



A L I C A N T O
MINERALS LIMITED

ABN 81 149 126 858

Annual Report 2013

2013 Annual Report

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Corporate Directory

Non-Executive Chairman

Didier Murcia

Non-Executive Director

Matthew Bowles

Michael McKevitt (appointed 28 August 2013)

Company Secretary

Brett Dunnachie

Principal & Registered Office

181 Roberts Road

SUBIACO WA 6008

Telephone: (08) 6489 0700

Facsimile: (08) 6489 0710

Share Registry

Security Transfer Registrars Pty Ltd

770 Canning Highway

APPLECROSS WA 6153

Auditors

Stantons International

Level 2, 1 Walker Avenue

WEST PERTH WA 6005

Bankers

National Australia Bank

50 St Georges Terrace

PERTH WA 6000

Solicitors

Steinepreis Paganin

16 Milligan Street

PERTH WA 6000

Stock Exchange Listing

Australian Securities Exchange

(Home Exchange: Perth, Western Australia)

Code: AQI

Website Address

www.alicantominerals.com.au

Chairman's Letter to Shareholders

Dear fellow shareholders,

On behalf of the Directors of Alicanto Minerals Ltd ('Alicanto') I am pleased to present to shareholders the Company's Annual Report for the year ending 30 June 2013.

The past twelve months have been transformational for Alicanto with the initial public offering ('IPO') successfully completed in September 2012, raising gross funds of \$2,400,000, and Alicanto being admitted to the official list of the Australian Securities Exchange on 19 September 2012.

Following the successful listing, our exploration team commenced work on our Yerilla, Meekatharra and Doolgunna Projects, whilst also considering additional opportunities as they arose. This resulted in the successful acquisition of StrataGold Guynana Inc. (StrataGold) in April 2013, which holds a suite of gold prospects in Guyana. Guyana has significant potential to host large, world class gold deposits yet it remains largely unexplored.

Subsequent to the acquisition of StrataGold, the Company has implemented a prudent cost saving program in response to the deterioration in the gold price and gold equity markets. The Board is committed to preserving shareholder funds and applying those funds in a financially responsible manner. The Board and management team remain focused on advancing the Guyana Gold Projects, which we are confident will deliver shareholders long term value creation.

I would like to thank our shareholders who have remained with us through the year for your continued support and welcome our more recent shareholders.

The team at Alicanto Minerals has worked hard and diligently this past twelve months and I look forward to the coming year with enthusiasm. It promises to be an exciting and busy year for the Company as the Guyana Gold Projects are advanced through focussed exploration.

I look forward to meeting with you at the forthcoming Annual General Meeting.



Didier Murcia
Non-Executive Chairman

Directors' Report

The directors of Alicanto Minerals Limited submit herewith the financial statements of the Company for the year ended 30 June 2013 in order to comply with the provisions of the *Corporations Act 2001*.

1. Directors

The following persons were directors of Alicanto Minerals Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Didier Murcia	Non-Executive Chairman
Mr Matthew Bowles	Non-Executive Director

Mr Anthony Cooper was a Non-Executive Director from the beginning of the year until his resignation on 28 August 2013.

Mr Michael McKevitt was appointed Non-Executive Director on 28 August 2013, he continues in office at the date of this report.

2. Principal Activities

The principal activity of the entity during the financial year was mineral exploration. There were no significant changes in the nature of the entity's principal activities during the financial year.

3. Operating Results

The loss attributable to owners of the entity after providing for income tax amounted to \$1,121,351 (2012: \$571,393).

4. Dividends Paid or Recommended

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

5. Financial Position

The entity has \$847,837 in cash and cash equivalents as at 30 June 2013 (2012: \$233,548) which the Directors believe puts the entity in a sound financial position with sufficient capital to effectively explore its current landholdings.

6. Business Strategies & Prospects for the Forthcoming Year

Alicanto Minerals Limited is currently focused upon an aggressive exploration program for gold mineralisation on its current portfolio of projects in Guyana and Western Australia with the object of identifying commercial resources.

Alicanto Minerals will also continue to consider and evaluate new mineral exploration opportunities within Australia and throughout the rest of the world for further potential acquisitions which may offer value enhancing opportunities for shareholders.

Material business risks that may impact the results of future operations include further exploration results, future commodity prices and funding.

7. Significant Changes in the State of Affairs

The following significant changes in the state of affairs of the entity occurred during the financial period:

- The company listed on the ASX on 19 September 2012 after successfully completing an initial public offering raising \$2,400,000.
- On 15 April 2013 the company successfully completed the acquisition of StrataGold Guyana Inc from Takara Resources Inc. The consideration under the terms of the agreement as announced on 21 December 2012 was a cash payment of C\$600,000.

Directors' Report

8. Review of Operations

Corporate

Alicanto Minerals Limited ("Alicanto" or the "Company") is an emerging mineral exploration company focused on the exploration and development of a portfolio of precious and base metals projects in Guyana, South America and Western Australia.

The Company listed on the Australian Securities Exchange (ASX) on 19 September 2012 following the successful completion of its \$2.4 million Initial Public Offering (IPO).

On the 15 April 2013 Alicanto completed the acquisition of StrataGold Guyana Inc, (ASX Announcement 10th December 2012), from Takara Resources Inc. StrataGold Guyana Inc. owns both the Arakaka and Tassawini Gold Projects located in Northern Guyana.

The Company immediately commenced field and desktop reviews of the geological, geochemical and geophysical datasets acquired for the Guyana projects. In addition a soil sampling, mapping and trenching program commenced in the 14-Mile region of the Arakaka trend to further define targets to support a maiden drilling program to be scheduled as soon as practicable.

Guyana Gold Projects

The Arakaka and Tassawini Gold Projects are located in Northern Guyana and are owned 100%. Both projects are made up of a number of permits, subject to underlying Joint Venture agreements, covering a total area of over 550km² within the Northern Guyana Shield. These projects cover volcano-sedimentary Paleoproterozoic greenstone rocks of the Barama-Mazaruni supergroup which are highly prospective for large tonnage, orogenic gold deposits. In excess of US\$40 million of exploration expenditures have already been incurred on the project areas.

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.

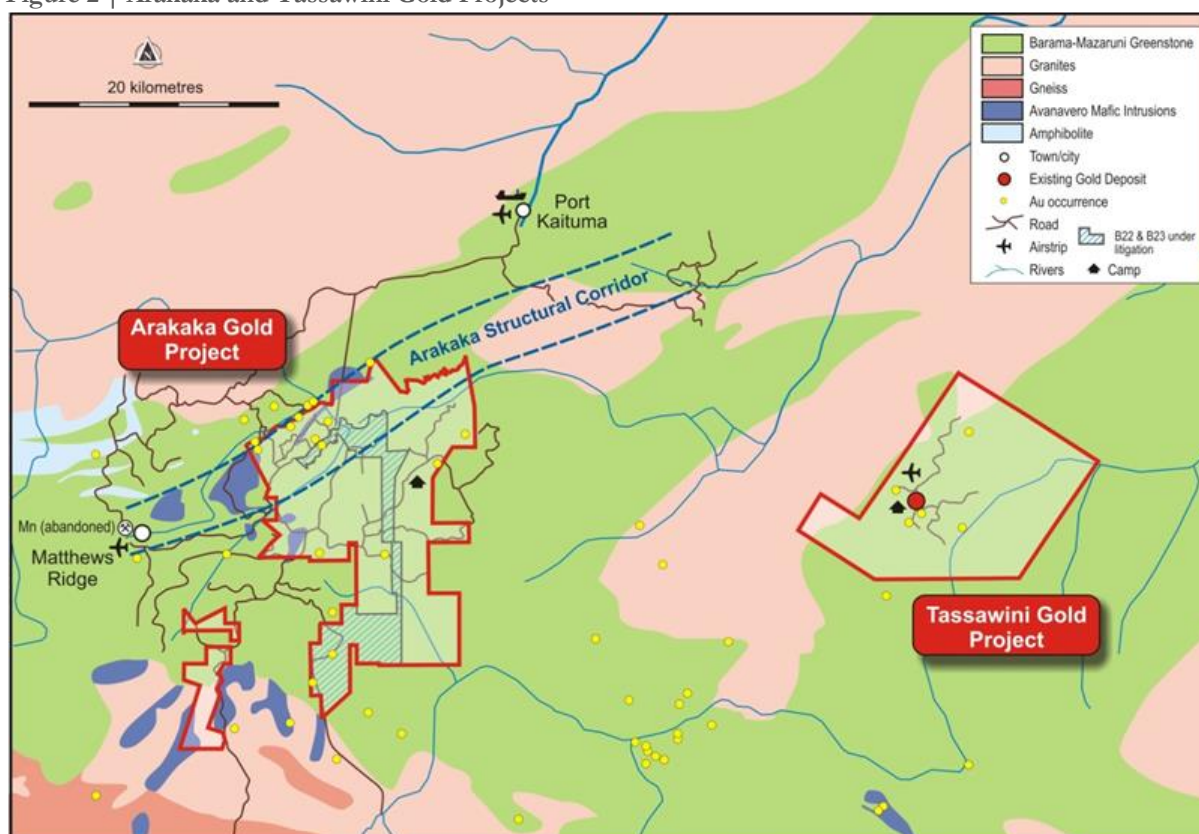
Figure 1 | Location Map – Arakaka and Tassawini Gold Projects



Directors' Report

8. Review of Operations (continued)

Figure 2 | Arakaka and Tassawini Gold Projects



Arakaka Gold Project (100%)

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 170kms from Georgetown, the capital of Guyana.

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

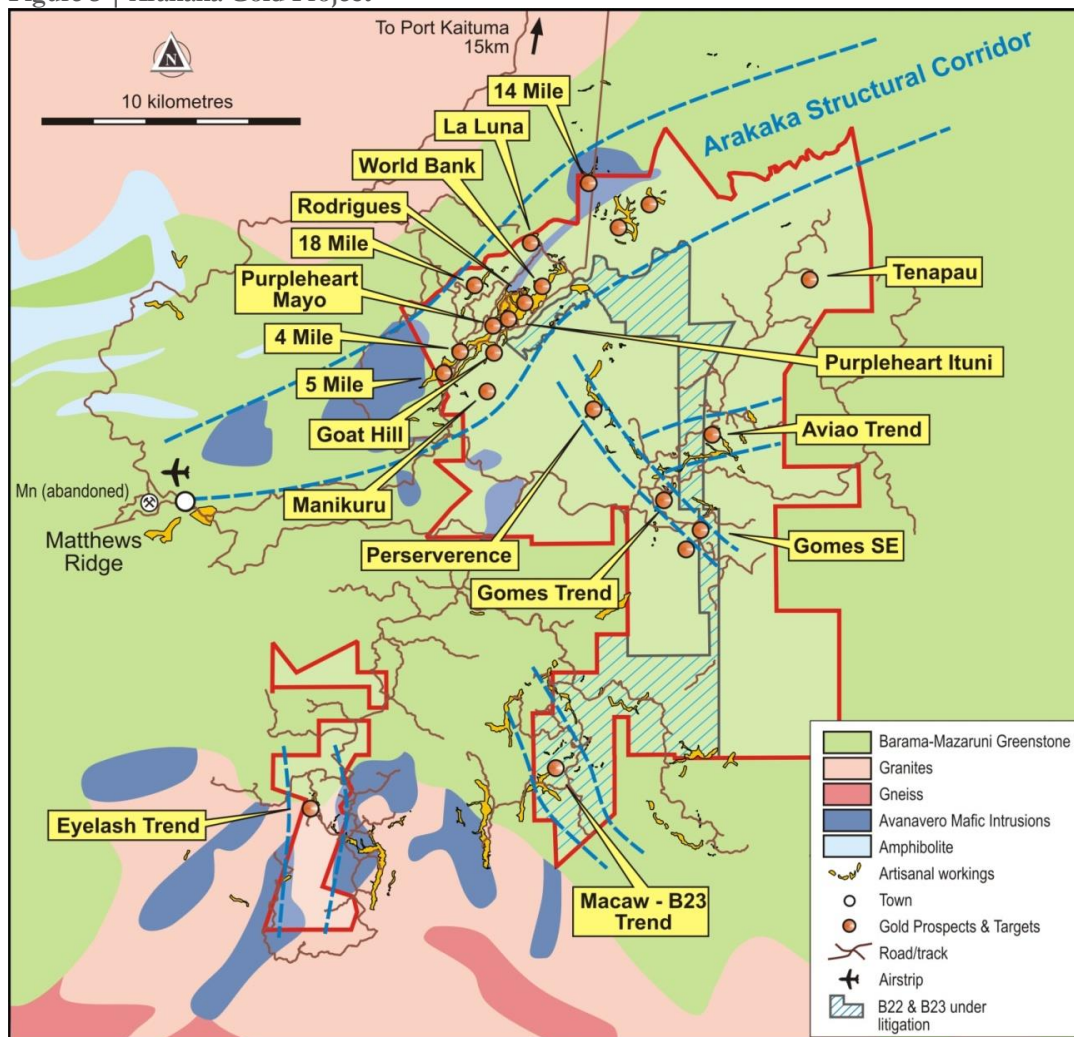
The district has been popular with local placer miners for the past 100 years, but until recently, the region has not been systematically explored using modern techniques. StrataGold and Newmont were one of the first to implement an exploration program which included regional and detailed stream sediment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

