



A L I C A N T O
MINERALS LIMITED

ASX Announcement & Media Release
31 October 2012

Quarterly Report

For the period ended 30 September 2012

CAPITAL STRUCTURE

Shares on Issue 26m
Options on Issue 10m
Market Cap ~ \$6m
Cash (Sep Q 2012) \$2.4m

ASX Code: **AQI**

BOARD & MANAGEMENT

Didier Murcia	Non-Exec Chairman
Matthew Bowles	Non-Exec Director
Tony Cooper	Non-Exec Director
Brett Dunnachie	Company Secretary
Marcus Harden	Chief Geologist
Black Peak	Technical Consultants

MEEKATHARRA PROJECT (70%)

Gold, Copper-Gold
Archaean Mount Magnet-Meekatharra
Gnaweeda greenstone belt
World Class Murchison Goldfields
Covering 211.08km²

YERILLA PROJECT (70%)

Gold, Copper-Zinc
Norseman-Wiluna Belt
160 km north-northeast of Kalgoorlie
Covering 42.84km²
Proximal to the Keith Kilkenny Fault Zone

DOOLGUNNA PROJECT (70%)

Gold, Copper-Gold, Copper-Zinc
Nabberu Basin
Covering 64.65km²

REGISTERED OFFICE

Alicanto Minerals Limited
ACN 149 126 858

Freemasons Hall
181 Roberts Road
Subiaco Western Australia 6008
T: +61 8 6489 0700
F: +61 8 6489 0710
E: admin@alicantominerals.com.au

Highlights

- ◆ Admission to the ASX following the successful completion of the initial public offering issuing 12,000,000 shares at \$0.20 each raising \$2,400,000.
- ◆ Exercise and settlement of each of the option agreements to acquire a 70% interest in the Meekatharra, Doolgunna and Yerilla projects
- ◆ Initial field programs at Meekatharra and Yerilla to resample historic drill holes and map areas of outcrop and soil cover completed. Results will be released to the market as they are made available.
- ◆ Cash position of \$2.4 million (30 September 2012)

Alicanto Minerals Limited (ASX: AQI) is an emerging mineral exploration company focused on the exploration and development of a portfolio of precious and base metal prospects in world class geological provinces of Western Australia.

The Company listed on the Australian Securities Exchange (ASX) on 19 September 2012 following the successful completion of its \$2.4 million Initial Public Offering (IPO).

Alicanto completed the acquisition of a 70% interest in three highly prospective gold and base metal exploration projects in two Archean and one Proterozoic gold and base metal provinces of Western Australia.

The Meekatharra Project lies within the world class Murchison Goldfields in an area that remains relatively underexplored for gold and base metals. The Yerilla Project is located within the Archean Norseman-Wiluna Greenstone Belt proximal to the highly prospective Keith Kilkenny Fault Zone in the Eastern Goldfields of Western Australia. The Doolgunna Project area covers a portion of the Yerrida Basin of the Proterozoic Nabberu Province that hosts the Peak Hill, Fortnum and Labouchere gold mines, as well as the Horseshoe Lights and Degrusa copper-gold deposits.

During the quarter Alicanto completed initial field programs at the Meekatharra and Yerilla Projects to locate and resample historic drill holes. Results will be released to the market as they become available. The Company also continued desktop studies on the projects.

Alicanto's aim is to build a significant company focused on the discovery, exploration and development of commercially significant mineral deposits. Whilst the near term objective of Alicanto is the exploration and development of its Western Australian projects, it will also actively pursue corporate opportunities in Australian and overseas to achieve its corporate growth objectives.

