



A L I C A N T O
MINERALS LIMITED

Half-year Report 2017

ABN 81 149 126 858

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Non-Executive Chairman

Didier Murcia AM

Managing Director

Travis Schwertfeger

Non-Executive Director

Hamish Halliday

Company Secretary

Jamie Byrde

Principal & Registered Office

Level 3, 24 Outram Street
WEST PERTH WA 6005
Telephone: (08)) 6279 9425
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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

Stock Exchange Listing

Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
Code: AQL

Website Address

www.alicantominerals.com.au

Your directors present their report on the consolidated entity consisting of Alicanto Minerals Limited ("Alicanto" or "the Company") and the entities it controlled at the end of, or during, the half-year ended 31 December 2017.

1. Directors

The following persons were directors of Alicanto Minerals Limited during the half-year and up to the date of this report:

Didier Murcia
Travis Schwertfeger
Hamish Halliday

2. Review of Operations

Corporate

Financial Performance and Position

The net operating loss after tax for the half year ended 31 December 2017 was \$1,526,146 (2016: \$685,724). The loss for the period includes \$1,123,011 (2016: \$174,079) in exploration and evaluation expenditure and share based payment expenses of \$101,525 (2016: \$296,354) were also recognised during the half year.

As at 31 December 2017 the Company had cash of \$3,428,419 including earn-in funds held on trust of \$82,017.

Capital Raising

During the reporting period, the Company completed a two-tranche capital raising for a total of \$3.75m (before costs) raised on the terms announced 23 June 2017, comprised of:

- 1) A pro-rata renounceable issue of 1 share ("New Share") for every 4 existing shares held by Eligible Shareholders as at 3 July 2017 (refer to ASX releases 23 June & 26 June 2017). The offer was for an issue price of \$0.14 per New Share, together with 1 free attaching listed option "New Option" for each 2 New Shares subscribed for. Each New Option is exercisable at \$0.28 on or before 28 July 2019.

The issue was partially underwritten to \$1 million by CPS Capital, who acted as lead manager and underwriter to the Rights Issue. The Rights Issue closed with subscriptions for shares from eligible shareholders totalling 8,025,568 shares. Funds raised from accepted entitlements totalled \$1,123,580.

The applications for shortfall under the rights issue made to CPS Capital, the lead manager, well exceeded the 13,288,494 shares in shortfall available at closing of the rights issue. Applications for shortfall were scaled back to 10,188,494 shares and 5,094,249 options to be settled and issued for quotation in conjunction with the accepted entitlements.

- 2) A private placement was completed with clients and affiliates of the Sprott Group ("Sprott") for up to 8,500,000 shares (for gross proceeds of up to \$1,190,000). Sprott took up the remainder of shortfall under the Rights Issue announced 23 June 2017 with the issue of 3,100,000 shares and 1,550,000 options. The balance of the private placement totalling an additional 5,400,000 shares and 2,700,000 options were issued on 18 August 2017 under ASX Listing Rule 7.1 for combined gross proceeds of \$1,190,000 before fees

The net proceeds from the rights issue and private placement are being deployed for initial drilling at the Ianna gold project this year (refer to ASX release 3 October 2017), funding ongoing exploration activity in the district and on the Company's regional reconnaissance program and have been utilised for new project acquisition and option costs (refer to ASX release 1 September 2017). Proceeds will also be used to fund general working capital and administrative costs.

2. Review of Operations (continued)

Alicanto 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 in Guyana's Northwest Mining District. The projects cover volcano-sedimentary Paleoproterozoic greenstone rocks which are highly prospective for high tonnage, orogenic style gold deposits.

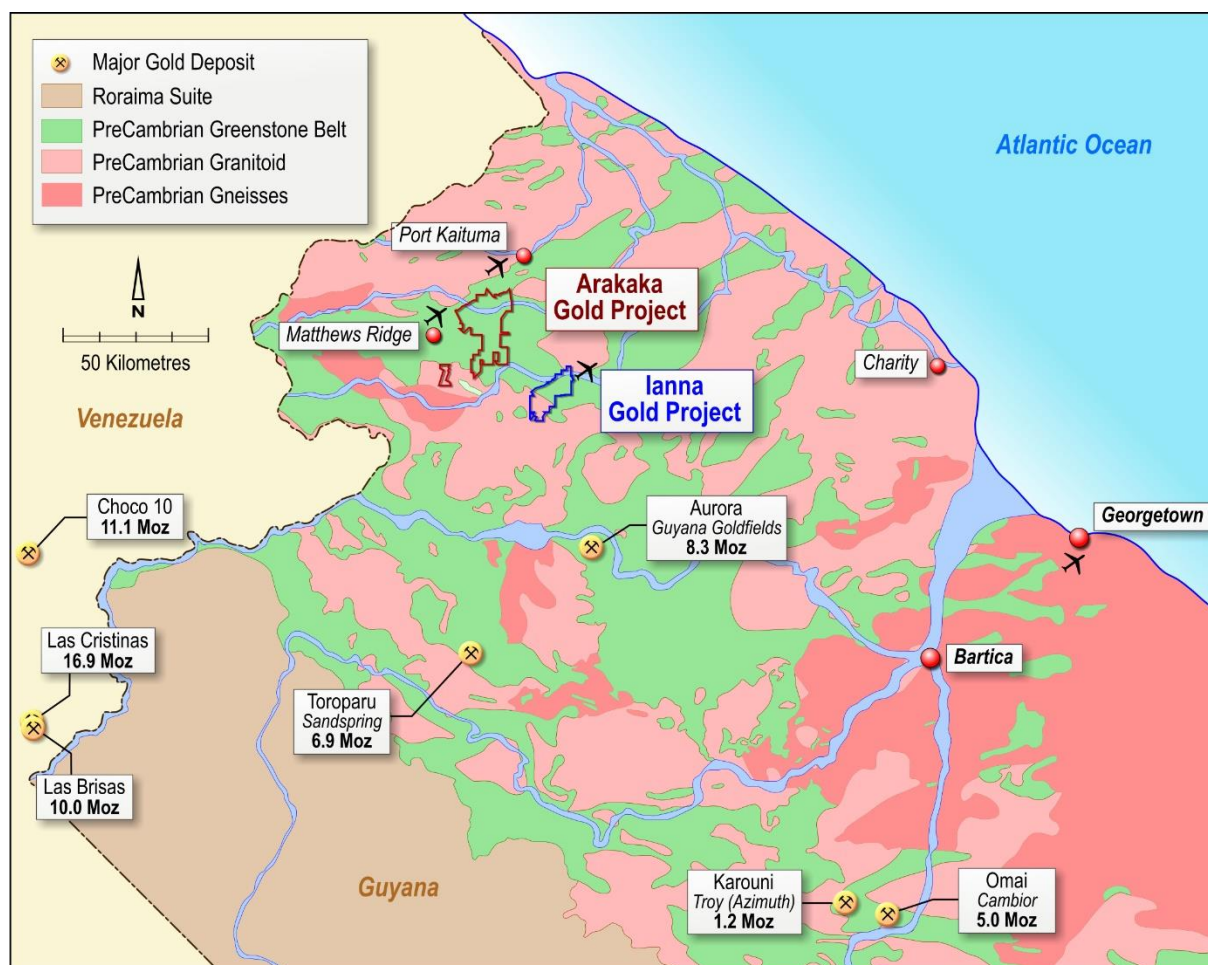


Figure 1 / Summary and location of the Arakaka Gold Project (subject to Earn-in by Barrick Gold Corp) and location of the Ianna Gold Project (100% Alicanto).

