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## Falun Copper-Gold Project, Sweden

# Alicanto to raise \$3 million to fund a major drilling program at Falun

Proceeds will primarily be used for a major diamond drill campaign to test high-priority targets that have the potential to deliver rapid Resources growth at Falun

### Key Points

- Binding commitments received for a \$3 million placement at \$0.04 per share from existing and new institutional and sophisticated investors
- Funds will be used primarily to fund a major diamond drill campaign focused on key targets around the historic Falun mine as well as the highly prospective 3.5km trend which runs between Falun and the high-grade mineralisation intersected at the Skyttgruvan-Naverberg target
- Geophysics ground crews are on site completing electromagnetic and gravity surveys in preparation for the commencement of drilling; drilling expected to commence in the current quarter
- The historic Falun mine was a world class mine which last operated in 1992 and which produced 28Mt at 4% copper, 4g/t gold, 5% zinc, 2% lead and 35g/t silver.<sup>1</sup> Since its closure, limited modern exploration or drilling has been undertaken

Alicanto Minerals Ltd (Alicanto or the Company) (ASX: AQI) is pleased to announce that it has received binding commitments for a placement to raise \$3 million, at \$0.04 per share, with proceeds to fund the imminent drilling program at its Falun copper-gold project in Sweden (**Placement**).

Alicanto Managing Director Rob Sennitt said: *“Our lead-up exploration work has been highly successful in identifying a number of high priority targets within our key area of interest at Falun.*

*“The proceeds of the Placement will enable us to commit to a major diamond drill program with the flexibility to optimise the program to maximum effect.*

*“We look forward to getting the drill program underway and confirming the significant opportunity that still exists at and around what was historically a world class copper-gold mine.”*

### Follow up drilling at the Falun Project

Following the acquisition of the Exploration Permit that includes the historic Falun mine, Alicanto now controls over 60km of the target limestone horizon within a total landholding of 312km<sup>2</sup> at Falun. Very limited exploration has ever been conducted along strike from what was a world class historical copper-gold mine at Falun.

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Recent analysis and investigation by Alicanto and its in-country team is supportive of the concept that the historical Falun mine is only a small part of a major mineralised belt stretching over at least 10km.

The Company is currently focused on a 3.5km mineralised trend between Skyttgruvan-Naverberg and the historic Falun mine (refer to the 'Area of Interest' in Figure 1 below).

After a limited drill program at Skyttgruvan-Naverberg in late 2022, significant mineralisation was identified including native silver (assays up to 744g/t silver), copper mineralisation (assays up to 1.9% copper), anomalous gold values (assays up to 6.65g/t gold) within broader zones of zinc (assays up to 32.4% zinc).<sup>2</sup> Downhole geophysics completed after the discovery drillhole also highlighted a significant electromagnetic conductor that is a key target for follow up.

A series of untested historical gravity targets are present along the mineralised horizon that are highly prospective for high-density sulphide mineralisation and which also require follow up.

In the immediate vicinity of the old Falun mine, available historic data has now been uploaded into a comprehensive digital 3D model to assist with brownfields drill targeting. Several large targets comprising both copper-gold and zinc-copper-lead Falun style mineralisation have been modelled, illustrating the potential for rapid Resource growth in the Falun Brownfields environment. These high-priority brownfield targets are illustrated in Figures 3-5 below.

**Figure 1: Map of Falun regional geology highlighting the key area of interest and current high priority targets for follow up drilling at Falun.<sup>1</sup>**

