



ALICE QUEEN LIMITED AND ITS CONTROLLED ENTITIES

A.B.N. 71 099 247 408

**INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**



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CORPORATE DIRECTORY

Directors

Patrick Gowans
Non-Executive Chairman
Andrew Buxton
Managing Director
Dale McCabe
Executive Director
Anthony McIntosh
Non-Executive Director

Company Secretary

Anne Adaley

Registered Office and Principal Place of Business

Level 2, 568 Chapel Street,
(Entrance Oxford Street)
South Yarra Victoria 3141
T: +61 3 8669 1408
W: www.alicequeen.com.au

Auditor

Moore Australia
Level 18, 530 Collins Street
Melbourne VIC 3000
T: +61 3 9608 0100
F: +61 3 9608 0192

Share Register

Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace,
Perth WA, Australia 6000
T: 1300 850 505

Securities Exchange Listing

Australian Securities Exchange
ASX Code: AQX

DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

The Directors of Alice Queen Limited present their Report together with the financial report of the consolidated entity (referred to hereafter as the "Group") consisting of Alice Queen Limited (Alice Queen and/or the "Company") and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

Directors

The following persons held office as Directors of Alice Queen Limited during or since the end of the reporting period and up to the date of this report:

Patrick Gowans	Non-Executive Chairman
Andrew Buxton	Managing Director
Dale McCabe	Executive Director
Anthony McIntosh	Non-Executive Director

Principal Activities

The principal activity of the Company during the reporting period was mineral exploration focused on the development of its projects at Horn Island, Queensland and in New South Wales.

Review of Operations and Financial Results

Financial Results

The Group incurred a loss after tax for the reporting period of \$930,370 (2019: \$775,741 loss).

Corporate activities

On 24 August 2020, the Company announced the closing of a private share placement (August Placement) to institutional and sophisticated investors to raise \$7 million (before costs) at an issue price of \$0.044 per share. On 27 August 2020, 159,090,909 ordinary shares were issued of which 69,090,909 were issued under Listing Rule 7.1 and 90,000,000 were issued under Listing Rule 7.1A. The Placement was led by Evolution Capital Advisors Pty Ltd and BW Equities Pty Ltd, acting as joint lead managers. In connection with their role in the August Placement, in addition to standard capital raising fees, the Company agreed to issue the joint lead managers an aggregate of 5,000,000 options having a strike price of 7 cents and 5,000,000 having a strike price of 8 cents, all with an expiry date of 27 August 2022. These options were issued on 27 August 2020.

Funds raised from the August Placement have been applied to:

- Expand upon the Company's drilling at Boda East;
- Complete phase one of RC infill drilling at the Horn Island pit with the aim of lifting the existing JORC Inferred Resource to the JORC Indicated Resource category and commencement of feasibility studies into open pit production scenarios; and
- Commence drilling at Mendooran, where the Company can capitalise on its recent \$200,000 government cooperative drilling grant.

At the Annual General Meeting held on 16 November 2020, Shareholders approved the issue of a total of up to 9,816,647 unlisted options to each Director of the Company under the Company's Security Ownership Plan. The options will have an exercise price of \$0.05 (5 cents), vest one year from date of issue, expiring three years from the date of issue and will, upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company. As at the date of this report, these options have not yet been issued.

Exploration activities

Queensland

Horn Island (Ngurupai) EPM 25520 (100% owned)

In Q1 FY21, Alice Queen successfully ramped up its drilling program at Horn Island, both as a part of the joint venture agreement entered into with St Barbara Limited in 2019 and independently at the "excluded areas" of the joint venture.

DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

Review of Operations and Financial Results (continued)

In August 2020, the Company commenced its 4,100m Horn Island Resource Reverse Circulation (RC) infill drill program (see ASX release 27 August 2020). At 31 December 2020, Alice Queen had completed 13 of a planned 34-hole infill program at the Horn Island Resource the purpose of which is to seek to progress resource definition (refer to Figure 2).

Exploration activities

Horn Island (Ngurupai) EPM 25520 (84.5% owned) (continued)

By November 2020, Alice Queen had completed six diamond drill holes for a total of 1,356m as part of the Gold Resource Extension Drilling Program (excluded areas) to test a total strike length of 230m of the Tatooine DDIP chargeability target (refer Figure 1). The aim of this program is to build on the existing Horn Island Inferred Resource of ~0.5Moz Au JORC 2012.

All assays returned demonstrated zones of gold mineralisation (>0.5g/t Au), with the furthest intercept located approximately 100m south and down dip from the previous drilling (see ASX release 13 November 2020). Mineralisation remains open towards the south and northwest, coincidental with the overall trend of the Tatooine DDIP CHG anomaly and covers a total area of ~ 1km² (refer to Figure 1, see ASX release 13th November 2020 announcement)

The results confirmed the DDIP chargeability anomaly is associated with mineralised gold-bearing sheeted and stockwork veining, these being similar in nature to the mineralised vein styles forming the Horn Island Inferred Resource. Mineralisation remains open towards the south and northwest, coincidental with the overall trend of the Tatooine DDIP CHG anomaly.

In December 2020, a diamond core program of 13 holes for 4,590m was completed under the St Barbara JV across the section of the Tatooine DDIP anomaly and Naboo DDIP Target contained within the joint venture. Assay results for this program are expected in the March 2021 quarter.

