

ALICANTO MINERALS LIMITED
ACN 149 126 858
NOTICE OF GENERAL MEETING AND
EXPLANATORY MEMORANDUM

For the General Meeting to be held at Freemasons Building, 181 Roberts Road Subiaco WA 6008
on Wednesday, 27 March 2013 at 10am (WST)

As this is an important document, please read it carefully.

***If you are unable to attend the General Meeting, please complete
the proxy form enclosed and return it in accordance with the
instructions set out on that form.***

ALICANTO MINERALS LIMITED

ACN 149 126 858

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that the General Meeting of Shareholders of Alicanto Minerals Limited (**Alicanto** or **Company**) will be held at Freemasons Building, 181 Roberts Road Subiaco WA 6008 on Wednesday, 27 March 2013 commencing at 10am (WST) (**Meeting**). The enclosed Explanatory Memorandum accompanies and forms part of this Notice of Meeting.

AGENDA

Resolution 1 – Change in scale of activities

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purpose of Listing Rule 11.1.2 and for all other purposes, the Company be authorised to make a significant change in the scale of its activities as set out in the Explanatory Statement.”

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by any person who may obtain a benefit, except a benefit solely in the capacity of a security holder, if the resolution is passed and any associates of those persons.

However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations that the persons eligible to vote at the Meeting are those who are registered as Shareholders at 5pm (WST) on Monday, 25 March 2013.

BY ORDER OF THE BOARD



Brett Dunnachie
Company Secretary
Wednesday, 20 February 2013

ALICANTO MINERALS LIMITED
ACN 149 126 858
EXPLANATORY MEMORANDUM

INTRODUCTION

This Explanatory Memorandum has been prepared for the information of shareholders of Alicanto Minerals Limited (**Alicanto** or **Company**) in connection with the business to be conducted at the general meeting of the Company to be held at Freemasons Building, 181 Roberts Road Subiaco WA 6008 on Wednesday, 27 March 2013 commencing at 10am (WST). This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Meeting.

1. RESOLUTION 1 – Change in scale of activities

1.1 Background

Alicanto (ASX:AQI) is an emerging mineral exploration company focussed on the exploration and development of a portfolio of precious and base metal prospects in recognised geological provinces in Western Australia.

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

Resolution 1 is an ordinary resolution which seeks approval for the change of the Company's scale of activities as a result of the Company's proposed acquisition from Takara Resources Inc. (a company incorporated in Canada and listed on TSX-V:TKK) (**Takara**) of all of the issued capital of StrataGold Guyana Inc. (a company incorporated in Guyana) (**StrataGold**) which owns the Arakaka and Tassawini Gold Projects located in Northern Guyana, South America (**Projects**) (**Proposed Acquisition**).

An overview of the Arakaka and Tassawini Gold Projects is set out at paragraphs 1.2 and 1.3 below.

As announced on 10 December 2012 Alicanto entered into a binding option agreement with Takara and StrataGold granting an exclusive option to acquire all of the issued shares in its wholly owned subsidiary StrataGold (**Option Agreement**).

Alicanto exercised that option and, as announced on 20 December 2012, Alicanto and Takara signed a definitive share sale deed relating to the Proposed Acquisition (**Share Sale Deed**).

See paragraph 1.8 below for more details in relation to the Share Sale Deed.

One of the conditions to the completion under the Share Sale Deed occurring is to seek Shareholder approval for the Proposed Acquisition if ASX requires it.

ASX requires that Alicanto seeks Shareholder approval pursuant to Listing Rule 11.1.2 (change of scale of activities). Resolution 1 seeks that approval.

1.2 Overview of Takara and StrataGold

Takara is a Canadian-incorporated, TSX-V listed company that holds 100% of the shares in StrataGold.

Takara's TSX-V announcements (many of which concern StrataGold) can be found at <http://www.sedar.com/DisplayProfile.do?lang=EN&issuerType=03&issuerNo=00022378>.

StrataGold is a Guyanese-incorporated company that owns 100% ownership in the Arakaka and Tassawini Gold Projects located in Northern Guyana.

