



LATIN METALS INC.

Latin Metals Announces Execution of Arrangement Agreement for Spin-Out of Para and Auquis Copper Projects

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Vancouver, British Columbia – Latin Metals Inc. ("Latin Metals" or the "Company") - (TSXV: LMS, OTCQB: LMSQF) is pleased to announce that, further to the Company's news release dated October 24, 2025, the Company has entered into an arrangement agreement dated December 8, 2025 (the "**Arrangement Agreement**") with Latin Explore Inc. ("**Latin Explore**"), a wholly-owned non-arm's length subsidiary of the Company, pursuant to which the parties intend to complete a spin-out transaction (the "**Spin-Out**") of the Company's Para and Auquis Copper Projects located in Peru (the "**Properties**").

The Spin-Out will provide shareholders of the Company with parallel value-creation opportunities in Latin America. Latin Explore will operate as a self-funded, discovery-driven exploration company, executing on drill-ready projects that can deliver potential near-term discovery. Latin Metals will continue to operate with its proven prospect generator model, advancing early-stage assets through to partner-funded exploration, minimizing or ultimately eliminating shareholder dilution in favour of asset-level dilution and industry-leading exploration partnerships.

"Latin Explore unlocks an entirely new category of opportunities for Latin Metals shareholders, who will now gain exposure to new acquisition opportunities within the spin-out, as well as early drill testing of foundational assets like Para," stated Keith Henderson, CEO of Latin Metals. "Latin Metals will continue to operate under its prospect generator model, and we look forward to delivering drill catalysts—including at Cerro Bayo in early 2026. As shareholders of the new vehicle, Latin Explore, investors will benefit from direct exposure to drill projects and acquisition opportunities as we grow and advance this parallel operating strategy."

Arrangement Details

The Spin-Out will be completed by way of a statutory plan of arrangement under the British Columbia *Business Corporations Act* (the "**Arrangement**"). The Arrangement involves, among other things, the expected distribution of approximately 10,944,000 common shares of Latin Explore (each, a "**Latin Explore Share**") to the Company's shareholders, other than dissenting shareholders, in proportion to their respective holdings of common shares of the Company (each, a "**Company Share**") on the share distribution record date, which will be the business day immediately preceding the effective date of the Arrangement, or such other date as determined by the Company's board of directors (the "**Board**"). The Company is expected to retain approximately 2,736,000 Latin Explore Shares. Upon completion of the Arrangement, shareholders of the Company will hold approximately 28.3%, the Company will hold approximately 7.1%, and shareholders of Finco (as defined below) will hold approximately 64.6% of the issued and outstanding Latin Explore Shares. Latin Explore will be a reporting issuer in the Provinces of

British Columbia and Alberta upon completion of the Arrangement and intends to apply for a listing of the Latin Explore Shares on the TSX Venture Exchange (the "**TSXV**").

Prior to the completion of the Arrangement, Latin Explore will complete a share exchange (the "**Share Exchange**") with a private British Columbia company ("**Finco**"), which will have completed a non-brokered private placement of 25,000,000 subscription receipts (each, a "**Subscription Receipt**") for aggregate gross proceeds of \$2,500,000 at a price of \$0.10 per Subscription Receipt (the "**Concurrent Financing**"). Upon satisfaction of certain conditions (collectively, the "**Escrow Release Conditions**"), each Subscription Receipt will automatically be converted into a unit of Finco (each, a "**Finco Unit**") without further payment or action on the part of the holder. Each Finco Unit will consist of one (1) common share in the capital of Finco (each, a "**Finco Share**") and one-half of one (1/2) common share purchase warrant of Finco (each whole warrant, a "**Finco Warrant**"). Each Finco Warrant will be exercisable into one (1) Finco Share at an exercise price of \$0.20 per Finco Share for a period of 24 months from the date of issuance.

Finco may pay finder's fees on all or a portion of the Concurrent Financing, consisting of a cash commission equal to up to 7% of the total gross proceeds raised and non-transferable finder's warrants (each, a "**Finder's Warrant**") equal to up to 7% of the total number of Subscription Receipts issued. Each Finder's Warrant will be exercisable into one (1) Finco Share at an exercise price of \$0.10 per Finco Share for a period of 12 months from the date of issuance.

Upon closing of the Share Exchange, each Finco Share will be exchanged for one (1) Latin Explore Share and each Finco Warrant and Finder's Warrant will entitle the holder thereof to receive one (1) Latin Explore Share, on the schedule and terms established at the time of the respective issuances of such Finco Warrants and Finder's Warrants.

