

29 May 2019

ASX Limited  
Level 40 Central Park  
152-158 St Georges Terrace  
PERTH WA 6000

**Attention: Elizabeth Harris**

**By email – [ListingsCompliancePerth@asx.com.au](mailto:ListingsCompliancePerth@asx.com.au)**

Dear Ms Harris

Further to your letter of 24 May 2019 re Conico's Quarterly Report ("Appendix 5B") for the period ended 31 March 2019 lodged with ASX Limited ("ASX") on 29 April 2019, we respond as follows;

**1 Does CNJ expect that it will continue to have negative operating cash flows for the time being and, if not, why not?**

**Response**

Yes, Conico believes it will have negative operating cash flows for the time being.

**2 Has CNJ taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?**

**Response**

Yes, Conico is proposing to undertake a rights issue to raise approximately \$500,000 to \$1.0 million on terms and conditions to be agreed. Further details of this capital raising including a timetable will be released prior to 30<sup>th</sup> June 2019. It is anticipated that the directors and major shareholders will actively participate in any rights issue and the directors are optimistic of adequate support to ensure the success of the issue.

**3 Does CNJ expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?**

**Response**

Yes. On the basis of the successful completion of the rights issue referred to in paragraph 2 above, the Company should have sufficient funds to continue its operations and meet its business objectives.

**4 Please confirm that CNJ is complying with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that rule that has not already been released to the market.**

**Response**

Conico confirms that it is in compliance with the listing rules, and in particular, ASX Listing Rule 3.1

**5 Please confirm that CNJ's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of CNJ with delegated authority from the board to respond to ASX on disclosure matters.**

**Response**

The Company confirms that this response has been authorised and approved in accordance with its continuous disclosure policy.

Yours faithfully



Aaron P Gates  
Company Secretary



24 May 2019

Mr Aaron Gates  
Company Secretary  
Conico Limited  
Level 15, 197 St George's Terrace  
Perth WA 6000

By email: [agates@conico.com.au](mailto:agates@conico.com.au)

Dear Mr Gates

### **Conico Limited ('CNJ'): Appendix 5B Query**

ASX refers to CNJ's Appendix 5B quarterly report for the period ended 31 March 2019 lodged with ASX Market Announcements Platform on 29 April 2019 (the 'Appendix 5B').

ASX notes that CNJ has reported:

- negative net operating cash flows for the quarter of \$200,000;
- cash at the end of the quarter of \$302,000; and
- estimated cash outflows for the next quarter of \$190,000.

It is possible to conclude, based on the information in the Appendix 5B that if CNJ were to continue to expend cash at the rate indicated by the Appendix 5B, CNJ may not have sufficient cash to continue funding its operations.

In view of that, ASX asks CNJ to respond separately to each of the following questions and requests for information:

1. Does CNJ expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has CNJ taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does CNJ expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that CNJ is complying with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that rule that has not already been released to the market.
5. Please confirm that CNJ's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of CNJ with delegated authority from the board to respond to ASX on disclosure matters.

### **When and where to send your response**

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **4.00 PM AWST Wednesday, 29 May 2019**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in CNJ's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, CNJ's obligation is to disclose the

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information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at [ListingsCompliancePerth@asx.com.au](mailto:ListingsCompliancePerth@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Listing Rule 3.1 and Listing Rule 3.1A**

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to CNJ’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that CNJ’s obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### **Trading halt**

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in CNJ’s securities under Listing Rule 17.1. If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

### **Enquiries**

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

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**Elizabeth Harris**  
Principal Adviser, Listings Compliance (Perth)