



Conico Ltd

ABN 49 119 057 457

and Controlled Entities

**Interim Financial Report
for the
Half-Year Ended 31 December 2018**

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HIGHLIGHTS

- Pre-Feasibility Study (PFS) level metallurgical test work results of the whole ore leach case by Wood independently validated the Scoping Study assumptions
- Whole ore leach case selected over the beneficiation case as the go-forward case for the PFS
- Leach optimisation test work nearing completion
- Positive land access, native title and community engagement
- Resource upgrade to JORC 2012 nearing completion
- Pre-Feasibility Study level engineering and capital estimation is scheduled to commence in Q1 2019

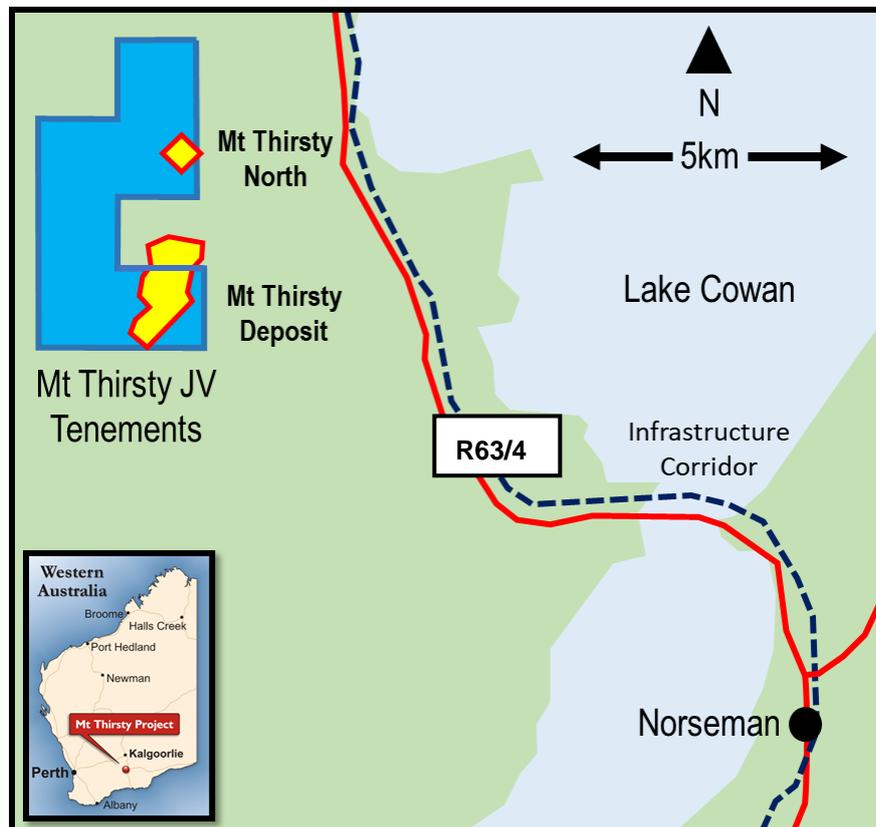


Figure 1: Mt Thirsty Project Location and Regional Geology

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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Perth
Western Australia 6000
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Email: mailroom@conico.com.au
Website: www.conico.com.au

SOLICITORS:

Solomon Brothers
Level 15
197 St Georges Terrace
Perth WA 6000

AUDITORS:

Nexia Perth Audit Services Pty Ltd
Level 3
88 William Street
Perth WA 6000

SHARE REGISTRY:

Advanced Share Registry Services
110 Stirling Highway
Nedlands WA 6009

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

MT THIRSTY COBALT PROJECT

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

The Mt Thirsty Cobalt Project is located 20km north-northwest of Norseman, Western Australia (Figure 1). 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 very encouraging as the world becomes more dependent on rechargeable power sources for portable electronics and electric vehicles. In addition, the battery industry is also competing with demand for cobalt from producers of superalloys, aircraft turbines and chemical industries. The Mt Thirsty Project is highly leveraged to cobalt prices with approximately 80% of potential revenue being from cobalt; far higher than other nickel laterite projects.

