

CAPITAL STRUCTURE

Shares on Issue 57.6m
Options on Issue 15.1m
Market Cap ~\$2.3m

ASX Code: **AQI**

BOARD & MANAGEMENT

Didier Murcia | Non-Exec Chairman
Travis Schwertfeger | Managing Director
Matthew Bowles | Non-Exec Director
Brett Dunnachie | CFO & Co. Secretary
Marcus Harden | Chief Geologist

ARAKAKA GOLD PROJECT, GUYANA

- ◆ Regional scale project
- ◆ Highly prospective North West Guiana Shield Greenstone Belt
- ◆ Over 12km strike along major mineralised structural corridor
- ◆ Less than 5% of the +12km of the Arakaka Trend drill tested
- ◆ Multiple untested, high priority targets
- ◆ Underexplored and multiple saprolite pits
- ◆ Arakaka Trend one of the oldest and most prolific gold districts in Guiana Shield
- ◆ Mining friendly jurisdiction

REGISTERED OFFICE
Alicanto Minerals Limited
ACN 149 126 858

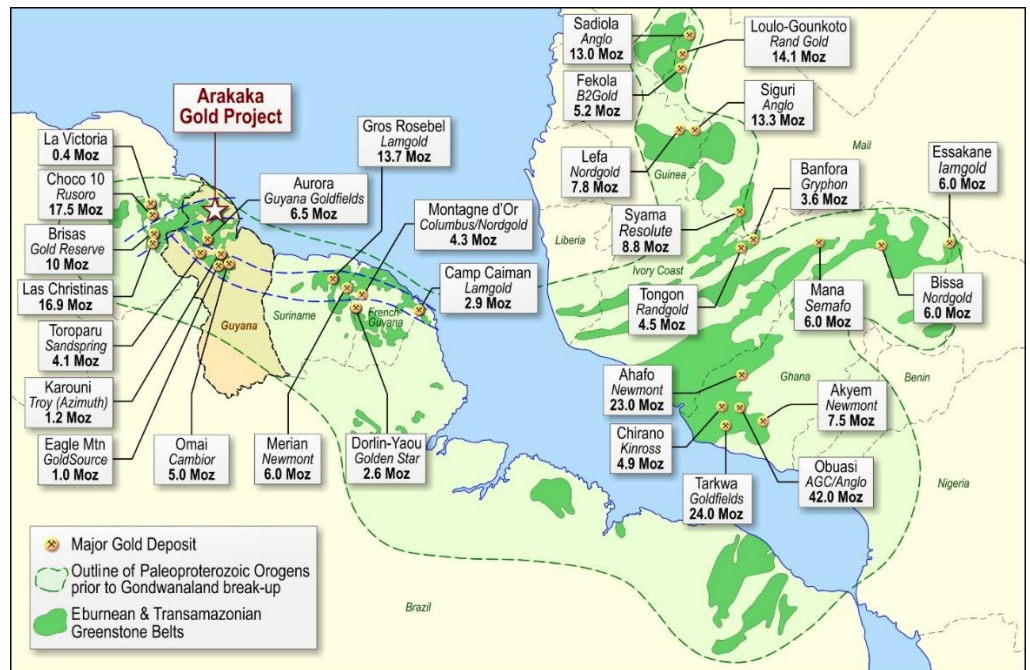
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QUARTERLY REPORT FOR THE PERIOD ENDED 31 DECEMBER 2015

Overview of the Arakaka Gold Project | Guyana

The Arakaka Gold Project is made up of a number of permits, subject to underlying agreements and licences held by Alicanto's 100% owned Guyanese subsidiary, that cover a total area of over 300km² within the Northern Guyana Shield. These projects cover volcano-sedimentary Paleoproterozoic greenstone rocks of the Barama-Mazaruni supergroup which are highly prospective for large tonnage, orogenic gold deposits.

