

LATIN RESOURCES LIMITED
ACN 131 405 144

PROSPECTUS

For an offer to Eligible Shareholders of up to 125,458,592 SPP Shares and up to 125,458,592 free SPP Options at an issue price of \$0.005 per Share to raise up to \$627,293 (**SPP Offer**).

The SPP Options are subject to obtaining Shareholder approval at the Company's upcoming Annual General Meeting proposed to be held on or around 31 July 2020.

This Prospectus also contains offers of up to:

- (a) 2,000 Shares at an issue price of \$0.005 per Share to raise \$10 (**Share Cleansing Offer**); and
- (b) 2,000 Listed Options at an issue price of \$0.005 per Listed Option to raise \$10 (**Option Cleansing Offer**),

(together, the **Cleansing Offers**). The Cleansing Offers are included primarily for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on

the sale of Shares and Listed Options issued by the Company prior to the Closing Date of the Cleansing Offers.

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Securities offered by this Prospectus should be considered highly speculative.

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1. CORPORATE DIRECTORY

Directors

Mr Chris Gale
Executive Director

David Vilensky
Non-Executive Chairman

Mr Brent Jones
Non-Executive Director

Company Secretary

Ms Sarah Smith

ASX Code

LRS

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Registered Office

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32 Harrogate Street
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Share Registry*

Computershare Investor Services Pty Ltd
Level 11
172 St Georges Terrace
PERTH WA 6000

Auditors*

Stantons International Audit and
Consulting Pty Ltd
Level 2,
1 Walker Avenue
WEST PERTH WA 6005

* These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.

2. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES

2.1 Indicative Timetable

Event	Date (WST)
Record Date	24 June 2020
Announcement of SPP Offer and Placement	25 June 2020
Lodgement of Prospectus with ASIC and ASX Opening Date of SPP Offer and Cleansing Offers	30 June 2020
Closing Date of Cleansing Offers	1 July 2020 2020
Issue of Shares under the Share Cleansing Offer	2 July 2020 2020
Trading commences for Shares issued pursuant to the Share Cleansing Offer	3 July 2020 2020
Closing Date for SPP Offer**	14 July 2020
Issue of SPP Shares pursuant to the SPP Offer	15 July 2020
Trading commences for SPP Shares issued pursuant to the SPP Offer	16 July 2020
Proposed date of Annual General Meeting of the Company	31 July 2020
Issue of SPP Options and Listed Options pursuant to the Placement***	3 August 2020
Closing Date of Cleansing Offers	4 August 2020
Trading commences for SPP Options and Listed Options issued pursuant to the Placement	4 August 2020

* The above dates are indicative only and may change without prior notice.

** Subscribers under the SPP Offer should ensure that they have lodged their SPP Application Form by this date.

*** Assuming that relevant Shareholder approval is obtained at the Company's AGM proposed to be held on or around 31 July 2020.

2.2 Important Notes

This Prospectus is dated 30 June 2020 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of this Prospectus should be considered highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

2.3 ASIC Class Order on Share Purchase Plans

In certain circumstances a listed company may undertake a share purchase plan in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (**ASIC Instrument**). This ASIC Instrument allows a share purchase plan to be conducted without the use of a prospectus.

The ASIC Instrument only applies to the offer of securities under a share purchase plan where a company's securities have not been suspended from quotation on ASX for more than a total of five days during the shorter of:

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

As the Company's securities were suspended from quotation for more than five days in the previous 12 months, the Company is unable to rely on the relief granted by the ASIC Instrument and, therefore, is undertaking the share purchase plan under this Prospectus.

2.4 Investment Advice

This Prospectus does not provide investment advice and has been prepared without taking account of your financial objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional investment advice before subscribing for securities under this Prospectus.

2.5 Risk factors

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 6 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

2.6 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of applying for Securities under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result,

Shareholders should consult their professional tax adviser in connection with applying for Securities under this Prospectus.

2.7 Applicants outside Australia

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue in this Prospectus.

2.8 Disclaimer

No person is authorised to give information or to make any representation in connection with the offers described in this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offers. You should rely only on information in this Prospectus.

2.9 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and our management.

The Company cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6 of this Prospectus.

2.10 Website

No document or information included on the Company's website is incorporated by reference into this Prospectus.

