

30 April 2013

**Quarterly Activities Report
for the period ended 31 March 2013**

Highlights

- In April 2013 agreement was reached to acquire up to an 80% interest in the brownfields Buhemba gold project located in Tanzania.
- Buhemba is a historic mining operation that holds exploration potential for the discovery of significant open cut and underground gold resources.
- Subject to due diligence and approval by shareholders, Latin Gold will acquire the interest in Buhemba via the acquisition, for shares, of Manjaro Resources Pty Limited.
- During the March quarter the geological and data review of Narracoota project was completed.
- This review highlighted the potential of the project area for gold and/or VMS mineralisation.
- Six target areas have been identified and it is proposed that all will be tested during the 2013 field season.
- Latin Gold to raise \$1.2 million, via a placement of 80 million shares at \$0.015 each.
- Working capital of \$2.9 million as at 31 March 2013.

Proposed Buhemba Transaction

On 24 April 2013 Latin Gold Limited (ASX code: LAT) (the "Company" or "Latin Gold") entered into a Binding Heads of Agreement to acquire up to an 80% interest in the Buhemba gold project ("Buhemba") located in the Lake Victoria Gold Region of Tanzania.

Under the terms of the agreement Latin Gold will acquire 100% of the issued capital of Manjaro Resources Pty Limited ("Manjaro"), an Australian registered company whose major assets is the right to a 60% interest in Buhemba and the right to acquire an additional 20% interest in Buhemba prior to a decision to mine.

The proposed acquisition, which is subject to approval by Latin Gold shareholders in accordance with ASX Listing Rule 11.1.2, will result in the potential issue to Manjaro shareholders of up to 350 million shares in Latin

Gold and the payment to Manjaro of up to \$500,000 in option payments for a three month due diligence and exclusivity period.

Buhemba was explored by Tanganyika Gold NL (a former ASX listed company) in the mid 1990s and that company delineated six main mineralised zones where significant shallow gold discoveries were made.

A number of these discoveries were subsequently mined as a multiple open cut operation during 2003-2007 by a South African registered mining company.

The mine was closed down prematurely in 2007 with a reported 274,000 ozs of gold having being produced.

Based on the historic pre-mining JORC estimations available over the project area, Buhemba has a remaining near surface exploration target of between 6.5 million tonnes and 8.5 million tonnes grading between 1.9-2.2 g/t (between 400,000 – 600,000 ozs of gold insitu).

Further, there is potentially a significant tailings inventory contained within the project area. Historic evaluation drilling over the tailings at Buhemba indicates an exploration target of between 900,000 and 1,000,000 tonnes grading between 1.4-1.7 g/t (between 40,000 – 50,000 ozs of gold insitu).

In addition to these exploration targets, initial evaluation work by Manjaro has determined that considerable potential exists for the discovery of additional mineralisation down dip and proximal to the known mineralisation.

The Buhemba project area would also appear to have significant higher grade depth potential as it covers the historic Nyasenro mine, which anecdotal information indicates produced up to 350,000 ozs of gold at a grade of around 13.5g/t between 1930 and 1970.

The potential quantity and grade of the exploration targets referred to above are conceptual in nature, there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the determination of a mineral resource. The exploration targets have been determined through a review of the historic exploration work carried out over Buhemba and it is considered that this work, which contained the results of several drilling campaigns, was competent and of a modern standard.

It is the intention of Latin Gold, should the due diligence prove favorable and shareholders approve the proposed transaction, to undertake an active exploration program over Buhemba within the coming 12 month period.

This exploration will include confirmation drilling over historic resource blocks and tailings as well as drilling to test a number of step up exploration targets within the project area.

Buhemba Ownership

Manjaro holds its interest in Buhemba through an agreement with the Tanzanian State Mining Company ("Stamico"). Pursuant to this agreement a special purpose vehicle is to be incorporated which will be owned 60% by Manjaro and 40% by Stamico.

