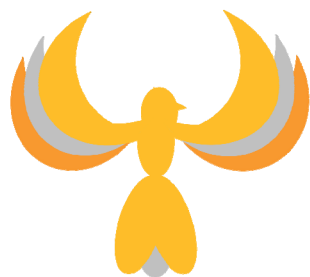


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ALICANTO
MINERALS LIMITED

ABN 81 149 126 858

2022 HALF-YEAR REPORT

CONTENTS

Corporate Directory	2
Directors' Report	3
Auditor's Independence Declaration	16
Directors' Declaration	37
Independent Auditor's Review Conclusion	38

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Non-Executive Chairman

Raymond Shorrocks

Managing Director

Robert Sennitt

Executive Director

Peter George

Non-Executive Director

Didier Murcia AM

Company Secretary

Maddison Cramer

Principal & Registered Office

Level 2, 8 Richardson 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

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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 2022.

1. Directors

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

Raymond Shorrocks	Non-Executive Chairperson
Robert Sennitt	Managing Director (appointed 1 September 2022)
Peter George	Executive Director
Didier Murcia	Non-Executive Director

2. Review of Operations

Corporate

Financial Performance and Position

The net operating loss after tax for the half year ended 31 December 2022 was \$3,815,927 (31 December 2021: \$5,216,464). The loss for the period includes \$2,262,860 (31 December 2021: \$2,762,598) in exploration and evaluation expenditure were also recognised during the half-year.

As at 31 December 2022 the Company had cash of \$2,775,351 (30 June 2022: \$3,251,569).

Share Placements

Further to the announcement of 31 August 2022, the Company completed the issue of 59,000,000 new fully paid ordinary shares at an issue price of \$0.05 per share in 2 tranches as set out below.

Tranche 1

On 7 September 2022, Alicanto Minerals completed a placement to sophisticated and professional investors to raise approximately \$1,345,000 (before costs) through the issue of 26,900,000 fully paid ordinary shares in the Company at an issue price of \$0.05 each.

Tranche 2

On 14 November 2022, following the approval of shareholders at the Annual General Meeting held on 8 November 2022, Alicanto Minerals completed a placement to sophisticated and professional investors to raise approximately \$1,605,000 (before costs) through the issue of 32,100,000 fully paid ordinary shares in the Company at an issue price of \$0.05 each.

October 2022 Performance Right Share Issues

On 25 October 2022, the Company exercised 2,000,000 Performance Rights and issued 2,000,000 fully paid shares to Executive Director Peter George based on service conditions and the ASX announcement of a maiden resource at the Sala Project being made.

2. Review of Operations (continued)

November 2022 Performance Rights Issued

On 29 November 2022, following the approval of shareholders at the Annual General Meeting held on 8 November 2022 the Company issued 14,000,000 Performance Rights to Managing Director Robert Sennitt (or his nominee) under the Employee Incentive Scheme as follows:

Tranche	Number of Performance Rights	Vesting Conditions	Milestone Date (from the date of commencing employment)
Tranche 1	1,000,000	The Company achieving a volume weighted average share price of \$0.10 or above for 20 consecutive Trading Days.	18 months
Tranche 2	2,000,000	The Company achieving a volume weighted average share price of \$0.30 or above for 20 consecutive Trading Days.	3 years
Tranche 3	3,000,000	The Company achieving a volume weighted average share price of \$0.50 or above for 20 consecutive Trading Days.	3 years
Tranche 4	2,000,000	The Company announcing a 4% or above Zn equivalent JORC Resource (inferred or indicated) of at least 20MT.	2 years
Tranche 5	2,000,000	The Company announcing a positive PFS Study, demonstrating greater than 100,000 oz gold production or as otherwise agreed by the Board.	2 years
Tranche 6	4,000,000	The Company obtaining all required permits to commence development and/or production at the Sala Mine in Sweden or as otherwise agreed by the Board.	4 years

December 2022 Performance Rights Exercised

On 23 December 2022, the Company exercised a total of 1,500,000 Performance Rights and issued 1,500,000 fully paid ordinary shares to contractors and consultants as a result of as follows:

- the acquisition of the Sala tenement package; and
- the achievement of a maiden resource at the Sala Project being made.

Annual General Meeting

Alicanto held its Annual General Meeting on the 8th November 2022. All resolutions were passed with greater than 98% voting in favour of all resolutions.

2. Review of Operations (continued)

Exploration

Alicanto Minerals is pursuing an aggressive exploration campaign in Sweden's highly regarded mining region of Bergslagen. This region is well known for its strong mining culture, large mineralised systems and highly developed infrastructure. It hosts world-class base and precious metals operating projects such as the Garpenberg mine owned by Boliden AB and the Zinkgruvan mine owned by Lundin Mining Corporation.

Alicanto is focused on two key projects in the region. The Sala zinc-silver-lead deposit and the Greater Falun copper-gold deposit, both of which have a long history of high-grade production. Alicanto believes these projects offer significant opportunity given the prospective mineralisation, the lack of historical exploration and the opportunity to apply modern exploration techniques to these deposits.

Alicanto have a highly credentialed team in Sweden which are managing the investigation of these two deposits. This team has been highly successful in the period under review, announcing a maiden JORC 2012-compliant Inferred Resource at Sala and some strong drilling results at the Greater Falun Project.

The work at Falun builds on the Alicanto thesis that there is a major mineralised belt stretching over 10km from the world class Falun mine through Alicanto's holdings at the Greater Falun Project. On the back of this analysis, Alicanto was successful in negotiating to acquire the historic Falun mine and prospective surrounding tenure which provides it with a total landholding in the area of 312km² and control over 60km of the target limestone horizon.

Figure 1: Map highlighting the location of Alicanto's projects within the Bergslagen region of Sweden^{1,2,3,4}



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2. Review of Operations (continued)

Sala zinc-silver-lead project (AQI 100%)

Sala, was previously one of the largest and highest grade silver mines in Europe. Following completion of mining at Sala in 1908, it had produced more than **200Moz of silver at an estimated average grade of 1,244 g/t with grades reported as high as 7,000 g/t**. Sala also produced over 35,000t of lead at grades of 1-2% as well as mined zinc at an average grade of 12%³.

In July 2022, the Company achieved a major milestone by announcing a maiden JORC 2012-compliant Inferred Resource at Sala, a little over a year since the acquisition of the project. The Resource estimate, which was independently estimated by leading Perth-based Cube Consulting, was based on the combination of historical drilling data from several sources as well as the Company's own drilling campaign during the period. This drilling campaign has included over 20,771m of diamond drill holes since the acquisition of the project in February 2021.

The reported maiden Resource comprises a total of **9.7Mt @ 4.5% zinc (Eq) containing over 311,000 tonnes of zinc, 15Moz of silver and 44,000 tonnes of lead** reported at the 2.5% Zn (Eq) cut-off⁵.

Included in the Maiden Resource is a coherent near surface high-grade breccia zone dominated by semi massive sphalerite which contains the majority of **4.5Mt @ 6.0% Zn (Eq) containing 8.5Moz of Silver and 201,000 tonnes of Zinc** reported at the 4% Zn (Eq) cut-off⁵.

Based on this Resource, **Sala now ranks as the largest, active undeveloped zinc-silver-lead deposit in Sweden.**

The mineralisation at Sala is analogous to other world class zinc-silver-lead systems, including Boliden's Garpenberg mine located just 50km from Sala.

It was previously 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. The Company notes that Garpenberg is now operating at depths that exceed 1.4km with Zinkgruvan down at 1.3km.

During the period under review, drilling recommenced at the Sala project. The ongoing exploration strategy at Sala is to continue to build out the Resource through an extensive diamond drill program focused on near surface and down plunge extensions of the high grade zone as well as other highly prospective, step out growth targets as highlighted in Figures 2 and 3. The mineralised system remains open for further growth both at depth below both the Prince and Sala Lodes and from surface along the prospective lithological horizon.

The Company is also focused on several antiform structures that run parallel to Sala (targets 3 and 4) which have the potential for significant silver grades given the high abundance of late-stage hydrothermal calcite veining together with high grade rock chip samples up to 1,480g/t⁶ of silver at surface, similar to the high grade portions in the historic Sala mine.

