

9 June 2011

LATIN TO RAISE UP TO \$7.6 MILLION THROUGH OFFER TO SHAREHOLDERS

Latin Resources Limited (LRS:ASX, Latin or the Company) is pleased to announce that following the recent placement of shares to institutional and sophisticated investors which raised \$4.0 million it now plans to raise up to \$7.66 million through a Share Purchase Plan (“SPP”) offer to existing shareholders.

The recent successful placement resulted in global resources investor RMB Resources Limited becoming a new significant stakeholder with 7,692,308 shares in Latin. Continued support was received from Cape Lambert Resources Limited the Company’s largest shareholder. Other significant participants in the placement were the CPS Group and the London based CQS Asset Management Limited.

Under the SPP, all registered shareholders as at 5.00pm (Perth time) on Wednesday 8 June 2011 will be offered the opportunity to purchase up to \$15,000 worth of fully paid ordinary shares in the Company, without brokerage and other transaction costs at a price of \$0.26 cents per share.

The price represents a 15% discount to the volume weighted average trading price of the Company’s shares on the Australian Securities Exchange (ASX) during the 30 day trading days immediately prior to the announcement of the Placement Offer.

Latin Resources’ Managing Director Chris Gale said “The SPP provides the Company’s existing shareholders with the opportunity to increase their interest in the Company at the same price as the recent placement”.

“The Company is about to enter a very interesting phase with the exploration activity to increase on the Guadalupito mineral sands project in Peru and the support received in the recent placement to RMB resources and sophisticated investors is highly encouraging and bodes well for the immediate future of the Company,” Mr Gale said.

“The funds raised from the SPP, together with existing cash reserves will:-

- contribute to the exploration advancement of the Guadalupito Mineral Sands project and Ilo prospects;
- fund a preliminary scoping study at Guadalupito; and
- be utilised for working capital purposes”.

The letter to shareholders containing full details of the SPP offer is attached.

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.

For further information:

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Non Executive Chairman
Latin Resources Limited
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FD
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9 June 2011

Dear Shareholder

Invitation to Participate in Shareholder Share Purchase Plan

On May 27 2011, Latin Resources Limited (**Latin** or **Company**) announced a placement of 15,384,619 fully paid ordinary shares in the capital of the Company (**Shares**) at \$0.26 per Share to professional and sophisticated investors and raised \$4.0 million before costs of the issue (**Placement**).

The Board of Directors of Latin are now pleased to offer eligible shareholders the opportunity to participate in a Shareholder Share Purchase Plan (**Plan**) to acquire additional Shares at the same issue price of \$0.26 per Share as that paid by investors under the Placement.

Shareholders Eligible to Participate in the Plan

The right to participate in the offer under the Plan is optional and is available exclusively to shareholders who are registered as holders of Shares at 5pm (WST) on the Record Date of 8 June 2011 and whose registered address is in Australia or New Zealand (**Eligible Shareholders**).

Share Purchase Plan

The Plan entitles Eligible Shareholders in the Company, irrespective of the size of their shareholding, to purchase up to \$15,000 worth of Shares at a price of \$0.26 per Share (**Offer**).

The issue price of the Offer represents a 15% discount to the volume weighted average trading price of the Company's Shares on the Australian Securities Exchange (**ASX**) during the 30 trading days immediately prior to the announcement date of the Offer.

The maximum amount an Eligible Shareholder can subscribe for will be restricted to a cumulative total of \$15,000 Shares.

Details of the Offer are set out in this letter and the enclosed Terms and Conditions together with an Entitlement and Acceptance Form.

Current Projects

Details of the Company's current activities are set out in the announcements made by Latin to the ASX and are available from the ASX, or Latin's website at www.latinresources.com.au.

The funds raised under the Plan will be used by the Company in conjunction with funds raised from the recent placement (at the same price as the SPP) for further the exploration advancement of the Guadalupito Mineral Sands project and the Ilo Norte prospects in Peru.

How much can you invest?

Under the Plan, Eligible Shareholders may only acquire a maximum of \$15,000 worth of Shares under a share purchase plan in any 12 month period.

