



A L I C A N T O  
M I N E R A L S L I M I T E D

ABN 81 149 126 858

# Annual Report 2015

## 2015 Annual Report

### Contents

Corporate Directory	2
Chairman's Letter to Shareholders	3
Directors' Report	4
Auditor's Independence Declaration	27
Financial Statements	28
Directors' Declaration	48
Independent Auditor's Report	49
Additional Shareholder Information	51
Schedule of Mineral Tenements	53

## Corporate Directory

### Non-Executive Chairman

Didier Murcia AM

### Managing Director

Travis Schwertfeger (appointed 15 September 2014)

### Non-Executive Directors

Matthew Bowles

Michael McKevitt (resigned 15 September 2014)

### Company Secretary

Brett Dunnachie

### Principal & Registered Office

288 Churchill Avenue

SUBIACO WA 6008

Telephone: (08) 6489 0700

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### Share Registry

Security Transfer Registrars Pty Ltd

770 Canning Highway

APPLECROSS WA 6153

### Auditors

Stantons International

Level 2, 1 Walker Avenue

WEST PERTH WA 6005

### Bankers

National Australia Bank

50 St Georges Terrace

PERTH WA 6000

### Solicitors

Steinepreis Paganin

16 Milligan Street

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)

## Chairman's Letter to Shareholders

Dear fellow shareholders,

On behalf of the Directors of Alicanto Minerals Ltd ('Alicanto') I am pleased to present to shareholders the Company's Annual Report for the year ending 30 June 2015.

The past twelve months has been a period of significant achievement for Alicanto. Having completed the acquisition of StrataGold Guyana Inc in April 2013, Alicanto completed its second drill program and further exploration programmes consisting of soil geochemical sampling, rock chipping and geological mapping. Results of the exploration programme have confirmed the geological model and prospectivity for significant gold mineralisation on the project.

The Board and management team remain focused on advancing the exciting Guyana gold projects which we are confident will deliver shareholders long term value creation.

I would like to thank our shareholders who have remained with us through the year for your continued support and welcome our more recent shareholders.

The team at Alicanto Minerals Ltd has worked hard and diligently these past twelve months and I look forward to the coming year with enthusiasm. It promises to be an exciting and busy year for the Company as the Guyana Gold Projects are advanced through focussed exploration.

I look forward to meeting with you at the forthcoming Annual General Meeting.



Didier Murcia AM  
Non-Executive Chairman

## Directors' Report

The Directors of Alicanto Minerals Ltd submit herewith the financial statements of the Company for the year ended 30 June 2015 in order to comply with the provisions of the *Corporations Act 2001*.

### 1. Directors

The following persons were Directors of Alicanto Minerals Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Didier Murcia	Non-Executive Chairman
Mr Matthew Bowles	Non-Executive Director

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

Mr Travis Schwertfeger was appointed Non-Executive Director on 15 September 2014 and subsequently appointed to the position of Managing Director effective 24 November 2014 and continues in office at the date of this report.

### 2. Principal Activities

The principal activity of the entity during the financial year was mineral exploration. There were no significant changes in the nature of the entity's principal activities during the financial year.

### 3. Operating Results

The loss attributable to owners of the entity after providing for income tax amounted to \$2,357,202 (2014: \$2,079,379).

### 4. Dividends Paid or Recommended

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

### 5. Financial Position

The entity has \$810,126 in cash and cash equivalents as at 30 June 2015 (2014: \$348,155). The Directors believe the cash at year end puts the entity in a sound financial position with sufficient capital to effectively explore its current landholdings.

### 6. Business Strategies & Prospects for the Forthcoming Year

Alicanto Minerals Ltd is currently focused upon an aggressive exploration program for gold mineralisation on its current portfolio of projects in Guyana with the object of identifying commercial resources.

Alicanto Minerals Ltd will also continue to consider and evaluate new mineral exploration opportunities within Guyana and throughout the rest of the world for further potential acquisitions which may offer value enhancing opportunities for shareholders.

Material business risks that may impact the results of future operations include further exploration results, future commodity prices and funding.

### 7. Significant Changes in the State of Affairs

The following significant changes in the state of affairs of the entity occurred during the financial period:

- On 5 August 2014 the Company issued 3.97 million shares at \$0.15 raising \$595,500.
- On 29 August 2014 the Company issued 4.22 million shares at \$0.15 under a Share Purchase Plan raising \$632,700.
- On 10 September 2014 the Company issued 6.03 million shares at \$0.15 raising \$904,500.
- On 24 June 2015 the Company issued 8.51 million shares at \$0.042 raising \$357,462.

## Directors' Report

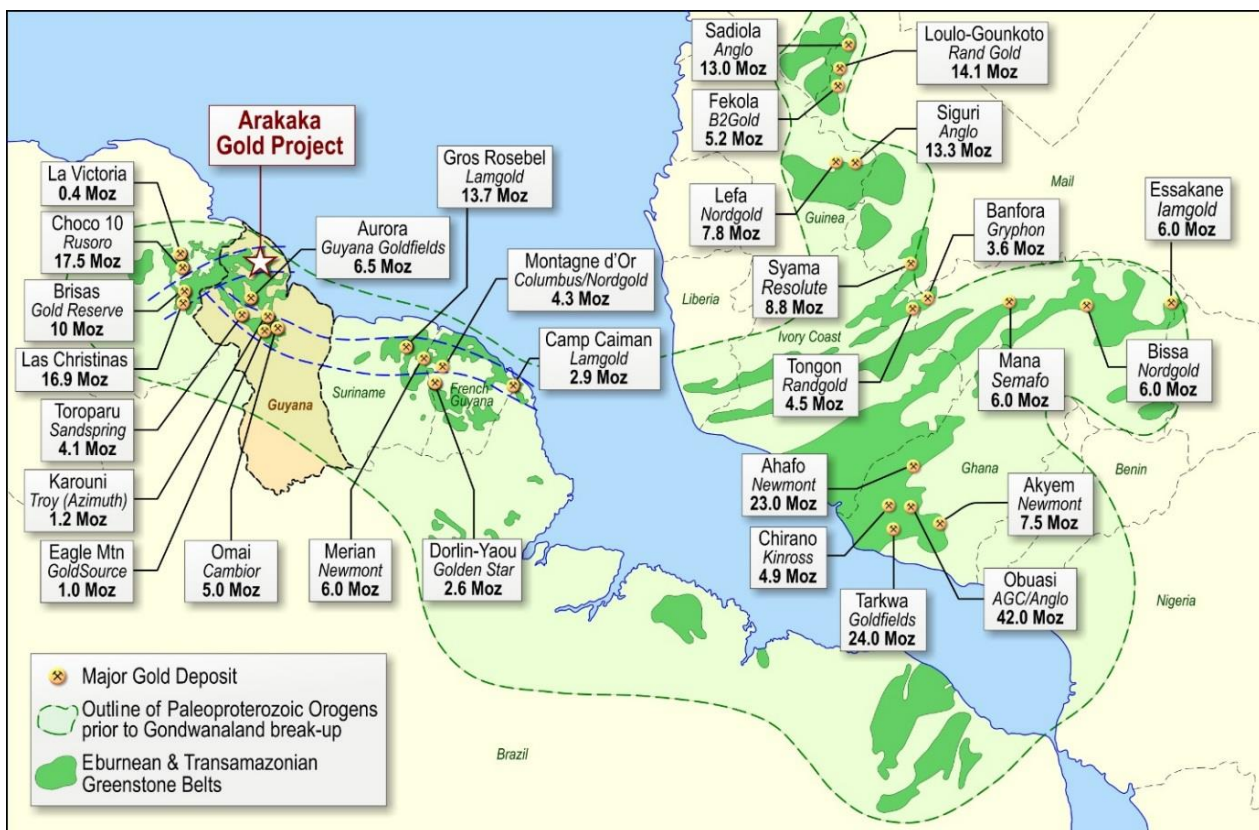
### 8. Review of Operations

During the financial year ended 30 June 2015 Alicanto Minerals Limited ("Alicanto" or the "Company") completed exploration work on its Arakaka Project in Guyana focused on a number of Targets with the Project assessed to have significant resource potential. Exploration results advanced the geological and geochemical understanding of those targets with the underpinning objective to bring forward each to a drill ready status and prioritise those targets for efficient and effective drill testing.

Exploration activity included varying combinations of RC drilling, geological mapping, soil geochemistry, auger sampling and rock chipping on multiple target areas across the larger Arakaka Gold Project

- Arakaka Main Trend**, a 12km long trend of gold anomalism, host of over 1 million ounce of gold production near surface, where over 40 active and historical saprolite open pit gold workings of significance have been mapped. Within this corridor of extensive historical mining activity, six target areas have been identified and significant work completed on the **14-Mile**, **Purple Heart**, **Powis**, and **Goat Hill** target areas (Refer to Figures 3 & 4).
- Gomes Trend**, a major, transfer structure/fault that potentially acts as a control on mineralisation within the Main Arakaka Trend, is a conjugate mineralised corridor itself hosting an open-ended >11km of surface gold anomalism, with mineralisation confirmed in drilling at the **Gomes Hill Prospect**, with extensive and coherent gold anomalism persisting into the undrilled **Xenopsaris** target area to the southeast.
- Eyelash Area** is a 5km long, +100ppb Au soil anomaly situated at the upstream extent of more than 20 kilometres of alluvial workings. The target area is host to significant historical gold production within the >5km of +100ppb gold anomalism from historical soil sampling programs, with multiple peak soil values exceeding 1g/t Au including 9.93g/t and 6.9g/t Au results.
- Macaw Area**, is located on a major flexure on a regional scale shear zone and rheological contact with >4.6km extent of +100ppb Au soil anomalism and historical trench results of up to 20.5m @ 2.96g/t Au.

Figure 1 | Location Map – Arakaka Gold Project



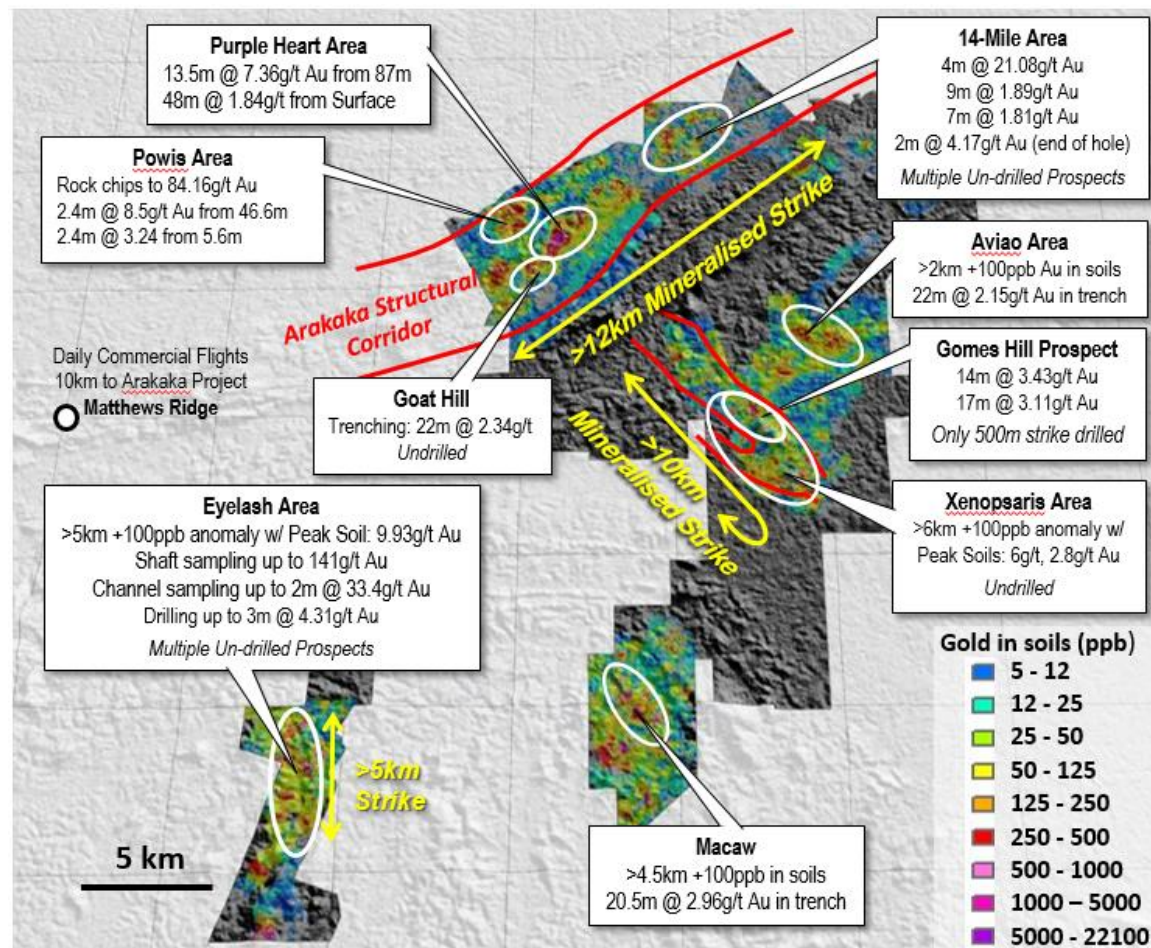
## Directors' Report

### 8. Review of Operations (continued)

#### Arakaka Gold Project

The Arakaka Gold Project is made up of a number of permits, subject to underlying agreements, that cover a total area of over 300km<sup>2</sup> within the Northern Guyana Shield. These projects cover volcano-sedimentary Paleoproterozoic greenstone rocks of the Barama-Mazaruni supergroup which are highly prospective for large tonnage, orogenic gold deposits as demonstrated along trend in the +27Moz Brisas/Las Christinas deposits located to the southwest in neighbouring Venezuela.

Figure 2 | Arakaka Trend – Target Area and Prospect locations within the Arakaka Project land position



Guyana's northwest gold district is one of the most under-explored greenstone belts in the world, and among the last of the Birimian aged greenstone belts to not host large tonnage gold resources or bulk mineable gold production. To date less than 5% of the current known gold anomalism has been drilled at this early stage of exploration.

The primary emphasis on 2014-15 exploration activity has been geologic mapping and improving geologic understanding. Geologic work has ranged in scale, including among other work;

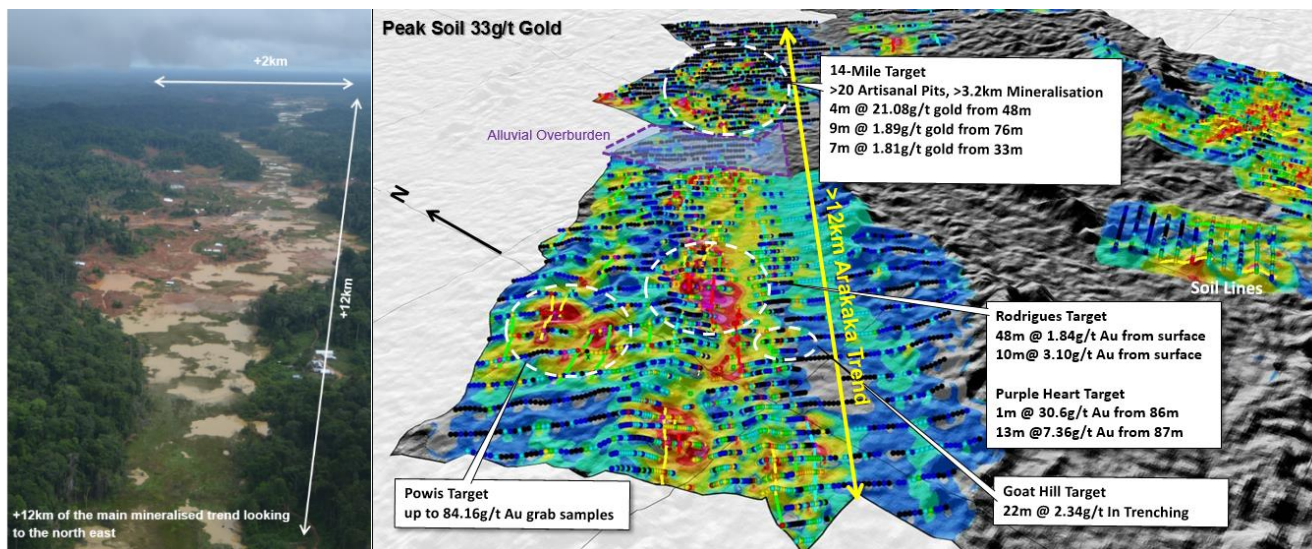
- multiple regional scale traverses utilised to refine stratigraphy, improve knowledge of crustal scale structural features, and better define belt scale thrusting and folding events,
- regolith and geomorphological features mapping and re-interpreting surface geochemical results in context of these important near surface controls and effects on the mineralising systems
- detail geological prospect scale mapping to define deposit specific controls on various styles of gold mineralisation encountered.

