

LATIN RESOURCES LIMITED ACN: 131 405 144

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Fax Transmission to (08) 9221 2020

14 January 2011

Mr Cameron Bill Adviser, Listings (Perth) ASX Compliance Pty Limited GPO Box D187 PERTH WA 6840

Dear Cameron,

Appendices 3Y - Change of Director's Interest Notices

In response to the questions posed in your letter dated 13 January 2011 regarding the late lodgement of the Appendices SY's I advise the following:-

- 1. The Appendix 3Y's in question resulted from director's partaking in the Company's recent Entitlement Issue offer (Rights Issue). Finalisation of reconciliations and sign off on the final allotments of the securities were prolonged over the festive season. This was exacerbated by delayed access to relevant data and personnel over this time.
- 2. The Board proactively consider all corporate governance and disclosure compliance matters at each monthly Board meeting in order to ensure compliance is maintained and to mitigate any possible oversight in these areas.
- Not applicable, the current procedures are considered adequate.

Yours faithfully,

J. R. Moran

Company Secretary

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13 January 2011

Mr James Moran Latin Resources Limited Level 1 173 Mounts Bay Road PERTH WA 6000

By email: imoran@latinresources.com.au

Dear Jim

Latin Resources Limited (the "Company") Appendices 3Y - Change of Director's Interest Notices

We refer to the following;

- The Appendices 3Y lodged by the Company with ASX today for Messrs Roderick Brown, Christopher Gale, Mark Rowbottom and David Vilensky.
- 2. Listing rule 3.19A which requires an entity to tell ASX the following:
 - 3.19A.1 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.
 - . On the date that the entity is admitted to the official list.
 - On the date that a director is appointed.

The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.

- 3.19A.2 A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust). The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.
- 3.19A.3 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.
- 3. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

4. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

As the Appendices 3Y indicated that the changes in Messrs Brown, Gale, Rowbottom and Vilensky's notifiable interests occurred on 31 December 2010, it appears that the Appendices 3Y should have been lodged with ASX by 10 January 2011. As the Appendices 3Y were lodged on 13 January 2011, it appears that the Company may be in breach of listing rules 3.19A and/or 3.19B.

Please note that ASX is required to record details of breaches of the Ilsting rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions:

- Please explain why the Appendices 3Y were lodged late.
- What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
- If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by facsimile on facsimile number (08) 9221 2020. It should <u>not</u> be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before 9.30 a.m. A.E.D.T.) on Tuesday, 18 January 2011.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and should separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours sincerely.

Cameron Bill

Adviser, Listings (Perth)