



**Conico Ltd**

**ABN 85 009 253 187**

**and Controlled Entities**

**Interim Financial Report  
for the  
Half-Year Ended 31 December 2016**

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## HIGHLIGHTS

- RC drilling for metallurgical test work completed.

Intersections (within current JORC (2004) Resource outline) include:

MTRC036 - 24m at 0.16% Co, 0.80% Ni from 18m

MTRC037 - 17m at 0.16% Co, 0.77% Ni from 13m

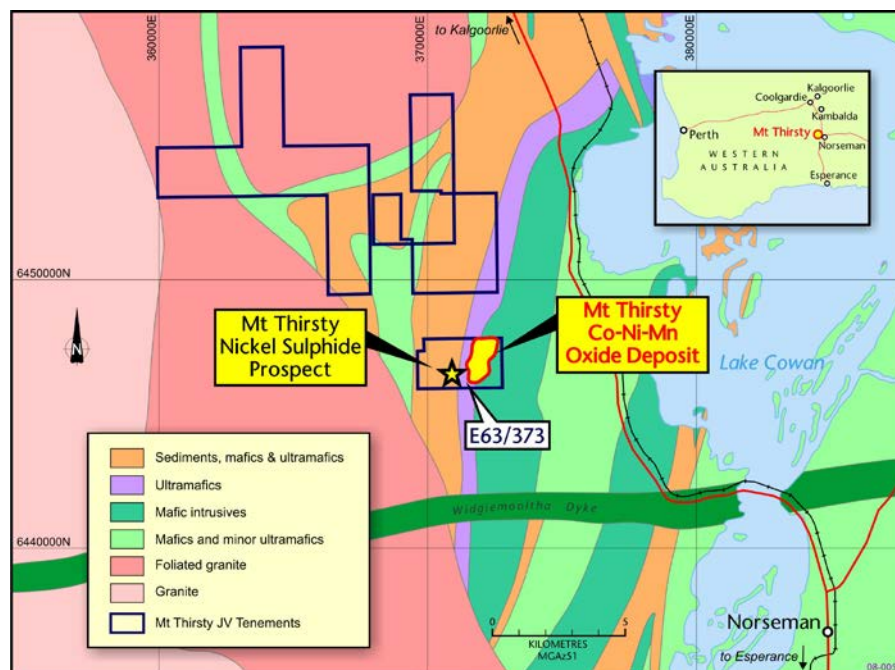
MTRC038 - 14m at 0.18% Co, 0.96% Ni from 14m

MTRC039 - 20m at 0.32% Co, 0.42% Ni from 14m

MTRC040 - 6m at 0.29% Co, 0.40% Ni from 30m

MTRC041 - 9m at 0.12% Co, 0.71% Ni from 23m

- 1.5 tonnes RC drill samples sent to ALS Metallurgy in Perth
- Metallurgical test work currently in progress



**Mt Thirsty Project Location and Regional Geology**

## **CORPORATE DIRECTORY**

### **DIRECTORS:**

Gregory H Solomon **LLB** (Executive 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:**

Level 15  
197 St Georges Terrace  
Perth  
Western Australia 6000  
Tel +61 8 9282 5889  
Fax +61 8 9282 5866  
Email: [mailroom@conico.com.au](mailto:mailroom@conico.com.au)  
Website: [www.conico.com.au](http://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)

Quotation has been granted for all the ordinary shares and all issued options of the company on all Member Exchanges of the Australian Stock Exchange Limited.

## REVIEW OF OPERATIONS

### 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](http://www.mtthirstycobalt.com). In addition to the Co-Ni Oxide Deposit, the Project also hosts nickel sulphide (Ni-S) mineralisation.

