

## Kraaipan Project Acquisition Complete

### Highlights

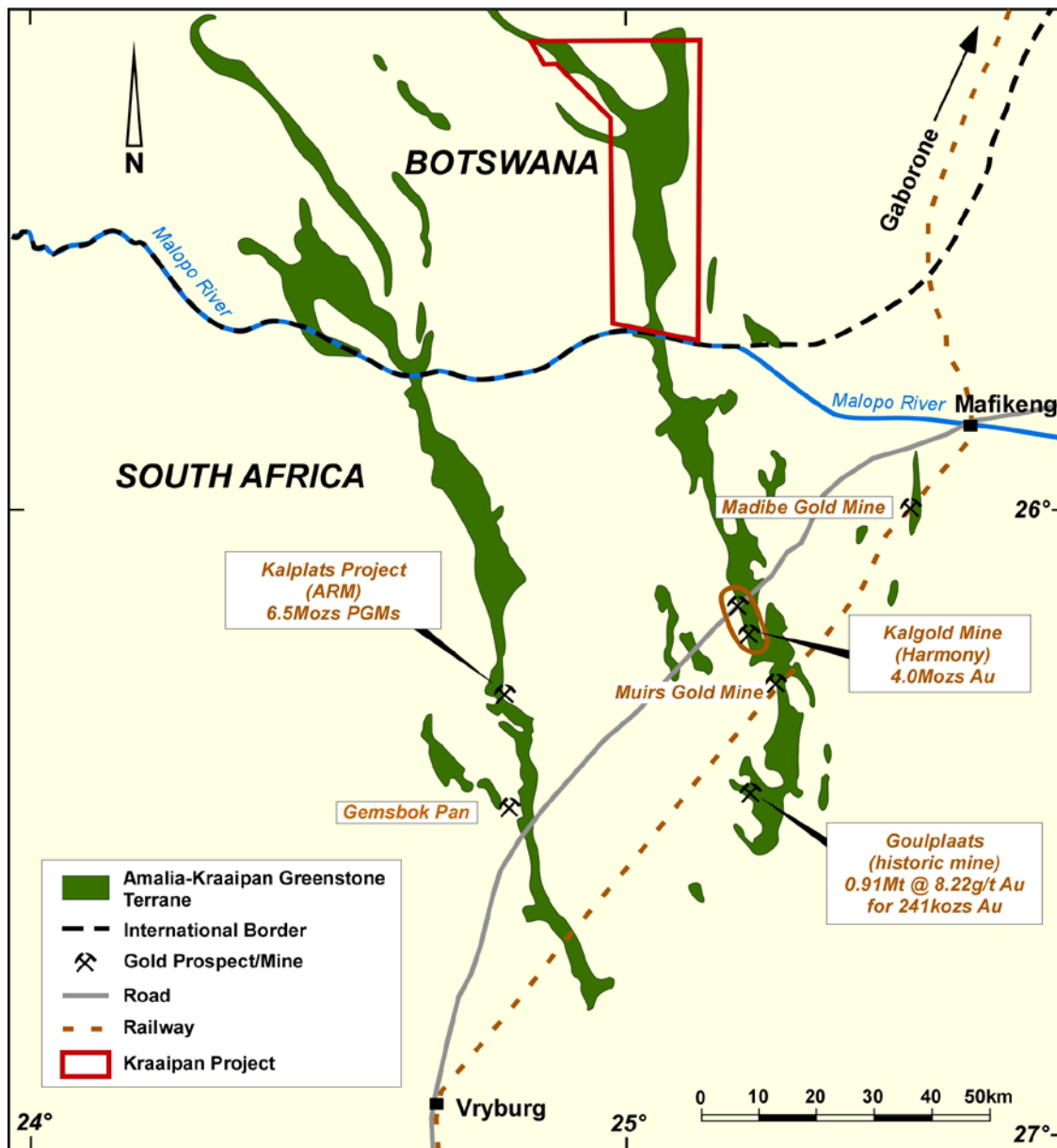
- **Laconia's acquisition of 50 continuous strike/km's of highly prospective greentones within the Kraaipan Gold-Nickel-Copper-PGM Project in southern Botswana is now complete.**
- **Previous exploration located outcropping gold mineralisation in the Kraaipan Project, with the most significant rock chip samples recording 36g/t Au, 9.9g/t Au, 7.4g/t Au, 6.2g/t Au, 4.8g/t Au, 4.7g/t Au, 4.5g/t Au, 4.4g/t.**
- **Laconia appoints the experienced management team of Dr Quinton Hills as Chief Executive Officer and Mr Fred Nhiwatiwa as Country Manager.**
- **The new management team have previously discovered mineral deposits that have led to the development of mines in Botswana.**
- **Laconia will immediately commence a comprehensive and targeted exploration program utilising 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.**
- **First Laconia plans to analyse targeted subsets of the 14,000 geochemical soil survey samples, it acquired as a part of the acquisition of the Kraaipan Project, which provide an almost tenure-wide coverage of the prospective greenstone rocks.**
- **Results of the geochemical analysis will be assessed by a leading expert in gold exploration geochemistry.**
- **An assessment of the geophysical data covering the Kraaipan greenstone terrane will be undertaken to expedite exploration and assist with drill target definition.**