Figure 1: Location map

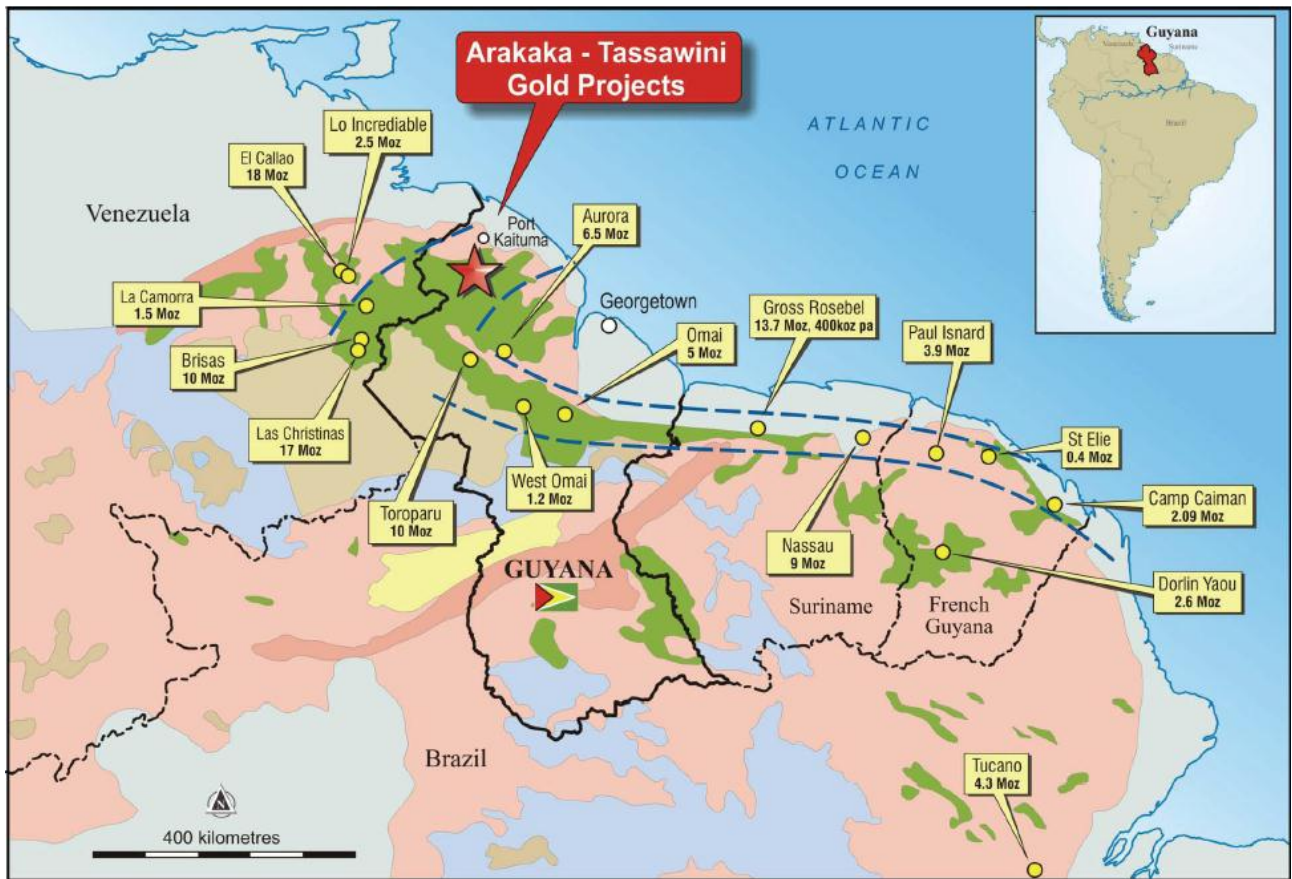
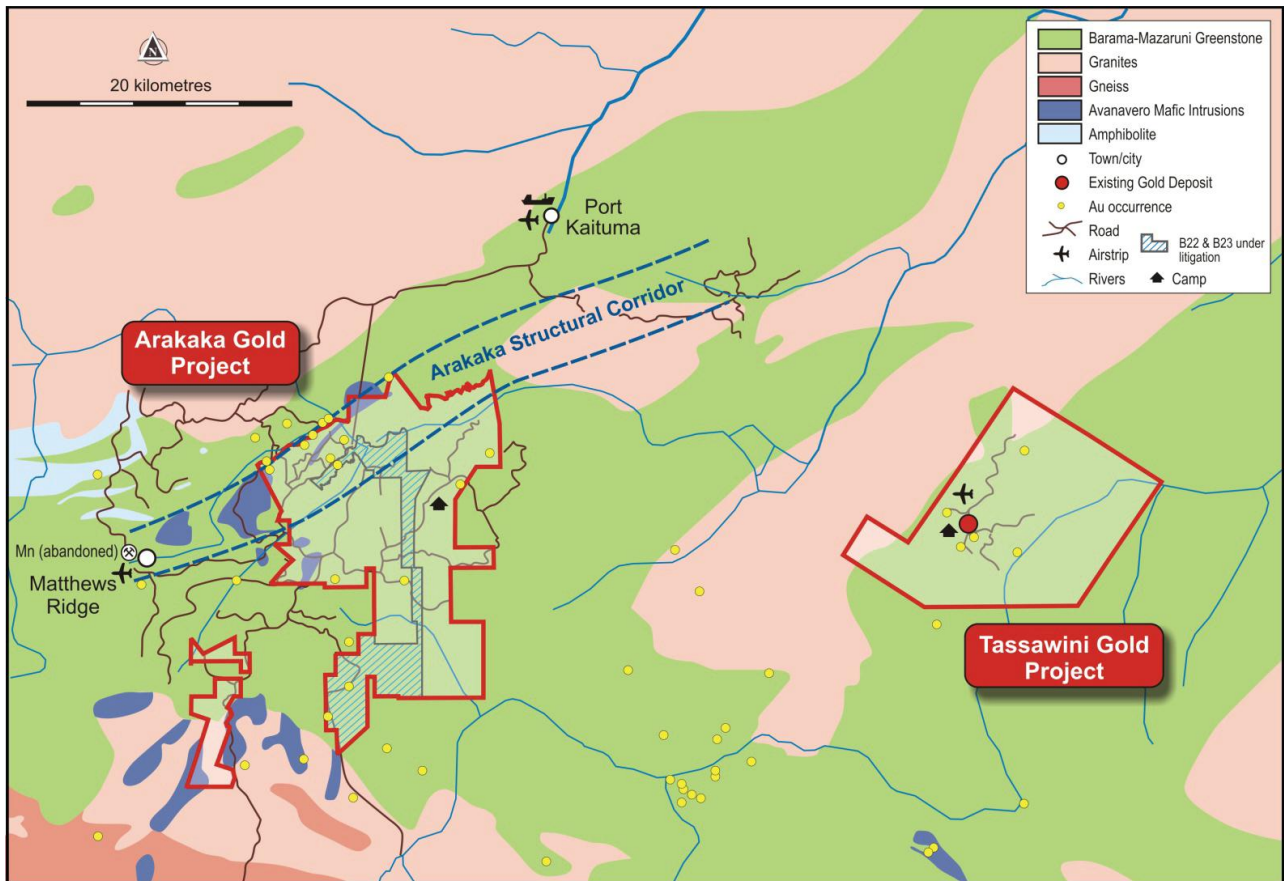


