



ALICE QUEEN
LIMITED

**ALICE QUEEN LIMITED
AND ITS CONTROLLED ENTITIES**

A.B.N. 71 099 247 408

**INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**



ALICE QUEEN
LIMITED

CONTENTS

CORPORATE DIRECTORY	1
DIRECTORS' REPORT	2
AUDITOR'S INDEPENDENCE DECLARATION	8
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	9
CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	10
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	11
CONSOLIDATED STATEMENT OF CASH FLOWS	12
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS.....	13
DIRECTORS' DECLARATION.....	19
INDEPENDENT AUDITOR'S REVIEW REPORT.....	20



ALICE QUEEN
LIMITED

CORPORATE DIRECTORY

Directors

Phillip Harman
Non-Executive Chairman
Andrew Buxton
Managing Director
Mark Kerr
Non-Executive Director

Company Secretary

Anne Adaley

Registered Office and Principal Place of Business

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

Auditor

Moore Stephens
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



ALICE QUEEN
LIMITED

DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

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 (the "Company") and the entities it controlled at the end of, or during, the half-year ended 31 December 2017.

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:

Phillip Harman Non-Executive Chairman

Andrew Buxton Managing Director

Mark Kerr 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 \$1,778,814 (2016: \$745,436 loss).

Corporate activities

Exercise of Listed Options

On 13 October 2017 the Company announced that 123,609,736 of its listed options which expired on 30 September 2017 had been exercised and converted into fully paid shares in the Company. The Option conversion was fully underwritten by the Company's lead Manager, Argonaut, and raised \$3,708,292 before costs of which \$3,573,706 was received during the reporting period. Argonaut received a fee of \$202,993 for providing this service. The Option exercise was well supported by the Company's Top 20 shareholders along with some new strategic investors who received allocations via Argonaut's sub underwriters. Funds raised were applied to the Company's resource definition drilling at Horn Island.

Exploration activities

Queensland

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

On 5 September 2017, Alice Queen announced the achievement of its most significant mile stone since listing in 2015, its maiden Mineral Resource at its flagship Horn Island gold project.

The Mineral Resource Estimate [MRE] for the Pioneer Lode at Horn Island is 5.8 million tonnes at 2.01 g/t gold for 375,000 ounces of gold using a 0.75 g/t cut-off grade (See Figure 1).

Significantly, the MRE covers only approximately 30% of the historic pit prospect that is known to be mineralised and thus the Company is confident that there will be further upgrades to the Mineral Resource Estimate once the other 70% of the pit prospect has been drilled [See Figure 2).



DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

Review of Operations and Financial Results (continued)

Deposit	Resource Category	Cut-Off Grade	Tonnes (t)	Au Grade (g/t)	Gold Metal (Oz)
Pioneer Lode	Inferred	0.75	5,800,000	2.01	375,000

