LATIN GOLD LIMITED

ABN 43 059 457 279

ANNUAL REPORT
AND FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2011

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CORPORATE DIRECTORY

DIRECTORS

Howard Dawson (Non-Executive Chairman)
Jim Malone (Non-Executive Director)
Michael Higginson (Non-Executive Director)

COMPANY SECRETARY

Michael Higginson

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STOCK EXCHANGE LISTING

Australian Securities Exchange Limited
Home Exchange – Perth
ASX Code: LAT

CHAIRMAN'S REPORT

Dear Shareholder

In early June we reported to the market that the sale of Golden Eagle Resources Peru SAC (the owner of the Paron Gold Project mining concessions) and our global exploration and mining data base to Coronet Metals Inc (Coronet) had settled. The total purchase price for both sales was US$14 million, consisting of US$2.75 million for the database and US$11.25 million for Golden Eagle.

Upon settlement we received US$1.75 million in cash and US$1 million in Coronet shares as full payment for the data base.

With respect to the sale of Golden Eagle:

- upon settlement we received US$1 million in Coronet shares;
- US$3.75 million was held in escrow with Coronet's Canadian based counsel pending the receipt of a tax certificate from Peruvian authorities; and
- the balance of the US$11.25 million (ie US$6.5 million) is only receivable if certain milestones are achieved with the development of the Paron Gold Project.

In late July the Peruvian authorities issued the required tax certificate, which was provided to Coronet. At the same time, Coronet was instructed to provide their authority to release the US$3.75 million to Latin Gold.

Coronet has since stated that it is in possession of the US$3.75 million and, in breach of the sale agreement, has refused to release it. The only justification offered by Coronet for its refusal is that it considers that it was not fully informed regarding the level of local community support for the project. Coronet considers that the local community's position has affected the approvals and permits necessary to move the project towards production. We have sought confirmation from the Canadian based counsel as to whether the US$3.75million is still held in escrow, however, we have not received a response to our enquiries.

We are currently negotiating with Coronet, on a without prejudice basis, in an attempt to agree a sensible commercial solution to the issue. If the negotiations are unsuccessful, it is likely that litigation will be commenced.

During the sale process with Coronet, Latin Gold has been active in sourcing other projects. During this period an unsuccessful offer was made on an Australasian coking coal opportunity and a gold project in Eastern Europe reached an advanced stage of due diligence before termination .

This project search continues.

The Company has recently negotiated two exploration joint ventures on projects within Western Australia – namely, Narracoota and Loongana. A drilling programme on a gold target at the Narracoota Project has recently been completed and we are awaiting results. At Loongana, excessively wet conditions denied project access and as a result your Board elected to terminate the Loongana joint venture.

The past few years have been a difficult time for Latin Gold and its shareholders. Your board is, however, still enthusiastic and feel confident that either exploration success or the acquisition of a new project will see a stronger performance from your Company in 2012.

On behalf of the board, we appreciate your continued support.

Yours sincerely

Howard Dawson
Chairman
30 September 2011

During the year ended 30 June 2011, the Group sold Golden Eagle Resources Peru SAC (the owner of the Paron Gold Project in Peru) and its interest in its global exploration and mining data.

In the March quarter, Latin Gold entered into joint venture agreements over the Narracoota and the Loongana projects within Western Australia. Subsequent to the year end, the Loongana joint venture was cancelled as a result of a restriction on ground access caused through extensive and continuous rains in the Nullabor region.

Latin Gold continues to seek advanced exploration, pre-development or producing mineral assets.

Narracoota (Latin earning 50%)

The Narracoota project is located about 80 kilometres north of Meekatharra, Western Australia. The project covers part of the southern section of the Palaeoproterozic Bryah Basin (a sub-basin of the Glengarry Basin) and has been explored for epigenetic gold and VHMS-style base and precious metals by previous explorers.

The project area lies some 75 kilometres southwest of the DeGrussa discovery. The Narracoota project contains extensive widths of Narracoota Volcanics which are interpreted to occur in at least three structural repetitions, providing a target zone of approximately 20 kilometres in length.

A drilling programme by the tenement owner, Richmond Mining Limited, intersected highly anomalous gold values in an alluvial covered area described as lying over a bullseye magnetic feature which is bounded by a number of prominent magnetic breaks and lineaments.

Hole	Interval	Description	Au	Cu	Ni	Zn
NRC5	10-20m	Mafic dyke?, highly magnetic	0.33	105	74	107
NRC5	20-30m	Mafic dyke?, variably magnetic	0.12	127	96	111
NRC5	40-50m	Mafic dyke?, variably magnetic, minor pyrite	0.35	147	108	80

Au results in g/t, all other results in ppm, Au assayed by FA30, Cu, Ni and Zn assayed by AAS.

This gold anomaly is covered by alluvial sediments and, as a result, it is not possible to carry out any reliable surface sampling. Consequently, a drilling programme was carried out in September to grid drill across the anomaly and adjacent structures. The results of this programme are awaited.

Under the terms of the Narracoota joint venture, Latin Gold has the right to earn a 50% interest by expending $500,000 by no later than 31 December 2012.

Corporate

The Group had cash holdings of $565,660 and a deposit of $1,651,751 in a money market fund as at 30 June 2011.

Latin Gold's currently has 323,152,868 shares on issue and its market capitalisation as at 30 June 2011 was approximately $11.6 million.

Competent Person

Information in this report that relates to exploration results is based in information complied by Mr Howard Dawson who is a member of the Australian Institute of Geoscientists, with over 25 years experience in the mining industry and who has sufficient experience which is relevant to the style of the mineralisation and type of deposit under consideration and to the activity to which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results. Mr Dawson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Mr Dawson is self-employed and is a Director of the Company, but is not a full time employee of the Company.

The Directors present their report on Latin Gold Limited and its controlled entities for the year ended 30 June 2011.

BOARD OF DIRECTORS

The names and details of the Latin Gold Ltd ("Company") directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period.

Howard Dawson *(Non-Executive Chairman)*

Howard Dawson was appointed to the Board in December 2003. Mr Dawson had an 11 year career as a geologist before entering the securities industry as a research analyst in 1987. Over the subsequent 18 years he fulfilled a number of complimentary roles within the securities industry including research, corporate advisory, business development and management for firms including Hartley Poynton, McIntosh Securities, Merrill Lynch and ABN AMRO Morgans Limited.

Responsibilities:	Chairman of the audit committee. Mr Dawson is responsible for capital raisings, risk identification and the independent technical and financial overview of promoted projects.
Qualifications:	Bachelor of Science (Geology) SFFINSIA, MAIG
Directorships:	Discovery Capital Limited - Executive Chairman Richmond Mining Limited – Non-Executive Chairman
Past directorships:	Tangiers Petroleum Limited – Non-Executive Director

Jim Malone *(Non-Executive Director)*

Jim Malone is a founding director of the Company. On 17 March 2010 Mr Malone ceased acting as Managing Director of the Company, remaining on the board as a non-executive director.

Mr Malone has worked successfully as an accountant, stockbroker, business analyst and CEO of a medium sized business for the past 24 years.

Mr Malone, a Commerce graduate from the University of Western Australia worked for Arthur Andersen accountants, Hartley Poynton stockbrokers, CSFB and Lehman Brothers merchant banks in London and for the West Coast Eagles and Richmond Football Clubs, the latter as CEO from 1994 to 2000.

Since 2000, Mr Malone has worked in the resources industry and has been involved with the start up, successful listing and ongoing management and development of eight ASX listed and two non-listed resource companies with a diverse range of commodities including gold, base metals, uranium, oil and gas and industrial minerals. These companies have operated projects in Latin America, Europe, Africa, the USA and Australia. Over the past 24 years Mr Malone has lived and worked in Perth, Melbourne, London and Santiago, Chile.

Responsibilities:	Ongoing business development, capital raisings, investor relations, risk identification, corporate governance and financial management of the Company.
Qualifications:	Mr Malone has a Bachelor of Commerce degree from the University of Western Australia and is a Member of the Australian Society of CPAs.
Directorships:	Richmond Mining Limited – Non-Executive Director Quest Petroleum NL – Non-Executive Chairman Forge Resources Limited - Non-Executive Director Australian-American Mining Corporation Limited – Executive Chairman Exalt Resources Limited – Non-Executive Director
Past directorships:	Atlantic Limited – Non-Executive Director NSL Consolidated Limited – Non-Executive Director

Michael Higginson ***(Non-Executive Director appointed 31 August 2011 and Company Secretary)***

Mr Higginson is the holder of a Bachelor of Business Degree and was appointed as Non-Executive Director on 31 August 2011 and Company Secretary on 12 June 2009.

Mr Higginson was formerly an executive officer with the Australian Securities Exchange and has, over the last 23 years, held numerous company secretarial and directorship roles with a range of public listed companies both in Australia and the UK.

Qualifications: *Bachelor of Business with majors in Finance & Administration*

Responsibilities: *Member of the Audit Committee*

Directorships: *Cape Range Limited*
Discovery Capital Limited

Ian Middlemas *(Non-Executive Director– appointed 5 July 2011 and resigned 31 August 2011)*

Mark Pearce *(Non-Executive Director– appointed 5 July 2011 and resigned 31 August 2011)*

Peter McAleer *(resigned 4 July 2011)*

Peter McAleer joined the Board as Chairman in 2001. Mr McAleer has over 40 years involvement in the natural resources sector including minerals, oil and gas in Australia, Chile, Europe and North America, through board and senior management level involvement.

Qualifications: Mr McAleer has an honours degree in Commerce and is a Barrister at Law.

Directorships: Kingsgate Consolidated Ltd
Kenmare Resources PLC (Dublin)

CORPORATE STRUCTURE

Latin Gold Ltd is a company limited by shares that is incorporated and domiciled in Australia. Latin Gold Limited has prepared a consolidated financial report incorporating the entities that it controlled during the financial year, being wholly-owned entities Westmag Resources Limited, Black Eagle Resources Limited, Black Eagle Resources Peru SAC, Golden Eagle Resources Peru SAC and Inversiones Fortuna Resources Limitada (collectively the "Group").

