

8 April 2013

Narracoota Project Update

Highlights

- **Geological and data review of Narracoota Project highlights potential of the project area for gold and/or VMS mineralisation.**
- **Six target areas identified and it is proposed that all will be tested during the 2013 field season.**
- **An aircore drilling contractor provisionally secured for a late May commencement of the first phase of the extended drilling programme.**

Background

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 has now been completed. 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. The initial phase will be an aircore programme of up to 3,000

metres scheduled to commence (subject to final rig availability) in late May 2013.

It is proposed that this programme will be followed by an RC drilling campaign to follow up any drill anomalies generated in the initial program and test at depth a number of the pre-existing VTEM anomalies.

A third, follow up program of RC drilling is also planned pending the outcome of the earlier drill programmes.

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.

Summary

The exploration targets identified at Narracoota by the completed project review offer strong exploration potential for gold and base metals.

As a consequence, a significant exploration budget of around \$1.0 million has been proposed for the three phase programme. It is planned that all of the targets will be tested this current field season subject to drilling rig availability and results.

This budget will include all drilling, assay and geological costs as well the cost of possible additional geophysics to test potential conductors.

The Company looks forward to reporting positive results over the current calendar year.

Howard Dawson
Chairman

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

Figure 1: Narracoota Project Exploration Targets

