further mapping and environmental studies ahead of a possible further drilling campaign.

Tenement	Name	Hectares	Registered Holder	Interest
1/18	Latina 1	502	Litios del Norte SA	50%
3/18	Latina 2	3.504	Litios del Norte SA	50%
5/18	Latina 3	3.490	Litios del Norte SA	50%
6/18	Latina 4	519	Litios del Norte SA	50%
4/18	Latina 5	1.247	Litios del Norte SA	50%
2/18	Latina 6	3.492	Litios del Norte SA	50%
13/18	Latina 7	1.015	Litios del Norte SA	50%

Tenement	Name	Hectares	Registered Holder	Interest
14/18	Latina 8	3.497	Litios del Norte SA	50%
12/18	Latina 9	3.504	Litios del Norte SA	50%
11/18	Latina 10	1.002	Litios del Norte SA	50%
10/18	Latina 11	3.509	Litios del Norte SA	50%
9/18	Latina 12	497	Litios del Norte SA	50%
8/18	Latina 13	3.493	Litios del Norte SA	50%
7/18	Latina 14	2.389	Litios del Norte SA	50%
163/18	Latina 15	3.039	Litios del Norte SA	50%
207/18	Latina 16	6.001	Litios del Norte SA	50%
208/18	Latina 17	6.012	Litios del Norte SA	50%
209/18	Latina 18	6.027	Litios del Norte SA	50%
210/18	Latina 19	5.991	Litios del Norte SA	50%
211/18	Latina 20	6.003	Litios del Norte SA	50%
212/18	Latina 21	5.984	Litios del Norte SA	50%
213/18	Latina 22	6.004	Litios del Norte SA	50%

7 MT-03 Project

The MT-03 Project in Peru comprises nine concessions (as set out in the table below). The project is focused on assessing and defining copper mineral deposits in the south-western coastal area of Peru. Exploration activities that have been completed include initial drilling, mapping and sampling in the South-Western area. Access to the concessions is subject to a lease agreement with the Peruvian Army, which owns the land on which the concessions are located. The lease agreement is currently in the process of being renewed.

After the Demerger, ESG Minerals intends to continue exploration, which may include a compilation of historical exploration data, surface evaluation of tenements, field testing, and geological mapping, followed by drilling of any defined targets. There are no minimum expenditure commitments for this project.

Tenement	Name	Registered Holder	Interest
01-01865-11	Dockers 1	Minera Dylan SAC	100%
01-01866-11	Dockers 2	Minera Dylan SAC	100%
01-01867-11	Dockers 3	Minera Dylan SAC	100%
01-01868-11	Dockers 4	Minera Dylan SAC	100%
01-02068-10	Fremantle 7	Minera Dylan SAC	100%

Schedule 2

Financial information for Latin Resources and ESG Minerals

1 Financial information for Latin Resources post-Demerger

The financial information contained in this Schedule 2 has been prepared by Latin Resources in connection with the Demerger.

The financial information for Latin Resources includes:

- the historical balance sheet for Latin Resources as at 30 June 2024 (**Latin Resources Historical Balance Sheet**); and
- the pro forma historical balance sheet for Latin Resources as at 30 June 2024 (**Latin Resources Pro Forma Historical Balance Sheet**).

The Latin Resources Historical Balance Sheet and Latin Resources Pro Forma Historical Balance Sheet together form the "**Latin Resources Financial Information**".

The Latin Resources Financial Information presented in this Schedule 2 should be read in conjunction with the risk factors set out in Schedule 5 and other information in this Demerger Notice. Investors should note that past results are not a guarantee of future performance.

All amounts disclosed in this Schedule 2 are presented in Australian dollars.

2 Basis of preparation and presentation of the Latin Resources Financial Information

The Latin Resources Directors are responsible for the preparation and presentation of the Latin Resources Financial Information. The Latin Resources Financial Information included in this Demerger Notice is intended to present potential investors with information to assist them in understanding the historical financial position of Latin Resources.

The Latin Resources Financial Information is presented in an abbreviated form and does not include all of the presentation, disclosures, statements and comparative information as required by Australian Accounting Standards (**AAS**) applicable to general purpose financial reports prepared in accordance with the Corporations Act.

3 Preparation of Latin Resources Historical Balance Sheet

The Latin Resources Historical Balance Sheet has been prepared in accordance with the recognition and measurement principles prescribed in AAS issued by the Australian Accounting Standards Board (**AASB**), which is consistent with Internal Financial Reporting Standards (**IFRS**) and interpretations issued by the International Accounting Standards Board (**IASB**).

In preparing the Latin Resources Historical Balance Sheet, the accounting policies of Latin Resources have been applied. The Latin Resources Historical Balance Sheet has been derived from reviewed general purpose financial statements of Latin Resources for the 6 months ended 30 June 2024.

4 Latin Resources Historical Balance Sheet and Latin Resources Pro Forma Historical Balance Sheet as at 30 June 2024

	Latin Resources Historical Balance Sheet 30-Jun-24 \$'000	Pro Forma Adjustments				Latin Resources Pro Forma Historical Balance Sheet \$'000
		Fair Value Adjustment	Corporate Restructure	Subscription	Demerger transaction costs	
		\$'000	\$'000s	\$'000	\$'000	
CURRENT ASSETS						
Cash and cash equivalents	20,510	-	38	434	1,000	19,038
Trade and other receivables	1,651	-	28	-	-	1,623
Other financial assets	359	-	179	-	-	180
Total current assets	22,520	-	245	434	1,000	20,841
NON-CURRENT ASSETS						
Exploration and evaluation expenditure assets	91,928	- 1,300	- 12,964	-	-	77,664
Property, plant and equipment	609	-	28	-	-	581
Right of use assets	145	-	32	-	-	113
Investment in associates and joint ventures	1,281	-	170	-	-	1,111
Total non- current assets	93,963	- 1,300	- 13,194	-	-	79,469
TOTAL ASSETS	116,483	- 1,300	- 13,439	- 434	- 1,000	100,310
CURRENT LIABILITIES						
Trade and other payables	12,396	-	203	-	-	12,193
Lease liabilities	138	-	19	-	-	119
Provisions	274	-	2	-	-	272
Total current liabilities	12,808	-	224	-	-	12,584
NON-CURRENT LIABILITIES						
Lease liabilities	14	-	14	-	-	-
Provisions	14	-	-	-	-	14
Total non- current liabilities	28	-	14	-	-	14
TOTAL LIABILITIES	12,836	-	238	-	-	12,598
NET ASSETS	103,647	- 1,300	- 13,201	- 434	- 1,000	87,712
TOTAL EQUITY	103,647	- 1,300	- 13,201	- 434	- 1,000	87,712

5 Latin Resources Pro Forma Historical Balance Sheet

5.1 Basis for preparation

The Latin Resources Pro Forma Historical Balance Sheet as at 30 June 2024 set out above is provided for illustrative purposes only and is prepared on the assumption that the transaction was implemented as at 30 June 2024. If approved, the Demerger is expected to be implemented in January 2025. The Pro Forma Historical Balance Sheet does not illustrate the financial position that may be contained in future financial statements of Latin Resources following the Demerger. The Pro Forma Historical Balance Sheet does not take into account any of the financial effects of the Schemes.

The Latin Resources Pro Forma Historical Balance Sheet has been prepared solely for inclusion in this Demerger Notice and has been derived from the Historical Balance Sheet of Latin Resources as at 30 June 2024, adjusted for the effects of the pro forma adjustments described below.

The Latin Resources Pro Forma Historical Balance Sheet has been prepared in accordance with the recognition and measurement, but not all of the disclosure requirements, of the AAS other than that it includes adjustments which have been prepared in a manner consistent with AAS that reflect the impact of certain transactions contemplated to occur as part of the Demerger of ESG Minerals from Latin Resources as if they occurred as at 30 June 2024. The Latin Resources Financial Information has been prepared on a historical cost basis.

In preparing the Latin Resources Pro Forma Historical Balance Sheet, no adjustments have been made for potential changes in cost or operating structure resulting from the Demerger of ESG Minerals from Latin Resources.

5.2 Impact of the Demerger on accounting

Accounting for demerger transactions is addressed in the AASB Interpretation 17 'Distributions of Non-cash Assets to Owners'. That interpretation requires that any obligations for distributions made by a company to its shareholders should be recognised once declared and, where required, approved by the shareholders. Furthermore, the distribution payable must be measured at the fair value of the assets to be distributed.

The distribution payable is charged to equity. In this regard, the fair value of the distribution payable will be allocated between share capital and, potentially, demerger reserve (**Demerger Distribution**). The value of the Capital Reduction will be determined by reference to the tax allocation. The amount recorded in demerger reserve (if any), being the Demerger Distribution (if any), will be the difference between the distribution payable and the Capital Reduction Amount.

