

Alicanto Finalises Ianna Gold Project Option and Acquisition Agreement

Alicanto Minerals Ltd (ASX: AQI) (“Alicanto” or “the Company”) is pleased to announce that the Company has completed its due diligence and exercised its rights to take a 3-year exclusive option to acquire the Ianna Gold Project (“Project”).

The Project is hosted in the highly prospective Barama-Mazaruni Greenstone Belt in Guyana’s Northwest District and is located less than 20km from Alicanto’s flagship Arakaka Gold Project (refer to Figure 1).

Highlights of the Ianna Gold Project include:

- Ianna hosts two extensive mineralised corridors delivering “Walk up” drill targets extending over 7km of strike extent.
- As announced by the company on 26 July 2016, historical drilling has already delivered multiple potential ore grade intersections in the top 60m, with better intercepts including;
 - **50m @ 2.47g/t gold** from 10m to end of hole
 - **48m @ 1.19g/t gold** from surface
 - **14m @ 4.27g/t gold** from 24m
 - **12m @ 3.84g/t gold** from 20m
 - **12m @ 3.99g/t gold** from surface
- The Project contains both the structural and lithological setting considered by the company to be ideal to host large scale gold deposits.
- The Project hosts excellent infrastructure, including existing camp facilities, airstrip and river port.

Having completed detailed due diligence on the Project, Alicanto has now elected to formally secure its 3-year exclusive option to acquire the Project, subject to terms and option payments outlined below.

Given Alicanto’s preference for an alternative trust holding structure for the Project to the one currently in place, the terms of the option and acquisition agreement (“**Agreement**”) have been modified to permit that holding structure to be updated, with associated costs to be set-off as against option payments which Alicanto is required to make in order to maintain the option.

CAPITAL STRUCTURE

Shares on Issue	83.9m
Share Price	A\$0.28
Market Cap	\$23m
ASX Code	AQI

BOARD & MANAGEMENT

Didier Murcia
Non-Exec Chairman

Travis Schwertfeger
Managing Director

Hamish Halliday
Non-Exec Director

Marcus Harden
Chief Geologist

Brett Dunnachie
CFO & Co. Secretary

ARAKAKA GOLD PROJECT, GUYANA

- ◆ Regional scale project
- ◆ Highly prospective Northwest Guyana Shield Greenstone Belt
- ◆ +1 million ounce Au historical production in near surface
- ◆ Footprint of artisanal workings pre-production is analogous to Las Cristinas / Las Brisas and Gros Rosebel Mines
- ◆ Multiple saprolite pits and priority targets un-tested
- ◆ Arakaka Trend one of the oldest and most prolific gold districts in Guiana Shield
- ◆ Mining friendly jurisdiction