3. DETAILS OF THE OFFERS

3.1 Background to the SPP Offer

As announced on 25 June 2020, the Company is undertaking a capital raising. As at the date of this Prospectus, the Company:

- (a) has undertaken an offer to professional and sophisticated investors of 53,800,000 Shares with an issue price of \$0.004 per Share, together with one (1) attaching Listed Option for every one (1) Share subscribed for and issued, to raise up to \$215,200 (before costs) (**Placement**); and
- (b) plans to undertake, pursuant to this Prospectus, the SPP Offer to Eligible Shareholders of up to \$15,000 worth of Shares at an issue price of \$0.005 per Share (**SPP Shares**), together with one (1) attaching Listed Option for every one (1) SPP Share subscribed for and issued (**SPP Options**), to raise up to \$627,293 (before costs) (**SPP Offer**).

The issue of the SPP Options and Listed Options under the Placement are subject to the Company obtaining Shareholder approval at the Company's upcoming AGM proposed to be held on or around 31 July 2020. The issue of the SPP Options and the Listed Options under the Placement exceeds the Company's 15% limit in Listing Rule 7.1 and therefore requires the approval of Shareholders under Listing Rule 7.1.

The funds raised under the Capital Raising will be applied as set out in the use of funds table contained in Section 4.1.

3.2 The SPP Offer

By this Prospectus, the Company invites Eligible Shareholders to apply for a total of 125,458,592 SPP Shares at an issue price of \$0.005 per SPP Shares, together with one (1) attaching SPP Option for every one (1) SPP Share subscribed for and issued, to raise up to \$627,293 (before costs).

Eligible Shareholders are entitled to apply for a maximum of \$15,000 worth of Shares (representing 3,000,000 SPP Shares at an issue price of \$0.005 per SPP Share), together with one (1) SPP Option for every one (1) SPP Share subscribed for and issued. This is a 20% discount to the VWAP for Shares calculated over the last five (5) days on which sales of the Shares were recorded before the date of announcement of the Share Purchase Plan.

The Company will issue the SPP Shares pursuant to ASX Listing Rule 7.2, Exception 5 and, accordingly:

- (a) the total number of SPP Shares will not equate to more than 30% of Shares on issue at the issue date of the SPP Shares (equal to 125,458,592 SPP Shares, assuming full subscription), and scale-back may apply in accordance with Section 3.7; and
- (b) the issue price of the SPP Shares (being \$0.005 per SPP Share) is equal to or greater than 80% of the VWAP of Shares for the 5 days in which trading in the Shares occurred before the date of the announcement of the SPP Offer.

As stated above, the issue of up to 125,458,592 SPP Options (assuming full subscription) will be subject to Shareholder approval at the Company's next AGM.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 5.1 for further information regarding the rights and liabilities attaching to the Shares.

All of the SPP Options offered under this Prospectus will be Listed Options (Class: LRSOC), the terms and conditions of which are set out in Section 5.2 of this Prospectus. All Shares issued on conversion of the SPP Options will rank equally with the Shares on issue at the date of this Prospectus.

Details of the purpose and effect of the Offers are set out in Section 4 of this Prospectus.

3.3 The Cleansing Offers

By this Prospectus, the Company invites investors identified by the Directors to apply for:

- (a) 2,000 Shares at an issue price of \$0.005 per Share, to raise \$10 (before expenses) under the Share Cleansing Offer; and
- (b) 2,000 Listed Options at an issue price of \$0.005 per Listed Option, to raise \$10 (before expenses) under the Option Cleansing Offer.

Only participants in the Share Cleansing Offer will be eligible to apply for Listed Options under the Option Cleansing Offer. Applications for Listed Options under the Option Cleansing Offer will be for one (1) Listed Option for every one (1) Share subscribed for and issued under the Share Cleansing Offer.

The Cleansing Offers will only be extended to specific parties on invitation from the Directors. Cleansing Application Forms will only be provided by the Company to these parties.

3.4 Eligibility

Only Eligible Shareholders may participate in the SPP Offer. 'Eligible Shareholders' for the purpose of the SPP Offer are Shareholders:

- (a) who were registered holders of Shares on the Record Date; and
- (b) whose registered address was in Australia, New Zealand or the United Kingdom.

If you are the only registered Shareholder of a holding of Shares, but you receive more than one SPP Offer (for example because you hold Shares in more than one capacity), you may not apply for Shares:

- (a) with an aggregate value of more than \$15,000; or
- (b) Which would result in the aggregate value of the Shares applied for (including through a custodian) under the SPP Offer and any similar arrangement in the last 12 months being more than \$15,000.

