



ABN 43 059 457 279

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## ENTITLEMENT ISSUE PROSPECTUS

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For a non-renounceable entitlement issue of one (1) Share for every one (1) Share held by Shareholders registered at 5.00pm (WST) on 6 October 2009 at an issue price of \$0.01 per Share to raise approximately \$1,615,764.

The Offer is fully and unconditionally underwritten by the Underwriter. Any Shares not taken up by Shareholders pursuant to this Prospectus will be dealt with by the Underwriter in accordance with the terms and conditions of the Underwriting Agreement.

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### IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered speculative.

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## 1. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES

### TIMETABLE AND IMPORTANT DATES

Lodgement of Prospectus with ASIC and ASX	22 September 2009
Lodgement of Appendix 3B with ASX	22 September 2009
Notice sent to Shareholders	25 September 2009
Ex Date	29 September 2009
Record Date for determining entitlements to Shares	6 October 2009
Prospectus despatched to Shareholders (not later than)	12 October 2009
Closing Date of Offer (5pm WST)*	20 October 2009
Securities quoted on a deferred settlement basis	21 October 2009
Despatch of holding statements – deferred settlement trading ends	28 October 2009
Normal trading commences	29 October 2009

\* The Directors may extend the Closing Date by giving at least 6 business days notice to ASX prior to the Closing Date. As such the date the Shares are expected to commence trading on ASX may vary from the dates stated above.

### IMPORTANT NOTES

Shareholders should read this document in its entirety and, if in doubt, should consult their professional advisors.

This Prospectus is dated 22 September 2009 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the content of this Prospectus.

The Expiry Date of the Prospectus is the date that is 13 months after the date of this Prospectus (**Expiry Date**). No Shares will be allotted or issued on the basis of this Prospectus after the Expiry Date.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form which accompanies this Prospectus.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having

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been authorised by the Company in connection with this Prospectus.

In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

### **ELECTRONIC PROSPECTUS**

Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

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## 2. CORPORATE DIRECTORY

### Directors

Peter McAleer  
Jim Malone  
Simon Titchener  
Howard Dawson

### Company Secretary

Jim Malone  
Michael Higginson

### Registered Office

103 Abernethy Road  
Belmont WA 6104  
Telephone (+61 8) 9277 9489  
Facsimile (+61 8) 9277 6818

### Solicitors\*

Christensen Vaughan  
Level 14  
37 St Georges Terrace  
Perth WA 6000

### Website

[www.latingold.com.au](http://www.latingold.com.au)

### Auditors\*

Stantons International  
Level 1, 1 Havelock Street  
West Perth WA 6000

### Share Registry\*

Security Transfer Registrars Pty Ltd  
770 Canning Highway  
Applecross WA 6153

Telephone (+61 8) 9315 2333  
Facsimile (+61 8) 9315 2233

### Underwriter\*

Sunshore Holdings Pty Ltd  
Suite 9, Churchill Court  
335 Hay Street  
Subiaco WA 6008

\* These parties are included for information purposes only. They have not been involved in the preparation of this Prospectus.

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### 3. DETAILS OF THE OFFER

#### 3.1 Offer of Shares

The Offer is being made as a non-renounceable entitlement issue of one (1) Share for every one (1) Share held by Shareholders registered at 5.00pm (WST) on the Record Date at an issue price of \$0.01 per Share.

Based on the existing capital structure of the Company, the maximum number of Shares to be issued pursuant to this Offer is 161,576,434. The Offer will raise \$1,615,764 before costs of the issue. The purpose of the Offer and the use of funds raised are set out in Section 4 of this Prospectus.

The Company currently has 6,100,000 Options on issue. The Option holders are not entitled to participate in the Offer.

#### 3.2 How to Accept the Offer

Your acceptance of the Offer must be made in accordance with the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for your maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your Entitlement in full and **pay by cheque**:
  - (i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and
  - (ii) attach your cheque for the amount indicated on the Entitlement and Acceptance Form; or
- (b) if you only wish to accept part of your Entitlement and **pay by cheque**:
  - (i) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
  - (ii) attach your cheque for the appropriate application monies (at \$0.01 per Share); or
- (c) if you wish to accept part or all of your Entitlement and **pay by BPAY**, then follow the BPAY payment instructions located on the reverse side of the Entitlement and Acceptance Form. You do not need to complete or return the Entitlement and Acceptance Form if you chose to pay for part or all of your Entitlement by **BPAY**; or
- (d) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

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All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to **“Latin Gold Limited – Subscription Account”** and crossed **“Not Negotiable”**.

