



**ABN 43 059 457 279**

## **PROSPECTUS**

**For the issue of 25,000,000 Shares at 6 cents  
to raise \$1,500,000 before costs.**

This document is important and should receive your immediate attention.  
If you are uncertain as to its contents and as to how you should act in this matter,  
you should consult your professional adviser without delay.  
Prospective Investors should read this Prospectus in its entirety.  
Shares offered under this Prospectus  
should be considered to be of a speculative nature.

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## IMPORTANT NOTICE

This Prospectus is dated 18 October 2006 and was lodged with ASIC on that date.

ASIC and ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Investors wishing to subscribe for the Shares offered by this Prospectus should read this Prospectus carefully and in its entirety in order to make an informed assessment of the Offer, the risk factors that could affect the financial performance of the Company and the rights attaching to the Shares offered hereunder. Shares offered by this Prospectus should be considered speculative.

### **Application for ASX Listing**

Application will be made within 7 days of the date of issue of this Prospectus for permission for the Shares offered by this Prospectus to be quoted on ASX.

### **Overseas Investors**

This Prospectus does not constitute an offer in any place in which or to any person to whom it would not be lawful to make an offer. The distribution of this Prospectus in jurisdictions outside of Australia may be restricted by law. Persons who come into possession of this Prospectus should seek advice and observe any restrictions that may be applicable.

### **How to apply for Shares**

An Application for Shares under this Prospectus can only be made by completing the Application Form accompanying this Prospectus and in accordance with the instructions set out in Section 8 of this Prospectus and on the relevant Application Form.

An Application Form must be accompanied by a cheque, denominated in Australian dollars, for the full amount of the applicable application monies. Cheques must be made payable to “**Latin Gold Limited - Share Application Account**” and should be crossed “not negotiable”.

### **Special Prospectus**

This Prospectus is issued under Section 713 of the Corporations Act which allows the issue of a concise prospectus in relation to an offer of continuously quoted securities. The Prospectus is therefore intended to be read in conjunction with the publicly available information in relation to Latin Gold which has been notified to the ASX. The Prospectus does not include all information that would be included in a prospectus for an initial offering of shares in a company that is not already listed on the ASX. Accordingly, potential Investors should have regard to other publicly available information in relation to Latin Gold before deciding whether to apply for Shares offered under this Prospectus.

No person is authorised to give any information or to make any representation in connection with the issue of Shares described in this Prospectus which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Directors in connection with the Issue. Shares offered by this Prospectus should be considered to be of a speculative nature.

Investors should refer to Section 6 of this Prospectus “Glossary of Defined Terms” for the meaning of certain words and terms used in this Prospectus.

## OVERVIEW OF OFFER AND KEY DATES

This Prospectus is an Offer of 25,000,000 Shares at 6 cents per Share to raise \$1,500,000 before expenses of the issue.

All Shares offered by this Prospectus will be issued as fully paid shares and will rank equally in all respects with the other Shares then on issue in the Company.

### Key Dates\*

Prospectus lodged with ASIC	18 October 2006
Closing Date	24 October 2006
Allotment of Shares and dispatch of holding statements	30 October 2006

\* *The date for allotment of the Shares and the dispatch of the holding statements is indicative only and may vary without notice. The Directors reserve the right to extend the Closing Date without further notice. A change of the Closing Date may cause a subsequent date to change.*

## CORPORATE DIRECTORY

<b>DIRECTORS:</b>	Peter McAleer Jim Malone Simon Titchener Howard Dawson	(Chairman) (Managing Director) (Executive Director) (Non Executive Director)
<b>COMPANY SECRETARIES:</b>	Jim Malone Bryan Dixon	
<b>REGISTERED OFFICE:</b>	Level 1, 89 St. George's Terrace PERTH Western Australia 6001	
<b>CONTACT DETAILS:</b>	Telephone: Facsimile: Email: Website:	(+618) 9481 3000 (+618) 9481 2200 <a href="mailto:jim.malone@iinet.net.au">jim.malone@iinet.net.au</a> <a href="http://www.latingold.com.au">www.latingold.com.au</a>
<b>SHARE REGISTRY:</b>	Computershare Investor Services Pty Ltd Level 2 45 St. George's Terrace PERTH Western Australia 6001 Telephone: (+61 8) 9323 2000 Facsimile: (+61 8) 9323 2033	
<b>AUDITORS:</b>	Stanton Partners Level 1 1 Havelock Street West Perth Western Australia 6005	
<b>HOME EXCHANGE</b>	AUSTRALIAN STOCK EXCHANGE LIMITED PERTH, Western Australia ASX Code: LAT	

