



Conico Ltd
ABN 49 119 057 457

and Controlled Entities

Condensed Interim Financial Report
for the
Half-Year Ended 31 December 2023

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CORPORATE DIRECTORY

DIRECTORS:

Gregory H Solomon **LLB** (Chairman)

Douglas H Solomon **BJuris LLB (Hons)** (Non-Executive)

Guy T Le Page **BA, BSc, B.App.Sc. (Hons), MBA, MFinPlan, GradDipAppFin&Inv, GAICD FFin, MAusIMM** (Executive)

COMPANY SECRETARY:

Jamie M Scoringe **B.Comm CPA, ACIS**

REGISTERED OFFICE:

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197 St Georges Terrace

Perth

Western Australia 6000

Tel +61 8 9282 5889

Email: mailroom@conico.com.au

Website: www.conico.com.au

SOLICITORS:

Solomon Brothers

Level 15

197 St Georges Terrace

Perth WA 6000

AUDITORS:

Nexia Perth Audit Services Pty Ltd

Level 3

88 William Street

Perth WA 6000

SHARE REGISTRY:

Automic

Level 5, 126 Phillip Street

Sydney NSW 2000

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

Exploration Activities

Mt Thirsty PGE-Ni-Co-Mn-Sc Project, Western Australia (50% owned)¹

- In April 2023 The Mt Thirsty Joint Venture partners Conico Ltd ("Conico") (ASX: CNJ) (50%) and Greenstone Resources Ltd (ASX: GSR) (50%) ("JV Partners") appointed a team of consultants to undertake a Scoping Study for the Mt Thirsty Project (JORC Resource 66.2 Mt @ 0.06% cobalt; 0.43% nickel and 0.45% manganese).
- The study, which is largely complete, assessed several optimisations, including the adoption of HPAL and production of Precursor Cathode Active Material (pCAM), a high-value product made of cobalt, nickel, and manganese.
- pCAM is an essential constituent used in the manufacturing of high-performance lithium-ion batteries.
- Addition of pCAM and HPAL to the Mt Thirsty Project could transform project economics:
 - pCAM typically receives a ~50% pricing premium over intermediary products such as MHP and MSP given its added value, use and demand in application for battery manufacturing¹.
 - Comparable HPAL projects typically receive Co and Ni recoveries of 90% and 92%, respectively.
- The JV partners are currently in discussions with both ASX and ASIC in respect to various compliance issues relating to Information Sheet (IS) 214 relating to mining and forward-looking statements. More specifically these discussions relate to the efficacy of releasing financial metrics relating to the Scoping Study and their compliance with IS214.
- The JV partners have committed to make an ASX release during the March'24 quarter in relation to the Scoping Studies on the conclusion of these discussions.
- The board also continues to assess other mineral exploration opportunities both in Australia and overseas.

¹ See figure 1.

About Mt Thirsty

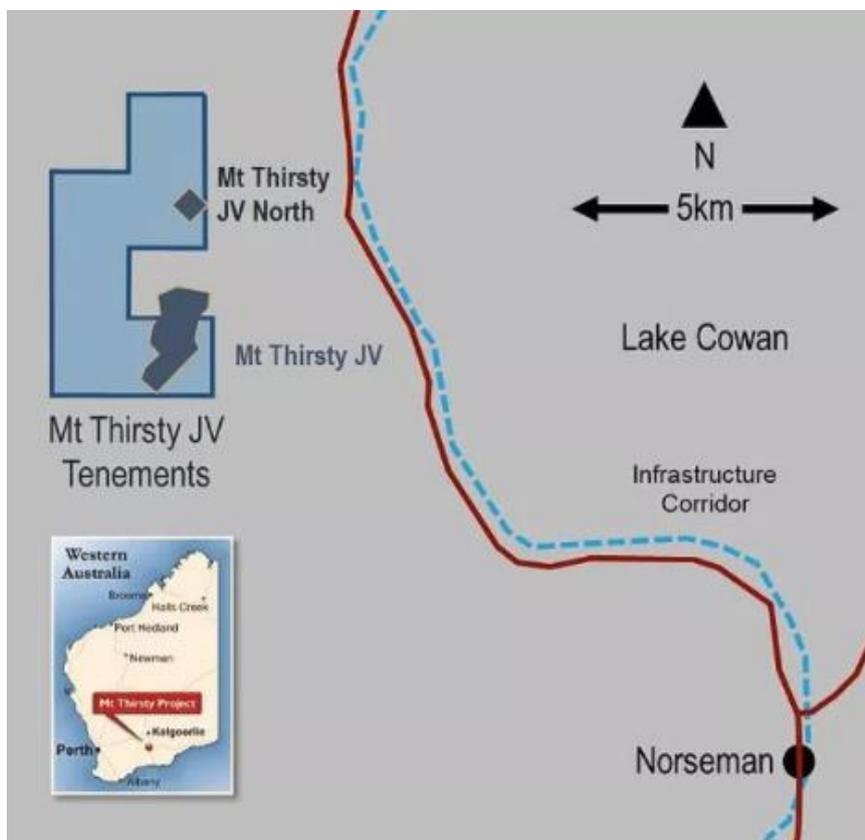


Figure 1: Mt Thirsty Joint venture location diagram.

