

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

25 May 2017

MT THIRSTY COBALT PROJECT UPDATE

▪ **Project Design Engineer Appointed For Flowsheet Design**

Conico Limited (ASX: **CNJ**) in conjunction with its joint venture partner **Barra Resources Limited** (ASX: **BAR**), is pleased to advise the appointment of CPC Project Design Pty Ltd (CPC) to undertake processing flowsheet design following successful completion of Phase 1 metallurgical testwork of Mt Thirsty Cobalt material at ALS Laboratories (ALS) in Perth, Western Australia last month.

The design work by CPC is expected to be completed by the end of the June quarter, dependent upon response times by major equipment vendors.

CPC’s combined experience gained from involvement at the Ravensthorpe Nickel Project and other similar projects was a key driver in their appointment. In the interim, Phase 2 metallurgical testwork will continue at ALS, exploring alternative reagents and further recovery optimisation techniques.

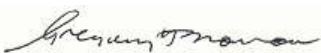
Background on Mt Thirsty Cobalt Project

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

The Mt Thirsty Cobalt Oxide Deposit mineral resource was prepared and first reported in accordance with 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 to ASX announcement 8th March 2011: “Resource Upgrade Mt Thirsty Cobalt-Nickel Oxide Deposit”: available to view at www.conico.com.au). The Company is not aware of any new information or data that materially affects the information included in the previous announcement and that all of the previous assumptions and technical parameters underpinning the estimates in the announcement dated 8th March 2011 have not materially changed.

Mt Thirsty is one of Australia’s largest known stand-alone cobalt resources at 32 million tonnes with approximately 40,000 tonnes of contained cobalt. The great advantages of Mt Thirsty compared to other potential cobalt miners is the nature of the resource, being a flat lying, continuous and thick deposit starting from near surface to around 70 metres below surface. Due to intense oxidation, the deposit is very soft, fine grained and low in silica. As the cobalt is attached to the manganese, initial test work has indicated that an agitated leach process done at around 40°C and atmospheric pressure will be sufficient to extract the cobalt. The very nature of the deposit and leaching process being pursued has the potential to translate to a very low CAPEX/OPEX operation.

Given Mt Thirsty’s ideal positioning close to infrastructure including power and port access in Western Australia, the Joint Venture remains confident Mt Thirsty has the potential to become a major supplier to the burgeoning battery supply chain.



Greg Solomon
Chairman

For more details on the Mt Thirsty Cobalt Project, shareholders and investors are encouraged to visit the Project website at www.mtthirstycobalt.com.