REGISTERED OFFICE

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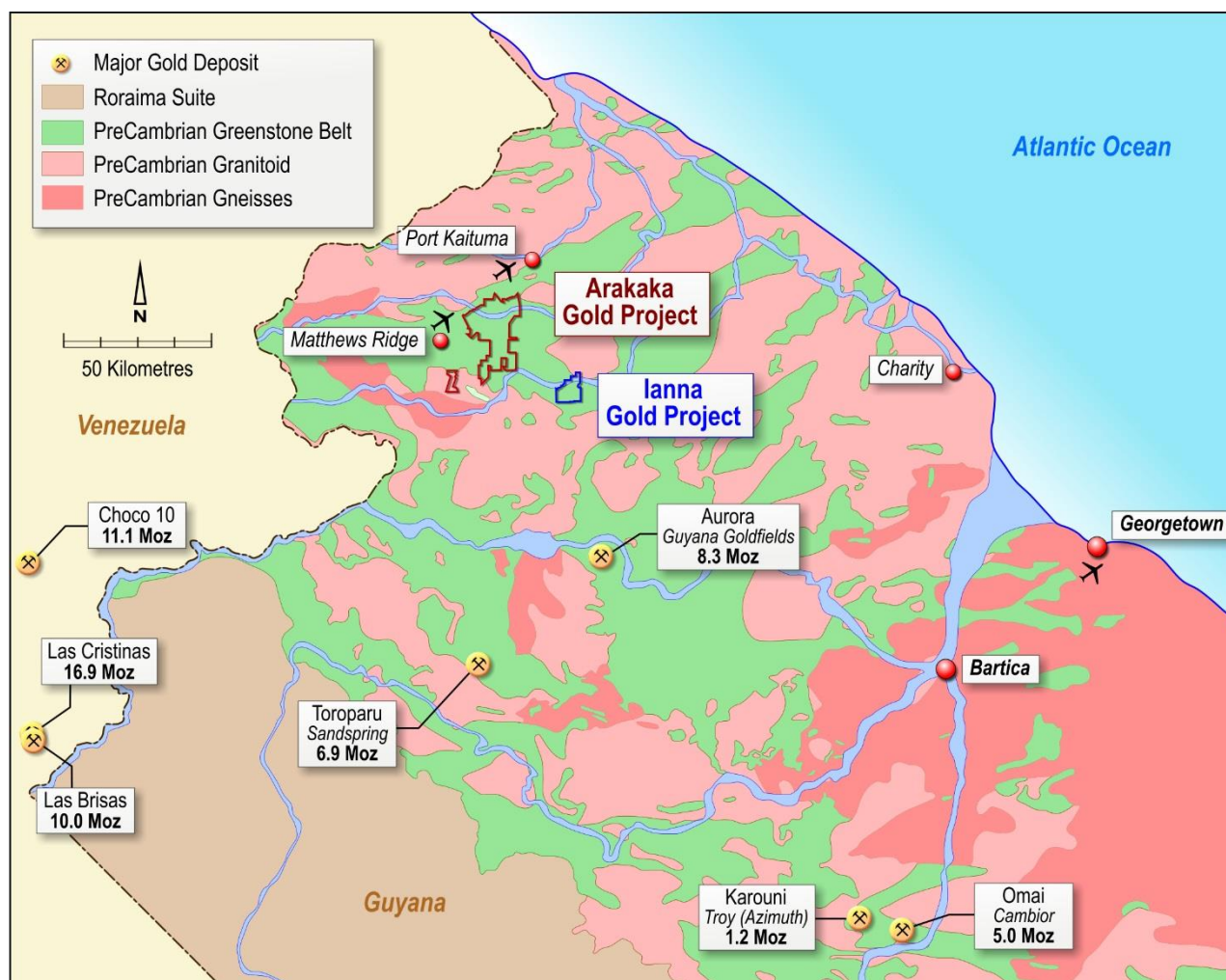


Figure 1 | Location of Ianna Gold project relative to existing AQC Properties over simplified regional geology

Ianna Gold Project Summary

The Project is located in the northwest of Guyana, less than 20km southeast from existing exploration operations at the Arakaka Gold Project. The acquisition area is host to existing drilling associated with extensive surface geochemical survey work completed historically. Over 12,400m of Reverse Circulation and 926m of Diamond drilling has historically been undertaken, covering limited strike extent drilling to shallow depth, with ~95% of drilling testing less than 50m below surface (refer to announcement dated 26 July for comprehensive summary of results and related JORC Table 1).

Two corridors of mineralisation on the Ianna trend and the King's Ransom trend (see Figure 2) have been identified within the Project acquisition area from review of historical datasets and prioritised based on structural and lithological setting criteria considered ideal to host large scale gold deposits by Alicanto geologists for proposed follow-up exploration activity. The broad zones of mineralisation identified provide considerable support to aggressively expand exploration activities into other prospects within the Project area (which currently includes 25 tenements, with the potential to add further tenements within the Project perimeter to the option and acquisition arrangements contemplated under the Agreement).

The Project has excellent infrastructure, including existing camp facilities, an existing airstrip and river port landing on the property, and can be accessed by road from the Arakaka Project area.

