



ACN 137 984 297

OFFER DOCUMENT

For a non-renounceable pro rata entitlement issue of approximately 245,087,553 New Shares on the basis of one (1) New Share for every three (3) Shares held by Eligible Shareholders on the Record Date at an issue price of \$0.002 per New Share, to raise up to approximately \$490,175 (**Offer**).

The Offer closes at 5.00pm (WST) on 3 December 2015

IMPORTANT NOTICE

This document is not a prospectus and has not been lodged with ASIC. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the New Shares offered by this document.

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser without delay.

The New Shares offered by this Offer Document should be considered speculative.

This offer opens on 24 November 2015 and closes at 5.00pm (WST) on 3 December 2015. Valid acceptances must be received before that time.

Please read the instructions in this document and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement.

IMPORTANT NOTES

General

This Offer Document is dated 12 November 2015.

No person is authorised to give information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

This Offer Document may contain reference to certain intentions, expectations and plans of the Company, which may or may not be achieved. They are based on certain assumptions which may not be met or on which views may differ. The Company's performance may be influenced by a number of factors, many of which may be outside the Company's control. Neither the Company nor any of its respective directors, officers, employees, advisers or agents make any representations or warranty (expressed or implied) that any expectations, intentions or plans will be achieved either totally, partially or at all or that any particular rate of return will be achieved.

The Offer is an offer of continuously quoted securities (as defined in the Corporations Act) of the Company and has been prepared in accordance with section 708AA of the Corporations Act. In broad terms, section 708AA relates to rights issues by certain companies that do not require the provision of a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Document is significantly less than that required in a prospectus. Eligible Shareholders should therefore consider whether the securities offered under this Offer Document are a suitable investment in light of their own investment objectives and financial circumstances and the merits of risks involved, having regard to their own knowledge of the Company and the disclosures made by the Company to the ASX. If after reading this Offer Document Eligible Shareholders have any questions regarding the Offer they should contact their stockbroker, accountant or other professional advisers before deciding whether or not to accept the Offer.

Neither ASX nor ASIC takes any responsibility for the contents of this Offer Document or the merits of the investment to which this Offer Document relates.

Capitalised terms in this Offer Document are generally defined terms. Their meaning is set out in Section 4 of this Offer Document.

Applications

Applications for New Shares by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Forms sets out an Eligible Shareholder's Entitlement to participate in the Offer.

Overseas Shareholders

The Company is of the view that it is unreasonable to make the Offer under this Offer Document to Shareholders outside of Australia and New Zealand having regard to:

- the number of Shareholders registered outside of Australia and New Zealand;
- the number and value of the New Shares that would be offered to Shareholders registered outside of Australia and New Zealand; and
- the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

Accordingly, the Company is not required to offer the New Shares under this Offer Document to Shareholders registered outside of Australia and New Zealand. Please refer to Section 1.14 and 1.20 for further information.

This Offer Document does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

Privacy Act

If you complete an Entitlement and Acceptance Form for New Shares, you will be providing personal information to the Company (directly or by the Company's Share Registry). The Company collects, holds and uses that information to assess your Application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its Share Registry if you wish to do so at the relevant contact numbers set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1998* (Cth), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Entitlement and Acceptance Form for New Shares, the Company may not be able to accept or process your Application.

This document is not a prospectus and does not contain all of the information that an investor would find in a prospectus or which may be required to make an informed decision regarding, or about the rights attaching to, New Shares offered by this Offer Document.

CORPORATE DIRECTORY

Directors

Gary Charles Castledine
Neville John Bassett
Peter Nathan Owen Fox

Company Secretary

Neville John Bassett

Registered and Principal Office

Level 45
108 St Georges Terrace
Perth WA 6000

Telephone: (08) 9486 7066
Facsimile: (08) 9486 8066
Website: www.laconia.com.au

Share Registry*

Security Transfer Registrars Pty. Ltd
770 Canning Highway
Applecross, WA, 6153

Securities Exchange Listing

ASX Limited
(Home Branch – Perth)
ASX Code: LCR

Auditor*

Rothsay Chartered Accountants
Level 1, Lincoln House
4 Ventnor Street
West Perth, WA, 6005

* These parties are included for information purposes only. They have not been involved in the preparation of this Offer Document.

