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**ALICANTO**  
MINERALS LIMITED

**Half-Year Report**  
**2021**

ABN 81 149 126 858

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**Non-Executive Chairman**

Raymond Shorrocks

**Managing Director**

Peter George

**Non-Executive Director**

Didier Murcia AM

**Company Secretary**

Michael Naylor

**Principal & Registered Office**

Ground Floor, 24 Outram Street

WEST PERTH WA 6005

Telephone: (08) 6279 9425

Facsimile: (08) 6500 9989

**Share Registry**

Automic Pty Ltd

Level 5,

191 St Georges Terrace

PERTH WA 6000

**Auditors**

Stantons

Level 2, 40 Kings Park Road

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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## Directors' Report

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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 2021.

### 1. Directors

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

Peter George  
Raymond Shorrocks  
Didier Murcia

### 2. Review of Operations

#### Corporate

##### Financial Performance and Position

The net operating loss after tax for the half year ended 31 December 2021 was \$5,216,464 (31 December 2020: \$4,328,469). The loss for the period includes \$2,762,598 (31 December 2020: \$1,204,225) in exploration and evaluation expenditure and share based payment expenses of \$184,969 (31 December 2020: \$952,042) were also recognised during the half-year.

As at 31 December 2021 the Company had cash of \$7,210,804 (30 June 2021: \$4,512,532).

##### November 2021 Placement

In November 2021, Alicanto Minerals completed a placement to sophisticated and professional investors to raise approximately \$7,000,000 (before costs) through the issue of 53,846,156 fully paid ordinary shares in the Company at an issue price of \$0.13 each.

##### August 2021 Option Issue

In August 2021, Alicanto issued 10,000,000 unquoted options to Stephen Parson (or his nominee), who is a corporate consultant of the Company as a part of his remuneration as a corporate consultant of the Company.

The options are exercisable at \$0.20 each and will expire on or before 26 July 2026.

##### August 2021 Performance Rights Exercised

In August 2021 the Company exercised 1,000,000 Performance Rights and issued 1,000,000 fully paid ordinary shares to Travis Schwertfeger based on service conditions and progressing Guyana towards a Resource having been met.

### 2. Review of Operations (continued)

#### August 2021 Performance Rights Issue

In August 2021 the Company also issued 4,500,000 Performance Rights as follows:

- 3,750,000 Performance Rights to Michael Naylor (or his nominee) as part of his remuneration as Company Secretary;
- 250,000 Performance Rights to Susan Field (or her nominee) as part of her remuneration as Financial Controller;
- 250,000 Performance Rights to Duncan Grieve, Consultant Geologist and is based on service conditions for continued employment in capacity as a consultant for a period of 2 years until 30 July 2023;
- 250,000 Performance Rights to Duncan Grieve, Consultant Geologist and is based on the ASX announcement of a maiden resource at the Sala project being made.

#### September 2021 Performance Rights Issue

In September 2021 the Company also issued 4,500,000 Performance Rights as follows:

- 4,000,000 Performance Rights to Raymond Shorrocks (or his nominee) as part of his remuneration as a Director of the Company. Shareholder approval was received at General Meeting of Shareholders held on 20 September 2021;
- 250,000 Performance Rights to Nicolai Metzger, Consultant Geologist based in Sweden and is based on service conditions for continued employment in capacity as a consultant for a period of 2 years until 6 August 2023; and
- 250,000 Performance to Nicolai Metzger, Consultant Geologist based in Sweden and is based on the ASX announcement of a maiden resource at the Sala project being made.

#### Annual General Meeting

Alicanto held its Annual General Meeting on the 26th November 2021. All resolutions were passed with greater than 99% voting in favour of all resolutions.

### Exploration

Alicanto Minerals is pursuing aggressive exploration campaigns in Sweden's highly regarded mining region of Bergslagen. The first of these is targeting extensions of the historic Sala silver-zinc-lead deposit and the second involves greenfields exploration around the Greater Falun copper-gold and polymetallic skarn project.

The Company is highly leveraged to exploration success and puts a strong emphasis on ensuring that drilling and news flow is ongoing.

2. Review of Operations (continued)

Exploration Properties

The Greater Falun and the Sala Projects are located in the Bergslagen region in Sweden, which hosts world-class base and precious metals operating projects such as the Garpenberg mine owned by Boliden and the Zinkgruvan mine owned by Lundin.

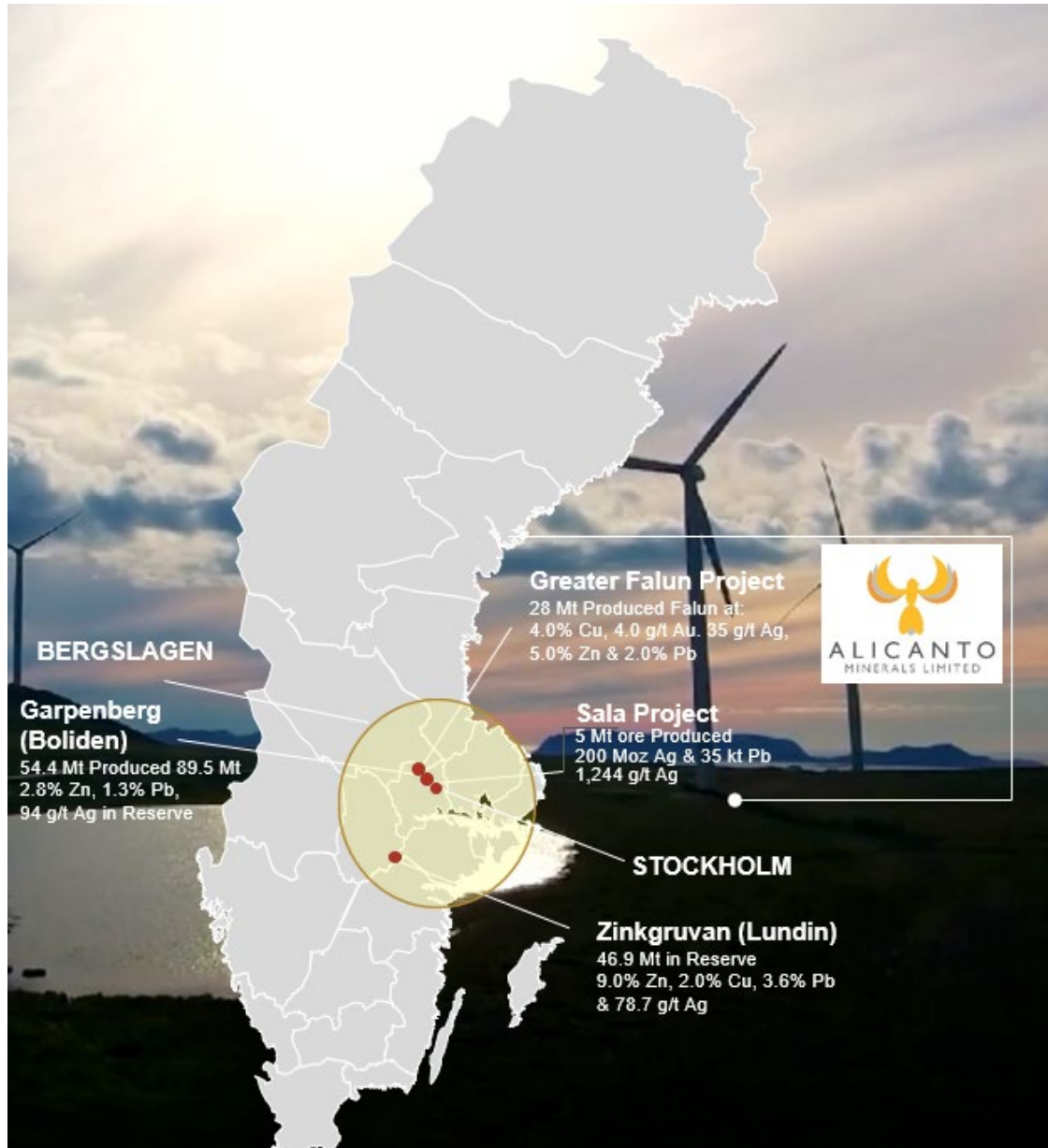


Figure 1: Map highlighting the location of Alicantó's projects within the Bergslagen region of Sweden<sup>2,3,4,5</sup>

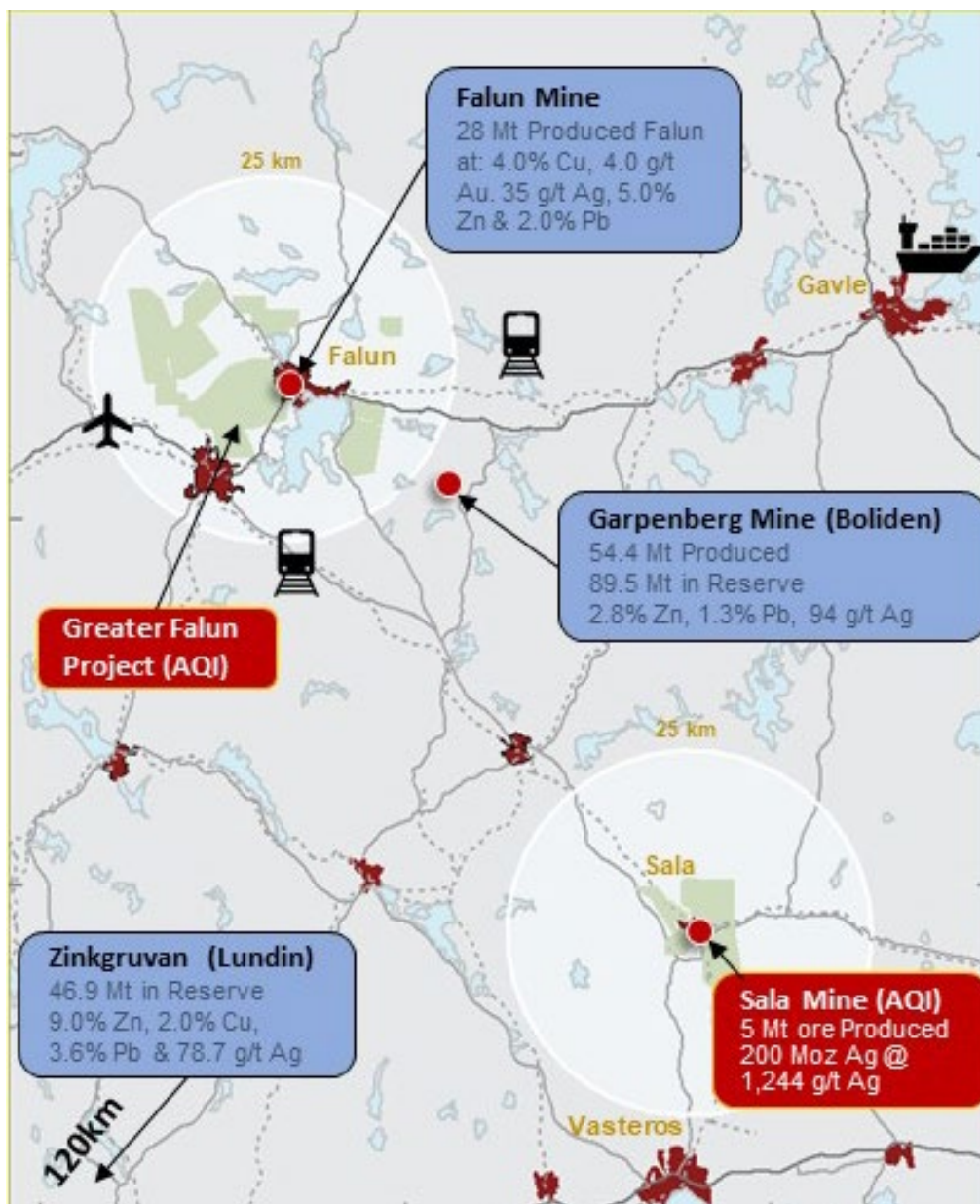
The Greater Falun Project and the Sala Project are situated 100km apart and connected by a major highway and railway connecting them to each other and to a port at the town of Gavle which is located 90km to the East of Falun.

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2. Review of Operations (continued)

The now-closed Falun Copper-Gold mine in Bergslagen has a long-established mining history dating back over the best part of 1,000 years, producing 28 million tonnes of high-grade ore at 4% copper, 5% zinc, 4 g/t gold, 35 g/t silver and 2.1% lead. (ASX: 01/05/2019<sup>3</sup>).

Sala Silver mine, which is also closed, is 100km to the South-East of Falun and was mined from the 15<sup>th</sup> Century through to 1908. Some additional mining occurred between 1945-1962 in the neighbouring Bronas Mine.



**Figure 2:** Overview map showing location of major polymetallic skarn deposits surrounding the Sala Silver-Lead-Zinc Project including Garpenberg and Falun. AQI tenements shown in green. <sup>2,3,4,5</sup>

Alicanto is currently undertaking field work within the Greater Falun project and a drilling program at the Sala Silver-Zinc-Lead-Copper-Gold Project with the aim of producing a Maiden Resource at Sala within the first half of 2022.

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## 2. Review of Operations (continued)

Bergslagen is widely viewed as a Tier-1 jurisdiction based on its large mineralised systems, highly developed infrastructure and pro-mining regime.

### *Technical Detail – Sala Project*

Sala, which is located 100km from Alicanto's Greater Falun copper-gold project and 50km from Boliden's operating Garpenberg Mine, was once Europe's largest silver producer.

When mining finished at Sala in 1908 it had produced more than 200Moz of silver at an estimated average grade of 1,244 g/t and grades reported as high as 7,000 g/t. Sala also produced over 35,000t of lead at 1 to 2% as well as mined zinc at an average grade of 12%<sup>4</sup>.

The host rocks have been folded and faulted with the underlying metamorphosed felsic volcanics and pyroclastics. The series of shafts along the Sala mineralization trend in a north-south direction, apparently controlled by fold structures gently plunging to the north. Longitudinal sections indicate that the mineralised zone at Sala (as indicated by mined-out workings) also plunges gently to the north.

Sala was re-opened in 1951 for a short time and upon closure, it was believed that the mineralisation ceased at the 320m level. However, a small drill program undertaken in 2012 demonstrated that the Sala mineralisation continues to plunge to the north from the historic mine area and remains open and untested to the north and down-dip.

Very little modern exploration has been conducted at Sala with only a handful of drillholes in the database. The production was entirely sourced by following the main lode down plunge underground.

To the 1<sup>st</sup> February 2022, Alicanto has completed eleven holes for 7,071m of drilling. The completed drilling fits within a larger planned 14,000m (24 hole) program that covers the target area for the maiden resource (refer figure 2). Significant results during the period included (ASX 3/8/2021, 13/10/2021 and 1/2/2022):<sup>1</sup>

- SAL2101
  - 3.8m @ 7.7% Zn and 9g/t Ag from 572.75m
  - 6.8m @ 123 g/t Ag, 2.3% Pb and 1.4% Zn from 589.75m (Including 0.95m @ 348 g/t Ag, 5.9% Pb & 4.06% Zn) from 592.58m
- SAL2102
  - 6.9m @ 25 g/t Ag, 0.2% Pb and 1.8% Zn from 499.8m
  - 2.7m @ 79 g/t Ag, 0.4% Pb and 0.4% Zn from 645.1m.
- SAL2103
  - 8.0m @ 187g/t Ag, 1.7% Pb and 4.9% Zn from 486.5m (including 3.9m @ 313 g/t Ag, 3.2% Pb and 9.6% Zn from 490.5m)
- SAL2104
  - 18.0m @ 65 g/t Ag and 1.3% Zn from 467.8m (Including 6.6m @ 80 g/t Ag and 2.0% Zn from 467.8m)
- SAL2105
  - 5.1m @ 29 g/t Ag and 3.9% Zn from 482.2m
  - 1.5m @ 107 g/t Ag, 0.6% Pb and 0.9% Zn from 658.7m.



