

SUPPLEMENTARY PROSPECTUS

7 October 2009

IMPORTANT INFORMATION

This supplementary prospectus (**Supplementary Prospectus**) has been issued by Latin Gold Limited (ABN 43 059 457 279) (the **Company**) and was lodged with the ASIC on, and is dated, 7 October 2009.

Neither the ASIC nor the ASX takes any responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus contains details of changes to, and supplements, the Prospectus dated 22 September 2009 (**Prospectus**) issued by the Company in relation to a non-renounceable entitlement issue of one (1) Share for every one (1) Share held by Shareholders at the Record Date (6 October 2009). As at the Record Date the total number of Shares on issue was 161,576,434 and accordingly 161,576,434 Shares will be issued pursuant to the Offer, raising \$1,615,764 before the costs of the Offer.

This Supplementary Prospectus was issued voluntarily by the Company to supplement the disclosure in the Prospectus and must be read together with the Prospectus. The extent of any inconsistency between this Supplementary Prospectus and the Prospectus, the provisions of this Supplementary Prospectus will prevail.

Definitions (often with the first letter capitalised) appear in the body of this Supplementary Prospectus (refer to bold type). Unless defined herein or otherwise indicated, terms defined and used in the Prospectus have the same meaning in this Supplementary Prospectus.

The Company has issued both a printed and an electronic version of this Supplementary Prospectus and the Prospectus and the electronic versions of both may be accessed at www.latingold.com.au.

The Prospectus and Supplementary Prospectus contain detailed information about the Company and should both be read in their entirety before accepting part or all of your Entitlement.

The Directors consider an investment in the Shares to be speculative and recommend that you consult your financial adviser as to the course you should follow with respect to accepting part or all of your Entitlement.

EXTENSION OF CLOSING DATE OF OFFER

The Closing Date of the Offer has been extended to 5.00 pm (WST) on 23 October 2009. Subject to ASX Listing Rules, the Directors may, in their absolute discretion, extend further this Closing Date (with or without notice).

As a consequence of this extension, the following key dates of the Offer will now apply:

- | | |
|---|-----------------|
| • Closing Date of Offer (5.00 pm WST) | 23 October 2009 |
| • Shares quoted on a deferred settlement basis | 26 October 2009 |
| • Despatch of holding statements - deferred settlement trading ends | 30 October 2009 |
| • Normal trading commences | 2 November 2009 |

UNDERWRITING AGREEMENT

In Section 3.3 of the Prospectus, the Company disclosed that pursuant to a letter agreement dated 21 September 2009, Sunshore Holdings Pty Ltd (the **Underwriter**) agreed to fully and unconditionally underwrite the Offer and that the Company had agreed to pay the Underwriter a fee of 5% on all funds raised, excluding any funds raised through the take up of Entitlements by Directors and/or their associated entities.

DISCLOSURE OF EFFECT ON UNDERWRITER'S VOTING POWER

As at the date of this Supplementary Prospectus, the Underwriter holds 17,516,667 Shares in the Company or 10.84% of the Company's issued Share capital.

In the event that Shareholders do not take up some or all of their Entitlements under the Offer, then a shortfall will result and the Underwriter will be entitled to subscribe for that number of Shares that comprise the shortfall. As such, the voting power of the Underwriter will increase by up to the amount of the shortfall (if any).

The following table provides examples of how the Underwriter's voting power will change with changes in the size of the shortfall. For this example, the Company has assumed that in each scenario the Underwriter will take up its full Entitlement of 17,516,667 Shares pursuant to the Offer.

Shortfall percentage, being the percentage of Shares not subscribed for by Shareholders other than the Underwriter	No of Shares comprising the shortfall	No of Shares held by the Underwriter after subscribing for its Entitlement of 17,516,667 Shares and the shortfall	Percentage of the issued Share capital held by the Underwriter after subscribing for the shortfall
0%	0	35,033,334	10.84%
25%	36,014,942	71,048,276	21.99%
50%	72,029,883	107,063,217	33.13%
75%	108,044,825	143,078,159	44.28%
100%	144,059,767	179,093,101	55.42%

The Underwriter has confirmed that it has not entered into any sub-underwriting agreements.

The Directors confirm that the Underwriter is not a related party as defined in section 228 of the Corporations Act.

RISK FACTORS

Section 6 of the Prospectus sets out various risk factors that may be relevant to a Shareholder's consideration of the Offer.

Shareholders should also be aware that if they do not take up their full Entitlement under the Offer, then their percentage interest in the Company will be diluted.

DIRECTORS' AUTHORISATION AND CONSENT

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with the ASIC.

Dated this 7th day of October 2009

Howard Dawson
Director
For and on behalf of
Latin Gold Limited