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DETAILS OF THE OFFER

1.1 The Offer

The Company is making a non-renounceable pro-rata offer of New Shares at an issue price of \$0.002 each on the basis of one (1) New Share for every three (3) Shares held on the Record Date (**Offer**).

The purpose of the Offer is to raise approximately \$490,175 (before expenses). The application of funds raised from this Offer is summarised below depending on various levels of subscriptions. For the purposes of detailing the use of funds raised under this Offer Document, it is assumed that no Options are exercised between the date of this Offer Document and the Record Date.

Proceeds of Offer	25% Subscription	50% Subscription	Full Subscription
To maintain the company's administration, meet its current commitments, working capital purposes and ensure the Company has sufficient funds to review new investment opportunities [#]	\$105,622	\$227,592	\$471,530
Expenses of the Offer	\$16,922	\$17,496	\$18,645
Total	\$122,544	\$245,088	\$490,175

As announced on 30 June 2015, the Company is looking at potential new mineral exploration project opportunities, as well as possible investment opportunities outside of the Company's existing principal activity of mineral exploration. Dependant on the nature and scale of any investment, the Company may be required, pursuant to ASX Listing Rules, to obtain shareholder approval to any transaction and to re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules.

As at the date of this Offer Document, the Company had on issue:

- 735,262,660 listed Shares;
- 343,788,417 listed Options exercisable at 6 cents each by 30 September 2018;
- 6,000,000 unlisted Options exercisable at 1.4 cents each by 30 September 2018: and
- 14,500,000 unlisted Performance Shares.

The capital structure outlined above may change if any existing Options are exercised before the Record Date. Any increase to the number of Shares on issue will increase the number of New Shares which may be issued under the Offer by a corresponding amount. Optionholders who do not hold Shares on the Record Date are not entitled to participate in the Offer.

New Shares will be fully paid ordinary shares which, upon issue, will rank equally with existing Shares on issue.

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction such fraction will be rounded down to the nearest whole number.

The Offer has no minimum subscription.

1.2 Effect of the Offer

The capital structure of the Company following completion of the Offer is summarised below:

Shares	Number
Shares on issue at date of the Offer	735,262,660
New Shares offered under the Offer ²	245,087,553
Total Shares on issue at completion of the Offer¹	980,350,213

Options	Number
Options on issue at date of the Offer	349,788,417
Listed Options exercisable at \$0.06 on or before 30 September 2018	343,788,417
Unlisted Options exercisable at \$0.014 on or before 30 September 2018	6,000,000
Options offered under the Offer	Nil
Total Options on issue at completion of the Offer	349,788,417

Performance Shares	Number
Performance Shares on issue	14,500,000
Performance shares offered pursuant to the Offer	Nil
Total Performance Shares on issue after completion of the Offer	14,500,000

Notes:

1. The number of Shares on issue assumes that no Options currently on issue are exercised prior to the Record Date.
2. The number of New Shares issued assumes that the Offer is fully subscribed and that no Options currently on issue are exercised prior to the Record Date.

The Company's cash reserves following completion of the Offer, assuming the Offer is fully subscribed, will increase by approximately \$471,530 being the gross proceeds of the Offer, less the costs of the Offer.

1.3 Timetable

Event	Date
Release of Offer Document, Appendix 3B & Section 708AA Notice to ASX	12 November 2015
Notice sent to Shareholders	13 November 2015
"Ex" Date (date from which Shares commence trading without the entitlement to participate in the Offer)	17 November 2015
Record Date 5.00pm (WST) (date for determining Entitlements of Eligible Shareholders to participate in the Offer)	19 November 2015
Offer Document with personalised entitlement and acceptance forms dispatched to Eligible Shareholders	24 November 2015
Offer Opening Date	24 November 2015
Last date to extend the Offer Closing Date	30 November 2015
Offer Closing Date 5.00pm (WST)	3 December 2015
Securities quoted on a deferred settlement basis	4 December 2015
ASX notified of under subscriptions	8 December 2015
Issue date and deferred settlement trading ends	10 December 2015
Dispatch of Holding Statements	10 December 2015
Trading of New Shares expected to commence	11 December 2015

Note: Subject to the Listing Rules and other applicable laws, the Directors reserve the right to vary these dates.

1.4 Entitlements and acceptance

The Entitlement of Eligible Shareholders to participate in the Offer is determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance Form accompanying this Offer Document.

