



# **ALICE QUEEN LIMITED AND ITS CONTROLLED ENTITIES**

**A.B.N. 71 099 247 408**

**ANNUAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2019**



## CORPORATE DIRECTORY

### **Directors**

Phillip Harman  
Chairman

Andrew Buxton  
Managing Director

Andrew Muir  
Non-Executive Director

### **Company Secretary**

Anne Adaley

### **Registered Office and Principal Place of Business**

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### **Auditor**

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Level 18, 530 Collins Street  
Melbourne VIC 3000  
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### **Share Register**

Computershare Investor Services Pty Limited  
Yarra Falls, 452 Johnston Street  
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### **Securities Exchange Listing**

Australian Securities Exchange  
ASX Code: AQX



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## CORPORATE PROFILE

Alice Queen Limited ("Alice Queen or the "Company") is an Australian advanced exploration company focused on development of its two core projects: the flagship Horn Island Gold Project, located in the Torres Strait in far north Queensland (Horn Island), in which it holds an 84.5% interest, and the Mendooran Copper/Gold Porphyry Project (Mendooran), located on the Molong Volcanic Arc in central New South Wales, in which it holds full ownership.

Horn Island is a brownfields gold project prospective for gold-bearing Carbo-Permian style vein/breccia. Horn Island comprises Exploration Permit EPM25520 (Horn Island) as well as Exploration Permit EPM25418 (Kaiwalagal), which includes the broader group of islands surrounding Horn Island.

Gold was discovered on Horn Island in late 1800's, with the first bulk mining undertaken in 1907. A more modern operation was established by Augold Pty Ltd in 1987 but was closed in 1989 for reasons which appear to have included the rapid deterioration of the gold price.

In 1989, the Queensland government imposed a restriction over the area which precluded any further mining or exploration activity ("RA 295"). Alice Queen has successfully negotiated with the Queensland government to have RA295 repealed to allow exploration to recommence and has since completed over 17,000 metres of diamond core drilling and built up an Inferred Mineral Resource of 7.9 million tonnes @ 1.9 g/t Au for 492,000 ounces of gold.

In June 2019, Alice Queen entered into an Earn-In and Joint Venture Agreement with established gold miner St Barbara Limited (ASX:SBM), in respect of Horn Island.

St Barbara was chosen, following an extensive search for the appropriate JV partner, for its extensive experience in operating in a tropical region like Horn Island, as well as its proven history of establishing and maintaining key traditional owner relationships.

The JV arrangement leaves an Exclusion Zone – which comprises the historic Horn Island Pit area and the area that is the subject of the existing aforementioned Inferred Mineral Resource – available for Alice Queen to explore and progress.

However, St Barbara also has an option to acquire up to a 70 per cent stake in the Excluded Zone subject to certain earn-in conditions.

In NSW, the Company has five tenements situated on the Molong Volcanic Arc, being EL8469 (Mendooran), EL8563 (Mendooran North), EL8565 (Mendooran South) and EL8646 (Yarindury). Together these tenements have been chosen for their prospectivity for significant scale porphyry Cu/Au deposits.

These projects were selected by the Company's Chief Technical Advisor, John Holliday, and are situated north, along strike, of the giant Cadia-Ridgeway mine (50m oz Au + 9m tonnes Cu), which is operated by Newcrest Mining Limited (ASX:NCM).

Following the end of the reporting period, Alkane Resources returned an exceptional drill intersection of 502m at 0.48g/t Au and 0.20% Cu just 700m from the tenement boundary at Yarindury. Further exploration is planned for the coming reporting period.



## CHAIRMAN'S LETTER

Dear Shareholder,

It is with great pleasure that I write to update you on another successful year for Alice Queen Limited on its fourth anniversary as an ASX-listed company.

During the year, Alice Queen raised a further \$1.7 million (before costs) in new equity to fund its ongoing exploration efforts at its flagship Horn Island Gold Project and at its Mendooran Copper/Gold Porphyry Project.

This year, the Company has achieved some significant milestones.

In August 2018, Alice Queen announced that a Mineral Resource drilling program at Horn Island had resulted in a significant upgrade of the Mineral Resource to 7.9 million tonnes @1.9g/t Au for a new total of 492,000 ounces of gold on at the Inferred level.

This upgrade represented a 29 per cent increase in total gold ounces, a 30 per cent increase in tonnes and maintained a similar average grade range.

Significantly, Alice Queen was pleased to welcome St Barbara as a joint venture partner for the Horn Island Project in June this year. The established gold miner has the right to earn a 70 per cent interest in the project – other than identified Excluded Zones – and we look forward to growing that relationship as we jointly explore and unlock further potential at Horn Island.

On the note of joint ventures, during the year we also said farewell to Newcrest Mining after the company elected not to pursue further activities at Mendooran and returned full ownership of the project back to Alice Queen.

Alice Queen remains confident about the significant upside potential of the Mendooran and Yarindury licences, which are considered the best unexplored porphyry copper-gold grounds in Australia. This potential was highlighted after the end of the reporting period with drilling on a neighbouring property returning exceptional copper-gold results.

In May 2019, a summary of a recently completed report by leading North Queensland gold consultant Dr Gregg Morrison, was released to the market.

The report, which was incorporated from soils sampling and a review of Alice Queen's multi-element geochemical database, further strengthened Horn Island as a prospective large-scale project.

Lastly, Alice Queen was pleased to welcome experienced gold geologist and finance executive Andrew Muir to the Company's Board as a Non-Executive Director.

Alice Queen has already benefitted tremendously from Mr Muir's presence on the Board over the past three months and we thank him for providing his experience and wisdom to the Company.

In summary, Alice Queen continues to make good progress on its portfolio of projects and is well positioned to achieve more exciting things in the year ahead. Whilst global political tensions continue to generate market turbulence, gold remains the safe commodity and we look forward to capitalising on this strong sector now and in the years to come.

I thank Andrew Buxton and his team for continuing to advance Alice Queen towards reaching its goals. I also take this opportunity to thank you, the shareholder, for your ongoing support and look forward to updating you on the Company's progress during the next twelve months.

Yours faithfully,



Phillip Harman  
Chairman

## **DIRECTORS' REPORT**

FOR YEAR ENDED 30 JUNE 2019

The Directors of Alice Queen Limited ("Alice Queen" and/or "the Company") 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 year ended 30 June 2019, unless otherwise stated.

### **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

Date of Appointment: Director since 9 February 2009. Chairman until 24 September 2009. Re-elected Chairman 16 March 2012 until 13 November 2015. Re-elected Chairman 10 August 2016.

#### **Expertise and Experience**

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.

#### **Other current directorships**

Stellar Resources Limited

Laguna Gold Limited. (unlisted)

Deep Exploration Technology CRC

#### **Former directorships in the last 3 years**

Nil

#### **Interest in shares and options**

- 1,545,456 fully paid ordinary shares held directly in the Company; and
- 1,617,572 fully paid ordinary shares and 2,366,050 unlisted options over ordinary shares held indirectly in the Company.

#### **Andrew Buxton**

Managing Director

Date of appointment: 13 November 2015

#### **Expertise and Experience**

Andrew has 25 years of experience across a broad range of industries including media, gaming, property and resources. He has specific experience in the area of corporate finance, capital raisings and generation of resources exploration projects. Andrew was the founder of Alice Queen in 2012. Prior to this he was the founding Managing Director of Kidman Resources Limited (ASX: KDR).

#### **Other current directorships**

Nil

#### **Former directorships in the last 3 years**

Nil

## **DIRECTORS' REPORT**

FOR YEAR ENDED 30 JUNE 2019

### **Interest in shares and options**

- 62,012,009 fully paid ordinary shares and 14,612,925 unlisted options over ordinary shares held directly in the Company; and
- 180,000 fully paid ordinary shares held indirectly in the Company.

### **Andrew Muir**

Non-Executive Director

Date of appointment: 12 June 2019

### **Expertise and Experience**

Andrew Muir has more than 25 years' experience in mining and finance, having originally qualified as a geologist from UWA in 1993. As a geologist, Mr Muir spent 12 years working in many remote parts of Western Australia in a variety of roles in both exploration and mining. His exploration roles included: the early stage drill-out of the Jundee gold deposit; grassroots exploration around Southern Cross and Bullfinch; and a number of years at the Granny Smith operation where he was the Lake Cary project geologist. Whilst at Granny Smith, Mr Muir was instrumental in the discovery of the multi-million ounce Wallaby deposit. His mining experience includes both open pit and underground roles at a number of sites including Agnew, Paddington and Kundana. In 2005 Mr Muir transitioned into the financial markets, working as a Resources Equity Analyst for firms such as JP Morgan, Hartleys and PCF Securities, and in the Corporate Finance team at Argonaut. In 2009 he won the Starline and Australian Financial Review Stock Picker of the Year for Mining and Metals. Mr Muir holds a Bachelor of Science degree with Honours, majoring in geology, from the University of Western Australia, a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia (now FINSIA) and is a Fellow of Finsia. B. Sc (Hons), GDipAppFinInv, FFin

### **Other current directorships**

NTM Gold Limited

### **Former directorships in the last 3 years**

Nil

### **Interest in shares and options**

Nil

### **Former Director**

### **Mark Kerr**

Non-Executive Director

Date of appointment: 13 November 2015

Date of resignation: 30 June 2019

### **Expertise and Experience**

Mark is a director of Berkeley Consultants Pty Ltd which specialises in public relations and reputation management consultancy. He has specialist expertise in the areas of finance, marketing, property, political and issues management. Mark is also a director and adviser to various private companies.

Mark's community involvement currently extends to being a member of the Victorian Committee for the Juvenile Diabetes Research Foundation. He is also a committee member of the St Vincent's Institute Charity Golf Day Committee.

### **Other current directorships**

Hawthorn Resources Limited

Contango Income Generator Limited

Think Childcare Limited

## DIRECTORS' REPORT

FOR YEAR ENDED 30 JUNE 2019

### Former directorships in the last 3 years

Contango Microcap Limited (7 December 2009 until 13 October 2017)

### Interest in shares and options as at date of resignation

- 16,024,169 fully paid ordinary shares and 4,581,675 unlisted options over ordinary shares held directly in the Company; and
- 17,821,753 fully paid ordinary shares held indirectly in the Company.

## Company Secretary

### Anne Adaley

Date of Appointment: 25 November 2015.

Anne has more than 25 years' experience in the resources sector, including senior management roles with a number of listed public Australian exploration and mining companies.

Anne is principal of Australian Mining Corporate and Administrative Services Pty Ltd (AMCAS) which provides a full range of consulting services and business support to management including accounting, financial services and company secretarial.

Anne has also spent more than a decade as Company Secretary for several ASX listed public companies. Anne has served as Chief Financial Officer and Company Secretary to Mobecom Limited, Global Fortune Investment Limited, Tellus Resources Ltd and Monaro Mining NL, Company Secretary to Gulf Industrials Limited, Chief Financial Officer to Tectonic Gold Plc and Estrella Resources Ltd, Finance and Administration Manager to Climax Mining Limited and Company Secretary and Group Financial Controller to Gympie Gold Limited.