Directors' Report

8. Review of Operations (continued)

Figure 3 | Arakaka Gold Project



The Arakaka Gold Project covers more than 10 kilometres of mineralised strike along the Arakaka Trend, a major structural corridor and one of the oldest and most prolific gold districts in the Guyana Shield. The Arakaka Trend is principally underlain by diorite rocks that have been intruded into carbonaceous shales and mudstones. Structural characteristics of in the region indicate it has been affected by high tectonic strain.

The region is significantly under-explored and has had limited drilling however, prospectivity for gold in the region is indicated by numerous saprolite miners who have been active in the area for over 100 years. Historical artisanal gold production from the region, recorded by the Guyana Geology & Mines Commission (GGMC), exceeds 1Moz.

The Arakaka Gold Project is subject to various underlying agreements comprising a large land position situated in the North West Mining District of Guyana.

Ownership of two of the permits, known as B-22 and B-23 are currently subject to ongoing litigation.

Activities during the period

During the period the Company commenced field and desktop reviews of the geological, geochemical and geophysical datasets acquired for the Arakaka Gold Project. In addition a soil sampling, mapping and trenching programs commenced on the 14-Mile along the Arakaka trend to further define multiple targets to support a maiden drilling program to commence as soon as practicable.

Over the next quarter further soil sampling, mapping and trenching will be conducted to tie together the geology and better refine drill targets.

Directors' Report

8. Review of Operations (continued)

Tassawini Gold Project (100%)

Tassawini is located approximately 45km to the east of Arakaka. 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.

Activities during the period

During the period the Company continued the review of the existing resource and regional datasets to generate targets for further exploration.

Over the next quarter the review of the existing resource and regional datasets will determine the work.

Australian Projects

Meekatharra Project (70%)

Lying within the world class Murchison Goldfields and located east of Meekatharra, Western Australia, the Meekatharra Project is comprised of exploration licences E51/1442 and E51/1443, totalling an area of 211.08 km².

The Murchison Province is one of Australia's most important gold producing regions with in excess of 20 million ounces of resources discovered. The Murchison Province hosts multiple deposit styles including hydrothermal epigenetic gold, epigenetic copper and copper-gold, laterite-hosted gold, volcanic-hosted zinc-copper-silver-gold, magmatic platinum-palladium, magmatic vanadium magnetite and iron ore. However, epigenetic gold deposits have been by far the most economically important and the focus of most of the historical exploration.

Activities during the period

During the period the Company continued to review the six priority exploration targets at its Meekatharra and Gnaweeda Gold Projects. These targets were generated from desktop and field reviews supported by Alicanto's recently acquired geological and drill spoil sample geochemical data. The recent work consisted of a hyper spectral (PIMA) study of Alicanto's sampling which confirmed the presence of a regional scale, potentially mineralising, hydrothermal systems on both the properties.

In addition satellite imagery was purchased covering the properties to aid in the regolith interpretation of the tenement areas and in the planning of future exploration programs.

Yerilla Project (70%)

The Yerilla Project is located within the Archaean Norseman-Wiluna Greenstone Belt proximal to the highly prospective Keith Kilkenny Fault Zone in the Eastern Goldfields of Western Australia. Located 160km to the north east of Kalgoorlie, the Yerilla Project consists of exploration licences E31/619 and E31/961, for a total surface area of 41.44 km², adjacent to the historic Yerilla Mining Centre.

Activities during the period

During the period the Company continued to review the priority exploration targets at its Yerilla Gold Project. These targets were generated from desktop and field reviews supported by Alicanto's recently acquired geological and drill spoil sample geochemical data. The recent work consisted of a hyper spectral (PIMA) study of Alicanto's sampling which confirmed the presence of a regional scale, potentially mineralising, hydrothermal systems on the properties.

In addition satellite imagery was purchased covering the properties to aid in the regolith interpretation of the tenement areas and in the planning of future exploration programs.

Doolgunna Project (70%)

The Doolgunna Project is comprised of exploration licence E51/1365, and covers a total area of 64.65 km². The Project is located 70km to the north east of Meekatharra.

Activities during the period

During the period the Company continued its desktop review of the available datasets for the Doolgunna Project area. In addition satellite imagery was purchased covering the property to aid in the regolith interpretation of the tenement area and in the planning of future exploration programs.

Directors' Report

8. Review of Operations (continued)

Project Generation

With the acquisition of StrataGold Guyana Inc. Alicanto has acquired a core strategic asset in one of the most underexplored greenstone belts in the world. The Company intends to continuously evaluate additional projects within Guyana for potential joint ventures or acquisitions. In addition the Company shall also continue to evaluate projects in Australia and overseas, in gold, copper and other commodities to grow shareholder value.

9. Matters Subsequent to the End of the Financial Year

On 28 August 2013 Mr Anthony Cooper resigned as a Non-Executive Director and Mr Michael McKevitt was appointed to this position.

There are no further material events subsequent to balance date.

10. Likely Developments and Expected Results of Operations

The Consolidated Entity will continue its mineral exploration activity at and around its exploration projects with the object of identifying commercial resources. Material business risks that may impact the results of future operations include further exploration results, future commodity prices and funding.

Further information on likely developments in the operations of the Company and the expected results of operations have not been included in the Annual Report because the directors believe it would be likely to result in unreasonable prejudice to the Group.

11. Environmental Regulation

The company is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all appropriate regulations when carrying out any exploration work.

Directors' Report

12. Information on Directors and Company Secretary

Didier Murcia **Non-Executive Chairman**

Qualifications	LLB, BJuris				
Experience	Mr Murcia holds a Bachelor of Jurisprudence and Bachelor of Laws from the University of Western Australia, and has over twenty years experience in corporate, commercial and resource law. Mr Murcia is a Director of Gryphon Minerals Limited, listed on the Australian Securities Exchange and Chairman of Centaurus Metals Limited and Rift Valley Resources Limited listed on the Australian Securities Exchange. He is also Chairman of Perth law firm Murcia Pestell Hillard and the Honorary Consul for the United Republic of Tanzania.				
Interest in Securities	<table> <tr> <td>Fully Paid Ordinary Shares</td><td>530,000</td></tr> <tr> <td>20 cent Options expiring 31 May 2016</td><td>500,000</td></tr> </table>	Fully Paid Ordinary Shares	530,000	20 cent Options expiring 31 May 2016	500,000
Fully Paid Ordinary Shares	530,000				
20 cent Options expiring 31 May 2016	500,000				
Other Directorships	Gryphon Minerals Limited (since 28 July 2006) Centaurus Metals Limited (since 16 April 2009) Rift Valley Resources Limited (since 22 November 2010 to 4 June 2013) Cradle Resources Limited (since 13 August 2013)				

Matthew Bowles **Non-Executive Director**

Qualifications	B.Com, CPA, ASA						
Experience	Mr Bowles has extensive commercial, corporate finance and capital markets experience within the resource sector particularly in strategy development, domestic and cross border corporate M&A transactions and capital raising initiatives. He was previously an Executive Director, Mergers and Acquisitions with global advisory firm Ernst & Young and prior to joining in 2004, spent eight years with Rio Tinto Limited and four years in investment banking in London. Mr Bowles is a Member of the Australian Society of Certified Practising Accountants and the Financial Services Institute of Australia and is currently the Head of Corporate Development for Gryphon Minerals Limited and a Non Executive Director of Tawana Resources NL.						
Interest in Securities	<table> <tr> <td>Fully Paid Ordinary Shares</td><td>2,375,001</td></tr> <tr> <td>20 cent Options expiring 31 July 2015</td><td>1,500,000</td></tr> <tr> <td>20 cent Options expiring 31 May 2016</td><td>500,000</td></tr> </table>	Fully Paid Ordinary Shares	2,375,001	20 cent Options expiring 31 July 2015	1,500,000	20 cent Options expiring 31 May 2016	500,000
Fully Paid Ordinary Shares	2,375,001						
20 cent Options expiring 31 July 2015	1,500,000						
20 cent Options expiring 31 May 2016	500,000						
Other Directorships	Tawana Resources NL						

Michael McKevitt **Non-Executive Director**

Qualifications	BSc Geology (Hons), AusIMM		
Experience	Mr McKevitt has over 25 years mining and exploration experience in multiple minerals including gold and copper in Africa, Australia, Asia and North and South America. His experience covers exploration and near-mine exploration, mine geology and mine operations support. He has worked in various mining styles including mechanised open-stope, block cave, cut-and-fill and both medium to large-scale open pits.		
Interest in Securities	<table> <tr> <td>Fully Paid Ordinary Shares</td><td>10,000</td></tr> </table>	Fully Paid Ordinary Shares	10,000
Fully Paid Ordinary Shares	10,000		
Other Directorships	Rift Valley Resources Limited (since 18 February 2011 to 15 March 2013)		

Company Secretary

Brett Dunnachie - BCom, CA. Mr Dunnachie is a Chartered Accountant with over 10 years experience in corporate, audit and company secretarial matters. Mr Dunnachie acts as the Chief Financial Officer of the Company and was appointed Company Secretary on 3 February 2011. Previously Mr Dunnachie was an audit manager at a major chartered accounting practice and is also experienced in IPO management, company secretarial services, financial accounting/reporting and ASX/ASIC compliance management. Mr Dunnachie is also currently Company Secretary for Venture Minerals Limited and Renaissance Minerals Limited.

Directors' Report

13. Audited Remuneration Report

The directors are pleased to present your company's 2013 remuneration report which sets out remunerations information for Alicanto Minerals Limited's non-executive directors, executive directors and other key management personnel.

The remuneration report is set out under the following headings:

- A. Introduction
- B. Remuneration governance
- C. Managing Director and Executive remuneration and framework
- D. Relationships between remuneration and Alicanto Minerals Limited's performance
- E. Non-Executive Director remuneration
- F. Details of Remuneration
- G. Service Agreements

A. Introduction

This report details the nature and amount of remuneration for all key management personnel of Alicanto Minerals Limited and its subsidiaries. The information provided within this remuneration report has been audited as required by section 308(C) of the *Corporations Act 2001*. The Individuals included in this report are:

Non-Executive Directors

Mr D Murcia	Non-Executive Chairman
Mr M Bowles	Non-Executive Director
Mr A Cooper	Non-Executive Director

Other Key Management Personnel

Mr M Harden	Chief Geologist (Commencing the date the Company is admitted to the ASX – 19 September 2012)
Mr B Dunnachie	Company Secretary

All of the key management personnel held their positions for the entire financial year and up to the date of this report with the exception of the following;

- i) Mr A Cooper resigned subsequent to year end on 28 August 2013.
- ii) Mr M Harden was appointed Chief Geologist effective 19 September 2012 and holds this position as at the date of this report.
- ii) Mr M McKevitt was appointed Non-Executive Director effective 28 August 2013 and holds this position as at the date of this report.

