



**LATIN RESOURCES**  
LIMITED

LATIN RESOURCES LIMITED  
ACN: 131 405 144

Level 1, 173 Mounts Bay Road  
Perth Western Australia 6000  
P 08 9485 0601  
F 08 9321 6666  
E info@latinresources.com.au

March 21 2012

ASX: AOH, LSE: AOH

## Significant Chinese firms lifts Latin stake to 16.8% following completion of AUD\$8.4M Placement

### Key points:

- Latin issues 20,000,000 shares to Hong Kong based company Junefield High Value Metals Limited following recent shareholder approval.
- Issue of shares completes previously announced Placement, whereby Junefield High Value Metals Limited is to be issued 30,000,000 shares for a total consideration of AUD\$8.4M (in two tranches).
- Funds raised through placement to be applied to acceleration of activities at Latin's flagship Guadalupito Iron Sands Project and other highly prospective Ilo Concessions in Peru.
- Initial drilling campaign at Mariela project to commence soon as part of \$35 million Earn In Option Agreement.
- Mr Frankie Li appointed as Non Executive Director.

South American focussed exploration and resource development company Latin Resources Limited (ASX: LRS) ("Latin" or "the Company") is pleased to advise that the AUD\$8.4M Placement to Chinese backed group Junefield High Value Metals Investments Limited ("Junefield"), as announced to the ASX on 30 November 2011, has been completed, with all shares issued and monies received by the Company.

Latin Resources Managing Director, Mr Chris Gale, said "I am pleased, as a result of the Placement, to introduce a new long-term cornerstone investor, further strengthening the Company's share register as it continues to rapidly advance the Guadalupito Iron Mineral Sands Project and its other highly prospective assets in the established Ilo mining district."

"Attracting a cornerstone investor that is as reputable and experienced as Junefield is a major achievement and a key milestone in the advancement of our Peruvian assets," Mr Gale said.

"Junefield's experienced Peruvian team at Total Genius Iron Mining ("Iron Mining") will soon be commencing the initial drilling campaign at our Mariela Project. The drilling is the first step towards the \$35,000,000 Earn In Option Agreement signed in conjunction with the Subscription Agreement. We are looking forward to announcing the results the drilling campaign in the near future." he said.

As detailed in the earlier announcement, Latin agreed to a Placement, whereby Junefield subscribed for up to 30,000,000 ordinary shares in two tranches in the Company at A\$0.28 per share, to raise up to AUD\$8,400,000. The A\$0.28 per share subscription price represented a 51% premium to the last traded price in the period immediately prior to that announcement being made.

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The shares issued as part of the Placement represent approximately 16.8% of the issued capital of the Company. In addition to the ordinary shares received as part of the Placement, Junefield will also receive 10,000,000 Options, with an exercise price of AUD\$0.30, expiring on June 20, 2013.

The two tranches of the Placement were;

- Tranche 1 consisting of 10,000,000 shares and 3,333,333 options, and was issued under the Company's existing 15% capacity; and
- Tranche 2 consisting of 20,000,000 shares and 6,666,667 options, which was subject to shareholder approval.

Approval for the Tranche 2 issue of shares and options was received at a General Meeting of Shareholders on 14 March 2012. A relevant Appendix 3B is attached to this announcement.

Junefield is a subsidiary of private company Junefield Holdings Limited ("Junefield Holdings") that is a Chinese based business with considerable interests and standing in the PRC, owned by Mr Zhou Chu Jian He.

Junefield Holdings owns and controls a number of substantial businesses in China and worldwide, including a major shareholding in Hong Kong listed company Junefield Department Store Group Limited (HK: 0758) ("Junefield Group"), who are predominately focussed on the property markets in China and elsewhere in Asia. Their interests include property, coal trading, mineral exploration and project development operations in Peru.

In Peru, Junefield has significant concession holdings and a strong exploration capability, with numerous geologists and drill rigs.

#### **Use of Funds**

Funds raised via the Placement will be utilised to accelerate the current exploration and drilling campaign at the Company's flagship Peruvian project, the Guadalupito Iron Mineral Sands Project.

Funds will also be used to fast-track exploration activity on the Company's 110,000 hectares of granted tenements in the highly prospective Ilo district of southern Peru. The southern Peruvian coastal zone is home to some of South America's largest mining projects, including Phelps Dodge's Cerro Verde copper mine, Southern Copper Cuajone and Quellaveco copper mines along with the major iron mine at Marcona owned by Shougang and Mina Justa copper project.