## Principal Activity

The principal activity of the Company during the reporting period was mineral exploration and 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 \$1,620,052 (2018: \$2,424,079 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
<b>Total</b>	<b>59,033,333</b>

## **DIRECTORS' REPORT**

FOR YEAR ENDED 30 JUNE 2019

### **Review of Operations and Financial Results (Continued)**

#### **Corporate activities (continued)**

- 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. The Company had preserved its rights in respect of the application however, given the current strength of the Company's share price relative to the subscription price of 1.5 cents, has determined that it is not in the interests of shareholders to pursue the subscription at this time.

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.

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.

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 \$1,708,805 before costs.

#### **Board Changes**

During the reporting period, Alice Queen welcomed experienced gold geologist and finance executive Andrew Muir to the Company's Board as a Non-Executive Director.

As part of the Company's strive towards developing its Horn Island Gold Project in the Torres Strait and its Mendooran Gold Project in New South Wales, it has been actively seeking to upscale its in-house experience and expertise to effectively develop these projects. That search led the Company to Mr Muir, who has brought with him a wealth of knowledge and experience to the Board.

Subsequent to the end of the reporting period, Alice Queen reluctantly accepted Mark Kerr's resignation as a Director of the Company. Mr Kerr's departure from Alice Queen was due to personal reasons and his experience and contribution to the Company will be sorely missed.





## DIRECTORS' REPORT

FOR YEAR ENDED 30 JUNE 2019

### Review of Operations and Financial Results (Continued)

#### Exploration activities

##### Queensland

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

##### Inferred Mineral Resource Upgrade

On 2 August 2018, Alice Queen announced its first upgrade to its maiden Inferred Mineral Resource estimate for the Horn Island deposit, with 7.96Mt at 1.9g/t gold for 492,000oz of gold using a 0.5g/t cut-off grade. The upgrade represents a 29% increase in total gold ounces at Horn Island, as well as a 30% increase in tonnes, while maintaining a similar average grade range of 1.9-2.03g/t gold (using a cut-off of 0.5g/t to 0.7g/t gold).

The Mineral Resource estimation upgrade was completed using drill data from the initial Maiden Resource Estimate (ASX announcement 5 Sept 2017) and more recently completed Phase 2 drilling, in total comprising 74 drill holes for 17,079.5 metres.

DEPOSIT	CUT-OFF	INFERRED		
		TONNES	GRADE	METAL
Horn Island	0.5	7,960,000	1.9	492,000

Table 1. Inferred Mineral Resource Upgrade estimate for Horn Island gold deposit.

The Horn Island project continues to display very encouraging attributes with significant further upside in the context of future open pit mining development. Alice Queen is focused on implementing multi-disciplinary exploration programs to continue developing its primary gold deposit, whilst exploring and evaluating other new surface gold occurrences, and importantly, seek to discover where the strongest mineralisation zones may occur.

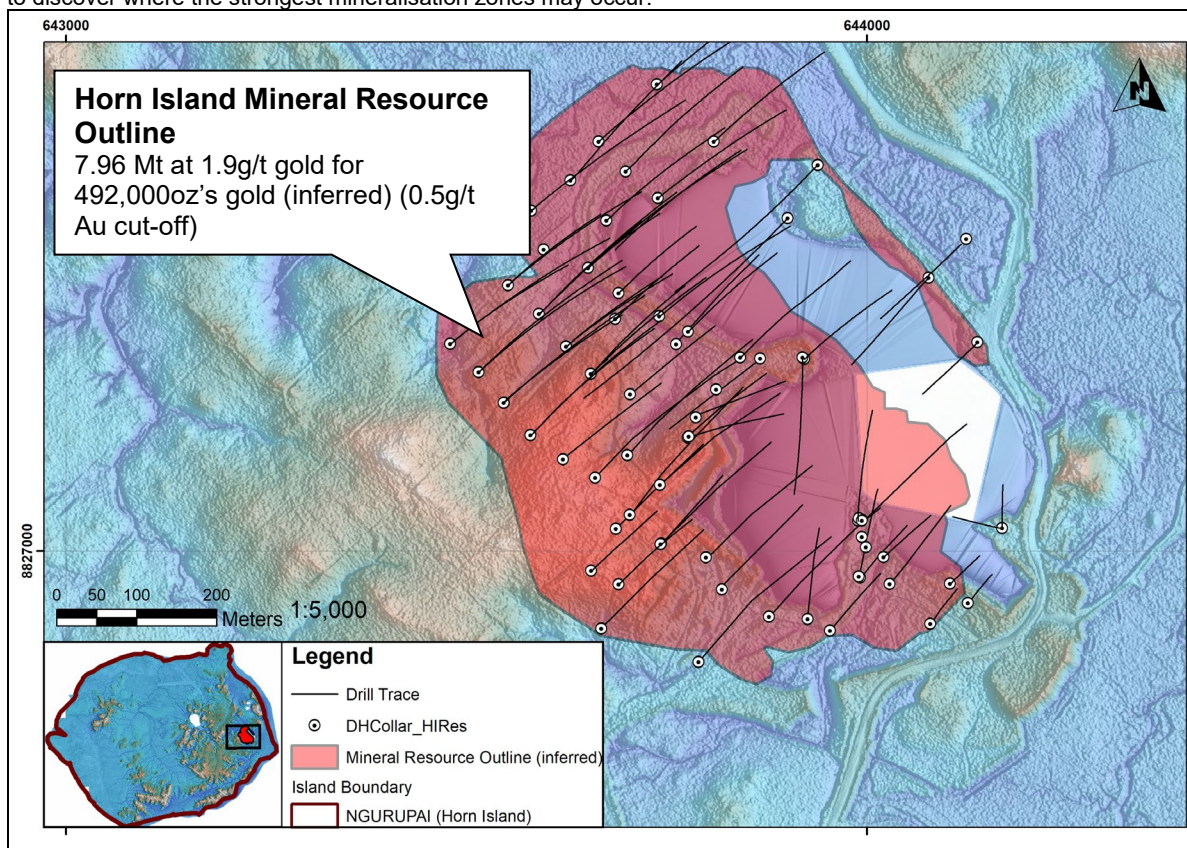


Figure 1. Drill trace map and resource outline (red polygon) for Horn Island MRE upgrade, over LIDAR image.

## **DIRECTORS' REPORT**

FOR YEAR ENDED 30 JUNE 2019

### **Review of Operations and Financial Results (Continued)**

#### **Exploration activities**

The Horn Island deposit is located on the east side of Horn Island, in the Torres Strait region of north Queensland. The resource is sited on exploration licence EPM25520 and known as the Horn Island (Ngurupai) project, covering a total area of 80.7km<sup>2</sup>.

The Company also holds an additional licence area, EPM25418, which is known as the Kaiwalagal Project, covering an additional total area of 278.9km<sup>2</sup>. Both projects are operated by Kauraru Gold Pty Ltd, which is a joint venture between Alice Queen Limited and the Traditional Owners of the land, the Kaurareg People of Kaiwalagal.

The Company has a comprehensive licence portfolio across this part of the Torres Strait region, which it considers as very strategic for future growth and development.

#### **New Intrusion Related Gold (IRG) target zones identified across Horn Island**

In October, Alice Queen revealed the results of an airborne geophysical survey and surface soil sample programs across the Horn Island Project. 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 and potentially more prospective.

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.

An airborne geophysical survey (magnetics and radiometrics) was completed across Horn Island project with 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.



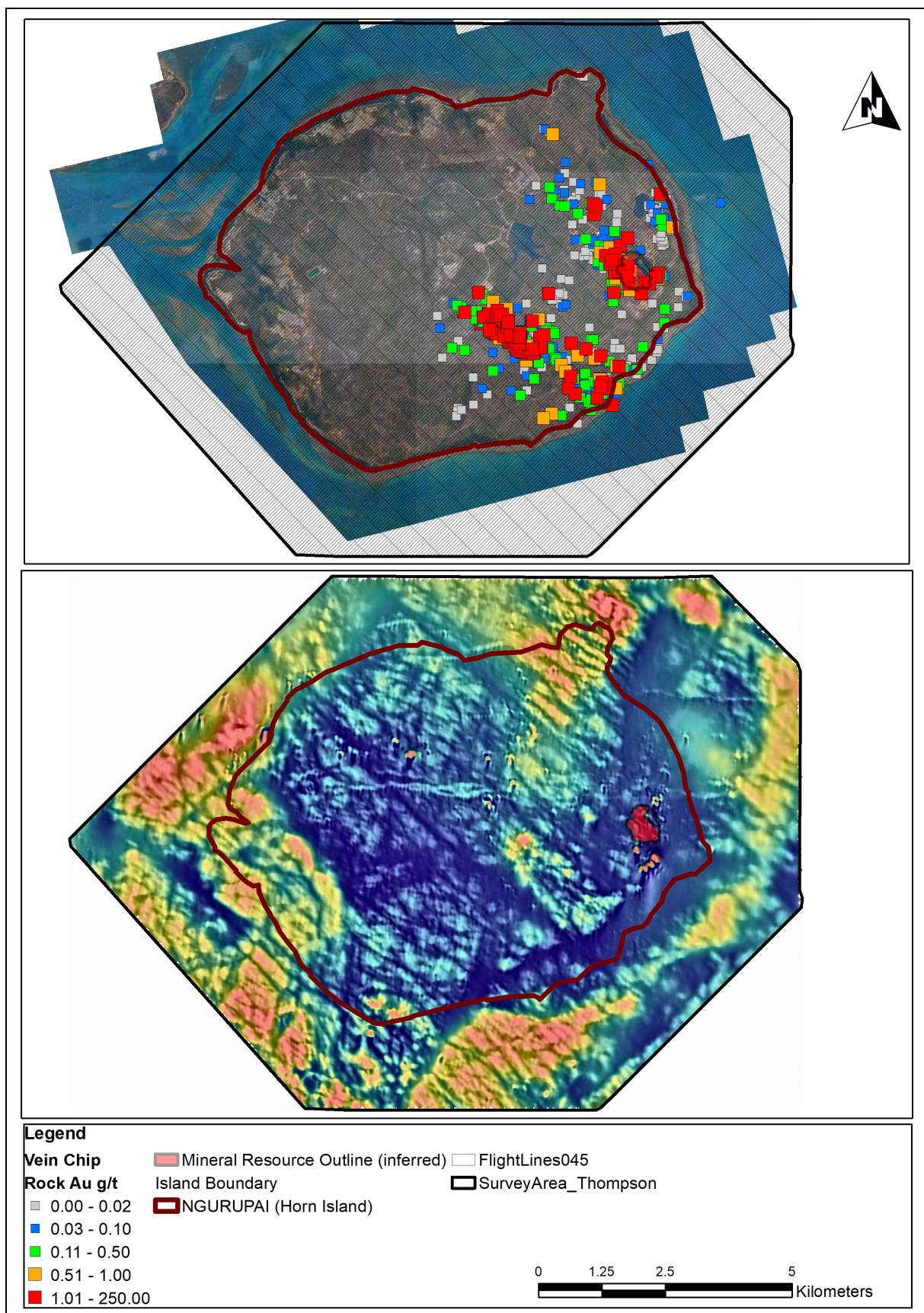


Figure 2. (Top) Airborne geophysical (magnetics & radiometric) survey area across Horn Island. Flight lines 045- 225 at 50m spacings and ties lines 135-315 at 500m spacings with rock chip Au results. (Bottom) RTPTMI Image with Resource outline (~0.5Moz Au inferred)



## **DIRECTORS' REPORT**

FOR YEAR ENDED 30 JUNE 2019

### **Review of Operations and Financial Results (Continued)**

#### **Exploration activities (continued)**

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 2.0km<sup>2</sup> with an approximate strike of 3.5km. Surface gold anomalism is associated with an elevated distribution of Pb, As and Sn. Importantly, the Horn Island Gold Deposit (~0.5Moz gold resource) occurs on the SE side of this zone.

