LACONIA

Laconia Resources Limited ACN 137 984 297

Prospectus 2009

For the issue of 30,000,000 Shares
at an issue price of 20 cents each
to raise $6,000,000.

IMPORTANT NOTICE

Shares offered by this Prospectus should be considered speculative and potential investors should refer to Section 4 for further details concerning the Risk Factors.

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its contents or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser.

Neither Laconia Resources Limited nor any other person guarantees the performance of the Shares offered pursuant to this Prospectus, or the performance of Laconia Resources Limited, or the return of any investment.

LACONIA

Laconia Resources Limited ACN 137 984 297

DIRECTORS

Michael Sharwood, Chairman
Ian Stuart, Managing Director
Matthew Howison, Non-Executive Director

ASX CODE

LCR

COMPANY SECRETARY

Graeme Smith

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IMPORTANT INFORMATION

This Prospectus is dated 11 September 2009.

A copy of this Prospectus was lodged with ASIC on 11 September 2009. Neither ASIC nor ASX takes any responsibility for the contents of this Prospectus.

This Prospectus will be issued in paper form and as an electronic Prospectus, which may be viewed online at www.laconia.com.au. The offer of Shares pursuant to this Prospectus is available to persons receiving an electronic version of this Prospectus in Australia. The Corporations Act 2001 prohibits any person from passing on the Application Form to another person unless it is attached to or accompanied by a complete and unaltered version of this Prospectus. During the Offer Period, any person may obtain a hard copy of this Prospectus by contacting the Company by e-mail at info@laconia.com.au.

No person or entity is authorised to give any information or to make any representation in connection with the Offer 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 Company in connection with the Offer.

No Shares will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. Application will be made within seven days after the date of this Prospectus for permission for the Shares offered by this Prospectus to be listed for Quotation.

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 Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

In accordance with Chapter 6D of the Corporations Act, this Prospectus is subject to an Exposure Period of 7 days from the date of lodgement of the Prospectus with ASIC. This period may be extended by ASIC for a further period of 7 days. The purpose of this Exposure Period is to enable the Prospectus to be examined by market participants prior to the raising of the funds, which examination may result in the identification of deficiencies in this Prospectus. If this Prospectus is found to be deficient, Applications received during the Exposure Period will be dealt with in accordance with section 724 of the Corporations Act. Applications received prior to the expiration of the Exposure Period will not be processed until after the Exposure Period. No preference will be conferred upon Applications received during the Exposure Period.

Applicants should read this document in its entirety and, if in any doubt, consult with their professional advisers before deciding whether to apply for Shares. There are risks associated with an investment in Laconia Resources Ltd and the Shares offered under this Prospectus must be regarded as a speculative investment. The Shares offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Shares.

Certain abbreviations and other defined terms are used throughout this Prospectus. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations used are set out in Section 9 of this Prospectus and also within its body.

All amounts are in Australian dollars unless otherwise specified.

The people and assets depicted in photographs in this Prospectus are not employees or assets of Laconia Resources Ltd, unless otherwise stated. Diagrams appearing in this Prospectus are illustrative only and may not be drawn to scale.

INVESTMENT HIGHLIGHTS

Large strategic tenement holdings in areas with gold and base metals potential in Western Australia.

Projects acquired from Mr Denis O'Meara a veteran explorer whose mineral interests have led to, or assisted in, the successful listing of numerous companies, including Atlas Iron Limited, BC Iron Limited, Shaw River Resources Limited, Sandfire Resources NL and Emergent Resources Limited.

Approximately $2m has been spent by Mr O'Meara to acquire, explore and progress projects to the stage where further development requires an advanced exploration program.

The leading gold project, Gimlet is held in proximity to the world class Kalgoorlie mining centre and neighbours include existing mining operations such as Paddington and Kundana and other major deposits such as Janet Ivy and Teal.

Gimlet has a 3.6km long and 400m wide gold anomaly with considerable untested widths and lengths of stratigraphy coincident with favourable geological structures. Previous drilling has discovered a number of high grade gold intersections along the strike of the anomalism.

The Mooletar gold project is located 12km to the east of Mount Magnet. Potential exists for structurally controlled gold deposits in both banded iron formations (BIF) analogous to the adjacent Hill 50 deposit type, or as mafic-hosted quartz veining. The project is situated over the eastern portion of the Mount Magnet Fold Belt and represents an under-explored area, proximal to a major gold-production centre. A high-grade gold intersection of 1m at 90g/t has been intersected.

The Barramine project is located in the Pilbara, approximately 250km east of Port Hedland. The area is prospective for volcanic-related base metals and structurally controlled gold.

The 701 Mile project, located 80km SE of Newman, is transected by the Tangadee Lineament a regionally significant geological structure. The Project is prospective for gold and base metals.

The board and management have the right combination of technical, management and capital markets skills to ensure the on-going success of the company in the highly competitive exploration industry.

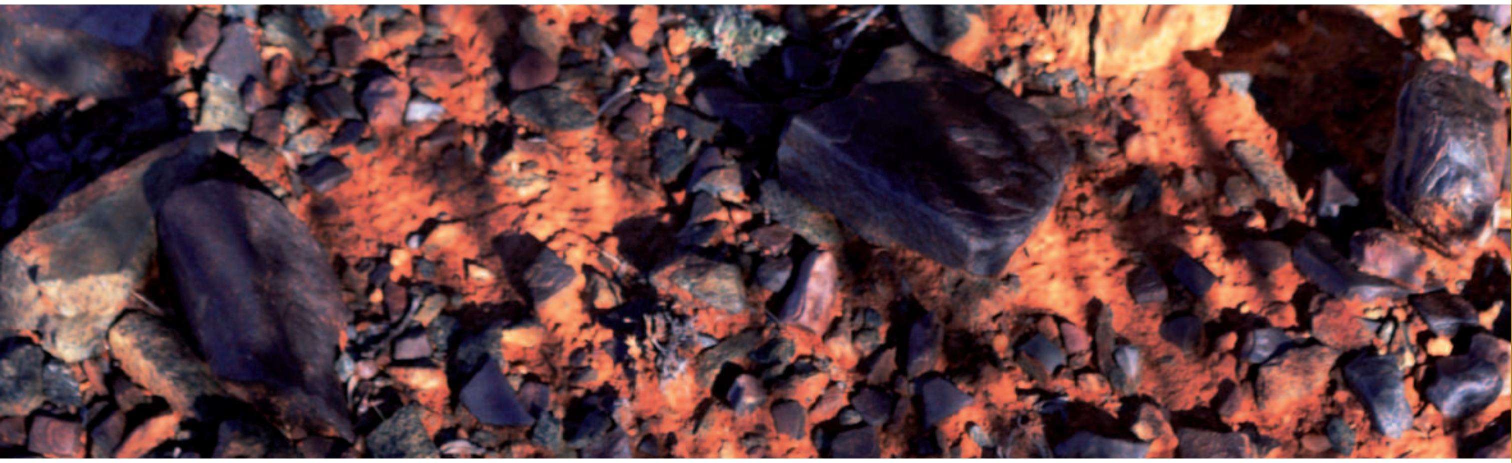
The underlying philosophy of Laconia is one of tenacity in relation to its exploration endeavours and frugality in relation to corporate overhead.

RISKS SUMMARY

There are risks associated with investing in the share market generally and in this Company specifically. These risks are more clearly outlined in Section 4 of the Prospectus, however, listed below are, in the Directors opinion, the key risks associated with this investment.

- no guarantee of exploration success or profitable development;
- the overall share market may negatively impact an investment in the Company;
- commodity prices may go down;
- access to land may be stopped;
- the Company may be unable to obtain environmental approvals;
- the Company may not be able to exploit successful discoveries;
- the Company may not be able to raise further funds as and when required; and
- directors and consultants may leave the Company.

CHAIRMANS LETTER



Dear Investor,

On behalf of the Directors of Laconia Resources Ltd I am pleased to present this Prospectus for the Company's initial public offer of Shares and invite you to become a Shareholder in the Company.

The purpose of the Offer is to raise $6,000,000 by the issue of 30,000,000 shares at 20 cents per share to fund our gold and base metals exploration program.

The Company was incorporated on 29 June 2009 to acquire rights in mineral interests from Pandell Pty Ltd (**Pandell**) and Oakover Gold Pty Ltd (**Oakover**), both companies controlled by Mr Denis O'Meara OAM, one of Australia's leading prospectors. The Gimlet and Mooletar regions are located in the gold-rich Kalgoorlie and Mount Magnet regions respectively, while the Barramine and 701 Mile Projects are located in the highly mineralised Pilbara region.

Whilst mineral exploration is always a high-risk enterprise, the directors are encouraged by the geological features of the prospects in which the Company has acquired its interests. In particular, the Gimlet Project, despite having been the subject of previous exploration, includes features which require further testing, especially in the face of the apparent failure of previous drilling to adequately test bedrock level anomalies detected by surface sampling.

To maximise its chances of success the Company has appointed a board and management team with proven skills and experience in the operational, legal and financial aspects of exploration for mineral deposits. This team has developed an exploration program which aims to add immediate value for shareholders by focusing on the most prospective drill targets and rapid, yet efficient evaluation of geological, geophysical and geochemical targets.

Before you make your investment decision, I urge you to read this Prospectus carefully in its entirety and seek professional advice if required.

Yours faithfully,

Michael Sharwood
Chairman

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1. DETAILS OF THE OFFER

1.1 Pro Forma Capital Structure

The pro-forma capital structure of Laconia Resources Ltd is summarised below and assumes the Offer is fully subscribed.

	Number	%
Shares on issue at date of Offer	39,220,010	57.66
Shares to be issued pursuant to Offer	30,000,000	43.34
Issued capital on completion of Offer	69,220,010	100.00
Amount to be raised	$6,000,000	
Total market capitalisation at issue price	**$13,844,000**	

1.2 Options

20,500,000 unlisted options exercisable at 20 cents at any time prior to 30 September 2014 have been issued to certain promoters, vendors and advisers or their nominees. The terms and conditions of these options are set out in Section 8.11. Further details of the Company's issued capital are contained in the Independent Accountant's Report in Section 6.

1.3 Indicative Timetable

Opening Date for Applications	18 September 2009
Closing Date for Applications	30 September 2009
Dispatch of Statements of Shareholdings	5 October 2009
Quotation of Shares on ASX expected to commence	14 October 2009

These dates are indicative only and may vary. Laconia reserves the right to close the Offer early, or extend the Closing Date without prior notice. Applicants are therefore encouraged to submit Applications as soon as possible after the Opening Date.

1.4 Shares Offered for Subscription

This Prospectus invites investors to apply for a total of 30,000,000 Shares at an issue price of 20 cents per Share to raise $6,000,000 before expenses of the Offer. All Shares issued pursuant to this Prospectus will be issued as fully paid and will rank equally in all respects with the Shares already on issue.

Applications must be for a minimum of 10,000 Shares ($2,000) and thereafter in multiples of 2,000 Shares ($400), and can only be made by completing the Application Form attached to this Prospectus.

The Company reserves the right to reject any Application or to allocate any Applicant fewer Shares than the number applied for.

1.5 Minimum Subscription

The minimum subscription to the Offer is 30,000,000 Shares raising $6,000,000 before expenses of the Offer. In accordance with the Corporations Act 2001, no Shares will be allotted by the Company until the minimum subscription has been received.

If the minimum subscription is not achieved within 4 months after the date of this Prospectus, the Company will either repay the Application Monies to Applicants or issue a supplementary or replacement Prospectus and allow Applicants one month to withdraw their Applications and be repaid their Application Monies.

1.6 Purpose of the Offer

The purpose of the Offer is to provide Laconia with funding to prioritise and evaluate projects and identify potential acquisition opportunities.

Use of Funds over 2 years	$
Pre-Offer cash and receivables	$352,532
Total raised in the Offer	$6,000,000
Total Funds Available	**$6,352,532**
Exploration Expenditure	
Gimlet	$2,500,000
Mooletar	$800,000
Barramine	$415,000
701 Mile	$285,000
Exploration expenditure – sub total	**$4,000,000**
Expenses of the Offer	$275,000
Vendor consideration	$500,000
Administration	$834,313
Unallocated working capital	$743,219
Total Funds Applied	**$6,352,532**

Notes:

1. Exploration expenditures will be reviewed on an on-going basis, depending upon the progressive results of the proposed work programs.

   The above table states the intended use of the funds raised by the Company as at the date of this Prospectus. However, it must

be recognised that all exploration budgets may change as the conducted programs provide encouragement or disappointment and new opportunities may be identified elsewhere.

2. Further, it is the Company's intention to increase and accelerate its exploration and drilling programs to achieve results as soon as practicable and, subject to encouraging results being obtained, to delineate resources. The Company may seek to raise additional funds within two years after listing on ASX to the extent required to increase and accelerate the exploration and drilling programs as determined by the Board.

Following the completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives.

1.7 Underwriting

The Offer is not underwritten.

1.8 Risks

An investment in Laconia is speculative in nature. Risks associated with investments in exploration companies such as Laconia are generally considered high. Investment risks include share market, exploration, operating, insurance, commercialisation, competition, no profit to date, future capital needs, environmental, economic and government, government regulation and policy, commodity and exchange, key personnel, native title and tenure and access.

Investors are directed to Section 4 of this Prospectus which provides further details of the above and some other risks associated with making an investment in the Company.

1.9 Brokerage and Handling Fees

Brokerage and/or handling fees on applications for shares may be paid to member firms of ASX or licensed investment advisers on Application Forms bearing their stamp and being accepted by the Company. The rate payable will be determined in accordance with current market practice.

1.10 Cash Flow Projections

Laconia is a gold and base metals exploration company. Given the speculative nature of exploration and gold and base metal development and production, there are significant uncertainties associated with forecasting future revenue. On this basis, the Directors believe that reliable forecasts cannot be prepared and accordingly have not included forecasts in this Prospectus.

1.11 Allotment and Allocation Of Shares

Subject to ASX granting approval for the Company to be admitted to the Official List, the allotment of Shares to Applicants will occur as soon as possible after the Offer is closed, following which statements of Shareholdings will be dispatched. It is the responsibility of Applicants to determine the number of Shares allotted to them prior to trading in Shares. Applicants who sell Shares before they receive their holding statements will do so at their own risk.

Pending the issue of the Shares, or return of the Application Monies, the Application Monies will be held in trust for the Applicants.

The Directors in consultation with the Company's corporate adviser, Emerald Partners, have the right to allocate Shares under the Offer. The Company may reject any Application or allocate any Applicant fewer Shares than applied for under the Offer.

If an Application is not accepted, or is accepted in part only, the relevant part of the Application Monies will be refunded. Interest will not be paid on Application Monies refunded.

1.12 Applicants Outside Australia

This Prospectus does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Offer. It is the responsibility of any Applicant who is resident outside Australia to ensure compliance with all laws of any country relevant to their Application, and any such Applicant should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed to enable them to apply for and be allotted Shares.

No action has been taken to register or qualify the Shares or the Offer or otherwise to permit a public offering of the Shares in any jurisdiction outside Australia.

1.13 ASX Listing

Within 7 days after the date of this Prospectus, application will be made for the Company to be admitted to the Official List and for the Shares offered by this Prospectus to be granted Quotation.

If approval for Quotation is not granted within 3 months after the date of this Prospectus, the Company will not allot or issue any Shares, and will repay all Application Monies without interest as soon as practicable.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may admit Laconia to its Official List is not to be taken in any way as an indication of the merits of the Company or the Shares offered pursuant to this Prospectus.

1.14 CHESS and Issuer Sponsored Holdings

Laconia will apply to participate in the Clearing House Electronic Subregister System (**CHESS**), operated by ASX Settlement and Transfer Corporation Pty Ltd (**ASTC**) (a wholly owned subsidiary of ASX), in accordance with the Listing Rules and ASTC Settlement Rules. On admission to CHESS, the Company will operate an electronic issuer-sponsored subregister and an electronic CHESS subregister. The two subregisters together will make up the Company's register of securities.

Under CHESS, the Company will not issue certificates to Shareholders. Instead, the Company will provide Shareholders with a holding statement (which is similar to a bank account statement) that sets out the number of Shares allotted to that Shareholder under this Prospectus.

This statement will also advise investors of either their Holder Identification Number (**HIN**) in the case of a holding on the CHESS sub-register or Security Holder Reference Number (**SRN**) in the case of a holding on the issuer–sponsored sub-register.

A statement will be routinely sent to holders at the end of any calendar month during which their holding changes. A holder may request a statement at any other time however a charge may be incurred for additional statements.

1.15 Enquiries in Relation to the Offer

This Prospectus provides information for potential investors in Laconia, and should be read in its entirety. **If, after reading this Prospectus, you have any questions about any aspect of an investment in Laconia, please contact your stockbroker, accountant or independent financial adviser.** Additional copies of the Prospectus or further advice on how to complete the Application Form can be obtained by contacting or visiting:

Laconia Resources Limited
c/ 23 Altona St
West Perth WA 6005
(08) 9481 7288
www.laconia.com.au

1.16 How to Apply

Applications for Shares under the Offer can only be made on the Application Form attached to this Prospectus.

The Application Form must be completed in accordance with the instructions set out on the back of each Application Form.

Completed Application Forms and accompanying cheques should, at any time after the Opening Date be:

Posted to:	**Delivered to:**
Laconia Resources Ltd C/- Security Transfer Registrars Pty Ltd PO Box 535 Applecross WA 6953	Laconia Resources Ltd C/- Security Transfer Registrars Pty Ltd 770 Canning Highway Applecross WA 6153

Cheques must be made payable to "**Laconia Resources Ltd – Share Account**" and crossed "Not Negotiable".

No brokerage or stamp duty is payable by Applicants.

Applications must be for a minimum of 10,000 Shares ($2,000) and thereafter in multiples of 2,000 Shares ($400) at the issue price of 20 cents per Share.

1.17 Escrow Provisions

Securities on issue as at the date of this Prospectus may be subject to the restricted securities provisions of the Listing Rules. Accordingly, a proportion of such securities may be required to be held in escrow for up to 24 months and may not be transferred, assigned or otherwise disposed of during that period. Agreements in respect of all such restricted securities have been or will be entered into in accordance with the Listing Rules and as required by ASX.

1.18 Electronic Prospectus

This Prospectus is available on-line at www.laconia.com.au

1.19 Privacy Disclosure

The Company collects information in relation to each Applicant as provided on an Application Form (**Information**) for the purposes of processing the Application Form and, should the Application be successful, to administer the Applicant's security holding in the Company (**Purposes**).

The Company may use the Information for the Purposes and the Company may disclose the Information for the Purposes to the Share Registrar, the Company's related bodies corporate, agents, contractors and third party service providers, and to ASX, ASIC and other regulatory authorities.

The Information may also be used and disclosed to persons inspecting the register, including bidders for Shares in the context of take-overs, licensed securities dealers, mail houses, and regulatory bodies including the Australian Taxation Office.

2. COMPANY OVERVIEW AND THE PROJECTS

2.1 The Company

Laconia Resources Ltd was incorporated on 29 June 2009 in anticipation of the acquisition of certain mineral interests of Pandell and Oakover, both companies controlled by Mr Denis O'Meara, OAM. The Company will hold interests in 32 granted tenements, consisting of 7 Exploration Licences, 1 Mining Lease and 24 Prospecting Licences, as well as applications for 3 Mining Leases and 10 Prospecting Licences, all covering an approximate total area of $855km^2$ in the Kalgoorlie, Mount Magnet and Pilbara regions of Western Australia (Figure 1).

Figure 1: Laconia Resources Ltd Project Location Map

2.2 Corporate Objectives

- Immediately undertake a results-focused exploration campaign on the most prospective targets – $2.5m drilling budgeted.
- Achieve the maximum value from exploration expenditure for shareholders.
- Conduct the operations at the highest professional and technical standards of the industry.
- Continue Pandell's determined, methodical and frugal approach in exploration activities and ground acquisition.
- Effectively communicate with the shareholders and the broader market.

2.3 Exploration History

Prior to Laconia's incorporation, over $2.5m had been spent by previous explorers on the tenements over which Laconia has acquired an interest, in particular:

- regional geochemical sampling, totalling over 4,300 surface samples, including soil, rock chip, magnetic-lag and bulk leach extractable gold (BLEG) samples assayed for gold, silver, arsenic, copper, cobalt, chrome, nickel, lead, zinc and iron;
- air core, rotary air blast, reverse circulation and diamond drilling programs totalling over 22,000 metres;
- acquisition of satellite high resolution digital photography ($764 km^2$); and
- acquisition of $500 km^2$ of airborne magnetic data, $53 km^2$ of airborne gravity data and $181 km^2$ of airborne radiometric data.

2.4 Projects Overview

The Company's projects and prospects are fully described in the Independent Geologist's Report in Section 5 of this prospectus. Below is an overview of the various projects.

(a) Gimlet Project (80% Laconia – 20% Pandell)

The Gimlet Project lies 15km northwest of Kalgoorlie, in a prospective position which demonstrates structural, alteration and geological factors consistent with neighbouring gold deposits (Figure 2). The project's proximity to the world class Kalgoorlie mining centre enhances the prospectivity. It is considered that, despite several drilling programs having delineated a substantial zone of gold mineralisation, the potential of the project has still not been adequately tested. The entire project area is covered by alluvium, sand dunes and salt lake deposits – there are no exposures of bedrock.

Tenure

The project comprises granted exploration licence EL26/120. The licence is wholly owned by Pandell. In the order of $2.5m has been spent in exploration on the project area.

Table 1: Summary of Tenure – Gimlet Project

Licence	Granted	Size	Holder	Current annual expenditure commitment
EL26/120	4 May 2007	8 blocks	Pandell	$20,000

Overview of Gimlet Project Geology and Prospectivity

An overview of neighbouring gold deposits has confirmed that the Gimlet Project hosts the necessary geological features known to control mineralisation. These are:

- structural regime of north to northwest trending (D3) faults, and later north to northeast trending (D4) intersecting structures;
- intrusive porphyry bodies;
- silica-sericite-pyrite alteration; and
- anomalous gold in basal sand and gravel portions of palaeochannels.

Despite several drilling programs since 1994, there are excellent opportunities and targets at the Gimlet Project. This is mainly due to:

- the bedrock geology being entirely obscured and ineffectively tested;
- a low proportion of drilling penetrating into unweathered bedrock; and
- several drilling programs repeatedly testing two prime areas of focus leaving other targets untested.

There is a good opportunity for the discovery of economic deposits in bedrock or saprolite in the eastern portion of the licence, where a 3.6km long, 400m wide +100ppb gold anomaly coincides with favourable geological factors and significant gold intersections in overlying saprolite (Figure 3 and 4). The gold predominantly occurs as thin patchy supergene zones developed on oxidation interfaces. However the central approximately 1.2km long section of the anomaly is more coherent and has continuity at a 0.5g/t gold cut-off. Here, thicker, multiple-stacked mineralised blankets are accompanied by quartz veining and strong sericitic alteration, but to date only weak mineralisation has been discovered in the bedrock. Significant gold intersections include:

HDAC04065	3m @ 6.34g/t from 40m
H02151	3m @ 2.72g/t from 38m
H02140	3m @ 2.45g/t from 38m
HDRC22	1m @ 14.2g/t from 81m
H02103	1m @ 6.35g/t from 37m
	1m @ 8.39g/t from 55m
HDAC04076	1m @ 6.67g/t from 37m
H02120	2m @ 3.38g/t from 36m
H02153	1m @ 3.28g/t from 35m

