



ABN 43 059 457 279

NOTICE OF GENERAL MEETING

EXPLANATORY STATEMENT

PROXY FORM

TIME: 10:00 am (WST)

DATE: 4 March 2011

PLACE: 103 Abernethy Road
Belmont, WA, 6104

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 (08) 9277 9489.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders of Latin Gold Limited which this Notice of General Meeting relates to will be held at 10:00 am (WST) on 4 March 2011 at:

103 Abernethy Road
Belmont, WA, 6104

VOTING IN PERSON

To vote in person, attend the General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the proxy form enclosed and either:

- (a) deliver the proxy form by hand to the Company's registered office at 103 Abernethy Road, Belmont, Western Australia;
- (b) mail the proxy form to the Company's registered office at PO Box 566, Belmont, Western Australia, 6984; or
- (c) send the proxy form by facsimile to the Company on facsimile number +61 8 9277 6818,

so that it is received not later than 10:00 am (WST) on 2 March 2011.

Proxy forms received later than this time will be invalid.

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of Shareholders of Latin Gold Limited will be held at 103 Abernethy Road, Belmont, Western Australia at 10:00 am (WST) on 4 March 2011.

The Explanatory Statement to this Notice of General Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of General Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at the close of business on 2 March 2011.

Terms and abbreviations used in this Notice of General Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

RESOLUTION 1 – SALE OF THE PARON GOLD PROJECT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 11.2 and for all other purposes, approval is given for the sale by the Company of 100% of the Paron Gold Project to Coronet Metals Inc on the terms and conditions set out in the Explanatory Statement."

Short Explanation: The Company is seeking Shareholder approval to sell the Paron Gold Project to Coronet Metals Inc of Canada. ASX Listing Rule 11.2 requires that the Company must obtain Shareholder approval in order to enable the sale to proceed.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may obtain a benefit, except a benefit solely in the capacity of a security holder, if the resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

BY ORDER OF THE BOARD

**MICHAEL HIGGINSON
COMPANY SECRETARY
LATIN GOLD LIMITED**

Dated this 25th day of January 2011

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the General Meeting to be held at 10:00 am (WST) on 4 March 2011 at 103 Abernethy Road, Belmont, Western Australia 6104.

RESOLUTION 1 – SALE OF THE PARON GOLD PROJECT

Latin Gold Limited (**Latin** or the **Company**) is an Australian public company listed on the official list of the ASX (ASX code: LAT).

On 20 December 2010, the Company announced to the ASX that it had reached agreement with Coronet Metals Inc (**Coronet**), a British Columbia, Canadian registered company, for the sale of 100% of its interest in the Paron Gold Project located in Peru (**Paron**).

Latin is the owner of 100% of the issued share capital of Westmag Resources Limited (**Westmag**). Westmag is the owner of 100% of the issued share capital of Golden Eagle Resources Peru SAC (**Golden Eagle**). Golden Eagle is the holder of 100% of Paron. Other than Paron, both Westmag and Golden Eagle hold no other assets and accordingly it has been agreed that Latin sell to Coronet 100% of the issued share capital either Westmag or Golden Eagle.



Background to the sale

Since its listing on the ASX in 2001, Latin has actively pursued growth opportunities in the resource sector. During that period, the Company has acquired and disposed of a range of projects within Western Australia, Chile and Peru and continues to seek company making opportunities.

An option to acquire 100% of Paron was acquired by the Company in 2006 and in December 2007 that option was exercised.

All exploration and development work undertaken, since the acquisition of Paron, was completed under the direction, guidance and recommendation of the Company's Peruvian based executive Director, Mr Simon Titchener. This work culminated in the advancement of Paron to the pre-development stage in 2008.

As a result of the global financial crisis, development funds were difficult to obtain for projects such as Paron during 2008 and 2009. As capital markets recovered and funding became more readily available, in late 2009 Latin committed to advance Paron as soon as possible.

In April 2010, an update to the pre-feasibility study was completed and preliminary discussions were held with a range of banking groups to ascertain the level of interest in financing the development of Paron. These discussions were encouraging and by mid 2010 preparations for the commencement of a final feasibility study were well advanced.

