ASX Code AQI Shares on Issues 72.0m Market Cap 6.7m

Alicanto Commences 6,000m Drill Program Arakaka Project, Guyana

HIGHLIGHTS

- **Diamond core drilling commences** on first campaign of a two phase program planned to total 6,000m of RC and Diamond drilling in June and September Quarters.
- Initial phase of drilling to focus on the **12km long Arakaka Main Trend**, targeting the Pepperpot and Purple Heart areas
- Results of initial surface exploration program over Pepperpot target area received.
 - Drilling to target multiple structural corridors hosting up to 3.2g/t and 2.3g/t Au peak auger results.

Alicanto Minerals Ltd (ASX: AQI) ("Alicanto" or "the Company") is pleased to announce diamond drilling activity is commencing on the Pepperpot Target Area at the Arakaka Gold Project located in northwest Guyana. An initial phase of diamond drilling will further advance multiple targets refined by exploration activities commenced in March of this year. The phase one diamond program is anticipated to total approximately 1,500m of drilling on multiple initial drill tests within the Pepperpot and Purple Heart target areas. Drilling results will be integrated with existing mineralised intercepts on the Arakaka Gold Project to prioritise phase two follow-up drilling planned for the September Quarter.

The initial phase of drilling on the Arakaka Gold Project will focus on the Pepperpot and Purple Heart target areas (see Figure 1) within the 12km long gold anomalism of the Arakaka Main Trend.

Figure 1 | View looking east down the Arakaka Main Trend over the proposed initial drill tests at Pepperpot and the extension of the Purple Heart drill line across un-drilled targets identified by mapping, geochemistry and geophysics.



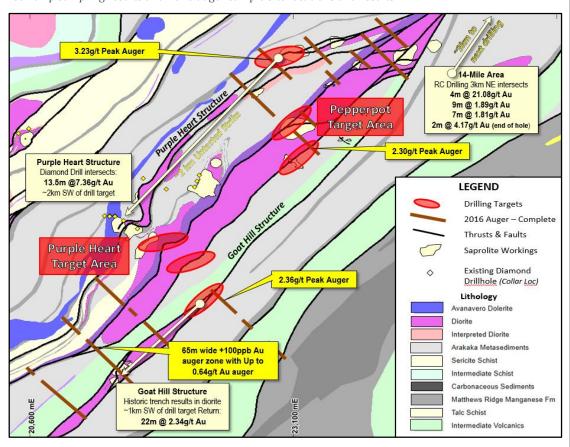


The current exploration program, including a planned 6,000 metres of drilling for the year, is being operated by Alicanto and funded by Barrick Gold Corporation ("Barrick") under terms of the Earn-in Agreement (refer to ASX release date 1 March 2016), whereby Alicanto has granted Barrick the exclusive right to acquire a 65% interest in the Arakaka Gold Project by sole funding US\$8,000,000 in exploration expenditure within a four year earn-in period ("Earn-in Right"). At completion of the earn-in period, Barrick can elect to pay an additional US\$2,000,000 to Alicanto to exercise its Earn-In Right to acquire a 65% interest in the project.

Pepperpot - Proposed Drilling

Pepperpot is an un-drilled target area with multiple diorite intrusions identified in mapping and several sheared contacts prioritised for drill testing. The area is host to multiple favourable intrusions that are strained and faulted by regional thrusting. Structures associated with mineralisation on diorite margins have demonstrated potential for high grade, quartz vein hosted mineralisation and pervasive disseminated to stock-worked style mineralisation within the diorite intrusions themselves located on coincident targets.

Figure 2| Interpreted Geology for the Purple Heart and Pepperpot targets on the Arakaka Main Trend with rock chip sampling results and 2016 auger sample site locations and results.



