ALICANTO
MINERALS LIMITED

Half-year Report 2013

ABN 81 149 126 858

Contents

Non-Executive Chairman
Didier Murcia

Non-Executive Directors
Matthew Bowles
Michael McKevitt

Company Secretary
Brett Dunnachie

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Stock Exchange Listing
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Code: AQI

Website Address
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Your directors present their report on the consolidated entity consisting of Alicanto Minerals Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2013.

1. Directors

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

Didier Murcia
Matthew Bowles

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

Michael McKevitt was appointed as a Non-Executive Director on 28 August 2013 and continues in office to the date of this report

2. Review of Operations

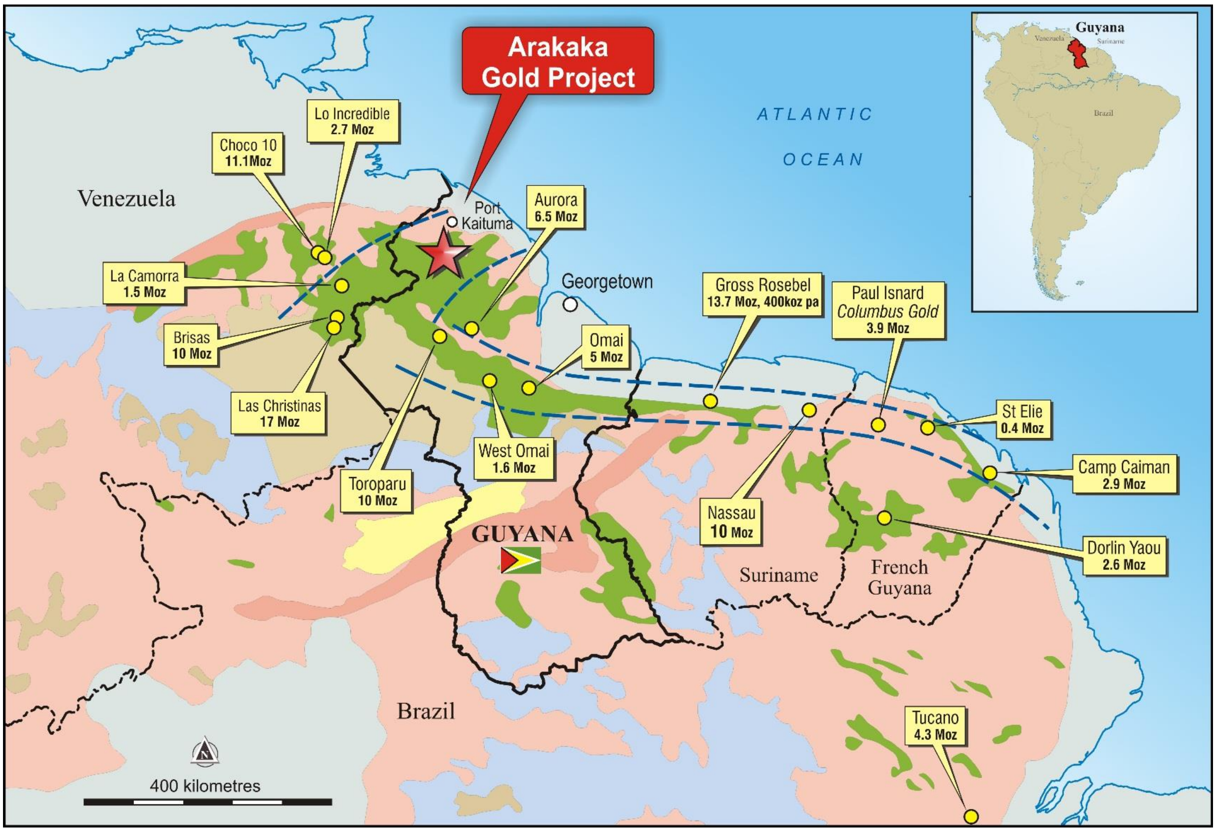
Arakaka Gold Project (100%)

The Arakaka Gold Project area covers approximately 300 square kilometres within the Northern Guyana Shield, 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.

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.

