ABN 43 059 457 279

26 October 2012

Narracoota Project – Exploration Update

Narracoota Joint Venture

Latin Gold Ltd is the operator of the Narracoota joint venture.

Under the terms of the joint venture Latin Gold can earn a 90% equity interest in the project through the expenditure of $500,000. When that expenditure has been achieved, the tenement holder's (Nevada Iron Ltd) interest will revert to a 10% free carried interest through to completion of a feasibility study or the cumulative expenditure of $2 million.

Exploration Update

The Narracoota Project is a gold (Au), copper and nickel target.

A drilling programme in 2010 by the Project owner, Nevada Iron Ltd, intersected highly anomalous Au values in an alluvial covered area covering a magnetic feature bounded by a number of prominent magnetic breaks and lineaments.

In a single hole drilled into a magnetic high within this structural feature, anomalous Au values were intersected over a vertical depth of 20 metres and 10 metres respectively.

Hole	Interval	Description	Au	Cu	Ni	Zn
NRC005	10-20m	Mafic dyke?, highly magnetic	0.33	105	74	107
NRC005	20-30m	Mafic dyke?, variably magnetic	0.12	127	96	111
NRC005	40-50m	Mafic dyke? variably magnetic.	0.35	147	108	80

Au results in g/t, Au assayed by FA30

A follow-up air core drilling programme to provide a first pass test of this anomaly was carried out by Latin Gold during the September quarter of 2011.

This drilling programme was designed to test the Au anomaly to a depth of around 50 metres, or drill refusal. The drilling across the Au anomaly confirmed the previous anomalous results, but in places returned a significantly higher Au tenor.

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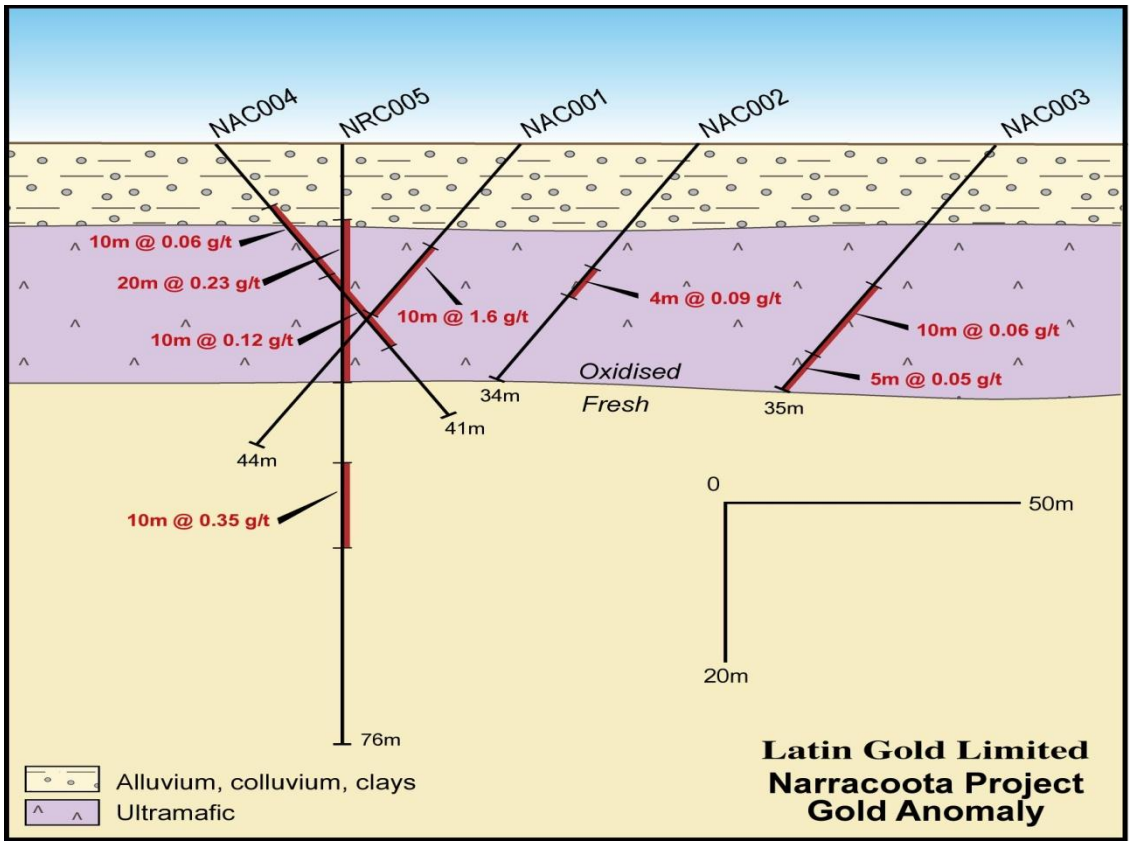
The best intersection was 6 metres grading 2.35g/t. Results are set out in the following table.

