
ALICANTO MINERALS LIMITED

ACN 149 126 858

NOTICE OF GENERAL MEETING

TIME: 11.00AM

DATE: Monday, 8 September 2014

PLACE: 288 Churchill Avenue
SUBIACO WA 6008

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 6489 0700.

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the general meeting of the Shareholders to which this Notice of Meeting relates will be held at 11.00am on Monday, 8 September 2014 at:

288 Churchill Avenue
SUBIACO WA 6008

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 11.00am (WST) on Saturday, 6 September 2014.

VOTING IN PERSON

To vote in person, attend the General Meeting at the time, date and place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes is set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

ORDINARY BUSINESS

1. RESOLUTION 1 – RATIFICATION OF ALLOTMENT AND ISSUE OF SHARES – TRANCHE 1

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 3,970,000 Shares at an issue price of 15 cents each on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

Voting Exclusion: The Company will disregard any votes cast on Resolution 1 by any person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

2. RESOLUTION 2 – APPROVAL OF ALLOTMENT AND ISSUE OF SHARES – TRANCHE 2

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue 6,030,000 Shares at an issue price of 15 cents each and otherwise on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

ASX Voting Exclusion: The Company will disregard any votes cast on Resolution 2 by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of the security holder, if Resolution 2 is passed and any person associated with those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

3. RESOLUTION 3 – RATIFICATION OF ALLOTMENT AND ISSUE OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 880,000 Shares at an issue price of 22.5 cents each on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

Voting Exclusion: The Company will disregard any votes cast on Resolution 3 by any person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

4. RESOLUTION 4 – RATIFICATION OF ALLOTMENT AND ISSUE OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 220,000 Shares at an issue price of 18 cents each on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

Voting Exclusion: The Company will disregard any votes cast on Resolution 4 by any person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

5. RESOLUTION 5 – ISSUE OF OPTIONS TO MR MATTHEW BOWLES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 1,500,000 Options to Mr Matthew Bowles (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Matthew Bowles and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

6. RESOLUTION 6 – ISSUE OF OPTIONS TO MR DIDIER MURCIA

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 750,000 Options to Mr Didier Murcia (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Didier Murcia and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

7. RESOLUTION 7 – ISSUE OF OPTIONS TO STAFF AND MANAGEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 1,250,000 Options to staff and management (or their nominees) on the terms and conditions set out in the Explanatory Statement.”

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

DATED: 5 AUGUST 2014

BY ORDER OF THE BOARD

A handwritten signature in blue ink, appearing to read 'BD', is positioned above the printed name and title.

**BRETT DUNNACHIE
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

1. RESOLUTION 1 – RATIFICATION OF ALLOTMENT AND ISSUE OF SHARES – TRANCHE 1

1.1 Background

On 28 July 2014, the Company announced it had reached an agreement for a two tranche placement of 10,000,000 Shares at an issue price of 15 cents each to raise \$1,500,000 (**Placement**). Tranche 1 of the Placement, being a total of 3,970,000 Shares, was issued on 5 August 2014 under the Company's 15% capacity pursuant to ASX Listing Rule 7.1.

The Company now seeks ratification by members of the allotment and issue of the 3,970,000 Shares issued pursuant to ASX Listing Rule 7.1.

1.2 Regulatory Requirements – ASX Listing Rule 7.4

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. This rule provides that where a company in a general meeting ratifies the previous issue of securities made without shareholder approval under ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities shall be deemed to have been made with shareholder approval for the purposes of ASX Listing Rule 7.1.

Resolution 1 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of 3,970,000 Shares issued by the Company. By ratifying this issue of Shares, the Company will retain the capacity to issue securities in the future up to the 15% threshold without the requirement to obtain Shareholder approval.

1.3 Technical information required by ASX Listing Rule 7.4

Pursuant to, and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 1:

- (a) the total number of Shares issued was 3,970,000 Shares;
- (b) the issue price of each Share was 15 cents;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company ranking equally in all respects with the Company's existing issued Shares;
- (d) the Shares were allotted and issued to institutional and sophisticated investors. None of the allottees are related parties of the Company. No allottee, either individually or in association with any related entity, was allotted securities, which would, if added to existing holdings, result in the holder and their related entities holding in excess of 19.9% of the issued capital of the Company; and
- (e) the Company intends to use the funds raised by the issue of Shares the subject of Resolution 1, being gross proceeds of \$595,500, for the following:
 - i) further exploration and drilling activities at the Company's Arakaka Gold Project;
 - ii) vendor land payments; and
 - iii) working capital and costs of the issue.

