

4 December 2013

Porphyry Copper Potential Confirmed By Field Reconnaissance in Peru

Highlights

- Experienced Consultant Geologist with South American Copper-Gold experience engaged
- Field reconnaissance by Consultant Geologist confirms large areas of hydrothermal alteration akin to those in other known Porphyry Copper districts
- Rasuhuilca and the Huaco Cucho Projects host a cluster of alteration zones indicative of a large and well-formed Porphyry District associated with the crustal scale Andean Huaco fault
- Erosion by glaciation at the Huaco Cucho Project has exposed alteration lower in the Porphyry system
- The Company is finalising submission of a *Declaración de Impacto Ambiental* (“DIA”), drill approval prior to end 2013, including testing the Porphyry Copper potential at the Rasuhuilca and Huaco Cucho Projects

Laconia Resources Limited (ASX: LCR) (“Laconia” or “the Company”) is pleased to announce results of field reconnaissance undertaken by consultant geologist Mr Stephen McCaughey at the Huaco Cucho Project, north of the identified epithermal copper-gold-silver Rasuhuilca prospects (see Figure 1). This field reconnaissance confirms geology and alteration assemblages with strong affinities to Porphyry Copper systems. The exposed alteration is indicative of deeper levels of the typical Porphyry volcanic profile due to glaciation causing erosion and uplift.

The Huaco Cucho Project lies 3 to 9 km to the north of the 100% Laconia controlled Rasuhuilca Project and is within the area of a seven year option held by Laconia to acquire an indirect 80%

interest over 11 additional exploration licences. The Huaco Cucho Project consists of four further distinct alteration zones (see Figure 1), previously recognised by Buenaventura Ingenieros SA, who were earlier explorers in the area. Limited work was conducted at the Huaco Cucho Project.

