LACONIA

Quarterly Report

For the three months ending 30 June 2012

31 July 2012

Laconia Resources Limited
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Capital Structure

157.63 million shares
24.1 million unlisted options

Board Members

Michael Sharwood
Chairman

Ian Stuart
Managing Director

Matthew Howison
Non-Executive Director

Dr. Saliba Sassine
Non-Executive Director

Vincent Algar
Non-Executive Director

Matthew Edmondson
Company Secretary

Summary & Highlights for the Quarter

Rasuhuilca, gold-silver, Peru

- Acquisition of advanced gold-silver project completed in June.
- Sampling program confirmed tenor of historic channel sampling in existing cross-cuts.
- 2,200m underground diamond drilling program put out to tender and due to commence in August.
- Total Mineral Resource is 360,000t @ 1.97g/t Au and 179g/t Ag.

Lennons Find, base metals, West Australia

- Metallurgical test work program continued.
- Bulk sample of oxide ore delivered to Ammtec Metallurgical Laboratory in Perth for column leach trials.
- Preparation for next phase of drilling; surface RC holes pegged to test for additional oxide resources.
- Total mineral Resource is **1.80Mt @ 82g/t silver, 0.26g/t gold, 0.2% copper, 1.4% lead and 5.1% zinc**.

701 Mile, exploration, West Australia

- High grade silver assay results of up to 23.9g/t silver from surface auger drilling and geochemical sampling program.
- Silver and associated lead anomalism extend for +25km strike length and indicate the presence of a large mineralised system.
- Company awarded $150,000 co-funded exploration grant under the WA Government Exploration Incentive Scheme.

Corporate

- Gold Mines of Peru transaction completed.
- Dr.Saliba Sassine appointed as Non-Executive Director.
- Subsequent to end of quarter, Vincent Algar appointed as Non-Executive Director.
- Subsequent to the quarter Laconia has obtained a R&D tax refund of $200,000.

Exploration Planned for September 2012 Quarter

- Underground diamond drilling at Rasuhuilca Project in Peru.
- Metallurgical test work on bulk samples from Lennons Find oxide resources.
- Flora/fauna surveys at Mooletar Project.

Rasuhuilca Gold-Silver Project, Southern Peru

(100% Laconia)

The Company completed the acquisition of the Rasuhuilca advanced gold-silver development project in Peru in June (see ASX announcement, June 1). The acquisition will establish Laconia as an emerging precious metals producer and will complement the Company's existing portfolio of precious and base metals projects in WA.

Underground channel sampling program

Subsequent to the end of the quarter (see ASX announcement, July 4), the Company announced that it had successfully completed a program of underground check sampling, designed to confirm the grade tenor of prior channel sampling of epithermal gold-silver vein mineralisation undertaken by previous owner, MPG (Minera Peru Gold SAC).MPG undertook comprehensive sampling of all ore drives and crosscuts.

Laconia's channel sampling program was able to successfully determine that MPG's channel sampling was a reliable sample of the mineral resource, and will be suitable for use in Resource estimations.

The comparisons between Laconia's and the earlier MPG sampling results are presented below in Figure 1.

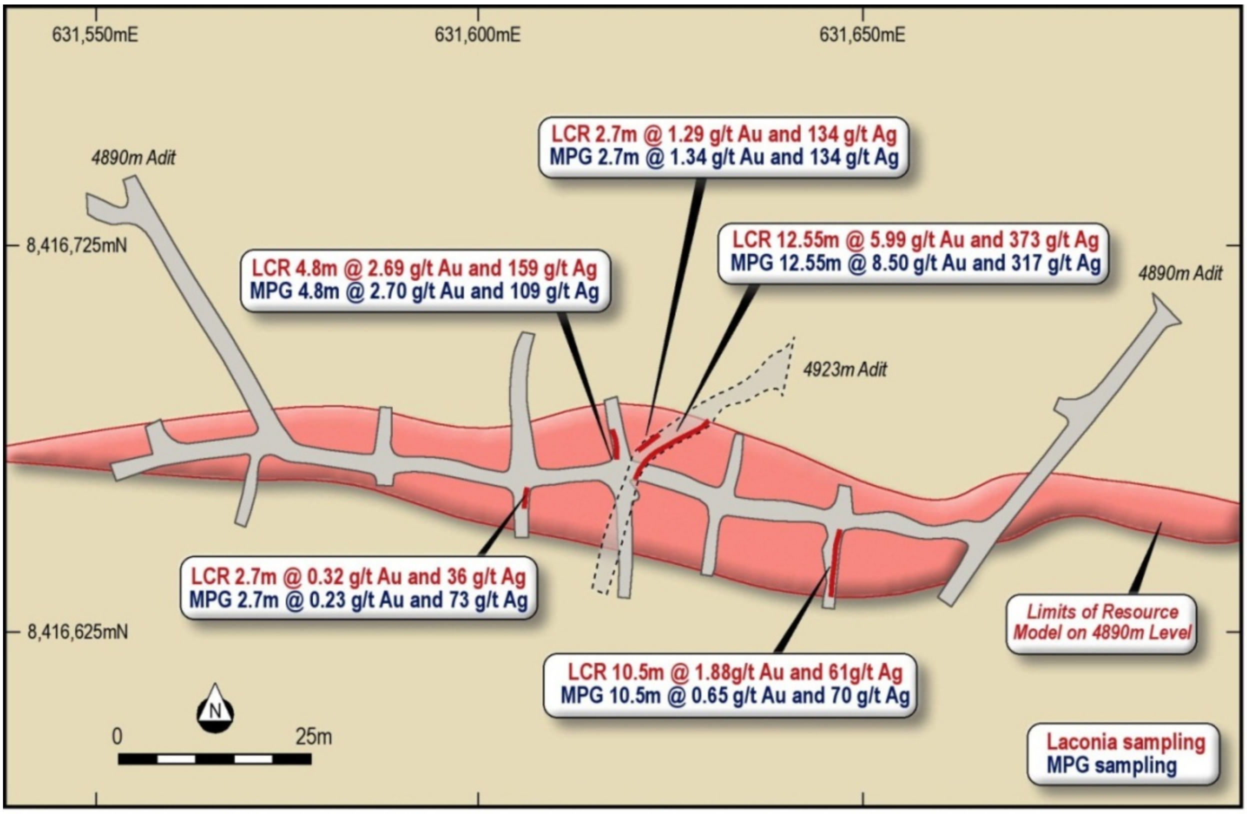

Figure 1: Length weighted composites comparing Laconia channel sampling results versus channel sampling by previous owner MPG.

