

ASX ANNOUNCEMENT & MEDIA RELEASE

31 January 2013

EXPLORATION UPDATE

HIGHLIGHTS:

- ◆ **Six high priority gold targets with potential for the discovery of economic gold mineralisation have been identified by Alicanto on the Meekatharra and Gnaweeda Projects within the highly prospective Murchison Province, WA.**
- ◆ **The highest priority target is a 5km by 1.5km gold and multi-element pathfinder anomaly defined in drill hole samples within the Gnaweeda Project.**
- ◆ **Drilling of prioritised gold targets within the Meekatharra and Gnaweeda Projects is planned to commence in the second quarter of 2013.**
- ◆ **Alicanto has been awarded \$80,000 Western Australian Government grant for drilling.**
- ◆ **Alicanto continues due diligence in relation to the acquisition of StrataGold Guyana Inc.**

Alicanto Minerals Ltd (ASX: AQI) is pleased to announce it has completed its first field work on the Gnaweeda and Meekatharra Project areas within the highly prospective Murchison Province, Western Australia. Field work completed included: (1) accurately locating drill holes and re-sampling of drill hole spoils left by previous explorers; and (2) regional geological reconnaissance of each of the project areas.

A review and reinterpretation of available exploration data for the Gnaweeda and Meekatharra projects was undertaken that incorporated the new exploration data collected by Alicanto. This work resulted in the identification of six high priority gold targets within the two project areas that have the potential for the discovery of economic gold mineralisation.

Alicanto is pleased to announce that it was a successful applicant under the West Australian Department of Mines and Petroleum's ("DMP") Co-funded Government – Innovative Drilling Program within its Exploration Incentive Scheme (EIS). Under the terms of the grant Alicanto will receive \$40,000 for planned drilling at the Meekatharra project and \$40,000 for planned drilling at the Gnaweeda project.

Proposed reconnaissance drill programs at Meekatharra and Gnaweeda will test the gold targets within the project areas.

Gnaweeda Project (70%)

Alicanto recently completed a review and reinterpretation the Gnaweeda Project exploration data that included Alicanto's own recently acquired geological and drill spoil sample geochemical data. This work identified two high priority gold exploration targets summarised in Figure 2 and described as follows:

- **Target 1:** This high priority target is a kilometric-scale gold-arsenic anomaly associated with a regional shear zone, a structural bend (dilatational jog) and faulted greenstones. The geochemical anomaly characterised by wide-spaced aircore holes containing +50ppb Au and +100ppm As. It is supported by a multi-element pathfinder geochemical anomaly 5km strike long and up to 1.5km wide. Alicanto has identified a sericite schist unit, interpreted to be a shear/fault zone, traversing the target area. Drill spoil samples of the sericite schist have returned anomalous assays of up to 260ppb Au, 1.71ppm Ag and 0.2% Pb. The geochemical anomaly straddles the north-south trending Evanston-Edale fault/shear that strikes for hundreds of kilometres. Airborne magnetics data interpretation by Alicanto has also identified cross-cutting linears and a regional bend in the strike of the main structural trends that coincides with the geochemical anomaly. These are interpreted to be secondary cross-cutting transfer faults associated with a dilatational jog structure in the greenstone belt sequence.
- **Target 2:** This attractive target is about 2.5km along strike to the south of Archean Star Resources' Gnaweeda prospect where drill holes have returned intersections of up to 18m at 11.09g/t Au with associated visible gold. At Target 2 wide-spaced aircore drillholes along 500m spaced traverses defined a +100ppb Au and +100ppm As anomaly with coincident multi-element pathfinder anomalism. Also included within the target area is an interpreted NE-SW trending cross-fault displaces the north-south trending greenstone belt stratigraphy.

Meekatharra Project (70%)

Alicanto recently completed a more detailed review of the Meekatharra Project exploration data. This work identified four priority target areas defined by areas of structural complexity with coincident Au and multi-element pathfinder geochemical anomalies. These are summarised in Figure 3 and are described below.

