



LATIN RESOURCES LIMITED
ACN: 131 405 144

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17 October 2017

ASX Market Announcements Office
ASX Limited
Level 40 Central Park
152-158 St Georges Terrace
PERTH WA 6000

Dear Sir/Madam,

Latin Resources Limited (“**the Company**”) advises that it has issued 371,428,600 fully paid ordinary shares at \$0.0035 per share forming Tranche 1 of the Placement announced to ASX on 10 October 2017. The Company issued 171,428,600 shares under its placement capacity under Listing Rule 7.1, and 200,000,000 shares under its Listing Rule 7.1A placement capacity.

Information required under Listing Rule 3.10.5A

The Company provides the following information as required under ASX Listing Rule 3.10.5A in respect of the shares issued under the Company’s 10% Placement Capacity under Listing Rule 7.1A:

- a) The dilutive effect of the Placement on existing shareholders is as follows:

Number of shares on issue prior to the Placement: 2,065,107,213

| | Shares | Dilution |
|---|----------------------|---------------|
| Shares issued under LR 7.1 | 171,428,600 | 7.03% |
| Shares issued under LR 7.1A | 200,000,000 | 8.21% |
| Total Shares on Issue Post Placement (Tranche 1) | 2,436,535,813 | |
| Total Dilution | | 15.24% |

Details of the Company’s issued capital following completion of the share issue under Listing Rule 7.1A held by pre-issue shareholders and new shareholders are as follows:

| | Shares | Percentage |
|---|----------------------|----------------|
| Pre-issue shareholders who did not participate in the new issue | 2,065,107,213 | 91.17% |
| Pre-issue shareholders who participated in the new issue | 0 | 0.00% |
| New shareholders who participated in the new issue | 200,000,000 | 8.83% |
| Total | 2,265,107,213 | 100.00% |

- b) The 200,000,000 shares issued under Listing Rule 7.1A were issued to sophisticated and professional investors as it was considered to be the most efficient mechanism for raising much needed funds at the time;
- c) There were no underwriting arrangements entered into; and
- d) Commission for the Placement was 6% (plus GST) of total funds raised, and 214,285,714 Listed Options (exercisable at \$0.01; expiry 12 October 2019) subject to shareholder approval.

A notice under s708A(5)(e) of the Corporations Act and Appendix 3B, in respect to the above shares issued is attached.

NOTICE UNDER SECTION 708A(5)(e) OF THE CORPORATIONS ACT

The Company gives this notice pursuant to Section 708A(5)(e) of the Corporations Act.

The securities were issued without disclosure to the investors under Part 6D.2 of the Corporations Act, in reliance on Section 708A(5) of the Corporations Act.

The Company, as at the date of this notice, has complied with:

- a) the provisions of Chapter 2M of the Corporations Act as they apply to Company; and
- b) Section 674 of the Corporations Act.

As at the date of this notice, there is no information that is “excluded information” for the purposes of Sections 708A(7) and (8) of the Corporations Act that is required to be disclosed for the purpose of Section 708A(6)(e) of the Corporations Act.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Sarah Smith', with a stylized flourish at the end.

Sarah Smith
Company Secretary

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Latin Resources Limited

ABN

81 131 405 144

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|----------------------------|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 371,428,600 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares |

Appendix 3B
New issue announcement

| | |
|---|---|
| <p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | <p>Yes</p> |
| <p>5 Issue price or consideration</p> | <p>\$0.0035</p> |
| <p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p> | <p>Tranche 1 of Placement of 428,571,428 shares to raise \$1.5m to sophisticated and professional investors announced to ASX on 10 October 2017. The funds raised from the Placement will be used to further exploration work on the lithium targets in Argentina, maintain the Peruvian mineral properties in good standing and for working capital.</p> |
| <p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p> | <p>Yes</p> |
| <p>6b The date the security holder resolution under rule 7.1A was passed</p> | <p>31 May 2017</p> |
| <p>6c Number of +securities issued without security holder approval under rule 7.1</p> | <p>171,428,600 ordinary shares</p> |
| <p>6d Number of +securities issued with security holder approval under rule 7.1A</p> | <p>Nil</p> |

+ See chapter 19 for defined terms.

