# conico LTD

(formerly Fission Energy Ltd)

ABN 49 119 057 457

# Annual Report

for the Year Ended
30 June 2015

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** Cover Photo: Cuttings from drill hole through mineralised zone - Mt Thirsty Nickel-Cobalt-Manganese Oxide Project*

## HIGHLIGHTS FOR THE YEAR TO 30 JUNE 2015

## *MT THIRSTY PROJECT (WA) (Conico 50%)*

**Highlights**

**Air core drilling program to test various targets in E63/1267 completed:**

- **Significant Co-Ni oxide mineralisation intersected in 3 holes with values up to 0.15% Co and 1.26% Ni in a 3m composite sample from 30 to 33m downhole.**
- **Potential for small resource in E63/1267 to complement existing Co-Ni oxide resource in nearby tenement E63/373 at Mt Thirsty.**

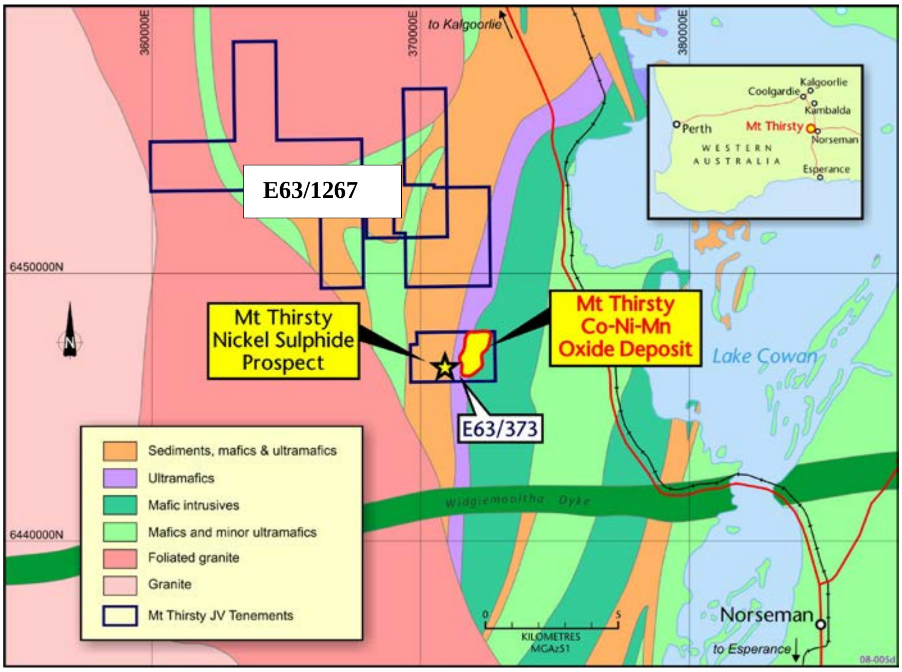


**Figure 1: Mt Thirsty Project Location**

# CORPORATE DIRECTORY

**DIRECTORS:**
Gregory H Solomon **LLB** (Non-Executive)
Douglas H Solomon **BJuris LLB (Hons)** (Non-Executive)
Guy T Le Page **B.A., B.Sc. (Hons).,M.B.A., F.FIN., 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
Website: www.conico.com.au

**SOLICITORS:**

Solomon Brothers
Level 15,
197 St Georges Terrace
Perth, Western Australia 6000

**AUDITORS:**

Nexia Perth Audit Services Pty Ltd
Chartered Accountants
Level 3
88 William Street
Perth, Western Australia 6000

**SHARE REGISTRY:**

Advanced Share Registry Services
110 Stirling Highway
Nedlands, Western Australia 6009

**STOCK EXCHANGE LISTING:**
ASX Code: CNJ (ordinary shares)

Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Securities Exchange Limited.

**REVIEW OF OPERATIONS**

**Corporate**

The directors are currently reviewing other possible base metal - gold exploration opportunities in Western Australia.

**Exploration**

***Air Core Drilling***

An air core drilling traverse (refer Figure 2) to test an interpreted footwall ultramafic contact position (nickel sulphide potential), a possible Ni-Co bearing laterite and the top of an EM conductor was completed in E63/1267. Sixteen air core holes (MTAC751 to 766) spaced 50m apart and inclined 60$^{o}$ west were drilled to blade refusal along a single east-west traverse (Line 6,450,850N, AGD84) for a total of 621m.

The first four holes (MTAC751 to 754) on the western end of the traverse intersected a deeply weathered fine grained sedimentary sequence comprising pale shales, siltstones and fine grained clayey quartz sandstones. The remainder of the traverse intersected relatively fresh fine-medium grained altered ultramafic lithologies at variable depths from 1 to 40m which are interpreted to overlie the sedimentary sequence to the west. A sedimentary unit within the ultramafic sequence mapped to the north of the drilling traverse by the GSWA (refer Figure 2) was not intersected by the drilling and is either much thinner or has pinched out/been faulted out in the local vicinity of the drill holes.

Laterite from <2m to 10m in thickness was intersected at the top of the three holes at the far eastern end of the traverse. The saprolite intersected beneath the laterite, comprising powdery dark brown to dark orange-brown clays is of similar appearance to that beneath the Mt Thirsty Co-Ni oxide deposit 3km to the south on E63/373. The laterite forms a small hill on the eastern end of the traverse and has developed over a more deeply weathered altered ultramafic sequence. Based on the recent drilling the laterite within E63/1267 appears to be less extensive to the west than indicated by the GSWA mapping. The western portion of the mapped laterite in E63/1267 looks to be a very thin veneer (<1m) which has been transported downslope from the main insitu outcrop along the eastern tenement boundary.

No significant Ni assays were associated with the footwall contact. Assay results however indicate a sub horizontal layer of Co-Ni oxide mineralisation (+0.06% Co) up to 7.8m in true thickness (9m downhole) in the three most eastern holes (MTAC 764 to 766, refer Figures 2 & 3) with Co up to 0.15% and Ni up to 1.26% in a 3m composite sample in hole MTAC 766 from 30 to 33m. Significant results from the three holes are summarised in Table 1 below. These values are comparable to the average Mt Thirsty resource grades (refer Mt Thirsty Project Summary).

**Table 1: Summary of Significant Co-Ni Oxide Intersections**

| Hole No. | East (AGD84) | North (AGD84) | From (m) | To (m) | Interval (m) | Co% | Ni% |
|---|---|---|---|---|---|---|---|
| MTAC764 | 372306 | 6450842 | 21 | 30 | 9 | 0.10 | 0.52 |
| MTAC765 | 372350 | 6450847 | 30 | 39 | 9 | 0.10 | 0.72 |
| MTAC766 | 372406 | 6450847 | 27 | 36 | 9 | 0.11 | 0.97 |

These intersections overlie an EM conductor (refer Figure 2) however they are probably not related to it. This and the other EM conductors are most likely due to east dipping sulphidic sediments at depth as mapped by the GSWA, although none were intersected by the recent drilling. A deeper RC hole is required to test the conductor.

The latest drilling indicates that there is potential to delineate further Ni-Co oxide mineralisation beneath the mapped laterite on the eastern side of E63/1267 which could potentially supplement the existing Mt Thirsty oxide resource on E63/373. Further air core drilling is required to test the extent of this mineralisation beneath the mapped laterite which trends for about 500m along its north-south axis.

