

1 July 2020

Dear Sir/Madam,

### **COVID-19 – HYBRID AGM**

The annual general meeting of Latin Resources Limited (ASX:LRS) (**Company**) is scheduled to be held at 32 Harrogate Street, West Leederville, Perth on Friday 31 July 2020 at 11:00am (AWST) (**Meeting**).

In light of the easing of the Western Australian government's COVID-19 restrictions as at the date of this Notice, Shareholders will be permitted to physically attend the Meeting. However, due to the evolving nature of COVID-19 and Australian government advice in connection with physically attending meetings, the attendance policy of the Meeting may need to be changed to comply with Australian and Western Australian government COVID-19 restrictions imposed at the time of the Meeting. If it becomes necessary or appropriate to make further and alternative arrangements to those presently proposed, the Company will notify Shareholders accordingly via the ASX platform at [asx.com.au](http://asx.com.au) (ASX: LRS) and on the Company's website at [www.latinresources.com.au](http://www.latinresources.com.au).

All Shareholders who cannot physically attend the meeting are strongly encouraged to lodge a directed proxy form prior to the Meeting.

The Directors wish to advise that pursuant to section 249S of the Corporations Act, the Company is offering Shareholders the opportunity to participate in the Meeting by:

- (a) submitting your vote prior to the Meeting by lodging the attached proxy form attached to the Notice no later than 5:00pm on 29 July 2020;
- (b) submitting questions if possible in advance of the Meeting by emailing the questions to [info@latinresources.com.au](mailto:info@latinresources.com.au) by 5:00pm on 30 July 2020; and/or
- (c) hearing the Meeting through a teleconference, which will be available by calling:

**Australia Toll Free:** 1800 179 061

OR

**Perth Local Number:** +61 8 6266 0503

**Access Code:** Shareholder wishing to participate in the teleconference for the Meeting must call the Company to receive the teleconference access code. Please call the Company on +61 8 6117 4798 prior to the Meeting and supply your holding number for identification purposes.

Whilst the Company will provide an opportunity for Shareholders to ask questions at the Meeting, Shareholders are encouraged to submit questions in advance of the Meeting as this will provide management with the best opportunity to prepare answers.

This announcement is authorised for market release by the Board of Directors of the Company.

Sincerely,

Sarah Smith  
Company Secretary

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**LATIN RESOURCES LIMITED**

**ACN 131 405 144**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 11:00 am (WST)

**DATE:** 31 July 2020

**PLACE:** 32 Harrogate Street  
West Leederville  
PERTH WA 6007

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

***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.***

***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 5:00 pm on 29 July 2020.***

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Annual financial report of the Company for the year ended 31 December 2019 together with the Declaration of the directors, the Director's report, the Remuneration Report and the Auditor's report.

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#### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the year ended 31 December 2019."*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

**Voting Prohibition Statement:**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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#### 3. RESOLUTION 2 – RE-ELECTION OF MR DAVID VILENSKY AS DIRECTOR

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

*"That, for the purpose of clause 13.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr David Vilensky, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

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#### 4. RESOLUTION 3 – APPROVAL OF 7.1A MANDATE

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule*

7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement."

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**5. RESOLUTION 4 – APPOINTMENT OF AUDITOR AT AGM TO FILL VACANCY**

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

*"That, for the purposes of section 327B of the Corporations Act and for all other purposes, Hall Chadwick, having been nominated by a Shareholder and having consented in writing to act in the capacity of auditor, be appointed as auditor of the Company with effect from the close of the Meeting."*

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**6. RESOLUTION 5 – REPLACEMENT OF CONSTITUTION**

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

*"That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes."*

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**7. RESOLUTION 6 – ADOPTION OF INCENTIVE PLAN**

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

*"That, pursuant to and in accordance with ASX Listing Rule 7.2 (Exception 13(b)) and for all other purposes, the Company approves the adoption of the Incentive Plan for employees and directors, on the terms and conditions set out in the Explanatory Memorandum."*

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is eligible to participate in the Employee Share Plan or an associate of that person or those persons. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**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.

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## 8. RESOLUTION 7 – APPROVAL OF DEFERRED RIGHTS PLAN

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

*"That, pursuant to and in accordance with ASX Listing Rule 7.2 (Exception 13(b)) and for all other purposes, the Company approves the adoption of the Deferred Rights Plan for non-executive directors, on the terms and conditions set out in the Explanatory Memorandum."*

### **Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is eligible to participate in the Deferred Rights Plan or an associate of that person or those persons. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### **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.

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## 9. RESOLUTION 8 – APPROVAL OF EMPLOYEE SHARE PLAN

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 7.2 (Exception 13(b)), approval is given for the Company to adopt an employee incentive scheme titled "Director and Employee Share Plan", and for the issue of Shares under the Employee Share Plan, on the terms and conditions as set out in the Explanatory Statement."*

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is eligible to participate in the Employee Share Plan or an associate of that person or those persons. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**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:
    - a member of the Key Management Personnel; or
    - 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.

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**10. RESOLUTION 9 – APPROVAL TO ISSUE REPAYMENT SHARES TO LIND – FIRST CONVERTIBLE SECURITY**

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 80,000,000 Shares to Lind on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Lind (or any of its associates) and any other person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issues (except a benefit solely by reason of being a holder of Ordinary Securities in the Company). However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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**11. RESOLUTION 10 – APPROVAL TO ISSUE REPAYMENT SHARES TO LIND – SECOND CONVERTIBLE SECURITY**

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 34,000,000 Shares to Lind on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Lind (or any of its associates) and any other person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issues (except a benefit solely by reason of being a holder of Ordinary Securities in the Company). However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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**12. RESOLUTION 11 – APPROVAL TO ISSUE FUTURE EQUITY SECURITIES**

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 100,000,000 Shares and 100,000,000 Listed Options on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issues (except a benefit solely by reason of being a holder of Ordinary Securities in the Company) (namely participants in the Future Placement or an associate of that person (or those persons)). However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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**13. RESOLUTION 12 – ISSUE OF RELATED PARTY SECURITIES – DAVID VILENSKY**

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

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 7,450,000 Shares and 7,450,000 Listed Options to David Vilensky (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of David Vilensky (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the Equity Securities (except a benefit solely by reason of being a holder of Ordinary Securities in the Company) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement:**

In accordance with section 224 of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party. However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of the Excluded Party for that Resolution.

In accordance with section 250BD of the Corporations Act, 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.
- Provided the Chair is not an Excluded Party, 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.

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**14. RESOLUTION 13 – ISSUE OF RELATED PARTY SECURITIES – BRENT JONES**

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

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 20,833,250 Shares and 20,833,250 Listed Options to Brent Jones (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*



**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Brent Jones (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the Equity Securities (except a benefit solely by reason of being a holder of Ordinary Securities in the Company) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement:**

In accordance with section 224 of the Corporations Act, a vote on Resolution 17 must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party. However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of the Excluded Party for that Resolution.

In accordance with section 250BD of the Corporations Act, 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.
- Provided the Chair is not an Excluded Party, 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.

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**15. RESOLUTION 14 – ISSUE OF RELATED PARTY SECURITIES – CHRIS GALE**

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

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 17,437,500 Shares and 17,437,500 Listed Options to Chris Gale (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Chris Gale (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the Equity Securities (except a benefit solely by reason of being a holder of Ordinary Securities in the Company) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the Chair decides; or

- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement:**

In accordance with section 224 of the Corporations Act, a vote on Resolution 18 must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party. However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of the Excluded Party for that Resolution.

In accordance with section 250BD of the Corporations Act, 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.
- Provided the Chair is not an Excluded Party, 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.

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## 16. RESOLUTION 15 – 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 Listing Rule 7.4 and for all other purposes, approval is given for the Company to ratify the issue up to 53,800,000 Placement Shares at an issue price of \$0.004 per Placement Share to the sophisticated and professional investors, on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in, or who obtained a material benefit as a result of the issue of the Equity Securities (except a benefit solely by reason of being a holder of Ordinary Securities in the Company), namely participants in the Placement or an associate of that person (or those persons). However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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## 17. RESOLUTION 16 – 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 Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 53,800,000 Placement Options on the terms and conditions set out in the Explanatory Statement.”*

### **Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of Ordinary Securities in the Company) namely participants in the Placement or an associate of that person (or those persons). However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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## 18. RESOLUTION 17 – ISSUE OF SPP 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 Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 125,458,592 SPP Options on the terms and conditions set out in the Explanatory Statement.”*

### **Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of Ordinary Securities in the Company) namely participants in the SPP or an associate of that person (or those persons). However, this does not apply to a vote cast in favour of the Resolution by:

- (d) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (e) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (f) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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## 19. RESOLUTION 18 – ISSUE OF CONSIDERATION SHARES TO MEG

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

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue to MEG up to 40,000,000 Shares plus that number of Shares equivalent to \$130,000 calculated using the issue price formula set out in the Explanatory Statement on the terms and conditions set out in the Explanatory Statement.”*

### **Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of MEG (or any of its associates) and any other person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issues (except a benefit solely by reason of being a holder of Ordinary Securities in the Company). However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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## 20. RESOLUTION 19 – ISSUE OF INTEGRA PLACEMENT SECURITIES

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

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue to Integra up to 88,670,798 Shares (representing 10% of a maximum total 886,707,981 Shares on issue following the Meeting, assuming all proposed Shares are issued under the Resolutions), together with 1 attaching Listed Option for every 1 Share issued, on the terms and conditions set out in the Explanatory Statement.”*

### **Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Integra (or any of its associates) and any other person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issues (except a benefit solely by reason of being a holder of Ordinary Securities in the Company) (namely Integra or its associates). However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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**21. RESOLUTION 20 – ISSUE OF LISTED OPTIONS TO HARTLEYS (OR ITS NOMINEE)**

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

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 50,000,000 Listed Options to Hartleys Limited (or its nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Hartleys or its nominee (or any of its associates) and any other person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of Ordinary Securities in the Company). However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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**22. RESOLUTION 21 – ISSUE OF SPP OPTIONS TO DAVID VILENSKY**

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

*“That, for the purposes of section ASX Listing Rule 10.11 and for all other purposes, the Directors be authorised to issue up to 3,000,000 SPP Options to David Vilensky (or his nominee) and, upon exercise of those SPP Options, the issue of the Shares underlying those SPP Options, on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of David Vilensky (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the Equity Securities (except a benefit solely by reason of being a holder of Ordinary Securities in the Company) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement:**

In accordance with section 224 of the Corporations Act, a vote on Resolution 21 must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party. However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of the Excluded Party for that Resolution.

In accordance with section 250BD of the Corporations Act, 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.
- Provided the Chair is not an Excluded Party, 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.

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**23. RESOLUTION 22 – ISSUE OF SPP LISTED OPTIONS TO BRENT JONES**

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

*“That, for the purposes of section ASX Listing Rule 10.11 and for all other purposes, the Directors be authorised to issue up to 3,000,000 SPP Options to Brent Jones (or his nominee) and, upon exercise of those SPP Options, the issue of the Shares underlying those SPP Options, on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Brent Jones (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the Equity Securities (except a benefit solely by reason of being a holder of Ordinary Securities in the Company) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement:**

In accordance with section 224 of the Corporations Act, a vote on Resolution 22 must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party. However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of the Excluded Party for that Resolution.

In accordance with section 250BD of the Corporations Act, 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. Provided the Chair is not an Excluded Party, 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.

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## 24. RESOLUTION 23 – ISSUE OF SPP LISTED OPTIONS TO CHRIS GALE

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

*"That, for the purposes of section ASX Listing Rule 10.11 and for all other purposes, the Directors be authorised to issue up to 3,000,000 SPP Options to Chris Gale (or his nominee) and, upon exercise of those SPP Options, the issue of the Shares underlying those SPP Options, on the terms and conditions set out in the Explanatory Statement."*

### **Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Chris Gale (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the Equity Securities (except a benefit solely by reason of being a holder of Ordinary Securities in the Company) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### **Voting Prohibition Statement:**

In accordance with section 224 of the Corporations Act, a vote on Resolution 23 must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party. However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of the Excluded Party for that Resolution.

In accordance with section 250BD of the Corporations Act, 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. Provided the Chair is not an Excluded Party, 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.
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**Dated: 1 July 2020**

By order of the Board

A handwritten signature in black ink, appearing to be 'S. Smith', written over a faint circular stamp.

**Sarah Smith  
Company Secretary  
Latin Resources Limited**



## **Voting by proxy**

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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.

**The Directors strongly encourage all shareholders to lodge a directed proxy form prior to the Meeting.**

## **Voting in person**

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

You may still attend the Meeting and vote in person even if you have appointed a proxy. If you have previously submitted a Proxy Form, your attendance will not revoke your proxy appointment unless you actually vote at the meeting for which the proxy is proposed to be used, in which case, the proxy's appointment is deemed to be revoked with respect to voting on that resolution.

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the Meeting. If you do not bring your Proxy Form with you, you can still attend the Meeting but representatives from Computershare Investor Services Pty Ltd will need to verify your identity. You can register on the day of the Meeting.

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6117 4798***

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## EXPLANATORY STATEMENT

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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 which are the subject of the business of the Meeting.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the Annual financial report of the Company for the year ended 31 December 2019 together with the Declaration of the directors, the Directors' report, the Remuneration Report and the Auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's Annual financial report is available on its website at [www.latinresources.com.au](http://www.latinresources.com.au).

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### 2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of votes are cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

## **2.3 Previous voting results**

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

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## **3. RESOLUTION 2 – RE-ELECTION OF MR DAVID VILENSKY AS DIRECTOR**

ASX Listing Rule 14.4 provides that, other than a managing director, a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever is the longer.

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

The Company currently has 2 Directors that are subject to rotation (this excludes Managing Director, Mr Christopher Gale) and accordingly 1 must retire.

Mr David Vilensky, the Director longest in office since his last re-election, retires by rotation and seeks re-election.

### **3.1 Qualifications and other material directorships**

Mr David Vilensky, the Director longest in office since his last election, retires by rotation and seeks re-election.

Mr David Vilensky was appointed as a Non-Executive Director on 2 October 2008. Mr Vilensky is a practising corporate lawyer and the managing director of Perth law firm Bowen Buchbinder Vilensky. He has a particular focus on complex commercial transaction, mining and resources, corporate advisory and dispute resolution. He has more than 35 experience in the areas of corporate and business law and in commercial and corporate management. Mr Vilensky advises on directors duties and corporate governance, capital raisings, joint ventures, due diligence, acquisitions and corporate transactions generally and acts for a number of listed and private companies. Mr Vilensky is also a Non- Executive Director of Vonex Limited, a telecommunications company about to list on the ASX.

### **3.2 Independence**

The Board has considered Mr Vilensky's independence and considers that he is an independent Director.

### **3.3 Board Recommendation**

The Board supports the re-election of Mr David Vilensky and recommends that Shareholders vote in favour of Resolution 2.

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## **4. RESOLUTION 3 – APPROVAL OF 7.1A MANDATE**

### **4.1 General**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

Resolution 3 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 3 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 3 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

## **4.2 Technical information required by ASX Listing Rule 7.1A**

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 3:

### **(a) Period for which the 7.1A Mandate is valid**

The 7.1A Mandate will commence on the date of the Meeting and expiring on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

### **(b) Minimum Price**

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 4.2(b)(i), the date on which the Equity Securities are issued.

(c) **Use of funds raised under the 7.1A Mandate**

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate for exploration and drilling programs on its current projects, new business opportunities, pay down of existing debt, and working capital.

(d) **Risk of Economic and Voting Dilution**

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue as at 30 June 2020.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

Number of Shares on Issue (Variable A in ASX Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Dilution		
			Issue Price		
			\$0.0035	\$0.007	\$0.014
			50% decrease	Issue Price	50% increase
			Funds Raised		
Current	886,707,981 Shares	88,670,798 Shares	\$310,347	\$620,695	\$931,043
50% increase	1,330,061,972 Shares	133,006,197 Shares	\$465,521	\$931,043	\$1,396,565
100% increase	1,773,415,963 Shares	177,341,596 Shares	\$620,695	\$1,241,391	\$1,862,086

The table above uses the following assumptions:

1. 'Variable A' assumes there are:
  - (a) 418,195,306 Shares on issue at the date of this Notice of Meeting (including Shares issued under the Placement);
  - (b) 125,458,592 Shares issued under the SPP; and
  - (c) 343,054,083 Shares issued under Resolutions 9 to 14 and Resolution 18.