## 2. Review of Operations (continued)

- SAL2106:
  - 49.7m @ 18 g/t Ag and 3.9% Zn from 331.9m (including 4.0m @ 62 g/t Ag and 6.9% Zn from 353.2m and 14.0m @ 30 g/t Ag and 7.6% Zn from 365.5m).
- SAL2107:
  - 3.5m @ 237 g/t Ag, 2.8% Zn, 4.6% Pb from 488.0m
- SAL2109:
  - 5.6m @ 144 g/t Ag, 0.1% Zn, 0.6% Pb from 231.2m
- SAL2111
  - 4.4m @ 283 g/t Ag, 3.9% Zn, 1.9% Pb from 107.2m and
  - 6.4m @ 120 g/t Ag, 1.3% Zn, 0.5% Pb from 258.6m including
  - 1.4m @ 413 g/t Ag, 2.6% Zn, 1.3% Pb from 258.6m

These high-grade results are in line with previously reported high grade intercepts with both significant zinc and silver intersections.

- 7.1m @ 81 g/t Ag, 10.4% Zn and 0.6% Pb<sup>6</sup>
- 5.5m @ 69 g/t Ag, 7.4% Zn and 0.8% Pb<sup>6</sup>
- 11.9m @ 15 g/t Ag, 8.1% Zn and 0.1% Pb<sup>6</sup>
- 9.85m @ 203 g/t Ag, 6.4% Zn and 0.8% Pb<sup>6</sup>
- 0.8m @ 1,034 g/t Ag, 1.5% Zn and 2.4% Pb<sup>6</sup>
- 0.7m @ 844 g/t Ag, 1.8% Zn and 16.3% Pb<sup>6</sup>

High-grade rock-chips define multiple new silver, zinc, lead, copper and gold targets with significant potential close to existing lodes; Results include (ASX 1/2/2022)<sup>1</sup>:

- 1,480 g/t Ag and 1% Cu (New Target Area)
- 10.3% Zn and 118 g/t Ag (New Target Area)
- 1.3% Cu, 127 g/t Ag and 0.4 g/t Au (New Target Area)
- 275 g/t Ag and 1% Pb (New Target Area)
- 183 g/t Ag and 1.5% Pb (New Target Area)

The polymetallic high-grade nature of the mineralisation is typical of other world class polymetallic mines, including Garpenberg located 50km to the north-west of the Sala Project. Garpenberg, like the Sala Project, is a large polymetallic skarn system hosted in dolomitic marble and is currently being mined to a depth of 1,250m below surface. Observations from drilling on the Sala Project identify two distinct mineralogies associated with the main lodes, with semi massive sphalerite dominant zones and zones of silver-bearing galena with to a lesser extent native silver.

Both styles of mineralisation observed through the drilling targeting the 250m wide Prince Lode system are present within the Sala Mine although the silver rich ore was the main focus of historic mining.

The mineralisation is observed to be both primary replacement style mineralisation as well as tectonically remobilised mineralisation. This tectonic remobilization is thought to act as a secondary enrichment process, locally resulting in Bonanza style mineralisation in both the sphalerite rich lodes and the galena silver rich lodes. These different mineralogies are more commonly observed independent from one another in separate lodes but can sometimes be observed within the same interval, as in SAL2103 which is rich in zinc, lead and silver returning 8.0m @ 187g/t Ag, 1.7% Pb and 4.9% Zn from 486.5m (ASX 13/10/2021)<sup>1</sup>.

Review of Operations (continued)

With results received for 11 holes during the period and further assays imminent, Alicanto remains on track to deliver the maiden resource in the coming months. There are currently three rigs operating on site.

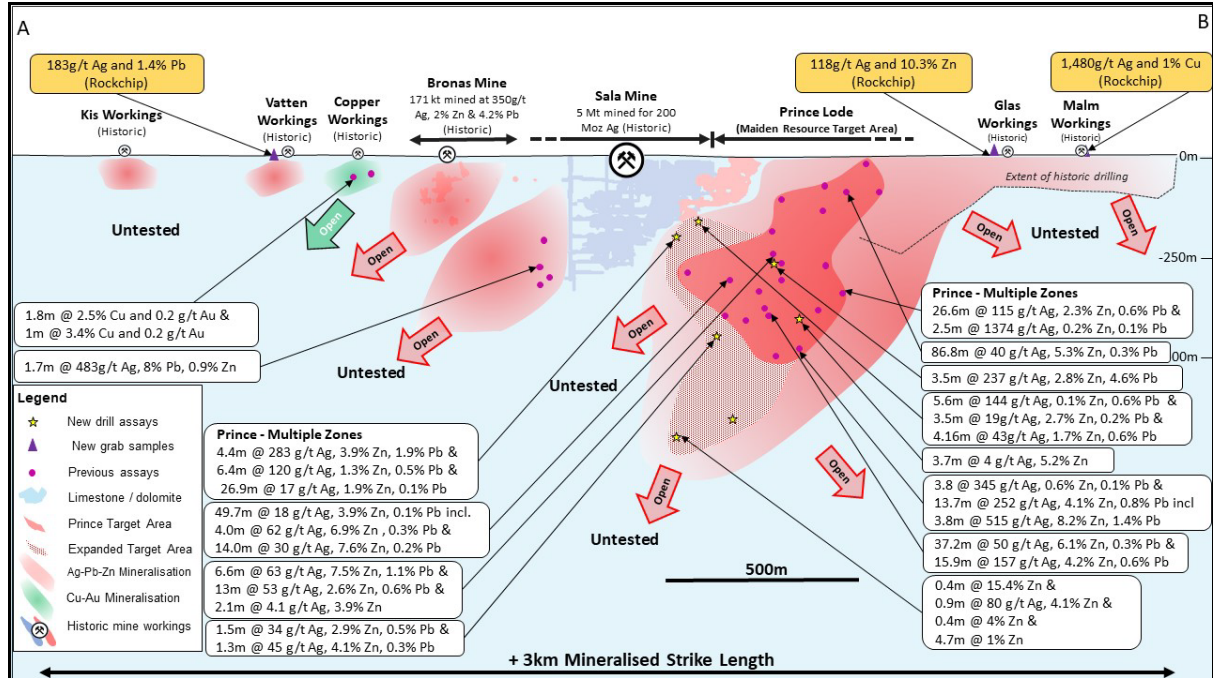


Figure 3: A-B Long Section projected onto the plane through the 3km long strike of multiple mineralised zones including Prince Lode and the Sala mine looking towards the east with the Sala Mine (200 Moz Ag produced) in the background illustrated in dark blue. Multiple mineralised zones are shallow and open, demonstrating the potential of the Sala project. Drilling is ongoing with three rigs currently operating. (ASX 3/8/2021, 13/10/2021 and 1/2/20222)¹

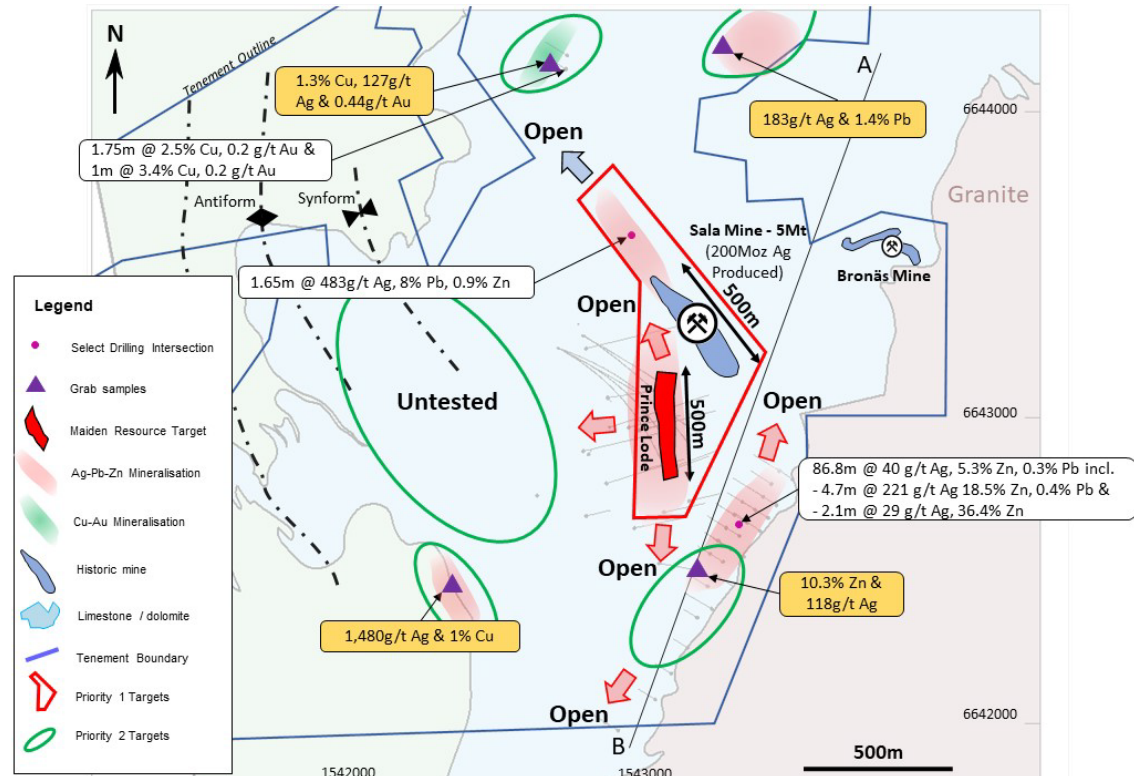


Figure 4: Plan view geology map over the Sala Silver-Zinc-Lead Project. The Sala Lode (shown in dark blue) historically produced over 200 Moz of Silver⁴ from 5 Mt mined from an underground mining operation. The Prince Lode is annotated in red (bold) and is so far approximately 500m in strike and remains open. Multiple mineralised zones in close proximity demonstrate Sala's immense potential. Image edited after Jansson et al 2019. (ASX 3/8/2021, 13/10/2021 and 1/2/20222)¹

2. Review of Operations (continued)



**Figure 5:** Half core from SAL2106 with 41% Zinc over 1.1m from 371.2m, part of larger interval of 14.0m @ 30 g/t Ag and 7.6% Zn from 365.5m. Inset image illustrating close up of the massive sulphide sphalerite mineralisation. (ASX 13/10/2021)<sup>1</sup>

**Mineralisation Styles**

The Prince Target constitutes a 250m wide corridor of multiple loads of different affinities. So far primary replacement style sphalerite-dominated mineralisation and primary replacement style galena-dominated mineralisation has been identified, the former including classic Sala sphalerite matrix breccia-type and remobilised silver-rich sulphosalt mineralisation. This remobilization is thought to act as a secondary enrichment process, locally resulting in Bonanza style mineralisation.



**Figure 5a:** Primary replacement sphalerite dominated mineralisation style at 410.8m in drill hole SAA08-003. All photos show core with 36mm in height. (ASX 13/10/2021)<sup>1</sup>



**Figure 5b:** Primary replacement galena dominated mineralisation style at 226.2m in drill hole SAL21-09 (ongoing). (ASX 13/10/2021)<sup>1</sup>



**Figure 5c:** Classic Sala style sphalerite breccia mineralisation style at 573.6m in drill hole SAL21-01. (ASX 13/10/2021)<sup>1</sup>

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2. Review of Operations (continued)

Mineralisation Styles (continued)

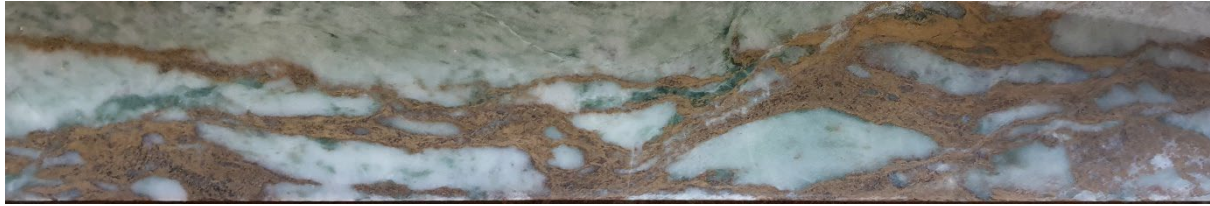


Figure 5d: Sphalerite dominated mineralisation style at 419.5m in drill hole SAA08-03. (ASX 13/10/2021)<sup>1</sup>



Figure 5e: Silver-rich, Galena dominated mineralisation style at 592.7m in drill hole SAL21-01. Interpreted to be partly remobilized mineralisation. (ASX 13/10/2021)<sup>1</sup>

*Technical Detail – Greater Falun Project*

*Exploration Skarn Model*

A simplified model as a guidance for navigating the mineralized systems at the Greater Falun and Sala projects is shown in Figure 6 below.

The typical distance between the causative intrusion to distal Zn-Pb-Ag dominated skarn mineralisation can be in the range of hundreds of meters to several kilometres with the sulphide precipitation mechanism changing from a heat-gradient to a chemical-trap as fluids migrate from a proximal intrusion to a distal environment.

A “tight” system will demonstrate more of a high-grade polymetallic signature (Cu-Au-Ag-Zn-Pb) in one place, whereas a protracted system will be dominated by a larger Cu-Au versus Zn-Pb-Ag separation. The “tightness” of the system is often driven by the closeness of the Causative Intrusion and the Limestone (Chemical trap).

