Laconia Resources Limited
ACN 137 984 297

Level 1, 41-43 Ord Street
West Perth WA 6005

T: +61 8 9486 1599

E: info@laconia.com.au

ASX/Media Release

19 January 2012

Laconia confirms major Resource upgrade at Lennons Find Project

117% increase in Total Indicated and Inferred Resources

Highlights

- **Major Resource upgrade at Lennons Find Project of 1.85Mt @11.4 % Zinc equivalent[1].**
- **New Resource represents a 37% increase in contained Zinc metal (equivalent) over previous estimate.**
- **Resource also includes a new oxide Resource of 197,000t @ 89g/t silver, 0.37g/t gold, 0.2% copper, 1.2 % lead and 1.4% zinc[2].**
- **New Resource estimated from 42 hole, 1,939 metre drill program at Lennons Find[3].**
- **Metallurgical testing of the oxide Resource has commenced and preliminary results are expected by the end of January.**

Perth based exploration company **Laconia Resources Limited** (ASX: **LCR**) is pleased to announce a major Mineral Resource upgrade at the Lennons Find Project Base Metals project, in the eastern Pilbara region of Western Australia.

The total updated Mineral Resource is 1.85Mt @11.4 % Zinc equivalent[1] (in Indicated and Inferred categories, at various Zn Equivalent cut-off grades[2]). This represents a 37% increase in contained Zinc metal (equivalent) from the previous Resource estimate, and a 117% increase in total tonnes from the previous Resource (see ASX announcement, 9 March 2011).

The Resource statement was estimated in accordance the JORC Code 2004 and incorporated results from a successful 42 hole, 1,939 metre drilling campaign conducted at the project in the latter part of 2011.

The Company is also pleased to announce a new oxide Resource at Lennons Find of 197,000t @ 89g/t silver, 0.37g/t gold, 0.2% copper, 1.2 % lead and 1.4% zinc[2]. **Details of both updated Mineral Resource estimates are summarised in Table 1 and 2 on the following page.**

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[1] *Zn Eq(%) = Zn(%) + (Pb(%) x 1.1) + (Cu(%) x 3.9) + (Ag(ppm) x 0.0414) + (Au(ppm) x 2.20). The price assumptions used for the Zn Eq (%) calculations were US$0.88/lb for Zn, US$3.45/lb for Cu, US$0.96/lb for Pb, US$25/oz for Ag and US$1350/oz for Au.*

[2] *The Bronze Whaler deposit is reported above 1% Zn Eq. The Hammerhead deposit is reported above 2% Zn Eq. The Tiger deposit is reported above 4% Zn Eq*

