

19 August 2014

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

Additional disclosures for shares issued under Listing rule 7.1A

Dear Sir/Madam,

In relation to the placement of 5,600,000 shares pursuant to ASX Listing Rule 7.1A ('Placement'), as set out in the attached Appendix 3B announced earlier today, the following information is provided:

Details of the dilution to existing holders of ordinary securities caused by the issue

The dilutive effect of the Placement on existing shareholders is 1.8%.

Percentage of the post-Placement issued capital held:

Shareholder category	Holding pre-Placement	Holding post-Placement
Pre-Placement security holders who did not participate in the Placement.	97.32%	95.52%
Pre-Placement security holders who did participate in the Placement.	2.68%	4.48%
Participants in the Placement who were not previously security holders	Nil	Nil%
Total	100%	100%

Reason for issue of shares as a Placement under rule 7.1A

The Company issued the shares as a placement to sophisticated and professional investors under LR 7.1A at the same price per share as the Share Purchase Plan offer to all shareholders announced on 21 May 2014. The Placement was made as part consideration of a vendor commitment.

Details of any underwriting arrangements

The placement was not underwritten.

Any other fees or costs incurred in connection with the issue

No other fees or costs were incurred in connection with the issue.

Independent valuation

Verification by an independent expert that the non-cash consideration of the shares issued complies with the requirements of ASX Listing Rule 7.1A is attached.

Yours faithfully

Anthony Begovich
Company Secretary

19 August 2014

The Directors
Latin Resources Limited
Suite 2, Level 1
254 Rokeby Road
SUBIACO WA 6008

Dear Sirs,

At the request of Anthony Begovich, Company Secretary of Latin Resources Limited ("Latin"), we hereby set out a statement as an independent expert relating to compliance with Australian Securities Exchange ("ASX") Listing Rule 7.1A.3 as it pertains to the issue of 5,600,000 shares issued to a Vendor as part settlement of a vendor commitment on 19 August 2014. The shares were issued at an issue price of 3.8 cents each.

We have reviewed a schedule prepared by Latin on the 15 day volume weighted average share price ("VWAP") of a Latin share to the day immediately before the issue of the shares to the Vendor on 19 August 2014. The VWAP is calculated at 3.87 (rounded) cents. The last sale price of a listed Latin share trading on ASX as at 19 August 2014 was 4.0 cents. The future ultimate value of Latin shares will depend upon, inter alia:

- the future prospects of its mineral assets;
- the state of the metal markets (and prices) in Australia and overseas;
- the state of Australian and overseas stock markets;
- foreign exchange prices
- the strength of the Board and management and/or who makes up the Board and management;
- general economic conditions;
- the liquidity of shares in Latin and
- possible ventures and acquisitions entered into by Latin.

In the absence of any other factors, for accounting purposes, shares are issued at fair market value and for shares listed on a recognised stock exchange, the closing share price of a listed share as traded on the recognised exchange (at date of issue of the shares when issued not for cash) is taken as the fair value. Volumes of shares traded in Latin are sufficient to state that a fair market exists for trading in Latin shares and thus we consider the fair value of a Latin share as at 19 August 2014 is around 4.0 cents.

The VWAP of is 3.87 cents and 75% of the VWAP equates to approximately 2.90 cents and thus the 5,380,000 shares issued to the Vendor at 3.80 cents meets the ASX Listing requirements under Listing Rule 7.1A.3 regarding "no less than 75% of the volume weighted average price of securities in that class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (a) the date on which the price at which the securities are to be issued is agreed or
- (b) if the securities are not issued within 5 trading days on the date in paragraph (a), the date on which the securities are issued”.

The accounting cost of the issue of 5,380,000 shares to the Vendor will thus be \$204,440 (5,380,000 times 3.8 cents).

It is our view that Latin has complied with the conditions noted in ASX Listing Rule 7.1A.3.

Our report is in accordance with all applicable Regulatory Guidelines in relation to expert reports.

Yours faithfully

Stantons International Securities Pty Ltd
(Trading as Stantons International Securities)



John P Van Dieren – FCA
Director