<u>Form 51-102F3</u>
Material Change Report

1. Name and Address of Company

Latin Metals Inc. (the "**Company**" or "**Latin Metals**")
320 Granville Street, Suite 870
Vancouver, British Columbia V6C 1S9

2. Date of Material Change

December 8, 2025.

3. News Release

A news release was disseminated on December 9, 2025 via Newsfile Corp., and was filed on SEDAR+.

4. Summary of Material Change

On December 9, 2025, the Company announced that it had entered into an arrangement agreement dated December 8, 2025 (the "**Arrangement Agreement**") with Latin Explore Inc. ("**Latin Explore**"), its wholly-owned subsidiary, pursuant to which the parties intend to complete a spin-out transaction (the "**Spin-Out**") of the Company's Para copper project (the "**Para Project**") and the Auquis copper project (the "**Auquis Project**") located in Peru (the "**Properties**").

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 (the "**Shareholders**"), other than dissenting Shareholders, in proportion to their respective holdings of common shares of the Company (each, a "**Latin Metals Common Share**") on the share distribution record date (the "**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 Company is expected to retain approximately 2,736,000 Latin Explore Shares.

Following the completion of the Spin-Out, in addition to receiving Latin Explore Shares, Latin Metals shareholders will continue to hold their interest in Latin Metals.

5. Full Description of Material Change

The Company entered into the Arrangement Agreement in respect of the Spin-Out whereby the Company will spin-out its interest in the Properties to Latin Explore. The Arrangement involves, among other things, the expected distribution of approximately 10,944,000 Latin Explore Shares to the Shareholders, other than dissenting Shareholders, in proportion to their respective holdings of Latin Metals Common Shares on the Distribution Record Date. The Company is expected to retain approximately 2,736,000 Latin Explore Shares.

As part of the Arrangement:

(a) the authorized share structure of the Company will be altered by:

(i) renaming and redesignating all of the issued and unissued Latin Metals Common Shares as "Class A common shares without par value" and amending the special rights and restrictions attached to those shares to provide the holders thereof with two votes in respect of each share held, such shares hereinafter referred to as the "**Latin Metals Class A Shares**"; and

(ii) creating a new class consisting of an unlimited number of "common shares without par value" with terms and special rights and restrictions identical to those of the Latin Metals Common Shares immediately prior to the effective time of the Arrangement, such shares hereinafter referred to as the "**Latin Metals New Common Shares**";

(b) Latin Metals' notice of articles shall be amended to reflect the foregoing alterations; and

(c) each of the issued and outstanding Latin Metals Common Shares (as renamed and redesignated Latin Metals Class A Shares) on the Distribution Record Date shall be exchanged for:

(i) one (1) Latin Metals New Common Share; and

(ii) such number of Latin Explore Shares as is equal to the Exchange Ratio (as defined below), subject to adjustment in accordance with Section 3.2 of the Plan of Arrangement;

and the registered holders of the Latin Metals Class A Shares shall be removed from the securities register of Latin Metals as the holders of such Latin Metals Class A Shares, and shall be added to the securities register of Latin Metals as the holders of the number of Latin Metals New Common Shares that they have received on the exchange set forth above, and the Latin Explore Shares transferred to the then holders of the Latin Metals Class A Shares shall be registered in the name of the former holders of the Latin Metals Class A Shares and Latin Metals shall provide Latin Explore notice to make the appropriate entries in the securities register of Latin Explore;

(d) all of the issued Latin Metals Class A Shares shall be cancelled with the appropriate entries being made in the securities register of Latin Metals, and the aggregate paid-up capital (as that term is used for purposes of the Income Tax Act) of the Latin Metals New Common Shares shall be equal to that of the Latin Metals Common Shares immediately prior to the effective time of the Arrangement less the fair market value, immediately before the effective time of the Arrangement, of the Latin Explore Shares distributed pursuant to subsection (c) above;

(e) the Latin Metals Class A Shares, none of which shall be issued or outstanding once the steps above are completed, shall be cancelled and the authorized share structure of Latin Metals shall be changed by eliminating the Latin Metals Class A Shares; and

(f) the notice of articles of Latin Metals shall be amended to reflect the alterations set forth above.

For each Latin Metals Common Share held, Shareholders are expected to receive (i) one Latin Metals New Common Share; and (ii) approximately 0.08228098 of a Latin Explore Share (the "**Exchange Ratio**"). The final Exchange Ratio will be determined prior to the Arrangement becoming effective depending on, among other things, the number of Latin Metals Common Shares then-issued and outstanding. Upon completion of the Spin-Out, Shareholders (as a group) are expected to hold approximately 25%, Latin Metals is expected to retain approximately 6%, and participants in the Concurrent Financing (as defined below) are expected to hold approximately 69% of the issued and outstanding Latin Explore Shares, on a non-diluted basis.

Prior to the completion of the Arrangement, Latin Explore will complete a share exchange (the "**Latin Explore Share Exchange**") with a private British Columbia company ("**Finco**"), which will have completed a non-brokered private placement of 30,000,000 subscription receipts (each, a "**Subscription Receipt**") for aggregate gross proceeds of $3,000,000 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 Latin Explore 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-Latin Explore Share Exchange) for its work programs and for general working capital purposes.

In order for the Spin-Out to become effective, (a) the Arrangement will require the approval of at least: (i) two-thirds of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the special meeting of shareholders scheduled for January 14, 2026 (the "**Meeting**"); and (ii) a simple majority of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting, excluding votes cast by persons required to be excluded by Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, and (b) the Latin Explore Share Exchange will require the approval of at least a simple majority of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting, excluding votes cast by persons required to be excluded by the corporate finance policies of the TSX Venture Exchange (the "**TSXV**"). In addition to shareholder and court approvals, the completion of the Spin-Out is subject to customary closing conditions, including approval of the TSXV, the completion of the Concurrent Financing and the Latin Explore Share Exchange (including TSXV approval of same).

6. Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officer

Keith Henderson
President & Chief Executive Officer
Telephone: 604-638-3456

9. Date of Report

December 18, 2025.

Forward looking and other cautionary statements

This report 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 of the Spin-Out, the Arrangement, the Latin Explore Share Exchange, the Concurrent Financing, the finalization of the Exchange Ratio, the holding of the Meeting, the completion of the conditions precedent necessary to complete the Spin-Out and the anticipated business plans and timing of future activities of the Company and Latin Explore, respectively, 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 report, the Company has applied several material assumptions, including without limitation, that market fundamentals will result in sustained precious metals and copper demand and prices, the receipt of any necessary permits, licenses and regulatory approvals in connection with the Spin-Out in a timely manner, the availability of financing on suitable terms for the continued operation of the Company's and Latin Explore's business, and the Company's and Latin Explore'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 and Latin Explore 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 properties, 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 receipt of shareholder approval, court approval and TSXV acceptance for the Arrangement and the Latin Explore Share Exchange 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, 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 report or incorporated by reference herein.