Figure 2: Arakaka and Tassawini Gold Projects



1.3 About Guyana

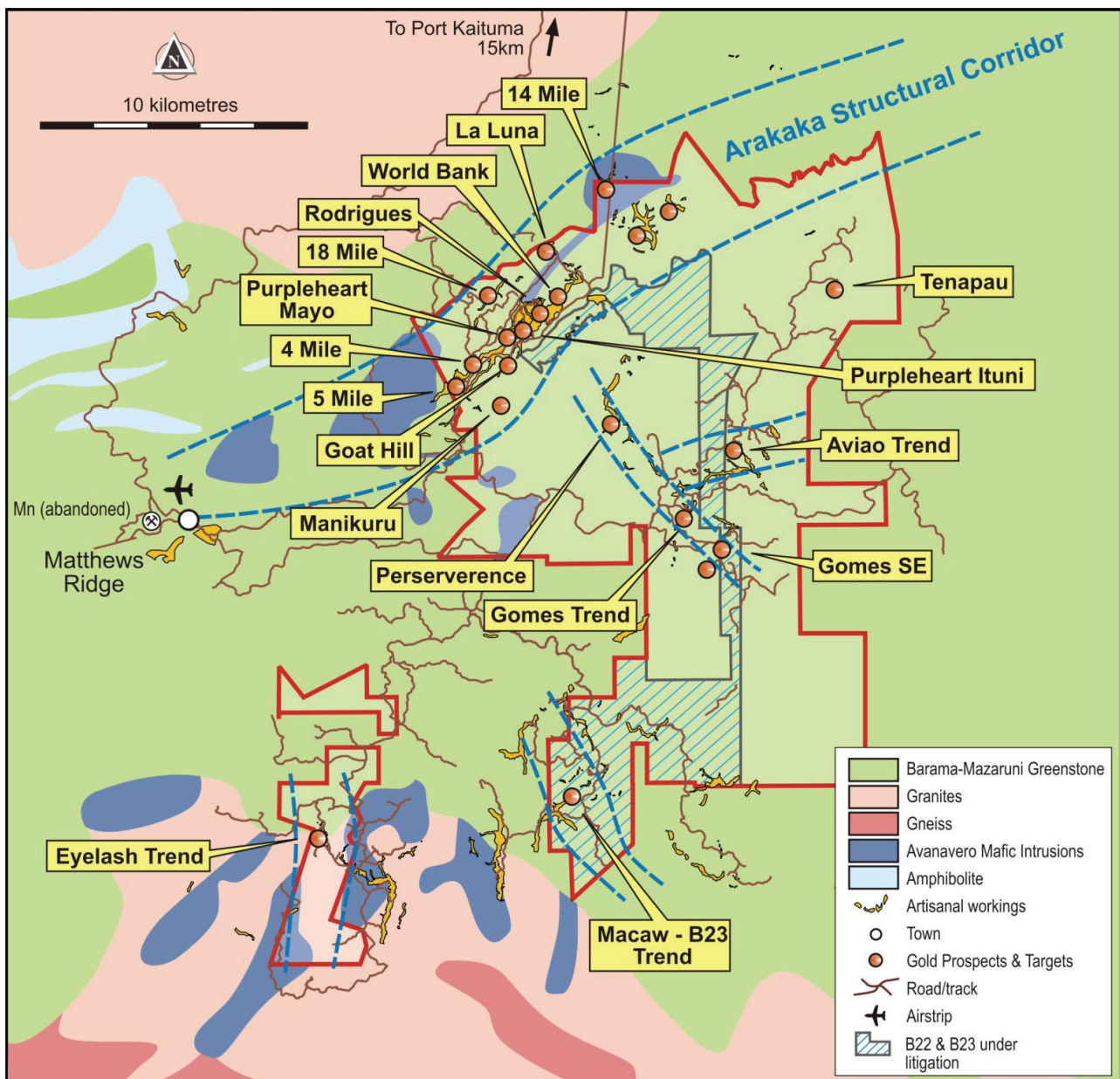
Guyana is an English-speaking common law based country in South America and a member of the British Commonwealth. Guyana's government is democratically and is pro-mining and encourages foreign investment.