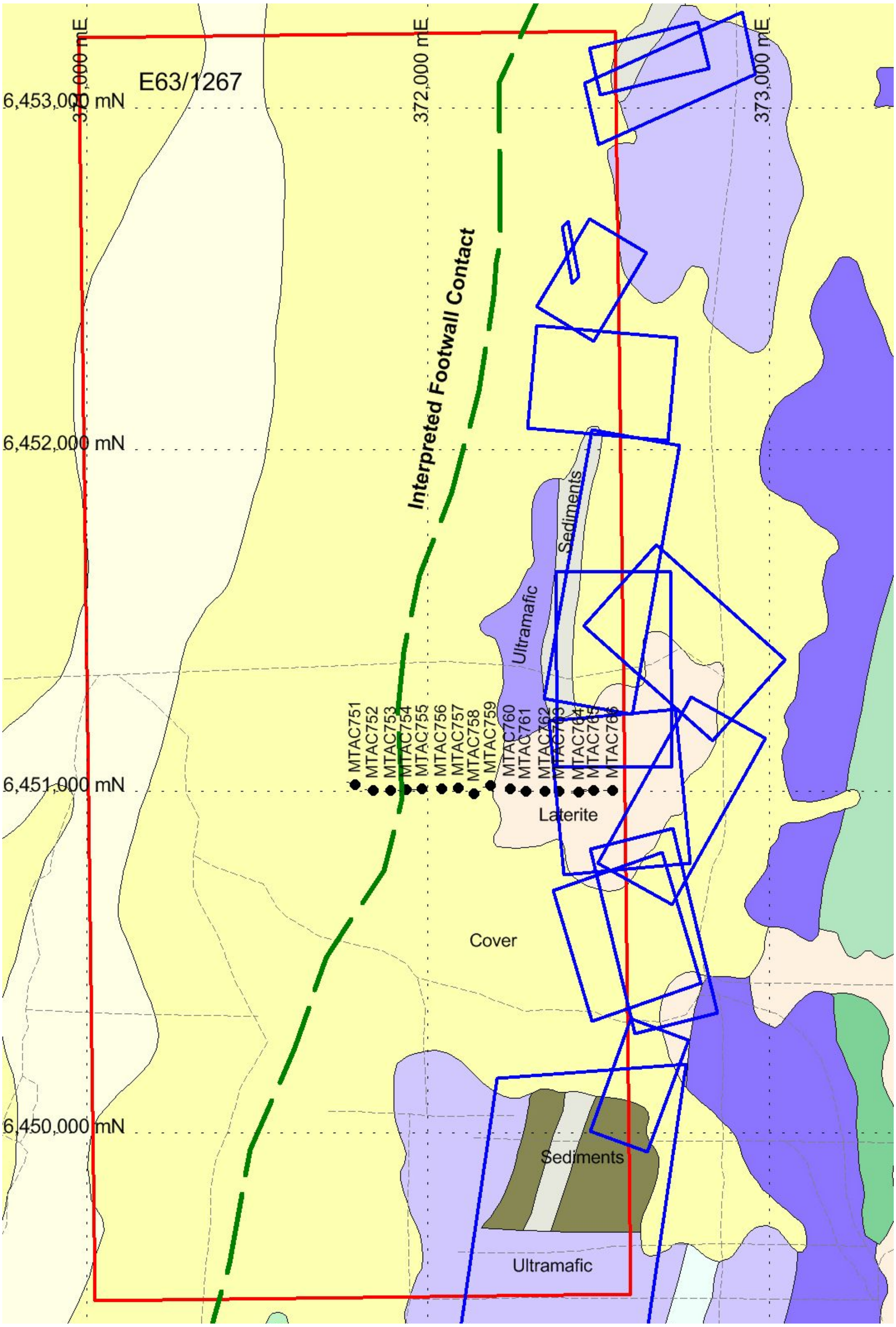


**Figure 2: E63/1267, air core drill hole locations with hole numbers and modelled EM conductors (blue rectangles) over GSWA mapping. The laterite is coloured light brown (AGD84, Zone 51).**

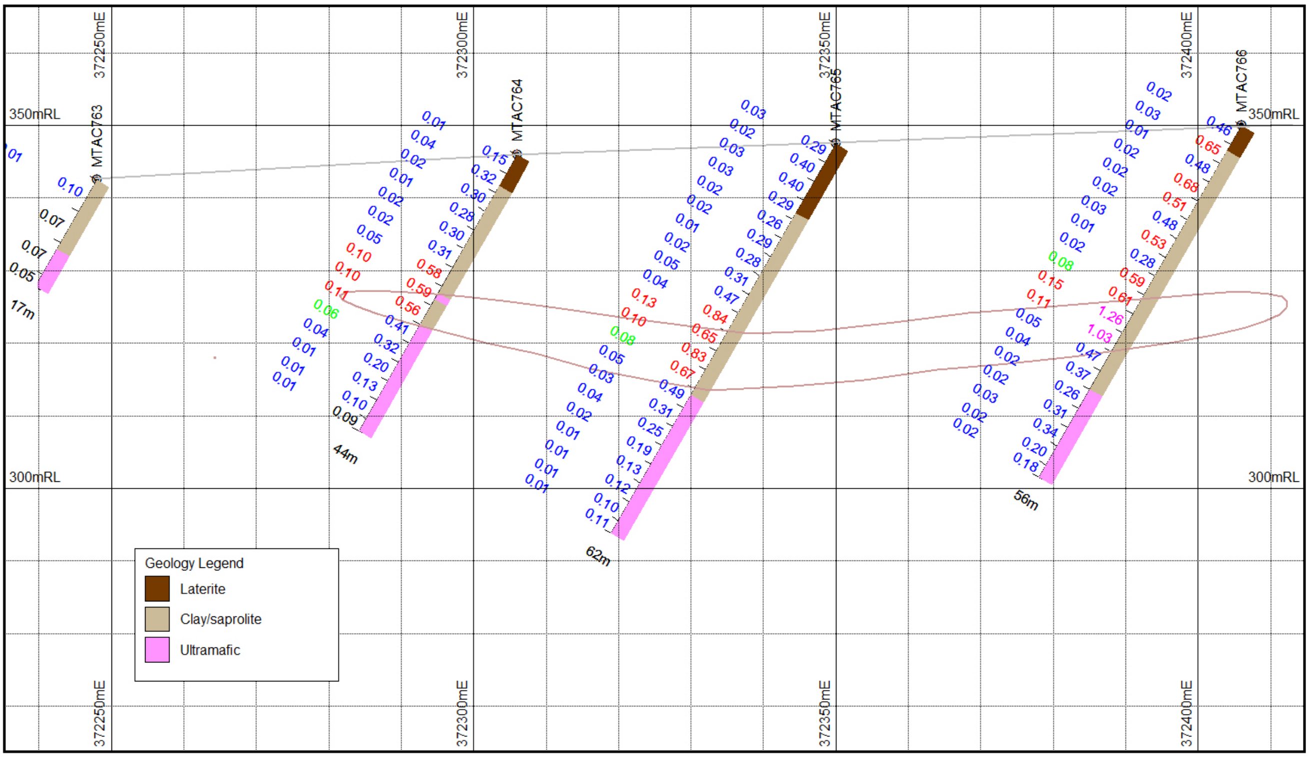


**Figure 3: Cross Section 6,451,000N through holes MTAC 763 to 766 on eastern end of air core traverse showing interpreted layer of Co-Ni oxide mineralisation (brown outline, +0.06% Co). Co% assays on LHS, Ni% assays on RHS (AGD84, Zone 51).**

### Mt Thirsty Project Summary

*The Mt Thirsty Cobalt – Nickel - Manganese oxide project covering an area of 11.5km$^2$ is located 20km north-northwest of Norseman in the southern goldfields of Western Australia, a well endowed nickel terrain. 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 $SO_2$.*

*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 (refer Mineral Resource Statement below).*

*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 (refer ASX announcement 19th May 2010: "High Grades Intersected at Mt Thirsty", available to view on www.conico.com.au.).*

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### Mt Thirsty Project - Mineral Resources Statement

In view of the current status of the project and lack of any new information no annual review of the company's mineral resources which are entirely located within E63/373 at Mt Thirsty has been undertaken.

