



ABN 43 059 457 279

**NOTICE OF
GENERAL MEETING
&
EXPLANATORY MEMORANDUM TO
SHAREHOLDERS**

**For the General Meeting to be held on
28 August 2006 at 10.00am (WST) at
Level 1, 89 St. George's Terrace,
Perth, Western Australia**

NOTICE OF GENERAL MEETING

WESTMAG LIMITED ABN 43 059 457 279

Notice is hereby given that a General Meeting of Westmag Limited will be held at Level 1, 89 St. George's Terrace, Perth, Western Australia on Monday, 28 August 2006 at 10.00 am (WST time).

The Explanatory Memorandum containing information in relation to the following Resolutions accompanies this Notice of Meeting.

AGENDA

1. RESOLUTION - RATIFICATION OF ISSUE OF SHARES

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

"That, for the purpose of Listing Rule 7.4 of the Listing Rules of the Australian Stock Exchange Limited and for all other purposes, the Company ratifies the allotment and issue of: 9,978,448 Shares at 8 cents each on the terms and conditions more particularly described in the Explanatory Memorandum accompanying this Notice of Meeting.

Voting Exclusion: The Company will disregard any votes cast on this resolution by any person who participated in the issue and any associate of such allottee. The Company need not, however disregard a vote if it is cast by a person as 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 - APPROVAL OF ISSUE OF SHARES

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

"That for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 30,000,000 Shares in the capital of the Company under a prospectus at an issue price that is at least 80% of the average market price calculated over the last five days on which sales of Shares were recorded before the date of the prospectus and otherwise on the terms and conditions and in the manner described in the Explanatory Memorandum accompanying this Notice."

Voting Exclusion: The Company will disregard any votes cast on this resolution by any person who may participate in the issue, any person who might obtain a benefit, except a benefit solely in the capacity of an ordinary security holder and any person who participated in the issue, if the resolution is passed, or any associate of those persons. The Company need not, however disregard a vote if it is cast by a person as 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 - CHANGE OF NAME

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

"That for the purposes of Section 157(1) of the Corporations Act and for all other purposes, the name of the Company be changed to "Latin Gold Limited " and the Company's constitution be amended consequentially so as to delete all references to "Westmag Limited" and to replace all such references with " Latin Gold Limited"."

SNAPSHOT DATE

For the purposes of Regulation 7.11.37 of the Corporations Regulations, the Directors have set a snapshot date to determine the identity of those persons eligible to vote at the General Meeting. The snapshot date is 10am (WST time) on 26 August 2006.

PROXIES

In accordance with section 249L of the Corporations Act, shareholders are advised that:

- (a) each shareholder has a right to appoint one proxy, and if the shareholder may cast two or more votes, the shareholder may appoint two proxies;
- (b) a proxy need not be a shareholder of the Company; and
- (c) if a shareholder appoints two proxies, the shareholder may specify the proportion or number of votes each proxy is appointed to exercise.

In accordance with the Company's Constitution, shareholders are further advised that:

- (a) if the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the shareholder's votes; and
- (b) if a shareholder appoints two proxies, only one may vote on a show of hands.

In accordance with section 250BA of the Corporations Act, the Company specifies the following information for the purposes of receipt of proxy appointments:

Principal Office: Level 1, 89 St George's Terrace
PERTH WA 6000

Facsimile Number: (08) 9481 2200

Postal Address: GPO Box 2508
PERTH WA 6001

The instrument appointing the proxy must be signed by the shareholder, or by the shareholder's attorney who is authorised to sign the instrument under a power of attorney.

If a shareholder is a company it must sign the instrument in accordance with section 127 of the Corporations Act.

A proxy is not entitled to vote unless the instrument appointing the proxy, and the authority under which the instrument is signed or a certified copy of the authority, is either deposited at the registered office of the Company or sent by facsimile to that office, and in each case to be received not less than 48 hours prior to the time of the meeting (being not later than 10.00 am Perth time on 26 August 2006).

By Order of the Board

Bryan Dixon
Company Secretary
Perth, Western Australia
Date: 26 July 2006

WESTMAG LIMITED
ACN 059 457 279

EXPLANATORY MEMORANDUM TO SHAREHOLDERS

This Explanatory Memorandum has been prepared to assist shareholders of the Company in understanding the business to be put to shareholders for their consideration at the forthcoming General Meeting of the Company.

The Directors recommend that you read this Explanatory Memorandum.

1. RESOLUTION - RATIFICATION OF THE ISSUE OF SHARES

1.1 Background

Westmag announced on 29 May 2006 it had completed its placement to raise \$798,276 before costs and by issuing 9,978,448 Shares at 8 cents each.

