

## ASX QUARTERLY REPORT FOR PERIOD ENDED 30<sup>TH</sup> SEPTEMBER 2013

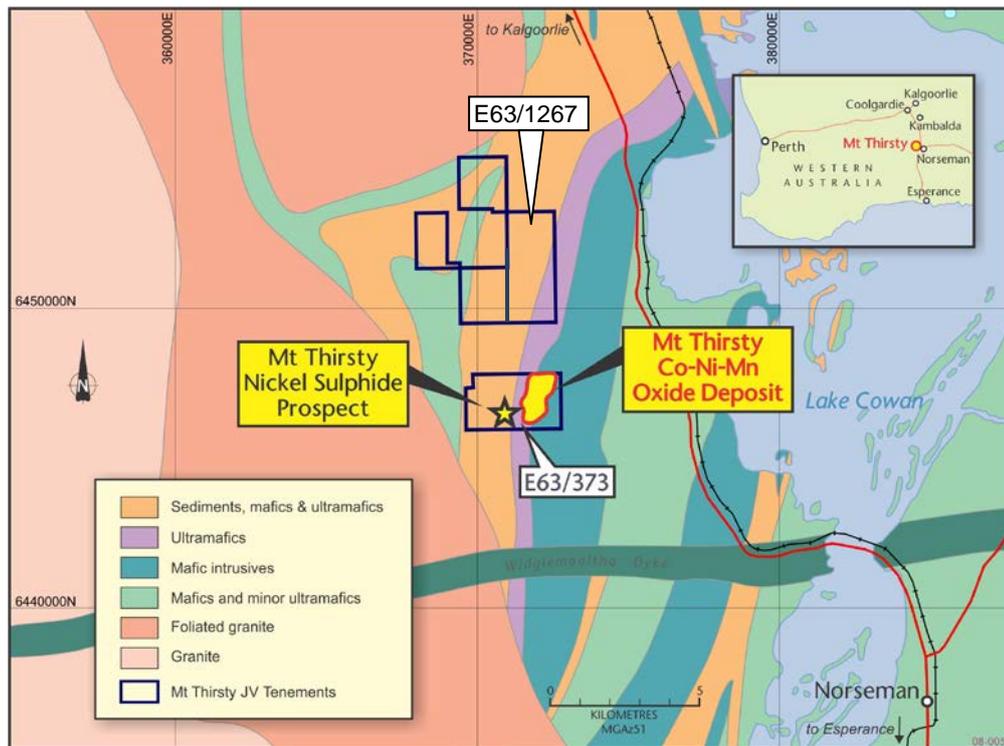
### Mt Thirsty Project

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#### Highlights

##### Nickel Sulphide Exploration

- Moving loop EM survey completed on E63/1267 in conjunction with adjoining tenement holder.
- A number of preliminary conductors delineated, straddling eastern tenement boundary.
- Results currently being interpreted by geophysical consultant and report awaited.



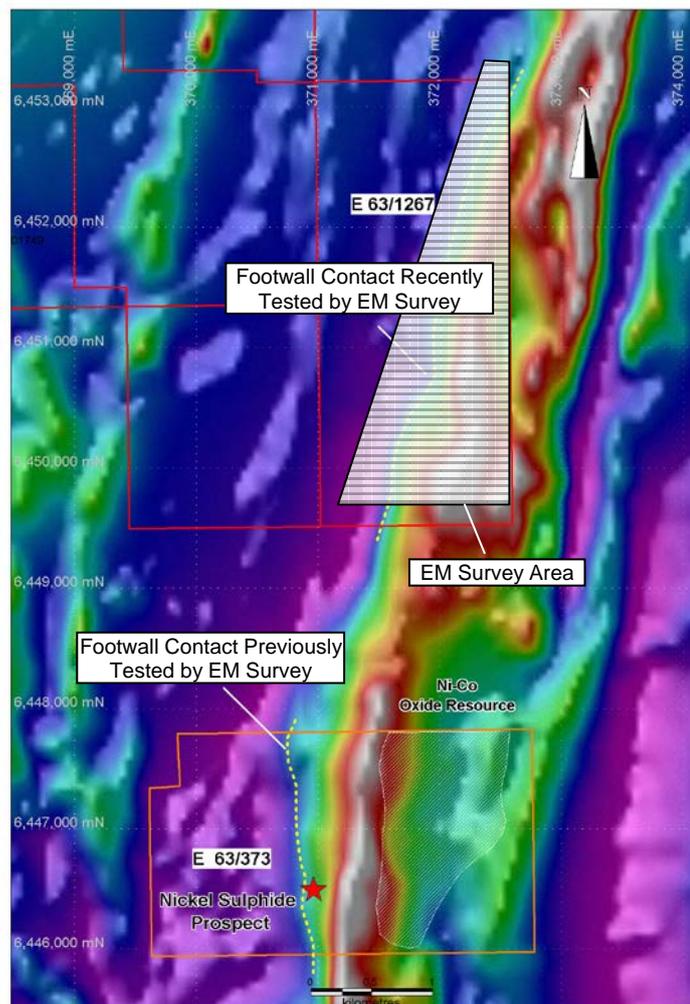
**Figure 1: Mt Thirsty Project Location**

