

New Kraaipan West Project Tenure Granted

Highlights

- **Laconia has been granted two new Prospecting Licences covering additional sections of the Amalia-Kraaipan Greenstone Terrane in southern Botswana, to be named the Kraaipan West Gold-Nickel-Copper-PGM Project.**
- **Kraaipan West covers greenstone rocks directly along strike from the Kalplats Project (~6.5 million oz of 3E PGMs¹) and is therefore, interpreted to be highly prospective for nickel, copper and PGM mineralisation.**
- **Kraaipan West also covers the same rocks that host the Kalgold Mine (~4 million oz gold pre-mining resource²).**
- **Laconia's ground holding covering highly prospective greenstone rocks in southern Botswana has increased by almost 120% to 1,896km².**

Laconia Resources Limited ('Laconia' or 'Company') (ASX: LCR) is pleased to announce that two new Prospecting Licences have been granted to Laconia in southern Botswana. Together these Prospecting Licences have been named the Kraaipan West Gold-Nickel-Copper-PGM Project ('Kraaipan West Project'), covering an approximately 15 kilometre long stretch of the Amalia-Kraaipan Greenstone Terrane (AKGT) in southern Botswana. The AKGT in Botswana is interpreted to be highly prospective for both 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 and Kalplats deposits across the border in South Africa.

The Kraaipan West Project comprises Prospecting Licences, PL064/2017 and PL065/2017, which are 584 km² and 446km² in area respectively and are valid for three years (Figure 1). This project is approximately 30 kilometres to the west of Laconia's recently acquired Kraaipan Gold-Nickel-Copper-PGM Project. The southern boundary of the tenures 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 180 kilometres to the north.

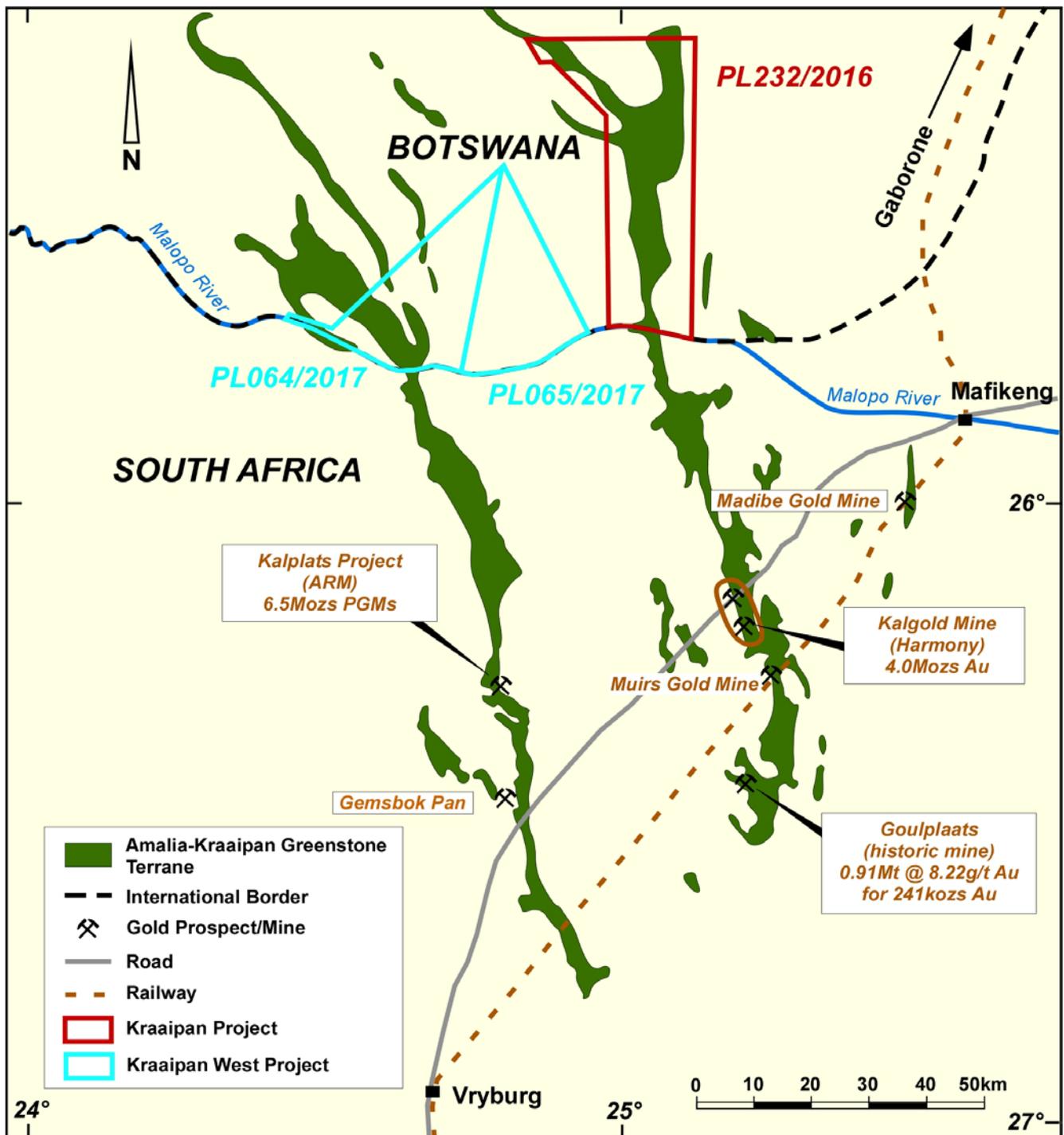
Laconia plans to immediately commence a comprehensive, targeted exploration program of the 50 strike kilometre's of highly prospective, greenstone rocks within its flagship Kraaipan Gold-Nickel-Copper-PGM Project. This exploration program will utilise geochemical and geophysical techniques which have been used to find gold deposits in Australia's Yilgarn Goldfields but have not yet been routinely applied in this terrane. If these exploration techniques are successful on the Kraaipan Project, they will then be applied to the Kraaipan West Project.