Laconia Resources Limited ('Laconia' or 'Company') (ASX: LCR) is pleased to announce that the acquisition of the Kraaipan Gold-Nickel-Copper-PGM Project ('Kraaipan Project' or 'Project') in Botswana is complete. Laconia plans to immediately commence a comprehensive, targeted exploration program of the 50 strike/km's of highly prospective, greenstone rocks within the Kraaipan project area. The exploration program will 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.

The Kraaipan Project comprises Prospecting Licence, PL232/2016 ('Project Tenure') that is 866km<sup>2</sup> in area and covers approximately 50 kilometre stretch of Kraaipan Greenstone Belt in southern Botswana (Figure 1). 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.

Figure 1: Location of the Kraaipan Gold-Nickel-Copper-PGM Project in relation to the Harmony's Kalgold Mine and the African Rainbow Minerals' Kalplats Project across the border in South Africa.



## New Management

### CEO – Dr Quinton Hills

Dr Quinton Hills is a geologist and minerals industry executive with 15 years' experience in project generation, exploration and project development across a broad range of base and precious metals in Australia, Botswana and Sweden. Dr Hills has been the Exploration Manager for three ASX-listed mineral resource companies. He has a PhD in Structural Geology with extensive experience in multiply deformed and highly metamorphosed terranes and is an expert in exploration concept/target generation. Importantly, Dr Hills has already made discoveries in Botswana. He was responsible for the discovery of ~100M tonnes of copper mineral resources at Boseto in north-western Botswana.

### Country Manager – Fred Nhiwatiwa

Laconia has also secured the services of Mr Fred Nhiwatiwa as Country Manager. Mr Nhiwatiwa has over 25 years' experience in design, implementation and management of the business of mineral exploration, resource development and business development in southern Africa. During his career, Mr Nhiwatiwa has been involved in two projects in Botswana that have proceeded from exploration all the way through to mine development, the Mupane Gold Mine and the Boseto Copper Mine.

## Board Changes

As part of the transaction, Mr Peter Fox is stepping down as a Director of the Board to be replaced by Mr Jeremy Read.

Mr Read is a seasoned mineral resource industry executive, having worked on a broad range of precious and base metals projects in Australia, Africa, North America, India and Scandinavia. He has been the Managing Director of four ASX listed resource companies. Mr Read has also listed companies on the AIM and Botswana Stock Exchange. Mr Read has extensive experience in gold, nickel and copper exploration having spent 11 years working for BHP in Africa and Australia.