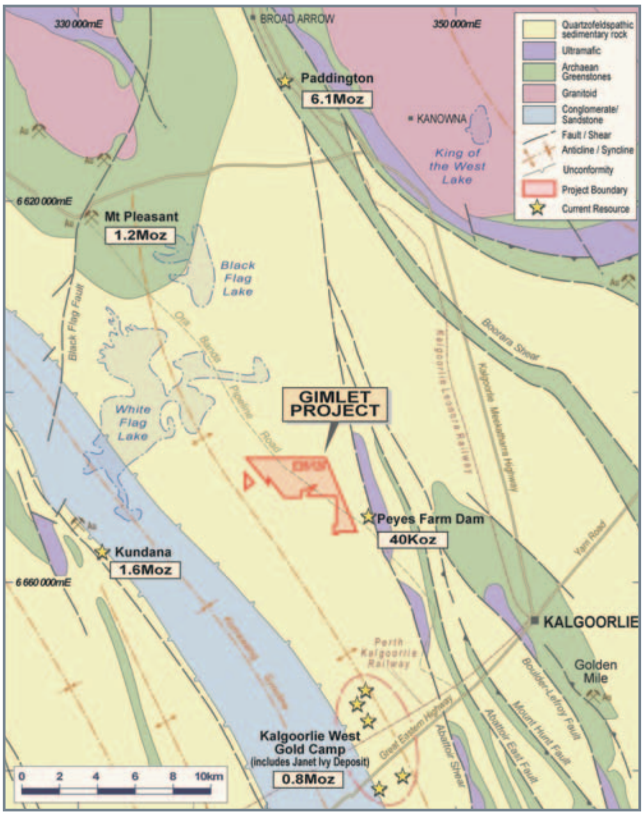


Figure 2: Gimlet Project Location

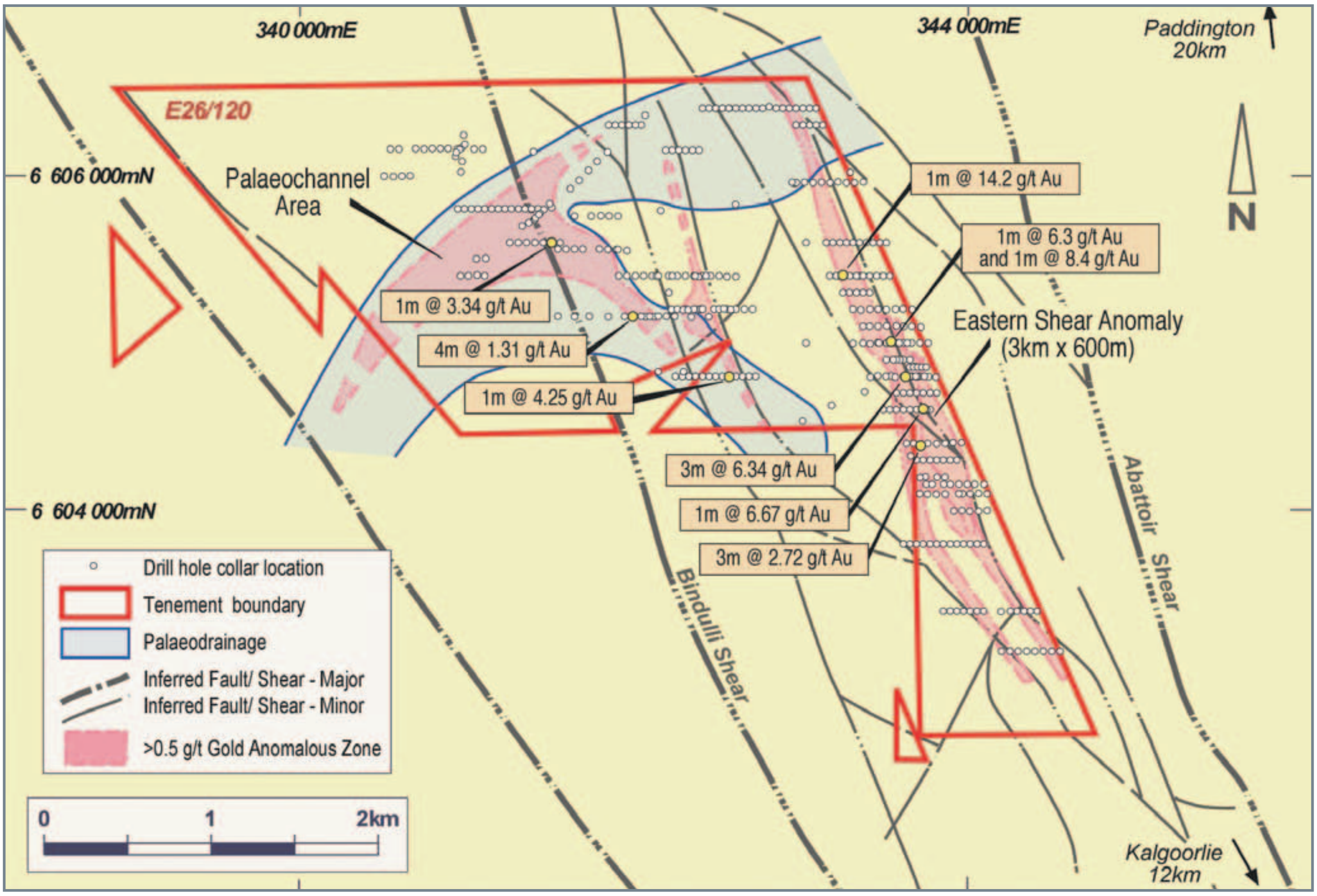


Figure 3: Gimlet Project Geological and Drilling Summary Plan

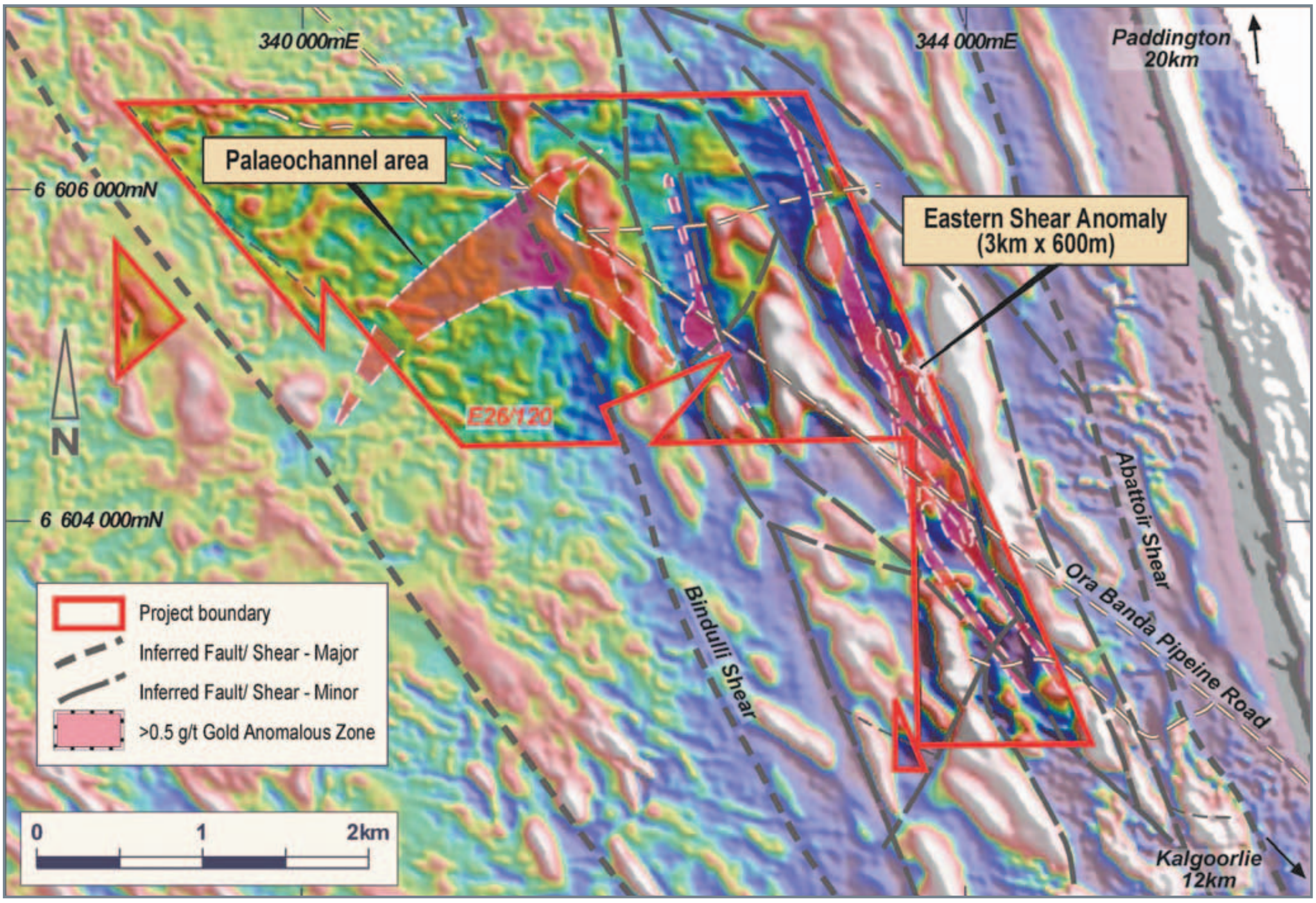


Figure 4: Gimlet Project Total Magnetic Intensity, Structural Summary and Gold Anomalism

Two NW trending palaeochannels have been identified that are up to 40m thick (clay plus sand) and carry anomalous gold in basal sand and gravel (individual samples up to 1g/t). The channels are between 1.5 and 2km long within EL26/120 and have been intersected by 600m spaced drill lines, oblique to the trend of the channels.

Planned Activities

The understanding of the timing and controls of gold mineralisation in the Eastern Goldfields and Kalgoorlie Terrane in particular has improved significantly since the 1990's and explorers now have a strong model to assist in generating and assessing targets. Critical to this is a good quality consistent database that differentiates lithologies, alteration, veining and structures.

To this end, a relogging exercise is intended to upgrade the geological understanding, and therefore better generate specific targets.

In addition, a reverse circulation drilling program is intended to test various encouraging indications including magnetic features, shear structures and as follow up of encouraging gold results. The palaeochannels will also be tested.

(b) Mooletar Project (100% Laconia)

The Mooletar Project comprises an area of 75km^2 covering folded Archaean greenstone belt and granitoids. Potential exists for structurally controlled gold deposits in both banded iron formation (BIF) analogous to the adjacent Hill 50 deposit type, or as mafic-hosted quartz veining.

The Mooletar Project, situated over the eastern portion of the Mount Magnet fold belt, represents an under-explored area of highly deformed Archaean greenstone belt, proximal to a major gold-production centre. Drilling by Oakover in 2008 revealed the occurrence of a one metre, high grade gold zone at 90g/t, and also significant widths of sulphide and magnetite alteration of BIF units, and associated porphyry dykes.

Further drilling is required to test the high grade gold intersection, and grass roots exploration of as-yet untested extensions of the greenstone belt is also required.

Tenure

The Mooletar Project comprises 32 licences in total, predominantly Prospecting Licences (PL's) due to the proximity to intensive mining activity which restricts the pegging of Exploration Licences (EL's). The entire tenement holding covers 75km^2.

Table 2: Summary of Tenure – Mooletar Project

Licence	Number of licences	Combined size	Holder	Current annual expenditure commitment
Granted				
EL58/327	1	9 blocks	Oakover	$20,000
M58/110	1	126 Ha	Oakover	$12,600
PL	20	3062 Ha	Oakover	$124,680
Pending				
Prospecting Licences	10	1409 Ha	Oakover	
Mining Leases	2	427 Ha	Oakover	

Overview of the Mooletar Project Geology

The Mooletar Project is within the Murchison District of the Youanmi Terrain, which in turn is part of the Archaean Yilgarn Craton. The project occupies a portion of the eastern limb of the Mount Magnet fold belt (Figure 5). Greenstone lithologies are fairly well-exposed over the project area, and comprise banded iron formation (BIF), dolerite/basalt, coarse grained gabbroic intrusives, and granitic bodies and dykes. In the northern portions, schists and clastic sediment lithologies are present.

Targets at the Mooletar Project

Targets at Mooletar include:

- BIF hosted gold mineralisation, involving sulphide replacement, analogous to the Hill 50 style of deposit which has produced of the order of two million ounces of gold.
- Quartz vein hosted gold mineralisation including ultramafic or mafic hosted veins emplaced within shear zones.

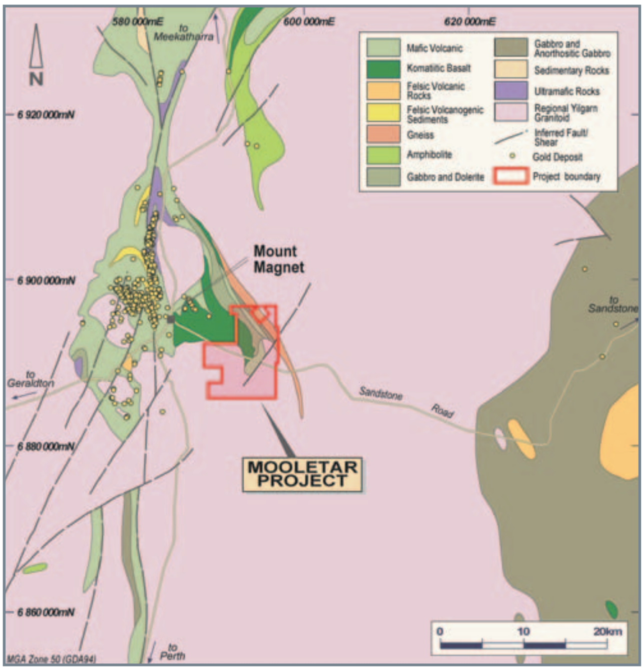


Figure 5: Mooletar Project Regional Geology

Work Completed

Modern exploration has been undertaken at Mooletar since the mid 1970's, however the area has not been extensively explored, with no historical drilling.

Oakover has drilled 56 RAB holes and 13 RC holes over the past two years. A 1 metre high-grade gold zone at 90g/t, as well as significant widths of sulphides and magnetite alteration of BIF units, and associated porphyry dykes were identified during this drilling.

Soil sampling identified three sinuous north-south trending zones over 1.1km and up to 200m wide at the Sky Anomaly.

The drilling showed that gold mineralisation is associated with epidote-biotite-sericite-pyrite-quartz alteration in gabbro, BIF, or on the margin of intrusive porphyry.

Planned Activities

Follow up of the high grade gold intersection.

The recently granted licences in the northern portion of the project require mapping and sampling. If appropriate, soil sampling traverses will be conducted over this area.

(c) Barramine Project (100% Laconia – excluding manganese and iron)

The Barramine Project comprises an area of 430km² covering sequences of Archaean and overlying younger sediments, 245km east southeast of Port Hedland in the East Pilbara region of Western Australia (Figure 6).

The geological position of the project incorporates, and is also along strike from base metal deposits at Barramine, Camel Hump, Ragged Hills and Braeside. The discovery of anomalous copper and zinc in highly altered, pyritic acid volcanics by previous workers provides a prospective geological environment for base metal mineralisation.

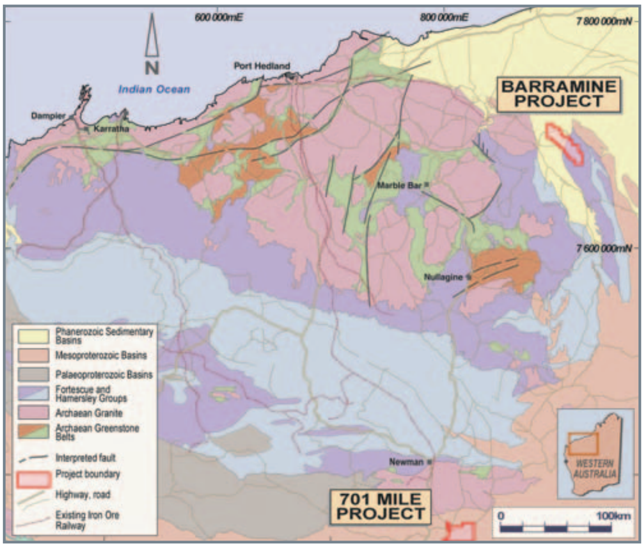


Figure 6: Barramine and 701 Mile Projects Location Map

Tenure

Laconia has interests in the mineral rights excluding iron ore and manganese. The project comprises three EL's, as listed in Table 3 (EL45/3312 is an over peg of portions of ELA45/3234).

Table 3: Summary of Tenure – Barramine Project

Licence	Granted	Size (blocks)	Holder	Current annual expenditure commitment
EL45/3312	17 March 2009	41	Pandell	$41,000
EL45/3233	26 June 2009	64	Pandell	$64,000
EL45/3234	13 August 2009	29	Pandell	$29,000

An overview of the Barramine Project geology and data indicates that the project is prospective for:

- volcanic-related base metal sulphide horizons within sediments or in andesitic/rhyolitic volcanics; and
- structurally controlled gold, plus base metal mineralisation associated with significant north-northwest trending structures.

Geological Overview

The Barramine Project is underlain by the Archaean Gregory Range Inlier to the south, and by Permian Paterson Formation fluvioglacial sediments of the Canning Basin to the north. The Gregory Range Inlier constitutes the northeastern most exposure of Archaean rocks in the Hamersley Basin.

Upper Archaean units exposed at the Barramine Project include volcanics and younger epiclastic and chemical sedimentary units of the Jeerinah Formation.

The overlying Hamersley Group is represented by the Carawine Dolomite, which rests on the Jeerinah Formation sediments. The dolomite is well-bedded, crystalline and contains rare stromatolites; it lies within the core of an open north-south trending syncline. Pinjian Chert overlies the dolomite, and comprises bedded chert and locally chert breccia.

Thick Phanerozoic cover (Permian Paterson Formation) covers the north-western portions of the tenements (EL45/3233); two regional exploration drill holes indicate that the Fortescue Group rocks continue beneath the cover.

Targets at Barramine Project

Commodity	Nature of Target	Proposed Work
Base metals	Volcanic-related base metal sulphide horizons within sediments.	A fast, cost-effective assessment of the area is proposed, using the partial leach MMI technology.
Gold	Structurally controlled gold targets associated with significant north-northwest trending structures.	Review existing data.

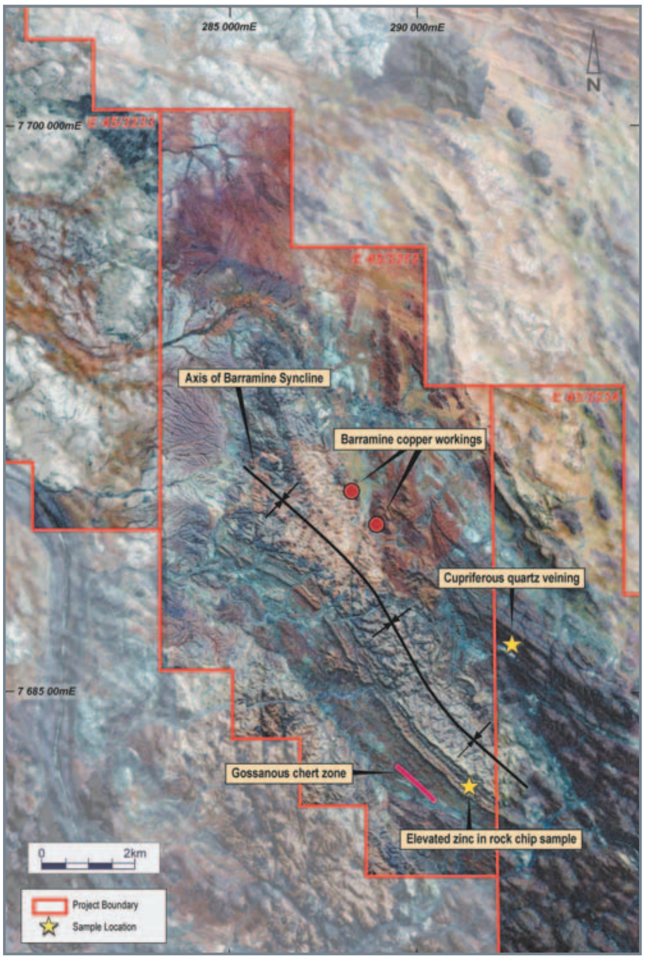


Figure 7: Barramine Project Base Metal Prospectivity

(d) 701 Mile Project (80% Laconia – excluding manganese and iron)

The 701 Mile Project, covering 350km² of Mesoproterozoic sediments and large mafic sills, is prospective for base metals, gold and manganese mineralisation. The project lies approximately 80km southeast of Newman (Figure 6), within the northeastern portion of the Collier Basin (formerly termed Bangemall Basin) and is transected by a regionally significant structure called the Tangadee Lineament.

Tenure

Laconia has interests in the mineral rights, excluding iron ore and manganese. The project comprises two EL's EL52/1531 and EL52/2232 and, four small PL's.

Table 4: Summary of Tenure – 701 Mile Project

Licence	Granted	Size	Holder	Current annual expenditure commitment
EL52/1531	24 January 2002	14 blocks	Pandell	$70,000
EL52/2232	29 June 2009	95 blocks	Pandell	$95,000
PL52/1228-1331	1 February 2008	248Ha	Oakover	$12,120

Overview of the 701 Mile Project Geology and Prospectivity

An overview of the 701 Mile Project geology and data indicates that the project is prospective for:

- copper-nickel-platinum group element sulphide mineralisation associated with the basal sections of large mafic sills;
- structurally controlled polymetallic lodes and veins associated with faults and the margins of mafic intrusions (although these may be of limited size potential); and
- gold developed in basement Archaean greenstones (albeit at depths estimated to be below 400m) similar to the Frankopan Prospect, 8km's north of the project area.

The project overlies rocks of the mid-Proterozoic Collier Basin, which represents the younger portions of the previously-termed Bangemall Basin. The local sedimentary group is correlated with the Manganese Group.

The northeast Collier Basin, including the Manganese Group, contains base metals (mainly copper, but some lead), and significant manganese mineralisation. 8km's to the north, gold mineralisation occurs in Pilbara Archaean greenstones below the Collier Basin sediments (Independence Group's Frankopan gold prospect).

Lead-copper-barium mineralisation occurs at the Abra deposit, some 150km to the southeast, in the Edmund Basin sediments, adjacent to the Tangadee Lineament.

The distribution of mineralisation in the district is shown in Figure 8.

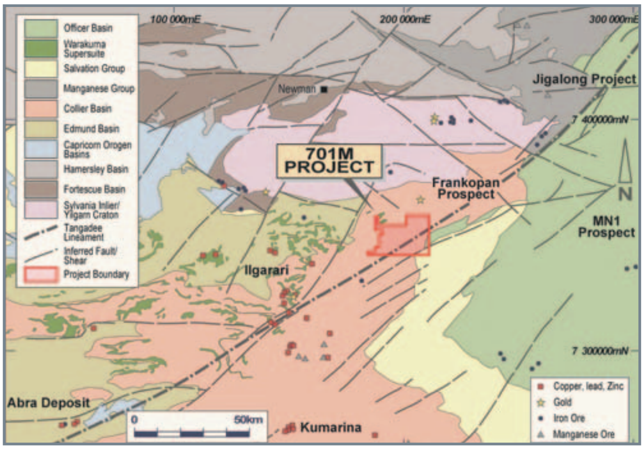


Figure 8: 701 Mile Project Regional Geology and District Mineral Occurrences

Geological Overview

The project-scale aeromagnetic image shows a prominent northeasterly trending structural grain, with linear magnetic highs seemingly wrapping around mafic intrusions. The magnetic grain is interpreted to be a continuation of the Tangadee Lineament, which is a deep seated, long-lived structure which has controlled sedimentation during basin development.

Targets at 701 Mile Project

Base metals:

There is potential for structurally-controlled mineralisation adjacent to mafic intrusions, and also in differentiated basal portions of mafic sills.

Mafic intrusives crop out in the central portions of EL52/1531, and have returned anomalous rare earth element values (0.23% combined REE) in a rock chip sample. Petrological examination indicated a monzogabbro for this outcrop. Elsewhere drilling has intersected mafic sills with gabbroic texture and pegmatitic zones.

Elevated barium content (300-500ppm) is common, and barite veinlets have been noted. Of particular interest is the magnetic-high "rim" on the northern margin of a mafic body identified from drilling (Figure 9).

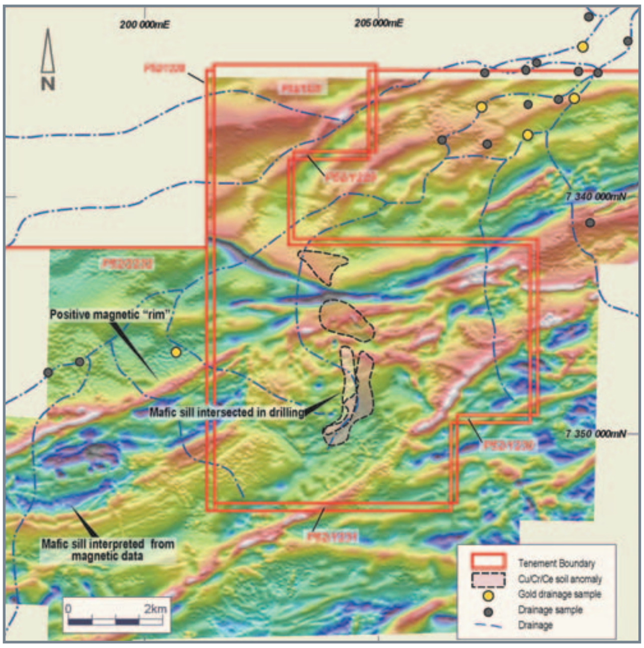


Figure 9: 701 Mile Project Total Magnetic Intensity Image, Drainage Geochemistry and Soil Anomalies

These sills may be far more extensive in the project than currently mapped, extending beneath the Quaternary cover.

Gold:

Potential exists for structurally controlled gold mineralisation and also for blind deposits in Archaean basement.

The potential for structurally-controlled gold mineralisation at 701 Mile has been tentatively explored with BLEG surface sampling in the central portion of EL52/1531. This was designed to test the complex structural picture from aeromagnetic data. Pandell considers this sampling program to have been compromised somewhat by laboratory effects, and strike extensions remain untested. However, some modest spot-high gold values were returned, and further work is required.

Historical drainage geochemical data from other explorers returned two spot high gold values. One sample drains the previously-mentioned northeasterly trending magnetic high "rim" on the northern margin of a mafic body. The other anomalous sample is supported by four other elevated drainage responses, and is sourced from a structural intersection of a northeasterly lineament with a sinuous easterly trend. The source area is under cover and not yet followed up.

Gold has been discovered in Archaean mafic rocks at the Frankopan prospect, 8km to the north of EL52/1531. Mineralisation occurs within an alteration zone, at about 150-200m vertical depth, beneath Collier Basin sediments. Of note, is the observation that there is a very shallow dip for the base of the cover rocks. Occurrence of a similar style of deposit cannot be ruled out, but is not a primary target.

Planned Activities at the 701 Mile Project

Partial leach technology, such as mobile metal ions as used in MMI Technology is recommended for exploration of these targets.

2.5 Exploration Expenditure Summary

The Company intends initially to fund its exploration activities at $4.0m from the proceeds of the Offer, as outlined in the table below. It should be noted that budgets were formulated on the basis of the recommendations from the Independent Geologist's Report and will be subject to assessment and modification on an ongoing basis depending on progressive results. The Company will be continually reviewing all exploration activities, which may lead to increased or decreased levels of expenditure on certain interests reflecting a change in emphasis. Subject to the above, the following expenditure is proposed:

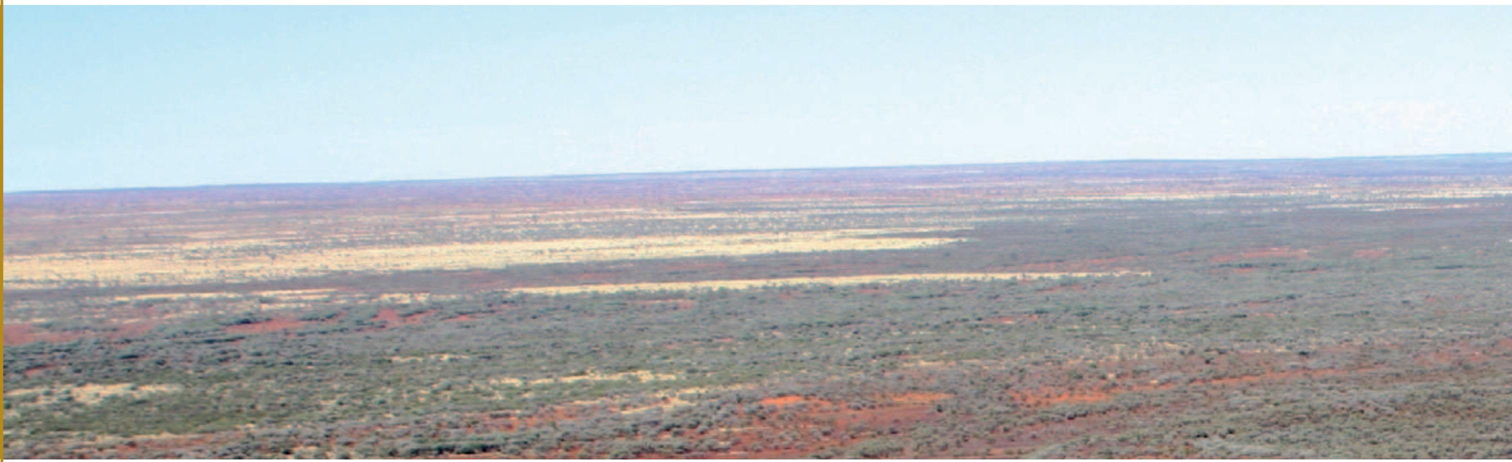
Exploration Expenditure Summary – By Activity

Activity			
Item	**Year 1**	**Year 2**	**Total**
Geophysical Surveys	$61,000	$70,000	$131,000
Satellite Imagery	$49,000	–	$49,000
RC Drilling	$1,870,000	$671,000	$2,541,000
RAB Drilling	–	$263,000	$263,000
Diamond Drilling	$183,000	$97,000	$280,000
Assays	$178,000	$143,000	$321,000
Geological Mapping	$15,000	$15,000	$30,000
Geochemical Sampling	$8,000	$31,000	$39,000
Geological Review	$29,000	–	$29,000
Geotechnical Review	–	$97,000	$97,000
Target Generation	$107,000	$113,000	$220,000
Total	**$2,500,000**	**$1,500,000**	**$4,000,000**

Exploration Expenditure Summary – By Location

Location			
Item	**Year 1**	**Year 2**	**Total**
Gimlet	$2,000,000	$500,000	$2,500,000
Mooletar	$300,000	$500,000	$800,000
Barramine	$140,000	$275,000	$415,000
701 Mile	$60,000	$225,000	$285,000
Total	**$2,500,000**	**$1,500,000**	**$4,000,000**

3. BOARD AND MANAGEMENT



3.1 Board of Directors

Michael Sharwood
Chairman

Michael Sharwood, BSc (Hons.), MA, practiced as a mineral exploration geologist in Canada and Australia for nearly 10 years before requalifying in New South Wales as a solicitor. In that capacity he practiced corporate and commercial law, particularly for mining and petroleum companies, including Australian companies investing overseas and foreign companies investing in Australia. He worked on transactions in Australia, Canada, the USA, Indonesia and elsewhere. He also had an extensive practice involving mergers and acquisitions and Stock Exchange Listings. He was formerly a partner of Blake Dawson Waldron and for several years was the senior partner in Australia of Andersen Legal. Before retiring from practice in December 2005, Mr. Sharwood developed an expertise in Legal Practice Risk Management and devoted several years to developing, implementing and supervising Risk Management and Quality Assurance procedures in law firms.