2. Review of Operations (continued)

Sala zinc-silver-lead project (AQI 100%) (continued)

Figure 2: Long Section through the block model of Prince Lode and the Sala northern extension. Looking towards the east with the Sala mine in the background illustrated in grey and the multiple areas of high-priority step-out growth targets marked 1-6 in red. Highlight drill intersections (AQI:ASX 15 February 2021, 5 April 2021, 13 October 2021, 25 October 2021, 23 March 2022 and 21 June 2022).⁷

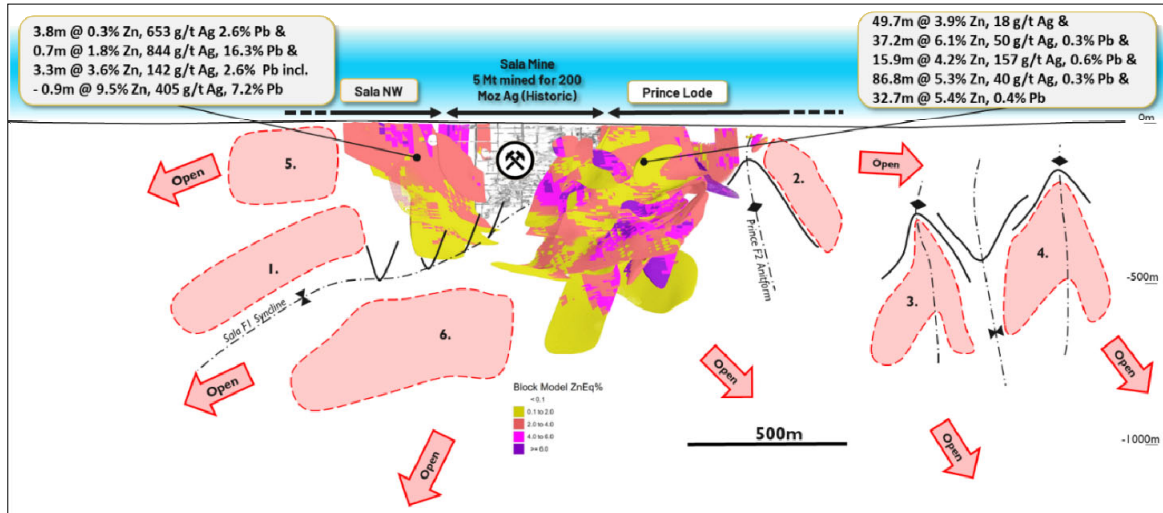
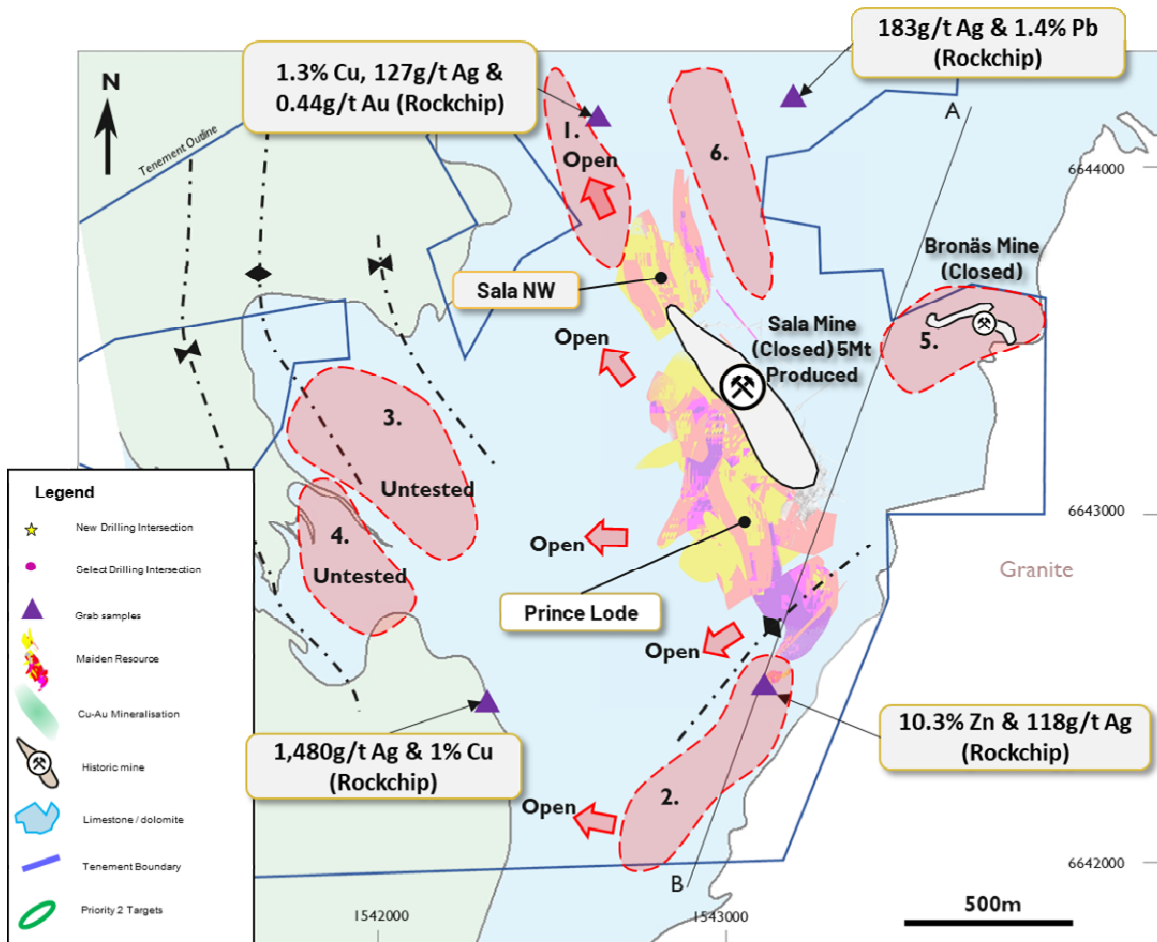


Figure 3: Plan view geology map over the Sala Project showing the maiden Resource, the multiple high priority step-out growth targets (1-6) as well as the historic Sala mine (shown in grey). Image edited after Jansson et al 2019.⁸ Long-section illustrated from A to B.



2. Review of Operations (continued)

Greater Falun copper-gold project (AQI 100%)

The Falun copper-gold mine was historically one of the great mines of Europe, operating for nearly 1,000 years. For centuries it was the largest copper producer in the western world. It was closed in 1992 after producing in the order of 28 million tonnes of high-grade ore grading 4% copper, 5% zinc, 4 g/t gold, 35 g/t silver and 2.1% lead².

No concerted exploration campaign has been undertaken in the Falun area since closure of the mine in 1992. Exploration to that date had reflected the belief that Falun hosted a Volcanogenic Massive Sulphide (VMS) system. However, upon acquiring the Greater Falun project in early 2020, Alicanto's investigations have re-interpreted the geology and concluded that the dominant Falun mineralisation is a tight copper-gold and polymetallic (silver-lead-zinc) skarn system hosted by a regional limestone unit and its immediate volcanic sandstone-dominated footwall.

During the period under review, Alicanto successfully recommenced its drill program at the Greater Falun Project.

Skyttgruvan-Naverberg was selected as a key drill target given historic exploitation of zinc and copper mineralisation as well as it being in close proximity (3.5km away) and along the host horizon from the historic Falun mine. The first hole (GRO22-19) was successful in intersecting multiple zones of significant mineralisation with intersections including elevated silver, copper and lead grades as well as anomalous gold values.⁹ They included:

- 5.3m @ 6.8% Zn(Eq) (84g/t Ag, 0.5% Cu, 3.3% Zn and 1.2% Pb)
- 2.9m @ 14.7% Zn(Eq) (194g/t Ag, 0.1% Cu, 4.9% Zn and 7.6% Pb)
- 6.8m @ 9.7% Zn(Eq) (114g/t Ag, 0.5% Cu, 5.5% Zn, 1.0% Pb and 0.13g/t Au)
- 3.9m @ 11.3% Zn(Eq) (20g/t Ag, 0.2% Cu, 9.5% Zn and 1.5% Pb)

Individual assays of up to 744g/t silver, up to 1.9% copper and up to 0.65g/t gold were also reported in the drill hole.