All additional exploration activity reported has been in support of defining mineralisation controls and geological setting of mineralisation in this project wide, belt scale approach to exploration for the purpose of progressing exploration on only the highest prospectivity target areas in the district.

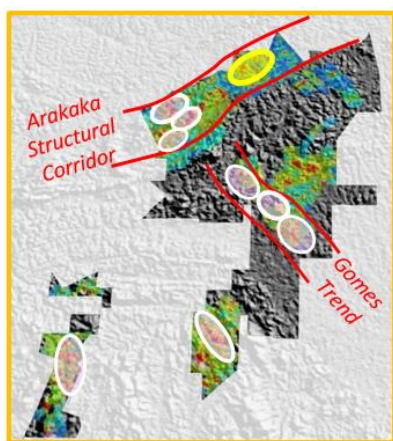
## Directors' Report

### 8. Review of Operations (continued)

#### Figures 3 & 4 | Arakaka Gold Project – Arakaka Main Trend Soil Results



The Arakaka Main Trend is host to pervasive alluvial workings with >1 million ounces of gold production along the northeast flowing Arakaka drainage, where near surface artisanal mining activity has extended below the transported alluvial horizon and significant amounts of gold have been mined from the in-situ weathered profile (saprolite) beneath, and extends onto the low lying hills on the margins of the drainage, where over 40 active and historical saprolite open pit gold workings of significance have been mapped along 12km extent of surface geochemistry. Within this corridor of extensive historical mining activity, six target areas have been identified and significant geological work has been completed during the reporting period on the 14-Mile, Purple Heart/Rodriguez, Powis, and Goat Hill target areas.



### 14-Mile Area

14-Mile is located 22km (~14 miles) southwest of Port Kaituma, and is comprised of seven distinct mineralised trends including the coherent and open-ended >3.2km long Gold Hill prospect anomaly. The surface anomalism from soils include a peak value of 2,309ppb Au and the multiple anomalies identified host more than 10 artisanal pits in saprolite associated with several kilometres of alluvial workings. Follow-up surface geochemistry work has also returned peak auger results up to 6.52g/t Au and peak rock chips including 31.1g/t Au at the Conrad pit and 20g/t Au at the Khan prospect.

Alicanto exploration work on the 14-Mile target area (see Figure 2 for location) includes 1,417m of limited reconnaissance drilling in 14 holes ranging 58 to 139m in depth designed to assess the character and style of mineralisation of a select few prospects within the target area.

Better drill results include (refer to ASX release dated 17 September 2014);

- ◆ 4m @ 21.08g/t Au from 48m
- ◆ 9m @ 1.89g/t Au from 76m
- ◆ 7m @ 1.81g/t Au from 33m
- ◆ 2m @ 4.17g/t Au end of hole - 113m

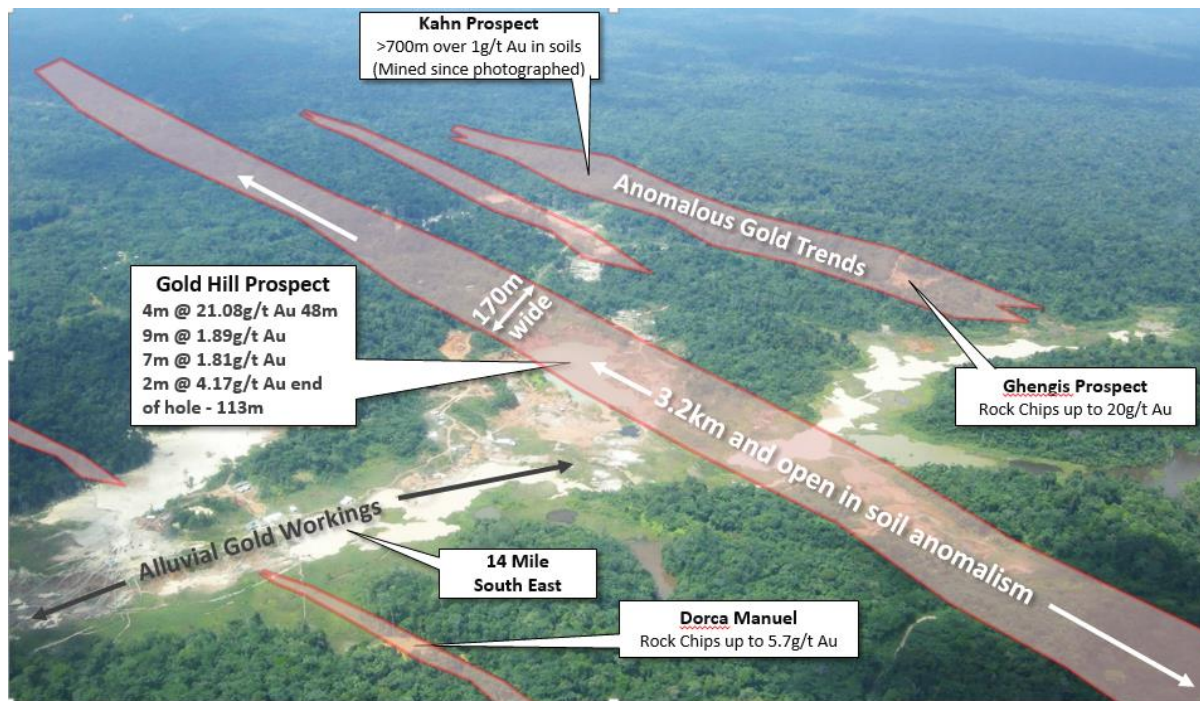
The latest drill assay results have confirmed high grade zones occur with shears on margins of pervasively altered diorite intrusions, with the diorite intrusions themselves hosting broad, disseminated gold mineralisation at the 14-Mile prospect. Broad widths of disseminated mineralisation associated with high grade zones within diorite intrusions have confirmed geological interpretations and the potential for bulk tonnage gold mineralisation in the 14-Mile area.



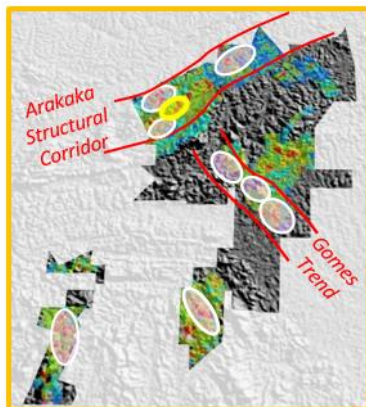
## Directors' Report

### 8. Review of Operations (continued)

Figure 5 | 14 Mile Target Area overview



Continued field work at 14-Mile for the reporting period includes geological mapping, auger sampling and rock chip sampling designed to follow up on significant soil anomalies and rock chip results from Alicanto's previous field programs to follow-up on favourable soils and high grade rock chip results up to 31.31g/t at the Conrad Prospect and 20.01g/t at the Khan prospect (refer to ASX release dated 17 September 2014), both of which remain undrilled.



### Purple Heart Target Area

The Purple Heart target area is comprised of multiple zones of coherent surface anomalism across more than 1.5km of width and >2.4km of strike extent of +100ppb Au anomalism located central to the 12km long Main Arakaka Trend. The anomalous zone includes several mineralised lodes identified in artisanal workings in saprolite and confirmed in diamond drilling.

The Purple Heart and Rodriguez artisanal pits are two of the more extensive shallow artisanal pits on the main Arakaka Trend. Located 750m apart, each pit hosts only a single section of first pass drilling by previous explorers that confirms the potential of the Purple Heart area to host a bulk tonnage gold deposit. Detailed mapping and surface geochemistry strongly suggest potential for continuity of the mineralised system between the pits and extending beyond the open-ended drilling.

Recent geological work, including re-logging of historical diamond core holes in the context of revised stratigraphy for the region, has highlighted further mineralisation potential on parallel zones of anomalous Au geochemistry where un-drilled anomalies inclusive of peak soil results of up to **8.1g/t**, **6.45g/t**, and **3.55g/t Au** are associated with favourable geological settings defined in limited historical drilling and surface mapping (refer to Figure 6).

All zones of gold anomalism are focused on shear zones located in and around diorite intrusions of various composition. Mineralisation ranges from bonanza style gold intercepts of visible gold in quartz veins to broad zones of disseminated mineralisation associated with arsenian-pyrite and pyrrhotite. Encouragingly both types of mineralisation are found within the same geological setting and so exhibit significant potential for bulk tonnage targets.

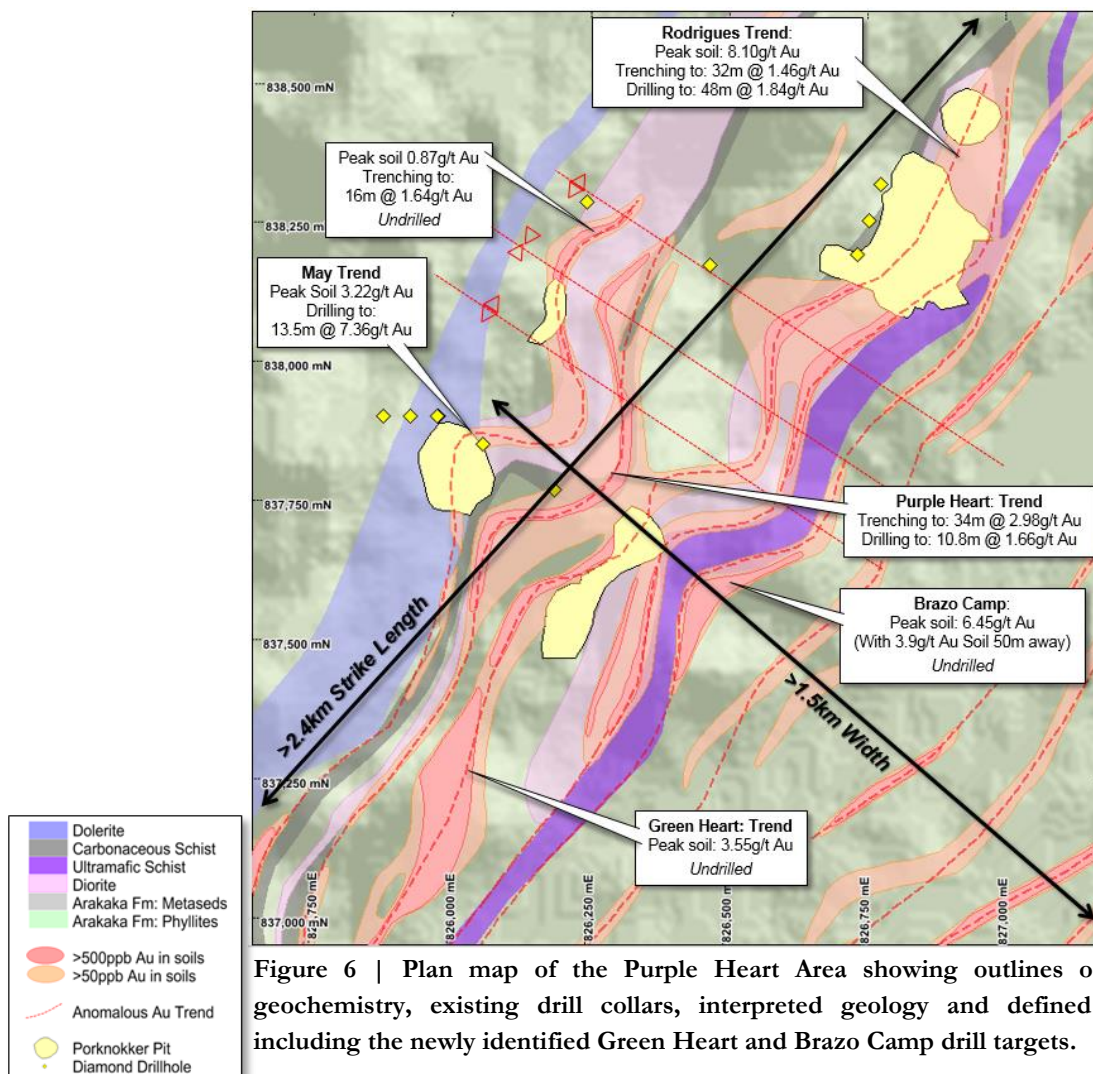
## Directors' Report

### 8. Review of Operations (continued)

Purple Heart Significant historical drill results show a series of at least three parallel lodes in limited drilling with visible gold encountered in many of the holes, with better drill intercepts including;

- ♦ 13.5m @ 7.36g/t gold from 87m – PHD0801
- ♦ 1.9m @ 30.66g/t gold from 86m – PHD0802
- ♦ 10.8m @ 1.66g/t gold from 17m – PHD0805
- ♦ 10m @ 3.10 g/t gold from surface – ARD04
- ♦ 48m @ 1.84g/t gold from surface; - ARD05
- ♦ 20.5m @ 1.43g/t gold from 65m – ROD0803

Refer to ASX release dated 26 August 2015 for complete listing of drill results.

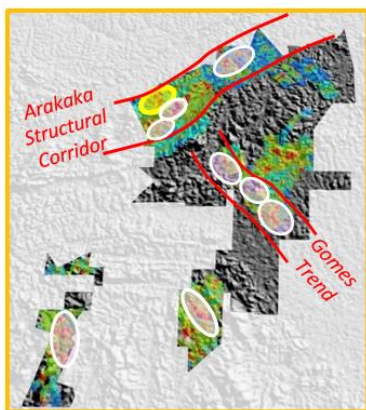


**Figure 6 | Plan map of the Purple Heart Area showing outlines of anomalous soil geochemistry, existing drill collars, interpreted geology and defined Prospect Area's including the newly identified Green Heart and Brazo Camp drill targets.**

During the reporting period, the Purple Heart target Area has been incorporated into an extensive, detailed mapping campaign of the entire Arakaka Main Trend at 1:2,000 scale geology which, integrated with an assessment of historical gradient array IP datasets has resulted in a revised geological and structural interpretation for the prospects. This updated geological work, integrated with a re-assessment of historical surface geochemical datasets in context of regolith and landform mapping has resulted in the identification of numerous untested targets across more than 1.5km of width and >2.4km of strike within the Purple Heart area.