Your completed Entitlement and Acceptance Form and cheque or BPAY payment must reach the Company's Share Registry by no later than 5:00pm (WST) on the Closing Date.

The Offer is non-renounceable. Accordingly, a holder of Shares may not sell or transfer all or part of their Entitlement.

### **3.3 Underwriting Agreement**

Pursuant to a letter agreement dated 21 September 2009, Sunshore Holdings Pty Ltd (the “Underwriter”) agreed to fully and unconditionally underwrite the Offer. The Company has agreed to pay the Underwriter a fee of 5% on all funds raised, excluding any funds raised through the take up of entitlements by Directors and/or their associated entities.

### **3.4 Australian Securities Exchange Listing**

Application for official quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 3 days after the date of this Prospectus. If approval is not obtained from ASX before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant official quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

### **3.5 Allotment of Shares**

Shares issued pursuant to the Offer will be allotted as soon as practicable after the Closing Date. The Company will allot the Shares on the basis of a Shareholder's Entitlement. Where the number of Shares issued is less than the number applied, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date.

Pending the allotment and issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for the Shares will be mailed as soon as possible after the Closing Date.

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### **3.6 Overseas Shareholders**

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

Shareholders resident in New Zealand should consult their professional advisors as to whether any government or other consents are required, or other formalities need to be observed, to enable them to exercise their Entitlements under the Offer.

### **3.7 Taxation Implications**

The Directors do not consider that it is appropriate to give Applicants advice regarding the taxation consequences of applying for Shares under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation consequences. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Applicants. Potential Applicants should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Shares offered pursuant to this Prospectus.

### **3.8 Privacy Act**

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company's share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASTC Settlement Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.



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#### **4. PURPOSE AND EFFECT OF THE OFFER**

##### **4.1 Purpose of the Offer**

The purpose of the Offer is to raise up to approximately \$1,615,764 (before expenses). The funds raised from the Offer (after expenses) will be used as set out in the table below:

Exploration expenditure on the Paron Gold Project, located in Peru	\$1,260,376
Working capital	\$250,000
Expenses of the Offer <sup>1</sup>	\$105,388
<b>Total raised pursuant to Offer</b>	<b>\$1,615,764</b>

1. Refer to Section 7.5 of this Prospectus for further details relating to the expenses of the Offer.

##### **4.2 Effect of the Offer and Pro Forma Statement of Financial Position**

Set out below is:

- (a) an unaudited Consolidated Balance Sheet as at 30 June 2009 and
- (b) an unaudited pro forma Consolidated Balance Sheet at 30 June 2009 incorporating the effects of the Offer.

The proposed transactions adjusting the 30 June 2009 unaudited Consolidated Balance Sheet in the pro forma Consolidated Balance Sheet are:

- (a) the issue of 161,576,434 Shares pursuant to this Prospectus; and
- (b) the receipt of funds of \$1,615,764 and the payment of costs of \$105,388 relating to this Prospectus.

##### **4.3 Pro Forma Consolidated Balance Sheet**

The unaudited Consolidated Balance Sheet as at 30 June 2009 and unaudited Pro Forma Consolidated Balance Sheet as at 30 June 2009 shown on the following page have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position, assuming that all the Shares are issued by the Closing Date. They have been prepared on the assumption that the Offer is fully subscribed.

The statements have been prepared to provide Shareholders with information on the assets and liabilities of the Group and pro-forma assets and liabilities of the Group as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar

as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	Unaudited as at 30 June 2009 \$	Proforma Adjustments \$	Note	Unaudited Proforma as at 30 June 2009 \$
<b>Current Assets</b>				
Cash and cash equivalents	191,969	1,510,376	1	1,702,345
Trade and other receivables	11,846	-		11,846
Prepayments	10,217	-		10,217
<b>Total Current Assets</b>	<u>214,031</u>	<u>1,510,376</u>		<u>1,724,407</u>
<b>Non-Current Assets</b>				
Property, plant & equipment	20,810	-		20,810
Exploration and evaluation	3,451,263	-		3,451,263
<b>Total Non-Current Assets</b>	<u>3,472,073</u>	<u>-</u>		<u>3,472,073</u>
<b>TOTAL ASSETS</b>	<u><b>3,686,104</b></u>	<u>1,510,376</u>		<u><b>5,196,480</b></u>
<b>Current Liabilities</b>				
Trade and other payables	46,787	-		46,787
<b>TOTAL LIABILITIES</b>	<u><b>46,787</b></u>	<u>-</u>		<u><b>46,787</b></u>
<b>NET ASSETS</b>	<u><b>3,639,317</b></u>	<u>1,510,376</u>		<u><b>5,149,693</b></u>
<b>Equity</b>				
Contributed equity	11,742,396	1,510,376	1	13,252,772
Reserves	504,676	-		504,676
Accumulated losses	(8,607,755)	-		(8,607,755)
<b>TOTAL EQUITY</b>	<u><b>3,639,317</b></u>	<u>1,510,376</u>		<u><b>5,149,693</b></u>

Note:

1. Proforma adjustment based on the Company receiving the proceeds from the Offer. The adjustment reflects the Offer being fully subscribed, and the Company receiving proceeds of \$1,615,764 via the issuance of 161,576,434 Shares at a price of \$0.01 per Share. The Company's anticipated costs associated with the Offer being \$105,388, have being applied against the proceeds received, giving a net cash inflow of \$1,510,376.

#### 4.4 Effect on Capital Structure

A comparative table of changes in the capital structure of the Company as a consequence of the Offer is set out below, assuming that the Offer is fully subscribed.

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## Shares

	<b>Number</b>
Shares currently on issue	161,576,434
Shares offered pursuant to the Offer	161,576,434
<b>Total Shares on issue</b>	<b>323,152,868<sup>1</sup></b>

Notes:

1. Assumes the Offer is fully subscribed and no options are exercised prior to the Record Date.

## Options

	<b>Number</b>
Options currently on issue	6,100,000
Options offered pursuant to the Offer	nil
<b>Total Options on Issue</b>	<b>6,100,000</b>

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## 5. RIGHTS ATTACHING TO SHARES

### 5.1 Rights Attaching to Shares

There is only one class of share on issue in the Company, being fully paid ordinary shares. The rights attaching to Shares are:

- (a) set out in the Constitution of the Company; and
- (b) in certain circumstances, regulated by the Corporations Act, the Listing Rules, the ASTC Settlement Rules (formerly the SCH Business Rules) and the general law.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

All Shares offered pursuant by this Prospectus will from the time they are issued, rank *pari passu* with all the Company's existing Shares.

#### (a) Voting

Subject to any restriction on voting imposed due to a breach of the Listing Rules relating to restricted shares or any escrow agreement entered into by the Company and a member, every holder of Shares present in person or by proxy, attorney or representative at a meeting of Shareholders has one vote on a vote taken by a show of hands, and, on a poll every holder of Shares who is present in person or by proxy, attorney or representative has one vote for every Share held by him or her, but, in respect of partly-paid shares, shall have a fraction of a vote for each partly-paid share.

A poll may be demanded before a vote is taken, or before or immediately after the declaration of the result of the show of hands by the chairperson of the meeting, by at least five Shareholders present in person or by proxy, attorney or representative, or by any one or more Shareholders who are together entitled to not less than 5% of the total voting rights of all those Shareholders having the right to vote on the resolution.

#### (b) Dividends

Dividends are payable out of the Company's profits and are declared by the Directors. Dividends declared will (subject to the rights of any preference shareholders and to the right of the holders of any shares created or raised under any special arrangement as to dividend) be payable on the Shares in accordance with the Corporations Act.

#### (c) Transfer of Shares

A Shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by ASX or the Corporations Act for the purpose of facilitating transfers in shares or by an instrument in

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writing in a form approved by ASX or in any other usual form or in any form approved by the Directors.

The Directors may refuse to register any transfer of Shares, other than a market transfer, where permitted by the Listing Rules or the ASTC Settlement Rules. The Company must comply with such obligations as may be imposed on it by the Listing Rules and where appropriate the ASTC Settlement Rules in connection with any market transfer and may not prevent, delay or in any way interfere with the registration of a market transfer where to do so would be contrary to the provisions of any of the Listing Rules or the ASTC Settlement Rules.