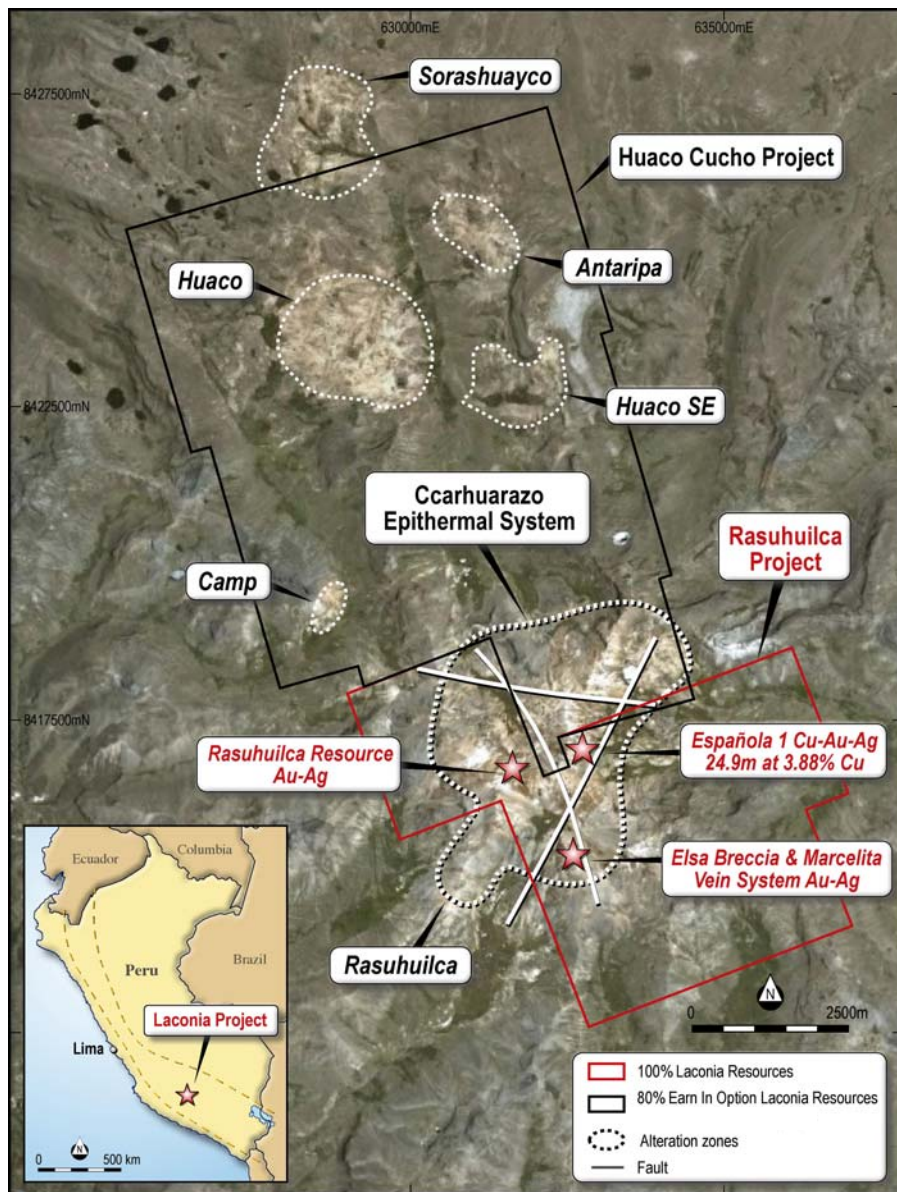


Figure 1: View of the Rasuhuilca and Huaco Cucho Projects, with the areas of 100% Laconia Concessions and the 80% Earn in Option Concessions shown.

Important Alteration Styles highlighted by Consultant Reconnaissance

In October 2013, as part of preparation for site visits by potential partners and/or investors, Laconia engaged the services of a consultant geologist with Porphyry Copper experience, Mr Stephen McCaughey to undertake field reconnaissance. Mr McCaughey is an Australian geologist based in Peru with over 20 years of experience in exploration including 14 years with BHP. He has considerable experience in copper and gold exploration within South America (Peru and Chile), Australia and Sweden and has a proven

track record of exploration success including the major Antapaccay porphyry copper deposit (now owned by Xstrata) in Southern Peru.

Mr McCaughey's main focus included a review of the distinct alteration zones visible in satellite imagery in Figure 1 at the Huaco Cucho Project.

The following key observations were made from the field reconnaissance:

- The distribution and the size of the cluster of alteration zones was highlighted by the consultant geologist as being comparable to other important world class Porphyry Copper systems in known districts. Figure 2 below illustrates the alteration zone distribution at the Rasuhuilca and Huaco Cucho Projects.