Ianna Gold Project

The Ianna Gold Project is a 115km² project area located less than 25km southeast from the Arakaka Gold Project (refer to Figures 1 & 2) hosting known mineralisation in the same highly prospective Barama-Mazaruni Greenstone Belt in Guyana's Northwest District. The Project has existing infrastructure, including camp facilities, an airstrip and river port landing on the property, and can be accessed by road from the Arakaka Project area.

2. Review of Operations (continued)

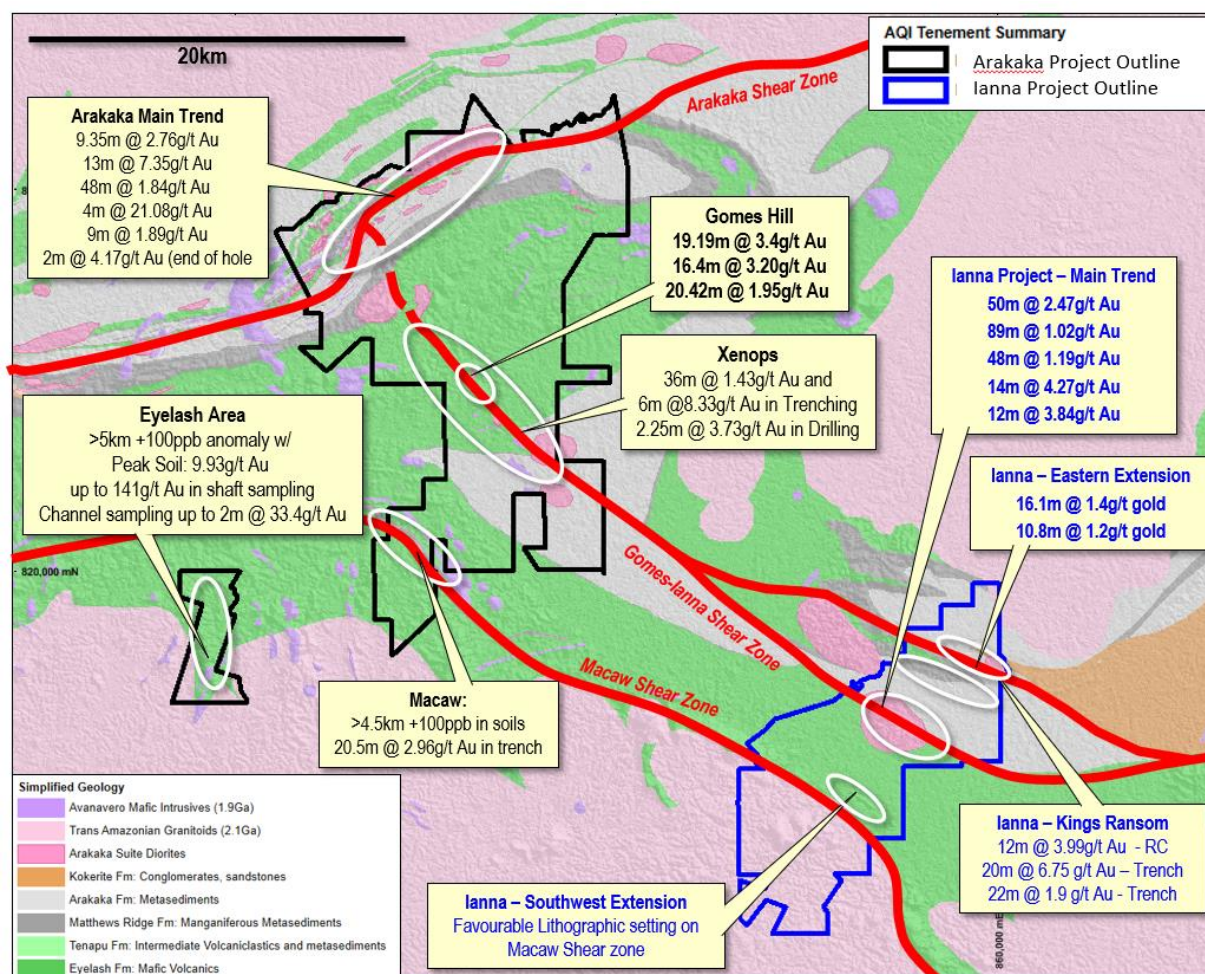


Figure 2 | Regional Geology of the Barama-Mazaruni greenstone belt hosting the Arakaka Gold Project and the Ianna Gold Project areas, with major structural corridors and locations of key target areas within each Project.

Activities during the December Half-Year

Alicanto completed surface mapping and surface sampling campaigns commenced in early 2017 which included soil, auger and channel sampling results reported through the half-year period ending 31 December 2017. The reported exploration activity focused on three corridors of gold mineralisation within the Ianna Gold Project, including the Gomes-lanna trend, the King's Ransom trend, and the Eastern extension (see Figure 2). Exploration activities undertaken by the company extended gold anomalism onto previously unexplored areas of the property (refer to ASX releases 5 July 2017 & 13 September 2017) defining several drill-ready targets for follow-up diamond drilling completed in the December 2017 quarter. Better results from the 2017 surface mapping and sampling campaign include;

- **6m @ 6.91g/t gold** in channel sampling, Eastern Extension
- Up to **37g/t gold** in soils, C-zone target
- Peak Rock chips of up to **251g/t gold** at surface proximal to peak soils of **5.74 and 5.57g/t gold**, B-Zone target

The surface results, combined with doubling of the Ianna Gold Project area through acquisition (Refer to ASX release dated 1 September 2017) allowed for commencement of a maiden diamond drilling programme at the Ianna Gold Project, completed in the December 2017 quarter.

2. Review of Operations (continued)

The drilling program intersected gold mineralisation in all holes, including multiple occurrence of visible gold and encountered extensive alteration with widespread, high density quartz veining on multiple target areas, indicative of a system capable of multi-million ounce gold resources. Recent diamond drilling returned assays including;

- **89m @ 1.02g/t gold from surface,**
 - 13.9m @ 1.2g/t gold from surface,
 - 8m @ 1.7g/t gold
 - 18m @ 1.62g/t gold from 50m drill depth
- **16.1m @ 1.4g/t gold at end of hole**
- **10.8m @ 1.2g/t gold at end of hole**

The recently reported drilling includes initial drill test by the Company into both un-tested targets, and follow-up on historically drilled mineralisation to assess the tenor of mineralisation on numerous targets defined across three structural corridors of mineralisation within the Ianna Project area. 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 26 July 2016), with better intercepts including:

- **50m @ 2.47g/t gold from 10m to end of hole;**
- **48m @ 1.19g/t gold from surface;**
- **14m @ 4.27g/t gold from 24m;**
- **12m @ 3.84g/t gold from 20m;**
- **12m @ 3.99g/t gold from surface**

Confirmation of broad zones of mineralisation in historical drilling in combination with successful identification of gold mineralisation on newly drilled targets provide considerable support to expand exploration activities within the Project.