The gross proceeds of the Offering will be held in escrow and, upon the satisfaction or waiver of the Escrow Release Conditions, the gross proceeds will be released to Finco (less any finder's fees, if applicable). In the event that the Escrow Release Conditions are not satisfied within 180 days following the closing of the Concurrent Financing (the "**Outside Date**"), and subject to Finco extending the Outside Date by an additional thirty-day period, the escrowed proceeds of the Concurrent Financing will be returned to holders of Subscription Receipts on a pro rata basis, with Finco contributing such amounts as necessary to satisfy any shortfall. The net proceeds from the Concurrent Financing are intended to be used primarily by Latin Explore (post-Share Exchange) for its work programs and for general working capital purposes.

A copy of the Arrangement Agreement will be posted on SEDAR+ under the Company's profile. Further details regarding the Arrangement will be included in the management information circular ("**Circular**") of the Company that is expected to be mailed to shareholders in mid-December 2025 for the Company's special meeting of shareholders scheduled for January 14, 2026 (the "**Shareholder Meeting**"), at which the shareholders of the Company will vote on the Arrangement.

The Company established a special committee (the "**Special Committee**") of the Board, composed solely of independent directors, to review the Arrangement. Following its review, and the receipt of financial advice, the Special Committee unanimously recommended that the Board approve the Arrangement and recommend that the Company's shareholders vote in favour of the Arrangement. Evans & Evans, Inc. ("**Evans & Evans**") has provided a verbal opinion to the Special Committee with respect to the Arrangement to the effect that, subject to the assumptions, limitations and qualifications stated in the written opinion of Evans & Evans, the Arrangement is fair, from a financial point of view, to the Company's shareholders. Evans & Evans will receive a fixed fee for its services that is not dependent on the completion of the Arrangement. Following the receipt of the recommendation from the Special Committee and the verbal opinion from Evans & Evans, the Board has determined that the Arrangement is in the best interests of the Company. A description of the various factors considered by the Board in arriving at this determination will be provided in the Circular.

The Arrangement remains subject to customary conditions, including, among other things, the approval of the TSXV, approval of (i) two-thirds of the votes cast by shareholders of the Company at the Shareholder Meeting, (ii) a majority of the votes cast at the Shareholder Meeting, excluding votes cast by persons required to be excluded under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, and (iii) shareholders in accordance with the corporate finance policies of the TSXV, as well as approval of the Supreme Court of British Columbia. There can be no assurance that such approvals will be obtained or that the Arrangement will be completed on the terms contemplated, or at all. The listing of the Latin Explore Shares on the TSXV will be subject to Latin Explore meeting the TSXV listing requirements.

None of the securities to be issued pursuant to the Arrangement, the Share Exchange or the Concurrent Financing have been or will be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. Any securities issued pursuant to the Arrangement are anticipated to be issued in reliance upon available exemptions from such registration requirements pursuant to section 3(a)(10) of the U.S. Securities Act and similar exemptions under applicable securities laws of any state of the United States. This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

About the Para and Auquis Copper Projects

Para Copper Project

Latin Metals acquired its 100%-owned Para Copper Project ("**Para**" or the "**Para Project**") through staking in 2023 and expanded it in 2025 through acquisition of additional property. The Company initially completed systematic geochemical sampling and interpretation, confirming the presence of multiple porphyry-style targets. Latin Metals subsequently purchased historical exploration data from Vale Exploration Peru S.A.C., a subsidiary of Vale Canada Limited ("**Vale**") (see previous news release dated February 10, 2025), allowing Latin Metals to leverage Vale's extensive prior work, minimizing risk and accelerating the next stages of exploration. Vale's exploration efforts included geochemical rock sampling, induced polarization, ground magnetic and radiometric surveys, and resulted in the identification of four drill targets. Historically, Vale completed drill permitting, providing a strong indication that Para is a project where new drill permits could be obtained in due course.

The Company has retained SLR Consulting (Canada) Ltd. to complete an NI 43-101 Technical Report on the Para Project, which is intended to constitute Latin Explore's Qualifying Property within the meaning of TSXV policies.

Auquis Copper Project

The Auquis Copper Project ("**Auquis**" or the "**Auquis Project**") has potential for multiple deposit types including copper-molybdenum porphyry and skarn. Surface exploration discoveries at Auquis to date include the Rose Zone, where strong magnetic anomalies correspond to anomalous copper mineralization, and the Blanco Zone, where intense magnetic anomalies align with skarn alteration and base metal mineralization.