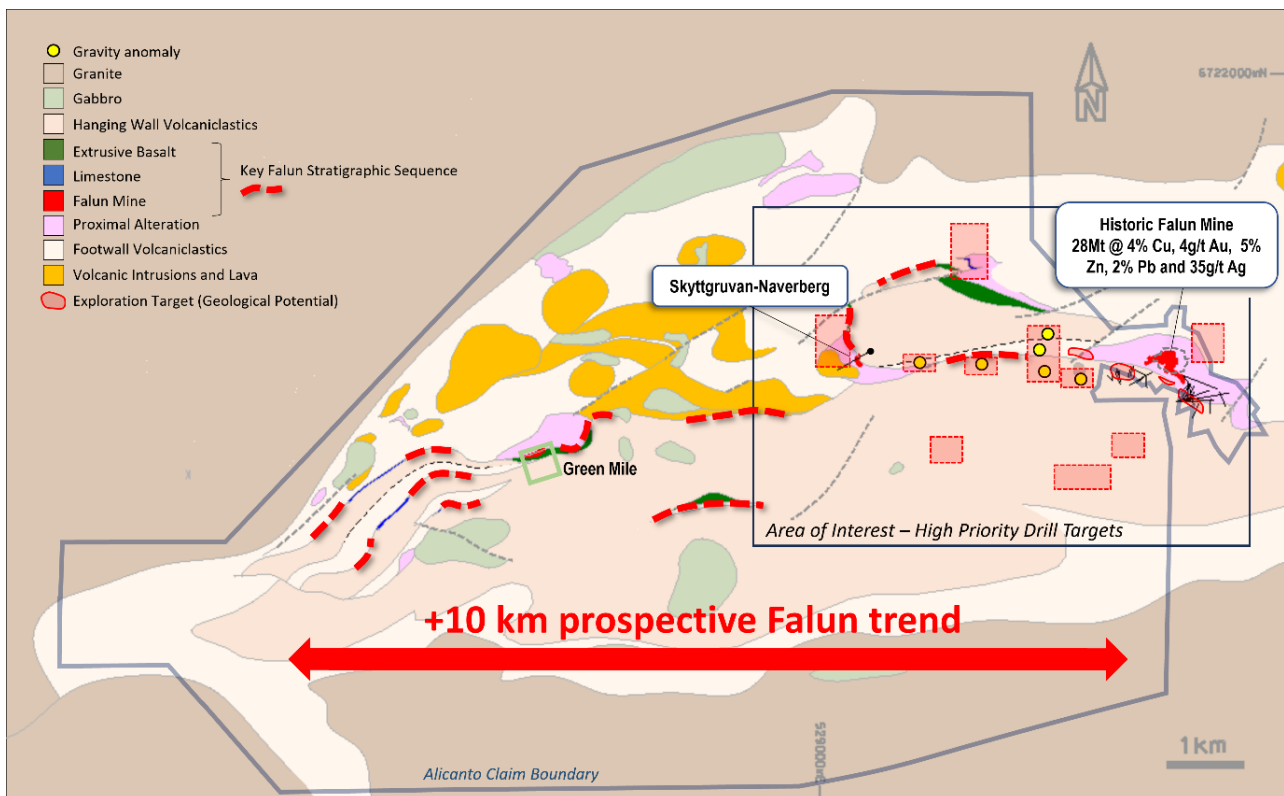


Figure 2 provides greater detail on the higher priority drill targets in the area of interest that are currently being followed up for the upcoming drill program. These include:

- Historic Falun Mine near extensions
- Continuation of Skyttgruvan-Naverberg trend northwards
- Gravity anomalies in between Falun and Skyttgruvan-Naverberg
- Alteration and copper mineralisation at surface WNW of historic Falun
- Alteration interpreted to constitute proximal HW at two locations SW of historic Falun
- Mag enhancement-depletion pair in stratigraphy WSW of historic Falun

