ALICANTO

MINERALS LIMITED

ABN 81 149 126 858

Annual Report 2017

2017 Annual Report

Contents

Corporate Directory

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Didier Murcia AM

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Travis Schwertfeger

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Hamish Halliday

Company Secretary
Jamie Byrde

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Stock Exchange Listing
Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
Code: AQI

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Chairman's Letter to Shareholders

Dear fellow shareholders,

On behalf of the Directors of Alicanto Minerals Limited ('Alicanto') I am pleased to present to shareholders the Company's Annual Report for the year ending 30 June 2017.

This has been an exciting year of growth and achievement for our Company with the acquisition of the Ianna gold project in combination with significant advancement of the Arakaka gold project. Following those two key developments, among several milestones achieved by the Alicanto team in the past year, the Company has never been better poised for opportunity to substantially add value through discovery.

The Arakaka Gold project continues to be progressed on both the Main Trend and Xenopsaris target areas with a high standard of technical work by Alicanto's team and with strong technical support from Barrick Gold Corp. ("Barrick"). Barrick has incrementally accelerated exploration expenditure on the Arakaka project under the US$10m Earn-In Agreement announced 1 March 2016 as our exploration team continues to de-risk the exploration process and demonstrate significant bulk tonnage potential. Reconnaissance work reported over the past year has advanced Arakaka from a grassroots project to a more advanced targeted drill testing stage.

The recently acquired Ianna gold project is an advanced stage exploration target with several drilled zones of open-ended mineralisation requiring follow-up. Alicanto's management sees potential to substantially increase the tonnage potential of this mineralisation. Additionally, the Company has recently expanded the Ianna project area by acquiring adjoining ground, providing further potential for growth through new discoveries on previously undrilled targets.

I thank our shareholders for their continued support throughout the year, and their support in the recent Rights Issue completed subsequent to the reporting period. I also welcome our more recent shareholders to the register.

The team at Alicanto Minerals Limited has worked hard and diligently these past twelve months and I look forward to the coming year with enthusiasm. It promises to be an exciting and busy year for the Company as the Guyana Gold Projects continue to be advanced through focussed exploration.

I look forward to meeting with you at the forthcoming Annual General Meeting.

Didier Murcia AM
Non-Executive Chairman

Directors' Report

The Directors of Alicanto Minerals Limited submit herewith the financial statements of the Company for the year ended 30 June 2017 in order to comply with the provisions of the *Corporations Act 2001*.

1. Directors

The following persons were Directors of Alicanto Minerals Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Didier Murcia	Non-Executive Chairman
Mr Travis Schwertfeger	Managing Director
Mr Hamish Halliday	Non-Executive Director

2. Principal Activities

The principal activity of the entity during the financial year was mineral exploration. There were no significant changes in the nature of the entity's principal activities during the financial year.

3. Operating Results

The loss attributable to owners of the entity after providing for income tax amounted to $1,194,529 (2016: $1,479,742).

4. Dividends Paid or Recommended

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

5. Financial Position

The entity has $1,836,953 in cash and cash equivalents as at 30 June 2017 (2016: $1,216,247). The Directors believe the cash at year end and cash subsequently raised puts the entity in a sound financial position with sufficient capital to effectively explore its current landholdings.

6. Business Strategies & Prospects for the Forthcoming Year

Alicanto Minerals Limited is currently focused upon an aggressive exploration program for gold mineralisation on its current portfolio of projects in Guyana with the object of identifying commercial resources.

Alicanto Minerals Limited will also continue to consider and evaluate new mineral exploration opportunities within Guyana and throughout the rest of the world for further potential acquisitions which may offer value enhancing opportunities for shareholders.

Material business risks that may impact the results of future operations include further exploration results, future commodity prices and funding.

7. Significant Changes in the State of Affairs

The following significant changes in the state of affairs of the entity occurred during the financial period:

- On 8 November 2016, the Company announced the entering into of a definitive agreement to acquire the Ianna Project in Guyana's Northwest Mining District.
    - The Ianna Gold Project is located in the highly prospective Barama-Mazaruni Greenstone Belt in Guyana's Northwest District and is located less than 25km from Alicanto's flagship Arakaka Project (refer to Figure 1). The key terms of the agreement are: US$25,000 within 5 days after confirmation date; US$50,000 within 4 months after confirmation date and US$200,000 15 months after the completion date. Alicanto must keep the project tenements in good standing during the 36 month option period ending 7 November 2019. (refer to ASX announcement dated 8 November 2016).

8. Post Balance Date Events

- On 23 June 2017, the Company announced a Pro-rata Renounceable Rights Issue of which the key terms of the rights issue are as follows:
  - A pro-rata renounceable rights issue for one (1) new share for every four (4) shares held at an issue price of $0.14; and
  - One (1) free attaching listed option for every (2) new shares subscribed for exercisable at $0.28 on or before 28 July 2019;
  - Rights issue is partially underwritten by CPS Capital Group Pty Ltd for up to $1.0 million;
  - On 26 July 2017, the Company issued 18,214,062 new shares under the Rights Issue raising gross proceeds of $2,549,969; and
  - 9,107,031 free attaching new listed options were issued with an exercise price of $0.28 on or before 28 July 2019.

- On 18 August 2017, the company finalised the Rights Issue Shortfall and an additional placement to Sprott Group taking the total placement to $3.75m as follows:
  - Under the rights issue shortfall, 3,100,000 ordinary shares were allotted at $0.14 and 1,550,000 free attaching listed options exercisable at $0.28 on or before 28 July 2019 raising gross proceeds of $434,000;
  - The additional placement was finalised issuing 5,400,000 ordinary shares were allotted at $0.14 and 1,700,000 free attaching listed options exercisable at $0.28 on or before 28 July 2019 raising gross proceeds of $756,000.

- On 1 September 2017, the company announced finalising completion of several option agreements granting the Company the exclusive right to explore and acquire a 100% beneficial interest ("Agreements") in mining permits totalling approximately 60km² that are contiguous with the Company's Ianna gold project. The additional tenure increases the Ianna Project to a 115km² project area.

9. Review of Operations

Alicanto Minerals Limited ('Alicanto' or 'the Company') (ASX: AQI) is an emerging mineral exploration company focused on the exploration and development of two gold projects in Guyana, South America.

The Arakaka Gold Project covers an area of over 300km² located in a relatively underexplored area within the Northern Guiana Shield Geological Terrane. The project covers volcano-sedimentary Paleoproterozoic greenstone rocks which are highly prospective for high tonnage, orogenic style gold deposits. The permits are 100% held either directly by an Alicanto Guyanese subsidiary, or subject to various underlying option agreements. Barrick Gold Corporation ('Barrick') has the option to earn a 65 percent interest in the project after meeting US$10 million in funding requirements pursuant to an Earn-in Agreement (for additional information, see "Arakaka Gold Project Earn-in Agreement" below).

The Ianna Gold Project covers an area of 115km² in the highly prospective Barama-Mazaruni Greenstone Belt in Guyana's Northwest District and is located approximately 20km from Alicanto's Arakaka Project. The permits are 100% held subject to various underlying option agreements held through a direct Guyanese subsidiary of the Company. Ianna is at an advanced exploration stage, with a number of mineralised discoveries in drilling requiring follow-up exploration activity to assess and define gold resource potential.

9. Review of Operations (continued)

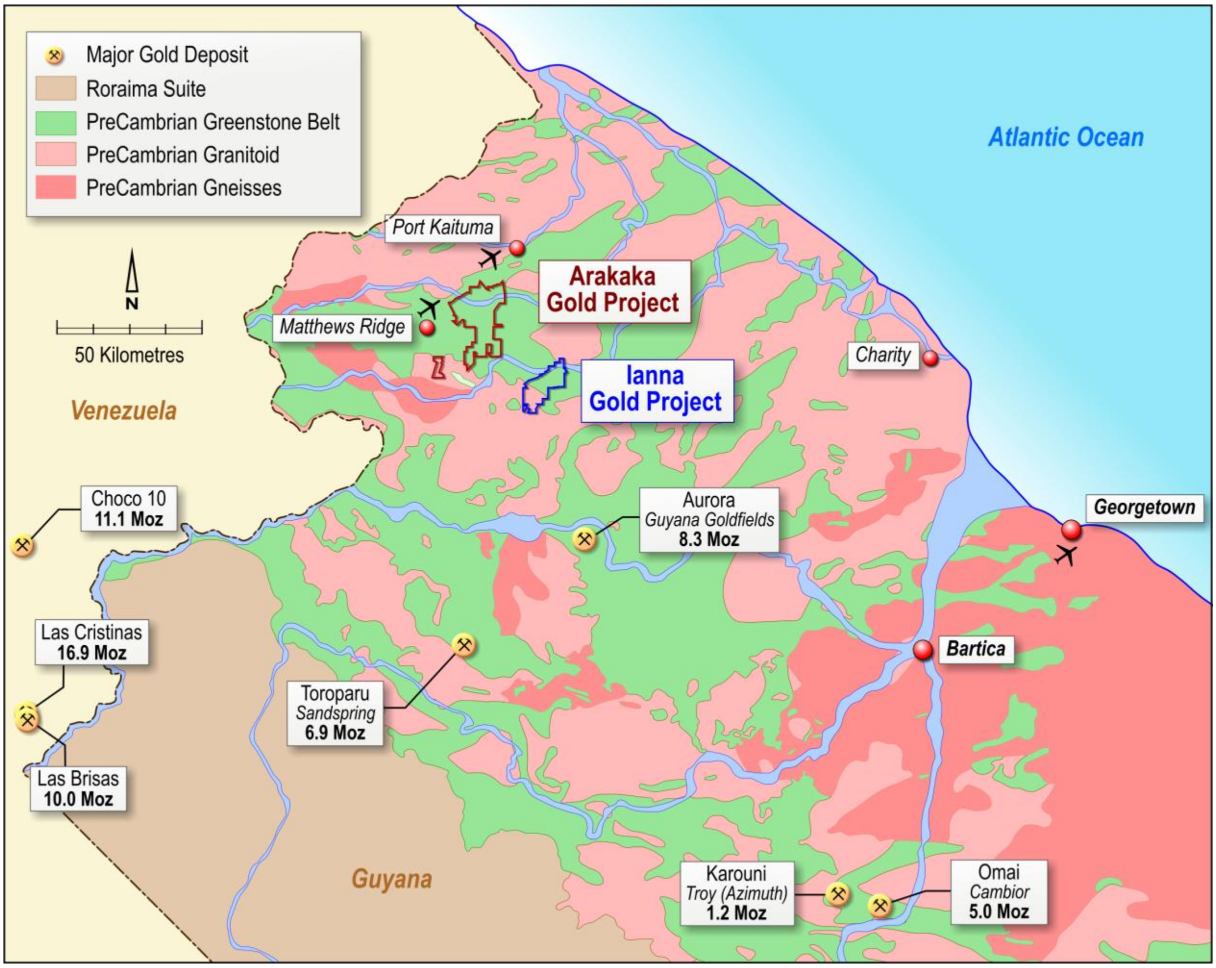


Figure 1 | Location of Arakaka and Ianna gold projects located in the Northwest Mining District of Guyana on modified geology from the Guyana Geology and Mines Commission's Geological Map of Guyana, 1987.

Corporate

Financial Performance and Position

The net operating loss after tax for the year ended 30 June 2017 was $1,194,529 (2016: $1,479,742). The loss for the period includes $265,900 (2016: $764,559) in exploration and evaluation expenditure and share based payment expenses of $468,966 (2016: $390,696) were also recognised during the financial year. As at 30 June 2017 the Company had cash of $1,836,953.

Earn–in Agreement with Barrick Gold Corporation

Alicanto and Barrick have entered into an Earn-in Agreement whereby the Company granted Barrick the exclusive right to acquire a 65% interest in the Arakaka Gold Project. Barrick may earn up to a 65% interest in the Arakaka Project by meeting US$10 million in funding requirements, including US$8 million in exploration expenditures over four years, and US$2 million paid to Alicanto upon completion of the exploration earn-in expenditures.

Having completed the minimum expenditure requirement of US$1.8m in the first contract year, Barrick may withdraw from the Earn-in Agreement with 60 days' notice to Alicanto. Significant terms of the Earn-in Agreement are provided in the ASX announcement dated 1 March 2016.

9. Review of Operations (continued)

As announced on 7 December 2016 Barrick elected to continue funding the Arakaka Gold Project into the second contract year, ending 31 December 2017 ("Contract Year"), Exploration activity with Alicanto as the operator continue and the Company's proposals for US$3.0m exploration expenditure on the Arakaka Gold Project during the Contract Year (refer to ASX announcement dated 4 August 2017). The approved exploration budget includes over 7,000m of diamond core drilling in the Contract Year designed to both follow up on 2016 results as well as advancing early stage exploration at the extensive Arakaka Main Trend and Xenopsaris Target Areas within the larger Arakaka Project.

While Alicanto is the operator, it will receive in any contract year the lesser of US$100,000 and 5% of the approved annual exploration expenditure towards overheads while utilising the Company's highly experienced technical team to manage exploration. Having completed US$4m in exploration expenditure, subsequent to the reporting period, Barrick currently retains the right to become operator of the Arakaka project at Barrick's election.

Following payment of the US$2.0 million to Alicanto, completing a total US$10.0 million contribution, Alicanto and Barrick will form an incorporated Joint Venture (Arakaka JV). Barrick is permitted to accelerate the balance of the US$8.0 million of expenditure funding at any time during the Earn-in period. Once the Arakaka JV is formed, the parties will each be required to contribute to further exploration and feasibility costs on a proportional basis for Alicanto to retain its 35% interest in the project. Should Alicanto not contribute its attributable costs of the JV prior to a decision to mine, the Company would dilute to no less than a 15% interest in the Arakaka JV. Alicanto would then be free carried and retain its 15% interest in the Arakaka JV to a decision to mine. Upon a notice of decision to mine by the Arakaka JV, Alicanto can elect to either contribute, or convert its interest in the project to a 2% net smelter royalty.

Share Placements

On 28 July 2016, the company announced the completion of a share placement raising gross proceeds of $1.5 million. The shares were issued to clients and affiliates of the Sprott Group of companies. Under the placement Alicanto issued 11.6 million shares at $0.13 raising with one (1) free attaching option for every two (2) shares subscribed for. The options issued have a $0.23 strike price and a three year term expiring 28 July 2019.

On 23 June 2017, the company announced a one (1) for four (4) Pro-rata Renounceable Rights Issue at an issue price of $0.14 and one (1) new listed option for each two (2) new shares subscribed for ($0.28, expiring 28 July 2019) to raise up to $3m. On 26 July 2017, the Company finalised the rights issue, raising total funds under the issue to $2,544,000. On the same day, the announcement of Shortfall and a Placement for $1,190,000 to Sprott Global Resources was made for the issue of 8,500,000 ordinary shares at $0.14 and 4,250,000 listed options ($0.28, expiring 28 July 2019). The raising under shortfall and placement was finalised on 18 August 2017. The total shares issued under the Rights Issue and Placement were 26,714,062 ordinary shares and 13,357,031 listed options.

Overview of the Arakaka Gold Project

The Arakaka Gold Project comprising over 300km^2 of permits that are 100% held either directly by Alicanto's wholly owned Guyanese subsidiary, or subject to various underlying option agreements. Barrick Gold Corporation ("Barrick") has the option to earn a 65% interest in the project after meeting US$10 million in funding requirements pursuant to an Earn-in Agreement (for additional information, see "Arakaka Gold Project Earn-in Agreement" above).

Alicanto's Arakaka gold project is located in Guyana's under-explored Northwest District, host to the Barama-Mazaruni supergroup, within one of the last and among the least explored greenstone belts across the Guiana and West African Shields that is not yet host to substantial gold resources.

9. Review of Operations (continued)

The Arakaka Gold Project itself has been the source of more the 1Moz of alluvial and near surface gold production within Guyana, with a mining history that extends more than 100 years. The Project boasts good infrastructure, with an all-season road network, daily flights to within 10km of the property boundary, and deep water port facilities to within 15km of the property boundary.

Over US$20m in exploration investment prior to Alicanto's investment has been made into the Arakaka Gold Project, providing Alicanto with a high quality regional scale geophysical and surface geochemical datasets identifying extensive gold anomalism which defines multiple top tier targets for reconnaissance work, but with sparse drilling completed previously to assess resource potential.

Overview of the Ianna Gold Project

Located in the highly prospective Barama-Mazaruni Greenstone Belt in Guyana's Northwest Mining District (refer to Figure 1), the Ianna Project is a 115km^2 land position situated less than 20km southeast from Alicanto's ongoing exploration operations at the Arakaka Gold Project.

Since acquisition of the project in November 2016, exploration activity by Alicanto has focused on surface mapping and sampling campaigns to verify and expand previously identified and drill tested gold mineralisation from historical work. From these programmes, six targets have been prioritised for drill testing by Alicanto planned for the December 2017 quarter.

Highlights of the Ianna Gold Project include:

- Three extensive mineralised corridors delivering drill ready targets at six prospects covering over 8km of strike extent.
- Historical drilling has already delivered multiple ore grade intersections within 50m of surface;
  - **50m @ 2.47g/t Au from 10m to end of hole;**
  - **48m @ 1.19g/t Au from surface;**
  - **14m @ 4.27g/t Au from 24m;**
  - **12m @ 3.84g/t Au from 20m;**
  - **12m @ 3.99g/t Au from surface.**

- The Ianna Project contains both the structural and lithological setting considered ideal to host large scale gold deposits.

Reported exploration activity and planned drilling is focused on three corridors of mineralisation, including the Gomes-Ianna trend, the King's Ransom trend, and the Eastern extension target areas (refer to Figure 2). The Gomes-Ianna and King's Ransom trends are both host to mineralisation identified in existing drilling associated with extensive surface geochemical survey work, including over 12,400m of Reverse Circulation and 926m of diamond in historical drilling. The historical drilling covers limited strike extent to shallow depth, with ~95% of drilling testing less than 50m below surface and a significant proportion of holes ending in mineralisation (refer to ASX announcement dated 26 July 2016).

The Project has excellent infrastructure, including existing camp facilities, an existing airstrip and river port landing on the property, and can be accessed by road from the Arakaka Project area.

9. Review of Operations (continued)

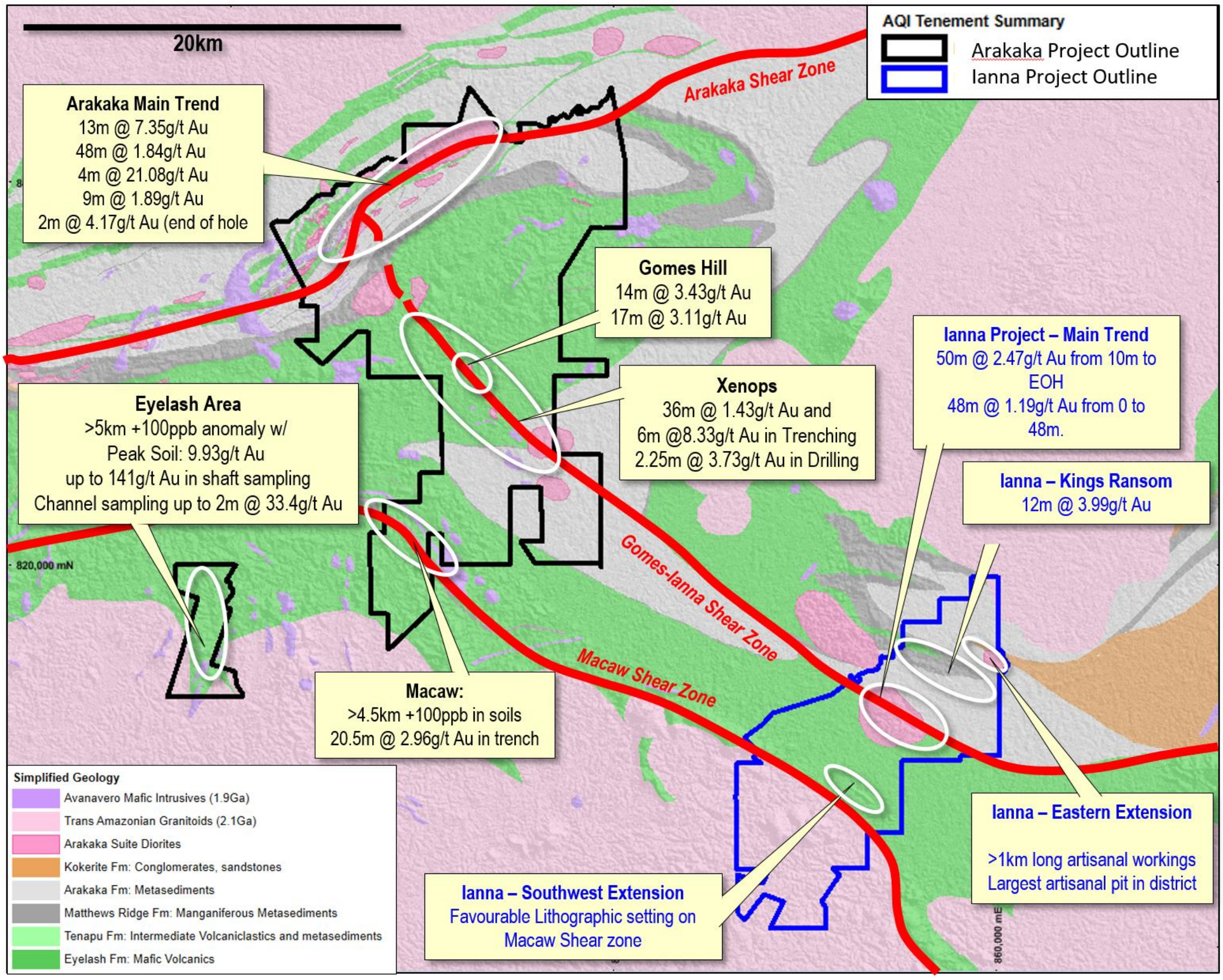


Figure 2 | Regional Geology of the Barama-Mazaruni greenstone belt hosting the Arakaka Gold Project and the Ianna Gold Project areas, with major structural corridors and locations of key target areas within each Project.