The Mt Thirsty Project (figure 1) is located 16 km north-northwest of Norseman, Western Australia (50% Greenstone Resources Ltd, 50% Conico) and is supported by a network of existing infrastructure (road, rail, port, and power).

The Mt Thirsty Project hosts the Mt Thirsty cobalt-nickel-manganese-scandium deposit, with a current JORC Resource of 66.2 million tonnes @ 0.06% cobalt; 0.43% nickel and 0.45% manganese (see ASX Announcement: CNJ 26/4/2023). A Pre-Feasibility Study (“PFS”) was previously completed on the existing resource of 26.9Mt at 0.126% cobalt, and 0.54% nickel (see ASX Announcement: CNJ 20/02/2020).

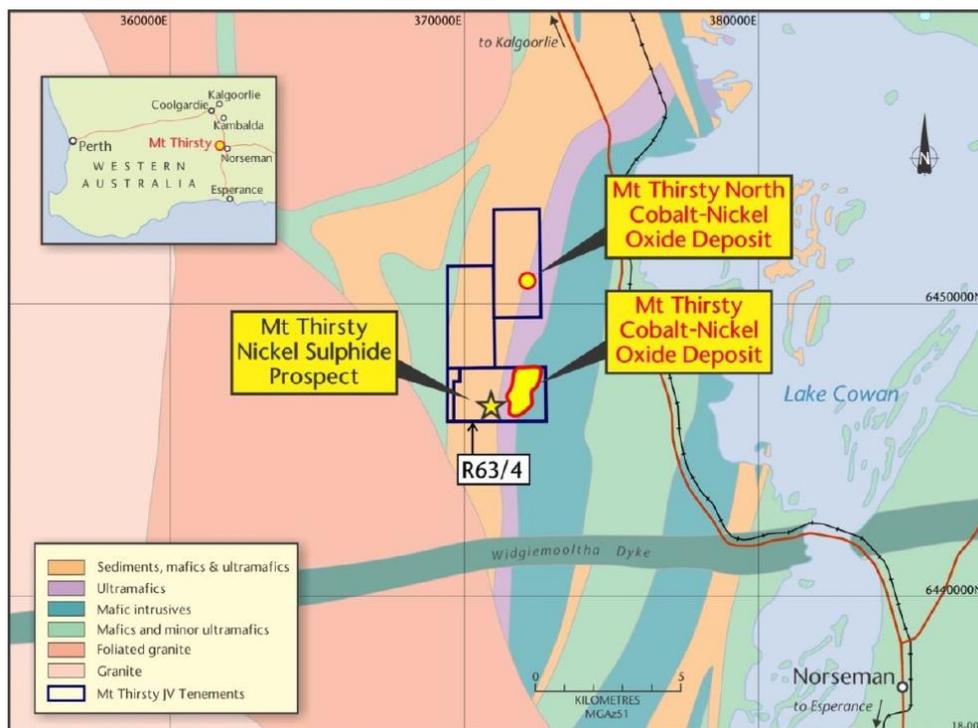


Figure 2: Mt Thirsty cobalt nickel project including an outline of tenement holdings and mineral resources.

Drilling in 2022 identified scandium within the resource, of up to 78 metres @ 46.4 g/t Sc from 3 metres (CNJ, ASX Announcement, 23 January 2023), which was previously untested for Scandium oxide currently attracts a price of A\$1,415,400/tonne², and may provide a valuable by-product revenue stream.

The previously released PFS employed atmospheric leaching as the extraction method, resulting in lower metal recoveries and was also completed during a period of subdued commodity prices, which understated the Mt Thirsty Project's potential to provide a low-cost, ethical and sustainable source of cobalt and nickel outside of the Democratic Republic of the Congo and Russia. Since the completion of the PFS in early 2020, a number of project optimisation opportunities have subsequently been identified which may have a material impact on the Mt Thirsty Project economics, including the adoption of HPAL and the production of a pCAM product.