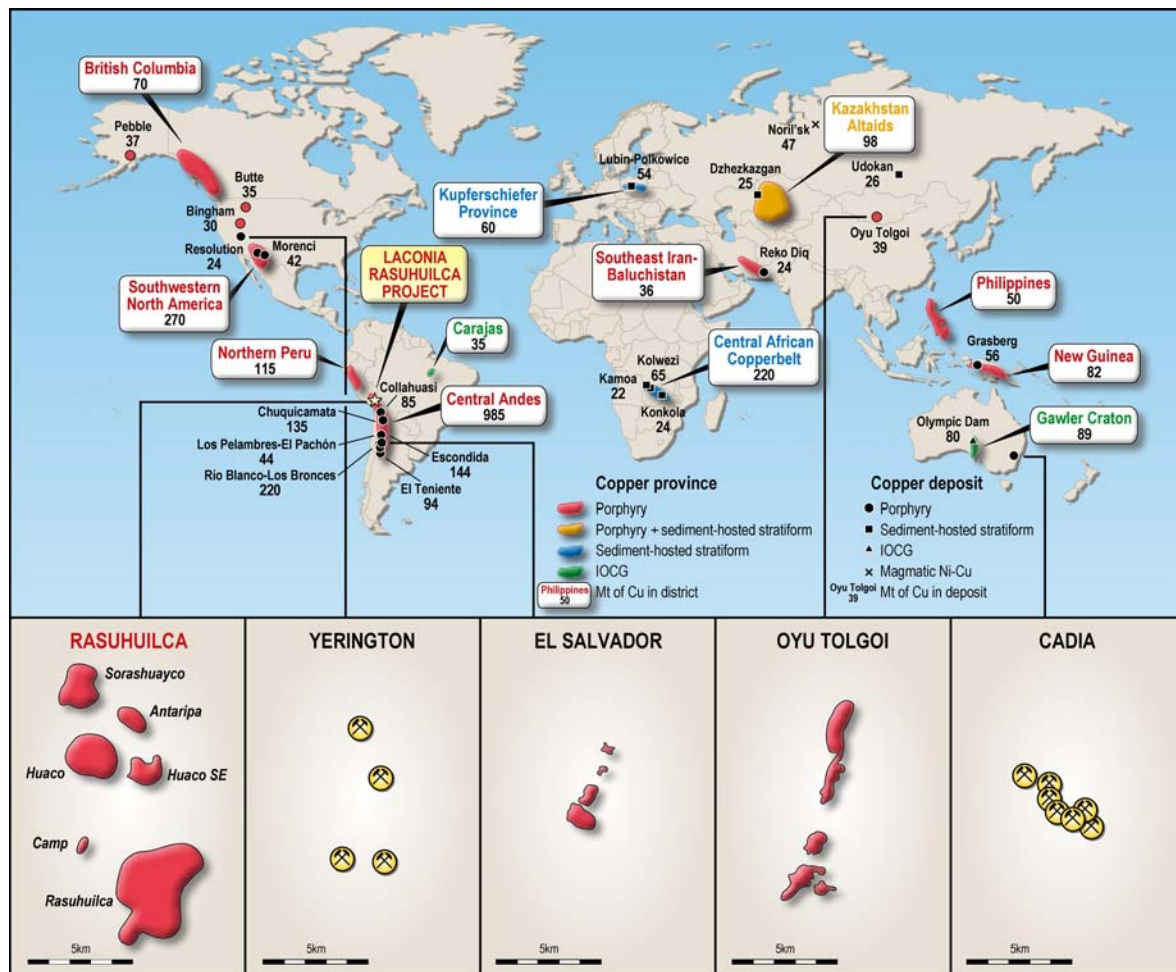


Figure 2: Illustration of the alteration zone distribution at the Rasuhuilca Project, and the Huaco Cucho Project, relative to some known Porphyry Districts in the world, displayed at the same scale. Modified from Hedenquist JW et al; 2012; "Geology and Genesis of Major Copper Deposits and Districts of the World: A Tribute to Richard H. Sillitoe"; Society of Economic Geologists, INC. Special Publication Number 16; p. 2

- Alteration assemblages that were observed to potentially contain sericite (potassic alteration) and a lack of preserved lithocap at the Huaco Cucho Project indicate the area is significantly deeper in the typical Porphyry profile. This supports our belief that the Huaco

Cucho Project is proximal to the Porphyry stock.

- Striations observed in rocks at the south end of the central valley between the Rasuhilca Project and the northern part of the Huaco Cucho Project indicates significant effects of glaciation. This is the mechanism that likely caused the removal of the lithocaps in the Huaco Cucho Project area, exposing a much deeper part of the system. Figure 3 is a photo of the striations that were observed at the start of the valley in the Rasuhilca Project. The striation directions are consistent with a glacier that removed material from the south towards the north. In the background, looking about north, the central valley can be seen, continuing north and past the limit of the Huaco Cucho Project.