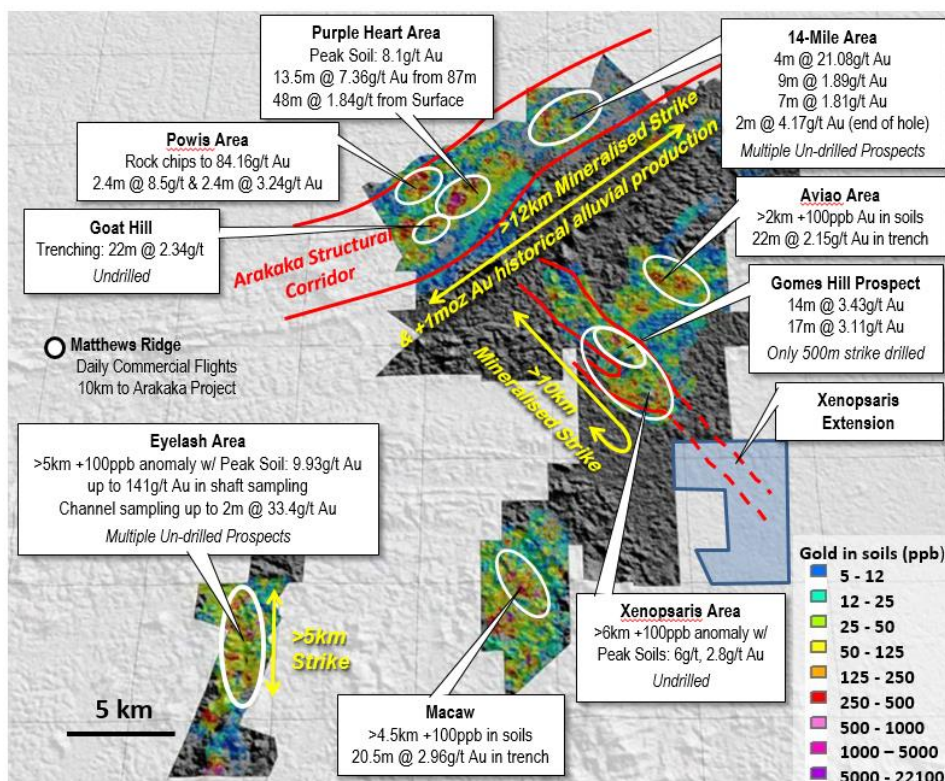
Figure 1 | Location Map – Arakaka Gold Project



Arakaka Gold Project (100%)

During the December quarter Alicanto Minerals Ltd (“Alicanto” or “the Company”) (ASX: AQI) exploration activity included compilation of geological datasets collected during the recent surface geochemistry campaign at the Arakaka Gold Project, which included previously announced surface lithology and structural mapping, various surface soil sampling, rock chip sampling, and stream sediment sampling programs, and structural analysis of historical diamond core material programs completed over the course of 2015.

Figure 2 | Target Area and Prospect locations within the >300km² land position



Eyelash Area

The Eyelash mineralised corridor is located in the Southwest portion of Alicanto’s >300km² 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 including substantial artisanal underground workings. The target area is defined by a >5km long anomalous gold corridor displaying consistent soil anomalism exceeding 100ppb Au hosting 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 (refer to Figure 3).

Exploration results reported during the previous quarter at the Eyelash Area significantly expanded the footprint of high grade gold mineralisation within the extensive corridor of anomalism, and nine discrete targets within the Eyelash area have been defined by auger, soil and surface rock chip sampling that returned peak values of **142g/t, 41.8g/t, and 27.1g/t Au** (refer to ASX release dated 14 July 2015). Compilation work in the December quarter has resulted in the definition of several drill ready targets at Eyelash.

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.