## Directors' Report

### 8. Review of Operations (continued)



### Powis Target Area

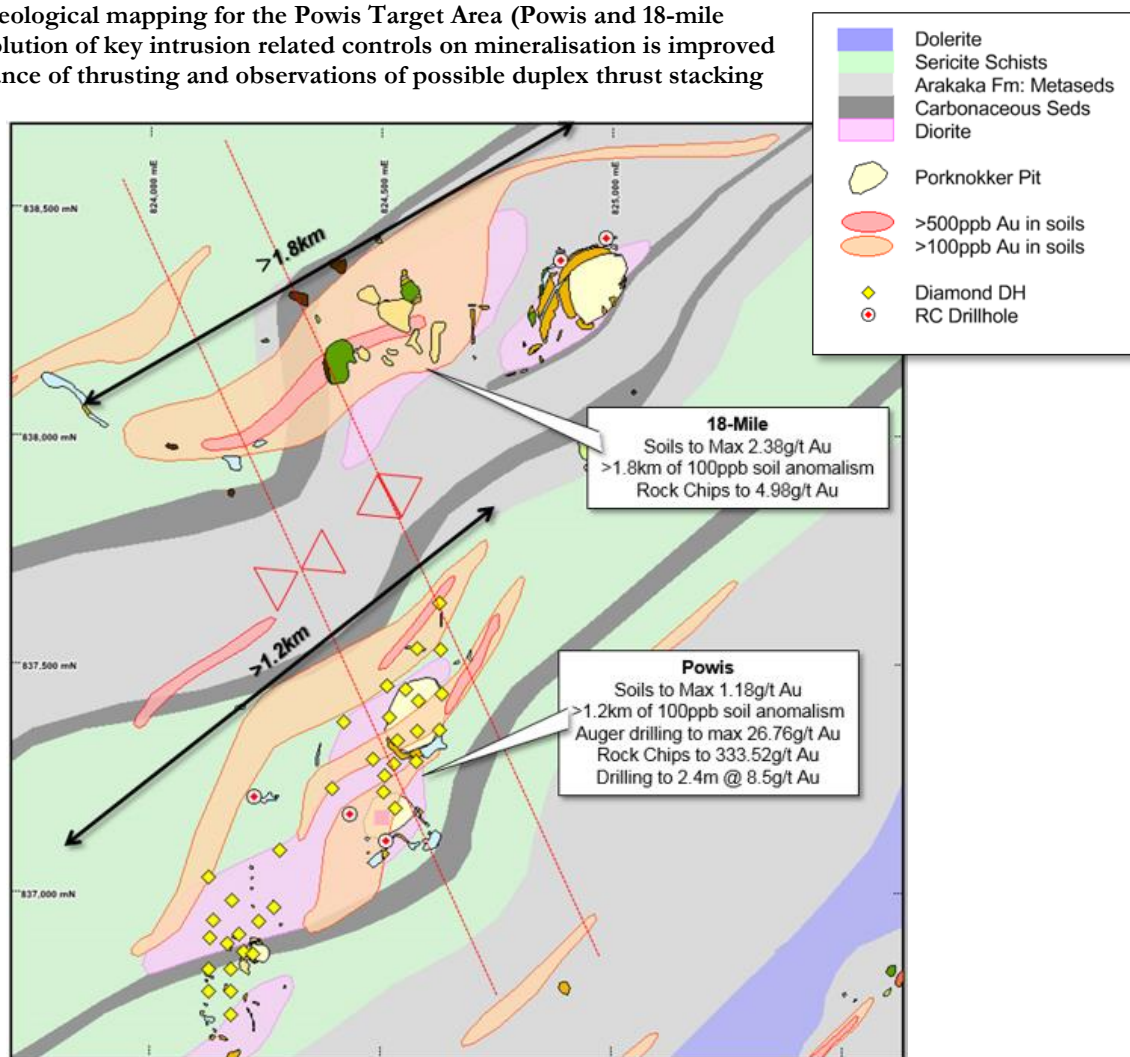
The Powis target is located 750m north of the main Arakaka trend shear zone (Refer to Figure 1) with sub-parallel surface anomalism extending approximately 1.5km along a SW-NE orientation (Refer to Figure 2), where the main Arakaka trend is host to a more prolific zone of mineralised shears with anomalism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

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

An initial drill test by Alicanto completed in the first half of 2014 was designed to follow up on mapping and rock chipping by Alicanto geologists including rock chip results of up to **84.2g/t**

**Au**. The drilling successfully pierced the target vein over a 3m interval in hole ARRC003 and follow-up screen fire analysis work (refer to ASX release dated 17 September 2014) returned a value of 1m @ 9.3g/t Au from 64m depth, confirming the geological interpretation of high angle mineralised zones. Given the coarse nature of gold in the target zone, further drilling is necessary to determine the significance of this result.

**Figure 7 | Updated geological mapping for the Powis Target Area (Powis and 18-mile prospects) where resolution of key intrusion related controls on mineralisation is improved and potential importance of thrusting and observations of possible duplex thrust stacking observed**



Alicanto has also acquired archived whole and cut core material drilled by the previous operator and in December 2014 relocated all the core to the Company's Monosse camp for logging, geological compilation work and to secure material for audit and review work related to future resource estimation studies. Historical drilling by the previous operator at the Powis Prospect is comprised of 35 vertical to sub-vertical holes totalling 5,780m of NQ diamond core, and much of this core was never assayed.

## Directors' Report

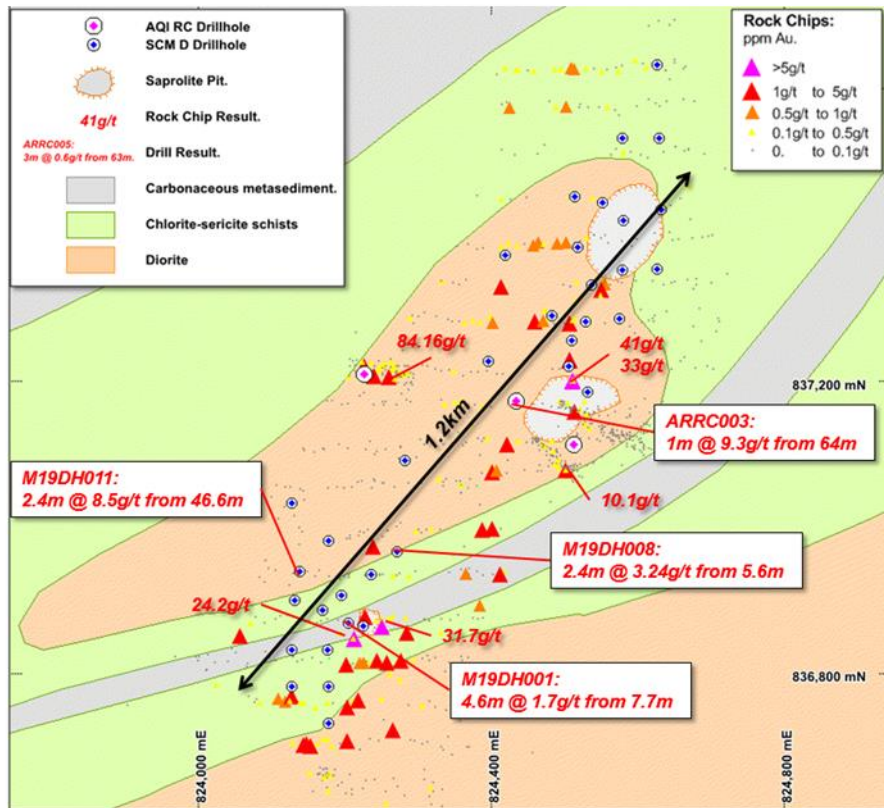
### 8. Review of Operations (continued)

The additional assay analysis of previously un-sampled core was initiated due to the identification of an interval containing visible gold identified during re-logging, along with several un-sampled intervals of strongly altered material from the archived core. Assay results of historical drilling, from recent analysis work by Alicanto includes better intercepts of;

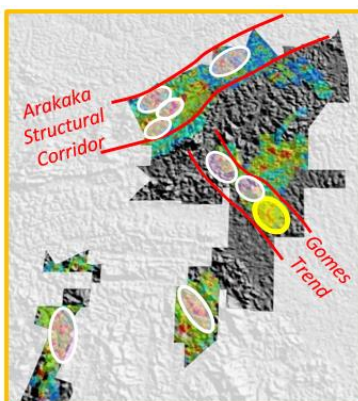
- ◆ 4.6m @ 1.7g/t Au from 7.7m in M19DH001
- ◆ 2.4m @ 3.24g/t Au from 5.6m in M19DH008
- ◆ 2.4m @ 8.5g/t Au from 46.6m in M19DH011

Refer to ASX release dated 27 January 2015 for complete listing of drill results.

**Figure 8 | Plan map of the Powis Prospect showing existing drill collar location, reported significant drill results, rock chip locations, and 2014 interpreted geology results**



2014-15 rock chip results coincident with mapping efforts on the Powis Prospect include peak values of 84.16g/t Au and 10g/t Au with historical rock chips returning up to 41g/t & 33g/t (Refer to Figure 2). The mapping and sampling work completed when integrated with structural measurements from diamond core re-logging work support the interpretation of multiple high angle mineralised lodes which are to date untested due to the orientation of historical drilling.



## Xenopsaris Area

*Gold Anomalism extended by 20% to >6km of +100ppb Au anomalism including numerous +1,000ppb Au soil results and auger drilling demonstrates potential sources to broad and extensive zones of mineralisation for better focused drill targeting*

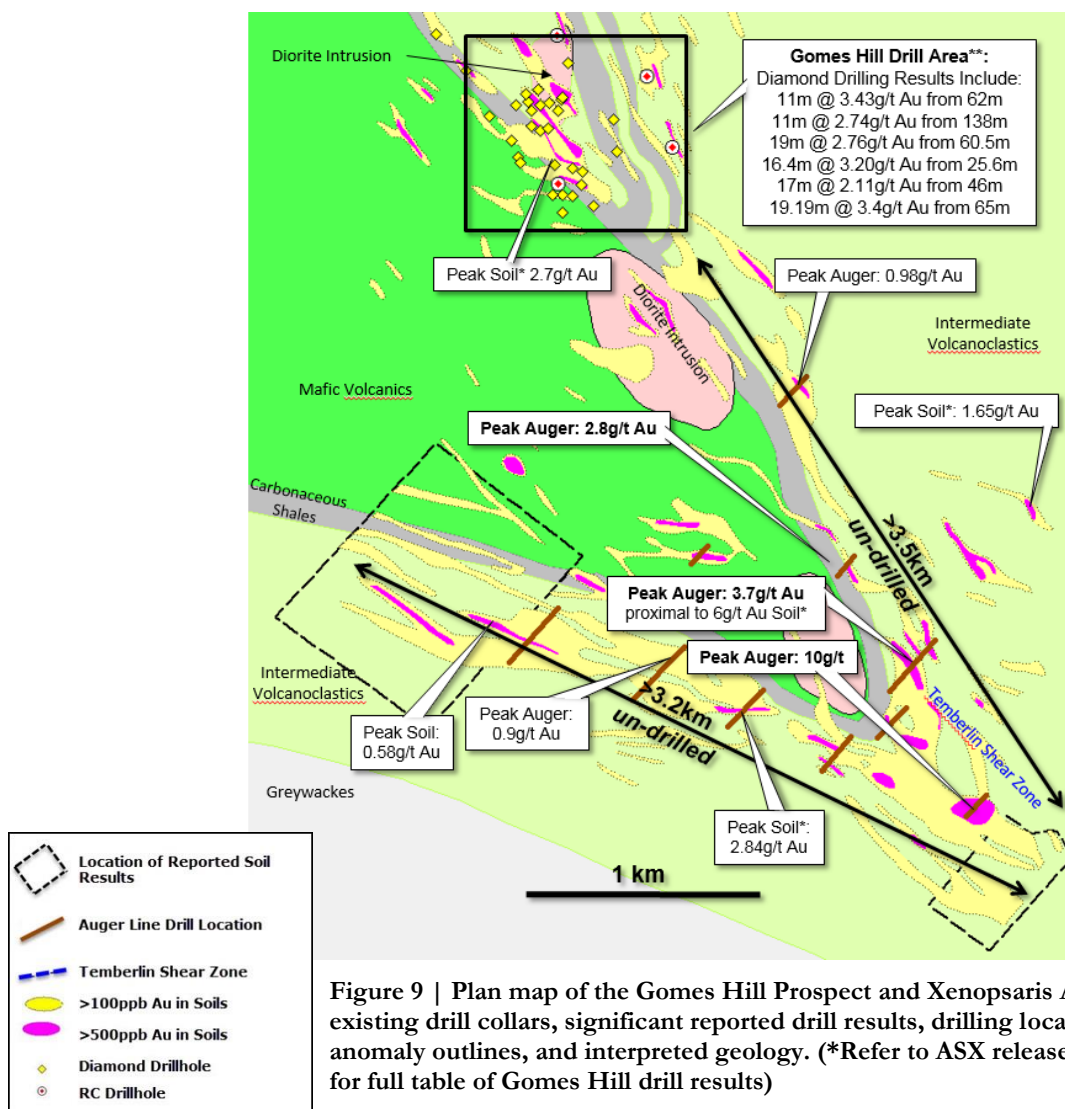
Located on the southern extensions of the >11km long Gomes Trend gold anomalism (Refer to Figure 2), Xenopsaris is host to over 6km of +100ppb soil anomalism extending away from the Gomes Hill Prospect drilled mineralisation. The Xenopsaris un-drilled extension of anomalism includes multiple +1g/t Au results with peak values of 6.0g/t Au, 2.84g/t Au, and 1.65g/t Au (Refer to ASX release dated 11 March 2015, and Figure 3 for overview of all exploration results).

## Directors' Report

### 8. Review of Operations (continued)

Initial regolith and landform interpretation along with limited in-fill and extension soil sampling work has been completed on the Xenopsaris Area target.

The exploration activity completed at Xenopsaris has highlighted numerous zones of +0.5g/t Au soils along strike from drilled mineralisation at the Gomes Hill Prospect, including better drill intercepts of **19.19m @ 3.4g/t Au** from 65m, incl. **6m @ 6.25g/t Au** in hole MD008, **17m @ 2.11g/t Au** from 46m, incl. **4.25m @ 6.12g/t Au** in hole MD002 and **11.0m @ 3.43g/t Au** from 62m in TAK9717 (Refer to ASX release dated 9 February 2015).



**Figure 9 | Plan map of the Gomes Hill Prospect and Xenopsaris Area targets showing existing drill collars, significant reported drill results, drilling locations, updated soil anomaly outlines, and interpreted geology. (\*Refer to ASX release dated 9 February 2015 for full table of Gomes Hill drill results)**

The location of the anomalous samples is predominantly on ridges and slopes throughout the anomalous corridor, which suggests the source of mineralisation is beneath and in close proximity to the surface anomalism. The discontinuous zones of +0.5g/t Au anomalism is located within a halo of anomalism with stronger continuity at a +100ppb Au cut-off grade.

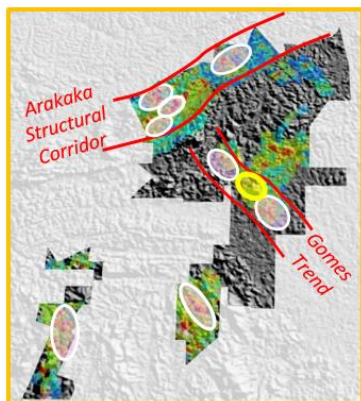
Mineralisation has been identified in soil and confirmed in auger drill sampling along the interpreted Temberlin Shear Zone, with anomalism continuing along the projection of the Temberlin Shear to the extent of current sampling to the southeast. Anomalism also continues beyond the limit of mineralisation to the northwest, wrapping around an interpreted fold closure following the Eveready carbonaceous shale unit located at the contact between the Mafic Volcanics of the Eyelash Formation and the overlying volcanoclastic and greywacke lithology's of the Tenapu Formation.

Exploration activity includes follow-up work Recent exploration activity focuses on several well defined zones of +500ppb Au anomalism within the mineralised corridor, where on numerous zones of +500ppb Au soils highlighted in previously reported results including multiple +1g/t Au results with peak values of **6.0g/t**, **2.84g/t**, and **1.65g/t Au** (refer to ASX release dated 11 March 2015).

## Directors' Report

### 8. Review of Operations (continued)

It is on these prioritised targets that auger sampling has been utilised to refine the location for the source of mineralisation for drill testing. Assays from auger sampling include peak values of **10g/t and 3.7g/t Au** (refer to ASX release dated 26 May 2015), with better auger results closely associated with higher grade soil assays on each line, improving confidence in quality of results from soil sampling vectoring to mineralisation (Refer to Figure 9).