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activity of the Group during the year was the development of the Paron Gold Project in Peru.

EMPLOYEES

The Group has no employees as at 30 June 2011 (2010: 2 employees).

REVIEW OF OPERATIONS

The principal activity of the Group during the year was the development of the Paron Gold Project in Peru.

A more detailed review of the Group's operations during the financial year is set out in the Operations Report.

RESULTS OF OPERATIONS

The operating profit after income tax of the Group for the year ended 30 June 2011 was $701,525 (2010: loss of $517,875).

The Group's basic profit per share for the year was 0.2 cents (2010: loss of 0.2 cents).

No dividend has been paid during or is recommended for the financial year ended 30 June 2011.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

On 6 June 2011, Golden Eagle Resources Peru SAC (the owner of the Paron Gold Project), other mining and exploration information and related assets were sold to TSX Venture Exchange listed Coronet Metals Inc.

There were no other significant changes in the state of affairs of the Group during the financial year not otherwise dealt with in this report and the financial statements.

FUTURE DEVELOPMENTS

Likely future developments in the operations of the Group are referred to in the Chairman's and Operations Reports. Other than as referred to in this report, further information as to likely developments in the operations of the Group and expected results of those operations would, in the opinion of the Directors, be speculative and prejudicial to the interests of the Group and its shareholders.

SUBSEQUENT EVENTS

On 25 August 2011, the Company announced to the ASX that US$3,750,000 of the sale consideration (from the sale of Golden Eagle Resources Peru SAC) that was placed in escrow pending the receipt by Coronet Metals Inc of a tax certificate from the Peruvian government is being withheld pending a renegotiation of the sale agreement due to some past issues relating to the Paron Gold Project. These issues relate to the level of support from the local community for the project, which may impact upon the permits necessary to move the project towards production. The Company is currently negotiating with Coronet Metals Inc to resolve these issues.

There has been no other matter or circumstance that has arisen since 30 June 2010 which has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

FINANCIAL POSITION

The net assets of the Group have decreased by $628,311 from $4,570,298 at 30 June 2010 to $3,941,987 at 30 June 2011.

The Group's working capital, being current assets less current liabilities, has increased from $1,151,776 in 2010 to $2,054,303 at 30 June 2011.

In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

DIRECTORS' MEETINGS

The number of meetings attended by each of the Directors of the Company during the financial year was:

	Board Meetings		Audit Committee Meetings	
	Number held and entitled to attend	Number Attended	Number held and entitled to attend	Number Attended
Howard Dawson	9	9	1	1
Jim Malone	9	9	-	-
Peter McAleer	9	9	-	-

ENVIRONMENTAL ISSUES

The Group's operations which are subject to significant environmental regulations under the laws of Peru ceased in June 2011 on the sale of Golden Eagles Resources Peru SAC and the related mining assets. Details of the Group performance in relation to environmental regulation are as follows:

The Group entities' exploration activities are subject to the mining acts in the countries in which they operate. The Company has a policy of complying with or exceeding its environmental performance obligations. The Board believes that the Company has adequate systems in place for the management of its environmental requirements. The Company aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The Directors of the Company are not aware of any breach of environmental legislation for the financial year under review.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

SHARE OPTIONS

As at the date of this report, there were 1,000,000 (2010: 6,100,000) unissued ordinary shares under option. Refer to Note 12 of the Financial Statements for further details of the options outstanding at year end.

No person entitled to exercise any option referred to above have or had, by virtue of the option, a right to participate in any share issue of any other body corporate.

REMUNERATION REPORT (AUDITED)

This report details the type and amount of remuneration for each Director of Latin Gold Limited, and for the executives receiving the highest remuneration.

Remuneration Policy

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board by remunerating Directors fairly and appropriately with reference to relevant employment market conditions. To assist in achieving the objective the Board links the nature and amount of executive Directors' emoluments to the Company's financial and operational performance. The expected outcomes of this remuneration structure are:

- Retention and motivation of Directors
- Performance rewards to allow Directors to share the rewards of the success of Latin Gold Limited

The remuneration of an executive Director will be decided by the full Board. In determining competitive remuneration rates the Board reviews local and international trends among comparative companies and the industry generally. It also examines terms and conditions for the employee share option plan.

The maximum remuneration of non-executive Directors is the subject of shareholder resolution in accordance with the Company's Constitution, and the Corporations Act as applicable. The apportionment of non-executive Director remuneration, within that maximum, will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

The Board may award additional remuneration to non-executive Directors called upon to perform extra services or make special exertions on behalf of the Company.

There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive Directors.

All equity based remuneration paid to Directors and executives is valued at the cost to the Company and expensed. Options are valued using the Black-Scholes methodology.

Performance Based Remuneration

The issue of options to Directors in accordance with the Company's employee share option plan to encourage the alignment of personal and shareholder returns. The intention of this program is to align the objectives of Directors/executives with that of the business and shareholders. In addition, all Directors and executives are encouraged to hold shares in the Company. The Company has not paid bonuses to Directors or executives to date.

Company Performance, Shareholder Wealth and Directors' and Executives' Remuneration

The remuneration policy has been tailored to maximise the commonality of goals between shareholders and Directors and executives. The method applied in achieving this aim to date being the issue of options to Directors to encourage the alignment of personal and shareholder interests. The Company believes this policy will be the most effective in increasing shareholder wealth.

The following table shows the gross revenue, operating (profit)/loss, net assets and share price at the end of the respective financial years.

	2005	2006	2007	2008	2009	2010	2011
Revenue	$94,506	$170,155	$82,972	$33,625	$15,787	$42,284	$3,287,406
Net loss / (profit)	$1,055,863	$2,195,404	$1,133,803	$650,527	$422,049	$517,875	($701,525)
Net assets	$2,177,883	$1,194,565	$1,860,094	$3,390,162	$3,650,372	$4,570,298	$3,941,987
Share price	7.2c	7.0c	5.1c	3.7c	3.0c	1.7c	3.6c

Details of Remuneration for Year Ended 30 June 2011

The remuneration for each Director and executive of the Group during the year ended 30 June 2011 was as follows:

Directors and Executive Officers' Emoluments

2011	Annual Emoluments			Performance Related		Total	% of Remuneration consisting of Options
Names	Salary & Fees $	Non-Monetary Benefits $	Super-annuation $	Options Granted	Options Amortised (i) $	$	
Directors Emoluments							
J Malone	36,088	-	-	-	(14,900)	21,188	-
H Dawson	108,000	-	-	-	(14,900)	93,100	-
P McAleer	28,000	-	-	-	(5,960)	22,040	-
Total	172,088	-	-	-	(35,760)	136,328	-
Executive Emoluments							
M Higginson	59,011	-	-	-	-	59,011	-

(i) Reversal of share based payment for options that did not vest.

The remuneration for each Director and of the one executive officer of the Group during the year ended 30 June 2010 was as follows:

2010	Annual Emoluments			Performance Related		Total	% of Remuneration consisting of Options
Names	Salary & Fees $	Non-Monetary Benefits $	Super-annuation $	Options Granted	Options Amortised $	$	
Directors Emoluments							
P McAleer	24,000	-	-	-	2,384	26,384	9%
J Malone	35,000	-	-	-	5,960	40,960	14%
S Titchener	140,354	26,407	-	-	5,960	172,721	3.4%
H Dawson	34,000	-	-	-	5,960	39,960	15%
Total	233,354	26,407	-	-	20,264	280,025	7.24%
Executive Emoluments							
M Higginson	31,920	-	-	-	-	31,920	-

Performance Income as a Proportion of Total Remuneration

No options were issued for the 30 June 2011 financial year. Amounts vesting of options issued during prior financial periods represented nil of total Directors' emoluments for the year ended 30 June 2011.

Compensation Options: Granted and vested during the year ended 30 June 2011

During the year ended 30 June 2011, no options were granted. None of the options vested in the current year. The options disclosed below as vested, had vested by 30 June 2010.

	Granted		*Terms and Conditions for Each Grant*					*Vested*	
	No.	*Grant Date*	*Fair Value per Option at Grant Date*	*Exercise Price Per Option*	*Expiry Date*	*First Exercise Date*	*Last Exercise Date*	*No.*	*%*
Directors									
J Malone	1,500,000	28.12.2007	$0.0298	$0.08	31.12.2010	28.12.2007	31.12.2010	1,000,000	66.7
H Dawson	1,500,000	28.12.2007	$0.0298	$0.08	31.12.2010	28.12.2007	31.12.2010	1,000,000	66.7
P McAleer	600,000	28.12.2007	$0.0298	$0.08	31.12.2010	28.12.2007	31.12.2010	400,000	66.7
Executive									
M Higginson	-							-	-
Total	3,600,000							2,400,000	66.7

There were no options exercised or forfeited during the year. 3,600,000 options issued to directors lapsed during the year, of which 1,200,000 had not vested at the date of expiry.

Options granted as part of remuneration in the year ended 30 June 2010

	Granted		*Terms and Conditions for Each Grant*					*Vested*	
	No.	*Grant Date*	*Fair Value per Option at Grant Date*	*Exercise Price Per Option*	*Expiry Date*	*First Exercise Date*	*Last Exercise Date*	*No.*	*%*
Directors									
P McAleer	600,000	28.12.2007	$0.0298	$0.08	31.12.2010	28.12.2007	31.12.2010	400,000	66.7
J Malone	1,500,000	28.12.2007	$0.0298	$0.08	31.12.2010	28.12.2007	31.12.2010	1,000,000	66.7
S Titchener*	1,500,000	28.12.2007	$0.0298	$0.08	31.12.2010	28.12.2007	31.12.2010	1,000,000	66.7
H Dawson	1,500,000	28.12.2007	$0.0298	$0.08	31.12.2010	28.12.2007	31.12.2010	1,000,000	66.7
Executive									
M Higginson	-							-	-
Total	5,100,000							3,400,000	66.7

* Deceased 3 June 2010.