Unfortunately, on 4 June 2010 Mr Titchener unexpectedly passed away. Mr Titchener's passing, effectively resulted in the loss of the Company's senior Peruvian management team and corresponding experience and expertise. Over the ensuing months, the Company sought alternative options to manage Paron, but it soon became clear that such a strategy could be costly, time consuming and with no guarantee of being able to recruit the required skill base.

As a result, the Board of Latin considered the possibility of selling Paron. It was considered that, given the prevailing record gold prices, that such a sale presented an excellent opportunity to gain a significant return on the Company's investment and also allow the Company to refocus on exploration as a value add proposition.

As a consequence, negotiations commenced with Coronet and an agreement was reached. A key factor of the negotiations was Coronet's commitment to advance Paron to production, as well as their strong Peruvian mining contacts. It was because of this commitment and their local contacts that Latin elected to receive part of the sale consideration in Coronet shares, which also allows Shareholders to share in the development prospects of Paron.

Coronet Metals Inc

Coronet is a public company, is listed on the TSX Venture Exchange Inc in Toronto, Canada (code/symbol CRF.H) and its sole activity is that of investigating business opportunities and mineral properties for potential acquisition and subsequent exploration and development. Accordingly, Coronet has been deemed as an inactive issuer by the TSX.

Paron is to be Coronet's qualifying asset with respect to listing on the TSX.

Coronet currently has 43,338,332 shares on issue (fully diluted), cash of CAD \$1.8 million and no liabilities.

All material filings on Coronet are available through SEDAR at their website sedar.com.

Paron Gold project

For details of Paron, Shareholders are referred to the Company's 2010 Annual Report.

Sale agreement terms

The sale consideration is a total of US\$14.0 million with an overriding 1.0% gross royalty on all production in excess of 200,000 ounces.

Of the total sale consideration, US\$7.5 million is payable on settlement with US\$6.5 million being in cash and US\$1.0 million in Coronet shares. The balance is milestone linked with US\$1.5 million payable within 5 days of commencement of construction and a bonus of US\$1.0 million payable at the same time if the JORC resource exceeds 275,000 ounces of gold. US\$2.0 million is then payable within 5 days of the 12 month anniversary of the initial

gold pour and US\$2.0 million is payable within 5 days of the 24 month anniversary of the initial gold pour.

In addition to the sale consideration, Coronet shares to the value of US\$2.5 million will be issued to Latin within 5 days of a JORC inferred resource of equal to or greater than 250,000 ounces of gold being defined within the Paron Deeps exploration target (the Paron Deeps target is an undrilled potential hanging wall extension to the existing Paron resource).

The US\$1,000,000 share component of the sale consideration and the US\$2,500,000 Paron Deeps consideration will be determined as the lower of the share price of Coronet on the payment date or the volume weighted average of the Coronet share price for the period 20 days prior to the payment date.

Pursuant to Listing Rule 11.2, the sale is subject to and conditional upon approval by Latin shareholders.

The sale is also conditional on Coronet receiving the approval of the Toronto Stock Exchange. As at the date of this Notice, this approval has not been received.

Shareholder approval for the transaction, in accordance with ASX Listing Rule 10.1, is not required as Coronet is not a related party, a subsidiary, a substantial holder or an associate of a related party, subsidiary or substantial holder of the Company.

Taxation

The Company has received independent taxation advice which concludes that no capital gains tax will be payable by the Company as a result of the sale of either Westmag or Golden Eagle.

Continuation of normal company business

Moving forward and in anticipation of the sale of Paron being approved, Latin is continuing its normal operations – that is the sourcing of new resource opportunities. As has been done over the past 10 years, the projects sought will range from drill ready exploration projects through to advanced resource plays across a range of commodities.

Paramount to this strategy is that all projects assessed will be on the basis that they have significant upside potential, so that their success will make a meaningful difference to the value of the Company.

The Board has no intention of changing the nature of its activities.

