



A L I C A N T O
MINERALS LIMITED

Half-year Report 2014

ABN 81 149 126 858

Contents

Corporate Directory	2
Directors' Report	3
Lead Auditor's Independence Declaration	8
Half-Year Financial Report	9
Directors' Declaration	17
Independent Auditor's Review Report	18

Non-Executive Chairman

Didier Murcia AM

Managing Director

Travis Schwertfeger

Non-Executive Directors

Matthew Bowles

Company Secretary

Brett Dunnachie

Principal & Registered Office

288 Churchill Avenue

SUBIACO WA 6008

Telephone: (08) 6489 0700

Facsimile: (08) 6489 0710

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 and the entities it controlled at the end of, or during, the half-year ended 31 December 2014.

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
Matthew Bowles

Michael McKeivitt was a Non-Executive Director from the beginning of the financial year until his resignation on 15 September 2014.

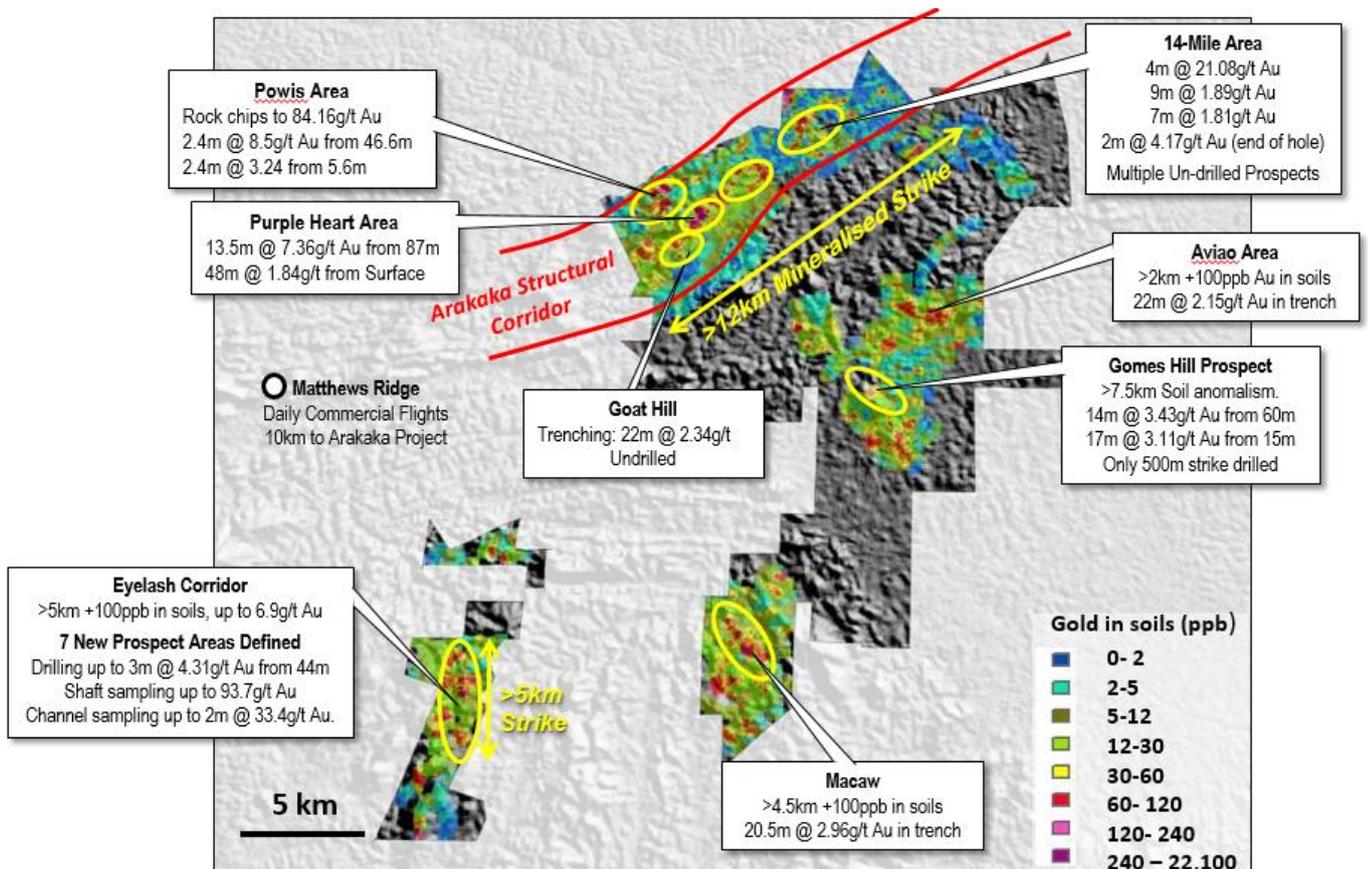
Travis Schwerfeger was appointed as a Non-Executive Director on 15 September 2014 and subsequently was appointed to the role of Managing Director effective 24 November 2014. He continues in office to the date of this report.

