ASX/Media Release

LACONIA
Resources Limited

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LACONIA EXPANDS IN PERU

Agreement builds upon highly prospective Peruvian gold-silver-copper system

Highlights

- **Laconia to acquire seven year option over 5,622 hectares of additional exploration licences immediately adjacent to its current 2,765 hectare Rasuhuilca Project, located in Southern Peru**
- **Along with current Rasuhuilca Project, Laconia will have complete access to the entire Jarhuarazo epithermal volcanic system considered highly prospective for gold, silver and copper mineralisation**
- **Option Agreement will allow Laconia to acquire 80% interest in 11 licences**
- **Historical exploration information indicates mineralisation models can be extended to the new northern ground and are highly complementary to the current Rasuhuilca Project**

Laconia Resources Limited (ASX:LCR) ("**Laconia**" or "**the Company**") is pleased to announce that it has signed a Binding Term Sheet to enter into an option agreement ("the Option Agreement") to acquire an 80% interest 5,622 hectares across 11 exploration licences adjacent to its Rasuhuilca Project located in the Andean volcanic arc of southern Peru. Similar to the Company's 100%-controlled Rasuhuilca Project, the new licences are considered highly prospective for epithermal and porphyry style Au-Ag-Cu. The option period is for seven years and involves minimal initial outlay.

Laconia's Managing Director Ian Stuart commented:

"*This option to significantly expand our exploration ground in the highly prospective Andean volcanic arc provides Laconia's shareholders with a unique investment opportunity in one of the world's premier metal provinces and further solidifies the Company's near-term development position at Rasuhuilca.*"

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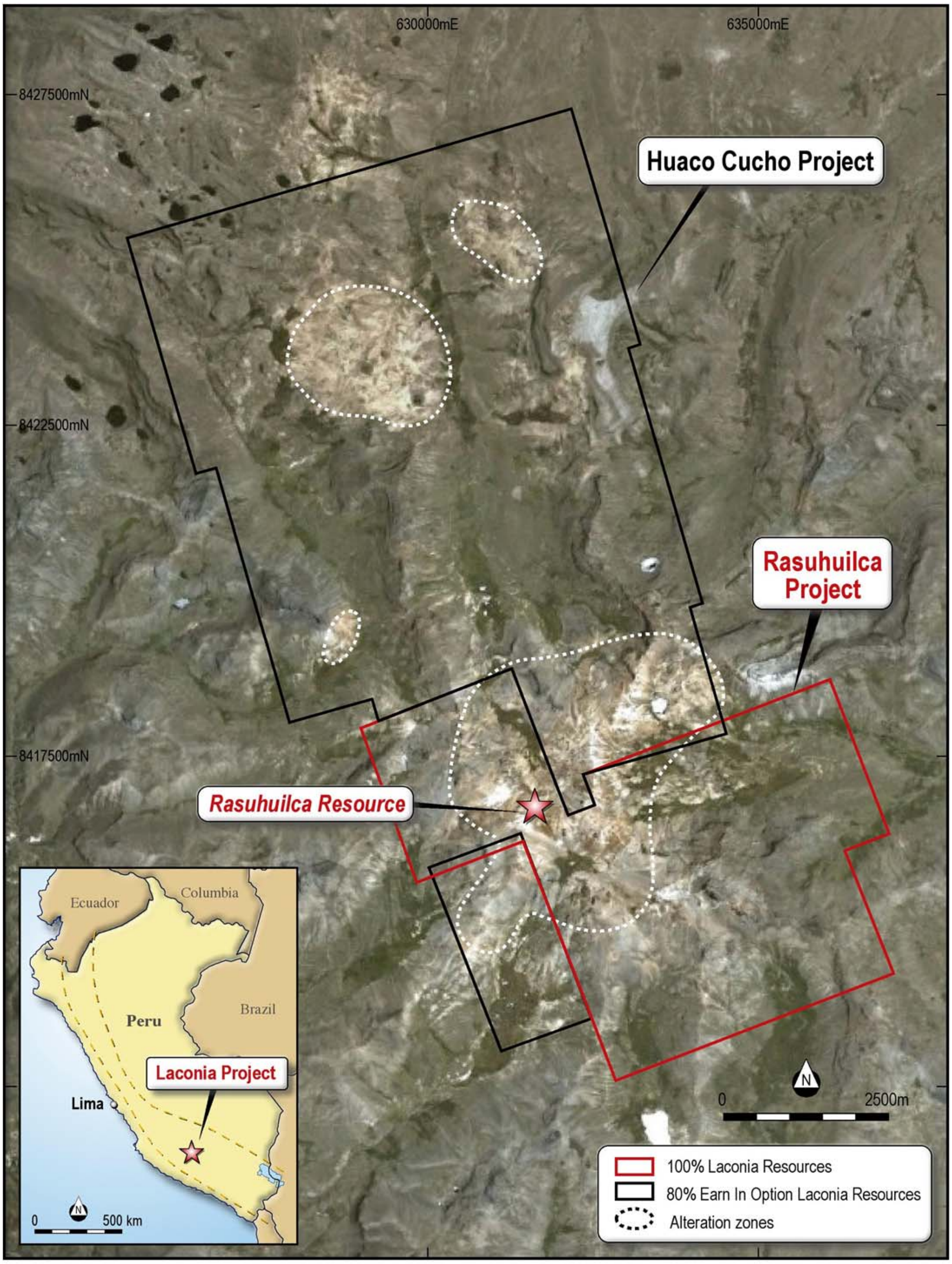