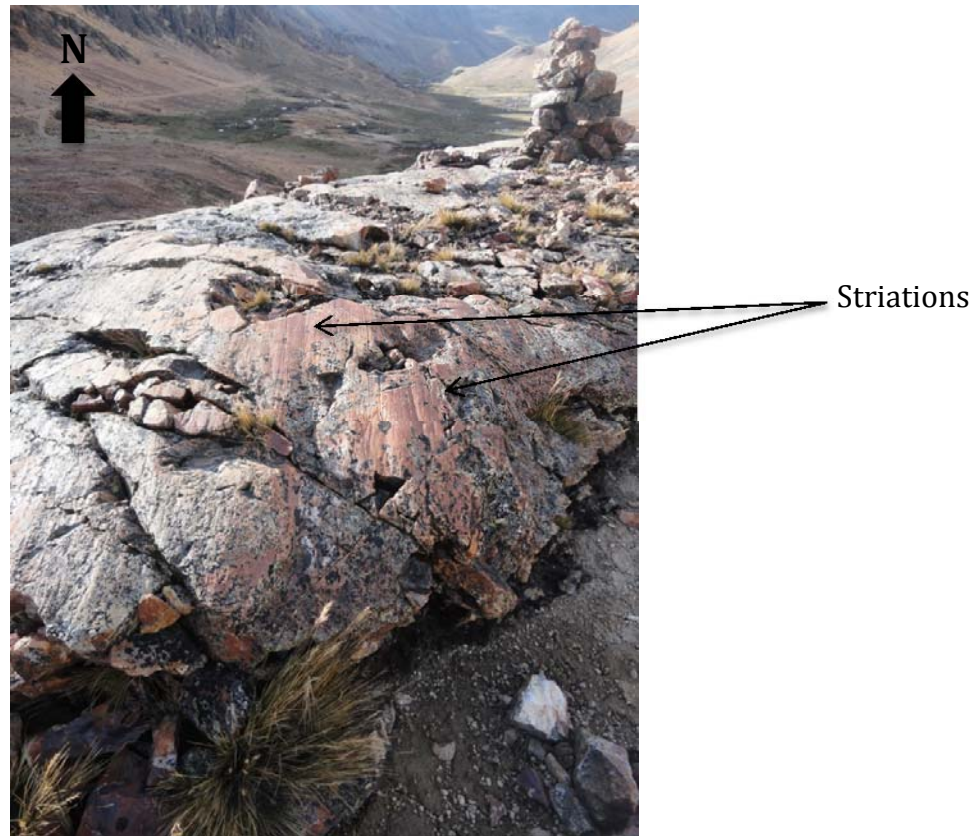


Figure 3: Glacial striations on an outcrop at the Rasuhilca Project that indicate a sense of movement from the south towards the north.

- Glacial removal of material has resulted in a significant drop in elevation between the centres in the Huaco Cucho Project, and the alteration zone at the Rasuhilca Project. Figure 4 below demonstrates the significant difference in elevation between Rasuhilca and Huaco Cucho, as a long section.