Operation Report | Arakaka Gold Project

Arakaka Main Trend – Reconnaissance drilling

A campaign of reconnaissance drilling was completed during the 2016-17 financial year covering over 30km of strike extent along three major mineralised structures within the 12km long and up to 1.7km wide Arakaka Main trend gold anomaly. A total of 42 holes totalling 4,705m of diamond drilling were completed on the Arakaka Main trend during the reporting period.

The Reconnaissance drilling program is focused on understanding the tectono-stratigraphic framework of the Arakaka Main trend and to better constrain mineralising structures within the extensive surface soil geochemistry and geophysical anomalism identified within the Arakaka Main trend.

Arakaka Main Trend reconnaissance drilling includes the first drill tests in the 6km gap in drilling between historical gold intercepts at Purple Heart (drilling up to 13.5m @ 7.36g/t Au, refer to ASX announcement dated 26 August 2016) and the 14-Mile target area drilling up to 4m @ 21.1g/t Au, refer to ASX announcement dated 17 September 2014).

Extensions to Main Trend reconnaissance drilling at 14-Mile in 2017 total 17 diamond holes creating four new section lines adding geological definition to an additional 4.5km of the Arakaka Main Trend, and a width of 1.6km in an area of variable landform and regolith including extensive alluvial cover where surface sampling techniques have been assessed to have been ineffective.

9. Review of Operations (continued)

Drilling was successful in confirming continuity of known mineralised structures and identifying additional structural corridors controlling mineralisation. Pervasive alteration and mineralisation indicates a highly prospective structural architecture for the focusing of mineralising fluids and has identified three separate mineralised trends termed:

- Purple Heart Structure;
- Central Structure;
- Valley Structure.

The drilling has also identified numerous macro-scale folds within the metasediments which have historically been observed to focus gold mineralisation in the Purple Heart area of the Arakaka trend: The reconnaissance program has also substantially increased the mapped extent of favourable diorite lithology within the Pepperpot and 14 mile target areas, substantially increasing volume potential for mineralisation on the Arakaka Main Trend.

Figure 3 | 14 Mile Reconnaissance drilling site – ARDD227

Diamond core contained multiple occurrences of free gold (refer to Figure 5) in several drill holes targeting two of the major structures. Favourable sulphide mineralisation and pervasive hydrothermal alteration indicative of an extensive hydrothermal gold mineralising system are encountered on every line of drilling, with increasing intensity of mineralisation and alteration observed in drilling vectoring follow-up work into four priority prospect areas for targeted drilling (refer to Figure 4) in progress subsequent to the reporting period:

- <u>Concorde</u>: Targeting the >2,5km Purple Heart structure as it merges with the Central Structure. Significant drill intercepts to date include **9.72m @ 1.44g/t, 5.1m @ 3.97g/t and 3m @2.69g/t gold**. Significant intercepts in drilling are supported by extensive rock chipping, >500ppb Au in soil anomalism and mapping;
- <u>Revenge</u>: Targeting the prospective Gold Hill Feldspar Porphyry unit folded into the mineralised Central Structure. Much of the area is buried beneath alluvial cover but small scale saprolite pits occur in areas of exposed upper saprolite. Rock chipping to date 5.7g/t Au and Auger results up to 6.52g/t Au.
- <u>Bonaventure</u>: Targeting the extensions of significant drill intersections within the prospective Gold Hill Feldspar Porphyry unit. Drilling stepping out 850m to the West of existing drilling and 250m to the East within the >3.2km prospective corridor from intersected mineralisation at the Gold Hill pit including **4m @ 21.1g/t gold**. The drilling is supported by extensive >500ppb soil anomalism, saprolite mining and mapping which define the current boundaries of the anomaly;
- <u>Cavalleria</u>: Targeting stacked flexures on multiple mineralised structural horizons. The target lies beneath alluvial cover but drilling along strike shows increasing alteration and mineralisation vectors towards the area.

9. Review of Operations (continued)

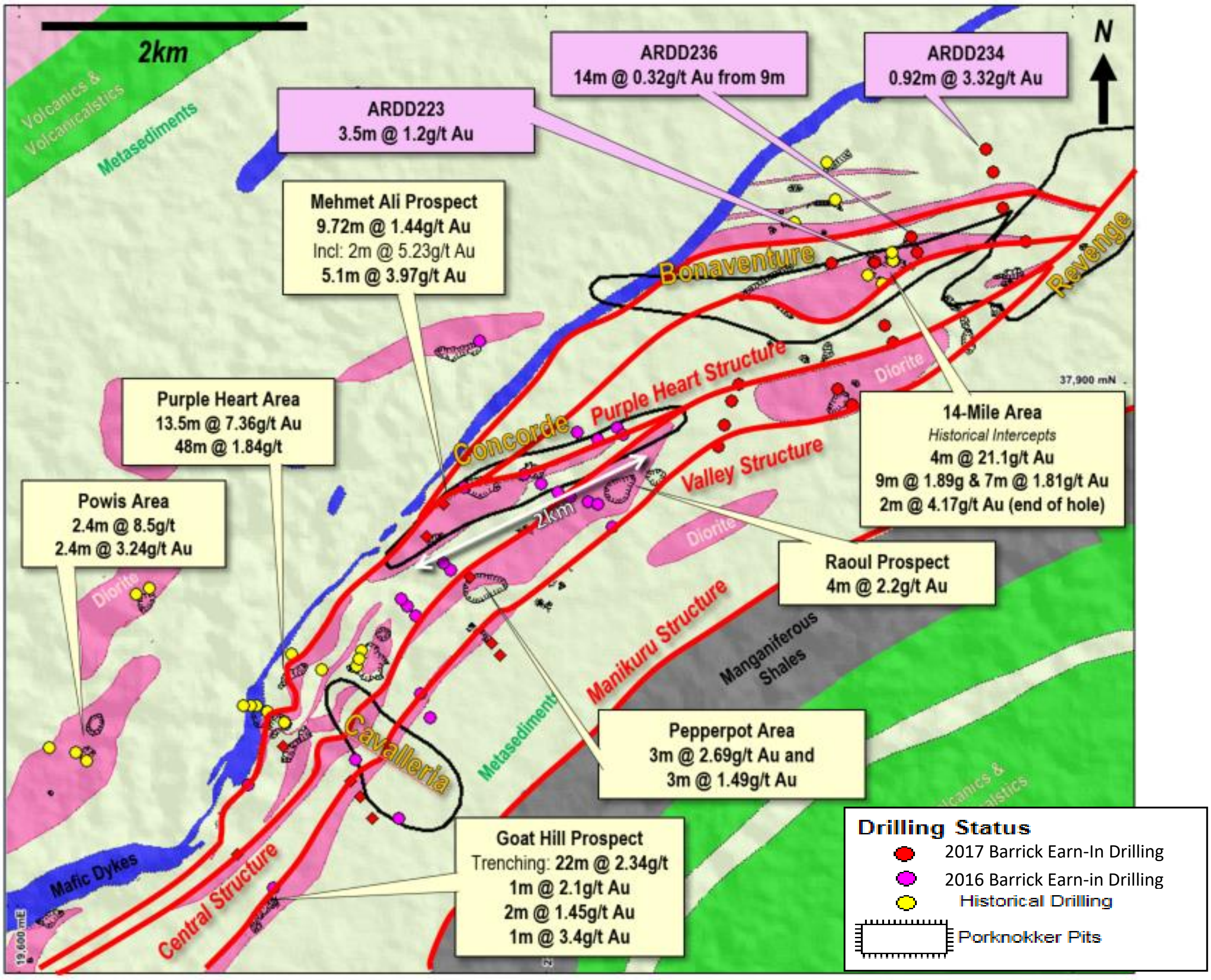


Figure 4 | Overview of Arakaka Trend Geology and Drilling with 2017 Reconnaissance drill locations and 2016 better drilling intercepts (highlighted in pink background) and geology as mapped by Alicanto geologists.

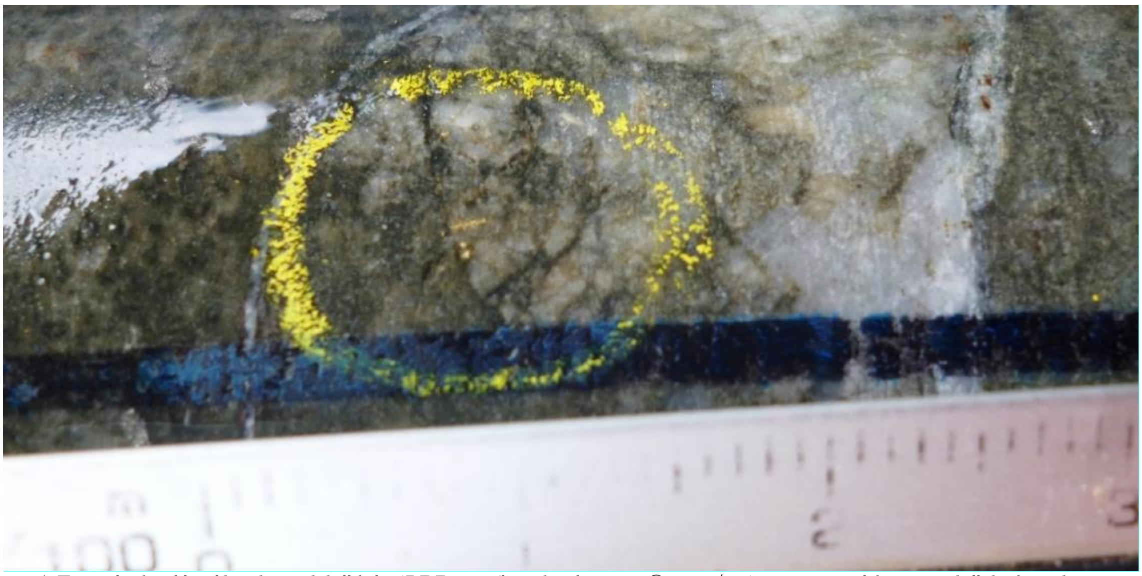


Figure 5 | Example of visible gold in diamond drill hole ARDD-015 (located within 1.2m @ 1.15g/t Au assay interval from 73m drill depth – adjacent to 1m @ 6.74g/t Au assay interval with no free gold observed sampled from 72m drill depth).

9. Review of Operations (continued)

Xenops - Reconnaissance Drilling

The Xenopsaris (or"Xenops") target area is the southern extension of the >15km long Gomes Trend anomalism (refer to Figures 2 and 8), which is host to the Gomes Hill Prospect where significant drilled mineralisation requiring additional extension drilling includes better historical intercepts of 19.19m @ 3.4g/t gold from 65m, incl. 6m @ 6.25g/t gold in hole MD008, 17m @ 2.11g/t gold from 46m, incl. 4.25m @ 6.12g/t gold in hole MD002 and 11.0m @ 3.43g/t gold from 62m in TAK9717 (refer to ASX announcement dated 9 February 2015).

The drilling program of 9 reconnaissance diamond holes totalling 1,218m is follow-up work on limited trenching activity reported 7 March 2017 totalling 1,105 linear meters of sampling confirming significant gold mineralisation correlating with favourable soil and auger sample anomalism. Trenching work confirmed the presence of interpreted diorites and identified a new diorite intrusion also associated with mineralisation.

Reconnaissance drilling tests less than 1km strike extent of the open ended >7km extension to the southeast of Gomes Hill where mineralisation has been identified in soil and confirmed in auger drill sampling (refer to ASX announcement dated 11 March 2015). The drilling confirms mineralisation in the sub-surface, confirms structural interpretations for the area, and confirms continuation of favourable lithology.

The drilling amounts to two section lines spaced >650m apart. The drilling was designed to establish a geological framework for the significant surface anomalism. Significant results from the drilling include (refer to ASX announcement dated 4 August 2017):

- XDD002: 5.78m @ 0.78g/t Au from 68m and 1m @ 4.23g/t Au from 78m;
- XDD005: 1.4m @ 9.14g/t Au from 23m;
- XDD006: 1m @ 4.25g/t Au from 30m and 2.25m @ 3.73g/t Au from 124m;
- XDD009: 3m @ 2.19g/t Au from 40m.

The drilling identified a regional scale alteration system around mineralisation with a wide zone of proximal sericite-ankerite-pyrite alteration proximal to mineralised intercepts. Mineralisation is related to quartz-pyrite-gold veins observed across all lithological units. The extent and geometry of the favourable intrusions interpreted to be a primary control on mineralisation are being assessed with ongoing exploration activity, and the mineralisation remains open in all directions with potential to increase in volume and tenor with improved definition and refined targeting of structural and lithologic controls at Xenopsaris.

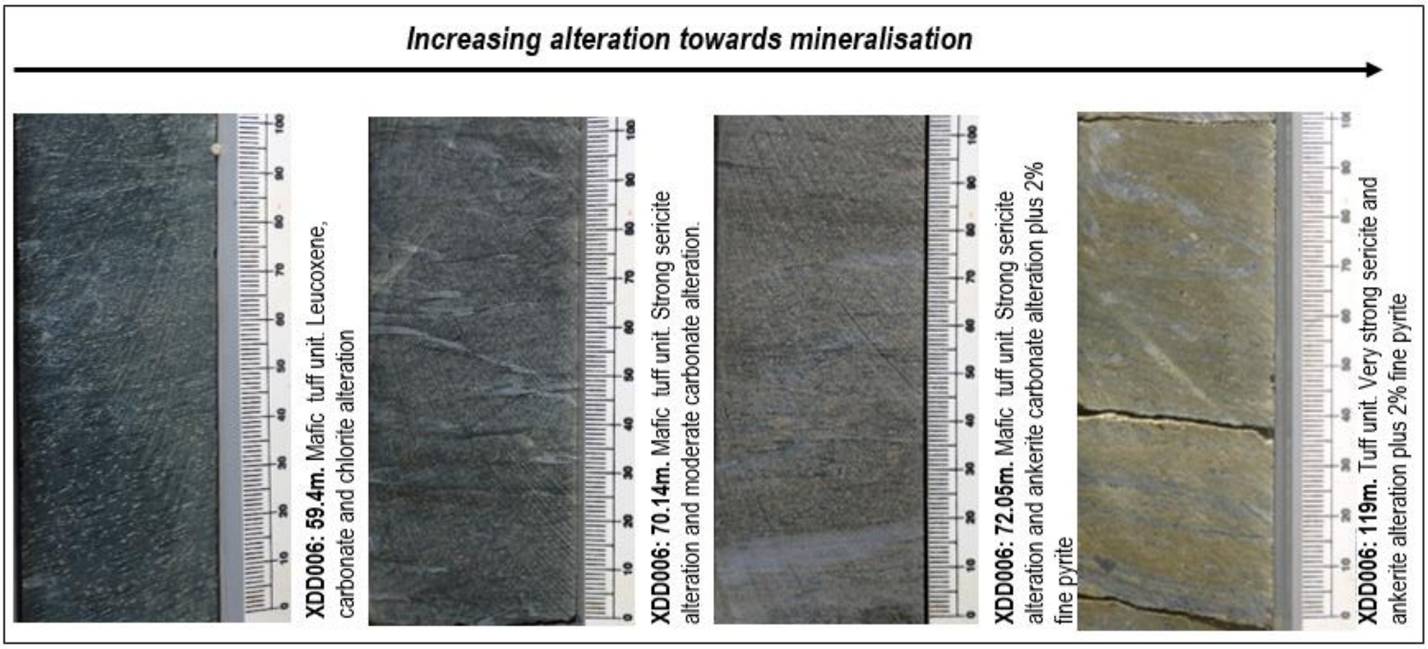


Figure 6: Example of alteration profile observed approaching mineralisation in XDD006 (NQ Core).

9. Review of Operations (continued)

A favourable structural setting for the formation of significant mineralisation was established with the confirmation of a regional scale antiformal fold hinge against the high-strain Temberlin structure. This structural setting is similar to those observed at regionally significant gold deposits including the 13.7Moz Gros Rosebel deposit (Iamgold) and 6Moz Meriam deposit (Newmont) in Suriname.

With the level of understanding provided by the reconnaissance drilling at Xenops further trenching is proposed of the >15km Gomes-Xenopsaris anomalous trend for 2017 to help define specific drill targets.

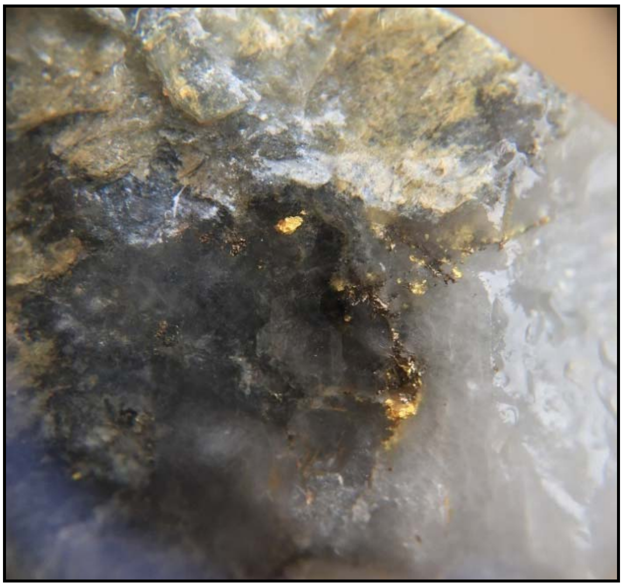


Figure 7: Example of gold mineralisation observed in XDD006 (NQ Core), photo taken at x10 magnification of core at 126.0m from 2.25m @ 3.73g/t Au from 124m reported interval.

Xenops - Trenching

Recent exploration activity focuses on several well defined zones of +500ppb Au surface anomalism within the >7km long mineralised corridor southeast of Gomes Hill prospect defined by extensive +100ppb Au anomalism within soils. Previous exploration activity includes multiple +1g/t Au results with peak soil values of 6.0g/t Au, 2.84g/t Au, and 1.65g/t Au (refer to ASX announcement dated 11 March 2015). Auger drilling was utilised to better refine the location of potentially economic mineralisation within broad zones of soil anomalism. Better results from auger drilling included 10g/t and 3.7g/t Au proximal to reported trenching (refer to ASX announcement dated 11 March 2015). These previous soil and auger programs has followed up with 1,105m's of trenching, with location and summaries of trench results provided in Figure 8 below (refer to ASX announcement dated 7 March 2017):

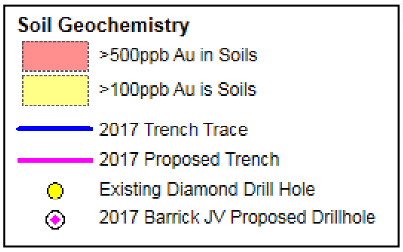
- Xenopsaris **Peak Rock Chips**: 162g/t, 33.7g/t, 28.1g/t & 27.5g/t gold;
- **22m @ 2.02g/t gold** within a broader **37m @ 1.45g/t gold** in XETR007;
- **6m @ 8.33g/t gold** and **3m @ 2.04g/t gold** in XETR010.