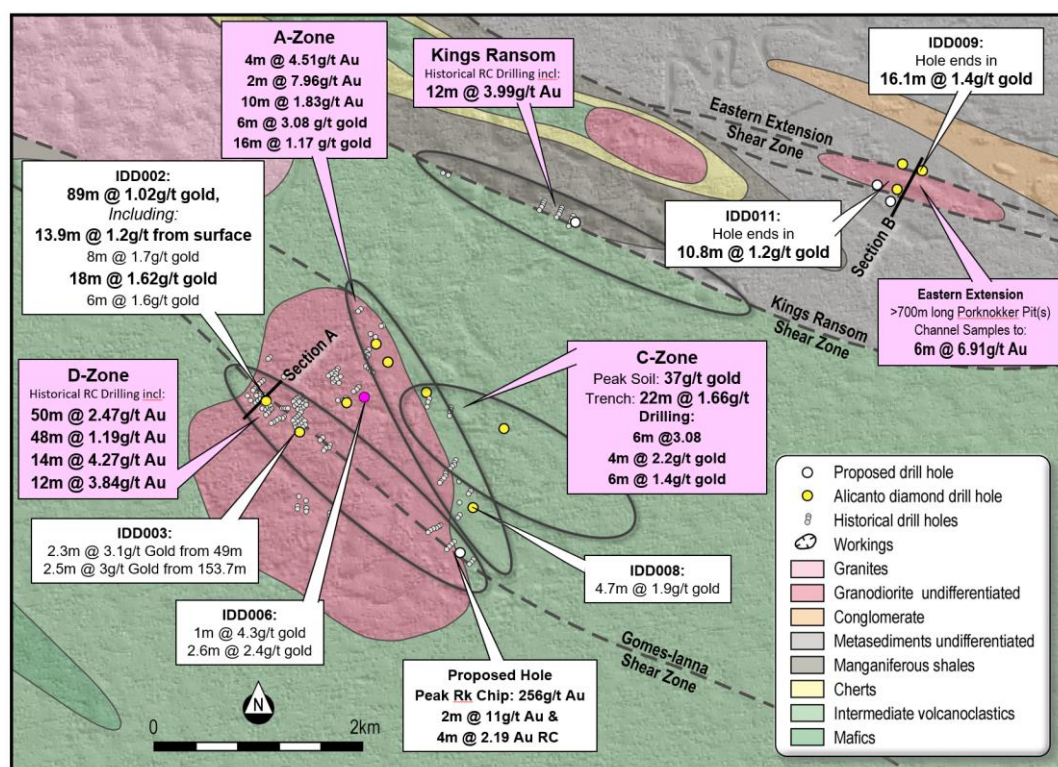


Figure 3 | Plan map showing recent and historical drill collar locations with select results of recent drilling on Alicanto revised geology for the area.

2. Review of Operations (continued)

Proposed Work – Ianna Gold Project

Highly encouraged by initial drilling results, the Company has commenced follow-up work on the successful 2017 programme with commencement of a four-hole program (refer to ASX announcement dated 27 February 2018) that will include drilling designed to assess two previously un-tested targets, as well as follow-up drilling on newly identified mineralisation at the recently acquired Eastern Extension target.

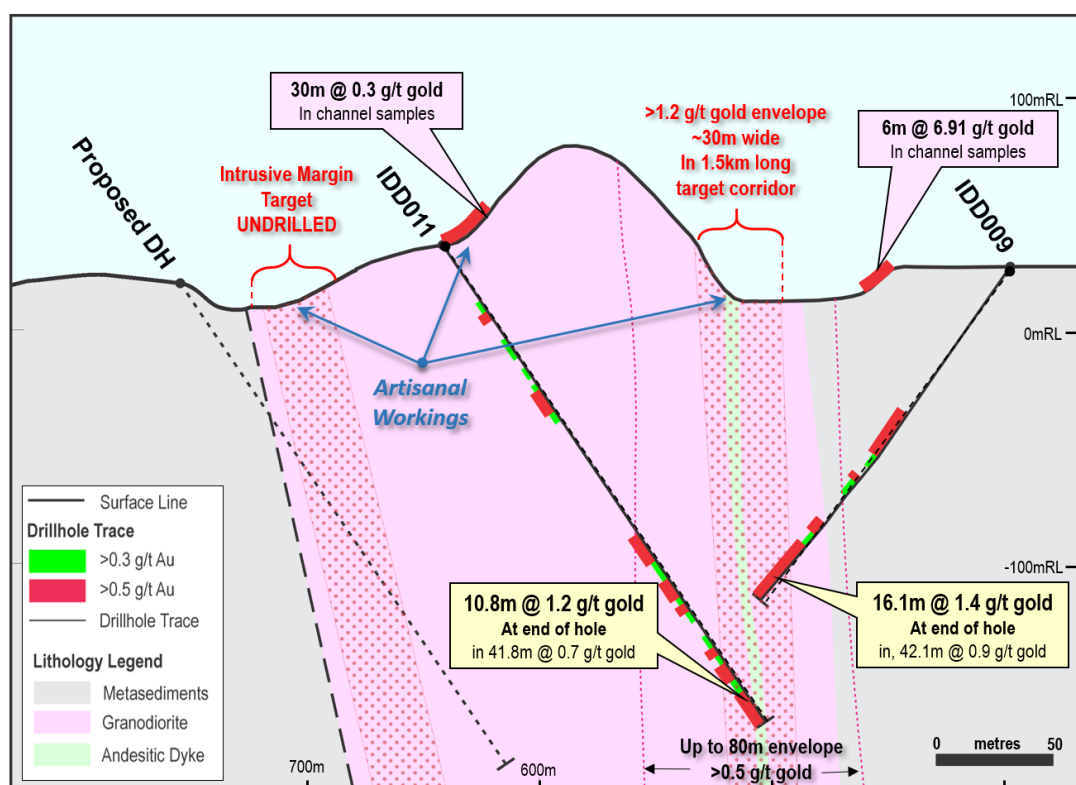


Figure 4 | Eastern Extension target area Cross Section B (See location on Figure 3) showing significant gold intercepts within IDD009 and IDD011 on Alicanto geological interpretation.

At the Eastern Extension target, additional drilling is anticipated to define the margins of the granitic intrusion hosting extensive gold mineralisation and to better define vein orientations controlling mineralisation within the >1.5km long target corridor. Alicanto's maiden drill program in the Eastern Extension target area has successfully intersected gold mineralisation over 200m of strike extent of the unconstrained Eastern Extension Mineralised trend (Refer to ASX release dated 16 February 2018). Better results include:

- **25m @ 0.7g/t, including 4m @1.0g/t gold, and;**
42.1m @ 0.9g/t, including;
16.1m @ 1.4g/t gold at end of hole in IDD009
- **18m @ 0.44g/t gold, and;**
42m @ 0.5g/t gold, and;
41.8m @ 0.7 g/t, including;
10.8m @ 1.2g/t gold at end of hole in IDD011

Planned drilling includes an initial diamond drill test of the 4km long Kings Ransom Target which is defined by contouring >100ppb gold surface sampling with multiple discrete >500ppb gold centres. The prospect has been exploited by several artisanal saprolite pits. Historical trench channel sampling along the Kings Ransom trend returned assays up to **20m @ 6.75g/t gold and 22m @ 1.9g/t gold**. Historical drilling consisting of three fences of RC drilling which returned a best intercept of **12m @ 3.99g/t gold** (refer to ASX release dated 26 July 2016).

2. Review of Operations (continued)

The Company is following-up historical RC drilling to test extensions to reported mineralisation, and the down dip plunge of surface mineralisation. The extensive Kings Ransom Trend remains 95% untested and existing anomalism is open along strike in both directions.

Ianna Gold Project Acquisition

Alicanto's wholly owned Guyanese Subsidiary retaining options and rights to the Ianna Gold Project executed 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 (refer to ASX releases 8 November 2016 & 1 September 2017). The additional tenure increases Ianna to a 115km² project area, covering multiple northwest trending mineralised structures, in the highly prospective Barama-Mazaruni greenstone belt, with the potential to add further tenements within the Project perimeter in accordance with the option and acquisition arrangement announced 8 November 2016.