Qualified Person

Eduardo Leon, QP, is the Company's qualified person as defined by NI 43-101 and has reviewed the scientific and technical information that forms the basis for portions of this news release. He has approved the disclosure herein. Mr. Leon is not independent of the Company, as he is an officer of the Company and holds securities of the Company.

About Latin Metals

Latin Metals Inc. is a copper, gold and silver exploration company operating in Peru and Argentina under a prospect generator model, minimizing risk and dilution while maximizing discovery potential. With 18 projects, the company secures option agreements with major mining companies to fund exploration. This approach provides early-stage exposure to high-value mineral assets.

For more information, please get in touch with Latin Metals Investor Relations at 778-683-4324 or via email at info@latin-metals.com.

Stay Connected

Follow Latin Metals on [YouTube](#), [X](#), [Facebook](#), [LinkedIn](#) and [Instagram](#) to stay informed on our latest developments, exploration updates, and corporate news.

On Behalf of the Board of Directors of

LATIN METALS INC.

"Keith Henderson"

President & CEO

For further details on the Company readers are referred to the Company's web site (www.latin-metals.com) and its Canadian regulatory filings on SEDAR at www.sedarplus.ca.

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Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

This news release contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian and U.S. securities legislation. All statements, other than statements of historical fact, included herein including, without limitation, statements regarding the completion and timing of the Spin-Out, the expectations and beliefs of the Company and Latin Explore that the Arrangement will be completed in accordance with the Arrangement Agreement, the expected date for the share distribution record date, the expectation that Latin Explore will receive the approval of the TSXV for the initial listing of the Latin Explore Shares thereon, that Para will constitute a Qualifying Property within the meaning of TSXV policies, the expected meeting date for the Shareholder Meeting and timing of mailing of the Circular, the completion of the Concurrent Financing, the closing of the Share Exchange, the capitalization structure of Latin Explore and exchange ratio for shares of Latin Explore to be received by shareholders of the Company, the approval of the Arrangement by the shareholders of the Company at the Company Meeting, the approval of the Arrangement by the Supreme Court of British Columbia, anticipated exploration program results from exploration activities, the discovery and delineation of mineral deposits/resources/reserves, and the anticipated business plans and timing of future activities of the Company, are forward-looking statements. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Often, but not always, forward looking

information can be identified by words such as "pro forma", "plans", "expects", "may", "will", "should", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes", "potential" or variations of such words including negative variations thereof, and phrases that refer to certain actions, events or results that may, could, would, might or will occur or be taken or achieved. In making the forward-looking statements in this news release, the Company has applied several material assumptions, including without limitation, that it (and as applicable Latin Explore) will obtain TSXV acceptance and the required corporate approvals for the Spin-Out and Arrangement, including in respect of the initial listing for trading of the Latin Explore Shares on the TSXV, that market fundamentals will result in sustained precious and base metals demand and prices, the receipt of any necessary permits, licenses and regulatory approvals in connection with the future development of the Para Project and the Auquis Project in a timely manner, the availability of financing on suitable terms for the development, construction and continued operation of the Company's projects, and the Company's ability to comply with environmental, health and safety laws.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information. Such risks and other factors include, among others, operating and technical difficulties in connection with mineral exploration and development and mine development activities at the Company's projects, estimation or realization of mineral reserves and mineral resources, requirements for additional capital, future prices of precious metals and copper, changes in general economic conditions, changes in the financial markets and in the demand and market price for commodities, possible variations in ore grade or recovery rates, possible failures of plants, equipment or processes to operate as anticipated, accidents, labour disputes and other risks of the mining industry, delays or the inability of the Company to obtain any necessary permits, consents or authorizations required, including of the TSXV, financing or other planned activities, changes in laws, regulations and policies affecting mining operations, currency fluctuations, title disputes or claims limitations on insurance coverage and the timing and possible outcome of pending litigation, environmental issues and liabilities, risks relating to epidemics or pandemics and their impact on the Company's business, risks related to joint venture operations, and risks related to the integration of acquisitions, as well as those factors discussed under the heading "Risk Factors" in the Company's latest Management Discussion and Analysis and other filings of the Company with the Canadian Securities Authorities, copies of which can be found under the Company's profile on the SEDAR+ website at www.sedarplus.ca.

Readers are cautioned not to place undue reliance on forward looking statements. Except as otherwise required by law, the Company undertakes no obligation to update any of the forward-looking information in this news release or incorporated by reference herein.