

Quarterly Report

For the Period Ending 31 March 2016

Alicanto Minerals Ltd (“Alicanto” or “the Company”) (ASX: AQI) is an emerging mineral exploration company focused on the exploration and development of the Arakaka Gold Project in Guyana, South America. The Arakaka Gold Project covers an area of over 300km² located in a relatively underexplored area within the Northern Guiana Shield Geological Terrane. The project covers volcano-sedimentary Paleoproterozoic greenstone rocks which are highly prospective for high tonnage, orogenic style gold deposits. The permits are 100% held, either directly by Alicanto’s wholly owned Guyanese subsidiary, or subject to various underlying option agreements, and Barrick Gold Corporation has the option to earn a 65 percent interest in the project after meeting US\$10 million in funding requirements.

Corporate

Arakaka Gold Project Earn-in Agreement

Alicanto and Barrick Gold Corporation (“Barrick”) have entered into an Earn-in Agreement whereby the Company granted Barrick the exclusive right to acquire a 65% interest in the Arakaka Gold Project. Barrick may earn up to a 65% interest in the Arakaka Project by meeting US\$10 million in funding requirements, including US\$8 million in exploration expenditures over four years, and US\$2 million paid to Alicanto upon completion of the exploration earn-in expenditures. Barrick may only withdraw from the Earn-in Agreement after contributing a minimum of US\$1.8m by the end of the first contract year, being 31 December 2016. Significant terms of the Earn-in Agreement are provided in the ASX announcement dated 1 March 2016.

Exploration activity operated by Alicanto under the Earn-in Agreement commenced after an exploration work program and budget was finalised for the first contract year (refer to ASX announcement dated 22 April 2016). The proposed work program includes two phases of drilling totalling over 6,000m scheduled over the June and September quarters, with an early 1,600m drilling program anticipated to commence in May focusing on the 12km long Arakaka main trend.

Board Changes

During the reporting period, Mr Hamish Halliday was appointed to the Board of Alicanto as a Non-Executive Director effective 17 March 2016, and Mr. Matthew Bowles resigned from the Board effective 11 April 2016.

Mr Halliday is a Geologist with a Bachelor of Science from the University of Canterbury and has over 20 years of corporate and technical experience in the mining industry. Mr Halliday has been involved in the discovery and acquisition of numerous projects over a range of commodities throughout four continents. Mr Halliday has founded and held executive and non-executive directorships with a number of successful listed exploration companies including Venture Minerals Ltd and Adamus Resources Ltd (‘Adamus’). He was CEO of Adamus from its inception through to successful completion of a feasibility study on its gold project in Ghana which is now in production.

Cash and working capital

As at 31 March 2016 the Company had cash of approximately \$1,049,000

Corporate, continued

Share Placement

The Company successfully completed a share placement (“Placement”) to raise \$1.0m with the allotment of 13.99 million shares at \$0.075 each. The funds raised from the Placement will be used to advance additional opportunities within Guyana and for working capital purposes (Refer to ASX announcement 14 March 2016).

Exclusivity Agreement

The exclusivity period referred to in the Company’s Quarterly Report dated 29 January 2016 and in the ASX release dated 12 February 2016 relates to the exclusivity period granted to Barrick. In total, Alicanto received funds of US\$292,000 as a non-refundable deposit from Barrick, subject to Alicanto maintaining confidentiality, exclusivity and providing timely information during the exclusivity period.

With execution of the Earn-In Agreement announced 1 March 2016, US\$217,000 of the funds announced in the 12 February 2016 release relating to non-refundable exclusivity payments will be applied towards Barrick’s Earn-in expenditure commitment. The balance of US\$75,000 will be utilised for Alicanto corporate costs.

Greenstone Joint Venture Agreement

Alicanto entered into a joint venture agreement with Greenstone Gold Inc. (Greenstone) to form an incorporated joint venture (JV), whereby Alicanto’s wholly owned Guyanese subsidiary will hold 80% of the issued capital and Greenstone to hold the remaining 20%. The JV will hold two prospecting licences (B22 & B23) and holds an option to acquire a 100% interest in four mining permits. Significant terms of the JV agreement are provided in the ASX announcement dated 5 February 2016.