The undeveloped Mt Thirsty Cobalt Project has a significant 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. 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.

The Mount Thirsty Joint Venture (MTJV) is progressing a Pre-Feasibility Study (PFS) on the project utilising industry leading consultants led by Amec Foster Wheeler Australia Pty Ltd, trading as Wood. Conico Ltd is the operator of the MTJV and the Joint Venture has appointed Mr Sean Gregory, MD and CEO of Barra Resources Ltd as Manager of the Mt Thirsty Project Prefeasibility Study (PFS).

ACTIVITIES

Front-End Flowsheet Selection

During the reporting period the MTJV conducted significant metallurgical testwork at ALS laboratories in Balcatta, Perth under the direction of eminent process engineers from Wood.

The testwork was conducted on existing sample inventory from 2016 as well as additional fresh samples collected from 3 new Air Core (AC) holes drilled during the September quarter.

The aim of the test work conducted for the PFS to date has been to enable the front-end of the flowsheet to be selected. The base case is for the whole of the ore to be fed into the leaching process (whole ore leach case). The alternative case is for the ore feed to be beneficiated by rejecting the fine slimes component to reduce the volume and increase the feed grade of the leach feed (beneficiation case).

Leach recoveries of the whole ore confirmed the leaching results used in the Scoping Study. The additional resolution provided by the upper and lower composite samples has shown that the upper domain has superior leaching performance compared to the lower domain (Table 1). As the upper domain sits above the lower domain, the higher recoveries and associated higher revenues will be able to be targeted and preferentially scheduled in the early years of the mine plan.

Table 1: Mt Thirsty Metallurgical Test Work Results.

(Note that recovery losses during precipitation of 3-4% have not been included in this table.)

Sample Details	Co Leach Recovery %	Ni Leach Recovery %
Upper Saprolite Composite 1 (RC)	90	35
Upper Saprolite Composite 2 (AC)	86	32
Lower Saprolite Composite 1 (RC)	67	21
Lower Saprolite Composite 2 (AC)	69	27

Metallurgical tests on the beneficiation case were successfully able to concentrate the target asbolane mineral prior to leaching. However, when the beneficiation recoveries are multiplied by the corresponding leaching recoveries, the beneficiation case delivers significantly lower overall recoveries when compared to whole ore leach case (refer ASX announcement 22/10/2018).

Economic analysis of multiple financial and non-financial criteria enabled the MTJV to confidently select the whole ore leach case for the front-end go-forward flowsheet for the project. The PFS can move forward knowing that the beneficiation case has been thoroughly investigated and eliminated from further study.

Leaching Optimisation Test Work

Substantial metallurgical test work is nearing completion at ALS laboratories in Balcatta, Perth. This work has focused on adjusting parameters such as feed grade, SO₂ concentration, temperature, process water salinity, grind size, agitator sizing, H₂SO₄ acid addition and the addition of other reagents. Optimisation of each of these parameters is expected to result in increased metal recoveries. The opportunity lies in the relatively low metal recoveries applied in the 2017 Scoping Study of 73% for cobalt and 21% for nickel. The MTJV is confident in substantially increasing these recoveries. These expected increases in recoveries are anticipated to significantly mitigate the effect of lower cobalt prices on project economics.

Land Access and Community Engagement

New mining tenements were pegged for the mine, associated infrastructure and groundwater drilling.

Several land access negotiations were satisfactorily concluded during the period for tenure required for groundwater drilling planned to firm up the water source for the project. The remaining land access negotiations are progressing and expected to be resolved to enable ground water drilling to be completed to support the Pre-Feasibility Study.

Initial meetings with the Shire of Dundas have been very positive with the Shire indicating their strong preference to see support infrastructure located in the town of Norseman, located only 16km from the project. This presents a win-win opportunity for the MTJV to leverage the existing infrastructure in town such as power, water, a recently completed sealed airstrip and other community facilities. Subject to future commercial negotiations, there may be opportunities to have facilities such as a camp owned and operated by 3rd parties in town, reducing the capital funding requirements for the MTJV.