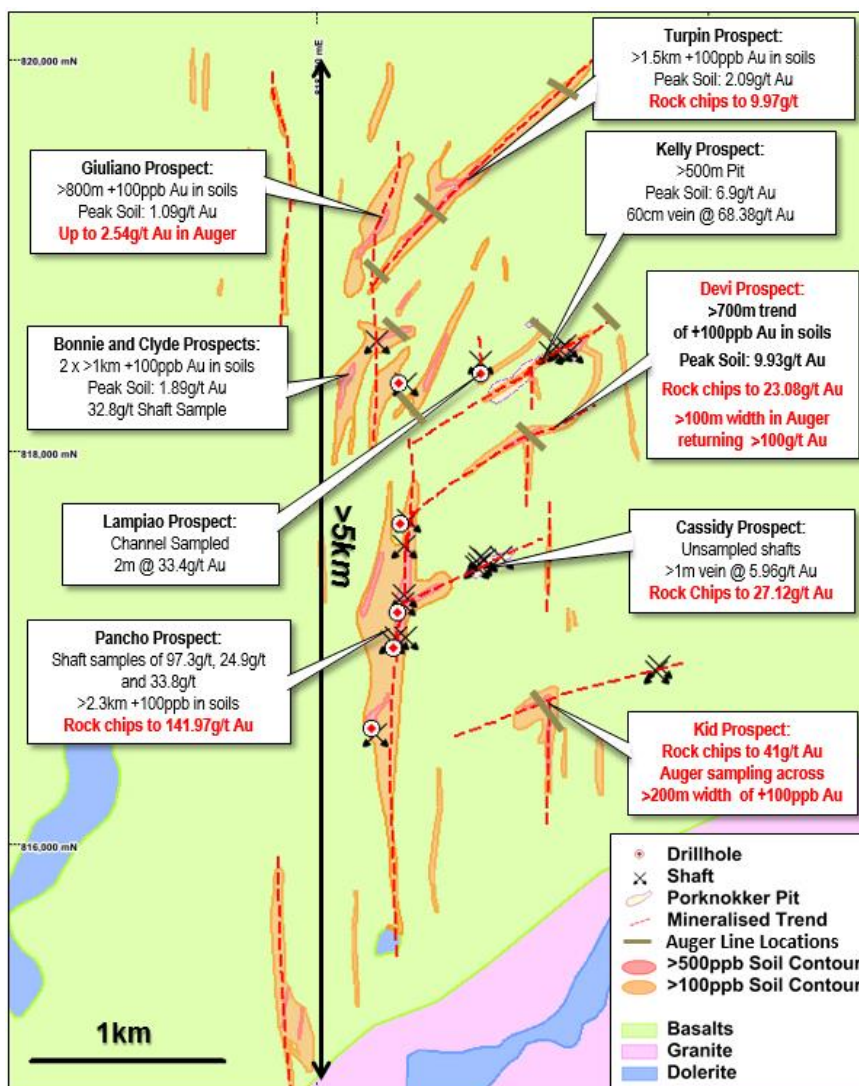


Figure 3 | Plan map of the Eyelash Area showing existing drill collars, interpreted geology and defined Prospect Area's including the newly identified Devi and Kid prospect areas (New results in red).

Limited historical drilling totalling 837m in six holes (refer to ASX release dated 25 February 2015) completed in 2009 was focused on the north-south trending soil anomalies, and ineffectively tested the high grade northeast trending vein sets oriented sub-parallel to the drill direction. The newly identified northeast trending zones integrated with mapping, rock chip sampling and auger results have identified nine discrete targets at Eyelash that are un-drilled, or have not been effectively drill tested located on the highly prospective zones where the two controls on mineralisation are projected to intersect.

Purple Heart Area

The Purple Heart area is host to multiple saprolite pits on hill slopes adjacent to extensive alluvial workings in the Arakaka valley. Mineralisation potential extends beyond the existing workings along multiple 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 with encouraging results located proximal to exiting shallow pits and surface mapping. Drilling by previous explorers that confirms the potential of the Purple Heart area to host a bulk tonnage gold deposit, but further drilling is required to assess continuity and extent of mineralisation for the purpose of mineral resource definition.