Please see Schedule 9 for the capital structure of the Company at the date of this Notice and the proposed capital structure following the issue of the Equity Securities the subject of the Resolutions.

The number of Shares on issue ('Variable A' in the formula) could decrease if the Company does not issue any or all of the 100,000,000 Shares referred to in Resolution 11 or could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under ASX Listing Rule 7.1.

2. The issue price set out above is the closing price of the Shares on the ASX on 30 June 2020.
3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate .
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) **Allocation policy under the 7.1A Mandate**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous Approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 31 May 2019 (**Previous Approval**).

The Company has issued 6,933,333 Shares (on a post-September Consolidation basis) pursuant to the Previous Approval which represents approximately 4.94% of the number of Shares on issue in the Company on 31 May 2019, which was 140,297,025 (on a post-September Consolidation basis).

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in the Schedule 1.

#### **4.3 Voting Exclusion**

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice for this Resolution.

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### **5. RESOLUTION 4 – CHANGE OF AUDITOR**

#### **5.1 Replacement of auditor to fill vacancy**

Voting on this Resolution 4 is conditional on the Company's current auditor Mr Samir Tirodkar of Stantons International Audit and Consulting Pty Ltd (**Stantons**) receiving ASIC's consent to their resignation prior to the Meeting.

Mr Tirodkar who is the Company's current auditor, has given notice of Stanton's intention to resign as auditor of the Company to ASIC (under section 329(5) of the Corporations Act).

Upon receipt of ASIC's consent to their resignation, Stantons has advised that it will submit a notice of resignation to the Company in accordance with section 329(5) of the Corporations Act, such resignation to take effect from the date of the Meeting.

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**IN ACCORDANCE WITH SECTION 328B(1) OF THE CORPORATIONS ACT, THE COMPANY HAS SOUGHT AND OBTAINED A NOMINATION FROM A SHAREHOLDER FOR HALL CHADWICK TO BE APPOINTED AS THE COMPANY'S AUDITOR. A COPY OF THIS NOMINATION IS ATTACHED TO THIS EXPLANATORY STATEMENT AS SCHEDULE 8 – SUMMARY OF CONVERTIBLE SECURITY FUNDING AGREEMENT**

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Key Terms	Description
<b>Issuer</b>	The Company
<b>Investor</b>	Lind Asset Management XII, LLC
<b>Convertible Security Amount</b>	AUD\$6 million comprising three tranches: <ul style="list-style-type: none"><li>An initial A\$2 million to be advanced to the Company against the issue to Lind of a zero coupon convertible security with a face value of \$2.4 million dollars. If convertible note is paid</li></ul>

Key Terms	Description
	<p>back within 90 days the face value is \$2.15m and if paid back within 120 days the face value is \$2.3 m;</p> <ul style="list-style-type: none"> <li>After the 90 day Restriction Period, if the market capitalization is at least equal to the market capitalization on the execution date, and subject to the company having available capacity and shareholder approval, Lind can on one occasion advance the Company up to a further \$1.0 million against the issue to Lind of further convertible notes. The terms and conditions will be based along the same terms as the previous \$2m facility; and</li> <li>Up to a further \$3.0 million may be advanced to the Company against the issue to Lind of further convertible notes once 75% of existing \$2m note is repaid subject to shareholder approval. The terms and conditions will be along the same terms as the previous \$2m facility.</li> </ul>
<b>Term</b>	24 months
<b>Face Value</b>	<ul style="list-style-type: none"> <li>First Convertible Security - A\$2,400,000 (\$2.15m if paid back within 90 days- \$2.3m 120 days);</li> <li>Re-investment Convertible Security – up to A\$1,200,000;</li> <li>Additional Convertible Security with Company approval – up to A\$3,600,000</li> </ul>
<b>Commitment Fees &amp; Options</b>	<ul style="list-style-type: none"> <li>First Convertible Security - A\$50,000 and the issue of 110,000,000 existing listed options, exercisable at A\$0.01 per share and expiring on 12 October 2019.</li> <li>Re-investment and Additional \$3m Convertible Securities at election of Latin Resources - A commitment fee of 4% of the amount advanced under the Re-investment and Additional Convertible Securities together with listed options to a value of 50% of the re-investment and additional amounts advanced divided by the average daily VWAP for the 5 trading days immediately prior to the issue of the Re-investment and the Additional Convertible Securities. The option exercise price to be 130% of the VWAP for the 20 days immediately prior to the issue date of the Re-investment and Additional Convertible Securities. The option term to be 48 months from the issue date of the Re-investment and Additional Convertible Securities. Lind may at its option elect to receive listed options in place of some or all of these options.</li> </ul>
<b>Rank &amp; Security</b>	General Security Agreement over the Company and pledges over the shares in the Company's subsidiaries.
<b>Conversion</b>	<p>The Convertible Securities will be convertible into shares, in whole or in increments, on the Investor giving notice of conversion to the Company during its term. The conversion price will be:</p> <ul style="list-style-type: none"> <li>In months 0-3 – Restricted period - No conversions.</li> <li>In months 4 – 24 - conversion to listed shares at a fixed price of A\$0.015 per share.</li> </ul>



Key Terms	Description
<b>Conversion into Direct Project Interest</b>	The Investor, may at any time with the approval of the Company and by notice to the Company, require the Company to transfer a 5% direct interest in the lithium hard rock projects in Argentina, both current and projects acquired during the Term of the CSFA, by way of redemption of the whole of the face value of the First Convertible Security.
<b>Lock Up Period</b>	No conversions of the First Convertible Security to occur for the period of 90 days of the execution date of the CSFA.
<b>Buy-back Rights</b>	In its sole discretion, the Company will have the right to buy-back, in cash, any or all of the outstanding face value of the convertible securities at any time at no premium ( <b>Buy-Back Rights</b> ). Should the Company exercise its Buy-Back Rights, the Investor will have the option of converting up to 25% of the amount of the face value the subject of the Buy-Back Rights at the conversion price of 1.5c per share.
<b>Repayments</b>	<ul style="list-style-type: none"> <li>Commencing 90 days after advancing funds, the Company must make monthly repayments of 1/20 of the original Face Value of the relevant note.</li> <li>The Company may make these payments, at its option, in cash (at a 3% premium), or (subject to having available capacity at the time) in shares (priced at 90% of the average of 5 daily VWAPS chosen by the Investor from the prior 20 Trading Days), or a combination of both. Provided however that the maximum number of new shares that the Company may issue in respect of a note (on conversion or repayment), without obtaining shareholder approval in respect of the issue, will be initially capped at 238 million shares unless the Company obtains shareholder approval in which event the Convertible Securities will be subject to a cap of the amount approved by shareholders.</li> </ul>
<b>Collateral Shares</b>	37,000,000 collateral shares will be issued to Lind. An amount equal to a notional subscription price of the number of collateral shares remaining at the end of the term ( <b>Collateralization Price</b> ), will be credited to the Company upon the repayment of the outstanding face value of the convertible securities, or on satisfaction of Company's obligation to issue shares upon the conversion of the convertible securities. The Collateralization Price will be equal to 90% of the average of five (5) consecutive daily VWAPs, chosen by the Investor from amongst the 20 trading days prior to payment.

## SCHEDULE 9 – EFFECT OF RESOLUTIONS ON THE COMPANY'S CAPITAL STRUCTURE

	Number of Shares	Number of Options	Number of Convertible Securities
Date of Notice	418,195,306 <sup>1</sup>	178,101,371 <sup>3</sup>	480,002 <sup>4</sup>
SPP Securities	125,458,592 <sup>2</sup>	(see Resolution 17)	-
Resolution 9	80,000,000	-	-
Resolution 10	34,000,000	-	-
Resolution 11	100,000,000	100,000,000 <sup>5</sup>	-
Resolution 12	7,450,000	7,450,000 <sup>5</sup>	-
Resolution 13	20,833,250	20,833,250 <sup>5</sup>	-
Resolution 14	17,437,500	17,437,500 <sup>5</sup>	-
Resolution 16	-	53,800,000 <sup>5</sup>	-
Resolution 17	-	125,458,592 <sup>5,6</sup>	-
Resolution 18	83,333,333 <sup>7</sup>	-	-
Resolution 19	88,670,798 <sup>8</sup>	88,670,798 <sup>5</sup>	-
Resolution 20	-	50,000,000 <sup>5</sup>	-
<b>Total</b>	<b>975,378,779</b>	<b>641,751,511</b>	<b>480,002</b>

### Notes:

1. Comprising: 414,195,306 Shares (including the Shares issued under the Placement) and 4,000,000 loan funded shares subject to voluntary escrow.
2. This is the maximum number of Shares to be issued pursuant to the Company's share purchase plan, as disclosed in the Prospectus announced by the Company on 30 June 2020.
3. Comprising: 163,434,704 Listed Options (Class: LRSOC) exercisable at \$0.012 each on or before 31 December 2022; 6,666,667 unquoted Options exercisable at \$0.1075 each on or before 18 December 2022; and 8,000,000 unquoted Options exercisable at \$0.0325 each on or before 3 July 2023.
4. Comprising: 2 Convertible Securities on the terms and conditions set out in Schedule 8; and 480,000 Convertible Notes on the terms and conditions set out in the Company's announcement titled "Appendix 3B – Convertible Notes" released on ASX on 5 November 2019. On 30 June 2020, the Company received conversion notices from noteholders for the conversion of 40,000 of the Convertible Notes.
5. Listed Options (Class: LRSOC) exercisable at \$0.012 each on or before 31 December 2022
6. This figure includes the up to 9,000,000 total Options that may be issued to the Directors (being up to 3,000,000 per Director) under the terms of the SPP.
7. Comprising: 40,000,000 Stage 1A Shares; and 43,333,333 Stage 1B Shares (based on \$130,000 worth of Shares at the floor issue price of \$0.003 per Share). The Company notes that the Stage 1B Shares will be issued at the lower of \$0.003 per Share or the 30 day VWAP for Shares prior to grant of the Drilling Permits. As at the date of this Notice, the Shares are trading significantly higher than \$0.003 per Share and the Company has therefore calculated the maximum number of Stage 1B Shares to be issued for the purposes of the table above to be 43,333,333 Shares. If prior to the Drilling Permits being granted, the 30 day VWAP for the price of Shares decreases below \$0.003, more Stage 1B Shares would need to be issued.
8. The issuance of these Equity Securities to Integra (representing 10% of a maximum total 886,707,981 Shares on issue following the Meeting) is contingent on Integra exercising its option to subscribe for 10% of Shares in the Company, pursuant to the terms of the Integra Terms Sheet.

Annexure A.

Hall Chadwick has given its written consent to act as the Company's auditor, subject to Shareholder approval and the resignation of Stantons.

If Resolution 4 is passed, the appointment of Hall Chadwick as the Company's auditors will take effect from the close of the Meeting.

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## **6. RESOLUTION 5 – REPLACEMENT OF CONSTITUTION**

### **6.1 General**

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders. Resolution 5 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares that has been updated to ensure it reflects the current provisions of the Corporations Act and ASX Listing Rules.

This will incorporate amendments to the Corporations Act and ASX Listing Rules since the current Constitution was adopted in 2012. The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including, without limitation:

- (a) updating the name of the Company; and
- (b) expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the more significant proposed changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website ([www.latinresources.com.au](http://www.latinresources.com.au)) and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 8 6117 4798). Shareholders are invited to contact the Company if they have any queries or concerns.

### **6.2 Summary of material proposed changes**

#### **Restricted Securities (clause 2.12)**

The Proposed Constitution complies with the recent changes to Listing Rule 15.12 which took effect from 1 December 2019. As a result of these changes, ASX will require certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) to execute a formal escrow agreement in the form Appendix 9A, as is currently the case. However, for less significant holdings (such as non-related parties and non-promoters), ASX will permit the Company to issue restriction notices to holders of restricted securities in the form of the new Appendix 9C advising them of the restriction rather than requiring signed restriction agreements.

### **Minimum Shareholding (clause 3)**

Clause 3 of the Constitution outlines how the Company can manage shareholdings which represent an "unmarketable parcel" of shares, being a shareholding that is less than \$500 based on the closing price of the Company's Shares on ASX as at the relevant time.

The Proposed Constitution is in line with the requirements for dealing with "unmarketable parcels" outlined in the Corporations Act such that where the Company elects to undertake a sale of unmarketable parcels, the Company is only required to give one notice to holders of an unmarketable parcel to elect to retain their shareholding before the unmarketable parcel can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Clause 3 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with unmarketable parcels.

### **Fee for registration of off market transfers (clause 8.4(c))**

On 24 January 2011, ASX amended Listing Rule 8.14 with the effect that the Company may now charge a "reasonable fee" for registering paper-based transfers, sometimes referred to "off-market transfers".

Clause 8.4 of the Proposed Constitution is being made to enable the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

### **Direct Voting (clause 13, specifically clauses 13.35 – 13.40)**

The Proposed Constitution includes a new provision which allows Shareholders to exercise their voting rights through direct voting (in addition to exercising their existing rights to appoint a proxy). Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, Directors must elect that votes can be cast via direct vote for all or any resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the Directors, the notice of meeting will include information on the application of direct voting.

### **Dividends (clause 22)**

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not pay a dividend unless:

- (a) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (b) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- (c) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The existing Constitution reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The Proposed Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

### **Partial (proportional) takeover provisions (new clause 36)**

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

### Information required by section 648G of the Corporations Act

#### *Effect of proposed proportional takeover provisions*

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

#### *Reasons for proportional takeover provisions*

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

### *Knowledge of any acquisition proposals*

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

### *Potential advantages and disadvantages of proportional takeover provisions*

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
- (d) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (e) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

### *Recommendation of the Board*

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 5.

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## **7. RESOLUTION 6 – ADOPTION OF EXECUTIVE INCENTIVE PLAN**

### **7.1 General**

Resolution 6 seeks Shareholders approval for the adoption of the employee incentive scheme titled “Incentive Rights Plan” (**Plan**) in accordance with ASX Listing Rule 7.2 (Exception 13(b)).

The objective of the Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Plan and the future grant

of Incentive Rights under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

A material feature of the Plan is that where a tranche of Incentive Rights vest, the total value of those Incentive Rights will be paid in cash and Restricted Shares to each eligible key employee as follows:

- (a) \$1,000 per tranche of Incentive Rights that vests to each employee; and
- (b) the remainder in Restricted Shares.

This process is illustrated in the following table.

<b>Rights</b>	<b>Number That Vested</b>	<b>Value at Vesting if Share Price \$0.10 (A)</b>	<b>Cash Payment (B)</b>	<b>Restricted Shares Earned <math>A - B \div \\$0.10</math></b>
Tranche 1 - Performance Rights	100,000	\$10,000	\$1,000	90,000
Tranche 2 – Performance Right	200,000	\$20,000	\$1,000	190,000
Tranche 3 – Retention Rights	50,000	\$5,000	\$1,000	40,000
<b>TOTAL</b>	<b>350,000</b>	<b>\$35,000</b>	<b>\$3,000</b>	<b>320,000</b>

Any future grant of Incentive Rights under the Plan to a related party or a person whose relation with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

A summary of the key terms and conditions of the Plan is set out in Schedule 2. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

## 7.2 Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

## 7.3 Listing Rule 7.2 (Exception 13(b))

ASX Listing Rule 7.2 (Exception 13(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting dispatched to shareholders in respect of the

meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 (Exception 13(b)). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

#### **7.4 Technical information required by Listing Rule 14.1A**

If Resolution 6 is passed, the Company will be able to grant either:

- (a) retention rights, being rights that vest and may be exercised into restricted Shares (**Restricted Shares**), based on completion of a period of service; or
- (b) performance rights, being rights that vest and may be exercised into Restricted Shares, based on achievement of specified performance objectives, under the Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total Ordinary Securities without Shareholder approval in any 12 month period,

(each, **Incentive Rights**).

