

Maiden Drill Program Commences on Kraaipan Project

Highlights

- **Maiden drill program started on the Laconia's 100% owned, Kraaipan Gold-Nickel-Copper-PGM Project, southern Botswana.**
- **Drill program will comprise of approximately 4,000 metres, split between Diamond-Core (DC) and Reverse-Circulation (RC) drilling.**
- **Highest priority exploration targets, KB01 and KB05, defined by coincident electromagnetic, geochemical and magnetic anomalies to be drilled with DC.**
- **Large, gold anomalous zone exploration targets: NW001, NE001, CEN001 and NE003 to be tested with fences of RC holes.**
- **Exploration target NE001 also a large Ni-Cu-PGM anomalous zone.**
- **Several other EM targets and/or gold/nickel-copper-PGM anomalies are being considered for drill testing.**
- **DC and RC drilling to occur concurrently in order to complete drill program as quickly and cost effectively as possible.**

Laconia Resources Limited ('Laconia' or 'Company') (ASX: LCR) is pleased to announce the commencement of an exploration drill program on its 100% owned Kraaipan Gold-Nickel-Copper-PGM Project ('Kraaipan Project' or 'Project') in southern Botswana (Figure 1). This drill program will consist of approximately 4,000 metres of drilling distributed across several high priority exploration targets. The highest priority exploration targets, KB01 and KB05 (See ASX Announcement dated 23/10/2017) will be drilled first (Figure 2). Large, gold anomalous zones, such as NW001, NE001, CEN001 and NE003 will also be drill tested (Figure 2). As these targets are broad areas of gold anomalous soils, they will be tested by drilling shallow RC holes in lines across the best parts of the gold anomalous zones.

Laconia's CEO Dr Quinton Hills said: 'Our exploration program on the Kraaipan Project so far has delivered several compelling exploration targets that warrant immediate drill testing. The fact that these exploration targets are supported by both geochemical and geophysical results adds to our confidence that our current drill program will be successful.'

Figure 1: Photo of Diamond Core Drill Rig set up on the first hole at the KB05 exploration target.



Drill Targets

KB01 (See ASX Announcement dated 23/10/2017)

Electromagnetic ('EM') Target KB01 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. This observation could indicate that this part of the interpreted BIF has been subjected to magnetite destruction via pyrrhotite/pyrite alteration associated with gold mineralisation (i.e. Hill 50, Westralia, Bounty).

KB01 is also along strike of a gold anomalous zone of at least 1.4 kilometres long and up to 600 metres wide.

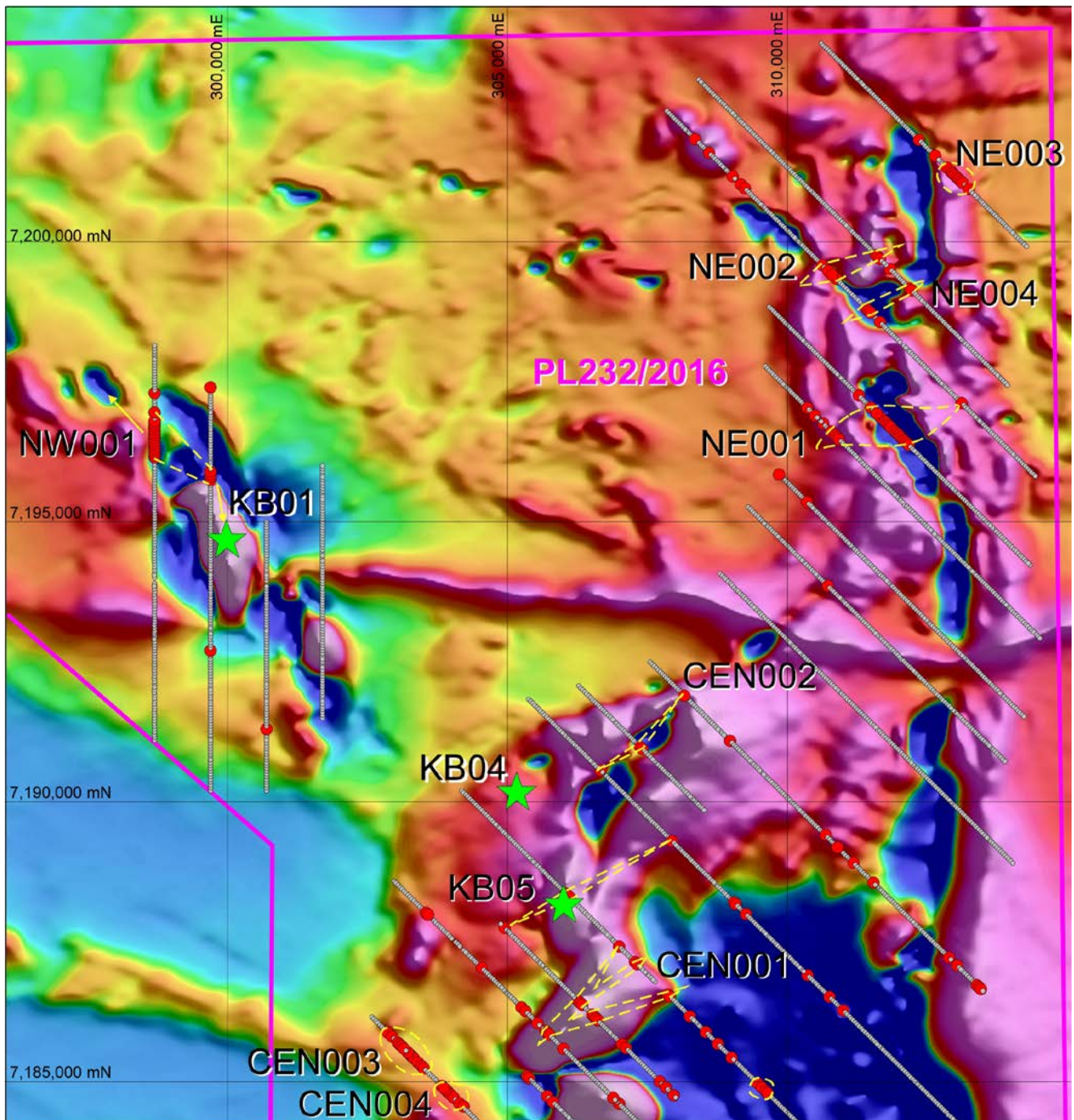
KB05 (See ASX Announcement dated 23/10/2017)

