



Conico Ltd

(ABN 49 119 057 457)

&

Controlled Entities

**Interim Financial Report
for the
Half-Year Ended 31 December 2020**

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HIGHLIGHTS

GREENLAND EXPLORATION:

- Completed acquisition of 100% of UK & Wales registered Longland Resources Ltd (“Longland”)
- 2020 Field season at Ryberg confirmed prospectivity of both Miki Fjord (Ni, Cu, Co, Pd, Au) and Sortekap (Au, Ni) prospects returning anomalous rock chips and geophysical anomalies.
- Longland co-founder and director Mr Thomas Abraham-James appointed CEO of Longland Resources, responsible for managing and overseeing all Greenland exploration activities.
- Planning for 2021 field season including further reconnaissance exploration at Ryberg and Mestersvig in addition to a maiden diamond drilling program at an advanced stage.

MOUNT THIRSTY COBALT PROJECT:

- Discussions on Native Title Agreement advancing.
- Rising cobalt and nickel prices late in CY 2020 have continued to improve project economics at Mt Thirsty.

CORPORATE:

- One for three non-renounceable pro-rata rights offer to Conico shareholders raised \$2.1 million through the issue of 147,639,968 shares at \$0.014 each.
- Placement of 33.33 million Shares at 3 cents each to raise \$1.0 million was completed in December ahead of a one for three Rights Issue to raise \$2.3 million (before expenses) that settled in February 2021.
- Loan from Barra Resources Ltd of \$393,050 plus interest repaid.



CORPORATE DIRECTORY

DIRECTORS:

Gregory H Solomon **LLB** (Chairman)

Douglas H Solomon **BJuris, LLB (Hons)** (Non-Executive)

Guy T Le Page **BA, BSc (Hons), MBA, FINSIA, MAusIMM** (Non-Executive)

James B Richardson **Dip, Fin Plan** (Non-Executive)

COMPANY SECRETARY:

Aaron P Gates **B.Com, CA, AGIA**

REGISTERED OFFICE:

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Solomon Brothers

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Perth WA 6000

SHARE REGISTRY:

Advanced Share Registry Services

110 Stirling Highway

Nedlands WA 6009

AUDITORS:

Nexia Perth Audit Services Pty Ltd

Level 3, 88 William Street

Perth WA 6000

STOCK EXCHANGE LISTING:

ASX Code: CNJ (ordinary shares) CNJO (options)

Quotation has been granted for all the ordinary shares and CNJO options of the company on all Member Exchanges of the Australian Securities Exchange Limited.

REVIEW OF OPERATIONS

RYBERG PROJECT (100% Longland Resources Ltd - MEL2017/06 & MEL-S2109/38)

The Ryberg Project (figure 1) is located on the east coast of Greenland, approximately 345km NW of Iceland. It is a large licence area covering an area of 4,521km² prospective for precious and base metals. Immediately to the west is Major Precious Metals' Skaergaard Project and Greenland Silver Moly Resources' Flammefjeld Project.

The Project contains abundant occurrences of magmatic sulphide mineralisation (Cu-Ni-Co-Pd-Au) with the most advanced referred to as the Miki Prospect. Also within the project area is the Sortekap Prospect which contains Archean greenstone rocks with associated gold mineralisation.

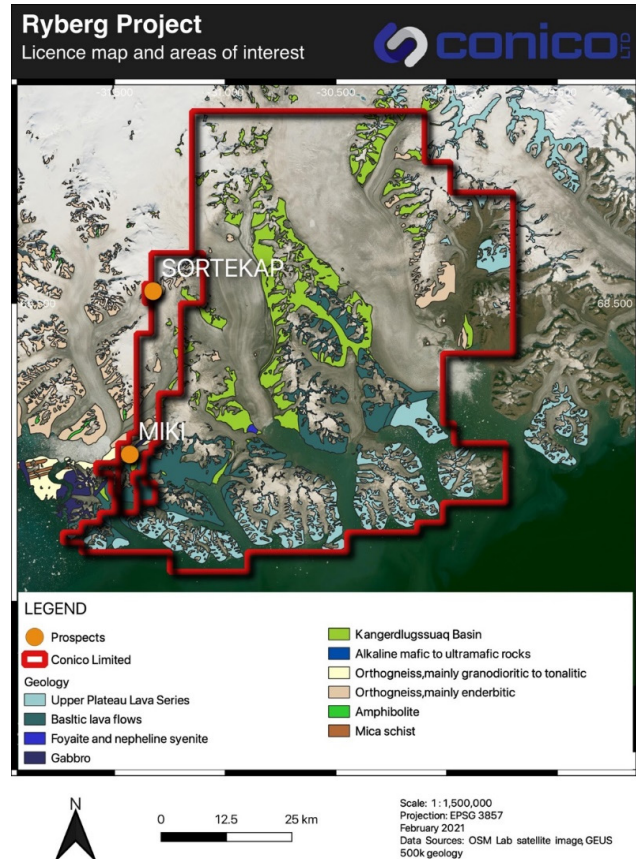


Figure 1: Ryberg Project, East Greenland

ACCESS

There are two ways to access the project area which are via vessel, or aircraft that can land within the licence area at an airstrip that is serviced by an Icelandic aviation company. The project is not located within a National Park, nor is it nearby to a population centre, with the nearest town of Iltoqqortoormiit being 350km to the NE.

