

ASX QUARTERLY REPORT

FOR PERIOD ENDED 30TH JUNE 2016

HIGHLIGHTS: MT THIRSTY PROJECT:

- The Mt Thirsty Joint Venture (Conico Ltd, Barra Resources Ltd, 50:50) is currently reviewing options for the Mt Thirsty Cobalt - Nickel Oxide Project in view of a forecast cobalt deficit due to surging demand for high energy lithium-ion batteries in which cobalt is a significant component.
- A dedicated website has been established to show-case the Mt Thirsty Cobalt Nickel Oxide Project to potential partners and investors (www.mthirstycobalt.com).
- Heritage agreement reached with native title holders enabling grant of Retention Licence over E63/373.
- Open pit optimisation and further drilling planned to upgrade current JORC 2004 compliant resource to JORC 2012.
- Two new licences with potential for lithium – bearing pegmatites applied for adjacent to existing Mt Thirsty tenements.

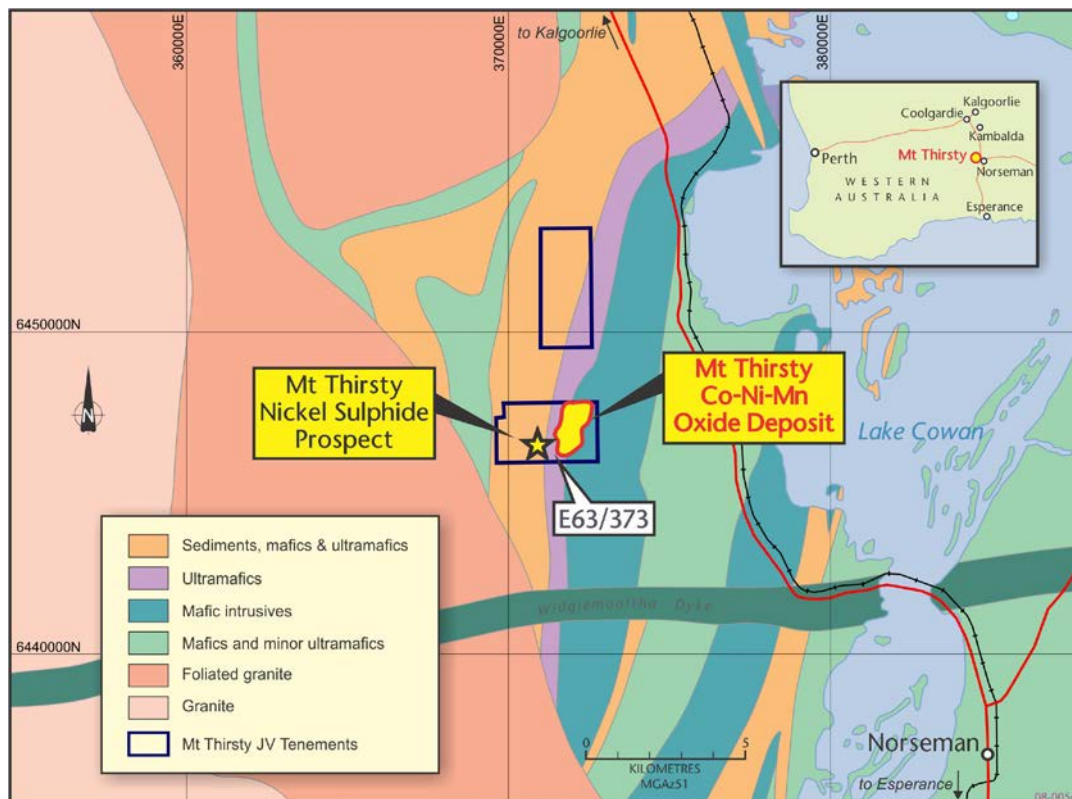


Figure 1: Mt Thirsty Project Location

MT THIRSTY COBALT PROJECT

(50% Conico: 50% Barra – Joint Venture)

The Mt Thirsty Cobalt Project is located 20km north-northwest of Norseman, Western Australia. Conico Ltd (ASX: CNJ) is the Joint Venture manager.

