

ALICANTO
MINERALS LIMITED

Half-year Report
2020

ABN 81 149 126 858

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Non-Executive Chairman
Raymond Shorrocks

Managing Director
Peter George

Non-Executive Director
Didier Murcia AM

Company Secretary
Michael Naylor

Principal & Registered Office
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WEST PERTH WA 6005
Telephone: (08) 6279 9425
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Share Registry
Automic Pty Ltd
Level 2,
267 St Georges Terrace
PERTH WA 6000

Auditors
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WEST PERTH WA 6005

Bankers
National Australia Bank
50 St Georges Terrace
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Stock Exchange Listing
Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
Code: AQI

Website Address
www.alicantominerals.com.au

Your directors present their report on the consolidated entity consisting of Alicanto Minerals Limited (“Alicanto” or “the Company”) and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

1. Directors

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

Peter George
Raymond Shorrocks
Didier Murcia

2. Review of Operations

Corporate

Financial Performance and Position

The net operating loss after tax for the half year ended 31 December 2020 was \$4,328,469 (31 December 2019: \$787,567). The loss for the period includes \$1,204,225 (31 December 2019: \$448,988) in exploration and evaluation expenditure and share based payment expenses of \$952,042 (31 December 2019: \$4,258) were also recognised during the half-year.

As at 31 December 2020 the Company had cash of \$7,580,955 (30 June 2020: \$2,431,923).

August 2020 Placement

In August 2020, Alicanto Minerals completed a placement to sophisticated and professional investors to raise approximately \$1,425,000 (before costs) through the issue of 25,909,090 fully paid ordinary shares in the Company at an issue price of \$0.055 each.

November 2020 Option Issue

In November 2020, Alicanto issued 27,000,000 unquoted options to management, consultants and advisors and 10,000,000 unquoted options to Mr Ray Shorrocks. The options are exercisable at \$0.10 each and will expire 5 years after the date of grant.

In conjunction with the placement, the Company also issued (which were approved by shareholders at the general meeting of shareholders on 4 November 2020)

- 10,000,000 unquoted options to an advisor/Canaccord, in four equal tranches with exercise prices of \$0.10, \$0.15, \$0.20 and \$0.25 each respectively, and an expiry date 5 years from the date of grant; and
- 9,000,000 unquoted options to related parties of the Company, exercisable at \$0.10 each and expiring 5 years from the date of grant, as follows:
 - 2,000,000 options to Mr Didier Murcia;
 - 4,000,000 options to corporate Consultants; and
 - 3,000,000 options to Mr Peter George.

November 2020 Performance Rights Issue

In November 2020 the Company also issued 4,000,000 Performance Rights as follows:

- 1,000,000 Performance Rights to Travis Schwertfeger based on service conditions and progressing Guyana towards a Resource; and
- 3,000,000 Performance Rights to Peter George for exploration milestones related to Sweden and Guyana.

December 2020 Performance Rights Issue

In December 2020 the Company also issued 1,500,000 Performance Rights as follows:

- 1,500,000 Performance Rights to Erik Lundstam, Chief Geologist based in Sweden and is based on service conditions for continued employment for a period of 2 years until 31 December 2022 and for securing and maintaining tenement position in Sweden.

Board Changes

In conjunction with the August placement above, the following changes were made to the Board:

- Mr Ray Shorrocks became the Non-Executive Chairman
- Current Chief Executive Officer, Mr Peter George, became the Managing Director
- Mr Didier Murcia stepped down as Chairman, but remained a Non-Executive Director
- Mr Travis Schwertfeger and Mr Hamish Halliday (Non-Executive Directors) resigned from the Board.

November 2020 Placement

In November 2020, Alicanto finalised a placement to institutional and sophisticated investors totalling \$6 million through the issue of 46,153,847 fully paid ordinary shares at \$0.13 per share via a Share Placement.

Strong demand for the Placement was received from existing shareholders as well as a number of new institutions.

Annual General Meeting

Alicanto held its Annual General Meeting on the 27th November 2020. All resolutions were passed with greater than 96% voting in favour of all resolutions.

Change of Registered Address

The Company's registered address and principal place of business changed to:

Ground Floor
24 Outram Street
West Perth WA 6005

The Company's telephone number remained the same: +61 8 6279 9425

Exploration

Greater Falun Copper Gold Project, Sweden (AQI 100%)

The Greater Falun Project contains high-grade Cu-Au-Zn-Pb-Ag in the highly endowed Bergslagen Mining District, Sweden.