[3] *As per ASX announcements 3 October 2011 and 12 October 2011*

Table 1: Lennons Find Resource Estimate as at December 2011

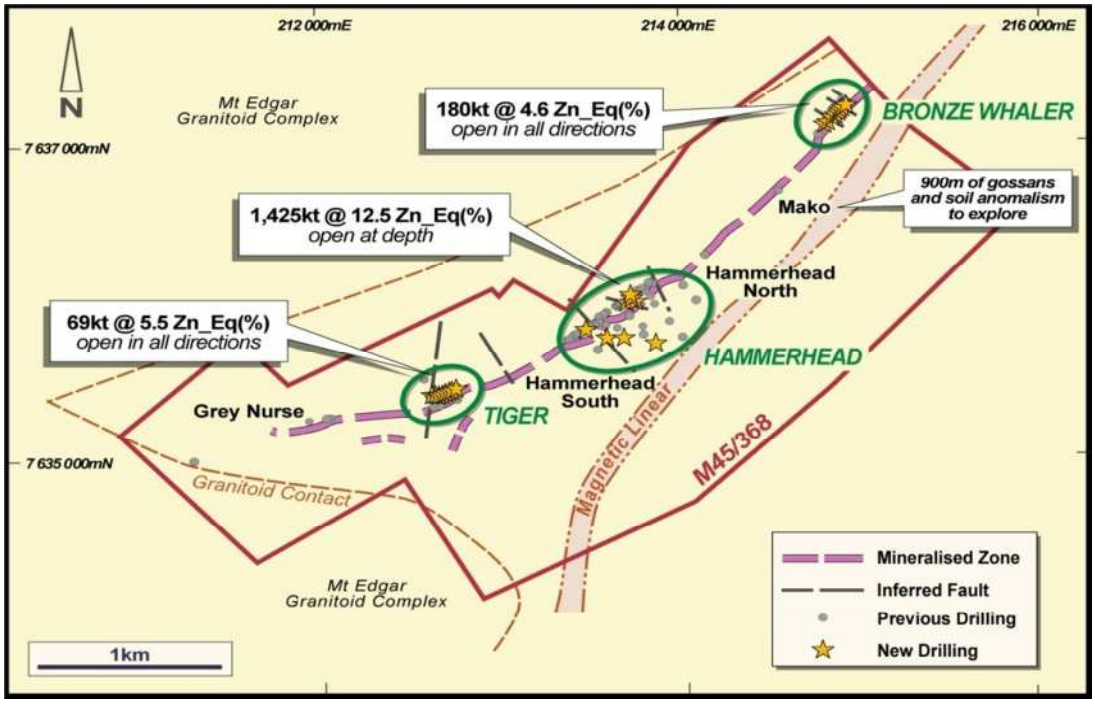
	Deposit	Ore Type	Tonnes (t)	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	Zn Eq (%)
Indicated	Bronze Whaler	Oxide	29,000	0.29	60	0.3	0.9	0.2	5.3
	Hammerhead	Oxide	144,000	0.41	95	0.2	1.3	1.8	9.0
	Tiger	Oxide	22,000	0.18	93	0.1	0.9	0.8	6.4
	Total - Indicated	**Oxide**	**197,000**	**0.37**	**89**	**0.2**	**1.2**	**1.4**	**8.1**
Inferred	Bronze Whaler	Sulphide	154,000	0.15	33	0.1	0.7	1.5	4.4
	Hammerhead	Sulphide	1,448,000	0.27	87	0.2	1.6	6.1	12.8
	Tiger	Sulphide	46,000	0.03	36	0.1	0.3	2.8	5.1
	Total - Inferred	**Sulphide**	**1,649,000**	**0.25**	**81**	**0.2**	**1.5**	**5.6**	**11.8**
Total	Bronze Whaler		184,000	0.18	37	0.1	0.7	1.3	4.6
	Hammerhead		1,593,000	0.28	88	0.2	1.6	5.7	12.5
	Tiger		68,000	0.08	55	0.1	0.5	2.2	5.5
	Total - Lennons Find		**1,846,000**	**0.26**	**82**	**0.2**	**1.4**	**5.1**	**11.4**

Note 1: *For Oxide resources the Bronze Whaler deposit is reported above 1% Zn Eq, the Hammerhead deposit is reported above 2% Zn Eq and the Tiger deposit is reported above 4% Zn Eq*
Note 2: *For Sulphide resources the Bronze Whaler deposit is reported above 1% Zn Eq, the Hammerhead deposit is reported above 2% Zn Eq and the Tiger deposit is reported above 4% Zn Eq*

Table 2: Lennons Find Oxide Resources Estimate as at December 2011

	Deposit	Tonnes (t)	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	Zn Eq (%)
Indicated	Bronze Whaler	29,000	0.29	60	0.3	0.9	0.2	5.3
	Hammerhead	144,000	0.41	95	0.2	1.3	1.8	9.0
	Tiger	22,000	0.18	93	0.1	0.9	0.8	6.4
	Total - Indicated	**197,000**	**0.37**	**89**	**0.2**	**1.2**	**1.4**	**8.1**

Note 1: *The Bronze Whaler deposit is reported above 1% Zn Eq, The Hammerhead deposit is reported above 2% Zn Eq and The Tiger deposit is reported above 4% Zn Eq*



Lennons Find Resource Location Plan

Background to Lennons Find Resource upgrade

The Lennons Find Project contains the Hammerhead deposit and four other mineralised prospects. Two of these, the Bronze Whaler and Tiger prospects, were drilled in the recent drilling campaign and results have now been included in the updated Lennons Find Resource inventory.