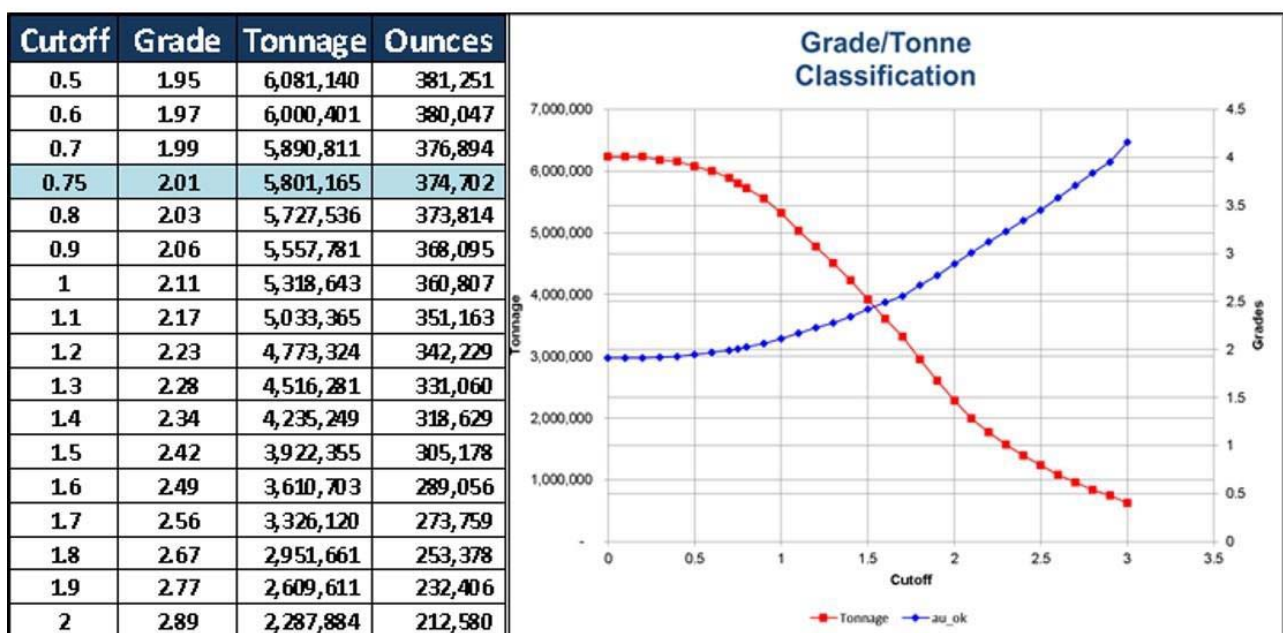


Figure 1 – Grade – Tonnes curve chart demonstrating robust resource grade.

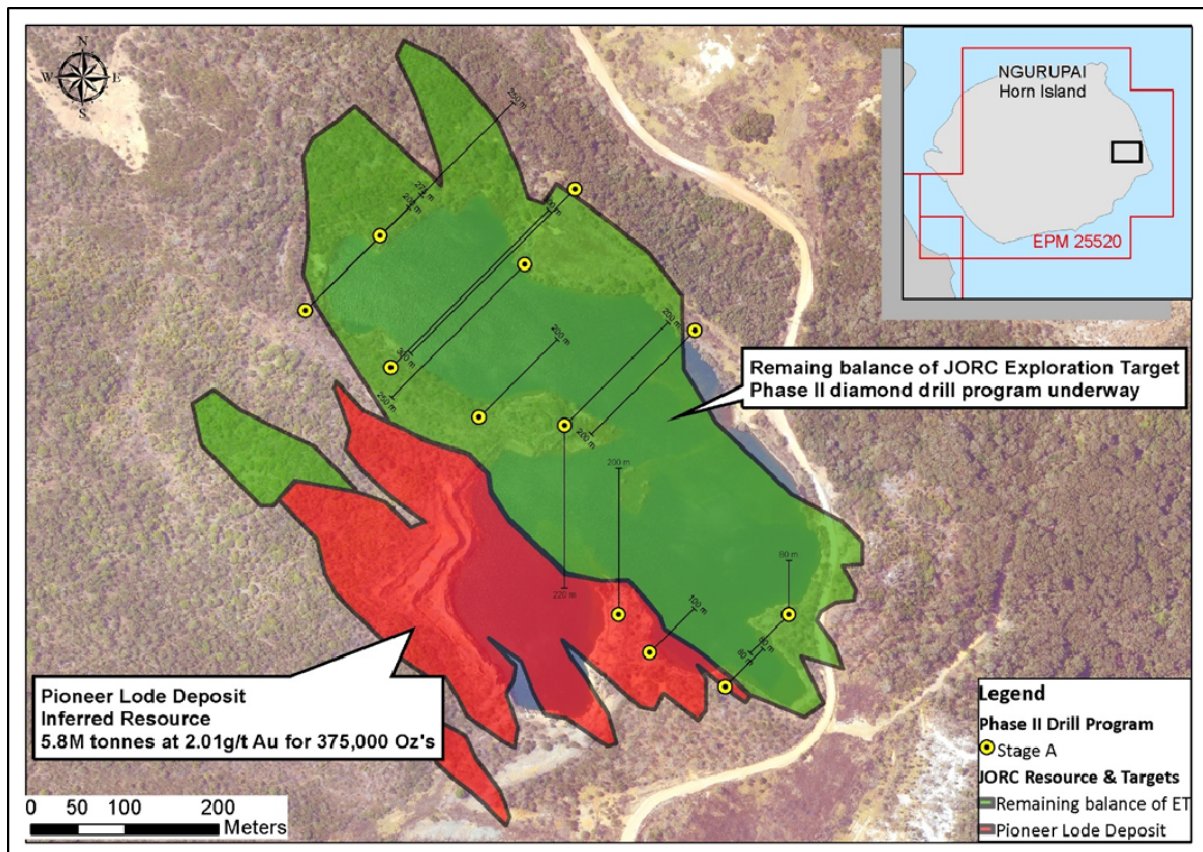
On 20 October 2017 Alice Queen confirmed the commencement of its Phase Two Resource drilling at Horn Island. The Company announced that it planned to drill approximately 7,300 metres of diamond core over two stages with the intention of upgrading its existing 375,000 oz Au Inferred Resource at Horn Island. At the time Alice Queen foreshadowed that drilling of Stage A would be completed by Christmas 2017 and that Stage B drilling would commence early in 2018. The Company remains on track with this guidance (See Figure 2)



DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

Review of Operations and Financial Results (continued)



Access Agreement and Commencement of Drilling at SSR

On 27 November 2017, Alice Queen announced that it had signed an access agreement with the Kaurareg Aboriginal Land Trust (KALT) for the commencement of a maiden diamond core drill program at the SSR prospect on Horn Island. The SSR prospect is located approximately 2.8 kilometres south west of the historic open pit where the Company's current Inferred Resource of 375,000 ounces of gold is situated. Based on the results of the Company's previous surface sampling and rock chip program over the area, the SSR prospect has an extensive surface gold zone (See Figure 3 and Figure 4) with an interpreted mineralised strike length of 3.0 kilometres.



DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

Review of Operations and Financial Results (continued)

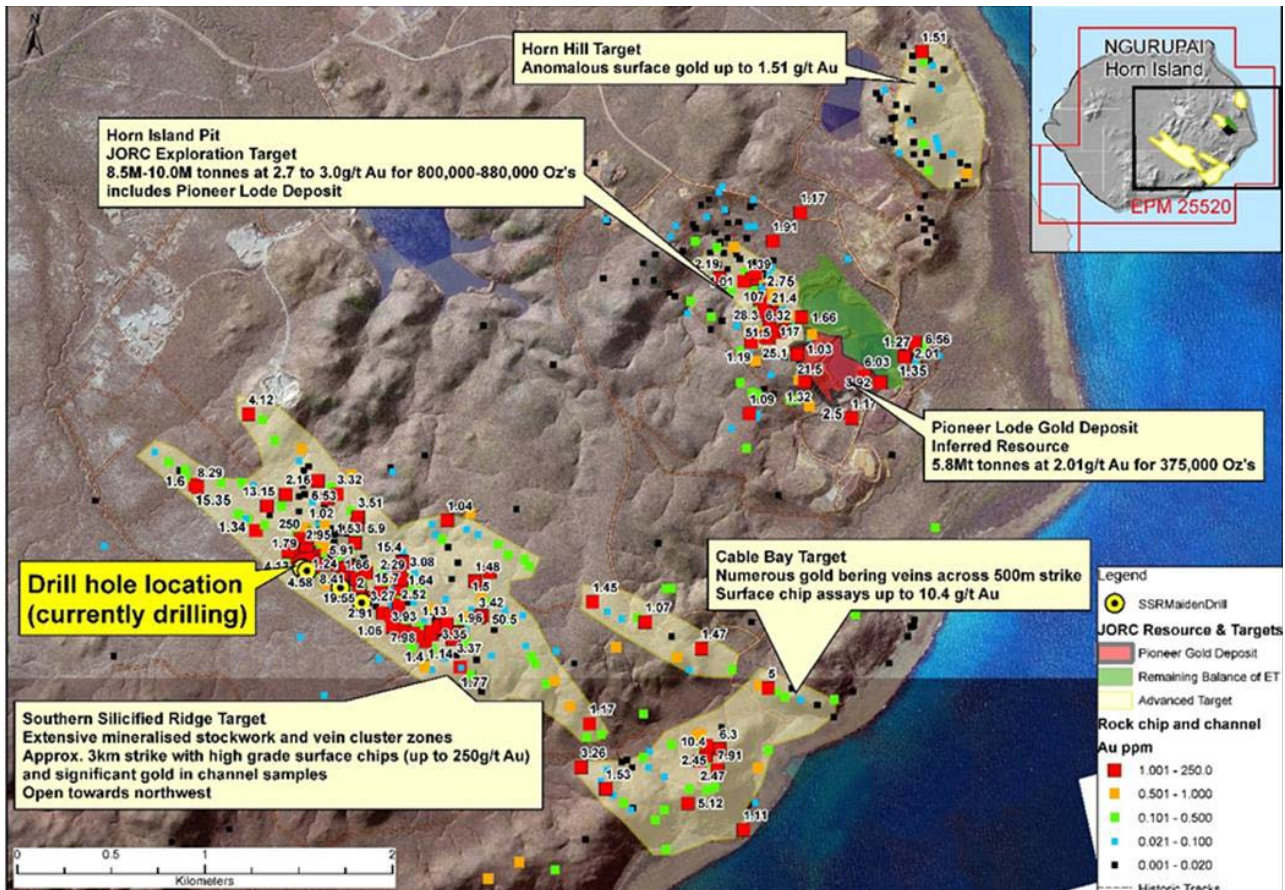


Figure 3 Map of the eastern part of Horn Island showing SSR and historic open pit prospect areas



DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

Review of Operations and Financial Results (continued)