Overview of the Arakaka Gold Project | Guyana

Geologically, Guyana is underlain by the Guiana Shield, a Proterozoic aged craton that was contiguous with the Leo Mann Shield of West Africa prior to the opening of the Atlantic Ocean. As such, the geology of the Guiana Shield is similar in age, lithology and style of mineralisation to the prolific Birimian gold belts of West Africa.

Alicanto’s Arakaka Gold Project covering >300km² is located in Guyana’s under-explored Northwest District, host to the Barama-Mazaruni supergroup, within one of the last and among the least explored greenstone belts across the Guiana and West African Shields that is not yet host to substantial gold resources.

CAPITAL STRUCTURE

Shares on Issue	72.0m
Options on Issue	15.1m
Market Cap	\$6.9m

ASX Code **AQI**

BOARD & MANAGEMENT

Didier Murcia
Non-Exec Chairman

Travis Schwertfeger
Managing Director

Hamish Halliday
Non-Exec Director

Marcus Harden
Chief Geologist

Brett Dunnachie
CFO & Co. Secretary

ARAKAKA GOLD PROJECT, GUYANA

- ◆ Regional scale project
- ◆ Highly prospective Northwest Guyana 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

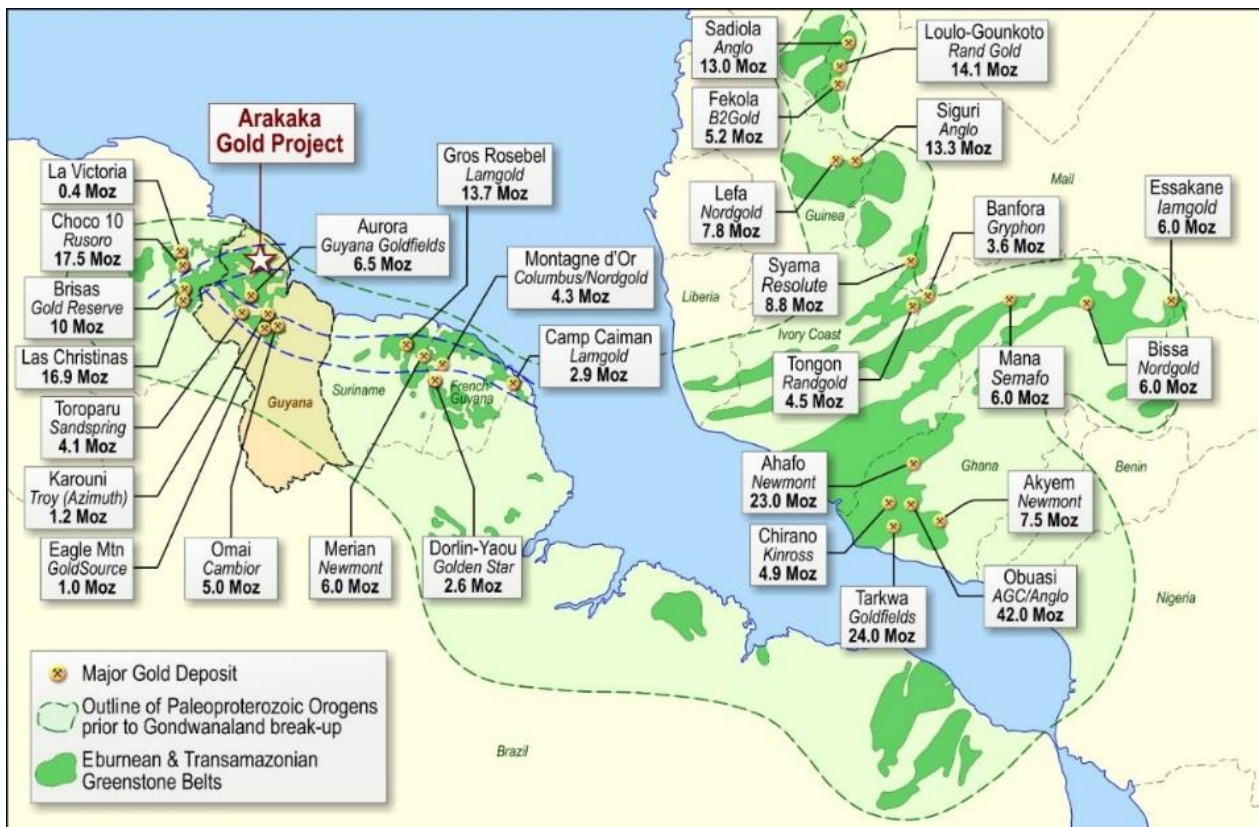
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Overview of the Arakaka Gold Project | Guyana, continued