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2. Review of Operations (continued)

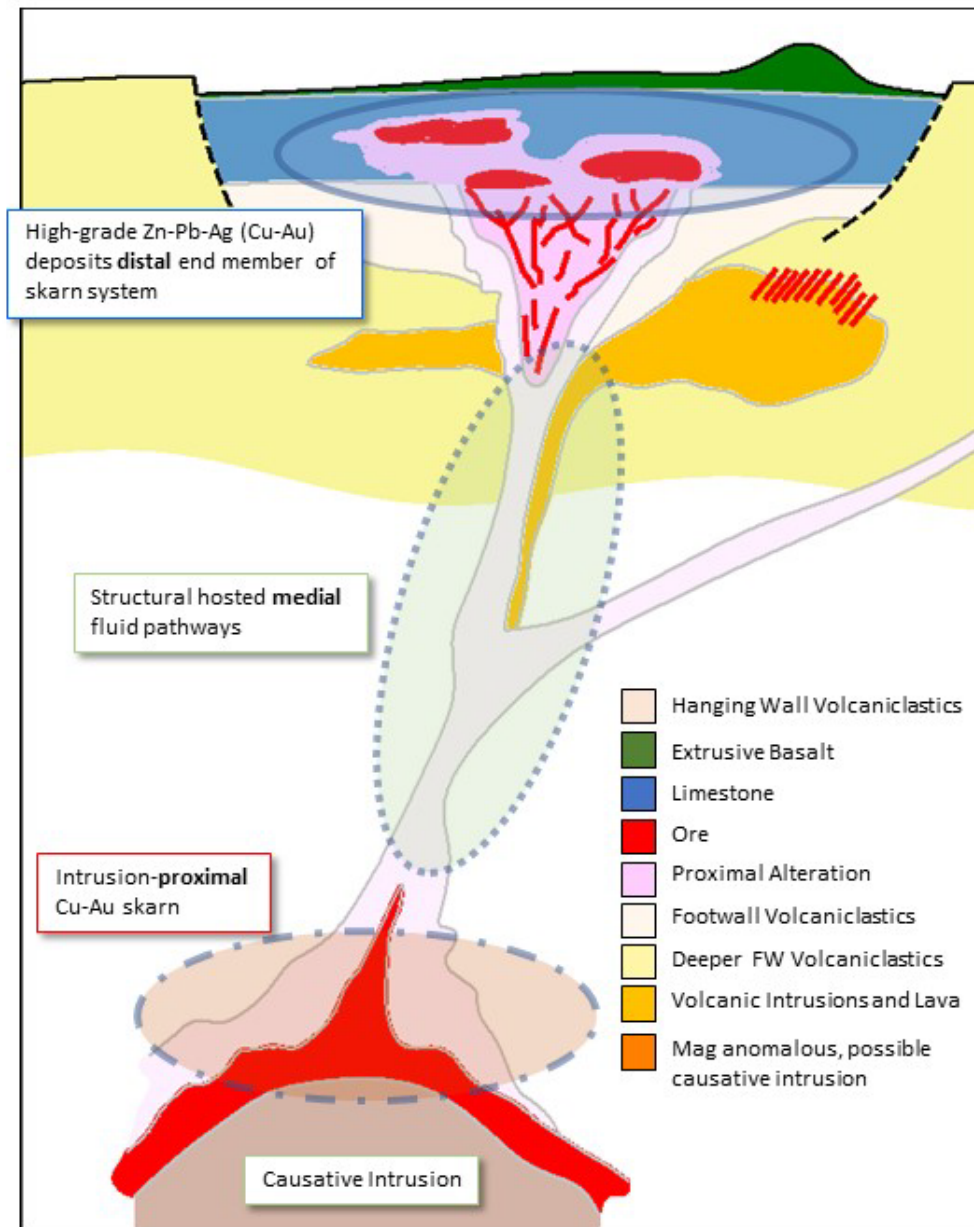


Figure 6: The Skarn Model

*Application of the Skarn Model and recently discovered folding of the stratigraphic sequence driving exploration in the Greater Falun Project*

Commonly in Bergslagen, limestone-skarn hosted (distal) massive sulphide deposits show a strong asymmetry in footwall versus hanging wall alteration of the volcanic stratigraphy. This implies a mineralising event prior to strong deformation and inversion of the stratigraphy.

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2. Review of Operations (continued)

Alteration patterns occur on two main levels, skarn zonation's and footwall alteration of the volcanic package. Both can be used to navigate from distal to a proximal setting (refer Figure 7).

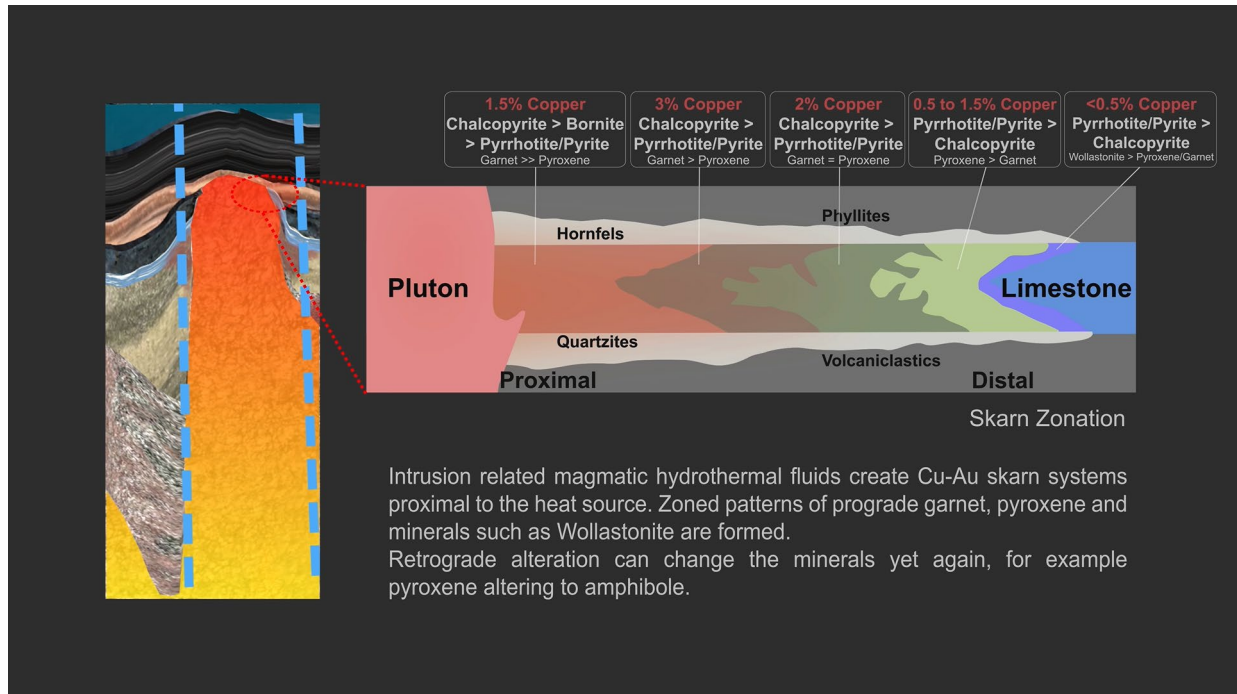


Figure 7: Zonation model for skarn systems

**Greater Falun Project (AQI: 100%)**

The Greater Falun Project is located in the Bergslagen region, which hosts world-class base and precious metals projects such as the Garpenberg mine operated by Boliden and the Zinkgruvan mine operated by Lundin.

The now-closed Falun mine in Bergslagen has a long-established mining history dating back over the best part of 1,000 years, producing 28 million tonnes of high-grade copper-gold-zinc-silver-lead ore in modern times.<sup>3</sup>

No concerted exploration campaign has ever been undertaken in the Greater Falun area. Exploration up to this time reflected the belief that Falun hosted a Volcanogenic Massive Sulphide (VMS) system. However, upon acquiring the Greater Falun area in early 2020, Alicanto instigated an extensive review which has concluded that the dominant mineralisation is instead copper-gold and polymetallic (silver-lead-zinc) skarn.

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2. Review of Operations (continued)

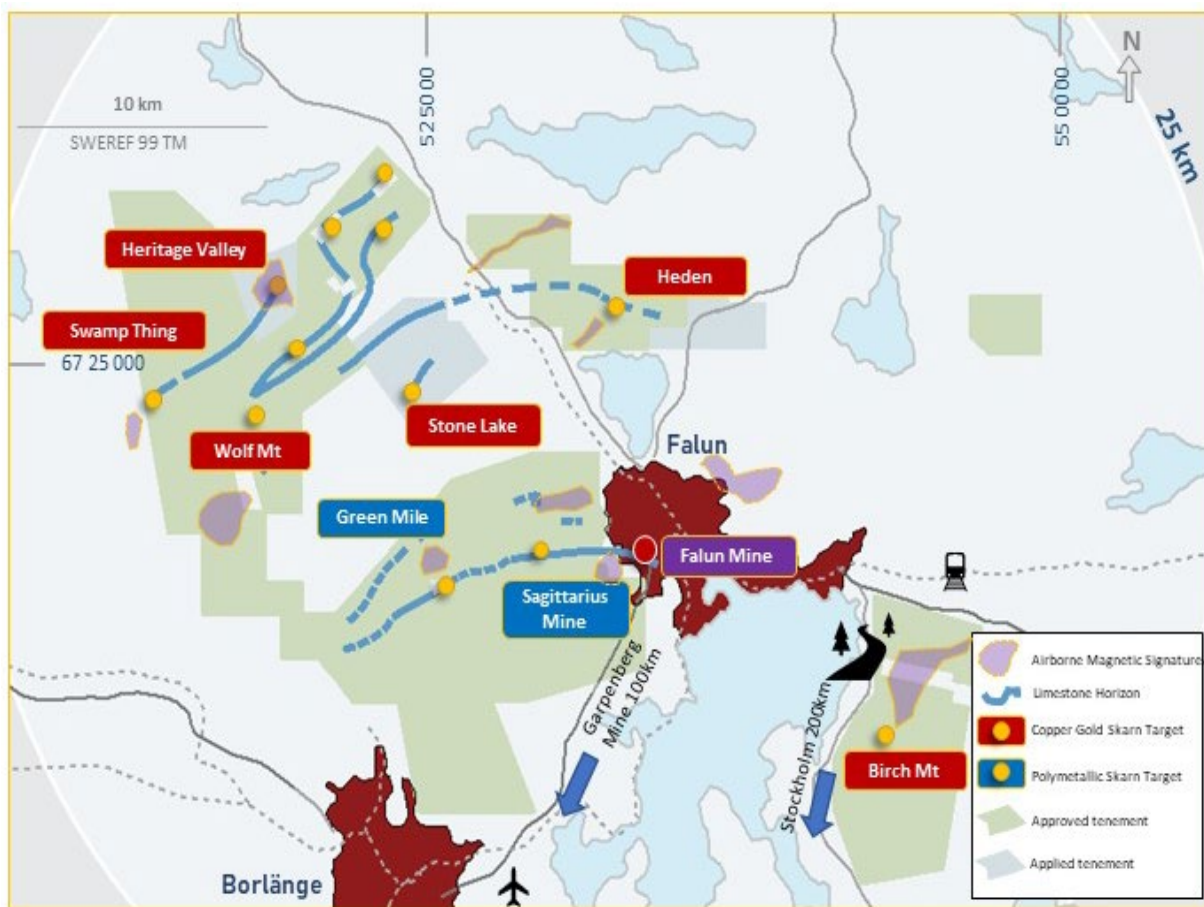


Figure 8: Location of targets and Magnetic Signatures within the Greater Falun Project area (ASX: 15/09/2020 <sup>1</sup>)

*The Historic Falun Deposit – An example of a folded & tight Polymetallic high-grade (Cu-Au-Ag-Zn-Pb) Skarn System*

Recent work by Alicanto has led the Company geologists to believe that Falun is a good example of a “tight” skarn system with a strong polymetallic character. This could explain the deposits Cu-Au rich nature with massive limestone and skarn being preserved in the southern parts of the deposit.

Whilst no causative intrusion has yet been identified at surface in the near vicinities of the Falun deposit, a possible clue exists one kilometre West of the deposit where a small copper-galena mineralized granitoid outcrops.

Examining historical mining plans from the Falun Mine reveals a structural thickening of sulphides into a major hinge zone, with remobilisation/squeezing occurring along the limbs like “toothpaste” within a tube (refer 9 and 9a).

The deposit shows a strongly asymmetric footwall versus hanging wall alteration. Strongly altered outcrops, with or without copper mineralization, can be found up to 750 meters away from the deposit.

The alteration footprint at surface is roughly 25 times larger than the actual deposit.

While the structurally thickened mineralised zone is steeply plunging at Falun (refer Figure 11), current fieldwork is focusing on understanding if more gently plunging structures can be expected (and targeted) as well, within the Greater Falun area (refer Figure 12).

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2. Review of Operations (continued)

To the Southwest of Falun, thick packages of unaltered pyroclastic hanging wall mass-flows can be studied, with ore stratigraphy preserved at depth.

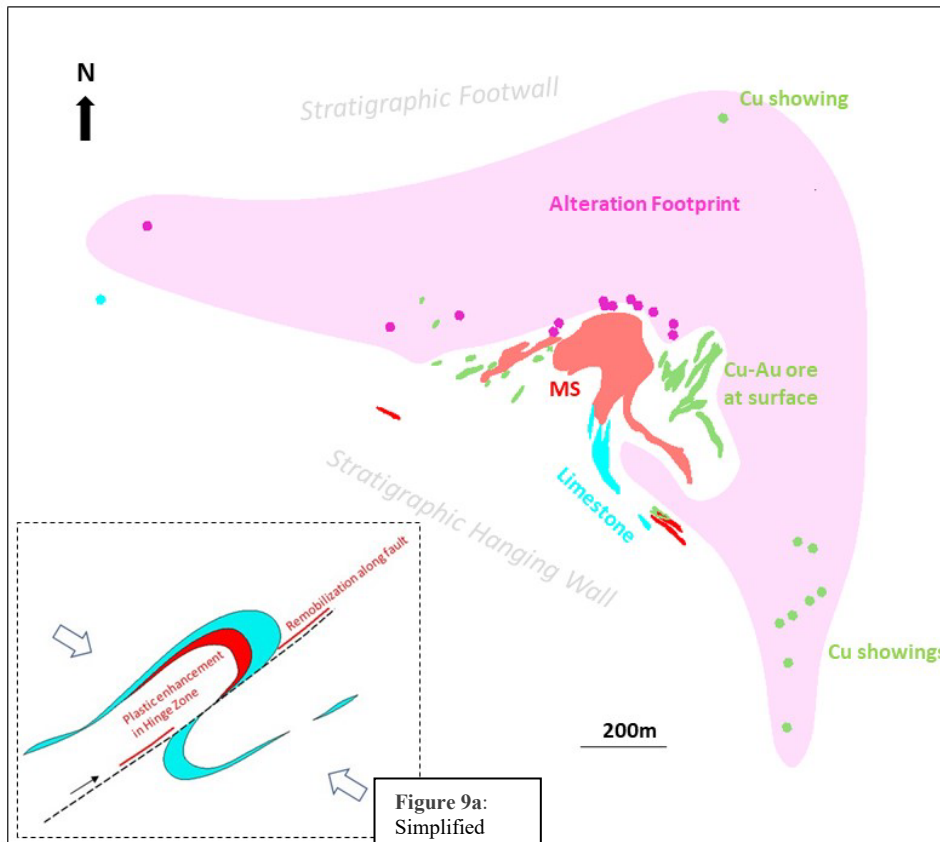


Figure 9: Simplified Alteration footprint showing folding and structural thickening at surface.