The Project contains the Mt Thirsty Cobalt-Nickel (Co-Ni) Oxide Deposit that has the potential to emerge as a significant cobalt producer. In addition to the Co-Ni Oxide Deposit, the Project also hosts nickel sulphide (Ni-S) mineralisation.

Demand for cobalt looks encouraging as the world becomes more dependent on rechargeable power sources. Innovations with portable electronics and electric vehicle design are adding to this surging demand. However, the battery industry is also competing with demand for cobalt from producers of superalloys, aircraft turbines and chemical industries.

Demand is likely to escalate exponentially with battery production, however supply is uncertain due to:

- Over 60% of global supply coming from the politically unstable African countries such the Democratic Republic of Congo, Central African Republic and Zambia.
- Cobalt is largely a by-product of copper and nickel mining and there are an increasing number of mine closures and project deferments due to low commodity prices.

With potential supply constraints and surging demand, many commentators see pricing pressure as a likely eventuality.

The undeveloped Mt Thirsty Cobalt Project has a significant JORC resource with a potential to have a long mine life. The Project is close to all necessary infrastructure (rail, road, power, water, and sea port) and, being in a mining orientated state, has the potential to attract a variety of interested parties including end users of cobalt. The Joint Venture partners are working collaboratively to exploit this joint opportunity with a soon to be launched marketing initiative.

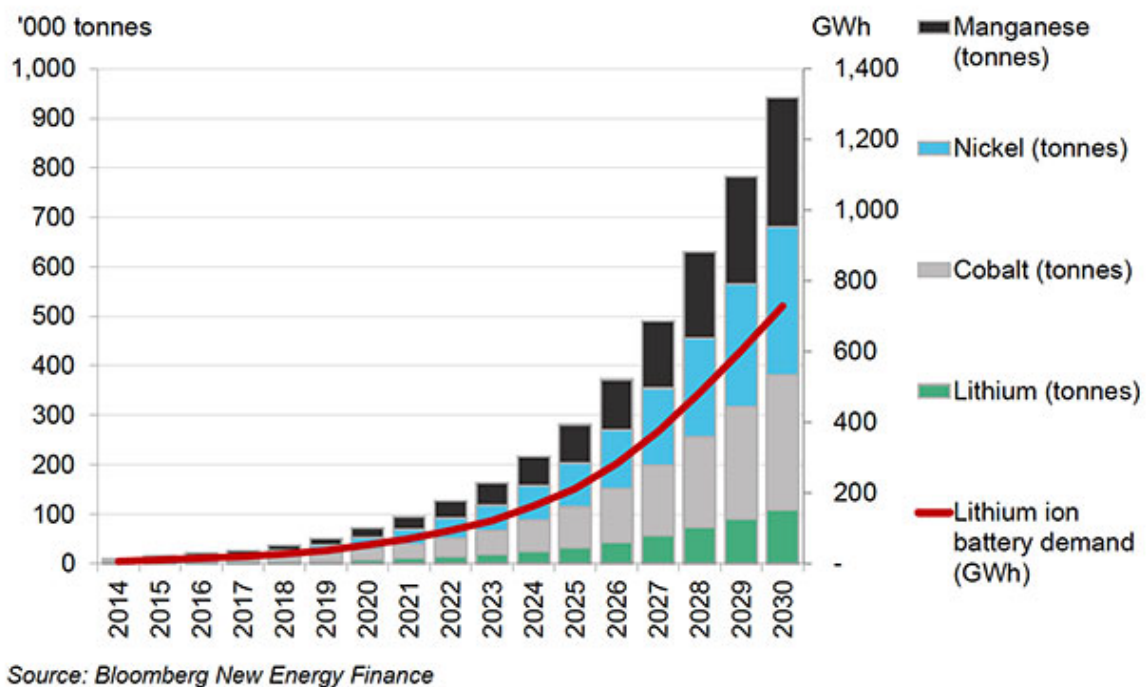


Figure 2: Global lithium-ion battery and materials demand forecast from EV sales, 2015-2030.

