



LACONIA RESOURCES LIMITED
ABN 29 137 984 297

INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED
31 DECEMBER 2015

This interim financial report does not include all the notes of the type normally included in an annual financial report. This report is to be read in conjunction with the Annual Report for the year ended 30 June 2015 and any public announcements made by Laconia Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*

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CORPORATE DIRECTORY

ABN 29 137 984 297

Directors

Gary Castledine (Non-Executive Chairman)

Neville Bassett (Non-Executive Director)

Peter Fox (Non-Executive Director)

Company Secretary

Neville Bassett

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Share Registry

Security Transfer Registrars Pty Ltd

770 Canning Highway

APPLECROSS WA 6153

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Telephone: +61 8 9315 2333

Facsimile: +61 8 9315 2233

Auditors

Rothsay Chartered Accountants

Level 1, Lincoln House

4 Ventnor Avenue

West Perth WA 6005

Telephone: +61 8 9486 7094

Stock Exchange Listing

Laconia Resources Limited securities are listed on the Australian Securities Exchange (ASX code: LCR, LCROA).

LACONIA RESOURCES LIMITED
31 DECEMBER 2015
DIRECTORS' REPORT

DIRECTORS' REPORT

Your directors are pleased to present their report on Laconia Resources Limited for the half-year ended 31 December 2015.

DIRECTORS

The names of the directors who held office during or since the end of the half year are:

Gary Castledine	Non-Executive Chairman
Neville Bassett	Non-Executive Director
Peter Fox	Non-Executive Director

RESULT

The Company recorded a loss for the half-year ended 31 December 2015 of \$435,461 compared to a loss of \$925,572 for the corresponding period in the prior year.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the period was the exploration of the Company's mineral tenements with the objective of identifying economic mineral deposits and the identification and evaluation of new venture and corporate opportunities.

CORPORATE ACTIVITIES

Pro Rata Entitlements Rights Issue

In December 2015, the Company announced it had closed its pro-rata non-renounceable entitlement rights issue to shareholders which raised \$490,175 through the issue of 245,087,553 ordinary shares.

Convertible Note Conversion

In May 2015, the Company reached agreement for the issue of unsecured convertible notes ("Notes") to raise an amount of \$200,000.

The principle terms of the Notes, conversion of which was subject to shareholder approval are as follows:

Face Value:	\$1.00 per Note
Redemption Date:	24 months from date of issue
Conversion Price:	Convertible into ordinary fully paid shares at an issue price \$0.001 per share
Conversion Period:	A noteholder may convert at any time prior to the Redemption Date
Interest Rate:	12%

Shareholders approved the issue of the Notes at a general meeting held on 20 August 2015. On 2 September 2015, the Company issued 200,000,000 shares at an issue price of \$0.001 per share on conversion of Notes with a face value of \$200,000 and 4,629,495 shares in satisfaction of interest on the Notes.

LACONIA RESOURCES LIMITED
31 DECEMBER 2015
DIRECTORS' REPORT (continued)

REVIEW OF PROJECTS

Kimsa Orcoco Project, Peru

On 20 August 2015 shareholders approved the disposal of the Company's Peruvian mineral interests to Andes Exploration of Peru Numero Dos Sac ("Andes") and Sallka Uno Y Dos Sac ("Sallka").

The Peruvian tenement portfolio comprises the Kimsa Orcoco Project:

- Patacancha N° 1;
- Patacancha N° 2;
- Patacancha N° 3; and
- Patacancha N° 4;

Further particulars of the disposal can be found in the Company's announcement dated 30 June 2015. The Company is currently working through the final transfer process in Peru.

Goldsworthy, Pilbara, Western Australia

E45/3904 (Laconia 100% Laconia)

No field work was carried out during the period and a decision was taken to surrender the tenement.

701 Mile, Northern Gascoyne, Western Australia

(E52/2688 80% Laconia: mineral rights excluding manganese and iron and 70% Laconia: manganese and iron rights)

Limited work was undertaken during the period.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, Rothsay Chartered Accountant, to provide the directors of the company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 7 and forms part of this directors' report for the half-year ended 31 December 2015.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306 (3) of the Corporations Act 2001.



