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**A L I C A N T O**  
MINERALS LIMITED

# Half-year Report 2019

ABN 81 149 126 858

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**Non-Executive Chairman**

Didier Murcia AM

**Chief Executive Officer**

Peter George

**Non-Executive Director**

Hamish Halliday

Travis Schwertfeger

**Company Secretary**

Jamie Byrde

**Principal & Registered Office**

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WEST PERTH WA 6005

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Facsimile: (08) 6500 9989

**Share Registry**

Automic Pty Ltd

Level 2,

267 St Georges Terrace

PERTH WA 6000

**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: AQI

**Website Address**

[www.alicantominerals.com.au](http://www.alicantominerals.com.au)

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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 2019.

## 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 2019 was \$787,567 (2018: \$1,959,653). The loss for the period includes \$448,988 (2018: \$869,558) in exploration and evaluation expenditure and share based payment expenses of \$4,258 (2018: \$9,160) were also recognised during the half-year.

As at 31 December 2019 the Company had cash of \$1,149,344 (2018: \$869,558).

#### Share issue and exercise of options

On 5 July 2019, 500,000 unlisted options were exercised with an exercise price of \$0.001 and 873 listed options were exercised with a strike price of \$0.28.

As announced to the ASX on 6 September 2019, a placement to Sophisticated Investors was completed raising \$910,000 through the issue of 17,500,004 shares at an offer price of \$0.052 pursuant to ASX Listing Rule 7.1 and 7.1A.

2. Review of Operations (continued)

Oxberg and Naverberg Projects, Sweden

In May 2019, Alicanto announced its acquisition of the Oxberg and Naverberg Projects, located within the prolific Bergslagen Mining District of southern Sweden. Bergslagen hosts the below world-class projects:

- ◆ Garpenberg mine (operated by Boliden 168.5Mt @ 3.4% zinc, 1.6% lead, 0.3 g/t gold & 98g/t silver)
- ◆ Zinkgruvan mine (operated by Lundin, 46.9Mt @ 9.0% zinc, 2.0% copper, 3.6% lead, 78.7g/t silver)
- ◆ Falun mine (closed 1992, 28 Mt mined @ 5.0% zinc, 4.0% copper, 2.0% lead, 35 g/t silver and 4.0 g/t gold) deposits, (refer Figure 1):

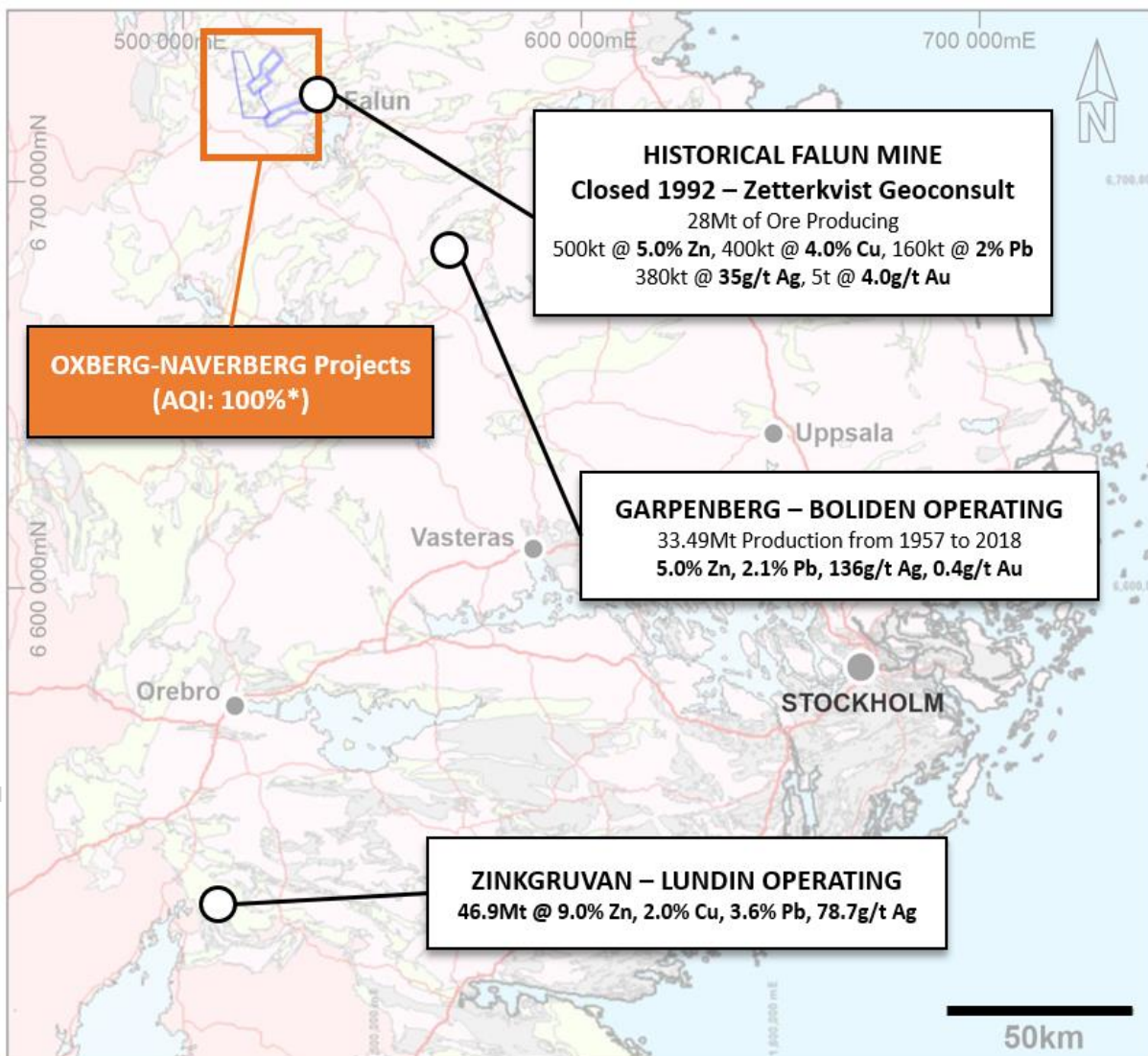


Figure 1: Oxberg-Naverberg-Wolf Mountain Project Locations and key regional deposits, southern Sweden

During the half-year, Alicanto continued with its maiden 1000m drill programme on the initial targets at Oxberg and Naverberg (results detailed below).

In total, Alicanto has now mapped more than 45km of prospective 'limestone VMS mineralised ore horizon' through the Oxberg and Naverberg Project areas, with Lustebo the first prospect drilled.

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2. Review of Operations (continued)

This work has also led to the identification of numerous, sub-parallel, NNW trending lines of historic workings (likely greater than 200 years old), the geology of which did not fit into the 'limestone VMS mineralised ore horizon' model.

Further investigation into these NNW trending historical workings has resulted in the pegging of the Wolf Mountain project, a newly identified hydrothermal system consisting of multiple mineralised trends mapped in outcrop over more than a kilometre of width and more than a kilometre of strike, with the potential for multiple, sub-parallel, further trends under cover within the >3km wide structural corridor (further detail below).

Consultant Southern Geoscience is undertaking detailed reworking and re-interpretation of all the historical geophysical data in the region. This rework (using modern software technology) combined with the detailed field investigations already underway, will define the next suite of geophysical studies to be completed in 2020. The Company expects that this work will lead to new drill targets along the 45km mineralised horizon already discovered.

