ABN 43 059 457 279

# HALF-YEAR FINANCIAL REPORT
# FOR THE SIX MONTHS ENDED
# 31 DECEMBER 2013

**LATIN GOLD LIMITED**

**ABN 43 059 457 279**

## CORPORATE DIRECTORY

### DIRECTORS

Howard Dawson (Non-Executive Chairman)
John Macdonald (Non-Executive Director)
Jim Malone (Non-Executive Director – resigned on 28 January 2014)
Michael Higginson (Non-Executive Director)

### COMPANY SECRETARY

Michael Higginson

### REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

13/36 Johnson Street
Guildford, WA, 6055

Telephone: +618 9378 1188

Email: mike.higginson@iinet.net.au
Website: www.latingold.com.au

### AUDITORS

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West Perth WA 6005

### SHARE REGISTRY

Advanced Share Registry Services Limited
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### STOCK EXCHANGE LISTING

Australian Securities Exchange Ltd

ASX Code: LAT

# LATIN GOLD LIMITED

## DIRECTORS' REPORT

The Directors present their report together with the financial statements of Latin Gold Limited and its controlled entities ("Latin Gold"), for the half-year ended 31 December 2013.

### DIRECTORS

The following persons held office as a director of Latin Gold Limited at the end of the half-year:

- Howard Dawson (Non-Executive Chairman)
- John Macdonald (Non-Executive Director)
- Jim Malone (Non-Executive Director - resigned on 28 January 2014)
- Michael Higginson (Non-Executive Director)

All the Directors shown above were in office from the beginning of the half-year until the date of this report.

### RESULTS

The net loss of the economic entity for the half-year ended 31 December 2013 was $625,657 (2012: $123,283).

No dividends were paid or declared by the company during the half-year.

### REVIEW OF OPERATIONS

The following is a summary of the activities of Latin Gold during the period 1 July 2013 to 31 December 2013. It is recommended that this half-yearly report be read in conjunction with the 30 June 2013 Annual Report and any public announcements made by the Company during the half-year. In accordance with the continuous disclosure requirements, readers are referred to the announcements lodged with the Australian Securities Exchange regarding the activities of the Company.

Under the terms of the joint venture Latin Gold can earn a 90% equity interest in the Narracoota 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.

In addition to the Narracoota Project, Latin Gold was actively seeking additional commodity based projects and/or other business opportunities.

On the 17 October 2013 Latin Gold agreed to terminate the proposed acquisition of 100% of the issued capital of Manjaro Resources Pty Ltd.

This decision was the result of the significant deterioration in equity market conditions that prohibited the proposed capital raising to be completed within the allotted period, which was a condition precedent to the transaction.

Following the termination, $250,000 of the $500,000 option payment was returned to Latin Gold.

### SIGNIFICANT CHANGES

Other than as disclosed above, there have been no other changes in the state of affairs of the economic entity that occurred during the half-year under review not otherwise disclosed in this report.

### SUBSEQUENT EVENTS

On 23 January 2014, the Company announced that it has entered into a Heads of Agreement to acquire 100% of the mig33 social entertainment platform with offices and servers in Singapore, Malaysia, Indonesia, and Silicon Valley, through the issue of approximately 720 million shares.

mig33 is a social entertainment platform with 3 million monthly active users. The service 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.

With its unique engagement and monetisation model, together with the size of market opportunity, the mig33 platform offers Latin Gold shareholders access to an exciting and significant growth opportunity in the IT sector.

Relaunched as a Beta in August 2013, 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.

Early results indicate that artists and celebrities using mig33 in Indonesia and South Asia are achieving levels of engagement comparable to and exceeding that of their equivalent presence on Facebook and Twitter. With these results, the mig33 team is currently focused on broadening and polishing the service offering and growing the user base in 2014.

A significant attraction of the mig33 business model to Latin Gold was that, even in this early stage of commercialisation, income is being generated through the company's monetisation model which is based around surety of payment through the purchase of mig33 prepaid credits.

The development of mig33 has been spearheaded by Steven Goh, who achieved considerable success in the late 1990's by developing Sanford Securities, Australia's first online stock broking company. This operation grew to 160,000 customers with over $2.4 billion in customer assets, before being taken over in 2003. Steven is Managing Director and CEO of mig33 and is recognised as an authority on contemporary IT issues and serves on a number of advisory panels throughout the Asian region.

Latin Gold has provided mig33 with a fully-recourse and interest free loan of US$500,000 that will become immediately repayable if completion of the acquisition of mig33 does not occur within 5 months.

On 28 January 2014, Mr Jim Malone resigned as a Director of the Company.

There has not been any matter or circumstance that has arisen since 31 December 2013, which has significantly affected, or may significantly affect the operations of the economic entity, the result of those operations, or the state of affairs of the economic entity in the subsequent financial year.

**AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4.

Signed in accordance with a resolution of the Board of Directors:

Michael Higginson
Director
Date: 28 February 2014
Perth, Western Australia

Stantons International Audit and Consulting Pty Ltd
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28 February 2014

Board of Directors
Latin Gold Limited
13/36 Johnson Street
Guildford, Western Australia 6055

Dear Sirs

**RE: LATIN GOLD LIMITED**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Latin Gold Limited.

As the Audit Director for the review of the financial statements of Latin Gold Limited for the period ended 31 December 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours faithfully
**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**
**(Trading as Stantons International)**
**(An Authorised Audit Company)**

Stantons International Audit and Consulting Pty Ltd

**John P Van Dieren**
**Director**

**LATIN GOLD LIMITED**

**CONDENSED CONSOLIDATED STATEMENT OF**

**FINANCIAL POSITION**

**AS AT 31 DECEMBER 2013**

| | Notes | Consolidated 31 December 2013 $ | Consolidated 30 June 2013 $ |
|---|---|---|---|
| **Current Assets** | | | |
| Cash and cash equivalents | | 2,741,768 | 2,599,548 |
| Trade and other receivables | | 14,787 | 521,083 |
| **Total Current Assets** | | 2,756,555 | 3,120,631 |
| **Non Current Assets** | | | |
| Exploration and evaluation expenditure | 10 | - | 279,864 |
| Investments | 11 | 480,627 | 470,500 |
| **Total Non Current Assets** | | 480,627 | 750,364 |
| **Total Assets** | | 3,237,182 | 3,870,995 |
| **Current Liabilities** | | | |
| Trade and other payables | | 41,046 | 58,431 |
| **Total Current Liabilities** | | 41,046 | 58,431 |
| **Total Liabilities** | | 41,046 | 58,431 |
| **Net Assets** | | 3,196,136 | 3,812,564 |
| **Equity** | | | |
| Issued capital | 3 | 13,269,603 | 13,269,603 |
| Reserves | | 646,894 | 637,665 |
| Accumulated losses | | (10,720,361) | (10,094,704) |
| **TOTAL EQUITY** | | 3,196,136 | 3,812,564 |

*The above condensed consolidated statement of financial position should be read in conjunction with the accompanying condensed notes.*

**LATIN GOLD LIMITED**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

| | Consolidated 31 December 2013 $ | Consolidated 31 December 2012 $ |
|---|---|---|
| **Revenue** | 2,912 | 55,412 |
| | | |
| Project costs | (36,292) | (4,312) |
| Corporate costs | (101,646) | (75,519) |
| Occupancy costs | (21,906) | (17,747) |
| Employee costs | (12,000) | (6,000) |
| Administration costs | (12,988) | (12,960) |
| Diminution in investments | | (22,291) |
| Foreign exchange gains / (losses) | 86,127 | (39,866) |
| Exploration and evaluation expenditure written off | (279,864) | - |
| Write off deposit paid to acquire Manjaro Resources Pty Ltd | (250,000) | |
| | | |
| **Gain/(Loss) from continuing activities before income tax expense** | (625,657) | (123,283) |
| Income tax expense relating to continuing activities | - | - |
| **Net gain/(loss) for the period** | (625,657) | (123,283) |
| **Other comprehensive income for the period** | | |
| Items that may subsequently be reclassified to profit or loss | | |
| Exchange differences on translation of foreign operations | 16,296 | (6,368) |
| Net fair value loss on available for sale assets | (7,067) | - |
| | 9,229 | (6,368) |
| Items that will not be reclassified to profit or loss | - | - |
| Other comprehensive income/(loss) | 9,229 | (6,368) |
| **Total comprehensive income/(loss) for the period** | (616,428) | (129,651) |
| Net gain/(loss) attributable to the parent entity | (625,657) | (123,283) |
| Total comprehensive income/(loss) attributable to the parent entity | (616,428) | (129,651) |
| | | |
| Basic earnings/(loss) per share (cents per share) | (0.19) | (0.04) |
| Diluted earnings/(loss) per share (cents per share) | (0.19) | (0.04) |

Diluted earnings per share are the same as basic earnings per share as no options are on issue.

*The above condensed consolidated statement of profit or loss and other comprehensive income should be read in accordance with the accompanying condensed notes.*

**LATIN GOLD LIMITED**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

| | **Contributed equity** | **Reserves** | **Accumulated losses** | **Total Equity** |
|---|---|---|---|---|
| | **$** | **$** | **$** | **$** |
| As at 1 July 2012 | 13,269,603 | 543,400 | (10,053,661) | 3,759,342 |
| Net loss for the period | - | - | (123,283) | (123,283) |
| Other comprehensive loss for the period | - | (6,368) | - | (6,368) |
| Total comprehensive loss for the period | - | (6,368) | (123,283) | (129,651) |
| Issue of shares | - | - | - | - |
| Share issue costs | - | - | - | - |
| Equity based payments | - | - | - | - |
| **As at 31 December 2012** | 13,269,603 | 537,032 | (10,176,944) | 3,629,691 |
| As at 1 July 2013 | 13,269,603 | 637,665 | (10,094,704) | 3,812,564 |
| Net loss for the period | - | - | (625,657) | (625,657) |
| Other comprehensive loss for the period | - | 9,229 | - | 9,229 |
| Total comprehensive loss for the period | - | 9,229 | (625,657) | (616,428) |
| Issue of shares | - | - | - | - |
| Share issue costs | - | - | - | - |
| Equity based payments | - | - | - | - |
| **As at 31 December 2013** | 13,269,603 | 646,894 | (10,720,361) | 3,196,136 |

*The above condensed consolidated statement of changes in equity should be read in accordance with the accompanying condensed notes.*

**LATIN GOLD LIMITED**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

**FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

| | Consolidated 31 December 2013 $ | Consolidated 31 December 2012 $ |
|---|---|---|
| **Cash flows related to operating activities** | | |
| Payments to suppliers, contractors and employees | (196,819) | (168,401) |
| Interest received | 2,216 | 20,112 |
| Other receipts | 696 | 24,815 |
| **Net cash flows (used in) operating activities** | (193,907) | (123,474) |
| **Cash flows related to investing activities** | | |
| Repayment of deposit paid | 250,000 | - |
| Payments for exploration and evaluation | - | (170,871) |
| **Total cash flows from (used in) investing activities** | 250,000 | (170,871) |
| **Cash flows from financing activities** | | |
| Proceeds from issue of shares | - | - |
| Share issue costs | - | - |
| **Net cash flows from financing activities** | - | - |
| Net (decrease)/increase in cash and cash equivalents | 56,093 | (294,345) |
| Effect of exchange rate changes on cash and cash equivalents | 86,127 | - |
| Cash and cash equivalents at beginning of the period | 2,599,548 | 3,331,414 |
| **Cash and cash equivalents at end of the period** | 2,741,768 | 3,037,069 |

*The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying condensed notes.*

## 1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENTS

The half-year financial report is a general purpose financial report that has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that this report be read in conjunction with the annual financial report for the year ended 30 June 2013 and any public announcements made by Latin Gold Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The financial report has been prepared on an accruals basis and is based on historical costs modified where applicable, by measurement at fair value of selected non current assets and financial assets. Cost is based on the fair values of the consideration given in exchange for assets.

A summary of the material accounting policies adopted by the Company in the preparation of the financial report can be found in the annual financial report for the year ended 30 June 2013.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to some of the matters discussed at Note 1(a) below.

### a. New and Revised Accounting Requirements Applicable to the Current Half-year Reporting Period

(i) *Consolidated financial statements, joint arrangements and disclosure of interests in other entities*

The Group has adopted the following new and revised Australian Accounting Standards from 1 July 2013 together with consequential amendments to other Standards:

- AASB 10: *Consolidated Financial Statements;*
- AASB 127: *Separate Financial Statements* (August 2011);
- AASB 12: *Disclosure of Interests in Other Entities;*
- AASB 2011-7: *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards;* and
- AASB 2012-10: *Amendments to Australian Accounting Standards – Transition Guidance and* Other *Amendments.*

These Standards became mandatorily applicable from 1 January 2013 and became applicable to the Group for the first time in the current half-year reporting period 1 July 2013 to 31 December 2013. The Group has applied these Accounting Standards retrospectively in accordance with AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* and the specific transition requirements in AASB 10 and AASB 11. The effects of initial application of these Standards in the current half-year reporting period are as follows:

- *Consolidated financial statements:*

AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. Revised AASB 127 facilitates the application of AASB 10 and prescribes requirements for separate financial statements of the parent entity. On adoption of AASB 10, the assets, liabilities and non-controlling interests related to investments in businesses that are now assessed as being controlled by the Group, and were therefore not previously consolidated, are measured as if the investee had been consolidated (and therefore applied acquisition accounting in accordance with AASB 3: *Business Combinations)* from the date when the Group obtained control of that investee on the basis of the requirements in AASB 10.

Upon the initial application of AASB 10, retrospective restatement of financial statement amounts of the year that immediately precedes the date of initial application (ie 2012-2013) is necessary. When control is considered to have been obtained earlier than the beginning of the immediately preceding year (ie pre-1 July 2012), any difference between the amount of assets, liabilities and non-controlling interests recognised and the previous carrying amount of the investment in that investee is recognised as an adjustment to equity as at 1 July 2012.

Although the first-time application of AASB 10 (together with the associated Standards) caused certain changes to the Group's accounting policy for consolidation and determining control, it did not result in any changes to the amounts reported in the Group's financial statements as the "controlled" status of the existing subsidiaries did not change, nor did it result in any new subsidiaries being included in the Group as a consequence of the revised definition. However, the revised wording of accounting policy for consolidation is set out in Note 1(b).

– *Disclosure of interest in other entities:*

AASB 12 is the Standard that addresses disclosure requirements of AASB 10, AASB 11, AASB 127 and AASB 128. No new disclosures that are material to this interim financial report and associated with the Group's interests in subsidiaries and joint arrangements as prescribed by AASB 12 have been set out in this interim financial report. Further, as required by AASB 12, no significant judgments were made in determining the controlled entity status of subsidiaries.

(ii) *Fair value measurements and disclosures*

The Group has adopted AASB 13: *Fair Value Measurement* and AASB 2011-8: *Amendments to Australian Accounting Standards arising from AASB* 13 from 1 July 2013 together with consequential amendments to other Standards. These Standards became mandatorily applicable from 1 January 2013 and became applicable to the Group for the first time in the current half-year reporting period 1 July 2013 to 31 December 2013. AASB 13 sets out a comprehensive framework for measuring the fair value of assets and liabilities and prescribes enhanced disclosures regarding all assets and liabilities measured at fair value. No disclosures, as prescribed by AASB 13, are material to this interim financial report. Although these Standards do not significantly impact the fair value amounts reported in the Group's financial statements, the directors have determined that additional accounting policies providing a general description of fair value measurement and each level of the fair value hierarchy, as, set out in Note 1(c), should be incorporated in these financial statements.

(iii) *Other*

Other new and amending Standards that became applicable to the Group for the first time during this half-year reporting period are as follows:

AASB 2012-2: *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities* and AASB 2012-5: *Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle.*

These Standards make changes to presentation and disclosure requirements, but did not affect the Group's accounting policies or the amounts reported in the financial statements.

AASB 119: *Employee Benefits* (September 2011) and AASB 2011-10: *Amendments to Australian Accounting Standards arising from AASB 119 (September 2011).*
These Standards did not affect the Group's accounting policies or the amounts reported in the financial statements, mainly because the Group does not have defined benefit plan assets or obligations.

**b. Principles of Consolidation**

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Latin Gold Limited) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

c. **Fair Value of Assets and Liabilities**

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

**Valuation techniques**

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

**Fair value hierarchy**

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

(i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or

(ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (ie transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2013. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Company accounting policies.

## 2. DIVIDENDS

No dividends were paid or declared by the company during the half-year.

## 3. ISSUED CAPITAL

| | 31 December 2013 $ | 30 June 2013 $ |
|---|---|---|
| *Ordinary fully paid shares* | | |
| As at 1 July 2013 - 323,152,868 shares | 13,269,603 | 13,269,603 |
| Movement | - | - |
| As at 31 December 2013 - 323,152,868 shares | 13,269,603 | 13,269,603 |

## 4. CONTINGENT LIABILITIES

The economic entity does not have any contingent liabilities at balance date and none have arisen in the interval between balance date and the date of this financial report.

## 5. SEGMENT REPORTING

The Company now operates only in the mining industry in Australia and has a Bahamas registered company holding an investment in Coronet Metals Inc. All information relating to this is contained throughout this report.

Operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Group's chief operating decision maker which, for the Group, is the Board of Directors. In this regard, such information is provided using similar measures to those used in preparing the statement of profit or loss and other comprehensive income and statement of financial position.

**Geographical segments:**

| December 2013 | Australia $ | Bahamas $ | Consolidated $ |
|---|---|---|---|
| Segment Revenue | 2,912 | - | 2,912 |
| Segment Result | (625,657) | - | (625,657) |
| Segment Assets | 2,756,311 | 480,871 | 3,237,182 |

| December 2012 | Australia $ | Bahamas $ | Consolidated $ |
|---|---|---|---|
| Segment Revenue | 55,412 | - | 55,412 |
| Segment Result | (100,699) | (22,584) | (123,283) |
| Segment Assets | 3,309,023 | 350,594 | 3,659,617 |

## 6. EVENTS SUBSEQUENT TO REPORTING DATE

On 23 January 2014, the Company announced that it has entered into a Heads of Agreement to acquire 100% of the mig33 social entertainment platform with offices and servers in Singapore, Malaysia, Indonesia, and Silicon Valley, through the issue of 735,006,836 million shares.

Latin Gold has provided mig33 with a full recourse and interest free loan of US$500,000 that will become immediately repayable if completion of the acquisition of mig33 does not occur within 5 months. The loan was provided on 24 January 2014.

On 28 January 2014, Mr Jim Malone resigned as a Director of the Company.

There has not been any other matter or circumstance that has arisen since 31 December 2013, which has significantly affected, or may significantly affect the operations of the economic entity, the result of those operations, or the state of affairs of the economic entity in subsequent financial year.

## 7. COMMITMENTS

The Company has an operating lease commitment of $26,975, for its Guildford office. This operating lease commitment being the payment of 10 equal monthly instalments of $2,697.50, for the period to 31 October 2014.

The consolidated entity does not have any other commitments as at 31 December 2013.

## 8. EQUITY-BASED PAYMENTS

The Company has entered into an Employee Share Option Plan that allows for share options to be granted to eligible employees and officers of the Company. The number of share options that can be issued under the plan cannot exceed 5% of the total number of shares on issue. The terms and conditions of the share option issued under the plan are at the discretion of the Board however, the maximum term of the share option is five years. No options were issued under the Employee Share Option Plan in the current period.

During the half-year no share options were granted to subscribe to fully paid ordinary shares.

During the half-year no share options expired and lapsed.

## 9. RELATED PARTY TRANSACTIONS

Arrangements with related parties continue to be in place. For details of these arrangements, please refer to the 30 June 2013 annual financial report.

Key management personnel continue to receive compensation in the form of short term employee benefits.

## 10. EXPLORATION AND EVALUATION EXPENDITURE

| | 31 December 2013<br>$ | 30 June 2013<br>$ |
|---|---|---|
| Opening balance 1 July 2013 | 279,864 | 85,523 |
| Additions | - | 194,341 |
| Expenditure written off | (279,864) | - |
| Closing balance 31 December 2013 | - | 279,864 |

| | 31 December 2013 $ | 30 June 2013 $ |
|---|---|---|
| **11. INVESTMENTS** | | |
| Investments at fair value | 480,267 | 470,500 |

The investments comprise 6,522,366 shares in Coronet Metals Inc at a market value of CAD$0.07.

In terms of AASB13, the investment is regarded as a Level 1 investment as its fair value is based on quoted prices in an active market.

The fair market value of the Coronet Metals Inc shares as at 27 February 2014 is CAD$0.08.

**LATIN GOLD LIMITED**

**DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of Latin Gold Limited, we state that:

The directors of the company declare that:

1. The financial statements and notes thereto set out on pages 5 to 15 are in accordance with the Corporations Act 2001, and:

    (a) comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and

    (b) give a true and fair view of the financial position of the consolidated entity as at 31 December 2013 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date.

2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Michael Higginson
Director

DATED: 28 February 2014
Perth, Western Australia

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
LATIN GOLD LIMITED**

## Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Latin Gold Limited, which comprises the condensed statement of financial position as at 31 December 2013, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity, and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Latin Gold Limited (the consolidated entity). The consolidated entity comprises both Latin Gold Limited (the Company) and the entities it controlled during the half year.

*Directors' Responsibility for the Half-Year Financial Report*

The directors of Latin Gold Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Latin Gold Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Latin Gold Limited on 28 February 2014.

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Latin Gold Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**
**(Trading as Stantons International)**
**(An Authorised Audit Company)**

Stantons International Audit and Consulting Pty Ltd

**John P Van Dieren**
**Director**

West Perth, Western Australia
28 February 2014