

ASX QUARTERLY REPORT

FOR PERIOD ENDED 30TH SEPTEMBER 2015

Mt Thirsty Project (Conico Ltd 50%, JV with Barra Resources Ltd)

- Retention Licence Application over E63/363 reaches notification stage and should be granted early next year if no objections from any Native Title party.

Corporate

- The directors continue to review other possible base metal, gold and other mineral exploration opportunities.
- Proposal put forward to discharge most of the company's debt through debt to equity conversion and waiver of outstanding management fees.
- Initial placement raises \$78,000 and second placement proposed to raise a further \$299,000 before costs.

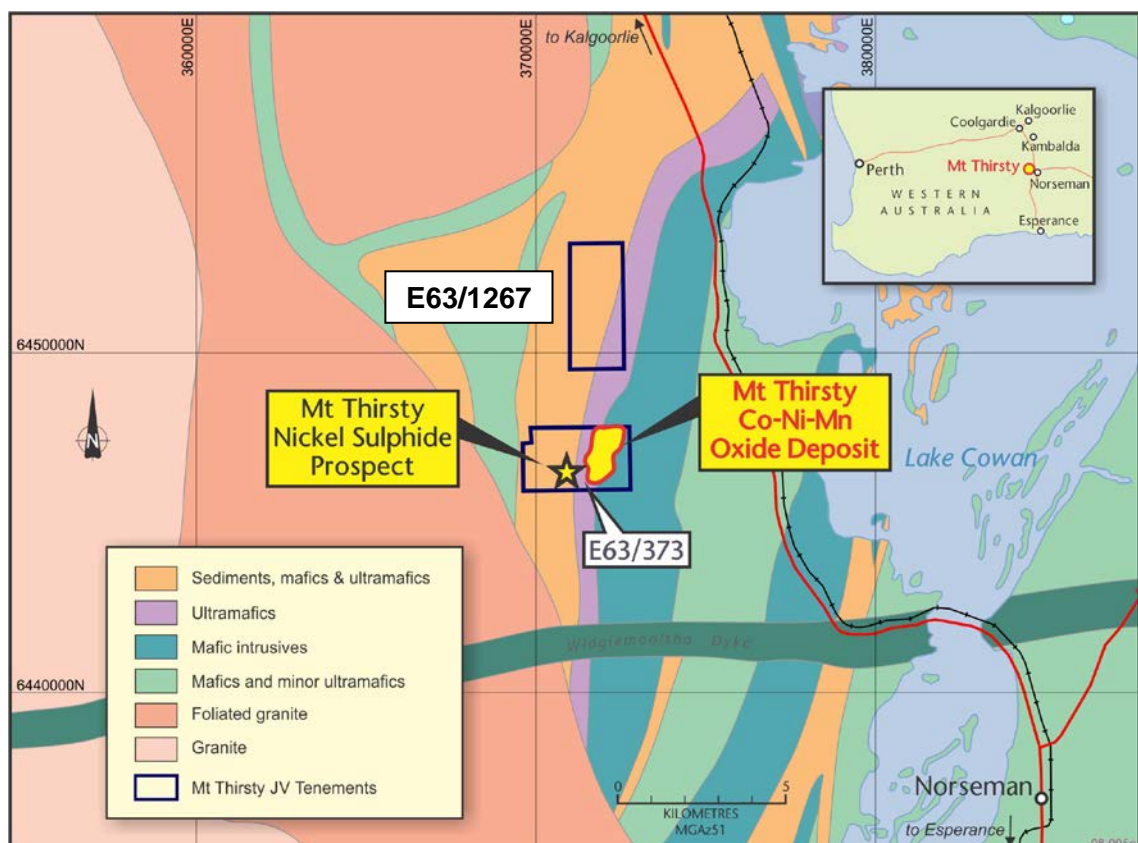


Figure 1: Mt Thirsty Project Location

Mt Thirsty Project

During the quarter advice was received from the Department of Mines and Petroleum that the retention licence application (R63/4) over E63/373, which covers the Mt Thirsty Ni-Co oxide deposit, has reached the notification stage. If there be no objections from any Native Title parties the licence should be granted early next year.