**Lustebo target**

In November 2019, Alicanto received assays from a maiden reconnaissance diamond drill program at the Lustebo Prospect within the Oxberg Project Area (refer Figure 2).

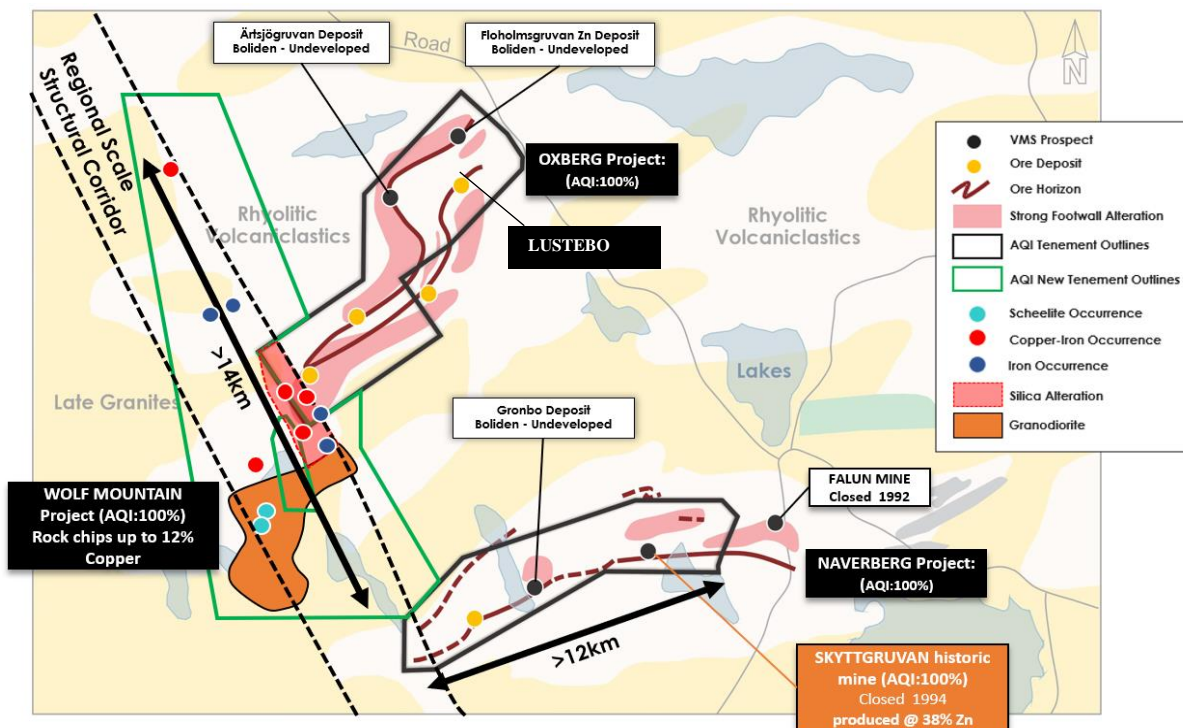


Figure 2: Oxberg-Naverberg-Wolf Mountain Project Locations and Location of Lustebo Target Area, southern Sweden

Both reconnaissance style drill holes intersected shallow massive sulphides and assays confirming the high tenor of the mineralisation with exceptionally high grades up to 9.5% copper, 16g/t gold and 8.2% zinc. Results also returned significant assays for silver (up to 285g/t) & lead (up to 3.9%).

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2. Review of Operations (continued)

Intervals from the two drill-holes included:

- ◆ Hole 19-01:
  - ◆ 2.5m @ 4.2g/t gold, 43g/t silver, 2.2% copper and 1.7% zinc from 151.5m, including:
    - 0.8m @ 13.1g/t gold, 126g/t silver, 6.43% copper, 1.9% lead and 4.7% zinc from 152.63m; and
    - 0.23m @ 16g/t gold, 218g/t silver, 7% copper, 3.9% lead and 8.17% zinc from 152.63m.
- ◆ Hole 19-02:
  - ◆ 2.72m @ 0.3g/t gold, 43g/t silver, 1.1% copper, 0.4% lead and 1.1% zinc from 152.68m, including:
    - 0.2m @ 0.5g/t gold, 285g/t silver, 9.5% copper, 2.6% lead and 6.5% zinc from 152.68m.

The mineralisation dips moderately to the southeast and is open and unconstrained in all directions (see Figure 3).

The next stage for the Lustebo Prospect is to follow up on these initial successes in reconnaissance drilling with Down Hole EM. This will vector follow up drilling to further continuations and repeated bodies of massive sulphide mineralisation as well as highlighting areas of structurally thickened massive sulphide bodies.

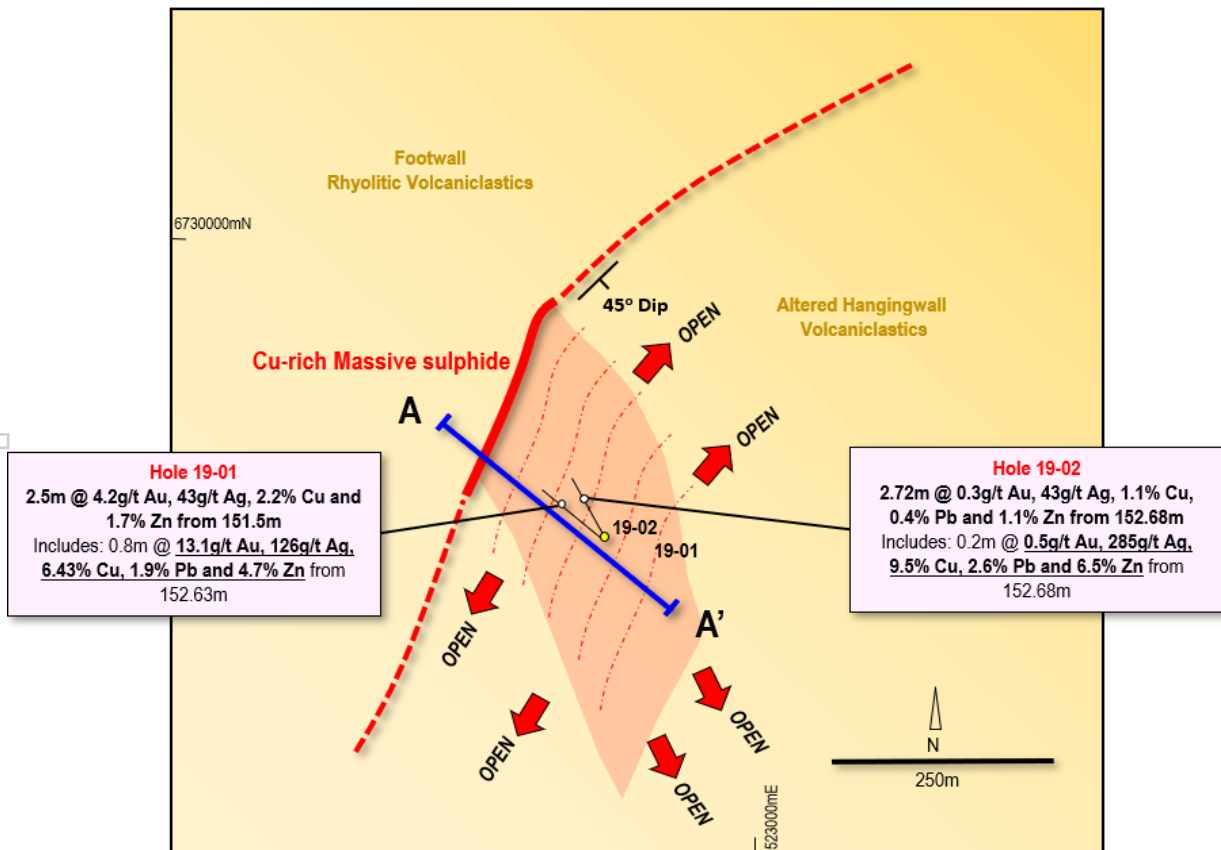


Figure 3: Lustebo Prospect plan map, Oxberg Project. Refer to ASX Announcement 19 November 2019 for drill hole locations.