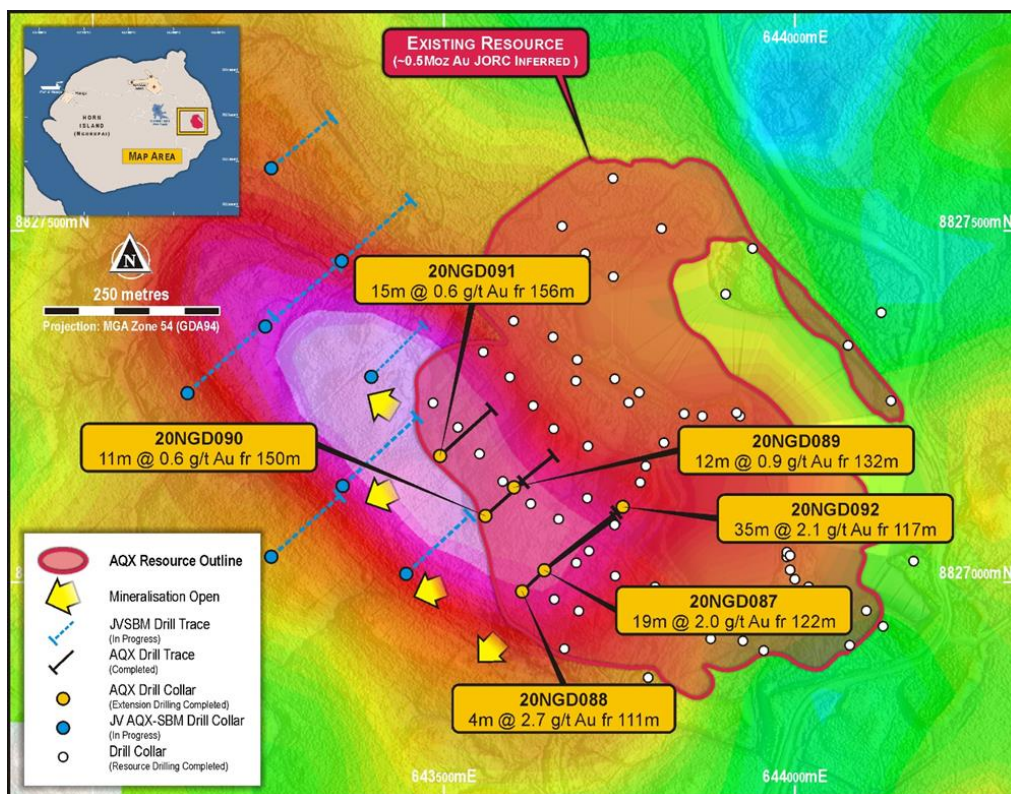


Figure 1. Significant gold assay intercepts in completed resource extension diamond (NQ2) drill holes - targeting southerly and north western extension within the Horn Island Inferred Resource (~0.5Moz Au inferred) area and across parts of the Tatooine 1 DDIP chargeability target. DDIP image from 3D inversion chargeability slice -140m. Mineralisation from recently completed drilling remains open at depth and towards the south and northwest.

DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

Review of Operations and Financial Results (continued)

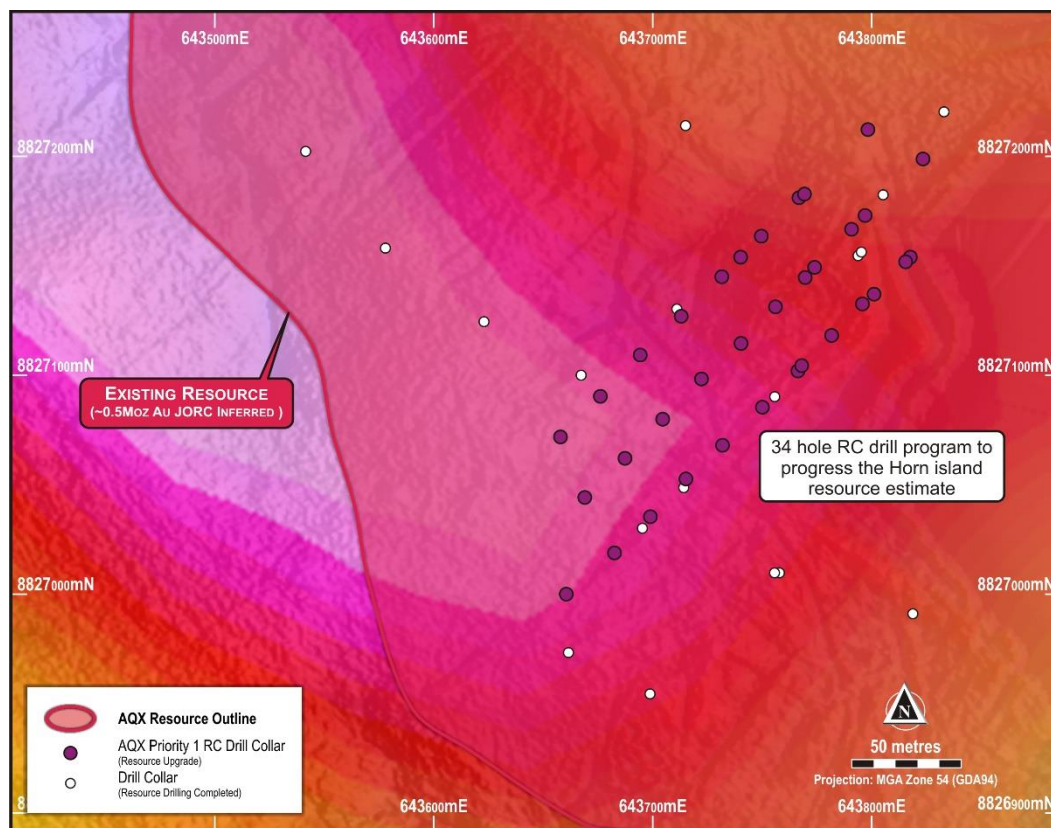


Figure 2. Planned Phase one RC Infill Drill Program

EPM 25418

The Company has completed an initial exploration program across the Kaiwalagal project area, at Prince of Wales Island (Muralag) located approximately 2.2km SW from Horn Island (Ngurupai). The initial work included an island scale closely spaced (50m) fixed wing airborne magnetics and radiometric survey in conjunction with an independent preliminary satellite hyperspectral analysis.

DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

Review of Operations and Financial Results (continued)

New South Wales

Mendooran Tenements EL 8646, EL 8469, EL 8563 and EL 8565 (90% owned)

Boda East

Boda East is adjacent to Alkane Resources' (ASX: ALK) Boda discovery within the Northern Molong Belt.

Alice Queen commenced drilling at Boda East in July 2020, initially completing four deep diamond holes for 3263.7m. Results from the upper 480m of 20BEDH001, reported in October 2020 (refer to Figure 3) showed a previously reported chalcopyrite zone from 423m to 438m averaged 0.09% Cu (equivalent to 0.26% chalcopyrite, slightly higher than an earlier visual estimate). Petrographic review of the mafic-intermediate volcanic host rocks indicate a shoshonitic affinity. Along with steeply dipping porphyritic mafic and intermediate dykes which intrude the sequence, the host rocks are interpreted as being part of the highly prospective Ordovician-Early Silurian Molong Volcanic Belt.

Observations from initial drilling at Boda East confirmed the host rocks of Alkane's adjacent Boda discovery appear to extend into Alice Queen's ground. The Company extended its program to a potential 14 diamond drill holes to test a ~13km north-south trend across four target areas at Boda East. Each target area contains multiple drill targets.

On 1 March 2021, Alice Queen announced that evidence of a porphyry system was present at Boda East through the results of 10 diamond drill holes for 6819.62m (see ASX release 1 March 2021). A total of 3.2km strike length was tested in the 10 holes, with hole depths ranging from 183.2 to 972.8m.

Best individual Cu-Au intercepts returned were:

- 20BEDH002: 1m @ 0.01 g/t Au and 0.25% Cu from 412m
- 20BEDH004: 1m @ 0.26% Cu from 429m
- 20BEDH005: 1m @ 0.35 g/t Au & 0.33% Cu from 506m
- 20BEDH005: 1m @ 0.24 g/t Au & 0.45% Cu from 598m
- 20BEDH006: 1m @ 0.04 g/t Au and 0.16% Cu from 114m
- 20BEDH008: 1m @ 0.34 g/t Au & 0.12% Cu from 220m

Cu-Au-Mo mineralisation was identified over more than 550m with a series of discrete dykes are being hosted by the mafic volcanic rock package. The dykes are associated with mineralisation which persist along the northerly trend, with veining and strong alteration. These dykes have steep dips which suggests the envelope of mineralisation persists at depth.

The results at Boda East are consistent with those that delineate the top of a mineralised porphyry intrusive complex. This intrusive complex remains open along strike extent and at depth and confirms the existence of a possible porphyry system. Further targeting will be completed once all laboratory results have been returned and follow up drilling is planned.

Yarindury

In Q1 FY21, the Company continued to drill prospects including the Bullaburra, Woodlands and Forest View prospects in New South Wales following encouraging reconnaissance mud rotary-diamond drilling performed on the highly prospective Yarindury Project (EL8646).

Initial results from the first drill program at Woodlands were encouraging, returning mineralisation and mineralogical indicators of Cu-Au porphyry potential. This potential is not surprising considering Cu-Au porphyry mineralisation hosted by monzonite occurs 5km south of the tenement in the Comobella intrusive complex at Glen Hollow. Regional magnetic imagery suggests that Woodland is a covered and largely unexplored extension of the host rocks that are exposed in that southern region.

DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

Review of Operations and Financial Results (continued)

New South Wales

Mendooran Tenements EL 8646, EL 8469, EL 8563, EL8985 and EL 8565 (90% owned) (continued)

Mendooran

The Company has invested significant time and effort into gaining access to the Goonoo Goonoo State Conservation Area (SCA) to conduct exploration drilling. During the reporting period, Alice Queen successfully obtained all approvals to access the SCA for exploration drilling, being the first Company to achieve this level of approval.

Subsequent to the period, in February 2021, Alice Queen commenced a maiden diamond drill program at the Mendooran Project (EL8469), NSW (see ASX release 3 February 2021). The first hole, 21MEDH001, of a planned two-hole (1,200m) maiden mud-rotary-diamond drill program is underway to test for large Ordovician copper-gold porphyry systems in the northern Molong Volcanic Belt basement rocks, which lie under sedimentary basin cover sequences. The target features to be tested in this maiden drilling program are broad magnetic high anomalies, interpreted to represent magnetite-bearing Ordovician volcanic rocks that may have the potential to host significant copper-gold bearing intrusive porphyry systems. The anomalies span 22km along strike of the tenement and this initial program aims to test two locations in the south as an initial guide to the area's prospectivity. These target rocks reside under younger sedimentary cover belonging to the Surat and Gunnedah Basins.

Basement depths are strongly controlled by regional faulting and are a variable which can only be clearly understood by drilling across the project area. Drilling to the south of the planned holes has indicated depths of approximately 250m to basement and a similar depth is expected for the first hole, 21MEDH001 (refer to Figure 4).

An exploration program at EL8985 has not yet commenced. However, the Company is planning a preliminary mapping and sampling program.