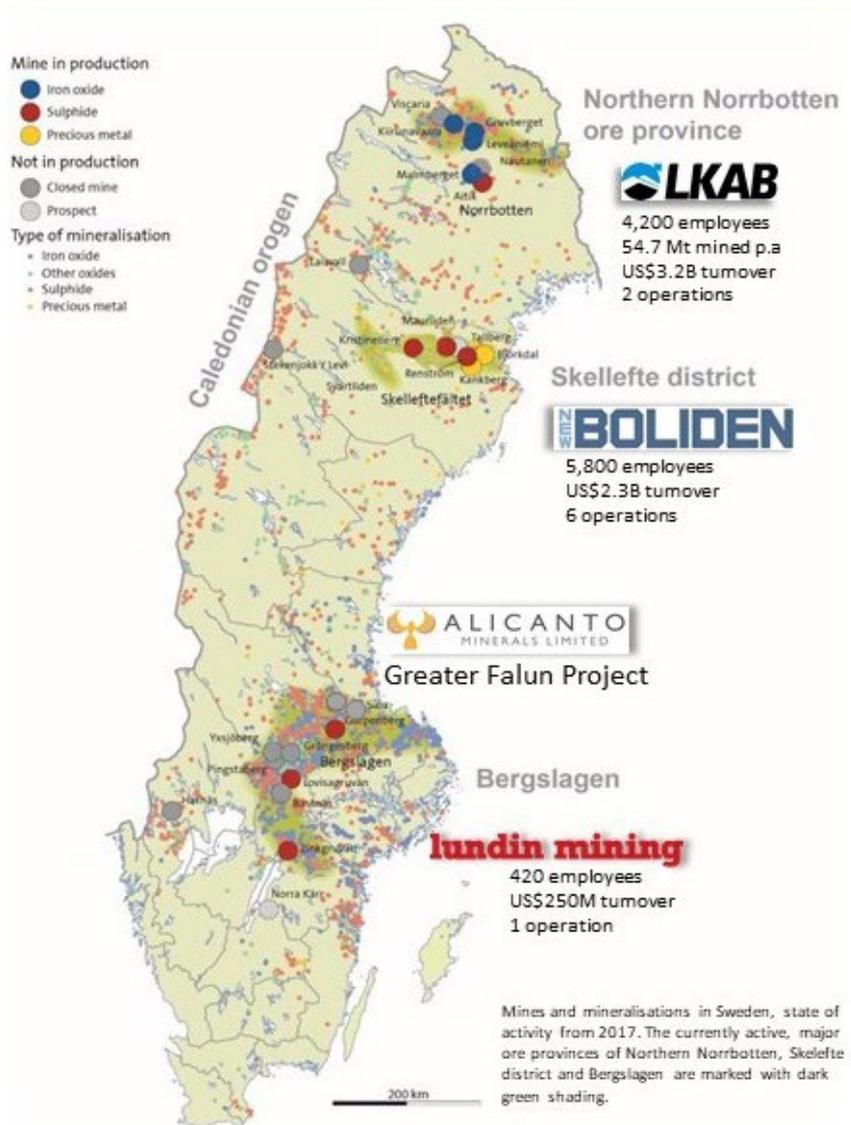


Figure 1: Location of Projects in Sweden

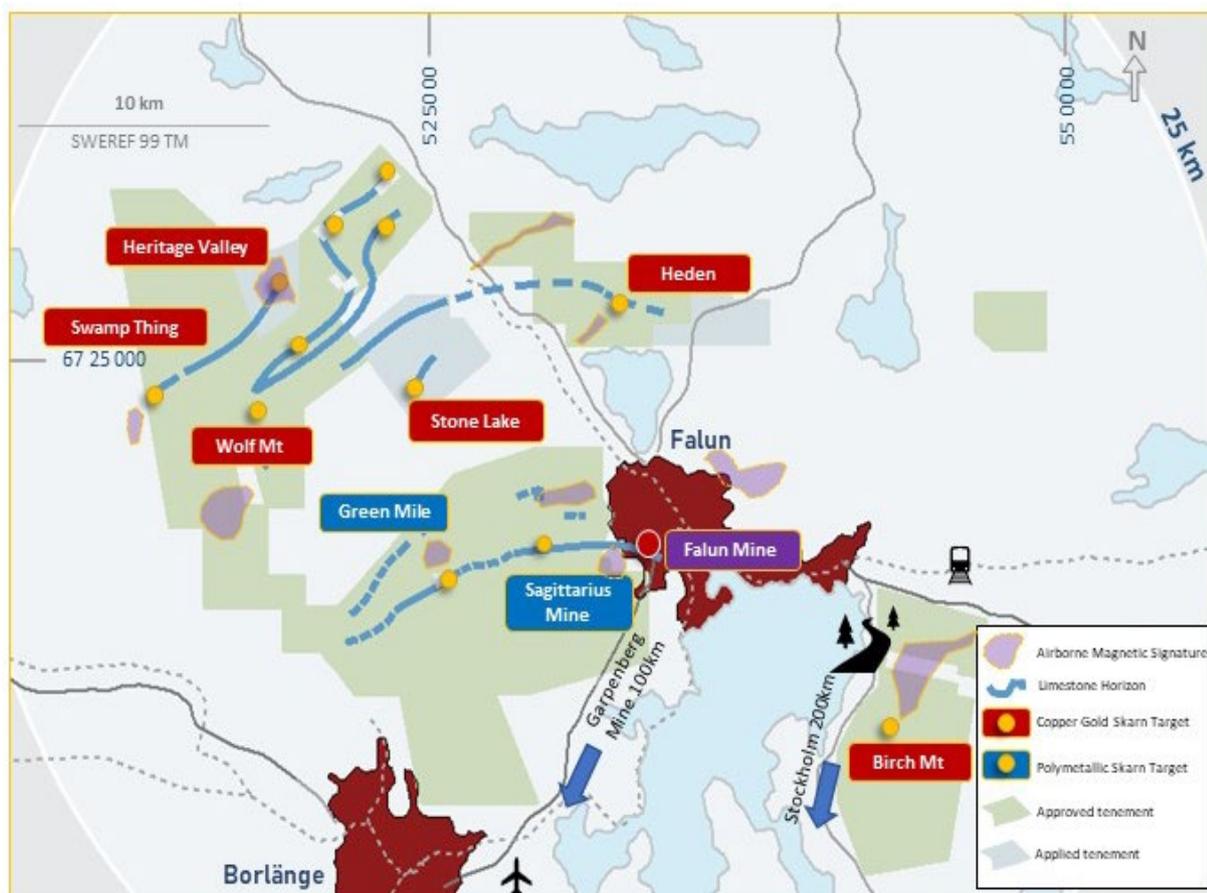


Figure 2: Location of targets and Magnetic Signatures within the Greater Falun Project area (refer ASX release 15th September 2020)¹

