



**To be renamed "migma Limited"
Proposed ASX Code: MGE**

LATIN GOLD LIMITED

ACN 059 457 279

NOTICE OF GENERAL MEETING

TIME: 10:00 am (WST)
DATE: 19 June 2014
PLACE: 13/36 Johnson Street
Guildford, Western Australia

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 (0)42 999 5000 or Chairman on +61 (8) 9378 1188.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10:00 am (WST) on 19 June 2014 at 13/36 Johnson Street, Guildford, Western Australia.

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your Shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) post to Latin Gold Limited, 13/36 Johnson Street, Guildford, Western Australia 6055 or PO Box 556, Belmont, Western Australia 6984; or
- (b) facsimile to the Company on facsimile number (+61 7) 3901 0751,

so that it is received not later than 10:00 am (WST) on 17 June 2014.

Proxy Forms received later than this time will be invalid.

KEY DATES

Company announces proposed Acquisition	23 January 2014
Cut off for lodging proxy form for General Meeting	17 June 2014
Snapshot date for eligibility to vote at the General Meeting	17 June 2014
Suspension of the Company's securities from trading on ASX	19 June 2014
General Meeting to approve the Acquisition	19 June 2014
ASX informed of Shareholder approvals	19 June 2014
Completion of Acquisition (this date is indicative only and may change)	24 June 2014

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of Shareholders will be held at 10:00 am (WST) on 19 June 2014 at 13/36 Johnson Street, Guildford, Western Australia.

This meeting has been called for shareholders to consider and vote on the proposed acquisition by Latin Gold Limited of PGI and M3H, the holding companies of the mig33 social entertainment platform.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form form part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at 10:00 am (WST) on 17 June 2014.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

1. RESOLUTION 1 – CHANGE TO NATURE AND SCALE OF ACTIVITIES

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, subject to and conditional upon the passing of Resolutions 2 to 8 (inclusive) and 11, for the purposes of ASX Listing Rule 11.1.2 and for all other purposes, Shareholders approve the acquisition by the Company of all the issued capital in PGI and M3H in accordance with the Agreement and the performance by the Company of its obligations under the Agreement.”

Short Explanation: The proposed acquisition of PGI and M3H (the holding companies for the mig33 business), if successful, will result in the Company changing the nature and scale of its activities. ASX Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature and scale of its activities, it must provide full details to ASX and comply with the following:

- I. Provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- II. If ASX requires, obtain the approval of holders of its shares and any other requirements of ASX in relation to the notice of meeting; and
- III. If ASX requires, meet the requirements of Chapters 1 and 2 of the ASX Listing Rules as if the company were applying for admission to the official list of ASX.

Please refer to the Explanatory Statement for details.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may obtain a benefit, except a benefit solely in the capacity of a security holder, if the resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – ISSUE OF SHARES TO MIG33 VENDORS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to and conditional upon the passing of Resolutions 1, 3 to 8 (inclusive) and 11, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 147,001,367 Shares (on a post Consolidation basis) to the mig33 Vendors on the terms and conditions set out in the Explanatory Statement.”

Short Explanation: The Company has entered into the Agreement under which the Company will issue Shares to the mig33 Vendors in order to acquire PGI and M3H. The Company seeks Shareholder approval for the issue of the Shares in accordance with ASX Listing Rule 7.1

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. RESOLUTION 3 – CONSOLIDATION OF CAPITAL

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to and conditional upon the passing of Resolutions 1, 2 and 4 to 8 (inclusive) and 11, pursuant to section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that every five (5) Shares be consolidated into one (1) Share and, where this Consolidation results in a fraction of a Share being held, the Company be authorised to round that fraction up to the nearest whole Share.”

4. RESOLUTION 4 - CHANGE OF NAME

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That, subject to and conditional upon the passing of Resolutions 1 to 3 (inclusive), 5 to 8 (inclusive) and 11, for the purposes of Section 157(1) of the Corporations Act, completion of the Acquisition and for all other purposes, the name of the Company be changed to ‘migme Limited’.”

Short Explanation: The Company proposes to change its name to more accurately reflect the proposed future activities of the Company, subject to the Acquisition proceeding.

5. RESOLUTION 5 – ELECTION OF DIRECTOR – STEVEN GOH

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to and conditional upon the passing of Resolutions 1 to 4 (inclusive), 6 to 8 (inclusive) and 11, for the purpose of clause 12.3 of the Constitution and for all other purposes, Mr Steven Goh, being eligible to act as a Director, be elected as a Director on and from the Settlement Date.”

6. RESOLUTION 6 – ELECTION OF DIRECTOR – ANDI ZAIN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to and conditional upon the passing of Resolutions 1 to 5 (inclusive), 7, 8 and 11, for the purpose of clause 12.3 of the Constitution and for all other purposes, Mr Andi Zain, being eligible to act as a Director, be elected as a Director on and from the Settlement Date.”

7. RESOLUTION 7 – ELECTION OF DIRECTOR – DMITRY LEVIT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to and conditional upon the passing of Resolutions 1 to 6 (inclusive), 8 and 11, for the purpose of clause 12.3 of the Constitution and for all other purposes, Mr Dmitry Levit, being eligible to act as a Director, be elected as a Director on and from the Settlement Date.”

8. RESOLUTION 8 – ELECTION OF DIRECTOR – JOHN LEE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to and conditional upon the passing of Resolutions 1 to 7 (inclusive) and 11, for the purpose of clause 12.3 of the Constitution and for all other purposes, Mr John Lee, being eligible to act as a Director, be elected as a Director on and from the Settlement Date.”

9. RESOLUTION 9 – ELECTION OF DIRECTOR – YEN-CHANG (CHARLES) PAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to and conditional upon the passing of Resolutions 1 to 8 (inclusive) and 10 to 11 (inclusive), completion of the Placement, for the purpose of clause 12.3 of the Constitution and for all other purposes, Mr Yen-Chang (Charles) Pan, being eligible to act as a Director, be elected as a Director on and from the Settlement Date.”

10. RESOLUTION 10 – ELECTION OF DIRECTOR – DR YICHIN LEE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to and conditional upon the passing of Resolutions 1 to 9 (inclusive) and 11, completion of the Placement, for the purpose of clause 12.3 of the Constitution and for all other purposes, Dr Yichin Lee, being

eligible to act as a Director, be elected as a Director on and from the Settlement Date."

11. RESOLUTION 11 – SHARE PLACEMENT BY PROSPECTUS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to and conditional upon the passing of Resolutions 1 to 8 (inclusive), for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 40,000,000 Shares (on a post Consolidation basis) to FIH Mobile or nominees on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by FIH Mobile and any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

12. RESOLUTION 12 – APPROVAL TO GRANT 7,500,000 OPTIONS TO STEVEN GOH

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of ASX Listing Rule 10.11 and Section 208 of the Corporations Act and for all other purposes and subject to Resolutions 1 to 8 (inclusive) and 11 being passed by Shareholders, approval is given to grant 7,500,000 Options (on a post Consolidation basis) to Mr Steven Goh or nominee to subscribe for post Consolidation Shares on the terms and conditions described in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Goh or any associate of Mr Goh. However, the Company need not disregard a vote if cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

13. RESOLUTION 13 – APPROVAL TO GRANT 7,500,000 OPTIONS TO KEY EMPLOYEES AND/OR KEY CONSULTANTS OF THE COMPANY

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to and conditional upon the passing of Resolutions 1 to 8 (inclusive) and 11, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to grant key employees and/or key consultants of the Company up to 7,500,000 Options (on a post

Consolidation basis) to subscribe for Shares (on a post Consolidation basis) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

DATED: 30 APRIL 2014

BY ORDER OF THE BOARD

**MICHAEL HIGGINSON
LATIN GOLD LIMITED
DIRECTOR & COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting to be held at 10:00 am (WST) on 19 June 2014 at 13/36 Johnson Street, Guildford, Western Australia.

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. OVERVIEW OF CHANGE OF NATURE AND SCALE OF ACTIVITIES

1.1 Background

Latin Gold Limited (**Latin Gold**) or (the **Company**) is an Australian public company listed on the official list of the ASX (ASX code: LAT).

The prime focus of the Company has been to earn an interest in the Narracoota project from Nevada Iron Ltd in accordance with the Narracoota Joint Venture.

Latin Gold was the operator of the Narracoota Joint Venture. Under the terms of this 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 interest would revert to a 10% free carried interest through to completion of a feasibility study or the cumulative expenditure of \$2 million.

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 Glengary Basin) and has been explored for epigenetic gold and VHMS-style base and precious metals by previous explorers.

The Company holds additional tenements, in its own right, in the Narracoota area and the Eastern Goldfields.

On 11 April 2014, the Company relinquished its rights to earn an interest in the Narracoota Joint Venture and it is the intention of the Company, should Shareholders approve Resolutions 1 to 8 (inclusive), to sell, joint venture or relinquish all rights to the other mineral exploration tenements.

1.2 Background to Change in Nature and Scale of Activities

As announced by the Company on 23 January 2014, the Company has entered into a conditional heads of agreement to acquire 100% of the mig33 social entertainment platform through the issue of 735,006,836 Shares (**Agreement**) on a pre-Consolidation basis.

The Acquisition will result in a significant change to the nature and scale of the Company's activities. Please refer too Sections 1.3 and 1.4 for further details regarding the proposed Acquisition.

On completion of the Acquisition, the nature of the Company's business will change to become a technology focused social entertainment platform that features miniblog, chat, chatrooms, virtual gifts and games. Subject to the

satisfaction of certain conditions precedent (refer Section 1.4), the Company will own the mig33 social entertainment platform following the acquisition of PGI and M3H.

1.3 About mig33

History

mig33 is an emerging mobile social network, founded in Australia in 2006 by Steven Goh and Mei Lin Ng. The initial product focused on building a chat community, with monetisation sourced from virtual currency payments for gifts, games and avatars.