PROSPECTS

Miki Prospect (Cu-Ni-Co-Pd-Au)

- **Lithologies:** Numerous mafic/ultramafic intrusions hosted in a sedimentary basin.
- **Visible Mineralisation:** Visible globular magmatic sulphide mineralisation at surface.
- **Geochemical Anomalies:** Surface rock-chip samples grading up to 2.2% Cu, 0.8% Ni, 0.1% Co, 3.3g/t Pd & 0.2g/t Au.
- **Targets:** Three electro-magnetic (EM) geophysical targets at 80-200 metres vertical depth.

Sortekap Prospect (Au-Ni)

- **Lithologies:** Archean greenstones containing abundant quartz veins and ultramafic intrusions.
- **Visible Mineralisation:** Sulphide-bearing veins containing gold, and nickel-bearing sulphides at surface.
- **Geochemical Anomalies:** Surface rock-chip sampling grades up to 2.7g/t Au & 0.3% Ni.
- **Targets:** Induced Polarisation (IP) targets.



ACTIVITIES

2020 Field Season

Field personnel were on site in August-September 2020, consisting of Longland director and geologist Thomas Abraham-James, geophysical technicians, field assistants and pilots. On the Miki magmatic sulphide target a total of 74 electromagnetic (EM) geophysical survey stations were achieved, and surface rock chips collected for analysis. At the Sortekap gold prospect further surface rock chips were sent for analysis and an induced polarisation (IP) survey completed over the area of interest

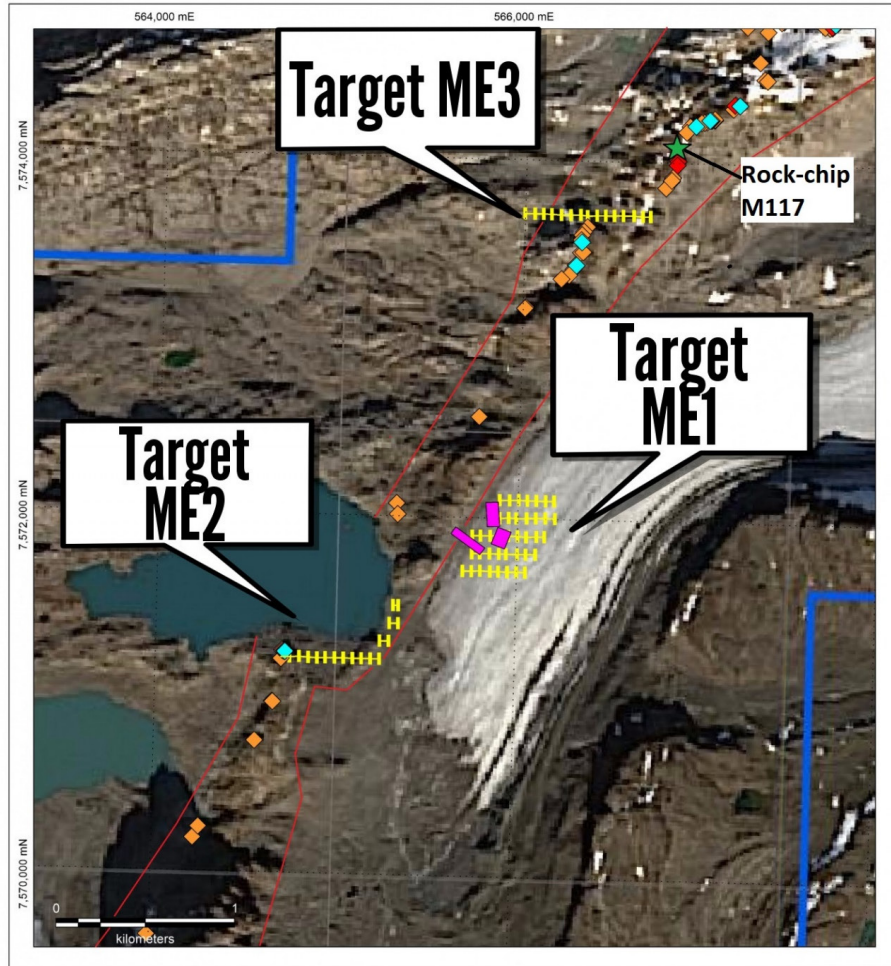
RESULTS

Miki Prospect

The electromagnetic (EM) data was processed and interpreted by an independent geophysicist, with no evident false-positive anomalies detected. The standout target is ME1 (figure 2), with modelled plates forming a half U shape gently dipping to the northeast that is interpreted to represent a chonolith with sulphides present at its base (refer Figure 1). The interpreted chonolith is oriented adjacent to the Miki Fjord Dyke, trending ENE-WSW and is approximately 300m wide, and is greater than 300m in length – total length being unknown as it is open to the west where it was not covered by the survey.

The EM signal and knowledge of the surrounding geology suggests that the sulphides present are most likely copper dominant, with appreciable amounts of palladium and gold.

Drill-holes have been designed by the geophysicist to adequately test the EM targets ranging in vertical depth from 150-210m.



