

LATIN RESOURCES LIMITED
SHARE PURCHASE PLAN – FEBRUARY 2019

These are the Board’s approved Terms and Conditions of the Share Purchase Plan (“**Plan**”) of Latin Resources Limited (“**Latin**”). The offer of shares under this Plan is made in accordance with ASIC Class Order [CO 09/425] and therefore does not require a prospectus for the purposes of Chapter 6D of the *Corporations Act 2001* (Cth).

1. Participation in the Plan

Shareholders who are entered in the register of members at 4.00pm (WST) on 30th January 2019 (“**Record Date**”) and who have a registered address in Australia, New Zealand, Germany or the United Kingdom (“**Eligible Shareholders**”) may apply for up to a maximum of \$15,000 worth of fully paid ordinary shares in the capital of Latin in accordance with this Plan. The following rules apply to participation by Eligible Shareholders in the Plan:

- (a) **Single holders** – If you are the registered holder of shares, but you receive more than one offer under the Plan (for example, due to multiple registered holdings), you may only apply for up to a maximum amount of \$15,000 worth of shares.
- (b) **Joint holders** – If you are recorded with one or more persons as the joint holder of a holding of shares, that joint holding is considered to be a single registered holding for the purpose of the Plan. Joint holders are only entitled to participate in the Plan in respect of that single holding. If the same joint holders receive more than one offer under the Plan due to multiple identical holdings, the joint holders together may only apply for up to a maximum amount of \$15,000 worth of shares.
- (c) **Custodians and nominees** – If you are an Eligible Shareholder who holds shares as a custodian, trustee or nominee (within the definition of 'custodian' in ASIC Class Order [CO 09/425] (“**Custodian**”), or in any more specific ASIC relief granted to Latin in relation to this offer, on behalf of one or more persons (“**beneficiaries**”), this offer is made to you and you have the discretion whether to extend this offer to the beneficiaries on whose behalf you hold shares. If you apply for shares on behalf of a beneficiary, Latin will not issue shares to you unless you certify the following in writing to Latin:
 - (i) that you hold the shares on behalf of one or more persons who are resident in Australia, New Zealand, Germany or the United Kingdom (each a “**participating beneficiary**”) on the Record Date, who have subsequently instructed you to apply for shares on their behalf under the Plan;
 - (ii) the number of participating beneficiaries;
 - (iii) the name and address of each participating beneficiary;
 - (iv) the number of shares that you hold on behalf of each participating beneficiary;

- (v) the number or dollar amount of shares which each participating beneficiary has instructed you, either directly or indirectly through another custodian, to apply for on their behalf;
- (vi) there are no participating beneficiaries in respect of which the total of the aggregate application price for the following exceeds \$15,000:
 - (A) the shares applied for by you on behalf of a participating beneficiary under the Plan; and
 - (B) any shares issued to you in the 12 months before the application made under the Plan as a result of an instruction given by a participating beneficiary to you to apply for shares on their behalf under an arrangement similar to the Plan;
- (vii) that a copy of the Plan offer document was given to each beneficiary; and
- (viii) where you hold shares on behalf of a beneficiary indirectly, through one or more interposed custodians, the name and address of each interposed custodian.

Custodians should request a Custodian Certificate when making an application on behalf of participating beneficiaries. To request a Custodian Certificate, and if you would like further information on how to apply, you should contact the Company on (08) 6117 4798, between 8.30am to 5.00pm (WST) Monday to Friday.

If you hold shares in Latin as a trustee or nominee for another person or persons but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings apply.

Latin reserves the right to reject any application under the Plan to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements. Latin reserves the right to reject applications in accordance with these terms and conditions.

