
LATIN RESOURCES LIMITED**ACN 131 405 144****NOTICE OF GENERAL MEETING**

TIME: 10.00am (WST)

DATE: 31 October 2016

PLACE: 32 Harrogate Street
West Leederville, WA 6007

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6181 9798

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IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 10.00am on 31 October 2016 at:

32 Harrogate Street, West Leederville, WA 6007

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10.00am (WST) on 29 October 2016.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 17,000,000 Shares investors on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 82,500,000 Shares investors on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES TO ASOF

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 18,437,500 Shares to Australian Special Opportunity Fund LP (ASOF) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF CAPITAL RAISING FEE SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 19,250,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES TO EMPLOYEES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,055,708 Shares to employees on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF SHARES TO ASOF

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 8,194,444 Shares to ASOF on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF SHARES TO CAPE LAMBERT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,155,507 Shares to Cape Lambert Resources Limited (**Cape Lambert**) on the terms and conditions set out in the Explanatory Statement.”*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 96,288,945 Shares under Listing Rule 7.1 to Investors on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. RESOLUTION 9 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 22,801,966 Shares under Listing Rule 7.1A to Investors on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

10. RESOLUTION 10 – ISSUE OF PLACEMENT OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 154,545,456 Placement Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

11. RESOLUTION 11 – APPROVAL FOR ISSUE OF INCENTIVE RIGHTS TO MR CHRISTOPHER GALE

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 11,993,347 Retention Rights and 48,700,261 Performance Rights to Mr Christopher Gale (or his nominee) pursuant to the Incentive Rights Plan on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

12. RESOLUTION 12– ISSUE OF ADVISORY FEE OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 29,000,000 Options to Jett Capital Advisors LLC on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Jett Capital Advisors LLC if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

DATED: 29 September 2016

By order of the Board

A handwritten signature in black ink, appearing to be 'Ms Sarah Smith', written over a horizontal line.

Ms Sarah Smith
Company Secretary

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES

1.1 General

On 29 April 2016, the Company announced a placement of 77,000,000 Shares (**Placement Shares**) at an issue price of \$0.005 per share to raise \$385,000 (before costs) with Pac Partners Pty Ltd acting as lead manager (**Placement**).

The Company issued 70,000,000 of these Placement Shares on 5 May 2016 and the remaining 7,000,000 Placement Shares on 9 May 2016. These Placement Shares were issued under the Company's 15% placement capacity under ASX Listing Rule 7.1. Shareholders ratified the issue of 60,000,000 of these Placement Shares at the Company's AGM held 31 May 2016.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 17,000,000 Placement Shares for which shareholder approval was not obtained.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

1.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Resolution 1:

- (a) 17,000,000 Shares were issued;
- (b) the issue price was \$0.005 per Share;
- (c) the Shares issued are fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to professional and sophisticated investors, none of which were related parties of the Company; and
- (e) the funds raised from the Placement were used for exploration in South America as well as for working capital.

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES

2.1 General

On 16 May 2016, the Company completed a placement of 82,500,000 Shares (**Placement Shares**) at an issue price of \$0.01 per share to raise \$825,000 (before costs) with Pac Partners Pty Ltd acting as lead manager (**Placement**).

The Shares were issued under the Company's 10% placement capacity under ASX Listing Rule 7.1A which was approved by Shareholders at the annual general meeting held on 22 May 2015.

Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 82,500,000 Placement Shares.

ASX Listing Rules 7.1A provides that, in addition to issues of securities permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and which has obtained Shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue, during the period in which approval is valid, a number of equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1.

Where an eligible entity obtains shareholder approval to increase its placement capacity under ASX Listing Rule 7.1A then any ordinary securities issued under that additional placement capacity:

- (a) will not be counted in variable "A" in the formula in ASX Listing Rule 7.1A; and
- (b) are counted in variable "E",

until their issue has been ratified under ASX Listing Rule 7.4 (and provided that the previous issue did not breach ASX Listing Rule 7.1A) or 12 months has passed since their issue.

