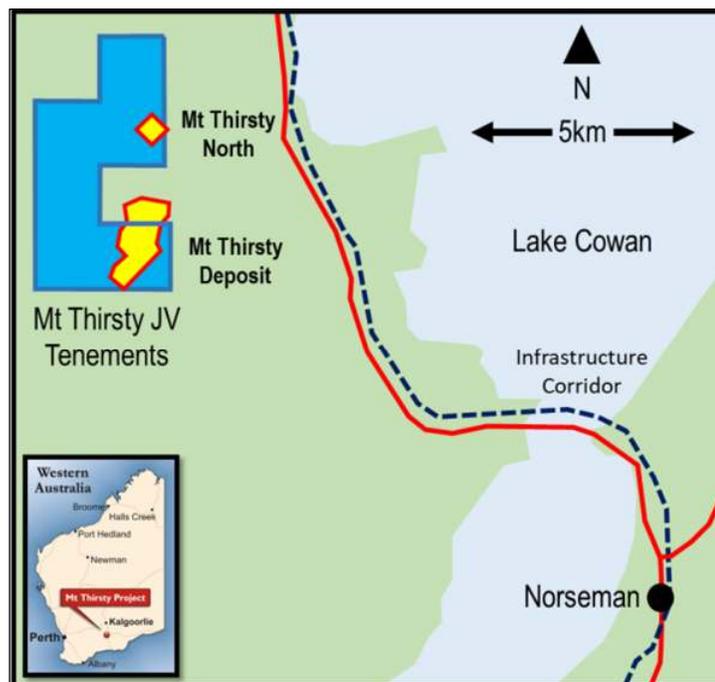


**HIGHLIGHTS:****MT THIRSTY COBALT NICKEL PROJECT:**

- Mt Thirsty assumes the mantle of Australia's most advanced genuine cobalt project with a completed Pre-Feasibility Study (PFS).
- Partners being sought to further advance project from PFS stage.
- Discussions with native title holders continuing with a view to grant of mining leases

**CORPORATE:**

- Conico is actively seeking other opportunities to diversify its focus and is currently evaluating a project for potential acquisition.

**Figure 1: Mt Thirsty Project Location**

## **MT THIRSTY COBALT PROJECT**

### **(50% Conico Ltd: 50% Barra Resources Ltd– Joint Venture, MTJV)**

The Mt Thirsty Cobalt Project is located 16km north-northwest of Norseman, Western Australia (Figure 1).

The Project contains the Mt Thirsty Cobalt-Nickel (Co-Ni) Oxide Deposit that has the potential to emerge as a significant cobalt producer. In addition to the Co-Ni Oxide Deposit, the Project also hosts nickel sulphide (Ni-S) mineralisation.

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. Mt Thirsty has the potential to become a major supplier to the burgeoning battery supply chain.

The great advantage of Mt Thirsty compared to other potential cobalt operations 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.

The Mt Thirsty Project is highly leveraged to cobalt prices with approximately 70% of potential revenue being from cobalt; far higher than other nickel laterite projects.

A prefeasibility study was completed in February 2020 with the following highlights (refer ASX Announcement 20 February 2020):

- Mt Thirsty now assumes the mantle of Australia's most advanced genuine cobalt project with a completed Pre-Feasibility Study (PFS)
- Hydrometallurgical process is at atmospheric pressure and 70-90°C utilising sulphur dioxide (SO<sub>2</sub>) as the main reagent
- Maiden JORC 2012 Probable Ore Reserve of 18.8 Mdt at 0.13% cobalt and 0.54% nickel estimated for the project
- Positive economics returned over a 12 year mine life with a pre-tax NPV of A\$44.4M (A\$25.7M post-tax)
- Capital Expenditure of A\$371M including 10% indirects, 9% growth allowance, 4% owner's costs, and 10% contingency
- All in Sustaining Costs of US\$35,400/t contained cobalt

## **ACTIVITIES**

Native Title negotiations are continuing with the Ngadju Traditional Owners and no impediments to an agreement are anticipated.

