



A L I C A N T O
MINERALS LIMITED

ABN 81 149 126 858

Annual Report 2018

2018 Annual Report

Contents

| | |
|------------------------------------|----|
| Corporate Directory | 2 |
| Chairman's Letter to Shareholders | 3 |
| Directors' Report | 4 |
| Auditor's Independence Declaration | 31 |
| Financial Statements | 32 |
| Directors' Declaration | 56 |
| Independent Auditor's Report | 57 |
| Additional Shareholder Information | 61 |
| Schedule of Mineral Tenements | 63 |

Corporate Directory

Non-Executive Chairman

Didier Murcia AM

Chief Executive Officer

Peter George

Non-Executive Directors

Hamish Halliday

Travis Schwertfeger

Company Secretary

Jamie Byrde

Principal and Registered Office

Suite 3, Level 3, 24 Outram Street

WEST PERTH WA 6005

Telephone: (08) 6279 9425

Facsimile: (08) 6500 9989

Share Registry

Security Transfer Registrars Pty Ltd

770 Canning Highway

APPLECROSS WA 6153

Auditors

Stantons International

Level 2, 1 Walker Avenue

WEST PERTH WA 6005

Bankers

National Australia Bank

50 St Georges Terrace

PERTH WA 6000

Solicitors

Steinepreis Paganin

16 Milligan Street

PERTH WA 6000

Stock Exchange Listing

Australian Securities Exchange

(Home Exchange: Perth, Western Australia)

Code: AQI

Website Address

www.alicantominerals.com.au

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 2018.

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. Alicanto will retain 100% of the Arakaka Project following a decision by Barrick in June 2018 to withdraw from the Arakaka Earn-in Agreement.

Barrick's decision follows a US\$7.1m investment in regional reconnaissance programs which has highlighted multiple targets throughout the Arakaka Project. Alicanto will now look to capitalise on the Barrick funded work, taking the opportunity to focus on higher grade targets not tested during Barrick's earn-in period.

The 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 the team at Alicanto Minerals for their hard work and commitment over the past 12 months, and our shareholders for their continued support.

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 consolidated financial statements of the Company and its controlled entities ("Group") or ("Consolidated Entity") for the year ended 30 June 2018 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 | Non-Executive Director (resigned as Managing Director 26 June 2018) |
| Mr Hamish Halliday | Non-Executive Director |

Mr Peter George was appointed as Chief Executive Officer on 6 August 2018.

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 \$2,866,787 (2017: \$1,194,529).

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 \$2,008,823 in cash and cash equivalents as at 30 June 2018 (2017: \$1,836,953). The Directors believe the cash at year end puts the entity in a sound financial position with sufficient capital to effectively explore its current landholdings.

6. Business Strategies and 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 year:

On 19 June 2018, the Company announced that it will retain 100% of the Arakaka Project following a decision by Barrick Gold Corporation ("Barrick") to withdraw from the Arakaka Earn-in Agreement announced 1 March 2016.

Barrick's decision follows a US\$7.1m investment in regional reconnaissance programs which has highlighted multiple targets throughout the Arakaka Project for follow-up exploration.

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 (including the \$2.54m initial Rights Issue) to \$3.75m as follows:

Directors' Report

7. Significant Changes in the State of Affairs (continued)

- 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.

8. Post Balance Date Events

On 6 of August 2018, the Board announced the appointment of Mr Peter George as Chief Executive Officer of the Company.

9. Review of Operations

Introduction

Alicanto Minerals Limited ('Alicanto' or 'the Company') (ASX: AQI) is an emerging mineral exploration company focused on the exploration and development of two highly prospective gold projects in Guyana, South America. The Arakaka gold project and the Ianna gold project are both located in the underexplored northern Guiana Shield geological terrane. The projects cover volcano-sedimentary Paleoproterozoic greenstone rocks which are highly prospective for high tonnage, orogenic style gold deposits.

Alicanto received highly encouraging assay results for both the Ianna and Arakaka Gold projects during the reporting period.

At Arakaka, recent results have identified extensions to historical drilling at both the Purple Heart and Gomes Prospect that have potential for significant gold resources. Alicanto has defined four targets with significant resource potential for follow-up exploration activity. The priority targets sit outside the size criteria that has been the focus of regional scale reconnaissance programmes over the past two years under the prior Barrick joint venture.

At Ianna, the Company has completed over 2,650m of drilling across multiple prospects within the project, intersecting significant gold mineralisation in all holes (Refer to ASX releases dated 16 February and 19 June 2018) and confirmed multiple targets with bulk tonnage potential for follow-up exploration.

Financial Performance and Position

The net operating loss after tax for the year ended 30 June 2018 was \$2,866,787 (2017: \$1,194,529). The loss for the period includes \$2,123,413 (2017: \$265,900) in exploration and evaluation expenditure and share based payment expenses of \$187,866 (2017: \$468,966) were also recognised during the financial year. As at 30 June 2018 the Company had cash of \$2,008,823.

Overview of the Arakaka Gold Project

The Arakaka Gold Project covers an area of approximately 300km² located in a relatively underexplored area within the Northern Guiana Shield Geological Terrane (refer to Figure 1). 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.

Alicanto's Arakaka gold project is located in the Barama-Mazaruni supergroup, within one of the last and among the least explored greenstone belts across the Guiana and West African Shields (refer to Figure 12) that is not yet host to substantial gold resources. 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.

Overview of the Ianna Gold Project

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 (refer to Figure 1). The permits are 100% held subject to various underlying option agreements held through a direct Guyanese subsidiary of the Company.

Directors' Report

9. Review of Operations (continued)

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.

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.

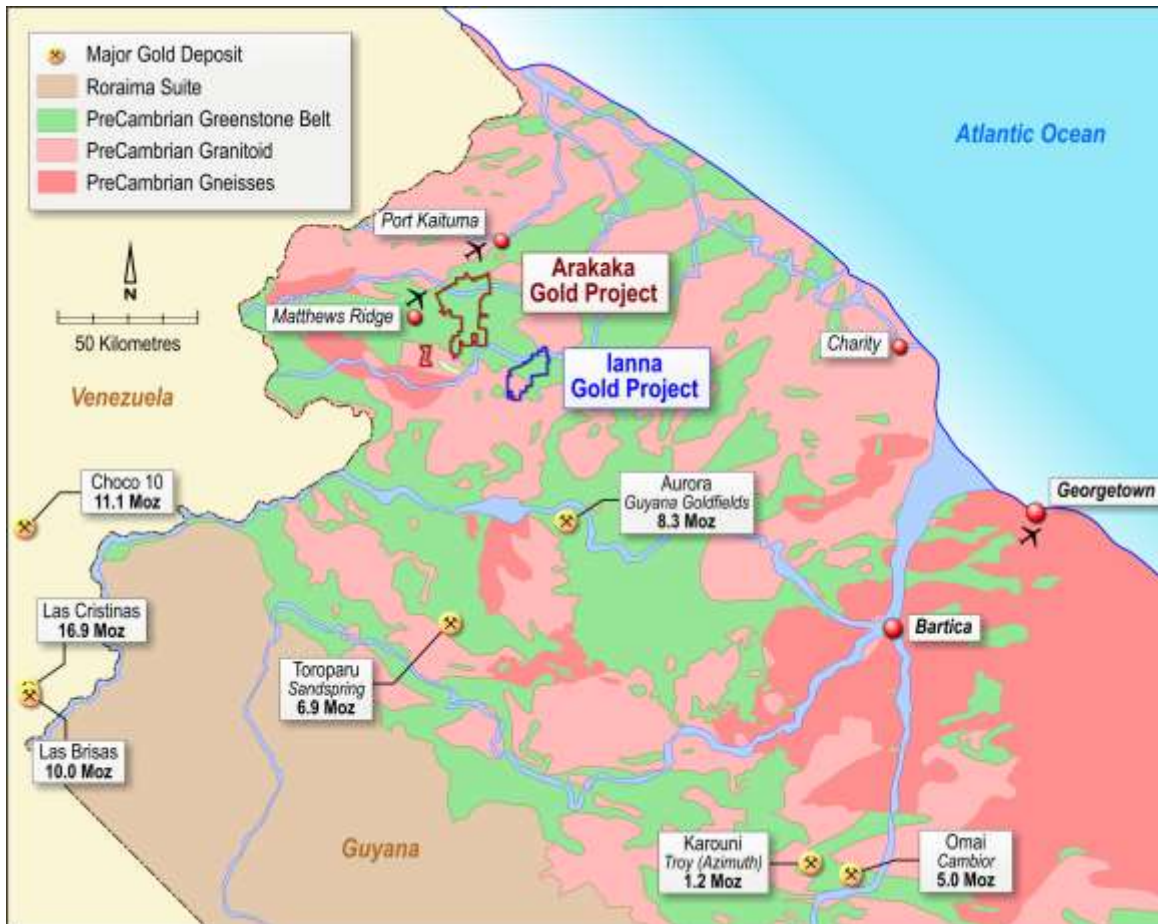


Figure 1 | Location of Arakaka and Ianna gold projects located in the Northwest Mining District of Guyana on modified geology from the Guyana Geology and Mines Commission's Geological Map of Guyana, 1987.

Operation Report | Arakaka Gold Project (100% Alicanto)

Alicanto is currently advancing exploration on four high grade targets within the Arakaka Project area, each of which the Company believes has the potential to host significant gold resources. Drill targeting across several prospects has been enhanced with a US\$7.1m investment by Barrick Gold Corp. over the past 2 ½ years.

Overall, the Company has completed several concurrent exploration and drilling programs over the reporting period with all drilling results for the March to May drilling campaigns and from the Xenopsaris trenching program finalised prior to the reporting date.

The US\$7.1m investment by Barrick in regional reconnaissance programs has highlighted multiple targets throughout the Arakaka Project, with 8 targets with >1Moz gold potential generated from 1km spaced drilling on over 10km of strike extent within the Arakaka Main Trend (refer to Figure 2).

Directors' Report

9. Review of Operations (continued)

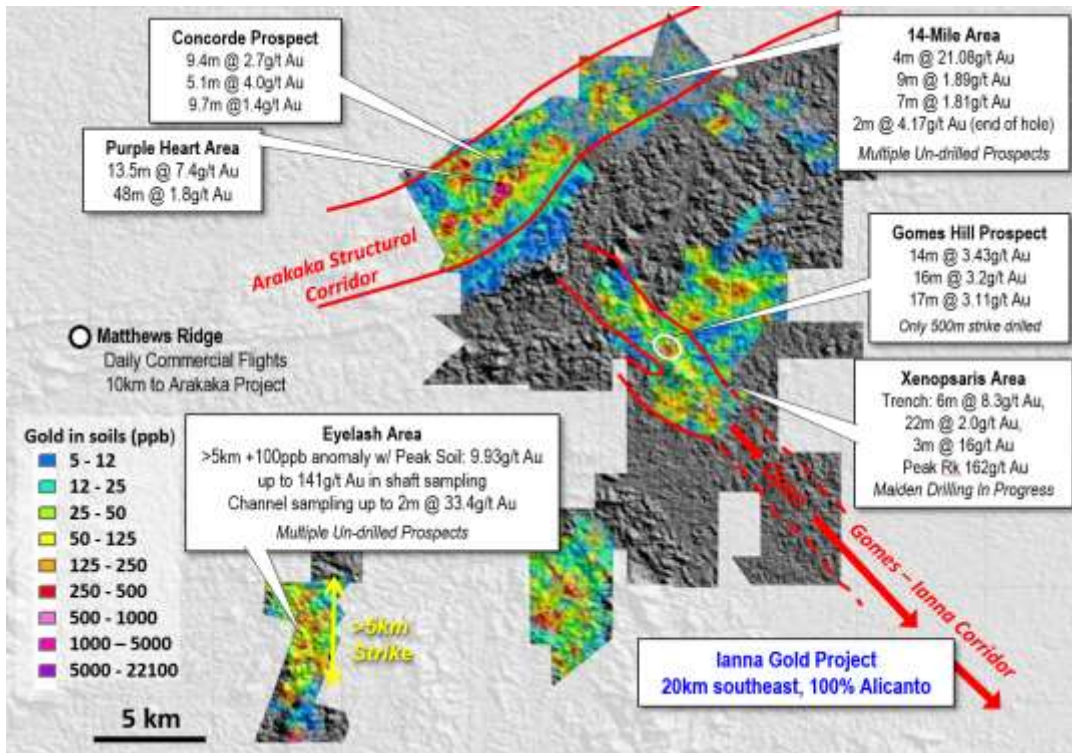


Figure 2 | Location of anomalous gold target areas and select Prospects within the >300km² Arakaka gold Project land position

Barrick funding assessed the two top ranked targets, in-filling each selected target from 1km drill spacing to 300m to 700m spacing to assess for Barrick size potential. Similarly, reconnaissance drilling to define geology and folding geometry at Xenopsaris were completed only at a reconnaissance level of work, with no follow-up on multiple 250,000 oz to 500,000oz Au size potential targets analogous to the drilled mineralisation at the Company's Gomes Hill Prospect.

Alicanto will now look to capitalise on the Barrick funded work, taking the opportunity to focus on higher grade targets not tested during Barrick's earn-in period. The Company has defined four targets with significant resource potential for follow-up exploration activity. The priority targets sit outside the size criteria that has been the focus of regional scale reconnaissance programmes over the past two years under the prior Barrick joint venture. High priority targets identified during the quarter include:

○ Gomes Prospect:

Following up on drill results (Refer to ASX release 9 Feb 2015) of:

- 19.2m @ 3.4g/t gold (incl 6m @ 6.25g/t),
- 17m @ 2.11g/t & 11m @ 3.43g/t gold remains open along strike.