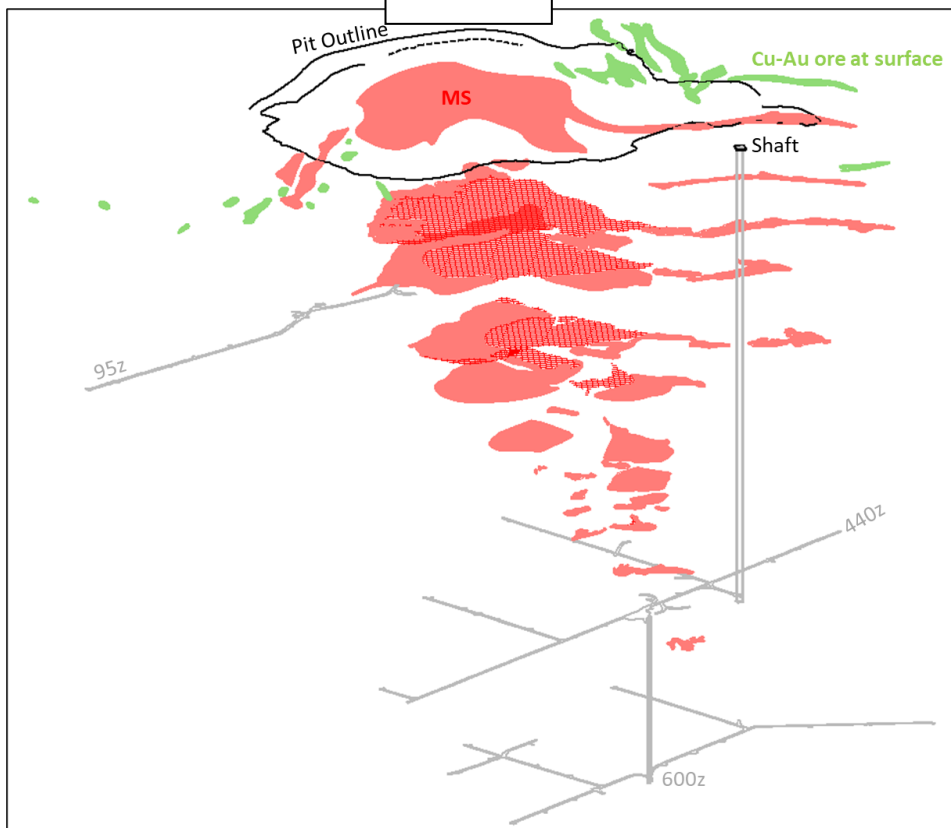


Figure 10: Iso view of selected levels of Falun Mine

2. Review of Operations (continued)

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*Green Mile to Falun Targets*

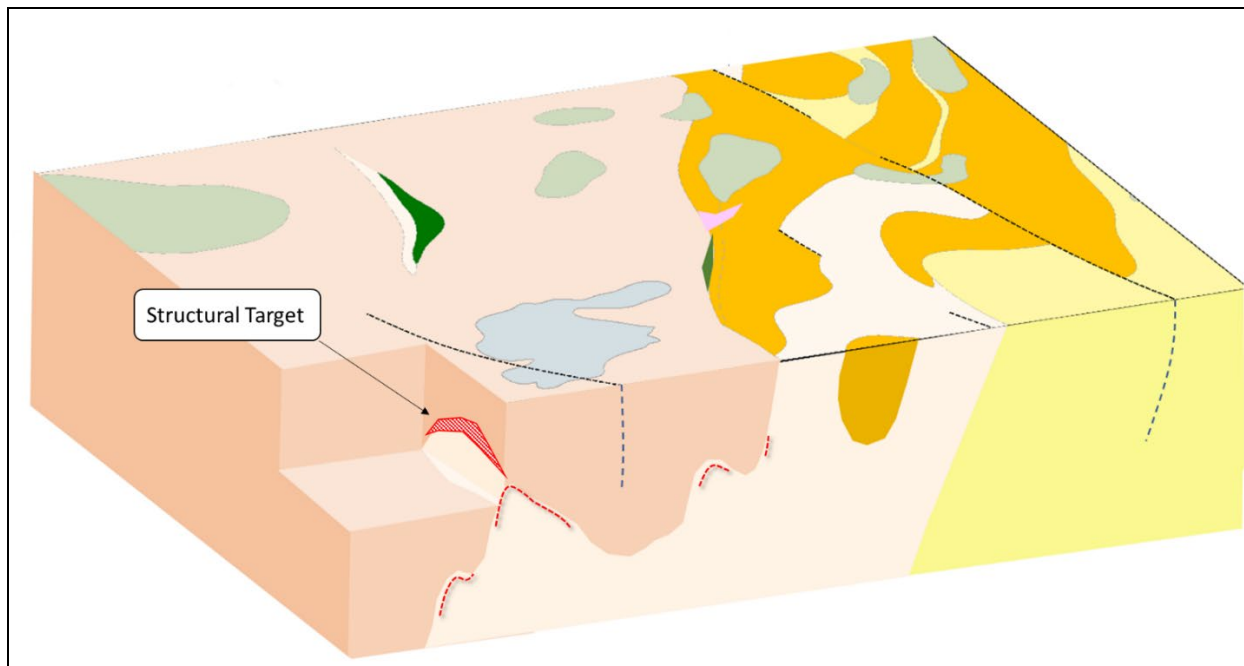
Detailed outcrop mapping together with recent diamond drilling has shown that the targets spread out over 15 km from Falun through to the Green Mile (Zn-Pb-Cu-Au-Ag) are hosted by the same stratigraphic sequence constituting a regional limestone unit overlain by an extrusive basalt partly showing fire fountain textures.

Mineralisation sits in the proximal footwall of the limestone, within the limestone itself and within the basalt unit. The basalt unit is of a unique high chromium, primitive type, easily distinguishable with lithogeochemistry analysis from the numerous amphibolite and gabbro intrusions occurring in the area.

Strong footwall alteration can be seen in places as far as 10 kilometres West of Falun. This is strongly indicative of at least several proximal hydrothermal centres along strike within the Falun volcanic inlier.

Footwall as well as hanging wall to the formation constitutes of felsic juvenile pyroclastics and reworked ash-silt-sandstones, which historically have hindered interpretability of the region. Numerous high level volcanic intrusions have been mapped out at surface, interpreted to represent deeper footwall.

A semi-regional rhyolite lava is yet to be allocated to the appropriate stratigraphic position. Later gabbro's and granites intrude into the volcanic sequence. The volcanic rocks are metamorphosed into amphibolite facies, but mostly still show distinguishable primary volcanic textures. Inversion of synvolcanic faults and folding has locally created repetition of the stratigraphy.



**Figure 11:** Example of possible structural blind Target based upon current interpretation in Falun area

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2. Review of Operations (continued)

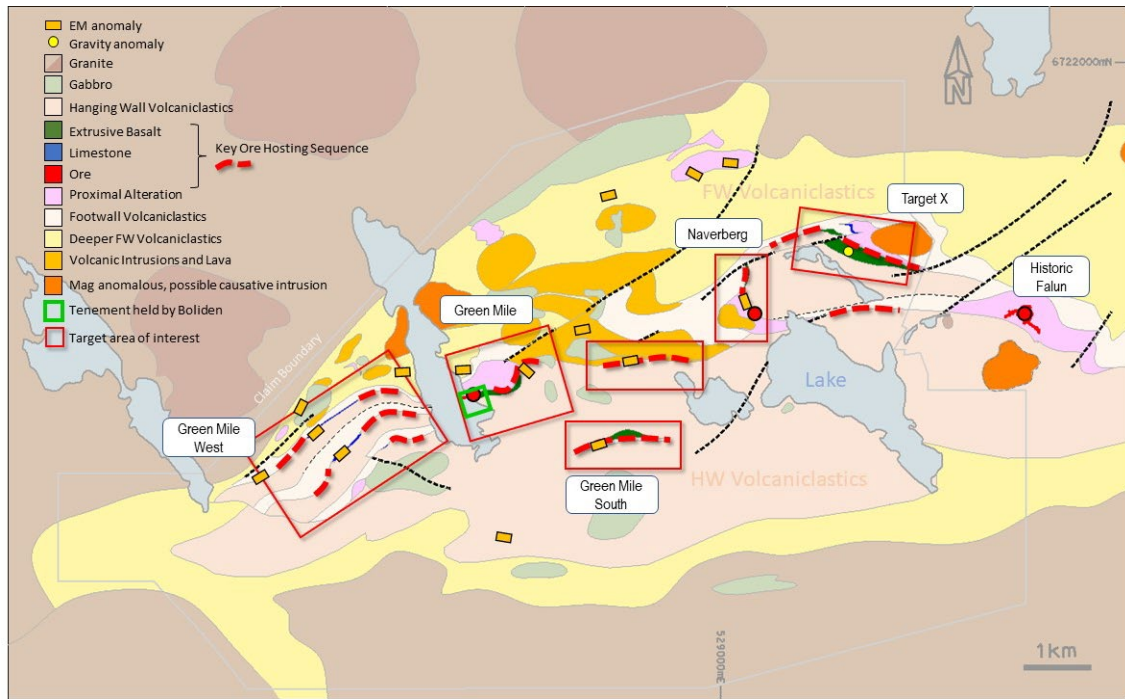


Figure 12: Falun geology (working map in progress) (ASX: 20/04/2021)

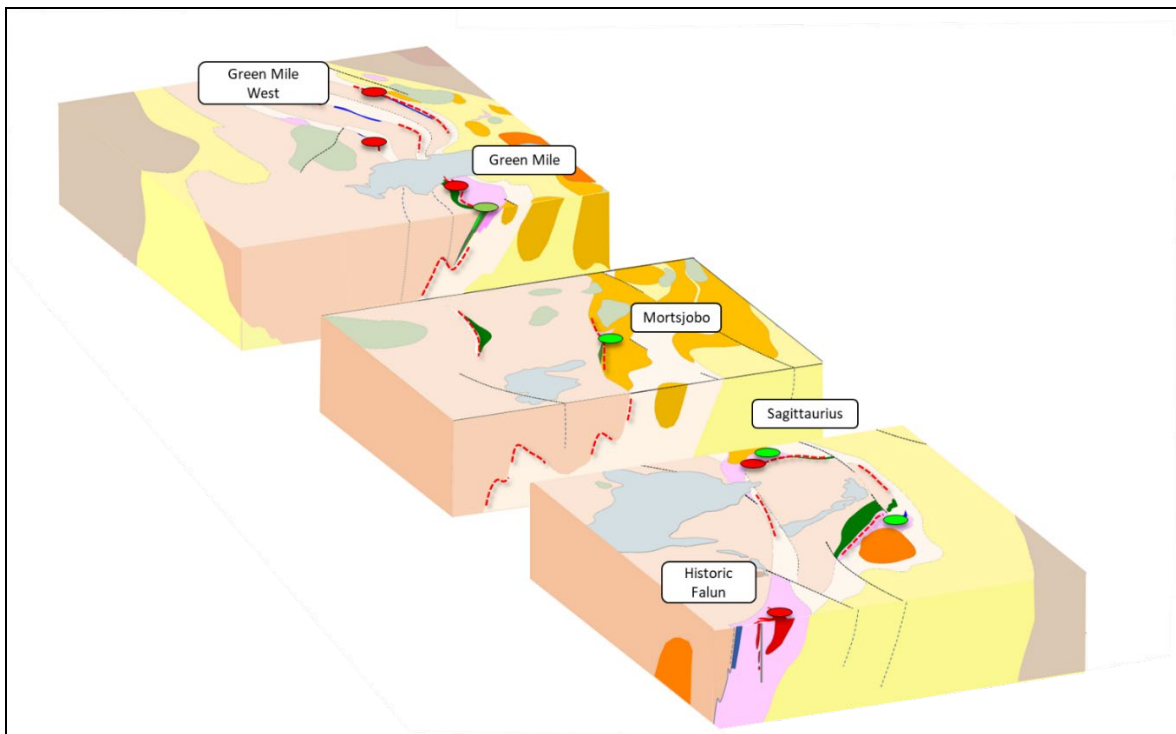


Figure 13: 3D Interpretation at depth of Green Mile project viewing West, based upon currently available information and assumptions. Existing mining tenure in red (Grönbo \*Historical Boliden Application for Mining Licence, most recent estimate, based on 1998 diamond drilling by Boliden, not JORC 2012 compliant, not within AQI tenure or material to AQI, estimate reported 21/12/1998) (ASX: 20/04/2021<sup>1</sup>).

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## 2. Review of Operations (continued)

Drillhole GRO20-04 was a step out from the copper intersection in GRO20-02, towards the historic Gronbo deposit 500 meters to the West. The hole started in stratigraphic hanging wall pumiceous rhyolite between 3.90-34.20m, followed by a strong alteration zone down to 101.65m. The basalt formation was intersected between 101.65-110.55m followed by a mafic dike down to 115.40m. The dike is interpreted to occupy a fault. Strongly altered footwall rhyolites occur to end of hole at 189.40m. No significant mineralisation was encountered in the drill hole (ASX: 20/04/2021<sup>1</sup>).

Drillhole GRO20-05 was a step out to the East from the copper intersection in GRO20-02 hole. The hole collared in moderate to strongly altered stratigraphic hanging wall pumiceous rhyolite.

At 76.10m to end of hole at 189.30m, a basaltic sequence was intersected. Local swirly scoria-like textures are interpreted representing a fire fountain genesis. Strong epidote alteration occurs as local veins throughout the intersected basalt, accompanied by visual chalcopyrite, pyrrhotite and pyrite at 91.22-94.6m (ASX: 20/04/2021<sup>1</sup>).

Assay results show 3.41m with 0.20% copper including a vein with 1.12 % copper at 94.25-94.63m (ASX: 20/04/2021<sup>1</sup>).

Assay results from drillhole GRO20-02 returned 2.78m with 0.89% copper between 24.58-27.36m hosted by basalt, included a higher-grade vein with 2.12% copper and 0.25 g/t gold at 26.75-27.36m. A second zone at 32.80-34.36 meter assayed 1.18% copper and 0.1 g/t gold (ASX: 20/04/2021<sup>1</sup>).

Assays results from drillhole GRO20-03 drilled 2 km West of Green Mile shows anomalous copper values between 67.40-78.71 metres with highest grade at 72.04-72.29 with 0.15% copper (ASX: 20/04/2021<sup>1</sup>).

The intersected zones 500m East of Green Mile deposit is interpreted as copper-gold bearing medial parts of an alteration system asymmetrically affecting footwall and hanging wall felsic stratigraphy, preferably precipitating the sulphides in the intersected basalt formation. True limestone strata has not been intersected, possibly due to a combination of faults and palaeo topography.

Structurally the Greater Falun area is quite complex, and more work remains to be done. South-west of the Green Mile deposit (owned by Boliden) a set of outcrops have been mapped with clastic basalt textures inferring the target formation outcrops at surface in the surrounding hanging wall felsic pyroclastics, indicating dome or ridge-like structures occurring to the south.

This creates opportunities for near surface targeting within the more than 20km<sup>2</sup> large area to the south consisting mainly of hanging wall pyroclastic rhyolites mapped at surface. Potential deposits would be blind and not have been touched by the inland ice with no traces in the form of boulders or metal anomalies in the till. If they occur at considerable depths, or have a steeply dipping rod like shape, they would be blind to most electromagnetic surveying attempts.

### *The Swamp Thing and Wolf Mountain Targets*

A key development recently understood in the Wolf Mountain area is the relationship between the outlined extensive alteration system at Wolf Mountain and the recently discovered intrusion-proximal copper-gold skarn at The Swamp Thing.

The developing model is that the scale of the combined system is of a magnitude larger than what has previously been considered when looking at Swamp Thing or Wolf Mountain in their own right (refer Figure 14).

