(formerly Fission Energy Ltd)

ABN 49 119 057 457

Annual Report

for the Year Ended
30 June 2016

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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 2016

MT THIRSTY PROJECT (WA) (Conico 50%)

- **The Mt Thirsty Joint Venture is currently reviewing options for the Mt Thirsty Cobalt - Nickel Oxide Project in view of a forecast cobalt deficit due to surging demand for high energy lithium-ion batteries in which cobalt is a significant component.**
- **A dedicated website has been established to show-case the Mt Thirsty Cobalt-Nickel Oxide Project to potential partners and investors (www.mtthirstycobalt.com).**
- **Heritage agreement reached with native title holders enabling grant of Retention Licence over E63/373.**
- **Open pit optimisation and further drilling planned to upgrade current JORC 2004 compliant resource to JORC 2012.**
- **Two new licences with potential for lithium – bearing pegmatites applied for adjacent to existing Mt Thirsty tenements.**

Corporate

- **Discharge of most of the company's debt through debt to equity conversion.**
- **Placements completed raising $977,000 before costs.**
- **The directors have also reviewed other possible base metal - gold exploration opportunities in Western Australia.**

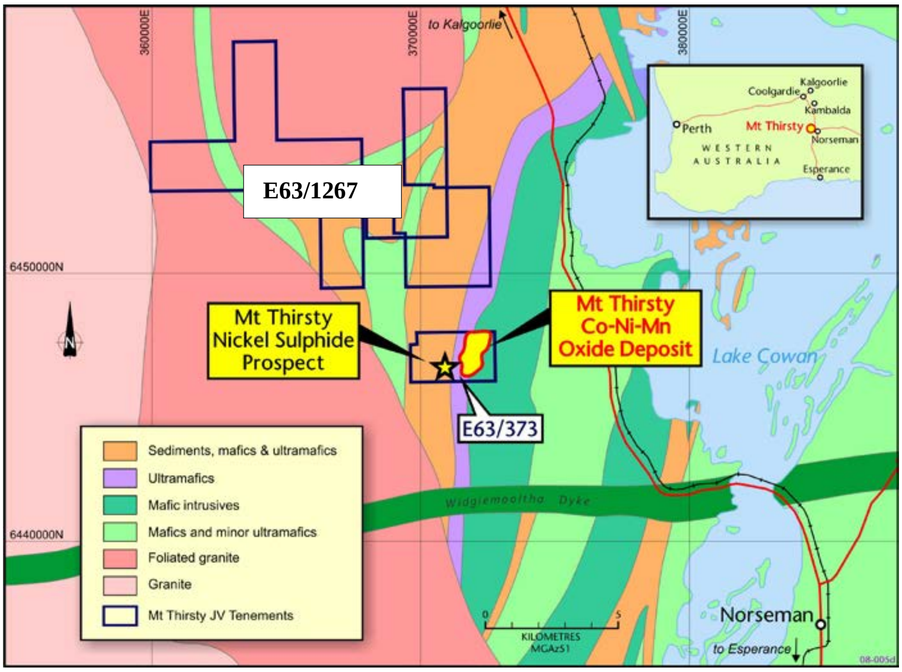

Figure 1: Mt Thirsty Project Location

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

***MT THIRSTY PROJECT, WA* (Conico Ltd 50%, JV with Barra Resources Ltd)**

The Mt Thirsty Cobalt Project is located 20km north-northwest of Norseman, Western Australia. Conico Ltd (ASX: CNJ) is the Joint Venture manager.

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.

Demand for cobalt looks encouraging as the world becomes more dependent on rechargeable power sources. Innovations with portable electronics and electric vehicle design are adding to this surging demand. However, the battery industry is also competing with demand for cobalt from producers of superalloys, aircraft turbines and chemical industries.