## Appointment of director

The Company is pleased to advise the it has appointed Mr Frankie Li, the Chief Financial Officer of Junefield (Holdings) Limited, as a Non-executive Director. Mr Li has 25 years of experience in the accounting and finance profession and has extensive experience in compliance, profit planning and cash management for various Hong Kong listed companies and Chinese businesses.

An Appendix 3X is also attached to this announcement.

## Ends

### For further information please contact:

Chris Gale  
Managing Director  
Latin Resources Limited  
+61 8 9485 0601

Roderick Brown  
Chairman  
Latin Resources Limited  
+61 8 9485 0601

David Tasker  
PPR  
+61 8 9388 0944  
[david.tasker@ppr.com.au](mailto:david.tasker@ppr.com.au)

### **About Latin Resources:**

Latin Resources Limited is a mineral exploration company focused on creating shareholder wealth through the identification and definition of mineral resources in Latin America, with a specific focus on Peru. The company has a portfolio of projects in Peru and is actively progressing its two main projects: Guadalupito Iron Ore and Heavy Mineral Sands Projects and the Ilo Iron Ore Projects.

### **About Junefield**

Junefield High Value Metals Investment Ltd ("Junefield") is a subsidiary of the Junefield Group of companies, with its Chairman and major shareholder being Zhou Chu Jian He, who has considerable business interests and standing in the PRC.

The Junefield Group has considerable investments in the PRC, mainly consisting of high quality office premises, retail and department stores, where they generate recurrent revenues. They are also involved in the manufacture and supply of construction equipment.

In 2010 Junefield Group established a coal trading subsidiary which purchases coal from Indonesia for supply to PRC. It expects to expand on this business in the coming years given the success this subsidiary has achieved to date.

This year Junefield Group also established a Peruvian-based subsidiary to study and identify possible investment opportunities in Peru and elsewhere in South America.

Website: [www.junefield.etnet.com.hk](http://www.junefield.etnet.com.hk)

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

Latin Resources Limited

ABN

81 131 405 144

We (the entity) give ASX the following information.

### Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- |   |  |  |
|---|--|--|
| 1 | +Class of +securities issued or to be issued   | (a) Ordinary fully paid shares<br>(b) Unlisted options   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | (a) 20,000,000<br>(b) 6,666,667  |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | (a) Shares rank pari passu with the existing quoted shares<br>(b) Options exercisable at \$0.30 each on or before 20 June 2013 |

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4	<p>Do the <sup>+</sup>securities rank equally in all respects from the date of allotment with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>(a) Yes</p> <p>(b) No – however upon exercise of the options into ordinary fully paid shares on or before 20 June 2013, the allotted and issued shares will rank pari passu with existing quoted shares.</p>								
5	<p>Issue price or consideration</p>	<p>(a) \$0.28 per share</p> <p>(b) Nil</p>								
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>(a) In accordance with Share Subscription Agreement as per ASX announcement on 30 November 2011.</p> <p>(b) In accordance with Share Subscription Agreement as per ASX announcement on 30 November 2011.</p> <p>Funds raised will be used to accelerate the activities at the Company's Guadalupito and Ilo projects in Peru and for working capital purposes.</p>								
7	<p>Dates of entering <sup>+</sup>securities into uncertificated holdings or despatch of certificates</p>	<p>21 March 2012</p>								
8	<p>Number and <sup>+</sup>class of all <sup>+</sup>securities quoted on ASX (<i>including</i> the securities in clause 2 if applicable)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Number</th> <th style="text-align: center;"><sup>+</sup>Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">120,171,141</td> <td>Ordinary fully paid shares</td> </tr> <tr> <td style="text-align: center;">44,450,000</td> <td>Options exercisable at \$0.30 each on or before 31 March 2013</td> </tr> </tbody> </table>	Number	<sup>+</sup> Class	120,171,141	Ordinary fully paid shares	44,450,000	Options exercisable at \$0.30 each on or before 31 March 2013		
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44,450,000	Options exercisable at \$0.30 each on or before 31 March 2013									
9	<p>Number and <sup>+</sup>class of all <sup>+</sup>securities not quoted on ASX (<i>including</i> the securities in clause 2 if applicable)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Number</th> <th style="text-align: center;"><sup>+</sup>Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">60,750,000</td> <td>Ordinary fully paid shares</td> </tr> <tr> <td style="text-align: center;">8,000,000</td> <td>Options exercisable at \$0.30 each on or before 31 March 2013</td> </tr> <tr> <td style="text-align: center;">10,000,000</td> <td>Options exercisable at \$0.30 each on or before 20 June 2013</td> </tr> </tbody> </table>	Number	<sup>+</sup> Class	60,750,000	Ordinary fully paid shares	8,000,000	Options exercisable at \$0.30 each on or before 31 March 2013	10,000,000	Options exercisable at \$0.30 each on or before 20 June 2013
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10,000,000	Options exercisable at \$0.30 each on or before 20 June 2013									
10	<p>Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)</p>									

