

19 December 2024

UPDATE ON ARBITRATION PROCESS

Conico Ltd (**Conico**) provides an update on its dispute with drilling contractor, Cartwright Drilling Inc ("Cartwright") in respect to invoices received by its subsidiary, Longland Resources Ltd ("Longland"), from Cartwright for the 2022 field season in Greenland.

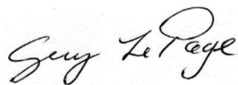
The total amount of the invoices in dispute is C\$1,419,203 (approximately A\$1,564,500), which Longland refused to pay due to the performance of Cartwright being assessed by the Board as being materially deficient in a number of key areas. Cartwright currently holds a bond of C\$300,000 (approximately A\$330,714) on behalf of Longland. As previously announced to the ASX, an arbitration process in Newfoundland was commenced in order to resolve this dispute. Through this arbitration process, Cartwright was seeking to have Conico guarantee Longland's obligations under an agreement with Cartwright for drilling services in February 2021. Longland and Conico previously applied to have Cartwright's claim dismissed at a hearing of preliminary issues which was heard on 17 June 2024. The hearing determined that the arbitration between the parties should continue.

In the arbitration, Longland originally submitted a counterclaim for damages being the anticipated amount required to be paid for future drilling in Greenland which should have been completed during the 2022 drilling season.

The arbitrator has handed down a decision that Longland and Conico are jointly and severally liable to Cartwright in the amount of C\$951,420.87 (approximately A\$1,048,882), being C\$727,955.53 on outstanding invoices related to drilling at Ryberg only plus contractual interest to date of C\$223,465.34, plus additional contractual interest to the date of payment. Additionally, that Longland is liable to Cartwright in the amount of C\$391,247.41 (approximately A\$431,303) in relation to invoices for drilling and related activities at Mestersvig. Further, that the counterclaim by Longland is dismissed.

The Company intends to lodge an application to appeal and for a judicial review of the arbitrator's decision in the Supreme Court of Newfoundland and Labrador. The Company will update shareholders as this matter progresses.

Guy Le Page is a director of Conico and authorised the release of this announcement.
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