##### **2. Endor Zone**

Located between the Horn Island Gold Deposit (~0.5Moz gold) and north of SSR, this NW trending large tin (Sn) anomaly covers approximately 1.53km<sup>2</sup> with an approximate strike length of 3km. 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 1.4km<sup>2</sup>, 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 7km, covering a total area of 2.6km<sup>2</sup>. The higher gold, silver, arsenic and antimony values notably concentrate across the greatest enlargement (approx. 500m width) of this demagnetised zone.

##### **4. Cable Bay Zone**

N-NE trending surface gold zone covering approximately 5.8km<sup>2</sup> with an approximate strike of ~3km. Surface gold trends correlate with elevated arsenic and bismuth, which suggests of a higher fractionated granite, this predominantly located along the eastern margin of the island. Anomalous IRgold and pathfinder geochemistry also correlates with a large northerly trending demagnetised zone.

#### **Metal zonation mapping further strengthened Horn Island as a large-scale gold project**

In May 2019, the Horn Island Project's potential as a large-scale gold project was further strengthened in a summary report from soils sampling and a review of the Project's multi-element geochemical database, which was delivered by leading north Queensland gold consultant Dr Gregg Morrison.

The geochemical survey revealed that the gold system surface footprint covers the majority of Horn Island and includes multiple gold mineralised structures.

Two discrete hydrothermal systems have now been recognised across Horn Island; a younger gold-antimony-lead-zinc-arsenic system controlled by structures, and an older tin-tungsten-molybdenum system controlled by the host granite.

This sampling program extended across the western parts of island from the Naboo prospect and SSR gold zones, with some sampling also being completed north of the Horn Island gold deposit and southern-most areas of the island.

Furthermore, the entire surface and drill hole multi-element geochemical data base has been reviewed and metal zonation modelling, using a Max Z score calculations, has been completed.

This work complements an integral part of the Company's new exploration strategy to assist with vectoring towards the best gold zone and what is strongly considered positive steps leading to a potential new discovery.



## DIRECTORS' REPORT

FOR YEAR ENDED 30 JUNE 2019

### Review of Operations and Financial Results (Continued)

#### Exploration activities (continued)

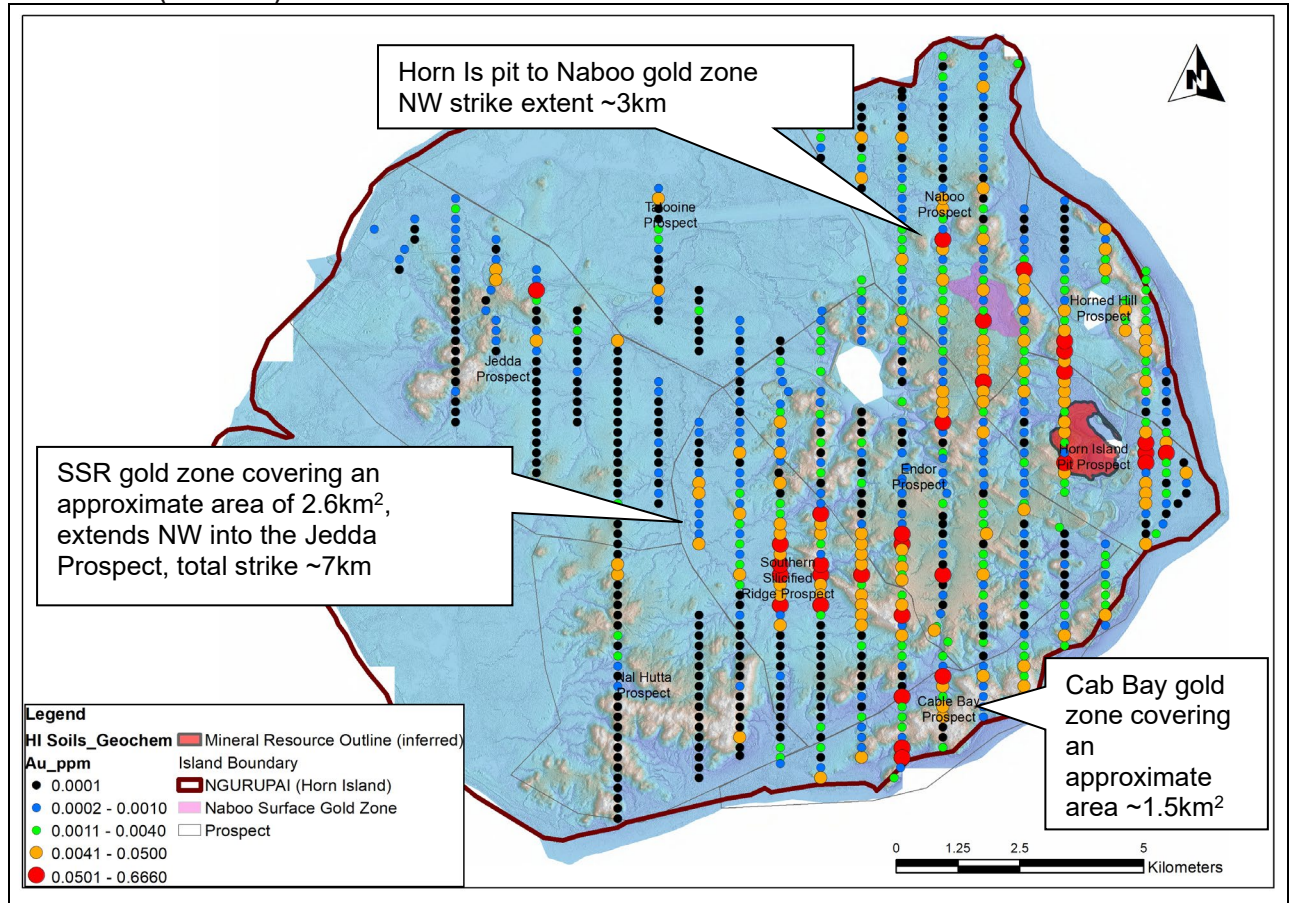


Figure 3. Surface soil gold (Au) results across Horn Island defining large scale & coherent gold trends across the Horn Island Pit-Naboo, Cable Bay and SSR-Jemma prospects. The western half of the Island remains problematic for surface sampling due to thick alluvial cover. Horn Island resource outline (~0.5Moz Au inferred) indicated by red polygon; over LIDAR image

#### Joint Venture executed with St Barbara

In June 2019, Alice Queen was pleased to report that its 84.5% owned subsidiary Kauraru Gold Pty Ltd entered into an Earn-In and Joint Venture Agreement (EJVA) with St Barbara for the Horn Island Project.

Under the terms of the agreement, St Barbara has the right to earn up to a 70% interest in Horn Island – other than pre-defined excluded zones – by sole funding expenditure of \$4 million within 36 months.

The area that is the subject of the earn-in rights does not include the historic Horn Island pit area, nor the area that is the subject of the Company's existing Inferred Mineral Resource of 7.96 million tonnes @ 1.9g/t gold for 492,000 ounces.

It also excludes various other areas including the existing process water dam, historic tailings area and areas that would provide infrastructure for a future mining operation including proposed areas for mining camp and proposed decant water dam.

Alice Queen has, however, granted St Barbara an option to acquire a 70% interest in the excluded zone (in whole or in parts) with effect on, or after, it earns its Earn-In Interest for fair value determined at the time of the acquisition.

St Barbara is one of Australia's mid-tier gold producers with extensive experience in operating in a tropical region like Horn Island. It owns and operates the Gwalia mine in the gold-rich province of Leonora in Western Australia and the Simberi mine on

## DIRECTORS' REPORT

FOR YEAR ENDED 30 JUNE 2019

### Review of Operations and Financial Results (Continued)

#### Exploration activities (continued)

Simberi Island in Papua New Guinea's New Ireland Province, which together delivered over 400,000 ounces of gold for the miner in the 2018 financial year.

St Barbara's gold Mineral Resources, Ore Reserves and mining operations are spread across the eastern half of Simberi Island, which bears geographical similarities to that of Horn Island. This was a key synergistic factor in Alice Queen choosing St Barbara as its joint venture partner for Horn Island.

It is also worth noting that St Barbara has established key traditional owner relationships on Simberi Island; a factor in which Alice Queen takes considerable pride at its Horn Island project. Alice Queen believes St Barbara has the technical capability, financial security and operational flexibility to work with the Company to realise and fully maximise the potential that Horn Island hosts.



Figure 4. EIJVA area and Excluded Zone.

## **DIRECTORS' REPORT**

FOR YEAR ENDED 30 JUNE 2019

### **Review of Operations and Financial Results (Continued)**

#### **New South Wales**

##### **Mendooran Tenements EL 8469, EL 8563 and EL 8565 (100% owned)**

##### **Alice Queen takes full ownership of 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 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.

##### **Yarindury target generation work identifies six high-priority areas**

Yarindury is a highly prospective Cu/Au porphyry project that hosts early Silurian-Ordovician rocks of the Molong Volcanic Belt (MVB) of the Macquarie Arc along trend from Newcrest's Cadia Valley in NSW (50Moz Au).

Following a review and interpretation of Geophysical data by Resource Potentials (March 2019), John Holliday, Alice Queen Chief Technical Advisor (Porphyry) and co-discoverer of Newcrest's Cadia Valley undertook target generation work from geophysical and historical drill hole data. Six priority target areas have been generated with an interpreted basement depth of less than 200m in the north western part of the tenement.

The target areas have the most attractive magnetic, and also gravity, features for a porphyry setting as indicated by crosses on the inset above. The shapes of these magnetic features are also pointed and arcuate, thus possibly due to intrusive (porphyry) rocks, and there has been no drilling at all to test this area.

The arcuate magnetic feature is also matched by a coincident arcuate gravity 1VD feature. These features could be tested by a RC drilling with a core tail if needed.