Agreements completed during the reporting period are with five private owners of various permits and claims for initial option payments totalling US\$108,000 for exclusive rights to acquire and explore the permits with option periods ranging from 2 to 4 years. The various Agreements total US\$111,000 in contingent liabilities over the following 12 months with ongoing payments at Alicanto's election and subject to exploration success. 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 announced to the ASX on 8 November 2016, the ownership holding structure 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 trust ownership documentation and related title transfer to an Alicanto nominated trustee approved by the Vendor is an ongoing process where the Vendor has advised that the current trustee has yet to comply with the Vendor's direction to execute transfer documentation. The Vendor is currently working through a legal process to enforce compliance by the trustee in compliance with the terms of the Trust.

Arakaka Gold Project (100%)

The Arakaka Gold Project is made up of a number of permits, subject to underlying agreements and licences held by Alicanto's 100% owned Guyanese subsidiary, that cover a total area of over 300km² 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, orogenic gold deposits.

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

Alicanto and Barrick have entered into an Earn-in Agreement whereby the Company granted Barrick the exclusive right to acquire a 65% interest in the Arakaka Gold Project. Barrick may earn up to a 65% interest in the Arakaka Project by meeting US\$10 million in funding requirements, including US\$8 million in exploration expenditures over four years, and US\$2 million paid to Alicanto upon completion of the exploration earn-in expenditures. Having completed the minimum expenditure requirement of US\$1.8m in the first contract year, Barrick may withdraw from the Earn-in Agreement with 60 days' notice to Alicanto. Significant terms of the Earn-in Agreement are provided in the ASX announcement dated 1 March 2016.

Barrick have elected to continue funding the Arakaka Gold Project into the third contract year, ending 31 December 2018, and have approved Alicanto's proposals for exploration expenditure on the Arakaka Gold Project. The approved exploration budget includes 3,500m of diamond core drilling designed to both follow up on 2016/17 results of the Arakaka Main Trend and Xenopsaris target areas (Refer to ASX release dated 11 December 2017).

2. Review of Operations (continued)

The Arakaka Gold Project is presently focused on concurrently advancing two extensive gold mineralised corridors, The Xenopsaris Trend, and Arakaka Main Trend, each with strong potential for bulk tonnage gold resource targets.

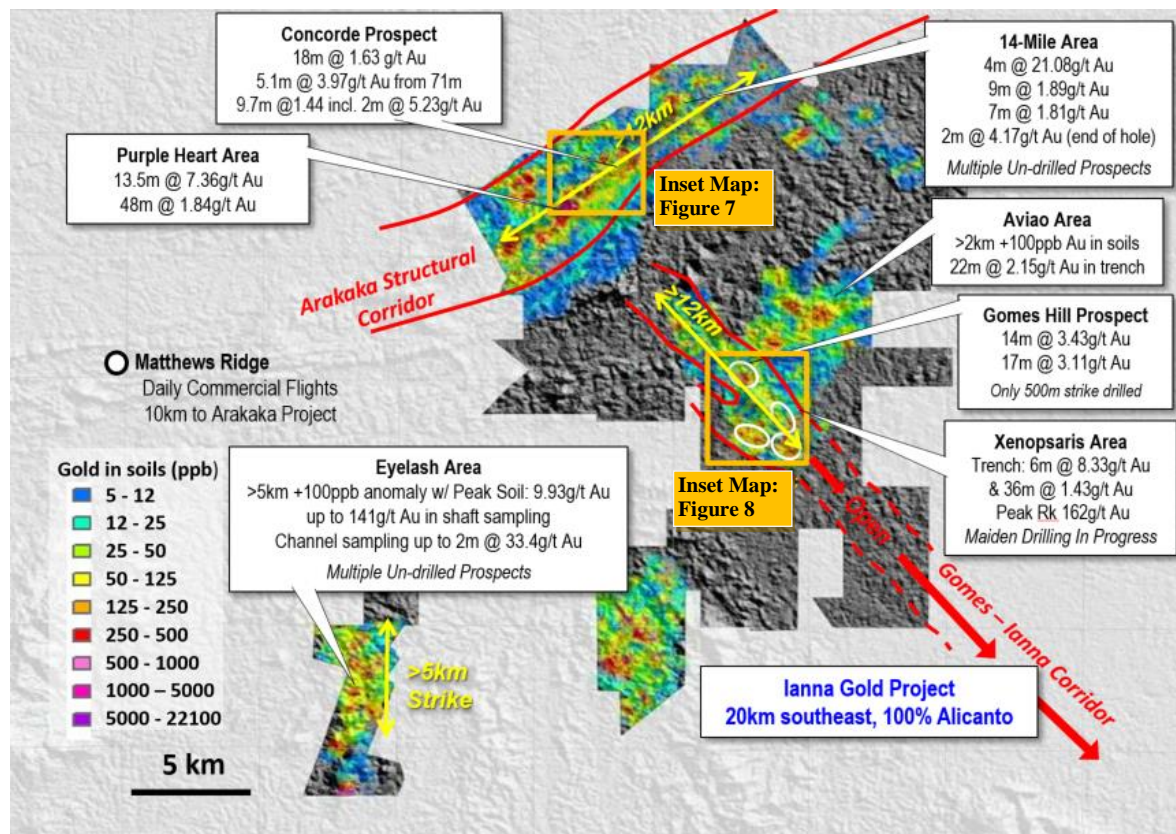


Figure 5 / Regional Geology of the Barama-Mazaruni greenstone belt hosting the Arakaka Gold Project and the Ianna Gold Project areas, with major structural corridors and locations of key target areas within each Project

Activities during the December Half-Year

Exploration activity for the half year ending 31 December 2017 included a maiden reconnaissance drilling program totalling 1,218m drilled in nine holes at the Xenopsaris corridor (refer to ASX release dated 4 August 2017). Also, follow-up drilling on the Arakaka Main Trend mineralised corridor that tested the top tier prospects with significant resource potential following successful 2016-17 reconnaissance phase drilling. The recently reported Arakaka Main Trend drilling results (refer to ASX release dated 1 March 2018) was the first phase of targeted prospect scale drilling following 1km spaced reconnaissance drilling within the 12km long and up to 2.5km wide anomalous gold corridor of the Arakaka Main Trend. (Refer to ASX Release dated 4 October 2016).

The bulk of the reported drilling was centred on the Concorde Prospect (22 holes for 3,089m) targeting the >2.5km Purple Heart structure as it merges with the mineralised Central Structure (Refer to Figure 7 and ASX Release dated 1 March 2018). Recent and previously reported drill intercepts from drilling in the Concorde area included:

- **18m @ 1.63g/t Au** from 3m in ARDD267, including;
9.35m @ 2.71g/t gold;
- **9.72m @ 1.44g/t gold;**
- **5.1m @ 3.97g/t gold;**
- **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.

2. Review of Operations (continued)

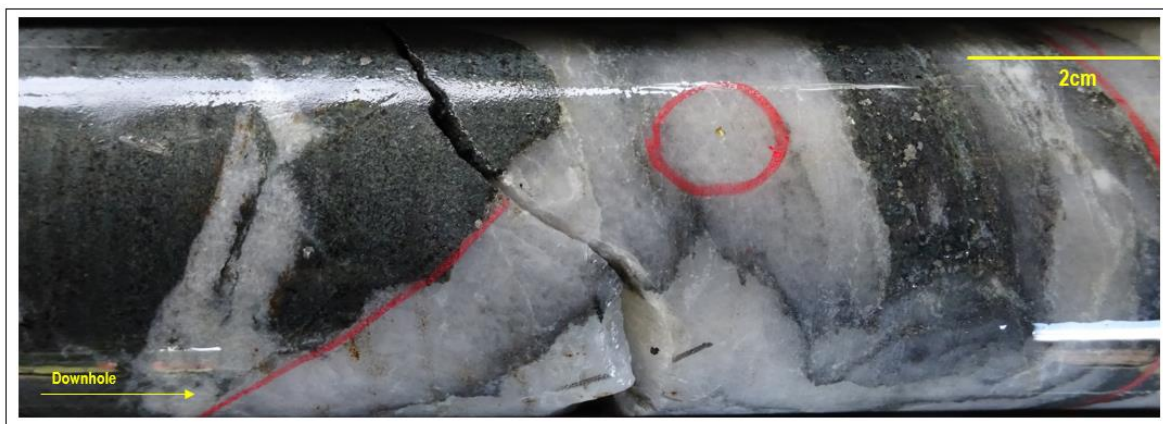


Figure 6 | ARDD256: 2mm gold grain observed within a Quartz-chlorite-arsenopyrite-gold, 19cm vein at 78.05m -interval 1.7m @ 1.7g/t Au.