PRECURSOR CATHODE ACTIVE MATERIAL (pCAM)

A precursor cathode active material (pCAM) is a substance that is used in the production of cathode materials for lithium-ion batteries, which are commonly used in electric vehicles. pCAM is typically composed of a combination of cobalt, nickel, and manganese, along with other chemical additives

² Shanghai Metals Market 16/10/2023. AUD:USD 0.63.

that help to improve the performance and stability of the battery. Cathode materials are one of the key components of lithium-ion batteries required to decarbonise the global economy, as they determine the performance characteristics of the battery, such as energy density, power density, and cycle life.

The Mt Thirsty Project is uniquely positioned containing all three of the principal constituents to produce the preferred 811 nickel-cobalt-manganese pCAM product (eight parts nickel, one part cobalt, and one part manganese). The adoption of pCAM provides the ability to produce a significantly higher value product which typically receives a ~50% pricing premium over the intermediary product (MHP / MSP) the Mt Thirsty Project was previously envisaged to produce (Figure 3). As such the production of pCAM has the potential to increase both payable metal content and as a result also increase revenue.

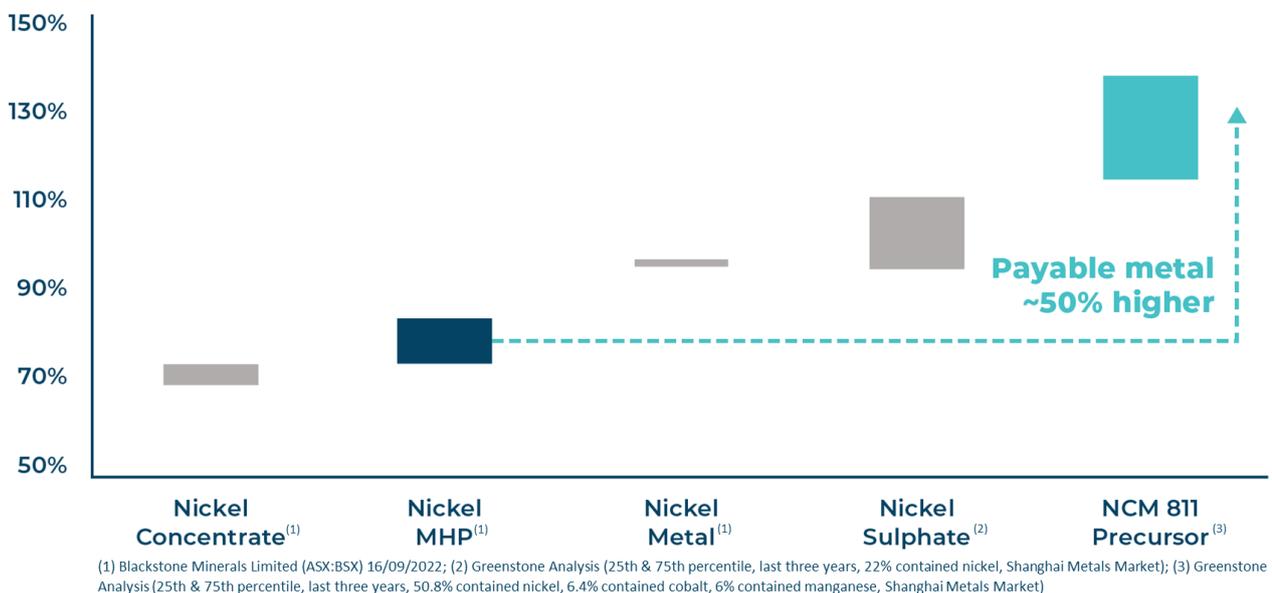


FIGURE 3: Illustration of nickel product payability vs metal spot price.

SCOPING STUDY

The Scoping Study has been completed by Simulus Pty Ltd (“Simulus”) and WSP Australia Pty Limited (“WSP”).

Simulus was a leading hydrometallurgy and mineral processing services group that specialises in metallurgical test-work, process simulation, engineering studies and the development of hydrometallurgical flowsheets. Simulus bring extensive HPAL experience having been involved in the assessment, development, design, commissioning, or operation of 22 nickel projects over the past 19 years. Simulus was subsequently acquired by nickel developer Lifezone Metals in mid-2023.

WSP is a full-service mining consultancy with a global team of over 4,400 dedicated mining professionals covering geology, resource estimation, mining, processing, and environmental. The team has extensive experience with the Mt Thirsty project, having previously undertaken the most recent mineral resource

estimates and tailings design. As part of the Scoping Study, WSP undertook an updated mineral resource estimate, mine design, tailings management plan and associated site infrastructure design.

Mestersvig and Ryberg Projects, Greenland (CNJ: 100%)

No field activities were undertaken at the Mestersvig and Ryberg Projects during the half-year.

Business Development

In light of significant volatility in nickel and cobalt markets in particular, the board has been actively assessing new opportunities in mineral exploration both in Australia and Offshore. The board intends to update the market as soon as any material information in respect to these initiatives is available.