## Nickel Sulphide Exploration

### Ground EM Surveys

A 10.5km moving loop EM survey was carried out by GEM Geophysics over a NNE trending mafic-ultramafic-sediment sequence within E63/1267 (Figure 2) in conjunction with the adjoining tenement holder. The survey was targeting any conductors due to nickel sulphides associated with an interpreted basal footwall mafic- ultramafic contact or mafic – ultramafic rocks higher in the sequence. The area tested is interpreted to be a strike extension of the sequence hosting the Mt Thirsty nickel sulphide prospect 3 km to the south in E63/373 which has previously returned a number of strong but isolated nickel sulphide intersections up to 6m down hole @ 3.5% Ni and 2m @ 5.9% Ni in holes MTRC 15 and 22 respectively (refer ASX Announcements May-August 2010).

The EM survey lines were mostly at 400m spacing and designed for a 200m by 200m loop. Readings were taken every 100m along each line. In some cases the line spacing was 300m to facilitate access along existing tracks to improve production rates in thick scrub. A number of preliminary conductors have been delineated straddling the eastern tenement boundary. Results are presently being interpreted by Spinifex Geophysics, however their report is not yet available.



**Figure 2: Total Magnetic Intensity Image Showing Location of Nickel Sulphide Prospect and E63/1267 EM Survey Area**

## **Mt Thirsty Co-Ni Oxide Deposit**

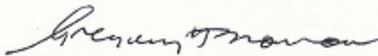
### ***Metallurgical Testwork***

A split from a bulk sample was provided to Metaleach Ltd for testing the amenability of Mt Thirsty oxide material to the proprietary ammonia based Ammleach<sup>®</sup> process for selective leaching of Ni and Co. It has been postulated that this process has the potential to recover significantly higher nickel than the agitated leach process recently developed for Mt Thirsty Co-Ni oxide ore. Initial results however were not encouraging although further tests will be undertaken.

At this stage closed tank agitated leaching with SO<sub>2</sub> (refer previous Quarterly Report) still looks to be the most cost effective method to treat Mt Thirsty ore.

### **Retention Licence**

A retention licence has recently been applied for over E63/373 which covers a large portion of the Mt Thirsty Co-Ni oxide resource. A new mining lease application will be lodged over this tenement once market conditions have improved.



Greg Solomon  
Executive Chairman

## **Mt Thirsty Project Summary**

*The Mt Thirsty Cobalt – Nickel - Manganese oxide project covering an area of 47km<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. Recent metallurgical test work indicates that high recoveries of cobalt together with some nickel can be achieved through low temperature agitated leaching in closed tanks using SO<sub>2</sub>.*

*Mt Thirsty has a JORC (2004) compliant Indicated Resource of 16.6 million tonnes at 0.14% Cobalt, 0.60% Nickel and 0.98% Manganese and a JORC (2004) compliant Inferred Resource of 15.3 million tonnes at 0.11% Co, 0.51% Ni and 0.73% Mn over a length of 1.6 kilometres and a width of up to 850 metres.*

*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 3.5% Ni were made by the joint venture in 2010.*

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*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.*

*The information in this announcement, insofar as it relates to other Mineral Exploration activities in Australia, is based on information compiled by Michael J Glasson and Robert N Smith, who are members of the Australian Institute of Geoscientists, both of whom have more than five years experience in the field of activity being reported on. Mr Glasson and Mr Smith are consultants. Mr Glasson and Mr Smith 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 2004 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.*

*It should not be assumed that the reported Exploration Results will result, with further exploration, in the definition of a Mineral Resource.*