2. Review of Operations

Arakaka Gold Project (100%)

The Arakaka Gold Project is made up of a number of permits, subject to underlying agreements, 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.

Figure 1 | Location Map – Arakaka Gold Projects



2. Review of Operations (continued)

Activities during the December Half-Year

During the period ended 31 December 2014 Alicanto Minerals Limited ("Alicanto" or the "Company") exploration work has focused on the Gomes Hill Prospect and Powis Prospect located on the margins of the Main Arakaka Trend, and the Gold Hill Prospect of the 14-mile Target located at the northeastern extent of the Arakaka Trend's 12km corridor of gold anomalism (see Figure 1 for locations). Exploration activity has included completion of 458m of RC drilling in five holes at the Gomes Hill prospect, a core review and structural analysis of historical core for the Company's Powis Prospect, and completion of screen fire assay work on 2014 RC drilling at 14 Mile.

14-Mile Area

Work on the 14-Mile target area (see Figure 1 for location) during the reporting period included re-assay of all >0.2g/t Au drill samples utilising a Screen Fire Assay method of analysis. This was due to the frequent observation of visible gold during logging of the recovered drill material. Screen Fire Assay uses a larger sample size (1000g) than Fire Assay (50g) and so gives a more representative assay result in areas where coarse gold is observed.

The Re-assay program successfully captured coarse gold and delivered on average higher grade intersections in the drill results including up to 4m @ 21.08g/t gold from 48m (refer to ASX release dated 17 September 2014). The latest assay results have confirmed high grade zones occur within broad, disseminated gold mineralisation at the 14-Mile prospect. Broad widths of disseminated mineralisation have confirmed geological interpretations and the potential for high grade zones within potential bulk tonnage gold mineralisation in the 14-Mile area.

First pass drilling at 14-Mile was designed to follow up on significant soil anomalies and rock chip results from Alicanto's field programs and to provide support for surface mapping programs (see Figure 2 below). Highlights of these field programs include high grade rock chip results up to 31.31g/t at the Conrad Prospect and 20.01g/t at the Khan prospect (refer to ASX release dated 17 September 2014), both of which remain undrilled. Individual soil sample results of up to 2309ppb Au have been located.

Powis Prospect

The Powis target is located 750m north of the main Arakaka trend shear zone (Refer to Figure 1) with sub-parallel surface anomalism extending approximately 1.5km along a SW-NE orientation (Refer to Figure 2), where the main Arakaka trend is host to a more prolific zone of mineralised shears with anomalism at surface extending over 12 km.

An initial drill test by Alicanto completed in the first half of 2014 was designed to follow up on mapping and rock chipping by Alicanto geologists including rock chip results of up to 84.2g/t Au. The drilling successfully pierced the target vein over a 3m interval in hole ARRC003 and follow-up screen fire analysis work (refer to ASX release dated 17 September 2014) returned a value of 1m @ 9.3g/t Au from 64m depth, confirming the geological interpretation of high angle mineralised zones. Given the coarse nature of gold in the target zone, further drilling is necessary to determine the significance of this result.