**Mt Thirsty Oxide Resources**

| Category | Tonnes | Co% | Ni% | Mn% |
|---|---|---|---|---|
| Indicated Resource | 16,600,000 | 0.14 | 0.60 | 0.98 |
| Inferred Resource | 15,340,000 | 0.11 | 0.51 | 0.73 |
| Total Resource | 31,940,000 | 0.13 | 0.55 | 0.86 |

The figures shown in this table were estimated within a wireframed mineralised envelope which was based mostly on a 0.06% Co cut off. In some places where Co was less than 0.06% a Ni cut off of 0.7% was used.

## Estimation Governance Statement

The resource information above was prepared and first disclosed under the JORC Code 2004. It has not been updated since or re-estimated 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).

### *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 Person’s 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**

The directors present their report together with the consolidated financial statements of the Group comprising Conico Ltd (the Company) and its controlled entity and the Group's interest in a joint venture for the financial year ended 30 June 2015.

**Directors**

The names of directors in office at any time during or since the end of the year are:

| | |
|---|---|
| **Gregory H Solomon** | **Guy T Le Page** |
| **Douglas H Solomon** | **James B Richardson** |

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

**Company Secretary**

The following person held the position of Company Secretary at the end of the financial year:

Mr Aaron P Gates has worked for Conico Ltd for the past 7 years. He is a Chartered Accountant and Chartered Secretary, has completed a Bachelor of Commerce (Curtin University) with majors in accounting and business law and completed a Diploma of Corporate Governance. Prior to joining Conico he worked in public practice in audit and corporate finance roles.

**Principal Activities**

The principal activity of the Group during the financial year ended 30th June 2015 was mineral exploration for cobalt, nickel and manganese.

There were no significant changes in the nature of the activities of the Group during the year.

**Operating Results**

The loss of the Group after providing for income tax amounted to $433,749 (2014: $426,798).

**Dividends Paid or Recommended**

No dividends were paid or declared for payment during the year.

**Review of Mineral Exploration Operations**

A review of the operations of the Group during the year ended 30 June 2015 is set out in the Review of Operations on Page 5.

**Financial position**

The net assets of the Group have decreased by $433,749 from 30 June 2014 to $13,294,865 in 2015. This decrease has largely resulted from the loss posted during the year.

**Significant Changes in State of Affairs**

In the opinion of the directors, other than disclosed elsewhere in this report, there were no significant changes in the state of affairs of the Group that occurred during the year.

**After Balance Date Events**

Subsequent to year end, the Company engaged RM Corporate Finance Pty Ltd to assist in a best endeavours placement of up to $2,000,000 by the placement of ordinary fully paid shares.

On 4 September 2015 the Company announced a proposal, subject to shareholder approval, to settle $733,497 of outstanding debts for the period up to 31 August 2015 owed, by the way of issue of shares based on a price of $0.008 per share. In addition Princebrook Pty Ltd agreed to forgive $408,877 of owing but unbilled management fees.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

**Future Developments, Prospects and Business Strategies**

The Group proposes to continue with its exploration program as detailed in the Review of Operations.

**Environmental Issues**

The Group is the subject of environmental regulation with respect to mining exploration and will comply fully with all requirements with respect to rehabilitation of exploration sites.

## Information on Directors

| | |
|---|---|
| **Gregory H Solomon** | Executive Chairman |
| Qualifications | **LLB** |
| Experience | Appointed chairman March 2006. Board member since March 2006. A solicitor with more than 30 years of Australian and international experience in a wide range of areas including mining law, commercial negotiation (including numerous mining and exploration joint ventures) and corporate law. He is a partner in the Western Australian legal firm, Solomon Brothers and has previously held directorships of various public companies since 1984 including two mining/exploration companies. |
| Interest in Shares and Options | 500,000 Ordinary Shares |
| Directorships held in other listed entities | Eden Energy Ltd<br>Tasman Resources Ltd |

| | |
|---|---|
| **Douglas H Solomon** | Non-Executive |
| Qualifications | **BJuris LLB (Hons)** |
| Experience | Board member since 30 March 2006. A Barrister and Solicitor with more than 20 years' experience in the areas of mining, corporate, commercial and property law. He is a partner in the legal firm, Solomon Brothers. |
| Interest in Shares and Options | 350,000 Ordinary Shares |
| Directorships held in other listed entities | Eden Energy Ltd<br>Tasman Resources Ltd |

| | |
|---|---|
| **Guy T Le Page** | Non-Executive |
| Qualifications | **B.A., B.Sc. (Hons).,M.B.A., F.FIN., MAusIMM** |
| Experience | Board member since 30 March 2006. Currently a corporate adviser specialising in resources. He is actively involved in a range of corporate initiatives from mergers and acquisitions, initial public offerings to valuations, consulting and corporate advisory roles. He previously spent 10 years as an exploration and mining geologist in Australia, Canada and the United States. His experience spans gold and base metal exploration and mining geology and he has acted as a consultant to private and public companies. |
| Interest in Shares and Options | 13,715,279 Ordinary Shares |
| Directorships held in other listed entities | Eden Energy Ltd<br>Tasman Resources Ltd<br>Soil Sub Technologies Ltd<br>Palace Resources Ltd<br>Red Sky Energy Ltd<br>AXG Mining Ltd |

| | |
|---|---|
| **James B Richardson** | Non-Executive |
| Qualifications | **Dip, Fin Plan** |
| Experience | Board member since 11 November 2008. Currently a corporate advisor where he has been actively involved in a range of corporate activities, including the development, documentation, negotiation and marketing of a number of successful financial instruments for various companies encompassing various sectors of the investment market. He has also been employed as a specialist business development executive in some of the more successful national financial services organisations. Additionally, he has extensive experience in evaluating investment opportunities, structuring projects and negotiating financial transactions to meet the expectations of the investment market. |
| Interest in Shares and Options | 16,158,888 Ordinary Shares |
| Directorships held in other listed entities | None |

**Remuneration Report (Audited)**

This report details the nature and amount of remuneration for each director of Conico Ltd, and for the executives receiving the highest remuneration.

**Remuneration Policy**

The remuneration policy of Conico Ltd has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the company's financial results. The board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the company, as well as create goal congruence between directors, executives and shareholders.

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the company is as follows:

All executives receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits and options. Executives are also entitled to participate in the employee share and option arrangements. All directors and executives receive a superannuation guarantee contribution where required by the government, which is currently 9.5%, and do not receive any other retirement benefits.

All remuneration paid to directors and executives is valued at the cost to the company and expensed. Options are valued using the Black-Scholes methodology and other market based pricing. The board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Group does not have a policy on directors hedging their shares.

The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company and are able to participate in the employee option plan.

**Details of Remuneration for Year Ended 30 June 2015**

The remuneration for each director and each of the executive officers of the Group during the year was as follows:

**Key Management Personnel Remuneration –**

| **Key Management Person** | **Short-term Benefits** | | | **Post-employment benefits** | **Other long-term benefits** | **Termination Benefits** | **Share-based payments** | | **Total** | **Perfor-mance Related** |
|---|---|---|---|---|---|---|---|---|---|---|
| | **Salary and Fees** | **Cash profit share** | **Non-cash benefit** | **Super-annuation** | **Other** | **Other** | **Equity** | **Options** | | |
| | **$** | **$** | **$** | **$** | **$** | **$** | **$** | **$** | **$** | **%** |
| **2015** | | | | | | | | | | |
| Gregory H Solomon | 75,000 | - | - | 7,422 | - | - | - | - | 82,422 | - |
| Douglas H Solomon | 24,000 | - | - | 2,375 | - | - | - | - | 26,375 | - |
| Guy T Le Page | 24,000 | - | - | 2,375 | - | - | - | - | 26,375 | - |
| James B Richardson | 24,000 | - | - | 2,375 | - | - | - | - | 26,375 | - |
| Aaron P Gates | (i) | - | - | - | - | - | - | - | - | - |
| | 147,000 | - | - | 14,547 | - | - | - | - | 161,547 | - |
| **2014** | | | | | | | | | | |
| Gregory H Solomon | 75,000 | - | - | 6,938 | - | - | - | - | 81,938 | - |
| Douglas H Solomon | 24,000 | - | - | 2,220 | - | - | - | - | 26,220 | - |
| Guy T Le Page | 24,000 | - | - | 2,220 | - | - | - | - | 26,220 | - |
| James B Richardson | 24,000 | - | - | 2,220 | - | - | - | - | 26,220 | - |
| Aaron P Gates | (i) | - | - | - | - | - | - | - | - | - |
| | 147,000 | - | - | 13,598 | - | - | - | - | 160,598 | - |

*(i) - These management personnel are remunerated by Princebrook Pty Ltd under the Princebrook Management Services Contract.*

**Options issued as part of remuneration for the year ended 30 June 2015**

No options were issued to directors and employees as part of their remuneration during the year and no shares were issued upon the exercise of options granted as remuneration.