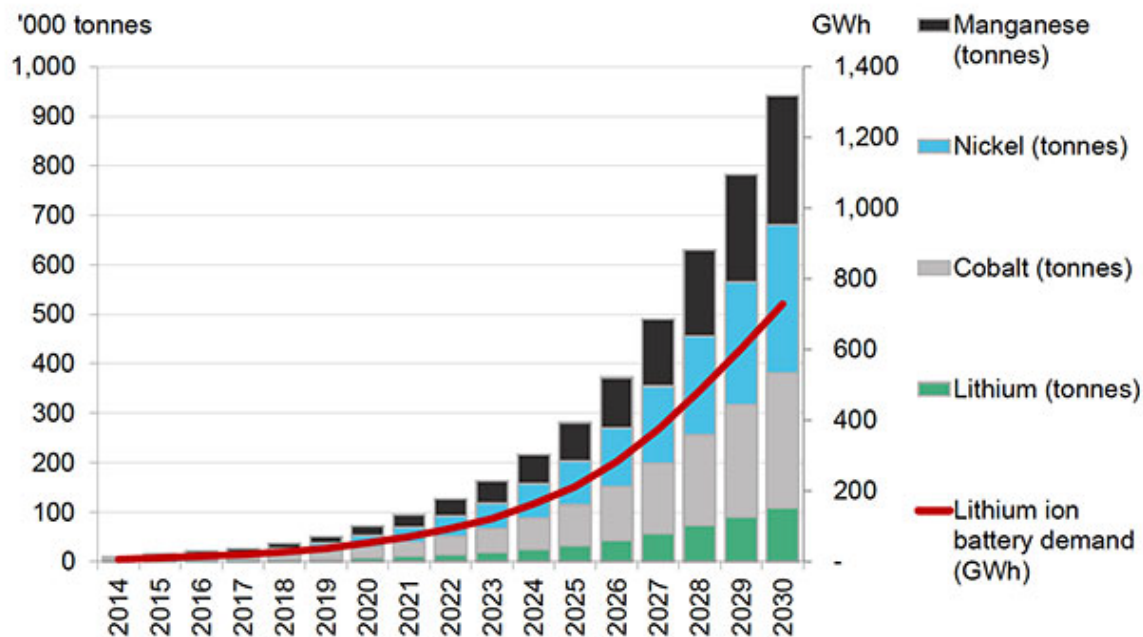
Demand for cobalt looks encouraging as the world becomes more dependent on rechargeable power sources. Innovations with portable electronics and electric vehicle design are adding to this surging demand. However, the battery industry is also competing with demand for cobalt from producers of superalloys,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



Source: Bloomberg New Energy Finance

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

## ACTIVITIES

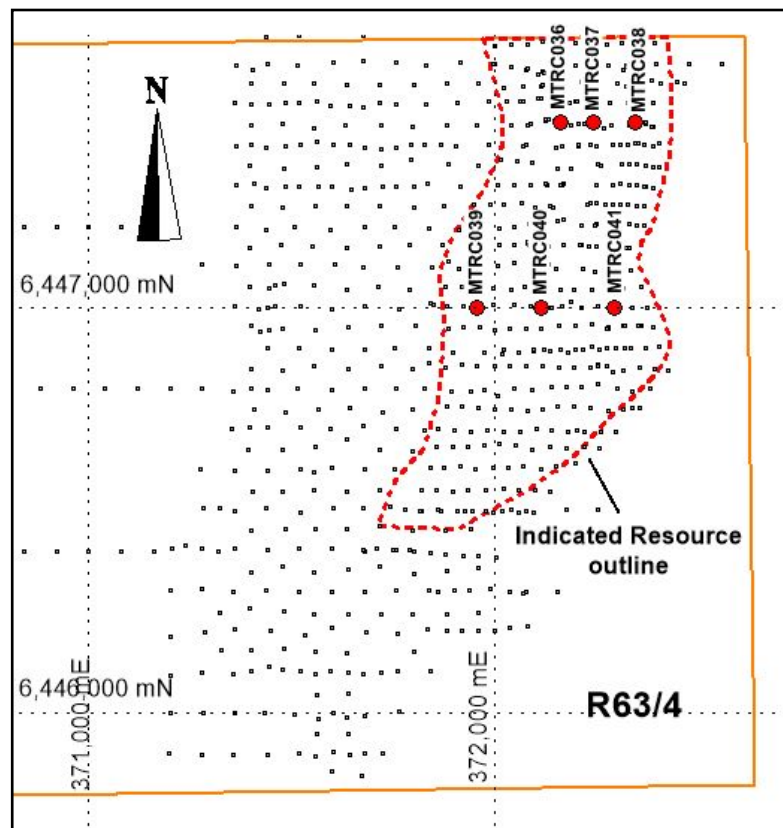
### RC Drilling

A six-hole reverse circulation drilling program totalling 234m was completed during the period. The holes were drilled within the area of the JORC (2004) Indicated Resource (Figure 3) to provide a range of samples for further metallurgical testwork. All holes were drilled vertically and sampled in 1m intervals using a rotary splitter. Significant results are summarised in Table 1 below. All of the available sample material (1.5 tonnes in total) from the intersections below was sent to Perth for use in the planned testwork. The significant cobalt intersections comprised soft clay-rich material derived from strongly weathered ultramafic rocks.