Mine Level	North (m)	East (m)	RL (m)	Length (m)	Laconia Sample No	Laconia Au g/t	Laconia Ag g/t
4923	8,416,703	631,631	4,924	1.00	2901	3.46	312
4923	8,416,702	631,629	4,924	0.90	2903	3.68	329
4923	8,416,701	631,628	4,924	1.50	2904	1.90	188
4923	8,416,700	631,627	4,924	1.05	2905	14.06	1408
4923	8,416,699	631,627	4,924	1.05	2906	10.64	485
4923	8,416,699	631,625	4,924	1.05	2907	8.56	423
4923	8,416,698	631,625	4,924	0.95	2908	8.50	572
4923	8,416,697	631,624	4,924	1.55	2909	10.97	281
4923	8,416,694	631,622	4,924	0.90	2912	4.15	186
4923	8,416,698	631,620	4,924	0.80	2913	1.09	110
4923	8,416,699	631,621	4,924	1.00	2914	1.68	178
4923	8,416,699	631,622	4,924	0.90	2915	1.03	108
4890	8,416,693	631,618	4,892	1.60	2931	2.91	106
4890	8,416,694	631,618	4,893	1.30	2932	3.06	364
4890	8,416,696	631,618	4,893	1.90	2933	2.24	63

Table 1: Significant Laconia results from Underground channel sampling.
[Samples represent gold greater than 1 g/t and/or silver greater than 60 g/t.]

Note 1: Laconia samples were assayed at CERTIMIN S.A., in Lima Peru. Au by Fire assay and AAS finish; >10ppm Au by fire assay gravimetric finish. Silver assays by Digest concentrate. HCL+HNO_3 in 3:1 mix with Aqua Regia and AAS finish, >300ppm Ag was subject to extended ore grade digest and AAS finish, >1000ppm Ag by fire assay and gravimetric finish.

Underground Diamond drilling program due to commence in Q3, 2012

The initial phase of underground drilling will be a 2,200 metre diamond drilling program, which is designed to test mineralisation between the existing mine levels, and thus validate the existing resource model.

The drill program has been put out to tender, and the Environmental Impact Declaration lodged with the Peruvian authorities. It is expected that drilling will commence, subject to obtaining necessary permitting, in Q3, 2012. The Company believes there is good potential to grow the resource base and plans to test the Rasuhuilca vein both along strike and down dip in this program.

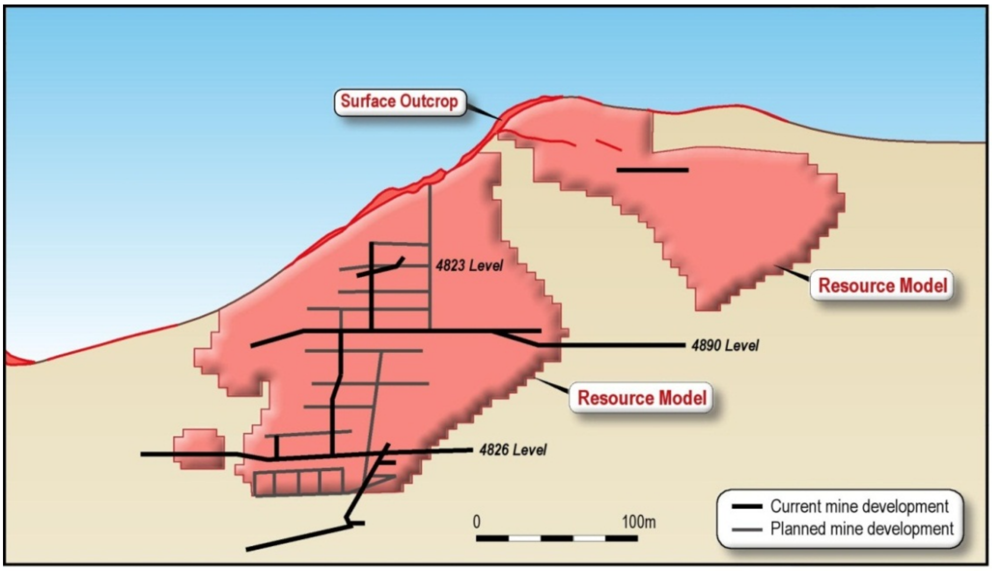

Figure 2: Long Section of Rasuhuilca Resource model with current mine & planned development.

About the Rasuhuilca project

The Rasuhuilca project is located approximately 500km south east of the capital Lima, in the southern part of the country (see Figure 3; Project Location map). It is an advanced, high-grade gold and silver project with near-term development potential and major exploration upside. A Feasibility Study was completed at the project in June 2008. Laconia will update and re-affirm the Feasibility Study results with a view to bringing the project into production as a high grade, small tonnage mining operation. The Company's strategy is to utilise the potential revenues from the project to unlock its exploration upside, and increase the current resource base.

The project currently has an Inferred Resource estimate of; **360,000t @ 1.97g/t Au and 179g/t Ag** (at a 2.5 g/t AuEq cut-off[1]).

This Resource statement was based on historical data and there was a lack of independent QAQC data available, which resulted in reporting of the Resource in the Inferred category. Once independent sampling has been completed to confirm the tenor of the historic data, it is envisaged that the Resource category and size will be upgraded, so that it can be used as the basis for mine planning activities.

Figure 3: Rasuhuilca Project location map

1 *All cut offs based on an Xg/t Au Eq are conceptual in nature only. There has been insufficient metallurgical test work to date to determine eventual metallurgical recoveries and it is uncertain that the conceptual cut offs used below will be appropriate following further metallurgical test work.*

Rasuhuilca project exploration potential

The Rasuhuilca project is situated on the collapsed rim of the Rasuhuilca strato-volcano within a highly visible zone of secondary potassic alteration, and Laconia aims to target the following mineralisation styles:

- The network of outcropping gold-silver veins in lower temperature acidic outflow zones (silica-alunite-sulphide alteration);
- Large-scale, sub-horizontal disseminated gold-silver mineralisation within outflow zones;
- High-grade bonanza gold veins beneath the acidic outflow zones;
- Copper-gold mineralisation within buried intrusive stocks, or gold-silver-zinc mineralisation in skarns surrounding buried intrusive stocks.