Ian Stuart
Managing Director

Ian Stuart has experience in both the finance industry and mining.

Mr. Stuart holds an Honours degree in Geology and is a Fellow of the Financial Services Institute of Australasia. As a stockbroker, he has worked in the finance industry over the last eight years, most recently with Macquarie Private Wealth. He has extensive experience with capital raisings within the junior resource sector. Prior to this Mr. Stuart was a senior geologist with experience throughout Australia and Africa, exploring for both gold and base metals including feasibility studies and Project development.

Matthew Howison
Non-Executive Director

Matthew Howison is a lawyer and investment banker who has held senior positions at NM Rothschild & Sons (Australia) Limited, Turnbull & Partners, Goldman Sachs Australia and Salomon Smith Barney before establishing the private merchant banking firm Emerald Partners. In these roles he has been involved in advising on mergers and acquisitions and capital raising transactions for major Australian and international corporations and has extensive experience in contested public company takeovers. He has particular expertise in the metals and mining, energy, renewable energy, media and technology industries. He is an active investor in, and adviser to, a wide range of exploration companies.

3.2 Corporate Governance

The Board is responsible for the overall corporate governance of the Company, and it recognises the need for the highest standards of ethical behaviour and accountability. The Board is committed to administering its Corporate Governance structures to promote integrity and responsible decision-making.

The following policies and procedures have been implemented and are available in full on the company's website at www.laconia.com.au:

- Statement of Board and Management Functions;
- Nomination Committee Charter;
- Code of conduct for directors and key executives;
- Code of conduct for dealing in securities;
- Audit Committee Charter;
- Continuous Disclosure Policy;
- Shareholder Communications Strategy;
- Risk Management Charter;
- Remuneration Committee Charter; and
- Corporate Code of Conduct.

In accordance with the recommendations of the ASX, information published on the Company's web site includes charters of the Board and its subcommittees, codes of conduct and other policies and procedures relating to the board and its responsibilities.

To the extent that they are relevant to the organisation, the Company has adopted the Eight Corporate Governance Principles and Best Practice Recommendations as published by the ASX Corporate Governance Council.

Principle 1 – Lay solid foundations for management and oversight

Recommendation 1.1: *Companies should establish the functions reserved to the board and those delegated to senior executives.*

The Board's primary role is to represent shareholders and to promote and protect the interests of Laconia Resources Limited by governing the Company.

To fulfill this role the Board is responsible, amongst other things, for:

- overseeing the activities of the Company, including its control and accountability systems;
- providing input into and final approval of corporate strategy and performance objectives;

- reviewing, ratifying and monitoring systems of risk management and internal control;
- monitoring performance and implementation of strategy;
- approving policies of Company-wide and general application;
- approving and monitoring budgets, capital management and acquisitions and divestments;
- approving and monitoring all financial reporting to the market; and
- formal determinations that are required by the Company's constitutional documents or by law or other external regulation.

Beyond those matters, the Board has delegated all authority to the Managing Director for management of the Company's business within any limits imposed by the Board.

Recommendation 1.2: *Companies should disclose the process for evaluating the performance of senior executives.*

The company currently only employs one executive being the Managing Director. The Company has established a nomination committee which is responsible for the evaluation of all executives and board members.

Principle 2 – Structure the board to add value

Recommendation 2.1: *A majority of the board should be independent directors.*

The board compromises three directors, two of whom are non-executive however only the chair is classified as independent. The board believes that this is both appropriate and acceptable at this stage of the Company's development.

Recommendation 2.2: *The chair should be an independent director.*

The chair is independent.

Recommendation 2.3: *The roles of chair and chief executive officer should not be exercised by the same individual.*

These positions are held by separate persons.

Recommendation 2.4: *The board should establish a nomination committee.*

Established and operates under the Nomination Committee Charter. The nomination committee's main responsibilities include, but are not limited to:

- to implement processes to assess the necessary and desirable competencies of board members including, experience, expertise, skills and performance of the board and its committees;
- evaluate on the performance of the managing director;
- annually evaluate the performance and effectiveness of the Board to facilitate the directors fulfilling their responsibilities in a manner that serves the interests of shareholders;
- before recommending an incumbent, replacement or additional director, review his or her qualifications, including capability, availability to serve, conflicts of interest, and other relevant factors;
- assist in identifying, interviewing and recruiting candidates for the Board; and
- annually review the composition of each committee and present recommendations for committee memberships to the Board as needed.

Recommendation 2.5: *Companies should disclose the process for evaluating the performance of the board, its committees and individual Directors.*

Disclosed under the Nomination Committee Charter which is available on the company's website.

Principle 3 – Promote ethical and responsible decision-making

Recommendation 3.1: *Companies should establish a Code of Conduct and disclose the code.*

The board has established Code of Conduct which all employees and Directors are expected, at a minimum to follow. The Code of Conduct categorises five main areas:

- the treatment of each other with respect and dignity;
- respect for the law and acting accordingly;
- fairness and honest in our dealings;
- use of the Company's property responsibly and in the best interests of the Company and its reputation; and
- responsibility for our actions and accountability for their consequences.

Recommendation 3.2: *Companies should establish a policy concerning trading in company securities.*

Laconia has established a Code for Dealing in Securities (**Code**) which sets out the requirements for Directors, employees, consultants and contractors of Laconia dealing in Laconia securities. In order to ensure that Laconia Personnel do not inadvertently breach the insider trading provisions of the Corporations Act, they are only permitted to deal in Laconia securities in limited circumstances specified in this Code. These limited circumstances are called "**trading windows**".

Even during trading windows, a securities dealing written request must be submitted to and approved by the Chair or his delegate prior to any dealing in Laconia securities.

Principle 4 – Safeguard integrity in financial reporting

Recommendation 4.1: *The board should establish an audit committee.*

Recommendation 4.2: *The audit committee should be structured so that it:*

- consists only of non-executive directors;
- consists of a majority of independent directors;
- is chaired by an independent chair, who is not chair of the board; and
- has at least three members.

Recommendation 4.3: *The audit committee should have a formal charter.*

Laconia has established an Audit Committee consisting of the Company Secretary and 2 Non-Executive Directors, only one of whom is classified as independent. As there are only three Directors, it is not possible to have an independent chair who is not chair of the board. The Audit Committee operates under the Audit Committee Charter which lists the main responsibilities of the Committee being:

- review any financial reports externally;
- monitor corporate risk assessment processes;
- review the nomination and performance of the external auditor;
- monitor the establishment of appropriate ethical standards;
- monitor the procedures to ensure compliance with the Corporations Act 2001 and the ASX Listing Rules and all other regulatory requirements;
- address any matters outstanding with auditors, Australian Taxation Office, Australian Securities and Investments Commission, ASX Limited and financial institutions; and
- review the results and findings of the auditor, the adequacy of accounting and financial controls and to monitor the implementation of any recommendations made.

Principle 5 – Make timely and balanced disclosure

Recommendation 5.1: *Companies should establish written policies designed to ensure compliance with ASX Listing Rules disclosure requirements and to ensure accountability at a senior executive level for that compliance.*

Laconia has adopted a Continuous Disclosure Policy, a copy of which is available on the Company's website.

The policy aims to:

- ensure that the Company, as a minimum, complies with its continuous disclosure obligations under the Corporations Act and ASX Limited Listing Rules and as much as possible seeks to achieve and exceed best practice;
- provide shareholders and the market with timely, direct and equal access to information issued by the Company; and
- promote investor confidence in the integrity of the Company and its securities.

Principle 6 – Respect the rights of shareholders

Recommendation 6.1: *Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings.*

The Company has a Shareholder Communication policy, a copy of which is available on the Company's website. The Policy specifically encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals and outlines the various ways in which the Company communicates with shareholders.

Principle 7 – Recognise and manage risk

Recommendation 7.1: *Companies should establish policies for the oversight and management of material business risks.*

The Company has established a Risk Management Committee to monitor and review on behalf of the Board the system of risk management which the Group has established. This system aims to identify, assess, monitor and manage operational and compliance risks.

Recommendation 7.2: *The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively.*

The Risk Committee determines the Group's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and non-financial internal control.

The Committee will report to the Board on this system of risk management and make appropriate recommendations to ensure the adequacy of the system.

Recommendation 7.3: *The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.*

When required, the Board will receive written assurances from the CEO and CFO (or equivalent) in relation to the above statement.

Principle 8 – Remunerate Fairly and Responsibly

Recommendation 8.1: *The board should establish a remuneration committee.*

A remuneration committee has been formed which operates under the Remuneration Committee Charter. Its primary responsibilities are to:

- assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and policies including incentive policies for directors and senior executives;
- assess the market to ensure that senior executives are being rewarded commensurate with their responsibilities;
- obtain the best possible advice in establishing salary levels;
- set policies for senior executives remuneration;
- review the salary levels of senior executives and make recommendations to the Board on any proposed increases;
- review recommendations from the managing director relating to proposed merit increases;
- propose, for full Board approval, the terms and conditions of employment for the managing director; and
- undertake a review, which will be reported to and confirmed by the full Board, of the managing director performance, at least annually, including setting the managing director goals for the coming year and reviewing progress in achieving those goals.

The Board will consider on an ongoing basis its Corporate Governance procedures and whether they are sufficient as the Company's activities develop in size, nature and scope.

4. RISK FACTORS

An investment in Laconia is speculative and prospective investors in the Company should consider the risk factors described in this Section, together with the information contained elsewhere in this Prospectus, before deciding whether to apply for Shares. The risk factors outlined in this Section should not be taken as an exhaustive list of the risk factors to which the Company and its Shareholders are exposed.

4.1 Economic Resources May Not Be Discovered

Gold and base metals exploration and development is a high-risk undertaking.

There can be no assurance that exploration of existing Projects or any other exploration properties that may be acquired in the future will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no certainty that it can be economically exploited.

4.2 Investment Risks

The business activities of the Company are subject to various risks that may impact on the future performance of the Company. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated.

There are a number of investment risk factors that investors should consider and seek independent advice on, before deciding whether or not to invest in Shares. The principal risk factors include, but are not limited to, the following:

(a) External economic factors may negatively impact prospects
Economic factors beyond the control of the Company, such as changes in commodity prices, interest rates, inflation, exchange rates and taxation, may negatively impact on the Company's exploration, development and production activities as well as its ability to fund those activities, and also on the revenue and profitability of the Company.

(b) The overall share market may negatively impact an investment in the Company
The market price of the Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general.

(c) Successful development of projects may not occur
The business of exploration, project development and mining contains risks by its very nature. To prosper, it depends on the successful exploration and/or acquisition of reserves, design and construction of efficient production/processing facilities, competent operation and managerial performance and proficient marketing of the product. In particular, exploration is a speculative endeavor and force majeure circumstances, cost overruns and other unforeseen events can hamper mining operations.

(d) The Company may be unable to obtain environmental approvals
The Company's exploration programs will, in general, be subject to approval by state and federal governmental authorities. Development of any of the Company's properties will be dependent on the project meeting environmental guidelines and, where required, being approved by governmental authorities.

(e) The Company may be unable to realise value from its projects
The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits; if mineral deposits are identified and developed, failure to achieve predicted grades in mining; operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that Laconia will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until Laconia is able to realise value from its projects, it is likely to incur ongoing operating losses.

(f) The Company may not be able to secure insurance
The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance of all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.

(g) A commercial return may not be achievable
Even if the Company discovers commercial quantities of minerals, there is a risk that the Company will not achieve a commercial return. The Company may not be able to transport the minerals at a reasonable cost or may not be able to sell the minerals to

customers at a price which would cover its operating and capital costs. The Company has to receive regulatory and environmental approval to convert its exploration licenses into mining leases. There is a risk that these approvals may not be obtained.

(h) Resource estimates may be inaccurate

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(i) Access to land may be stopped

Interests in mineral tenements in Australia are governed by State legislation and are evidenced by the granting of licenses or leases. Each license or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance.

Consequently, the Company could lose title to or its interest in tenements if license conditions are not met or if insufficient funds are available to meet expenditure commitments.

It is also possible that, in relation to tenements in which the Company has or may in the future acquire an interest there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

Reference should be made to the relevant section of the Solicitor's Report on Tenements set out in Section 7 of this Prospectus for information on the issue of title and a description of the native title regime.

(j) The Company may not be able to secure additional capital if required

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the capital raising. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programs as the case may be.

(k) Key management may leave the Company

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its management and its personnel. There can be no assurance that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

4.3 Specific Risks Associated with the Company

There are also a number of specific risks associated with the Company which may adversely affect the Company's financial position, prospects and price of its listed securities. In particular, the Company is subject to risks relating to the exploration and development of mineral properties which are not generally associated with other businesses.

Set out below are specific risks that may adversely affect the Company:

(a) the Company cannot guarantee that those tenements in which it has an interest and which are still in the application stage will ultimately be granted in whole or in part pursuant to the applicable legislation;

(b) the Western Australian Department of Mines and Petroleum (**Department**) from time to time reviews the environmental bonds that are placed on tenements. The Directors are not in a position to state whether a review is imminent or whether the outcome of such a review would be detrimental to the funding needs of the Company;

(c) the proposed exploration expenditures described in the Section 2.5 of this Prospectus are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability; and

(d) the failure of previous explorers to reach bedrock during drilling at the Gimlet Project may be repeated.

5. INDEPENDENT GEOLOGIST'S REPORT

Executive Summary

This Independent Geological Report (IGR) has been prepared by Al Maynard & Associates ("AM&A") at the request of Mr Ian Stuart of Laconia Resources Ltd ("Laconia") to provide an opinion of the current potential of the Company's West Australian Projects (Figure 1).

At the Gimlet Project the majority of previous exploration activities have involved various forms of drilling due to the lack of outcrop. It is considered that, despite several drilling programs having delineated zones of gold mineralisation the potential at the project area has not been adequately tested.

Figure 1: Laconia Resources Ltd West Australian Projects Location Map

At the Mooletar Project three gold-anomalous areas were defined by the soil geochemistry and initial RAB drilling only tested from 15m to 48m depth at Masterton and to around 20m (maximum 42m) at the Sky Prospect. The RAB drilling did not achieve overlapping coverage of the steeply dipping stratigraphy and follow-up RC drilling tested to a depth of 100m. Extensions to these anomalous zones require definition.

At the Barramine Project, based on the similar stratigraphy to the Gregory Inlier and the structures present within the project area, it is considered that the following deposit types could be present:

- Volcanic-related base metal sulphide horizons within sediments similar to Wonmunna Deposit or in andesitic and rhyolitic volcanics.
- Structurally controlled gold, plus base metal mineralisation associated with significant NNW trending structures.
- +40% manganese mineralisation resulting from enrichment of primary manganese during the karst process, or alternatively hydrothermally derived, within the Carawine Dolomite or Pinjian Chert.

At the 701 Mile Project an overview of the geology and data indicates that the area is prospective for:

- Copper-nickel-platinum group element sulphide mineralisation associated with the basal sections of large mafic sills.
- Structurally controlled polymetallic lodes and veins associated with faults and the margins of mafic intrusions.
- Gold developed in basement Archaean Greenstones albeit at depths below perhaps 400m similar to the Frankopan Prospect.

A combined Exploration Budget of $4.0m over two years is proposed with activity in Year 2 dependent on results achieved during Year 1.

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1 September 2009

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The Directors
Laconia Resources Ltd,
23 Altona Street,
WEST PERTH WA 6005

Dear Sirs,

1. Preamble

Al Maynard and Associates ("AM&A") was engaged by Laconia to prepare an Independent Geological Report of the mineral assets for a prospectus to be issued to raise A$6,000,000 through the issue of 30,000,000 shares at $0.20 each. This is for the acquisition of the four Projects in Western Australia pursuant to the various agreements outlined elsewhere in this prospectus. Opinions are presented in accordance with the JORC Code (2004) and other regulations and guidelines that govern the preparation of these reports.

This report is to be lodged with ASIC on or about the 11 September, 2009.

The legal status is subject to a separate Independent Solicitor's Report, set out in Section 7. These matters have not been independently verified by AM&A. The present status of tenements listed in this report is based on information provided by Laconia and the report has been prepared on the assumption that the tenements will prove lawfully accessible for evaluation and development.

The Laconia Mineral Assets comprise four projects that are at various stages of exploration ranging from encouraging results from surface sampling and drilling to second stage investigation. All the projects have potential to host their target commodities as described hereunder and warrant the exploration and testing programs as set out. It is noted that proposed programs may be subject to change according to results yielded as work is carried out. We are of the opinion that Laconia has satisfactorily defined exploration and expenditure programs which are reasonable, having regard to the stated objectives of Laconia. The projects are currently at an initial stage of exploration. The locations of the Mineral Assets are depicted in Figure 1.

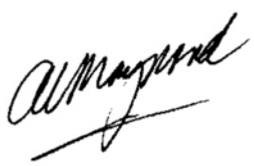
In the course of the preparation of this report, access has been provided to all relevant data held by Laconia and various other technical reports and information quoted in the bibliography. We have made all reasonable endeavours to verify the accuracy and relevance of the database. Laconia has warranted to AM&A that full disclosure has been made of all material in its possession and that information provided, is to the best of its knowledge, accurate and true. None of the information provided by Laconia has been specified as being confidential and not to be disclosed in our report. The authors are familiar with the structural setting and mineralisation styles and targets of the areas covered by the Laconia Mineral Assets. As recommended by the Valmin Code, Laconia has indemnified AM&A for any liability that may arise from AM&A's reliance on information provided by Laconia or not provided by Laconia.

This report has been prepared by Brian J. Varndell B.Sc, BSc(Spec Hons Geol), FAusIMM, a geologist with more than 35 years experience in mineral exploration and more than 25 years experience in mineral asset valuation and Allen J. Maynard BApp.Sc(Geol), MAIG and MAusIMM, a geologist with 30 years in the industry and 25 years in mineral asset valuation. The writers hold the appropriate qualifications, experience and independence to qualify as independent "Experts" under the definitions of the Valmin Code to provide such reports for the purpose of inclusion in public company documents.

This report has been prepared in accordance with the relevant requirements of the Listing Rules of the Australian Securities Exchange Limited ("ASX"), Australian Securities and Investments Commission ("ASIC") Practice Notes 42 and 43 which were replaced on October 30, 2007 by Regulatory Guidelines ("RGs") 111 & 112 and the Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert reports (the Valmin Code) which is binding on members of the Australasian Institute of Mining and Metallurgy ("AusIMM").

AM&A is an independent geological consultancy established 25 years ago and has operated continuously since then. Neither AM&A nor any of its directors, employees or associates have any material interest either direct, indirect or contingent in Laconia nor in any of the mineral properties included in this report nor in any other asset of Laconia nor has such interest existed in the past. This report has been prepared by AM&A strictly in the role of an independent expert. Professional fees payable for the preparation of this report constitutes our only commercial interest in Laconia. Payment of fees is in no way contingent upon the conclusions of this report.

Yours faithfully,



Allen J Maynard
BApp.Sc(Geol), MAIG, MAusIMM.

2. Background Information

This IGR has been provided by way of a detailed study of information provided by Laconia for the package of tenements.

The area under review comprises all or portions of four projects with a combined listing of 42 mining tenements comprising 7 Exploration Licences ('ELs'), 1 Mining Lease ('ML'), 24 Prospecting Licences ('PLs') and 10 Prospecting Licence Applications ('PLAs') that have the potential to host the commodities as described below. The most advanced area is the Gimlet Project, followed by the Mooletar and Barramine Projects. The 701 Mile Project is in the initial stages of investigation.

Some of the project areas are joint-ventured to third parties for other commodities and all details of these divestments are described elsewhere in this Prospectus. Where necessary reference to the geological findings derived from this work are included for clarity.

Pandell Pty Ltd ('Pandell') commissioned an extensive review of the projects, by Mr A. Morgan of MinCorp Consultants Pty Ltd ('Mincorp') in October 2008. Many of the conclusions and recommendations from this review are referred to in this document.

Laconia Resources Ltd was incorporated on 29 June, 2009 in anticipation of the acquisition of certain mineral rights of Pandell Pty Ltd and Oakover Gold Pty Ltd, both companies controlled by Mr Denis O'Meara.

3. Gimlet Project

3.1 Introduction

The Gimlet Project (formerly known as Horan's Dam) comprises one granted EL covering eight blocks with an available area of approximately 9.5km^2.

Gimlet has a 3.6km long and 400m wide gold anomaly with considerable untested widths and lengths of Archaean stratigraphy. Previous drilling has discovered a number of high grade gold intersections along the strike of the anomalism. Previous owners De Grey Mining Ltd and other exploration companies have spent approximately $2.5m on exploration at Gimlet.

The area is 15km northwest of Kalgoorlie, in a highly prospective position that demonstrates structural, alteration and geological factors consistent with neighbouring gold deposits. Known gold mineralisation in the surrounding area is believed to be controlled by the presence of sub- parallel north-northwest shears and their intersection with brittle rocks. Common mineralisation loci are sediment-acid volcanic-porphyry contacts and dolerites. Similar structures and acid porphyries are identified at the Gimlet Project, and exploration to date has been successful in identifying gold in palaeo-channels and also in fresh rock and overlying saprolite. The historical exploration approach has been sporadic so a synthesised geological approach is recommended to maximise exploration success.

The entire project area is covered by alluvium, sand dunes and salt lake deposits and there are no exposures of bedrock.

The project received minimal exploration until the 1990s due to the extensive lacustrine sediment cover and the perception that felsic and sedimentary sequences were not prospective for gold mineralisation. The discovery of the Binduli and Janet Ivy group of gold deposits to the south in similar terrain highlighted the potential of the area.

The project is in a topographically low area of flat to slightly undulating country that is covered by sparse eucalypt trees and thick growth of saltbush.

3.2 Tenement Details

The details of the tenement holding for the Gimlet Project are presented below.

Licence ID	Date granted	Area (blocks)	Annual rent	Annual	Holder
E26/120	4 May 2007	8 Blocks	$1477	$20,000	Pandell Pty Ltd

Table 1: Gimlet Project Tenement Details

The tenement was granted on 4 May 2007 to Domain Mining Pty Ltd and has been transferred to Pandell Pty Ltd. The EL has a life of five years, and is due to expire in May 2012. A miscellaneous licence, L26/247 held by Paddington Gold Pty Ltd for a road, transects the licence.

The licence falls within the Widgi Native Title claim (WC98/27). An ethnographic survey was conducted over the entire tenement in early 2008 (Cue & Greenfeld, 2008). The survey located one small sparse artefact scatter in the north-west of the tenement. Pandell has negotiated an "Alternative Exploration and Heritage Agreement" with the Widgi People.

3.3 Location and Access

The Gimlet Project is located approximately 15km northwest of Kalgoorlie, in the East Coolgardie Mineral Field of Western Australia. It is easily accessible from the Ora Banda pipeline road that bisects the project (Figure 2). The project is positioned on the Kalgoorlie 1:250,000 scale map (SH 51-09), and 1:100,000 scale map (3136) sheets. It is centred at coordinates 314,000mE 6,605,500mN (MGA94 Zone 51). The project is on the Black Flag pastoral lease (3114/951).

The licence is 12km along strike from the Janet Ivy deposit. Janet Ivy has a JORC compliant Inferred plus Indicated Resource of 336,000oz of gold (Norton Goldfields Life of Mine Plan, June 2009) and some 30km by road from the Paddington gold plant with access to a current JORC compliant Measured, Indicated plus Inferred Resource of 6.1Moz (Norton Goldfields Life of Mine Plan, June 2009). Norton Goldfields' Kalgoorlie West Gold Camp formerly known as the Bellamel Mining's Binduli Project is 20km to the south, and includes the Navajo Chief Deposit that is the subject of current resource drilling, scheduled for production during the March quarter 2010.

3.4 Geology

3.4.1 Regional Geology

The Gimlet Project is within the Kalgoorlie Terrain that is part of the Eastern Goldfields Super-terrain ('EGS') of the Yilgarn Craton. The Yilgarn Craton consists of metavolcanic and meta-sedimentary rocks, granites, and granitic gneiss that formed principally between 3.05-2.62Ga. Voluminous granitic intrusions between 2.76-2.62Ga was coincident with Neo-Archaean orogeny, which resulted in the amalgamation and assembly of several tectonic units to form a stable craton.

