ACN 119 057 457

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

3 SEPTEMBER 2015

Proposal to discharge most of Conico's outstanding debts by issuing securities

Conico Ltd ("Conico" or "the Company") has agreed to settle $733,497 representing a large percentage of its long outstanding debts owed to its major shareholder for a loan ($131.810 being for a loan of $100,000 plus interest and the cost of supplying contract geologists), to entities related to the directors for loans ($110,000), to its directors for directors' fees ($419,687), and to RM Corporate Pty Ltd for providing corporate advisory services to the Company ($72,000), by issuing securities in the Company, rather than paying the same in cash. These debts cover the period from December 2012 up to 31 August 2015.

The Company is proposing to convert the above debts into equity at an issue price of 0.8 cents per share, being an 11% discount to the closing price of the Company's shares on 31 August 2015 (the last date on which its shares traded).

The proposal will be subject to ASX approval (if required), and also subject to approval by shareholders in a General Meeting that will be convened once the necessary notice of meeting and any required reports have been prepared.

In addition, Princebrook Pty Ltd, the company that provides management services to Conico, has agreed to forgive $408,876.75 owing (but unbilled) by Conico for management fees since December 2012. As a result Conico will be left with a total amount of $257,191.79 still owing as at 31 August 2015, and which will be repaid in cash when the Company raises further funds.

Aaron P Gates
Company Secretary

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