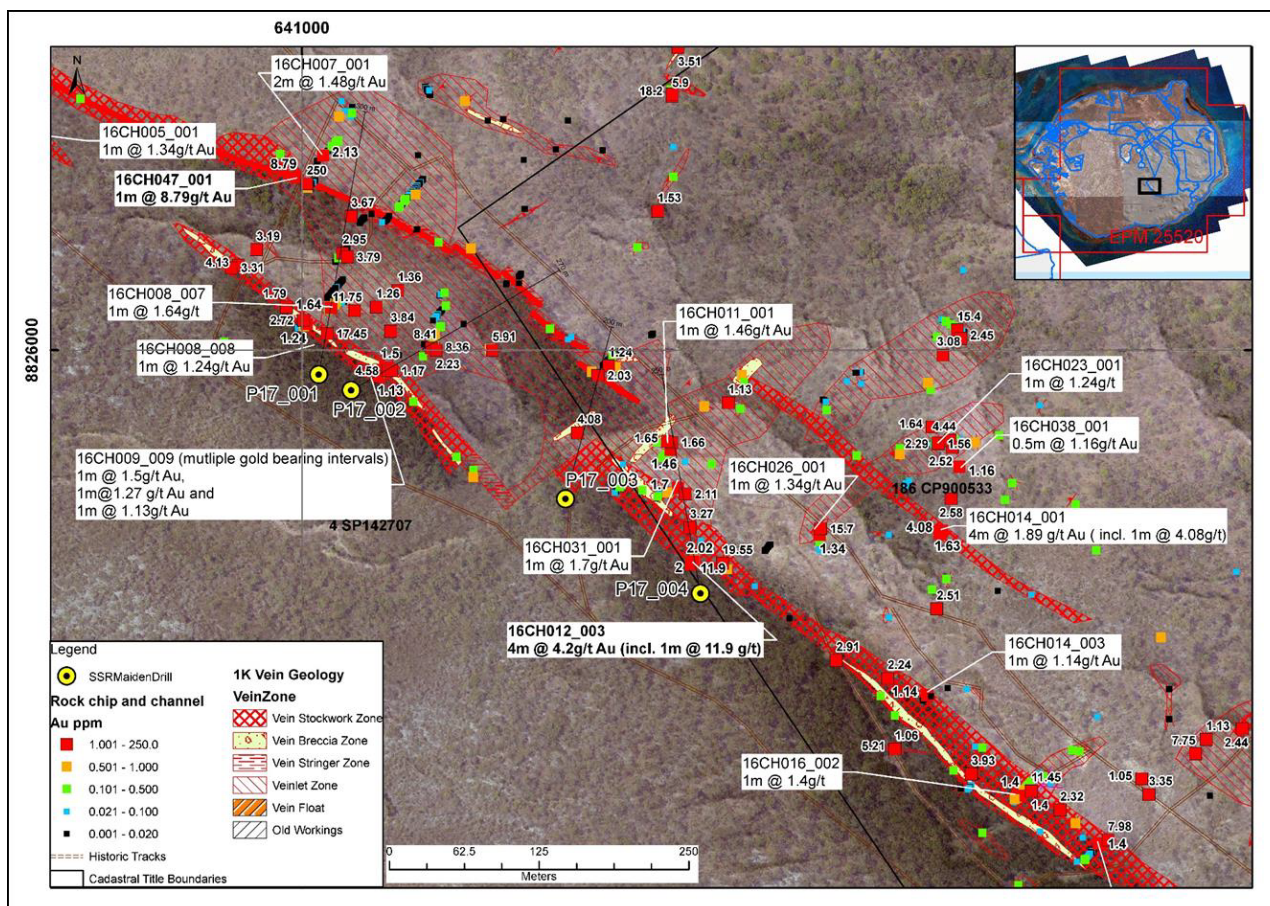


Figure 4 Map of SSR showing interpreted mineralized vein and stock work zones along with target drill collar locations

New South Wales

Looking Glass EL 8225 (90% owned)

On 6 December 2017, the Company announced that drilling of a second hole at Looking Glass has commenced. The holes targeted Cadia style porphyry Cu-Au mineralization and was co-funded by the NSW government's New Frontiers grants program. After careful consideration by the Company's Board of Directors as part of the half yearly review and having regard to the excessive depth to basement, the age of the basement rocks and the lack of mineralisation in both holes that have been drilled there, a decision was made not to renew EL8225 Looking Glass. Accordingly, at the end of the reporting period, the Group assessed the carrying value of its EL 8225 Looking Glass tenement to be \$Nil, resulting in an impairment charge of \$541,082.

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

During the reporting period, Newcrest Operations Limited (Newcrest), a subsidiary of Newcrest Mining Limited (ASX: NCM) completed an extensive geophysical study over the Mendooran tenements which included both magnetics and gravity. The study resulted in the identification of fifteen drill targets that fit the porphyry Cu-Au model with eight of those targets having been given a Priority 1 status for the focus of initial drilling. During the half year ended 31 December 2017, three mud rotary/diamond core drill holes were completed for a total of approximately 1,200 metres. Results from these holes are currently being reviewed by Newcrest and the Company's technical team.



DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

Tenement Summary