○ Xenopsaris Prospect:

Extensions to high grade mineralization, previous drill intersections/trenching (Refer to ASX release dated 27 Mar 2018) includes:

- 20m @ 2.0g/t gold,
- 6m @ 8.3g/t gold,
- 3m @ 16.4g/t gold

○ Purple Heart Prospect:

Step-out drilling following up on previous intercepts on 800m spaced sections (Refer to ASX release dated 19 June 2018) includes:

- 13.5m @ 7.4g/t gold
- 48m @ 1.8g/t gold
- 20.5m @ 1.4g/t gold
- 12m @ 1.2g/t gold

Directors' Report

9. Review of Operations (continued)

○ Eyelash Prospect:

Trenching following up on surface and underground adit channel samples (Refer to ASX releases dated 7 Mar 2017 and 14 Jul 2015) includes:

- **2m @ 33.4g/t gold**
- **0.6m @ 68.4g/t gold**
- **10m @ 2.6g/t gold,**
- **26.5g/t gold in rock chipping**

Gomes Prospect

Trenching Results

The recent results received at the end of the reporting period are located 200m away to the SE of significant surface trench results including 22m @ 2.02g/t Au.

Recent trenching at Xenopsaris extended up towards the Gomes Prospect includes trenching up to 1.1km to the southeast of the Gomes prospect (Refer to Figure 3). Two trenches have intersected significant gold mineralisation along strike from the Gomes Prospect, where extensions to mineralisation south of Gomes have been constrained by the lack of surface geochemical anomalism Results of trenching (Refer to ASX release dated 19 June 2018) include:

- **6m @ 2g/t gold** within **33m @ 0.5g/t** and;
- **6m @ 1.2g/t gold** at the end of the trench – XETR03 I
- **15m @ 0.5g/t gold** – XETR030

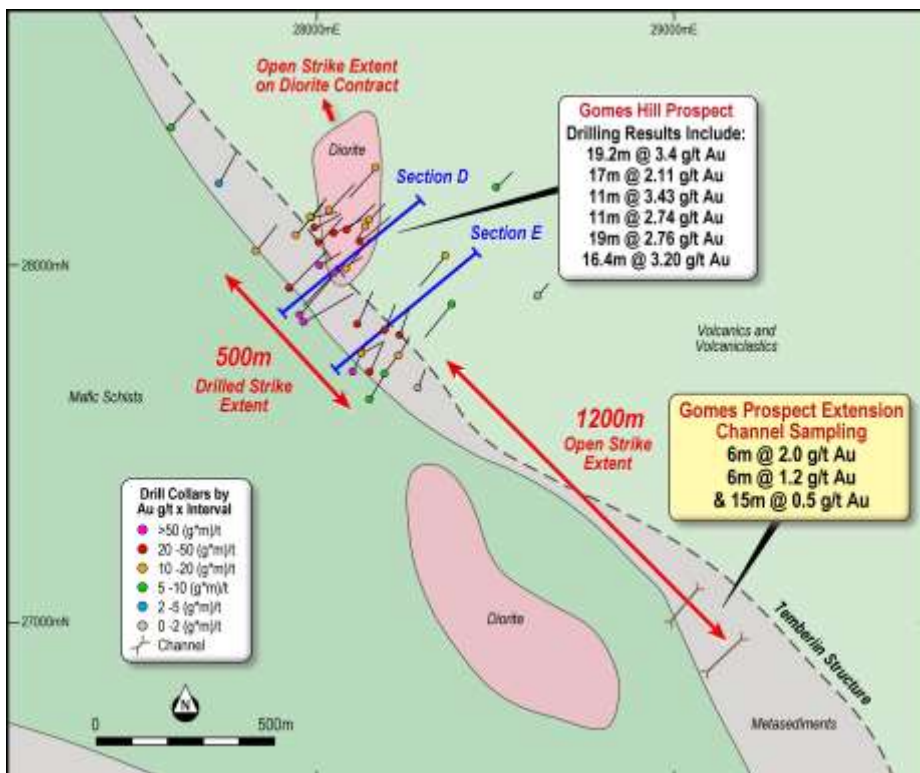


Figure 3 | Location of reported trenching in Gomes prospect area of the Xenopsaris trend with locations of existing drill collars.

Importantly, the results of both trenches are limited by a layer of colluvium shedding off the hill to the SW that obscures surface geochemical responses. Therefore, any further bodes of significant mineralisation are likely to be obscured in the area. Mineralisation at Gomes and along the Xenopsaris area is associated with rheological contrasts in the vicinity of the Temberlin Structure, so mapping of the structure and lithology through trenching and drilling will be important factors in the growth of the Gomes prospect resource potential.

Directors' Report

9. Review of Operations (continued)

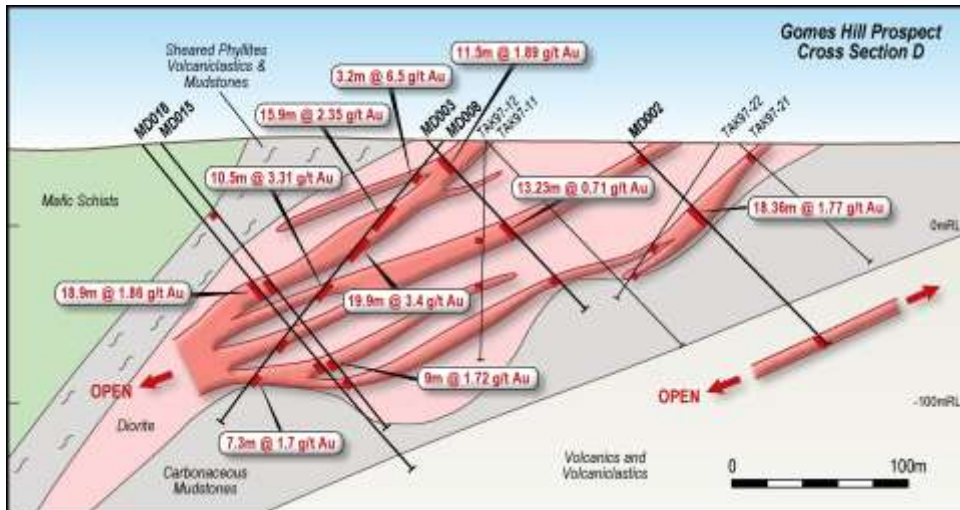


Figure 4 | Gomes Hill Prospect Cross Section D

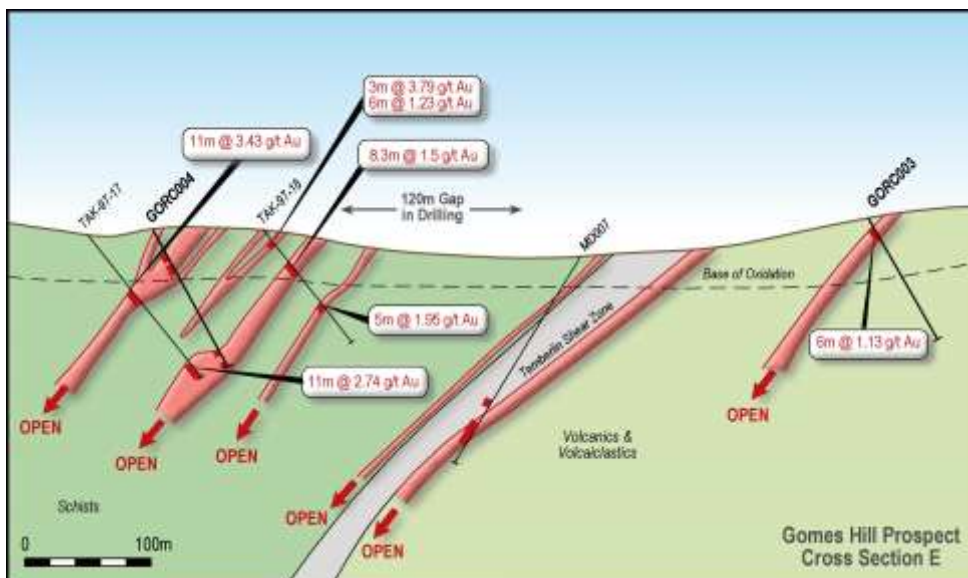


Figure 5 | Gomes Hill Cross Section E

There has been limited work between the trench area and the Gomes drilling area where results from previous drilling (refer to Figures 4 & 5) located approximately 1km along strike from the reported trench results includes better intercepts of (Refer to ASX release dated 9 February 2015):

- **19.19m @ 3.4g/t gold** from 65m, including, **6m @ 6.25g/t gold**;
- **17m @ 2.1 g/t gold** from 46m, including, **4.25m @ 6.12g/t gold**;
- **11.0m @ 3.43g/t gold** from 62m.

Further trenching is currently being planned to close down the spacing of trenches were possible in context of landform and regolith setting in the local area and refine drill targeting to identify extensions to the known mineralisation.

Xenopsaris Target Area – Summary of results

Diamond Drill Results

In the reporting period, the Company completed 22 holes for a total of 3,020m's of reconnaissance diamond drilling covering over 5km strike extent within the >17km long anomalous gold zone at the Xenopsaris target area. (Refer to ASX releases dated 4 August 2017 and 19 June 2018).

The drilling targeted the fold closure of a high-strain, regional scale antiformal fold hinge (Refer to Figure 6). This structural setting is similar to those observed at other regionally significant gold deposits within the Guiana Shield, including the 13.7 Moz Au Gros Rosebel deposit (IAMGOLD) and 6 Moz Au Meriam deposit (Newmont) in neighbouring Suriname.

Directors' Report

9. Review of Operations (continued)

The reconnaissance drilling successfully identified a regional scale alteration system around mineralisation with a wide zone of sericite-ankerite-pyrite alteration proximal to mineralised intercepts. Mineralisation is related to quartz-pyrite-gold veins observed across all lithologic units, but particularly well developed in preferential stratigraphic horizons such as laterally continuous dolerite bodies and polymict conglomerates. The mineralisation remains open in all directions with potential for substantial volume and tenor increases with improved definition and refined targeting of structural controls where intersecting preferential lithologic horizons in the fold complex at Xenopsaris (refer to Figure 6). Better assay results include:

- **6m @ 1.53g/t gold** from 30m - XDD013
- **8.3m @ 1.15g/t gold** from 9.7m - XDD023
- **1.4m @ 9.14g/t gold** from 23m - XDD005
- **1m @ 4.25g/t gold** from 30m and **2.25m @ 3.73g/t gold** from 124m
- **3m @ 2.19g/t Au** from 40m

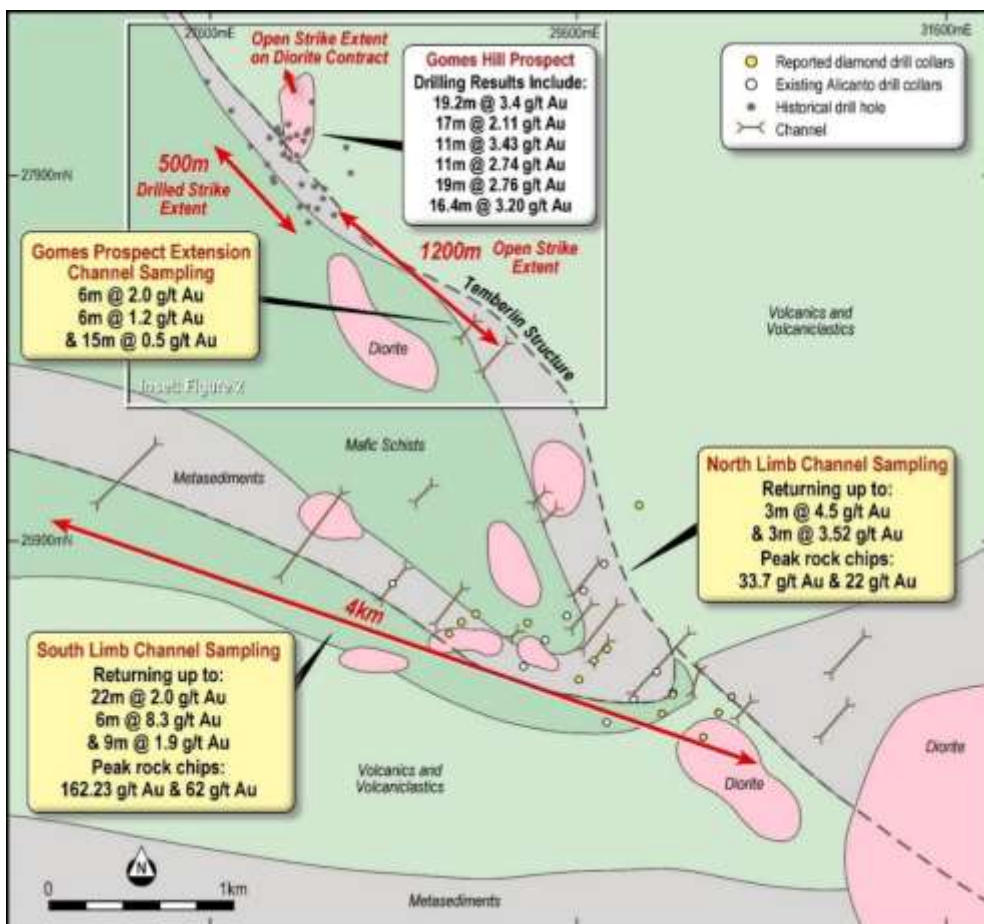


Figure 6 | Xenopsaris Target area and Gomes Prospect located on the Gomes-Ianna structural corridor with drill collar and trench locations on interpretive regional scale geology interpretation.

Arakaka Gold Project - Main Trend / Purple Heart Target

1,265m of diamond drilling for nine holes has been completed in the Purple Heart to Concorde Prospects, closing down drill spacing on the prospective Purple Heart Structure to approximately 750m x 200m spacing over >1.4km of strike length within the 3.2km long mineralised corridor (Refer to Figure 8).