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**Part 2 - Bonus issue or pro rata issue**

- 11 Is security holder approval required?
- 12 Is the issue renounceable or non-renounceable?
- 13 Ratio in which the +securities will be offered
- 14 +Class of +securities to which the offer relates
- 15 +Record date to determine entitlements
- 16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?
- 17 Policy for deciding entitlements in relation to fractions
- 18 Names of countries in which the entity has +security holders who will not be sent new issue documents  
Note: Security holders must be told how their entitlements are to be dealt with.  
Cross reference: rule 7.7.
- 19 Closing date for receipt of acceptances or renunciations
- 20 Names of any underwriters
- 21 Amount of any underwriting fee or commission
- 22 Names of any brokers to the issue
- 23 Fee or commission payable to the broker to the issue
- 24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders
- 25 If the issue is contingent on +security holders' approval, the date of the meeting

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- |    |   |  |
|----|---|--|
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled  |  |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders |  |
| 28 | Date rights trading will begin (if applicable)  |  |
| 29 | Date rights trading will end (if applicable)  |  |
| 30 | How do <sup>+</sup> security holders sell their entitlements <i>in full</i> through a broker?   |  |
| 31 | How do <sup>+</sup> security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?                                    |  |
| 32 | How do <sup>+</sup> security holders dispose of their entitlements (except by sale through a broker)?   |  |
| 33 | <sup>+</sup> Despatch date  |  |

**Part 3 - Quotation of securities**

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of securities  
(tick one)
- (a)  Securities described in Part 1
- (b)  All other securities
- Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

**Entities that have ticked box 34(a)**

**Additional securities forming a new class of securities**

*Tick to indicate you are providing the information or documents*

- 35  If the <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders
- 36  If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37  A copy of any trust deed for the additional <sup>+</sup>securities

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**Entities that have ticked box 34(b)**

38 Number of securities for which  
+quotation is sought

39 Class of +securities for which  
quotation is sought

40 Do the +securities rank equally in all  
respects from the date of allotment  
with an existing +class of quoted  
+securities?  
If the additional securities do not  
rank equally, please state:

- the date from which they do
- the extent to which they  
participate for the next dividend,  
(in the case of a trust,  
distribution) or interest payment
- the extent to which they do not  
rank equally, other than in  
relation to the next dividend,  
distribution or interest payment

41 Reason for request for quotation  
now  
Example: In the case of restricted securities,  
end of restriction period  
(if issued upon conversion of  
another security, clearly identify that  
other security)

	Number	+Class
42	Number and +class of all +securities quoted on ASX ( <i>including</i> the securities in clause 38)	

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**Quotation agreement**

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those +securities should not be granted +quotation.
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
- Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:

(Company Secretary)

Date: 21 March 2012

Print name:

**Anthony Begovich**

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# Appendix 3X

## Initial Director's Interest Notice

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 30/9/2001.

<b>Name of entity</b>	Latin Resources Limited
<b>ABN</b>	81 131 405 144

We (the entity) give ASX the following information under listing rule 3.19A.1 and as agent for the director for the purposes of section 205G of the Corporations Act.

<b>Name of Director</b>	Mr Frankie Li
<b>Date of appointment</b>	20 March 2012

### Part 1 - Director's relevant interests in securities of which the director is the registered holder

*In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust*

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

<b>Number &amp; class of securities</b>
Nil

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**Appendix 3X**  
**Initial Director's Interest Notice**

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**Part 2 – Director's relevant interests in securities of which the director is not the registered holder**

*In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust*

<b>Name of holder &amp; nature of interest</b>	<b>Number &amp; class of Securities</b>
Note: Provide details of the circumstances giving rise to the relevant interest.	Nil

**Part 3 – Director's interests in contracts**

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

<b>Detail of contract</b>	N/A
<b>Nature of interest</b>	
<b>Name of registered holder (if issued securities)</b>	
<b>No. and class of securities to which interest relates</b>	

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