



ALICE QUEEN LIMITED AND ITS CONTROLLED ENTITIES

A.B.N. 71 099 247 408

**INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**



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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

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Auditor

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Share Register

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Securities Exchange Listing

Australian Securities Exchange
ASX Code: AQX

DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

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 2018.

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 \$1,015,329 (2017: \$1,844,020 loss).

Corporate activities

On 26 September 2018, the Company announced the closing of a private share placement (Placement) to sophisticated investors to raise \$1,002,500 (before costs) at an issue price of \$0.015 per share. The Placement comprised of 66,833,333 fully paid shares of which:

- 59,033,333 of the Placement securities which were not subject to shareholder approval and fell within the Company's 15% placement capacity under ASX Listing Rule 7.1. These Placement Shares were issued in two tranches as set out in the table below:

Date of Issue	Number of Shares Issued
1 October 2018	39,692,734
3 October 2018	19,340,599
Total	59,033,333

- 7,800,000 of the Placement securities were proposed to be issued in response to commitments from Directors of the Company subject to shareholder approval which was received at the Company's Annual General Meeting on 29 November 2018. On 28 December 2018, 4,400,000 of these Placement shares were issued. 3,400,000 Placement shares have not been issued at this stage.

In conjunction with the Placement, the Company also conducted a non-underwritten non-renounceable entitlement issue to existing shareholders (on the basis of 1 new share for every 4 shares held) at the same price (1.5 cents) to raise up to a further \$2 million (approximately) (Entitlement Issue).

Funds raised pursuant to the Placement and Entitlement Issue have been applied towards:

- An Induced Polarization (IP) survey to assist in determining the highest priority 'Cupola Phase' drilling targets at the Horn Island pit gold deposit and Southern Silicified Ridge (SSR);
- To assist the Company in seeking to procure an option and farm in agreement with an industry major in respect of certain areas within its Horn Island gold project; and
- Working Capital.

DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

Review of Operations and Financial Results (continued)

The Entitlement issue closed on 24 October 2018 and 15,008,706 new AQX shares were issued in response to applications received under the Entitlement Issue resulting in a shortfall under the Entitlement Issue of 114,119,706 new shares (Shortfall). The Company reserved the right to place the Shortfall prior to 24 January 2019. (Refer to Events Subsequent to Reporting Date for further detail).

Exploration activities

Queensland

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

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.

DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

Review of Operations and Financial Results (continued)