- **Target 1:** A single aircore hole in the southeast of the project area intersected anomalous gold results of up to 40ppb Au. This hole is along litho-structural strike from Doray Minerals' Side Well gold deposit where intersections of up to 10m at 5.2g/t Au have been reported. Many of RAB drill holes drilled previously in the Target 1 area were abandoned in transported Quaternary sediments and are considered to have been ineffective.
- **Target 2:** A +1km long gold-arsenic anomaly defined by previous wide-spaced drill holes that returned up to 1030ppb and 210ppb gold. This is supported by multi-element pathfinder anomalism in Alicanto's recent drill spoil sampling which also indicated that the target is open to north and to the west.
- **Target 3:** This target is represented by a demagnetised zone immediately along strike to the north of Target 2. Alicanto has interpreted the demagnetisation to be possible gold-related hydrothermal alteration of faulted metadolerite sills. There has been no previous effective reconnaissance drilling coverage of Target 3.
- **Target 4:** This target is along strike to the southwest Doray Minerals' Matilda prospect where intercepts of up to 9m at 9.65 g/t gold have been reported. This is associated with a NE-SW striking, linear magnetic anomaly that traverses the northwest corner of the Meekatharra project area and extends southwest towards the Meekatharra (Paddy's Flat) gold mining centre (2.3Moz Au produced).

Next Steps

Alicanto is committed to the discovery and development of high quality economic gold resources within its project areas within a short time frame and at minimal possible cost to the company. It plans to meet its commitment by implementing advanced exploration methods that can shorten the lead time to discovery and minimise exploration costs.

Alicanto has identified that much of the previous gold exploration within its Meekatharra project area is dated and was generally poorly executed. Both the Meekatharra and Gnaweeda project areas remain very under explored, particularly with modern exploration methods such as high resolution airborne magnetics and aircore drilling utilising high resolution multi-element pathfinder geochemistry and mineral spectral data to map gold-related hydrothermal alteration systems.

Alicanto has identified a total of six prioritised gold targets at its Gnaweeda and Meekatharra projects that it considers to have potential for the discovery of high quality economic gold resources using modern exploration methods. Reconnaissance and infill drill testing of a number of these targets is scheduled to commence in the second quarter of 2013.

Funding for the proposed drilling will be augmented by \$80,000 Alicanto has been awarded by the West Australian Department of Mines and Petroleum's ('DMP') Co-funded Government – Innovative Drilling Program within its Exploration Incentive Scheme (EIS). Alicanto has been allocated \$40,000 of the funding for drilling at the Meekatharra project and \$40,000 for drilling at the Gnaweeda project.

Project Generation

Alicanto announced on the 10th December 2012 that it had entered into a binding option agreement with TSX-V listed Takara Resources Inc. (TSX-V: TKK) to acquire all the issued shares of its wholly owned subsidiary, StrataGold Guyana Inc, which owns the Arakaka and Tassawini Gold Projects located in Northern Guyana.

Both projects are made up of a number of permits, subject to underlying agreements, covering a total area in excess of 550km² within the Northern Guyana Shield. These projects cover volcano-sedimentary Paleoproterozoic greenstone rocks of the Barama-Mazaruni Supergroup which are highly prospective for large tonnage gold deposits.

The agreement is subject to a number of material terms including due diligence, which the company is currently undertaking.

In addition to the exploration of its Australian projects, the Company is continuously evaluating additional projects in both Australia overseas for potential joint venture or acquisition.

For detailed information on all aspects of Alicanto and its projects please visit: www.alicantominerals.com.au

For further information please contact:

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Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Scott Bishop, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Bishop is a consultant to the Company. Mr Bishop has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Bishop consents to their inclusion in the report of the matters based on his information in the form and context in which it appears.



Figure 1: Project Location | E51/1442 is Meekatharra Project. E51/1443 is Gnaweeda Project.