Pro-forma unaudited statement of financial position

An unaudited pro-forma consolidated statement of financial position of the Company as at 31 December 2010, following settlement of the transaction is set out at Appendix A to this Notice of Meeting.

A US\$ exchange rate of \$0.99 was used in the preparation of the consolidated statement of financial position.

Risk factors

If Resolution 1 is approved and the transaction settles, then the Company will be exposed to a number of general and specific risks which may affect the Company's prospects, financial position and the price of its securities.

Based on the information available, a non-exhaustive list of risk factors are as follows:

Risks relating to the sale of Paron

Paron is a pre-development project. The sale of Paron will result in the Company re-focussing its activities on mineral exploration, which is a higher risk strategy with no assurance that economically recoverable mineral resources will be identified or exploitable.

The sale consideration includes the issue by Coronet of US\$1,000,000 of Coronet shares and in the event that an inferred resource of 250,000 ounces of gold is defined at Paron Deeps then a further US\$2,500,000 of Coronet shares will be issued to Latin.

There are general risks associated with holding shares. The price of Coronet's securities on the TSX Venture Exchange may rise and fall depending on a range of factors. These factors include, inter alia, the financial performance of Coronet, the mining and exploration results achieved, the loss of key personnel and Coronet's ability to raise debt and/or equity capital. Factors which are beyond the control of Coronet and which are unrelated to the Coronet's financial performance that may affect the price of Coronet's securities may include movements on international stock markets, interest rates and exchange rates, together with domestic and international economic conditions, inflation rates, investor perceptions, changes in government policy, commodity supply and demand, government taxation and royalties, war, global hostilities and acts of terrorism.

Risks relating to the Company's possible future operations

Risks associated with operating in foreign jurisdictions

Should a new resource project be acquired in a foreign jurisdiction, then that project will be subject to the risks associated with operating in that country. Such risks can include economic, social or political instability or change, or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations.

Changes to that country's mining or investment policies and legislation or a shift in political attitude may adversely affect the Company's operations and profitability.

In addition, the Company may be exposed to a legal system that is less developed than more established countries and this could result in the following risks:

- (a) political difficulties in obtaining effective legal redress in the courts whether in respect of a breach of law or regulation or in an ownership dispute;
- (b) a higher degree of discretion held by various government officials or agencies;
- (c) the lack of political or administrative guidance on implementing applicable rules and regulations, particularly in relation to taxation and property rights;
- (d) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or
- (e) relative inexperience of the judiciary and court in matters affecting the Company.

Possible sovereign risks could include, without limitation, changes in the terms of mining legislation, changes to royalty arrangements, changes to taxation rates and concessions and changes in the ability to enforce legal rights. Any of these factors may, in the future, adversely affect the financial performance of the Company and the market price of its securities.

No assurance can be given regarding future stability in any country in which the Company may have an interest.

Operating risks

There can be no assurance that the Company's intended goals of sourcing new resource projects will lead to a successful mining and production operation. Further, no assurance can be given that the Company will be able to initiate or sustain minerals production, or that its operations will achieve commercial viability.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of future resource interests.

Exploration

Mineral exploration is inherently associated with risk. Notwithstanding the experience, knowledge and careful evaluation a company brings to an exploration project there is no assurance that recoverable mineral resources will be identified. Even if identified, other factors such as technical difficulties, geological conditions, adverse changes in government policy or legislation or lack of access to sufficient funding may mean that the resource is not economically recoverable or may otherwise preclude the Company from successfully exploiting the resource.

Title risk

The mining claims in which the Company may acquire an interest in the future are subject to the applicable local laws and regulations. There is no guarantee that any claim, applications or conversions in which the Company may have a potential interest will be granted.

Contractual risk

The Company has entered into the Sale Agreement with Coronet. The ability of the Company to settle the transaction will depend on the performance by Coronet to meet their obligations. If Coronet defaults in the performance of its obligations, it may be necessary for the Company to approach a court to seek a legal remedy. Legal action can be costly.