CAPITAL STRUCTURE

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

ASX Code AQI

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Hamish Halliday Non-Exec Director

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ARAKAKA GOLD PROJECT, GUYANA

- · Regional scale project
- Highly prospective Northwest Guyana Greenstone Belt
- +1 million ounce Au historical production in near surface
- Footprint of artisanal workings pre-production is analogous to Las Cristinas / Las Brisas and Gros Rosebel Mines
- +12km mineralised corridor of Arakaka Main Trend less than 5% drill tested
- Underexplored limited drilling highlighting substantial gold endowment potential and
- Multiple saprolite pits and priority targets un-tested
- Arakaka Trend one of the oldest and most prolific gold districts in Guiana Shield
- Mining friendly jurisdiction

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The Pepperpot Target Area is book-ended along the Arakaka Main Trend with quartz vein hosted intercepts from drilling on sheared diorite margins returning up to **13.5m @ 7.36g/t Au** (Refer to ASX Release dated 26 August 2015) located at the Purple Heart Area approximately 1.7km along strike to the southwest, and up to **4m @ 21.1g/t Au** at the 14-Mile area (refer to ASX Release dated 17 September 2014) located approximately 4km to the northeast. Both intercepts are located within the 12km long gold anomalous Arakaka Main Trend (Refer to Figure 4).

Proposed drilling at Pepperpot will include five holes within a 1km wide structural zone targeting three major structures within the zone each hosting demonstrated mineralisation within the Arakaka Main Trend shear zone. The initial fence of drilling will include targeting one of the largest artisanal pits in the Arakaka Main Trend, which is central to the Pepperpot Target area (refer to Figure 2).

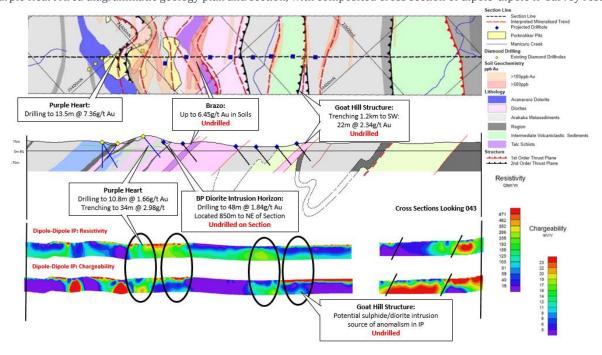
The Initial drill tests on Pepperpot target area will focus on sheared diorite intrusion contacts located on favourable structural corridors and are intended to advance multiple targets within a six kilometre gap in drilling and prioritise those targets against existing known mineralisation for follow-up RC and Diamond drilling in the September Quarter.

Purple Heart Target Area - Proposed Drilling

Located in the Arakaka Main Trend adjacent to the Pepperpot area (refer to Figure 2 & 4), Purple Heart target area is a distinct clustering of artisanal pits in saprolite on a series of low hills adjacent to a valley with alluvial cover that has been worked extensively by artisanal miners in the region.

The multiple anomalous Au trends cover >2.4km strike length across >1.5km width. Several targets for drill testing at Purple Heart have been defined from previous exploration activity including historical drilling, trenching, mapping and surface geochemistry (Refer to ASX Releases dated 26 August 2015) which also includes previous trenching on the Goat Hill structure returning **22m @ 2.34g/t Au** in sampling located approximately 1km along strike from a peak auger intercept of **2.36g/t Au** (refer to Figure 3) located adjacent to the southernmost drill target at Purple Heart.

Figure 3| Purple Heart Area diagrammatic geology plan and section, with composited cross section of dipole-dipole IP survey results.





Diamond drilling at Purple Heart is planned to extend an existing fence of drilling across the alluvial valley adjacent to known mineralisation to confirm the width of the Arakaka Main Trend shear zone and identify additional intrusions under cover indicated by favourable geochemistry and geophysical interpretation with the objective of prioritising those targets against existing known mineralisation for follow-up RC and Diamond drilling in the September Quarter (refer to Figure 3).

Exploration Results

Recent Exploration activity includes geological mapping at a 1:500 scale within the Pepperpot area, complimented by extensive rock chip sampling, and augmented by auger sampling across portions of the target area with very poor exposure from historical shallow mining disturbance or shallow cover. The auger sampling technique has been used to confirm in-situ alteration along projections of surface anomalism within the target Area and refine diamond drill locations.

Auger Sampling

The auger sampling program totalled 449 samples collected from 186 auger sample sites. The auger sampling program is completed on nominal 20m spacing with localised 10m infill on irregularly spaced sample lines (refer to Appendix A, JORC Table 1) with reported results covering 4.5km of strike along the Arakaka Main Trend (refer to Figure 2).