Current modelling for both Falun and Skyttgruvan-Naverberg is that they each constitute a tight intrusion related skarn system with a pyrite rich core containing copper-gold-zinc-silver-lead mineralisation.

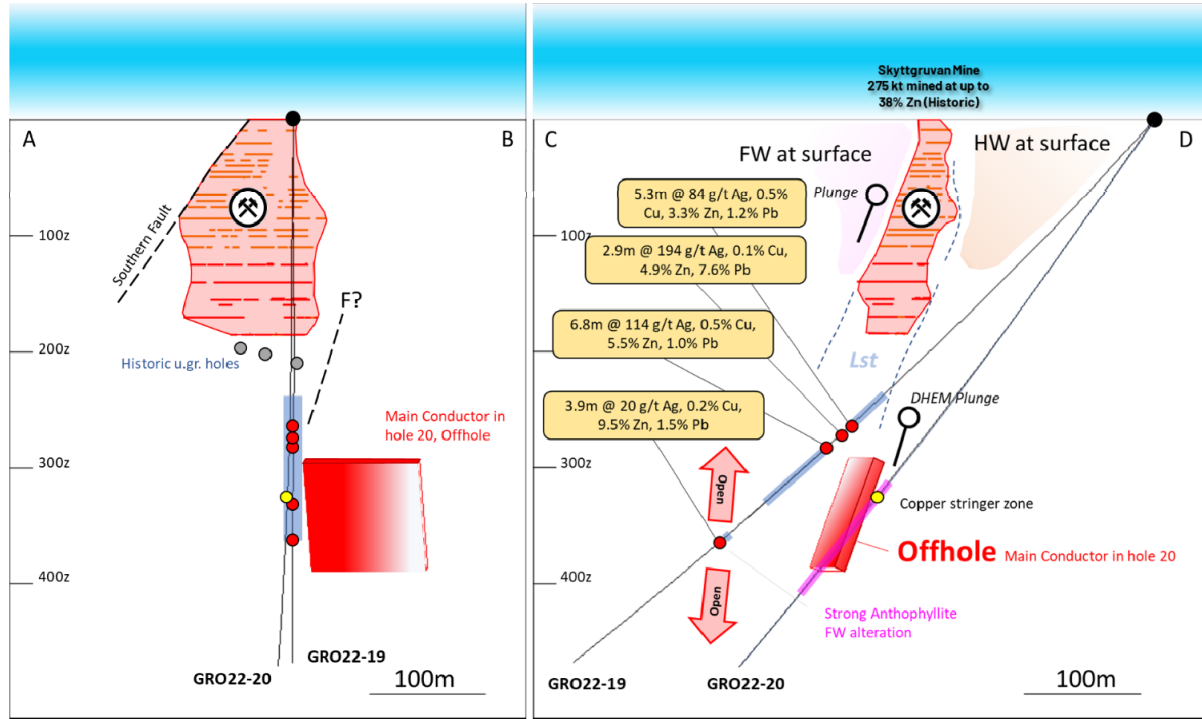
Encouragingly, this drillhole also identified a significant off-hole downhole EM conductor. A second diamond drill hole (GRO22-20) was drilled to follow up this target. While this drill hole did not intersect the targeted limestone horizon, it did intercept over 8 meters of stringer and disseminated copper (chalcopyrite) mineralisation.⁹ This mineralisation is similar to the well-developed copper-gold stringer system that has been identified in the footwall at the historic Falun mine. The location of the copper intersection also correlates to the surface projection of the Naverberg deposit, a small, historic open pit copper mine which is interpreted to constitute the footwall copper-rich stringer zone to the Skyttgruvan deposit.

Down hole EM measurements in this hole have also allowed for the refinement of the off-hole conductor identified in GRO22-19. The source of the conductor is interpreted to be either (i) displaced continuation of massive sulphides intersected in hole GRO22-19 or (ii) stronger copper stringer style mineralisation associated with the Naverberg mine. The target remains untested.

2. Review of Operations (continued)

Greater Falun copper-gold project (AQI 100%) (continued)

Figure 4: Profile and section of drilling at Skyttgruvan-Naverberg. Skyttgruvan mine statistics from NLG.³



Following this success, Alicanto entered into an agreement to acquire the permit containing the world-class historic Falun mine and prospective surrounding tenure. The combination of Falun and Alicanto's existing adjacent Greater Falun Project will give the Company control over 60km of the target limestone horizon within a total landholding of 312km².

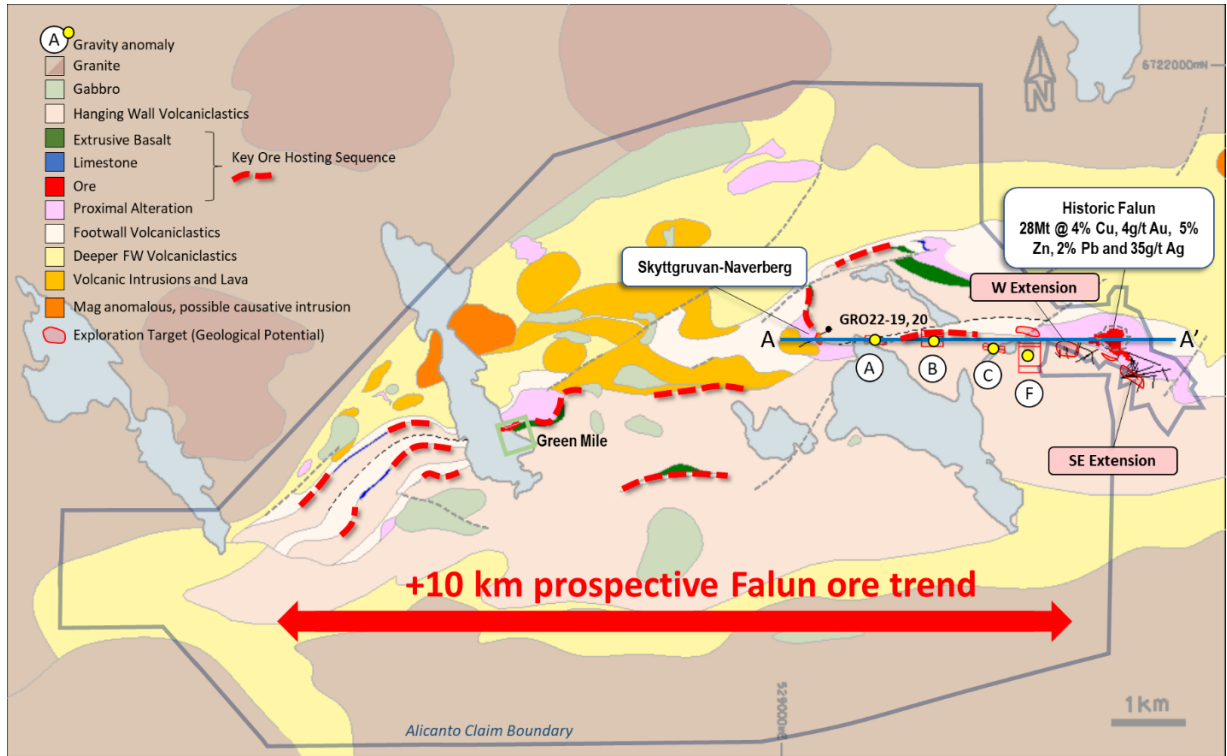
Total consideration for the acquisition is A\$200,000. Alicanto recently announced its intention to proceed with this acquisition following completion of its due diligence. The only outstanding condition remains the successful transfer of the tenements to Alicanto and the process has commenced with Sweden's Inspector of Mines. Refer to Alicanto's ASX announcement dated 9 November 2022 for further details of the agreement.

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2. Review of Operations (continued)

Greater Falun copper-gold project (AQI 100%) (continued)

Figure 5: Map of Falun regional geology showing historical production at Falun and a number of drill targets including Skyttgruvan-Naverberg, gravity anomalies between Falun and Skyttgruvan-Naverberg as well as several near mine targets



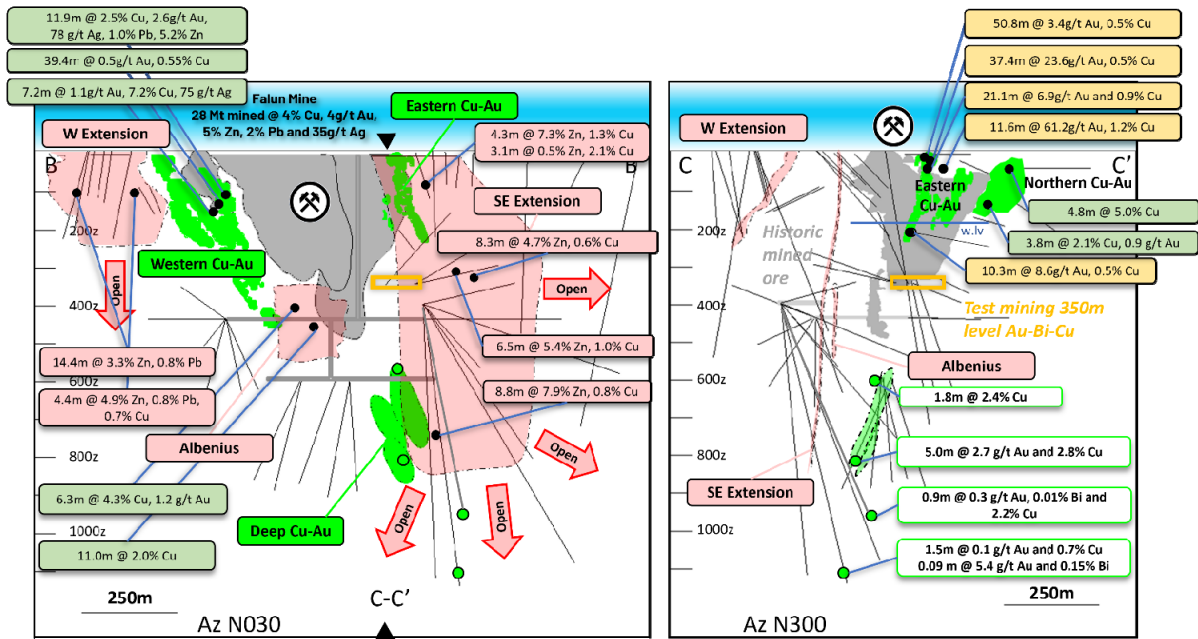
Prior to mine closure in 1992, limited exploration programs were undertaken which have been obtained by Alicanto as part of its due diligence investigations. Alicanto has compiled the results of these programs into the 3D data set. The drillhole database consists of approximately 1,400 drill holes and identified a number of key zones of mineralisation. This has provided a series of follow up targets for Alicanto. Refer to Alicanto's ASX announcement dated 15 February 2023 for further details.

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2. Review of Operations (continued)

Greater Falun copper-gold project (AQI 100%) (continued)

Figure 6: Profile and cross section of Falun historic mine looking north-east (left) and looking north-west (right) including unmined historic drill intersections and near mine targets. A selection of drill traces represents the main area covered by historic drillings. ¹⁰



There are a number of high priority targets for follow up by Alicanto. These include:

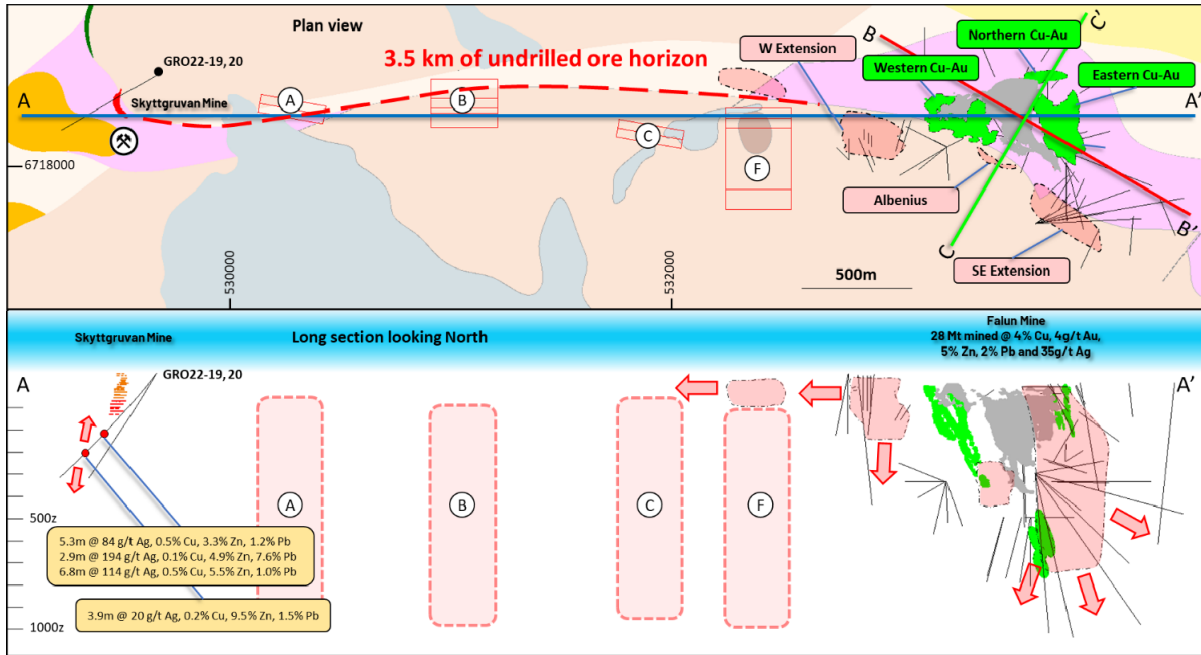
- drilling around the Falun near mine environment focusing on a number of targets generated by highly promising historical intersections
- drilling the gravity anomalies (A, B, C, F in Figures 5 and 7) along strike between the Falun mine and the Skyttgruvan-Naverberg prospect
- a step out drill program at Skyttgruvan-Naverberg to follow up the off-hole conductor recently identified in drill holes GRO22-19 and 20 (refer ASX announcement dated 19 December 2022) as well as an extensive ground EM program to assist in identifying further targets.

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2. Review of Operations (continued)

Greater Falun copper-gold project (AQI 100%) (continued)

Figure 7: Plan map and long section looking North of the Falun regional geology and mine sequence. The gravity anomalies A to F marked on the image have never been drill tested. Alicanto is currently designing a surface electromagnetic survey to cover the mine horizon in the near mine area. Coordinate system SWEREF 99TM. ⁹



Despite its world class credentials, Falun has had very little follow up modern exploration since the mine closed in 1992. The acquisition of the Falun permit will allow Alicanto geologists to consolidate their knowledge of the region with data secured through the acquisition to maximise the opportunities at Falun.

3. Post Balance Date Events

1. On 15 February 2023, following the ASX announcement on 9 November 2022, where the Company advised it had entered into a binding agreement to acquire the historic Falun Mine and associated tenements from the current owners, Explora Mineral AB (**Explora**) the Company announced that it had elected to proceed with the acquisition.
2. On 28 February 2023, the Company issued 15,000,000 unlisted options to Stephen Parsons (or his nominee), with an exercise price of \$0.058 and expiring on 28 February 2028, under its employee incentive scheme.

Other than the above, there were no other events occurring after 31 December 2022, that in the opinion of the Directors of the Company to affect significantly the operations on the Group and the results of these operations.

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4. Auditor's Independence Declaration

The auditor's independence declaration for the half-year ended 31 December 2022 has been received and is included in the half-year report on page 16.

Signed in accordance with a resolution of the Board of Directors



Robert Sennitt
Managing Director
Perth, Western Australia, 16 March 2023

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The information in this report that relates to Exploration Results has been previously released by the Company in ASX announcements as noted in the text and Notes.