Recent metal prices

Recent increases in commodity prices have encouraged increases in exploration, development and construction activities, which have resulted in increased demand for, and cost of, exploration, development and construction services and equipment (including mining fleet equipment). Increased demand for services and equipment could cause project costs to increase materially, resulting in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability, and could increase potential scheduling difficulties and costs due to the need to coordinate the availability of services or equipment, any of which could materially increase project exploration, development or construction costs or result in project delays or both. Any such material increase in costs would adversely affect the Company's results of operations and financial conditions.

Health, safety and the environment

The conduct of business in the resources sector involves a variety of risks to the health and safety of personnel and to the environment. It is conceivable that an incident may occur which might negatively impact on the Company's business.

Compliance risk

Title to a mining claim may be subject to the holder complying with the terms and conditions of the claim, including any minimum annual expenditure commitments. There is a risk that if the holder does not comply with the terms and conditions of each claim, it may lose its interest in the relevant interest.

Environmental risks

Possible future activities of the Company will be subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's possible future activities would be expected to have an impact on the environment, particularly during advanced exploration and mining activities. It is the Company's intention to conduct all of its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Changes in government policy and laws

Changes in government policy (such as in relation to taxation) or statutory changes may affect the Company's future business and its operations.

International operations

International sales and operations are subject to a number of risks, including:

- (a) potential difficulties in enforcing agreements (including joint venture agreements) and collecting receivables through foreign local systems;
- (b) potential difficulties in protecting intellectual property;
- (c) increases in costs for transportation and shipping; and
- (d) restrictive governmental actions, such as imposition of trade quotas, tariffs and other taxes.

Any of these factors could materially and adversely affect the Company's business, results of operations and financial condition.

Foreign exchange

In the future, a proportion of the Company's revenues, cash inflows, other expenses, capital expenditure and commitments may be denominated in foreign currencies.

To comply with Australian reporting requirements the income, expenditure and cash flows of the Company will need to be accounted for in Australian dollars. This will result in the income, expenditure and cash flows of the Company being exposed to the fluctuations and volatility of the rate of exchange between other currencies and the Australian dollar, as determined in international markets.

General risks

Subsidiary risk

The Company's future activities may be conducted through subsidiary companies. The Company's rights to participate in a distribution from the assets of those subsidiaries in the event of liquidation, re-organisation or insolvency is generally subject to prior claims of that entity's creditors, including trade creditors.

General economic climate

The Company's future can be affected by factors beyond its control such as supply and demand for goods and services, and general economic conditions.

Reliance on key management

The responsibility of overseeing the day-to-day operations and the strategic management of the Company and its controlled entities depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these senior management, key personnel or employees cease their involvement or employment with the Company or its controlled entities.

Additional requirements for capital

The continued operations of the Company are dependent on its ability to obtain financing through debt and equity financing, or generating sufficient cash flows from future operations. There is a risk that the Company may not be able to access capital from debt or equity markets for future projects or developments, which could have a material adverse impact on the Company's business and financial condition.

Dividends

The Company's future dividend levels will be determined by the Board of the Company having regard to financial results and the financial position of the Company. There is no guarantee that any dividend will be paid in future.

Insurance risks

The Company maintains insurance for certain activities within ranges of coverage that it believes to be consistent with industry practice and having regard to the nature of activities being conducted. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Market risk and interest rate volatility

From time to time, the Company may borrow money and accordingly will be subject to interest rates which may be fixed or floating. A change in interest rates would be expected to result in a change in the interest cost to the Company and, hence, may affect its profit.

Competition

There is a risk that the Company will not be able to compete in the competitive industry in which it operates. The potential exists for the nature and extent of the competition to change rapidly, which may cause loss to the Company.

Share market

There are general risks associated with any investment and the share market. The price of the Company's securities on the ASX may rise and fall depending on a range of factors beyond the Company's control and which are unrelated to the Company's financial performance. These factors may include movements on international stock markets, interest rates and exchange rates, together with domestic and international economic conditions, inflation rates, investor perceptions, changes in government policy, commodity supply and demand, government taxation and royalties, war, global hostilities and acts of terrorism.

Liquidity risk

There is no guarantee that there will be an ongoing liquid market for the Company's securities. Accordingly, there is a risk that, should the market for the Company's securities become illiquid, shareholders will be unable to realise their investment in the Company.

Potential acquisitions

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies or prospects although no such acquisitions or investments are currently planned. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.

Recommendation

The Board considers that Coronet has the required expertise within Peru to ensure that the full potential of Paron can be realised. Accordingly, the Board recommends that shareholders vote in favour of Resolution 1 by either returning your completed proxy form or by attending in person the General Meeting.

ENQUIRIES

Shareholders should contact the Company Secretary on +61 8 9277 9489 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the board of Directors of the Company.

Company or **Latin** means Latin Gold Limited (ACN 059 457 279).

Coronet means Coronet Metal Inc, a British Columbia company.

Corporations Act means the Corporations Act 2001 (Cth).

Directors mean the directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

Golden Eagle means Golden Eagle Resources Peru SAC, a wholly owned subsidiary of Westmag.

Meeting or **General Meeting** means the general meeting convened by the Notice.

Notice means the notice of general meeting accompanying this Explanatory Statement.

Official List means the Official List of ASX.

Paron or **Paron Gold Project** means the mining project identified as the Paron Gold Project located in Peru and comprising the mining concessions known as Malu 1, Malu 2 and Monica T mining concessions.

Paron Deeps means the undrilled exploration target situated on hanging wall which lies below the outcropping Paron gold resources.

Shareholder means a shareholder in the Company.

Westmag means Westmag Resources Limited, a wholly owned subsidiary of the Company.

WST means western standard time, Perth, Western Australia.

**APPENDIX A – PRO-FORMA UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010**

	\$000's
Current assets	
Cash and cash equivalents	7,391,896
Trade and other receivables	12,567
Total current assets	7,404,463
Non current assets	
Available for sale investments	1,010,101*
Exploration and evaluation expenditure	-
Total non current assets	1,010,101
Total assets	8,414,564
Current liabilities	
Trade and other payables	20,948
Total current liabilities	20,948
Total liabilities	20,948
Net assets	8,393,616
Equity	
Contributed equity	13,269,603
Reserves	363,917
Accumulated losses	(5,239,904)
Total equity	8,393,616

* Coronet shares to the value of US\$1,000,000

The unaudited consolidated statement of financial position, as at 31 December 2010, has been prepared on the following basis:

1. US/Australia dollar exchange rate of \$0.99;
2. cash sale consideration of US\$6,500,000 received;
3. Coronet shares sale consideration, to the value of US\$1,000,000, received;
4. no other component of the sale consideration of US\$14,000,000 has been included; and
5. no tax is payable by the Company following completion of the sale.

PROXY FORM

LATIN GOLD LIMITED
ACN 059 457 279

I/We

being a member of LATIN GOLD LIMITED entitled to attend and vote at the Meeting, hereby

appoint

Name of proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the General Meeting to be held at 10:00 am (WST) on 4 March 2011 at 103 Abernethy Road, Belmont, Western Australia and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of all of the resolutions.

Voting directions –General Meeting

FOR AGAINST ABSTAIN

Resolution 1 Sale of the Paron Gold Project

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

Signed this

day of

2011

By:

Individuals and joint holders

Companies (affix common seal if appropriate)

Signature

Director

Signature

Director/Company Secretary

Signature

Sole Director and Sole Company Secretary

LATIN GOLD LIMITED
ACN 059 457 279

Instructions for Completing Proxy Form

1. A member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate Shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a proxy form will not prevent individual shareholders from attending the meeting in person if they wish. Where a Shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting
5. Where a proxy form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. To vote by proxy, please complete and sign the proxy form enclosed:
 - deliver the proxy form by hand to the Company's registered office at 103 Abernethy Road, Belmont, Western Australia;
 - mail the proxy form to the Company's registered office at PO Box 566, Belmont, Western Australia, 6984; or
 - send the proxy form by facsimile to the Company on facsimile number +61 8 9277 6818,

so that it is received not later than 10:00 am (WST) on 2 March 2011.

Proxy forms received later than this time will be invalid.