Subscription and Application Procedure

If you would like to participate in the Offer, you can either:

- complete the enclosed Entitlement and Acceptance Form and send it together with your payment by cheque made payable to "Latin Resources Limited – Trust Account" and drawn in Australian currency for the correct amount, to Latin's share registry, Advanced Share Registry Services at 150 Stirling Highway, Nedlands, WA 6009 or their postal address, PO Box 1156, Nedlands, WA 6909, on or before the **Closing Date of 5pm (WST) on 27 June 2011**. No late applications will be accepted.

- Make a BPAY[®] payment from your cheque or savings account by using the Biller Code and Reference Number shown on your Application Form which is required to identify your holding. If you make your payment using BPAY[®] you do not need to return your Application Form. New Zealand holders will not be able to make a payment using BPAY[®]. Payments made by BPAY[®] received after **5pm (WST) on 27 June 2011** will not be accepted.

Applicants should not forward cash and direct bank transfers are not permitted.

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

	Total amount payable at \$0.26 per Share	Number of Shares which may be purchased
Offer A	\$15,000	57,692
Offer B	\$10,000	38,461
Offer C	\$7,500	28,846
Offer D	\$5,000	19,230
Offer E	\$2,000	7,692

Once an application has been made it cannot be revoked. All valid applications shall be deemed accepted if received before the **Closing Date of 5pm (WST) on 27 June 2011**. If the exact amount of money is not tendered with your application, Latin reserves the right to either:

- return your Entitlement and Acceptance Form and/or payment and not allot any Shares to you; or
- 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.

The maximum investment any shareholder may apply for will remain \$15,000 even if a shareholder receives more than one Offer (whether in respect of a joint holding or because the shareholder has more than one holding under a separate account).

Additional Information and Important Dates

The Offer cannot be transferred and the Directors of the Company reserve the right to reject, or scale back, on an equitable basis, any application. Shares allotted under the Plan will be issued no later than 10 business days after the Closing Date of the Offer. Application for quotation on ASX of the new Shares will be made immediately following the issue of those Shares.

The maximum amount proposed to be raised under the Offer is \$7,680,000. In the event of oversubscription by the Closing Date the Directors may, in their absolute discretion, scale-back applications on an equitable basis.

If the Company rejects or scales-back an application or purported application, the Company will promptly return to the shareholder the relevant application monies, without interest.

On the last trading day immediately prior to the announcement date of the Offer the closing price of the Shares traded on ASX was \$0.30. The market price of the Shares in the Company may rise and fall between the date of the Offer and the date that any Shares are allotted to you as a result of your acceptance of this Offer. This means that the subscription price you pay for the Shares may exceed the market price of the Shares at the date of allotment of Shares under this Offer. The Board recommends that you obtain your own financial advice in relation to the Offer and consider price movements of Shares in the Company prior to accepting this Offer.

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Shortfall Placement

In the event that less than the maximum number of Shares that are available for subscription pursuant to this Offer are applied for, the shortfall may be placed at the discretion of the directors.

Indicative Timetable

Record Date (5.00pm WST)	8 June 2011
Announcement Date of Plan	9 June 2011
Opening Date of Offer	13 June 2011
Closing Date of Offer	27 June 2011
Dispatch date for holding statements	30 June 2011
Quotation of Shares on ASX	1 July 2011

These dates are indicative only. The Company may vary the dates and times of the Offer without notice. Accordingly, shareholders are encouraged to submit their Entitlement and Acceptance Forms as early as possible.

Should you wish to discuss any information contained in this letter further, do not hesitate to contact Latin's Company Secretary, Mr Jim Moran, on (08) 9485 0601 or email jmoran@latinresources.com.au.

Yours faithfully

Mr Jim Moran
Company Secretary
LATIN RESOURCES LIMITED

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Shareholder Share Purchase Plan - Terms and Conditions

Purpose

The purpose of the Shareholder Share Purchase Plan (**the Plan**) is to offer shareholders of Latin Resources Limited (**Latin or Company**) the opportunity to acquire additional fully paid ordinary shares in the Company (**Latin Shares**) up to a maximum of \$15,000 (when combined with any shares issued under any share purchase plan in the 12 months preceding the date of the Plan) at \$0.26 per share, being a 15% discount to the volume weighted average trading price of Latin Shares during the period 30 trading days prior to the announcement of the Offer on the financial market operated by ASX Limited (**ASX**) without the need to pay brokerage costs and without the need for Latin to issue a Prospectus, upon such terms and conditions as the board of directors of Latin, in its absolute discretion, sees fit.