The information in this report that relates to the Mineral Resource Estimate for Sala is extracted from the Company's announcement titled "Outstanding maiden Resource confirms Sala has global scale" which was released to the ASX on 13 July 2022.

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 and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Metal Equivalent Calculations - Sala

Zn% (Eq) are based on recoveries at analogous mineralisation systems in Sweden to calculate the Zn equivalent grades a recovery of 93.8% Zn, 82% Ag and 89.9% Pb was applied.

The following price assumptions were used to calculate the Zn% (Eq):

- Zinc Price of USD \$2,976.24 per tonne
- Silver Price of USD \$22.62 per ounce
- Lead Price of USD \$2,259.07 per tonne

Equivalents were calculated using the following formula: $ZnEq = Zn\% + Zn\% \times [(727,345.29 \times 0.82 \times Ag\%) + (2,259.07 \times 0.899 \times Pb\%)] / (2,976.24 \times 0.9380 \times Zn\%)$

It is the Company's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold.

Metal Equivalent Calculations - Falun

Zn% (Eq) are based on recoveries at analogous mineralisation systems in Sweden, to calculate the Zn equivalent grades a recovery of 93.8% Zn, 76.7% Au, 82% Ag, 55% Cu and 89.9% Pb was applied.

The following price assumptions were used to calculate the Zn% (Eq):

- Zinc price of USD \$2,976.24 per tonne
- Gold Price of USD \$1,771 per ounce (being USD \$56,938,972.17 per tonne)
- Silver Price of USD \$22.62 per ounce (being USD \$727,345.29 per tonne)
- Copper price of USD \$8,400.00 per tonne
- Lead price of USD \$2,259.07 per tonne

Equivalents were calculated using the following formula: $ZnEq = Zn\% + Zn\% \times [(56,938,966.3 \times 0.767 \times Au\%) + (727,345.29 \times 0.82 \times Ag\%) + (8,400 \times 0.55 \times Cu\%) + (2,259.07 \times 0.8990 \times Pb\%)] / (2,976.24 \times 0.9380 \times Zn\%)$

It is the Company's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold, commensurate with the Company's stage of development at the Falun project. The Company cautions that it has not yet, in relation to the Falun project:

- disclosed a mineral resource estimate;
- undertaken a preliminary economic study; or
- undertaken its own metallurgical testing,

and therefore, there is a risk that the Company may not be able to achieve the recoveries observed in analogous mineralisation systems in Sweden.

Disclaimers

References to previous ASX announcements should be read in conjunction with this release.

Forward Looking Statements

This report may contain certain forward-looking statements and projections, including statements regarding Alicanto's plans, forecasts, and projections with respect to its mineral properties and programmes. Although the forward-looking statements contained in this release reflect management's current beliefs based upon information currently available to management and based upon what management believes to be reasonable assumptions, such forward looking statements/projections are estimates for discussion purposes only and should not be relied upon. They are not guarantees of future performance and involve known and unknown risks, uncertainties, and other factors many of which are beyond the control of the Company. The forward-looking statements/projections are inherently uncertain and may therefore differ materially from results ultimately achieved. For example, there can be no assurance that Alicanto will be able to confirm the presence of Mineral Resources or Ore Reserves, that Alicanto's plans for development of its mineral properties will proceed, that any mineralisation will prove to be economic, or that a mine will be successfully developed on any of Alicanto's mineral properties. The performance of Alicanto may be influenced by a number of factors which are outside the control of the Company, its directors, staff, or contractors. The Company does not make any representations and provides no warranties concerning the accuracy of the projections, and disclaims any obligation to update or revise any forward looking statements/projects based on new information, future events or otherwise except to the extent required by applicable laws.

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.

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Notes

- 1 Garpenberg Mine statistics obtained from “Boliden Summary Report, Resources and Reserves, 2018” and <https://www.boliden.com/operations/mines/boliden-garpenberg>.
- 2 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”
- 3 Sala mine statistics obtained from a technical report written by Tegengren, 1924 “Sveriges Adlare Malmeroch Bergverk”
- 4 Zinkgruvan Mine statistics obtained from NI 43-101 Tech Report for Zinkgruvan Mine (November 2017) obtained from <https://www.lundinmining.com/>
- 5 Refer AQI ASX announcement on 13 July 2022.
- 6 Refer to AQI ASX announcement on 1 February 2022.
- 7 For full details of these Exploration results, refer to the said announcement on the said date.
- 8 An updated genetic model for metamorphosed and deformed, c. 1.89 Ga magnesian Zn-Pb-Ag skarn deposit, Sala area, Bergslagen, Sweden by N.Jansson et.al 2019.
- 9 Refer to AQI ASX announcement on 19 December 2022.
- 10 Refer to AQI ASX announcement on 15 February 2023.

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16 March 2023

Board of Directors
Alicanto Minerals Limited
Level 2, 8 Richardson 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 2022, 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)

A handwritten signature in blue ink, appearing to read "Eliya Mwale".

Eliya Mwale
Director



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Contents

Consolidated Statement of Profit or Loss and Other Comprehensive Income	18
Consolidated Statement of Financial Position	19
Consolidated Statement of Changes in Equity	20
Consolidated Statement of Cash Flows	21
Condensed Notes to the Consolidated Financial Statements	22
Directors' Declaration	37
Independent Auditor's Review Conclusion	38

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 2022 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
Level 2, 8 Richardson 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 16 March 2023. The company has the power to amend and reissue the financial report.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete, and available globally at minimum cost to the company. All press releases, financial reports and other information are available on our website: www.alicantominerals.com.au.

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

For the Half-Year Ended 31 December 2022

	Notes	31 Dec 2022 \$	31 Dec 2021 \$
Revenue from continuing operations	4(a)	8,721	2,476
Other income	4(b)	11	49
Total revenue		8,732	2,525
Administration expense		(539,877)	(288,962)
Compliance and regulatory expense		(45,895)	(72,446)
Consultancy expense	14(a)	(299,421)	(1,492,005)
Occupancy expense		(2,271)	(8,271)
Insurance expense		(25,475)	(18,939)
Employee benefits expense	4(c)	(404,236)	(220,039)
Share based payments	15(d)	(92,034)	(184,969)
Depreciation expense	4(d)	(4,602)	(16,458)
Depreciation on right of use assets	9(b)	(138,830)	(142,122)
Write-off of property, plant and equipment		-	(3,610)
Interest expense of lease liability	4(e)	(9,158)	(8,570)
Exploration expenditure	8	(2,262,860)	(2,762,598)
Unrealised FX losses		-	-
(Loss) from continuing operations before income tax expense		(3,815,927)	(5,216,464)
Income tax expense		-	-
(Loss) for the year		(3,815,927)	(5,216,464)
Other comprehensive loss			
<i>Items that may be reclassified subsequent to profit or loss</i>			
Exchange difference on translation of foreign operation	14(c)	86,541	23,178
Total comprehensive (Loss) for the year		(3,729,386)	(5,193,286)
Basic and diluted (loss) from continuing per share (cents)		(0.93)	(1.50)

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 2022

	Notes	31 Dec 2022 \$	30 Jun 2022 \$
Current Assets			
Cash and cash equivalents	5	2,775,351	3,251,569
Trade and other receivables	6(a)	450,323	616,216
Total Current Assets		3,225,674	3,867,785
Non-Current Assets			
Trade and other receivables	6(c)	85,059	486,038
Property, plant and equipment	7	85,547	11,691
Exploration and evaluation expenditure	8	1,510,012	1,500,000
Right of use assets	9	468,666	222,454
Total Non-Current Assets		2,149,284	2,220,183
Total Assets		5,374,958	6,087,968
Current Liabilities			
Trade and other payables	10	683,254	926,476
Provisions		62,167	52,418
Lease liabilities	11	59,585	33,541
Hire purchase liabilities	12	-	125,590
Total Current Liabilities		805,006	1,138,025
Non-Current Liabilities			
Lease liabilities	11	413,027	77,254
Total Non-Current Liabilities		413,027	77,254
Total Liabilities		1,218,033	1,215,279
Net Assets		4,156,925	4,872,689
Equity			
Contributed equity	13	35,047,319	32,322,006
Reserves	14	7,224,514	6,849,664
Accumulated losses		(38,114,908)	(34,298,981)
Total Equity		4,156,925	4,872,689

There were no non-cash financing and investing activities during the period.

