



CORPORATE AND EXPLORATION UPDATE

Advanced gold and copper explorer, Alice Queen Limited (ASX: AQX) (**Alice Queen** or the **Company**), is pleased to provide a corporate and exploration update to shareholders and investors.

HIGHLIGHTS

- Alice Queen is in a strong cash position and all planned and approved programs for FY21 are fully funded following a recent strongly supported \$7M placement (see ASX release 24 August 2020).
- St Barbara Limited (ASX:SBM), Horn Island Joint Venture (JV) maiden diamond core drill program (up to 14 holes for 4,500m) is currently being mobilised and is on track to commence early October 2020 (see ASX release 30 June 2020).
- Alice Queen's Horn Island Resource extension drill program (5 holes for 1,200m) has been expanded to 6 holes for 1,440m and will be completed by the end of September 2020 (see ASX release 27 August 2020).
- Phase one of the Company's Horn Island Resource Reverse Circulation (RC) infill drill program of 33 holes for 4,100m is currently being mobilised to commence in October 2020 (see ASX release 27 August 2020).
- Boda East maiden drill program of up to 14 holes to test the ~13km north-south trend continues (see ASX releases 28 July and 5 August) with 20BEDH0004 (hole 4) underway.
- Assay and petrological results from Boda East 20BEDH0001 (hole 1) are expected in the week commencing 5 October 2020 (see ASX release 5 August 2020).
- First assay results for the Horn Island diamond core Resource extension drill program (noted in bullet point 3 above) are expected late October 2020.
- The Company's Mendooran project is drill ready and plans are in place for the commencement of its maiden drill program in November 2020 to test eight high priority copper gold porphyry targets. The Company intends to utilise the \$200K NSW New Frontiers, Cooperative Drilling Grant (see ASX release 1 April 2020) to offset the cost of this program.

FINANCES

Having raised a further \$7m (before costs) last month, the Company has sufficient funds to pursue exploration programs at multiple project locations and is actively doing so in order to seek to continue to add value for shareholders in the medium term. The Company is also well positioned to exploit any new opportunity that the Board considers advantageous in adding shareholder value.



HORN ISLAND

ST BARBARA JV DRILLING

A staged FY2021 St Barbara Horn Island JV work program with expenditure of up to \$2 million will focus on drill testing two high priority targets (see figure 1) near the Horn Island gold Resource (~0.5Moz Au Inferred) of up to 14 holes for 4,500m. This program is currently being mobilised and is expected to commence in early October 2020 with first assay results expected in December 2020.