If Resolution 6 is not passed, the Company will be able to proceed with the issue of Incentive Rights under the Plan to eligible participants, but any issues of Incentive Rights will reduce, to that extent, the Company's capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of the Incentive Rights.

#### **7.5 Technical information required by Listing Rule 7.2 (Exception 13)**

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 6:

- (a) a summary of the key terms and conditions of the Plan is set out in Schedule 2;
- (b) the Company last approved an incentive rights plan on 27 November 2015 (**Previous Plan**). The Company has previously issued a total of 2,981,590 Incentive Rights (on a post-September Consolidation basis) under the Previous Plan;
- (c) the maximum number of Incentive Rights proposed to be issued under the Plan, following Shareholder approval, is up to 44,000,000 Incentive Rights and the Company shall ensure that, when aggregated with the Company's other incentive plans, all incentive securities issued will not be more than such number. It is not envisaged that the maximum number of Incentive Rights for which approval is sought will be issued immediately; and
- (d) a voting exclusion statement is included in Resolution 6 of this Notice.

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### **8. RESOLUTION 7 – APPROVAL OF DEFERRED RIGHTS PLAN**

#### **8.1 General**

Resolution 7 seeks Shareholders' approval for the adoption of the Deferred Rights Plan in accordance with ASX Listing Rule 7.2 (Exception 13(b)).

The purpose of the Deferred Rights Plan is to:



- (a) control the cash cost of Directors' fees by providing part of Non-Executive Director remuneration in the form of Deferred Rights;
- (b) compensate Non-Executive Directors for the risks associated with being a director of a small capitalisation company;
- (c) assist Non-Executive Directors to accumulate a holding of Shares in the Company;
- (d) align the interests of Non-Executive Directors with those of Shareholders; and
- (e) help retain Non-Executive Directors, thereby stabilising the composition of the Board.

The Company's current Incentive Rights Plan (the subject of Resolution 6 as approved on 27 May 2014) only permits full-time and permanent part-time employees to participate in the plan. Accordingly, Shareholder approval for the Non-Executive Director Deferred Rights Plan is being sought so that Non-Executive Directors may be issued Deferred Rights on similar terms to employees under the Incentive Rights Plan.

A summary of the key terms and conditions of the Deferred Rights Plan is set out in Schedule 3. In addition, a full copy of the Deferred Rights Plan is available for inspection at the Company's registered office until the date of the Meeting. A copy of the Deferred Rights Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

Any future issues of Deferred Rights under the plan to a person referred to in ASX Listing Rule 10.14 will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

## **8.2 Listing Rule 7.1 and 7.2 (Exception 13(b))**

A summary of ASX Listing Rule 7.1 is set out in Section 7.2 and ASX Listing Rule 7.2 (Exception 13(b)) is set out in Section 7.3.

## **8.3 Technical information required by Listing Rule 14.1A**

If Resolution 7 is passed then the Company will be able to grant Deferred Rights to Non-Executive Directors under the Deferred Rights Plan over a period of 3 years without impacting the Company's ability to issue up to 15% of its total Ordinary Securities without Shareholder approval in any 12 month period.

If Resolution 7 is not passed, the Company will not be able to proceed with the issue of Deferred Rights to the Non-Executive Directors under the Deferred Rights Plan without relevant Shareholder approval.

## **8.4 Technical information required by Listing Rule 7.2 (Exception 13)**

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 7:

- (a) a summary of the key terms and conditions of the Deferred Rights Plan is set out in Schedule 3;

- (b) the Company last approved a Deferred Rights Plan on 31 May 2017 (**Previous Deferred Rights Plan**). The Company has previously issued a total of 7,506,154 Deferred Rights under the Previous Deferred Rights Plan;
- (c) the maximum number of Deferred Rights proposed to be issued under the Deferred Rights Plan, following Shareholder approval, is up to 44,000,000 Deferred Rights and the Company shall ensure that, when aggregated with the Company's other incentive plans, all incentive securities issued will not be more than such number. It is not envisaged that the maximum number of Deferred Rights for which approval is sought will be issued immediately; and
- (d) a voting exclusion statement is included in Resolution 7 of this Notice.

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## **9. RESOLUTION 8 – APPROVAL OF THE EMPLOYEE SHARE PLAN**

### **9.1 Background**

Resolution 8 seeks Shareholder approval for the adoption of the Employee Share Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

The objective of the Employee Share Plan is to give the Company the flexibility to retain its cash reserves during the current uncertain economic and financial environment. The Employee Share Plan will also give eligible participants (being full or part time employees of the Company or Directors) the opportunity to share in any success of the Company, which will likely encourage them in carrying out their respective roles for the Company.

The maximum number of Shares that may be issued on conversion of Options issued under the Employee Share Plan, when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date Shares are offered to eligible participants.

Any future issues of Shares under the Employee Share Plan to a person referred to under ASX Listing Rule 10.14 will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

A summary of the key terms and conditions of the Employee Share Plan is set out in Schedule 4. In addition, a full copy of the Employee Share Plan is available for inspection at the Company's registered office until the date of the Meeting. A copy of the Employee Share Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

### **9.2 Listing Rule 7.1 and 7.2 (Exception 13(b))**

A summary of ASX Listing Rule 7.1 is set out in Section 7.2 and ASX Listing Rule 7.2 (Exception 13(b)) is set out in Section 7.3.

### **9.3 Technical information required by Listing Rule 14.1A**

If Resolution 8 is passed, the Company will have the ability to issue Equity Securities to eligible participants under the Employee Share Plan over a period of 3 years without impacting on the Company's 15% placement capacity under ASX Listing Rule 7.1 without Shareholder approval in any 12 month period.

If Resolution 8 is not passed, with respect of eligible full or part time employees of the Company, the Company will be able to proceed with the issue Equity Securities to such eligible participants under the Employee Share Plan, but any issues of Equity Securities will reduce, to that extent, the Company's capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of the Equity Securities. With respect to eligible Directors, the Company will not be able to proceed with the issue of Equity Securities to such Directors under the Employee Share Plan without relevant Shareholder approval.

#### 9.4 Technical information required by Listing Rule 7.2 (Exception 13)

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 8:

- (a) a summary of the key terms and conditions of the Employee Share Plan is set out in Schedule 4;
- (b) the Company last approved an Employee Share Plan on 31 May 2017 (**Previous Employee Share Plan**). The Company has not issued any Equity Securities under the Previous Employee Share Plan;
- (c) the maximum number of Equity Securities proposed to be issued under the Employee Share Plan, following Shareholder approval, is up to 44,000,000 Equity Securities and the Company shall ensure that, when aggregated with the Company's other incentive plans, all incentive securities issued will not be more than such number. It is not envisaged that the maximum number of Equity Securities for which approval is sought will be issued immediately; and
- (d) a voting exclusion statement is included in Resolution 8 of this Notice.

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### 10. RESOLUTIONS 9 AND 10 – APPROVAL TO ISSUE REPAYMENT SHARES TO LIND – FIRST AND SECOND CONVERTIBLE SECURITIES

#### 10.1 General

On 19 June 2018, the Company agreed terms for a \$6 million Convertible Security Funding Agreement (**CSFA**) with an optional equity earn-in to the Company's Argentinean lithium projects with Lind Asset Management XII. LLC, an entity managed by The Lind Partners New York (**Lind**). The CSFA provided a source of capital to enable the Company to pursue its program of project development and exploration across its portfolio of lithium and cobalt projects in Argentina. Please refer to the Company's announcements on 19 June 2018 for further details, including the material terms of the CSFA.

This \$6 million pursuant to the CSFA comprises the following 3 tranches to be issued if requested, being:

- (a) an initial \$2m pursuant to the First Convertible Security;
- (b) \$1m pursuant to the Second Convertible Security; and
- (c) \$3m pursuant to the Third Convertible Security (which the Company is yet to drawdown on and convert, in full or part, at the date of this Notice).

As at the date of this Notice, the Company has issued the First and Second Convertible Securities (together, the **Lind Convertible Securities**).

Under the Lind Convertible Securities the Company must make monthly repayments to Lind of 1/20<sup>th</sup> of the original face value. These repayments must, at the Company's election, be in:

- (d) cash, at a 3% premium;
- (e) Shares, priced at 90% of the average of 5 daily VWAP chosen by Lind from the previous 20 trading days; or
- (f) a combination of both.

In accordance with the CSFA, the Company received repayment notices on:

- (a) 10 March 2020 to issue the following:
  - (i) 40,000,000 Shares to Lind in satisfaction of the repayment of \$120,000 under the First Convertible Security; and
  - (ii) 17,000,000 Shares to Lind in satisfaction of the repayment of a total of \$51,000 under the Second Convertible Security, comprising:
    - (A) 12,000,000 Shares to Lind in satisfaction of \$36,000; and
    - (B) 5,000,000 Shares to Lind in satisfaction of the repayment of \$15,000; and
- (b) 17 June 2020 to issue the following:
  - (i) 40,000,000 Shares to Lind in satisfaction of the repayment of \$120,000 under the First Convertible Security; and
  - (ii) 17,000,000 Shares to Lind in satisfaction of the repayment of a total of \$51,000 under the Second Convertible Security, comprising:
    - (A) 12,000,000 Shares to Lind in satisfaction of \$36,000; and
    - (B) 5,000,000 Shares to Lind in satisfaction of the repayment of \$15,000,

(together, the Shares to be issued under the 10 March 2020 and 17 June 2020 repayment notices being the **Lind Repayment Shares**). The deemed issue price for the Lind Repayment Shares is \$0.003 per Share.

Resolutions 9 and 10 seek Shareholder approval pursuant to Listing Rule 7.1 for the for the issue of the Lind Repayment Shares, pursuant to the terms of the CSFA.

Lind currently holds 1.9% of Shares on issue. Assuming all Resolutions are approved (including Resolutions 9 and 10), it is anticipated that Lind will hold 14.5% of Shares following the issuance of all Equity Securities contemplated by this Notice. If Resolutions 9 and 10 are approved and all other Resolutions rejected, it is possible that issuing the Lind Repayment Shares would result in Lind holding in excess of 19.9% of Shares in the Company, when aggregated Shares currently held by Lind. In this unlikely circumstance, the Company will cap the number of Lind Repayment Shares to be issued so that Lind does not hold greater than 19.9% of Shares in the Company and shall, as required, seek further Shareholder approval for the remaining Shares to be issued to Lind.

## **10.2 Listing Rule 7.1**

A summary of Listing Rule 7.1 is set out in Section 7.2.

The proposed issue of the Lind Repayment does not fit within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

The effect of Resolutions 9 and 10 will be to allow the Company to issue the Lind Repayment Shares pursuant to of Resolutions 9 and 10 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.

## **10.3 Technical information required by Listing Rule 14.1A**

If Resolutions 9 and 10 are passed, the Company will be able to proceed with the issue of the Lind Repayment Shares. In addition, the issue of the Lind Repayment Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolutions 9 or 10 are not passed, the issue of the Lind Repayment Shares can still proceed but it will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for 12 months following the issue.

Resolutions 9 and 10 seek Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Lind Repayment Shares.

## **10.4 Technical information required by Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolutions 9 and 10:

- (a) the Lind Repayment Shares will be issued to Lind, who is not a related party of the Company;
- (b) the maximum number of Lind Repayment Shares to be issued is 114,000,000 comprising:
  - (i) 80,000,000 Shares, the subject of Resolution 9; and
  - (ii) 34,000,000 Shares, the subject of Resolution 10;
- (c) the Lind Repayment Shares will be 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 Lind Repayment Shares 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 Shares will occur on the same date;
- (e) the Lind Repayment Shares will be issued for nil cash consideration in satisfaction of the Company's monthly repayment obligations under the CSFA. The deemed issue price for the Lind Repayment Shares is \$0.003 per Lind Repayment Share, based on the CSFA Conversion Price Formula;

- (f) the Lind Repayment Shares are being issued to Lind under the CSFA. A summary of the material terms of the CSFA is set out in Schedule 8;
- (g) the Lind Repayment Shares are not being issued under, or to fund, a reverse takeover; and
- (h) no funds will be raised from this issue as they are issued in compliance with the Company's repayment obligations under the First Convertible Security and Second Convertible Security.

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## **11. RESOLUTION 11 – APPROVAL TO ISSUE FUTURE EQUITY SECURITIES**

### **11.1 General**

Resolution 11 seeks Shareholder approval, under ASX Listing Rule 7.1, for the Company to issue up to 100,000,000 Shares and 100,000,000 Listed Options (**Future Securities**). The Company seeks this approval for the purpose of enabling the Company to:

- (a) undertake a capital raising during the three months after the approval of this Resolution (**Future Placement**); and/or
- (b) issue Shares and/or Listed Options in consideration for, and in connection with, services provided to the Company by third party financiers (including Lind) and/or third party vendors in order to conserve the Company's existing cash reserves.

### **11.2 Listing Rule 7.1**

A summary of ASX Listing Rule 7.1 is set out in Section 7.2.

The proposed issue of the Future Securities does not fit within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1. Additionally, the Company wishes to retain as much flexibility as possible to issue additional Equity Securities in the future without having to obtain Shareholder approval under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder approval pursuant to Listing Rule 7.1 so that it does not use up any of its 15% placement capacity under Listing Rule 7.1.

#### **Issue of Shares for cash consideration**

As set out in Section 11.1 above, one of the purposes for which the Company is seeking approval is to enable the Company to raise additional capital during the three months after the approval of this Resolution pursuant to the Future Placement. The Company anticipates that it will need to raise funds in the future in light of its current cash position (\$228,448 as at 23 June 2020), operational costs and its obligations under the CSFA with Lind.

#### **Issue of Shares for non-cash consideration**

Alternatively, the other purpose for which the Company is seeking this approval is to enable the Company to issue to Shares and/or Listed Options in consideration for, and in connection with, services provided to the Company by third party financiers (including Lind) and vendors. This will enable the Company to conserve its existing cash reserves and spend a greater proportion of its cash reserves on its operations.

### 11.3 Technical information required by Listing Rule 14.1A

If Resolution 11 is passed, the Company will be able to proceed with the issue of the Future Securities. In addition, the issue of the Future Securities will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 11 is not passed, the Company will not be able to proceed with the issue of the Future Securities, and the Company will need to seek alternative funding arrangements to meet its exploration and corporate expenditure requirements. Alternatively, the Company may seek to issue such number of Future Securities following the Meeting as permitted by the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 11 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Future Securities.

### 11.4 Use of Funds

The table below sets out the possible funds that the Company could raise under the Future Placement, if the Company issues the maximum number of Shares and/or Listed Options under the Future Placement for cash consideration.

To calculate the potential funds that could be raised under the Future Placement, the table below uses values of \$0.003, \$0.006 and \$0.009 being the volume weighted average price for Shares on the 5 days on which sales in Shares were recorded before 30 June 2020, and the volume weighted prices which are 50% higher and 50% lower than that price. To calculate the potential funds that could be raised under the Future Placement, discounted figures of \$0.0024, \$0.0048 and \$0.0072 have been used, being an issue price, which is not less than 80% of the VWAP set out below:

VWAP	VWAP Discount (80% of VWAP)	Maximum Funds Raised under the Future Placement
\$0.003	\$0.0024	\$240,000
\$0.006	\$0.0048	\$480,000
\$0.009	\$0.0072	\$720,000

The table below sets out the Company's intended use of funds raised under the Future Placement, assuming the Company raises \$480,000 under the Future Placement.

Description	\$	%
Noombenberry Halloysite Project in Western Australia	180,000	37.50
JV earn in - Mining and Energy Group Pty Ltd in New South Wales	180,000	37.50
Expenses of the Future Placement	30,000	6.25
Working capital	90,000	18.75
<b>Total</b>	<b>480,000</b>	<b>100.00</b>

The above table is a statement of current intentions as of the date of this Notice. 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.

