Disseminated to Semi-massive Sulphides intersected in drill holes testing KB04 and KB05 EM anomalies.

Highlights

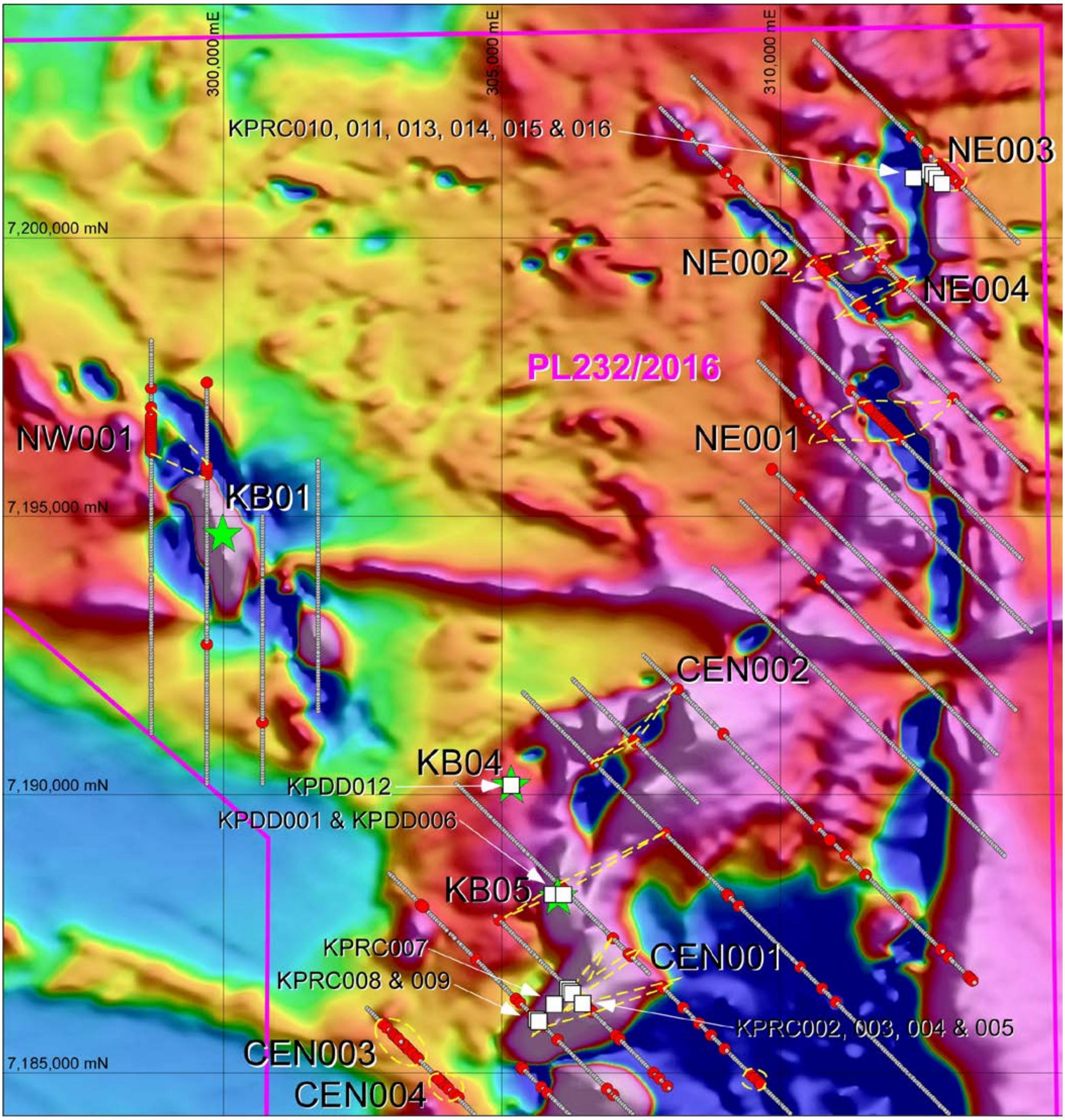
- **Laconia's maiden drill program on the Kraaipan Project is proceeding according to plan**
- **Drill holes planned to test the KB04 and KB05 EM anomaly exploration targets have intersected sulphides from disseminated to semi-massive of varying thicknesses at around the modelled EM plate depths**
- **Sulphides are predominantly pyrrhotite and pyrite (iron sulphides) with traces of chalcopyrite that are spatially associated with magnetite-rich rocks**
- **Sulphides also spatially associated with gabbroic, mafic intrusive rocks**
- **First assay results expected in mid-January 2018**
- **The current drill program is still scheduled to be completed by the end of 2017**

Laconia Resources Limited ('Laconia' or 'Company') (ASX: LCR) is pleased to provide an update on the Company's maiden drill program that is currently underway on the 100% owned Kraaipan Gold-Nickel-Copper-PGM Project ('Kraaipan Project' or 'Project') in southern Botswana. The most significant outcome of the drilling so far is that the drill holes planned to test EM anomalies KB04 and KB05, have intersected disseminated to semi-massive sulphides around the depth of the EM plates used to model these anomalies. This mineralisation appears to be of a similar style to some of the historic drilling intersections to the south and therefore, may also contain gold mineralisation, as well as PGM's due to its spatial association with highly magnetic, gabbroic, mafic intrusives. Whether or not these samples contain gold and PGM's will not be established until assay results are received from the laboratory, which are expected around mid-January 2018.

