

16 July 2014

ASX Market Announcements Office  
ASX Limited  
20 Bridge Street  
SYDNEY NSW 2000

### **Share Purchase Plan Shortfall - Oversubscribed**

Dear Sir/Madam,

Latin Resources Limited (ASX: LRS) ('Latin or the Company') is pleased to advise that the Share Purchase Plan Shortfall ('Shortfall') announced on 24 June 2014 has received overwhelming support from investors resulting in the Shortfall being heavily oversubscribed.

The Company has received commitments of over \$2 million from sophisticated and professional investors.

Since the Shortfall was announced, Latin has received a strong positive reaction by the market to the announcements made on 2 July 2014, 3 July 2014 and 9 July 2014 resulting in an increase in the share price and historically high trading volumes.

As a result of this activity, the Company's 15 day volume weighted average share price has risen to a level that, under the ASX Listing Rules, requires it to issue shares under the Shortfall and the oversubscriptions in two tranches:

- Tranche 1 which will consist of 30,660,089 fully paid ordinary shares being issued at \$0.038 per share raising \$1,165,083 (before costs) and be issued under Latin's LR 7.1 placement capacity; and
- Tranche 2 which will be based on the outcome of discussions with investors and be issued on the earlier of the date that the Company receives shareholder approval in a general meeting (to be held as soon as possible) and the date the Company is otherwise permitted to issue the shares under the ASX Listing Rules.

## Use of funds

As previously advised, the proceeds from the Shortfall will be used to fund:

- Commencement of drilling at the Ilo Este project (Drilling permit obtained refer announcement on 9 July 2014);
- Continued testwork on the Guadalupito project; and
- General working capital.

Latin's Managing director, Chris Gale commented:

"We are extremely pleased to receive such strong support from shareholders and investors for the Shortfall, which closed significantly oversubscribed despite a difficult equity market. This result demonstrates strong market support for our projects and the Company's strategic direction."

### **For further information please contact:**

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