Heden Target, Sweden (100%)

Alicanto Minerals commenced drilling at the Heden target located within its Greater Falun copper-gold project in the world-class Bergslagen region of Sweden.

The drilling campaign at Heden was designed to explore a more than three-kilometre-long trend of limestone strata (up to 200m wide sequence) with zoned garnet-pyroxene skarn alteration and associated chalcopyrite. Historical rock chip results of up to 3.1% Cu taken from historical workings at Heden East (see ASX release dated 15/06/2020)¹ in pyroxene dominated skarn and 1.4% Cu (see ASX release dated 15/06/2020)¹ from Heden Central within massive garnet skarn is interpreted to represent a larger skarn alteration zonation within a continuous limestone sequence.

At Heden East, copper has been mined near surface at the historic Efriksårds mine. The alteration is dominated by pyroxene with minor garnet and retrograde amphibole-biotite with disseminated to strongly impregnated chalcopyrite-pyrrhotite mineralisation.

At Heden Central, limestone was mined in several small quarries where garnet skarn with impregnation of chalcopyrite can be seen in the waste dumps. Limestone has been mapped across a 200m section at surface. If this represents true thickness or structural repetition is presently unknown.

Several large, massive garnet-pyroxene boulders have been found in between Heden Central and East, thought to represent locally transported boulders from the same stratigraphy.

To the north the limestone is overlain by a thick package of quartz-feldspar crystal-rich rhyolite interpreted to possibly represent the equivalent pyroclastic sequence to what that can be found in the hanging wall to Falun deposit.

To the south biotite-amphibolite altered footwall volcanoclastic rocks have been mapped, as well as a potentially causative k-feldspar and epidote altered intrusion with endoskarn of magnetite and iron-pyroxene. Northeast of the intrusion a small showing, Upper Heden, has semi-massive magnetite-pyrrhotite with traces of chalcopyrite.

Gravity data provided by SGU (Swedish Geological Survey) has been reprocessed by SGC (Southern Geophysical Consultants) and show a residual gravity anomaly coinciding with mapped garnet-skarn alteration at Heden East to Central.

Airborne Magnetic data shows anomalies coinciding with interpreted strike of the target limestone sequence.

In addition, ground EM is ongoing over the area to help in targeting stronger conductive zones.

Maiden drilling is ongoing to investigate the known mineralisations as well as the area in-between, and eventual conductors found.

Green Mile Target, Sweden (100%)¹

Alicanto Minerals continued drilling at the Green Mile target located within its Greater Falun copper-gold project in the world-class Bergslagen region of Sweden.

The 4,000m diamond drilling program is designed to test new targets and seek to establish extensions to known mineralisation located in the vicinity of major copper gold systems.

The drilling will be the first thorough modern exploration campaign undertaken at Greater Falun. It will also be the first drilling since Alicanto made a major breakthrough by establishing that the dominant mineralisation is copper-gold skarn, not a Volcanogenic Massive Sulphide (VMS) system as long believed.

The Bergslagen region hosts world-class base and precious metals projects such as the Garpenberg mine operated by Boliden and the Zinkgruvan mine operated by Lundin.

The drilling campaign at Green Mile was instigated to explore a number of airborne EM anomalies in the vicinities of the Grönbo Polymetallic massive sulphide prospect. The anomalies have been identified via reprocessing of historical airborne EM surveys. Contextually interesting anomalies have been field visited and followed up with ground EM to further define drill targets.

Drillhole GRO20-01² targeted a combined AEM and GEM target 600m East of Grönbo deposit. A fault zone intersected at the expected depth is thought to cause the anomaly. The intercepted rocks are interpreted to constitute of more or less altered FW felsic volcanics with intruding Gabbro sills.

Drillhole GRO20-02² drilled in the same profile (as GRO20-01) 250m to the South targeted what was thought to be equivalent to Grönbo hosting limestone stratigraphy. The hole collared in an unaltered Hanging wall (HW) pumiceous pyroclastic unit, then drilled into a strongly altered, sulphide mineralized top of what is interpreted to be a major basaltic extrusive unit. Strong alteration between 25.25 to 37.52 includes several discrete zones with disseminated sulphide mineralization, with strongest mineralization at 26.25-27.36 and 32.80-33.81m downhole where 1-5% sulphides including visual chalcopyrite and minor pyrite were identified. The basalt has a possibly faulted contact at 82m with a fine-grained mafic dike intruding. Strongly Cordierite-Biotite-Garnet altered Footwall (FW) continues down to 125m where deeper Silica-dominated FW alteration takes over. The new insight that both the limestone strata as well as the overlying basaltic extrusive acts as a trap for the mineralized fluids greatly expands the search space for polymetallic sulphide mineralization at Green Mile project area.