**Figure 2: High priority drill targets in the prospective host horizon of the historic Falun mine.<sup>1</sup>**

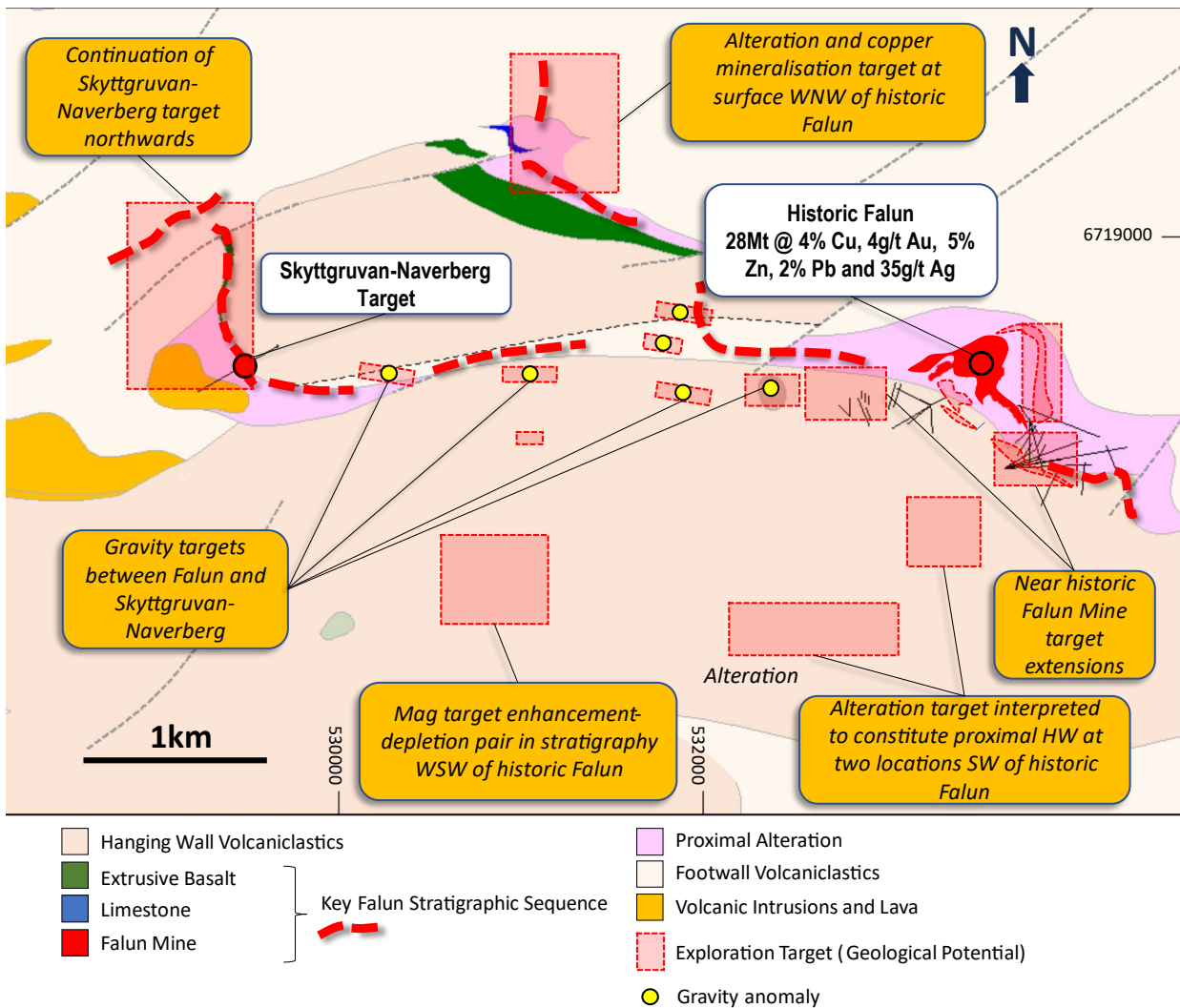


Figure 3: Falun Deposit Plan View Map, including multiple high priority unmined targets around the historic Falun Mine. The historic mining void where 28mt @ 4% copper, 4g/t gold, 5% zinc, 2% lead and 35g/t silver was extracted is shown in grey.<sup>1</sup> Mineralisation remains open.

