



ABN 43 059 457 279

Announcement to the Australian Stock Exchange 14 November 2006

Encouraging Early Drill Results from Paron Gold Project - Peru.

- *Results from the initial three holes at Paron have been received.*
- *Hole PA- 9 returned 20 metres grading 3.5 g/t gold from 3 metres depth highlighting the potential of Paron to host a near surface gold resource.*

Latin Gold Limited ("Latin Gold") is pleased to advise that the exploration drilling programme over the Paron gold project, located in the Department of Ancash, 470 kilometres north of Lima in Peru is around 50% completed with 12 holes completed to date.

Assay results for the initial 3 holes of the programme, PA-6, PA-3 and PA -9 have been received (the holes are not being drilled sequentially) and are reported herein.

Hole PA-9 which was spudded near the centre of the main mineralised area and drilled to 131 metres to test for possible flat lying repetitions intersected 20 metres @ 3.55 g/t gold from 3 metres in depth. Assay results for this hole from 26 metres to total depth are awaited.

Holes PA-3 and PA-6 were drilled near the eastern edge of the mineralised zone to test the extremities of the known mineralised zone and intersected 21 metres grading 1.38g/t and 6 metres grading 1.5g/t respectively, from surface. These holes will allow the boundary of the mineralised zone to be extended eastwards resulting in the size of the potential resource being increased.

1

Australia:

Level 1, 89 St. George's Tce. Perth, Western Australia 6000
Mailing Address; G.P.O Box 2508, Perth, Western Australia, 6001
Telephone 61-8-9481 3000; Facsimile: 61-8-9481 2200; Mobile 61-419 537 714;
Email:jim.malone@iinet.net.au

Peru:

Calle Lord Cochrane 511, Miraflores, Lima 18, Peru
Telephone 51-1-2224022; Facsimile 51-1-2224135; Mobile 51-1-97888855;
Email:simon.titchener@iinet.net.au.

Hole	Drill Location	From	To	Interval	Assay Result
PA -3	9000930mN 199210mE	0m	21m	21 m	1.38g/t Au
		21m	24m	3m	0.20g/t Au
		31m	34m	3m	0.27g/t Au
PA - 6	9000900mN 199225mE	0m	6m	6m	1.55g/t Au
		26m	34m	7m	0.29g/t Au
PA-9	9000875mN 199195mE	3m	23m	20m	3.55g/t Au
		23m	25m	2m	0.24g/t Au

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

Because of topographic constraints in the movement of the drilling rig, holes are being drilled from at the higher elevations first. As a result holes are not being drilled in sequential order and the holes to test for mineralised porphyry at depth, as well as potential down faulted repetitions of the main Paron zone, will be drilled near the conclusion of the programme.

To ensure that the drilling results are reported in the context of the entire programme the next report to ASX shall be at the conclusion of the programme when all drilling results are available. This is expected to be in early December.

Overview

The objectives of the drilling programme are summarised in the attaching figure with a prime focus on the following targets:

1. **Test the near surface continuity and grade of the existing zone of outcropping gold mineralisation.** Based upon work completed in 1994-1996 this zone has the potential to host a gold resource of 200-300,000 ounces. Holes to test this zone will be drilled to around 30-40 metres in depth. Historic drill intersections within this zone include the following:
 - DDH-1, 16.5 metres @ 3.3 g/t gold from surface, and
 - DDH – 3, 36.0 metres @ 3.2 g/t gold from surface, and
 - DDH – 4, 10.5 metres @ 3.1 g/t gold from surface.