There were no alterations to the terms and conditions of options granted as remuneration since their grant date.

Employment Contracts of Directors and Senior Executives

There are no employment contracts for the Chairman, non-executive Directors or Company Secretary.

All Directors are currently receiving monthly Directors fees of $2,000. This position will, however, be reviewed from time to time and it is expected that fees will be paid at commercial rates at some stage during the current financial year.

Additional remuneration was paid throughout the year for additional services provided by the Directors at normal commercial rates agreed by the Board.

DIRECTORS' INTERESTS IN SHARES AND OPTIONS

As at the date of this report, the interests of the Directors in the shares and options of the Company are:

	Ordinary Shares			*Options*			
Directors	***Balance at beginning of year***	***Purchased***	***Balance at date of Directors' Report***	***Balance at beginning of year***	***Expired***	***Issued***	***Balance at date of Directors' Report***
H Dawson	3,906,000	35,000	3,941,000	1,500,000	(1,500,000)	-	-
J Malone	3,340,000	-	3,340,000	1,500,000	(1,500,000)	-	-
M Higginson	-	-	-	-	-	-	-
	7,246,000	-	7,281,000	3,000,000	(3,000,000)	-	-

Further details on options can be found in Note 16(d).

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company currently does not have an insurance policy in place for Directors and officers insurance. The total premium paid by the Company during the year ended 30 June 2011 was nil (2010: $nil).

NON-AUDIT SERVICES

No fees for non-audit services were paid to the external auditors during the year. In 2010 $3,475 was paid to the external auditor for the provision of an independent expert report.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2011 has been received and immediately follows the Directors' Report.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Latin Gold support and have adhered to the principles of sound corporate governance.

The Board recognises the recent recommendations of the Australian Securities Exchange Corporate Governance Council and considers that Latin Gold is in compliance with those guidelines which are of critical importance to the commercial operation of a junior listed resources company. During the financial year, shareholders continued to receive the benefit of an efficient and cost-effective corporate governance policy adopted by the Company. The Company's corporate governance statement and disclosures are contained in this annual report.

This report is made in accordance with a resolution of the Directors.

Howard Dawson
Chairman

Perth, Western Australia
30 September 2011

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Stantons International Audit and Consulting Pty Ltd
(ABN 84 144 581 519) trading as
Stantons International
Chartered Accountants and Consultants

30 September 2011

Board of Directors
Latin Gold Limited
103 Abernethy Road,
BELMONT, WA, 6984

Dear Sirs

RE: LATIN GOLD LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Latin Gold Limited.

As Audit Director for the audit of the financial statements of Latin Gold Limited for the year ended 30 June 2011, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

J P Van Dieren
Director

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2011

	Note	Consolidated 2011 $	2010 $
Current Assets			
Cash and cash equivalents	6	565,660	1,213,190
Other financial assets	7	1,651,751	-
Trade and other receivables	8	14,552	15,242
Prepayments		-	4,946
Total Current Assets		2,231,963	1,233,378
Non-Current Assets			
Plant and equipment	9	-	13,027
Exploration and evaluation expenditure	10	-	3,405,495
Investments	27	1,887,683	-
Total Non-Current Assets		1,887,683	3,418,522
TOTAL ASSETS		4,119,646	4,651,900
Current Liabilities			
Trade and other payables	11	177,659	81,602
Total Current Liabilities		177,659	81,602
Total Non-Current Liabilities		-	-
TOTAL LIABILITIES		177,659	81,602
NET ASSETS		3,941,987	4,570,298
Equity			
Contributed equity	12	13,269,603	13,269,603
Reserves	13	(914,566)	415,270
Accumulated losses	14	(8,413,050)	(9,114,575)
TOTAL EQUITY		3,941,987	4,570,298

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 30 June 2011

	Note	Consolidated 2011 $	Consolidated 2010 $
Revenue	2	3,287,406	42,284
Project costs		(199,130)	(18,145)
Employee costs		(82,088)	(148,820)
Occupancy costs		(22,208)	(17,570)
General and administration costs		(406,586)	(371,873)
Depreciation	3(a)	(4,328)	(13,855)
Foreign exchange gains / (losses)	3(b)	(24,409)	10,349
Interest expense	3(a)	-	(245)
Share based payments income		46,040	-
Exploration expenditure written off		(138,646)	-
Provision for non-recoverability of receivable		(3,539,405)	-
Gain on deconsolidation of subsidiary sold		1,784,879	
Profit / (Loss) before income tax expense		701,525	(517,875)
Income tax expense	5	-	-
Net profit/(loss) for the year	14	701,525	(517,875)
Other comprehensive income			
Exchange differences on translation of foreign operations	13	(1,283,796)	(109,670)
Total comprehensive (loss)/profit for the year		(582,271)	(627,545)
Net profit / (loss) attributable to the members of the parent entity		701,525	(517,875)
Total comprehensive (loss)/profit attributable to members of parent entity		(582,271)	(627,545)
Basic profit / (loss) per share (cents per share)	4	0.2	(0.2)
Diluted profit / (loss) per share (cents per share)	4	0.2	(0.2)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Year Ended 30 June 2011

	Contributed Equity $	Reserves $	Accumulated losses $	Total Equity $
As at 1 July 2009	11,742,396	504,676	(8,596,700)	3,650,372
Net loss for the year	-	-	(517,875)	(517,875)
Other comprehensive income for the year		(109,670)	-	(109,670)
Total comprehensive loss for the year	-	(109,670)	(517,875)	(627,545)
Issue of shares	1,615,764			1,615,764
Share issue costs	(88,557)	-	-	(88,557)
Equity based payments	-	20,264	-	20,264
Balance at 30 June 2010	**13,269,603**	**415,270**	**(9,114,575)**	**4,570,298**
As at 1 July 2010	13,269,603	415,270	(9,114,575)	4,570,298
Net profit for the year	-	-	701,525	701,525
Other comprehensive income for the year	-	(1,283,796)	-	(1,283,796)
Total comprehensive loss for the year	-	(1,283,796)	701,525	(582,271)
Equity based payments	-	(46,040)	-	(46,040)
Balance at 30 June 2011	**13,269,603**	**(914,566)**	**(8,413,050)**	**3,941,987**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended 30 June 2011

	Note	Consolidated 2011 $	Consolidated 2010 $
Cash Flows from Operating Activities			
Payments to suppliers, contractors and employees		(447,900)	(502,723)
Interest received		46,014	42,284
Other receipts		91,346	-
Net cash flows used in operating activities	15	(310,540)	(460,439)
Cash Flows from Investing Activities			
Increase in other financial assets		(1,651,751)	-
Proceeds from sale of Golden Eagle Resources Peru S.A.C.		1,630,030	-
Payments for exploration and evaluation		(315,269)	(54,684)
Payments for plant and equipment		-	(1,687)
Net cash flows used in investing activities		(336,990)	(56,371)
Cash Flows from Financing Activities			
Proceeds from issue of shares		-	1,615,764
Share issue expenses		-	(88,557)
Net cash flows from financing activities		-	1,527,207
Net increase / (decrease) in cash and cash equivalents		(647,530)	1,010,397
Cash and cash equivalents at the beginning of the financial year		1,213,190	191,969
Effects of exchange rate changes on cash		-	10,824
Cash and cash equivalents at the end of the financial year	6	565,660	1,213,190

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Financial Reporting Framework

The financial report covers the consolidated entity of Latin Gold Limited and controlled entities (the "Group"). Latin Gold Limited (the "Company") is a listed public company, incorporated and domiciled in Australia.

Separate financial statements for the Company as an individual entity are no longer presented as a consequence of a change to the Corporations Act 2001, however, required information for the Company as an individual entity is included in Note 23.

Statement of compliance
The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with the A-IFRS ensures that the consolidated financial statements and notes of the consolidated entity comply with International Financial Reporting Standards ('IFRS'). The consolidated financial report of the Group complies with International Financial Reporting Standards and Interpretations adopted by the International Accounting Standards Board.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Cost is based on the fair values of the consideration given in exchange for assets.

The adoption of new amendments to standards and interpretations that became mandatory for the financial year beginning 1 July 2010 did not have any impact in the current period or the prior period.

The financial report of Latin Gold Limited for the year ended 30 June 2011 was authorised for issue in accordance with a resolution of the Directors on 30 September 2011.

Going concern
The financial report has been prepared on the basis of the Group being a going concern. This assumption is based on the ability of the Directors of the Company to raise the appropriate funds for the Company and Group to continue to operate as such, on a timely basis.

In the Directors' opinion, based on the Company's ability in the past to raise capital as and when required, there are reasonable grounds to assume they will be able to raise further funds as and when they are required.

(b) Significant accounting policies

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(c) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Latin Gold Limited at the end of the reporting period. A controlled entity is any entity over which Latin Gold Limited has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 26 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interest, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the Equity section of the consolidated Statement of Financial Position and Statement of Comprehensive Income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

(d) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(e) Impairment

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

(f) Cash and cash equivalents

For the purpose of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions and investments in money market instruments with less than 30 days to maturity.

(g) Trade and other receivables

Trade receivables, loans, and other receivables are recorded at amortised cost less impairment.

(h) Investments

Non-current investments are measured at cost. The carrying amount of non-current investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for listed investments or the underlying net assets for other non-listed investments. The expected net cash flows from investments have been discounted to their present value in determining the recoverable amounts.

(i) Property, plant and equipment

Plant and equipment is carried at cost less accumulated depreciation and any accumulated impairment loss.