Visible gold was observed in multiple holes including two locations in reported holes ARDD256 and ARDD257 (see Figures 6 for example). The reported results are >2km along strike of the Purple Heart Target area (Refer to ASX release dated 26 August 2015) where drilling includes results of up to:

- 13.5m @ 7.36g/t Au;
- 48m @ 1.84g/t Au.

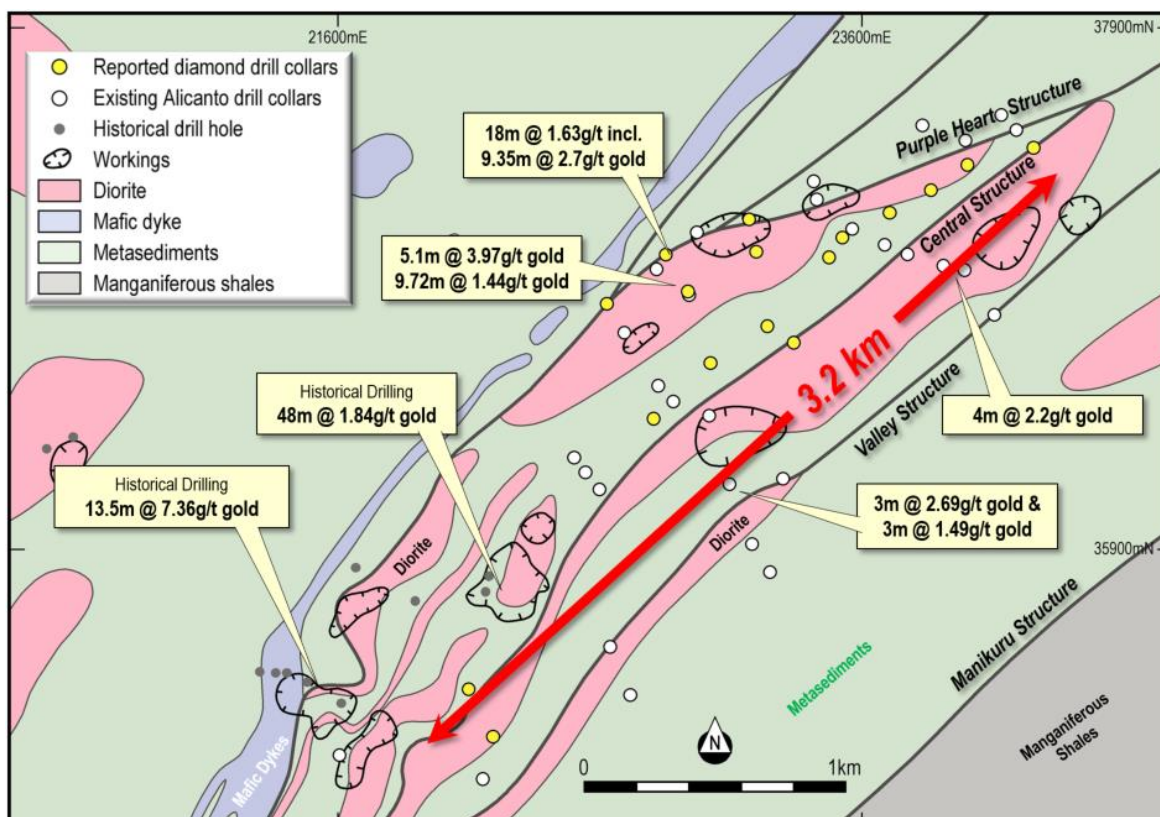


Figure 7 | Arakaka Main Trend drilling locations with better intercepts labelled (previously reported results in yellow) over Alicanto interpreted geology.

The Xenopsaris target area is comprised of a >15km long gold anomaly located approximately 6km south of the northeast trending Arakaka Main Trend gold corridor (Refer to Figure 8). The mineralised corridor is associated with the northwest trending Gomes-Ianna structural corridor, which continues to the southeast to the Company's 100% held Ianna Gold Project.

2. Review of Operations (continued)

Within the Gomes-lanna structural corridor, Xenopsaris gold anomalism is associated with a high-strain, regional scale antiformal fold hinge (Refer to Figure 8). This structural setting is similar to those observed at other regionally significant gold deposits including the 13.7 Moz Au Gros Rosebel deposit (IAMGOLD) and 6 Moz Au Meriam deposit (Newmont) in Suriname.

The extensive Xenopsaris trend is also host to the Gomes Hill Prospect where significant historical drilled mineralisation 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 @ 2.11g/t gold** from 46m, including, **4.25m @ 6.12g/t gold**;
- **11.0m @ 3.43g/t gold** from 62m.

Positive trench results at Xenopsaris in early 2017 confirmed the significant gold mineralisation (Refer to ASX release dated 7 March 2017) identified in soil and auger sampling programs by Alicanto over the previous two years, with channel sampling in trenches returning up to:

- **37m @ 1.45 g/t gold**, with peak rock chips up to **162 g/t gold**; and
- **6m @ 8.33 g/t gold**;