Assays reported (Refer to ASX release dated 19 June 2018) from ARDD278 are from the Purple Heart Area, 750m northeast along strike from **13.5m @ 7.36g/t Au** in historical drilling with no drilling targeting the structure between the two holes. Current assays include results of up to **11.95m @ 1.2g/t Au**. Mineralisation remains open to the NE along strike for >1km.

Directors' Report

9. Review of Operations (continued)



Figure 7 | Example of mineralisation in hole ARDD278 at 162.7m drill depth, returning 5.26g/t gold in highly strained quartz feldspar porphyry with sericite-pyrrhotite-arsenopyrite alteration in selvage of quartz-chlorite-arsenopyrite-gold veins.

Visible gold was observed in multiple holes including reported significant intervals in ARDD278 and two locations in hole ARDD279 which is located 200m east on the same section line as ARDD278.

Mineralisation appears to be shallowly dipping (20°) to the NW and consists of three to four sub-parallel mineralised bodies forming in and around areas of high strain at the margins of Quartz-Feldspar Porphyry bodies hosted in metasediments. The lowermost mineralised body has been intersected in drilling 400m to the southeast of ARDD278 (refer to Figure 7) with historical results located over 200m away on the same section (Refer to ASX release dated 26 August 2015) with historical results including:

- 48m @ 1.8g/t gold
- 20.5m @ 1.4g/t gold

1.3km to the northeast of the ARDD278 drill area is the Concorde Prospect located at the same structural horizon and is centred on the Purple Heart Structure. These reported results, in combination with Concorde and Purple Heart prospect results extends the known prospective strike length of the Purple Heart Structure to more than 3.2km (refer to Figure 8).

2016-17 reconnaissance drilling on 300m spaced section lines at Concorde (Refer to ASX releases dated 4 October 2016 and 1 March 2018) intersected:

- 18m @ 1.63g/t gold from 3m in ARDD267 including 9.35m @ 2.71g/t gold
- 9.72m @ 1.44g/t gold from 159m
- 5.1m @ 3.97g/t gold from 71m in ARDD015
- 2.1m @ 1.48g/t gold from 50.1m in ARDD257 with visible gold
- 1.7m @ 1.7g/t gold from 77.5m in ARDD256 with visible gold
- 7m @ 0.55g/t gold from 116m in ARDD254

Directors' Report

9. Review of Operations (continued)

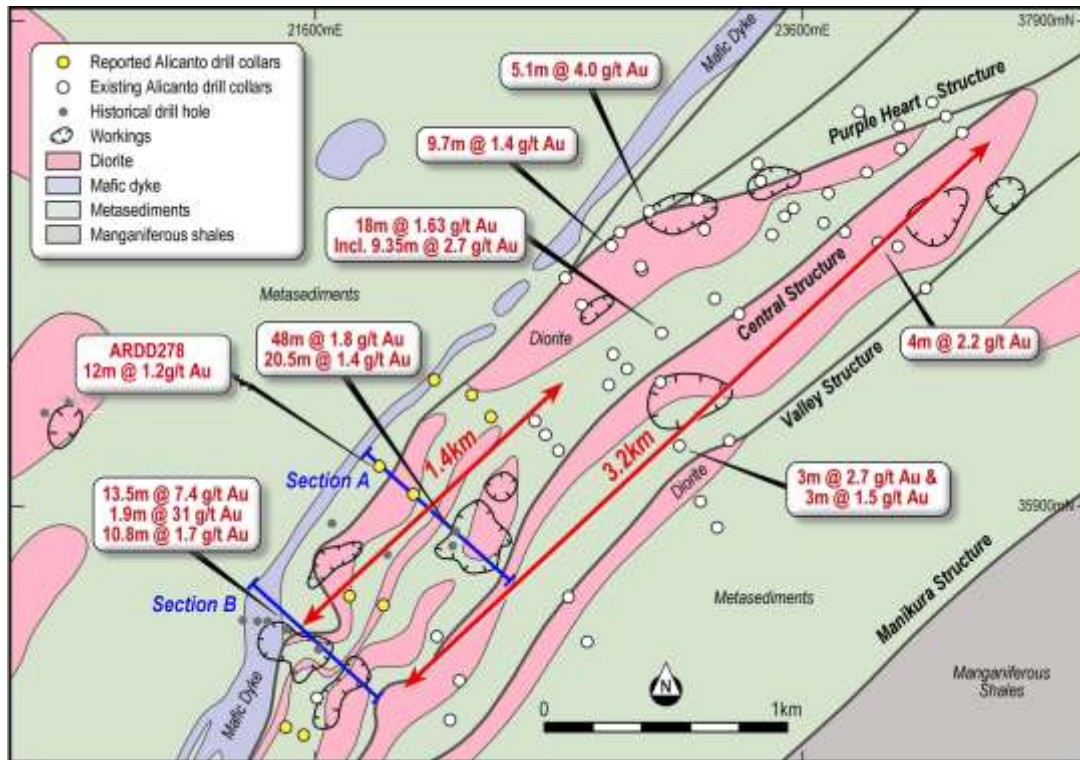


Figure 8 | Location of recent drilling on the Arakaka Main Trend.

Eyelash Project

The Eyelash Target Area within the greater Arakaka Project area is located approximately 23km to the southwest of the 12 km long Arakaka Main Trend Target area and is host to extensive alluvial working, with multiple small-scale saprolite pits, which include dozens of mine shafts and tunnels along a 2km north-south trend, within a 5km long surface gold anomaly (refer to Figure 2) and over 20km of alluvial workings draining from the high tenor gold anomaly.

Four trenches totalling approximately 624 linear metres were completed in the Eyelash area during January of the reporting period (Refer to ASX release dated 7 March 2018). Two trenches successfully intersected mineralisation at the Kid Prospect and the Pancho Prospect areas (refer to Figure 9), 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

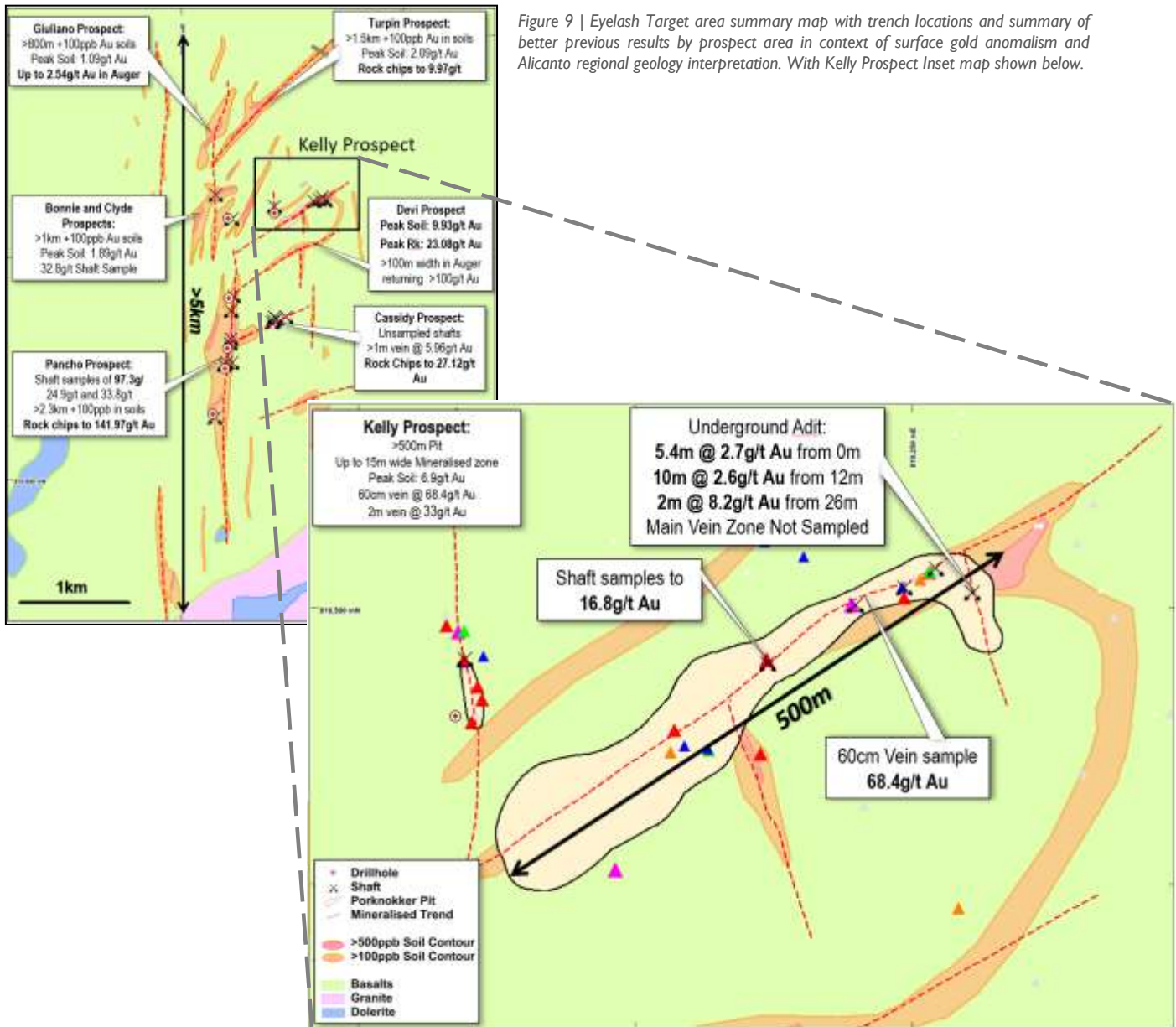
A more comprehensive trench program is required at the Eyelash Target Area for follow-up work at the Kelly Prospect (refer to inset in Figure 9) on surface and underground adit channel samples (refer to ASX releases date 7 March 2017 and 14 July 2015) including:

- **2m @ 33.4g/t gold**
- **10m @ 2.6g/t gold, 5.4m @ 2.7g/t gold, and 2m @ 8.2g/t gold** (adit sampling)
- **24m @ 1.2g/t gold** (including peak rock chips up 26.5g/t gold), and;
- **0.6m @ 68.4g/t gold**

The target area retains some of the highest grade gold results from veining with sufficient widths and veining density to support either surface or underground mining methods with sufficient lateral extent for mineral resource potential.

Directors' Report

9. Review of Operations (continued)



Directors' Report

9. Review of Operations (continued)

Ianna Gold Project (100% Alicanto)

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 (refer to Figure 10). 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.

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.

Highlights of the Ianna Gold Project include:

- Three extensive mineralised corridors delivering drill ready targets at six prospects covering over 8km of strike extent (refer to Figure 11).
- 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.

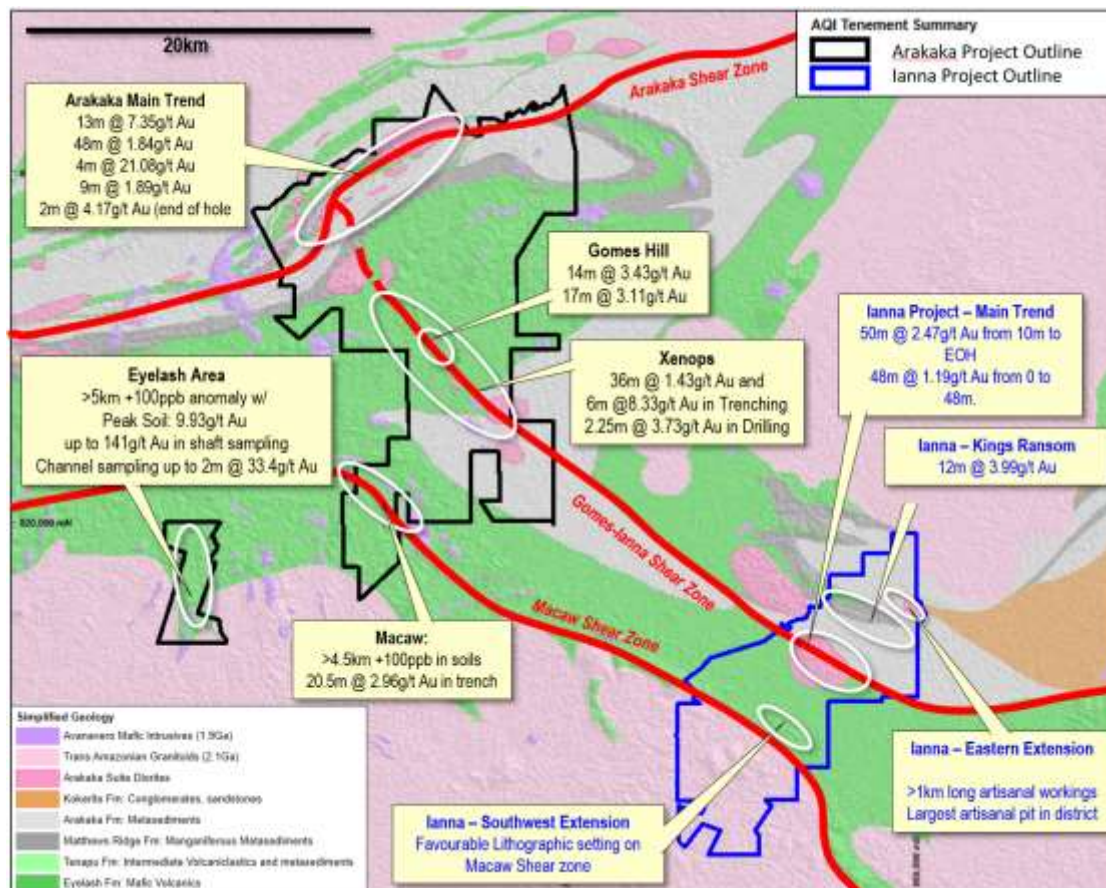


Figure 10 | Regional Geology of the Barama-Mazaruni greenstone belt hosting the Arakaka Gold Project and the Ianna Gold Project areas, with major structural corridors and locations of key target areas within each Project.