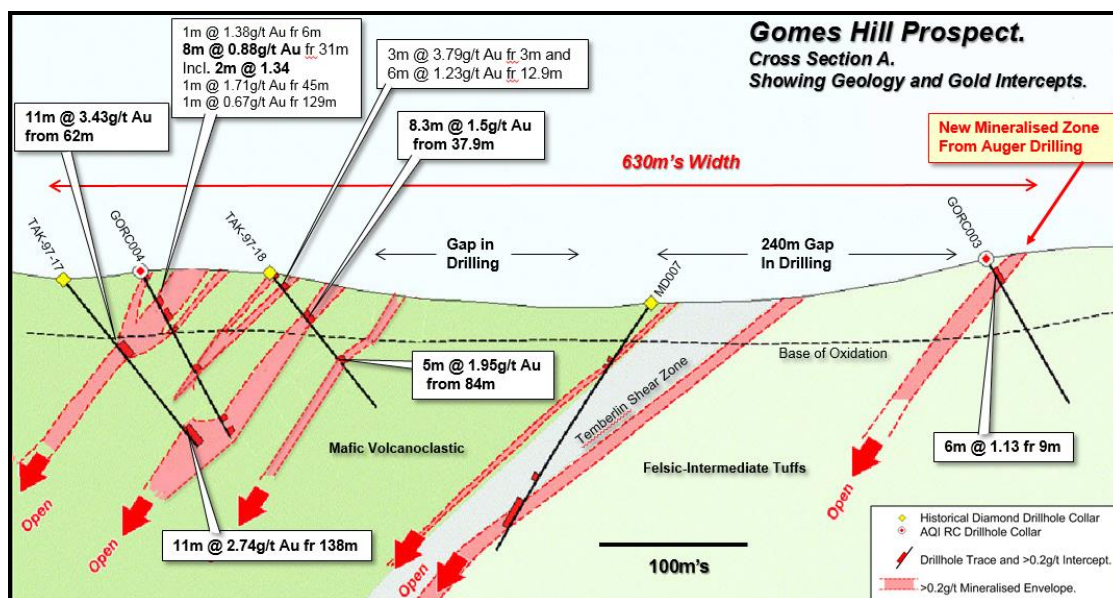
### Gomes Hill Prospect

#### *Re-logging and JORC Compliant Verification of historical diamond drilling and assay of Alicanto maiden drilling completed*

The central prospect on an extensive and open-ended 11km long corridor of mineralisation, the Gomes Hill Prospect is host to the only drill testing on the Gomes Trend with open-ended mineralisation drilled for approximately 500m strike extent. Historical drilling indicates mineralisation is diorite hosted and associated with strong silicification with phyrrotite and arsenopyrite (no graphite). Significant drilled mineralisation includes better intercepts of 19.19m @ 3.4g/t Au from 65m, incl. 6m @ 6.25g/t Au in hole MD008, 17m @ 2.11g/t Au from 46m, incl. 4.25m @ 6.12g/t Au in hole MD002 and 11.0m @ 3.43g/t Au from 62m in TAK9717 (Refer to ASX release dated 9 February 2015).

Initial drilling by Alicanto was completed during the reporting period, designed to test an updated geological interpretation for the Gomes Hill Prospect area generated from detailed surface mapping and surface geochemistry work. The revised model, supported by recent auger drilling, interprets additional stacked mineralised bodies dipping 60 degrees to the southwest as opposed to a single shallowly dipping mineralised body as modelled by previous operators. The change in interpreted geometry for the mineralisation results in an increase in the number of mineralised horizons intersected in drilling and an increase in tonnage potential for the Gomes Hill Prospect.

**Figure 10 | Section of the Gomes Hill Prospect showing existing drill collars, significant reported drill results and interpreted geology.**

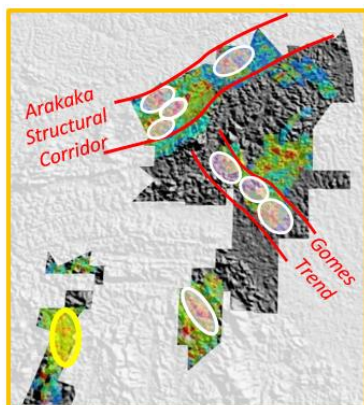


The exploration results for the four RC holes totalling 458m completed by Alicanto were all successful in their objectives (Refer to ASX release dated 9 February 2015 for table of drill results). Drill holes GORC001 through 003 each target separate anomalies identified in soil sampling, testing new mineralisation confirmed with offsets in auger drilling. Each hole intersected zones of strong alteration associated with anomalous gold values, with drill hole GORC003 returning 6m @ 1.13g/t Au below newly defined surface anomalism in the recent auger drilling, where the single hole was designed to verify a source to the surface anomalism. The additional surface anomalism extends for over 1.2km in strike length and requires additional drilling to test the continuity of mineralisation.

The fourth hole, GORC004 was designed to test the updated geological interpretation for the Gomes area targeting multiple stacked mineralised bodies interpreted to dip 60 degrees to the southwest as opposed to a single shallowly dipping mineralised body as previously modelled (refer to Figure 10). RC hole GORC004 was a key test on an existing fence of drilling, and was successful in intercepting multiple zones of mineralisation with a better intercept of 8m @ 0.88g/t Au, including 2m @ 1.34g/t Au.

## Directors' Report

### 8. Review of Operations (continued)



## Eyelash Area

*Eyelash Prospect Area results from geological mapping and surface geochemical sampling identified multiple new prospects*

The Eyelash Corridor is located in the Southwest portion of Alicanto's extensive landholding in northwestern Guyana (Refer to Figure 2), situated at the upstream extent of more than 20 kilometres of alluvial workings. The target area is host to significant historical gold production within the >5km of +100ppb gold anomalism from historical soil sampling programs (refer to Figure 5) with multiple peak soil values exceeding 1g/t Au including 9.93g/t Au soil at the Devi Prospect and 6.9g/t Au Soil at the Kelly Prospect.

Exploration activity during the year is comprised of geological mapping, auger sampling, and surface rock chip sampling, including channel and shaft sampling work.

Geological Mapping and the resulting updated geological interpretation for the area has highlighted the significance of previously unidentified northeast striking mineralised structures that spur off of the previously identified dominant north-south structural control to mineralisation, with coincident ankerite-sericite-pyrite alteration.

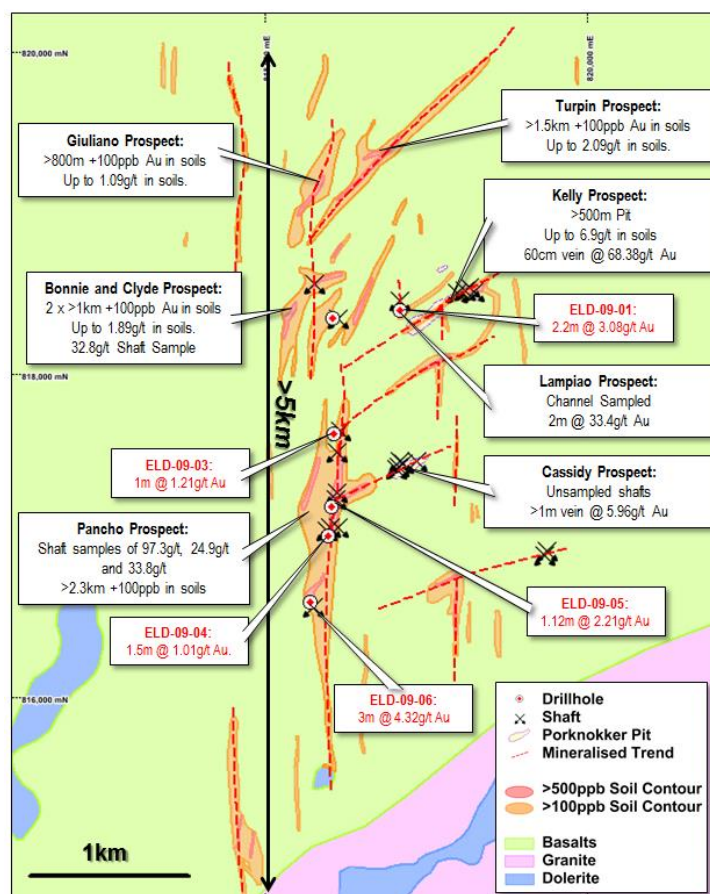


Figure 11 | Plan map of the Eyelash Area showing existing drill collars, significant reported drill results, interpreted geology and defined Prospect Area's.

This brings the total number of drill ready targets in the Eyelash area to nine, with two new prospect areas, Kid and Devi Prospects, defined subsequent to the reporting period for potential follow-up drilling all displaying consistent soil anomalism exceeding 100ppb Au within the >5km long anomalous corridor (refer to ASX release dated 14 July 2015).

Surface rock chip sampling returned peak values of 142g/t, 97.3g/t (Pancho Prospect), 68.38g/t (Turpin Prospect), 41.8g/t, 2m @ 33.4g/t (Lampio Prospect), 32.8g/t (Bonnie Prospect) and 27.1g/t Au (Refer to Figure 11) and reported work expands the footprint of high grade gold mineralisation at the Eyelash Area (refer to ASX releases dated 25 February 2015 and 14 July 2015). Concurrent auger sampling work also refines drill targeting on multiple discrete targets within the Eyelash Corridor.

## Directors' Report

### 8. Review of Operations (continued)

Chip channel sampling work at the Kelly prospect, containing a >500m long artisanal mining pit and multiple shallow underground workings, returned assays collected along the walls of a 29.2m deep adit at the northeastern extent of the historical workings at the prospect. From a total of 32.5m of sampling in the adit, 15.7m yielded results over 0.5g/t Au, returning intervals measured from the portal of:

- ♦ **5.4m @ 2.74g/t Au** from 0 to 5.4m
- ♦ **10m @ 2.58g/t Au** from 12 to 22m
- ♦ **2m @ 8.16g/t Au** from 26 to 28m

Within the adit, mineralisation is associated with laminated quartz veins of up to 60cm width, mostly oriented North South within moderately foliated basalts, foliation dipping 70 degrees to the West. This indicates that the adit did not extend as far as the main NE target zone, a conclusion supported by the lack of ankerite-sericite-pyrite alteration.

The reported exploration results support Alicanto's geological and structural model for the Eyelash area where new targets for drill testing are being generated and emphasize the significance of previously unidentified northeast striking mineralised structures coincident with ankerite-sericite-pyrite alteration at Eyelash, which spur off of the previously mapped dominant north-south structural control to mineralisation as defined in the Alicanto release dated 25 February 2015.

Limited historical drilling totalling 837m in six holes completed in 2009 was focused on north-south trending soil anomalies. The newly identified northeast trending zones have not been effectively drill tested, nor are the highly prospective zones where the two controls on mineralisation are projected to intersect.

### Tassawini Gold Project

Tassawini is located approximately 45km to the east of Arakaka. The Tassawini Gold Project is partially located on an Amerindian Reservation and is required to have an impact benefit agreement in place with the local Amerindian Community prior to a commercial mining licence being granted. During the period the Company continued the review of previous resource estimations and regional datasets to generate targets for further exploration. No further evaluation and/or exploration work to verify resource estimations by previous operators has been completed in the reporting period, or planned for the next quarter.

### Mineral Resource Estimation

As at 30 June 2015, Alicanto has not completed sufficient work to warrant mineral resource estimation and has no Mineral Resource holdings for its project areas located in Guyana, resulting in a 0% increase over the previous years reported resource holdings.

Alicanto has adopted the following governance arrangements and internal controls for the preparation of mineral resource estimations for the Company to ensure any Mineral Resource or Ore Reserve estimations prepared by Alicanto are reported in accordance with the principles of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 edition (JORC Code) and ASX Listing Rules.

Exploration activity and material results acquired in support of Mineral Resource estimation is subject to regular internal review to confirm and compile exploration results on a continuous basis for disclosure to shareholders in accordance with ASX listing rule 5.7 and in accordance with requirements of the JORC Code. Compilation of exploration results is completed or overseen by Alicanto personnel that meet the requirements of a Competent Person in accordance with the principles of the JORC Code.

Any documentation for the estimation of Mineral Resources or Ore Reserve must be prepared or overseen by a Competent Person in accordance with the principles of the JORC Code involving either Company personnel or an Independent Competent Person as deemed appropriate by Company management, with reporting of final documentation prepared in accordance with ASX listing rule(s) 5.8 and/or 5.9 as relevant to the consideration of modifying factors used in the estimation process.

### Dispute over B22 and B23 Permits

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



## Directors' Report

### 8. Review of Operations (continued)

#### Corporate

Alicanto is an emerging mineral exploration company focused on the exploration and development of a portfolio of precious and base metals projects in Guyana, South America.

The Company's primary focus in the 2015 financial year has been advancing the Arakaka Gold Project located in Guyana's northwest, which has been host to small and medium scale gold production for more than 100 years, with recorded near surface gold production in the Arakaka region exceeding one million ounces. Since acquiring the Arakaka Project in April 2013, Alicanto has completed extensive reconnaissance level drilling, geological, and geochemical exploration activities, that have confirmed geological models and increased prospectivity and resource potential on numerous targets.

Early in the 2015 financial year, the Company announced a \$2.1 million equity raising consisting of a two tranche placement and a Share Purchase Plan ("SPP"). Despite the extremely difficult market conditions, the equity raising and SPP was oversubscribed by new and existing shareholders. In June 2015, the Company completed an additional equity raising of \$357,000 by way of a private placement.

With the funds raised, the company has advanced the level of geologic understanding on the project to now prioritise up to ten drill ready prospect areas with demonstrable gold resource potential based on prospectivity and potential economic viability considerations, and continues to advance exploration activity with cost efficient exploration methods to best target and prioritise areas with resource potential and define the most effective work programs to assess mineralisation of each area and realise resource potential for economic assessment.

The Company also continuously evaluates additional projects within Guyana for potential joint venture or acquisition. In addition the Company also continues to evaluate projects in Australia and overseas, in gold, copper and other commodities to grow shareholder value.

#### Appointment of Managing Director

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

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

### 9. Matters Subsequent to the End of the Financial Year

On 31 July 2015 6,350,000 options expired with exercise prices of \$0.20 and \$0.30.

There are no further material events subsequent to balance date.

### 10. Likely Developments and Expected Results of Operations

The Consolidated Entity will continue its mineral exploration activity at and around its exploration projects with the object of identifying commercial resources. Material business risks that may impact the results of future operations include further exploration results, future commodity prices and funding.

Further information on likely developments in the operations of the Company and the expected results of operations have not been included in the Annual Report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

### 11. Environmental Regulation

The Company is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all appropriate regulations when carrying out any exploration work.

## Directors' Report

### 12. Information on Directors and Company Secretary

<b>Didier Murcia AM</b>	<b>Non-Executive Chairman</b>	
Qualifications	LLB, BJuris	
Experience	Mr Murcia holds a Bachelor of Jurisprudence and Bachelor of Laws from the University of Western Australia, and has over twenty five years' experience in corporate, commercial and resource law. Mr Murcia is a Non-Executive Director of Gryphon Minerals Limited, Cradle Resources Limited and Strandline Resources Limited and Chairman of Centaurus Metals Limited, all of which are listed on the Australian Securities Exchange. He is also Chairman of Perth law firm Murcia Pestell Hillard and the Honorary Consul for the United Republic of Tanzania.	
	In January 2014, Mr Murcia was made a Member of the Order of Australia in recognition of his significant service to the international community.	
Interest in Securities	Fully Paid Ordinary Shares	530,000
	20 cent Options expiring 31 May 2016	500,000
	23 cent Options expiring 7 September 2018	750,000
Other Directorships	Gryphon Minerals Limited (since 28 July 2006) Centaurus Metals Limited (since 16 April 2009) Cradle Resources Limited (since 13 August 2013) Strandline Resources Limited (since 23 October 2014) Rift Valley Resources Limited (since 22 November 2010 to 4 June 2013)	
<b>Matthew Bowles</b>	<b>Non-Executive Director</b>	
Qualifications	B.Com, CPA, ASA	
Experience	Mr Bowles has extensive commercial, corporate finance and capital markets experience within the resource sector particularly in strategy development, domestic and cross border corporate M&A transactions and capital raising initiatives. He was previously an Executive Director, Mergers and Acquisitions with global advisory firm Ernst & Young and prior to joining in 2004, spent eight years with Rio Tinto Limited and four years in investment banking in London. Mr Bowles is a Member of the Australian Society of Certified Practising Accountants and the Financial Services Institute of Australia.	
Interest in Securities	20 cent Options expiring 31 May 2016	500,000
	23 cent Options expiring 7 September 2018	1,500,000
Other Directorships	Tawana Resources NL (since 30 May 2011 to 1 January 2015)	
<b>Travis Schwertfeger</b>	<b>Managing Director</b>	
Qualifications	BSc Geological Engineering, MSc Ore Deposit Geology and Evaluation, AusIMM	
Experience	Mr Schwertfeger has over 18 years global industry experience as a geologist with positions in exploration, production, geology, business development and project valuation. He previously held senior technical roles with Newmont Mining Corporation and has worked on projects in located in South America, West Africa and Australia with similar deposit style as the highly prospective Arakaka Gold Project. Mr Schwertfeger also has extensive corporate and management experience in both ASX and TSX-V listed mineral resource companies through previous Managing Director/CEO and corporate VP roles.	
Interest in Securities	Fully Paid Ordinary Shares	200,000
	23 cent Options expiring 7 September 2018	1,500,000
Other Directorships	International Goldfields Limited (since 3 May 2013) Magnolia Resources Limited (since 7 June 2012)	

### Company Secretary

Brett Dunnachie - BCom, CA. Mr Dunnachie is a Chartered Accountant with over 14 years' experience in corporate, audit and company secretarial matters. Mr Dunnachie acts as the Chief Financial Officer of the Company and was appointed Company Secretary on 3 February 2011. Previously Mr Dunnachie was an audit manager at a major chartered accounting practice and is also experienced in IPO management, company secretarial services, financial accounting/reporting and ASX/ASIC compliance management. Mr Dunnachie is also currently Company Secretary for Venture Minerals Limited and Renaissance Minerals Limited.