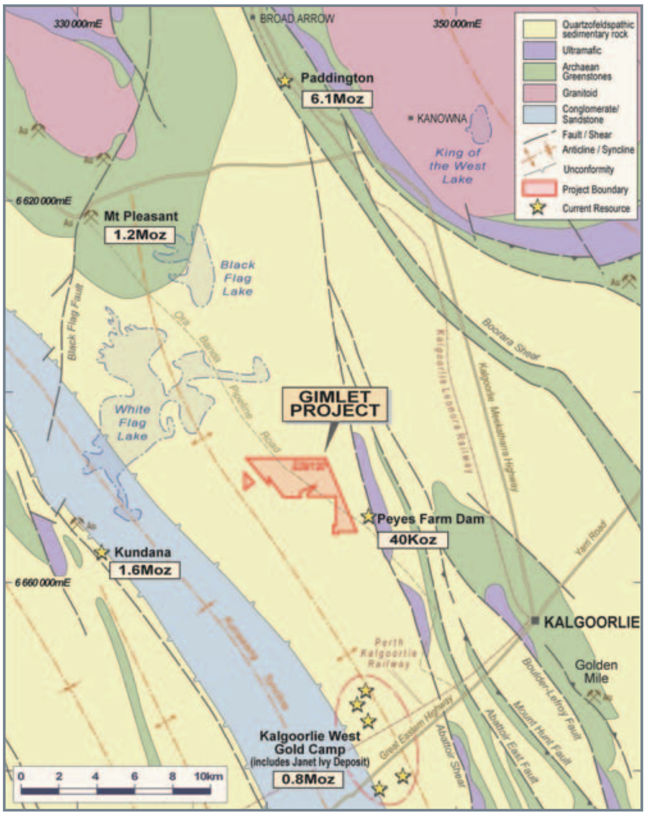


Figure 2: Gimlet Project Regional Geological Setting and Tenement Map

3.4.2 Project Geology

Greenstone belts in the EGS are divided into a number of fault-bounded tectono-stratigraphic terrains on the basis of their litho-stratigraphy. The stratigraphy of the 2.71–2.69Ga Kalgoorlie Terrain is well established, comprising a lower mafic–ultramafic volcanic succession of the Kambalda Group overlain by a complex felsic volcaniclastic succession historically referred to as the 2.69–2.66Ga Black Flag Beds ('BFB').

The stratigraphically youngest units in the Kalgoorlie Terrain are polymictic conglomerate and sandstone that occur unconformably on greenstones of the Kambalda Group and BFB. They are preserved in all terrains in the EGS but are best exposed and well known in the Kalgoorlie Terrain where they are represented by the Kerrawang Formation and Merougil Conglomerate. The youngest detrital zircon populations in these rocks are 2.664 ± 6Ga for the Merougil Conglomerate representing the maximum age of deposition for these late-stage siliciclastic basins.

The Kalgoorlie Terrain has been further divided into structurally bound domains, which preserve dismembered and thrust-repeated parts of the stratigraphy. The Gimlet Project occurs between the Zuleka and Abbatoir Shears within the Ora Banda Domain (Figure 2).

3.5 Exploration to Date

The project area has been visited multiple times since 1991 by many explorers attempting to define either a supergene resource or primary deposit. The majority of activities have involved various forms of drilling due to the lack of outcrop. It is considered that, despite several drilling programs with the delineation of a substantial zone of gold intercepts, the potential at the project has still not been adequately tested. Logging of drill samples and the geological observations has been inconsistent due to the varied numbers of workers involved.

Table 2 shows drilling completed to date at the Gimlet Project.

Item	Aircore	RAB	RC	Diamond
Number of holes	255	21	35	2
Total metres	15,525	1285	1982	252
Average depth	61m	61m	57m	126m

Table 2: Gimlet Project Area Drilling History

Interest in the area was generated after Broken Hill Propriety Ltd ('BHP') drilled two widely spaced traverses of RC holes across the northern and central portions of the current tenement. Two of these drillholes, 2.4km apart, encountered significant results. An intersection of 4m at 0.55g/t gold was returned from what is now referred to as the Eastern Shear Zone ('ESZ') and an intersection of 2m at 2.7g/t gold was returned from a drillhole in the central northern portion of the project, in what is now considered to be a palaeo-channel environment.

A program of vertical aircore and RC drilling in the vicinity of the palaeo-channel zone, in the northern central area, returned encouraging results from 28-32m depth, where 4m at 1.3g/t gold was returned. Further drilling programs, both in the ESZ and further to the west, returned encouraging results from both areas (Table 3).

From the 12,790m drilled completed until 2004 only 0.5% of samples were logged as weakly weathered with the remaining samples logged as strongly or moderately weathered. None of the samples to this date were logged as fresh so the basement rock has not been adequately tested.

A program of RC drilling comprising 37 holes totalling 2,888m was completed by De Grey Mining in May and June 2004 (Peebles, June 2004). The holes were spread over six east-west lines between 6,604,600mN and 6,605,600mN, and were designed to test the basement and effect infill in places.

This drilling identified that the ESZ was underlain by felsic porphyry rocks with quartz-carbonate and minor sulphides. Many of the drillholes penetrated less than 10m into the fresh or weakly weathered rock, and more than 40% of the drillholes penetrated 5m or less into the bedrock. High water flows were encountered in many holes.

An intersection of 14.2g/t gold was returned from moderately weathered felsic porphyry at 81m depth, and several 1m intersections of anomalous gold were also returned from the saprolite zone, but generally the results were disappointing.

A further program was completed in 2004, using aircore drilling to test to the top of fresh rock, for supergene mineralisation. This drilling helped to further define the limit of the ESZ and zones of interest further in the west in the palaeo-channel environment.

Some of the significant gold intersections achieved during these programs are presented below in Table 3 and in Figure 3.

Zone	Drillhole ID	Intersection
Eastern Shear Zone	HDAC04065	3m @ 6.34g/t Au from 40m
	HDAC04130	3m @ 4.74g/t Au from 32m
	H02151	3m @ 2.72g/t Au from 38m
	H02140	3m @ 2.45g/t Au from 38m
	HDRC22	1m @ 14.2g/t Au from 81m
	H02103	1m @ 6.35g/t Au from 37m and 1m @ 8.39g/t Au from 55m
	HDAC04076	1m @ 6.67g/t Au from 37m
	H02120	2m @ 3.38g/t Au from 36m
	HDAC04085	1m @ 4.40g/t from 20m
	H02153	1m @ 3.28g/t Au from 35m
Palaeo-channel	H98025	4m @ 1.31g/t Au from 28m
	HDAC04093	1m @ 4.25g/t Au from 43m
	H02086	1m @ 3.34g/t Au from 38m
	H02165	1m @ 1.58g/t Au from 33m

Table 3: Gimlet Project Area Significant Drill Intercepts

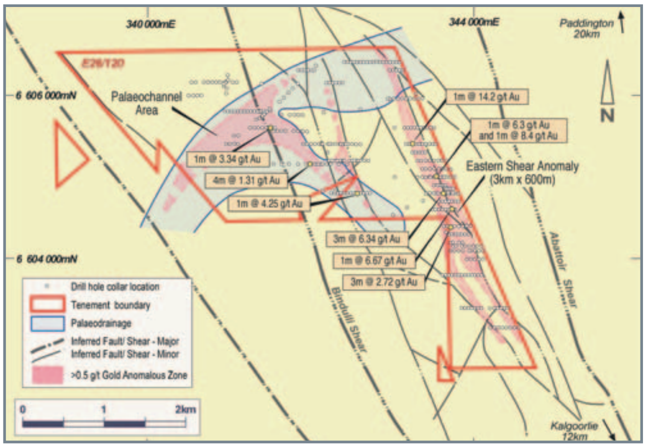


Figure 3: Gimlet Project Drill Summary

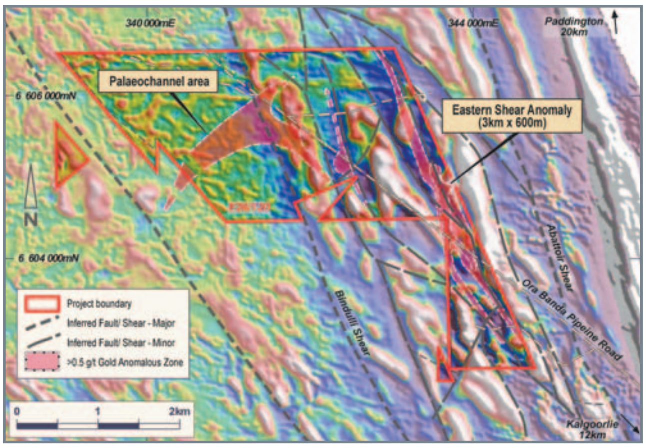


Figure 4: Gimlet Project Total Magnetic Intensity Image

3.6 Exploration Potential

The BFB west and northwest of Kalgoorlie have been shown to host gold mineralisation related to D3/D4 structures and altered intrusive felsic porphyries. Much of the gold mined to date has come from supergene-enriched blankets above lower grade or higher strip ratio primary mineralisation. The Gimlet Project contains a similar sequence of intermediate volcaniclastic sediments and intrusive porphyry sills, and the same silica-sericite-pyrite alteration and D3/D4 mineralising structures, as the Binduli – Janet Ivy system located 15–30km to the south.

Exploration immediately to the south of the Gimlet Project has discovered supergene gold mineralisation and silica-sericite-pyrite alteration at prospects such as Honey Eater, Coot and Wedgetail, however the primary source of the gold has sometimes been difficult to establish.

Previous exploration at Gimlet has successfully located a 3.6km long, by up to 400m wide, north northwest trending +100ppb gold in soil anomaly extending along the eastern margin of the project over the ESZ (Figure 4). The gold predominantly occurs as thin, patchy supergene zones developed on oxidation interfaces, however the central (approximately 1.2km long) section of the anomaly is more coherent and has continuity at a 0.5g/t gold cut-off. Here, thicker, multiple stacked mineralised blankets are accompanied by quartz veining and strong sericitic alteration, but to date only weak mineralisation has been discovered in the bedrock.

In a geological review of the project by MinCorp, it was suggested that geological logging, including observations on lithology, alteration and degree of foliation have not been consistent, due to the number of programs involved. A review of geological samples is recommended. Using available data it is possible to plot a zone of sericite alteration in porphyry rocks, combined with strong foliation, in the area around 6,604,400mN over the ESZ.

Supergene mineralisation appears well developed close to porphyry contacts especially when oriented into a north–south direction.

Two northwest trending palaeo-channels have been identified that are up to 40m thick with clay plus sand that carry anomalous gold in the basal sand and gravel with individual samples up to 1g/t gold. The channels are between1.5-2km long within the project area and have been intersected by 600m spaced drill lines, oblique to the trend of the channels. The drilling has logged sand or gravel within the channels over 300–400m widths. Within the sand channels, the thickness increases from the edge where it may be 1m thick to 5m in the centre of the channel. Although the grades and thicknesses of mineralised sand have so far been disappointing in economic terms, the difficulty of obtaining reliable samples from sand is recognised, as is the highly variable grade distribution of placer-style deposits.

3.7 Proposed Exploration Program and Budget

AM&A considers that future exploration activity will benefit from a focus on geological features to guide and target activities, in addition to the geochemical results and geophysical interpretations. The logging of lithology, alteration and foliation in drill samples may benefit from a systematic review of all bedrock samples to provide a consistent dataset. The current alteration logging highlights what appears to be the best mineralised sections of the ESZ, but it is possible that more information could be extracted from such a study. The significance of scattered sericite alteration around 341,500mE 6,604,400mN needs to be assessed.

If sufficient sample material is available, the use of a handheld alteration scanner (such as the portable infrared mineral analyser – PIMA) will be used. A trial program using existing drill material will be used to evaluate the technique before further drilling is envisaged. Specimens of the various bedrock lithologies and alteration styles including unaltered to intensely altered varieties should be compiled on to a display board to assist consistent field identification. Samples should be selected for additional petrological description to assist this activity.

All future assaying of bedrock samples should include arsenic. The current approach of using 4m composites and re-sampling to 1m should be retained. When sampling palaeo-channel sand, consideration should be given to riffle-splitting the entire drill sample and duplicate sampling for screen fire assaying to identify any coarse gold that may be present.

A program of project-wide drilling to provide infill information on stratigraphy, structures, palaeo-channel morphology, and mineralisation, is proposed. In terms of targeting further mineralisation the drill lines have been designed to provide information on the interpreted palaeo-channels and to test structures and possible lithological contacts in the bedrock below.

Following the drilling a geological interpretation plan will be compiled based on drill section interpretations, bedrock alteration and foliation, and the geophysical interpretations.

Activity	Year 1 $000s	Year 2 $000s	Total $000s
Re-log and interpretation	17.5	0	17.5
Satellite Imagery	10	0	10
RC Drilling	1240	160	1400
Diamond Drilling	150	0	150
Field Supervision	112	25	137
Analytical	254	25	279
Metallurgical Testing	0	80	80
Resource Estimation	0	30	30
Mining Engineering	0	80	80
Administration	180	60	240
Contingency	36.5	40	76.5
TOTAL	**2000**	**500**	**2500**

Table 4: Gimlet Project Proposed Exploration Budget

4. Mooletar

4.1 Introduction

The Mooletar Project comprises an area of 75km^2 secured by one EL, one ML, twenty PLs and ten PLAs. Potential exists for structurally controlled gold deposits in both BIF analogous to the adjacent Hill 50 deposit type, or as mafic-hosted quartz veining.

The project is situated over the eastern portion of the Mount Magnet Fold Belt and represents an under-explored area of highly-deformed Archaean Greenstone Belt, proximal to the major gold-production centre of Mt Magnet. Auriferous deposits within the Magnet Fold Belt have been worked since 1896, with a production of 4.5Moz of gold to 2007.

Although exploration has been undertaken at Mooletar since the mid 1970s, the area has not been extensively explored, with no historical drilling reported.

Oakover Gold has drilled 56 RAB holes and 13 RC holes over the past two years. A narrow high grade gold zone at 90g/t Au with significant widths of sulphide and magnetite alteration of BIF units, and associated porphyry dykes were identified during this drilling.

Further drilling is required to test the high-grade gold intersection zone, and grass roots exploration of the as yet untested extensions of the greenstone belt.

4.2 Tenement Details

The Mooletar Project comprises 32 licences in total, predominantly as PLs due to the proximity to intensive mining activity which restricts the pegging of ELs (Table 5 and Figure 5). The entire tenement holding covers 75km^2.

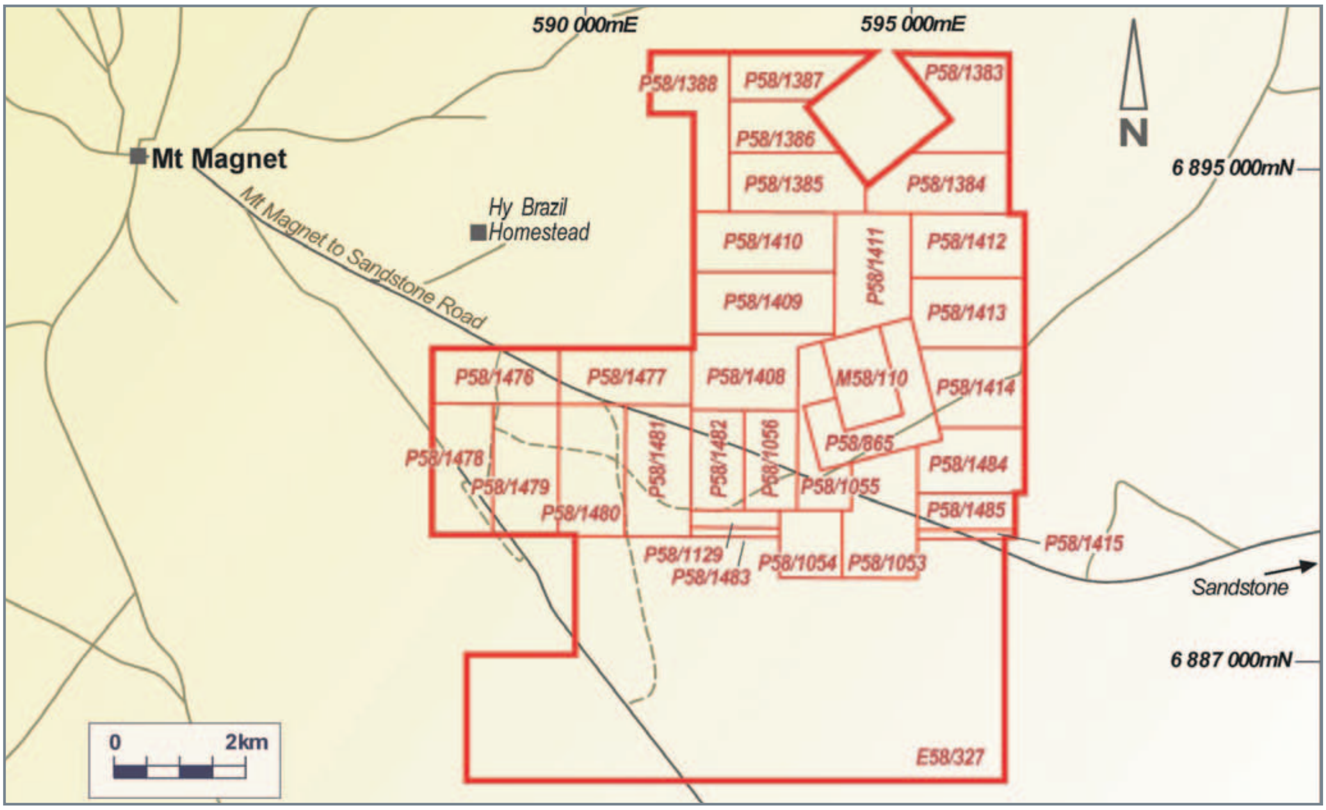


Figure 5: Mooletar Project Tenement Plan

Licence ID	Date applied	Date granted	Area (Ha)	Annual rent	Annual expenditure commitment	Holder
E58/327	19 May 2006	02 July 2007	2,601	$1661	$20,000	Oakover Gold Ltd
M58/110	22 Oct 1987	22 July 1988	126	$1968	$12,600	Oakover Gold Ltd
P58/865	31 May 1993	13 July 1993	190	$439	$7600	Oakover Gold Ltd
P58/1053	25 Sept 1997	17 Aug 2007	180	$416	$7200	Oakover Gold Ltd
P58/1054	25 Sept 1997	25 Jan 2001	90	$208	$3600	Oakover Gold Ltd
P58/1055	25 Sept 1997	25 Jan 2001	121	$280	$4840	Oakover Gold Ltd
P58/1056	25 Sept 1997	25 Jan 2001	121	$280	$4840	Oakover Gold Ltd
P58/1129	01 Feb 2000	14 Dec 2000	30.5	$72	$2000	Oakover Gold Ltd
P58/1383	07 Dec 2006	12 Sept 2008	196.7	$455	$7880	Oakover Gold Ltd
P58/1384	07 Dec 2006	12 Sept 2008	180.0	$416	$7200	Oakover Gold Ltd
P58/1385	07 Dec 2006	12 Sept 2008	177.4	$411	$7120	Oakover Gold Ltd
P58/1386	07 Dec 2006	12 Sept 2008	110.9	$256	$4400	Oakover Gold Ltd
P58/1387	07 Dec 2006	12 Sept 2008	126.8	$293	$5080	Oakover Gold Ltd
P58/1388	07 Dec 2006	12 Sept 2008	199.7	$462	$8000	Oakover Gold Ltd
P58/1408	26 July 2007	9 June 2009	194.4	$450	$7800	Oakover Gold Ltd
P58/1409	26 July 2007	9 June 2009	199.7	$462	$8000	Oakover Gold Ltd
P58/1410	26 July 2007	9 June 2009	199.7	$462	$8000	Oakover Gold Ltd
P58/1411	26 July 2007	9 June 2009	200	$462	$8000	Oakover Gold Ltd
P58/1412	26 July 2007	9 June 2009	171.2	$397	$6880	Oakover Gold Ltd
P58/1413	26 July 2007	9 June 2009	179.4	$416	$7200	Oakover Gold Ltd
P58/1414	26 July 2007	9 June 2009	174.6	$404	$7000	Oakover Gold Ltd
P58/1415	26 July 2007	9 June 2009	19	$46	$2000	Oakover Gold Ltd
P58/1476	21 July 2009	Pending				Oakover Gold Ltd
P58/1477	21 July 2009	Pending				Oakover Gold Ltd
P58/1478	21 July 2009	Pending				Oakover Gold Ltd
P58/1479	21 July 2009	Pending				Oakover Gold Ltd
P58/1480	21 July 2009	Pending				Oakover Gold Ltd
P58/1481	21 July 2009	Pending				Oakover Gold Ltd
P58/1482	21 July 2009	Pending				Oakover Gold Ltd
P58/1483	21 July 2009	Pending				Oakover Gold Ltd
P58/1484	21 July 2009	Pending				Oakover Gold Ltd
P58/1485	21 July 2009	Pending				Oakover Gold Ltd

Table 5: Mooletar Project Tenement Details

4.3 Location and Access

The Mooletar Project is 12km east of the town of Mount Magnet, and straddles the Mount Magnet to Sandstone bitumen road (Figure 5). By road, Mount Magnet is 340km east of Geraldton, and 580km northeast of Perth.

The project is centred approximately on 1170 58′ east, 280 6′ south (594,000mE, 6,891,000mN). It is located on the central northern margin of the Kirkalocka (SH50-3) 1:250,000 map sheet, and within the Mount Magnet (2441) 1:100,000 map sheet.

4.4 Geology

4.4.1 Regional Setting

The Mooletar Project is within the Murchison District of the Youanmi Terrain, which in turn is part of the Archaean Yilgarn Craton. The Youanmi Terrain combines what were previously termed the Murchison and Southern Cross Granite–Greenstone Terrains. These districts are separated by the Youanmi Fault, which is probably related to D3 deformation and is considered to represent a domain-bounding structure. Supracrustal rocks occur in arcuate Greenstone Belts lying between large regions of granitoids (Figure 6).

An upper succession, the Mount Farmer Group is composed of felsic–intermediate volcanic rocks and clastic sedimentary rocks, and unconformably overlies the lower succession. Most sedimentary rocks appear to be derived from felsic volcanic rocks, although one major epiclastic sedimentary basin is present. Along the eastern margin of the Murchison Domain are a series of 2.81Ga layered mafic intrusions (e.g. Windimurra and Narndee), associated with minor 2.81Ga felsic volcanism.

The Luke Creek Group consists of four formations comprising two volcanic sequences: one dominated by tholeiitic and komatiitic basalt, BIF and interlayered mafic rocks, and the second by an ultramafic intrusive–volcanic complex, interlayered tholeiitic and komatiitic basalt, mafic and felsic volcanic rocks and associated sedimentary rocks, and jaspilitic BIF.

Five major phases of deformation have been recognised. An early phase of recumbent folding, and possibly thrusting, was followed by two phases of upright, tight to isoclinal folding that form fold interference patterns. Finally, two extensive systems of shear zones and faults were developed. All rocks in the terrane, except post-folding granitoids and late cross-cutting dykes, are metamorphosed. Grades range from prehnite–pumpellyite facies to granulite facies; however, most rocks are in the greenschist or lower amphibolite facies.

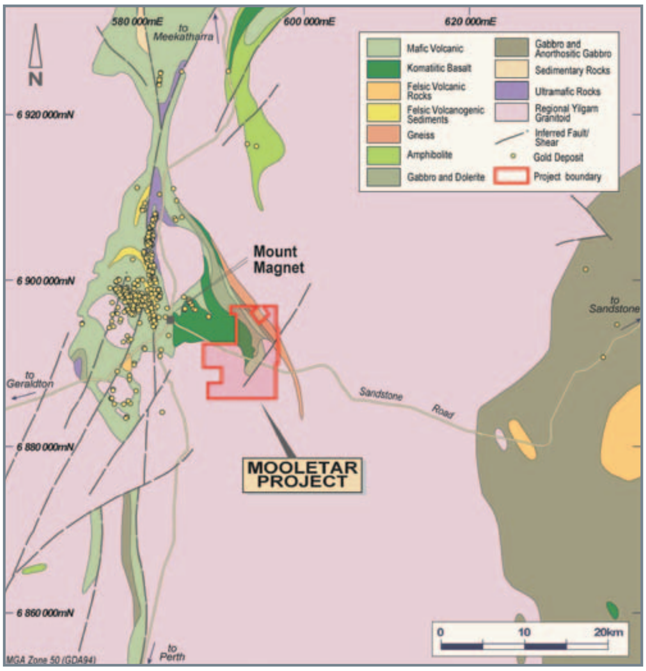


Figure 6: Mooletar Project Regional Geological Map

4.4.2 Project Geology

The northern section of the Mooletar Project is underlain by northwest trending Murrouli Basalt that is bounded to the east by granite gneiss and then foliated granite. To the west the greenstone stratigraphy comprises the Golconda Formation characterised by prominent BIF horizons and then the Gabanintha Formation. To the south, in the central section of the project, all these greenstones have been intruded by granite, much of which is covered by recent sediments. Magnetic data interpretation imagery shows that part of the Murrouli Basalt-Golconda Formation swings around to a southwest trend in the area of the Masterton-Sky Prospects and what are probably remnants of this sequence within the granite extend almost to the western side of the Yard Prospect on E58/327.

The Murrouli Basalt is a succession of tholeiitic and high-magnesian basalts and some ultramafic rocks and associated gabbro and dolerite sills that occur at the base of the Luke Creek Group. Its top is marked by a 450m-thick gabbro sill immediately below BIF of the overlying Golconda Formation. The Murrouli Basalt is some 2000m thick in the project area, although it can thicken to 4400m elsewhere. The base of the Murrouli Basalt is always in intrusive or tectonic contact with granitoids.

The proportion of high-magnesian basalt in the area is about 35%, and 20% is gabbro or dolerite. Rare, thin units of dacitic schist, ferruginous chert, and fine-grained sedimentary rock are interlayered with the mafic volcanics.

The Golconda Formation is a succession of quartz-hematite BIF units interlayered with mafic and ultramafic extrusive and intrusive rocks, overlying the Murrouli Basalt. It consists of numerous 1-5m thick quartz-hematite BIF units, interlayered with 10-50m thick units of mafic extrusive and intrusive rock, and minor amounts of ultramafic rock. BIF units generally form topographically prominent ridges and ranges of hills; the intervening rocks are poorly exposed and generally covered by BIF scree. Both BIF and the intervening rock units are deeply weathered in most areas.

The average thickness of this package is about 650m in the project area. The Golconda BIFs are clearly visible on the project magnetic images with about 4km of strike length within the project area (Figure 7).

The Gabanintha Formation is a bimodal succession of mafic and ultramafic rocks, felsic volcanic and volcaniclastic rocks, and sedimentary rocks, overlying the Golconda Formation. The formation is the most voluminous and widespread in the Murchison Supergroup. In the project area the Gabanintha Formation consists of several broad talc-actinolite chlorite schist ultramafic units with low background nickel content of less than 300ppm.

4.4.3 Prospect Geology

In the Sky Anomaly area, the predominant lithologies mapped are mafic intrusives which occur as rubbly outcrop and scree. BIF occurs as distinct outcrops, some of which are characterised by zones of intense contortion. An open anticline is mapped in the western portion of the anomalous area that is truncated by an east-northeast trending granitic dyke.

In the Masterton Anomaly area, narrow, parallel north-striking outcrops of BIF are interspersed with mafic scree. A north-trending zone of gabbroic intrusives outcrop in the eastern portion of the area, and a schistose zone can be mapped in a north-trending outcrop. An en-echelon series of granitic dykes occur, which may be truncated by north-east trending prominent quartz blows.

Drilling intersected metamorphosed greenstone lithologies, mainly mafics as dolerites and gabbros, sediments and granitic lithologies. In the northern zone, talc schists were encountered in addition to mafic, sediment and granitic lithologies. Several drillholes in the central portions of the project area confirmed the presence of a mafic-granite contact (holes MP-RB032 to MP-RB035).