The Mt Thirsty Joint Venture (MTJV) has identified the highest value development path to be a farm-in from a large global firm, eager to secure a guaranteed sustainable source of cobalt. The MTJV is re-engaging with several major Australian and international mining, trading and refining firms who have all identified a high quality PFS as their minimum investment criteria.

The direct Project expenditure for the MTJV is now minimal while the partnering strategy is pursued.

**CORPORATE****New Projects**

Conico is actively seeking other opportunities to diversify its focus and is currently evaluating a project for potential acquisition.

**Project Loan Facility**

The previously announced loan facility of up to \$500,000 from Barra Resources to Conico to facilitate the completion of the PFS has been drawn down by a total of \$393,050 to the end of the quarter (refer ASX Announcement dated 29 October 2019).

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

Guy T Le Page  
Director

**Description of Payments to related parties of the entity and their associates (LR 5.3.5)**

Payments to related parties during the quarter related to:

1. Management Fees, as per agreement, were paid during the quarter to a company of which Mr GH Solomon and Mr DH Solomon are directors. The management fees were mutually agreed to be reduced by 25% for the months of April – June 2020 in light of Covid-19.

**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 based on interpretations or conclusions contained in this report will therefore carry an element of risk.*

*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.*

**Competent Persons Statements**

*The information in this report that relates to Exploration Results for the Mt Thirsty project is based on and fairly represents information compiled by Michael J Glasson, a Competent Person who is a member of the Australian Institute of Geoscientists. Mr Glasson is an employee of Tasman Resources Ltd and in this capacity acts as part time consultant to Conico Ltd and the MTJV. Mr Glasson holds shares in Conico Ltd.*

*The information in this report which relates to Mineral Resources for the Mt Thirsty Cobalt-Nickel Project is based on information provided to and compiled by Mr David Reid, a Competent Person who is a full-time employee of Golder Associates Pty Ltd, and a Member of the Australasian Institute of Mining and Metallurgy. Mr Reid consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*The information in this report which relates to the Metallurgy for the Mt Thirsty Cobalt-Nickel Project is based on and fairly represents information compiled by Mr David Nofal who is a Fellow of the Australian Institute of Mining and Metallurgy and a full-time employee of AMEC Foster Wheeler (trading as Wood). Mr Nofal consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*The information in this report which relates to Mining and Ore Reserves for the Mt Thirsty Cobalt-Nickel Project is based on information provided to and compiled by Mr Frank Blanchfield, a Competent Person who is a full-time employee of Snowden Mining Industry Consultants Pty Ltd, and a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Blanchfield consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*Messer's Glasson, Reid, Nofal and Blanchfield have sufficient relevant experience to the style of mineralisation and type of deposits under consideration and to the activity for which they are undertaking to qualify as Competent Persons as defined in the JORC Code (2012 Edition).*

*Previously announced information is cross referenced to the original announcements. In these cases, the company is not aware of any new information or data that materially affects the information presented and that the material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcements.*

**Interests in Mining Tenements**

Tenements	Location	Interest held at end of quarter	Acquired during the quarter	Disposed during the quarter
E63/1267	WA	50%		
R63/4	WA	50%		
E63/1790	WA	50%		
P63/2045	WA	50%		
M(A) 63/669*	WA	50%		
M(A) 63/670 <sup>#</sup>	WA	50%		
G(A) 63/93 <sup>^</sup>	WA	50%		
L63/80	WA	50%		
L63/81	WA	50%		
L63/91	WA	50%		
L(A) 63/92	WA	-		50%

Notes:

\*MLA over P63/1267, <sup>#</sup>MLA over R63/4, <sup>^</sup>GLA over E63/1790 & P63/2045

LA 63/91 & 92 for haul roads and services. L63/80 & 81 for ground water search.