

**ASX QUARTERLY REPORT
FOR PERIOD ENDED 31ST MARCH 2017**

HIGHLIGHTS: MT THIRSTY COBALT PROJECT:

- **Metallurgical test work continuing**
- **Scoping Study targeting completion in June quarter**
- **Air Core drilling on E63/1267 to follow up previous Co-Ni intersections planned for late April**

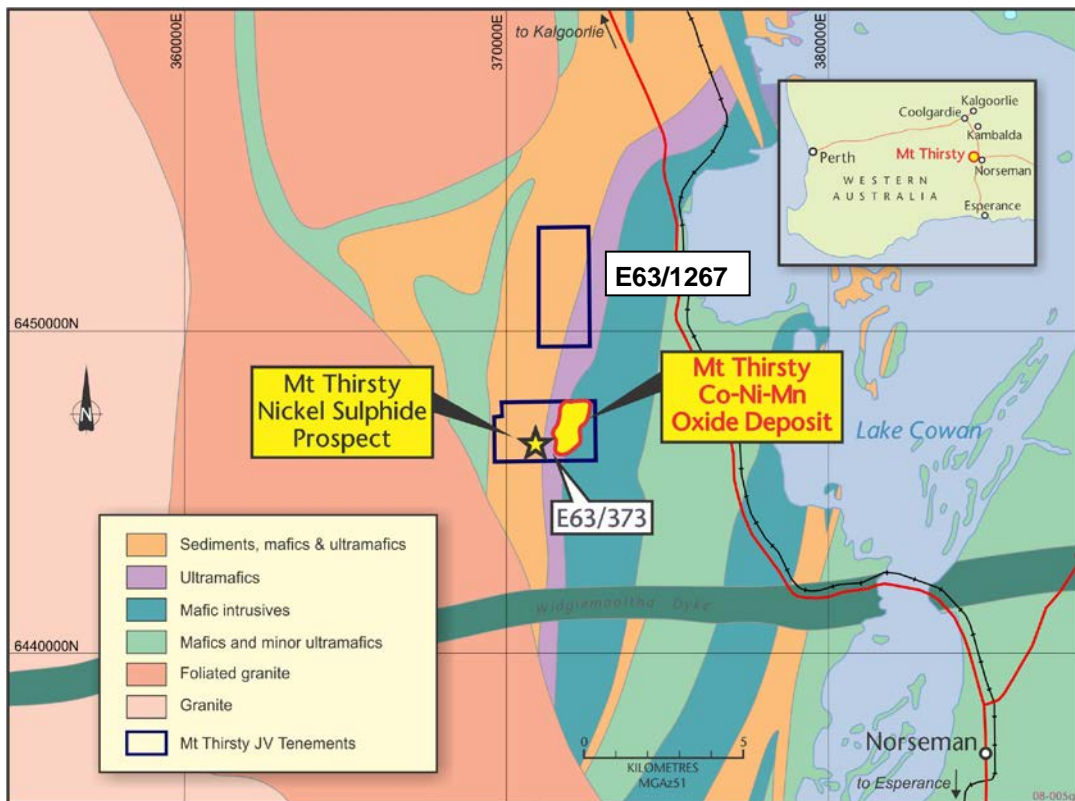


Figure 1: Mt Thirsty Project Location

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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. Further information can be found at www.mtthirstycobalt.com. In addition to the Co-Ni Oxide Deposit, the Project also hosts nickel sulphide (Ni-S) mineralisation.