2. RESOLUTION 2 – APPROVAL OF ALLOTMENT AND ISSUE OF SHARES – TRANCHE 2

2.1 Background

On 28 July 2014, the Company announced it had reached an agreement for a two tranche placement of 10,000,000 Shares at an issue price of 15 cents each to raise \$1,500,000 (**Placement**). Tranche 2 of the Placement, being a total of 6,030,000 Shares, is to be issued subject to approval by Shareholders, Resolution 2 seeks that approval.

The effect of Resolution 2 will be to allow the Company to issue the Shares pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

A summary of ASX listing Rule 7.1 is set out in Section 1.2 above.

2.2 Technical information required by ASX Listing Rule 7.3

For the purposes of ASX Listing Rule 7.3, the following information is provided in relation to Resolution 2:

- (a) the maximum number of Shares to be issued under Resolution 2 is 6,030,000 Shares;
- (b) the Shares will be issued no later than three (3) months after the date of this Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (c) the issue price of the Shares will be 15 cents per Share to raise gross proceeds of \$904,500;
- (d) the allottees in respect of Resolution 2 will be institutional and sophisticated investors. None of the allottees are related parties of the Company. No subscriber, either individually or in association with any related entity, will be allotted securities, which would, if added to existing holdings, result in the holder and their related entities holding in excess of 19.9% of the issued capital of the Company;
- (e) the Shares to be issued will all be fully paid ordinary shares in the capital of the Company ranking equally in all respects with the Company's existing issued Shares; and
- (f) the Company intends to use the funds raised for the following:
 - i) further exploration and drilling activities at the Company's Arakaka Gold Project;
 - ii) vendor land payments; and
 - iii) working capital and costs of the issue.

3. RESOLUTION 3 – RATIFICATION OF ALLOTMENT AND ISSUE OF SHARES

3.1 Background

On 17 February 2014, the Company announced it had entered into a drilling services agreement with AU Drilling Inc for the provision of drilling services. The agreement was designed to commence the Company's maiden drilling program along the Arakaka Trend at the Company's flagship Arakaka Gold Project located within the highly prospective and under-explored Northern Guyana Shield in Guyana. The consideration under the agreement comprised of the issue of 880,000 ordinary shares in the Company at a price of \$0.225 each. The shares were issued in two tranches as follows

- i) 440,000 shares were issued on 26 February 2014; and
- ii) 440,000 shares were issued on 25 June 2014.

The Company now seeks ratification by members of the allotment and issue of the 880,000 Shares issued pursuant to ASX Listing Rule 7.1.

3.2 Regulatory Requirements – ASX Listing Rule 7.4

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. This rule provides that where a company in a general meeting ratifies the previous issue of securities made without shareholder approval under ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities shall be deemed to have been made with shareholder approval for the purposes of ASX Listing Rule 7.1.

Resolution 3 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of 880,000 Shares issued by the Company. By ratifying this issue of Shares, the Company will retain the capacity to issue securities in the future up to the 15% threshold without the requirement to obtain Shareholder approval.

3.3 Technical information required by ASX Listing Rule 7.4

Pursuant to, and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 3:

- (a) the total number of Shares issued was 880,000 Shares;
- (b) the issue price of each Share was 22.5 cents;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company ranking equally in all respects with the Company's existing issued Shares;
- (d) the Shares were allotted and issued to Javelin Minerals Inc (Javelin) who is AU Drilling Inc's nominee. Javelin is not a related party of the Company. Javelin, either individually or in association with any related entity, was allotted securities, which would, if added to existing holdings, result in the Javelin and its related entities holding in excess of 19.9% of the issued capital of the Company; and
- (e) no funds have been raised from the issue of the Shares as they were issued in consideration for drilling services.

4. RESOLUTION 4 – RATIFICATION OF ALLOTMENT AND ISSUE OF SHARES

4.1 Background

On 17 February 2014, the Company announced it had entered into a drilling services agreement with AU Drilling Inc for the provision of drilling services. The agreement was designed to commence the Company's maiden drilling program along the Arakaka Trend at the Company's flagship Arakaka Gold Project located within the highly prospective and under-explored Northern Guyana Shield in Guyana. The consideration under the agreement comprised of the issue of 880,000 ordinary shares in the Company.