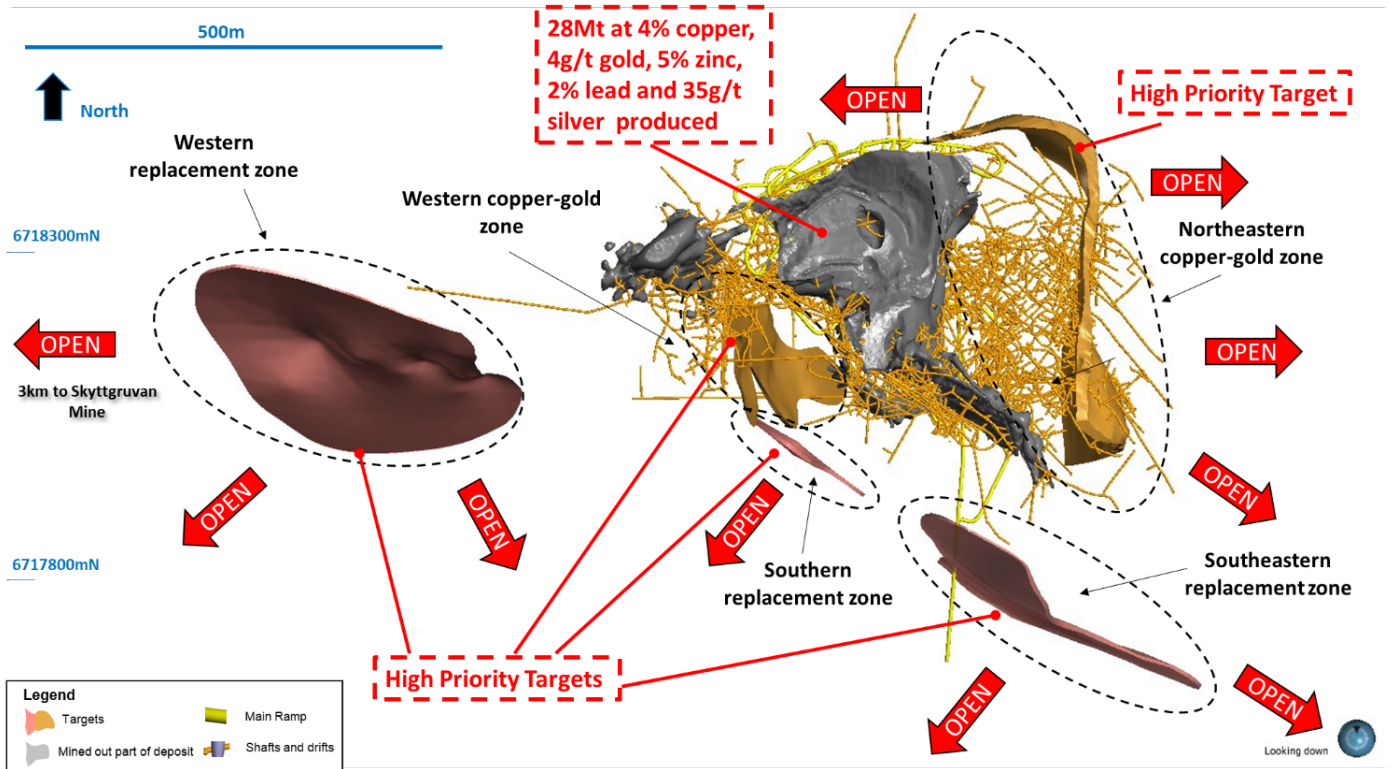
