

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 | (a) Unlisted Convertible security
(b) Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | (a) 1
(b) 1,834,983 |
| 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) | (a) Issued in accordance with the funding arrangement announced on 8 May 2015.
(b) Shares rank pari passu with the existing quoted shares |

4	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: - 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	(a) The Convertible Security does not rank equally with any other existing class of security. Any shares issued on conversion of the Convertible Security will rank equally in all respects with the existing class of quoted fully paid ordinary shares (ASX code: LRS). The Convertible Security does not entitle the holder to participate in the next dividend payment. The Convertible Security does not carry any voting rights or rights to participate in new issues of capital. (b) Yes
5	Issue price or consideration	(a) US\$300,000 (b) Deemed price per share of \$0.083
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	(a) & (b) Issued in accordance with the funding arrangement announced on 8 May 2015.
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	27 May 2014
6c	Number of +securities issued without security holder approval under rule 7.1	(a) 1 (b) 1,834,983
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil

+ See chapter 19 for defined terms.

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.	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				
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 - 222,359 7.1A – 5,940,479				
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.	8 May 2015				
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>375,516,437</td><td>Ordinary fully paid shares, (including 2,000,000 shares subject to a voluntary escrow of 6 months)</td></tr></table>	Number	+Class	375,516,437	Ordinary fully paid shares, (including 2,000,000 shares subject to a voluntary escrow of 6 months)
Number	+Class					
375,516,437	Ordinary fully paid shares, (including 2,000,000 shares subject to a voluntary escrow of 6 months)					

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	
	1,000,000	LRSAl Options exercisable at \$0.30 each on or before 25 June 2015
	1	Convertible security (face value of \$2,500,000 maturing on 31 July 2015)
	14,292,886	Incentive rights issued pursuant to approved Incentive rights plan
	12,998,403	Deferred rights issued pursuant to approved Deferred rights plan
	1	Convertible security (face value of \$1,327,500 maturing on 1 June 2016)
	10,687,500	Options exercisable at \$0.0461 each on or before 1 December 2017
	1	Convertible security (face value of US\$312,000 maturing on 29 September 2015)
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

+ See chapter 19 for defined terms.

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
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 |
| 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	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: - 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	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another +security, clearly identify that other +security)	N/a					
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>N/a</td> <td></td> </tr> </tbody> </table>	Number	+Class	N/a		
Number	+Class						
N/a							

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: Anthony Begovich
(Company secretary)

Date: 8/5/2015

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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	231,765,135
Add the following: - Number of fully paid ⁺ordinary securities issued in that 12 month period under an exception in rule 7.2 - Number of fully paid ⁺ordinary securities issued in that 12 month period with shareholder approval - Number of partly paid ⁺ordinary securities that became fully paid in that 12 month period <i>Note:</i> - 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	10,357,914 issued on 24/6/2014 1,556,565 issued on 31/7/2014 1,661,327 issued on 8/10/2014 3,128,537 issued on 12/1/2015 5,328,772 issued on 15/4/2015 5,000,000 issued on 1/4/2014 & approved on 27/5/2014 520,845 issued on 10/6/2014 & approved on 27/5/2014 952,959 issued on 23/4/2014 & approved on 3/10/2014 1,283,806 issued on 10/6/2014 & approved on 27/5/2014 30,660,089 issued on 22/7/2014 & approved on 3/10/2014 16,077,471 issued on 12/8/2014 & approved on 3/10/2014 5,600,000 issued on 19/8/2014 & approved on 3/10/2014 Nil
Subtract the number of fully paid ⁺ ordinary securities cancelled during that 12 month period	Nil
“A”	313,893,420

Appendix 3B
New issue announcement

Step 2: Calculate 15% of “A”

“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	47,084,013

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

Insert number of ⁺equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: - Under an exception in rule 7.2 - Under rule 7.1A - With security holder approval under rule 7.1 or rule 7.4 <i>Note:</i> - 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	1,105,532 fully paid shares issued on 10/9/2014 1,576,537 fully paid shares issued on 10/10/2014 402,200 fully paid shares issued on 10/10/2014 8,750,000 fully paid shares issued on 1/12/2014 10,687,500 unlisted options issued on 1/12/2014 250,000 fully paid shares issued on 3/12/2014 4,916,667 fully paid shares issued on 5/1/2015 4,338,235 fully paid shares issued on 10/2/2015 6,000,000 fully paid shares issued on 16/3/2015 2,000,000 fully paid shares issued on 24/3/2015 5,000,000 fully paid shares issued on 13/4/2015 1,834,983 fully paid shares issued on 8/5/2015
“C”	46,861,654

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

“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	47,084,013
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	46,861,654
Total [“A” x 0.15] – “C”	222,359 <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>	313,893,420
Step 2: Calculate 10% of “A”	
“D” <i>Note: this value cannot be changed</i>	0.10
Multiply “A” by 0.10	31,389,342
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> - This applies to equity securities – not just ordinary securities - Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed - 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 - It may be useful to set out issues of securities on different dates as separate line items	2,948,863 fully paid ordinary shares issued on 10/9/2014. 6,000,000 fully paid ordinary shares issued on 16 March 2015. 16,500,000 fully paid ordinary shares issued on 25 March 2015.
“E”	25,448,863
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>	31,389,342
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	25,448,863
Total [“A” x 0.10] – “E”	5,940,479 <i>Note: this is the remaining placement capacity under rule 7.1A</i>



LATIN RESOURCES LIMITED
ACN: 131 405 144

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8 May 2015

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

Dear Sir/Madam,

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

An Appendix 3B was lodged today by Latin Resources Limited (**Company**).

The lodgement refers to the issue of 1,834,983 fully paid ordinary shares at a deemed issue price of \$0.083 per share, to sophisticated and professional investors (as described in Section 708(8) of the Corporations Act 2001 (**Corporations Act**)) pursuant to the funding arrangement announced today.

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

The shares 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

Anthony Begovich
CFO/Company Secretary