At Ianna, recent acquisition and expansion of the project has pulled together three discrete corridors of mineralisation, each with strong evidence for a system potentially capable of multi-million ounce gold resources. Completion of maiden drill tests at the Ianna Gold project have identified high grade vein gold mineralisation within the extensive hydrothermal alteration associated with significant gold assays in previously reported assays at each of four drilled target areas representing over 12km of strike extent potential across three mineralised structural trends.

Directors' Report

9. Review of Operations (continued)

Two of the mineralised trends are host to historical drilling associated with extensive surface geochemical survey work, including over 12,400m of Reverse Circulation and 926m of Diamond 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 release dated 26 July 2016).

Diamond Drill Results

Alicanto completed 2,600m of initial drill tests across multiple targets at the Ianna Gold Project, Guyana.

The recent results have identified high grade vein gold mineralisation within the extensive hydrothermal alteration associated with significant gold assays in previously reported assays, and have also confirmed mineralisation at a number of conceptual and previously undrilled target areas.

Results suggest potential for high grade shoots of mineralisation associated with the broad zones of bulk tonnage style mineralisation identified at each of the target areas assessed as evidenced in previously reported results including (Refer to ASX releases dated 26 July 2016 and 16 February 2018). The high-grade vein intercepts occur at both the Eastern Extension target, and at the southern extent of the Ianna Main intrusion (Refer to Figure 11). Better Intercepts from the 2017-18 reporting period (Refer to ASX releases dated 16 Feb 2018 and 19 June 2018) include:

Ianna Main Intrusion

- 13.9m @ 1.2g/t from surface,
- 8m @ 1.7g/t gold
- **18m @ 1.6g/t gold** from 50m, within 89m @ 1.02g/t gold
- 50m @ 2.47g/t Gold at End of Hole
- 58m @ 1.2g/t Gold
- 14m @ 4.27g/t Gold, and
- 12m @ 3.84g/t Gold
- **10.7g/t gold over 1.8m** from 43.3m and
- **1.2g/t gold over 6.5m** – IDD015

Eastern Extension Trend

- 16.1m @ 1.4g/t gold at end of hole
- 10.8m @ 1.2g/t gold at end of hole
- **26.5g/t gold over 0.5m** – IDD013
- 6m @ 6.9g/t gold in trenching

Kings Ransom Trend

- 12m @ 3.99g/t gold in RC
- 20m @ 6.75g/t gold and 22m @ 1.9g/t gold in trenching

Major regional scale shear zone and associated **new corridor of gold mineralisation identified** in Maiden Drilling (Eastern Extension).

Results of the initial drilling across all target areas confirmed extensive and pervasive alteration encountered are typical of a large-scale mineralising system, and the occurrence of visible gold and high grade niche grades within the mineralised zones indicate potential for increasing volumes of higher grade material with further definition of the geometry of the intrusive body and structural complexities associated with that favourable lithologic feature.

Work continues through the wet season in Guyana on integrating datasets and prioritising prospect areas for future drilling targeting high grade shoots and to delineate areas of resource potential within the licence area. Trenching and Auger sampling is anticipated to be ongoing in support of prospect assessment.

Directors' Report

9. Review of Operations (continued)

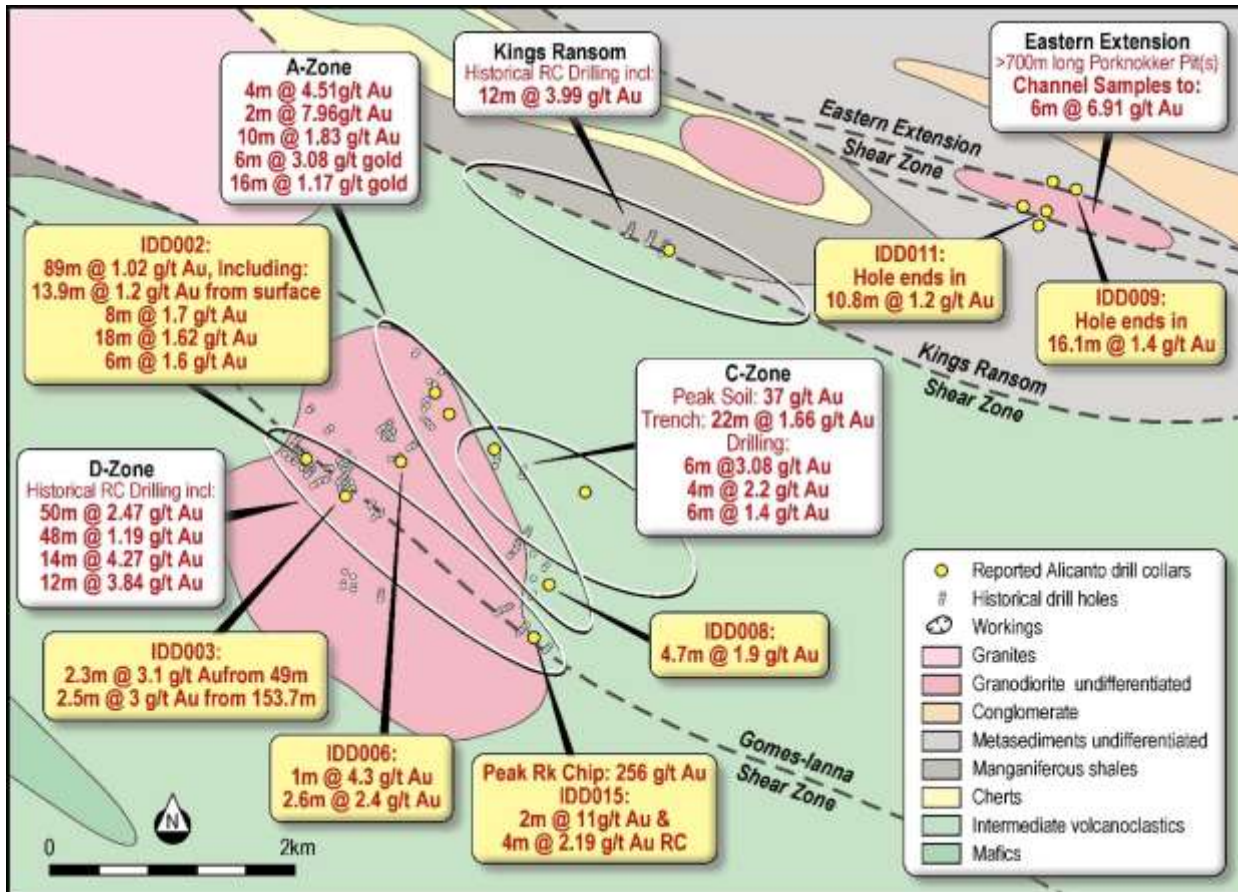


Figure 11 | Ianna Plan Map with drill collar locations and summary of better intercepts received to date.

Ianna Gold Project Acquisition

Alicanto's wholly owned Guyanese subsidiary retains options and exclusive rights to explore and acquire a 100% beneficial interest in a number of mining permits totalling approximately 115km² (Refer to ASX releases dated 7 November 2016 and 1 September 2017). The tenure covers multiple northwest trending mineralised structures, in the highly prospective Barama-Mazaruni greenstone belt. The land acquisitions form part of a longer-term land consolidation strategy for the Ianna project area with additional acquisition and application for land subject to exploration results.

Given Alicanto's preference for an alternative trust holding structure for the Ianna Project to the one currently in place over tenements acquired under the Option Deed (Refer to ASX release dated 8 November 2016), the ownership holding structure of the Ianna Project is to be updated, with associated costs to be set-off as against option payments which Alicanto is required to make to maintain the option. The process of completing the revised nominee ownership documentation and related title transfer to an Alicanto nominee approved by the Vendor is an ongoing process where the Vendor has advised that the currently appointed nominee has yet to comply with the Vendor's direction to execute transfer documentation. Alicanto and the Vendor are currently working through a legal process to enforce compliance by the vendor's Guyanese nominee in compliance with the terms of the current nominee agreement.

About Guyana

The Co-operative Republic of Guyana is located on the Caribbean 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.

Directors' Report

9. Review of Operations (continued)

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. Mining laws are governed by the Mining Act No. 20 of 1989 (the "Mining Act") and the Regulations made under Section 136 thereof. Under Section 6 of the Mining Act all minerals within the lands of Guyana are vested in the state. The Guyana Geology and Mines Commission ("GGMC") may, with the approval of the Minister, grant a licence or permit under the Mining Act authorizing the holder of the licence to enter on Government lands and then search for or mine, take and appropriate, any minerals.

The Mining Act allows for the following licences or permits granted by the GGMC:

- a) Prospecting and Mining Licences for prospecting or mining on a large scale for areas between 500 and 12,800 acres (up to 51.8km²) areas applied for under the Prospecting licence.
- b) Prospecting or Mining Permits for prospecting or mining on a medium scale covering between 150 to 1200 acres (up to 4.9km²).
- c) Mining Claims for mining on a small scale up to 1500 x 800 ft (up to 0.1km²)
- d) Section 97 of the Mining Act also provides for the granting of permission by the Minister for any person to carry out geological, geographical and other surveys and investigations for the prospecting for or mining of any mineral on such terms and conditions as may be agreed between the Minister and the applicant for the permission.

Foreign investors and domestic investors receive the same treatment under the applicable laws of Guyana and are equally able to hold property in Guyana, provided that prospecting or mining permits for medium scale mining and small scale claims may only be issued to:

- an individual who is a citizen of Guyana and an adult;
- a partnership consisting of two or more citizens of Guyana;
- a company whose entire issued share capital is beneficially owned by citizens of Guyana or by a corporation which has been established by or under a written law in operation in Guyana, or partly by such citizens and partly by such a corporation;
- a co-operative society registered under the Co-operative Societies Act;
- a public corporation, or any other corporate body established by or under any written law in force in Guyana; or
- any organization established by the Government or by or under any written law in force in Guyana and authorized to carry on mining operations.

Large scale prospecting and mining licences may be granted to a body or persons as specified in Sections 17(2) and 17(3) of the Mining Act which includes a Company within the meaning of the Companies Act. There is no restriction on foreign persons or companies as shareholders of such companies. Under Section 97(1) of the Mining Act the Minister may permit any person to carry on geological, geophysical or other surveys or such terms as may be agreed between the Minister and the applicant for the permission.

Directors' Report

9. Review of Operations (continued)

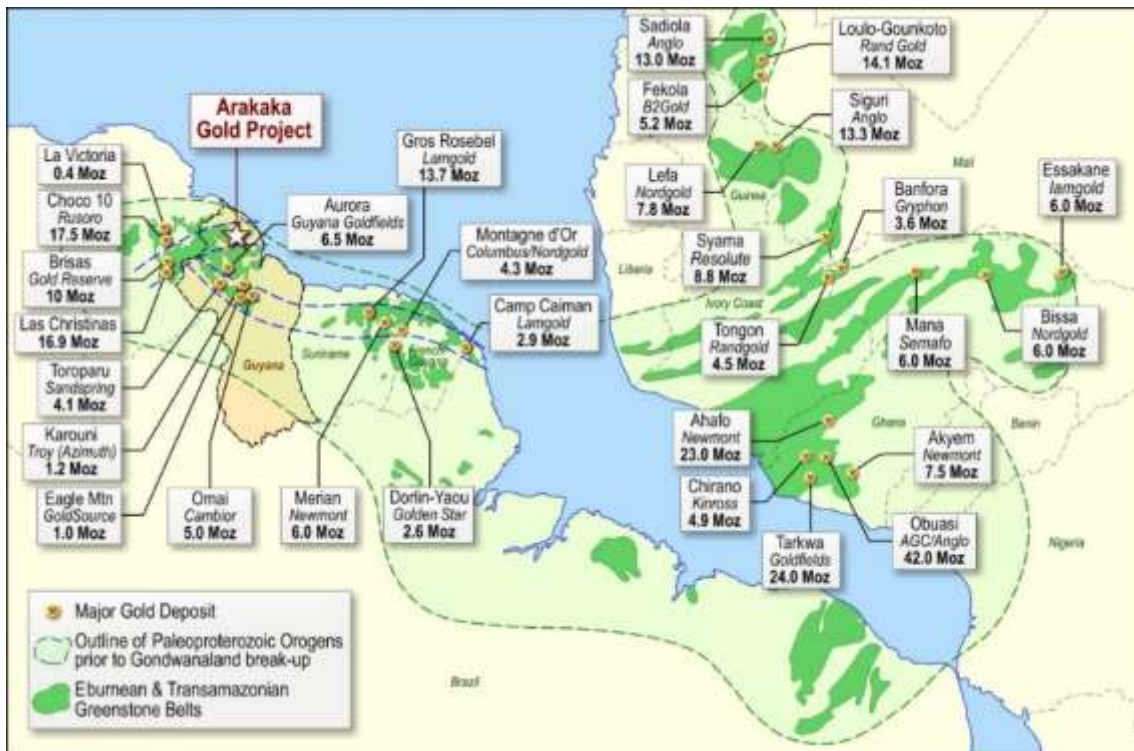


Figure 12 | Location Map - Arakaka Gold Project

Project Generation

The acquisition of the Arakaka Gold Project delivered a core strategic asset in one of the most underexplored greenstone belts in the world. Alicanto has increased its footprint within 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.

For detailed information on all aspects of the company and its project please visit www.alicantominerals.com.au.

Mineral Resource Estimation

As at 30 June 2018, 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.

Directors' Report

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, Officers 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 |
| | 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) | |

Peter George **Chief Executive Officer – appointed 6 August 2018**

Qualifications BEng (Mining)(WASM)
Experience Mr George has a background in company, project and operations management with experience in gold, iron-ore, lithium, nickel, zinc, copper and other base metals projects across Australia and Europe, having worked with major resources companies, mining contractors/consultants and small to mid-cap miners. Most recently, Mr George held the role of Project Resident Manager at Mineral Resources Limited, where he was responsible for bringing the 200Mt+ Wodgina Lithium DSO operation into production within 49 days.