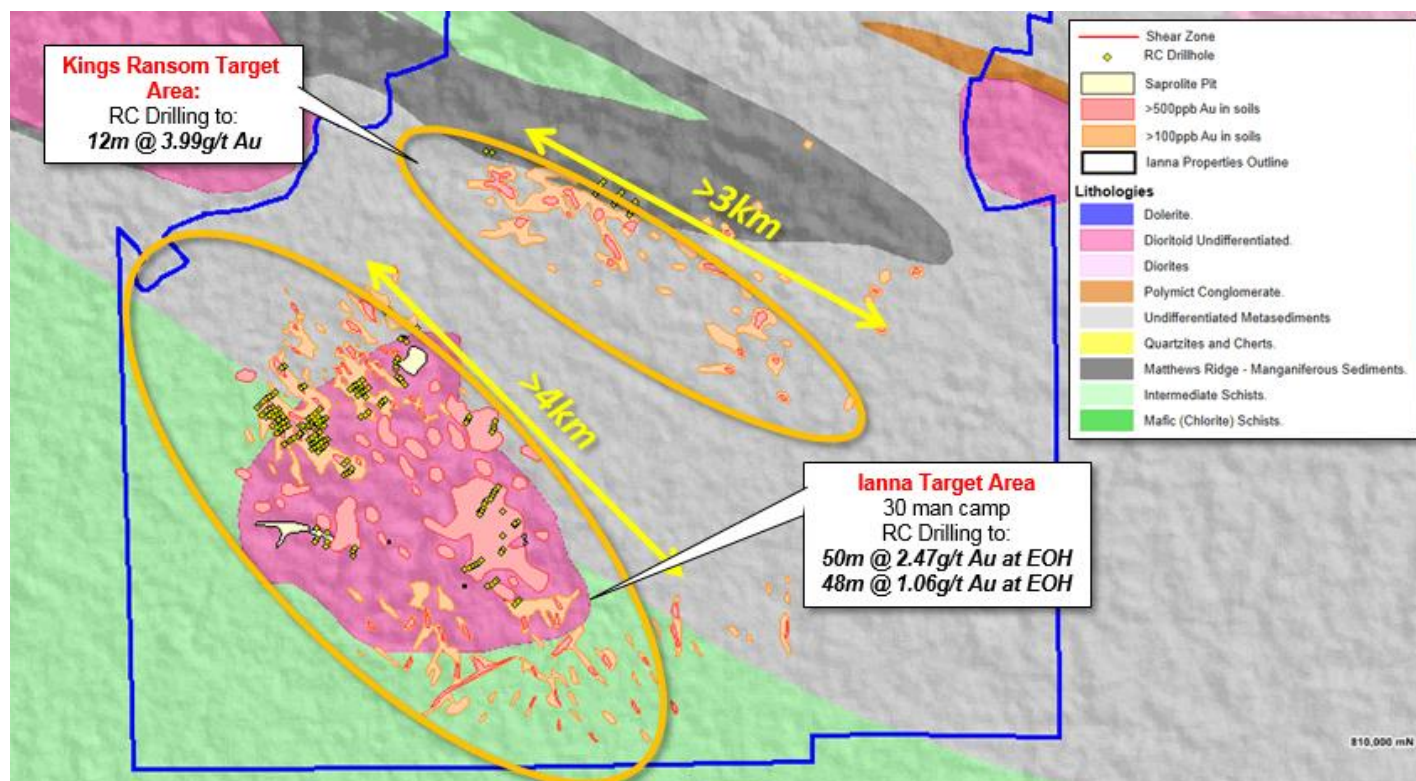


Figure 2 | Overview of Ianna project geology over simplified regional geology as mapped by AQI geologists

Significant Terms of the Ianna Gold Project Acquisition

Alicanto had previously entered into legally binding arrangements (as announced on 26 July 2016) with a private Guyanese entity, Sheik R Minerals, Inc. (“**SRM**”), whereby Alicanto retained exclusivity for a wholly owned Guyanese subsidiary to acquire any and all rights or beneficial interest held by SRM over the Project area, for the duration of a due diligence period ending 8 November 2016 (refer to announcement dated 8 September 2016).

Alicanto has now confirmed satisfactory completion of its due diligence investigations and has exercised its rights under the Deed to maintain an exclusive option, for a 36-month period, to acquire (and have operational access to) the Project, subject to the making of the following option payments;

- US\$25,000 within five days of the Confirmation Date; and
- US\$50,000 within 4 months after the Confirmation Date, but subject to execution of all required documents for the revised trust ownership agreements and to set-off of associated costs to effect the trustee replacement arrangements; and
- US\$200,000 within 15 months after the Confirmation Date

During the option period, Alicanto must keep the Project tenements in good standing and ensure a minimum aggregate expenditure of US\$600,000 on exploration and various land holding costs over a 24 month period.



Alicanto can elect to acquire the Project at any time subsequent to making the US\$50,000 option payment, without further expenditure or option payment liabilities, by paying either i) a lump sum payment of US\$3,000,000; or ii) a lump sum payment of US\$1,350,000 and a 2% net smelter royalty (NSR).

If an NSR is issued as consideration upon completion of the Project acquisition (“Completion”), the Company will retain a Right of Re-purchase of the NSR for 24 months after Completion, and at Alicanto’s election can acquire either: i) a 50% portion of the NSR by paying US\$2,000,000; or ii) a 100% portion of the NSR by paying US\$3,000,000. Following the expiry of the Right of Re-purchase period, the Company will retain a right of first offer for a further 36 month period to acquire all or a specified part of the NSR.

ENDS

For detailed information on all aspects of the company and its project please visit:

www.alicantominerals.com.au or contact:

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About Alicanto Minerals

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

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

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Marcus Harden, who is a Member of The Australian Institute of Geoscientists. Mr Harden is Chief Geologist for the Company. Mr Harden has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Harden consents to their inclusion in the report of the matters based on his information in the form and context in which it appears.