

Annexure "A"

This is annexure "A" of 2 pages referred to in form 1003 (Disclosure notice for unlisted disclosing entity)

LatAm Autos Limited
ACN 169 063 414

Latam Autos Limited (**Company**) has entered into a short-term loan facility agreement (**Loan Facility Agreement**) with Mr Louis Joseph (**Mr Joseph**) under which Mr Joseph has agreed to advance up to A\$400,000 to the Company at an interest rate of 2% per annum repayable by 1 February 2022. Additionally, the Company and Mr Joseph have entered into a subscription agreement (**Subscription Agreement**) for the subscription of \$1,000,000.02 for 66,666,668 ordinary shares (**Shares**) in the Company at \$0.015 each. It is intended that the principal and interest owing under the Loan Facility Agreement will be repaid out of the subscription proceeds. The subscription is conditional on a number of conditions being met or waived by 31 December 2021 or such later date as the Company and Mr Joseph may agree, including that:

- (a) the Company and the holders of the convertible notes (**Notes**) issued by the Company under the convertible note deed dated on or about 13 April 2017 as amended by supplemented deeds dated 13 June 2019 and 7 September 2021, Log Creek Pty Ltd (**Log Creek**) and Startive Ventures Inc (**Startive**), agree to the redemption of all outstanding Notes on the condition that the Note holders agree to subscribe the total redemption amount for Shares at \$0.015 each (**Convertible Note Redemption**); and
- (b) as the acquisition of Shares by Log Creek in consequence of the Convertible Note Redemption would result in Log Creek's voting power in the Company increasing from approximately 23% to approximately 41% (assuming no change to the share capital structure of the Company at the date of this disclosure notice other than the issue of Shares under the Subscription Agreement or due to the Convertible Note Redemption), the acquisition is approved by the shareholders of the Company in accordance with item 7 of the table in section 611 of the *Corporations Act 2001* (Cth) (**Shareholder Approval Condition**).

The Company has also entered into a note redemption agreement (**Note Redemption Agreement**) with Log Creek and Startive under which they have agreed to the Convertible Note Redemption subject to a number of conditions, including the Shareholder Approval Condition. The Company intends to convene a general meeting as soon as practicable to seek this approval. In line with ASIC regulatory guide 74, the Company also intends to commission an independent expert to provide an opinion as to whether or not the proposed acquisition of Shares by Log Creek under the Note Redemption Agreement is fair and reasonable.

The table below sets out the proposed changes to the issued share capital of the Company due to the issue of Shares under the Subscription Agreement and the Note Redemption Agreement:

	Total number of Shares	Percentage of total issued Shares on a fully diluted basis
Shares to be issued to Mr Joseph under Subscription Agreement	66,666,668	5.6%
Shares to be issued to Log Creek under Note Redemption Agreement*	319,033,231	26.7%
Shares to be issued to Startive under Note Redemption Agreement*	46,968,627	3.9%
Existing issued Shares	763,004,820	63.8
Total	1,195,673,346	100%

*assumes Convertible Note Redemption occurs on 30 November 2021 when all principal and accrued and capitalised interest on the Notes on that date will be applied to subscribe for Shares at \$0.015 each.

Board changes

The board of directors of the Company are delighted to welcome Mr Joseph as a new director of the Company, and the appointment as a director of Mr Gareth Bannan, the Company's chief financial officer. Mr Joseph and Mr Bannan fill the vacancies on the board resulting from the recent resignations of Mr Timothy Handley and Mr Donald Cahill.

Mr. Joseph has a strong background in professionally investing, operating and living in emerging markets. He also has detailed knowledge of and experience with Australian public company regulations. Gareth is a co-founder of the Company and has an intricate knowledge of the operations of the Company and the jurisdictions in which it operates.

Signed by: 

Name: MICHAEL FITZPATRICK

Date: 13 / 10 / 2021