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2. Review of Operations (continued)

Alicanto mapping and sampling during 2019 has identified numerous, sub-parallel, NNW trending lines of workings over more than 1km, with rock chips up to 11.9% copper. These targets extend over more than 1km in outcrop and remain open, limited only by degree of outcrop from beneath shallow glacial till cover sequences, typically less than 10m of cover.

The newly identified system consists of multiple mineralised trends over more than a kilometre of width with the potential for further trends under cover within the >3km wide structural corridor (Figure 4).

The potential for further similar trends in mineralisation to the West is supported by the identification of the Thunder Mountain Iron-Copper occurrence, southwest of the Project area.

Alicanto completed a maiden geophysical IP survey to explore for further mineralised trends under cover and identify areas of conductive sulphide occurrences. The IP survey identified multiple undrilled, large-scale anomalies prospective for high-grade Copper-Gold mineralisation (refer Figure 3a).

Previously mapped, mineralised trends with coincident high-grade rock chips of up to 11.9% Copper and 2.9g/t Gold, are highlighted by the survey. However, excitingly, further large-scale targets have also been identified under thin glacial cover, and all targets are undrilled and remain open along strike.

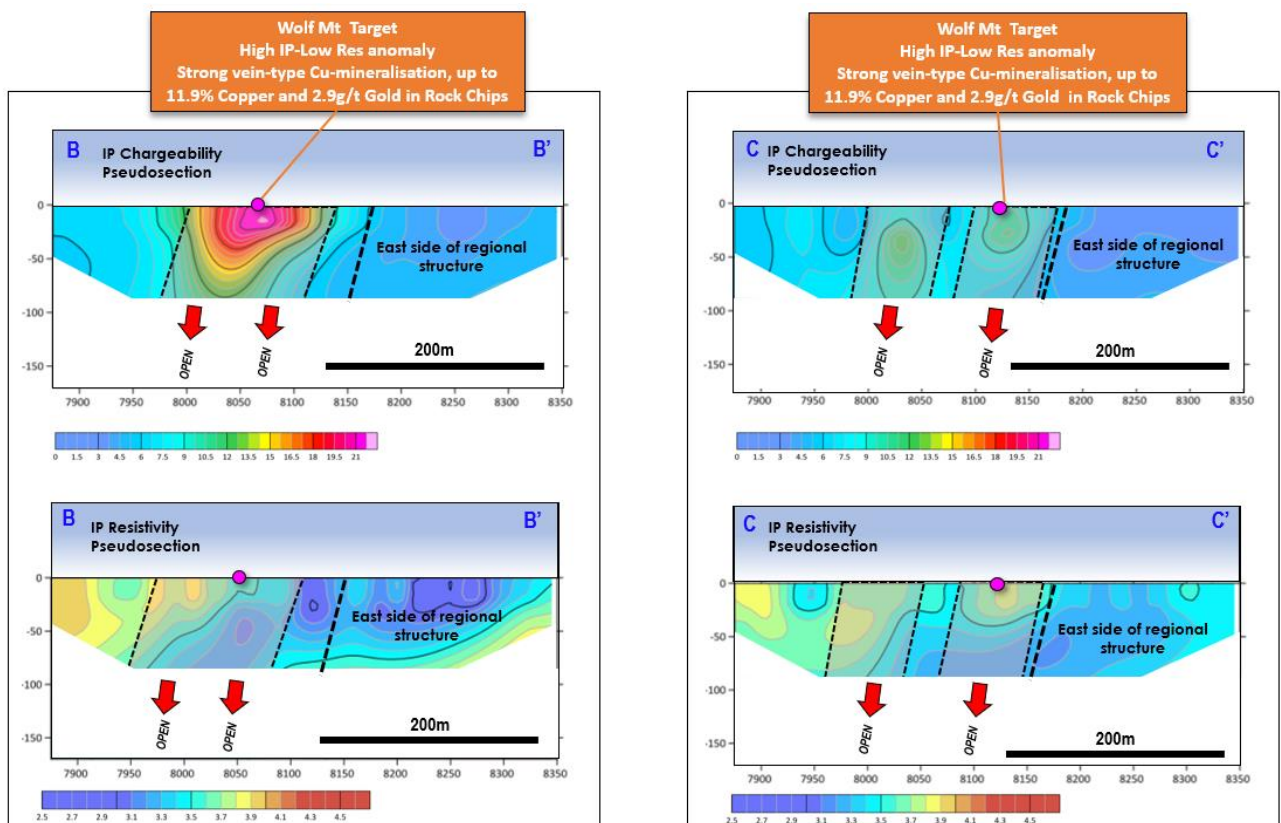


Figure 3a Wolf Mountain IP Pseudo section's B to B' and C to C' showing Chargeability (top) and Resistivity (bottom) with identified target anomalies

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2. Review of Operations (continued)

**Wolf Mountain Project**

During the half-year, Alicanto announced it had identified a new regional-scale hydrothermal mineralised system prospective for both high-grade and bulk tonnage copper-gold mineralisation at Wolf Mountain, which sits between the Naverberg and Oxberg projects in the highly endowed and underexplored Cu-Au-Zn-Pb-Ag Bergslagen Mining District of Southern Sweden.

In response, Alicanto increased its ground position in the Bergslagen region to more than 130km<sup>2</sup> to cover the identified system and new target areas.

Wolf Mountain sits in a regional-scale, NNW-trending structural corridor which controls the loci of intrusions of a variety of different ages and compositions as well as mineralisation of various styles. Alicanto has identified a large hydrothermal system over more than 14km (Figure 2 and 4), trending NNW.

At the southern end of the trend are numerous structurally hosted scheelite (tungsten) occurrences proximal to four mapped intrusions of granitic composition. Over 14km, this transitions in outcrop to iron, iron-copper and copper occurrences on surface within a large-scale silica alteration cell.

The widespread mineralisation, coupled with the regional-scale gradient in metal content, is indicative of a single regional scale hydrothermal system capable of yielding large-scale, high-grade and bulk tonnage copper-gold mineralisation.

Multiple phases of intrusions of variable ages and compositions have exploited this deep seated, long lived, regional structural corridor, giving rise to various ages and styles of mineralisation, ranging from early VMS mineralisation coincident with basin formation, through intrusion related copper-gold mineralisation to Ni-Cu-Co mineralisation occurrences associated with mafic/ultramafic intrusions.