(d) Meetings and Notice

Each Shareholder is entitled to receive notice of and to attend general meetings for the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the constitution of the Company, the Corporations Act or the Listing Rules.

(e) Winding Up

The Company has only issued one class of shares, which all rank equally in the event of liquidation. A liquidator may, with the authority of a special resolution of Shareholders divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders. The liquidator can with the sanction of a special resolution of the Company's Shareholders vest the whole or any part of the assets in trust for the benefit of Shareholders as the liquidator thinks fit, but no Shareholder of the Company can be compelled to accept any Shares or other shares in respect of which there is any liability.

(f) Shareholder Liability

As the Shares offered under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(g) Alteration to the Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. At least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

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## **6. RISK FACTORS**

### **6.1 Introduction**

An investment in the Company is not risk free and prospective new investors should consider the risk factors described below, together with information contained elsewhere in the Prospectus, before deciding whether to apply for Shares.

The value of the Company's Securities is affected by a number of general factors which are beyond the control of the Company and its Directors.

Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

### **6.2 Risks Specific to the Company**

An investment in the Company has risk and prospective investors in the Company should consider the risk factors described in this section, together with the information contained elsewhere in this Prospectus, before deciding whether to apply for Shares.

There are also a number of specific risks associated with the Company which may adversely affect the Company's financial position, prospects and price of its listed securities. In particular, the Company is subject to risks relating to the exploration and development of mineral properties which are not generally associated with other businesses.

Set out below are specific risks that may adversely affect the Company:

- the Company cannot guarantee that any exploration and mining permits or tenements that are applications for tenements will ultimately be granted in whole or in part pursuant to any relevant regulations or mining and exploration legislation of the relevant authority;
- the various authorities responsible for the approval of exploration and mining tenements from time to time review the environmental bonds that are placed on tenements. The Directors of the Company are not in a position to state whether a review is imminent or whether the outcome of such a review would be detrimental to the funding needs of the Company; and
- the Company's major asset, the Paron Gold Project, is located in Peru, South America. Peru is, at present, a stable democracy but the Company cannot guarantee access, surety of title and/or tenure of its Peruvian based assets.

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### **6.3 Exploration Success**

Potential investors should understand that precious metal, base metal, industrial minerals and uranium exploration and development is a high-risk undertaking.

There can be no assurance that exploration of acquired projects or any other exploration properties that may be acquired in the future will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.

### **6.4 Investment Risks**

An investment in the Company has risk and prospective investors in the Company should consider the risk factors described in this section, together with the information contained elsewhere in this Prospectus, before deciding whether to apply for Shares.

### **6.5 Operating Risks**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits; failure to achieve predicted grades in exploration and mining; operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

### **6.6 Resource Estimates**

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

### **6.7 Commodity Price Volatility and Exchange Rate Risks**

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks.

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Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for the various commodities the Company will be exploring for which includes, but is not limited to, gold, nickel, copper and uranium, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

## **6.8 Environmental Risks**

The operations and proposed activities of the Company are subject to various and numerous country specific laws and regulation concerning the environment, in particular Peruvian law and regulation. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

The Company is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area. There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in this respect which could have a material adverse effect on the Company's business, financial condition, and timing and results of operation.

## **6.9 Title Risks**

Interests in tenements are governed by the respective legislation of the jurisdiction in which the Company operates and are evidenced by the granting of licences, permits or leases. Each licence, permit or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence or permit conditions are not met or if insufficient funds are available to meet expenditure commitments.

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights may exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.



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The Directors will closely monitor the potential effect of native title rights or claims involving tenements in which the Company has or may have an interest.

#### **6.10 Share Market Conditions**

The price of the Shares when quoted on ASX will be influenced by international and domestic factors affecting conditions in equity, financial and commodity markets. These factors may affect the general level of prices for listed securities of mining and exploration companies quoted on ASX.

There can be no guarantee that an active market in the Securities of the Company will develop or that the price of the Securities will not fall or increase. The numbers of buyers and sellers of the Securities on the ASX at any time may increase the volatility of the market price of the Securities and may also affect the prevailing market price at which Applicants may be able to sell their Securities.