Australian Exploration Activities

701 Mile Project – Precious and Base Metals, Northern Gascoyne, WA

(80% Laconia – excluding manganese and iron)

E52/2232, E52/2688

Subsequent to the end of the quarter (see ASX announcement of July 10), Laconia reported high grade silver assay results from its Phase 2 auger drill program at the 701 Mile base metals project. The Phase 2 program returned highly anomalous silver grades of up to a maximum of 23.9 g/t Ag as well as large clusters of silver anomalism extending over a strike length in excess of 25 kilometres. The Company believes this may be indicative of a large mineralised system.

The auger program was designed to penetrate areas of the project overlain by cover, to obtain meaningful geochemical samples.

To date, the geochemistry program has drilled 2006 auger holes and collected 384 soil samples for a total of 2,390 samples. Average auger hole depth has been 2 metres (up to a maximum of 6 metres). The samples have been assayed for a 42 element suite, at ALS Minerals laboratory and Ultratrace Minerals Laboratory in Perth, using low detection limits for precious metals, base metals, uranium, rare earths, and pathfinder elements.

The tenement has now been covered by an 800 metre grid pattern, with more favourable structural areas closed-in to a 400 metre pattern, and selected target areas closed in further, to a 200 metre grid pattern. Table 2 shows silver assay results of greater than 2.0ppm returned from the program to date.

The Webcke anomaly is particularly interesting, with a 5 kilometre long +25ppm lead anomaly, surrounding a 2.5 kilometre long +0.25ppm silver anomaly with peak values of 17 and 20ppm silver.

The 701 Mile project has outstanding exploration potential, and the Company will continue to explore with a consistent approach and utilizing state of the art exploration technologies.

Exploration Grant awarded for 701 Mile Project

In June Laconia was awarded $150,000 grant for drilling at the 701 Mile project under the WA State Government Exploration Incentive Scheme. The Company will be required to match the $150,000 funding grant on a dollar-for-dollar basis on direct drill spending at the project, and it plans to utilise the grant on drill testing of coincident geochemical and geophysical targets in Q2, 2013.

Sample ID	Sample Type	North	East	Ag g/t	Pb g/t
579187	Auger	7348200	206650	23.9	14.2
580355	Auger*	7351100	201900	20	34
580354	Auger*	7351100	201700	17	29
578786	Auger	7344600	195050	14.7	15.3
579072	Auger	7357000	209450	13.7	3.9
580336	Auger*	7344598	194199.6	13.1	15
580273	Auger*	7345000	195000	12.2	12
578651	Auger	7343400	190650	9.2	10.9
578804	Auger	7349000	199450	4.2	25.5
580738	Auger*	7343399	190659.4	3.7	4
580275	Auger*	7344600	195000	3.3	25
579088B	Auger	7356200	207850	2.9	8.6
578815A	Auger	7349000	196250	2.9	4.2
578977	Auger	7351800	206250	2.5	18.6
580274	Auger*	7344800	195000	2.5	12
580357	Auger*	7351100	202300	2.2	38
580350	Auger*	7351100	200900	2.1	10

Table 2: Silver assays greater than 2.0ppm returned to date. (* Signifies Phase 2 result)

Note 1: Assaying was completed at Australian Laboratory Services, and Ultratrace Mineral Laboratories, Perth. Silver and base metals assays determined by 50g charge Aqua Regia digest and ICP detection.

Note 2: Projected coordinate system GDA1994, MGA zone 51.