Manjaro paid Stamico US\$500,000 on execution of this agreement earlier this year.

The key payment terms of the agreement Manjaro has with Stamico covering Buhemba are:

1. US\$1.0 million on decision to mine,
2. US\$1.5 million on the confirmation of a JORC indicated resource of 500,000 ozs of gold; and
3. US\$3.0 million on the confirmation of an additional JORC indicated resource of 500,000 ozs of gold (for a total of 1.0 million ozs).

Manjaro has an option to acquire an additional 20% interest in Buhemba from Stamico at a market rate prior to a decision to mine.

Details of Proposed Transaction

The consideration to be paid by Latin to Manjaro shareholders will be:

1. 100 million fully paid ordinary shares in Latin Gold;
2. 100 million class A performance shares in Latin Gold to be vested on the confirmation a JORC resource of 250,000 ozs of gold;
3. 100 million class B performance shares in Latin Gold to be vested on the confirmation of a JORC resource of 500,000 ozs of gold; and
4. 50 million class C performance shares in Latin Gold to be vested on the confirmation of a JORC resource of 1,000,000 ozs of gold.

The performance shares will have an expiry date of five years from date of issue and (if vested) each performance share will convert into one fully paid ordinary share in Latin Gold.

Latin Gold has agreed to pay the following payments to Manjaro in return for a due diligence period of 3 months and exclusivity during that period:

1. \$100,000 – one month period;
2. \$200,000 – second one month period; and
3. \$200,000 – third one month period.

The acquisition is subject to:

- satisfactory due diligence by Latin Gold;
- satisfactory due diligence by Manjaro key shareholders on Latin Gold;

- approval by Latin Gold shareholders of the issue of the 100 million shares and the 250 million performance shares;
- all Manjaro shareholders and option holders accepting Latin Gold's offer to acquire their Manjaro shares and options (as applicable);
- Latin Gold entering into a director service agreement with each of Messrs Chris Lalor (Chairman) and Faris Cassim (Executive Director);
- ASX approving the terms of the 250 million performance shares;
- the change of name of the Company to Manjaro Resources Limited;
- Latin Gold raising \$1.2 million by way of a share placement of 80 million fully paid ordinary shares at an issue price of \$0.015 per share within 15 days of the 24th of April 2013 (Capital Raising). The Capital Raising is to be completed by issuing the shares in accordance with both ASX Listing Rule 7.1 and ASX Listing Rule 7.1A; and
- Latin Gold shareholders approving the replenishment of the Company's 15% share placement capacity at the next general meeting.

A notice of meeting is being prepared and should be available to shareholders by early May 2013 with a general meeting to consider the proposed transaction to be held in June 2013.

The Board of Latin Gold is excited by this proposed transaction. Buhemba provides the opportunity for Latin Gold to participate in a brownfields gold project with the potential for the discovery of a significant gold resource as well as the possibility of near term production.

Narracoota Project (Latin Gold earning 90%)

Latin Gold is the operator of the Narracoota joint venture. Under the terms of this joint venture Latin Gold can earn a 90% equity interest in the project through the expenditure of \$500,000. When that expenditure level has been reached 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.

A detailed review of the Narracoota project was completed during the March quarter. This review focused on a complete review of all historical exploration data as well a re-interpretation of the geological data to better understand the geology and structure within the project area.

A particular focus of the review was on the stratigraphic units and their position within the Narracoota Volcanics that underlay the large majority of the project area.

As a result of this review the exploration potential of the Narracoota project has been significantly enhanced.

The study identified a number of new gold and volcanic massive sulphide target areas, based on both geology and interpreted structure. In addition, a

number of previously defined but undrilled VTEM anomalies were re-analysed and shown to be valid and high priority massive sulphide drill targets.

It is proposed that these target areas be tested in a two or three phase drilling programme.

Part of these drilling programmes will be funded through an approved \$65,000 grant under the Royalties for Region Co-Funded Government-Industry Drilling Programme.