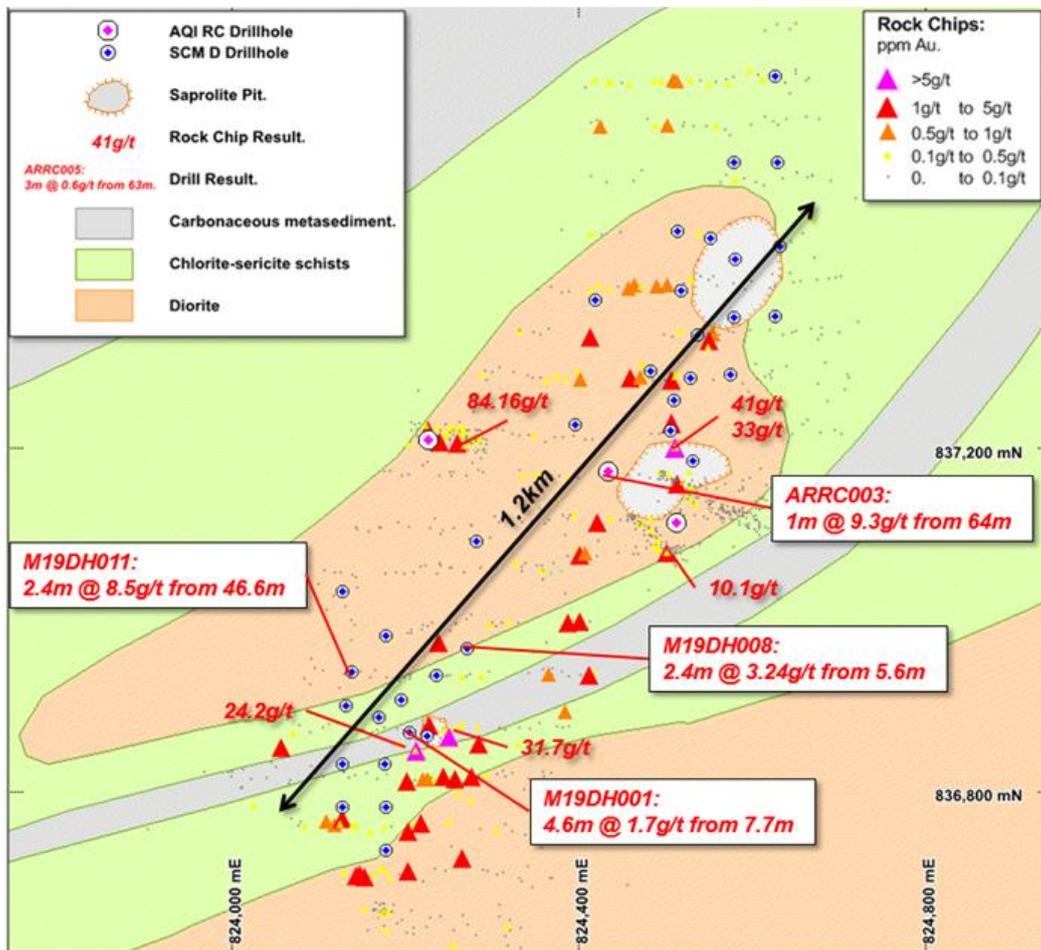
Alicanto has acquired archived whole and cut core material drilled by the previous operator and in December relocated all the core to the Company's Monosse camp for logging, geological compilation work and to secure material for audit and review work related to future resource estimation studies. Historical drilling by the previous operator at the Powis Prospect is comprised of 35 vertical to sub-vertical holes totalling 5,780m of NQ diamond core, and much of this core was never assayed.

2. Review of Operations (continued)

The additional assay analysis of previously un-sampled core was initiated due to the identification of an interval containing visible gold identified during re-logging, along with several un-sampled intervals of strongly altered material from the archived core. Assay results of historical drilling, from recent analysis work by Alicanto includes better intercepts of (refer to ASX release dated 27 January 2015 for complete listing of drill results);

- ◆ 4.6m @ 1.7g/t Au from 7.7m in M19DH001
- ◆ 2.4m @ 3.24g/t Au from 5.6m in M19DH008
- ◆ 2.4m @ 8.5g/t Au from 46.6m in M19DH011

Figure 2 | Plan map of the Powis Prospect showing existing drill collar location, reported significant drill results, rock chip locations, and interpreted geology results



Recent mapping has identified multiple high angle shear zones hosting quartz veins and disseminated mineralisation. Due to the high angle of the shear zones identified from mapping it is thought that nearly all of the vertical to sub-vertical diamond holes drilled by the previous operator were ineffective and missed the targeted mineralisation.

Recent rock chip results coincident with mapping efforts on the Powis Prospect include peak values of 84.16g/t Au and 10g/t Au with historical rock chips returning up to 41g/t & 33g/t (Refer to Figure 2). The mapping and sampling work completed when integrated with structural measurements from diamond core re-logging work support the interpretation of multiple high angle mineralised lodes which are to date untested due to the orientation of historical drilling.