In 2007, the company gained US funding from prominent venture capital investors in Silicon Valley. These investors also injected valuable knowledge and relationships as a result of their investments in other notable social networking companies, including Facebook and Ren Ren. The company later moved the core team to California, whilst maintaining a cost competitive Malaysian based customer service centre.

Despite promising initial global growth and the winning of numerous awards, the product was slow to gain traction in the US as this market had not yet seen the introduction of smartphones that allow for mobile chat and social networking. The product was, however, gaining a significant registered user base across South East Asia and Africa.

Consequently, in 2009 the company relocated its core team to Singapore to expand the company's cost competitive operations to Indonesia and to better secure a foothold in the Asian markets. Singapore remains the current headquarters for mig33.

Evolution of Markets and Products

Since inception, mig33 has continued to mature its products and business model. The company's products were expanded from a private mobile chat based service with SMS and VOIP, to include games, virtual gifts, blogging and a robust social entertainment platform which is now accessible via both the web and mobile (app. and WAP).

In 2014, the product focus will be shifting from being a private chat community to a broader public social entertainment blogging platform model, where all visitors can now engage more openly with content, celebrities and friends. This growth strategy focuses on the complementary establishment of artists, media and industry partnerships and expanding business development that will be combined with a viral referral program.

In February 2014, mig33 acquired Asian artist and engagement management group alivenotdead.com, which added access to over 1,800 artists to the business.

The new public platform also allows users to potentially build their own blog properties, thereby creating a fan-based economy that's likely to be attractive to advertisers and brands in the future.

The product has 4 critical elements:

- **Platform**

The platform was developed in-house using a range of open source technologies (for example PHP, Python, Java, MYSQL, Hadoop and REDIS) to deliver the dominant proposition around the blogging platform, chat products and the gamified experiences (including games, badges, levels and rewards).

- **Community**

mig33 is a very active and vibrant community that regularly hosts hundreds of meet-up events on a weekly and monthly basis, which may be attended by up to several thousand users.

- **Celebrity artists, media and game developers**

The mig33 platform allows artists to build a fan base audience within the product, where the fan following is likely equivalent or larger compared to their presence on other social networks (eg. like Facebook and Twitter). A big differentiator with mig33 is that the artists can monetise their fans through revenue from virtual gifts and games, which is unlike other social networks where only the platform makes the money.

- **Credits**

mig33 has a prepaid economy where users can buy credits, trade them, and spend them on virtual gifts, games and other services. Users can either buy credits directly from the company, or through multi-level marketing tools in the service.

These four elements have been developed over several years and to date have generated over 3 million monthly active users.

Alivenotdead.com

On 19 February 2014, mig33 announced that it had acquired 100% of the alivenotdead.com business.

Alivenotdead.com is an online artist community based in Hong Kong with a regional presence and serves over 1,800 artists. These services include events, social media management and advisory, booking and casting opportunities, promotion and networking.

The acquisition is expected to deliver a significant boost to mig33's entertainment platform, offering fans and artists a way to connect and enabling alivenotdead's fast-growing stable of more than 1,800 artists to engage with, grow and monetise their audiences among mig33's members.

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 serial entrepreneur focused on internet and entertainment and co-founder in 2000 of the 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 PGI had secured a US\$2.2 million investment, from FIH Mobile Limited (FIH Mobile). This investment was 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 Acquisition, an additional US\$7.4 million, is to be invested by FIH Mobile pursuant to the Placement.

FIH Mobile is listed on the main board of the Stock Exchange of Hong Kong Limited with stock code 2038 and with a market capitalisation of over US\$4 billion. FIH is a vertically integrated manufacturing service provider for the handset industry worldwide, providing a wide range of manufacturing services to its customers in connection with the production of handsets. FIH Mobile is around a 67% owned subsidiary of Hon Hai Precision Industry Co. Ltd (**Hon Hai**)- 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.

Hon Hai supplies a large range of global customers and has annual revenues of around US\$132 billion and a market capitalisation of approximately US\$33.7 billion.

The introduction of FIH Mobile as a significant Shareholder 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.

In view of FIH Mobile's US\$9.6 million investment, they have been invited to nominate two Directors to the Board (refer Resolutions 9 and 10). Both of the nominated Directors, namely Charles Pan and Dr Lee, are well respected and highly qualified.

Following completion of the Acquisition and Placement, FIH Mobile will become the Company's largest shareholder, with an interest of around (but no greater than) 19.9%.

Marketing Plan

mig33 plans to rebrand its name to 'migme' in June 2014, to reflect the shift in product strategy of the business. The marketing plan going forward will focus on achieving growth targets in several key areas including:

- **User base growth**

Growing the key metric, Monthly Active Users, from the existing core of around 3.2 million, the company seeks to create open channels that would be fundamental to the success of the social entertainment platform. This includes creating open channels between other social networks that would both enable users to crossover to other platforms and also use the platform to disseminate compelling content outwards to other social networks for the purpose of attracting new users. The openness of the platform making the

product an inviting and welcoming proposition for new users.

- **User engagement**

User engagement is maintained by utilising compelling content and activities. The company will initially provide compelling content – notably games, interactions with celebrities and digital social activities (for example, sharing of voice and video content). To elevate user engagement, the company will encourage users to share their experience and activities with their friends – both within and outside of the platform – to further attract social participation.

- **Monetisation**

Monetisation is maintained by providing products and payment channels, so the revenues can help drive the acquisition of premium content and activities. Designing gamification elements for user participation is a critical element for success in driving user purchases for premium products.

The Company seeks to gain traction on the above elements in staged and coordinated phases, to allow the company to effectively achieve targeted growth objectives.

Markets

The platform has been tailored for the emerging markets across South East Asia, South Asia, the Middle East and Africa. These regions represent a population of over 3.5 billion people which the company intends to monetise, not through advertising, but through the sale of virtual goods, gifts and games. This business model was in part 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 team is currently focused on broadening and improving the service and growing the user existing base.

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.

Key Management

Steven Goh

Steven is co-founder of mig33 and serves as Managing Director and CEO. Steven is well experienced in developing and delivering successful internet services for consumers, having founded a number of internet companies, including Sanford Securities (Australia's first online stock brokerage) and Belldirect in conjunction with Bell Potter in Australia. He has advised a number of startup corporations (ranging from stock exchanges, investment banks, to consumer internet businesses) throughout Australia, USA, Europe and Asia. Steven has gained extensive private

and public company experience, is a frequent speaker at conferences in Silicon Valley, Europe, Asia and Australia and has contributed content to the CNBC, Financial Times, the Economist, and Bloomberg financial networks.

Patrick Wong

Patrick is mig33's Chief Financial Officer and has over 15 years' experience working with start-up companies. Patrick has also worked at KPMG and IdeaLab in Silicon Valley where he participated in venture financing and public financing. Patrick was most recently CFO at mid-sized multinational training company Landmark Enterprises in the US and Singapore where, during his tenure, he raised over US\$20 million to fund the restructuring, recapitalisation and growth of the company. As a result of his involvement, revenues increased at that company by 80% to US\$90 million upon his departure in 2012.

1.4 Key Terms of the Agreement

Completion of the Acquisition is conditional upon the satisfaction (or waiver) of the following conditions precedent by 30 June 2014 or such date as agreed by Latin Gold:

- (a) execution of all transaction documents by all necessary parties;
- (b) the combined Latin Gold, PGI and M3H group having net cash resources of at least \$5 million at the Settlement Date;
- (c) all necessary Shareholder approvals are obtained, including:
 - (i) PGI Shareholders approving the Acquisition and the merger agreement; and
 - (ii) Latin Gold Shareholders approving the Acquisition 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 issue of the Shares to the mig33 Vendors, the election of new Directors, the Consolidation, a change of Company name and the Placement;
- (d) all necessary ASX, governmental and regulatory consents and approvals being obtained for completion of the Acquisition;
- (e) completion of the Placement (refer Resolution 11);
- (f) 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); and
- (g) Latin Gold preparing a Prospectus to raise the necessary amount at an issue price of at least \$0.20 per Share (on a post Consolidation basis), lodging the Prospectus with the ASIC and receiving applications to meet the minimum subscription.

If by 30 June 2014 (or such date as agreed by Latin Gold), the conditions precedent are not satisfied or waived, the Agreement will be at an end and the parties will be released from their obligations under the Agreement.

Latin Gold further agreed to provide M3H with a full-recourse interest free loan of US\$500,000 (**Loan**). The Loan was advanced on 24 January 2014 and is immediately repayable if completion of the Acquisition does not occur by 24 June 2014.

New Board of Directors

In accordance with the terms of the Agreement and as agreed with FIH Mobile, on completion of the Acquisition six nominees will be appointed to the Board of the Company (refer Resolutions 5 to 10) and two existing Directors (Messrs Macdonald and Higginson) will resign.

Consolidation of Capital

As required by the ASX Listing Rules, the Company will undertake a consolidation of its issued capital on the basis of one (1) Share for every five (5) Shares held (**Consolidation**).

Approval for the Consolidation is the subject of Resolution 3.

Change of Name

Following completion of the Acquisition, the Company proposes to change its name to migme Limited.

Approval for the change of name is the subject of Resolution 4.

1.5 Pro-forma balance sheet

An unaudited pro forma balance sheet of the Company following completion of the Acquisition, Placement and other matters is set out at Appendix A to this Notice of Meeting.