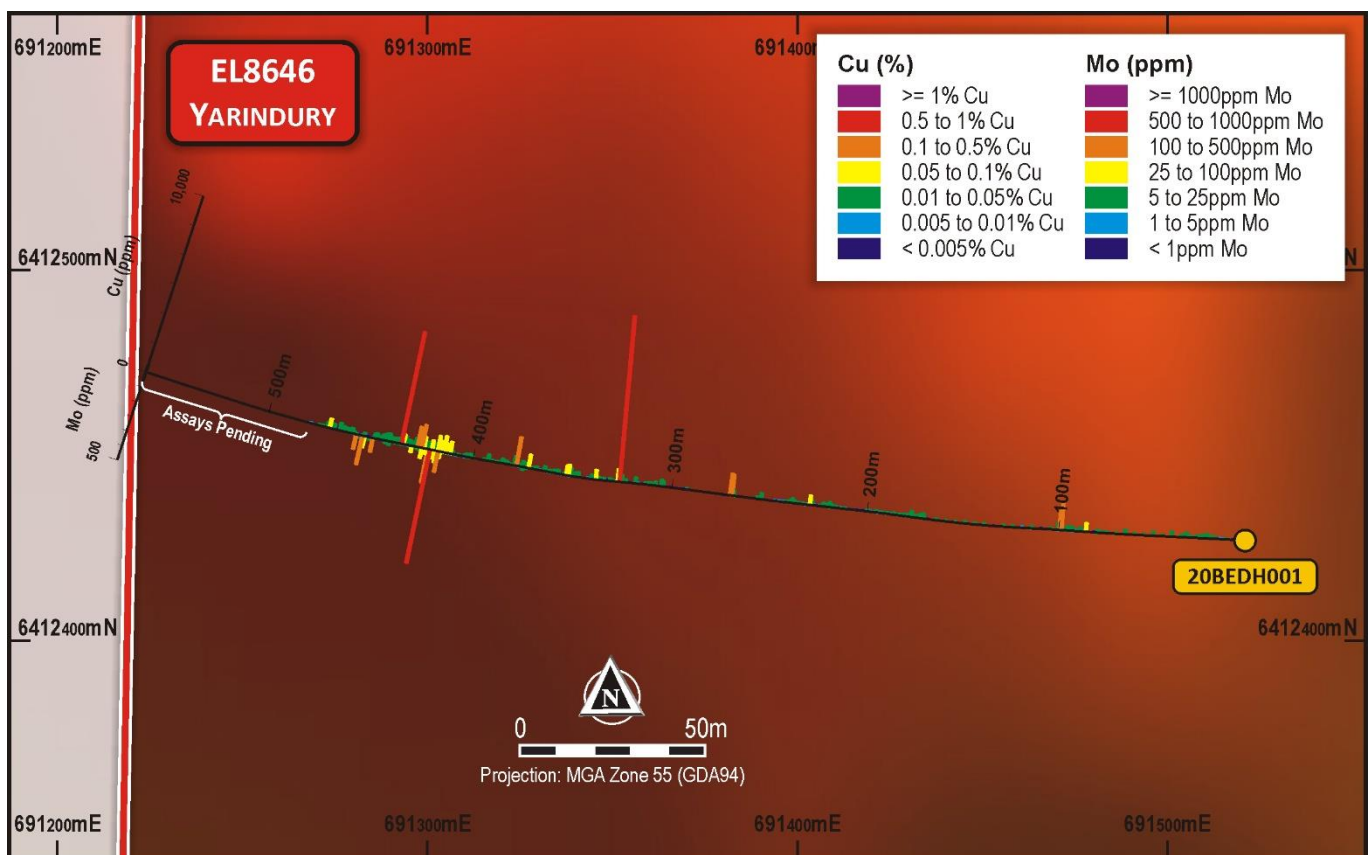
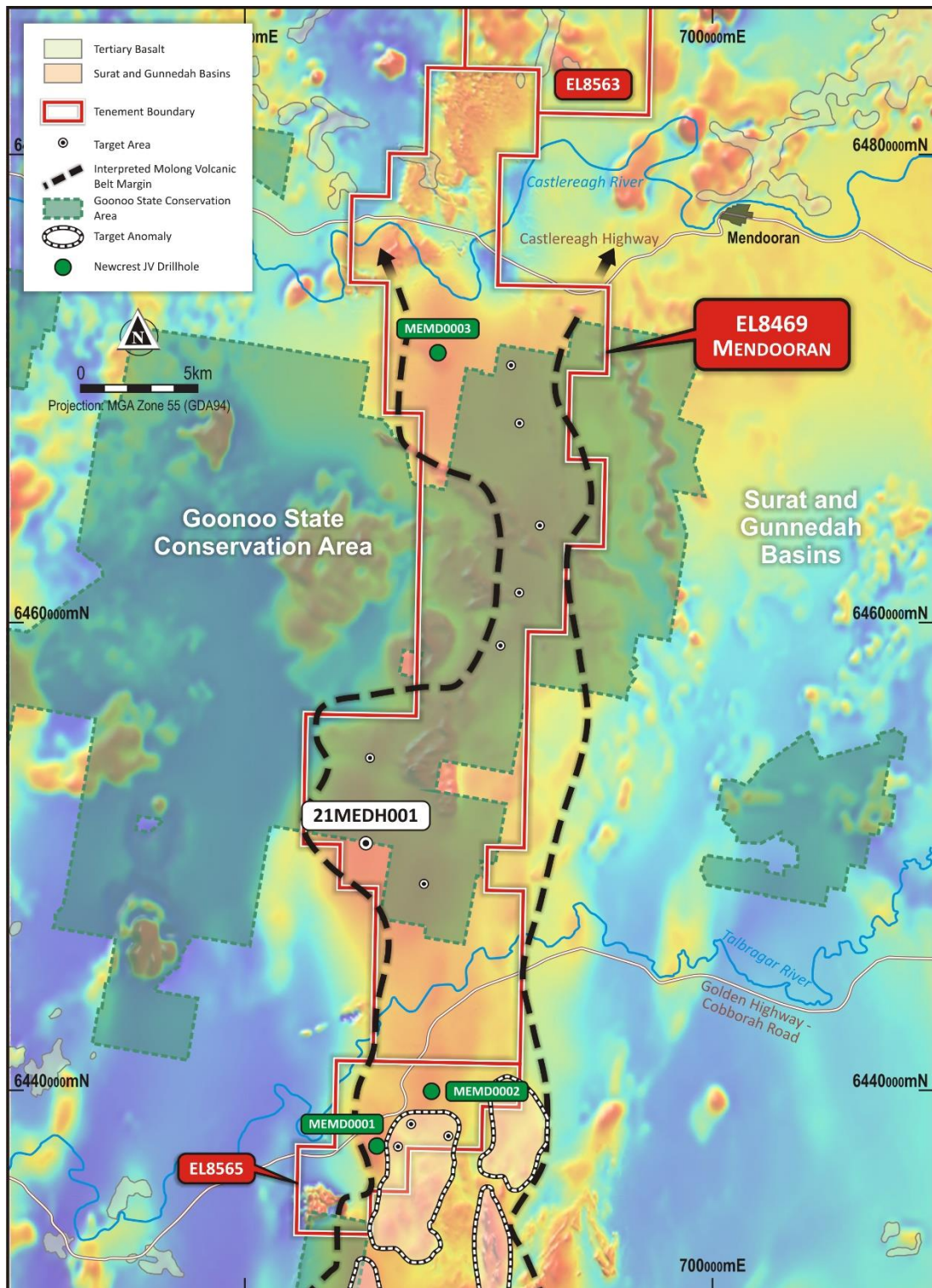