Corporate

Update on Dispute with Drilling Contractor

During the half-year, the dispute has continued through the arbitration process in Newfoundland.

Background

The directors advised on 25 November 2022 that Cartwright Drilling Inc ("Cartwright"), a drilling company incorporated in Newfoundland (Canada) that had been engaged to undertake diamond drilling at the Ryberg and Mestersvig Projects over the 2022 Greenland field season, had commenced an arbitration process in Newfoundland to resolve a dispute in respect to invoices received by Conico from Cartwright for the 2022 field season, which Conico has refused to pay. It is the opinion of the board that the performance of Cartwright was materially deficient in a number of key areas and not up to industry best practice and has caused loss to Conico through scheduled drilling not having been completed. The total amount of the invoices in dispute is C\$1,419,203 (approximately A\$1,575,315). Cartwright currently hold a bond of C\$300,000 on behalf of Conico. In the arbitration, Conico will also seek to recover substantial damages from Cartwright.

The directors of Conico will keep the market informed of any further developments as they come to hand with regard to the dispute with Cartwright.

Disclaimer

The interpretations and conclusions reached in this condensed consolidated financial report are based on current geological theory and the best evidence available to the authors at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for complete certainty. Any economic decisions that might be taken based on interpretations or conclusions contained in this report will therefore carry an element of risk.

This condensed consolidated financial report contains forward-looking statements that involve a number of risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this report. No obligation is assumed to update forward-looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

Competent Persons Statements

The information contained in this condensed consolidated financial report relating to exploration results for the Greenland projects is based on information compiled or reviewed by Guy Le Page, a director of Conico Ltd. Mr. Guy Le Page has a B.A., B.Sc. B.App.Sc. (Hons), MBA, M.Fin.Plan, GradDipAppFin&Inv, MAusIMM, FFIN, Mr. Le Page has sufficient experience of relevance to the styles of mineralisation and the types of deposit under consideration, and to the activities undertaken to qualify as a Competent Person as defined in the 2012 edition of the Joint Ore Reserve Committee (JORC) "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Le Page consents to the inclusion in this condensed consolidated financial report of the matters based on information in the form and context in which it appears.

DIRECTORS' REPORT

Your directors submit the financial report of Conico Ltd (the "Company") and its controlled entities (the "Group") for the half-year ended 31 December 2023.

Directors

The names of directors who held office during or since the end of the half-year are:

Mr Gregory H Solomon

Mr Douglas H Solomon

Mr Guy T Le Page

Company Secretary

Mr Jamie M Scoringe

Review of Operations

The net loss after income tax for the half year was \$347,511 (2022: \$414,930).

A review of the operations of the Group during the half-year ended 31 December 2023 is set out in the Review of Operations on Page 4.

Principal Activities

The principal activity of the Group during the half-year ended 31 December 2023 was mineral exploration.

Financial Position

The condensed consolidated statement of profit and loss and other comprehensive income shows that the Group incurred a net loss of \$347,511 for the half-year ended 31 December 2023 (2022: \$414,930). The condensed consolidated statement of financial position shows that the Group had cash and cash equivalents of \$154,219 (30 June 2023: \$733,915), a net asset position of \$36,931,395 (30 June 2023: \$37,670,429) and a net working capital deficit of \$72,244 as at 31 December 2023 (30 June 2023: surplus of \$274,388). Net cash outflows from operating activities as shown in the condensed consolidated statement of cashflows were \$367,588 for the half-year ended 31 December 2023 (2022: \$535,650).

The condensed consolidated financial statements have been prepared on a going concern basis. In arriving at this position, the directors are of the opinion that the Group will have access to sufficient cash to fund administrative and other committed expenditure for a period of at least 12 months from the date of signing this condensed interim financial report.

In forming this opinion, the directors have taken into consideration the following:

- The ability of the Group to obtain additional funding via a capital raising scheduled to occur within the next quarter in line with the Group's cashflow forecast;
- The ability of the Group to manage discretionary expenditure and settlement of trade and other payables in line with the Group's cashflow forecast; and
- The ability of the Group to defer settlement of related party liabilities (such as director fees) if required to ensure that third party liabilities can be settled as and when they fall due.

Should the Group not achieve the matters set out above, there is a material uncertainty whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the condensed consolidated financial statements. The condensed interim consolidated financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern and meet its debts as and when they fall due.

