

LATIN RESOURCES LIMITED
ACN 131 405 144

ENTITLEMENT ISSUE PROSPECTUS

For a non-renounceable entitlement issue of one (1) Share for every one (1) Share held by those Shareholders registered at the Record Date at an issue price of \$0.008 per Share (based on the number of Shares on issue as at the date of this Prospectus) together with one (1) free attaching Option exercisable at \$0.02 on or before 9 March 2017 for every two (2) Shares subscribed for and issued to raise up to \$3,076,798 (the **Offer**).

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares and New Options offered by this Prospectus should be considered as speculative.

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1. CORPORATE DIRECTORY

Directors

David Vilensky (Non-executive Chairman)
Christopher Gale (Managing Director)
Frankie Li (Non-executive Director)

Company Secretary

Anthony Begovich

Registered Office

Unit 3, 32 Harrogate Street
West Leederville WA 6007

Telephone: + 61 8 6181 9798
Facsimile: +61 8 9380 9666

Email: info@latinresources.com.au
Website: www.latinresources.com.au

Share Registry*

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth WA 6000

Telephone: +61 8 9323 2000
Facsimile: +61 8 9323 2033

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Auditor*

Stantons International
Level 2,
1 Walker Avenue
West Perth WA 6005

*These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.

2. TIMETABLE

Lodgement of Prospectus with the ASIC	29 June 2015
Lodgement of Prospectus & Appendix 3B with ASX	29 June 2015
Notice sent to Optionholders	1 July 2015
Notice sent to Shareholders	1 July 2015
Ex date	2 July 2015
Record Date for determining Entitlements	5pm (WST) 6 July 2015
Prospectus sent out to Shareholders and Offer opens	9 July 2015
Closing Date*	20 July 2015
Securities quoted on a deferred settlement basis	21 July 2015
ASX notified of under subscriptions	23 July 2015
Issue date	24 July 2015
Quotation of Securities issued under the Offer*	27 July 2015

*The Directors may extend the Closing Date by giving at least three Business Days notice to ASX prior to the Closing Date and may vary other dates without notice. In the event of any such variation, the date that the Securities are expected to commence trading on ASX may vary accordingly.

3. IMPORTANT NOTES

3.1 General

This Prospectus is dated 29 June 2015 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares and New Options the subject of this Prospectus should be considered highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus.

In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

3.2 Risk factors

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks.

The key risk factors of which investors should be aware are set out in Section 8 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares and New Options in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

3.3 Foreign Jurisdictions

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

The Offer is not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia, New Zealand, China, Hong Kong, Peru or the United Kingdom (subject to the terms of the offer to persons in those jurisdictions, as described below).

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions (other than China, Hong Kong, Peru and the United Kingdom) having regard to the number of overseas Shareholders, the number and value of Securities these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

China

The information in this document does not constitute a public offer of the Shares or the Options, whether by way of sale or subscription, in the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The Shares and the Options may not be offered or sold directly or indirectly in the PRC to legal or natural persons other than directly to "qualified domestic institutional investors".

Hong Kong

WARNING: The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Peru

The information contained in this document does not constitute a public offering in Peru. Neither this document nor the Shares or Options will be registered with the Securities Market Public Registry of the Peruvian Securities Market Commission. This document is only being distributed to institutional investors (as such term is defined under the Peruvian Securities Law) or a limited number of existing shareholders of the Company.

United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for *approval* to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the Securities offered hereunder. This document is issued on a confidential basis to fewer than 150 persons (other than "qualified investors" (within the meaning of section 86(7) of FSMA)) in the United Kingdom, and the Securities may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of Securities has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to the Company.

3.4 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 8 of this Prospectus.

4. CHAIRMAN'S LETTER

Dear Shareholder,

On behalf of the directors of Latin Resources Limited, I am pleased to offer you the opportunity to participate in this non-renounceable entitlement issue.

Each Shareholder who is eligible to participate in the offer will be entitled to subscribe for one (1) new Share for every one (1) existing Share held by the Shareholder on 3 July 2015 at an issue price of \$0.008 per Share, together with one (1) free attaching New Option, that will be exercisable at \$0.02 at any time up to 9 March 2017, for every two (2) Shares subscribed for and issued.