Laconia's CEO Dr Quinton Hills said: 'It is very encouraging that our current drill program is intersecting disseminated to semi-massive sulphides that are interpreted to explain the EM anomalies, KB04 and KB05. We now look forward to receiving the assay results from these drill holes to determine if there is gold and PGM's associated with the sulphides.'

Laconia is continuing its maiden drill program on the Kraaipan Gold-Nickel-Copper-PGM Project, with the next EM target to be drill tested being KB01, which is a high-quality EM anomaly along strike from a gold anomalous zone of at least 1.4 kilometres long and up to 600 metres wide (See ASX Announcements dated 2/11/2017 and 23/10/2017 for details).

Figure 1: Location of the drill holes completed so far on the Kraaipan Gold-Nickel-PGM Project displayed on a regional aeromagnetic data pseudocolor image. The location of EM targets with green stars and drill holes with white squares.



Kraaipan Gold-Nickel-Copper-PGM Project Drill Program

Diamond Drill holes

Since the commencement of drilling on the 1st of November, Laconia has completed three diamond-core drill holes (DD) for 544.12 metres and 12 RC drill holes for 1106 metres (Figure 1 and Table 1). Of the three DD holes, two were drilled into the KB05 EM anomaly exploration target (See ASX Announcements dated 2/11/2017 and 23/10/2017 for details) and one was drilled into the KB04 EM anomaly exploration target (See ASX Announcements dated 2/11/2017 and 25/07/2017 for details).

All DD drill holes have intersected disseminated to semi-massive sulphides over varying thicknesses around the proposed target depths from the EM plate modelling (Table 2). The sulphides are mainly iron sulphides, pyrite and pyrrhotite with traces of chalcopyrite associated with magnetite-rich rocks. These sulphide zones are also interpreted to be associated with proximal gabbroic intrusive rocks that were also intersected by these drill holes. The gabbroic intrusive rocks contain highly magnetic layers/zones and appear to correspond with the strongly negatively magnetised zones observed in the regional aeromagnetic dataset, that were previously interpreted to be the result of mafic/ultramafic intrusives. The current interpretation of the mineralisation (and associated alteration) identified is that it is a result of the interaction between the gabbroic, mafic intrusive rocks and the magnetite-rich Iron Formations of the Kraaipan Greenstone Belt.

The next EM exploration target to be drill tested with diamond-core is KB01, which is a high-quality EM anomaly that coincides with a north-northwest to south-southeast trending, relatively high magnetic anomaly, interpreted to be a Banded Iron Formation (BIF) rock unit. Detailed EM and 3D magnetic modelling of this exploration target found that the causative source of the EM anomaly coincides with a zone of decreased magnetisation within the overall north-northwest to south-southeast trending magnetic anomaly. KB01 is also along strike of a gold anomalous zone of at least 1.4 kilometres long and up to 600 metres wide (See ASX Announcement dated 2/11/2017 and 23/10/2017 for details).

RC drill holes

Of the 12 RC holes completed to date, seven were drilled into exploration target CEN001 and five were drilled into exploration target NE003. At CEN001, the greenstones and ironstones of the Kraaipan Greenstone Belt were intersected by the RC drilling, as well as gabbroic intrusive rocks (that were associated with the sulphides intersected in the drill holes into the KB04 and KB05 EM targets) but only minor disseminated sulphides were encountered.

Similar to CEN001, the RC drilling at NE003 intersected the greenstones and ironstones of the Kraaipan Greenstone Belt, as well as the gabbroic intrusive rocks that were associated with the sulphides intersected in the drill holes into the KB04 and KB05 EM targets, but only minor disseminated sulphides.

The next geochemical exploration target zone to be RC drilled is NE001 (Northeast Sector: See ASX Announcements dated 26/09/2017 and 02/10/2017). Exploration target NE001 is a gold anomalous zone of at least 3 kilometres long and up to 750 metres wide and is open to the east-northeast and west-southwest. This gold anomalous zone is directly spatially associated with highly magnetic rocks, which are an excellent chemical trap for gold mineralising fluids. Not only is this zone anomalous for gold but it was also found to be anomalous for nickel, copper and Platinum Group Metals (PGMs). The Nickel-Copper-PGM anomaly is at least 2 kilometres long and coincides with the thickest part of the gold anomalous zone. This exploration target overlies a remanently magnetised (negative) feature interpreted to be due to mafic/ultramafic intrusive rocks. Mafic/ultramafic intrusive rocks can host magmatic Ni-Cu-PGM sulphides.