#### **6.11 General Investment Risks**

There is a risk that the price of Shares and returns to Shareholders may be affected by changes in:

- local and world economic conditions;
- interest rates;
- insurance;
- levels of tax, taxation law and accounting practice;
- government legislation or intervention;
- inflation or inflationary expectations; and
- natural disasters, social upheaval or war in Australia, Peru or elsewhere, as well as other factors beyond the control of the Company.

#### **6.12 Future Funding Requirements**

To develop its business, including the exploration and development of any mineral discoveries, the Company will require additional funding. There can be no assurance that any such equity or debt funding will be available for the Company on favourable terms or at all. If adequate funds are not available on acceptable terms, the Company may not be able to participate in further developing and exploiting its assets.

#### **6.13 Reliance on Key Personnel and Advisors**

The ability of the Company to achieve its objectives depends on the engagement of key employees, directors and external contractors that provide management and technical expertise. If the Company cannot secure external technical expertise (for example to carry out drilling) or if the services of the present management or technical team cease to become available to the Company, this may affect the Company's ability to achieve its objectives either fully or within the timeframes and the budget the Company has decided upon.

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Whilst the ability of the Company to achieve its objectives may be affected by the matters mentioned above it is the belief of the Directors that appropriately skilled and experienced professionals would be available to provide services to the Company at market levels of remuneration in the event key employees or external contractors cease to be available.

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## **7. ADDITIONAL INFORMATION**

### **7.1 Continuous Disclosure Obligations**

The Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) for the purposes of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The Shares that will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the official list of the ASX during the 3 months prior to the issue of this Prospectus.

This Prospectus is a “transaction specific prospectus”. In general terms “transaction specific prospectuses” are only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in Section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and

- (c) to the extent they are available, it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
- (i) the annual financial report most recently lodged with the ASIC by the Company and any half-year financial report lodged with the ASIC by the Company after the lodgement of that annual report and before the lodgement of this Prospectus with the ASIC; and
  - (ii) any continuous disclosure notices used to notify ASX of information relating to the Company in the period from lodgement of the financial statements referred to in paragraph (i) above until the issue of the Prospectus in accordance with the Listing Rules as referred to in Section 674(1) of the Corporations Act.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Pursuant to Section 713 of the Corporations Act, the Company has lodged the following announcements with ASX since lodgement of last annual financial report:

<b>Date</b>	<b>Description of Announcement</b>
31 July 2009	Quarterly Activities Report
31 July 2009	Quarterly Cashflow Report
12 June 2009	Company Secretary Appointment/Resignation
30 April 2009	Quarterly Activities Report
30 April 2009	Quarterly Cashflow Report
13 March 2009	Half Year Accounts
30 January 2009	Quarterly Activities Report
30 January 2009	Quarterly Cashflow Report
29 January 2009	Expiration of Unlisted Share Options
28 November 2008	Change of Share Registrar
11 November 2008	Results of Meeting
31 October 2008	Quarterly Activities Report
31 October 2008	Quarterly Cashflow Report
8 October 2008	Notice of Annual general Meeting & Proxy Form

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ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

## 7.2 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer of securities pursuant to this Prospectus; or
- (c) the Offer of securities pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the formation or promotion of the Company or Offer of securities pursuant to this Prospectus.

Directors' relevant interests in securities of the Company at the date of this Prospectus are:

<b>Name</b>	<b>Shares</b>	<b>Options</b>	<b>Entitlement to Shares</b>
Peter McAleer	1,382,539	600,000	1,382,539
Jim Malone	1,670,000	1,500,000	1,670,000
Simon Titchener	1,150,000	1,500,000	1,150,000
Howard Dawson	1,753,000	1,500,000	1,753,000

The Constitution of the Company provides that the non-executive Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Company in a general meeting, to be divided among the non-executive Directors as determined by the Directors and in default of agreement, then in equal shares.