The Arakaka Gold Project itself has been the source of more the 1Moz of alluvial and near surface gold production within Guyana, with a mining history that extends more than 100 years. The Project boasts good infrastructure, with an all-season road network, daily flights to within 10km of the property boundary, and deep water port facilities to within 15km of the property boundary.

Over US\$20m in exploration investment prior to Alicanto's investment has been made into the Arakaka Gold Project, providing Alicanto with a high quality regional scale geophysical and surface geochemical datasets identifying extensive gold anomalism which defines multiple top tier drill targets, but with sparse drilling completed previously to assess resource potential.

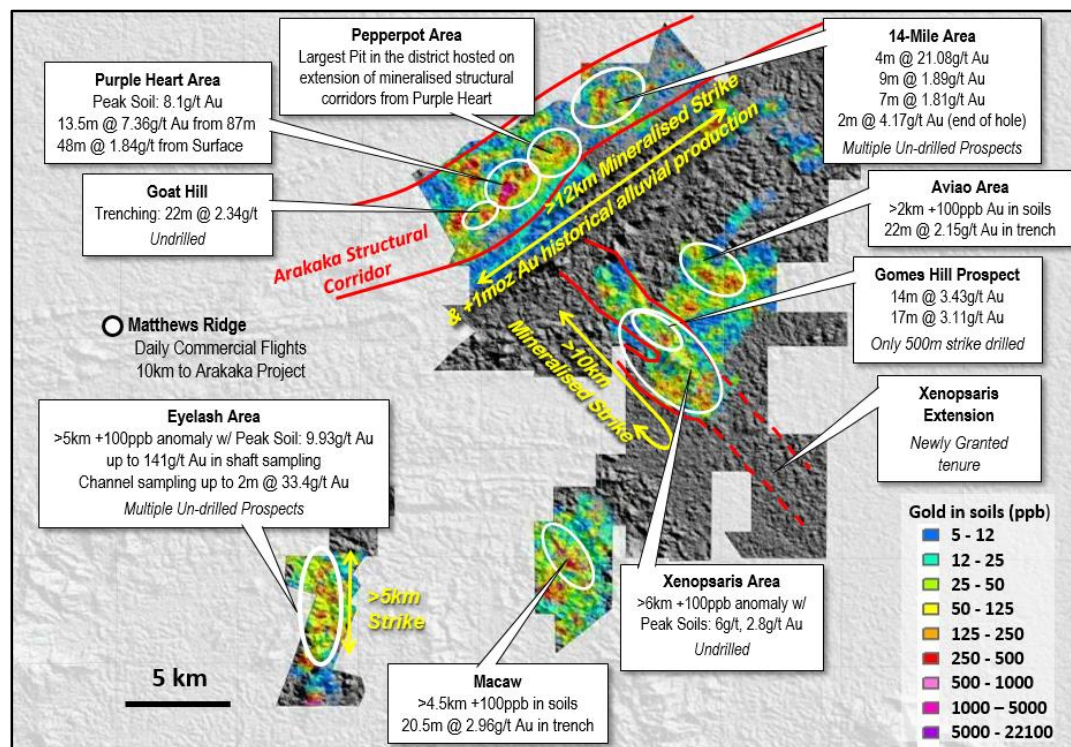
Figure 1 | Location Map - Arakaka Gold Project