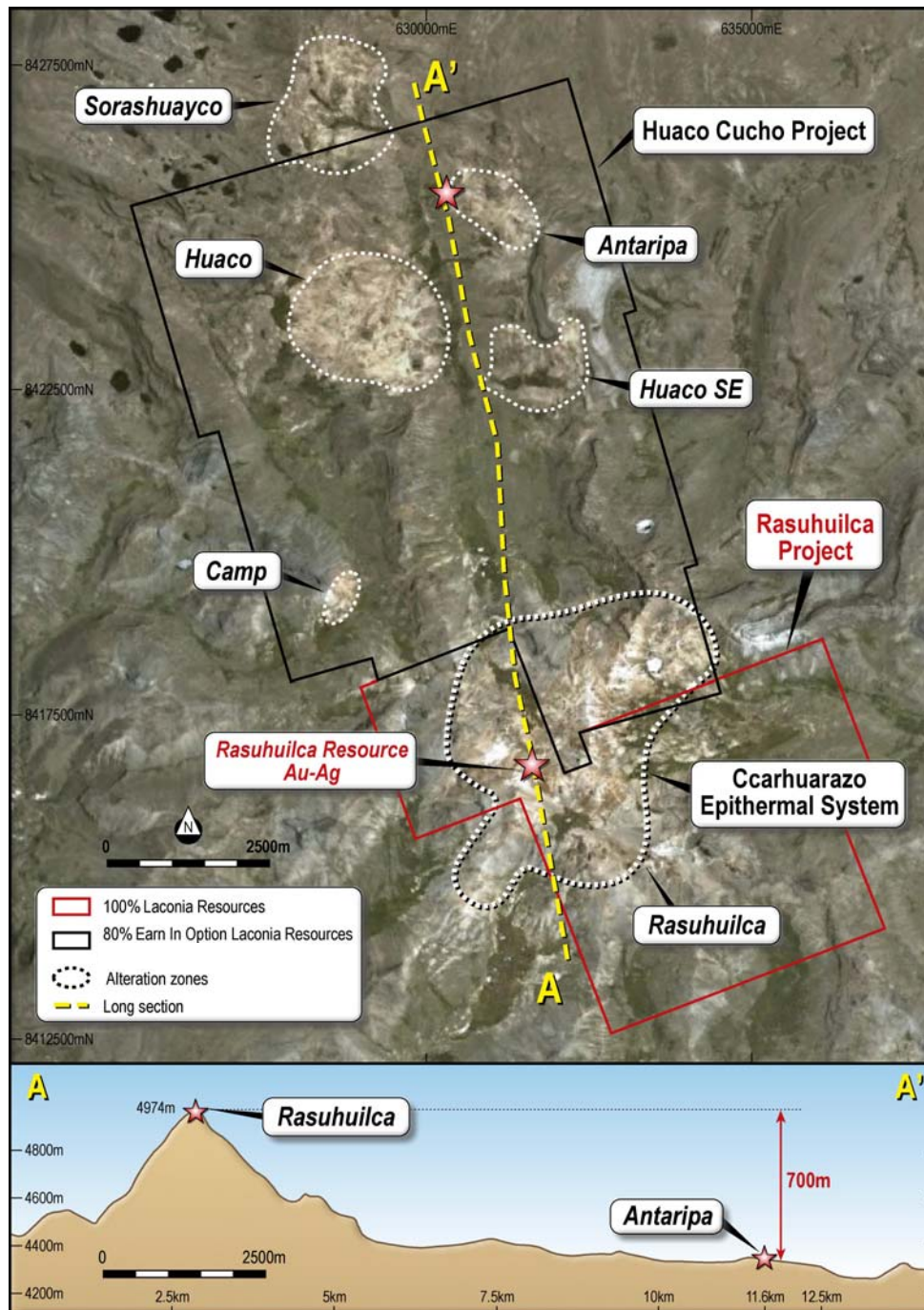


Figure 4: Rasuhuilca – Huaco Cucho long section. This long section is drawn along the glacial valley floor, as marked by the yellow line. The long section contains significant vertical exaggeration to allow for a practical illustration.

- The central valley at the Huaco Cucho Project is infilled with younger alluvial material, and there is potential for the Huaco and Antaripa alteration zones to be two exposures of one larger alteration zone. This was indicated by the presence of argillic and silicic alteration in the small amount of outcrop exposed in the creek bank between the two alteration zones, as shown in Figure 5 below.