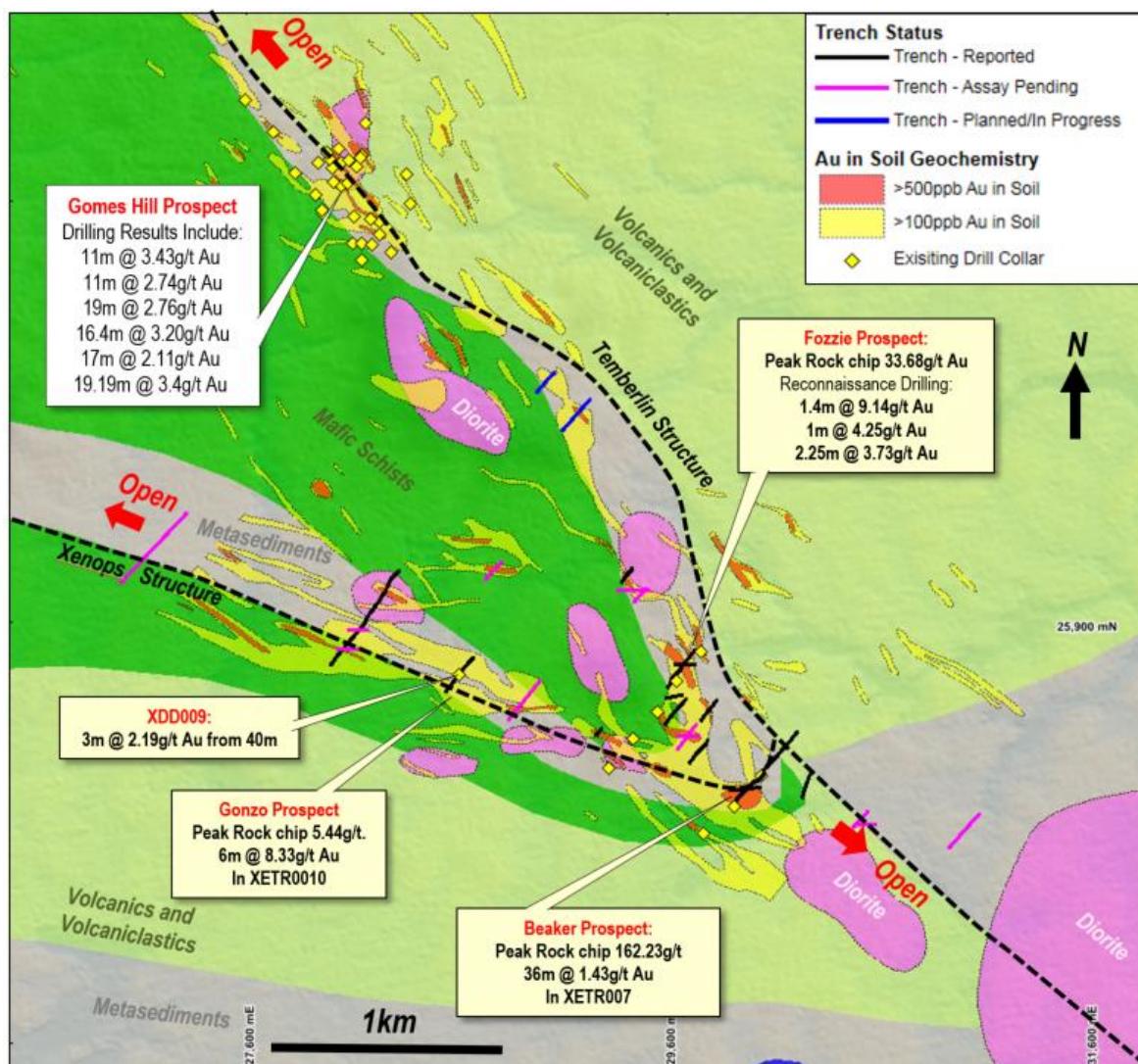


Figure 8 | Locations of Prospects defined from trenching and mapping highlighted for further exploration activity within the >15km strike extent structural corridor of +100ppb gold anomalism from soils in the Xenopsaris Trend on Alicanto generated regional geology interpretation.

2. Review of Operations (continued)

The 2017 exploration success at Xenopsaris prompted an initial reconnaissance phase drilling program to confirm the regional scale antiformal hinge target at Xenopsaris, interpreted by Alicanto Geologist. A nine-hole maiden diamond drilling program totalling 1,218m was completed in 2017 (Refer to ASX release dated 4 August 2017). The drilling amounted to two section lines spaced >650m apart.

The reconnaissance diamond drilling confirmed favourable structural setting for the formation of significant mineralisation interpreted from Alicanto's previous surface sampling and mapping campaigns. Reconnaissance drilling also confirms the highly favourable high-strain, regional scale antiformal fold hinge target, within the Gomes – Ianna structural corridor.

Proposed Work – Arakaka Gold Project

There is currently 2,500m's of further trenching ongoing over the Xenopsaris Trend in early 2018 to help define specific drill targets. The Xenopsaris trenching is being completed ahead of a planned 3,500m Diamond Drill program for the Arakaka Gold Project, scheduled to commence in March 2018. The mineralisation remains open in all directions with potential for substantial volume and tenor increases with improved definition and refined targeting of structural and lithologic controls at Xenopsaris.

The Concorde Prospect hosted within the Arakaka Main Trend is located at the same structural horizon as the Purple Heart area and is centred on the Purple Heart Structure (refer to Figure 7). This extends the known prospective strike length of the Purple Heart Structure to more than 3.2km. Work is now focused on integrating datasets ahead of a target ranking exercise and future drilling targeting high grade shoots within the identified >3.2km of mineralised structure.

2. Review of Operations (continued)

About Guyana

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

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

Geologically, Guyana is underlain by the Guiana Shield, a Proterozoic aged craton that was contiguous with the Leo Mann Shield of West Africa prior to the opening of the Atlantic Ocean. As such, the geology of the Guiana Shield is similar in age, lithology and style of mineralisation to the prolific Birimian gold belts of West Africa (refer to Figure 9).

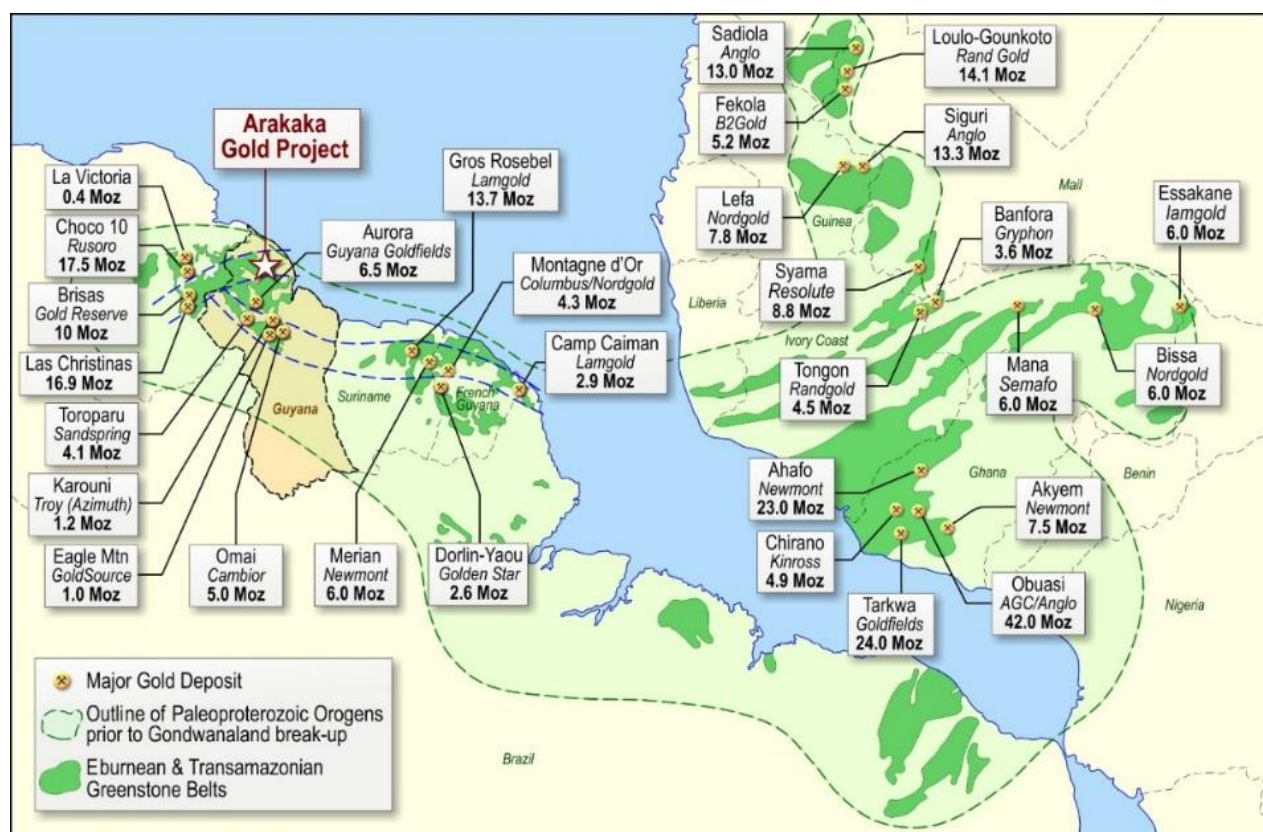


Figure 9 | Diagrammatic Tectonic Reconstruction of Gondwanaland illustrating the correlation between the South American Guiana Shield greenstone belt and the Birimian greenstone belts of the West African Shield.