Narracoota Overview

The Narracoota project is located about 80 kilometres north of Meekatharra, Western Australia. The project covers part of the southern section of the Palaeoproterozoic 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, which is hosted by rock units of the Narracoota Volcanics.

The Narracoota project is interpreted to contain extensive widths of Narracoota Volcanics in at least three structural repetitions and contain a range of stratigraphic units including ultramafic intrusives, flows and fragmentals, black shales and hyaloclastite basalts ± jasperoidal cherts.

The review completed has identified six main target areas within the Narracoota project area, for follow up exploration. These target areas are summarised below and are shown on the attached magnetic plan.

Lower Narracoota Volcanics – De Grussa target area: The type location for De Grussa style mineralisation is at the base of the Narracoota Volcanics on the northern limb of a syncline. The southern part of the Narracoota project area contains basal Narracoota Volcanics in an analogous structural setting. The target horizon, which is approximately 8.5 kms long and up to 1 km wide also has four first order VTEM anomalies, as defined during the survey undertaken during 2010. An initial drill programme of aircore holes to gain information on the geology and geochemistry of this target zone will be carried out, followed by RC drilling to test the VTEM anomalies.

Dolerite, variably magnetised gold target. Discovered in 2010, this is a completely blind gold anomaly within a dolerite which in fresh rock is brecciated, pyritic and locally hydrothermally altered. The dolerite can be traced for around 3km using the magnetic data and only around 400 metres of strike has been tested to date. These drilling results have reported previously in the September 2012, June 2012 and March 2012 ASX releases.

A programme of aircore drilling along both strike directions will be carried out to test this dolerite for high tenor zones of gold mineralisation.

1st Order VTEM Target: The project review identified this VTEM anomaly as a high priority target. This VTEM anomaly was identified as part of the 2010 survey but was not drilled as it was interpreted to lie within quartzites of the Narracoota Volcanics. The project review has, however, determined that the adjacent outcropping quartzite may be a thin sequence which disconformably overlies the prospective Narracoota Volcanics. The drill holes planned to test this anomaly should therefore enter the targeted Narracoota Volcanics at a reasonably shallow depth and test the VTEM conductor at a depth of around 100-120 metres.

Sulphidic Black Shale in Narracoota Volcanics: Intersected during drilling of a VTEM anomaly this target contains a black shale unit that is sulphidic and associated with volcanic rocks. This association presents a possible volcanogenic massive sulphide target and a programme of aircore holes to test this unit along both strike directions will be carried out as a first pass.

Silcrete Disconformity over or within Narracoota Volcanics; This target was generated as the result of an aircore hole drilled in 2012 that unexpectedly intersected a chert or silcrete at around 34 metres in depth. The drill rig was unable to penetrate the siliceous unit but it was noted at the time that it was well below the usual depth for silcrete in the area. It was also noted that it appeared to underlie weathered Narracoota Volcanics. At De Grussa a chert/silica/jasperoid unit is associated with hydrothermal alteration. As a consequence this silcrete is a priority target area and will be drill tested in phase 1 of the proposed drill programme.

Lower Narracoota Volcanics – De Grussa Target To the west of the Narracoota project area the magnetics indicate a significant structural change in the orientation of the Narracoota Volcanics. This area could represent a further fold in the basin where the Lower Narracoota Volcanics underlay Recent sediments. A programme of aircore drilling as a first pass to test the geology and geochemistry of this target area will be carried out during phase 1 of the proposed drill programme.

Cash Reserves

As at 31 March 2013 the Company had working capital of \$2.979 million.

Howard Dawson
Chairman

Information in this report to which this statement is attached that relates to Exploration Results is based on information complied by Howard Dawson, who is a Member of the Australian Institute of Geoscientists. Mr Dawson is an officer of the

Company 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 the report of the matters based on his information in the form and context in which it appears.

Figure 1: Narracoota Project Exploration Targets