Table 1: Details of drill holes completed on the Kraaipan Gold-Nickel-Copper-PGM Project since the start of the drill program on the 1st November 2017.

Hole ID	Hole Type	Collar Location UTM WGS84 35S		Dip (^{0})	Azimuth (^{0})	Date Started	Date Completed	Duration (days)	DD E.O.H (m)	RC E.O.H (m)	Hole Status
		Easting	Northing								
KPDD001	DD	305990	7188208	-60	270	01-Nov-17	08-Nov-17	7	144.70		Completed
KPRC002	RC	306252	7186455	-55	135	03-Nov-17	04-Nov-17	1		90	Completed
KPRC003	RC	306285	7186418	-55	135	04-Nov-17	06-Nov-17	2		90	Completed
KPRC004	RC	306321	7186383	-55	135	06-Nov-17	07-Nov-17	1		95	Completed
KPRC005	RC	306505	7186210	-55	135	07-Nov-17	08-Nov-17	1		93	Completed
KPDD006	DD	305024	7188206	-60	90	08-Nov-17	25-Nov-17	7	192.62		Completed
KPRC007	RC	305951	7186179	-55	135	08-Nov-17	09-Nov-17	1		90	Completed
KPRC008	RC	305670	7185915	-55	135	09-Nov-17	10-Nov-17	1		90	Completed
KPRC009	RC	305706	7185881	-55	135	10-Nov-17	13-Nov-17	3		96	Completed
KPRC010	RC	312704	7201320	-55	135	14-Nov-17	15-Nov-17	1		102	Completed
KPRC011	RC	312775	7201249	-55	135	16-Nov-17	16-Nov-17	0		90	Completed
KPDD012	DD	305112	7190200	-60	90	16-Nov-17	23-Nov-17	7	206.80		Completed
KPRC013	RC	312847	7201178	-55	135	17-Nov-17	17-Nov-17	0		90	Completed
KPRC014	RC	312946	7201070	-55	135	20-Nov-17	22-Nov-17	2		90	Completed
KPRC015	RC	312446	7201225	-55	160	22-Nov-17	23-Nov-17	1		90	Completed
KPRC016	RC	312461	7201179	-55	160	23-Nov-17					In Progress
								Total Metres:	**544.12**	**1,106**	

Table 2: Details of mineralised intersections from the three DD holes drilled into KB04 and KB05.