Corporate

Proposal to discharge most of Conico's outstanding debts by issuing securities

Conico has agreed to settle the sum of \$733,497 which represents a large percentage of its long outstanding debts by issuing securities in the Company, rather than paying the same in cash. These debts are owed to its major shareholder for a loan (\$131,810 being for a loan of \$100,000 plus interest and the cost of supplying contract geologists), to entities related to the directors for loans (\$110,000), to its directors for directors' fees (\$419,687), and to RM Corporate Pty Ltd for providing corporate advisory services to the Company (\$72,000). These debts cover the period from December 2012 up to 31 August 2015.

The Company is proposing to convert the above debts into equity at an issue price of 0.8 cents per share, being an 11% discount to the closing price of the Company's shares on 31 August 2015 (the last date on which its shares traded).

The proposal will be subject to ASX approval (if required), and also subject to approval by shareholders in a General Meeting that will be convened once the necessary notice of meeting and any required reports have been prepared.

In addition, Princebrook Pty Ltd, the company that provides management services to Conico, has agreed to forgive \$408,876.75 owing (but unbilled) by Conico for management fees since December 2012. As a result Conico will be left with a total amount of \$257,191.79 still owing as at 31 August 2015, and which will be repaid in cash when the Company raises further funds.

Placement

During the quarter Conico successfully placed 9,750,000 fully paid ordinary shares (an increase of 7.36% over the previously issued shares) and 9,750,000 free attaching options exercisable at 3 cents expiring 30 November 2019. This placement was at an issue price of \$0.008 per share, with one free attaching option per share, to investors in accordance with section 708 of the Corporations Act 2001 ("the Act"), raising \$78,000 before costs.

In addition, subject to shareholder approval, a further 37,375,000 fully paid ordinary shares (an increase of 28.22% over the previously issued shares) and up to a further 37,375,000 free attaching options exercisable at 3 cents expiring 30 November 2019. This placement will be at an issue price of \$0.008 per share, with one free attaching option per share, to investors in accordance with section 708 of the Act, raising \$299,000 before costs.

If the second placement is completed in full a total of 47,125,000 shares will have been issued (a total increase of 35.58% over the previously issued shares) raising a total of \$377,000, before costs, for the Company.

A commission of 6% of the value of the funds raised is payable to financial services licencees in respect of a portion of this placement raised by financial services licencees.

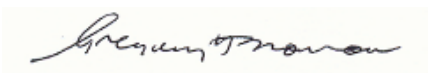
The funds raised will be used to retire outstanding debt and fund the Company's ongoing working capital requirements.

Mt Thirsty Project Summary

The Mt Thirsty Cobalt – Nickel - Manganese oxide project covering an area of 11.5km² 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 SO₂.

Mt Thirsty has a JORC (2004) compliant Indicated Resource within E63/373 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. (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).

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).



Greg Solomon
Executive Chairman

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 quarterly 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.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

CONICO LTD

ABN

49 119 057 457

Quarter ended ("current quarter")

30 September 2015

Consolidated statement of cash flows

Cash flows related to operating activities		Curent quarter \$A'000	Year to September \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(5)	(5)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(16)	(16)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (mainly R&D Tax Rebate)	-	-
	Net Operating Cash Flows	(21)	(21)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	-	-
1.13	Total operating and investing cash flows (carried forward)	(21)	(21)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(21)	(21)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	10	10
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (share application proceeds)	160	160
	Net financing cash flows	170	170
	Net increase (decrease) in cash held	149	149
1.20	Cash at beginning of quarter/year to date	16	16
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	165	165

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	-
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

-

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

-

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	5
4.2 Development	-
4.3 Production	-
4.4 Administration	125
Total	130

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Curent quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	165	16
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	165	16

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	132,431,258	132,431,258		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	+Convertible debt securities (description)	NOT APPLICABLE			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	5,501,000	NIL	Exercise price 8 cents	Expiry date 31 December 2016
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)	NOT APPLICABLE			
7.12	Unsecured notes (totals only)	NOT APPLICABLE			

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act.
- 2 This statement does give a true and fair view of the matters disclosed.

+ See chapter 19 for defined terms.

Sign here:


(Company secretary)

Date: 27 October 2015

Print name: Aaron Gates

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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