There is a long history of gold mining in Guyana but is mostly unexplored by modern methods.

For more information go to <http://www.goinvest.gov.gy/mining.htm>.

1.4 Overview of the Arakaka Project

Figure 3: Arakaka Gold Project



The Arakaka Gold Project is located in the North West Mining District of Guyana. It is only 1 hour drive from port facilities at Port Kaituma and a 15 minute drive from a commercial airport at Matthews Ridge.

The project is approximately 170 kms from Georgetown, the capital of Guyana.

The project is supported by a well-established camp with modern facilities and has good vehicle access.

Arakaka was previously a joint venture project, formed in 2005 between StrataGold and Newmont Overseas Exploration Limited, a subsidiary of Newmont Mining Corporation.

The district has been popular with local placer miners for the past 100 years, but until recently, the region has not been systematically explored using modern techniques. StrataGold and Newmont were one of the first to implement an exploration program which included regional and detailed stream sediment and soil geochemistry surveys, induced polarization ground geophysical surveys, detailed structural mapping, prospecting and trenching.

The Arakaka Trend is principally underlain by diorite bodies intruded into carbonaceous shales and mudstones. Multiple structural characteristics of the region indicates it is affected by high strain.

Key highlights of the Arakaka Gold Project are:

- Limited historical regional trenching results include 16m @ 2.15g/t Au at the Aviao target.
- At the Gomes Hill/Trend Prospect historical diamond drill results include 14m @ 3.43g/t Au from 60m, 17.4m @ 3.11 g/t Au from 15m and 44.11m @ 2.39g/t Au from 40m. Drilling is open along strike and down dip.
- Over 25 target areas identified and advanced over multi-stage exploration programs including detailed stream sediment and soil geochemistry surveys, detailed structural mapping and induced polarization ground geophysical surveys.
- A total of 7,400m of diamond core has been drilled to date.
- Historical diamond drill results from other areas include 13.5m @ 7.37g/t Au from 80m at Purple Heart, 24.5m @ 1.37g/t Au from 55m at the Rodrigues area, plus 24m @ 2.57g/t Au in trenching at Goat Hill and 20.5m @ 2.96g/t Au in trenching at the Macaw prospect area.

The Arakaka Gold Project comprises of a total of 16 permits and are subject to various underlying agreements comprising a large land position situated in the North West Mining District of Guyana.

Of the 16 permits within the Project, ownership of two of the permits, known as B-22 and B-23 are currently subject to litigation.

Figure 4: Access road at Arakaka



Figure 5: Arakaka Camp



1.5 Overview of the Tassawini Project

Tassawini is located approximately 45km to the east of Arakaka and is supported by good infrastructure including a well maintained airstrip, modern 120 person camp and tidal river with 100 tonne barge capacity access.

The project has a NI 43-101 and JORC indicated and inferred mineral resource estimate of 12.7Mt @ 1.2g/t gold for 499,000oz gold (prepared by SRK Consulting (Canada) Inc in 2008 using a 0.5g/t gold cut). Refer to table 1 for further details. A feasibility study was also completed by Gesmine Inc. Mineral Resources Management in May 2012. The deposit appears to be fairly well constrained however, the Company believes there is regional potential for additional resources with numerous soil anomalies remaining untested and there is no drilling outside of the resource area.

The Tassawini Gold Project is partially located on an Amerindian Reservation and is required to have an impact benefit agreement in place prior to a commercial mining licence being granted. The rights to the Tassawini Gold Project are also currently contested by a third party. The Company intends to work with Takara and the third party to resolve these matters.

Table 1 | Tassawini Gold Project Mineral Resource Estimate

Resource Classification NI 43-101 and JORC	Tonnes (Mt)	Grade (g/t)	Contained Gold (koz)
Indicated	10.8	1.3	437
Inferred	1.9	1.0	62
Total	12.7	1.2	499

Table 1: Tassawini mineral resource reported using a 0.5g/t gold lower cut

1.6 Geology

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

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

1.7 Competent persons statements

The information in this Notice and Explanatory Memorandum that relates to Exploration Results is based on information compiled by Mr Shane Hibbird, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Hibbird is a consultant of the Company. Mr Hibbird 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 2004 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Hibbird consents to their inclusion in this Notice and Explanatory Memorandum of the matters based on his information in the form and context in which it appears.

