
ALICE QUEEN LIMITED

ACN 099 247 408

NOTICE OF ANNUAL GENERAL MEETING

TIME: 11:00am (AEDT)

DATE: 29 November 2017

PLACE: Moore Stephens
Level 18
530 Collins Street
Melbourne Victoria

This Notice of Meeting should be read in its entirety. Shareholders in doubt as to how they should vote should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 3) 8669 1408.

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is hereby given that the 2017 Annual General Meeting (**Meeting**) of Shareholders of Alice Queen Limited (Alice Queen or the Company) will be held at the office of Moore Stephens, Level 18, 530 Collins Street Melbourne Victoria on 29 November 2017 at 11.00am AEDT.

The Explanatory Statement that accompanies and forms part of this Notice of Annual General Meeting (**Notice**) sets out the background information on the various matters to be considered. This Notice and Explanatory Statement should be read in their entirety.

YOUR VOTE IS IMPORTANT

The business of the Meeting affects your shareholding and your vote is important.

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00 pm (AEDT) on 27 November 2017.

VOTING IN PERSON

To vote in person, attend the Meeting at the time, date and place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the *Corporations Act 2001* (Cth), members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the *Corporations Act*, each proxy may exercise one-half of the votes.

A proxy may be an individual or a body corporate. If a body corporate is appointed, the proxy form must indicate the full name of the body corporate and the full name and title of the individual representative of the body corporate for the meeting.

A proxy form accompanies this notice. If a shareholder wishes to appoint more than 1 proxy, they may make a copy of the proxy form attached to this notice. For the proxy form to be valid it must be received together with the power of attorney or other authority (if any) under which the form is signed, or a (notarially) certified copy of that power or authority.

Sections 250BB and 250BC of the Corporations Act apply to voting by proxy. Broadly, these provisions provide that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Proxy Voting by the Chair

The *Corporations Act 2001* (Cth) (as amended) imposes prohibitions on Key Management Personnel and their Closely Related Parties from voting their shares (and/or voting undirected proxies) on, amongst other things, remuneration matters. Resolutions 1, 3, 4 and 5 are connected, directly or indirectly, with the remuneration of Key Management Personnel of the Company.

However, the Chair of a meeting may vote an undirected proxy (i.e. a proxy that does not specify how it is to be voted), provided the shareholder who has lodged the proxy has given an express voting direction to the Chair to exercise the undirected proxy, even if the resolution is connected with the remuneration of a member of Key Management Personnel. However, the Chair may not vote undirected proxies cast on behalf of Key Management Personnel or their Closely Related Parties on Resolution 1.

If you complete a proxy form that authorises the Chair of the Meeting to vote on your behalf as proxy, and you do not mark any of the boxes so as to give him directions about how your vote should be cast, then you will be taken to have expressly authorised the Chair to exercise your proxy on Resolutions 1, 3, 4 and 5. In accordance with this express authority provided by you, the Chair will vote in favour of Resolutions 1, 3, 4 and 5 (unless you are a member of the Key Management Personnel or a Closely Related Party, in which case your vote can not be cast on Resolution 1). If you wish to appoint the Chair of the Meeting as your proxy, and you wish to direct him how to vote, please tick the appropriate boxes on the form.

The Chair intends to vote all available undirected proxies in favour of each item of business.

Subject to the above, if you appoint as your proxy any Director of the Company, except the Chair, or any other Key Management Personnel or any of their Closely Related Parties and you do not direct your proxy how to vote on Resolution 1, he or she will not vote your proxy on that item of business.

CORPORATE REPRESENTATIVES

Any corporation which is a member of the Company may appoint a proxy, as set out above, or authorise (by certificate under common seal or other form of execution authorised by the laws of that corporation's place of incorporation, or in any other manner satisfactory to the Chair) a natural person to act as its representative at any general meeting.

Corporate representatives are requested to bring appropriate evidence of appointment as a representative in accordance with the Constitution. Attorneys are requested to bring an original or certified copy of the power of attorney pursuant to which they were appointed. Proof of identity is also required for corporate representatives and attorneys.

SPECIAL RESOLUTIONS

For a special resolution to be passed, at least 75% of the votes validly cast on the resolution by shareholders (by number of shares) must be in favour of the resolution. Resolution 8 is a special resolution.

QUESTIONS FROM SHAREHOLDERS

The Chair will allow a reasonable opportunity for shareholders to ask questions or make comments on the management of the Company at the meeting. Members with specific queries concerning any aspect of the Financial Report for the year ended 30 June 2017 are requested to submit those queries in writing to the Company Secretary by no later than 15 November 2017 to enable the Board time to consider the queries and where appropriate to make enquires of the Auditor.