In determining Entitlements, any fractional Entitlement will be rounded down to the nearest whole number.

Acceptance of Entitlement in Full

If you are an Eligible Shareholder and wish to take up **all** of your Entitlement under the Offer, please complete the Entitlement and Acceptance Form in accordance with the instructions set out in that form.

Partial Acceptance of Entitlement

If you are an Eligible Shareholder and wish to take up **part** of your Entitlement pursuant to the Offer, please complete the Entitlement and Acceptance Form in accordance with the instructions set out in that form and insert the number of New Shares for which you wish to accept (being less than your Entitlement as specified on the Entitlement and Acceptance Form).

Entitlements Not Taken Up

If you decide not to accept all or part of your Entitlement pursuant to the Offer, you are not required to take any action. The New Shares not accepted will form part of the Shortfall.

1.5 No Rights trading

The rights to New Shares under the Offer are non-renounceable. Accordingly, there will be no trading of rights on the ASX and you may not dispose of your rights to subscribe for New Shares under the Offer to any other party. If you do not take up your Entitlement under the Offer by the Closing Date, the Offer to you will lapse.

1.6 Underwriting

The Offer is not underwritten.

1.7 Minimum Subscription

There is no minimum subscription.

1.8 Shortfall

If you do not wish to take up any part of your Entitlement under the Offer, you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall and will be dealt in accordance with this Section 1.8.

Subject to the Corporations Act and the Listing Rules, the Directors reserve the right to deal with the Shortfall Shares which are not taken up by Eligible Shareholders under the Offer within 3 months after the Closing Date, including by inviting persons to apply for the Shortfall Shares. Such Shortfall Shares will only be issued at an issue price that is not less than the issue price offered to Eligible Shareholders under this Offer Document and will not be issued to the Directors or to related parties (or their associates).

No issue will be made under the Shortfall if this would result in a person acquiring a relevant interest in more than 10% of the voting Shares immediately following that issue.

1.9 Effect on Control

The Company has lodged with ASX a notice in accordance with section 708AA of the Corporations Act which sets out, among other things, the effect of the Offer on the control of the Company. This notice may be viewed on the websites of the Company and ASX.

If all Eligible Shareholders take up their Entitlements in full, the Offer will not diminish the percentage shareholding and voting power of each Eligible Shareholder.

If some Eligible Shareholders do not take up their Entitlement in full, then their percentage shareholding and voting power in the Company will be diluted. The percentage shareholding and

voting power of non-resident Shareholders not eligible to participate in the Offer will also be diluted by New Shares issued under the Offer.

The company must ensure that no party will receive Shortfall Shares that in itself (i.e. the amount of the shortfall) would result in a voting power in the Company equal to or greater than 10%.

1.10 Opening and Closing Dates

The Offer opens on the Opening Date, being 24 November 2015. The Company will accept Entitlement and Acceptance Forms until 5.00pm (WST) on the Closing Date or such other date as the Directors determine, subject to the Listing Rules.

1.11 Issue and Dispatch

The issue of New Shares offered by this Offer Document and the dispatch of holding statements are expected to occur on 10 December 2015.

It is the responsibility of Applicants to determine their allocation prior to trading in the New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

1.12 ASX Listing

Application has been made to the ASX for quotation of the New Shares. The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription. Issues of New Shares under the Offer will only be made after permission for their quotation on the ASX has been granted.

1.13 CHESS

The Company will apply to ASX to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation. Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of New Shares allotted to them under this Offer Document. The notice will also advise holders of their Holder Identification Number (HIN) and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Monthly statements will be provided to holders of securities in the Company if there has been any change in their security holding in the Company during the preceding month.

1.14 Treatment of Overseas Shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer Document.

The Company is of the view that it is unreasonable to make the Offer to Shareholders without registered addresses in Australia or New Zealand (**Ineligible Shareholders**) having regard to the:

- (a) number of Ineligible Shareholders;
- (b) number and value of New Shares that would be offered to Ineligible Shareholders; and
- (c) cost of complying with regulatory requirements in each relevant jurisdiction.

Accordingly, the Offer is not being extended and New Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

1.15 Taxation Implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Document. The Company, its advisers

and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

Eligible Shareholders should consult their professional tax advisor in connection with subscribing for New Shares under this Offer Document.

