conico LTD

ABN 49 119 057 457

Annual Report

for the Year Ended
30 June 2017

Table of Contents

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

HIGHLIGHTS FOR THE YEAR TO 30 JUNE 2017

- **RC drilling for metallurgical test work completed. Intersections (within current JORC (2004) Resource outline) include:**

  MTRC036 - 24m at 0.16% Co, 0.80% Ni from 18m
  MTRC037 - 17m at 0.16% Co, 0.77% Ni from 13m
  MTRC038 - 14m at 0.18% Co, 0.96% Ni from 14m
  MTRC039 - 20m at 0.32% Co, 0.42% Ni from 14m
  MTRC040 - 6m at 0.29% Co, 0.40% Ni from 30m
  MTRC041 - 9m at 0.12% Co, 0.71% Ni from 23m

- **1.5 tonnes RC drill samples sent to ALS Metallurgy in Perth**
- **Metallurgical testwork continuing**
- **Recent SO2 leach results consistent with previous studies**
- **Promising results from alternate reagents**
- **New cobalt-nickel oxide deposit delineated 3km north of Mt Thirsty by recent air core drilling. Best Intersections include:**

  MTAC771 14m @ 0.12% Co & 0.8% Ni from 13m
  MTAC772 18m @ 0.16% Co & 0.8% Ni from 15m
  MTAC 773 10m @ 0.17% Co & 0.8% Ni from 16m
  MTAC778 10m @ 0.13% Co & 1% Ni from 22m

- **Scoping Study targeting completion in September quarter**

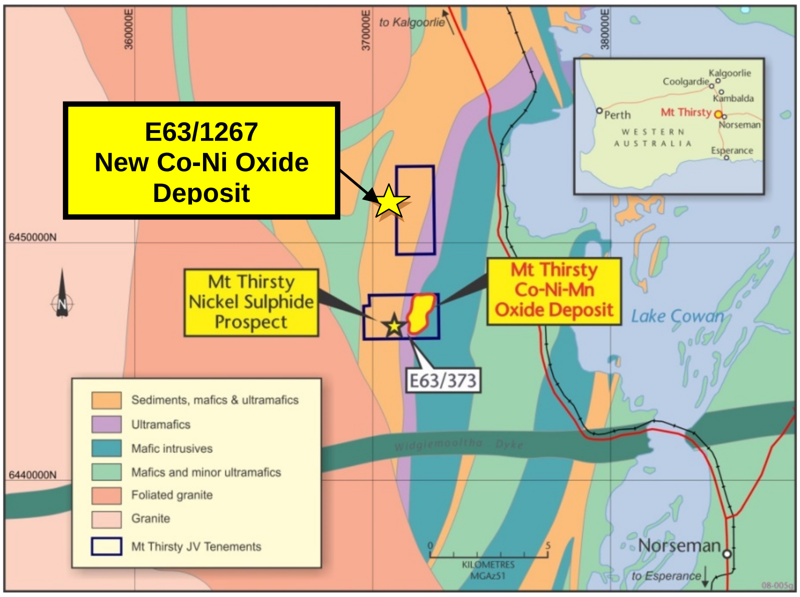

Figure 1: Mt Thirsty Project Location Plan

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. Further information can be found at **www.mtthirstycobalt.com**. 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) compliant resource with a potential to have a long mine life. The Project is close to all necessary infrastructure (rail, road, power, water, and sea port) and, being in a mining orientated state, has the potential to attract a variety of interested parties including end users of cobalt. The Joint Venture partners are working collaboratively to exploit this joint opportunity and have launched a marketing initiative.

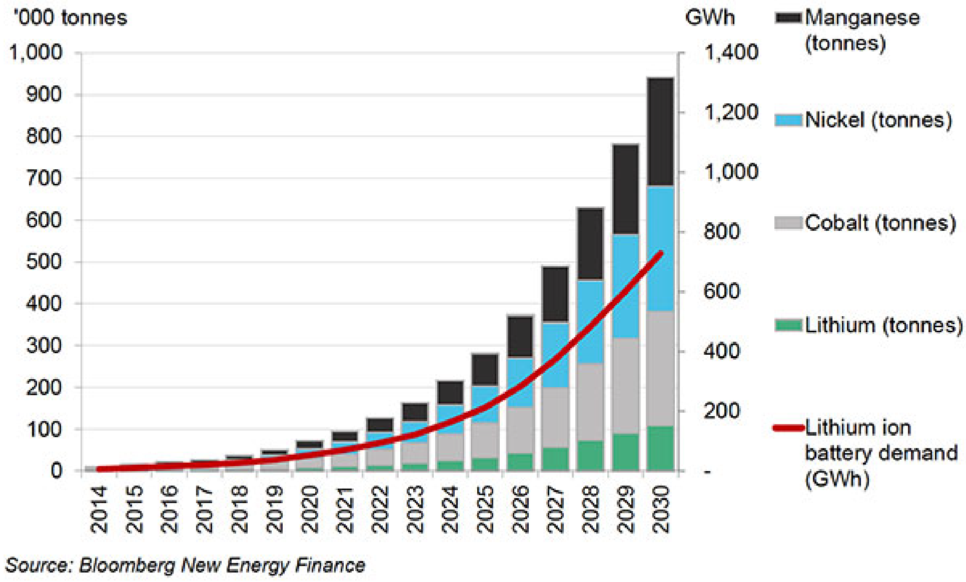

Figure 2: Global lithium-ion battery and materials demand forecast from EV sales, 2015-2030.

