

EM Survey Defines Several Priority 1 EM Conductors at Mt Thirsty

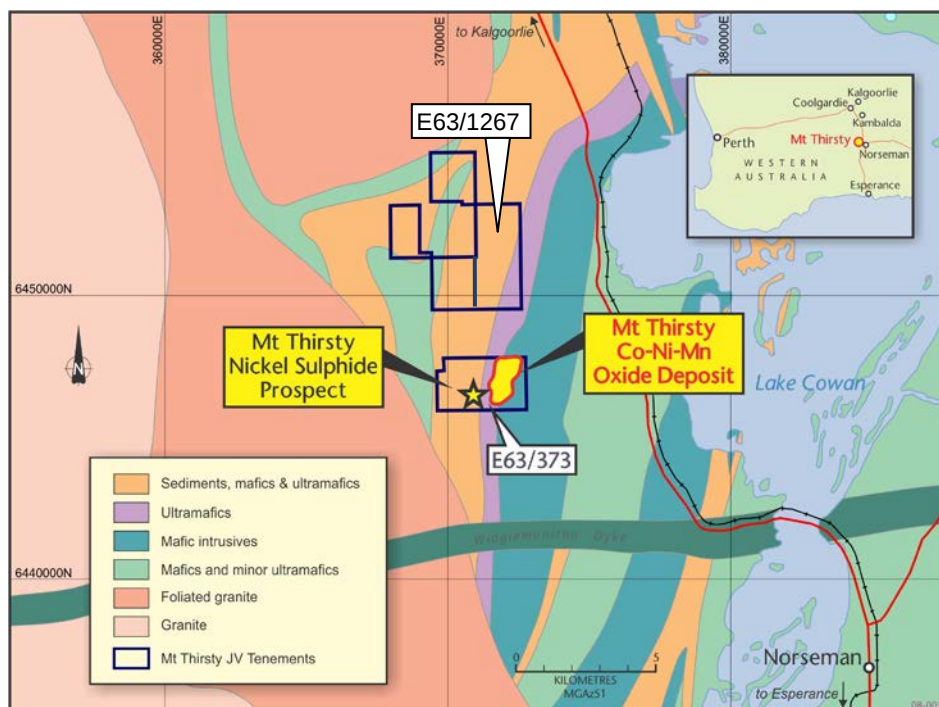
Highlights

- 23.6 line km of moving loop EM (MLEM) surveys completed on Exploration Licences 63/373 and 63/1267.
- Seven EM conductors; three rated Category-1, three rated Category-2 and one rated Category-4 have been identified, modelled and prioritised by a geophysical consultant.
- All Category-1 conductors have potential for Ni sulphides and have been recommended by the consultant for drill testing.

Electromagnetic Surveys

Conico Ltd ("Conico") is pleased to announce that modelling and interpretation of the results from a moving loop electromagnetic survey (MLEM) carried out at Mt Thirsty in September on behalf of the Mt Thirsty Joint Venture (Conico Ltd: 50%, and Barra Resources Ltd: 50% each) has now been completed.

A 23.6 line kilometre MLEM survey over 19 lines was undertaken by GEM Geophysics over the NNE trending mafic-ultramafic-sediment sequence within E63/373 and E63/1267 (Figure 2).



The survey was targeting conductors due to nickel sulphides associated with an interpreted basal footwall mafic-ultramafic contact or mafic – ultramafic rocks higher in the sequence.

The area tested is the strike extension of the sequence hosting the Mt Thirsty nickel sulphide prospect in E63/373 that has previously returned a number of strong but isolated Ni sulphide intersections up to 6 metres down hole @ 3.5% Ni and 2 metres @ 5.9% Ni in holes MTRC 15 and 22 respectively.

Figure 1: Mt Thirsty Project Location

The EM survey lines were mostly at 400m spacing and designed for a 200m by 200m loop. Readings were taken every 100m along each line. In some cases the line spacing was 300m to facilitate access along existing tracks to improve production rates in thick scrub.

Results were modelled and interpreted by Spinifex Geophysics with the aim of identifying conductors representing potential massive sulphide accumulations.

Survey Results

A total of seven EM conductors have been identified and modelled within E63/1267 (3 anomalies) and E63/373 (4 anomalies), (Figure 2). All conductors have been prioritised based on their compliance with a number of primary criteria. Three of the conductors are rated Category-1 (MT002, MT004 & MT009; highest priority), three rated Category-2 (MT005, MT007 & MT008; high priority) and one rated category-4 (MT010; low priority). Category-2 conductors have been downgraded due to their lower modelled conductivity but are generally well defined. Conductors ranked Category-1 and -2 warrant immediate consideration as drill targets.