Proceeds from this Offer, if fully subscribed, will strengthen the Company's balance sheet by approximately \$3 million (before deducting the estimated expenses of the Offer), to be used to maintain the Company's concessions, reduce debt and for general working capital.

The Offer will also provide a solid platform for the Company to move forward with its projects and enable it to take advantage of any new opportunities that may arise.

This Prospectus contains important information concerning your potential participation in the Offer, including:

- (a) the terms of the Offer;
- (b) instructions on how to participate should you choose to do so; and
- (c) a personalised Entitlement and Acceptance Form which details your rights, to be completed in accordance with the instructions provided.

Before making a decision to participate in the Offer, I recommend that you seek independent advice from your stockbroker, accountant or other professional advisor.

Yours sincerely

David Vilensky
Chairman

29 June 2015

5. DETAILS OF THE OFFER

5.1 The Offer

The Offer is being made as a non-renounceable entitlement issue of one (1) new Share for every one (1) existing Share held by Shareholders registered at the Record Date at an issue price of \$0.008 per Share together with one (1) free attaching New Option, that will be exercisable at \$0.02 at any time up to 9 March 2017, for every two (2) Shares subscribed for and issued.

Based on the capital structure of the Company as at the date of this Prospectus, a maximum of 384,599,770 Shares and 192,299,885 New Options will be issued pursuant to this Offer to raise up to \$3,076,798 before costs of the Offer.

As at the date of this Prospectus, the Company has 36,406,143 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to Section 6.4 of this Prospectus for information on the exercise price and expiry date of the existing Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 7.1 of this Prospectus for further information regarding the rights and liabilities attaching to the Shares.

The New Options will be granted on the terms and conditions set out in Section 7.2 of this Prospectus.

The purpose of the Offer and the intended use of funds raised are set out in Section 6.1 of this Prospectus.

5.2 Minimum subscription

There is no minimum subscription for the Offer.

5.3 Acceptance

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your **full** Entitlement:
 - (i) complete the Entitlement and Acceptance Form;
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form; and
 - (iii) pay the appropriate application monies at \$0.008 per Share through the BPAY® facility described below. If you make your payment by BPAY®, you do not need to return the Entitlement and Acceptance Form; or
- (b) if you only wish to accept **part** of your Entitlement:

- (i) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form;
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies (at \$0.008 per Share); and
 - (iii) pay the appropriate application monies at \$0.008 per Share through the BPAY® facility described below. If you make your payment by BPAY®, you do not need to return the Entitlement and Acceptance Form; or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

5.4 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Latin Resources Limited – Entitlement Issue Account" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 5:00 pm WST on the Closing Date.

5.5 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 4.00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

5.6 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

Eligible Shareholders may apply for additional Shares (including free attaching New Options) under the Shortfall Offer by completing the prescribed area on the Entitlement and Acceptance Form designated to the Shortfall and by paying the appropriate Application Monies in accordance with the instructions set out in the Entitlement and Acceptance Form.

Additionally, other investors who are not currently Shareholders who wish to participate in the Shortfall Offer may apply for Shortfall Securities using the Shortfall Application Form attached to this Prospectus by following the instructions set out on the Shortfall Application Form and paying the appropriate Application Monies.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three (3) months following the Closing Date. All Securities issued under the Shortfall Offer shall be issued on the same terms as Securities being offered under the Offer (including the issue price).

The Directors reserve the right to determine the allottees of the Shortfall Securities at their absolute discretion, provided that the Directors currently intend to offer existing Shareholders priority in any Shortfall. As such there is no guarantee that participating parties will receive any additional Securities applied for under the Shortfall.

The Directors reserve the right to issue to an Applicant a lesser number of Shortfall Securities than the number for which the Applicant applies, or to reject an Application, or to not proceed with placing the Shortfall. In that event, Application Monies will be refunded by the Company (without interest) in accordance with the provisions of the Corporations Act.

The Company may seek to place some of the Shortfall to creditors of the Company, including holders of convertible securities, in debt for equity swaps under which the Company and a creditor agree that some or all of the debt owed to the creditor is offset against Shortfall subscription funds the creditor would otherwise have to pay in cash. To the extent any such arrangement is made, the Company will not receive a cash subscription amount from the creditor for Shares issued to it under the Shortfall while the Company's debts will be reduced by the foregone cash subscription amount.