Meekatharra Project (70%)

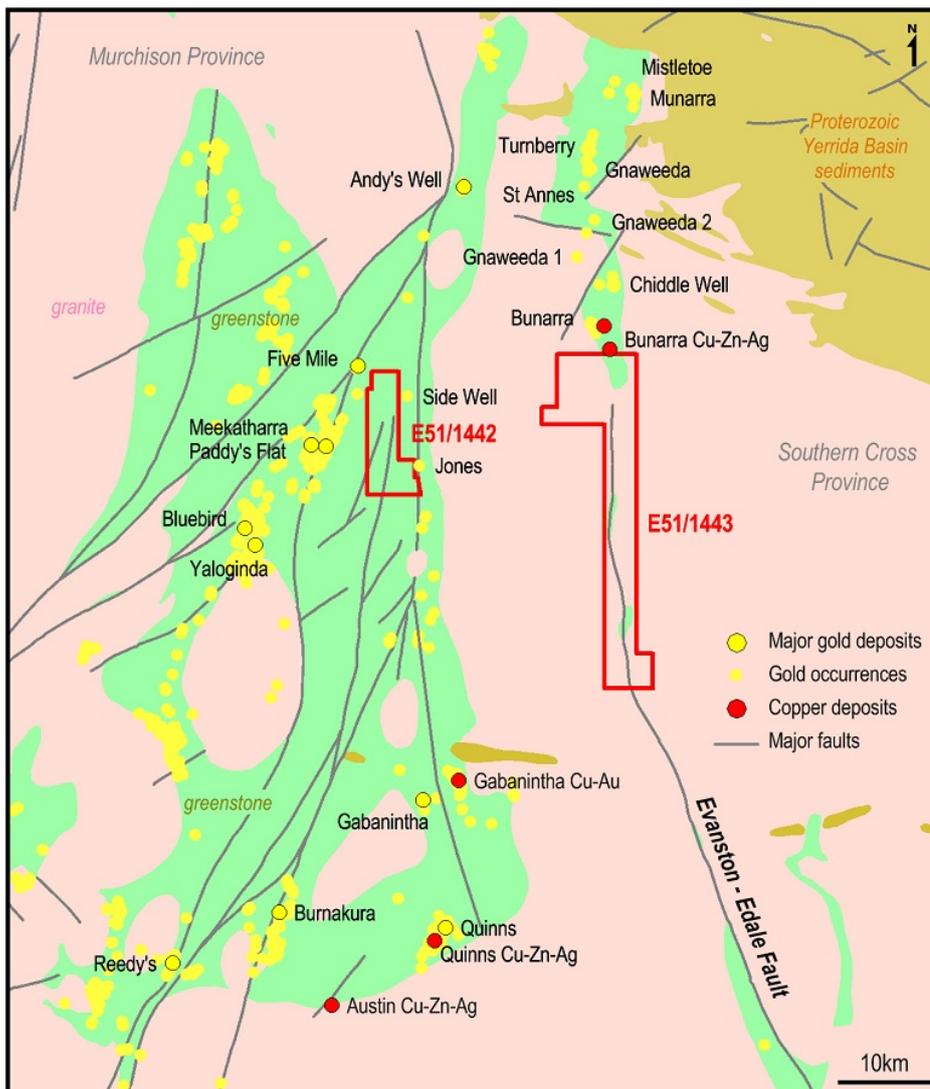
Lying within the world class Murchison Goldfields and located east of Meekatharra, Western Australia, the Meekatharra Project is comprised of exploration licences E51/1442 and E51/1443, totalling an area of 211.08 km².

The Murchison Province is one of Australia's most important gold producing regions with in excess of 20 million ounces of resources discovered. The Murchison Province hosts multiple deposit styles including hydrothermal epigenetic gold, epigenetic copper and copper-gold, laterite-hosted gold, volcanic-hosted zinc-copper-silver-gold, magmatic platinum-palladium, magmatic vanadium magnetite and iron ore. However, epigenetic gold deposits have been by far the most economically important and the focus of most of the historical exploration.

The Murchison Province is an Archaean granite-greenstone terrane containing north to northeast trending Archaean greenstone belts comprised of the 3,000-2,800 million year old, metamorphosed, volcano-sedimentary sequences of the Murchison Supergroup. The Supergroup has been metamorphosed from green schist to amphibolite facies. Early and late stage granitoids have intruded the greenstone belts

Limited exploration has left the E51/1442 tenement largely unexplored and in need of effective exploration for gold and base metals. Several untested magnetic units and linear structures interpreted to be faults have been identified as exploration targets within the tenement area. Limited reconnaissance RAB and aircore drilling on the E51/1443 tenement has defined several gold-arsenic anomalies associated with the Evanston-Edale, craton-scale shear zone, that encourage additional reconnaissance drilling.