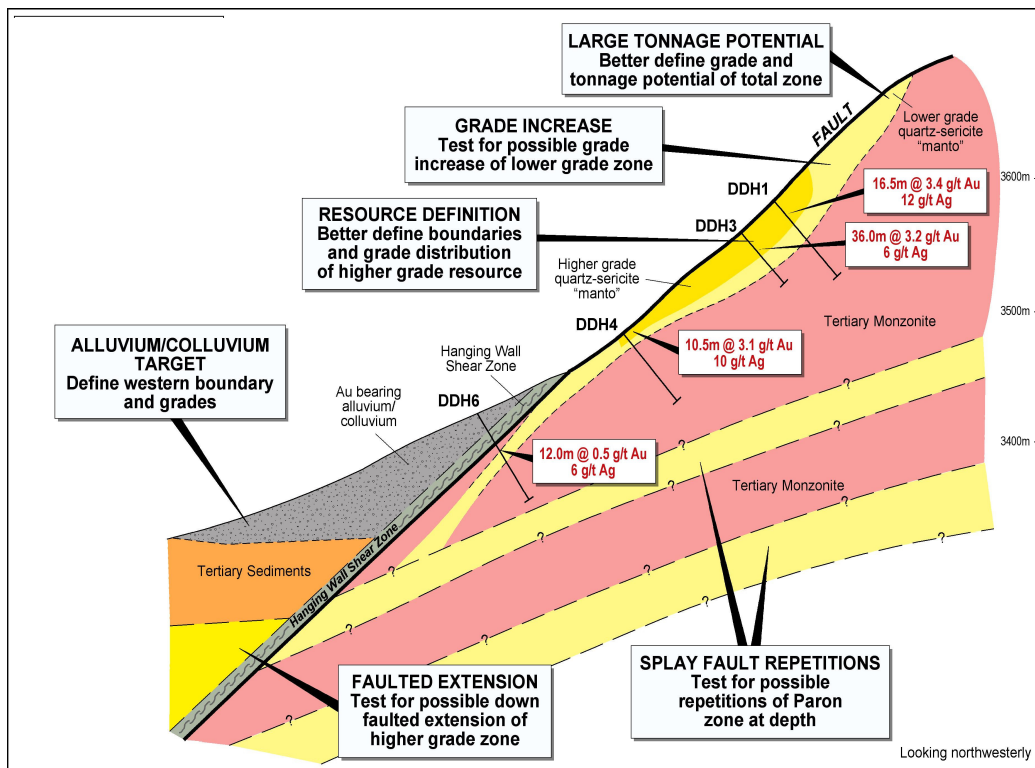


Diagram showing the exploration targets for the diamond drill programme at Paron gold project.

2. **Test within the hanging wall the potential for it to host a down-faulted extension to the existing outcropping zone of mineralisation.** The Paron mineralisation is situated on the face of a normal fault with a scarp dipping at around 38 degrees. Holes to test this target will be drilled to around 150 metres in depth.
3. **Test beneath the existing area of gold mineralisation for potential sub parallel repetitions to the outcropping zone.** The Paron mineralisation is epithermal in origin and appears to be structurally controlled. Should the surface structure have repetitions at depth then they could also be mineralised. The holes to test these targets will be drilled to around 150 metres in depth.
4. **Test for a porphyry source to the Paron mineralisation.** A historic drill hole, DDH-6 which was spudded in the hanging wall and drilled east through the fault zone into the footwall, intersected 12.0 metres @ 0.5 g/t gold from 45 metres in depth. Latin Gold geologists have logged the remnant core and interpreted the lithology hosting that intersection as being of porphyry in origin. This porphyry could potentially be the source to the existing mineralisation, albeit, possibly of lower grade. Holes to test this target will be sited on the hanging wall and will test to around 150 metres in depth.

Background

The Paron gold project is an advanced gold-silver low sulphidation epithermal project located proximal to the Barrick Gold Pierina (7.5Moz @ 1.1 g/t) and Alto Chicama/Lagunas Norte (8 Moz @ 1.3g/t) gold mines.

The Paron gold project contains gold workings dating back to the 17th century and includes over 100 adits, although all are collapsed. Modern exploration commenced in the early 1990's with a drilling programme comprising 62 holes completed during 1994 and 1995.

Latin Gold have secured the Paron project under an option with a total consideration payable of \$US1.9 million to secure a 100% interest (including purchase of a 5% royalty currently held by Barrick Gold).

The results of the 1994-1996 exploration programme identified significant gold potential with intersections including:

Hole No.	From (m)	To (m)	Interval (m)	Gold (g/t)
DDH -1	0	16.5	16.5	3.3
DDH-3	0	36.0	36.0	3.2
DDH-5	0	37.5	37.5	5.5
DDH-7	0	31.5	31.5	4.6
00-7	0	45.0	45.0	1.0
335-10	58.5	110	51.5	1.3
200-4	0	25.5	25.5	1.4
560-5	16.5	33.0	16.5	4.5
300-4	0	24	24	2.1

For further information contact:

Jim Malone
Managing Director
Latin Gold Limited
+61 8 9481-3000 (Office Perth)
+61 (0) 419 537 714 (Mobile)

Information in this report has been reviewed by a Competent Person as defined in the JORC Code, being Mr Howard Dawson B.App.Sc SFFINSLA AIG, who has sufficient experience in mineral resource estimation relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking, and consents to the inclusion in the public release of the matters based on their information in the form and context in which it appears.

Howard Dawson is a non-executive Director of Latin Gold Limited and holds through related entities 1,081,000 ordinary shares in the Company.

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