Figure 3. Plan view of the 20BEDH001 drill trace over RTP magnetic image testing the southern portion of the altered mafic to intermediate intrusive complex represented by the magnetic high (red areas).

DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

Review of Operations and Financial Results (continued)



DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

Review of Operations and Financial Results (continued)

Tenement Summary

Tenement	Location	Current Holder ⁽ⁱ⁾	Interest	Area (Blocks)	Grant Date	Expiry Date
EPM 25520	Queensland	Kauraru Gold Pty Ltd	100%	19	08 Oct 2014	07 Oct 2024
EPM 25418	Queensland	Kauraru Gold Pty Ltd	100%	73	25 Jan 2016	24 Jan 2026
EL 8469	New South Wales	Monzonite Metals Pty Ltd	100%	100	30 Sep 2016	30 Sep 2026
EL 8563	New South Wales	Monzonite Metals Pty Ltd	100%	28	12 May 2017	12 May 2021
EL 8565	New South Wales	Monzonite Metals Pty Ltd	100%	14	17 May 2017	17 May 2021
EL 8646	New South Wales	Monzonite Metals Pty Ltd	100%	86	12 Sep 2017	12 Sep 2025
EL 8985	New South Wales	Monzodiorite Pty Ltd	100%	27	16 Jun 2020	28 May 2026

(i) Alice Queen Limited holds a majority interest in Kauraru Gold Pty Ltd (84.5% equity interest) and Monzonite Metals Pty Ltd (90% equity interest).

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. The Company confirms that the form and context of the Competent Person's findings in relation to that Mineral Resource estimate have not been materially modified from the original market announcements.

The information in this ASX Release that relates to Exploration Results is extracted from:

- (1) The report released 27 April 2020, '*Porphyry Copper-Gold Encouragement for Yarindury*', Dr Jeff Vassallo competent person which is available at www.asx.com.au
- (2) The report released 28 July 2020, '*Maiden Drilling Commences at Boda East*', Mr John Holliday a competent person which is available at www.asx.com.au
- (3) The report released 10 August 2020 '*Boda East Update Amended*', Mr John Holliday a competent person which is available at www.asx.com.au
- (4) The report released 27 August 2020 '*Infill Drilling at Horn Island commences*', Mr Adrian Hell, BSc competent person which is available at www.asx.com.au
- (5) The report released 6 October 2020 '*Horn Island St Barbara JV Drilling Commenced*', Mr Adrian Hell, BSc competent person which is available at www.asx.com.au
- (6) The report released on 9 October 2020, '*Results from the first diamond hole at Boda East*', Mr John Holliday and Dr Jeff Vassallo competent persons which is available at www.asx.com.au
- (7) The report released 13 November 2020, '*Horn Island Extension Drilling Results*', Mr Adrian Hell, BSc competent person which is available at www.asx.com.au

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. The Company confirms that the form and context of the respective competent persons' findings in relation to that report have not been materially modified from the original market announcement.

DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

Events Subsequent to Reporting Date

- On 13 January 2021, 200,000 fully paid ordinary shares at an issue price of \$0.02 (2 cents) per share were issued following the exercise of 200,000 unlisted options.
- Exploration Permit for Mineral Number (EPM) 25418 was renewed for a term of five (5) years from 25 January 2021.
- 10 February 2021, 5,000,000 fully paid ordinary shares were issued to a consultant for consultancy and advisory services provided to the Company in connection with identification, and securing rights to, projects in New South Wales. The issue of these shares was approved by shareholders at the 2020 AGM on 16 November 2020.
- On 10 March 2021, Alice Queen announced that the Company had entered into a conditional agreement to acquire 100% of the share capital of Fiji domiciled exploration company Viti Mining Pte Limited (Viti Mining). Viti Mining holds the rights to two special prospecting licences in Fiji, Nabila (SPL1514) and Viani (SPL1513).

The COVID-19 pandemic has created unprecedented uncertainty of the economic environment. Actual economic events and conditions in future may be materially different from those estimated by the group at the reporting date. In the event the COVID-19 pandemic impacts are more severe or prolonged than anticipated, this may effect the financial position of the Group and field operations if access is restricted or made subject to increased regulation. At the date of this report an estimate of the future effects of the COVID-19 pandemic on the group cannot be made, as the impact will depend on the magnitude and duration of the economic downturn, with the full range of possible effects unknown.

Other than as stated elsewhere in this report, the Directors are not aware of any other matters or circumstances at the date of this report that have significantly affected or may significantly affect the operations, the results of the operations or the state of affairs of the Group in subsequent financial years.

Auditor's Declaration

A copy of the auditor's independence declaration as required under s307C of the *Corporations Act 2001* is included on page 12 of this financial report and forms part of this Directors' report.

Signed in accordance with a resolution of the Directors.