By ratifying the issue the subject of Resolution 2, the base figure (ie variable "A") in which the Company's 15% and 10% annual placement capacities are calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval. Although, it is noted that the Company's use of the 10% annual placement capacity following this Meeting remains conditional on Resolution 2 being passed by the requisite majority.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the additional 10% set out in ASX Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

2.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Resolution 2:

- (a) 82,500,000 Shares were issued;
- (b) the issue price was \$0.01 per Share;
- (c) the Shares issued are fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to professional and sophisticated investors, none of which were related parties of the Company; and
- (e) the funds raised from the Placement were used to secure the lithium pegmatite properties identified in Argentina and further exploration work as well as for working capital.

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES TO ASOF

3.1 General

On 13 November 2014, the Company announced that it had entered into a funding agreement of up to \$3.125 million (**Funding Agreement**) with The Australian Special Opportunity Fund LP (**ASOF**), an institutional investor managed by New York based The Lind Partners Australia LLC (together, **Lind Partners**).

The Funding Agreement comprises two unsecured convertible notes, with each Convertible Note being repayable by monthly repayments over an 18-month period from the date of draw down subject to the requirements of the Funding Agreement. Each repayment can be made, at the Company's option, either through cash or the issue of Shares or a combination of both. If the Company elects to repay via the issue of Shares, the deemed issue price of the Shares will be equal to 92.5% of the five day volume weighted average price (**VWAP**), to be chosen by Lind Partners, during the 20 days prior to each issue of Shares.

In accordance with the terms of the Funding Agreement, the Company issued 18,437,500 Shares at a deemed issue price of \$0.004 per Share on 2 June 2016 in satisfaction of its obligations under the Funding Agreement.

The Shares were issued under the Company's 15% placement capacity under ASX Listing Rule 7.1.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those 18,437,500 Shares.

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 1.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

3.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Resolution 3:

- (a) 18,437,500 Shares were issued;
- (b) the deemed issue price was \$0.004 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to ASOF who is not a related party of the Company; and
- (e) there were no funds raised from this issue as the Shares were issued in connection with the Funding Agreement. The funds raised from the Funding Agreement were used primarily to fund the Company's strategy of developing its Ilo Copper projects and the Guadalupito Andalusite project.

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES TO CAPITAL RAISING FEE SHARES

4.1 General

On 29 April 2016, the Company announced a placement of 77,000,000 Shares (**Placement Shares**) at an issue price of \$0.005 per share to raise \$385,000 (before costs) with Pac Partners Pty Ltd acting as lead manager (**Placement**).

In order to preserve the Company's cash reserves, 19,250,000 Shares were issued under the Company's 15% placement capacity under ASX Listing Rule 7.1 in lieu of cash fees payable to brokers and other third parties as part of the capital raising fees payable in respect of the Placement (**Capital Raising Fee Shares**).

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Capital Raising Fee Shares.

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 1.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

4.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Resolution 4:

- (a) 19,250,000 Shares were issued;
- (b) the issue price was nil as the Shares were issued in lieu of cash for capital raising services provided;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to brokers and other third parties (or their nominees), who are not related parties of the Company, as part of the capital raising fees payable in respect of the Placement; and
- (e) no funds were raised from this issue as the Shares were issued as part of the arrangement with brokers and other third parties involved in the Placement.

5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES TO EMPLOYEES

5.1 General

On 2 June 2016, 1,055,078 Shares were issued to long standing employees of the Company to reward them for their loyal service. The Company believes it is important to attract, motivate and retain key employees and it is considered by the Company that the issue of the above Shares will provide selected employees with the opportunity to participate in the future growth of the Company.

The Shares were issued under the Company's 15% placement capacity under ASX Listing Rule 7.1.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those 1,055,078 Shares.

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 1.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

5.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Resolution 5:

- (a) 1,055,078 Shares were issued;
- (b) the deemed issue prices of the Shares was nil cash consideration;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to long serving employees of the Company, none of whom were Directors or related parties of the Company; and
- (e) no funds were raised from the issue of the Shares as they were issued to reward and incentivise long standing employees of the Company.

6. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF SHARES TO ASOF

6.1 General

On 13 November 2014, the Company announced that it had entered into a funding agreement of up to \$3.125 million (**Funding Agreement**) with The Australian Special Opportunity Fund LP (**ASOF**), an institutional investor managed by New York based The Lind Partners Australia LLC (together, **Lind Partners**).

The Funding Agreement comprises two unsecured convertible notes, with each Convertible Note being repayable by monthly repayments over an 18-month period from the date of draw down subject to the requirements of the Funding Agreement. Each repayment can be made, at the Company's option, either through cash or the issue of Shares or a combination of both. If the Company elects to repay via the issue of Shares, the deemed issue price of the Shares will be equal to 92.5% of the five day volume weighted average price (**VWAP**), to be chosen by Lind Partners, during the 20 days prior to each issue of Shares.

In accordance with the terms of the Funding Agreement, the Company issued 8,194,444 Shares at a deemed issue price of \$0.009 per Share on 4 July 2016 in satisfaction of its obligations under the Funding Agreement.

The Shares were issued under the Company's 15% placement capacity under ASX Listing Rule 7.1.

Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those 8,194,444 Shares.

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 1.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

6.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Resolution 6:

- (a) 8,194,444 Shares were issued;
- (b) the deemed issue price of the Shares was \$0.009 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Lind Partners, who is not a related party of the Company; and
- (e) no funds were no funds raised from this issue as the Shares were issued in connection with the Funding Agreement. The funds raised from the Funding Agreement were used primarily to fund the Company's strategy of developing its Ilo Copper projects and the Guadalupito Andalusite project.

7. RESOLUTION 7 – RATIFICATION OF A PRIOR ISSUE OF SHARES TO CAPE LAMBERT

7.1 General

On 24th June 2015, the Company entered into an agreement with Cape Lambert Resources Limited (**Cape Lambert**) whereby Cape Lambert agreed to loan the Company the sum of A\$200,000 (**Loan Agreement**), to be utilised for working capital.

The loan is repayable on the completion date, being the date the Company completes a non-renounceable entitlement issue. In accordance with the Loan Agreement, the Company is required to pay interest on the outstanding principle amount at an interest rate of 16% per annum. In satisfaction of the interest on the loan for the period 24 June 2015 to 16 May 2016, the Company issued 1,155,507 Shares at a deemed issue price of \$0.01 per Share to Cape Lambert.

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 1.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

7.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 7:

- (a) 1,155,507 Shares were issued;
- (b) the deemed issue price \$0.01 per Share;
- (c) the Shares issued are fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued Cape Lambert who is not a related party of the Company; and
- (e) no funds were raised from the issue of the Shares as they were issued in satisfaction of the interest on the loan for the period 24 June 2015 to 16 May 2016 in accordance with the Loan Agreement.

8. RESOLUTIONS 8 AND 9 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES

On 24th August 2016, the Company completed a placement of 309,090,911 Shares (**Placement Shares**) at an issue price of \$0.011 per Share to raise \$3.4m (before costs) with Pac Partners Pty Ltd acting as lead manager (**Placement**).

The Company received pre-approval to issue up to 200,000,000 shares at its AGM held 31 May 2016, and utilised 190,000,000 of this in the Placement. In addition, 96,288,945 Placement Shares were issued under the Company's 15% placement capacity under ASX Listing Rule 7.1, and 22,801,966 Placement Shares were issued under the Company's 10% placement capacity under ASX Listing Rule 7.1A.

Resolution 8 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 119,090,911 Placement Shares under the Company's 15% and 10% placement capacities.

