

27 June 2016

Dear Shareholder

Notice to Shareholders of Renounceable Rights Issue

On 23 June 2017, Alicanto Minerals Limited (ACN 149 126 858) (**Company**) announced that the Company would be conducting a pro-rata renounceable rights issue. The rights issue is being made pursuant to a prospectus which was lodged with the Australian Securities and Investments Commission and the ASX on 26 June 2017 (**Prospectus**). The Prospectus is available on the ASX website (company announcements section, ASX code: AQI) at www.asx.com.au and a copy will be posted to your registered address following the Record Date

Pursuant to the Prospectus, the issue comprises up to 21,314,062 fully paid ordinary shares in the capital of the Company (**Shares**) on the basis of one (1) Share for every four (4) Shares held at 5.00pm (WST) on 03 July 2017 (**Record Date**) at an issue price of \$0.14 per New Share (**Entitlement**), together with one (1) free attaching New Option for each two (2) New Shares subscribed for, each exercisable into one Share at \$0.28 on or before 28 July 2019, to raise up to approximately \$3.0million (before issue costs) (**Rights Issue**).

The Company has applied for quotation of the New Shares and New Options but notes that the quotation of the New Options will be subject to satisfaction of the ASX Listing Rules requirements.

CPS Capital Group Pty Ltd will partially underwrite the Rights Issue to \$1.0 million.

The Rights Issue is open to shareholders who hold Shares as at the Record Date with registered addresses in Australia and New Zealand (**Eligible Shareholders**). All other shareholders are not eligible to participate in the Rights Issue and will be notified by the company separately.

The Company invites Eligible Shareholders to consider the opportunity to apply for New Shares over and above their Entitlement (**Additional New Shares**), pursuant to the Prospectus.

Where fractions arise in the calculation of Entitlements, they will be rounded down to the nearest whole number of New Shares and New Options.

The New Shares will rank equally with the existing ordinary Shares from the date of issue.

The Company currently has 23,208,000 unquoted vested options with varying exercising prices and expiry dates on issue. Holders of these vested options may participate in the Rights Issue upon exercise of their options. The Company sent a notice to option holders on 26 July 2017 notifying them of their right to participate in the Rights Issue upon exercise of their options.

The Company also has 900,000 unquoted unvested options on issue. Holders of unquoted unvested options will not be eligible to participate in the Rights Issue in respect of these options.

Following completion of the Rights Issue (assuming that all Eligible Shareholders take up their Entitlements in full and no options are exercised prior to the Record Date), the Company will have issued up to 21,314,062 New Shares and up to 10,657,031 New Options, resulting in total Shares on issue of up to 106,570,313 and total listed options to acquire new Shares on issue of up to 10,657,031.

As an Eligible Shareholder, you may:-

- (a) Take up all or part of your Entitlement;
- (b) Take up all of your Entitlement and apply for Additional New Shares;
- (c) Sell all of your Entitlement;
- (d) Take up part of your Entitlement and sell the balance of your Entitlement;
- (e) Allow all or part of your Entitlement to lapse.

No shareholder approval for the Rights Issue is required.

Indicative timetable

The indicative timetable for the Rights Issue (as approved by the ASX) is as follows:

Announce Rights Issue and lodgement of Appendix 3B with ASX	23 June 2017
Lodgement of the Prospectus with ASIC and ASX	26 June 2017
Notice of Rights Issue sent to Optionholders	26 June 2017
Notice of Rights Issue sent to Shareholders	27 June 2017
Ex-Date for Rights Issue	30 June 2017
Rights trading commences	30 June 2017
Record Date	3 July 2017
Prospectus despatched to Shareholders/Opening Date	5 July 2017
Rights trading ends	12 July 2017
Deferred settlement trading commences	13 July 2017
Closing Date	19 July 2017
Notify ASX of Shortfall and Residual Securities	24 July 2017
Issue date – Deferred settlement trading ends	26 July 2017
Commencement of trading of New Shares and New Options*	27 July 2017
Last date to issue Residual Securities	19 October 2017

The above timetable is indicative only and subject to change. The Company reserves the right to amend any or all of these events, dates and times subject to the *Corporations Act 2001* (Cth), the ASX Listing Rules and other applicable laws. In particular, the Company reserves the right to extend the closing date of the Rights Issue, to accept late applications either generally or in particular cases or to withdraw the Rights Issue without prior notice. The commencement of quotation of New Shares and New Options is subject to approval from ASX.

More information


Before making a decision whether to apply for New Shares or for Additional New Shares, please read the Prospectus carefully in its entirety when you receive it. The Rights Issue is scheduled to close at 5.00pm (WST) on 19 July 2017.

The Directors of the Company recommend that, if you are in doubt as to the value of the Rights Issue or the merits of accepting your Entitlement, you should contact your financial adviser. The Company's latest presentation is also available on its website.

Should you have any queries, please contact the Company Secretary on +61 8 6489 0700 or the Company's share registry Security Transfers Australia 1300 992 916.

Yours faithfully

Alicanto Minerals Limited



Travis Schwertfeger
Managing Director