| 6e | Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting) | Nil | | | | | | |
|---------------|---|--|--------|--------|---------------|----------------------------------|-------------|--|
| 6f | Number of +securities issued under an exception in rule 7.2 | Nil | | | | | | |
| 6g | If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation. | 200,000,000 ordinary shares Yes Issue Date: 17 October 2017 Issue Price: \$0.0035 75% of 15 Day VWAP (up to 10/10/17): \$0.0033 Source: Commsec | | | | | | |
| 6h | If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements | n/a | | | | | | |
| 6i | Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements | 7.1 – 135,437,126 7.1A – 6,258,516 | | | | | | |
| 7 | +Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B. | 17 October 2017 | | | | | | |
| 8 | Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable) | <table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>2,436,535,813</td> <td>Ordinary fully paid shares (LRS)</td> </tr> <tr> <td>250,000,000</td> <td>Listed Options (exercisable at \$0.01; expiry 12 October 2019) (LRSOB)</td> </tr> </tbody> </table> | Number | +Class | 2,436,535,813 | Ordinary fully paid shares (LRS) | 250,000,000 | Listed Options (exercisable at \$0.01; expiry 12 October 2019) (LRSOB) |
| Number | +Class | | | | | | | |
| 2,436,535,813 | Ordinary fully paid shares (LRS) | | | | | | | |
| 250,000,000 | Listed Options (exercisable at \$0.01; expiry 12 October 2019) (LRSOB) | | | | | | | |

Appendix 3B
New issue announcement

| | Number | +Class |
|----|---|---|
| 9 | Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable) | |
| | 65,031,642 | Incentive rights (LRSAS) issued pursuant to approved Incentive rights plan. |
| | Nil | Deferred rights (LRSAS) issued pursuant to approved Deferred rights plan. |
| | 10,687,500 | Options (LRS AU) exercisable at \$0.0461 each on or before 1 December 2017. |
| | 9,375,000 | Options exercisable at \$0.008 each on or before 30 November 2017. |
| | 14,000,000 | Options exercisable at \$0.04 each on or before 20 December 2017 |
| 10 | Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) | Nil |

Part 2 - Pro rata issue

| | | |
|----|--|-----|
| 11 | Is security holder approval required? | N/a |
| 12 | Is the issue renounceable or non-renounceable? | N/a |
| 13 | Ratio in which the +securities will be offered | N/a |
| 14 | +Class of +securities to which the offer relates | N/a |
| 15 | +Record date to determine entitlements | N/a |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | N/a |
| 17 | Policy for deciding entitlements in relation to fractions | N/a |

+ See chapter 19 for defined terms.

| | | |
|----|--|-----|
| 18 | Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7. | N/a |
| 19 | Closing date for receipt of acceptances or renunciations | N/a |
| 20 | Names of any underwriters | N/a |
| 21 | Amount of any underwriting fee or commission | N/a |
| 22 | Names of any brokers to the issue | N/a |
| 23 | Fee or commission payable to the broker to the issue | N/a |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders | N/a |
| 25 | If the issue is contingent on security holders' approval, the date of the meeting | N/a |
| 26 | Date entitlement and acceptance form and offer documents will be sent to persons entitled | N/a |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | N/a |
| 28 | Date rights trading will begin (if applicable) | N/a |
| 29 | Date rights trading will end (if applicable) | N/a |
| 30 | How do security holders sell their entitlements <i>in full</i> through a broker? | N/a |
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | N/a |

Appendix 3B New issue announcement

- | | | |
|----|--|-----|
| 32 | How do security holders dispose of their entitlements (except by sale through a broker)? | N/a |
| 33 | +Issue date | N/a |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of +securities
(tick one)
- (a) +Securities described in Part 1
- (b) All other +securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

| 38 | Number of +securities for which +quotation is sought | N/a | | | | | |
|--------|---|--|--------|--------|-----|--|--|
| 39 | +Class of +securities for which quotation is sought | N/a | | | | | |
| 40 | <p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | N/a | | | | | |
| 41 | <p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p> | N/a | | | | | |
| 42 | <p>Number and +class of all +securities quoted on ASX (including the +securities in clause 38)</p> | <table border="1"> <thead> <tr> <th data-bbox="799 1395 1080 1429">Number</th> <th data-bbox="1088 1395 1375 1429">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="799 1429 1080 1650">N/a</td> <td data-bbox="1088 1429 1375 1650"></td> </tr> </tbody> </table> | Number | +Class | N/a | | |
| Number | +Class | | | | | | |
| N/a | | | | | | | |

Appendix 3B New issue announcement

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Sarah Smith
(Company Secretary)