2. Review of Operations (continued)

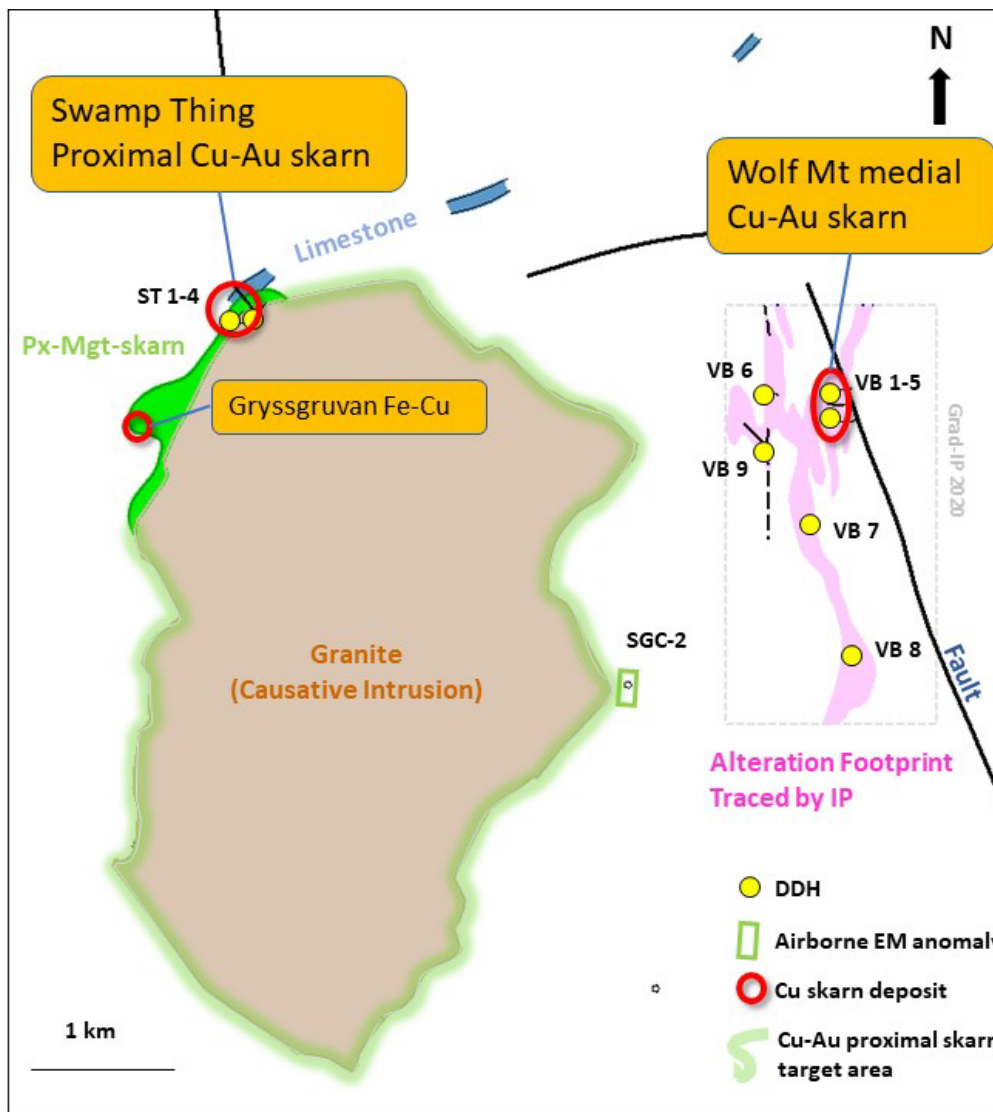


Figure 14: Combined Swamp Thing and Wolf Mountain map

*The Swamp Thing*

Four drill holes have been completed at The Swamp Thing (Enmyregruvan), ST20-01 to ST21-04. ST20-01 intersected a mineralized zone with copper-gold skarn in the contact between limestone and an intruding apophyse of a feldspar porphyry, showing what the potential target mineralisation could look like within this environment. Assay results from 58.30-58.62m returned 3.25% Cu, 1.36 g/t Au, 31 g/t Ag and elevated Bi at 55 ppm (refer Photo 1) (ASX: 20/04/2021<sup>1</sup>).



Photo 1: Drill core ST20-01 from 58.30m with visual sulphides of Chalcopyrite (visuals reported ASX:27/01/2021) (ASX: 20/04/2021<sup>1</sup>)

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2. Review of Operations (continued)

A second hole, ST20-02, targeted the potential limestone contact zone to a larger body of a feldspar porphyry outlined at surface with an old showing Northeast of ST20-01. From 3.20-45.40m a sequence of felsic volcanoclastics intruded by numerous granite apophyses was intersected, with a sharp contact to a feldspar porphyry at 45.40m. The hole ended in the feldspar porphyry at 121.80m without intersecting significant sulphides. Subsequent lithochemical analysis has revealed that the feldspar porphyry intersected in the deeper parts of ST20-02 represents a different rock than the Cu-Au skarn causing feldspar porphyry intersected in ST20-01 (ASX: 20/04/2021<sup>1</sup>).

ST21-03 was drilled semi-parallel to number 01 hole to the South expecting intersecting the limestone stratigraphy. The hole intersected an altered granite with disseminated pyrite and traces of chalcopyrite and molybdenite locally.

ST21-04 (refer Figure 15) finally intersected the contact zone between the granite in the south and the limestone succession to the north. The hole collared in altered granite and then intersected massive skarn between 48.50-104.20m down hole, with numerous altered granite apophyses. Magnetite-rich Fe-skarn dominates the core but with local pyrite-chalcopyrite bearing Mg-skarn zones (56.51-56.81m returned 1.16% Cu, 76.75-77.28m returned 1.06% Cu & 95.45-96.03m returned 0.41% Cu). Altered granite at 104.20-144.60m is followed by a gabbro down to 160.56m. Lithochemical analysis has revealed that the latter is very similar to the porphyry intersected in ST20-02, however clearly different to the more granodioritic, feldspar-porphyrific rock related to Cu-Au-Ag mineralization in hole ST20-01. A massive skarn zone at 160.56-175.80 has remnants of limestone, and disseminated magnetite, iron sulphides and chalcopyrite. Assays from 166.82-175.33m (0.30% Cu, 0.19 g/t Au, 3.6 g/t Ag) included a zone between 174.11-174.51m with 3.76% Cu, 2.36 g/t Au and 37 g/t Ag (refer Photo 2). A fresh diabase dike between 175.80-191.15m cuts off the skarn zone. The hole ends in an altered granite at 195.20m down hole (ASX: 20/04/2021<sup>1</sup>).

The Swamp Thing project constitutes the best example encountered so far of intrusion-proximal limestone-skarn hosted setting of a copper-gold skarn within the Greater Falun Project. Further work is being planned.



Photo 2: Drill core ST21-04 from 174.4m with visual sulphides of Chalcopyrite and Bornite (ASX: 20/04/2021<sup>1</sup>)

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2. Review of Operations (continued)

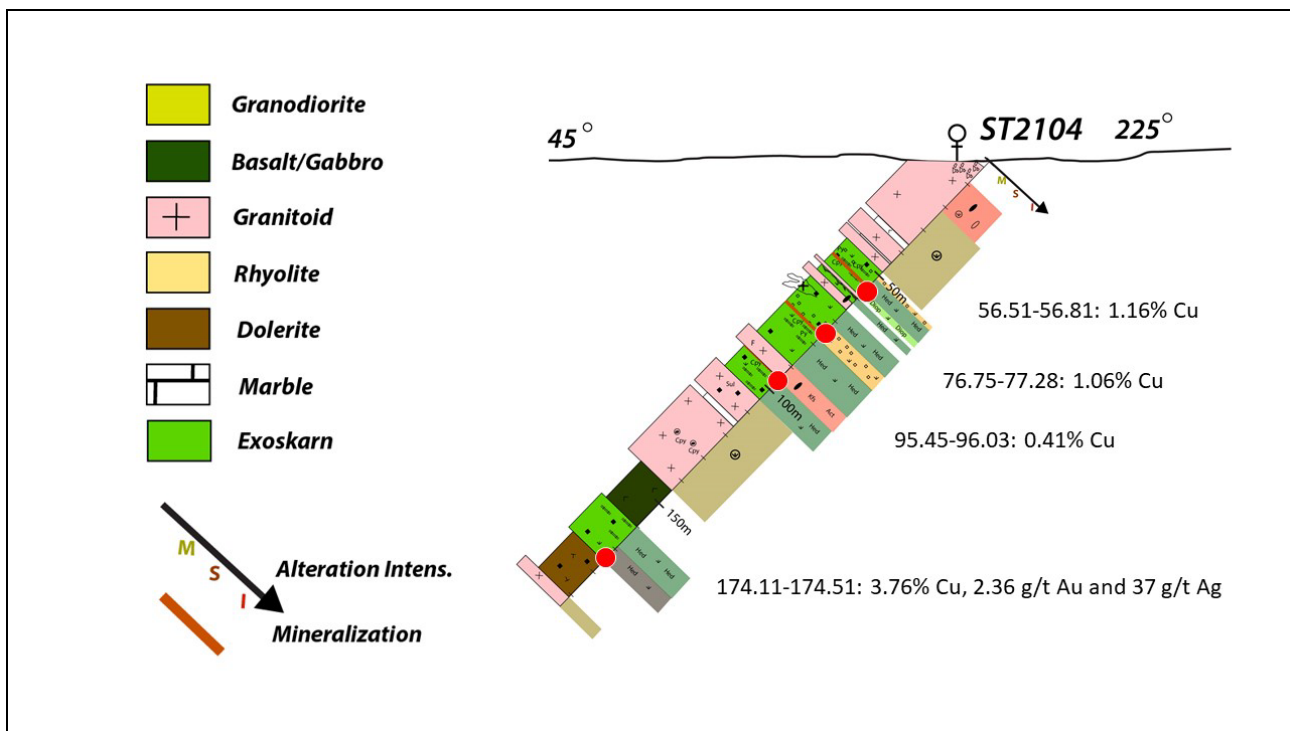


Figure 15: Profile of drill core ST21-04 (ASX: 20/04/2021)

Wolf Mountain

Distal Copper-gold skarn mineralization was drilled at the Wolf Mt prospect during early 2020 based upon a high IP, Low resistivity anomaly discovered in late 2019. Following the discovery of numerous IP anomalies in an expanded IP study in mid-2020, similar alteration styles have been intersected in recent drilling targeting IP anomalies to the West and South of Wolf Mt. The intersected IP anomalies, together with the previously drilled Wolf Mt copper prospect, are interpreted to be caused by the distal parts of a large hydrothermal alteration system at play.

At the IPC anomaly, drillhole VB20-07 intersecting intense biotite-amphibole-garnet alteration assayed 0.21 g/t Au from 23.80-24.83m, indicating the fluid’s pathway. The alteration style has now been traced from Wolf Mt in north to IPD in South, a distance over two km’s, with the historic record of copper and gold at Rullputt another two kilometres to the Southwest (ASX: 20/04/2021<sup>1</sup>).

Volcanic stratigraphy in the area is dominated by thick sequences of resedimented silt and sandstones interrupted by minor juvenile pyroclastic mass-flow deposits. This is similar to the nature of the deeper footwall at the limestone-hosted high-grade Cu-Au-Zn-Pb-Ag Lustebo deposit in the Northeast.

The sub basin-like nature of the reworked ash-silt-sandstone volcanic strata in the Wolf Mt area could thus constitute the equivalent unit to the footwall of the Lustebo deposit. Given the distance between Wolf Mt and Lustebo being eight kilometres, it is most likely different causative intrusions to the two systems, which albeit could come from the same suite. Lustebo, similarly to Falun, shows a strongly polymetallic character indicating a “tight” system).

## 2. Review of Operations (continued)

### *Heden Target*

The drilling campaign at Heden was designed to explore a more than three-kilometre-long trend of limestone strata (up to 200m wide sequence at surface) with zoned garnet-pyroxene skarn alteration and associated chalcopyrite (refer Figure 16). Historical rock chip results of up to 3.1% Cu taken from historical workings at Heden East in pyroxene dominated skarn (ASX 15/06/2020<sup>1</sup>) and 1.4% Cu from Heden Central within massive garnet skarn (ASX 15/06/2020<sup>1</sup>) was interpreted to represent a larger skarn alteration zonation within a continuous limestone sequence (ASX 20/04/2021<sup>1</sup>).

At Heden East, copper has been mined near surface at the historic Efriksgårds mine. The alteration is dominated by pyroxene with minor garnet and retrograde amphibole-biotite with disseminated to strongly impregnated chalcopyrite-pyrrhotite mineralisation.

At Heden Central, limestone was mined in several small quarries where garnet skarn with impregnation of chalcopyrite can be seen in the waste dumps. Reoccurring limestone has been mapped across a 200m section at surface.

Several large, massive garnet-pyroxene boulders have been found in between Heden Central and East, thought to represent locally transported boulders from the same stratigraphy.

To the north the limestone is overlain by a thick package of quartz-feldspar crystal-rich rhyolite interpreted to possibly represent the equivalent pyroclastic sequence to what that can be found in the hanging wall to Falun deposit.

To the south biotite-amphibolite altered footwall volcanoclastic rocks have been mapped, as well as a potentially causative k-feldspar and epidote altered intrusion with endoskarn of magnetite and iron-pyroxene. Northeast of the intrusion a small showing, Upper Heden, has semi-massive magnetite-pyrrhotite with traces of chalcopyrite.

Gravity data provided by SGU (Swedish Geological Survey) has been reprocessed by SGC (Southern Geophysical Consultants) and show a residual gravity anomaly coinciding with mapped garnet-skarn alteration at Heden East to Central.

Airborne Magnetic data shows anomalies coinciding with interpreted strike of the target limestone sequence.

While drilling at Heden, two ground EM loops were surveyed. No major anomaly was detected, although a weak conductor at Heden East was later intersected.