The Board would like to thank the tireless efforts of Mr Fox who has been instrumental in withdrawing the company from Peru and securing the Kraaipan Project for Laconia.

## Previous Gold Exploration

Previous first pass exploration within the Project area by third parties only focused on an approximately 10 kilometre-long section in the south of the project, where the prospective greenstones outcrop (Figure 2). This exploration confirmed the gold prospectivity of the Kraaipan Project with 224 rock chip samples being taken across the outcropping areas, where cross-cutting quartz veins were observed (Figure 3)\*. The most significant rock chip assay results from this survey include: **36g/t Au, 9.9g/t Au, 7.4g/t Au, 6.2g/t Au**, 4.8g/t Au, 4.7g/t Au, 4.5g/t Au, 4.4g/t Au, 3.5g/t Au; as well as another 38 assay results above 1g/t Au. Overall 20% of the rock chip samples (47 in total) produced assay results greater than 1g/t Au.

The excellent assay results from the rock chip survey were then followed up with a first pass drill program of 74 RAB holes for 3,631m RAB drilling<sup>^</sup>. Several of these holes intersected significant, shallow gold mineralisation such as:

- KP037: 13m @ **1.7g/t Au** from 11m, including 3m @ **5.1g/t Au**;
- KP052: 21m @ 1.0g/t Au from 6m, including 5m @ **2.3g/t Au** from 27m;
- KP077: 9m @ 1.1g/t Au from 17m, including 4m @ **2.3g/t Au**;
- KP074: 42m @ 0.6g/t from 3m, including 21m @ 1g/t Au from 9m;
- KP045: 13m @ 0.5g/t Au from 17m, including 6m @ 0.8g/t Au;
- KP038: 15m @ 0.3g/t Au from 9m, including 5m @ 0.7g/t Au;
- KP061: 19m @ 0.3g/t Au from surface, including 9m @ 0.6g/t Au;
- and KP060: 12m @ 0.5g/t Au from surface.

Inclusive with the acquisition of the Kraaipan Project is a geochemical soil survey of over 14,000 samples that provides an almost project-wide coverage of the prospective greenstone rocks (Figure 4). Less than half of these samples have been analysed and then only using a portable XRF but already the results show several geochemically anomalous areas, that need to be followed up. Consequently, the Company plans to analyse targeted subsets of the regional soil survey samples for 'Pathfinder' elements to help target gold mineralisation in the underlying bedrock. The company will secure the services of a leading expert in gold exploration geochemistry to advise on selecting the most prospective targets to follow up with further, more focused exploration.

\* See LCR announcement on the 4/4/2017 for all rock chip survey points, drill hole details and assay results, including a JORC (2012) Table 1.

<sup>^</sup> All mineralised intervals reported are downhole lengths, true width unknown. Detailed drill hole locations are shown in Fig. 8. Several drill hole cross-sections are shown in Fig. 9.

**Figure 3: Example of the quartz ± carbonate veins, found within steeply dipping, sub-greenschist facies, Banded Iron Formation ('BIF') rock units from the outcropping areas in the south of the Kraaipan Project.**



## Gold Prospectivity Analysis

The Kraaipan Greenstone Belt in Botswana is interpreted as highly prospective for lode-gold mineralisation as it is within the same terrane as the well-known Kalgold Mine in South Africa

(Figure 1). The Kalgold Mine, owned by Harmony Gold Mining Company Ltd ('Harmony', JSE: HAR) has been in production since 1996 and had an estimated pre-mining mineral resource containing over 4 million ounces of gold.<sup>1</sup> The gold mineralisation identified by previous exploration in the Kraaipan Greenstone Belt within Botswana is distinctly similar to that found at Kalgold. It occurs in swarms of quartz  $\pm$  carbonate veins that obliquely cross-cut the Banded Iron Formation ('BIF') host rocks (Figure 3). In both areas, the gold mineralized veins are associated with disseminated sulphide mineralisation, dominated by pyrite, distributed around and between the quartz vein swarms.

