

Fourth Quarter Activities Report **for the period ending 30 June 2007**

The Directors of Latin Gold Limited (“Latin Gold”) are delighted to report the following activities for the quarter ending 30 June 2007;

- **Completion of Pre-feasibility Study of Paron Gold project identifies robust economics and development potential.**
- **Internal review of development options to be completed early August.**
- **Review of Peru uranium prospects in process.**
- **Evaluation of new projects continues.**
- **Negotiations on possible JV on Coyhaique gold project commenced.**

1. Completion of Pre-feasibility study of Paron gold project identifies robust economics and development potential

During the quarter, Latin Gold was presented with the Pre-feasibility study for the development of the Paron gold project in Peru. Whilst originally intended as an external scoping study, the level of work completed and the confidence levels placed upon the data generated have resulted in the study being elevated to a pre-feasibility by the consultants.

The study, which has been generated by independent consultants (Juan Zegarra Wuest and MTN Mineral Consultants SRL) to the company has been based on the exploration and drilling completed by Latin Gold and previous explorers over Paron and included

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.*

extensive new metallurgical test work, a detailed mine planning study, financial modeling, and a review of various development options and their potential demographic and environmental impact.

Key Results

- **Annual production 43,000 ozs of Gold and 92,000 ozs silver**
- **Heap leach operation with 6 year mine life**
- **IRR of 35%, NPV of US\$22.6 million and annual EBITDA of \$US13.2 million**
- **Cash costs \$US223/oz and total costs of \$US324/oz gold equivalent**
- **Total resources (JORC Measured, Indicated and Inferred) increased to 318,000 ozs gold and 1,393,000 ozs silver.**

Resources

As part of the study a geological model and resource estimation was completed.

Based on a 0.8 g/t gold cut-off the diluted JORC resources at Paron were estimated to be:

Cut off grade	Measured and Indicated	Inferred	Total
0.8 g/t	5,576,500 @ 1.60 g/t gold, 7.0 silver	623,450 tonnes @1.6 g/t gold, 7.0 g/t silver	6,200,000 tonnes @ 1.6 g/t gold, 7.0 g/t silver
Metal content	286,341 oz gold 1,252,743 oz silver	32,013 oz gold 140,056 oz silver	318,354 oz gold 1,392,799 oz silver

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.

For personal use only

Financial modeling

The financial modeling has been based on the following parameters:

- Heap leach operation
- Treatment rate of 3,000 tonnes per day (1.06 million tonnes per annum)
- Mine Life of 6 years
- Diluted head grade of 1.6 g/t gold and 7g/t silver
- Gold recoveries of 80%, silver recoveries of 40%
- Annual Production rate of 43,000 ozs gold and 92,000 ozs silver
- Waste to Ore ratio of 1:1
- Capex of \$US30 million (includes a 25% contingency) and a company owned plant and mining fleet

Based on this modeling and a gold price of \$US625/oz the Paron project has an IRR of 35% and will return an estimated EBITDA of around \$US13.2 million (\$A15.9 Million) on an annual basis for 6 years.

Cash production costs are estimated at a gold equivalent \$US223/oz (\$A269/oz) and total production costs (including all capex) at a gold equivalent \$US324/oz (\$A390/oz).

The project is sensitive to a range of factors such as head grade, gold recoveries, production costs and gold price: Each 5% variation in these variables changes the IRR and EBIT by the following amounts.

- Head Grade: IRR + 3.3%, EBITDA + \$US1.8 million
- Gold Recoveries: IRR + 2.0%, EBITDA + \$US0.9 million
- Cash Operating Costs: IRR -1.3%, EBITDA - \$US0.3 million
- Gold Price: IRR + 3.1%, EBITDA + \$US1.7 million

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@inet.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@inet.net.au

Exploration upside

Unfortunately, Latin Gold were unable, as a result of equipment failure, to complete the exploration drill holes testing for a high grade Paron repetition at depth or a possible fault extension at depth during the drilling campaign of last year. The potential therefore remains for the Paron project resources to be expanded by exploration.

Latin intends to undertake a drilling campaign to test the potential targets at depth in the December quarter.

Summary

The pre feasibility study of Paron has confirmed the potential of the project to be a highly profitable gold and silver operation.

There is considerable upside from the study completed in that metallurgical recoveries could be higher and the estimated capex number is based on the purchase of all new equipment and a company operated mining fleet and processing plant, as well as US\$6 million contingency for mine rehabilitation.

The low strip ratio (1:1) assists the robust economics and the fact that the resource outcrops on the side of a hill makes pit design and mining relatively easy.

2. Review of development options for the Paron Gold project

The Board of Directors of Latin Gold has spent the past month reviewing the pre feasibility study to determine the best development option for the project. An announcement on the outcome of this review is expected in late August.

3. Review of Peru uranium prospects in process.

During the quarter, the company commenced a regional exploration programme over Peru with the aim of identifying possible uranium targets for further exploration.

This programme involved a review of the known uranium deposits and occurrences within Peru and their potential significance with regards to current market and pricing dynamics.

A number of priority areas were identified with models ranging from sedimentary hosted within reducing sands through to volcanic breccia and thermal waters.

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.*

Field evaluation of these various targets has commenced utilising radiometric surveying as well as geochemical sampling.

Preliminary results are expected early in August.

4. Review of additional projects within Peru.

Our review of projects within Peru that may be available for purchase or joint venture continued. It is the strategy of the company, despite its confidence in the potential of the Paron Gold project, to continue to search for new additional projects that will complement our existing projects at Paron and Coyhaique.

During the June quarter 5 projects were reviewed but none were interpreted as having sufficient potential to reach the corporate objectives of Latin Gold.

5. Negotiations on possible JV on Coyhaique gold project commenced

During the quarter the company commenced negotiations with a group who approached Latin Gold with a view to entering into a joint venture to advance the exploration on our company's 100% owned Coyhaique Gold project.

The Coyhaique Gold project is situated in region XI of Chile. Previous exploration of the project has identified 21 targets of which 18 remain untested.

6. Corporate

On June 22 the company raised \$403,000 (\$376,000 after costs) under section 708A (8) of the Corporations Act by issuing 10,075,000 shares at 4 cents. The number of issued shares in the company at the end of the quarter was 111,576,434.

Cash at the end of the quarter was \$437,000.

Information in this report has been reviewed by a Competent Person as defined in the JORC Code, being Mr Howard Dawson who is a member of the Australian Institute of Geoscientists, with over 25 years experience in the mining industry and who has sufficient experience in mineral resource estimation relevant to the style of the 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.

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

The resource estimation was prepared by Thomas Guerrero Mendez, who is registered with the Lima stock exchange as a qualified person to sign geological reports under the JORC code.

For further information, please contact;

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

Simon Titchener
Director
Latin Gold Limited
+51 1 222 4022 (Office Lima)
+51 1 97888855 (Cell)

ENDS

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.