Prior to Mineral Resources Limited, Mr George was Chief Operations Officer at Keras Resources (AIM) and was responsible for all operational aspects of the company including the rapid progress of multiple gold projects through the feasibility and approvals process and then into production. Mr George is a member of the Australasian Institute of Mining and Metallurgy, Graduate of the Australian Institute of Company Directors and holds a WA First Class Mine Managers Certificate of Competency.

Interest in Securities Nil

Travis Schwertfeger **Non-Executive Director – appointed 26 June 2018 (previously Managing Director- 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 Alicanto's Guyanese Projects. 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 | 2,400,000 |
| | 28 cent Listed Options expiring 28 July 2019 | 50,000 |

Directors' Report

12. Information on Directors, Officers and Company Secretary (continued)

| | | |
|------------------------|--|-----------|
| 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 |
| | 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 14 year's 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 2018 remuneration report which sets out remuneration 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 2017 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.
- M. Loans to 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 (resigned 26 June 2018 and appointed Non-Executive Director). |
|-------------------|---|

Directors' Report

13. Audited Remuneration Report (continued)

A. Directors and key management personnel disclosed in this report (continued)

Other Key Management Personnel

Mr M Harden Chief Geologist (resigned 15 June 2018 and appointed Geological Consultant).

Mr J Byrde Company Secretary

Since the end of the reporting period, Mr Peter George was appointed as Chief Executive Officer on 6 August 2018.

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.

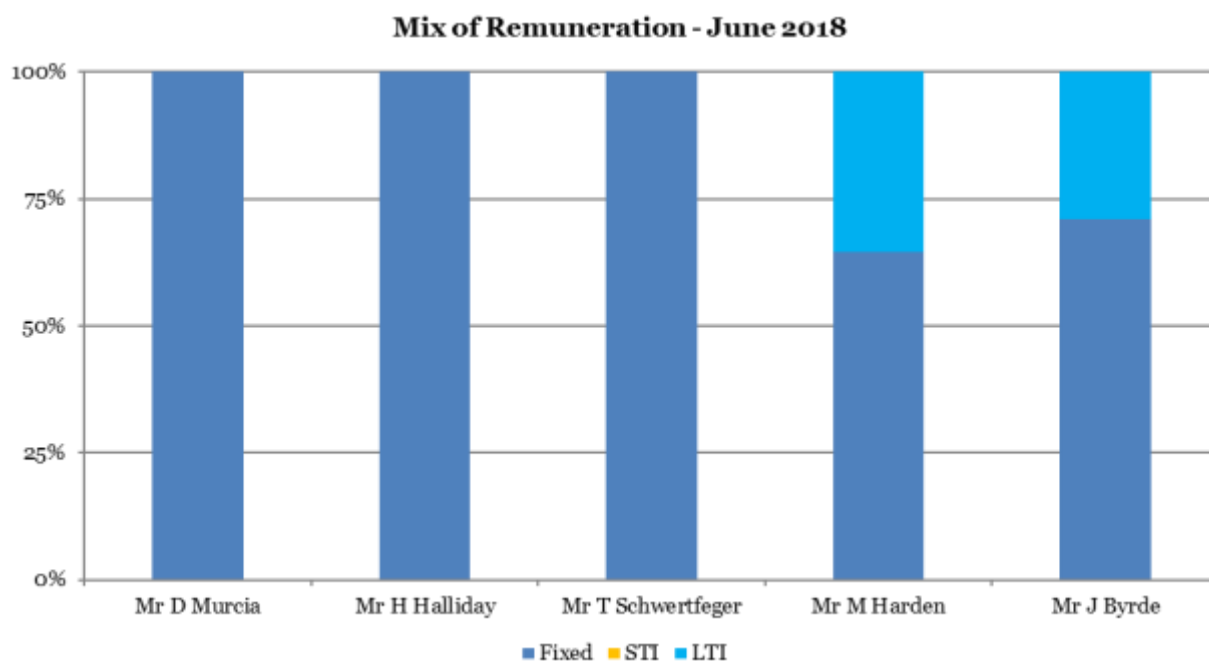
In determining competitive remuneration rates, the Board review local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Independent data is sourced to ensure that the company's remuneration 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.

Directors' Report

13. Audited Remuneration Report (continued)

D. Executive remuneration policy and framework (continued)



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.

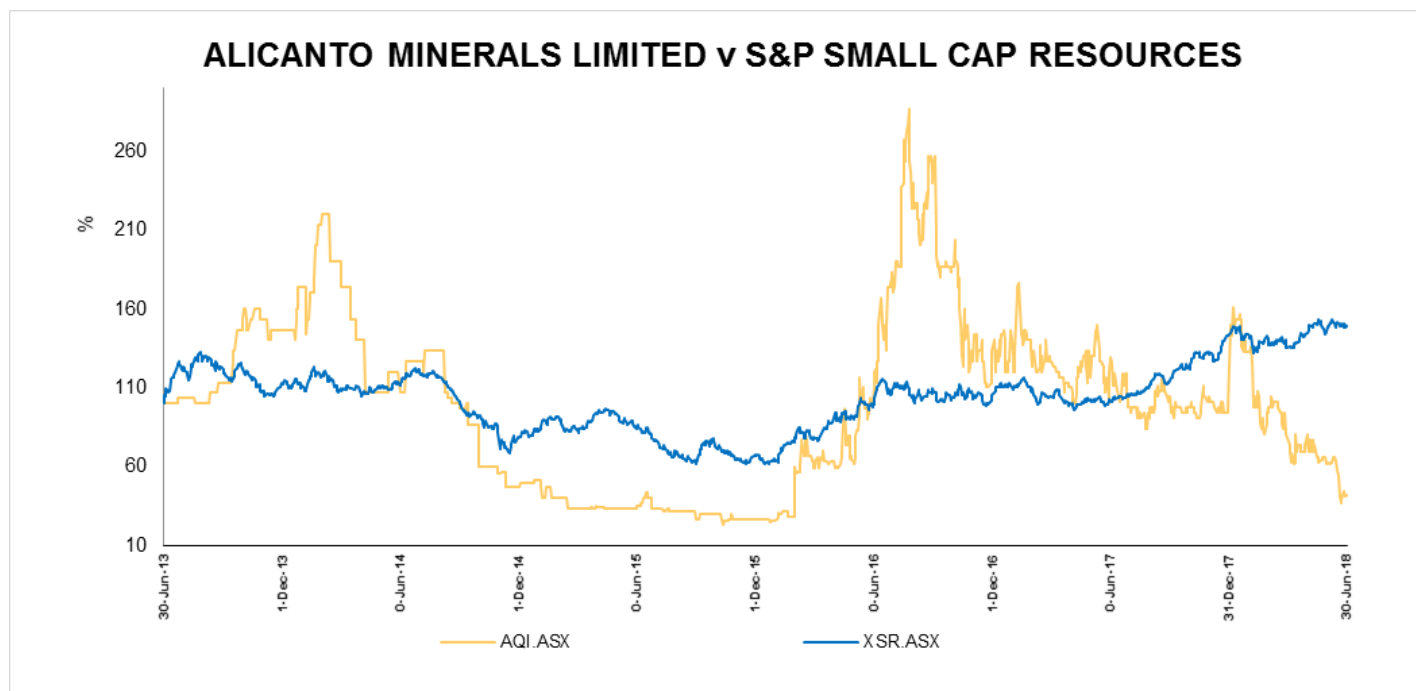
E. Relationship between remuneration and Alicanto Minerals Limited's performance

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.

Directors' Report

13. Audited Remuneration Report (continued)

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



F. Non-Executive Director remuneration policy

The Board's 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.

G. Voting and comments made at the Company's 2017 Annual General Meeting

The Company received 100% of "Yes" votes on its remuneration report for the 2017 financial year (2016: 99.85%). 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 2018 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. Mr Peter George was appointed as Chief Executive Officer of the Company on 6 August 2018.

| | Short-Term Employee Benefits | | | Post Employment | Securities | Total |
|--------------------------------|------------------------------|------------------|-----------------------|---------------------|-----------------------|----------------|
| | Cash Salary & Fees \$ | Incentives \$ | Consulting fees \$ | Other Amounts \$ | Super-annuation \$ | |
| 2018 | | | | | | |
| Non-Executive Directors | | | | | | |
| Mr D Murcia | 64,331 | - | - | 2,691 | - | 67,022 |
| Mr H Halliday | 20,000 | - | 79,651 | 2,691 | - | 102,342 |
| Executive Directors | | | | | | |
| Mr T Schwertfeger ¹ | 265,765 | - | - | 2,691 | 25,248 | 293,704 |
| Other Key Management Personnel | | | | | | |
| Mr M Harden ² | 238,776 | - | - | - | - | 369,680 |
| Mr J Byrde | 50,000 | - | - | 2,691 | 4,750 | 79,818 |
| Total Remuneration | 638,872 | - | 79,651 | 10,764 | 29,998 | 912,566 |

1: Mr Schwertfeger resigned 26 June 2018 as Managing Director and appointed as Non-Executive Director.

2: Mr Harden resigned as Chief Geologist on 15 June 2018 and was engaged as a Geological Consultant. Remuneration is inclusive of annual leave paid on resignation.

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 2017 and 2018 financial year

| | 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

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.

Directors' Report

13. Audited Remuneration Report (continued)

I. Details of share-based compensation and bonuses (continued)

Options issued – 30 June 2018

There were no options issued to Directors or Executives during the year other than to Other Key Management Personnel for incentive options issued under the Employee Incentive Scheme. The options vest upon achievement of performance based milestones as follows:

- i) 50% of the options shall vest on 30 April 2021 subject to remaining an employee of the company for 15 months from date of issue or 500,000 JORC compliant mineral resources estimate.
- ii) 50% subject to the employee remaining with the company for 6 months.

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

| | Granted No. | Fair Value at Grant Date \$ | Total Remuneration Represented by Options | Exercised No. | Other changes No. | Lapsed No. |
|--------------------------------|-------------|--------------------------------|---|---------------|-------------------|------------|
| 30 June 2018 | | | | | | |
| Non-Executive Directors | | | | | | |
| Mr D Murcia | - | - | - | - | - | - |
| Mr H Halliday | - | - | - | - | - | - |
| Executive Director | | | | | | |
| Mr T Schwertfeger ¹ | - | - | - | - | - | - |
| Other Key Management Personnel | | | | | | |
| Mr M Harden ⁴ | - | - | 35% | (900,000) | - | - |
| Mr J Byrde | 600,000 | 40,871 | 28% | - | - | - |
| 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 ² | - | 17,087 | 25% | (400,000) | - | - |
| Mr J Byrde ³ | - | - | - | - | - | - |

1: Mr Schwertfeger resigned as Managing Director 26 June 2018 and appointed Non-Executive Director.

2: Mr B Dunnachie resigned on 15 March 2017.

3: Mr J Byrde appointed on 16 March 2017

4: Mr M Harden's options were granted in Financial Year 2016/17 of which the \$130,904 options remuneration expense represents the portion recognised in current year relating to the vesting conditions attached to Mr Hardens options.

Directors' Report

13. Audited Remuneration Report (continued)

I. Details of share-based compensation and bonuses (continued)

| | Issue Date | Expiry Date | % Vested in Year | Exercise Price | Number of Options |
|--------------------------------|------------|-------------|------------------|----------------|-------------------|
| 30 June 2018 | | | | | |
| Non-Executive Directors | | | | | |
| Mr D Murcia | - | - | - | - | - |
| Mr H Halliday | - | - | - | - | - |
| Executive Director | | | | | |
| Mr T Schwertfeger | - | - | - | - | - |
| Other Key Management Personnel | | | | | |
| Mr M Harden | - | - | - | - | - |
| Mr J Byrde | 20 Dec 17 | 30 Apr 21 | - | \$0.001 | 300,000 |
| Mr J Byrde | 20 Dec 17 | 28 Jul 19 | 100% | \$0.23 | 300,000 |
| 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 | 100% | \$0.001 | 900,000 |
| Mr B Dunnachie | 25 May 16 | 30 Apr 21 | 100% | \$0.001 | 600,000 |

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 2018 | | | | | | | |
| 20 Dec 17 | 28 Jul 19 | \$0.23 | \$0.029 | \$0.135 | 85% | 1.94% | 0% |
| 20 Dec 17 | 30 Apr 21 | \$0.001 | \$0.107 | \$0.135 | 85% | 2.17% | 0% |
| 30 June 2017 | | | | | | | |
| 4 Oct 16 | 30 Apr 21 | \$0.001 | \$0.309 | \$0.31 | 85% | 1.70% | 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 \$60,000 exclusive of superannuation. From 1 July 2018 a voluntary fee reduction of 30% is in place for a total base fee of \$42,000 exclusive of superannuation.

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

No termination benefit under any circumstances.

Directors' Report

13. Audited Remuneration Report (continued)

J. Services Agreements (continued)

Mr T Schwertfeger, Managing Director (resigned 26 June 2018)

Non-Executive Director a base fee of \$36,000 per annum inclusive of superannuation is payable (from 26 June 2018).

Managing Director (resigned 26 June 2018)

Term of Agreement – Ended.

Previous Base fee of \$270,000 inclusive of superannuation.

Mr P George, Chief Executive Officer (appointed 6 August 2018)

Term of Agreement – unspecified

Base salary of \$246,375 inclusive of superannuation.

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 H Halliday, Non-executive Director

Term of Agreement – unspecified.

Base fee of \$20,000 Non-Executive Director and \$80,000 Management Consultant inclusive of superannuation.

From 1 July 2018, a voluntary reduction of 30% is in place for a total base fee of \$70,000.