Shareholders Eligible to Participate

Eligible shareholders of Latin Shares that are registered with an Australian or New Zealand address at the relevant record date may participate in the Plan. Due to foreign securities laws, it is not practical for shareholders resident in other countries to be offered the opportunity to participate in the Plan.

Participation in the Plan is optional and is subject to these terms and conditions. Offers made under the Plan are non-renounceable (i.e. eligible shareholders may not transfer their rights to any Latin Shares offered under the Plan).

An offer may, at the discretion of the directors of Latin, be made under the Plan once a year. The maximum amount which any shareholder may subscribe for in any consecutive 12 month period is \$15,000. The directors of Latin may also determine in their discretion the minimum amount for participation, the multiple of Latin Shares to be offered under the Plan and the period the offer is available to eligible shareholders.

Custodians, trustees and nominees

If you are an eligible shareholder and hold the Latin shares as a custodian (as defined in ASIC Class Order [CO 09/425] (refer below) (**Custodian**) or in any more specific ASIC relief granted to Latin in relation to the Plan), you may apply for up to the maximum of new Shares for each beneficiary for whom you act as custodian provided you annex to your Entitlement and Acceptance Form a certificate to Latin (**Custodian Certificate**) with the following information:

- that you held Shares in Latin on behalf of one or more other persons (each a **Participating Beneficiary**) at 5:00pm (WST) on 8 June 2011 who

have subsequently instructed you to apply for Shares under the Plan on their behalf;

- the number of Participating Beneficiaries and their names and addresses;
- the number of Shares that you hold on behalf of each Participating Beneficiary;
- the dollar amount of Shares that each Participating Beneficiary has instructed you, either directly or indirectly through another custodian, to apply for on their behalf;
- that the application price for Shares applied under the Offer for each Participating Beneficiary for whom you act plus the application price for any other Latin Shares issued to you as custodian for that Participating Beneficiary under any arrangement similar to the Plan in the prior 12 months does not exceed \$15,000;
- that a copy of the written offer document was given to each beneficiary; and
- where you hold shares on behalf of a beneficiary indirectly, through one or more interposed custodians, the name and address of each interposed custodian.

For the purposes of ASIC Class Order [CO 09/425] you are a 'custodian' if you are a registered holder that:

- holds an Australian financial services licence that allows you to perform custodian or depositary services or operate IDPS accounts;
- is exempt from holding an Australian financial services licence by virtue of Class Order [CO 03/184] or by relying on the Australian financial services licence of your master custodian under regulation 7.1.06(k) of the Corporations Regulations 2001;
- is a trustee of a self managed superannuation fund;
- is a trustee of superannuation master trusts;
- is a responsible entity of IDPS like schemes;
- is noted on the Company's register of members as holding the shares on account of another person.

If you hold Latin shares 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 describes above. In this case, the rules for multiple single holdings (above) apply.

Custodians should request a Custodian Certificate when making an application on behalf of Participating Beneficiaries. To request Custodian Certificate and if you

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would like further information on how to apply, you should contact Advanced Share Registry (Telephone 08 93898033) at any time from 8.30am to 5.00pm (WST) Monday to Friday during the Offer period.

Latin reserves the right to reject any application for Plan Shares 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.

Price of Latin Shares

The price of Latin Shares to be issued under the Plan will be \$0.26 per Share.

Applications and Notices

At the discretion of the directors of the Company, Latin will send eligible shareholders a letter of offer and acceptance procedures, inviting them to subscribe for Latin Shares under the Plan, and accompanied by the terms and conditions of the Plan and an entitlement & acceptance form. Applications will not be accepted after the closing date of an offer. Over subscriptions to an offer may be refunded without interest.

Notices and statements made by Latin to participants may be given in any manner prescribed by its Constitution.

Placement of Shortfall

Any shortfall from the Offer may be placed at the discretion of the Directors.

Issue of Latin Shares

Latin Shares to be issued under the Plan will be issued as soon as reasonably practicable after the closing date specified by the Directors of Latin in the relevant offer.