The information in this Notice and Explanatory Memorandum that relates to Mineral Resources on the Tassawini gold project is based on information compiled under the supervision of Dr. Jean-Francois Couture, P. Geo (APGO#0197), who is a member of Association of Professional Geoscientists of Ontario, a Recognised Overseas Professional Organisation included in a list promulgated by the ASX from time to time. Dr. Couture is employed by SRK Consulting (Canada) Inc. Dr. Couture has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he supervised to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr. Couture consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

1.8 Share Sale Deed

As set out at paragraph 1.1 above, on 20 December 2012 Takara and Alicanto entered into the Share Sale Deed for Alicanto to acquire all of the shares in StrataGold held by Takara.

The material terms of the Share Sale Deed are:

- (a) total consideration payable by Alicanto to Takara under the Share Sale Deed is C\$600,000 comprised of:
 - (i) a cash deposit of C\$100,000 which has already been paid; and
 - (ii) a cash payment of C\$500,000 (adjusted for any liabilities in excess of C\$45,000) on completion;
- (b) Alicanto shall also meet StrataGold's carrying costs for December, January and February of approximately C\$120,000 in total. (All of which have been met to date));
- (c) completion under the Share Sale Deed is to occur within three days of the last condition under the Share Sale Deed (including Alicanto shareholder approval) being satisfied or waived (to the extent they can be waived);
- (d) Completion is conditional on:
 - (i) Alicanto completing its due diligence investigations and enquiries in relation to StrataGold and the Projects and being satisfied in its absolute discretion with the results of that due diligence and issuing a written notice to that effect to the other parties to the Share Sale Deed;
 - (ii) Takara waiving all restrictions on the transfer of the StrataGold shares (including rights of pre-emption) that exist under any agreement including, without limitation, the articles or constitution of StrataGold;
 - (iii) StrataGold not issuing any further shares, options or any other right to subscribe for shares in StrataGold;
 - (iv) Takara shareholder approval being obtained. Which was approved by Takara shareholders at a Special Meeting on 7 February 2013;
 - (v) Alicanto shareholder approval being obtained;
 - (vi) Alicanto paying StrataGold's carrying costs as set out above; and
 - (vii) obtaining any other regulatory approvals which may be required under the laws of Guyana for the transactions contemplated by the Share Sale Deed.

No Shares or Options are to form part of the consideration. Therefore, the Proposed Transaction will have no effect on the Company's total issued capital (refer to paragraph 1.15 below).

There will be no changes to the Board under the Proposed Transaction.

1.9 Advantages of the Proposed Transaction

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on Resolution 1:

- (a) by approving the change of scale of the Company's activities the Company can expand its focus to include gold exploration and development activities in South America, which represents a significant opportunity for the Company;
- (b) Guyana is relatively under-explored which makes it an attractive location for exploration, which is strongly supported by the Government;
- (c) there is low political risk, with government and legal institutions well established and a strong and transparent tenure regime in place for mining and exploration;
- (d) like Australia, Guyana is an English-speaking, common law based jurisdiction;
- (e) the Directors believe that an investment in StrataGold, coupled with its other projects, will add significant value to the Company's Shares; and

1.10 Disadvantages of the Proposed Transaction

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on Resolution 1:

- (a) by approving the change of scale of the Company's activities the Company can expand its focus to include gold mining exploration and development activities in South America, which may not be consistent with the objectives of Shareholders;
- (b) there are many risk factors associated with the change in scale of the Company's activities, or rather associated with StrataGold's operations. Some of these risks are set out in paragraph 1.12 below;
- (c) there is no guarantee that the Company's Shares will rise in value as a result of the Proposed Transaction;
- (d) as part of the Proposed Transaction, the Company will be almost doubling its anticipated exploration spend as disclosed in its IPO prospectus to spend up to an additional \$450,000 on exploration and development activities on the Projects; and

1.11 Risks – Change of Scale of Activities

Shareholders should be aware that if Resolution 1 is passed, the Company will be changing the scale of its activities which will be subject to various risks.

These risks are specific to the exploration and mining industry, including risks associated with exploration and mining in Guyana and also relate to the general business and economic environment in which the Company will operate.

Based on the information available, the principal risks facing the Company are as follows.

1.12 Risks relating to the Projects

(a) Political Risks

The Projects are located in Guyana, South America and as such, Alicanto's operations are exposed to various levels of political, economic and other risks and uncertainties.

These risks and uncertainties include labour unrest, renegotiation or nullification of existing concessions, licenses, permits and contracts, changes in taxation policies, restrictions on foreign exchange, and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Future political actions cannot be predicted and may adversely affect Alicanto. Changes, if any, in mining or investment policies or shifts in political attitude in the country of Guyana may adversely affect the Company's business, results of operations and financial condition. Future operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. The possibility that future governments may adopt substantially different policies, which may extend to the expropriation of assets, cannot be ruled out.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's consolidated business, results of operations and financial condition.