Figure 1 | Meekatharra Project

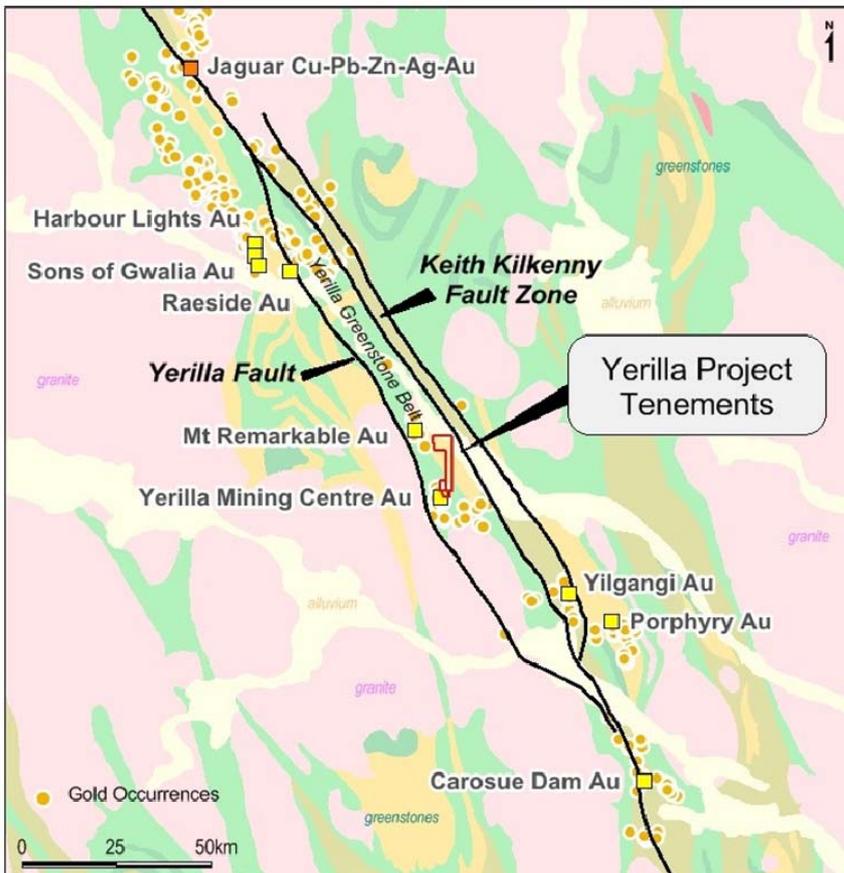


Yerilla Project (70%)

The Yerilla Project is located within the Archean Norseman-Wiluna Greenstone Belt proximal to the highly prospective Keith Kilkenny Fault Zone in the Eastern Goldfields of Western Australia. Located 160km to the north east of Kalgoorlie, the Yerilla Project consists of exploration licences E31/619 and E31/961, for a total surface area of 41.44 km², adjacent to the historic Yerilla Mining Centre. The E31/619 tenement area contains the historic Mammon, Fenton, Fitzroy, North Barclay, Barclay and South Barclay gold workings localised along 3.2 km of the north-northwest trending Mammon-Barclay Zone fault.

The historic gold workings of the Mammon-Barclay Zone and its possible extensions to the north remain to be explored by modern geochemical, geophysical and drilling methods along most of its strike length and at depth. In addition to other targets the Yerilla Project area contains a 2km by 700m gold anomaly defined by reconnaissance RAB and aircore drilling, in the north of the E31/619 tenement that remains to be tested by targeted drilling campaigns.

Figure 2 | Yerilla Project



Doolgunna Project (70%)

The Doolgunna Project is comprised of exploration licence E51/1365, and covers a total area of 64.65 km². The Project is located 70km to the north east of Meekatharra.

The Doolgunna Project area covers a portion of the Yerrida Basin of the Proterozoic Napperu Province that hosts the Peak Hill, Fortnum and Labouchere gold mines, as well as the Horseshoe Lights and Degrussa copper-gold deposits.