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

For the Half-Year Ended 31 December 2022

	Notes	Issued Capital	Foreign Currency Translation Reserve	Share Based Payments Reserve	Accumulated Losses	Total
		\$	\$	\$	\$	\$
Balance at 1 July 2022		32,322,006	(245,319)	7,094,983	(34,298,981)	4,872,689
(Loss) for the year		-	-	-	(3,815,927)	(3,815,917)
Foreign exchange differences		-	86,541	-	-	86,541
Total comprehensive loss for the period		-	86,541	-	(3,815,927)	(3,729,386)
<i>Transactions with owner, recorded directly in equity</i>						
Contributions of equity (net of transaction costs)		2,725,313	-	-	-	2,725,313
Share based payments	15(d)	-	-	288,309	-	288,309
		2,725,313	-	288,309	-	3,013,622
Balance at 31 December 2022		35,047,319	(158,778)	7,383,292	(38,114,908)	4,156,925
Balance at 1 July 2021		25,793,913	(268,805)	5,174,945	(24,362,604)	6,337,449
(Loss) for the year		-	-	-	(5,216,464)	(5,216,464)
Foreign exchange differences		-	23,178	-	-	23,178
Total comprehensive loss for the period		-	23,178	-	(5,216,464)	(5,193,286)
<i>Transactions with owner, recorded directly in equity</i>						
Contributions of equity (net of transaction costs)		6,529,374	-	-	-	6,529,374
Share based payments		-	-	1,570,694	-	1,570,694
		6,529,374	-	1,570,694	-	8,100,068
Balance at 31 December 2022		32,323,287	(245,627)	6,745,639	(29,579,068)	9,244,231

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

Consolidated Statement of Cash Flows

For the Half-Year Ended 31 December 2022

	Notes	31 Dec 2022 \$	31 Dec 2021 \$
Cash Flows from Operating Activities			
Receipts for customers (inclusive of good and service tax)		-	-
Payments to suppliers and employees		(1,162,217)	(801,857)
Interest received		8,776	3,089
Interest paid		-	(8,570)
Payments for exploration and evaluation		(2,228,483)	(2,882,665)
Net cash (outflow) from operating activities		(3,381,924)	(3,690,003)
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	7	(78,478)	(19,415)
Payments for option to acquire Falun Mine and associated tenements	8(i)	(10,012)	-
Net proceeds transferred from security deposits		400,979	-
Net cash inflow/ (outflow) from investing activities		312,489	(19,415)
Cash Flows from Financing Activities			
Proceeds from issue of shares		2,950,000	7,000,000
Share issue transaction costs		(217,050)	(470,626)
Repayment of lease liabilities		(139,733)	(121,684)
Net cash inflow from financing activities		2,593,217	6,407,690
Net cash (decrease)/ increase in cash and cash equivalents held		(476,218)	2,698,272
Cash and cash equivalents at the beginning of the period		3,251,569	4,512,532
Cash and cash equivalents at the end of the period	5	2,775,351	7,210,804

There were no non-cash financing and investing activities during the period.

Amounts relating to payments to suppliers and employees as set out above are inclusive of goods and services tax. 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 2022 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 2022 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 2022 was \$3,815,927 with \$2,775,351 of cash and cash equivalents and net assets of \$4,156,925 as at 31 December 2022.

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 two operating segments, being exploration for mineral reserves within 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 2022 is as follows:

	Discontinued Operations		Exploration	
	Guyana	Sweden	Corporate	Total
	\$	\$	\$	\$
31 December 2022				
Total segment revenue	-	-	8,732	8,732
Interest revenue	-	-	8,721	8,721
Depreciation and impairment expense including write-off	-	(923)	(142,509)	(143,432)
Exploration expense	-	(2,262,860)	-	(2,262,860)
Total segment (loss) before income tax	-	(2,263,783)	(1,552,144)	(3,815,927)
Total segment assets	-	417,614	4,957,344	5,374,958
Total segment liabilities	-	399,068	818,965	1,218,033
30 June 2022				
Total segment revenue	-	-	778,485	778,485
Interest revenue	-	-	4,645	4,645
Other income	-	-	773,840	773,840
Depreciation and impairment expense including write-off	(10,130)	-	(293,721)	(303,851)
Exploration expense	(375,352)	(6,286,529)	-	(6,661,881)
Total segment (loss) before income tax	(399,322)	(6,286,529)	(3,250,526)	(9,936,377)
Total segment assets	-	627,790	5,460,178	6,087,968
Total segment liabilities	-	524,295	690,984	1,215,279

The corporate assets total for 31 December 2022 includes the \$1,510,012 Sweden acquisition costs (30 June 2022: \$1,500,000).

3. Dividends

No dividends have been paid or recommended during the current or prior interim reporting period or subsequent to reporting date.

4. Revenue and Expenditure

	31 Dec 2022	31 Dec 2021
	\$	\$
(a) Revenue from continuing operations		
Interest received	8,721	2,476
Total revenue from continuing operations	<u>8,721</u>	<u>2,476</u>
(b) Other income		
Foreign currency gains (losses)	11	49
Total other income	<u>11</u>	<u>49</u>
(c) Employee benefit expense		
Salary and wages expense	380,396	207,448
Defined contribution superannuation expense	23,840	12,591
Total employee benefits expense	<u>404,236</u>	<u>220,039</u>
(d) Depreciation expense		
Plant and equipment - office	3,679	3,107
Plant and equipment - field	923	-
Low value assets	-	3,221
Assets held for resale	-	10,130
Total depreciation expense	<u>4,602</u>	<u>16,458</u>
(e) Finance costs		
Interest and finance charges paid or payable – lease liability	7,056	1,741
Interest and finance charges paid or payable – hire purchase	2,102	6,829
Total finance costs	<u>9,158</u>	<u>8,570</u>

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5. Cash and Cash Equivalents

	31 Dec 2022	30 Jun 2022
	\$	\$
(a) Total cash and cash equivalents		
Cash at bank and on hand	2,775,351	3,251,569
Total cash and cash equivalents	2,775,351	3,251,569
(b) Cash at bank		
Cash at bank bears interest rates between 0.00% and 1.05% (30 June 2022: 0.00% and 0.6%)		
(c) Cash and cash equivalents denominated in foreign currencies		
Swedish Krona	59,432	48,993
Total cash and cash equivalents denominated in foreign currencies	59,432	48,993

6. Trade and other receivables

	31 Dec 2022	30 Jun 2022
	\$	\$
(a) Current		
Other receivables	352,487	599,509
Prepayments	97,836	16,707
Total current trade and other receivables	450,323	616,216
(b) Total current trade and other receivables denominated in foreign currencies		
Swedish Krona	355,406	575,078
Total current trade and other receivable equivalents denominated in foreign currencies	355,406	575,078
(c) Non-Current		
Security Deposits	85,059	486,038
Total non-current trade and other receivables	85,059	486,038
(d) Total non-current trade and other receivables denominated in foreign currencies		
Swedish Krona	15,238	15,238
Total current trade and other receivable equivalents denominated in foreign currencies	15,238	15,238

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7. Property, plant and equipment

	31 Dec 2022	30 Jun 2022
	\$	\$
Property, plant and equipment	85,547	11,691

	Notes	Leasehold Improvements	Plant and Equipment Office	Plant and Equipment Field	Consolidated Total
		\$	\$	\$	\$

Half-year ended 31 December 2022

Opening net book amount	-	7,973	3,718	11,691
Additions		73,909	4,569	78,478
Transfer in Right of use asset – drill rig	9(e)	-	-	457,079
Transfer in Accumulated depreciation – drill rig	9(e)	-	-	(457,079)
Depreciation charge		(1,350)	(2,329)	(4,602)
Effect of exchange rates		-	-	(20)
Closing book amount		72,559	10,213	85,547