LEGEND







-  EM survey station
-  EM modelled plate
-  Metal tenor rock-chip
-  Historic rock-chip >0.5g/t palladium
-  Historic rock-chip >0.1% copper
-  Historic rock-chip >0.1% nickel

Figure 2: Ryberg Project Showing EM conductors and surface rock chip

Sortekap Prospect

The IP survey identified a large chargeable feature (figure 3) that extends from the southern margin of the survey area, to approximately the mid-point, a length of ~1km (refer Figure 2). This feature is interpreted to be a geological structure (fault or shear) containing chargeable sulphides that is open at depth and along strike. It dips approximately 30° south and is obscured from surface by approximately 20 vertical metres. The chargeability readings are high, particularly in comparison to its surrounds and are likely to be due to greater than 5% sulphide content (most abundant sulphides being pyrite and chalcopyrite).

Gold assays for the surface rock-chips returned four samples grading over 0.1g/t gold, with the highest concentration being 2.5g/t. The gold-bearing samples occur in amphibolite containing sulphides and garnet, giving a mineralogical Con(therefore visual) constraint on the likely zone of gold concentration.

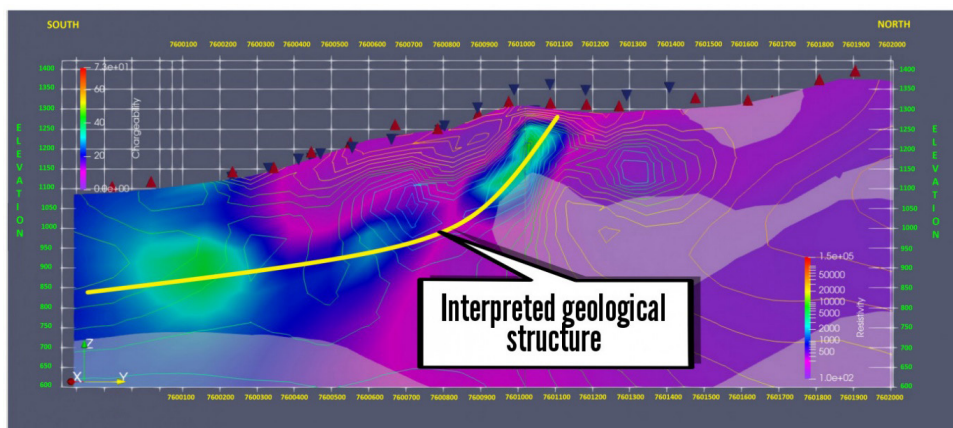


Figure 3: IP anomaly at the Sortekap Prospect, Ryberg Project.



**MESTERSVIG PROJECT
(100% Longland Resources Ltd - MEL2020/64)**

The Mestersvig Project is located on the east coast of Greenland, approximately 620km NW of Iceland. The licence was granted in the reporting period and covers an area of 161km². Immediately to the south of the licence area is Greenland Resources' Malmbjerg molybdenum project, and to the north is Greenfield Exploration & IGO's Frontier copper project. Adjacent to the Mestersvig Project is the Mestersvig Danish military base, complete with airstrip and harbour.

