Kimsa Orcco Project - Copper Gold Silver in Peru

Latin America Down Under 2014
Disclaimer and JORC Code Compliance Statements

Forward Looking Statements

Certain statements contained in this presentation, including information as to the future financial or operating performance of Laconia Resources Limited and its projects, are forward-looking statements. Such forward-looking statements: are necessarily based upon a number of estimates and assumptions that, whilst considered reasonable by Laconia Resources Limited, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies; involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements; and may include, among other things, statements regarding targets, estimates and assumptions in respect of metal production and prices, operating costs and results, capital expenditures, ore reserves and mineral resources and anticipated grades and recovery rates, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions.

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JORC Code Compliance - Competent Persons Statements

The information in this presentation that relates to the Rasuhuilca Mineral Resource is based on, and fairly represents, information and supporting documentation prepared by Mr Ian Glacken, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Glacken is a Director of Optiro Pty Ltd and has sufficient experience that is relevant to the style of mineralisation and type of deposit 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’. Mr Glacken consents to the inclusion in this presentation the matters based on his information in the form and context in which it appears. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.
JORC Code Compliance - Competent Persons Statements (cont.)

The information in this report that relates to Exploration Targets is extracted from reports titled “Exploration Targets Update To JORC 2014” lodged with the ASX on 20 March 2014. This report was based upon information compiled by Mr Vincent Algar, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Algar was a Non-Executive Director and consultant for Laconia Resources Limited at the time of preparation. Mr Algar has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Algar consented to the inclusion in these reports of the matters based on his information in the form and context in which they appeared.

The information in this report that relates to Exploration Results is extracted from reports titled “High-Grade Copper identified at Rasuhuilca Project, Peru” lodged with ASX on 27 February 2013; “High-Grade Copper Results Highlight Rapidly Growing Potential of Copper-Gold-Silver Project, Peru” lodged with ASX on 9 April 2013, “Technical Data Supports Copper Porphyry Potential” lodged with the ASX on 23 August 2013 and “High-grade Copper at Favi Prospect, Peru” lodged with the ASX on 11 March 2014. These reports were based upon information compiled by Mr Vincent Algar, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Algar was a Non-Executive Director and consultant for Laconia Resources Limited at the time of preparation. Mr Algar has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Algar consented to the inclusion in these reports of the matters based on his information in the form and context in which they appeared.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person’s findings are presented has not been materially modified from the original market announcements.
Why Peru? Large mineralised systems, prolific mineral wealth

- Peru is the largest mineral producer in Latin America
- Peru is ranked amongst the largest mineral producers in the world: 3rd Silver,
- 3rd Copper, 3rd Zinc and Tin, 5th Lead, 6th Gold \(^1\)
- Less than 1% of country being exploited and only 14% of the country has been staked
- 25% of all global exploration spent in Latin America in 2012
- Foreign investment large and growing

\(^1\) US Geological Survey 2012
Where is Laconia and why?
The Central Andes are the “Global Hot Property” for Copper Deposits, as shown by the below figure, which lists copper districts and the copper content in millions of tonnes (Mt). (Source: Geology and Genesis of Major Copper Deposits and Districts of the World: A Tribute to Richard H. Sillitoe, p. 2. Edited by Laconia Resources Limited)
The Opportunity

- Permission to drill granted, Social Licence achieved\(^1\)
- High-grade copper drilling targets defined
- Technical data supports intact high sulphidation system with high copper porphyry potential\(^2\)
- Large mineralised system with multiple volcanic vents
- JV opportunities with major copper companies\(^3\)
  - discussions commenced

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\(^1\) Refer ASX Release 4 March 2014
\(^2\) Refer ASX Release 23 August 2013
\(^3\) Refer ASX Release 29 April 2014
Exploration - 3 Mineralisation styles – so far

1. High-grade copper gold > 800m strike length

2. Epithermal; gold silver

3. Bulk tonnage porphyry potential – multiple volcanic vents

Potential to:

• Rapidly grow epithermal gold silver resource
• Add epithermal copper gold silver resource
• “An intact high sulphidation epithermal system”\textsuperscript{1}

