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LATIN RESOURCES LIMITED

ACN 131 405 144

NOTICE OF GENERAL MEETING

TIME: 10:00 am (WST)
DATE: 19 February 2018
PLACE: 32 Harrogate Street
West Leederville
Perth WA 6007

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

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

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the meeting of the Shareholders to which this Notice of Meeting relates will be held at 10:00am (WST) on 19 February 2018 at:

32 Harrogate Street, West Leederville WA 6007

YOUR VOTE IS IMPORTANT

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

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10:00am (WST) on 17 February 2018.

VOTING IN PERSON

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

VOTING BY PROXY

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

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

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

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

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

Further details on these changes is set out below.

Proxy vote if appointment specifies way to vote

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

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

Transfer of non-chair proxy to chair in certain circumstances

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

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

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

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 200,000,000 Placement Shares on the terms and conditions set out in the Explanatory Statement.”

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

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 228,571,457 Placement Shares on the terms and conditions set out in the Explanatory Statement.”

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

3. RESOLUTION 3 – ISSUE OF PLACEMENT OPTIONS

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

“That, for the purposes ASX Listing Rule 7.1 and for all other purposes, approval is given for the issue of 214,285,728 Options to Placement Participants (or their nominees), on the terms and conditions set out in the Explanatory Statement.”

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

4. **RESOLUTION 4 – ISSUE OF BROKER OPTIONS**

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

“That, for the purposes ASX Listing Rule 7.1 and for all other purposes, approval is given for the issue of 214,285,728 Options on the terms and conditions set out in the Explanatory Statement.”

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

5. **RESOLUTION 5 – APPROVAL FOR THE ISSUE OF PLACEMENT OPTIONS**

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders ratify the issue of 62,500,000 Placement Options on the terms and conditions set out in the Explanatory Statement.”

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

6. **RESOLUTION 6 – APPROVAL FOR THE ISSUE OF BROKER OPTIONS**

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders ratify the issue of 62,500,000 Broker Options on the terms and conditions set out in the Explanatory Statement.”

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

7. **RESOLUTION 7 – APPROVAL FOR ISSUE OF DEFERRED RIGHTS TO MR 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 195(4) of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, the Company is authorised to issue up to 4,236,923 Deferred Rights to Mr David Vilensky (or his nominee) pursuant to the Non-Executive Director Deferred Rights Plan on the terms set out in the Explanatory Memorandum accompanying this Notice".

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Directors (or their nominees), other than any Directors, who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

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

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

However, the above prohibition does not apply if:

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

8. RESOLUTION 8 – APPROVAL FOR ISSUE OF DEFERRED RIGHTS TO MR 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 195(4) of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, the Company is authorised to issue up to 3,269,231 Deferred Rights to Mr Brent Jones (or his nominee) pursuant to the Non-Executive Director Deferred Rights Plan on the terms set out in the Explanatory Memorandum accompanying this Notice".

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director (or their nominees), other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

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

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

However, the above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) 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.

9. RESOLUTION 9 – APPROVAL FOR ISSUE OF INCENTIVE RIGHTS TO MR CHRISTOPHER 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 195(4) of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, the Company is authorised to issue up to 13,846,154 incentive rights to Mr Christopher Gale (or his nominee) comprising of 4,569,231 performance rights and 9,276,923 retention rights pursuant to the Incentive Rights Plan on the terms set out in the Explanatory Memorandum accompanying this Notice and in accordance with the terms and conditions of the Company’s Incentive Rights Plan as approved by Shareholders on 27 November 2015.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director (or their nominees), other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

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

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

However, the above prohibition does not apply if:

- (c) the proxy is the Chair; and

- (d) 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.

10. RESOLUTION 10 – ISSUE OF SHARES

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 200,000,000 Future Issue Shares on the terms and conditions set out in the Explanatory Statement.”