**<End of Remuneration Report>**

**Directors Meetings**

During the financial year, no meetings of directors were held. Attendances by each director were as follows:

| | Directors' Meetings | |
|---|---|---|
| | Number eligible to attend | Number attended |
| Gregory H Solomon | - | - |
| Douglas H Solomon | - | - |
| Guy T Le Page | - | - |
| James B Richardson | - | - |

**Indemnifying Officers or Auditor**

The company has arranged for an insurance policy to insure the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company. The total premium payable is approximately $11,220.

**Proceedings on Behalf of Group**

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

**Options**

At the date of this report, the unissued ordinary shares of Conico Ltd under option are as follows:

| Grant Date | Date of Expiry | Exercise Price | Number under Option |
|---|---|---|---|
| 12 July 2013 | 31 December 2015 | $0.08 | 5,501,000 |
| | | | 5,501,000 |

During the year ended 30 June 2015, no ordinary shares of Conico Ltd were issued on the exercise of options granted under the Conico Ltd Employee Share Option Plan. No shares have been issued since that date.

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of any other body corporate.

**Non-audit Services**

The board of directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

No fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2015.

**Auditor's Independence Declaration**

The auditor's independence declaration for the year ended 30 June 2015 has been received and can be found on page 14.

Signed in accordance with a resolution of the Board of Directors.

Gregory H Solomon
Chairman

Dated this 30th day of September 2015

**Auditor's independence declaration under section 307C of the *Corporations Act 2001***

To the directors of Conico Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2015 there have been:

(i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

**Nexia Perth Audit Services Pty Ltd**

**TJ Spooner**
*Director*

Perth, 30 September 2015

**Nexia Perth Audit Services Pty Ltd**
ACN 145 447 105
Level 3, 88 William Street, Perth WA 6000
GPO Box 2570, Perth WA 6001
p +61 8 9463 2463, f +61 8 9463 2499
audit@nexiaperth.com.au, www.nexia.com.au

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR YEAR ENDED 30 JUNE 2015

| | | Consolidated | |
|---|---|---|---|
| | **Note** | **2015** **$** | **2014** **$** |
| Other Income | 2 | 1,105 | 5,849 |
| Accounting and audit | | (27,157) | (26,820) |
| Administrative expenses | | (25,132) | (37,534) |
| Depreciation and amortisation | | (2,550) | (3,220) |
| Interest Expense | | (19,504) | - |
| Key management remuneration | 4(d) | (161,547) | (160,598) |
| Legal and other consultants | | - | (12,739) |
| Management fees | | (194,670) | (194,670) |
| Other expenses | | (4,294) | (14,183) |
| Loss before income tax | | (433,749) | (443,915) |
| Income tax benefit | 3 | - | 17,117 |
| Loss for the year | | (433,749) | (426,798) |
| | | | |
| **Other Comprehensive Income** | | | |
| Items that may be reclassified to profit or loss: | | | |
| Revaluations of financial assets | | - | - |
| Income tax relating to comprehensive income | | - | - |
| Total other comprehensive income | | - | - |
| | | | |
| **Total Comprehensive Loss attributable to members of the parent entity, net of tax** | | (433,749) | (426,798) |
| | | | |
| Basic/Diluted loss per share (cents per share) | 6 | (0.33) | (0.32) |

The accompanying notes form part of these financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

| | | Consolidated | |
|---|---|---|---|
| | **Note** | **2015 $** | **2014 $** |
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 7 | 16,352 | 35,238 |
| Trade and other receivables | 8 | 10,236 | 9,250 |
| TOTAL CURRENT ASSETS | | 26,588 | 44,488 |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 9 | 13,420 | 16,187 |
| Exploration and evaluation | 10 | 14,727,743 | 14,696,329 |
| TOTAL NON-CURRENT ASSETS | | 14,741,163 | 14,712,516 |
| TOTAL ASSETS | | 14,767,751 | 14,757,004 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 13 | 1,022,886 | 638,390 |
| Non-interest bearing liabilities | 21 | 100,000 | 40,000 |
| Interest bearing liabilities | 14 | 100,000 | 100,000 |
| TOTAL CURRENT LIABILITIES | | 1,222,886 | 778,390 |
| NON-CURRENT LIABILITIES | | | |
| Provisions | 15 | 250,000 | 250,000 |
| TOTAL NON-CURRENT LIABILITIES | | 250,000 | 250,000 |
| TOTAL LIABILITIES | | 1,472,886 | 1,028,390 |
| NET ASSETS | | 13,294,865 | 13,728,614 |
| EQUITY | | | |
| Issued capital | 16 | 16,799,457 | 16,799,457 |
| Reserves | 17 | 477,450 | 477,450 |
| Accumulated losses | | (3,982,042) | (3,548,293) |
| TOTAL EQUITY | | 13,294,865 | 13,728,614 |

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2015**

**Consolidated Group**

| | Ordinary Share Capital | Option Reserve | Retained Earnings | Total |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| **Balance at 30 June 2013** | 16,799,457 | 477,450 | (3,121,495) | 14,155,412 |
| Net loss for the year | - | - | (426,798) | (426,798) |
| Other comprehensive Income | - | - | - | - |
| **Balance at 30 June 2014** | 16,799,457 | 477,450 | (3,548,293) | 13,728,614 |
| Net loss for the year | - | - | (433,749) | (433,749) |
| Other comprehensive Income | - | - | - | - |
| **Balance at 30 June 2015** | 16,799,457 | 477,450 | (3,982,042) | 13,294,865 |

The accompanying notes form part of these financial statements.

## CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2015

| | Note | Consolidated 2015 $ | Consolidated 2014 $ |
|---|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers | | 1,966 | 25,768 |
| Payments to suppliers and employees | | (49,666) | (87,972) |
| Interest received | | 228 | 648 |
| Net cash provided by (used in) operating activities | 22 | (47,472) | (61,556) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Exploration and evaluation expenditure | | (31,414) | (38,190) |
| Net cash provided by (used in) investing activities | | (31,414) | (38,190) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from borrowings | | 60,000 | 40,000 |
| Net cash provided by (used in) financing activities | | 60,000 | 40,000 |
| Net increase / (decrease) in cash held | | (18,886) | (59,746) |
| Cash at beginning of financial year | | 35,238 | 94,984 |
| Cash at end of financial year | 7 | 16,352 | 35,238 |

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The financial report of Conico Limited and controlled entities complies with all International Financial Reporting Standards (IFRS) in their entirety.

The financial report covers the consolidated group of Conico Ltd (formerly Fission Energy Ltd) and controlled entities as at and for the year ended 30 June 2015. Conico Ltd is a listed public company, incorporated and domiciled in Australia. The Group is a for-profit entity and primarily is involved in mineral exploration for cobalt, nickel and manganese.

The following is a summary of the material accounting policies adopted by the group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**Basis of Preparation**

The accounting policies set out below have been consistently applied to all years presented.

*Reporting Basis and Conventions*

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. These consolidated financial statements are presented in Australian dollars, which is the Group's functional currency.

*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.

The Group has reported a net loss for the year of $433,749 (2014: $426,798) and a cash outflow from operating activities of $47,472 (2014: $61,556). The Group also had a net working capital deficit of $1,196,298 at 30 June 2015 (2014: $733,902).