The compilation of trenching assay results with detailed mapping and existing datasets has defined three new prospects for potential drilling at the Xenopsaris target area. The lithologic and structural complexity of the Xenopsaris target is also host to multiple diorite intrusions which are associated with gold at several prospects through the district. This favourable geological setting is complemented by the extensive surface anomalism and is culminating into a highly prospective area for drilling targeting requiring additional exploration.

- <u>Beaker Prospect</u>: High grade **rock chips up to 162.23g/t gold** within a continuous zone of mineralisation including **22m @ 2.02g/t gold** within **37m @ 1.45g/t gold** in XETR007;
- <u>Gonzo Prospect</u>: High grade **rock chips up to 5.44g/t gold** within a zone of **6m @ 8.33g/t gold** in XETR010;
- <u>Fozzie Prospect</u>: High grade **rock chips up to 33.68g/t gold** in XETR002 and **17m @ 0.69g/t gold** in XETR005.

Directors' Report

9. Review of Operations (continued)



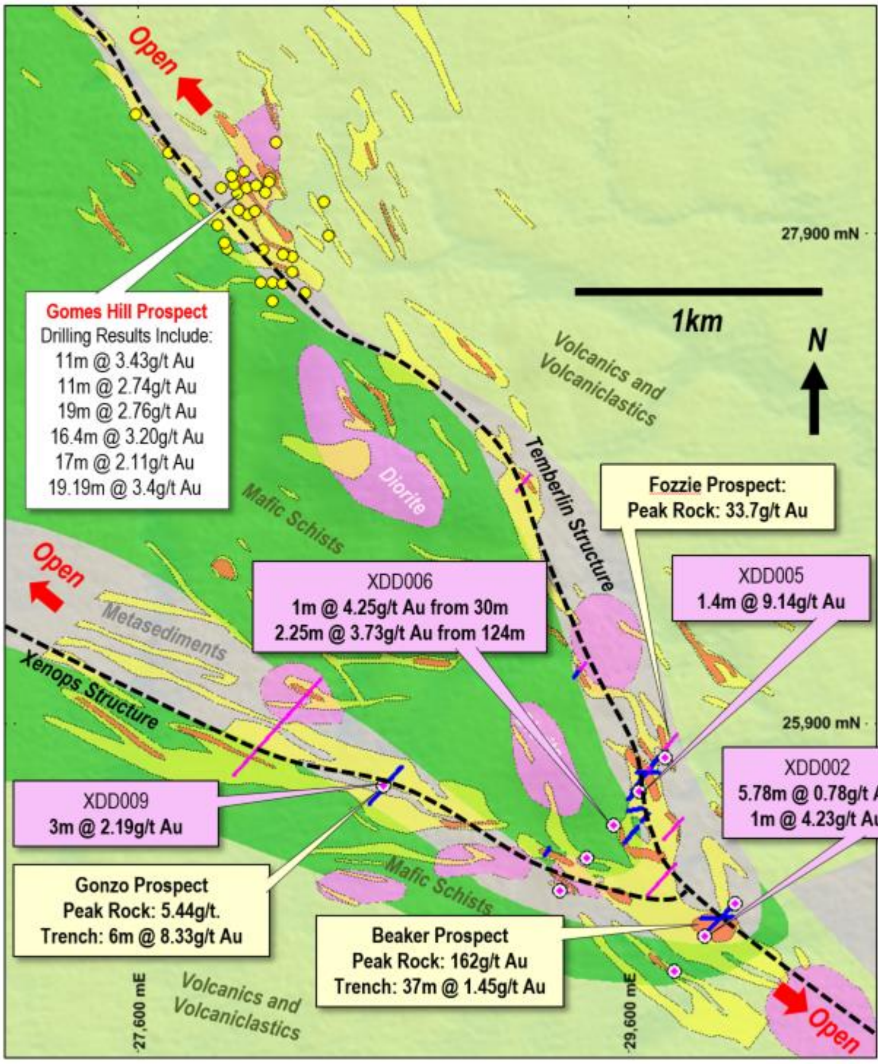


Figure 8 | Xenopsaris Area with trench locations and summary of exploration activity over previously reported gold surface anomalies and Alicanto interpreted geology. June 2017 quarter drill collars and trench locations in Magenta

Xenops - Soil Geochemistry

During the reporting period, a series of soil sampling campaigns dovetailed in with Main Trend drilling programs have yielded extensions to gold anomalism at the Xenopsaris target area, including a new northeast trending mineralised structure intersecting the Gomes/Ianna corridor at the northern extent of the Xenopsaris extension identified as the Scooter Prospect (refer to Figure 9). The Scooter prospect is sub-parallel to the Arakaka trend where surface geochemical sampling delivered a large, open-ended anomaly extending >1.6km peaking at 3.05g/t gold in soils within the Arakaka Gold Project. At Scooter, a large diorite body has been mapped in numerous small saprolite workings. Identified gold anomalism and artisanal workings are focused on the favourable rheological contrast between the identified Diorite body and the surrounding metasediments. The anomalism remains open in all directions.

9. Review of Operations (continued)

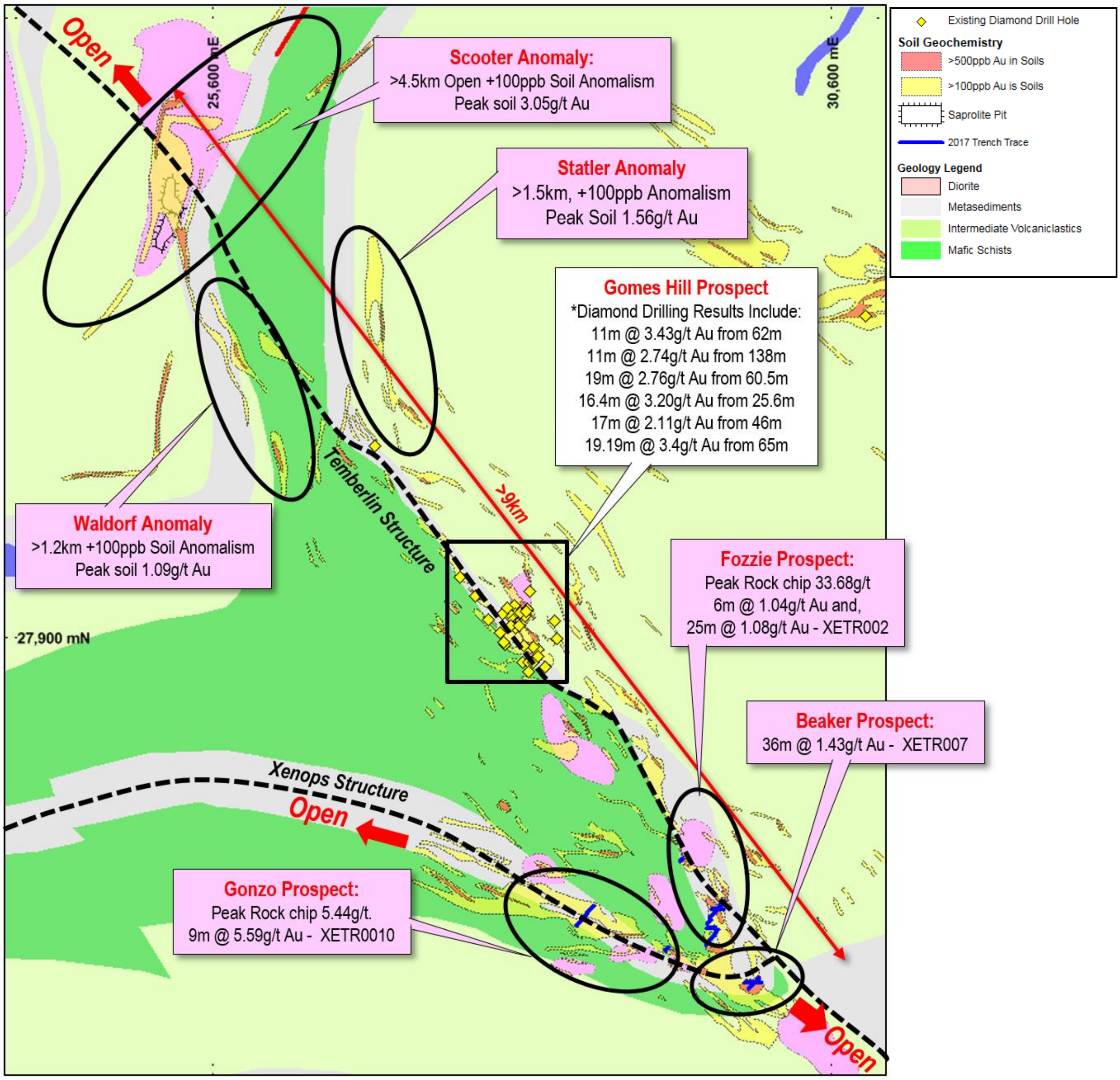


*Figure 9 | Plan map of the Scooter and Gomes Hill Prospects and Xenopsaris Area targets showing existing drill collars, better significant reported drill results, updated soil anomaly outlines, and Alicanto interpreted geology. (*refer to ASX announcement dated 9 February 2015, **refer to ASX announcement dated 27 May 2015)*

Continued mapping and compilation of recent soil sampling in the northeast of the Xenopsaris trend has highlighted two further >100ppb Au in soil, with the new Statler gold anomaly extending >1.5km in length with a maximum soil sample result of 1.56g/t Au within the Gomes-Ianna Corridor. Adjacent to the Statler anomaly, in mirrored stratigraphy, the Waldorf gold anomaly tracks the western side of a north-northwest trending ridgeline that is well suited for future trenching activities. Further trenching and reconnaissance phase drilling is needed to better define the geometry of favourable diorite intrusions in the area to identify discrete targets for drilling to assess the gold resource potential for the area.

Directors' Report

9. Review of Operations (continued)

Eyelash - Trenching

Four trenches totalling approximately 624 linear metres were completed in the Eyelash area during January. Two trenches successfully intersected mineralisation at the Kid Prospect and the Pancho Prospect areas (refer to ASX announcement dated 7 March 2017), with better results from initial 3m sampling returning:

- **24m @ 1.16g/t gold** within a broader **54m @ 0.59g/t gold** that extends to the end of the trench and better rock chips returning **26.5g/t, 22.5g/t and 22.15g/t gold** – EYTR002;
- **12m @ 0.67g/t gold** and rock chips up to **14.2g/t gold** – EYTR001.

Vein orientation studies based on selective rock chip sampling completed during trench mapping and channel sampling activities are ongoing, and resampling of anomalous zones on 1m intervals is planned for the coming month.

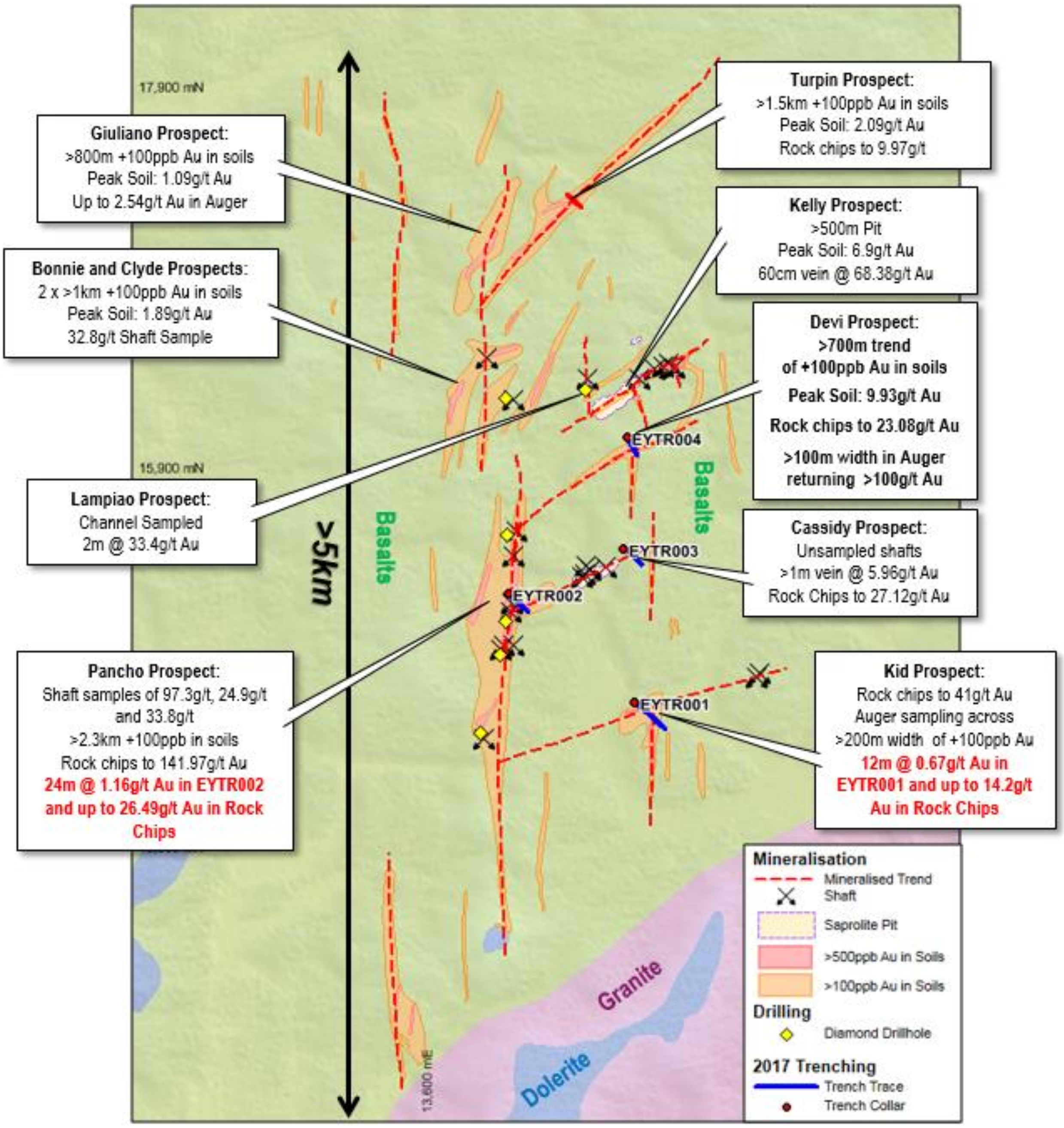


Figure 10 | Eyelash Target area summary map with trench locations and summary of better previous results by prospect area in context of surface gold anomalism and Alicanto regional geology interpretation.

9. Review of Operations (continued)

Operation Report | Ianna Gold Project

Alicanto's exploration program at Ianna during the reporting period was focused on defining discrete, drill-ready targets on multiple trends of mineralisation through the project area in a lead-up to a targeted drill campaign on the Ianna Project planned for the December 2017 quarter. The surface exploration program operated from April to early August with soil, channel sampling and auger sampling programs in conjunction with detailed geological mapping and interpretation of multi-element geochemistry datasets collected from pXRF analysis to better define geologic interpretations advanced drilling planning for the coming year.

Recent mapping and multi-element geochemistry interpretation has refined the geometry and extent of the Ianna Intrusion. This update to the local geology significantly expands the potential volume of the Ianna intrusion, a favourable lithology for mineralisation in the Project. Assay results announced subsequent to the reporting period have also extended the soil grid coverage over previously unexplored areas of the property expanding the prospective footprint of the Ianna hydrothermal gold system. Follow up auger sampling confirming mineralisation in the saprolite further refined drill targeting (refer to ASX announcements dated 5 July and 13 September 2017).

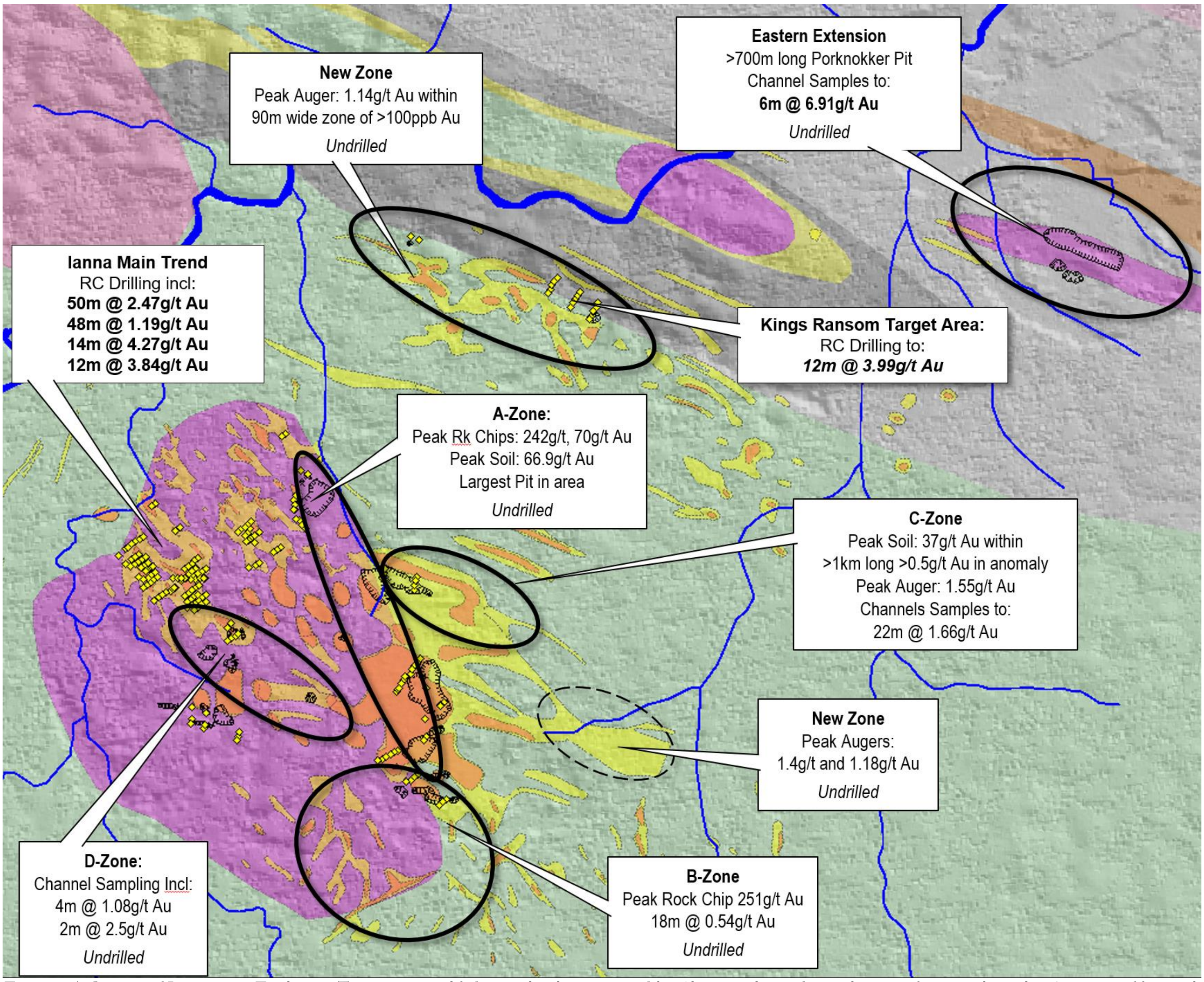


Figure 11 | Overview of Ianna project Exploration Targets over simplified regional geology as mapped by Alicanto geologists showing locations of recent soil sampling (in context of historical soil contours) and historical RC drilling.