By mail: Company Secretary
Alice Queen Limited
C/- Moore Stephens
Level 18
530 Collins Street
Melbourne Victoria 3000

By email: anne.adaley@alicequeen.com.au

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2017 together with the Directors' declaration, the Directors' report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **non-binding resolution**:

"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2017."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

Each a **Restricted Voter**.

However, a Restricted Voter described above may cast a vote on this Resolution as a proxy if:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; and
- (b) it is not cast on behalf of a Restricted Voter.

If you appoint the Chair as your proxy (and you are not a Restricted Voter) by marking the box on and submitting the Proxy Form, you authorise the Chair to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Company's key management personnel and you will be taken to have directed the Chair to vote in accordance with his stated intention to vote in favour of Resolution 1. If you have appointed the Chair as your proxy and you do not want your vote exercised in favour of Resolution 1, you should not mark the box on the Proxy Form or otherwise direct the Chair to vote "against" or to "abstain" from voting on Resolution 1.

3. RESOLUTION 2: RE-ELECTION OF DIRECTOR – PHILLIP HARMAN

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mr Phillip Harman, a Director who retires by rotation, and being eligible, is re-elected as a Director."

4. RESOLUTION 3: ISSUE OF OPTIONS TO A DIRECTOR – PHILLIP HARMAN

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to allot and issue 1,750,000 Options to Phillip Harman (or his nominee) pursuant to the Company's ESOP and on the terms and conditions set out in the Explanatory Statement."

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

5. RESOLUTION 4: ISSUE OF OPTIONS TO A DIRECTOR – ANDREW BUXTON

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to allot and issue 7,500,000 Options to Andrew Buxton (or his nominee) pursuant to the Company's ESOP and on the terms and conditions set out in the Explanatory Statement."

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

6. RESOLUTION 5: ISSUE OF OPTIONS TO A DIRECTOR – MARK KERR

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to allot and issue 750,000 Options to Mark Kerr (or his nominee) pursuant to the Company's ESOP and on the terms and conditions set out in the Explanatory Statement."

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and

- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

7. RESOLUTION 6: RATIFICATION OF PRIOR ISSUE - SHARES

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 55,000,000 via a placement to sophisticated investors on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who participated in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote. In accordance with the directions on the Proxy Form, or, it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. RESOLUTION 7: RATIFICATION OF PRIOR ISSUE - SHARES

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 7,132,923 via a placement to sophisticated investors on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who participated in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote. In accordance with the directions on the Proxy Form, or, it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

DATED: 30 OCTOBER 2017

BY ORDER OF THE BOARD



ANNE ADALEY

COMPANY SECRETARY

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

1. FINANCIAL STATEMENTS AND REPORTS – AGENDA ITEM

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2017 together with the Directors' declaration, the Directors' report, the Remuneration Report and the auditor's report. There is no requirement that Shareholders formally approve the reports comprising the annual financial report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report to Shareholders is available on its website www.alicequeen.com.au.

The Chair will allow a reasonable opportunity at the Meeting for Shareholders to ask questions. Shareholders will also be given a reasonable opportunity at the meeting to ask the Company's auditor questions about its audit report, the conduct of its audit of the Company's financial report for the year ended 30 June 2017, the preparation and content of its audit report, the accounting policies adopted by the Company in its preparation of the financial statements and the independence of the Company's auditor in relation to the conduct of the audit.

2. RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The Chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

Under the Corporations Act, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the previous financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the Remuneration Report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

However, in the event that 25% or more of votes that are cast are against adoption of the 2017 Remuneration Report, Shareholders should be aware that if a 'no' vote of 25% or more of the same resolution at the 2018 Annual General Meeting the consequence are that it may result in the re-election of the Board.

2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the proxy voting restrictions set out in the 'Important Information' section of the Notice.

3. RESOLUTION 2: RE-ELECTION OF DIRECTOR – PHILLIP HARMAN

Clause 13.2 of the Constitution requires that at the Company's annual general meeting every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

The Company currently has three Directors including the Managing Director. Accordingly, one Director must retire in accordance with clause 13.2 of the Constitution. A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

In accordance with Clause 13.2 of the Constitution, Mr Phillip Harman will retire at the end of the Annual General Meeting and will seek re-election pursuant to Resolution 2 of the Notice of Annual General Meeting.

Details on this candidate:

Mr Harman is a professional geophysicist who spent more than 30 years working for BHP Billiton in minerals exploration in a broad number of roles including Chief Geophysicist, Manager Discovery of Technology, and Exploration Manager in both South America and Western Australia.