Depreciation is provided on plant and equipment. Depreciation is calculated on a reducing balance basis so as to write off the net costs of each asset over the expected useful life. The rates vary between 20% and 40% per annum.

(j) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure. Each area of interest is limited to a size related to a known or probable mineral resource capable of supporting a mining operation.

Exploration expenditure for each area of interest is written off as incurred, except that it may be carried forward provided that one of the following conditions is met:

- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or

- exploration activities in an area of interest have not, at reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

The Group performs impairment testing when facts and circumstances suggest the carrying amount has been impaired. If it was determined that the asset was impaired it would be immediately written off to the statement of comprehensive income.

Expenditure is not carried forward in respect of any area of interest unless the Group's right of tenure to that area of interest is current. Expenditures incurred before the Group has obtained legal rights to explore a specific area are expensed as incurred. Amortisation is not charged on areas under development, pending commencement of production.

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(l) Provisions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date.

(m) Employee entitlements

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liabilities, are used.

Employees benefit expenses and revenues arising in respect of the following categories:

- wages and salaries, non-monetary benefits, annual leave, long service leave and other leave benefits; and
- other types of employee benefits are recognised against profits on a net basis in their respective categories.

(n) Income tax

Current tax
Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax
Deferred tax is accounted for using the comprehensive statement of financial position liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the consolidated entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company/consolidated entity intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period
Current and deferred tax is recognised as an expense or income in the statement of comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

(o) Equity-based payments

The Company determines the fair value of options issued to employees as remuneration and recognises the expense in the statement of comprehensive income. This policy is not limited to options and also extends to other forms of equity based remuneration.

Fair value is measured using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period.

(p) Foreign currency translation

(i) Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Australian dollars, which is Latin Gold Limited's functional and presentation currency.

The functional currencies of the Company's subsidiaries are as follows:
Australia - AUD; Bahamas - USD; Chile - CLP; and Peru - PEN

(ii) Transactions and balances
Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

(iii) Group companies
The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the statement of financial position;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income.

(q) Earnings per share

Basic earnings per share is determined by dividing the profit/(loss) from ordinary activities after related income tax expense by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is calculated as net profit/(loss) attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(r) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financial activities, which are recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(s) Comparative amounts

When required by accounting standards, comparative figures have been re-stated to conform to changes in the current year.

(t) Critical accounting estimates and judgments

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. Examples of those areas which require accounting estimates and judgments include provision for write-down of loans; carrying values of exploration expenditure and share-based payments.

Impairment of capitalised exploration and evaluation expenditure
The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it

successfully recovers the related exploration and evaluation assets through sale. At 30 June 2011 the carrying value of capitalised exploration and evaluation expenditure is nil.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the period in which this determination is made.

Share-based payment transactions
The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined through an option valuation model, taking into account the terms and conditions upon which the instruments were granted.

Provision for intercompany loans and receivable from Coronet Metals Inc
Due to the uncertainty as to if and when the intercompany loans will be repaid, the loans have been provided for in full. As discussed in Note 7, until negotiations with Coronet Metals Inc are finalised there is significant uncertainty regarding the recovery of the receivable amount of $3,539,405.

(u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and addressing performance of the operating segments, has been identified as the full Board of Directors.

The Group has adopted AASB 8 Operating Segments which requires a "management approach" under which segment information is presented on the same basis as that used for internal reporting purposes. In this regard, such information is provided using similar measures to those used in preparing the statement of comprehensive income and statement of financial position.

The Group operates only in the exploration industry, both in Australia and overseas. There has been no change in the number of reportable segments presented to comply with this standard.

	Consolidated	
	2011	2010
	$	$
2. Revenue		
Gain on sale of Golden Eagle Resources Peru S.A.C.	3,150,009	-
Sundry income	91,347	-
Interest received	46,050	42,284
	3,287,406	42,284

		Consolidated 2011 $	Consolidated 2010 $
3.	**Expense and Losses and Gains from Ordinary Activities**		
	(a) Expenses		
	Depreciation	(4,328)	(13,855)
	Exploration and evaluation costs	(138,646)	(18,145)
	Interest expense	-	(245)
	Employee share based payments (expense)/reversal	46,040	(20,264)
	(b) Losses and Gains		
	Net foreign currency gain/(loss)	(24,409)	10,349

		2011 No. of Shares	2010 No. of Shares
4.	**Earnings per Share**		
	Weighted average number of ordinary shares outstanding during the year used in calculation of earnings per share	323,156,828	270,031,849
	Weighted average number of potential ordinary shares outstanding during the year used in calculation of diluted earnings per share	323,156,828	270,031,849

		Consolidated 2011 $	Consolidated 2010 $
5.	**Income taxes**		
(a)	**Income tax recognised in profit or loss**		
	Prima facie tax on operating profit (loss) before income tax at 30%	210,458	(158,467)
	Tax effect of permanent and temporary differences not recognised	(210,458)	7,674
	Tax loss / (revenue) not brought to account	-	150,793
	Income tax attributable to operating loss	-	-
(b)	**Deferred tax balances** Deferred tax assets and liabilities at 30 June not brought to account as realisation of the benefit is not probable comprise:		
	Other	4,500	17,596
	Deferred tax asset not brought to account	(4,500)	(17,596)
	Net deferred tax balances	-	-
(c)	**Deferred tax assets arising from unconfirmed tax losses and capital losses not brought to account at balance date as realisation of the benefit is not probable.**		
	Income tax losses	1,398,050	1,283,966
	Net timing difference	4,500	17,596
	Net deferred tax asset not brought to account	1,402,550	1,766,998

No income tax is payable by the Group. The Directors have considered it prudent not to bring to account the future income tax benefit of income tax losses and exploration deductions until there is virtual certainty of deriving assessable income of a nature and amount to enable such benefit to be realised.

The Group has estimated unrecouped income tax losses of $4,660,166 (2010: $4,279,886) which may be available to offset against taxable income in future years.

The benefit of these losses and timing differences will only be obtained if:

(a) the Group derives future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the loss to be realised;
(b) the Group continues to comply with the condition of deductibility imposed by Australian and Chilean laws; and
(c) no changes in tax legislation adversely affect the Company in realising the benefit from the deduction for the loss.

		Consolidated	
		2011 $	2010 $
6.	**Cash and cash equivalents**		
	Cash at bank	565,660	1,213,190
7.	**Trade and other receivables**		
	Current Receivables		
	Amount due from Coronet Metals Inc	3,539,405	-
	Less: provision for non-recoverability	(3,539,405)	-
	Sundry debtors	14,552	15,242
		14,552	15,242

None of the current trade and other receivables are impaired or past due but not impaired, other than the amount due from Coronet Metals Inc.

The amount of $3,539,405 has been provided for in full pending the finalisation of negotiations with Coronet Metals Inc regarding the recovery of US$3.75 million that Coronet Metals Inc have withheld from the proceeds of the sale of Golden Eagle Resources Peru SAC.

8.	**Other financial assets**		
	Short term money market deposit	1,651,751	-
9.	**Plant and equipment**		
	Cost - opening	74,902	75,136
	Additions	-	1,687
	Exchange differences	-	(1,921)
	Disposals/written off	(69,784)	-
	Cost - closing	5,118	74,902
	Accumulated depreciation - opening	(61,875)	(54,326)
	Disposals/written off	61,085	-
	Exchange differences	-	6,306
	Depreciation	(4,328)	(13,855)

	Consolidated	
9. Plant and equipment (continued)	**2011 $**	**2010 $**
Accumulated depreciation - closing	(5,118)	(61,875)
Written down value - opening	13,027	20,810
Written down value - closing	-	13,027

The plant and equipment disposal was mainly in relation to the sale of Golden Eagles Resources Peru SAC.

10. Exploration and Evaluation Expenditure

Written down value - opening	3,405,495	3,451,263
Exploration expenditure	-	54,684
Exchange differences	-	(100,452)
Disposals (i)	(3,405,495)	-
Written down value - closing	-	3,405,495

(i) In respect of the sale of Golden Eagle Resources Peru SAC and related mining information.

11. Trade and other payables

Current Payables		
Trade creditors	144,238	25,469
Accruals	15,000	56,133
Other	18,421	-
	177,659	81,602

Trade liabilities are non-interest bearing and normally settled on 30-day terms.

	2011 Number	2010 Number	2011 $	2010 $
12. Contributed Equity				
Ordinary Shares				
Ordinary shares at beginning of year	323,152,868	161,576,434	13,269,603	11,742,396
Entitlement issue at 1 cent per share	-	161,576,434	-	1,615,764
Less Capital raising costs	-	-	-	(88,557)
Ordinary shares at end of year	323,152,868	323,152,868	13,269,603	13,269,603

On a show of hands, every member present in person or by proxy shall have one vote and, upon a poll, each share shall have one vote.

Share Options
As at 30 June 2011 the following options to subscribe for ordinary shares existed:

(i) 1,000,000 unlisted options exercisable on or before 30 June 2012 at an exercise price of 3.5 cents each. At year end 1,000,000 of these options had vested.

The following options over unissued ordinary shares lapsed during the year:
(i) 5,100,000 unlisted options exercisable on or before 31 December 2010 at an exercise price of 8 cents per share.

On 29 July 2010, the Company granted 1,000,000 options to Veritas Securities Limited, with an exercise price of 3.5 cents per share and an expiry date of 30 June 2012.

No other options were issued, granted or exercised during the year.