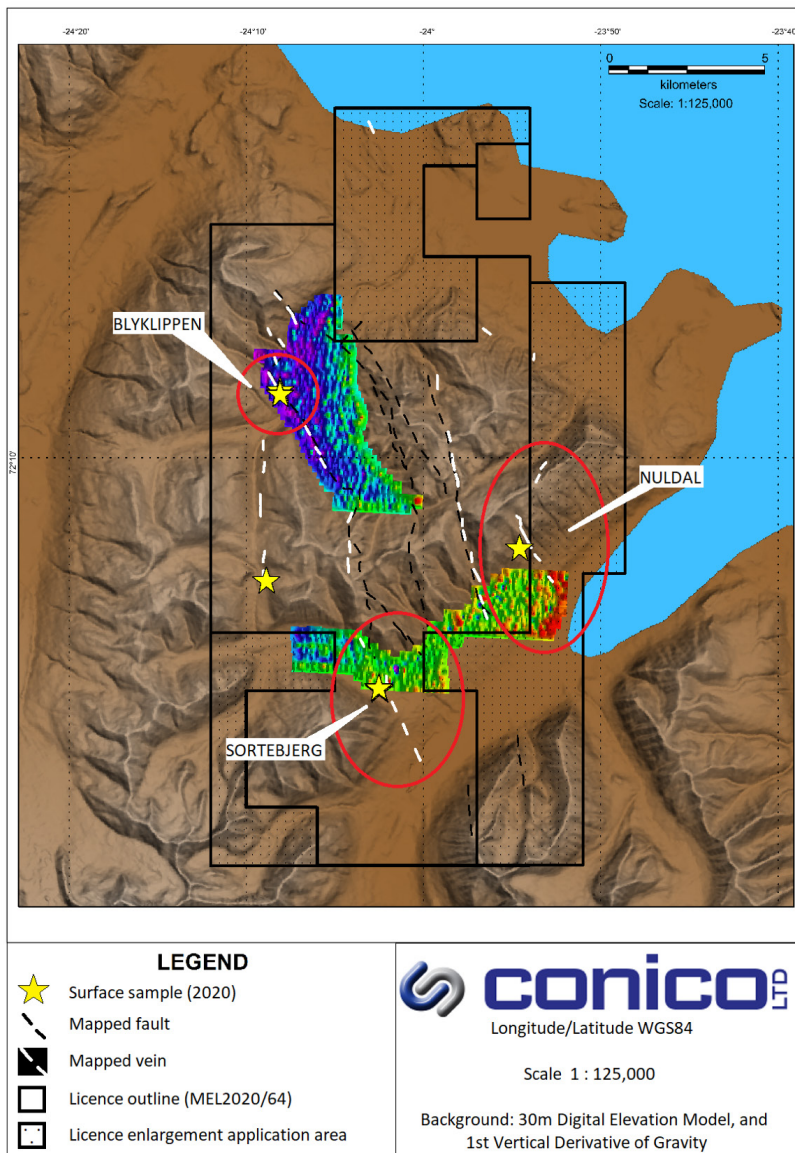


Figure 4: Mestersvig Project, showing surface samples and gravity coverage.

Travel to site is by aircraft from Iceland to Constable Point Airport (located 150km south) and then onward to Mestersvig via either helicopter or fixed wing flight. Travel within the Project is either by foot, ATV or helicopter.

ACTIVITIES

Field personnel were on site in August-September 2020, consisting of Longland director and geologist Thomas Abraham-James, geophysical technicians, field assistants and pilot. A total of 2,344 gravity stations were achieved at 50m spacing and 200m between lines, with surface rock chips collected and

RESULTS

Nuldal Prospect

Field personnel traversed this vein from the coastline, up the mountainside where outcrop was discovered containing massive galena (lead sulphide), hosted in



Figure 5: *Mestersvig Project, rock chip sample 4958 showing massive galena hosted in a quartz vein.*

Sample ID	Easting	Northing	Year	Ag g/t	Cu %	Pb %	S %	Zn %
4958	605,732	8,007,379	2020	236	0.91	60.66	7.32	0.03
4959	605,730	8,007,381	2020	282	0.77	69.47	9.58	0.03

Table 1: *Assay results for 2020 Nuldal surface samples*

The vein also extends to the north into an area referred to as 'Little Lead Valley'. While no analytical results are present, a report from 1952 states "...several small fissure veins outcrop in the steep western walls of Blyryggen, between 600-700m above sea-level. Some of them contain lead sulphide...". The total strike length of the 'Little Lead Valley' veins and Nuldal combined is 4.5km.

The gravity covers the southern extent of the Nuldal Prospect, where the vein becomes obscured by scree. There is a distinct gravity high in this location, showing what appears to be a linear feature that then bends to the southwest and has a strike length of 2km (when combined with the 'Little Lead Valley' and Nuldal veins, this gives a total prospective strike length of 6.5km). The gravity anomaly is in an accessible location on flat ground nearby to Mestersvig Bay.

Sortebjerg Prospect

The Sortebjerg Prospect is located 10km south of the Blyklippen Mine and consists of a mineralised quartz vein that contains dominantly sphalerite (zinc sulphide) mineralisation, with subordinate galena and chalcocopyrite (copper sulphide). The vein outcrops at surface in four locations, over a strike length of approximately 2.9km. Four samples (table 2) were sent for assay and the most anomalous results being 8.35% zinc (sample 4954), and 6.96% copper & 3.42% lead (sample 4956).

ACTIVITES

Sample ID	Sample Type	Cu%	Pb%	Zn%
4954	Rock chip	0.03	0.28	8.35
4955	Rock chip	<0.01	0.01	0.02
4956	Rock chip	6.96	3.42	0.016
4957	Rock chip	0.03	<0.01	<0.01

Table 2: Assay results for 2020 Sortebjerg surface samples

Blyklippen Historic Mine

An unexpected and welcome discovery was finding the historic mine’s core storage facility that contains surface and underground drill core from the mine and surrounds that is remarkably intact (Figure 6).

The gravity response at Blyklippen has a pronounced gravity low which is likely due to the historic mining operation where the opencut and underground operations removed the mineralised vein.



Figure 6: Core shed at the Blyklippen Mine, Mestersvig Project.



MOUNT THIRSTY COBALT PROJECT

(50% Conico Ltd (operator): 50% Barra Resources Ltd - Joint Venture, MTJV)

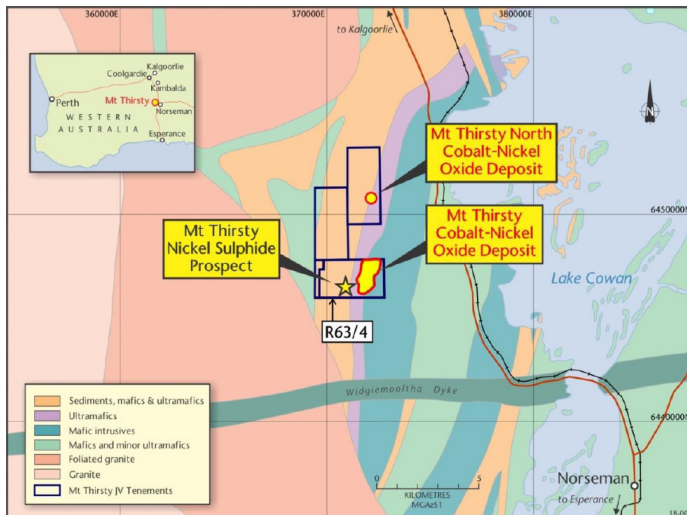


Figure 7: Mt Thirsty Project, Norseman, Western Australia.