1.16 Rights and Liabilities attaching to New Shares

The New Shares will rank equally in all respects with existing Shares (including, for example, with respect to dividends, voting and bonus issues). Full details of the rights and liabilities attaching to Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

1.17 Risk Factors

As with any securities investment, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in Section 3 of this Offer Document. The New Shares on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, investors should read this Offer Document in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

Factors affecting an investment in the Company include stock market fluctuations, exploration and development risks, resource and reserve estimates, joint venture risk, insurance risk, competition risks, foreign currency exchange rate fluctuations, economic risks and external market factors, additional requirements for capital and governmental policy regarding environmental protection.

1.18 Withdrawal of Offer

The Directors may at any time decide to withdraw this Offer Document and the offer of New Shares made under this Offer Document in which case the Company will return all Application Monies (without interest) within 28 days of giving such notice of withdrawal.

1.19 Governing Law

This Offer Document and the contracts formed on acceptance of the Entitlement and Application Form are governed by the laws applicable in Western Australia. Each Applicant for New Shares submits to the non-exclusive jurisdiction of the courts of Western Australia.

1.20 Nominees, Trustees and Custodians

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

Shareholders resident in Australia or New Zealand holding shares on behalf of persons who are resident overseas should seek independent advice as to how they should proceed.

1.21 Enquiries concerning Offer Document

This document is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, solicitor, accountant or other professional adviser without delay.

If you have any questions regarding your Entitlement or the Offer, please contact the Company on (08) 9486 7066 (for calls within Australia) or +61 8 9486 7066 (outside Australia), from 8.30am to 5.00pm WST, Monday to Friday.

2 ACTION REQUIRED BY SHAREHOLDERS

2.1 How to Accept the Offer

If you are an Eligible Shareholder and you wish to take up all or part of your Entitlement, you must accept the Offer by completing the personalised Entitlement and Acceptance Form mailed to you with this Offer Document. Your personalised Entitlement and Acceptance Form will detail your Entitlement to New Shares under the Offer. You should complete the form in accordance with the instructions set out in that form.

Acceptance of Entitlement in Full

If you are an Eligible Shareholder and wish to take up **all** of your Entitlement under the Offer, please complete the Entitlement and Acceptance Form in accordance with the instructions set out in that form.

Partial Acceptance of Entitlement

If you are an Eligible Shareholder and wish to take up **part** of your Entitlement pursuant to the Offer, please complete the Entitlement and Acceptance Form in accordance with the instructions set out in that form and insert the number of New Shares you wish to accept (being less than your Entitlement as specified on the Entitlement and Acceptance Form).

Non-Acceptance of Entitlement

If you do not wish to take up any part of your Entitlement under the Offer, you are not required to take any action. If you decide not to accept all or part of your Entitlement, the New Shares not accepted will form part of the Shortfall and will be dealt with in accordance with Section 1.8.

2.2 Acceptance of Terms and Form of Payment

All Applications for New Shares must be made on the Entitlement and Acceptance Form. Any Application will be treated as an offer from the Applicant to acquire New Shares on the terms and conditions set out in this Offer Document. The Directors reserve the right to reject any Applications for New Shares.

If you are paying by cheque please make the cheque payable to '**Laconia Resources Limited Offer A/C**' and cross it 'Not Negotiable'. Please ensure that your completed Entitlement and Acceptance Form and your cheque is received by the Company's Share Registry no later than 5.00pm (WST) on the Closing Date at:

By Post:

Laconia Resources Limited
C/- Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross, WA, 6153

By Hand:

Laconia Resources Limited
C/- Security Transfer Registrars Pty. Ltd
770 Canning Highway
Applecross, WA, 6153

Those who elect to pay via BPAY must follow the instructions for BPAY set out in the Entitlement and Acceptance Form. Investors who elect to pay by BPAY will not need to return their completed Entitlement and Acceptance Form.

Please note that payment via BPAY must be made by no later than 4:00pm (WST) on 3 December 2015. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the date and time mentioned above. If you have multiple holdings you will have multiple BPAY customer reference numbers. To ensure you receive your Entitlement in respect of that holding, you must use the customer reference number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

3 RISK FACTORS

3.1 General

The New Shares offered under this Offer Document should be considered speculative because of the nature of the Company's business.

Whilst the Directors recommend that Eligible Shareholders take up their Entitlement, there are numerous risk factors involved in an investment in 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. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which New Shares will trade.

