

31 January 2014

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

Highlights

- **Proposed acquisition of 100% of the mig33 social entertainment platform announced on 23 January 2014.**
- **mig33 is a social entertainment platform with over 3 million monthly active users and was recently relaunched as a Beta in August 2013. The service includes Miniblog, Chat, Chatrooms, Virtual Gifts and Games and is available on Android, WAP and Web.**
- **The platform is monetising and is targeting internet users in emerging markets representing over 3.5 billion people and the next frontier of growth in the internet.**
- **During the December quarter and prior to the proposed acquisition of mig33 an active review of advanced resource properties continued.**

Mig33

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

Re-launched as a Beta in August 2013, mig33 is a social entertainment platform featuring miniblog, chat, chatrooms, virtual gifts and games, is available on Android, WAP and Web, and has over 3 million monthly active users. The platform is tailored for emerging markets across South East Asia, South Asia, Middle East and Africa which represent a population of over 3.5 billion people, and monetises not through advertising but primarily through the sale of virtual gifts and games. Part of this business model was developed to build on the success of the Chinese based Tencent Holdings (700:HK), which now has a market capitalisation of over US\$120 billion.

Early results indicate that artists and celebrities using mig33 in Indonesia and South Asia are achieving levels of engagement comparable to and exceeding that of their equivalent presence on Facebook and Twitter. With

these results, the mig33 team is currently focused on broadening and polishing the service and offering and growing the user base in 2014.

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

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

Steven is well supported at board level with a group of directors that provide exceptional high level IT expertise and extensive commercial experience.

Key terms to the proposed transaction are:

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

On completion of the transaction, Latin Gold shareholders will own approximately 30.5% of the merged group.

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

Indicative Timetable

Event	Date
Despatch of Notice of General Meeting.	24 March 2014
Prospectus open	25 March 2014
Date of General Meeting to approve transaction	22 April 2014
Suspension of securities	22 April 2014
Prospectus close	29 April 2014
Re-compliance with Chapters 1 & 2 of ASX Listing Rules	6 May 2014
Reinstatement to Official Quotation	13 May 2014

Post-Acquisition Capital Structure (Indicative)

Current shares on issue	323,152,868
Acquisition of mig33	735,006,836
Total	1,058,159,704

The mig33 Group delivers a commercialised social entertainment platform, a community with encouraging early results, a strong board and a highly experienced, motivated and extremely enthusiastic operating team of some 90 persons.

The Board of Latin Gold views the proposed merger with the mig33 Group as a significant opportunity for all shareholders to be part of a very exciting growth opportunity within the social entertainment sector.

Proposed Buhemba Transaction

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

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

Narracoota Project (Latin Gold earning 90%)

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

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

Current Tenements

Narracoota E52/1496 – Under joint venture from Nevada Iron Limited.

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

Gearless Well ELA 36/808

Howard Dawson
Chairman