(b) Labour and Employment Matters

Employee relations in Guyana may be impacted by changes in the scheme of labour relations which may be introduced by the relevant Guyanese governmental authorities. Adverse changes in such legislation may have a material adverse effect on the business conducted by Alicanto in relation to the Projects, results of operations and financial condition.

(b) Litigation risk

Information obtained by Takara led to an investigation regarding the rights of entitlement to B-22 and B-23. Information evidences that title to B-22 and B-23 has been incorrectly transferred to a third party, Greenstone Gold Inc. On 29 February 2012 Takara secured an injunction against Greenstone Gold Inc., and, is precluded from entering on and carrying out any work on two of the Arakaka projects, namely, B-22 and B-23, pursuant to an Injunction Order upheld and rendered against Greenstone Gold Inc in the Guyana High Court of the Supreme Court of Judicature Civil Jurisdiction.

Takara is continuing to further legal action against various parties in order to rectify its position.

There are currently legal discussions regarding the rights and entitlements to four medium scale mining permits that form part of the Tassawini Gold Project between the underlying property holder and Strata Gold. On September 12, 2012 Takara announced that Mr Wayne Vieira has provided StrataGold with notice of his intent to terminate the property option agreement, claiming that the feasibility study on the Tassawini Gold Project prepared and delivered by the company was unacceptable. StrataGold disputes this claim and asserts that the feasibility study was prepared and delivered in accordance with the terms of the agreement. By virtue of a Power of Attorney dated July 16, 2007, StrataGold Guyana Inc. has the right to enter, occupy and mine gold and precious stones on the 4 Mining Permits.

The Company intends to work with the claimants to resolve these matters.

1.13 General risks

Industry specific

(a) Exploration

The Projects are at the early stages of exploration, and Shareholders should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the Projects will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(b) Operations

The operations of the Company in relation to the Projects may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of the Projects. Until the Company is able to realise value from the Projects, it is likely to incur ongoing operating losses.

(c) Commodity price volatility and exchange rate

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(d) Environmental

The operations and proposed activities of the Company are subject to Guyanese laws and regulation concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

However, the Company will be impacted by any change in Guyanese laws and regulation concerning the environment.

(e) Native title

The Tassawini Gold Project is partially located on an Amerindian Reservation and is required to have an impact benefit agreement in place prior to a commercial mining licence being granted.

Tassawini falls within the Chinese Landing Amerindian Reservation, which impacts the Company's efforts in its pursuit of the development of the project, as well as its efforts in seeking to amend or extend various forms of title at Tassawini, all in an effort to consolidate key land packages and to ultimately transition more seamlessly into a proposed application process for upgrading to large scale mining permits. There is no assurance that such amendments and extensions may be granted. As part of this process, the Company is working with interested parties in negotiating an impact benefit agreement as it relates to the local Amerindian Communities in proximity to Tassawini as well as other impacted and interested parties.

General risks

(a) Economic

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;

- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by Shareholders. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares.

1.14 Pro-forma balance sheet

An unaudited pro-forma balance sheet of the Company following completion of the Proposed Transaction is set out below:

	Unaudited 31 December 2012	Acquisition – Resolution 1	Consolidated Pro-forma
Current Assets			
Cash & cash equivalents	1,973,997	(466,229)	1,507,768
Trade & other receivables	120,759	(53,755)	67,004
Total Current Assets	2,094,756	(519,984)	1,574,772
Non Current Assets			
Property, plant & equip	-	-	-
Exploration & evaluation	205,594	625,589	831,183
Total Non Current Assets	205,594	625,589	831,183
Total Assets	2,300,350	105,605	2,405,955
Current Liabilities			
Trade and other payables	128,216	155,605	283,821
Provisions	4,947	-	4,947
Total Non Current Liabilities	133,163	155,605	288,768
Total Liabilities	133,163	155,605	288,768
Net Assets	2,167,187	(50,000)	2,117,187
Equity			
Contributed equity	2,650,789	-	2,650,789
Reserves	413,163	-	413,163
Accumulated losses	(896,765)	(50,000)	(946,765)
Total Equity	2,167,187	(50,000)	2,117,187

1.15 Pro-forma capital structure

The capital structure of the Company post completion of the Proposed Transaction will remain unchanged and is set out below:

Shares	
Currently on issue	26,000,001

Options	
Unlisted options exercisable at \$0.20 and expiring on 31 July 2015	5,850,000
Unlisted options exercisable at \$0.30 and expiring on 31 July 2015	500,000
Unlisted options exercisable at \$0.20 and expiring on 31 May 2016	3,550,000

1.16 Existing Company projects

Yerilla Project –70% Interest

The Yerilla Project consists of two contiguous granted exploration licences E31/619 and E31/961, for a total surface area totalling 41.44 km², adjacent to the historic Yerilla Mining Centre, 160 km north-northeast of Kalgoorlie. The project lies within the Archean Norseman-Wiluna Greenstone Belt proximal to the Keith Kilkenney Fault Zone which has major associated gold, nickel and copper-zinc- silver deposits/mines. Historic gold mines at Yerilla, Mt Catherine and Mt Remarkable are all hosted by subordinate faults between the regional Keith Kilkenney and Yerilla Faults. Major gold mines spatially associated with the Keith Kilkenney fault zone include Wiluna, Tarmoola, Thunder Box, Yilgangi, Porphyry and Carosue Dam.