REVIEW OF OPERATIONS

RC Drilling R63/4

A six-hole reverse circulation drilling program totalling 234m was completed in November 2016. The holes were drilled within the area of the JORC (2004) Indicated Resource (Figure 3) to provide a range of samples for further metallurgical testwork. All holes were drilled vertically and sampled in 1m intervals using a rotary splitter. Significant results are summarised in Table 1 below. All of the available sample material (1.5 tonnes in total) from the intersections below was sent to ALS Metallurgy in Perth for use in further metallurgical testwork. The significant cobalt intersections comprised soft clay-rich material derived from strongly weathered ultramafic rocks.

Table 1: Metallurgical RC Drilling - Summary of Cobalt Intersections

Hole No.	Easting	Northing	RL	Depth	From	To	Interval	Co*	Ni	Mn
	AGD84 Zone 51		m	m	m	m	m	%	%	%
MTRC036	372162	6447455	380	54	18	42	24	0.16	0.80	1.58
MTRC037	372244	6447455	378	30	13	30	17	0.16	0.77	1.04
MTRC038	372349	6447457	371	35	14	28	14	0.18	0.96	1.60
MTRC039	371956	6447000	385	40	14	34	20	0.32	0.42	2.26
MTRC040	372115	6447001	396	40	30	36	6	0.29	0.40	1.90
MTRC041	372295	6446999	383	35	23	32	9	0.12	0.71	0.89

*A cut off assay of 0.06% Co was used for the above intersections. Intersections are close to true width.

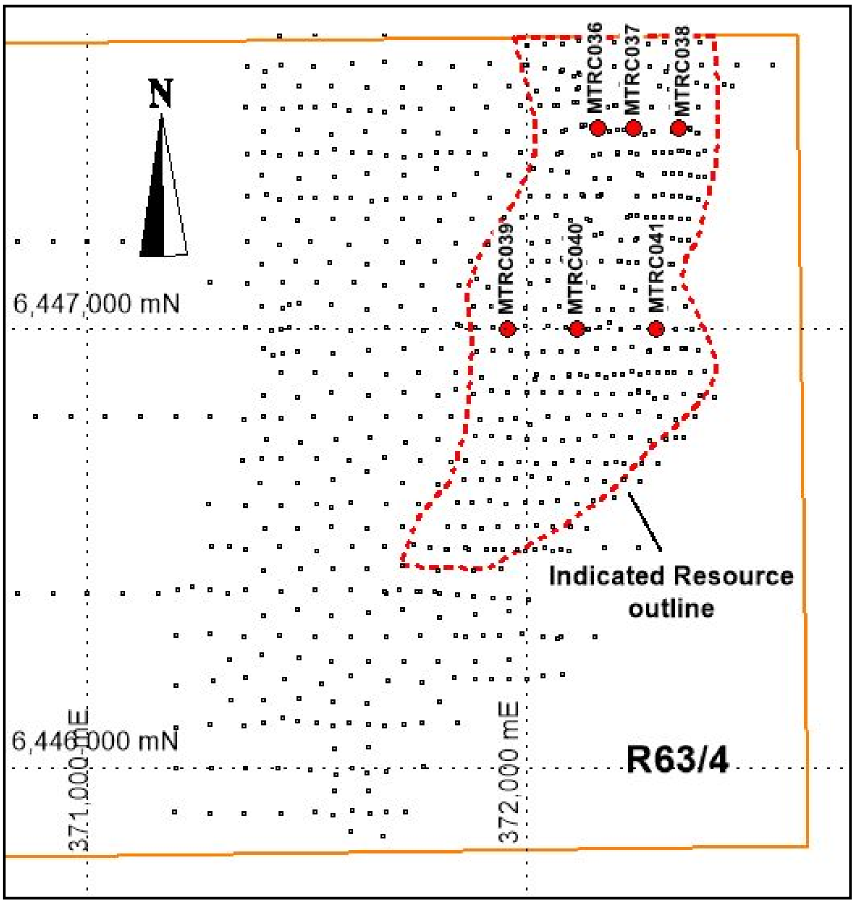

Figure 3: Location of recent RC drill holes and JORC (2004) Indicated Resource outline. The dots are all previous drill holes (AGD84 Zone 51).

Air Core Drilling E63/1267

Aircore (AC) drilling on E63/1267, located approximately 3km north of the Mt Thirsty Cobalt Deposit has delineated a new zone of cobalt-nickel oxide mineralisation. The mineralisation lies at shallow depth beneath outcropping laterite in strongly weathered ultramafic rocks and is of similar style to that of the Mt Thirsty Cobalt Deposit.

Thirty-one shallow AC holes were drilled in late April 2017 for an aggregate of 1,084m to test a GSWA mapped laterite outcrop on the eastern side of E63/1267 where a single AC traverse drilled by the joint venture in May 2015 intersected significant cobalt (Co) and nickel (Ni) assays in the three most eastern holes. The latest drilling was mostly on a 100m by 40m grid with one infill line to 50m by 40m in the central portion (Figure 4).

Cobalt assays greater than or equal to 0.06% Co over a true thickness of 2m or more were exhibited in 27 of the 31 holes drilled. Significant intersections are shown in Table 2. All but one of the AC holes were drilled vertically except for MTAC797, which was inclined at -60^{o} to the west due to steep topography at the intended location.

The newly defined zone of mineralisation is strongest in the northern portion of the area drilled and weakens to the south. With the exception of the two northernmost lines, the mineralised zone has been closed off to the west, remains open to the east across the tenement boundary, with potential to extend further to the north and south.

