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LATIN RESOURCES LIMITED

ACN 131 405 144

NOTICE OF GENERAL MEETING

TIME: 11:00 am (WST)
DATE: 2 September 2019
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) 6117 4798.

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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 11:00am (WST) on 2 September 2019 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 11:00am (WST) on 31 August 2019.

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 – APPROVAL OF REPAYMENT SHARES – RE-INVESTMENT CONVERTIBLE NOTE

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 that number of Shares, when multiplied by the issue price, will be valued at \$180,000 on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: 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) or an associate of that person (or 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 – APPROVAL OF REPAYMENT SHARES – FIRST CONVERTIBLE NOTE

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 that number of Shares, when multiplied by the issue price, will be valued at \$360,000 on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: 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) or an associate of that person (or 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 – APPROVAL TO ISSUE REPAYMENT SHARES TO LIND

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 133,333,334 Shares to Lind on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: 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) or an associate of that person (or 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 - APPROVAL TO ISSUE ADDITIONAL REPAYMENT SHARES TO LIND

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 40,000,000 Shares to Lind the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: 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) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF OPTIONS TO LIND

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

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

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

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

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 4,800,000 Shares to DGWA GmbH on the terms and conditions set out in the Explanatory Statement.”

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

7. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF SHARES TO MR LEANDRO GOBBO

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 6,180,000 Shares to Mr Leandro Gobbo on the terms and conditions set out in the Explanatory Statement."

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

8. RESOLUTION 8 – CONSOLIDATION OF SHARE CAPITAL

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

"That, pursuant to section 254H of the Corporations Act 2001 (Cth) and for all other purposes, the issued capital of the Company be consolidated on the basis that:

- (a) every twenty five (25) Shares be consolidated into one (1) Share;*
- (b) every twenty five (25) Options be consolidated into one (1) Option with the exercise price amended in inverse proportion to that ratio,*

and, where the number of Shares or Options held by a member of the Company as a result of the consolidation effected by paragraphs (a) and (b) of this Resolution includes a fraction of a Share or Option, the Company be authorised to round that fraction up to the nearest whole Share or Option."

DATED: 24 JULY 2019
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.

1. RESOLUTIONS 1 & 2 – APPROVAL OF REPAYMENT SHARES

1.1 Background

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 an initial \$2m pursuant to the First Convertible Note, \$1m pursuant to the Re-Investment Convertible Note and \$3m pursuant to a further convertible note; the Company has issued the First and Re-Investment Convertible Notes.

Under the First and Re-Investment Convertible Notes the Company must make monthly repayments to Lind of 1/20 of the original face value. These repayments must, at the Company's election, be in:

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

1.2 General

These Resolutions seek Shareholder approval for repayments to be made pursuant to the First and Re-Investment Convertible Notes, constituting up to that number of Shares, when multiplied by the issue price, is valued at:

- (a) \$180,000 (being \$60,000 per month for 3 months on a face value of \$1.2 million) pursuant to Resolution 1; and
- (b) \$360,000 (being \$120,000 per month for 3 months on a face value of \$2.4 million) pursuant to Resolution 2.

1.3 ASX Listing Rule 7.1

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.

The effect of these Resolutions will be to allow the Company to issue the above Shares 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.

1.4 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 above Share issues:

- (a) the maximum number of Shares to be issued pursuant to each Resolution is being up to that number of Shares which, when multiplied by the issue price, equals the amounts contained in Section 1.2 above.
- (b) the 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 progressively;
- (c) the Shares will be issued for nil cash consideration in satisfaction of the repayment obligations under the Re-Investment Convertible Security and the First Convertible Note. The deemed issue price for the repayments is 90% of the average of 5 daily VWAP chosen by Lind from the previous 20 trading days, with examples set out in Section 1.5 below however in any event, the issue price will be not less than 80% of the VWAP of 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;
- (d) the Shares will be issued to Lind, who is not a related party of the Company;
- (e) 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; and
- (f) no funds will be raised from the issues as they are issued in compliance with the Company's repayment obligations under the First and Re-Investment Convertible Notes.

1.5 Dilution

The average of the 5 daily VWAP prior to the issue of this Notice is \$0.001.

Accordingly, set out in the below tables is a worked example of the number of Shares that may be issued under Resolutions 1 and 2 based on an assumed issue price of \$0.001, \$0.002 and \$0.003.