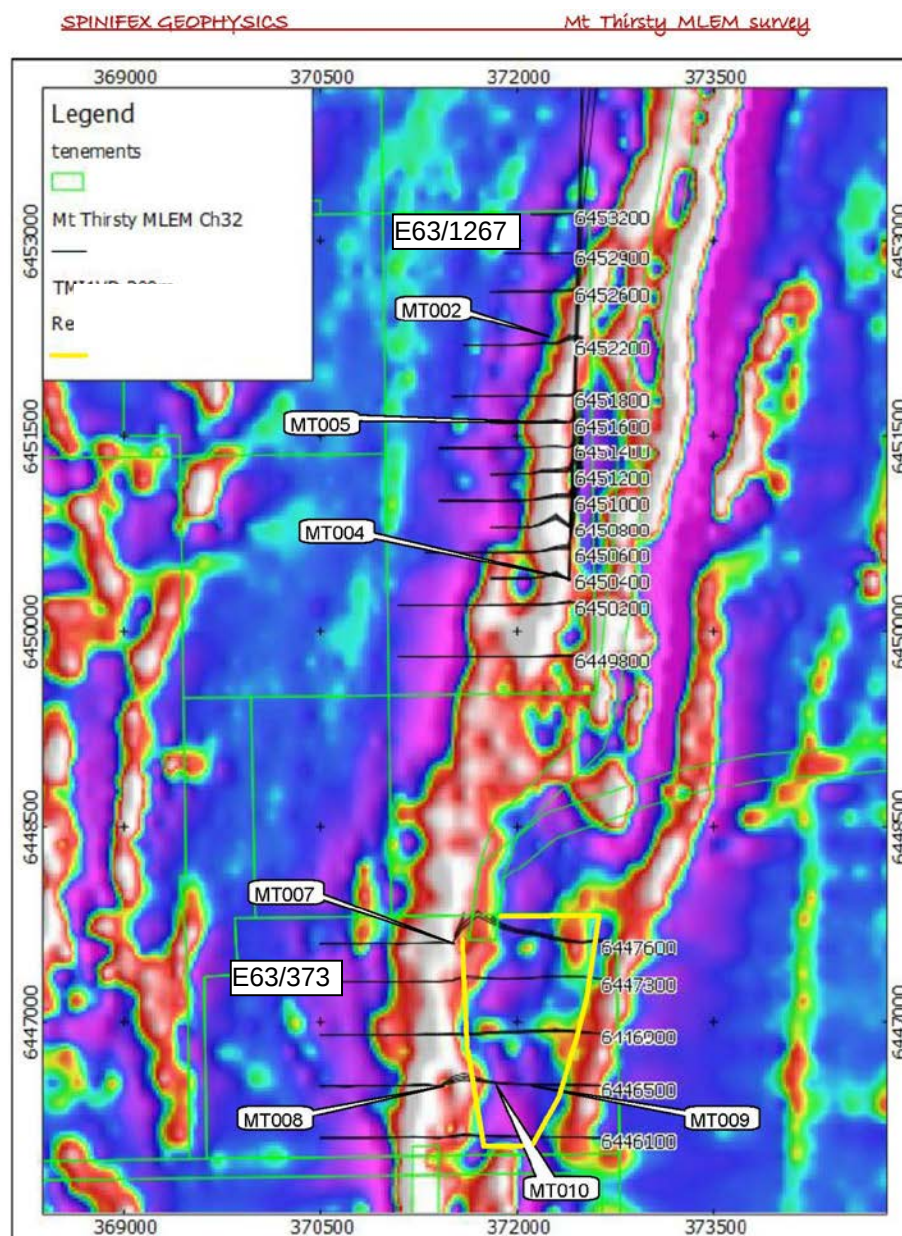
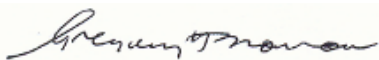


Figure 2: Stacked in-loop MLEM profiles and conductor locations over TMI-1VD aeromagnetic image.

Future Exploration

Recommendations for follow up work are based upon conductor quality and implied geological setting. All Category-1 conductors are recommended for drill testing by Spinifex Geophysics.

Drill testing of the highest priority conductors is planned in the near term.



Greg Solomon
Executive Chairman

Mt Thirsty Project Summary

The Mt Thirsty Cobalt – Nickel - Manganese oxide project covering an area of 47km² is located 20km north-northwest of Norseman in the southern goldfields of Western Australia, a well endowed nickel terrain (see Figure 1). Conico Ltd through its wholly owned subsidiary Meteore Metals Pty Ltd owns 50% of the project in joint venture with Barra Resources Limited. The Mt Thirsty deposit has the potential to emerge as a significant cobalt supplier. Recent metallurgical test work indicates that high recoveries of cobalt together with some nickel can be achieved through low temperature agitated leaching in closed tanks using SO₂.

Mt Thirsty has a JORC (2004) compliant Indicated Resource of 16.6 million tonnes at 0.14% Cobalt, 0.60% Nickel and 0.98% Manganese and a JORC (2004) compliant Inferred Resource of 15.3 million tonnes at 0.11% Co, 0.51% Ni and 0.73% Mn over a length of 1.6 kilometres and a width of up to 850 metres.

As well as the Co-Ni oxide resource, the Mt Thirsty joint venture tenements have potential for nickel sulphide mineralisation at greater depths within the same ultramafic sequence which hosts the near surface oxide deposit. Intersections of nickel sulphides up to 6m down hole at 3.5% Ni were made by the joint venture in 2010.

The interpretations and conclusions reached in this report are based on current geological theory and the best evidence available to the authors at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for complete certainty. Any economic decisions that might be taken on the basis of interpretations or conclusions contained in this report will therefore carry an element of risk.

The information in this announcement, insofar as it relates to other Mineral Exploration activities in Australia, is based on information compiled by Michael J Glasson and Robert N Smith, who are members of the Australian Institute of Geoscientists, both of whom have more than five years experience in the field of activity being reported on. Mr Glasson and Mr Smith are consultants. Mr Glasson and Mr Smith have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Glasson and Mr Smith consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

It should not be assumed that the reported Exploration Results will result, with further exploration, in the definition of a Mineral Resource.