The recently discovered Co-Ni oxide mineralisation in E63/1267 has the potential to provide further upside to the Mt Thirsty Project.

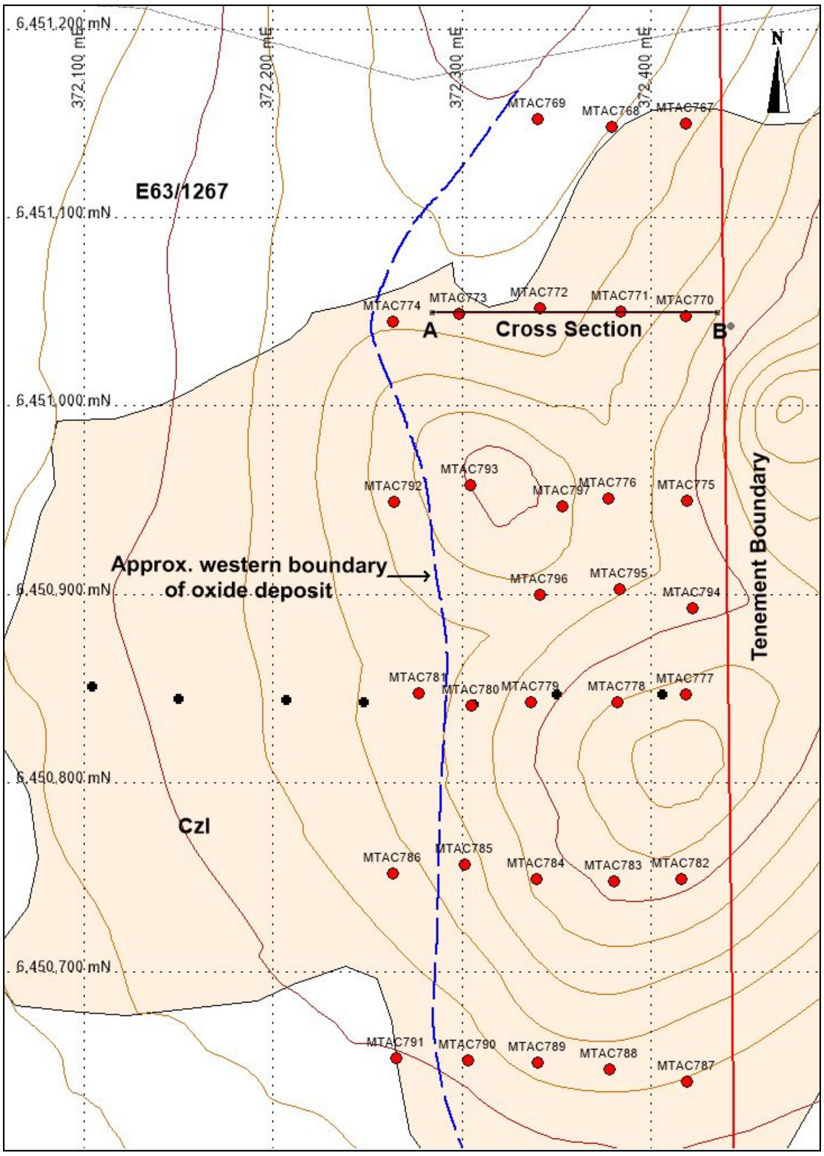

Figure 4: Drill Hole Location Plan. Mapped laterite (shaded brown) and topographic contours (brown lines). Red dots are recent AC drilling, black dots are 2015 AC drilling. Approximate western boundary of Co-Ni oxide mineralisation shown in blue and eastern tenement boundary in red. Grid AGD84 Zone 51. Cross Section A-B shown in Figure 5.