The Company reserves the right to pay a 5% capital raising fee on Shortfall subscription funds raised by brokers or other third parties, together with the issue of one (1) Share for every four (4) Shortfall Shares issued in respect of Shortfall subscription funds raised by a broker or third party, subject to the Company having sufficient placement capacity or obtaining Shareholder approval where capacity is insufficient.

5.7 ASX listing

Application for Official Quotation of the Shares and New Options offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Securities offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus (or such period as varied by the ASIC), the Company will not issue any Securities and will repay all Application Monies for the Securities within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

5.8 Allotment

Securities issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Securities issued is less than the number applied for, or where no issue is made, surplus Application Monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all Application Monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

5.9 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia, New Zealand, China, Hong Kong, Peru or the United Kingdom.

The Offer is being made in New Zealand pursuant to the Securities Act (Overseas Companies) Exemption Notice 2013.

Shareholders resident in Australia, New Zealand, China, Hong Kong, Peru or the United Kingdom holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

5.10 Enquiries

Any questions concerning the Offer should be directed to Anthony Begovich, Company Secretary, on + 61 8 6181 9798.

6. PURPOSE AND EFFECT OF THE OFFER

6.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$3,076,798 before costs of the Offer.

The Company intends to use the funds raised from the Offer in accordance with the table set out below:

Item	Application of proceeds from the Offer	Funds (\$)¹	%
1.	Maintain concessions in good standing	330,000	10.73
2.	Part repayment of Junefield debt²	500,000	16.25
3.	Expenses of the Offer³	56,000	1.82
4.	Working capital⁴, ⁵	2,123,798	71.20
	Total	3,076,798	100.00

Notes:

1. Assuming all entitlements are accepted under the Offer and no new Shares are issued prior to the Record Date (including upon exercise of Options).
2. This refers to the partial redemption of the Junefield High Value Metals Investments Limited Convertible security (see Section 6.4 for details).
3. Refer to Section 9.8 of this Prospectus for further details relating to the estimated expenses of the Offer. If, and to the extent, the Company agrees to pay a 5% capital raising fee on Shortfall raised by brokers, the working capital available to the Company will be reduced.
4. If the Company raises at least US\$1,500,000 under this Prospectus (approximately \$1,950,000), the Company is required to repay the outstanding debt owed by it to Equities II, LLC (**Magna**), being a total of approximately \$490,000, unless Magna otherwise agrees. This repayment will be made from the proceeds of the Offer and the working capital will be reduced accordingly. This assumes US\$1 = AUD\$1.30.
5. The Company may allocate a portion of these funds towards potential project assessment and funding (by either debt or equity), potential farm-in arrangements, joint ventures and project acquisitions.

In the event that the Offer is undersubscribed, the specific use of funds in respect of the Offer will be scaled back by reducing working capital (once expenses of the Offer are paid).

If, and to the extent, the Company enters into debt for equity swaps with creditors who subscribe for Shortfall as detailed in Section 5.6, the funds actually raised under the Shortfall will be reduced by the amount of debt offset against the creditor's Shortfall subscription funds.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

6.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, will be to:

- (a) increase the cash reserves by \$3,076,798 (before deducting the estimated expenses of the Offer) immediately after completion of the Offer;
- (b) increase the number of Shares on issue from 384,599,770 as at the date of this Prospectus to 769,199,540 Shares; and
- (c) increase the number of Options on issue from 36,406,143 as at the date of this Prospectus to 228,706,028 Options.