1.2 Regulatory Requirements - ASX Listing Rule 7.4

Under Chapter 7 of the ASX Listing Rules, there are limitations on the capacity of the Company to enlarge its capital by the issue of equity securities. Approval is sought under ASX Listing Rule 7.4 to allow the Company to ratify the issue and allotment of 9,978,448 Shares.

The reason for an approval under ASX Listing Rule 7.4 is to reinstate the capacity of the Company to issue up to 15% of its securities without the approval of its shareholders.

The following information is provided to shareholders for the purposes of obtaining shareholder approval pursuant to the ASX Listing Rules:

- (a) the number of securities allotted by the Company was 9,978,448 Shares;
 - (b) the allottees of the Shares were clients of the following firms:
 - Bell Potter Securities
 - ASANDAS Limited
 - Delta Securities
 - Macquarie Bank Limited
 - DJ Carmichael & Co
 - Taylor Collison Limited
 - Tricom Equities
 - Argonaut Securities
- None of the allottees are related parties of the Company;
- (c) the Shares were allotted for cash consideration of 8 cents per Share;
 - (d) the Shares rank equally with the existing Shares on issue; and
 - (e) The purpose of the funds raised is as follows:
 - for the acquisition and exploration of the Paron gold project;
 - provide funds for other opportunities that may arise in Latin America or any other geographic area the Directors decide is worthy of attention; and
 - meet the Company's costs associated with the Prospectus.

2. RESOLUTION - APPROVAL OF ISSUE OF SHARES

2.1 Background

Westmag announced on 27 April 2006 that it entered into an option to purchase 100% equity in the Paron gold project, located in the Department of Ancash, 16 kilometres from the town of Caraz, 470 kilometres north of Lima in Peru. It is located 40 km to the north of Barrick Gold's ("Barrick") Pierina gold project (210 Mt @ 1.1 g/t for 7.5 million ounces) and 120 km south of Barrick's Alto Chicama/Lagunas Norte gold mine (227 Mt @ 1.1 g/t for 8 million ounces). The deposit sits at 3,500m and access is excellent all year.

The total option consideration is \$US1.7 million payable in 5 tranches over a period of 16 months, with an initial payment of US\$40,000 for purchase of the option. Barrick, who through a Peruvian subsidiary reviewed and reported internally on the property in the year 2000, have a 5% net smelter royalty on the Paron gold project which Westmag has the right to purchase for US\$200,000 at the commencement of production.

2.2 Regulatory

The Company proposes a placement ("Placement") of 30 million Shares. The number of securities proposed to be issued is in excess of the number of securities that can be issued by the Company without shareholder approval. The Placement will be done pursuant to a prospectus to be issued under the Corporations Act.

Under Chapter 7 of the Listing Rules, there are limitations on the capacity of the Company to enlarge its capital by the issue of equity securities. Listing rule 7.1 provides generally that a company may not issue Shares or options to subscribe for Shares equal to more than 15% of the company's issued share capital in any 12 months without obtaining shareholder approval. The effect of this approval is to authorise the Company to complete the Placement. Application will be made to ASX for permission for the Shares to be listed for quotation on ASX.

The following additional information is provided pursuant to the Listing Rules:

1. The maximum number of securities to be issued if this Resolution is approved is 30 million Shares.
2. The issue price of the Shares will be at least 80% of the average market price calculated over the last five days on which sales of the Shares were recorded before the date of the prospectus.
3. The Shares will be issued and allotted within 3 months of the meeting or at such time as deemed appropriate by an ASX waiver;
4. The allottees will be determined by the directors. None of the allottees will be related parties of the Company.
4. The Shares are fully paid ordinary shares ranking pari passu in all respects with all other ordinary shares in the Company on issue; and
5. The funds raised under the Placement will be used by the Company as follows:
 - a. for the acquisition and exploration of the Paron gold project;
 - b. provide funds for other opportunities that may arise in Latin America or any other geographic area the Directors decide is worthy of attention;
 - c. meet the Company's costs associated with the Prospectus; and
 - d. increase the Company's working capital.

The Board recommends shareholders vote in favour of this Resolution as it allows the Company to complete the Placement, fund the acquisition and undertake exploration of the Paron Gold project. .

3. RESOLUTION - CHANGE OF NAME

The new name proposed to be adopted under Resolution 3 is “Latin Gold Limited”. The Directors believe that this new name more accurately reflects the proposed future operations of the Company.

4. GLOSSARY

ASIC means Australian Securities and Investments Commission.

ASX means Australian Stock Exchange Limited.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Board means the board of directors of the Company.

Company or **Westmag** means Westmag Limited ABN 43 059 457 279;

Constitution means the Company’s constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Listing Rules means the official listing rules of ASX;

Meeting or **General Meeting** means the meeting of shareholders convened by this Notice of Meeting;

Notice means the notice of meeting which forms part of this Memorandum.

Placement means the issue of shares of up to 30,000,000 shares under the Resolution 2.

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

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