In addition to the Shares issued under the agreement, the Company agreed to issue a further 220,000 shares at \$0.18 per share as part settlement of additional drilling and other associated costs. The 220,000 shares were issued on 25 June 2014.

The Company now seeks ratification by members of the allotment and issue of the 220,000 Shares issued pursuant to ASX Listing Rule 7.1.

4.2 Regulatory Requirements – ASX Listing Rule 7.4

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. This rule provides that where a company in a general meeting ratifies the previous issue of securities made without shareholder approval under ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities shall be deemed to have been made with shareholder approval for the purposes of ASX Listing Rule 7.1.

Resolution 4 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of 220,000 Shares issued by the Company. By ratifying this issue of Shares, the Company will retain the capacity to issue securities in the future up to the 15% threshold without the requirement to obtain Shareholder approval.

4.3 Technical information required by ASX Listing Rule 7.4

Pursuant to, and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 4:

- (a) the total number of Shares issued was 220,000 Shares;
- (b) the issue price of each Share was 18 cents;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company ranking equally in all respects with the Company's existing issued Shares;
- (d) the Shares were allotted and issued to Javelin Minerals Inc (Javelin) who is AU Drilling Inc's nominee. Javelin is not a related party of the Company. Javelin, either individually or in association with any related entity, was allotted securities, which would, if added to existing holdings, result in the Javelin and its related entities holding in excess of 19.9% of the issued capital of the Company; and
- (e) no funds have been raised from the issue of the Shares as they were issued in consideration for drilling services.

5. RESOLUTION 5 – ISSUE OF OPTIONS TO MR MATTHEW BOWLES

5.1 General

The Company has agreed, subject to obtaining Shareholder approval, to allot and issue a total of 1,500,000 Options (**Options**) to Mr Bowles on the terms and conditions set out below.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

The grant of the Options to Mr Bowles constitutes giving a financial benefit and Mr Bowles is a related party of the Company by virtue of being a Non-Executive Director.

The Directors (other than Mr Bowles who has a material personal interest in Resolution 5) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Options because the agreement to grant the Options was reached as part of the remuneration package for Mr Bowles and is considered reasonable remuneration in the circumstances.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

5.2 Terms of Options

Subject to shareholder approval, the Company proposes that 1,500,000 Options will have an exercise price of 23 cents. The Options will be issued upon approval by shareholders and must be exercised on or before 7 September 2018.

The full terms and conditions of the Options are set out in Schedule 1 to this Explanatory Statement.

5.3 ASX Listing Rules

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 5:

- (a) the Options will be granted to Mr Bowles (or his nominee);
- (b) the maximum number of Options to be issued is 1,500,000;
- (c) the Options will be issued to Mr Bowles no later than one (1) month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated that the Options will be issued on one (1) date;
- (d) the Options will be issued on the terms set out in Schedule 1; and
- (e) no funds will be raised from the issue of the Options.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Options to Mr Bowles as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Options to Mr Bowles will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

6. RESOLUTION 6 – ISSUE OF OPTIONS TO MR DIDIER MURCIA

6.1 General

The Company has agreed, subject to obtaining Shareholder approval, to allot and issue a total of 750,000 Options (**Options**) to Mr Murcia on the terms and conditions set out below.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

The grant of the Options to Mr Murcia constitutes giving a financial benefit and Mr Murcia is a related party of the Company by virtue of being the Non-Executive Chairman.

The Directors (other than Mr Murcia who has a material personal interest in Resolution 6) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Options because the agreement to grant the Options was reached as part of the remuneration package for Mr Murcia and is considered reasonable remuneration in the circumstances.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

6.2 Terms of Options

Subject to shareholder approval, the Company proposes that 750,000 Options will have an exercise price of 23 cents. The Options will be issued upon approval by shareholders and must be exercised on or before 7 September 2018.

The full terms and conditions of the Options are set out in Schedule 1 to this Explanatory Statement.