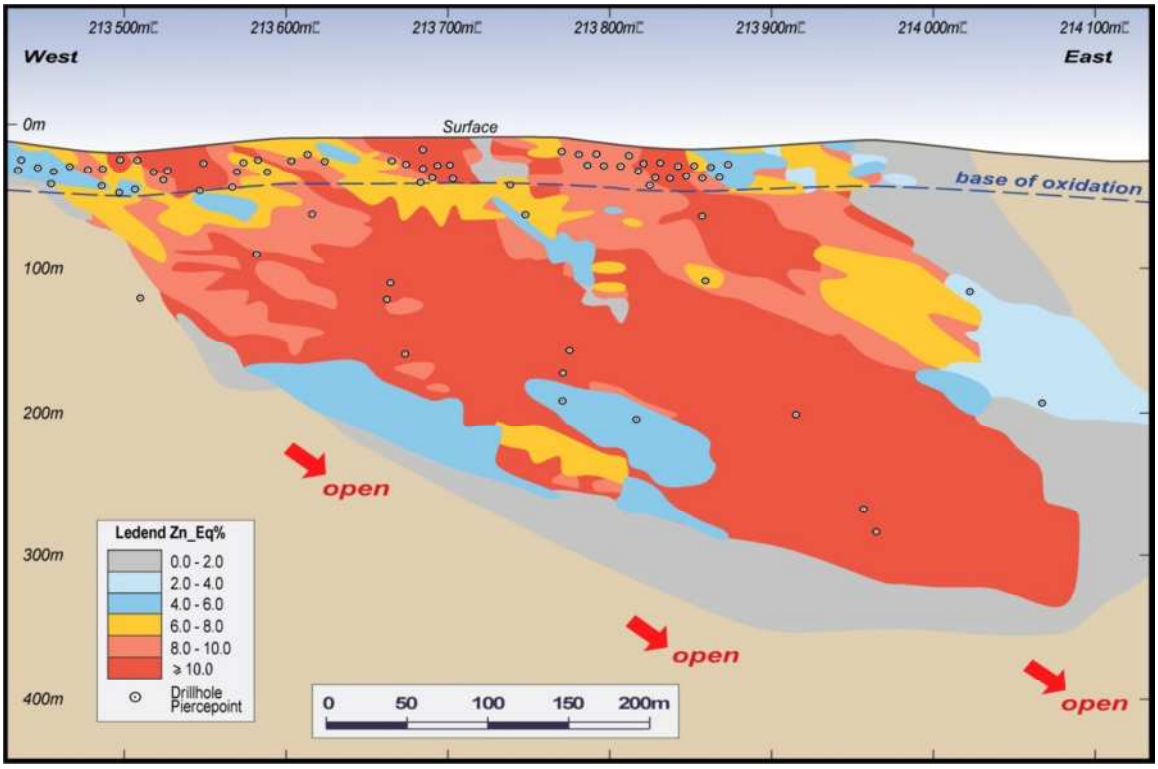
Laconia acquired the project in March 2011 and since that time has completed extensional Reverse Circulation (RC) and diamond drilling at the Hammerhead deposit, which has resulted in a significant increase in the sulphide ore Resource, and has also better defined the oxide Resource.

Shallow RC exploration drilling at the Tiger and Bronze Whaler prospects has added additional silver and base metals oxide Resources. Metallurgist test work on the oxide portion of the Resource is in progress. The results of this test work, in light of the new Resource estimate, will be incorporated in a high level scoping study to examine the viability of extracting oxide resources from the project area with the aim of producing a low cost concentrate on site for eventual on-sale to a smelter**.**

Laconia Managing Director Mr Ian Stuart said: “The Company is delighted that the exciting results from our maiden drilling campaign have resulted in a significant Resource upgrade at Lennons Find, particularly since this had been achieved within the space of 12 months of acquisition of the project. We now look forward to our next drill campaign to further add to the resource inventory.”