Operation Report | Arakaka Gold Project

An exploration work program and budget is finalised for the year one work program currently being operated by Alicanto. The proposed work program includes two phases of drilling totalling over 6,000m in 2016, including an early 1,600m drilling program anticipated to commence in May. The work program also includes a combination of geological mapping, soil, auger, trench, and rock chip sampling and petrographic work. Exploration activity commenced in late March, with preparation of drill sites, auger drilling, geological mapping and rock chip sampling programs in support of drill target definition are currently in progress.

Exploration activities in support of drill target definition completed as at the end of the reporting period included 64 Auger holes totaling 247.5m of sampling and 223 rock chip samples collected. The focus of the initial phase of exploration on the Project is the Peppercorn and Purple Heart Target Area's within the 12km long gold anomalism of the Arakaka Main Trend.

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

Pepperpot Target Area

Pepperpot is host to favourable diorite intrusions that are strained and faulted by structures associated with mineralisation in drilling returning up to 13.5m @ 7.36g/t Au (Refer to ASX Release dated 26 August 2015) located at Purple Heart approximately 1.7km along strike to the southwest within the 12km long gold anomalous Arakaka main trend. The mapped structural and lithologic settings at Pepperpot prospects are analogous to Purple Heart and are associated with high tenor surface gold anomalism and extensive surface workings. These analogous settings at Pepperpot along favourable structural corridors within the Arakaka main trend are a high priority target for initial drill testing on the Arakaka Gold Project.

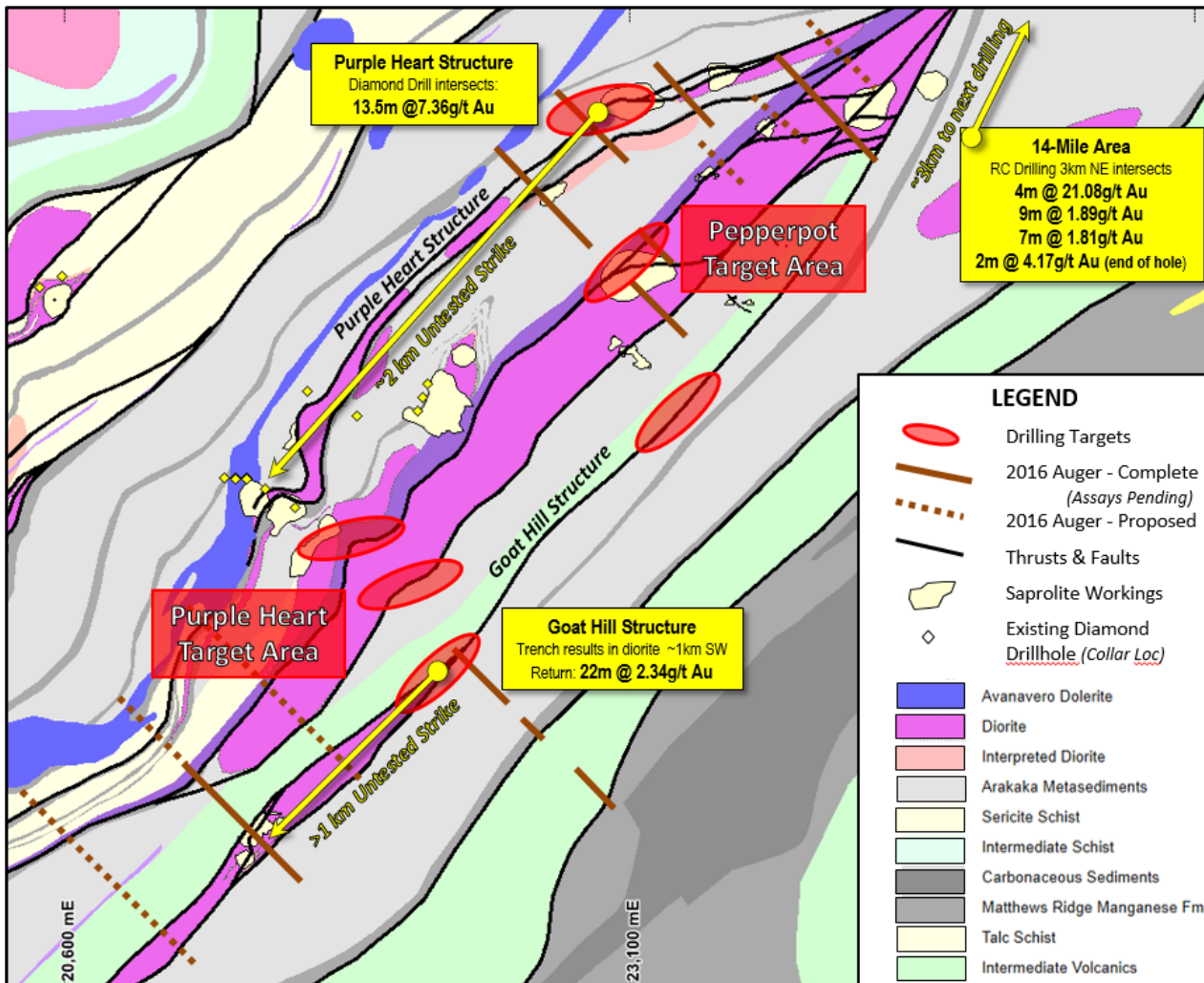
Host to one of the largest artisanal pits in the region with >2.5km strike extent of extensive artisanal alluvial and eluvial workings, (refer to Figures 2 & 3) the Pepperpot area is un-drilled, and has limited exploration information resulting from restricted exposure to saprolite or outcrop in an area of low relief. However, detailed mapping by Alicanto, followed by initial auger sampling has identified areas of very shallow (<4m) cover, that can be cost effectively assessed for alteration, favourable lithology, and gold anomalism. These low saprolite rises are currently being targeted in shallow auger sampling programs to refine drill targeting.

