



EXPLORATION UPDATE HORN ISLAND AND NORTHERN MOLONG PROJECTS

HIGHLIGHTS

- St Barbara JV rock chip, soils and IP surveys completed at Horn Island
- Drill program underway at Horn Island pit for ore sorting testwork and preparation for future Mineral Resource drilling
- Current diamond drilling program nearing completion at Yarindury copper-gold porphyry targets, with the ninth hole underway and further access and approvals being sought
- Boda East access arrangements continue
- Two new porphyry targets generated at Mendooran South
- Review of Environmental Factors (REF) for the Mendooran, Goonoo Goonoo State Conservation Area has been positively determined with access being negotiated and final approvals now being sought

Advanced gold and copper explorer, Alice Queen Limited (ASX:AQX) (**Alice Queen** or the **Company**), is pleased to provide an update for its exploration activities across all of its projects. The Company has commenced its 2020 exploration programs with drilling underway at both Horn Island, Qld and Yarindury, NSW.

Alice Queen's strategy for increasing shareholder value in 2020 is centred around its Horn Island and Northern Molong projects. At Horn Island, St Barbara Limited is continuing to earn into the joint venture (**JV**) (refer ASX announcement 5 June 2019) through exploration for large-scale gold mineralisation, while the Company is also managing a parallel process to progress the areas excluded from the JV towards a production decision. Following success by Alkane Resources in the Northern Molong Belt region in 2019, the Company is ramping up exploration activities across its Northern Molong prospects.

Alice Queen's Managing Director, Andrew Buxton, commented, *"Having made great strides with our JV partner St Barbara in the latter part of 2019 and also commencing exploration drilling at our Northern Molong project, Yarindury, we are poised to further build value in 2020."*

"The drilling program recommenced at Yarindury in early January and whilst the current program is nearing completion, additional land access efforts to further target areas and drilling applications remain ongoing, drilling is now also underway at the site of our Mineral Resource at Horn Island."

"We expect a steady stream of newsflow over the coming months as these programs progress."



Drilling continues at Yarindury



TORRES STRAIT PROJECTS

HORN ISLAND – ST BARBARA JV (SBM earning up to 70% in defined areas)

During the first six months of the earn-in JV with St Barbara, the first two works programs were successfully completed.

The soils and rock chip programs were completed in October 2019 (refer ASX announcement 7 October 2019) and the subsequent ground Dipole Dipole Induced Polarisation (**DDIP**) Survey (refer ASX announcement 28 November 2019) was completed prior to Christmas.

Anomalous gold results from the surface program were returned (refer ASX announcement November 2019) and the DDIP survey was undertaken over a similar area.

The DDIP and surface results will be assessed ahead of the next stage in the exploration program.

HORN ISLAND – PIT (EXCLUDED FROM SBM JV)

Drilling is now underway as part of a targeted PQ diamond core drill program, consisting of 3 holes for 540m to provide a larger sample size from within the existing Mineral Resource to further advance planning for future Mineral Resource drilling, as well as providing sufficient material for bulk ore sorting testwork with Tomra.

Given that the gold within the Horn Island Inferred Mineral Resource is predominantly contained within the quartz veins and not contained within the host rock, Tomra ore sorting technologies offer the potential to significantly reduce the mass of material prior to milling by separating the veins from the host rock.

If successful, it may significantly reduce both the scale and cost of the processing plant required as well as potential operating cost savings.

Half core samples will be assayed in order to provide a greater sample size for future Mineral Resource modelling work.

NORTHERN MOLONG PROJECT, NSW

YARINDURY

Diamond drilling at our Yarindury Project is nearing completion, with a ninth hole currently being drilled. Yarindury forms part of our greater Northern Molong Project area targeting large scale copper gold porphyry systems. Land access negotiations to additional target areas and drilling applications are continuing within the Yarindury license.

BODA EAST

Alice Queen is continuing to pursue land access within its Yarindury license area known as Boda East.

Boda East is adjacent to the Alkane discovery hole at Boda (refer ALK ASX announcement 9 September 2019) with the tenement boundary being only ~700 metres away.