Hole	Co-ordinates	Azimuth/Inclination	Interval	Au assay (g/t)
NAC 001	661605mE 7134004mN	60/180	15-17m	0.41
			17-23m	2.35
			23-25m	0.52
NAC 002	661604mE 7134019mN	60/180	18-22m	0.09
NAC 003	661605mE 7134044mN	60/180	20-30m	0.06
			30-35m	0.05
NAC 004	661616mE 7133979mN	60/360	12-20m	0.06
			20-30m	0.12

Au results in g/t, Au assayed by FA30

These drill results were very encouraging, particularly in context that the anomaly is completely soil covered and open along strike in both directions.



Plan showing RC hole NRC 005 and air core holes NAC 001-004

As part of this air core programme, holes were also drilled to refusal in the western and south eastern parts of the project area to test interpreted ultramafics within a complex structural zone.

These holes were targeted on the basis of an interpretation of a magnetic survey flown over the area in 2010.

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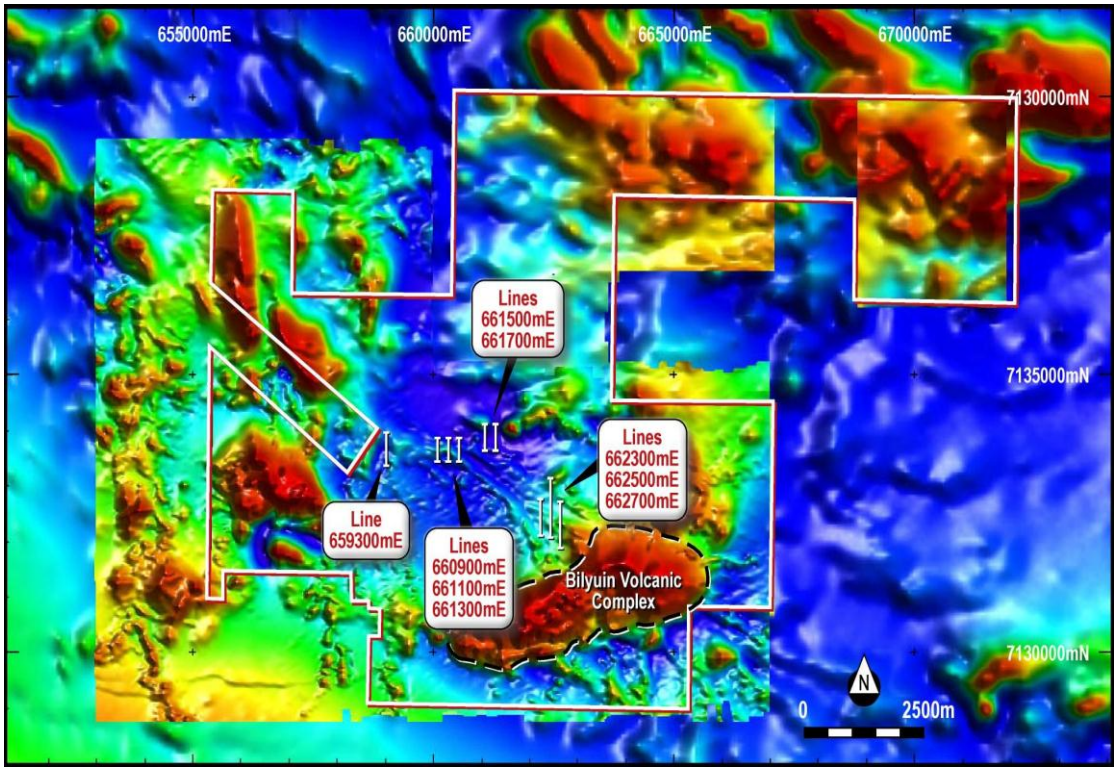
This more regional drilling also provided important information over the transported and weathering profile present throughout these parts of the Project area.