Drillhole GRO20-03² intersected a broad Silica-Anthophyllite altered zone with weak (0.5%) disseminated visual chalcopyrite and pyrite mineralization between 68.40 and 78.70 meters downhole. The intersection is thought to represent proximal to medial alteration in FW pumiceous volcanoclastic rhyolites.

Recent field mapping has revealed several parallel limestone strata as well as strongly altered proximal footwall alteration in outcrop up to 3km further to the West of initial drillholes. The limestone occurrences in the central horizon show massive Garnet-Pyroxene skarn alteration in parts. West of Kavelmora limestone a galena mineralised limestone-dolomite showing has been found.

Alicanto geologists are currently investigating the repetition pattern of the parallel limestone strata and the associated structural context and the extensive mineralization footprint emerging in the data.

The sulphide intersection in GRO20-02 is thought to directly relate to the mineralization at Grönbo, with no previous drill intersections within the same strata in-between. There is potential for semi-continuous to continuous mineralization along the over 500m of strike-length, as well as further along to East and West being open at depth.

The intersected mineralization and the newly achieved understanding of alteration and mineralisation footprint at Green Mile with structurally repeated host strata necessitates for a larger drill programme to further vector in towards economic size mineralization.

Wolf Mountain Target, Sweden (100%)³

Four new copper-gold anomalies identified immediately adjacent to existing mineralisation at Wolf Mountain.

The expanded IP survey (3km²) at Wolf Mountain follows on from the initial IP survey (0.3km²) that resulted in the discovery of Copper-Gold Skarn at Wolf Mountain during the maiden drilling campaign undertaken in early 2020.

The undrilled IP Anomalies (IPA, IPB, IPC & IPD) at Wolf Mountain are all between 0.5 and 1.8km from the maiden drilling campaign that intersected distal Copper-Gold Skarn mineralisation at Wolf Mountain within a strongly altered zone with disseminated Chalcopyrite and Chalcopyrite within Garnet Veins.

Anomaly IPB is located 700m West of Wolf Mountain and 130m to the South of the Creek Showing which had historical assays of up to 2.6% Copper (refer ASX 12th October 2020)³ and shows the same style of Gar-Amph-Bio strong alteration as seen at Wolf Mountain.

The IP signature of Wolf Mt can be traced about 2km further to the South with possibly two parallel trends.

Another 2.5km to the South-South-West of IP Target IPD, SGAB intersected copper-gold mineralization in 1983 while investigating one of the younger, undeformed granites showing scheelite mineralization. Historical Diamond Drill Hole 83203 intersected 1.5m @ 0.4% Cu and 0.2 g/t Au, 1.0m @ 0.7% Cu and 0.5 g/t Au and 3.0m 0.4% Cu between 39.90 and 60.40m downhole (refer ASX 12th October 2020)³.

Alicanto geologists are currently investigating a possible connection to the North-South trending IP anomalies, copper-gold mineralization at Wolf Mt as well as the large airborne Magnetic signature in the same location that could be the Causative Intrusion driving the mineralisation at Wolf Mountain. If there is a link between all of these then the Copper-Gold Skarn system could be at least 5km long.

Arakaka Gold Project Guyana, South America (AQI 100%)⁴

In November 2020, Alicanto released its maiden JORC 2012-compliant Inferred Resource of 500,000oz at 1.8 g/t gold at its 100 per cent-owned Arakaka Gold Project in Northwest Guyana, South America.

The Resource estimate stems from a review of the data at Arakaka collected by Alicanto in conjunction with that provided by Barrick Gold Corp. (ASX 19th June 2018) and NordGold, (ASX 12th May 2020), and has been calculated by Perth-based Cube Consulting.

Arakaka is located in a world-class gold mining province which also hosts projects such as Las Christinas/Las Brisas (27Moz), Aurora (6.5Moz) and Gros Rosebel (13.7Moz) – (SGA Field Guide – Bardoux et al 2018).

The Maiden Mineral Resource Estimate ("MRE") for the Arakaka Gold Project is taken from two separate domains, the Purple Heart and Gomes deposits located approximately 6km from one another.

The Purple Heart resource lies within a stacked thrust system developed to the margin of multiple Porphyry intrusions of variable composition hosted within metavolcanics and metasediments. The stacked thrusts and coincident gold mineralisation dip at approximately 30° to the North West. Mineralisation has been observed to extend to approximately 150m vertical depth.

At Gomes the current resource is located within approximately 500m of strike along a West South West dipping regional scale shear, the Temberlin shear zone. Lithological units, shear structures and mineralisation all dip at a moderate 30-40° to the West-Southwest. Mineralisation has been observed to extend approximately 100m vertical depth.

All resources are reported at a 0.8g/t gold lower cut-off which is deemed acceptable based on industry costings associated with the likely mining method (open pit, bulk-tonnage).

Global Inferred Resources have been grouped into the table below. All resources are classified as inferred:

Independent JORC 2012 Inferred resource estimate at selected lower cut-off grades at the Arakaka Gold Project

Lower Cut-Off	Tonnes (Mt)	Grade Gold g/t	Gold Million oz
0.5 g/t Au	13.2	1.4	0.61
0.8 g/t Au	9.1	1.8	0.52
1.0 g/t Au	6.0	2.2	0.43

- Figures may not add up due to rounding
- Mineral Resources that are not Mineral Reserves have not demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues
- Mineral Resources are reported at a block cut-off grade of 0.8 g/t Au
- No minimum mining SMU parameters applied to the Inferred Mineral Resources.
- The average bulk density assigned to the mineralisation is 2.7 g/cm³ for fresh rock, and variable within weathering zones (2.0 to 2.5 g/cm³).