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

DATED: 16 JANUARY 2018

BY ORDER OF THE BOARD



**SARAH SMITH
COMPANY SECRETARY**

EXPLANATORY STATEMENT

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

11. RESOLUTIONS 1 & 2 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES

11.1 General

On 10 October 2017, the Company agreed terms for a placement of 428,571,457 Shares at an issue price of \$0.0035 per Share to raise \$1,500,000 (**Placement**). The Shares were issued in two tranches, with 371,428,600 Shares issued on 17 October 2017 and 57,142,857 Shares issued on 18 October 2017.

Out of the total number of Shares issued under the Placement, 228,571,457 Shares were issued under the Company's 15% placement capacity under ASX Listing Rule 7.1, and 200,000,000 Shares were issued under the Company's 10% placement capacity under ASX Listing Rule 7.1A which was approved by Shareholders at the annual general meeting held on 31 May 2017.

Resolutions 1 and 2 seek Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

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

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

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

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

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

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

By ratifying the issue, the subject of Resolutions 1 and 2, the base figure (ie variable "A") in which the Company's 15% and 10% annual placement capacities are calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval.

11.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Resolutions 1 and 2:

- (a) 428,571,457 Shares were issued on the following basis:
 - (i) 228,571,457 Shares issued pursuant to ASX Listing Rule 7.1; and
 - (ii) 200,000,000 Shares issued pursuant to ASX Listing Rule 7.1A;
- (b) the issue price was \$0.0035 per Share under both the issue of Shares pursuant to ASX Listing Rule 7.1 and ASX Listing Rule 7.1A;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to sophisticated investors known to the Company. None of these subscribers were related parties of the Company; and
- (e) the funds raised from the issue of the Shares were used to work on the lithium targets identified in Argentina, maintain the Company's Peruvian mineral properties in good standing and for working capital.

12. RESOLUTION 3 – ISSUE OF PLACEMENT OPTIONS

12.1 General

The Company has agreed, subject to obtaining shareholder approval, to issue a total of up to 214,285,728 Options to participants in the Placement the subject of Resolutions 1 and 2 (**Placement Options**).

The terms and conditions of the Placement Options are outline in Schedule 1.

A summary of ASX Listing Rule 7.1 is set out in section 11.1 above.

Resolution 3 seeks Shareholder seeks shareholder approval for the issue of 214,285,728 Placement Options.

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

12.2 Technical information required by ASX Listing Rule 7.1

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

- (a) the maximum number of Options to be issued is 214,285,728;

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- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
 - (c) the issue price of the Options will be nil as they will be issued free attaching with the Shares issued pursuant to the Placement on a 1:2 basis;
 - (d) the Options will be issued to the subscribers in the Placement the subject of Resolutions 1 and 2 on the basis of one (1) Option for every two (2) Share/s subscribed for and issued;
 - (e) the Options will be issued on the terms and conditions set out in Schedule 1;
 - (f) no funds will be raised from the issue of the Options as the Options are being issued for nil cash consideration.

13. RESOLUTION 4 – ISSUE OF BROKER OPTIONS

13.1 General

The Company has agreed, subject to obtaining shareholder approval, to issue a total of up to 214,285,728 Options to PAC Partners Pty Ltd, Hartleys Limited and Merchant Capital Pty Ltd (or their nominees) (**Brokers**) for capital raising services provided in connection with the Placement(**Broker Options**).

A summary of ASX Listing Rule 7.1 is set out in section 11.1 above.

Resolution 4 seeks Shareholder seeks shareholder approval for the allotment and issue of the 214,285,728 Broker Options.

The effect of Resolution 4 will be to allow the Directors to issue the Broker Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's annual 15% placement capacity.

13.2 Technical information required by ASX Listing Rule 7.1

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

- (a) the maximum number of Options to be issued is 214,285,728;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the Options will have an issue price of nil, as they are being issued as consideration for capital raising services provided by the Brokers;
- (d) the Options will be issued on the terms and conditions set out in Schedule 1;
- (e) the Options will be issued to Brokers (or their nominees). None of these subscribers are related parties of the Company; and

- (f) no funds will be raised from the issue of the Options as they are issued as consideration for capital raising services provided by the Brokers in relation to the Placement.