Upcoming Work

Further drilling is planned at the Lennons Find project to test for additional resources at depth at the Hammerhead deposit and to target further oxide resources within the Project area. RC drilling will target a potential shallow supergene enrichment zone below the current drilling at the Tiger and Bronze Whaler prospects and other mineralised prospects - Mako and Grey Nurse - and will also investigate outcropping gossans soil anomalism within the project area.



Long section view of the Hammerhead Deposit, looking north-west. Blocks are coloured by % Zinc Equivalent.

Planned exploration for additional sulphide ore

The sulphide ore resource at the Hammerhead deposit appears to have a south east plunging high grade zone which, to date, has been drilled to a vertical depth of 300 metres. Deeper drilling is planned to explore the system at depth.

Metallurgical testing of oxide ore

Laconia has commenced metallurgical testing of the oxide resources at Bronze Whaler, Tiger and Hammerhead and it is expected that preliminary results will be available by the end of January 2012.

The metallurgical test work will give an early indication of whether it may be feasible to use a low capital expenditure acid heap leach metal stripping process to transform the contained metal into solution, followed by a simple 'Merrill Crowe' approach to concentrate the metal as a precipitant within shallow collection ponds.

If the acid leach process can be shown to be effective the metallurgists will investigate producing a dry concentrate, by either using natural sunlight to evaporate the liquid component or perhaps by employing a low tech filter press system.

Mapping and geochemical sampling

Detailed mapping and geochemical sampling of the Lennons Find project commenced in 2011. This work will be completed during the 2012 field season.

The mapping, to date, indicates that there is a pronounced system of ring faults and radial faults around the Mt Edgar granitoid complex. In addition extensive alteration has been observed proximal to the faults within banded chert horizons, which suggests that the alteration fluids have migrated from depth along the fault system.

It is possible that the same system of ring faults and radial faults may have acted as a conduit to the mineralising fluids that produced the base metals ore bodies at Lennons Find, and this theory will be investigated further.

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For further information please contact:

Ian Stuart
Managing Director
Laconia Resources
P: +61 8 9486 1599
E: istuart@laconia.com.au
www.laconia.com.au

James Moses
Media and Investor Relations
Mandate Corporate
M: 0420 991 574
E: james@mandatecorporate.com.au

About the Lennons Find project

Laconia acquired a 95% interest in the Lennons Find project (M45/368) from Jabiru Metals Limited in March 2011. At the same time it announced the acquisition of the nearby Yandicoogina base metals project from Shaw River Resources (ASX: SRR). The two projects are located approximately 40 km from Marble Bar on the southern edge of the Mt Edgar Granitoid Complex, in the East Pilbara region of Western Australia (see Projects Location Map attached).

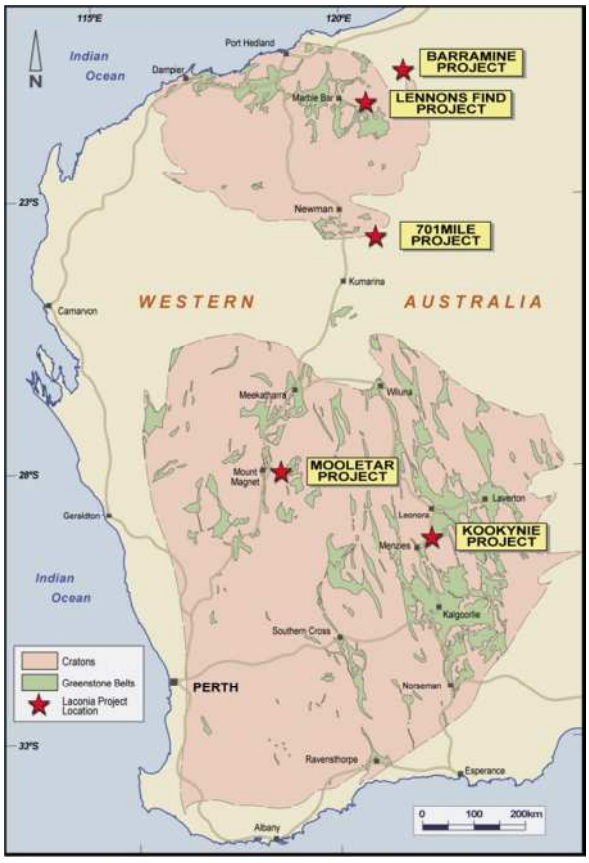
Within the project areas, outcropping gossaneous veins with elevated base metals grades occur at a consistent horizon in the Duffer Formation, and it is this horizon which is the current focus for Laconia's base metals exploration.