The Company reserves the right to reject any application for Shares under this Prospectus to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements. Additionally, the Board may, at its absolute discretion, accept, reject, correct or amend your application for Shares under the SPP Offer, including, without limitation, if:

- (a) the SPP Application Form is incomplete, incorrectly filled out or accompanied by a cheque, bank draft or money order which is not paid in full on first presentation;
- (b) the BPAY® payment received in respect of your application is for less than the full, requisite amount; or
- (c) the Board is not reasonably satisfied that you are an Eligible Shareholder.

Participation in the SPP Offer is optional and is subject to the terms and conditions set out in this Prospectus.

3.5 Minimum subscription

The SPP Offer has a minimum subscription of \$1,000 (200,000 Shares and 200,000 Listed Options) per Eligible Shareholder.

There is no minimum subscription for the Cleansing Offers.

3.6 Applications

3.6.1 SPP Offer

An application for the SPP Offer must be made on the SPP Application Form accompanying this Prospectus. Eligible Shareholders may participate by selecting one of the options (**SPP Application Amount**) to purchase Shares under the SPP Offer set out in the table below.

	SPP Application Amount	Number of SPP Shares which may be purchased
Offer A	\$15,000	3,000,000
Offer B	\$10,000	2,000,000
Offer C	\$7,500	1,500,000
Offer D	\$5,000	1,000,000
Offer E	\$2,500	500,000
Offer F	\$1,000	200,000

Where the SPP Application Amount applied for results in a fraction of a Security the number of Shares issued will be rounded down to the nearest whole Security.

Any application monies received for more than an Applicant's final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded without interest.

Eligible Shareholders may apply for the SPP Offer by completing the SPP Application Form accompanying this Prospectus in accordance with the instructions outlined on the SPP Application Form. Applications pursuant to the SPP Offer must only be made by those Eligible Shareholders invited to make an application under the SPP Offer.

The Company reserves the right to close the SPP Offer early.

If you require assistance in completing an SPP Application Form, please contact the Company on +61 (8) 6117 4798.

3.6.2 Cleansing Offers

The Cleansing Offers will only be extended to specific parties on invitation from the Directors. Cleansing Application Forms will only be provided by the Company to these parties.. By completing a Cleansing Application Form, you will be taken to have declared that all details and statements made by you are complete and accurate and that you have received personally the Cleansing Application Form together with a complete and unaltered copy of the Prospectus.

3.7 Scale Back

The Company does not intend to raise more than \$627,293 under the SPP Offer. If applications for more than \$627,293 are received, the Company intends to scale back applications equally on a pro-rata basis.

Applications under the SPP Offer will be allocated at the discretion of the Company and the final allocation decision will be at the sole discretion of the Board.

If the Company scales-back an Application or purported application, the Company will promptly return to the Shareholder the relevant application monies, without interest.

3.8 Payment

3.8.1 By cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Latin Resources Limited" and crossed "Not Negotiable".

Your completed SPP Application Form and cheque must reach the Company's share registry no later than 5:00pm (WST) on the Closing Date.

3.8.2 By BPAY®

For payment by BPAY®, please follow the instructions on the SPP Application Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the SPP Application Form but are taken to have made the declarations on that SPP Application Form; and
- (b) if you do not pay an amount equal to one of the SPP Application Amount set out in the table in Section 3.6.1, you will be deemed to have applied for the SPP Application Amount that is the next lowest compared to your payment. In this event, the additional application monies will be refunded promptly, without interest, following the date of issue of the SPP Shares and SPP Options..

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 5:00pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of SPP Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

3.9 Shortfall Offer

In the event that less than \$627,293 is applied for under the SPP Offer by Eligible Shareholders, the Directors will seek to place any Securities not taken up pursuant to the SPP Offer under the Shortfall Offer (**Shortfall Securities**).

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.005 being the price at which SPP Shares have been offered under the SPP Offer. One (1) SPP Option will be issued for every one (1) SPP Share issued under the Shortfall Offer.

The allocation of the Shortfall Securities will be at the absolute discretion of the Board, taking into account compliance with the ASX Listing Rules and the Corporations Act. Accordingly, do not apply for Shortfall Securities unless instructed to do so by the Directors.

3.10 Not underwritten

The Offers under this Prospectus are not underwritten.

3.11 ASX listing

Application for Official Quotation of the Securities offered pursuant to this Prospectus will be made in accordance with the timetable set out in Section 2.1. If ASX does not grant Official Quotation of the Securities offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any and will repay all application monies for the Securities within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities now offered.

3.12 Issue

Securities issued pursuant to the Offers will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Offers.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Offers will be mailed in accordance with the timetable set out at the commencement of this Prospectus.

3.13 Overseas shareholders

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

New Zealand

The Shares are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This Prospectus is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United Kingdom

Neither this Prospectus nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the Securities.