Significant Changes in State of Affairs

Other than disclosed elsewhere in the condensed interim financial report, there have been no significant changes in the state of affairs that occurred during the half-year

After Reporting Date Events

On 21 March 2024, the Company resolved to issue up to \$235,000 (before expenses associated with the offer) of 235,000,000 ordinary shares in the Company to Sophisticated or Professional Investors at \$0.001 per share. RM Corporate Finance Pty Ltd ("RM Capital") (AFSL 315235) a Company associated with Conico director Guy

DIRECTORS' REPORT

Le Page has agreed to underwrite the offer. A lead manager fee of 1% and a placement fee of 5% of the value of the funds raised is payable in relation to the Placement.

On 21 March 2024, the Company resolved to undertake a non-renounceable pro-rata rights offer ("Rights Offer") to Conico shareholders of 2 shares for every 3 shares held, at a price of \$0.001 per share to raise up to (if fully subscribed) approximately \$2,708,414 before expenses of the issue. A lead manager fee of 1% payable on the Rights Offer amount will be payable to RM Capital as well as a 5% fee on any shortfall funds placed by the Lead Manager.

On 21 March 2024, the directors resolved to put a resolution to shareholders at a General Meeting of the Company following the closure of the Rights Offer to consolidate the securities of Conico Ltd on a one consolidated share for every ten pre-consolidation shares held.

Other than advised above, no matters or circumstances have arisen since the end of the half-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.

Dividends

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

Risk Management

There have been no material changes to the descriptions of the Group's risk management framework as outlined in the annual financial report as at 30 June 2023.

Rounding of amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the condensed interim financial report have been rounded to the nearest dollar.

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 12 for the half-year ended 31 December 2023.

This report is signed in accordance with a resolution of the Board of Directors.

Director

A handwritten signature in black ink that reads 'Guy Le Page'.

Guy Le Page

Dated this 22nd day of March 2024

To the Board of Directors Conico Ltd

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

As lead auditor for the review of the condensed consolidated financial statements of Conico Ltd for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

NPAS

Nexia Perth Audit Services Pty Ltd

Michael Fay

**Michael Fay
Director**

Perth
22 March 2024

Advisory. Tax. Audit

ACN 145 447 105

Nexia Perth Audit Services Pty Ltd (ABN 27 145 447 105) is a firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd. Nexia Australia Pty Ltd is a member of Nexia International, a leading, global network of independent accounting and consulting firms. For more information, please see www.nexia.com.au/legal. Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients.

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

	Notes	31 Dec 2023	31 Dec 2022
		\$	\$
Other income		12,668	66,371
Accounting and audit fees		(19,328)	(24,918)
Depreciation and amortisation expense		(9,287)	(1,042)
Employee benefits expense		(79,920)	(111,450)
Finance expense		-	(8)
Foreign exchange (loss)/ gain		(418)	4,779
Insurance expense		(20,672)	(11,810)
Legal and other consultants' expense		(51,893)	(55,782)
Management fees		(60,000)	(70,000)
Media and marketing		(35,880)	(92,936)
Rent		(680)	(1,250)
Other expenses		(82,101)	(116,884)
Loss before income tax		(347,511)	(414,930)
Income tax (expense)/benefit		-	-
Loss for the half-year		(347,511)	(414,930)
Other Comprehensive Income			
Items that may be reclassified to profit or loss			
Foreign Exchange Translation Differences		(380,452)	173,461
Other comprehensive income, after tax		(380,452)	173,461
Total Comprehensive Loss attributable to members of the parent		(727,963)	(241,469)
Basic and diluted loss per share (cents per share)		(0.0002)	(0.0169)

The accompanying notes form part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Notes	31 Dec 2023	30 Jun 2023
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		154,219	733,915
Other assets		77,288	79,409
TOTAL CURRENT ASSETS		231,507	813,324
NON-CURRENT ASSETS			
Property, plant and equipment		462,008	554,094
Exploration and evaluation expenditure	2	36,554,131	36,854,447
TOTAL NON-CURRENT ASSETS		37,016,139	37,408,541
TOTAL ASSETS		37,247,646	38,221,865
CURRENT LIABILITIES			
Trade and other payables		303,751	538,936
TOTAL CURRENT LIABILITIES		303,751	538,936
NON-CURRENT LIABILITIES			
Provisions		12,500	12,500
TOTAL NON-CURRENT LIABILITIES		12,500	12,500
TOTAL LIABILITIES		316,251	551,436
NET ASSETS		36,931,395	37,670,429
EQUITY			
Issued capital	3	43,647,550	43,658,621
Reserves		2,407,960	2,788,412
Accumulated losses		(9,124,115)	(8,776,604)
TOTAL EQUITY		36,931,395	37,670,429