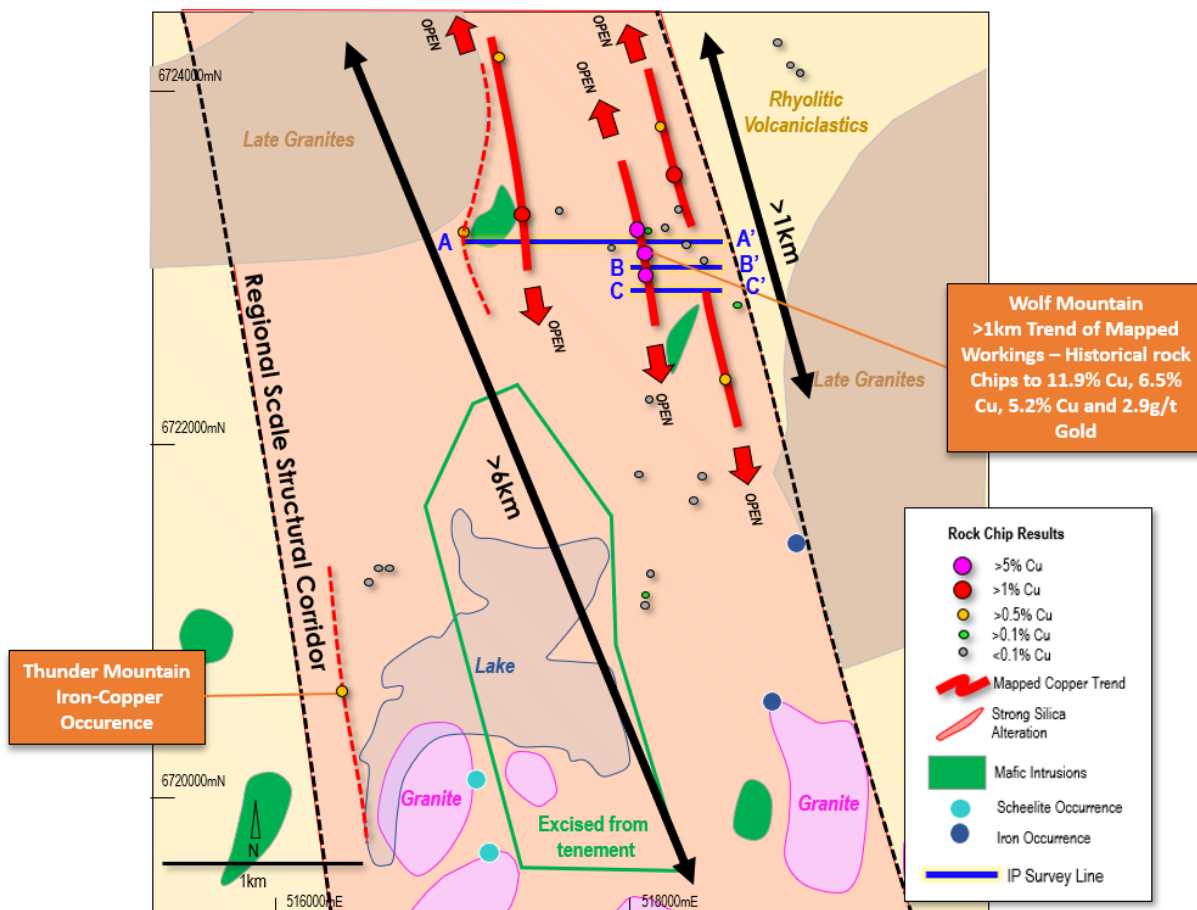


Figure 4: Wolf Mountain Project Target area plan map. Refer to ASX Announcement 14November 2019 for table of results.

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## 2. Review of Operations (continued)

### Arakaka Gold Project - Guyana

#### Arakaka drilling returns high-grade gold results

In June 2019, Alicanto announced Nord Gold SE (“Nordgold”) had entered into an Earn-in Agreement whereby Alicanto granted Nordgold the exclusive right to acquire a 100% interest in the Arakaka Gold Project, Guyana.

In August 2019, Alicanto announced the commencement of a large diamond drilling programme fully funded under the Earn-In Agreement with Nordgold. The 12,000m diamond drilling programme focused on the under-explored and highly prospective Arakaka Main Trend, targeting sub-parallel, low dipping mineralised gold zones across 3200m strike.

Highlights included:

- ◆ 10,478m shallow diamond drilling for 51 holes completed on the under-explored and highly prospective Arakaka Main Trend.
- ◆ Three shallow stacked, sub-parallel, low dipping mineralised gold zones across 1.4km of strike defined through 100m x 100m spaced reconnaissance drilling.
- ◆ Initial assay results include:
  - ◆ **19.05m @ 7.43g/t gold** from 260.75m in ARDD309
    - Including **0.5m @ 202.4g/t gold** from 263.8m
  - ◆ **6.0m @ 11.15g/t gold from 69m in ARDD316**
    - Including 0.5m @ 111.89g/t gold from 71.5m
  - ◆ **0.54m @ 160.13g/t gold** from 239.8m in ARDD329
  - ◆ **6.5m @ 5.44g/t gold from 142.2m in ARDD306**
    - Including 0.6m @ 47.44g/t gold from 143.5m
  - ◆ **0.55m @ 21.44g/t gold** from 93.45m in ARDD323
  - ◆ **0.75m @ 10.17g/t gold** from 92.67m in ARDD303
- ◆ Shallowly north plunging high-grade gold shoot component identified within the low angle dipping, stacked mineralised structures.
- ◆ Planning is underway on phase two drilling at Arakaka in 2020.

These results confirm the potential of the Purple Heart area to host a bulk tonnage gold deposit and support historical drilling.

All drill results as well as drill hole locations are shown in Figure 6 below:

2. Review of Operations (continued)

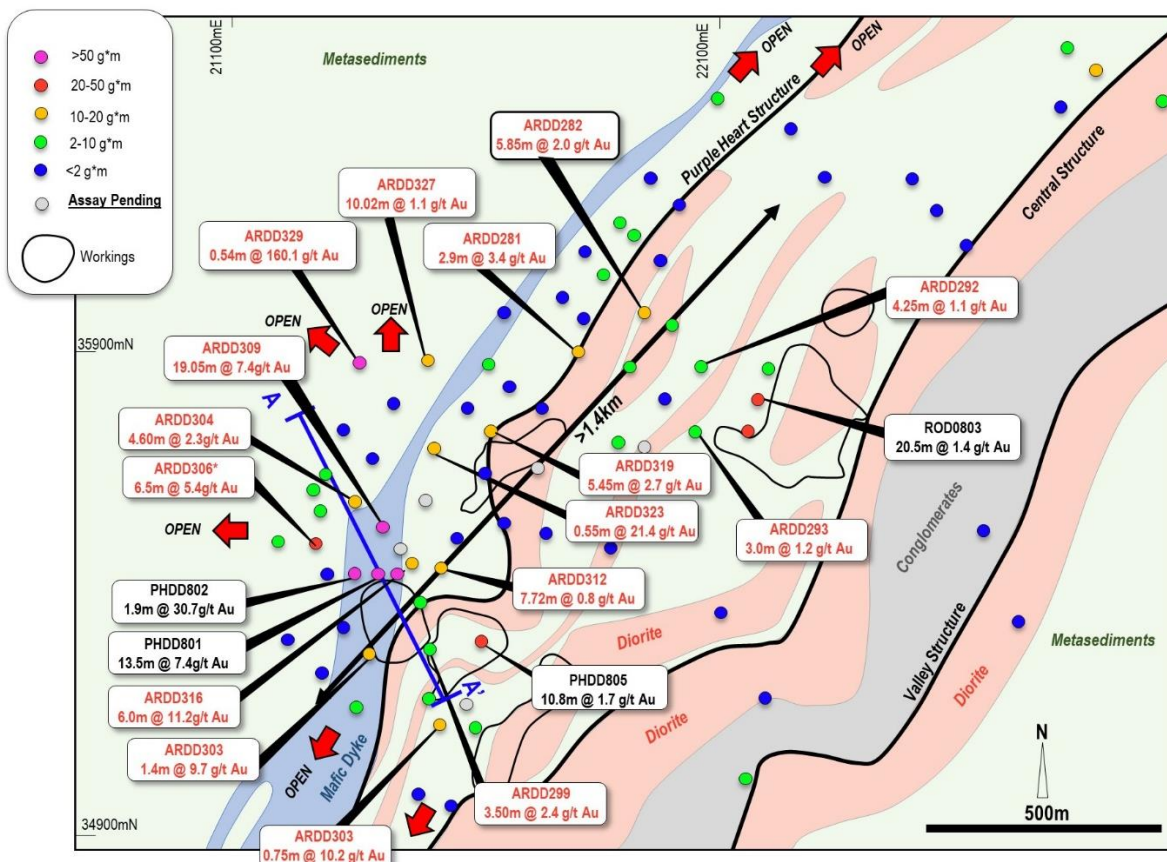


Figure 6 Purple Heart Prospect showing current geological and structural interpretation with significant drill intercepts with hole collars coloured by gram\*metre

All zones of gold anomalism are focused on shear zones located in and around diorite and porphyry intrusions of various compositions. Mineralisation ranges from bonanza style gold intercepts of visible pyrrhotite. Encouragingly both types of mineralisation are found within the same geological setting and so exhibit significant potential for bulk tonnage targets.

Multiple, shallowly north-west dipping mineralised structures have now been identified through drilling within the Purple Heart prospect area over more than 1.4km of strike extent within the 12km long Arakaka Main trend. These structures show good continuity throughout the drill area and are frequently associated with the high-strain zones partitioned to the contacts of diorite and porphyry intrusive bodies.

Recent drilling has also identified a previously unrecognised high-grade shoot component to mineralisation associated with flexures in the trace of the principal structures in the area, the Purple Heart and Central structures. Recently returned assays indicate the dimensions of these high-grade shoots to be of significant scale to lead to the potential development of significant gold resources. The high-grade shoots appear stacked and have an apparent, shallow northerly plunge that has now been traced down plunge over 500m and remaining open.

Given the very shallow plunge of the mineralised structures and high-grade gold shoots the structures have been drilled to 450m down-dip but intercepts are still within 150m of surface (see Figure 7).

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2. Review of Operations (continued)

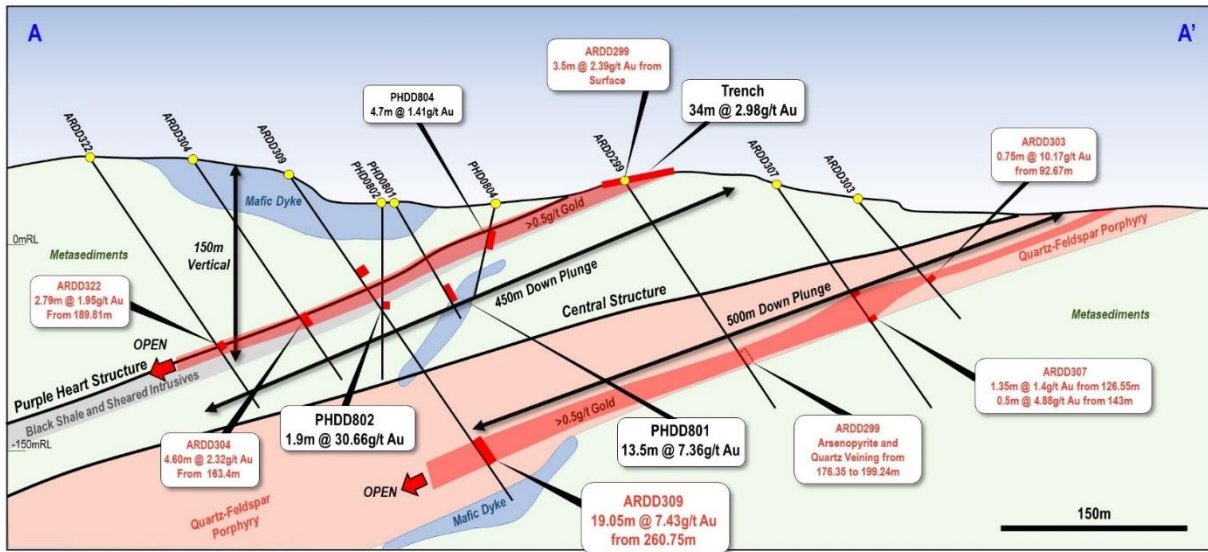


Figure 7: Purple Heart Prospect section line A to A' showing geological and structural interpretation with Significant Drill intercepts.

Drilling spaced approximately 100m apart has defined two sub-parallel, shallowly plunging, high-grade shoots in the vicinity of the Purple Heart Pit.

Drill hole ARDD309's significant intercept of 19.05m @ 7.43g/t gold from 260.75m represents the deepest drilling on the lower shoot whilst the significant intercept of 0.54m @ 160.13g/t gold in ARDD329 represents the deepest drilling on the upper shoot. Both high-grade shoots remain open at depth.

Exploration Plan

Alicanto anticipates the remaining assays of the recently completed 10,478m diamond drilling program in Guyana over the coming weeks. It will complete a 3D interpretation of the geology and setting of observed, significant, high-grade gold mineralisation to better plan anticipated Phase 2 diamond drilling.

Ianna Project-Guyana

Summary

The Project is located in Guyana Northwest Mining District (refer to Figure 8 and 9), less than 25km southeast from the Arakaka Main Trend and Xenopsaris targets located within the Arakaka Gold Project.

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;
- 14m @ 4.27g/t gold from 24m;
- 12m @ 3.84g/t gold from 20m;
- 12m @ 3.99g/t gold from surface.

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## 2. Review of Operations (continued)

Drill testing at the Ianna Gold project identified high grade vein gold mineralisation within the extensive hydrothermal alteration associated with significant gold assays in previously reported assays at each of four drilled target areas representing over 12km of strike extent potential across three mineralised structural trends within the 114km<sup>2</sup> Ianna Project Area (refer to Figure 9).

Two of the mineralised trends are host to historical drilling associated with extensive surface geochemical survey work, including over 12,400m of Reverse Circulation and 926m of Diamond drilling. 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 announcements dated 26 July 2016 and 16 February 2018).

The results received from the previous 2,600m of initial drill testing across a number of targets have identified high grade vein gold mineralisation within the extensive hydrothermal alteration associated with significant gold assays in previously reported assays. The high-grade vein intercepts occur at both the Eastern Extension target, and at the southern extent of the Ianna Main intrusion (refer to Figure 8 below). Results suggest potential for high grade shoots of mineralisation associated with the broad zones of bulk tonnage style mineralisation identified at each of the target areas assessed as evidenced in previously reported results including (refer to ASX releases dated 26 July 2016 & 16 February 2018).