• Laconia has access to the entire Volcanic System
  8,387ha

• Analogue for El Indio copper gold silver system
  Northern Chile

• High grade copper defined in underground channel
  sampling and diamond drilling

• Defined high grade copper drilling targets

\textsuperscript{1} Refer ASX Release 23 August 2013
Copper Porphyry Potential and Progress

• Drill permitting approved

• DIA (Declaración de Impacto Ambiental) approved

• Social Licence achieved

• Technical data supports intact high sulphidation system
  with high copper porphyry potential\(^1\)

• Virtual data room initiated following unsolicited
  approaches from major copper resources companies

• Priority high-grade copper targets defined
• Surface sampling and mapping to further understand the porphyry potential underway

• Sampling of adits to validate high-grade copper values complete

• DIA (*Declaración de Impacto Ambiental*) approved, five platforms, 20 holes

• Modification of DIA for an additional 15 platforms in progress

• Drill ready
Large Mineralised System, it’s Big!
Regional Alteration Halo

- Alteration has been characterised through mapping by Cominco, Buenaventura geologists and through ASTER analysis.
- The central alteration most proximal to epithermal mineralisation is silicification (left) or the strong Advanced Argillic alteration (below).
Laconia has interpreted 2 volcanic centres at the Kimsa Orcco Project

The Española centre (northern most centre in diagram) has an abundance of samples that have returned copper enrichment.

In the southern centre samples that have been taken next to the Huaco Fault show copper enrichment. The southern area remains largely untested.

These two centres represent excellent drill locations to test for porphyry copper.
Schematic diagram of the porphyry exploration model at the Kimsa Orcco Project, showing alteration and metal zonation. Some examples of prospects already identified are shown.
The Epithermal System resembles a gold exploration prospect along the El Indio gold belt in Chile.

The El Indio Copper-Gold-Silver deposit history\(^1\) includes:

- 23 years of production (1979 – 2002)
- Underground and open pit mine
- 4.5 Moz of gold, 25 Moz of silver and 472 kt of Copper produced from 16.8 Mt of ore
- 1.2 Moz from 190 kt of ore – DSO
- Average life of mine gold grade 8.33 g/t Au
- Considered as a ‘classic’ high sulphidation epithermal gold-copper-silver vein deposit

\(^1\) Refer Barrick presentation October 2008 - Spatial and Temporal Zonation at the El Indio Cu-Au-Ag Deposit, Chile
Project History

1960's
Limited work around old Spanish workings

Cominco geochemical sampling, underground exploration development and diamond drilling

1980's
Cominco geochemical sampling, underground exploration development and diamond drilling

1994 - 1998
Buenaventura Echo Bay JV, 2,000m drilling campaign

Buenaventura completed extensive underground adits, diamond drilling

1998 - 2003
Cambridge Minerals completed development rises and ventilation, developed feasibility study at Rasuhuilca gold silver resource

2005 - 2008
Project bought by Gold Mines of Peru

2008
Laconia acquired 100% of Patacancha tenements (1-4) from GMP

2012
Laconia signs option agreement for 80% indirect interest in Huaco Cucho tenements (1-11)

2013
Historical Data Compilation and Validation

• 40 diamond drill holes, > 3,000 channel samples, > 5km underground development and adits

• Appendices of mineralogy studies, resource calculations, assays and photographs

• Plans – both CAD and PDF format, plus scans of originals stored in Lima

• Geophysics

• Excel spread sheets of metallurgy, assay, resource calculation and mine costing data

• DXF and MapInfo files of topography, geological models, road data, development data, geology data

• Reports on the Kimsa Orcco Project geology by consultants, including a resource report and feasibility study report completed in 2007 – 2008
Favi Prospect lies about 400m North from Española 1