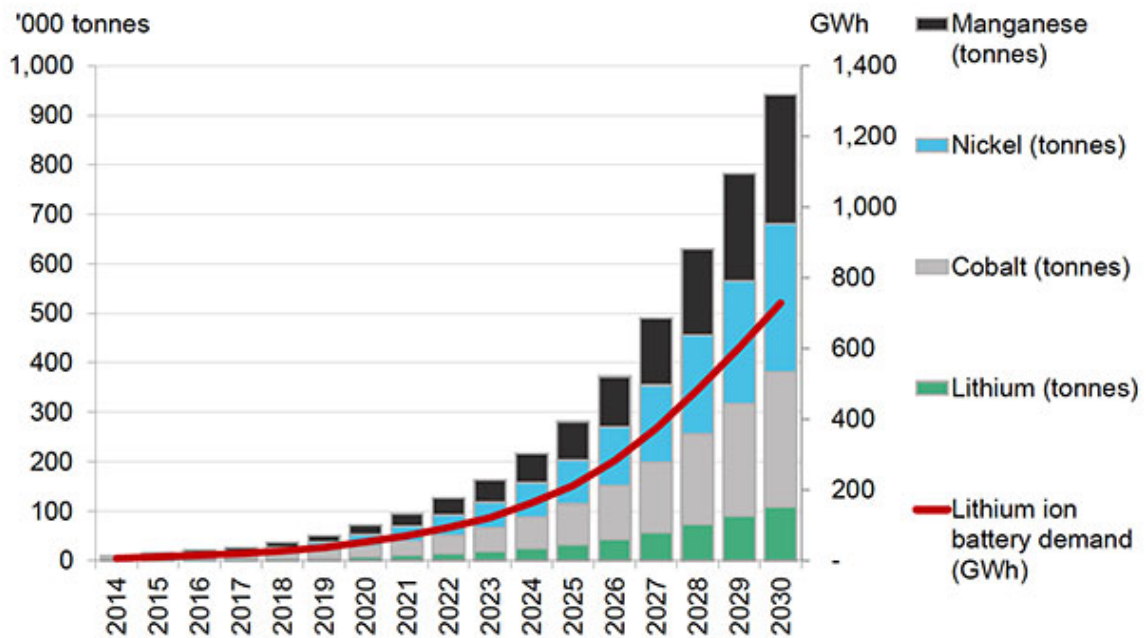
Demand for cobalt looks encouraging as the world becomes more dependent on rechargeable power sources. Innovations with portable electronics and electric vehicle design are adding to this surging demand. However, the battery industry is also competing with demand for cobalt from producers of superalloys, 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 deferrals 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 compliant 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 and have launched a marketing initiative.



Source: Bloomberg New Energy Finance

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

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ACTIVITIES

Metallurgical Testwork and Scoping Study

This current phase of metallurgical testwork continues and is due for completion during April. The MTJV is in the process of appointing a study manager to coordinate the next phase of the Scoping Study that will focus on flowsheet design and financial modelling. The MTJV is on target to complete the Scoping Study during the June quarter.

Air Core Drilling E63/1267

A 25 hole approx. 1000m air core (AC) drilling program is planned to follow up several promising Co-Ni intersections discovered beneath a laterite outcrop on the eastern side of E63/1267 in 2015 (refer location in Figures 1 and 3 and also to CNJ ASX Report for Quarter ending June 2015, available on www.conico.com.au). This area is located approx. 3 km north of the Mt Thirsty Joint Venture's (MTJV) Mt Thirsty Cobalt Oxide deposit.

Drilling by the MTJV in 2015 intersected significant Co-Ni oxide mineralisation in three adjacent holes approx. 50m apart along a single drill traverse with values up to 0.15% Co and 1.26% Ni in a 3m composite sample from 30 to 33m downhole. This drilling indicated that there is potential to delineate further Co-Ni oxide mineralisation beneath the laterite on the eastern side of E63/1267 that could potentially supplement the existing Mt Thirsty oxide resource on R63/4. Further air core drilling is required to test the extent of this mineralisation beneath the mapped laterite that trends for about 500m along its north-south axis.

A Program of Work has been approved by the Dept. of Mines and Petroleum and an Aboriginal heritage survey is scheduled for early April and drilling thereafter.