Demand is likely to escalate exponentially with battery production, however supply is uncertain due to:

- Over 60% of global supply coming from the politically unstable African countries such the Democratic Republic of Congo, Central African Republic and Zambia.
- Cobalt is largely a by-product of copper and nickel mining and there are an increasing number of mine closures and project deferments due to low commodity prices.
- With potential supply constraints and surging demand many commentators see pricing pressure as a likely eventuality.

The undeveloped Mt Thirsty Cobalt Project has a significant JORC (2004) resource with a potential to have a long mine life. It 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 interest. The Joint Venture partners are working collaboratively to exploit this joint opportunity with a soon to be launched marketing initiative.

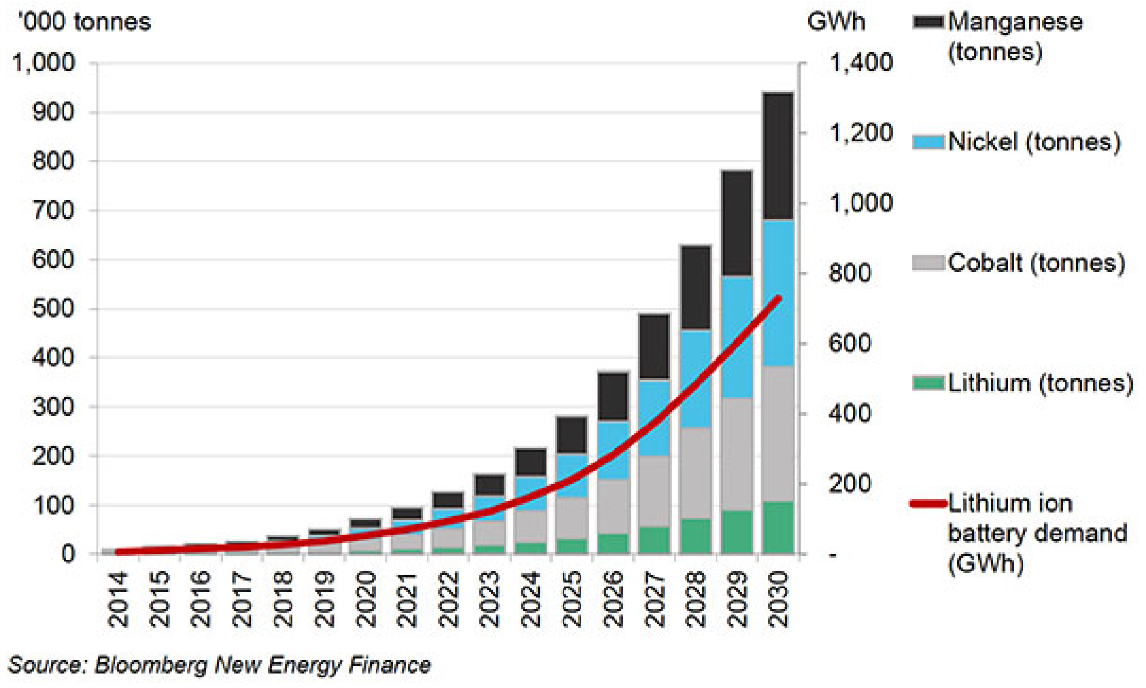

Figure 2: Global lithium-ion battery and materials demand forecast from EV sales, 2015-2030.

ACTIVITIES

New Mt Thirsty Website

The Mt Thirsty Joint venture has commissioned a new website to show-case the Mt Thirsty Co-Ni Project to potential partners and investors. The new website can be viewed at **www.mtthirstycobalt.com**.

Retention Licence

The Mt Thirsty Joint Venture partners have negotiated a heritage agreement with the Ngadju native title holders that has facilitated the granting of a retention licence (R63/4) which replaces E63/373 and covers the Mt Thirsty Co-Ni deposit and the Mt Thirsty nickel sulphide prospect.

Open Pit Optimisation and Resource Drilling

In order to increase confidence in the Mt Thirsty Co-Ni Oxide Resource further infill drilling is planned to convert some or all of the Inferred Resource to the Indicated Resource category, allowing an upgraded resource estimate under the new JORC 2012 code.