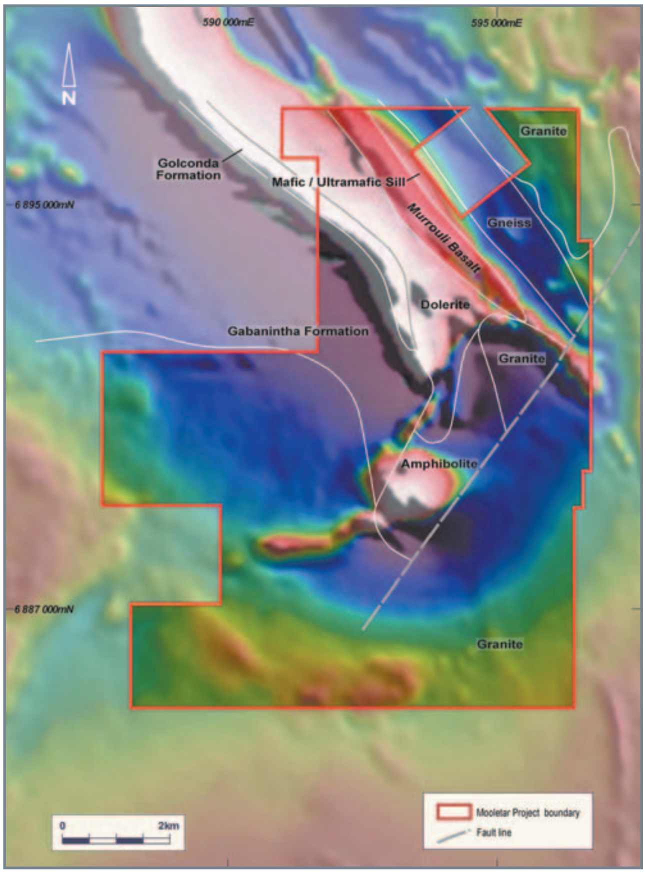


Figure 7: Local Geology 1:250,000 Outcrop and Interpretation Plan

4.5 Recent Exploration

A search for previous exploration results over the Mooletar project was made using the GSWA EXACT database. Although some drilling has been undertaken on adjacent land, the only work reported on the project area has been geological mapping, aerial geophysical surveys, some ground geophysical programs, and lag geochemical sampling.

Exploration work completed by Oakover Gold or its associates over the Mooletar Project has included acquisition of Quickbird digital satellite photography, reprocessing of aerial magnetics, geochemical surveys, geological mapping, petrological studies, RAB drilling and RC drilling.

In 1997, BLEG soil sampling was completed over six lines approximately 200m apart in the area of P58/1054 and was subsequently named the "Sky" anomaly. Results indicated a coherent >3ppb gold anomaly with a strike length of about 1,000m. The anomaly was located on a broad, low rise, with outcrops of BIF, mafics and granitoid. During 2006 a 200x100m program of conventional soil sampling (-200µm) was followed up by infilling to 100x40m and defined both Sky and a second area called the "Masterton" anomaly.

The initial soil program included a trial of MAGLAG sampling to examine the suitability of this technique at Mooletar. Results were generally subdued compared to the conventional soil sampling, and it was difficult to collect sufficient material for assay.

At the Sky anomaly, three sinuous north-south trending zones over 1.1km, and up to 200m wide were defined at a 5ppb Au contour. A coherent anomalous zone 900m in length and up to 200m width was identified at Masterton in the north, although some of the spot-high values to 212ppb gold from the initial program were not repeated.

Thirteen rock chip samples returned anomalous values of Ba, Mo and W in single samples, and a sample from mullock beside an old shaft, containing quartz veining and sulphide boxworks, assayed 1.26g/t Au (sample 348008). Field mapping has also been completed, covering the Sky and Masterton anomalies at 1:5000 scale.

The two soil anomalies were drill-tested using a RAB drill rig in 2007 for a total of 56 holes (1,226m). Samples were collected as 4m composites, totalling 378, including nine standard samples, and dispatched to Genalysis, Perth. Many of the holes did not reach the target depth due to the restricted capacity of the drill rig. Despite this, zones of alteration coincident with the gold soil anomaly were intersected, although the assay results were generally disappointing.

The soil coverage was extended in June 2008 using a 400x40m grid to the southwest to cover a magnetic anomaly indicative of a strike extension of the stratigraphy at and to infill small areas elsewhere. A total of 710 samples were collected and returned a maximum gold assay of 3ppb.

Three targets were tested with a larger RC rig in August and September 2008, when 13 holes for 1,686m were drilled. Samples were taken on 4m intervals using a spear, and dispatched to UltraTrace in Perth for assay. Selective follow-up 1m sampling by riffle-spear sampling was also completed.

Holes M-RC010 and 011 were drilled at Masterton, and M-RC012 – 013 at another prospect named "Yards" (591,250mE 6,888,770mN), neither of which returned any assays of interest. Location of drilling and geochemical sampling completed to date is shown in Figure 8.

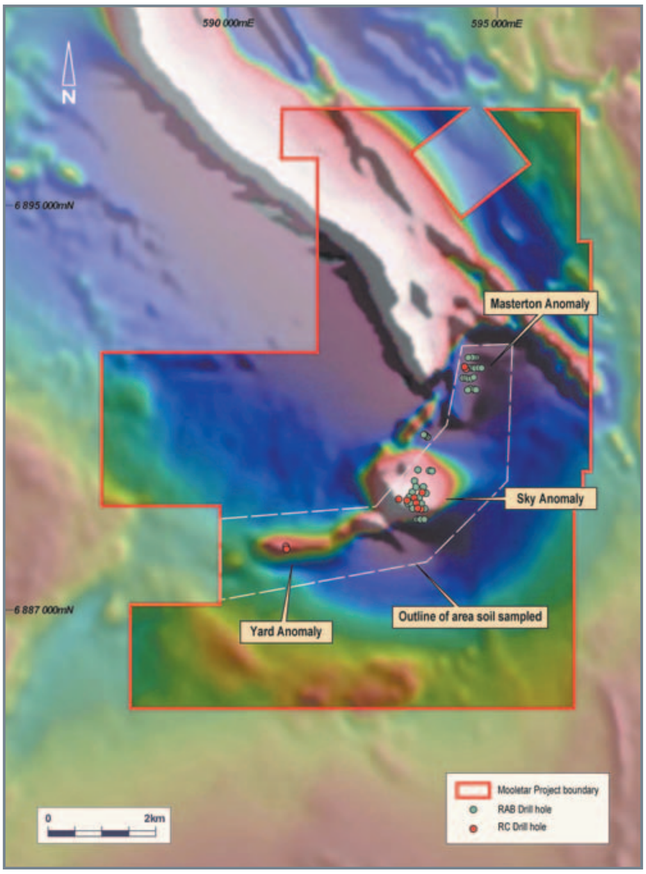


Figure 8: Mooletar Project Exploration Activities

At Sky one drillhole (M_RC005) returned gold up to 1m @ 66.6g/t (repeating at 82.5g/t and 123g/t) in epidote-biotite altered gabbro with some disseminated pyrite. Other holes intersected weak base metal anomalism associated with disseminated sulphides or calc-silicate alteration. The most significant results are presented below in Table 6.

Hole	From (m)	To (m)	Interval (m)	Assay results	Comment
M_RC002	80	92	12	Weak Zn, max 800ppm	Mafic volcanic with 2-3% py dissem; homogeneous
M_RC004	84	96	12	Weak W, max 350ppm	Sediment & BIF, lower section contains 5-15% py +/- po.
M_RC005	76	80	4	19.1g/t Au	Gabbro with pervasive green epidote alt; bi alt; slight brown-pink tinge; py 1%
Incl.	77	78	1	66.6g/t Au	
and	84	88	4	900ppm Zn	Gabbro
and	88	92	4	44ppb Au	Gabbro & porphyry with 3-5% dissem py and bi alt.
M_RC007	32	36	4	480ppm Pb, 1700 Zn	?gabbro, moderate pervasive calc-silicate alt.
and	124	128	4	530ppm Pb, 1400ppm Zn	BIF, mt and 10% py
M_RC009	76	96	20	Weak Pb (max 400ppm) and Zn (max 750ppm)	Mafic rocks

Table 6: Sky RC Drilling – Table of Significant Results

4.6 Exploration Potential

The Mooletar Project covers granite, and Lower Luke Creek Group greenstones that include BIF, a favourable host for gold deposits in the Mt Magnet district. All rock units have been intruded by gabbroic intrusions and then later invaded by porphyry and related granite.

Magnetic interpretation suggests that the central and southern sections of the project that may be underlain by greenstone have been only partially tested by soil sampling, followed up by prospect-scale geological outcrop mapping, and limited RAB-RC drilling over the soil anomalies. Very limited rock sampling from old gold workings at Masterton, that contain northeast trending quartz veining and sulphide boxworks, assayed up to 1.3g/t gold.

Three gold-anomalous areas were defined by the soil geochemistry and initial RAB drilling only tested from 15m to 48m depth at Masterton and to 20m (maximum 42m) at the Sky Prospect. The minimum drill-line spacing was 200m at Masterton & 100m at Sky. The RAB drilling did not achieve overlapping coverage of the steeply dipping stratigraphy. However the follow-up RC drilling generally tested to a downhole depth of 148m and is considered to be a reasonable test of the geochemical targets.

The drilling showed that gold mineralisation is associated with epidote-biotite ±sericite-pyrite-quartz alteration in gabbro, BIF or on the margin of intrusive porphyry. However only one 4m composite from Sky reported a potentially economic assay of 19.1g/t Au (including 1m @ 66.6g/t Au). There is no evidence of a strong structural control on the gold, and overall the tenor of mineralisation is weak. Despite this, if Oakover has a suitable drill rig in the area, it could consider drilling a parallel RC hole collared to the east of M_RC005 to test the continuity of this high grade assay.

4.7 Proposed Exploration Program and Budget

The assessment of the exploration potential and interpretation of the existing exploration datasets would be assisted by a project-scale geological plan showing both a lithological/stratigraphic interpretation, and structures.

The following exploration activities will be used in planning future work at the Mooletar Project:

- An attempt to re-locate previous exploration grids and geochemical surveys on the MGA grid, and to digitise any useful data from the previous exploration work.
- An approach should be made to the current owners of the Hill 50 project for data relating to the Mooletar area including the WMC maglag sampling.
- A previous owner of the project undertook a major project of compiling and digitising all its historical data for the district, therefore any data relating to Mooletar Hill may be easily accessible.
- A project-scale geological interpretation will be compiled using new mapping and the existing data, to highlight the stratigraphy, distribution of BIF, and linear structures. Cross-cutting structures, quartz/sulphide veining, and evidence for sulphide in the BIFs will be noted.
- Subject to the work above, Laconia will undertake a program of BIF rock sampling north of Masterton.
- Subject to the nature of the regolith, a soil sampling program over the greenstone lithologies north of Masterton will be undertaken.

Activity	Year 1 $000s	Year 2 $000s	Total $000s
Re-log and interpretation	20	0	20
Mapping	30	0	30
RC Drilling	150	300	450
Field Supervision	25	50	75
Analytical	25	50	75
Administration	25	50	75
Contingency	25	50	75
TOTAL	**300**	**500**	**800**

Table 7: Mooletar Project Proposed Exploration Budget

5. Barramine Project

5.1 Introduction

The Barramine Project comprises an area of 430km^2 covering sequences of Archaean and overlying younger sediments. The project consists of three ELs located at the northern end of the Gregory Ranges in the East Pilbara region 250km east of Port Hedland.

The geological position of the project incorporates and is along strike from the base-metal deposits at Barramine, Camel Hump, Ragged Hills and Braeside. The discovery of anomalous copper and zinc in highly altered, pyritic acid volcanics by previous workers also provides a prospective geological environment for base metal mineralisation.

Some exploration has been undertaken since the mid-1960s, however the area has not been extensively explored, with only five drill holes completed by three different companies on each of E45/3312 and E45/3233.

In August 2008 Shaw River Resources Limited (ASX: 'SRR') acquired a 70% interest in the manganese and iron ore rights contained within the Barramine and 701 Mile Projects. Pandell retained the rights to all other minerals. Laconia Resources holds no interest in the manganese and iron ore, but does acquire the rights to all other minerals. Recently completed sampling and field mapping have demonstrated the great potential for significant economic deposits of manganese.

5.2 Tenement Details

The project comprises three licences (Table 8). Laconia has interests in the mineral rights excluding iron and manganese. E45/3312, E45/3233 and E45/3234 were granted in 2009 for a period of five years.

Licence ID	Date applied	Date granted	Area (blocks)	Annual rent	Annual expenditure commitment	Holder
E45/3312	12 Sep 2008	17 Mar 2009	41	$4862	$41,000	Pandell Pty Ltd
E45/3233	18 April 2008	26 Jun 2009	64	$7589	$64,000	Pandell Pty Ltd
E45/3234	18 April 2008	13 Aug 2009	29	$3439	$29,000	Pandell Pty Ltd

Table 8: Barramine Project Tenement Details

5.3 Location and Access

The northwestern portion of the Barramine Project is within the Warrawagine Pastoral Lease (3114/1169), with the southern and eastern portions lying over Vacant Crown Land. The project is situated about 245km east southeast of Port Hedland (Figure 9), centred at 284,000mE 7,694,000mN (MGA94 Zone 51), and in the south, central section of the Yarrie (SF51-01) 1:250,000 scale map sheet.

Access is gained via the sealed Marble Bar road as far as the Bamboo Creek turnoff, then along the all-weather gravel road to Warrawagine Homestead, followed by approximately 20km eastwards along station tracks to Chukuwalyee Well on the Oakover River. Access within the Project area is provided by company tracks.

5.4 Geology

5.4.1 Regional Geology

The Barramine Project is underlain by the Gregory Range Inlier to the south, and by Permian Paterson Formation fluvioglacial sediments of the Canning Basin to the north (Figure 9). The Gregory Range Inlier is an area largely composed of upper Archaean Fortescue Group, Carawine Dolomite, Pinjian Chert Breccia, and underlying Gregory Granitic Complex, and constitutes the northeastern most exposure of Archaean rocks in the Hamersley Basin.

5.4.2 Project Geology

Detailed mapping has been completed by J. Crossing, on behalf of SRR. The mapping focuses on the central portion of the project area where a large syncline occurs, as this area hosts the sequence considered most prospective for manganese mineralisation. The geological information gained from this mapping also assists in mineral exploration elsewhere in the area.

The Barramine Volcanic Member ('BVM') is the lowermost sequence mapped by Crossing at Barramine, and consists of andesitic lavas, pyroclastics and volcaniclastics. To the west of the Barramine syncline the units display considerable persistence along strike, whilst to the east there is facies variation along strike that is more typical of andesites.

The basal sequence of the Jeerinah Formation sediments consists of thin and persistent beds of shale and siltstone with chert interbeds. At the top of this basal sequence is a thin banded iron formation ('BIF') that is immediately overlain by a dolerite sill. The dolerite has intruded along the contact of the BIF and an overlying andesite unit from the Isabella Member similar in composition to the andesite in the BVM. The dolerite sill pinches out near the southern end of the project area and the andesite immediately overlies the thin BIF in this area. The andesite is overlain by a thick siltstone unit and pinches out to the northwest.

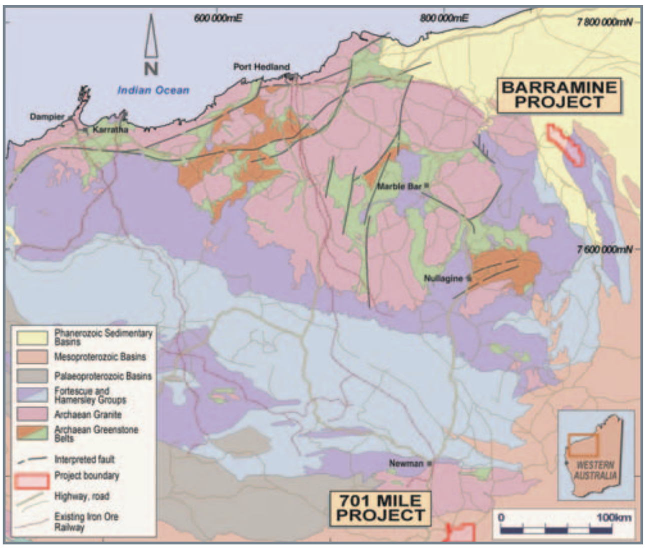


Figure 9: Barramine Project Regional Geological Setting and Tenement Map

The Carawine Dolomite overlies the siltstone at the top of the Jeerinah sediments with apparent conformity. However, where the section was mapped, the contact on the western side of the Barramine syncline is faulted. The dolomite is a well-bedded crystalline dolomite with rare stromatolites, and near the base of the dolomite there are local interbeds of black chert.

The Pinjian Chert consists mostly of bedded chert and locally chert breccia. The bedded chert often displays fracturing of individual beds that grade locally into chert breccia. The base is sub-horizontal and gently undulating where the dolomite is unfractured. Conversely where the dolomite is transacted by faults, fractures and/or dolerite dykes, the depth of silicification is much greater. Where dips are steeper than the base of the chert, the bedding in the dolomite persists into the chert unaltered. This suggests that chert development post-dated folding and faulting and was controlled by groundwater processes. The brecciation probably results from dissolution of carbonate and volume change during chert formation.

On E45/3233, to the northwest of the outcropping Gregory Range Inlier, a broad valley containing the Nullagine and Oakover Rivers have been shown to contain up to 660m of fluvioglacial Permian Paterson Formation overlain by evaporative, lacustrine, and alluvial Cainozoic deposits.

Drilling by Sentinel Mining Company intersected medium-grained mafic rocks at 255m depth beneath Paterson Formation sediments, northeast of Warrawagine Homestead. The mafic rocks are interpreted by Geological Survey of Western Australia ('GSWA') to be basalts of the Fortescue Group. Their presence points to the continuation of the Fortescue Group rocks beneath the thick Phanerozoic cover in this area. Figure 10 shows Barramine Project local geology.

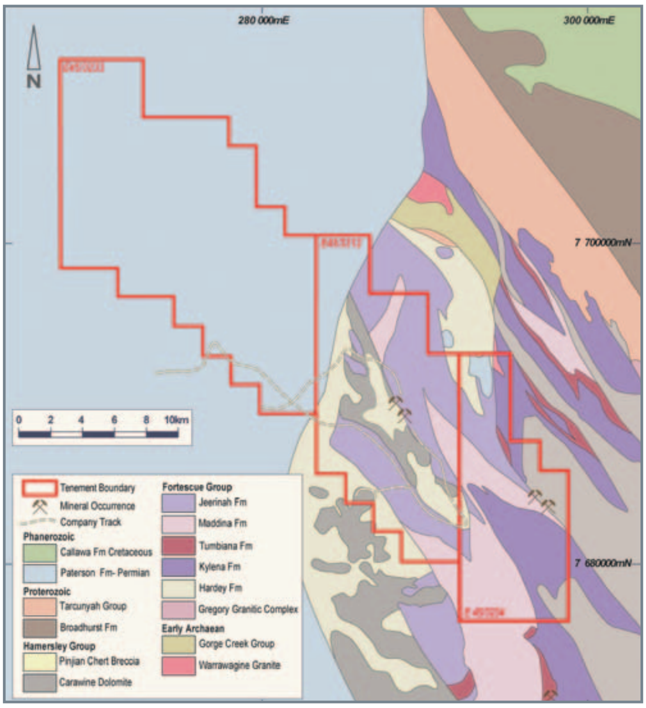


Figure 10: Barramine Project Local Geology

5.4.3 Structure

The project area covers a sequence of Carawine Dolomite and overlying Pinjian Chert in the core of an open north-south trending syncline ("Barramine Syncline" informal use). The fold axis is probably sub-horizontal except at the southern fold closure where it plunges shallowly north northwest. A few north-south and northwest-southeast trending fault conjugates disrupt the syncline.

The faults are discrete, linear, brittle structures that post-date folding. In the northern part of the syncline, normal faults with northwest-southeast trends combine with some smaller scale folds to produce linear "half-horsts" which expose wedge shaped inliers of Jeerinah Formation sediments that protrude into the Carawine Dolomites. Abutting the syncline to the northeast is a significant zone of northwest faulting that disrupts the underlying Barramine Volcanics.

5.4.4 Mineralisation

The Gregory Range Inlier has been mined historically for lead, and manganese is currently produced from the Woodie Woodie area, 80km southeast of the Barramine Project. The historical East Pilbara production of lead and manganese has predominantly been derived from the Gregory Ranges (Ferguson & Ruddock, 2001).

5.4.4.1 Lead

The Barramine Project covers the northern extension of the stratigraphy and structures present in the historical Braeside Lead Field. There are old workings at Barkers (Isabella) just south of E45/3234 at 297,350mE 7,674,820mN. Lead, silver and zinc have been known in the Braeside-Ragged Hills area since 1901 when a small trial parcel was despatched to England. Small scale mining commenced during 1925. The deposits occur in a belt within the north northwesterly trending Gregory Range and cover a distance of about 35km by up to 7km wide.

5.4.4.2 Copper

Two areas within the Barramine Project have been subject to historical prospecting pits and other work; the Barramine and Camel Hump copper prospects. These are considered local, fault-controlled occurrences.

Copper mineralisation has been reported mostly from the southern part of the Hamersley Basin. Recorded production has been from crosscutting, Capricorn Orogen quartz veins in the lower to middle Fortescue Group in the Wyloo Dome, and from malachite and chrysocolla veinlets within the Jeerinah Formation in the Wonmunna area. Cupriferous mineralisation has also been reported occurring within Mount Roe Basalt and Hardey Formation in parts of the Hamersley Basin.

At Wonmunna 70km west northwest of Newman, Talisman Mining has delineated an extensive gossan indicative of underlying massive sulphides. This gossan appears to be at a consistent stratigraphic horizon in the Jeerinah Formation, and is commonly associated with dolomite or dolomitic shale. The gossan is up to 10m wide and has been traced in outcrop over a cumulative strike length of 7km around the rim of the Parmelia Syncline. Grab samples have returned assays up to 0.24% Cu, 0.65% Zn, 3 g/t Ag, and 0.5 g/t Au. Earlier work in the early 1970s by Western Mining Corporation ('WMC') involving shallow rotary drilling returned intercepts up to 10.7m at 3.4% Cu, 6.1m at 1.0% Zn and 1.5m at 120g/t Ag (Abeysinghe & Flint, 2008). The lower values in the gossan-type surface expression suggest considerable leaching of the mineralisation during weathering. There is opportunity for an analogous occurrence in the Jeerinah Formation sequence in the Barramine area.

5.5 Recent Exploration

Initial field work by Pandell has involved the follow up of high tenor BLEG drainage samples described in open file reports, and a field assessment of the outcropping rocks.

Field traverses resulted in the identification of a gossanous chert zone, within the Jeerinah Formation sediment and volcanic sequence, with a strike length of at least 500m. Field observation indicates that the chert is highly leached and weathered with rock chip samples slightly elevated with 790ppm zinc and 455ppm lead. The favourable geological environment, similar to that which hosts volcanic massive sulphide deposits elsewhere, indicates that this zone should be followed up more comprehensively.

Often subdued levels of base metals in leached surface gossans are associated with higher values at depth in the unweathered material.

It was noted by Pandell that narrow 20-50cm veinlets of gossanous and malachite-stained quartz were cropping out in mafic volcanics, and were considered responsible for the anomalous BLEG results. The grade and frequency of the veinlets are not considered to constitute an economic target. It is notable that the occurrence of these cupriferous quartz veins is in an en echelon position between the two old copper workings of Camel Hump and Barramine and probably represents structurally controlled leakage of copper fluids.

Rock chip sampling has also returned elevated zinc values up to 2150ppm in siliceous, iron-rich chert units, outcropping on the southern margin of the Barramine Syncline (Figure 11). The relationship between this zinc anomaly and the gossanous chert zone to the west needs to be assessed.

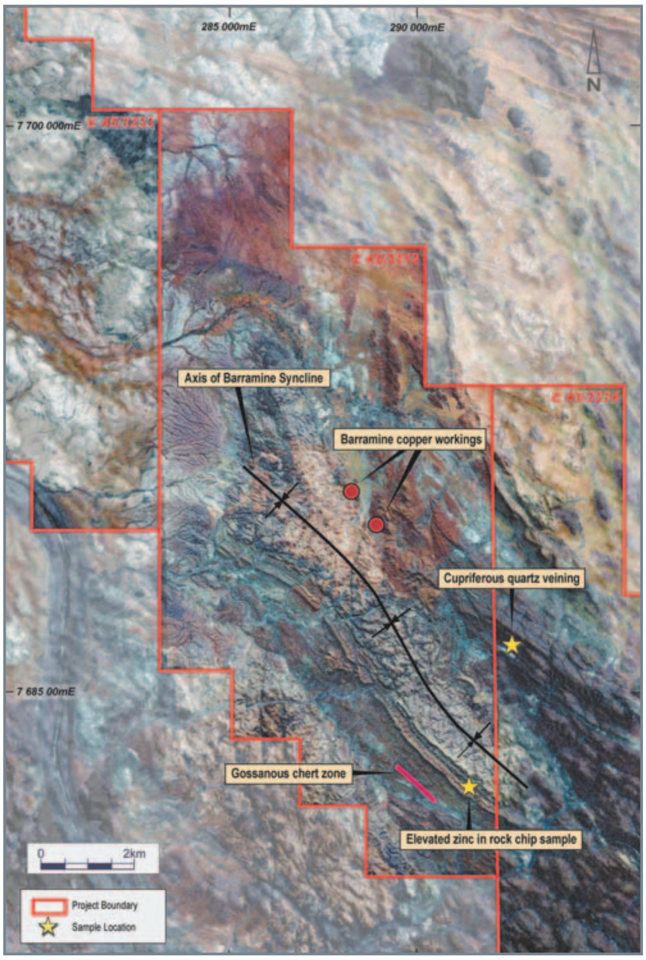


Figure 11: Barramine Project Exploration Activities

Work undertaken by SRR has included detailed mapping, rock sampling, detailed gravity surveys, drilling of 61 RC drill holes and more recently, an induced polarisation ('IP') geophysical survey.

These activities have increasingly returned positive results, highlighting the prospectivity of the area for manganese mineralisation. Manganese principally occurs within or along the contact between the Carawine Dolomite and Pinjian Chert.

The world class Woodie Woodie Manganese operation is located 80km to the south in the same stratigraphic position. The manganese occurrences at Woodie Woodie occur in pods, amounting to over 40 million tonnes of high grade +40% manganese ore along 20km of strike.