The Mt Thirsty Cobalt Project is located 16km north-northwest of Norseman, Western Australia (Figure 7). 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.

HISTORICAL PRICES GRAPH

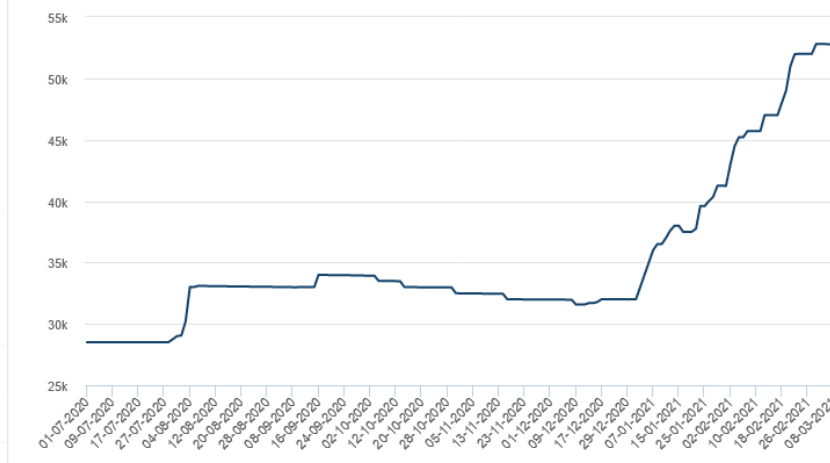


Figure 8: 6-month cobalt (cash buyer) price. (source <https://www.lme.com/Metals/Minor-metals/Cobalt>)

The renewed interest in battery metals following the US federal election has seen a sharp rise in the cobalt price late in CY 2020. This increase, combined with a strong performance from nickel up from US\$12,500 to over US\$16,000/tonne by the end of CY 2020, has significantly improved the economics of the project and the MTJV is optimistic of attracting a partner/advancing developing options should cobalt and nickel prices continue to firm

LME NICKEL HISTORICAL PRICE GRAPH



Figure 9: 6-month nickel (cash buyer) price. (source: <https://www.lme.com/en-GB/Metals/Non-ferrous/Nickel#tabIndex=2>)

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. Mt Thirsty has the potential to become a major supplier to the burgeoning battery supply chain. The great advantage of Mt Thirsty compared to other potential cobalt operations is the nature of the resource, being a flat lying, continuous and thick deposit starting from near surface to around 70 metres below surface. Due to intense oxidation, the deposit is very soft, fine grained and low in silica.

A Pre-Feasibility Study (PFS) was completed in 2020 which demonstrated the significant potential at the MTJV. Highlights included:

- Hydrometallurgical process is at atmospheric pressure and 70-90°C utilising sulphur dioxide (SO₂) as the main reagent.
- Study was based on a JORC 2012 Probable Ore Reserve of 18.8 Mdt at 0.13% cobalt and 0.54% nickel estimated for the project.
- Positive economics returned over a 12-year mine life with a pre-tax NPV of A\$44.4M (A\$25.7M post-tax)
- Capital Expenditure of A\$371M including 10% indirects, 9% growth allowance, 4% owner's costs, and 10% contingency.
- All in Sustaining Costs of US\$35,400/t contained cobalt.

Constructive discussions have also been held with the traditional owners the Ngadju and the MTJV is optimistic in respect to finalising a Native Title agreement of CY 2021.



CORPORATE

ACQUISITION OF LONGLAND RESOURCES LTD

Conico acquired the East Greenland projects via the acquisition of 100% of England & Wales registered company Longland Resources Ltd (Longland) for a consideration of 120 million Shares in Conico Ltd. Longland has a 100% interest in the Ryberg Project that covers an area of 4,521km² containing the Sortekap gold prospect and the Miki Fjord & Togeda Cu-Ni-Co-PGE-Au magmatic sulphide prospects. Longland also has a 100% interest in the Mestersvig Project containing the historic Blyklippen Pb-Zn mine and Sortebjerg Pb-Zn prospect. Longland director Thomas Abraham-James appointed CEO of Longland.

CAPITAL RAISING

During the period Conico completed a rights issue raising \$2,044,265 through the issue of 146,018,934 new shares at 1.4 cents each and two placements raising \$1,807,236 through the issue of 57,659,733 new shares at 1.4 cents each and 33,333,333 new shares at 3 cents each.

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 based on interpretations or conclusions contained in this report will therefore carry an element of risk.

This report contains forward-looking statements that involve a number of risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this report. No obligation is assumed to update forward-looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

COMPETENT PERSONS STATEMENT

The information contained in this report relating to exploration results for the Greenland projects is based on information compiled or reviewed by Thomas Abraham-James, a full-time employee of Longland Resources Ltd. Mr. Abraham-James has a B.Sc. Hons (Geol) and is a Chartered Professional (CPGeo) and Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM). Mr. Abraham-James has sufficient experience of relevance to the styles of mineralisation and the types of deposit under consideration, and to the activities undertaken to qualify as a Competent Person as defined in the 2012 edition of the Joint Ore Reserve Committee (JORC) "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Abraham-James consents to the inclusion in this report of the matters based on information in the form and context in which it appears.



