

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 | <ol style="list-style-type: none"> 1. Fully paid ordinary shares 2. Listed Options (subject to ASX application for quotation) 3. Listed Options (subject to ASX application for quotation) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | <ol style="list-style-type: none"> 1. 25,000,000 2. 6,250,000 3. 40,000,000 |
| 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) | <ol style="list-style-type: none"> 1. Fully paid ordinary shares¹ 2. Listed Options exercisable at \$0.012 on or before 31 December 2022 (subject to ASX application for quotation) 3. Listed Options exercisable at \$0.012 on or before 31 December 2022 (subject to ASX application for quotation) <p>¹ 5,000,000 shares subject to voluntary escrow</p> |

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<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	<ol style="list-style-type: none">1. Yes2. No - upon exercise and conversion into ordinary shares, the option will rank equally3. No - upon exercise and conversion into ordinary shares, the option will rank equally
<p>5 Issue price or consideration</p>	<ol style="list-style-type: none">1. Nil2. Nil3. Nil
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<ol style="list-style-type: none">1. Shares issued to the shareholders of Electric Metals Pty Ltd as consideration for the acquisition as announced to ASX on 24 October 2019 and approved by shareholders at a General Meeting held 11 December 2019.2. Options issued to the shareholders of Electric Metals Pty Ltd as consideration for the acquisition as announced to ASX on 24 October 2019 and approved by shareholders at a General Meeting held 11 December 2019. Issued pursuant to a Prospectus dated 12 December 2019.3. Options issued to Brokers for services provided in relation to the capital raising as announced to ASX on 24 October 2019 and approved by shareholders at a General Meeting held 11 December 2019. Issued pursuant to a Prospectus dated 12 December 2019.

+ See chapter 19 for defined terms.

6a	<p>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>	Yes
6b	The date the security holder resolution under rule 7.1A was passed	31 May 2019 however it expired on 11 December 2019 following the receipt of shareholder approval pursuant to Listing Rule 11.1.2.
6c	Number of +securities issued without security holder approval under rule 7.1	N/A
6d	Number of +securities issued with security holder approval under rule 7.1A	N/A
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	<ol style="list-style-type: none"> 1. 25,000,000 ordinary shares 2. 6,250,000 Listed Options exercisable at \$0.012 on or before 31 December 2022 (subject to ASX application for quotation) 3. 40,000,000 Listed Options exercisable at \$0.012 on or before 31 December 2022 (subject to ASX application for quotation) <p><i>Approved by shareholders at General Meeting held 11 December 2019</i></p>
6f	Number of +securities issued under an exception in rule 7.2	N/A
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.	N/A
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

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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	<p>7.1 – 39,022,953</p> <p>7.1A – N/A</p>								
7	<p>+Issue dates</p> <p>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.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	23 December 2019								
8	Number and +class of all +securities quoted on ASX (<i>including</i> the +securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th data-bbox="703 698 935 734">Number</th> <th data-bbox="935 698 1294 734">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="703 734 935 824">338,365,795</td> <td data-bbox="935 734 1294 824">Ordinary fully paid shares (LRS)</td> </tr> <tr> <td data-bbox="703 824 935 949">5,000,000</td> <td data-bbox="935 824 1294 949">Ordinary fully paid shares (LRS) (Subject to voluntary escrow)</td> </tr> <tr> <td data-bbox="703 949 935 1084">4,000,000</td> <td data-bbox="935 949 1294 1084">Loan Funded Shares (Subject to voluntary escrow)</td> </tr> </tbody> </table>	Number	+Class	338,365,795	Ordinary fully paid shares (LRS)	5,000,000	Ordinary fully paid shares (LRS) (Subject to voluntary escrow)	4,000,000	Loan Funded Shares (Subject to voluntary escrow)
Number	+Class									
338,365,795	Ordinary fully paid shares (LRS)									
5,000,000	Ordinary fully paid shares (LRS) (Subject to voluntary escrow)									
4,000,000	Loan Funded Shares (Subject to voluntary escrow)									

+ See chapter 19 for defined terms.

