

17 March 2017

ASX Market Announcements
ASX Limited
20 Bridge Street
Sydney NSW 2000

Grant of Waiver

Laconia Resources Limited (the “Company”) advises that ASX has granted a waiver from:

1. Listing rule 7.3.2 to the extent necessary to permit the notice of meeting (the “Notice”) seeking shareholder approval for the issue of up to 135,399,250 milestone shares to unrelated vendors (“Unrelated Vendors”) of Kraaipan Founders Pty Ltd (“KFPL”) (“Unrelated Vendor Milestone Shares”), not to state that the Unrelated Vendor Milestone Shares will be issued no later than 3 months after the date of the meeting on the following conditions:
 - 1.1 The Company issues the Unrelated Vendor Milestone Shares to the Unrelated Vendors no later than seven days after the date that is 60 months from the date of the binding sheet (Terms Sheet”) to acquire all of the issued capital of KFPL (“Transaction”) entered into on 27 January 2017, being 3 February 2022.
 - 1.2 If the Company releases its annual report during a period in which the Unrelated Vendor Milestone Shares are issued or remain to be issued, the annual report discloses details of the Unrelated Vendor Milestone Shares that have been issued.
 - 1.3 In any half year or quarterly report for a period during which any of the Unrelated Vendor Milestone Shares have been issued or remain to be issued, the Company must include a summary statement of the number of Unrelated Vendor Milestone Shares issued during the reporting period, the number of Unrelated Vendor Milestone Shares that remain to be issued and the basis on which the Unrelated Vendor Milestone Shares may be issued.
 - 1.4 The Company releases the terms of this waiver to the market at the same time the Notice is released to the market by way of a separate announcement.
 - 1.5 The Notice contains the full terms and conditions of the Unrelated Vendor Milestone Shares.
 - 1.6 The milestones which must be satisfied for the Unrelated Vendor Milestone Shares to be issued are not varied.

2. Listing rule 10.13.3 and 10.13.5 to the extent necessary to permit the Notice seeking shareholder approval for the issue of the following shares:

- 2.1 Up to 2,500,000 shares to be issued to Mr Robert Downey, Mr Peter Fox and Mr Neville Bassett (the "Directors") under the shortfall to the rights issue and/or the placement to raise a total of \$2,400,000 ("Shortfall Shares");
- 2.2 11,314,500 shares to be issued to Mandevilla Pty Ltd, Overland Corner West Pty Ltd, Zenessa Pty Ltd and Mintaka Nominees Pty Ltd ("Related Party Vendors") on completion of the Transaction ("Completion Shares"); and
- 2.3 Up to 39,600,750 milestone shares to be issued to the Related Party Vendors ("Related Vendor Milestone Shares"),

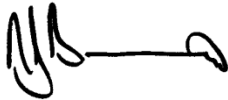
(together, the "Related Party Shares"),

not to state that the Related Party Shares will be issued within one month of the date of the date of the shareholders meeting, and not to include an issue price, subject to the following conditions:

- 2.4 The Company issues the Shortfall Shares to the Directors prior to completion of the Transaction ("Completion") and no later than three months after the date of the meeting.
- 2.5 The Company issues the Completion Shares at the earlier of Completion and three months after the date of the meeting.
- 2.6 The Company issues the Related Vendor Milestone Shares no later than seven days after the date that is 60 months from the date of Terms Sheet, being 3 February 2022.
- 2.7 The Notice states that the Related Vendor Milestone Shares will be issued to the Related Party Vendors at an issue price equal to the higher of:
 - (a) the 5 day volume weighted average price for the last 5 days on which Shares traded prior to the announcement to the ASX of the satisfaction of the relevant milestone; and
 - (b) \$0.02.
- 2.8 If the Company releases its annual report during a period in which the Related Party Shares are issued or remain to be issued, the annual report discloses details of the Related Party Shares that have been issued and any the Related Party Shares remaining to be issued.
- 2.9 in any half year or quarterly report for a period during which any of the Related Party Shares have been issued or remain to be issued, the Company must include a summary statement of the number of Related Party Shares issued during the reporting period, the number of Related Party Shares that remain to be issued and the basis on which the Related Party Shares may be issued.
- 2.10 The Company releases the terms of this waiver to the market at the same time the Notice is released to the market by way of a separate announcement.

- 2.11 The Notice contains the full terms and conditions of the Related Vendor Milestone Shares.
- 2.12 The milestones which must be satisfied for the Related Vendor Milestone Shares to be issued are not varied.
- 2.13 Provision of an undertaking from the Company and the Related Party Vendors in the form of a deed that any shares to be issued to the Related Party Vendors will be classified as restricted securities and made subject to an escrow period ending on the date twelve months from the date of issue of the Related Vendor Milestone Shares, and that the Company will not issue any such shares until a restriction agreement in relation to those shares for the relevant period has been entered into by the Company and the allottee.

Yours faithfully



N J Bassett
Company Secretary