DIRECTORS' REPORT

Your directors submit the interim financial report of Conico Ltd and its controlled entities (Group) for the half-year ended 31 December 2020.

Directors

The names of directors who held office during or since the end of the half-year:

Mr Gregory H Solomon

Mr Douglas H Solomon

Mr Guy T Le Page

Mr James B Richardson

Review of Operations

The net loss after income tax for the half year was \$391,737 (2019: \$158,668).

A review of the operations of the Group during the half-year ended 31 December 2020 is set out in the Review of Operations on Page 5.

Events subsequent to reporting date

No matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in future financial years.

Auditor's Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 16 for the half-year ended 31 December 2020.

This report is signed in accordance with a resolution of the Board of Directors.

Chairman

A handwritten signature in black ink, appearing to read 'Gregory H Solomon', is placed on a light yellow rectangular background.

Gregory H Solomon

Dated this 15th day of March 2021

Auditor's independence declaration under section 307C of the *Corporations Act 2001*

To the Directors of Conico Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2020, there have been:

- (i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.



Nexia Perth Audit Services Pty Ltd



M. Janse Van Nieuwenhuizen

Director

Perth
15 March 2021



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Notes	Consolidated Group	
		31 Dec 2020	31 Dec 2019
		\$	\$
Other income		751	9,430
Accounting and audit expense		(11,475)	(23,286)
Depreciation and amortisation expense		(1,570)	(511)
Employee benefits expense		(108,665)	(91,980)
Finance expense		(5,710)	-
Foreign exchange gain/(loss)		140	-
Insurance Expense		(31,405)	(30,412)
Legal and other consultants expense		(89,778)	(23,039)
Management fees		(72,000)	(72,000)
Rent Expense		(9,159)	-
Other expenses		(62,866)	(31,470)
Loss before income tax		(391,737)	(263,268)
Income tax (expense)/benefit		-	104,600
Loss for the period		(391,737)	(158,668)
Other Comprehensive Income			
Items that may be reclassified to profit or loss			
Foreign currency translation reserve		(107,125)	-
Other comprehensive income, after tax		(107,125)	-
Total Comprehensive Loss attributable to members of the parent		(498,862)	(158,668)
Basic and diluted loss per share (cents per share)		(0.0725)	(0.0420)

The accompanying notes form part of these financial statements.



CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Notes	Consolidated Group	
		31 Dec 2020	30 Jun 2020
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		1,688,737	171,401
Trade and other receivables		41,511	16,599
TOTAL CURRENT ASSETS		1,730,248	188,000
NON-CURRENT ASSETS			
Property, plant and equipment		18,209	5,780
Exploration and evaluation expenditure	2	20,518,809	15,930,182
TOTAL NON-CURRENT ASSETS		20,537,018	15,935,962
TOTAL ASSETS		22,267,266	16,123,962
CURRENT LIABILITIES			
Trade and other payables		293,519	232,721
TOTAL CURRENT LIABILITIES		293,519	232,721
NON-CURRENT LIABILITIES			
Interest bearing liabilities	3	-	401,380
Provisions		262,500	262,500
TOTAL NON-CURRENT LIABILITIES		262,500	663,880
TOTAL LIABILITIES		556,019	896,601
NET ASSETS		21,711,247	15,227,361
EQUITY			
Issued capital	4	27,200,255	20,394,350
Reserves		858,368	788,650
Accumulated losses		(6,347,376)	(5,955,639)
TOTAL EQUITY		21,711,247	15,227,361

The accompanying notes form part of these financial statements.



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Share Capital Ordinary	Foreign Curren- cy Translation Reserve	Option Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2019	20,085,785	-	788,650	(5,605,669)	15,268,766
Issue of shares, net of costs	308,565	-	-	-	308,565
Net loss for the period	-	-	-	(158,668)	(158,668)
Other comprehensive income	-	-	-	-	-
Total comprehensive income (loss)	-	-	-	(158,668)	(158,668)
Balance at 31 December 2019	20,394,350	-	788,650	(5,764,337)	15,418,663
Balance at 1 July 2020	20,394,350	-	788,650	(5,955,639)	15,227,361
Issue of shares, net of costs	6,805,905	-	-	-	6,805,905
Issue of options	-	-	176,843	-	176,843
Net loss for the period	-	-	-	(391,737)	(391,737)
Other comprehensive income	-	(107,125)	-	-	(107,125)
Total comprehensive income (loss)	-	(107,125)	-	(391,737)	(498,862)
Balance at 31 December 2020	27,200,255	(107,125)	965,493	(6,347,376)	21,711,247

The accompanying notes form part of these financial statements.



CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Notes	Consolidated Group	
		31 Dec 2020	31 Dec 2019
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		-	10,724
Payments to suppliers and employees		(292,903)	(136,540)
Interest received		48	131
Interest paid		(14,041)	-
R&D Tax Rebate		-	104,600
Net cash provided by (used in) operating activities		(306,896)	(21,085)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of subsidiary (net of cash acquired)	9	(6,605)	-
Exploration and evaluation expenditure		(106,749)	(324,655)
Cash advanced for Exploration spent	9	(1,206,240)	-
Payments for property, plant & equipment		(11,410)	-
Net cash provided by (used in) investing activities		(1,331,004)	(324,655)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from loans		-	174,665
Net proceeds from share issues		3,621,147	308,565
Repayment of loans		(393,050)	-
Net cash provided by (used in) financing activities		3,228,097	483,230
Net increase/(decrease) in cash held		1,590,197	137,490
Net increase/(decrease) due to foreign exchange movements		(72,861)	-
Cash at beginning of period		171,401	131,063
Cash at end of period		1,688,737	268,553

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 1: BASIS OF PREPARATION

The interim financial report is a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standard AASB 134: *Interim Financial Reporting*, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with AASB 134: *Interim Financial Reporting* ensures compliance with IAS 34: *Interim Financial Reporting*.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2020 and any public announcements made by Conico Ltd and its controlled entities (Group) during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules. The condensed consolidated interim financial report does not include full disclosures of the type normally included in an annual financial report.

Accounting Policies

The accounting policies have been consistently applied by the entities in the Group and are consistent with those in the June 2020 financial report except for the adoption of new and revised Accounting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

Going Concern

These financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

The Group has reported a net loss for the year of \$391,737 (2019: \$158,668) and a cash outflow from operating activities of \$306,896 (2019: \$21,085). The directors carefully manage expenditure and, subject to being able to raise further finance, are of the view, based on cash flow forecasts, that the Group will be able to continue its operations as a going concern. The continuing applicability of the going concern basis of accounting is dependent upon the Group's ability to source additional finance. The directors are confident that the Group will be successful in securing additional funds, should the need arise.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 1: BASIS OF PREPARATION CONTINUED

Based on these facts, the directors consider the going concern basis of preparation to be appropriate for this financial report. Should the Company be unsuccessful in securing additional finance, there is a material uncertainty which may cast significant doubt whether the Group will be able to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial statements do not include any adjustments relative to the recoverability and classification of recorded asset amounts or, to the amounts and classification of liabilities that might be necessary should the entity not continue as a going concern.

NOTE 2: EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated Group	
	31 Dec 2020	30 Jun 2020
	\$	\$
Opening balance	15,930,182	15,469,981
Expenditure incurred during the period	182,644	472,701
Movement in rehabilitation provision	-	(12,500)
Acquired through acquisition of Longland Resources Ltd	4,405,983	-
Closing Balance	20,518,809	15,930,182

NOTE 3: INTEREST BEARING LIABILITIES

	31 Dec 2020	30 Jun 2020
	\$	\$
Opening balance	401,380	
Amount drawn down	-	393,050
Interest	5,710	8,330
Repayment of interest and capital	(407,090)	-
Closing Balance	-	401,380



NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 4: ISSUED CAPITAL

	Consolidated Group			
	31 Dec 2020		30 Jun 2020	
	\$		\$	
756,432,316 (2020: 384,398,221) ordinary shares	27,200,255		20,394,350	
	31 Dec 2020	30 Jun 2020	31 Dec 2020	30 Jun 2020
	No.	No.	\$	\$
a. Ordinary shares				
At the beginning of reporting period	384,398,221	351,758,253	20,394,350	20,085,785
Shares issued during the year net of costs	372,034,095	32,639,968	6,805,905	308,565
At reporting date	<u>756,432,316</u>	<u>384,398,221</u>	<u>27,200,255</u>	<u>20,394,350</u>

Ordinary shares participate in dividends and in the proceeds of winding up in proportion to the number of shares held. At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. The Company has no authorised share capital or par value. All issued shares are fully paid.

NOTE 5: SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources. The following have been identified as individual segments:

Greenland

Conico holds a 100% in both the Ryberg and Mestersvig Projects in Greenland. The Ryberg Project that covers an area of 4,521km² containing the Sortekap gold prospect and the Miki Fjord & Togeda Cu-Ni-Co-PGE-Au magmatic sulphide prospects. The Mestersvig Project containing the historic Blyklippen Pb-Zn mine and Sortebjerg Pb-Zn prospect.

Mount Thirsty JV

Conico holds a 50% interest in the Mt Thirsty Cobalt Project, located 16km north-northwest of Norseman, Western Australia. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 5: SEGMENT INFORMATION CONTINUED

Unallocated

Unallocated items comprise items that cannot be directly attributed to the Greenland Exploration or the Mt thirsty JV segments and corporate costs which includes those expenditures supporting the business during the period.

The segment information for the reportable segments for the six months ended 31 December 2020 is as follows:

6 months ended 31 December 2020	Greenland	Mt Thirsty JV	Unallocated	Total
	\$	\$	\$	\$
Segment loss before tax	-	-	(391,707)	(391,707)
Impairment of assets	-	-	-	-
Capital expenditure additions	4,583,549	5,079	-	4,588,628
Segment assets	4,583,549	15,935,260	1,748,455	22,267,266
Segment liabilities	-	(262,500)	(293,519)	(556,019)

6 months ended 31 December 2019	Greenland	Mt Thirsty JV	Unallocated	Total
	\$	\$	\$	\$
Segment loss before tax	-	-	(158,668)	(158,668)
Impairment of assets	-	-	-	-
Capital expenditure additions	-	324,655	-	324,655
Segment assets	-	15,794,636	287,385	16,082,021
Segment liabilities	-	(449,665)	(213,693)	(663,358)

NOTE 6: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The directors are not aware of any contingent liabilities or contingent assets as at 31 December 2020.

NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE

On 5 February 2021 Conico issued 75,643,721 fully paid ordinary shares at \$0.03 each pursuant to a fully underwritten pro-rata non-renounceable rights issue, raising \$2,269,312 before costs.

No other matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in future financial years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 8: RELATED PARTY TRANSACTION

The directors are not aware of any contingent liabilities or contingent assets as at 31 December 2020.

	Consolidated Group	
	31 Dec 2020	31 Dec 2019
	\$	\$
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.		
Transactions with related parties during the period:		
Key Management Personnel		
Management fees and administration fees are paid/payable to Princebrook Pty Ltd, a company in which Mr G Solomon and Mr D Solomon have an interest.	72,000	72,000
Corporate advisory fees paid/payable to RM Corporate Finance Pty Ltd, a company in which Mr G Le Page and Mr J Richardson have an interest.	21,000	21,000
Legal fees are paid/payable to a legal firm in which Mr G Solomon and Mr D Solomon have an interest.	23,158	-
Website development, media and marketing fees paid/payable to RM Corporate Finance Pty Ltd, a company in which Mr G Le Page and Mr J Richardson have an interest.	9,360	-
Lead manager and placement fees paid/payable to RM Corporate Finance Pty Ltd, a company in which Mr G Le Page and Mr J Richardson have an interest.	48,434	-
Underwriting fee paid/payable to RM Corporate Finance Pty Ltd (including \$140,000, being the fair value of 20,000,000 underwriter options), a company in which Mr G Le Page and Mr J Richardson have an interest.	251,505	-

NOTE 9: ACQUISITION OF SUBSIDIARIES

On 2 November 2020 Conico successfully acquired 100% of the issued capital of Longland Resources Limited ("Longland"), the 100% owner of the Ryberg and Mestersvig Projects in Greenland. Total consideration for the acquisition of Longland was 120,000,000 fully paid ordinary Conico shares. The assets and liabilities arising from acquisition are recognised at fair value which is equal to the carrying value at acquisition date.

The acquisition of Longland Resources Limited ("Longland") by Conico has been treated as an asset acquisition, rather than a business combination. This was on the grounds that the transaction met the "concentration test" within AASB 3 Business Combinations. The cost of the acquisition has therefore been allocated to the assets and liabilities acquired.



NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 9: ACQUISITION OF SUBSIDIARIES CONTINUED

	\$
Cash consideration (acquisition costs)	35,555
Cash advanced for Exploration spent	1,268,186
Equity issued as consideration	3,120,000
Total purchase consideration	<u>4,423,741</u>
Fair value of assets acquired	<u>4,423,741</u>
Assets and liabilities held at acquisition date:	
Cash and cash equivalents	15,012
Other assets	2,746
Capitalised mineral exploration and evaluation expenditure	4,405,983
Loans	-
Net assets acquired	<u>4,423,741</u>



DIRECTORS' DECLARATION

The directors of the company declare that:

1. The consolidated financial statements and notes, as set out on pages 16-26:
 - a. comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
 - b. give a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Chairman

A handwritten signature in black ink, appearing to read "Gregory H Solomon", is placed on a light yellow rectangular background.

Gregory H Solomon

Dated this 15th day of March 2021

Independent Auditor's Review Report

To the members of Conico Limited

Report on the Interim financial report

Conclusion

We have reviewed the accompanying interim financial report of Conico Limited (the Company) and its controlled entities (the Group), which comprises the Consolidated Statement of Financial Position as at 31 December 2020, Consolidated Statement of Profit and Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Conico Limited does not comply with the *Corporations Act 2001* including:

- i) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- iii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter - Material Uncertainty Related to Going Concern

Without modifying our review conclusion, we draw attention to Note 1 of the interim financial report, which indicates that the Group will require further funding in the next twelve months from the date of this report to fund its planned operating costs. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our review of the interim financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the interim financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Nexia Perth Audit Services Pty Ltd



M. Janse Van Nieuwenhuizen

15 March 2021

Perth, Western Australia

INTERESTS IN MINING TENEMENTS

Tenements	Location	Interest held at end of period	Acquired during the period	Disposed during the period
E63/1267	WA	50%	-	-
R63/4	WA	50%	-	-
E63/1790	WA	50%	-	-
P63/2045	WA	50%	-	-
M(A) 63/669*	WA	50%	-	-
M(A) 63/670#	WA	50%	-	-
G(A) 63/93^	WA	50%	-	-
L63/80	WA	50%	-	-
L63/81	WA	50%	-	-
L63/91	WA	50%	-	-
MEL 2017/06	Greenland	100%	100%	-
MEL-S 2019/38	Greenland	100%	100%	-
MPL 2019/9	Greenland	100%	100%	-

Notes:

*MLA over E63/1267, #MLA over R63/4, ^GLA over E63/1790 & P63/2045