Directors' Report

9. Review of Operations (continued)

The surface mapping and sampling program phase of this year's program was completed in early August, and additional results of sampling are now completed over the Kings Ransom and Eastern Extension trends, highlighting several additional targets for initial drill testing include the following six areas:

- Eastern Extension: **New Target**, Undrilled:
  - Newly identified mineralised corridor of regional significance;
  - A 250m wide Granodiorite intrusive hosts observed mineralisation in the locality. Mineralisation is associated with sheeted to stockwork quartz-pyrite veining which has been observed throughout the intrusive. The intrusive is undrilled;
  - >700m long and >300m wide zone of artisanal ("Porknokker") workings focused on the highly strained margins of the intrusive body;
  - Channel samples to **6m @ 6.91g/t gold**, 30m @ 0.27g/t gold from 0m to EOC, 16m @ 0.3g/t gold from 0m;
  - Mineralisation is unconstrained along strike with the strike potential concealed by low-lying, swampy areas.

- Kings Ransom Extension: **New Target**:
  - >90m wide zone of >100ppb gold in Auger;
  - Peak trench results of **21m @ 9.93g/t gold** and **20m @ 6.75g/t gold**;
  - Peak auger result: 1.14g/t gold located >1.2km along strike from **12m @ 3.99g/t gold** in historical RC drilling.

- B-Zone: previous announced, Undrilled:
  - Pressure shadow target between the Ianna granodiorite and the volcaniclastic country rock. An undrilled target with > 1.4km of +0.5g/t gold in soils;
  - Peak rock chip of 251g/t gold;
  - Peak soil results of **5.74g/t gold and 5.57g/t gold** in soils;

    New results include:
  - 18m at 0.54g/t gold in representative channel sampling across the mineralised trend.

- C - Zone: previously announced, Undrilled:
  - >1km long zone of >0.5g/t gold-in-soil anomalism host to significant auger anomalism;
  - Peak Soil 37g/t gold;

    New results include:
  - Peak Auger: **1.55g/t gold** within >100m wide zone of >100ppb gold in Auger;
  - **22m @ 1.66g/t gold** from channel samples and 26m @ 0.44g/t gold.

- D – Zone: previously announced, follow-up and extension testing of drilled intercepts:
  - >800m along strike from the Bushmaster area which intersected up to 50m @ 2.47g/t gold from 10m to EOH, **48m @ 1.19g/t gold** from 0m, **14m @ 4.27g/t gold** from 24m and **12m @ 3.84g/t gold** from 20m in RC drilling.

    New results include:
  - Channel sampling to **4m @ 1.08g/t gold** and **2m @ 2.5g/t gold**

- A-Zone: previously announced, drilled mineralisation requiring follow-up:
  - Sheared contact of the Ianna intrusion with extensive porknocker mining and sparse drilling to date, including better intercepts of **16m @1.17g/t gold** and **6m @3.08g/t gold** from 28m drill depth.
  - Including Money Pit, the largest artisanal saprolite pit in the area.
  - Peak Soil: **66.9g/t gold;**
  - Peak Rock Chips: **242g/t Au, 70g/t Au.**

9. Review of Operations (continued)

A-Zone target area

Alicanto geologists have mapped out the North-Eastern contact of the Ianna Granodiorite intrusive body which is coincident with the largest artisanal mining pits in the Ianna area including the Money, Fern Leaf and Sweetheart pits (refer to Figures 11 and 12).

Mineralisation is observed in the pits as tension vein arrays of quartz-gold (+/- fuchsite) veins both within the Granodiorite intrusive and within high strain talc schist units. The competency contrasts between the rigid granodiorite and ductile talc-schists make for a favourable setting for bulk tonnage gold deposits. High strain zones within the Granodiorite are frequently exploited by syn-late mafic dykes, making them easy to map using portable XRF lithogeochemistry discrimination. These internal shear zones represent gold bearing fluid pathways cutting through the granodiorite that are known to host mineralisation in West African analogues and could significantly increasing the volume potential for mineralisation.

Recent mapping and rock chipping of the A-Zone target area anomaly has better defined the position of the highly strained contact between the granodiorite and surrounding intermediate metavolcanics which represents the regional scale Gomes-Ianna shear zone. Sampling within the artisanal pits has returned rock chip results of up to 251g/t Au from zones of 1-3cm stacked quartz veining with pyrite boxworks to the selvedge within highly altered granodiorite.

The A-Zone (eastern margin) target area anomaly has only been subjected to limited historical RC drilling with much of it deemed ineffective. Significant results historically returned from the A-Zone target area anomaly include:

- HR003: 10m @ 1.16g/t Au from 48m;
- HR006: 19m @ 0.93g/t Au from 1m;
- HR012: 16m @ 1.17g/t Au from 6m;
- HR015: 6m @ 1.24g/t Au from 42;
- SR094: 8m @ 1.82g/t Au from 48m.

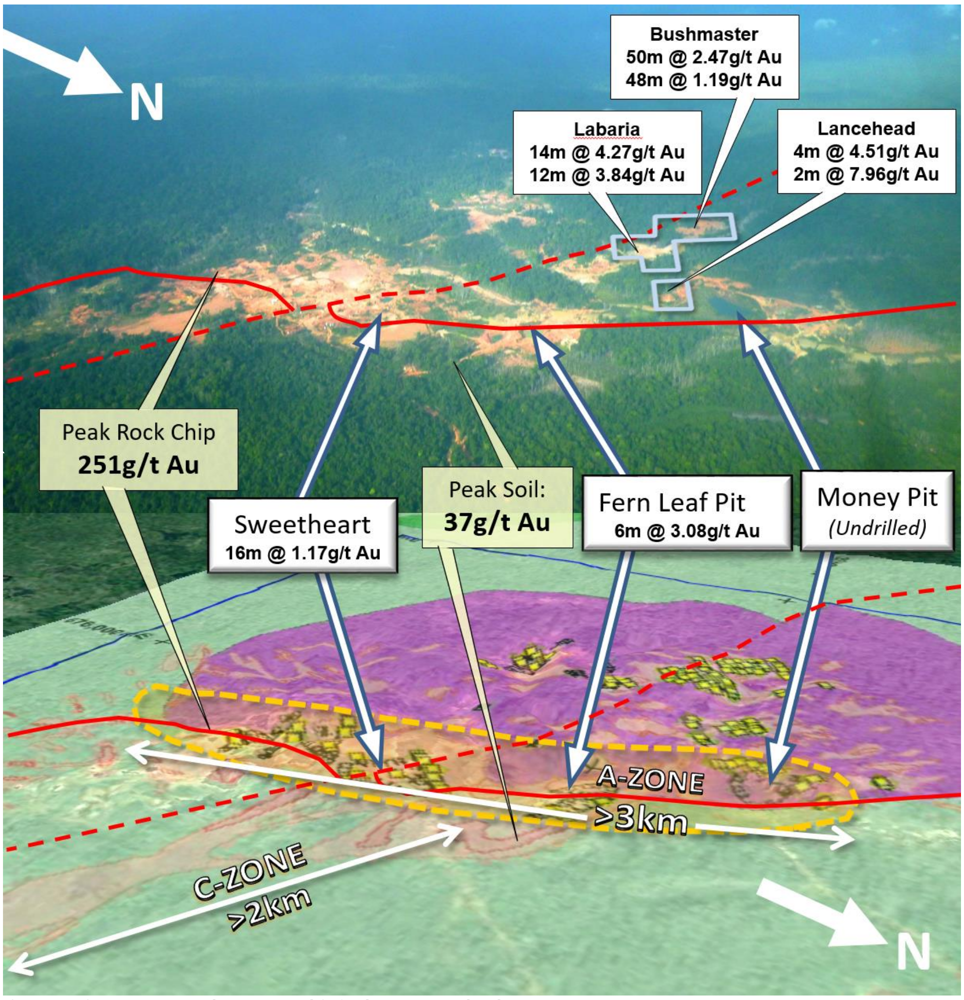


Figure 12 | Overview of Ianna project geology over simplified Alicanto regional geology.

9. Review of Operations (continued)

C-Zone Gold Anomaly

Recent soil sampling to the east of the A-Zone target area anomaly has identified a >2.2km long and up to 900m wide +100ppb Au in soil anomaly on 400m spaced soil lines with a peak value of 37g/t Au in soil. The soil anomalism is open along strike to the southeast is entirely undrilled (refer to Figure 13).

The C-Zone gold in soil anomalism is coincident with multiple, mapped talc schist shear zones identified coincident with higher tenor (>0.5g/t Au) soil anomalism within the metasediment country rock of the Ianna area. The identification of significant widths of gold anomalism away from the Ianna Granodiorite has significant implications for the overall prospectivity of the Ianna area by greatly increasing the footprint for potential mineralisation.

The area will require follow-up with auger in-fill on soil sampling and reconnaissance diamond drilling.

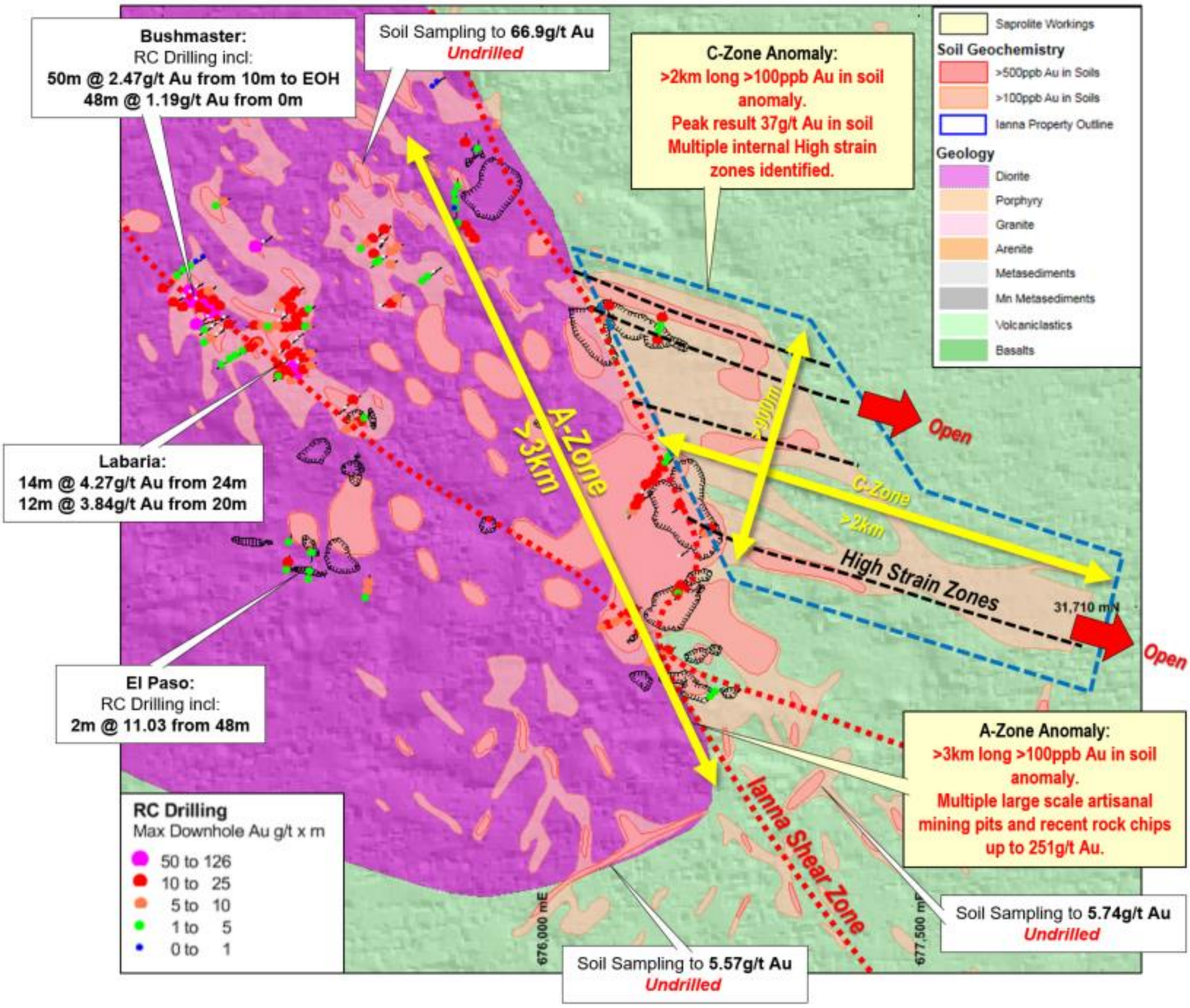


Figure 13 | Geological map showing the geology and location of the A-Zone target area and C-Zone gold anomalies with highlighted rock chip and soil anomalism.

9. Review of Operations (continued)

About Guyana

The Co-operative Republic of Guyana is located on the northern coast of South America and is a member of the Caribbean Community (CariCom). The English speaking country has a long history of mining and gold production which has been open to foreign investment from only recent times following the enactment of the 2004 Land Tenure Act.

Guyana's history and social acceptance of mining make Guyana a favourable mining jurisdiction, with relatively low risk for environmental and community issues versus comparable jurisdictions and a modern mining law overseen by a dedicated geology and mines commission. The positive jurisdiction combined with its highly prospective and under-explored mineral potential makes it an excellent destination for exploration and mining, with three gold mines financed by foreign investment announcing commercial production in 2016, and a history of substantial gold, bauxite and diamond mining operations.

Geologically, Guyana is underlain by the Guiana Shield, a Proterozoic aged craton that was contiguous with the Leo Mann Shield of West Africa prior to the opening of the Atlantic Ocean. As such, the geology of the Guiana Shield is similar in age, lithology and style of mineralisation to the prolific Birimian gold belts of West Africa (refer to Figure 14).

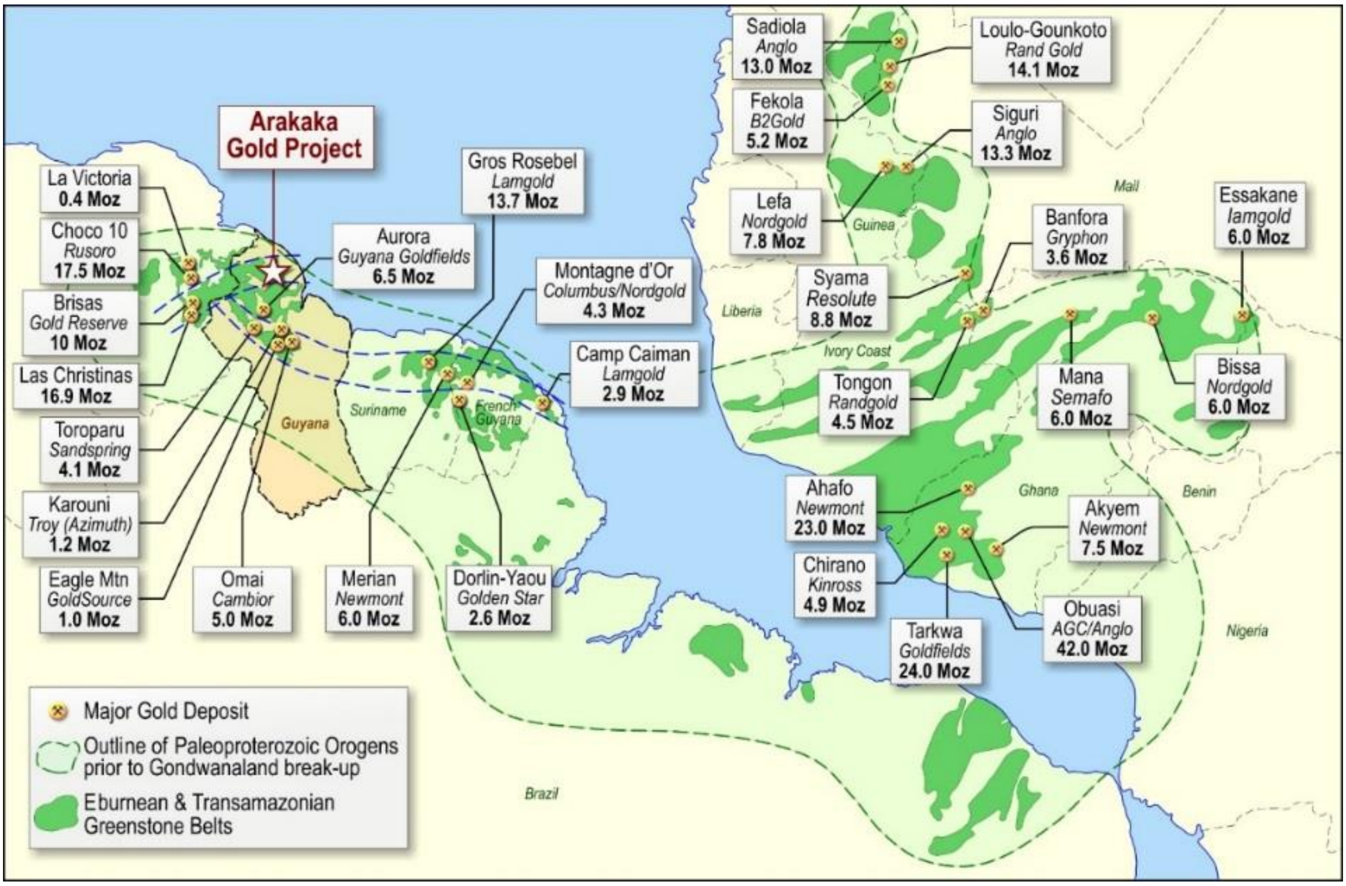


Figure 14 | Location Map - Arakaka Gold Project

Project Generation

The acquisition of the Arakaka Gold Project in 2013 delivered a core strategic asset in one of the most underexplored greenstone belts in the world. Alicanto has increased its footprint within the in the highly prospective Barama-Mazaruni Greenstone Belt in Guyana's Northwest District with the acquisition of the Ianna Gold Project located less than 25km from Alicanto's flagship Arakaka Project in late 2016 (refer to Figure 1).

The Company intends to continuously evaluate additional projects within Guyana for potential joint venture or acquisition. In addition, the Company shall also continue to evaluate projects elsewhere, in gold, copper and other commodities to grow shareholder value.

9. Review of Operations (continued)

Mineral Resource Estimation

As at 30 June 2017, Alicanto has not completed sufficient work to warrant mineral resource estimation and has no Mineral Resource holdings for its project areas located in Guyana, resulting in a 0% increase over the previous years reported resource holdings.

Alicanto has adopted the following governance arrangements and internal controls for the preparation of mineral resource estimations for the Company to ensure any Mineral Resource or Ore Reserve estimations prepared by Alicanto are reported in accordance with the principles of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 edition (JORC Code) and ASX Listing Rules.

Exploration activity and material results acquired in support of Mineral Resource estimation is subject to regular internal review to confirm and compile exploration results on a continuous basis for disclosure to shareholders in accordance with ASX listing rule 5.7 and in accordance with requirements of the JORC Code. Compilation of exploration results is completed or overseen by Alicanto personnel that meet the requirements of a Competent Person in accordance with the principles of the JORC Code.

Any documentation for the estimation of Mineral Resources or Ore Reserve must be prepared or overseen by a Competent Person in accordance with the principles of the JORC Code involving either Company personnel or an Independent Competent Person as deemed appropriate by Company management, with reporting of final documentation prepared in accordance with ASX listing rule(s) 5.8 and/or 5.9 as relevant to the consideration of modifying factors used in the estimation process.

10. Likely Developments and Expected Results of Operations

The Consolidated Entity will continue its mineral exploration activity at and around its exploration projects with the object of identifying commercial resources. Material business risks that may impact the results of future operations include further exploration results, future commodity prices and funding.

Further information on likely developments in the operations of the Company and the expected results of operations have not been included in the Annual Report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

11. Environmental Regulation

The Company is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all appropriate regulations when carrying out any exploration work.