5.6 Exploration Potential

Based on the similar stratigraphy of the Gregory Inlier and the structures present within the Barramine Project the area is considered to be prospective for the following deposit types:

- Volcanic-related base metal sulphide horizons within sediments similar to the Wonmunna Deposit and/or in andesitic and rhyolitic volcanics.
- Structurally controlled gold, plus base-metal mineralisation associated with significant NNW trending structures.
- +40% manganese mineralisation resulting from enrichment of primary manganese during the karst process, or alternatively hydrothermally derived, within the Carawine Dolomite or Pinjian Chert.

5.7 Proposed Exploration Program and Budget

The potential for a volcanic-related base metal deposit exists, and requires a comprehensive exploration phase to further assess the area. A fast, cost-effective assessment of the area is proposed, using the partial leach MMI technology.

Activity	Year 1 $000s	Year 2 $000s	Total $000s
Imagery interpretation	75	0	75
RAB Drilling	0	135	135
Field Supervision	20	35	55
Analytical	15	55	70
Administration	15	25	40
Contingency	15	25	40
TOTAL	**140**	**275**	**415**

Table 9: Barramine Project Proposed Exploration Budget

6. 701 Mile Project

6.1 Introduction

The project covers 350km^2 of meso-proterozoic sediments and large mafic sills, in an area south of the Pilbara Craton, 80km southeast of Newman, Western Australia (Figure 12). The project is prospective for base metals, gold and manganese mineralisation.

An overview of the 701 Mile Project geology and data indicates that the project is prospective for the following styles of mineralisation:

- Copper-nickel-platinum group element (PGE) sulphide mineralisation associated with the basal sections of large mafic sills;
- Structurally controlled poly-metallic lodes and veins associated with faults and the margins of mafic intrusions; and
- Gold accumulations in basement Archaean-age greenstones, albeit at depths below perhaps 400m similar to the Frankopan Prospect.

6.2 Tenement Details

The project comprises two ELs, with one (numbered E52/1531) where over $350,000 has been spent to date, and four small PLs. Laconia has interests in the mineral rights excluding iron and manganese.

Licence ID	Date granted	Area	Annual rent	Annual expenditure commitment	Holder
E52/1531	24 Jan 2002	14 blocks	$6640	$70,000	Pandell Pty Ltd
E52/2232	29 Jun 2009	95 blocks	$11,265	$95,000	Pandell Pty Ltd
P52/1228	1 Feb 2008	128.25 Ha	$298	$5160	Oakover Gold Ltd
P52/1229	1 Feb 2008	23.13 Ha	$55	$2000	Oakover Gold Ltd
P52/1230	1 Feb 2008	23.11 Ha	$55	$2000	Oakover Gold Ltd
P52/1231	1 Feb 2008	73.4 Ha	$171	$2960	Oakover Gold Ltd

Table 10: 701 Mile Project Tenement Details

6.3 Location and Access

The project is located approximately 80km southeast of Newman, on the Weelarrana Pastoral Lease (3114/1255). Access is gained via the Great Northern Highway, turning off 51km north of Kumarina Roadhouse, then northeast onto the gravel road to Mundiwindi (Figure 12).

The project is centred on coordinates 199,200mE, 7348,000mN (MGA94 Zone 51), and at the southwest corner of the Robertson 1:250,000 map sheet (SF51-13).

6.4 Geology

The Project overlies rocks of the mid-Proterozoic Collier Basin stratigraphy. The Collier Basin represents the younger portions of the previously-termed Bangemall Basin (1.64-1.0Ga), and is one of two intra-cratonic basins developed during extensional movements on the Capricorn Orogenic zone (Figure 12). The local sedimentary group is correlated with the Manganese Group, as follows:

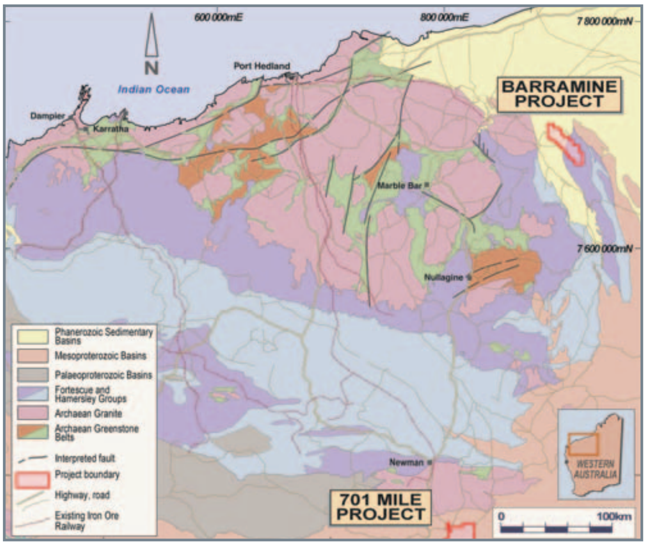


Figure 12: 701 Mile Project Regional Geology and Tenement Map

The lowest unit of the Manganese Group, the Stag Arrow Formation (MNs), is largely an arenaceous sequence. Many of the sandstones contain glauconite, and it is particularly abundant in the upper part of the sequence. The Stag Arrow Formation was deposited in a stable shallow-marine shelf environment.

The Jigalong Formation is a thin, but persistent, marker horizon that rests disconformably on the Stag Arrow Formation. The Jigalong Formation is an upward-fining sequence of polymictic conglomerate, sandstone, siltstone, and silicified green mudstone. Glauconite is an accessory mineral in all lithologies. The formation resembles a large turbidite unit, possibly related to a submarine fan, deposited during a transgressive marine phase (Figure 13).

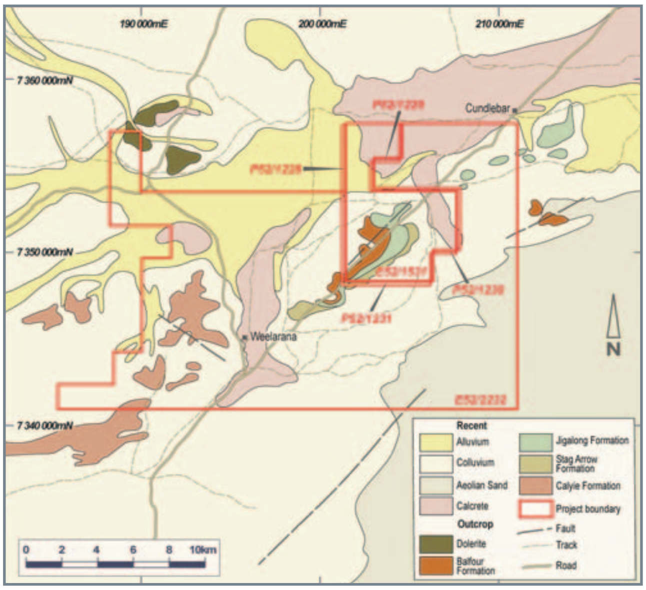


Figure 13: 701 Mile Project Geology (after GSWA mapping)

The project-scale aeromagnetic image shows a prominent northeasterly trending structural grain, with linear magnetic highs seemingly wrapping around mafic rocks intruded as sills. The magnetic 'grain' is interpreted to be a continuation of the Tangadee Lineament, which is a deep seated structure that has controlled sedimentation during basin development. This lineament is considered a regionally significant structure.

6.5 Recent Exploration

The northeast Collier Basin, the geological province in which the project is situated, contains copper and minor lead & other base-metal deposits and significant manganese mineralisation. At the Independence Group's Frankopan Gold Prospect 8km to the north, gold mineralisation occurs in Pilbara Archaean greenstones below the Collier Basin sediments.

Lead-copper-barium mineralisation occurs at the Abra deposit, some 150km to the southeast, in the Edmund Basin sediments, adjacent to the Tangadee Lineament.

The distribution of mineralisation in the district is shown in Figure 14.

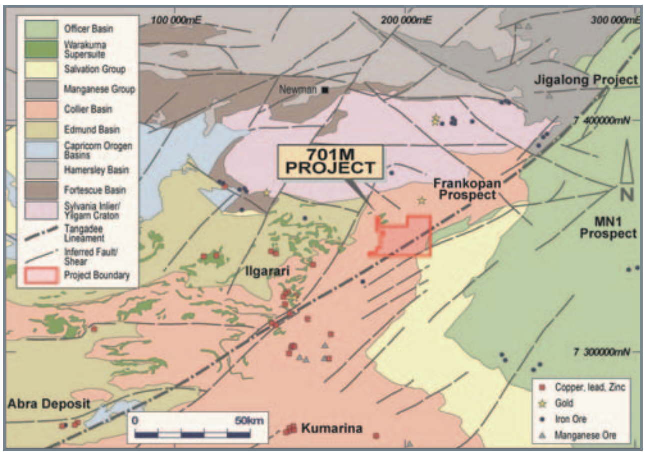


Figure 14: 701 Mile District Mineralisation Map

6.6 Exploration Potential

6.6.1 Base metals

There is potential for structurally-controlled base-metal mineralisation adjacent to mafic intrusions, and also in differentiated basal portions of mafic sills.

The geological environment at the 701 Mile Project is prospective for base metals in two different target scenarios. Firstly, the large mafic sills which crop out in the area, probably associated with the Warakurna Large Igneous Province, have sufficient size to host differentiated, basal metallic enrichments. Secondly, the structurally-controlled base metal deposits to the south at Ilgarari and Kumarina are linked to large-scale circulation of fluids heated by the emplacement of these mafic sill complexes. These deposits occur in east-northeasterly trending fault zones, usually in or near mafic intrusions.

Mafic intrusives crop out in the central portions of E52/1531, and have returned highly anomalous rare earth element ('REE') values up to 0.23% combined REE in a rock chip sample. Petrological examination indicated a monzo-gabbro for this outcrop. Elsewhere drilling has intersected mafic sills with gabbroic texture and pegmatitic zones.

Elevated barium content to 300-500ppm is common, and barite veinlets have been noted. Of particular interest is the magnetic-high "rim" on the northern margin of a mafic body identified from drilling (Figure 15).

These sills may be far more extensive in the project area than currently shown as mapped, extending beneath the Quaternary cover and detectable using MMI (or similar) technology soil sampling. Where soil sampling exists, the mafic intrusives are associated with a subdued positive magnetic texture, elevated copper-chrome-cerium values, and elsewhere by an ovoid magnetic low with a geochemically subdued response that is possibly due to the thick soil cover.

6.6.2 Gold

Potential exists for structurally controlled gold mineralisation and also for blind deposits within the Archaean Basement.

The potential for structurally-controlled gold mineralisation at the 701 Mile Prospect has been tentatively explored with bulk leach extractable gold ('BLEG') surface sampling in the central portion of E52/1531. This was designed to test the complex structural picture revealed by the aeromagnetic data interpretation. Pandell considers this sampling program to have been compromised somewhat by 'laboratory effects', and strike extensions remain untested. Some modest spot-high gold values were returned and

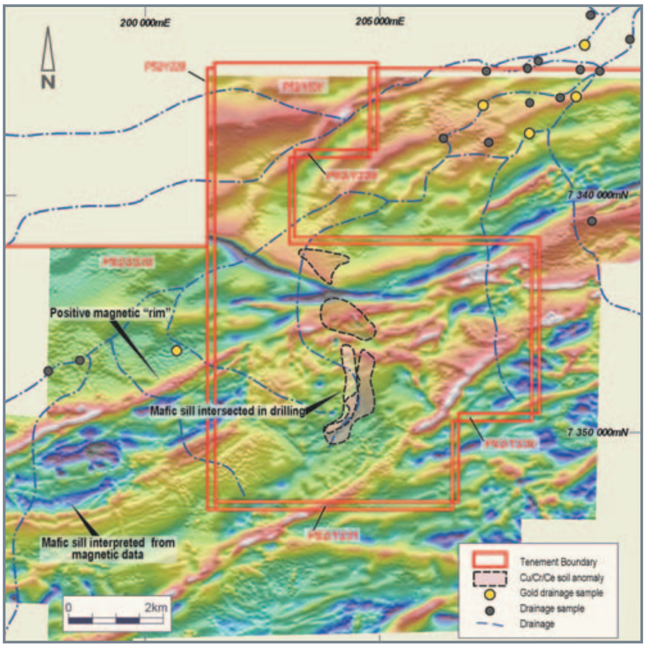


Figure 15: 701 Mile Project TMI Image, Drainage Geochemistry and Soil Anomalies

further work is required. Partial-leach technology, such as mobile metal ions as used in MMI Technology is recommended for exploration of these targets.

Historical drainage geochemical data from other explorers returned two spot high gold values. One sample drains the previously-mentioned northeasterly trending magnetic high rim on the northern margin of a mafic body. The other anomalous sample is supported by four other elevated drainage responses, and is sourced from a structural intersection of a northeasterly linear with a sinuous easterly trend. The source area is under cover and not yet followed up.

Gold has been discovered in Archaean mafic rocks at the Independence Group's Frankopan Prospect, 8km to the north of E52/1531. Mineralisation occurs within an alteration zone, at about 150-200m vertical depth, beneath Collier Basin sediments. Of note, is the observation that there is a very shallow dip to the base of the cover rocks. Occurrence of a similar style of deposit cannot be ruled out.

6.7 Proposed Exploration Program and Budget

Activity	Year 1 $000s	Year 2 $000s	Total $000s
Data review	10	0	10
Imagery Data	15	45	60
RAB Drilling	0	80	80
Field Supervision	20	25	45
Analytical	5	35	40
Administration	5	20	25
Contingency	5	20	25
TOTAL	**60**	**225**	**285**

Table 11: 701 Mile Project Proposed Exploration Budget

7. Conclusions

The exploration targets at the four project areas have distinct potential to be identified and expanded as described above.

At all locations, the tenements require systematic mapping followed by drill evaluation before any real conclusions can be drawn about the full potential of the projects.

Project	Year 1 $000s	Year 2 $000s	Total $000s
Gimlet	2000	500	2500
Mooletar	300	500	800
Barramine	140	275	415
701 Mile	60	225	285
TOTAL	**2500**	**1500**	**4000**

Table 12: Combined Projects Proposed Exploration Budget

A combined Exploration Budget of $4.0m over two years is proposed with activity in Year 2 dependent on Year 1 results.

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9. Glossary of Technical Terms and Abbreviations

Aeromagnetic Survey	A survey made from the air for the purpose of recording magnetic characteristics of rocks.
Alluvial	Transported and deposited by water.
Alluvium	Gravel and other sediment found along rivers and creeks.
Alteration Zone	Zone within which rock forming minerals have been chemically changed.
Amphibolite	A crystalloblastic rock consisting mainly of amphibole and plagioclase. Quartz is usually absent. Considered a medium to high-grade metamorphic rock.
Anomaly	Value higher or lower than the expected or norm.
Anomalous	Outlining a zone of potential exploration interest but not necessarily of commercial significance.
Archaean	The oldest rocks of the Precambrian Era, prior to 2500 million years.
Axis	Hinge-line of a fold.
Banded Iron Formation (BIF)	A chemical sedimentary rock composed of silica and iron oxide rich layers.
Basalt	A fine-grained volcanic rock composed primarily of plagioclase Feldspar and mafic minerals.
Bedding	A rock surface parallel to the surface of deposition.
Country Rock	A general term applied to rock surrounding or penetrated by mineral veins.
Dip	The angle at which a rock layer, fault of any other planar structure is inclined from the horizontal.
Domain	The areal extent of given lithology or environment.
Fault	A fracture in rocks on which there has been movement on one of the sides relative to the other, parallel to the fracture.
Fold	A bend in the rock strata or planar structure.
Foliation	The laminated structure resulting from the parallel arrangement of different minerals.
Footwall	Rocks underlying mineralisation.
Gabbro	A coarse grained rock consisting of plagioclase and mafic minerals.
Geophysics	Study of the earth by quantitative physical methods.
Gneiss	A metamorphic rock with compositional banding of light and dark minerals often of granitic composition.
Granitoid	A general field term for coarse-grained rocks containing quartz and feldspars.
Greenstone Belt	Elongate belts in Precambrian terrain characterised by major zones of altered or metamorphosed basic igneous rocks.
Hangingwall	Rocks overlying mineralisation.
Igneous	Formed by solidification from a molten or partly molten state.
Inferred Resource	A resource inferred from geoscientific evidence, drillholes, underground openings or other sampling procedures where lack of data is such that continuity cannot be predicted with confidence and where geoscientific data may not be known with a reasonable level of reliability.
Indicated Resource	A resource sampled by drillholes, underground openings, or other sampling procedures at locations too widely spaced to ensure continuity and where geoscientific data are known with a reasonable level of reliability.
JORC	Joint Ore Reserves Committee- Australasian Code for Reporting of Identified Resources and Ore Reserves.
Lacustrine	Pertaining to lake waters.
Laterite	A red, residual soil, cemented in place, containing iron and aluminium oxides but leached of quartz.
Lineament	A naturally occurring major linear feature in the earth's crust, often associated with mineral deposits.
Mafic	A loosely used group name for silicate minerals that are rich in iron and magnesium, and for rocks in which these minerals are abundant.
Measured Resource	A resource intersected by drillholes, underground openings or other sampling procedures at locations which are spaced closely enough to confirm continuity and where geoscientific data are reliably known.
Metamorphism	The mineralogical, structural and chemical changes induced within solid rocks through the actions of heat, pressure or the introduction of new chemicals. Rocks so altered are prefixed "meta" as in "metabasalt".
Mineral Resource	A tonnage or volume of rock or mineralisation of economic interest.

9. Glossary of Technical Terms and Abbreviations continued

Mineralisation	In economic geology, the introduction of valuable elements into a rock body.
Opencut	Descriptive of a mine worked open from the surface.
Ore	A mixture of minerals, host rock and waste material which is expected to be mineable at a profit.
Orebody	A continuous, well defined mass of ore.
Outcrop	The surface expression of a rock layer (verb: to crop out).
Porphyry	A rock with conspicuous crystals in a fine-grained ground mass.
Primary Mineralisation	Mineralisation which has not been affected by near surface oxidising process.
Proved Reserve	An ore reserve stated in terms of mineable tonnes and grade in which the corresponding identified Mineral Resource has been defined in three directions by excavation or drilling (including minor extensions beyond actual openings and drill holes), and where the geological factors that limit the ore-body are known with sufficient confidence that the Mineral Resource is categorised as Measured.
RAB	Rotary Air Blast (as related to drilling) – A drilling technique in which the sample is returned to the surface outside the rod string by compressed air.
RC	Reverse Circulation (as relating to drilling) – A drilling technique in which the cuttings are recovered through the drill rods thus minimising sample losses and contamination.
Reserve	In-situ mineral occurrence which has had mining parameters applied to it, from which valuable or useful minerals may be recovered.
Resource	In-situ mineral occurrence from which valuable or useful minerals may be recovered, but from which only a broad knowledge of the geological character of the deposit is based on relatively few samples or measurements.
Saprolite	Weathered rock in which the original rock textures are still recognisable.
Shear (zone)	A zone in which shearing has occurred on a large scale so that the rock is crushed and brecciated.
Silicified	Containing a high proportion of silicon dioxide.
Soil Sampling	Systematic collection of soil samples at a series of different locations in order to study the distribution of soil geochemical values.
Splay Fault	A secondary shear or fault divergent from the principal structure.
Strike	The direction or bearing of the outcrop of an inclined bed or structure on a level surface
Strike Slip Fault	Faults parallel to the strike of the rock strata.
Stringer	A narrow vein or irregular filament of mineral traversing a rock mass.
Subcrop	The surface expression of a mostly concealed rock layer.
Syncline	A fold where the rock strata dip inwards towards the axis (antonym: anticline).
Ultramafic	Igneous rocks with very high magnesium and iron content containing less than 45% silicon dioxide.
Unconformity	Lack of parallelism between rock strata in sequential contact, caused by a time break in sedimentation.
Vein	A narrow intrusive mineral body.
Weathering	A process of chemical change to rocks brought about by their exposure to oxygen and water.

Abbreviations

g	gram
cm	centimetre
kg	kilogram
km	kilometre
km2	square kilometre
m	metre
M	million
m2	square metre
m3	cubic metre
mm	millimetre
oz	troy ounce, equivalent to 31.103g.
t	tonne

Units of Concentration

ppb	parts per billion
ppm	parts per million

6. INDEPENDENT ACCOUNTANT'S REPORT

Rothsay Consulting Services Pty Ltd

Level 18, 6 O'Connell Street, Sydney NSW 2000 G.P.O. Box 2759, Sydney NSW 2001
Phone 8815 5400 Facsimile 8815 5401 E-mail swan2000@bigpond.com

31 August 2009

The Directors
Laconia Resources Pty Ltd
23 Altona Street
West Perth WA 6005

Dear Sirs,

RE: INDEPENDENT ACCOUNTANT'S REPORT

1. Introduction

This report has been prepared at the request of the Directors of Laconia Resources Pty Ltd ("**Laconia**" or "**the Company**") for inclusion in a Prospectus to be dated on or around 11 September 2009 ("the Prospectus") relating to the proposed issue by Laconia of 30,000,000 shares to be issued at a price of 20 cents per share to raise $6,000,000.

2. Basis of Preparation

This report has been prepared to provide investors with information on historical results and the assets and liabilities of Laconia. This report does not address the rights attaching to the securities to be issued in accordance with the Prospectus, nor the risks associated with the investment. Rothsay Consulting Services Pty Ltd has not been requested to consider the prospects for Laconia, the securities on offer and related pricing issues, nor the merits and risks associated with becoming a shareholder and accordingly, has not done so, nor purports to do so. Rothsay Consulting Services Pty Ltd accordingly, takes no responsibility for those matters or for any matter or omission in the Prospectus, other than responsibility for this report.

3. Background

Laconia was incorporated on 29 June 2009 with the issue of 10 ordinary shares of 20 cents each. Subsequent to incorporation and to the date of this report 11,500,000 ordinary shares were issued to the founders and advisers at 0.01 cents ($1,150), and 3,720,000 ordinary shares were issued to seed capitalists at 10 cents ($372,000).

The founder and adviser shares have 5,500,000 attached options exercisable at 20 cents each expiring 30 September 2014 and the vendor shares have 15,000,000 attached options exercisable at 20 cents each expiring 30 September 2014.

24,000,000 ordinary shares were issued to the vendors at a deemed issue price of 10 cents ($2,400,000) as consideration for the exploration properties acquired.

Potential investors should read the Prospectus in full and note the value attributed to the exploration properties acquired.

Details on all contracts entered into between Laconia and other parties are outlined in the Material Contracts section of the Prospectus.

4. Scope of Examination

You have requested Rothsay Consulting Services Pty Ltd prepare an Independent Accountant's Report on:

(a) the results of Laconia for the period from incorporation to 31 August 2009;

(b) the statement of financial position of Laconia as at 31 August 2009; and

(c) the pro-forma statement of financial position of Laconia as at 31 August 2009 adjusted to include funds to be raised by the Prospectus.

We have examined the financial statements and other relevant information and made such enquiries, as we considered necessary for the purposes of this report. The scope of our examination was substantially less than an audit examination conducted in accordance with Australian Auditing Standards and accordingly, we do not express such an opinion. Our examination included:

(i) discussions with Directors and other key management of Laconia;

(ii) a review of the accounts of Laconia;

(iii) a review of publicly available information; and

(iv) a review of work papers, accounting records and other documents.

5. Opinion

In our opinion, the proforma statement of financial position as set out in Appendix 2 presents fairly, the proforma statement of financial position of Laconia as at 31 August 2009 in accordance with the accounting methodologies required by Australian Accounting Standards on the basis of assumptions and transactions set out in Appendix 3.

No opinion is expressed on the historical results, as shown in Appendix 1, except to state that nothing has come to our attention which would require any further modification to the financial information in order for it to present fairly, the result of the period identified.

To the best of our knowledge and belief, there have been no other material items, transactions or events subsequent to 31 August 2009, that have come to our attention during the course of our review which would cause the information included in this report to be misleading.

6. Other matters

At the date of this report, Rothsay Consulting Services Pty Ltd does not have any material interest in Laconia either directly or indirectly, or in the outcome of the offer. Rothsay Chartered Accountants have been appointed auditors of Laconia. Apart from this report, Rothsay Consulting Services Pty Ltd was not involved in the preparation of any other part of the Prospectus, and accordingly, make no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus.

Rothsay Consulting Services Pty Ltd has consented to the inclusion of this report (including Appendices 1 to 3) in the Prospectus in the form and content in which it is included. At the date of this report, this consent has not been withdrawn.

Yours faithfully,

ROTHSAY CONSULTING SERVICES PTY LTD

Graham R Swan FCA MAICD
Director

6. INDEPENDENT ACCOUNTANT'S REPORT continued

Appendix 1

Condensed Statement of Financial Performance

	Period ended 31 Aug 2009
Other income from ordinary activities	5
Expenses from ordinary activities	(38,958)
Net profit/(loss) before Tax	**(38,953)**

Appendix 2

Condensed Statements of Financial Performance

	Note	Audited 31 Aug 2009	Pro-forma 31 Aug 2009
		$A	$A
Current Assets			
Cash Assets	3	352,532	5,577,532
Total Current Assets		**352,532**	**5,577,532**
Non-Current Assets			
Tenements		2,400,000	2,900,000
Total Non-Current Assets		**2,400,000**	**2,900,000**
Current Liabilities			
Trade and Other Payables		68,333	18,333
Total Current Liabilities		**68,333**	**18,333**
Net Assets		**2,684,199**	**8,459,199**
Equity			
Contributed Equity	4	2,723,152	8,498,152
Retained Earnings		(38,953)	(38,953)
Total Equity		**2,684,199**	**8,459,199**

To be read in conjunction with Appendix 3

Appendix 3

Notes to the Statements of Financial Performance and Statements of Financial Position

1. Statement of Significant Accounting Policies

(a) Basis of Accounting

The condensed Statements of Financial Performance and Financial Position have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group and the Corporations Act 2001 disclosures as considered necessary. They have also been prepared on the basis of historical cost and do not take into account changing money values. The accounting policies have been consistently applied, unless otherwise stated.

(b) Income Tax

The charge for current income tax is based on the profit for the year adjusted for any non-assessable or non-deductible items, at the ruling tax rate. Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences will be utilised.

(c) Exploration, Evaluation and Development Expenditure

Exploration and evaluation costs are written off in the year they are incurred apart from acquisition costs which are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through the sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Where an area of interest is abandoned or the directors decide that it is not commercial, any accumulated acquisition costs in respect of that are written off in the financial period the decision is made. Each area of interest is reviewed at the end of each accounting period and accumulated costs are written off to the extent that they will not be recoverable in the future.

(d) Trade and Other Payables

Accounts payable represent the principal amounts outstanding at balance date.

(e) Recoverable Amount of Non Current Assets

The carrying amounts of non-current assets are reviewed annually by Directors to ensure they are not in excess of the recoverable amounts from those assets. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets employed and subsequent disposal.

(f) Employee Benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

(g) Operating Revenue

Revenue represents bank interest received.