Alicanto's Option over the Ianna project lapsed on the 7th November 2020. The company is currently in negotiations to extend or renegotiate the Option Agreement.

Competent Person's Statement

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements above, and in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcements.

Forward Looking Statements

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors constitute, among others, continued funding, general business, economic, competitive, political and social uncertainties; the actual results of exploration activities; changes in project parameters as exploration strategies continue to be refined; renewal of mineral concessions; accidents, labour disputes, contract and agreement disputes, and other sovereign risks related to changes in government policy; changes in policy in application of mining code; political instability; as well as those factors discussed in the section entitled "Risk Factors" in the Company's rights issue prospectus. The Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward looking statements, however there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this news release and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results, except as may be required by applicable securities laws. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

New Information or Data

The company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement.

Notes

¹ For full details of these Exploration results, refer to the said Announcement or Release on the said date. Alicanto is not aware of any new information or data that materially affects the information included in the said announcement.

² For full details of these Exploration results, refer to the said Announcement on 26 October 2020. Alicanto is not aware of any new information or data that materially affects the information included in the said announcement.

³ For full details of these Exploration results, refer to the said Announcement on 12 October 2020. Alicanto is not aware of any new information or data that materially affects the information included in the said announcement.

⁴ For full details of these Exploration results, refer to the said Announcement on 16 November 2020. Alicanto is not aware of any new information or data that materially affects the information included in the said announcement.

Subsequent Events Note

There are no material events subsequent to reporting date.

Lead Auditor's Independence Declaration

A copy of the lead auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 11.

This report is made in accordance with a resolution of directors made pursuant to section 306(3) of the Corporation Act 2001.



Ray Shorrocks
Non-Executive Chairman
Perth, Western Australia, 16 March 2021

16 March 2021

Board of Directors
Alicanto Minerals Limited
Ground Floor,
24 Outram Street,
West Perth WA 6005

Dear Sirs

RE: ALICANTO MINERALS LIMITED

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

As Audit Director for the review of the financial statements of Alicanto Minerals Limited for the half-year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD



Martin Michalik
Director

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by Alicanto Minerals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

This interim financial report covers the consolidated entity consisting of Alicanto Minerals Limited and its subsidiaries. The financial report is presented in the Australian currency.

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

Alicanto Minerals Limited
Ground Floor, 24 Outram Street
WEST PERTH WA 6005

A description of the nature of the group's operations is included in the directors' report on pages 3 – 10, which is not part of this financial report.

The interim financial report was authorised for issue by the directors on 16 March 2021. The company has the power to amend and reissue the financial report.

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

For the Half-Year Ended 31 December 2020

	Notes	Consolidated	
		31 December 2020 \$	31 December 2019 \$
Revenue			
Revenue from continuing operations	4(a)	2,453	174
Other income	4(b)	28,391	165,953
Expenditure			
Administration costs		(175,645)	(180,574)
Consultancy expenses	4(c)	(1,702,698)	(72,899)
Employee benefits expense		(210,747)	(159,619)
Share based payment expenses	4(c)	(952,042)	(4,258)
Occupancy expense		(10,222)	(11,544)
Compliance and regulatory expenses		(47,252)	(31,193)
Insurance expenses		(14,138)	(16,862)
Depreciation	6	(29,713)	(24,651)
Depreciation on right of use assets	8	(4,949)	-
Impairment	6	(6,600)	-
Exploration Expenditure	7	(1,204,225)	(448,988)
Interest expense of lease liability	10	(1,082)	(3,106)
(Loss) before income tax		(4,328,469)	(787,567)
Income tax expense		-	-
(Loss) for the half-year attributable to owners		(4,328,469)	(787,567)
Other comprehensive income			
Items that will not be reclassified to Profit or Loss		-	-
Items that may be reclassified subsequently to Profit or Loss			
Exchange differences arising on translation of foreign operations	12B	(205,611)	(771)
Total comprehensive (loss) for the half-year attributable to owners		(4,534,080)	(788,338)
Basic loss per share (cents per share)		(1.8)	(0.4)
Diluted loss per share (cents per share)		N/A	N/A

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

As at 31 December 2020

	Notes	Consolidated 31 December 2020 \$	30 June 2020 \$
Current Assets			
Cash and cash equivalents	5	7,580,955	2,431,923
Trade and other receivables		233,328	98,251
Total Current Assets		7,814,283	2,530,174
Non-Current Assets			
Trade and other receivables		35,768	35,122
Property, plant and equipment	6	235,545	307,468
Right of use assets	8	54,434	-
Exploration and evaluation expenditure	7	1,500,000	1,500,000
Total Non-Current Assets		1,825,747	1,842,590
Total Assets		9,640,030	4,372,764
Current Liabilities			
Trade and other payables	9	392,127	209,998
Lease liabilities	10	10,481	-
Provisions		21,281	18,388
Total Current Liabilities		423,889	228,386
Non-Current Liabilities			
Lease liabilities	10	44,717	-
Total Non-Current Liabilities		44,717	-
Total Liabilities		468,606	228,386
Net Assets		9,171,424	4,144,378
Equity			
Contributed equity	11	25,775,133	19,164,805
Reserves	12	4,726,254	1,981,067
Accumulated losses		(21,329,963)	(17,001,494)
Total Equity		9,171,424	4,144,378