6.3 Pro-forma balance sheet

The unaudited balance sheet as at 31 May 2015 and the unaudited pro-forma balance sheet as at 31 May 2015 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options are exercised prior to the Record Date and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	UNAUDITED 31 May 2015	PROFORMA 31 May 2015
CURRENT ASSETS		
Cash ¹	40,392	2,231,190
Trade & other receivables	312,680	312,680
Other current assets	31,576	31,576
TOTAL CURRENT ASSETS	384,648	2,575,446
NON-CURRENT ASSETS		
Trade & other receivables	1,711,554	1,711,554
Plant & equipment	146,079	146,079
Exploration ¹	21,421,414	16,637,007
TOTAL NON-CURRENT ASSETS	23,279,047	18,494,640
TOTAL ASSETS	23,663,695	21,070,086
CURRENT LIABILITIES		
Trade & other payables	2,832,819	2,221,569
Interest bearing liabilities	3,369,966	869,966
Deferred consideration	789,211	24,251
Provisions	316,642	316,642
TOTAL CURRENT LIABILITIES	7,308,638	3,432,428

	UNAUDITED 31 May 2015	PROFORMA 31 May 2015
NON-CURRENT LIABILITIES		
Interest bearing liabilities	246,324	746,324
Deferred consideration	11,311,775	4,631,759
TOTAL NON-CURRENT LIABILITIES	11,558,099	5,378,083
TOTAL LIABILITIES	18,866,737	8,810,511
NET ASSETS (LIABILITIES)	4,796,958	12,259,575
EQUITY		
Contributed equity	32,827,955	37,630,003
Reserves	6,440,684	6,440,684
Retained loss	(34,471,681)	(31,811,112)
TOTAL EQUITY	4,796,958	12,259,575

Notes:

The unaudited pro forma consolidated balance sheet above is based on the following assumptions and adjusted to account for the following:

- (a) the Offer was effective as at 31 May 2015;
- (b) no further Shares are issued (including by way of exercise of Options);
- (c) all entitlements are accepted under the Offer to raise \$3,020,798 (after deducting the estimated expenses of the Offer);
- (d) funds raised from the Offer are applied in the manner set out in Section 6.1 of this Prospectus.
- (e) The pro forma Exploration and evaluation assets and Deferred consideration balances have been adjusted to reflect the changes announced on the ASX on 29 June 2015.

6.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, is set out below.

Shares

	Number
Shares on issue at date of this Prospectus	384,599,770
Shares offered pursuant to the Offer ¹	384,599,770
Total Shares on issue after completion of the Offer²	769,199,540

Notes:

1. The Company reserves the right to issue one Share for every four (4) Shortfall Shares issued in respect of Shortfall subscription funds raised by a broker or third party, subject to the Company having sufficient placement capacity or obtaining Shareholder approval where capacity is insufficient.
2. As announced to the ASX on 11 June 2015, the Company has renegotiated the terms of its convertible note with Junefield High Value Metals Investments Limited (**Junefield**) such that Junefield has agreed, upon receipt of a \$500,000 payment by the Company by 31 July 2015, to convert \$1.5 million of the face value plus accrued interest of the convertible note at \$0.02 per Share and discharge the convertible note, with the outstanding \$500,000 of the face value being converted into a loan with an 18 month repayment date and interest payable 6 monthly at 12% per annum.

3. To the extent the Company does not have sufficient placement capacity to issue Shares to Junefield, the loan will be increased by the face value not converted, to be converted when the Company has sufficient placement capacity. Any conversion is also subject to any necessary shareholder approval and the Corporations Act. Assuming the Company pays \$500,000 to Junefield on 31 July 2015, total debt and interest will total approximately \$1,800,000 and Junefield will be entitled to be issued approximately a further 90,000,000 Shares. To the extent this would result in the Company exceeding its placement capacity, or Junefield would acquire more than 20% of the Company, the number of Shares issued will be reduced, with the loan increased by the shortfall, and the Company will issue the outstanding Shares as and when it can lawfully do so.

Options

	Number
Options currently on issue:	
Unquoted exercisable at \$0.0461 on or before 1/12/2017 ¹	10,687,500
Unquoted exercisable at \$0.02 on or before 9/3/2017	14,250,000
Unquoted exercisable at \$0.0166 on or before 22/5/2018 ²	11,468,643
New Options offered pursuant to the Offer:	
Quoted exercisable at \$0.02 on or before 9/3/2017	192,299,885
Total Options on issue after completion of the Offer	228,706,028

Notes:

4. Options held by The Australian Special Opportunity Fund, LP. In accordance with the terms on which these Options are issued and the ASX Listing Rules, the exercise price of the Options held by The Australian Special Opportunity Fund, LP will be reduced to \$0.045 upon completion of the Offer.
5. Options held by Magna Equities II, LLC. In accordance with the terms on which these Options are issued and the ASX Listing Rules, the exercise price of the Options held by Magna Equities II, LLC will be reduced to \$0.0155 upon completion of the Offer.