834 metres of veining hosting high-grade copper identified to date

Consolidates understanding of broad region of copper mineralisation

Highlight surface samples include:
- 1.6 m at 8.8 % Cu, 0.66 g/t Au and 95.5 g/t Ag
- 0.55 m at 5.9 % Cu, 6.07 g/t Au and 179.3 g/t Ag
- 0.35 m at 12.9 % Cu, 2.27 g/t Au and 2.73 g/t Ag
- 0.5 m at 6.9 % Cu, 0.89 g/t Au and 146.4 g/t Ag

1 Refer ASX Release 11 March 2014
Española 1 Prospect lies 900 m north-east of the Rasuhuilca gold - silver deposit

Historical adit intersects 24.9 m at 3.88 % Cu, 2.98 g/t Au and 66.63 g/t Ag including 15.5 m at 6.54 % Cu, 4.77 g/t Au and 103.86 g/t Ag

Significant results from the Española 1 underground sampling include:
- 2.1 m at 8.4 % Cu, 6.13 g/t Au and 111.7 g/t Ag sample (entire width of drive)
- 2.2 m at 6.8 % Cu, 6.47 g/t Au and 141.8 g/t Ag from sample 42002 (entire width of drive)
- 1.1 m at 9.7 % Cu, 8.7 g/t Au and 152.8 g/t Ag

\(^1\) Refer ASX Release 27 February 2013
• Fortuna Prospect lies about 600 m to the east of the Rasuhuilca gold-silver deposit.

• Highlight surface samples include:
  o 0.8 m at 4.8 % Cu, 3.89 g/t Au and 251 g/t Ag
  o 1.4 m at 1.8 % Cu, 0.67 g/t Au and 51.3 g/t Ag

• Diamond drill hole results include:
  o 5.75 m at 2.0 % Cu, 0.7 g/t Au and 97.31 g/t Ag from 31.15 m
  o 3.1 m at 2.27 % Cu, 3.43 g/t Au and 130.56 g/t Ag from 61.6 m
  o 6.3 m at 0.46 % Cu, 1.84 g/t Au and 28.28 g/t Ag from 2.2 m
  o 12.6 m at 0.3 % Cu, 0.11 g/t Au and 43.93 g/t Ag from 27.9 m

1 Refer ASX Release 27 February 2013
Exploration Strategy

Copper

• Determine the extent of the Copper mineralisation across the project through surface sampling and mapping
• Utilise geophysical techniques to identify geological features at depth (IP, Gravity, Magnetics)
• Drill priority high grade copper targets near surface
• Drill deep holes to locate the porphyry stock at depth

Gold and Silver

• Create a Mineral Resource for the oxide material at the 5 identified Exploration Targets through 40 m drill space centres¹
• Drilling at 40 m diamond drill centres plus resampling of 10% of underground samples for QAQC at Rasuhuilca gold silver deposit to create an Indicated Mineral Resource.
• Continue sampling, focusing on all veins that are not yet sampled, to locate any very high grade bonanza lodes, akin to those found as El Indio

¹ Refer ASX Release 20 March 2014
Meetings and participation with the communities

Social Responsibility

Call to Informative Workshops
Laconia’s Community Relations Approach – we are part of the socio-economic landscape

- In-house team from the Ayacucho area – Quechua speakers

- Continuing community participation and consultation

- Providing opportunities for local communities

- Close consultation with the regulators
Rasuhuilca Mineral Resource: Inferred Mineral Resource of 360,000 t @ 1.97g/t Au and 179g/t Ag\(^1\) (at a 2.5 g/t AuEQ cut-off)\(^2\)

Long section from East to West along the Rasuhuilca zone showing the Underground Workings and Current Mineral Resource.

1 Refer ASX Release 25 January 2012
2 Refer Page 26 for Mineral Resource information
Rasuhuilca Inferred Mineral Resource

- Existing Inferred Mineral Resource of 360,000 t @ 1.97g/t Au and 179 g/t Ag (at a 2.5 g/t Au EQ cut-off)\(^1\)

- All cut offs for the Rasuhuilca Inferred resource based on an 2.5 g/t Au Eq are conceptual in nature only.

- There has been insufficient metallurgical test work to date to determine eventual metallurgical recoveries and it is uncertain that the conceptual cut offs used will be appropriate following further metallurgical test work.