Project Generation

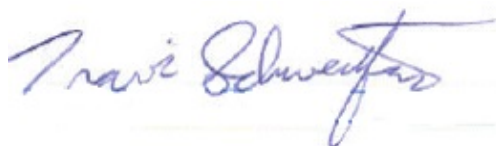
The acquisition of the Arakaka Gold Project in 2013 delivered a core strategic asset in one of the most underexplored greenstone belts in the world. Alicanto has increased its footprint within the in the highly prospective Barama-Mazaruni Greenstone Belt in Guyana's Northwest District with the acquisition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

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

3. Lead Auditor's Independence Declaration

A copy of the lead auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 15.

This report is made in accordance with a resolution of directors made pursuant to section 306(3) of the Corporation Act 2001.



Travis Schwertfeger
Managing Director

Perth, Western Australia, 15 March 2018

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Travis Schwertfeger, who is a Member of The Australian Institute of Geoscientists. Mr Schwertfeger is the Managing Director for the Company. Mr Schwertfeger 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 JORC 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

15 March 2018

Board of 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 review of the financial statements of Alicanto Minerals Limited for the half-year ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

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



Martin Michalik
Director

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by Alicanto Minerals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

This interim financial report covers the consolidated entity consisting of Alicanto Minerals Limited and its subsidiaries. The financial report is 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
Level 3, 24 Outram Street
WEST PERTH WA 6005

A description of the nature of the group's operations is included in the directors' report on pages 3 – 13, which is not part of this financial report.

The interim financial report was authorised for issue by the directors on 15 March 2018. The company has the power to amend and reissue the financial report.

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

Consolidated Statement of Profit or Loss and Other Comprehensive Income



For the Half-Year Ended 31 December 2017

| | Notes | Consolidated 31 December 2017 | 31 December 2016 |
|--|-------|----------------------------------|------------------|
| | | \$ | \$ |
| Revenue | | | |
| Revenue from continuing operations | 4(a) | 75,977 | 83,861 |
| Other income | 4(b) | 169,169 | 79,464 |
| Expenditure | | | |
| Administration costs | | (140,811) | (71,048) |
| Consultancy expenses | | (31,943) | (59,934) |
| Employee benefits expense | | (228,456) | (154,695) |
| Share based payment expenses | | (101,525) | (296,354) |
| Occupancy expense | | (27,255) | (9,861) |
| Compliance and regulatory expenses | | (45,831) | (40,189) |
| Insurance expenses | | (38,953) | (29,912) |
| Depreciation | | (29,625) | (10,499) |
| Exploration written off | 6 | (1,123,011) | (174,079) |
| Finance costs | | (3,882) | (2,478) |
| (Loss) before income tax | | (1,526,146) | (685,724) |
| Income tax expense | | - | - |
| (Loss) for the half-year attributable to owners | | (1,526,146) | (685,724) |
| Other comprehensive income | | | |
| Items that will not be reclassified to Profit or Loss | | - | - |
| Items that may be reclassified subsequently to Profit or Loss | | | |
| Exchange differences arising on translation of foreign operations | | 23,503 | 33,056 |
| Total comprehensive (loss) for the half-year attributable to owners | | (1,502,643) | (652,668) |
| Basic loss per share (cents per share) | | (1.4) | (0.8) |
| Diluted loss per share (cents per share) | | N/A | N/A |

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

As at 31 December 2017

| | | Consolidated | |
|--|-------|------------------|------------------|
| | Notes | 31 December 2017 | 30 June 2017 |
| | | \$ | \$ |
| Current Assets | | | |
| Cash and cash equivalents | 5 | 3,428,419 | 1,836,953 |
| Trade and other receivables | | 34,757 | 84,836 |
| Total Current Assets | | 3,463,176 | 1,921,789 |
| Non-Current Assets | | | |
| Trade and other receivables | | 20,000 | 20,000 |
| Property, plant and equipment | | 396,993 | 239,550 |
| Exploration and evaluation expenditure | 6 | 611,288 | 611,288 |
| Total Non-Current Assets | | 1,028,281 | 870,838 |
| Total Assets | | 4,491,457 | 2,792,627 |
| Current Liabilities | | | |
| Trade and other payables | 7 | 191,841 | 503,289 |
| Provisions | | 82,745 | 60,005 |
| Total Current Liabilities | | 274,586 | 563,294 |
| Non-Current Liabilities | | | |
| Provisions | | 9,314 | - |
| Total Non-Current Liabilities | | 9,314 | - |
| Total Liabilities | | 283,900 | 563,294 |
| Net Assets | | 4,207,557 | 2,229,333 |
| Equity | | | |
| Issued capital | 8 | 12,520,411 | 9,117,041 |
| Reserves | | 2,016,900 | 1,915,900 |
| Accumulated losses | | (10,329,754) | (8,803,608) |
| Total Equity | | 4,207,557 | 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 Half-Year Ended 31 December 2017

| 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 |
| (Loss) for the half-year | - | (685,724) | - | - | (685,724) |
| Foreign exchange differences | - | - | 33,056 | - | 33,056 |
| Total comprehensive (loss) for the half-year | - | (685,724) | 33,056 | - | (652,668) |
| Transactions with owners in their capacity as owners: | | | | | |
| Contributions of equity (net of transaction costs) | 1,340,920 | - | - | - | 1,340,920 |
| Equity settled share based payment transactions | - | - | - | 334,784 | 334,784 |
| Exercise of options | 75,279 | - | - | (17,779) | 57,500 |
| | 1,416,199 | - | - | 317,005 | 1,733,204 |
| Balance at 31 December 2016 | 8,993,522 | (8,294,803) | 78,491 | 1,799,478 | 2,576,688 |
| Balance at 1 July 2017 | 9,117,041 | (8,803,608) | 75,485 | 1,840,415 | 2,229,333 |
| (Loss) for the half-year | - | (1,526,146) | - | - | (1,526,146) |
| Foreign exchange differences | - | - | 23,503 | - | 23,503 |
| Total comprehensive (loss) for the half-year | - | (1,526,146) | 23,503 | - | (1,502,643) |
| Transactions with owners in their capacity as owners: | | | | | |
| Contributions of equity (net of transaction costs) | 3,379,091 | - | - | - | 3,379,091 |
| Equity settled share based payment transactions | - | - | - | 101,525 | 101,525 |
| Exercise of options | 24,279 | - | - | (24,028) | 251 |
| | 3,403,370 | - | - | 77,497 | 3,480,867 |
| Balance at 31 December 2017 | 12,520,411 | (10,329,754) | 98,988 | 1,917,912 | 4,207,557 |

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

Consolidated Statement of Cash Flows



For the Half-Year Ended 31 December 2017

| | Notes | Consolidated 31 December 2017 \$ | 31 December 2016 \$ |
|---|-------|---|---------------------------|
| Cash flows from operating activities | | | |
| Receipts from customers (inclusive of goods and services tax) | | 102,822 | - |
| Payments to suppliers and employees | | (437,965) | (359,349) |
| Interest received | | 21,232 | 8,017 |
| Payments for exploration and evaluation | | (2,749,910) | (1,630,928) |
| Contributions received from farm-in partners | | 1,463,012 | 1,788,459 |
| Net cash (used in) operating activities | | (1,600,809) | (193,801) |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | | (187,067) | (101,954) |
| Security deposits paid | | - | (20,000) |
| Net cash (used in) investing activities | | (187,067) | (121,954) |
| Cash flows from financing activities | | | |
| Proceeds from issue of shares | | 3,740,220 | 1,565,500 |
| Payments for costs of issue of shares | | (360,878) | (128,650) |
| Net cash provided by financing activities | | 3,379,342 | 1,436,850 |
| Net increase in cash and cash equivalents | | 1,591,466 | 1,121,095 |
| Cash and cash equivalents at the beginning of the period | | 1,836,953 | 1,216,247 |
| Cash and cash equivalents at the end of the period | 5 | 3,428,419 | 2,337,342 |

Amounts shown above relating to payments to suppliers and employees include goods and services tax. The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. Basis of preparation of half-year report

This general purpose interim financial report for the half-year reporting period ended 31 December 2017 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by Alicanto Minerals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

New and Revised Accounting Requirements Applicable to the Current Half-Year Reporting

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The Group has considered the implications of new and amended Accounting Standards but determined that their application to the financial statements is either not relevant or not material.