B. Remuneration governance

The role of a Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees.

As the whole Board only consists of three (3) members, the Company does not have a remuneration committee and therefore the full board acts as the remuneration committee. The Board has established a broad remuneration policy which is consistent with the company's business objectives and designed to attract and retain high calibre individuals, align key management personnel remuneration with the creation of shareholder value and motivate executives to achieve challenging performance levels.

The business and operational environment of the company is dynamic and ever changing and so too is the remuneration policies. As such the broader remuneration policies, whilst currently under specific and detailed review, are by nature, always under consideration by the Board.

Further information relating to the role of the Board and its responsibilities in relation to remuneration policies can be found within the Corporate Governance Report included within this Annual Report.

C. Executive remuneration and framework

Remuneration Policy

The remuneration policy of Alicanto Minerals Limited has been designed to align executives' objectives with shareholder and business objectives by providing both fixed and discretionary remuneration components which are assessed on an annual basis in line with market rates. By providing components of remuneration that are indirectly linked to share price appreciation (in the form of options), executive, business and shareholder objectives are indirectly aligned. The board of Alicanto Minerals Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the company, as well as create goal congruence between directors and shareholders.

Directors' Report

13. Audited Remuneration Report (continued)

C. Executive remuneration and framework (continued)

In determining competitive remuneration rates, the Board review local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Independent data is sourced to ensure that the company's remuneration levels fall within the 50th to 75th percentile of companies in a similar industry group and with a similar market capitalisation. These ongoing reviews are performed to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

The Board also ensures that the mix of executive compensation between fixed, variable, long-term, short-term and cash versus equity is appropriate. The company endeavours to reduce cash expenditure by providing a greater proportion of compensation in the form of equity instruments. This allows cash-flows to be directed towards exploration programs with a view to improving the quality of our projects.

Fixed Remuneration

All executives receive a base cash salary which is based on factors such as length of service and experience as well as other fringe benefits. All executives also receive a superannuation guarantee contribution required by the government, which is currently nine percent and do not receive any other retirement benefits.

Short-term Incentives (STI)

Under the company's current remuneration policy, executives can from time to time receive short-term incentives in the form of cash bonuses. The Board can use its discretion when paying bonuses, however they have currently determined relevant industry key performance targets such as, definition and growth of existing resources, targets and on-going Executive loyalty to the Company. The Board believes that the criteria of eligibility for short-term incentives appropriately aligns shareholder wealth and executive remuneration as the completion of key performance targets have the potential to increase share price growth.

Long-term Incentives (LTI)

Executives are encouraged by the Board to hold shares in the company and it is therefore the objective of the company's option scheme to provide an incentive for participants to partake in the future growth of the company and, upon becoming shareholders in the Company, to participate in the company's profits and dividends that may be realised in future years.

The Board considers that this equity performance linked remuneration structure is effective in aligning the long-term interests of group executives and shareholders as there exists a direct correlation between shareholder wealth and executive remuneration.

D. Relationship between remuneration and Alicanto Minerals Limited's performance

Company Performance, Shareholder Wealth & Executive Remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and executives. This has been achieved by the payment of short-term incentives and the issue of long-term incentive options. This structure rewards executives for both short-term and long-term shareholder wealth development.

E. Non-Executive Director remuneration policy

The Board's policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. Fees for non-executive directors are not linked to the performance of the group.

In determining competitive remuneration rates, the Board review local and international trends among comparative companies and industry generally.

Typically the Company will compare non-executive remuneration to companies with similar market capitalisations in the exploration and resource development business group. These ongoing reviews are performed to confirm that non-executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

Further to ongoing reviews, the maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. In addition to director fees, certain non-executive directors were issued options during the previous financial year, which were approved by shareholders at the General Meeting held on 30 May 2012. Options were issued to non-executives as they provide an indirect mechanism of aligning shareholder wealth and non-executive director remuneration.

The remuneration policy, setting the terms and conditions for the executive directors and other senior staff members, was developed and approved by the Board. In determining competitive remuneration rates, the Board reviews local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Reviews are performed to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

Directors' Report

13. Audited Remuneration Report (continued)

F. Details of Remuneration

The Key Management Personnel of Alicanto Minerals Limited for the year ending 30 June 2013 are set out in the table below. There have been no changes to the below named key management personnel since the end of the reporting period unless noted.

	Short-Term Employee Benefits			Post Employment	Securities	Total
	Cash Salary & Fees	Incentives	Other Amounts	Super-annuation	Options ⁴	\$
2013						
Non-Executive Directors						
Mr D Murcia	25,797	-	2,331	-	-	28,128
Mr M Bowles	22,575	17,431	2,331	3,600	-	45,937
Mr A Cooper ¹	25,797	-	2,331	-	-	28,128
Other Key Management Personnel						
Mr M Harden	107,692	-	-	-	-	107,692
Mr B Dunnachie	29,625	-	2,331	-	-	31,956
Total Remuneration	211,486	17,431	9,324	3,600	-	241,841
2012						
Non-Executive Directors						
Mr D Murcia ²	-	-	-	-	20,311	20,311
Mr D Riekie ³	-	-	-	-	14,016	14,016
Mr M Bowles	-	-	-	-	80,378	80,378
Mr A Cooper	-	-	-	-	4,004	4,004
Other Key Management Personnel						
Mr B Dunnachie	-	-	-	-	8,009	8,009
Total Remuneration	-	-	-	-	126,718	126,718

1: Mr A Cooper resigned as Non-Executive Director subsequent to year end on 28 August 2013 and Mr Michael McKevitt was appointed as his replacement.

2: Mr D Murcia was appointed on 30 May 2012.

3: Mr D Riekie resigned on 30 May 2012.

4: The fair value of the options is calculated at the date of grant using a Black-Scholes model.

No retirement benefits or equity securities were issued to any director or other key management personnel of the entity during the financial year.

Details of Share Based Payments

Options are issued to directors and executives as part of their remuneration. The options are not issued based on performance criteria, but are issued to the majority of directors and executives of Alicanto Minerals Limited to increase goal congruence between executives, directors and shareholders.

	Granted No.	Options Granted as Part of Remuneration	Total Remuneration Represented by Options	Exercised No.	Other changes No.	Lapsed No.
30 June 2013						
Non-Executive Directors						
Mr D Murcia	-	-	-	-	-	-
Mr M Bowles	-	-	-	-	-	-
Mr A Cooper	-	-	-	-	-	-
Other Key Management Personnel						
Mr M Harden	-	-	-	-	-	-
Mr B Dunnachie	-	-	-	-	-	-

Directors' Report

13. Audited Remuneration Report (continued)

F. Details of Remuneration (continued)

Details of Share Based Payments (continued)

	Granted No.	Options Granted as Part of Remuneration \$	Total Remuneration Represented by Options	Exercised No.	Other changes No.	Lapsed No.
30 June 2012						
Non-Executive Directors						
Mr D Murcia	500,000	20,311	100%	-	-	-
Mr D Riekie	350,000	14,016	100%	-	(350,000)	-
Mr M Bowles	2,000,000	80,378	100%	-	-	-
Mr A Cooper	100,000	4,004	100%	-	-	-
Other Key Management Personnel						
Mr B Dunnachie	200,000	8,009	100%	-	-	-

During the financial year and up to the date of this report the Company issued options as part of remuneration to key management personnel as follows:

	Issue Date	Expiry Date	% Vested in Year	Exercise Price	Number of Options
30 June 2013					
Non-Executive Directors					
Mr D Murcia	-	-	-	-	-
Mr M Bowles	-	-	-	-	-
Mr A Cooper	-	-	-	-	-
Other Key Management Personnel					
Mr M Harden	-	-	-	-	-
Mr B Dunnachie	-	-	-	-	-
30 June 2012					
Mr D Murcia	30 May 12	31 May 16	100%	\$0.20	500,000
Mr D Riekie	4 Aug 11	31 Jul 15	100%	\$0.20	350,000
Mr M Bowles	4 Aug 11	31 Jul 15	100%	\$0.20	1,500,000
	30 May 12	31 May 16	100%	\$0.20	500,000
Mr A Cooper	4 Aug 11	31 Jul 15	100%	\$0.20	100,000
Other Key Management Personnel					
Mr B Dunnachie	4 Aug 11	31 Jul 15	100%	\$0.20	200,000

The value at grant date is calculated in accordance with AASB2 Share Based Payments utilising the Black Scholes Methodology. The following factors and assumptions were used in determining the fair value of options issued to key management personnel on grant date:

Grant Date	Expiry Date	Exercise Price	Fair Value Per Option	Price of Shares on Grant Date	Estimated Volatility	Risk Free Interest Rate	Dividend Yield
30 June 2013							
N/A							
30 June 2012							
4 Aug 11	31 Jul 15	\$0.20	\$0.0400	\$0.10	85.00%	4.66%	0.00%
30 May 12	31 May 16	\$0.20	\$0.0406	\$0.10	85.00%	5.39%	0.00%

Historical volatility has been the basis for determining expected share price volatility as it assumed that this is indicative of future tender, which may not eventuate. The life of the options is based on historical exercise patterns, which may not eventuate in the future.

Directors' Report

13. Audited Remuneration Report (continued)

G. Services Agreements

Remuneration and other key terms of employment for the Executives, Non-Executives and Other Executives of Alicanto Minerals are formalised in executive service agreements. Major provisions of the agreements relating to remuneration are set out below:

Mr D Murcia, Non-executive Chairman

Term of Agreement – unspecified.

Base fee of \$30,000 exclusive of superannuation.

Eligible to participate in the Company's Employee Incentive Scheme.

No termination benefit under any circumstances.

Mr M Bowles and Mr M McKeivitt, Non-executive Directors

Term of Agreement – unspecified.

Base fee of \$30,000 exclusive of superannuation.

Eligible to participate in the Company's Employee Incentive Scheme.

No termination benefit under any circumstances.

Mr M Harden, Chief Geologist

Term of Agreement – unspecified.

Base salary of \$200,000 gross.

Payment of a termination benefit on early termination by the company, other than for gross misconduct, equal to 12 weeks base fee, being payment in lieu of the specified termination notice period.

Eligible to participate in the Company's Employee Incentive Scheme.

Mr B Dunnachie, Company Secretary

Term of Agreement – unspecified.

Base fee of \$36,000.

Payment of a termination benefit on early termination by the company, other than for gross misconduct, equal to 3 months base fee, being payment in lieu of the specified termination notice period.

Eligible to participate in the Company's Employee Incentive Scheme.

14. Shares under Option

Unissued ordinary shares of Alicanto Minerals Limited under option at the date of this report are as follows:

Date Options Granted	Expiry Date	Exercise Price	Number under Option
05 Aug 11	31 Jul 15	\$0.20	5,850,000
05 Aug 11	31 Jul 15	\$0.30	500,000
30 May 12	31 May 16	\$0.20	3,650,000

No option holder has any right under the options to participate in any other share issue of the company or any other entity.

15. Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of these proceedings. The company was not a party to any such proceedings during the year.