The following is a summary of the more material matters to be considered and should be read in conjunction with specific matters referred to in the Company's announcements and reports. Please note that the summary is not exhaustive and potential investors should examine the contents of this Offer Document in its entirety and consult their professional advisors before deciding whether to apply for the New Shares.

3.2 Specific Risks

A number of specific risk factors that may impact the future performance of the Company are described below. Eligible Shareholders should note that this list is not exhaustive.

3.2.1 Operational Risks

The business of mineral exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on, among other things:

- the discovery or acquisition of economically recoverable reserves;
- access to adequate capital for project development;
- design and construction of efficient development and production infrastructure within capital expenditure budgets;
- securing and maintaining title to mineral interests;
- obtaining consents and approvals necessary for the conduct of mineral exploration, development and production; and
- access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Whether or not income will result from projects undergoing exploration and development programs depends on successful exploration and the establishment of production facilities.

There is no assurance that any exploration on current or future interests will result in the discovery of an economic mineral deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed.

3.2.2 Exploration and Mining Risk

The business of mineral exploration and mining involves risks and hazards. For example, in an exploration context no assurance can be given that ore bodies will be detected with preferred or desirable tonnages or grades. High risk and substantial expense can be incurred without the requisite or expected degree of reward.

Even if commercial quantities of ore are discovered unforeseen risks can arise in the development and production phase including the development of appropriate metallurgical processes, the receipt of necessary governmental permits, access to permits and the construction of mining and processing facilities, environmental hazards, industrial accidents, labour forced disruption, the unavailability of materials and equipment, unusual or unexpected geological formation, pit failures, changes in the regulatory environment and weather conditions. Such occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability.

3.2.4 Resource Estimates

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when made may change significantly when new information or techniques becomes available. In addition, resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Even if the Company identifies a resource or reserve, actual ore reserves and resources (including grade and quantity) may differ from those estimated at an earlier time which may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

3.2.5 Ability to Exploit Successful Discoveries

It may not always be possible for the Company to participate in the exploitation of successful discoveries made in areas in which the Company has an interest. Such exploitation will involve the need to obtain the necessary licences or clearances from the relevant authorities, which may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. The infrastructure requirements around a successful discovery may also impact on the exploitation of a discovery.

Further, the decision to proceed to further exploitation may require the participation of other companies whose interests and objectives may not be the same as those of the Company. As described above, such work may require the Company to meet or commit to financing obligations for which it may have not planned.

3.2.6 Compliance Risk

The Company holds an interest in various mining tenements. Title to these tenements is subject to the Company, as tenement holder, complying with the terms and conditions of each tenement, including the minimum annual expenditure commitments. There is a risk that if the Company does not comply with the terms and conditions of each tenement, it may lose its interest in the relevant tenement.

The Company has implemented appropriate policies and practices to mitigate the risk of not complying with the terms and conditions attaching to each of its tenements.

3.2.7 Joint Venture Parties, Agents and Contractors

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party. Further, the Company is unable to predict the risk of insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity. The effects of such failures may have an adverse effect on the Company's operations.

3.2.8 Country Risk

The Company holds assets located in Western Australia but may acquire assets in foreign countries in the future. There are risks associated with exploration and mining activities and investments generally in foreign countries that may adversely affect the business, costs, expenditure and profitability of the Company. These risks include:

- (a) changes in foreign country government, government policies, regulatory regime, economic change, civil instability, attitudes towards foreigners or their businesses in their country;

- (b) land access and environmental regulation may be adverse or beneficial; and
- (c) the applicable legal regime including investment into and repatriation of revenue out of the foreign country.

3.2.9 Environmental Risk

The Company's activities are subject to the environmental risks inherent in the mining industry. The Company is subject to environmental laws and regulations in connection with operations it may pursue in the mining industry. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws. However, the Company may be the subject of accidents or unforeseen circumstances that could subject the Company to extensive liability.

Further, the Company may require approval from the relevant authorities before it can undertake activities likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

3.2.10 New Investments

The Company is undertaking a review of its entire tenement portfolio and is assessing new project opportunities that the Board believes will add shareholder value. As part of the review process the Company may look at possible investment opportunities outside of the company's existing principal activity of mineral exploration. Dependant on the nature and scale of any investment, the Company may be required, pursuant to ASX Listing Rules, to obtain shareholder approval to any transaction and to re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules.