His experience in BHP spanned both technical and managerial roles here in Australia and overseas. He is broadly networked throughout the international mining business development and exploration community, has experience in creating and managing junior exploration companies and understands capital markets, having raised risk capital for exploration through the ASX and on AIM in London.

The Directors unanimously support the re-election of Phillip Harman as a Director of the Company (with Mr Harman abstaining).

4. RESOLUTION 3: ISSUE OF OPTIONS TO A DIRECTOR – PHILLIP HARMAN

Under ASX Listing Rule 10.14, shareholder approval is required for the issue of securities to a director of the entity or an associate of the director. Once approval is obtained pursuant to Listing Rule 10.14, the Company is entitled to rely on Listing Rule 7.2, Exception 14 as an exception to any requirement that may otherwise apply requiring shareholder approval under Listing Rule 7.1.

In accordance with the Company's existing ESOP and remuneration and incentive arrangements, the Company proposes to issue 1,750,000 unlisted Options to a Director, Mr Phillip Harman (or his nominee), pursuant to the ESOP.

The Board has formed the view that the issue of options to Mr Harman does not require shareholder approval under section 208 of the Corporations Act, as the issue of options constitutes 'reasonable remuneration' in accordance with section 211 of the Corporations Act. In reaching this view, the Company has considered Mr Harman's position, responsibility and his over remuneration package and the need of the Company to effectively incentivise its Directors, while aligning the incentive with increasing shareholder value and the desirability of preserving cash resources within the Company.

ASX Listing Rule 10.15 requires the meeting documents concerning a proposed resolution to approve an issue of securities in accordance with ASX Listing Rule 10.14 must include the following information:

- The Options will be issued to Phillip Harman, a Director (or his nominee).
- The maximum number of securities to be issued to Mr Harman is 1,750,000 unlisted Options.
- There is no issue price for the unlisted options.
- The exercise price for the unlisted options will be 80% of the VWAP for Shares calculated over the 5 days on which sales in the ordinary shares are recorded before the day on which the Meeting is held at which the issue of the options is approved by shareholders.

- Each Option will expire at 5.00pm (EST) on the date that is three years from the date on which the Options were issued (Expiry Date). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date. The options will not vest, and therefore not be capable of exercise, until one year after the issue date.
- No persons referred to in Listing Rule 10.14 have received securities under the ESOP since the last approval.
- The directors that are entitled to participate are Andrew Buxton, Mark Kerr and Phillip Harman or their associates.
- There is no loan in relation to the acquisition of Options by Mr Harman.
- The Company will issue the options as soon as practical following the date of the Meeting and, in any case, within 12 months of the date of the Meeting.
- No funds will be raised from issue of the options. Any funds raised upon exercise of the options will be applied to the working capital requirements of the Company at the time of exercise.
- The terms and conditions of the Options are set out in Annexure A.
- A voting exclusion statement is contained in the Notice accompanying this Explanatory Memorandum.

5. RESOLUTION 4: ISSUE OF OPTIONS TO A RELATED PARTY – ANDREW BUXTON

Under ASX Listing Rule 10.14, shareholder approval is required for the issue of securities to a director of the entity or an associate of the director. Once approval is obtained pursuant to Listing Rule 10.14, the Company is entitled to rely on Listing Rule 7.2, Exception 14 as an exception to any requirement that may otherwise apply requiring shareholder approval under Listing Rule 7.1.

In accordance with the Company's existing ESOP and remuneration and incentive arrangements, the Company proposes to issue 7,500,000 unlisted Options to a Director, Mr Andrew Buxton (or his nominee).

The Board has formed the view that the issue of options to Mr Buxton does not require shareholder approval under section 208 of the Corporations Act, as the issue of options constitutes 'reasonable remuneration' in accordance with section 211 of the Corporations Act. In reaching this view, the Company has considered Mr Buxton's position, responsibility and his over remuneration package and the need of the Company to effectively incentivise its Directors, while aligning the incentive with increasing shareholder value and the desirability of preserving cash resources within the Company.

ASX Listing Rule 10.15 requires the meeting documents concerning a proposed resolution to approve an issue of securities in accordance with ASX Listing Rule 10.14 must include the following information:

- The Options will be issued to Andrew Buxton, a Director (or his nominee).
- The maximum number of securities to be issued to Mr Buxton is 7,500,000 unlisted Options.
- There is no issue price for the unlisted Options.