Gold anomalism in auger consistently confirms gold anomalism and potential mineralisation beneath extensive +100pbb Au anomalous trends in soils (refer to Figure 4). Multiple anomalous zones have been intersected that include peak auger results of **3.2g/t and 2.3g/t Au** potentially refining targeting of mineralised structures within a large footprint of alteration and gold anomalism.

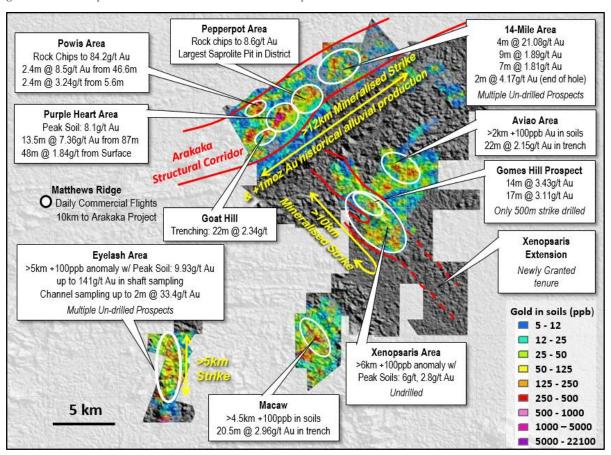
Ground Geophysics

In conjunction with the surface geochemical and mapping work, Alicanto is also working with Barrick to re-process historical IP ground geophysical data (refer to Figure 3). Previous explorers have completed a total of 69.4 line km of dipole-dipole IP and 119 line km of gradient array IP on the Arakaka Gold Project.

Alicanto geologists have defined a detailed structural model and geological interpretation of the Arakaka Main Trend. Re-modelling and re-interpretation of both the gradient array and dipole-dipole spectral induced polarisation / resistivity geophysical methods (IP) in context of the varying physical properties measured and modelled in the revised geologic interpretation has identified high priority targets covered by shallow artisanal alluvial mining disturbance in the area.



Figure 4 | Target Area and Prospect locations within the >300km² land position



For detailed information on all aspects of the company and its project please visit: www.alicantominerals.com.au or contact:
Travis Schwertfeger - Managing Director +61 8 6489 0700

About Alicanto Minerals

Alicanto Minerals Limited (ASX: AQI) is an emerging mineral exploration company focused on the exploration and development of a portfolio of gold projects in the prospective geological provinces of Guyana.

In addition to the exploration of its current Guyanese projects, the Company is continuously evaluating additional projects in both Guyana and overseas for potential joint venture or acquisition.

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Travis Schwertfeger, who is a Member of The Australian Institute of Geoscientists. Mr Schwertfeger is Managing Director for the Company. Mr Schwertfeger 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 Schwertfeger consents to their inclusion in the report of the matters based on his information in the form and context in which it appears.



APPENDIX A 2012 JORC Table 1 | Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	 Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	 Alicanto auger drill samples were obtained with a 2.5inch diameter hand auger samples collected in 2m intervals coned and quartered in the field for submission for analysis The ¼ sample is crushed and pulverised to produce a 500g charge for Leachwell analysis.
Drilling techniques	 Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face- sampling bit or other type, whether core is oriented and if so, by what method, etc). 	Manually powered auger drill with 2.5 inch diameter spiral
Drill sample recovery	 Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	 Information recorded in near surface sampling includes the characteristics of the soils and nature of the setting from which the sample is collected is used to define potential source of mineralisation and aides in the interpretation of assay results. There is potential for down-hole contamination in the sampling method, but sampling method targets anomalism and is not relied upon for precision of gold content or to quantify gold content in any modelling or resource estimation work.
Logging	 Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. 	 Not applicable to the reported exploration results as results will not underpin either a resource or study Soil characteristics, colour and nature of the sample setting are logged qualitatively, and the slope, slope direction of the sample location is quantified. Sample sites are not regularly photographed.
Sub-sampling techniques and sample preparation	 The total length and percentage of the relevant intersections logged. If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	 All sample sites in soil sampling process are logged. Not applicable as no core material reported in exploration results Samples were collected wet and targeted sample weight collected through representative sampling technique for soils, and auger sample material is coned and quartered. The soil sampling exploration work is designed to assess relative anomalism of elements within favourable lithologic and structural settings. The results of the reported exploration results are not intended to quantify metal content and will not be used in any mineral resource estimation and sample preparation technique is appropriate. Field duplicates were collected for every 40th soil sample site collected and results of duplicate sites compared to assess the accuracy of the sampling methods being utilised.



Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	 The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	 Gold assays obtained by using a 500g charge for cyanide extraction are considered a partial extraction for gold, however effective in the oxidized medium being analysed and considered an appropriate method for determining relative anomalism of soil sampling not intended to quantify gold content. No geophysical methods or handheld XRFs were utilised to estimate or ascertain gold grades or any other physical properties from direct measurement of core sample material. The IP ground geophysics survey reported was conducted by using a spectral induced polarisation system, configured in a conventional 2-D dipole-dipole array. The potential electrode spacing was set to 25 metres and separation factors of n=1 to 10 is used. In addition to the laboratory's own QC procedure data-certified reference materials, duplicates certified reference material are regularly inserted into the sample collection and sample preparation process with approximately 3% of all samples being related to quality control for auger and rock chip sampling programs.
Verification of sampling and assaying	 The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. 	 The auger drilling is follow-up work to previously reported soil sampling results to provide a more discrete point sample, and auger sample results are reviewed in context of previous soil sampling results by company personnel. Senior Geological staff routinely inspect all sampling. Twin holes not applicable to reported exploration results – please see reference to field duplicate sampling.
	 Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. 	 All Alicanto Minerals sample and recovery data is recorded to paper forms at the time of drilling/sampling. Data is then keypunched into controlled excel templates with validation. Geological logging is directly logged into template log sheets by Toughbook computer. The templates are then provided to an internal database manager for loading into an Access database.
Leasting of late	Discuss any adjustment to assay data.	No adjustment is made to the data. All the little parts of the data.
Location of data points	 Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used 	 All soil and auger drilling sample sites are surveyed by handheld GPS. Surveys are accurate to < 5m in horizontal precision. Soil sample and auger drill locations are collected in WGS 84 datum Zone 20N and zone 21N projections.
	Quality and adequacy of topographic control.	 Data is reviewed and presented in a local coordinate system. Topographic control is based on contours generated from SRTM stereoscopic for processed image coupled with handheld GPS reading. This method of topographic control is deemed adequate at this exploration stage of the project.
Data spacing and distribution	Data spacing for reporting of Exploration Results.	 Auger drill sampling work is completed on lines across significant soil assay results, or areas of shallow cover where soil sampling protocols were deemed ineffective in testing non- transported material.
	 Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. 	 Auger sampling is completed on nominal 20m spacing (with localised 10m sample spacing where nominated by the site geologist) along lines. The exploration activity reported is not appropriate for mineral resource estimation Historical ground geophysical campaign using spectral induced polarisation / resistivity geophysical method (IP). The IP surveying was conducted by using a spectral induced polarisation, configured in a conventional 2-D dipole-dipole array. The potential electrode
	Whether sample compositing has been applied.	spacing was set to 25 metres and separation factors of n=1 to 10 is used. No compositing has been applied for reported results.



Criteria	JORC Code explanation	Commentary
Orientation of data in relation to geological structure	 Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	 The orientation of auger sampling lines is parallel to the soil line orientations to validate and refine potential source of mineralisation associated with soil results or assess gaps or "holes" in the existing surface geochemical dataset. No drilling with sampling intended for inclusion in a mineral resource estimation is included in reported exploration results.
Sample security	The measures taken to ensure sample security.	 Alicanto Minerals samples are removed from the field immediately upon collection and stored in a secure compound for sub sampling and preparation for lab dispatch. Samples are shipped from site to the laboratory under constant supervision by Alicanto Minerals technical personnel. Sample submission forms are sent in paper form with the samples as well as electronically to the laboratory. Reconciliation of samples occurs prior to commencement of sample preparation of dispatches.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	 All Alicanto Minerals Ltd QA/QC data is reviewed in an ongoing basis and reported in quarterly summaries. Alicanto has completed a comparison of assay methodologies by repeating collection of soils samples sites analysed by fire assay and submitting new samples for cyanide extraction analysis to assess appropriateness for using the partial extraction technique. Results showed a strong correlation in repeatability of anomalism, so the lower cost cyanide extraction technique has been adopted by the company for analysis of soil and auger sample material going forward.