1.6 Pro-forma capital structure

The capital structure of the Company following completion of the Acquisition and Placement is set out below:

Capital Structure	Shares
Existing shares on issue	323,152,868
Post 1 for 5 Consolidation of Shares (Resolution 3)	64,630,574
Issue of Shares to mig33 Vendors (Resolution 2)	147,001,367
Issue of shares under Placement (Resolution 11) ¹	40,000,000
Completion of all Resolutions	251,631,941

1. This assumes that the Placement is fully subscribed.

1.7 Advantages of the Acquisition

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the Resolutions:

- (a) Larger market capitalisation: Through the acquisition of PGI and M3H and following completion of the Placement, a larger market capitalisation

and enhanced shareholder base should provide a more liquid stock for Shareholders;

- (b) Experienced Board: The Board of Directors will provide an experienced set of skills to guide the growth of the Company;
- (c) Significant growth prospects: The mig33 social entertainment platform is targeting internet users in the emerging markets, representing over 3.5 billion people and the next frontier of growth in the internet. The Acquisition provides Shareholders with exposure to an existing well managed and expanding business, with significant potential for growth. The business will be well capitalised, with cash reserves following completion of the Acquisition of not less than \$5 million, which will be used to fund sales and marketing activities as well as continuing product development.
- (d) The introduction of FIH Mobile as a substantial Shareholder, coupled with their investment of US\$9.6 million, will provide the Company with the opportunity to substantially accelerate its growth plans.
- (e) Potential to enhance Shareholder value: Given the current continued low investor sentiment with regard to junior exploration companies, including a lack of well valued investment opportunities, the Directors consider that in the current share market environment there is a greater likelihood of increasing Shareholder value by progressing the proposed Acquisition than by the Company remaining as a junior mineral explorer listed on ASX.
- (f) Increased investor interest and Share trading volume: Following the 23 January 2014 announcement of the Acquisition, the volume of Shares traded in Latin Gold has significantly increased. It is not unreasonable to anticipate continued improved Share trading volumes going forward post completion of the Acquisition.
- (g) No cash payment for an existing growing business: The consideration for the Acquisition will be entirely in the form of Shares. Accordingly, all mig33 Vendors retain an interest in the future of the Company.

1.8 Disadvantages of the Acquisition

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the Resolutions:

- (a) Changing the Nature and scale of activities: The Company will be changing the nature and scale of its activities by focussing on the IT sector and specifically on social entertainment, which may not be consistent with the objectives of some Shareholders;
- (b) Dilution of existing Shareholders: The Acquisition and Placement will result in the issue of Shares to the mig33 Vendors and FIH Mobile which will have a dilutionary effect on the current holdings and voting rights of Shareholders;

- (c) Additional risk factors: There are many risk factors associated with the proposed change to the nature and scale of the Company's activities following completion of the Acquisition. Some of these risks are set out in Schedule 1;
- (d) Transaction costs: If Shareholder approval for Resolutions 1 to 11 (inclusive) is obtained, the Company will be required to bear the costs of the preparation of the documentation required to ensure compliance with the ASX Listing Rules and other statutory requirements and approvals. The total remaining associated costs required to complete the Acquisition are estimated to be approximately \$75,000.
- (e) No guarantee: There is no guarantee with regard to the future success, achievements and/or the financial performance of the Company and the value of the Shares following completion of the Acquisition and Placement.

1.9 Risks

Shareholders should be aware that if Resolutions are 1 to 11 (inclusive) are approved, the Company will be changing the nature and scale of its activities which is subject to various risk factors. Based on the information available, a non-exhaustive list of risk factors is set out in Schedule 1.

1.10 Strategy of the Company going forward

Following completion of the Acquisition and Placement, the Company intends to continue the development of the mig33 social entertainment platform through the planned release of the optimised web site in June 2014 and the ongoing monetisation of the platform into the emerging markets. In addition, the Company will continue to explore potential acquisitions of complementary businesses that will assist and accelerate the commercial success of the mig33 platform.

The Company will also seek strategic partners that will provide greater access and penetration to both the existing mig33 markets as well as new geographic domains.

1.11 Plans for the Company if the Acquisition is not completed

If, for whatever reason, the Company does not complete the Acquisition, the Company will continue to explore its existing mining tenements and undertake due diligence on new opportunities for growth. The Company would expect ASX to re-instate trading in the Company's securities should the Acquisition not reach completion and hence the Agreement comes to an end.

1.12 Forward looking statements

The forward looking statements in the Notice of Meeting are based on the Company's current expectations about future events. They are, however, subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and its Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward looking

statements in the Notice of Meeting. These risks include but are not limited to, the risks referred to in Schedule 1. Forward looking statements include those containing words such as 'anticipate', 'estimates', 'should', 'will', 'expects', 'plans' or similar expressions.

1.13 Directors' Recommendation

The Directors of Latin Gold unanimously recommend the Acquisition. It is the view of the Directors that the Acquisition will give the Company's Shareholders the opportunity to participate in a potentially significant growth opportunity within the social entertainment sector.

Resolutions 1 to 8 (inclusive) and 11 are interdependent, meaning that Shareholders must pass all of Resolutions 1 to 8 (inclusive) and 11 for the Acquisition and Placement to proceed.

2. RESOLUTION 1 – CHANGE TO NATURE AND SCALE OF ACTIVITIES

2.1 General

Resolution 1 seeks approval from Shareholders for a change to the nature and scale of the activities of the Company as a result of the proposed acquisition of PGI and M3H.

As outlined in Section 1.4 of this Explanatory Statement, the Company has entered into the Agreement under which the Company has agreed to acquire, from the mig33 Vendors, PGI and M3H.

The Agreement is subject to the conditions precedent set out in Section 1.4, including the requirement to obtain Shareholder approval.

A description of the proposed Acquisition is outlined in Sections 1.2 to 1.4.

2.2 Legal requirements

ASX Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature and scale of its activities, it must provide full details to ASX as soon as practicable and comply with the following:

- (a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- (b) if ASX requires, obtains the approval of holders of its shares and any requirements of ASX in relation to the notice of meeting; and
- (c) if ASX requires, meet the requirements of Chapters 1 and 2 of the ASX Listing Rules as if the company were applying for admission to the official list of ASX.

ASX has indicated to the Company that given the significant change in the nature and scale of the Company's activities upon completion of the Acquisition, it requires the Company to;

- (a) obtain the approval of its Shareholders for the Acquisition; and

- (b) re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules.

For this reason, the Company is seeking Shareholder approval for the Company to change the nature and scale of its activities under ASX Listing Rule 11.1.2 and pursuant to ASX Listing Rule 11.1.3 in order to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

In accordance with the requirements of the ASX, the Company's securities will be suspended from trading on the ASX from the date of the General Meeting until such time that the Company re-complies with Chapters 1 and 2 of the ASX Listing Rules.

If, however, Resolutions 1 to 8 (inclusive) and 11 are not passed by Shareholders, then the Agreement will come to an end and the Company would expect ASX to, shortly thereafter, re-instate trading in the Company's securities.

Resolution 1 is an ordinary resolution. However, it will not take effect unless Resolutions 2 to 8 (inclusive) and 11 are also passed.

3. RESOLUTION 2 – ISSUE OF SHARES TO THE MIG33 VENDORS

3.1 General

As outlined in Section 1.4 of this Explanatory Statement, the Company has agreed to acquire PGI and M3H from the mig33 Vendors.

None of the mig33 Vendors are related parties of the Company, other than by reason of the Acquisition. Accordingly, whilst certain of the mig33 Vendors are related parties by virtue of the fact that they or their controller (as applicable) may be appointed as a Director of the Company upon completion of the Acquisition, Shareholder approval is not required under the Corporations Act or the Listing Rules for the issue of Shares to those persons as they are only related parties by virtue of the Acquisition and dealings with those parties by the Company have been on arm's length terms.

The total consideration to be paid to the mig33 Vendors, for 100% of the issued capital of PGI and M3H will be the issue of 147,001,367 post Consolidation Shares which will be apportioned amongst the mig33 Vendors in accordance with their respective interests (refer Schedule 2).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

The effect of Resolution 2 will be to allow the Directors to issue the Shares during the period of 3 months after the General Meeting (or a longer period, if allowed by ASX), without using the Company's annual 15% placement capacity.

3.2 Technical Information Required by ASX Listing Rule 7.3

The following information is provided in relation to the Shares pursuant to and in accordance with ASX Listing Rule 7.3:

- (a) the maximum number of Shares to be issued is 147,001,367 post Consolidation Shares;
- (b) the Shares will be issued no later than three (3) months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that the issue will occur on the same date, being the Settlement Date of the Acquisition;
- (c) the Shares will be issued for nil cash consideration, but rather as consideration for the acquisition of 100% of the issued capital of PGI and M3H. Accordingly no funds will be raised from the issue of the Shares;
- (d) the Shares will be issued to the mig33 Vendors in accordance with their respective interests;
- (e) none of the mig33 Vendors are related parties of the Company, other than by reason of the Acquisition; and
- (f) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

Resolution 2 is an ordinary resolution. However, it will not take effect unless Resolutions 1, 3 to 8 (inclusive) and 11 are also passed.

3.3 Restricted Securities

Subject to the re-quotations of the Shares on ASX, some or all of the Shares to be issued to the mig33 Vendors may be classified by ASX as restricted securities and, if so, would be required to be held in escrow for up to 24 months from the date of re-quotations. During the period in which these Shares are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of their Shares in a timely manner.

3.4 Substantial Shareholders

Following completion of the Acquisition (refer Resolution 2), completion of the Consolidation (refer Resolution 3) and completion of the Placement (refer Resolution 11), it is anticipated that the following parties will be substantial shareholders of the Company with the approximate holdings:

Name	No of Latin Gold Shares	%
FIH Mobile Limited	50,074,756	19.90
Win Way Holdings Limited	34,722,113	13.80
Steven Goh	21,710,867	8.63

4. RESOLUTION 3 – CONSOLIDATION OF CAPITAL

4.1 Background

Resolution 3 seeks approval from Shareholders to consolidate the number of Shares on issue on a one (1) for five (5) basis. The Consolidation is required to ensure that the Company's capital structure is appropriate for it to be able to re-comply with the admission requirements of the ASX.