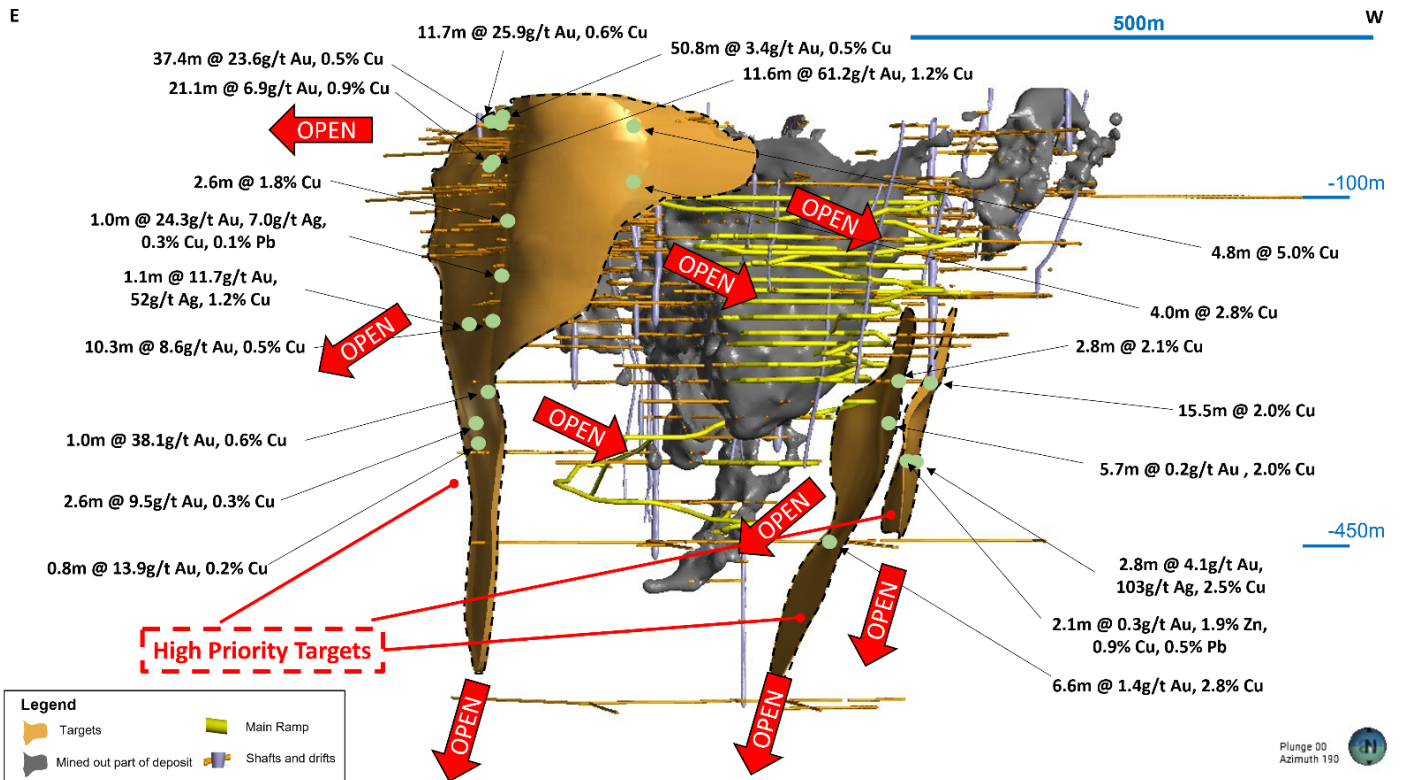