Directors' Report

16. Meetings of Directors

The number of directors' meetings held during the financial year that each director who held office during the financial year was eligible to attend and the number of meetings attended by each director were:

Director	Directors Meetings	
	Number Eligible to Attend	Meetings Attended
Mr D Murcia	4	4
Mr M Bowles	4	4
Mr A Cooper	4	3

17. Insurance of Officers

Subsequent to the financial year end, Alicanto Minerals Limited has paid a premium of \$9,324 to insure the directors and secretary of the company and its controlled entities. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

18. Auditors Independent Declaration & Non-Audit Services

The lead auditor's independence declaration for the year ended 30 June 2013 has been received and can be found on page 17 of the directors' report. No fees were paid or payable to the auditors for non-audit services performed during the year ended 30 June 2013.

Signed in accordance with a resolution of the Board of Directors.



Matthew Bowles
Non-Executive Director

Perth, 26 September 2013

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Mike McKevitt, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr McKevitt is a Director of the company. Mr McKevitt has sufficient experience relevant to the style of mineralisation and type of deposits under consideration and to the activity for 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 McKevitt consents to their inclusion in the report of the matters compiled by him in the form and context in which they appear.

26 September 2013

Board of Directors
Alicanto Minerals Limited
181 Roberts Road
SUBIACO WA 6008

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 audit of the financial statements of Alicanto Minerals Limited for the year ended 30 June 2013, 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 audit;
and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

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



Martin Michalik
Director

Financial Statements

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These financial statements are the consolidated financial statements of the consolidated entity consisting of Alicanto Minerals Limited and its subsidiaries. The financial statements are 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
Freemasons Building
181 Roberts Road
Subiaco WA 6008

A description of the nature of the consolidated entity's operations and its principal activities is included in the review of operations and activities on pages 5 to 9 in the directors' report, both of which is not part of these financial statements.

The financial statements were authorised for issue by the directors on 26 September 2013. The company has the power to amend and reissue the financial statements.

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

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2013

	Note	Consolidated 2013 \$	2012 \$
Revenue from continuing operations	3	28,404	-
Administrative costs		(19,500)	(71,559)
Consultancy expense		(132,807)	-
Employee benefits expense		(106,651)	-
Share based payment expenses		-	(413,163)
Compliance and regulatory expenses		(56,397)	(13,420)
Insurance expenses		(19,238)	-
Depreciation expense	4(a)	(210)	-
Finance costs	4(b)	(2,659)	(182)
Exploration expensed	11	(812,293)	(73,069)
Loss before income tax		(1,121,351)	(571,393)
Income tax (expense)/benefit	7(a)	-	-
Loss attributable to owners		(1,121,351)	(571,393)
Other comprehensive income:			
Items that may be reclassified to profit or loss			
- Exchange differences on translation of foreign operations	16(b)	(5,866)	-
Items that will not be classified to profit or loss		-	-
Total comprehensive (loss) attributable to owners		(1,127,217)	(571,393)
Basic earnings/(loss) per share (cents per share)	18	(4.8)	(4.7)
Diluted earnings/(loss) per share (cents per share)	18	N/A	N/A

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

Consolidated Statement of Financial Position

As at 30 June 2013

	Note	Consolidated 2013 \$	2012 \$
Current Assets			
Cash and cash equivalents	8	847,837	233,548
Trade and other receivables	9	11,234	35,121
Total Current Assets		859,071	268,669
Non-Current Assets			
Property, plant and equipment	10	2,985	-
Exploration and evaluation expenditure	11	611,288	-
Total Non-Current Assets		614,273	-
Total Assets		1,473,344	268,669
Current Liabilities			
Trade and other payables	12	94,698	66,560
Provisions	13	13,316	-
Total Current Liabilities		108,014	66,560
Total Liabilities		108,014	66,560
Net Assets		1,365,330	202,109
Equity			
Contributed equity	14	2,650,789	360,351
Reserves	16(c)	407,297	413,163
Accumulated losses		(1,692,756)	(571,405)
Total Equity		1,365,330	202,109

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

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2013

Consolidated	Contributed Equity	Accumulated Losses	Foreign Currency Translation Reserve	Option Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2011	1	(12)	-	-	(11)
Total comprehensive income for the year:					
Loss for the year	-	(571,393)	-	-	(571,393)
	-	(571,393)	-	-	(571,393)
Transactions with owners in their capacity as owners:					
Contributions of equity (net of transaction costs)	-	-	-	-	-
Share based payment transactions	360,350	-	-	413,163	773,513
	360,350	-	-	413,163	773,513
Balance at 30 June 2012	360,351	(571,405)	-	413,163	202,109
Balance at 1 July 2012	360,351	(571,405)	-	413,163	202,109
Total comprehensive income for the year:					
Loss for the year	-	(1,121,351)	-	-	(1,121,351)
Foreign exchange differences	-	-	(5,866)	-	(5,866)
	-	(1,121,351)	(5,866)	-	(1,127,217)
Transactions with owners in their capacity as owners:					
Contributions of equity (net of transaction costs)	2,290,438	-	-	-	2,290,438
Share based payment transactions	-	-	-	-	-
	2,290,438	-	-	-	2,290,438
Balance at 30 June 2013	2,650,789	(1,692,756)	(5,866)	413,163	1,365,330

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

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2013

	Note	Consolidated 2013 \$	2012 \$
Cash Flows from Operating Activities			
Payments to suppliers and employees		(229,548)	(53,721)
Interest received		28,404	-
Payments for exploration and evaluation		(790,956)	(73,069)
Net cash inflow/(outflow) from operating activities	18	(992,100)	(126,790)
Cash Flows from Investing Activities			
Purchase of rights to project areas		(78,000)	-
Purchase of subsidiary (net of cash acquired)	28	(572,854)	-
Purchase of property, plant and equipment		(3,195)	-
Net cash inflow/(outflow) from investing activities		(654,049)	-
Cash Flows from Financing Activities			
Proceeds from issue of shares		2,400,000	228,870
Share issue transaction costs		(139,562)	-
Net cash inflow/(outflow) from financing activities		2,260,438	228,870
Net increase/(decrease) in cash and cash equivalents		614,289	102,080
Cash and cash equivalents at the start of the year		233,548	131,468
Cash and cash equivalents at the end of the year	8	847,837	233,548

Amounts relating to payments to suppliers and employees as set out above are inclusive of goods and services tax. The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to Alicanto Minerals Limited Financial Statements

For the year ended 30 June 2013

1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the financial years presented, unless otherwise stated. These financial statements cover Alicanto Minerals Limited as a consolidated entity consisting of Alicanto Minerals Limited and its subsidiaries ('the consolidated entity' or 'the group').

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements and the *Corporations Act 2001*.

(i) Compliance with IFRS

The financial statements of Alicanto Minerals Limited also comply with Australian Equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes as presented comply with International Financial Reporting Standards (IFRS).

(ii) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available for sale financial assets.

(iii) Going concern

The financial statements have been prepared on the 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 and have sufficient working capital. In arriving at this position, the Directors recognise the Group is dependent on various funding and corporate alternatives to meet these commitments including share placements and or corporate activity in relation to its exploration assets. 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. In the event that the Group does not achieve the matters set out above there is significant uncertainty whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial statements.

(b) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Alicanto Minerals Limited as at 30 June 2013 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities (including special purpose entities) over which the group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations of the group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies of the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of comprehensive income, statement of changes in equity and balance sheet respectively.

(ii) Joint venture entities

A joint venture entity is an entity in which the group holds a long-term interest and which is jointly controlled by the entity and one or more other venturers. Decisions regarding the financial and operating policies essential to the activities, economic performance and financial position of that venture require the consent of each of the venturers that together jointly control the entity.

(iii) Jointly controlled assets

The company has certain contractual arrangements with other participants to engage in joint activities where all significant matters of operating and financial policy are determined by the participants such that the operation itself has no significant independence to pursue its own commercial strategy. These contractual arrangements do not create a joint venture entity due to the fact that the policies are those of the participants, not a separate entity carrying on a trade or a business of its own. The financial statements of the group include its share of the assets, liabilities and cash flows in such joint venture operations, measured in accordance with the terms of each arrangement, which is usually pro-rata to company's interest in the joint venture operations.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors.

Notes to Alicanto Minerals Limited Financial Statements

For the year ended 30 June 2013

1. Summary of Significant Accounting Policies (continued)

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties. Revenue is recognised for the business activities as follows:

(i) Interest income

Interest income is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(e) Income tax

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(f) Leases

Leases of property, plant and equipment where the group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

(g) Impairment of assets

At each reporting date the Board assesses whether there is any indication that an asset may be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(h) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(i) Trade and other receivables

Trade and other receivables are initially recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade and other receivables are generally due for settlement within 30 days. Collectability of trade receivables is reviewed on an ongoing basis. Amounts that are known to be uncollectible are written off by reducing the carrying amount directly.

Notes to Alicanto Minerals Limited Financial Statements

For the year ended 30 June 2013

1. Summary of Significant Accounting Policies (continued)

(j) Exploration and evaluation expenditure

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

(k) Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred.

Depreciation on assets is calculated using the reducing balance method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Plant and equipment - office	40.0%
Furniture and equipment - office	20.0%
Plant and equipment - field	20.0%
Motor vehicles	22.5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(g)). Gains and losses on disposals are determined by comparing proceeds received with the carrying amount. These are included in the statement of comprehensive income.

(l) Intangibles

Acquired minerals rights

Acquired minerals rights comprise exploration and evaluation assets including ore reserves and minerals resources which are acquired as part of:

- business combinations recognised at fair value at the date of acquisition; and
- asset acquisitions recognised at cost.

Acquired minerals rights are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- such costs are expected to be recouped through successful development and exploitation or from sale of the area; or
- exploration and evaluation activities in the area have not, at balance date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or relating to, the area are continuing.

Acquired minerals rights in respect of areas of interest which are abandoned are written off in full against profit in the year in which the decision to abandon the area is made.

For acquired minerals rights in an area of interest that are developed, costs are classified as mine property and development from commencement of development and amortised when commercial production commences on a unit of production basis over the estimated economic reserves of the mine.

(m) Investments and other financial assets

(i) Classification

The company classifies its financial assets as available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at the end of each reporting date.

(ii) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

(iii) Measurement

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

Notes to Alicanto Minerals Limited Financial Statements

For the year ended 30 June 2013

1. Summary of Significant Accounting Policies (continued)

(m) Investments and other financial assets (continued)

(iv) Impairment

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

If there is objective evidence of impairment of available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses on equity instruments that were recognised in profit or loss are not reversed through profit or loss in a subsequent period.

(n) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(o) Provisions

Provisions are recognised when; the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(p) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented in payables.

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as present value of expected future wage payments to be made. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting regardless of when the actual settlement is expected to occur.

(iii) Share-based payments

The company provides benefits to employees (including directors) of the company in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions'). The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of shares of Alicanto Minerals Limited ('market conditions').

(q) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

Notes to Alicanto Minerals Limited Financial Statements

For the year ended 30 June 2013

1. Summary of Significant Accounting Policies (continued)

(r) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after tax effect of interest and other financing costs associated with the dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(s) Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(t) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting year. The group's assessment of the impact of these new standards and interpretations is set out below.

- (i) AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) and AASB 2012-6 Amendments to Australian Accounting Standards- Mandatory Effective Date of AASB 9 and Transition Disclosures (effective 1 January 2015). AASB 9 Financial Instruments addresses the classification and measurement of financial assets and is likely to affect the group's accounting for its financial assets. The standard is not applicable until 1 January 2015 but is available for early adoption. The group is yet to assess its full impact. The group has not yet decided when to adopt AASB 9.
- (ii) AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards (effective 1 January 2013). The Group does not expect to adopt the new standards before their operation date. They would therefore be first applied in the financial statements for the annual reporting period ending 30 June 2014.
- (iii) AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013).
The revised AASB 13 explains how to measure fair value and aims to enhance fair value disclosures. The group has yet to determine which, if any, of its current measurement techniques it will have to change as a result of the new guidance. The group does not intend to adopt the new standard before its operative date being 30 June 2014.

2. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future. The resulting accounting estimates and judgements may differ from the related actual results and may have a significant effect on the carrying amount of assets and liabilities within the next financial year and on the amounts recognised in the financial statements. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Deferred exploration and evaluation expenditure

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at balance sheet date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, refer to the accounting policy stated in note 1(j).

(b) Share based payment transactions

The group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in note 24.

Notes to Alicanto Minerals Limited Financial Statements
For the year ended 30 June 2013

		Consolidated	
		2013	2012
		\$	\$
3. Revenue			
Revenue from continuing operations			
Interest received		28,404	-
Total revenue from continuing operations		28,404	-
4. Loss for the Year			
(a) Depreciation of non-current assets			
Plant and equipment – office		210	-
Total depreciation of non-current assets		210	-
(b) Finance costs			
Interest and finance charges paid or payable		2,659	182
Total finance costs		2,659	182
5. Auditor's Remuneration			
Remuneration of the auditor of the group			
Auditing or reviewing the financial statements		13,486	3,000
Other assurance services		-	-
Non-assurance services		-	10,000
Total auditor remuneration		13,486	13,000
6. Key Management Personnel Compensation			
(a) Summary Key Management Personnel Compensation			
Short-term employee benefits		238,241	-
Post-employment benefits		3,600	-
Share-based payments		-	126,718
Total key management personnel compensation		241,841	126,718
Detailed remuneration disclosures are provided within the audited remuneration report which can be found on pages 11 to 15 of the directors' report.			
(b) Options provided as remuneration and shares issued on exercise of such options			
Details of options provided as remuneration and shares issued on the exercise of such options, together with the terms and conditions of the options, are provided within the audited remuneration report which can be found on pages 11 to 15 of the directors' report.			
(c) Loans to key management personnel			
No loans were made to any director or other key management personnel of the group, including their personally related parties during the financial year.			
(d) Other transactions with key management personnel			
Information relating to other transactions with any director or other key management personnel can be found at note 23.			

Notes to Alicanto Minerals Limited Financial Statements

For the year ended 30 June 2013

6. Key Management Personnel Compensation (continued)

(c) Option Holdings

The number of options over ordinary shares in the company held during the financial year by each director of Alicanto Minerals Limited and other key management personnel of the group, including their personally related parties, are set out below:

	Balance at start of the year	Granted as remuneration	Exercised	Other changes	Balance at end of the year	Vested and exercisable
2013						
Directors of Alicanto Minerals Limited						
Mr D Murcia	500,000	-	-	-	500,000	-
Mr M Bowles	2,000,000	-	-	-	2,000,000	-
Mr A Cooper	100,000	-	-	-	100,000	-
Other key management personnel						
Mr M Harden	-	-	-	1,000,000	1,000,000	-
Mr B Dunnachie	200,000	-	-	-	200,000	-
2012						
Directors of Alicanto Minerals Limited						
Mr D Murcia	-	500,000	-	-	500,000	-
Mr D Riekie	-	350,000	-	(350,000)	-	-
Mr M Bowles	-	2,000,000	-	-	2,000,000	-
Mr A Cooper	-	100,000	-	-	100,000	-
Other key management personnel						
Brett Dunnachie	-	200,000	-	-	200,000	-

(f) Share holdings

The number of shares in the company held during the financial year by each director of Alicanto Minerals Limited and other key management personnel of the group, including their personally related parties, are set out below. There were no shares granted during the year as compensation.

	Balance at the start of the year	Received on exercise of options	Other changes	Balance at the end of the year
2013				
Directors of Alicanto Minerals Limited				
Mr D Murcia	500,000	-	30,000	530,000
Mr M Bowles	2,375,001	-	-	2,375,001
Mr A Cooper	100,000	-	100,000	200,000
Other key management personnel				
Mr M Harden	-	-	350,000	350,000
Mr B Dunnachie	125,000	-	15,000	140,000
2012				
Directors of Alicanto Minerals Limited				
Mr D Murcia	-	-	500,000	500,000
Mr D Riekie	-	-	-	-
Mr M Bowles	1	-	2,375,000	2,375,001
Mr A Cooper	-	-	100,000	100,000
Other key management personnel				
Mr B Dunnachie	-	-	125,000	125,000

Notes to Alicanto Minerals Limited Financial Statements
For the year ended 30 June 2013

		Consolidated	
		2013	2012
		\$	\$
7. Income Tax Expense			
(a) Income tax expense			
Current tax		-	-
Deferred tax		-	-
Total income tax expense		-	-
Deferred income tax expense included in income tax expense comprises:			
- (Increase) in deferred tax assets (note 6(c))		-	-
- Increase in deferred tax liabilities (note 6(d))		-	-
		-	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable			
Profit from continuing operations before income tax expense		(1,121,351)	(571,393)
Tax (tax benefit) at the tax rate of 30%		(336,405)	(171,418)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:			
- Share based payments		-	123,949
- Other non-deductible amounts		25,678	12,986
- Unrecognised tax losses		310,727	34,483
Income tax benefit		-	-
(c) Deferred tax assets			
Tax losses ^A		-	-
Employee benefits		-	-
Other accruals		-	-
		-	-
Set-off deferred tax liabilities (note 6(d))		-	-
Net deferred tax assets		-	-
(d) Deferred tax liabilities			
Exploration expenditure		-	-
Other		-	-
		-	-
Set-off deferred tax assets (note 6(c))		-	-
Net deferred tax liabilities		-	-
(e) Tax losses			
Unused tax losses for which no deferred tax asset has been recognized		1,150,701	114,943
Potential tax benefit at 30%		345,210	34,483
(f) Unrecognised temporary differences			
Unrecognised deferred tax asset relating to capital raising costs		27,912	-

A: The deferred tax asset attributable to tax losses does not exceed taxable amounts arising from the reversal of existing assessable temporary differences.

Notes to Alicanto Minerals Limited Financial Statements
For the year ended 30 June 2013

		Consolidated	
		2013	2012
		\$	\$
8. Cash & Cash Equivalents			
(a) Total cash and cash equivalents			
Cash at bank and in hand	847,837	233,548	
Total cash and cash equivalents	847,837	233,548	
(b) Cash at bank and on hand			
Cash on hand is non-interest bearing. Cash at bank bears interest rates between 0.00% and 2.60% (2012: 0.00%).			
9. Trade & Other Receivables			
(a) Current			
Other receivables	11,234	-	
Prepayments	-	35,121	
Total current trade and other receivables	11,234	35,121	
(b) Past due and impaired receivables			
As at 30 June 2013, there were no other receivables that were past due or impaired (2012: nil).			

		Consolidated		Total
		Plant & Equipment	Office	
		\$	\$	\$
10. Property, Plant and Equipment				
Year ended 30 June 2012				
Opening net book amount	-	-	-	-
Additions	-	-	-	-
Disposals/write-offs	-	-	-	-
Depreciation charge	-	-	-	-
Closing net book amount	-	-	-	-
At 30 June 2012				
Cost or fair value	-	-	-	-
Accumulated depreciation	-	-	-	-
Net book amount	-	-	-	-
Year ended 30 June 2013				
Opening net book amount	-	-	-	-
Additions	3,195	3,195	-	3,195
Disposals/write-offs	-	-	-	-
Depreciation charge	(210)	(210)	-	(210)
Closing net book amount	2,985	2,985	-	2,985
At 30 June 2013				
Cost or fair value	3,195	3,195	-	3,195
Accumulated depreciation	(210)	(210)	-	(210)
Net book amount	2,985	2,985	-	2,985

Notes to Alicanto Minerals Limited Financial Statements
For the year ended 30 June 2013

	2013	Consolidated	2012
	\$		\$
11. Exploration & Evaluation Expenditure			
(a) Non-current			
Opening balance	-		-
Acquired minerals rights	611,288		-
Exploration and evaluation costs	812,293		-
Write-offs/provisions	(812,293)		-
Divestment of projects	-		-
Effect of exchange rates	-		-
Total non-current exploration and evaluation expenditure	611,288		-
(b) Recoverability of capitalised costs			
Exploration expenditure is expensed as incurred.			
Acquired minerals rights are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:			
- Such costs are expected to be recouped through successful development and exploitation or from sale of the area: or			
- Exploration and evaluation activities in the area have not, at balance date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or relating to, the area are continuing.			
Acquired minerals rights in respect of areas of interest which are abandoned are written off in full against profit in the year in which the decision to abandon the area is made.			

	2013	Consolidated	2012
	\$		\$
12. Trade & Other Payables			
Current			
Trade payables	94,698		66,560
Total current trade & other payables	94,698		66,560
No trade or other payables are considered past due.			
13. Provisions			
Current			
Employee entitlements	13,316		-
Total current provisions	13,316		-

Notes to Alicanto Minerals Limited Financial Statements
For the year ended 30 June 2013

	2013 Shares	Consolidated 2012 Shares	2013 \$	Consolidated 2012 \$
14. Contributed Equity				
(a) Issued capital				
Ordinary shares (fully paid)	26,000,001	13,850,001	2,650,789	360,351
Total contributed equity	26,000,001	13,850,001	2,650,789	360,351
(b) Ordinary Shares				
Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held and in proportion to the amount paid up on the shares held. At shareholders meetings each ordinary share is entitled to one vote in proportion to the paid up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands.				
(c) Options				
Information relating to options including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year, is set out in note 15.				

	Date	Shares	Issue Price	Total \$
14. Contributed Equity				
(d) Movements in issued capital				
Opening Balance 1 July 2011		1		1
Share issue	5 Aug 11	10,350,000	\$0.001	10,350
Share issue	12 Aug 11	3,000,000	\$0.100	300,000
Share issue	30 May 12	500,000	\$0.100	50,000
Less: Transaction costs				-
Closing Balance at 30 June 2012		13,850,001		360,351
Opening Balance 1 July 2012		13,850,001		360,351
Share issue	11 Sep 12	12,000,000	\$0.200	2,400,000
Share issue	11 Sep 12	150,000	\$0.200	30,000
Less: Transaction costs				(139,562)
Closing Balance at 30 June 2013		26,000,001		2,650,789

Expiry date	Exercise price	Balance at start of year	Granted during the year	Exercised during the year	Cancelled/ lapsed during the year	Balance at end of the year
15. Share Options						
(a) 2013 unlisted share option details						
31 Jul 15	\$0.20	5,850,000	-	-	-	5,850,000
31 Jul 15	\$0.30	500,000	-	-	-	500,000
31 May 16	\$0.20	3,650,000	-	-	(100,000)	3,550,000
		10,000,000	-	-	(100,000)	9,900,000
Weighted average exercise price	\$0.20	-	-	-	\$0.20	\$0.20
(b) 2012 unlisted share option details						
31 Jul 15	\$0.20	-	6,200,000	-	(350,000)	5,850,000
31 Jul 15	\$0.30	-	500,000	-	-	500,000
31 May 16	\$0.20	-	3,650,000	-	-	3,650,000
		-	10,350,000	-	(350,000)	10,000,000
Weighted average exercise price	-	\$0.20	-	-	\$0.20	\$0.20

Notes to Alicanto Minerals Limited Financial Statements
For the year ended 30 June 2013

		Consolidated	
		2013	2012
		\$	\$
16. Reserves			
(a) Unlisted option reserve			
Opening balance		413,163	-
Unlisted options issued as remuneration during the year		-	413,163
Closing balance		413,163	413,163
The unlisted option reserve records items recognised on valuation of director, employee and contractor share options. Information relating to options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year, is set out in note 15.			
(b) Functional currency translation reserve			
Opening balance		-	-
Exchange differences arising on translation of foreign operations		(5,866)	-
Closing balance		(5,866)	-
Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve. The reserve is recognised in the statement of comprehensive income when the net investment is disposed of.			
(c) Total reserves			
Unlisted option reserve		413,163	413,163
Exchange differences arising on translation of foreign operations		(5,866)	-
Closing balance		407,297	413,163

17. Financial Instruments, Risk Management Objectives and Policies

The Consolidated Entity's principal financial instruments comprise cash and cash equivalents. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the group. The Consolidated Entity also has other financial instruments such as trade and other receivables and trade and other payables which arise directly from its operations. For the year under review, it has been the Consolidated Entity's policy not to trade in financial instruments.