Figure 5 shows a comparison between the genetic model proposed for the Kalgold mineralisation and the geological setting of the Kraaipan Project. Outlined in red is an area within the Kraaipan Project tenure that is proximal to a granite intrusive body that appears to have the same relative timing as the gold mineralisation at both Kalgold and found by historical exploration within the Kraaipan Project area (post peak deformation-metamorphism event). When this geological setting is compared to the Kalgold genetic model, it is interpreted that if this granite intrusive is a source of gold enriched fluids, similar to the intrusive that is proposed to be the source of the Kalgold mineralising fluids, then the most prospective area within the Kraaipan Project is within the general vicinity of this intrusive. In order to focus in on more defined targets with this larger area, it is further interpreted that zones where major structures connect this granite intrusive with the host BIF rocks should be the most prospective targets for gold mineralisation. This interpretation is believed to be consistent with the results of the historical gold exploration to the south, which is considered an outlier gold mineralised area, distal to the main gold endowed zones that are interpreted to be to the north, closer to the granite intrusive.

## Proposed Gold Exploration Activities

As previous exploration was mainly confined to the outcropping rocks, vast areas of gold prospective greenstone rocks have been left unexplored due to various thicknesses of transported overburden. This provides Laconia with an exciting and unique opportunity to apply well developed and highly successful undercover exploration techniques, that are tried and tested in especially in western and southern Australia (Yilgarn, Gawler, etc) to an exciting, well-endowed but poorly explored greenstone belt. The most effective and successful undercover exploration techniques to find gold mineralisation similar to that found at Kalgold undercover is considered to be a combination of geochemical soil and calcrete sampling. In order to progress the exploration of the Kraaipan project the company plans to:

### Geochemistry

- Analyse selected subsets of the regional soil survey samples for 'Pathfinder' elements e.g. Cu, Zn, As, Te, Bi, Ag, Rb, Ba, Zr, Sc and K using a full geochemistry suite, as well as low detection Au & PGMs.
- Regional soil sampling survey results assessed by a leading expert in gold exploration geochemistry.

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1- 2010 Mineral Resources and Mineral Reserves Report for Harmony Gold Mining Co. Ltd (JSE: HAR).

- Trench and drill (aircore) to sample the calcrete (Figure 7) and top of the basement in areas of anomalous concentrations of 'Pathfinder' elements or gold anomalism from the soil sampling survey results.

## Geophysics

- Review the historical Airborne Electromagnetic Survey (VTEM) data for conductive anomalies coincident with geochemical anomalies.
- Review the magnetic data across the tenure and produce a detailed 'Depth to Magnetic Source' map for an understanding of depth to the BIF units that host gold mineralisation.
- 3D modelling of magnetic units within areas of anomalous geochemistry to understand the geometry of the BIF units that host gold mineralisation.
- Complete Induced Polarisation (IP) Surveys across any areas of anomalous concentrations of 'Pathfinder' elements or gold anomalism, as well as the area of the Kraaipan Project with significant gold results from historical drilling.

## Drilling

- Drill test exploration targets generated by the geochemical/geophysical results.
- Drill to test the extents of the gold mineralisation outlined by previous explorers.

## LISTING RULE 3.16.4 INFORMATION

### **Chief Executive Officer Employment Terms**

Pursuant to ASX Listing Rule 3.16.4 the Company confirms the material terms of Dr Hills' Executive Services Agreement ("Agreement") with the Company.

### **Base Salary – Total Fixed Remuneration**

Base salary of \$200,000 per annum exclusive of statutory superannuation.

### **Other Key Terms**

Dr Hills' contract is for an initial term of 2 years. In the event of termination without cause, the Company is required to give Dr Hills three months' notice.