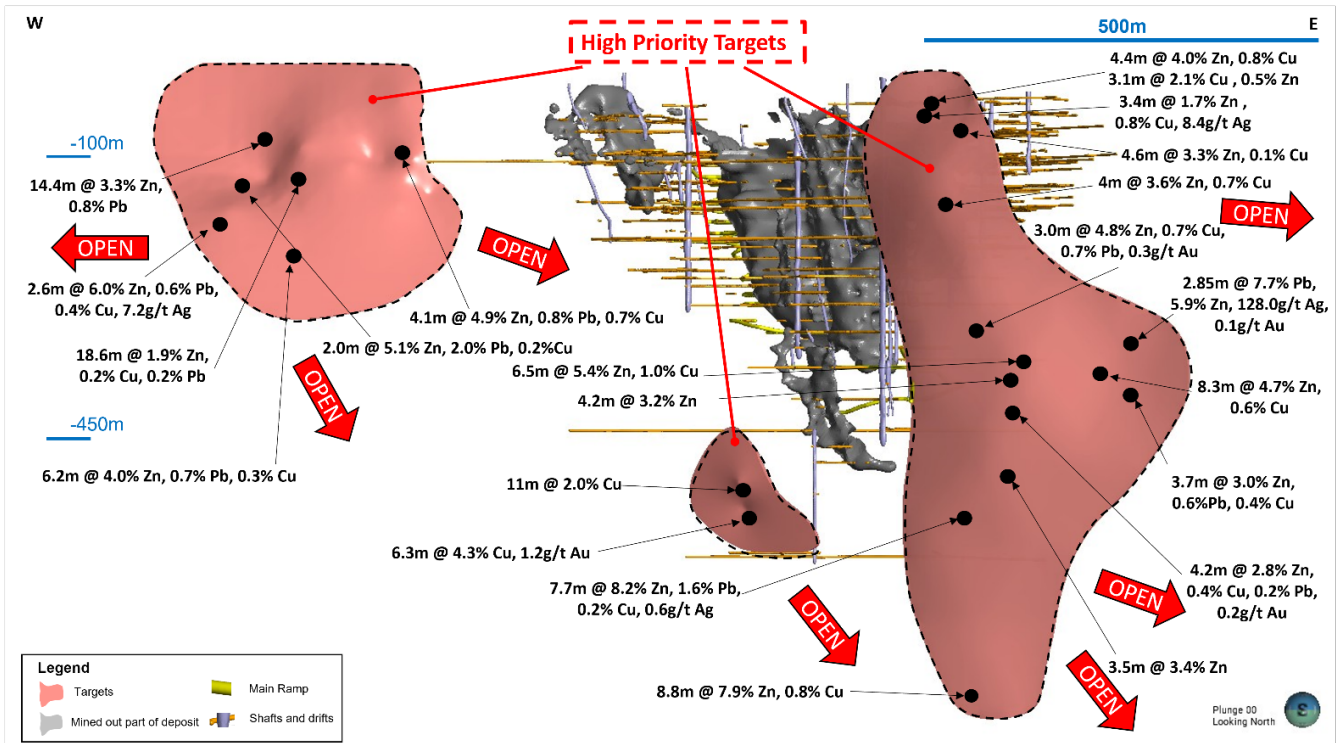