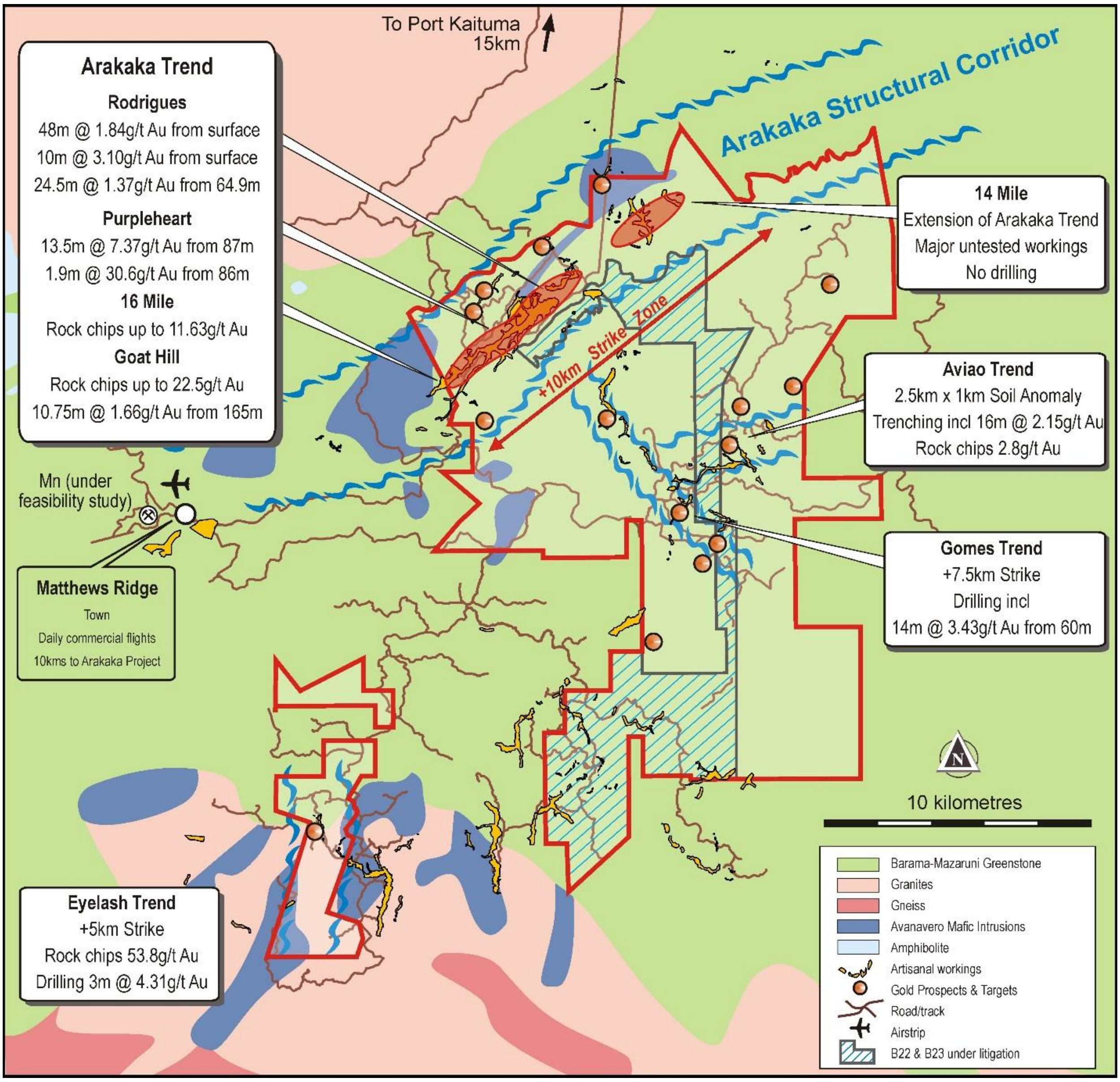
The Arakaka Gold Project was previously held in a joint venture, formed in 2005 between StrataGold Corporation and Newmont Overseas Exploration Limited (a subsidiary of Newmont Mining Corporation) and consists of a number of underlying agreements over the tenements.