## Directors' Report

### 13. Audited Remuneration Report

The Directors are pleased to present your Company's 2015 remuneration report which sets out remunerations information for Alicanto Minerals Ltd's non-executive directors, executive directors and other key management personnel.

The remuneration report is set out under the following headings:

- A. Key management personnel disclosed in this report
- B. Remuneration governance
- C. Use of remuneration consultants
- D. Executive remuneration policy and framework
- E. Relationships between remuneration and Alicanto Minerals Ltd's performance
- F. Non-Executive Director remuneration
- G. Voting and comments made at the Company's 2014 Annual General Meeting
- H. Details of remuneration
- I. Details of share based compensation and bonuses
- J. Service agreements
- K. Equity instruments held by key management personnel
- L. Loans to key management personnel
- M. Other transaction with key management personnel

#### A. Key management personnel disclosed in this report

This report details the nature and amount of remuneration for all key management personnel of Alicanto Minerals Ltd and its subsidiaries. The information provided within this remuneration report has been audited as required by section 308(C) of the *Corporations Act 2001*. The Individuals included in this report are:

##### Non-Executive Directors

Mr D Murcia	Non-Executive Chairman
Mr T Schwertfeger	Managing Director (appointed 15 September 2014)
Mr M Bowles	Non-Executive Director
Mr M McKeivitt	Non-Executive Director (until 15 September 2014)

##### Other Key Management Personnel

Mr M Harden	Chief Geologist
Mr B Dunnachie	Company Secretary

Changes since the end of the reporting period

None

#### B. Remuneration governance

The role of a Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees.

As the whole Board only consists of three (3) members, the Company does not have a remuneration committee and therefore the full board acts as the remuneration committee. The Board has established a broad remuneration policy which is consistent with the Company's business objectives and designed to attract and retain high calibre individuals, align key management personnel remuneration with the creation of shareholder value and motivate executives to achieve challenging performance levels.

The business and operational environment of the Company is dynamic and ever changing and so too is the remuneration policies. As such the broader remuneration policies, whilst currently under specific and detailed review, are by nature, always under consideration by the Board.

Further information relating to the role of the Board and its responsibilities in relation to remuneration policies can be found within the Corporate Governance Statement which is available for inspection on the Company's website <http://www.alicantominerals.com.au/index.php/corporate-profile/corporate-governance>.

#### C. Use of remuneration consultants

The Company has not engaged or contracted remuneration consultants during the financial year.

## Directors' Report

### 13. Audited Remuneration Report (continued)

#### D. Executive remuneration policy and framework

##### *Remuneration Policy*

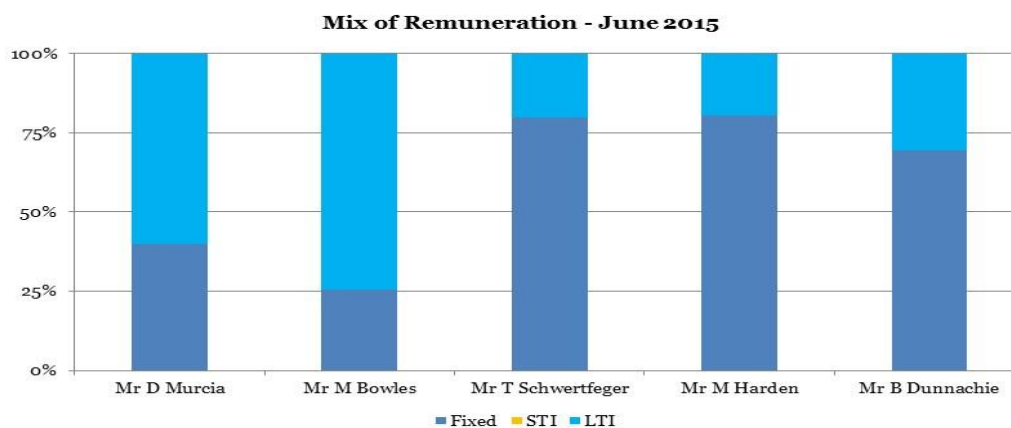
The remuneration policy of Alicanto Minerals Ltd has been designed to align executives' objectives with shareholder and business objectives by providing both fixed and discretionary remuneration components which are assessed on an annual basis in line with market rates. By providing components of remuneration that are indirectly linked to share price appreciation (in the form of options), executive, business and shareholder objectives are indirectly aligned. The board of Alicanto Minerals Ltd believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the Company, as well as create goal congruence between Directors and Shareholders.

In determining competitive remuneration rates, the Board review local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Independent data is sourced to ensure that the company's remuneration levels fall within the 50<sup>th</sup> to 75<sup>th</sup> percentile of companies in a similar industry group and with a similar market capitalisation. These ongoing reviews are performed to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

The Board also ensures that the mix of executive compensation between fixed, variable, long-term, short-term and cash versus equity is appropriate. The Company endeavours to reduce cash expenditure by providing a greater proportion of compensation in the form of equity instruments. This allows cash-flows to be directed towards exploration programs with a view to improving the quality of our projects.

There has been a salary freeze on all executive's base salaries since 2013. Further, the Managing Director has taken a voluntary reduction of 50% in his executive portion of his salary. These measures form part of broader cost reducing measures to ensure that the Company conserves cash reserves in order to maintain exploration activities whilst initially working through volatile market conditions.

##### *Executive Remuneration Mix*



##### *Fixed Remuneration*

All executives receive a base cash salary which is based on factors such as length of service and experience as well as other fringe benefits. All applicable executives also receive a superannuation guarantee contribution required by the government, which is currently 9.5% and do not receive any other retirement benefits.

##### *Short-term Incentives (STI)*

Under the Company's current remuneration policy, executives can from time to time receive short-term incentives in the form of cash bonuses. The Board can use its discretion when paying bonuses, however they have currently determined relevant industry key performance targets such as, definition and growth of existing resources, targets and on-going Executive loyalty to the Company. The Board believes that the criteria of eligibility for short-term incentives appropriately aligns shareholder wealth and executive remuneration as the completion of key performance targets have the potential to increase share price growth.

There were no cash bonuses paid out in the current financial year.

##### *Long-term Incentives (LTI)*

Executives are encouraged by the Board to hold shares in the Company and it is therefore the objective of the Company's option scheme to provide an incentive for participants to partake in the future growth of the company and, upon becoming shareholders in the Company, to participate in the Company's profits and dividends that may be realised in future years.

The Board considers that this equity performance linked remuneration structure is effective in aligning the long-term interests of group executives and shareholders as there exists a direct correlation between shareholder wealth and executive remuneration.

## Directors' Report

### 13. Audited Remuneration Report (continued)

#### E. Relationship between remuneration and Alicanto Minerals Limited's performance

The remuneration policy has been tailored to increase goal congruence between shareholders and executives. This has been achieved by the payment of short-term incentives should relevant milestones be achieved and the issue of long-term incentive options. This structure rewards executives for both short-term and long-term shareholder wealth development.

#### F. Non-Executive Director remuneration policy

The Board's policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. Fees for non-executive directors are not linked to the performance of the group.

In determining competitive remuneration rates, the Board reviews local and international trends among comparative companies and industry generally.

Typically the Company will compare non-executive remuneration to companies with similar market capitalisations in the exploration and resource development business group. These ongoing reviews are performed to confirm that non-executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

Further to ongoing reviews, the maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. In addition to director fees, the Directors were issued options during the current financial year, which were approved by shareholders at the shareholder meetings held during the period. Options were issued to non-executives as they provide an indirect mechanism of aligning shareholder wealth and non-executive director remuneration.

The remuneration policy, setting the terms and conditions for the executive directors and other senior staff members, was developed and approved by the Board. In determining competitive remuneration rates, the Board reviews local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Reviews are performed to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

There has been a salary freeze on all Non-Executive's fees since 2013 which form part of broader cost reducing measures to ensure that the Company conserves cash reserves in order to maintain exploration activities whilst initially working through volatile market conditions.

#### G. Voting and comments made at the company's 2014 Annual General Meeting

The company received 100% of "Yes" votes on its remuneration report for the 2014 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

#### H. Details of Remuneration

The Key Management Personnel of Alicanto Minerals Ltd for the year ending 30 June 2015 are set out in the table below. There have been no changes to the below named key management personnel since the end of the reporting period unless noted.

	Short-Term Employee Benefits			Post Employment	Securities	Total
	Cash Salary & Fees	Incentives	Other Amounts	Super-annuation	Options <sup>3</sup>	\$
<b>2015</b>						
Non-Executive Directors						
Mr D Murcia	32,850	-	2,392	-	53,338	<b>88,580</b>
Mr M Bowles	31,154	-	2,392	2,960	106,677	<b>143,183</b>
Mr M McKeivitt <sup>1</sup>	6,843	-	498	-	-	<b>7,341</b>
Executive Directors						
Mr T Schwertfeger <sup>2</sup>	91,668	-	1,894	8,708	25,938	<b>128,208</b>
Other Key Management Personnel						
Mr M Harden	207,692	-	-	-	50,992	<b>258,684</b>
Mr B Dunnachie	36,000	-	2,392	-	16,997	<b>55,389</b>
<b>Total Remuneration</b>	<b>406,207</b>	<b>-</b>	<b>9,568</b>	<b>11,668</b>	<b>253,942</b>	<b>681,385</b>

1: Mr M McKeivitt resigned as Non-Executive Director on 15 September 2014

2: Mr T Schwertfeger was appointed as a Director on 15 September 2014.

3: The fair value of the options is calculated at the date of grant using a Black-Scholes model.

## Directors' Report

### 13. Audited Remuneration Report (continued)

#### H. Details of Remuneration (continued)

	Short-Term Employee Benefits			Post Employment	Securities	Total
	Cash Salary & Fees	Incentives	Other Amounts	Super-annuation	Options <sup>3</sup>	\$
<b>2014</b>						
Non-Executive Directors						
Mr D Murcia	32,775	-	1,523	-	-	<b>34,298</b>
Mr M Bowles	30,000	-	1,523	2,775	-	<b>34,298</b>
Mr M McKeivitt <sup>1</sup>	27,313	-	29,469	-	55,221	<b>112,003</b>
Mr A Cooper <sup>2</sup>	5,462	-	254	-	-	<b>5,716</b>
Other Key Management Personnel						
Mr M Harden	200,000	-	-	-	-	<b>200,000</b>
Mr B Dunnachie	36,000	-	1,523	-	-	<b>37,523</b>
<b>Total Remuneration</b>	<b>331,550</b>	<b>-</b>	<b>34,292</b>	<b>2,775</b>	<b>55,221</b>	<b>423,838</b>

1: Mr M McKeivitt was appointed as Non-Executive Director on 28 August 2013

2: Mr A Cooper resigned as Non-Executive Director on 28 August 2013

3: The fair value of the options is calculated at the date of grant using a Black-Scholes model.

No retirement benefits or equity securities were issued to any Director or other key management personnel of the entity during the financial year.

#### I. Details of share-based compensation and bonuses

Options are issued to directors and executives as part of their remuneration. The options are not issued based on performance criteria, but are issued to the majority of directors and executives of Alicanto Minerals Ltd to increase goal congruence between executives, directors and shareholders.

	Granted No.	Options Granted as Part of Remuneration \$	Total Remuneration Represented by Options	Exercised No.	Other changes No.	Lapsed No.
<b>30 June 2015</b>						
Non-Executive Directors						
Mr D Murcia	750,000	53,338	60%	-	-	-
Mr M Bowles	1,500,000	106,677	75%	-	-	-
Mr M McKeivitt	-	-	-	-	-	-
Executive Director						
Mr T Schwertfeger	1,500,000	25,938	20%	-	-	-
Other Key Management Personnel						
Mr M Harden	750,000	50,992	20%	-	-	-
Mr B Dunnachie	250,000	16,997	31%	-	-	-
<b>30 June 2014</b>						
Non-Executive Directors						
Mr D Murcia	-	-	-	-	-	-
Mr M Bowles	-	-	-	-	-	-
Mr M McKeivitt	500,000	55,221	49%	-	-	-
Mr A Cooper	-	-	-	-	-	-
Other Key Management Personnel						
Mr M Harden	-	-	-	-	-	-
Mr B Dunnachie	-	-	-	-	-	-

## Directors' Report

### 13. Audited Remuneration Report (continued)

#### I. Details of share-based compensation and bonuses (continued)

During the financial year and up to the date of this report the Company issued options as part of remuneration to key management personnel as follows:

	Issue Date	Expiry Date	% Vested in Year	Exercise Price	Number of Options
<b>30 June 2015</b>					
Non-Executive Directors					
Mr D Murcia	08 Sept 14	07 Sept 18	100%	\$0.23	750,000
Mr M Bowles	08 Sept 14	07 Sept 18	100%	\$0.23	1,500,000
Mr M McKeivitt	-	-	-	-	-
Executive Director					
Mr T Schwertfeger	27 Nov 14	07 Sept 18	0%	\$0.23	1,500,000
Other Key Management Personnel					
Mr M Harden	12 Sept 14	07 Sept 18	100%	\$0.23	750,000
Mr B Dunnachie	12 Sept 14	07 Sept 18	100%	\$0.23	250,000
<b>30 June 2014</b>					
Non-Executive Directors					
Mr D Murcia	-	-	-	-	-
Mr M Bowles	-	-	-	-	-
Mr M McKeivitt	22 Nov 13	21 Nov 17	100%	\$0.32	500,000
Mr A Cooper	-	-	-	-	-
Other Key Management Personnel					
Mr M Harden	-	-	-	-	-
Mr B Dunnachie	-	-	-	-	-

The value at grant date is calculated in accordance with AASB2 Share Based Payments utilising the Black Scholes Methodology. The following factors and assumptions were used in determining the fair value of options issued to key management personnel on grant date:

Grant Date	Expiry Date	Exercise Price	Fair Value Per Option	Price of Shares on Grant Date	Estimated Volatility	Risk Free Interest Rate	Dividend Yield
<b>30 June 2015</b>							
08 Sept 14	07 Sept 18	\$0.23	\$0.07	\$0.16	85%	2.98%	0%
12 Sept 14	07 Sept 18	\$0.23	\$0.07	\$0.16	85%	2.98%	0%
27 Nov 14	07 Sept 18	\$0.23	\$0.03	\$0.09	85%	2.31%	0%
<b>30 June 2014</b>							
22 Nov 13	21 Nov 17	\$0.32	\$0.11	\$0.24	85%	3.51%	0%

Historical 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.

## Directors' Report

### 13. Audited Remuneration Report (continued)

#### J. Services Agreements

Remuneration and other key terms of employment for the Executives, Non-Executives and Other Executives of Alicanto Minerals Ltd are formalised in executive service agreements. Major provisions of the agreements relating to remuneration are set out below:

Mr D Murcia, Non-executive Chairman

Term of Agreement – unspecified.

Base fee of \$30,000 exclusive of superannuation.

Eligible to participate in the Company's Employee Incentive Scheme.

No termination benefit under any circumstances.

Mr T Schwertfeger, Managing Director

Term of Agreement – 12 months.

Base fee of \$240,000\* inclusive of superannuation.

Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equal to 3 months base fee, being payment in lieu of the specified termination notice period.

Eligible to participate in the Company's Employee Incentive Scheme.

\*Note that given the current market conditions, Mr Schwertfeger has agreed to a voluntary reduction of 50% of his executive base salary in order for the company to conserve funds.

Mr M Bowles, Non-executive Director

Term of Agreement – unspecified.

Base fee of \$30,000 exclusive of superannuation.

Eligible to participate in the Company's Employee Incentive Scheme.

No termination benefit under any circumstances.

Mr M Harden, Chief Geologist

Term of Agreement – unspecified.

Base salary of \$200,000 gross.

Payment of a termination benefit on early termination by the company, other than for gross misconduct, equal to 12 weeks base fee, being payment in lieu of the specified termination notice period.

Eligible to participate in the Company's Employee Incentive Scheme.

Mr B Dunnachie, Company Secretary

Term of Agreement – unspecified.

Base fee of \$36,000.