		Consolidated	
		2011	2010
		$	$
13.	**Reserves**		
	Options reserve		
	Balance at beginning of year	363,917	343,653
	Issued	4,620	-
	Directors' options vested	-	20,264
	Reversal of expense booked in prior years	(50,660)	-
	Balance at end of year	317,877	363,917
	Foreign currency translation reserve		
	Balance at beginning of year	51,353	161,023
	Currency translation differences arising during the year	(1,283,796)	(109,670)
	Balance at end of year	(1,232,443)	51,353
	Total Reserves	(914,566)	415,270
14.	**Accumulated Losses**		
	Balance at the beginning of this year	(9,114,575)	(8,596,700)
	Profit / (Loss) for the year	701,525	(517,875)
	Balance at the end of the year	(8,413,050)	(9,114,575)
15.	**Notes to the Cash Flow Statement**		
	(a) Reconciliation of net cash used in operating activities to operating profit/(loss) after income tax		
	Operating profit / (loss) after tax	701,525	(517,875)
	Add non cash items:		
	Depreciation	4,328	13,855
	Exploration expenditure written off	138,646	-
	Profit on deconsolidation	(1,784,879)	-
	Impairment expense on amount due from Coronet Metals Inc	3,539,405	-
	Exploration expenditure classified as investing	199,130	-
	Gain on sale of Golden Eagle Resources Peru S.A.C.	(3,150,009)	-
	Net foreign currency (gain) / loss	4,080	(10,350)
	Share based payments expense / (income)	(46,040)	20,264

	Consolidated 2011 $	Consolidated 2010 $
15. Notes to the Cash Flow statement (continued)		
Changes in net assets and liabilities net of disposal of subsidiary		
Decrease/(increase) in receivables	690	7,658
Decrease/(increase) in prepayments	4,947	5,271
Increase in payables	77,637	20,738
Net cash outflow from operating activities	(310,540)	(460,439)

(b) Non-cash financing and investing activities

The Company received 6,522,366 shares in Coronet Metals Inc at a value of CAD $0.30 per share as part settlement of the sale of Golden Eagle Resources Peru SAC, mining information and related assets.

16. Director and Executive Disclosures

(a) Directors and Executives

The names and positions held by key management personnel in office at any time during the year are:

J Malone	Non-Executive Director
H Dawson	Non-Executive Director
P McAleer	Non-Executive Chairman
M Higginson	Company Secretary

(b) Remuneration of Directors and key management personnel	Consolidated 2011 $	Consolidated 2010 $
Short term	231,099	291,681
Share-based payments	(35,760)	20,264
	195,339	311,945

(c) Remuneration Options: Granted and Vested during the Year

During the financial year ended 30 June 2011, no options were granted as equity based compensation benefits and no equity based compensation benefit options were vested.

(d) Option holdings of Directors and officers

Aggregate number of share options of Latin Gold Limited held directly, indirectly or beneficially by Directors and officers of their director related entities:

30 June 2011

Name	*Balance at beginning of year*	*Granted as Remuneration*	*Options Expired*	*Balance at end of year*	*Vested at 30 June 2011*	*Exercisable at 30 June 2011*
J Malone	1,500,000	-	(1,500,000)	-	-	-
H Dawson	1,500,000	-	(1,500,000)	-	-	-
P McAleer	600,000	-	(600,000)	-	-	-
M Higginson	-	-	-	-	-	-
	3,600,000	-	(3,600,000)	-	-	-

30 June 2010

Name	*Balance at beginning of year*	*Granted as Remuneration*	*Options Expired*	*Balance at end of year*	*Vested at 30 June 2010*	*Exercisable at 30 June 2010*
P McAleer	600,000	-	-	600,000	400,000	400,000
J Malone	1,500,000	-	-	1,500,000	1,000,000	1,000,000
S Titchener	1,500,000	-	-	1,500,000	1,000,000	1,000,000
H Dawson	1,500,000	-	-	1,500,000	1,000,000	1,000,000
M Higginson	-	-	-	-	-	-
	5,100,000	-	-	5,100,000	3,400,000	3,400,000

(e) *Shareholdings of Directors and officers*

Aggregate number of ordinary shares of Latin Gold Limited held directly, indirectly or beneficiary by Directors and officers of their Director related entities:

30 June 2011

Name	*Balance at beginning of year*	*Purchased*	*Balance at end of year*
J Malone	3,340,000	-	3,340,000
H Dawson	3,906,000	35,000	3,941,000
P McAleer	2,765,078	-	2,765,078
M Higginson	-	-	-
	10,011,078	-	10,046,078

30 June 2010

Name	*Balance at beginning of year*	*Purchased*	*Balance at end of year*
P McAleer	1,382,539	1,382,539	2,765,078
J Malone	1,670,000	1,670,000	3,340,000
S Titchener (i)	1,150,000	1,150,000	2,300,000
H Dawson	1,953,000	1,953,000	3,906,000
M Higginson	-	-	-
	6,155,539	6,155,539	12,311,078

(i) S Titchener's equity holding is for the period 1 July 2009 to 3 June 2010 when he passed away.

(f) *Directors and officers payables*

	Consolidated 2011 $	Consolidated 2010 $
Amounts payable to Directors and officers and related entities at the end of the financial year, included in current liabilities	95,078	-

17. Related Party Disclosures

Ultimate Parent
Latin Gold Limited is the ultimate Australian parent company.

Wholly Owned Group Transactions
Loans made by Latin Gold Limited to wholly-owned subsidiaries have no fixed repayment date and are interest free.

Loans made by Latin Gold Limited to wholly-owned subsidiaries still outstanding as at 30 June 2011 amount to $5,612,114 (June 2010: $6,617,319). These loans have been provided for in full.

Key Management Personnel
Transactions between the Group and key management personnel are disclosed in note 16 and in the Remuneration Report.

During the financial year ended 30 June 2011, an amount of $81,662 (2010: $45,598) was paid to Discovery Capital Limited (Discovery) as a recoupment of costs paid by Discovery on behalf of Latin Gold for the provision of, inter alia, office premises, secretarial support, geological services, telephone, office amenities, computing equipment and office operating outgoings. Discovery is a public unlisted company with over 400 shareholders. Messrs Dawson and Higginson are directors of Discovery.

18. Equity-based payments

The Company has entered into an Employee Share Option Plan that allows for share options to be granted to eligible employees and officers of the Company. The terms and conditions of the share option issued under the plan are at the discretion of the Board, however, the maximum term of the share option is five years.

During the year no share options were granted to Directors to acquire ordinary shares.

All options granted to Directors and key management personnel are for ordinary shares in Latin Gold Limited, which confer a right of one ordinary share for every option held.

	2011		2010	
	Number of options	**Weighted average exercise price $**	**Number of options**	**Weighted average exercise price $**
Outstanding at the beginning of the year	5,100,000	$0.080	7,100,000	$0.078
Granted	1,000,000	$0.035	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	(5,100,000)	$0.080	2,000,000	$0.075
Outstanding at year-end	1,000,000	$0.035	5,100,000	$0.080
Exercisable at year-end	1,000,000	$0.035	3,400,000	$0.080

The options outstanding at 30 June 2011 have a weighted average exercise price of $0.035 (2010: $0.08) and a weighted average remaining life of 1.0 years (2010: 0.5 years). The exercise price in respect of options outstanding at 30 June 2011 is $0.035 each.

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future trends, which may not eventuate.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

Included under employee benefits income in the statement of comprehensive income is $46,040 (expense 2010: $20,264) and relates, in full, to equity-settled share-based payment transactions. The income amount of $46,040 relates to the reversal of share based expense on options that ultimately did not vest.

1,000,000 options were issued during the year ended 30 June 2011, with an exercise prices of $0.035 per share and an expiry date of 30 June 2012.

		Consolidated 2011 $	Consolidated 2010 $
19.	**Auditors' Remuneration**		
	Amounts received or due and receivable by Stantons International for:		
	Auditing and reviewing accounts	38,596	29,168
	Other services	-	3,575
	Other auditors	8,229	5,343
		46,825	38,086
20.	**Commitments**		
	There were no outstanding commitments, which are not disclosed in the financial statements as at 30 June 2011 other than:		
	Rental commitments		
	No later than 1 year	21,000	7,705
	Later than 1 year but not later than 5 years	29,750	30,821
		50,750	38,526

During the year, the Company entered into a Joint Venture with Richmond Mining Limited whereby it can earn a 50% interest in E52/1496 (Narracoota) by expending $500,000 by 31 December 2012.

21. Financial Instruments

Consolidated	Notes	Floating Interest Rate $	1 year or less $	Over 1-5 years $	Non interest bearing $	Total $
2011						
Financial assets						
Cash and cash equivalents	6	335,128	-	-	230,532	565,660
Other financial assets	7	-	-	-	1,651,751	1,651,751
Trade and other receivables	8	-	-	-	14,552	14,552
Investments	27	-	-	-	1,887,683	1,887,683
Total financial assets		335,128	-	-	3,784,518	4,119,646
Financial liabilities						
Trade and other payables	11	-	-	-	177,659	177,659
Total financial liabilities		-	-	-	177,659	177,659
Net financial assets/(liabilities)		335,128	-	-	3,606,859	3,941,987

Weighted average interest rate on cash and cash equivalents is 3.47%

Consolidated	Notes	Floating Interest Rate $	1 year or less $	Over 1-5 years $	Non interest bearing $	Total $
2010						
Financial assets						
Cash and cash equivalents	6	1,029,152	-	-	184,038	1,213,190
Trade and other receivables	7	-	-	-	15,242	15,242
Total financial assets		1,029,152	-	-	199,280	1,228,432
Financial liabilities						
Trade and other payables	11	-	-	-	81,602	81,602
Total financial liabilities		-	-	-	81,602	81,602
Net financial assets/(liabilities)		1,029,152	-	-	117,678	1,146,830

Weighted average interest rate on cash and cash equivalents is 5.09%

Reconciliation of net financial assets to net assets	2011	2010
Consolidated	$	$
Net Financial Assets	3,941,987	1,146,830
Prepayments	-	4,946
Property, Plant and Equipment	-	13,027
Exploration and evaluation expenditure	-	3,405,495
Net Assets	3,941,987	4,570,298

Interest rate risks
The Group entities exposure to interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates. The Group does not have a formal policy in place to mitigate such risks.

