



QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 DECEMBER 2018

Advanced gold explorer, Alice Queen Limited (ASX: AQX) (**Alice Queen** or **the Company**) is pleased to provide its Quarterly Activities Report for the period ended 31 December 2018.

HIGHLIGHTS FOR THE QUARTER

- Detailed airborne magnetics and radiometric survey completed covering all of Horn Island
 - Results from airborne magnetics defined extensive demagnetised zones
 - All associated with anomalous surface gold and other IRGS pathfinder geochemistry
- Four geophysical and geochemical associated IRGS target areas ranging from 58ha-210ha now identified across Horn Island
- Airborne radiometric responses indicate granite phases have undergone considerable alteration and fractionation, confirming the presence of a large hydrothermal footprint within an evolving magmatic system at Horn Island
- \$225,130 raised during the quarter by way of a non-renounceable pro-rata rights issue (**Rights Issue**), resulting in a shortfall. Following the close of the Rights Issue, the Company sought to place the shortfall which was recently completed in the January Quarter
- Full control taken over Mendooran Copper-Gold Project

NEW INTRUSION RELATED GOLD TARGET ZONES IDENTIFIED ACROSS HORN ISLAND

During the reporting period, Alice Queen revealed the results from airborne geophysical survey and surface soils sample programs across its Horn Island Gold Project, located in the Torres Strait in far-north Queensland.

The results from these programs confirmed Horn Island is dominated by a number of magnetic to non-magnetic granitic intrusive phases, with the less magnetic phases considered to be more fractionated.

The geochemical program highlighted metals zonation consistent with other classic intrusion related gold deposits. Both programs identified high priority targets for follow up, some of which have the scale to potentially host a large gold mineralised system.

AIRBORNE GEOPHYSICAL SURVEY

An airborne geophysical survey was completed across Horn Island project by Thomson Aviation Pty Ltd using a Pacific Aero P750 aircraft with the following geophysical instrumentation:

- Airborne magnetics Sensor
 - 3 x cesium vapour magnetometers (tail and wing tip)
 - 20 Hz (0.05 sec) sampling rate
 - Resolutions of 0.001 nT
 - Vector magnetometer (XYZ components)
- Radiometrics - Gamma Ray Spectrometer
 - RSI model RS-500 spectrometer
 - 2 x 16.8 litre detector packs
 - 2Hz (0.5 sec)



Flight survey specifications included detailed 50m line spacings along bearing of 045-225 (NE-SW) with 500m spaced ties lines at 135-315 (SE-NW). A very low mean flight height clearance of 35m was achieved. Independent consultant Resource Potentials Pty Ltd completed preliminary reprocessing of the data set with image sets provided in the below summary.