12. Information on Directors and Company Secretary

Didier Murcia AM — **Non-Executive Chairman** - ***appointed 30 May 2012***

Qualifications	LLB, BJuris	
Experience	Mr Murcia holds a Bachelor of Jurisprudence and Bachelor of Laws from the University of Western Australia, and has over twenty five years' experience in corporate, commercial and resource law. Mr Murcia is a Non-Executive Director of Strandline Resources Limited and Chairman of Centaurus Metals Limited, all of which are listed on the Australian Securities Exchange. He is also Chairman of Perth law firm Murcia Pestell Hillard and the Honorary Consul for the United Republic of Tanzania. In January 2014, Mr Murcia was made a Member of the Order of Australia in recognition of his significant service to the international community.	
Interest in Securities	Fully Paid Ordinary Shares	522,500
	28 cent Listed Options expiring 28 July 2019	1,250
	23 cent Options expiring 7 September 2018	750,000
	0.1 cent Options expiring 30 April 2021	750,000
Other Directorships	Centaurus Metals Limited (since 16 April 2009) Strandline Resources Limited (since 23 October 2014) Gryphon Minerals Limited (28 July 2006 to 13 October 2016) Cradle Resources Limited (13 August 2013 to 8 May 2016)	

Directors' Report

12. Information on Directors and Company Secretary (continued)

Travis Schwertfeger	**Managing Director- *appointed 15 September 2014***
Qualifications	BSc Geological Engineering, MSc Ore Deposit Geology and Evaluation, MAIG
Experience	Mr Schwertfeger has over 20 years global industry experience as a geologist with positions in exploration, production, geology, business development and project valuation. He previously held senior technical roles with Newmont Mining Corporation and has worked on projects located in South America, West Africa and Australia with similar deposit style as the highly prospective Arakaka Gold Project. Mr Schwertfeger also has extensive corporate and management experience in both ASX and TSX-V listed mineral resource companies through previous Managing Director/CEO and corporate VP roles.

Interest in Securities	Fully Paid Ordinary Shares	300,000
	28 cent Listed Options expiring 28 July 2019	50,000
	23 cent Options expiring 7 September 2018	1,500,000
	0.1 cent Options expiring 30 April 2021	2,000,000

Hamish Halliday	**Non-Executive Director - *appointed 17 March 2016***
Qualifications	BSc (Geology), MAusIMM
Experience	Mr Halliday is a Geologist with a Bachelor of Science from the University of Canterbury and has over 20 years of corporate and technical experience in the mining industry. Mr Halliday has been involved in the discovery and acquisition of numerous projects over a range of commodities throughout four continents. Mr Halliday has founded and held executive and non-executive directorships with a number of successful listed exploration companies including Venture Minerals Limited and Adamus Resources Limited ('Adamus'). He was CEO of Adamus from its inception through to successful completion of a feasibility study on its gold project in Ghana which is now in production.

Interest in Securities	Fully Paid Ordinary Shares	5,825,000
	28 cent Listed Options expiring 28 July 2019	75,000
	23 cent Options expiring 7 September 2018	1,500,000
	6.5 cent Options expiring 25 March 2019	1,000,000
	0.1 cent Options expiring 30 April 2021	1,000,000

Other Directorships	Venture Minerals Limited (since 30 January 2008) Comet Resources Limited (since 16 December 2014) Blackstone Minerals Limited (since 30 August 2016) Renaissance Minerals Limited (25 February 2016 to 27 September 2016)

Company Secretary

Jamie Byrde BCom CA

Appointed - 16 March 2017
Mr Byrde is a Chartered Accountant with over 13 years' experience in corporate, audit and company secretarial matters. Previously Mr Byrde has held positions providing corporate advisory services, financial accounting/reporting and ASX/ASIC compliance management. Mr Byrde is also currently Company Secretary for Blackstone Minerals Limited and Venture Minerals Limited.

13. Audited Remuneration Report

The Directors are pleased to present your Company's 2017 remuneration report which sets out remunerations information for Alicanto Minerals Limited's non-executive directors, executive directors and other key management personnel.

The remuneration report is set out under the following headings:

A. Directors and key management personnel disclosed in this report;
B. Remuneration governance;
C. Use of remuneration consultants;
D. Executive remuneration policy and framework;
E. Relationships between remuneration and Alicanto Minerals Limited's performance;
F. Non-Executive Director remuneration policy;
G. Voting and comments made at the Company's 2016 Annual General Meeting;
H. Details of remuneration;
I. Details of share based compensation and bonuses;
J. Service agreements;
K. Equity instruments held by key management personnel; Loans to key management personnel;
L. Other transaction with key management personnel.

13. Audited Remuneration Report (continued)

M. Loans to key management personnel;
N. Other transaction with key management personnel.

A. Directors and key management personnel disclosed in this report

This report details the nature and amount of remuneration for all key management personnel of Alicanto Minerals Limited and its subsidiaries. The information provided within this remuneration report has been audited as required by section 308(C) of the Corporations Act 2001. The Individuals included in this report are:

Non-Executive Directors	
Mr D Murcia	Non-Executive Chairman
Mr H Halliday	Non-Executive Director
Executive Directors	
Mr T Schwertfeger	Managing Director
Other Key Management Personnel	
Mr M Harden	Chief Geologist
Mr J Byrde	Company Secretary (appointed 16 March 2017)
Mr B Dunnachie	Company Secretary (resigned 15 March 2017)

Changes since the end of the reporting period
None

B. Remuneration Governance

The role of a Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees.

As the whole Board only consists of three (3) members, the Company does not have a remuneration committee and therefore the full board acts as the remuneration committee. The Board has established a broad remuneration policy which is consistent with the Company's business objectives and designed to attract and retain high calibre individuals, align key management personnel remuneration with the creation of shareholder value and motivate executives to achieve challenging performance levels.

The business and operational environment of the Company is dynamic and ever changing and so too is the remuneration policies. As such the broader remuneration policies, whilst currently under specific and detailed review, are by nature, always under consideration by the Board.

Further information relating to the role of the Board and its responsibilities in relation to remuneration policies can be found within the Corporate Governance Statement which is available for inspection on the Company's website http://www.alicantominerals.com.au/index.php/corporate-profile/corporate-governance.

C. Use of remuneration consultants

The Company has not engaged or contracted remuneration consultants during the financial year.

D. Executive remuneration policy and framework

Remuneration Policy
The remuneration policy of Alicanto Minerals Limited has been designed to align executives' objectives with shareholder and business objectives by providing both fixed and discretionary remuneration components which are assessed on an annual basis in line with market rates. By providing components of remuneration that are indirectly linked to share price appreciation (in the form of options), executive, business and shareholder objectives are indirectly aligned. The board of Alicanto Minerals Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the Company, as well as create goal congruence between Directors and Shareholders.

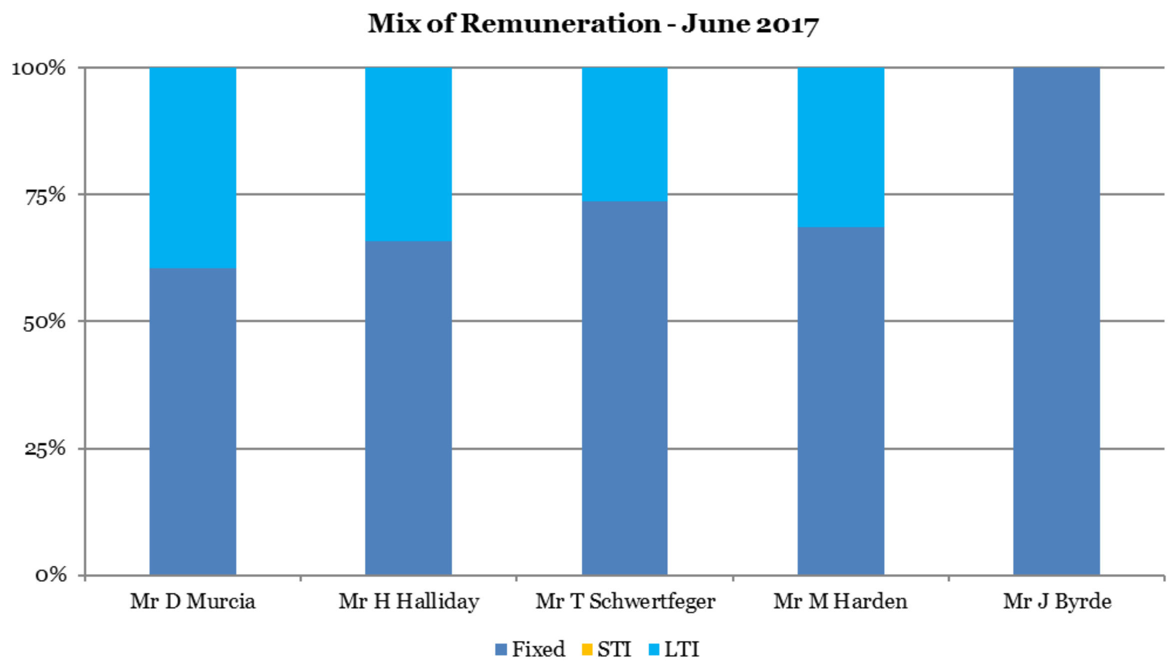
13. Audited Remuneration Report (continued)

D. Executive remuneration policy and framework (continued)

In determining competitive remuneration rates, the Board review local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Independent data is sourced to ensure that the company's remuneration levels fall within the 50th to 75th percentile of companies in a similar industry group and with a similar market capitalisation. These ongoing reviews are performed to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

The Board also ensures that the mix of executive compensation between fixed, variable, long-term, short-term and cash versus equity is appropriate. The Company endeavours to reduce cash expenditure by providing a greater proportion of compensation in the form of equity instruments. This allows cash-flows to be directed towards exploration programs with a view to improving the quality of our projects.

Remuneration Mix



Fixed Remuneration
All executives receive a base cash salary which is based on factors such as length of service and experience as well as other fringe benefits. All applicable executives also receive a superannuation guarantee contribution required by the government, which is currently 9.5% and do not receive any other retirement benefits.

Short-term Incentives (STI)
Under the Company's current remuneration policy, executives can from time to time receive short-term incentives in the form of cash bonuses. The Board can use its discretion when paying bonuses, however they have currently determined relevant industry key performance targets such as, definition and growth of existing resources, targets and on-going Executive loyalty to the Company. The Board believes that the criteria of eligibility for short-term incentives appropriately aligns shareholder wealth and executive remuneration as the completion of key performance targets have the potential to increase share price growth.

There were no cash bonuses paid out in the current financial year.

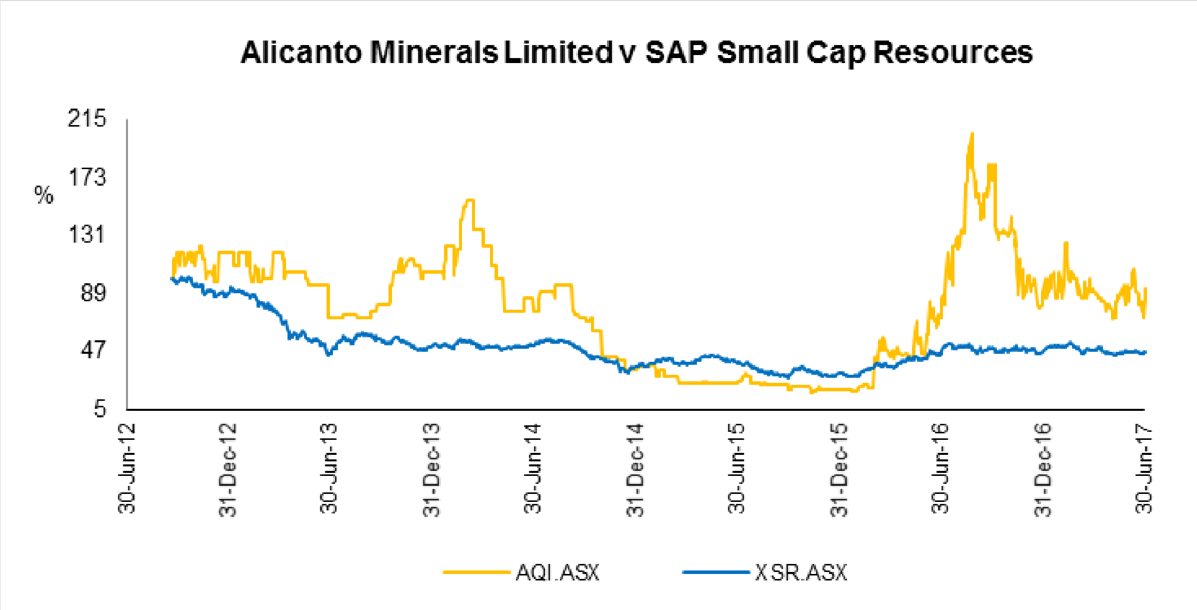
Long-term Incentives (LTI)
Executives are encouraged by the Board to hold shares in the Company and it is therefore the objective of the Company's option scheme to provide an incentive for participants to partake in the future growth of the company and, upon becoming shareholders in the Company, to participate in the Company's profits and dividends that may be realised in future years.

The Board considers that this equity performance linked remuneration structure is effective in aligning the long-term interests of group executives and shareholders as there exists a direct correlation between shareholder wealth and executive remuneration.

13. Audited Remuneration Report (continued)

E. Relationship between remuneration and Alicanto Minerals Limited's performance

The remuneration policy has been tailored to increase goal congruence between shareholders and executives. This has been achieved by the payment of short-term incentives, at the discretion of the non-executive directors, should relevant milestones be achieved and the issue of long-term incentive options. This structure rewards executives for both short-term and long-term shareholder wealth development.



F. Non-Executive Director remuneration policy

The Boards policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. Fees for non-executive directors are not linked to the performance of the group.

Typically, the Company will compare non-executive remuneration to companies with similar market capitalisations in the exploration and resource development business group. These ongoing reviews are performed to confirm that non-executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

Further to ongoing reviews, 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. In addition to director fees, the Directors were issued options during the current financial year, which were approved by shareholders at the shareholder meetings held during the period. Options were issued to non-executives as they provide an indirect mechanism of aligning shareholder wealth and non-executive director remuneration.

The remuneration policy, setting the terms and conditions for the non-executive directors was developed and approved by the Board. In determining competitive remuneration rates, the Board reviews local and international trends among comparative companies and industry generally. Reviews are performed to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian non-executive reward practices.

There was a salary freeze on all Non-Executive's base salaries since 2013 through to March 2016 which formed part of broader cost reducing measures to ensure that the Company conserved cash reserves in order to maintain exploration activities whilst initially working through volatile market conditions

G. Voting and comments made at the company's 2016 Annual General Meeting

The company received 99.85% of "Yes" votes on its remuneration report for the 2016 financial year (2015: 100%). The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Directors' Report

13. Audited Remuneration Report (continued)

H. Details of Remuneration

The Key Management Personnel of Alicanto Minerals Limited for the year ending 30 June 2017 are set out in the table below. There have been no changes to the below named key management personnel since the end of the reporting period unless noted.

	Short-Term Employee Benefits			Post Employment	Securities	Total
	Cash Salary & Fees $	Incentives $	Other Amounts $	Super-annuation $	Options[3] $	$
2017						
Non-Executive Directors						
Mr D Murcia	49,275	-	1,778	-	32,038	**83,091**
Mr H Halliday	78,563		1,778	3,562	42,717	**126,620**
Executive Directors						
Mr T Schwertfeger	219,178	-	1,778	20,822	85,434	**327,212**
Other Key Management Personnel						
Mr M Harden	210,000	-	1,778	-	172,897	**384,675**
Mr B Dunnachie[1]	50,700	-	1,333	-	17,087	**69,120**
Mr J Byrde	18,563	-	445	-	-	**19,008**
Total Remuneration	**626,279**	**-**	**8,890**	**24,384**	**350,173**	**1,009,726**

1: Mr Dunnachie resigned on 15 March 2017.
2: Mr Byrde appointed on 16 March 2017
3: The fair value of the options is calculated at the date of grant using a Black-Scholes model, refer to Section I for further details of options issued in the June 2016 and 2017 financial year

	Short-Term Employee Benefits			Post Employment	Securities	Total
	Cash Salary & Fees $	Incentives $	Other Amounts $	Super-annuation $	Options[3] $	$
2016						
Non-Executive Directors						
Mr D Murcia	32,850	-	1,708	-	40,047	**74,605**
Mr H Halliday[1]	21,875	-	497	2,078	53,396	**77,846**
Mr M Bowles[2]	23,417	-	1,329	2,225	-	**26,971**
Executive Directors						
Mr T Schwertfeger	156,119	-	1,708	14,831	125,320	**297,978**
Other Key Management Personnel						
Mr M Harden	200,000	-	-	-	32,038	**232,038**
Mr B Dunnachie	40,500	-	1,708	-	21,358	**63,566**
Total Remuneration	**474,761**	**-**	**6,950**	**19,134**	**272,159**	**773,004**

1: Mr H Halliday was appointed as a Director on 17 March 2016.
2: Mr M Bowles resigned as Non-Executive Director on 11 April 2016.
3: The fair value of the options is calculated at the date of grant using a Black-Scholes model.
No retirement benefits or equity securities were issued to any Director or other key management personnel of the entity during the financial year.

Directors' Report

13. Audited Remuneration Report (continued)

I. Details of share-based compensation and bonuses

Options are issued to directors and executives as part of their remuneration. The options are not always issued based on performance criteria and in the instances, they are not, they are issued to the majority of directors and executives of Alicanto Minerals Limited to increase goal congruence between executives, directors and shareholders.

Options issued – 30 June 2017

Options issued in the current financial year, incentive options have been issued to key management personnel. The options vest upon achievement of performance based milestones as follows:

i) 100% of the options shall vest on 28 February 2018 subject to remaining an employee of the company.

Options issued – 30 June 2016

Options issued in the prior financial year, incentive options have been issued to Directors and other key management personnel. The options vest upon achievement of performance based milestones as follows:

ii) Tranche 1 - 50% of the options vested on 28 February 2017 subject to remaining an officer, employee or consultant to the Company at the time of vesting;

iii) Tranche 2 – The remaining 50% of the options shall vest upon the Company achieving one of the following milestones;
- Barrick Gold Corporation continuing into the second contract year in accordance with the Earn-In Agreement at the Arakaka Project as announced on 1 March 2016; or
- the Company announcing a 50 gram x metre/tonne Au significant drill intercept or greater at a 0.5 gram/tonne Au cut-off grade.

Further details of options issued to Directors and key management personnel are as follows:

	Granted No.	Options Granted as Part of Remuneration $	Total Remuneration Represented by Options	Exercised No.	Other changes No.	Lapsed No.
30 June 2017						
Non-Executive Directors						
Mr D Murcia	-	32,038	39%	-	-	-
Mr H Halliday	-	42,717	34%	-	-	-
Executive Director						
Mr T Schwertfeger	-	85,434	26%	-	-	-
Other Key Management Personnel						
Mr M Harden	900,000	172,897	45%	-	-	-
Mr B Dunnachie[3]	-	17,087	25%	(400,000)	-	-
Mr J Byrde	-	-	-	-	-	-
30 June 2016						
Non-Executive Directors						
Mr D Murcia	750,000	40,043	54%	-	-	-
Mr H Halliday[1]	1,000,000	53,390	69%	-	-	-
Mr M Bowles[2]	-	-	-	-	-	-
Executive Director						
Mr T Schwertfeger	2,000,000	125,308	42%	-	-	-
Other Key Management Personnel						
Mr M Harden	600,000	32,034	14%	-	-	-
Mr B Dunnachie[3]	400,000	21,356	34%	-	-	-

1: Mr H Halliday was appointed as a Director on 17 March 2016.
2: Mr M Bowles resigned as Non-Executive Director on 11 April 2016.
3: Mr B Dunnachie resigned on 15 March 2017.
4. Mr J Byrde appointed on 16 March 2017

Directors' Report

13. Audited Remuneration Report (continued)

	Issue Date	Expiry Date	% Vested in Year	Exercise Price	Number of Options
30 June 2017					
Non-Executive Directors					
Mr D Murcia	25 May 16	30 Apr 21	100%	$0.001	750,000
Mr H Halliday	25 May 16	30 Apr 21	100%	$0.001	1,000,000
Executive Director					
Mr T Schwertfeger	25 May 16	30 Apr 21	100%	$0.001	2,000,000
Other Key Management Personnel					
Mr M Harden	25 May 16	30 Apr 21	100%	$0.001	600,000
Mr M Harden	4 Oct 16	30 Apr 21	53%	$0.001	900,000
Mr B Dunnachie	25 May 16	30 Apr 21	100%	$0.001	600,000
30 June 2016					
Non-Executive Directors					
Mr D Murcia	25 May 16	30 Apr 21	0%	$0.001	750,000
Mr H Halliday	25 May 16	30 Apr 21	0%	$0.001	1,000,000
Executive Director					
Mr T Schwertfeger	27 Nov 14	07 Sept 18	0%	$0.23	1,500,000
Mr T Schwertfeger	25 May 16	30 Apr 21	0%	$0.001	2,000,000
Other Key Management Personnel					
Mr M Harden	25 May 16	30 Apr 21	0%	$0.001	600,000
Mr B Dunnachie	25 May 16	30 Apr 21	0%	$0.001	400,000

The value at grant date is calculated in accordance with AASB2 Share Based Payments utilising the Black Scholes Methodology. The following factors and assumptions were used in determining the fair value of options issued to key management personnel on grant date:

Grant Date	Expiry Date	Exercise Price	Fair Value Per Option	Price of Shares on Grant Date	Estimated Volatility	Risk Free Interest Rate	Dividend Yield
30 June 2017							
4 Oct 16	30 Apr 21	$0.001	$0.309	$0.31	85%	1.70%	0%
30 June 2016							
25 May 16	30 Apr 21	$0.001	$0.096	$0.097	85%	1.82%	0%

Historical volatility has been the basis for determining expected share price volatility as it assumed that this is indicative of future tender, which may not eventuate. The life of the options is based on historical exercise patterns, which may not eventuate in the future.