## MANAGING DIRECTOR'S LETTER

Dear Investor,

On behalf of the Board of Latin Gold Limited ("Latin Gold"), I am pleased to offer you the opportunity to participate in this capital raising. Latin Gold intends to raise up to \$1,500,000 through a share placement via this Prospectus of 25,000,000 Shares at 6 cents ("Placement").

The details of the Shares offered under this Prospectus are set out herein and potential investors are advised to read the Prospectus in its entirety before making a decision to participate in the offer.

The Board of Latin Gold are seeking to raise funds under the Prospectus offer to:

- Allow the acquisition, drill test and general exploration of the Paron gold project; and
- Provide working capital to participate in the bid of the Michiquillay copper project, to be undertaken in a tender process to be managed by the Peruvian government, and
- Provide general working capital for the acquisition and exploration of possible additional projects within regions of South America.

Under the Paron option agreement the total consideration is \$US1.9 million payable in 5 tranches over 16 months to secure a 100% interest in the project. Details of this option agreement were released to ASX on 27 April 2006.

The Paron gold project is an advanced exploration target with work by previous explorers outlining the potential for a significant gold resource. The project has gold workings dating back to the 17<sup>th</sup> century and includes over 100 pits and adits. Modern exploration only commenced in the mid 1990's with a drilling programme comprising 62 percussion and diamond holes completed during 1994 and 1995.

Latin Gold has announced that a diamond drilling programme, consisting of up to 20 holes and 1,500 metres of drilling commenced on the 18 October.

Latin Gold has also announced that it will 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 in bidding for the Michiquillay copper project in the Cajamarca department in Northern Peru.

In addition to Paron and Michiquillay we will continue to investigate other project opportunities within Peru and Chile. With a physical presence in the region for over 4 years we believe we are better placed to source opportunities that may occur in this highly prospective minerals region than many other parties.

The Directors are enthusiastic for the potential of the Paron gold project and our other activities within the region and look forward to your support.

Yours faithfully,

Jim Malone  
Managing Director

## SECTION 1. - DETAILS OF THE ISSUE

### 1.1 Important Note

The information set out in this Section 1 is not intended to be comprehensive. This Prospectus should be read and considered in its entirety.

### 1.2 The Offer of Shares

By this Prospectus 25,000,000 Shares are offered for subscription at 6 cents per Share (payable in full upon Application on the terms and conditions herein set out).

All Shares offered by this Prospectus will be issued as fully paid shares and will rank equally in all respects with the other Shares then on issue in the Company.

### 1.3 Approval

As the 25,000,000 Shares, including Oversubscriptions, offered under this Prospectus were approved for issue by shareholders at a general meeting held on 28 August 2006, the Directors' are therefore authorised to issue the shares under the Placement in accordance with the ASX Listing Rules.

### 1.4 Important Dates\*

Prospectus lodged with ASIC	18 October 2006
Closing Date	24 October 2006
Allotment of Shares and dispatch of holding statements	30 October 2006

*\* The date for allotment of the Shares and the dispatch of the holding statements is indicative only and may vary without notice. The Directors reserve the right to extend the Closing Date without further notice. A change of the Closing Date may cause a subsequent date to change.*

### 1.5 Purpose of the Issue and Use of Funds

The purpose of the Issue is to raise funds:

- (a) fund the acquisition and exploration of the Paron gold project;
- (b) provide working capital to complete a tender for the Michiquillay copper project; and
- (c) provide funds for other opportunities that may arise in regions of South America that the Directors decide is worthy of attention; and
- (d) meet the Company's costs associated with this Prospectus.

### 1.6 No Minimum Subscription

There is no Minimum Subscription to be raised under this Prospectus.

### 1.7 Placement Fee

This Offer is not underwritten.

The Company reserves the right to pay a fee of up to 6% to any licensed securities dealer or Financial Services licensee in respect of valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian Financial Services licensee.