Tenement	Location	Current Holder ⁰	Interest	Area (Blocks)	Grant Date	Expiry Date
EPM 25520	Queensland	Kauraru Gold Pty Ltd	100%	24	08 Oct 2014	07 Oct 2019
EPM 25418	Queensland	Kauraru Gold Pty Ltd	100%	83	25 Jan 2016	24 Jan 2021
EL 8469	New South Wales	Monzonite Metals Pty Ltd	100%	100	30 Sep 2016	30 Sep 2018
EL 8563	New South Wales	Monzonite Metals Pty Ltd	100%	28	12 May 2017	12 May 2019
EL 8565	New South Wales	Monzonite Metals Pty Ltd	100%	14	17 May 2017	17 May 2019
EL8646	New South Wales	Monzonite Metals Pty Ltd	100%	86	12 Sep 2017	12 Sep 2019

(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).

Competent Person Statement

The information in report that relates to exploration results is based on information compiled by Mr Adrian Hell BSc (Hons) who is an employee of Alice Queen Limited. Mr Hell is a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Hell has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves". Mr Hell consents to the inclusion of this information in the form and context in which it appears in this report.

Events Subsequent to Reporting Date

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 8 of this financial report and forms part of this Directors' report.

Signed in accordance with a resolution of the Directors.

Phillip Harman

Non-Executive Chairman

15 March 2018

Moore Stephens Audit (Vic)

Level 18, 530 Collins Street
Melbourne Victoria 3000

T +61 (0)3 9608 0100

F +61 (0)3 9608 0192

E victoria@moorestephens.com.au

www.moorestephens.com.au

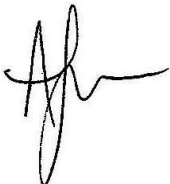
**AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF ALICE QUEEN LIMITED**

I declare that, to the best of my knowledge and belief, during the half year ended 31 December 2017, there have been:

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



MOORE STEPHENS AUDIT (VIC)
ABN 16 847 721 257



ANDREW JOHNSON
Partner
Audit & Assurance Services

Melbourne, Victoria

15 March 2018



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	NOTE	31 DEC 2017 \$	31 DEC 2016 \$
Revenue from continuing operations		83,780	38
Expenses from continuing operations:			
Administration costs		(200,732)	(135,519)
Compliance costs		(91,233)	(63,630)
Consultancy expenses		(371,700)	(95,025)
Depreciation		(4,475)	(1,371)
Employee benefits, management fees and on costs		(708,311)	(448,059)
Impairment expense		(541,082)	-
Other costs		(10,267)	(11,383)
Loss before income tax		(1,844,020)	(754,949)
Income tax expense relating to the ordinary activities		-	-
Net loss for the year		(1,844,020)	(754,949)
Loss of non-controlling interest		65,206	9,513
Loss attributable to parent entity shareholders		(1,778,814)	(745,436)
Other comprehensive income, net of tax		-	-
Total comprehensive loss		(1,778,814)	(745,436)
EARNINGS/LOSS PER SHARE:			
Basic loss per share (cents per share)	13	(0.73)	(0.37)
Diluted loss per share (cents per share)	13	(0.73)	(0.37)

The accompanying notes form part of these financial statements.



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	NOTE	31 DEC 2017 \$	30 JUNE 2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		1,824,905	805,316
Trade and other receivables		237,332	56,181
Prepayments		3,670	2,633
TOTAL CURRENT ASSETS		2,065,907	864,130
NON-CURRENT ASSETS			
Property, plant and equipment		25,455	27,038
Investments		23,999	16,000
Exploration and evaluation expenditure	10	5,436,762	3,875,504
Security deposits		78,428	53,303
TOTAL NON-CURRENT ASSETS		5,564,644	3,971,845
TOTAL ASSETS		7,630,551	4,835,975
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		992,335	614,850
Provision for annual leave		12,042	1,632
TOTAL CURRENT LIABILITES		1,004,377	616,482
TOTAL LIABILITIES		1,004,377	616,482
NET ASSETS		6,626,174	4,219,493
EQUITY			
Share capital	12	11,451,811	7,866,109
Reserves		847,040	182,040
Minority interest		(99,019)	(33,812)
Accumulated losses		(5,573,658)	(3,794,844)
TOTAL EQUITY		6,626,174	4,219,493

The accompanying notes form part of these financial statements.



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	ISSUED CAPITAL \$	RESERVE \$	OPTION RESERVE	ACCUMULATED LOSSES \$	NON- CONTROLLING INTEREST \$	TOTAL \$
Balance as at 1 July 2017	7,866,109	-	182,040	(3,794,844)	(33,812)	4,219,493
Total loss and comprehensive income for the period	-	-	-	(1,778,814)	-	(1,778,814)
Transactions with owners, recorded directly in equity:						
Revaluation of investment	-	8,000	-	-	-	8,000
Option Reserve	-	-	657,000	-	-	657,000
Issue of share capital	3,787,694	-	-	-	-	3,787,694
Transaction with non-controlling interests	-	-	-	-	(65,207)	(65,207)
Share issue costs	(201,992)	-	-	-	-	(201,992)
Balance as at 31 December 2017	11,451,811	8,000	839,040	(5,573,658)	(99,019)	6,626,174

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	ISSUED CAPITAL \$	RESERVE \$	OPTION RESERVE	ACCUMULATED LOSSES \$	NON- CONTROLLING INTEREST \$	TOTAL \$
Balance as at 1 July 2016	5,078,811	-	-	(2,656,641)	(15,843)	2,406,327
Total loss and comprehensive income for the period	-	-	-	(745,436)	-	(745,436)
Transactions with owners, recorded directly in equity:						
Revaluation of investment	-	8,800	-	-	-	8,800
Option Reserve	-	-	182,040	-	-	182,040
Issue of share capital	876,813	-	-	-	-	876,813
Transaction with non-controlling interests	-	-	-	-	(9,514)	(9,514)
Share issue costs	(22,400)	-	-	-	-	(22,400)
Balance as at 31 December 2016	5,933,224	8,800	182,040	(3,402,077)	(25,357)	2,696,630

The accompanying notes form part of these financial statements.



CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	31 DEC 2017 \$	31 DEC 2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash payments in the course of operations	(819,853)	(608,835)
Interest received	107	38
Net cash used in operating activities	(819,746)	(608,797)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation expenditure	(1,718,350)	(614,853)
Payments for plant and equipment	(2,892)	-
Payment for tenement security deposit	(25,125)	(1,499)
Net cash from investing activities	(1,746,367)	(616,352)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares and exercise of options	213,989	459,541
Proceeds from the exercise of options	3,573,706	-
Payments for share issue costs	(201,993)	(22,400)
Net cash used in financing activities	3,585,702	(437,142)
Net (decrease)/increase in cash held and cash equivalents	1,019,589	(788,008)
Cash and cash equivalents at the beginning of the period	805,316	992,246
Cash and cash equivalents at the end of the period	1,824,905	204,238

The accompanying notes form part of these financial statements.



NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

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 2017. 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 2017 and are presented in Australian Dollars which is the functional currency of the Parent 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 2017 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 15 March 2018.

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 2017.

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

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 2017

5. Going concern basis

The Group recorded a loss of \$1,778,814 for the half year ended 31 December 2017 (31 December 2016: Loss \$745,436) and had net operating cash outflows of \$819,746 for the reporting period. The Group had \$1,824,904 available cash at the end of the reporting period and current liabilities of \$1,004,377 at 31 December 2017. The interim financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the normal course of business.

The ability of the Company to continue as a going concern is dependent upon the Company raising additional capital sufficient to meet the Company's exploration commitments. Should there be no funding available exploration of the areas of interest may be put on hold. The recoverability of the exploration asset is dependent upon the continued exploration of each area of interest. The Directors have prepared a cash flow forecast for the foreseeable future reflecting the continued exploration of its tenements and its non-discretionary administrative expenditure.

The Directors believe it is appropriate to prepare these condensed interim financial statements on a going concern basis because the Directors have an appropriate plan to meet the conditions described above.

As a result, the condensed interim financial statements have been prepared on the basis that the consolidated entity can meet its commitments as and when they fall due and can therefore continue normal business activities. Should the directors not achieve their plan, there is significant uncertainty whether the Company will continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

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 2017

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:

31 DECEMBER 2017	MINERAL EXPLORATION \$	UNALLOCATED \$	TOTAL \$
REVENUE			
Government Grant	83,673	-	83,673
Interest revenue	-	107	107
	83,673	107	83,780
RESULTS			
Operating loss before tax	(552,352)	(1,226,462)	(1,778,814)
Loss of non-controlling interest	65,206	-	65,206
Net loss	(617,558)	(1,226,462)	(1,844,020)
Included within segment results:			
Share based payments	-	(657,264)	(657,264)
Segment assets	5,652,937	1,977,614	7,630,551
Segment liabilities	859,824	144,553	1,004,377
31 DECEMBER 2016	MINERAL EXPLORATION \$	UNALLOCATED \$	TOTAL \$
REVENUE			
Interest revenue	-	38	38
RESULTS			
Operating loss before tax	(65,583)	(689,366)	(754,949)
Loss of non-controlling interest	9,513	-	9,513
Net loss	(56,070)	(689,366)	(745,436)
Included within segment results:			
Share based payments	-	(184,040)	(184,040)
Segment assets	3,007,650	233,095	3,240,745
Segment liabilities	344,128	199,987	544,115

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

9. Significant events and transactions

There were no significant events during the reporting period.

10. Exploration and evaluation expenditure

	31 DEC 2017 \$	30 JUNE 2017 \$
Non-producing properties		
Balance at the beginning of the reporting period	3,875,504	1,856,500
Additions	2,102,340	2,019,004
Impairment of exploration and evaluation assets*	(541,082)	-
Balance at the end of the reporting period	5,436,762	3,875,504

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.