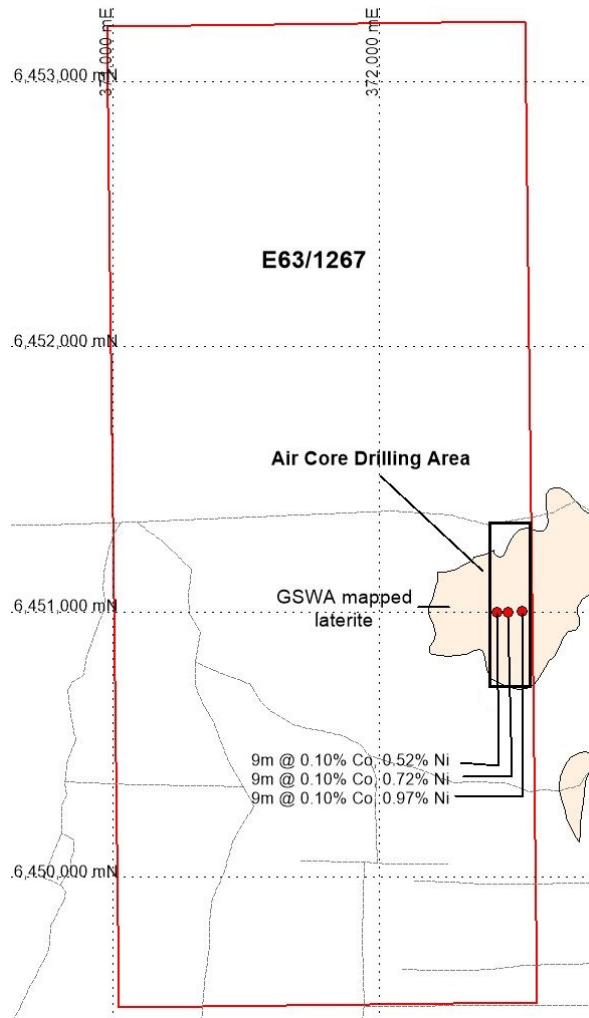
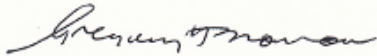


Figure 3: E63/1267. Location of proposed AC drilling and previous Co-Ni intersections (red dots) with Co and Ni assay results. Intersections shown are based on 3m composites and are downhole widths (9m downhole is approx. 7.2m true width). GDA94 Zone 51.

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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 undertaken 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.

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 Meteorite 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.

The project hosts the Mt Thirsty Cobalt Oxide Deposit (Table 2) which has the potential to emerge as a significant cobalt supplier. Refer also Cross Section through Mt Thirsty deposit, Figure 4 below.

Table 2: Mt Thirsty Cobalt Oxide Deposit Mineral Resource Summary (0.06% Co cut off)

Mineral Resource Category	Tonnes	Cobalt (Co) (%)	Nickel (Ni) (%)	Manganese (Mn) (%)
Indicated	16,600,000	0.14	0.60	0.98
Inferred	15,340,000	0.11	0.51	0.73
Total Mineral Resource	31,940,000	0.13	0.55	0.86

(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).

Extensive metallurgical testwork in recent years has indicated that high recoveries of cobalt can be achieved via agitated, low temperature, atmospheric leaching using cheaper and more efficient sulphur dioxide (SO₂) as the main leaching agent resulting in a more practical and economic leaching method by specifically targeting cobalt only.

Two flowsheets, one utilising a paste thickener and the other using an ion exchange resin-in-pulp (RIP), are still under investigation. Both have low water consumption, low reagent consumption and greater than 80% cobalt and 25% nickel recoveries. Preliminary estimations justify continued work to progress to a pre-feasibility stage.

The Mt Thirsty Cobalt Oxide Deposit currently represents an excellent long-term, low cost, cobalt production opportunity.

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).

For more details on the Mt Thirsty Cobalt Project, shareholders and investors are encouraged to visit the Project website at www.mtthirstycobalt.com.