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

For the Half-Year Ended 31 December 2020

Consolidated	Contributed Equity	Accumulated Losses	Foreign Currency Translation Reserve	Option Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2019	14,496,233	(15,370,415)	(35,675)	2,046,830	1,136,973
(Loss) for the half-year	-	(787,567)	-	-	(787,567)
Foreign exchange differences	-	-	(771)	-	(771)
Total comprehensive (loss) for the half-year	-	(787,567)	(771)	-	(788,338)
Transactions with owners in their capacity as owners:					
Contributions of equity (net of transaction costs)	824,255	-	-	-	824,255
Equity settled share based payment transactions	-	-	-	4,258	4,258
Exercise of options	17,033	-	-	(17,033)	-
	841,288	-	-	(12,775)	828,513
Balance at 31 December 2019	15,337,521	(16,157,982)	(36,446)	2,034,055	1,177,148
Balance at 1 July 2020	19,164,805	(17,001,494)	(57,246)	2,038,313	4,144,378
(Loss) for the half-year	-	(4,328,469)	-	-	(4,328,469)
Foreign exchange differences	-	-	(205,611)	-	(205,611)
Total comprehensive (loss) for the half-year	-	(4,328,469)	(205,611)	-	(4,534,080)
Transactions with owners in their capacity as owners:					
Contributions of equity (net of transaction costs)	6,610,328	-	-	-	6,610,328
Equity settled share based payment transactions	-	-	-	2,950,798	2,950,798
	6,610,328	-	-	2,950,798	9,561,126
Balance at 31 December 2020	25,775,133	(21,329,963)	(262,857)	4,989,111	9,171,424

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

For the Half-Year Ended 31 December 2020

	Notes	Consolidated	
		31 December 2020 \$	31 December 2019 \$
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		-	165,953
Payments to suppliers and employees		(599,491)	(592,641)
Interest received		2,205	208
Payments for exploration and evaluation		(1,315,918)	(3,700,168)
Contributions received from farm-in partners		-	3,582,179
Cashflow boost		28,548	-
Net cash (used in) operating activities		(1,884,656)	(544,469)
Cash flows from investing activities			
Purchase of property, plant and equipment		-	-
Net cash (used in) investing activities		-	-
Cash flows from financing activities			
Proceeds from issue of shares		7,426,500	910,745
Payments for costs of issue of shares		(392,812)	(86,490)
Net cash provided by financing activities		7,033,688	824,255
Net increase in cash and cash equivalents		5,149,032	279,786
Cash and cash equivalents at the beginning of the period		2,431,923	869,558
Cash and cash equivalents at the end of the period	5	7,580,955	1,149,344

Amounts shown above relating to payments to suppliers and employees include goods and services tax. The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. Basis of preparation of half-year report

This general purpose interim financial report for the half-year reporting period ended 31 December 2020 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by Alicanto Minerals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

The interim report has been prepared on a historical cost basis, except for assets recognised at fair value on application of AASB16 Leases. Cost is based on the fair value of the consideration given in exchange for goods and services. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

Going Concern

The financial statements have been prepared on a going concern basis of accounting which assumes that the Group will be able to meet its commitments, realise its assets, discharge its liabilities in the ordinary course of business and meet exploration budgets. In arriving at this position, the Directors recognise the Group is dependent on various funding alternatives to meet these commitments which may include share placements and suitable project funding arrangements including earn-ins, joint ventures or project divestment.

The loss for the half year ended 31 December 2020 was \$4,328,469 with \$7,580,955 of cash and cash equivalents and net assets of \$9,171,424 as at 31 December 2020. In addition, the consolidated entity had plant and equipment with a carrying value of \$235,545 which the Directors believe does not exceed its value in use or recoverable value.

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.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, other than as disclosed below.

New and revised Accounting Requirements Applicable to the current Half-year Reporting

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current period. Any new or Amended Standards or Interpretations that are not mandatory have not been early adopted.

Accounting Policy -Leases

During the half year the Group entered into a sub-lease for part of office space located at Ground Floor, 24 Outram Street, West Perth and as such has been required to account for this in accordance with AASB 16: Leases for the first time.

This note describes the nature and effect of the adoption of AASB 16: Leases on the Group's financial statements and discloses the new accounting policies that have been applied from 1 August 2020 being the initial date covered by the sub lease.

1. Basis of preparation of half-year report (continued)

The Group as lessee

At inception of a contract the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e. leases with a remaining lease term of 12 months or less and leases of low-value assets) are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows;

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of options to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the costs of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Exploration and evaluation expenditure

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

2. Segment information

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker that are used to make strategic decisions. For the purposes of segment reporting the chief operating decision maker has been determined as the board of directors. The board monitors the entity primarily from a geographical perspective, and has identified three operating segments, being exploration for mineral reserves within Guyana, Sweden and the corporate/head office function.