Prior to undertaking this drilling program a preliminary open pit optimisation study will be carried out to determine how much of the current Inferred Resource area would be included in an optimum open pit shell so that infill drilling can be appropriately targeted.

New Applications

Two new licences (refer Figure 3) has been applied for adjacent to the existing Joint Venture tenements. One of these covers a short extension of the interpreted footwall contact north of E63/373 which is considered prospective for Ni sulphides. Both applications have potential for lithium-bearing pegmatites that have been mapped by the GSWA in the Mt Thirsty area.

No lithium minerals have been logged in the deep pegmatite intersections in previous Mt Thirsty Joint Venture nickel sulphide drilling within E63/373. However these intersections are further to the east of the outcropping lithium bearing pegmatites recorded by the GSWA.

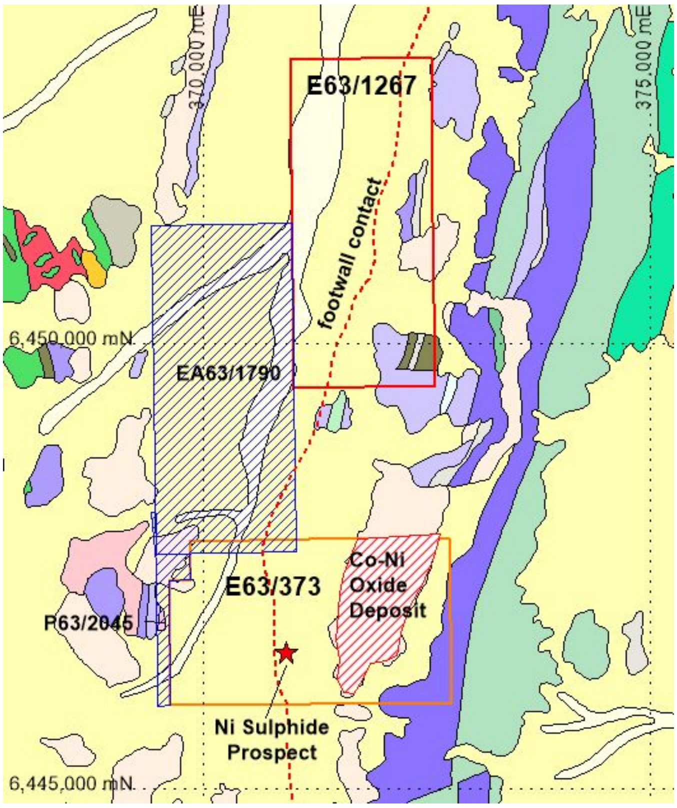

Figure 3: Mt Thirsty Tenements over GSWA 1:100,000 Geology. New applications shown hatched in blue.

Discharge of Debt

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

These debts were converted into equity at an issue price of 0.8 cents per share, being an 11% discount to the closing price of the Company's shares on 25 August 2015 (the last date on which its shares traded prior to the debt conversion being announced).

The discharge of debt by issuing securities was approved by shareholders at a General Meeting that was convened on 8 December 2015.

Placements

During the year Conico successfully raised $977,000 before costs through three placements to investors in accordance with section 708 of the Act.

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

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.).

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 2016.

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 8 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 2016 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 $54,113 (2015: $433,749).

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 2016 is set out in the Review of Operations on Page 5.