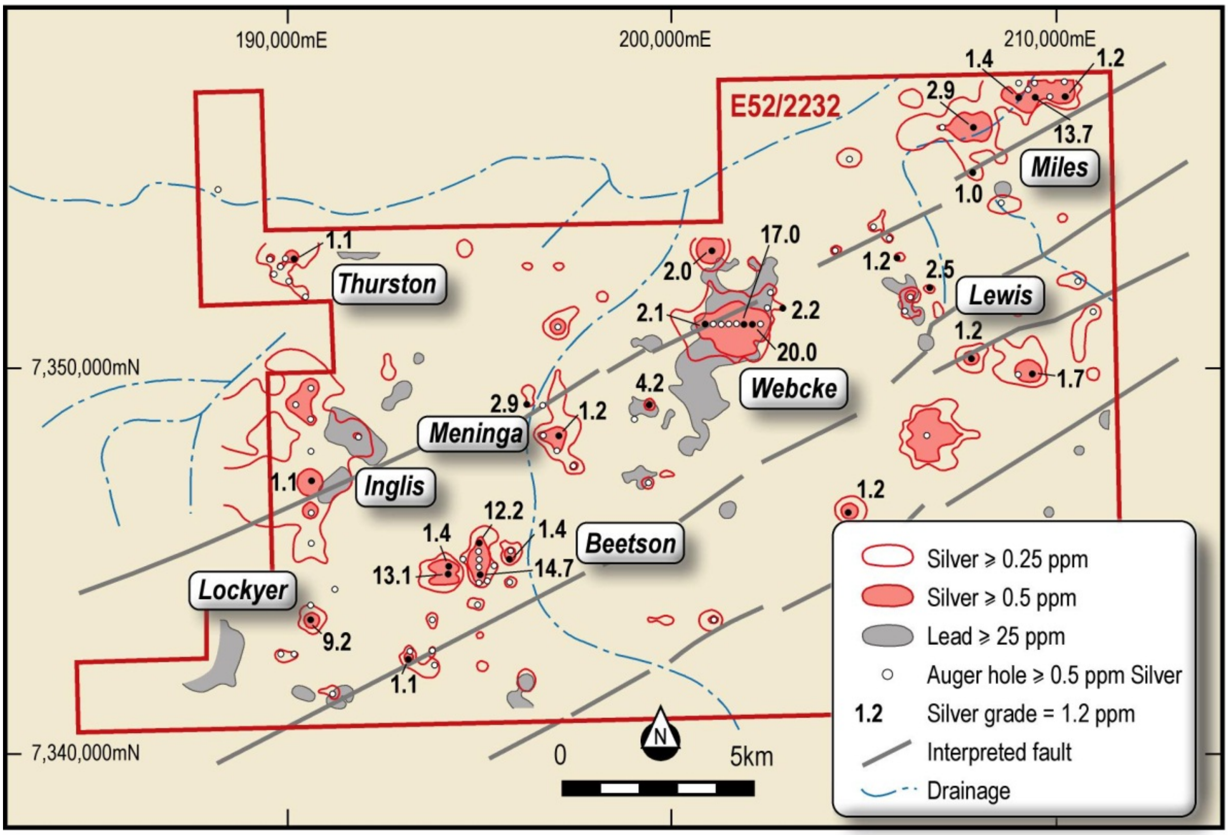

Figure 4: Contoured silver and lead anomalism in auger holes (with best silver grades >0.5ppm).

About the 701 Mile Project

The 701 Mile project consists of two granted exploration licences covering a contiguous area of 343km^2, and is located approximately 80 km southeast of Newman in WA. The Company has 80% interest in all minerals other than manganese and iron.

The region hosts a number of significant discoveries which include base metals deposits at 'Kumarina' and 'Abra', as well as the Independence Group's (IGO) Karlawinda Gold Project.

Independence Group recently reported an Inferred Mineral Resource at the Karlawinda Gold Project of 18.5Mt @ 1.1 g/t Au for 674,300 ounces of contained gold[2].

Laconia's exploration programs at the 701 Mile project to date (auger geochemical programs, geological mapping and aeromagnetic interpretation) indicate that the project has considerable potential for various mineralisation styles including structurally controlled polymetallic lodes and veins associated with faults and the margins of mafic intrusives.

The project is located proximal to the regional scale Tangadee Lineament and is hosted within sedimentary rocks and mafic intrusives of the Collier Basin. Large areas of the tenement are overlain by shallow cover including alluvial wash, calcrete and sand and auger drilling was conducted in these areas to penetrate this cover to obtain meaningful geochemical samples.

Work completed

- 573 surface auger holes were drilled.
- Assay results were received for 1,223 surface auger holes.
- Project reviewed by Consulting Geochemist, Dr. Nigel Brand.

[2] *Refer to Independence Group NL ASX announcement 28 June 2012.*

Upcoming work

- Plans are in place to follow up surface anomalism with RAB or Aircore drilling to test down to bedrock.
- Detailed aeromagnetic surveys will be expanded to cover the entire tenement area.
- Drilling under the co-funded grant awarded by the West Australian Government is expected to occur in the second quarter of 2013.

Lennons Find Project – Precious and Base Metals, East Pilbara WA

(95% Laconia)

M45/368 (95%), E45/3293 (100%)

During the quarter metallurgical test work continued at Lennons Find. In the previous quarter metallurgical testing of RC chips from the oxide Resource at the project was conducted at Ammtec metallurgical laboratories in Perth.

The preliminary leach tests on RC chips produced the following results[3]:

- After 4 days of intermittent bottle roll a sulphuric acid leach extracted 75% of the copper metal and 87% of the zinc metal.
- After 4 days of intermittent bottle roll a subsequent cyanide leach extracted 87% of the gold and 94% of the silver**.**

Bulk sample of Lennons Find oxide ore delivered to laboratory for column leach tests

Following the success of the bottle rolls leach tests, it was recommended that laboratory scale column leach tests be conducted, as this would provide a better guide to likely recoveries from a small scale heap leach process on site. A two tonne parcel of oxide ore was collected from the project, and material was dispatched to Ammtec for laboratory scale column leach tests. Results will be released as they become available.

Reverse Circulation (RC) holes pegged at Lennons Find to increase the oxide resource

Also during the quarter, the Company's geologists made preparations for the next drilling campaign at Lennons Find. A 28 hole, 1,130 metre RC drill program was designed and pegged at the Bronze Whaler, Tiger and Mako Prospects. It was designed to deliver an increase in the project's oxide Resource.

About the Lennons Find Base Metal Project

The project covers 116 km^2 of Archaean terrain and is located approximately 40 km from Marble Bar on the southern edge of the Mt Edgar Granitoid Complex, in the East Pilbara region of Western Australia. The Project is on a granted mining lease. Outcropping gossanous veins with elevated base metals grades are present in the project area and occur at a consistent horizon along a 16.5km strike length of the Duffer Formation. It is this horizon which is the current focus for Laconia's base metals exploration.

Lennons Find Resource

The total mineral resource at Lennon's Find (M45/368) as defined by surface drilling is**1.8Mt @ 82g/t silver, 0.26g/t gold, 0.2% copper, 1.4% lead and 5.1% zinc** (in Indicated and Inferred categories, at various Zn Equivalent cut-off grades[4]) and includes an Oxide Resource of: **200,000t @ 89g/t silver, 0.37g/t gold, 0.2%copper, 1.2 % lead and 1.4% zinc.**

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[3] *Refer to Refer to ASX announcement 15 March 2012.*

[4] *All cut offs based on an X% Zn Eq are conceptual in nature only. There has been insufficient metallurgical test work to date to determine eventual metallurgical recoveries and it is uncertain that the conceptual cut offs used below will be appropriate following further metallurgical test work.*

	Deposit	Ore Type	Tonnes (t)	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)
Indicated	**Bronze Whaler**	**Oxide**	30,000	0.29	60	0.3	0.9	0.2
	Hammerhead	**Oxide**	140,000	0.41	95	0.2	1.3	1.8
	Tiger	**Oxide**	20,000	0.18	93	0.1	0.9	0.8
	Total - Indicated	**Oxide**	**200,000**	**0.37**	**89**	**0.2**	**1.2**	**1.4**
Inferred	**Bronze Whaler**	**Sulphide**	150,000	0.15	33	0.1	0.7	1.5
	Hammerhead	**Sulphide**	1,400,000	0.27	87	0.2	1.6	6.1
	Tiger	**Sulphide**	50,000	0.03	36	0.1	0.3	2.8
	Total - Inferred	**Sulphide**	**1,600,000**	**0.25**	**81**	**0.2**	**1.5**	**5.6**
Total	**Bronze Whaler**		180,000	0.18	37	0.1	0.7	1.3
	Hammerhead		1,600,000	0.28	88	0.2	1.6	5.7
	Tiger		70,000	0.08	55	0.1	0.5	2.2
	Total - Lennons Find		**1,800,000**	**0.26**	**82**	**0.2**	**1.4**	**5.1**