(h) Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

2. Actual and Proposed Transactions to Arrive at Proforma Statement of Financial Position

Actual and proposed transactions adjusting the 31 August 2009 Audited Statement of Financial Position in the pro-forma Statement of Financial Position are as follows:

	Note	Audited 31 Aug 2009	Proforma 31 Aug 2009
		$A	$A
3. Cash at bank			
The movements in cash at bank are as follows:			
At 31 August 2009		352,532	352,532
Issue of shares pursuant to Prospectus	(a)	–	6,000,000
Payment of fundraising costs	(b)	–	(275,000)
Vendor reimbursement of prior exploration expenditure	(c)	–	(500,000)
		352,532	**5,577,532**
4. Contributed Equity			
(a) Share Capital			
Contributed equity as at 31 August 2009		2,773,152	2,773,152
Issue of shares pursuant to this prospectus	(a)	–	6,000,000
Payment of fundraising costs	(b)	(50,000)	(275,000)
		2,723,152	**8,498,152**

a) the issue of 30,000,000 ordinary shares at 20 cents each pursuant to this Prospectus to raise $6,000,000;
b) the payment of fundraising costs estimated at $275,000; and
c) The repayment of previous expenditure of $500,000 to the Vendor of the tenements.

5. Contingent Liabilities

Based on discussions with the Directors and legal advisors, to our knowledge, the Company has only one material contingent liability being a payment to Mr D O'Meara of $500,000, upon Listing. This payment is for the reimbursement of previous exploration expenditure on the tenements.

6. Commitments

Based on discussions with the Directors the Company has exploration commitments of $458,800 in the first year to maintain its exploration permits in good standing. Additional exploration expenditure is likely to occur on a discretionary basis.

The Company has additional commitments pursuant to contracts with the managing director and company secretary for administration services of $238,000 per annum.

7. SOLICITOR'S REPORT ON TENEMENTS

House Legal

86 First Avenue, Mt Lawley, Western Australia 6050.
Phone 0413 481 525 Email admin@houselegal.com.au

11 September 2009

The Directors
Laconia Resources Limited
23 Altona Street
WEST PERTH WA 6005

Dear Sirs,

Solicitor's Report

This report is prepared for inclusion in a prospectus (**Prospectus**) to be dated on or about 11 September 2009 for issue by Laconia Resources Limited ACN 137 984 297 (**Company**) of 30,000,000 shares at an issue price of 20 cents ($0.20) per share.

This Report relates to various mining tenements in Western Australia (**WA Tenements**) held by the Company. The WA Tenements are set out in full in the Tenements Schedule (**Schedule**) at the end of this Report.

1. Searches

We have conducted the following searches and enquiries between 28 and 30 August 2009:

(a) searches of the WA Tenements in the register maintained by the Department of Mines and Petroleum of Western Australia (DMP) pursuant to the Mining Act 1978 (WA) (Mining Act (WA));

(b) quick appraisal searches of the WA Tenements obtained on-line from the Tengraph system maintained by the DMP; and

(c) searches of the native title application summaries maintained by the National Native Title Tribunal (NNTT) in relation to those native title claims which affect the Tenements.

Based on our searches and enquiries and subject to the statements set out below, we confirm at the date of the searches:

(a) the details of the WA Tenements referred to in the Schedule are accurate as to the status and registered holders of those tenements;

(b) all applicable rents due in respect of the WA Tenements under the Mining Act (WA) have been paid; and

(c) none of the WA Tenements are subject to any unusual conditions of a material nature other than as disclosed in the Schedule.

2. Assumptions and Qualifications

In preparing this Report:

(a) we have relied on the information provided as a result of the searches which we have made or caused to be made of the register and the Tengraph system maintained by DMP and the register maintained by the NNTT being accurate and complete;

(b) where compliance with requirements necessary to maintain a WA Tenement in good standing or a possible claim in respect of a WA Tenement is not disclosed on the face of the searches referred to above, we express no opinion on that compliance or claim;

(c) where any agreement, dealing or act (including disturbing the land for exploration or mining) in a WA Tenement requires an authorisation, approval, permission or consent (Authorisation) under the Mining Act (WA), any regulations made thereunder or any other relevant legislation, we have assumed that Authorisation has been or will be granted in due course;

(d) where any dealing in a WA Tenement has been lodged for registration but is not yet registered, we express no opinion as to whether the registration will be effected, or the consequences of non-registration;

(e) we have assumed that the Company has complied with all applicable provisions of the Mining Act (WA) and all other legislation relating to the WA Tenements;

(f) we have not researched the underlying land tenure in respect of the WA Tenements to determine if native title rights have or have not been extinguished, or the extent of any extinguishment;

(g) we have not undertaken the extensive research necessary to establish if native title claims may be made in the future over the area of the WA Tenements; and

(h) we have not researched the area of the WA Tenements to determine if there are any registered or unregistered sites of significance to aboriginal people within the area.

3. WA Tenements

The WA Tenements comprise both applications for and granted exploration licences, mining leases and prospecting licences.

Each granted Tenement is subject to standard conditions including conditions requiring the holder to pay rent, meet certain expenditure and reporting obligations, pay necessary government royalties on minerals mined, obtain the consent of the relevant officer of the DMP prior to conducting any ground disturbing work, basic environmental and rehabilitation conditions for minor disturbances, and prohibitions or restrictions on disturbing existing infrastructure such as roads and powerlines. Additional specific conditions are set out in the Schedule.

Significant amendments to the Mining Act (WA) (Amendments) came into operation on 10 and 11 February 2006. The Amendments fundamentally affect the administration of mining tenements in Western Australia.

The exploration licences were applied for or granted both prior to and after the Amendments. All were granted with 5 year terms. The terms of those applied for prior to the Amendments may be extended for up to 4 years in prescribed circumstances and further periods of 1 year in exceptional circumstances. The terms of those exploration licences applied for and granted after the Amendments may be extended for a further period of 5 years, and thereafter for further periods of 2 years.

Exploration licences applied for prior to the Amendments carry an obligation on the holder to relinquish 50% of the area of the tenements at the end of its 3rd year and again at the end of the 4th year of their grant. Exemptions from that requirement may be obtained.

An exploration licence applied for and granted after the Amendments came into operation will be subject to a requirement that the holder must relinquish 40% of the area of an exploration licence at the end of the 5th year of the term of the exploration licence. This relinquishment requirement may be deferred for one year but not avoided.

Ministerial consent is required under the Mining Act (WA) before any legal or equitable interest in an exploration licence can be created or dealt with during the first year of the term of the licence. An agreement to sell an interest may be entered into provided that it is subject to a condition requiring the consent of the Minister.

The prospecting licences were also applied for and granted both before and after the Amendments. Those applied for prior to the amendments were granted for periods of 4 years and are not renewable. Those prospecting licences applied for after the Amendments will, if granted, be granted for a period of 4 years and may be extended for one further period of 4 years.

The Mining Act (WA) gives the holder of an exploration licence or a prospecting licence the right to apply for a mining lease (or mining leases) over the area the subject of the exploration or prospecting licence. The grant of any mining lease is subject to compliance with the Mining Act (WA). A mining lease may only be applied for over land where, at minimum, a mineral resource (not to a JORC standard) exists or if a mining proposal has been lodged with the application.

Mining leases are granted for a period of 21 years, renewable for a further 21 years. Ministerial consent is required under the Mining Act (WA) prior to assigning an interest in a mining lease.

The Schedule sets out a brief description of the WA Tenements and a summary of any encumbrances and material conditions.

In relation to the Schedule, we make the following comments:

(a) references to the areas of the WA Tenements are taken from the details shown on the searches, it is not possible to verify those areas without conducting a survey which has not been undertaken;

(b) exploration licences are measured by graticular blocks which, depending on where the licence is located, range in area from approximately 2.8 km^2 to 3.3km^2; and

(c) the rights of a holder of the WA Tenements is subject to compliance by that holder with the terms and conditions under the Mining Act (WA) and regulations made thereunder and the conditions specifically set out in the grant of the relevant WA Tenement.

4. Native Title

In *Mabo v Queensland (No 2)* (1992 175 CLR 1) the Australian common law recognised a form of native title giving Aboriginal people certain rights to their traditional lands. The rights recognised in native title may vary from place to place and from people to people but in each case will originate in customary rights and the Aboriginal group claiming the rights must have maintained a traditional connection with the land.

Native title rights may be extinguished voluntarily or by legislative or executive action inconsistent with the native title such as the grant of a freehold interest in land. Native title may also be partially extinguished by the grant of rights over native title land not wholly inconsistent with native title rights. Where native title has been partially extinguished, it will co-exist with other rights to the land.

The *Native Title Act 1993* (Cth) (**Native Title Act**) was enacted in response to the common law recognition of native title. Among other things, the Native Title Act:

(a) provides a procedure for the recognition of native title claims in the Federal Court;

(b) confirms the validity of titles granted by the Federal Government prior to the commencement of the Native Title Act and provides for the States and Territories to validate such titles; and

(c) specifies the procedure for the grant of mining tenements which may affect native title rights.

The Native Title Act was amended in 1998 by the *Native Title Amendment Act 1998*. The Western Australian Parliament has enacted the *Titles* (*Validation*) and *Native Title* (*Effect of Past Acts*) *Act 1995* which adopts the Native Title Act in Western Australia.

5. Native Title Claims

A person claiming to hold native title may lodge an application for determination of native title with the Federal Court. If the claim satisfies the registration test set out in the Native Title Act (Registration Test) it will be entered on the Register of Native Title Claims maintained by the NNTT. Registered claimants are afforded certain procedural rights, including the "right to negotiate". Claims which fail the Registration Test are, nevertheless heard by the Federal Court.

Native Title Claims affecting the WA Tenements have been noted in the Schedule.

The fact a claim has been lodged does not necessarily mean that native title exists over the area claimed, nor does the absence of a claim necessarily indicate that no native title exists over that area. The existence of native title will be established in due course as the claims are determined by the Federal Court.

6. Validity of Titles

Under the Native Title Act, and subject to certain exceptions, the grant of a mining tenement on or after 1 January 1994 that affects native title is a "future act". Mining tenements granted after 23 December 1996 that affect native title will be valid only if the applicable processes of the Native Title Act have been complied with. We understand that the DMP has complied with such processes but have not undertaken independent enquiries to confirm this is the case.

7. Aboriginal Heritage

(a) Commonwealth Legislation

The *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) (**Commonwealth Heritage Act**) is aimed at the preservation and protection of any Aboriginal areas and objects that may be located on the WA Tenements.

Under the Commonwealth Heritage Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects, which have the potential to halt exploration activities. Compensation is payable by the Minister to a person who is, or is likely to be, affected by a permanent declaration of preservation.

It is an offence to contravene a declaration made under the Commonwealth Heritage Act.

(b) Western Australia

Sites that may be of spiritual, cultural or heritage significance to Aboriginal persons may be protected by the *Aboriginal Heritage Act 1972* (**Heritage Act**).

The Heritage Act makes it an offence to alter or damage a site of significance to Aboriginal people. The Heritage Act provides for but does not compel the registration of such sites. It is an obligation of a party disturbing any area of the state to ensure it does not disturb such a site.

We have not undertaken any searches or investigations as to whether there are or may be any sites protected by the Heritage Act within the area of the WA Tenements. It is common practice for an explorer to undertake surveys of any area that may host such sites prior to carrying out any ground disturbing activity.

8. Consent

This report is given on the date set out at the commencement and unless specified to the contrary, speaks only to the laws in force on that date.

House Legal has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included and have not withdrawn that consent before the lodgement of the Prospectus with ASIC.

Yours faithfully,

House Legal

Tenements Schedule

Tenement	Holder	Status	Area	Application Date	Grant Date	Expiry Date	Required Expenditure	Notes
701 Mile Project								
E52/1531	Pandell	Live	14 blocks	6 Oct 2000	24 Jan 2002	23 Jan 2011	$70,000	1, 2, 8
E52/2232	Pandell	Live	95 blocks	26 May 2008	29 Jun 2009	28 Jun 2014	$95,000	1, 2, 8
P52/1228	Oakover	Live	128.251ha	26 Mar 2007	1 Feb 2008	31 Jan 2012	$5,160	1, 8
P52/1229	Oakover	Live	23.129ha	26 Mar 2007	1 Feb 2008	31 Jan 2012	$2,000	8
P52/1230	Oakover	Live	23.109ha	26 Mar 2007	1 Feb 2008	31 Jan 2012	$2,000	8
P52/1231	Oakover	Live	73.396ha	26 Mar 2007	1 Feb 2008	31 Jan 2012	$2,960	8
Barramine Project								
E45/3233	Pandell	Live	64 blocks	18 Apr 2008	26 Jun 2009	25 Jun 2014	$64,000	2, 3, 9
E45/3234	Pandell	Live	29 blocks	18 Apr 2008	13 Aug 2009	12 Aug 2014	$29,000	2, 10
E45/3312	Pandell	Live	41 blocks	12 Sep 2008	17 Mar 2009	16 Mar 2014	$41,000	2, 9
Gimlet Project								
E26/120	Pandell	Live	8 blocks	15 May 2006	4 May 2007	3 May 2012	$20,000	11, 13
Mooletar Project								
E58/327	Oakover	Live	9 blocks	19 May 2006	2 Jul 2007	1 Jul 2012	$20,000	12
M58/110	Oakover	Live	126ha	23 Oct 1987	22 Jun 1988	21 Jul 2030	$12,600	4, 12
M58/266	Oakover	Pending	190ha	11 Jul 1997	N/A	N/A	N/A	12
M58/348	Oakover	Pending	236.739ha	8 Dec 2004	N/A	N/A	N/A	12
M58/349	Oakover	Pending	368.797ha	8 Dec 2004	N/A	N/A	N/A	12
P58/865	Oakover	Live	190ha	31 May 1993	13 July 1993	12 Jul 1995	$7,600	5, 12
P58/1053	Oakover	Live	180ha	25 Sep 1997	17 Aug 2007	16 Aug 2011	$7,200	6, 12
P58/1054	Oakover	Live	90ha	25 Sep 1997	25 Jan 2001	24 Jan 2005	$3,600	7, 12
P58/1055	Oakover	Live	121ha	25 Sep 1997	25 Jan 2001	24 Jan 2005	$4,840	7, 12
P58/1056	Oakover	Live	121ha	25 Sep 1997	25 Jan 2001	24 Jan 2005	$4,840	7, 12
P58/1129	Oakover	Live	30.5ha	1 Feb 2000	14 Dec 2000	13 Dec 2004	$2,000	7, 12
P58/1383	Oakover	Live	196.702ha	7 Dec 2006	12 Sep 2008	11 Sep 2012	$7,880	12
P58/1384	Oakover	Live	179.993ha	7 Dec 2006	12 Sep 2008	11 Sep 2012	$7,200	12
P58/1385	Oakover	Live	117.371ha	7 Dec 2006	12 Sep 2008	11 Sep 2012	$7,120	12
P58/1386	Oakover	Live	110.898ha	7 Dec 2006	12 Sep 2008	11 Sep 2012	$4.440	12
P58/1387	Oakover	Live	126.828ha	7 Dec 2006	12 Sep 2008	11 Sep 2012	$5,080	12
P58/1388	Oakover	Live	199.657ha	7 Dec 2006	12 Sep 2008	11 Sep 2012	$8,000	12
P58/1408	Oakover	Live	194.375ha	26 Jul 2007	9 Jun 2009	8 Jun 2013	$7,800	12
P58/1409	Oakover	Live	199.711	26 Jul 2007	9 Jun 2009	8 Jun 2013	$8,000	12
P58/1410	Oakover	Live	199.701ha	26 Jul 2007	9 Jun 2009	8 Jun 2013	$8,000	12
P58/1411	Oakover	Live	200ha	26 Jul 2007	9 Jun 2009	8 Jun 2013	$8,000	12
P58/1412	Oakover	Live	171.239ha	26 Jul 2007	9 Jun 2009	8 Jun 2013	$6,880	12
P58/1413	Oakover	Live	179.376ha	26 Jul 2007	9 Jun 2009	8 Jun 2013	$7,200	12
P58/1414	Oakover	Live	174.580ha	26 Jul 2007	9 Jun 2009	8 Jun 2013	$7,000	12
P58/1415	Oakover	Live	19.024ha	26 Jul 2007	9 Jun 2009	8 Jun 2013	$2,000	12
P58/1476	Oakover	Pending	165.129ha	21 Jul 2009	N/A	N/A	N/A	12
P58/1477	Oakover	Pending	164.582ha	21 Jul 2009	N/A	N/A	N/A	12
P58/1478	Oakover	Pending	199.862ha	21 Jul 2009	N/A	N/A	N/A	12
P58/1479	Oakover	Pending	199.863ha	21 Jul 2009	N/A	N/A	N/A	12
P58/1480	Oakover	Pending	199.833ha	21 Jul 2009	N/A	N/A	N/A	12
P58/1481	Oakover	Pending	199.204ha	21 Jul 2009	N/A	N/A	N/A	12
P58/1482	Oakover	Pending	120.847ha	21 Jul 2009	N/A	N/A	N/A	12
P58/1483	Oakover	Pending	19.25ha	21 Jul 2009	N/A	N/A	N/A	12
P58/1484	Oakover	Pending	153.831ha	21 Jul 2009	N/A	N/A	N/A	12
P58/1485	Oakover	Pending	82.803ha	21 Jul 2009	N/A	N/A	N/A	12

Key to Holders: Oakover: Oakover Gold Ltd ACN 109 304 485, Pandell: Pandell Pty Ltd ACN 009 364 103

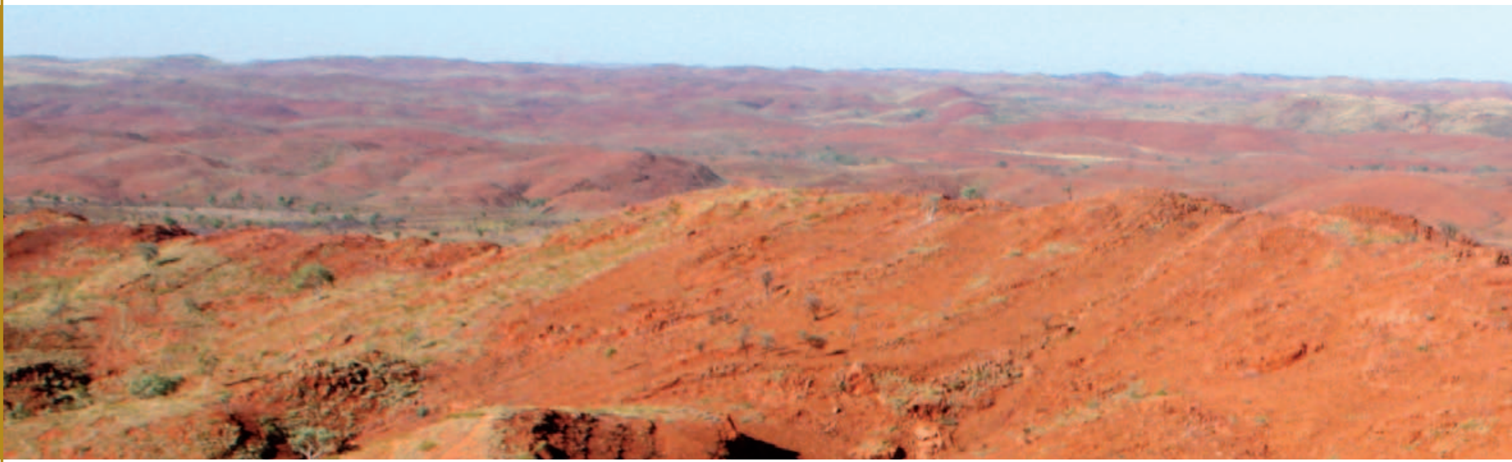
Notes

Each granted tenement is subject to standard conditions including conditions requiring the holder to obtain the consent of the relevant officer of the Department of Mines and Petroleum (**DMP**) prior to conducting any ground disturbing work, basic environmental and rehabilitation conditions (such as the removal of all waste, capping of drill holes etc) and prohibitions or restrictions on disturbing existing infrastructure. In addition to these conditions, the following applies.

1. The tenement holder has consent to mine on Stock Route Reserve 9700 subject to it conducting its activities in such a way as to not restrict the use of that reserve.
2. Shaw River Resources Ltd has a caveat over this tenement protecting its rights to iron ore and manganese ore as described in detail in part 8.2 "Summary of Material Contracts" of this prospectus under Material Contract Summaries.
3. No mining may be carried out on the 2 (of a total 64) graticular blocks forming this tenement affected by the Njamal Native Title Claim without the prior written agreement of the Njamal People.
4. The tenement holder has consent to mine on the proposed sand and gravel reserve affecting this licence subject to it liaising with the Shire of Mt Magnet prior to conducting its activities and ensuring its activities do not conflict with the Shire's gravel requirements.
5. This tenement remains live beyond its expiry date as it is subject to a conversion to mining lease 58/266.
6. The tenement holder has consent to mine on Water Reserve 6642 subject to it notifying the Department of Water, Geraldton, of its proposed ground disturbing activities. The tenement holder must also ensure it does not disturb any significant waterway (flowing or not) without the prior written consent of the Department of Water. The storage and disposal of hydrocarbons, chemicals and potentially hazardous substance must be in accordance with Department of Water guidelines and Water Quality Protection Notices and any spills must be reported to the Department of Water with proper remediation being undertaken. Additional restrictions apply to certain areas within the tenement demanding that the consent of the Department of Water be obtained prior to carrying out exploration and compelling compliance with Department of Water policies, protection notices and guidelines.
7. This tenement remains live beyond its expiry date as it is subject to a conversion to mining lease 58/349.
8. The area of this tenement is subject to the Nyiyaparli (WAD6280/98; WC05/6) registered native title claim.
9. The area of this tenement is subject to the Njamal (WAD6028/98; WC99/8) registered native title claim.
10. The area of this tenement is subject to the Njamal (WAD6028/98; WC99/8) registered native title claim and the Martu (WAD6110/98; WC96/78) registered native title claim.
11. The area of this tenement is subject to the Widji People (WAD6243/98; WC98/27) registered native title claim.
12. The area of this tenement is subject to the Badimia People (WAD6123/98; WC96/98) registered native title claim.
13. This tenement is subject to an obligation to pay a royalty of 2% of the gross value of gold produced as described in part 8.2 "Summary of Material Contracts".


EPMINEX
EAST PILBARA MINERAL EXPLORATION
AIR & GROUND SERVICE FOR:
Denis O'Meara Prospecting
OAKOVER GOLD
PANDELL PTY LTD
LANG COPPIN PROSPECTING
R44
Raven I

8. ADDITIONAL INFORMATION



8.1 Rights Attaching to Shares

There is only one class of shares in the Company being fully paid ordinary shares. The rights attaching to shares in the Company are:

a) set out in the constitution of the Company, a copy of which is available for inspection at the registered office of the Company during normal business hours; and

b) in certain circumstances, regulated by the Corporations Act, the Listing Rules of ASX, the SCH Business Rules and the general law.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

All Shares issued pursuant to this Prospectus will from the time they are issued, rank pari passu with all the Company's existing Shares.

(a) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares (at present there are none), at meetings of Shareholders of Laconia:

(i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;

(ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and

(iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares, shall have such number of votes as bears the same proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited).

(b) Rights on Winding Up

Subject to the rights of holders of shares with special rights in a winding up (at present there are none), on a winding up of the Company all assets that may be legally distributed among members will be distributed in proportion to the number of fully paid Shares held by them (and a partly paid share is counted as a fraction of a fully paid share equal to the amount paid on it, divided by the total issue price of the share).

(c) Transfer of Shares

Subject to the Constitution of the Company, the Corporations Act 2001, and any other laws and ASTC Settlement Rules and ASX Listing Rules, Shares are freely transferable.

(d) Future Increases in Capital

The allotment and issue of any Shares is under the control of the Directors. Subject to restrictions on the allotment of Shares to Directors or their associates, the ASX Listing Rules, the Constitution of the Company and the Corporations Act 2001, the Directors may allot or otherwise dispose of Shares on such terms and conditions as they see fit.

(e) Variation of Rights

Under the Corporations Act 2001, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of the issue of the shares of that class), whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(f) Dividend Rights

Subject to the rights of holders of shares issued with special, preferential or qualified rights (at present there are none), the profits of the Company which the Directors determine to distribute by way of dividend are divisible among the holders of ordinary Shares in proportion to the number of Shares held by them.

8.2 Summary of Material Contracts

The summary of the contracts to which the Company is a party which may be material in terms of the Offer or the operation of the business of the Company are:

(a) Gimlet

By agreement dated 24 April 2007, Pandell Pty Ltd ACN 009 364 103 **(Pandell)** purchased a 100% interest in Exploration Licence 26/120 **(Gimlet Tenement)** from Domain Mining Pty Ltd ACN 075 006 147 **(Domain)** and agreed to pay to Domain a royalty equal to 2% of gross value of gold produced from the Gimlet Tenement. Pandell retained a right to extinguish the royalty by paying to Domain $300,000.

By agreement dated 19 August 2009 between Laconia and Pandell **(Gimlet Purchase Agreement)**, Laconia purchased an 80% interest in the Gimlet Tenement from Pandell in consideration of issuing to Pandell 12,000,000 Shares and the payment to Pandell of $250,000 by way of reimbursement of past expenditure by Pandell. Laconia also assumed the obligations to pay 80% of the royalty to Domain. Completion under the Gimlet Purchase Agreement is conditional upon Laconia receiving conditional approval to be admitted to the official list of the Australian Securities Exchange.

Under the Gimlet Purchase Agreement, a joint venture will be formed between Laconia and Pandell with Laconia holding an 80% participating interest and the right to manage exploration of the Gimlet Tenement. Pandell's participating interest will be free carried up to the commencement of commercial mining from the Gimlet Tenement whereupon Pandell will contribute to further expenditure in proportion to its 20% interest or will sell its interest at market value.

(b) Mooletar

By the Mooletar Sale Agreement between Laconia and Oakover Gold Limited ACN 109 304 485 **(Oakover)** dated 19 August 2009 **(Mooletar Agreement)**, Laconia purchased a 100% interest in Exploration Licence 58/327, Mining Leases 58/110, 58/266, 58/348, 58/349 and Prospecting Licences 58/685, 58/1053 to 58/1056, 58/1129, to 58/1383 to 58/1388, 58/1408 to 58/1415 and 58/1476 to 58/1485 (Mooletar Tenements) from Pandell. Consideration for the purchase was 5,000,000 Shares and the payment to Pandell of $100,000 by way of reimbursement of past expenditure by Pandell.

Completion under the Mooletar Purchase Agreement is conditional upon Laconia receiving conditional approval to be admitted to the official list of the Australian Securities Exchange.

(c) Barramine

By the Barramine Sale and Purchase of Iron Ore and Manganese Ore Rights and Joint Venture Agreement between Pandell and Shaw River Resources Limited ACN 121 511 886 **(SRR)** dated 27 November 2008 **(SRR JV Agreement)**, Pandell sold 70% of its rights to explore for an mine iron ore and manganese from, among other tenements, Exploration Licences 45/3233, 45/3234 and 45/3312 (Barramine Tenements). By a deed of assignment dated 1 September 2009, Laconia has become a party to that agreement with SRR.