2. Review of Operations (continued)

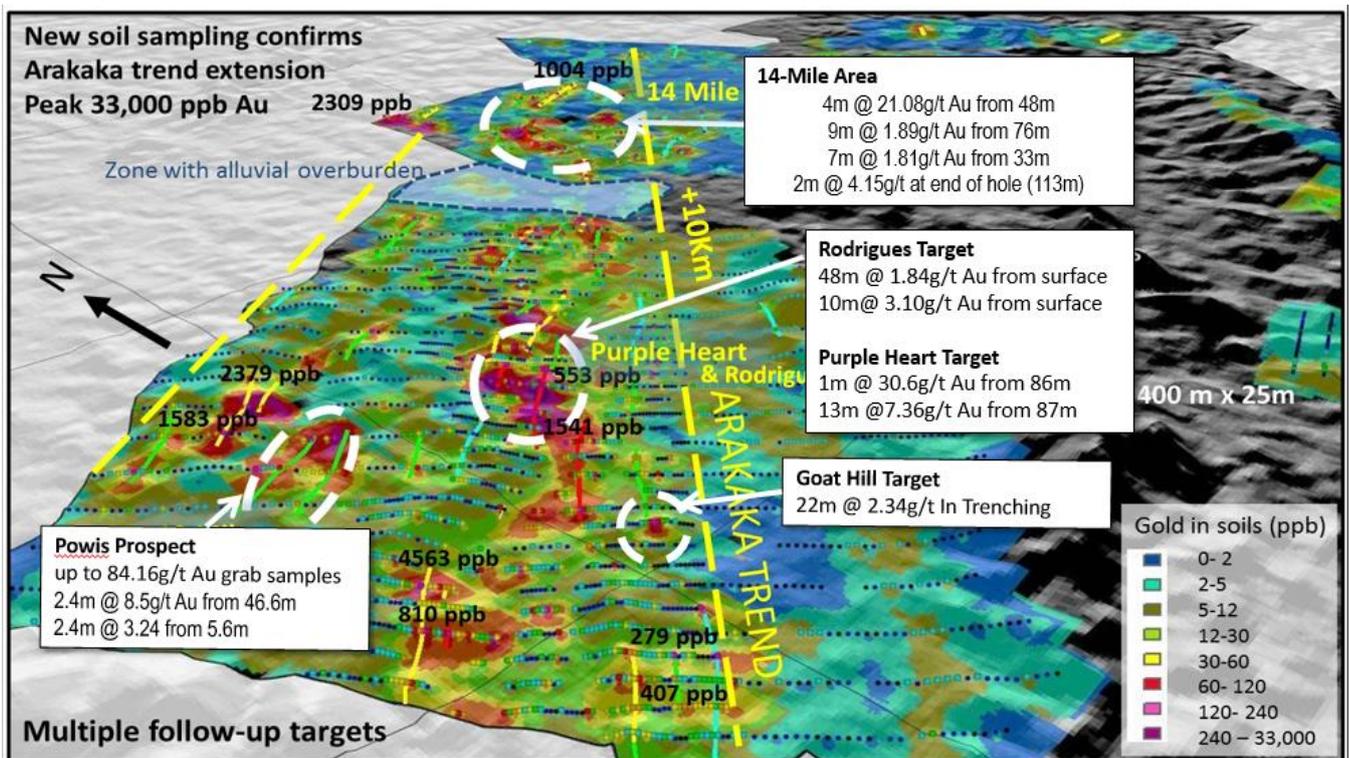
Table 1 | Alicanto reported assay results from Powis Prospect drill holes

2015 Powis Drill Hole Assay Results.											
Drill Hole Summary - Significant Intercepts at >1g/t Au.											
Hole ID	Drill Type	Easting*	Northing*	RL	End of Hole Depth	Azimuth	Dip	From (m)	To (m)	Interval (m)	Gold (g/t)
ARRC003	RC	824433	837172	46	142	97	-60	64	65	1	9.3**
M19DH001	NQ Diamond	824377	837237	65	95.40	0	-90	7.7	12.3	4.6	1.7
M19DH008	NQ Diamond	824443	837335	60	200.40	0	-90	5.6	8	2.4	3.24
M19DH010	NQ Diamond	824300	837200	69	284.1	0	-90	21	22	1	1.73
M19DH011	NQ Diamond	824311	837308	60	281.30	0	-90	46.6	49	2.4	8.5

*UTM WGS84 z20N
 **Screen Fire Assay (refer to ASX release dated 17 Sep 2014)

Refer to ASX Announcements on 17 September 2014 and 27 January 2015 for additional information regarding reported exploration drill results.