Narracoota Magnetics and drill lines from 2011/12 programmes

The large majority of these regional holes bottomed in ultramafic rocks, with a number of intersections returning highly anomalous nickel values.

These values ranged as high as 3113 ppm Ni (0.31%) and were all in the saprolite zone or weathered basement rocks, where there were no obvious signs of any secondary enrichment.

Hole	Interval	Description	Nickel assay (ppm)
NAC 006	23-33m	Saprolite clay, minor ultramafic chips	1003
	33-43m	Ditto	1026
NAC 010	40-47m	Ditto	3009
NAC 011	37-54.5m	Ditto	1313
NAC 024	40-50m	Ditto	1091
	50-60m	Ditto	1965
	60-63m	Ditto	1346
NAC 025	20-30m	Ditto	1369
	30-35m	Ditto	3113

From the bulk assay data obtained, the background nickel values for the ultramafics in this part of the Project area were determined to be in the range 250-300ppm.

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Drilling Programmes – 2012

In early July 2012, a new air core drilling programme was carried out to further test the Au and nickel anomalies at Narracoota.

A total of 24 air core holes (NAC 026 – NAC 049 inclusive) for 1,152 metres were completed in this programme. Holes were both angle (60 degrees) and vertical and the large majority were completed with blade only.

In each hole it was targeted that at least 5 metres of moderately fresh to fresh Proterozoic basement would be intersected before termination.

As there was nil outcrop, all targets were blind and all holes spudded within recent alluvium.

The drilling intersected dolerites and possible ultramafics over the Au target, which lies in the north central part of the tenement area. The drilling was closely spaced in order to determine a trend (if any) to the mineralisation.

The drilling mostly bottomed in fresh rock, but all of the broader zones of mineralisation were located within the pallid and saprolite zones.

Best results are shown in the following table.

Hole	Co-ordinates	Azimuth/Inclination	Interval	Au assay (g/t)
NAC 026	661549mE 7134010mN	60/180	20-24m	0.20
NAC 027	661549mE 7134025mN	60/180	21-35m	0.70
NAC 029	661573mE 7134000mN	60/180	17-23m	0.23
NAC 030	661574mE 7134010mN	60/180	19-25m	0.40
			31-44m	0.36
NAC 031	661574mE 7134020mN	60/180	30-38m	1.01
NAC 032	661574mE 7134030N	60/360	24-29m	0.72
NAC 033	661624mE 7133995mN	60/130	28-32m	0.60
NAC 034	661623mE 7134009mN	60/180	18-23m	0.15

Au results in g/t, Au assayed by FA30.

Drilling over the nickel targets in the central part of the Project area again intersected ultramafic lithologies but they largely appeared to be volcanic fragmentals rather than flows or intrusive.

Tertiary channels of significant thickness were also intersected in the central target areas.

To follow up the wide zones of mineralisation recorded in the air core programmes and the single RC hole (NRC 005), a 5 hole RC programme was carried out over the Au target in August 2012.

This programme was designed to test the mineralisation at depth to determine if better grades were present and also to determine what controls, if any, were on the anomalous zone.

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Three of the RC holes intersected wide zones (+20 metres) of well developed breccia within a dolerite.