## **1.8 Applications for Shares**

An Application for Shares can only be made by completing the Application Form accompanying this Prospectus in accordance with the instructions set out on the Application Form and in Section 8 of this Prospectus.

The relevant Application Form must be accompanied by a cheque, denominated in Australian dollars, for the full amount of the application monies. Cheques must be made payable to “**Latin Gold Limited Share Application Account**” and should be crossed “not negotiable”.

Completed Application Forms and accompanying cheques must be lodged, before the Closing Date, by delivery or post to:

**Delivery:**

Latin Gold Limited  
Level 1, 89 St Georges Terrace  
Perth 6000  
Western Australia

**By Post:**

Latin Gold Limited  
GPO Box 2509  
Perth 6001  
Western Australia

All application monies will be held in trust for Applicants until the Shares offered under this Prospectus are issued.

## **1.09 Rights attaching to Shares**

For details of the rights attaching to the Shares offered under this Prospectus, Shareholders should refer to Section 3 of this Prospectus.

## **1.10 Allotments**

Allotment of Shares pursuant to the Issue will be made as soon as practicable after the Closing Date, and in any event no later than 13 months after the date of this Prospectus subject to Sections 1.8 and 1.11.

## **1.11 Australian Stock Exchange Listing**

The Company will apply to ASX within 7 days of the date of this Prospectus for the Shares issued pursuant to the Offer to be listed for quotation on ASX.

If official quotation of these Shares is not granted by ASX on or before the expiry of 12 weeks after the date of this Prospectus (or such longer period as may be allowed by ASX) then all application monies received pursuant to this Prospectus will be repaid to Applicants without interest.

The fact that ASX may grant official quotation for the Shares is not to be taken in any way as an indication or endorsement by ASX of the merits of the Company or the Shares offered by this Prospectus. ASX takes no responsibility for the contents of this Prospectus, including any statements contained in this Prospectus.

### **1.12 CHESS System**

The Company currently participates in the Clearing House Electronic Sub-register System (“CHESS”) in accordance with the Listing Rules and the Securities Clearing House Business Rules. The Company operates an electronic issuer sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together will make up the Company’s principal register of securities.

The Company will not issue share certificates to Investors. Instead, Investors that elect to hold their Shares on the issuer-sponsored sub-register will be provided with a holding statement (similar to a bank account statement) which sets out the number of Shares allotted to them under this Prospectus. For Investors who elect to hold their Shares on the CHESS sub-register, the Company will, on allotment, issue an advice to those Investors setting out the number of Shares allotted to the Investor and, at the end of the month following the allotment, CHESS (acting on behalf of the Company) will provide those Investors with a holding statement that confirms the number of Shares allotted.

A holding statement (whether issued by CHESS or the Company) will also provide details of a shareholder’s “Holder Identification Number” (in the case of the holding on the CHESS sub-register) or “Shareholder Reference Number” (in the case of a holding on the issuer sponsored sub-register). Following distribution of these initial holding statements, a holding statement will only routinely be provided at the end of any subsequent month during which the balance of the shareholder’s holding of securities changes.

### **1.13 GST**

All amounts stated in this Prospectus are, unless otherwise stated, expressed exclusive of GST.

## SECTION 2. - EFFECT OF THE ISSUE

### 2.1 Capital Structure

Assuming that the Issue is fully subscribed the effect of the Issue on the capital structure of the Company following completion of the Offer is summarised below

Shares on Issue prior to the Offer	76,501,434
Maximum Shares to be issued under this Prospectus	25,000,000
Maximum Shares on issue upon completion of the Issue	101,501,434

The Offer will not affect the number of Options on issue in the Company.

### 2.2 Financial Effect of the Offer

The Issue will have an effect on the Company's Statement of Financial Position.

Upon completion of the Issue, the cash reserves of the Company will be increased by the total funds raised less expenses of the Issue.

To enable Investors to better understand the financial effect of the Issue on the Company's Consolidated Balance Sheet, set out below are the audited Consolidated Balance Sheet of the Company and its controlled entities as at 30 June 2006 and the unaudited pro-forma Consolidated Balance Sheet of the Company and its controlled entities assuming the Issue had been completed on 30 June 2006.