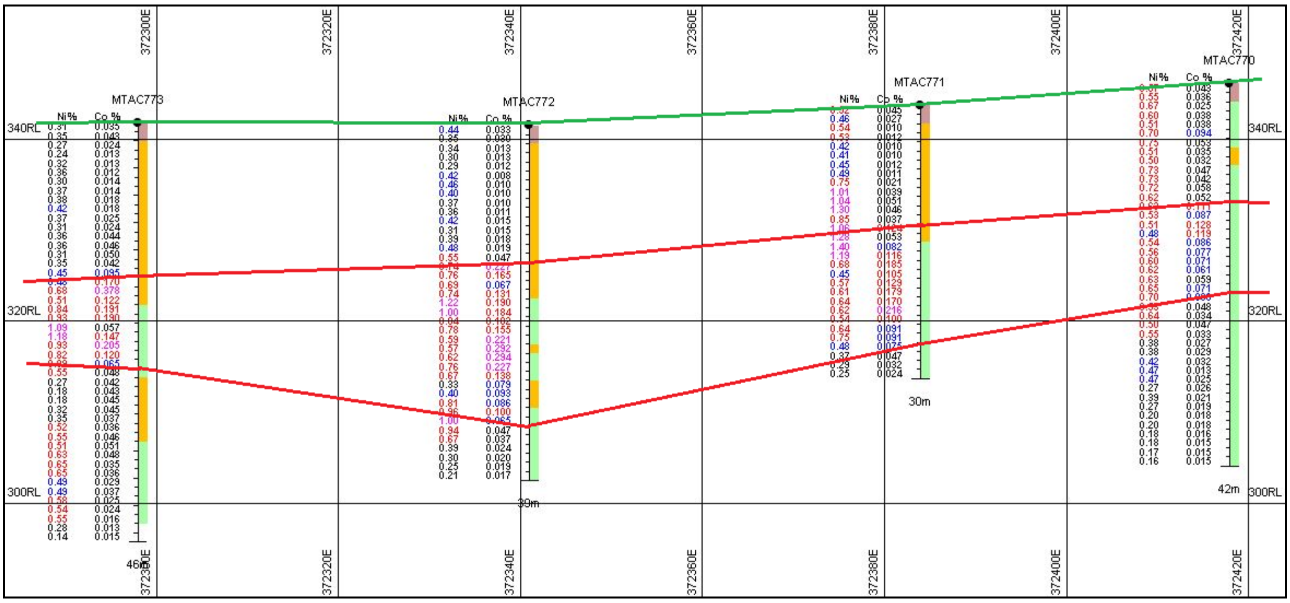

Figure 5: Cross Section A-B, 6451050N, looking north through holes MTAC770 to 773. Brown hatch is laterite, orange is goethitic saprolite and green is nontronitic saprolite. Ni% assays on the left and Co% assays on the right.

Table 2: E63/1267 Significant Cobalt and Nickel Intersections in AC Drilling (≥0.06% Co)

Hole No	East AGD84	North AGD84	RL m	Hole Depth m	From m	To m	Downhole Thickness m	Co %	Ni %
MTAC767	372418	6451150	342	34	14	16	**2**	**0.095**	**0.39**
MTAC768	372379	6451148	340	26	0	2	**2**	**0.092**	**0.51**
					15	25	**10**	**0.085**	**1.09**
MTAC769	372340	6451152	338.4	30	1	3	**2**	**0.091**	**0.61**
					17	26	**9**	**0.098**	**0.62**
MTAC770	372418	6451048	346.1	42	5	7	**2**	**0.073**	**0.73**
					13	24	**11**	**0.085**	**0.58**
MTAC771	372384	6451050	343.7	30	13	27	**14**	**0.123**	**0.78**
MTAC772	372341	6451052	341.5	39	15	33	**18**	**0.161**	**0.75**
MTAC773	372298	6451049	341.8	46	16	26	**10**	**0.167**	**0.79**
MTAC774	372263	6451045	342.2	21	8	10	**2**	**0.069**	**0.42**
MTAC775	372419	6450950	349.5	47	22	30	**8**	**0.222**	**0.74**
MTAC776	372377	6450951	347.5	45	19	33	**14**	**0.135**	**0.86**
MTAC777	372418	6450847	353.5	40	15	17	**2**	**0.044**	**1.08**
					36	38	**2**	**0.077**	**0.40**
MTAC778	372382	6450843	352.5	39	22	32	**10**	**0.126**	**1.04**
MTAC779	372336	6450843	348.8	48	27	38	**11**	**0.076**	**0.61**
MTAC780	372305	6450841	346.2	39	22	30	**8**	**0.093**	**0.69**
MTAC782	372416	6450749	350.7	42	29	34	**5**	**0.095**	**0.54**
MTAC783	372380	6450748	350.9	34	19	31	**12**	**0.086**	**0.60**
MTAC784	372339	6450749	347.9	36	17	27	**10**	**0.093**	**0.52**
MTAC785	372301	6450757	344.2	33	15	28	**13**	**0.083**	**0.45**
MTAC787	372419	6450642	340	23	4	6	**2**	**0.141**	**0.38**
MTAC788	372378	6450648	341.9	27	18	25	**7**	**0.121**	**0.41**
MTAC789	372340	6450652	340.8	16	14	16	**2**	**0.068**	**0.41**
MTAC790	372303	6450653	338.7	24	15	18	**3**	**0.122**	**0.38**
MTAC793	372304	6450958	350	54	31	41	**10**	**0.140**	**0.38**
MTAC794	372422	6450893	349.4	51	24	29	**5**	**0.105**	**0.61**
MTAC795	372383	6450903	347.5	42	5	7	**2**	**0.124**	**0.57**
MTAC796	372341	6450900	347.5	45	1	18	**17**	**0.134**	**0.62**
					21	26	**5**	**0.088**	**0.68**
MTAC797*	372353	6450947	348.1	45	24	39	**15***	**0.123**	**0.57**

Note: All holes drilled vertically except for MTAC797 inclined at -60°W. As mineralisation is interpreted to be relatively flat lying, downhole depth is interpreted to be equivalent to true thickness except for hole MTAC797 where true thickness of the mineralisation is approximately 13m. All holes were sampled in one metre intervals.

Metallurgical Testwork

The 1.5 tonnes of RC drill samples obtained from Mt Thirsty were sent to ALS Metallurgy in Perth in early January 2017 and final stages of the testwork are still in progress.

This current phase of metallurgical testwork will expand on and increase the level of confidence in previous testwork undertaken which has shown that agitated leaching using sulphur dioxide (SO_2) at atmospheric pressure and low temperature (<50^{o}C) recovers up to 80% of the cobalt and over 25% of the nickel within a few hours of leaching. The results of the metallurgical testwork will be fed directly into a Scoping Study over the Mt Thirsty Cobalt Oxide Deposit.

Recent results from testwork on the preferred reagent for the atmospheric leach process, sulphur dioxide, have been consistent with earlier studies which showed high recovery of cobalt.

Metallurgical test work has also been conducted using an alternate ferrous sulphate reagent, with early results very promising. This continuing work will be considered prior to the finalisation of flowsheet design.

Mt Thirsty Scoping Study

A Scoping Study, due for completion in late August 2017, is being managed by Provide Advantage, with support from consultant engineers CPC Engineering, metallurgical support from ALS Metallurgy Pty Ltd and open pit optimisation and mine scheduling from CSA Global.