Foreign currency risks
The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. Exchange rate exposures are managed by generally holding all funds in Australian dollars and only remitting funds to foreign subsidiaries as needed to reduce the foreign currency exposure. For a short period during the year ended 30 June 2011 funds received relating to the sale of Golden Eagle Resources Peru SAC were held in US dollars.

The Group has foreign subsidiary companies with a functional currency that differs to the presentation currency of the Group. The financial statements of the foreign subsidiaries are required to be translated from the functional currency to the presentation currency of the Group, being Australian dollars. Any movement in the exchange rates will affect the carrying values of the Group's assets and liabilities where the financial statements of the subsidiary companies are denominated in a currency other than Australian dollars.

Credit risk
The maximum exposure to credit risk at the reporting date is the carrying amount (net of provision of doubtful debts) of those financial assets as disclosed in the statement of financial position and notes to the financial statements. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate values of transactions concluded are spread amongst approved counterparties.

Net fair value
The net fair value of all assets approximates their carrying value.

Interest Rate Risk, Foreign Currency Risk and Price Risk
The Group has performed sensitivity analysis relating to its exposure to interest rate risk, foreign currency risk and price risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Sensitivity Analysis
At 30 June 2011, the effect on the profit and equity as a result of a 2% increase in the interest rate on interest bearing financial instruments, with all other variables remaining constant, would be an increase in profit by $6,702 (2010: $16,000) and an increase in equity by $6,702 (2010: $16,000).

Foreign Currency Risk Sensitivity Analysis
At 30 June 2011, the effect on profit and equity as a result of a 5% (2010: 5%) improvement in the value of the Australia dollar to the US dollar, with all other variables remaining constant would be that the profit would increase/decrease by $176,972 (2010: $500) and equity would increase/decrease by $176,972 (2010: $500). All intercompany loan balances have been provided for in full.

Market Price Risk Sensitivity Analysis
The Group holds available for sale financial assets. A market price movement of 10% based on the available for sale financial assets held at year end would increase/decrease profit by $188,768.

22. Segment Information

From 1 July 2009, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Group's chief operating decision maker which, for the Group, is the Board of Directors. In this regard, such information is provided using similar measures to those used in preparing the statement of comprehensive income and statement of financial position. The Group operates only in the exploration industry in both Australia and overseas.

Reportable segments:	Australia $	South America $	Consolidated $
Segment revenue			
2011	3,287,406	-	3,287,406
2010	42,284	-	42,284
Segment result			
2011	556,382	145,143	701,525
2010	(431,735)	(86,140)	(517,875)
Segment assets			
2011	4,119,495	151	4,119,646
2010	1,201,241	3,450,659	4,651,900
Segment liabilities			
2011	159,238	18,421	177,659
2010	62,445	19,157	81,602
Depreciation and amortisation expense			
2011	-	4,328	4,328
2010	-	13,855	13,855

23. Parent Entity Disclosures

	2011 $	2010 $
Current Assets		
Cash and cash equivalents	565,509	1,192,862
Trade and other receivables	16,114	8,379
Total Current Assets	581,623	1,201,241
TOTAL ASSETS	581,623	1,201,241
Current Liabilities		
Trade and other payables	158,956	62,445
Total Current Liabilities	158,956	62,445
TOTAL LIABILITIES	158,956	62,445
NET ASSETS	422,667	1,138,796
Equity		
Contributed equity	13,269,603	13,269,603
Reserves	317,877	363,917
Accumulated losses	(13,164,813)	(12,494,724)
TOTAL EQUITY	422,667	1,138,796

	2011 $	2010 $
Financial performance		
Loss for the year	(670,087)	(575,853)
Other comprehensive income	-	-
Total comprehensive loss	(670,087)	(575,853)

Note: Non-current financial assets of the parent entity not disclosed in the parent entity statement of financial position are:

	2011 $	2010 $
Shares in controlled entities	318,068	318,068
Diminution in shares in controlled entities	(318,068)	(318,068)
	-	-
Loans to controlled entities	5,612,114	6,617,319
Diminution in loans to controlled entities	(5,612,114)	(6,617,319)
	-	-

24. Subsequent Events

On 25 August 2011, the Company announced to the ASX that US$3,750,000 of the sale consideration (from the sale of Golden Eagle Resources Peru SAC) that was placed in escrow pending the receipt by Coronet Metals Inc of a tax certificate from the Peruvian government is being withheld pending a renegotiation of the sale agreement due to some past issues relating to the Paron Gold Project. These issues relate to the level of support from the local community for the project, which may impact upon the permits necessary to move the project towards production. The Company is currently negotiating with Coronet Metals Inc to resolve these issues.

There has been no other matter or circumstance that has arisen since 30 June 2011 which has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

25. Contingent Liabilities

The Group does not have any contingent liabilities.

26. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results for the following subsidiaries in accordance with the accounting policy described in note 1(c).

		Cost of Parent Entity's Investment		Equity Holding (i)	
Name of Entity	**Country of Incorporation**	**2011 $**	**2010 $**	**2011 %**	**2010 %**
Westmag Resources Limited	Bahamas	252,382	252,382	100%	100%
Black Eagle Resources Limited	Bahamas	65,686	65,686	100%	100%
Black Eagle Resources Peru SAC	Peru	-	-	100%	100%
Golden Eagle Resources Peru SAC	Peru	-	-	-	100%
Inversiones Fortuna Resources Limitada	Chile	-	-	100%	100%

The proportion of ownership is equal to the proportion of voting power held.

	Consolidated	
	2011	2010
	$	$
27. Investments		
Available-for-sale securities (i)	1,887,683	-

(i) As partial consideration for the sale of Golden Eagle Resources Peru SAC and mining information and related assets, the Group received 6,522,366 fully paid ordinary shares in Coronet Metals Inc., a Company listed on the TSX-V together with warrants with an exercise price of CAD $0.50 and an expiry date of 1 June 2013. The shares have been valued at the issue price of CAD$0.30 per share as they are very thinly traded, notwithstanding that at 30 June 2011 the price was approximately CAD$0.40 per share. During the months of August and September 2011 the shares were traded mainly around CAD$0.30 per share.

28. New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Group has decided not to early adopt. A discussion of those future requirements and their impact on the Group is as follows:

AASB 9: Financial Instruments (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2013).

This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The Group has not yet determined any potential impact on the financial statements.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies the definition of a "related party" to remove inconsistencies and simplify the structure of the Standard. No changes are expected to materially affect the Group.

AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013).

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

- Tier 1: Australian Accounting Standards; and
- Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

The following entities are required to apply Tier 1 reporting requirements (ie full IFRS):

- for-profit private sector entities that have public accountability; and
- the Australian Government and state, territory and local governments.

Since the Group is a for-profit private sector entity that has public accountability, it does not qualify for the reduced disclosure requirements for Tier 2 entities.

AASB 2010-2 makes amendments to Australian Accounting Standards and Interpretations to give effect to the reduced disclosure requirements for Tier 2 entities. It achieves this by specifying the disclosure paragraphs that a Tier 2 entity need not comply with as well as adding specific "RDR" disclosures.

AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the Group.

AASB 2010-4: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard details numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project. Key changes include:

- clarifying the application of AASB 108 prior to an entity's first Australian-Accounting-Standards financial statements;
- adding an explicit statement to AASB 7 that qualitative disclosures should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments;
- amending AASB 101 to the effect that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income is required to be presented, but is permitted to be presented in the statement of changes in equity or in the notes;
- adding a number of examples to the list of events or transactions that require disclosure under AASB 134; and
- making sundry editorial amendments to various Standards and Interpretations.

This Standard is not expected to impact the Group.

AASB 2010–5: Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] (applicable for annual reporting periods beginning on or after 1 January 2011).

This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. However, these editorial amendments have no major impact on the requirements of the respective amended pronouncements.

AASB 2010–6: Amendments to Australian Accounting Standards - Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7] (applicable for annual reporting periods beginning on or after 1 July 2011).
This Standard adds and amends disclosure requirements about transfers of financial assets, especially those in respect of the nature of the financial assets involved and the risks associated with them. Accordingly, this Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards, and AASB 7: Financial Instruments: Disclosures, establishing additional disclosure requirements in relation to transfers of financial assets.

This Standard is not expected to impact the Group.

AASB 2010–7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applies to periods beginning on or after 1 January 2013).

This Standard makes amendments to a range of Australian Accounting Standards and Interpretations as a consequence of the issuance of AASB 9: Financial Instruments in December 2010. Accordingly, these amendments will only apply when the entity adopts AASB 9.

As noted above, the Group has not yet determined any potential impact on the financial statements from adopting AASB 9.

AASB 2010–8: Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012).

This Standard makes amendments to AASB 112: Income Taxes.

The amendments brought in by this Standard introduce a more practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model under AASB 140: Investment Property.

Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The amendments brought in by this Standard also incorporate Interpretation 121 into AASB 112.

The amendments are not expected to impact the Group.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the financial statements, notes and additional disclosures included in the Directors' Report designated as audited are in accordance with the Corporations Act 2001 and:

    (a) comply with Accounting Standards (including International Financial Reporting Standards) and the Corporations Regulations 2001; and

    (b) give a true and fair view of the statement of financial position as at 30 June 2011 and of the statement of comprehensive income for the year ended on that date of the consolidated entity;

2. the Managing Director and Chief Financial Officer have each declared that:

    (a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act;

    (b) the financial statements and notes for the financial year comply with the International Financial Reporting Standards; and

    (c) the financial statements and notes for the financial year give a true and fair view.

3. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Howard Dawson
Chairman

Dated at Perth this 30th day of September 2011

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Stantons International Audit and Consulting Pty Ltd
(ABN 84 144 581 519) trading as
Stantons International
Chartered Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LATIN GOLD LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Latin Gold Limited, which comprises the consolidated statement of financial position as at 30 June 2011, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In note 1(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

(a) the financial report of Latin Gold Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the consolidated financial report also complies with International Financial Reporting Standards as disclosed in note 1(a).