## **11.5 Dilution**

Any issue of Future Securities (namely Shares) will dilute the interests of Shareholders who do not receive any Future Securities.

Assuming no Options are exercised, no convertible securities are converted or other Shares issued and the maximum number of Future Securities as set out above are issued, the number of Shares on issue would increase from 418,195,306 (being the number of Shares on issue as at the date of this Notice) to 518,195,306 and the shareholding of existing Shareholders would be diluted by 24%. Further, assuming no Options are exercised, no convertible securities are converted or other Shares issued and the maximum number of Shares as set out above are issued, in the event all the Listed Options issued pursuant to this Resolution were exercised the number of Shares on issue would increase to 618,195,306 and the shareholding of existing Shareholders would be diluted by 48%.

## **11.6 Technical information required by Listing Rule 7.1**

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

- (a) the Future Securities will be issued to:
  - (i) assuming the Future Placement occurs, professional and sophisticated investors who will be identified by the Directors through a bookbuild process, who will not be related parties of the Company; and/or
  - (ii) third party financiers (including Lind) and/or third party vendors identified by the Directors, who will not be related parties of the Company;
- (b) the maximum number of Future Securities to be issued is:
  - (i) 100,000,000 Shares; and
  - (ii) 100,000,000 Listed Options;
- (c) the Future Securities will be issued on the same terms and conditions as the Company's existing Shares and/or Listed Options respectively. The terms and conditions of the Listed Options (LRSOC) are set out in Schedule 7;
- (d) the Future Securities 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 Listing Rules);
- (e) the issue price for the Future Securities will be not less than 80% of the VWAP for Shares calculated over the 5 days on which sales in the Shares are recorded before the day on which the issue is made or, if there is a prospectus, over the last 5 days on which sales in the securities were recorded before the date the prospectus is signed;
- (f) the purpose of the issue of the Future Securities is to raise capital under the Future Placement (which the Company intends to apply as set out in



Section 11.4) and/or conserve the Company's cash resources if the Future Securities are issued to third party financiers or vendors for non-cash consideration;

- (g) the Future Securities are not being issued under a current agreement;
- (h) the Future Securities are not being issued under, or to fund, a reverse takeover; and
- (i) a voting exclusion statement is included in Resolution 11 of the Notice.

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## **12. RESOLUTIONS 12 TO 14 – ISSUE OF RELATED PARTY SECURITIES**

### **12.1 General**

Resolutions 12 to 14 seek Shareholder approval for the issue of the following number of Shares and Listed Options to the Directors in lieu of unpaid Directors' fees owing to the Directors:

- (a) Resolution 12 – 7,450,000 Shares and 7,450,000 Listed Options to David Vilensky (or his nominee), in lieu of \$29,800 in Directors' fees owing to Mr Vilensky for the 5 month period from 1 February 2020 to 30 June 2020 on the terms set out below. This figure represents payment of 100% of Mr Vilensky's fees owed for that period in Shares in lieu of cash, as elected by Mr Vilensky;
- (b) Resolution 13 – 20,833,250 Shares and 20,833,250 Listed Options to Brent Jones (or his nominee), in lieu of \$83,333 in Directors' fees owing to Mr Jones for the 20 month period from 1 November 2018 to 30 June 2020 on the terms set out below. This figure represents payment of 100% of Mr Jones's fees owed for that period in Shares in lieu of cash, as elected by Mr Jones; and
- (c) Resolution 14 – 17,437,500 Shares and 17,437,500 Listed Options to Chris Gale (or his nominee), in lieu of \$69,750 in Directors' fees owing to Mr Gale for the 4 month period from 1 March 2020 to 30 June 2020 on the terms set out below. This figure represents payment of 78% of Mr Gale's fees owed for that period in Shares in lieu of cash, as elected by Mr Gale,

(together, the **Related Party Securities**).

### **12.2 Chapter 2E of the Corporations Act**

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 Related Party Securities to the Directors constitutes giving a financial benefit and each of the Directors is a related party of the Company by virtue of being a Director.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issues because the Related Party Securities will be issued to Messrs Vilensky, Jones and Gale (or their respective nominees) in lieu of their normal, periodic directors' fees, and are considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act. The primary purpose for issuing the Related Party Securities in place of cash Director fees is to assist the Company in managing its cash flow by preserving the Company's cash reserves.

### **12.3 Listing Rule 10.11**

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the Related Party Securities falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. Resolutions 12 to 14 therefore require the approval of Shareholders under Listing Rule 10.11.

Resolutions 12 to 14 seek Shareholder approval for the issue of the Related Party Securities under and for the purposes of Listing Rule 10.11.

### **12.4 Technical information required by Listing Rule 14.1A**

If Resolutions 12 to 14 are passed, the Company will be able to proceed with the issue of the Related Party Securities within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Related Party Securities (because approval is being obtained under Listing Rule 10.11), the issue of the Related Party Securities will not use up any of the Company's 15% annual placement capacity.

If Resolutions 12, 13 or 14 are not passed, the Company will not be able to proceed with the issue of the Related Party Securities to Messrs Vilensky, Jones and/or Gale in lieu of cash payments for their Directors' fees and will need to satisfy the payment of these fees out of the Company's cash reserves.

## 12.5 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 12 to 14:

- (a) the Related Party Securities will be issued to:
  - (i) Resolution 12 – Mr Vilensky (or his nominee), who falls within the category set out in Listing Rule 10.11.1 as Mr Vilensky is a related party of the Company by virtue of being a Director;
  - (ii) Resolution 13 – Mr Jones (or his nominee), who falls within the category set out in Listing Rule 10.11.1 as Mr Jones is a related party of the Company by virtue of being a Director;
  - (iii) Resolution 14 – Mr Gale (or his nominee), who falls within the category set out in Listing Rule 10.11.1 as Mr Gale is a related party of the Company by virtue of being a Director;
- (b) the maximum number of Related Party Securities to be issued to:
  - (i) Resolution 12– Mr Vilensky (or his nominee) is 7,450,000 Shares and 7,450,000 Listed Options;
  - (ii) Resolution 13 – Mr Jones (or his nominee) is 20,833,250 Shares and 20,833,250 Listed Options;
  - (iii) Resolution 14 – Mr Gale (or his nominee) is 17,437,500 Shares and 17,437,500 Listed Options;
- (c) the Related Party Securities will be issued on the same terms and conditions as the Company's existing Shares and Listed Options. The terms and conditions of the Listed Options (LRSOC) are set out in Schedule 7;
- (d) the Related Party Securities will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Shares will be issued on the same date;
- (e) the deemed issue price of the Related Party Securities will be \$0.004 per Share (the same price as under the Placement Shares under Resolution 15). The Company will not receive any consideration for the issue of the Related Party Securities (however the Company will not be obliged to pay such fees owing to the Directors in cash);
- (f) the purpose of the issue of Related Party Securities under Resolutions 12 to 14 is to appropriately remunerate Messrs Vilensky, Jones and Gale for their Directors' fees in lieu of the Company paying such fees in cash, therefore no funds will be raised as a result of the issue of Related Party Securities under Resolutions 12 to 14;
- (g) the remuneration and emoluments from the Company to Messrs Vilensky, Jones and Gale for the previous financial year and proposed remuneration and emoluments for the current financial year as set out below:

Related Party	Current Financial Year <sup>1</sup> (FY2020)	Previous Financial Year (FY2019)
David Vilensky	\$64,800	\$64,800
Brent Jones	\$50,000	\$50,000
Chris Gale	\$270,000	\$307,992 <sup>2</sup>

**Notes:**

1. This does not include the value of any future Securities which may be issued to the Director, including pursuant to this Notice.
  2. Comprising of cash and salary fees of \$295,000 and equity-settled payments of \$12,992 comprising: 9,005,323 retention share rights approved for issue by shareholders in prior years.
- (h) the Related Party Securities are not being issued under an agreement; and
- (i) a voting exclusion statements is included in Resolutions 12 to 14 of the Notice.

### 13. RESOLUTION 15 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES

#### 13.1 General

On 26 June 2020, the Company completed a placement to sophisticated and institutional investors (**Placement**) pursuant to which:

- (a) it issued 53,800,000 Shares at an issue price of \$0.004 per Share (**Placement Shares**) pursuant to its existing 15% placement capacity under Listing Rule 7.1; and
- (b) agreed to issue one (1) attaching Listed Option for every Placement Share subscribed for and issued (**Placement Options**), subject to Shareholder approval (see Resolution 16),

to raise a total \$215,200 (before costs).

Resolution 15 seeks Shareholder approval, under ASX Listing Rule 7.4, to ratify the issue of the Placement Shares to professional and sophisticated investors under the Placement. In conjunction with and subsequent to the Placement, the Company also intends to conduct an offer under a security purchase plan (**SPP**) to existing Shareholders at the same price and structure as the Placement, to raise up to \$627,293 (before costs).

It is anticipated that the Company will complete the SPP between the date of this Notice and the date of the Meeting.

#### 13.2 Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in Section 7.2.

#### 13.3 Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not

reduce the company's capacity to issue further Equity Securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

#### **13.4 Technical information required by Listing Rule 14.1A**

If Resolution 15 is passed, the Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

If Resolution 15 is not passed, the Placement Shares issued will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

Whilst Resolution 15 seeks approval to ratify the Placement Shares issued by the Company, Resolution 16 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Placement Options.

The Listed Options to be issued pursuant to the SPP are to be approved by Shareholders pursuant to Resolution 17.

#### **13.5 Technical information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 15:

- (a) the Placement Shares were issued to professional and sophisticated investors who were identified by the Directors. The recipients were identified through a bookbuild process which involved the Directors seeking expressions of interest to participate in the Placement from non-related parties of the Company. None of the recipients are related parties of the Company;
- (b) 53,800,000 Placement Shares were issued (and it is proposed that 53,800,000 Placement Options be issued, subject to Shareholder approval pursuant to Resolution 16);
- (c) the Placement Shares were issued on the same terms and conditions as the Company's existing Shares;
- (d) the Placement Shares were issued on 26 June 2020;
- (e) the issue price was \$0.004 per Placement Share. The Company has not and will not receive any other consideration for the issue of the Placement Shares;
- (f) the purpose of the issue of the Placement was to raise \$215,200 which will generally be applied to:

- (i) exploration and drilling on the Company's existing and proposed projects including the Noombenberry halloysite project and tenement EL8958 in NSW (the subject of the Proposed MEG Transaction referred to in Resolution 18);
- (ii) costs of the Placement; and
- (iii) working capital;
- (g) the Placement Shares were not issued under an agreement;
- (h) the Placement Shares are not being issued under, or to fund, a reverse takeover; and
- (i) a voting exclusion statement is included in Resolution 15 of this Notice.

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## **14. RESOLUTION 16 – ISSUE OF PLACEMENT OPTIONS**

### **14.1 General**

As set out in Section 13.1 above, the Company proposes to issue 53,800,000 Placement Options (on a 1:1 basis for each Placement Shares issued) in connection with the terms of the Placement completed on 26 June 2020, subject to Shareholder approval.

### **14.2 ASX Listing Rule 7.1**

A summary of ASX Listing Rule 7.1 is set out in Section 7.2.

The proposed issue of the Placement Options does not fall within any of the exceptions in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

### **14.3 Technical information required by Listing Rule 14.1A**

If Resolution 16 is passed, the Company will be able to proceed with the issue of the Placement Options under the terms of the Placement. In addition, the issue of the Placement Options will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 16 is not passed, the Company will not be able to proceed with the issue of the Placement Options unless the issue of the Placement Options is able to be made following the Meeting from the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 16 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Placement Options.

### **14.4 Technical information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 16:

- (a) the Placement Options will be issued to professional and sophisticated investors previously identified by the Directors to participate in the Placement (please see Section 13.5(a) for further details of such Placement investors);

- (b) the maximum number of Placement Options to be issued is 53,800,000;
- (c) the Placement Options will be Listed Options (LRSOC), the terms and conditions of which are set out in Schedule 7;
- (d) the Placement 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 Listing Rules) and it is intended that issue of the Placement Options will occur on the same date;
- (e) pursuant to the terms of the Placement, the issue price will be nil per Placement Options. The Company will not receive any other consideration for the issue of the Placement Options (other than in respect of funds received on exercise of the Options);
- (f) the Placement Options are being issued under the terms of the Placement to raise \$215,200 (before costs). The Company intends to apply the funds raised from the issue as set out in Section 13.5(f);
- (g) the Placement Options are not being issued under an agreement;
- (h) the Placement Options are not being issued under, or to fund, a reverse takeover; and
- (i) a voting exclusion statement is included in Resolution 16 of the Notice.

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## 15. RESOLUTION 17 – ISSUE OF SPP OPTIONS

### 15.1 General

As set out in Section 13.1 above, the Company intends to conduct an offer under a SPP to existing Shareholders at the same price and structure as the Placement, that is, an offer to Shareholders to subscribe for up to \$15,000 worth of Shares at \$0.005 per Share (**SPP Shares**), together with one (1) attaching Listed Option for every SPP Share subscribed for and issued (**SPP Options**), to raise up to \$627,293 (before costs). The terms and conditions of the SPP provide that the issuance of the SPP Options is subject to Shareholder approval.

### 15.2 ASX Listing Rule 7.1 and ASIC Instrument

A summary of ASX Listing Rule 7.1 is set out in Section 7.2.

The SPP Shares are to be issued pursuant to ASX Listing Rule 7.2 (Exception 5).

ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (**ASIC Instrument**) only applies to the offer of securities under a share purchase plan where a company's securities have not been suspended from quotation on ASX for more than a total of five days during the shorter of:

- (a) the period during which the class was quoted; and
- (b) the period of 12 months before the day on which the offer is made.

As the Company's securities will have been suspended from quotation for more than five days in the previous 12 months to the date of the SPP offer, the Company is unable to rely on the relief granted by the ASIC Instrument and, therefore, is undertaking the SPP under a prospectus, which is intended to be lodged with ASX and ASIC in early July 2020.

Notwithstanding the above, the proposed issue of the SPP Options does not fall within any of the exceptions in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1, in accordance with the terms of the SPP offer.

### **15.3 Technical information required by Listing Rule 14.1A**

If Resolution 17 is passed, the Company will be able to proceed with the issue of the SPP Options under the terms of the SPP. In addition, the issue of the SPP Options will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 17 is not passed, the Company will not be able to proceed with the issue of the SPP Options unless the issue of the SPP Options is able to be made following the Meeting from the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 17 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the SPP Options.

### **15.4 Technical information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 17:

- (a) the SPP Options will be issued to Shareholders eligible to participate in the SPP offer. Those SPP Options proposed to be issued to related parties (or associates of related parties) of the Company form the subject matter of Resolutions 21 to 23;
- (b) the maximum number of SPP Options to be issued is 125,458,592;
- (c) the SPP Options will be Listed Options (LRSOC), the terms and conditions of which are set out in Schedule 7;
- (d) the SPP 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 Listing Rules) and it is intended that issue of the SPP Options will occur on the same date;
- (e) pursuant to the terms of the SPP, the issue price will be nil per SPP Options. The Company will not receive any other consideration for the issue of the SPP Options (other than in respect of funds received on exercise of the Options);
- (f) the SPP Options are being issued under the terms of the SPP to raise \$627,293 (before costs). The Company intends to apply the funds raised from the issue as set out in Section 13.5(f);
- (g) the SPP Options are not being issued under an agreement;
- (h) the SPP Options are not being issued under, or to fund, a reverse takeover; and
- (i) a voting exclusion statement is included in Resolution 17 of the Notice.



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## 16. RESOLUTION 18 – APPROVAL OF ISSUES OF CONSIDERATION SECURITIES TO MEG

### 16.1 General

The Company and Mining and Energy Group Pty Ltd (ACN 149 790 161) (**MEG**) have entered into a binding terms sheet dated 22 June 2020 (**Terms Sheet**) in relation to a proposed farm-in arrangement whereby the Company may earn-in up to a 75% Joint Venture Interest in EL8958 in New South Wales (**Tenement**) and associated mining information and obligations, subject to meeting certain farm-in milestones over five separate stages (**Proposed MEG Transaction**).