The main risks arising from the Consolidated Entity's financial instruments are interest rate risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

(a) **Interest Rate Risk**

The Groups exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities comprises:

Consolidated	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest	Non- interest Bearing	2013 Total
2013	%	\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	2.17	707,067	-	140,770	847,837
Trade & other receivables (current)	0.00	-	-	11,234	11,234
		707,067	-	152,004	859,071
Financial Liabilities					
Trade and other payables (current)	0.00	-	-	94,698	94,698
		-	-	94,698	94,698

Notes to Alicanto Minerals Limited Financial Statements

For the year ended 30 June 2013

17. Financial Instruments, Risk Management Objectives and Policies (continued)

Consolidated	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest	Non- interest Bearing	2012 Total
	%	\$	\$	\$	\$
2012					
Financial assets					
Cash and cash equivalents	0.00	-	-	233,548	233,548
Trade & other receivables (current)	0.00	-	-	35,121	35,121
		-	-	268,669	268,669
Financial Liabilities					
Trade and other payables (current)	0.00	-	-	66,560	66,560
		-	-	66,560	66,560

The maturity date for all cash, trade & other receivable and trade and payable financial instruments included in the above tables is one year or less from balance date. The maturity for the non-current trade and other receivables is between 1 and 3 years from balance date.

Sensitivity analysis

The Consolidated Entity's main interest rate risk arises from cash and cash equivalents with variable and fixed interest rates. At 30 June 2013 the group's exposure to interest rate risk is not considered material.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The group does not have any significant credit risk exposure to any single counterparty or any company of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the company's maximum exposure to credit risk.

(c) Liquidity risk

The group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Due to the dynamic nature of the underlying businesses, the group aims at ensuring flexibility in its liquidity profile by maintaining the ability to undertake capital raisings. Funds in excess of short term operational cash requirements are generally only invested in short term bank bills.

		Consolidated	
		2013	2012
		\$	\$
18. Earnings per Share			
(a) Earnings/(Loss)			
Earnings/(loss) used in the calculation of basic EPS		(1,121,351)	(571,393)
(b) Weighted average number of ordinary shares ("WANOS")			
WANOS used in the calculation of basic earnings per share:		23,603,751	12,035,418
19. Cash Flow Information			
Reconciliation of cash flows from operating activities with loss from ordinary activities after tax:			
Profit/(loss) from ordinary activities after income tax		(1,121,351)	(571,393)
Depreciation		210	-
Share based payments		-	413,163
Net exchange differences		(5,866)	-
Changes in assets and liabilities:			
- Decrease/(Increase) in operating receivables & prepayments		93,452	(35,120)
- (Increase) in capitalised exploration		-	-
- (Decrease)/Increase in trade and other payables		41,455	66,560
Net cash (outflows) from Operating Activities		(992,100)	(126,790)

Notes to Alicanto Minerals Limited Financial Statements

For the year ended 30 June 2013

	2013	Consolidated 2012
	\$	\$
20. Commitments		
Exploration commitments		
Not longer than one year	-	-
Longer than one year, but not longer than five years	-	-
Longer than five years	-	-
Total exploration commitments	-	-

In order to maintain rights of tenure to mining tenements subject to these agreements, the group would have the above discretionary exploration expenditure requirements up until expiry of leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable per the above maturities. If the group decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the balance sheet may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

21. Segment Information

(a) Description of segments

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 two operating segments, being exploration for mineral reserves and the corporate/head office function in Australia.

(b) Segment information provided to the board of directors

The segment information provided to the board of directors for the reportable segments for the year ended 30 June 2013 is as follows:

	Exploration Guyana \$	Australia \$	Corporate \$	Total \$
2013				
Total segment revenue	-	-	28,404	28,404
Interest revenue	-	-	28,404	28,404
Depreciation and amortisation expense	-	-	(210)	(210)
Total segment (loss) before income tax	(388,058)	(424,235)	(309,058)	(1,121,351)
Total segment assets	668,964	-	804,380	1,473,344
Total segment liabilities	44,987	-	63,027	108,014
2012				
Total segment revenue	-	-	-	-
Interest revenue	-	-	-	-
Depreciation and amortisation expense	-	-	-	-
Total segment (loss) before income tax	(73,069)	-	(498,324)	(571,393)
Total segment assets	-	-	268,669	268,669
Total segment liabilities	-	-	66,560	66,560

(c) Measurement of segment information

All information presented in part (b) above is measured in a manner consistent with that in the financial statements.

(d) Segment revenue

No inter-segment sales occurred during the current financial year. The entity is domiciled in Australia. No revenue was derived from external customers in countries other than the country of domicile. Revenues of \$28,404 (\$2012: \$nil) were derived from two Australian financial institutions during the year. These revenues are attributable to the corporate segment.

(e) Reconciliation of segment information

Total segment revenue, total segment profit/(loss) before income tax, total segment assets and total segment liabilities as presented in part (b) above, equal total entity revenue, total entity profit/(loss) before income tax, total entity assets and total entity liabilities respectively, as reported within the financial statements.

Notes to Alicanto Minerals Limited Financial Statements

For the year ended 30 June 2013

22. Events Occurring After the Balance Sheet Date

On 28 August 2013 Mr Anthony Cooper resigned as Non-Executive Director and Mr Michael McKevitt was appointed to this position.

There are no further material events subsequent to balance date.

23. Related Party Information

(a) Parent entity

The ultimate parent entity within the group is Alicanto Minerals Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in note 26.

(c) Key management personnel

Disclosures relating to key management personnel are set out in note 6.

(d) Transactions with Director Related Parties

The following transactions occurred with related parties:

	2013 \$	Consolidated 2012 \$
Recharges from director related entities:		
Recharge of costs by Gryphon Minerals Limited	104,674	-
Purchases from director related entities		
Purchases for legal services from Murcia Pestell Hilliard Lawyers	34,881	-
Outstanding balances arising from recharges/purchases with Director Related Parties:		
Current payables	1,098	-

(e) Terms and conditions of related party transactions

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

24. Share Based Payments

(a) Fair value of listed options granted

The fair value of listed options granted is calculated as the market value prevailing at the date on which the options are authorised for issue. No listed options were issued during the year.

(b) Fair value of unlisted options granted

The weighted average fair value of the options granted during the year was Nil (2012: 3.99 cents). The price was calculated by using the Black-Scholes European Option Pricing Model applying the following inputs:

Weighted average exercise price:	N/A (2012: 20.5 cents)
Weighted average life of the option:	N/A (2012: 4.0 years)
Weighted average underlying share price:	N/A (2012: 10.0 cents)
Expected share price volatility:	N/A (2012: 85.00%)
Risk free interest rate between:	N/A (2012: 4.7% and 5.4%)

Peer volatility has been the basis for determining expected share price volatility as it assumed that this is indicative of future tender, which may not eventuate. The life of the options is based on historical exercise patterns, which may not eventuate in the future. Total share-based payment transactions recognised during the year were as set out below. Details of other options movements and balances are set out in Note 15.

	2013 \$	Consolidated 2012 \$
Unlisted options		
Options issued to directors, employees and consultants	-	413,163

25. Contingent Liabilities

There are no contingent liabilities outstanding at the end of the year.

Notes to Alicanto Minerals Limited Financial Statements

For the year ended 30 June 2013

26. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name of entity	Country of incorporation	Class of shares	Equity Holding ^A	
			2013 %	2012 %
Alicanto Minerals WA Pty Ltd	Australia	Ordinary	100	-
StrataGold Guyana Inc.	Guyana	Ordinary	100	-

A: The proportion of ownership interest is equal to the proportion of voting power held.

		Company	
		2013	2012
		\$	\$
27. Parent Entity Information			
(a) Assets			
Current assets		801,395	268,669
Non-current assets		1,215,220	-
Total assets		2,016,615	268,669
(b) Liabilities			
Current liabilities		63,027	66,560
Non-current liabilities		-	-
Total liabilities		63,027	66,560
(c) Equity			
Contributed equity		2,650,789	360,351
Reserves		413,163	413,163
Accumulated losses		(1,110,364)	(571,405)
Total equity		1,953,588	202,109
(d) Total comprehensive income/(loss) for the year			
Profit/(loss) for the year		(538,959)	(571,393)
Other comprehensive income for the year		-	-
Total comprehensive income/(loss) for the year		(538,959)	(571,393)
(e) Capital commitments			
Not longer than one year		-	-
Longer than one year, but not longer than five years		-	-
Longer than five years		-	-
Total capital commitments		-	-
The parent entity has not guaranteed any loans for any entity during the year.			

Notes to Alicanto Minerals Limited Financial Statements

For the year ended 30 June 2013

28. Business combination

(a) Summary of acquisition

On 14 April 2013 Alicanto Minerals Ltd, acquired 100% of the issued capital of StrataGold Inc. The acquired business contributed a loss of \$Nil to the group for the period 14 April 2013 to 30 June 2013.

Details of the purchase consideration, the net assets acquire and goodwill are as follows:

	\$
Purchase consideration:	
Cash paid (refer to (b) below)	572,854
Total purchase consideration	572,854

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair Value \$
Cash	-
Other receivables	229
Trade and other payables	(38,662)
Mineral rights acquired	611,287
Total purchase consideration	572,854
Goodwill	-

(b) Purchase consideration – cash outflow

	2013 \$
Outflow of cash to acquire subsidiary, net of cash acquired:	
Cash consideration	572,854
Less: cash acquired	-
Outflow of cash	572,854
Acquisition-related costs	
Acquisition-related costs of \$53,951 are included in profit or loss and in operating cash flows in the statement of cash flows.	

Director's Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 19 to 39 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the financial position as at 30 June 2013 and of its performance for the financial year ended on that date; and
- (b) the audited remuneration disclosures set out on pages 11 to 15 of the directors' report comply with section 300A of the *Corporations Act 2001*; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (d) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

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



Matthew Bowles
Non-Executive Director

Perth, Western Australia, 26 September 2013

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

Report on the Financial Report

We have audited the accompanying financial report of Alicanto Minerals Limited, which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of profit or loss and comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entity it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the Financial Report

The directors of the company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In note 1 (a) (i), the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Opinion

In our opinion:

- (a) the financial report of Alicanto Minerals Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) the consolidated financial report of the Company also complies with International Financial Reporting Standards as disclosed in note 1 (a) (i).

Inherent uncertainty regarding going concern

Without qualification to the audit opinion expressed above, attention is drawn to the following matters:

As referred to in note 1 (a) (iii) to the financial statements, the financial statements have been prepared on a going concern basis. At 30 June 2013 the entity had cash and cash equivalents of \$847,837 and net working capital of \$751,057. The entity had incurred an operating loss for the year ended 30 June 2013 of \$1,121,351.

The ability of the Company to continue as a going concern and meet its planned exploration, administration, and other commitments is dependent upon the Company raising further working capital, and/or successfully exploiting its mineral assets. In the event that the entity cannot raise further equity, the entity may not be able to meet their liabilities as they fall due and the realisable value of the entity's non-current assets may be significantly less than book values.

Report on the Remuneration Report

We have audited the remuneration report included in pages 11 to 15 of the directors' report for the year ended 30 June 2013. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards

Opinion

In our opinion the remuneration report of Alicanto Minerals Limited for the year ended 30 June 2013 complies with section 300 A of the *Corporations Act 2001*.