The Project area covers the geologically prospective transition zone between Palaeoproterozoic Johnson Cairn Formation (shales, siltstones, carbonates) and Juderina Formation (red bed sandstones) which is recognised as a prospective horizon for sedimentary hosted copper-gold deposits. It is also located in a structurally favourable position on the southeast margin of the Doolgunna Graben near the intersection of two major tectonic trends.

The highest priority target within the Doolgunna Project is an 8.5 km long magnetic zone and coincident magnetic lag soil copper anomaly in the south of the tenement. The anomaly is supported by limited wide spaced reconnaissance aircore drilling.

Activities during the quarter

During the quarter the Company completed field programs at the Meekatharra and Yerilla Projects to locate and resample historic drill holes in order to support current targeting. Results will be released to the market as they become available. The Company also continued with desktop studies of the projects.

Previous exploration over each of the Projects has resulted in targets which have been subjected to limited follow up exploration. The Company intends to complete geological mapping and surface sampling, followed by a mix of geophysical surveys and aircore/RC drilling to test known targets and anomalies defined through the geophysical surveys.

Project Generation

In addition to the exploration of its Australian projects, the Company is continuously evaluating additional projects in both Australia and overseas, in gold, copper and other commodities, for potential joint venture or acquisition to grow shareholder value.

Corporate

During the quarter the Company listed on the Australian Securities Exchange (ASX) following the successful completion of its \$2.4 million Initial Public Offering (IPO).

Alicanto completed the acquisition of a 70% interest in three mineral exploration projects, prospective for gold and base metals and located in the world class Murchison Goldfields, Archean Norseman-Wiluna Greenstone Belt and Yerrida Basin.

As at the 30 September 2012, the Company had cash of approximately \$2.4 million.

Alicanto's aim is to build a significant company focused on the discovery, exploration and development of commercially significant mineral deposits. Whilst the near term objective of Alicanto are the exploration and development of its Western Australian projects, it will also actively pursue corporate opportunities in Australian and overseas to achieve its corporate growth objectives.

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

- ENDS -

For further information please contact:

Matthew Bowles – Director on +61 8 6489 0700

Competent Persons Statement

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

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

ALICANTO MINERALS LIMITED

ABN

81 149 126 858

Quarter ended ("current quarter")

30 September 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(20)	(20)
(b) development	-	-
(c) production	-	-
(d) administration	(36)	(36)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(56)	(56)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	(78)	(78)
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other- Acquisition of Subsidiary	-	-
Net investing cash flows	(78)	(78)
1.13 Total operating and investing cash flows (carried forward)	(134)	(134)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(134)	(134)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	2,400	2,400
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Costs of issuing shares	(113)	(113)
	Net financing cash flows	2,287	2,287
	Net increase (decrease) in cash held	2,153	(2,153)
1.20	Cash at beginning of quarter/year to date	234	234
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	2,387	2,387

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	-
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Payments to Directors	
	Salaries, fees and superannuation	-
	Payments to Director related entities	-

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	100
4.2 Development	-
4.3 Production	-
4.4 Administration	100
Total	200

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	2,387	234
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,387	234

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Nil		
6.2	Interests in mining tenements acquired or increased	E31/619 E31/961 E51/1365 E51/1442 E51/1443	Nil Nil Nil Nil Nil	70% 70% 70% 70% 70%

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	26,000,001	14,207,501		
7.4 Changes during quarter				
(a) Increases through issues	12,000,000	12,000,000	\$0.20	\$0.20
(b) Decreases through returns of capital, buy-backs	150,000	-	-	-
	-	-	-	-
7.5 +Convertible debt securities <i>(description)</i>	-	-		
7.6 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-
7.7 Options <i>(description and conversion factor)</i>	5,850,000	-	<i>Exercise price</i> 20.0 cents	<i>Expiry date</i> 31 July 2015
	500,000	-	30.0 cents	31 July 2015
	3,550,000	-	20.0 cents	31 May 2016
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	100,000	-	20.0 cents	31 May 2016
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 31 October 2012
(Company Secretary)

Print name: Brett Dunnachie

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Cash Flow Statements* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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