14. RESOLUTION 5 – ISSUE OF PLACEMENT OPTIONS

14.1 General

On 28 November 2017, the Company completed a placement of 125,000,000 Shares at an issue price of \$0.008 per Share to raise \$1,000,000 (**Placement**). The Shares were issued from a prior shareholder approval obtained at a General Meeting on 4 October 2017.

The Company has agreed, subject to obtaining shareholder approval, to issue a total of up to 62,500,000 Options to participants in the Placement the subject of Resolution 5 (**Placement Options**).

The terms and conditions of the Placement Options are outline in Schedule 1.

A summary of ASX Listing Rule 7.1 is set out in section 11.1 above.

Resolution 5 seeks Shareholder seeks shareholder approval for the issue of 62,500,000 Placement Options.

The effect of Resolution 5 will be to allow the Directors to issue the Placement Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's annual 15% placement capacity.

14.2 Technical information required by ASX Listing Rule 7.1

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

- (a) the maximum number of Options to be issued is 62,500,000;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the issue price of the Options will be nil as they will be issued free attaching with the Shares issued pursuant to the Placement on a 1:2 basis;
- (d) the Options will be issued to the subscribers in the Placement the subject of Resolutions 1 and 2 on the basis of one (1) Option for every two (2) Share/s subscribed for and issued;
- (e) the Options will be issued on the terms and conditions set out in Schedule 1;
- (f) no funds will be raised from the issue of the Options as the Options are being issued for nil cash consideration

15. RESOLUTION 6 – ISSUE OF BROKER OPTIONS

15.1 General

The Company has agreed, subject to obtaining shareholder approval, to issue a total of up to 62,500,000 Options to PAC Partners Pty Ltd (or their nominee) (**Pac Partners**) for capital raising services provided in connection with the Placement the subject of Resolution 5 (**Broker Options**).

A summary of ASX Listing Rule 7.1 is set out in section 11.1 above.

Resolution 6 seeks Shareholder approval for the allotment and issue of the 62,500,000 Broker Options.

The effect of Resolution 6 will be to allow the Directors to issue the Broker Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's annual 15% placement capacity.

15.2 Technical information required by ASX Listing Rule 7.1

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

- (a) the maximum number of Options to be issued is 62,500,000;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the Options will have an issue price of nil, as they are being issued as consideration for capital raising services provided by Pac Partners;
- (d) the Options will be issued on the terms and conditions set out in Schedule 1;
- (e) the Options will be issued to Pac Partners (or their nominees). None of these subscribers are related parties of the Company; and
- (f) no funds will be raised from the issue of the Options as they are issued as consideration for capital raising services provided by Pac Partners in relation to the Placement.

16. RESOLUTION 7 - 9 – APPROVAL FOR ISSUE OF INCENTIVE RIGHTS AND DEFERRED RIGHTS TO THE DIRECTORS

16.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue:

- (a) 4,569,231 performance rights and 9,276,923 retention rights collectively, the **Incentive Rights** being a total of 13,846,154 Incentive Rights to Mr Christopher Gale under the Company's Incentive Rights Plan;
- (b) 7,506,154 Deferred Rights, to Messrs David Vilensky and Brent Jones under the Non-Executive Director Deferred Rights Plan.

The number of Incentive Rights to be issued to Mr Gale represents 60% of Mr Christopher Gale's 2016 fixed remuneration. The terms and conditions of the Incentive Rights are set out in Schedule 2.

The numbers of Deferred Rights to be issued the Non-Executive Directors has been calculated based on advice from an independent remuneration advisor who has indicated that the total remuneration packages including the Deferred Rights for the Non-Executive Director roles will be within the range of market practice for similar roles in comparable ASX listed companies.

The Deferred Rights will vest upon one year and three months (a total of 15 months) of continued service with the Company, from 1 January 2017 to 31 March 2018. Accordingly, if approved by shareholders the Deferred Rights will vest on 31 March 2018. The issue of the Deferred Rights is intended to cover the retention incentives of the Non-Executive Directors for their service from 1 January 2017 to 31 March 2018. Accordingly, the entire value of the Deferred Rights can be attributed to the Non-Executive Directors over the period 1 January 2017 to 31 March 2018.