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 1.1. A summary of Listing Rule 7.1A is set out in section 2.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 and the additional 10% set out in ASX Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

8.1 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Resolutions 8 and 9:

- (a) 96,288,945 Shares were issued under Listing Rule 7.1, and 22,801,966 Shares were issued under Listing Rule 7.1A;
- (b) the issue price was \$0.011 per Share;
- (c) the Shares issued are fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to professional and sophisticated investors, none of which were related parties of the Company; and
- (e) the funds raised from the Placement were used to secure the lithium pegmatite properties identified in Argentina and further exploration work as well as for working capital.

9. RESOLUTION 10 – ISSUE OF PLACEMENT OPTIONS

9.1 General

Resolution 9 seeks Shareholder approval for the issue of up to 154,545,456 free Options for nil cash consideration to investors who participated in the recent Placement completed 24th August 2016 (the subject of Resolution 8) on the basis of one (1) Option for every two (2) Shares subscribed for and issued pursuant to the Placement. The full terms and conditions of the options are detailed in Schedule 1.

A summary of ASX Listing Rule 7.1 is set out in section 1.1.

The effect of Resolution 9 will be to allow the Company to issue the Options pursuant to Resolution 9 during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

9.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 9:

- (a) the maximum number of Options to be issued is 154,545,456;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur progressively;
- (c) the issue price of the Options will be nil;
- (d) the Options will be issued to investors who participated in the recent Placement completed 24th August 2016, of one (1) Option for every two (2) Shares subscribed for and issued pursuant to the Placement the subject of Resolution 8. None of these investors will be related parties;
- (e) the Options will be issued on the terms and conditions set out in Schedule 1, being the same terms and conditions as the Company's existing listed LRSO Options; and
- (f) no funds will be raised from the issue as the Options will be issued for nil cash consideration given they are free attaching to the Shares that were offered under the recent Placement the subject of Resolution 8.

10. RESOLUTION 11 – APPROVAL FOR ISSUE OF INCENTIVE RIGHTS TO MR CHRISTOPHER GALE

10.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue 11,993,347 Retention Rights and 48,700,261 Performance Rights (collectively "**Incentive Rights**") to Mr Christopher Gale (or his nominee) under the Company's incentive rights plan approved by Shareholders at a general meeting held on 27 November 2015 (**Incentive Rights Plan**).

The total number of Incentive Rights to be issued is based on 60% of Mr Christopher Gale's ongoing annual fees paid to him as determined at the start of the Measurement Period (as defined in Schedule 2), divided by the 10 day volume weighted average price prior to the start of the Measurement Period. The VWAP was calculated to be \$0.005.

The Incentive Rights will vest at the conclusion of the Measurement Period. A summary of the terms and conditions of the Incentive Rights are set out in Schedule 2.

The Company's remuneration policy for long term incentives is discussed in detail in the Company's 2015 annual report.

Resolution 10 is being put to Shareholders to seek approval for the issue of the Incentive Rights pursuant to ASX Listing Rule 10.14.

10.2 ASX Listing Rule 10.14

ASX Listing Rule 10.14 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

The issue of the Incentive Rights involves the issue of securities to Mr Christopher Gale, a Director of the Company, therefore Shareholder approval is required pursuant to ASX Listing Rule 10.14.

10.3 Chapter 2E

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of Incentive Rights constitutes the giving of a financial benefit to Mr Christopher Gale, a Director of the Company.

The Board has considered the application of Chapter 2E of the Corporations Act and has resolved that the reasonable remuneration exception provided by Section 211 of the Corporations Act is relevant in the circumstances and accordingly, the Company will not seek approval for the issue of Incentive Rights pursuant to Section 208 of the Corporations Act.