- The exercise price for the unlisted options will be 80% of the VWAP for Shares calculated over the 5 days on which sales in the ordinary shares are recorded before the day on which the Meeting is held at which the issue of the options is approved by shareholders.
- Each Option will expire at 5.00pm (EST) on the date that is three years from the date on which the Options were issued (Expiry Date). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date. The options will not vest, and therefore not be capable of exercise, until one year after the issue date.
- No persons referred to in Listing Rule 10.14 have received securities under the ESOP since the last approval.
- The directors that are entitled to participate are Andrew Buxton, Mark Kerr and Phillip Harman or their associates.
- There is no loan in relation to the acquisition of Options by Mr Buxton.
- The Company will issue the options as soon as practical following the date of the Meeting and, in any case, within 12 months of the date of the Meeting.
- No funds will be raised from issue of the options. Any funds raised upon exercise of the options will be applied to the working capital requirements of the Company at the time of exercise.
- The terms and conditions of the Options are set out in Annexure A.
- A voting exclusion statement is contained in the Notice accompanying this Explanatory Memorandum.

6. RESOLUTION 5: ISSUE OF OPTIONS TO A RELATED PARTY – MARK KERR

Under ASX Listing Rule 10.14, shareholder approval is required for the issue of securities to a director of the entity or an associate of the director. Once approval is obtained pursuant to Listing Rule 10.14, the Company is entitled to rely on Listing Rule 7.2, Exception 14 as an exception to any requirement that may otherwise apply requiring shareholder approval under Listing Rule 7.1.

In accordance with the Company's existing ESOP and remuneration and incentive arrangements, the Company proposes to issue 750,000 unlisted Options to a Director, Mr Mark Kerr (or his nominee).

The Board has formed the view that the issue of options to Mr Kerr does not require shareholder approval under section 208 of the Corporations Act, as the issue of options constitutes 'reasonable remuneration' in accordance with section 211 of the Corporations Act. In reaching this view, the Company has considered Mr Kerr's position, responsibility and his over remuneration package and the need of the Company to effectively incentivise its Directors, while aligning the incentive with increasing shareholder value and the desirability of preserving cash resources within the Company.

ASX Listing Rule 10.15 requires the meeting documents concerning a proposed resolution to approve an issue of securities in accordance with ASX Listing Rule 10.14 must include the following information:

- The Options will be issued to Mark Kerr, a Director (or his nominee).

- The maximum number of securities to be issued to Mr Kerr is 750,000 unlisted Options.
- There is no issue price for the unlisted options.
- The exercise price for the unlisted options will be 80% of the VWAP for Shares calculated over the 5 days on which sales in the ordinary shares are recorded before the day on which the Meeting is held at which the issue of the options is approved by shareholders.
- Each Option will expire at 5.00pm (EST) on the date that is three years from the date on which the Options were issued (Expiry Date). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date. The options will not vest, and therefore not be capable of exercise, until one year after the issue date.
- No persons referred to in Listing Rule 10.14 have received securities under the ESOP since the last approval.
- The directors that are entitled to participate are Andrew Buxton, Mark Kerr and Phillip Harman or their associates.
- There is no loan in relation to the acquisition of Options by Mr Kerr.
- The Company will issue the options as soon as practical following the date of the Meeting and, in any case, within 12 months of the date of the Meeting.
- No funds will be raised from issue of the options. Any funds raised upon exercise of the options will be applied to the working capital requirements of the Company at the time of exercise.
- The terms and conditions of the Options are set out in Annexure A.
- A voting exclusion statement is contained in the Notice accompanying this Explanatory Memorandum.

7. RESOLUTION 6: RATIFICATION OF PRIOR ISSUE - SHARES

7.1 General

On 13 April 2017, the Company issued 55,000,000 Shares to sophisticated investors via a private placement of which 33,000,000 ordinary shares were issued within the Company's 15% capacity under ASX Listing Rule 7.1 and 22,000,000 ordinary shares were issued in accordance with the Company's 10% placement capacity under ASX Listing Rule 7.1A. The Company confirms that, for the purposes of the shares issued under ASX Listing Rule 7.1A, the \$0.035 issue price was within the 25% discount allowed under ASX Listing Rule 7.1A.3.

Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the above Shares (**Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

ASX Listing Rule 7.4 provides that where a company's shareholders in general meeting ratify the previous issue of securities made pursuant to ASX Listing Rule 7.1 (provided that the previous issue did not breach ASX Listing 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

7.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 55,000,000 Shares were allotted;
- (b) the issue price was \$0.035 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were allotted and issued to sophisticated investors being clients of Argonaut Limited;
- (e) the Company has applied the funds raised by the issue of the Shares for working capital and ongoing exploration programs at the Company's flagship Horn Island gold project in the Torres Strait; and
- (f) a voting exclusion statement as set out in the Notice applies to this Resolution 6.