For further information please visit [www.laconia.com.au](http://www.laconia.com.au) or contact:

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Email: [quinton@laconia.com.au](mailto:quinton@laconia.com.au)

## References

Hammond, N. Q. and Moore, J. M., 2006. Archaean lode gold mineralisation in banded iron formation at the Kalahari Goldridge deposit, Kraaipan Greenstone Belt, South Africa. *Miner Deposita* (2006) 41: 483–503.

## 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. 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.

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Figure 2: Area of historical rock chip sampling and drilling overlain on the Interpretative Geological Map.

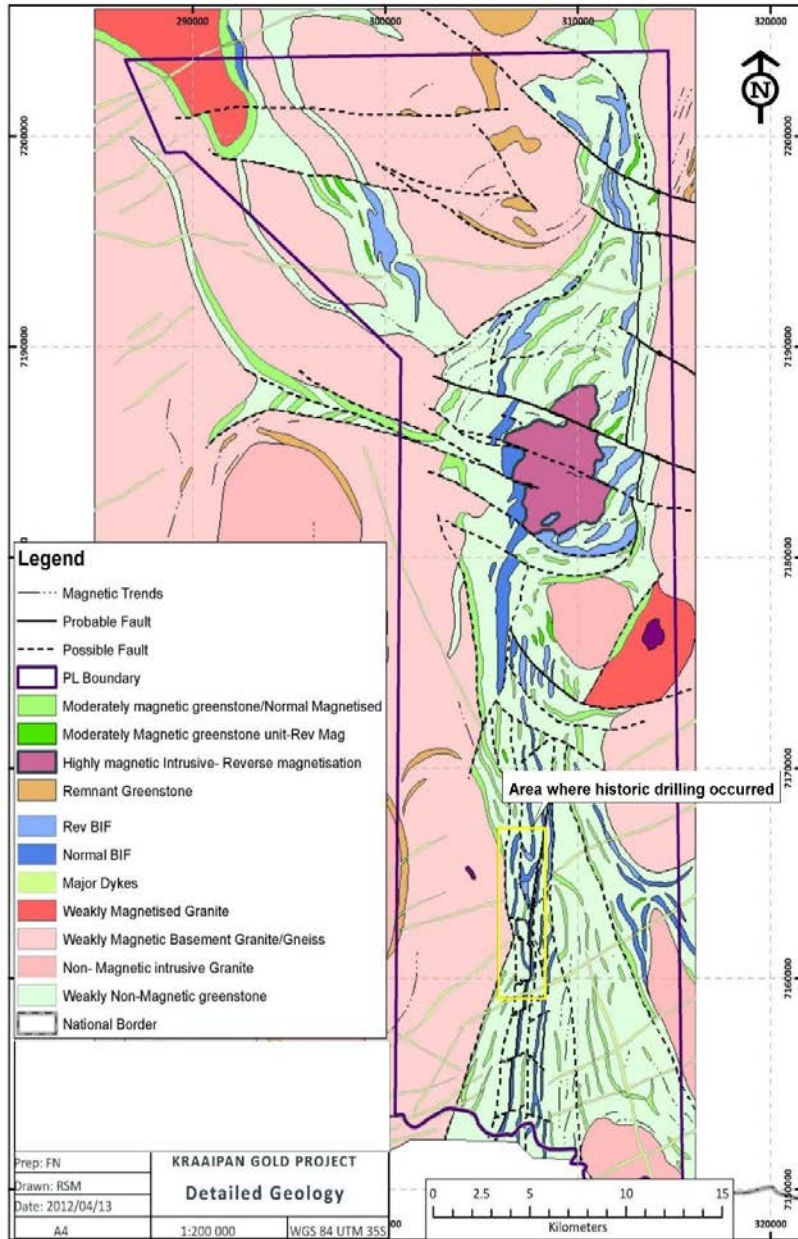


Figure 4: Spatial distribution of the over 14,000 soil samples that have been collected over the prospective greenstones within the Kraaipan Project tenure.