10.4 Technical information required ASX Listing Rule 10.15

Pursuant to and in accordance with ASX Listing Rule 10.15, the following information is provided in relation to the proposed issue of Incentive Rights:

- (a) the related party is Christopher Gale, who is a related party by virtue of being a Director;
- (b) the maximum number of Incentive Rights to be issued to Mr Christopher Gale is 60,693,609, comprising 11,993,347 Retention Rights and 48,700,261 Performance Rights;
- (c) the Incentive Rights are being issued for nil cash consideration as part of Mr Gale's remuneration;
- (d) the Incentive Rights are being issued under the Company's Incentive Rights Plan. A total of 8,508,292 Incentive Rights have previously been issued under the Incentive Rights Plan. 5,406,355 to Mr Christopher Gale, and 3,101,937 to Mr Andrew Bristow. The incentive Rights above were issued for no consideration. No other Incentive Rights have been issued.
- (e) Christopher Gale is the only person referred to in ASX Listing Rule 10.14 currently eligible to participate in the Incentive Rights Plan;
- (f) no loans have been provided in relation to the issue of the Incentive Rights; and
- (g) the Incentive Rights will be issued no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) on the terms and conditions set out in Schedule 2.

11. RESOLUTION 12 – ISSUE OF ADVISORY FEE OPTIONS

11.1 General

The Company entered into an engagement agreement with Jett Capital Advisors LLC (**Jett Capital**) on or about 9 August 2016 (**Engagement Agreement**) to assist the Company in structuring and negotiating any equity, debt, streaming, securitisation, financing, merger, acquisition or similar transactions (**Transaction**) in the United States of America and Canada for a period of 12 months (**Services**).

In consideration for the Services, the Company agreed to pay Jett Capital the following:

- (a) a success fee payable upon closing of a Transaction equal to 6% of the gross proceeds raised in any Transaction by Jett Capital;
- (b) a success fee payable upon closing of a Transaction equal to 3% of the Transaction Value (as defined in the Engagement Agreement) made by the bidder for any merger or acquisition consummated by Jett Capital;
- (c) subject to Shareholder approval, an upfront advisory fee of:
 - (i) 15,000,000 listed options exercisable at \$0.02 on or before 9 March 2017 (**Tranche 1 Advisory Fee Options**) being the same terms and conditions as the Company's existing listed LRSO Options; and
 - (ii) 14,000,000 unlisted options exercisable at \$0.04 on or before 20 December 2017 (**Tranche 2 Advisory Fee Options**),

(collectively referred to as the **Advisory Fee Options**).

The terms and conditions of the Tranche 1 Advisory Fee Options are detailed in Schedule 1, being the same terms and conditions as the Company's existing listed LRSO Options, and the terms and conditions of the Tranche 2 Advisory Fee Options are detailed in Schedule 3.

A further 6,000,000 unlisted options exercisable at \$0.045 on or before 20 August 2019 are to be issued on the sixth month anniversary of the Engagement Agreement. The Company will either seek Shareholder approval for these Options or issue the Options out of the Company's annual placement capacity.

The Engagement Agreement may be terminated by either party upon 30 days' prior written notice to the other party.

The Company intends to apply for quotation of the Tranche 1 Advisory Fee Options.

Resolution 11 seeks Shareholder approval for the issue of 29,000,000 Advisory Fee Options for nil cash consideration to Jett Capital for Services under the Engagement Agreement.

A summary of ASX Listing Rule 7.1 is set out in section 1.1.

The effect of Resolution 11 will be to allow the Company to issue the Advisory Fee Options pursuant to Resolution 11 during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

11.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 11:

- (a) the maximum number of Advisory Fee Options to be issued is 29,000,000, being 15,000,000 Tranche 1 Advisory Fee Options and 14,000,000 Tranche 2 Advisory Fee Options;
- (b) the Advisory Fee Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Advisory Fee Options will occur progressively;
- (c) the issue price of the Advisory Fee Options will be nil;
- (d) the Advisory Fee Options will be issued to Jett Capital who is not a related party of the Company;
- (e) the Tranche 1 Advisory Fee Options will be issued on the terms and conditions set out in Schedule 1 and the Tranche 2 Advisory Fee Options will be issued on the terms and conditions set out in Schedule 3; and
- (f) no funds will be raised from the issue as the Advisory Fee Options will be issued for nil cash consideration for Services provided by Jett Capital under the Engagement Agreement.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

ASOF means Australian Special Opportunity Fund LP.

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

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

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.