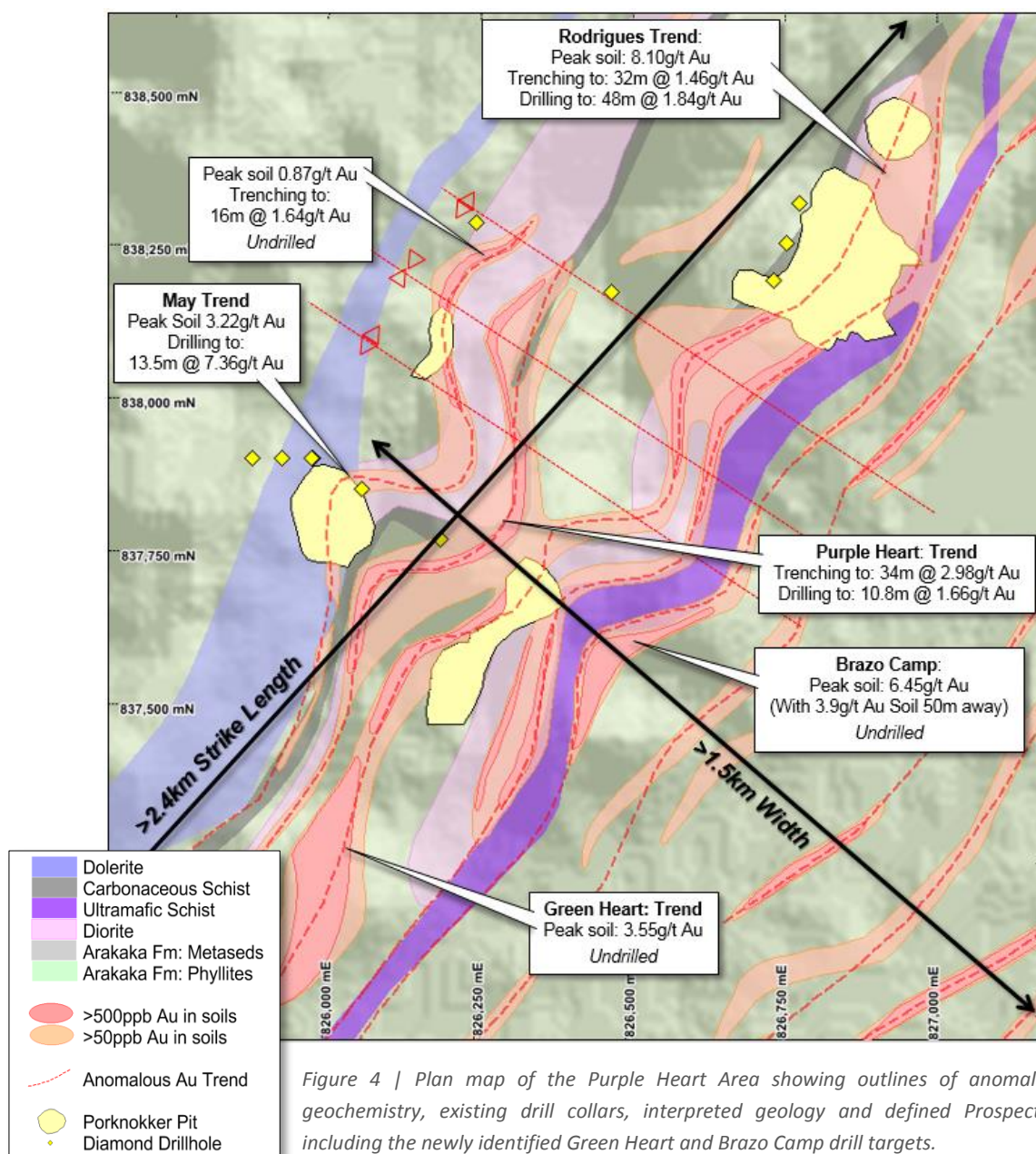


Figure 4 | Plan map of the Purple Heart Area showing outlines of anomalous soil geochemistry, existing drill collars, interpreted geology and defined Prospect Area's including the newly identified Green Heart and Brazo Camp drill targets.

Historical drilling targeted only three of the multiple parallel lodes within the 1.5km wide corridor of anomalism, with limited drilling amounting to two single drill sections located 750m apart over the three lodes with visible gold and significant gold assay results encountered in many of the holes.

Better drill intercepts from the limited drilling include;

- ◆ **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

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. The historical drilling re-logged by Alicanto personnel is in context of a revised definition of the stratigraphic column generated from detailed and regional mapping campaigns.