The Tenement, currently 100% owned by MEG, is prospective for copper and gold.

The Terms Sheet will immediately terminate upon the earlier of:

- (a) the Conditions Precedent (as defined in Schedule 5) not being satisfied or waived within 45 days of execution of the Terms Sheet (unless extended by the parties in writing); and
- (a) the parties entry into the Farm-in Agreement (as defined below).

Under the Terms Sheet, to earn-in to the stage 1 Joint Venture Interest as set out in Schedule 5 (**Stage 1 Joint Venture Interest**), the Company has agreed to issue MEG with the following consideration:

- (a) issuing to MEG 40,000,000 Shares at a deemed issue price of the lesser of \$0.003 per Share or equal to the price at which the Company issues Shares in the next placement that occurs after the date of the Terms Sheet (**Stage 1A Shares**); and
- (b) upon grant of drill permits for the first phase of drilling on the Tenement:
  - (i) paying MEG \$20,000 cash; and
  - (ii) issuing to MEG (or its nominee) that number of Shares calculated by dividing \$130,000 by the lower of:
    - (A) \$0.003; and
    - (B) the 30-day VWAP of the Shares prior to the grant of the Drilling Permits (**Stage 1B Shares**),

(collectively the Stage 1A Shares and Stage 1B Shares, the **Consideration Shares**).

The Stage 1A Shares will be voluntarily escrowed for 6 months from the date of issue.

The material terms of the Terms Sheet are summarised in Schedule 5.

Whilst the Terms Sheet provides a broad and binding framework of the farm-in arrangements between the parties, MEG and LRS have agreed under the Terms Sheet to negotiate in good faith a definitive and legally binding farm-in agreement as soon as reasonably practicable from the date of the Terms Sheet, the key terms of which shall reflect those in the Terms Sheet (**Farm-in Agreement**).

### 16.2 ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in Section 10.2.

The proposed issue of the Consideration Shares does not fall within any of the exceptions in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

### 16.3 Technical information required by Listing Rule 14.1A

If Resolution 18 is passed, the Company will be able to proceed with the issue of the Consideration Shares. In addition, the issue of the Consideration Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 18 is not passed, the Company will not be able to proceed with the issue of the Consideration Shares and the Company may not be able to earn-in the Stage 1 Joint Venture Interest.

Resolution 18 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Consideration Shares.

### 16.4 Dilution

Set out below is a worked example of the number of Stage 1B Shares that may be issued under Resolution 18 based on an assumed issue prices of \$0.003, \$0.002 and \$0.001 per Consideration Share, being the ceiling price of the Stage 1B Shares, and 33% decrease and 66% decrease to that deemed price.

Assumed issue price	Maximum number of Stage 1B Shares which may be issued <sup>1</sup>	Current Shares on issue as at the date of this Notice <sup>2</sup>	Increase in the number of Shares on issue assuming the Company issued the maximum amount pursuant to Resolution 18 <sup>3</sup>	Dilution effect on existing Shareholders
\$0.001	130,000,000	418,195,306	170,000,000	40.65%
\$0.002	65,000,000	418,195,306	105,000,000	25.10%
\$0.003	43,333,333	418,195,306	83,333,333	19.93%

**Notes:**

1. Rounded to the nearest whole number.
2. There are currently 418,195,306 Shares on issue as at the date of this Notice (including Shares issued under the Placement) and this table assumes no Options are exercised, no convertible securities converted or additional Shares issued (including under other Resolutions of this Notice), other than the maximum number of Shares which may be issued pursuant to Resolution 18 (based on the assumed issue prices set out in the table).
3. The Company notes that the above workings are an example only and the actual issue price may differ. This will result in the maximum number of Shares to be issued and the dilution percentage to also differ. This number of Shares also includes the Stage 1A Shares.

### 16.5 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 18:

- (a) the Consideration Shares will be issued to MEG, who is not a related party of the Company;
- (b) the maximum number of Consideration Shares to be issued is up to:

- (i) that number of Stage 1B Shares which, when multiplied by the issue price, equals \$130,000 (please refer to the capital structure in Schedule 9); and
  - (ii) 40,000,000 Stage 1A Shares;
- (c) the Consideration Shares 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 Shares will occur on the same date;
- (d) the Consideration Shares will be issued for nil cash consideration for the Proposed MEG Transaction, the deemed issue price of the Consideration Shares will be as follows:
  - (i) Stage 1A Shares – the lesser \$0.003 per Share or equal to the price at which the Company issues Shares in the next placement that occurs after the date of the Terms Sheet; and
  - (ii) Stage 1B Shares – will be equal to the lower of \$0.003 each and the 30-day VWAP of the Shares prior to the grant of the Drilling Permits;
- (e) the Consideration Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the purpose of the issue of the Consideration Shares is to satisfy the Company's obligations under the Terms Sheet to earn in the Stage 1 Joint Venture Interest;
- (g) the Consideration Shares are being issued to MEG under the Terms Sheet. A summary of the material terms of the Terms Sheet is set out in Schedule 5;
- (h) the Consideration Shares are not being issued under, or to fund, a reverse takeover; and
- (i) a voting exclusion statement is included in Resolution 18 of the Notice.

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## 17. RESOLUTION 19 – ISSUE OF INTEGRA PLACEMENT SECURITIES

### 17.1 General

The Company and Integra Capital SA (a company incorporated under the laws of Argentina) (**Integra**) have entered into a key terms sheet dated 22 June 2020 (**Integra Terms Sheet**) in relation to a proposed farm-in and joint venture arrangement whereby Integra may earn-in up to a 50% joint venture interest in the Company's Catamarca lithium Pegmatite projects (**Catamarca Project**) and associated mining information and obligations, subject to meeting certain farm-in milestones (**Proposed Integra Transaction**).

The Catamarca Project, currently 100% owned by the Company, is prospective for lithium.

Under the Integra Terms Sheet, Integra holds an option to subscribe for 10% of Shares in the Company (which, following the Meeting, assuming all Resolutions are

approved and Shares issued, represents up to 88,670,798 Shares in the Company) at an issue price equivalent to the lower of:

- (a) A\$0.005 per Share; or
- (b) the VWAP of the Shares in the 10 calendar days immediately preceding the completion of the 30 day Exclusivity Period (as defined in Schedule 6),

together with one (1) attaching Listed Option for every Share issued (collectively, the Shares and Listed Options under this Resolution being the **Integra Placement Securities**).

If Shareholder approval under this Resolution is obtained and the Integra Placement Securities are issued to Integra accordingly, Integra will have the right to appoint one (1) Director to the Board.

The material terms of the Integra Terms Sheet are summarised in Schedule 6.

## **17.2 ASX Listing Rule 7.1**

A summary of ASX Listing Rule 7.1 is set out in Section 10.2.

## **17.3 Technical information required by Listing Rule 14.1A**

Resolution 19 proposed issue of the Integra Placement Securities does not fit within any of the exceptions set out in Listing Rule 7.2. The Company wishes to retain as much flexibility as possible to issue additional Equity Securities in the future without having to obtain Shareholder approval under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder approval pursuant to Listing Rule 7.1 so that it does not use up any of its 15% placement capacity under Listing Rule 7.1.

If Resolution 19 is passed, the Company will be able to proceed with the issue of the Integra Placement Securities and Integra will, on issue, have the right to appoint one (1) Director to the Board. In addition, the issue of the Integra Placement Securities will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 19 is not passed, the Company may not be able to proceed with the issue of the Integra Placement Securities.

Resolution 19 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Integra Placement Securities in accordance with the terms of the Integra Terms Sheet.

## **17.4 Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 19:

- (a) the Integra Placement Securities will be issued to Integra, who is not a related party of the Company;
- (b) the maximum number of:

- (i) Shares to be issued is up to 88,670,798 (representing 10% of Shares in the Company, assuming all Resolutions are approved and Shares issued); and
  - (ii) Listed Options to be issued is equal to 100% of the number of Shares to be issued to Integra (rounded down for fractional entitlements) (being approximately 88,670,798 Listed Options) as the Listed Options will be issued attaching with the Shares on a one (1) for one (1) basis;
- (c) the Shares issued will be 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 Options to Integra will be Listed Options (LRSOC), the terms and conditions of which are set out in Schedule 7;
- (e) the Integra Placement Securities 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 Listing Rules) and it is intended that issue of the Integra Placement Securities will occur on the same date;
- (f) the Shares will be issued at an issue price equivalent to the lower of:
  - (i) A\$0.005 per Share; or
  - (ii) the VWAP of the Shares in the 10 calendar days immediately preceding the completion of the 30 day Exclusivity Period (as defined in Schedule 6),
 together with one (1) attaching Listed Option for every Share issued for nil consideration;
- (g) the Integra Placement Securities are being issued to Integra under the Integra Terms Sheet. If the Integra Placement Securities are issued, Integra will have the right to appoint one (1) Director to the Board. A summary of the material terms of the Integra Terms Sheet is set out in Schedule 6;
- (h) the Integra Placement Securities are not being issued under, or to fund, a reverse takeover; and
- (i) a voting exclusion statement is included in Resolution 19 of the Notice.

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## **18. RESOLUTION 20 – ISSUE OF LISTED OPTIONS TO HARTLEYS**

Pursuant to a letter agreement between the Company and Hartleys dated 24 June 2020, the Company proposes to issue to Hartleys (or its nominee) 50,000,000 Listed Options in consideration for Hartleys introducing and brokering the Proposed MEG Transaction (as further described in Section 16).

If the Company does not proceed to earn-in to the Stage 1 Joint Venture Interest (as defined in Section 16.1) then the Company will not issue the Listed Options to Hartleys (or its nominee).

### **18.1 ASX Listing Rule 7.1**

A summary of ASX Listing Rule 7.1 is set out in Section 10.2.

The proposed issue of the Listed Options to Hartleys (or its nominee) does not fall within any of the exceptions in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

## 18.2 Technical information required by Listing Rule 14.1A

If Resolution 20 is passed, the Company will be able to proceed with the issue of the Listed Options to Hartleys (or its nominee). In addition, the issue of the Listed Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 20 is not passed, the Company will not be able to proceed with the issue of the Listed Options for services rendered by Hartleys, unless the issue of the Listed Options to Hartleys is able to be made following the Meeting from the Company's 15% placement capacity under Listing Rule 7.1. The Company and Hartleys may then need to consider other forms of consideration to Hartleys (or its nominee) for its services (including expending cash resources of the Company).

Resolution 20 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Listed Options to Hartleys (or its nominee).

## 18.3 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 20:

- (a) the Listed Options will be issued to Hartleys (or its nominee), which is not related party of the Company;
- (b) the maximum number of Listed Options to be issued is 50,000,000;
- (c) the terms and conditions of the Listed Options (LRSOC) are set out in Schedule 7;
- (d) the Listed 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 Listing Rules) and it is intended that issue of the Listed Options will occur on the same date;
- (e) the Listed Options will be issued at a nil issue price, in consideration for Hartleys introducing and brokering the Proposed MEG Transaction (as further described in Section 16);
- (f) the Company values the Listed Options at \$0.0017 per Listed Option, based on the Black & Scholes pricing model and based on the following key assumptions:

Key assumptions	Details
Valuation date	23 June 2020
Market price of Shares	\$0.006
Expiry date (length of time from issue)	31 December 2022
Risk free interest rate	0.25%
Volatility	100%

- (g) the purpose of the issue of the Listed Options is to appropriately remunerate Hartleys for its services rendered to the Company, taking into account the low cash resources of the Company at the date of this Notice;
- (h) the Listed Options are being issued to Hartleys (or its nominee). The Listed Options are being issued under a letter agreement between the Company and Hartleys dated 24 June 2020. The terms of the letter agreement with Hartleys is as follows:
  - (i) Role: Hartleys agrees to broker the Proposed MEG Transaction;
  - (ii) Fees: for its role in bringing the Proposed MEG Transaction to, and facilitating negotiation of such transaction between the Company and MEG, subject to Shareholder approval, the Company agrees to issue Hartleys with 50,000,000 Listed Options (Class: LRSOC);
  - (iii) Nominee: the Listed Options are agreed to be issued to Hartleys or its nominee;
  - (iv) Termination: should the Company not proceed to earn its initial interest in the Yarara Gold Project (through the issue of 40,000,000 Shares to MEG, as set out in Resolution 18), the fee above will not be payable;
- (i) the Listed Options are not being issued under, or to fund, a reverse takeover; and
- (j) a voting exclusion statement is included in Resolution 20 of the Notice.

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## 19. RESOLUTIONS 21 TO 23 – ISSUE OF SPP OPTIONS TO RELATED PARTIES

### 19.1 General

Resolutions 21 to 23 seek Shareholder approval for the issue up to the following number of SPP Options to the Directors pursuant to the SPP:

- (a) Resolution 21 – 3,000,000 SPP Options to David Vilensky (or his nominee);
- (b) Resolution 22 – 3,000,000 SPP Options to Brent Jones (or his nominee); and
- (c) Resolution 23 – 3,000,000 SPP Options to Chris Gale (or his nominee),

(together, the **Related Party SPP Options**).

As at the date of this Notice, the Directors' current intention is to participate in the SPP, however the exact quantum of their participation is not yet certain.

The Directors also note that, in the event that the SPP is oversubscribed, the Directors will review their own allocations under the SPP prior to scaling back applications from Shareholders.

### 19.2 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in Section 12.2.

The issue of Related Party SPP Options to the Directors constitutes giving a financial benefit and each of the Directors is a related party of the Company by virtue of being a Director.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issues because the Related Party SPP Options will be issued to Messrs Vilensky, Jones and Gale (or their respective nominees) on the same terms as SPP Options issued to non-related party participants in the SPP and as such the giving of the financial benefit is on arm's length terms.

### **19.3 Listing Rule 10.11**

A summary of Listing Rule 10.11 is set out in Section 12.3.

The issue of the Related Party SPP Options falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. Resolutions 21 to 23 therefore require the approval of Shareholders under Listing Rule 10.11.

Resolutions 21 to 23 seek Shareholder approval for the issue of the Related Party SPP Options under and for the purposes of Listing Rule 10.11.

### **19.4 Technical information required by Listing Rule 14.1A**

If Resolutions 21 to 23 are passed, the Company will be able to proceed with the issue of the Related Party SPP Options within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Related Party SPP Options (because approval is being obtained under Listing Rule 10.11), the issue of the Related Party SPP Options will not use up any of the Company's 15% annual placement capacity.

If Resolutions 21, 22 or 23 are not passed, the Company will not be able to proceed with the issue of the Related Party SPP Options to Messrs Vilensky, Jones and/or Gale.

### **19.5 Technical Information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 12 to 14:

- (a) the Related Party SPP Options will be issued to:
  - (i) Resolution 21 – Mr Vilensky (or his nominee), who falls within the category set out in Listing Rule 10.11.1 as Mr Vilensky is a related party of the Company by virtue of being a Director;
  - (ii) Resolution 22 – Mr Jones (or his nominee), who falls within the category set out in Listing Rule 10.11.1 as Mr Jones is a related party of the Company by virtue of being a Director;
  - (iii) Resolution 23 – Mr Gale (or his nominee), who falls within the category set out in Listing Rule 10.11.1 as Mr Gale is a related party of the Company by virtue of being a Director;
- (b) the maximum number of Related Party SPP Options to be issued to:



- (i) Resolution 21 – Mr Vilensky (or his nominee) is up to 3,000,000 SPP Options;
- (ii) Resolution 22 – Mr Jones (or his nominee) is up to 3,000,000 SPP Options;
- (iii) Resolution 23 – Mr Gale (or his nominee) is up to 3,000,000 SPP Options;
- (c) the Related Party SPP Options will be issued on the same terms and conditions as the Company's existing Listed Options. The terms and conditions of the Listed Options (LRSOC) are set out in Schedule 7;
- (d) the Related Party SPP Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Related Party SPP Options will be issued on the same date;
- (e) pursuant to the terms of the SPP, the issue price will be nil per Related Party SPP Option (such SPP Options are issued on a 1:1 basis per SPP Share issued under the SPP). The Company will not receive any other consideration for the issue of the Related Party SPP Options (other than in respect of funds received on exercise of the Options);
- (f) the Related Party SPP Options are being issued under the terms of the SPP to raise \$627,293 (before costs). The Company intends to apply the funds raised from the SPP as set out in Section 13.5(f);
- (g) the Related Party SPP Option are not being issued under an agreement; and
- (h) a voting exclusion statements is included in Resolutions 21 to 23 of the Notice.

