

20 March 2012

Contract Extension for Managing Director

The Board of Directors of Latin Resources Limited (“Latin Resources” or the “Company”) (**ASX Code: LRS**) is pleased to announce that agreement has been reached between the Company and its Managing Director Mr Chris Gale pursuant to which Mr Gale will continue in the position of Managing Director for a further period of 2 years.

LRS Chairman, Mr Roderick Brown, said the Board was delighted that Chris has agreed to continue in the role of Managing Director and can continue his efforts to build the Company. “Chris and his team have worked tirelessly to add value to the Company by executing a rigorous exploration program, securing additional cornerstone investors and project partners for the Company’s exploration concession interests in Peru.” said Mr Brown.

Mr Brown highlighted the oversubscribed and successful IPO of the Company, as well as the recent JORC Inferred Resource announced on December 21, 2011, the Share Subscription Agreement with Junefield High Value metals and the Earn In Option Agreement with Total Genius Iron Mining, as some of the key achievements during Chris’ initial two year term.

Although the new agreement incorporating the extension was executed this week, the two year extension commences on 1 October 2011 being the first anniversary of the original two year agreement entered into between the Company and Mr Gale on which date Mr Gale was entitled to a review of his existing contract. The original agreement between the Company and Mr Gale came into effect on 21 September 2010 being the date that the Company was listed on the ASX. The new agreement will see Mr Gale continue in the role as Managing Director of the Company until at least October 2013.

The Board sought the advice of an independent remuneration consultant in order to determine the appropriate quantum and terms of the remuneration package. A summary of the key terms and conditions of the new employment contract are attached.

Summary of Key Terms and Conditions of Employment of Mr Chris Gale

Term: From October 1, 2011 until September 30, 2013 or either the Company or Mr Gale terminates the Agreement

Notice: The Company may terminate the Agreement at any time by giving the Executive 6 Months notice in writing. Mr Gale may terminate the Agreement at any time by giving 3 Months notice in writing to the Company. The Company may terminate with one months notice in the event of serious misconduct. The Company may elect to pay Mr Gale in lieu of part or all of any notice period.

Base Salary: From 1st October 2011, the Total Fixed Remuneration is \$396,000 per annum (including compulsory superannuation).

Long Term Incentive (LTI): Subject to:

- The Long Term Incentive Scheme being defined by the Company and;
- The LTI Scheme receiving any required or appropriate shareholder approvals and;
- Mr Gales participation in the LTI Scheme receiving any required or appropriate shareholder approvals;

Mr Gale will be eligible to participate in the Company's long term incentive arrangements, with an annual incentive of 60% of the base salary paid in equity or as amended or replaced from time to time on terms to be decided by the Board.

Payments on Termination: Where the Company terminates Mr Gale's employment (except in circumstances of serious misconduct), Mr Gale is entitled to a lump sum payment of up to 12 months Total Fixed Remuneration (inclusive of any amount payable to Mr Gale in lieu of notice).

Please direct enquiries to:

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

About Latin Resources Limited

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.