Included in current liabilities are amounts owed to related parties of $1,201,160, of which $645,624 has been proposed to be settled by way of issue of shares subsequent to year end, $339,261 owing to Princebrook Pty Ltd will be forgiven subsequent to year end and $216,275 which does not become payable until the Company raises sufficient funds to pay all outstanding debts and continue as a going concern. Subsequent to year end, the Company engaged RM Corporate Finance Pty Ltd to assist in a best endeavours placement of up to A$2,000,000 by the placement of ordinary fully paid shares.

The directors are confident that the Group, subject to being able to raise further capital, will be able to continue its operations as a going concern. Without such capital, the net loss for the year and the cash outflow from operating activities indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The directors also carefully manage discretionary expenditure in line with the Group's cash flow.

The continuing applicability of the going concern basis of accounting is dependent upon the Group's ability to source additional finance. Unless additional finance is received the Group may need to realise assets and settle liabilities other than in the normal course of business and at amounts, which could differ from the amounts at which they are stated in these financial statements.

**Accounting Policies**

a. **Principles of Consolidation**

A controlled entity is any entity Conico Ltd is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. A list of controlled entities is contained in Note 12 to the financial statements. All controlled entities have a June financial year-end.

All inter-company balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of controlled entities have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

b. **Interests in a Joint Operation**

The consolidated financial statements include the assets that the Group controls and the liabilities that it incurs in the course of pursuing the joint operation and the expenses that the Group incurs and its share of the income that it earns from the joint operation. Details of the Group's interests are shown at Note 11.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

c. **Income Tax**

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets are recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future tax profits will be available against which they can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the group will derive sufficient future assessable income to enable the benefit to be realised.

The R&D tax offset is recognised upon receipt.

d. **Employee benefits**

Short-term benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Obligations for contributions for defined contribution plans are recognised as an employee benefits expense in the profit and loss in the periods in which related services are rendered by employees.

e. **Property, Plant and Equipment**

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The depreciation rates used for each class of depreciable assets are:

| | |
|---|---|
| Plant and equipment | 15.00–50.00% |

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss.

f. **Exploration and Evaluation Expenditure**

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward where right of tenure is current and to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

g. **Impairment of Non-financial Assets**

At each reporting date, the Group reviews the carrying values of its non-financial / tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

h. **Cash and cash equivalents**

Cash comprises current deposits with banks.

i. **Equity-settled compensation**

The company operates a number of share-based compensation plans. These include both a share option arrangement and an employee share scheme. The bonus element over the exercise price of the employee services rendered in exchange for the grant of shares and options is recognised as an expense in the income statement. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares of the options granted, with a corresponding increase in equity.

j. **Financial Instruments**

**Recognition**

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

**Compound financial instruments**

Compound financial instruments issued by the Company comprise convertible notes that can be converted to share capital at the option of the holder, and the number of shares to be issued varies with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The derivative component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and derivative components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The derivative component of a compound financial instrument is remeasured at each reporting date and changes in fair value are taken to profit or loss.

Interest, dividends, losses and gains relating to the financial liability are recognised in profit or loss. On conversion, the financial liability is reclassified to equity, no gain or loss is recognised on conversion.

**Impairment**

At each reporting date, the Group assesses at a specific asset level whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

k. **Provisions**

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

l. **Revenue**

Revenue from the sale of goods is recognised upon delivery of goods to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

m. **Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

n. **New accounting standards and interpretations**

AASB 2013-3 Amendments to AASB 136, AASB 2013-4 Amendments to Australian Accounting Standards, Interpretation 21 Accounting for Levies and AASB 2014-1 Amendments to Australian Accounting Standards

These standards were adopted on 1 July 2014 and have been applied in preparing these consolidated financial statements. The adoption of these standards did not have any impact on the current period or any prior period and is not likely to affect future periods.

o. **Segment reporting**

Segment results that are reported to the Group's board of directors (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

p. **Ordinary shares**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

q. **New accounting standards and interpretations not yet adopted**

A number of new standards and amendments to standards are effective for annual periods beginning after 1 July 2015, and have not been applied in preparing these consolidated financial statements. The Group does not plan to adopt these standards early.

r. **Key estimates – Exploration and Evaluation**

The Group's policy for exploration and evaluation is discussed in Note 1(f). The application of this policy requires management to make certain assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. At the date of this report the Group has sufficient reason to believe:

- rights to explore in specific areas, once expired, will be renewed;
- substantive expenditure on further exploration and evaluation in specific areas has been budgeted;
- exploration in specific areas is ongoing and the entity has not decided to discontinue such activities; and
- no specific sufficient data exists that indicates that the carrying amount of the exploration and evaluation asset is unlikely to be recovered.

The consolidated financial statements were authorised for issue on 30 September 2015 by the board of directors.

| | 2015<br>$ | 2014<br>$ |
|---|---|---|
| NOTE 2: OTHER INCOME | | |
| — interest received | 229 | 648 |
| — sale of goods / services | 876 | 5,201 |
| Total Revenue | 1,105 | 5,849 |

NOTE 3: INCOME TAX BENEFIT

a. The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:

| | | |
|---|---|---|
| Prima facie tax payable on loss from ordinary activities before income tax at 30% (2014: 30%) | (130,125) | (133,139) |
| Add tax effect of: | | |
| — Non-deductible expenses | | - |
| — Current year temporary differences not recognised | 89,510 | 94,438 |
| — Current year tax losses not recognised | 40,615 | 38,701 |
| Less tax effect of: | | |
| — Prior year research and development benefit | - | (17,117) |
| Income tax expense / (benefit) | - | (17,117) |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 3: INCOME TAX EXPENSE CONTINUED

| | | 2015 $ | 2014 $ |
|---|---|---|---|
| b. | Components of deferred tax | | |
| | Unrecognised deferred tax asset - losses | 1,796,418 | 1,756,090 |
| | Unrecognised deferred tax asset – provisions and accruals | 364,167 | 248,184 |
| | Unrecognised deferred tax liabilities – exploration and evaluation | (1,010,475) | (1,001,051) |
| | Unrecognised deferred tax liabilities – capital raising costs | (233,265) | (232,572) |
| | Net Unrecognised deferred tax assets | 916,845 | 770,651 |

Deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised. The benefit of the tax losses will only be obtained if the Group complies with conditions imposed by the tax legislation in Australia.

NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION

**a. Names and positions held of key management personnel in office at any time during the financial year:**

| **Key Management Person** | **Position** |
|---|---|
| Gregory H Solomon | Executive Chairman |
| Douglas H Solomon | Non-Executive Director |
| Guy T Le Page | Non-Executive Director |
| James B Richardson | Non-Executive Director |
| Aaron P Gates | Company Secretary/CFO |

Key management personnel remuneration is included in the Remuneration Report of the Directors' Report.

**b. Options and Rights Holdings**

Number of Options Held by Key Management Personnel

| | Balance 1.7.2014 | Granted as Compen-sation | Options Exercised | Net Change Other* | Balance 30.6.2015 | Total Vested 30.6.2015 | Total Exer-cisable 30.6.2015 | Total Unexer-cisable 30.6.2015 |
|---|---|---|---|---|---|---|---|---|
| Gregory H Solomon | - | - | - | - | - | - | - | - |
| Douglas H Solomon | - | - | - | - | - | - | - | - |
| Guy T Le Page | - | - | - | - | - | - | - | - |
| James B Richardson | - | - | - | - | - | - | - | - |
| Aaron P Gates | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | - | - |

* Net Change Other refers to options purchased, sold or lapsed during the financial year.