**Table 1: Metallurgical RC Drilling - Summary of Cobalt Intersections**

Hole No.	Easting	Northing	RL	Depth	From	To	Interval	Co*	Ni	Mn
	AGD84 Zone 51		m	m	m	m	m	%	%	%
MTRC036	372162	6447455	380	54	18	42	24	0.16	0.80	1.58
MTRC037	372244	6447455	378	30	13	30	17	0.16	0.77	1.04
MTRC038	372349	6447457	371	35	14	28	14	0.18	0.96	1.60
MTRC039	371956	6447000	385	40	14	34	20	0.32	0.42	2.26
MTRC040	372115	6447001	396	40	30	36	6	0.29	0.40	1.90
MTRC041	372295	6446999	383	35	23	32	9	0.12	0.71	0.89

\*A cut off assay of 0.06% Co was used for the above intersections. Intersections are close to true width.



**Figure 3:** Location of recent RC drill holes and JORC (2004) Indicated Resource outline. The dots are all previous drill holes (AGD84 Zone 51).

## **Metallurgical Testwork and Scoping Study**

The 1.5 tonnes of RC drill samples were sent to ALS Metallurgy in Perth and testwork is currently in progress.

The current phase of metallurgical testwork will expand on and increase the level of confidence in previous testwork undertaken which has shown that agitated leaching using sulphur dioxide (SO<sub>2</sub>) at atmospheric pressure and low temperature (<50°C) recovers up to 80% of the cobalt and over 25% of the nickel within a few hours of leaching. The results of the metallurgical testwork will be fed directly into a Scoping Study over the Mt Thirsty Cobalt Oxide Deposit.

The Scoping Study, to be overseen by a team of highly regarded industry figures headed by former Western Mining Corporation's manager of Metallurgy, Mr. Bob Bourne, will focus on the agitated leaching process to determine the capital and operating expenditure forecasts ahead of a potential pre-feasibility study later this year. At completion of the Scoping Study, the Mt Thirsty Joint venture (MTJV) will be able to better determine the funding requirements and development options which may be available to bring the project to fruition.

## **Infill Drilling**

In conjunction with the Scoping Study, the MTJV will consider undertaking infill drilling to upgrade JORC 2004 compliant Resources to JORC 2012 and from the Inferred to Indicated category. This conversion should provide greater understanding of project economics. The results of a recently completed preliminary open pit optimization study by CSA Global Consultants will be used to assist in the planning of this infill drilling.

## **Mt Thirsty Project Summary**

*The Mt Thirsty Cobalt – Nickel - Manganese oxide project covering an area of 11.5km<sup>2</sup> 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 Meteore 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)**

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

*(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](http://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 (SO<sub>2</sub>) 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.*

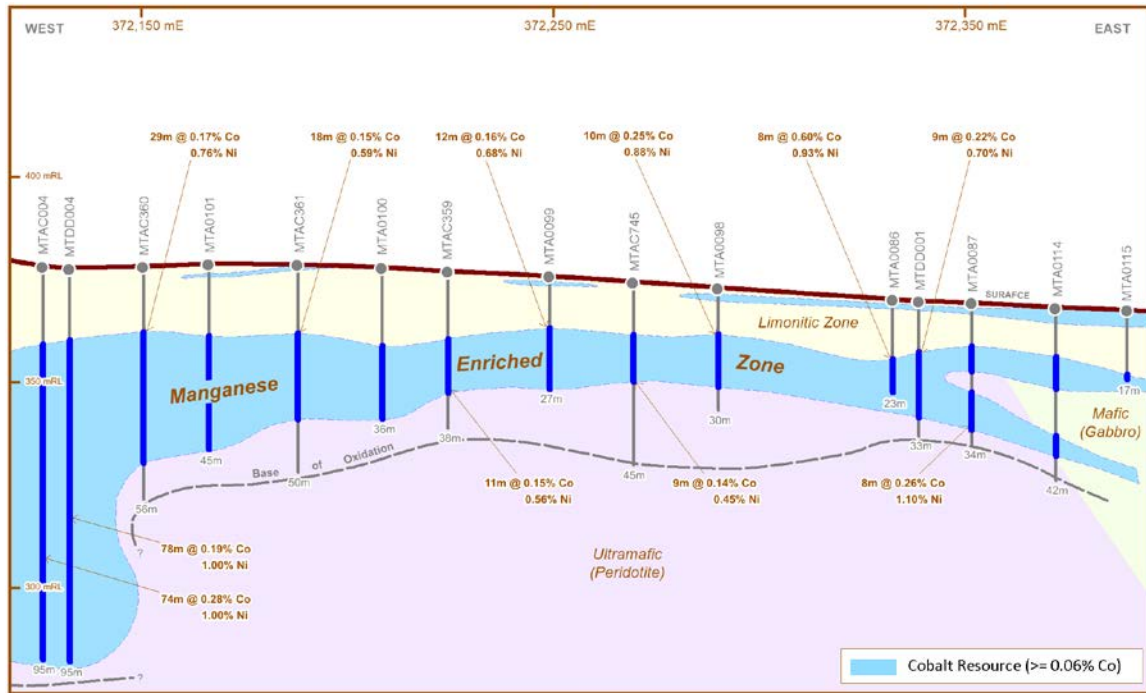
*The Mt Thirsty Cobalt Oxide Deposit currently represents an excellent long-term, low cost, cobalt production opportunity.*