On the Demerger Record Date, Latin Resources will recognise a distribution payable based on the fair value of ESG Minerals. This liability will be settled through the transfer of the ESG Minerals Shares. At that time, the difference between the historic cost of the net assets distributed and the fair value of the distribution payables will be recognised in Latin Resources' income statement.

5.3 Pro Forma adjustments

The Pro Forma adjustments are as follows:

(a) Fair value adjustment

This column reflects adjustments to the fair value of the ESG Minerals assets and liabilities based on the Latin Resources Directors' current assessment (with the benefit of specialist advice) of the estimated fair values of these assets and liabilities at the Demerger Implementation Date.

(b) Corporate Restructure

This adjustment relates to the transfer of assets and liabilities (associated with the Demerger Assets) from Latin Resources to ESG Minerals as a result of the Corporate Restructure, including:

- (i) transferring the net assets and liabilities in Recursos to Latin 2 (this step occurred after 30 June 2024 and before the date of this Demerger Notice);
- (ii) transferring 50% of the net assets and liabilities in Litios del Norte to Latin 2 (this step occurred after 30 June 2024 and before the date of this Demerger Notice);
- (iii) transferring the net assets and liabilities in Latin 2 to ESG Minerals;

- (iv) transferring the net assets and liabilities in Lotus Minerals to ESG Minerals; and
- (v) transferring of certain lease liabilities as a result of the novation of a lease in Australia from Latin Resources to Demerger Group Members.

(c) Subscription

This adjustment relates to the Subscription, pursuant to which Latin Resources will contribute the Working Capital Amount in cash to ESG Minerals by way of the Subscription for new ESG Minerals Shares.

Under the terms of the Demerger Deed, Latin Resources may, in certain circumstances, pay a further amount in subscription monies (in addition to the Working Capital Amount) to reimburse ESG Minerals for certain Demerger Costs incurred by the ESG Minerals Group. The Latin Resources Pro Forma Historical Balance Sheet assumes no such additional subscription.

(d) Demerger transaction costs

This adjustment relates to the estimated transaction costs incurred by Latin Resources as a result of the Demerger of ESG Minerals, including costs such as advisor fees.

(e) Intercompany loans

For the purpose of preparing the Latin Resources Pro Forma Historical Balance Sheet, no adjustments have been made to account for the capitalisation of the intercompany loans between Latin Resources and certain Demerger Group Members.

(f) Other Latin Resources securities

For the purpose of preparing the Latin Resources Pro Forma Historical Balance Sheet, no adjustments have been made to account for:

- (i) the vesting, conversion or exercise (as applicable) of Latin Resources Options and Latin Resources Performance Rights; or
- (ii) the repayment of loans associated with the Latin Resources Loan Funded Shares.

5.4 Financial information for ESG Minerals

The financial information contained in this Section has been prepared by Latin Resources in relation to ESG Minerals in connection with the Demerger.

ESG Minerals was incorporated on 4 October 2021.

The financial information for ESG Minerals includes:

- the historical balance sheet as at 30 June 2024 (**ESG Minerals Historical Balance Sheet**); and
- the pro forma historical balance sheet as at 30 June 2024 (**ESG Minerals Pro Forma Historical Balance Sheet**).

The ESG Minerals Historical Balance Sheet and ESG Minerals Pro Forma Historical Balance Sheet together form the "**ESG Minerals Financial Information**".

The ESG Minerals Financial Information presented in this Section should be read in conjunction with the risk factors set out in Schedule 5 and other information in this Demerger Notice. Investors should note that past results are not a guarantee of future performance.

All amounts disclosed in this Section are presented in Australian dollars.

5.5 Basis of preparation and presentation of the ESG Minerals Financial Information

The Directors of Latin Resources are responsible for the preparation and presentation of the ESG Minerals Financial Information. The ESG Minerals Financial Information included in this Demerger Notice is intended to

present potential investors with information to assist them in understanding the historical financial position of ESG Minerals.

The ESG Minerals Financial Information is presented in an abbreviated form and does not include all of the presentation, disclosures, statements and comparative information as required by AAS applicable to general purpose financial reports prepared in accordance with the Corporations Act.

5.6 ESG Minerals Historical Balance Sheet

The ESG Minerals Historical Balance Sheet has been prepared in accordance with the recognition and measurement principles prescribed in AAS issued by the AASB, which is consistent with IFRS and interpretations issued by the IASB.

In preparing the ESG Minerals Historical Balance Sheet, the accounting policies of ESG Minerals have been applied, which are consistent with those applied by Latin Resources.

The ESG Minerals Historical Balance Sheet has been derived from the audited general purpose financial statements of ESG Minerals for the 6 months ended 30 June 2024 which were audited by Hall Chadwick Audit WA Pty Ltd.

5.7 ESG Minerals Historical & Pro Forma Historical Balance Sheets

	ESG Minerals Audited Historical Balance Sheet 30 June 2024 \$'000	Pro Forma Adjustments		ESG Minerals Pro Forma Historical Balance Sheet \$'000
		Corporate Restructure	Subscription	
		\$'000	\$'000	
CURRENT ASSETS				
Cash and cash equivalents	-	38	434	472
Trade and other receivables	-	28	-	28
Financial assets	-	179	-	179
Total current assets	-	245	434	679
NON-CURRENT ASSETS				
Exploration and evaluation expenditure	8,685	4,279	-	12,964
Investments		170	-	170
Property Plant and equipment	-	28	-	28
Rights of use assets	-	32	-	32
Total non-current assets	8,685	4,509	-	13,194
TOTAL ASSETS	8,685	4,754	434	13,873
CURRENT LIABILITES				
Trade and other payables	4	199	-	203
Lease liabilities	-	19	-	19
Provisions	-	2	-	2
Total current liabilities	4	220	-	224
NON-CURRENT LIABILITIES				
Lease Liabilities	-	14	-	14
Total non-current liabilities	-	14	-	14
TOTAL LIABILITES	4	234	-	238
NET ASSETS				
	8,681	4,520	434	13,635
TOTAL EQUITY				
	8,681	4,520	434	13,635

5.8 ESG Minerals Pro Forma Historical Balance Sheet

(a) Basis of preparation

The ESG Minerals Pro Forma Historical Balance sheet as at 30 June 2024 set out above is provided for illustrative purposes only and is prepared on the assumption that the Corporate Restructure, as contemplated in

the Demerger Deed, was implemented on 30 June 2024. If approved, the transaction is expected to be implemented in January 2025. It does not illustrate the financial position that may be contained in future financial statements of ESG Minerals as a result of the Demerger.

The ESG Minerals Pro Forma Historical Balance Sheet has been prepared solely for inclusion in this Demerger Notice and has been derived from the ESG Minerals Audited Historical Balance Sheet as at 30 June 2024, adjusted for the effects of the pro forma adjustments described below.

The ESG Minerals Pro Forma Historical Balance Sheet has been prepared in accordance with the recognition and measurement, but not all of the disclosure requirements, of the AAS other than that it includes adjustments which have been prepared in a manner consistent with AAS that reflect the impact of certain transactions contemplated to occur as part of the asset transfer and Demerger as if occurred as at 30 June 2024. The ESG Minerals Financial Information has also been prepared on a historical cost basis.

In preparing the ESG Minerals Pro Forma Historical Financial Information, no adjustments have been made for potential changes in cost or operating structure resulting from the demerger of ESG Minerals from Latin Resources.