The unaudited pro forma Consolidated Balance Sheet has been prepared by adjusting the audit reviewed Consolidated Balance Sheet as at 30 June 2006 to reflect the financial effect of the following transactions as if they had occurred at 30 June 2006:

- (1) 25,000,000 Shares being issued pursuant to this Prospectus at 6 cents per Share raising \$1,500,000;
- (2) Issue expenses of \$99,000 being incurred and met with funds from the Placement.
- (3) Estimated net cash flow used in operating activities from 1 July 2006 through to the date of this Prospectus of \$900,000.

## Pro-forma Consolidated Balance Sheet

	<b>Actual Consolidated 30 June 2006 \$</b>	<b>Proforma Consolidated 30 June 2006 \$</b>
<b>Current Assets</b>		
Cash	1,033,462	1,534,462
Receivables	31,993	31,993
<b>Total Current Assets</b>	<b>1,065,455</b>	<b>1,566,455</b>
<b>Non Current Assets</b>		
Exploration and evaluation expenditure	194,892	194,892
Plant and equipment	70,173	70,173
<b>Total Non Current Assets</b>	<b>265,065</b>	<b>265,065</b>
<b>Total Assets</b>	<b>1,330,520</b>	<b>1,831,520</b>
<b>Liabilities</b>		
Trade and other payables	86,604	86,604
Provisions	30,530	30,530
<b>Total Current Liabilities</b>	<b>117,134</b>	<b>117,134</b>
Provisions	18,821	18,821
<b>Total Non Current Liabilities</b>	<b>18,821</b>	<b>18,821</b>
<b>Total Liabilities</b>	<b>135,955</b>	<b>135,955</b>
<b>Net Assets</b>	<b>1,194,565</b>	<b>1,695,565</b>
<b>Equity</b>		
Contributed equity	7,660,036	9,061,036
Reserve	(75,150)	(75,150)
Accumulated losses	(6,390,321)	(7,290,321)
<b>TOTAL EQUITY</b>	<b>1,194,565</b>	<b>1,695,565</b>

## **SECTION 3. - RIGHTS ATTACHING TO THE SHARES OFFERED**

All Shares offered by this Prospectus will be issued as fully paid shares and will rank equally in all respects with the other Shares then on issue in the Company.

### **Rights Attaching to Shares**

The rights attaching to the Shares arise from a combination of Latin Gold's Constitution, statute and general law. The following is a summary of the more significant rights attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of shareholders. To obtain such a statement, persons should seek independent legal advice. Full details of the rights attaching to Shares are set out in Latin Gold's Constitution, a copy of which is available for inspection at Latin Gold's registered office during normal business hours. The following is a summary of the major provisions of the current Constitution of the Company.

**(a) Voting Rights**

At a general meeting of the Company every holder of Shares present in person or by proxy, attorney or representative has on a show of hands one vote, and on a poll one vote, per Share.

**(b) Dividend Rights**

Subject to the rights of holders of other shares issued with any special preferential or qualified rights, the profits of the Company which the Directors of the Company may from time to time determine to distribute by way of dividend will be declared and paid according to the number of Shares held by the member.

**(c) Rights on Winding-up**

Subject to the right of holders of other shares issued upon special terms and conditions, if the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind, the whole or any part of the property of the Company and may, with the authority of a special resolution, rest the whole or any part of any such property in trustees on such trusts for the benefit of the contributories as the liquidator thinks fit.

**(d) Transfer of Shares**

Subject to the Company's Constitution, the Corporations Act, ASX Listing Rules and any particular agreement made between the Company and any person to whom the Shares are allotted, the Company's Shares are freely transferable.

**(e) General Meetings**

Each holder of Shares is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to shareholders under the Company's Constitution, Corporations Act or the ASX Listing Rules.

**(f) Buy Back**

The Company may buy Shares in itself in accordance with the Corporations Act on the terms and at the times determined by the Board.

## **SECTION 4. – INVESTMENT CONSIDERATIONS AND RISK FACTORS**

### **4.1 General Comment**

Investors wishing to subscribe for the Shares offered by this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the effect of the issue of the Shares on the Company and the rights attaching to the Shares offered by this Prospectus.

Investors should consider carefully whether Shares in the Company are an appropriate investment for them and should appreciate that share prices can fall as well as rise.

Shares offered under this Prospectus should be viewed as speculative.