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**Gold Equivalent Calculation (Au Eq)**

Gold equivalent (Au Eq) calculation represents the total metal value for each metal, multiplied by the conversion factor, summed and expressed in equivalent Gold grade. These results are taken from the Rasuhuilca zone JORC Code Inferred 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 Peru.

Gold Equivalent conversion factors and long term price assumptions used are as follows:

Gold Equivalent Formula = Au ppm + (25/1350) x Ag ppm
Price Assumptions: Au(US$1,350/oz), Ag(US$25/oz)

\(^1\) Refer ASX 25 January 2012
The potential quantity and grade of the Exploration Targets is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource, and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

1 Refer ASX Release 20 March 2014
In Summary

- Large mineralised system, multiple volcanic vents
- Drill ready
- Social Licence achieved
- Copper porphyry potential\(^1\)
- Potential to:
  - rapidly grow epithermal gold silver resource
  - add epithermal copper gold silver resource
- JV opportunities in progress

\(^1\) Refer ASX Release 27 February 2013
Stephen McCaughey - Consultant Geologist – Peru

Mr McCaughey is a Australian geologist based in Peru with over 20 years of experience in exploration including 14 years with BHP. He has considerable experience in copper and gold exploration within South America (Peru and Chile), Australia and Sweden and has a proven track record of exploration success including the major Antapaccay porphyry copper deposit (now owned by Xstrata) in Southern Peru.

Mr Nick Shakesby – Chief Operating Officer – Peru

Mr Shakesby has more than 25 years’ experience in mine development and operation in Latin America, the United States, Southeast Asia, Australia and Africa. Most recent experience includes recovery planning and implementation and successfully bringing both precious metal and bulk commodity projects through to production in Africa and Peru respectively. A significant component of his work in Peru during the past 18 months has been on community relations, community agreements and achievement of Declaración de Impacto Ambiental (DIA) approval, that is a pre-requisite for exploration activities. Mr Shakesby is a qualified Mine Manager and holds an MBA from Pace University, New York.

Ms Gemma Lee – Senior Exploration Geologist – Perth

Ms Lee is a geologist by profession with over 10 years’ experience in the mining industry, spanning underground gold operations, green fields exploration for multiple commodities, and resource development programs in Western Australia. She has extensive experience in planning, budgeting and execution of exploration programs and has successfully managed field teams during resource development work phases, including environmental and heritage compliance and site safety regulation.

Ms Lee holds a BSc. (Hons) Applied Geology from Curtin University of Technology and is a Member of the Australian Institute of Geoscientists.

Mr Vincent Algar – Geological Consultant – Perth

Mr Algar is a geologist by profession with more than 20 years’ experience in the mining industry, spanning underground and open pit operations, green fields exploration, project development and mining services in Western Australia and Southern Africa. He has significant experience in the development of internal geological and administrative systems, exploration planning and execution, and application of technical software, in addition to significant experience in the management of publicly listed companies.

Mr Algar holds a BSc Honours Geology from University of the Witwatersrand 1989, and is a Member of the Australian Institute of Mining and Metallurgy.
The Board

Matthew Howison, Non Executive Chairman  LLB, LLM, MBA
- formerly NM Rothschild & Sons (Australia) Ltd, Turnbull & Partners, Goldman Sachs Australia and Salomon Smith Barney.
- involved in advising on mergers and acquisitions and capital raising transactions for major Australian and international corporations.
- expertise in the metals and mining, energy, renewable energy, media and technology industries.

Ian Stuart, Managing Director  B.Sc (Hons), F.Fin, MAICD
- formerly a Stockbroker with Macquarie Private Wealth.
- experience in both finance industry and mining.
- extensive experience with capital raisings within the junior resource sector.
- experienced Senior Geologist throughout Australia and Africa, exploring for both gold and base metals.

Matthew Edmondson, Director/Company Secretary  B.Com, CA, ACIS
- 25 years experience including corporate regulation, governance, commercial management and public accounting globally
- Financial and commercial management, secretarial and administrative services to a number of clients including ASX listed and private clients.