(b) Pro Forma adjustments

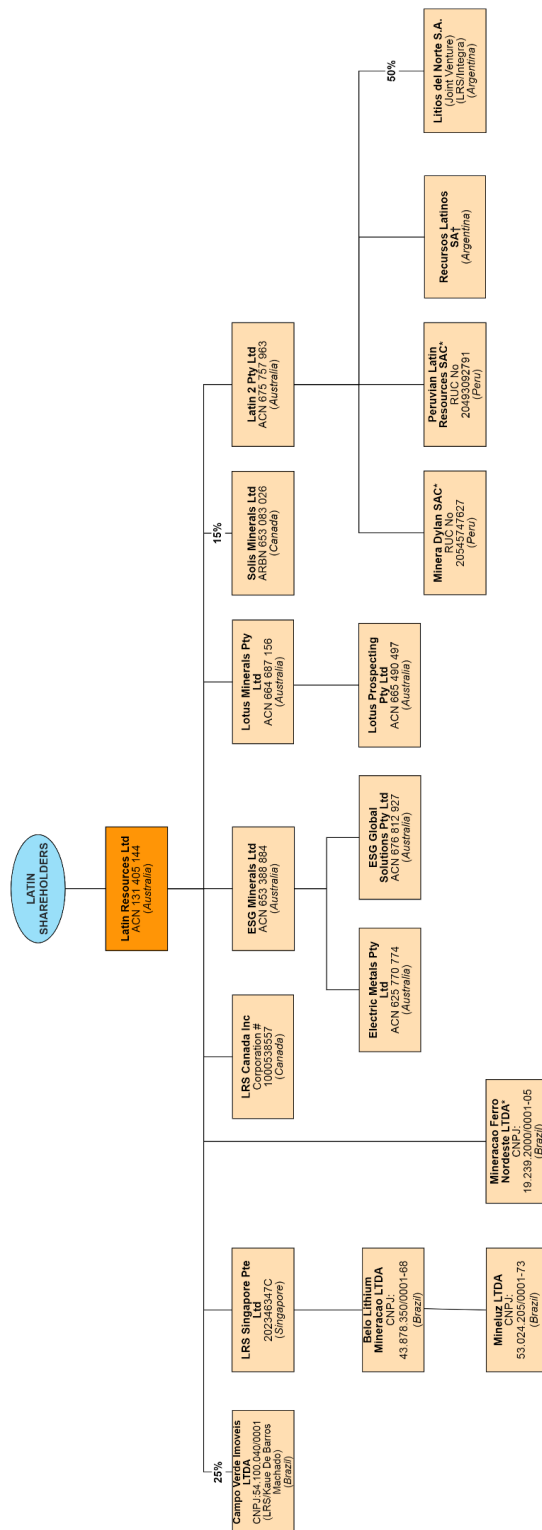
The Pro Forma adjustments are as follows:

- (i) pursuant to the Corporate Restructure, the transfer of the fair value of the assets and liabilities of the Demerger Assets from Latin Resources to ESG Minerals (as described in paragraph 5.3(b) above); and
- (ii) pursuant to the Subscription, Latin Resources contributing the Working Capital Amount to ESG Minerals by way of the Subscription for new ESG Minerals Shares (as described in paragraph 5.3(c) above). Under the terms of the Demerger Deed, in certain circumstances, Latin Resources may pay a further amount in subscription monies (in addition to the Working Capital Amount) to reimburse ESG Minerals for certain Demerger Costs incurred by the ESG Minerals Group. The ESG Minerals Pro Forma Historical Balance Sheet assumes no such additional subscription.

For the purpose of preparing the ESG Minerals Pro Forma Historical Balance Sheet, intercompany loans have been excluded and no adjustments have been made to account for the capitalisation of the intercompany loans between Latin Resources and certain Demerger Group Members.

Schedule 3 Demerger Group corporate structure

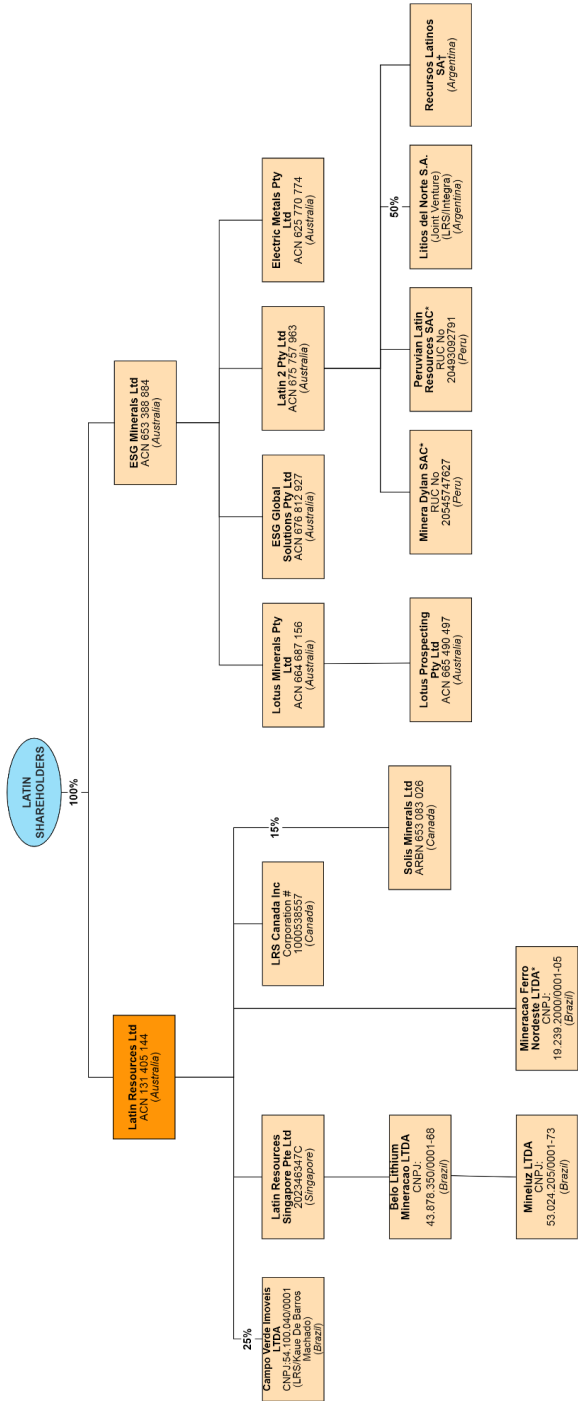
Part A: Pre-Demerger



Notes:

- All entities are wholly owned unless specified otherwise.
- * Minera Dylan SAC and Peruvian Latin Resources SAC - One (1) share is held by Chris Gale (on trust)
- * Minera Dylan SAC and Peruvian Latin Resources SAC - One (1) share is held by Chris Gale (on trust)
- † Recursos Latinos SA - 5000 (5%) of the shares are held by Chris Gale (on trust)
- Campo Verde Inoveis LTDA is owned 25% by LRS and 75% by Kaue De Barros Machado pursuant to a Quotaholders Agreement dated 21 February 2024

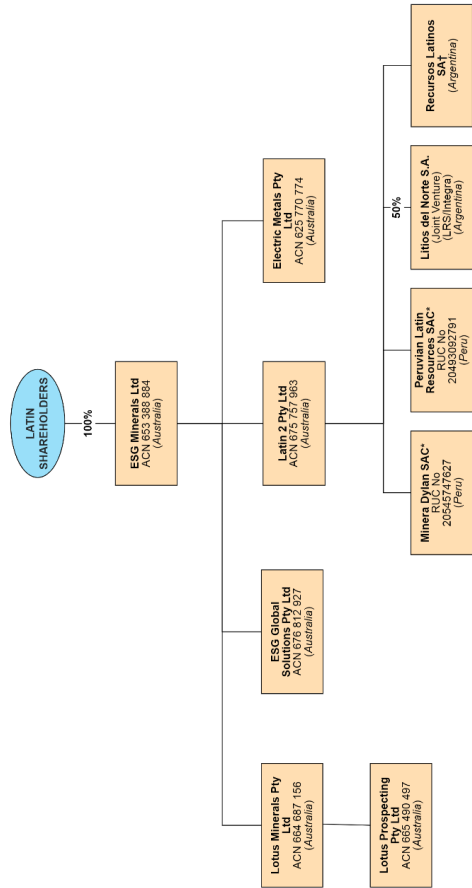
Part B: Post-Demerger



Notes:

1. All entities are wholly owned unless specified otherwise.
2. • Mineracao Ferro Nordeste LTDA - One (1) share is held by Chris Gale (on trust)
3. • Minera Dylan SAC and Peruvian Latin Resources SAC - One (1) share is held by Chris Gale (on trust)
4. • Recursos Latinos SAC (50%) of the share is held by Chris Gale (on trust) and 50% is held by Kato De Barros Machado pursuant to a Quotaholders Agreement dated 21 February 2024.
5. • Campo Verde Inovais LTDA is owned 25% by LRS and 75% by Kato De Barros Machado pursuant to a Quotaholders Agreement dated 21 February 2024.

Part C: Post-Demerger and Post-Share Scheme



- Notes:
- 1. All entities are wholly owned unless specified otherwise.
 - 2. *Minera Dylan SAC and Peruvian Latin Resources SAC - One (1) share is held by Chris Gale (on trust).
 - 3. † Recursos Latinos SA - 5000 (3%) of the shares are held by Chris Gale (on trust).

Schedule 4

Rights attaching to ESG Minerals Shares

ESG Minerals Shares proposed to be distributed to Latin Resources Shareholders will not be quoted on ASX and consequently ESG Minerals Shareholders will not be able to trade ESG Minerals Shares on ASX. Once the shares are registered in the name of the Latin Resources Shareholder, they may sell or transfer those ESG Minerals Shares if they can find a buyer.