This Prospectus is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the Securities may not be offered or sold in the United Kingdom by means of this Prospectus, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This Prospectus should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Securities has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons: (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (FPO); (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO; or (iii) to whom it may otherwise be lawfully communicated (together **relevant persons**). The investments to which this Prospectus relate are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus or any of its contents.

Shareholders resident in Australia, New Zealand or the United Kingdom holding Shares on behalf of persons who are resident overseas are responsible for ensuring that applying for Shares under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed SPP Application Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

3.14 Commissions payable

The Company reserves the right to pay a commission of 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

3.15 Enquiries

Any questions concerning the Offers should be directed to Sarah Smith, Company Secretary, info@latinresources.com.au.

4. PURPOSE AND EFFECT OF THE OFFERS

4.1 Purpose of the Offers and Placement

The primary purpose of:

- (a) the SPP is to raise up to \$627,293 (before costs and assuming full subscription);
- (b) the Placement was to raise \$215,200 (before costs); and
- (c) the Cleansing Offers is to remove trading restrictions associated with the Shares and Listed Options (whilst raising a total \$20 before costs).

No funds will be raised from the issue of the Listed Options as they are being issued free to subscribers under the Capital Raising.

The funds raised from the Capital Raising are planned to be used in accordance with the table set out below:

Proceeds of the Capital Raising	Full Subscription	%
Noombenberry Halloysite Project in Western Australia	\$250,000	29.67
JV earn-in with Mining and Energy Group Pty Ltd in New South Wales	\$342,932	40.70
Administration and corporate costs	\$50,000	5.93
Working Capital	\$152,932	18.15
Expenses of the Offers ¹	\$46,649	5.55
Total	\$842,513	100

Notes:

1. Refer to Section 7.8 of this Prospectus for further details relating to the estimated expenses of the SPP Offer and the Placement.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

If there is a shortfall under the SPP Offer, the Directors have reserved the right to place the shortfall pursuant to the Shortfall Offer.

On completion of the SPP Offer and Placement, the Board believes the Company will have sufficient working capital to achieve the above objectives. However, to the extent the SPP Offer is not fully subscribed, the Company may scale back or delay a portion of the exploration works set out above while it seeks alternative sources of funding, if required. Subject to the results of the exploration work to be undertaken, additional funding may be required to advance the Company's projects, as deemed appropriate by the Board. The expenses of the Offers will remain unchanged.

4.2 Purpose of the Cleansing Offer

This Prospectus has also been prepared to remove any trading restrictions that may have attached to Shares and Listed Options issued by the Company prior to the closing dates of the Cleansing Offers (including prior to the date of this Prospectus), as applicable.

Relevantly, Section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
 - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

4.3 Effect of the Offers

The principal effect of the Offers, assuming full subscription under the SPP Offer, will be to:

- (a) increase the cash reserves by \$842,513 (after deducting the estimated expenses of the Offers) immediately after completion of the Offers;
- (b) increase the number of Shares on issue from 418,195,592 as at the date of this Prospectus to 543,655,898; and
- (c) increase the number of Options on issue from 231,901,371 as at the date of this Prospectus to 357,361,963.

4.4 Effect on capital structure

The effect of the Offers on the capital structure of the Company is set out below.

Shares

	Number
Shares currently on issue ¹	418,195,306
Shares offered pursuant to the SPP (assuming full subscription)	125,458,592
Shares offered pursuant to the Share Cleansing Offer	2,000
Total Shares on issue on completion of the Offers	543,655,898

Notes:

1. Comprising: 414,195,306 Shares; and 4,000,000 loan funded shares subject to voluntary escrow.

Options

	Number
Options currently on issue ¹	178,101,371
Placement Options ²	53,800,000
SPP Options (assuming full subscription) ²	125,458,592
Listed Options offered pursuant to the Option Cleansing Offer ²	2,000
Total Options on issue on completion of the Offers	357,361,963

Notes:

1. Comprising: 163,434,704 Listed Options (Class: LRSOC) exercisable at \$0.012 each on or before 31 December 2022; 6,666,667 unquoted Options exercisable at \$0.1075 each on or before 18 December 2022; and 8,000,000 unquoted Options exercisable at \$0.0325 each on or before 3 July 2023.
2. Listed Options (Class: LRSOC) exercisable at \$0.012 each on or before 31 December 2022.