Section 2 | Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	 Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	 The Arakaka Project area is subject to various underlying agreements covering the following licence areas. (Refer to most recent Alicanto Quarterly Activities report posted to the ASX for a current listing of mining tenements and interests held.) Alicanto has granted Barrick Gold Corporation the exclusive right to acquire a 65% interest in the Arakaka Gold Project by sole funding US\$8,000,000 in exploration expenditure within a four year earn-in period ("Earn-in Right"). At completion of the earn-in period, Barrick can elect to pay an additional US\$2,000,000 to Alicanto to exercise its Earn-In Right to acquire a 65% interest in the project, as announced to the ASX by Alicanto on 1 March 2016. Alicanto holds an 80% interest in the Prospecting licences B-22 and B-23 and the option to acquire permits P-175/MP/000/2015, P-175/MP/001/2015, P-175/MP/002/2015, and P-184/MP/000/2015 subject to terms of a Joint Venture Agreement with Greenstone Gold Inc. as announced to the ASX on 5 February 2016. The Company is not aware of any impediments to obtaining a licence to operate in the area at the time of this report.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	 Exploration completed by previous explorers Newmont Exploration Ltd, BHP, StrataGold Ltd, Scare Coeur Ltd. and Takara Resources Inc., and has included soil sampling, geophysical data collection and drilling, and considered to be completed in accordance with best practices at the time of data acquisition, and reported drilling results have been reviewed by a person considered competent under 2012 edition JORC Code.
Geology	Deposit type, geological setting and style of mineralisation.	The Arakaka Gold Project covers greenstone belts and intra belt granitoids of the Barama-Mazaruni supergroup of the Paleo-Proterozoic Guiana Shield. It is hosted in the Arakaka Greenstone Belt. The oldest rocks within the concession are interpreted to be tholeitic to calcalkaline basalts, andesites and volcaniclastic sediments. Predominately mafic, volcanosedimentary packages dominate the younger parts of the local stratigraphy. Numerous phases of plutonic activity have intruded the earlier sequences ranging from gabbroic to granitic in composition. Known mineralisation is structurally controlled and widely associated with arsenopyrite, pyrhotite, iron carbonate, sericite, pyrite and locally albitic alteration. Both the volcano-sedimentary packages and the intrusive rocks host mineralisation in the project area. Exploration is targeting orogenic gold mineralizing systems.
Drill hole Information	 A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	 No material drill holes for the purpose of mineral resource estimation work are included in reported exploration results. The auger sampling exploration results reported are a near surface sampling technique being utilised to improve the understanding of geological setting, regolith setting, and refine drill targeting and prioritising numerous drill targets.



Criteria	JORC Code explanation	Commentary
Data aggregation methods	 In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	 No weight averaging techniques are applied to reported exploration results. No cut-off grades are applied to reported exploration results No aggregation of reported exploration results No metal equivalent reporting is applicable to this announcement
Relationship between mineralisation widths and intercept lengths	 These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	 Alicanto sample lines were oriented as close to perpendicular to interpreted geological directions as possible. Due to the early stage of exploration at the Arakaka project, determination of true widths and definition of mineralized directions encountered in the exploration results is not possible.
Diagrams	 Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	Included in body of report as deemed appropriate by the competent person
Balanced reporting	 Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	 All exploration results available are included and are utilised in the interpretation of results for activity being reported on in this report. Assay results for the reported exploration activity range from below detection assay results of <5ppb Au and range up to peak values included in diagrams contained in the body of the report. Auger drilling is completed on 10m spacing on lines oriented parallel to soil sampling targeting areas of +500ppb Au anomalism at surface. The auger sampling program totalled 449 samples collected from 186 auger sample site and returned peak values of 3.2g/t and 2.3g/t Au, with 13% of auger sites with results exceeding 100ppb Au and 25% of auger sites with no samples assaying above detection limit (<5ppb Au).
Other substantive exploration data	 Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	 Meaningful observations included in the body of the report No other available datasets are considered relevant to reported exploration results
Further work	 The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	 Proposed follow-up diamond drilling Included in body of report Included in body of report as deemed appropriate by the competent person