Chair means the chair of the Meeting.

Company or **LRS** means Latin Resources Limited (ACN 131 405 144)

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

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

Shareholder means a registered holder of a Share.

US\$ means American dollars.

VWAP has the meaning given in section 4.1 of the Explanatory Statement.

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

**SCHEDULE 1 – TERMS AND CONDITIONS OF PLACEMENT OPTIONS AND TRANCHE 1
ADVISORY FEE OPTIONS**

(a) **Entitlement**

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

(b) **Exercise Price**

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

(c) **Expiry Date**

Each Option will expire at 5:00 pm (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 Exercise Date, the Company will:

- (i) 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;
- (ii) 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
- (iii) 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 (g)(ii) 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) **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.

(j) **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.

(k) **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.

(l) **Transferability**

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

(m) **Quotation**

The Company will apply for quotation of the Options on ASX.

SCHEDULE 2 – TERMS AND CONDITIONS OF INCENTIVE RIGHTS

The Incentive Rights Plan was developed by an independent expert consultant and was approved by shareholders on 30 November 2012, and re-approved on 27 November 2015. A summary of the terms and conditions of the Incentive Rights to be issued under Resolution 9 is as follows:

- (a) Subject to the vesting conditions being satisfied, the Performance Rights and Retention Rights (**Incentive Rights**) will be exercisable into part cash and part Shares.
- (b) The Incentive Rights will vest after a three year measurement period commencing on 1 January 2016 (**Measurement Period**).
- (c) The number of Incentive Rights to be granted is based on 60% of the ongoing annual fees paid to Christopher Gale as determined at the start of the Measurement Period divided by the 10 day volume weighted average price (**VWAP**) prior to the start of the Measurement Period. The VWAP was calculated to be \$0.005.
- (d) The vesting conditions attaching to the Performance Rights are based on the absolute total Shareholder return (**TSR**) over the Measurement Period. TSR is the percentage gain from an investment in Shares over the Measurement Period assuming that dividends, if any, are reinvested back into Shares.

Absolute TSR will be calculated using the Share VWAP over the 10 trading days prior to the commencement of the Measurement Period and up to and including the last day of the Measurement Period.

- (e) The following vesting scale will apply to the Performance Rights:

Performance Level	Absolute TSR over the Measurement Period	Vesting %
Below Threshold	<33% TSR (<10% CAGR)	0%
Threshold/Target	33% TSR (10% CAGR)	25%
Between Threshold/Target	>33% & <52% TSR	Pro-rata
Target	52% TSR (15% CAGR)	50%
Between Target & Stretch	>52% & <73% TSR	Pro-rata
Stretch	≥73% TSR (≥20% CAGR)	100%

Notes:

CAGR = compound annual growth rate.

- (f) The total value of the vesting Incentive Rights that vest, multiplied by the VWAP of Shares over the 10 trading days immediately prior to and including the final day of the Measurement Period (**Vested Rights Value**) will be paid in cash and Shares as follows:
 - (i) \$1,000 per tranche that vests; and
 - (ii) the remainder in Restricted Shares.
- (g) All Shares issued upon vesting and exercise of the Incentive Rights may not be sold or otherwise disposed of until first advised by the Company, which the Company will do immediately upon Shares being capable of being sold without breaching the insider trading provisions of the Corporations Act or the Company's share trading policy. All Shares issued will otherwise rank equally in all respects with the other fully paid ordinary shares on issue.
- (h) The Incentive Rights will otherwise be issued on the terms and conditions set out under the Company's Incentive Rights Plan.

SCHEDULE 3 – TERMS AND CONDITIONS OF TRANCHE 2 ADVISORY FEE OPTIONS

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option is \$0.04 (**Exercise Price**).

(c) **Expiry Date**

The Options will expire at 5:00 pm (WST) on 20 December 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 Exercise Date, the Company will:

- (i) 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;
- (ii) 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
- (iii) 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 (g)(ii) 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) **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.

(j) **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.

(k) **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.

(l) **Transferability**

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