2. Segment information (continued)

The segment information provided to the board of directors for the reportable segments for the half-year ended 31 December 2020 is as follows:

	Exploration			Total
	Guyana	Sweden	Corporate	
	\$	\$	\$	\$
Half-year ended 31 December 2020				
Total segment revenue and other income				
Interest revenue	-	-	2,453	2,453
Other income	-	-	28,391	28,391
Total segment revenue and other income	-	-	30,844	30,844
Depreciation Expense	(26,896)	-	(2,817)	(29,713)
Depreciation Right of use assets	-	-	(4,949)	(4,949)
Total segment profit/(loss) before income tax	(370,886)	(859,965)	(3,097,618)	(4,328,469)
Half-year ended 31 December 2019				
Total segment revenue and other income				
Equipment rental	-	-	-	-
Interest revenue	-	-	174	174
Other income	165,953	-	-	165,953
Total segment revenue and other income	165,953	-	174	166,127
Depreciation Expense	(19,412)	-	(5,239)	(24,651)
Total segment (loss) before income tax	57,956	(360,402)	(485,121)	(787,567)
Total segment assets				
31 December 2020	310,019	183,241	9,146,770	9,640,030
30 June 2020	310,231	88,217	3,974,316	4,372,764
Total segment liabilities				
31 December 2020	8,305	230,311	229,990	468,606
30 June 2020	8,102	80,029	140,255	228,386

The corporate assets total for 31 December 2020 and 30 June 2020 includes the \$1,500,00 Sweden acquisition costs.

3. Dividends

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

	Consolidated	
	31 December 2020	31 December 2019
	\$	\$
4. Revenue and Expenditure		
(a) Revenue from continuing operations		
Interest received	2,453	174
Total revenue from continuing operations	2,453	174
(b) Other income		
Foreign currency gains /(losses)	(157)	-
Management fee from earn-in partners	-	165,953
Cashflow boost	28,548	-
Total other income	28,391	165,953
(c) Share Based Payments		
During the period Alicanto issued a total of 56,000,000 unquoted options to a combination of management and consultants which collectively have been valued using Black-Scholes option pricing formula valuing them at \$2,897,250 and which has been expensed and are included in the Consolidated Profit or Loss and Other Comprehensive Income as follows:		
<ul style="list-style-type: none"> • Consultancy expenses • Share based payment expenses 	<p>1,544,181</p> <p>929,709</p>	<p>-</p> <p>-</p>
The remaining amount of \$423,360 was directly related to sponsoring brokers and as such has been treated as share issue expenses.		
The Company also issued 5,500,000 performance rights to directors and consultants. The fair value of the performance rights at grant date was \$682,000. The expense for the period of \$51,062 and which has been expensed and are included in the Consolidated Profit or Loss and Other Comprehensive Income as follows:		
<ul style="list-style-type: none"> • Consultancy expenses • Share based payment expenses 	<p>31,214</p> <p>19,848</p>	<p>-</p> <p>-</p>
Additionally, \$2,485 was recognised as Share Based payments expense for directors' options issued in the prior year. Additional information with relation to the options issued during the period has also been detailed in the Directors Report.		

	Consolidated	
	31 December 2020	30 June 2020
	\$	\$
5. Cash & Cash Equivalents		
(a) Cash & cash equivalents		
Cash at bank and in hand	1,580,955	2,431,923
Deposits at call	6,000,000	-
Total cash and cash equivalents	7,580,955	2,431,923
(b) Cash at bank and on hand		
Cash on hand is non-interest bearing. Cash at bank bears interest rates of between 0.00% and 0.11% (30 June 2020: 0.00% and 0.20%).		
(c) Deposits at call		
Deposits at calls as at 31 December 2020 were \$6,000,000 (30 June 2020: Nil). Deposits at calls as at 31 December 2020 were bearing interest rates at 0.13% to 0.38%.		

	Leasehold Improvements	Plant and Equipment Office	Plant and Equipment Field	Motor Vehicles	Consolidated Total
	\$	\$	\$	\$	\$
6. Property, Plant and Equipment					
At 30 June 2020					
Opening net book amount	10,656	16,536	171,991	173,294	372,477
Additions	3,122	7,490	1,528	-	12,140
Depreciation charge	(5,511)	(7,416)	(35,782)	(35,338)	(84,047)
Effect of exchange rates	-	329	3,175	3,394	6,898
Closing net book amount	8,267	16,939	140,912	141,350	307,468
At 30 June 2020					
Cost or fair value	30,737	52,655	260,101	284,751	628,244
Accumulated depreciation	(22,470)	(35,716)	(119,189)	(143,401)	(320,776)
Net book amount	8,267	16,939	140,912	141,350	307,468
At 31 December 2020					
Opening net book amount	8,267	16,939	140,912	141,350	307,468
Additions	-	-	-	-	-
Depreciation charge	(1,667)	(2,023)	(13,068)	(12,955)	(29,713)
Impairment	(6,600)	-	-	-	(6,600)
Effect of exchange rates	-	8	(18,364)	(17,254)	(35,610)
Closing net book amount	-	14,924	109,480	111,141	235,545
At 31 December 2020					
Cost or fair value	30,737	52,655	260,101	284,751	628,244
Accumulated depreciation	(24,137)	(37,731)	(150,621)	(173,610)	(386,099)
Impairment	(6,600)	-	-	-	(6,600)
Net book amount	-	14,924	109,480	111,141	235,545