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

No termination benefit under any circumstances.

Mr M Harden, Chief Geologist (resigned 15 June 2018, appointed Geological Contractor).

Term of Agreement – ended.

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)

| Shares | Balance at the start of the year | Received on exercise of options | Other changes | Balance at the end of the year |
|--|----------------------------------|---------------------------------|---------------|--------------------------------|
| 2018 | | | | |
| Directors of Alicanto Minerals Limited | | | | |
| Mr D Murcia | 520,000 | - | 2,500 | 522,500 |
| Mr T Schwertfeger | 200,000 | - | 100,000 | 300,000 |
| Mr H Halliday | 5,665,000 | - | 160,000 | 5,825,000 |
| Other key management personnel | | | | |
| Mr M Harden ³ | 766,650 | 1,500,000 | - | 2,266,650 |
| Mr J Byrde | - | - | - | - |
| 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 ² | 766,650 | - | - | 766,650 |
| Mr B Dunnachie ¹ | 140,000 | - | (140,000) | - |

1: Mr B Dunnachie resigned 15 March 2017.

2. Mr M Harden resigned 15 June 2018.

| Unlisted options | Balance at start of the year | Granted as remuneration | Exercised | Other changes | Balance at end of the year | Vested and exercisable |
|--|------------------------------|-------------------------|-----------|---------------|----------------------------|------------------------|
| 2018 | | | | | | |
| 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 | 3,500,000 | - | - | - | 3,500,000 | 3,500,000 |
| Other key management personnel | | | | | | |
| Mr M Harden ² | 2,250,000 | - | - | (1,500,000) | 750,000 | 750,000 |
| Mr J Byrde | 100,000 | 600,000 | - | - | 700,000 | 400,000 |
| 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 | 3,500,000 | - | - | - | 3,500,000 | 3,500,000 |
| Other key management personnel | | | | | | |
| Mr M Harden ² | 1,350,000 | 900,000 | - | - | 2,250,000 | 1,350,000 |
| Mr B Dunnachie ¹ | 650,000 | - | - | (650,000) | - | - |
| Mr J Byrde | 100,000 | - | - | - | 100,000 | 100,000 |

1: Mr B Dunnachie resigned 15 March 2017.

2. Mr M Harden resigned 15 June 2018.

| Listed Options (\$0.28, 28 July 2019) | Balance at start of the year | Granted as remuneration | Exercised | Other changes | Balance at end of the year | Vested and exercisable |
|--|------------------------------|-------------------------|-----------|---------------|----------------------------|------------------------|
| 2018 | | | | | | |
| Directors of Alicanto Minerals Limited | | | | | | |
| Mr D Murcia | - | - | - | 1,250 | 1,250 | 1,250 |
| Mr T Schwertfeger | - | - | - | 50,000 | 50,000 | 50,000 |
| Mr H Halliday | - | - | - | 75,000 | 75,000 | 75,000 |
| Other key management personnel | | | | | | |
| Mr M Harden | - | - | - | 62,500 | 62,500 | 62,500 |
| Mr J Byrde | - | - | - | - | - | - |

Directors' Report

13. Audited Remuneration Report (continued)

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

M. Other transactions with key management personnel

Mr D Murcia is a Director of Murcia Pestell Hillard a company which provides legal services on normal commercial terms and conditions. Mr D Murcia was formerly a Director Gryphon Minerals which previously shared office space and administration services.

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 2018 | 2017 |
|--|----------------------|--------|
| | \$ | \$ |
| Recharges from Director related entities: | | |
| Recharge of costs by Venture Minerals Limited | 50,805 | 39,008 |
| Recharge of costs by Blackstone Minerals Limited | 155,481 | 16,004 |
| Recharge of costs by Gryphon Minerals Limited | - | 15,520 |
| Purchases from Director related entities | | |
| Purchases for legal services from Murcia Pestell Hilliard Lawyers | 33,173 | 38,198 |
| Outstanding balances arising from recharges/purchases with Director Related Parties: | | |
| Current payables | 22,410 | 3,856 |

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 |
|----------------------|-------------|----------------|---------------------|
| 20 Dec 17 | 28 July 19 | \$0.23 | 1,100,000 |
| 20 Dec 17 | 30 Apr 21 | \$0.001 | 550,000 |
| 02 Apr 15 | 25 Mar 19 | \$0.065 | 2,000,000 |
| 25 May 16 | 30 Apr 21 | \$0.001 | 2,750,000 |
| 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 | 6 |
| Mr T Schwertfeger | 7 | 7 |
| Mr H Halliday | 7 | 7 |

17. Insurance of Officers

Alicanto Minerals Limited has paid a premium of \$10,764 (2017: \$8,890) 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 and Non-Audit Services

The lead auditor's independence declaration for the year ended 30 June 2018 has been received and can be found on page 31 of the Directors' report. No fees were paid or payable to the auditors for non-audit services performed during the year ended 30 June 2018.

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



Travis Schwertfeger
Non-Executive Director

Perth Western Australia, 28 September 2018

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 consultant and 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.

No New Information or Data

This annual report contains references to Exploration Results and Exploration Targets, all of which have been cross referenced to previous market announcements made by the Company. The Company confirms that it is not aware of any new information or data that materially effects the information in the said announcement. In the case of estimates of Mineral Resources all assumptions and technical parameters underpinning the estimates have not materially changed.

28 September 2018

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 2018, 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)



Martin Michalik
Director

Financial Statements

Contents

| | |
|---|----|
| Consolidated Statement of Profit or Loss and Other Comprehensive Income | 33 |
| Consolidated Statement of Financial Position | 34 |
| Consolidated Statement of Changes in Equity | 35 |
| Consolidated Statement of Cash Flows | 36 |
| Notes to Consolidated Financial Statements | 37 |
| Directors' Declaration | 56 |
| Independent Auditor's Report | 57 |

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 18 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 2018. 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 2018

| | Note | Consolidated | |
|---|-------|--------------------|--------------------|
| | | 2018 \$ | 2017 \$ |
| Revenue from continuing operations | 3(a) | 194,208 | 156,584 |
| Other income | 3(b) | 358,908 | 157,946 |
| Administrative costs | | (326,928) | (195,433) |
| Consultancy expense | | (74,651) | (82,814) |
| Employee benefits expense | 4(a) | (437,894) | (353,604) |
| Share based payment expenses | 23 | (187,866) | (468,966) |
| Occupancy expense | | (51,114) | (10,468) |
| Compliance and regulatory expenses | | (71,715) | (58,743) |
| Insurance expenses | | (38,953) | (30,605) |
| Depreciation expense | 4(b) | (99,225) | (36,175) |
| Finance costs | 4(c) | (8,144) | (6,351) |
| Exploration expensed | 10 | (2,123,413) | (265,900) |
| (Loss) before income tax | | (2,866,787) | (1,194,529) |
| Income tax (expense)/benefit | 6(a) | - | - |
| (Loss) attributable to owners | | (2,866,787) | (1,194,529) |
| Other comprehensive income: | | | |
| Items that may be reclassified to profit or loss | | | |
| - Exchange differences on translation of foreign operations | 15(b) | (105,870) | 30,050 |
| Items that will not be classified to profit or loss | | | - |
| Total comprehensive (loss) attributable to owners | | (2,972,657) | (1,164,479) |
| Basic and Diluted earnings/(loss) per share (cents per share) | 17 | (2.6) | (1.4) |

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 2018

| | Note | Consolidated 2018 \$ | 2017 \$ |
|--|-------|----------------------------|------------------|
| Current Assets | | | |
| Cash and cash equivalents | 7 | 2,008,823 | 1,836,953 |
| Trade and other receivables | 8(a) | 48,463 | 84,836 |
| Total Current Assets | | 2,057,286 | 1,921,789 |
| Non-Current Assets | | | |
| Trade and Other Receivables | 8(b) | 20,000 | 20,000 |
| Property, plant and equipment | 9 | 453,842 | 239,550 |
| Exploration and evaluation expenditure | 10 | 884,186 | 611,288 |
| Total Non-Current Assets | | 1,358,028 | 870,838 |
| Total Assets | | 3,415,314 | 2,792,627 |
| Current Liabilities | | | |
| Trade and other payables | 11 | 538,245 | 503,289 |
| Provisions | 12 | 51,685 | 60,005 |
| Total Current Liabilities | | 589,930 | 563,294 |
| Total Liabilities | | 589,930 | 563,294 |
| Net Assets | | 2,825,384 | 2,229,333 |
| Equity | | | |
| Contributed equity | 13(a) | 12,800,082 | 9,117,041 |
| Reserves | 15(c) | 1,695,697 | 1,915,900 |
| Accumulated losses | | (11,670,395) | (8,803,608) |
| Total Equity | | 2,825,384 | 2,229,333 |

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 2018

| Consolidated | Contributed Equity | Accumulated Losses | Foreign Currency Translation Reserve | Option Reserve | Total |
|---|--------------------|---------------------|--------------------------------------|------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ |
| 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 |
| Balance at 1 July 2017 | 9,117,041 | (8,803,608) | 75,485 | 1,840,415 | 2,229,333 |
| Total comprehensive income for the year: | | | | | |
| Loss for the year | - | (2,866,787) | - | - | (2,866,787) |
| Foreign exchange differences | - | - | (105,870) | - | (105,870) |
| | - | (2,866,787) | (105,870) | - | (2,972,657) |
| Transactions with owners in their capacity as owners: | | | | | |
| Contributions of equity (net of transaction costs) | 3,379,092 | - | - | - | 3,379,092 |
| Share based payment transactions | 303,949 | - | - | (114,333) | 189,616 |
| | 3,683,041 | - | - | (114,333) | 3,568,708 |
| Balance at 30 June 2018 | 12,800,082 | (11,670,395) | (30,385) | 1,726,082 | 2,825,384 |

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 2018

| | Note | Consolidated | |
|---|-----------|--------------------|------------------|
| | | 2018 | 2017 |
| | | \$ | \$ |
| Cash Flows from Operating Activities | | | |
| Receipts from customers (inclusive of goods and services tax) | | 276,067 | 290,706 |
| Payments to suppliers and employees | | (927,161) | (708,970) |
| Interest received | | 57,467 | 18,856 |
| Payments for exploration and evaluation | | (5,568,674) | (4,499,662) |
| Contributions received from farm-in partners | 10 | 3,523,829 | 4,297,548 |
| Net cash (outflow) from operating activities | 18 | (2,638,472) | (601,522) |
| Cash Flows from Investing Activities | | | |
| Purchase of property, plant and equipment | 9 | (297,602) | (186,467) |
| Acquisition of mineral tenements | 10 | (272,898) | - |
| Payments for security deposits | | - | (20,000) |
| Net cash (outflow) from investing activities | | (570,500) | (206,467) |
| Cash Flows from Financing Activities | | | |
| Proceeds from issue of shares | | 3,741,720 | 1,566,870 |
| Share issue transaction costs | | (360,878) | (138,175) |
| Net cash inflow from financing activities | | 3,380,842 | 1,428,695 |
| Net increase in cash and cash equivalents | | 171,870 | 620,706 |
| Cash and cash equivalents at the start of the year | | 1,836,953 | 1,216,247 |
| Cash and cash equivalents at the end of the year | 7 | 2,008,823 | 1,836,953 |

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.

Notes to Alicanto Minerals Limited Financial Statements

For the year ended 30 June 2018

I. 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.

(iii) Going Concern

The financial report has been prepared on a going concern basis. The directors believe there are sufficient grounds to believe that the business will be able to continue to pay its debts as and when they fall due. For the year ended 30 June 2018, the Group incurred a loss before tax of \$2,866,787 (2017: loss of \$1,194,529) and incurred net cash inflows of \$171,870 (2017: \$620,706). At 30 June 2018, the Group had total current assets of \$2,057,286 (2017: \$1,921,789) and total liabilities of \$589,930 (2017: \$563,294).

The Group's ability to continue as a going concern basis is dependent upon maintain sufficient funds for its operations and commitments. The Directors continue to be focused on meeting the Group's business objectives and is mindful of the funding requirements to meet these objectives. The Directors consider the basis of going concern to be appropriate based on future cash forecasts, existing cash reserves and the ability to significantly reduce activity and preserve cash if necessary. Furthermore, the Directors are also of the opinion that a capital raising could be achieved to raise additional funds if required.

Should the Group be unable to undertake the initiatives disclosed above, there is uncertainty which may cast doubt as to whether or not the Group will be able to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

(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 2018 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 25.

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 profit or loss.

Notes to Alicanto Minerals Limited Financial Statements

For the year ended 30 June 2018

I. Summary of Significant Accounting Policies (continued)

(b) Principles of consolidation (continued)

(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.

(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.

Notes to Alicanto Minerals Limited Financial Statements For the year ended 30 June 2018

I. Summary of Significant Accounting Policies (continued)

(f) Leases (continued)

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:

| | |
|----------------------------------|-------|
| 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 I(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.

Notes to Alicanto Minerals Limited Financial Statements For the year ended 30 June 2018

I. Summary of Significant Accounting Policies (continued)

(l) Intangibles (continued)

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.

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.

Notes to Alicanto Minerals Limited Financial Statements For the year ended 30 June 2018

I. Summary of Significant Accounting Policies (continued)

(p) Employee benefits (continued)

(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. **I.**

(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.

Notes to Alicanto Minerals Limited Financial Statements For the year ended 30 June 2018

I. Summary of Significant Accounting Policies (continued)

(t) Foreign currency translation (continued)

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.

(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.

Notes to Alicanto Minerals Limited Financial Statements For the year ended 30 June 2018

1. Summary of Significant Accounting Policies (continued)

(u) New accounting standards and interpretations (continued)

- (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) *New amended standards adopted by the Group*

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 January 2017 affected any of the amounts recognised in the current period or any prior period, although it caused minor changes to the Group's disclosures.

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.