1- 2016 Mineral Resources and Mineral Reserves Report for African Rainbow Minerals (JSE: ARI)

2- 2010 Mineral Resources and Mineral Reserves Report for Harmony Gold Mining Company Ltd (JSE: HAR)

The reasoning behind the focus on the Kraaipan Project first is that this area has varying thicknesses of Kalahari cover from outcropping at the most 30 metres depth, while at Kraaipan West the Kalahari cover is deeper, between 30 and 60 metres depth. In most cases, the shallower the cover the more likely it is that a blind mineral deposit can be detected by geochemical sampling methods however, 30 to 60 metres depth is still not considered deep enough to significantly impede the application of geochemical sampling methods focused on 'Pathfinder' elements.

Figure 1: 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.



Gold Prospectivity

The Amalia-Kraaipan Greenstone Terrane (AKGT) in Botswana is interpreted as highly prospective for lode-gold mineralisation as it is within the same terrane as the well-known Kalgold Mine in South Africa (Figure 1). The Kalgold Mine, owned by Harmony Gold Mining Company Ltd ('Harmony', JSE: HAR) has been in production since 1996 and had an estimated pre-mining mineral resource containing over 4 million ounces of gold.¹ The gold mineralisation identified by previous exploration in the AKGT within Botswana is distinctly similar to that found at Kalgold. It occurs in swarms of quartz \pm carbonate veins that obliquely cross-cut the Banded Iron Formation ('BIF') host rocks. In both areas, the gold mineralized veins are associated with disseminated sulphide mineralisation, dominated by pyrite, distributed around and between the quartz vein swarms.

Nickel, Copper and Platinum Group Metals Prospectivity

The AKGT is also interpreted to be prospective for Nickel, Copper and Platinum Group Metals (PGM) mineralisation associated with mafic intrusive rocks, similar to the style of mineralisation found at the Kalplats Project across the border in South Africa (Figure 1). The Kalplats Project, which is owned by African Rainbow Minerals (JSE: ARI) is reported to contain over 6.5 million ounces of 3E (platinum + palladium + gold) PGMs². The Kalplats mineralisation is hosted within the Stella Layered Intrusion, which is a layered intrusion of variably magnetite-rich gabbroic material (mafic intrusive igneous rocks). The PGM mineralisation at Kalplats occurs as magmatic segregation reef deposits, hosted in magnetite gabbro closely associated with BIF, magnetite-rich quartzite and amphibolite layers.

Proposed Exploration Activities

As vast areas of these prospective greenstone rocks have been left unexplored due to various thicknesses of transported overburden, Laconia plans to apply well-developed and highly successful undercover exploration techniques, that are tried and tested in western and southern Australia (Yilgarn Goldfields, Gawler Craton, etc), to an exciting, well-endowed, but poorly explored greenstone terrane. The most effective and successful undercover exploration techniques to find gold mineralisation, similar to that found at Kalgold undercover, are interpreted to be a combination of geochemical soil and calcrete sampling. In order to progress the exploration of the Kraaipan West Project the company plans to:

Geochemistry

- Complete regional soil sampling surveys and analyse for 'Pathfinder' elements e.g. Cu, Zn, As, Te, Bi, Ag, Rb, Ba, Zr, Sc and K using a full geochemistry suite, as well as low detection Au & PGMs.
- Drill (aircore) to sample the calcrete and top of the basement in areas of anomalous concentrations of 'Pathfinder' elements or gold anomalism from the soil sampling survey results.

Drilling

- Drill test exploration targets generated from the geochemical results.

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

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1- 2010 Mineral Resources and Mineral Reserves Report for Harmony Gold Mining Co. Ltd (JSE: HAR).

2- 2016 Mineral Resources and Mineral Reserves Report for African Rainbow Minerals (JSE: ARI)

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. 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.