Gary Castledine

Non-Executive Chairman
Perth, 15 March 2016

ROTHSAY

Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
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Phone 9486 7094 www.rothsayresources.com.au

The Directors
Laconia Resources Ltd
PO Box 1151
West Perth WA 6872

Dear Sirs

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

- i) no contraventions of the auditor independence requirements of the Act in relation to the audit review of the 31 December 2015 interim financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Rolf Garda (Lead auditor)

Rothsay Auditing

Dated 15th March 2016



Chartered Accountants

LACONIA RESOURCES LIMITED**31 DECEMBER 2015****STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	Note	2015 \$	2014 \$
REVENUE	2	78,427	28,190
EXPENDITURE			
Administration expenses		(84,015)	(366,205)
Depreciation expense		(4,102)	(9,609)
Exploration expenses		(12,526)	(514,262)
Salaries and employee benefits expense		(45,000)	(49,407)
Finance costs		(18,117)	-
Other expense		(350,128)	(14,279)
LOSS BEFORE INCOME TAX		(435,461)	(953,762)
Income tax benefit / (expense)		-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF LACONIA RESOURCES LIMITED		(435,461)	(925,572)
Basic and diluted loss per share (cents)		(0.06)	(0.05)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

LACONIA RESOURCES LIMITED

31 DECEMBER 2015

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	31 December 2015	30 June 2015
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	331,556	32,286
Trade and other receivables	52,947	286,560
TOTAL CURRENT ASSETS	384,503	318,846
NON-CURRENT ASSETS		
Plant and equipment	16,241	20,343
Mining properties	425,000	425,600
Assets held for resale	-	89,346
TOTAL NON-CURRENT ASSETS	441,241	535,289
TOTAL ASSETS	825,744	854,135
CURRENT LIABILITIES		
Trade and other payables	5 194,568	212,545
Borrowings	3,293	55,000
TOTAL CURRENT LIABILITIES	197,861	267,545
NON-CURRENT LIABILITIES		
Borrowings	-	200,000
TOTAL NON-CURRENT LIABILITIES	-	200,000
TOTAL LIABILITIES	197,861	467,545
NET ASSETS	627,883	386,590
EQUITY		
Issued capital	16,998,890	16,311,777
Reserves	2,113,153	2,123,512
Accumulated losses	(18,484,160)	(18,048,699)
TOTAL EQUITY	627,883	386,590

The above statement of financial position should be read in conjunction with the accompanying notes.

LACONIA RESOURCES LIMITED

31 DECEMBER 2015

STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Contributed Equity \$	Share-based Payments Reserve \$	Options Reserves \$	Foreign Exchange Reserves \$	Accumulated Losses \$	Total \$
BALANCE AT 1 JULY 2014	16,086,820	1,371,626	501,292	166,449	(12,245,694)	5,880,493
Loss for the period	-	-	-	-	(925,572)	(925,572)
TOTAL COMPREHENSIVE LOSS	-	-	-	-	(925,572)	(925,572)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Options issued during the period	-	-	-	-	-	-
Shares issued during the period	234,554	-	-	-	-	234,553
Foreign exchange movement	-	-	-	217,175	-	217,175
BALANCE AT 31 DECEMBER 2014	16,321,374	1,371,626	501,292	383,624	(13,171,266)	5,406,650
BALANCE AT 1 JULY 2015	16,311,777	1,371,626	501,292	250,594	(18,048,699)	386,590
Loss for the period	-	-	-	-	(435,461)	(435,461)
TOTAL COMPREHENSIVE LOSS	-	-	-	-	(435,461)	(435,461)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Shares issued during the period	694,804	-	-	-	-	694,804
Share issue costs during the period	(7,691)	-	-	-	-	(7,691)
Foreign exchange movement	-	-	-	(10,359)	-	(10,359)
BALANCE AT 31 DECEMBER 2015	16,998,890	1,371,626	501,292	240,235	(18,484,160)	627,883

The above statement of changes in equity should be read in conjunction with the accompanying notes.

LACONIA RESOURCES LIMITED

31 DECEMBER 2015

STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	2015	2014
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Expenditure on mining interests	(29,749)	(100,016)
Payments to suppliers and employees	(161,339)	(317,670)
Research & development refund	69,079	-
Interest received	-	385
Other income	3,986	-
Net cash outflow from operating activities	(118,023)	(417,301)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of mining assets	-	27,580
Net cash outflow from investing activities	-	27,580
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance costs	(13,484)	-
Proceeds from borrowings	49,915	-
Repayment of borrowings	(76,707)	-
Proceeds from issues of ordinary shares net of share issue cost	457,569	234,553
Net cash outflow from investing activities	417,293	234,553
Net (decrease)/increase in cash and cash equivalents	299,270	(155,168)
Cash and cash equivalents at the beginning of the half-year	32,286	188,699
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR	331,556	33,531

The above statement of cash flows should be read in conjunction with the accompanying notes.

LACONIA RESOURCES LIMITED

31 DECEMBER 2015

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2015 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2015 and any public announcements made by Laconia Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Going Concern

The Company incurred a loss of \$435,461 for six month period ended 31 December 2015 and does not have a strong working capital position.

The Company's ability to continue as a going concern and meet its debts and future commitments as and when they fall due is dependent on a number of factors, including (but not limited to):

- the ability to issue additional capital under the Corporations Act 2001, if required, by share purchase plan, share placement or rights issue;
- the option of farming out all or part of the consolidated entity's exploration projects; and
- the ability, if required to dispose of interest in exploration and development assets.