Figure 3 | Arakaka Gold Project – Arakaka Main Trend Soil Results



About Guyana

Guyana is located in the north east coast of South America, the official language is English and it is a member of the Commonwealth of Nations. The legal system of Guyana is based on English common law and it has a modern and transparent mining code and a Government that is supportive of mining.

Geologically Guyana is underlain by the Guiana shield a Proterozoic aged craton that before the opening of the Atlantic Ocean was contiguous with the Leo Mann Shield of West Africa. As such there is significant geological continuity between the Guiana Shield and Birimian Shield of West Africa however, while Guyana hosts extensive greenstone coverage it remains significantly underexplored relative to West Africa.

The Guiana Shield hosts numerous “World Class” (+3 million ounce) gold deposits with the majority of the known gold deposits located within a portion of the Shield that lies in greenstone belts within 200km of the coast.

2. Review of Operations (continued)

Corporate

Cash and working capital

As at 31 December 2014 the Company had cash of approximately \$1.1 million.

Appointment of Managing Director

The Company announced the appointment of Mr Travis Schwertfeger to the role of Managing Director, effective 24 November 2014. Mr Schwertfeger has over 18 years global industry experience as a geologist with positions in exploration, production, geology, business development and project valuation. He previously held senior technical roles with Newmont Mining Corporation and has worked on projects located in South America, West Africa and Australia with similar deposit style as the highly prospective Arakaka Gold Project. Mr Schwertfeger also has extensive corporate and management experience in both ASX and TSX-V listed mineral resource companies through previous Managing Director/CEO and corporate VP roles.

The appointment of Mr Schwertfeger to the role of Managing Director reflects the Board's confidence in his ability to lead the Company through the next significant steps of exploration following his recent appointment to the Board on 15 September 2014.

Dispute over B22 and B23 Permits

The Company continues to advance negotiations to resolve the dispute over the ownership of B-22 and B-23 permits. These discussions are well advanced but at this time remain confidential and incomplete.

Project Generation

The acquisition of the Arakaka Gold Project in December 2012 delivered a core strategic asset in one of the most underexplored greenstone belts in the world. 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 in Australia and overseas, 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 8.

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, 6 March 2015

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Marcus Harden, a Competent Person who is a Member of The Australian Institute of Geoscientists. Mr Harden is a full time employee as Chief Geologist for the company. Mr Harden has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Harden consents to their inclusion in the report of the matters based on his information in the form and context in which it appears.

6 March 2015

Board of Directors
Alicanto Minerals Limited
288 Churchill Avenue
SUBIACO WA 6008

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 2014, 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

Contents

Consolidated Statement of Profit or Loss and Other Comprehensive Income	10
Consolidated Statement of Financial Position	11
Consolidated Statement of Changes in Equity	12
Consolidated Statement of Cash Flows	13
Condensed Notes to the Consolidated Financial Statements	14
Directors' Declaration	17
Independent Auditor's Review Report	18

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 2014 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
288 Churchill Avenue
Subiaco WA 6008

A description of the nature of the group's operations is included in the directors' report on pages 3 - 7, which is not part of this financial report.

The interim financial report was authorised for issue by the directors on 6 March 2015. 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 2014

	Notes	Consolidated	
		31 December 2014	31 December 2013
		\$	\$
Revenue			
Revenue from continuing operations		13,854	9,578
Other income	4	-	67,305
Expenditure			
Administration costs		(101,022)	(30,327)
Consultancy expenses		(21,718)	(24,117)
Employee benefits expense		(75,133)	(50,817)
Share based payment expenses		(473,073)	(138,052)
Occupancy expense		(2,292)	(1,338)
Compliance and regulatory expenses		(28,849)	(29,859)
Insurance expenses		(27,168)	(20,359)
Depreciation		(1,291)	(602)
Exploration written off		(925,611)	(756,975)
Finance costs		(1,608)	(1,213)
(Loss) before income tax		(1,643,911)	(976,776)
Income tax expense		-	-
(Loss) for the half-year attributable to owners		(1,643,911)	(976,776)
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		30,133	131,776
Total comprehensive (loss) for the half-year attributable to owners		(1,613,778)	(845,000)
Basic loss per share (cents per share)		(3.7)	(3.4)
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.