The following is a summary of the more significant rights and liabilities attaching to ESG Minerals Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of shareholders in ESG Minerals. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to ESG Minerals Shares are set out in the ESG Minerals Constitution, a copy of which is available to view at Latin Resources' registered office.

1 General meetings and notices

General meetings of ESG Minerals are to be held in accordance with the Corporations Act, and each ESG Minerals Shareholder will be entitled to receive notice of a general meeting in accordance with the Corporations Act and, except in certain circumstances, attend and vote at general meetings of ESG Minerals. The ESG Minerals Constitution permits the use of technology at general meetings of shareholders (including wholly virtual meetings) to the extent permitted under the Corporations Act, ASX Listing Rules and applicable law.

ESG Minerals Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the ESG Minerals Constitution.

2 Voting rights

Subject to any special rights or restrictions for the time being attached to any class or classes of ESG Minerals Shares and to the ESG Minerals Constitution, at a general meeting of ESG Minerals Shareholders or classes of ESG Minerals Shareholders, each ESG Minerals Shareholder present in person, or by attorney, corporate representative or proxy, or who delivers a direct vote, has one vote on a show of hands, and one vote for each fully paid ESG Minerals Share on a poll, or, for a partly paid ESG Minerals Share, a fraction of a vote equal to the proportion which the amount paid on the ESG Minerals Share bears to the total issue price of the ESG Minerals Share.

Voting at any meeting of ESG Minerals Shareholders is by a show of hands (unless a poll is demanded). Direct votes are counted only on a poll. The quorum required for a meeting of ESG Minerals Shareholders is two members present in person, or by attorney, corporate representative or proxy. Direct votes are not counted as part of the quorum.

3 Dividend rights

Subject to the rights of any preference ESG Minerals Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the ESG Minerals Directors may determine or declare that a dividend is payable, fix the amount and the time for payment, and determine the method of payment of the dividend to each ESG Minerals Shareholder entitled to that dividend. The ESG Minerals Directors may rescind or alter any such determination or declaration before payment is made.

If a dividend is paid, it will be paid in proportion to the number of ESG Minerals Shares held by a ESG Minerals Shareholder and, in the case of partly paid ESG Minerals Shares, in proportion to the percentage of the issue price that has been paid (excluding amounts credited and amounts paid in advance of a call).

Interest is not payable in respect of any dividend.

The ESG Minerals Directors may set aside out of the profits of ESG Minerals any amounts that they may determine as reserves, to be applied at the discretion of the ESG Minerals Directors, for any purpose for which the profits of ESG Minerals may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, ESG Minerals may, by resolution of the ESG Minerals Directors, implement a dividend reinvestment plan on such terms and conditions as the ESG Minerals Directors think fit and which provides for any dividend which the ESG Minerals Directors may declare from time to time payable on ESG Minerals Shares which are participating ESG Minerals Shares in the dividend reinvestment plan, less any amount which ESG Minerals shall either pursuant to the ESG Minerals Constitution or any law be entitled or obliged to retain, to be applied by ESG Minerals to the payment of the subscription price of ESG Minerals Shares.

4 Capitalisation of profit

ESG Minerals may capitalise profits. Subject to the ESG Minerals Constitution and the terms of the issue of ESG Minerals Shares, the ESG Minerals Directors may resolve to apply the sum in paying up any amounts unpaid on ESG Minerals Shares or in paying up in full unissued shares as fully paid.

5 Winding-up

If ESG Minerals is wound up, the liquidator may, with the sanction of a special resolution of ESG Minerals Shareholders, distribute among ESG Minerals Shareholders the whole or any part of the property of ESG Minerals and may for that purpose set such value as the liquidator considers fair upon any property to be so divided, and may determine how to distribute the property as between ESG Minerals Shareholders or different classes of ESG Minerals Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no ESG Minerals Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

6 Transfer of Shares

ESG Minerals Shareholders may transfer ESG Minerals Shares in accordance with the ASX Settlement Operating Rules, by instrument in writing in any form the ESG Minerals Directors approve, or by any other method of transfer of marketable securities required or permitted by the Corporations Act, ASX Settlement Operating Rules and ASX and approved by the ESG Minerals Directors.

The ESG Minerals Directors may, if the ASX Listing Rules, the ASX Settlement Operating Rules and the ESG Minerals Constitution permit ESG Minerals to do so, request ASX Settlement to apply a holding lock to prevent a transfer of ESG Minerals Shares from being registered or refuse to register a transfer of ESG Minerals Shares.

7 Issue of further ESG Minerals Shares

Subject to restrictions on the issue of grant of securities contained in the Corporations Act, the ASX Listing Rules and the ESG Minerals Constitution (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the issue of shares (including partly paid shares and redeemable preference shares) in ESG Minerals is under the control of the ESG Minerals Board. The ESG Minerals Board has the power to issue shares, options and other securities convertible into shares to any person at any time and for such consideration as it determines.

8 Small holdings

The ESG Minerals Directors may give a divestment notice to an ESG Minerals Shareholder whose holding of ESG Minerals Shares is valued at less than a marketable parcel of shares under the ASX Listing Rules. The divestment notice notifies the ESG Minerals Shareholder that ESG Minerals intends to sell the ESG Minerals Shares the subject of the divestment notice within 6 weeks of the date of the divestment notice.

Following the 6 week period, ESG Minerals will be entitled to sell the ESG Minerals Shares the subject of the divestment notice unless:

- (a) the ESG Minerals Shares were valued at more than a marketable parcel of shares at the time the ESG Minerals Shareholder acquired them; and
- (b) the ESG Minerals Shareholder notified ESG Minerals in writing that the ESG Minerals Shareholder wishes to retain its ESG Minerals Shares.

9 Variation of rights

Under section 246B of the Corporations Act, ESG Minerals may, with the sanction of a special resolution passed at a meeting of ESG Minerals Shareholders vary or abrogate the rights attaching to ESG Minerals Shares.

As at the date of this Demerger Notice, ESG Minerals only has ordinary shares on issue. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not ESG Minerals is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that

class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

10 Alteration of constitution

In accordance with the Corporations Act, the ESG Minerals Constitution can only be amended by a special resolution passed by at least three quarters of ESG Minerals Shareholders present and voting at the general meeting. In addition, at least 21 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

Schedule 5

Risk factors

1 Specific risks to ESG Minerals

(a) Research and development risks

As early-stage projects, the Emissions Reduction Research Projects with CRC Care are subject to uncertainty associated with early-stage business activities. There is no guarantee that the Emissions Reduction Research Projects will be proven successful in reducing GHG emissions in the agriculture sector. There is also no guarantee that in the event of successful results from the Emissions Reduction Research Projects, the Emissions Reduction Research Projects can be successfully commercialised. The development of new products and technological solutions brings a risk of not being acceptable to the market generally due to factors such as cost, cultural and social attitudes, and perception.

Further, the commercial and economic success of the Emissions Reduction Research Projects is contingent on the protection and confidence of the intellectual property pertaining to the Emissions Reduction Research Projects. Competition from alternative projects, both natural and man-made, and from future technologies has the potential to negatively impact the viability of the Emissions Reduction Research Projects and may render the research and the costs associated with such research and development of the Emissions Reduction Research Projects obsolete.

(b) Additional requirements for capital and dilution

ESG Minerals may require additional funding to effectively implement its business and operations plans in the future (including its funding obligations under the research and development agreement with CRC Care), to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which ESG Minerals may incur.

ESG Minerals may seek to raise further funds through equity (likely by way of an initial public offering on the ASX) or debt financing, joint ventures or other means including divestments. Failure to obtain sufficient financing for ESG Minerals' activities and future projects may result in delay and indefinite postponement of the development of the Demerger Assets, termination of the Emissions Reduction Research Projects and may place the tenements at risk of forfeiture. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to ESG Minerals and might involve substantial dilution to ESG Minerals Shareholders.

(c) Exploration success

ESG Minerals will be the beneficial owner of a number of mineral exploration licenses that comprise the Demerger Assets. The licenses are at various stages of exploration, and Latin Resources Shareholders should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the licenses, or any other licenses that may be acquired in the future, will result in the discovery of an economic mineral deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

In addition, there is no assurance that exploration or project studies undertaken by ESG Minerals will result in the discovery of an economically viable mineral deposit or that the exploration tonnage estimates and conceptual project developments discussed in this Demerger Notice are able to be achieved.

The exploration costs for the Demerger Assets are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect ESG Minerals' viability.