The unique characteristics of the Mt Thirsty Cobalt Deposit has encouraged the joint venture partners to progress the Scoping Study on the basis of ore being treated via an atmospheric leaching process (at ambient pressure and relatively low temperature) instead of the traditional higher capex/opex HPAL process. Recent results from testwork on the preferred reagent for the atmospheric leach process, sulphur dioxide, have been consistent with earlier studies which showed high recovery of cobalt.

Metallurgical test work has also been conducted using alternate reagents, with early results producing some extremely promising results. This work is continuing and will be considered prior to the finalisation of flowsheet design and Scoping Study.

At completion of the Scoping Study, the Joint venture will be able to better determine the funding requirements and development options which may be available to bring the Mt Thirsty Cobalt Project to fruition.

New Tenement Applications

The two new licences (E63/1790 and P63/2045) applied for last financial year adjacent to the existing Joint Venture tenements were granted in February 2017. The latter covers a short extension of the interpreted footwall contact north of R63/4 which is considered prospective for Ni sulphides. Both licences have potential for lithium-bearing pegmatites that have been mapped by the GSWA in the Mt Thirsty area.

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 R63/4 (previously 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 2017.

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 9 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 2017 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 $325,673 (2016: $54,113).

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 2017 is set out in the Review of Operations on Page 5.

Financial position

The net assets of the Group have increased by $146,827 from 30 June 2016 to $15,023,025 in 2017. This increase has largely resulted from the capital raising 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 and evaluation 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 Innovations 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 Innovations 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	15,852,502 Ordinary Shares	
Directorships held in other listed entities	Eden Innovations Ltd Tasman Resources Ltd	Mt Ridley Mines Ltd Red Sky Energy 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	28,500,000 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 2017

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		
	$	$	$	$	$	$	$	$	$	%
2017										
Gregory H Solomon	31,250	-	-	2,969	-	-	-	-	34,219	-
Douglas H Solomon	10,000	-	-	950	-	-	-	-	10,950	-
Guy T Le Page	10,000	-	-	950	-	-	-	-	10,950	-
James B Richardson	10,000	-	-	950	-	-	-	-	10,950	-
Aaron P Gates	(i)	-	-	-	-	-	-	-	-	-
	61,250	-	-	5,819	-	-	-	-	67,069	-
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	-

(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 2017

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

	Directors' Meetings	
	Number eligible to attend	Number attended
Gregory H Solomon	2	2
Douglas H Solomon	2	2
Guy T Le Page	2	2
James B Richardson	2	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 $12,210.

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
Various	30 November 2019	$0.03	43,375,000
			43,375,000

During the year ended 30 June 2017, 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.

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 2017.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2017 has been received and can be found on page 16.

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

Gregory H Solomon
Chairman

Dated this 29th day of August 2017

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 2017 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 FCA, FCA(UK), ACIS, AGIA, AMIIA, CTA
Director

Perth
29 August 2017

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR YEAR ENDED 30 JUNE 2017

	Note	Consolidated 2017 $	Consolidated 2016 $
Other Income	2	12,528	2,519
Debt forgiveness		-	355,342
Accounting and audit		(17,037)	(18,054)
Depreciation and amortisation		(1,738)	(2,095)
Exploration and evaluations assets written off		(35,720)	-
Interest Expense		-	(764)
Key management remuneration	4(d)	(65,905)	(100,603)
Legal and other consultants		(2,419)	(100,091)
Management fees		(144,000)	(117,446)
Other expenses		(71,382)	(72,921)
Loss before income tax		(325,673)	(54,113)
Income tax benefit	3	-	-
Loss for the year		(325,673)	(54,113)
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		(325,673)	(54,113)
Basic/Diluted loss per share (cents per share)	6	(0.11)	(0.03)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

		Consolidated	
	Note	**2017**	**2016**
		$	**$**
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	466,368	397,789
Trade and other receivables	8	24,700	66,212
TOTAL CURRENT ASSETS		491,068	464,001
NON-CURRENT ASSETS			
Property, plant and equipment	9	9,587	11,325
Exploration and evaluation	10	14,921,918	14,768,889
TOTAL NON-CURRENT ASSETS		14,931,505	14,780,214
TOTAL ASSETS		15,422,573	15,244,215
CURRENT LIABILITIES			
Trade and other payables	13	124,548	93,017
TOTAL CURRENT LIABILITIES		124,548	93,017
NON-CURRENT LIABILITIES			
Provisions	14	275,000	275,000
TOTAL NON-CURRENT LIABILITIES		275,000	275,000
TOTAL LIABILITIES		399,548	368,017
NET ASSETS		15,023,025	14,876,198
EQUITY			
Issued capital	15	18,907,403	18,434,903
Reserves	16	477,450	477,450
Accumulated losses		(4,361,828)	(4,036,155)
TOTAL EQUITY		15,023,025	14,876,198

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2017

Consolidated Group

	Ordinary Share Capital	Option Reserve	Retained Earnings	Total
	$	$	$	$
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
Net loss for the year	-	-	(325,673)	(325,673)
Shares issued	472,500	-	-	472,500
Other comprehensive Income	-	-	-	-
Balance at 30 June 2017	18,907,403	477,450	(4,361,828)	15,023,025

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2017

	Note	Consolidated 2017 $	Consolidated 2016 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		17,793	1,257
Payments to suppliers and employees		(256,969)	(484,605)
Interest received		2,568	417
Net cash provided by (used in) operating activities	22	(236,608)	(482,931)
CASH FLOWS FROM INVESTING ACTIVITIES			
Exploration and evaluation expenditure		(167,313)	(37,581)
Net cash provided by (used in) investing activities		(167,313)	(37,581)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issues		472,500	901,949
Net cash provided by (used in) financing activities		472,500	901,949
Net increase / (decrease) in cash held		68,579	381,437
Cash at beginning of financial year		397,789	16,352
Cash at end of financial year	7	466,368	397,789

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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 and controlled entities as at and for the year ended 30 June 2017. 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 $325,673 (2016: $54,113) and a cash outflow from operating activities of $236,608 (2016: $482,931).