The accompanying notes form part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Share Capital Ordinary	Foreign Currency Translation Reserve	Option Reserve	Retained Earnings	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2022	39,980,010	(518,299)	1,639,150	(7,890,945)	33,209,916
Issue of shares, net of costs	2,538,524	-	-	-	2,538,524
Issue of options	-	-	379,500	-	379,500
Net loss for the half-year	-	-	-	(414,930)	(414,930)
Other comprehensive income for the half-year	-	173,461	-	-	173,461
Total comprehensive income / (loss) for the half-year	-	173,461	-	(414,930)	(241,469)
Balance at 31 December 2022	42,518,534	(344,838)	2,018,650	(8,305,875)	35,886,471
Balance at 1 July 2023	43,658,621	819,962	1,968,450	(8,776,604)	37,670,429
Issue of shares, net of costs	(11,071)	-	-	-	(11,071)
Issue of options	-	-	-	-	-
Net loss for the half-year	-	-	-	(347,511)	(347,511)
Other comprehensive loss for the half-year	-	(380,452)	-	-	(380,452)
Total comprehensive (loss) for the half-year	-	(380,452)	-	(347,511)	(727,963)
Balance at 31 December 2023	43,647,550	439,510	1,968,450	(9,124,115)	36,931,395

The accompanying notes form part of these condensed consolidated financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

	31 Dec 2023	31 Dec 2022
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	9,303	-
Payments to suppliers and employees	(378,659)	(540,208)
Interest received	1,768	4,558
Net cash used in operating activities	<u>(367,588)</u>	<u>(535,650)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation expenditure	(203,815)	(5,990,262)
Payments for property, plant & equipment	-	(567,647)
Net cash used in investing activities	<u>(203,815)</u>	<u>(6,557,909)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from share issues	(11,071)	2,918,025
Net cash (used in)/ provided by financing activities	<u>(11,071)</u>	<u>2,918,025</u>
Net decrease in cash held	(582,474)	(4,175,534)
Net increase due to foreign exchange movements	2,778	9,083
Cash at beginning of period	733,915	4,916,720
Cash at end of period	<u>154,219</u>	<u>750,269</u>

The accompanying notes form part of these condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 1: BASIS OF PREPARATION

The half-year condensed consolidated financial report (the "condensed interim financial report") is a general-purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *Interim Financial Reporting* ("AASB 134"), Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with AASB 134: Interim Financial Reporting ensures compliance with IAS 34 *Interim Financial Reporting*.

It is recommended that this condensed interim financial report be read in conjunction with the annual financial report for the year ended 30 June 2023 and any public announcements made by Conico Ltd during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001* and the *ASX Listing Rules*. The condensed interim financial report does not include full disclosures of the type normally included in an annual financial report.

Going Concern

The condensed consolidated statement of profit and loss and other comprehensive income shows that the Group incurred a net loss of \$347,511 for the half-year ended 31 December 2023 (2022: \$414,930). The condensed consolidated statement of financial position shows that the Group had cash and cash equivalents of \$154,219 (30 June 2023: \$733,915), a net asset position of \$36,931,395 (30 June 2023: \$37,670,429) and a net working capital deficit of \$72,244 as at 31 December 2023 (30 June 2023: surplus of \$274,388). Net cash outflows for operating activities of \$367,588 (2022: \$535,650).

The condensed consolidated financial statements have been prepared on a going concern basis. In arriving at this position, the directors are of the opinion that the Group will have access to sufficient cash to fund administrative and other committed expenditure for a period of at least 12 months from the date of signing this condensed interim financial report.

In forming this opinion, the directors have taken into consideration the following:

- The ability of the Group to obtain additional funding via a capital raising scheduled to occur within the next quarter in line with the Group's cashflow forecast;
- The ability of the Group to manage discretionary expenditure and settlement of trade and other payables in line with the Group's cashflow forecast; and
- The ability of the Group to defer settlement of related party liabilities (such as director fees) if required to ensure that third party liabilities can be settled as and when they fall due.

Should the Group not achieve the matters set out above, there is a material uncertainty whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the condensed consolidated financial statements. The condensed interim consolidated financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern and meet its debts as and when they fall due.

Accounting Policies

The accounting policies have been consistently applied by the Group and are consistent with those in the annual 2023 financial report except for the adoption of new and revised Accounting Standards.

Significant Accounting Judgements and Key Estimates

The preparation of the condensed interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing the condensed interim financial report, the significant judgements and key estimates made by management were the same as those that applied to the annual financial report for the year ended 30 June 2023.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

New and amended standards adopted by the Group

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current half-year. The new and revised Standards and amendments thereof and Interpretations do not have any material impact on the disclosures or on the amounts recognised in the Group's condensed consolidated financial statements.

Other amendments and interpretations relevant to the Group in a future period

A number of new and amended Accounting Standards and Interpretations have been issued that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of these new and amended pronouncements. The Group is currently in the process of assessing the new and amended pronouncements.