Consolidated Statement of Financial Position

As at 31 December 2014

	Notes	Consolidated	
		31 December 2014	30 June 2014
		\$	\$
Current Assets			
Cash and cash equivalents	5	1,130,692	348,155
Trade and other receivables		104,932	31,103
Total Current Assets		1,235,624	379,258
Non-Current Assets			
Property, plant and equipment		63,270	9,518
Exploration and evaluation expenditure	6	611,288	611,288
Total Non-Current Assets		674,558	620,806
Total Assets		1,910,182	1,000,064
Current Liabilities			
Trade and other payables		64,164	43,071
Provisions		10,198	17,536
Total Current Liabilities		74,362	60,607
Total Liabilities		74,362	60,607
Net Assets		1,835,820	939,457
Equity			
Issued capital	7	6,179,617	4,142,549
Reserves		1,072,249	569,043
Accumulated losses		(5,416,046)	(3,772,135)
Total Equity		1,835,820	939,457

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 2014

Consolidated	Contributed Equity	Accumulated Losses	Foreign Currency Translation Reserve	Option Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2013	2,650,789	(1,692,756)	(5,866)	413,163	1,365,330
(Loss) for the half-year	-	(976,776)	-	-	(976,776)
Foreign exchange differences	-	-	131,776	-	131,776
Total comprehensive (loss) for the half-year	-	(976,776)	131,776	-	(845,000)
Transactions with owners in their capacity as owners:					
Contributions of equity (net of transaction costs)	1,254,160	-	-	-	1,254,160
Share based payment transactions	-	-	-	138,052	138,052
	1,254,160	-	-	138,052	1,392,212
Balance at 31 December 2013	3,904,949	(2,669,532)	125,910	551,215	1,912,542
Balance at 1 July 2014	4,142,549	(3,772,135)	17,828	551,215	939,457
(Loss) for the half-year	-	(1,643,911)	-	-	(1,643,911)
Foreign exchange differences	-	-	30,133	-	30,133
Total comprehensive (loss) for the half-year	-	(1,643,911)	30,133	-	(1,613,778)
Transactions with owners in their capacity as owners:					
Contributions of equity (net of transaction costs)	2,037,068	-	-	-	2,037,068
Share based payment transactions	-	-	-	473,073	473,073
	2,037,068	-	-	473,073	2,510,141
Balance at 31 December 2014	6,179,617	(5,416,046)	47,961	1,024,288	1,835,820

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 2014

	Notes	Consolidated	
		31 December 2014 \$	31 December 2013 \$
Cash flows from operating activities			
Payments to suppliers and employees		(220,789)	(150,286)
Interest received		13,854	9,578
Payments for exploration and evaluation		(997,685)	(623,412)
Net cash (used in) operating activities		<u>(1,204,620)</u>	<u>(764,120)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(49,911)	(3,122)
Proceeds from sale of property, plant and equipment		-	67,305
Net cash (used in)/provided by investing activities		<u>(49,911)</u>	<u>64,183</u>
Cash flows from financing activities			
Proceeds from issue of shares		2,132,700	1,326,000
Payments for costs of issue of shares		(95,632)	(48,941)
Net cash provided by financing activities		<u>2,037,068</u>	<u>1,277,059</u>
Net increase in cash and cash equivalents		<u>782,537</u>	<u>577,122</u>
Cash and cash equivalents at the beginning of the period		348,155	847,837
Cash and cash equivalents at the end of the period	5	<u>1,130,692</u>	<u>1,424,959</u>

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.

Condensed Notes to the Financial Statements For the half-year ended 31 December 2014

1. Basis of preparation of half-year report

This general purpose interim financial report for the half-year reporting period ended 31 December 2014 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 2014 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

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liability. The standard is not applicable until 1 January 2017 but is available for early adoption. The group is yet to assess its full impact. The group has not yet decided when to adopt AASB 9.

Going Concern

The financial statements have been prepared on the going concern basis of accounting which assumes that the Group will be able to meet its commitments, realise its assets, discharge its liabilities in the ordinary course of business and meet exploration budgets. In arriving at this position, the Directors recognise the Group is dependent on various funding alternatives to meet these commitments including share placements.