Convertible Securities

	Number
Convertible Security (Lind) ¹	1
Re-Investment Convertible Security (Lind) ¹	1
Convertible Notes ²	520,000
Total Convertible Securities on issue on completion of the Offers	520,002

Notes:

1. On the terms and conditions set out in the Company's announcement titled "\$6m funding & earn in package to advance Lithium Projects" released on ASX on 19 June 2018.
2. On the terms and conditions set out in the Company's announcement titled "Appendix 3B – Convertible Notes" released on ASX on 5 November 2019.

The capital structure on a fully diluted basis (excluding convertible securities) as at the date of this Prospectus would be 596,296,677 Shares and on completion of the Offers and the Placement (assuming full subscription under the SPP Offer) would be 901,017,861 and the shareholding of existing Shareholders would be diluted by 33.82%.

4.5 Pro-forma balance sheet

The unaudited statement of financial position as at 31 March and the pro-forma statement of financial position as at 31 March shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma statement of financial position has been prepared assuming the maximum number of SPP Shares offered under this Prospectus are issued and no existing Options are exercised prior to the Record Date, the maximum director debt offsets, and including the expenses of the SPP Offer.

The pro-forma statement of financial position has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it

does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	Unaudited Balance Sheet as at 31 March 2020 (\$'000)	Significant changes since 31 March 2020 (\$'000)	Effect of SPP Offer (\$'000)	Unaudited Pro Forma Balance Sheet Post Offer (\$'000)
Current Assets				
Cash & cash equivalents	38	215	628	881
Trade and other receivables	614			614
Other assets	44			44
Non-Current Assets				
Trade and other receivables	1,942			1,942
Plant & equipment	60			60
Exploration & evaluation costs	11,332			11,332
TOTAL ASSETS	14,030	215	628	14,873
Current Liabilities				
Trade & other payables	1,910			1,910
Borrowings	2,068			2,068
Deferred consideration	22			22
Provisions	50			50
Non-Current Liabilities				
Deferred consideration	10,397			10,397
TOTAL LIABILITIES	14,447	-	-	14,447
NET ASSETS / (LIABILITIES)	(417)	215	628	426
EQUITY				
Issued capital	48,317	215	628	49,160
Reserves	11,497			11,497
Accumulated Losses	(60,231)			(60,231)
TOTAL EQUITY	(417)	215	628	426

Notes:

The pro forma statement of financial position above is based on the unaudited financial position as at 31 March 2020 and is adjusted to reflect the following assumptions:

- (a) the Placement of 53,800,000 Shares at \$0.004 per Share was completed on 26 June 2020, raising \$215,200 (before costs). The Placement comes with one (1) attaching Listed Option for every one (1) Share subscribed for (subject to Shareholder approval at the Company's next AGM); and
- (b) the SPP Offer is fully subscribed and \$627,293 is raised by the issue of 125,458,592 Shares at \$0.005 per Share and 125,458,592 free-attaching SPP Options (subject to Shareholder approval).

The pro forma statement of financial position does not reflect the following subsequent events that are to be considered and approved at the Company's next AGM:

- (a) As announced by the Company on 25 June 2020:

- (i) issuing Mining and Energy Group Pty Ltd (**MEG**) 40,000,000 Shares at a deemed issue price of the lesser of \$0.003 per Share or equal to the price at which the Company issues Shares in the next placement it undertakes (being \$0.004 under the Placement); and
 - (ii) upon grant of drill permits for the first phase of drilling on tenement EL8958, paying MEG \$20,000 cash and issuing to MEG (or its nominee) that number of Shares calculated by dividing \$130,000 by the lower of \$0.003 and the 30-day VWAP of the Shares prior to the grant of the drilling permits.
- (b) Under the Integra Terms Sheet, as announced on 17 June 2020, Integra holds an option to subscribe for 10% of Shares in the Company at an issue price equivalent to the lower of:
- (i) A\$0.005 per Share; or
 - (ii) the VWAP of the Shares in the 10 calendar days immediately preceding the date of the placement with a 10% discount,
- together with one (1) attaching Listed Option for every one (1) Share issued to Integra.
- (c) Issuing to Lind Partners New York 114,000,000 Shares for the repayment notices received on 10 March 2020 and 17 June 2020 respectively (subject to shareholder approval).

5. RIGHTS ATTACHING TO SECURITIES

5.1 Shares

The following is a summary of the more significant rights attaching to Shares to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be

applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of Shares**

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(g) **Variation of rights**

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

5.2 Terms and Conditions of Options

The issue of the SPP Options is subject to the Company obtaining Shareholder approval at the Company's upcoming AGM proposed to be held on or around 31 July 2020.