Share Rights

	Number
Share rights currently on issue:	
Unquoted Incentive share rights expiring on 31/12/2016	14,292,886
Unquoted Deferred share rights expiring on 31/12/2016	10,137,119
New Share rights offered pursuant to the Offer	Nil
Total Share rights on issue after completion of the Offer	24,430,005

Convertible securities

	Number
Convertible security with face value of \$2,500,000	1
Convertible security with face value of \$1,052,040	1
Convertible security with face value of \$400,000 ¹	1
New Convertible securities offered pursuant to the Offer	Nil
Total Convertible securities on issue after completion of the Offer	3

Notes:

1. Based on a USD/AUD exchange rate of 0.7875.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 650,078,875 Shares and on completion of the Offer (assuming all Entitlements are accepted and no Options are exercised prior to the Record Date) would be 1,193,045,494 Shares.

There are 2,000,000 Shares on issue which are subject to a voluntary escrow until 24 September 2015.

There are no Options on issue subject to escrow restrictions, either voluntary or ASX imposed.

6.5 Details of substantial holders

Based on publicly available information as at 26 June 2015, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Junefield High Value Metals Investments Limited	47,139,797	12.97
Dempsey Resources Pty Ltd	31,466,622	8.66

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

7. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

7.1 Shares

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

7.2 New Options

The following is a summary of the more significant rights and liabilities attaching to New Options being offered pursuant to this Prospectus.

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph 0, the amount payable upon exercise of each Option will be \$0.02 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5.00pm (WST) on 9 March 2017 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) **Quotation of Options**

The Company will apply for quotation of the Options on ASX. The Company makes no assurances that the Options will be admitted to quotation on ASX.

(n) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

8. RISK FACTORS

8.1 Introduction

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

8.2 Company specific

(a) Overview

The Company's projects are located in Peru which is on the western coast of South America. It shares its borders with Ecuador and Colombia to the north, Brazil and Bolivia to the east and Chile to the south. Peru's major cities are Lima, the nation's capital, Arequipa, Trujillo, Chiclayo, Iquitos, Piura, Chimbote and Cusco.

(b) Political

The Company's operations could be affected by changes in the economic or other policies of the Government of Peru or other political, regulatory or economic authorities in Peru. Peru is, at present, a stable democracy but the Company cannot guarantee access, surety of title and/or tenure of its Peruvian based assets.

(c) Emerging Market

Peru is an emerging market economy. Emerging markets are generally more vulnerable to market volatility as well as political and economic instability than developed markets. As such, investments in securities of issuers with all or substantially all of its interests in an emerging market are subject to certain risks which may affect economic and fiscal results. These risks include:

- (i) currency fluctuations and devaluations;
- (ii) inflation;
- (iii) exchange controls;
- (iv) high interest rates;
- (v) wage and price controls;
- (vi) economic and political instability;

- (vii) the imposition of trade barriers;
- (viii) expropriation and political violence or disturbance; and
- (ix) changes in economic, tax and other policies.
- (x) In addition, economic conditions in Peru are, to some extent, influenced by economic and securities market conditions in other emerging market countries. Although economic conditions are different in each country, investors' reaction to developments in one country can have effects on the securities of issuers in other countries, including Peru. There can be no assurance that the economic conditions in Peru will not continue to be affected negatively by events elsewhere, especially in emerging markets.

(d) **Community Issues**

- (i) Some parts of Peru are sensitive to community issues and the authorities in some regions are politically not pro-investment but rather sympathisers of populist claims of organised groups and with anti-mining attacks.
- (ii) Risk factors to be considered include the nationwide protests and demonstrations over the past years.

(e) **Future Funding**

There is likely to be a requirement in the future for the Company to raise additional funding. The Company's ability to raise capital or other funding is not able to be forecast at this time. If the Company is unable to raise the required funds in the future it may not be able to continue to carry on its business and you may lose your investment.

The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts raised under the Offer.

Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be.