Figure 1 | Location Map – Arakaka Gold Projects



2. Review of Operations (continued)

Figure 2 | Arakaka Gold Project



Activities during the December Half-Year

During the period the Company made preparations to commence its current maiden drill program at the Arakaka Gold Project. First pass exploration programmes (including soil sampling and mapping of artisanal workings) over the 14 Mile Target located along the northern section of the Arakaka Main Trend to test for coherent and continuous gold anomalism were also completed.

2. Review of Operations (continued)

Arakaka Trend

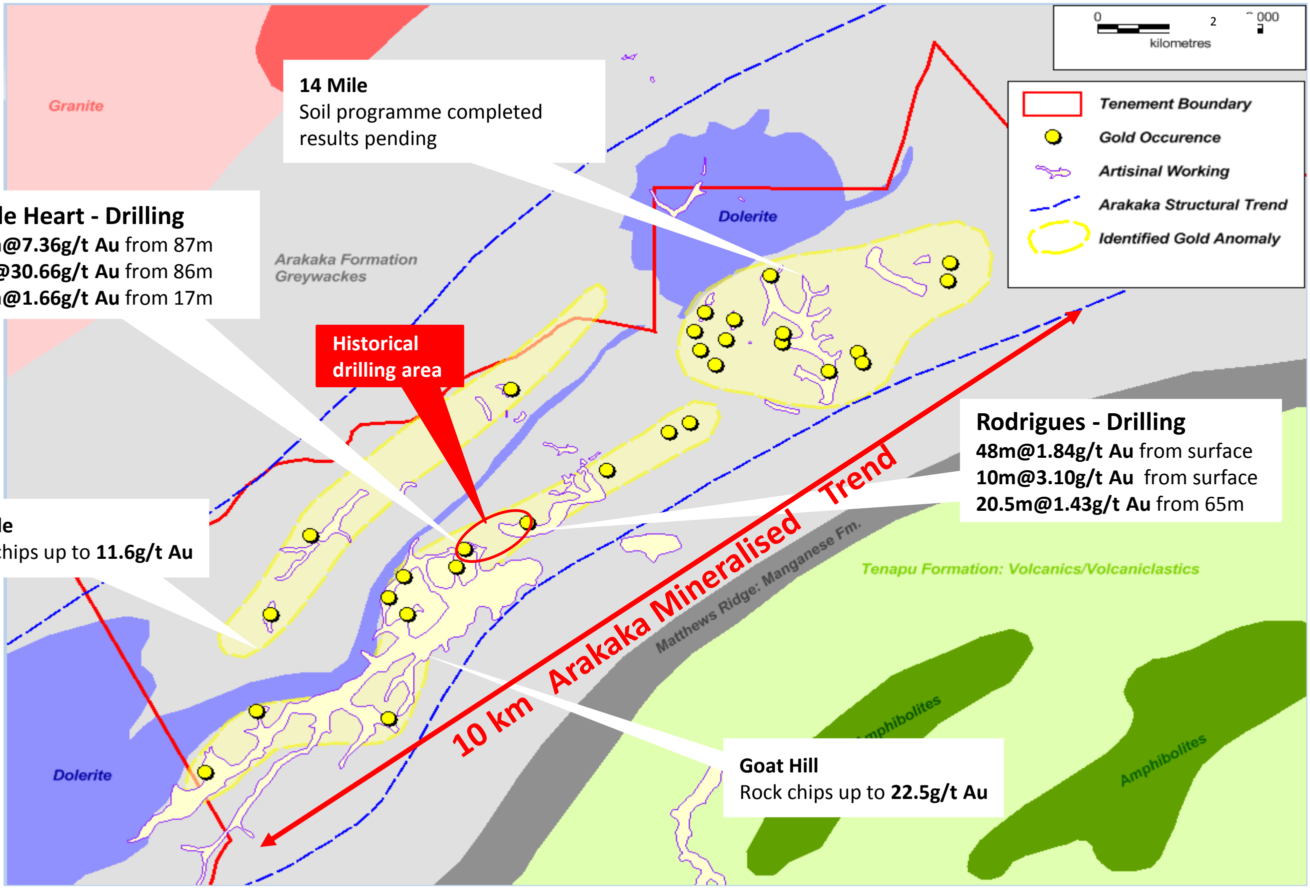
The Arakaka Gold Project covers more than 10 kilometres of mineralised strike along the Arakaka Trend, **a major structural corridor and one of the oldest and most prolific gold districts** in the Guyana Shield. The Arakaka Trend is principally underlain by diorite rocks that have been intruded into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

The region is significantly under-explored and has had limited drilling however, the high 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.