2. Review of Operations (continued)

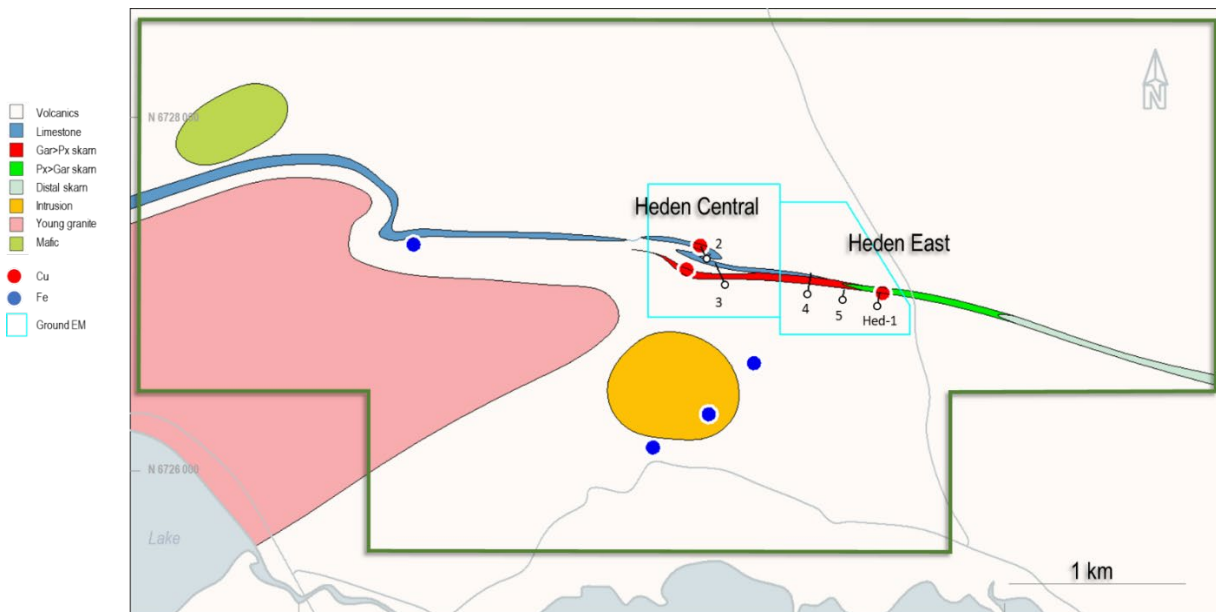


Figure 16: Heden plan map with drill holes 1 through to 5

HED20-01 targeting the depth extension of Efrikgårds copper mine collared in moderate mica altered felsic volcanites. At 39.30-40.30m pyrrhotite veins causes a weak EM anomaly seen with the ground survey. Light green pyroxene skarn at 67.00-72.46m is interpreted to constitute the depth continuation of the historic mine. Assay results from 71.44-72.46m returned 3.04% Cu, 0.1 g/t Au and 37 g/t Ag and had strongly elevated Bi (240 ppm) (refer Photo 3) (ASX: 20/04/2021<sup>1</sup>).

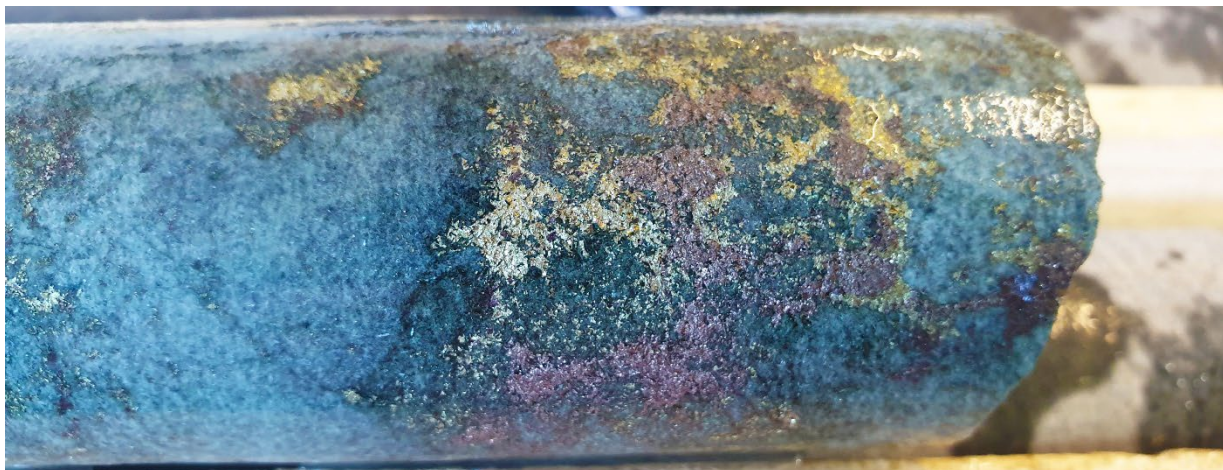


Photo 3: Drill core HED20-01 from 71.44m with visual sulphides of Chalcopyrite (visuals reported ASX:10/1/2020)<sup>1</sup> (ASX: 20/04/2021)<sup>1</sup>

HED20-02 drilled underneath the main limestone quarry at Heden Central. The hole collared in moderately biotite-silica altered felsic volcanites with a pegmatite between 5.60-22.50m. A thin skarn altered limestone unit at 67.00-69.75m was followed by fresh, quartz-phyric rhyolites interpreted to constitute the stratigraphic hanging wall pyroclastics. The hole was stopped at 119.4 metres. No major sulphide bearing zone was intersected (ASX: 20/04/2021<sup>1</sup>).



2. Review of Operations (continued)

HED20-03 drilled in the same profile to the South of the HED20-02 hole, collared in similar biotite-silica altered felsic volcanites. A gabbro occurs at 15.95-25.85m followed by massive garnet-pyroxene skarn to 34.70m. Marble at 80.65-81.90m and 115.45-120.20m is followed by the hanging wall quartz-phyrlic unit. The hole was stopped at 176.75 meters. No major sulphide bearing zone was intersected (ASX 20/04/2021<sup>1</sup>).

HED20-04 was drilled in between the profile at Heden Central and Heden East (roughly 1.0 kilometre apart), targeting a magnetic anomaly. The drillhole intersected strongly altered felsic volcanites with intense pyroxene altered limestone at 95.40-101.40 and 163.00-167.50 separated by a diffuse textured, altered granite. The hole was stopped at 182.00 meters. No major sulphide bearing zone was intersected (ASX 20/04/2021<sup>1</sup>).

HED20-05 was drilled in between 04 and 01 hole. The hole intersected moderate to intense altered felsic volcanics. No limestone unit or major sulphide bearing zone was intersected. The hole was stopped at 102.50m.

The Heden area is interpreted to constitute of a semi-regional to regional limestone unit with intense and extensive footwall alteration and covered by a quartz-phyrlic pyroclastic rhyolite sequence. The central Heden is dominated by Fe-skarn while the East Heden shows pale green Mg-skarn associated with Cu-Ag-(Au-Bi) mineralization. Early mapping at the Central zone indicated a up to 200m thick limestone unit but drilling has revealed it is a couple of meters thick only, with folding repetition. The fold hinge dips 20 degrees (only) towards East, creating elongated rod like shapes of the limestone in hinges, easily missed with drilling (as was the case with the major limestone pit targeted by HED20-02 hole).

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### Competent Person's Statement

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements above, and in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcements.

### Forward Looking Statements

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors constitute, among others, continued funding, general business, economic, competitive, political and social uncertainties; the actual results of exploration activities; changes in project parameters as exploration strategies continue to be refined; renewal of mineral concessions; accidents, labour disputes, contract and agreement disputes, and other sovereign risks related to changes in government policy; changes in policy in application of mining code; political instability; as well as those factors discussed in the section entitled "Risk Factors" in the Company's rights issue prospectus. The Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward looking statements, however there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this news release and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results, except as may be required by applicable securities laws. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

### New Information or Data

The company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement.

### Notes

- 1 For full details of these Exploration results, refer to the said Announcement or Release on the said date. Alicanto is not aware of any new information or data that materially affects the information included in the said announcement.
- 2 Garpenberg Mine statistics obtained from "Boliden Summary Report, Resources and Reserves, 2018" and <https://www.boliden.com/operations/mines/boliden-garpenberg>.
- 3 Falun Mine statistics obtained from Doctoral Thesis at Lulea University by Tobias Christoph Kampmann, March 2017 "Age, origin and tectonothermal modification of the Falun pyritic Zn-Pb-Cu-(Au-Ag) sulphide deposit, Bergslagen, Sweden"
- 4 Sala mine statistics obtained from a technical report written by Tegengren, 1924 "Sveriges Adlare Malmeroch Bergverk"
- 5 Zinkgruvan Mine statistics obtained from NI 43-101 Tech Report for Zinkgruvan Mine (November 2017) obtained from <https://www.lundinmining.com/>
- 6 TSXV Announcements Tumi Resources 1st January 2009, 26th February 2009, 1st March 2012, 2nd March 2012 and 6th November 2012. For full details of these Exploration results, refer to the said Announcement by Alicanto on 15th February 2021. Alicanto is not aware of any new information or data that materially affects the information included in the said announcement.

### Subsequent Events Note

- Sale of the Arakaka Gold Project to Virgin Gold Corporation ("Virgin Gold") was completed on 1 January 2022.
- As announced to the ASX the Company announced it had received its initial consideration of C\$700,000 from the sale of the Arakaka Gold Project to Virgin Gold Corporation ("Virgin Gold").

Virgin Gold completed its reverse takeover of Golden Shield Resources Inc. ("Golden Shield") (formerly Goldblock Capital Corp) and subsequent listing on the Canadian Stock Exchange ("Listing") effective 22 February 2022.

In addition, Alicanto is entitled to be issued up to a further C\$4 million in common shares in the listed entity subject to Golden Shield achieving a NI43-101 compliant resources on the Arakaka Project in the two years following completion, which will result in the recognition of this as a contingent asset on this listing being achieved.

There are no other material events subsequent to reporting date.

### 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 27.

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



**Peter George**  
**Managing Director**  
**Perth, Western Australia, 15 March 2022**



PO Box 1908  
West Perth WA 6872  
Australia  
Level 2, 40 Kings Park Road  
West Perth WA 6005  
Australia  
Tel: +61 8 9481 3188  
Fax: +61 8 9321 1204  
ABN: 84 144 581 519  
www.stantons.com.au

15 March 2022

Board of Directors  
Alicanto Minerals Limited  
Ground Floor,  
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 2021, 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**  
(An authorised audit company)

**Martin Michalik**  
Director



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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2021 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 controlled entities. 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  
Ground Floor, 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 – 26, which is not part of this financial report.

The interim financial report was authorised for issue by the directors on 15 March 2022. 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).

For the Half-Year Ended 31 December 2021

	Notes	Consolidated	
		31 December 2021 \$	31 December 2020 \$
<b>Revenue</b>			
Revenue from continuing operations	4(a)	2,476	2,453
Other income	4(b)	49	28,391
<b>Expenditure</b>			
Administration costs		(288,962)	(175,645)
Consultancy expenses	4(d)	(1,492,005)	(1,702,698)
Employee benefits expense		(220,039)	(210,747)
Share based payment expenses	4(d)	(184,969)	(952,042)
Occupancy expense		(8,271)	(10,222)
Compliance and regulatory expenses		(72,446)	(47,252)
Insurance expenses		(18,939)	(14,138)
Depreciation	4(c)	(16,458)	(29,713)
Depreciation on right of use assets	8	(142,122)	(4,949)
Impairment	6(b)	(3,610)	(6,600)
Exploration Expenditure	7	(2,762,598)	(1,204,225)
Interest expense of lease liability	10	(1,741)	(1,082)
Interest expense of hire purchase liability	11	(6,829)	-
Loss before income tax		<b>(5,216,464)</b>	<b>(4,328,469)</b>
Income tax expense		-	-
<b>Loss for the half-year attributable to owners</b>		<b>(5,216,464)</b>	<b>(4,328,469)</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	13C	<b>23,178</b>	(205,611)
<b>Total comprehensive loss for the half-year attributable to owners</b>		<b>(5,193,286)</b>	<b>(4,534,080)</b>
Basic and diluted loss per share (cents per share)		(1.5)	(1.8)

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

As at 31 December 2021

	Notes	Consolidated	
		31 December 2021 \$	30 June 2021 \$
<b>Current Assets</b>			
Cash and cash equivalents	5	7,210,804	4,512,532
Trade and other receivables		437,154	310,713
Assets held for sale	6	206,780	208,805
		<b>7,854,738</b>	<b>5,032,050</b>
<b>Non-Current Assets</b>			
Trade and other receivables		486,038	486,388
Property, plant and equipment	6	18,910	7,577
Right of use assets	8	354,267	409,411
Exploration and evaluation expenditure	7	1,500,000	1,500,000
		<b>2,359,215</b>	<b>2,403,376</b>
<b>Total Assets</b>		<b>10,213,953</b>	<b>7,435,426</b>
<b>Current Liabilities</b>			
Trade and other payables	9	580,246	699,736
Provisions		49,722	32,351
Lease liabilities	10	32,452	10,915
Hire purchase liabilities	11	213,085	207,835
		<b>875,505</b>	<b>950,837</b>
<b>Non-Current Liabilities</b>			
Lease liabilities	10	94,217	39,268
Hire purchase liabilities	11	-	107,872
		<b>94,217</b>	<b>147,140</b>
<b>Total Liabilities</b>		<b>969,722</b>	<b>1,097,977</b>
<b>Net Assets</b>		<b>9,244,231</b>	<b>6,337,449</b>
<b>Equity</b>			
Contributed equity	12	32,323,287	25,793,913
Reserves	13	6,500,012	4,906,140
Accumulated losses		(29,579,068)	(24,362,604)
		<b>9,244,231</b>	<b>6,337,449</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

For the Half-Year Ended 31 December 2021

Consolidated	Contributed Equity	Accumulated Losses	Foreign Currency Translation Reserve	Option Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2020	19,164,805	(17,001,494)	(57,246)	2,038,313	4,144,378
Loss for the half-year	-	(4,328,469)	-	-	(4,328,469)
Foreign exchange differences	-	-	(205,611)	-	(205,611)
<b>Total comprehensive loss for the half-year</b>	<b>-</b>	<b>(4,328,469)</b>	<b>(205,611)</b>	<b>-</b>	<b>(4,534,080)</b>
Transactions with owners in their capacity as owners:					
Contributions of equity (net of transaction costs)	6,610,328	-	-	-	6,610,328
Equity settled share based payment transactions	-	-	-	2,950,798	2,950,798
	6,610,328	-	-	2,950,798	9,561,126
<b>Balance at 31 December 2020</b>	<b>25,775,133</b>	<b>(21,329,963)</b>	<b>(262,857)</b>	<b>4,989,111</b>	<b>9,171,424</b>
Balance at 1 July 2021	25,793,913	(24,362,604)	(268,805)	5,174,945	6,337,449
Loss for the half-year	-	(5,216,464)	-	-	(5,216,464)
Foreign exchange differences	-	-	23,178	-	23,178
<b>Total comprehensive loss for the half-year</b>	<b>-</b>	<b>(5,216,464)</b>	<b>23,178</b>	<b>-</b>	<b>(5,193,286)</b>
Transactions with owners in their capacity as owners:					
Contributions of equity (net of transaction costs)	6,529,374	-	-	-	6,529,374
Equity settled share based payment transactions	-	-	-	1,570,694	1,570,694
	6,529,374	-	-	1,570,694	8,100,068
<b>Balance at 31 December 2021</b>	<b>32,323,287</b>	<b>(29,579,068)</b>	<b>(245,627)</b>	<b>6,745,639</b>	<b>9,244,231</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 2021

	Notes	Consolidated	
		31 December 2021 \$	31 December 2020 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of goods and services tax)		-	-
Payments to suppliers and employees		(801,857)	(599,491)
Interest paid		(8,570)	-
Interest received		3,089	2,205
Payments for exploration and evaluation		(2,882,665)	(1,315,918)
Cashflow boost		-	28,548
<b>Net cash (used in) operating activities</b>		<b>(3,690,003)</b>	<b>(1,884,656)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(19,415)	-
<b>Net cash (used in) investing activities</b>		<b>(19,415)</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		7,000,000	7,426,500
Payments for costs of issue of shares		(470,626)	(392,812)
Payment of lease liabilities		(121,684)	-
<b>Net cash provided by financing activities</b>		<b>6,407,690</b>	<b>7,033,688</b>
<b>Net increase in cash and cash equivalents</b>		<b>2,698,272</b>	<b>5,149,032</b>
Cash and cash equivalents at the beginning of the period		4,512,532	2,431,923
<b>Cash and cash equivalents at the end of the period</b>	5	<b>7,210,804</b>	<b>7,580,955</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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

This general purpose interim financial report for the half-year reporting period ended 31 December 2021 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with Australian Accounting Standards ensures compliance with International Financial Reporting Standards IAS 34: Interim Financial Reporting.