The terms and conditions of the Listed Options are as follows:

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.012 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 31 December 2022 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

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

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

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the

Notice of Exercise and for which cleared funds have been received by the Company;

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

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

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

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

(m) **Quotation**

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

6. RISK FACTORS

6.1 Introduction

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the key specific risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for securities pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.2 Company specific

(a) Dilution

Shareholders should note that if they do not participate in the SPP Offer, their holdings are likely to be diluted by approximately 33.82% in relation to the SPP Offer (as compared to their holdings and number of Shares on issue as at the date of this Prospectus and no Options are converted) if all Securities are issued.

(b) Political

The Company's projects are located in Latin America and Australia.

- (i) *Peru*: Located on the western coast of South America, it shares its borders with Ecuador and Colombia to the north, Brazil and Bolivia to the east and Chile to the south.
- (ii) *Argentina*: Located on the south eastern coast of South America, it shares its borders with Chile to the west, Bolivia and Paraguay to the north, Brazil to the northeast, Uruguay and the South Atlantic Ocean to the east.
- (iii) *Brazil*: Located on the eastern coast of South America, Brazil shares borders with numerous South American countries, including Peru and Argentina. The Company's only Brazilian project is in Minas Gerais, which is wholly located within south eastern Brazil.

The Company's operations could be affected by changes in the economic or other policies of relevant governments or regulatory authorities. The Latin American countries in which the Company operates are presently stable democracies, but the Company cannot guarantee access, surety of title and/or tenure of its Peruvian, Argentinean or Brazilian based assets. Australia is considered a stable democracy, however, although unlikely, it is possible that the current legislative and regulatory systems for exploration and mining in Australia may adversely change.

(c) **Emerging Market**

Argentina and Peru are considered to be emerging market economies and Brazil as an advanced emerging economy. Emerging markets are generally more vulnerable to market volatility as well as political and economic instability more so than developed markets. As such, investments in securities of issuers with all or substantially all of its interests in an emerging market are subject to certain risks which may affect economic and fiscal results. These risks include:

- (i) currency fluctuations and devaluations;
- (ii) inflation;
- (iii) exchange controls;
- (iv) high interest rates;
- (v) wage and price controls;
- (vi) economic and political instability;
- (vii) the imposition of trade barriers;
- (viii) expropriation and political violence or disturbance; and
- (ix) changes in economic, tax and other policies.

In addition, economic conditions in Argentina, Peru and Brazil are, to some extent, influenced by economic and securities market conditions in other emerging market countries. Although economic conditions are different in each country, investors' reaction to developments in one country can have effects on the securities of issuers in other countries,

including Argentina and Peru. There can be no assurance that the economic conditions in Argentina, Peru and Brazil will not continue to be affected negatively by events elsewhere, especially in emerging markets.

(d) **Community Issues**

Parts of Argentina, Peru and Brazil are sensitive to community issues and the authorities in some regions are politically not pro-investment but rather sympathisers of populist claims of organised groups and with anti-mining attacks.

Risk factors to be considered include the nationwide protests and demonstrations over the past years.

(e) **Joint Venture Risk**

The Company is subject to the risk that changes in the status of any of the Company's joint ventures (including changes caused by financial failure or default by a participant in the joint venture) may adversely affect the operations and performance of the Company.

Specifically, the Company has joint venture and/or farm-in arrangements with key strategic partners First Quantum Minerals Ltd (TSX:FM), Integra Capital S.A, and Mining and Energy Group Pty Ltd. Where a joint venture

partner does not act in the best commercial interest of the joint venture or otherwise fails to comply with its contractual joint venture obligations, it could have a material adverse effect on the interests of the Company.

Aligned with its strategic objectives, the Company may make future investments in complementary businesses or enter into strategic partnerships or alliances with third parties in order to enhance its business, namely joint venture arrangements with respect to its Latin American assets. Any such future partnerships or alliances will similarly attract the associated risks noted above.

(f) **Default**

The Company is currently a party to a loan agreement which includes the obligation to repay outstanding amounts owed by the Company on the relevant due dates.

Should the Company default on its obligation under this agreement the lender may demand immediate repayment and may trigger cross defaults in respect of the Company's other equity agreements.

Should a default occur, and the Company is unable to raise sufficient funds or otherwise cure the defaults, the Company's lender may seek immediate repayment of the debts and this may result in the Company becoming insolvent.

6.3 Industry specific

(a) **Environmental**

The operations and proposed activities of the Company are subject to laws and regulations in Argentina, Peru and Brazil concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. However, complying with environmental laws may be difficult, costly and result in delays to any project activities.

(b) **Exploration**

No assurance can be given that exploration will be successful or that a commercial mining operation will eventuate.