6.3 ASX Listing Rules

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 6:

- (a) the Options will be granted to Mr Murcia (or his nominee);
- (b) the maximum number of Options to be issued is 750,000;
- (c) the Options will be issued to Mr Murcia no later than one (1) month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated that the Options will be issued on one (1) date;
- (d) the Options will be issued on the terms set out in Schedule 1; and
- (e) no funds will be raised from the issue of the Options.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Options to Mr Murcia as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Options to Mr Murcia will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

7. RESOLUTION 7 – ISSUE OF OPTIONS TO STAFF AND MANAGEMENT

7.1 Background

The Company has agreed, subject to obtaining Shareholder approval, to allot and issue a total of 1,250,000 Options (**Options**) to staff and management on the terms and conditions set out below.

The effect of Resolution 7 will be to allow the Company to issue the Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

A summary of ASX listing Rule 7.1 is set out in Section 1.2 above.

7.2 Technical information required by ASX Listing Rule 7.3

For the purposes of ASX Listing Rule 7.3, the following information is provided in relation to Resolution 7:

- (a) the maximum number of Options to be issued under Resolution 7 is 1,250,000;
- (b) the Options will be issued no later than three (3) months after the date of this Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (c) the issue price of the Options proposed to be allotted and issued will be nil;
- (d) the allottees in respect of Resolution 7 will be staff and management. None of the allottees are related parties of the Company. No subscriber, either individually or in association with any related entity, will be allotted securities, which would, if added to existing holdings, result in the holder and their related entities holding in excess of 19.9% of the issued capital of the Company;
- (e) the Options do not rank equally in all respects with the existing ordinary shares on issue. Only upon exercise of the Options into ordinary fully paid shares, the allotted and issued shares will rank equally in all respects with an existing class of quoted securities. The Options does not entitle the holder to participate in the next dividend or interest payment; and
- (f) there are no funds raised by the issue of Options.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Company means Alicanto Minerals Limited (ACN 149 126 858).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

Meeting means the meeting convened by the Notice.

Notice or **Notice of Meeting** means this notice of General Meeting including the Explanatory Statement and the Proxy Form.

Options means an Option granted pursuant to Resolutions 5, 6 and 7 with the terms and conditions set out in Schedule 1.

Professional Investor means an investor meeting the criteria set out in s708(11) of the Corporations Act.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Sophisticated Investor means an investor meeting the criteria set out in s708(8) of the Corporations Act or eligible to participate under s708(10).

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option gives the Optionholder the right to subscribe for one Share.
 - (b) Each Option will expire at 5.00pm (WST) on 7 September 2018 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
 - (c) Subject to paragraph (k) the amount payable upon exercise of each Option will be \$0.23 (**Exercise Price**).
 - (d) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
 - (e) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;
- (Exercise Notice).**
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
 - (g) Within ten (10) Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
 - (h) Subject to the expiry of any escrow period the Options shall be freely transferable.
 - (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
 - (j) The Company will not apply for quotation of the Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within ten (10) Business Days after the date of allotment of those Shares.
 - (k) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
 - (l) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
 - (m) An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

PROXY FORM

**APPOINTMENT OF PROXY
ALICANTO MINERALS LIMITED
ACN 149 126 858**

GENERAL MEETING

I/We

of

being a member of Alicanto Minerals Limited entitled to attend and vote at the General Meeting, hereby

Appoint

Name of proxy

OR the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the General Meeting to be held at 11.00am (WST), on Monday, 8 September 2014 at 288 Churchill Avenue, SUBIACO WA 6008, and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Voting on Business of the General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Ratification of Allotment and Issue of Shares – Tranche 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Approval of Allotment and Issue of Shares – Tranche 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Approval of Allotment and Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Approval of Allotment and Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Issue of Options to Mr Bowles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Issue of Options to Mr Murcia	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – Issue of Options to Staff and Management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll. _____%

If two proxies are being appointed, the proportion of voting rights this proxy represents is

Signature of Member(s):

Date:

Individual or Member 1

Member 2

Member 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

ALICANTO MINERALS LIMITED
ACN 149 126 858

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and cast a vote at a General Meeting is entitled to appoint a proxy to attend and vote on their behalf at the meeting. If the member is entitled to cast 2 or more votes at the meeting, the member may appoint a second proxy to attend and vote on their behalf at the meeting. However, where both proxies attend the meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A member who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a member appoints 2 proxies and the appointments do not specify the proportion or number of the member's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
 - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (i) post to Alicanto Minerals Limited PO Box 8254, Subiaco East, Western Australia 6008; or
 - (ii) facsimile to the Company on facsimile number +61 8 6489 0710; or
 - (iii) email to the Company at admin@alicantominerals.com.au,so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy forms received later than this time will be invalid.