

2 January 2014

Divestment of Lennons Find Project Completed

Highlights

- **Laconia realises value of Lennons Find Project in the Pilbara**
- **Company receives initial cash component, retains exploration upside and minority interest**
- **Funds to be used to advance the Company's Peruvian Project**

Laconia Resources Limited (ASX: LCR) ("**Laconia**" or "**the Company**") is pleased to announce that it has completed its divestment of its Lennons Find Project to Musketeeer Mining Limited (MML). The Company has executed the transaction and the initial sum of \$250,000 has been received by the Company. The funds received will be utilised at the Company's Rasuhuilca Project in Peru by advancing permitting and community agreements which are currently at an advanced stage.

The Company previously announced on 20 June 2013 that it had entered into a Binding Terms Sheet with Musketeeer Minerals Pty Ltd (MKM) and had received a non-refundable deposit of \$100,000. Subsequently on 4 October 2013, Laconia, MKM and MML entered into the Deed of Assignment and Assumption pursuant to which MKM agreed to assign and MML agreed to assume all of MKM's future rights and obligations under the Binding Terms Sheet.

Laconia and MML have now executed an Amended and Restated Binding Terms Sheet. The principal terms of the Amended and Restated Binding Terms Sheet are as follows:

- (i) a cash payment of \$400,000 plus Interest¹, which is payable as follows:
 - a) \$250,000 on or before 31 December 2013;
 - b) \$75,000 on or before 28 February 2014; and
 - c) \$75,000 plus Interest on or before 31 March 2014; plus

¹ On and from 31 December 2013, interest (Interest) will accrue monthly on the outstanding portion of (i)b and (i)c at the rate of ten percent per annum.

- (ii) within 7 days of MML or a shell company completing a Capital Raising, at Laconia's election:
- a) issuing Laconia the number of issued fully paid ordinary shares equal to 10% of the issued shares of MML or the shell company at the date of completion of the Capital Raising; or
 - b) if the Lennons Find Project is acquired by a company which is already listed on the Australian Securities Exchange (ASX), issuing Laconia 10% of any securities issued as consideration for the acquisition of the Lennons Find Project.

Laconia has been granted a first ranking mortgage over exploration permit E45/3293 and mining lease M45/396 to secure the outstanding purchase consideration due by MML as referred to at (i)b, (i)c and (ii) above.

*****ENDS*****

For further information please contact:

Ian Stuart

Managing Director

Laconia Resources Limited

P: +61 8 9486 1599

E: istuart@laconia.com.au

or visit our website at www.laconia.com.au

About Laconia Resources Limited

ASX Listed Laconia Resources Limited (ASX: LCR) is a Perth-based precious and base metals exploration and development Company with a Latin American focus. The Company's flagship Rasuhuilca Project in Peru is an advanced copper-gold-silver project in the Ayacucho region of Southern Peru, across 4 permits covering 27.65 km². In addition, the Company has gained access to a further 11 contiguous permits through an Option Agreement, covering 56.22 km². The total area of 83.87 km² hosts the entire Ccarhuaraso volcanic system that is proven to host high sulphidation epithermal copper gold and silver.

In Western Australia, the Company has a portfolio of advanced mineral projects in the Murchison and Pilbara regions, across 2 granted tenements covering an approximate 98.7 km².