The ultimate success and financial viability of the Company depends on the discovery and delineation of economically recoverable ore reserves, design and construction of efficient mining and processing facilities, and competent operational and managerial performance.

There is no assurance that exploration and development of the mineral interests held by the Company (which are all at an exploration stage), or any other projects that may be acquired by the Company in the future, will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited.

Development of a commercial mining operation is also dependent on the Company's ability to obtain necessary titles and governmental and other regulatory approvals.

(c) **Native title and Aboriginal Heritage**

In relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

Further to this, it is possible that an Indigenous Land Use Agreement (**ILUA**) may be registered against one or more of the tenements in which the Company has an interest. The terms and conditions of any such ILUA may be unfavourable for, or restrictive against, the Company.

The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

In addition, the existence of the Aboriginal heritage sites within any tenements may lead to restrictions on the areas that the Company will be able to explore and mine.

(d) **Resource Estimates**

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(e) **Title**

Interests in concessions in Argentina, Peru and Brazil are governed by the respective Country legislation and are evidenced by the granting of licences and leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments as well as other conditions requiring compliance. All of the Company's various work permits, mining licences, mining leases, mining area licences and exploration licences are due for renewal from time to time. The Company expects that it will, in due course, lodge renewal applications for them as required. The Company has no reason to believe any of these will not be renewed, however this cannot be guaranteed.

6.4 General risks

(a) **General economic conditions**

Economic conditions, both domestic and global, may affect the performance of the Company. Factors such as fluctuations in currencies, commodity prices, inflation, interest rates, supply and demand and

industrial disruption may have an impact on operating costs and share market prices. The Company's future possible revenues and Share price can be affected by these factors, all of which are beyond the control of the Company or its Directors.

(b) **Equity market conditions**

Securities listed on the stock market can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general.

General factors that may affect the market price of Shares include economic conditions in both Australia and internationally (particularly Australian, US and Chinese economic conditions), investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

(c) **Change in government policy and legislation**

Any material adverse changes in relevant government policies or legislation of Australia may affect the viability and profitability of the Company, and consequent returns to investors. The activities of the Company are subject to various federal, state and local laws governing prospecting, development, production, taxes, labour standards and occupational health and safety, and other matters.

(d) **Competition risk**

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business

(e) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(f) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

6.5 Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

7. ADDITIONAL INFORMATION

7.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

7.2 Continuous Disclosure Obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
26 June 2020	Appendix 2A
25 June 2020	Proposed issue of Securities - LRS
25 June 2020	Latin signs binding agreement for Yarara Gold Project
19 June 2020	Trading Halt
17 June 2020	Latin signs JV Agreement with major Argentinian Company
6 May 2020	Company Presentation – Projects Update
4 May 2020	Latin to Present at the NWR Virtual Resources Conference
30 April 2020	Quarterly Activities Report and Appendix 5B
30 April 2020	Extension of time to hold AGM
1 April 2020	Appendix 4G
1 April 2020	Corporate Governance Statement

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website at www.latinresources.com.au.

7.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	(\$)	Date
Highest	0.007	29 June 2020
Lowest	0.002	21 April 2020
Last	0.006	29 June 2020

7.4 Substantial Shareholders

Based on substantial Shareholder notices lodged prior to the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
JP Morgan Nominees Australia Pty Ltd	41,083,587	9.82

7.5 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offers.

Security Holdings

Directors are not required under the Company's Constitution to hold any Shares to be eligible to act as a director. The relevant interest of each of the Directors in

the securities of the Company as at the date of this Prospectus is set out in the table below:

Director	Shares	Options
Chris Gale ¹	3,275,185	9,240,000
Brent Jones ²	3,177,895	454,109
David Vilensky ³	1,136,487	267,060

Notes:

1. Comprising: 1,004,506 Shares indirectly held by Lascelles Holdings Pty Ltd (Mr Gale is a Shareholder of Lascelles Holdings Pty Ltd); 210,679 Shares and 281,155 Listed Options indirectly held by the Gale Super Fund (Mr Gale is a beneficiary of the Gale Super Fund); and 2,000,000 loan funded shares, 160,000 Shares and 40,000 Listed Options indirectly held by Mr Gale's spouse, Stephanie Gale.
2. Comprising: 361,459 Shares and 1,000,000 unquoted restricted shares indirectly held by Unrandom Pty Ltd (Mr Jones is a director and shareholder of Unrandom Pty Ltd); and 1,816,436 Shares and 454,109 Listed Options indirectly held by Vonetta Pty Ltd (Mr Jones is a director and shareholder of Vonetta Pty Ltd).
3. Indirectly held by Coilens Corporations Pty Ltd (Mr Vilensky is a director of Coilens Corporations Pty Ltd).