Meetings were held with representatives of the Ngadju Native Title holders who remain supportive of the project.

Other Studies

Golder are presently re-estimating the Mt Thirsty Mineral Resource to enable upgrading from JORC 2004 to JORC 2012 to enable an Ore Reserve to be declared at the completion of a positive PFS.

Mine plan optimisation will commence during the March 2019 quarter, informed by the new resource block model and metallurgical regressions from the latest test-work.

PFS level engineering and capital estimation is scheduled to commence in the March quarter 2019 on schedule.

During September 2018, biological surveys were completed over the planned development areas. No rare flora or fauna were identified confirming previous surveys from 2007. These survey results together with the small scale and environmental risk of the project reinforce the MTJV's view that the environmental approvals pathway for the project will be straight forward.

Cobalt Market

The price for cobalt metal has corrected over the last 12 months from a high of US\$90,000/t in March to around US\$38,000/t at present. This has been due to short term supply exceeding demand as evidenced by LME warehouse levels which are now at their highest level since Info-mine began tracking cobalt 7 years ago. The supply growth has been led by producers from the Democratic Republic of Congo, increasing their dominance of the market to above 70% and further exacerbating future supply shock risk.

Speculators have been purchasing and stockpiling physical cobalt in expectation of the electric vehicle (EV) revolution. EV sales are growing exponentially from a low base, particularly in China, however the mass adoption of EVs is still ahead of us. When this inevitably occurs, supply growth will be unable to keep pace with demand. Hence the rampant speculation that saw the cobalt price unsustainably rise this time last year.

Substitution away from cobalt through the adoption of 811 cathode chemistry (8 parts nickel, 1 part manganese, 1 part cobalt) to displace 622 cathodes has proved more difficult than major battery manufacturers forecast. Even if this thriving away from cobalt can be safely implemented, the demand growth is still forecast to significantly outstrip supply. The challenges of 811 highlight the difficulty of technological change disrupting the need for cobalt in batteries within any reasonable investment time frame.

The recent correction of the cobalt price has been sharper than forecasts issued by all major banks as reported by Consensus Economics. Longer term, the fundamentals of the cobalt market remain exceptional with very few high-quality projects such as Mt Thirsty being expected to be available to meet the demand driven by EVs.

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 Statements

The information in this report which relates to the collection of samples for Exploration Results for the Mt Thirsty Project is based on and fairly represents information compiled by Mr Michael J Glasson who is a Member of the Australian Institute of Geoscientists contracted to Conico Limited. Mr Glasson holds shares in Conico Ltd.

The information in this report which relates to the metallurgical test work for Exploration Results for the Mt Thirsty Project is based on and fairly represents information compiled by Mr Dean David who is a Fellow and Chartered Professional of the Australasian Institute of Mining and Metallurgy and a full-time employee of Wood.

The information in this report which relates to the leaching optimisation test work for Exploration Results for the Mt Thirsty Project is based on and fairly represents information compiled by Mr Karel Osten who is a Fellow and Chartered Professional of the Australasian Institute of Mining and Metallurgy and a full-time employee of Wood.

Messers Glasson, David and Osten have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are 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" (the JORC Code). They consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated group for the half-year ended 31 December 2018.

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 \$245,997 (2017: \$588,675).

A review of the operations of the Group during the half-year ended 31 December 2018 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 9 for the half-year ended 31 December 2018.

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

Director

A handwritten signature in black ink that reads 'Douglas H Solomon'.