Purple Heart Target Area

Purple Heart is located in the Arakaka Main Trend (refer to Figure 2) and is host to gold mineralisation focused in shear zones in and around diorite intrusions with mineralisation occurring as combinations of high-grade veins and broad dissemination. The concurrent styles of mineralisation illustrate the potential of the Purple Heart area to host bulk tonnage targets. The multiple anomalous gold trends cover >2.4km strike length across >1.5km width. Several targets for drill testing have been defined from previous exploration activity in drilling, trenching, mapping and surface geochemistry with the following exploration highlights (Refer to ASX Release dated 26 August 2015);

- Only three mineralised trends have received limited drill testing to date, returning better intercepts of **13.5m @ 7.36g/t Au**, **48m @ 1.84g/t Au**, and **10.8m @ 1.66g/t Au**
- Previous trenching intersects **22m @ 2.34g/t Au** on structures projected under cover at Purple Heart, and up to **27m @ 3.14g/t Au** and **34m @ 2.98g/t Au** in trench proximal to existing drilling.
- Peak soil value of **8.1g/t Au** with eight >1g/t Au soil results, including un-drilled mineralised trends hosting peak soil results of **6.45g/t**, **3.9g/t Au** and **3.55g/t Au**.

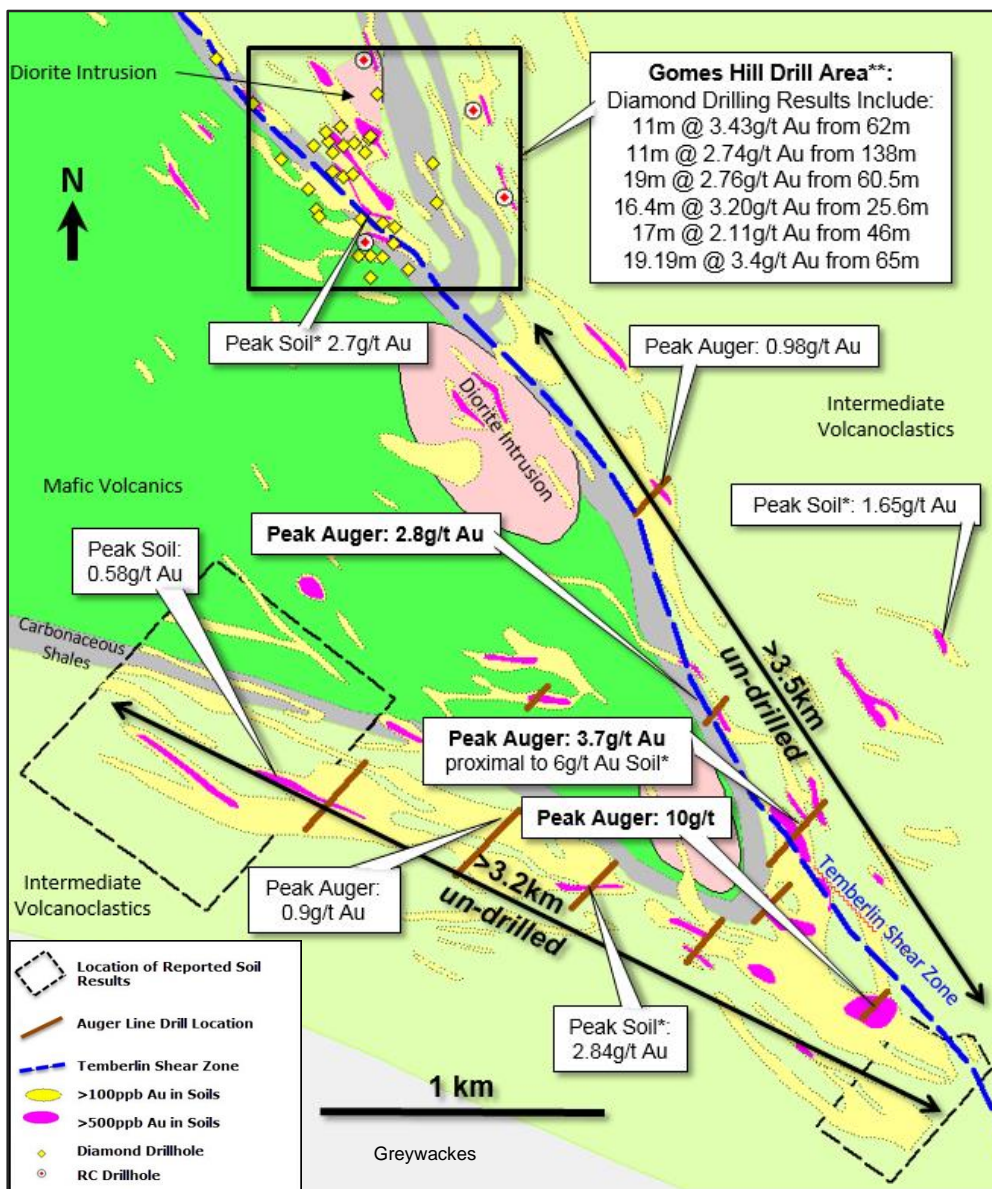
Figure 3 | Interpreted Geology for Purple Heart and Pepperpot Target Area with 2016 auger sampling locations.



Xenopsaris Area

The Xenopsaris target area is the southern extension of the 11km long Gomes Trend gold anomalism (Refer to Figure 2), 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 4 | Plan map of the Gomes Hill Prospect and Xenopsaris Area targets showing existing drill collars, significant reported drill results, peak auger drilling results, 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 and anomalism continuing along the projection of the Temberlin Shear.