Known modern exploration data was firstly collected by Toscana Resources Ltd and Champion Resources Ltd between 1994 and 1997, Golden Star Resources in 1998 and subsequently by a Newmont Mining Corporation/Stratagold Corporation Joint Venture between 2005 and 2010. A review of this historical data and the Company's recent mapping of artisanal and saprolite mining on the Arakaka Trend has identified **multiple structural corridors with orogenic-style mineralisation over more than 10 kilometres strike potential.**

The identified potential strike of over 10 kilometres has had limited drilling, with only 18 holes previously drilled over only a 500 metre section of the Arakaka Trend (Figure 3). Mineralisation in the area is currently interpreted as dipping at 60 degrees to the northwest.

Figure 3 | Historical drilling and sampling along 10km strike of the Arakaka Trend



2. Review of Operations (continued)

Arakaka Gold Project - Regional Targeting

The Company's review of the historical exploration work and data (including detailed stream sediment and soil geochemistry surveys, detailed structural mapping, induced polarization (IP) ground geophysical surveys and limited first pass drilling), during the quarter identified over 25 high-priority exploration targets within the Arakaka Gold Project. These targets include:

Gomes Trend

Located to the south of the project the Gomes exploration target covers over 7.5 kilometres of the Eveready Shear Zone, which is a graphitic shear zone identified from an IP survey. Historical drilling indicates mineralisation is diorite hosted and associated with strong silicification with pyrrhotite and arsenopyrite (no graphite) and appears to be open along strike and down dip.

Avio Trend

The Avio Trend is located approximately 3 kilometres to the northeast of Gomes Trend. Historical regional soil sampling has identified a **2.5 kilometre long and 1 kilometre wide zone with results between 100ppb gold and 1,400ppb (1.4g/t) gold.** The area has extensive quartz fragments on surface derived from quartz veins.

Eyelash Trend

The Eyelash target is located approximately 5 kilometres to the south-west of the main Arakaka Project area and contains multiple small-scale saprolite pits along a 2 kilometre north-south trend.

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

Tassawini Gold Project (100%)

The Tassawini Gold Project is located approximately 45km to the east of the Arakaka Gold Project, it 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.

No activities were undertaken during the December 2013 half year.

About Guyana

Guyana is located in the north east coast of South America, the official language is English and it is a member of the Commonwealth of Nations. The legal system of Guyana is based on English common law and it has a modern and transparent mining code and a Government that is supportive of mining.

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 geological 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.

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.

Australian Projects

During the period the Company announced it had withdrawn from the Meekatharra, Yerilla and Doolgunna joint ventures to focus on its exploration activities in Guyana.

2. Review of Operations (continued)

Corporate

The Company successfully raised $1.3 million in a share placement to existing and new shareholders, which closed oversubscribed. Under the share placement Alicanto issued a total of 7.8 million shares at a price of $0.17 per share. The share placement was completed in two tranches with Tranche 1 (completed on 16 October 2013) comprising 3.9 million shares at $0.17 per share raising $663,000 under the Company's 15% placement capacity and Tranche 2 comprising 3.9 million shares at $0.17 per share raising $663,000 following shareholder approval on 29 November 2013.

Subsequent to year end, Alicanto entered into a drill for equity agreement with the owner of the drilling contractor, Dominic O'Sullivan, founder of Azimuth Resources for its maiden drill program at its Arakaka Gold Project. Under the terms of the agreement, up to A$198,000 in drilling and associated costs shall be satisfied by the issue of up to 880,000 shares at $0.225 per share. On 26 February 2014 Alicanto issued 440,000 shares in accordance with the agreement which is 50% of the total maximum shares to be issued. The remaining shares will be issued on completion of the agreement.

As at 31 December 2013, the Company had cash of approximately $1.4 million.