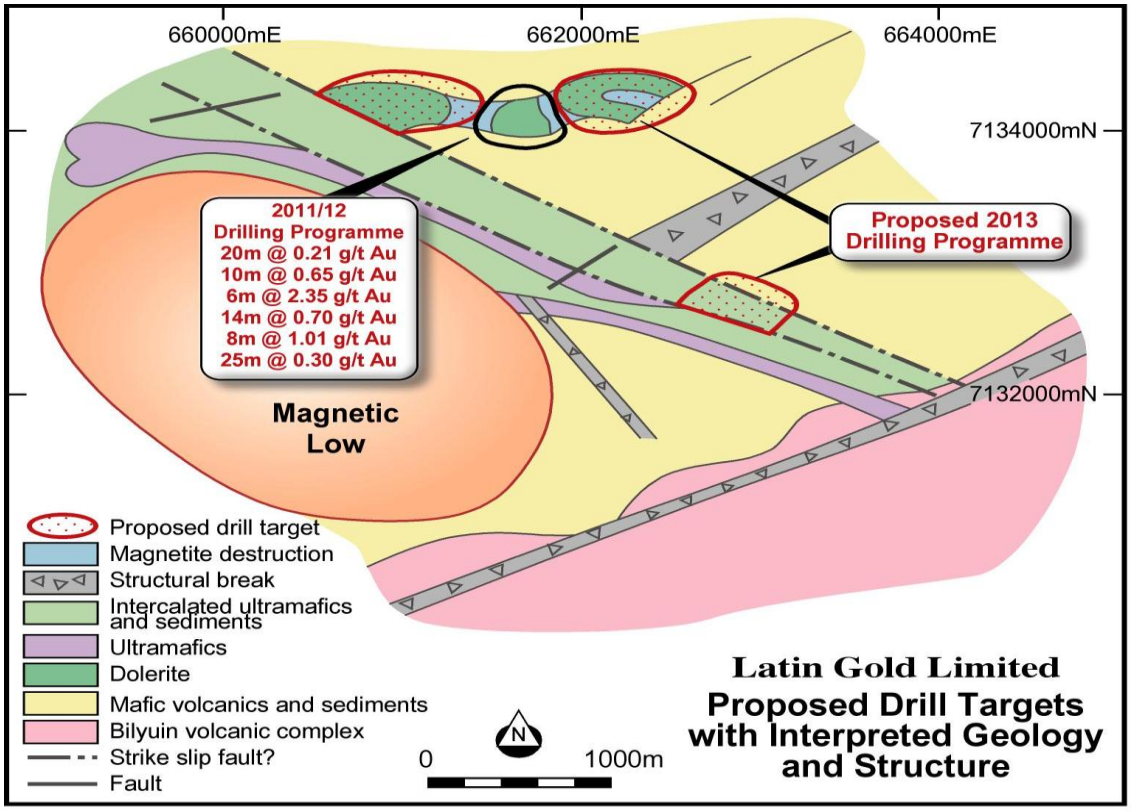
These breccias zones contained fine disseminated pyrite, occasional coarse grained pyrite, epidote within a matrix of silica. In rare occurrences crystalline silica was also present.

These intersections were very encouraging and demonstrated that within the anomalous area there had been significant ground preparation for mineralisation as well as the introduction of sulphides.

Unfortunately, and despite the highly anomalous Au values recorded in the air core drilling the breccia zones intersections in the RC drilling returned very minor, or below detection, Au assays.

Repeat assays on bulked sample intervals confirmed these results.

This was a significant disappointment. There is no obvious explanation for the lack of Au mineralisation within the breccias as the reasonably widespread mineralisation recorded within the weathered profile does not appear to be the result of, or associated with, any supergene enrichment.



Proposed drill tragets for 2013 Exploration Programme

In conjunction with these two drilling programmes, a more detailed magnetic interpretation of the dolerite unit and its possible extent was carried out.

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As a result of this study it was determined that the host dolerite has 2-3 kilometres of apparent strike extent with variable magnetic response along its length.

Although the deeper RC drilling failed to confirm the results from the shallower drilling it has still nevertheless been demonstrated that the dolerite unit is anomalous in Au and has also undergone significant brecciation with the introduction of silica, sulphides and alteration minerals.

The dolerite unit is covered by 10-12 metres of Recent alluvials. As a result, drilling is the only effective exploration tool over this area.

As a consequence, a regional air core programme will be conducted in early 2013 to comprehensively test the dolerite for further mineralised zones.

In addition, it is proposed that a number of lines of drilling be undertaken to test the nickel anomalies closer to the potential source – the Bilyuin volcanic centre.

Howard Dawson
Chairman

Competent Person Statement

Information in this report to which this statement is attached that relates to Exploration Results is based on information compiled by Howard Dawson who is a Member of the Australian Institute of Geoscientists. Mr Dawson is an officer of Latin Gold Limited, is self-employed and has sufficient experience which is relevant to the style of 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, Mineral Resources and Ore Reserves". Mr Dawson consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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