	Consolidated	
	31 December 2020	30 June 2020
	\$	\$
7. Exploration & Evaluation Expenditure		
Opening balance at 1 July	1,500,000	-
Exploration expenditure at cost	1,204,225	4,687,906
Acquisition of assets - Sweden	-	1,500,000
Option payment to acquire Arakaka	-	374,014
Contributions received from farm-in partners	-	(4,213,803)
Exploration expensed - Guyana	(343,989)	(126,893)
Exploration expensed - Sweden	(860,236)	(721,224)
Total Exploration and Evaluation Expenditure	1,500,000	1,500,000

	Consolidated	
	31 December 2020	30 June 2020
	\$	\$
8. Right of Use Assets		
On initial recognition	59,383	-
Right of Use Asset at cost	59,383	-
Depreciation for the period	(4,949)	-
Accumulated depreciation	(4,949)	-
Net carrying amount	54,434	-
Amount recognised in profit and loss		
Depreciation expense on right to use assets	(4,949)	-

The Company has a sub-lease over part of the premises at Ground Floor, 24 Outram Street, West Perth with an average estimated life of 4.6 years remaining.

The maturity analysis of the lease liabilities as shown in note 10.

	Consolidated	
	31 December 2020	30 June 2020
	\$	\$
9. Trade & Other Payables		
Current		
Trade payables	46,124	64,545
Other payables	346,003	145,453
Total current trade & other payables	392,127	209,998
Trade creditors are normally paid on 30-day payment terms.		

		Consolidated	
		31 December 2020	30 June 2020
		\$	\$
10. Lease Liabilities			
Current		10,481	-
Non Current		44,717	-
		<u>55,198</u>	-
Amount recognised in profit and loss			
Interest expense incurred on lease liability		1,082	-
Lease Liability Maturity	Within		
	1 Year	1 – 2 Years	2 – 3 Years
		3 – 4 Years	4 – 5 Years
			Total
At 31 December 2020			
Lease Payments	12,752	13,096	13,450
Finance Charge	(2,271)	(1,783)	(1,255)
			13,815
			8,204
Net Present Value	<u>10,481</u>	<u>11,313</u>	<u>12,195</u>
			13,127
			8,082
			<u>55,198</u>

		Consolidated		Consolidated	
		31 December 2020	30 June 2020	31 December 2020	30 June 2020
		Shares	Shares	\$	\$
11. Contributed Equity					
(a) Issued capital		326,917,461	253,354,524	25,775,133	19,164,805
Ordinary shares – fully paid		<u>326,917,461</u>	<u>253,354,524</u>	<u>25,775,133</u>	<u>19,164,805</u>
	Date	Shares	Issue Price	Total \$	
(b) Movements in issued capital					
Opening Balance 1 July 2020		253,354,524			19,164,805
Placement	13 Aug 20	25,909,090	\$0.055		1,425,000
Placement	30 Nov 20	46,153,847	\$0.130		6,000,000
Exercise of options	18 Aug 20	1,500,000	\$0.001		1,500
Less: Transaction costs		-			(816,172)
Closing Balance at 31 Dec 2020		<u>326,917,461</u>		<u>25,775,133</u>	

On 13 August 2020, the placement to sophisticated and professional investors was completed by issuing 25,909,090 fully paid ordinary shares at \$0.055 per share raising \$1,425,000 before issue costs and 37,000,000 options with an exercise price of \$0.10 per option, expiry 13 August 2025.

On 18 August 2020, 500 and 1,000 unlisted options respectively were exercised both with an exercise price of \$0.001.

On 30 November 2020, the Company completed a placement to raise \$6,000,000 through the issue of 46,153,847 shares at an offer price of \$0.13.

	31 December 2020 \$	30 June 2020 \$
12. Reserves		
A. Unlisted Option Reserve		
Opening balance – 1 July	2,038,313	2,046,830
Options exercised	-	(17,034)
Options issued to directors, employees and consultants	2,950,798	8,517
Total Unlisted Option Reserve	<u>4,989,111</u>	<u>2,038,313</u>
B. Foreign Currency Translation Reserve		
Opening balance – 1 July	(57,246)	(35,675)
Translation of foreign subsidiary	(205,611)	(21,571)
Total Foreign Currency Translation Reserve	<u>(262,857)</u>	<u>(57,246)</u>
C. Total Reserves		
Unlisted Option Reserve	4,989,111	2,038,313
Foreign Currency Translation Reserve	(262,857)	(57,246)
Total Reserves	<u>4,726,254</u>	<u>1,981,067</u>

The reversal of employee incentive scheme options to profit or loss represent the value of options previously calculated under the Black and Scholes method for options that expired or were forfeited during the period.

As at 31 December 2020, the Company has 56,000,000 Unlisted Options on issue and 5,500,000 Performance Rights on issue.

13. Contingencies and commitments

There are no further material changes to any commitments or contingencies since the last annual reporting date.

14. Events Occurring Subsequent to Reporting Date

There are no material events subsequent to reporting date.

In the directors' opinion:

- (a) the financial statements and notes set out on pages 12 to 24 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Alicanto Minerals Limited will be able to pay its debts as and when they become due and payable.

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



Ray Shorrocks
Non-Executive Chairman
Perth, Western Australia, 16 March 2021

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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Alicanto Minerals Limited, which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Alicanto Minerals Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of Alicanto Minerals Limited's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on 16 March 2021.

Responsibility of the Directors for the Financial Report

The directors of Alicanto Minerals Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Stantons International

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

Stantons International Audit & Consulting Pty Ltd



Martin Michalik
Director

West Perth, Western Australia
16 March 2021