*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](http://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](http://www.mtthirstycobalt.com).*





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

#### 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 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 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. 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.*



## DIRECTORS' REPORT

Your directors submit the financial report of the consolidated group for the half-year ended 31 December 2016.

### 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 \$193,521 (2015: Net profit of \$37,459).

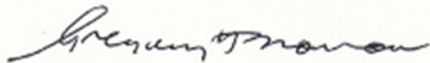
A review of the operations of the Group during the half-year ended 31 December 2016 is set out in the Review of Operations on Page 5.

### Auditor's Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 10 for the half-year ended 31 December 2016.

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

Director

A handwritten signature in black ink, appearing to read 'Gregory H Solomon', written over a horizontal line.

Gregory H Solomon

Dated this 9<sup>th</sup> day of March 2017

**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 2016, 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**

**TJ Spooner**  
*Director*

Perth  
9 March 2017

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	Notes	Consolidated Group	
		31 Dec 2016	31 Dec 2015
		\$	\$
Other income		2,855	594
Debt forgiveness		-	355,342
Accounting and audit expense		(9,560)	(3,779)
Depreciation and amortisation expense		(867)	(1,029)
Employee benefits expense		(80,482)	(82,310)
Insurance expense		(13,710)	(12,786)
Interest expense		-	(764)
Legal and other consultants expense		(2,419)	(100,143)
Management Fees		(72,000)	(97,335)
Other expenses		(17,338)	(20,331)
Profit/(Loss) before income tax		(193,521)	37,459
Income tax expense		-	-
Profit/(Loss) for the period		(193,521)	37,459
<b>Other Comprehensive Income</b>			
Items that may be reclassified to profit or loss:			
Revaluation Reserve		-	-
Income tax relating to other comprehensive income		-	-
Other comprehensive income, after tax		-	-
<b>Total Comprehensive Income / (Loss) attributable to members of the parent</b>		<b>(193,521)</b>	<b>37,459</b>
Basic/Diluted earnings per share (cents per share)		0.0654	0.0246

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2016

	Consolidated Group	
	31 Dec 2016	30 Jun 2016
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	331,110	397,789
Trade and other receivables	24,709	66,212
TOTAL CURRENT ASSETS	355,819	464,001
NON-CURRENT ASSETS		
Property, plant and equipment	10,458	11,325
Exploration and Evaluation expenditure	14,833,297	14,768,889
TOTAL NON-CURRENT ASSETS	14,843,755	14,780,214
TOTAL ASSETS	15,199,574	15,244,215
CURRENT LIABILITIES		
Trade and other payables	226,897	93,017
TOTAL CURRENT LIABILITIES	226,897	93,017
NON-CURRENT LIABILITIES		
Provisions	275,000	275,000
TOTAL NON-CURRENT LIABILITIES	275,000	275,000
TOTAL LIABILITIES	501,897	368,017
NET ASSETS	14,697,677	14,876,198
EQUITY		
Issued capital	18,449,903	18,434,903
Reserves	477,450	477,450
Accumulated losses	(4,229,676)	(4,036,155)
TOTAL EQUITY	14,697,677	14,876,198

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

	Share Capital Ordinary	Option Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2015</b>	16,799,457	477,450	(3,982,042)	13,294,865
Net profit for the period	-	-	37,459	37,459
Issue of shares	1,075,201	-	-	1,075,201
Other comprehensive income / (loss)	-	-	-	-
<b>Balance at 31 December 2015</b>	<u>17,874,658</u>	<u>477,450</u>	<u>(3,944,583)</u>	<u>14,407,525</u>
<b>Balance at 1 July 2016</b>	18,434,903	477,450	(4,036,155)	14,876,198
Net loss for the period	-	-	(193,521)	(193,521)
Issue of shares	15,000	-	-	15,000
Other comprehensive income / (loss)	-	-	-	-
<b>Balance at 31 December 2016</b>	<u>18,449,903</u>	<u>477,450</u>	<u>(4,229,676)</u>	<u>14,697,677</u>