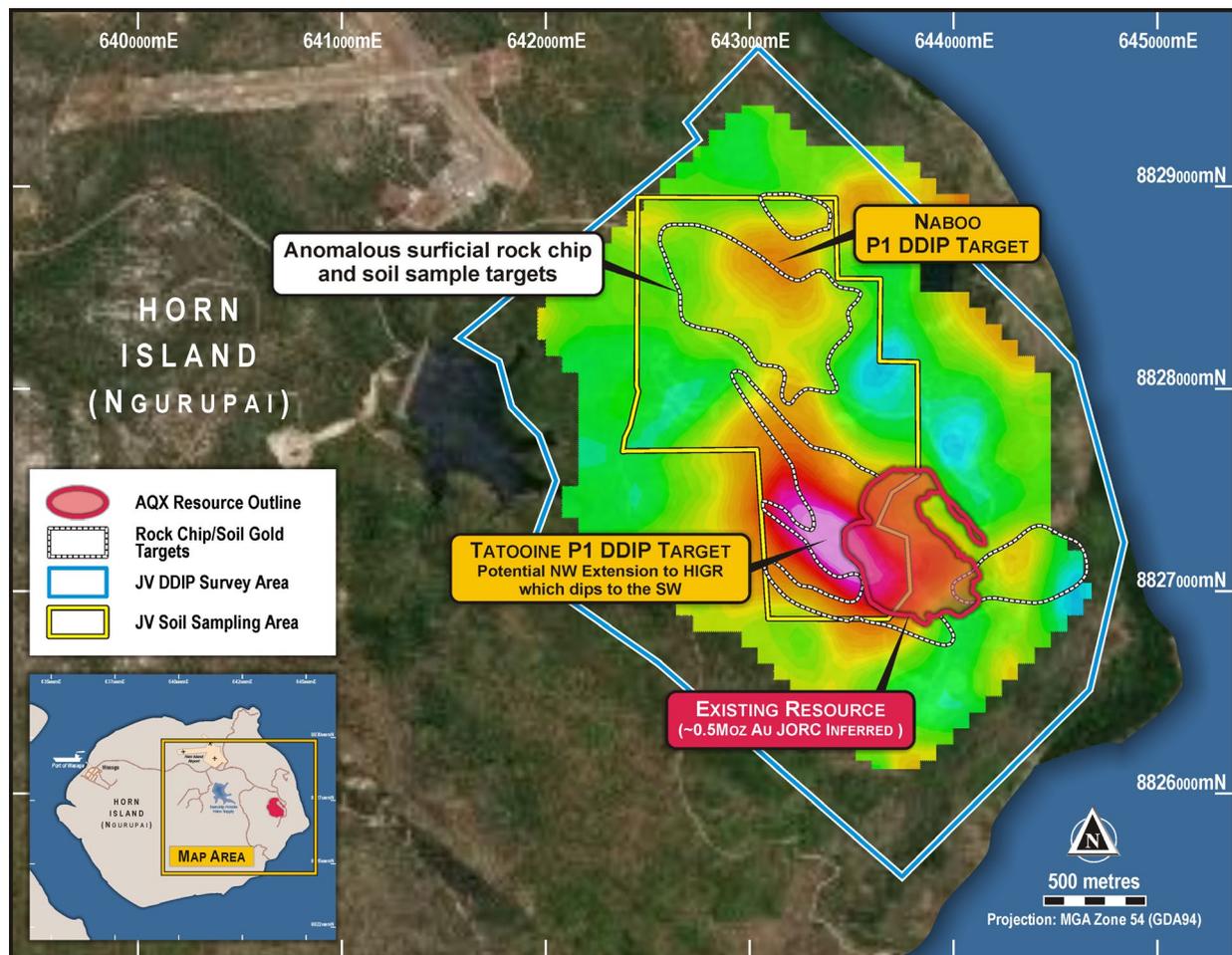


Figure 1. Two high priority DDIP target areas, Tatooine and Naboo.

ALICE QUEEN RESOURCE DRILLING

The Horn Island Gold Resource forms part of the “Excluded Zones” pursuant to the St Barbara – Horn Island JV. Accordingly, Alice Queen is continuing to progress the development of this asset through further drilling and test work. It is the Company’s strategy to progress the current Inferred Resource to Indicated status and then potentially further through to feasibility studies with the aim of increasing the underlying value of this asset.

A recently expanded diamond core drill program of 6 holes for 1,440m to test potential extensions to the Horn Island gold Resource (~0.5Moz Au Inferred) will be completed by the end of September 2020. An RC infill drill program of 33 holes for 4,100m is currently being mobilised to site. This is the first program planned in a phased infill drill strategy to seek to progress the existing Inferred Resource towards Indicated status.



ALICE QUEEN ORE SORTING TESTWORK

Earlier in the year a targeted PQ diamond core drill program, consisting of 3 holes for 540m (see ASX release 22 January 2020) was completed to provide a larger sample size from within the existing Mineral Resource to further advance planning for future Mineral Resource drilling. The larger diameter diamond core program was utilised to provide sufficient material for bulk ore sorting test work with Tomra.

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 that may be required as well as providing potential operating cost savings.

ABOUT THE HORN ISLAND ST BARBARA JOINT VENTURE

On 5 June 2019 the Company announced that it had entered into a joint venture (**JV**) with Australian listed mid-tier gold producer, St Barbara.

An overview of certain key terms of the JV is set out below, further details are contained in the Company's ASX announcement dated 5 June 2019 titled "*Alice Queen Executes Earn-In and Joint Venture Agreement with St Barbara*".

- SBM to spend \$4.0m over three years to earn 70% of areas outside of the Excluded Zones.
- Excluded Zones are the existing Inferred Resource (approx. 0.5Moz Au). The historic mine infrastructure which includes certain road areas and decant water dam, the historic waste dumps, low grade ore stockpiles, ROM pad and all alluvial gold across Horn Island to a depth of 5 metres below surface (Figure 1).
- SBM has an option to purchase all or part of the Excluded Zones at "fair value" post it spending the \$4.0m and electing to move to 70%.
- AQX, via its subsidiary, Kauraru Gold Pty Ltd, has the right to continue with its 30% share of further expenditure to maintain its equity position through to production.
- Note: SBM achieved the Year 1 minimum expenditure requirement of \$500,000 in February 2020.