Hole ID	From (m)	To (m)	Width (m)	Mineralisation Details
KPDD001 (drilled into KB05)	74.32	84.68	10.36	Banded Iron Formation (BIF) cross-cut but quartz-calcite veins and associated quartz-chlorite-epidote alteration (see Figure 2). Some evidence of weather Sulphides like hematite saining and small square pits.
	92.1	94.47	2.37	Zone of 1-3%, fine-grained, disseminated pyrite-pyrrhotite within a Banded Iron Formation (BIF) unit close to the margin of a gabbroic intrusive rock.
	121	123.57	2.57	Zone of 1-10%, fine-grained, disseminated to semi-massive pyrite-pyrrhotite with traces of chalcopyrite within a Banded Iron Formation (BIF) unit close to the margin of a gabbroic intrusive rock. Fine-grained sulphides are disseminated variably throughout the magnetite-rich units as well as coarse-grained with cross-cutting qtz-calcite veins.
	128	134.5	6.5	Zone of 1-10% fine-grained disseminated to locally semi-massive pyrrhotite-pyrite with traces of chalcopyrite within a Banded Iron Formation (BIF) unit close to the margin of a gabbroic intrusive (see Figure 3) Fine-grained sulphides are disseminated variably throughout the magnetite-rich units as well as coarse-grained with cross-cutting qtz-calcite veins. Some minor 5-30cm gabbroic intrusions through this zone.
KPDD006 (drilled into KB05)	104	105.7	1.7	Zone of trace to 1% disseminated, fine-grained pyrrhotite-pyrite associated with chlorite-epidote alteration of interlayered Banded Iron Formation (BIF) /greenstones.
	110.85	113.62	2.77	Zone of trace to 1% disseminated, fine-grained pyrrhotite-pyrite associated with chlorite-epidote alteration of BIF xenoliths within a gabbroic intrusive.
	113.62	115.89	2.27	Zone of 1-3%, disseminated, fine-grained pyrrhotite-pyrite associated with chlorite-epidote alteration of BIF. More abundant disseminated pyrrhotite towards the bottom of the interval.
	122.71	135.55	12.84	Zone of strong quartz-chlorite alteration and widely distributed, 1-3%, fine-grained, disseminated pyrite/pyrrhotite within a Banded Iron Formation (BIF) unit strongly crosscut by multiple 10-50cm gabbroic intrusives. Also, contains coarse-grained pyrite associated with cross-cutting qtz-calcite veins.
	138.8	139.9	1.1	Zone of 1-5%, disseminated, coarse-grained, blebby pyrrhotite-pyrite that is associated with chlorite-epidote alteration and qtz-calcite veining within a Banded Iron Formation (BIF) unit close to the contact of a gabbroic intrusive.
	147.77	149	1.23	Zone of 1-5%, disseminated, coarse-grained, blebby pyrrhotite-pyrite that is associated with chlorite-epidote alteration and qtz-calcite veining within a Banded Iron Formation (BIF) unit close to the contact of a gabbroic intrusive.
	154.6	154.92	0.32	Zone of 1-3%, disseminated, fine-grained pyrrhotite-pyrite within a Banded Iron Formation (BIF) zenolith within a gabbroic intrusive.
	159.7	163.29	3.59	Excellent zone of 1-10%, disseminated to semi-massive pyrrhotite veining in BIF. Several 1-3cm pyrrhotite veins that appear to follow along the lithological boundaries of the BIF layers. Also, contains coarse-grained pyrite associated with cross-cutting qtz-calcite veins.
	167.95	168.15	0.2	Zone of 1-3%, disseminated, fine-grained pyrrhotite-pyrite veining in BIF zenolith within a gabbroic intrusive.
KPDD012 (drilled into KB04)	149.7	159.3	9.6	Zone of variable distributed, 1-10%, fine-grained, disseminated to semi-massive pyrrhotite-pyrite in BIF/greenstone units/zenoliths within a gabbroic intrusive. Best pyrrhotite veins occur at 149.70-150.17m; 155.70m (see Figure 4); 157.90; and 158.30 metres.
	159.3	193.77	34.47	Zone of widely distributed but relatively minor, trace to 1%, disseminated pyrrhotite-pyrite mainly confined to quartz-calcite veinlets within interlayered Banded Iron Formation (BIF) /greenstone units.

Figure 2: Zone of strongly weathered, well-developed quartz-calcite veins in a Banded Iron Fomration (BIF) unit from 74.32 to 84.68m in KPDD001.

Figure 3: Zone of disseminated to semi-massive pyrrhotite-pyrite with traces of chalcopyrite within a Banded Iron Formation (BIF) unit close to the margin of a gabbroic intrusive rock. Some minor 5-20cm gabbroic intrusions through this zone. From KPDD001 between 128 to 130m.