### Ianna Main Intrusion

50m @ 2.47g/t gold at End of Hole  
14m @ 4.27g/t gold  
12m @ 3.84g/t gold  
1.8m 10.7g/t gold from 43.3m

### Eastern Extension Trend

16.1m @ 1.4g/t gold at end of hole  
26.5g/t gold over 0.5m – IDD013  
6m @ 6.9g/t gold in trenching

### Kings Ransom Trend

12m @ 3.99g/t gold in RC  
20m @ 6.75g/t gold and 22m @ 1.9g/t gold in trenching

Results of the Initial drilling across five target areas confirmed extensive and pervasive alteration encountered are typical of a large-scale mineralising system, and the occurrence of visible gold and high-grade niche grades within the mineralised zones indicate potential for increasing volumes of higher grade material with further definition of the geometry of the intrusive body and structural complexities associated with that favourable lithologic feature.

Multiple prospects have now received reconnaissance drilling with all prospects returning significant intercepts. Work is now focused on integrating datasets and prioritising prospect areas for future drilling targeting high grade shoots and to delineate areas of resource potential within the licence area.

The broad zones of mineralisation identified provide considerable support to aggressively expand exploration activities into other prospects within the Project area with the potential to add further tenements within the Project perimeter in accordance with the option and acquisition arrangement announced 8 November 2016.

2. Review of Operations (continued)

The Project has excellent infrastructure, including existing camp facilities, an existing airstrip and river port landing on the property, and can be accessed by road from the Arakaka Project area.

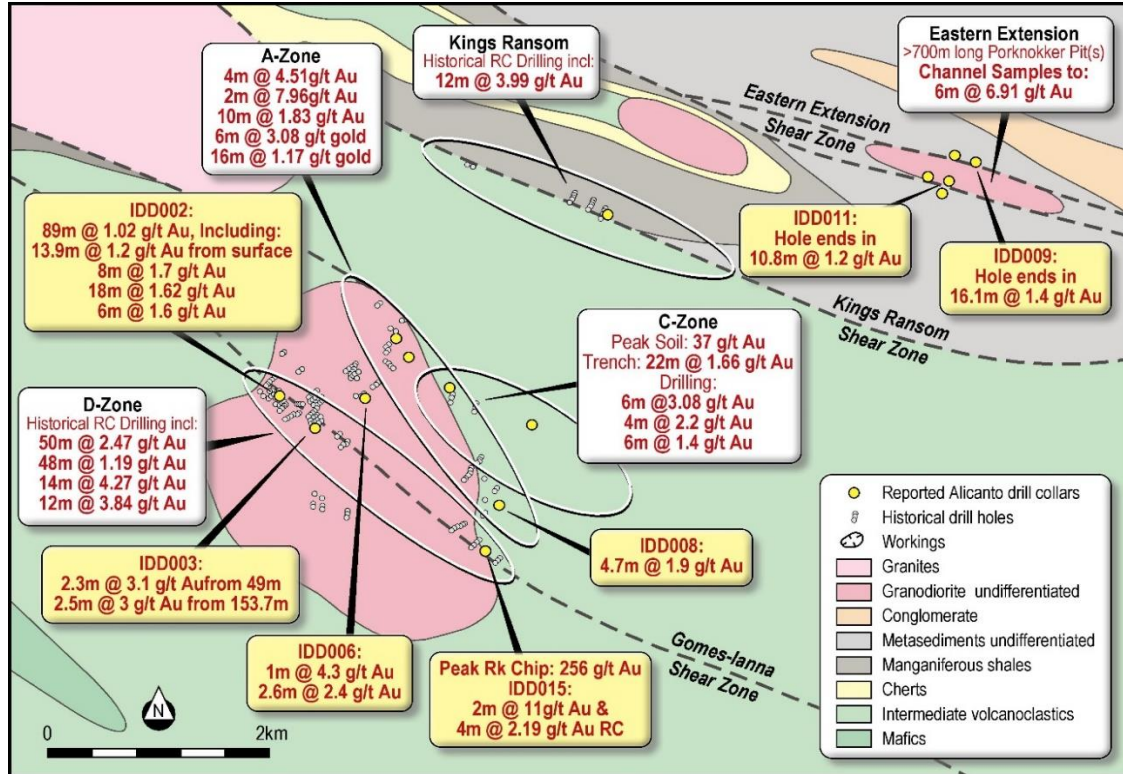


Figure 8 | Ianna Plan Map with drill collar locations and summary of better intercepts received to date.

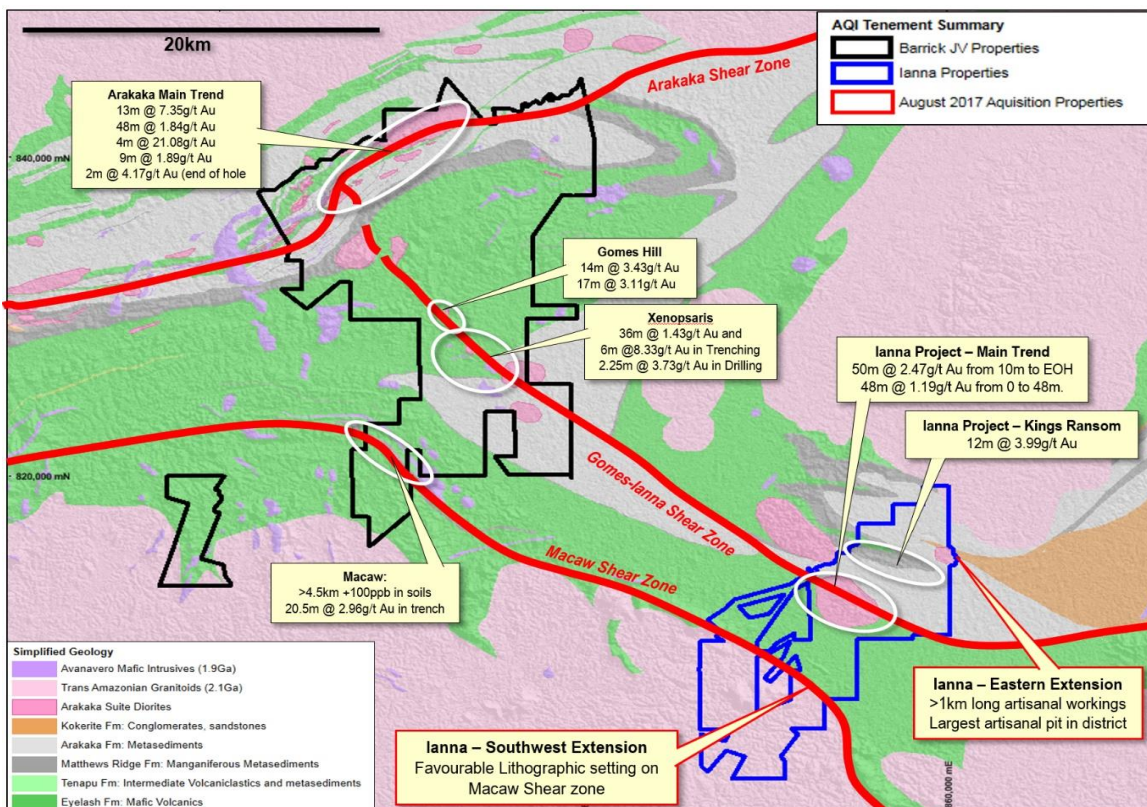


Figure 9 | Regional Geology of the Barama-Mazaruni greenstone belt hosting the Arakaka Gold Project and the Ianna Gold Project areas, with major structural corridors and locations of key target areas within each Project.