Project Generation

With the acquisition of StrataGold Guyana Inc. Alicanto 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 venture or acquisition. In addition the Company shall also continue to evaluate projects in Australia and overseas, in gold, copper and other commodities to grow shareholder value.

3. Lead Auditor's Independence Declaration

A copy of the lead auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 8.

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

Matthew Bowles
Non-Executive Director

Perth, Western Australia, 13 March 2014

Competent Persons Statement
The information in this report that relates to the Exploration Results, is based on information compiled by Mr Michael McKevitt who is a member of the Australian Institute of Geoscientists. Mr McKevitt has sufficient experience relevant to the styles of mineralisation and type of deposit under consideration and to the activity which they are 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 is a director of Alicanto Minerals and has consented to the inclusion of the matters in this report based on his information in the form and context in which it appears. This information was prepared and first disclosed under JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

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13 March 2014

Board of Directors
Alicanto Minerals Limited
288 Churchill Avenue
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 review of the financial statements of Alicanto Minerals Limited for the half year ended 31 December 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 review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

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

Martin Michalik
Director

Contents

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2013 and any public announcements made by Alicanto Minerals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

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

Alicanto Minerals Limited
288 Churchill Avenue
Subiaco WA 6008

A description of the nature of the group's operations is included in the directors' report on pages 3 - 7, which is not part of this financial report.

The interim financial report was authorised for issue by the directors on 13 March 2014. The company has the power to amend and reissue the financial report.

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

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2013

	Notes	Consolidated 31 December 2013 $	31 December 2012 $
Revenue			
Revenue from continuing operations		9,578	12,043
Other income	4	67,305	**-**
Expenditure			
Administration costs		(30,327)	(16,651)
Consultancy expenses		(24,117)	(75,620)
Employee benefits expense		(50,817)	(46,857)
Share based payment expenses		(138,052)	-
Occupancy expense		(1,338)	-
Compliance and regulatory expenses		(29,859)	(45,736)
Insurance expenses		(20,359)	(19,238)
Depreciation		(602)	-
Exploration written off		(756,975)	(133,303)
Finance costs		(1,213)	-
Loss before income tax		**(976,776)**	**(325,362)**
Income tax expense		-	-
(Loss) for the half-year attributable to owners		**(976,776)**	**(325,362)**
Other comprehensive income		-	-
Total comprehensive (loss) for the half-year attributable to owners		**(976,776)**	**(325,362)**
Basic loss per share (cents per share)		(3.4)	(1.5)
Diluted loss per share (cents per share)		N/A	N/A

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

Consolidated Statement of Financial Position

As at 31 December 2013

	Notes	Consolidated 31 December 2013 $	30 June 2013 $
Current Assets			
Cash and cash equivalents	5	1,424,959	847,837
Trade and other receivables		22,433	11,234
Total Current Assets		**1,447,392**	**859,071**
Non-Current Assets			
Property, plant and equipment		5,505	2,985
Exploration and evaluation expenditure	6	611,288	611,288
Total Non-Current Assets		**616,793**	**614,273**
Total Assets		**2,064,185**	**1,473,344**
Current Liabilities			
Trade and other payables		129,819	94,698
Provisions		21,824	13,316
Total Current Liabilities		**151,643**	**108,014**
Total Liabilities		**151,643**	**108,014**
Net Assets		**1,912,542**	**1,365,330**
Equity			
Issued capital	7	3,904,949	2,650,789
Reserves		677,125	407,297
Accumulated losses		(2,669,532)	(1,692,756)
Total Equity		**1,912,542**	**1,365,330**

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

Consolidated Statement of Changes in Equity

For the Half-Year Ended 31 December 2013

Consolidated	Contributed Equity $	Accumulated Losses $	Foreign Currency Translation Reserve $	Option Reserve $	Total $
Balance at 1 July 2012	360,351	(571,405)	-	413,163	202,109
Total comprehensive loss for the half-year	-	(325,362)	-	-	(325,362)
Foreign exchange differences	-	-	-	-	-
	-	(325,362)	-	-	(325,362)
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 31 December 2012	**2,650,789**	**(896,767)**	**-**	**413,163**	**2,167,185**
Balance at 1 July 2013	2,650,789	(1,692,756)	(5,866)	413,163	1,365,330
Total comprehensive loss for the half-year	-	(976,776)	-	-	(976,776)
Foreign exchange differences	-	-	131,776	-	131,776
	-	(976,776)	131,776	-	(845,000)
Transactions with owners in their capacity as owners:					
Contributions of equity (net of transaction costs)	1,254,160	-	-	-	1,254,160
Share based payment transactions	-	-		138,052	138,052
	1,254,160	-		138,052	1,392,212
Balance at 31 December 2013	**3,904,949**	**(2,669,532)**	**125,910**	**551,215**	**1,912,542**