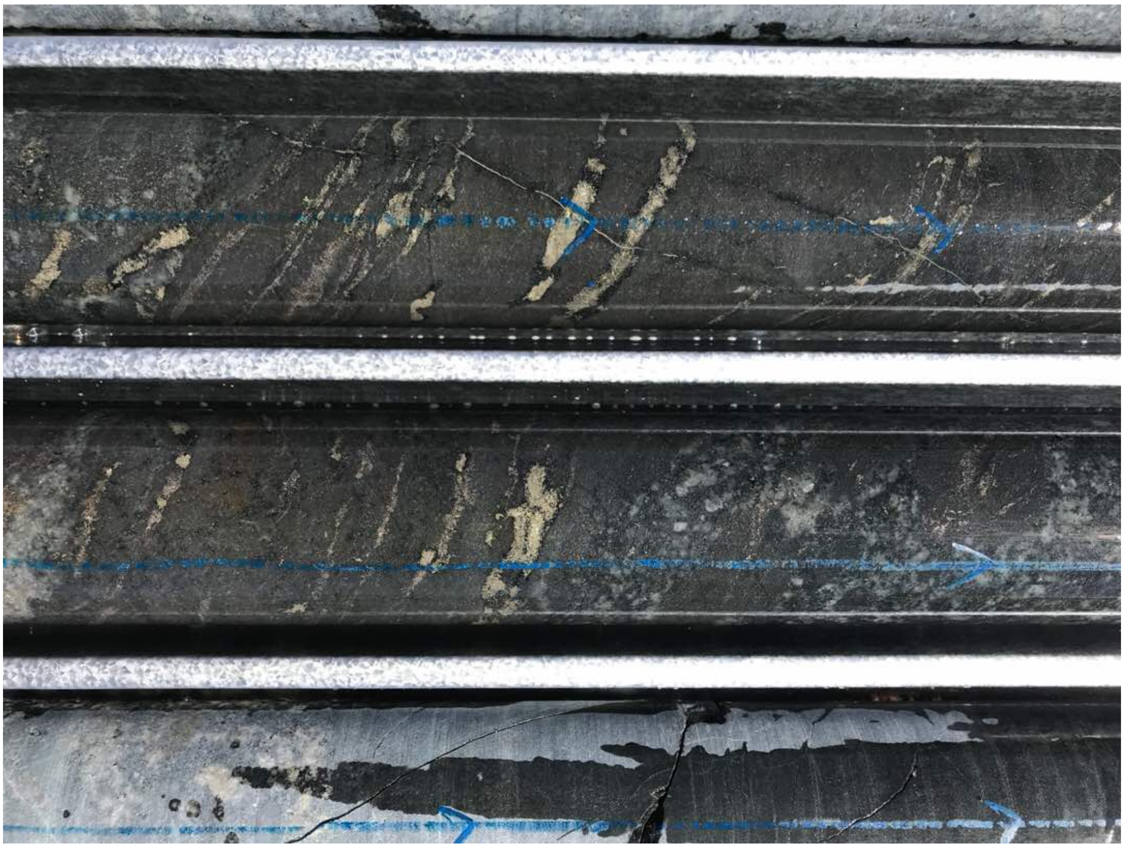
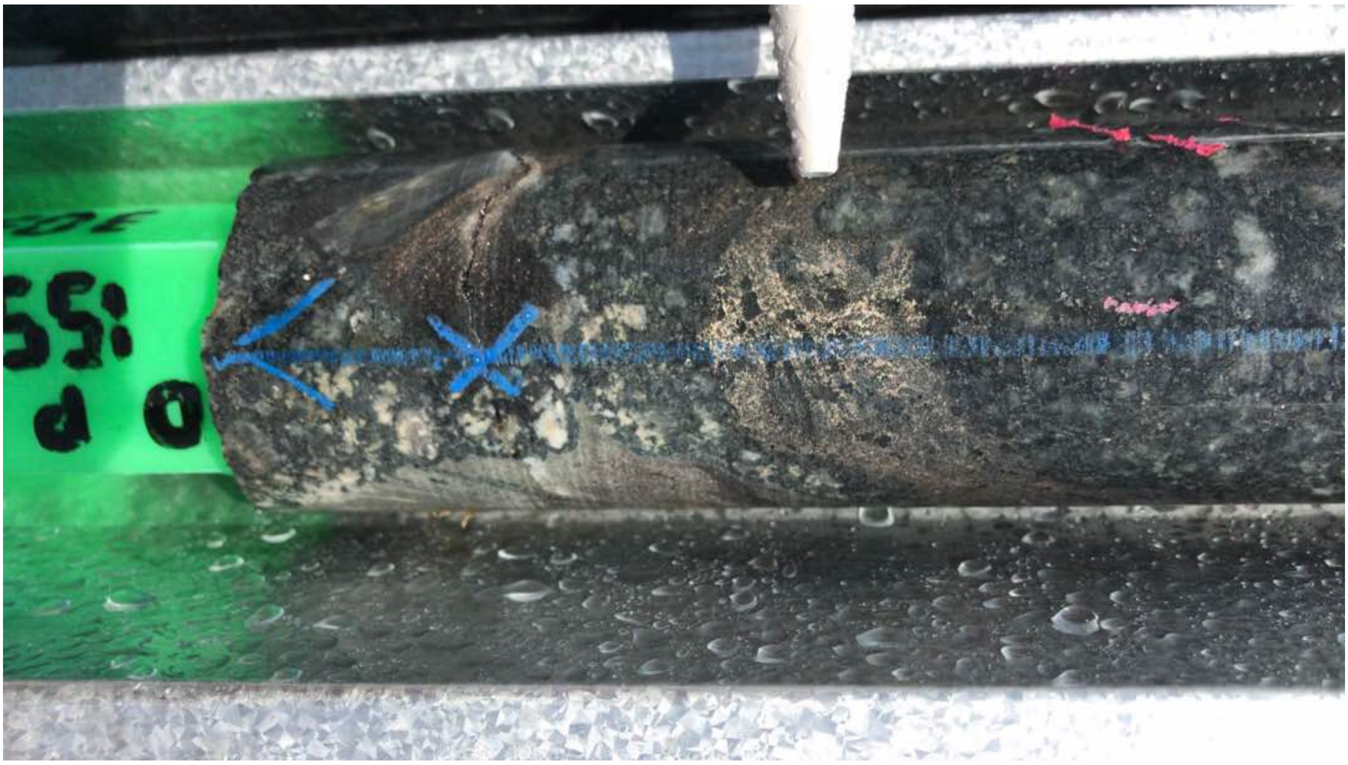


Figure 4: Semi-massive zone of pyrrhotite associated with qtz-chlorite-epidote alteration within a greenstone units from 155.70m in KPDD0012.