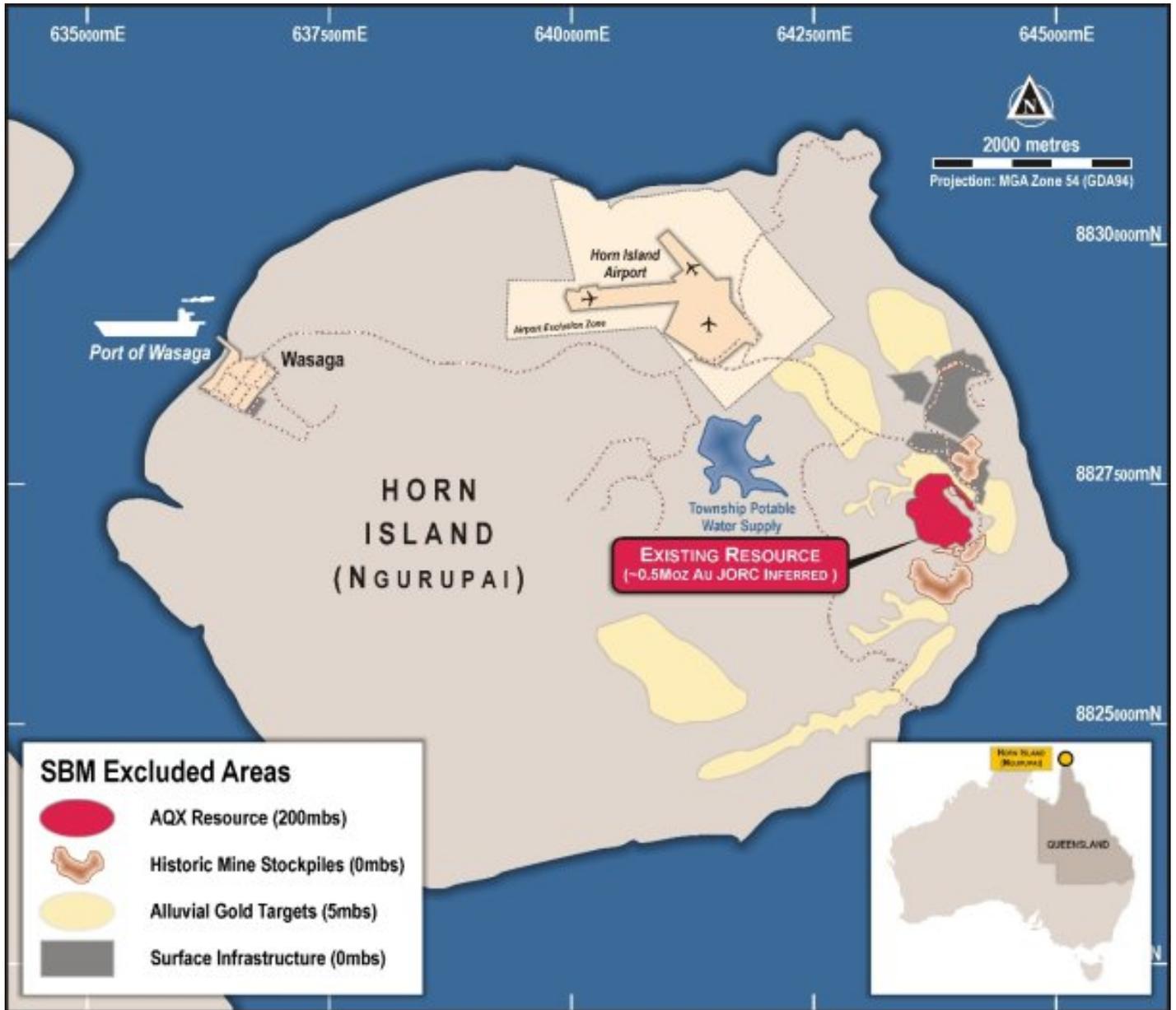


Figure 2. Horn Island St Barbara Joint Venture and Excluded Areas illustration.



NORTHERN MOLONG (NSW)

BODA EAST

The Company is currently undertaking a diamond core drill program of up to 14 holes to test a ~13km north-south trend across four target areas at Boda East (see Figure 2). The first three holes have been completed with the fourth hole currently underway. Assays and petrological results are expected from BEDH001 (hole 1) in early October 2020 with results from subsequent holes to follow.

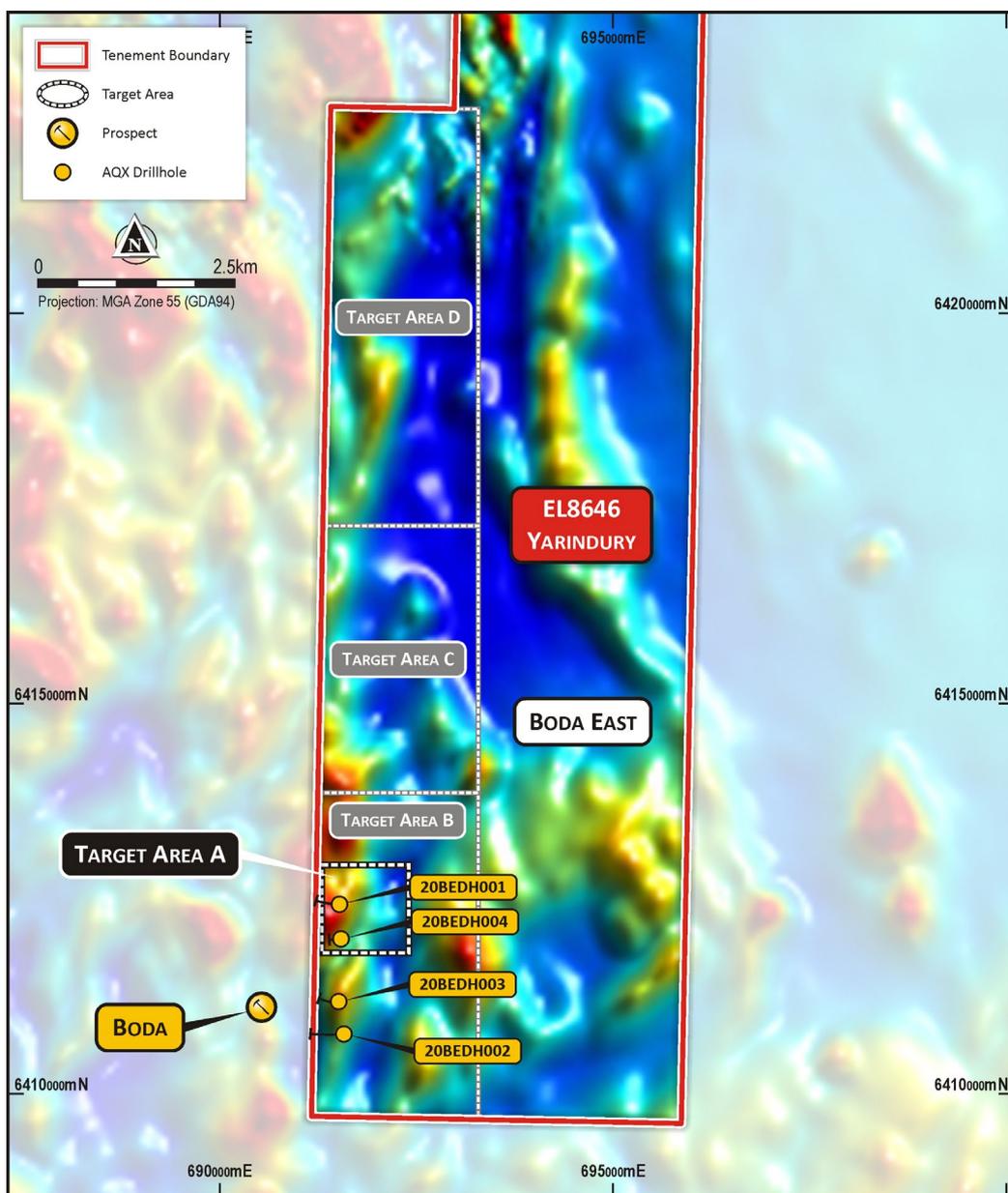


Figure 3. Boda East target areas and drill holes



MENDOORAN

As noted above, a maiden diamond core program is planned for Mendooran now that all regulatory approvals have been received. There are eight large scale, high priority targets, that have never been drill tested. The Company will utilise the funds from the NSW, New Frontiers, Cooperative Drilling grant towards this program. The Company intends to commence this program in November 2020 and will provide further updates as this plan materialises.