(d) Status of licences and tenements

The exploration licences that are and will be held by the Demerger Group are current and subject to renewal in due course. ESG Minerals cannot guarantee that the granted exploration licences held by the Demerger Group will be renewed on satisfactory terms, or at all. There is a material risk that, in the

event that the Demerger Group is unable to renew these granted licences beyond their current expiry date, the Demerger Group's interest in the licences may be relinquished.

More generally, some of the tenements are subject to the mining laws and regulations in Western Australia, South Australia, Victoria and New South Wales. The Demerger Group, as the tenement holder, has certain obligations under the respective mining laws in relation to the tenements, including payment of annual rents, meeting prescribed expenditure commitments (or obtaining exemptions from them), and satisfying other conditions imposed on the tenements.

Some of the other tenements are subject to the applicable mining laws and regulations in Argentina and Peru. The renewal of the terms of these tenements is subject to the regulation in the relevant jurisdiction in Argentina and Peru. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of ESG Minerals.

It is ESG Minerals' intention to satisfy the conditions that apply to the tenements. However, there are no guarantees that, in the future, the minimum expenditure and other conditions that apply to the tenements will be satisfied. If the conditions that apply to a tenement are not satisfied, ESG Minerals may be subject to penalties or forfeiture applications. Additional conditions may also be imposed on the tenements in the future. ESG Minerals has no certainty as to whether the applicable political circumstances or legislative regime are, or will in the future be, favourable in respect of foreign investment, lithium generally, or the ownership of land rights (including the Argentinian and Peru tenements) by foreigners. Any of these events could have a materially adverse effect on ESG Minerals' prospects and the value of its assets.

(e) Counter party risk

ESG Minerals will likely enter into a number of commercial agreements with third parties, such as CRC Care. There is a risk that the counterparties may not meet their obligations under those agreements.

The ability of ESG Minerals to achieve its stated objectives will depend on the performance by the counterparties, with whom ESG Minerals has contracted, or will contract with, of their obligations under the relevant agreements. If any party defaults in the performance of its obligations, it may be necessary for ESG Minerals to approach a court to seek a legal remedy, which can be costly.

(f) Landowner and access risk

Access to land for exploration purposes can be affected by land ownership, nature reserves and national parks, government regulation, zoning restrictions and environmental restrictions. Access is critical for exploration and development to success and the ability to be able to negotiate satisfactory commercial arrangements (including the payment of compensation for access) with landowners, farmers and occupiers is often essential (such as, for example, the lease in relation to the MT-03 Project). ESG Minerals' ability to resolve any land access issues will have an impact on the future success and financial performance of ESG Minerals' operations.

(g) Resource estimate risks

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates, which were valid when made, may change when new information becomes available. Resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. If mineralisation or a formation is different from those predicted by past drilling and mining, resource estimates and mining plans may have to be altered in a way which could either benefit or adversely affect ESG Minerals' operations.

(h) Development and operational risks

By its very nature, mine development contains significant risk with no guarantee of success. Therefore, even if a potentially economic mineral deposit is identified by ESG Minerals in the future, there is no guarantee that it can be developed and economically exploited. The ultimate economic development of a mineral deposit is dependent on many factors such as:

- the delineation of economically recoverable mineral reserves;

- access to adequate capital for project development;
- design and construction of efficient development and production infrastructure within capital expenditure budgets;
- securing and maintaining title to appropriate mining tenements;
- obtaining regulatory consents and approvals necessary for the conduct of development and production;
- securing plant and equipment; and
- access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

In particular, any mineral deposits identified by ESG Minerals may not produce sufficient quantities or qualities of minerals to be profitable or commercially viable and may result in a total loss of the investments by ESG Minerals.

Further, once established, mining operations can be impacted by a number of factors, including geological and weather conditions causing delays and interference to operations, access to necessary funding, metallurgical issues, mechanical failure of plant and equipment, shortages or increases in price of consumables and plant and equipment, environmental hazards, fires, explosions and other accidents.

These factors affect ESG Minerals' ability to establish mining operations, continue with the Demerger Assets and earn income from its operations, and may affect the value of ESG Minerals Shares.

Similarly, all production costs, particularly labour, fuel and power are key risks and have the potential to adversely affect ESG Minerals' profitability. If ESG Minerals develops mining operations and these are subject to cost over-runs and/or higher than anticipated operating costs, this would adversely affect ESG Minerals' profitability, the value of ESG Minerals' assets and in turn, the value of ESG Minerals Shares.

(i) No certainty of listing

ESG Minerals intends to apply for admission to the official list of ASX and raise further capital in the near term after the implementation of the Demerger, however, there can be no certainty as to the timing of when such application will be made or that any such application will be successful. Any proposed admission to the official list of ASX will be subject to ASX providing ESG Minerals with a list of conditions which, once satisfied, would result in ASX admitting ESG Minerals to the official list of ASX. If these conditions are not satisfied, ESG Minerals will not be admitted to the official list of ASX. There can be no assurances that future opportunities to invest directly in the Demerger Assets will eventuate.

(j) Commodity price risk and exchange rate risk

If ESG Minerals achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of ESG Minerals to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of ESG Minerals. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of ESG Minerals are generally in, and will be taken into account in, Australian dollars, exposing ESG Minerals to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(k) Climate and carbon pricing risks

The energy transition represents a period of significant change and volatility which presents both risks and opportunities for ESG Minerals. The commercial viability of the projects (particularly, the Emissions Reduction Research Projects) is contingent on fluctuations in carbon-pricing, as well as changes to carbon market regime. In addition, ESG Minerals is subject to a range of climate change risks related to the transition to a lower-carbon economy, including increased climate change-related regulation and requirements, uncertainties regarding the development and availability of low-carbon technologies,

reputational risks, increased capital costs as well as cost of inputs, energy and raw materials, reduced availability of equipment and raw materials supply and inability to access external funding and insurance. The climate-related and carbon pricing risks particularly attributable to ESG Minerals include:

- changes to government policy and regulation in relation to, and resulting from, carbon pricing (including carbon markets, border adjustment and taxes) or the emergence of new climate-related legislation or reporting requirements for participating in carbon markets;
- carbon pricing fluctuates and is affected by many factors beyond the control of ESG Minerals. Such factors include supply and demand fluctuations for carbon markets, technological advancements, forward selling activities, and other regulatory and macro-economic factors;
- government approval conditions, changes in laws, regulations, policies, obligations and government actions associated with the transition to a lower-carbon economy and market responses and societal expectations related to climate change mitigation. ESG Minerals may be impacted by changes to local or international carbon regulation related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. While ESG Minerals will endeavour to anticipate and respond to these risks, there can be no guarantee that ESG Minerals will not be impacted by these occurrences; and
- climate change may cause certain physical and environmental risks that cannot be predicted by ESG Minerals, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may have a significant impact on the Demerger Group's operations.

(l) Environmental and approvals risk

ESG Minerals' operations will be subject to the laws and regulations of all jurisdictions in which it has mineral interests and carries on business, including laws relating to environmental compliance and relevant hazards. ESG Minerals intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws. However, ESG Minerals may be the subject of accidents or unforeseen circumstances that could subject ESG Minerals to extensive liability.

Laws and regulations intended to ensure the protection of the environment are constantly changing, and are generally becoming more restrictive. There is a risk that environmental laws and regulations could become more onerous making ESG Minerals' operations more expensive. There is no assurance that future changes in environmental regulation, if any, will not adversely affect ESG Minerals' operations.

Government approvals and permits will be required in connection with ESG Minerals' operations, including for operating on any environmentally sensitive areas and for activities such as any land clearing and ground disturbing activities. To the extent such approvals are required and there are delays in obtaining them or they are not obtained or maintained on acceptable conditions, ESG Minerals may be delayed or prohibited from proceeding with planned exploration or development of the Demerger Assets.

Failure to comply with applicable laws, regulations and permit requirements may result in enforcement actions (including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed) and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

(m) Native title and Aboriginal heritage

ESG Minerals may need to negotiate with native title groups to be granted, and undertake activities on, its tenements if ESG Minerals' tenements are subject to native title determinations or claims. In that case, an agreement will need to be reached with native title claimants and/or holders before undertaking exploration or mining operations in the event of mining. There may be significant delays and costs associated with these negotiations and to reach agreement acceptable to all relevant parties. ESG Minerals may also be required to pay compensation to the native title group. Additionally, ESG Minerals may have difficulties in obtaining heritage surveys and, if disturbance to heritage cannot be avoided, government approvals to disturb Aboriginal heritage and therefore undertake its proposed exploration or mining activity. These matters can take some time to resolve.