8. RESOLUTION 7: RATIFICATION OF PRIOR ISSUE - SHARES

8.1 General

On 13 October 2017, the Company issued 7,132,923 Shares to sophisticated investors via a private placement.

Resolution 7 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the above Shares (**Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

ASX Listing Rule 7.4 provides that where a company's shareholders in general meeting ratify the previous issue of securities made pursuant to ASX Listing Rule 7.1 (provided that the previous issue did not breach ASX Listing 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

8.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 7,132,923 Shares were allotted;
- (b) the issue price was \$0.03 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were allotted and issued to sophisticated investors being clients of Argonaut Limited;
- (e) the Company intends to use the funds raised by the issue of the Shares for working capital and ongoing exploration programs at the Company's flagship Horn Island gold project in the Torres Strait; and
- (f) A voting exclusion statement as set out in the Notice applies to this Resolution 7.

GLOSSARY

\$ means Australian dollars.

AEDT means Australian Eastern Daylight Time as observed in Melbourne, Victoria.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth).

Company means Alice Queen Limited (ACN 099 247 408).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

ESOP means the Company's Employee Share Option Plan as adopted by Shareholders of the Company on 15 September 2015.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Option Holder means a holder of an Option.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Directors' report section of the Company's annual financial report for the year ended 30 June 2017.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

VWAP means volume weighted average price.

ANNEXURE A: TERMS AND CONDITIONS OF OPTIONS

The terms and conditions of the Options to be issued in accordance with Resolutions 3, 4 and 5, are set out below.

a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

b) Exercise Price

The exercise price for the unlisted options will be 80% of the VWAP for Shares calculated over the 5 days on which sales in the ordinary shares are recorded before the day on which the Meeting is held at which the issue of the options is approved by shareholders.

c) Expiry Date

Each Option will expire at 5.00pm (AEDT) on the date that is three years from the date on which the Options were issued (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

d) Lapse

If the relevant Director ceases to be a Director of the Company, the option holder will have a period of 3 months to exercise the options whereafter any unexercised options shall lapse. For the avoidance of doubt, where a Director is required at a general meeting to retire by rotation or otherwise required at a general meeting to retire in accordance with the Company's Constitution or ASX Listing Rules, and is subsequently reappointed, that retirement shall not result in the accelerated expiry of the options.

In the event of the termination or resignation of the Director due to a takeover or change in control of the Company the provisions as listed in item (k) below will apply.

e) Exercise Period

The Options are exercisable anytime after one year after the issue date and prior to the Expiry Date (**Exercise Period**).

f) Notice of Exercise

The Options may be exercised in whole or in part during the Exercise Period by notice in writing to the Company in the manner specified on the Option Holding Statement (**Notice of Exercise**) and payment of the relevant Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

g) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the relevant Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

h) Timing of issue of Shares on exercise

Within 10 Business Days after the later of the following:

- i. the Exercise Date; and
- ii. when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case, no later than 15 Business Days after the Exercise Date, the Company will:

- iii. allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- iv. if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- v. apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 15 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

i) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

j) Quotation of Shares issued on exercise

Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

k) Participation Rights

There are no participation rights or entitlements inherent in the options. Option holders are not entitled to participate in new issues of securities offered to shareholders without first exercising the options. The Company will send notices to option holders at least five (5) business days (or such shorter time period as permitted by the ASX Listing Rules) prior to the record date applying to offers of securities made to shareholders during the currency of the options.

l) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Option Holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

m) Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

n) Unquoted

The Company will not apply for quotation of the Options on ASX.

o) Transferability

The Options are not transferable unless the Board provides prior written approval to a transfer.



ALICE QUEEN LIMITED

ABN 71 099 247 408

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

AQX

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

XX



Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



For your vote to be effective it must be received by 11:00am (AEDT) Monday, 27 November 2017

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** ➔

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Alice Queen Limited hereby appoint

☐ the Chairman of the Meeting

 OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Alice Queen Limited to be held at the office of Moore Stephens, Level 18, 530 Collins Street, Melbourne, Victoria on Wednesday, 29 November 2017 at 11.00am (AEDT) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 3, 4 and 5 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 3, 4 and 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 3, 4 and 5 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Phillip Harman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Issue of Options to a Director – Phillip Harman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of Options to a Director – Andrew Buxton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Options to a Director – Mark Kerr	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Ratification of Prior Issue - Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Ratification of Prior Issue - Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /