ALICANTO MINERALS LIMITED

ASX ANNOUNCEMENT

6th September 2021

Sala Silver-Lead-Zinc Project, Sweden

Alicanto launches extensive drilling campaign to establish maiden Resource

Resource estimate early first quarter next year followed immediately by step-out growth drilling and then regional drilling

Key Points

- **High-grade results at Sala have led to establishment of a three-stage exploration program**
- **Stage 1 is aimed at establishing a maiden Resource within the area of historical drilling and recent step-out drilling reported by Alicanto (ASX 3rd August 2021)[1]**
- **Stage 2 will focus on step out drilling**
- **Stage 3 will commence our regional campaign**
- **Stage 1 drilling comprises 10,000m in addition to the 4,000m already completed**
- **The high-grade results at Sala include:**
    - **7.1m @ 81 g/t Ag, 10.4% Zn & 0.6% Pb[2]**
    - **5.5m @ 69 g/t Ag, 7.4% Zn & 0.8% Pb[2]**
    - **11.9m @ 15 g/t Ag, 8.1% Zn & 0.1% Pb[2]**
    - **9.85m @ 203 g/t Ag, 6.4% Zn 0.8% Pb[2]**
    - **0.8m @ 1,034 g/t Ag, 1.5% Zn, 2.4% Pb[2]**
    - **0.7m @ 844 g/t Ag, 1.8% Zn, 16.3% Pb[2]**
- **Two diamond drill rigs onsite with a third currently being mobilised**
- **Four holes completed to date with a further two in progress. Assays pending for three holes, with lab turnaround time currently up to 6 weeks. High grade samples have now been prioritised to speed up turnaround time**
- **Mineralisation style at Sala Prince target is comparable to Boliden's Garpenberg Mine located only 50km away having produced over 40Mt of ore and has a current resource of 151.5Mt @ 2.75% Zn,1.3% Pb and 86.6g/t Ag[7]**
- **The Company remains well funded with $4.2 million in cash (30 June 2021) and proceeds from the sale of Guyana expected in the fourth quarter 2021**

Alicanto Minerals (ASX: AQI) is pleased to announce the start of an extensive drilling campaign aimed at establishing a maiden JORC complaint Resource early next year at its Sala silver-lead-zinc project in Sweden.

Sala produced more than 200Moz of silver at an estimated grade of 1,244 g/t with local grades reported as high as 7,000 g/t. Mining ceased in 1908 and very little modern exploration has been completed[3]. The Sala Project is located 50km from Boliden's operating Garpenberg Mine. Garpenberg has produced over 40Mt of ore and has a current resource of 151.5Mt @ 2.75% Zn, 1.3% Pb and 86.6g/t Ag[8].

CONTACT DETAILS
T: +61 8 6279 9425
E: info@alicantominerals.com.au
W: www.alicantominerals.com.au

ACN: 149 126 858
Principal and Registered Office
Ground Floor, 24 Outram Street
West Perth WA 6005

ASX: AQI

Alicanto Managing Director Peter George said: "In light of the strong results and visuals reported from our initial drilling and our desire to establish a Resource as quickly as possible, we have increased our drilling capacity from one rig to three.

“The grades within our initial focus area are exceptional and we believe that this is just the start.

“Sala was only mined down to 290 m and they pulled out more than 200Moz of silver and 35,000t of lead.

“We have already identified multiple lodes up to 35m in width of high-grade mineralisation more than 800m along strike from the old mine at 500m down dip of surface mineralisation with strong indications of a lot more in the vicinity”.

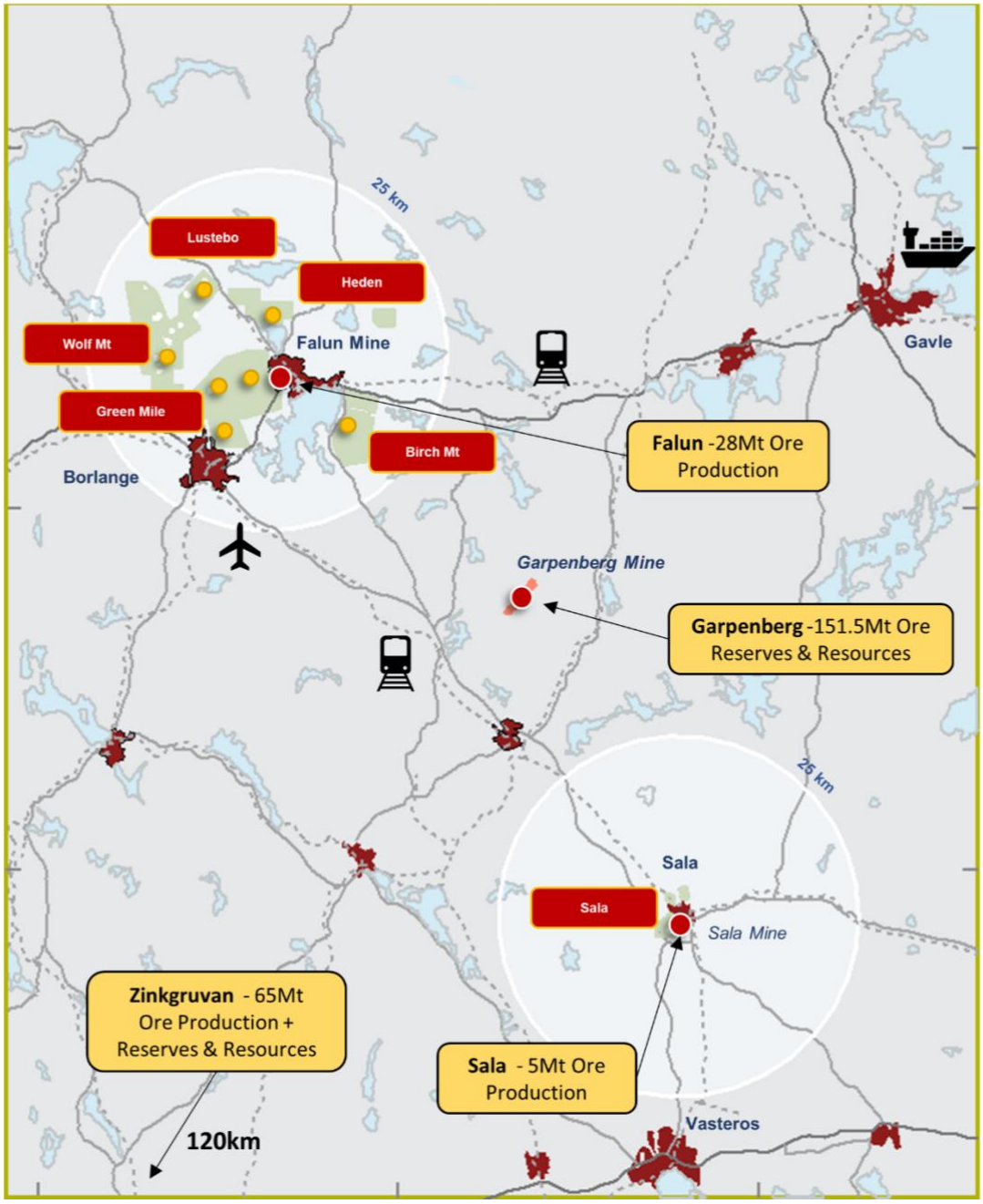

Figure 1: Overview map showing location of major polymetallic skarn deposits surrounding the Sala Silver-Lead-Zinc Project including Garpenberg and Falun. AQI tenements shown in green. The Sala project is located in a world class polymetallic skarn district with major operating mines in the area.

