

## **Announcement to the Australian Stock Exchange 2 November 2006**

- **Placement completed to raise approximately \$1.4 million after costs.**
- **Latin Gold continues to advance the Paron gold project in Peru with the exploration campaign accelerating during the September quarter.**
- **Drilling at Paron commenced 18 October 2006. Three diamond drill holes completed to date.**
- **Latin Gold consortium announces its intension to bid for Michiquillay copper project in Peru.**

Latin Gold Limited is pleased to advise that further to its announcement on the 18 October 2006, it has completed its placement to raise approximately \$1.4 million after costs and by issuing 25 million ordinary shares with a number of Australian based stockbroking firms.

### **Paron Gold Project**

Latin Gold's exploration campaign at its Paron gold project accelerated significantly during the September quarter. Drilling commenced on 18 October and to date three of the proposed 20 diamond drill holes had been completed.

Logging has been completed on the first two holes and is currently being carried out on the third hole. In the first two holes, core recoveries have averaged >90% which is a critical improvement of some 50% above the historic drilling recoveries in the comparable zones.

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The geological logging of the core from the holes completed to date has noted extensive sericite and siliceous alteration, development of stockworks and zones of crackle breccia. Sulphides (pyrite) and boxworks after pyrite are pervasive and range between trace and up to 8%.

The high level of core recovery is considered of great importance as our review of previous drilling indicated that in approximately 40% of the drill holes that intercepted near surface mineralisation, core recoveries ranged between 20% and 40%, and that this poor core recovery may have negatively biased the previous gold and silver assay results.

The diamond drilling programme, which will comprise 20 holes for an estimated 1,300 – 1,500 metres, has been designed to comprehensively test the potential of the Paron project to host a near surface/outcropping zone of gold mineralization as well as test for potential repetitions or extensions at depth.

### **Michiquillay Copper Project**

Latin Gold recently announced its intension to lead a consortium consisting of Latin Gold, leading Peruvian mining identity Augusto Baertl and an ASX listed mid tier company with a market capitalisation of greater than A\$750 million with Latin American experience (who for commercial sensitive reasons does not wish to be named) in bidding for the Michiquillay copper project in the Cajamarca department in Northern Peru.

The bid will take place on December 16 2006. The project, which is owned by the Peru government controlled Minerio Peru, is a porphyry copper deposit. The bid, which was announced on 22 September 2006, will be conducted by the Peru government agency Pro-inversion. Terms of the bid will be finalised on 15 November 2006 and qualification date will be 25 November 2006 with the date of the bid and adjudication being 16 December 2006.

Latin Gold have closely monitored the progress of the Michiquillay project for over three years and have completed significant due diligence on the project including site visits, data review and discussions with the local comunidads.

### ***Background***

*Latin Gold has been operating in Latin America since 2002, exploring for gold, copper and other base and precious metals. Our Peruvian operations are overseen by Executive Director, Simon Titchener who resides in Lima. The Exploration programme is in-house as well as consultant led field teams, both of which are led by experienced, local geologists with many years of Andean gold/base metal exploration experience.*

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