This Section is not intended to be an exhaustive list of the considerations to be taken into account by Investors in deciding whether to subscribe for Shares, nor of the risk factors to which the Company is exposed. Some of these risks can be mitigated by the use of safeguards and appropriate systems and actions, but many are outside the control of the Company and cannot be mitigated.

There are risks associated with investing in any form of business and with investing in the share market generally. All investors should consult their professional advisers if they are in doubt as to any aspect of this Prospectus, the Offer or any matters relating to an investment in the Company.

### **4.2 General Risk Factors**

The Shares to be issued under this Prospectus carry no guarantee at all with respect to return of capital, payment of dividends or the price at which they will trade on ASX.

Future viability and profitability of the Company will be dependent upon a number of factors including those listed below.

As noted above, this Section is not intended to be an exhaustive list of the considerations which should be taken into account by Investors or of the risk factors to which the Company is exposed.

#### **4.2.1 Economic Conditions**

The Directors make no forecast in regard to:

- (a) exploration or mining success of the Company;
- (b) general economic conditions in Australia and South America, in particular, inflation rates, interest rates, demand factors and industrial disruptions.

#### **4.2.4 Key Management**

Loss of members of the Company's key management and staff could have adverse consequences for the Company and could affect its financial viability.

#### **4.2.5 Stockmarket Conditions**

The market price of the Shares when quoted by the ASX will be influenced by international and domestic factors affecting conditions in equity, financial and commodity markets. These factors may affect the general level of prices of listed securities and the prices of the securities of companies in the gold and copper exploration sector quoted by ASX, including those of the Company.

The stock market can also be affected by general confidence and the perception of other investors as to the stock market generally. Events taking place outside Australia, such as war, civil unrest and political upheaval can also impact on the demand for and the prices of securities in companies listed on ASX.

#### **4.2.7 Other Risks**

The future viability and profitability of the Company is also dependent on a number of other factors affecting performance of all industries and not just those engaged in gold and mineral exploration, including but not being limited to the following:

- gold, copper and other mineral price fluctuations;
- currency exchange rate fluctuations;
- exploration risk;
- development and mining risk;
- resource estimation;
- environmental risks;
- title risk and native title;
- government legislation or intervention;
- joint venture risk;
- shortage of capital;
- general economic conditions in Australia, Peru, and the world, in particular, inflation rates, interest rates, and industrial disruptions;
- financial failure or default by any entity in which the Company is or may become involved in a contractual relationship; and
- insolvency or other managerial failures by any of the contractors used by the Company from time to time.

## SECTION 5. – ADDITIONAL INFORMATION

### 5.1 Interests of Directors

Except as disclosed in this Prospectus, no Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into by the Company) has now or has had in the two year period ending on the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of securities; or
- (c) the offer of the Shares.

The relevant interests of the Directors in the securities of the Company as at the date of this Prospectus are set out below:

Director	Fully Paid Ordinary Shares	Listed Options	Unlisted Options
Peter McAleer	1,382,539	Nil	1,000,000
Jim Malone	1,120,000	Nil	1,000,000
Simon Titchener	1,150,000	Nil	1,500,000
Howard Dawson	1,081,000	Nil	750,000

### 5.2 Interests of Named Persons

Except as disclosed in this Prospectus, no expert or promoter, or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the two year period ending on the date of this Prospectus, any interest in:

- i) the formation or promotion of the Company; or
- ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of securities; or
- iii) the offer of the securities.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash or Shares or otherwise) have been paid or agreed to be paid to any expert, promoter, or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or offer of the securities.

Warrior Strategic, will be paid a fee of approximately \$1,400 (plus GST if applicable) for the provision of company secretarial services.

### 5.3 Material Contracts

As noted under Important Notes of this Prospectus, this Prospectus is issued under Section 713 of the Corporations Act which allows the issue of a more concise prospectus in relation

to an offer of continuously quoted securities. The Prospectus is therefore intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Whilst the Prospectus does not, therefore include all information that would be included in a prospectus for an initial offering of securities in a company that is not already listed on ASX, the Directors consider that the following contract to which the Company is a party are material to the Offer and to Investors making an informed assessment of the Offer namely:

**5.3.1** Binding Option Agreement for Acquisition of the Paron Gold Project dated 26 April 2006. This Binding Option Agreement included the terms for staged option payments, as outlined in 5.3.1.2 below.