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 2021 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, modified where applicable by the measurement of fair value of selected financial assets and financial liabilities. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

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, other than as disclosed below.

### Going Concern

The consolidated 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 2021 was \$5,216,464 with \$7,210,804 of cash and cash equivalents and net assets of \$9,244,231 as at 31 December 2021.

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.

### New and revised accounting standards and interpretations adopted by the Group

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

### Exploration and evaluation expenditure

Exploration, evaluation and development expenditure is expensed as incurred other than for the capitalisation of acquisition costs.

## 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.

## 2. Segment information (continued)

The segment information provided to the board of directors for the reportable segments for the half-year ended 31 December 2021 is as follows:

	Exploration			
	Guyana	Sweden	Corporate	Total
	\$	\$	\$	\$
Half-year ended 31 December 2021				
Total segment revenue and other income				
Interest revenue	-	-	2,476	2,476
Other income	-	-	49	49
Total segment revenue and other income	-	-	2,525	2,525
Depreciation expenses -plant & equipment	-	-	(3,107)	(3,107)
Depreciation expenses -low value assets	-	-	(3,221)	(3,221)
Depreciation expenses -assets held for resale	(10,130)	-	-	(10,130)
	(10,130)	-	(6,328)	(16,458)
Depreciation Right of use assets	-	-	(142,122)	(142,122)
Impairment expenses	-	-	(3,610)	(3,610)
Total segment (loss) before income tax	(402,314)	(2,384,253)	(2,429,897)	(5,216,464)
Half-year ended 31 December 2020				
Total segment revenue and other income				
Interest revenue	-	-	2,453	2,453
Other income	-	-	28,391	28,391
Total segment revenue and other income	-	-	30,844	30,844
Depreciation Expense	(26,896)	-	(2,817)	(29,713)
Depreciation Right of use assets	-	-	(4,949)	(4,949)
Total segment (loss) before income tax	(370,886)	(859,965)	(3,097,618)	(4,328,469)
Total segment assets				
31 December 2021	216,604	467,253	9,530,096	10,213,953
30 June 2021	217,225	479,297	6,738,904	7,435,426
Total segment liabilities				
31 December 2021	38,580	364,121	567,021	969,722
30 June 2021	7,812	446,642	643,523	1,097,977

The corporate assets total for 31 December 2021 and 30 June 2021 includes the \$1,500,00 Sweden acquisition costs.

## 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 2021 \$	31 December 2020 \$
<b>4. Revenue and Expenditure</b>		
(a) Revenue from continuing operations		
Interest received	2,476	2,453
Total revenue from continuing operations	2,476	2,453
(b) Other income		
Foreign currency gains /(losses)	49	(157)
Cashflow boost	-	28,548
Total other income	49	28,391
(c) Depreciation expense		
Depreciation expenses -plant & equipment	3,107	29,713
Depreciation expenses -low value assets	3,221	-
Depreciation expenses -assets held for resale	10,130	-
Total depreciation expense	16,458	29,713
(d) Share Based Payments		
<p>During the period Alicanto issued a total of 10,000,000 unquoted options to a corporate consultant (2020: 56,000,000 issued to a combination of management and consultants) which has been valued using Black-Scholes option pricing formula valuing them at \$1,204,116 (2020: 2,897,250) and which has been expensed and are included in the Consolidated Profit or Loss and Other Comprehensive Income as follows.</p>		
• Consultancy expenses	1,204,116	1,544,181
• Share based payment expenses	-	929,709
• The remaining amount was directly related to sponsoring brokers and as such has been treated as share issue expenses	-	423,360
<p>The Company also issued 9,000,000 performance rights (2020: 5,500,000) to directors and consultants. The fair value of the performance rights at grant date was \$1,167,000 (2020: 682,000). The expense for the period of \$134,835 (2020: 51,062) and which has been expensed and are included in the Consolidated Profit or Loss and Other Comprehensive Income as follows:</p>		
• Consultancy expenses	102,690	31,214
• Share based payment expenses	32,145	19,848
<p>Additionally, \$231,743 (2020: 2,485) was recognised as Share Based payments expense for Performance Rights issued in prior period which has been expensed and included in the Consolidated Profit and Loss and Other Comprehensive Income as follows:</p>		
• Consultancy expenses	78,919	-
• Share based payment expenses	152,824	2,485
<p>Within consultancy expenses of \$1,492,005, other than share based payments totalling \$1,385,725 is an amount of \$106,280 relating to consultancy expenses.</p>		

	Consolidated	
	31 December 2021 \$	30 June 2021 \$
<b>5. Cash &amp; Cash Equivalents</b>		
(a) Cash & cash equivalents		
Cash at bank and in hand	7,210,804	4,512,532
Total cash and cash equivalents	7,210,804	4,512,532
(b) Cash at bank and on hand		
<p>Cash on hand is non-interest bearing. Cash at bank bears interest rates of between 0.00% and 0.27% (30 June 2021: 0.00% and 0.20%).</p>		

	Consolidated				
	31 December 2021	30 June 2021			
	\$	\$			
<b>6. Property, Plant and Equipment</b>					
(a) Current	206,780	208,805			
(b) Non-current	18,910	7,577			
	225,690	216,382			
<i>Sale of Gold Project Guyana, South America</i>					
As announced to ASX on 1 June 2021 Alicanto entered a sale agreement with Virgin Gold Corporation (Virgin Gold) under which Alicanto will sell its Arakaka Gold Project in Guyana to Virgin Gold for cash and shares with a total value of up to C\$4.75 million, subject to satisfaction of milestones (Sale Agreement).					
Included in the Guyana total asset balance per Note 2 is Property, plant and equipment balances held by Strata Gold with a written down value of \$206,780 (June 2021: \$208,805, refer Note 2 Segment Report on page 34). Due to the expected completion of this sales within the next 12 months, the carrying value of these assets was reclassified as current asset held for sale on prior period as disclosed in the consolidated statement of financial position.					
On 10 December 2021, Alicanto announced to ASX that all the conditions precedent of the Sales Agreement had been satisfied or waived and that completion was set to occur on 1 January 2022. On 7 February, the Company received the final consideration of C\$700,000 from Virgin Gold Corporation.					
	Leasehold Improvements	Plant and Equipment Office	Plant and Equipment Field	Motor Vehicles	Consolidated Total
	\$	\$	\$	\$	\$
<b>6(a) Current</b>					
At 31 December 2021					
Opening net book amount	-	6,831	100,681	101,293	208,805
Depreciation charge	-	(793)	(5,496)	(3,841)	(10,130)
Effect of exchange rates	-	260	3,902	3,943	8,105
Closing net book amount	-	6,298	99,087	101,395	206,780
At 31 December 2021					
Cost	-	13,079	250,975	274,840	538,894
Accumulated depreciation	-	(7,041)	(155,790)	(177,388)	(340,219)
Effect of exchange rates	-	260	3,902	3,943	8,105
Net book amounts	-	6,298	99,087	101,395	206,780
<b>6(b) Non-current</b>					
At 31 December 2021					
Opening net book amount	-	7,577	-	-	7,577
Additions	5,874	8,180	3,996	-	18,050
Depreciation charge	-	(3,107)	-	-	(3,107)
Impairment	-	(3,610)	-	-	(3,610)
Closing net book amount	5,874	9,040	3,996	-	18,910
At 31 December 2021					
Cost	5,874	49,693	3,996	-	59,563
Accumulated depreciation	-	(37,043)	-	-	(37,043)
Impairment	-	(3,610)	-	-	(3,610)
Net book amount	5,874	9,040	3,996	-	18,910

	Leasehold Improvements	Plant and Equipment Office	Plant and Equipment Field	Motor Vehicles	Consolidated Total
	\$	\$	\$	\$	\$
<b>6. Property, Plant and Equipment (continued)</b>					
<b>6(b) Non-current (continued)</b>					
At 30 June 2021					
Opening net book amount	8,267	16,939	140,912	141,350	307,468
Additions	-	3,967	-	-	3,967
Depreciation charge	(1,667)	(4,703)	(25,457)	(25,237)	(57,064)
Written off balance	(6,600)	(796)	-	-	(7,396)
Reclassification to current asset held for sale	-	(6,831)	(100,681)	(101,293)	(208,805)
Effect of exchange rates	-	(999)	(14,774)	(14,820)	(30,593)
Closing net book amount	-	7,577	-	-	7,577
At 30 June 2021					
Cost or fair value	-	54,592	250,975	274,840	580,407
Reclassification to current asset held for sale	-	(6,831)	(100,681)	(101,293)	(208,805)
Accumulated depreciation	-	(40,184)	(150,294)	(173,547)	(364,025)
Net book amount	-	7,577	-	-	7,577

	Consolidated	
	31 December 2021	30 June 2021
	\$	\$
<b>7. Exploration &amp; Evaluation Expenditure</b>		
Opening balance at 1 July	1,500,000	1,500,000
Exploration expenditure at cost	2,762,598	3,247,522
Exploration expensed - Guyana	(378,345)	(673,170)
Exploration expensed - Sweden	(2,384,253)	(2,574,352)
Total Exploration and Evaluation Expenditure	1,500,000	1,500,000
<p>(i) On 3 February 2020 Alicanto Minerals Limited exercised its option to acquire 100% of shares in Zaffer (Australia) Pty Ltd ("Zaffer") which owns the Oxberg and Naverberg VMS (Volcanogenic Massive Sulphide) Projects within the highly endowed Cu-Au-Zn-Pb-Ag Bergslagen Mining District of Southern Sweden.</p> <p>In accordance with the terms of the Option and Share Sale Agreement approved by Shareholders on 31 July 2019 Alicanto issued 30,000,000 ordinary fully paid shares equally to the shareholders of Zaffer Australia Pty Ltd, in accordance with the Agreement, escrowed for 12 months.</p>		
<p>(ii) On 1 June 2021, Alicanto announced that it had agreed to sell the Arakaka Gold Project in Guyana. Alicanto announced on 10 December that further to this announcement that it has received notice from Virgin Gold Corporation ("Virgin Gold") that all the conditions precedent of the Sales Agreement had been satisfied or waived and that completion was set to occur on 1 January 2022.</p>		
<p>(iii) Combined exploration expenditure occurred in Guyana and Sweden totals \$2,762,598 for the 6 month period (30 June 2021: \$3,247,522 for the year.</p>		

	Notes	Consolidated	
		31 December 2021 \$	30 June 2021 \$
<b>8. Right of Use Assets</b>			
Right of use lease asset	8(a)	134,500	59,488
Right of use hire purchase asset – on initial recognition	8(d)	457,079	457,079
Right of Use Asset at cost		<u>591,579</u>	<u>516,567</u>
Accumulated depreciation – lease asset	8(b)	(8,772)	(10,906)
Accumulated depreciation – hire purchase asset		(228,540)	(96,250)
Accumulated depreciation		<u>(237,312)</u>	<u>(107,156)</u>
Net carrying amount		<u>354,267</u>	<u>409,411</u>
Adjustments recognised during the period			
<b>8(a)</b> Adjustment to initial recognition			
Right of use lease asset – on initial recognition		59,488	59,488
Adjustment	8(c)	(59,488)	-
Addition	8(c)	134,500	-
Right of use lease asset		<u>134,500</u>	<u>59,488</u>
<b>8(b)</b> Accumulated depreciation – opening balance		(10,906)	-
Depreciation		(9,832)	(10,906)
Adjustment		11,966	-
Accumulated depreciation – closing balance		<u>(8,772)</u>	<u>(10,906)</u>
Amount recognised in profit and loss			
Depreciation expense on right to use lease asset		(132,290)	(10,906)
Depreciation expense on right to use hire purchase asset		(9,832)	(96,250)
		<u>(142,122)</u>	<u>(107,156)</u>
<b>8(c)</b> The Company has a sub-lease over part of the premises at Ground Floor, 24 Outram Street, West Perth. From 1 October 2021, the previous lease agreement has been terminated pursuant to mutual agreement between the parties and as a result, the previous Right of Use Asset and Lease Liability for this lease agreement have been reversed. The new sub-lease agreement was accounted for as a new lease. At the date of the report an estimated life of 3.6 years remains. Where the option to extend is reasonably certain, this has been included in the calculation.			
The maturity analysis of the lease liabilities is shown at note 10.			
<b>8(d)</b> During 2021, the Company has entered into a hire purchase agreement to acquire a drill rig, with ownership transferring to it on satisfaction of the terms of the lease, being on meeting total payments set out in the agreement. There have been no changes to the terms and conditions during the period.			
The maturity analysis of the hire purchase liabilities is shown at note 11.			

	Consolidated	
	31 December 2021 \$	30 June 2021 \$
<b>9. Trade &amp; Other Payables</b>		
Current		
Trade payables	369,514	270,608
Other payables	210,732	429,128
Total current trade & other payables	<u>580,246</u>	<u>699,736</u>
Trade creditors are normally paid on 30-day payment terms.		