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 2017

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. **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.

e. **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.

f. **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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

i. **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.

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.

j. **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.

k. **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.

l. **Comparative Figures**

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

m. **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 2016. There were no significant standards or interpretations and the adoption of the new standards and interpretations has not had a material impact on the Group.

n. **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.

o. **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.

p. **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 2017, and have not been applied in preparing these consolidated financial statements. The Group does not plan to adopt these standards early. The new standards include AASB 9 – Financial Instruments, AASB 15 – Revenue from contracts with customers and AASB 16 - Leases. Based on the current operations of the Group, management are of the view that these standards and amendments will not have a significant impact on the financials.

q. **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 29 August 2017 by the board of directors.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 $	2016 $
NOTE 2: OTHER INCOME		
— interest received	2,568	417
— sale of goods / services	9,960	2,102
Total Other Income	12,528	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:

	2017	2016
Prima facie tax payable on loss from ordinary activities before income tax at 27.5% (2016: 30%)	(89,560)	(16,234)
Tax effect of:		
— Current year temporary differences not recognised	(235,053)	(309,406)
— Effect of tax rate change	(79,665)	-
— Current year tax losses not recognised	404,278	325,640
Income tax expense / (benefit)	-	-

b. Components of deferred tax

	2017	2016
Unrecognised deferred tax asset - losses	2,091,497	2,122,058
Unrecognised deferred tax asset – provisions and accruals	83,254	95,203
Unrecognised deferred tax liabilities – exploration and evaluation	(979,667)	(1,022,819)
Unrecognised deferred tax liabilities – capital raising costs	(223,353)	(238,461)
Net Unrecognised deferred tax assets	971,731	955,981

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:

Person	**Position**	**Person**	**Position**
Gregory H Solomon	Executive Chairman	James B Richardson	Non-Executive Director
Douglas H Solomon	Non-Executive Director	Guy T Le Page	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 1.7.2016	Granted as Compen-sation	Options Exercised	Net Change Other	Balance 30.6.2017	Total Vested 30.6.2017	Total Exer-cisable 30.6.2017	Total Unexer-cisable 30.6.2017
Gregory H Solomon	-	-	-	-	-	-	-	-
Douglas H Solomon	-	-	-	-	-	-	-	-
Guy T Le Page	-	-	-	-	-	-	-	-
James B Richardson	-	-	-	-	-	-	-	-
Aaron P Gates	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION CONTINUED

c. Shareholdings

Number of Shares held by Key Management Personnel

	Balance 30.6.2016	Received as Compen-sation	Options Exercised	Net Change Other*	Balance 30.6.2017
Gregory H Solomon	23,105,469	-	-	-	23,105,469
Douglas H Solomon	21,586,875	-	-	-	21,586,875
Guy T Le Page	21,852,510	-	-	(6,000,008)	15,852,502
James B Richardson	34,060,000	-	-	(5,560,000)	28,500,000
Aaron P Gates	-	-	-	-	-
Total	100,604,854	-	-	(11,560,008)	89,044.846

*Net Change Other refers to shares purchased or sold during the financial year.

	2017 $	2016 $
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	61,250	91,875
Post-employment benefits	5,819	8,728
Other long-term benefits	-	-
Termination benefits	-	-
Share based payments	-	-
Total	67,069	100,603

NOTE 5: AUDITOR'S REMUNERATION

Remuneration of the auditor for auditing or reviewing the financial report	17,975	17,775

NOTE 6: LOSS PER SHARE

a. Reconciliation of loss to profit or loss		
Profit/(loss)	(325,673)	(54,113)
Loss used to calculate basic EPS	(325,673)	(54,113)
b. Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	299,949,570	212,739,446

The share options on issue are not potentially dilutive shares.

NOTE 7: CASH AND CASH EQUIVALENTS

Cash at bank	466,368	397,789
	466,368	397,789

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:

Cash and cash equivalents	466,368	397,789
	466,368	397,789

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 $	2016 $
NOTE 8: TRADE AND OTHER RECEIVABLES		
Other receivables	24,700	66,212
	24,700	66,212

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

Equipment:		
At cost	50,786	50,786
Accumulated depreciation	(41,199)	(39,461)
Total Plant and Equipment	9,587	11,325

a. Movements in Carrying Amounts

Movement in the carrying amount between the beginning and the end of the current financial year.

Opening balance	11,325	13,420
Depreciation expense	(1,738)	(2,095)
Closing balance	9,587	11,325

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 (2016: Nil).