#### **5.3.1.1 Paron Option Agreement**

Latin Gold announced on 27 April 2006 that it had finalised terms and signed a binding heads of agreement to purchase the Paron Gold Project in Peru.

#### **5.3.1.2**

Under the Binding Option Agreement for Acquisition of the Paron Gold Project dated 26 April 2006, the terms for staged option payments are as follows;

- US\$ 40,000 on signing, followed by
  - US\$200,000 by 26 August 2006; followed by
  - US\$300,000 by 26 February 2007; followed by
  - US\$200,000 by 26 May 2007; and
  - US\$960,000 by 26 August 2007.
- Total US\$ 1,700,000.

### **5.4 Consents**

Stanton Partners have consented to be named as auditor of the Company in this Prospectus and to the issue of this Prospectus with references to the Company's audited Financial Statements for the year ending 30 June 2006. These references are consented to in the form and context in which they are included and Stanton Partners has not withdrawn that consent before the lodgement of this Prospectus with ASIC.

Computershare Investor Services Pty Limited has given its consent to be named as the Share Registry of the Company and has not withdrawn its consent before lodgement of this Prospectus.

It is to be noted that Stanton Partners and Computershare Investor Services Pty Limited:

- (i) have not authorised or caused the issue of any part of this Prospectus;
- (ii) were not involved in the preparation of any part of this Prospectus;
- (iii) are not responsible for any matter included or omitted from this Prospectus; and
- (iv) make no express or implied representation or warranty in relation to the Company, this Prospectus or the Issue.

The original, or verified copies of, consents shall be deposited at the registered office of the Company within 7 days of the lodgement of this Prospectus with ASIC, and will be kept there for a period of at least 6 months after the lodgement of this Prospectus for inspection by any person without charge during normal business hours.

## 5.5 Share Trading History

The highest and lowest market price of the Company's Shares on ASX during the three months immediately preceding the date of this Prospectus and the respective dates of those sales and the last sale on the Business Day immediately preceding the date of this Prospectus, were:

SHARES		
	Price	Date
Highest	7.7 cents	19 September 2006
Lowest	6.0 cents	27 September 2006
Last	7.0 cents	17 October 2006

## 5.6 Expenses of the Offer

The total expense of the Issue and associated costs payable by the Company are estimated to be approximately \$99,000 made up as follows:

	\$
▪ Placement Fee	90,000
▪ Compliance Fees and Disbursements	2,000
▪ ASX Listing Fees/ASIC Fees	7,000
<b>Total</b>	<u>\$99,000</u>

## 5.7 Continuous Disclosure

The Company is a "disclosing entity" for the purpose of Section 111AC of the Corporations Act.

As a disclosing entity, the Company is subject to regular reporting and disclosure obligations which require it to disclose to ASX any information of which it is, or becomes aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of securities of the Company.

Having taken such precautions and made such enquiries as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX (as applicable from time to time throughout the 12 months immediately prior to the issue of this Prospectus) which required the Company to notify ASX of information of specified events or matters as they arose.

## 5.8 Documents Available for Inspection

The Company as a disclosing entity under the Corporations Act is subject to regular reporting and disclosure obligations. These obligations require the Company to:

- (i) prepare and lodge with ASIC and ASX both annual and half yearly financial reports accompanied by a Directors' declaration and report, and an independent audit or review report; and

- (ii) immediately notify ASX of any information concerning the Company of which it is aware, or becomes aware, and which a reasonable person would expect to have a material effect on the share price or value of securities of the Company.

The Company will provide a copy of each of the following documents, free of charge, to any person who asks for them during the currency of this Prospectus namely:

- (a) the audited financial report of the Company for the financial year ended 30 June 2006 (being the last financial report for a financial year to be lodged with ASX/ASIC in relation to the Company before the issue of this Prospectus);
- (b) the half year financial report for the period ended 31 December 2005 lodged by the Company with ASX/ASIC; and
- (c) all continuous disclosure documents including financial reports lodged with ASX during the period starting after lodgement of the annual financial report referred to in paragraph (a) above and ending before the issue of this Prospectus, being the documents referred to in Section 5.9 of this Prospectus.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

The Company will provide a copy of each of the above documents, including the continuous disclosure documents referred to in Section 5.9, free of charge, to any person who asks for these during the currency of this Prospectus.