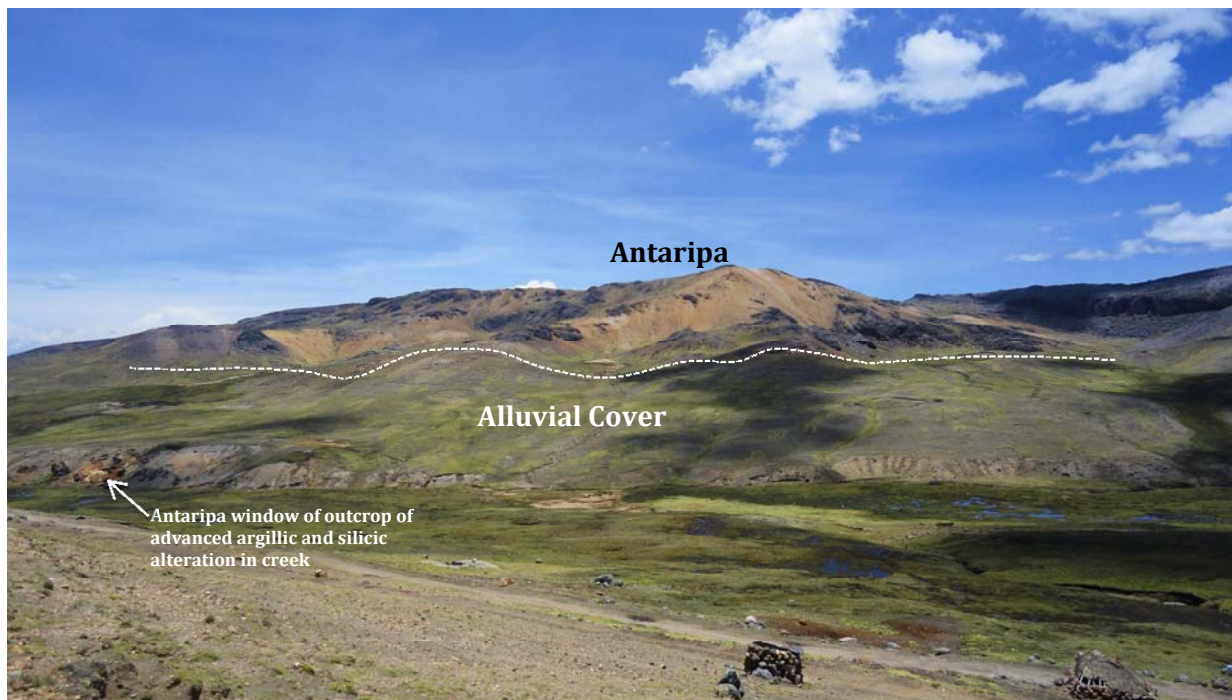


Figure 5: Looking northeast, from the Huaco anomaly towards the Antaripa Anomaly. The outcrop of alteration in the creek between the two anomalies is highlighted. The divide between the exposed anomaly at Antaripa and the alluvial cover is shown as a dashed line.

- The lithologies of the Huaco and Antaripa anomalies were documented during the field trip, through use of photographs. No samples were collected, to remain faithful to ongoing community consultation processes, and observations were made in the field using a hand lens and looking at broken-open rocks. When community agreements are finalised for the area, samples will be taken for laboratory analysis and petrology work. Of particular interest to the Company, is the suspected presence of sericite alteration. If this is correct, it indicates alteration assemblages deeper in the porphyry environment than seen at Rasuhilca (see Figure 6 for the Exploration Model for a complete Porphyry/Epithermal system). Some key photographs of the lithologies and altered rocks are shown in Figure 7.