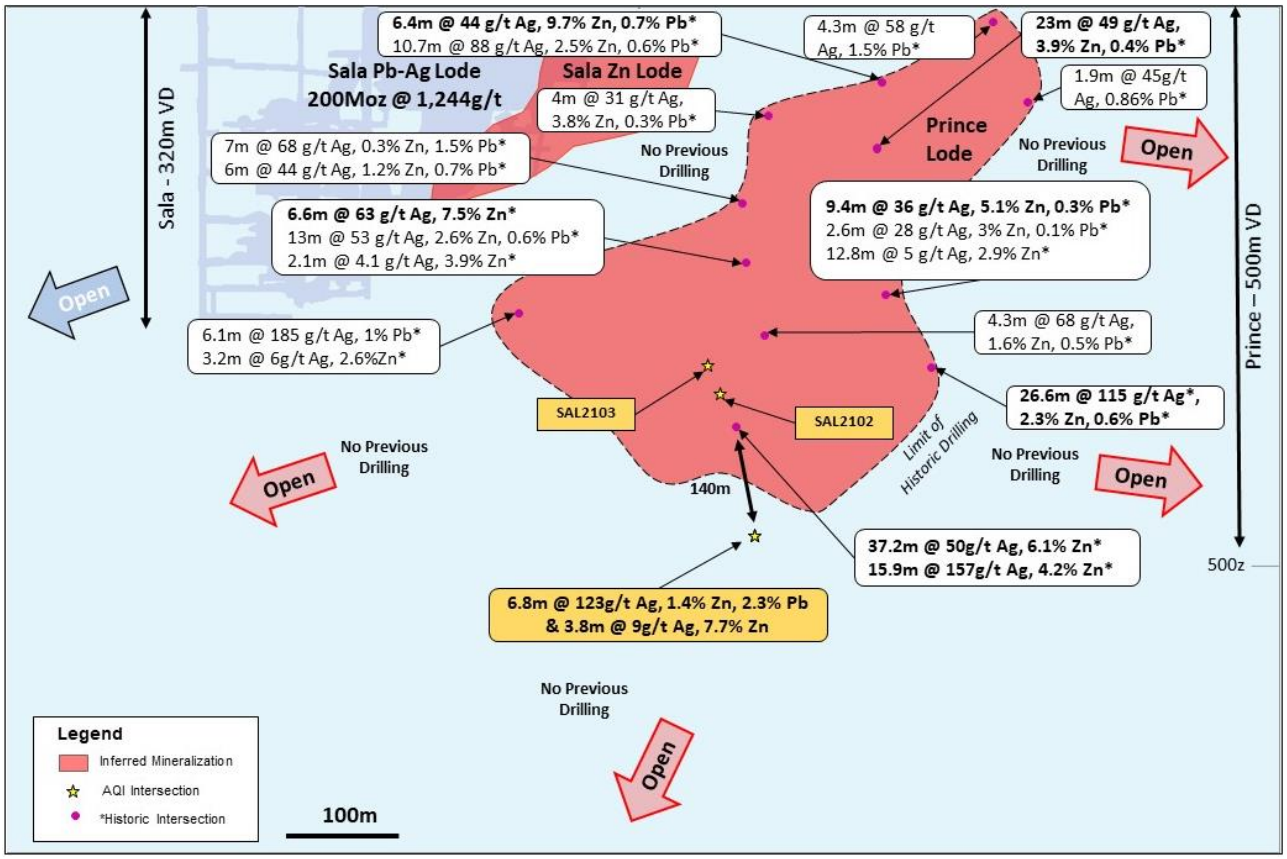

Figure 2: Long Section through the Prince Lode, looking towards the east. Images shows the Prince Lode in red with historic drill intersections (AQI:ASX 15.02.2021)[1] and recent Alicanto intersections (AQI:ASX 03.08.2021)[1] with the Sala Mine in the background illustrated in blue. Mineralisation at Prince is open in all directions

Alicanto's Exploration Strategy at Sala

The company has developed a strategy around delivering a major polymetallic mining project at Sala through exploration and resource development.

Stage 1 – Maiden Resource definition

Confirmation and step-out drilling completed by the company with partial results and visuals has confirmed to the company that the assessment of the potential tonnage and grade of the central target area is warranted.

First assays from Alicanto's maiden drill hole (SAL21-01) confirm high-grade silver, lead and zinc from the Prince Lode at Sala. Intersections included (AQI:ASX 03.08.2021)[1]:

- 3.8m @ 7.7% Zn and 9g/t Ag from 572.75m
- 6.8m @ 123 g/t Ag, 2.3% Pb and 1.4% Zn from 589.75m (Including 0.95m @ 348 g/t Ag, 5.9% Pb & 4.06% Zn) from 592.58m

Visuals from Alicanto's second and third holes (SAL21-02, SAL21-03) indicate similar style and tenor of mineralisation as SAL21-01 with multiple lenses of sulphide mineralisation. Assays are pending for SAL21-02 and SAL21-03 and SAL21-04 (AQI: ASX 03.08.2021), these dispatches have now been prioritised at the lab to speed up the turnaround time, which is now up to 6 weeks.

Alicanto to date has completed four holes and a total amount of 4,000m of drilling. The completed drilling fits within a larger planned 14,000m (24 hole) program that covers the area of interest for the maiden resource (refer figure 2).

