

**ASX RELEASE**

25 August 2011

Company Announcements Office  
ASX Limited

By electronic lodgement

**SETTLEMENT OF SALE OF PARON GOLD PROJECT**

The Directors of Latin Gold Limited (**Latin Gold**) refer to the Share Purchase Agreement (**Agreement**) entered into with Coronet Metals Inc (**Coronet**) relating to the Paron Gold Project.

Pursuant to the Agreement, US \$3.75 million of the purchase consideration was placed in escrow (**Escrow Amount**) pending receipt by Coronet of a tax certificate issued by the Peruvian government.

The Directors of Latin Gold advise that the tax certificate has now been received by Coronet and, accordingly, they have required the Escrow Amount to be released to Latin Gold.

In response, Coronet has asked to renegotiate the Agreement due to some post closing 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 Paron Gold Project towards production.

On a without prejudice basis (without derogating from its rights with respect to the Escrow Amount, or generally) Latin Gold is currently negotiating with Coronet to resolve these issues.

Both Latin Gold and Coronet are dedicated to resolving this issue quickly, to the mutual benefit of both companies and in furtherance of the success of the Paron Gold Project.

Michael Higginson  
Company Secretary