ACTIVITIES

New Mt Thirsty Website

The Mt Thirsty Joint venture has commissioned a new website to show-case the Mt Thirsty Co-Ni Project to potential partners and investors. The new website can be viewed at www.mthirstycobalt.com.

Retention Licence

The Mt Thirsty Joint Venture partners have negotiated a heritage agreement with the Ngadju native title holders that has facilitated the granting of a retention licence over E63/373 which covers the Mt Thirsty Co-Ni deposit and the nickel sulphide prospect.

Open Pit Optimisation and Resource Drilling

In order to increase confidence in the Mt Thirsty Co-Ni Oxide Resource further infill drilling is planned to convert some or all of the Inferred Resource to the Indicated Resource category, allowing an upgraded resource estimate under the new JORC 2012 code.

Prior to undertaking this drilling program a preliminary open pit optimisation study will be carried out to determine how much of the current Inferred Resource area would be included in an optimum open pit shell so that infill drilling can be appropriately targeted.

New Applications

Two new licences (refer Figure 3) has been applied for adjacent to the existing Joint Venture tenements. One of these covers a short extension of the interpreted footwall contact north of E63/373 which is considered prospective for Ni sulphides. Both applications have potential for lithium-bearing pegmatites that have been mapped by the GSWA in the Mt Thirsty area.

No lithium minerals have been logged in the deep pegmatite intersections in previous Mt Thirsty Joint Venture nickel sulphide drilling within E63/373. However these intersections are further to the east of the outcropping lithium bearing pegmatites recorded by the GSWA.

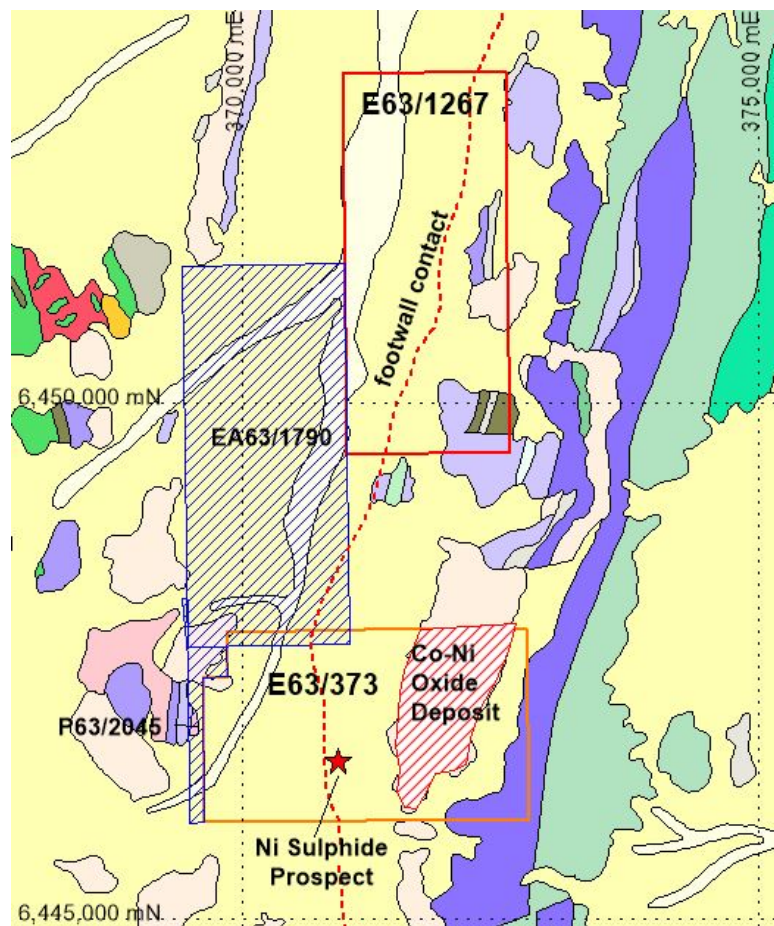


Figure 3: Mt Thirsty Tenements over GSWA 1:100,000 Geology. New applications shown hatched in blue.