Figure 1: Diagram showing location of Laconia's current Project and new earn-in option licence outlines. Stippled boundaries show areas of intense alteration and primary exploration targets.

Laconia will earn the 80% interest in the Licences following execution of the Option Agreement and by completing undertakings in the Binding Term Sheet including after payment of the final option exercise payment and completion of a Detailed Feasibility Study.

The material terms of the Binding Term Sheet, including the undertakings referred to above are summarised as follows:

- Seven year Option Agreement to acquire an 80% interest in 11 Licences;
- Up front consideration of US$150,000 comprising US$60,000 paid upon execution of the Binding Term Sheet and the balance of US$90,000 payable upon execution of a formal Option Agreement;
- Five annual option payments to the Vendors of a minimum of US$250,000 and maximum of US$300,000 commencing in 2014, calculated by an agreed mechanism linked to the degree of the positive percentage increase in the price of gold;
- The remaining 20% interest in the Licences held by the Vendors will be free carried until completion of a Detailed Feasibility Study;
- Final option exercise payment to acquire the 80% interest of a minimum of US$5M and a maximum of US$6M, calculated by an agreed mechanism linked to the degree of the positive percentage increase in the price of gold;
- Post-acquisition the Vendors will retain a 2.5% net smelter royalty;
- Laconia is to spend $1.3M per annum towards exploration on the Licences commencing in 2015 for four consecutive years;
- Laconia is to complete satisfactory due diligence at its absolute discretion before entering into the Option Agreement to replace the Binding Term Sheet by 30 January 2013;
- Laconia to manage and operate the exploration program upon execution of a formal Option Agreement, whereby an Exploration Program Board will be formed between the Vendor and Laconia and will agree the overall exploration plan and program; and
- Laconia may terminate the Option Agreement at any time.

The formal Option Agreement will be subject to all necessary regulatory approvals.

ENDS

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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 the Company's existing portfolio of precious and base metal projects in Western Australia. A Feasibility Study was completed at Rasuhuilca 2008 and Laconia aims to bring it into production as a high-grade, small-tonnage operation, and utilise the project's revenues to unlock its exploration upside.

In Western Australia, the Company has a portfolio of advanced mineral projects in the Murchison and Pilbara regions, across 35 granted tenements covering an approximate 955km^2. The Company has determined JORC Compliant Resources at its Lennons' Find Project, (Cu-Ag-Pb-Zn-Au), and more recently its Rasuhuilca Project in Peru (Au-Ag). The Company is focused on the targeted exploration of its project areas, and further definition and expansion of its Resource base at its advanced projects.