Date: 17/10/2017

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

| Rule 7.1 – Issues exceeding 15% of capital | |
|--|--|
| Step 1: Calculate “A”, the base figure from which the placement capacity is calculated | |
| Insert number of fully paid ⁺ ordinary securities on issue 12 months before the ⁺ issue date or date of agreement to issue | 882,446,666 |
| <p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid ⁺ordinary securities issued in that 12 month period under an exception in rule 7.2 <p>Number of fully paid ⁺ordinary securities issued in that 12 month period with shareholder approval</p> | <ul style="list-style-type: none"> • 7,403,798 issued 15/03/2017 • 3,405,054 issued on 13/1/2016 & approved on 27/11/2015) • 3,000,000 issued on 1/2/2016 & approved on 27/11/2015) • 13,634,886 issued on 4/2/2016 & approved on 27/11/2015) • 48,906,234 issued on 26/2/2016 & approved on 27/11/2015) • 2,000,000 issued on 21/04/2016 and approved on 31/05/2016 • 2,738,106 issued on 21/04/2016 and approved on 31/05/2016 • 12,128,539 issued on 12/11/2015 and approved on 31/05/2016 • 25,000,000 issued on 13/01/2016 and approved on 31/05/2016 • 18,750,000 issued on 11/04/2016 and approved on 31/05/2016 • 60,000,000 issued on 5/05/2016 and approved on 31/05/2016 • 10,000,000 issued on 5/05/2016 and approved on 31/05/2016 • 7,000,000 issued on 9/05/2016 and approved on 31/05/2016 • 82,500,000 issued 20/05/2016 and approved on 31/10/2016 • 38,743,208 issued 01/06/2016 approved 31/10/2016 • 8,194,444 issued on 04/07/2016 and approved on 31/10/2016 • 1,155,507 issued on 28/07/2016 and approved on 31/10/2016 • 96,288,945 issued on 19/08/2016 and approved on 31/10/2016 • 22,801,964 issued on 19/08/2016 and approved on 31/10/2016 • 6,704,545 issued on 1/6/2016 & approved on 31/5/2016) • 10,000,000 issued 28/07/2016 on exercise of Options approved by shareholders on 27/11/2015 • 10,000,000 issued 29 July 2016 & approved by shareholders on 31 May 2016 • 190,000,000 issued 19 August 2016 (pre-approved by shareholders at 31 May 2016 AGM) • 14,054,768 issued 15 March 2017 on exercise of Options • 2,000,000 shares issued 03/11/2016 and ratified 31 May 2017 • 18,000,000 shares issued 9/11/2016 and ratified 31 May 2017 • 2,000,000 shares issued 23/12/2016 and ratified 31 May 2017 • 80,000,000 shares issued 09/05/2017 and ratified 17 July 2017 |

Appendix 3B

New issue announcement

| | |
|--|--|
| <ul style="list-style-type: none"> Number of partly paid ⁺ordinary securities that became fully paid in that 12 month period <p>Note:</p> <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items | <ul style="list-style-type: none"> 133,728,500 shares issued 10/05/2017 and ratified 17 July 2017 70,941,484 shares issued 26 July 2017 and ratified 4 October 2017 179,058,516 shares issued 26 July 2017 and ratified 4 October 2017 <p>Nil</p> |
| Subtract the number of fully paid ⁺ ordinary securities cancelled during that 12 month period | Nil |
| “A” | 2,062,585,164 |

Step 2: Calculate 15% of “A”

| | |
|-----------------------------|---|
| “B” | 0.15 <i>[Note: this value cannot be changed]</i> |
| Multiply “A” by 0.15 | 309,387,775 |

Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used

| | |
|--|--|
| <p>Insert number of ⁺equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> Under an exception in rule 7.2 Under rule 7.1A With security holder approval under rule 7.1 or rule 7.4 <p>Note:</p> <ul style="list-style-type: none"> This applies to equity securities, unless specifically excluded – not just ordinary securities Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items | <p>522,049 issued 9 August 2017 2,000,000 issued 16 August 2017 171,428,600 issued 17 October 2017</p> |
| “C” | 173,950,649 |

Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1

| | |
|--|--|
| <p>“A” x 0.15</p> <p>Note: number must be same as shown in Step 2</p> | 309,387,775 |
| <p>Subtract “C”</p> <p>Note: number must be same as shown in Step 3</p> | 173,950,649 |
| Total [“A” x 0.15] – “C” | 135,437,126 <i>[Note: this is the remaining placement capacity under rule 7.1]</i> |

+ See chapter 19 for defined terms.

Part 2

| Rule 7.1A – Additional placement capacity for eligible entities | |
|--|--|
| Step 1: Calculate “A”, the base figure from which the placement capacity is calculated | |
| “A” <i>Note: number must be same as shown in Step 1 of Part 1</i> | 2,062,585,164 |
| Step 2: Calculate 10% of “A” | |
| “D” | 0.10 <i>Note: this value cannot be changed</i> |
| Multiply “A” by 0.10 | 206,258,516 |
| Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used | |
| Insert number of ⁺ equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> | 200,000,000 shares issued 17 October 2017 |
| “E” | 200,000,000 |
| Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A | |
| “A” x 0.10 <i>Note: number must be same as shown in Step 2</i> | 206,258,516 |
| Subtract “E” <i>Note: number must be same as shown in Step 3</i> | 200,000,000 |
| Total [“A” x 0.10] – “E” | 6,258,516 <i>Note: this is the remaining placement capacity under rule 7.1A</i> |