The Deferred Rights will otherwise be issued under the terms and conditions of the Non-Executive Director Deferred Rights Plan which is summarised below.

16.2 Terms and conditions of the Non-Executive Director Deferred Rights Plan

A summary of the terms and conditions of the Non-Executive Director Deferred Rights Plan is set out below:

(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 one year and 3 months (a total of 15 months) commencing on 1 January 2017 and finishing on 31 March 2018, 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.

The Company's remuneration policy for long term incentives is discussed in detail in the Company's 2016 annual report.

Resolutions 7, 8 and 9 are being put to Shareholders to seek approval for the issue of the Incentive Rights and Deferred Rights pursuant to ASX Listing Rule 10.14.

16.3 ASX Listing Rule 10.14

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

The issue of the Incentive Rights and Deferred Rights involves the issue of securities to Directors, therefore Shareholder approval is required pursuant to ASX Listing Rule 10.14.

16.4 Chapter 2E

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

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

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

The issue of Incentive Rights and Deferred Rights constitutes the giving of a financial benefit to the Directors of the Company.

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

16.5 Technical information required ASX Listing Rule 10.15

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

- (a) the related parties are Christopher Gale, David Vilensky and Brent Jones, who are related parties by virtue of being Directors;

- (b) The maximum number of Incentive Rights to be issued to Mr Christopher is 13,846,154, being 4,569,231 Performance Rights and 9,276,923 Retention Rights;
- (c) The maximum number of Deferred Rights to be issued is 7,506,154, comprising:
- (i) 4,236,923 to Mr David Vilensky; and
 - (ii) 3,269,231 to Brent Jones;
- which is intended to cover the retention incentives of the Non-Executive Directors for their service from 1 January 2017 to 31 March 2018;
- (d) The Incentive Rights and Deferred Rights are being issued for nil cash consideration as part of each Director's remuneration;
- (e) Christopher Gale has received 66,099,964 Incentive Rights comprising of 13,061,669 retention rights and 53,038,295 performance rights since the last approval. These Incentive Rights were issued for nil cash consideration.
- (f) 4,414,552 Deferred Rights have been issued to Mr Vilensky and Nil Deferred Rights have been issued to Brent Jones. The Deferred Rights were issued for nil cash consideration.
- (g) Christopher Gale is the only person referred to in ASX Listing Rule 10.14 currently eligible to participate in the Incentive Rights Plan;
- (h) The Non-Executive Directors of the Company are the only persons referred to in ASX Listing Rule 10.14 currently eligible to participate in the Non-Executive Director Deferred Rights Plan. This includes Messrs David Vilensky and Brent Jones.
- (i) No loans have been provided in relation to the issue of the Incentive Rights and Deferred Rights.
- (j) the Incentive Rights and Deferred Rights will vest on 31 March 2018 given they relate to the 15 month period commencing 1 January 2017 and ending on 31 March 2018, and will be issued immediately after this latter date, and in any case up to a period of 12 months from the date of this meeting.

17. RESOLUTION 10 – ISSUE OF SHARES

17.1 General

Resolution 10 seeks Shareholder approval, under ASX Listing Rule 7.1, for the Company to issue up to 200,000,000 Shares (**Future Issue Shares**).

A summary of ASX Listing Rule 7.1 is set out in section 11.1 above.

The effect of Resolution 10 will be to allow the Company to issue the Future Issue Shares pursuant to Resolution 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.

