



LATIN RESOURCES LIMITED

LATIN RESOURCES LIMITED
ABN: 81 131 405 144

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ASX ANNOUNCEMENT

23 December 2010

Entitlements Issue - Shortfall

Latin Resources Limited (ASX: LRS) ("LRS") refers to the non-renounceable Entitlement (Rights) issue announced on 19 November 2010 and offered to eligible shareholders. The offer was a pro-rata non-renounceable rights issue on the basis of one (1) Option for every five (5) Shares held by shareholders at an issue price of \$0.01 per Option.

LRS advises that the Offer closed on 17 December 2010 with applications for 23,038,300 Options received for total subscribed funds of A\$ 230,383.

The rights issue shortfall was 3,511,700 Options (Shortfall). The Directors expect to place the Shortfall by the 31 December 2010 and as allowed under Exception 3 of ASX Listing Rule 7.2. The placement of Shortfall does not require shareholder approval.

The issued capital of LRS after the allotment of Options will be as follows:-

<u>Shares</u>	<u>Number</u>
Ordinary Fully Paid	59,000,000
Ordinary Fully Paid (Restricted)	73,750,000
	132,750,000
<u>Options</u>	
Options - Expire on 31 March 2013; exercise price \$0.30 (Restricted)	11,000,000
Entitlements Issue Options - Expire on 31 March 2013; exercise price \$0.30	23,038,300
	34,038,300

The Directors wish to thank shareholders for their participation in the Entitlement Issue and their continued support.

The Appendix 3B for the options to be quoted is attached.

Ends.

For further details contact:

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Managing Director
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Jim Moran
Company Secretary
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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 | Options (\$0.30 exercise price; 31 March 2013 expiry) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 23,038,300 |
| 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) | Exercise price \$0.30; expiry date 31 March 2013. |

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4	<p>Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • 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 	<p>No</p> <p>The shares issued on conversion of the Options will rank pari passu with other ordinary shares, if and when the Options are exercised.</p>								
5	Issue price or consideration	\$0.01								
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Raise funds for working capital								
7	Dates of entering ⁺ securities into uncertificated holdings or despatch of certificates	23 December 2010								
8	Number and ⁺ class of all ⁺ securities quoted on ASX (including the securities in clause 2 if applicable)	<table border="1"> <thead> <tr> <th>Number</th> <th>⁺Class</th> </tr> </thead> <tbody> <tr> <td>132,750,000</td> <td>Shares</td> </tr> <tr> <td>34,038,300</td> <td>Options (\$0.30 exercise price; 31 March 2013 expiry)</td> </tr> </tbody> </table>	Number	⁺ Class	132,750,000	Shares	34,038,300	Options (\$0.30 exercise price; 31 March 2013 expiry)		
Number	⁺ Class									
132,750,000	Shares									
34,038,300	Options (\$0.30 exercise price; 31 March 2013 expiry)									
9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in clause 2 if applicable)	<table border="1"> <thead> <tr> <th>Number</th> <th>⁺Class</th> </tr> </thead> <tbody> <tr> <td>2,000,000</td> <td>Options (\$0.30 exercise price; 31 March 2013 expiry)</td> </tr> <tr> <td>3,000,000</td> <td>Options (\$0.30 exercise price; 31 March 2013 expiry)</td> </tr> <tr> <td>6,000,000</td> <td>Options (\$0.30 exercise price; 31 March 2013 expiry)</td> </tr> </tbody> </table>	Number	⁺ Class	2,000,000	Options (\$0.30 exercise price; 31 March 2013 expiry)	3,000,000	Options (\$0.30 exercise price; 31 March 2013 expiry)	6,000,000	Options (\$0.30 exercise price; 31 March 2013 expiry)
Number	⁺ Class									
2,000,000	Options (\$0.30 exercise price; 31 March 2013 expiry)									
3,000,000	Options (\$0.30 exercise price; 31 March 2013 expiry)									
6,000,000	Options (\$0.30 exercise price; 31 March 2013 expiry)									
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not applicable								

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Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the ⁺ securities will be offered	1 Option for every 5 Shares held
14	⁺ Class of ⁺ securities to which the offer relates	Shares
15	⁺ Record date to determine entitlements	30 November 2010
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Fractional entitlements will be rounded up to the nearest whole number
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	17 December 2010
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	Melbourne Capital Ltd
23	Fee or commission payable to the broker to the issue	15,000,000 Options (independent of this issue)
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	N/A
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	N/A

⁺ See chapter 19 for defined terms.

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26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	3 December 2010
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	23 November 2010
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	⁺ Despatch date	23 December 2010

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 ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

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- 36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺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 ⁺securities

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 (including the securities in clause 38)	<input style="width: 100%; height: 30px;" type="text"/>

⁺ See chapter 19 for defined terms.

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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: 23 December 2010

Print name:

J.R. Moran

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