Patrick Gowans
Non-Executive Chairman
16 March 2021

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF ALICE QUEEN LIMITED**

I declare that, to the best of my knowledge and belief, during the half year ended 31 December 2020, there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

**MOORE AUSTRALIA AUDIT (VIC)**
ABN 16 847 721 257**RYAN LEEMON**
Partner
Audit and Assurance

Melbourne, Victoria

16 March 2021



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	NOTE	31 DEC 2020 \$	31 DEC 2019 \$
Revenue from continuing operations		207,792	37,073
Expenses from continuing operations:			
Administration costs		(259,144)	(265,537)
Compliance costs		(82,414)	(86,581)
Consultancy expenses		(132,251)	(92,004)
Depreciation and amortisation		(54,951)	(4,838)
Employee benefits, management fees and on costs		(592,006)	(342,746)
Impairment expense		-	(7,200)
Other costs		(17,396)	(13,908)
Loss before income tax		(930,370)	(775,741)
Income tax expense relating to the ordinary activities		-	-
Net loss for the year		(930,370)	(775,741)
(Profit)/Loss of non-controlling interest		(2,840)	564
Loss attributable to parent entity shareholders		(933,210)	(775,177)
Other comprehensive income, net of tax		2,400	-
Total comprehensive loss		(930,810)	(775,177)
EARNINGS/LOSS PER SHARE:			
Basic loss per share (cents per share)	11	(0.09)	(0.11)
Diluted loss per share (cents per share)	11	(0.09)	(0.11)

The accompanying notes form part of these financial statements.



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	NOTE	31 Dec 2020 \$	30 June 2020 \$
ASSETS			
Current Assets			
Cash and cash equivalents		4,473,359	2,945,367
Trade and other receivables		1,450,114	95,339
Prepayments		140,165	48,851
Total Current Assets		6,063,638	3,089,557
Non-Current Assets			
Property, plant & equipment		109,399	32,819
Investments		9,600	7,200
Exploration and evaluation expenditure	10	16,305,929	11,833,705
Security deposits		216,974	124,896
Right-of use-assets		201,010	47,608
Total Non-Current Assets		16,842,912	12,046,228
Total Assets		22,906,550	15,135,785
LIABILITIES			
Current Liabilities			
Trade and other payables		2,093,244	341,957
Provision for annual leave		52,999	46,678
Share subscription account		4,000	-
Lease Liability		106,263	48,791
Total Current Liabilities		2,256,506	437,426
Non-Current Liabilities			
Lease Liability		94,181	-
Total Non-Current Liabilities		94,181	-
Total Liabilities		2,350,687	437,426
Net Assets		20,555,863	14,698,359
EQUITY			
Share capital	11	28,613,637	22,321,887
Reserves		2,320,698	1,824,574
Minority interest		(137,376)	(140,216)
Accumulated losses		(10,241,096)	(9,307,886)
Total Equity		20,555,863	14,698,359

The accompanying notes form part these financial statements.



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	ISSUED CAPITAL \$	OPTION RESERVE \$	ASSET REVALUATION RESERVE	ACCUMULATE D LOSSES \$	NON - CONTROLLING INTEREST \$	TOTAL \$
Balance as at 1 July 2020	22,321,887	1,824,574	-	(9,307,886)	(140,216)	14,698,359
Total loss and comprehensive income for the period	-	-	-	(933,210)	-	(933,210)
Transactions with owners, recorded directly in equity:						
Revaluation of investment	-	-	2,400	-	-	2,400
Fair value of options issued	-	493,724	-	-	-	493,724
Issue of share capital	7,012,500	-	-	-	-	7,012,500
Transaction with non-controlling interests	-	-	-	-	2,840	2,840
Share issue costs	(720,750)	-	-	-	-	(720,750)
Balance as at 31 December 2020	28,613,637	2,318,298	2,400	(10,241,096)	(137,376)	20,555,863

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	ISSUED CAPITAL \$	OPTION RESERVE \$	ASSET REVALUATION RESERVE	ACCUMULATE D LOSSES \$	NON - CONTROLLING INTEREST \$	TOTAL \$
Balance as at 1 July 2019	16,124,161	1,101,129	800	(7,736,220)	(136,567)	9,353,303
Total loss and comprehensive income for the period	-	-	-	(775,177)	-	(775,177)
Transactions with owners, recorded directly in equity:						
Revaluation of investment	-	-	(800)	-	-	(800)
Fair value of options issued	-	284,282	-	-	-	284,282
Issue of share capital	3,059,333	-	-	-	-	3,059,333
Transaction with non-controlling interests	-	-	-	-	(564)	(564)
Share issue costs	(299,395)	-	-	-	-	(299,395)
Balance as at 31 December 2019	18,884,099	1,385,411	-	(8,511,397)	(137,131)	11,620,982

The accompanying notes form part of these financial statements.



CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	31 DEC 2020 \$	31 DEC 2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts in the course of operations	77,805	12,844
Cash payments in the course of operations	(1,210,941)	(864,580)
Interest received	1,345	579
Interest paid	(511)	(1,084)
Net cash used in operating activities	(1,132,302)	(852,241)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation expenditure	(4,504,297)	(1,003,312)
Payments for plant and equipment	(87,889)	(5,291)
Payment for tenement security deposit	(92,078)	(7,900)
Proceeds from joint venture partner	768,054	128,441
Net cash from investing activities	(3,828,610)	(888,062)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares and exercise of options	7,000,000	3,059,333
Proceeds from the exercise of options	16,500	-
Lease payments	(51,846)	-
Payments for share issue costs	(475,750)	(67,145)
Net cash used in financing activities	6,488,904	2,992,188
Net (decrease)/increase in cash held and cash equivalents	1,527,992	1,251,885
Cash and cash equivalents at the beginning of the period	2,945,367	64,619
Cash and cash equivalents at the end of the period	4,473,359	1,316,504

The accompanying notes form part of these financial statements.



ALICE QUEEN
LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

1. Nature of operations

Alice Queen Limited is a public company, limited by shares, domiciled and incorporated in Australia and listed on the Australian Securities Exchange. The consolidated entity (the "Group") consists of Alice Queen Limited (the "Company") and the entities it controlled at the end of, or during, the half-year ended 31 December 2020. The principal activity of the Group during the financial period was mineral exploration in Queensland and New South Wales.

2. General information and basis of preparation

Statement of Compliance

The condensed interim consolidated financial statements ('the interim financial statements') of the Group are for the six (6) months ended 31 December 2020 and are presented in Australian Dollars which is the functional currency of the Company. These general purpose interim financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 Interim Financial Reporting. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2020 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the *Corporations Act 2001*.

The interim financial statements have been approved and authorised for issue by the Board of Directors on 16 March 2020.

3. Significant accounting policies

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2020, except for the adoption of new standards effective as of 1 January 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. Several other amendments and interpretation apply for the first time in 2021, but do not have an impact in the interim financial statements of the Group.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

New Accounting Standards and Interpretations not yet mandatory or early adopted

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

AASB 17 Insurance Contracts

In May 2017, the IASB issued AASB 17 Insurance Contracts (AASB 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, AASB 17 will replace AASB 4 Insurance Contracts (AASB 4) that was issued in 2005. AASB 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

A few scope exceptions will apply. The overall objective of AASB 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in AASB 4, which are largely based on grandfathering previous local accounting policies, AASB 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of AASB 17 is the general model, supplemented by:

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

3. Significant accounting policies (continued)

A specific adaptation for contracts with direct participation features (the variable fee approach)

A simplified approach (the premium allocation approach) mainly for short-duration contracts

AASB 17 is effective for reporting periods beginning on or after 1 January 2021, with comparative figures required. Early application is permitted, provided the entity also applies AASB 9 and AASB 15 on or before the date it first applies AASB 17. This standard is not expected to have a material impact on the Group.

The Group has not elected to early adopt any other new or amended standards or interpretations that are issued but not yet effective.

4. Basis of consolidation

The consolidated financial statements incorporate all of the assets and liabilities of the parent (Alice Queen Limited) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. All controlled entities have a 30 June financial year-end.

All intra-group balances, transactions, income and expenses and profit and losses between entities in the consolidated group have been eliminated in full on consolidation.

The non-controlling interest in the results and equity of subsidiaries is shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and consolidated statement of changes in equity respectively.

Non-controlling interests, presented as part of equity, represent the portion of the subsidiary companies profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interest based on their respective ownerships.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

5. Going concern basis

The Group recorded a loss of \$933,210 for the half year ended 31 December 2020 (31 December 2019: \$775,177 loss) and had net operating cash outflows of \$1,132,302 (2019: \$852,241) for the reporting period. The Group had \$4,473,359 available cash at the end of the reporting period and current liabilities of \$2,256,506 on 31 December 2020.

The recoverability of the Group's exploration assets is dependent upon the continued exploration of each area of interest. The Directors have determined that future capital raisings will be required beyond the current year in order to develop the Group's mineral tenements to achieve a position where the Group can be cash flow positive, the outcome of which is uncertain.

The financial report has been prepared on a going concern basis as the directors believe the Group has cash levels to meet its operating and investing activities for at least 12 months from the signing of the financial report and/or the ability to secure additional funding through future capital raisings.

However, should directors not have sufficient exiting funding or achieve their plan, there is significant uncertainty whether the Company would continue as a going concern and realise its assets in the normal course of business and at amounts stated in the financial report.

6. Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

7. Dividends

There have been no dividends paid or declared in the period or in the previous reporting period.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

8. Segment reporting

During the reporting period, the Company operated predominantly in one operating segment, being mineral exploration. The revenues and profit generated by each of the Group's operating segments and segment assets are summarised as follows:

	MINERAL EXPLORATION \$	UNALLOCATED \$	TOTAL \$
31 DECEMBER 2020			
REVENUE			
Management Fees (Joint Venture)	156,447	-	156,447
ATO Cash Booster	-	50,000	50,000
Interest revenue	-	1,345	1,345
	156,447	51,345	207,792
RESULTS			
Operating profit/(loss) before tax	4,243	(934,613)	(930,370)
Profit of non-controlling interest	2,840	-	2,840
Net loss	1,403	(934,613)	(933,210)
Included within segment results:			
Share based payments	-	(248,724)	(248,724)
Segment assets	18,642,570	4,263,980	22,906,550
Segment liabilities	2,080,733	269,954	2,350,687
31 DECEMBER 2019			
REVENUE			
Government Grant	-	-	-
Interest revenue	-	579	579
	-	579	579
RESULTS			
Operating loss before tax	(9,003)	(766,737)	(775,740)
Loss of non-controlling interest	563	-	563
Net loss	(8,440)	(766,737)	(775,177)
Included within segment results:			
Share based payments	-	(52,032)	(52,032)
Segment assets	11,041,025	1,213,184	12,254,209
Segment liabilities	429,904	203,323	633,227

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

9. Significant events and transactions

There were no significant events during the reporting period.

10. Exploration and evaluation expenditure

	31 DEC 2020 \$	30 JUNE 2020 \$
Non-producing properties		
Balance at the beginning of the reporting period	11,833,705	9,468,539
Additions	6,036,696	2,735,343
Less: costs reimbursed by joint venture partner	(1,564,472)	(370,177)
Balance at the end of the reporting period	16,305,929	11,833,705

The ultimate recoupment of balances carried forward in relation to areas of interest still in the exploration or valuation phase is dependent on successful development, and commercial exploitation, or alternatively sale of the respective areas. The Group conducts impairment testing on an annual basis unless indicators of impairment are present at the reporting date.