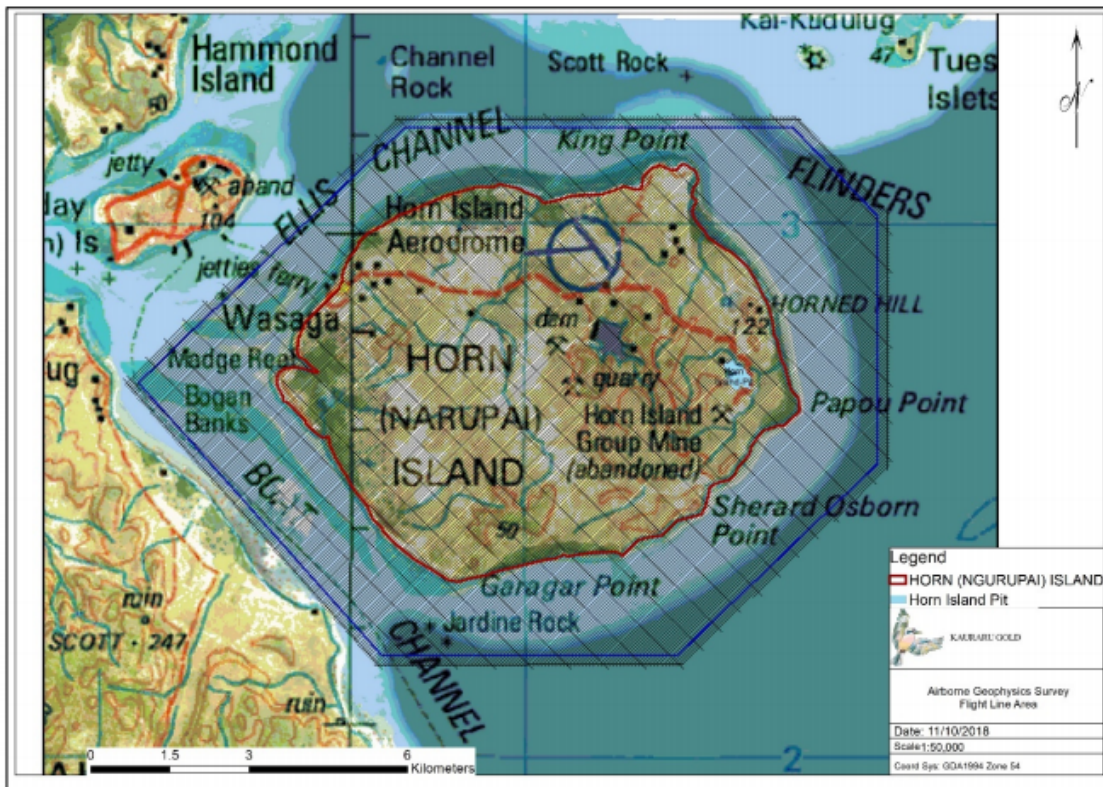


Figure 1 Airborne geophysical (magnetics & radiometric) survey area across Horn Island. Flight lines 045-225 at 50m spacings and ties lines 135-315 at 500m spacings.

The four IRGS gold zone target areas are summarised as followed:

1. Horn Island Pit-Naboo Zone
NW trending large surface gold zone covering approximately 209ha with an approximate strike of 3.5km (refer Figure 2). Surface gold is associated with an elevated distribution of Pb, As and Sn. Importantly the Horn Island Gold Deposit (~0.5 M Oz gold resource) occurs on the SE side of this zone.
2. Endor Zone
Located between the Horn Island Gold Deposit (~0.5 M Oz gold) and north of SSR, this NW trending large tin (Sn) anomaly covers approximately 153ha with an approximate strike length of 3km (refer to figure 3). This tin anomaly also coincides with large NW trending demagnetised zone which extends for 7.5km.
3. Southern Silicified Zone
NW trending surface gold zone covering approximately 140ha, with an approximate strike of 2.5km. This surface gold trend also correlates extremely well with anomalous antimony (Sb) and arsenic (As). This SSR gold and IR pathfinder anomaly coincides with a large geophysical NW trending demagnetised zone which extends for approximately 8km. The higher gold, silver, arsenic and antimony values notably concentrate across the greatest enlargement (approx. 500m width) of the demagnetised zone.



4. Cable Bay Zone

Northly-NE trending surface gold zone covering approximately 58ha with an approximate strike of 3km (refer to Figure 2). Surface gold trends correlate to elevated arsenic and bismuth, which suggests of a higher fractionated granite, this predominantly located along the eastern margin of the island. The anomalous IR gold and pathfinder trends also coincide with a large northerly trending demagnetised zone.

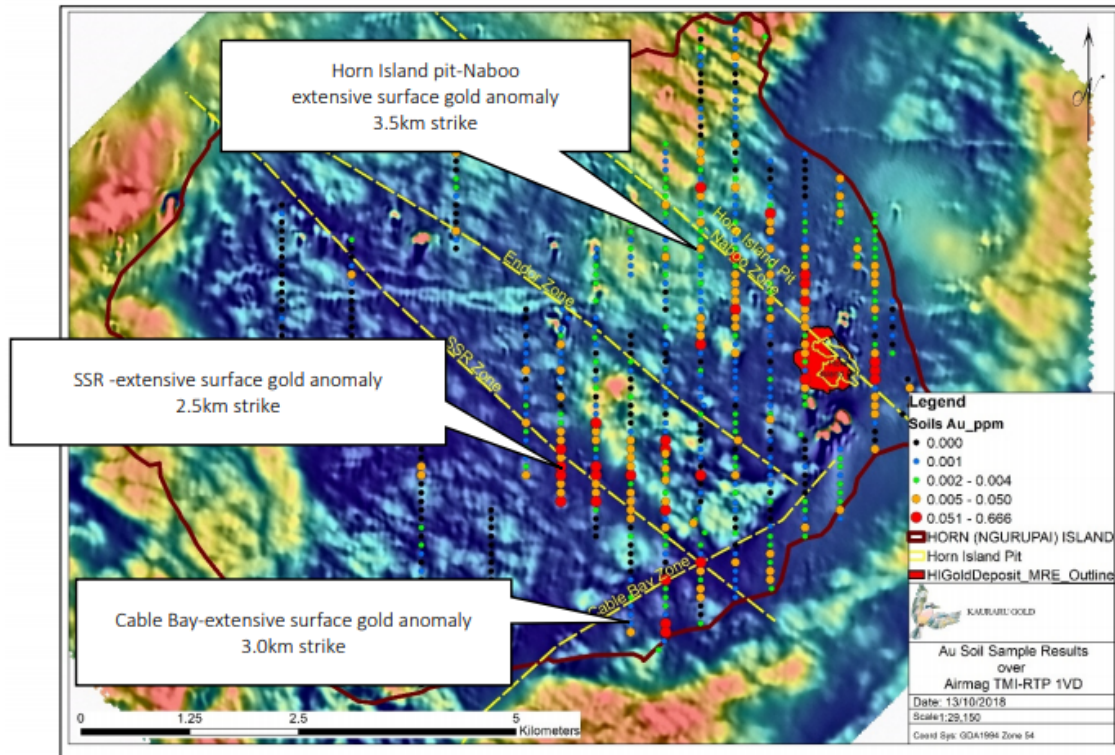


Figure 2 Gold (Au) soil sample results across Horn Island project; gold occurs along the most intensified demagnetised fracture zones within the granite, predominately across 3 areas the Horn Island Pit-Naboo, SSR and Cable Bay Zones.

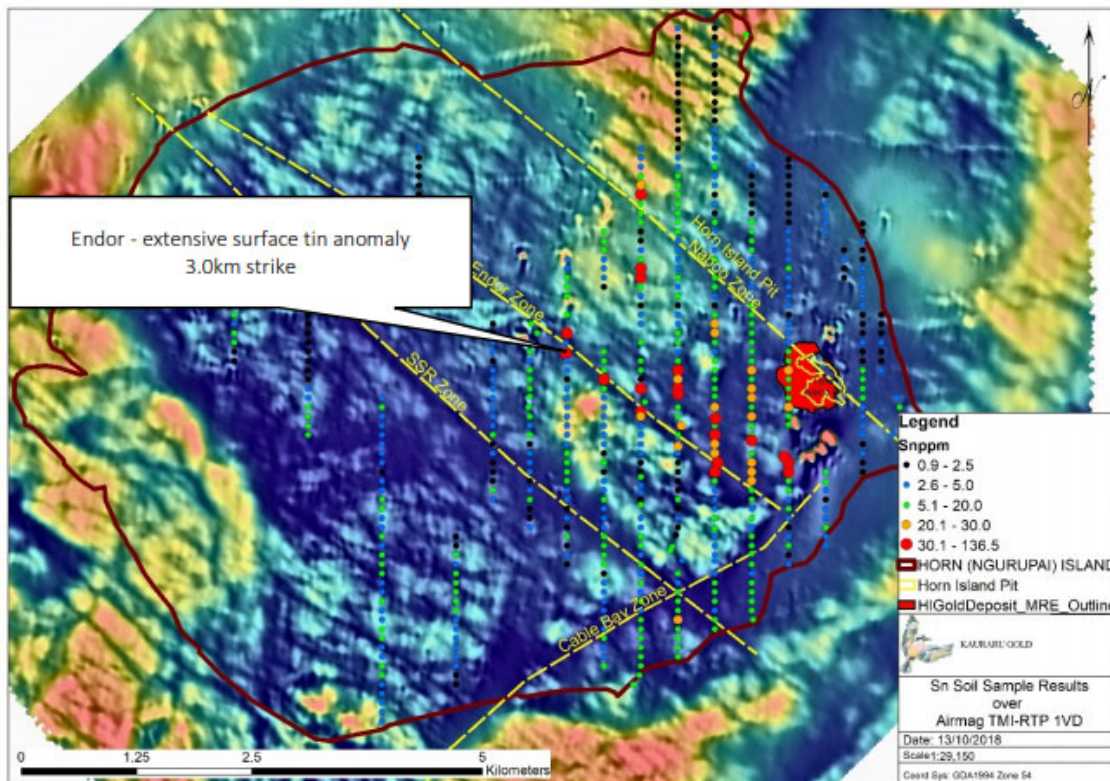


Figure 3 Tin (Sn) soil sample result across Horn Island project; significant tin anomaly across the Endor demagnetised zone; In this system, tin behaves like one of the base metals likely to represent the roof area of the gold deposit and is further outboard/higher up than Mo and Bi. The edge of this tin zone is intersected in the upper parts of the drill holes around the pit. The locus of the tin zone has a very distinct fault control, evident in the de-mag pattern. Deeper drilling is required to target the best gold zone in this area.