About Laconia Resources

Laconia Resources is a Perth-based gold and base metals exploration company. The Company has a portfolio of advanced gold and base metals projects near Kalgoorlie and in the Murchison and Pilbara regions in Western Australia, across 35 granted tenements covering an approximate 955km^2 (see project location map below).

Laconia has a significant base metal ground position in the Pilbara including the Lennons Find Project. Lennons Find is an advanced base metal exploration project, which has JORC Code Resources of 1.85Mt grading 5.1% Zn, 1.4% Pb, 0.2% Cu, 82g/t Ag and 0.26g/t Au. The Company is focused on targeted exploration of its project areas, and further definition and expansion of its Resource base at its advanced projects.

Also, in November 2011, Laconia announced an agreement to acquire the Rasuhuilca advanced gold-silver development project in Peru. The acquisition establishes Laconia as a significant emerging precious and base metals exploration and development Company, and complements its existing portfolio of high grade precious and base metal projects in WA.



Laconia West Australian projects location map

Competent Persons Statement

Mr Ernie Poole who is a member of the Australasian Institute of Mining and Metallurgy has compiled the information within this presentation that relates to Mineralisation and Exploration Results. Mr Poole is a full time employee of Laconia Resources Limited and has sufficient experience relevant to the style of mineralisation and type of deposits under consideration and to the activity currently being undertaken to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and consents to the inclusion of this information in the form and context in which it appears in this report.

Mr Michael Andrew who is a member of the Australasian Institute of Mining and Metallurgy has compiled the information within this presentation that relates to Exploration Results, Mineral Resources or Ore Reserves. Mr Andrew is a full time employee of Optiro Pty Ltd and has sufficient experience relevant to the style of mineralisation and type of deposits under consideration and to the activity currently being undertaken to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and consents to the inclusion of this information in the form and context in which it appears in this report.

Lennons Find Mineral Resource Estimate Parameters	
Tenement	The Lennons Find Volcanic Massive Sulphide (VMS) deposits lies within granted licence M45/368 which is held by Laconia Resources Limited (95%), WJ Marshall (2.5%) and PR Fletcher (2.5%).
Geology	Lennons Find is an Archaean polymetalic (Zn, Cu, Pb, Ag, Au) deposit hosted by volcanogenic sediments. Hammerhead, Tiger and Bronze Whaler deposits are stratiform, sulphide-rich base metal lenses hosted within a unit of fine-grained quartz-sericite schist and calc-silicate rocks of Archaean age. Mineralisation is thought to be of volcanogenic origin.
Previous exploration	Base metal mineralisation at Lennons Find was discovered in 1907. Various companies have explored the deposits since the 1960's, defining five separate prospects along strike. Jabiru Metals Limited commenced exploration on the Project in 1997 and completed an EM survey, surface exploration, GPS pick-up of previous drillhole collars, compilation of a database and estimation of an Inferred Mineral Resource. Most of these holes were reverse circulation (RC) holes with diamond tails or open hole percussion (OP) holes. In 2007, Jabiru Metals Ltd drilled 7 RC holes into the Hammerhead zone at Lennons Find. Laconia Resources Limited acquired Jabiru Metal's interest in 2011. In July and August 2011, Laconia drilled 42 RC drillholes into the Bronze Whaler, Hammerhead and Tiger deposits. One hole, LFRC049, had a diamond tail. The oxide component of each deposit was drilled on section approximately 20 m apart along strike, with the drillhole spacing along section varying from 10 m to 20 m. The sulphide component of each deposit was drilled on section 50 to 100m apart along strike with drillhole spacing along section varying from 20 to 150m.
Drilling techniques	RC drilling is the predominant drilling technique used. A single diamond tail completed in 2011 (LFRC049) is NQ-2. Open hole drilling completed by previous workers has been included. Core recovery is considered excellent. Hole orientation is generally at 60 degrees to the stratiform component of the ore body.
Sampling techniques	RC and open hole percussion drill samples were riffle split on site to produce a single sample for each metre drilled. Diamond core has been sampled at varying intervals as whole or half core. Diamond core drilled in 2011 was cut by saw and half-core samples were collected as either one metre length or to geological contacts.
Logging	RC drill chips have been logged for lithology, mineralisation, alteration, structure, colour, grainsize and weathering type. Diamond drilling was geologically logged and photographed.

