



ACN 119 057 457

## AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

4 OCTOBER 2016

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### MT THIRSTY JOINT VENTURE PURSUES COBALT DEVELOPMENT OPTIONS - SCOPING STUDY UNDERWAY

#### Highlights

- **Drilling for Metallurgical test work to commence next month**
- **Scoping Study to guide development pathway**
- **High caliber independent team to lead Scoping Study**
- **Additional resource drilling to upgrade resource categorization**

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**Conico Ltd** (ASX: **CNJ**) (**Conico** or the Company) is pleased to announce that the Mt Thirsty Joint Venture (MTJV) (Barra Resources Ltd – ASX: **BAR** 50%; Conico Limited – ASX: **CNJ** 50%) has committed to pursuing development options for its Mt Thirsty Cobalt Oxide deposit, with a reverse circulation drilling program to commence shortly to obtain new sample for further metallurgical testwork.

This next phase of metallurgical testwork will expand on and increase our level of confidence in previous testwork undertaken which has shown that agitated leaching using sulphur dioxide (SO<sub>2</sub>) at atmospheric pressure and low temperature (<50°C) recovers of up to 80% of 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 that contains JORC Inferred and Indicated Resources of 31.94Mt @ 0.13% Co and 0.55% Nickel (Table 1).

The Scoping Study, to be overseen by a team of highly regarded industry figures headed by former Western Mining Corporation's manager of Metallurgy, Mr. Bob Bourne, will focus on the agitated leaching process to determine the capital and operating expenditure forecasts ahead of a potential pre-feasibility study in 2017. At completion of the Scoping Study, the MTJV will be able to better determine the funding requirements and development options which may be available to bring the project to fruition.

In conjunction with the Scoping Study, the MTJV will consider undertaking infill drilling to upgrade JORC Resources (from the Inferred to Indicated category). This conversion should provide greater understanding of project economics. The results of a recently completed preliminary open pit optimization study by CSA Global Consultants will be used to assist in the planning of this infill drilling.

A handwritten signature in black ink, appearing to read 'Greg Solomon', is shown within a light yellow rectangular box.

Greg Solomon  
Chairman

## Background on Mt Thirsty Cobalt Project

The Mt Thirsty Cobalt Project covers an area of 12km<sup>2</sup> and is located 20km north-northwest of Norseman, Western Australia, in a well-endowed nickel terrain. The Mt Thirsty Joint Venture is a 50:50 joint venture between the Company and ASX listed Conico Ltd (ASX: CNJ).

The project hosts the Mt Thirsty Cobalt Oxide Deposit (Table 1) which has the potential to emerge as one of the World's most significant cobalt suppliers.

**Table 1: Mt Thirsty Cobalt Oxide Deposit Mineral Resource Summary (Un-cut)**

Mineral Resource Category	Tonnes	Cobalt (Co) (%)	Nickel (Ni) (%)	Manganese (Mn) (%)
Indicated	16,600,000	0.14	0.60	0.98
Inferred	15,340,000	0.11	0.51	0.73
<b>Total Mineral Resource</b>	<b>31,940,000</b>	<b>0.13</b>	<b>0.55</b>	<b>0.86</b>

*The Mt Thirsty Cobalt Oxide Deposit mineral resource was prepared and first reported in accordance with the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported; refer to ASX announcement 8<sup>th</sup> March 2011: "Resource Upgrade Mt Thirsty Cobalt-Nickel Oxide Deposit": available to view at [www.conico.com.au/mtthirsty.php](http://www.conico.com.au/mtthirsty.php). The Company is not aware of any new information or data that materially affects the information included in the previous announcement and that all of the previous assumptions and technical parameters underpinning the estimates in the announcement dated 8<sup>th</sup> March 2011 have not materially changed.*

Extensive metallurgical testwork in recent years has indicated that high recoveries of cobalt can be achieved via agitated, low temperature, atmospheric pressure, leaching using cheaper and more efficient sulphur dioxide (SO<sub>2</sub>) as the main leaching agent resulting in a more practical and economic leaching method by specifically targeting cobalt only.

Two flowsheets, one utilising a paste thickener and the other using an ion exchange resin-in-pulp (RIP), are still under investigation. Both have low water consumption, low reagent consumption and greater than 80% cobalt and 25% nickel recoveries. Preliminary estimations justify continued work to progress to a pre-feasibility stage.

Mt Thirsty Cobalt Oxide Deposit currently represents an excellent long-term, low cost, cobalt production opportunity.

In addition to the Mt Thirsty Cobalt Oxide Deposit, the Project also hosts high-grade primary massive nickel sulphide mineralisation at the Mt Thirsty Nickel Sulphide (Ni-S) Prospect. Intersections of massive nickel sulphide up to 6.0 metres down-hole grading 3.5% nickel were reported by the joint venture in 2010. (refer to ASX announcement 19<sup>th</sup> May 2010: "High Grade Nickel Sulphide's Intersected at Mt Thirsty JV": available to view at [www.conico.com.au/mtthirsty.php](http://www.conico.com.au/mtthirsty.php)). The Company is not aware of any new information or data that materially affects the information included in the previous announcement and that all of the previous assumptions and technical parameters underpinning the estimates in the announcement dated 8<sup>th</sup> March 2011 have not materially changed.

For more details on the Mt Thirsty Cobalt Project, shareholders and investors are encouraged to visit the Project website at [www.mtthirstycobalt.com](http://www.mtthirstycobalt.com).