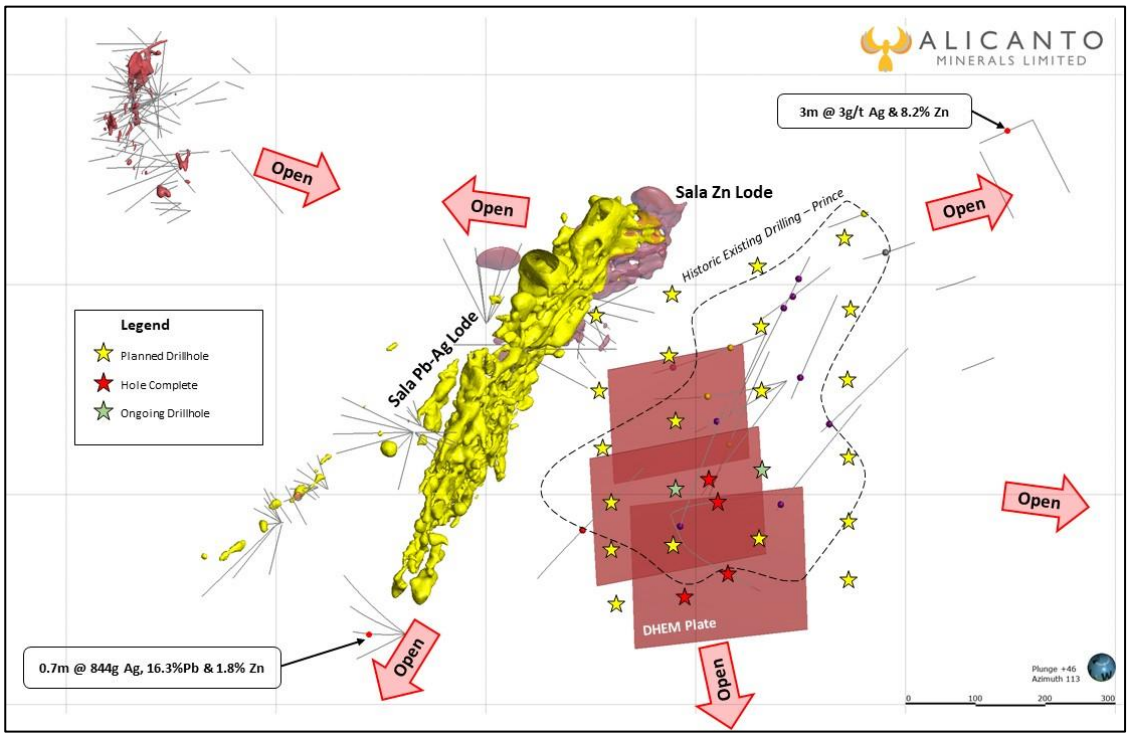

Figure 3: Oblique long section view of the Historic Existing Drilling extent and target pierce points for maiden resource drill-out at Sala

Stage 2 – Step-out drilling from Maiden Resource

With the success of the 140m step-out hole down-dip from the deepest known mineralisation at Sala (DD hole SAL-001) combined with the work in the recently completed desktop study of historical mining and drilling, Alicanto has evidence to suggest the following:

- The mineralised corridor that hosts the multiple stacked high-grade lodes continues along strike to the North and South and at depth including a historical drilling intercept 600m to the South of the target area that intersected 3.0m @ 8.2% Zn, 3 g/t Ag only 25m from surface (refer figure 3 & 4).[2]
- A historical intersection approximately 200m below the deepest mined zone at Sala (refer figure 2) contains high-grade mineralisation (6.1m @ 185 g/t Ag, 1.0 % Pb). Combined with high-grade mineralisation intersected by SAL 001 by Alicanto at ~500m depth (down dip), this suggests that there is a strong possibility that the mineralisation down-dip of the old workings at Sala is still open. (AQI:ASX: 15.02.2021, 04.05.2021, 03.08.2021)[1,2]
- Historical drilling 200m along strike (to the North-West) from the historical workings at Sala intersected very high-grade mineralisation (0.7m @ 844 g/t Ag, 16.3% Pb and 1.8% Zn) (refer figure 3). (AQI:ASX: 04.05.2021)[1,2]

Alicanto intends to step out from the central resource area and grow the scale of the Sala system with further step out drilling.

