

7 December 2012

Mr W Baggott
Senior Advisor, Listings (Perth)
ASX Compliance Pty Ltd
Level 8 Exchange Plaza
2 The Esplanade
Perth WA 6000

Dear Wade

Diversity

In reply to your letter dated 5 December 2012, the company advises as follows:

Approach to Diversity

The company has established a diversity policy which sets out the beliefs, goals and strategies of the company. The company recognizes the value of a diverse work force and believes that diversity supports all employees reaching their full potential, improves business decisions, business results, increases stakeholder satisfaction and promotes realization of the company's vision.

The policy sets out the positive steps taken to ensure that current and prospective employees are not discriminated against, either directly or indirectly on such characteristics as gender, age, disability, marital status, sexual orientation, religion, ethnicity or any other area of potential difference. A copy of the company's diversity policy is set out in Annexure A.

Gender Diversity

The company is committed to gender diversity at all levels of the organization. The Board is responsible for establishing and monitoring on an annual basis the achievement against gender diversity objectives and strategies, including the representation of woman at all levels of the organization. The proportion of women within the whole organisation as at the date of this letter is as follows:

	<i>Male</i>	<i>Female</i>	<i>Total</i>	<i>% Female</i>
Directors	4	-	4	0%
Senior Executives	-	-	-	-
Other	-	-	-	-
Total	4	-	4	0%

The Board acknowledges the absence of female participation. The Board has determined that the composition of the current Board and senior management represents the best mix of directors and executives that have an appropriate range of qualifications and expertise, can understand and competently deal with current and emerging business issues and can effectively review and challenge the performance of management.

The Board seeks to appoint directors with a suitable skill set for the operations and geographic regions in which the company operates. Appointments are considered without discriminating against any potential director on the basis of gender, age ethnicity, culture or on any other basis.

The Board has determined that no specific measurable objectives will be established until the number of employees and level of activities of the company increases to a level sufficient to enable meaningful and achievable objectives to be developed.

Yours sincerely

Michael Higginson
Company Secretary

ANNEXURE A

DIVERSITY POLICY

1. Adoption of Diversity Policy

The company is committed to an inclusive workplace that embraces and promotes diversity.

The concept of diversity includes but is not limited to gender, age, ethnicity, cultural backgrounds and disabilities.

The company views the adoption of its diversity policy as a way of improving and facilitating:

- (a) the attracting of strong candidates for employment and providing a conducive environment within which to develop their skills and for employees to reach their full potential;
- (b) the consideration of relevant wider issues in the making of its business decisions and adding robustness to its decision making processes and associated outcomes;
- (c) overall greater internal stakeholder participation, innovation, satisfaction and, ideally, realisation of the company's vision and commercial objectives.

The company believes that differences between the people comprising its Board, senior management and operational staff add to the collective skills and experience of the organisation and enables it to leverage off such skills and experience. It views the embracing of diversity as one of the fundamental ways to develop and maintain its business strengths.

2. Company Objectives

In adopting its diversity policy, the company will seek to:

- (a) ensure that diversity is incorporated into its corporate policies, practises and behaviour to create an inclusive workplace culture;
- (b) establish and maintain equal employment opportunities by reference to relevant job criteria requirements;
- (c) adopt recruitment and selection processes which promote and develop diversity at all levels including the Board, senior management and operational staff, whilst ensuring that job criteria and operational requirements are met;
- (d) recognise that differing characteristics including professional and technical qualifications, relevant industry and related experience, age, gender, sexual orientation, cultural and ethnic background, religious, political and environmental beliefs, disabilities, and life choices all have the potential to positively contribute to the company's management and decision making processes;

- (e) avail itself of professional search and recruitment firms with a view to enhancing its selection pool for potential candidates at all levels including the Board, senior management and operational staff;
- (f) ensure that remuneration paid by the company is appropriate with reference to market and industry indices and by reference to relative ability and performance and is not inequitable to any proportion of personnel on the basis of, amongst other things, gender, age, cultural background, ethnicity or disability;
- (g) attract, develop and retain a skilled and diverse workforce as an employer of choice;
- (h) develop flexible work practices to meet differing employee needs;
- (i) establish a safe work environment by acting with care and respect and taking appropriate disciplinary action against inappropriate workplace conduct such as discrimination, harassment, bullying, victimisation, vilification or exploitation of individuals or groups;
- (j) develop and implement a corporate succession plan that encourages, promotes and develops diversity within the company and which promotes the development (through appropriate education, training and mentoring programs) of personnel with the relevant skills, experience and capability to develop the company's business strategies and objectives and manage its ongoing operations, future growth and development;
- (k) develop and implement measurable diversity objectives against which the company's performance with respect to its diversity policy may be assessed;
- (l) discharge its domestic and international obligations with respect to its operations in a manner consistent with its diversity policy;
- (m) contribute to the economic, social and cultural diversity of the communities in which the company operates both locally and internationally; and
- (n) monitor and report on the achievement of the company's objectives.