J. Services Agreements

Remuneration and other key terms of employment for the Executives, Non-Executives and Other Executives of Alicanto Minerals Limited are formalised in executive service agreements. Major provisions of the agreements relating to remuneration are set out below:

Mr D Murcia, Non-executive Chairman

Term of Agreement – unspecified.

Base fee of $30,000 exclusive of superannuation. From 1 August 2017, this fee increased to $60,000 exclusive of superannuation.

Eligible to participate in the Company's Employee Incentive Scheme.

No termination benefit under any circumstances.

13. Audited Remuneration Report (continued)

J. Services Agreements (continued)

Mr T Schwertfeger, Managing Director

Term of Agreement – 12 months.
Base fee of $240,000* inclusive of superannuation. From 1 August 2017, this fee increases to $270,000 exclusive of superannuation.
In addition to his base salary and non-cash benefits, Mr Schwertfeger is entitled to be paid a cash bonus equal to 9 months of his salary, should a recommended takeover be made to the Company, as a result of which the Bidder is successful in acquiring at least 51% of the Company.
Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equal to 3 months base fee, being payment in lieu of the specified termination notice period.
Eligible to participate in the Company's Employee Incentive Scheme.

* Note that given the market conditions over the previous years, Mr Schwertfeger had agreed to a voluntary reduction of 50% of his executive base salary in order for the company to conserve funds. The voluntary reduction remained in place from commencement of employment through to March 2016.

Mr H Halliday, Non-executive Director

Term of Agreement – unspecified.
Base fee of $75,000 exclusive of superannuation (From 1 August 2017 the base fee increased to $100,000 for a consulting element)
Eligible to participate in the Company's Employee Incentive Scheme.
No termination benefit under any circumstances.

Mr M Harden, Chief Geologist

Term of Agreement – unspecified.
Base salary of $210,000 gross.
Payment of a termination benefit on early termination by the company, other than for gross misconduct, equal to 12 weeks base fee, being payment in lieu of the specified termination notice period.
Eligible to participate in the Company's Employee Incentive Scheme.

Mr J Byrde, Company Secretary – Appointed 16 March 2017.

Term of Agreement – Agreement is held with related entity and charged on an even proportion across three related entities.
Base fee of $54,750.
Payment of a termination benefit on early termination by the company, other than for gross misconduct, equal to 3 months base fee, being payment in lieu of the specified termination notice period.
Eligible to participate in the Company's Employee Incentive Scheme.

K. Equity instruments held by key management personnel

The tables on following page show the number of:

(i) Shares in the company; and
(ii) Options over ordinary shares in the Company

That were held during the financial year by key management personnel of the group, including their close family members and entities that relate to them. During the period, no shares were issued to employees. There were no further shares granted during the reporting period as compensation.

Directors' Report

13. Audited Remuneration Report (continued)

K. Equity instruments held by key management personal (continued)

	Balance at the start of the year	Received on exercise of options	Other changes	Balance at the end of the year
2017				
Directors of Alicanto Minerals Limited				
Mr D Murcia	520,000	-	-	520,000
Mr T Schwertfeger	200,000	-	-	200,000
Mr H Halliday	5,665,000	-	-	5,665,000
Other key management personnel				
Mr M Harden	766,650	-	-	766,650
Mr B Dunnachie[3]	140,000	-	(140,000)	-
2016				
Directors of Alicanto Minerals Limited				
Mr D Murcia	520,000	-	-	520,000
Mr T Schwertfeger	-	-	200,000	200,000
Mr H Halliday[1]	-	-	5,665,000	5,665,000
Mr M Bowles[2]	2,375,001	-	(2,375,001)	-
Other key management personnel				
Mr M Harden	350,000	-	416,650	766,650
Mr B Dunnachie[3]	140,000	-	-	140,000

1: Mr H Halliday was appointed as a Director on 17 March 2016.
2: Mr M Bowles resigned as Non-Executive Director on 11 April 2016.
3: Mr B Dunnachie resigned 15 March 2017.

	Balance at start of the year	Granted as remuneration	Exercised	Other changes	Balance at end of the year	Vested and exercisable
2017						
Directors of Alicanto Minerals Limited						
Mr D Murcia	1,500,000	-	-	-	1,500,000	1,500,000
Mr T Schwertfeger	3,500,000	-	-	-	3,500,000	3,500,000
Mr H Halliday[1]	3,500,000	-	-	-	3,500,000	3,500,000
Other key management personnel						
Mr M Harden	1,350,000	900,000	-	-	2,250,000	1,350,000
Mr B Dunnachie[3]	650,000	-	-	(650,000)	-	-
Mr J Byrde	100,000	-	-	-	100,000	100,000
2016						
Directors of Alicanto Minerals Limited						
Mr D Murcia	1,250,000	750,000	-	(500,000)	1,500,000	750,000
Mr T Schwertfeger	1,500,000	2,000,000	-	-	3,500,000	1,500,000
Mr H Halliday[1]	-	1,000,000	-	-	3,500,000	2,500,000
Mr M Bowles[2]	3,500,000	-	-	(3,500,000)	-	-
Other key management personnel						
Mr M Harden	1,750,000	600,000	-	(1,000,000)	1,350,000	750,000
Mr B Dunnachie[3]	450,000	400,000	-	(200,000)	650,000	250,000

1: Mr H Halliday was appointed as a Director on 17 March 2016.
2: Mr M Bowles resigned as a Director on 11 April 2016.
3: Mr B Dunnachie resigned 15 March 2017.

L. Loans to key management personnel

There were no loans made to directors of Alicanto Minerals Limited and other key management personnel of the group, including their close family members or entities related to them.

Directors' Report

13. Audited Remuneration Report (continued)

M. Other transactions with key management personnel

Mr D Murcia was formally a Non-Executive Director of Gryphon Minerals Limited which shares office and administration service costs on normal commercial terms and conditions.

Mr D Murcia is a Director of Murcia Pestell Hillard a company which provides legal services on normal commercial terms and conditions.

Mr H Halliday is a Non-Executive Director of Venture Minerals Limited and Blackstone Minerals which shares office and administration service costs on normal commercial terms and conditions.

	Consolidated 2017 $	2016 $
Recharges from Director related entities:		
Recharge of costs by Gryphon Minerals Limited	15,520	23,401
Recharge of costs by Venture Minerals Limited	39,008	8,103
Recharge of costs by Blackstone Minerals Limited	16,004	-
Purchases from Director related entities		
Purchases for legal services from Murcia Pestell Hilliard Lawyers	38,198	72,808
Outstanding balances arising from recharges/purchases with Director Related Parties:		
Current payables	3,856	2,147

End of Remuneration Report.

14. Shares under Option

Unissued ordinary shares of Alicanto Minerals Limited under option at the date of this report are as follows:

Date Options Granted	Expiry Date	Exercise Price	Number under Option
22 Nov 13	21 Nov 17	$0.320	1,250,000
12 Sep 14	07 Sept 18	$0.230	6,800,000
27 Nov 14	07 Sept 18	$0.230	1,250,000
02 Apr 15	25 Mar 19	$0.065	2,000,000
25 May 16	30 Apr 21	$0.001	6,250,000
15 Jul 16	31 Jul 19	$0.130	348,000
28 Jul 16	28 Jul 19	$0.230	5,960,000
24 July 17	28 Jul 19	$0.280	9,107,031
18 Aug 17	28 Jul 19	$0.280	4,250,000

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

15. Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of these proceedings. The Company was not a party to any such proceedings during the year.

Directors' Report

16. Meetings of Directors

The number of Directors' meetings held during the financial year that each Director who held office during the financial year was eligible to attend and the number of meetings attended by each Director were:

Director	Directors Meetings Number Eligible to Attend	Meetings Attended
Mr D Murcia	7	7
Mr T Schwertfeger	7	7
Mr H Halliday	7	7

17. Insurance of Officers

Subsequent to the financial year end, Alicanto Minerals Limited has paid a premium of $8,890 (2016: $6,950) to insure the directors and secretary of the Company and its controlled entities. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company.

18. Auditors Independent Declaration & Non-Audit Services

The lead auditor's independence declaration for the year ended 30 June 2017 has been received and can be found on page 34 of the Directors' report. No fees were paid or payable to the auditors for non-audit services performed during the year ended 30 June 2017.

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

Travis Schwertfeger
Managing Director

Perth Western Australia, 28 September 2017

Competent Persons Statement
The information in this report that relates to Exploration Results is based on information compiled by Mr Travis Schwertfeger, a Competent Person who is a Member of The Australian Institute of Geoscientists. Mr Schwertfeger is a full time employee as Managing Director for the company. Mr Schwertfeger has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Schwertfeger consents to their inclusion in the report of the matters based on his information in the form and context in which it appears.

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28 September 2017

The Directors
Alicanto Minerals Limited
Suite 3, Level 3
24 Outram Street
West Perth, WA 6005

Dear Sirs

RE: ALICANTO MINERALS LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Alicanto Minerals Limited.

As Audit Director for the audit of the financial statements of Alicanto Minerals Limited for the year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED
(Trading as Stantons International)
(An Authorised Audit Company)

Samir Tirodkar
Director

Financial Statements

Contents

These financial statements are the consolidated financial statements of the consolidated entity consisting of Alicanto Minerals Limited and its subsidiaries. The financial statements are presented in the Australian currency.

Alicanto Minerals Limited is a Company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Alicanto Minerals Limited
Suite 3, Level 3,
24 Outram Street
WEST PERTH WA 6005

A description of the nature of the consolidated entity's operations and its principal activities is included in the review of operations and activities on pages 5 to 22 in the Directors' report, both of which is not part of these financial statements.

The financial statements were authorised for issue by the directors on 28 September 2017. The Company has the power to amend and reissue the financial statements.

Through the use of the internet, the Company has ensured that its corporate reporting is timely, complete, and available globally at minimum cost to the Company. All press releases, financial statements and other information are available on our website: www.alicantominerals.com.au.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2017

	Note	Consolidated 2017 $	2016 $
Revenue from continuing operations	3(a)	156,584	25,917
Other income	3(b)	157,946	167,870
Administrative costs		(195,433)	(104,117)
Consultancy expense		(82,814)	(152,040)
Employee benefits expense	4(a)	(353,604)	(173,466)
Share based payment expenses	23	(468,966)	(390,696)
Occupancy expense		(10,468)	(17,592)
Compliance and regulatory expenses		(58,743)	(44,475)
Insurance expenses		(30,605)	(10,335)
Depreciation expense	4(b)	(36,175)	(13,786)
Finance costs	4(c)	(6,351)	(2,463)
Exploration expensed	10	(265,900)	(764,559)
(Loss) before income tax		**(1,194,529)**	**(1,479,742)**
Income tax (expense)/benefit	6(a)	-	-
(Loss) attributable to owners		**(1,194,529)**	**(1,479,742)**
Other comprehensive income:			
Items that may be reclassified to profit or loss			
- Exchange differences on translation of foreign operations	15(b)	30,050	26,260
Items that will not be classified to profit or loss			-
Total comprehensive (loss) attributable to owners		**(1,164,479)**	**(1,453,482)**
Basic earnings/(loss) per share (cents per share)	17	(1.3)	(2.4)
Diluted earnings/(loss) per share (cents per share)	17	N/A	N/A

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2017

	Note	Consolidated 2017 $	2016 $
Current Assets			
Cash and cash equivalents	7	1,836,953	1,216,247
Trade and other receivables	8(a)	84,836	46,034
Total Current Assets		**1,921,789**	**1,262,281**
Non-Current Assets			
Trade and Other Receivables	8(b)	20,000	-
Property, plant and equipment	9	239,550	151,480
Exploration and evaluation expenditure	10	611,288	611,288
Total Non-Current Assets		**870,838**	**762,768**
Total Assets		**2,792,627**	**2,025,049**
Current Liabilities			
Trade and other payables	11	503,289	495,793
Provisions	12	60,005	33,104
Total Current Liabilities		**563,294**	**528,897**
Total Liabilities		**563,294**	**528,897**
Net Assets		**2,229,333**	**1,496,152**
Equity			
Contributed equity	13(a)	9,117,041	7,577,323
Reserves	15(c)	1,915,900	1,527,908
Accumulated losses		(8,803,608)	(7,609,079)
Total Equity		**2,229,333**	**1,496,152**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2017

Consolidated	Contributed Equity $	Accumulated Losses $	Foreign Currency Translation Reserve $	Option Reserve $	Total $
Balance at 1 July 2015	6,537,079	(6,129,337)	19,175	1,091,777	1,518,694
Total comprehensive income for the year:					
Loss for the year	-	(1,479,742)	-	-	(1,479,742)
Foreign exchange differences	-	-	26,260	-	26,260
	-	(1,479,742)	26,260	-	(1,453,482)
Transactions with owners in their capacity as owners:					
Contributions of equity (net of transaction costs)	1,040,244	-	-	-	1,040,244
Share based payment transactions	-	-	-	390,696	390,696
	1,040,244	-	-	390,696	1,430,940
Balance at 30 June 2016	**7,577,323**	**(7,609,079)**	**45,435**	**1,482,473**	**1,496,152**
Balance at 1 July 2016	7,577,323	(7,609,079)	45,435	1,482,473	1,496,152
Total comprehensive income for the year:					
Loss for the year	-	(1,194,529)	-	-	(1,194,529)
Foreign exchange differences	-	-	30,050	-	30,050
	-	(1,194,529)	30,050	-	(1,164,479)
Transactions with owners in their capacity as owners:					
Contributions of equity (net of transaction costs)	1,331,394	-	-	-	1,331,394
Share based payment transactions	208,324	-	-	357,942	566,266
	1,539,718	-	-	357,942	1,897,660
Balance at 30 June 2017	**9,117,041**	**(8,803,608)**	**75,485**	**1,840,415**	**2,229,333**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2017

	Note	Consolidated 2017 $	2016 $
Cash Flows from Operating Activities			
Receipts from customers (inclusive of goods and services tax)		290,706	50,935
Exclusivity payment received		-	105,918
Payments to suppliers and employees		(708,970)	(448,222)
Interest received		18,856	5,317
Payments for exploration and evaluation		(4,499,662)	(1,760,971)
Contributions received from farm-in partners		4,297,548	1,462,559
Net cash (outflow) from operating activities	18	**(601,522)**	**(584,464)**
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		(186,467)	(32,993)
Payments for security deposits		(20,000)	-
Net cash (outflow) from investing activities		**(206,467)**	**(32,993)**
Cash Flows from Financing Activities			
Proceeds from issue of shares		1,566,870	1,049,295
Share issue transaction costs		(138,175)	(25,717)
Net cash inflow from financing activities		**1,428,695**	**1,023,578**
Net increase in cash and cash equivalents		620,706	406,121
Cash and cash equivalents at the start of the year		1,216,247	810,126
Cash and cash equivalents at the end of the year	7	**1,836,953**	**1,216,247**

Amounts relating to payments to suppliers and employees as set out above are inclusive of goods and services tax. The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the financial years presented, unless otherwise stated. These financial statements cover Alicanto Minerals Limited as a consolidated entity consisting of Alicanto Minerals Limited and its subsidiaries ('the consolidated entity' or 'the group').

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements and the *Corporations Act 2001*.

(i) Compliance with IFRS

The financial statements of Alicanto Minerals Limited also comply with Australian Equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes as presented comply with International Financial Reporting Standards (IFRS).

(ii) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available for sale financial assets.

(b) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Alicanto Minerals Limited as at 30 June 2017 and the results of all subsidiaries for the year then ended.

Subsidiaries are entities the parent controls. The parent controls an entity when it 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 over the entity. A list of subsidiaries is provided in Note 26.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statement of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

(ii) Joint arrangements

Under AASB 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Alicanto Minerals Limited is not involved in any joint arrangements.

(iii) Jointly operations

Alicanto Minerals Limited recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses.

Alicanto Minerals Limited is not involved in any joint operations.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors.

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties. Revenue is recognised for the business activities as follows:

(i) Interest income

Interest income is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

ii) Equipment Hire

Equipment hire income is recognised through the rental of exploration equipment as part of the Barrick Earn-In agreement.

1. Summary of Significant Accounting Policies (continued)

(e) Income tax

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(f) Leases

Leases of property, plant and equipment where the group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit or loss and other comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit or loss and other comprehensive income on a straight-line basis over the period of the lease.

(g) Impairment of assets

At each reporting date, the Board assesses whether there is any indication that an asset may be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(h) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(i) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade and other receivables are generally due for settlement within 30 days. Collectability of trade receivables is reviewed on an ongoing basis. Amounts that are known to be uncollectible are written off by reducing the carrying amount directly.

(j) Exploration and evaluation expenditure

Exploration, evaluation and development expenditure is expensed as incurred other than for the capitalisation of acquisition costs.

(k) Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial year in which they are incurred.

Depreciation on assets is calculated using the reducing balance method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

1. Summary of Significant Accounting Policies (continued)

(k) Property, plant and equipment (continued)

Plant and equipment - office	40.0%
Furniture and equipment - office	20.0%
Plant and equipment - field	20.0%
Motor vehicles	22.5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(g)). Gains and losses on disposals are determined by comparing proceeds received with the carrying amount. These are included in the statement of profit or loss and other comprehensive income.

(l) Intangibles

Acquired minerals rights

Acquired minerals rights comprise exploration and evaluation assets including ore reserves and minerals resources which are acquired as part of:

- business combinations recognised at fair value at the date of acquisition; and
- asset acquisitions recognised at cost.

Acquired minerals rights are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- such costs are expected to be recouped through successful development and exploitation or from sale of the area: or
- exploration and evaluation activities in the area have not, at balance date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or relating to, the area are continuing.

Acquired minerals rights in respect of areas of interest which are abandoned are written off in full against profit or loss in the year in which the decision to abandon the area is made.

For acquired minerals rights in an area of interest that are developed, costs are classified as mine property and development from commencement of development and amortised when commercial production commences on a unit of production basis over the estimated economic reserves of the mine.

(m) Investments and other financial assets

(i) Classification

The company classifies its financial assets as available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at the end of each reporting date.

(ii) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

(iii) Measurement

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

(iv) Impairment

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

1. Summary of Significant Accounting Policies (continued)

If there is objective evidence of impairment of available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses on equity instruments that were recognised in profit or loss are not reversed through profit or loss in a subsequent period.

(n) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(o) Provisions

Provisions are recognised when; the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(p) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented in payables.

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as present value of expected future wage payments to be made. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting regardless of when the actual settlement is expected to occur.

(iii) Share-based payments

The company provides benefits to employees (including directors) of the company in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions'). The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of shares of Alicanto Minerals Limited ('market conditions').

(q) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(r) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the Figures used in the determination of basic earnings per share to take into account the after tax effect of interest and other financing costs associated with the dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

1. Summary of Significant Accounting Policies (continued)

(s) Goods and services tax ('GST')

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(t) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Alicanto Minerals Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges, qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Translation differences on financial assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available for sale financial assets are included in the fair value reserve in equity.

(iii) Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for the statement of profit or loss and other comprehensive income are translated at average exchange rates, and
- All resulting exchange differences are recognised in other comprehensive income.

(u) New accounting standards and interpretations

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the group have not been applied in preparing these consolidated financial statements. Those which may be relevant to the group are set out below. The group does not plan to adopt these standards early.