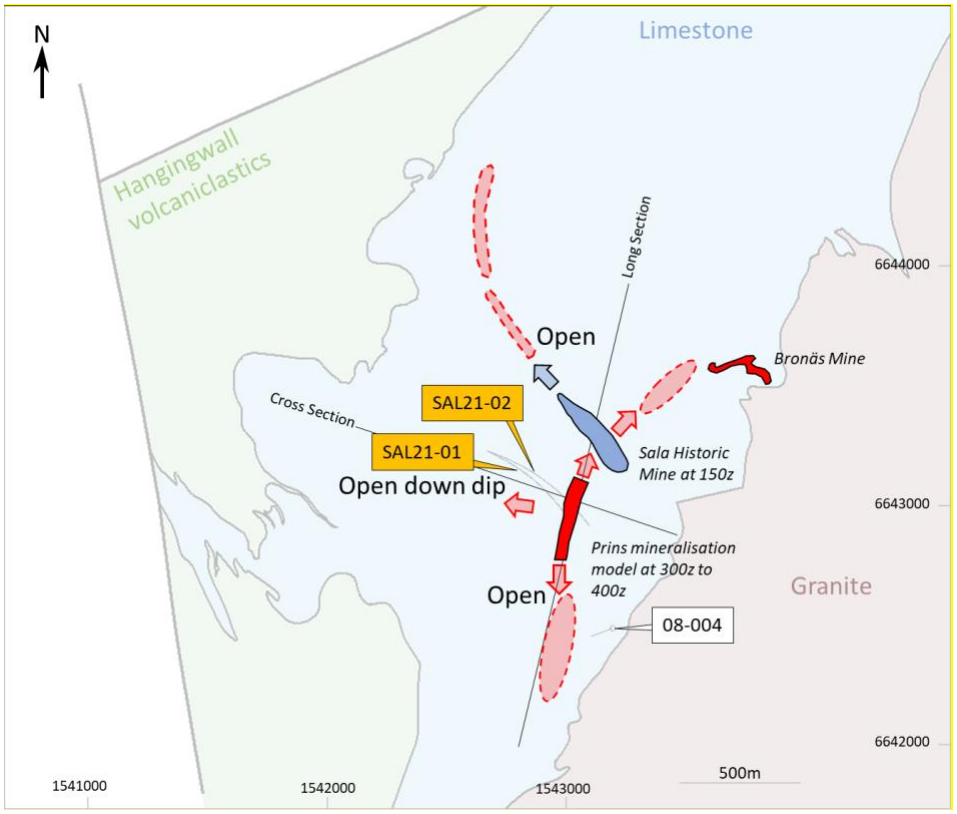

Figure 4: Plan view geology map over the Sala Silver-Zinc-Lead Project. The Sala Lode (shown in blue) historically produced over 200 Moz of Silver from an underground mining operation. Limited modern drilling has been completed at the project to date The location of cross section and long section are indicated on the plan view map. Edited after Jansson et al 2019[4,5,6].