Douglas H Solomon

Dated this 8th day of March 2019

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 period ended 31 December 2018, 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
8 March 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Notes	Consolidated Group	
		31 Dec 2018	31 Dec 2017
		\$	\$
Other income		14,373	7,689
Accounting and audit expense		(13,690)	(12,434)
Depreciation and amortisation expense		(601)	(730)
Employee benefits expense		(99,316)	(408,007)
Insurance expense		(24,661)	(18,188)
Legal and other consultants expense		(50,241)	(50,832)
Management fees		(72,000)	(72,000)
Other expenses		(39,900)	(34,173)
Loss before income tax		(286,036)	(588,675)
Income tax (expense)/benefit		40,039	-
Loss for the period		(245,997)	(588,675)
Other Comprehensive Income			
Items that may be reclassified to profit or loss:			
Revaluation Reserve		-	-
Income tax relating to other comprehensive income		-	-
Other comprehensive income, after tax		-	-
Total Comprehensive Loss attributable to members of the parent		(245,997)	(588,675)
Basic and diluted loss per share (cents per share)		(0.0726)	(0.1873)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Consolidated Group	
	31 Dec 2018	30 Jun 2018
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	502,220	165,746
Trade and other receivables	13,788	11,318
TOTAL CURRENT ASSETS	516,008	177,064
NON-CURRENT ASSETS		
Property, plant and equipment	7,397	8,124
Exploration and Evaluation expenditure	15,336,877	15,107,046
TOTAL NON-CURRENT ASSETS	15,344,274	15,115,170
TOTAL ASSETS	15,860,282	15,292,234
CURRENT LIABILITIES		
Trade and other payables	94,012	83,349
TOTAL CURRENT LIABILITIES	94,012	83,349
NON-CURRENT LIABILITIES		
Provisions	275,000	275,000
TOTAL NON-CURRENT LIABILITIES	275,000	275,000
TOTAL LIABILITIES	369,012	358,349
NET ASSETS	15,491,270	14,933,885
EQUITY		
Issued capital	20,085,785	19,282,403
Reserves	788,650	788,650
Accumulated losses	(5,383,165)	(5,137,168)
TOTAL EQUITY	15,491,270	14,933,885

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	Share Capital Ordinary	Option Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2017	18,907,403	477,450	(4,361,828)	15,023,025
Net loss for the period	-	-	(588,675)	(588,675)
Issue of options	-	311,200	-	311,200
Issue of shares	150,000	-	-	150,000
Other comprehensive income / (loss)	-	-	-	-
Balance at 31 December 2017	<u>19,057,403</u>	<u>788,650</u>	<u>(4,950,503)</u>	<u>14,895,550</u>
Balance at 1 July 2018	19,282,403	788,650	(5,137,168)	14,933,885
Net loss for the period	-	-	(245,997)	(245,997)
Issue of shares	803,382	-	-	803,382
Other comprehensive income / (loss)	-	-	-	-
Balance at 31 December 2018	<u>20,085,785</u>	<u>788,650</u>	<u>(5,383,165)</u>	<u>15,491,270</u>

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Consolidated Group	
	31 Dec 2018	31 Dec 2017
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	13,813	6,218
Payments to suppliers and employees	(291,848)	(321,958)
Interest received	919	715
R&D Tax Rebate	40,039	-
Net cash provided by (used in) operating activities	<u>(237,077)</u>	<u>(315,025)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation expenditure	(229,831)	(109,252)
Net cash provided by (used in) investing activities	<u>(229,831)</u>	<u>(109,252)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from share issues	803,382	150,000
Net cash provided by (used in) financing activities	<u>803,382</u>	<u>150,000</u>
Net increase/(decrease) in cash held	336,474	(274,277)
Cash at beginning of period	165,746	466,368
Cash at end of period	<u><u>502,220</u></u>	<u><u>192,091</u></u>

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

NOTE 1: BASIS OF PREPARATION

The half-year consolidated financial statements are 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 2018 and any public announcements made by Conico Ltd and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001* and the *ASX Listing Rules*. The half-year 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 consolidated group and are consistent with those in the June 2018 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. The new and revised Standards and amendments thereof and Interpretations, including AASB 9 *Financial Instruments* and AASB 15 *Revenue from Contracts with Customers*. The Group did not have any revenue from contracts with customers in current or prior periods hence there are no material impacts on the adoption of AASB 15 in current or comparative periods. Furthermore the Group's financial instruments comprise of cash, trade payable and receivables. There is no material impact on the disclosures or on the amounts recognised in the Group's condensed consolidated financial statements in the current or comparative periods from the application of AASB 9.

