

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

29 OCTOBER 2019

LOAN TO FACILITATE COMPLETION OF MT THIRSTY PFS

To facilitate the completion of the final stage of the Mt Thirsty Project Pre Feasibility Study ("Phase 3"), Meteore Metals Pty Ltd (a wholly owned subsidiary of Conico Ltd) and Barra Resources Ltd ("Barra") entered into a loan agreement on 28 October 2019 pursuant to which Barra will lend Meteore Metals Pty Ltd up to \$500,000 or further amount as agreed, for a term of 3 years ("Term").

The loan is conditional upon the Joint Venture management committee approving the program and budget of estimated expenditure for Phase 3 within five business days of the date of execution of the loan agreement (or such later date as the parties may agree).

The loan will be drawn down by Meteore Metals Pty Ltd in tranches as and when the Manager of the Joint Venture requests a contribution from the joint venture participants to fund Stage 3 expenditure, with the loan funds being applied by Meteore Metals Pty Ltd in payment of its contribution.

The first drawdown will occur as soon as the loan agreement becomes unconditional for \$85,375, being Meteore Metals Pty Ltd's contribution towards the \$170,749 (incl GST) of Phase 3 expenditure incurred to date.

Interest will be charged at 5% per annum calculated daily on amounts drawn down and will be capitalised into the loan annually in arrears.

The loan may be repaid early in cash at Conico's election.

The loan must be repaid:

- (a) in full immediately upon the occurrence of a prescribed event of default under the loan agreement;
- (b) if, Meteore Metals Pty Ltd transfers its interest in the Joint Venture, or there is a trade sale by or change of control of Conico or Meteore Metals Pty Ltd, in full within 14 days of the relevant event occurring;
- (c) if the final LME Cobalt Price on a day on which the London Metal Exchange is open for trading (Trading Day) is greater than or equal to US\$60,000 per tonne for 15 consecutive Trading Days at any time during the Term, in full within 90 days thereof (unless Conico (or any of its subsidiaries, including Meteore Metals Pty Ltd) has been unable, despite use of reasonable endeavours, to raise an amount equal to the aggregate of \$1,000,000 plus the outstanding amount of the loan and all accrued interest ("Minimum Capital Amount") prior to the expiration of this 90 day period);

- (d) if the aggregate net amount of any and all capital raisings conducted by Conico (and its subsidiaries) during the Term is greater than \$1,000,000, in full or (if a lesser amount) in part by an amount equal to 20% of such Conico capital raisings above an aggregate of \$1,000,000, within 7 days of receipt of cleared funds;
- (e) in full at the end of the Term, if the loan has not already been repaid, provided that if Conico has not raised more than the Minimum Capital Amount and repaying the loan would see Conico's cash balance fall below \$500,000, Meteore Metals Pty Ltd may, at its discretion, cause the loan and accrued interest (or part thereof) to be repaid in Conico shares at a 10 day weighted average price.



Aaron Gates
Company Secretary