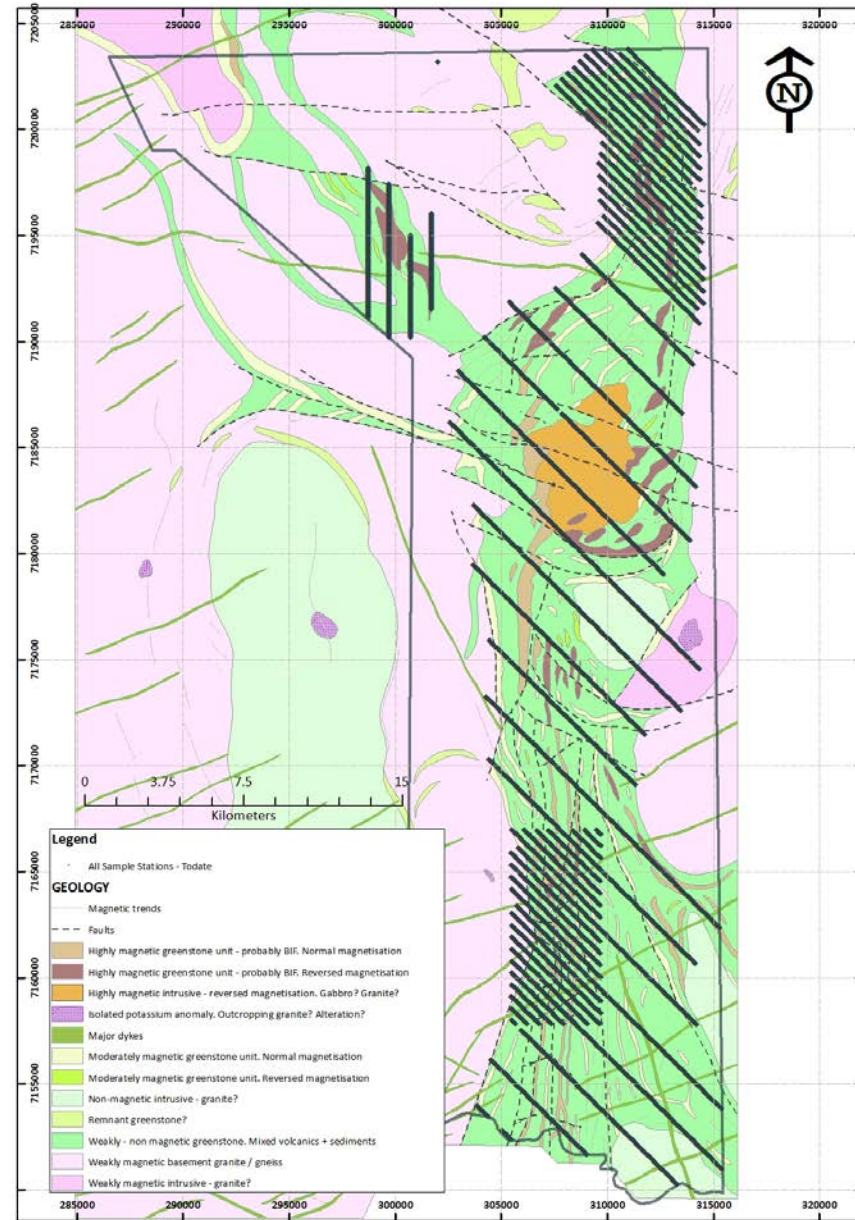




Figure 5: A comparison between the genetic model proposed for the Kalgold mineralisation and the geological setting of the Kraaipan Project.