Latin Shares issued under the Plan will rank equally in all respects with all other fully paid ordinary shares in Latin from the date of issue.

Shareholding statements or CHESS notification will be issued in respect of all Latin Shares issued under the Plan. The Company will, promptly after the issue of Latin Shares under the Plan, make application for those Latin Shares to be listed for quotation on the official list of ASX.

Modification and Termination of the Plan

Latin may modify or terminate the Plan at any time. Latin will notify ASX of any modification to, or termination of, the Plan. The omission to give notice of any modification to, or termination of, the Plan or the failure of ASX to receive such notice will not invalidate the modification or termination.

Without limiting the above, Latin may issue to any person fewer Latin Shares than the person applied for under the Plan if the issue of the Latin Shares applied for would contravene any applicable law or the Listing Rules of ASX.

Dispute Resolution

Latin may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Plan, whether generally or in relation to any participant, application or Latin Shares. The decision of Latin in this respect will be conclusive and binding on all shareholders and other persons to whom that determination relates.

Latin reserves the right to waive strict compliance with any provision of these terms and conditions. The powers of Latin under these conditions may be exercised by the directors of Latin or any delegate of the directors of Latin.

Questions and Contact Details

If you have any questions regarding the Plan or how to deal with this Offer, please contact your stockbroker or professional adviser or Mr Jim Moran, Company Secretary on (08) 9485 0601.

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LATIN RESOURCES
LIMITED

LATIN RESOURCES LIMITED
ABN: 81 131 405 144

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

Shareholder Share Purchase Plan Entitlement and Acceptance Form

Offer Closes 5.00pm (WST) 6 June 2011

---- DPID ----

<Address Line 1>
<Address Line 2>
<Address Line 3>
<Address Line 4>
<Address Line 5>

< BARCODE OF SRN / HIN >

Record Date: 5pm (WST) on 18 May 2011
Holder Identification Number (HIN): X000000000

This is an offer to eligible shareholders to subscribe for additional shares in Latin Resources Limited (**Latin** or **Company**), up to a maximum value of \$15,000 and subject to a minimum application of \$2,000, under the Terms and Conditions of the Latin Shareholder Share Purchase Plan (**Plan**) accompanying this form and letter from the Company Secretary.

The price per Share will be \$0.26 per Share (**Purchase Price**).

The market price of shares in Latin may rise or fall between the date of this offer and the date that the shares are allotted to you. This means that the subscription price you pay for the shares may exceed the market price of the shares at the date of allotment of the shares under this offer. We recommend that you obtain your own financial advice in relation to this offer and consider price movements of shares in Latin prior to accepting this offer.

The maximum subscription for each shareholder will apply **even if a shareholder received more than one offer** (whether in respect of a joint holding or because the shareholder has more than one holding under separate share accounts). Latin reserves the right to reject any application where this rule has not been complied with.

By accepting the Offer you agree to be bound by the Terms and Conditions of the Latin Shareholder Share Purchase Plan and the Constitution of Latin.

Application for Shares

I/we being the above mentioned, being registered as ordinary shareholder(s) in Latin as at the record date of 5pm (WST) on 8 June 2011, do hereby apply for the number of ordinary shares in Latin as indicated below at the Purchase Price per share issued in accordance with the Terms and Conditions of the Latin Shareholder Share Purchase Plan. I/we confirm that the total cost of shares purchased by us (including through joint holding(s), multiple share accounts or any holding in which I/we have a beneficial interest/s) does not exceed \$15,000 in accordance with the Applicants Certification and Confirmation.

To participate in the Shareholder Share Purchase Plan shareholders must select only one of the following options. Please mark the selected box.

Payment Options

APPLICATION AMOUNT



Biller Code: #XXXXXX
Ref No: #XXXXXXXXXX

Offer A



OR

Offer B



OR

Offer C



OR

Offer D



OR

Offer E



Payment details:

\$15,000

\$10,000

\$7,500

\$5,000

\$2,000

Drawer	Bank	Branch or BSB	Amount

Cheques should be made payable to **"Latin Resources Limited – Trust Account"** and crossed **"Not Negotiable"**.