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	<b>Consolidated Group</b>	
	<b>31 Dec 2016</b>	<b>31 Dec 2015</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	11,782	-
Payments to suppliers and employees	(51,764)	(302,212)
Interest received	1,275	73
Net cash provided by (used in) operating activities	(38,707)	(302,139)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Exploration and evaluation expenditure	(42,972)	(9,887)
Net cash provided by (used in) investing activities	(42,972)	(9,887)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	-	10,000
Net proceeds from share issues	15,000	341,704
Net cash provided by (used in) financing activities	15,000	351,704
Net increase/(decrease) in cash held	(66,679)	39,678
Cash at beginning of period	397,789	16,352
Cash at end of period	331,110	56,030

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

**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 2016 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 2016 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.

*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.

Subsequent to the end of the period the Directors agreed to forgive \$93,896 of directors' fees and superannuation owing as at 31 December 2016 and 15,250,000 unlisted 3 cents options were exercised raising \$457,500. Based on these facts and a cash flow forecast prepared by management, the Directors are confident that the Group will be able to continue its operations as a going concern.

**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 held via outright ownership or joint venture are considered one business segment and the minerals currently being targeted include cobalt, nickel and manganese in Western Australia.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

**NOTE 3: CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

The directors are not aware of any contingent liabilities or contingent assets as at 31 December 2016.

**NOTE 4: EVENTS SUBSEQUENT TO REPORTING DATE**

On 2 February 2017 the Directors agreed to forgive \$93,896 of directors' fees and superannuation owing as at 31 December 2016.

Subsequent to the end of the period 15,250,000 unlisted 3 cents options were exercised raising \$457,500.

No other 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**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
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:		
<b>Key Management Personnel</b>		
Management fees and administration fees to Princebrook Pty Ltd, a company in which Mr G Solomon and Mr D Solomon have an interest. At 31 December 2016 an amount of \$84,000 (2015: \$64,890) was included in Trade and Other Payables as owing to Princebrook Pty Ltd.	72,000	97,335
Management fees and administration fees forgiven by Princebrook Pty Ltd, a company in which Mr G Solomon and Mr D Solomon have an interest.	-	355,342
RM Capital Pty Ltd, a company in which Mr G LePage and Mr J Richardson have an interest, provided the Company an unsecured interest-free loan.	-	10,000

	<b>31 Dec</b>	<b>30 June</b>
	<b>2016</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Amount included in Trade and Other Payables as owing to Mr Gregory H Solomon for unpaid directors fees and superannuation.	47,906	9,516
Amount included in Trade and Other Payables as owing to Mr Douglas H Solomon for unpaid directors fees and superannuation.	15,330	3,045
Amount included in Trade and Other Payables as owing to Mr Guy T Le Page for unpaid directors fees and superannuation.	15,330	3,045
Amount included in Trade and Other Payables as owing to Mr James B Richardson for unpaid directors fees and superannuation.	15,330	3,045
	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>

**Associated Companies**

Reimbursement to Tasman Resources Ltd (which has a 14% interest in the Company) for employee costs on an hourly basis, in relation to Tasman staff utilised by the Company.	21,440	4,202
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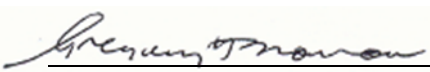
## DIRECTORS' DECLARATION

The directors of the company declare that:

1. The consolidated financial statements and notes, as set out on pages 11 to 16:
  - 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 2016 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

  
\_\_\_\_\_  
Gregory H Solomon

Dated this 9<sup>th</sup> day of March 2017

## **Independent Auditor's Review Report to the members of Conico Limited**

### **Report on the Interim Financial Report**

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 2016, 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.

### **Directors' Responsibility for the Interim Financial Report**

The directors of the Group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards, including the Australian Accounting Interpretations, and the *Corporations Act 2001*. This responsibility includes: establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **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 2016 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.

## Conclusion

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 2016 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*.



**Nexia Perth Audit Services Pty Ltd**



**TJ Spooner**  
Director

Perth  
9 March 2017

## Interests in Mining Tenements

Tenements	Location	Interest held at end of period	Acquired during the period	Disposed during the period
E63/1267	WA	50%		
E63/373*	WA	0%		50%
MLA63/527*	WA	0%		50%
R63/4*	WA	50%	50%	
ELA63/1790	WA	50%		
PA63/2045	WA	50%		
E63/1778	WA	100%		
E63/1779	WA	100%		

\* These interests cover the same area as R63/4