		Consolidated					
		31 December					30 June
		2021					2021
		\$					\$
<b>10. Lease Liabilities</b>							
Current							10,915
Non Current							39,268
							50,183
							126,669
<b>Amount recognised in profit and loss</b>							
Interest expense incurred on lease liability							2,281
							1,741
Lease Liability Maturity	Within	1 – 2 Years	2 – 3 Years	3 – 4 Years	4 – 5 Years	Total	
	1 Year						
<b>At 31 December 2021</b>							
Lease Payments	36,484	37,491	38,531	22,837	-	135,343	
Finance Charge	(4,032)	(2,828)	(1,542)	(272)	-	(8,674)	
Net Present Value	32,452	34,663	36,989	22,565	-	126,669	
Lease Liability Maturity	Within	1 – 2 Years	2 – 3 Years	3 – 4 Years	4 – 5 Years	Total	
	1 Year						
<b>At 30 June 2021</b>							
Lease Payments	12,951	13,300	13,660	14,032	1,172	55,115	
Finance Charge	(2,036)	(1,526)	(978)	(388)	(4)	(4,932)	
Net Present Value	10,915	11,774	12,682	13,644	1,168	50,183	

		Consolidated					
		31 December					30 June
		2021					2021
		\$					\$
<b>11. Hire Purchase Liabilities</b>							
Current							207,835
Non Current							107,872
							315,707
							213,085
<b>Amount recognised in profit and loss</b>							
Interest expense incurred on lease liability							9,357
							6,829
Lease Liability Maturity	Within	1 – 2 Years	2 – 3 Years	3 – 4 Years	4 – 5 Years	Total	
	1 Year						
<b>At 31 December 2021</b>							
Lease Payments	218,900	-	-	-	-	218,900	
Finance Charge	(5,815)	-	-	-	-	(5,815)	
Net Present Value	213,085	-	-	-	-	213,085	
Lease Liability Maturity	Within	1 – 2 Years	2 – 3 Years	3 – 4 Years	4 – 5 Years	Total	
	1 Year						
<b>At 30 June 2021</b>							
Lease Payments	218,900	109,450	-	-	-	328,350	
Finance Charge	(11,065)	(1,578)	-	-	-	(12,643)	
Net Present Value	207,835	107,872	-	-	-	315,707	



	Consolidated		Consolidated	
	31 December 2021 Shares	30 June 2021 Shares	31 December 2021 \$	30 June 2021 \$
<b>12. Contributed Equity</b>				
(a) Issued capital	382,713,617	327,867,461	32,323,287	25,793,913
Ordinary shares – fully paid	382,713,617	327,867,461	32,323,287	25,793,913
	<b>Date</b>	<b>Shares</b>	<b>Issue Price</b>	<b>Total \$</b>
(b) Movements in issued capital				
Opening Balance 1 July 2021		327,867,461		25,793,913
Performance shares issued	10 Aug 21	1,000,000	\$0.000	-
Placement	23 Nov 20	53,846,156	\$0.130	7,000,000
Less: Transaction costs				(470,626)
Closing Balance at 31 Dec 2021		<u>382,713,617</u>		<u>32,323,287</u>
1.	On 10 August, 1,000,000 performance right shares were issued to Travis Schwertfeger, a consultant to the Company having vested on the on the Boards determination that the following hurdles having been met			
(a)	the provision of timely and accurate advice to the management team of the Company in order to allow the Company to keep in good standing all critical relationships and agreements with landholders, partners and government agencies in Guyana; and			
(b)	the provision of geological advisory services to the management team of the Company to assisting in the development of an Inferred Mineral Resource (as defined in the JORC Code 2012) at the Arikaka Project in excess of 1Mt.			
2.	On 23 November 2021, the placement to sophisticated and professional investors was completed by issuing 53,846,156 fully paid ordinary shares at \$0.13 per share raising \$7,000,000 before issue costs.			

	31 December 2021 \$	30 June 2021 \$
<b>13. Reserves</b>		
<b>A. Unlisted Option Reserve</b>		
Opening balance – 1 July	4,938,048	2,038,313
Options vested	-	2,485
Options issued to directors, employees and consultants	1,204,116	2,897,250
Total Unlisted Option Reserve	<u>6,142,164</u>	<u>4,938,048</u>
The share based payment reserve records items recognised on valuation of director, employee and contractor share options and performance rights. Information relating to options and performance rights issued, exercised and lapsed during the financial year and options outstanding at the end of the financial period, is set out in note 14.		
<b>B. Performance Rights Reserve</b>		
Opening balance – 1 July	236,897	-
Portion of fair value recognised as expense	366,578	236,897
Total Performance Rights Reserve	<u>603,475</u>	<u>236,897</u>
<b>C. Foreign Currency Translation Reserve</b>		
Opening balance – 1 July	(268,805)	(57,246)
Translation of foreign subsidiary	23,178	(211,559)
Total Foreign Currency Translation Reserve	<u>(245,627)</u>	<u>(268,805)</u>
Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve. The reserve is recognised in the consolidated statement of profit or loss when the net investment is disposed of.		
<b>D. Total Reserves</b>		
Unlisted Option Reserve and Performance Rights	6,745,639	5,174,945
Foreign Currency Translation Reserve	(245,627)	(268,805)
Total Reserves	<u>6,500,012</u>	<u>4,906,140</u>
As at 31 December 2021, the Company has 95,000,000 (June 2021: 85,000,000) Unlisted Options on issue and 13,500,000 (June 2021: 5,500,000) Performance Rights on issue.		

14. Share Based Payments

Expiry date	Exercise price	Balance at start of year	Granted during the period	Exercised during the period	Cancelled/lapsed during the period	Balance at end of the period
(a) December 2021 unlisted share option details						
14 Mar 24	\$0.030	5,000,000	-	-	-	5,000,000
17 Jun 23	\$0.065	24,000,000	-	-	-	24,000,000
13 Aug 25	\$0.100	37,000,000	-	-	-	37,000,000
24 Nov 25	\$0.100	9,000,000	-	-	-	9,000,000
24 Nov 25	\$0.100	2,500,000	-	-	-	2,500,000
24 Nov 25	\$0.150	2,500,000	-	-	-	2,500,000
24 Nov 25	\$0.200	2,500,000	-	-	-	2,500,000
24 Nov 25	\$0.250	2,500,000	-	-	-	2,500,000
26 Jul 26	\$0.200	-	10,000,000	-	-	10,000,000
		85,000,000	10,000,000	-	-	95,000,000
Weighted average exercise price		\$0.095	\$0.20	-	-	\$0.110
(b) June 2021 unlisted share option details						
30 Apr 21	\$0.001	1,750,000	-	(1,750,000)	-	-
6 Aug 21	\$0.001	500,000	-	(500,000)	-	-
14 Mar 24	\$0.030	5,000,000	-	-	-	5,000,000
17 Jun 23	\$0.065	24,000,000	-	-	-	24,000,000
13 Aug 25	\$0.100	-	37,000,000	-	-	37,000,000
24 Nov 25	\$0.100	-	9,000,000	-	-	9,000,000
24 Nov 25	\$0.100	-	2,500,000	-	-	2,500,000
24 Nov 25	\$0.150	-	2,500,000	-	-	2,500,000
24 Nov 25	\$0.200	-	2,500,000	-	-	2,500,000
24 Nov 25	\$0.250	-	2,500,000	-	-	2,500,000
		31,250,000	56,000,000	(2,250,000)	-	85,000,000
Weighted average exercise price		\$0.055	\$0.113	\$0.001	-	\$0.095

(a) Fair value of listed options granted

The fair value of listed options granted is calculated as the market value prevailing at the date on which the options are authorised for issue. No listed options were issued this year (June 2021: Nil).

(b) Fair value of unlisted options granted

During the period there were a total of 10,000,000 unlisted options issued to a consultant, with the weighted average fair value of the options granted during the year being \$0.20. The price was calculated using the Black-Scholes Option Pricing Model applying the inputs set out at 14(b).

Peer volatility has been the basis for determining expected share price volatility as it assumed that this is indicative of future tender, which may not eventuate. The life of the options is based on historical exercise patterns, which may not eventuate in the future. Total share-based payment transactions recognised during the period/year are as set out in (d) below.

14. Share Based Payments (continued)

(b) Fair value of unlisted options granted (continued)

Option Issues	Grant Date	Options Granted	Exercise Price	Life of Option	Share Price on Grant Date	Price Volatility	Risk Free Interest Rate	Discount Factor for Lack of Marketability	Fair Value Per Option	Fair Value Per Issues
ID Number		Number	\$	Years	\$	%	%	%	\$	\$
<b>December 2021</b>										
The unlisted options issued during the half-year are made up as follows are represented in the below table and as described below:										
OPT12	26/7/21	10,000,000	\$0.20	5	\$0.165	103	0.58	0	0.12041	1,204,116
		<u>10,000,000</u>								<u>1,204,116</u>
<ul style="list-style-type: none"> <li>On 2 August 2021 10,000,000 unquoted options were issued to Stephen Parson (or his nominee), who is a corporate consultant of the Company as a part of his remuneration as a corporate consultant of the Company, with an exercise price of \$0.20 and expiring on 26 July 2026.</li> </ul>										
Option Issues	Grant Date	Options Granted	Exercise Price	Life of Option	Share Price on Grant Date	Price Volatility	Risk Free Interest Rate	Discount Factor for Lack of Marketability	Fair Value Per Option	Fair Value Per Issues
D Number		Number	\$	Years	\$	%	%	%	\$	\$
<b>December 2020</b>										
The unlisted options issued during the year are made up as follows are represented in the below table and as described below:										
OPT5	6/8/20	37,000,000	\$0.10	5	\$0.080	85	0.39	0	0.0498	1,843,055
OPT6	6/8/20	2,500,000	\$0.10	5	\$0.080	85	0.39	0	0.0498	124,531
OPT7	6/8/20	2,500,000	\$0.15	5	\$0.080	85	0.39	0	0.0439	109,681
OPT8	6/8/20	2,500,000	\$0.20	5	\$0.080	85	0.39	0	0.0395	98,811
OPT9	6/8/20	2,500,000	\$0.25	5	\$0.080	85	0.39	0	0.0361	90,337
OPT10	4/11/20	5,000,000	\$0.10	5	\$0.124	85	0.26	0	0.0863	431,586
OPT10	6/8/20	4,000,000	\$0.10	5	\$0.080	85	0.39	0	0.049	199,249
		<u>56,000,000</u>								<u>2,897,250</u>
<ul style="list-style-type: none"> <li>On 13 August 2020 37,000,000 unlisted options ('OPT5') were issued for services provided by management, consultants, advisors and incoming directors, with an exercise price of \$0.10 and expiring on 13 August 2025;</li> <li>On 24 November 2020 2,500,000 unlisted options ('OPT6') that were approved by shareholders at the General Meeting held on 4 November 2020 were issued, with an exercise price of \$0.10 and expiring on 24 November 2025;</li> <li>On 24 November 2020 2,500,000 unlisted options ('OPT7') that were approved by shareholders at the General Meeting held on 4 November 2020 were issued, with an exercise price of \$0.15 and expiring on 24 November 2025;</li> <li>On 24 November 2020 2,500,000 unlisted options ('OPT8') that were approved by shareholders at the General Meeting held on 4 November 2020 were issued, with an exercise price of \$0.20 and expiring on 24 November 2025;</li> <li>On 24 November 2020 2,500,000 unlisted options ('OPT9') that were approved by shareholders at the General Meeting held on 4 November 2020 were issued, with an exercise price of \$0.25 and expiring on 24 November 2025;</li> <li>On 24 November 2020 5,000,000 unlisted options ('OPT10') that were approved by shareholders at the General Meeting held on 4 November 2020 were issued, with an exercise price of \$0.10 and expiring on 24 November 2025.</li> <li>On 24 November 2020 4,000,000 unlisted options ('OPT10') that were approved by shareholders at the General Meeting held on 4 November 2020 were issued, with an exercise price of \$0.10 and expiring on 24 November 2025.</li> </ul>										

#### 14. Share Based Payments (continued)

##### (c) Fair value of performance rights issued

The table below discloses the number of performance rights granted, vested or lapsed during the half-year. Each performance right converts to one ordinary share in the Company upon satisfaction of the performance conditions linked to the rights. The rights do not carry any other privileges. The fair value of the performance rights granted is determined based on the number of rights awarded multiplied by the share price of the Company on the date awarded. There are performance rights issued with market conditions and monte-carlo simulation was used to determine the fair value of these performance rights.

Management has then assessed the likelihood of the performance conditions being achieved. If the probability is judged to be greater than 50%, the total value is recognised on a straight line basis over the vesting period (in this case from the award date to the expiry date) within the relevant expense or equity account. If the probability is judged 50% or less, no amounts are recognised in the period.

	Total no. awarded	Grant date	Vesting date	Expiry date	Exercise price Fair value of performance right grant date		No. lapsed/ cancelled/ forfeited during the period/ year	No. Granted during the period/ year	Total value of performance rights granted during the period / year	Amount recognised in 2021 half year based on vesting period	Total recognition to date
<b>As at 31 December 2021</b>											
Mr M Naylor 'Class D'	3,750,000	26 Jul 2021	N/A	2 Aug 2024	0.1586	Nil	-	3,750,000	594,750	80,949	80,949
Ms S Field 'Class D'	250,000	26 Jul 2021	N/A	2 Aug 2024	0.1586	Nil	-	250,000	39,650	5,397	5,397
Mr D Grieve 'Class E'	250,000	30 Jul 2021	N/A	2 Aug 2024	0.1550	Nil	-	250,000	38,750	5,339	5,339
Mr D Grieve 'Class F'	250,000	30 Jul 2021	N/A	2 Aug 2024	0.1550	Nil	-	250,000	38,750	5,339	5,339
Mr N Metzger 'Class G'	500,000	6 Aug 2021	N/A	30 Sep 2024	0.1350	Nil	-	500,000	67,500	5,666	5,666
Mr R Shorrocks 'Class G'	4,000,000	29 Sep 2021	N/A	30 Sep 2024	0.0969	Nil	-	4,000,000	387,600	32,145	32,145
	<b>9,000,000</b>						<b>-</b>	<b>9,000,000</b>	<b>1,167,000</b>	<b>134,835</b>	<b>134,835</b>
<b>As at 30 June 2021</b>											
Mr Peter George 'Class A'	3,000,000	4 Nov 2020	N/A	7 Aug 2022	0.124	Nil	-	3,000,000	372,000	152,823	244,904
Mr T Schwertfeger 'Class B'	1,000,000	4 Nov 2020	N/A	6 Aug 2021	0.124	Nil	1,000,000 <sup>1</sup>	-	124,000	16,684	124,000
Mr Erik Lundstam 'Class C'	1,500,000	4 Nov 2020	N/A	31 Dec 2022	0.124	Nil	-	1,500,000	186,000	62,236	99,735
	<b>5,500,000</b>						<b>1,000,000</b>	<b>4,500,000</b>	<b>682,000</b>	<b>231,743</b>	<b>468,639</b>

<sup>1</sup> In August 2021 the 1,000,000 Performance Rights were exercised and the Company issued 1,000,000 fully paid ordinary shares to Travis Schwertfeger based on service conditions and progressing Guyana towards a Resource having been met.

15. Contingencies and commitments

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

16. Events Occurring Subsequent to Reporting Date

- Sale of the Arakaka Gold Project to Virgin Gold Corporation ("Virgin Gold") was completed on 1 January 2022.
- As announced to the ASX the Company announced it had received its initial consideration of C\$700,000 from the sale of the Arakaka Gold Project to Virgin Gold Corporation ("Virgin Gold").

Virgin Gold completed its reverse takeover of Golden Shield Resources Inc. ("Golden Shield") (formerly Goldblock Capital Corp) and subsequent listing on the Canadian Stock Exchange ("Listing") effective 22 February 2022.

In addition, Alicanto is entitled to be issued up to a further C\$4 million in common shares in the listed entity subject to Golden Shield achieving a NI43-101 compliant resources on the Arakaka Project in the two years following completion, which will result in the recognition of this as a contingent asset on this listing being achieved.

There are no other material events subsequent to reporting date.

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In the directors' opinion:

- (a) the financial statements and notes set out on pages 28 to 44 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 2021 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.



**Peter George**  
Managing Director  
Perth, Western Australia, 15 March 2021

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

**Report on the Half-Year Financial Report**

*Conclusion*

We have reviewed the half-year financial report of Alicanto Minerals Limited (the "Company") and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2021, 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.

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

- (a) giving a true and fair view of Alicanto Minerals Limited's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on 15 March 2022.

*Responsibility of the Directors for the 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 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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*Auditor's Responsibility for the Review of the Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 Company's financial position as at 31 December 2021 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*.

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.

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
**(An Authorised Audit Company)**

*Stantons International Audit & Consulting Pty Ltd*

A handwritten signature in blue ink that reads "Martin Michalik".

**Martin Michalik**  
Director

West Perth, Western Australia  
15 March 2022

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