LATIN RESOURCES LIMITED
ACN: 131 405 144

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30 June 2015

Dear Shareholder,

**Entitlement Issue – Notification to Ineligible Shareholders**

As announced on 30 June 2015, Latin Resources Limited (ACN 131 405 144) (**Company** or **LRS**) is undertaking 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 (**Offer**).

The Offer is being made to all shareholders of the Company named on its register of members at 5:00pm (WST) on 6 July 2015, whose registered address is in Australia, New Zealand, China, Hong Kong, Peru or the United Kingdom (**Eligible Shareholders**).

The Company lodged a Prospectus for the Offer with ASIC and ASX on 29 June 2015.

**Details of the Offer**

Pursuant to the Offer, the Company will issue a maximum of 384,599,770 new Shares and 192,299,885 free attaching New Options to raise up to $3,076,798 before costs of the Offer.

The Offer is being made to all shareholders of the Company named on its register of members at 5:00pm (WST) on 6 July 2015, whose registered address is in Australia, New Zealand, China, Hong Kong, Peru or the United Kingdom (**Eligible Shareholders**).

The Company will apply to the ASX for quotation of the new Shares and New Options. The full terms and conditions of the new Shares and New Options are disclosed in the Prospectus.

A copy of the Prospectus is available on ASX's and the Company's website. Eligible Shareholders will be mailed a Prospectus together with a personalised Entitlement and Acceptance Form no later than 9 July 2015.

Shareholders who choose not to take up their entitlement will receive no value in respect of their entitlement and their shareholding will become diluted.

**Use of funds**

The Company intends to apply the proceeds from the Offer for the following purposes:

(a) Maintain concessions in good standing;
(b) Repayment of debt;
(c) Expenses of the Offer; and
(d) Working capital.

**Effect on capital structure**

Following completion of the Offer (assuming all Entitlements are accepted and no Options are exercised), the Company will have a maximum of 769,199,540 Shares and 228,706,028 Options on issue.

**Ineligible Shareholders**

A Shareholder who has a registered address outside Australia and New Zealand (**Ineligible Shareholder**) will not be eligible to participate in the Offer.

You are not eligible to participate in the Offer and you will not be sent a copy of the Prospectus. This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside of Australia and New Zealand compared with the small number of Ineligible Shareholders and the number and value of New Shares to which they would otherwise be entitled.

If you have any queries concerning the Entitlement Issue, or the action you are required to take to subscribe under the Offer, please contact your financial adviser or Anthony Begovich, the Company Secretary, on +61 8 6181 9798.

Yours sincerely

**Anthony Begovich**
**Company secretary**