Table 3: Breakdown of Lennons Find Resource Estimate at January 2012

Note 1: For Oxide resources the Bronze Whaler deposit is reported above 1% Zn Eq, the Hammerhead deposit is reported above 2% Zn Eq and the Tiger deposit is reported above 4% Zn Eq

Note 2: For Sulphide resources the Bronze Whaler deposit is reported above 1% Zn Eq, the Hammerhead deposit is reported above 2% Zn Eq and the Tiger deposit is reported above 4% Zn Eq.

Exploration at Yandicoogina Project

During the quarter, surface chip samples were collected along 1km of gossanous outcrop (within the favourable Duffer Formation) at the nearby Yandicoogina base metals project (E45/3293), which is located 6km from Lennons Find. The Yandicoogina gossans display elevated silver and base metal grades as tabled below in Table 4:

Sample	East	North	Description	Au ppb	Ag ppm	Cu ppm	Pb ppm	Zn ppm
663001	204418	7627295	Quartz	<1	<0.5	44	5	58
663002	204471	7627249	schist	1	<0.5	26	20	78
663003	204463	7627275	schist	1	<0.5	42	35	62
663004	204453	7627284	schist	11	0.5	42	32	392
663005	204448	7627300	schist	1	<0.5	50	24	114
663006	204445	7627319	schist	3	<0.5	22	56	58
663007	201057	7626552	gossan	201	83.5	206	16600	1860
663008	200948	7626522	barite	21	<0.5	206	82	1990
663009	199787	7626515	gossan	19	1.5	80	171	284
663010	199662	7626530	gossan	77	5	184	119	1160
663011	199592	7626522	gossan	364	17	452	440	764
663012	199528	7626525	gossan	20	2	158	35	342
663013	199491	7626530	gossan	19	<0.5	46	33	126
663014	199460	7626551	gossan	12	2	60	307	288

663015	199494	7626548	gossan	61	6	62	902	532
663016	199379	7626526	gossan	3	<0.5	42	25	56
663017	199326	7626544	gossan	6	<0.5	40	51	112
663018	199919	7626516	gossan	8	<0.5	58	23	94
663019	199991	7626513	gossan	369	5.5	62	27	860
663020	200017	7626509	gossan	73	4.5	30	59	1940
663021	200182	7626519	quartz	12	1.5	150	79	122
663022	200215	7626486	gossan	17	1.5	44	226	136
663023	200256	7626481	gossan	12	16.5	42	146	394

Table 4: Assays from chip sampling of quartz and gossan outcrop at Yandicoogina (E45/3293)

Note 1: Assaying was completed at Ultratrace Mineral Laboratories, Perth. Silver, gold and base metals assays determined by 50g charge Four acid digest and ICP detection.

Note 2: Projected coordinate system GDA1994, MGA zone 51.

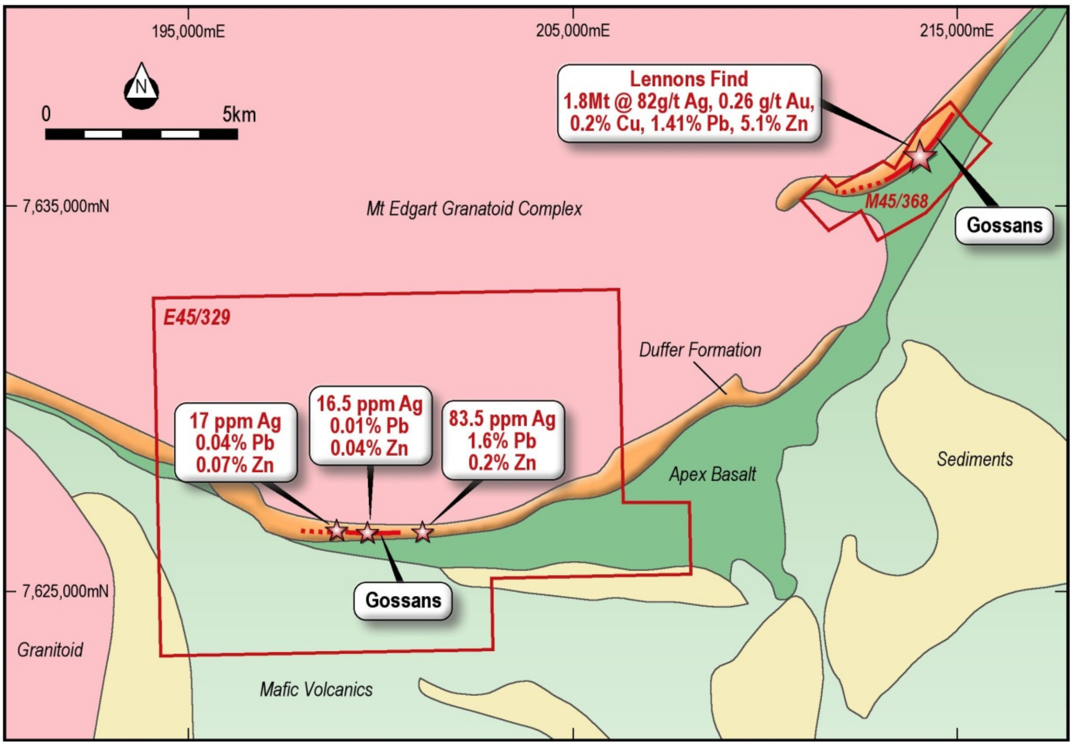

Figure 5: Lennons Find and Yandicoogina gossans.

Work Completed

- Bulk sample collected from Lennons Find and dispatched to Ammtec Mineral Laboratory, Perth[5].
- RC holes pegged to increase oxide resource.
- Review of literature and mapping by Consulting Geologist, Dr. Susan Belford.