Report on the Remuneration Report

We have audited the remuneration report included in pages 7 to 10 of the directors' report for the year ended 30 June 2011. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards

Auditor's opinion
In our opinion the remuneration report of Latin Gold Limited for the year ended 30 June 2011 complies with section 300A of the *Corporations Act 2001.*

Emphasis of matter-Inherent uncertainty regarding recoverability of receivable

Without qualifying our opinion we refer to the matter noted under Notes 7 and 24 to the financial report. On 6 June 2011, Golden Eagle Resources Peru SAC (the owner of the Paron Gold Project), and other mining and exploration information and related assets was sold to TSX Venture Exchange listed Coronet Metals Inc. On 25 August 2011, the Company announced to the ASX that US$3,750,000 of the sale consideration (from the sale of Golden Eagle Resources Peru SAC) that was placed in escrow pending the receipt by Coronet Metals Inc of a tax certificate from the Peruvian government is being withheld pending a renegotiation of the sale agreement due to some past issues relating to the Paron Gold Project. These issues relate to the level of support from the local community for the project, which may impact upon the permits necessary to move the project towards production. The Company is currently negotiating with Coronet Metals Inc to resolve these issues.

At the date of signing of this report the final outcome of these negotiations is not known. In view of the uncertainty regarding potential revisions to the sale terms of the sale agreement and uncertainty as to the recoverability of the outstanding balance of US$3,750,000 as disclosed in note 7, the Company has decided to provide in full for the possible non recovery of the balance of US$3,750,000 as at 30 June 2011. The ultimate amount to be received in respect of the receivable of US$3,750,000 as at 30 June 2011 will only be known when this matter has been finally resolved between the Company and Coronet Metals Inc.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd

J P Van Dieren
Director

West Perth, Western Australia
30 September 2011

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Latin Gold Limited is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Board recognises the need for the Company to operate with the highest standards of behaviour and accountability. The Company has adopted the ASX Corporate Governance Principles and Recommendations, with some amendments where applicable after giving consideration to the Company's size and the resources it has available.

A summary of the Company's key policies is set out below:

BOARD OBJECTIVES

The Board is responsible for developing strategies for the Company, reviewing strategic objectives and monitoring the performance against those objectives. The overall goals of the corporate governance process are to:

- drive shareholder value;
- assure a prudential and ethical base to the Company's conduct and activities; and
- ensure compliance with the Company's legal and regulatory obligations.

Consistent with these goals, the Board assumes the following responsibilities;

- developing initiatives for profit and asset growth;
- reviewing the corporate, commercial and financial performance of the Company on a regular basis;
- acting on behalf of and being accountable to shareholders;
- identifying business risks and implementing actions to manage and mitigate those risks; and
- developing and effecting management and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in Board discussions on a fully informed basis.

COMPOSITION OF THE BOARD

The composition of the Board is determined in accordance with the following principles and guidelines:

- the Board should comprise at least three Directors;
- the Board should comprise Directors with an appropriate range of qualifications and expertise; and
- the Board shall meet at regular intervals and follow meeting guidelines set down to ensure all Directors are made aware of and have available all necessary information to participate in an informed discussion on all agenda items.

The Board accepts the ASX Corporate Governance Council's definition of an Independent Director.

There are procedures in place, as agreed by the Board, to enable Directors to seek independent professional advice on issues arising in the course of their duties at the Company's expense.

The term in office held by each Director in office at the date of this report is as follows:

- M Higginson - 0 years and 2 months
- J Malone - 11 years and 6 months
- H Dawson - 7 years and 10 months

REMUNERATION AND NOMINATION COMMITTEES

The Company does not have formal remuneration or nomination committees. The full Board attends to the matters normally attended to by a remuneration committee and a nomination committee. Given the composition of the Board and the size of the Company, it is felt that these individual committees are not yet warranted, however, it is expected that as the Company's operations expand that each of these committees will be established.

Remuneration levels are set by the Company in accordance with industry standards to attract suitable qualified and experienced Directors and senior executives.

Remuneration Arrangements

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board by remunerating Directors fairly and appropriately with reference to relevant employment market conditions. To assist in achieving the objective, the Board links the nature and amount of executive Directors' emoluments to the Company's financial and operational performance. The expected outcomes of this remuneration structure are:

- retention and motivation of Directors; and
- performance rewards to allow Directors to share the rewards of the success of the Company.

The remuneration of an executive Director will be decided by the Board as a whole. In determining competitive remuneration rates, the Board reviews local and international trends among comparative companies and the industry generally.

The maximum remuneration of non-executive Directors is the subject of a shareholder resolution in accordance with the Company's Constitution and the Corporations Act. The allocation of non-executive Director remuneration, within the amount determined by shareholders, will be made by the Board having regard to the inputs and value to the Company and the respective contribution made by each non-executive Director.

The Board may award additional remuneration to non-executive Directors if they are called upon to perform extra services or make special exertions on behalf of the Company.

There is no scheme to provide retirement benefits, other than statutory superannuation to non-executive Directors.

All remuneration paid to Directors and executives is valued at the cost to the Company and is expensed. Options that may be issued will be valued using the Black-Scholes methodology.

Nomination Arrangements

When a vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the service of a new Director with particular skills, the Board selects a candidate or panel of candidates with the appropriate expertise.

The Board then appoints the most suitable candidate, who must stand for election at the next general meeting of shareholders.

AUDIT COMMITTEE

The shareholders in a general meeting are responsible for the appointment of the external auditors of the Company and the Board, from time to time, will review the scope, performance and fees of those external auditors.

The Board has established an audit committee which operates under a Charter of the Board. It is the Board's responsibility to ensure that an effective internal control framework exists within the Company. This includes both internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial and non financial information. The Board has delegated the responsibility for the establishment and maintenance of a framework of internal control of the Company to the audit committee.

The members of the audit committee at the end of the year and date of this report are:

- H Dawson (Chairman)
- M Higginson

Qualifications of audit committee members

Mr Dawson is the Chairman of the audit committee and is the holder of a Bachelor of Science (Geology). Mr Dawson has extensive experience in both the securities industry and the natural resources sector holding numerous senior management and board positions within those sectors.

Mr Higginson is the holder of a Bachelor of Business degree with majors in Finance and Administration and has accumulated in excess of 20 years experience in senior management,

The audit committee can also invite a member of its auditor, Stantons International to attend meetings.

BOARD RESPONSIBILITIES

As the Board acts on behalf of and is accountable to shareholders, it seeks to identify the expectations of shareholders, as well as other regulatory and ethical expectations and obligations. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage and mitigate those risks.

The responsibility for the operation and administration of the Company is currently attended to by the Board.

The Board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risks identified by the Board. It has a number of mechanisms in place to ensure this is achieved, including the following:

- Board approval of a strategic plan, designed to meet shareholder needs and manage business risk;
- implementation of operating plans and budgets by management and Board monitoring progress against those plans and budgets; and
- procedures to allow Directors, in the furtherance of their duties, to seek independent professional advice at the Company's expense.

MONITORING OF THE BOARD'S PERFORMANCE

In order to ensure that the Board continues to discharge its responsibilities in an appropriate manner, the performance of all Directors is to be reviewed annually by the Chairman. Directors whose performance is unsatisfactory will be asked to retire.

IDENTIFICATION AND MANAGEMENT OF RISK

The Board's collective experience will enable accurate identification of the principal risks which may affect the Company's business. Management of these risks will be discussed by the Board at periodic (at least annual) strategic planning meetings. In addition, key operational risks and their management will be recurring items for deliberation at Board meetings.

ETHICAL STANDARDS

The Board is committed to the establishment and maintenance of appropriate ethical standards to underpin the Company's operations and corporate practices.

MANAGEMENT OF THE BOARD

The full Board will hold scheduled meetings on at least a bi monthly basis and any additional meetings at such time as may be necessary to address specific matters that may arise. In between meetings, decisions will be adopted by way of written resolution.

CHAIRMAN

The Chairman is responsible for leading the Board, ensuring Directors are properly briefed in all matters relevant to their role and responsibilities, facilitating Board discussions and managing the Board's relationship with its committees.

ENVIRONMENT

The Company aims to ensure that the highest standard of environmental care is achieved and that it complies with all relevant environmental legislation.

BUSINESS RISK

The Board monitors areas of operational and financial risk and considers strategies for appropriate risk management and mitigation.

Where necessary, the Board will draw on the expertise of appropriate external consultants to assist in dealing with or mitigating areas of risk which are identified.

The Board is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. The Company's policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company's business objectives.

Control procedures cover management accounting, financial reporting, project appraisal, environment, IT security, compliance and other risk management issues.

SHAREHOLDERS

The Board aims to ensure that shareholders are, at all times, fully informed in accordance with the spirit and letter of the Australian Securities Exchange's continuous disclosure requirements.

Publicly released documents are made available on the Company's web site at www.latingold.com.au.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals. Important issues are presented to the shareholders as single resolutions.

Shareholders are requested to vote on the appointment and aggregate remuneration of Directors, the granting of options and shares to Directors and changes to the Constitution. Copies of the Company's Constitution are available to any shareholder who requests it.

This Corporate Governance Statement sets out Latin Gold's current compliance with the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations (Best Practice Recommendations). The Best Practice Recommendations are not mandatory, however, the Company is required to provide a statement in its annual report disclosing the extent to which the Company has followed the Best Practice Recommendations and the reasons for departure (if any).