Similar native title issues and processes may also apply to the Argentinian and Peruvian tenements. ESG Minerals may be subject to native title laws and regulations, and to the rights or asserted rights of

various community stakeholders (including indigenous communities) in Argentina and Peru, as well as any foreign jurisdictions in which it operates presently or in the future. Observance of such laws, regulations and rights, and the acquisition of rights or approvals to explore, develop and operate its projects in these jurisdictions, may delay or restrict its operations and activities, and may result in additional costs being incurred by ESG Minerals or otherwise adversely impact the ESG Minerals' financial performance. There is a risk that these processes may adversely impact ESG Minerals ability to effectively operate the Catamarca Project or the MT-03 Project to the degree it currently contemplates.

(n) Government policy changes

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Demerger Group. It is possible that the current system of exploration and mine permitting in the relevant jurisdictions of Australia, Argentina and Peru may change, resulting in impairment of rights and possibly expropriation of ESG Minerals' properties without adequate compensation.

Consideration should be given to the risks associated with operating in Argentina and Peru as each country has an economy and legal system different from that of some developed countries. There can be no assurance that the systems of government and the political system will remain stable. There can be no guarantee that government regulations relating to foreign investment, nationalisation of private assets, repatriation of foreign currency, taxation and the mining industry in Argentina or Peru will not be enacted, amended and / or replaced in the future to the detriment of ESG Minerals' business and / or the projects. Outcomes before courts in Argentina or Peru may be less predictable than in Australia, which could affect the enforceability of contracts entered into by ESG Minerals in these countries. There can be no guarantee that civil, ethnic or military unrest will not break out in Argentina or Peru in the near future.

Changes to the mining law or to other government legislation and regulations in Argentina or Peru, or to the division of regulatory powers between the central government and local and provincial bodies, may materially impact on the ability of ESG Minerals to operate in Argentina and Peru and on the ultimate profitability of each project located in Argentina and Peru. In the event that an economic resource is identified at the projects, there can be no assurance that all or any of the relevant approvals and permits necessary to conduct mining operations will be granted by the Argentinian government or Peruvian government (as applicable) and other appropriate regulatory authorities.

(o) Argentinian and Peruvian investment and sovereign risk

The Catamarca Project is located in Argentina, which is on the south western coast of South America. It shares its borders with Chile to the west, Bolivia and Paraguay to the north, Brazil to the northeast, Uruguay and the South Atlantic Ocean to the east. In addition, the MT-03 Project is located in Peru, which is on the western coast of South America. It shares its borders with Ecuador and Colombia to the north, Brazil and Bolivia to the east and Chile to the south. These projects are subject to the risks associated with operating in foreign countries. ESG Minerals' operations could be affected by changes in the economic or other policies of the Governments of Argentina and Peru or other political, regulatory or economic authorities in Argentina or Peru.

Argentina and Peru are less-developed countries (when compared to Australia) with associated risks. These risks may include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, labour relations as well as government control over natural resources or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

Projects located in Argentina and Peru are subject to certain legislative conditions, periodic renewal, environmental laws, landowner access negotiation and agreement and other regulations across multiple regulatory bodies in those jurisdictions. Any future material adverse changes in government policies or legislation in Argentina or Peru that affect foreign ownership, exploration, development or activities of companies involved in mining exploration and production, may affect the viability and profitability of ESG Minerals.

Mining projects developed in areas where there is a high index of poverty (social or community) carries with it the risk of social unrest and protests where issues arise with community groups, which in extreme cases can lead to violent up-risings against a particular mining company. The risk of terrorism activities

in South America generally and the resulting impact upon the relevant projects is also a relevant risk factor.

There are also added risks attaching to exploration and mining operations in a developing country such as Argentina or Peru which are not necessarily present in a developed country which can impact on a range of factors such as sovereign risk, safety, security, costs, ability to operate, country policy, fiscal provisions and laws and can lead to delays or even the suspension of operations. Parts of Argentina, and Peru are sensitive to community issues and the authorities in some regions are politically not pro-investment but rather sympathisers of populist claims of organised groups and with antimining attacks.

ESG Minerals has made investment and strategic decisions based on information currently available to the ESG Minerals Directors. Should there be any material change in the political, economic, legal and social environments in Argentina, Peru or South America generally, the ESG Minerals Directors may reassess investment decisions and commitments to assets in this country and region.

(p) Title

Interests in concessions in Argentina and Peru are governed by the respective country legislation and are evidenced by the granting of licences and leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments as well as other conditions requiring compliance. All of the ESG Minerals' various work permits, mining licences, mining leases, mining area licences and exploration licences are due for renewal from time to time. ESG Minerals expects that it will, in due course, lodge renewal applications for them as required. ESG Minerals has no reason to believe any of these will not be renewed, however this cannot be guaranteed.

(q) Equipment and availability

ESG Minerals' ability to undertake mining and exploration activities is dependent upon its ability to source and acquire appropriate mining equipment. Equipment is not always available and the market for mining equipment experiences fluctuations in supply and demand. If ESG Minerals is unable to source appropriate equipment economically or at all then this would have a material adverse effect on ESG Minerals' financial or trading position.

(r) Land rehabilitation requirements

As a condition of granting the exploration licenses, ESG Minerals may be required to rehabilitate land that has been damaged or adversely affected by exploration activities in order to minimise long term effects of land disturbance. Rehabilitation may include requirements to control dispersion of potentially deleterious effluents and to reasonably re-establish pre-disturbance land forms and vegetation. In order to carry out rehabilitation obligations imposed on ESG Minerals in connection with its mineral exploration, ESG Minerals must allocate financial resources that might otherwise be spent on further exploration and/or development programs.

(s) Litigation risk

ESG Minerals is subject to litigation risks. All industries, including the minerals exploration industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit.

Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which ESG Minerals is or may become subject could have a material effect on its financial position, results of operations or ESG Minerals' activities.

The enforcement of contractual rights in Argentina or Peru may be difficult. If a counterparty breaches its obligations under relevant contracts, it may be difficult for ESG Minerals to achieve specific performance or gain satisfactory compensation. Even if ESG Minerals is able to enforce its rights, it may only be able to do so over an extended period of time and at a potentially high cost.

(t) Reliance on key personnel

ESG Minerals' prospects will depend in part on the ability of its executive officers, senior management and key consultants to operate effectively, both independently and as a group. The loss of the services of one or more of such key management personnel could have a material adverse effect on ESG Minerals. ESG Minerals' ability to manage its exploration and development activities, and hence its

success, will depend in large part on the efforts of these individuals. Latin Resources Shareholders must be willing to rely to a significant extent on management's discretion and judgement, as well as the expertise and competence of outside contractors.

(u) Taxation

In all places where ESG Minerals has operations, in addition to the normal level of income tax imposed on all industries, ESG Minerals may be required to pay government royalties, indirect taxes, goods and services tax and other imposts which generally relate to revenue or cash flows. Industry profitability can be affected by changes in government taxation policies.

(v) Non-completion of the Demerger

There can be no assurance that the Demerger will complete, and as a consequence, there is a risk that costs associated with the Demerger and management time allocated to the Demerger will have been wasted.

(w) Limited history

Whilst ESG Minerals has been incorporated since 2021, during that time it has operated as a wholly-owned Subsidiary of Latin Resources. No assurances can be given that ESG Minerals will achieve commercial viability through the successful exploration of the Demerger Assets. Until ESG Minerals is able to realise value from its Demerger Assets, it is likely to incur ongoing operating losses.

2 General investment risks

Some of the general risks of investment which are considered beyond the control of ESG Minerals are as follows:

(a) Currently no market

There is currently no public market for ESG Minerals Shares. The price of ESG Minerals Shares is subject to uncertainty and there can be no assurance that an active market for ESG Minerals Shares will develop or continue after any ASX listing.

The price at which ESG Minerals Shares trade if listed on ASX may be higher or lower than the value of the Latin Resources Shares offered under this Demerger Notice and could be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors over which ESG Minerals have no control, such as movements in mineral prices and exchange rates, changes to government policy, legislation or regulation and other events or factors.

(b) Economic risks

Economic conditions, both domestic and global, may affect the performance of ESG Minerals. Factors such as fluctuations in currencies, commodity prices, inflation, interest rates, supply and demand and industrial disruption may have an impact on operating costs. ESG Minerals' future possible revenues and ESG Minerals Share price can be affected by these factors, all of which are beyond the control of ESG Minerals or the ESG Minerals Directors.

(c) Taxation

The acquisition and disposal of ESG Minerals Shares will have tax consequences, which will differ depending on the individual financial affairs of each Latin Resources Shareholder. All Latin Resources Shareholders are urged to obtain independent financial advice about the consequences of acquiring ESG Minerals Shares from a taxation viewpoint and generally.