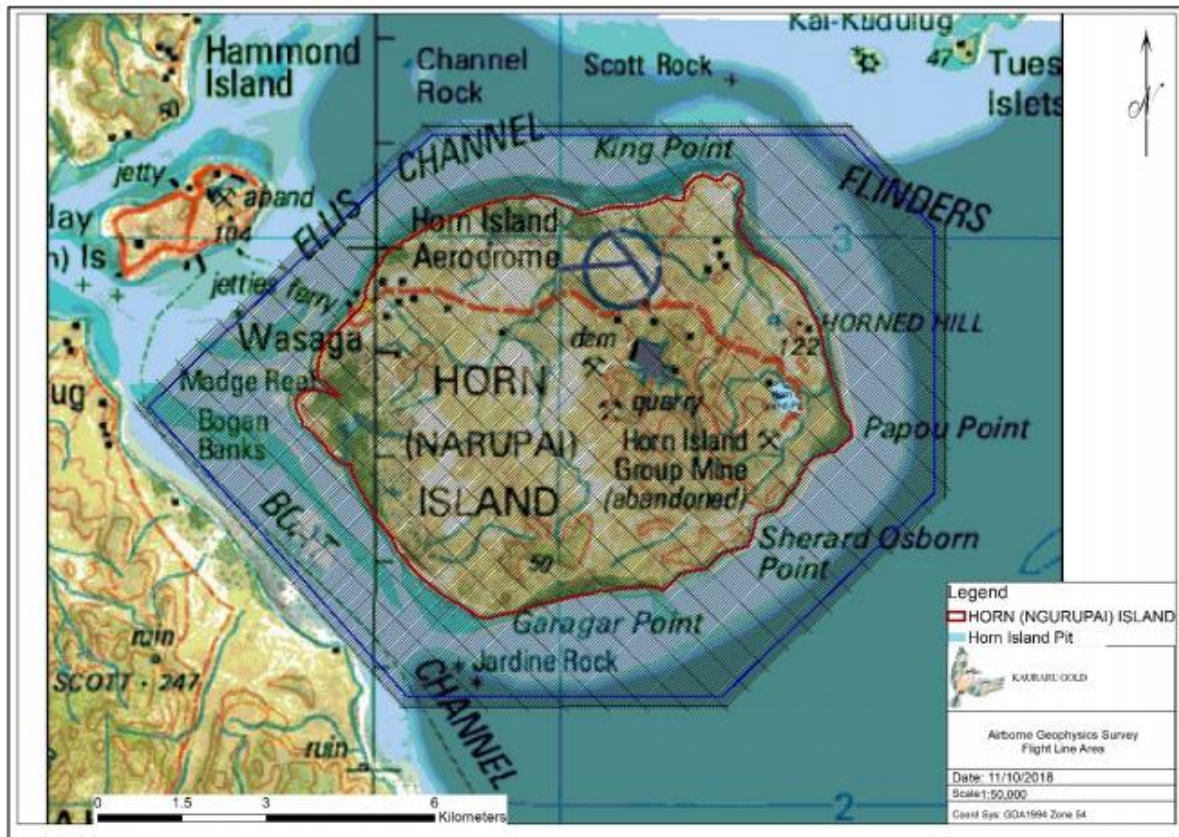


Figure 1 Airborne geophysical (magnetics & radiometric) survey area across Horn Island. Flight lines 045-225 at 50m spacings and ties lines 135-315 at 500m spacings.

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 58 ha with an approximate strike of 3km. 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 & pathfinder trends also coincide with a large northerly trending demag zone.

DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

Review of Operations and Financial Results (continued)