NOTE 10: EXPLORATION AND EVALUATION

Balance at the beginning of the financial year	14,768,889	14,727,743
Expenditure incurred during the year	188,749	41,146
Expenditure written-off during the year	(35,720)	-
Balance at the end on the financial year	14,921,918	14,768,889

Capitalised costs amounting to $167,313 (2016: $37,581) 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 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	45,519	9,506
Non-Current Assets	2,470,626	2,317,597
Total Assets	2,516,145	2,327,103
Current Liabilities	55,183	8,681
Total Liabilities	80,183	33,681
Revenue	-	-
Expenses	(7,461)	(13,280)
Profit / (Loss) before income tax	(7,461)	(13,280)
Income tax expense	-	-
Profit / (Loss) after income tax	(7,461)	(13,280)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 12: CONTROLLED ENTITIES

Controlled Entities Consolidated	Country of Incorporation	Percentage Owned (%)* 2017	Percentage Owned (%)* 2016
Meteore Metals Pty Ltd	Australia	100	100

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

	2017 $	2016 $
NOTE 13: TRADE AND OTHER PAYABLES		
Trade payables	92,163	47,874
Sundry payables and accrued expenses	32,385	45,143
	124,548	93,017
NOTE 14: PROVISIONS		
NON-CURRENT		
Other	275,000	275,000
	275,000	275,000

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 15: ISSUED CAPITAL

	2017 $	2016 $
310,993,387 (2016: 295,243,387) ordinary shares	18,907,403	18,434,903

		2017 No.	2016 No.	2017 $	2016 $
a.	**Ordinary shares**				
	At the beginning of reporting period	295,243,387	132,431,258	18,434,903	16,799,457
	Shares issued during the year	15,750,000	162,812,129	472,500	1,635,446
	At reporting date	310,993,387	295,243,387	18,907,403	18,434,903

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 2017

NOTE 15: ISSUED CAPITAL CONTINUED

		2017	2016
b.	**Options**		
	At the beginning of reporting period	64,626,000	5,501,000
	Issued during the year	-	59,125,000
	Options lapsed during the year	(5,501,000)	-
	Options exercised during the year	(15,750,000)	-
	At reporting date	43,375,000	64,626,000

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 capital raisings. There have been no changes in the strategy adopted by management to control the capital of the Company since the prior year.

NOTE 16: 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 17: PARENT COMPANY INFORMATION

		2017 $	2016 $
a.	**Parent Entity**		
	Assets		
	Current assets	430,761	446,897
	Non-current assets	14,251,822	14,103,560
	Total Assets	14,682,583	14,550,457
	Liabilities		
	Current liabilities	74,740	84,337
	Non-current liabilities	-	-
	Total liabilities	74,740	84,337
	Equity		
	Issued capital	18,907,403	18,434,903
	Accumulated losses	(4,777,010)	(4,446,232)
	Reserves		
	Option reserve	477,450	477,450
	Total reserves	477,450	477,450
	Financial performance		
	Profit / (Loss) for the year	(330,778)	(44,229)
	Other comprehensive income	-	-
	Total comprehensive loss	(330,778)	(44,229)

Contingent Liabilities and Commitments

The Directors are not aware of any contingent liabilities or capital commitments as at 30 June 2017.

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 2017

NOTE 18: CAPITAL AND LEASING COMMITMENTS

		2017 $	2016 $
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 $3,000 (2016: $5,000) and exploration expenditure of $33,500 (2016: $94,000).

NOTE 19: SHARE-BASED PAYMENTS

No share-based payment arrangements existed at 30 June 2017.

NOTE 20: RELATED PARTY TRANSACTIONS

	2017 $	2016 $
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 2017 $12,000 (2016: $12,000) was included in Trade and Other Payables owing to Princebrook Pty Ltd.	144,000	117,446
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.	2,436	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
Amount included in Trade and Other Payables as owing to Mr Gregory H Solomon for unpaid directors fees and superannuation.	8,031	9,516
Amount included in Trade and Other Payables as owing to Mr Douglas H Solomon for unpaid directors fees and superannuation.	2,570	3,045
Amount included in Trade and Other Payables as owing to Mr Guy T Le Page for unpaid directors fees and superannuation.	2,570	3,045
Amount included in Trade and Other Payables as owing to Mr James B Richardson for unpaid directors fees and superannuation.	2,570	3,045
Associated Companies		
Reimbursement to Tasman Resources Ltd (which has a 14.05% interest in the Company) for employee costs on an hourly basis, in relation to Tasman staff utilised by the Company and rent of a motor vehicle.	27,586	3,668

NOTE 21: CASH FLOW INFORMATION

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

	2017 $	2016 $
Loss after income tax	(325,673)	(54,113)
Non-cash flows in profit		
Depreciation	1,738	2,095
Debt forgiveness	35,720	(355,342)
Exploration and evaluation written off		
Changes in assets and liabilities, net of non-cash payments		
(Increase)/decrease in trade and term receivables*	20,076	(55,976)
Increase/(decrease) in trade payables and accruals	31,531	(19,595)
Cash flow used in operations	(236,608)	(482,931)

* - Net of Exploration and Evaluation cash flows.

NOTE 22: 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 23: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Directors are not aware of any contingent assets or contingent liabilities as at 30 June 2017.

NOTE 24: 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 25: 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 the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has minimal exposure to interest rate risk, the only asset / liability affected by changes in market interest rates is Cash and cash equivalents.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 25: FINANCIAL INSTRUMENTS CONTINUED

iii. Credit risk continued

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**	
	2017	**2016**	**2017 $**	**2016 $**	**2017 $**	**2016 $**	**2017 $**	**2016 $**
Financial Assets:								
Cash and cash equivalents	0.60%	0.95%	466,368	397,789	-	-	466,368	397,789
Trade and other receivables	-	-	-	-	24,700	66,212	24,700	66,212
Total Financial Assets	0.60%	0.95%	466,368	397,789	24,700	66,212	491,068	464,001
Financial Liabilities:								
Trade and sundry payables	-	-	-	-	124,548	93,017	124,548	93,017
Total Financial Liabilities	-	-	-	-	124,548	93,017	124,548	93,017

NOTE 26: 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 17 to 31, and the Remuneration disclosures that are contained in pages 13 to 14 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 2017 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 13 to 14 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 2017.

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

Gregory H Solomon
Chairman

Dated this 29th day of August 2017

Nexia Australia

Independent Auditor's Report to the Members of Conico Limited

Report on the financial report

Opinion

We have audited the financial report of Conico Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is 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 2017 and of its financial performance for the year then ended; and

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

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of our report. We are independent of the entity in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material uncertainty related to going concern

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.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key audit matter	How our audit addressed the key audit matter
Capitalisation of Exploration and evaluation assets ***Refer to Note 10 (Exploration and evaluation)*** As at 30 June 2017 the carrying value of Exploration and Evaluation assets was $14,921,918 (2016: $14,768,889). The Group's accounting policy in respect of exploration and evaluation assets is outlined in Note 1e. This is a key audit matter due to the fact that significant judgement is applied in determining whether: • the capitalised Exploration and Evaluation assets meet the recognition criteria in terms of AASB 6 *Exploration for and Evaluation of Mineral Resources*; and • facts and circumstances exist that suggest that the carrying amount of the Exploration and Evaluation assets may exceed their recoverable amount in accordance with AASB 6.	Our procedures focussed on evaluating management's assessment of the capitalised Exploration and Evaluation assets' carrying value. These procedures included, amongst others: • confirming whether the rights to tenure of the areas of interest remained current at balance date; • obtaining evidence of the future intention for the areas of interest, including reviewing future budgeted expenditure and related work programmes; and • obtaining an understanding of the status of ongoing exploration programmes for the areas of interest. We also assessed the appropriateness of the accounting treatment and disclosure in terms of AASB 6.

Other information

The directors are responsible for the other information. The other information comprises the information in Conico Limited's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/Home.aspx. This description forms part of our auditor's report.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 14 of the Directors' Report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Conico Limited for the year ended 30 June 2017, complies with Section 300A of the *Corporations Act 2001*.

Responsibilities

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.

Nexia Perth Audit Services Pty Ltd

TJ SPOONER FCA, FCA(UK), ACIS, AGIA, AMIIA, CTA
Director

Perth
29 August 2017

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

1. Shareholding as at 15 August 2017

a. **Distribution of Shareholders**

Category (size of holding)	Number of Shareholders
1 – 1,000	29
1,001 – 5,000	67
5,001 – 10,000	161
10,001 – 100,000	511
100,001 – and over	256
	1,024

b. The number of shareholdings held in less than marketable parcels at 15 August 2017 is 263.

c. The names and relevant interests of the substantial shareholders listed in the holding company's register as at 31 August 2017 are:

Shareholder	Number of Ordinary shares
Tasman Resources Ltd	41,476,285
J Richardson	28,500,000
Arkenstone Pty Ltd	23,105,469
March Bells Pty Ltd	21,586,875
G T Le Page	15,852,502

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	7.96%
2	March Bells Pty Ltd <DH Solomon Family A/c>	20,728,125	6.60%
3	Arkenstone Pty Ltd <GH Solomon Family A/c>	17,015,625	5.42%
4.	Tasman Resources Ltd	16,476,285	5.25%
5.	Tadea Pty Ltd <Richardson Family S/F A/C>	15,250,000	4.86%
6.	Tadea Pty Ltd	13,250,000	4.22%
7.	Peto Pty Ltd <1953 Superfund A/c>	8,500,000	2.71%
8.	Redcode Pty Ltd	7,500,000	2.39%
9.	Guy Le Page & Dina Le Page <The Guy Le Page S/Fund A/c>	6,214,194	1.98%
10.	Matthew Torenius & Oliver Torenius <Alby Super Fund A/c>	5,670,000	1.81%
11.	Flourish Super Pty Ltd <Flourish S/f A/c>	5,550,000	1.77%
12.	GT Le Page & Associates Pty Ltd	5,138,308	1.64%
13.	Apostman Superannuation Pty Ltd <Apostman Super Fund A/c>	4,875,000	1.55%
14.	Merriwa Street Pty Ltd	4,700,000	1.50%
15.	Guy Touzeau Le Page	4,500,008	1.43%
16.	Gary Tatasciore + Eric Tatasciore + Luke Tatasciore <ELG A/c>	4,500,000	1.43%
17.	Hyun Ho Ok & Byung Hye Ok	4,441,493	1.42%
18.	Pennock Pty Ltd	4,000,000	1.27%
19.	Arkenstone Pty Ltd <GH Solomon Family A/c>	3,837,500	1.22%
20.	Anna De Lucia	3,650,000	1.16%
		180,816,538	57.59%

2. Unquoted Securities – Options as at 15 August 2017

Holder Name	Date of Expiry	Exercise Price	Number on issue	Number of holders
Various	30 November 2019	$0.03	40,375,000	17
			40,375,000	17

TENEMENT SCHEDULE

Table 1 lists further details on the tenements.

Table 1: Conico Tenement Schedule

State	Licence Type	Number	Interest %	Locality	Location
WA	EL	E63/1790	50	Mt Thirsty	Approximately 20 km NW of Norseman
WA	P	P/2045	50	Mt Thirsty	Approximately 20 km NW of Norseman
WA	EL	E63/1267	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.