For the year ended 30 June 2009, the Company paid a total of \$107,710 (including \$54,040, being amortisation of options issued in a prior financial year) to all Directors as remuneration for services provided by all Directors (executive, non-executive and alternate), companies associated with those Directors or their associates in their capacity as directors, employees, consultants or advisers (and including superannuation payments). Directors, companies associated with the Directors or their associates are also reimbursed for all reasonable expenses properly

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incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

### **7.3 Interests of Experts and Advisers**

Other than as set out below or elsewhere in this Prospectus, no expert, underwriter, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner, nor any company with which any of those persons is or was associated, has or had within two (2) years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer of securities pursuant to this Prospectus; or
- (c) the Offer of securities pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any expert, underwriter, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, or to any firm in which any of those persons is or was a partner, or to any company with which any of those persons is or was associated, for services rendered by that person, or by the firm or the company, in connection with the formation or promotion of the Company or the Offer of securities pursuant to this Prospectus.

### **7.4 Legal Proceedings**

There is no material litigation, arbitration or proceedings pending against or involving the Company as at the date of this Prospectus.

### **7.5 Estimated Expenses of Offer**

The estimated expenses of the Offer are as follows:

ASIC and ASX fees	\$6,500
Professional fee expenses	\$2,500
Share register	\$3,600
Printing and other expenses	\$4,000
Underwriting fee	<u>\$88,788*</u>
<b>Total</b>	<u>\$105,388</u>

\*assumes that the Directors and/or their associated entities do not take up any of their Entitlement

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## **7.6 Market Price of Shares**

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest and lowest market sale prices of the Company's Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest: \$0.045 on 18 September 2009; and

Lowest: \$0.028 on 11 August 2009.

The latest available closing sale price of the Company's Shares on ASX prior to the lodgement of this Prospectus with the ASIC was \$0.045 on 18 September 2009.

## **7.7 Electronic Prospectus**

Pursuant to Class Order 00/044, the ASIC has exempted compliance with certain provisions of the Corporations Act 2001 to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Entitlement and Acceptance Form. If you have not, please phone the Company on (08) 9277 9489 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The Company reserves the right not to accept an Entitlement and Acceptance Form from a person if it has reason to believe that when that person was given access to the electronic Entitlement and Acceptance Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

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**8. AUTHORITY OF DIRECTORS****8.1 Directors' Consent**

Each of the Directors of Latin Gold Limited has consented to the lodgement of this Prospectus with the ASIC in accordance with Section 720 of the Corporations Act.

Dated the 22<sup>nd</sup> day of September 2009

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**Howard Dawson**  
**Director**



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## 9. DEFINITIONS

**Applicant** means a Shareholder or other party who applies for Shares pursuant to the Offer.

**ASIC** means the Australian Securities and Investments Commission.

**ASTC Settlement Rules** means the settlement rules of the securities clearing house which operates CHES.

**ASX** means the ASX Limited (ACN 008 624 691).

**Board** means the board of Directors unless the context indicates otherwise.

**Business Day** means a day on which trading takes place on the stock market of ASX.

**Closing Date** means the closing date of the Offer, being 5pm (WST) on 20 October 2009 (unless extended).

**Company** means Latin Gold Limited (ABN 43 059 457 279).

**Constitution** means the Company's Constitution as at the date of this Prospectus.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** mean the directors of the Company at the date of this Prospectus.

**Dollar** or "\$" means Australian dollars.

**Entitlement** means the entitlement of a Shareholder who is eligible to participate in the Offer.

**Entitlement and Acceptance Form** means the entitlement and acceptance form either attached to or accompanying this Prospectus.

**Group** means the Company and its controlled entities.

**Listing Rules** or **ASX Listing Rules** means the Listing Rules of the ASX.

**Offer** means the non-renounceable entitlement offer of one (1) Share for every one (1) Share by Shareholders as at the Record Date, further details of which are included in Section 3 of this Prospectus.

**Offer Period** means the period commencing on the Opening Date and ending on the Closing Date.

**Official List** means the official list of ASX.

**Option** means an option to acquire a Share.

**Prospectus** means this prospectus.

**Quotation** and **Official Quotation** means official quotation on ASX.

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**Record Date** means 5pm (WST) on 6 October 2009.

**Share** means a fully paid ordinary share in the capital of the Company.

**Share Registry** means Security Transfer Registrars Pty Ltd.

**Shareholder** means a shareholder of the Company.

**Underwriter** means Sunshore Holdings Pty Ltd.

**Underwriting Agreement** means a letter agreement dated 21 September 2009 between the Company and the Underwriter.

**WST** means Western Standard Time, Perth, Western Australia.