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
26 September 2013

Additional Shareholder Information

Shareholding

The distribution of members and their holdings of equity securities in the holding company as at 21 September 2013 were as follows:

Number Held as at 21 September 2013	Class of Equity Securities Fully Paid Ordinary Shares
1- 1,000	3
1,001 - 5,000	12,200
5,001 - 10,000	815,000
10,001 - 100,000	5,525,000
100,001 and above	19,647,798
	26,000,001

Holders of less than a marketable parcel: 2.

Substantial Shareholders

The names of the substantial shareholders listed on the company's register as at 21 September 2013:

Shareholder	Number
Symorgh Investments Pty Ltd	2,650,000
Atlantic Capital Pty Ltd	2,375,001
Mctavish Industries Pty Ltd	2,350,000

Voting Rights - Ordinary Shares

In accordance with the holding company's Constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.

Options

	Exercise price	Expiry date	Number of options	Number of holders
Unlisted options	\$0.20	31 July 2015	5,850,000	8
Unlisted options	\$0.30	31 July 2015	500,000	1
Unlisted options	\$0.20	31 May 2016	3,550,000	12

Restricted securities

Class of security	Number of securities	Restriction end date
Fully paid ordinary shares	11,642,500	19 September 2014
Unlisted options 31 July 2015 at \$0.20	5,300,000	19 September 2014
Unlisted options 31 July 2015 at \$0.30	500,000	19 September 2014
Unlisted options 31 May 2016 at \$0.20	3,310,000	19 September 2014

ASX Listing Rule 4.10.19

In accordance with Listing Rule 4.10.19, the company states that it has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives. The business objective is primarily mineral exploration.

Additional Shareholder Information (continued)

Twenty Largest Shareholders

The names of the twenty largest ordinary fully paid shareholders as at 21 September 2013 are as follows:

Shareholder	Number	% Held of Issued Ordinary Capital
Atlantic Capital Pty Ltd	2,375,001	9.13%
Mctavish Industries Pty Ltd	2,350,000	9.04%
Symorgh Investments Pty Ltd	2,317,500	8.91%
Midbridge Investments Pty Ltd	810,000	3.12%
Tower Corporate Pty Ltd	724,000	2.78%
Digrevni Investments Pty Ltd	500,000	1.92%
NLK Pty Ltd	500,000	1.92%
UBS Wealth Management Australia Nominees	500,000	1.92%
Ekul Nominees Pty Ltd	410,000	1.58%
Westoria Resource Investments Limited	400,000	1.48%
Seventy Three Pty Ltd	386,000	1.44%
Brian Bates	375,000	1.44%
Mark Drummond	375,000	1.44%
Marcus Harden	350,000	1.35%
Wilhaja Pty Ltd	325,000	1.25%
Mellen Events Pty Ltd	318,000	1.22%
Mann Super Pty Ltd	310,000	1.19%
Sidan Enterprises Pty Ltd	305,000	1.17%
JR & AJ Parkman	297,800	1.15%
Symorgh Investments Pty Ltd	290,000	1.12%
	14,218,301	54.67%

Corporate Governance Statement

Corporate Governance

The Company is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve the Company has turned to the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations. The Company is pleased to advise that the Company's practices are largely consistent with those ASX guidelines. As consistency with the guidelines has been a gradual process, where the Company did not have certain policies or committees recommended by the ASX Corporate Governance Council (the Council) in place during the reporting period, we have identified such policies or committees.

Where the Company's corporate governance practices do not correlate with the practices recommended by the Council, the Company is working towards compliance however it does not consider that all the practices are appropriate for the Company due to the size and scale of Company operations.

To illustrate where the Company has addressed each of the Council's recommendations, the following table cross-references each recommendation with sections of this report. The table does not provide the full text of each recommendation but rather the topic covered.

Recommendation	Section
Recommendation 1.1 Functions of the Board and Management	1.1
Recommendation 1.2 Evaluation of Board, Directors and Key Executives	1.4.10
Recommendation 1.3 Reporting on Principle 1	1.1 and 1.4.10
Recommendation 2.1 Independent Directors	1.2 and 1.3
Recommendation 2.2 Independent Chairman	1.2 and 1.3
Recommendation 2.3 Role of the Chairman and CEO	1.2 and 1.3
Recommendation 2.4 Establishment of Nomination Committee	2.3
Recommendation 2.5 Evaluation of Board, Committees and Directors	1.4.10
Recommendation 2.6 Reporting on Principle 2	1.2, 1.4.6, 1.4.10, 2.3.1 and the Directors' Report
Recommendation 3.1 Code of Conduct	4
Recommendation 3.2 Diversity Policy	3.2
Recommendation 3.3 Measurable Objectives for Gender Diversity	3.3
Recommendation 3.4 Disclosure of Diversity	3.4
Recommendation 3.5 Reporting on Principle 3	3.2, 3.3 and 3.4
Recommendation 4.1 Establishment of Audit Committee	2.1
Recommendation 4.2 Structure of Audit Committee	2.1.2
Recommendation 4.3 Audit Committee Charter	2.1
Recommendation 4.4 Reporting on Principle 4	2.1 and 2.1.2
Recommendation 5.1 Policy for Compliance with Continuous Disclosure	1.4.4
Recommendation 5.2 Reporting on Principle 5	1.4.4
Recommendation 6.1 Communications Strategy	1.4.8
Recommendation 6.2 Reporting on Principle 6	1.4.8
Recommendation 7.1 Policies on Risk Oversight and Management	2.1.3
Recommendation 7.2 Managing and Implementing Risk Management	2.1.3
Recommendation 7.3 Attestations by CEO and CFO	2.1.3
Recommendation 7.4 Reporting on Principle 7	2.1.3
Recommendation 8.1 Establishment of Remuneration Committee	2.2
Recommendation 8.2 Executive and Non-Executive Director Remuneration	2.2.3.1 and 2.2.3.2
Recommendation 8.3 Reporting on Principle 8	1.2, 2.2.1 and 2.2.3.2

Corporate Governance Statement (continued)

1. Board

1.1 Role of the Board

The Board's role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

In carrying out its governance role, the main task of the Board is to drive the performance of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body. The Board has the final responsibility for the successful operations of the Company.

To assist the Board carry out its functions, the Company has adopted a Board Charter. A copy is available for inspection on the Company's website.

1.2 Composition of the Board

To add value to the Company the Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties given its current size and scale of operations. The names of the Directors and their qualifications and experience are stated in the Directors' Report along with the term of office held by each of the Directors. Directors are appointed based on the specific skills required by the Company and on their decision-making and judgment skills.

The Company recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer. Mr D Murcia and Mr M McKeivitt are Non-Executive Directors, and are independent directors as they meet the following criteria for independence adopted by the Company.

An Independent Director is a Non-Executive Director and:

- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- within the last three years has not been employed in an executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment;
- within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member. Or an employee materially associated with the service provided;
- is not a material supplier or customer of the Company or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has no material contractual relationship with the Company or other group member other than as a Director of the Company;
- has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

Material is defined as being where the relationship accounts for more than two percent of gross expenditure per annum of the Company.

Mr D Murcia is the Non-Executive Chairman of the Company and meets the Company's criteria for independence. His experience and knowledge of the Company makes his contribution to the Board such that it is appropriate for him to remain on the Board.

Mr A McKeivitt is a Non-Executive Director of the Company and meets the Company's criteria for independence. His experience and knowledge of the Company makes his contribution to the Board such that it is appropriate for him to remain on the Board.

Mr M Bowles is a Non-Executive Director of the Company and does not meet the Company's criteria for independence. However his experience and knowledge of the Company makes his contribution to the Board such that it is appropriate for him to remain on the Board.

The Company currently has a majority of the Board independent. The Board currently comprises of two independent Directors and one non-independent Director. Due to the size of the Company and the experience of the Directors, the Company believes that the current composition of the Board remains appropriate.

Corporate Governance Statement (continued)

1.3 Responsibilities of the Board

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following.

- **Leadership of the Organisation:** overseeing the Company and establishing codes that reflect the values of the Company and guide the conduct of the Board.
- **Strategy Formulation:** to set and review the overall strategy and goals for the Company and ensuring that there are policies in place to govern the operation of the Company.
- **Overseeing Planning Activities:** the development of the Company's strategic plan.
- **Shareholder Liaison:** ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of the Company.
- **Monitoring, Compliance and Risk Management:** the development of the Company's risk management, compliance, control and accountability systems and monitoring and directing the financial and operational performance of the Company.
- **Company Finances:** approving expenses and approving and monitoring acquisitions, divestitures and financial and other reporting.
- **Human Resources:** appointing, and, where appropriate, removing the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) as well as reviewing the performance of the CEO and monitoring the performance of senior management in their implementation of the Company's strategy.
- **Ensuring the Health, Safety and Well-Being of Employees:** in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to ensure the well-being of all employees.
- **Delegation of Authority:** delegating appropriate powers to the CEO to ensure the effective day-to-day management of the Company and establishing and determining the powers and functions of the Committees of the Board.

Full details of the Board's role and responsibilities are contained in the Board Charter, a copy of which is available for inspection on the Company's website.

1.4 Board Policies

1.4.1 Conflicts of Interest

Directors must:

- disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Company; and
- if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot or is unwilling to remove a conflict of interest then the Director must, as per the Corporations Act, absent himself or herself from the room when discussion and/or voting occurs on matters about which the conflict relates.

1.4.2 Commitments

Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company.

1.4.3 Confidentiality

In accordance with legal requirements and agreed ethical standards, Directors and key executives of the Company have agreed to keep confidential, information received in the course of the exercise of their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

Corporate Governance Statement (continued)

1.4.4 Continuous Disclosure

The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the ASX Listing Rules the Company immediately notifies the ASX of information:

- concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

The Company has a Continuous Disclosure Policy which is available for inspection on the Company's website.

1.4.5 Education and Induction

It is the policy of the Company that new Directors undergo an induction process in which they are given a full briefing on the Company. Where possible this includes meetings with key executives, tours of the premises, an induction package and presentations. Information conveyed to new Directors include:

- details of the roles and responsibilities of a Director;
- formal policies on Director appointment as well as conduct and contribution expectations;
- access to a copy of the Board Charter;
- guidelines on how the Board processes function;
- details of past, recent and likely future developments relating to the Board;
- background information on and contact information for key people in the organisation;
- an analysis of the Company;
- a synopsis of the current strategic direction of the Company; and
- a copy of the Constitution of the Company.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. Specifically, Directors are provided with the resources and training to address skills gaps where they are identified.

1.4.6 Independent Professional Advice

The Board collectively and each Director has the right to seek independent professional advice at the Company's expense, up to specified limits, to assist them to carry out their responsibilities.

1.4.7 Related Party Transactions

Related party transactions include any financial transaction between a Director and the Company. Unless there is an exemption under the Corporations Act from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction.

1.4.8 Shareholder Communication

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to:

- communicating effectively with shareholders through releases to the market via ASX, information mailed to shareholders and the general meetings of the Company;
- giving shareholders ready access to balanced and understandable information about the Company and corporate proposals;
- making it easy for shareholders to participate in general meetings of the Company; and
- requesting the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company. The Company has a Shareholder Communication Policy which is available for inspection on the Company's website.

1.4.9 Trading in Company Shares

The Company has had a formal Share Trading Policy in place since August 2011. A copy of the policy is available for inspection on the Company's website.

Corporate Governance Statement (continued)

1.4.10 Performance Review/Evaluation

It is the policy of the Board to conduct annual evaluations of its effectiveness and that of individual Directors. Each Directors performance is appraised personally by the Chairman and in a meeting led by another Director, the Chairman's performance is assessed.