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## GLOSSARY

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**\$** means Australian dollars.

**ASIC** means the Australian Securities and Investments Commission.

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

**ASX Listing Rules** or **Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth).

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

**Constitution** means the Company's constitution.

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

**CSFA** means the Convertible Security Funding Agreement dated 19 June 2018 between the Company and Lind for a \$6 million convertible funding security with an optional equity earn-in to the Company's Argentinean lithium projects.

**CSFA Conversion Price Formula** means 90% of the average of five daily VWAP calculations of Shares (as selected by Lind) from the 20 trading days immediately prior to the relevant Repayment Date, rounded down to four decimal places.

**Deferred Rights** means the deferred rights under the Deferred Rights Plan.

**Deferred Rights Plan** means the non-executive Director deferred rights plan the subject of Resolution 7 with the terms and conditions as contained in Schedule 3.

**Directors** means the current directors of the Company.

**Drilling Permits** means an authorisation by the relevant authority to drill in any area within the Tenement.

**Employee Share Plan** means the employee incentive scheme titled "Director and Employee Share Plan" the subject of Resolution 8 with the terms and conditions contained in Schedule 4.

**Equity Securities** has the meaning given to that term in the Listing Rules.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**First Convertible Security** means the convertible note issued to Lind pursuant to the CSFA, with a face value of \$2,400,000, as described in Section 10.

**Hartleys** means Hartleys Limited (ACN 104 195 057) (AFSL 230052).

**Integra** means Integra Capital S.A (a company incorporated under the laws of Argentina).

**Joint Venture Interest** means the Company and MEG's the relevant percentage share of the legal and beneficial ownership of the Tenement and Mining Information from time to time and all other rights, liabilities and obligations accruing to or incurred by the parties in or arising out of the Terms Sheet.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Lind** means Lind Asset Management XII. LLC, an entity managed by The Lind Partners New York.

**Lind Convertible Securities** means the First Convertible Security and the Second Convertible Security.

**Listed Option** means the Options listed on ASX under ticker code LRSOC (exercisable at \$0.012 each on or before expiry 31 December 2022), the terms and conditions of which are set out in Schedule 7.

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

**MEG** means Mining and Energy Group Pty Ltd (ACN 149 790 161).

**Mining Information** means all technical information including geological, geochemical and geophysical reports, surveys, mosaics, aerial photographs, samples, drill core, drill logs, drill pulp, assay results, maps and plans relating to the Tenement or to joint venture operations, whether in physical, written or electronic form.

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

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Ordinary Securities** has the meaning set out in the ASX Listing Rules.

**Plan** means the employee incentive scheme the subject of Resolution 6 with the terms and conditions contained in Schedule 2.

**Placement** has the meaning in Section 13.1.

**Placement Options** has the meaning in Section 13.1.

**Placement Shares** has the meaning in Section 13.1.

**Proxy Form** means the proxy form accompanying the Notice.

**Quarter** means a quarter of each calendar year, each quarter ending on 31 March, 30 June, 30 September and 31 December each year.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 31 December 2019.

**Repayment Date** means the day which is 91 days after the relevant closing dates of the First Convertible Security and Second Convertible Security (as stipulated in the CSFA), and every 30 days afterward.

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

**Restricted Shares** has the meaning in Schedule 2, Paragraph (h).

**Second Convertible Security** means the convertible note issued in the Company issued to Lind pursuant to the CSFA, with a face value of \$1,000,000, as described in Section 10.

**September Consolidation** means the 1 for 25 share consolidation of the Company's securities as announced on 13 September 2019 in the Company's Appendix 3B – Share Consolidation.

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

**Shareholder** means a holder of a Share.

**Tenement** means EL8958 in New South Wales.

**Terms Sheet** has the meaning in Section 16.1 of the Explanatory Statement.

**Variable A** means "A" as set out in the calculation in Section 4.2 of the Explanatory Statement.

**VWAP** means the volume weighted average price.

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

## SCHEDULE 1- ISSUES OF EQUITY SECURITIES SINCE 31 MAY 2019

Issue Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) <sup>1</sup>	Form of consideration
Issue – 14/06/2019 Appendix 3B – 14/06/2019	4,000,000 (100,000,000 pre-September Consolidation)	Shares <sup>2</sup>	Collateral shares issued under the Company's LR 7.1 placement capacity to Lind Partners New York pursuant to CSFA (as announced to ASX on 19 June 2018)	No issue price (non-cash consideration )	Non-cash consideration as shares issued pursuant to CSFA  Current value <sup>5</sup> : \$28,000
Issue – 14/06/2019 Appendix 3B – 14/06/2019	468,305 (11,707,633 pre-September Consolidation)	Shares <sup>2</sup>	Shares issued on vesting of incentive rights to Managing Director Mr Chris Gale in accordance with the Incentive Rights Plan. The Incentive Rights Plan was most recently approved by Shareholders on 27 November 2015.	No issue price (non-cash consideration )	Non-cash consideration - shares issued on vesting of incentive rights  Current value <sup>5</sup> : \$3,278
Issue – 19/06/2019 Appendix 3B – 19/06/2019	6,933,333 (173,333,334 pre-September Consolidation)	Shares <sup>2</sup>	Shares issued under the Company's LR 7.1A placement capacity to Lind Partners New York for the repayment of the First Convertible Security and Second Convertible Security pursuant to CSFA (as announced to ASX on 19 June 2018)	\$0.0009 per share Share Price on Issue Date: \$0.001 Discount to market value: 10%	Shares issued as a repayment of funds advanced by Lind pursuant to CSFA.  Current value <sup>3</sup> : \$48,533
Issue – 04/07/2019 Appendix 3B – 04/07/2019	8,000,000 (200,000,000 pre-September Consolidation)	Unlisted Options <sup>4</sup>	Unlisted Options issued under the Company's LR 7.1 placement capacity to Lind Partners New York pursuant to the Deed of Variation for the CSFA (as announced to ASX on 19 June 2018)	No issue price as the options were issued pursuant to CSFA.	Consideration: Nil The options were issued pursuant to CSFA  Current value <sup>5</sup> : \$13,451
Issue – 05/11/2019 Appendix 3B – 05/11/2019	520,000	Convertible Notes	Issue of Convertible Notes to unrelated parties. Convertible Notes were approved by shareholders on 11 December 2019. Refer to the Notice of General Meeting lodged with ASX on 08/11/2020 for full	\$1 per Convertible Note	Consideration: \$520,000  Current value <sup>5</sup> : \$520,000

Issue Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) <sup>1</sup>	Form of consideration
			Terms and Conditions.		
Issue – 19/12/2019 Appendix 3B – 19/12/2019	166,666,667	Shares <sup>2</sup>	Shares issued to professional and sophisticated investors as part of a placement announced to ASX on 24/10/2019 and approved by shareholders on 11 December 2019 ( <b>Placement</b> ). Refer to Notice of General Meeting lodged with ASX on 08/11/2020	\$0.006 per Share Share Price on Issue Date: \$0.006 Discount to market value: Nil	Consideration: \$1,000,000  Current value <sup>5</sup> : \$1,166,667
Issue – 19/12/2019 Appendix 3B – 19/12/2019	83,333,334	Quoted Options <sup>3</sup>	Free attaching options to Placement Shares above pursuant to Prospectus lodged with ASX 12/12/2019.	No issue price as the options were free attaching to the Placement Shares	Consideration: Nil The options were free attaching to the Placement Shares  Current value <sup>5</sup> : \$83,333
Issue – 23/12/2019 Appendix 3B – 23/12/2019	25,000,000	Shares <sup>2</sup>	Shares issued to the Shareholders of Electric Metals Pty Ltd as consideration for the acquisition of Electric Metals as announced to ASX on 24/10/2019 and approved by shareholders on 11/12/2019	No issue price - issued as consideration for acquisition	Consideration: Nil The shares were issued as consideration for an acquisition Current value <sup>5</sup> : \$175,000
Issue – 23/12/2019 Appendix 3B – 23/12/2019	6,250,000	Quoted Options <sup>3</sup>	Options issued to the Shareholders of Electric Metals Pty Ltd as consideration for the acquisition of Electric Metals as announced to ASX on 24/10/2019 and approved by shareholders on 11/12/2019	No issue price - issued as consideration for acquisition	Consideration: Nil The options were issued as consideration for an acquisition Current value <sup>5</sup> : \$6,250
Issue – 23/12/2019 Appendix 3B – 23/12/2019	40,000,000	Quoted Options <sup>3</sup>	Options issued to brokers to the Placement, SABA Nominees Pty Ltd (and their nominee/s), all unrelated parties of the Company.	No issue price – issued as consideration for capital raising services provided in connection with the Placement.	Consideration: Nil The options were issued for capital raising services provided  Current value <sup>5</sup> : \$40,000

Issue Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) <sup>1</sup>	Form of consideration
Issue – 21/02/2020 Appendix 3B – 21/02/2020	17,029,511	Shares <sup>2</sup>	Pro rata non-renounceable Entitlement Issue to shareholders pursuant to Prospectus lodged with ASX 12/12/2019.	\$0.006 per share Share Price on Issue Date: \$0.005 Discount to market value: 16.6%	Consideration: \$102,177  Current value <sup>5</sup> : \$119,207
Issue – 21/02/2020 Appendix 3B – 21/02/2020	8,514,744	Quoted Options <sup>3</sup>	Free attaching options to Entitlement Issue Shares above as part of the non-renounceable Entitlement Issue pursuant to Prospectus lodged with ASX 12/12/2019.	No issue price as the options were free attaching to the Entitlement Issue Shares	Consideration: Nil The options were free attaching to the Entitlement Issue Shares  Current value <sup>5</sup> : \$8,515
Issue – 21/02/2020 Appendix 3B – 21/02/2020	25,336,626	Quoted Options <sup>3</sup>	Options issued to previous Option Holders as part of Replacement Option Offer pursuant to Prospectus lodged with ASX 12/12/2019.	No issue price as the options were issued as part of Replacement Option Offer	Consideration: Nil  Current value <sup>5</sup> : \$25,337

**Notes:**

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and
2. exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
3. Fully paid ordinary shares in the capital of the Company, ASX Code: LRS (terms are set out in the Constitution).
4. Listed Options exercisable at \$0.012 on or before expiry 31 December 2022 (LRSOC).
5. Unlisted Options exercisable at \$0.0325 on or before 3 July 2023.
6. In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.003 or Options (\$0.001) as the context requires on the ASX on 15 April 2020. In respect of unquoted Equity Securities the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).
7. This is a statement of current intentions as at the date of this Notice. 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 the funds are applied on this basis.

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## SCHEDULE 2 – SUMMARY OF INCENTIVE RIGHTS PLAN

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The key terms of the Incentive Rights Plan are as follows:

- (a) **Eligibility:** Participants in the Plan may be full-time and permanent part-time employees of the Company or any of its subsidiaries (**Participants**).
- (b) **Administration of Plan:** The Board is responsible for the operation of the Plan and has a broad discretion to determine which Participants will be offered Incentive Rights under the Plan.
- (c) **Offer:** The Board may issue an offer to a Participant to participate in the Plan. The offer will specify (unless otherwise determined by the Board):
  - (i) the name and address of the Participant to whom the offer is made;
  - (ii) the number and types of tranches of Incentive Rights being offered;
  - (iii) in respect of each tranche:
    - (A) the number of Incentive Rights being offered;
    - (B) the vesting conditions, if any, of each tranche of Incentive Rights; and
    - (C) the Measurement Period (as defined below) during which each tranche of Incentive Rights must vest and be exercised; and
  - (iv) any other matters required by either the Corporations Act or the ASX Listing Rules.
- (d) **Measurement Period:** In relation to the offer of Incentive Rights means the period for determining whether service vesting conditions are satisfied. Unless otherwise determined by the Board, such period will be for three financial years commencing on 1 July of the year of grant and finishing on 30 June three years later (**Measurement Period**).
- (e) **Incentive Rights:** Incentive Rights may be offered to Participant, being:
  - (i) retention rights, being rights that vest and may be exercised into Restricted Shares, based on completion of a period of service; or
  - (ii) performance rights, being rights that vest and may be exercised into Restricted Shares, based on achievement of specified performance objectives.
- (f) **Restriction on Transfer:** An Incentive Right may not be transferred or otherwise dealt with (including being disposed of, encumbered, made subject to any interest in favour of any other person) and lapses immediately on purported transfer or dealing unless the Board, in its absolute discretion, approves the transfer or the dealing or transfer is effected by operation of law on death or legal incapacity to the Participant's legal personal representative.
- (g) **Vesting:** Where a tranche of Incentive Rights vest, the total value of those Incentive Rights will be paid in cash and Shares as follows:
  - (i) \$1,000 per tranche that vests; and



- (ii) the remainder in Restricted Shares.
- (h) **Vesting and Exercise – Issue of Restricted Shares:** Upon vesting and exercise of the Incentive Rights, the Company will issue voluntarily restricted Shares that may not be sold or otherwise disposed of by Participants until first advised by the Company, which the Company shall do at the first opportunity to do so, when Shares may be sold without breaching the insider trading provisions of the Corporations Act or the Company's share trading policy (**Restricted Shares**). The Company will issue Restricted Shares to Participants or arrange for them to be acquired for the Participant's benefit by the trustee of the Plan.
- (i) **Rights attaching to Shares:** Each Restricted Share shall be issued on the same terms and conditions as the Company's issued Shares (other than in respect of transfer restrictions imposed by the Plan) and it will rank equally with all other issued Shares from the issue date except for entitlements which have a record date before the issue date.
- (j) **Quotation on ASX:** The Company will apply for each Restricted Share to be admitted to trading on ASX. Quotation will be subject to the restrictions on trading placed on them by the Company, the ASX Listing Rules and any holding lock applying to the Shares.
- (k) **Bonus Issues:** Subject to any requirements of the Corporations Act and the ASX Listing Rules, in cases of bonus issues, the number of Incentive Rights held by a Participant shall be increased by the same number as the number of bonus shares that would have been received by the Participants had the Incentive Rights been fully paid ordinary shares in the Company.
- (l) **Rights Issues:** Subject to any requirements of the Corporations Act and the ASX Listing Rules, in the case of general rights issues to the Company's shareholders, there will be no adjustment to the Incentive Rights. However, the Board may consider issuing options:
  - (i) of a number up to the number of shares to which the Participant would have been entitled had the Incentive Rights been fully paid ordinary shares in the Company, and
  - (ii) the exercise price of such options will be equal to the amount payable by the Company's shareholders to exercise a right to acquire a Share.
- (m) **Capital Reconstructions:** Subject to any requirements of the Corporations Act and the ASX Listing Rules, in the case of other capital reconstructions the Board may make such adjustments to the Incentive Rights as it considers appropriate with a view to ensuring that holders of Incentive Rights are neither advantaged nor disadvantaged.
- (n) **Forfeiture:** The Incentive Rights will be forfeited in the event that the Participant is dismissed for cause, resigns (unless otherwise determined by the Board) or where the Board forms the opinion that a Participant has committed an act of fraud, defalcation or gross misconduct in relation to the Company.
- (o) **Other Termination:** In the event that the Participant's employment is terminated due to death, total permanent disablement, retirement with the approval of the Board or Company initiated termination without cause, Incentive Rights granted in the financial year of termination of employment are forfeited in the same proportion as the remainder of the financial year bears to the full financial year. Incentive Rights that do not lapse at the termination of employment will continue

to be held by Participants with a view to testing for vesting at the end of the Measurement Period. If the Share price at the date of testing is:

- (i) less than the Share price at the date of termination of employment, then all unvested Incentive Rights lapse, in which case the Board may, in its absolute discretion, determine to pay a cash bonus through payroll with PAYG tax deducted; or
  - (ii) not less than the Share price at the date of termination of employment, then retention rights that have not been forfeited will vest and performance rights will be tested once for vesting at the end of the Measurement Period. If they do not vest at that time then they will be forfeited.
- (p) **Change in Control Including Takeover:** In the event of a change in control including a takeover, the vesting conditions attached to the Incentive Rights will cease to apply and unvested Incentive Rights will vest in the proportion that the Share price has grown since the date of grant of the Incentive Rights or as determined by the Board, up to 100%. The Board will have discretion to vest some or all of the remaining unvested Incentive Rights with any Incentive Rights that do not vest lapsing.
- (q) **Distribution of Capital to Shareholders:** In the event that the board decides to declare a special dividend or undertake a return of capital to shareholders, the Board may in its discretion determine that some or all of the unvested Incentive Rights held by Participants shall vest and may also determine that any remaining unvested Incentive Rights shall lapse.
- (r) **Plan limit:** The Company must take reasonable steps to ensure that the number of Shares offered by the Company under the Plan when aggregated with:
  - (i) the number of Shares issued during the previous 5 years under the Plan (or any other employee share plan extended only to eligible employees); and
  - (ii) the number of Shares that would be issued if each outstanding offer for Shares (including options to acquire unissued Shares) under any employee incentive scheme of the Company were to be exercised or accepted,

does not exceed 5% of the total number of Shares on issue at the time of an offer (but disregarding any offer of Shares or option to acquire Shares that can be disregarded in accordance with relevant ASIC Class Orders).