Lennons Find Mineral Resource Estimate Parameters cont.	
Sample preparation and analytical techniques	Drill samples from 2011 drilling were analysed by ALS Minerals, Perth, WA. Samples were dried and the entire sample pulverised. If the sample was in excess of 3.2kg, the sample was crushed, then riffle split before pulverisation. Base metal analyses were completed using ICP techniques after a four acid digest. Gold analysis was completed by 50 gram fire assay and atomic absorption spectroscopy. The laboratory routinely inserted analytical blanks, standards and duplicate pulps to client batches to monitor laboratory QAQC performance. Laconia inserted standards for QAQC monitoring.
Location of data points	After completion of drilling in 2011, drill hole collar locations were surveyed by Vekta Pty Ltd of Port Hedland using a Leica RTK differential GPS. All collars from the 2011 programme, plus drillhole collars from previous programmes were located and surveyed in MGA 94 zone 51 projection. Elevation readings were taken in AHD. All coordinates were derived from observation to existing standard survey marks. Down hole surveys were completed at 30- 50 metre down hole intervals for drillholes deeper than 50 metres, using a multishot camera. For drill holes shorter than 50 metres, a collar dip and azimuth was used.
Database and QAQC	QAQC analysis of inserted standards indicates acceptable levels of accuracy in the data. Resource consultants, Optiro, carried out validation checks on the database provided by Laconia and found no significant issues.
Geological Interpretation	Optiro modelled the mineralisation based on interpretation strings provided by Laconia. The Hammerhead deposit and Bronze Whaler and Tiger prospects were modelled to a nominal 2% Zn Eq cut-off.
Dimensions	The Bronze Whaler deposit covers a length of 250 m north-northeast along strike by a depth of 150 m down-dip, with an average thickness of 3 m. The Hammerhead deposit covers a length of 800 m north-northeast along strike by a depth of 500 m down-dip, with an average thickness of 3 m. The Tiger deposit covers a length of 220 m north-northeast along strike by a depth of 160 m down-dip, with an average thickness of 3 m.
Estimation and Modelling Techniques	Au, Ag, Cu, Pb and Zn were estimated by ordinary kriging into parent cells of 20 mE by 10 mN by 5 mRL; parent cells were subdivided to 4 mE by 2 mN by 1 mRL for volume resolution.
Moisture	No moisture data was recorded.
Bulk density	No density data has been collected. Assumed density figures of 2.2 t/m^3 for oxide and 3.0 t/m^3 for primary were applied.
Classification	The resource has been classified as Indicated for the oxide mineralisation and Inferred for the primary mineralisation based on drill hole spacing and geological continuity.
Zn equivalent calculation	Zinc equivalent (Zn Eq%) calculation represents the total metal value for each metal, multiplied by the conversion factor, summed and expressed in equivalent Zinc percentage. These results are taken from the Lennons Find JORC Code Resource and no allowance is made for metallurgical recoveries. No definitive metallurgical test work has been conducted on the project at this stage of its development, however, it is the Company's opinion that the elements expressed here have a reasonable potential to be recovered as evidenced in similar deposit styles in the Pilbara region of Western Australia. Zinc Equivalent conversion factors and long term price assumptions used are as follows: Zinc Equivalent Formula = Zn% + (Cu(%)x3.9) + (Pb(%)x1.1) + (Ag(ppm)x0.0414) + Au(ppm)x2.20) Price Assumptions: Zn(US$0.88/lb), Cu(US$3.45/lb), Pb(US$0.96/lb), Ag(US$25/oz) Au(US$1350/oz)