Notes to Alicanto Minerals Limited Financial Statements
For the year ended 30 June 2018

| | | Consolidated | |
|-----------|--|--------------|---------|
| | | 2018 | 2017 |
| | | \$ | \$ |
| 3. | Revenue | | |
| (a) | Revenue from continuing operations | | |
| | Equipment rental | 140,657 | 133,592 |
| | Interest received | 53,551 | 22,992 |
| | Total revenue from continuing operations | 194,208 | 156,584 |
| (b) | Other income | | |
| | Management fees from farm-in partners | 135,410 | 157,114 |
| | Other income – reimbursement of exploration | 223,498 | - |
| | Foreign exchange gain | - | 832 |
| | Total other income | 358,908 | 157,946 |
| 4. | Expenses | | |
| (a) | Employee benefits expense | | |
| | Salaries and wages expense | 412,646 | 332,782 |
| | Defined contribution superannuation expense | 25,248 | 20,822 |
| | Total employee benefits expense | 437,894 | 353,604 |
| (b) | Depreciation expense | | |
| | Leasehold Improvements | 9,854 | - |
| | Plant and equipment – office | 7,970 | 6,548 |
| | Plant and equipment – field | 38,877 | 10,098 |
| | Plant and equipment – motor vehicle | 42,524 | 19,529 |
| | Total depreciation expense | 99,225 | 36,175 |
| (c) | Finance costs | | |
| | Interest and finance charges paid or payable | 8,144 | 6,351 |
| | Total finance costs | 8,144 | 6,351 |
| 5. | Auditor's Remuneration | | |
| | Remuneration of the auditor of the group | | |
| | Auditing or reviewing the financial statements | 31,070 | 29,598 |
| | Other assurance services | - | - |
| | Non-assurance services | - | - |
| | Total auditor remuneration | 31,070 | 29,598 |

Notes to Alicanto Minerals Limited Financial Statements
For the year ended 30 June 2018

| | | Consolidated 2018 \$ | 2017 \$ |
|-----------|---|----------------------------|-------------|
| 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 | (2,866,787) | (1,194,529) |
| | Tax (tax benefit) at the tax rate of 27.5% (2017: 27.5%) | (788,366) | (328,495) |
| | Tax effect of amounts which are not deductible (taxable) in calculating taxable income: | | |
| | - Share based payments | 51,663 | 128,966 |
| | - Other non-deductible amounts | 610,082 | 80,346 |
| | - Unrecognised tax losses | 126,621 | 119,183 |
| | 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 | 8,024,361 | 5,385,985 |
| | Potential tax benefit at 27.5% (2017: 27.5%) | 2,206,699 | 1,481,145 |
| (f) | Unrecognised temporary differences | | |
| | Unrecognised future deductions relating to capital raising costs | 140,587 | 57,404 |
| | Unrecognised deferred tax asset on capital raising costs at 27.5% (2017: 27.5%) | 38,661 | 15,786 |

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

Notes to Alicanto Minerals Limited Financial Statements
For the year ended 30 June 2018

| | | Consolidated 2018 \$ | 2017 \$ |
|-----------|---|----------------------------|------------|
| 7. | Cash and Cash Equivalents | | |
| (a) | Total cash and cash equivalents | | |
| | Cash at bank and in hand | 808,823 | 836,953 |
| | Deposits at call | 1,200,000 | 1,000,000 |
| | Total cash and cash equivalents | 2,008,823 | 1,836,953 |
| | Note that cash includes \$407,855 (2017: 398,905) in funds received from farm-in partners and held on trust for current 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 1.00% (2017: 0.00% and 0.60%). | | |
| (c) | Cash at bank and on hand | | |
| | Deposits at call as at June 2018 were bearing interest at between 2.05 and 2.10% (2017: 2.10% and 2.55%). | | |
| 8. | Trade and Other Receivables | | |
| (a) | Current | | |
| | Other receivables | 48,463 | 70,158 |
| | Prepayments | - | 14,678 |
| | Total current trade and other receivables | 48,463 | 84,836 |
| (b) | Non-Current | | |
| | Deposits | 20,000 | 20,000 |
| | Total non-current trade and other receivables | 20,000 | 20,000 |
| (c) | Past due and impaired receivables | | |
| | As at 30 June 2018, there were no other receivables that were past due or impaired (2017: nil). | | |

| | | Consolidated | | | | Total |
|-----------|--------------------------------------|---------------------------|----------------------------------|---------------------------------|-------------------|-----------|
| | | Leasehold Improvements | Plant and Equipment Office | Plant and Equipment Field | Motor Vehicles | \$ |
| | | \$ | \$ | \$ | \$ | \$ |
| 9. | Property, Plant and Equipment | | | | | |
| | 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 |
| | Year ended 30 June 2018 | | | | | |
| | Opening net book amount | - | 11,940 | 77,554 | 150,056 | 239,550 |
| | Additions | 27,615 | 15,070 | 185,759 | 69,158 | 297,602 |
| | Depreciation charge | (9,854) | (7,970) | (38,877) | (42,524) | (99,225) |
| | Effect of exchange rates | - | 1,163 | (19,817) | 34,569 | 15,915 |
| | Closing net book amount | 17,761 | 20,203 | 204,619 | 211,259 | 453,842 |
| | At 30 June 2018 | | | | | |
| | Cost or fair value | 27,615 | 41,033 | 260,104 | 287,676 | 616,428 |
| | Accumulated depreciation | (9,854) | (20,830) | (55,485) | (76,417) | (162,586) |
| | Net book amount | 17,761 | 20,203 | 204,619 | 211,259 | 453,842 |

Notes to Alicanto Minerals Limited Financial Statements
For the year ended 30 June 2018

| | | Consolidated | |
|------------|---|----------------|----------------|
| | | 2018 | 2017 |
| | | \$ | \$ |
| 10. | Exploration and Evaluation Expenditure | | |
| (a) | Non-current | | |
| | Opening balance | 611,288 | 611,288 |
| | Exploration and evaluation costs | 5,647,242 | 4,563,448 |
| | Acquired Minerals Rights – Ianna Project | 272,898 | - |
| | Contributions received from farm-in partners | (3,523,829) | (4,297,548) |
| | Exploration expensed | (2,123,413) | (265,900) |
| | Total non-current exploration and evaluation expenditure | 884,186 | 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 | |
|------------|--|----------------|----------------|
| | | 2018 | 2017 |
| | | \$ | \$ |
| 11. | Trade and Other Payables | | |
| | Current | | |
| | Trade payables | 167,283 | 104,384 |
| | Contributions received from farm-in partners held on trust | 370,962 | 398,905 |
| | Total current trade and other payables | 538,245 | 503,289 |
| | No trade or other payables are considered past due. | | |
| 12. | Provisions | | |
| | Current | | |
| | Employee entitlements | 51,685 | 60,005 |
| | Total current provisions | 51,685 | 60,005 |

| | | Consolidated | | Consolidated | |
|------------|---|--------------------|-------------------|-------------------|------------------|
| | | 2018 | 2017 | 2018 | 2017 |
| | | Shares | Shares | \$ | \$ |
| 13. | Contributed Equity | | | | |
| (a) | Issued capital | | | | |
| | Ordinary shares (fully paid) | 113,720,313 | 85,256,251 | 12,800,082 | 9,117,041 |
| | Total contributed equity | 113,720,313 | 85,256,251 | 12,800,082 | 9,117,041 |
| (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. | | | | |

Notes to Alicanto Minerals Limited Financial Statements
For the year ended 30 June 2018

| | Date | Shares | Issue Price | Total \$ |
|---|-----------|-------------|-------------|------------|
| 13. Contributed Equity (continued) | | | | |
| (d) Movements in issued capital | | | | |
| 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 |
| Opening Balance 1 July 2017 | | 85,256,251 | | 9,117,041 |
| Share issue | 26 Jul 17 | 18,214,062 | \$0.14 | 2,549,969 |
| Exercise of Options | 26 Jul 17 | 250,000 | \$0.0971 | 24,278 |
| Share Issue | 18 Aug 17 | 8,500,000 | \$0.14 | 1,190,000 |
| Exercise of Options | 30 Apr 18 | 1,500,000 | \$0.1864 | 279,671 |
| Less: Transaction costs | | | | (360,877) |
| Closing Balance at 30 June 2018 | | 113,720,313 | | 12,800,082 |

| 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) 2018 unlisted share option details | | | | | | |
| 21 Nov 17 | \$0.320 | 1,250,000 | - | - | (1,250,000) | - |
| 07 Sept 18 | \$0.230 | 8,050,000 | - | - | - | 8,050,000 |
| 25 Mar 19 | \$0.065 | 2,000,000 | - | - | - | 2,000,000 |
| 28 July 19 | \$0.23 | 5,960,000 | 1,100,000 | - | - | 7,060,000 |
| 31 July 19 | \$0.13 | 348,000 | - | - | - | 348,000 |
| 30 Apr 21 | \$0.001 | 6,500,000 | 550,000 | (1,750,000) | - | 5,300,000 |
| | | 24,108,000 | 1,650,000 | (1,750,000) | (1,250,000) | 22,758,000 |
| Weighted average exercise price | | \$0.16 | \$0.035 | \$0.001 | \$0.23 | \$0.15 |
| (b) 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 |

14(c) 2018 Listed Options

On 26 July 2017, in accordance with the Rights Issue Prospectus issued on 26 June 2017, 9,107,031 listed options were issued with an exercise price of \$0.28 an expiry date of 28 July 2019. A further 4,250,000 listed options were issued on the 18 August 2017 following the final placement of the shortfall of rights taken up by shareholders. Under the prospectus, for every 2 shares acquired, 1 free attaching listed option was granted.

Notes to Alicanto Minerals Limited Financial Statements
For the year ended 30 June 2018

| | | Consolidated | |
|--|--|--------------|-----------|
| | | 2018 | 2017 |
| | | \$ | \$ |
| 15. Reserves | | | |
| (a) Unlisted option reserve | | | |
| Opening balance | | 1,840,415 | 1,482,473 |
| Unlisted options issued | | 187,866 | 507,396 |
| Exercise of options | | (302,199) | (149,454) |
| Closing balance | | 1,726,082 | 1,840,415 |
| <p>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.</p> | | | |
| (b) Functional currency translation reserve | | | |
| Opening balance | | 75,485 | 45,435 |
| Exchange differences arising on translation of foreign operations | | (105,870) | 30,050 |
| Closing balance | | (30,385) | 75,485 |
| <p>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.</p> | | | |
| (c) Total reserves | | | |
| Unlisted option reserve | | 1,726,082 | 1,840,415 |
| Exchange differences arising on translation of foreign operations | | (30,385) | 75,485 |
| Closing balance | | 1,695,697 | 1,915,900 |

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 | 2018 Total |
|---|--------------------------------|------------------------|----------------|----------------------|------------|
| | % | \$ | \$ | \$ | \$ |
| 2018 | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalents | 1.24% | 4,458 | 1,200,000 | 804,365 | 2,008,823 |
| Trade and other receivables (current) | 0.00% | - | - | 48,463 | 48,463 |
| Trade and other receivables (non-current) | 2.05% | - | 20,000 | - | 20,000 |
| | | 4,458 | 1,220,000 | 852,828 | 2,077,286 |
| Financial Liabilities | | | | | |
| Trade and other payables (current) | 0.00% | - | - | 538,245 | 538,245 |
| | | - | - | 538,245 | 538,245 |

Notes to Alicanto Minerals Limited Financial Statements
For the year ended 30 June 2018

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

(a) **Interest Rate Risk (continued)**

| 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 and other receivables (current) | 0.00% | - | - | 84,836 | 84,836 |
| Trade and 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 |

The maturity date for all cash, trade and 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.

(b) **Group 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 2018, the group's exposure to interest rate risk is not considered material.

(c) **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.

(d) **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.

(d) **Foreign Currency Risk**

The Group is exposed to currency risk arising from exchange rate fluctuations on purchases that are denominated in currency other than the respective functional currencies of the Group entities, primarily the Australian Dollar (AUD) and Guyanese Dollars (GUD). The currencies in which these transactions are primarily denominated in are AUD, GUY and the USD.

The Group's investments in its Guyanese subsidiaries are denominated in AUD and are not hedged as those currency positions are considered long term in nature. The Group does not have a hedging policy in place.

Notes to Alicanto Minerals Limited Financial Statements
For the year ended 30 June 2018

| | Consolidated | |
|--|--------------|-------------|
| | 2018 | 2017 |
| | \$ | \$ |
| 17. Earnings per Share | | |
| (a) Earnings/(Loss) | | |
| Earnings/(loss) used in the calculation of basic EPS | (2,866,787) | (1,194,529) |
| (b) Weighted average number of ordinary shares ("WANOS") | | |
| WANOS used in the calculation of basic earnings per share: | 110,003,464 | 83,419,703 |
| (c) Diluted Loss Per Share | | |
| Diluted loss per share is considered to be the same as the basic loss per share, as the potential ordinary shares on issue are anti-dilutive and have not been applied in calculating dilutive loss per share. | | |

| | Consolidated | |
|--|--------------|-------------|
| | 2018 | 2017 |
| | \$ | \$ |
| 18. Cash Flow Information | | |
| a) Reconciliation of cash flows from operating activities with loss from ordinary activities after tax: | | |
| Profit/(loss) from ordinary activities after income tax | (2,866,787) | (1,194,529) |
| Depreciation | 99,225 | 36,175 |
| Share based payments | 187,866 | 468,966 |
| Net exchange differences | (121,783) | 24,364 |
| Changes in assets and liabilities: | | |
| - Decrease/(Increase) in operating receivables and prepayments | 36,375 | (38,803) |
| - Increase/(Decrease) in operating trade and other payables | 26,632 | 102,305 |
| Net cash (outflows) from Operating Activities | (2,638,472) | (601,522) |
| b) Non-cash investing and financing activities | | |
| There were no non-cash investing and financing activities during the year. | | |

| | Consolidated | |
|---|--------------|-----------|
| | 2018 | 2017 |
| | \$ | \$ |
| 19. Commitments | | |
| Exploration/tenure commitments | | |
| Not longer than one year | 1,234,484 | 372,500 |
| Longer than one year, but not longer than five years | 2,133,333 | 2,676,250 |
| Longer than five years | - | - |
| Total exploration commitments | 3,367,817 | 3,048,750 |
| <p>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.</p> | | |

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 three operating segments, being exploration for mineral reserves and the corporate/head office function in Australia.