EM Target KB05 is an EM anomaly that coincides with a north-south trending relatively high magnetic anomaly interpreted to be a BIF. 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-south trending relatively high magnetic anomaly. This observation could indicate that this part of the interpreted BIF has been subjected to magnetite destruction via pyrrhotite/pyrite alteration associated with gold mineralisation (i.e. Hill 50, Westralia, Bounty).

Adding to the prospectivity of this exploration target is the observation that a northeast-southwest trending gold anomalous zone of at least 3km long and up to 150m wide, crosses the north-south trending relatively high magnetic anomaly exactly where EM Target KB05 is situated.

Figure 2: Location of exploration targets within the Kraaipan Gold-Nickel-PGM Project displayed on a regional aeromagnetic data pseudocolor image. Also displayed are the Location of the gold anomalous soil samples collected from the northwest, northeast and central sectors as announced on the 11/09/2017, 26/09/2017 and the 16/10/2017 respectively. Interpreted gold anomalous zones are outlined with the yellow dashed lines.



KB04 (See ASX Announcement dated 25/07/2017)

EM Target KB04 is a good EM anomaly that is over 400 metres long, trends northeast-southwest and is situated about 110 metres below surface. The EM anomaly is situated within what is interpreted to be a pressure shadow structural setting along strike of a northeast-southwest trending relatively high magnetic anomaly interpreted to be a BIF rock unit.

NW001 (Northwest Sector: See ASX Announcement dated 11/09/2017)

Exploration target NW001 is a gold anomalous zone of at least 1.4 kilometres long and up to 600 metres wide and is open to the northwest and southeast. This gold anomalous zone is directly spatially associated with an interpreted BIF, which are the most common host rock for gold mineralised veins within this terrane.

Not only is this zone anomalous for gold but it was also found to be variably anomalous for several pathfinder elements such as Ag, As, Bi, Cu, Mo, Sb, Sn, Sc and Zn.

NE001 (Northeast Sector: See ASX Announcement 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.

NE003 (Northeast Sector: See ASX Announcement dated 26/09/2017)

Exploration target NE003 is a gold anomalous zone that is 550 metres along and is open to the east-northeast and west-southwest. This gold anomalous zone is directly spatially associated with interpreted BIF's, which are the most common host rock for gold mineralised veins within this terrane.

Not only is this zone anomalous for gold but it was also found to be variably anomalous for several pathfinder elements such as Ag, As, Bi, Cu, Mo, Sb, Sn, Sc and Zn.

CEN001 (Central Sector: See ASX Announcement dated 16/10/2017)

Exploration target CEN001 is a gold anomalous zone of at least 4kms long and up to 200m wide area (2km south of KB05). This gold anomaly is interpreted to coincide with a fold hinge in the BIF rocks. This observation is considered a significant factor in the prospectivity of this area because the fold hinge means that the prospective host rock in this area is greatly thickened, allowing for a much larger area for gold mineralised veins to form.

This gold anomaly is interpreted to trend ENE-WSW, which is consistent with the orientation of outcropping, gold bearing quartz veins in the south of the project area, as well as the anomalous gold zones identified within the adjacent northeast sector.

Not only is this zone anomalous for gold but it was also found to be variably anomalous for several pathfinder elements such as Ag, As, Bi, Cu, Mo, Sb, Sn, Sc and Zn.

Other EM/Gold and or Nickel-Copper-PGM Targets under consideration.

As Laconia is still awaiting the assay results from the soil samples taken in the southern sector of the Kraaipan Gold-Nickel-Copper-PGM Project, exploration targets for this drill program from this area have not been finalised yet. As previously announced this area contains many prospective geophysical anomalies, such as KB13, KB14, KB16, KB17, KB20, KB21 and KB23 (see ASX Announcement dated 25/07/2017). Any exploration targets defined in the southern sector will be ranked against existing exploration targets: NE002, NE004, CEN002, CEN003 and CEN004 and the highest ranked will also be drilled if the budget permits.

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 kilometre stretch of Kraaipan Greenstone Belt in southern Botswana (Figure 3). 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 deposits in Australia's Yilgarn Goldfields but have not yet been routinely applied in this terrane. Currently, we are drill testing several gold and nickel-copper-PGM targets that have been identified through the analysis of approximately 6,000 regional soil samples across the Kraaipan Project tenure; the assessment of a historic electromagnetic surveys (VTEM and MLEM) that contains several high priority targets, all of which remain untested (see ASX Announcement dated 25/07/2017); 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:

Dr Quinton Hills - CEO
Laconia Resources Limited
Tel: +61 8 6268 2688
Email: quinton@laconia.com.au

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.

The information in this report that relates to *Geophysical Exploration Results* is based upon information prepared and reviewed by Barry Bourne who is a Fellow of the Australian Institute of Geoscientists and a member of the Australian Society of Exploration Geophysicists. Mr Bourne is a consultant engaged by Laconia Resources Limited through geophysical consultancy Terra Resources Pty Ltd 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. Mr Bourne consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

Figure 3: 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.