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## SCHEDULE 3 – SUMMARY OF DEFERRED RIGHTS PLAN

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The key terms of the Deferred Rights Plan (**Plan**) are as follows:

(a) **Participants in the Plan**

Participants in the plan may be Non-Executive Directors of the Company (**Participants**).

(b) **Limitations of Offers**

The Company must take reasonable steps to ensure that the number of Shares issued upon vesting and exercise of any Deferred Rights offered under the Non-Executive Director Deferred Rights Plan, when aggregated with:

- (i) the number of Shares which would be issued if each outstanding offer of Deferred Rights, Shares, Options or rights to acquire Shares under an employee incentive scheme is accepted or exercised; and
- (ii) the number of Shares issued during the previous 5 years pursuant an employee incentive scheme extended only to employees or Directors,

must not exceed 5% of the total number of Shares on issue at the time of an offer. In calculating this number, the Company will disregard any issues of Shares, Options or rights to acquire Shares made to persons outside Australia, made under a disclosure document or product disclosure statement, or made under one of the disclosure exceptions set out in Section 708 or 1012D of the Corporations Act.

(c) **Measurement Period**

The measurement period for determining whether service vesting conditions are satisfied will be three financial years commencing on 1 January of the year of grant and finishing on 31 December three years later, unless otherwise determined by the Board (**Measurement Period**).

(d) **Deferred Rights**

Vesting of Deferred Rights will be based on completion of a certain period of service with the Company.

Where a tranche of Deferred Rights vest, the total value of the vesting Deferred Rights (**Total Value**) will be paid in cash (\$1,000 per tranche that vests) and the remaining balance in Shares based on the VWAP of the Shares over the 10 trading days immediately prior to end of the Measurement Period (**Vesting Share Price**).

The Total Value is determined by multiplying the relevant number of vested Deferred Rights by the relevant Vesting Share Price.

If Deferred Rights have not vested and there is no opportunity for those Deferred Rights to vest at a later date then they lapse. Typically, this will be at the end of the Measurement Period for Deferred Rights, if they fail to vest.

There are no performance related vesting conditions as Guideline 8 in the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations" indicates that Non-Executive Directors should not participate in incentive schemes designed for executives. Executive incentive schemes generally involve performance vesting conditions, as is the case under the

Company's current Incentive Rights Plan. Also, ASX Listing Rule 10.17.2 prescribes that Non-Executive Director remuneration should be a fixed sum.

(e) **Withdrawal of Offers**

The Board may withdraw an offer of Deferred Rights at any time including after it has been accepted provided that the Company has not already granted the Deferred Rights.

(f) **Restriction on Transfer**

A Deferred Right may not be transferred or otherwise dealt with and lapses immediately on a purported transfer or dealing unless the Board approves the transfer or the dealing, or the transfer is effected by operation of law on death or legal incapacity of the participant's legal personal representative.

(g) **Shares**

All Shares issued upon vesting and exercise of the Deferred 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) **Bonus Issue and Pro-Rata Issues**

In the event of a bonus issue of Shares, the number of Deferred Rights held by a participant shall increase by the number of bonus Shares that the participant would have received if the Deferred Rights were Shares.

Subject to any requirements of the Corporations Act and the ASX Listing Rules, in the case of a pro-rata issue of Shares, there will be no adjustment to the Deferred Rights. However, the Board may consider issuing Options of a number up to the number of Shares to which the Participant would have been entitled under the pro-rata issue, had the Deferred Rights been Shares. The exercise price of such Options will be equal to the amount payable by Shareholders to acquire a Share pursuant to that pro-rata issue.

(i) **Capital Reconstructions**

Subject to any requirements of the Corporations Act and the ASX Listing Rules, in the case of other capital reconstructions the Board may make such adjustments to the Deferred Rights as it considers appropriate with a view to ensuring that holders of Incentive Rights are neither advantaged nor disadvantaged.

(j) **Termination of Employment**

Upon the termination of employment, the Deferred Rights will be treated as follows:

- (i) **(Dismissal with cause)**: in the event that the participant is dismissed with cause, all Deferred Rights are forfeited;
- (ii) **(Resignation other than retirement)**: if the participant resigns, all Deferred Rights are forfeited (unless otherwise determined by the Board);

- (iii) **(Death, Disablement or Retirement):** Upon death, total permanent disablement or permanent retirement, all unvested Deferred Rights will lapse unless otherwise determined by the Board. In exercising this discretion the Board shall have regard to the remuneration period to which the grant of Deferred Rights relates and the portion of such period that remains.

Deferred Rights not forfeited cannot vest if the former Non-Executive Director has engaged in any communication, conduct or activities that have or may injure the reputation or business interests or operations of the Company.

If the Share price at the date of testing is more than the Share price at the date of termination then all unvested Deferred Rights will vest. In the event that Deferred Rights forfeit because the Share Price at the testing date is less than the Share price at the date of termination, then the Board may determine to pay a cash bonus (not to exceed the value that would otherwise have been received if the Deferred Rights vested).

(k) **Change in Control Including Takeover**

In the event of a change in control of the Company, including a takeover, unvested Deferred Rights will vest.

(l) **Distribution of Capital to Shareholders**

In the event that the Board decides to declare a special dividend or undertake a return of capital to Shareholders, the Board may determine that some or all of the unvested Deferred Rights shall vest or lapse.

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## **SCHEDULE 4 – SUMMARY OF EMPLOYEE SHARE PLAN**

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The key terms of the Employee Share Plan (**Plan**) are as follows:

(a) **Participants in the Plan**

The Board may offer Shares to full or part time employees and Directors of the Company, including Non-Executive Directors (**Eligible Participant**).

Eligible Participants do not possess any right to participate in the Plan, as participation is solely determined by the Board.

(b) **Limitations of Offers**

If the Company makes an offer of Shares where:

- (i) the total number of Shares the subject of that offer, exceeds the limit set out in ASIC Class Order 03/184 (or any amendment to or replacement); or
- (ii) the Offer does not otherwise comply with the terms and conditions set out in ASIC Class Order 03/184 (or any amendment to or replacement of that Class Order),

the Company must comply with Chapter 6D of the Corporations Act at the time of that offer.

(c) **Issue of Shares**

Shares issued under the plan will rank equally in all respects with the then issued class of fully paid ordinary shares of the Company.

The Company will issue Shares under the plan on a quarterly basis, being 31 March, 30 June, 30 September and 31 December each year.

The issue of Shares under the plan will be deemed to satisfy the relevant fees or salary owing by the Company to the Eligible Participant.

Shares issued to an Eligible Participant under the plan will have no restrictions on their transfer.

(d) **Deemed issue price of Shares**

The Shares issued pursuant to the plan will be issued for nil cash consideration as they will be issued in satisfaction of fees and salary owing by the Company to the Eligible Participant. The Shares will be deemed to have an issue price as determined by the Board at the time of issue of the Shares but such deemed issue price will be no less than the VWAP of Shares sold on ASX during the 90 days prior to the expiration of the relevant Quarter.

(e) **Shareholder Approval**

All Shares issued pursuant to the plan that are offered to a Director (or an associate of a Director) will be subject to prior Shareholder approval under the Listing Rules and the Corporations Act (if required).

(f) **Amendments**

Subject to the Listing Rules, the Board may at any time by resolution amend all or any of the provisions of the plan, or the terms or conditions of any Shares issued under the plan, provided that as soon as reasonably practicable after making any amendment, the Board gives notice in writing of that amendment to any Eligible Participant affected by the amendment.

(g) **Non-residents of Australia**

The Board may adopt additional rules of the plan applicable in any jurisdiction outside Australia under which rights offered under the plan may be subject to additional or modified terms, having regard to any securities, exchange control or taxation laws or regulations or similar factors which may apply to the Eligible Participant or to the Company in relation to the rights. Any additional rule must conform to the basic principles of the plan.

## SCHEDULE 5 – SUMMARY OF THE TERMS SHEET WITH MEG

Key Terms	Description
<b>Overview of the Farm-In</b>	<p>The grant by MEG to the Company of the right to acquire up to a 75% Joint Venture Interest is subject to the satisfaction of the Conditions Precedent (as defined below) and the Company meeting the obligations set out in the Terms Sheet. At the date of satisfaction of the Conditions Precedent (<b>Commencement Date</b>), the initial Joint Venture Interest of the parties will be:</p> <p>(A) the Company – 0%; and</p> <p>(B) MEG – 100%</p>
<b>Non-refundable Deposit</b>	<p>Within 7 days of execution of the Terms Sheet, the Company shall pay a non-refundable deposit of \$30,000 to MEG and MEG will provide the Company with all Mining Information in its possession.</p>
<b>Conditions Precedent</b>	<p>Commencement of the Farm-In is conditional on:</p> <p>(a) the parties obtaining all necessary regulatory, shareholder and third-party approvals, consents or waivers that are required to give effect to the terms of the Farm-In; and</p> <p>(b) there being no event occurring prior to the date of satisfaction of Item (a) above which materially and adversely affects the Tenement and/or MEG,</p> <p>(together, the <b>Conditions Precedent</b>).</p>
<b>Termination</b>	<p>The Terms Sheet will terminate upon the earlier of the Conditions Precedent not being satisfied within 45 days of execution of the Terms Sheet (unless extended by the parties in writing) and the parties entry into a formal and full-form farm-in agreement (which the parties agree to negotiate as soon as reasonably practicable from the date of the Terms Sheet).</p>
<b>Stage 1 Farm-in</b>	<p>Within 14 days of the Commencement Date, the Company may earn a 20% Joint Venture Interest by:</p> <p>(a) issuing to MEG or its nominee 40,000,000 Shares at a deemed issue price of the lesser of \$0.003 per share or equal to the price at which the Company issues shares only in the next placement that occurs after the date of the Terms Sheet, with such Shares received by MEG to be voluntarily escrowed for 6 months from the date of issue by the Company (<b>Stage 1A Shares</b>); and</p> <p>(b) paying MEG \$20,000 cash and issuing to MEG or its nominee that number of Shares calculated by dividing \$130,000 by the lower of \$0.003 and the 30 day VWAP of Shares prior to the grant of the Drilling Permits, such payment and issue to be made upon grant of drill permits for the first phase of drilling on the Tenement (<b>Stage 1B Shares</b>).</p>
<b>Stage 2 Farm-in</b>	<p>The Company will have the right, but not the obligation, to earn an additional 20% Joint Venture Interest (to have a total 40% Joint Venture Interest) by undertaking approved "on the ground" exploration activities totalling no less than \$250,000,</p>



Key Terms	Description
	including responsibility for environmental bonds, within 18 months of the Commencement Date.
<b>Stage 3 Farm-in</b>	The Company will have the right, but not the obligation, to earn an additional 10% Joint Venture Interest (to have a total 50% Joint Venture Interest) by acquiring and analysing high quality airborne VTEM data of no less than 2,500 line km within 24 months of the Commencement Date.
<b>Stage 4 Farm-in</b>	The Company will have the right, but not the obligation, to earn an additional 10% Joint Venture Interest (to have a total 60% Joint Venture Interest) by drilling no less than 2,500m of a mix of RAB, RC and/or diamond drilling within 36 months of the Commencement Date.
<b>Stage 5 Farm-in</b>	The Company will have the right, but not the obligation, to earn an additional 15% Joint Venture Interest (to have a total 75% Joint Venture Interest) by drilling no less than 10,000m of a mix of RAB, RC and/or diamond drilling (but including a minimum of 2,500m of diamond drilling) within 36 months of the Commencement Date.
<b>Ability to Introduce Additional Joint Venture Party</b>	<p>If LRS fails to complete any of the Stage 1 to Stage 5 farm-in obligations:</p> <ul style="list-style-type: none"> <li>(a) MEG shall be entitled to introduce an additional joint venture party to fulfil the farm-in obligation and earn the corresponding Joint Venture Interest;</li> <li>(b) LRS will be subject to dilution of its earn-in interest on a pro rata basis; and</li> <li>(c) LRS shall cease sole funding exploration expenditure on the Tenement.</li> </ul>
<b>Farm-In Partner Responsibilities and Indemnities</b>	While the Company is sole funding exploration expenditure, the Company shall be responsible for all tenement rental costs (including for the current tenement year), preparing tenement reporting, rehabilitation bonding and rehabilitation works (including replacement of existing environmental bonds within 7 days of the Commencement Date) and shall indemnify MEG against any liability arising as a result of the Company's activities on the Tenement. All Mining Information obtained will form part of the joint venture property and will therefore be the property of MEG and the Company.
<b>Formation of Joint Venture</b>	Upon the earlier of the Company ceasing to sole fund exploration and the Company completing the Stage 5 Farm-in, the Company and MEG shall form an unincorporated joint venture ( <b>Joint Venture</b> ) on standard industry terms.
<b>Joint Venture Terms</b>	<p>The terms of the Joint Venture shall include:</p> <ul style="list-style-type: none"> <li>(a) a standard dilution clause to a minimum of a 2.5% net smelter royalty for MEG or its nominee;</li> <li>(b) the Company shall be the manager of the Joint Venture;</li> <li>(c) MEG shall be free carried up to decision to mine. For clarity, the decision to mine would naturally follow the application and granting of an ML over parts of the EL which would be subject to a new operating JV agreement;</li> </ul>

Key Terms	Description
	<p>(d) both parties shall have tag along and drag along rights in respect of the other party dealing with its Joint Venture Interest;</p> <p>(e) each party shall have a right of first refusal in the event the other party proposes to sell or transfer its Joint Venture Interest; and</p> <p>(f) the Company shall be responsible for preparing tenement reporting, rehabilitation bonding and rehabilitation works, and shall indemnify MEG against any liability arising as a result of the Company's activities on the Tenement.</p>
<b>Warranties</b>	MEG has provided warranties that customary for a transaction of the nature of the Proposed Transaction.