Financial position

The net assets of the Group have increased by $1,581,333 from 30 June 2015 to $14,876,198 in 2016. 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

No 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	23,105,469 Ordinary Shares
Directorships held in other listed entities	Eden Energy Ltd 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	21,586,875 Ordinary Shares
Directorships held in other listed entities	Eden Energy Ltd 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	21,852,510 Ordinary Shares	
Directorships held in other listed entities	Eden Energy Ltd Tasman Resources Ltd Soil Sub Technologies Ltd	Palace Resources Ltd Red Sky Energy Ltd 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	34,000,000 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 or an appropriate market based pricing valuation methodology. 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 2016

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	Performance Related
	Salary and Fees	Cash profit share	Non-cash benefit	Super-annuation	Other	Other	Equity	Options		
	$	$	$	$	$	$	$	$	$	%
2016										
Gregory H Solomon	46,875	-	-	4,453	-	-	-	-	51,328	-
Douglas H Solomon	15,000	-	-	1,425	-	-	-	-	16,425	-
Guy T Le Page	15,000	-	-	1,425	-	-	-	-	16,425	-
James B Richardson	15,000	-	-	1,425	-	-	-	-	16,425	-
Aaron P Gates	(i)	-	-	-	-	-	-	-	-	-
	91,875	-	-	8,728	-	-	-	-	100,603	-
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	-

(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 2016

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, one meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Gregory H Solomon	1	1
Douglas H Solomon	1	1
Guy T Le Page	1	1
James B Richardson	1	1

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 $11,045.

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 2016	$0.08	5,501,000
Various	30 November 2019	$0.03	59,125,000
			64,626,000

During the year ended 30 June 2016, 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 2016.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2016 has been received and can be found on page 13.

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

Gregory H Solomon
Chairman

Dated this 27th day of September 2016

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 2016 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, 27 September 2016

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR YEAR ENDED 30 JUNE 2016

		Consolidated	
	Note	**2016** **$**	**2015** **$**
Other Income	2	2,519	1,105
Debt forgiveness		355,342	-
Accounting and audit		(18,054)	(27,157)
Administrative expenses		(69,860)	(25,132)
Depreciation and amortisation		(2,095)	(2,550)
Interest Expense		(764)	(19,504)
Key management remuneration	4(d)	(100,603)	(161,547)
Legal and other consultants		(100,091)	-
Management fees		(117,446)	(194,670)
Other expenses		(3,061)	(4,294)
Loss before income tax		(54,113)	(433,749)
Income tax benefit	3	-	-
Loss for the year		(54,113)	(433,749)
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		(54,113)	(433,749)
Basic/Diluted loss per share (cents per share)	6	(0.03)	(0.33)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Note	Consolidated 2016 $	Consolidated 2015 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	397,789	16,352
Trade and other receivables	8	66,212	10,236
TOTAL CURRENT ASSETS		464,001	26,588
NON-CURRENT ASSETS			
Property, plant and equipment	9	11,325	13,420
Exploration and evaluation	10	14,768,889	14,727,743
TOTAL NON-CURRENT ASSETS		14,780,214	14,741,163
TOTAL ASSETS		15,244,215	14,767,751
CURRENT LIABILITIES			
Trade and other payables	13	93,017	1,022,886
Non-interest bearing liabilities	21	-	100,000
Interest bearing liabilities	14	-	100,000
TOTAL CURRENT LIABILITIES		93,017	1,222,886
NON-CURRENT LIABILITIES			
Provisions	15	275,000	250,000
TOTAL NON-CURRENT LIABILITIES		275,000	250,000
TOTAL LIABILITIES		368,017	1,472,886
NET ASSETS		14,876,198	13,294,865
EQUITY			
Issued capital	16	18,434,903	16,799,457
Reserves	17	477,450	477,450
Accumulated losses		(4,036,155)	(3,982,042)
TOTAL EQUITY		14,876,198	13,294,865

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2016

Consolidated Group

	Ordinary Share Capital	Option Reserve	Retained Earnings	Total
	$	$	$	$
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
Net loss for the year	-	-	(54,113)	(54,113)
Shares issued	1,635,446	-	-	1,635,446
Other comprehensive Income	-	-	-	-
Balance at 30 June 2016	18,434,903	477,450	(4,036,155)	14,876,198