Payment of a termination benefit on early termination by the company, other than for gross misconduct, equal to 3 months base fee, being payment in lieu of the specified termination notice period.

Eligible to participate in the Company's Employee Incentive Scheme.

#### K. Equity instruments held by key management personal

The tables on following page show the number of:

- (i) Shares in the company
- (ii) Options over ordinary shares in the Company

That were held during the financial year by key management personnel of the group, including their close family members and entities that relate to them. There were no shares granted during the reporting period as compensation.

	Balance at the start of the year	Received on exercise of options	Other changes	Balance at the end of the year
2015				
Directors of Alicanto Minerals Limited				
Mr D Murcia	530,000	-	-	530,000
Mr T Schwertfeger <sup>1</sup>	-	-	-	-
Mr M Bowles	2,375,001	-	-	2,375,001
Mr M McKeivitt <sup>2</sup>	10,000	-	(10,000)	-
Other key management personnel				
Mr M Harden	350,000	-	-	350,000
Mr B Dunnachie	140,000	-	-	140,000

1: Mr T Schwertfeger was appointed as a Director on 15 September 2014.

2: Mr M McKeivitt resigned as Non-Executive Director on 15 September 2014.



## Directors' Report

### 13. Audited Remuneration Report (continued)

#### K. Equity instruments held by key management personal (continued)

	Balance at the start of the year	Received on exercise of options	Other changes	Balance at the end of the year
2014				
Directors of Alicanto Minerals Limited				
Mr D Murcia	530,000	-	-	530,000
Mr M Bowles	2,375,001	-	-	2,375,001
Mr M McKevitt <sup>1</sup>	-	-	10,000	10,000
Mr A Cooper <sup>2</sup>	200,000	-	(200,000)	-
Other key management personnel				
Mr M Harden	350,000	-	-	350,000
Mr B Dunnachie	140,000	-	-	140,000

1: Mr M McKevitt was appointed as Non-Executive Director on 28 August 2013.

2: Mr A Cooper resigned as Non-Executive Director on 28 August 2013.

	Balance at start of the year	Granted as remuneration	Exercised	Other changes	Balance at end of the year	Vested and exercisable
2015						
Directors of Alicanto Minerals Limited						
Mr D Murcia	500,000	750,000	-	-	1,250,000	1,250,000
Mr T Schwertfeger <sup>1</sup>	-	1,500,000	-	-	1,500,000	-
Mr M Bowles	2,000,000	1,500,000	-	-	3,500,000	3,500,000
Mr M McKevitt <sup>2</sup>	500,000	-	-	(500,000)	-	-
Other key management personnel						
Mr M Harden	1,000,000	750,000	-	-	1,750,000	1,750,000
Mr B Dunnachie	200,000	250,000	-	-	450,000	450,000
2014						
Directors of Alicanto Minerals Limited						
Mr D Murcia	500,000	-	-	-	500,000	500,000
Mr M Bowles	2,000,000	-	-	-	2,000,000	2,000,000
Mr M McKevitt <sup>2</sup>	-	500,000	-	-	500,000	500,000
Mr A Cooper <sup>3</sup>	100,000	-	-	(100,000)	-	-
Other key management personnel						
Mr M Harden	1,000,000	-	-	-	1,000,000	1,000,000
Mr B Dunnachie	200,000	-	-	-	200,000	200,000

1: Mr T Schwertfeger was appointed as a Director on 15 September 2014.

2: Mr M McKevitt was appointed as Non-Executive Director on 28 August 2014 and resigned on 15 September 2014.

3: Mr A Cooper resigned as Non-Executive Director on 28 August 2013.

#### L. Loans to key management personnel

There were no loans made to directors of Alicanto Minerals Ltd and other key management personnel of the group, including their close family members or entities related to them.

## Directors' Report

### 13. Audited Remuneration Report (continued)

#### M. Other transactions with key management personnel

A Director, Mr D Murcia, is a Non-Executive Director of Gryphon Minerals Limited which shares office and administration service costs on normal commercial terms and conditions.

A Director, Mr D Murcia, is a Director of Murcia Pestell Hilliard a company which provides legal services on normal commercial terms and conditions.

	2015	Consolidated	2014
	\$		\$
Recharges from Director related entities:			
Recharge of costs by Gryphon Minerals Limited	16,035		34,276
Purchases from Director related entities			
Purchases for legal services from Murcia Pestell Hilliard Lawyers	28,087		7,227
Outstanding balances arising from recharges/purchases with Director Related Parties:			
Current payables	4,251		-

End of Remuneration Report.

### 14. Shares under Option

Unissued ordinary shares of Alicanto Minerals Ltd under option at the date of this report are as follows:

Date Options Granted	Expiry Date	Exercise Price	Number under Option
30 May 12	31 May 16	\$0.200	3,550,000
22 Nov 13	21 Nov 17	\$0.320	1,250,000
12 Sep 14	07 Sept 18	\$0.230	6,800,000
27 Nov 14	07 Sept 18	\$0.230	1,500,000
02 Apr 15	25 Mar 19	\$0.065	2,000,000

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

## Directors' Report

### 15. Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of these proceedings. The Company was not a party to any such proceedings during the year.

### 16. Meetings of Directors

The number of Directors' meetings held during the financial year that each Director who held office during the financial year was eligible to attend and the number of meetings attended by each Director were:

Director	Directors Meetings	
	Number Eligible to Attend	Meetings Attended
Mr D Murcia	7	7
Mr T Schwertfeger – appointed 15 Sep 14	5	5
Mr M Bowles	7	7
Mr M McKevitt – resigned 15 Sep 14	2	1

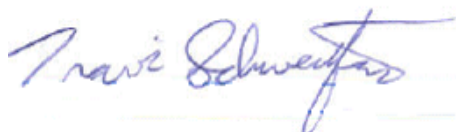
### 17. Insurance of Officers

Subsequent to the financial year end, Alicanto Minerals Ltd has paid a premium of \$9,568 (2014: \$6,094) to insure the directors and secretary of the Company and its controlled entities. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

### 18. Auditors Independent Declaration & Non-Audit Services

The lead auditor's independence declaration for the year ended 30 June 2015 has been received and can be found on page 27 of the Directors' report. No fees were paid or payable to the auditors for non-audit services performed during the year ended 30 June 2015.

Signed in accordance with a resolution of the Board of Directors.



**Travis Schwertfeger**  
 Managing Director

Perth, 11 September 2015

#### Competent Persons Statement

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

11 September 2015

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

Dear Sirs

**RE: ALICANTO MINERALS LIMITED**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Alicanto Minerals Limited.

As Audit Director for the audit of the financial statements of Alicanto Minerals Limited for the year ended 30 June 2015, 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
**(Trading as Stantons International)**  
**(An Authorised Audit Company)**



**Martin Michalik**  
**Director**

# Financial Statements

## Contents

Consolidated Statement of Profit or Loss and Other Comprehensive Income	29
Consolidated Statement of Financial Position	30
Consolidated Statement of Changes in Equity	31
Consolidated Statement of Cash Flows	32
Notes to Consolidated Financial Statements	33
Directors' Declaration	48
Independent Auditor's Report	49

These financial statements are the consolidated financial statements of the consolidated entity consisting of Alicanto Minerals Ltd and its subsidiaries. The financial statements are presented in the Australian currency.

Alicanto Minerals Ltd is a Company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Alicanto Minerals Limited  
288 Churchill Avenue  
Subiaco WA 6008

A description of the nature of the consolidated entity's operations and its principal activities is included in the review of operations and activities on pages 5 to 16 in the Directors' report, both of which is not part of these financial statements.

The financial statements were authorised for issue by the directors on 11 September 2015. The Company has the power to amend and reissue the financial statements.

Through the use of the internet, the Company has ensured that its corporate reporting is timely, complete, and available globally at minimum cost to the Company. All press releases, financial statements and other information are available on our website: [www.alicantominerals.com.au](http://www.alicantominerals.com.au).

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

For the Year Ended 30 June 2015

	Note	Consolidated	
		2015 \$	2014 \$
Revenue from continuing operations	3(a)	21,819	18,264
Other income	3(b)	-	123,176
Administrative costs		(117,525)	(41,660)
Consultancy expense		(45,433)	(43,947)
Employee benefits expense	4(a)	(136,402)	(102,938)
Share based payment expenses	23	(540,562)	(138,052)
Occupancy expense		(12,027)	(2,110)
Compliance and regulatory expenses		(41,185)	(44,048)
Insurance expenses		(27,168)	(20,359)
Depreciation expense	4(b)	(3,207)	(2,119)
Finance costs	4(c)	(3,238)	(2,580)
Exploration expensed	10	(1,452,274)	(1,823,006)
<b>(Loss) before income tax</b>		<b>(2,357,202)</b>	<b>(2,079,379)</b>
Income tax (expense)/benefit	6(a)	-	-
<b>(Loss) attributable to owners</b>		<b>(2,357,202)</b>	<b>(2,079,379)</b>
Other comprehensive income:			
Items that may be reclassified to profit or loss			
- Exchange differences on translation of foreign operations	15(b)	1,347	23,694
Items that will not be classified to profit or loss		-	-
<b>Total comprehensive (loss) attributable to owners</b>		<b>(2,355,855)</b>	<b>(2,055,685)</b>
Basic earnings/(loss) per share (cents per share)	17	(5.0)	(6.7)
Diluted earnings/(loss) per share (cents per share)	17	N/A	N/A

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

## Consolidated Statement of Financial Position

As at 30 June 2015

	Note	Consolidated	
		2015	2014
		\$	\$
<b>Current Assets</b>			
Cash and cash equivalents	7	810,126	348,155
Trade and other receivables	8	117,989	31,103
<b>Total Current Assets</b>		<b>928,115</b>	<b>379,258</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	9	53,412	9,518
Exploration and evaluation expenditure	10	611,288	611,288
<b>Total Non-Current Assets</b>		<b>664,700</b>	<b>620,806</b>
<b>Total Assets</b>		<b>1,592,815</b>	<b>1,000,064</b>
<b>Current Liabilities</b>			
Trade and other payables	11	56,509	43,071
Provisions	12	17,612	17,536
<b>Total Current Liabilities</b>		<b>74,121</b>	<b>60,607</b>
<b>Total Liabilities</b>		<b>74,121</b>	<b>60,607</b>
<b>Net Assets</b>		<b>1,518,694</b>	<b>939,457</b>
<b>Equity</b>			
Contributed equity	13(a)	6,537,079	4,142,549
Reserves	15(c)	1,110,952	569,043
Accumulated losses		(6,129,337)	(3,772,135)
<b>Total Equity</b>		<b>1,518,694</b>	<b>939,457</b>

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

## Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2015

Consolidated	Contributed Equity	Accumulated Losses	Foreign Currency Translation Reserve	Option Reserve	Total
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2013</b>	2,650,789	(1,692,756)	(5,866)	413,163	1,365,330
Total comprehensive income for the year:					
Loss for the year	-	(2,079,379)	-	-	(2,079,379)
Foreign exchange differences	-	-	23,694	-	23,694
	-	(2,079,379)	23,694	-	(2,055,685)
Transactions with owners in their capacity as owners:					
Contributions of equity (net of transaction costs)	1,491,760	-	-	-	1,491,760
Share based payment transactions	-	-	-	138,052	138,052
	1,491,760	-	-	138,052	1,629,812
<b>Balance at 30 June 2014</b>	<b>4,142,549</b>	<b>(3,772,135)</b>	<b>17,828</b>	<b>551,215</b>	<b>939,457</b>
Balance at 1 July 2014	4,142,549	(3,772,135)	17,828	551,215	939,457
Total comprehensive income for the year:					
Loss for the year	-	(2,357,202)	-	-	(2,357,202)
Foreign exchange differences	-	-	1,347	-	1,347
	-	(2,357,202)	1,347	-	(2,355,855)
Transactions with owners in their capacity as owners:					
Contributions of equity (net of transaction costs)	2,394,530	-	-	-	2,394,530
Share based payment transactions	-	-	-	540,562	540,562
	2,394,530	-	-	540,562	2,935,092
<b>Balance at 30 June 2015</b>	<b>6,537,079</b>	<b>(6,129,337)</b>	<b>19,175</b>	<b>1,091,777</b>	<b>1,518,694</b>

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



## Consolidated Statement of Cash Flows

For the Year Ended 30 June 2015

	Note	Consolidated	
		2015	2014
		\$	\$
<b>Cash Flows from Operating Activities</b>			
Payments to suppliers and employees		(372,263)	(264,804)
Interest received		21,819	18,264
Payments for exploration and evaluation		(1,532,204)	(1,564,696)
<b>Net cash (outflow) from operating activities</b>	18	<b>(1,882,648)</b>	<b>(1,811,236)</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of property, plant and equipment		(49,911)	(8,652)
Proceeds from sale of property, plant and equipment		-	66,046
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(49,911)</b>	<b>57,394</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from issue of shares		2,490,162	1,326,000
Share issue transaction costs		(95,632)	(71,840)
<b>Net cash inflow from financing activities</b>		<b>2,394,530</b>	<b>1,254,160</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>461,971</b>	<b>(499,682)</b>
Cash and cash equivalents at the start of the year		348,155	847,837
<b>Cash and cash equivalents at the end of the year</b>	7	<b>810,126</b>	<b>348,155</b>

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.

# Notes to Alicanto Minerals Limited Financial Statements

## For the year ended 30 June 2015

### 1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the financial years presented, unless otherwise stated. These financial statements cover Alicanto Minerals Limited as a consolidated entity consisting of Alicanto Minerals Limited and its subsidiaries ('the consolidated entity' or 'the group').

#### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements and the *Corporations Act 2001*.

##### (i) Compliance with IFRS

The financial statements of Alicanto Minerals Limited also comply with Australian Equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes as presented comply with International Financial Reporting Standards (IFRS).

##### (ii) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available for sale financial assets.

##### (iii) Going concern

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

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

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

#### (b) Principles of consolidation

##### (i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Alicanto Minerals Limited as at 30 June 2015 and the results of all subsidiaries for the year then ended.

Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of subsidiaries is provided in Note 25.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statement of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

##### (ii) Joint arrangements

Under AASB 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Alicanto Minerals Limited is not involved in any joint arrangements.

##### (iii) Jointly operations

Alicanto Minerals Limited recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses.

Alicanto Minerals Limited is not involved in any joint operations.

# Notes to Alicanto Minerals Limited Financial Statements

## For the year ended 30 June 2015

### 1. Summary of Significant Accounting Policies (continued)

#### (c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors.

#### (d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties. Revenue is recognised for the business activities as follows:

##### (i) Interest income

Interest income is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

#### (e) Income tax

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

#### (f) Leases

Leases of property, plant and equipment where the group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit or loss and other comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit or loss and other comprehensive income on a straight-line basis over the period of the lease.

#### (g) Impairment of assets

At each reporting date the Board assesses whether there is any indication that an asset may be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

#### (h) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

# Notes to Alicanto Minerals Limited Financial Statements

## For the year ended 30 June 2015

### 1. Summary of Significant Accounting Policies (continued)

#### (i) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade and other receivables are generally due for settlement within 30 days. Collectability of trade receivables is reviewed on an ongoing basis. Amounts that are known to be uncollectible are written off by reducing the carrying amount directly.

#### (j) Exploration and evaluation expenditure

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

#### (k) Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial year in which they are incurred.

Depreciation on assets is calculated using the reducing balance method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Plant and equipment - office	40.0%
Furniture and equipment - office	20.0%
Plant and equipment - field	20.0%
Motor vehicles	22.5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(g)). Gains and losses on disposals are determined by comparing proceeds received with the carrying amount. These are included in the statement of profit or loss and other comprehensive income.

#### (l) Intangibles

Acquired minerals rights

Acquired minerals rights comprise exploration and evaluation assets including ore reserves and minerals resources which are acquired as part of:

- business combinations recognised at fair value at the date of acquisition; and
- asset acquisitions recognised at cost.

Acquired minerals rights are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- such costs are expected to be recouped through successful development and exploitation or from sale of the area: or
- exploration and evaluation activities in the area have not, at balance date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or relating to, the area are continuing.

Acquired minerals rights in respect of areas of interest which are abandoned are written off in full against profit or loss in the year in which the decision to abandon the area is made.

For acquired minerals rights in an area of interest that are developed, costs are classified as mine property and development from commencement of development and amortised when commercial production commences on a unit of production basis over the estimated economic reserves of the mine.