## **5.9 Continuous Disclosure Announcements**

Documents used to notify the ASX of information relating to the Company under the provision of the Listing Rules of ASX since the lodgement of the annual financial report for the financial year of the Company ended 30 June 2006 are listed below:

<b>Date</b>	<b>Description of Announcement</b>
17/10/2006	Trading Halt
16/10/2006	Michiquillay copper project consortium
13/10/2006	Drilling to commence at Paron Gold Project
06/10/2006	Change of Director's Interest Notice
06/10/2006	Change of Director's Interest Notice
06/10/2006	Change of Director's Interest Notice

In reviewing the above Announcements note that in relation to the date, the day appears before the month.

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules that Investors or the professional advisers would reasonably require for the purpose of making an informed assessment of:

- (a) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
- (b) the rights and liabilities attaching to the Shares the subject of this Offer.

This Prospectus contains details specific to the Issue. If Investors require any further information in relation to the Company, the Directors recommend that they take advantage of the ability to inspect or obtain copies of the documents as referred to above.

## SECTION 6. – GLOSSARY OF DEFINED TERMS

<b>\$</b>	Australian dollars. All amounts in this Prospectus are in Australian dollars unless otherwise stated.
<b>Applicant</b>	An Applicant applying for Shares pursuant to the Offer.
<b>Application</b>	An Application made by an Applicant by submitting to the Company an Application Form in accordance with this Prospectus.
<b>Application Form</b>	An Application Form lodged with the Company in respect of any Shares and accompanied by the applicable application monies for the Shares applied for therein.
<b>ASIC</b>	Australian Securities & Investments Commission.
<b>ASX</b>	Australian Stock Exchange Limited (ACN 008 624 691).
<b>Board</b>	Board of Directors of Latin Gold Limited
<b>Business Day</b>	Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.
<b>Company</b>	Latin Gold Limited (ACN 059 457 279)
<b>Corporations Act</b>	Corporations Act 2001 (Commonwealth of Australia)
<b>Closing Date</b>	5.00pm WST on 24 October 2006 or such other date as maybe determined by the Directors not contrary to the Listing Rules.
<b>Directors</b>	The Directors of the Company.
<b>Holding Statement</b>	Notification from the Share Registry of the Securities held by the person or entity named on the Statement in the Company.
<b>Issue</b>	The offer of the Shares under this Prospectus.
<b>Listing Rules</b>	The official listing rules of ASX.
<b>Offer</b>	The offer of up to 25,000,000 Shares pursuant to this Prospectus.
<b>Option</b>	An option to subscribe for 1 Share at an agreed price on or before a specified expiry date.
<b>Oversubscription</b>	As defined in Section 1.3.
<b>Prospectus</b>	This Prospectus dated 18 October 2006.
<b>Securities</b>	The Company's Shares and Options.
<b>Share</b>	An ordinary fully paid share in the capital of the Company.
<b>Share Registry</b>	Computershare Investor Services Pty Ltd, whose details are set out in the Corporate Directory.
<b>Latin Gold</b>	Latin Gold Limited (ACN 059 457 279)
<b>WST</b>	Western Australian Standard Time.

## **SECTION 7. - DIRECTORS'AUTHORISATION and CONSENT**

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive or suffer from any material omission.

Each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

DATED            18 October 2006

SIGNED for and on behalf of  
**Latin Gold Limited**  
by:

**Jim Malone**  
**Managing Director**

## SECTION 8. – GUIDE TO APPLICATION FORM

An Application can only be made by completing the appropriate Application Form which accompanies this Prospectus and in accordance with the instructions set out on the relevant Application Form and this Section 8 of this Prospectus.

The relevant Application Form must be accompanied by a cheque, denominated in Australian dollars, for the full amount of the application monies. Cheques must be made payable to “**Latin Gold Limited Share Application Account**” and should be crossed “not negotiable”.

Completed Application Forms and accompanying cheques must be lodged, before the Closing Date, by personal delivery or post to:

**In Person:**

Latin Gold Limited  
Level 1, 89 St Georges Terrace  
Perth 6000  
Western Australia

**By Post**

Latin Gold Limited  
GPO Box 2508  
Perth 6001  
Western Australia

An original, completed and lodged Application Form, together with a cheque for the applicable applications monies, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not need to be signed to constitute a valid Application.