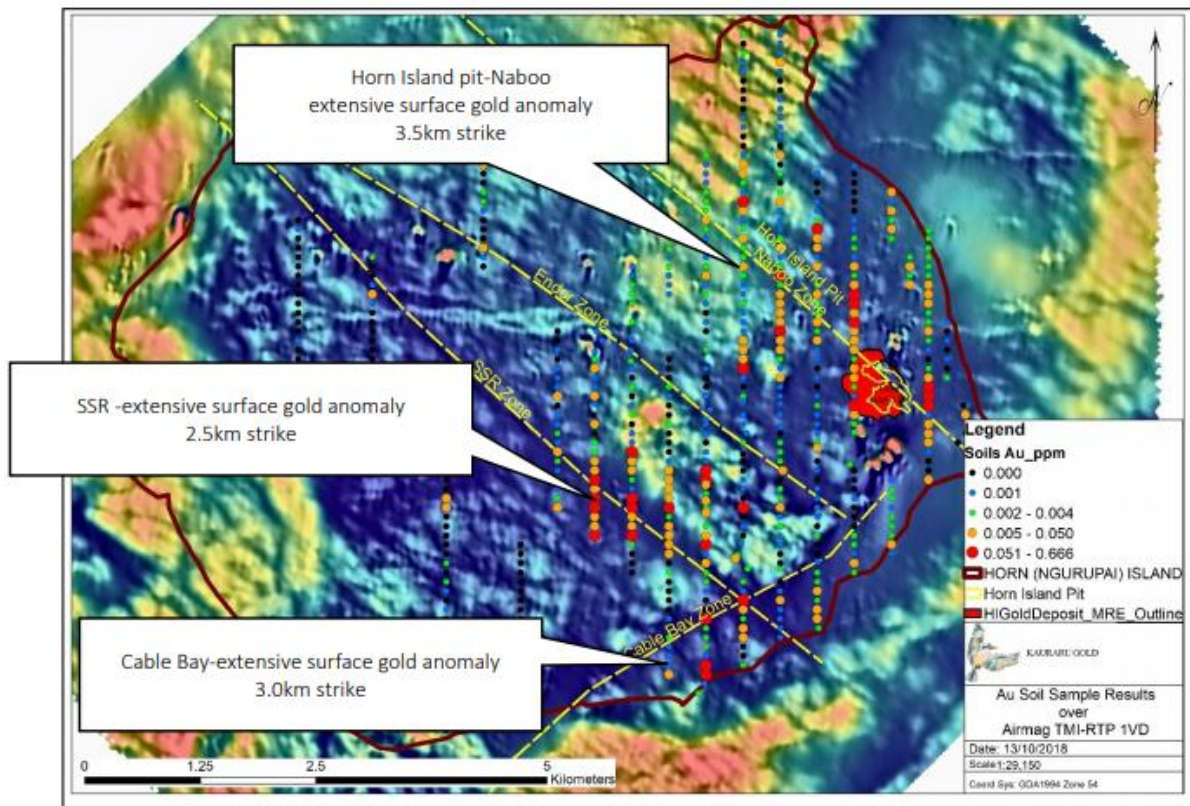


Figure 2 Gold (Au) soil sample results across Horn Island project; gold occurs along the most intensified demagnetised fracture zones within the granite, predominately across 3 areas the Horn Island Pit-Naboo, SSR and Cable Bay Zones.

DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

Review of Operations and Financial Results (continued)

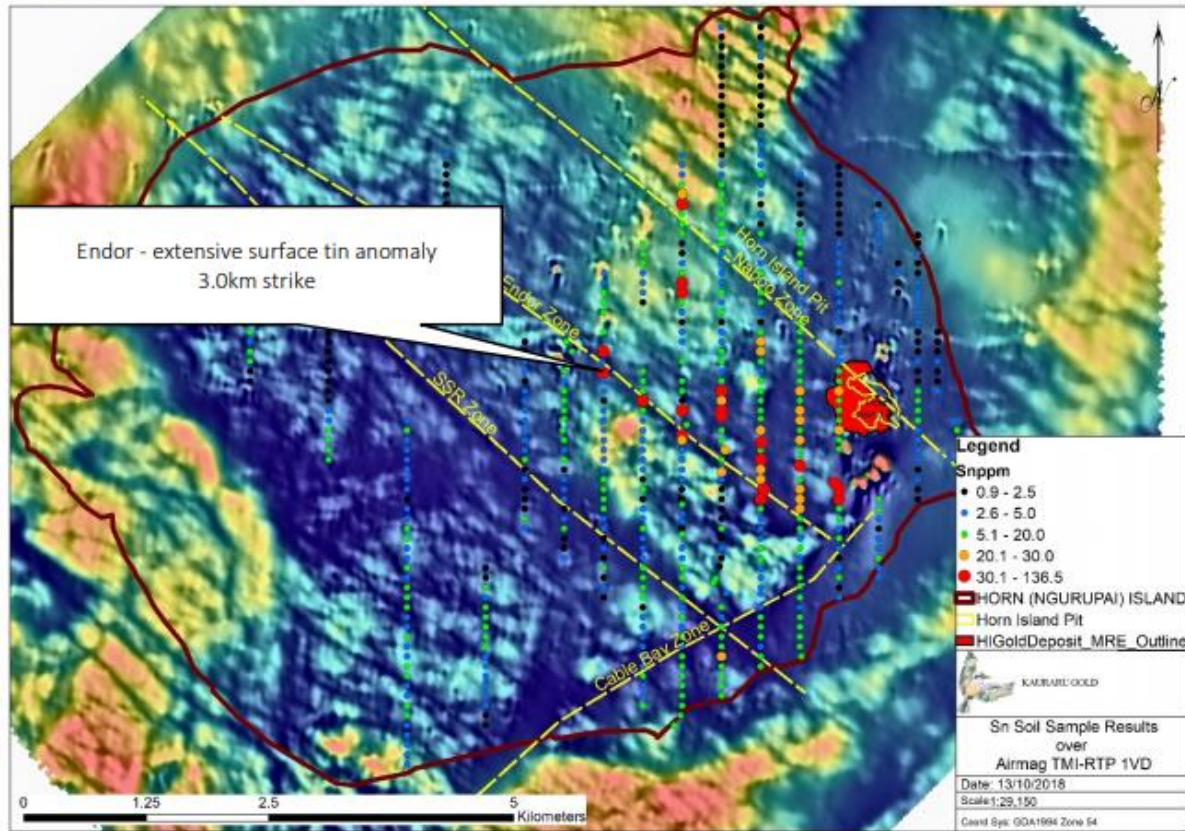


Figure 3 Tin (Sn) soil sample result across Horn Island project; significant tin anomaly across the Endor demagnetised zone; In this system, tin behaves like one of the base metals likely to represent the roof area of the gold deposit and is further outboard/higher up than Mo and Bi. The edge of this 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.