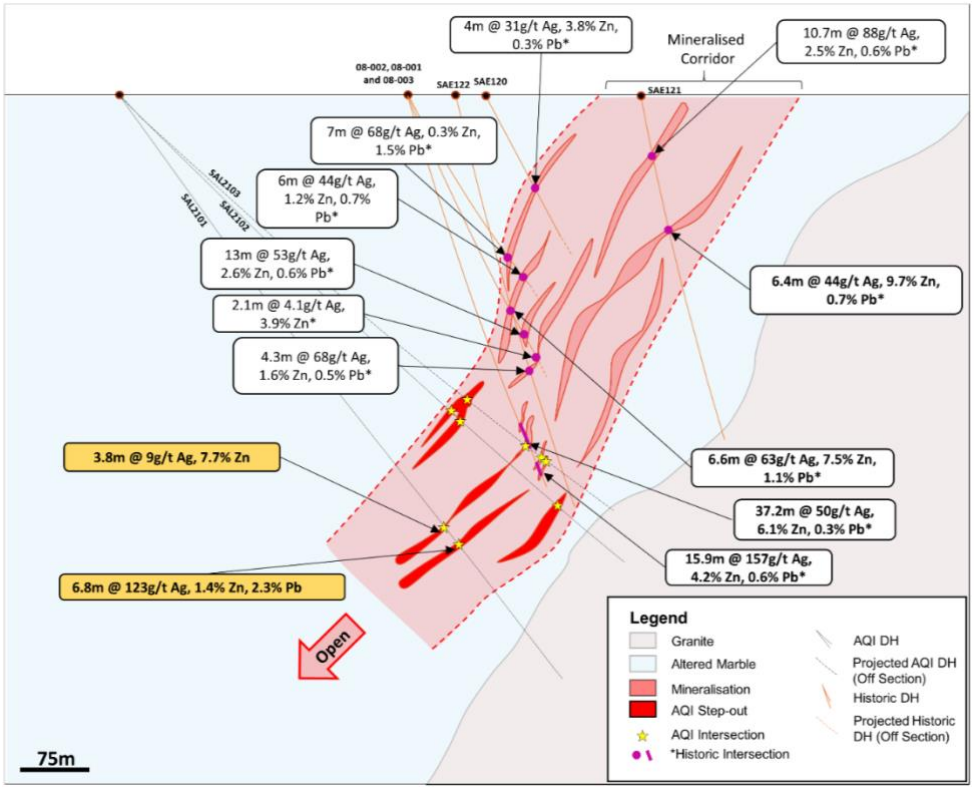

Figure 5: Cross section through the Prince Lode, looking towards the NE. Intercepts from historic drilling illustrated alongside recent Alicanto intercepts down dip of the known mineralisation. Results from drilling are consistent with interpretation of multiple lenses within a 250m wide mineralised corridor. (AQI:ASX: 15.02.2021, 04.05.2021, 07.07.2021, 03.08.2021)[1,2]

Stage 3 – Regional exploration

Historical review of data at the Sala Project suggests almost no modern systematic exploration has been conducted over the greater project area, with historic work focussed on the underground extraction at the Sala mine. Alicanto intends to take a back-to-basics approach to the greater tenement package and complete regional exploration over the entire highly prospective tenement package.

Some shallow diamond drilling exploration work was undertaken from just before WW2 which resulted in the Avesta Jernverks AB applying for and being awarded multiple mining tenements[8] (highlighted in white in figure 7). Much of this information was lost at the end of WW2 and little to no modern exploration has been undertaken in the majority of these now lapsed mining tenements.

Even though there is little historical drilling information; the knowledge that the Avesta Jernverks AB drilled shallow (sub 100m holes) in these areas and applied for mining tenements it is indicated that that mineralisation was intersected in these areas.

The company geologists are currently evaluating targets within the greater project area.