The evaluation process in the current year was overseen by the Chairman. The evaluation process of the Chairman was led by the other Non-Executive Director in conjunction with the Managing Director. The objective of this evaluation is to provide best practice corporate governance to the Company.

2. Board Committees

2.1 Audit and Risk Committee

Due to the size and scale of operations of the Company the full Board undertakes the role of the Audit and Risk Committee. The company has adopted a formal Charter which is available for inspection on the company's website. Below is a summary of the role and responsibilities of an Audit Committee.

2.1.1 Role

The Audit and Risk Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors.

As the whole Board only consists of three (3) members, the Company does not have an audit and risk committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues and an audit committee cannot be justified based on a cost-benefit analysis. However, in accordance with the ASX Listing Rules, the Company is moving towards establishing an audit committee consisting primarily of Independent Directors.

In the absence of an audit and risk committee, the Board sets aside time to deal with issues and responsibilities usually delegated to the audit and risk committee to ensure the integrity of the financial statements of the Company and the independence of the external auditor

2.1.2 Responsibilities

The Audit and Risk Committee reviews the audited annual and half-yearly financial statements and any reports which accompany published financial statements and recommends their approval to the members.

The Audit and Risk Committee each year reviews the appointment of the external auditor, their independence, the audit fee, and any questions of resignation or dismissal.

The Audit and Risk Committee or is also responsible for establishing policies on risk oversight and management.

2.1.3 Risk Management Policies

The Board's Charter clearly establishes that it is responsible for ensuring there is a good sound system for overseeing and managing risk. Due to the size and scale of operations, risk management issues are considered by the Board as a whole.

A risk management plan has been developed and implemented by Alicanto. The plan provides a framework for systematically understanding and identifying the types of business risks threatening Alicanto as whole and specific business activities within the Company. A risk register has been developed through the implementation and review of the risk management plan which has identified material business risk of the Company. The risk register also provides the controls in place to mitigate the material business risks and managements assessment of residual risk.

The board believes that it has a thorough understanding of the Company's key risks and is managing them appropriately. The board is responsible for reviewing annually its risk management system. This includes reviewing operational, financial, compliance, systems and risk management procedures. The directors confirm they have completed their annual review for 2013. A copy of the company's risk management statement is available from the corporate governance section of the company's website.

On 26 September 2013 Mr Matthew Bowles (Non-Executive Director) and Mr Brett Dunnachie (Company Secretary) provided the Board with a declaration in accordance with S295A of the Corporations Act that the financial statements are founded on a sound system of risk management and internal compliance. Their statement assured the Board that the risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

Corporate Governance Statement (continued)

2.2 Remuneration Committee

2.2.1 Role

The role of a Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees.

As the whole Board only consists of three (3) members, the Company does not have a remuneration committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues. The company has adopted a Remuneration Committee Charter which is available for inspection on the company's website.

2.2.2 Responsibilities

The responsibilities of a Remuneration Committee, or the full Board include setting policies for senior officers' remuneration, setting the terms and conditions of employment for the Chief Executive Officer, reviewing and making recommendations to the Board on the Company's incentive schemes and superannuation arrangements, reviewing the remuneration of both Executive and Non-Executive Directors and making recommendations on any proposed changes and undertaking reviews of the Chief Executive Officer's performance, including, setting with the Chief Executive Officer goals and reviewing progress in achieving those goals.

2.2.3 Remuneration Policy

The non-executive directors' remuneration were agreed in Non-Executive Services Agreements. The agreements were dated 7 October 2011 for Mr M Bowles, 30 May 2012 for Mr D Murcia and 28 August 2013 for Mr D McKevitt.

2.2.3.1 Senior Executive Remuneration Policy

The Company is committed to remunerating its senior executives in a manner that is market-competitive and consistent with best practice as well as supporting the interests of shareholders. Consequently, under the Senior Executive Remuneration Policy the remuneration of senior executive may be comprised of the following:

- fixed salary that is determined from a review of the market and reflects core performance requirements and expectations;
- participation in any share/option scheme with thresholds approved by shareholders;
- statutory superannuation.

By remunerating senior executives through performance and long-term incentive plans in addition to their fixed remuneration the Company aims to align the interests of senior executives with those of shareholders and increase Company performance.

The value of shares and options were they to be granted to senior executives would be calculated using the Black and Scholes method.

The objective behind using this remuneration structure is to drive improved Company performance and thereby increase shareholder value as well as aligning the interests of executives and shareholders.

The Board may use its discretion with respect to the payment of bonuses, stock options and other incentive payments.

2.2.3.2 Non-Executive Director Remuneration Policy

Non-Executive Directors are to be paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of Non-Executive Directors. Non-Executive Directors do not receive performance based bonuses however they do participate in option schemes. Non-Executive Directors are entitled to but not necessarily paid statutory superannuation. Non-Executive Directors are not provided with any retirement benefits other than superannuation.

2.2.4 Current Director Remuneration

Full details regarding the remuneration of Directors, is included in the Directors' Report.

Corporate Governance Statement (continued)

2.3 Nomination Committee

2.3.1 Role

The role of a Nomination Committee is to help achieve a structured Board that adds value to the Company by ensuring an appropriate mix of skills and diversity are present in Directors on the Board at all times. The company has adopted a Nomination Committee Charter and a Diversity Policy which is available for inspection on the company's website.

As the whole Board only consists of three (3) members, the Company does not have a nomination committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues.

2.3.2 Responsibilities

The responsibilities of a Nomination Committee would include devising criteria for Board membership, regularly reviewing the need for various skills and experience on the Board and identifying specific individuals for nomination as Directors for review by the Board. The Nomination Committee would also oversee management succession plans including the CEO and his/her direct reports and evaluate the Board's performance and make recommendations for the appointment and removal of Directors. Currently the Board as a whole performs this role.

2.3.3 Criteria for selection of Directors

Directors are appointed based on the specific governance skills required by the Company and ensuring an appropriate mix of skills and diversity are present. Given the size of the Company and the business that it operates, the Company aims at all times to have at least one Director with experience appropriate to the Company's target market. In addition, Directors should have the relevant blend of personal experience in accounting and financial management and Director-level business experience.

3. Diversity

3.1 Diversity and inclusion

Alicanto and all its related bodies corporate are committed to workplace diversity in relation to genders, age, ethnicity and cultural background. The Company recognises the benefits arising from employee and Board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent. Diversity includes, but is not limited to, gender, age, ethnicity and cultural background

3.2 Diversity Policy

The Company has developed a Diversity Policy during the current period which was formally adopted in May 2012. A copy of the policy is available for inspection on the Company's website

3.3 Measurable Objectives for Gender Diversity

Due to the size and nature of the company's operations, Alicanto has yet to establish measurable objectives for gender diversity.

3.4 Proportion of women employees and board members

As at 30 June 2013, the proportion of women on the Board and in senior management positions was nil. The proportion of women in our overall workforce was 13%.

4. Company Code of Conduct

The Company has had a formal Corporate Code of Conduct in place since August 2011. A copy of the Corporate Code of Conduct is available for inspection on the Company's website.

Tenement Listing

As at 2 September 2013

Project	Tenement	Interest	Status
Yerilla Project	E31/619	70%	Granted
	E31/961	70%	Granted
Doolguna Project	E51/1365	70%	Granted
Meekatharra Project	E51/1442	70%	Granted
	E51/1443	70%	Granted
Tassawini Project	PL 01/2005, GS14: S-15	100%	Granted
	PL 34/2005, GS14: S-16	100%	Granted
	V-04/MP/000, MP 47/98	100%	Granted
	V-5/MP/000, MP 23/01	100%	Granted
	V-5/MP/001, MP 24/01	100%	Granted
	V-5/MP/002, MP 25/01	100%	Granted
	PL 01/2001, GS14: S-34	100%	Granted
	PL 02/2011, GS14: S-35	100%	Granted
Arakaka Project	PL 03/2011, GS14: S-36	100%	Granted
	Y-33/000/04, PPMS/680/04	100%	Granted
	Y-33/001/04, PPMS/681/04	100%	Granted
	Y-31/000/04, PPMS/463/04	100%	Granted
	Y-31/001/04, PPMS/464/04	100%	Granted
	J-81/000/02, PPMS/884/02	100%	Granted
	J-81/001/02, PPMS/885/02	100%	Granted
	J-81/002/02, PPMS/886/02	100%	Granted
	J-59/000/2000, PPMS/1057/2002	100%	Granted
	J-59/001/2000, PPMS/1058/2002	100%	Granted
	J-59/002/2000, PPMS 1059/2002	100%	Granted
	J-59/003/2000, PPMS/1060/2002		
	J-59/004/2000, PPMS/1061/2002	100%	Granted
	J-59/005/2000, PPMS/1062/2002	100%	Granted
	J-59/006/2000, PMS/1063/2002	100%	Granted
	J-59/007/2000, PPMS/1064/2002	100%	Granted
	J-59/008/2000, PPMS/1065/2002	100%	Granted
	J-59/009/2000, PPMS/1066/2002	100%	Granted
	J-59/010/2000, PPMS/1067/2002	100%	Granted
	J-59/011/2000, PPMS/1068/2002	100%	Granted
	J-59/012/2000, PPMS/1069/2002	100%	Granted
	J-59/013/2000, PPMS/1070/2002	100%	Granted
	J-59/014/2000, PPMS/1071/2002	100%	Granted
	51/002/94, Ituni #1	100%	Granted
	51/003/94, Ituni #2	100%	Granted
	51/324/74, May	100%	Granted
	P-109/000/2000, PPMS/809/2001	100%	Granted
	P-109/001/2000, PPMS/810/2001	100%	Granted
	P-109/002/2000, PPMS/811/2001	100%	Granted
	P-109/003/2000, PPMS/812/2001	100%	Granted
	P-109/004/2000, PPMS/813/2001	100%	Granted
	P-109/005/2000, PPMS/814/2001	100%	Granted
	P-128/000/02, PPMS/707/02	100%	Granted
	P-128/001/02, PPMS/708/02	100%	Granted
	P-128/002/02, PPMS/709/02	100%	Granted
	P-128/003/02, PPMS/710/02	100%	Granted
	P-128/004/02, PPMS/711/02	100%	Granted
	P-17/000, PPMS/0222/1994	100%	Granted
	P-17/001, PPMS/0223/1994	100%	Granted
	P-8/000/94, PPMS/0074/1994	100%	Granted
	P-8/001, PPMS/73/1994	100%	Granted

Tenement Listing

Arakaka Project (continued)	P-8/002, PPMS/75/1994	100%	Granted
	51/2005/235, Dennis #1	100%	Granted
	51/2005/236, Dennis #2	100%	Granted
	51/2005/237, Dennis #3	100%	Granted
	51/2005/238, Dennis #4	100%	Granted
	51/1983/034, Wintime	100%	Granted
	51/1983/035, Intime	100%	Granted
	51/1984/028, Ester aka Esta	100%	Granted
	S-267/000/07, PPMS/629/07	100%	Granted
	S-269/000/07, PPMS/631/07	100%	Granted
	P-9/000, PPMS/76/94	100%	Granted
	P-9/001, PPMS/77/94	100%	Granted
	P-9/002, PPMS/78/94	100%	Granted
	Y-1/MP/000/06, MP 91/2007	100%	Granted
	PL 06/2009, GS14: S-25	100%	Granted
	PL 07/2009, GS14: S-41	100%	Granted
	K-132/000/09, PPMS/1310/09	100%	Granted
	K-132/001/09, PPMS/1311/09	100%	Granted
	PL 38/2009, GS14: S-40	100%	Granted
	PL 07/2009, GS14: S-32	100%	Granted

Notes

E: Exploration License
 PL: Prospecting License
 PPMS: Prospecting License Medium Scale
 MP: Mining Permit