New South Wales

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

On 8 November 2018 the Company announced that it received notice from Newcrest Operations Limited, a subsidiary of Newcrest Mining Limited, (Newcrest) that, having met the minimum expenditure requirement (\$1m) under the Option and Farm-In Agreement, Newcrest had elected not to proceed with the farm-in and joint venture at the Company's Mendooran Project in NSW (the Project). The withdrawal was effective from 14 November 2018.

There remain a number of undrilled targets at the Project and, having recently renewed one of the key tenements (EL 8469) until September 2020.

DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

Review of Operations and Financial Results (continued)

Tenement Summary

Tenement	Location	Current Holder ⁽ⁱ⁾	Interest	Area (Blocks)	Grant Date	Expiry Date
EPM 25520	Queensland	Kauraru Gold Pty Ltd	100%	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 2018	30 Sep 2020
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 full time 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

On 24 January 2019, the Company announced that it had received commitments for the placement of, and in response to those commitments has issued, 113,920,334 fully paid ordinary shares from the Shortfall under the Entitlement Issue. The issue raised approximately \$1,708,805 before costs.

Furthermore, by way of update, and further to the Company's recent announcements most recently including its Appendix 4C released 31 January 2019, the Company is pleased to note that its discussions with interested parties regarding a potential farm-in in respect of certain areas of the Horn Island Project continue to progress and are ongoing. A number of interested parties have completed due diligence, which has been conducted either via desktop technical reviews and/or site visits. These discussions remain at varying stages and the Company will make further announcements when, and if, a proposal is concluded.

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 10 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 2019

Moore Stephens Audit (Vic)

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**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 2018, there have been:

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



MOORE STEPHENS AUDIT (VIC)
ABN 16 847 721 257



ANDREW JOHNSON
Partner
Audit & Assurance Services

Melbourne, Victoria

15 March 2019



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	NOTE	31 DEC 2018 \$	31 DEC 2017 \$
Revenue from continuing operations		511	83,780
Expenses from continuing operations:			
Administration costs		(204,144)	(200,732)
Compliance costs		(73,082)	(91,233)
Consultancy expenses		(114,986)	(371,700)
Depreciation		(5,748)	(4,475)
Employee benefits, management fees and on costs		(612,780)	(708,311)
Impairment expense		(4,000)	(541,082)
Other costs		(1,100)	(10,267)
Loss before income tax		(1,015,329)	(1,844,020)
Income tax expense relating to the ordinary activities		-	-
Net loss for the year		(1,015,329)	(1,844,020)
Loss of non-controlling interest		10,871	65,206
Loss attributable to parent entity shareholders		(1,004,458)	(1,778,814)
Other comprehensive income, net of tax			-
Total comprehensive loss		(1,004,458)	(1,778,814)
EARNINGS/LOSS PER SHARE:			
Basic loss per share (cents per share)	13	(0.21)	(0.73)
Diluted loss per share (cents per share)	13	(0.21)	(0.73)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	NOTE	31 Dec 2018 \$	30 June 2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents		107,317	514,359
Trade and other receivables		91,415	165,532
Prepayments		2,083	-
Total Current Assets		200,815	679,891
Non-Current Assets			
Property, plant & equipment		36,786	42,533
Investments		12,000	19,200
Exploration and evaluation expenditure	10	9,080,657	8,354,403
Security deposits		66,228	76,228
Total Non-Current Assets		9,195,671	8,492,364
Total Assets		9,396,486	9,172,255
LIABILITIES			
Current Liabilities			
Trade and other payables		1,123,902	1,337,293
Provision for annual leave		20,142	24,788
Total Current Liabilities		1,144,044	1,362,081
Total Liabilities		1,144,044	1,362,081
Net Assets		8,252,442	7,810,174
EQUITY			
Share capital	12	14,457,713	13,319,811
Reserves		1,062,793	743,098
Minority interest		(124,226)	(113,355)
Accumulated losses		(7,143,838)	(6,139,380)
Total Equity		8,252,442	7,810,174