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### 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.



Didier Murcia  
Non-Executive Chairman

Perth, Western Australia, 11 March 2020

### Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Marcus Harden, who is a Member of The Australian Institute of Geoscientists. Mr Harden is Chief Geologist for the Company. Mr Harden 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 Harden consents to their inclusion in the report of the matters based on his information in the form and context in which it appears.

The company is not aware of any new information or data that materially affects the information included in this report.

11 March 2020

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 2019, 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**



**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 2019 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 11 March 2020. 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](http://www.alicantominerals.com.au).

## Consolidated Statement of Profit or Loss and Other Comprehensive Income



For the Half-Year Ended 31 December 2019

	Notes	Consolidated	
		31 December 2019	31 December 2018
		\$	\$
<b>Revenue</b>			
Revenue from continuing operations	4(a)	174	11,653
Other income	4(b)	165,953	337,289
<b>Expenditure</b>			
Administration costs		(180,574)	(85,354)
Consultancy expenses		(72,899)	(107,309)
Employee benefits expense		(159,619)	(214,395)
Share based payment expenses		(4,258)	(9,160)
Occupancy expense		(11,544)	(21,540)
Compliance and regulatory expenses		(31,193)	(45,289)
Insurance expenses		(16,862)	(12,462)
Depreciation		(24,651)	(49,383)
Exploration Expenditure	6	(448,988)	(876,306)
Provision for Impairment - exploration and evaluation expenditure	6	-	(884,186)
Finance costs		(3,106)	(3,211)
(Loss) before income tax		<b>(787,567)</b>	<b>(1,959,653)</b>
Income tax expense		-	-
<b>(Loss) for the half-year attributable to owners</b>		<b>(787,567)</b>	<b>(1,959,653)</b>
<b>Other comprehensive income</b>			
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		(771)	(15,073)
<b>Total comprehensive (loss) for the half-year attributable to owners</b>		<b>(788,338)</b>	<b>(1,974,726)</b>
Basic loss per share (cents per share)		(0.4)	(1.6)
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 2019

	Notes	Consolidated	
		31 December 2019	30 June 2019
		\$	\$
<b>Current Assets</b>			
Cash and cash equivalents	5	1,149,344	869,558
Trade and other receivables		87,418	47,815
<b>Total Current Assets</b>		<b>1,236,762</b>	<b>917,373</b>
<b>Non-Current Assets</b>			
Trade and other receivables		20,000	20,000
Property, plant and equipment		343,752	372,477
<b>Total Non-Current Assets</b>		<b>363,752</b>	<b>392,477</b>
<b>Total Assets</b>		<b>1,600,514</b>	<b>1,309,850</b>
<b>Current Liabilities</b>			
Trade and other payables	7	409,041	161,604
Provisions		14,325	11,273
<b>Total Current Liabilities</b>		<b>423,366</b>	<b>172,877</b>
<b>Total Liabilities</b>		<b>423,366</b>	<b>172,877</b>
<b>Net Assets</b>		<b>1,177,148</b>	<b>1,136,973</b>
<b>Equity</b>			
Issued capital	8	15,337,521	14,496,233
Reserves	9	1,997,609	2,011,155
Accumulated losses		(16,157,982)	(15,370,415)
<b>Total Equity</b>		<b>1,177,148</b>	<b>1,136,973</b>

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 2019

Consolidated	Contributed Equity	Accumulated Losses	Foreign Currency Translation Reserve	Option Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2018	12,800,082	(11,670,395)	(30,385)	1,726,082	2,825,384
(Loss) for the half-year	-	(1,959,653)	-	-	(1,959,653)
Foreign exchange differences	-	-	(15,073)	-	(15,073)
<b>Total comprehensive (loss) for the half-year</b>	<b>-</b>	<b>(1,959,653)</b>	<b>(15,073)</b>	<b>-</b>	<b>(1,974,726)</b>
Transactions with owners in their capacity as owners:					
Contributions of equity (net of transaction costs)	446,189	-	-	-	446,189
Equity settled share based payment transactions	-	-	-	20,564	20,564
Reversal of employee incentive scheme options to profit or loss	-	-	-	(11,404)	(11,404)
Exercise of options	192,226	-	-	(192,226)	-
	638,415	-	-	(183,066)	455,349
<b>Balance at 31 December 2018</b>	<b>13,438,497</b>	<b>(13,630,048)</b>	<b>(45,458)</b>	<b>1,543,016</b>	<b>1,306,007</b>
Balance at 1 July 2019	14,496,233	(15,370,415)	(35,675)	2,046,830	1,136,973
(Loss) for the half-year	-	(787,567)	-	-	(787,567)
Foreign exchange differences	-	-	(771)	-	(771)
<b>Total comprehensive (loss) for the half-year</b>	<b>-</b>	<b>(787,567)</b>	<b>(771)</b>	<b>-</b>	<b>(788,338)</b>
Transactions with owners in their capacity as owners:					
Contributions of equity (net of transaction costs)	824,255	-	-	-	824,255
Equity settled share based payment transactions	-	-	-	4,258	4,258
Exercise of options	17,033	-	-	(17,033)	-
	841,288	-	-	(12,775)	828,513
<b>Balance at 31 December 2019</b>	<b>15,337,521</b>	<b>(16,157,982)</b>	<b>(36,446)</b>	<b>2,034,055</b>	<b>1,177,148</b>

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

For the Half-Year Ended 31 December 2019

	Notes	Consolidated	
		31 December 2019 \$	31 December 2018 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of goods and services tax)		165,953	33,942
Payments to suppliers and employees		(592,641)	(507,263)
Interest received		208	11,720
Payments for exploration and evaluation		(3,700,168)	(1,388,925)
Contributions received from farm-in partners	6	3,582,179	303,347
<b>Net cash (used in) operating activities</b>		<b>(544,469)</b>	<b>(1,547,179)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		-	(21,726)
<b>Net cash (used in) investing activities</b>		<b>-</b>	<b>(21,726)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		910,745	452,000
Payments for costs of issue of shares		(86,490)	(5,811)
<b>Net cash provided by financing activities</b>		<b>824,255</b>	<b>446,189</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>		<b>279,786</b>	<b>(1,122,716)</b>
Cash and cash equivalents at the beginning of the period		869,558	2,008,823
<b>Cash and cash equivalents at the end of the period</b>	5	<b>1,149,344</b>	<b>886,107</b>

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.

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## 1. Basis of preparation of half-year report

This general purpose interim financial report for the half-year reporting period ended 31 December 2019 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 2019 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 goods and services. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

### Going Concern

The financial statements have been prepared on a 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 which may include share placements and suitable project funding arrangements including earn-ins, joint ventures or project divestment.

The loss for the half year ended 31 December 2019 was \$787,567 with \$1,149,344 of cash and cash equivalents, net assets of \$1,177,148 as at 31 December 2019. In addition, the consolidated entity had plant and equipment with a carrying value of \$343,752 which the Directors believe does not exceed its value in use or recoverable value.

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.

### 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, except for the following:

The Group has considered the implications of new and amended Accounting Standards which have become applicable for the current financial reporting period. The Group had to change its accounting policies and make adjustments as a result of adopting the following Standard:

- AASB 16: Leases

The impact of the adoption of this Standard and the respective accounting policies is disclosed is not material and no changes made to the financial statements.