The half year financial report has been prepared on a going concern basis. In arriving at this position the Directors have had regard to the fact that the Company has, or in the Directors' opinion, will have access to, sufficient cash to fund administrative and other committed expenditure for a period of not less than 12 months from the date of this report.

Should the Company not achieve the matters set out above, there is significant uncertainty whether it will be able to continue as a going concern and therefore whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the half-year financial report.

LACONIA RESOURCES LIMITED

31 DECEMBER 2015

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2015, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2015.

It has been determined by the Company that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Company accounting policies.

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2015. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Company accounting policies.

NOTE 2: REVENUE

	Half-Year Consolidated	
	December 2015	December 2014
From continuing operations	\$	\$
Interest revenue	-	355
Other revenue	78,427	27,835
Total revenue	78,427	28,190

NOTE 3: SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. For management purposes, the Group has identified two reportable segments being exploration activities undertaken in Australia and Peru. These segments include the activities associated with the determination and assessment of the existence of commercial economic reserves, from the Group's mineral assets in these geographic locations.

Primary Reporting – geographical segments

The geographical segments of the consolidated entity are as follows:

LACONIA RESOURCES LIMITED

31 DECEMBER 2015

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 3: SEGMENT INFORMATION (continued)

Revenue by geographical region

Revenue attributable to the Group disclosed below, based on where the revenue is generated from:

	December 2015	December 2014
	\$	\$
Australia	74,441	11,135
South America	3,986	17,055
Total revenue	78,427	28,190
Segment results by geographical region		
Australia	84,902	381,020
South America	350,559	544,552
Net loss before tax	435,461	925,572

Assets by geographical region

The location of segment assets by geographical location of the assets is disclosed below:

	December 2015	June 2015
	\$	\$
Australia	799,338	484,740
South America	26,406	369,395
Total assets	825,744	854,135

Liabilities by geographical region

The location of segment liabilities by geographical location of the assets is disclosed below:

	December 2015	June 2015
	\$	\$
Australia	185,264	446,145
South America	12,597	21,400
Total liabilities	197,861	467,545

LACONIA RESOURCES LIMITED

31 DECEMBER 2015

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 4: ISSUED CAPITAL

	December 2015 Shares	December 2015 \$	June 2015 Shares	June 2015 \$
Issues of ordinary shares during the half-year				
Issued for cash	245,087,553	490,175	46,910,568	234,553
Convertible note conversion	200,000,000	200,000	-	-
Interest on convertible note	4,629,495	4,629	-	-
Share issue cost	-	(7,691)	-	(9,596)
	449,717,048	687,113	46,910,568	224,957

	Number of options	
	December 2015	June 2015
Movements of options during the half-year		
Options lapsed during the year	-	(26,500,000)
Issued during the year	-	46,910,568
	-	20,410,568

NOTE 5: TRADE AND OTHER PAYABLES

	Half-Year Consolidated	
	December 2015 \$	June 2015 \$
Trade creditors	37,068	98,129
Director's fees payable	149,500	100,000
Other payables and accruals	8,000	14,416
Total	194,568	212,545

NOTE 6: CONTINGENCIES

There are no material contingent liabilities or contingent assets of the Group at balance date.

NOTE 7: SUBSEQUENT EVENTS

No other matter or circumstance has arisen since 31 December 2015, which has significantly affected, or may significantly affect the operations of the Company, the result of those operations, or the state of affairs of the Company in subsequent financial years.

LACONIA RESOURCES LIMITED

31 DECEMBER 2015

DIRECTORS' DECLARATION

In the directors' opinion:

1. the financial statements and notes set out on pages 8 to 15 are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the company's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
2. there are reasonable grounds to believe that Laconia Resources Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Gary Castledine

Non-Executive Chairman

Perth, 15 March 2016



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Independent Review Report to the Members of Laconia Resources Limited

The financial report and directors' responsibility

The interim consolidated financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for Laconia Resources Limited for the half-year ended 31 December 2015.

The Company's directors are responsible for the preparation and fair presentation of the consolidated financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim consolidated financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated financial position as at 31 December 2015 and the performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Laconia Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Independence

In conducting our review we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim consolidated financial report of Laconia Resources Limited is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the consolidated financial position as at 31 December 2015 and of the performance for the half-year ended on that date; and
- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Chartered Accountants



Emphasis of Matter regarding Continuation as a Going Concern

Without qualifying our conclusion, we draw attention to Note 1 in the financial statements wherein the Directors' state, inter alia, that if they are unable to raise additional share capital, farm out exploration projects and if required dispose of assets there is a significant uncertainty that the consolidated entity has the ability to continue as a going concern and the ability therefore to realise its assets and extinguish its liabilities in the ordinary course of business and at the amounts stated in the financial statements.

Rothsay Auditing

**Rolf Garda
Partner**

Dated 15th March 2016



Chartered Accountants