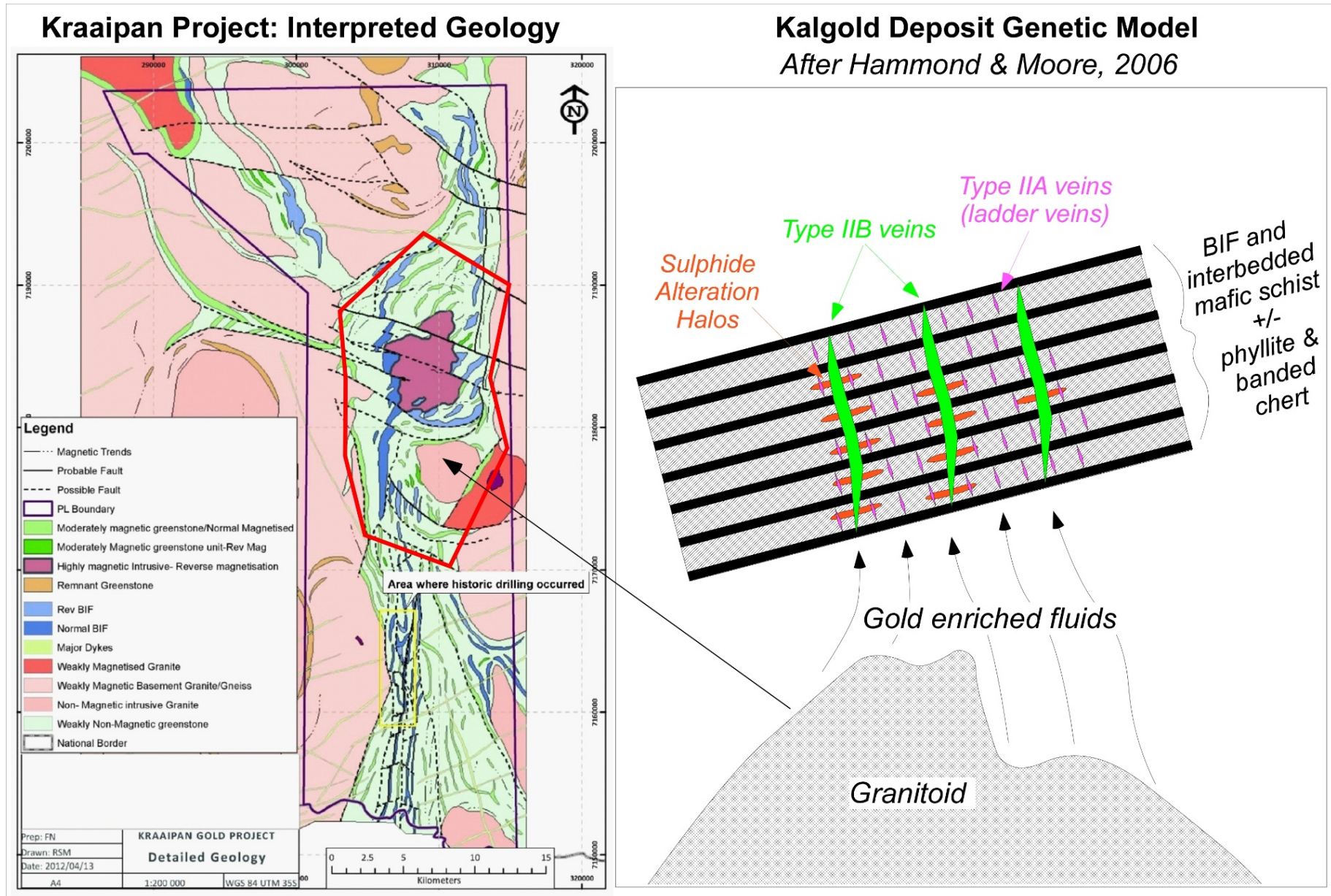
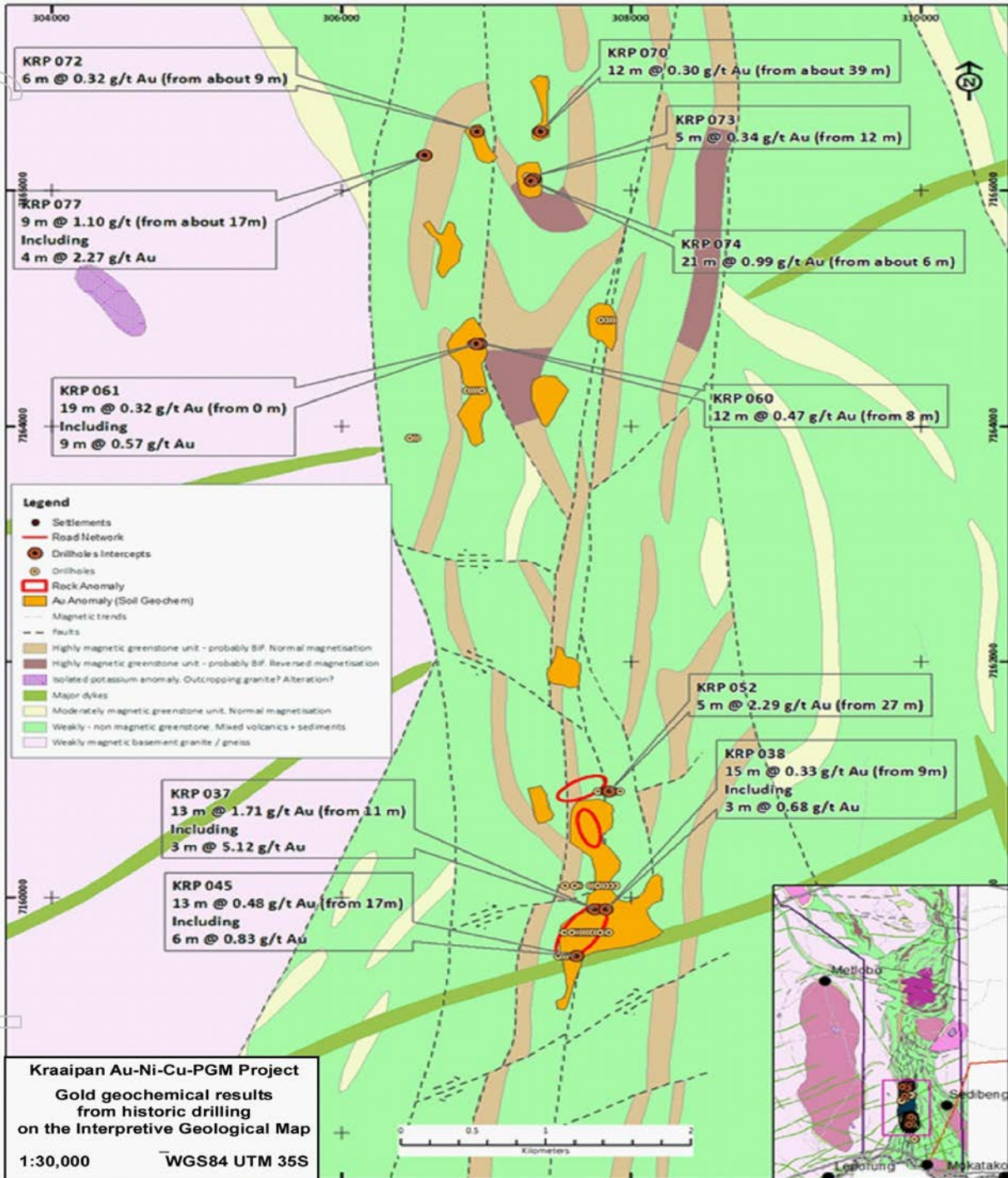


Figure 7: Photo of the characteristic Calcrete profile across the Kraaipan Project area.



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Figure 8: Map showing the location of all of the historical RAB drill holes in relation to the gold anomalous zones from a historical soil geochemical survey. Displayed on an Interpreted Geological Map derived from an interpretation of the Total Magnetic Intensity data, as well as some surface mapping.



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Figure 9: Characteristic drill hole sections from the historical drill hole program in 1998

