

Appendix 5B

Mining exploration entity and oil and gas 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, 01/05/13, 01/09/16

Name of entity

Conico Ltd

ABN

49 119 057 457

Quarter ended ("current quarter")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(223)	(253)
(b) development	-	-
(c) production	-	-
(d) staff costs	(2)	(28)
(e) administration and corporate costs	(60)	(174)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	103	103
1.8 Other (provide details if material)	4	6
1.9 Net cash from / (used in) operating activities	(178)	(346)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	326
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(3)	(17)
3.5	Proceeds from borrowings	175	175
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	172	484

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	275	131
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(178)	(346)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	172	484
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	269	269

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	269	275
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	269	275

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	40
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Superannuation was paid during the quarter.

Management Fees, as per agreement, were paid during the quarter to a company of which Mr GH Solomon and Mr DH Solomon are directors.

Legal Fees were paid during the quarter to a law firm of which Mr GH Solomon and Mr DH Solomon are partners.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

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8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	500,000	173,802
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Meteore Metals Pty Ltd (a wholly owned subsidiary of Conico Ltd) and Barra Resources Ltd ("Barra") entered into a loan agreement on 28 October 2019 pursuant to which Barra will lend Meteore Metals Pty Ltd up to \$500,000 or further amount as agreed, for a term of 3 years ("Term") to fund Stage 3 expenditure on the Mt Thirsty JV Pre Feasibility Study. Interest at 5% per annum calculated daily on amounts drawn down and will be capitalised into the loan annually in arrears and the loan may be repaid early in cash at Conico's election.

The loan must be repaid:

- (a) in full immediately upon the occurrence of a prescribed event of default under the loan agreement;
- (b) if, Meteore Metals Pty Ltd transfers its interest in the Joint Venture, or there is a trade sale by or change of control of Conico or Meteore Metals Pty Ltd, in full within 14 days of the relevant event occurring;
- (c) if the final LME Cobalt Price on a day on which the London Metal Exchange is open for trading (Trading Day) is greater than or equal to US\$60,000 per tonne for 15 consecutive Trading Days at any time during the Term, in full within 90 days thereof (unless Conico (or any of its subsidiaries, including Meteore Metals Pty Ltd) has been unable, despite use of reasonable endeavours, to raise an amount equal to the aggregate of \$1,000,000 plus the outstanding amount of the loan and all accrued interest ("Minimum Capital Amount") prior to the expiration of this 90 day period);
- (d) if the aggregate net amount of any and all capital raisings conducted by Conico (and its subsidiaries) during the Term is greater than \$1,000,000, in full or (if a lesser amount) in part by an amount equal to 20% of such Conico capital raisings above an aggregate of \$1,000,000, within 7 days of receipt of cleared funds;

in full at the end of the Term, if the loan has not already been repaid, provided that if Conico has not raised more than the Minimum Capital Amount and repaying the loan would see Conico's cash balance fall below \$500,000, Meteore Metals Pty Ltd may, at its discretion, cause the loan and accrued interest (or part thereof) to be repaid in Conico shares at a 10 day weighted average price.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	250
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	65
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	315

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10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



Company secretary

Date: 31 January 2020

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.