[5] *Metallurgical Test work to date has tested the Lennons Find Oxide Resource for its amenability to acid leaching for the extraction of copper and zinc followed by cyanidation for extraction of gold and silver. No definitive metallurgical test work defining recovery grades has been conducted on the project at this stage of its development. Further testwork to define these parameters is in progress.*

- Mapping and sampling of gossans at Yandicoogina project.

Upcoming Work

- Laboratory scale column leach tests at Ammtec Mineral Laboratory.
- Ongoing mapping and surface sampling at Yandicoogina prospect.

Mooletar Iron Ore Project, Mount Magnet WA

(100% Laconia)

E58/384, M58/110, M58/266, M58/349, P58/865, P58/1053-1056, P58/1129, P58/1383-1388, P58/1408 - 1415, P58/1476-1485, P58/1495-1501, P58/1511.

In August 2011, the Company entered into a $7.5 million Joint Venture (JV) Agreement with Chinese syndicate, Sinoz Mining Investment Group Pty Ltd (Sinoz), for the exploration and development of its Mooletar Iron Ore Project, near Mt Magnet in the Mid-West iron ore precinct of Western Australia[6].

Sinoz subsequently requested that an additional party be permitted to join the joint venture syndicate. The terms of the transaction remain as previously announced, but Laconia has consented to an extension of the time to allow additional due diligence to be completed, and this is ongoing.

About the Mooletar iron Project

The Mooletar project lies approximately 330km east of Geraldton by sealed highway, and approximately 125km from the proposed rail line in the mid-west infrastructure corridor that would access the Oakajee port infrastructure. The Project is 100% owned by Laconia and comprises an area of 91km^2 over the eastern limb of the Achaean Mount Magnet greenstone belt.

The project covers a 5km strike length of banded iron formations (BIF) and has an updated Exploration Target of 230-270 million tonnes of iron at 30-35% Fe[7]. The Exploration Target was confirmed as a result of two drill programs at the project and a detailed mapping program completed over the project area. It was confirmed by independent consultants, BM Geological Services Pty Ltd[8].

Results from Davis Tube Recovery (DTR) test work[9] indicated that a high grade magnetite product may be achieved with grades up to 70.4% Fe and low levels of phosphorus and silica. The Company has completed a scoping study to evaluate its exploration and development potential.

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[6] *Refer to ASX announcement 8 August 2011.*

[7] *Refer to ASX announcement 18 November 2010.*

[8] *The potential quantity and grade of the Mooletar Project is conceptual in nature and there has been insufficient drilling to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a mineral resource.*

[9] *Refer to ASX announcement 17 August 2010.*

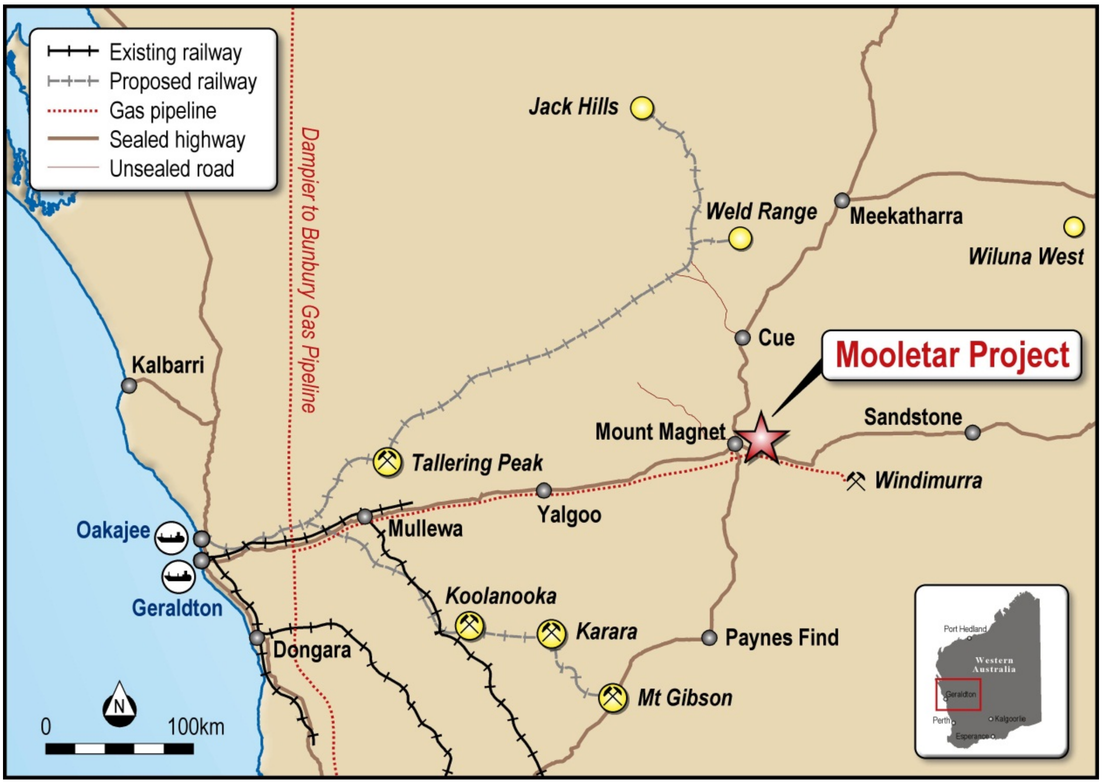

Figure 7: Mooletar location and regional infrastructure (present and proposed)

Work Completed

- The BIF ridges and surrounding geology was mapped.
- An airborne survey was commissioned and the Company purchased a Digital Terrain Model of the project area, with vertical resolution 0.5 metres.
- Gas supply negotiations initiated.

Upcoming Work

- Flora and fauna survey of the tenements.

Barramine Project – Gold and Base Metals, East Pilbara WA

(100% Laconia – excluding manganese and iron)

E45/3312, E45/3233, E45/3234

Laconia was previously granted $150,000 in funding for the Barramine project, under the WA State Government Exploration Incentive Scheme. Due to access to the remote location of the project and associated access issues, the Company has not been able to conduct its planned drilling provided by the funding grant. As a result, the Company has re-applied for a new co-funded drilling grant, under the WA Government Exploration Incentive Scheme.