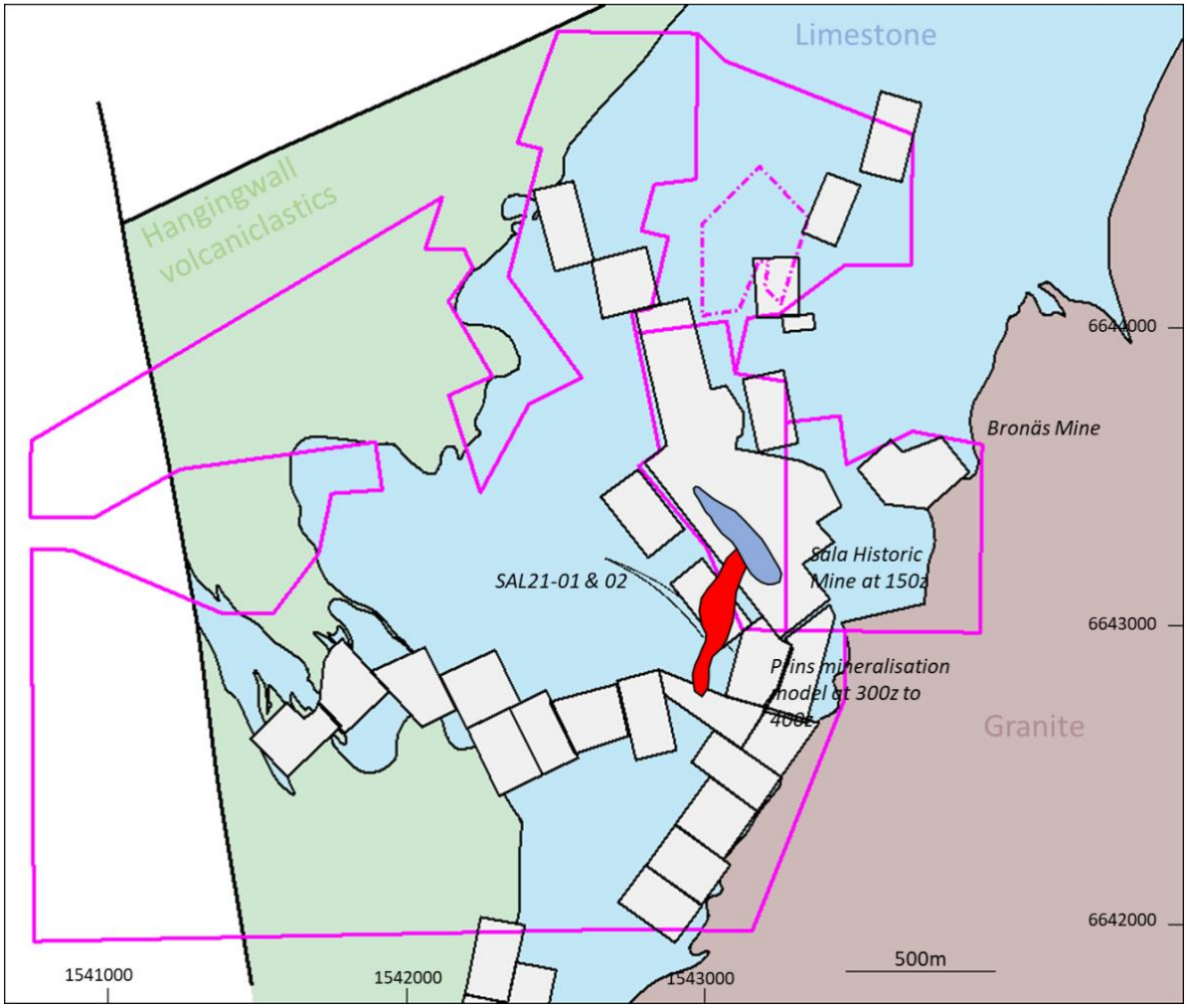

Figure 6: Historical approved Mining Tenements held by the Avesta Jernverks AB from ca. 1940's, these tenements that have now lapsed and are held by AQI were historical exploitation licences with all historic data lost and provide a good indication of further shallow mineralisation in the Sala project awaiting follow up.

By authority of the board of directors - For further information please visit www.alicantominerals.com.au.

About Alicanto Minerals

Alicanto Minerals Limited (ASX: AQI) is an emerging mineral exploration company focused on creating shareholder wealth through exploration and discovery in world class mining districts of Scandinavia. The Company has a highly prospective portfolio in Sweden, including the Greater Falun Copper-Gold and the Sala-Silver Projects in the Bergslagen Mining District, Sweden.

Media

For further information, contact: Paul Armstrong - Read Corporate +61 8 9388 1474

Competent Persons Statement

The information in this report that relates to Exploration Results is based on and fairly represents information compiled by Mr Erik Lundstam, who is a Member of The Australian Institute of Geoscientists. Mr Lundstam is the Chief Geologist for the Company. Mr Lundstam 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 Lundstam consents to their inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

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

End Notes

1. For full details of these Exploration results, refer to the said Announcement or Release on the said date. Alicanto is not aware of any new information or data that materially affects the information included in the said announcement.
2. TSXV Announcements Tumi Resources 1st January 2009, 26th February 2009, 1st March 2012, 2nd March 2012 and 6th November 2012. For full details of these Exploration results, refer to the said Announcement by Alicanto on 15th February 2021. Alicanto is not aware of any new information or data that materially affects the information included in the said announcement.
3. Sala mine statistics obtained from a report written by Tegengren, 1924 "Sveriges Adlare Malmer & Bergverk". For full details of these Exploration results, refer to the said Announcement on 15 February 2021. Alicanto is not aware of any new information or data that materially affects the information included in the said announcement.
4. An updated genetic model for metamorphosed and deformed, c. 1.89 Ga magnesian Zn-Pb-Ag skarn deposit, Sala area, Bergslagen, Sweden by N.Jansson et.al 2019.
5. Petrography, Alteration & Structure of the Bronäs Zn-Pb-Ag deposits, Bergslagen, Sweden by T.Turner 2020.
6. Sala Mine Maps (Plankarta oever Sala Grufvefaelt 1891).
7. Garpenberg Mine statistics obtained from "Boliden Summary Report, Resources and Reserves, 2018" and https://www.boliden.com/operations/mines/boliden-garpenberg
8. Report regarding four base metal sulphide projects "Rapport over fyra basmetallsulfidomraden utmalsbelagda av Stallbergs Gruv AB och A. Johnson & Co". B. Flood, Report Grb 34.