Proposed Work | June Quarter Exploration

The Company continues to progress the finalised work program being funded by Barrick. The proposed work program includes two phases of drilling totalling over 6,000m in 2016, including an early 1,600m drilling program anticipated to commence in May. The focus of the initial phase of exploration on the Project is the Pepperpot and Purple Heart Target Area's within the 12km long gold anomalism of the Arakaka Main Trend

The work program also includes a combination of geological mapping, soil, auger, trench, and rock chip sampling and petrographic work. Exploration activity commenced in late March, with preparation of drill sites, auger drilling, geological mapping and rock chip sampling programs in support of drill target definition.

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 or contact:

Travis Schwertfeger - Managing Director

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Competent Persons Statement

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

Appendix 1 | Tenements

Mining tenements held at the end of March 2016 quarter

Project	Location	Tenement	Interest at end of March 2016 quarter
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%
Arakaka	Guyana	Y-33/001/04, PPMS/681/04	100%
Arakaka	Guyana	Y-31/000/04, PPMS/463/04	100%
Arakaka	Guyana	Y-31/001/04, PPMS/464/04	100%
Arakaka	Guyana	J-81/000/02, PPMS/884/02	100%
Arakaka	Guyana	J-81/001/02, PPMS/885/02	100%
Arakaka	Guyana	J-81/002/02, PPMS/886/02	100%
Arakaka	Guyana	J-59/000/2000, PPMS/1057/2002	100%
Arakaka	Guyana	J-59/001/2000, PPMS/1058/2002	100%
Arakaka	Guyana	J-59/002/2000, PPMS 1059/2002	100%
Arakaka	Guyana	J-59/003/2000, PPMS/1060/2002	100%
Arakaka	Guyana	J-59/004/2000, PPMS/1061/2002	100%
Arakaka	Guyana	J-59/005/2000, PPMS/1062/2002	100%
Arakaka	Guyana	J-59/006/2000, PMS/1063/2002	100%
Arakaka	Guyana	J-59/007/2000, PPMS/1064/2002	100%
Arakaka	Guyana	J-59/008/2000, PPMS/1065/2002	100%
Arakaka	Guyana	J-59/009/2000, PPMS/1066/2002	100%
Arakaka	Guyana	J-59/010/2000, PPMS/1067/2002	100%
Arakaka	Guyana	J-59/011/2000, PPMS/1068/2002	100%
Arakaka	Guyana	J-59/012/2000, PPMS/1069/2002	100%
Arakaka	Guyana	J-59/013/2000, PPMS/1070/2002	100%
Arakaka	Guyana	J-59/014/2000, PPMS/1071/2002	100%
Arakaka	Guyana	51/002/94, Ituni #1	100%
Arakaka	Guyana	51/003/94, Ituni #2	100%
Arakaka	Guyana	51/324/74, May	100%
Arakaka	Guyana	P-109/000/2000, PPMS/809/2001	100%
Arakaka	Guyana	P-109/001/2000, PPMS/810/2001	100%
Arakaka	Guyana	P-109/002/2000, PPMS/811/2001	100%
Arakaka	Guyana	P-109/003/2000, PPMS/812/2001	100%
Arakaka	Guyana	P-109/004/2000, PPMS/813/2001	100%
Arakaka	Guyana	P-109/005/2000, PPMS/814/2001	100%
Arakaka	Guyana	P-128/000/02, PPMS/707/02	100%
Arakaka	Guyana	P-128/001/02, PPMS/708/02	100%
Arakaka	Guyana	P-128/002/02, PPMS/709/02	100%
Arakaka	Guyana	P-128/003/02, PPMS/710/02	100%
Arakaka	Guyana	P-128/004/02, PPMS/711/02	100%
Arakaka	Guyana	P-17/000, PPMS/0222/1994	100%
Arakaka	Guyana	P-17/001, PPMS/0223/1994	100%
Arakaka	Guyana	P-8/000/94, PPMS/0074/1994	100%
Arakaka	Guyana	P-8/001, PPMS/73/1994	100%

Mining tenements held at the end of March 2016 quarter (continued)

Project	Location	Tenement	Interest at end of March 2016 quarter
Arakaka	Guyana	P-8/002, PPMS/75/1994	100%
Arakaka	Guyana	51/2005/235, Dennis #1	100%
Arakaka	Guyana	51/2005/236, Dennis #2	100%
Arakaka	Guyana	51/2005/237, Dennis #3	100%
Arakaka	Guyana	51/2005/238, Dennis #4	100%
Arakaka	Guyana	51/1983/034, Wintime	100%
Arakaka	Guyana	51/1983/035, Intime	100%
Arakaka	Guyana	51/1984/028, Ester aka Esta	100%
Arakaka	Guyana	S-267/000/07, PPMS/629/07	100%
Arakaka	Guyana	S-269/000/07, PPMS/631/07	100%
Arakaka	Guyana	P-9/000, PPMS/76/94	100%
Arakaka	Guyana	P-9/001, PPMS/77/94	100%
Arakaka	Guyana	P-9/002, PPMS/78/94	100%
Arakaka	Guyana	Y-1/MP/000/06, MP 91/2007	100%
Arakaka	Guyana	K-132/000/09, PPMS/1310/09	100%
Arakaka	Guyana	K-132/001/09, PPMS/1311/09	100%
Arakaka	Guyana	PL 10/2014, GS14: S-62	100%
Arakaka	Guyana	PL 11/2014, GS14: S-63	100%
Arakaka	Guyana	P-175/MP/000/2015	80%
Arakaka	Guyana	P-175/MP/001/2015	80%
Arakaka	Guyana	P-175/MP/002/2015	80%
Arakaka	Guyana	P-184/MP/000/2015	80%
Arakaka	Guyana	PL-09/2011, GS14: B-22	80%
Arakaka	Guyana	PL-10/2011, GS14: B-23	80%
Arakaka	Guyana	P-633/000, PPMS/1190/2015	100%
Arakaka	Guyana	P-633/001, PPMS/1191/2015	100%
Arakaka	Guyana	P-633/002, PPMS/1192/2015	100%
Arakaka	Guyana	P-633/003, PPMS/1193/2015	100%
Arakaka	Guyana	P-633/004, PPMS/1194/2015	100%
Arakaka	Guyana	P-633/005, PPMS/1195/2015	100%
Arakaka	Guyana	P-642/000	100%

Mining tenements acquired and disposed during the March 2016 quarter

Project	Location	Tenement	Interest acquired during March Quarter 2016
<i>Mining tenements acquired</i>			
Arakaka	Guyana	P-175/MP/000/2015	80%
Arakaka	Guyana	P-175/MP/001/2015	80%
Arakaka	Guyana	P-175/MP/002/2015	80%
Arakaka	Guyana	P-184/MP/000/2015	80%
Arakaka	Guyana	PL-09/2011, GS14: B-22	80%
Arakaka	Guyana	PL-10/2011, GS14: B-23	80%
<i>Mining tenements relinquished</i>			
Nil			

Beneficial percentage interests in joint venture agreements at the end of the March 2016 quarter:

Alicanto entered into an agreement with Greenstone Gold Inc. (Greenstone) to form an incorporated joint venture (JV), whereby Alicanto's wholly owned Guyanese subsidiary will hold 80% of the issued capital and Greenstone to hold the remaining 20%. The JV will hold two prospecting licences (B22 & B23) and holds an option to acquire a 100% interest in four mining permits. Significant terms of the JV agreement are provided in the ASX announcement dated 5 February 2016.

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the March 2016 quarter:

Alicanto and Barrick Gold Corporation ("Barrick") have entered into an Earn-in Agreement whereby the Company granted Barrick the exclusive right to acquire a 65% interest in the Arakaka Gold Project. Barrick may earn up to a 65% interest in the Arakaka Project by meeting US\$10 million in funding requirements, including US\$8 million in exploration expenditures over four years, and US\$2 million paid to Alicanto upon completion of the exploration earn-in expenditures.