During the quarter, a total of 627 soil samples were collected to follow up on gold in soils anomalism at the McGaw anomaly. A peak value of 20ppb Au was returned.

About the Barramine project

The Barramine Exploration Project, located in the East Pilbara region of northern WA comprises three exploration licences with a combined area of 430 km$^{2.}$ Modern exploration has been undertaken since the mid 1960's, however the area has not been extensively explored.

The Barramine Project is located along the southern edge of the Canning basin, but is mainly underlain by the Gregory Range Inlier which is largely composed of upper Archaean Fortescue Group, Carawine Dolomite, Pinjian Chert Breccia and underlying Gregory Granitic Complex. The Inlier has been mined historically for lead, and minor copper showings are located at Camel Hump and Barramine South. Manganese is currently produced at the Woodie Woodie mine, 80km southeast of the Barramine Project.

The following deposit types are considered valid conceptual exploration targets:

1. Volcanic-related base metal sulphide horizons within sediments similar to Wonmunna, or in andesitic/rhyolitic volcanics.
2. Mississippi Valley type lead-zinc- barite deposits on the southern flank of the Canning Basin.
3. Structurally controlled gold mineralisation possibly associated with NNW trending structures.

Work Completed

- 627 soil samples were collected to follow up on gold in soils anomalism at the McGaw anomaly (peak value 20 ppb Au).
- The Company has re-applied for a new Government co-funded drilling grant.

Upcoming Work

- Interpretation of soils geochemistry.

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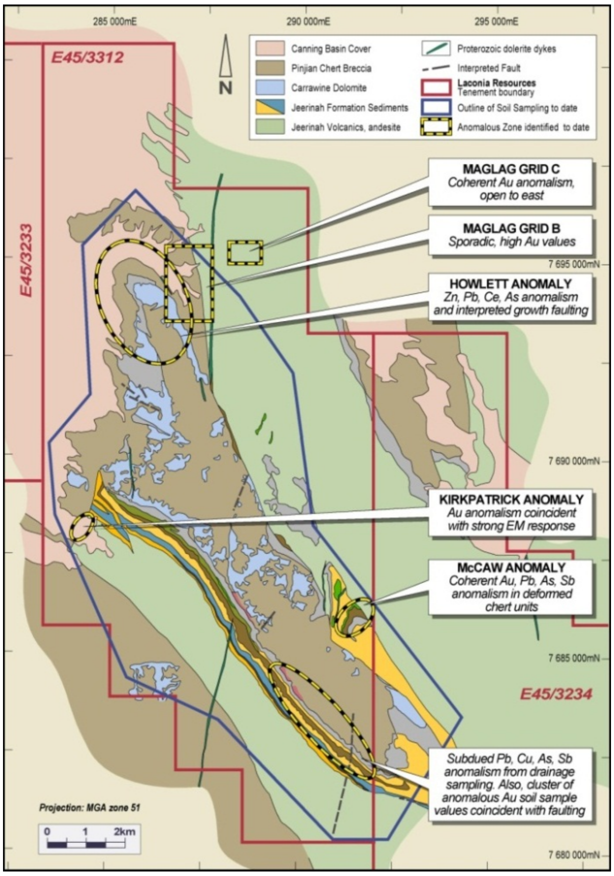

Figure 8: Barramine defined geochemical target locations.

Kookynie Project – Gold and base metals, Kookynie, Eastern Goldfields WA

(100% Laconia)

P40/1255, P40/1256 E40/260

180 soil samples were collected and field mapping was progressed this quarter. Various parties have been approached to gauge their interest in purchasing the 162 km2 tenement package, which is prospective for epithermal and alluvial gold and VMS type base metals.

Goldsworthy Project – Base Metals, West Pilbara WA

(100% Laconia)

E45/3904

Open access data collection and requests for data from previous tenement holders.

Project Generation

The Company continues to review joint venture/acquisition opportunities as well as maintain its own project generation strategy both in Australia and internationally.

Corporate

- **Board appointments**

  The Company has recently added to its Board with the appointment of Dr Saliba Sassine and Vincent Algar as directors. The new appointments will complement the Board's already strong technical and corporate expertise.

  Dr Sassine is a founding shareholder in Gold Mines of Peru Limited, which vended the Rasuhuilca gold-silver project into Laconia. His mandate will be to bring the Rasuhuilca project into production.

  Subsequent to the end of the quarter (See ASX announcement of 2 July), Mr Algar joined the Company's board as a Non-executive Director. He was the founding Managing Director of ASX-listed manganese exploration and development company Shaw River Manganese (ASX: SRR), formerly Shaw River Resources.

- Laconia has 511 shareholders with the top 20 shareholders holding 61% of the total issued capital.
- Cash at bank at the end of the quarter was $920,000.
- Subsequent to the quarter Laconia has obtained a R&D tax refund of $200,000.

Further reports and an overview of Laconia's Projects can be viewed on the Laconia website (www.laconia.com.au).

Outlook for September 2012 Quarter

Rasuhuilca

- Underground diamond drilling between levels to validate the current resource.
- Collate regional exploration data and review exploration strategy.

Lennons Find

- Column leach metallurgical test work on a bulk samples from oxide resources.
- Mapping and sampling of gossans at Yandicoogina E45/3293.

701 Mile

- Test anomalies with RAB or Aircore traverses.
- Review geophysics options.

Barramine

- Collation and interpretation of geochemical sampling.

Kookynie

- Collation and interpretation of geochemical sampling.

ENDS

For further information on Laconia Resources Limited please contact:

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or visit our website at: **www.laconia.com.au**

Competent Persons Statements

Information in this report relating to the Lennons Find, Barramine, 701 Mile, Goldsworthy, Kookynie Projects and Rasuhuilca (Peru) have been compiled by Mr Ernie Poole. Mr Poole, who is a member of the Australasian Institute of Mining and Metallurgy, has compiled the information within this presentation that relates to Exploration Results. Mr Poole is a full time employee of Laconia Resources Limited and has sufficient experience relevant to the style of mineralisation and type of deposits under consideration and to the activity currently being undertaken to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and consents to the inclusion of this information in the form and context in which it appears in this report.