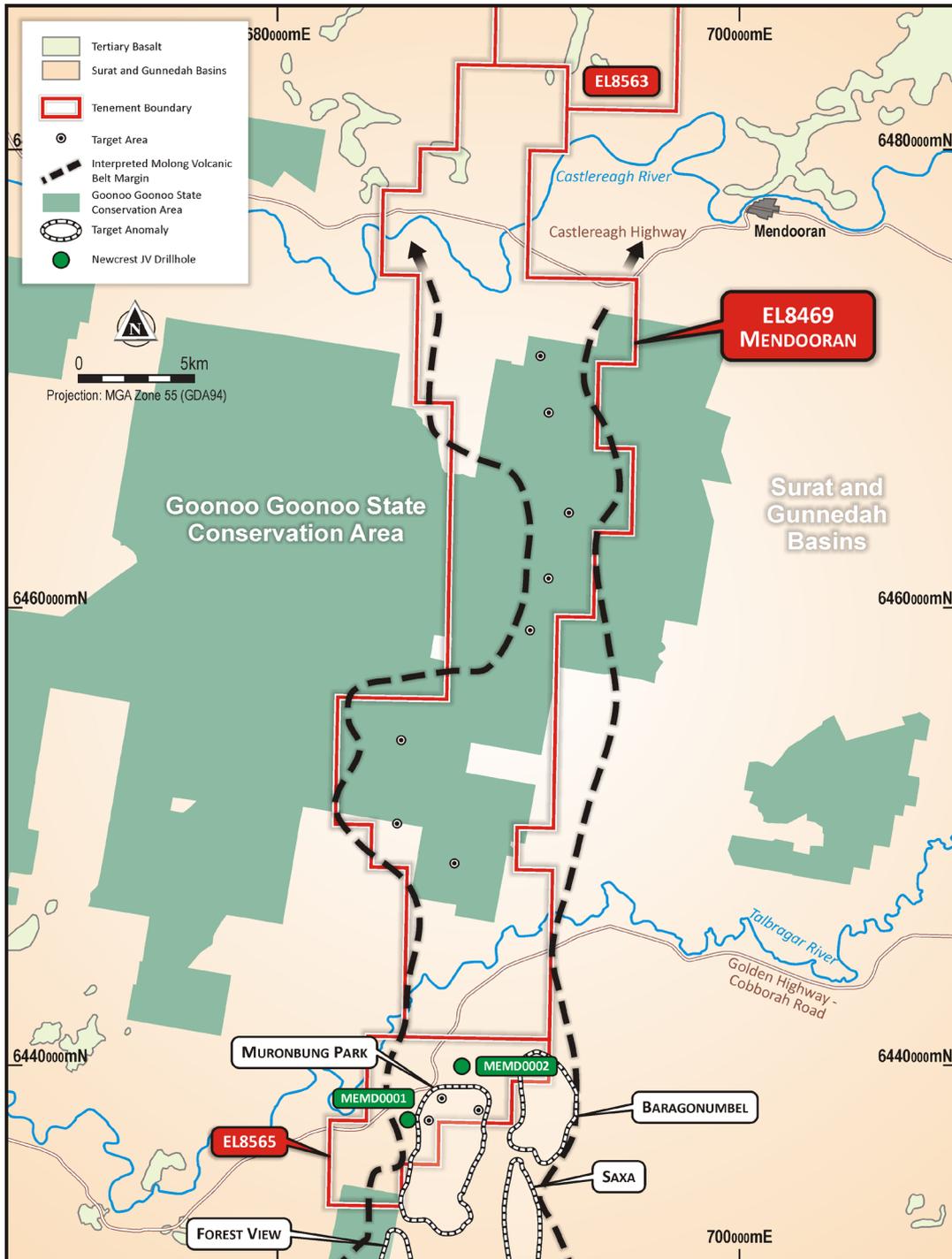


Figure 4. Mendooran



COMMENTARY

Alice Queen's Managing Director, Andrew Buxton said, "With a robust cash balance and several drilling programs on foot at both Horn Island and at our Northern Molong projects in NSW, the Company has never had a more solid pipeline of pending news flow. This news flow, from all projects, is expected to continue well into 2021 has the real potential of generating significant value for our shareholders."