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, and in the December quarter, the refined geological interpretation has been compiled with regional scale geological mapping efforts to re-define the wider geologic understanding and structural architecture of the greenstone belt.

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.

During the recent re-logging, samples were collected from core for thin section petrographic studies and polished section ore microscopy. Further detailed surface sampling is planned for the Purple Heart Target Area to determine favourable vein orientations of high grade gold mineralisation for defining an optimal drill orientation to better assess the full 2.4km extent of the anomalous gold corridor to effectively drill test the identified prospects.

Xenopsaris Area

The Xenopsaris target area is the southern extension of the 11km long Gomes Trend gold anomalism (Refer to Figure 1), which is host to the Gomes Hill Prospect where significant drilled mineralisation requiring additional extension drilling 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).

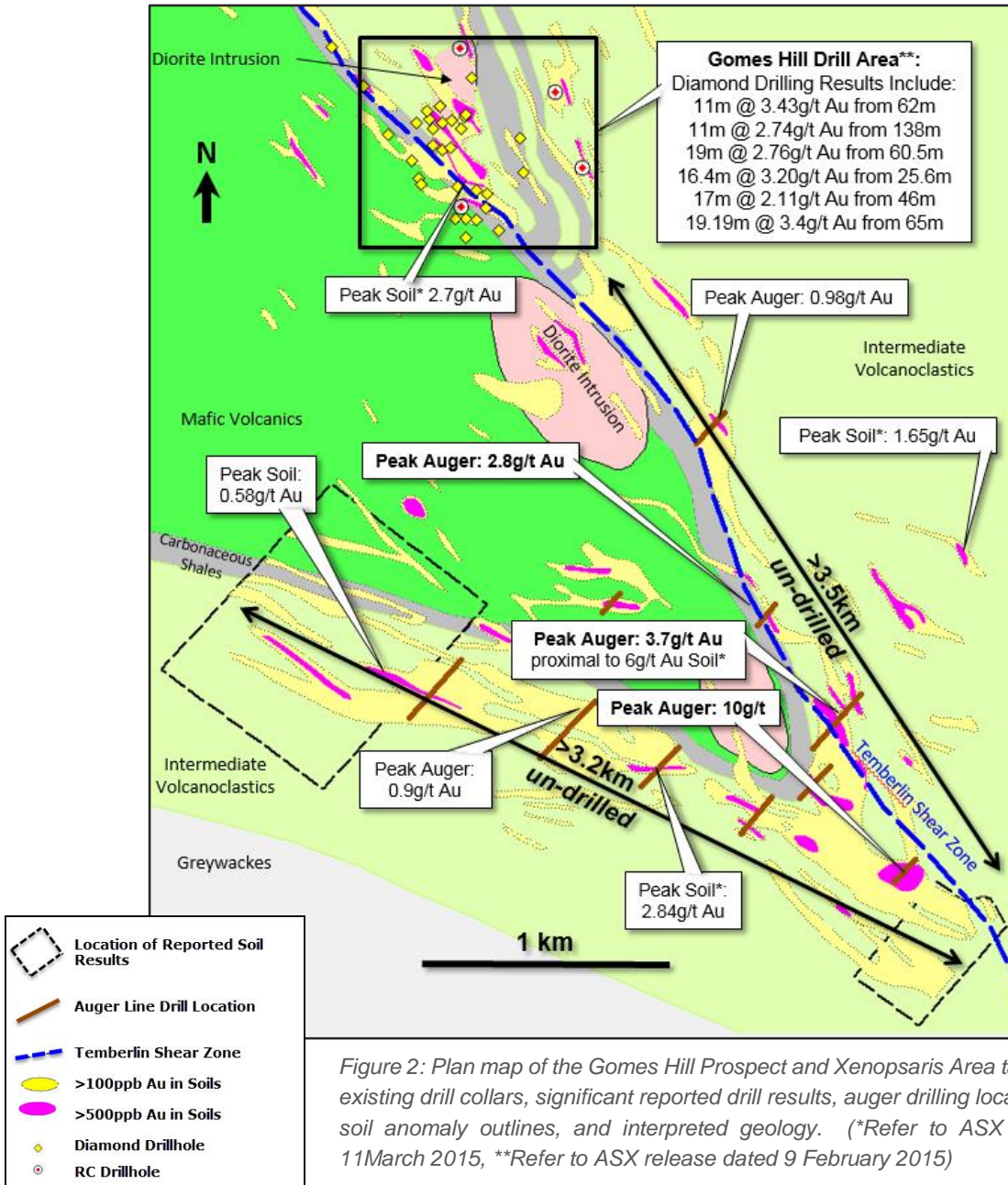


Figure 2: Plan map of the Gomes Hill Prospect and Xenopsaris Area targets showing existing drill collars, significant reported drill results, auger drilling locations, updated soil anomaly outlines, and interpreted geology. (*Refer to ASX release dated 11 March 2015, **Refer to ASX release dated 9 February 2015)

Mineralisation has been identified in soil and confirmed in auger drill sampling along the interpreted Temberlin Shear Zone, 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 Au**, **2.84g/t Au**, and **1.65g/t Au** (refer to ASX release dated 11 March 2015), Alicanto has intersected peak auger results including **10g/t and 3.7g/t Au** (refer to ASX release dated 27 May 2015), with better auger results closely associated with higher grade soil assays on each line with anomalism continuing along the projection of the Temberlin Shear.



Proposed Work - March Quarter Exploration

The Company continues to focus on conserving cash and operates exploration programs utilising the minimum staffing required to maintain the Company's assets at its Monosse Field Camp. Alicanto continues to progress expansion of the Company's geochemical coverage of the region with additional stream sediment sampling work in progress.

About Guyana

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

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

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

Corporate

Cash and working capital

As at 31 December 2015 the Company had cash of approximately \$339,000.

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.

