

ASX/Media Release

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Laconia to proceed with acquisition of Gold-Silver Project in Peru

Perth based exploration company Laconia Resources Limited (ASX: LCR) advises that the Company has resolved to proceed with the acquisition of the Rasuhuilca Project in Peru following completion of due diligence.

Shareholder approval will be required and a shareholders meeting is planned for mid to late April 2012.

The Rasuhuilca project is a high grade gold and silver project, with outstanding near-term development potential and major exploration upside and is located approximately 500km south east of the capital Lima, in southern part of the country.

Acquisition Consideration

The project will be acquired from Perth-based exploration company Gold Mines of Peru Limited. Consideration for the acquisition consists of:

- 42.055m ordinary Laconia shares;
- 14.5m performance shares;
- \$120,000 paid over 6 months to a third party;
- \$500,000 from production revenue only if production revenue is reached within 5 years; and
- Dr Saliba Sassine, the Chairman of Gold Mines of Peru, will join the Laconia Board following shareholder approval for the acquisition.

As part of the transaction, Laconia will also acquire Gold Mines of Peru's other Peruvian projects, the Motil and Porcuchia gold-silver tailings projects (see Projects' Location Map for location of all projects).



Projects location map

About Peru

Mining and exploration is a significant and established industry in Peru. The Peruvian economy is growing at a rate of 8% per annum largely due to booming mining industry, particularly in silver, gold and copper, which provides an attractive investment environment. The political system in Peru has been relatively stable over the last decade. The country's legal framework is well established with comprehensive mining and environmental laws and regulations in place.

Foreign investment is encouraged. There are tax incentives in place and laws prohibit discrimination between local and foreign entities. Recent uncertainty with a change of government and a new proposed mining tax regime has been resolved with the passing of a new tax through congress.

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