(f) **Default**

- (i) The Company is currently a party to a number of convertible security agreements summarised at Section 9.4 of this Prospectus.
- (ii) Under these agreements the Company has obligations to either repay outstanding amounts owed by the Company on the relevant due dates, or issue Shares upon receipt of a conversion notice (subject to Shareholder approval). These agreements also have a number of other provisions and negative covenants that the Company must adhere to.

- (iii) Should the Company default on its obligations under any of these agreements (including failure to obtain Shareholder approval for the issue of Shares on conversion of certain Convertible Securities), the lenders may demand immediate repayment and may trigger cross defaults in respect of the Company's other debt and equity agreements.
- (iv) Should a default occur and the Company is unable to raise sufficient funds or otherwise cure the defaults, the Company's lenders may seek immediate repayment of the debts and this may result in the Company becoming insolvent.

(g) **Dilution upon conversion of Convertible Securities**

Shareholders will have their shareholding diluted (possibly significantly) if, and to the extent, any of the Company's Convertible Securities on issue are converted into Shares from time to time (including the intended conversion of the Junefield convertible note as detailed in Section 6.4).

(h) **Dilution from Offer**

Upon implementation of the Offer, assuming all Entitlements are accepted and no Shares are issued or Options or Convertible Securities are exercised prior to the Record Date, the number of Shares in the Company will increase from 384,599,770 currently on issue to 769,199,540 Shares.

Shareholders should also note that at the conclusion of the Offer, there will be up to an additional 192,299,885 New Options on issue assuming full subscription. If all New Options issued under the Offer are subsequently exercised, an additional 192,299,885 Shares will be issued.

Shareholders who do not participate in the Offer may therefore have their current Shareholding significantly diluted.

8.3 Industry specific

(a) **Environmental**

The operations and proposed activities of the Company are subject to laws and regulations in Peru concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. However, complying with environmental laws may be difficult, costly and result in delays to any project activities.

(b) **Exploration**

No assurance can be given that exploration will be successful or that a commercial mining operation will eventuate.

The ultimate success and financial viability of the Company depends on the discovery and delineation of economically recoverable ore reserves, design and construction of efficient mining and processing facilities, and competent operational and managerial performance.

There is no assurance that exploration and development of the mineral interests held by the Company (which are all at an exploration stage), or any other projects that may be acquired by the Company in the future, will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited.

Development of a commercial mining operation is also dependent on the Company's ability to obtain necessary titles and governmental and other regulatory approvals.

(c) **Resource Estimates**

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(d) **Title**

Interests in concessions in Peru are governed by the respective Country legislation and are evidenced by the granting of licences and leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments as well as other conditions requiring compliance. All of the Company's various work permits, mining licences, mining leases, mining area licences and exploration licences are due for renewal from time to time. The Company expects that it will, in due course, lodge renewal applications for them as required. The Company has no reason to believe any of these will not be renewed, however this cannot be guaranteed.

8.4 General

(a) **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;

- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

8.5 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

9. ADDITIONAL INFORMATION

9.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

9.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

- (i) the annual financial report most recently lodged by the Company with the ASIC;
- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
29/6/2015	New terms agreed with Guadalupito Vendors
26/06/2015	Appendix 3B
12/06/2015	Change of registry address
11/06/2015	Junefield Convertible Note - Update
10/06/2015	Appendix 3B
25/05/2015	Cleansing Notice
22/05/2015	Appendix 3B
22/05/2015	Results of 2015 Annual General Meeting
19/05/2015	Managing director speaks on Webcast
13/05/2015	London Presentation May 2015
08/05/2015	Appendix 3B & Cleansing Notice
08/05/2015	PRE AIM LISTING FUNDING
01/05/2015	Final Director's Interest Notice x 2
01/05/2015	Resignation of Company Director
30/04/2015	Quarterly reports - March 2015
30/04/2015	Resignation of Company Director
28/04/2015	RFC Ambrian appointed as advisor for proposed AIM listing
27/04/2015	Notice of Annual General Meeting
21/04/2015	Change of Registered Office & Principal Place of Business
17/04/2015	Change in Director's Interest Notice x 5
14/04/2015	Appendix 3B
13/04/2015	Appendix 3B & Cleansing Notice
02/04/2015	Change in substantial holding from CFE
02/04/2015	Change in substantial holding

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.latinresourecs.com.au.