*In December 2017, the Company completed the drilling of a second hole at EL8225-Looking Glass tenement in NSW. The hole targeted Cadia style porphyry Cu-Au mineralization and was co-funded by the NSW government's New Frontiers grants program. After careful consideration by the Company's Board of Directors as part of the half yearly review and having regard to the excessive depth to basement, the age of the basement rocks and the lack of mineralisation in both holes that have been drilled there, a decision was made to relinquish EL8225 Looking Glass. Accordingly, at the end of the reporting period, the Group assessed the carrying value of its EL 8225 Looking Glass tenement to be \$Nil, resulting in an impairment charge of \$541,082. The appropriate relinquishment documents have now been completed and the Company's tenement manager has lodged them on the Company's behalf with the NSW Mines Department.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

11. Issued capital

	31 DEC 2017 \$	30 JUNE 2017 \$
407,479,607 fully paid ordinary shares (30 June 2017: 281,223,141)	11,926,873	8,139,179
Shares Issue costs	(475,062)	(273,070)
	<u>11,451,811</u>	<u>7,866,109</u>

<u>FULLY PAID ORDINARY SHARES</u>	31 DEC 2017 NUMBER	31 DEC 2017 \$	30 JUNE 2017 NUMBER	30 JUNE 2017 \$
Balance at the beginning of the period	281,223,141	7,866,109	192,786,948	5,078,811
10 Oct 2016: Share Placement			28,950,000	868,500
14 Dec 2016: Shares issued from exercise of options			277,100	8,313
31 Jan 2017: Shares issued from exercise of options			2,600,000	78,000
14 Mar 2017: Shares issued from exercise of options			1,609,093	48,273
13 Apr 2017: Share Placement			55,000,000	1,925,000
24 Jul 2017: Shares issued from exercise of options	712,200	21,366		
10 Aug 2017: Shares issued from exercise of options	2,650,000	79,500		
21 Aug 2017: Shares issued from exercise of options	3,300,000	99,000		
29 Aug 2017: Shares issued from exercise of options	4,079,700	122,391		
25 Sep 2017: Shares issued from exercise of options	6,820,250	204,608		
12 Oct 2017: Shares issued to underwriter	12,380,677	371,420		
13 Oct 2017: Shares issued from exercise of options	89,180,716	2,675,421		
13 Oct 2017: Share Placement	7,132,923	213,988		
Share issue costs		(201,992)		(140,788)
Balance at the end of the period	<u>407,479,607</u>	<u>11,451,811</u>	<u>281,223,141</u>	<u>7,866,109</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

12. Earnings per share

	31 DEC 2017 \$	31 DEC 2016 \$
Earnings from continuing operations (basic and diluted)	(1,844,020)	(745,436)
Weighted average number of ordinary shares used in calculating basic earnings per share	250,912,694	205,713,944
Weighted average number of ordinary shares used in calculating diluted earnings per share	250,912,694	205,713,944
Basic earnings per shares (cents per share)	(0.73)	(0.37)
Diluted earnings per shares (cents per share)	(0.73)	(0.37)

13. Contingent liabilities

As at the date of this report, the Group is unaware of any contingent assets or liabilities that may have a material impact on the Group's financial position.

14. Events subsequent to reporting date

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 2017 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:

Phillip Harman

Non-Executive Chairman

15 March 2018

Moore Stephens Audit (Vic)

Level 18, 530 Collins Street
Melbourne Victoria 3000

T +61 (0)3 9608 0100

F +61 (0)3 9608 0192

E victoria@moorestephens.com.au

www.moorestephens.com.au

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ALICE QUEEN LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Alice Queen Limited & Controlled Entities (**the Group**), which comprises the condensed statement of financial position as at 31 December 2017, 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.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company 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 company's financial position as at 31 December 2017 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 company, 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 company, would be in the same terms if provided to the directors as at the time of this auditor's review report.

Conclusion

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 company is not in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the company's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- b. complying with AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.


Emphasis of Matter - Material Uncertainty Related to Going Concern

Without modifying the opinion expressed above, attention is drawn to Note 5 Going Concern which indicates the Company recorded a loss of \$1,778,814 (2016: Loss \$745,436) and had net cash outflows of \$819,746 (2016: \$608,797) for the half year ended 31 December 2017. The directors of the Company have set out the assumptions used in preparing the financial report on a going concern basis in Note 5 - Going Concern. If these assumptions do not eventuate, it may cast doubt over the Company's ability to continue as a going concern and therefore the Company may not be able to realise its assets and discharge its liabilities in the normal course of business.



MOORE STEPHENS AUDIT (VIC)

ABN 16 847 721 257



ANDREW JOHNSON

Partner

Audit & Assurance Services

Melbourne, Victoria

15 March 2018