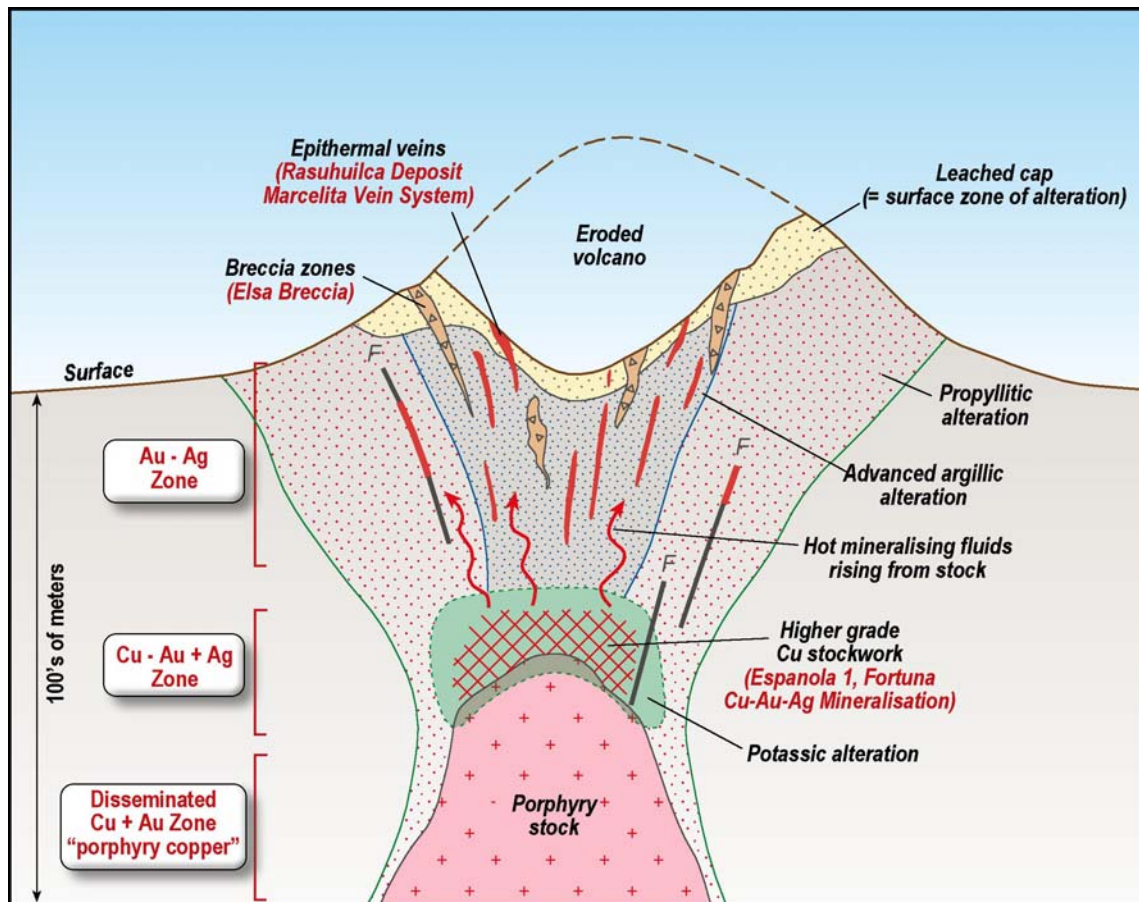


Figure 6: Exploration Model for the Rasuhuilca Project showing the entire system including Epithermal and the Porphyry environments. At the Huaco Cucho Project the Company believes sericite is present, which indicates an alteration assemblage deeper in the porphyry system.



Figure 7a; Volcanic breccia of andesitic composition at the base of volcanic flows. Strong clay sulphide alteration in some areas.



Figure 7b; Volcanic lava flows overlying volcanic breccia of andesitic composition.



Figure 7c; Strong clay-pyrite alteration of intermediate composition volcanic tuffs. Pyrite is both disseminated and as veins. Possible sericite-mica alteration.



Figure 7d; Disseminated sulphides in strongly clay altered volcanic tuffs with possible sericite. Grey disseminated sulphides in altered rock and hematite after pyrite veins. Analysis is required to confirm clay mineral speciation.



Figure 7e; Quartz-chlorite-pyrite altered andesitic rock with hydrothermal brecciation evident



Figure 7f; Strong quartz-pyrite alteration of a porphyritic andesite



Figure 7g; Clay veins cutting argillically altered pyroclastic rocks. The veins are possibly after feldspar and altered by further-ongoing acid (argillic) alteration.

Diamond Drilling Program to commence upon permit approval

Laconia plans to commence its first phase of diamond drilling at the Rasuhilca Project as soon as exploration permitting approval is received. The process of formal approval to undertake exploration drilling in Peru follows the completion of a DIA. The DIA includes environmental considerations and community consultation and approval.

Upon receipt of approvals, Laconia will undertake an initial phase of diamond drilling at the Rasuhuilca deposit. This round of drilling will be aimed at providing infill information between levels, to upgrade the JORC resource to Indicated category. At the Rasuhuilca Project drilling is planned at new copper targets involving Española 1 and Fortuna¹, plus at the known gold and silver targets². The Company believes significant potential exists to grow the resource base outside of its current boundaries through further detailed exploration.

Four drill platforms at the Huaco Cucho Project anomalies are also designed for inclusion in the DIA to be submitted in coming weeks that will afford the Company the flexibility to drill test the new Porphyry Copper targets as soon as surface mapping and geochemical sampling is complete and interpreted.

All exploration field work and timeframes are dependent on the timing of community and government approvals.

*****ENDS*****

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About Laconia Resources Limited

ASX Listed Laconia Resources Limited (ASX: LCR) is a Perth-based precious and base metals exploration and development Company with a Latin American focus. The Company's flagship Rasuhuilca Project in Peru is an advanced copper-gold-silver project in the Ayacucho region of Southern Peru, across 4 permits covering 27.65 km². In addition, the Company has gained access to a further 11 contiguous permits through an Option Agreement, covering 56.22 km². The total area of 83.87 km² hosts the entire Ccarhuaraso volcanic system that is proven to host high sulphidation epithermal copper gold and silver.

In Western Australia, the Company has a portfolio of advanced mineral projects in the Murchison and Pilbara regions, across 4 granted tenements covering an approximate 214 km².

¹ Refer ASX Releases 27 February 2013 and 9 April 2013

² Refer ASX Release 4 February 2013

Competent Persons Statement

Huaco Cucho

The information in this announcement that relates to Exploration Results is based on, and fairly represents, information and supporting documentation prepared by Mr Vincent Algar, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Algar is a Non-Executive Director and consultant of Laconia Resources Limited and has sufficient experience that is 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Algar consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

APPENDIX 1 – JORC CODE, 2012 Edition, Table 1 (Section 1 and 2)

SECTION 1: Sampling Techniques and Data

Criteria	JORC Explanation	Remarks
Sampling Techniques	<i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>	NA
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	NA
	<i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of</i>	NA