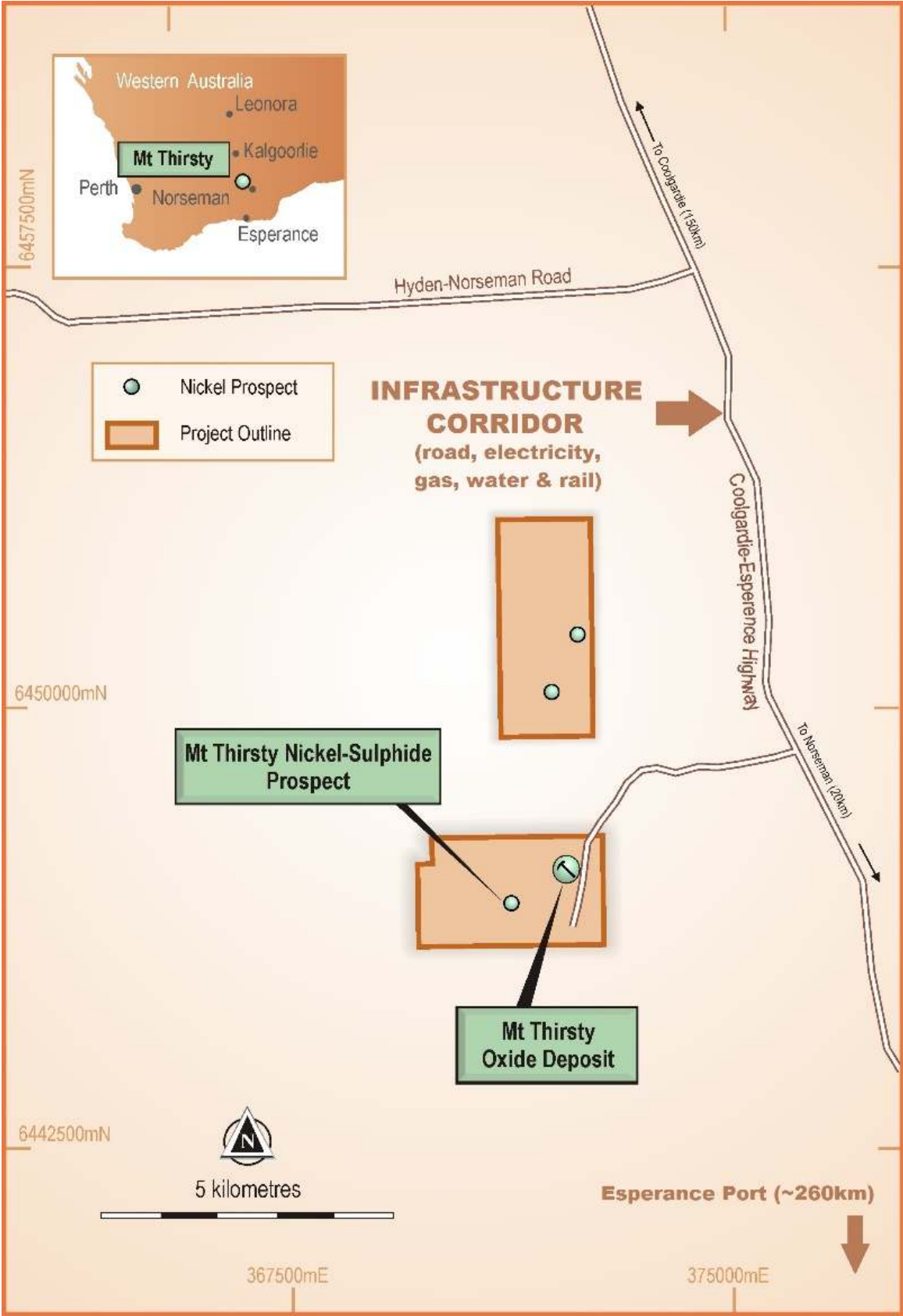


Figure 1: Mt Thirsty Cobalt Project location map

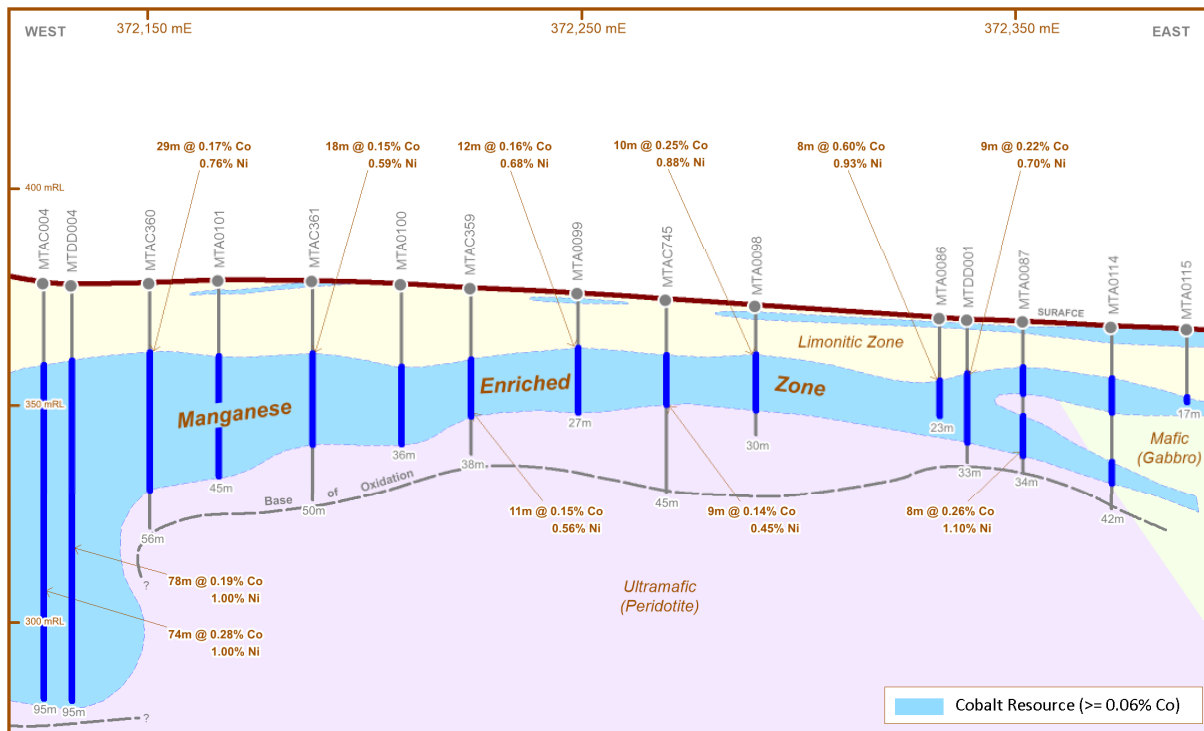


Figure 2: Representative schematic cross-section through the Mt Thirsty Cobalt – Nickel Oxide Deposit

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 announcement 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.