The E31/619 tenement area contains, from north to south, the historic Mammon, Fenton, Fitzroy, North Barclay, Barclay and South Barclay gold workings. The gold workings are localised along 3.2 km of the north-northwest trending Mammon- Barclay Zone fault which can be mapped through the tenement for 7km until it disappears under shallow alluvial cover in the north. Both the historical gold workings of the Mammon-Barclay Zone and its possible extensions to the north remain to be explored along most of its strike length and at depth by, modern geochemical, geophysical and drilling methods. In addition to the Mammon - Barclay Zone much of the western half of the tenement, has not been systematically tested by either surface geochemical sampling or reconnaissance RAB/aircore drilling to define gold targets.

Previous systematic shallow reconnaissance RAB and aircore drilling of the eastern half of the E31/619 defined a 2000m long and 700m wide gold anomaly in the north of the tenement associated with an interpreted major fault. Both this and additional anomalies encourage additional follow-up drilling. Small portions of E31/961 have been tested previously for gold and base metals but most of the tenement has not been explored using systematic geochemical exploration methods.

Meekatharra Project –70% Interest

The Meekatharra Project consists of two granted exploration licences, E51/1442 and E51/1443, totalling 211.08 km², east of the town of Meekatharra, Western Australia. E51/1442 and E51/1443 cover portions of the highly prospective Archaean Mount Magnet-Meekatharra and Gnaweeda greenstone belts of the Murchison Province, respectively.

The two tenement areas are prospective for gold, zinc, copper and silver. Most of E51/1442 is covered by alluvium, colluvium and laterite soil profiles that overlie folded greenstones traversed by several major faults that are prospective for gold. The Paddy's Flat and Side Well gold deposits are

located near to the western and eastern boundaries of the tenement, respectively. Limited previous reconnaissance drilling has defined several gold anomalies associated with faults that encourage additional follow up drilling. Several untested magnetic units and linear structures interpreted to be faults have also been identified as prospective exploration targets worthy of reconnaissance drilling for gold. Despite its proximity to the Paddy's Flat open cut gold mining operations to the west limited effective modern exploration has left the western half of the E51/1442 tenement virtually unexplored and much of the remainder in need of effective exploration for gold and base metals.

E51/1443 overlies 35 km of strike length of the southern Gnaweeda Greenstone belt 20km east of Meekatharra. The 500km long Evanston-Edale Fault defines the eastern margin of the greenstone belt. There are numerous gold and base metal prospects in the northern Gnaweeda Belt. Much of the project area is covered by Quaternary-Cenozoic alluvium, colluvium and laterite soil profiles. However, previous very widely spaced reconnaissance RAB and aircore drilling has defined several gold and gold-arsenic anomalies along the length of the belt that encourage additional reconnaissance drilling.

Doolgunna Project (70% interest)

The Doolgunna Project is comprised of granted exploration licence E51/1365, totalling 64.65 km². The project area covers a portion of the Yerrida Basin of the Proterozoic Napperby Province that hosts the Peak Hill, Fortnum and Labouchere gold mines as well as the Horseshoe lights and Degrudda copper-gold deposits.

The project area is located 70 km northeast of Meekatharra and is considered prospective for mesothermal quartz stockwork gold deposits, volcanic-hosted massive sulphide copper-gold deposits and stratabound sedimentary copper deposits. The geology consists of transported Quaternary-Cenozoic alluvium- colluvium overlying the prospective transition zone between Palaeoproterozoic Johnson Cairn Formation (shales, siltstones, carbonates) and Juderina Formation (red bed sandstones) which is recognised as a prospective horizon for sedimentary hosted copper-gold deposits. It is also located in a structurally favourable position on the southeast margin of the Doolgunna Graben near the intersection of two major tectonic trends.

There has been little effective exploration of the Doolgunna Project area previously but two significant gold-copper geochemical anomalies coincident with magnetic anomalies and major northeast trending structural corridors have been identified and encourage additional geochemical sampling and drilling.

The highest priority target is an 8.5 km long magnetic zone tested by only a limited number of very widely spaced (>1km) reconnaissance aircore holes that intersected siltstones with copper, gold and arsenic; and have yet to be followed up.

Providing further encouragement a low amplitude magnetic lag soil copper anomaly was defined along a portion of the same magnetic trend.