**c. Shareholdings**

Number of Shares held by Key Management Personnel

| | Balance 30.6.2014 | Received as Compen-sation | Options Exercised | Net Change Other* | Balance 30.6.2015 |
|---|---|---|---|---|---|
| Gregory H Solomon | 500,000 | - | - | - | 500,000 |
| Douglas H Solomon | 350,000 | - | - | - | 350,000 |
| Guy T Le Page | 13,715,279 | - | - | - | 13,715,279 |
| James B Richardson | 16,158,888 | -- | - | - | 16,158,888 |
| Aaron P Gates | - | - | - | - | - |
| Total | 30,724,167 | - | - | - | 30,724,167 |

*Net Change Other refers to options purchased, sold or lapsed during the financial year.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

| | 2015 $ | 2014 $ |
|---|---|---|
| NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION CONTINUED | | |
| **d. Remuneration** | | |
| Refer to disclosures contained in the Remuneration Report section of the Directors' Report. The totals of remuneration paid to key management personnel of the Group during the year are as follows: | | |
| Short-term employee benefits | 147,000 | 147,000 |
| Post-employment benefits | 14,547 | 13,598 |
| Other long-term benefits | - | - |
| Termination benefits | - | - |
| Share based payments | - | - |
| Total | 161,547 | 160,598 |

NOTE 5: AUDITOR'S REMUNERATION

| | 2015 $ | 2014 $ |
|---|---|---|
| Remuneration of the auditor for: | | |
| — auditing or reviewing the financial report | 17,400 | 18,600 |

NOTE 6: LOSS PER SHARE

| | 2015 $ | 2014 $ |
|---|---|---|
| a. Reconciliation of loss to profit or loss | | |
| Profit/(loss) | (433,749) | (426,798) |
| Loss used to calculate basic EPS | (433,749) | (426,798) |
| b. Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS | 132,431,258 | 132,431,258 |

The share options on issue are not potentially dilutive shares.

NOTE 7: CASH AND CASH EQUIVALENTS

| | 2015 $ | 2014 $ |
|---|---|---|
| Cash at bank | 16,352 | 35,238 |
| | 16,352 | 35,238 |

**Reconciliation of cash**

Cash at the end of the financial year as shown in the consolidated statement of cash flows is reconciled to items in the balance sheet as follows:

| | 2015 $ | 2014 $ |
|---|---|---|
| Cash and cash equivalents | 16,352 | 35,238 |
| | 16,352 | 35,238 |

NOTE 8: TRADE AND OTHER RECEIVABLES

| | 2015 $ | 2014 $ |
|---|---|---|
| Other receivables | 10,236 | 9,250 |
| | 10,236 | 9,250 |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

| | Note | 2015 $ | 2014 $ |
|---|---|---|---|
| NOTE 9: PROPERTY, PLANT AND EQUIPMENT | | | |
| Equipment: | | | |
| At cost | | 51,685 | 60,757 |
| Accumulated depreciation | | (38,265) | (44,570) |
| Total Plant and Equipment | | 13,420 | 16,187 |

**a. Movements in Carrying Amounts**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

| | | |
|---|---|---|
| Opening balance | 16,187 | 19,407 |
| Depreciation expense | (2,550) | (3,220) |
| Written-off during the year | (217) | - |
| Closing balance | 13,420 | 16,187 |

**b. Impairment losses**

The total impairment loss recognised in the consolidated statement of profit or loss and other comprehensive income during the current year amounted to $Nil (2014: Nil).

| | 2015 $ | 2014 $ |
|---|---|---|
| NOTE 10: EXPLORATION AND EVALUATION | | |
| Balance at the beginning of the financial year | 14,696,329 | 14,658,139 |
| Expenditure incurred during the year | 31,414 | 38,190 |
| Balance at the end on the financial year | 14,727,743 | 14,696,329 |

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration and sale of the minerals. Capitalised costs amounting to $31,414 (2014: $38,190) have been included in cash flows from investing activities in the statement of cash flows for the consolidated entity.

NOTE 11: JOINT OPERATION

A controlled entity, Meteore Metals Pty Ltd, has a 50% interest in the Mt Thirsty Joint Venture, whose principal activity is the exploration and the development of the Mt Thirsty nickel, cobalt and manganese project. The consolidated financial statements include the assets that the Group controls and the liabilities that it incurs in the course of pursuing the joint operation and the expenses that the Group incurs and its share of the income that it earns from the joint operation.

Share of joint operation results and financial position

| | | |
|---|---|---|
| Current Assets | 10,655 | 909 |
| Non-Current Assets | 2,276,484 | 2,245,105 |
| Total Assets | 2,287,139 | 2,246,014 |
| Current Liabilities | 15,437 | 3,242 |
| Total Liabilities | 15,437 | 3,242 |
| Revenues | - | 2,806 |
| Expenses | (4,482) | (5,200) |
| Profit / (Loss) before income tax | (4,482) | (2,394) |
| Income tax expense | - | - |
| Profit / (Loss) after income tax | (4,482) | (2,394) |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 12: CONTROLLED ENTITIES

| Controlled Entities Consolidated | Country of Incorporation | Percentage Owned (%)* 2015 | 2014 |
|---|---|---|---|
| Meteore Metals Pty Ltd | Australia | 100 | 100 |

** Percentage of voting power is in proportion to ownership*

| | 2015 $ | 2014 $ |
|---|---|---|
| NOTE 13: TRADE AND OTHER PAYABLES | | |
| Trade payables | 58,997 | 61,110 |
| Sundry payables and accrued expenses | 963,889 | 577,280 |
| | 1,022,886 | 638,390 |

NOTE 14: INTEREST BEARING LIABILITIES

Interest bearing liabilities relates to $100,000 payable by the Company to Tasman Resources Ltd pursuant to a convertible note deed made 30 April 2013 between the Company and Tasman Resources Ltd. The loan bears interest at the rate of nine per cent (9%) per annum on the amount outstanding from time to time, which interest is payable in cash monthly in arrears.

| | 2015 $ | 2014 $ |
|---|---|---|
| NOTE 15: PROVISIONS | | |
| NON-CURRENT | | |
| Other | 250,000 | 250,000 |
| | 250,000 | 250,000 |

A provision of $250,000 has been recognised in relation to the Group's 50% share of the liability to pay the original owners of the Mt Thirsty project $500,000 upon the commencement of mining on the tenements. The directors believe this will not become due for at least a couple of years. This amount has not been recorded at present value as a timeframe for discounting is not determinable.

NOTE 16: ISSUED CAPITAL

| | 2015 $ | 2014 $ |
|---|---|---|
| 132,431,258 (2014: 132,431,258) ordinary shares | 16,799,457 | 16,799,457 |

| | | 2015 No. | 2014 No. | 2015 $ | 2014 $ |
|---|---|---|---|---|---|
| a. | **Ordinary shares** | | | | |
| | At the beginning of reporting period | 132,431,258 | 132,431,258 | 16,799,457 | 16,799,457 |
| | Shares issued during the year | - | - | - | - |
| | At reporting date | 132,431,258 | 132,431,258 | 16,799,457 | 16,799,457 |

Ordinary shares participate in dividends and in the proceeds of winding up in proportion to the number of shares held. At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. The Company has no authorised share capital or par value. All issued shares are fully paid.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 16: ISSUED CAPITAL CONTINUED

| | | 2015 | 2014 |
|---|---|---|---|
| **b.** | **Options** | | |
| | At the beginning of reporting period | 6,501,000 | - |
| | Issued during the prior year | - | 6,501,000 |
| | Options lapsed during the year | (1,000,000) | - |
| | **At reporting date** | 5,501,000 | 6,501,000 |

**c. Capital Management**

Management controls the working capital of the Company in order to maximise the return to shareholders and ensure that the Company can fund its operations and continue as a going concern. Management effectively manages the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of expenditure and debt levels, distributions to shareholders and share and option issues. There have been no changes in the strategy adopted by management to control the capital of the Company since the prior year.

NOTE 17: RESERVES

**a. Option Reserve**

The option reserve records items recognised as expenses on valuation of share options.

**b. Financial Asset Reserve**

The financial asset reserve records revaluations of non-current assets. Under certain circumstances dividends can be declared from this reserve.