Rounding of amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the condensed interim financial report have been rounded to the nearest dollar.

NOTE 2: EXPLORATION AND EVALUATION ASSETS

	31 Dec 2023	30 June 2023
	\$	\$
Balance at the beginning of the period	36,854,447	28,939,207
Expenditure incurred during the period	(14,314)	6,763,407
Net exchange differences	(286,002)	1,151,833
Balance at the end of the period	<u>36,554,131</u>	<u>36,854,447</u>

The Company assessed the carrying value of its exploration and evaluation expenditure for indicators of impairment as at 31 December 2023 and concluded that impairment testing was not triggered.

During the period, the Company reversed a provision of \$153,553 associated with its activities in Greenland during the FY2023 Drilling season.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 3: ISSUED CAPITAL

	31 Dec 2023	30 June 2023
	\$	\$
Ordinary shares	43,647,550	43,658,621

	31 Dec 2023	30 June 2023	31 Dec 2023	30 June 2023
	No.	No.	\$	\$
a. Ordinary shares				
At the beginning of the period	1,570,094,946	1,358,268,874	43,658,621	39,980,010
Shares issued during the year net of costs	-	208,876,374	(11,071)	3,566,919
Shares issued through exercise of options	-	2,949,698	-	111,692
Total Shares issued during the year (net of costs)	-	211,826,072	(11,071)	3,678,611
At the end of the period	1,570,094,946	1,570,094,946	43,647,550	43,658,621

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.

Shares issued during the year net of costs for the period ending 31 December 2023 includes the ASX costs associated with listing of shares issued in the prior period ending 30 June 2023.

NOTE 4: SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources. The following have been identified as individual segments:

Greenland Exploration

The Company holds a 100% in both the Ryberg and Mestersvig Projects in Greenland. The Ryberg Project that covers an area of 4,521km² containing the Sortekap gold prospect and the Miki Fjord & Togeda Cu-Ni-Co-PGE-Au magmatic sulphide prospects. The Mestersvig Project containing the historic Blyklippen Pb-Zn mine and Sortebjerg Pb-Zn prospect.

Mt Thirsty Joint Venture

The Company holds a 50% interest in the Mt Thirsty Project, located 16km north-northwest of Norseman, Western Australia. The Mt Thirsty Project contains the Mt Thirsty Cobalt-Nickel-Scandium (Co-Ni-Sc) Oxide Deposit that has the potential to emerge as a significant cobalt producer. In addition to the Co-Ni-Sc Oxide Deposit, the Mt Thirsty Project also hosts nickel sulphide (Ni-S) mineralisation.

Unallocated

Unallocated items comprise items that cannot be directly attributed to the Greenland Exploration or the Mt Thirsty Joint Venture segments and corporate costs which includes those expenditures supporting the business during the half-year.

The segment information for the reportable segments for the half-year ended 31 December 2022 is as follows

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

NOTE 4: SEGMENT INFORMATION (CONTINUED)

SEGMENT PERFORMANCE

Half-year ended 31 December 2023	Greenland Exploration	Mt Thirsty Joint Venture	Unallocated	Total
	\$	\$	\$	\$
Segment loss before tax	-	-	(347,511)	(347,511)
Impairment of assets	-	-	-	-
Half-year ended 31 December 2022				
Segment loss before tax	-	-	(414,930)	(414,930)
Impairment of assets	-	-	-	-

SEGMENT FINANCIAL POSITION

At 31 December 2023	Greenland Exploration	Mt Thirsty Joint Venture	Unallocated	Total
	\$	\$	\$	\$
Capital expenditure additions	42,855	96,385	-	139,240
Segment assets	19,076,113	17,728,018	443,515	37,247,646
Segment liabilities	(32,180)	(210,106)	(73,965)	(316,251)
At 30 June 2023				
Capital expenditure additions	7,126,418	1,610,524	-	8,736,942
Segment assets	19,472,815	17,631,632	1,117,418	38,221,865
Segment liabilities	(165,133)	(311,696)	(74,607)	(551,436)

NOTE 5: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The directors of the Company advise that Cartwright Drilling Inc ("Cartwright"), a drilling company incorporated in Newfoundland (Canada) that was engaged by the Company to undertake diamond drilling at the Ryberg and Mestersvig Projects over the 2022 Greenland field season, has commenced an arbitration in Newfoundland to resolve a dispute in respect to invoices received by the Company from Cartwright for the 2022 field season, which the Company has refused to pay.

It is the opinion of the board of the Company that the performance of Cartwright was materially deficient in a number of key areas and not up to industry best practice and has caused loss to the Company through scheduled drilling not having been completed.