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2016

		Consolidated	
	Note	**2016**	**2015**
		$	**$**
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,257	1,966
Payments to suppliers and employees		(484,605)	(49,666)
Interest received		417	228
Net cash provided by (used in) operating activities	22	(482,931)	(47,472)
CASH FLOWS FROM INVESTING ACTIVITIES			
Exploration and evaluation expenditure		(37,581)	(31,414)
Net cash provided by (used in) investing activities		(37,581)	(31,414)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	60,000
Proceeds from share issues		901,949	-
Net cash provided by (used in) financing activities		901,949	60,000
Net increase / (decrease) in cash held		381,437	(18,886)
Cash at beginning of financial year		16,352	35,238
Cash at end of financial year	7	397,789	16,352

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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 2016. 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 $54,113 (2015: $433,749) and a cash outflow from operating activities of $482,931 (2015: $47,472).

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.

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 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

c. **Income Tax continued**

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 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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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.

n. **New accounting standards and interpretations**

A number of new and revised standards became effective for the first time to annual periods beginning on or after 1 July 2015. The more significant standard is AASB 2015-4 Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent, which amends AASB 128 Investments in Associates and Joint Ventures.

The adoption of this amendment has not had a material impact on the Group.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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 2016, 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 27 September 2016 by the board of directors.

	2016 $	**2015** $
NOTE 2: OTHER INCOME		
— interest received	417	229
— sale of goods / services	2,102	876
Total Revenue	2,519	1,105

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:

	2016	2015
Prima facie tax payable on loss from ordinary activities before income tax at 30% (2015: 30%)	(16,234)	(130,125)
Tax effect of:		
— Current year temporary differences not recognised	(309,406)	89,510
— Current year tax losses not recognised	325,640	40,615
Income tax expense / (benefit)	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 3: INCOME TAX EXPENSE CONTINUED

		2016 $	2015 $
b.	Components of deferred tax		
	Unrecognised deferred tax asset - losses	2,122,058	1,796,418
	Unrecognised deferred tax asset – provisions and accruals	95,203	364,167
	Unrecognised deferred tax liabilities – exploration and evaluation	(1,022,819)	(1,010,475)
	Unrecognised deferred tax liabilities – capital raising costs	(238,461)	(233,265)
	Net Unrecognised deferred tax assets	955,981	916,845

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 1.7.2015	Granted as Compen-sation	Options Exercised	Net Change Other*	Balance 30.6.2016	Total Vested 30.6.2016	Total Exer-cisable 30.6.2016	Total Unexer-cisable 30.6.2016
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 30.6.2015	Received as Compen-sation	Options Exercised	Net Change Other*	Balance 30.6.2016
Gregory H Solomon	500,000	-	-	22,605,469	23,105,469
Douglas H Solomon	350,000	-	-	21,236,875	21,586,875
Guy T Le Page	13,715,279	-	-	8,137,231	21,852,510
James B Richardson	16,158,888	-	-	17,901,112	34,060,000
Aaron P Gates	-	-	-	-	-
Total	30,724,167	-	-	69,880,687	100,604,854

*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 2016

	2016 $	2015 $
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	91,875	147,000
Post-employment benefits	8,728	14,547
Other long-term benefits	-	-
Termination benefits	-	-
Share based payments	-	-
Total	100,603	161,547

NOTE 5: AUDITOR'S REMUNERATION

	2016 $	2015 $
Remuneration of the auditor for:		
— auditing or reviewing the financial report	17,775	17,400

NOTE 6: LOSS PER SHARE

	2016 $	2015 $
a. Reconciliation of loss to profit or loss		
Profit/(loss)	(54,113)	(433,749)
Loss used to calculate basic EPS	(54,113)	(433,749)
b. Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	212,739,446	132,431,258

The share options on issue are not potentially dilutive shares.