Notes to Alicanto Minerals Limited Financial Statements
For the year ended 30 June 2018

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 2018 is as follows:

| | Exploration | | Corporate | Total |
|--|-------------|-----------|-------------|-------------|
| | Guyana | Australia | | |
| | \$ | \$ | \$ | \$ |
| 2018 | | | | |
| Total segment revenue | 140,657 | | 53,551 | 194,208 |
| Equipment rental | 140,657 | - | - | 140,657 |
| Interest revenue | - | - | 53,551 | 53,551 |
| Depreciation and amortisation expense | (82,182) | - | (17,043) | (99,225) |
| Total segment (loss) before income tax | (1,611,530) | - | (1,255,257) | (2,866,787) |
| Total segment assets | 1,357,535 | - | 2,057,779 | 3,415,314 |
| Total segment liabilities | 384,644 | - | 205,286 | 589,930 |
| 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 |

(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 | |
|--|--------------|---------|
| | 2018 | 2017 |
| | \$ | \$ |
| Equipment rental - Guyana | 140,657 | 133,592 |
| Interest received - Australia | 53,551 | 22,992 |
| Total revenue from continuing operations (Note 3a) | 194,208 | 156,584 |

(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.

Notes to Alicanto Minerals Limited Financial Statements For the year ended 30 June 2018

21. Events Occurring After the Balance Sheet Date

On 6 of August 2018, the Board announced the appointment of Mr Peter George as Chief Executive Officer of the Company. There are no further post balance date events.

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 25.

(c) Key management personnel compensation

| | Consolidated | |
|---|--------------|-----------|
| | 2018 | 2017 |
| | \$ | \$ |
| Short-term employee benefits | 729,287 | 635,169 |
| Post-employment benefits | 29,998 | 24,384 |
| Share-based payments | 153,281 | 350,173 |
| Total key management personnel compensation | 912,566 | 1,009,726 |

(d) Transactions with Director Related Parties

The following transactions occurred with related parties:

| | Consolidated | |
|--|--------------|--------|
| | 2018 | 2017 |
| | \$ | \$ |
| Recharges from director related entities: | | |
| Recharge of costs by Venture Minerals Limited | 50,805 | 39,008 |
| Recharge of costs by Blackstone Minerals Limited | 155,481 | 16,004 |
| Recharges of costs by Gryphon Minerals Limited | - | 15,520 |
| Purchases from director related entities | | |
| Purchases for legal services from Murcia Pestell Hilliard Lawyers | 33,173 | 38,198 |
| Outstanding balances arising from recharges/purchases with Director Related Parties: | | |
| Current payables | 22,410 | 3,856 |

(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.

(b) Fair value of unlisted options granted

During the year 1,650,000 unlisted options were issued, with the weighted average fair value of the options granted during the year being \$0.0551 (2017: \$0.0472). The price was calculated by using the Black-Scholes European Option Pricing Model applying the following inputs:

| | | |
|---|-----------|------------------|
| | 2018 | |
| Weighted average exercise price: | \$0.154 | (2017: \$0.197) |
| Weighted average life of the option: | 2.2 Years | (2017: 3.2Years) |
| Weighted average underlying share price: | \$0.135 | (2017: \$0.277) |
| Expected share price volatility: | 85.0% | (2017: 85.0%) |
| Risk free interest rate between: | 2.02% | (2017: 1.80%) |
| Discount factor for lack of marketability | 20% | (2017: 0%) |

Notes to Alicanto Minerals Limited Financial Statements

For the year ended 30 June 2018

23. Share Based Payments (continued)

(b) Fair value of unlisted options granted (continued)

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 ordinary shares issued

During the year, there were no fully paid ordinary shares were issued to employees in lieu of salary. Total fair value of the shares issued was nil (2017: \$Nil).

(d) Reconciliation of share based payments

| | Consolidated | |
|--|----------------|----------------|
| | 2018 \$ | 2017 \$ |
| Options issued to directors, employees and consultants | 187,866 | 468,966 |
| Shares issued in lieu of salary | - | - |
| | <u>187,866</u> | <u>468,966</u> |

24. Contingent Liabilities

Alicanto, through its subsidiaries 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%.

As announced on the ASX on 1 September 2017, the Company entered into several option agreements granting the Company exclusive rights to explore and acquire a 100% beneficial interest in mining permits doubling the Ianna Project Landholding. The various agreements with ongoing payments at the Company's elections total approximately A\$150,000 over the next 12 months.

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

25. 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 | |
|------------------------------------|--------------------------|-----------------|-----------------------------|-----------|
| | | | 2018 % | 2017 % |
| 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 | 100 |

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

Notes to Alicanto Minerals Limited Financial Statements
For the year ended 30 June 2018

| | Company | |
|---|--------------|-------------|
| | 2018 | 2017 |
| | \$ | \$ |
| 26. Parent Entity Information | | |
| (a) Assets | | |
| Current assets | 2,008,165 | 1,835,684 |
| Non-current assets | 622,468 | 604,794 |
| Total assets | 2,630,633 | 2,440,478 |
| (b) Liabilities | | |
| Current liabilities | 576,248 | 527,289 |
| Non-current liabilities | - | - |
| Total liabilities | 576,248 | 527,289 |
| (c) Equity | | |
| Contributed equity | 12,800,082 | 9,117,041 |
| Reserves | 1,726,082 | 1,840,415 |
| Accumulated losses | (12,471,779) | (9,044,267) |
| Total equity | 2,054,385 | 1,913,189 |
| (d) Total comprehensive income/(loss) for the year | | |
| (Loss) for the year | (3,427,512) | (1,304,677) |
| Other comprehensive income for the year | - | - |
| Total comprehensive (loss) for the year | (3,427,512) | (1,304,677) |
| (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. | | |

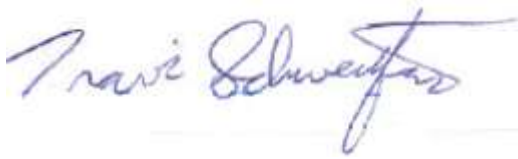
Director's Declaration

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 32 to 55 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 2018 and of its performance for the financial year ended on that date; and
- (b) the audited remuneration disclosures set out on pages 20 to 29 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
Non-Executive Director

Perth, Western Australia, 28 September 2018

**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 2018, 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 2018 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.

Emphasis of Matter - Going Concern

Without modification to the audit opinion expressed above, attention is drawn to the following matter.

As referred to in note 1 to the financial report, the financial report has been prepared on a going concern basis. At 30 June 2018, the Group had net assets of \$2,825,384, cash and cash equivalents of \$2,008,823 and net working capital surplus of \$1,467,356. The Group had incurred a loss for the year ended 30 June 2018 of \$2,866,787.

The ability of the Group to continue as a going concern and meet its administration, exploration and other commitments is dependent upon the Group raising further working capital or commercialisation of its exploration assets. In the event the Group is unable to raise further working capital and/or commercialise its exploration assets, the company may not be able to meet its liabilities as they fall due, or realise its assets at their stated values.

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 Matter | How the matter was addressed in the audit |
|---|--|
| <p>Carrying Value of Exploration and Evaluation Assets</p> <p>As at 30 June 2018, Capitalised Exploration and Evaluation Expenditure totalled \$884,186 (refer to Note 10 of the financial report).</p> <p>The carrying value of Capitalised Exploration and Evaluation Expenditure is a key audit matter due to:</p> <ul style="list-style-type: none"> • The significance of the expenditure capitalised representing 26% of total assets; • The necessity to assess management's application of the requirements of the accounting standard Exploration for and Evaluation of Mineral Resources ("AASB 6"), in light of any indicators of impairment that may be present; and • The assessment of significant judgements made by management in relation to the Capitalised Exploration and Evaluation Expenditure. | <p>Inter alia, our audit procedures included the following:</p> <ol style="list-style-type: none"> i. Assessing the Group's right to tenure over exploration assets by corroborating the ownership of the relevant licences for mineral resources to government registries and relevant third-party documentation; ii. Reviewing the directors' assessment of the carrying value of the capitalised exploration and evaluation costs, ensuring the veracity of the data presented and assessing management's consideration of potential impairment indicators, commodity prices and the stage of the Group's projects also against AASB 6; iii. Evaluation of Group documents for consistency with the intentions for continuing exploration and evaluation activities in areas of interest and corroborated in discussions with management. The documents we evaluated included: <ul style="list-style-type: none"> ▪ Minutes of the board and management; ▪ Announcements made by the Group to the Australian Securities Exchange; ▪ Cash flow forecasts and iv. Consideration of the requirements of accounting standard AASB 6 and reviewed the financial statements to ensure appropriate disclosures are made. |

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 2018, 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 20 to 29 of the directors' report for the year ended 30 June 2018. 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 2018 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 Audit & Consulting Pty Ltd



Martin Michalik

Director

West Perth, Western Australia

28 September 2018

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 21 September 2018 were as follows:

| Number Held as at 18 September 2018 | Class of Equity Securities Fully Paid Ordinary Shares | Class of Equity Securities Listed Options |
|-------------------------------------|---|---|
| 1- 1,000 | 30 | 10 |
| 1,001 - 5,000 | 80 | 45 |
| 5,001 - 10,000 | 179 | 13 |
| 10,001 - 100,000 | 353 | 66 |
| 100,001 and above | 124 | 20 |
| | 766 | 154 |

Holders of less than a marketable parcel: 367.

Substantial Shareholders

The names of the substantial shareholders listed on the company's register as at 21 September 2018:

| 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 | 5,183,333 |

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 21 September 2018 are as follows:

| Shareholder | Number | % Held of Issued Ordinary Capital |
|---------------------------|-------------------|-----------------------------------|
| CITICORP NOM PL | 27,131,301 | 23.45% |
| HARMANIS HLDGS PL | 7,000,333 | 6.05% |
| HSBC CUSTODY NOM AUST LTD | 4,458,915 | 3.85% |
| HALLIDAY HAMISH PETER | 3,850,000 | 3.33% |
| J P MORGAN NOM AUST LTD | 3,380,758 | 2.92% |
| ROOKHARP INV PTY | 3,090,304 | 2.67% |
| BNP PARIBAS NOM PL | 2,517,049 | 2.18% |
| HARDEN MARCUS | 2,391,650 | 2.07% |
| SCHWERTFEGER TRAVIS | 2,350,000 | 2.03% |
| SIMON JAMES SYD BOLSTER R | 2,192,966 | 1.90% |
| SYMORGH INV PL | 2,130,000 | 1.84% |
| MCTAVISH IND PL | 1,870,000 | 1.62% |
| SYMORGH INV PL | 1,653,333 | 1.43% |
| FAR EAST CAP PL | 1,629,153 | 1.41% |
| BELLARINE GOLD PL | 1,520,922 | 1.31% |
| SAUNDERS CLARE | 1,400,000 | 1.21% |
| GOTHA STREET CAP PL | 1,200,000 | 1.04% |
| GREGORACH PL | 1,100,000 | 0.95% |
| SWANCAVE PL | 1,069,252 | 0.92% |
| MONARCH ASSET MGNT PL | 1,000,000 | 0.86% |
| | 72,935,936 | 63.04% |

Twenty Largest Listed Option Holders

The names of the twenty largest Listed Option Holders as at 21 September 2018 are as follows:

| Shareholder | Number | % Held of Listed Options |
|-------------------------|-------------------|--------------------------|
| CITICORP NOM PL | 4,358,858 | 32.63% |
| SABET HOSSEIN | 2,000,000 | 14.97% |
| FIRST INV PTNRS PL | 800,000 | 5.99% |
| SABET HOSSEIN | 360,000 | 2.70% |
| QI ZI JUAN | 314,286 | 2.35% |
| LAMBOS NICHOLAS JAMES | 273,557 | 2.05% |
| LEATHER MARK | 250,000 | 1.87% |
| ANIKAVA PL | 236,500 | 1.77% |
| VETTER ANTHONY JOHN + J | 200,000 | 1.50% |
| BEYNON ROBERT + JULIE | 200,000 | 1.50% |
| GATTY MARK A T + H L | 151,250 | 1.13% |
| ROOKHARP INV PTY | 150,000 | 1.12% |
| ZAPPPIA NOM PL | 142,857 | 1.07% |
| J P MORGAN NOM AUST LTD | 139,566 | 1.04% |
| FAR EAST CAP PL | 131,250 | 0.98% |
| IRELAND JOHN T + J P | 130,000 | 0.97% |
| BROUGHTON SEC PL | 129,629 | 0.97% |
| SULESKI STOJCE | 125,000 | 0.94% |
| RADONJIC LENORE THERESA | 122,000 | 0.91% |
| BLAKENEY ALAN ROBERT | 101,855 | 0.76% |
| | 10,316,608 | 77.22% |

Tenement Listing (continued)

As at 18 September 2018

| Project | Location | Tenement | Interest as at 18 September 2018 |
|----------------------------|----------|-------------------------------|----------------------------------|
| 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-02/2017, GS14:S-26 | 100% |
| | | PL-03/2017, GS14:S-31 | 100% |
| | | PL-04/2017, 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 2018 | | |
|-------------|-------------------|-----------------------------|----------------------------------|-------------|-------------------|
| 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/123/2017 | 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 2018 |
|---------|----------|-----------|----------------------------------|
| 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