- (d) **Participation** – The Plan is available exclusively to Eligible Shareholders. Participation in the Plan is entirely optional and the offer of shares under the Plan is not a recommendation. You should seek independent advice if you are unsure whether you should participate in the Plan. The offer of shares under the Plan is non-renounceable which means that Eligible Shareholders cannot transfer their entitlement to purchase shares under the Plan to another person. The application form specifies five different offers of shares for which applications may be made (refer to Section 2 of this Plan) irrespective of the size of an Eligible Shareholder’s shareholding in Latin. An application may not be made for any other value of shares other than as specified. If an Eligible Shareholder applies for a value of shares greater than the maximum that is provided for in the application form, the maximum number of shares under the Plan will be issued and the excess application amount paid will be refunded without interest.

If you are applying on your own behalf (and not as a Custodian), you represent to Latin and acknowledge and agree that:

- (i) you are not applying for shares with an application price of more than \$15,000 under the Plan (including by instructing a Custodian to acquire shares on your behalf under the Plan); and
- (ii) the total of the application price for the following does not exceed \$15,000:
 - (A) the shares the subject of your application under the Plan;
 - (B) any other shares issued to you under the Plan or any arrangement similar to the Plan in the 12 months before the application made under the Plan;
 - (C) any other shares which you have instructed a Custodian to acquire on your behalf under the Plan; and
 - (D) any other shares issued to a Custodian in the 12 months before the application made under the Plan as a result of an instruction given by you to such Custodian to apply for shares on your behalf under an arrangement similar to the Plan.

The Directors of Latin who are Eligible Shareholders intend to participate under the Plan.

- (e) **Limit** - Whilst Latin intends to raise \$1,000,000, Latin may accept additional applications subject to shareholder demand. However, the maximum number of Shares to be issued is limited by the Australian Securities Exchange (ASX) Listing Rules, being 30% of Latin's share capital at the Record Date.

Subject to shareholder demand and oversubscriptions, the Company may, in its absolute discretion, undertake a scaleback under the Plan on an equitable basis. Scaleback decisions are made by the Board and are final.

2. Subscription and application form

Eligible Shareholders may participate by selecting only one of the following offers to purchase shares under the Plan:

	Total amount payable at \$0.002 per Share	Number of Shares which may be purchased
Offer A	\$2,000 (minimum)	1,000,000
Offer B	\$4,000	2,000,000
Offer C	\$7,500	3,750,000
Offer D	\$10,000	5,000,000
Offer E	\$15,000 (maximum)	7,500,000

Unless payment is made by using the BPAY® facility, applications to participate in the Plan must be made on the enclosed application form and must be received by the Share Registry (with the correct payment of the application amount) no later than 5.00pm (WST) on 22nd February 2019.

Latin reserves the right to return any payment of application money (without interest) and not issue any shares if payment is received after that time. By returning the enclosed application form or by making a BPAY® payment, you agree to be bound by the terms and conditions of this Plan and the application form and you certify that the aggregate of the application price paid by you for the shares the subject of the application form or BPAY® payment, and any other shares applied for by you, or which you have instructed a Custodian to acquire on your behalf, under the Plan or under any arrangement similar to the Plan operated by Latin in the 12 months prior to the date of issue under the Plan, does not exceed \$15,000. Applications and payments made under the Plan may not be withdrawn once they have been received. Application money will not bear interest under any circumstances.

By making an application on the enclosed application form, or by submitting payment through BPAY®, you acknowledge you are an Eligible Shareholder and that you:

- (a) irrevocably accept the Plan offer and acknowledge having read and understood the terms and conditions of the Plan and the details set out in the application form; and
- (b) apply to subscribe for new fully paid ordinary shares in the capital of Latin in accordance with the terms and conditions of the Plan and the details set out in the application form and agree to be bound by the Constitution of Latin.

3. Payment

If payment is made using the BPAY® facility (Australian bank accounts only), there is no requirement for the application form to be returned. Please carefully following the instructions on your application form when making payment by BPAY®. Payment must be received by no later than 5.00pm (WST) on 22nd February 2019. Eligible Shareholders must ensure that funds submitted through BPAY® are received by this time as their own financial institutions may implement earlier cut off times with regards to electronic payment.