## DIRECTORS' REPORT

FOR YEAR ENDED 30 JUNE 2019

### Review of Operations and Financial Results (Continued)

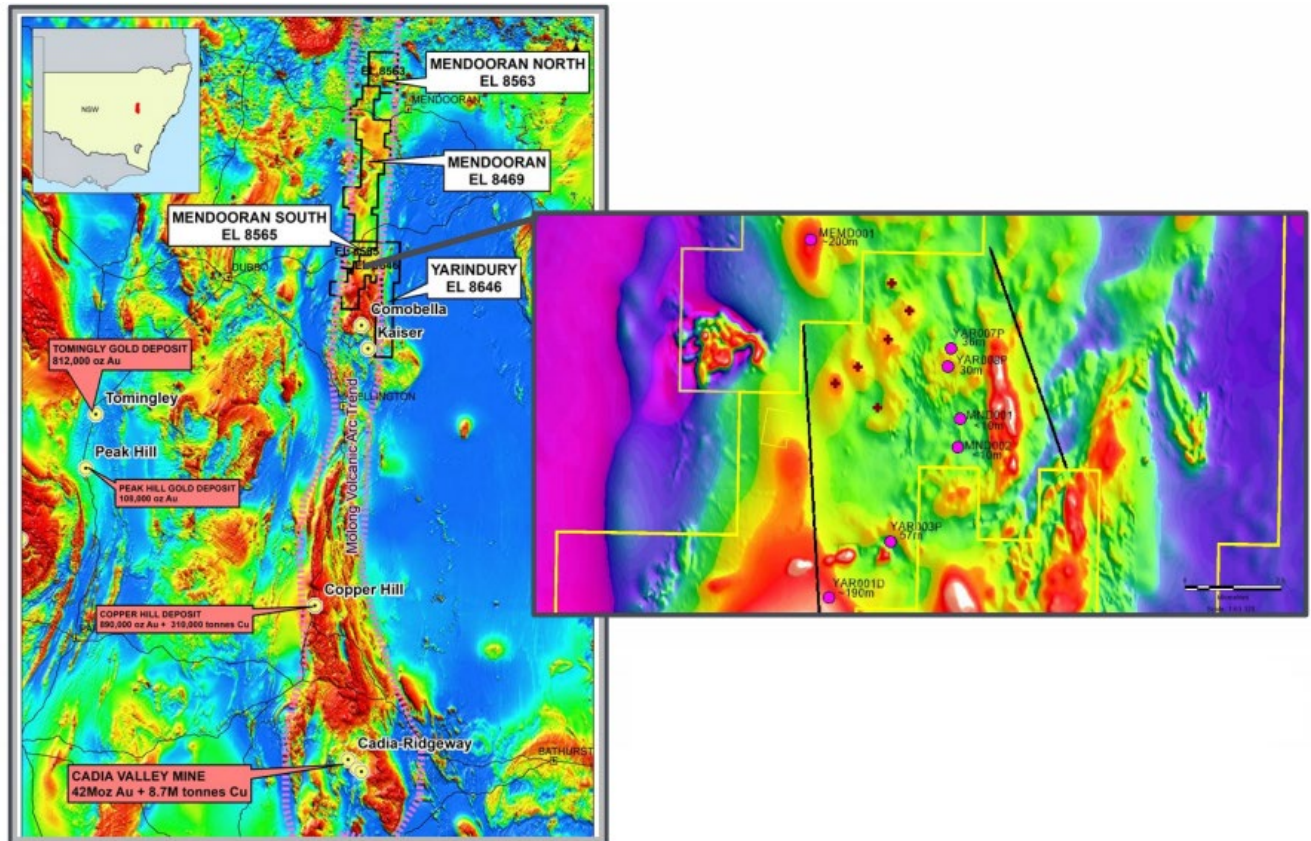


Figure 5. Yarindury Regionality with inset containing high priority drill target areas as interpreted by John Holliday, Chief Technical Advisor Porphyry

Following the end of the reporting period, Alkane Resources reported a significant porphyry intersection just 700m from the Yarindury tenement boundary, in the south of the project. The intersection of 502m at 0.48g/t Au and 0.20% Cu is highly significant and confirms the region's prospectivity. Further work is planned for Yarindury during the current reporting period.

### Tenement Summary

Tenement	Location	Current Holder <sup>(i)</sup>	Interest	Area (Blocks)	Grant Date	Expiry Date	Minimum expenditure (current year) <sup>(ii)</sup>
EPM 25520	Queensland	Kauraru Gold Pty Ltd	100%	19	08 Oct 2014	07 Oct 2024	\$900,000
EPM 25418	Queensland	Kauraru Gold Pty Ltd	100%	83	25 Jan 2016	24 Jan 2021	\$140,000
EL 8469	NSW	Monzonite Metals Pty Ltd	100%	100	30 Sep 2016	30 Sep 2020	\$200,000
EL 8563	NSW	Monzonite Metals Pty Ltd	100%	28	12 May 2017	12 May 2019	\$100,000
EL 8565	NSW	Monzonite Metals Pty Ltd	100%	14	17 May 2017	17 May 2021	\$25,000
EL8646	NSW	Monzonite Metals Pty Ltd	100%	86	12 Sep 2017	12 Sep 2019 <sup>(iii)</sup>	\$50,000

(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).

(ii) Minimum expenditure current year totals \$2,365,000 (for further information refer to note 18 of the financial statements).

(iii) EL 8646 is in the process of being renewed.

## **DIRECTORS' REPORT**

FOR YEAR ENDED 30 JUNE 2019

### **Review of Operations and Financial Results (Continued)**

#### **Competent Person Statements**

The information in this report that relates to exploration results in respect of the Company's tenements in Queensland is based on information compiled by Mr Adrian Hell BSc (Hons) who is a full-time employee of Alice Queen Limited. Mr Hell is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and 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.

The information in this report that relates to exploration results in respect of the Company's tenements in New South Wales is based on information compiled by Mr John Holliday, a Competent Person who is a member of the Australian Institute of Geoscientists. Mr Holliday is Chief Technical Advisor to Alice Queen Ltd. Mr Holliday has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Holliday consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

#### **Changes in the State of Affairs**

There were no significant changes in the state of affairs of the Group during the reporting period ended 30 June 2019 other than as referred to in this report and the Financial Statements or notes thereto.

#### **Dividends**

The Directors recommend that no dividend be paid for the reporting period ended 30 June 2019 (2018: Nil) nor have any amounts been paid or declared by way of dividend during the reporting period.

#### **Directors' meetings**

The number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

<b>DIRECTOR</b>	<b>BOARD MEETINGS</b>	
	<b>NUMBER ELIGIBLE TO ATTEND</b>	<b>NUMBER ATTENDED</b>
P Harman	5	5
A Buxton	5	5
M Kerr	5	5
A Muir*	-	-

\*A Muir was appointed a Director on 12 June 2019. There were no meetings held from the date of appointment to 30 June 2019.

The Board does not have separately established committees dealing with audit, nomination, remuneration and risk management. The full Board carried out this role in accordance with the principles as set out in the Company's Corporate Governance Plan.

## DIRECTORS' REPORT

FOR YEAR ENDED 30 JUNE 2019

### Share options

Details of unissued shares or interests of Alice Queen under option at the date of this report are:

NUMBER OF SHARES UNDER OPTION	CLASS OF SHARES	EXERCISE PRICE OF OPTION	EXPIRY DATE OF OPTIONS
11,100,000	Ordinary	\$0.038	14 December 2019
20,000,000	Ordinary	\$0.056	14 December 2020
24,937,502	Ordinary	\$0.04	18 December 2021
14,583,334	Ordinary	\$0.02	05 January 2021
21,500,000	Ordinary	\$0.02	20 February 2021

Details of options issued by the Company are set out in the capital and reserves note to the financial report. The names of persons who currently hold options are entered in the register of options kept by the Company pursuant to the *Corporations Act 2001*. This register may be inspected free of charge. The persons entitled to exercise the options do not have, by virtue of the options, the right to participate in a share issue of any other body corporate.

### Shares issued on exercise of options

During or since the end of the financial year, the Company has not issued any fully paid ordinary shares (2018: 119,123,543 fully paid ordinary shares) as a result of the exercise of listed options.

### Environmental Regulations

The Group is subject to environmental regulations under the laws of the Commonwealth and State. The Board of Directors monitors compliance with environmental regulations and as at the date of this report the Directors are not aware of any breach of such regulations during the reporting period.

### Indemnities given and insurance premiums paid to auditors and officers

During the reporting period, the Company paid an insurance premium to insure the Directors and Officers of the Group. The Officers of the Company covered by the insurance policy include all Directors and the Company Secretary. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Company. Details of the amount of the premium paid in respect of the insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

The Company has entered into an agreement with the Directors and Officers to indemnify them against any claim and related expenses, which arise as a result of work completed in their respective capabilities.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Company against a liability incurred as such by an officer or auditor.

### Likely Future Developments

The Directors intend that the Group will continue exploration activities at its Horn Island Projects in Queensland and in New South Wales, as well as continually seeking further opportunities.



## DIRECTORS' REPORT

FOR YEAR ENDED 30 JUNE 2019

### Remuneration Report (Audited)

This report details the nature and amount of each element of the emoluments of the key management personnel of the Group.

Alice Queen received 115,313,223 or 76.39% votes in favor, 35,647,214 or 23.61% against and 482,918 votes abstained out of 49,964,272 total votes received. The Company did not receive any specific feedback at the Annual General Meeting held on 29 November 2018.

The policy of remuneration of Directors and other key management personnel is to ensure the remuneration package properly reflects the person's duties and responsibilities, and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. There was no remuneration consultant used during the reporting period.

Names and positions held by Key Management Personnel in office at any time during the reporting period are:

#### Director

P Harman Non-Executive Chairman (re-elected 10 August 2016)

A Buxton Managing Director (appointed 13 November 2015)

A Muir Non-Executive Director (appointed 12 June 2019)

#### Former Director

M Kerr Non-Executive Director (appointed 13 November 2015; resigned 30 June 2019)

KEY MANAGEMENT PERSONNEL	POSITION	DATE APPOINTED	DATE RESIGNED	CONTRACT DETAILS (DURATION & TERMINATION NOTICE PERIOD)	PROPORTION OF ELEMENTS OF REMUNERATION RELATED TO PERFORMANCE			PROPORTION OF ELEMENTS OF REMUNERATION NOT RELATED TO PERFORMANCE		
					Non-Salary cash-based incentives %	Shares /Units %	Options /Rights %	Shares /Units %	Fixed salary /Fees %	Total %
DIRECTORS										
P Harman	Non- Executive Chairman	9 Feb 2009		No fixed term	-	-	-	-	100	100
A Buxton	Managing Director	13 Nov 15		No fixed term 6 months' notice for termination	-	-	-	-	100	100
A Muir	Non- Executive Director	12 Jun 19		No fixed term	-	-	-	-	100	100
FORMER DIRECTOR										
M Kerr	Non- Executive Director	13 Nov 15	30 Jun 19	No fixed term	-	-	-	-	100	100



## DIRECTORS' REPORT

FOR YEAR ENDED 30 JUNE 2019

### Remuneration Report (Audited) (continued)

#### (a) Key Management Personnel Remuneration

##### Details of remuneration

Details of the nature and amount of each element of the emoluments of each of the key management personnel of the Group for the reporting period ended 30 June 2019 are set out in the following table:

NAME	SHORT-TERM BENEFITS		POST-EMPLOYMENT BENEFITS	TOTAL
	SALARY & FEES \$	EQUITY \$	SUPER-ANNUATION \$	
<b>DIRECTORS</b>				
P Harman	38,417	31,467	3,650	73,534
A Buxton <sup>(i)</sup>	335,800	145,563	-	481,363
A Muir <sup>(iii)</sup>	1,042	-	100	1,142
<b>Former Director</b>				
M Kerr <sup>(ii)</sup>	38,417	18,784	3,650	60,851
<b>Total</b>	<b>413,676</b>	<b>195,814</b>	<b>7,400</b>	<b>616,890</b>

#### (a) Key Management Personnel Remuneration (continued)

- (i) A Buxton: Total remuneration of \$481,363 includes consulting fees totalling \$335,800 (exclusive of GST) paid to Claremont Equities Pty Ltd during the reporting period, a company in which Mr. Buxton has an interest, for providing management services to the Alice Queen Group. This arrangement is based on normal commercial terms and conditions;
- (ii) M Kerr: Total remuneration of \$60,851 includes director's fees totalling \$38,417 plus superannuation totalling \$3,650 paid and/or accrued during the reporting period. Director's fees of \$38,417 were paid to Berkeley Consultants Pty Ltd, a company in which Mr. Kerr has an interest.
- (iii) A Muir: Total remuneration of \$1,142 includes director's fees totalling \$1,042 plus superannuation totalling \$100 accrued during the period 12 June 2019 to 30 June 2019.

## DIRECTORS' REPORT

FOR YEAR ENDED 30 JUNE 2019

### Remuneration Report (Audited) (continued)

Details of the nature and amount of each element of the emoluments of each of the key management personnel of the Group for the 2018 comparative period are set out in the following table:

NAME	SHORT-TERM BENEFITS		POST-EMPLOYMENT BENEFITS	TOTAL
	SALARY & FEES \$	EQUITY <sup>(iii)</sup> \$	SUPER-ANNUATION \$	
<b>DIRECTORS</b>				
P Harman	42,250	37,308	4,014	83,572
A Buxton <sup>(i)</sup>	325,300	159,892	-	485,192
M Kerr <sup>(ii)</sup>	42,250	15,989	4,014	62,253
<b>Total</b>	<b>409,800</b>	<b>213,189</b>	<b>8,028</b>	<b>631,017</b>

- (i) A Buxton: Total remuneration of \$485,192 includes consulting fees totalling \$325,300 (exclusive of GST) paid to Claremont Equities Pty Ltd during the reporting period, a company in which Mr. Buxton has an interest, for providing management services to the Alice Queen Group. This arrangement is based on normal commercial terms and conditions;
- (ii) M Kerr: Total remuneration of \$62,253 includes director's fees totalling \$42,250 plus superannuation totalling \$4,014 paid and/or accrued during the reporting period. Director's fees of \$42,250 were paid to Berkeley Consultants Pty Ltd, a company in which Mr. Kerr has an interest.
- (iii) On 14 December 2017, 10,000,000 unlisted options were issued to Directors in total as approved by shareholders at the Annual General Meeting of the Company held on 29 November 2017. The expense in relation to equity relates to the fair value of these options issued to each director as part of compensation under the Company's Employees Share Option Plan. The options have a fair value of \$393,000 in total which is amortised over the vesting period. Accordingly, \$213,189 was expensed to the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2018.

#### Performance income as a proportion of total income

No bonuses were paid to Key Management Personnel during the reporting period nor during the comparative period.



## **DIRECTORS' REPORT**

FOR YEAR ENDED 30 JUNE 2019

### **Remuneration Report (Audited) (continued)**

#### **(b) Options issued as part of remuneration**

Options granted as compensation to Key Management Personnel during the reporting period and during the comparative period are set out below.

#### **(c) Shares Issued on Exercise of Compensation Options**

There were no options exercised during the reporting period or the comparative period that were granted as compensation in prior periods.

#### **(d) Other Information**

The number of securities in the Company held by each of the Key Management Personnel, including their related parties, during the 2019 reporting period and the 2018 comparative period, is set out below:

#### **Shares held by Key Management Personnel**

<b>2019</b>	<b>BALANCE 01 July 2018</b>	<b>PURCHASED</b>	<b>BALANCE ON RESIGNATION</b>	<b>BALANCE 30 JUNE 2019</b>
<b>DIRECTORS</b>				
P Harman	2,163,028	1,000,000	-	3,163,028
A Buxton	60,902,009	1,290,000	-	62,192,009
A Muir	-	-	-	-
<b>FORMER DIRECTOR</b>				
M Kerr <sup>(i)</sup>	30,445,922	3,400,000	(33,845,922)	-
<b>Total</b>	<b>93,510,959</b>	<b>5,690,000</b>	<b>(33,845,922)</b>	<b>65,355,037</b>

(i) M Kerr resigned on 30 June 2019.

<b>2018</b>	<b>BALANCE 01 July 2017</b>	<b>PURCHASED</b>	<b>ACQUIRED ON EXERCISE OF LISTED OPTIONS</b>	<b>BALANCE 30 JUNE 2018</b>
<b>DIRECTORS</b>				
P Harman	2,163,028	-	-	2,163,028
A Buxton	43,402,009	-	17,500,000	60,902,009
M Kerr	21,130,614	-	9,315,308	30,445,922
<b>Total</b>	<b>66,695,651</b>	<b>-</b>	<b>26,815,308</b>	<b>93,510,959</b>

No shares were granted as compensation to key management personnel during the 2019 reporting period nor during the 2018 comparative period.

## DIRECTORS' REPORT

FOR YEAR ENDED 30 JUNE 2019

### Remuneration Report (Audited) (continued)

#### Options and right holdings held by Key Management Personnel

2019	BALANCE 01 JULY 2018	RECEIVED AS REMUNERATION	LISTED OPTIONS EXERCISED	BALANCE ON RESIGNATION	BALANCE 30 JUNE 2019
<b>DIRECTORS</b>					
P Harman	2,366,050	-	-	-	2,366,050
A Buxton	8,116,050	6,496,875	-	-	14,612,925
A Muir	-	-	-	-	-
<b>FORMER DIRECTOR</b>					
M Kerr <sup>(i)</sup>	1,366,050	3,215,625	-	(4,581,675)	-
<b>Total</b>	<b>11,848,150</b>	<b>9,712,500</b>	<b>-</b>	<b>(4,581,675)</b>	<b>16,978,975</b>

(ii) M Kerr resigned on 30 June 2019.

2018	BALANCE 01 JULY 2017	RECEIVED AS REMUNERATION	LISTED OPTIONS EXERCISED	LISTED OPTIONS TRANSFERRED/ EXPRED	BALANCE 30 JUNE 2018
<b>DIRECTORS</b>					
P Harman	616,050	1,750,000	-	-	2,366,050
A Buxton	25,908,724	7,500,000	(17,500,000)	(7,792,674)	8,116,050
M Kerr	9,931,358	750,000	(9,315,308)	-	1,366,050
<b>Total</b>	<b>36,571,517</b>	<b>10,000,000</b>	<b>(26,815,308)</b>	<b>(7,792,674)</b>	<b>11,848,150</b>

#### END OF AUDITED REMUNERATION REPORT

#### Events Subsequent to Reporting Date

On 4 July 2019, the Company announced the closing of a private share placement (Placement) to sophisticated investors to raise \$400,000 (before costs) at an issue price of \$0.012 per share. As noted in the Company's ASX announcement, the Company received a binding commitment from an investor to subscribe for 4,166,667 Placement Shares (representing subscription of \$50,000) which was provided by an associate of Mark Kerr (who resigned as a Director of the Company on 30 June 2019 and therefore remains a related party for the purposes of the Corporations Act and the ASX Listing Rules). The issue of Placement Shares and Placement Options to Mr Kerr's associate requires shareholder approval as although Mr Kerr resigned as a director on 30 June 2019, he remains a related party of the Company for six months from the date of resignation. The Company shall seek shareholder approval at the next general meeting of the Company. Until that time, the \$50,000 subscription sum is being provided by Mr Kerr's associate to the Company by way of a loan. Investors in the placement were entitled issued with one (1) free-attaching option for every two (2) shares subscribed. The free-attaching options are unlisted, have an exercise price of \$0.02 and expire on 5 January 2021. On 5 July 2019, under the Placement a total of 29,166,667 ordinary shares and 14,583,334 unlisted options were issued. The proceeds from the Placement have been used to fund the working capital requirements of the Company.

On 14 August 2019, the Company announced the closing of a private share placement (Placement) to sophisticated investors to raise \$516,000 (before costs) at an issue price of \$0.012 per share. Investors in the Placement were entitled to one (1) free-attaching option for every two (2) shares subscribed. The free-attaching options are unlisted, have an exercise price of \$0.02 (2 cents) and expire on 20 February 2019.

## DIRECTORS' REPORT

FOR YEAR ENDED 30 JUNE 2019

### Events Subsequent to Reporting Date (continued)

On 20 August 2019, under the Placement a total of 43,000,000 shares and 21,500,000 million free-attaching options were issued. The Placement shares were issued under the Company's 10% placement capacity under ASX Listing Rule 7.1A, whereas the free-attaching Placement options were issued under the Company's 15% capacity under ASX Listing Rule 7.1. Funds raised from the Placement will be applied to the initial drilling program at Yarindury and working capital requirements of the Company.

On 18 Sep 2019, the received confirmation that Exploration Permit for Minerals Number (EPM) 25520 was renewed for a term of five (5) years from 8 October 2019 to 7 October 2024.

On 26 September 2019, the Company issued 50,000,000 Placement Shares at an issue price of 3 cents (\$0.03) per Placement Share to raise \$1,500,000.

Other than as stated elsewhere in this report, 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.

### Non-Audit Services

The Board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of those non-audit services during the year is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Board to ensure they do not impact upon the impartiality and objectivity of the auditor; and
- The non-audit services do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid to the auditors of the Group, Moore Stephens, and its related practices for audit and non-audit services provided during the year are set out in Note 27 to the Financial Statements.

A copy of the auditor's independence declaration as required under s307C of the Corporations Act 2001 is included on page 22 of this financial report and forms part of this Directors' report.

Signed in accordance with a resolution of the Directors.



Phillip Harman  
Chairman

30 September 2019

Moore Stephens Audit (Vic)

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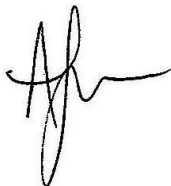
**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER S 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF ALICE QUEEN LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, 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

30 September 2019

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2019 \$	2018 \$
<b>Revenue from continuing operations</b>		1,249	85,200
<b>Expenses from continuing operations:</b>			
Other operating expenses	5	(327,524)	(356,736)
Compliance costs		(129,327)	(145,804)
Consultancy expenses		(224,169)	(449,785)
Depreciation & amortisation		(11,427)	(9,306)
Employee benefits, management fees and on costs		(926,121)	(987,130)
Impairment expense	11	-	(548,152)
Other costs		(2,733)	(12,366)
Loss before income tax		(1,620,052)	(2,424,079)
Income tax expense relating to the ordinary activities	6	-	-
Net loss for the year		(1,620,052)	(2,424,079)
Loss of non-controlling interest		23,212	79,543
Loss attributable to parent entity shareholders		(1,596,840)	(2,344,536)
Other comprehensive income, net of tax		(2,400)	-
<b>Total comprehensive loss</b>		<b>(1,599,240)</b>	<b>(2,344,536)</b>
<b>Earnings/Loss per Share:</b>			
Basic loss per share (cents per share)	17	(0.28)	(0.79)
Diluted loss per share (cents per share)	17	(0.28)	(0.79)

The accompanying notes form part these financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	NOTE	2019 \$	2018 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	21	64,619	514,359
Trade and other receivables	7	62,238	165,532
Prepayments	8	18,632	-
<b>Total Current Assets</b>		<b>145,489</b>	<b>679,891</b>
<b>Non-Current Assets</b>			
Property, plant & equipment	9	31,106	42,533
Investments	10	16,800	19,200
Exploration and evaluation expenditure	11	9,468,539	8,354,403
Security deposits	12	66,228	76,228
<b>Total Non-Current Assets</b>		<b>9,582,673</b>	<b>8,492,364</b>
<b>Total Assets</b>		<b>9,728,162</b>	<b>9,172,255</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	13	350,251	1,337,293
Provision for annual leave	14	24,608	24,788
<b>Total Current Liabilities</b>		<b>374,859</b>	<b>1,362,081</b>
<b>Total Liabilities</b>		<b>374,859</b>	<b>1,362,081</b>
<b>Net Assets</b>		<b>9,353,303</b>	<b>7,810,174</b>
<b>EQUITY</b>			
Share capital	15	16,124,161	13,319,811
Reserves	16	1,101,929	743,098
Minority interest		(136,567)	(113,355)
Accumulated losses		(7,736,220)	(6,139,380)
<b>Total Equity</b>		<b>9,353,303</b>	<b>7,810,174</b>

The accompanying notes form part these financial statements.





## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

2019	ISSUED CAPITAL	OPTION RESERVE	ASSET REVELAUATION RESERVE	ACCUMULATED LOSSES	NON- CONTROLLING INTEREST	TOTAL
	\$	\$	\$	\$	\$	\$
<b>Balance as at 1 July 2018</b>	<b>13,319,811</b>	<b>739,898</b>	<b>3,200</b>	<b>(6,139,380)</b>	<b>(113,355)</b>	<b>7,810,174</b>
Total loss for the period			-	(1,596,840)	(23,212)	(1,620,052)
Transactions with owners, recorded directly in equity						
Issue of share capital	2,912,708	-	-	-	-	2,912,708
Fair value of Options issued	-	361,231	-	-	-	361,231
Investments	-	-	(2,400)	-	-	(2,400)
Share issue costs	(108,358)	-	-	-	-	(108,358)
<b>Balance as at 30 June 2019</b>	<b>16,124,161</b>	<b>1,101,129</b>	<b>800</b>	<b>(7,736,220)</b>	<b>(136,567)</b>	<b>9,353,303</b>

2018	ISSUED CAPITAL	OPTION RESERVE	ASSET REVELAUATION RESERVE	ACCUMULATED LOSSES	NON- CONTROLLING INTEREST	TOTAL
	\$	\$	\$	\$	\$	\$
<b>Balance as at 1 July 2017</b>	<b>7,866,109</b>	<b>182,040</b>	<b>-</b>	<b>(3,794,844)</b>	<b>(33,812)</b>	<b>4,219,493</b>
Total loss for the period			-	(2,344,536)	(79,543)	(2,424,079)
Transactions with owners, recorded directly in equity						
Issue of share capital	5,787,694	-	-	-	-	5,787,694
Fair value of Options issued	-	557,858	-	-	-	557,858
Investments	-	-	3,200	-	-	3,200
Share issue costs	(333,992)	-	-	-	-	(333,992)
<b>Balance as at 30 June 2018</b>	<b>13,319,811</b>	<b>739,898</b>	<b>3,200</b>	<b>(6,139,380)</b>	<b>(113,355)</b>	<b>7,810,174</b>

The accompanying notes form part these financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2019 \$	2018 \$
<b>Cash Flows from Operating Activities</b>			
Cash payments in the course of operations		(1,012,932)	(1,535,415)
Proceeds from Government Grant		-	83,673
Interest received		1,249	1,528
Interest paid		-	(8)
<b>Net cash used in operating activities</b>	21	<b>(1,011,683)</b>	<b>(1,450,222)</b>
<b>Cash Flows from Investing Activities</b>			
Payments for exploration and evaluation expenditure		(2,225,134)	(4,251,319)
Payments for property, plant and equipment		-	(20,193)
Proceeds/(payments) for security deposits		10,000	(22,925)
<b>Net cash from investing activities</b>		<b>(2,215,134)</b>	<b>(4,294,437)</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from issue of shares		2,885,435	2,213,989
Proceeds from exercise of options		-	3,573,706
Payments for share issue costs		(108,358)	(333,993)
<b>Net cash used in financing activities</b>		<b>2,777,077</b>	<b>5,453,702</b>
Net (decrease)/increase in cash held and cash equivalents		(449,740)	(290,957)
Cash and cash equivalents at the beginning of the period		514,359	805,316
<b>Cash and cash equivalents at the end of the period</b>	21	<b>64,619</b>	<b>514,359</b>

The accompanying notes form part these financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

## 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 year ended 30 June 2019. The principal activity of the Group during the reporting period was mineral exploration in Queensland and New South Wales.

## 2. Basis of preparation

### Statement of Compliance

The consolidated general purpose financial statements of the Group have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. Australian Accounting Standards incorporate International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board. Compliance with Australian Accounting Standards ensure that the financial statements and notes also comply with IFRS. The consolidated financial statements for the year ended 30 June 2019 (including comparatives) were approved and authorised for issue by the board of Directors on 30 September 2019.

### Historical Cost Convention

The financial report has been prepared on an accrual basis and is based on the historical costs modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

### Functional and presentation currency

Both the functional and presentation currency of the Group is in Australian dollars.

### Critical accounting estimates and judgements

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the consolidated financial statements are described in the following notes:

- Note 3: Going concern;
- Note 6: Income tax expense;
- Note 10: Impairment of available for sale assets; and
- Note 11: Impairment of exploration and evaluation expenditure.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

### 3. Significant accounting policies

#### Basis of consolidation

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.

#### New accounting standards and interpretations

##### **New or amended accounting standards and interpretations adopted**

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period which includes AASB 9 Financial Instruments and AASB 15 Revenue from Contracts with Customers. This adoption has not resulted in any change to prior year figures, however has resulted in a change in accounting policies as noted below.

##### **Financial Assets**

##### **Accounting policies from 1 July 2018**

Alice Queen measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Alice Queen subsequently measures all equity investments at fair value. Alice Queen has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

For trade receivables, Alice Queen applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The consolidated entity has concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected loss rates are based on the payment profiles and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information. On that basis, the loss allowance as at 30 June 2019 (on adoption of AASB 9) was determined to be 0% for trade receivables.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

### 3. Significant accounting policies

#### **New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2019. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

#### **AASB 16 Leases**

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The consolidated entity will adopt this standard from 1 July 2019. The impact of its adoption is assessed as immaterial.

#### **Financial assets**

##### **Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

##### **Classification and subsequent measurement**

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

### 3. Significant accounting policies

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Group initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

### Going concern basis

During the year ended 30 June 2019 the Group recorded a loss of \$1,596,840 (2018: \$2,344,536) after tax and minority interests, had net cash outflows from operating activities of \$1,011,683 (2018: \$1,450,222) and had net current liabilities of \$229,370. Notwithstanding the Group’s loss-making position, the financial report has been prepared using the going concern basis.

The Directors have determined that future capital raisings will be required in order to continue the exploration and development of the Company’s mineral tenements to achieve a position where they can prove exploration reserves. 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 this expectation and the effect upon the Company. The achievement of the forecast is dependent upon the future capital raising, the outcome of which is uncertain.

Further, subsequent to year end the Company has raised \$916,000 (before costs) via private Share Placements. Funds raised from the Placements will be applied to the initial drilling program at Yarindury, the Group’s tenement in NSW and working capital requirements of the Company. Refer to Note 30 for further details.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

### 3. Significant accounting policies

#### 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.

#### Contingent liabilities

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

#### Transaction costs

Transaction costs that the Group incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees, are expensed as incurred.

#### Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

#### Transactions eliminated and consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

Where a controlled entity issues shares to non-controlling interests which does not result in loss of control by the Company, any gain or loss arising on the Company's interest in the controlled entity is recognised directly in equity.

#### Property, plant and equipment

##### **Owned assets**

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (see Impairment accounting policy below).

##### **Depreciation**

Depreciation is charged to the profit or loss using the straight line method from the date of acquisition. Computer and Office equipment are depreciated at rates between 25% and 33%.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash balances and at call deposits.

#### Share capital

##### **Transaction costs**

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

### 3. Significant accounting policies (continued)

#### Dividends

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

#### Share based payment transactions

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do not meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

#### Leases accounting policy note

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset – but not the legal ownership – are transferred to entities in the consolidated group, are classified as finance leases. Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the lease term.

Effective from 1 July 2019 the Company will adopt AASB 16 which replaces AASB 117 Leases. AASB 16 removes the classification of leases as either operating leases or finance leases for the lessee - effectively treating all leases as finance leases. AASB 16 is applicable to annual reporting periods beginning on or after 1 July 2019. AASB 16 will have no material impact on the Group's financial statements.

#### Trade and other payables

Trade and other payables are stated at their amortised cost. Trade payables are non-interest bearing and are normally settled on 30-day terms.

#### Finance income and finance expense

Finance income and finance expense comprises interest payable on borrowings calculated using the effective interest method, interest earned, dividend income, unwind of discount on provisions and the net change in the fair value of derivative financial instruments recognised in profit or loss.

Interest income is recognised in the statement of comprehensive income as it accrues, using the effective interest method. Dividend income is recognised in the statement of comprehensive income on the date the entity's right to receive payments is established.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

### 3. Significant accounting policies (continued)

#### Impairment

##### Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

##### Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

##### Exploration and evaluation assets

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability or facts and circumstances suggest that the carrying amount exceeds the recoverable amount. Exploration and evaluation assets are tested for impairment when any of the following facts and circumstances exist:

- the term of exploration licence in the specific area of interest has expired during the reporting period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area are not budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the decision was made to discontinue such activities in the specified area; or
- sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

##### Calculation of recoverable amount

The recoverable amount of assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

### 3. Significant accounting policies (continued)

#### Impairment (continued)

##### **Reversals of impairment**

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss in respect of goodwill is not reversed.

#### Exploration and evaluation expenditure

Exploration and evaluation costs, including the costs of acquiring licenses, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in the statement of comprehensive income.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

#### Segment reporting

The Group determines and presents operating segments based on the information that internally is provided to the Managing Director, who is the Group's chief operating decision maker.

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's results are reviewed regularly by the Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The Group's primary format for segment reporting is on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

#### Income tax

Income tax expense for the year comprises current and deferred tax. Income tax is recognised in the profit or loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

### 3. Significant accounting policies (continued)

#### Income tax (continued)

##### **Tax consolidation**

Alice Queen Ltd and its wholly owned Australian resident entities have formed a tax-consolidated Group with Alice Queen Holding Pty Ltd joining the existing tax consolidated group with effect from 13 November 2015, and are therefore taxed as a single entity from that date. The Head entity within the tax-consolidated group is Alice Queen Ltd.

Kauraru Gold Pty Ltd and Monzonite Metals Pty Ltd are not part of the Alice Queen Ltd tax consolidated group as these companies are not wholly owned by Alice Queen Holdings Pty Ltd.

##### **Goods and services tax**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

#### Employee benefits

##### **Wages, salaries, annual leave, sick leave and non-monetary benefits**

Liabilities for employee benefits for wages, salaries, annual leave and sick leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at reporting date including related on-costs, such as workers' compensation insurance and payroll tax.

#### Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

#### Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

### 3. Significant accounting policies (continued)

#### Site restoration

Mine rehabilitation costs will be incurred by the Group should the projects at the occupied mining sites be abandoned. The Group assesses its mine rehabilitation provision at each reporting date. The ultimate rehabilitation costs are uncertain and cost estimates can vary in response to many factors. These uncertainties may result in future actual expenditure differing from the amount provided. Due to the early stages of the drilling and overall project life, no provision has been recorded at the balance date but a contingent liability disclosed.

#### Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

##### Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

##### Share based payment transactions

The fair value of the options granted is measured using a Black-Scholes formula taking into account the terms and conditions upon which the options were granted. Measurement inputs include share price at grant date, exercise price of the instrument, expected volatility (based on historic share performance), risk-free interest rate (based on government bonds), and dividend yield.

##### Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group's non-derivative financial liabilities are loans and borrowing and trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method.

### 4. Segment reporting

During the reporting period, the Company operated predominantly in one operating segment, being mineral exploration.

The results and financial position of the Company are prepared for the Managing Director on a basis consistent with Australian Accounting Standard AASB 8 operating segments, and therefore no additional disclosure in relation to the revenues, profit or loss, assets and liabilities have been made.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2019

**5. Loss before income tax**

The result for the year includes the following specific items:

Other operating expenses:

	2019 \$	2018 \$
- Insurance	48,233	44,042
- Marketing and conference costs	36,666	13,669
- Rent	56,760	48,677
- Share registry fees	61,433	86,353
- Travel, Meals & Accommodation	62,759	100,456
- IT consumables, software and services	25,537	10,131
- Other costs	36,136	53,408
	<b>327,524</b>	<b>356,736</b>

**6. Income tax expense**

**Numerical reconciliation of income tax expense to prima facie tax payable**

	2019 \$	2018 \$
Loss before tax – continuing operations	<b>1,620,052</b>	2,424,079
Prima facie income tax expense at the Australian tax rate of 30% (2018 – 27.5%)	<b>(486,015)</b>	(666,622)
Increase/(decrease) in income tax expense due to:		
- Non-deductible expenses	<b>118,158</b>	161,411
- Capital raising costs	<b>(32,507)</b>	(91,848)
- Available to sell assets	<b>(720)</b>	880
- Effect of deferred tax assets for tax losses not brought to account	<b>752,663</b>	1,756,190
- Effect of net deferred tax assets not brought to account	<b>(351,579)</b>	(1,160,011)
Income tax expense – current and deferred	<b>-</b>	-

The Company and its 100% owned controlled entity have formed a tax consolidated group. The head entity of the tax consolidated group is Alice Queen Limited. The tax consolidated group has potential revenue tax losses of \$21,727,558 (2018: \$19,218,682) and capital loss of \$12,200,397. The non-wholly owned subsidiaries have separate income tax reporting obligations to the Company and its tax consolidated group.

Breaker Resources is no longer considered a base rate entity for income tax purposes and is therefore subject to income tax at a rate of 30% (2018: 27.5%).

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise benefits.

The utilisation of tax losses is dependent on the Group satisfying the continuity of ownership test or the same business test at the time the tax losses are applied against taxable income.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

### 7. Trade and other receivables

	2019 \$	2018 \$
<b>Current</b>		
GST receivable	61,488	164,782
Other receivables	750	750
	<u>62,238</u>	<u>165,532</u>

### 8. Prepayments

	2019 \$	2018 \$
Insurance	18,632	-

### 9. Property, plant and equipment

	Field Equipment	Office Furniture	Office Equipment	Computer Equipment	Motor Vehicle	Total
<b>GROSS CARRYING AMOUNT</b>						
Balance at 1 July 2017	2,475	13,852	-	8,783	18,990	30,248
Additions	-	-	2,455	8,495	-	24,802
Balance at 30 June 2018	2,475	13,852	2,455	17,279	18,990	55,050
Additions	-	-	-	-	-	-
Balance at 30 June 2019	<u>2,475</u>	<u>13,852</u>	<u>2,455</u>	<u>17,279</u>	<u>18,990</u>	<u>55,050</u>
<b>ACCUMULATED DEPRECIATION</b>						
Balance at 1 July 2017	52	-	-	3,159	-	3,211
Additions	619	924	286	3,679	3,798	9,306
Balance at 30 June 2018	671	924	286	6,838	3,798	12,517
Additions	619	2,771	491	3,747	3,799	11,427
Balance at 30 June 2019	<u>1,290</u>	<u>3,695</u>	<u>777</u>	<u>10,585</u>	<u>7,597</u>	<u>23,944</u>
<b>NET BOOK VALUE</b>						
30 June 2018	1,804	12,928	2,168	10,441	15,192	42,533
30 June 2019	<u>1,185</u>	<u>10,157</u>	<u>1,678</u>	<u>6,694</u>	<u>11,393</u>	<u>31,106</u>

### 10. Investments

	2019 \$	2018 \$
Investments – available for sale at fair value	16,800	19,200

The Company has 800,000 shares in Renascor Resources Ltd (formerly Renaissance Uranium Limited). At 30 June 2019, the Directors compared the carrying value of the investment to market value being \$16,800 (2018: \$19,200). This was based on a closing price of \$0.021 at 30 June 2019 (2018: 0.024 cents).



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2019

**11. Exploration and evaluation expenditure**

	2019 \$	2018 \$
Opening balance	8,354,403	3,875,504
Additions	1 114,136	5,027,051
Impairment of exploration and evaluation assets*	-	(548,152)
Closing balance	9,468,539	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 shall conduct impairment testing where indicators of impairment are present at the reporting date.

2018

\*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 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, as at 31 December 2017, the Group assessed the carrying value of its EL 8225 Looking Glass tenement to be \$Nil, resulting in an impairment charge of \$548,152.

**12. Security deposits**

	2019 \$	2018 \$
<b>Non-current</b>		
Security Deposit	66,628	76,228
	66,628	76,228

**13. Trade and other payables**

	2019 \$	2018 \$
<b>Current</b>		
Trade payables	285,193	1,287,143
Accruals	37,905	24,000
Payroll liabilities	27,153	26,149
	350,251	1,337,292

**14. Provisions**

	2019 \$	2018 \$
Annual leave	24,608	24,788

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2019

**15. Issued capital**

	2019	2018
	\$	\$
651,660,162 (2018: 457,479,607) fully paid ordinary shares	16,839,581	13,926,873
Shares Issue costs	(715,420)	(607,063)
	<b>16,124,161</b>	<b>13,319,810</b>

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

	2019	ISSUE PRICE	2019	2018	ISSUE PRICE	2017
	NUMBER	\$	\$	NUMBER	\$	\$
<b>Balance at the beginning of the period</b>	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: Rights Issue	19,340,599	\$0.015	290,109			
31 Oct 2018: Rights Issue	15,008,706	\$0.015	225,131			
18 Dec 2018: Share based payment	1,818,182	\$0.015	27,272			
28 Dec 2018: Directors Placement	4,400,000	\$0.015	66,000			
23 Jan 2019: Placement – Rights Issue Shortfall	113,920,334	\$0.015	1,708,805			
Capital raising costs			(108,357)			(333,993)
<b>Balance at the end of the period</b>	<b>650,660,162</b>		<b>16,124,161</b>	<b>457,479,607</b>		<b>13,319,810</b>

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.

ii) Options

At reporting date, the Group had the following options on issue:

- 11,100,000 unlisted options over ordinary shares with an exercise price of \$0.038 each, exercisable on or before 14 December 2019.
- 20,000,000 unlisted listed options over ordinary shares with an exercise price of \$0.056 each, exercisable on or before 14 June 2020.
- 24,937,502 unlisted listed options over ordinary shares with an exercise price of \$0.04 each, exercisable on or before 18 December 2021.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2019

**16. Reserves**

	2019 \$	2018 \$
<b>Option reserve</b>		
Opening balance	739,898	182,040
Additions	361,231	557,858
Closing balance	1,101,129	739,898
 <b>Asset revaluation reserve</b>		
Opening balance	3,200	-
Movement during the reporting period	(2,400)	3,200
Closing balance	800	3,200
 <b>Total reserves</b>	<b>1,101,929</b>	<b>743,098</b>

The option reserve represents the fair value of options granted to employees and suppliers for services provided to the Group. The fair value is determined in accordance with Note 26 and is expensed when in the period in which the services are received.

**17. Earnings per share**

	2019 \$	2018 \$
Loss after income tax from continuing operations (basic and diluted)	(1,596,840)	(2,344,536)
Weighted average number of ordinary shares used in calculating basic earnings per share	563,814,490	295,793,838
Weighted average number of ordinary shares used in calculating diluted earnings per share	563,814,490	295,793,838
Basic earnings per shares (cents per share)	(0.28)	(0.79)
Diluted earnings per shares (cents per share)	(0.28)	(0.79)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

### 18. Commitments for expenditure

The Company has minimum expenditure commitments to meet the conditions under which the properties are granted. These minimum expenditure commitments total \$1,415,000 and are comprised of \$1,040,000 in total over the term of the Exploration Licences held in Queensland and \$375,000 in total for the term of the agreed work plan for the Exploration Licences held in New South Wales. The aggregation of expenditure commitments over the full length of the terms of the licences is permitted in both Queensland and New South Wales (for further information refer to the Tenement Summary included in the Directors' Report). These minimum commitments may vary from time to time, subject to approval by the grantor of titles or by variation of contractual agreements. The expenditure represents potential expenditure which may be reduced by entering into sale, joint venture or relinquishment of the interests and may vary depending upon the results of exploration. Should expenditure not reach the required level in respect of each area of interest, the Company's interest could be either reduced or forfeited. On 5 June 2019, the Company entered into a Joint Venture Agreement with St Barbara Limited (SBM) in which SBM has the right but not the obligation to spend \$4 million to earn 70% of the Horn Island project outside of the Excluded Zones. Any expenditure undertaken by SBM pursuant to the Joint Venture would naturally be included in the minimum expenditure as required.

### 19. Leasing commitments

#### Operating Lease

Minimum lease payments under non-cancellable operating leases:

- not later than one year

- between one year and five years

	2019 \$	2018 \$
	64,388	107,549
	27,265	91,653
	<u>91,653</u>	<u>199,202</u>

### 20. Contingent liabilities and contingent assets

With reference to Note 3: Site restoration, mine rehabilitation costs would be incurred by the Group at the Horn Island site upon a decision to abandon the project. In this event, management's best estimate of the present value of the future rehabilitation costs that would be required is \$150,000 (2018: \$150,000).

No other contingent assets or liabilities are noted by the Group at 30 June 2019.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

### 21. Statements of cash flows

	2019 \$	2018 \$
<b>Reconciliation of cash and cash equivalents</b>		
Cash and cash equivalents at the end of the year as shown in the Consolidated Statements of Cash Flows is reconciled to the related items in the Consolidated Statement of Financial Position as follows:		
Cash at bank and on hand	64,619	514,359
<b>Reconciliation of net loss from ordinary activities after tax to net cash used in operating activities</b>		
Loss from ordinary activities after tax	(1,596,840)	(2,344,536)
Depreciation costs	11,427	9,307
Amortisation costs	-	-
Costs of the Share Offer	-	-
Impairment expense	-	548,152
Minority interest	(23,212)	(79,543)
Share based payment	388,503	557,858
Changes in assets and liabilities:		
Trade and other receivables	103,294	(109,351)
Prepayments	(18,632)	2,633
Trade and other payables	123,957	(57,898)
Provisions	(180)	23,156
Net cash used in operating activities	(1,011,683)	(1,450,222)

### 22. Financial Instruments

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. These policies are informally reviewed from time to time to reflect changes in market conditions and the Group's activities.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, interest rate risk and market risk. The summaries below present information about the Group's exposure to each of these risks, their objectives, policies and processes for measuring and managing risk, the management of capital and financial instruments.