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

Consolidated Statement of Cash Flows

For the half-year ending 31 December 2013

	Notes	Consolidated 31 December 2013 $	Consolidated 31 December 2012 $
Cash flows from operating activities			
Payments to suppliers and employees		(150,286)	(196,734)
Interest received		9,578	12,043
Payments for exploration and evaluation		(623,412)	(160,686)
Net cash (used in) operating activities		(764,120)	(345,377)
Cash flows from investing activities			
Purchase of rights to project areas		-	(78,000)
Purchase of subsidiary (net of cash acquired)		-	(96,613)
Purchase of property, plant and equipment		(3,122)	-
Proceeds from sale of property, plant and equipment		67,305	-
Net cash provided by/(used in) investing activities		64,183	(174,613)
Cash flows from financing activities			
Proceeds from issue of shares		1,326,000	2,400,000
Payments for costs of issue of shares		(48,941)	(139,561)
Net cash provided by financing activities		1,277,059	2,260,439
Net increase in cash and cash equivalents		577,122	1,740,449
Cash and cash equivalents at the beginning of the period		847,837	233,548
Cash and cash equivalents at the end of the period	5	1,424,959	1,973,997

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

1. Basis of preparation of half-year report

This general purpose interim financial report for the half-year reporting period ended 31 December 2013 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2013 and any public announcements made by Alicanto Minerals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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

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

a. New and Revised Accounting Requirements Applicable to the Current Half-year Reporting

(i) *Consolidated financial statements, joint arrangements and disclosure of interests in other entities*

The Group has adopted the following new and revised Australian Accounting Standards from 1 July 2013 together with consequential amendments to other Standards:

- AASB 10: *Consolidated Financial Statements;*
- AASB 127: *Separate Financial Statements* (August 2011);
- AASB 11: *Joint Arrangements;*
- AASB 128: *Investments in Associates and Joint Ventures* (August 2011);
- AASB 12: *Disclosure of Interests in Other Entities;*
- AASB 2011-7: *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards;* and
- AASB 2012-10: *Amendments to Australian Accounting Standards — Transition Guidance and* Other *Amendments*.

These Standards became mandatorily applicable from 1 January 2013 and became applicable to the Group for the first time in the current half-year reporting period 1 July 2013 to 31 December 2013. The Group has applied these Accounting Standards retrospectively in accordance with AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* and the specific transition requirements in AASB 10 and AASB 11. The effects of initial application of these Standards in the current half-year reporting period are as follows:

- *Consolidated financial statements:*

  AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. Revised AASB 127 facilitates the application of AASB 10 and prescribes requirements for separate financial statements of the parent entity. On adoption of AASB 10, the assets, liabilities and non-controlling interests related to investments in businesses that are now assessed as being controlled by the Group, and were therefore not previously consolidated, are measured as if the investee had been consolidated (and therefore applied acquisition accounting in accordance with AASB 3: *Business Combinations)* from the date when the Group obtained control of that investee on the basis of the requirements in AASB 10.

  Upon the initial application of AASB 10, retrospective restatement of financial statement amounts of the year that immediately precedes the date of initial application (ie 2012-2013) is necessary. When control is considered to have been obtained earlier than the beginning of the immediately preceding year (i.e. pre-1 July 2012), any difference between the amount of assets, liabilities and non-controlling interests recognised and the previous carrying amount of the investment in that investee is recognised as an adjustment to equity as at 1 July 2012.

  Although the first-time application of AASB 10 (together with the associated Standards) caused certain changes to the Group's accounting policy for consolidation and determining control, it did not result in any changes to the amounts reported in the Group's financial statements as the "controlled" status of the existing subsidiaries did not change, nor did it result in any new subsidiaries being included in the Group as a consequence of the revised definition. However, the revised wording of accounting policy for consolidation is set out in Note 1(b).