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2019, and have not been applied in preparing these consolidated financial statements. The Group does not plan to adopt these standards early. The new standards include AASB 16 *Leases*. Based on the current operations of the Group, management are of the view that these standards and amendments will not have a significant impact on the financials.

Going Concern

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

The Group has reported a net loss for the period of \$245,997 (2017: \$588,675) and a cash outflow from operating activities of \$237,077 (2017: \$315,025).

The directors are confident that the Group, subject to being able to raise further capital, will be able to continue its operations as a going concern. Without such capital, the net loss for the year and the cash outflow from operating activities indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The directors also carefully manage discretionary expenditure in line with the Group's cash flow.

The continuing applicability of the going concern basis of accounting is dependent upon the Group's ability to source additional finance. Unless additional finance is received the Group may need to realise assets and settle liabilities other than in the normal course of business and at amounts which could differ from the amounts at which they are stated in these financial statements.

NOTE 2: 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 Group is managed on the basis it is a mineral exploration company operating in the geographical region of Australia. The mineral assets are considered one business segment and the minerals currently being targeted include cobalt, nickel and manganese in Western Australia.

NOTE 3: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The directors are not aware of any contingent liabilities or contingent assets as at 31 December 2018.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

NOTE 4: 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.

NOTE 5: RELATED PARTY TRANSACTIONS

	2018	2017
	\$	\$
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
At 31 December 2018 an amount of \$12,000 (2017: \$12,000) was included in Trade and Other Payables as owing to Princebrook Pty Ltd.		
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.	49,000	49,000
At 31 December 2018 an amount of \$7,000 (2017: \$7,000) was included in Trade and Other Payables as owing to RM Corporate Finance Pty Ltd.		
	2018	2017
	\$	\$
Associated Companies		
Reimbursement to Tasman Resources Ltd (which has a 13% interest in the Company) for employee costs on an hourly basis, in relation to Tasman Resources Ltd staff utilised by the Company.	22,025	16,132

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The consolidated financial statements and notes, as set out on pages 10 to 15:
 - 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 2018 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.

Director

A handwritten signature in black ink that reads 'Douglas H Solomon'.

Douglas H Solomon

Dated this 8th day of March 2019

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 and its controlled entity and joint venture company (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period ended on that date, other selected explanatory notes and the directors' declaration of the Group comprising the Company and the entity it controlled and its interest in a joint venture company at the half-year end or from time to time during the period.

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 and its controlled entity and joint venture company is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of Matter - Material Uncertainty Related to Going Concern

Without modifying our opinion, we draw attention to Note 1 to the 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 exploration and evaluation projects and 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.

Directors' Responsibility for the Interim Financial Report

The directors of the Company 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 controls as the directors determine are necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 2018 and its performance for the period ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Conico Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Conico Limited, would be in the same terms if given to the directors as at the time of this auditor's report.



Nexia Perth Audit Services Pty Ltd



M. Janse Van Nieuwenhuizen

Director

Perth
8 March 2019

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%	-	-
ELA63/1790	WA	50%	-	-
PA63/2045	WA	50%	-	-
M(A) 63/669*	WA	50%	50%	-
M(A) 63/670 [#]	WA	50%	50%	-
G(A) 63/93 [^]	WA	50%	50%	-
L(A) 63/79	WA	0%	50%	50%
L(A) 63/80	WA	50%	50%	-
L(A) 63/81	WA	50%	50%	-
L(A) 63/91	WA	50%	50%	-
L(A) 63/92	WA	50%	50%	-

Notes:

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

LA 63/91&92 for haul roads and services. LA63/80 & 81 for ground water search.