17.2 Technical information required by ASX Listing Rule 7.1

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

- (a) the maximum number of Future Issue Shares to be issued is 200,000,000 Future Issue Shares;
- (b) the Future Issue 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 Future Issue Shares will occur progressively;
- (c) the issue price will be not less than 80% of the volume weighted average market price 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 disclosure document, over the last 5 days on which sales in the securities were recorded before the date the disclosure document is signed;
- (d) the Directors will determine to whom the Future Issue Shares will be issued but these persons will not be related parties of the Company;
- (e) the Future Issue 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; and
- (f) the Company intends to use the funds raised from the issue of the Future Issue Shares:
 - (i) for general working capital, including any development expenses associated with its exploration projects and repayment of debt;
 - (ii) as consideration for, or to develop, any acquisitions of new resources, assets and investments that the Company may undertake (although none are currently planned) including expenses associated with such an acquisition; and
 - (iii) to work on the lithium targets identified in Argentina and maintain the Company's Peruvian mineral properties in good standing.

17.3 Dilution

Assuming no Options are exercised or other Shares issued and the maximum number of Future Issue Shares as set out above are issued, the number of Shares on issue would increase from 2,622,366,170 (being the number of Shares on issue as at the date of this Notice) to 2,822,366,170 and the shareholding of existing Shareholders would be diluted by 7.08%.

GLOSSARY

\$ means Australian dollars.

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

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 means the Listing Rules of ASX.

Board means the current board of directors of the Company.

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

Chair means the chair of the Meeting.

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).

Directors means the current directors of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Group means the Company and its subsidiaries.

Incentive Right means an incentive right issued under the Company's Incentive Rights Plan.

Incentive Rights Plan means the incentive rights plan approved by Shareholders on 30 November 2014.

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 the holder of an Option.

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

Placement has the meaning given in section 10.1 of the Explanatory Statement.

Proxy Form means the proxy form accompanying the Notice.

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

Securities includes a Share, a right to a Share or Option, an Option and a convertible security.

Security Holder means a holder of a Security.

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

Shareholder means a holder of a Share.

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

**SCHEDULE 1 – TERMS AND CONDITIONS OF PLACEMENT AND BROKER
OPTIONS (RESOLUTIONS 3 -6 INCLUSIVE)**

(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 \$0.01 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 12 October 2019 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

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

Within 15 Business Days after the Exercise Date, the Company will:

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

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

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

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

(m) **Quotation**

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

SCHEDULE 2 – TERMS AND CONDITIONS OF INCENTIVE RIGHTS

A summary of the terms and conditions of the Incentive Rights to be issued under resolution 9 is as follows:

- (a) Subject to the vesting conditions being satisfied, the Performance Rights and Retention Rights will be exercisable into part cash and part Shares.
- (b) The Retention Rights will vest if Mr Christopher Gale has not ceased to be an employee of the Company due to resignation from 1 January 2017 to 31 March 2018 (**Measurement Period**).
- (c) The vesting conditions attaching to the Performance Rights are based on the absolute total Shareholder return (**TSR**) over the Measurement Period. TSR is the percentage gain from an investment in Shares over the Measurement Period assuming that dividends, if any, are reinvested back into Shares.

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

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

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

Notes: CAGR = compound annual growth rate

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



LATIN RESOURCES

LIMITED

ABN 81 131 405 144

LRS

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



Online:

www.investorvote.com.au



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Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

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For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

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Vote online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.



Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 10:00am (WST) Saturday, 17 February 2018

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** →

This Document is printed on Greenhouse Friendly™ ENVI Laser Carbon Neutral Paper

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Latin Resources Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Latin Resources Limited to be held at 32 Harrogate Street, West Leederville, Perth, Western Australia on Monday, 19 February 2018 at 10:00am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 7 - 9 (except where I/we have indicated a different voting intention below) even though Resolutions 7 - 9 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 7 - 9 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain			For	Against	Abstain
Resolution 1	Ratification of prior issue of Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 8	Approval for issue of Deferred Rights to Mr Brent Jones	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Ratification of prior issue of Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 9	Approval for issue of Incentive Rights to Mr Christopher Gale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Issue of Placement Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 10	Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of Broker Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Resolution 5	Approval for the issue of Placement Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Resolution 6	Approval for the issue of Broker Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Resolution 7	Approval for issue of Deferred Rights to Mr David Vilensky	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

/ /