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

- *Joint arrangements:*

  AASB 11 requires joint arrangements to be classified as either "joint operations" (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Revised AASB 128 facilitates the application of AASB 11 and incorporates guidance relating to the equity method of accounting. Joint ventures will generally be required to be accounted for using the equity method under AASB 11. The proportionate consolidation method is no longer permitted. However, this will not have any impact on the Group's financial statements as the Group's interest in joint ventures is currently accounted for using the equity method of accounting.

  When changing from the proportionate consolidation method to the equity method upon initial application of AASB 11, investments in joint ventures are required to be recognised as at the beginning of the immediately preceding year (ie as at 1 July 2012) and measured as the aggregate of the carrying amounts of the assets and liabilities that the investor had previously proportionately consolidated, including any goodwill arising from acquisition. This amount is regarded as the deemed cost of the investment at initial recognition, and is subject to impairment testing at that point in time. If aggregating all previously proportionately consolidated assets and liabilities results in a negative net asset amount, the investor recognises a liability to the extent that it has a legal or constructive obligation with respect to the negative net assets, and recognises any balance of the negative net assets as an adjustment to opening retained earnings.

  Although the first-time application of AASB 11 (together with the associated Standards) caused certain changes to the Group's accounting policy for accounting for joint ventures and classification of joint arrangements, the directors have determined that such changes did not have any significant impact on the amounts reported in the Group's financial statements, mainly because the Group's classification of joint arrangements did not change and the Group's interest in joint ventures is currently accounted for using the equity method. However, the revised accounting policy for joint arrangements is set out in Note 1(c).

- *Disclosure of interest in other entities:*

  AASB 12 is the Standard that addresses disclosure requirements of AASB 10, AASB 11, AASB 127 and AASB 128. The Group has not updated its disclosures in relation to AASB 12 as the Group has considered there to be no material changes required in this half year report since the disclosures made within its most recent annual report associated with the Group’s interests in subsidiaries and joint arrangements as prescribed by AASB 12.

(ii) *Fair value measurements and disclosures*

The Group has adopted AASB 13: *Fair Value Measurement* and AASB 2011-8: *Amendments to Australian Accounting Standards arising from AASB* 13 from 1 July 2013 together with consequential amendments to other Standards. These Standards became mandatorily applicable from 1 January 2013 and became applicable to the Group for the first time in the current half-year reporting period 1 July 2013 to 31 December 2013. AASB 13 sets out a comprehensive framework for measuring the fair value of assets and liabilities and prescribes enhanced disclosures regarding all assets and liabilities measured at fair value. Although these Standards do not significantly impact the fair value amounts reported in the Group's financial statements, the directors have determined that additional accounting policies providing a general description of fair value measurement and each level of the fair value hierarchy, as, set out in Note 1(d), should be incorporated in these financial statements.

(iii) *Other*

Other new and amending Standards that became applicable to the Group for the first time during this half-year reporting period are as follows:

AASB 2012-2: *Amendments to Australian Accounting Standards — Disclosures — Offsetting Financial Assets and Financial Liabilities* and AASB 2012-5: *Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle.*

These Standards make changes to presentation and disclosure requirements, but did not affect the Group's accounting policies or the amounts reported in the financial statements.
AASB 119: *Employee Benefits* (September 2011) and AASB 2011-10: *Amendments to Australian Accounting Standards arising from AASB 119 (September 2011).*

These Standards did not affect the Group's accounting policies or the amounts reported in the financial statements, mainly because the Group does not have defined benefit plan assets or obligations.

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

b. Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent Renaissance Minerals Limited and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

c. Interests in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a "joint venture" and accounted for using the equity method.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Group's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the consolidated financial statements.

Gains and losses resulting from sales to a joint operation are recognised to the extent of the other parties' interests. When the Group makes purchases from a joint operation, it does not recognise its share of the gains and losses from the joint arrangement until it resells those goods/assets to a third party.

d. Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.
Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).
For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

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

Valuation techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2
Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3
Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:
(i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
(ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.
When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (ie transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

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. In arriving at this position, the Directors recognise the Group is dependent on various funding alternatives to meet these commitments including share placements.

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.

2. Segment information

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

The segment information provided to the board of directors for the reportable segments for the half-year ended 31 December 2013 is as follows:

	Guyana $	Exploration Australia	Corporate $	Total $
Half-year ended 2013				
Total segment revenue	-	-	9,578	9,578
Interest revenue			9,578	9,578
Total segment profit/(loss) before income tax	(656,347)	(100,628)	(219,801)	(976,776)
Half-year ended 2012				
Total segment revenue	-	-	12,043	12,043
Interest revenue			12,043	12,043
Total segment profit/(loss) before income tax	(56,932)	(76,372)	(192,058)	(325,362)
Total segment assets				
31 December 2013	724,827	-	1,339,358	2,064,185
30 June 2013	668,964	-	804,380	1,473,344
Total segment liabilities				
31 December 2013	126,415	-	25,228	151,643
30 June 2013	44,987	-	63,027	108,014

3. Dividends

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

	Consolidated 31 December 2013 $	Consolidated 31 December 2012 $
4. Other Income		
Net gain on disposal of property, plant and equipment	67,305	-
	67,305	-

	Consolidated 31 December 2013 $	Consolidated 30 June 2013 $
5. Cash & Cash Equivalents		
(a) Cash & cash equivalents		
Cash at bank and in hand	1,424,959	847,837
Deposits at call	-	-
Total cash and cash equivalents	1,424,959	847,837

(b) Cash at bank and on hand

Cash on hand is non-interest bearing. Cash at bank bears interest rates of 0.00% and 2.85% (30 June 2013: 0.00% and 2.60%).

	Consolidated 31 December 2013 $	Consolidated 31 December 2012 $
6. Exploration & Evaluation Expenditure		
(a) Half-year ended		
Opening balance at 1 July	611,288	-
Exploration expenditure at cost	756,975	215,897
Exploration expenditure through acquisition	-	123,000
Exploration written off	(756,975)	(133,303)
Closing balance at 31 December	611,288	205,594

	Consolidated		Consolidated	
	31 December 2013 Shares	31 December 2012 Shares	31 December 2013 $	31 December 2012 $
7. Contributed Equity				
(a) Issued capital				
Ordinary shares – fully paid	33,800,001	26,000,001	3,904,949	2,650,789

Date	Details	Consolidated 2012 Shares	Consolidated 2012 $
7. Contributed Equity			
(b) Issue of ordinary shares during the half-year			
01 Jul 13	Opening balance	26,000,001	2,650,789
16 Oct 13	Share issue:	3,900,000	663,000
29 Nov 13	Share issue:	3,900,000	663,000
	Less transaction costs		(71,840)
	Closing balance	33,800,001	3,904,949

8. Contingencies

Since the last annual reporting date, there have been no material changes in any contingent liabilities.

9. Events Occurring Subsequent to Reporting Date

On 17 February 2014, Alicanto announced that it had entered into a drill for equity agreement for its maiden drill program at its Arakaka Gold Project. Under the terms of the agreement, up to A$198,000 in drilling and associated costs shall be satisfied by the issue of up to 880,000 shares at $0.225 per share. On 26 February 2014 Alicanto issued 440,000 shares in accordance with the agreement which is 50% of the total maximum shares to be issued. The remaining shares will be issued on completion of the agreement.

There are no other material events subsequent to reporting date.

Director's Declaration
For the half-year ended 31 December 2013

In the directors' opinion:

(a) the financial statements and notes set out on pages 10 to 20 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 consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and

(b) there are reasonable grounds to believe that Alicanto Minerals Limited will be able to pay its debts as and when they become due and payable.

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

Matthew Bowles
Non-Executive Director

Perth, Western Australia, 13 March 2014

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Alicanto Minerals Limited, which comprises the consolidated statement of financial position as at 31 December 2013, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Alicanto Minerals Limited (the consolidated entity). The consolidated entity comprises both Alicanto Minerals Limited (the Company) and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Alicanto Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

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

Stantons International

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Alicanto Minerals Limited on 13 March 2014.

Conclusion

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

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 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
13 March 2014