2. Segment information

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 within Guyana, Australia and the corporate/head office function.

The segment information provided to the board of directors for the reportable segments for the half-year ended 31 December 2017 is as follows:

| | Guyana \$ | Exploration Australia \$ | Corporate \$ | Total \$ |
|---|--------------|--------------------------------|-----------------|-------------|
| Half-year ended 31 December 2017 | | | | |
| Total segment revenue and other income | 213,568 | - | 31,578 | 245,146 |
| Equipment rental | 44,399 | - | - | 44,399 |
| Interest revenue | - | - | 31,578 | 31,578 |
| Other income | 169,169 | - | - | 169,169 |
| Depreciation Expense | 21,399 | - | 8,226 | 29,625 |
| Total segment profit/(loss) before income tax | (998,408) | - | (527,738) | (1,526,146) |
| Half-year ended 31 December 2016 | | | | |
| Total segment revenue and other income | 153,048 | - | 10,277 | 163,325 |
| Equipment rental | 73,584 | - | - | 73,584 |
| Interest revenue | - | - | 10,277 | 10,277 |
| Other | 79,464 | - | - | 79,464 |
| Depreciation Expense | 8,765 | - | 1,734 | 10,499 |
| Total segment profit/(loss) before income tax | (108,729) | - | (576,995) | (685,724) |
| Total segment assets | | | | |
| 31 December 2017 | 995,938 | - | 3,495,519 | 4,491,457 |
| 30 June 2017 | 925,003 | - | 1,867,624 | 2,792,627 |
| Total segment liabilities | | | | |
| 31 December 2017 | 9,601 | - | 274,299 | 283,900 |
| 30 June 2017 | 434,910 | - | 128,384 | 563,294 |

3. Dividends

No dividends have been paid or recommended during the current or prior interim reporting period or subsequent to reporting date.

| | Consolidated | |
|--|---------------------|---------------------|
| | 31 December 2017 | 31 December 2016 |
| | \$ | \$ |
| 4. Revenue | | |
| (a) Revenue from continuing operations | | |
| Equipment rental | 44,399 | 73,584 |
| Interest received | 31,578 | 10,277 |
| Total revenue from continuing operations | 75,977 | 83,861 |
| (b) Other income | | |
| Management fee from farm-in partners | 169,169 | 78,632 |
| Foreign exchange gain | - | 832 |
| Total other income | 169,169 | 79,464 |

| | Consolidated | |
|--|---------------------|-----------------|
| | 31 December 2017 | 30 June 2017 |
| | \$ | \$ |
| 5. Cash & Cash Equivalents | | |
| (a) Cash & cash equivalents | | |
| Cash at bank and in hand | 428,419 | 836,953 |
| Deposits at call | 3,000,000 | 1,000,000 |
| Total cash and cash equivalents | 3,428,419 | 1,836,953 |
| Note that cash includes \$82,017 in funds received from farm-in partners and held on trust for current and future exploration programs. | | |
| (b) Cash at bank and on hand | | |
| Cash on hand is non-interest bearing. Cash at bank bears interest rates of between 0.00% and 0.50% (30 June 2017: 0.00% and 0.60%). | | |
| (c) Deposits at call | | |
| Deposits at calls as at 31 December 2017 were bearing interest rates at 1.9% to 2.47%. Deposits at calls as at 30 June 2017 were bearing interest rates at 2.10% to 2.55%. There | | |

| | Consolidated | |
|--|---------------------|---------------------|
| | 31 December 2017 | 31 December 2016 |
| | \$ | \$ |
| 6. Exploration & Evaluation Expenditure | | |
| Half-year ended | | |
| Opening balance at 1 July | 611,288 | 611,288 |
| Exploration expenditure at cost | 2,586,023 | 1,437,987 |
| Contributions received from farm-in partners | (1,463,012) | (1,263,908) |
| Exploration expensed | (1,123,011) | (174,079) |
| Closing balance at 31 December | 611,288 | 611,288 |

| | Consolidated 31 December 2017 \$ | 30 June 2017 \$ |
|--|---|-----------------------|
| 7. Trade & Other Payables | | |
| Current | | |
| Trade payables | 108,429 | 104,384 |
| Contributions received from farm-in partners held on trust | 83,412 | 398,905 |
| Total current trade & other payables | 191,841 | 503,289 |
| Trade creditors are normally paid on 30 day payment terms. | | |

| | Consolidated 31 December 2017 Shares | 30 June 2017 Shares | Consolidated 31 December 2017 \$ | 30 June 2017 \$ |
|------------------------------|---|---------------------------|---|-----------------------|
| 8. Contributed Equity | | | | |
| (a) Issued capital | | | | |
| Ordinary shares – fully paid | 112,220,313 | 85,256,251 | 12,520,411 | 9,117,041 |

| | Date | Shares | Issue Price | Total \$ |
|---------------------------------|-----------|-------------|-------------|------------|
| (b) Movements in issued capital | | | | |
| Opening Balance 1 July 2017 | | 85,256,251 | | 9,117,041 |
| Rights Issue | 26 Jul 17 | 18,214,062 | \$0.14 | 2,549,969 |
| Exercise of options | 26 Jul 17 | 250,000 | \$0.10 | 24,279 |
| Rights Issue – Shortfall | 18 Aug 17 | 3,100,000 | \$0.14 | 434,000 |
| Placement | 18 Aug 17 | 5,400,000 | \$0.14 | 756,000 |
| Less: Transaction costs | | | | (360,878) |
| Closing Balance at 31 Dec 2017 | | 112,220,313 | | 12,520,411 |

9. Contingencies and commitments

During the period, Agreements have been completed with five private owners of various permits and claims for initial option payments totalling US\$108,000 for exclusive rights to acquire and explore the permits with option periods ranging from 2 to 4 years. The various Agreements total US\$111,000 in contingent liabilities over the next 12 months with ongoing payments at Alicanto's election and subject to exploration success.

There are no further material changes to any commitments or contingencies since the last annual reporting date.

10. Events Occurring Subsequent to Reporting Date

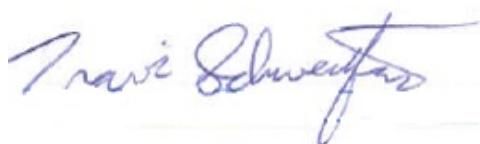
There are no further material events subsequent to reporting date.

**Director's Declaration
For the half-year ended 31 December 2017**

In the directors' opinion:

- (a) the financial statements and notes set out on pages 16 to 23 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Alicanto Minerals Limited will be able to pay its debts as and when they become due and payable.

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



**Travis Schwerfeger
Managing Director**

Perth, Western Australia, 15 March 2018

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Alicanto Minerals Limited, which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Alicanto Minerals Limited (the Group). The Group comprises both Alicanto Minerals Limited (the Company) and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of Alicanto Minerals Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Alicanto Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Alicanto Minerals Limited on 15 March 2018.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Alicanto Minerals Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standards AASB 134 *Interim Financial Reporting* and *Corporations Regulations 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
15 March 2018