

30 April 2014

**Quarterly Activities Report
for the period ended 31 March 2014**

Highlights

- Proposed acquisition of 100% of the mig33 social entertainment platform announced on 23 January 2014.
- Project Goth Inc. (PGI) the holding company for mig33 acquires in early February 2014 *alivenotdead.com*, a major Asian artist and entertainment management group with a reach of over 1,800 artists.
- Latin Gold announces on 30 April 2014 that PGI has reached agreement with FIH Mobile Limited (FIH) for FIH to make an initial investment of US\$2.2 million through a mix of existing securities and subscribing to the rights in new shares in PGI. Subject to Latin Gold shareholder approval and the completion of the proposed merger with the mig33 group, an additional US\$7.4 million will be invested by FIH through the issue of 40 million new Latin Gold shares, at an issue price of A\$0.20 per share on a post 1 for 5 consolidation basis.
- mig33 is a social entertainment platform with over 3 million monthly active users and with services that includes miniblog, chat, chatrooms, virtual gifts and games and is available on Android, WAP and Web.
- The platform is monetising and is targeting internet users in emerging markets representing over 3.5 billion people and the next frontier of growth in the internet.
- Latin Gold relinquishes right to Narracoota joint venture.

mig33

On 23 January 2014 Latin Gold Limited (ASX: LAT) (the "Company" or "Latin Gold") announced that it had entered into a Heads of Agreement to acquire 100% of the mig33 social entertainment platform through the issue of approximately 720 million shares to the various shareholders of mig33 and its operating entities ("mig33 Group").

Re-launched as a Beta in August 2013, mig33 is a social entertainment platform featuring miniblog, chat, chatrooms, virtual gifts and games, is available on Android, WAP and Web, and has over 3 million monthly active

users. The platform is tailored for emerging markets across South East Asia, South Asia, Middle East and Africa which represent a population of over 3.5 billion people, and monetises not through advertising but primarily through the sale of virtual gifts and games. Part of this business model was developed to build on the success of the Chinese based Tencent Holdings (700: HK), which now has a market capitalisation of over US\$120 billion.

alivenotdead.com

The acquisition of alivenotdead.com by mig33 in early February 2014 will deliver a significant boost to mig33's entertainment platform, offering fans and artists a way to connect and enable alivenotdead.com's fast-growing stable of more than 1,800 artists to engage with, grow and monetise their audiences among mig33's members.

Alivenotdead.com is an Asia Pacific-centric online community platform that connects musicians, filmmakers, and other artists with their fan base. The existing mig33 footprint presents an opportunity to grow alivenotdead.com's franchise across larger Asia and brings additional advertising and sponsorship revenues to the Company.

Hong Kong-based alivenotdead.com was founded in 2007 with the goal of strengthening artist communities worldwide, allowing artists to connect with and grow their audience, share their creative works and meet and collaborate with other artists. The community was founded by Patrick Lee, a successful entrepreneur focused on internet and entertainment and co-founder in 2000 of the very popular motion picture review site, rottentomatoes.com.

FIH Mobile Limited

On 30 April 2014 Latin Gold announced that the mig33 group, via its holding company Project Goth Inc. (PGI) had secured a US\$2.2 million investment, from FIH Mobile Limited (FIH). This investment will be by the purchase of existing PGI securities and subscribing to the rights to new shares in PGI.

Subject to the receipt of Latin Gold shareholder approval and the successful completion of the merger between the mig33 group and Latin Gold, an additional US\$7.4 million will be invested by FIH via the placement of 40 million Latin Gold shares (on a post 1 for 5 consolidation basis) at an issue price of A\$0.20 per share.

FIH is a vertically integrated manufacturing service provider for the handset industry worldwide. It provides a wide range of manufacturing services to its customers in connection with the production of handsets. Hon Hai Precision Industry Company Limited (Hon Hai) is the ultimate controlling shareholder of FIH, and Hon Hai and its subsidiaries (as a group commonly known as the Foxconn Technology Group) is the leading global manufacturing service

provider in the 3C (computer, communication and consumer electronics) industries.

FIH is listed on the Hong Kong exchange, with a market capitalisation of over US\$4 billion and has annual revenues of around US\$132 billion and a market capitalisation of approximately US\$33.7 billion.

The introduction of FIH as a significant shareholder into "migme Limited" (the proposed name of the merged mig33 and Latin Gold group of companies) will provide the Company with the opportunity to substantially accelerate its growth plans. This includes the planned establishment of a development centre in Taiwan, where Hon Hai is based, which will be focused on business development and extending the Company's reach into the mobile telephony network.

Proposed merger with mig33

Key terms to the proposed merger transaction are:

- (a) the combined Latin Gold and mig33 Group will have net cash resources of at least A\$5 million;
- (b) all necessary shareholder approvals are obtained, including:
 - (i) holders of shares in the mig33 Group approving the transaction and the merger agreement; and
 - (ii) Latin Gold shareholders approving the transaction in accordance with applicable ASX Listing Rules including a change in the nature and/or scale of Latin Gold's activities in accordance with ASX Listing Rule 11.1.2, the allotment and issue of the Latin Gold shares, the election of new Directors, share consolidation, and a change of Company name;
- (c) all necessary ASX, governmental and regulatory consents and approvals being obtained for completion and for the continued listing and quotation of Latin Gold shares on ASX following completion; and
- (d) Latin Gold complying with any requirements of ASX including, if necessary, receiving conditional approval to have its shares readmitted to trading on the Official List of ASX and those conditions being satisfied to the reasonable satisfaction of the parties (as required by ASX Listing Rule 11.1.3).

On completion of the transaction but prior to the proposed placement of post consolidation shares to FIH Mobile, Latin Gold shareholders will own approximately 30.5% of the merged group.

Latin Gold has also provided the mig33 Group with a fully-recourse loan of US\$500,000 that will become immediately repayable if completion of the transaction does not occur on or around 23 June 2014.

Indicative Timetable

Event	Date
Despatch of Notice of General Meeting.	12 May 2014
Cut off for lodging proxy form for General Meeting	17 June 2014
Date of General Meeting to approve transaction	19 June 2014
Suspension of securities	19 June 2014
Completion of merger	24 June 2014

Indicative Capital Structure post-Merger

Capital Structure	Shares
Existing shares on issue	323,152,868
Post 1 for 5 Consolidation of Shares	64,630,574
Issue of Shares to mig33 Vendors	147,001,367
Issue of shares under Placement	40,000,000
Completion of merger	251,631,941

Narracoota Project

On 11 April 2014 Latin Gold advised its joint venture partner, Nevada Iron Limited, that effective immediately it had withdrawn from the joint venture over the project area (tenement E52/1496).

Latin Gold was the operator of the Narracoota joint venture. Under the terms of the joint venture Latin Gold could earn a 90% equity interest in the project through the expenditure of \$500,000. When that expenditure level had been reached the tenement holder's (Nevada Iron Ltd) interest would revert to a 10% free carried interest through to completion of a feasibility study or the cumulative expenditure of \$2 million.

No work, apart from annual report preparation, was carried out over the Narracoota project during the quarter.

Current Tenements

Narracoota PL's 51/2828- 2830 (100%)

Gearless Well ELA 36/808 (100%)

The Company does not have any interest in any farm in or out agreements. No tenements were either acquired or disposed of during the March quarter.

Howard Dawson
Chairman