	<i>detailed information.</i>	
Drilling Techniques	<i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	NA
Drill Sample Recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	NA
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	NA
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material</i>	NA
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	NA
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	Logging of surface outcrop is qualitative, through use of photographs and field based mineral descriptions in hand samples.
	<i>The total length and percentage of the relevant intersections logged</i>	NA
Sub-sampling Techniques and Sample Preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	NA
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	NA
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	NA
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	NA
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	NA
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled</i>	NA
Quality of Assay Data and Laboratory Tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is</i>	NA

	<i>considered partial or total.</i>	
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	NA
	<i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	NA
Verification of Sampling and Assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	NA
	<i>The use of twinned holes.</i>	NA
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	NA
	<i>Discuss any adjustment to assay data.</i>	NA
Location of Data Points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	Navigation was performed using hand held Garmin GPS unit with an accuracy of 1 – 5 metres on the horizontal scale.
	<i>Specification of the grid system used.</i>	All data was collected as, and remain in, PSAD56, Zone 18 South, EPSG 24878.
	<i>Quality and adequacy of topographic control.</i>	Elevation was extracted from Google Earth.
Data Spacing and Distribution	<i>Data spacing for reporting of Exploration Results.</i>	NA
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	No Mineral Resource or Ore Reserve calculations have been reported on the Huaco Cucho Project.
	<i>Whether sample compositing has been applied.</i>	NA
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	NA
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if</i>	NA

	<i>material.</i>	
Sample security	<i>The measures taken to ensure sample security.</i>	NA
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	NA
SECTION 2: Reporting of Exploration Results		
Mineral tenement and land tenure status	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	The Rasuhuilca Project is comprised of 4 permits that are 100% Laconia Resources owned, plus there is the Huaco Cucho Project comprised of 11 permits that are subject to an Earn-in Agreement, for option of 80% interest over a 7 year period. The Huaco Cucho Project is comprised of Huaco Cucho No 1, Huaco Cucho No 2, Huaco Cucho Tres, Huaco Cucho Cuatro, Huaco Cucho Cinco, Huaco Cucho Sies, Huaco Cucho Siete, Huaco Cucho Ocho, Huaco Cucho Nueve, and Huaco Cucho Diez. The permits are located on a high plateau within the Andes Mountain chain, in the Department of Ayacucho in Southern Peru. There are no historical sites, wilderness or national park issues known to Laconia Resources. Community agreements to address Native Title issues are ongoing.
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	Laconia knows of no impediment to obtaining a licence to operate in the area, though exploration is subject to agreement from surrounding communities.
Exploration Done by Other Parties	<i>Acknowledgement and appraisal of exploration by other parties.</i>	Previous work by Buenaventura Ingenieros SA is acknowledged in the Rasuhuilca Project, no known previous work has been done on the Huaco Cucho Project.
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	Alteration zones with argillic and potassic alteration, implying the presence of volcanic hydrothermal alteration, in Andesitic tuffs and lava flows aged 1 – 6 Ma. The project has a large regional fault, the Huaco Fault, believed to be a deep crustal structure, running through a central valley in the project, trending roughly north-south. The basement to the volcanic rocks is thought to be Cretaceous to Jurassic aged sediments.
Drill hole Information	<i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i>	NA
	<i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the</i>	NA

	<i>understanding of the report, the Competent Person should clearly explain why this is the case.</i>	
Data Aggregate Methods	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i>	NA
	<i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i>	NA
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	NA
Relationship between mineralisation widths and intercept lengths	<i>These relationships are particularly important in the reporting of Exploration Results.</i>	NA
	<i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i>	NA
	<i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i>	NA
Diagrams	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	Plan and Sectional views of the Project Geology and Exploration Models are included
Balanced Reporting	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	NA
Other substantive exploration data	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geological survey results, geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	Discussion of the known geology, and the limitations of geological knowledge are discussed.
Further Work	<i>The nature and scale of planned</i>	Drill testing is identified as future planned work as is

	<i>further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	geological mapping and geochemical surface sampling. At present the amount and location of planned drill holes has not been identified.
	<i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	Drill platforms not identified, as they are dependent upon outcomes of geological mapping and surface geochemical work.