If Resolution 3 is passed and the Consolidation is implemented and excluding any Shares issued pursuant to Resolutions 2 and 9, the number of Shares on issue will be reduced from 323,152,868 to 64,630,574 (subject to rounding).

Resolution 3 is an ordinary resolution. However, it will not take effect unless Resolutions 1, 2, 4 to 8 (inclusive) and 11 are also passed.

4.2 Legal requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

4.3 Fractional entitlements

Not all Shareholders will hold that number of Shares which can be evenly divided by five (5). Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Share.

4.4 Taxation

It is not considered that any taxation implications will exist for Shareholders arising from the Consolidation. However, Shareholders are advised to seek their own tax advice on the effect of the Consolidation and that the Company does not accept any responsibility for the individual taxation implications arising from the Consolidation.

4.5 Holding statements

From the date of the Consolidation, all holding statements for Shares will cease to have any effect, except as evidence of entitlement to a certain number of Shares on a post-Consolidation basis.

After the Consolidation is effected, the Company will arrange for new holding statements for Shares to be issued to holders of those Shares.

It is the responsibility of each Shareholder to check the number of Shares held prior to disposal.

4.6 Effect on capital structure

The effect which the Consolidation will have on the Company's capital structure is set out in the table below:

Capital Structure	Shares
Existing shares on issue	323,152,868
Post 1 for 5 Consolidation of Shares (Resolution 3)	64,630,574
Issue of Shares to mig33 Vendors (Resolution 2)	147,001,367
Issue of shares under Placement (Resolution 11) ¹	40,000,000
Completion of all Resolutions	251,631,941

1. This assumes that the Placement is fully subscribed.

4.7 Indicative timetable

If Resolution 3 is passed, the Consolidation will take effect in accordance with the following timetable (as set out in Appendix 7A (paragraph 8) of the ASX Listing Rules):

Action	Date
Company dispatches Notice of Meeting.	13 May 2014
Company tells ASX that Shareholders have approved the Consolidation.	19 June 2014
Last day for pre-Consolidation trading.	20 June 2014
Post-Consolidation trading starts on a deferred settlement basis.	23 June 2014
Last day for Company to register transfers on a pre-Consolidation basis.	25 June 2014
First day for Company to send notice to each holder of the change in their details of holdings.	26 June 2014
First day for the Company to register Shares on a post-Consolidation basis and first day for issue of holding statements.	
Issue date. Deferred settlement market ends.	2 July 2014
Last day for Shares to be entered into holders' Security holdings.	
Last day for the Company to send notice to each holder of the change in their details of holdings.	

5. RESOLUTION 4 – CHANGE OF NAME

In accordance with section 157 of the Corporations Act, if a company wants to change its name it must pass a special resolution adopting a new name.

As a result of the Acquisition, the Company proposes to change its name to '*migme Limited*'.

Resolution 4 is a special resolution and, therefore, requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative). Approval for the change of name is the subject of Resolution 4.

The change in name will only take effect upon the Acquisition being successfully completed and when ASIC alters the details of the Company's registration.

Resolution 4 is a special resolution. However, it will not take effect unless Resolutions 1 to 3 (inclusive) and 5 to 8 (inclusive) and 11 are also passed and completion of the Acquisition.

The Directors will also request that ASX change the Company's listing code from "LAT" to "MGE" following completion of the Acquisition and the resumption of trading of the Shares on ASX. The ASX listing code "MGE" has been reserved by the Company.

6. RESOLUTION 5 – ELECTION OF DIRECTOR – STEVEN GOH

Clause 12.3 of the Constitution allows the Company in a general meeting by ordinary resolution to appoint any person as a director, but only where the total number of directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Agreement, Mr Goh has been nominated to join the Board of Latin Gold as an executive Director. Mr Goh is one of the mig33 Vendors and, being eligible, seeks election.

Mr Goh 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 PGI and is recognised as an authority on contemporary IT issues and serves on a number of advisory panels throughout the Asian region.

Resolution 5 proposes Mr Goh as a Director of the Company on and from the Settlement Date and in accordance with clause 12.3 of the Constitution. A copy of Mr Goh's notice of candidature for election is attached in Appendix B of this Notice of Meeting.

Mr Goh is currently under contract as CEO of PGI. Under this contract his monthly salary is US\$18,333 and whilst the period of the contract is open ended the contract can be terminated by either party. If PGI terminates the contract without due cause a severance package equivalent to 6 month's salary is payable to Mr Goh.

As part of the contract, Mr Goh is entitled to standard employee benefits which include a health benefits plan and 2 weeks annual leave.

Following completion of the Acquisition, Mr Goh's contract will be assigned to Latin Gold.

Pursuant to the Acquisition (refer Resolution 2), Mr Goh and his related entities are to be issued 31,003,598 post Consolidation Shares (subject to rounding).

Resolution 5 is an ordinary resolution. However, it will not take effect unless Resolutions 1 to 4 (inclusive), 6 to 8 (inclusive) and 11 are also passed.

7. RESOLUTION 6 – ELECTION OF DIRECTOR – ANDI ZAIN

Clause 12.3 of the Constitution allows the Company in a general meeting by ordinary resolution to appoint any person as a director, but only where the total

number of directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Agreement, Mr Zain has been nominated to join the Board of Latin Gold as a non-executive Director. Mr Zain is one of the mig33 Vendors and provides, on a casual uncontracted basis, Indonesian business development services for both PGI and M3H. Mr Zain does not draw any compensation for his services to PGI or M3H.

Mr Zain being eligible, seeks election to the Board of Latin Gold.

Mr Zain has 15 years' experience in building internet and mobile businesses in South East Asia and launched the first content provider and ringtone service in Indonesia.

Resolution 6 proposes Mr Zain as a Director of the Company on and from the Settlement Date and in accordance with clause 12.3 of the Constitution. A copy of Mr Zain's notice of candidature for election is attached in Appendix C of this Notice of Meeting.

Pursuant to the Acquisition (refer Resolution 2), Mr Zain and his related entities are to be issued 1,058,160 post Consolidation Shares (subject to rounding).

Resolution 6 is an ordinary resolution. However, it will not take effect unless Resolutions 1 to 5 (inclusive), 7, 8 and 11 are also passed.

8. RESOLUTION 7 – ELECTION OF DIRECTOR – DMITRY LEVIT

Clause 12.3 of the Constitution allows the Company in a general meeting by ordinary resolution to appoint any person as a director, but only where the total number of directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Agreement, Mr Levit has been nominated to join the Board of Latin Gold as a non-executive Director and being eligible seeks election.

Mr Levit is a partner of Digital Media Partners which is a venture capital firm within the technology sector. He has extensive experience in the emerging markets internet space and has previously held a variety of business development and investment roles with Yahoo and IDG Ventures in South East Asia.

Resolution 7 proposes Mr Levit as a Director of the Company on and from the Settlement Date and in accordance with clause 12.3 of the Constitution. A copy of Mr Levit's notice of candidature for election is attached in Appendix D of this Notice of Meeting.

Mr Levitt does not draw any compensation for his services to PGI or M3H.

Pursuant to the Acquisition (refer Resolution 2), Mr Levit and his related entities are to be issued 11,240,174 post Consolidation Shares (subject to rounding).

Resolution 7 is an ordinary resolution. However, it will not take effect unless Resolutions 1 to 6 (inclusive), 8 and 11 are also passed.

9. RESOLUTION 8 – ELECTION OF A DIRECTOR – JOHN LEE

Clause 12.3 of the Constitution allows the Company in a general meeting by ordinary resolution to appoint any person as a director, but only where the total number of directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Agreement, Mr Lee has been nominated to join the Board of Latin Gold as a non-executive Director.

Mr Lee is currently CEO of a mobile games platform company based in Singapore. He has previously had multiple executive roles in privately held and publicly listed games companies in both the United States and Asia. He also was a venture capitalist at Softbank Venture Capital and has had consulting roles with McKinsey & Company and Deloitte & Touche in their technology services divisions.

Resolution 8 proposes Mr Lee as a Director of the Company on and from the Settlement Date and in accordance with clause 12.3 of the Constitution. A copy of Mr Lee's notice of candidature for election is attached in Appendix E of this Notice of Meeting.

Mr Lee does not draw compensation for his services to the PGI or M3H.

Pursuant to the Acquisition (refer Resolution 2), Mr Lee and his related entities are to be issued 2,116,319 post Consolidation Shares (subject to rounding).

Resolution 8 is an ordinary resolution. However, it will not take effect unless Resolutions 1 to 7 (inclusive) and 11 are also passed.

10. RESOLUTION 9 – ELECTION OF A DIRECTOR – YEN-CHANG (CHARLES) PAN

Clause 12.3 of the Constitution allows the Company in a general meeting by ordinary resolution to appoint any person as a director, but only where the total number of directors does not at any time exceed the maximum number specified by the Constitution.

As agreed, Mr Yen-Chang has been nominated to join the Board of Latin Gold as a non-executive Director.

Mr Yen-Chang has had an 18 year business career and is currently the special assistant to the Chairman and Chief Investment Director of FIH Mobile, part of the Hon Hai Group which is the leading global manufacturing service provider in the 3C (computer, communication and consumer electronics) industries.

Prior to joining FIH Mobile, Mr Yen-Chang was general Manager between 2008 and 2012 of Orange Capital, part of France Telecom. Mr Yen-Chang has a Master of Business from the University of California and is currently based in Shenzhen, China.

Resolution 9 proposes Mr Yen-Chang as a Director of the Company upon completion of the Placement (refer Resolution 11) and in accordance with clause

12.3 of the Constitution. A copy of Mr Yen-Chang's notice of candidature for election is attached in Appendix F of this Notice of Meeting.

Resolution 9 is an ordinary resolution. However, it will not take effect unless the Placement is completed and Resolutions 1 to 8 (inclusive) and 10 to 11 (inclusive) are also passed.