#### (m) Investments and other financial assets

##### (i) Classification

The company classifies its financial assets as available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at the end of each reporting date.

##### (ii) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

# Notes to Alicanto Minerals Limited Financial Statements

## For the year ended 30 June 2015

### 1. Summary of Significant Accounting Policies (continued)

#### (m) Investments and other financial assets (continued)

##### (iii) Measurement

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

##### (iv) Impairment

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

If there is objective evidence of impairment of available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses on equity instruments that were recognised in profit or loss are not reversed through profit or loss in a subsequent period.

#### (n) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

#### (o) Provisions

Provisions are recognised when; the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

#### (p) Employee benefits

##### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented in payables.

##### (ii) Other long-term employee benefit obligations

The liability for long service leave and annual which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as present value of expected future wage payments to be made. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting regardless of when the actual settlement is expected to occur.

##### (iii) Share-based payments

The company provides benefits to employees (including directors) of the company in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions'). The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of shares of Alicanto Minerals Limited ('market conditions').

# Notes to Alicanto Minerals Limited Financial Statements

## For the year ended 30 June 2015

### 1. Summary of Significant Accounting Policies (continued)

#### (q) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

#### (r) Earnings per share

##### (i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

##### (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after tax effect of interest and other financing costs associated with the dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

#### (s) Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

#### (t) Foreign currency translation

##### (i) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Alicanto Minerals Limited's functional and presentation currency.

##### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges, qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Translation differences on financial assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available for sale financial assets are included in the fair value reserve in equity.

##### (iii) Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- Income and expenses for the statement of profit or loss and other comprehensive income are translated at average exchange rates, and
- All resulting exchange differences are recognised in other comprehensive income.

#### (u) New accounting standards and interpretations

There are no new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2014 that affected any of the amounts recognised in the current period or any prior period, although it may have caused minor changes to the Group's disclosures.

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liability. The standard is not applicable until 1 January 2017 but is available for early adoption. The group has not yet decided when to adopt AASB 9. The directors anticipate that the adoption of AASB 9 will not have a material impact on the Group's financial instruments.

## Notes to Alicanto Minerals Limited Financial Statements

### For the year ended 30 June 2015

#### 2. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future. The resulting accounting estimates and judgements may differ from the related actual results and may have a significant effect on the carrying amount of assets and liabilities within the next financial year and on the amounts recognised in the financial statements. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### (a) Capitalisation of acquisition costs on exploration projects

Acquisition costs incurred in acquiring exploration assets are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at balance sheet date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

##### (b) Share based payment transactions

The group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in note 23.

		Consolidated	
		2015	2014
		\$	\$
<b>3.</b>	<b>Revenue</b>		
(a)	Revenue from continuing operations		
	Interest received	21,819	18,264
	Total revenue from continuing operations	21,819	18,264
(b)	Other income		
	Profit on sale of plant and equipment	-	123,176
	Total other income	-	123,176
<b>4.</b>	<b>Expenses</b>		
(a)	Employee benefits expense		
	Salaries and wages expense	128,220	100,338
	Defined contribution superannuation expense	8,182	2,600
	Total employee benefits expense	136,402	102,938
(b)	Depreciation expense		
	Plant and equipment – office	3,207	2,119
	Total depreciation expense	3,207	2,119
(c)	Finance costs		
	Interest and finance charges paid or payable	3,238	2,580
	Total finance costs	3,238	2,580
		Consolidated	
		2015	2014
		\$	\$
<b>5.</b>	<b>Auditor's Remuneration</b>		
	Remuneration of the auditor of the group		
	Auditing or reviewing the financial statements	23,558	18,038
	Other assurance services	-	-
	Non-assurance services	-	-
	Total auditor remuneration	23,558	18,038

**Notes to Alicanto Minerals Limited Financial Statements**  
**For the year ended 30 June 2015**

		Consolidated	
		2015	2014
		\$	\$
<b>6.</b>	<b>Income Tax Expense</b>		
(a)	Income tax expense		
	Current tax	-	-
	Deferred tax	-	-
	Total income tax expense	-	-
	Deferred income tax expense included in income tax expense comprises:		
	- (Increase) in deferred tax assets (note 6(c))	-	-
	- Increase in deferred tax liabilities (note 6(d))	-	-
(b)	Numerical reconciliation of income tax expense to prima facie tax payable		
	Profit from continuing operations before income tax expense	(2,357,202)	(2,079,379)
	Tax (tax benefit) at the tax rate of 30%	(707,161)	(623,814)
	Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
	- Share based payments	162,169	-
	- Other non-deductible amounts	85,377	249,878
	- Unrecognised tax losses	459,615	373,936
	Income tax benefit	-	-
(c)	Deferred tax assets		
	Tax losses <sup>A</sup>	-	-
	Employee benefits	-	-
	Other accruals	-	-
	Set-off deferred tax liabilities (note 6(d))	-	-
	Net deferred tax assets	-	-
(d)	Deferred tax liabilities		
	Exploration expenditure	-	-
	Other	-	-
	Set-off deferred tax assets (note 6(c))	-	-
	Net deferred tax liabilities	-	-
(e)	Tax losses		
	Unused tax losses for which no deferred tax asset has been recognized	4,270,208	2,362,033
	Potential tax benefit at 30%	1,281,062	708,610
(f)	Unrecognised temporary differences		
	Unrecognised deferred tax asset relating to capital raising costs	98,929	70,192

A: The deferred tax asset attributable to tax losses does not exceed taxable amounts arising from the reversal of existing assessable temporary differences.



**Notes to Alicanto Minerals Limited Financial Statements**  
**For the year ended 30 June 2015**

		Consolidated	
		2015	2014
		\$	\$
<b>7.</b>	<b>Cash &amp; Cash Equivalents</b>		
(a)	<b>Total cash and cash equivalents</b>		
	Cash at bank and in hand	310,126	348,155
	Deposits at call	500,000	-
	<b>Total cash and cash equivalents</b>	810,126	348,155
(b)	<b>Cash at bank and on hand</b>		
	Cash on hand is non-interest bearing. Cash at bank bears interest rates between 0.00% and 1.50% (2014: 0.00% and 2.35%).		
(c)	<b>Cash at bank and on hand</b>		
	Deposits at call are bearing interest rates at 2.25%.		
<b>8.</b>	<b>Trade &amp; Other Receivables</b>		
(a)	<b>Current</b>		
	Other receivables	31,032	31,103
	Prepayments	86,957	-
	<b>Total current trade and other receivables</b>	117,989	31,103
(b)	<b>Past due and impaired receivables</b>		
	As at 30 June 2015, there were no other receivables that were past due or impaired (2014: nil).		

		Plant & Equipment Office	Plant & Equipment Field	Consolidated Motor Vehicles	Total
		\$	\$	\$	\$
<b>9.</b>	<b>Property, Plant and Equipment</b>				
	<b>Year ended 30 June 2014</b>				
	Opening net book amount	2,985	-	-	2,985
	Additions	4,691	3,961	-	8,652
	Disposals/write-offs	-	-	-	-
	Depreciation charge	(2,119)	-	-	(2,119)
	Effect of exchange rates	-	-	-	-
	<b>Closing net book amount</b>	5,557	3,961	-	9,518
	<b>At 30 June 2014</b>				
	Cost or fair value	7,886	3,961	-	11,847
	Accumulated depreciation	(2,329)	-	-	(2,329)
	<b>Net book amount</b>	5,557	3,961	-	9,518
	<b>Year ended 30 June 2015</b>				
	Opening net book amount	5,557	3,961	-	9,518
	Additions	4,100	13,351	39,961	57,412
	Disposals/write-offs	-	-	-	-
	Depreciation charge	(3,207)	(3,775)	(6,562)	(13,544)
	Effect of exchange rates	-	598	(572)	26
	<b>Closing net book amount</b>	6,450	14,135	32,827	53,412
	<b>At 30 June 2015</b>				
	Cost or fair value	11,986	18,240	39,961	70,187
	Accumulated depreciation	(5,536)	(4,105)	(7,134)	(16,775)
	<b>Net book amount</b>	6,450	14,135	32,827	53,412

**Notes to Alicanto Minerals Limited Financial Statements**  
**For the year ended 30 June 2015**

		Consolidated	
		2015	2014
		\$	\$
<b>10.</b>	<b>Exploration &amp; Evaluation Expenditure</b>		
(a)	Non-current		
	Opening balance	611,288	611,288
	Exploration and evaluation costs	1,452,274	1,823,006
	Write-offs/provisions	(1,452,274)	(1,823,006)
	Total non-current exploration and evaluation expenditure	611,288	611,288
(b)	Recoverability of capitalised costs		
	Exploration expenditure is expensed as incurred.		
	Acquired minerals rights are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:		
	- Such costs are expected to be recouped through successful development and exploitation or from sale of the area: or		
	- Exploration and evaluation activities in the area have not, at balance date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or relating to, the area are continuing.		
	Acquired minerals rights in respect of areas of interest which are abandoned are written off in full against profit or loss in the year in which the decision to abandon the area is made.		

		Consolidated	
		2015	2014
		\$	\$
<b>11.</b>	<b>Trade &amp; Other Payables</b>		
	Current		
	Trade payables	56,509	43,071
	Total current trade & other payables	56,509	43,071
	No trade or other payables are considered past due.		
<b>12.</b>	<b>Provisions</b>		
	Current		
	Employee entitlements	17,612	17,536
	Total current provisions	17,612	17,536

## Notes to Alicanto Minerals Limited Financial Statements

### For the year ended 30 June 2015

	Consolidated		Consolidated	
	2015	2014	2015	2014
	Shares	Shares	\$	\$
<b>13. Contributed Equity</b>				
(a) Issued capital				
Ordinary shares (fully paid)	57,629,001	34,900,001	6,537,079	4,142,549
Total contributed equity	57,629,001	34,900,001	6,537,079	4,142,549
(b) Ordinary Shares				
Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held and in proportion to the amount paid up on the shares held. At shareholders meetings each ordinary share is entitled to one vote in proportion to the paid up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands.				
(c) Options				
Information relating to options including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year, is set out in note 14.				

	Date	Shares	Issue Price	Total \$
<b>13. Contributed Equity</b>				
(d) Movements in issued capital				
Opening Balance 1 July 2013		26,000,001		2,650,789
Share issue	16 Oct 13	3,900,000	\$0.170	663,000
Share issue	29 Nov 13	3,900,000	\$0.170	663,000
Share issue – Drilling agreement	26 Feb 14	440,000	\$0.225	99,000
Share issue – Drilling agreement	25 Jun 14	440,000	\$0.225	99,000
Share issue – Drilling agreement	25 Jun 14	220,000	\$0.180	39,600
Less: Transaction costs				(71,840)
Closing Balance at 30 June 2014		34,900,001		4,142,549
Opening Balance 1 July 2014		34,900,001		4,142,549
Share issue	05 Aug 14	3,970,000	\$0.150	595,500
Share issue	29 Aug 14	4,218,000	\$0.150	632,700
Share issue	10 Sep 14	6,030,000	\$0.150	904,500
Share issue	24 Jun 15	8,511,000	\$0.042	357,462
Less: Transaction costs				(95,632)
Closing Balance at 30 June 2015		57,629,001		6,537,079

Expiry date	Exercise price	Balance at start of year	Granted during the year	Exercised during the year	Cancelled/ lapsed during the year	Balance at end of the year
<b>14. Share Options</b>						
(a) 2015 unlisted share option details						
31 Jul 15	\$0.200	5,850,000	-	-	-	5,850,000
31 Jul 15	\$0.300	500,000	-	-	-	500,000
31 May 16	\$0.200	3,550,000	-	-	-	3,550,000
21 Nov 17	\$0.320	1,250,000	-	-	-	1,250,000
07 Sept 18	\$0.230	-	8,300,000	-	-	8,300,000
25 Mar 19	\$0.065	-	2,000,000	-	-	2,000,000
		11,150,000	10,300,000	-	-	21,450,000
Weighted average exercise price		\$0.218	\$0.198	-	-	\$0.208
2014 unlisted share option details						
31 Jul 15	\$0.200	5,850,000	-	-	-	5,850,000
31 Jul 15	\$0.300	500,000	-	-	-	500,000
31 May 16	\$0.200	3,550,000	-	-	-	3,550,000
21 Nov 17	\$0.320	-	1,250,000	-	-	1,250,000
		9,900,000	1,250,000	-	-	11,150,000
Weighted average exercise price		\$0.200	\$0.320	-	-	\$0.218

## Notes to Alicanto Minerals Limited Financial Statements

### For the year ended 30 June 2015

		Consolidated	
		2015	2014
		\$	\$
<b>15. Reserves</b>			
(a) <b>Unlisted option reserve</b>			
Opening balance		551,215	413,163
Unlisted options issued as remuneration during the year		540,562	138,052
Closing balance		1,091,777	551,215
<p>The unlisted option reserve records items recognised on valuation of director, employee and contractor share options. Information relating to options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year, is set out in note 14.</p>			
(b) <b>Functional currency translation reserve</b>			
Opening balance		17,828	(5,866)
Exchange differences arising on translation of foreign operations		1,347	23,694
Closing balance		19,175	17,828
<p>Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve. The reserve is recognised in the statement of profit or loss when the net investment is disposed of.</p>			
(c) <b>Total reserves</b>			
Unlisted option reserve		1,091,777	551,215
Exchange differences arising on translation of foreign operations		19,175	17,828
Closing balance		1,110,952	569,043

### 16. Financial Instruments, Risk Management Objectives and Policies

The Consolidated Entity's principal financial instruments comprise cash and cash equivalents. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the group. The Consolidated Entity also has other financial instruments such as trade and other receivables and trade and other payables which arise directly from its operations. For the year under review, it has been the Consolidated Entity's policy not to trade in financial instruments.

The main risks arising from the Consolidated Entity's financial instruments are interest rate risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

#### (a) Interest Rate Risk

The Groups exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities comprises:

Consolidated	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest	Non-interest Bearing	2015 Total
2015	%	\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	1.78	210,930	500,000	99,196	810,126
Trade & other receivables (current)	0.00	-	-	31,032	31,032
		210,930	500,000	130,228	841,158
Financial Liabilities					
Trade and other payables (current)	0.00	-	-	56,509	56,509
		-	-	56,509	56,509

## Notes to Alicanto Minerals Limited Financial Statements

### For the year ended 30 June 2015

#### 16. Financial Instruments, Risk Management Objectives and Policies (continued)

Consolidated	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest	Non-interest Bearing	2014 Total
	%	\$	\$	\$	\$
<b>2014</b>					
Financial assets					
Cash and cash equivalents	1.86	275,897	-	72,258	348,155
Trade & other receivables (current)	0.00	-	-	31,103	31,103
		275,897	-	103,361	379,258
Financial Liabilities					
Trade and other payables (current)	0.00	-	-	43,071	43,071
		-	-	43,071	43,071

The maturity date for all cash, trade & other receivable and trade and payable financial instruments included in the above tables is one year or less from balance date. The maturity for the non-current trade and other receivables is between 1 and 3 years from balance date.

#### Sensitivity analysis

The Consolidated Entity's main interest rate risk arises from cash and cash equivalents with variable and fixed interest rates. At 30 June 2015 the group's exposure to interest rate risk is not considered material.

#### (b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The group does not have any significant credit risk exposure to any single counterparty or any company of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the company's maximum exposure to credit risk.

#### (c) Liquidity risk

The group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Due to the dynamic nature of the underlying businesses, the group aims at ensuring flexibility in its liquidity profile by maintaining the ability to undertake capital raisings. Funds in excess of short term operational cash requirements are generally only invested in short term bank bills.