Lennons Find Resource Estimate

Mr Michael Andrew who is a member of the Australasian Institute of Mining and Metallurgy has compiled the information within this presentation that relates to Exploration Results, Mineral Resources or Ore Reserves. Mr Andrew is a full time employee of Optiro Pty Ltd and has sufficient experience relevant to the style of mineralisation and type of deposits under consideration and to the activity currently being undertaken to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and consents to the inclusion of this information in the form and context in which it appears in this report.

Mooletar Magnetite

Information in this report relating to the Mooletar Magnetite Project and has been compiled by Mr Darryl Mapleson. Mr Darryl Mapleson who is a member of Australasian Institute of Mining and Metallurgy has compiled the information within this report that relates to Exploration Results, Mineral Resources or Ore Reserves. Mr Mapleson has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity currently being undertaken to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and consents to the inclusion of this information in the form and context in which is appears in this report.

The potential quantity and grade of the Mooletar Project is conceptual in nature and there has been insufficient drilling to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a mineral resource.

Peru

A review of available data was conducted by Mr Michael Andrew, a Principal of Optiro Pty Ltd. Mr Michael Andrew who is a member of the Australasian Institute of Mining and Metallurgy has compiled the information within this presentation that relates to Mineral Resources or Ore Reserves. Mr Andrew is a full time employee of Optiro Pty Ltd and has sufficient experience relevant to the style of mineralisation and type of deposits under consideration and to the activity currently being undertaken to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and consents to the inclusion of this information in the form and context in which it appears in this report.

About Laconia Resources

Laconia Resources is a Perth-based emerging precious and base metals exploration and development Company with a South American focus. The recently acquired Rasuhuilca gold-silver development project in Peru complements its existing portfolio of precious and base metal projects in Western Australia.

The Company has a portfolio of advanced mineral projects in the Murchison and Pilbara regions in Western Australia, across 35 granted tenements covering an approximate 955km^2. The company has reported JORC resources in accordance with the JORC Code, at its projects at Lennons Find, (Cu-Ag-Pb-Zn-Au) and most recently at Rasuhuilca in Peru (Au-Ag).

The Company is focused on targeted exploration of its project areas, and further definition and expansion of its Resource base at its advanced projects.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

LACONIA RESOURCES LIMITED

ABN	Quarter ended ("current quarter")
29 137 984 297	30 June 2012

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (12 months) $A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(423)	(1,450)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(393)	(1,282)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	17	85
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (R&D Tax Refund)	(29)	304
	Net Operating Cash Flows	(828)	(2,343)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(31)	(33)
1.9	Proceeds from sale of: (a) prospects	50	50
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	(283)	(283)
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	(264)	(266)
1.13	Total operating and investing cash flows (carried forward)	(1,092)	(2,609)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(1,092)	(2,609)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	1,346
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (Capital Raising Costs)	-	(69)
	Net financing cash flows	-	1,277
	Net increase (decrease) in cash held	(1,092)	(1,332)
1.20	Cash at beginning of quarter/year to date	2,014	2,254
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	922	922

Payments to directors of the entity and associates of the directors Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	87
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 includes aggregate amounts paid to directors including salary, director's fees, consulting fees and superannuation

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

+ See chapter 19 for defined terms.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	350
4.2	Development	-
4.3	Production	-
4.4	Administration	150
	Total	**500**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	361	966
5.2	Deposits at call	561	1,048
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	922	2,014

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements acquired or increased	Acquisition of 7 Mining Concessions in Peru	See Annexure "A"		100% interest as detailed in Annexure "A"

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	157,625,010	131,120,010		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	42,055,000	15,550,000		
7.5	**+Convertible debt securities** *(description)*	1 Convertible Note, (escrowed to 20 June 2013) with an aggregate face value of $650,000 convertible as to principal to 6,500,000 Shares at a conversion price equal to $0.10 per Share and attracting interest at the rate of 10% per annum). The Note expires on 20 June 2014.			

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	1			
7.7	**Options** *(description and conversion factor)*	3,000,000 200,000 400,000 20,500,000	- - - -	*Exercise price* 20 cents 15 cents 8 cents 20 cents	*Expiry date* 31 March 2013 31 August 2013 16 May 2014 30 September 2014
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does /does not* *(delete one)* give a true and fair view of the matters disclosed.

Sign here: .... Date: 31 July 2012

Company secretary

Print name: Matthew Edmondson

+ See chapter 19 for defined terms.

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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This is the Annexure marked "A" of 1 page referred to in the Appendix 5B Mining exploration entity quarterly report dated 31 July 2012.

Mining Concession	Code	Area (Hectares)	Substance	Location District/ Province/ Department	Mining Concession Title	Registry File
Patacancha N° 1	10000119Y01	624.9486	Metallic	Chipao, Morcolla/ Lucanas, Sucre/ Ayacucho	Resolution No. 033/83.EM-DCM	02018387
Patacancha N° 2	10000120Y01	240. 00	Metallic	Chipao, Morcolla, Soras/ Lucanas, Sucre/ Ayacucho	Resolution No. 032/83.EM-DCM	02018401
Patacancha N° 3	10000121Y03	1,000. 00	Metallic	Chipao, Morcolla, Soras/ Lucanas, Sucre/ Ayacucho	Resolution No. 035/83.EM-DCM	02018385
Patacancha N° 4	010371504	899.99	Metallic	Chipao, Soras/ Lucanas, Sucre/ Ayacucho	Resolution No. 01575-2005-INACC/J	12194332
Jess Gold 1	070002409	100.00	Metallic	Ayapata/ Carabaya/ Puno	Resolution No 1363-2010-INGEMMET/PCD?PM	11196298
Jess Gold ii	520010310	400.00	Metallic	COris / Aija/ Ancash	Resolution No. 116-2011-GRA/DREM/D	-
Jess Iron 1	010196810	100.00	Metallic	Pacocha/ llo/ Moquegua	Resolution No 2777-2010-INGEMMET/PCD?PM	11196297

+ See chapter 19 for defined terms.