11. RESOLUTION 10 – ELECTION OF A DIRECTOR – DR YICHIN LEE

Clause 12.3 of the Constitution allows the Company in a general meeting by ordinary resolution to appoint any person as a director, but only where the total number of directors does not at any time exceed the maximum number specified by the Constitution.

As agreed, Dr Lee has been nominated to join the Board of Latin Gold as a non-executive Director.

Dr Lee is currently managing partner of FCC Partners Inc. and the Senior Advisor and Taiwan Chief Representative of Booz & Co. He was formerly CEO of GigaMedia Limited, a NASDAQ listed company and remains a Director of several NASDAQ listed companies. Dr Lee has over 20 years of strategy management and corporate experience across China and has a Master of Science, PhD from Stanford University.

Resolution 10 proposes Dr Lee as a Director of the Company upon completion of the Placement (refer Resolution 11) and in accordance with clause 12.3 of the Constitution. A copy of Dr Lee's notice of candidature for election is attached in Appendix G of this Notice of Meeting.

Resolution 10 is an ordinary resolution. However, it will not take effect unless the Placement is completed and Resolutions 1 to 9 (inclusive) and 11 are also passed.

12. RESOLUTION 11 – SHARE PLACEMENT BY PROSPECTUS

12.1 General

Resolution 11 seeks Shareholder approval for the issue of 40,000,000 Shares pursuant to a Prospectus, at an issue price of \$0.20 per Share (on a post Consolidation basis), to FIH Mobile (or nominees) to raise \$8,000,000 (**Placement**).

A summary of ASX Listing Rule 7.1 is set out in Section 3.1 above.

The effect of Resolution 11 will be to allow the Company to issue the Shares pursuant to the Placement during the period within three months after the date of the Meeting, without using the Company's 15% annual placement capacity.

12.2 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the number of post Consolidation Shares to be issued is 40,000,000;

- (b) the Shares will be issued within 3 months of the date of the Meeting and it is anticipated that all of the Shares will be issued on one date;
- (c) the issue price will be \$0.20 per Share;
- (d) the Shares will be issued to FIH Mobile or nominee(s);
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Company intends to use the funds raised from the Placement to substantially accelerate its growth plans, including the establishment of a development centre in Taiwan, which will be focused on business development, extending the Company's reach into the mobile telephony network and for working capital purposes; and

Resolution 11 is an ordinary resolution. However, it will not take effect unless Resolutions 1 to 8 (inclusive) are also passed.

13. RESOLUTION 12 – APPROVAL TO GRANT 7,500,000 OPTIONS TO MR STEVEN GOH

Resolution 12 seeks Shareholder approval for the grant of 7,500,000 Options to Mr Steven Goh, or his nominee.

Resolution 12 is an ordinary resolution. However, it will not take effect unless Resolutions 1 to 8 (inclusive) and 11 are also passed.

Chapter 2E of the Corporations Act

Pursuant to Chapter 2E of the Corporations Act, a public company cannot give a "financial benefit" to a "related party" unless either one of the exceptions to the section apply or shareholders have in general meeting approved the giving of that financial benefit to the related party.

Mr Goh is a related party of the Company due to the fact that it is intended that he become a Director.

The grant of the Options to Mr Goh constitutes a "financial benefit" as defined in the Corporations Act. Accordingly, the proposed issue of Options to Mr Goh will constitute the provision of a financial benefit to a related party of the Company.

The Company seeks Shareholder approval under Section 208 of the Corporations Act to permit the issue of the Options to Mr Goh or his nominee.

Sections 217 to 227 of the Corporations Act

Pursuant to Sections 217 to 227 of the Corporations Act, the Company provides the following information to Shareholders in respect of the proposed financial benefit to be given to Mr Goh or his nominee:

- (a) the related party to whom the financial benefit will be given is Mr Steven Goh, or his nominee;

- (b) the maximum number of Options (being the nature of the financial benefit to be provided) to be issued to Mr Goh is 7,500,000 Options;
- (c) the Options will be issued on the terms set out in Appendix H;
- (d) Mr Goh is precluded from considering the Resolution. Mr Goh has an interest in the outcome of the Resolution because he is the proposed recipient of the financial benefit;
- (e) the Options will be issued as incentive for Mr Goh's continued involvement in the development of the Company as a significant technology focused social entertainment platform and the exercise of these Options is linked to the success of this outcome; and
- (f) the ASIC, in reviewing documents lodged under section 218 relating to the giving of financial benefits to related parties of public companies, requires explanatory information regarding the value of the Options proposed to be granted. The value of the Options has been calculated using the Black & Scholes pricing model and is set out in this Explanatory Statement.

ASX Listing Rules

ASX Listing Rule 10.11 provides that a company may not issue securities to a related party without obtaining prior shareholder approval. Proposed Directors are related parties for the purposes of the ASX Listing Rules.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Options to Mr Goh as approval is being obtained under ASX Listing Rule 10.11. Shareholders should note that the issue of Options to Mr Goh will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

The following information is provided in relation to the proposed issue of Options in accordance with ASX Listing Rule 10.13:

- (a) the related party that will be issued the Options is Mr Goh or his nominee and the maximum number of Options to be issued to Mr Goh is 7,500,000 Options;
- (b) the Company will issue the Options within 1 month of the date of the Meeting (or such other date as extended by ASX) and it is anticipated that all of the Options will be issued on one date;
- (c) the Options will be issued for nil consideration. The Options are to be issued as an incentive for Mr Goh's involvement in the continued development of migme Limited as a technology focused social entertainment platform and the exercise of these Options is linked to the success of this outcome;
- (d) the Options will be issued on the terms and conditions set out in Appendix H; and
- (e) no funds will be raised by the issue of the Options to Mr Goh.

Valuation of Options

The Options have been valued using the Black & Scholes pricing model.

The assumptions used to value the Options are as follows:

- (a) the expiry date of the Options is 31 July 2017;
- (b) the Options are exercisable at \$0.20 per Share;
- (c) the market price of a Share is \$0.30 (this being the market price of a Share immediately post the date of this Notice of Meeting and on a post Consolidation basis);
- (d) a common volatility factor of 1. This is based on the history of trading in the Shares for the last 12 months;
- (e) a risk-free interest rate of 2.5%;
- (f) the valuations ascribed to the Options may not necessarily represent the market price of the Options at the date of the valuation; and
- (g) the valuation date for the Options is 24 April 2014.
- (h) based on the above, the Options are valued at \$0.21 each.

Additional Information

- (a) The Shares of the Company have traded over the last twelve months at a high of \$0.077 (on a post Consolidation basis, this is equivalent to \$0.385) on 19 March 2014 and a low of \$0.006 (on a post Consolidation basis, this is equivalent to \$0.03) on 14 November 2013. The latest trading price was \$0.06 (on a post Consolidation basis, this is equivalent to \$0.30) on 24 April 2014;
- (b) The total number of Shares on issue at the date of this Notice of Meeting is 323,152,868. If the Shares proposed in Resolutions 2 and 11 of this Notice Meeting are issued and the Consolidation (refer Resolution 3) is approved this number will decrease to 251,631,941.

As at the date of this Notice of Meeting, there are no options on issue. If the Options proposed in Resolutions 12 and 13 are granted, the number of Options on issue will be 15,000,000;

- (c) Subject to completion of the Acquisition and before the proposed grant of Options the subject of Resolution 12, the securities in the Company held by Mr Goh (and associated entities) will be 21,710,867 Shares and zero Options;
- (d) Subject to completion of the Acquisition and Placement, if all of the Options proposed to be granted pursuant to Resolution 12 were to be exercised, the effect on the number of Shares on issue would be to increase that number from 251,631,941 to 259,131,941 resulting in the receipt by the Company of \$1,500,000 and a dilution to existing shareholders of 2.89%. If all the Options proposed to be granted in Resolutions 12 and 13 were to be exercised, the effect on the number of Shares on issue would be to increase that number from 251,631,941 to

266,631,941, resulting in the receipt by the Company of \$3,000,000 and a dilution to existing shareholders of 5.62% ;

- (e) The current remuneration package for Mr Goh is US\$18,333 per month; and
- (f) Subject to the passing of Resolutions 1 to 11 (inclusive), each of the current Directors of Latin Gold, namely Messrs Dawson, Higginson and Macdonald, recommend the approval of Resolution 12 as it provides an effective incentive to Mr Goh and enables the Company to preserve working capital.

14. RESOLUTION 13 – APPROVAL TO GRANT 7,500,000 OPTIONS TO KEY EMPLOYEES AND/OR CONSULTANTS OF THE COMPANY

Subject to completion of the Acquisition, the Directors of the Company wish to incentivise key employees and/or consultants.

A summary of ASX Listing Rule 7.1 is set out in Section 3.1 above.

The effect of Resolution 13 will be to allow the Directors to grant the Options during the period of 3 months after the General Meeting (or a longer period, if allowed by ASX), without using the Company's annual 15% placement capacity.

Technical Information Required by ASX Listing Rule 7.3

The following information is provided in relation to the Shares pursuant to and in accordance with ASX Listing Rule 7.3:

- a) the maximum number of Options to be granted is 7,500,000 Options;
- b) the Options will be issued no later than three (3) months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that their issue will occur on the same date;
- c) the Options will be granted for nil cash consideration, but rather as an incentive for the future commitment and involvement of selected key employees and/or consultants;
- d) the Options will be granted to key employees and/or consultants of the Company as determined by the Board in its absolute discretion;
- e) none of the Director and/or their related entities will participate in the proposed grant of options; and
- f) the terms and conditions of the Options are set out in Appendix H.

Resolution 13 is an ordinary resolution. However, it will not take effect unless Resolutions 1 to 11 (inclusive) are also passed.