An investment outside of mineral exploration may not be consistent with the investment objectives of all Shareholders and will have the inherent risks associated with any new business activity.

3.2.11 Future capital needs and additional funding

The funding of any further ongoing capital requirements beyond the requirements as set out in this Offer Document will depend upon a number of factors including the extent of the Company's ability to generate income from activities which the company cannot forecast with any certainty.

Any additional equity financing will be dilutive to shareholders, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional funding as needed, it may not be able to take advantage of opportunities or develop projects. Further, the Company may be required to reduce the scope of its operations or anticipated expansion and it may affect the Company's ability to continue as a going concern.

3.2.12 Insurance

Insurance against all risks associated with mineral exploration is not always available or affordable. The Company will maintain insurance where it is considered appropriate for its needs however it will not be insured against all risks either because appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue.

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 operations of the Company. There is no assurance that the Company will be able to maintain adequate insurance in the future at rates that it considers is reasonable.

3.3 General Risks

The future prospects of the Company's business may be affected by circumstances and external factors beyond the Company's control. Financial performance of the Company may be affected by a number of business risks that apply to companies generally and may include economic, financial, market or regulatory conditions.

3.3.1 General Economic Climate

Factors such as inflation, currency fluctuation, interest rates and supply and demand have an impact on operating costs, commodity prices and stock market prices. The Company's future revenues and securities price may be affected by these factors, as well as by fluctuations in the price of commodities, which are beyond the Company's control.

3.3.2 Changes in Legislation and Government Regulation

Government legislation in Australia or any other relevant jurisdiction, including changes to the taxation system, may affect future earnings and the relative attractiveness of investing in the Company. Changes in government policy or statutory changes may also affect the Company and the value of its securities.

3.3.3 Competition for Projects

The Company competes with other companies, including mineral exploration and production companies. Some of these companies have greater financial and other resources than the Company. As a result, such companies may be in a better position to compete for future business opportunities and there can be no assurance that the Company can effectively compete with these companies.

The Company's inability to secure a new project or business opportunity may have an adverse effect on the operations of the Company, its possible future profitability and the trading price of its securities, including the New Shares offered under this Offer Document.

3.3.4 Commodity Price Volatility and Exchange Rate Risk

If the Company achieves success leading to mineral production, the revenue it will derive through the sale exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

3.3.5 Reliance on Key Personnel

The Company's success depends largely on the core competencies of its directors and management and the Company's ability to find and retain key personnel.

3.3.6 Sharemarket Conditions

The market price of the Company's securities may be subject to varied and unpredictable influences on the market for equities in general and resources stocks in particular.

3.4 Speculative Nature of Investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares offered under this Offer Document. Therefore, the New Shares offered pursuant to this Offer Document carry no guarantee with respect to the payment of dividends, returns of capital or the market value of the securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Shares.

4 DEFINED TERMS

Applicant means a person who submits an Entitlement and Acceptance Form.

Application refers to the submission of an Entitlement and Acceptance Form.

Application Monies means monies received from persons applying for New Shares.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Closing Date means 5.00pm (WST) on 3 December 2015.

Company means Laconia Resources Limited (ACN 137 984 297).

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company.

Eligible Shareholder means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date with a registered address in Australia or New Zealand.

Entitlement means the entitlement to subscribe for New Shares under this Offer and **Entitlements** has a corresponding meaning.

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Offer Document.

Ineligible Shareholder means a Shareholder who is not an Eligible Shareholder.

Listing Rules means the ASX Listing Rules published and distributed by ASX.

New Share means a new Share proposed to be issued pursuant to this Offer.

Offer means the offer of New Shares under this Offer Document.

Offer Document means this Offer Document dated 12 November 2015.

Opening Date means 24 November 2015.

Option means an option to acquire a Share.

Optionholder means a holder of Options.

Record Date means 5.00pm (WST) on 19 November 2015.

Share means an ordinary fully paid share in the capital of the Company.

Share Registry means Security Transfer Registrars Pty. Ltd.

Shareholder means a holder of Shares.

Shortfall means those New Shares under the Offer not applied for by Eligible Shareholders by the Closing Date.

Shortfall Offer means the offer of Shortfall Shares under this Offer Document.

Shortfall Shares means the New Shares which comprise the Shortfall .

WST means Australian Western Standard Time.