Half-year ended 31 December 2022

Cost		73,909	50,121	3,698	127,728
Accumulated depreciation		(1,350)	(39,908)	(923)	(42,181)
Net book amount		72,559	10,213	2,775	85,547

Year ended 30 June 2022

Opening net book amount	-	7,577	-	7,577
Additions		8,709	8,180	3,711
Depreciation charge		(8,709)	(4,174)	-
Written off balance		-	(3,610)	-
Effect of exchange rates		-	-	7
Closing book amount		-	7,973	3,718

Year ended 30 June 2022

Cost		8,709	45,552	3,718	57,979
Accumulated depreciation		(8,709)	(37,579)	-	(46,288)
Net book amount		-	7,973	3,718	11,691

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8. Exploration and Evaluation Expenditure

	Notes	31 Dec 2022 \$	30 Jun 2022 \$
Non-current			
Opening balance		1,500,000	1,500,000
Exploration pre-acquisition costs	(i)	10,012	-
Exploration and evaluation costs		2,262,860	6,286,529
Exploration expensed – Sweden		(2,262,860)	(6,286,529)
Total non-current exploration and evaluation expenditure		1,510,012	1,500,000

- (i) As announced to ASX on 9 November 2022, the company entered into a binding agreement to acquire the historic Falun Mine and associated tenements from the current owners, Explora Mineral AB which included the requirement to pay an immediate cash deposit of \$10,000. For more details refer to Contingent Asset and Liabilities at Note 16.

9. Right of Use Assets

	Notes	31 Dec 2022 \$	30 Jun 2022 \$
Right of use asset - office	9(a)	482,056	134,500
Right of use asset – drill rig	9(a)(e)	-	457,079
Right of use asset at cost		482,056	591,579
Accumulated depreciation – office		(13,390)	(26,315)
Accumulated depreciation – drill rig	9(b)(e)	-	(342,810)
Accumulated depreciation	9(b)	(13,390)	(369,125)
Net carrying amount		468,666	222,454
Adjustments recognised during the period and year			
9(a) Adjustment to initial recognition			
Right of use assets – opening balance		591,579	516,567
Adjustment	9(c)	(134,500)	(59,488)
Addition	9(d)	482,056	134,500
Transfer to Plant and Equipment Field	9(e)	(457,079)	-
Right of use assets		482,056	591,579

9. Right of Use Assets (continued)

Adjustments recognised during the period and year (continued)

9(b) Accumulated depreciation

	Notes	31 Dec 2022 \$	30 Jun 2022 \$
Accumulated depreciation – opening balances		(369,125)	(107,156)
Depreciation		(138,830)	(273,936)
Adjustments	9(c)	37,486	11,967
Transfer to Accumulated Depreciation Plant and Equipment Field	9(e)	(457,079)	-
Accumulated depreciation – closing balance		(13,390)	(369,125)
Amount recognised in consolidated statement of profit or loss and other comprehensive income			
Depreciation expense on right of use assets – office		(24,561)	(27,376)
Depreciation expense on right to use asset – drill rig		(114,269)	(246,560)
		(138,830)	(273,936)

- 9(c) On 29 November 2022 the Company executed an early termination of sub-lease for part of the premises located on the Ground Floor, 24 Outram Street, West Perth with Bellevue Gold Limited, releasing it from the sub-lease with no additional costs or penalties and as a result the previous Right of Use Asset and Lease Liability has been reversed.
- 9(d) On 21 November 2022 the Company agreed to enter a sub-license over part of the premises at Level 2, 8 Richardson Street, West Perth. The Company recognised right of use asset of \$482,056 at date of inception of the sub-license. At the date of the report an estimated 5 years and 10 months remain. The maturity analysis of the lease liabilities is shown at Note 11.
- 9(e) During 2021, the Company 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. The hire purchase facility was paid in full on 2 December 2022 and the fully depreciated drill rig transferred to Plant and Equipment field (refer Note 7).

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10. Trade and other Payables

	Notes	31 Dec 2022 \$	30 Jun 2022 \$
Current			
Trade payables	10(a)	472,233	669,547
Other payables		211,021	256,929
		<u>683,254</u>	<u>926,476</u>
Trade creditors are normally paid on 30-day payment terms.			
(a) Trade and other payables denominated in foreign currencies			
Swedish Krona		<u>399,068</u>	<u>473,085</u>
Total cash and cash equivalents denominated in foreign currencies		<u>399,068</u>	<u>473,085</u>

11. Lease liabilities

	31 Dec 2022 \$	30 Jun 2022 \$
Current	59,585	33,541
Non-current	<u>413,027</u>	<u>77,254</u>
	<u>472,612</u>	<u>110,795</u>

Amount recognised in consolidated statement of profit or loss and other comprehensive income

	31 Dec 2022 \$	30 Jun 2022 \$
Interest expense incurred on lease liability	<u>7,056</u>	<u>3,903</u>

Lease liability maturity	Within 1 Year	1 – 2 Years	2 – 3 Years	3 – 4 Years	4 – 5 Years	+ 5 Years	Total
As at 31 December 2022							
Lease payments	90,128	93,733	97,482	101,382	105,437	90,774	578,936
Finance charges	(30,543)	(26,216)	(21,324)	(15,816)	(9,639)	(2,786)	(106,324)
Net Present Value	<u>59,585</u>	<u>67,517</u>	<u>76,158</u>	<u>85,566</u>	<u>95,798</u>	<u>87,988</u>	<u>472,612</u>
As at 30 June 2022							
Lease payments	36,981	38,004	39,060	3,263	-	-	117,308
Finance charges	(3,440)	(2,196)	(867)	(10)	-	-	(6,513)
Net Present Value	<u>33,541</u>	<u>35,808</u>	<u>38,193</u>	<u>3,253</u>	-	-	<u>110,795</u>

12. Hire Purchase Liabilities

	31 Dec 2022	30 Jun 2022
	\$	\$
Current	-	125,590
Non-current	-	-
Total hire purchase liabilities	-	125,590

Amount recognised in consolidated statement of profit or loss or other comprehensive income

	31 Dec 2022	30 Jun 2022
	\$	\$
Interest expense incurred on lease liability	2,102	10,542

Hire purchase liability maturity	Within 1 Year	1 – 2 Years	2 – 5 Years	3 – 4 Years	4 – 5 Year	Total
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As at 30 June 2022

Hire purchase payments	127,692	-	-	-	-	127,692
Finance charges	(2,102)	-	-	-	-	(2,102)
Net Present Value	125,590	-	-	-	-	125,590

13. Contributed Equity

	Company		Company	
	31 Dec 2022 Shares	30 Jun 2022 Shares	31 Dec 2022 \$	30 Jun 2022 \$
(a) Issued capital	446,213,617	383,713,617	35,047,319	32,322,006

	Date	Shares	Issue Prices	Total \$
(b) Movements in issued capital				
Opening Balance at 1 July 2022		383,713,617		32,322,006
Placement – Tranche 1 ¹	07 Sep 22	26,900,000	\$0.05	1,345,000
Performance shares issued ²	25 Oct 22	2,000,000	\$0.00	-
Placement – Tranche 2 ¹	14 Nov 22	32,100,000	\$0.05	1,605,000
Performance shares issued ³	23 Dec 22	1,500,000	\$0.00	-
Less: Transaction costs				(224,687)
Closing Balance at 31 December 2022		446,213,617		35,047,319

13. Contributed Equity (continued)

Share placements

¹ Further to announcement of 31 August 2022, the Company completed the issue of 59,000,000 new fully paid ordinary shares at an issue price of \$0.05 per share in 2 tranches as set out below.

Tranche 1

On 7 September 2022, Alicanto Minerals completed a placement to sophisticated and professional investors to raise approximately \$1,345,000 (before costs) through the issue of 26,900,000 fully paid ordinary shares in the Company at an issue price of \$0.05 each.

Tranche 2

On 14 November 2022, following the approval of shareholders at the Annual General Meeting held on 8 November 2022, Alicanto Minerals completed a placement to sophisticated and professional investors to raise approximately \$1,605,000 (before costs) through the issue of 32,100,000 fully paid ordinary shares in the Company at an issue price of \$0.05 each.