NOTE 18: PARENT COMPANY INFORMATION

| | | 2015<br>$ | 2014<br>$ |
|---|---|---|---|
| a. | **Parent Entity** | | |
| | **Assets** | | |
| | Current assets | 12,914 | 39,576 |
| | Non-current assets | 14,068,621 | 14,038,441 |
| | Total Assets | 14,081,535 | 14,078,017 |
| | **Liabilities** | | |
| | Current liabilities | 1,206,631 | 775,148 |
| | Non-current liabilities | - | - |
| | Total liabilities | 1,206,631 | 775,148 |
| | **Equity** | | |
| | Issued capital | 16,799,457 | 16,799,457 |
| | Accumulated losses | (4,402,003) | (3,974,038) |
| | **Reserves** | | |
| | Option reserve | 477,450 | 477,450 |
| | Total reserves | 477,450 | 477,450 |
| | **Financial performance** | | |
| | Profit / (Loss) for the year | (427,965) | (441,753) |
| | Other comprehensive income | - | - |
| | Total comprehensive loss | (427,965) | (441,753) |

**Contingent Liabilities and Commitments**

The Directors are not aware of any contingent liabilities or capital commitments as at 30 June 2015.

**Guarantees in respect of the debts of its subsidiaries**

There are no parent entity guarantees in respect of the debts of its subsidiary at year end.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 19: CAPITAL AND LEASING COMMITMENTS

| | Note | 2015 $ | 2014 $ |
|---|---|---|---|
| **a. Capital Expenditure Commitments** | | | |
| Payable: | | | |
| — not later than 12 months | | - | - |
| — greater than12 months | | - | - |
| | | - | - |

**b. Exploration Expenditure Commitments**

In order to maintain current rights of tenure to exploration tenements, the company is required to perform minimum exploration work to meet the requirements specified by various State governments. Due to the nature of the company's operations in exploring and evaluating areas of interest, it is very difficult to forecast the nature and amount of future expenditure. It is anticipated that expenditure commitments for the twelve months will be tenement rentals of $1,000 (2014: $1,500) and exploration expenditure of $40,000 (2014: $35,000). JV parties may effectively meet a significant portion of the commitment costs. These obligations can also be reduced by selective relinquishment of exploration tenure or application for expenditure exemptions.

NOTE 20: SHARE-BASED PAYMENTS

No share-based payment arrangements existed at 30 June 2015:

| | 2015 | | 2014 | |
|---|---|---|---|---|
| | Number of Options | Weighted Average Exercise Price $ | Number of Options | Weighted Average Exercise Price $ |
| Outstanding at the beginning of the year | - | - | - | - |
| Granted | - | - | - | - |
| Exercised | - | - | - | - |
| Lapsed | - | - | - | - |
| Outstanding at year-end | - | - | - | - |
| Exercisable at year-end | - | - | - | - |

There were no options exercised during the year ended 30 June 2015.

The weighted average fair value of the options granted during the year was Nil (2014: Nil).

Included under employee benefits expense in the income statement is Nil (2014: Nil), and relates, in full, to equity settled share-based payment transactions.

NOTE 21: RELATED PARTY TRANSACTIONS

| | 2015 $ | 2014 $ |
|---|---|---|
| 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: | | |
| **Key Management Personnel** | | |
| Management fees and administration fees paid to Princebrook Pty Ltd, a company in which Mr GH Solomon and Mr DH Solomon have an interest. At 30 June 2015 an amount of $502,898 (2014: $308,228) was included in Trade and Other Payables as owing to Princebrook Pty Ltd. | 194,670 | 194,670 |
| Legal and professional fees payable to Solomon Brothers, a firm of which Mr GH Solomon and Mr DH Solomon are partners. At 30 June 2015 an amount of $39,229 (2014: $39,229) was included in Trade and Other Payables as owing to Solomon Brothers. | - | 1,183 |
| Interest free unsecured loan payable on demand from R M Capital Pty Ltd, a company in which Mr G T Le Page and Mr J B Richardson have an interest. | 20,000 | 10,000 |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 21: RELATED PARTY TRANSACTIONS CONTINUED

| | 2015 $ | 2014 $ |
|---|---|---|
| Interest free unsecured loan payable on demand from BT Global Pty Ltd, a company in which Mr G T Le Page and Mr J B Richardson have an interest. | 25,000 | 10,000 |
| Interest free unsecured loan payable on demand from March Bells Pty Ltd, a company in which Mr D H Solomon has an interest. | 27,500 | 10,000 |
| Interest free unsecured loan payable on demand from Arkenstone Pty Ltd, a company in which Mr G H Solomon has an interest. | 27,500 | 10,000 |
| Amount included in Trade and Other Payables as owing to Mr Gregory H Solomon for unpaid directors fees and superannuation. | 212,156 | 129,734 |
| Amount included in Trade and Other Payables as owing to Mr Douglas H Solomon for unpaid directors fees and superannuation. | 67,890 | 41,515 |
| Amount included in Trade and Other Payables as owing to Mr Guy T Le Page for unpaid directors fees and superannuation. | 67,890 | 41,515 |
| Amount included in Trade and Other Payables as owing to Mr James B Richardson for unpaid directors fees and superannuation. | 67,890 | 41,515 |
| **Associated Companies** | | |
| Reimbursement to Tasman Resources Ltd (which has a 18.88% interest in the Company) for employee costs on a hourly basis, in relation to Tasman staff utilised by the Company | 4,076 | 13,984 |
| Convertible loan from Tasman Resources Ltd (which has a 18.88% interest in the Company), interest accruing at 9%. Interest accrued as at 30 June 2015 was $19,504. | 100,000 | 100,000 |

NOTE 22: CASH FLOW INFORMATION

**a. Reconciliation of Cash Flow from Operations with Profit after Income Tax**

| | 2015 $ | 2014 $ |
|---|---|---|
| Loss after income tax | (433,749) | (426,798) |
| Non-cash flows in profit | | |
| Depreciation | 2,550 | 3,220 |
| Property, Plant & Equipment written off | 217 | - |
| Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries | | |
| (Increase)/decrease in trade and term receivables | (986) | 2,170 |
| Increase/(decrease) in trade payables and accruals | 384,496 | 359,852 |
| Cash flow used in operations | (47,472) | (61,556) |

NOTE 23: SEGMENT REPORTING

The Group operates predominately in one geographical segment and one business segment, being mineral exploration and development in Western Australia. Operating segments are identified based on internal reports reviewed by the chief operating decision maker/s.

NOTE 24: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Directors are not aware of any contingent assets or contingent liabilities as at 30 June 2015.

NOTE 25: EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to year end, the Company engaged RM Corporate Finance Pty Ltd to assist in a best endeavours placement of up to $2,000,000 by the placement of ordinary fully paid shares.