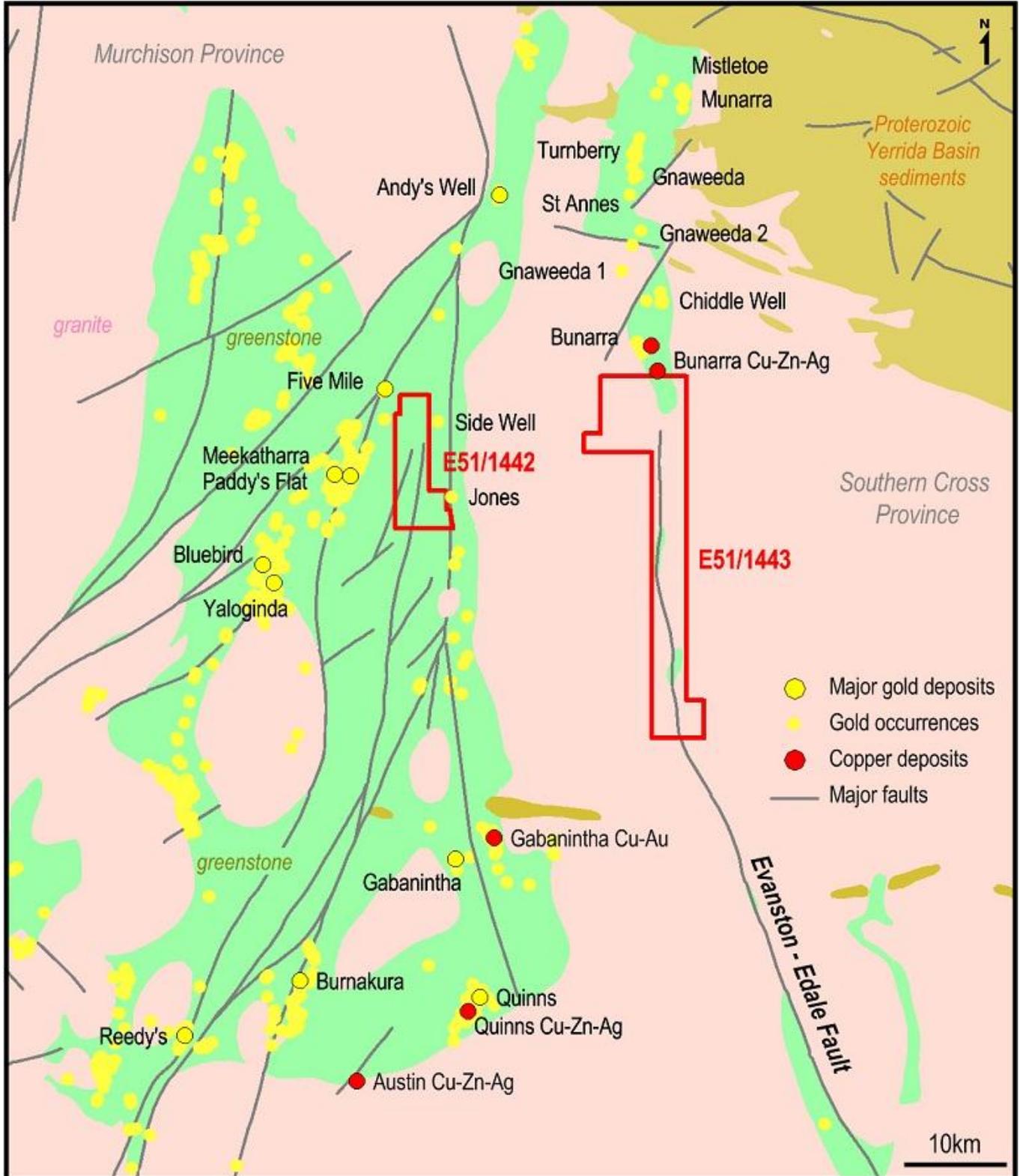


Figure 2: Gnaweeda Project Gold Targets