The total amount of the invoices in dispute is C\$1,419,203 (approximately A\$1,575,315). Cartwright currently hold a bond of C\$300,000 on behalf of the Company. In the arbitration, the Company will also seek to recover substantial damages from Cartwright. As of the date of this report, arbitration proceedings are continuing.

The directors are not aware of any other contingent liabilities or contingent assets as at 31 December 2023.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

NOTE 6: COMMITMENTS

	2023 \$	2022 \$
a. Capital Expenditure Commitments		
Payable:		
— not later than 12 months	-	-
— greater than 12 months	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
	-	-

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 governments. It is anticipated that expenditure commitments for the twelve months will be tenement rentals of \$15,090 (2023: \$3,120) and exploration expenditure of \$415,752 (2023: \$415,752).

NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE

On 21 March 2024, the Company resolved to issue up to \$235,000 (before expenses associated with the offer) of 235,000,000 ordinary shares in the Company to Sophisticated or Professional Investors at \$0.001 per share. RM Corporate Finance Pty Ltd ("RM Capital") (AFSL 315235) a Company associated with Conico director Guy Le Page has agreed to underwrite the offer. A lead manager fee of 1% and a placement fee of 5% of the value of the funds raised is payable in relation to the Placement.

On 21 March 2024, the Company resolved to undertake a non-renounceable pro-rata rights offer to Conico shareholders of 2 shares for every 3 shares held, at a price of \$0.001 per share to raise up to (if fully subscribed) approximately \$2,708,414 before expenses of the issue. A lead manager fee of 1% payable on the Rights Offer amount will be payable to RM Capital as well as a 5% fee on any shortfall funds placed by the Lead Manager.

On 21 March 2024, the directors resolved to put a resolution to shareholders at a General Meeting of the Company following the closure of the Rights Offer to consolidate the securities of Conico Ltd on a one consolidated share for every ten pre-consolidation shares held.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 8: RELATED PARTY TRANSACTIONS

	31 Dec 2023	31 Dec 2022
	\$	\$
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 during the period:		
Key Management Personnel		
Management fees and administration fees are paid/payable to Princebrook Pty Ltd, a company in which Mr G Solomon and Mr D Solomon have an interest.	60,000	70,000
Corporate advisory fees paid/payable to RM Corporate Finance Pty Ltd, a company in which Mr G Le Page has an interest.	21,000	21,000
Legal fees are paid/payable to a legal firm in which Mr G Solomon and Mr D Solomon have an interest.	1,154	572
Website development, media and marketing fees paid/payable to RM Corporate Finance Pty Ltd, a company in which Mr G Le Page has an interest.	-	1,800
Placement fees paid/payable to RM Corporate Finance Pty Ltd, a company in which Mr G Le Page has an interest.	-	60,000

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The condensed consolidated financial statements and notes, as set out on pages 13 to 22:
 - a. comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - b. give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director

A handwritten signature in black ink that reads 'Guy Le Page'.

Guy Le Page

Dated this 22nd day of March 2024

Independent Auditor's Review Report

To the members of Conico Ltd

Report on the Condensed Interim Financial Report

Conclusion

We have reviewed the accompanying condensed interim financial report of Conico Ltd (the "Company") and its controlled entities (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit and loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the condensed interim financial report of the Group does not comply with the *Corporations Act 2001*; including:

- i) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- iii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* ("ASRE 2410"). Our responsibilities are further described in the Auditor's Responsibility for the Review of the Condensed Interim Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 1 in the condensed interim financial report, which indicates that the Group incurred a net loss of \$347,511 and cash outflows from operating activities of \$367,588 during the half-year ended 31 December 2023 and that the Group had a net working capital deficit of \$72,244 at 31 December 2023. As stated in Note 1, these conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Advisory. Tax. Audit

ACN 145 447 105

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Directors Responsibility for the Condensed Interim Financial Report

The directors of the Group are responsible for the preparation of the condensed interim 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 condensed interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

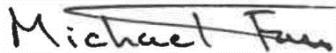
Auditor's Responsibility for the Review of the Condensed Interim Financial Report

Our responsibility is to express a conclusion on the condensed interim financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the condensed interim financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a condensed interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

NPAS

Nexia Perth Audit Services Pty Ltd



**Michael Fay
Director**

Perth
22 March 2024

Interests in Mining Tenements

Number	Interest %	Location
E63/1790	50	WA
P63/2045	50	WA
E63/1267	50	WA
R63/4	50	WA
L63/80	50	WA
L63/81	50	WA
L63/91	50	WA
MEL 2017/06	100	Greenland
MEL-S 2019/38	100	Greenland
MEL 2020/64	100	Greenland
MPL 2019/39	100	Greenland
MEL-S 2021/24	100	Greenland