An Application will be deemed to have been accepted by the Company upon allotment of the Shares.

If an Application Form is not completed correctly, or if the accompanying payment of the application monies is for the wrong amount, it may still be treated by the Company as valid. The Directors’ decision as to whether to treat the Application as valid and how to construe, amend or complete the Application Form is final, however, an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the cheque for the application monies.

All application monies will be held in trust for the Applicants until the Shares offered under this Prospectus are issued or subscriptions monies are returned to the respective Applicants.



## Guide to Latin Gold Limited Application Form

This Application Form relates to the Offer of up to 25,000,000 Shares in Latin Gold at \$0.06 per Share pursuant to the Prospectus dated 18 October 2006. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Shares of the Company and it is advisable to read this document before applying for Shares. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable). While the Prospectus is current, the Company will send paper copies of the Prospectus, and any supplementary prospectus (if applicable), and an Application Form, on request and without charge.

Please complete all relevant sections of the Application Form using **BLOCK LETTERS**. These instructions are cross referenced to each section of the Application Form. Further particulars and the correct forms of registrable titles to use on the Application Form are contained below.

- A** Insert the number of Shares you wish to apply for. The Application must be for a minimum of 35,000 Shares and thereafter in multiples of 1,000 Shares.
- B** Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by the sum of \$0.06.
- C** Write the full name you wish to appear on the statement of holdings. This must be either your own name or the name of the company. Up to three joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHES) participants should complete their name and address in the same format as that are presently registered in the CHES system.
- D** Enter your Tax File Number (TFN) or exemption category. Where applicable, please enter the TFN for each joint Applicant. Collection of TFN(s) is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application.
- E** Please enter your postal address for all correspondence. All communications to you from the share registry will be mailed to the person(s) and address as shown. For Joint Applicants, only one address can be entered.
- F** Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your Application.
- G** The Company will apply to ASX to participate in CHES, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of Australian Stock Exchange Limited.  
If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold securities allotted to you under this Application in uncertificated form on the CHES sub register, complete Section G or forward your Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave Section G blank and on allotment, you will be sponsored by the Company and an SRN will be allocated to you. For further information refer to section 4.13 of the Prospectus.
- H** Please complete cheque details as requested:  
Make your cheque payable to "**Latin Gold Ltd Share Application Account**" in Australian currency and cross it "Not Negotiable". Your cheque must be drawn on an Australian Bank. The amount should agree with the amount shown in Section B. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.
- I** Before completing the Application Form the Applicant(s) should read the Prospectus to which the Application relates. By lodging the Application Form, the Applicant(s) agrees that this Application is for Shares in the Company upon and subject to the terms of this Prospectus, agrees to take any number of Shares equal to or less than the number of Shares indicated in Section A that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

### Correct form of Registrable Title

Note that only legal entities are allowed to hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

#### Type of investor

##### Individual

Use names in full, no initials

Minor (a person under the age of 18)

Use the name of a responsible adult; do not use the name of a minor.

##### Company

Use company title, not abbreviations

##### Trusts

Use trustee(s) personal name(s), do not use the name of the trust

##### Deceased Estates

Use executor(s) personal name(s), do not use the name of the deceased

##### Partnerships

Use partners personal names, do not use the name of the partnership

#### Correct form of Registrable Title

Mr Malcolm Maxwell Smartt

Malcolm Maxwell Smartt <Nottso Smartt a/c>  
Agent 99 Pty Ltd

Mrs Roger Smartt  
<Roger Smartt Family A/C>

Ms Jane Smith

<Est John Smith A/C>

Mr John Smith and Mr Michael Smith

<John Smith and Son A/C>

#### Incorrect form of Registrable Title

MK Smartt

Nottso Smartt

Agent 99 P/L  
Agent 99 Co  
Roger Smartt Family Trust

Estate of late John Smith

John Smith and Son

### Lodgement of Applications

Return your completed Application Form with cheque(s) attached to:

#### By Hand

Latin Gold Limited

Level 1

89 St Georges Tce

PERTH WA 6000

#### By Post

Latin Gold Limited

GPO Box 2508

PERTH WA 6001

**Application Forms must be received no later than 5.00 pm WST time on 24 October 2006.**