On 4 September 2015 the Company announced a proposal, subject to shareholder approval, to settle $733,497 of outstanding debts for the period up to 31 August 2015 owed, by the way of issue of shares based on a price of $0.008 per share. In addition Princebrook Pty Ltd agreed to forgive $408,877 of owing but unbilled management fees.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 26: FINANCIAL INSTRUMENTS

**a. Financial Risk Exposures and Management**

The main risks the company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

i. Interest Rate Risk

Interest rate risk is managed by investing cash with major institutions in both cash on deposit and term deposit accounts. At 30 June 2015, the effect on the loss and equity as a result of a 2% increase in the interest rate, with all other variables remaining constant would be a decrease in loss by $330 (2014: $700) and an increase in equity by $330 (2014: $700). The effect on the loss and equity as a result of a 2% decrease in the interest rate, with all other variables remaining constant would be a increase in loss by $330 (2014: $700) and an decrease in equity by $330 (2014: $700).

ii. Liquidity Risk

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate funding is maintained. The Company's operations require it to raise capital on an on-going basis to fund its planned exploration program and to commercialise its tenement assets. If the company does not raise capital in the short term, it can continue as a going concern by reducing planned but not committed exploration expenditure until funding is available and/or entering into joint venture arrangements where exploration is funded by the joint venture partner. All financial liabilities and assets are expected to be realised and settled within 6 months.

iii. Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a financial loss to the company. The company has adopted a policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The Company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the company.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 26: FINANCIAL INSTRUMENTS CONTINUED

**b. Financial Instruments**

i. **Net Fair Values**

The aggregate net fair values of the financial assets and financial liabilities, at the balance date, are approximated by their carrying value.

ii. **Interest Rate Risk**

The company's exposure to interest rate risk and effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

| | Weighted Average Effective Interest Rate | | Floating Interest Rate | | Non Interest Bearing | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2015 | 2014 | 2015 $ | 2014 $ | 2015 $ | 2014 $ | 2015 $ | 2014 $ |
| **Financial Assets:** | | | | | | | | |
| Cash and cash equivalents | 1.5% | 2.6% | 16,352 | 35,238 | - | - | 16,352 | 35,238 |
| Trade and other receivables | - | - | - | - | 10,236 | 9,250 | 10,236 | 9,250 |
| **Total Financial Assets** | 1.5% | 2.6% | 16,352 | 35,238 | 10,236 | 9,250 | 26,588 | 44,488 |
| **Financial Liabilities:** | | | | | | | | |
| Non-interest bearing liabilities | | | | | 100,000 | 40,000 | 100,000 | 40,000 |
| Interest bearing liabilities | 9.0% | 9.0% | - | - | - | - | 100,000 | 100,000 |
| Trade and sundry payables | - | - | - | - | 1,022,886 | 638,690 | 1,222,886 | 638,690 |
| **Total Financial Liabilities** | - | - | - | - | 1,122,886 | 678,690 | 1,222,886 | 778,690 |

NOTE 27: COMPANY DETAILS

The registered office of the company is:

Conico Limited
Level 15,
197 St Georges Terrace
Perth Western Australia 6000

The principal place of business is:

Conico Limited
Level 15,
197 St Georges Terrace
Perth Western Australia 6000

**DIRECTORS' DECLARATION**

In the opinion of the directors of Conico Ltd (the "Company"):

a. the financial statements and notes set out on pages 15 to 31, and the Remuneration disclosures that are contained in pages 11 to 12 of the Remuneration Report in the Directors' Report, are in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance, for the financial year ended on that date; and

   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

   (iii) complying with International Financial Reporting Standards as disclosed in Note 1.

b. the remuneration disclosures that are contained in pages 11 to 12 of the Remuneration Report in the Directors' Report comply with Australian Accounting Standard AASB 124 Related Party Disclosures and

c. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Non-Executive Chairman and Chief Financial Officer for the financial year ended 30 June 2015.

This declaration is made in accordance with a resolution of the Board of Directors.

Gregory H Solomon
Chairman

Dated this 30th day of September 2015

chartered accountants
and business advisors

**Independent auditor's report to the members of Conico Ltd**

## Report on the financial report

We have audited the accompanying financial report of Conico Ltd, which comprises the consolidated statement of financial position as at 30 June 2015, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

### *Directors' responsibility for the financial report*

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the 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. In Note 1, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Nexia Perth Audit Services Pty Ltd**
ACN 145 447 105
Level 3, 88 William Street, Perth WA 6000
GPO Box 2570, Perth WA 6001
p +61 8 9463 2463, f +61 8 9463 2499
audit@nexiaperth.com.au, www.nexia.com.au

***Independence***

In conducting our audit, 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 Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

***Opinion***

In our opinion:

(a) the financial report of Conico Ltd is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001.*

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

**Emphasis of Matter**

Without modifying our opinion, we draw attention to Note 1 to the Financial Report, which indicates that the Group will require further funding in the next twelve months from the date of this report to fund its planned exploration and evaluation projects and operating costs. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

**Report on the remuneration report**

We have audited the remuneration report included of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

***Opinion***

In our opinion, the remuneration report of Conico Ltd for the year ended 30 June 2015 complies with Section 300A of the *Corporations Act 2001*.

**Nexia Perth Audit Services Pty Ltd**

**TJ Spooner**
*Director*
Perth, 30 September 2015

## ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

1. **Shareholding as at 15 September 2015**

a. **Distribution of Shareholders**

| **Category (size of holding)** | **Number of Shareholders** |
|---|---|
| 1 – 1,000 | 20 |
| 1,001 – 5,000 | 67 |
| 5,001 – 10,000 | 153 |
| 10,001 – 100,000 | 273 |
| 100,001 – and over | 103 |
| | 616 |

b. The number of shareholdings held in less than marketable parcels at 31 August 2015 is 448.

c. The names and relevant interests of the substantial shareholders listed in the holding company's register as at 31 July 2015 are:

| **Shareholder** | **Number of Ordinary shares** |
|---|---|
| Tasman Resources Ltd | 25,000,000 |
| J Richardson | 16,158,888 |
| G T Le Page | 13,715,279 |

d. **Voting Rights**

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

e **20 Largest Shareholders — Ordinary Shares**

| | **Name** | **Number Shares Held** | **% of Issued Capital** |
|---|---|---|---|
| 1. | Tasman Resources Ltd | 25,000,000 | 18.878% |
| 2. | Tadea Pty Ltd <Richardson Family S/F A/C> | 10,287,000 | 7.768% |
| 3. | Hiwan Pty Ltd <Melhem Family A/c> | 9,733,750 | 7.350% |
| 4. | Navigator Australia Ltd <MLC Investment Sett A/c> | 6,862,226 | 5.182% |
| 5. | Tadea Pty Ltd | 5,621,888 | 4.245% |
| 6. | Guy Le Page & Dina Le Page <The Guy Le Page S/Fund A/c> | 5,430,444 | 4.100% |
| 7. | Gasmere Pty Limited | 5,123,888 | 3.869% |
| 8. | Archfield Holdings Pty Ltd | 3,500,000 | 2.643% |
| 9. | Mr Harry Hatch | 3,465,734 | 2.617% |
| 10. | JP Morgan Nominees Australia Limited <Cash Income A/c> | 2,624,300 | 1.981% |
| 11. | Mainbreak Securities Pty Ltd | 2,000,000 | 1.510% |
| 12. | Wise Owl Limited | 1,766,875 | 1.334% |
| 13. | Ms Anna Margaret De Lucia | 1,742,431 | 1.316% |
| 14. | Mainbreak Securities Pty Ltd <MWS Superannuation Fund A/c> | 1,428,063 | 1.078% |
| 15. | HSBC Custody Nominees (Australia) Limited | 1,400,000 | 1.057% |
| 16. | Ms Yongmei Chen | 1,253,819 | 0.947% |
| 17. | Eternal Family Group Pty Ltd <Owen Ali Family A/c> | 1,250,000 | 0.944% |
| 17. | Lawrence Crows Consulting Pty Ltd <L C C Super Fund A/c> | 1,207,254 | 0.912% |
| 18. | Peto Pty Ltd <The 1953 Super Fund A/c> | 1,020,844 | 0.771% |
| 20. | Mr Jack Toutounji | 1,010,000 | 0.763% |
| | | 91,728,516 | 69.265% |

## TENEMENT SCHEDULE

Table 1 lists further details on the tenements.

**Table 1: Conico Tenement Schedule**

| State | Licence Type | Number | Interest % | Locality | Location |
|---|---|---|---|---|---|
| WA | EL | E63/373 | 50 | Mt Thirsty | Approximately 20 km NW of Norseman |
| WA | EL | E63/1267 | 50 | Mt Thirsty | Approximately 20 km NW of Norseman |
| WA | MLA | MLA63/527* | 50 | Mt Thirsty | Approximately 20 km NW of Norseman |
| WA | RA | RA63/4* | 50 | Mt Thirsty | Approximately 20 km NW of Norseman |

* - These applications cover the same area as E63/373.