15. ENQUIRIES

Shareholders may contact the Company Secretary on +61 (0) 42 999 5000 or Chairman on +61 (8) 9378 1188 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

Agreement means the heads of agreement dated 20 January 2014 and entered into between the Company and PGI on 22 January 2014 under which the Company agreed to acquire 100% of the issued capital of PGI and M3H.

Acquisition means the acquisition by the Company from the mig33 Vendors of 100% of the PGI Shares, M3H Shares, PGI Convertible Notes and M3H Convertible Notes.

Appendix means an appendix to the Explanatory Statement.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Company means Latin Gold Limited (ACN 059 457 259).

Consolidation has the meaning given to that term in Section 1.4

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors mean either the current or proposed directors of the Company (as applicable).

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

FIH Mobile means FIH Mobile Limited a company listed on the main board of the Stock Exchange of Hong Kong Limited.

General Meeting means the meeting convened by the Notice of Meeting.

IT means information technology.

Latin Gold means Latin Gold Limited (ACN 059 457 259).

M3H means M3H Private Limited, a private company incorporated in the Republic of Singapore.

M3H Convertible Notes means the convertible promissory notes which are convertible into shares of M3H as set in Schedule 2.

M3H Noteholders means collectively the holders of all of the M3H Convertible Notes on issue.

M3H Shareholders means collectively the holders of all of the M3H Shares.

M3H Shares means 61,470,313 fully paid ordinary shares in the capital of M3H, as set out in Schedule 2.

mig33 Vendors means collectively the PGI Shareholders, PGI Noteholders, M3H Shareholders and M3H Noteholders.

Notice of Meeting or **Notice of General Meeting** means this notice of general meeting including the Explanatory Statement.

Option means an option to acquire a Share on the terms and conditions set out in Appendix H.

PGI means Project Goth, Inc. a company incorporated in Delaware.

PGI Convertible Notes means the convertible promissory notes held by debt holder's convertible into shares of PGI as set out in Schedule 2.

PGI Noteholders means collectively the holders of all the PGI Convertible Notes on issue.

PGI Shares means 169,909,111 fully paid shares in the capital of PGI, as set out in Schedule 2.

PGI Shareholders means collectively the holders of all of the issued share capital of PGI.

Placement has the meaning in Section 12.1.

Prospectus means a prospectus to be lodged in respect of the Placement, in accordance with Resolution 11 and for purposes of re-compliance with Chapters 1 and 2 of the Listing Rules.

Resolutions means the resolutions set out in this Notice of Meeting or any one of them, as the context requires.

Schedule means a schedule to the Explanatory Statement.

Section means a section of the Explanatory Statement.

Settlement Date means the date of completion of the Acquisition under the Agreement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

US\$ means United States of America dollars.

VWAP means value weighted average price.

WST means Australian Western Standard Time.

SCHEDULE 1- RISK FACTORS

The below list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by Shareholders should the Acquisition be completed.

The below factors, and others not specifically referred to below, may in the future materially affect the financial performance of the Company and the value of the Company's securities.

The Company cannot guarantee its future earnings and cannot provide a guaranteed level of return to Shareholders. Therefore, the Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Shareholders should be aware that if Resolutions 1 to 8 (inclusive) are approved, the Company will be changing the nature and scale of its activities, which is subject to various risk factors.

Based on the information available, a non-exhaustive list of risk factors are as follows:

Risks relating to the Change in nature and scale of activities

Re-Quotation of Shares on ASX

The ASX has determined that that Acquisition constitutes a significant change in the nature and scale of the Company's activities and that the Company needs to comply with Chapters 1 and 2 of the ASX Listing Rules and provide disclosures as if it were seeking admission to the official list of the ASX.

There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotation of its Shares on the ASX. Should this occur, then the Acquisition will not be completed and the Shares may not be able to be traded on the ASX until such time as ASX, at its discretion, determines (refer also to Sections 1.11 and 2.2).

Risks relating to the Acquisition and the Company

The Acquisition may not complete or may be delayed

The Acquisition is subject to certain conditions precedent (refer to Section 1.4), which include the Company receiving certain approvals from Shareholders (ie approval of Resolutions 1 to 8 (inclusive)) and ASX. Any delay in obtaining these approvals may delay completion of the Acquisition. Pursuant to the Agreement, if these approvals are not obtained on or before 30 June 2014, then the Acquisition may not complete at all.

Limited operating history

The mig33 social entertainment platform has a limited operating history and the potential of its business model is unproven. No assurances can be given that the Company will achieve commercial viability through the successful implementation of its business plans.

Accordingly, there is no guarantee that the proposed marketing and pricing strategies will be successful to achieve a sizeable take up rate by users of its products and/or market share.

In addition, there is the risk that the mig33 social entertainment platform may not function as intended, including with respect to its stated scalability and coping with increasing numbers of users or client numbers. This may lead to mig33's reputation suffering amongst users and customers as well as potential claims for redress.

Risks relating to the Company's business and industry

If the Company fails to retain existing users or add new users, or if users decrease their level of engagement with the Company, the Company's revenue, financial results and business may be significantly harmed.

The size of the Company's user base and users' level of engagement are critical to the success (or otherwise) of the Company. The Company's financial performance has been and will continue to be significantly determined by its success in adding, retaining and engaging active users.

The Company anticipates that its active user growth rate will decline over time as the size of its active user base increases and as higher market penetration rates are achieved. To the extent its active user growth rate slows, its business performance will become increasingly dependent on its ability to increase levels of user engagement and monetisation in current and new markets.

If users and potential users do not perceive the Company's products to be useful, reliable and trustworthy, the Company may not be able to attract or retain users or otherwise maintain or increase the frequency and duration of their engagement.

There is no guarantee that the Company will not experience an erosion of its active user base and/or its user engagement levels. A decrease in user retention, user growth and/or user engagement could render the Company less attractive to developers and advertisers, which may have a material and adverse impact on the Company's financial performance.

Any number of factors could potentially negatively affect user retention, user growth and user engagement, including:

- users increasingly engaging with competing products;
- failure to introduce new and/or improved products and services, or if new and/or improved products and services are not favourably received;
- failure to successfully provide a compelling user experience as a result of the decisions made with respect to the frequency, prominence and size of advertisements and other commercial content displayed;
- failure to continue to develop products for mobile devices that users find engaging, that work with a variety of mobile operating systems and networks and that achieve a high level of market acceptance;
- failure to grow and monetise the Company's merchant channel;
- changes in user sentiment about the quality or usefulness of the Company's products and/or concerns related to privacy and data sharing, safety, security or other factors;

- failure to manage and prioritise information to ensure users are presented with content that is interesting, useful and relevant to them;
- adverse changes in our products that are mandated by legislation, regulatory authorities, or litigation, including settlements or consent decrees;
- technical or other problems prevent the Company from delivering its products in a rapid and reliable manner that adversely affect the user experience;
- the adoption of policies or procedures by the Company related to areas such as data sharing and/or user data that are perceived negatively by both users and the general public;
- failure to provide adequate customer service to users, developers and/or advertisers;
- the Company, its platform developers or other companies in the same industry are the subject of adverse media reports or other negative publicity; and
- the Company's current and/or future products, such as the Miniblog Platform, reduce user activity on mig33 by making it easier for users to interact and share on third party websites.

Should such risks or uncertainties materialise, or should the Company's underlying assumptions and/or projections prove incorrect, then the Company's financial performance and/or achievements may vary materially from those described in relevant forward looking statements as being expected, anticipated, intended, planned, believed, sought, estimated or projected.

Risks relating to the Company's operations

There can be no assurance that the Company's intended goals will lead to profitability and/or commercial viability. Accordingly, the Company may not achieve either short or long term profitability and may suffer losses.

Future operations of the Company may be affected by various factors including:

- unanticipated operational and technical difficulties encountered;
- failure of operating equipment, fire, accidents, industrial disputes and other force majeure events;
- risk that development and/or operating costs prove to be greater than expected or that the proposed developments or acquisitions may not be achieved;
- failure to achieve market penetration, user retention, user growth and/or user engagement;
- the supply and cost of skilled labour; and
- the prevention and/or restriction of market penetration or user access by reason of political unrest, outbreak of hostilities and inability to obtain consents or approvals.

Notwithstanding the experience, knowledge and careful evaluation the Company brings to its activities, there is no assurance that commercial viability will be achieved.

Other factors such as technical difficulties, adverse changes in government policy and/or legislation or lack of access to sufficient funding or markets may prevent the Company from operating successfully.

Failure to deal with growth

The Company's business has the potential to grow rapidly. If that occurs and the Company fails to properly manage that growth, then that failure could harm its business. Any failure to meet user demand properly could adversely affect the business, including demand for products and services, revenue, customer satisfaction and public perception.

Risks associated with jurisdictional expansion

The Company's social entertainment platform has been constructed so as to be capable of being utilised in multiple overseas jurisdictions. As the Company is seeking to expand into overseas markets, it may require a physical presence in other jurisdictions/markets which will result in an associated increase in overheads and development and marketing costs. There is the risk that any jurisdictional expansion will be unsuccessful, or that even if there is demand for the Company's products and services in that market, that the costs of doing business in that market, including the costs of establishing a new base in-country, overseas regulatory compliance and the potential duplication of running costs for the Company, are such that the Company's profitability and available working capital will be adversely impacted.

Business model to initially focus on growing market share

As with other social entertainment developers, the Company's business model is initially focused on maximising sales and market share, rather than profitability. This will require expenditure on marketing and business development. Only once the Company has achieved its market penetration and customer dependence objectives will its focus shift to maximising profitability. Accordingly, the Company may not achieve significant profitability in the short term, or may suffer losses.

Attraction and retention of key employees

The Company's ability to effectively execute its growth strategy depends upon the performance and expertise of key employees, including those with valuable technological skills and specialist knowledge of the Company's underlying products, services and markets. The departure of certain key employees and any delay in their replacement, could hamper the Company's ability to achieve its strategic growth objectives and financial performance goals. As the Company grows it will need to make additional key appointments to finalise its executive team and will also need to expand its technical sales support team. There is no guarantee that the Company will be able to attract and retain appropriately qualified personnel.