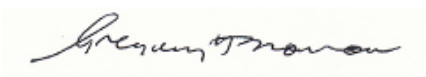
Mt Thirsty Project Summary

The Mt Thirsty Cobalt – Nickel - Manganese oxide project covering an area of 11.5km² 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 are possible through low temperature agitated leaching in closed tanks using SO₂.

Mt Thirsty has a JORC (2004) compliant Indicated Resource within E63/373 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. (This resource 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, refer ASX Announcement 8th March 2011: "Resource Upgrade", available to view on www.conico.com.au).

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 3.4% Ni were made by the joint venture in 2010 within E63/373 (refer ASX announcement 19th May 2010: "High Grades Intersected at Mt Thirsty", available to view on www.conico.com.au).



Greg Solomon
Chairman

Disclaimer

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.

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

Competent Persons Statement

The information in this quarterly report that relates to Exploration Targets, Exploration Results and Mineral Resources is based on and fairly represents information compiled by Michael J Glasson and Robert N Smith, Competent Persons who are members of the Australian Institute of Geoscientists.

Mr Glasson and Mr Smith are employees of Tasman Resources Ltd and in this capacity act as part time consultants to Conico Ltd. Mr Glasson and Mr Smith hold shares in Conico Ltd.

Mr Glasson and Mr Smith have sufficient experience which is relevant to the style of mineralisation and type of the deposits under consideration and to the activity being undertaking to qualify as Competent Persons as defined in the 2012 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.

Interests in Mining Tenements

Tenements	Location	Interest held at end of quarter	Acquired during the quarter	Disposed during the quarter
E63/373*	WA	50%		
E63/1267	WA	50%		
MLA63/527*	WA	50%		
RA63/4	WA	50%		
ELA63/1790	WA	50%	50%	
PA63/2045	WA	50%	50%	
E63/1778	WA	100%	100%	
EA63/1779	WA	100%	100%	

* Replaced by R63/4 subsequent to end of the quarter. MLA 63/527 covers same area as RA63/4 and E63/373.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

CONICO LTD

ABN

49 119 057 457

Quarter ended ("current quarter")

30 June 2016

Consolidated statement of cash flows

Cash flows related to operating activities		Curent quarter \$A'000	Year to June \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(41)	(62)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(173)	(481)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (mainly R&D Tax Rebate)	-	-
Net Operating Cash Flows		(214)	(543)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		-	-
1.13	Total operating and investing cash flows (carried forward)	(214)	(543)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(214)	(543)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	574	574
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	10
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (share application proceeds)	-	341
	Net financing cash flows	574	925
	Net increase (decrease) in cash held	360	382
1.20	Cash at beginning of quarter/year to date	38	16
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	398	398

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	174
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Management Fees, as per agreement, were paid during the quarter to a company of which Mr GH Solomon and Mr DH Solomon are directors.
Directors Fees and superannuation paid during the period.
Placement Fees, were paid during the quarter to a company of which Mr GT Le Page and Mr JB Richardson are directors.
Consulting Fees, were paid during the quarter to a company of which Mr GT Le Page and Mr JB Richardson are directors.
Legal Fees, were paid during the quarter to a legal partnerships of which Mr GH Solomon and Mr DH Solomon are partners.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

-

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

-

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	20
4.2 Development	-
4.3 Production	-
4.4 Administration	30
Total	50

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Curent quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	398	38
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	398	38

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	E63/1778	Direct	0%	100%
6.2 Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	295,243,387	295,243,387		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	24,000,000	24,000,000	\$0.025	\$0.025
7.5 +Convertible debt securities <i>(description)</i>	NOT APPLICABLE			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	5,501,000 59,125,000	NIL NIL	<i>Exercise price</i> 8 cents 3 cents	<i>Expiry date</i> 31 December 2016 30 November 2019
7.8 Issued during quarter	12,000,000	NIL	3 cents	30 November 2019
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>	NOT APPLICABLE			
7.12 Unsecured notes <i>(totals only)</i>	NOT APPLICABLE			

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:


(Company secretary)

Date: 26 July 2016

Print name: Aaron Gates

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.