Figure 4: High priority copper-gold targets around model of historic Falun mine, which are open in all directions.<sup>3</sup> Historical 28mt mining void is shown in grey.<sup>1</sup> View is looking SSW.



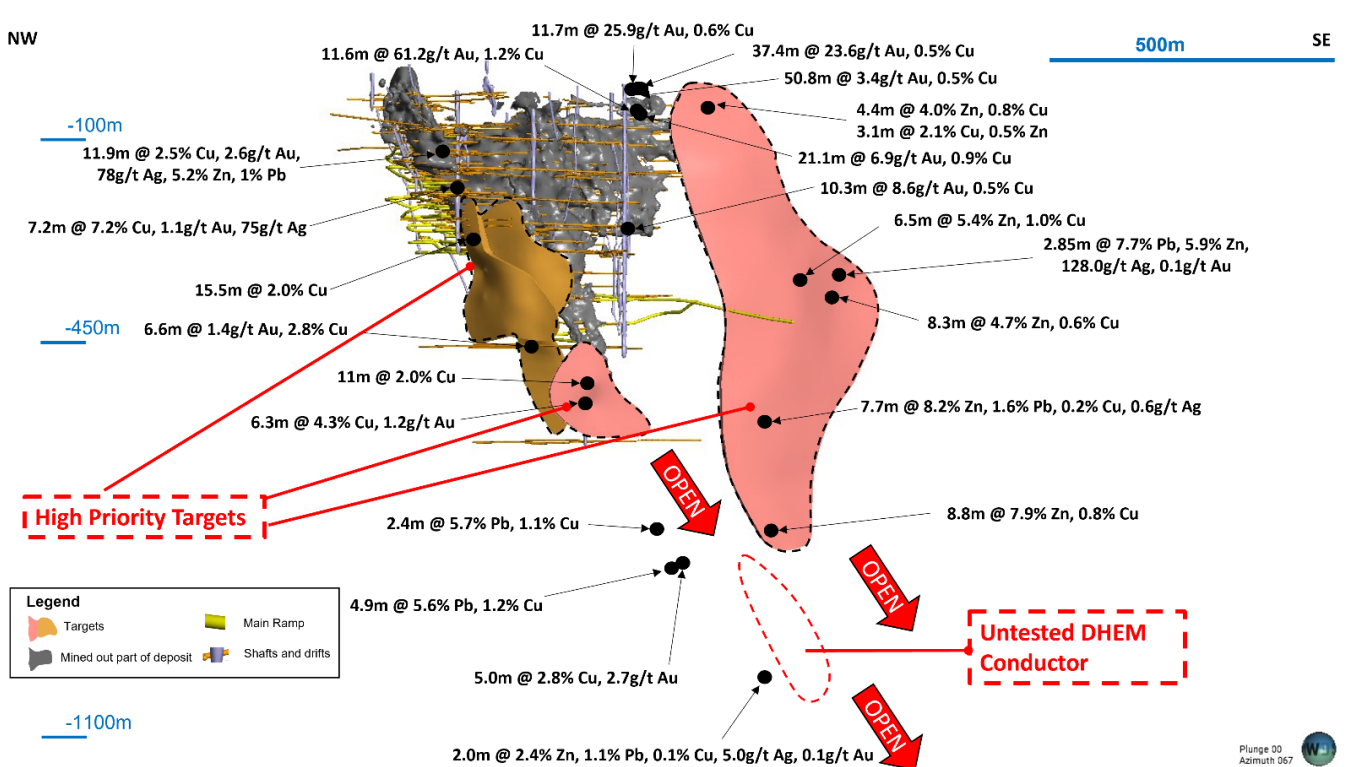


**Figure 5: Additional zinc dominated targets around the historic Falun deposit.<sup>3</sup> The zinc zones are strata bound replacement zones which have not been previously followed up and remain open along strike and at depth. Historical mining void is shown in grey. Section looking North.**



The deposit remains open at depth with historical broad reconnaissance style drilling intercepting mineralisation in addition to untested high-priority down hole Electro-Magnetic conductors indicating further targets for drill testing (refer Figure 6).

**Figure 6: High Priority targets below the old workings at the Falun mine, including an untested DHEM conductor.<sup>3</sup> Historical mine void is shown in grey.**



## Placement

The Company has received binding commitments to raise a total of \$3 million (before costs) through the issue of 75 million fully paid ordinary shares in the Company at an issue price of \$0.04 per share.

The issue price represents a discount of 20% to the last close price on 2 August 2023 of \$0.05 per share and a 14% discount to the 15-day VWAP of \$0.047 per share.

The Placement will be undertaken as follows:

- 72,500,000 fully paid ordinary shares will be issued within the Company's placement capacity under ASX Listing Rules 7.1 (18,466,319 shares) and 7.1A (54,033,681 shares). This issue is not subject to shareholder approval and settlement is expected to occur on or around Thursday, 10 August 2023.
- A further 2,500,000 fully paid ordinary shares will be issued to the Chairman, Mr Raymond Shorrocks (or his nominees) subject to shareholder approval, which Alicanto will seek at the AGM to be held in November 2023.

Funds raised from the Placement will be used:

- to fund a major drill program at Falun with multiple high priority targets already identified; and
- for costs of the Placement and working capital.

Canaccord Genuity (Australia) Limited acted as Lead Manager to the Placement.

## Indicative Placement Timetable

Event	Timing
ASX Announcement / Resume Trading	7 August 2023
Settlement of Placement Shares (excluding Director Participation)	10 August 2023
Expected date of ASX Quotation of Placement Shares	11 August 2023
Annual General Meeting where Director's participation in the Placement will be sought	Nov 2023

For further information regarding Alicanto Minerals Ltd please visit the ASX platform (ASX:AQI) or the Company's website <https://www.alicantominerals.com.au/>

Authorised by the Board of Directors.