Resolution 1

Assumed issue price	Maximum number of Shares which the Company could issue (rounded up to the nearest whole number) pursuant to Resolution 1	Current Shares on issue as at the date of this Notice	New number of Shares on issue assuming the Company issued the maximum amount pursuant to Resolution 1	Dilution effect on existing Shareholders
0.0009	200,000,000	3,892,466,595	4,272,466,595	8.89%

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0.001	180,000,000	3,892,466,595	4,072,466,595	4.42%
0.002	90,000,000	3,892,466,595	3,982,466,595	2.26%
0.003	60,000,000	3,892,466,595	3,952,466,595	1.52%

Notes

1. Taken from last appendix 3B
2. Rounded to the nearest whole number
3. Issued on a pre-consolidation basis

Resolution 2

Assumed issue price	Maximum number of Shares which the Company could issue (rounded up to the nearest whole number) pursuant to Resolution 2	Current Shares on issue as at the date of this Notice	New number of Shares on issue assuming the Company issued the maximum amount pursuant to Resolution 2	Dilution effect on existing Shareholders
0.0009	400,000,000	3,892,466,595	4,292,466,595	9.32%
0.001	360,000,000	3,892,466,595	4,252,466,595	8.47%
0.002	180,000,000	3,892,466,595	4,072,466,595	4.42%
0.003	120,000,000	3,892,466,595	4,012,466,595	2.99%

Notes

1. Taken from last appendix 3B
2. Rounded to the nearest whole number
3. Issued on a pre-consolidation basis

Assuming no Options are exercised or other Shares issued and the maximum number of Shares as set out in the worked examples above are issued, the number of Shares on issue would increase from 3,892,466,595 (being the number of Shares on issue as at the date of this Notice) to 4,272,466,595 and 4,292,466,595 and the shareholding of existing Shareholders would be diluted by 8.89% and 9.32% pursuant to Resolutions 1 and 2 respectively.

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.

2. RESOLUTION 3 – APPROVAL TO ISSUE REPAYMENT SHARES TO LIND

2.1 General

In accordance with the CSFA, the Company received a repayment notice on 16 July 2019 to issue 133,333,334 Shares to Lind in satisfaction of the repayment of \$120,000 under the Re-Investment Convertible Security and the First Convertible Note.

Resolution 3 seeks Shareholder approval for the issue of up to 133,333,334 Shares to Lind at deemed issue price of \$0.0009 per Share in satisfaction of the repayment amount of \$120,000.

ASX Listing Rule 7.1 is summarised in Section 1.2 above.

2.2 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 3:

- (a) the maximum number of Shares to be issued is 133,333,334;
- (b) the 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;
- (c) the Shares will be issued for nil cash consideration in satisfaction of the repayment obligations under the Re-Investment Convertible Security and the First Convertible Note. The deemed issue price for the repayment is \$0.0009;
- (d) the Shares will be issued to Lind, who is not a related party of the Company;
- (e) 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; and
- (f) no funds will be raised from this issue as they are issued in compliance with the Company's repayment obligations under the First and Re-Investment Convertible Notes.

3. RESOLUTION 4 – APPROVAL TO ISSUE ADDITIONAL REPAYMENT SHARES TO LIND

3.1 General

In accordance with the CSFA, the Company received a repayment notice on 16 July 2019 to issue 40,000,000 Shares to Lind in satisfaction of the repayment of \$36,000 under the Re-Investment Convertible Security and the First Convertible Note.

Resolution 4 seeks Shareholder approval for the issue of up to 40,000,000 Shares to Lind at deemed issue price of \$0.0009 per Share in satisfaction of the repayment amount of \$36,000.

ASX Listing Rule 7.1 is summarised in Section 1.2 above.

3.2 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 4:

- (a) the maximum number of Shares to be issued is 40,000,000;
- (b) the 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;
- (c) the Shares will be issued for nil cash consideration in satisfaction of the repayment obligations under the Re-Investment Convertible Security and

the First Convertible Note. The deemed issue price for the repayment is \$0.0009;

- (d) the Shares will be issued to Lind, who is not a related party of the Company;
- (e) 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; and
- (f) no funds will be raised from this issue as they are issued in compliance with the Company's repayment obligations under the First and Re-Investment Convertible Notes.

4. RESOLUTION 5 – RATIFICATION OF ISSUE OF OPTIONS TO LIND

General

On 3 July 2019, the Company issued a total of 200,000,000 Options to Lind in accordance with the CSFA and subsequent Deed of Variation (**Lind Options**). The Lind Options were issued under the Company's Listing Rule 7.1 placement capacity. This Resolution seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Lind Options.

A summary of ASX Listing Rule 7.1 is set out in Section 1.2 above.

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

Technical information required by ASX Listing Rule 7.1

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

- (a) the number of Options issued was 200,000,000;
- (b) the Options will have an issue price of nil, as they were issued in accordance with the terms and conditions of the CSFA and Deed of Variation;
- (c) the Options were issued on the terms and conditions set out in Schedule 1;
- (d) the Options were issued to Lind Asset Management XII. LLC who is not a related party of the Company; and
- (e) no funds will be raised from the issue of the Options as they were issued in accordance with the CSFA and Deed of Variation.

5. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUES OF SHARES TO DGWA

5.1 General

On 29 April 2019, the Company issued a total of 4,800,000 Shares to DGWA GmbH (**DGWA**) in lieu of cash fees for services provided. DGWA is one of the leading

German Corporate Boutiques for global small and mid-cap consulting and investments.

This Resolution seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the following issues of securities to DGWA.

5.2 ASX Listing Rule 7.1

ASX Listing Rules 7.1 is summarised in Section 1.2 above.

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

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

5.3 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 this Resolution:

- (a) a total of 4,800,000 Shares were issued;
- (b) the Shares were issued for nil cash consideration in satisfaction of investor relations and marketing services provided;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to DGWA who is not a related party of the Company; and
- (e) no funds were directly raised from the issue as the Shares were issued in consideration for investor relations and marketing services provided.

6. RESOLUTION 7 - RATIFICATION OF PRIOR ISSUES OF SHARES TO MR LEANDRO GOBBO

6.1 General

On 29 April 2019, the Company issued a total of 6,180,000 Shares to Mr Leandro Gobbo in lieu of cash fees for services provided in relation to the Company's Brazil projects.

This Resolution seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the following issues of securities to Mr Leandro Gobbo.

6.2 ASX Listing Rules 7.1 and 7.1A

ASX Listing Rules 7.1 is summarised in Section 1.2 above.

ASX Listing Rule 7.4 is summarised in Section 5.2 above.

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

6.3 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 this Resolution:

- (a) a total of 6,180,000 Shares were issued;
- (b) the Shares were issued for nil cash consideration in satisfaction of services provided by Mr Gobbo in relation to the Company's projects in Brazil;
- (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 Mr Leandro Gobbo who is not a related party of the Company; and
- (e) no funds were directly raised from the issue as the Shares were issued in consideration for services provided.

7. RESOLUTION 8 – CONSOLIDATION OF SHARE CAPITAL

7.1 General

This Resolution seeks Shareholder approval for the Company to consolidate its issued capital through the consolidation of every twenty five (25) Shares into one (1) Share and every twenty five (25) Options into one (1) Option (**Consolidation**).

Pursuant to section 254H(1) of the *Corporations Act 2001* (Cth), the Company may convert all or any of its shares into a larger or smaller number of shares by ordinary resolution passed at a general meeting.

This section of the Explanatory Statement provides the information required by Listing Rule 7.20 to be provided to Shareholders in relation to the Consolidation.

Purpose of Proposed Resolution

The Company currently has a large number of Shares on issue (3,892,466,595 Shares as at the date of this Explanatory Statement). The Consolidation will result in a more appropriate and effective capital structure for the Company and a Share price more appealing to a wider range of investors.

7.2 Effect of the Consolidation

(a) **Effect on Capital Structure**

The effect which the Consolidation will have on the Company's capital structure is set out in the table below.

Capital Structure	Shares	Listed Options ¹	Unlisted Options	Convertible Notes
Pre-Consolidation Securities	3,892,466,595	851,071,442	366,666,667	2
Post 25:1 Consolidation (Resolution 8)	155,698,664	34,042,858	14,666,667	2

Notes:

1. The terms and conditions of these Options (LRSOB) are set out in section 6.1 of the Prospectus lodged with ASX on 10 October 2017.
2. Does not include the issue of the Shares pursuant to Resolutions 1 to 4.

(b) **Shares**

If this Resolution is approved, every twenty five (25) Shares on issue will be consolidated into one (1) Share (subject to rounding). Overall, this will result in the number of Shares currently on issue reducing from 3,892,466,595 to approximately 155,698,664 (subject to rounding and before the issue of any shares pursuant to the Notice).

As the Consolidation applies equally to all Shareholders, individual Shareholdings will be reduced in the same ratio as the total number of Shares (subject to rounding). Accordingly, assuming no other market movements or impacts occur, the Consolidation will have no effect on the percentage interest in the Company of each Shareholder.

The Consolidation will not result in any change to the substantive rights and obligations of existing Shareholders.

(c) **Options**

As at the date of this Notice of Meeting, the Company has 366,666,667 unlisted Options and 851,071,662 listed options on issue (**Options**). If the Consolidation is approved, the Options will also be reorganised in accordance with the terms and conditions of the Options and Listing Rule 7.22.1 (as applicable) on the basis that the number of Options will be consolidated in the same ratio as the Consolidation and the exercise price will be amended in inverse proportion to that ratio.

For example, a holding of one hundred thousand (100,000) Options with an exercise price of \$0.001 each prior to the Consolidation, would be consolidated into a holding of four thousand (4,000) Options with an exercise price of \$0.025 each after the Consolidation.