The Directors have not participated in the Placement. However, the Director do intend to take up their full entitlements under the SPP Offer.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is determined by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the annual remuneration paid to both executive and non-executive Directors inclusive of superannuation for the past financial year and the proposed annual remuneration for the financial year ended 31 December 2020.

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

Note:

1. Comprising of cash and salary fees of \$295,000 and equity-settled payments of \$12,992 comprising: 9,005,323 retention share rights approved for issue by shareholders in prior years.

7.6 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (f) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offers.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offers and associated due diligence process. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$21,209 (excluding GST and disbursements) for legal services provided to the Company.

7.7 Consents

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

7.8 Expenses of the Offers

The total expenses of the Offers are estimated to be approximately \$46,649 (excluding GST) and are expected to be applied towards the items set out in the table below:

	Full Subscription \$
ASIC fees	3,206
ASX fees	6,442
Legal fees	15,000
Share registry	10,000
Printing, distribution and other expenses	12,001
Total	46,649

7.9 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the relevant Application Form (as applicable). If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at www.latinresources.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

7.10 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

7.11 Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

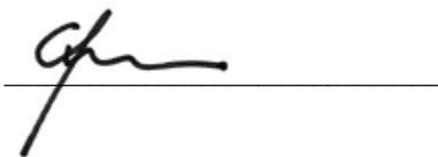
You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

8. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

A handwritten signature in black ink, appearing to read 'Chris Gale', is positioned above a horizontal line. The signature is fluid and cursive.

Chris Gale
Executive Director
For and on behalf of
LATIN RESOURCES LIMITED

9. GLOSSARY

\$ means an Australian dollar.

AGM or **Annual General meeting** means annual general meeting of Shareholders of the Company.

Applicant means an investor that applies for Securities under the Offers using an Application Form pursuant to this Prospectus.

Application Form means a SPP Application Form (attached to or accompanying this Prospectus) or a Cleansing Application Form (provided to specific parties on invitation from the Directors), as applicable.

ASIC means the Australian Securities & Investments Commission.

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

ASX Listing Rules means the official listing rules of ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHES.

Board means the board of Directors as constituted from time to time.

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.

Capital Raising means, collectively, the Offers and the Placement.

Cleansing Application Form means the application form provided to specific parties on invitation from the Directors relating to the Cleansing Offers.

Cleansing Offers means the Share Cleansing Offer and the Option Cleansing Offer.

Closing Date means the closing date of the Offers as set out in the indicative timetable in the Section 2.1 (subject to the Company reserving the right to extend the Closing Date or close the Offers early).

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

Constitution means the constitution of the Company.

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

Directors means the directors of the Company at the date of this Prospectus.

Eligible Shareholders are Shareholders with a registered address in Australia, New Zealand or the United Kingdom who were registered holders of Shares on the Record Date.

Listed Option means an Options listed on ASX under ticker code LRSOC (exercisable at \$0.012 each on or before expiry 31 December 2022).

Offers means the SPP Offer, the Shortfall Offer and the Cleansing Offers.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Opening Date means the opening date of the Offers as set out in the indicative timetable in the Section 2.1.

Option means an option to acquire a Share.

Option Cleansing Offer means the offer of up to 2,000 Listed Options at an issue price of \$0.005 per Listed Option to raise up to \$10 under this Prospectus.

Placement means the placement proposed to be undertaken by the Company, details of which are set out in the Company's announcement dated 25 June 2020.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out in section 2.1.

Section means a section of this Prospectus.

Securities means Shares and / or Options

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

Share Cleansing Offer means the offer of up to 2,000 Shares at an issue price of \$0.005 per Share to raise up to \$10 under this Prospectus.

Shareholder means a holder of Shares.

Shortfall means the Shares not applied for under the SPP Offer (if any).

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in Section 3.9 of this Prospectus.

Shortfall Securities means those Securities issued pursuant to the Shortfall Offer.

SPP Application Form means the application form attached to or accompanying this Prospectus relating to the SPP Offer.

SPP Offer means the offer of Shares and Options referred to in Section 3.1.

SPP Option means a Listed Option with an exercise price of \$0.012 expiring on or before 31 December 2022 on the terms and conditions set out in Section 5.2 of this Prospectus.

SPP Share means a Share offered under the SPP Offer with an issue price of \$0.005 per Share.

VWAP means the volume weighted average price.

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