



AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

31 May 2018

MT THIRSTY PFS CONTRACTS AWARDED

Conico Limited ("Conico") (ASX:CNJ) is pleased to advise that contracts have been awarded for the Pre-Feasibility Study (PFS) for the Mt Thirsty Cobalt Nickel Oxide Project (**the Project**). The Project is a 50/50 Joint Venture (JV) with partner Barra Resources Limited.

Consultants Selected

AMEC Foster Wheeler Australia Pty Ltd (a Wood company) has been selected as the overall Study Engineer for the PFS. Wood is a global leader in the delivery of project, engineering and technical services to energy and industrial markets.

Snowden Mining Industry Consultants Pty Ltd has been selected to consult the Mining aspects of the study directly to the JV. Snowden were specifically selected for their expertise in geo-metallurgical optimisation of the mine plan.

Golder Associates Pty Ltd has been selected to consult many technical functions directly to the JV including mineral resources, hydrogeology and tailings management.

Talis Consultants Pty Ltd has been selected to progress the Environment and Community aspects of the study.

The JV will also contract directly with several independent consultants in the fields of geology, marketing and metallurgy to form the owner's team. Each is an expert in its own field.

Background

The Mt Thirsty Cobalt Nickel Oxide Project is located 16km NW of Norseman in the stable and ethical Western Australian mining jurisdiction. Mt Thirsty hosts a JORC 2004 31.9Mt at 0.13% cobalt and 0.55% nickel Mineral Resource. The Mineral Resource includes an Indicated portion of 16.6Mt at 0.14% cobalt and 0.60% nickel and an Inferred portion of 15.3Mt at 0.11% cobalt and 0.51% nickelⁱ.

The Scoping Study has shown that 73% of the cobalt is readily won through agitated atmospheric leaching using sulphur dioxide as a preferred reagentⁱⁱ. This is a key competitive advantage for the project over many peers who require significantly higher capital to liberate cobalt and nickel through high pressure acid leaching. It is also why Mt Thirsty is so heavily leveraged to the rising cobalt price, with 84% of all revenue forecast to come from cobalt rather than nickel. The Scoping Study is the base case for the project, targeted to be significantly optimised in all areas, including metal recovery, during the PFS.

A handwritten signature in black ink that reads 'Guy T Le Page'.

Guy T Le Page
Director

Competent Persons Statement

The information in this report which relates to the Mt Thirsty Oxide Deposit Mineral Resource is based on information compiled by Mr Alan Miller, a Competent Person and former full-time employee of Golder Associates Pty Ltd, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Miller has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (the JORC Code). Mr Miller consented to the inclusion in the 2011 report of the matters based on this information in the form and context in which it appears.

Forward Looking Statements Disclaimer

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.

i The Mt Thirsty Mineral Resource was first disclosed under the JORC code 2004. It has not been updated since to comply with JORC 2012 on the basis that the information has not materially changed since it was last reported. Refer to ASX announcement 8/3/2011.

ii Refer to ASX Announcement 6/10/17 for full details of the Scoping Study