(d) Contractors

ESG Minerals is unable to predict the risk of the insolvency or managerial failure by any of the contractors used (or to be used in the future) by ESG Minerals in any of its activities or the insolvency or

other managerial failure by any of the other service providers used (or to be used in the future) by ESG Minerals for any activity.

(e) Force majeure

The Demerger Assets may now or in the future be adversely affected by risks outside the control of ESG Minerals including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(f) Insurance

ESG Minerals intends to insure its operations in accordance with industry practice. However, in certain circumstances ESG Minerals' insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of ESG Minerals.

Insurance of all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.

3 Speculative nature of investment

The ESG Minerals Directors will, to the best of their knowledge, experience and ability endeavour to anticipate, identify and manage the risks inherent in the activities of ESG Minerals, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of ESG Minerals and its business operations. The ability of ESG Minerals' Directors to do so may be affected by matters outside their control and no assurance can be given that ESG Minerals Directors and management will be successful in these endeavours.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by ESG Minerals or ESG Minerals Shareholders. The above factors, and others not specified, may in the future materially affect the financial performance of ESG Minerals and the value of ESG Minerals Shares.

Schedule 6

Material contracts

1 Demerger Deed

On 22 November 2024, Latin Resources, ESG Minerals and Pilbara Minerals entered into the Demerger Deed.

The Demerger Deed sets out the terms upon which Latin Resources will conduct and give effect to the Demerger by way of an equal capital reduction and in-specie distribution to Eligible Shareholders in accordance with sections 256B and 256C of the Corporations Act. It also prescribes the key restructuring steps (which are summarised in Section 2.2 and comprise the Corporate Restructure and the Subscription) to be completed in advance of the Demerger, and the agreed principles governing the transition and emergence of the Demerger Group and the Latin Resources Group as independent corporate groups.

Demerger Conditions

The Demerger Deed includes conditions precedent which must be satisfied (or waived by Latin Resources) for the Subscription and Demerger to proceed (together, the **Demerger Conditions**):

- (a) the Demerger Resolution being approved by the requisite majority of Latin Resources Shareholders; and
- (b) the Share Scheme being approved by the requisite majorities of Latin Resources Shareholders.

The Demerger Deed may be terminated if the Demerger Conditions are not satisfied. The Demerger Deed may also be terminated if the Demerger is not implemented by 14 February 2025 (or such later date agreed by the parties).

Demerger Principles

To give effect to the Demerger, Latin Resources and ESG Minerals agree that the Demerger will be guided by overarching principles (**Demerger Principles**) including as follows:

- (a) the Demerger Group, and not the Latin Resources Group, will have the entire economic and commercial benefit and risk of the Demerger Group Business, and will assume all of the associated liabilities, as if the Demerger Group had, directly or indirectly, owned and operated the Demerger Group Business at all times;
- (b) the Latin Resources Group, and not the Demerger Group, will have the entire economic and commercial benefit and risk of the Latin Resources Group Business, and will assume all of the associated liabilities, as if the Latin Resources Group had, directly or indirectly, owned and operated the Latin Resources Group Business at all times;
- (c) no Demerger Group Member will have any rights (including any rights to make a claim in relation to the Demerger or related transaction documents) against any Latin Resources Group Member nor any obligations to any Latin Resources Group Member (except those rights and obligations expressly provided by the Demerger Deed or related transaction documents, or any rights and obligations arising after the Demerger Implementation Date); and
- (d) no member of the Latin Resources Group will have any rights (including any rights to make a claim in relation to the Demerger or related transaction documents) against any Demerger Group Member nor any obligations to any Demerger Group Member (except those rights and obligations expressly provided by the Demerger Deed or related transaction documents, or any rights and obligations arising after the Demerger Implementation Date).

Corporate Restructure and Subscription

Latin Resources and ESG Minerals will do all things that are necessary or convenient to implement, and give full effect to, the Corporate Restructure (including, for example, the transfer of any shares or the novation of any agreements with third parties as required). Latin Resources and ESG Minerals will also

take steps to set-off any intergroup receivables owing between the Demerger Group and the Latin Resources Group, with the Demerger Group applying any cash that it has in excess of \$500,000 to repay any remaining intergroup receivables (if any). Any intergroup receivables that remain after these steps have occurred are to be capitalised immediately prior to proceeding with the Subscription and the Demerger.

Following completion of the Corporate Restructure, Latin Resources will contribute the Working Capital Amount (and, in certain circumstances, an amount to reimburse ESG Minerals for Demerger Costs (as defined below) incurred by the ESG Minerals Group) to ESG Minerals by way of the Subscription for new ESG Minerals Shares.

"Demerger Costs" are costs incurred by the Latin Resources Group and the Demerger Group, in aggregate, in connection with the Demerger, comprising out-of-pocket expenses and stamp duty (or other transaction taxes), but excluding WA Landholder Duty. Latin Resources' commitment to pay (or reimburse ESG Minerals) for Demerger Costs incurred prior to the Demerger Implementation Date is capped at \$1,000,000. If the total Demerger Costs of the Latin Resources Group is greater than \$1,000,000, then Latin Resources will not reimburse ESG Minerals for any Demerger Costs incurred by the ESG Minerals Group. ESG Minerals has agreed to indemnify Latin Resources against any liability incurred by a Latin Resources Group Member in respect of any Demerger Costs in excess of \$1,000,000. This indemnity survives for 12 months following implementation of the Demerger.

Implementation of the Demerger

Latin Resources agrees to take various steps to implement the Demerger, including:

- (a) convening the Demerger Meeting to seek the approval of Latin Resources Shareholders for the Demerger Resolution;
- (b) doing all things necessary to give effect to the Capital Reduction and the Demerger; and
- (c) subject to the Demerger Conditions being satisfied or waived, executing transfers of all the ESG Minerals Shares to the Eligible Shareholders (or the Nominee).

ESG Minerals agrees to take certain steps to implement the Demerger, including:

- (a) on the Demerger Implementation Date, entering into the share register of ESG Minerals each Eligible Shareholder (or the Nominee in respect of the ESG Minerals Shares transferred on behalf of Demerger Ineligible Overseas Shareholders) and dispatching the relevant holding statements to each Eligible Shareholder and the Nominee;
- (b) procuring the sale of ESG Minerals Shares by the Nominee, and the payment of the net proceeds (if any) to Demerger Ineligible Overseas Shareholders upon a liquidity event becoming available; and
- (c) doing all things necessary to give effect to the Capital Reduction and the Demerger.

Transitional and separation arrangements

The parties have agreed to a number of transitional and separation arrangements in relation to the retention of business records, transferring personnel and assets, tax payments and reporting, and insurance.

As part of the transitional arrangements, in the event that:

- (a) ESG Minerals is required to pay WA Landholder Duty in respect of the Demerger; and
- (b) the ESG Minerals Group has not undertaken any liquidity events (such as a sale of shares and/or assets and/or an initial public offering of securities) which result in the ESG Minerals Group receiving, in aggregate, net proceeds equal to or greater than the amount of the WA Landholder Duty,

ESG Minerals may request that Latin Resources provide a loan of up to lesser of \$400,000 and the amount of any assessed WA Landholder Duty for the purposes of paying that duty (**Loan**). If ESG Minerals makes such a request, the parties must negotiate in good faith to seek to agree the terms of

the Loan. The quantum of the Loan is to be reduced to the extent that the ESG Minerals Group has received, prior to the drawdown date, net proceeds from one or more liquidity events.

Wrong pockets

If either Latin Resources or ESG Minerals become aware of an asset that should be owned by the other party based on the Demerger Principles, the Demerger Deed contains a “wrong pockets” mechanism which facilitates the transfer of the asset.

Release and indemnity

Consistent with the Demerger Principles:

- (a) Latin Resources and ESG Minerals each agree that it will have no rights to make any claims against the other party and releases the other party and its beneficiaries from any liability in relation to the Demerger Deed (and any ancillary transaction documents), the Subscription, the Corporate Restructure and the Demerger (except as expressly provided in a transaction document or to the extent excluded by law);
- (b) ESG Minerals indemnifies Latin Resources against any liability incurred in relation to any claim being brought by a Demerger Group Member contrary to the Demerger Principles or for any liability incurred in relation to the Demerger Group Business; and
- (c) Latin Resources indemnifies ESG Minerals against any liability incurred in relation to any claim being brought by a Latin Resources Group Member contrary to the Demerger Principles or for any liability incurred in relation to the Latin Resources Group Business.

2 CRC Care Research Agreement

On 17 November 2021, Latin Resources entered into a research agreement with CRC Care to develop innovative methane reduction technologies to exploit the clay mineral halloysite from the Latin Resources' Cloud Nine Deposit (**Research Agreement**).