	Number	+Class												
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	<table border="1"> <tr> <td>129,583,334</td> <td>Options exercisable at \$0.012 on or before 31 December 2022 (to be listed subject to ASX application for quotation)</td> </tr> <tr> <td>6,666,667</td> <td>Unlisted Options (exercisable at \$0.1075; expiry 18/12/2022)</td> </tr> <tr> <td>8,000,000</td> <td>Unlisted Options (exercisable at \$0.0325; expiry 03/07/2023)</td> </tr> <tr> <td>1</td> <td>Convertible Security (Lind)</td> </tr> <tr> <td>1</td> <td>Re-investment Convertible Security (Lind)</td> </tr> <tr> <td>520,000</td> <td>Convertible Notes</td> </tr> </table>	129,583,334	Options exercisable at \$0.012 on or before 31 December 2022 (to be listed subject to ASX application for quotation)	6,666,667	Unlisted Options (exercisable at \$0.1075; expiry 18/12/2022)	8,000,000	Unlisted Options (exercisable at \$0.0325; expiry 03/07/2023)	1	Convertible Security (Lind)	1	Re-investment Convertible Security (Lind)	520,000	Convertible Notes
129,583,334	Options exercisable at \$0.012 on or before 31 December 2022 (to be listed subject to ASX application for quotation)													
6,666,667	Unlisted Options (exercisable at \$0.1075; expiry 18/12/2022)													
8,000,000	Unlisted Options (exercisable at \$0.0325; expiry 03/07/2023)													
1	Convertible Security (Lind)													
1	Re-investment Convertible Security (Lind)													
520,000	Convertible Notes													
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

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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	N/a

+ See chapter 19 for defined terms.

	broker and accept for the balance?	
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

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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> <ol style="list-style-type: none"> 1. the date from which they do 2. the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment 3. 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	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	Number	+Class
		N/a	

+ See chapter 19 for defined terms.

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: 23/12/2019

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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	2,659,366,170 (pre-consolidation)
<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"> Number of partly paid ⁺ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></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 	<p>7,324,336 shares issued on 20 June 2018 vesting of deferred rights</p> <p>9,186,014 shares issued on 20 June 2018 on vesting of incentive rights</p> <p>261,550,000 shares issued on 7 March 2019 (Share Purchase Plan)</p> <p>11,707,633 shares issued on 14 June 2019 on vesting of incentive rights</p> <p>100,000,000 unquoted shares issued on 22 June 2018</p> <p>8,000,000 ordinary shares issued on 19 June 2018</p> <p>26,666,667 ordinary shares issued on 12 July 2018 (Lind 1)</p> <p>33,333,334 ordinary shares issued on 4 November 2018 (Lind 2)</p> <p>7,500,000 ordinary shares (Collateral) issued on 18 December 2018</p> <p>35,294,118 ordinary shares issued on 6 December 2018 (Lind 3)</p> <p>44,444,445 ordinary shares issued 8 January 2019 (Lind 4)</p> <p>60,000,000 ordinary shares issued 7 February 2019 (Lind 5)</p> <p>70,588,236 ordinary shares issued 7 March 2019 (Lind 6)</p> <p>22,500,000 ordinary shares issued 22 March 2019 (Lind; Series B)</p> <p>75,000,000 ordinary shares issued 9 April 2019 (Lind 7)</p> <p>10,980,000 ordinary shares issued (ratified 2 September 2019)</p> <p>166,666,667 shares issued 18 December 2019</p> <p>25,000,000 shares issued 23 December 2019</p> <p>Nil</p>
Subtract the number of fully paid ⁺ ordinary securities cancelled during that 12 month period	(3,305,703,315) (effect of 1:25 share consolidation)

+ See chapter 19 for defined terms.

“A”	329,404,305 (post consolidation)
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Step 2: Calculate 15% of “A”

“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	49,410,646

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><i>Note:</i></p> <ul style="list-style-type: none"> <i>This applies to equity securities, unless specifically excluded – 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>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>80,000 ordinary shares issued 18 December 2018 1,107,692 ordinary shares issued 23 April 2019 4,000,000 ordinary shares issued 10 May 2019 1,200,000 ordinary shares issued 20 May 2019 4,000,000 ordinary shares issued 14 June 2019</p>
“C”	10,387,692

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

<p>“A” x 0.15 <i>Note: number must be same as shown in Step 2</i></p>	49,410,646
<p>Subtract “C” <i>Note: number must be same as shown in Step 3</i></p>	10,387,692
<p>Total [“A” x 0.15] – “C”</p>	39,022,953 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>