- ² On 25 October 2022, the Company exercised 2,000,000 Performance Rights and issued 2,000,000 fully paid shares to Executive Director Peter George based on service conditions and on the ASX announcement of a maiden resource at the Sala Project being made.
- ³ On 23 December 2022, the Company exercised a total of 1,500,000 Performance Rights and issued 1,500,000 fully paid ordinary shares to contractors and consultants as a result of as follows:
- the acquisition of the Sala tenement package; and
 - the achievement of a maiden resource at the Sala Project being made.

14. Reserves

	Notes	31 Dec 2022	30 Jun 2022
		\$	\$
Unlisted Option Reserve	14(a)	6,142,164	6,142,164
Performance Rights Reserve	14(b)	1,241,128	952,819
Foreign Currency Translation Reserve	14(c)	(158,778)	(245,319)
Total Reserves		7,224,514	6,849,664

As at 31 December 2022, the Company has 95,000,000 (30 June 2022: 95,000,000) Unlisted Options on issue and 22,750,000 (30 June 2022: 12,500,000) Performance Rights on issue.

14. Reserves (continued)

	31 Dec 2022	30 Jun 2022
	\$	\$
(a) Unlisted Option Reserve – As at 31 December 2022		
Opening balance 1 July 2022	6,142,164	4,938,048
Options issued to directors, employees and consultants	-	1,204,116
Closing balance 31 December 2022	<u>6,142,164</u>	<u>6,142,164</u>
(b) Performance Rights Reserve – As at 31 December 2022		
Opening balance 1 July 2022	952,819	236,897
Portion of fair value recognised as expensed during the period or year	288,309	715,922
Closing balance 31 December 2022	<u>1,241,128</u>	<u>952,819</u>
<p>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 period, is set out in note 15.</p>		
(c) Foreign Currency Translation Reserve – As at 31 December 2022		
Opening balance 1 July 22	(245,319)	(268,805)
Exchange differences arising on translation of foreign operations	86,541	23,486
Closing balance 31 December 2022	<u>(158,778)</u>	<u>(245,319)</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.

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15. 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 year
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(a) 31 December 2022 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
		95,000,000	-	-	-	95,000,000
Weighted average exercise price		\$0.11	-	-	-	\$0.110

(b) 30 June 2022 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	\$0.200	-	-	\$0.110

Fair value of unlisted options granted

There were no unlisted options issued during the period.

15. 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.

	Held at the Start of the year	Grant date	Vesting date	Expiry date	Fair value of performance right grant date	Exercise price	No. lapsed/ exercised/ cancelled/ forfeited during the year	No. Granted/ (Movement) during the year	Held at the end of the year	Total value of performance rights granted during the year	Amount recognised in period based on vesting period	Total recognition to date
As at 31 December 2022												
Mr M Naylor-'Class D'	3,750,000	26 Jul 21	N/A	2 Aug 24	0.1586	Nil	-	-	3,750,000	-	99,849	280,011
Ms S Field-'Class D'	250,000	26 Jul 21	N/A	2 Aug 24	0.1586	Nil	-	-	250,000	-	6,657	18,668
Mr D Grieve-'Class E'	250,000	30 Jul 21	N/A	2 Aug 24	0.1550	Nil	(250,000)	-	-	-	(11,738)	-
Mr D Grieve-'Class F'	250,000	30 Jul 21	N/A	2 Aug 24	0.1550	Nil	-	(250,000)	-	-	27,012	38,750
Mr N Metzger-'Class G'	500,000	6 Aug 21	N/A	30 Sep 24	0.1350	Nil	-	(250,000)	250,000	-	31,009	47,822
Mr R Shorrocks-'Class G'	4,000,000	29 Sep 21	N/A	30 Sep 24	0.0969	Nil	-	-	4,000,000	-	65,072	161,618
Mr P George-'Class A'	2,000,000	4 Nov 20	N/A	7 Aug 22	0.124	Nil	-	(2,000,000)	-	-	14,702	372,000
Mr Erik Lundstam-'Class C'	1,500,000	4 Nov 20	N/A	31 Dec 24	0.124	Nil	-	(1,000,000)	500,000	-	43,487	186,000
Mr R Sennitt-'Class I'	-	29 Nov 22	2/03/2024	30 Nov 27	0.050	Nil	-	1,000,000	1,000,000	50,000	876	876
Mr R Sennitt-'Class J'	-	29 Nov 22	1/09/2025	30 Nov 27	0.050	Nil	-	2,000,000	2,000,000	100,000	1,751	1,751
Mr R Sennitt-'Class K'	-	29 Nov 22	1/09/2025	30 Nov 27	0.050	Nil	-	3,000,000	3,000,000	150,000	2,627	2,627
Mr R Sennitt-'Class L'	-	29 Nov 22	1/09/2024	30 Nov 27	0.050	Nil	-	2,000,000	2,000,000	100,000	1,751	1,751
Mr R Sennitt-'Class M'	-	29 Nov 22	1/09/2024	30 Nov 27	0.050	Nil	-	2,000,000	2,000,000	100,000	1,751	1,751
Mr R Sennitt-'Class N'	-	29 Nov 22	1/09/2026	30 Nov 27	0.050	Nil	-	4,000,000	4,000,000	200,000	3,503	3,503
	12,500,000						(250,000)	10,500,000	22,750,000	700,000	288,309	1,117,128

15. Share Based Payments (continued)

(d) Reconciliation of share based payments

	31 Dec 2022	31 Dec 2021
	\$	\$
Recognised in profit or loss		
Portion of expense recognised on Performance Rights issued to directors, employees and consultants recognised as share-based payment expense	92,034	184,969
	92,034	184,969
Portion of expense recognised on Performance Rights issued to directors, employees and consultants recognised within consultancy expense	89,770	1,299,379
	89,770	1,299,379
Portion of expense recognised on Performance Rights issued to directors, employees and consultants recognised within administration expense	106,505	86,346
	106,505	86,346
Total share-based payments	288,309	1,570,694

16. Contingent Assets/ Liabilities

On 9 November 2022, the Company announced that it had entered into a binding agreement to acquire the historic Falun Mine and associated tenements from the current owners, Explora Mineral AB (**Explora**). On 15 February 2023, the Company announced that it had elected to proceed with the acquisition.

The completion of the acquisition remains dependent upon the approval of the transfer of the tenements to Alicanto by the Mining Inspector pursuant to the Minerals Act of Sweden. At the date of this report, Alicanto will be required to meet the balance of the consideration as follows:

- a cash payment on completion of A\$40,000; and
- Alicanto shares to the value of A\$150,000 to be issued at a deemed price equal to the VWAP over the 30 trading days prior to the date of completion using the Company's available placement capacity under Listing Rule 7.1.

17. Post Balance Date Events

1. On 15 February 2023, following the ASX announcement on 9 November 2022, where the Company advised it had entered into a binding agreement to acquire the historic Falun Mine and associated tenements from the current owners, Explora Mineral AB (**Explora**) the Company announced that it had elected to proceed with the acquisition.
2. On 28 February 2023, the Company issued 15,000,000 unlisted options to Stephen Parsons (or his nominee), with an exercise price of \$0.058 and expiring on 28 February 2028, under its employee incentive scheme.

Other than the above, there were no other events occurring after 31 December 2022, that in the opinion of the Directors of the Company to affect significantly the operations on the Group and the results of these operations.

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**Director's Declaration
For the half-year ended 31 December 2022**

In the directors' opinion:

- (a) the consolidated financial statements and notes set out on pages 17 to 36 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 2022 and of its performance for the half-year ended on that date.
- (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.



Robert Sennitt
Managing Director
Perth, Western Australia, 16 March 2023

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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 controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2022, 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 the Group does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group as at 31 December 2022 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 16 March 2023.

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 2022 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)

A handwritten signature in blue ink that reads "Stantons International Audit and Consulting Pty Ltd" followed by "Eliya Mwale" on a separate line.

Eliya Mwale
Director

West Perth, Western Australia
16 March 2023

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