Telephone number where we may contact you during business hours: (____) _____

Contact Name: _____

Offer Closes 5.00pm (WST) 27 June 2011

Applicant's Certification and Confirmation

- 1 By lodging this Entitlement and Acceptance Form you certify that the aggregate of the application price for the following does not exceed \$15,000:
- (a) the Latin ordinary shares that are the subject of this application; and
 - (b) any other Latin ordinary shares applied for by you under the Plan (or any similar arrangement in the 12 months prior to the application), whether:
 - (i) in your own right, or
 - (ii) jointly with one or more persons, or
 - (iii) in your capacity as a beneficiary (as defined below),but not including in your capacity as a trustee or nominee where it is expressly noted on Latin's register of members that your shareholding is held on account of another person.
- If 2 or more persons are recorded in the register of members as jointly holding the Latin shares to which this entitlement relates, they are taken to be a single registered holder and this certificate given by any of them is taken to be given by all of them.
- If you are a Custodian and are applying on behalf of one or more beneficiaries on whose behalf you hold Share:
- (a) you are a Custodian (as that term is defined in ASIC Class Order [CO 09/425];
 - (b) either or both of the following:
 - (i) you held Share on behalf of one or more persons that were not Custodians (each a Participating Beneficiary) (**Direct Holding**);
 - (ii) that another Custodian (a **Downstream Custodian**) holds beneficial interest in Shares on behalf of one or more persons (each a **Participating Beneficiary**), and you hold the Shares to which those beneficial interests related on behalf of the Downstream Custodian or another Custodian (Downstream Holding), at 5.00pm (WST) on 27 June 2011, and that each Participating Beneficiary has subsequently instructed you (in respect of a Direct Holding) and/or the Downstream Holding) to apply for Shares on their behalf under the Offer;
 - (c) there are no Participating Beneficiaries in respect of which the total of the Application price for the following exceeds A\$15,000:
 - (i) the Share applied for by you on their behalf under the Offer in accordance with the instructions referred to above; and
 - (ii) any other Shares issued to you in the 12 months before the Application as a result of an instruction given by them to you or to a Downstream Custodian to apply for Shares on their behalf under an arrangement similar to the Offer (Note: Latin has not conducted a similar arrangement in the prior 12 months);
 - (d) You certify the additional matters or provide the additional information as might be required under or desirable as a result of any ASIC relief in relation to the Offer as advised to you by Latin or the Share Registry before the close of the Offer; and
 - (e) You certify that each Participating Beneficiary has a registered address in either Australia or New Zealand at 5:00pm on the Record Date.
2. By making your payment you confirm that you have read, understood and agreed to the terms and conditions of the Plan.

Notes

- The terms and conditions of the Shareholder Share Purchase Plan accompanying the enclosed letter from the Company Secretary should be read carefully.
- No priority will be afforded to applications on the basis of the date of receipt of such applications.
- Payments can be made by BPAY or by cheque or bank draft in Australian dollars and drawn on an Australian branch of a financial institution.
- Cheques or bank drafts are to be made payable to: “**Latin Resources Limited - Trust Account**” and crossed with “Not Negotiable”.
- Cheques will be deposited on their day of receipt. Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured. Receipts for payment will not be issued.
- Cash payments will not be accepted via the mail.
- If you wish to accept this offer you can either make payment by BPAY or return this Entitlement and Acceptance Form duly completed together with a cheque for the subscription amount, in the envelope provided, **by 5pm (WST) on 27 June 2011.**
- Latin may reject an acceptance of this offer, in its absolute discretion, if this form is not completed in accordance with this offer, is incomplete or if the exact amount payable is not tendered with this form.

Receipt by Latin of this form duly completed, together with the full subscription amount, will constitute acceptance in accordance with the terms and conditions of the Shareholder Share Purchase Plan and the Constitution of Latin by the shareholder named on this form. A signature on this form is not required.

This offer is non-renounceable and as such may only be transferred after the shares are allotted.

QUESTIONS AND CONTACT DETAILS

If you have any questions regarding the Shareholder Share Purchase Plan or how to deal with this Offer, please contact your stockbroker or professional adviser or Latin’s Company Secretary, Jim Moran, on (08) 9485 0601.

Offer Closes 5.00pm (WST) 27 June 2011