(i) *AASB 9 Financial Instruments* and associated Amending Standards (applicable for annual reporting period commencing 1 January 2018).

The Standard will be applicable retrospectively (subject to the comment on hedge accounting below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

Key changes made to this standard that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.

The directors anticipate that the adoption of AASB 9 will not have a material impact on the Group's financial instruments.

(ii) *AASB 16: Leases* (applicable to annual reporting periods commencing on or after 1 January 2019).

AASB 16 removes the classification of leases as either operating leases or finance leases for the lessee effectively treating all leases as finance leases. Short term leases (less than 12 months) and leases of a low value are exempt from the lease accounting requirements. Lessor accounting remains similar to current practice.

The directors anticipate that the adoption of AASB 16 will not have a material impact on the Group's recognition of leases and disclosures.

1. Summary of Significant Accounting Policies (continued)

(iii) AASB 2014-10: Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (applicable to annual reporting periods commencing on or after 1 January 2018).
This Standard amends AASB 10: Consolidated Financial Statements with regards to a parent losing control over a subsidiary that is not a "business" as defined in AASB 3: Business Combinations to an associate or joint venture and requires that:

- a gain or loss (including any amounts in other comprehensive income (OCI)) be recognised only to the extent of the unrelated investor's interest in that associate or joint venture;
- the remaining gain or loss be eliminated against the carrying amount of the investment in that associate or joint venture; and
- any gain or loss from remeasuring the remaining investment in the former subsidiary at fair value also be recognised only to the extent of the unrelated investor's interest in the associate or joint venture. The remaining gain or loss should be eliminated against the carrying amount of the remaining investment.

The directors anticipate that the adoption of AASB 2014-10 will not have a material impact on the Group's Financial Statements.

(iv) AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods commencing on or after 1 January 2018).
When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Apart from a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers. This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The directors anticipate that the adoption of AASB 15 will not have a material impact on the Group's Financial Statements.

(v) Other standards not yet applicable
There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions

2. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future. The resulting accounting estimates and judgements may differ from the related actual results and may have a significant effect on the carrying amount of assets and liabilities within the next financial year and on the amounts recognised in the financial statements. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Capitalisation of acquisition costs on exploration projects
Acquisition costs incurred in acquiring exploration assets are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at balance sheet date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

(b) Share based payment transactions
The group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in note 23.

(c) Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences when management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

		Consolidated 2017 $	2016 $
3.	**Revenue**		
(a)	Revenue from continuing operations		
	Equipment rental	133,592	20,600
	Interest received	22,992	5,317
	Total revenue from continuing operations	156,584	25,917
(b)	Other income		
	Management fees from farm-in partners	157,114	30,335
	Exclusivity fee	-	105,918
	Foreign exchange gain	832	31,617
	Total other income	157,946	167,870
4.	**Expenses**		
(a)	Employee benefits expense		
	Salaries and wages expense	332,782	158,635
	Defined contribution superannuation expense	20,822	14,831
	Total employee benefits expense	353,604	173,466
(b)	Depreciation expense		
	Plant and equipment – office	6,548	2,835
	Plant and equipment – field	10,098	3,853
	Plant and equipment – motor vehicle	19,529	7,098
	Total depreciation expense	36,175	13,786
(c)	Finance costs		
	Interest and finance charges paid or payable	6,351	2,463
	Total finance costs	6,351	2,463

		Consolidated 2017 $	2016 $
5.	**Auditor's Remuneration**		
	Remuneration of the auditor of the group		
	Auditing or reviewing the financial statements	29,598	19,571
	Other assurance services	-	-
	Non-assurance services	-	-
	Total auditor remuneration	29,598	19,571

		Consolidated 2017 $	2016 $
6.	**Income Tax Expense**		
(a)	Income tax expense		
	Current tax	-	-
	Deferred tax	-	-
	Total income tax expense	-	-
	Deferred income tax expense included in income tax expense comprises:		
	- (Increase) in deferred tax assets (note 6(c))	-	-
	- Increase in deferred tax liabilities (note 6(d))	-	-
		-	-
(b)	Numerical reconciliation of income tax expense to prima facie tax payable		
	Profit from continuing operations before income tax expense	(1,194,529)	(1,479,742)
	Tax (tax benefit) at the tax rate of 27.5% (2016: 30%)	(328,495)	(443,922)
	Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
	- Share based payments	128,966	117,209
	- Other non-deductible amounts	80,346	124,737
	- Unrecognised tax losses	119,183	201,976
	Income tax benefit	-	-
(c)	Deferred tax assets		
	Tax losses[A]	-	-
	Employee benefits	-	-
	Other accruals	-	-
		-	-
	Set-off deferred tax liabilities (note 6(d))	-	-
	Net deferred tax assets	-	-
(d)	Deferred tax liabilities		
	Exploration expenditure	-	-
	Other	-	-
		-	-
	Set-off deferred tax assets (note 6(c))	-	-
	Net deferred tax liabilities	-	-
(e)	Tax losses		
	Unused tax losses for which no deferred tax asset has been recognized	5,385,985	4,952,593
	Potential tax benefit at 27.5% (2016: 30%)	1,481,145	1,485,778
(f)	Unrecognised temporary differences		
	Unrecognised deferred tax asset relating to capital raising costs	57,404	66,935

A: The deferred tax asset attributable to tax losses does not exceed taxable amounts arising from the reversal of existing assessable temporary differences.

		Consolidated 2017 $	Consolidated 2016 $
7.	**Cash & Cash Equivalents**		
(a)	Total cash and cash equivalents		
	Cash at bank and in hand	836,953	1,216,247
	Deposits at call	1,000,000	-
	Total cash and cash equivalents	1,836,953	1,216,247

Note that cash includes $398,905 in funds received from farm-in partners and held on trust for current and future exploration programs.

(b) Cash at bank and on hand

Cash on hand is non-interest bearing. Cash at bank bears interest rates between 0.00% and 0.60% (2016: 0.00% and 0.95%).

(c) Cash at bank and on hand

Deposits at call as at June 2017 were bearing interest at between 2.10% and 2.55%. There were no deposits at call as at June 2016.

		2017 $	2016 $
8.	**Trade & Other Receivables**		
(a)	Current		
	Other receivables	70,158	32,255
	Prepayments	14,678	13,779
	Total current trade and other receivables	84,836	46,034
(b)	Non-Current		
	Deposits	20,000	-
	Total non-current trade and other receivables	20,000	-

(c) Past due and impaired receivables

As at 30 June 2017, there were no other receivables that were past due or impaired (2016: nil).

	Consolidated			
	Plant & Equipment Office	Plant & Equipment Field	Motor Vehicles	Total
	$	$	$	$
9. Property, Plant and Equipment				
Year ended 30 June 2016				
Opening net book amount	6,450	14,135	32,827	53,412
Additions	3,750	30,847	69,444	104,041
Depreciation charge	(2,835)	(3,853)	(7,098)	(13,786)
Effect of exchange rates	-	(1,883)	9,696	7,813
Closing net book amount	7,365	39,246	104,869	151,480
At 30 June 2016				
Cost or fair value	15,736	45,309	110,010	171,055
Accumulated depreciation	(8,371)	(6,063)	(5,141)	(19,575)
Net book amount	7,365	39,246	104,869	151,480
Year ended 30 June 2017				
Opening net book amount	7,365	39,246	104,869	151,480
Additions	8,951	50,324	77,431	136,706
Depreciation charge	(4,376)	(12,270)	(19,529)	(36,175)
Effect of exchange rates	-	254	(12,715)	(12,461)
Closing net book amount	11,940	77,554	150,056	239,550
At 30 June 2017				
Cost or fair value	24,687	94,002	183,393	302,082
Accumulated depreciation	(12,747)	(16,448)	(33,337)	(62,532)
Net book amount	11,940	77,554	150,056	239,550

	Consolidated	
	2017	2016
	$	$
10. Exploration & Evaluation Expenditure		
(a) Non-current		
Opening balance	611,288	611,288
Exploration and evaluation costs	4,563,448	2,111,929
Contributions received from farm-in partners	(4,297,548)	(1,347,370)
Exploration expensed	(265,900)	(764,559)
Total non-current exploration and evaluation expenditure	611,288	611,288

(b) Recoverability of capitalised costs

Exploration expenditure is expensed as incurred.

Acquired minerals rights are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- Such costs are expected to be recouped through successful development and exploitation or from sale of the area; or
- Exploration and evaluation activities in the area have not, at balance date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or relating to, the area are continuing.

Acquired minerals rights in respect of areas of interest which are abandoned are written off in full against profit or loss in the year in which the decision to abandon the area is made.

		Consolidated 2017 $	2016 $
11.	**Trade & Other Payables**		
	Current		
	Trade payables	104,384	349,858
	Contributions received from farm-in partners held on trust	398,905	145,935
	Total current trade & other payables	503,289	495,793
	No trade or other payables are considered past due.		
12.	**Provisions**		
	Current		
	Employee entitlements	60,005	33,104
	Total current provisions	60,005	33,104

		Consolidated 2017 Shares	2016 Shares	Consolidated 2017 $	2016 $
13.	**Contributed Equity**				
(a)	Issued capital				
	Ordinary shares (fully paid)	85,256,251	72,036,251	9,117,041	7,577,323
	Total contributed equity	85,256,251	72,036,251	9,117,041	7,577,323

(b) Ordinary Shares

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held and in proportion to the amount paid up on the shares held. At shareholders meetings, each ordinary share is entitled to one vote in proportion to the paid up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands.

(c) Options

Information relating to options including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year, is set out in note 14.

		Date	Shares	Issue Price	Total $
13.	**Contributed Equity**				
(d)	Movements in issued capital				
	Opening Balance 1 July 2015		57,629,001		6,537,079
	Share issue	14 Mar 16	416,650	$0.040	16,666
	Share issue	14 Mar 16	13,990,600	$0.075	1,049,295
	Less: Transaction costs				(25,717)
	Closing Balance at 30 June 2016		72,036,251		7,577,323
	Opening Balance 1 July 2016		72,036,251		7,577,323
	Share issue	28 Jul 16	11,600,000	$0.13	1,508,000
	Exercise of Options	06 Oct 16	250,000	$0.301	75,279
	Exercise of Options	08 Feb 17	400,000	$0.097	38,845
	Exercise of Options	16 Feb 17	375,000	$0.097	36,417
	Exercise of Options	10 Mar 17	525,000	$0.097	50,984
	Exercise of Options	22 Mar 17	70,000	$0.097	6,798
	Less: Transaction costs				(176,605)
	Closing Balance at 30 June 2017		85,256,251		9,117,041

Expiry date	Exercise price	Balance at start of year	Granted during the year	Exercised during the year	Cancelled/ lapsed during the year	Balance at end of the year
14. Share Options						
(a) 2017 unlisted share option details						
21 Nov 17	$0.320	1,250,000	-	-	-	1,250,000
07 Sept 18	$0.230	8,300,000	-	(250,000)	-	8,050,000
25 Mar 19	$0.065	2,000,000	-	-	-	2,000,000
28 July 19	$0.23	-	5,960,000	-	-	5,960,000
31 July 19	$0.13	-	348,000	-	-	348,000
30 Apr 21	$0.001	6,970,000	900,000	(1,370,000)	-	6,500,000
		18,520,000	7,208,000	(1,620,000)	-	24,108,000
Weighted average exercise price		$0.132	$0.20	$0.04	-	$0.16
2016 unlisted share option details						
31 Jul 15	$0.200	5,850,000	-	-	5,850,000	-
31 Jul 15	$0.300	500,000	-	-	500,000	-
31 May 16	$0.200	3,550,000	-	-	3,550,000	-
21 Nov 17	$0.320	1,250,000	-	-	-	1,250,000
07 Sept 18	$0.230	8,300,000	-	-	-	8,300,000
25 Mar 19	$0.065	2,000,000	-	-	-	2,000,000
30 Apr 21	$0.001	-	6,970,000	-	-	6,970,000
		21,450,000	6,970,000	-	9,900,000	18,520,000
Weighted average exercise price		$0.208	$0.001	-	$0.205	$0.132

	Consolidated 2017 $	2016 $
15. Reserves		
(a) Unlisted option reserve		
Opening balance	1,482,473	1,091,777
Unlisted options issued	507,396	390,696
Exercise of options	(149,454)	-
Closing balance	1,840,415	1,482,473

The unlisted option reserve records items recognised on valuation of director, employee and contractor share options. Information relating to options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year, is set out in note 14. This includes expense recognised to the Profit and Loss of $468,966 and $38,430 recognised in share issue costs.

	2017 $	2016 $
(b) Functional currency translation reserve		
Opening balance	45,435	19,175
Exchange differences arising on translation of foreign operations	30,050	26,260
Closing balance	75,485	45,435

Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve. The reserve is recognised in the statement of profit or loss when the net investment is disposed of.

	2017 $	2016 $
(c) Total reserves		
Unlisted option reserve	1,840,415	1,482,473
Exchange differences arising on translation of foreign operations	75,485	45,435
Closing balance	1,915,900	1,527,908

16. Financial Instruments, Risk Management Objectives and Policies

The Consolidated Entity's principal financial instruments comprise cash and cash equivalents. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the group. The Consolidated Entity also has other financial instruments such as trade and other receivables and trade and other payables which arise directly from its operations. For the year under review, it has been the Consolidated Entity's policy not to trade in financial instruments.

The main risks arising from the Consolidated Entity's financial instruments are interest rate risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Interest Rate Risk

The Groups exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities comprises:

Consolidated	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest	Non-interest Bearing	2017 Total
2017	%	$	$	$	$
Financial assets					
Cash and cash equivalents	1.43%	350,688	1,000,000	486,265	1,836,953
Trade & other receivables (current)	0.00	-	-	84,836	84,836
Trade & other receivables (non-current)	2.10%	-	20,000	-	20,000
		350,688	1,020,000	571,101	1,941,789
Financial Liabilities					
Trade and other payables (current)	0.00	-	-	503,289	503,289
		-	-	503,289	503,289

Consolidated	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest	Non-interest Bearing	2016 Total
2016	%	$	$	$	$
Financial assets					
Cash and cash equivalents	0.57	660,569	-	555,678	1,216,247
Trade & other receivables (current)	0.00	-	-	32,255	32,255
		660,569	-	587,933	1,248,502
Financial Liabilities					
Trade and other payables (current)	0.00	-	-	495,793	495,793
		-	-	495,793	495,793

The maturity date for all cash, trade & other receivable and trade and payable financial instruments included in the above tables is one year or less from balance date. The maturity for the non-current trade and other receivables is between 1 and 3 years from balance date.

Sensitivity analysis

The Consolidated Entity's main interest rate risk arises from cash and cash equivalents with variable and fixed interest rates. At 30 June 2017, the group's exposure to interest rate risk is not considered material.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group has adopted the 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.

The group does not have any significant credit risk exposure to any single counterparty or any company of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the company's maximum exposure to credit risk.

16. Financial Instruments, Risk Management Objectives and Policies (continued)

(c) Liquidity risk

The group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Due to the dynamic nature of the underlying businesses, the group aims at ensuring flexibility in its liquidity profile by maintaining the ability to undertake capital raisings. Funds in excess of short term operational cash requirements are generally only invested in short term bank bills.

	Consolidated 2017 $	Consolidated 2016 $
17. Earnings per Share		
(a) Earnings/(Loss)		
Earnings/(loss) used in the calculation of basic EPS	(1,194,529)	(1,479,742)
(b) Weighted average number of ordinary shares ('WANOS')		
WANOS used in the calculation of basic earnings per share:	83,419,703	61,871,136
18. Cash Flow Information		
Reconciliation of cash flows from operating activities with loss from ordinary activities after tax:		
Profit/(loss) from ordinary activities after income tax	(1,194,529)	(1,479,742)
Depreciation	36,175	13,786
Share based payments	468,966	407,362
Net exchange differences	24,364	15,306
Changes in assets and liabilities:		
- Decrease/(Increase) in operating receivables & prepayments	(38,803)	71,955
- Increase/(Decrease) in operating trade and other payables	102,305	386,869
Net cash (outflows) from Operating Activities	(601,522)	(584,464)

	Consolidated 2017 $	Consolidated 2016 $
19. Commitments		
Exploration/tenure commitments		
Not longer than one year	372,500	712,270
Longer than one year, but not longer than five years	2,676,250	3,722,618
Longer than five years	-	-
Total exploration commitments	3,048,,750	4,434,888

In order to maintain rights of tenure to exploration/mining tenements subject to these agreements, the group would have the above discretionary exploration and tenure expenditure requirements up until expiry of leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable per the above maturities. If the group decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the balance sheet may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

20. Segment Information

(a) Description of segments

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker that are used to make strategic decisions. For the purposes of segment reporting the chief operating decision maker has been determined as the board of directors. The board monitors the entity primarily from a geographical perspective, and has identified two operating segments, being exploration for mineral reserves and the corporate/head office function in Australia.

20. Segment Information (continued)

(b) Segment information provided to the board of directors

The segment information provided to the board of directors for the reportable segments for the year ended 30 June 2016 is as follows:

	Exploration			
	Guyana	Australia	Corporate	Total
	$	$	$	$
2017				
Total segment revenue	133,592	-	22,992	156,584
Equipment rental	133,592	-	-	133,592
Interest revenue	-	-	22,992	22,992
Depreciation and amortisation expense	(31,798)	-	(4,377)	(36,175)
Total segment (loss) before income tax	(282,154)	-	(912,375)	(1,194,529)
Total segment assets	925,003	-	1,867,624	2,792,627
Total segment liabilities	434,910	-	128,384	563,294
2016				
Total segment revenue	20,600	-	5,317	25,917
Equipment rental	20,600	-	-	20,600
Interest revenue	-	-	5,317	5,317
Depreciation and amortisation expense	(10,951)	-	(2,835)	(13,786)
Total segment (loss) before income tax	(735,782)	-	(743,960)	(1,479,742)
Total segment assets	884,583	-	1,140,466	2,025,049
Total segment liabilities	434,138	-	94,759	528,897

(c) Measurement of segment information

All information presented in part (b) above is measured in a manner consistent with that in the financial statements.

(d) Segment revenue

No inter-segment sales occurred during the current financial year. The entity is domiciled in Australia. A detailed breakdown of other revenue is as follows;

	Consolidated	
	2017	2016
	$	$
Equipment rental - Guyana	133,592	20,600
Interest received - Australia	22,992	5,317
Total revenue from continuing operations (Note 3a)	156,584	25,917

(e) Reconciliation of segment information

Total segment revenue, total segment profit/(loss) before income tax, total segment assets and total segment liabilities as presented in part (b) above, equal total entity revenue, total entity profit/(loss) before income tax, total entity assets and total entity liabilities respectively, as reported within the financial statements.

21. Events Occurring After the Balance Sheet Date

- On 23 June 2017, the Company announced a Pro-rata Renounceable Rights Issue of which the key terms of the rights issue are as follows:
  - A pro-rata renounceable rights issue for one (1) new share for every four (4) shares held at an issue price of $0.14; and
  - One (1) free attaching listed option for every (2) new shares subscribed for exercisable at $0.28 on or before 28 July 2019;
  - Rights issue is partially underwritten by CPS Capital Group Pty Ltd for up to $1.0 million;

21. Events Occurring After the Balance Sheet Date (continued)

- On 26 July 2017, the Company issued 18,214,062 new shares under the Rights Issue raising gross proceeds of $2,549,969; and
- 9,107,031 free attaching new listed options were issued with an exercise price of $0.28 on or before 28 July 2019.

- On 18 August 2017, the company finalised the Rights Issue Shortfall and an additional placement to Sprott Group taking the total placement to $3.75m as follows:
  - Under the rights issue shortfall, 3,100,000 ordinary shares were allotted at $0.14 and 1,550,000 free attaching listed options exercisable at $0.28 on or before 28 July 2019 raising gross proceeds of $434,000;
  - The additional placement was finalised issuing 5,400,000 ordinary shares were allotted at $0.14 and 1,700,000 free attaching listed options exercisable at $0.28 on or before 28 July 2019 raising gross proceeds of $756,000.