NEXT STEPS

Alice Queen plans to undertake a targeted deep penetrating Induced Polarisation (IP) survey to define the vertical geometry of a potentially mineralised body along each target area.

Drill testing will also be carried out, which may involve vertical holes to 600m depth.

During the December Quarter, the Company continued to progress discussions with several interested parties regarding a potential farm-in arrangement in respect of certain areas of the Horn Island Project (consistent with the strategy announced in the September Quarter). The Company will continue to explore these opportunities in the January Quarter.

SIGNIFICANT UPSIDE POTENTIAL AT MENDOORAN

During the reporting period, Alice Queen received notice from Newcrest Operations Limited, a subsidiary of Newcrest Mining Limited, that, having met the minimum expenditure requirement for the Mendooran Copper-Gold Project under an Option and Farm-In Agreement, Newcrest elected not to proceed with the agreement.

This returned full control of Mendooran to Alice Queen.

Located in central New South Wales, the Mendooran license is considered to be one of the best unexplored porphyry Cu-Au grounds in Australia.



Alice Queen now has the opportunity to assess whether to continue exploration at Mendooran itself or, alternatively, progress discussions with a number of industry majors who have both the technical and financial capacity to exploit the Project's considerable potential, potentially on more favourable terms than was previously the case with the Newcrest agreement.

TENEMENT SUMMARY

Tenement	Location	Current Holder¹	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	NSW	Monzonite Metals Pty Ltd	100%	100	30 Sep 2018	30 Sep 2020
EL 8563	NSW	Monzonite Metals Pty Ltd	100%	28	12 May 2017	12 May 2019
EL 8565	NSW	Monzonite Metals Pty Ltd	100%	14	17 May 2017	17 May 2019
EL8646	NSW	Monzonite Metals Pty Ltd	100%	86	12 Sep 2017	12 Sep 2019

1. ALICE QUEEN LIMITED HOLDS A MAJORITY INTEREST IN KAURARU GOLD PTY LTD (84.5% EQUITY INTEREST) AND MONZONITE METALS PTY LTD (90% EQUITY INTEREST).

CORPORATE

During the reporting period, Alice Queen undertook a Rights Issue, comprising an offer of 1 new fully paid ordinary share for every 4 shares held on the record date at an offer price of \$0.015 (1.5 cents) per share, raising \$225,130.

EVENTS SUBSEQUENT TO REPORTING DATE

Since the end of the December 2018 Quarter, Alice Queen issued 113.9 million fully paid ordinary shares at \$0.015 (1.5 cents) per share to a combination of existing shareholders and new investors.

The issue raised approximately \$1.7 million before costs.

The shares were issued as part of the shortfall of the Company's Rights Issue made under a prospectus lodged with ASIC and released to the ASX on 24 September 2018.

COMPETENT PERSON NOTE

The information in this announcement that relates to exploration results was previously reported by the Company in its ASX announcement titled "*New Intrusion Related Gold (IRG) Target Zones Identified Across Horn Island*" dated and released 17 October 2018 which included a Competent Persons Statement from Mr Adrian Hell. The Company is not aware of any new information or data that materially affects the information included in the prior announcement and confirms that the form and context in which the Competent Persons findings are presented have not been materially modified.

For and on behalf of the Board

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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Alice Queen Limited

ABN

71 099 247 408

Quarter ended ("current quarter")

31 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(660)	(835)
(b) development	-	-
(c) production	-	-
(d) staff costs	(228)	(530)
(e) administration and corporate costs	(137)	(157)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(1,025)	(1,522)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – Refundable deposit	-	10
2.6	Net cash from / (used in) investing activities	-	10

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	429	1,171
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(6)	(66)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	423	1,105

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	709	514
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,025)	(1,522)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	10
4.4	Net cash from / (used in) financing activities (item 3.10 above)	423	1,105
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	107	107

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	107	28
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (Cash held in share trust account)	-	681
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	107	709

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	126
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Fees to executive and non-executive directors of the Alice Queen Group.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	599
9.2 Development	-
9.3 Production	-
9.4 Staff costs	259
9.5 Administration and corporate costs	309
9.6 Other (Capital raising fee)	39
9.7 Total estimated cash outflows	1,206

* Since the end of the reporting period, the Company has raised approximately \$1.7M as reported to the market on 24 January 2019. These funds will be applied to the estimated cash outflows for the next quarter.

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Nil			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	Nil			

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 
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Company secretary

Date: 31 January 2019

Print name: Anne Adaley

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.