NOTE 7: CASH AND CASH EQUIVALENTS

	2016 $	2015 $
Cash at bank	397,789	16,352
	397,789	16,352

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:

	2016 $	2015 $
Cash and cash equivalents	397,789	16,352
	397,789	16,352

NOTE 8: TRADE AND OTHER RECEIVABLES

	2016 $	2015 $
Other receivables	66,212	10,236
	66,212	10,236

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	2016 $	2015 $
NOTE 9: PROPERTY, PLANT AND EQUIPMENT		
Equipment:		
At cost	50,786	51,685
Accumulated depreciation	(39,461)	(38,265)
Total Plant and Equipment	11,325	13,420

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	13,420	16,187
Depreciation expense	(2,095)	(2,550)
Written-off during the year	-	(217)
Closing balance	11,325	13,420

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 (2015: Nil).

	2016 $	2015 $
NOTE 10: EXPLORATION AND EVALUATION		
Balance at the beginning of the financial year	14,727,743	14,696,329
Expenditure incurred during the year	41,146	31,414
Balance at the end on the financial year	14,768,889	14,727,743

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration and sale of the minerals. Capitalised costs amounting to $37,581 (2015: $31,414) 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.

	2016 $	2015 $
Share of joint operation results and financial position:		
Current Assets	9,506	10,655
Non-Current Assets	2,317,597	2,276,484
Total Assets	2,327,103	2,287,139
Current Liabilities	8,681	15,437
Total Liabilities	33,681	15,437
Revenue	-	-
Expenses	(13,280)	(4,482)
Profit / (Loss) before income tax	(13,280)	(4,482)
Income tax expense	-	-
Profit / (Loss) after income tax	(13,280)	(4,482)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 12: CONTROLLED ENTITIES

Controlled Entities Consolidated	Country of Incorporation	Percentage Owned (%)* 2016	2015
Meteore Metals Pty Ltd	Australia	100	100

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

	2016 $	2015 $
NOTE 13: TRADE AND OTHER PAYABLES		
Trade payables	47,874	58,997
Sundry payables and accrued expenses	45,143	963,889
	93,017	1,022,886

NOTE 14: INTEREST BEARING LIABILITIES

Interest bearing liabilities related 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. This convertible note was satisfied by the issue of shares during the year.

	2016 $	2015 $
NOTE 15: PROVISIONS		
NON-CURRENT		
Other	275,000	250,000
	275,000	250,000

This mainly relates to a provision of $250,000 that 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

	2016 $	2015 $
295,243,387 (2015: 132,431,258) ordinary shares	18,434,903	16,799,457

	2016 No.	2015 No.	2016 $	2015 $
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	162,812,129	-	1,635,446	-
At reporting date	295,243,387	132,431,258	18,434,903	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 2016

NOTE 16: ISSUED CAPITAL CONTINUED

		2016	2015
b.	**Options**		
	At the beginning of reporting period	5,501,000	6,501,000
	Issued during the year	59,125,000	-
	Options lapsed during the year	-	(1,000,000)
	At reporting date	64,626,000	5,501,000

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

		2016 $	2015 $
a.	**Parent Entity**		
	Assets		
	Current assets	446,897	12,914
	Non-current assets	14,103,560	14,068,621
	Total Assets	14,550,457	14,081,535
	Liabilities		
	Current liabilities	84,337	1,206,631
	Non-current liabilities	-	-
	Total liabilities	84,337	1,206,631
	Equity		
	Issued capital	18,434,903	16,799,457
	Accumulated losses	(4,446,232)	(4,402,003)
	Reserves		
	Option reserve	477,450	477,450
	Total reserves	477,450	477,450
	Financial performance		
	Profit / (Loss) for the year	(44,229)	(427,965)
	Other comprehensive income	-	-
	Total comprehensive loss	(44,229)	(427,965)

Contingent Liabilities and Commitments

The Directors are not aware of any contingent liabilities or capital commitments as at 30 June 2016.

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 2016

NOTE 19: CAPITAL AND LEASING COMMITMENTS

		2016 $	2015 $
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. It is anticipated that expenditure commitments for the twelve months will be tenement rentals of $5,000 (2015: $1,000) and exploration expenditure of $94,000 (2015: $40,000).