### Changes in Accounting Policies

This note describes the nature and effect of the adoption of AASB 16: Leases on the Group's financial statements and discloses the new accounting policies that have been applied from 1 July 2019, where they are different to those applied in prior periods.

As a result of the changes in Group's accounting policies, there were no material impacts on the Group's financial statements for the half year ended 31 December 2019.

## 1. Basis of preparation of half-year report (continued)

### New Accounting Policy -Leases

#### The Group as lessee

At inception of a contract the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e. leases with a remaining lease term of 12 months or less and leases of low-value assets) are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows;

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of options to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the costs of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

## 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, Sweden 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 2019 is as follows:

	Guyana	Exploration Sweden	Corporate	Total
	\$	\$	\$	\$
Half-year ended 31 December 2019				
Total segment revenue and other income				
Equipment rental	-	-	-	-
Interest revenue	-	-	174	174
Other income	165,953	-	-	165,953
Total segment revenue and other income	165,953	-	174	166,127
Depreciation Expense	(19,412)	-	(5,239)	(24,651)
Total segment profit/(loss) before income tax	57,956	(360,402)	(485,121)	(787,567)

2. Segment information (continued)

	Guyana \$	Exploration Sweden \$	Corporate \$	Total \$
Half-year ended 31 December 2018				
Total segment revenue and other income				
Equipment rental	6,801	-	-	6,801
Interest revenue	-	-	4,852	4,852
Other income	303,347	-	33,942	337,289
Total segment revenue and other income	310,148		38,794	348,942
Depreciation Expense	(42,827)	-	(6,556)	(49,383)
Total segment (loss) before income tax	(1,459,229)	-	(500,424)	(1,959,653)
Total segment assets				
31 December 2019	355,639	-	1,244,875	1,600,514
30 June 2019	369,038	-	940,812	1,309,850
Total segment liabilities				
31 December 2019	88,016	-	335,350	423,366
30 June 2019	9,207	-	163,670	172,877

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 2019 \$	31 December 2018 \$
4. Revenue		
(a) Revenue from continuing operations		
Equipment rental	-	6,801
Interest received	174	4,852
Total revenue from continuing operations	174	11,653
(b) Other income		
Management fee from earn-in partners	165,953	303,347
Other	-	33,942
Total other income	165,953	337,289



	Consolidated	
	31 December 2019	30 June 2019
	\$	\$
5. Cash & Cash Equivalents		
(a) Cash & cash equivalents		
Cash at bank and in hand	1,149,344	869,558
Deposits at call	-	-
Total cash and cash equivalents	<u>1,149,344</u>	<u>869,588</u>
Note that cash includes \$375,440 in funds received from farm-in partners and held on trust for current and future exploration programs (30 June 2019: \$Nil).		
(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 2019: 0.00% and 0.75%).		
(c) Deposits at call		
Deposits at calls as at 31 December 2019 were nil (30 June 2019: Nil). Deposits at calls as at 31 December 2019 were bearing interest rates at 2.05% to 2.10%.		

	Consolidated	
	31 December 2019	31 December 2018
	\$	\$
6. Exploration & Evaluation Expenditure		
Half-year ended		
Opening balance at 1 July	-	884,186
Exploration expenditure at cost	4,031,167	1,179,653
Contributions received from earn-in partners	(3,582,179)	(303,347)
Provision for impairment - exploration expenditure	-	(884,186)
Exploration expensed	<u>(448,988)</u>	<u>(876,306)</u>
Closing balance at 31 December	<u>-</u>	<u>-</u>

	Consolidated	
	31 December 2019	30 June 2019
	\$	\$
7. Trade & Other Payables		
Current		
Trade payables	282,502	122,499
Other payables	116,194	39,105
Contributions received from farm-in partners held on trust	10,345	-
Total current trade & other payables	<u>409,041</u>	<u>161,604</u>
Trade creditors are normally paid on 30-day payment terms.		

	Consolidated		Consolidated	
	31 December 2019	30 June 2019	31 December 2019	30 June 2019
	Shares	Shares	\$	\$
8. Contributed Equity				
(a) Issued capital	190,021,190	172,020,313	15,337,521	14,496,233
Ordinary shares – fully paid	<u>190,021,190</u>	<u>172,020,313</u>	<u>15,337,521</u>	<u>14,496,233</u>

	Date	Shares	Issue Price	Total \$
<b>8. Contributed Equity (continued)</b>				
<b>(b) Movements in issued capital</b>				
Opening Balance 1 July 2019		172,020,313		14,496,233
Exercise of options	5 July 19	500,000	\$0.001	17,534
Exercise of listed options	29 Jul 19	873	\$0.28	244
Placement	6 Sept 19	17,500,004	\$0.052	910,000
Less: Transaction costs		-		(86,490)
Closing Balance at 31 Dec 2019		<u>190,021,190</u>		<u>15,337,521</u>

On 5 July 2019, 500,000 unlisted options were exercised with an exercise price of \$0.001 and 873 listed options were exercised with a strike price of \$0.28.

	31 December 2019 \$	30 June 2019 \$
<b>9. Reserves</b>		
<b>A. Unlisted Option Reserve</b>		
Opening balance – 1 July	2,046,830	1,726,082
Options exercised	(17,033)	(320,515)
Options issued to directors, employees and consultants	4,258	641,263
Total Unlisted Option Reserve	<u>2,034,055</u>	<u>2,046,830</u>
<b>B. Foreign Currency Translation Reserve</b>		
Opening balance – 1 July	(35,675)	(30,385)
Translation of foreign subsidiary	(771)	(5,290)
Total Foreign Currency Translation Reserve	<u>(36,446)</u>	<u>(35,675)</u>
<b>C. Total Reserves</b>		
Unlisted Option Reserve	2,034,055	2,046,830
Foreign Currency Translation Reserve	(36,446)	(35,675)
Total Reserves	<u>1,997,609</u>	<u>2,011,155</u>

The reversal of employee incentive scheme options to profit or loss represent the value of options previously calculated under the Black and Scholes method for options that expired or were forfeited during the period.

#### 10. Contingencies and commitments

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

#### 11. Events Occurring Subsequent to Reporting Date

On 3 February 2020, the company announced the exercise of the option to acquire Zaffer (Australia) Pty Ltd (“Zaffer”) in accordance with the terms and conditions of the Option and Share Sale Agreement approved by shareholders on 31 July 2019. In accordance with the terms of the agreement Alicanto issued 30,000,000 ordinary shares as consideration to the vendors. A 2.5% net smelter royalty is payable to Zaffer vendors on the sale of zinc or equivalent recovered from the tenements.

On 27 February 2020, a placement to Sophisticated Investors was completed raising \$2,500,000 through the issue of 33,333,334 shares at an offer price of \$0.075 pursuant to ASX Listing Rule 7.1 and 7.1A.

There are no further material events subsequent to reporting date.

**Director's Declaration  
For the half-year ended 31 December 2019**

In the directors' opinion:

- (a) the financial statements and notes set out on pages 16 to 25 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 2019 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.



**Didier Murcia**  
**Non-Executive Chairman**

Perth, Western Australia, 11 March 2020

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**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 2019, 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, condensed 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 2018 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.

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*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 11 March 2020.

*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 2019 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  
11 March 2020

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