9.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	\$0.650	9 July 2014
Lowest	\$0.006	27 April 2015
Last	\$0.012	29 June 2015

9.4 Material contracts

There are no material agreements which relate to the Offer that have not been disclosed by the Company.

The Company is currently engaged in negotiations with a number of interested parties regarding potential project funding (by either debt or equity), potential farm-in arrangements, joint ventures and project acquisitions.

As at the date of this Prospectus no formal agreements have been reached or firm commitments made and negotiations are on-going.

9.5 Interests of Directors

Other than as set out in this Prospectus, no Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security holdings

The relevant interest of each Director in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Options	Share rights	Entitlement under the Offer	Subscription price (\$)
David Vilensky	3,004,739	Nil	4,414,552	3,004,739	24,037.91
Christopher Gale	11,388,803	Nil	5,406,355	11,388,803	91,110.42
Frankie Li	662,601	Nil	3,433,540	662,601	5,300.81

The Board recommends all Shareholders take up their Entitlement and advises that all Directors intend to take up their respective Entitlements.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$350,000 per annum.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors in the relevant financial year. Total annual remuneration balances include the value of shares issued to directors for accepting a 20% reduction in cash remuneration commencing 1 September 2013 and the value of share rights granted to directors and approved by shareholders.

Director	2013 ²	2014	2015
David Vilensky ¹	\$54,000	\$166,682	\$149,402
Christopher Gale	\$198,000	\$457,131	\$438,381
Frankie Li	\$42,000	\$129,642	\$116,202

Notes:

1. Bowen Buchbinder & Vilensky lawyers, a related party of Mr David Vilensky, has not so far charged fees to the Company for the 2015 financial year (2014: \$6500 2013: Nil)

2. This represents a six month period due to the Company changing its reporting period from 30 June to 31 December in 2013.

9.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Steinepreis Paganin has acted as Australian solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$10,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$65,220 (excluding GST and disbursements) for legal services provided to the Company in the past 24 months.

9.7 Consents

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section;
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section; and

- (c) Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

9.8 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$56,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	2,290
ASX fees	34,635
Share registry fees	3,796
Legal fees	10,000
Printing and distribution	5,279
Total	<u>56,000</u>

The Company reserves the right to pay a 5% capital raising fee on Shortfall subscription funds raised by brokers or other third parties together with the issue of one (1) Share for every four (4) Shortfall Shares issued in respect of Shortfall subscription funds raised by a broker or third party, subject to the Company having sufficient placement capacity or obtaining Shareholder approval where capacity is insufficient.

9.9 Electronic prospectus

Pursuant to Class Order 00/44, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on + 61 8 6181 9798 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.latinresources.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

9.10 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

9.11 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing Share or Option certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares and Options allotted to them under this Prospectus.

The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

9.12 Privacy Act

If you complete an Entitlement and Acceptance Form or a Shortfall Application Form, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Entitlement and Acceptance Form or a Shortfall Application Form, the Company may not be able to accept or process your application.

10. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

DAVID VILENSKY
Non-executive Chairman
For and on behalf of
LATIN RESOURCES LIMITED

11. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Applicant means a Shareholder who applies for Securities pursuant to the Offer or a Shareholder or other party who applies for Shortfall Securities pursuant to the Shortfall Offer.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESSE.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Company means Latin Resources Limited (ACN 131 405 144).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Ex Date means the date specified in the timetable set out at the commencement of this Prospectus, being the date on which the right to participate in the Offer is declared but not distributed and as such any sale of Shares on or after the Ex-date will not confer a right to participate in the Offer upon the buyer.

New Option means an Option issued on the terms set out in Section 7.2 of this Prospectus.

Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share on the terms and conditions set out in Section 7.2 of this Prospectus.

Optionholder means a holder of an Option.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Section means a section of this Prospectus.

Securities means Shares and/or Options.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall means the Securities not applied for under the Offer (if any).

Shortfall Application Form means the shortfall application form.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in Section 5.6 of this Prospectus.

Shortfall Securities means those Shares and New Options issued pursuant to the Shortfall.

WST means Western Standard Time as observed in Perth, Western Australia.