NOTE 20: SHARE-BASED PAYMENTS

No share-based payment arrangements existed at 30 June 2016.

NOTE 21: RELATED PARTY TRANSACTIONS

	2016 $	2015 $
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 2016 $12,000 (2015: $502,898) was included in Trade and Other Payables owing to Princebrook Pty Ltd.	117,446	194,670
Management fees and administration fees forgiven by Princebrook Pty Ltd, a company in which Mr G Solomon and Mr D Solomon have an interest.	355,342	-
Legal and professional fees payable to Solomon Brothers, a firm of which Mr GH Solomon and Mr DH Solomon are partners. At 30 June 2016 nothing (2015: $39,229) was included in Trade and Other Payables as owing to Solomon Brothers.	21,466	-
Corporate advisory fees paid to RM Corporate Finance Pty Ltd, a company in which Mr G T Le Page and Mr J B Richardson have an interest.	81,000	-
Placement fees paid to RM Corporate Finance Pty Ltd, a company in which Mr G T Le Page and Mr J B Richardson have an interest.	36,000	-
Placement fees paid to RM Capital Pty Ltd, a company in which Mr G T Le Page and Mr J B Richardson have an interest.	22,620	-
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
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
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
Interest free unsecured loan payable on demand from Arkenstone Pty Ltd, a company in which Mr G H Solomon has an interest.	-	27,500
Amount included in Trade and Other Payables as owing to Mr Gregory H Solomon for unpaid directors fees and superannuation.	9,516	212,156
Amount included in Trade and Other Payables as owing to Mr Douglas H Solomon for unpaid directors fees and superannuation.	3,045	67,890

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 21: RELATED PARTY TRANSACTIONS CONTINUED

	2016 $	2015 $
Amount included in Trade and Other Payables as owing to Mr Guy T Le Page for unpaid directors fees and superannuation.	3,045	67,890
Amount included in Trade and Other Payables as owing to Mr James B Richardson for unpaid directors fees and superannuation.	3,045	67,890
Associated Companies		
Reimbursement to Tasman Resources Ltd (which has a 14.05% interest in the Company) for employee costs on a hourly basis, in relation to Tasman staff utilised by the Company	3,668	4,076
Convertible loan from Tasman Resources Ltd (which has a 14.05% interest in the Company), interest accruing at 9%. Interest accrued as at 30 June 2015 was $19,504.	-	100,000

NOTE 22: CASH FLOW INFORMATION

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

	2016 $	2015 $
Loss after income tax	(54,113)	(433,749)
Non-cash flows in profit		
Depreciation	2,095	2,550
Debt forgiveness	(355,342)	217
Changes in assets and liabilities, net of non-cash payments		
(Increase)/decrease in trade and term receivables	(55,976)	(986)
Increase/(decrease) in trade payables and accruals	(19,595)	384,496
Cash flow used in operations	(482,931)	(47,472)

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 2016.

NOTE 25: EVENTS AFTER THE BALANCE SHEET DATE

No 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.

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 2016, 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 $7,940 (2015: $330) and an increase in equity by $7,940 (2015: $330). 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 $7,940 (2015: $330) and a decrease in equity by $7,940 (2015: $330).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 26: FINANCIAL INSTRUMENTS CONTINUED

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.

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**	
	2016	**2015**	**2016 $**	**2015 $**	**2016 $**	**2015 $**	**2016 $**	**2015 $**
Financial Assets:								
Cash and cash equivalents	0.95%	1.5%	397,789	16,352	-	-	397,789	16,352
Trade and other receivables	-	-	-	-	66,212	10,236	66,212	10,236
Total Financial Assets	0.95%	1.5%	397,789	16,352	66,212	10,236	464,001	26,588
Financial Liabilities:								
Non-interest bearing liabilities	-	-	-	-	-	100,000	-	100,000
Interest bearing liabilities	-	9.0%	-	-	-	-	-	100,000
Trade and sundry payables	-	-	-	-	93,017	1,022,886	93,017	1,022,886
Total Financial Liabilities	-	9.0%	-	-	93,017	1,122,886	93,017	1,222,886

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 14 to 29, and the Remuneration disclosures that are contained in pages 10 to 11 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 2016 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 10 to 11 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 2016.