The accompanying notes form part these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	ISSUED CAPITAL \$	OPTION RESERVE \$	ASSET REVALUATION RESERVE \$	ACCUMULATED LOSSES \$	NON - CONTROLLING INTEREST \$	TOTAL \$
Balance as at 1 July 2018	13,319,811	739,898	3,200	(6,139,380)	(113,355)	7,810,174
Total loss and comprehensive income for the period	-	-	-	(1,004,458)	-	(1,004,458)
Transactions with owners, recorded directly in equity:						
Revaluation of investment	-	-	(3,200)	-	-	(3,200)
Option Reserve	-	322,895	-	-	-	322,895
Issue of share capital	1,203,902	-	-	-	-	1,203,902
Transaction with non-controlling interests	-	-	-	-	(10,871)	(10,871)
Share issue costs	(66,000)	-	-	-	-	(66,000)
Balance as at 31 December 2018	14,457,713	1,062,793	-	(7,143,838)	(124,226)	8,252,442

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	ISSUED CAPITAL \$	OPTION RESERVE \$	ASSET REVALUATION 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	839,040	8,000	(5,573,658)	(99,019)	6,626,174

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	31 DEC 2018 \$	31 DEC 2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash payments in the course of operations	(687,262)	(819,843)
Interest received	511	107
Interest paid	(11)	-
Net cash used in operating activities	(686,762)	(819,746)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation expenditure	(835,410)	(1,718,350)
Payments for plant and equipment	-	(2,892)
Payment for tenement security deposit	(10,000)	(25,125)
Net cash from investing activities	(825,410)	(1,746,367)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares and exercise of options	1,171,130	213,989
Proceeds from the exercise of options	-	3,573,706
Payments for share issue costs	(66,000)	(201,993)
Net cash used in financing activities	1,105,130	(3,585,702)
Net (decrease)/increase in cash held and cash equivalents	(407,042)	(1,019,589)
Cash and cash equivalents at the beginning of the period	514,359	805,316
Cash and cash equivalents at the end of the period	107,317	1,824,905

The accompanying notes form part of these financial statements.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

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 2018. 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 2018 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 2018 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 2019.

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 2018.

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 2018

5. Going concern basis

The Group recorded a loss of \$1,004,458 for the half year ended 31 December 2018 (31 December 2017: Loss \$1,778,814) and had net operating cash outflows of \$686,762 for the reporting period. The Group had \$107,317 available cash at the end of the reporting period and current liabilities of \$1,123,902 at 31 December 2018. 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.

Further, subsequent to year end the Company has raised \$1,708,805 (before costs) via the issue of 113,920,334 fully paid ordinary shares at \$0.015 (1.5 cents) per share to a combination of existing shareholders and new investors. The shares were issued as part of the shortfall of the Company's pro-rata entitlement offer (Rights Issue) made under a prospectus lodged with ASIC and released to ASX on 24 September 2018. As announced on 29 October 2018, the total shortfall under the Rights Issue was 114,119,529 fully paid ordinary shares. Under its prospectus, the Company reserved the right to place any shortfall at the discretion of the Board within three (3) months after the closing date of the Rights Issue. The Rights Issue closed on 24 October 2018 and the Company has been seeking to place the shortfall since the closing date.

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 2018

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 2018	MINERAL EXPLORATION \$	UNALLOCATED \$	TOTAL \$
REVENUE			
Government Grant	-	-	-
Interest revenue	-	511	511
	-	511	511
RESULTS			
Operating loss before tax	(71,626)	(943,703)	(1,015,329)
Loss of non-controlling interest	10,871	-	10,871
Net loss	(60,755)	(943,703)	(1,004,458)
Included within segment results:			
Share based payments	-	(322,895)	(322,895)
Segment assets	9,175,055	221,431	9,396,486
Segment liabilities	774,019	370,025	1,144,044
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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

9. Significant events and transactions

There were no significant events during the reporting period.