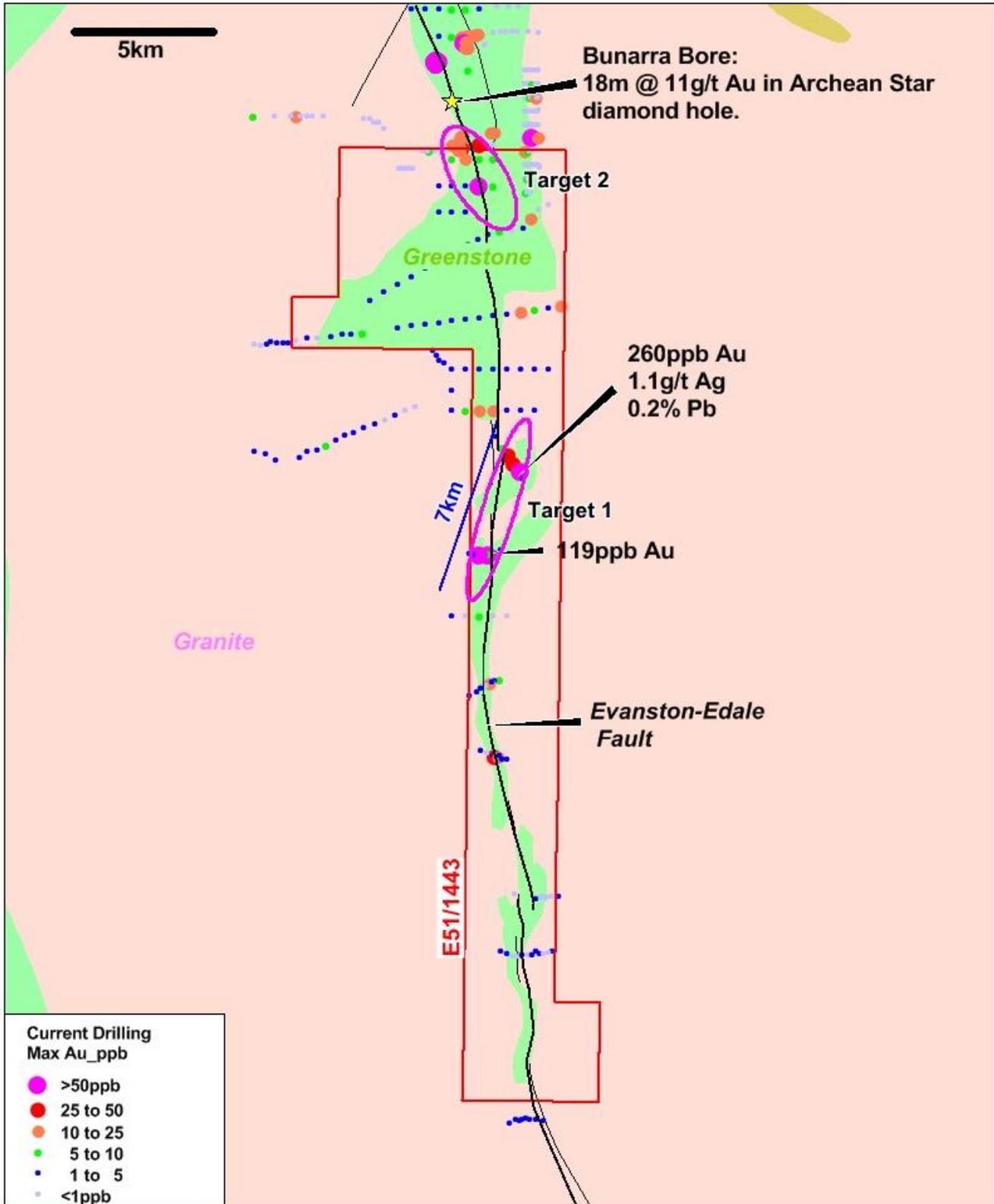




Figure 3: Meekatharra Project Gold Targets