## SCHEDULE 6 – SUMMARY OF INTEGRA TERMS SHEET

Key Terms	Description
<b>Exclusivity Period</b>	Integra has a 30 days exclusivity period to conduct due diligence, to Integra's sole satisfaction, on the Company and the Project Assets.
<b>Catamarca Project</b>	The Catamarca Project comprises a 100% unencumbered interest in all of the assets and properties forming any part of the mining concessions in Catamarca referred to as Latina 1 to 22 ( <b>Project Assets</b> ).
<b>Condition Precedent and Exclusivity Period</b>	<ul style="list-style-type: none"> <li>Integra's completion of a due diligence review of any matter relating directly or indirectly to the Project Assets, the proposed Project JV and the Company (to extend applicable to the Project Assets) by Integra (or its advisors) to its satisfaction (<b>Due Diligence Condition</b>) during a period of 30 days (or a mutually agreed period) as from the date generally regarded as date of substantial termination of the general lock-down related to COVID-19 affecting the city of Buenos Aires and Catamarca province (<b>Exclusivity Period</b>).</li> <li>In the event the substantial termination of the general lock-down affecting the city of Buenos Aires and Catamarca Province has not taken place on or before the end of July 2020, the Parties will agree to extend the Exclusivity Period.</li> <li>In the event that once the Due Diligence has been conducted by Integra, Integra at its sole discretion considers that the result of the Due Diligence is not satisfactory, Integra may withdraw from proceeding with the subscription consideration, without any responsibility upon Integra.</li> </ul>
<b>Integra Placement Option</b>	<p>Within seven days of the completion of the Exclusivity Period, Integra or any of its affiliates has the option to take a placement of up to 10% of the issued capital of the Company at an issue price equivalent to the lower of:</p> <ul style="list-style-type: none"> <li>(i) A\$0.005 per Share; or</li> <li>(ii) the VWAP of the Shares in the 10 calendar days, immediately preceding the completion of the Exclusivity Period and</li> <li>(iii) one free attached listed Option (exercisable at \$0.012 on or before 31 December 2022) for every one Share issued.</li> </ul> <p>The placement to Integra shall be in accordance with the ASX Listing Rules and applicable statutory and regulatory approvals.</p> <p>If the placement to Integra is completed, Integra (or that of its affiliates who have taken the Placement) will have the right to appoint a Director to the board of the Company.</p>
<b>Formation of Joint Venture</b>	<ul style="list-style-type: none"> <li>Upon completion of the Exclusivity Period, the Company shall transfer all of the Catamarca Project assets to a new Company to be incorporated in Argentina (<b>NewCo</b>).</li> <li>The parties agree to use their best endeavours to enter into a formal joint venture agreement within 30 days of the expiry of the Exclusivity Period, failing which the commencement of the joint venture will be the 31<sup>st</sup> day following expiration of the Exclusivity Period.</li> </ul>

Key Terms	Description
<b>Subscription Consideration</b>	Subject to the satisfaction of the Due Diligence Condition, Integra agrees to subscribe for up to 50% of the shares of NewCo representing up to 50% of fully paid ordinary shares in the capital of NewCo ( <b>NewCo Shares</b> ), in exchange for subscription consideration in the form of Farm-In Obligations (as defined below).
<b>Farm-In Obligation</b>	<ul style="list-style-type: none"> <li>Integra must contribute up to One Million US Dollars (US\$1,000,000) (<b>Expenditure Commitment</b>), valued at the average between the seller and buyer exchange rate of the Banco Nación Argentina from the closing of business of the business day previous to that of the execution of the from JV Agreement , during the ensuing three-year period (<b>Period</b>) to fund exploration, feasibility analysis and related works to explore, investigate and develop the Project Assets, substantially in the terms of a budget and working plan to be previously approved by the Parties (<b>Works</b>). The Works will be carried out by Integra with the previous agreement of the Latin exploration team as per agreed among the Parties in accordance to the Works. The Expenditure Commitment shall be contributed in cash directly to the NewCo or through the direct payment of any expenditures related to the Works as may be so agreed under the above-mentioned budget and working plan.</li> <li>The Expenditure Commitment shall be disbursed according to the financial needs of the Works (<b>Disbursements</b>). Such Disbursements (which shall be previously pre-approved by the parties) shall be paid-in, upon, and as consideration for, the subscription by Integra of a percentage of NewCo Shares as set out below (<b>Percentage Pro-Rata</b>) This Percentage Pro -Rata shall be calculated on the basis that the aggregate Expenditure Commitment of One Million US Dollars (US\$1,000,000) shall represent 50% of the NewCo Shares, and that partial disbursements of the Expenditure Commitment shall represent a pro rata portion of the NewCo Shares according to the above basis. By way of example, if Integra were to contribute with US\$500,000, such a contribution would represent 25% of the NewCo Shares. The Parties shall agree on a mechanism satisfactory to both Parties, so as to match the Disbursements with such subscription of shares of NewCo, in terms such that those Disbursements shall be paid-in as contributions for the subscription of shares of Newco.</li> </ul>
<b>Contributing less than the Expenditure Commitment</b>	<ul style="list-style-type: none"> <li>Integra is not obliged to contribute the whole Expenditure Commitment to NewCo the.</li> <li>However, where Integra contributes a lesser amount than the Expenditure Commitment, the Company shall remise, release and discharge Integra from any and all manner of actions, causes of action, suits, claims, charges, complaints, demands, debts and expenses, liabilities, or obligations, of any nature whatsoever, now existing or which may in future accrue against Integra, in any way, directly or indirectly arising out of, connected with or relating to the Expenditure Commitment.</li> </ul>

Key Terms	Description
	<ul style="list-style-type: none"> <li>At any time during the Period Integra may elect to permanently discontinue incurring any Disbursement related to the Expenditure Commitment. In such event, Integra will retain the proportionate ownership equity pertaining to the portion of the Expenditure Commitment contributed up to then (calculated using Percentage Pro-Rata)</li> <li>In such event, the Company will have first right acquiring Integra's the NewCo Shares after the discontinuance outlined in the above paragraph at a price equal to the portion of the Expenditure Commitment that had been effectively paid-in by Integra to NewCo prior to the permanent discontinuance.</li> </ul>
<b>Responsibilities after the free carry period</b>	<ul style="list-style-type: none"> <li>After completion of Works up to the value of the Expenditure Commitment by Integra, each party will be then responsible for their portion of expenditure required for further funding for exploration, feasibility analysis and related works to explore investigate and develop the Project Assets.</li> <li>Upon completion of the Works, the failure to contribute any new committed portion by either of the Company or Integra pursuant an approved exploration budget or related to the normal operation costs of NewCo, will result in straight-line dilution of the defaulting party's interest.</li> </ul>
<b>Pre-Emptive Right</b>	If either party wishes to sell or dispose of any interest in the NewCo ( <b>Disposing Interest</b> ) then the other party must be given a first refusal to acquire that Disposing Interest.
<b>Warranties</b>	The Company has provided warranties that customary for a transaction of the nature of the Integra Transaction.

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## SCHEDULE 7 – TERMS AND CONDITIONS OF LISTED OPTIONS

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### Listed Options – LRSOC

(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 \$0.012 (**Exercise Price**).

(c) **Expiry Date**

Each Option expired at 5:00 pm (WST) on 31 December 2022 (**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 8 – SUMMARY OF CONVERTIBLE SECURITY FUNDING AGREEMENT

Key Terms	Description
<b>Issuer</b>	The Company
<b>Investor</b>	Lind Asset Management XII, LLC
<b>Convertible Security Amount</b>	<p>AUD\$6 million comprising three tranches:</p> <ul style="list-style-type: none"> <li>An initial A\$2 million to be advanced to the Company against the issue to Lind of a zero coupon convertible security with a face value of \$2.4 million dollars. If convertible note is paid back within 90 days the face value is \$2.15m and if paid back within 120 days the face value is \$2.3 m;</li> <li>After the 90 day Restriction Period, if the market capitalization is at least equal to the market capitalization on the execution date, and subject to the company having available capacity and shareholder approval, Lind can on one occasion advance the Company up to a further \$1.0 million against the issue to Lind of further convertible notes. The terms and conditions will be based along the same terms as the previous \$2m facility; and</li> <li>Up to a further \$3.0 million may be advanced to the Company against the issue to Lind of further convertible notes once 75% of existing \$2m note is repaid subject to shareholder approval. The terms and conditions will be along the same terms as the previous \$2m facility.</li> </ul>
<b>Term</b>	24 months
<b>Face Value</b>	<ul style="list-style-type: none"> <li>First Convertible Security - A\$2,400,000 (\$2.15m if paid back within 90 days- \$2.3m 120 days);</li> <li>Re-investment Convertible Security – up to A\$1,200,000;</li> <li>Additional Convertible Security with Company approval – up to A\$3,600,000</li> </ul>
<b>Commitment Fees &amp; Options</b>	<ul style="list-style-type: none"> <li>First Convertible Security - A\$50,000 and the issue of 110,000,000 existing listed options, exercisable at A\$0.01 per share and expiring on 12 October 2019.</li> <li>Re-investment and Additional \$3m Convertible Securities at election of Latin Resources - A commitment fee of 4% of the amount advanced under the Re-investment and Additional Convertible Securities together with listed options to a value of 50% of the re-investment and additional amounts advanced divided by the average daily VWAP for the 5 trading days immediately prior to the issue of the Re-investment and the Additional Convertible Securities. The option exercise price to be 130% of the VWAP for the 20 days immediately prior to the issue date of the Re-investment and Additional Convertible Securities. The option term to be 48 months from the issue date of the Re-investment and Additional Convertible Securities. Lind may at its option elect to receive listed options in place of some or all of these options.</li> </ul>



Key Terms	Description
<b>Rank &amp; Security</b>	General Security Agreement over the Company and pledges over the shares in the Company's subsidiaries.
<b>Conversion</b>	<p>The Convertible Securities will be convertible into shares, in whole or in increments, on the Investor giving notice of conversion to the Company during its term. The conversion price will be:</p> <ul style="list-style-type: none"> <li>• In months 0-3 – Restricted period - No conversions.</li> <li>• In months 4 – 24 - conversion to listed shares at a fixed price of A\$0.015 per share.</li> </ul>
<b>Conversion into Direct Project Interest</b>	The Investor, may at any time with the approval of the Company and by notice to the Company, require the Company to transfer a 5% direct interest in the lithium hard rock projects in Argentina, both current and projects acquired during the Term of the CSFA, by way of redemption of the whole of the face value of the First Convertible Security.
<b>Lock Up Period</b>	No conversions of the First Convertible Security to occur for the period of 90 days of the execution date of the CSFA.
<b>Buy-back Rights</b>	In its sole discretion, the Company will have the right to buy-back, in cash, any or all of the outstanding face value of the convertible securities at any time at no premium ( <b>Buy-Back Rights</b> ). Should the Company exercise its Buy-Back Rights, the Investor will have the option of converting up to 25% of the amount of the face value the subject of the Buy-Back Rights at the conversion price of 1.5c per share.
<b>Repayments</b>	<ul style="list-style-type: none"> <li>• Commencing 90 days after advancing funds, the Company must make monthly repayments of 1/20 of the original Face Value of the relevant note.</li> <li>• The Company may make these payments, at its option, in cash (at a 3% premium), or (subject to having available capacity at the time) in shares (priced at 90% of the average of 5 daily VWAPS chosen by the Investor from the prior 20 Trading Days), or a combination of both. Provided however that the maximum number of new shares that the Company may issue in respect of a note (on conversion or repayment), without obtaining shareholder approval in respect of the issue, will be initially capped at 238 million shares unless the Company obtains shareholder approval in which event the Convertible Securities will be subject to a cap of the amount approved by shareholders.</li> </ul>
<b>Collateral Shares</b>	37,000,000 collateral shares will be issued to Lind. An amount equal to a notional subscription price of the number of collateral shares remaining at the end of the term ( <b>Collateralization Price</b> ), will be credited to the Company upon the repayment of the outstanding face value of the convertible securities, or on satisfaction of Company's obligation to issue shares upon the conversion of the convertible securities. The Collateralization Price will be equal to 90% of the average of five (5) consecutive daily VWAPs, chosen by the Investor from amongst the 20 trading days prior to payment.

## SCHEDULE 9 – EFFECT OF RESOLUTIONS ON THE COMPANY'S CAPITAL STRUCTURE

	Number of Shares	Number of Options	Number of Convertible Securities
Date of Notice	418,195,306 <sup>1</sup>	178,101,371 <sup>3</sup>	480,002 <sup>4</sup>
SPP Securities	125,458,592 <sup>2</sup>	(see Resolution 17)	-
Resolution 9	80,000,000	-	-
Resolution 10	34,000,000	-	-
Resolution 11	100,000,000	100,000,000 <sup>5</sup>	-
Resolution 12	7,450,000	7,450,000 <sup>5</sup>	-
Resolution 13	20,833,250	20,833,250 <sup>5</sup>	-
Resolution 14	17,437,500	17,437,500 <sup>5</sup>	-
Resolution 16	-	53,800,000 <sup>5</sup>	-
Resolution 17	-	125,458,592 <sup>5,6</sup>	-
Resolution 18	83,333,333 <sup>7</sup>	-	-
Resolution 19	88,670,798 <sup>8</sup>	88,670,798 <sup>5</sup>	-
Resolution 20	-	50,000,000 <sup>5</sup>	-
<b>Total</b>	<b>975,378,779</b>	<b>641,751,511</b>	<b>480,002</b>

### Notes:

9. Comprising: 414,195,306 Shares (including the Shares issued under the Placement) and 4,000,000 loan funded shares subject to voluntary escrow.
10. This is the maximum number of Shares to be issued pursuant to the Company's share purchase plan, as disclosed in the Prospectus announced by the Company on 30 June 2020.
11. Comprising: 163,434,704 Listed Options (Class: LRSOC) exercisable at \$0.012 each on or before 31 December 2022; 6,666,667 unquoted Options exercisable at \$0.1075 each on or before 18 December 2022; and 8,000,000 unquoted Options exercisable at \$0.0325 each on or before 3 July 2023.
12. Comprising: 2 Convertible Securities on the terms and conditions set out in Schedule 8; and 480,000 Convertible Notes on the terms and conditions set out in the Company's announcement titled "Appendix 3B – Convertible Notes" released on ASX on 5 November 2019. On 30 June 2020, the Company received conversion notices from noteholders for the conversion of 40,000 of the Convertible Notes.
13. Listed Options (Class: LRSOC) exercisable at \$0.012 each on or before 31 December 2022
14. This figure includes the up to 9,000,000 total Options that may be issued to the Directors (being up to 3,000,000 per Director) under the terms of the SPP.
15. Comprising: 40,000,000 Stage 1A Shares; and 43,333,333 Stage 1B Shares (based on \$130,000 worth of Shares at the floor issue price of \$0.003 per Share). The Company notes that the Stage 1B Shares will be issued at the lower of \$0.003 per Share or the 30 day VWAP for Shares prior to grant of the Drilling Permits. As at the date of this Notice, the Shares are trading significantly higher than \$0.003 per Share and the Company has therefore calculated the maximum number of Stage 1B Shares to be issued for the purposes of the table above to be 43,333,333 Shares. If prior to the Drilling Permits being granted, the 30 day VWAP for the price of Shares decreases below \$0.003, more Stage 1B Shares would need to be issued.
16. The issuance of these Equity Securities to Integra (representing 10% of a maximum total 886,707,981 Shares on issue following the Meeting) is contingent on Integra exercising its option to subscribe for 10% of Shares in the Company, pursuant to the terms of the Integra Terms Sheet.

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## **ANNEXURE A – AUDITOR NOMINATION**

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Nomination from a Shareholder for the appointment of  
Hall Chadwick Audit

The Company Secretary  
Latin Resources Limited  
32 Harrogate Street  
West Leederville WA 6007

Dear Ms Smith

NOMINATION OF HALL CHADWICK AS AUDTOR OF LATIN RESOURCES LIMITED

I, Chris Gale, being a shareholder of Latin Resources Limited, hereby nominate Hall Chadwick of 32 Harrogate Street, West Leederville, Western Australia 6007 for appointment as auditor of Latin Resources Limited at its 2020 Annual General Meeting.

I consent to the distribution of a copy of this notice of nomination as an annexure to the Notice of Meeting and Explanatory Statement for the 2020 Annual General Meeting of Latin Resources as required by section 328B (3) of the Corporations Act 2001.

Yours faithfully



Chris Gale