	Consolidated	
	2015	2014
	\$	\$
<b>17. Earnings per Share</b>		
(a) Earnings/(Loss)		
Earnings/(loss) used in the calculation of basic EPS	(2,357,202)	(2,079,379)
(b) Weighted average number of ordinary shares ("WANOS")		
WANOS used in the calculation of basic earnings per share:	46,986,454	31,198,223
<b>18. Cash Flow Information</b>		
<b>Reconciliation of cash flows from operating activities with loss from ordinary activities after tax:</b>		
Profit/(loss) from ordinary activities after income tax	(2,357,202)	(2,079,379)
Depreciation	13,544	2,119
Share based payments	540,562	375,652
Net gain on disposal of fixed assets	-	(66,046)
Net exchange differences	(6,180)	23,694
Changes in assets and liabilities:		
- Increase in operating receivables & prepayments	(86,886)	(19,869)
- Increase/(Decrease) in trade and other payables	13,514	(47,407)
Net cash (outflows) from Operating Activities	(1,882,648)	(1,811,236)

## Notes to Alicanto Minerals Limited Financial Statements

### For the year ended 30 June 2015

	Consolidated	
	2015	2014
	\$	\$
<b>19. Commitments</b>		
Exploration commitments		
Not longer than one year	653,595	537,634
Longer than one year, but not longer than five years	2,614,380	2,150,536
Longer than five years	-	-
Total exploration commitments	<u>3,267,975</u>	<u>2,688,170</u>
<p>In order to maintain rights of tenure to mining tenements subject to these agreements, the group would have the above discretionary exploration expenditure requirements up until expiry of leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable per the above maturities. If the group decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the balance sheet may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.</p>		

## 20. Segment Information

### (a) Description of segments

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 and the corporate/head office function in Australia.

### (b) Segment information provided to the board of directors

The segment information provided to the board of directors for the reportable segments for the year ended 30 June 2015 is as follows:

	Exploration			Total
	Guyana	Australia	Corporate	
	\$	\$	\$	\$
<b>2015</b>				
Total segment revenue	-	-	-	-
Interest revenue	-	-	21,819	21,819
Depreciation and amortisation expense	-	-	(3,207)	(3,207)
Total segment (loss) before income tax	<u>(1,452,274)</u>	<u>-</u>	<u>(904,928)</u>	<u>(2,357,202)</u>
Total segment assets	<u>712,537</u>	<u>-</u>	<u>880,278</u>	<u>1,592,815</u>
Total segment liabilities	<u>19,239</u>	<u>-</u>	<u>54,882</u>	<u>74,121</u>
<b>2014</b>				
Total segment revenue	-	-	18,264	18,264
Interest revenue	-	-	18,264	18,264
Depreciation and amortisation expense	-	-	(2,119)	(2,119)
Total segment (loss) before income tax	<u>(1,632,668)</u>	<u>(67,162)</u>	<u>(379,549)</u>	<u>(2,079,379)</u>
Total segment assets	<u>692,744</u>	<u>-</u>	<u>307,320</u>	<u>1,000,064</u>
Total segment liabilities	<u>18,001</u>	<u>-</u>	<u>42,606</u>	<u>60,607</u>

### (c) Measurement of segment information

All information presented in part (b) above is measured in a manner consistent with that in the financial statements.

### (d) Segment revenue

No inter-segment sales occurred during the current financial year. The entity is domiciled in Australia. No revenue was derived from external customers in countries other than the country of domicile. Revenues of \$21,819 (2014: \$18,264) were derived from one Australian financial institution during the year. These revenues are attributable to the corporate segment.

### (e) Reconciliation of segment information

Total segment revenue, total segment profit/(loss) before income tax, total segment assets and total segment liabilities as presented in part (b) above, equal total entity revenue, total entity profit/(loss) before income tax, total entity assets and total entity liabilities respectively, as reported within the financial statements.

## Notes to Alicanto Minerals Limited Financial Statements For the year ended 30 June 2015

### 21. Events Occurring After the Balance Sheet Date

On 31 July 2015 6,350,000 options expired with exercise prices of \$0.20 and \$0.30.

There are no further material events subsequent to balance date.

### 22. Related Party Transactions

#### (a) Parent entity

The ultimate parent entity within the group is Alicanto Minerals Limited.

#### (b) Subsidiaries

Interests in subsidiaries are set out in note 25.

#### (c) Key management personnel compensation

	Consolidated	
	2015	2014
	\$	\$
Short-term employee benefits	415,775	365,842
Post-employment benefits	11,668	2,775
Share-based payments	253,942	55,221
Total key management personnel compensation	681,385	423,838

#### (d) Transactions with Director Related Parties

The following transactions occurred with related parties:

	Consolidated	
	2015	2014
	\$	\$
Recharges from director related entities:		
Recharge of costs by Gryphon Minerals Limited	16,035	34,276
Purchases from director related entities:		
Purchases for legal services from Murcia Pestell Hilliard Lawyers	28,087	7,227
Outstanding balances arising from recharges/purchases with Director Related Parties:		
Current payables	4,251	-

#### (e) Terms and conditions of related party transactions

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

### 23. Share Based Payments

#### (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 during the year.

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

The weighted average fair value of the options granted during the year was \$0.05 (2014: \$0.11). The price was calculated by using the Black-Scholes European Option Pricing Model applying the following inputs:

Weighted average exercise price:	\$0.20	(2014: \$0.32)
Weighted average life of the option:	4 Years	(2014: 4 Years)
Weighted average underlying share price:	\$0.13	(2014: \$0.24)
Expected share price volatility:	85.0%	(2014: 85.0%)
Risk free interest rate between:	1.87% to 2.98%	(2014: 3.51%)
Discount factor for lack of marketability	20.0%	(2014: 20.0%)

## Notes to Alicanto Minerals Limited Financial Statements For the year ended 30 June 2015

### 23. Share Based Payments (continued)

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 year were as set out below. Details of other options movements and balances are set out in note 14.

	Consolidated	
	2015	2014
	\$	\$
Unlisted options		
Options issued to directors, employees and consultants	540,562	138,052

### 24. Contingent Liabilities

The Company continues to advance negotiations to resolve the dispute over the ownership of B-22 and B-23 permits. Upon resolution of this dispute, the Company has a potential liability owing of US\$25k in relating to tenement fees and rates.

There are no further contingent liabilities outstanding at the end of the year.

### 25. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name of entity	Country of incorporation	Class of shares	Equity Holding <sup>A</sup>	
			2015 %	2014 %
Alicanto Minerals WA Pty Ltd	Australia	Ordinary	100	100
StrataGold Guyana Inc.	Guyana	Ordinary	100	100

A: The proportion of ownership interest is equal to the proportion of voting power held.

	Company	
	2015	2014
	\$	\$
<b>26. Parent Entity Information</b>		
<b>(a) Assets</b>		
Current assets	873,828	301,763
Non-current assets	579,304	2,662,852
Total assets	1,453,132	2,964,615
<b>(b) Liabilities</b>		
Current liabilities	54,882	42,606
Non-current liabilities	-	-
Total liabilities	54,882	42,606
<b>(c) Equity</b>		
Contributed equity	6,537,079	4,142,549
Reserves	1,091,777	551,215
Accumulated losses	(6,230,606)	(1,771,755)
Total equity	1,398,250	2,922,009
<b>(d) Total comprehensive income/(loss) for the year</b>		
(Loss) for the year	(4,458,851)	(661,391)
Other comprehensive income for the year	-	-
Total comprehensive (loss) for the year	(4,458,851)	(661,391)
<b>(e) Capital commitments</b>		
Not longer than one year	-	-
Longer than one year, but not longer than five years	-	-
Longer than five years	-	-
Total capital commitments	-	-
The parent entity has not guaranteed any loans for any entity during the year.		



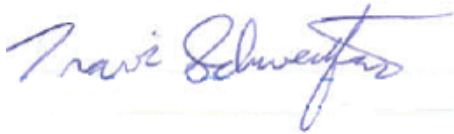
## Director's Declaration

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 28 to 47 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
- (b) the audited remuneration disclosures set out on pages 18 to 25 of the Directors' report comply with section 300A of the *Corporations Act 2001*; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (d) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Board of Directors.



Travis Schwertfeger  
Managing Director

Perth, Western Australia, 11 September 2015

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

**Report on the Financial Report**

We have audited the accompanying financial report of Alicanto Minerals Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

*Directors' responsibility for the Financial Report*

The directors of the company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In note 1(a)(i), the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

*Opinion*

In our opinion:

- (a) the financial report of Alicanto Minerals Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) the consolidated financial report of the Company also complies with International Financial Reporting Standards as disclosed in note 1(a)(i).

*Inherent Uncertainty Regarding Going Concern*

Without qualification to the opinion expressed above, attention is drawn to the following matter:

As referred to in Note 1(a)(iii) to the financial statements, the financial statements have been prepared on a going concern basis. The consolidated entity comprising the Company and its subsidiaries has incurred a loss of \$2,357,202 for the year ended 30 June 2015 and had a net operating cash outflows of \$1,882,648 for the year ended 30 June 2015. The working capital as at 30 June 2015 is \$853,994. The ability of the consolidated entity to continue as a going concern and meet its planned exploration, administration and other commitments is dependent upon the consolidated entity raising further working capital and/or successfully exploiting its mineral assets.

In the event that the consolidated entity is not successful in raising further equity or successfully exploiting its mineral assets, the consolidated entity may not be able to meet its liabilities as and when they fall due and the realisable value of the consolidated entity's current and non-current assets may be significantly less than book values.

**Report on the Remuneration Report**

We have audited the remuneration report included in pages 18 to 25 of the directors' report for the year ended 30 June 2015. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards

*Opinion*

In our opinion the remuneration report of Alicanto Minerals Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
**(Trading as Stantons International)**  
**(An Authorised Audit Company)**

*Stantons International Audit & Consulting Pty Ltd*



**Martin Michalik**  
Director

West Perth, Western Australia  
11 September 2015

## Additional Shareholder Information

### Corporate Governance Statement

In accordance with ASX Listing Rule 4.10.3 the company's Corporate Governance Statement can be found on the company's website, refer to <http://www.alicantominerals.com.au/index.php/corporate-profile/corporate-governance>.

### Shareholding

The distribution of members and their holdings of equity securities in the holding company as at 3 September 2015 were as follows:

Number Held as at 3 September 2015	Class of Equity Securities Fully Paid Ordinary Shares
1- 1,000	1
1,001 - 5,000	7
5,001 - 10,000	65
10,001 - 100,000	137
100,001 and above	97
	<hr/>
	307

Holders of less than a marketable parcel: 74.

### Substantial Shareholders

The names of the substantial shareholders listed on the company's register as at 3 September 2015:

Shareholder	Number
Hamish Halliday	5,345,000
Harmanis Holdings Pty Ltd	4,000,333
Javelin Minerals Inc	3,966,667
Symorgh Investments Pty Ltd	3,878,333

### Voting Rights - Ordinary Shares

In accordance with the holding company's Constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.

### Options

	Exercise price	Expiry date	Number of options	Number of holders
Unlisted options	\$0.200	31 May 2016	3,550,000	12
Unlisted options	\$0.320	21 November 2017	1,250,000	2
Unlisted options	\$0.230	7 September 2018	8,300,000	10
Unlisted options	\$0.065	25 March 2019	2,000,000	2

## Additional Shareholder Information (continued)

### Twenty Largest Shareholders

The names of the twenty largest ordinary fully paid shareholders as at 3 September 2015 are as follows:

Shareholder	Number	% Held of Issued Ordinary Capital
Harmanis Holdings Pty Ltd	4,000,333	6.94%
Javelin Minerals Inc	3,966,667	6.88%
Mctavish Industries Pty Ltd	3,850,000	6.68%
Simon Bolster	2,515,501	4.36%
Symorgh Investments Pty Ltd	2,360,000	4.10%
Seventy Three Pty Ltd	1,719,333	2.98%
J&J Bandy Nominees Pty Ltd	1,521,156	2.64%
Peter and Leslie Clark	1,416,145	2.46%
Mctavish Industries Pty Ltd	1,400,000	2.43%
Clare Saunders	1,400,000	2.43%
Symorgh Investments Pty Ltd	1,283,333	2.23%
Lionel Weaven	1,224,353	2.12%
ME WA Pty Ltd	1,111,333	1.93%
Midbridge Investments Pty Ltd	1,070,000	1.86%
Jamie Mann Super Pty Ltd	1,046,400	1.82%
Evan Hillard	1,000,000	1.74%
JR & AJ Parkman	820,300	1.42%
Moonboolie Pty Ltd	730,000	1.27%
Tower Corporate Pty Ltd	680,653	1.18%
Far East Capital Pty Ltd	600,000	1.04%
	33,715,507	58.51%

## Tenement Listing

As at 3 September 2015

Project	Location	Tenement	Interest
Tassawini Project	Guyana	PL 01/2005, GS14: S-15	100%
	Guyana	PL 34/2005, GS14: S-16	100%
	Guyana	V-04/MP/000, MP 47/98	100%
	Guyana	V-5/MP/000, MP 23/01	100%
	Guyana	V-5/MP/001, MP 24/01	100%
	Guyana	V-5/MP/002, MP 25/01	100%
Arakaka Project	Guyana	Y-33/000/04, PPMS/680/04	100%
	Guyana	Y-33/001/04, PPMS/681/04	100%
	Guyana	Y-31/000/04, PPMS/463/04	100%
	Guyana	Y-31/001/04, PPMS/464/04	100%
	Guyana	J-81/000/02, PPMS/884/02	100%
	Guyana	J-81/001/02, PPMS/885/02	100%
	Guyana	J-81/002/02, PPMS/886/02	100%
	Guyana	J-59/000/2000, PPMS/1057/2002	100%
	Guyana	J-59/001/2000, PPMS/1058/2002	100%
	Guyana	J-59/002/2000, PPMS 1059/2002	100%
	Guyana	J-59/003/2000, PPMS/1060/2002	100%
	Guyana	J-59/004/2000, PPMS/1061/2002	100%
	Guyana	J-59/005/2000, PPMS/1062/2002	100%
	Guyana	J-59/006/2000, PMS/1063/2002	100%
	Guyana	J-59/007/2000, PPMS/1064/2002	100%
	Guyana	J-59/008/2000, PPMS/1065/2002	100%
	Guyana	J-59/009/2000, PPMS/1066/2002	100%
	Guyana	J-59/010/2000, PPMS/1067/2002	100%
	Guyana	J-59/011/2000, PPMS/1068/2002	100%
	Guyana	J-59/012/2000, PPMS/1069/2002	100%
	Guyana	J-59/013/2000, PPMS/1070/2002	100%
	Guyana	J-59/014/2000, PPMS/1071/2002	100%
	Guyana	51/002/94, Ituni #1	100%
	Guyana	51/003/94, Ituni #2	100%
	Guyana	51/324/74, May	100%
	Guyana	P-109/000/2000, PPMS/809/2001	100%
	Guyana	P-109/001/2000, PPMS/810/2001	100%
	Guyana	P-109/002/2000, PPMS/811/2001	100%
	Guyana	P-109/003/2000, PPMS/812/2001	100%
	Guyana	P-109/004/2000, PPMS/813/2001	100%
	Guyana	P-109/005/2000, PPMS/814/2001	100%
	Guyana	P-128/000/02, PPMS/707/02	100%
	Guyana	P-128/001/02, PPMS/708/02	100%
	Guyana	P-128/002/02, PPMS/709/02	100%
	Guyana	P-128/003/02, PPMS/710/02	100%
	Guyana	P-128/004/02, PPMS/711/02	100%
	Guyana	P-17/000, PPMS/0222/1994	100%
	Guyana	P-17/001, PPMS/0223/1994	100%
	Guyana	P-8/000/94, PPMS/0074/1994	100%
	Guyana	P-8/001, PPMS/73/1994	100%
	Guyana	P-8/002, PPMS/75/1994	100%
	Guyana	51/2005/235, Dennis #1	100%
Guyana	51/2005/236, Dennis #2	100%	
Guyana	51/2005/237, Dennis #3	100%	
Guyana	51/2005/238, Dennis #4	100%	
Guyana	51/1983/034, Wintime	100%	

## Tenement Listing (continued)

Arakaka Project (continued)			
Guyana	51/1983/035, Intime		100%
Guyana	51/1984/028, Ester aka Esta		100%
Guyana	S-267/000/07, PPMS/629/07		100%
Guyana	S-269/000/07, PPMS/631/07		100%
Guyana	P-9/000, PPMS/76/94		100%
Guyana	P-9/001, PPMS/77/94		100%
Guyana	P-9/002, PPMS/78/94		100%
Guyana	Y-1/MP/000/06, MP 91/2007		100%
Guyana	K-132/000/09, PPMS/1310/09		100%
Guyana	K-132/001/09, PPMS/1311/09		100%
Guyana	PL 10/2014, GS14: S-62		100%
Guyana	PL 11/2014, GS14: S-63		100%
Guyana	PL 12/2014, GS14: S-64		100%

### Notes

E:	Exploration License
PL:	Prospecting License
PPMS:	Prospecting License Medium Scale
MP:	Mining Permit