	BEST PRACTICE RECOMMENDATION	COMMENT
1	**Lay solid foundations for management and oversight**	
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	The Company's Corporate Governance Policy includes a Board Charter, which discloses the specific responsibilities of the Board. The Company has not established the functions delegated to senior executives at this time as there are no other senior executives.
1.2	Companies should disclose the process for evaluating the performance of senior executives.	The Board will monitor the performance of senior management, including measuring actual performance against planned performance. The Board has also adopted a policy to assist in evaluating Board performance.
1.3	Companies should provide the information indicated in the Guide to reporting on Principle 1.	An evaluation of senior executives did not take place in the financial year as there are no executives, other than the Directors. A copy of matters reserved for the Board, including the Board Charter is maintained at the Company's website. The Company will explain any departures (if any) from best practice recommendations 1.1, 1.2 and 1.3 in its annual reports.
2	**Structure the board to add value**	
2.1	A majority of the board should be independent directors.	All of the Board are currently independent Directors.
2.2	The chair should be an independent director.	The Chairman, Mr Dawson, is independent.
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	The Company's currently does not have a chief executive officer.
2.4	The board should establish a nomination committee.	No formal nomination committee has been adopted by the Company.
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	The Chairman reviews the composition of the Board, its committees and the performance of each Director to ensure that it continues to have a mix of skills and experience necessary for the conduct of the Company's activities. A new Director will receive an induction appropriate to his or her experience.
2.6	Companies should provide the information indicated in the Guide to reporting on Principle 2.	The Company provides details of each Director, such as their skills, experience and expertise relevant to their position, together with an explanation of any departures (if any) from best practice recommendations 2.1, 2.2, 2.3, 2.4 and 2.5 in annual reports. A description of the skills and experience of each Director and their period in office in contained within this Annual Report. Messrs Dawson, Malone and Higginson are considered to be independent as they not substantial shareholders, are not employed by the Company, have not within the last 3 years been a principal of a material professional advisor or a material consultant to the Company, are not

		material suppliers to the Company or associated with a material supplier and they have no material contractual relationship with the Company. The Company has a procedure in place that enables Directors to take independent professional advice at the expense of the Company. No nomination committee has been established. The Board, as a whole, currently serves as a nomination committee. The Board considers that the Company is not of a size that warrants the establishment of a nomination committee. An evaluation of the Board, its committees and Directors (in accordance with the disclosed process) took place during the reporting period. A description of the procedure for the selection and appointment of new Directors and the re-election of incumbents is contained within the Board Charter which is maintained at the Company's website.
3	**Promote ethical and responsible decision-making**	
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: • the practices necessary to maintain confidence in the company's integrity • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	The Company's Corporate Governance Policy includes a code of conduct for Directors and key executives. This code of conduct provides a framework for the practices necessary to maintain confidence in the Company's integrity, to take into account the legal obligations and expectations of stakeholders and for reporting any observed breaches of laws or regulations.
3.2	Companies should establish a policy concerning trading in company securities by directors, senior executives and employees, and disclose the policy or a summary of that policy.	The Company's Corporate Governance Policy includes a share trading policy that provides comprehensive guidelines on trading in Company securities by Directors, officers and employees.
3.2	Companies should provide the information indicated in the Guide to reporting on Principle 3.	The Company will explain any departures (if any) from best practice recommendations 3.1, 3.2 and 3.3 in its annual reports. The code of conduct and share trading policy are disclosed on the Company's website.
4	**Safeguard integrity in financial reporting**	
4.1	The board should establish an audit committee.	An audit committee has been established by the Company.
4.2	The audit committee should be structured so that it: • consists only of non-executive directors • consists of a majority of independent directors • is chaired by an independent chair, who is not chair of the board • has at least three members.	The audit committee consists only of non-executive Directors, who are independent, and the Company Secretary. It is chaired by Mr Dawson, who is chair of the Board. The audit committee has two members.

4.3	The audit committee should have a formal charter.	The audit committee has adopted an audit committee charter.
4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4.	The names and qualifications of those appointed to the audit committee, their attendance at meetings and the number of meetings are set out in the Directors' Report. The audited committee charter is maintained at the Company's website. The Company will explain any departures (if any) from best practice recommendations 4.1, 4.2 and 4.3 in its annual report.
5	**Make timely and balanced disclosure**	
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	The Company has a continuous disclosure program in place designed to ensure the compliance with ASX Listing Rule disclosure and to ensure accountability at a Board level for compliance and factual presentation of the Company's financial position. The continuous disclosure policy is maintained at the Company's website.
5.2	Companies should provide the information indicated in Guide to Reporting on Principle 5.	The Company will provide an explanation of any departures (if any) from best practice recommendation 5.1 in its annual reports.
6	**Respect the rights of shareholders**	
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	The Company's Corporate Governance Policy includes a shareholder communications policy, which aims to promote effective communication with shareholders, to encourage shareholder participation at AGM's and to ensure that shareholders are informed of all major developments affecting the Company's state of affairs. The shareholder communications policy is maintained at the Company's website.
6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6.	The Company will provide an explanation of any departures (if any) from best practice recommendations 6.1 or 6.2 in its annual reports.
7	**Recognise and manage risk**	
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	The Board determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategies and policies, risk mitigation, internal compliance and internal controls. The Company's Corporate Governance Policy includes a risk management policy for the oversight and management of material business risks. The categories of risk reported on include exploration risk, operating risk, resource estimates, commodity price volatility, exchange rate risk, environmental risk, title risk, additional requirements for capital and reliance on key management. The Company's risk management policy is maintained at the Company's website.

7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	The Board requires management to design and implement continuous risk management and internal control systems to manage the Company's material business risks. The Board requires management to report to it on whether those risks are being managed effectively and management has reported to the Board as to the effectiveness of the Company's management of its material business risks.
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	The Board has received assurance from the relevant personnel that the s 295A declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial risks.
7.4	Companies should provide the information indicated in Guide to Reporting on Principle 7.	The Board has received the report from management under Recommendation 7.2 and received assurance from the relevant personnel under Recommendation 7.3. The Company will provide an explanation of any departures (if any) from best practice recommendations 7.1, 7.2, 7.3 and 7.4 in its annual reports.
8	**Remunerate fairly and responsibly**	
8.1	The board should establish a remuneration committee.	No formal remuneration committee has been established by the Company as it is considered this responsibility can be adequately assumed by the full Board.
8.2	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	The Board distinguishes the structure of non executive Director's remuneration from that of executive Directors and senior executives. Relevantly, the Company's Constitution provides that the remuneration of non-executive Directors will be not be more than the aggregate fixed sum determined by a general meeting. The Board is responsible for determining the remuneration of any Director or senior executives (without the participation of the affected Director).
8.3	Companies should provide the information indicated in the Guide to reporting on Principle 8.	The Board, acting without the affected Director participating in the decision making process, currently serves as the remuneration committee. There are no schemes for retirement benefits other than superannuation for any non executive directors. The Company will provide an explanation of any departures (if any) from best practice recommendations 8.1, 8.2 and 8.3 in its annual reports.

ASX ADDITIONAL INFORMATION

Additional information required by Australian Securities Exchange Limited and not shown elsewhere in this Annual Report is as follows. The information is made up to 16 September 2011.

DISTRIBUTION SCHEDULE OF SECURITY HOLDERS

	Ordinary Shareholders	3.5 cent Options expiring 30/06/2012
1-1,000	34	-
1,001 - 5,000	18	-
5,001 - 10,000	75	-
10,001 - 100,000	264	-
100,001 and over	279	1
	670	1

HOLDERS OF NONMARKETABLE PARCELS

There are 226 fully paid ordinary shareholders who hold less than a marketable parcel of shares.

TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest holders of ordinary shares are:

		Number of Shares Held	% Held
1	Sunshore Holdings Pty Ltd	48,920,329	15.14
2.	Mohd Idris Bin Jais	16,000,000	4.95
3.	Pagodatree Investments Limited	14,886,062	4.61
4.	Auriferous Mining Limited	10,100,000	3.13
5.	Rogue Investments Pty Ltd	10,000,000	3.09
6.	Katana Asset Management Limited	8,000,000	2.48
7.	JP Morgan Nominees Australia Ltd	6,975,000	2.16
8.	Dr Salim Cassim	5,100,000	1.58
9.	Mohd Idris Bin Jais H	4,933,400	1.53
10.	Edward Daryl Codd	4,668,572	1.44
11.	Bell Potter Nominees Limited	4,600,000	1.42
12.	Maminda Pty Ltd	4,000,000	1.24
13.	Mr Grant Michael Button	3,540,200	1.10
14.	M & J Mitchell Holdings Pty Ltd	3,500,000	1.08
15.	Berne No 132 Nominees Pty Ltd	3,495,092	1.08
16.	Exchange Minerals Pty Ltd	3,200,000	.99
17.	Richard William Dalgleish	3,200,000	.99
18.	Jerant Pty Ltd	3,100,000	.96
19.	Mr C S Lewis & Mrs J L Lewis	3,000,000	.93
20.	Gecko Resources Pty Ltd	3,000,000	93
		164,218,655	**50.82**

Total ordinary shares quoted on ASX	323,152,868

RESTRICTED SECURITIES

The Company has no Restricted Securities on issue

UNQUOTED EQUITY SECURITIES

	Number on issue	Number of holders
Options to acquire fully paid ordinary shares at $0.035 and expiring 30 June 2012	1,000,000	1

SUBSTANTIAL SHAREHOLDERS

Sunshore Holdings Pty Ltd has 48,920,329 fully paid ordinary shares representing 15.14% of the total fully paid ordinary shares on issue.

ON-MARKET BUY-BACK

There is no current on-market buy-back.

ACQUISITION OF VOTING SHARES

No issues of securities have been approved for the purposes of Item 7 of section 611 of the Corporations Act 2001.

VOTING RIGHTS

Ordinary Shares - On a show of hands, every member present in person or by proxy shall have one vote and, upon a poll, each share shall have one vote per share.

TAX STATUS

The Company is treated as a public company for taxation purposes.

FRANKING CREDITS

The Company has nil franking credits.

TENEMENT SCHEDULE

Project	Country	Tenement	Interest
Narracoota	Australia	E52/1496	Earning a 50% interest