1.17 Expenditure plans and use of funds

Allocation of exploration expenditure	Total estimated expenditure amount (AUD\$)	Amount spent to date (AUD\$)	Remaining estimated expenditure amount (AUD\$)
Australian Projects	457,000 ¹	76,372	380,628
StrataGold Projects	450,000	99,105 ²	350,895
Total	907,000	175,477	731,523

¹ As disclosed in Alicanto's IPO prospectus.

² As set out at paragraph 1.8(b) above the Company has paid StrataGold's carrying costs for December 2012 and January 2013 = C\$102,851 at the Reserve Bank of Australia exchange date as at 15 January 2013 of AUD1:C\$1.0378.

1.18 Directors' recommendation

The Board recommends Shareholders vote in favour of Resolution 1.

GLOSSARY

In this Notice and Explanatory Memorandum:

Accounting Standards has the meaning given to that term in the Corporations Act.

Alicanto or **Company** means Alicanto Minerals Limited ACN 149 126 858.

ASX means ASX Limited ACN 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Board means the Directors acting as the board of directors of the Company or a committee appointed by such board of directors.

Chairman means the Chairman of the Meeting.

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Corporations Regulations means the *Corporations Regulations 2001* (Cth).

Director means a current director of the Company.

Explanatory Memorandum means this explanatory memorandum.

General Meeting or **Meeting** means the meeting convened by the Notice.

Notice or **Notice of General Meeting** means the notice of meeting which forms part of this Explanatory Memorandum.

Option means an option to acquire one Share in the Company.

Option Agreement has the meaning given to it in paragraph 1.1.

Proposed Acquisition has the meaning given to it in paragraph 1.1.

Share Sale Deed has the meaning given to it in paragraph 1.1.

StrataGold has the meaning given to it in paragraph 1.1.

Takara has the meaning given to it in paragraph 1.1.

Proxy Form means the enclosed appointment of proxy form.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

WST means Western Standard Time.

PROXY FORM

The Company Secretary
Alicanto Minerals Limited

By delivery:

181 Roberts Road
Subiaco WA 6008

By facsimile:

+61 8 6489 0710

By email:

admin@alicantominerals.com.au

I/We being a shareholder/s of Alicanto Minerals Limited hereby appoint ¹ _____ or failing such appointment, or if no appointment is made, the Chairman, as my/our proxy to vote for me/us on my/our behalf at the General Meeting of the Company to be held at Freemasons Building, 181 Roberts Road Subiaco WA 6008 on Wednesday, 27 March 2013 commencing at 10am (WST), and at any adjournment thereof in the manner indicated below or, in the absence of indication, as he thinks fit. If 2 proxies are appointed, the proportion or number of votes that this proxy is authorised to cast is _____ % of the Shareholder's votes/ _____ of the Shareholder's votes. (An additional Proxy Form will be supplied by the Company, on request).

IMPORTANT NOTE FOR MEMBERS WHO APPOINT THE CHAIRMAN AS THEIR PROXY

The Chairman intends to vote all undirected proxies in favour of each Resolution.

By marking the box below, you are directing the Chairman to vote in accordance with the Chairman's voting intention on Resolution 1 as set out in the Notice of Meeting (except where you have indicated a different voting intention below).

If you appoint the Chairman as your proxy, you can direct the Chairman how to vote by marking the boxes in the Voting Directions section of this form or by marking the box below, in which case the Chairman will vote in favour of Resolution 1.

☐

I/we direct the Chairman to vote in accordance with the Chairman's voting intentions in relation to Resolution 1 (except where I/we have indicated otherwise below).

VOTING DIRECTIONS

The proxy is to vote for or against the Resolution referred to in the Notice as follows:

	For	Against	Abstain
Resolution 1 Change in scale of activities	☐	☐	☐

If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in calculating the required majority on a poll.

Authorised signature/s This section **must** be signed in accordance with the instructions overleaf to enable your voting instructions to be implemented.

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

¹Insert name and address of proxy

*Omit if not applicable

ALICANTO MINERALS LIMITED
ACN 149 126 858

Instructions for Completing Proxy Form

1. **(Appointing a Proxy):** A Shareholder entitled to attend and vote at the General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form which may be obtained from the Company's security registry or you may copy this form and return them both together. Where more than one proxy is appointed, you must specify on each proxy form the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half the votes. A duly appointed proxy need not be a Shareholder of the Company.

If you wish to vote only a portion of your holding, indicate the proportion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

2. **(Direction to Vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose (subject to certain exceptions). Where more than one box is marked on an item the vote will be invalid on that item.

3. **(Signing Instructions):**

- **(Individual):** Where the holding is in one name, the Shareholder must sign.
- **(Joint Holding):** Where the holding is in more than one name, all of the Shareholders must sign.
- **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.

4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

(a) post to Alicanto Minerals Limited, Freemasons Building, 181 Roberts Road, Subiaco WA 6008; or

(b) facsimile to the Company on facsimile number +61 8 6489 0710; or

(c) email to the Company to admin@alicantominerals.com.au.

so that it is received not later than 10am (WST) on Monday, 25 March 2013.

Proxy forms received later than this time will be invalid.