## Media

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## About Alicanto Minerals

Alicanto Minerals Ltd (ASX: AQI) is pursuing aggressive exploration campaigns in Sweden's highly-regarded mining region of Bergslagen. These include exploring its tenements around the world class Falun copper-gold and polymetallic skarn project as well as seeking to identify high-grade silver extensions at the historic Sala silver-zinc-lead deposit and to build upon its maiden Inferred Resource of 9.7Mt @ 4.5% ZnEq containing 311,000t of zinc, 15Mozs of silver and 44,000t of lead (reported at the 2.5% ZnEq cut-off).

Alicanto controls over 60km of the target limestone horizon at the Falun project within a total landholding of 312km<sup>2</sup>.

Alicanto is highly leveraged to exploration success and puts a strong emphasis on ensuring that drilling is ongoing. This approach underpins its strategy of creating shareholder value by discovering, growing and developing precious and base metal resources in the tier-one location of Sweden.

The strategy is driven by a Board and Management team comprising a broad range of expertise, including extensive technical, operational, financial and commercial skills as well as experience in mining exploration, strategy, venture capital, acquisitions and corporate finance.

## Metal Equivalent Calculations - Sala

Zn% (Eq) are based on recoveries at analogous mineralisation systems in Sweden to calculate the Zn equivalent grades a recovery of 93.8% Zn, 82% Ag and 89.9% Pb was applied.

The following price assumptions were used to calculate the Zn% (Eq):

- Zinc Price of USD \$2,976.24 per tonne
- Silver Price of USD \$22.62 per ounce
- Lead Price of USD \$2,259.07 per tonne

Equivalents were calculated using the following formula:  $ZnEq = Zn\% + Zn\% \times [(727,345.29 \times 0.82 \times Ag\%) + (2,259.07 \times 0.899 \times Pb\%)] / (2,976.24 \times 0.9380 \times Zn\%)$

It is the Company's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold.

## Compliance Statements

The information in this announcement that relates to Exploration Results has been previously released as noted in the text and the End Notes below.

The information in this report that relates to the Mineral Resource estimate for Sala is extracted from the Company's announcement titled "Outstanding maiden Resource confirms Sala has global scale" which was released to the ASX on 13 July 2022.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

## Notes

<sup>1</sup> Falun Mine statistics obtained from Doctoral Thesis by Tobias Christoph Kampmann, March 2017 "Age, origin and tectonothermal modification of the Falun pyritic Zn-Pb-Cu-(Au-Ag) sulphide deposit, Bergslagen, Sweden".

<sup>2</sup> Refer to AQI ASX announcement dated 19 December 2022.

<sup>3</sup> Refer to AQI ASX Announcement dated 18 July 2023.

## Disclaimers

References to previous ASX announcements should be read in conjunction with this release.

All amounts are in Australian dollars unless otherwise indicated.

**Forward Looking Statements**

This announcement may contain certain forward-looking statements and projections, including statements regarding Alicanto's plans, forecasts, and projections with respect to its mineral properties and programmes. Although the forward-looking statements contained in this release reflect management's current beliefs based upon information currently available to management and based upon what management believes to be reasonable assumptions, such forward looking statements/projections are estimates for discussion purposes only and should not be relied upon. They are not guarantees of future performance and involve known and unknown risks, uncertainties, and other factors many of which are beyond the control of the Company. The forward-looking statements/projections are inherently uncertain and may therefore differ materially from results ultimately achieved.

For example, there can be no assurance that Alicanto will be able to confirm the presence of Mineral Resources or Ore Reserves, that Alicanto's plans for development of its mineral properties will proceed, that any mineralisation will prove to be economic, or that a mine will be successfully developed on any of Alicanto's mineral properties. The performance of Alicanto may be influenced by a number of factors which are outside the control of the Company, its directors, staff, or contractors.

The Company does not make any representations and provides no warranties concerning the accuracy of the projections, and disclaims any obligation to update or revise any forward looking statements/projects based on new information, future events or otherwise except to the extent required by applicable laws.

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