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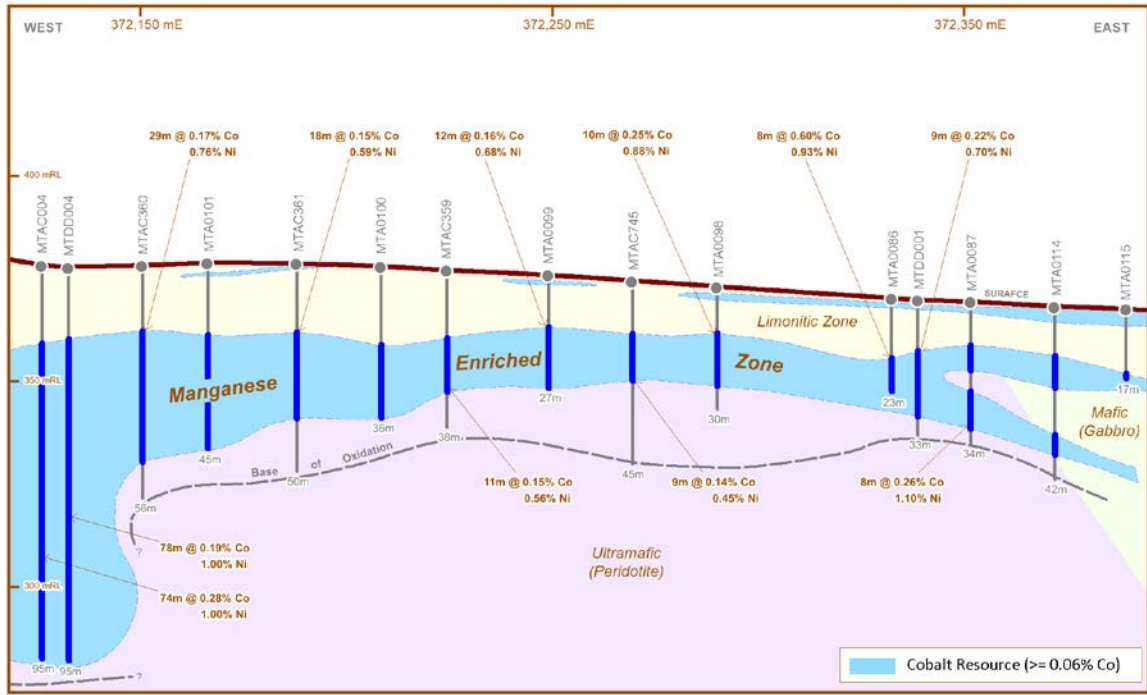


Figure 4: Representative schematic cross-section through the Mt Thirsty Cobalt – Nickel Oxide Deposit

Interests in Mining Tenements

Tenements	Location	Interest held at end of quarter	Acquired during the quarter	Disposed during the quarter
E63/1267	WA	50%		
R63/4	WA	50%		
EL63/1790	WA	50%		
P63/2045	WA	50%		
E63/1778	WA	100%		
E63/1779	WA	100%		

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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 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(63)	(77)
(b) development	-	-
(c) production	-	-
(d) staff costs	(25)	(25)
(e) administration and corporate costs	(108)	(169)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	3	3
1.9 Net cash from / (used in) operating activities	(192)	(265)

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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Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	457	472
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(9)
3.5	Proceeds from borrowings	-	-
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	457	463

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	331	398
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(192)	(265)
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)	457	463
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	596	596

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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	596	331
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)	596	331

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	132
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	

Director fees were 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.

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	20
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	

Reimbursement to Tasman Resources Ltd for geologists on an hourly rate.

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	-	-
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.		

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9. Estimated cash outflows for next quarter		\$A'000
9.1	Exploration and evaluation	50
9.2	Development	-
9.3	Production	-
9.4	Staff costs	-
9.5	Administration and corporate costs	80
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	130

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: 13 April 2017

Print name: Aaron Gates

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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.

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