The Directors believe that at the date of signing the financial statements there are reasonable grounds to believe that having regard to matters set out above, the Group will be able to raise sufficient funds to meet its obligations as and when they fall due.

In the event that the Group does not achieve the matters set out above there is significant uncertainty whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial statements.

**Condensed Notes to the Financial Statements
For the half-year ended 31 December 2014**

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 2014 is as follows:

	Guyana \$	Exploration Australia	Corporate \$	Total \$
Half-year ended 2014				
Total segment revenue	-	-	13,854	13,854
Interest revenue			13,854	13,854
Total segment profit/(loss) before income tax	(925,611)	-	(718,300)	(1,643,911)
Half-year ended 2013				
Total segment revenue	-	-	9,578	9,578
Interest revenue			9,578	9,578
Total segment profit/(loss) before income tax	(656,347)	(100,628)	(219,801)	(976,776)
Total segment assets				
31 December 2014	709,615	-	1,200,567	1,910,182
30 June 2014	692,744	-	307,320	1,000,064
Total segment liabilities				
31 December 2014	10,301	-	64,061	74,362
30 June 2014	18,001	-	42,606	60,607

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 2014 \$	31 December 2013 \$
4. Other Income		
Net gain on disposal of property, plant and equipment	-	67,305
	-	67,305

	Consolidated	
	31 December 2014 \$	30 June 2014 \$
5. Cash & Cash Equivalents		
(a) Cash & cash equivalents		
Cash at bank and in hand	1,130,692	348,155
Deposits at call	-	-
Total cash and cash equivalents	1,130,692	348,155
(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 2.35% (30 June 2014: 0.00% and 2.35%).		

**Condensed Notes to the Financial Statements
For the half-year ended 31 December 2014**

	Consolidated	
	31 December 2014	31 December 2013
	\$	\$
6. Exploration & Evaluation Expenditure		
(a) Half-year ended		
Opening balance at 1 July	611,288	611,288
Exploration expenditure at cost	925,611	756,975
Exploration expenditure through acquisition	-	-
Exploration written off	(925,611)	(756,975)
Closing balance at 31 December	611,288	611,288

	Consolidated		Consolidated	
	31 December 2014	30 June 2014	31 December 2014	30 June 2014
	Shares	Shares	\$	\$
7. Contributed Equity				
(a) Issued capital				
Ordinary shares – fully paid	49,118,001	34,900,001	6,179,617	4,142,549

Date	Details	Consolidated	
		2014 Shares	2014 \$
7. Contributed Equity			
(b) Issue of ordinary shares during the half-year			
01 Jul 14	Opening balance	34,900,001	4,142,549
05 Aug 14	Share placement	3,970,000	595,500
29 Aug 14	Share purchase plan	4,218,000	632,700
10 Sep 14	Share placement	6,030,000	904,500
	Less transaction costs		(95,632)
	Closing balance	49,118,001	6,179,617

8. Contingencies

Since the last annual reporting date, there have been no material changes in any contingent liabilities.

9. Events Occurring Subsequent to Reporting Date

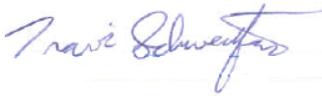
There are no other material events subsequent to reporting date.

**Director's Declaration
For the half-year ended 31 December 2014**

In the directors' opinion:

- (a) the financial statements and notes set out on pages 10 to 16 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 2014 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, 6 March 2015

**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 2014, 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 consolidated entity). The consolidated entity 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 consolidated entity's financial position as at 31 December 2014 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 6 March 2015.

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 consolidated entity's financial position as at 31 December 2014 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*.

Inherent Uncertainty regarding Going Concern

Without qualification to the conclusion expressed above, attention is drawn to the following matters:

As referred to in note 1 to the financial statements, the financial statements have been prepared on a going concern basis. At 31 December 2014, the entity had cash and cash equivalents of \$1,130,692 and net working capital of \$1,161,262. The entity had incurred an operating loss for the six months ended 31 December 2014 of \$1,643,911.

The ability of the Company to continue as a going concern and meet its planned exploration, administration, and other commitments is dependent upon the Company raising further working capital, and/or successfully exploiting its mineral assets. In the event that the entity cannot raise further equity, the entity may not be able to meet its liabilities as they fall due and the realisable value of the entity's non-current assets may be significantly less than book values.

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
6 March 2015