Under the Research Agreement, Latin Resources committed to providing \$3.2 million in funding for the Emissions Reduction Research Projects over 3 years. The Emissions Reduction Research Projects commenced in January 2022. On 31 October 2023, Latin Resources and CRC Care entered into a deed of variation under which Latin Resources agreed to provide \$150,000 in additional research funding to CRC Care for further trials as part of the Cattle Feed Project.

CRC Care must carry out the Emissions Reduction Research Projects in accordance with the agreed research plan and in compliance with all applicable federal, state or local laws, governmental regulations and academic research guidelines. Latin Resources or CRC Care may terminate the Research Agreement at any time with 3 months' notice to the other party, regardless of whether the Emissions Reduction Research Projects have been completed.

Latin Resources retains all title to any patent or intellectual property rights to any invention derived from the research results of the Emissions Reduction Research Projects. Latin Resources may also pursue patent protection for any invention resulting from the Emissions Reduction Research Projects. CRC Care is permitted to use the research results and any intellectual property rights royalty free for research purposes only. Latin Resources may license its interest in any inventions arising from the Emissions Reduction Research Projects, with CRC Care entitled to a royalty upon any licensing arrangements.

The rights, obligations and intellectual property rights of the Research Agreement will be novated by Latin Resources to ESG Global as part of the Corporate Restructure.

Refer to Section 4 of Schedule 1 for more information on the Emissions Reduction Research Projects.

3 Joint Venture Agreement

The Catamarca Project in Argentina is governed by a joint venture framework agreement (**Joint Venture Agreement**) between Latin Resources and Integra (amongst others), dated 26 October 2020.

Under the terms of the Joint Venture Agreement, Integra committed to a contribution of up to US\$1,000,000 (**Expenditure Commitment**) over a three-year period to fund exploration, feasibility analysis and related works to explore, investigate and develop the Catamarca Project (**Works**). In

addition, a new company, Litios del Norte, was created to hold the key assets under the Catamarca Project. Latin Resources transferred all assets of the Catamarca Project to Litios del Norte.

On completion of the earn-in contribution of the Expenditure Commitment to Litios del Norte, shares in Litios del Norte will be issued to Integra based on the proportion of the Expenditure Commitment utilised for the Works at the Catamarca Project. In August 2022, Integra completed the earn-in contribution requirements and now holds a 50% equity interest in Litios del Norte, with Latin Resources holding the other 50%. Each party is responsible for an equal portion of the expenditure required for further funding of the Works for the Catamarca Project. The terms of Latin Resources and Integra's joint shareholding in Litios Del Norte are governed by a shareholders' agreement entered into on 26 October 2020.

Integra is the operator of the Catamarca Project, with decisions in relation to the Works requiring Latin Resources' approval, which cannot be unreasonably withheld. Maintenance of capital, operating expenditures and working capital requirements will be reviewed and adjusted from time to time by a dedicated management committee, comprising two personnel from Latin Resources and two personnel from Integra.

Latin Resources has agreed to indemnify Integra against all losses, liabilities or damages, costs and expenses (**Losses**) which Integra (or any of its affiliates and representatives) may directly or indirectly suffer in connection with a breach of an obligation on Latin Resources or any representation or warranty made by Latin Resources. Latin Resources is not liable for Losses, except with respect to claims for Losses brought by Integra (or any of its affiliates and representatives) within 6 years from "Closing", being 26 October 2020. The Joint Venture Agreement otherwise contains terms and conditions considered standard for an agreement of this nature.

Latin Resources novated its rights and obligations under the Joint Venture Agreement and related agreements to Latin 2.



Latin Resources Limited

ACN 131 405 144

Need assistance?



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YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AWST) on Tuesday, 14 January 2025.**

Proxy Form - Demerger Meeting

How to Vote on the Item of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite the item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on the item your vote will be invalid on the item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of Latin Resources Limited.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



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By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Latin Resources Limited hereby appoint

☐ the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Demerger Meeting of Latin Resources Limited to be held at the Ebell room at Trinity College, 230 Hampden Road, Crawley, WA 6009 on Thursday, 16 January 2025 at 10:00am (AWST) and at any adjournment or postponement of that meeting.

Step 2 Item of Business

PLEASE NOTE: If you mark the **Abstain** box for the item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
	That for the purposes of section 256B and section 256C(1) of the Corporations Act, and for all other purposes, approval is given for:	☐	☐	☐
Resolution	(i) the issued share capital of the Company to be reduced, without cancelling any Latin Resources Shares, by an amount equal to the market value of the Demerger Shares (as determined by the Latin Resources Directors), with such amount being applied equally against each Latin Resources Share on issue on the Demerger Record Date; and			
	(ii) the reduction of capital be effected and satisfied by the Company making a pro rata distribution in-specie of the Demerger Shares to all Eligible Shareholders (or the Nominee) at the Demerger Record Date, in accordance with the Constitution, the ASX Listing Rules and as otherwise determined by the Latin Resources Directors,			
	on the terms and conditions set out in the Explanatory Memorandum.			

The Chairman of the Meeting intends to vote undirected proxies in favour of the resolution. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically



Need assistance?



Phone:
1300 521 162 (within Australia)
+61 3 9415 4603 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:30am (AWST) on Tuesday, 14 January 2025**.

Proxy Form - Share Scheme Meeting

Capitalised terms used but not defined in this Proxy Form have the same meaning as given to them in Latin Resources Limited's Scheme Booklet which can be accessed on Latin Resources Limited's announcement platform at www.asx.com.au (unless the context requires otherwise).

How to Vote on the Item of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite the item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on the item your vote will be invalid on the item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of Latin Resources Limited.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 183494

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 1282
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



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Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Latin Resources Limited hereby appoint

☐ the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Share Scheme Meeting of Latin Resources Limited to be held at the Ebell room at Trinity College, 230 Hampden Road, Crawley, WA 6009 on Thursday, 16 January 2025 at the later of 10:30am (AWST) and the conclusion of the Demerger Meeting and at any adjournment or postponement of that meeting.

Step 2 Item of Business

PLEASE NOTE: If you mark the **Abstain** box for the item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution	That, pursuant to and in accordance with section 411 of the Corporations Act 2001 (Cth): (a) the scheme of arrangement proposed between Latin Resources Limited and the holders of its fully paid ordinary shares as contained in and more precisely described in the Scheme Booklet of which the notice convening this meeting forms part, is agreed to (with or without modification as approved by the Supreme Court of Western Australia to which Latin Resources Limited and Pilbara Minerals Limited agree); and (b) the directors of Latin Resources Limited are authorised to agree to such alterations or conditions as are thought fit by the Court, and subject to approval of the Share Scheme by the Court, the board of directors of Latin Resources Limited is authorised to implement the Share Scheme with any such modifications or conditions.	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of the resolution. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on the resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically



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Phone:
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+61 3 9415 4603 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:00am (AWST) on Tuesday, 14 January 2025**.

Proxy Form - Option Scheme Meeting

Capitalised terms used but not defined in this Proxy Form have the same meaning as given to them in Latin Resources Limited's Scheme Booklet which can be accessed on Latin Resources Limited's announcement platform at www.asx.com.au (unless the context requires otherwise).

How to Vote on the Item of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite the item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on the item your vote will be invalid on the item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of Latin Resources Limited.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

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Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

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Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 184599

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

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Computershare Investor Services Pty Limited
GPO Box 1282
Melbourne VIC 3001
Australia

By Fax:

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Please mark ☒ to indicate your directions

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I/We being a member/s of Latin Resources Limited hereby appoint

☐ the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Option Scheme Meeting of Latin Resources Limited to be held at the Ebell room at Trinity College, 230 Hampden Road, Crawley, WA 6009 on Thursday, 16 January 2025 at the later of 11:00am (AWST) and the conclusion of the Share Scheme Meeting and at any adjournment or postponement of that meeting.

Step 2 Item of Business

PLEASE NOTE: If you mark the **Abstain** box for the item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution	That, pursuant to and in accordance with section 411 of the Corporations Act 2001 (Cth): (a) the scheme of arrangement proposed between Latin Resources Limited and the holders of its options as contained in and more precisely described in the Scheme Booklet of which the notice convening this meeting forms part, is agreed to (with or without modification as approved by the Supreme Court of Western Australia to which Latin Resources Limited and Pilbara Minerals Limited agree); and (b) the directors of Latin Resources Limited are authorised to agree to such alterations or conditions as are thought fit by the Court, and subject to approval of the Option Scheme by the Court, the board of directors of Latin Resources Limited is authorised to implement the Option Scheme with any such modifications or conditions.	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of the resolution. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