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

Gregory H Solomon
Chairman

Dated this 27th day of September 2016 nexia australia

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 2016, 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.

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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 2016 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 in the directors' report for the year ended 30 June 2016. 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 2016 complies with Section 300A of the *Corporations Act 2001*.

Nexia Perth Audit Services Pty Ltd

TJ Spooner
Director

Perth, 27 September 2016

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

1. **Shareholding as at 31 August 2016**

a. **Distribution of Shareholders**

Category (size of holding)	Number of Shareholders
1 – 1,000	24
1,001 – 5,000	66
5,001 – 10,000	142
10,001 – 100,000	418
100,001 – and over	216
	866

b. The number of shareholdings held in less than marketable parcels at 31 August 2016 is 289.

c. The names and relevant interests of the substantial shareholders listed in the holding company's register as at 31 August 2016 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	8.453%
2	March Bells Pty Ltd <DH Solomon Family A/c>	20,728,125	7.009%
3	Arkenstone Pty Ltd <GH Solomon Family A/c>	17,015,625	5.754%
4.	Tasman Resources Ltd	16,476,285	5.571%
5.	Tadea Pty Ltd <Richardson Family S/F A/C>	15,250,000	5.156%
6.	Tadea Pty Ltd	13,750,000	4.649%
7.	Redcode Pty Ltd	7,500,000	2.536%
8.	Guy Le Page & Dina Le Page <The Guy Le Page S/Fund A/c>	6,214,194	2.101%
9.	GT Le Page & Associates Pty Ltd	6,138,308	2.076%
10.	Peto Pty Ltd <1953 Superfund A/c>	5,225,739	1.767%
11.	Gasmere Pty Limited	5,123,888	1.732%
12.	RM Corporate Finance Pty Ltd>	5,000,000	1.691%
13.	Prosperion Wealth Management Pty Ltd <Investment A/c>	4,900,000	1.657%
14.	Mr David Newman & Ms Anastasia Apostolou <Apostman Superfund A/c>	4,875,000	1.648%
15.	Guy Touzeau Le Page	4,500,008	1.522%
16.	Arkenstone Pty Ltd <GH Solomon Family A/c>	3,837,500	1.298%
17.	Flourish Super Pty Ltd <Flourish S/f A/c>	3,779,257	1.278%
18.	Merriwa Street Pty Ltd	3,600,000	1.217%
19.	Mr Matthew Torenius & Mr Oliver Torenius	3,500,000	1.183%
20.	Mr Harry Hatch	3,465,734	1.172%
		175,879,663	59.470%

2. **Unquoted Securities – Options as at 31 August 2016**

Holder Name	Date of Expiry	Exercise Price	Number on issue	Number of holders
Tasman Resources Ltd	31 December 2016	$0.08	5,501,000	1
Various	30 November 2019	$0.03	58,625,000	26
			64,126,000	27

TENEMENT SCHEDULE

Table 1 lists further details on the tenements.

Table 1: Conico Tenement Schedule

State	Licence Type	Number	Interest %	Locality	Location
WA	EL	E63/1778	100	Scadden East	Approximately 70 km NNE of Esperance
WA	ELA	EA63/1779	100	Mt Burdett	Approximately 50 km NE of Esperance
WA	ELA	EA63/1790	50	Mt Thirsty	Approximately 20 km NW of Norseman
WA	PA	PA/2045	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	R	R63/4	50	Mt Thirsty	Approximately 20 km NW of Norseman

* - This application covers the same area as R63/4.