Applicants should be aware that their own financial institution may implement earlier cut off times for electronic payments and should take this into consideration when making payment of application monies via BPAY®. You may also have your own limit on the amount that can be paid by BPAY®. It is your responsibility to ensure that the application amount you wish to pay via BPAY® does not exceed your limit and is received by the Share Registry prior to the close of the offer. If you have multiple holdings you will have multiple customer reference numbers. To ensure you receive your shares in respect of that holding, you must use the customer reference number shown on each personalised application form when paying for any new shares that you wish to apply for in respect of that holding. Eligible Shareholders who have multiple holdings must ensure they comply with the requirements provided in Section 1 of this Plan. As set out above, applications can only be made for shares in the amounts specified on the application form, as set out in Section 2 of this Plan. Please do not forward cash to Latin or the Share Registry or make a direct bank transfer in respect of your application. Please also note that receipts for payment of any application amount will not be issued. Application forms returned by fax will not be accepted. Application monies will only be accepted if your cheque or money order is drawn, or your BPAY® payment is made, in

Australian currency. Cheques must be drawn on an Australian financial institution. Application money will not bear interest as against Latin under any circumstances. In the event that any refund of application money is to be made, that refund will be made without payment of any interest.

Once an application has been made it cannot be revoked.

All valid applications will be deemed accepted if received before the Closing Date of 5.00pm (WST) on 22nd February 2019. If the exact amount of application money is not tendered with your application, Latin reserves the right to either:

- (a) return your application form and/or payment and not allot any shares to you; or
- (b) allot to you the number of shares that would have been allotted had you applied for the highest designated amount that is less than the amount of your payment and refund the excess application money to you by cheque as soon as possible, without interest.

4. Offer Price

The offer price for shares under the Plan is \$0.002 per share, representing a 16% discount to the volume weighted average market price (“**VWAP**”) of Latin's shares quoted on the ASX during the last 5 days on which Latin's shares were traded immediately prior to the date on which the Plan was announced, being \$0.0024.

The market price of the shares in Latin may rise and fall between the date of the offer under the Plan and the date that any shares are issued to you as a result of your participation in the Plan.

By applying for shares under the Plan, you acknowledge that, although the purchase price is at a discount to the market price for the shares, the shares are a speculative investment and the price of the shares on ASX may change between the date of Latin announcing that it intends to make an offer under the Plan and the date of issue of the shares under that Plan and that the value of the shares received under the Plan may rise or fall accordingly.

The Board of Latin recommends that you obtain your own financial advice in relation to the offer and consider price movements of shares in Latin prior to participating in the Plan.

5. Shares to be issued

Shares issued under the Plan will rank equally in all respects with existing fully paid ordinary shares in the capital of Latin. Promptly after issue, application will be made for shares issued under the Plan to be listed for quotation on the official list of the Australian Securities Exchange. Transaction Confirmation Statements will be despatched to the Issuer Sponsored and CHESS participants for shares issued under the Plan. No brokerage, commissions, stamp duty or other transaction costs will be payable by Eligible Shareholders for their application for, or issue of, shares under the Plan. This offer of shares under the Plan is made in accordance with ASIC Class Order [CO 09/425], which grants relief from the requirement to prepare a prospectus in relation to the offer of shares being made under the Plan.

6. Foreign Offer Restrictions

The distribution of this document in jurisdictions outside Australia may be restricted by law and persons who come into possession of this document should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify these shares the subject of this document or otherwise permit a public offering of the shares the subject of this document in any jurisdiction outside Australia.

It is the responsibility of applicants outside Australia to obtain all necessary approvals for the allotment and issue of the shares pursuant to this Plan. The return of a completed application form will be taken by Latin to constitute a representation and warranty by the applicant that all relevant approvals have been obtained.

Notwithstanding the above, this Plan and any accompanying documents may not be released or distributed in any country other than Australia, New Zealand, the United Kingdom and Germany. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any other country. In particular, any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

New Zealand

The Shares offered under this Plan are not being offered or sold to the public within New Zealand other than to existing shareholders of Latin with registered addresses in New Zealand and to whom the offer is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

United Kingdom

The offer under the Plan is only being made in the United Kingdom to persons who are of a kind described in Article 43(2) (members and creditors of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.