3. Review of diversity policy

Due to the size of the company, at present, the company's executive officers have the day to day development, administration and review of policies such as this diversity policy.

The executive officers are supported in the development of such policies by the company's Board. The executive officers include the company's Chairman, Chief Operating Officer, and Company Secretary.

The executive officers will from time to time:

- (a) develop measurable objectives to assess the Company's performance in achieving the objectives specified above;
- (b) develop and implement recruitment and employment and other policies and procedures consistent with, and with a view to promoting and giving effect to the objectives and this diversity policy;

(c) assess and report to the Board on the implementation and the company's compliance with its diversity policy.

Although the executive officers have the day to day administration of the diversity policy, the company's Board is ultimately responsible for its development, implementation and operation. It will be reviewed by the Board on an annual basis.

It is the responsibility of all directors, officers, employees, consultants and contractors to comply with the company's diversity policy and to bring to the attention of management any conduct which is inconsistent with or in breach of the company's diversity policy.

4. Reporting

The Company will disclose in its annual report the company's objectives for achieving diversity for that financial year and the progress in achieving them.



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5 December 2012

Michael Higginson
Company Secretary
Latin Gold Limited
103 Abernethy Road
BELMONT WA 6104

By Email

Dear Michael

Latin Gold Limited (the "Company")

We refer to the Company's annual report for the year ended 30 June 2012 ("Annual Report") released to the market on 29 September 2012 and in particular to the Company's disclosures about its corporate governance practices and in particular its diversity policy.

Listing rule 4.10.3 requires that an entity include in its annual report:

"A statement disclosing the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed all of the recommendations the entity must identify those recommendations that have not been followed and give reasons for not following them. If a recommendation had been followed for only part of the period, the entity must state the period during which it had been followed."

Principle 3 of the 2010 amendments to the 2nd edition of the ASX Corporate Governance Principles and Recommendations states that Companies should actively promote ethical and responsible decision-making and that:

"Companies should publish their policy concerning diversity, or a summary of that policy, and disclose annually their measurable objectives for achieving gender diversity, their progress toward achieving those objectives and the proportion of women in the whole organisation, in senior management postings and on the board."

More specifically the following recommendations set out in more detail the requirements:-

Recommendation 3.2

"Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them."

Recommendation 3.3

"Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them."

Recommendation 3.4

"Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board."

Recommendation 3.5

"Companies should provide the information indicated in the Guide to reporting on Principle 3."

The Listed Entities Updates dated 1 October 2010 and 7 February 2012, reminded listed entities of their obligation to report under the 2010 amendments to the 2nd edition of the ASX Corporate Governance Principles and Recommendations as set out above in their annual report for their first financial year commencing on or after 1 January 2011.

ASX Listings (ASXL) has reviewed the diversity policy disclosures in the annual reports of all entities. Upon our review of the Company's Annual Report, ASXL could not identify a statement in the annual report confirming whether the Company had followed or not followed the diversity recommendations of the Council.

ASXL attaches particular importance to encouraging a consistently high standard of listed entities' disclosures about the Council's corporate governance recommendations.

In light of the Company's non-disclosure in respect of the diversity recommendations in its Annual Report, ASXL requires that the Company make additional disclosure to the market in compliance with listing rule 4.10.3 about the extent to which the Company has followed or not followed each of the diversity recommendations of the Council.

The additional disclosure should be sent to me by e-mail at wade.baggott@asx.com.au or by facsimile on facsimile number (08) 9221 2020. It should not be sent to ASX Market Announcements. This is requested as soon as possible and, in any event, not later than **5:00pm WST on 10 December 2012**.

Under listing rule 18.7A, a copy of this letter and the additional disclosure will be released to the market, so your response should be presented in a suitable form.

Should the Company fail to do so, ASXL may consider suspending the Company's securities from quotation until the Company releases to the market a diversity policy that discloses the required information.

If you have any queries about this letter, or about the Council's recommendations and the Company's reporting obligations in relation to those recommendations, please contact me immediately.

Yours sincerely,

[sent electronically without signature]

Wade Baggott
Senior Adviser, Listings(Perth)