The SRR JV Agreement creates a joint venture, with SRR having a 70% interest and Pandell having a 30% interest, to explore for and mine iron ore and manganese ore only. SRR is the manager of that joint venture.

The rights to minerals other than iron ore and manganese were retained by Pandell under the SRR JV Agreement. Both parties were entitled to explore the tenements and, in the event that mineralisation of either iron ore or manganese was found to co-exist with a deposit of other minerals, the party whose mineral interests had the greatest net present value will have priority in respect to a decision to mine. Where minerals co-exist, mining operations must be undertaken in a manner that, to the greatest extent possible without incurring costs which would not otherwise be incurred, preserves the current or prospective value of the other minerals.

By the Barramine Sale Agreement dated 19 August 2009 between Laconia and Pandell **(Barramine Agreement)**, Laconia purchased a 100% of Pandells non-iron ore and non-manganese rights in each of the Barramine Tenements. Consideration for the purchase was 3,500,000 Shares and the payment to Pandell of $75,000 by way of reimbursement of past expenditure by Pandell.

Completion under the Barramine Purchase Agreement is conditional upon Laconia receiving conditional approval to be admitted to the official list of the Australian Securities Exchange.

(d) 701 Mile

By the 701 Mile agreement dated 19 August 2009 between Laconia, Oakover and Pandell **(701 Mile Purchase Agreement)**, Laconia purchased an 80% interest in the Exploration Licences 52/1531, 52/2232 and Prospecting Licences 52/1228 to 52/1231 (701 Mile Tenements) from Pandell and Oakover in consideration of issuing to Pandell 3,500,000 Shares and the payment to Pandell of $75,000 by way of reimbursement of past expenditure by Pandell. Completion under the 701 Mile Purchase Agreement is conditional upon Laconia receiving conditional approval to be admitted to the official list of the Australian Securities Exchange.

Under the 701 Mile Purchase Agreement, a joint venture will be formed between Laconia, Pandell and Oakover with Laconia holding an 80% participating interest and the right to manage exploration of the 701 Mile Tenements. Pandell's participating interest will be free carried up to the commencement of commercial mining from the 701 Mile Tenements whereupon Pandell and Oakover will contribute to further expenditure in proportion to their 20% interest or will sell their interest at market value.

The SRR JV Agreement, described above under the heading "Barramine" applies to Exploration Licences 52/1531 and 52/2232 and accordingly, Laconia's interest in those tenements does not include the rights to explore for or mine iron ore or manganese.

(e) Executive Service Agreement – Ian Stuart

On 17 August 2009 the Company entered into an Executive Service Agreement with Mr Stuart (Service Agreement).

Under the Agreement, Mr Stuart is engaged by the Company to provide services to the Company in the capacity of Managing Director and CEO.

Mr Stuart is to be paid an annual salary of $220,000, (inclusive of superannuation entitlement).

The Agreement is effective from 1 July 2009 and continues until terminated by either Mr Stuart or the Company. Mr Stuart is entitled to a minimum notice period of 6 months from the Company and the Company is entitled to a minimum notice period of 6 months from Mr Stuart.

(f) Engagement Letters – Non-executive Directors

Pursuant to letter agreements between the Company and each of Mr Sharwood and Mr Howison dated 17 August 2009, appointments to the Board as Non-Executive Directors were confirmed.

In consideration for the services provided by Mr Sharwood, the Company will pay him $55,000 per annum (inclusive of superannuation entitlement) from the date of Admission to the Official List of ASX.

In consideration for the services provided by Mr Howison, the Company will pay him $35,000 per annum (inclusive of superannuation entitlement) from the date of Admission to the Official List of ASX.

The Non-Executive Directors are also entitled to fees or other amounts as the Board determines where they perform special duties or otherwise perform services outside the scope of the ordinary duties of a director. They may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties

(g) Emerald Partners Pty Ltd Letter of Engagement

By letter of engagement dated 21 July 2009, Laconia engaged Emerald Partners Pty Ltd (**Emerald**) to provide corporate advisory services for 12 months. The services to be provided include assisting Laconia with the initial capital raising described in this prospectus. Emerald will be paid a fee of $125,000 upon the first to occur of Laconia completing the capital raising or Laconia entering into an agreement for financing the raising (including an underwriting agreement). Laconia will, in addition to this fee, meet Emerald's out of pocket expenses.

(h) DWCorporate Pty Ltd Letter of Engagement

By letter of engagement dated 22 June 2009, Laconia engaged DWCorporate Pty Ltd (**DWCorporate**) to provide IPO co-ordination and Company Secretarial Services. DWCorporate will be paid fees for services rendered at normal commercial rates.

8.3 Interests of Directors of the Company

Except as disclosed in this Prospectus, no director holds, or during the last two years has held any interest in:

(a) the formation or promotion of Laconia Resources Ltd;

(b) property acquired or proposed to be acquired by Laconia in connection with its formation or promotion of the Offer; or

(c) the Offer,

and no amounts of any kind (whether in cash, Shares or otherwise) have been paid or agreed to be paid to any Director to induce him to become or to qualify as a Director or otherwise for services rendered by him in connection with the formation or promotion of Laconia or the Offer.

Directors' Shareholdings

The Directors are not required to hold any Shares in Laconia under the constitution of Laconia.

At the date of this Prospectus the relevant interests of each of the Directors in the Shares of the Company are as follows:

Director	No. of Shares	No. of Options
Michael Sharwood	1,000,000	–
Ian Stuart	5,000,000	2,500,000
Matthew Howison	2,500,000	1,250,000

Nothing in this Prospectus precludes Directors, officers or employees of Laconia from applying for Shares under this Prospectus.

Directors' Remuneration

Pursuant to the Employment Agreement, the Directors have arranged for Ian Stuart to provide his services as Managing Director of Laconia. Laconia will pay Mr Stuart at an annual salary of $220,000.

Michael Sharwood will receive director's fees of $55,000 per annum (inclusive of superannuation guarantee).

Matthew Howison will receive director's fees of $35,000 per annum (inclusive of superannuation guarantee).

8.4 Interests of Persons Named in this Prospectus

Other than as set out below or elsewhere in this Prospectus, no 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 has, or has had within the two years before lodgement of this Prospectus with ASIC, any interest in:

(a) the formation or promotion of Laconia;

(b) any property acquired or proposed to be acquired by Laconia in connection with its formation or promotion or in connection with the Offer; or

(c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons for services rendered by them in connection with the formation or promotion of the Company or the Offer.

Rothsay Consulting Services Pty Ltd will receive professional fees of approximately $10,000 for accounting services in connection with this Prospectus including the provision of the Investigating Accountant's Report.

Rothsay Chartered Accountants will act as auditors of the Company for which they will be paid at their usual commercial rates. Rothsay have not provided any other services to the Company since incorporation.

Al Maynard & Associates Pty Ltd will receive professional fees of approximately $10,000 for the provision of the Independent Geologist's Report.

House Legal will receive professional fees of approximately $10,000 for the provision of the Solicitor's Report included in Section 7 of this Prospectus.

Security Transfer Registrars Pty Ltd has been appointed as the Company's share registry and will be paid for these services on normal commercial terms.

8.5 Consents

The following persons have each consented to being named in the Prospectus and to the inclusion of the following statements and statements identified in this Prospectus as being based on statements made by those persons, in the form and context in which they are included, and have not withdrawn that consent before lodgement of this Prospectus with ASIC:

- Al Maynard & Associates Pty Ltd – Independent Geologist's Report;
- Anthony M Morgan for himself and on behalf of Mincorp Consultants Pty Limited – The Independent Geologist's Report of Al Maynard & Associates Pty Ltd (being a report based on statements made in a report of Mincorp Consultants Pty Limited under the signature of Anthony M Morgan);
- Rothsay Consulting Services Pty Ltd – Investigating Accountant's Report; and
- House Legal – Solicitor's Report on Title and Section 8.2 (a)-(d).

To the maximum extent permitted by law, each of the persons referred to above expressly disclaims and takes no responsibility for any part of this Prospectus other than the statements referred to above and the statements identified in this Prospectus as being based on statements made by those persons.

The following persons have consented to being named in this Prospectus but, except as noted above, have not made any statements that are included in this Prospectus or statements identified in this Prospectus as being based on any statements made by those persons, and have not withdrawn their consent before lodgement of this Prospectus with ASIC:

- Emerald Partners Pty Ltd – as corporate adviser;
- House Legal – as legal adviser;
- Rothsay Chartered Accountants Pty Ltd – as auditor;
- DWCorporate Pty Ltd – as IPO Compliance Manager;
- Al Maynard & Associates Pty Ltd – as Independent Geologist;
- Rothsay Consulting Services Pty Ltd – as Independent Accountants; and
- Security Transfer Registrars Pty Ltd has given, and, as at the date of lodging this Prospectus, has not withdrawn, its written consent to be named as the share registry for the Company in the form and context in which it is named. Security Transfer Registrars Pty Ltd has had no involvement in the preparation of any part of this Prospectus other than being named as the share registry of the Company.

  Security Transfer Registrars Pty Ltd:
  - does not make this Offer;
  - has not authorised or caused the issue of this Prospectus; and
  - does not make, or purport to make, any statement in this Prospectus, nor is any statement based upon a statement made by it, other than the respective references to their names.

To the maximum extent permitted by law, each of the persons referred to above expressly disclaims and takes no responsibility for any part of this Prospectus other than the references to their name.

8.6 Expenses of the Offer

It is estimated that Laconia will pay the following costs in connection with the preparation and issue of this Prospectus:

Expense	Cost
IPO & Secretarial Services	$50,000
Corporate Advisory fee	$125,000
Legal services	$10,000
Accounting services	$10,000
Independent Geologist's services	$10,000
Printing & graphic design costs	$19,000
ASIC and ASX fees	$49,000
Disbursement and contingencies	$2,000
Total	**$275,000**

8.7 Taxation

The acquisition and disposal of Shares in Laconia will have tax consequences which will differ depending on the individual financial affairs of each investor. All potential investors in Laconia are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, Laconia, its officers and each of their respective advisers accept no liability or responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

8.8 Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Potential investors should be aware that this examination may result in the identification of deficiencies in the Prospectus and, in those circumstances any Application that has been received may need to be dealt with in accordance with Section 724 of the Corporations Act 2001. Applications for Shares under this Prospectus will not be accepted by the Company until after the expiry of the Exposure Period. No preference will be conferred on persons who lodge Applications prior to the expiry of the Exposure Period.

8.9 Litigation

The Company is not involved in any material litigation or arbitration proceedings, nor, so far as the Directors are aware, are any such proceedings pending or threatened against the Company.

8.10 Electronic Prospectus

Pursuant to Class Order 00/044 ASIC has exempted compliance with certain provisions of the Corporations Act 2001 to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form.

If you have not, please email the Company at **info@laconia.com.au** and the Company will send you, free charge, either a hard copy or a further electronic copy of the Prospectus or both.

Alternatively, you may obtain an electronic copy of the Prospectus from the Company's website at: www.laconia.com.au

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8.11 Terms and Conditions of Options

20,500,000 Options have been granted as specified in Section 1.2 on the following terms and conditions:

(a) Each option entitles the holder, to acquire one fully paid ordinary share in the Company.

(b) The Options may be exercised at any time until 30 September 2014. Each Option may be exercised by forwarding to the Company at its principal office the exercise notice, duly completed together with payment of the sum of 20 cents ($0.20) per Option exercised. The Options will lapse at 5pm on 30 September 2014.

(c) The Options may be transferred by an instrument (duly stamped where necessary) in the form commonly used for transfer of Options at any time prior to expiry. This right is subject to any restrictions on the transfer of Options that may be imposed by ASX in circumstances where the Company is listed on ASX.

(d) Option holders shall be permitted to participate in new issues of securities on the prior exercise of options in which case the Option holders shall be afforded the period of at least ten business days prior to and inclusive of the record date (to determine entitlements to the issue) to exercise the Option.

(e) Shares issued on the exercise of Options will be issued not more than fourteen (14) days after receipt of a properly executed exercise notice and application moneys. Shares allotted pursuant to the exercise of an Option will rank equally with the then issued ordinary shares of the Company in all respects. If the Company is listed on ASX it will, pursuant to the exercise of an Option, apply to ASX for Quotation of the Shares issued as a result of the exercise, in accordance with the Corporations Act and the Listing Rules.

(f) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option holder will be charged to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital at the time of the reconstruction.

(g) If there is a bonus issue to shareholders, the number of shares over which the Option is exercisable may be increased by the number of shares with the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

(h) In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities of the Company, the exercise price of the Options may be reduced in accordance with Listing Rule 6.22.

8.12 Employee Share Option Plan

As an incentive to employees of Laconia, the Company has adopted a scheme called the Laconia Employee Share Option Plan (ESOP). At the date of this Prospectus, no options have been granted under this ESOP.

The purpose of the ESOP is to give employees, directors, executive officers and consultants of the Company an opportunity, in the form of options, to subscribe for ordinary shares in the Company. The Directors consider the ESOP will enable the Company to retain and attract skilled and experienced employees, board members and executive officers and provide them with the motivation to make the Company more successful.

Brief Overview of the Scheme

A summary of the Terms and Conditions of the ESOP is set out below:

Participants in the ESOP
The Board may offer free options to persons (**Eligible Persons**) who are:

- full-time or part-time employees;
- directors; or
- consultants and any persons who are concerned, or take part in the management, of the Company or any subsidiary.

Upon receipt of such an Offer, the Eligible Person may nominate an associate acceptable to the Board to be issued with the options.

Terms of Options
There is no issue price for the options. The exercise price for the options will be determined by the Board and will not be less than the market value of Ordinary Shares at the date of grant.

Shares issued on exercise of options will rank equally with other ordinary shares of the Company.

Options may not be transferred without the approval of the Board. Quotation of options on the Australian Securities Exchange (ASX) will not be sought. However, in the event that the Company is listed on ASX, it will apply to ASX for official quotation of shares issued on the exercise of options.

Restrictions on Issues and Exercise of Options
The Board may not offer options under the ESOP if the total number of shares which would be issued were each option accepted, together with the number of shares in the same class or options to acquire such shares issued pursuant to all employee or executive share ESOPs during the previous five years, exceeds 5% of the total number of issued shares in that class as at the date of the offer.

Options may only be issued or exercised within the limitations imposed by the Corporations Law and the ASX Listing Rules.

Exercise of Options
Options may be exercised at any time between 2 and 5 years after the date of grant of the options.

If an Eligible Person leaves the employment of the group:

(a) 2 years or more after options are issued; or

(b) because of retirement at or after 55 years of age, disablement, retrenchment, death or any other circumstances approved by the Board,

the options may be exercised within 30 days (or 3 months in the case of death), or any longer period permitted by the Board. If not exercised in that time, the options lapse.

If an Eligible Person leaves the employment of the group earlier than 2 years after options are issued and (b) above does not apply, the options lapse.

If an Eligible Person acts fraudulently, dishonestly or in breach of obligations to the Company or any subsidiary then, at the Board's discretion, options issued for that person will lapse.

Unexercised options will automatically lapse five years after they are issued.

Participation in Future Issues
The holders of options will not participate in new issues, including bonus issues, unless they have exercised the options at that time and provided such exercise is permitted by the terms of the option.

If there is a bonus issue to shareholders, the number of shares over which the option is exercisable may be increased by the number of shares which the holder of the option would have received if the option had been exercised before the record date for the bonus issue.

In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the options may be reduced in accordance with Listing Rule 6.22.

Capital Reconstruction
In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of the option holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.

8.13 Consent by the Directors

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 and that with respect to any other statements made in this Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with ASIC, or to the Directors' knowledge, before any issue of Shares pursuant to this Prospectus.

The Prospectus is prepared on the basis that certain matters may be reasonably expected to be known to likely investors or their professional advisers.

Each of the Directors of Laconia Resources Ltd has consented to the lodgement of this Prospectus in accordance with Section 720 of the Corporations Act 2001 and has not withdrawn that consent.

Dated 11 September 2009.

Signed for and on behalf of
Laconia Resources Limited
by **Ian Stuart**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9. GLOSSARY OF NAMES AND TERMS

Applicant	A person who submits an Application.
Application	A valid application to subscribe for Shares.
Application Form	The application form attached to and forming part of this Prospectus.
Application Monies	Monies received by Laconia from Applicants.
ASIC	Australian Securities and Investments Commission.
ASTC	ASX Settlement and Transfer Corporation Pty Ltd ACN 008 504 532.
ASX	ASX Limited ACN 008 624 691.
Auditors	Rothsay Chartered Accountants Pty Ltd.
Board	The board of Directors unless the context indicates otherwise.
Business Day	A day other than a Saturday or Sunday on which banks are open for business in Perth, Western Australia.
CHESS	ASX Clearing House Electronic Subregistry System.
Closing Date	The date on which the Offer closes.
Company or Laconia	Laconia Resources Limited ACN 137 984 297.
Corporations Act	The Corporations Act 2001 (cth.) of Australia.
Directors	The directors of the Company from time to time.
Dollars or $	Australian dollars unless otherwise stated.
Emerald Partners	Emerald Partners Pty Ltd (ACN 107 969 433).
Exposure Period	The period of 7 days after the date of lodgement of this Prospectus, which period may be extended by ASIC by not more than seven (7) days pursuant to Section 727(3) of the Corporations Act.
Independent Accountant	Rothsay Consulting Pty Ltd.
Independent Accountant's Report	The report contained in Section 6 of this Prospectus.
Independent Geologist	Al Maynard & Associates Pty Ltd.
Independent Geologist's Report	The report contained in Section 5 of this Prospectus.
Issue	Funds raised in accordance with this Prospectus.
Listing Rules	Listing Rules of the ASX.
Offer	The offer of up to 30,000,000 Shares pursuant to this Prospectus.
Offer Period	The period commencing on the Opening Date and ending on the Closing Date.
Official List	The Official List of the ASX.
Opening Date	The date on which the Offer opens.
Option	An option to acquire 1 Share.
Prospectus	This prospectus dated 11 September 2009 for the issue of 30,000,000 Shares at 20 cents including any electronic or online version.
Quotation	Quotation of the Shares on ASX.
Share	1 fully paid ordinary share in Laconia.
Shareholder	A holder of Shares.
Share Registrar	Security Transfer Registrars Pty Ltd (ACN 008 894 488).
Solicitor's Report on the Tenements	The report contained in Section 7 of this Prospectus.
WST	Western Standard Time, Perth, Western Australia.


1BSA 043

APPLICATION FORM

Broker/Dealer Stamp

Share Registrar Use Oxy

Before completing this Application Form, you should read the Prospectus dated 11 September 2009 and the instructions overleaf. No Shares will be issued pursuant to the Prospectus later than 13 months after the date of the Prospectus. **PLEASE READ CAREFULLY ALL INSTRUCTIONS ON THE REVERSE OF THIS FORM.**

I/We apply for (minimum 10,000 and then multiples of 2,000 Shares)

Shares in **Laconia Resources Ltd** at 20 cents per Share

or such lesser number of Shares which may be allocated to me/us by the Directors.

I/We lodge full application monies of $

First Name (PLEASE PRINT)

Surname (PLEASE PRINT)

Joint Applicant #2 or <designated account>

Joint Applicant #3 or <designated account>

Postal Address (PLEASE PRINT)

Street Number

Street

Suburb/Town

State

Postcode

Contact Name

Telephone number – Business hours

( )

Telephone number – After hours

( )

CHESS HIN (where applicable)

E-mail Address

Tax File Number or Exemption

Applicant #2

Applicant #3

CHEQUE DETAILS

Drawer	Bank	BSB	Amount of Cheque

Cheques should be marked '**Not Negotiable**' and make payable "**Laconia Resources Ltd – Share Account**".

Declaration and Statements:

By lodging this Application Form:

I/We declare that all details and statements made by me/us are complete and accurate;

I/We agree to be bound by the terms and conditions set out in the Prospectus and by the Constitution of the Company;

I/We acknowledge that the Company will send me/us a paper copy of the Prospectus free of charge if I/we request so during the currency of the Prospectus;

I/We authorise the Company to complete and execute any documentation necessary to effect the issue of Shares to me/us; and

I/We acknowledge that returning the Application Form with the application monies will constitute my/our offer to subscribe for Shares in Laconia and that no notice of acceptance of the application will be provided.

TO MEET THE REQUIREMENTS OF THE CORPORATIONS ACT 2001, THIS FORM MUST NOT BE HANDED TO ANY PERSON UNLESS IT IS ATTACHED TO OR ACCOMPANIED BY THE PROSPECTUS DATED 11 SEPTEMBER 2009.

How to Complete the Application Form

Applications must be made on the Application Form attached to this Prospectus. Please complete all relevant parts of the Application Form using BLOCK LETTERS.

a) Enter the NUMBER OF SHARES you wish to apply for. The application must be for a minimum of 10,000 Shares and thereafter in multiples of 2,000 Shares.

b) Enter the TOTAL AMOUNT of application money payable. To calculate the amount, multiply the number of Shares applied for by $0.20.

c) Enter the FULL NAME(S) of all legal entities that are to be recorded as the registered holder(s). Use correct forms of registrable name (see below). Applications using the wrong form of name may be rejected.

d) Enter the POSTAL ADDRESS for all communications from the Company. Only one address can be recorded.

e) Enter a CONTACT NAME and TELEPHONE NUMBER(S) of a person the share registry can speak to regarding any queries they may have on the Application.

f) The Company will become an Issuer Sponsored participant in the ASX CHESS System. This enables a holder to receive a statement of their shareholdings from the Company's Share Registrar. If you are already a Broker Sponsored participant in this system, enter your Holder Identification Number (HIN). Otherwise, leave this box blank and your Shares will automatically be issued sponsored on allotment.

g) Enter the TAX FILE NUMBER(S) of the Applicant(s). Collection of Tax File Numbers is authorised by taxation laws. Quotation of Tax File Number(s) is not compulsory and will not affect the Application.

h) Enter the details of cheque(s) accompanying the Application Form in payment of application monies.

Declaration and Statements

Before completing the Application Form the Applicant(s) should read the Prospectus dated 11 September 2009. The Applicant(s) agree(s), upon and subject to the terms of the Prospectus, to take any number of Shares equal to or less than the number of Shares indicated on the Application Form that may be allotted to the Applicants pursuant to the Prospectus and declare(s) that all details of statements made are complete and accurate.

No notice of acceptance of the Application will be provided by the Company prior to the allotment of Shares. Applicants agree to be bound upon acceptance by the Company of the Application.

If your Application Form is not completed correctly, it may still be treated as valid. The Company's decision as to whether to treat your Application as valid, and how to construe, amend or complete it, shall be final.

There is no requirement to sign the Application Form.

Payment

Applications for Shares must be accompanied by the application money of $0.20 per Share (in Australian currency). Cheques should be made payable to "**Laconia Resources Limited – Share Accounts**" and crossed **'Not Negotiable'**.

Lodging of Applications

Completed Application Forms and accompanying application monies must be:

Posted to:
Laconia Resources Ltd
C/- Security Transfer Registrars Pty Ltd
PO Box 535
Applecross WA 6953

Delivered to:
Laconia Resources Ltd
C/- Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153

Applications must be received by no later than **5.00pm on the Closing Date, currently 30 September 2009** (unless varied by the Company).

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 Laconia. 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 name may be included by way of an account designation if completed exactly as described in the example of the correct forms of registrable names below:

Type of Investor	CORRECT Form of Registrable Title	INCORRECT Form of Registrable Title
Individual Use given names, not initials.	Peter David Jones	PD Jones
Company Use Company title, not abbreviations.	AAA Pty Ltd	AAA P/L, AAA Co
Trusts Use trustee(s) personal name(s). Do not use the name of the trust.	Michelle Jones <Michelle Jones Family A/C>	Michelle Jones Family Trust
Deceased Estates Use executor(s) personal name(s).	James Jones <Est James Jones A/C>	Estate of late James Jones
Partnerships Use partners' personal names, do not use the name of the partnership.	James Jones and Peter Jones <James Jones and Son A/C>	James Jones and Son
Clubs/Incorporated Bodies/Business Names Use office bearer(s) personal name(s). Do not use the names of the clubs etc.	Michael Jones <BBB Cricket Association A/C>	BBB Cricket Association
Superannuation Funds Use of name of trustee of fund, do not use the name of the fund.	Lisa Jones Pty Ltd <Super Fund A/C>	Lisa Jones Pty Ltd Superannuation Fund

APPLICATION FORM

Broker/Dealer Stamp

Share Registrar Use Oxy

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Shares in **Laconia Resources Ltd** at 20 cents per Share

or such lesser number of Shares which may be allocated to me/us by the Directors.

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First Name (PLEASE PRINT) **Surname** (PLEASE PRINT)

Joint Applicant #2 or <designated account>

Joint Applicant #3 or <designated account>

Postal Address (PLEASE PRINT)

Street Number Street

Suburb/Town State Postcode

Contact Name

Telephone number – Business hours

( )

Telephone number – After hours

( )

CHESS HIN (where applicable)

E-mail Address

Tax File Number or Exemption

Applicant #2

Applicant #3

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Drawer	Bank	BSB	Amount of Cheque

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I/We acknowledge that the Company will send me/us a paper copy of the Prospectus free of charge if I/we request so during the currency of the Prospectus;

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e) Enter a CONTACT NAME and TELEPHONE NUMBER(S) of a person the share registry can speak to regarding any queries they may have on the Application.
f) The Company will become an Issuer Sponsored participant in the ASX CHESS System. This enables a holder to receive a statement of their shareholdings from the Company's Share Registrar. If you are already a Broker Sponsored participant in this system, enter your Holder Identification Number (HIN). Otherwise, leave this box blank and your Shares will automatically be issued sponsored on allotment.
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No notice of acceptance of the Application will be provided by the Company prior to the allotment of Shares. Applicants agree to be bound upon acceptance by the Company of the Application.

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Company Use Company title, not abbreviations.	AAA Pty Ltd	AAA P/L, AAA Co
Trusts Use trustee(s) personal name(s). Do not use the name of the trust.	Michelle Jones <Michelle Jones Family A/C>	Michelle Jones Family Trust
Deceased Estates Use executor(s) personal name(s).	James Jones <Est James Jones A/C>	Estate of late James Jones
Partnerships Use partners' personal names, do not use the name of the partnership.	James Jones and Peter Jones <James Jones and Son A/C>	James Jones and Son
Clubs/Incorporated Bodies/Business Names Use office bearer(s) personal name(s). Do not use the names of the clubs etc.	Michael Jones <BBB Cricket Association A/C>	BBB Cricket Association
Superannuation Funds Use of name of trustee of fund, do not use the name of the fund.	Lisa Jones Pty Ltd <Super Fund A/C>	Lisa Jones Pty Ltd Superannuation Fund

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Laconia Resources Limited ACN 137 984 297