About the Kraaipan Gold-Nickel-Copper-PGM Project

Laconia Resources' 100% owned Kraaipan Gold-Nickel-Copper-PGM Project comprises Prospecting Licence, PL232/2016 ('Project Tenure') and covers approximately 50 kilometres of the Kraaipan Greenstone Belt in southern Botswana (Figure 4). The Kraaipan Project is part of the larger NNW trending Amalia-Kraaipan-Greenstone-Terrane ('AKGT') of the Kaapvaal Craton. The AKGT in Botswana is directly along strike from significant gold deposits, as well as adjacent to significant PGE deposits across the border in South Africa.

The southern boundary of the Project tenure is located along Botswana's southern border with South Africa and can be accessed via well-maintained, all weather roads from Gaborone (capital of Botswana), approximately 150 kilometres to the north.

Laconia's exploration strategy is to utilise geochemical and geophysical techniques which have been used to find Gold and Nickel-Copper-PGM deposits in Australia's Yilgarn Goldfields but have not yet been routinely applied in this terrane. Currently, we are drilling several gold and nickel-copper-PGM targets identified through the analysis of approximately 6,000 regional soil samples across the Kraaipan Project tenure; an assessment of a historic electromagnetic surveys (VTEM) that contains several high priority targets, all of which remain untested; and a geological/structural interpretation of the regional aeromagnetic data to identify the most likely faults/shear zones to be associated with gold mineralisation.

For further information please visit www.laconia.com.au or contact:

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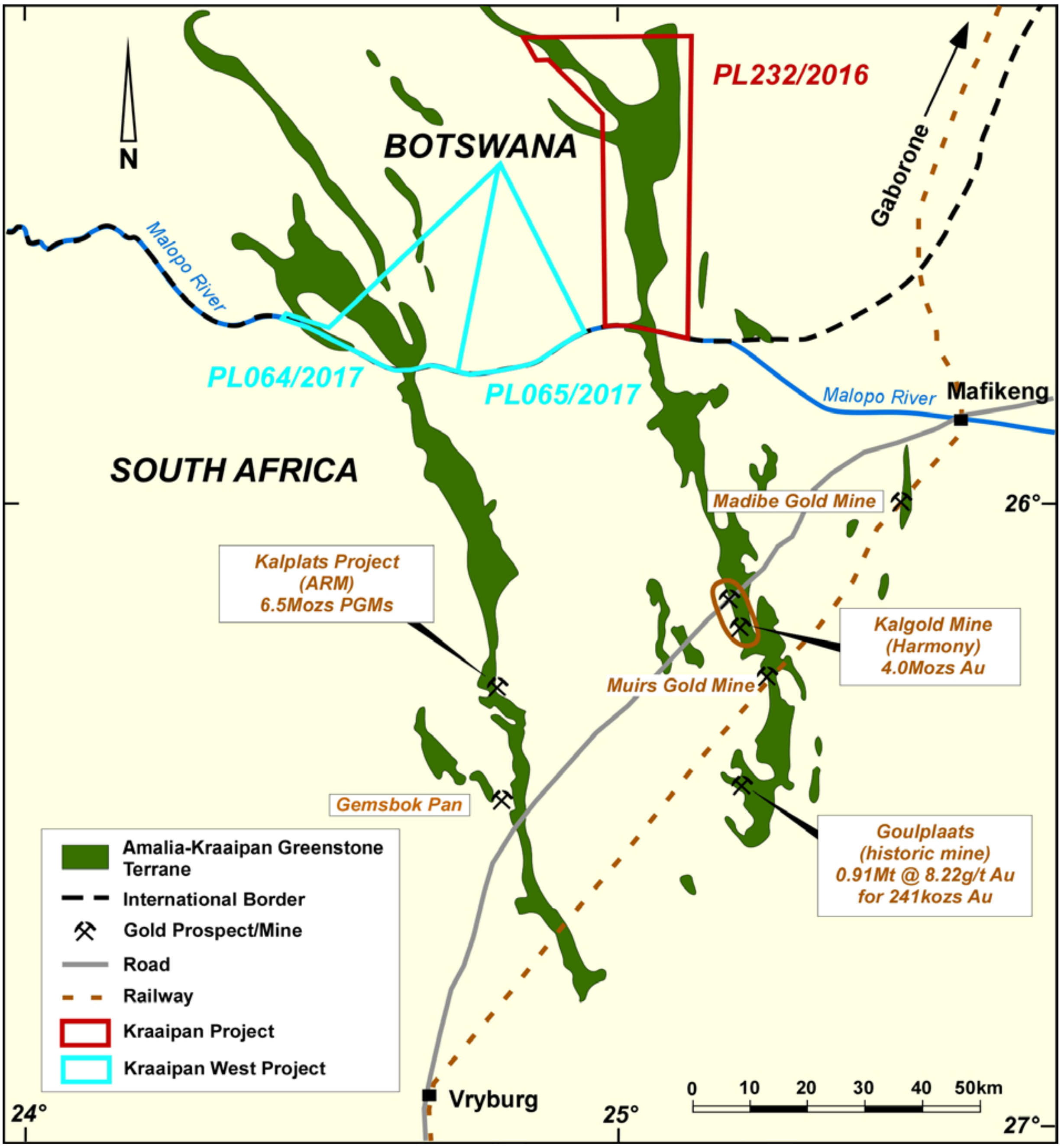
Competent Person Statement