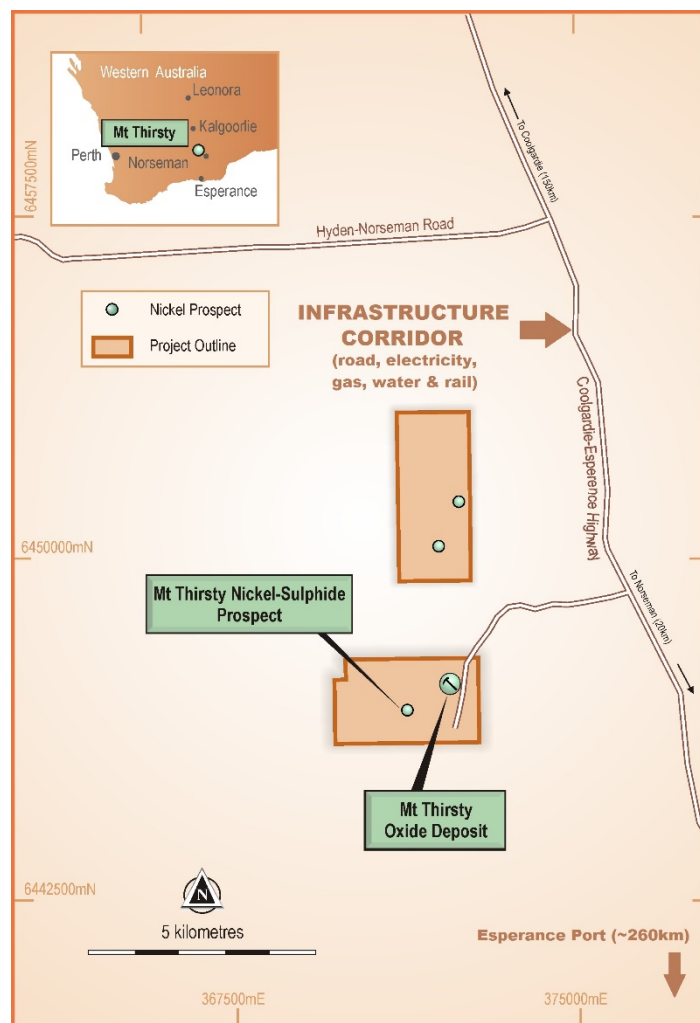


Figure 1: Mt Thirsty Cobalt Project location map

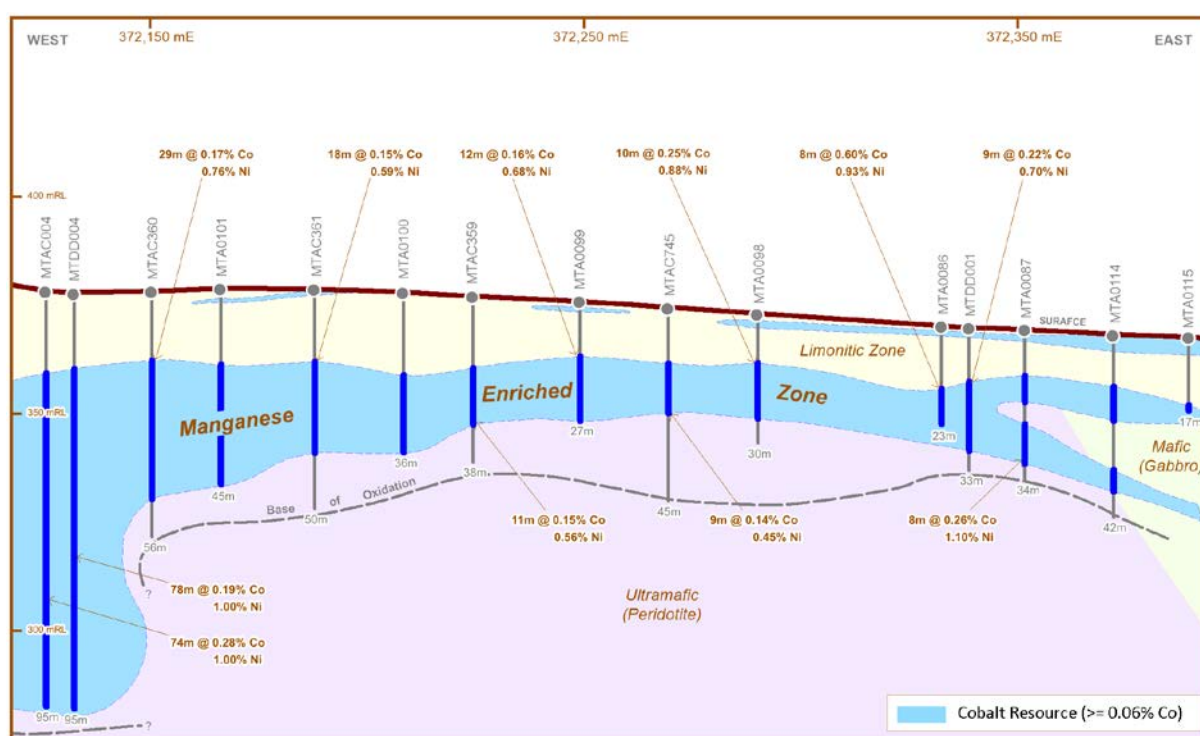


Figure 2: Representative schematic cross-section through the Mt Thirsty Cobalt – Nickel Oxide Deposit

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### **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 Persons Statement**

*The information in this quarterly 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.*