Exclusivity Agreement

The Company has entered into an Exclusivity Agreement relating to a proposed investment in the Arakaka Gold Project by an unrelated party. Alicanto has initially received a refundable USD\$175,000 payment in relation to the exclusivity period and has subsequently received a further payment of USD\$75,000 that is non-refundable.

The contemplated agreement is anticipated to allow Alicanto to continue as operators on the Arakaka Project, and is geared toward providing increasing exploration activity and news flow while avoiding substantial dilution to the Company's share structure.

Project Generation

The acquisition of the Arakaka Gold Project in 2013 delivered a core strategic asset in one of the most underexplored greenstone belts in the world. The Company intends to continuously evaluate additional projects within Guyana for potential joint venture or acquisition. In addition the Company shall also continue to evaluate projects in Australia and overseas, in gold, copper and other commodities to grow shareholder value.



For detailed information on all aspects of the company and its project please visit:
www.alicantominerals.com.au

Alicanto Minerals Limited

A handwritten signature in blue ink that reads 'Travis Schwertfeger'. The signature is written in a cursive style and is positioned above a thin horizontal line.

Travis Schwertfeger – Managing Director
+61 8 6489 0700



Competent Persons Statement

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

Appendix 1 – Tenements

Mining tenements held at the end of December 2015 quarter

Project	Location	Tenement	Interest at end of December 2015 qtr
Tassawini	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	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%	

Mining tenements held at the end of December 2015 quarter (continued)

Project	Location	Tenement	Interest at end of December 2015 qtr
Arakaka	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%
	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%
	Guyana	P-633/000, PPMS/1190/2015	100%
	Guyana	P-633/001, PPMS/1191/2015	100%
	Guyana	P-633/002, PPMS/1192/2015	100%
	Guyana	P-633/003, PPMS/1193/2015	100%
	Guyana	P-633/004, PPMS/1194/2015	100%
	Guyana	P-633/005, PPMS/1195/2015	100%

Mining tenements acquired and disposed during the December 2015 quarter

Project	Location	Tenement	Interest acquired during December 2015 qtr
<i>Mining tenements acquired</i>			
Nil			
<i>Mining tenements relinquished</i>			
Nil			

Beneficial percentage interests in joint venture agreements at the end of the December 2015 quarter

Nil

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the December 2015 quarter

Nil