As at the date of this Notice of Meeting, the Company currently has on issue:

- (i) 166,666,667 unlisted Options exercisable at \$0.0043 each on or before 18 December 2022;
- (ii) 200,000,000 unlisted Options exercisable at \$0.0013 on or before 3 July 2023; and
- (iii) 851,071,442 listed options exercisable at \$0.01 on or before 12 October 2019 (LRSOB).

Therefore, if this Resolution is passed, on completion of the Consolidation and all other Resolutions under this Notice, the Company will have on issue:

- (i) 6,666,667 unlisted Options exercisable at \$0.1075 each on or before 18 December 2022;
- (ii) 8,000,000 unlisted options exercisable at \$0.0325 on or before 3 July 2023; and
- (iii) 34,042,858 listed options exercisable at \$0.25 on or before October 2019 (LRSOB).

The Consolidation will not result in any change in the substantive rights and obligations of existing holders of Options.

(d) **Fractional Entitlements**

Where the Consolidation results in an entitlement to a fraction of a Share or Option (as applicable), that fraction will be rounded up to the nearest whole number of Shares or Options.

(e) **Holding Statements**

Taking effect from the date of the Consolidation, all existing holdings statements will cease to have any effect, except as evidence of entitlement to a certain number of securities on a post-Consolidation basis. New holding statements will be issued to security holders, who are encouraged to check their holdings after the Consolidation.

(f) **Taxation**

The Consolidation should not result in a capital gains tax event for Australian tax residents. The cost base of the Shares held after the Consolidation will be the sum of the cost bases of the original Shares pre-Consolidation. The acquisition date of Shares held after the Share Consolidation will be the same as the date on which the original Shares were acquired.

The Explanatory Statement does not however consider the tax implications in respect of Shares or other securities held on revenue account, as trading stock or by non-resident Shareholders. Shareholders should consider their own circumstances and seek their own professional advice in relation to their tax position. Neither the Company nor any of its officers or employees assumes any liability or responsibility for advising Shareholders or other security holders about the tax consequences of the proposed Share Consolidation.

(g) **Indicative Timetable**

If approved by Shareholders, the proposed Consolidation will take effect on 12 September 2019. The following is an indicative timetable (subject to change) of the key events:

Key Event	Indicative Date
Company announces Consolidation and sends out Notice of Meeting	24 July 2019

General Meeting	2 September 2019
Notification to ASX that Consolidation is approved	2 September 2019
Last day for trading in pre-Consolidation Shares	3 September 2019
Trading commences in the post-Consolidation Shares on a deferred settlement basis	4 September 2019
Last day for Company to register transfers on a pre-Consolidation basis	5 September 2019
First day for the Company to register Shares on a post-Consolidation basis and first day for issue of holding statements	6 September 2019
Deferred settlement market ends. Last day for the Company to send notice to all Shareholders. Last day for securities to be entered into the holders' security holdings	12 September 2019

(h) **Board Recommendation**

The Directors unanimously recommend that Shareholders vote in favour of this Resolution for the reasons outlined in Section 7.1.

GLOSSARY

\$ 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.

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

Chair means the chair of the Meeting.

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

Consolidation means as defined in Section 7.1.

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

DGWA means as defined in Section 5.1.

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

Group means the Company and its subsidiaries.

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 as defined in Section 1.1.

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.

Participants means key personnel and Directors.

Plan means the Loan Funded Share Plan proposed to be adopted by the Company, details of which are set out in the Notice and Explanatory Statement.

Proxy Form means the proxy form accompanying the Notice.

Re-Investment Closing Date means the date within ten (10) Business Days of the later of the date notice to the Company is provided, the date the Company obtained Shareholder approval to the issue of the Re-Investment Convertible Security or such later date as agreed.

Re-Investment Convertible Security means the convertible note issued in the Company with a face value of \$1,000,000 and otherwise on the terms summarised in Section 1.1.

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

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

Shareholder means a holder of a Share.

VWAP means the volume weighted average price.

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

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SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS (RESOLUTION 5)

(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 \$0.0013 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date which is 4 years from the date of issue (**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 not apply for quotation of the Options on ASX.

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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



By Mail:

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

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

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

Proxy Form

XX



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: I999999999

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 11:00am (WST) Saturday, 31 August 2019

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, Western Australia on Monday, 2 September 2019 at 11:00am (WST) and at any adjournment or postponement of that meeting.

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
Resolution 1	Approval of Repayment Shares - Re-investment Convertible Note	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of Repayment Shares - First Convertible Note	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval to issue Repayment Shares to Lind	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval to issue additional Repayment Shares to Lind	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of prior issue of Options to Lind	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Ratification of prior issue of Shares to DGWA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Ratification of prior issue of Shares to Mr Leandro Gobbo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Consolidation of Share Capital	<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 / /