



LATIN RESOURCES LIMITED
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Contract Extension for Managing Director

Latin Resources Limited ("Latin Resources" or the "Company") (**ASX Code: LRS**) is pleased to announce that agreement has been reached between the Company and its Managing Director Mr Chris Gale to extend his consultancy agreement with the Company for a further period of three (3) years.

Latin Resources Chairman Mr David Vilensky commented that the Board was delighted that Mr Gale had agreed to continue in his role of Managing Director and continue his efforts to lead the Company through the next phase of its development.

Mr Vilensky went on to say that Mr Gale's vision and energy had been invaluable and his willingness to spend long periods of time in Peru and Argentina are of enormous benefit to the Company and its shareholders.

"Chris and his team have worked tirelessly to add value to the Company in the pursuit of its strategy of becoming a Lithium producer on the back of its recently secured concessions in Argentina within the world renowned Lithium triangle, and building an effective team to achieve this outcome. The recent appointment of Mr Kerry Griffin as the Company's Exploration Manager to be based in Argentina to oversee the exploration program is testimony to this. This strategy was largely instrumental in the Company raising \$3.5m recently by way of a placement to sophisticated investors and successful efforts made to clean up the Company's balance sheet" said Mr Vilensky.

The new contract which came into effect on 1 October 2016, but was only executed recently will see Mr Gale continue in the role as Managing Director of the Company until at least October 2019.

A summary of some of the key terms of the new contract are as follows:

Term: From 1 October 2016 until 30 September 2019 or either the Company or Mr Gale terminates the Contract.

Notice: The Company may terminate the Agreement at any time by giving the Executive six (6) months notice in writing. Mr Gale may terminate the Agreement at any time by giving three (3) months notice in writing to the Company. The Company may terminate with one (1) month's notice in the event of serious misconduct. The Company may elect to pay Mr Gale in lieu of part or all of any notice period.

Remuneration Fee: From 1 October 2016, the total fixed remuneration is A\$300,000 per annum.

Uplifts in Remuneration Fees: As part of an incentivization package, provisions have been made for uplifts to the remuneration payable in the event of an increase in the market capitalisation of the Company. So for example, if the Company achieves a market capitalisation of \$50m for three (3) consecutive months, the annual remuneration increases to A\$360,000 per annum. Similarly, if the market capitalisation of the Company decreases for three (3) consecutive months the annual remuneration will similarly decrease to a level commensurate with that market capitalisation subject to a minimum of A\$300,000 per annum.

Long Term Incentive (LTI): Mr Gale will continue to be eligible to participate in the Company's long term incentive arrangements, with an annual incentive of up to 60% of the base salary paid in equity or as amended or replaced from time to time on terms to be decided by the Board and subject to shareholder approval if required.

For further information please contact:

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About Latin Resources

Latin Resources Limited is a mineral exploration company focused on creating shareholder wealth through the identification and definition of mineral resources in Latin America. The Company has secured over 70,000 hectares of exploration concessions in the lithium pegmatite district of Catamarca in Argentina.

The company also has a portfolio of projects in Peru and is actively progressing its Iron Oxide-Copper-Gold and Copper Porphyry projects in the Ilo region with its joint venture partners.

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