MENDOORAN SOUTH

On the back of geochemical results from two previously drilled holes at Mendooran South and exploration drilling in bordering northern Yarindury area (refer ASX announcement 25 October 2017), further target generation work has been undertaken resulting in two further large scale copper gold porphyry target areas being identified for future exploration.

The Company intends to progress these target areas during 2020.



ALICE QUEEN LIMITED

MENDOORAN

Significant progress continues to be made in relation to land access within the Goonoo Goonoo State Conservation Area of the Mendooran tenement (EL8469). A Review of Environmental Factors (REF) was completed for the Mendooran project and submitted to the New South Wales, National Parks and Wildlife Service (NPWS) for determination. In late 2019 the NPWS determined the REF positively and access arrangements are progressing.

Further updates will be provided in due course.

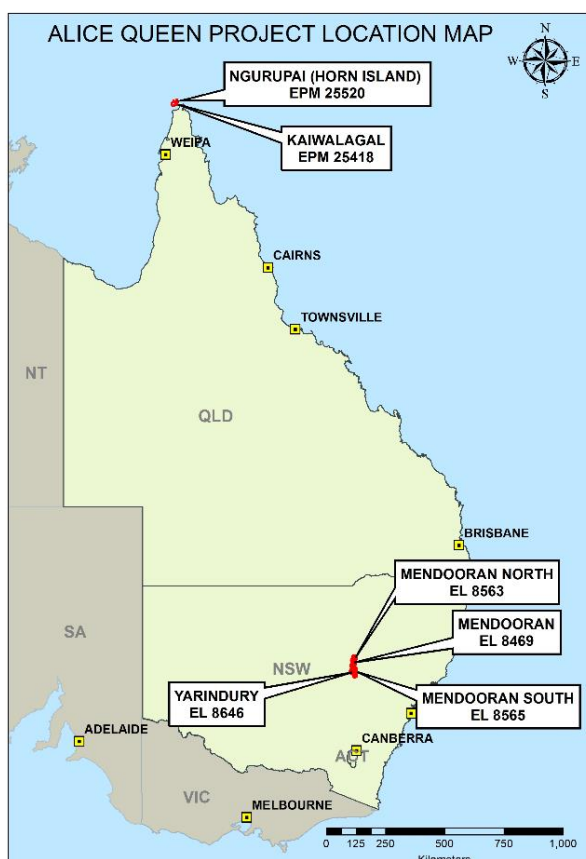


Figure 1 Project Locations Map Northern Molong

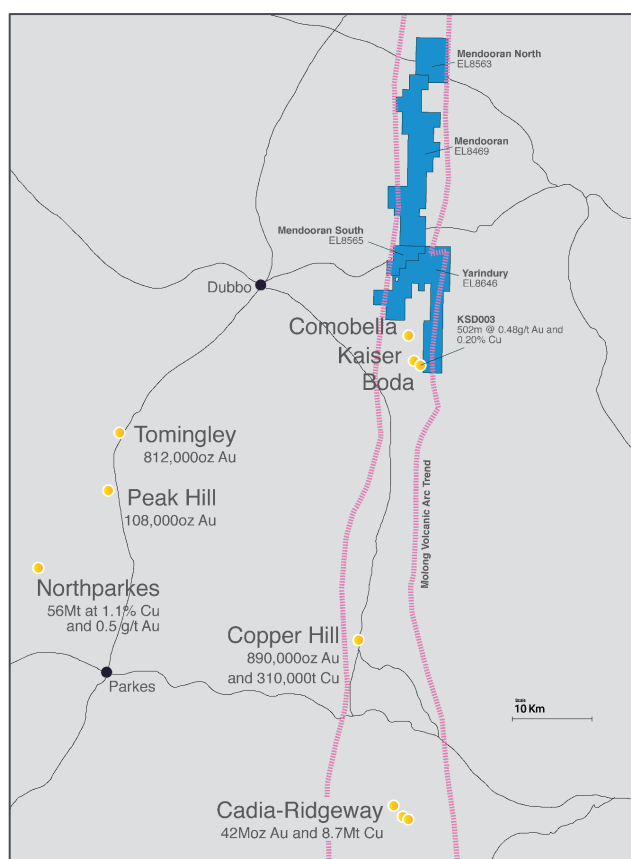


Figure 2 Northern Molong Projects Map

Approved by the Board.

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