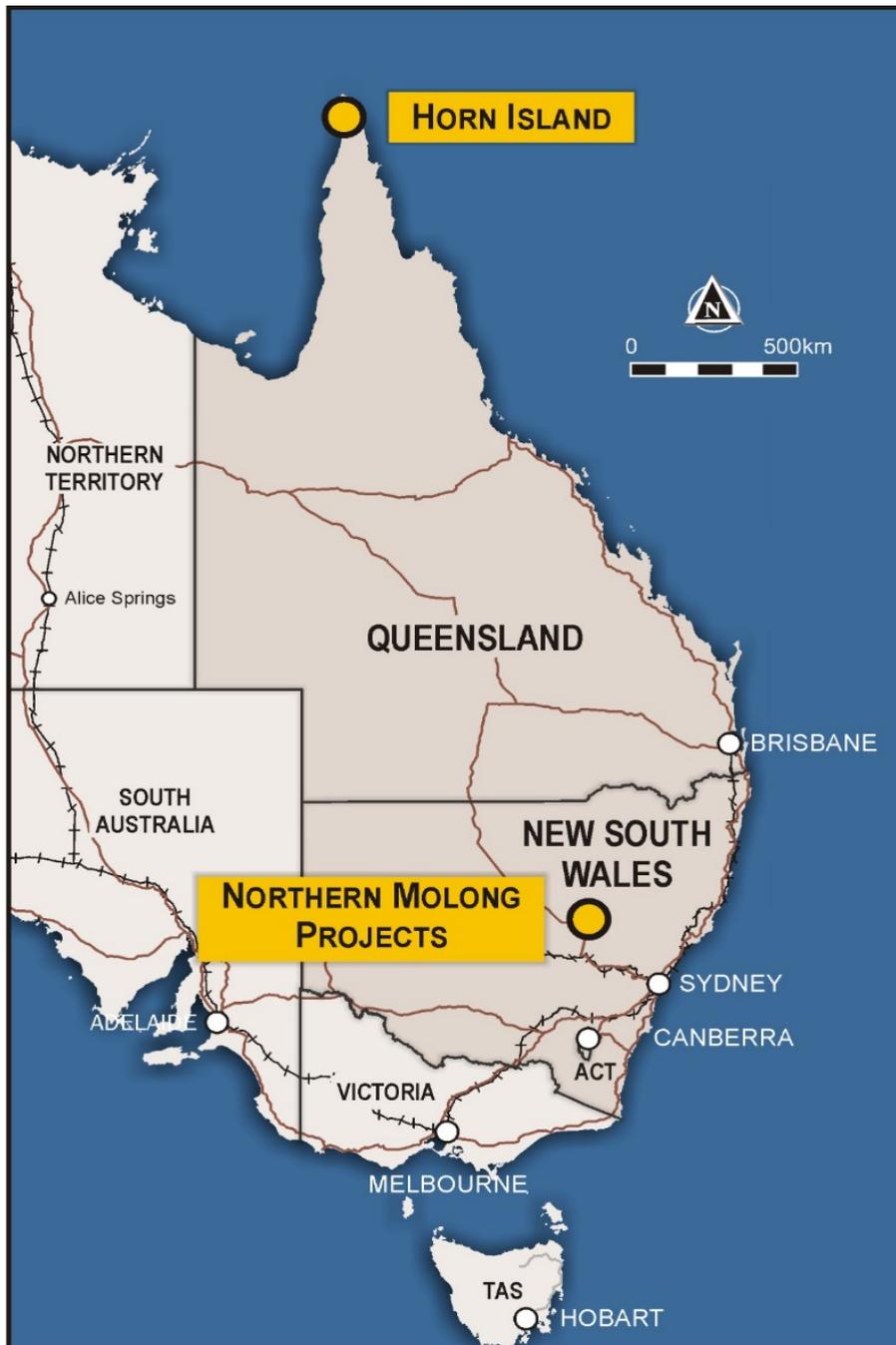


Figure 5. Project Locations



**ALICE QUEEN
LIMITED**

Approved by the Board of Alice Queen Limited

For further information.

Andrew Buxton

Managing Director, Alice Queen Limited

P. +61 403 461 247

E: andrew.buxton@alicequeen.com.au

ASX LISTING RULE 5.23 STATEMENT

The information in this ASX Release that relates to the Company's Mineral Resource estimate is extracted from and was reported in the Company's ASX announcement titled "Horn Island Resource Upgrade" dated 2 August 2018, which is available at www.asx.com.au the competent person being Mr. Richard Buerger BSc. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in those announcements continue to apply and have not materially changed.