ALICE QUEEN LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

11. Issued capital

	31 Dec 2020	30 June 2020
	\$	\$
1,091,363,569 (30 June 2020: 931,647,660) fully paid ordinary shares	30,799,014	23,786,514
Shares Issue costs	(2,185,337)	(1,464,627)
	28,613,637	22,321,887

i) Reconciliation of share issued during the reporting period is set out below:

	31 DEC 2020	ISSUE PRICE	31 DEC 2020	30 JUNE 2020	ISSUE PRICE	30 JUNE 2020
	NUMBER	\$	\$	NUMBER	\$	\$
Balance at the beginning of the period	931,647,660		22,321,887	651,660,162		16,124,161
Shares issued during the period and fully paid						
05 Jul 2019: Placement				29,166,667	\$0.012	350,000
20 Aug 2019: Placement				43,000,000	\$0.012	516,000
26 Sep 2019: Placement				50,000,000	\$0.03	1,500,000
03 Oct 2019: Shares issued on exercise of listed options				13,083,331	\$0.02	261,667
21 Oct 2019: Shares issued on exercise of listed options				11,124,998	\$0.02	222,500
20 Dec 2019: Shares issued on exercise of listed options				7,958,335	\$0.02	159,167
20 Dec 2019: Placement				4,166,667	\$0.012	50,000
24 Feb 2020: Placement				121,487,500	\$0.032	3,887,600
27 Aug 2020: Placement	159,090,909	\$0.044	7,000,000			
23 Oct 2020: Shares issued on exercise of listed options	625,000	\$0.02	12,500			
Capital raising costs			(720,750)			(749,208)
Balance at the end of the period	1,091,363,569		28,613,637	931,647,660		22,321,887

Each ordinary share carries the right to one vote at shareholders' meetings and is entitled to participate in any dividends or other distributions of the Group.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

12. Earnings per share

	31 DEC 2020 \$	31 DEC 2019 \$
Earnings from continuing operations (basic and diluted)	(933,210)	(1,004,558)
Weighted average number of ordinary shares used in calculating basic earnings per share	1,040,825,723	700,369,178
Weighted average number of ordinary shares used in calculating diluted earnings per share	1,040,825,723	700,369,178
Basic earnings per shares (cents per share)	(0.09)	(0.11)
Diluted earnings per shares (cents per share)	(0.09)	(0.11)

13. Contingent assets and liabilities

Site restoration, mine rehabilitation costs would be incurred by the Group at the Horn Island site upon a decision to abandon the project. In this event, management's best estimate of the present value of the future rehabilitation costs that would be required is \$150,000 (2019: \$150,000).

No other contingent assets or liabilities are noted by the Group as at 31 December 2020.

14. Events subsequent to reporting date

- On 13 January 2021, 200,000 fully paid ordinary shares at an issue price of \$0.02 (2 cents) per share were issued following the exercise of 200,000 unlisted options.
- Exploration Permit for Mineral Number (EPM) 25418 was renewed for a term of five (5) years from 25 January 2021.
- 10 February 2021, 5,000,000 fully paid ordinary shares were issued to a consultant for consultancy and advisory services provided to the Company in connection with identification, and securing rights to, projects in New South Wales. The issue of these shares was approved by shareholders at the 2020 AGM on 16 November 2020.
- On 10 March 2021, Alice Queen announced that the Company had entered into a conditional agreement to acquire 100% of the share capital of Fiji domiciled exploration company Viti Mining Pte Limited (Viti Mining). Viti Mining holds the rights to two special prospecting licences in Fiji, Nabila (SPL1514) and Viani (SPL1513).

The COVID-19 pandemic has created unprecedented uncertainty of the economic environment. Actual economic events and conditions in future may be materially different from those estimated by the group at the reporting date. In the event the COVID-19 pandemic impacts are more severe or prolonged than anticipated, this may effect the financial position of the Group and field operations if access is restricted or made subject to increased regulation. At the date of this report an estimate of the future effects of the COVID-19 pandemic on the group cannot be made, as the impact will depend on the magnitude and duration of the economic downturn, with the full range of possible effects unknown.

Other than as stated elsewhere in this report, the Directors are not aware of any other matters or circumstances at the date of this report that have significantly affected or may significantly affect the operations, the results of the operations or the state of affairs of the Group in subsequent financial years.



ALICE QUEEN
LIMITED

DIRECTORS' DECLARATION

In the opinion of the directors of Alice Queen Limited:

- a The consolidated financial statements and notes of Alice Queen Limited are in accordance with the *Corporations Act 2001*, including
 - i. Giving a true and fair view of its financial position as at 31 December 2020 and of its performance for the half year ended on that date; and
 - ii. Complying with Australian Accounting Standard AASB 134 Interim Financial Reporting; and
- b There are reasonable grounds to believe that Alice Queen Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

Patrick Gowans

Non-Executive Chairman

16 March 2021

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF ALICE QUEEN LIMITED****Report on the Half-Year Financial Report****Conclusion**

We have reviewed the accompanying half-year financial report of Alice Queen Limited and controlled entities (**the Group**), which comprises the condensed statement of financial position as 31 December 2020, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity, the condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- b. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Related to Going Concern

We draw attention to Note 5 in the financial statements, which identifies that during the period ended 31 December 2020, the Group incurred a net loss of \$933,210 and that the Group had net operating cash outflows of \$1,132,302 for the reporting period. As stated in Note 5, the ability of the Group to continue as a going concern is dependent upon the Group raising additional capital sufficient to meet the Group's exploration commitments. The Directors' reasoning for preparing the financial report on a going concern basis is included within the Note. Our opinion is not modified in respect of this matter.

Directors' Responsibility for the Half-Year Financial Report

The Directors of the Group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410: *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including:

- a. giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and
- b. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of the Group, would be in the same terms if provided to the directors as at the time of this auditor's review report.

Moore Australia

MOORE AUSTRALIA AUDIT (VIC)

ABN 16 847 721 257



RYAN LEEMON

Partner

Audit and Assurance

Melbourne, Victoria

16 March 2021