The maximum aggregate consideration for the offer is \$1,000,000. Therefore, in accordance with Section 85 and Schedule 11A of the Financial Services and Markets Act 2000 (UK), as amended (FSMA), this document does not constitute a prospectus for the purposes of the Prospectus Rules of the Financial Conduct Authority (FCA) in the United Kingdom and a copy of it has not been, and will not be, reviewed by the FSA or the UK Listing Authority.

The information in this document has been prepared on the basis that all offers of shares will be made pursuant to an exemption under the Directive 2003/71/EC ("**Prospectus Directive**"), as amended and implemented in the Member State, from the requirement to produce a prospectus for offers of securities.

An offer to the public of shares has not been made, and may not be made, in a Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in the Member State:

- to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, "MiFID");
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID;
- to fewer than 150 natural or legal persons (other than qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive) subject to obtaining the prior consent of the Company; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of New Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

Germany

The information in this document has been prepared on the basis that all offers of shares will be made pursuant to an exemption under the Directive 2003/71/EC ("**Prospectus Directive**"), as amended and implemented in the Member State, from the requirement to produce a prospectus for offers of securities.

An offer to the public of shares has not been made, and may not be made, in a Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in the Member State:

- to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, "MiFID");
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID;

- to fewer than 150 natural or legal persons (other than qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive) subject to obtaining the prior consent of the Company; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of New Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

7. Variations, waivers and resolution of disputes

The Plan is governed by the law in force in Western Australia and Latin reserves the right to:

- vary the closing date and share issue date for the Plan;
- waive compliance with any of these terms and conditions;
- refuse to issue shares where it believes there has been a breach of the terms and conditions of this Plan;
- issue to any person fewer shares than the person applied for under the Plan if the issue of the shares applied for would contravene any applicable law or the ASX Listing Rules;
- amend or vary these terms or conditions or suspend or terminate the Plan at any time;
- scale back applications; and
- settle in any manner it thinks fit any disputes or anomalies which may arise in connection with the Plan. Any determinations by Latin will be binding on all Eligible Shareholders and other persons to whom the determination relates.

Latin's rights may be exercised by the Board of Latin or any delegate thereof.

8. Raising Amount and Scale back

Latin seeks to raise a maximum of \$1,000,000 pursuant to the offer made under this Plan. Latin reserves absolute discretion regarding the final amount raised under the Plan, subject to the ASX Listing Rules. In the event of oversubscription by the Closing Date the Directors may, in their absolute discretion, scale-back applications on an equitable basis. Scale-back for Shares held by Custodians will be applied at the level of the underlying Beneficiary. Directors may also, in their absolute discretion, decide to increase acceptances in the event of oversubscriptions.

If Latin rejects or scales back an application or purported application, Latin will promptly return to the applicant the relevant application monies, without interest.

9. Indicative timetable

Event	Date
Record Date (4.00pm WST)	30 th January 2019

Announcement of the Plan and release of Offer Letter on ASX	31 st January 2019
Cleansing Notice lodged with ASX	31 st January 2019
Dispatch of Share Purchase Plan booklet to shareholders and Opening Date	4 th February 2019
Closing Date	22 nd February 2019
Issue Date of new shares	28 th February 2019
New shares commence trading on ASX	1 st March 2019
Dispatch of holding statements	1 st March 2019

These dates are indicative only. Latin may vary the dates and times of the offer without notice. Accordingly, shareholders wishing to subscribe under the offer are encouraged to submit their application forms as early as possible.

10. Shortfall Placement

The Plan is not underwritten. In the event that less than \$1,000,000 worth of shares are applied for pursuant to the Plan, the full amount of the shortfall may be placed at the absolute discretion of the Directors of Latin, subject to compliance with all applicable laws and the ASX Listing Rules.

11. Questions

If you have any questions, please contact Latin's registered office on +61 8 6117 4798 between the hours of 8.30am and 5.00pm (WST), Monday to Friday. For details regarding how your personal shareholder information is used, please refer to your application form.