- As announced on the ASX on 1 September 2017, the company executed several option agreement granting the Company exclusive rights to explore and acquire a 100% beneficial interest in mining permits totalling approximately 60km² that are contiguous with the Company's Ianna Gold Project. The agreements with the five private owners of various permits and claims total US$108,000 with option periods ranging from 2 to 4 years. The various agreements total US$111,000 over the next 12 months;

- There are no further material events subsequent to balance date.

22. Related Party Transactions

(a) Parent entity
The ultimate parent entity within the group is Alicanto Minerals Limited.

(b) Subsidiaries
Interests in subsidiaries are set out in note 26.

(c) Key management personnel compensation

	Consolidated 2017 $	Consolidated 2016 $
Short-term employee benefits	635,169	481,711
Post-employment benefits	24,384	19,134
Share-based payments	350,173	272,159
Total key management personnel compensation	1,009,726	773,004

(d) Transactions with Director Related Parties
The following transactions occurred with related parties:

	Consolidated 2017 $	Consolidated 2016 $
Recharges from director related entities:		
Recharge of costs by Gryphon Minerals Limited	15,520	23,401
Recharge of costs by Venture Minerals Limited	39,008	8,103
Recharge of costs by Blackstone Minerals Limited	16,004	-
Purchases from director related entities		
Purchases for legal services from Murcia Pestell Hilliard Lawyers	38,198	72,808
Outstanding balances arising from recharges/purchases with Director Related Parties:		
Current payables	3,856	2,147

(e) Terms and conditions of related party transactions
Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

23. Share Based Payments

(a) Fair value of listed options granted

The fair value of listed options granted is calculated as the market value prevailing at the date on which the options are authorised for issue. No listed options were issued during the year.

(b) Fair value of unlisted options granted

During the year 7,208,000 unlisted options were issued, with the weighted average fair value of the options granted during the year being $0.0472 (2016: $0.096). The price was calculated by using the Black-Scholes European Option Pricing Model applying the following inputs:

	2017	
Weighted average exercise price:	$0.197	(2016: $0.001)
Weighted average life of the option:	3.2 Years	(2016: 5Years)
Weighted average underlying share price:	$0.27.7	(2016: $0.097)
Expected share price volatility:	85.0%	(2016: 85.0%)
Risk free interest rate between:	1.80%	(2016: 1.82%)
Discount factor for lack of marketability	0%	(2016: 0%)

Peer volatility has been the basis for determining expected share price volatility as it assumed that this is indicative of future tender, which may not eventuate. The life of the options is based on historical exercise patterns, which may not eventuate in the future. Total share-based payment transactions recognised during the year are as set out in (d) below. Details of other options movements and balances are set out in note 14.

(c) Fair value of unlisted shares issued

During the year, nil fully paid ordinary shares were issued to employees in lieu of salary. Total fair value of the shares issued was nil (2016: $16,666).

(d) Reconciliation of share based payments

	Consolidated 2017 $	2016 $
Options issued to directors, employees and consultants	468,966	390,696
Shares issued in lieu of salary	-	16,666
	468,966	407,362

24. Contingent Liabilities

Alicanto has entered into a number of agreements on the exploration tenure at the Arakaka Project and there are contingent liabilities that exist as follows;

i) Purchase of alluvial rights should the company wish to progress to development which is to a maximum of US$2.2 million in cash.
ii) Net smelter royalties of up to 2.5%.

As per the Ianna Project Acquisition as finalised and announced on the ASX on 8 November 2016, the company has a contingent liability that exists as follows:

i) Can elect to acquire the property for a lump sum of US$3.0m or;
ii) A lump sum payment of US$1.35m and a net smelter royalty of up to 2.0%.

There are no further contingent liabilities outstanding at the end of the year.

25. Interest in Farm-in/Farm-out Arrangements

Alicanto announced on 1 March 2016 that it had entered into an Earn-in Agreement with Barrick Gold Corporation ("Barrick") whereby the Company granted Barrick the exclusive right to acquire a 65% interest in the Arakaka Gold Project. Barrick may earn up to a 65% interest in the Arakaka Project by meeting US$10 million in funding requirements, including;

i) US$8 million in exploration expenditures over four years; and
ii) US$2 million paid to Alicanto upon completion of the exploration earn-in expenditures.

25. Interest in Farm-in/Farm-out Arrangements (continued)

Barrick may only withdraw from the Earn-in Agreement after contributing a minimum of US$1.8 million by the end of the first contract year, being 31 December 2016. For each subsequent year during the Earn-in period, Barrick has the option to continue funding exploration activities to retain its Earn-in Right, subject to minimum cumulative expenditure thresholds for each year and a total cumulative expenditure of US$8.0 million by 31 December 2019. If Barrick terminates the agreement and ceases to make contributions at any time during the earn-in period Barrick will forfeit all rights and interest to the Arakaka Gold Project.

Alicanto will remain the operator during the first two years of the Earn-in and it will receive in any contract year the lesser of US$100,000 and 5% of the approved annual exploration expenditure towards overheads while utilising the Company's highly experienced technical team to manage exploration. Barrick will have the right to become or appoint the operator at any time after one of the following occurs;

i) 31 December 2017, provided Barrick has made minimum cumulative expenditure contributions of US$3.2 million as of such date;

ii) the date on which Barrick's exploration contributions first exceed US$4.0 million; or

iii) a change in control.

If Barrick funds US$8.0 million in aggregate expenditures prior to 31 December 2019, Barrick can elect to make a payment to Alicanto of US$2.0 million to exercise its Earn-in Right and acquire a 65% interest in the Arakaka Gold Project. With the payment of the US$2.0 million to Alicanto, completing a total US$10.0 million contribution, Alicanto and Barrick will form an incorporated Joint Venture (Arakaka JV). Barrick is permitted to accelerate the balance of the US$8.0 million of expenditure funding at any time during the Earn-in period.

Once formed, the parties will each be required to contribute to further exploration and feasibility costs on a proportional basis for Alicanto to retain its 35% interest in the project. Should Alicanto not contribute its attributable costs of the JV prior to a decision to mine, the Company would dilute to no less than a 15% interest in the Arakaka JV. Alicanto would then be free carried and retain its 15% interest in the Arakaka JV to a decision to mine. Upon a notice of decision to mine by the Arakaka JV, Alicanto can elect to either contribute, or convert its interest in the project to a 2% net smelter royalty.

26. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name of entity	Country of incorporation	Class of shares	Equity Holding[A] 2017 %	2016 %
Alicanto Minerals WA Pty Ltd	Australia	Ordinary	100	100
StrataGold Guyana Inc.	Guyana	Ordinary	100	100
Calrissian (Guyana) Resources Inc.	Guyana	Ordinary	100	100
Manticore Resources (Guyana) Inc.	Guyana	Ordinary	80	80
Banner (Guyana) Inc.	Guyana	Ordinary	100	-

A: The proportion of ownership interest is equal to the proportion of voting power held.

26. Subsidiaries (continued)

	Company 2017 $	Company 2016 $
26. Parent Entity Information		
(a) Assets		
Current assets	1,835,684	1,133,101
Non-current assets	604,794	580,219
Total assets	2,440,478	1,713,320
(b) Liabilities		
Current liabilities	527,289	413,114
Non-current liabilities	-	-
Total liabilities	527,289	413,114
(c) Equity		
Contributed equity	9,117,041	7,557,323
Reserves	1,840,415	1,482,473
Accumulated losses	(9,044,267)	(7,739,590)
Total equity	1,913,189	1,300,206
(d) Total comprehensive income/(loss) for the year		
(Loss) for the year	(1,304,677)	(1,508,984)
Other comprehensive income for the year	-	-
Total comprehensive (loss) for the year	(1,304,677)	(1,508,984)
(e) Capital commitments		
Not longer than one year	-	-
Longer than one year, but not longer than five years	-	-
Longer than five years	-	-
Total capital commitments	-	-
(f) Guarantees		
The parent entity has not guaranteed any loans for any entity during the year.		
(g) Contingent Liabilities		
The parent entity has no contingent liabilities at the end of the financial year.		

Director's Declaration

In the Directors' opinion:

(a) the financial statements and notes set out on pages 35 to 58 are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  (ii) giving a true and fair view of the financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and

(b) the audited remuneration disclosures set out on pages 23 to 32 of the Directors' report comply with section 300A of the *Corporations Act 2001*; 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; and

(d) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

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

Travis Schwertfeger
Managing Director

Perth, Western Australia, 28 September 2017

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ALICANTO MINERALS LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Alicanto Minerals 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 profit or loss and other comprehensive income, the consolidated statement of changes in equity and the 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 Group 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 Company in accordance with the auditor independence requirements of 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have defined the matter described below to be key audit matter to be communicated in our report. 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. This matter was 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 this matter.

Key Audit Matters	How the matter was addressed in the audit
Carrying Value of Exploration and Evaluation Assets The carrying value of the Group's acquisition costs for exploration related assets was $611,288 as disclosed in note 10. Under the Group's accounting policy in Note 1(j), exploration and evaluation expenditure is expensed as incurred. Acquisition costs are assessed on a case by case basis and may be capitalised to areas of interest where the right of tenure of the area of interest is current and these costs are expected to be recouped through sale or successful development and exploitation of the area of interest. This determination of the carrying value requires management's judgement in relation to the assessment of the future outcomes of the exploration activities in the areas of interest, identification of impairment indicators and determination of whether these costs are considered recoverable by management.	Our audit procedures included, amongst others, the following: i. Evaluating the Company's accounting policy to ensure the policy complies with the requirements of AASB 6 *Exploration for and Evaluation of Mineral Resources*. ii. Examined relevant documents to ensure the Group has the right of tenure in relation to capitalised acquisition costs and has the ability to continue exploration activities. iii. We assessed management's determination of its areas of interest for consistency with the definition in the accounting standard; iv. Reviewed the ASX announcements to obtain understanding of the Group's commitment to the areas of interest and the on-going joint venture arrangements with a third party in which the Group is free-carried for certain stages of the exploration activities. v. We discussed with the management whether, in the management's assessment, the capitalised Exploration and Evaluation Assets have suffered any impairment. We have also assessed the adequacy of the related disclosure in 10 to the financial statements.

Other Information

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

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance opinion 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 this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 ability of the Company 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 Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities 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.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. 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.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 23 to 32 of the directors' report for the year ended 30 June 2017. 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

Opinion on the Remuneration Report

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

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International

Samir Tirodkar
Director
West Perth, Western Australia
28 September 2017

Additional Shareholder Information

Corporate Governance Statement

In accordance with ASX Listing Rule 4.10.3 the company's Corporate Governance Statement can be found on the company's website, refer to http://www.alicantominerals.com.au/index.php/corporate-profile/corporate-governance.

Shareholding

The distribution of members and their holdings of equity securities in the holding company as at 18 September 2017 were as follows:

Number Held as at 18 September 2017	Class of Equity Securities Fully Paid Ordinary Shares	Class of Equity Securities Listed Options
1- 1,000	23	10
1,001 - 5,000	39	48
5,001 - 10,000	110	17
10,001 - 100,000	283	85
100,001 and above	112	23
	567	183

Holders of less than a marketable parcel: 11.

Substantial Shareholders

The names of the substantial shareholders listed on the company's register as at 18 September 2017:

Shareholder	Number
Exploration Capital Partners 2014 LP	9,996,845
Harmanis Holdings Pty Ltd	7,000,333
Hamish Halliday	5,825,000
Symorgh Investments Pty Ltd	5,638,333

Voting Rights - Ordinary Shares

In accordance with the holding company's Constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote. On a poll, every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.

Options

	Exercise price	Expiry date	Number of options	Number of holders
Unlisted options	$0.320	21 November 2017	1,250,000	2
Unlisted options	$0.230	7 September 2018	8,050,000	9
Unlisted options	$0.065	25 March 2019	2,000,000	2
Unlisted options	$0.230	28 July 2019	5,960,000	43
Unlisted options	$0.130	31 July 2019	348,000	1
Unlisted options	$0.001	30 April 2021	6,250,000	7

Additional Shareholder Information (continued)

Twenty Largest Shareholders

The names of the twenty largest ordinary fully paid shareholders as at 18 September 2017 are as follows:

Shareholder	Number	% Held of Issued Ordinary Capital
MERRILL LYNCH AUST NOM PL	27,041,432	24.10%
HARMANIS HLDGS PL	7,000,333	6.24%
JAVELIN MINERALS INC	4,619,456	4.12%
CITICORP NOM PL	4,571,502	4.07%
HSBC CUSTODY NOM AUST LTD	4,457,289	3.97%
BNP PARIBAS NOM PL	3,879,746	3.46%
HALLIDAY HAMISH PETER	3,850,000	3.43%
J P MORGAN NOM AUST LTD	3,813,828	3.40%
SIMON JAMES SYD BOLSTER R	3,150,266	2.81%
SYMORGH INV PL	2,585,000	2.30%
MCTAVISH IND PL	1,870,000	1.67%
SYMORGH INV PL	1,653,333	1.47%
BELLARINE GOLD PL	1,626,099	1.45%
SAUNDERS CLARE	1,400,000	1.25%
FAR EAST CAP PL	1,312,500	1.17%
SWANCAVE PL	1,250,000	1.11%
HILLARD EVAN CAMPBELL	1,000,000	0.89%
HARDEN MARCUS	891,650	0.79%
GATTY MARK A T + H L	860,500	0.77%
BNP PARIBAS NOMS PL	816,077	0.73%
	77,649,011	69.20%

Twenty Largest Listed Option Holders

The names of the twenty largest Listed Option Holders as at 18 September 2017 are as follows:

Shareholder	Number	% Held of Listed Options
MERRILL LYNCH AUST NOM PL	4,250,000	31.82%
SABET HOSSEIN	1,425,581	10.67%
SIMON JAMES SYD BOLSTER R	345,026	2.58%
PLAN-1 PL	328,571	2.46%
QI ZI JUAN	314,286	2.35%
ANIKAVA PL	236,500	1.77%
CAMERON SARAH	214,286	1.60%
BEYNON ROBERT + JULIE	200,000	1.50%
CAFFIERI JIMMY F + L	178,572	1.34%
CAFFIERI JIMMY F + L	178,572	1.34%
VETTER ANTHONY JOHN + J	165,000	1.24%
J P MORGAN NOM AUST LTD	161,250	1.21%
GATTY MARK A T + H L	151,250	1.13%
ROOKHARP INV PTY	150,000	1.12%
ZAPPIA NOM PL	142,857	1.07%
LEATHER MARK	131,570	0.99%
FAR EAST CAP PL	131,250	0.98%
SULESKI STOJCE	125,000	0.94%
SWANCAVE PL	125,000	0.94%
PARKER IAN M P + C S	125,000	0.94%
	9,079,571	67.99%

Tenement Listing (continued)

As at 18 September 2017

Project	Location	Tenement	Interest as at 18 September 2017
Tassawini	Guyana	V-04/MP/000, MP 47/98	100%
		V-5/MP/000, MP 23/01	100%
		V-5/MP/001, MP 24/01	100%
		V-5/MP/002, MP 25/01	100%
Arakaka	Guyana	PL-02/2016, GS14:S-26	100%
		PL-03/2016, GS14:S-31	100%
		PL-04/2016, GS14:S-39	100%
		Y-33/000/04, PPMS/680/04	100%
		Y-33/001/04, PPMS/681/04	100%
		Y-31/000/04, PPMS/463/04	100%
		Y-31/001/04, PPMS/464/04	100%
		J-81/000/02, PPMS/884/02	100%
		J-81/001/02, PPMS/885/02	100%
		J-81/002/02, PPMS/886/02	100%
		J-59/000/2000, PPMS/1057/2002	100%
		J-59/001/2000, PPMS/1058/2002	100%
		J-59/002/2000, PPMS 1059/2002	100%
		J-59/003/2000, PPMS/1060/2002	100%
		J-59/004/2000, PPMS/1061/2002	100%
		J-59/005/2000, PPMS/1062/2002	100%
		J-59/006/2000, PMS/1063/2002	100%
		J-59/007/2000, PPMS/1064/2002	100%
		J-59/008/2000, PPMS/1065/2002	100%
		J-59/009/2000, PPMS/1066/2002	100%
		J-59/010/2000, PPMS/1067/2002	100%
		J-59/011/2000, PPMS/1068/2002	100%
		J-59/012/2000, PPMS/1069/2002	100%
		J-59/013/2000, PPMS/1070/2002	100%
		J-59/014/2000, PPMS/1071/2002	100%
		51/002/94, Ituni #1	100%
		51/003/94, Ituni #2	100%
		51/324/74, May	100%
		Jars, Jars#1, Jars#2	100%
		P-109/000/2000, PPMS/809/2001	100%
		P-109/001/2000, PPMS/810/2001	100%
		P-109/002/2000, PPMS/811/2001	100%
		P-109/003/2000, PPMS/812/2001	100%
		P-109/004/2000, PPMS/813/2001	100%
		P-109/005/2000, PPMS/814/2001	100%
		P-128/000/02, PPMS/707/02	100%
		P-128/001/02, PPMS/708/02	100%
		P-128/002/02, PPMS/709/02	100%
		P-128/003/02, PPMS/710/02	100%
		P-128/004/02, PPMS/711/02	100%
		P-17/000, PPMS/0222/1994	100%
		P-17/001, PPMS/0223/1994	100%
		P-8/000/94, PPMS/0074/1994	100%
		P-8/001, PPMS/73/1994	100%

Tenement Listing (continued)

Project	Location	Tenement	Interest as at 18 September 2017
Arakaka	Guyana	P-8/002, PPMS/75/1994	100%
		51/2005/235, Dennis #1	100%
		51/2005/236, Dennis #2	100%
		51/2005/237, Dennis #3	100%
		51/2005/238, Dennis #4	100%
		51/1983/034, Wintime	100%
		51/1983/035, Intime	100%
		51/1984/028, Ester aka Esta	100%
		S-267/000/07, PPMS/629/07	100%
		S-269/000/07, PPMS/631/07	100%
		P-9/000, PPMS/76/94	100%
		P-9/001, PPMS/77/94	100%
		P-9/002, PPMS/78/94	100%
		Y-1/MP/000/06, MP 91/2007	100%
		K-132/000/09, PPMS/1310/09	100%
		K-132/001/09, PPMS/1311/09	100%
		PL 10/2014, GS14: S-62	100%
		PL 11/2014, GS14: S-63	100%
		P-175/MP/000/2015	80%[1]
		P-175/MP/001/2015	80%[1]
		P-175/MP/002/2015	80%[1]
		P-184/MP/000/2015	80%[1]
		PL-09/2011, GS14: B-22	80%
		PL-10/2011, GS14: B-23	80%
		P-633/000, PPMS/1190/2015	100%
		P-633/001, PPMS/1191/2015	100%
		P-633/002, PPMS/1192/2015	100%
		P-633/003, PPMS/1193/2015	100%
		P-633/004, PPMS/1194/2015	100%
		P-633/005, PPMS/1195/2015	100%
		P-642/000, PPMS/123/2016	100%
Ianna	Guyana	B-19/MP/000	100%[2]
		D-15/MP/000	100%[2]
		D-16/MP/000	100%[2]
		R-31/MP/002	100%[2]
		R-31/MP/003	100%[2]
		R-31/MP/004	100%[2]
		R-31/MP/005	100%[2]
		R-31/MP/000	100%[2]
		R-31/MP/001	100%[2]
		J-10/MP/000	100%[2]
		J-14/MP/000	100%[2]
		J-14/MP/001	100%[2]
		J-14/MP/002	100%[2]
		B-19/MP/000	100%[2]
		Baggie	100%[2]
		Owen #1	100%[2]
		Owen	100%[2]
		Emillio	100%[2]
		Anita	100%[2]
		Joy #2	100%[2]
		Joy #3	100%[2]
		Patsy	100%[2]
		Patsy #1	100%[2]

Tenement Listing (continued)

Project	Location	Tenement	Interest as at 18 September 2017
Ianna	Guyana	Karen	100%[2]
		Karen #1	100%[2]
		Sherry	100%[2]
		Sherry #1	100%[2]
		Sherry #2	100%[2]
		Tracy	100%[2]
		Queen	100%[2]
		Queen #1	100%[2]
		Nick	100%[2]
		Nick #1	100%[2]
		Ray	100%[2]
		Ray #1	100%[2]
		Jeff	100%[2]

Notes

E: Exploration License
PL: Prospecting License
PPMS: Prospecting License Medium Scale
MP: Mining Permit