The information in this report that relates to *Exploration Results* is based upon information prepared and reviewed by Dr Quinton Hills who is a Member of the Australasian Institute of Mining and Metallurgy (No. 991225). Dr Hills is an employee of Laconia Resources Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Hills consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

Figure 4: Location of the Kraaipan and Kraaipan West Gold-Nickel-Copper-PGM projects in relation to the Harmony's Kalgold Mine and the African Rainbow Minerals' Kalplats Project across the border in South Africa.



JORC (2012) TABLE 1 – Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *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 (e.g. '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 (e.g. submarine nodules) may warrant disclosure of detailed information.*	Diamond core drilling: Samples are half-core taken every metre or less than a metre where a lithological break occurs in between metre marks. DD samples will be sent to the laboratory. At the laboratory they will be dried, crushed to ~10mm and then pulverised. A 300g sub-sample of the pulverised material will then be taken for analysis. A 50g charge taken from the 300g sub-sample will then be subject to a fire assay for Au, Pt and Pd. Reverse-circulation drilling: RC chip samples were taken every metre. RC samples will be sent to the laboratory. At the laboratory they will be dried, crushed to ~10mm and then pulverised. A 300g sub-sample of the pulverised material will then be taken for analysis. A 50g charge taken from the 300g sub-sample will then be subject to a fire assay for Au, Pt and Pd.
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. 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).*	Diamond core drilling: NQ Size core and is being orientated. Reverse-circulation drilling with a face sampling hammer.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.* *Measures taken to maximise sample recovery and ensure representative nature of the samples.* *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.*	Diamond core drilling: Core Recovery and RQD measured against drill string length. No significant core loss was recorded within the mineralised zones. Reverse-circulation drilling: Sample weights were all measured in order to assess sample recovery. Sample weights appeared relatively uniform and therefore, sample recovery was deemed adequate. No assays reported here, so no comments can be made about the relationship between sample recovery and grade.

Logging	*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.* *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* *The total length and percentage of the relevant intersections logged.*	All Diamond core and RC drill holes were quantitively and qualitatively geologically logged. Holes have not been extensively geotechnically logged as they are exploration holes and are not being used to support Mineral Estimation, mining studies and/or metallurgical studies.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.* *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* *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.* *Whether sample sizes are appropriate to the grain size of the material being sampled*	Diamond core drilling: Samples are ½ core taken every metre or less than a metre where a lithological break occurs in between metre marks. Field duplicates were also taken by cutting the core into ¼ core. Reverse-circulation drilling: RC chip samples were taken every metre. RC chips were taken from the cyclone and then put through a two-tiered riffle splitter to reduce sample size at a 1:8 ratio. RC chips were sampled dry. Field duplicates were also taken by riffle splitting a second sample from the RC chips taken directly from the cyclone. Sampling procedures are industry standard and deemed appropriate for the style of mineralisation encountered.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* *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.* *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.*	Standards and blanks were inserted into the routine sampling sequence by Laconia field staff at a rate of 1 standard and blank, every 50 routine samples. The laboratory also analysed standards, blanks and duplicates at a rate of at least 1 each, every 50 samples. No assay results of the QA/QC samples have been received yet.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Geological logging was completed by Laconia's field geologist and reviewed by LCR's Country Manager and/or CEO, who are both geologists with enough experience in the style of mineralisation to be regarded as JORC compliant.
	The use of twinned holes.	Not Applicable.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Internal data verification, data entry procedures and storage protocols were adhered to during the collection of these drilling samples and properly documented. All data is stored within an Access database.
	Discuss any adjustment to assay data.	No adjustment has been made to any assay data.

Location of data points	*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.*	The data points were located using a handheld GPS. A handheld GPS has an accuracy of 3-5 metres in northings and eastings and approximately 10 metres in elevation, which is considered sufficient for this early stage, regional exploration.
	Specification of the grid system used.	The drill collars reported here were completed in Geodetic Datum: WGS84 UTM zone 35S.
	Quality and adequacy of topographic control.	Topographic control is of sufficient quality and adequate for the purpose of interpreting the regional exploration drilling results.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Drill holes were not planned with any particular spacing in mind. They were planned to test geochemical/geophysical targets. If assays show potentially economic grades then extension drilling will be completed on a defined grid in order to try to establish a mineral resource.
	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.	Not Applicable.
	Whether sample compositing has been applied.	No sample compositing was applied.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	The orientation of drilling compared to the orientation of mineralised structures intersected appears to be at a fairly high angle, suggesting that an unbiased sample has been achieved.
	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 material.	Not Applicable.
Sample security	*The measures taken to ensure sample security.*	Drilling samples are secured in single sample bag then zip locked into large calico bags. Samples were then stored at a secure facility in the field and also at LCR's Gaborone office till they were dispatched via courier to the laboratory. The chain of custody throughout this process was maintained.

Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No audits or reviews of the sampling techniques and data have been completed yet.

JORC (2012) TABLE 1 – Section 2: Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*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.*	The Kraaipan Project consists of the area held under tenure by Prospecting Licence No. PL232/2016. South East Metals (Pty) Ltd, which is incorporated in Botswana and holds the Kraaipan Project tenure is a wholly owned subsidiary of Laconia Resources Limited (ASX: LCR), which is incorporated in Australia.
	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.	Tenure was granted on the 1st of October 2016 for a period of three years. There are no known impediments to obtaining a licence to operate in this area.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	For information on other exploration data/results please refer to LCR announcement dated 4/4/2017, which refers to historic soil and rock chip geochemical survey results and subsequent drilling results. For information on the historic geophysical survey data/results please refer to LCR announcement dated 25/07/2017.

Criteria	JORC Code explanation	Commentary
Geology	*Deposit type, geological setting and style of mineralisation.*	The Kraaipan Project covers an approximately 50 kilometre long stretch of the Kraaipan Greenstone Belt (KGB) in Southern Botswana. The KGB is a part of the larger Amalia-Kraaipan Greenstone Terrane of the Kaapvaal Craton (AKGB), consisting of north trending, linear belts of older Archaean (~3500 Ma) meta-volcanic and meta-sedimentary rocks, separated by granitoid units. The KGB in Botswana is interpreted to be highly prospective for both orogenic gold and magmatic nickel-copper-PGM sulphide mineralisation as these rocks are directly along strike and within the same geological units as the well-known Kalgold (over 4.0 million ounces of gold) and Kalplats (over 6.5 million ounces of PGMs) deposits across the border in South Africa. The gold mineralisation identified by previous exploration within the KGB is distinctly similar to that found at Kalgold. It occurs in shallow dipping (approximately 65°E) quartz-carbonate veins, found in clusters or swarms, within a steeply dipping, sub-greenschist facies, magnetite-chert, banded iron formation (BIF) rock units. In both areas, the gold mineralized veins are associated with disseminated sulphide mineralisation, dominated by pyrite, which is distributed around and between the shallowly dipping quartz vein swarms.
Drill hole Information	*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:* *easting and northing of the drill hole collar* *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* *dip and azimuth of the hole* *down hole length and interception depth hole length.*	See Table 1 and Table 2 in this announcement.
	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 understanding of the report, the Competent Person should clearly explain why this is the case.	Not Applicable.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	No assays reported here, so no comments can be made about data aggregation methods in relation to Exploration Results.
	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	Not Applicable.

Criteria	JORC Code explanation	Commentary
	aggregations should be shown in detail.	
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	Not Applicable.
Relationship between mineralisation widths and intercept lengths	*If the geometry of the mineralisation with respect to the drill-hole angle is known, its nature should be reported.*	The predominant geometry of the mineralisation in structures with respect to drill hole angle was between 70-80 degrees. However, the most common mineralisation was disseminated and therefore, no geometry of could be established in these zones.
	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	Not Applicable.
Diagrams	*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.*	Not Applicable.
Balanced reporting	*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.*	No assays reported here.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported) including (but not limited to): geological observations; geophysical 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.*	For information on other exploration data/results please refer to LCR announcement dated 4/4/2017, which refers to historic soil and rock chip geochemical survey results and subsequent drilling results. For information on geophysical survey data/results please refer to LCR announcement dated 25/07/2017. For information on the northwest sector soil geochemical data/results please refer to LCR announcement dated 11/09/2017. For information on the northeast sector soil geochemical data/results please refer to LCR announcement dated 26/09/2017. For information on the central sector soil geochemical data/results please refer to LCR announcement dated 16/10/2017. For information on the KB01 and KB05 EM targets please refer to LCR announcement dated 23/10/2017.
Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	Laconia is continuing its maiden drill program on the Kraaipan Gold-Nickel-Copper-PGM Project, with the next EM target to be drill tested being KB01, which is a high-quality EM anomaly along strike of a gold anomalous zone of at least 1.4 kilometres long and up to 600 metres wide (See ASX Announcement dated 2/11/2017 and 23/10/2017 for details). Once assay

Criteria	JORC Code explanation	Commentary
		results are received, further work to extend any potentially economic intersects will be considered.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	