10. Exploration and evaluation expenditure

	31 DEC 2018 \$	30 JUNE 2018 \$
Non-producing properties		
Balance at the beginning of the reporting period	8,354,403	3,875,504
Additions	726,254	5,027,051
Impairment of exploration and evaluation assets*	-	(548,152)
Balance at the end of the reporting period	9,080,657	8,354,403

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 2018

11. Issued capital

	31 Dec 2018	30 June 2018
	\$	\$
537,739,828 (30 June 2018: 457,479,607) fully paid ordinary shares	15,130,776	13,926,873
Shares Issue costs	(673,063)	(607,063)
	14,457,713	13,319,810

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

	31 DEC 2018	ISSUE PRICE	31 DEC 2018	30 JUNE 2018	ISSUE PRICE	30 JUNE 2018
	NUMBER	\$	\$	NUMBER	\$	\$
Balance at the beginning of the period	457,479,607		13,319,810	281,223,141		7,866,109
Shares issued during the period and fully paid						
31 Jan 2017: Shares issued on exercise of listed options				712,200	0.03	21,366
31 Jan 2017: Shares issued on exercise of listed options				2,650,000	0.03	79,500
31 Jan 2017: Shares issued on exercise of listed options				3,300,000	0.03	99,000
31 Jan 2017: Shares issued on exercise of listed options				4,079,700	0.03	122,391
31 Jan 2017: Shares issued on exercise of listed options				6,820,250	0.03	204,608
31 Jan 2017: Shares issued on exercise of listed options				89,180,716	0.03	2,675,421
12 Oct 2017: Shares issued on exercise of listed options underwritten				12,380,677	0.03	371,420
13 Oct 2017: Placement				7,132,923	0.03	213,988
10 Apr 2018: Placement				50,000,000	0.04	2,000,000
01 Oct 2018: Placement	39,692,734	0.015	595,391			
03 Oct 2018:	19,340,599	0.015	290,109			
31 Oct 2018:	15,008,706	0.015	225,130			
18 Dec 2018:	1,818,182	0.015	27,273			
28 Dec 2018: Placement (Directors)	4,400,000	0.015	66,000			
Capital raising costs			(66,000)			(333,993)
Balance at the end of the period	537,739,828		14,457,713	457,479,607		13,319,810

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

12. Earnings per share

	31 DEC 2018 \$	31 DEC 2017 \$
Earnings from continuing operations (basic and diluted)	(1,004,558)	(1,778,814)
Weighted average number of ordinary shares used in calculating basic earnings per share	475,360,429	250,912,694
Weighted average number of ordinary shares used in calculating diluted earnings per share	475,360,429	250,912,694
Basic earnings per shares (cents per share)	(0.21)	(0.71)
Diluted earnings per shares (cents per share)	(0.21)	(0.71)

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

On 24 January 2019, the Company announced that it had received commitments for the placement of, and in response to those commitments has issued, 113,920,334 fully paid ordinary shares from the Shortfall under the Entitlement Issue. The issue raised approximately \$1,708,805 before costs.

Furthermore, by way of update, and further to the Company's recent announcements most recently including its Appendix 4C released 31 January 2019, the Company is pleased to note that its discussions with interested parties regarding a potential farm-in in respect of certain areas of the Horn Island Project continue to progress and are ongoing. A number of interested parties have completed due diligence, which has been conducted either via desktop technical reviews and/or site visits. These discussions remain at varying stages and the Company will make further announcements when, and if, a proposal is concluded.

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 2018 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 2019

Moore Stephens Audit (Vic)

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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Alice Queen Limited and controlled entities (**the Group**), which comprises the condensed statement of financial position as at 31 December 2018, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity, the condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the 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 2018 and of its performance for the half-year ended on that date; and
- b. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Related to Going Concern

We draw attention to Note 5 in the financial statements, which identifies that during the period ended 31 December 2018 the Group incurred a net loss of \$1,004,458 and that the Group's current liabilities exceed its current assets by \$943,229. As stated in Note 5, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern including realising their assets and extinguishing their liabilities in the normal course of business and at amounts stated in the financial report. Our opinion is not modified in respect of this matter.

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 2018 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.

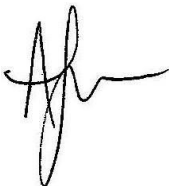
Independence

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.



MOORE STEPHENS AUDIT (VIC)

ABN 16 847 721 257



ANDREW JOHNSON

Partner

Audit & Assurance Services

Melbourne, Victoria

15 March 2019