Availability of IT staff in the market

The Company is reliant upon employees with specialist IT skills in order to develop and maintain its products and services. Any shortage of availability of these skills in the IT employment market could impair the development of the Company's products and

business and the rate of such development. Such shortage could also cause wage inflation, which may impact on the Company's profitability

Reliance on third party IT service provision

The Company utilises equipment, software and services provided by third parties to deliver its social entertainment platform. Significant or extended disruption of the Company's platform caused by supplied equipment, software or service failure may reduce the Company's ability to generate revenue, impact consumer service levels and damage the Company's brand. This could adversely affect the Company's ability to attract and retain users, generate new business and cause it to suffer financial loss. Any mitigation of this loss via redress from third party suppliers may not be immediately available, if at all.

Reliance on core information technology and other systems

The availability of the Company's social entertainment platform is dependent upon the performance, reliability and availability of its IT and communication systems. This includes its core technologies such as computer servers and back-end processing systems. These systems may be adversely affected by a number of factors including major events such as acts of terrorism or war, a breakdown in utilities such as electricity and fibre optic cabling and even pandemics. Events of that nature may cause one or more of those core technologies to become unavailable. There are also internal and external factors that may adversely affect those systems and technologies such as natural disasters, misuse by employees or contractors or other technical issues. The Company's disaster recovery plans may not adequately address every potential event and its insurance policies may not cover loss or damage suffered as a result of a system failure.

Any damage to, or failure of, the Company's key systems can result in disruptions in the Company's ability to operate its social entertainment platform. Such disruptions have the potential to reduce the Company's ability to generate revenue, attract and/or retain users, impact user service levels and damage the Company's brand. This could adversely affect the Company's ability to generate new business and cause it to suffer financial loss.

Security breaches

A malicious attack on the Company's systems, processes or people from external or internal sources could put the integrity and privacy of customers' data and business systems used to run the social entertainment platform at risk. The impact of loss or leakage of customer or business data could include costs for rebates, potential service disruption, litigation and brand damage resulting in reduced or falling revenues. The Company follows best practice in relation to security policies, procedures, automated and manual protections, encryption systems and staff screening to minimise this risk.

Shortage of funding

The Company will hold a minimum of \$5 million in cash following completion of the Acquisition, which will be used to accelerate the Company's business, marketing and growth plans. However, if the Company incurs unexpected costs or is unable to generate sufficient operating income further funding may be required. Any additional funding through Share issues is dependent upon market conditions at the time. Debt financing may not be available to support the scope and extent of proposed developments. If available, it may impose restrictions on operating activities or anticipated expansion of the Company's operations.

Protection of intellectual property

The Company's intellectual property includes its software development, knowledge base of business operations, including user, industry and market behaviours, customer records and the experience of its management team and workforce. The Company maintains strict security and monitoring its software code and customer records, including protection and restriction on physical access. The Company encourages employee retention and through the use of competitive long-term employment contracts, confidentiality, non-competition and invention agreements.

The Company has trademarks in place to protect its proprietary rights. However it does not have any patents in place to protect its intellectual property. Accordingly, the Company cannot be certain that the unauthorised use or access of intellectual property relevant to the Company's business will not be undertaken by third parties to the detriment of the Company, its operations and business. In addition, there can be no guarantee that unauthorised use or copying of the Company's software, data, specialised technology or algorithms will be prevented. Any unauthorised use, access or copying of the Company's intellectual property could impact adversely on the Company's margins and revenue.

mig33 Vendors may sell their Shares

Some mig33 Vendors may elect to sell their Shares which are not subject to escrow restrictions by ASX immediately following completion of the Acquisition. If one or more mig33 Vendors elect to sell a sufficiently large number of Shares, then this may negatively impact the price of Shares and decrease the realisable value of existing Shareholders' investment in the Company.

Legal environment

The legal system in the emerging markets in which the Company operates and/or intends to operate, may be less developed than more established countries and this could result in the following risks:

- political difficulties in obtaining effective legal redress in the courts whether in respect of a breach of law or regulation or in an ownership dispute;
- a higher degree of discretion held by various government officials or agencies;
- the lack of political or administrative guidance on implementing applicable rules and regulations, particularly in relation to intellectual property rights and taxation;
- inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or
- relative inexperience of the judiciary and court in matters affecting the Company.

Risks relating to operating in other jurisdictions

The Company's is targeting emerging markets that inherently are subject to emerging legal and political systems, when compared with the systems in place in Australia.

Possible sovereign risks include, without limitation, changes in legislation, a shift in political attitude, changes in economic and social conditions, political instability, the imposition of operating restrictions, government participation, changes to taxation rates and/or concessions, working conditions, rates of exchange, exchange control, licensing, duties or imposts, repatriation of income or return of capital and changes in the ability to enforce legal rights.

The Company's activities are subject to applicable local laws, regulations and to the relevant conditions applying in each jurisdiction in which the Company operates or intends to operate. Failure to comply with these conditions may cause the Company to suffer significant damage through loss of opportunity and/or the imposition of penalties and fines.

Changes in government and/or statutory changes in jurisdictions in which the Company operates, or intends to operate, may affect the Company's business and its operations.

Any of these factors may, in the future, adversely affect the financial performance of the Company and the market price of its Shares.

Contractual risks

The ability of the Company to achieve its objectives will also be dependent on the performance by the counterparties to any agreements that the Company has entered into or may enter into. If any counterparty defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy. Legal action can be costly. Furthermore, certain contracts to which either the Company is a party may be governed by laws of jurisdictions outside Australia. There is a risk that the Company may not be able to seek legal redress that it could expect under Australian law; and generally there can be no guarantee that a legal remedy will ultimately be granted on the appropriate terms.

International operations

International sales and operations are subject to a number of risks, including:

- potential difficulties in enforcing agreements and collecting receivables through foreign local systems;
- potential difficulties in protecting intellectual property;
- increases in operating costs; and
- restrictive governmental actions.

Any of these factors could materially and adversely affect the Company's business, results of operations and financial condition.

Exchange rate risks

Exchange rates fluctuate and are affected by many factors beyond the control of the Company.

To comply with Australian reporting requirements the income, expenditure and cash flows of the Company will need to be accounted for in Australian dollars. This will result in the income, expenditure and cash flows of the Company being exposed to the fluctuations and volatility of the rate of exchange between other currencies and the Australian dollar, as determined in international markets.

This will result in the Company being exposed to exchange rate risk, which may have an adverse impact on the profitability and/or financial position of the Company.

Subsidiary risk

PGI and M3H are companies incorporated in Delaware, USA and Singapore respectively.

On completion of the Acquisition, PGI and M3H will become wholly owned subsidiaries of the Company.

The Company's rights to participate in a distribution of PGI's and M3H's assets and/or the assets of their subsidiaries in the event of liquidation, re-organisation or insolvency is generally subject to prior claims of that entity's creditors, including trade creditors.

Reliance on key management

The responsibility of overseeing the day-to-day operations and the strategic management of the Company and its controlled entities depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these senior management, key personnel or employees cease their involvement or employment with the Company or its controlled entities.

Additional requirements for capital

The continued operations of the Company are dependent on its ability to obtain financing through debt and equity financing, or generating sufficient cash flows from future operations. There is a risk that the Company may not be able to access capital from debt or equity markets for future acquisitions or developments, which could have a material adverse impact on the Company's business and financial condition.

Insurance risks

The Company maintains insurance for certain activities within ranges of coverage that it believes to be consistent with industry practice and having regard to the nature of activities being conducted. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. In addition, there remains the risk that an insurer defaults in the payment of a legitimate claim by the Company.

Competition

There is a risk that the Company will not be able to continue to compete in the competitive industry in which it operates. The potential exists for the nature and extent of the competition to change rapidly, which may cause loss to the Company.

The Company is and will be competing against a number of significant global IT companies for users, user growth, user engagement, advertisements, commercial content and revenue. In addition, the emergence of new competitors in the market, or technological developments providing an alternative to the Company's products and services could adversely impact the Company's market share and cause downward price pressure on the Company's margins and revenue. Existing and new providers of social entertainment platforms may respond aggressively to the Company's products and services and seek to regain market share and revenue, which could also impact adversely the Company's margins and revenue

General risks

Share Market

There are general risks associated with any investment and the share market. The price of the Company's securities on the ASX may rise and fall depending on a range of factors beyond the Company's control and which are unrelated to the Company's financial performance.

These factors may include movements on international stock markets, interest rates and exchange rates, together with domestic and international economic conditions, inflation rates, investor perceptions, changes in government policy, commodity supply and demand, government taxation and royalties, war, global hostilities and acts of terrorism.

There is no assurance that the price of the Shares will increase following completion of the Acquisition and the Company's re-quotations on ASX, even if the Company's revenues and/or earnings increase.

Government policies and legislation

The Company's businesses and performance are affected generally by the fiscal or other policies (including taxation) that are adopted by government both in Australia and in the other jurisdictions in which the Company operates. Any change in regulation or policy may adversely affect the performance or financial position of the Company, either on a short-term or long-term basis. The Company may also be adversely affected by the pace or extent of such change.

General Economic conditions

The Company's business is affected by general economic conditions. A deterioration in economic conditions could lead to reductions in personal and business spending and other potential revenues which could be expected to have a corresponding adverse impact on the Company's operating and financial performance.

Market risk and interest rate volatility

From time to time, the Company may borrow money and accordingly will be subject to interest rates which may be fixed or floating. A change in interest rates would be expected to result in a change in the interest cost to the Company and, hence, may affect its financial performance.

Liquidity risk

There is no guarantee that there will be an ongoing liquid market for the Company's securities. Accordingly, there is a risk that, should the market for the Company's securities become illiquid, Shareholders will be unable to realise their investment in the Company.

Risk of Shareholder dilution

In the future, the Company may elect to issue Shares to engage in fundraisings and also to fund, or raise proceeds, for acquisitions the Company may decide to make. While the Company will be subject to the constraints of the Listing Rules regarding the percentage of its capital it is able to issue within a 12 month period (other than where exceptions apply), Shareholders may be diluted as a result of such issues of Shares and fundraisings.

Litigation

Litigation brought by third parties including but not limited to customers, partners, suppliers, business partners or employees could negatively impact the business, particularly in the case where the impact of such litigation is greater than or outside the scope of the Company's insurance.

Force majeure events

Events may occur within or outside Australia that could impact upon the global and Australian economies, the operations of the Company and the price of the Shares. Such events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or man-made events or occurrences that can have an adverse effect on the demand for the Company's products and services and its ability to conduct business. The Company will have only a limited ability to insure against some of these risks.

Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above may, in the future, materially affect the financial performance of the Company and the value of the Company's securities.

SCHEDULE 2- ALLOCATION OF LATIN GOLD SHARES TO MIG33 VENDORS

	No currently on issue	No of Latin Gold Shares to be issued	%
<i>Latin Gold Shares currently on issue</i>		323,152,868	30.54
<i>Shares on issue post 1 for 5 Consolidation (Resolution 3)</i>		64,630,574	30.54
PGI Shareholders	169,909,111	101,945,467	48.17
PGI Noteholders	13,622,854	8,173,712	3.86
M3H Shareholders	1	1	0.00
M3H Noteholders	61,470,313	36,882,187	17.43
<i>Total Latin Gold Shares on issue (prior to the Placement – Resolution 11)</i>		211,631,941	100%

APPENDIX A – UNAUDITED PRO-FORMA BALANCE SHEET

LATIN GOLD LIMITED
UNAUDITED PRO-FORMA CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2013

	Latin Gold Audit Reviewed 31 Dec 2013	PGI and M3H unaudited 31 Dec 2013	Unaudited Proforma Consolidated 31 Dec 2013	Note
	\$000's	\$000's	\$000's	
Current assets				
Cash and cash equivalents	2,742	3,774	14,516	1
Trade and other receivables	15	25	40	
Prepaid expenses	-	62	62	
Total current assets	2,757	3,861	14,618	
Non-current assets				
Property & equipment	-	136	136	
Investments	480	-	480	
Other	-	88	88	
Goodwill on acquisition	-	41,093	41,093	2
Total non-current assets	480	41,317	41,797	
Total assets	3,237	45,178	56,415	
Current liabilities				
Trade and other payables	41	374	415	
Accrued expenses	-	552	552	
Deferred revenue	-	152	152	
Total current liabilities	41	1,078	1,119	
Total liabilities	41	1,078	1,119	
Net assets	3,196	44,100	55,296	
Equity				
Share capital	13,269	54,501	65,369	3
Reserves	647	(574)	647	
Goodwill on acquisition	-	41,093	-	
Accumulated losses	(10,720)	(50,920)	(10,720)	
Total equity	3,196	44,100	55,296	

See notes on following page

Notes:

Capitalised terms have the same meaning given to them in the Explanatory Statement.

1. The proforma cash has been calculated based on the following transactions:

	\$000's
Balance as at 31 December 2013	2,742
PGI and M3H cash as at 31 December 2013	3,774 ¹
Placement of 40 million Shares to FIH Mobile (refer Resolution 11)	8,000
Total	14,516

1. During the period since 31 December 2013, PGI has expended approximately \$2.2 million on project development.
2. The proforma goodwill on acquisition of \$41,093 has been calculated on the basis that 735,006,836 pre-Consolidation Shares, at an issue price of \$0.06 per Share (ie the pre-Consolidation market price as at 14 April 2014) have been issued to the mig33 Vendors.
3. The proforma share capital has been calculated based on the following transactions:

	\$000's
Balance as at 31 December 2013	13,269
Issue of 735,006,836 pre-Consolidation Shares, at an issue price of \$0.06 per Share (ie the pre-Consolidation market price as at 24 April 2014), to the mig33 Vendors (refer Resolution 2)	44,100
Issue of 40 million post-Consolidation Shares at an issue price of \$0.20 per Share (refer Resolution 11)	8,000
Total	65,369

4. PGI and M3H have expensed all of their development capital.

APPENDIX B – NOTICE OF CANDIDATURE – STEVEN GOH

02 April 2014

The Company Secretary
Latin Gold Limited
13/36 Johnson Street
Guildford, Western Australia 6055

Dear Sir

NOTICE OF CANDIDATURE

I, Steven Goh Wern-Yi, hereby nominate myself for the position of Director of Latin Gold Limited (**Latin or the Company**) and in accordance with clause 12.2 of the Company's constitution hereby consent to the nomination and signify my candidature for election as a Director of Latin.

Yours faithfully

A handwritten signature in black ink, appearing to be 'S Goh', with a horizontal line underneath.

(Steven Goh)

APPENDIX C – NOTICE OF CANDIDATURE – ANDI ZAIN

2 April 2014

The Company Secretary
Latin Gold Limited
13/36 Johnson Street
Guildford, Western Australia 6055

Dear Sir

NOTICE OF CANDIDATURE

I, ANDI ZAIN hereby nominate myself for the position of Director of Latin Gold Limited (**Latin** or the **Company**) and in accordance with clause 12.2 of the Company's constitution hereby consent to the nomination and signify my candidature for election as a Director of Latin.

Yours faithfully



(ANDI ZAIN)

APPENDIX D – NOTICE OF CANDIDATURE – DMITRY LEVIT

2nd April 2014

The Company Secretary
Latin Gold Limited
13/36 Johnson Street
Guildford, Western Australia 6055

Dear Sir

NOTICE OF CANDIDATURE

I, Dmitry Levit, hereby nominate myself for the position of Director of Latin Gold Limited (Latin or the Company) and in accordance with clause 12.2 of the Company's constitution hereby consent to the nomination and signify my candidature for election as a Director of Latin.

Yours faithfully



Dmitry Levit

APPENDIX E – NOTICE OF CANDIDATURE – JOHN LEE

02 April 2014

The Company Secretary
Latin Gold Limited
13/36 Johnson Street
Guildford, Western Australia 6055

Dear Sir

NOTICE OF CANDIDATURE

I, John Francis Woon-Jae Lee, hereby nominate myself for the position of Director of Latin Gold Limited (**Latin** or the **Company**) and in accordance with clause 12.2 of the Company's constitution hereby consent to the nomination and signify my candidature for election as a Director of Latin.

Yours faithfully



John Francis Woon-Jae Lee

APPENDIX F – NOTICE OF CANDIDATURE – YEN-CHANG (CHARLES) PAN

23 April 2014

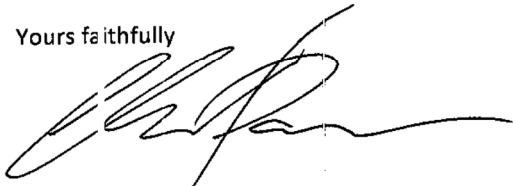
The Company Secretary
Latin Gold Limited
13/36 Johnson Street
Guildford, Western Australia 6055

Dear Sir

NOTICE OF CANDIDATURE

I, Yen-Chang PAN, hereby nominate myself for the position of Director of Latin Gold Limited (**Latin** or the **Company**) and in accordance with clause 12.2 of the Company's constitution hereby consent to the nomination and signify my candidature for election as a Director of Latin.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Yen-Chang PAN', written over a horizontal line.

Yen-Chang PAN

APPENDIX G – NOTICE OF CANDIDATURE – YICHIN LEE

25 April 2014

The Company Secretary
Latin Gold Limited
13/36 Johnson Street
Guildford, Western Australia 6055

Dear Sir

NOTICE OF CANDIDATURE

I, (Yichin Lee), hereby nominate myself for the position of Director of Latin Gold Limited (**Latin** or the **Company**) and in accordance with clause 12.2 of the Company's constitution hereby consent to the nomination and signify my candidature for election as a Director of Latin.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Yichin Lee', with a stylized flourish at the end.

Yichin Lee, Ph.D.,

APPENDIX H – TERMS AND CONDITIONS OF OPTIONS (RESOLUTIONS 12 AND 13)

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- a) The exercise price of each Option is \$0.20 ("Exercise Price").
- b) The Options expire at 5:00pm WST on 31 July 2017 ("Expiry Date").
- c) The Options can only be exercised by the holder on or after 31 July 2015 and prior to the Expiry Date provided that no later than 31 July 2015 the price of the Shares have traded on ASX at greater than \$0.50 for a minimum 15 day VWAP.
- d) Each Option shall entitle the holder to subscribe for and be issued one Share in the capital of the Company upon exercise of the Option and payment to the Company of the Exercise Price.
- e) Shares issued as a result of the exercise of any of the Options will rank equally in all respects with all Shares currently on issue.
- f) The Option holder is not entitled to participate in new issues of securities offered to Shareholders (including any rights issue, entitlement issue or bonus issue) unless the Option is exercised before the relevant record date for that new issue.
- g) The Options are non-transferable and if the Option holder ceases to be either a Director, employee or consultant of the Company prior to 31 July 2016 and the Options have not been exercised, then the Options will be automatically cancelled.
- h) Shares issued on the exercise of Options will be issued not more than fourteen (14) days after receipt of a properly executed exercise notice and application moneys. Shares issued pursuant to the exercise of an Option will rank equally with the then issued Shares of the Company in all respects. If the Company is listed on ASX it will, pursuant to the exercise of an Option, apply to ASX for quotation of the Shares issued as a result of the exercise, in accordance with the Corporations Act and the ASX Listing Rules.
- i) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option holder will be changed to the extent necessary to comply with the ASX Listing Rules applying to the reconstruction of capital at the time of the reconstruction.

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