#### Credit risk

Credit risk arises mainly from the risk of counterparties defaulting on the terms of their agreements. The carrying amounts of the following assets represent the Group's maximum exposure to credit risk in relation to financial assets:

	2019 \$	2018 \$
Cash and cash equivalents	64,619	514,359
Trade and other receivables	62,238	165,532
	126,857	679,891

The Group's maximum exposure to credit risk at the reporting date by geographic region was:

Australia	126,857	679,891
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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

### 22. Financial Instruments (continued)

The Group mitigates credit risk on cash and cash equivalents and security deposits held in Australia by dealing with regulated banks in Australia.

#### Expected Credit losses

None of the Group's trade and other receivables any expected credit losses (2018: Nil).

#### Currency risk

The Group has no exposure to currency risk arising from financial instruments.

#### Market risk

Market risk is the risk that changes in market prices will affect the Group's income or the value of its holdings of financial instruments. Equity price risk arises from available-for-sale equity securities held by the Group.

#### Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

	Carrying amount \$	Contractual cash flows \$	Less than one year \$	Between one and five years \$	More than five years \$
<b>30 June 2019</b>					
Trade and other payables	350,251	(350,251)	(350,251)	-	-
<b>30 June 2018</b>					
Trade and other payables	1,337,292	(1,337,292)	(1,337,292)	-	-

Ultimate responsibility for liquidity management rests with the Board of Directors. The Group manages liquidity risk by maintaining adequate funding and monitoring of future rolling cash flow forecasts of its operations, which reflect management's expectations of expected settlement of financial assets and liabilities.

#### Interest rate risk

The Group's statement of profit or loss and other comprehensive income is affected by changes in interest rates due to the impact of such changes on interest income from cash and cash equivalents.

At balance date, the Group had the following mix of financial assets and liabilities exposed to variable interest rate risk that are not designated as cash flow hedges:

	2019 \$	2018 \$
Cash and cash equivalents	64,619	514,359
Security deposits	66,228	76,228
	130,847	590,587

#### Sensitivity analysis

A change of 100 basis points in interest rates at reporting date would have increased/(decreased) equity and loss for the period by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for the comparative period.

Impact on loss for the period	1,308	5,906
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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

### 22. Financial Instruments (continued)

#### Capital management

##### i) Capital Management

Management controls the capital of the Group in order to maximise the return to shareholders and ensure that the Group can fund its operations and continue as a going concern.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, working capital requirements, distributions to shareholders and share issues.

#### Net fair values of financial assets and liabilities

The carrying amounts of financial assets and liabilities of the Company and the Group, for the year ended 30 June 2019 and 30 June 2018, approximate their net fair values, given the short time frames to maturity and or variable interest rates.

#### Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quotes prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>30 June 2019</b>				
Investments - available-for-sale	16,800	-	-	16,800
<b>30 June 2018</b>				
Investments - available-for-sale	19,200	-	-	19,200

### 23. Key Management Personnel disclosures

The key management personnel compensation comprised:

	2019 \$	2018 \$
Short-term employee benefits	413,676	409,800
Post-employment benefits	7,400	8,028
Share based payments	195,814	213,189
	<u>616,890</u>	<u>631,017</u>

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

### 24. Share based payments

#### (a) Employee share option plan

All options granted to employees under the Company's Shares Option Plan will convert to fully paid ordinary shares in Alice Queen Limited, which confer a right of one ordinary share for every option held.

A reconciliation of share-based payment arrangements that existed during the reporting period and at the end of the comparative 2018 reporting period are set out below:

OPTIONS	2019 NUMBER	WEIGHTED AVERAGE EXERCISE PRICE	2018 NUMBER	WEIGHTED AVERAGE EXERCISE PRICE
<b>Issued to employees</b>				
Balance at the beginning of the period	31,100,000	-	11,100,000	-
Granted	24,937,502	\$0.04	20,000,000	\$0.056
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding at the end of the period	56,037,502		31,100,000	
Exercisable at year end	31,100,000		11,100,000	

The following share-based payment arrangements were in existence during the reporting period:

OPTIONS SERIES	NUMBER GRANTED	NUMBER VESTED	GRANT DATE	EXPIRY DATE	VESTING DATE	EXERCISE PRICE	FAIR VALUE AT GRANT DATE
Series (i)	1,848,150	1,848,150	14 Dec 2016	14 Dec 2019	14 Dec 2017	\$0.038	\$0.0164
Series (ii)	9,251,850	9,251,850	14 Dec 2016	14 Dec 2019	14 Dec 2017	\$0.038	\$0.0164
Series (iii)	10,000,000	10,000,000	14 Dec 2017	14 Dec 2020	14 Dec 2018	\$0.056	\$0.0393
Series (iv)	10,000,000	10,000,000	27 Mar 2018	14 Dec 2020	14 Dec 2018	\$0.056	\$0.0221
Series (v)	24,937,202	Nil	18 Dec 2018	18 Dec 2021	18 Dec 2019	\$0.04	\$0.0031

INPUTS INTO THE MODEL	SERIES (i) & (ii)	SERIES (iii)	SERIES (iv)	SERIES (v)
Grant date share price	\$0.027	\$0.064	\$0.042	\$0.013
Exercise price	\$0.038	\$0.056	\$0.056	\$0.04
Expected volatility	105%	92%	95.97%	94.34%
Option life	3 years	3 years	3 years	3 years
Risk-free interest rate	1.88%	2.06%	2.11%	1.93%

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

### 24. Share based payments (continued)

#### (b) Other

The following share-based payment arrangements were in existence during the reporting period and the 2018 comparative period.

OPTIONS SERIES	NUMBER GRANTED	NUMBER VESTED	GRANT DATE	EXPIRY DATE	VESTING DATE	EXERCISE PRICE	FAIR VALUE AT GRANT DATE
Series (vi)	10,000,000	10,000,000	3 Nov 2017	1 Jun 2019	3 Nov 2017	\$0.06	\$0.0264

INPUTS INTO THE MODEL	SERIES (vi)
Grant date share price	\$0.06
Exercise price	\$0.06
Expected volatility	93%
Option life	1.5 years
Risk-free interest rate	1.90%

The life of the options is based on the historical exercise patterns, which may not eventuate in the future

### 25. Related parties

Related party transactions during the reporting period and comparative reporting period are as follows:

2019

- i) As reported in the Remuneration Report: -
  - Director's fees totalling \$38,417 (2018: \$42,250) exclusive of GST were paid to Berkeley Consultants Pty Ltd, a company in which Mr. Mark Kerr has an interest; and
  - Consulting fees totalling \$335,800 (2018: \$325,300) exclusive of GST were paid to Claremont Equities Pty Ltd a company in which Mr. Andrew Buxton has an interest, for providing management services to the Alice Queen Group. This arrangement is based on normal commercial terms and conditions.
- ii) Key management personnel equity holdings are disclosed in the Remuneration Report in the Directors' Report.
- iii) No amounts in addition to those disclosed in the Remuneration Report in the Directors' Report were paid or payable to Directors of the Group at the end of the reported period.
- iv) Interests in controlled entities are disclosed in Note 31.

2018

- v) As reported in the Remuneration Report: -
  - Director's fees totalling \$42,250 (2017: \$25,000) exclusive of GST were paid to Berkeley Consultants Pty Ltd, a company in which Mr. Mark Kerr has an interest; and
  - Consulting fees totalling \$325,300 (2017: \$250,000) exclusive of GST were paid to Claremont Equities Pty Ltd a company in which Mr. Andrew Buxton has an interest, for providing management services to the Alice Queen Group. This arrangement is based on normal commercial terms and conditions.
- vi) Key management personnel equity holdings are disclosed in the Remuneration Report in the Directors' Report.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

### 25. Related parties (continued)

vii) No amounts in addition to those disclosed in the Remuneration Report in the Directors' Report were paid or payable to Directors of the Group at the end of the reported period.

viii) Interests in controlled entities are disclosed in Note 31.

### 26. Parent entity disclosures

	Company 2019 \$	2018 \$
<b>Result of the parent entity</b>		
Net loss	(1,466,197)	(1,708,108)
Other comprehensive income	-	-
Total comprehensive loss	(1,466,197)	(1,708,108)
<b>Financial position of the parent entity at year end</b>		
Current assets	126,715	525,175
Non-current assets	10,426,912	8,144,229
Total assets	10,553,627	8,669,404
Current liabilities	215,517	121,245
Non-current liabilities	-	-
Total liabilities	215,517	121,245
Net assets	10,338,110	8,548,159
<b>Equity</b>		
Share capital	16,124,161	13,319,811
Reserves	1,101,929	739,898
Accumulated losses	(6,887,980)	(5,515,550)
Total equity	10,338,110	8,548,159

As at the financial year ended 30 June 2019, the parent entity of the Group was Alice Queen Limited.

#### Guarantees entered in to by parent entity

The parent entity has not entered in to any guarantees on behalf of the subsidiaries in the year to 30 June 2019.

#### Contingent liabilities and Capital commitments

The parent entity has no capital commitments other than those disclosed in Note 20 for the Group as at 30 June 2019.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2019

**27. Auditor's remuneration**

	2019 \$	2018 \$
<b>Audit and review of financial statements</b>		
Moore Stephens	46,500	44,000
Total fees for audit and review of financial statements	46,500	44,000

**28. Dividends**

The Board of directors has recommended that no dividend be paid (2018: Nil).

**29. Controlled entities**

Particulars in relation to controlled entities:

	<b>Company interest in ordinary shares</b>	
	2019 %	2018 %
<b>Parent Entity</b>		
Alice Queen Limited		
<b>Controlled entities</b>		
Alice Queen Holding Pty Ltd	100	100
Kauraru Gold Pty Ltd	84.5	84.5
Monzonite Metals Pty Ltd	90	90
Curnamona Uranium Pty Ltd	100	100
Arunta Uranium Pty Ltd	100	100
Beetaloo Uranium Pty Ltd	100	100
Callabonna Energy Pty Ltd	100	100
Frome Uranium Pty Ltd	100	100
West Cape Resources Pty Ltd	100	100
Queensland Uranium Pty Ltd	100	100
Consolidated Exploration NQ Pty Ltd	100	100

All entities are incorporated in Australia

- 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).
- ii) Curnamona Uranium Pty Ltd, West Cape Resources Pty Ltd and Queensland Uranium Pty Ltd are wholly owned controlled entities.
- iii) Arunta Uranium Pty Ltd, Beetaloo Uranium Pty Ltd, Callabonna Energy Pty Ltd and Frome Uranium Pty Ltd are wholly owned controlled entities of Curnamona Uranium Pty Ltd.
- iv) Consolidated Exploration NQ Pty Ltd is the wholly owned controlled entity of Queensland Uranium Pty Ltd.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

### 30. Events subsequent to reporting date

On 4 July 2019, the Company announced the closing of a private share placement (Placement) to sophisticated investors to raise \$400,000 (before costs) at an issue price of \$0.012 per share. As noted in the Company's ASX announcement, the Company received a binding commitment from an investor to subscribe for 4,166,667 Placement Shares (representing subscription of \$50,000) which was provided by an associate of Mark Kerr (who resigned as a Director of the Company on 30 June 2019 and therefore remains a related party for the purposes of the Corporations Act and the ASX Listing Rules). The issue of Placement Shares and Placement Options to Mr Kerr's associate requires shareholder approval as although Mr Kerr resigned as a director on 30 June 2019, he remains a related party of the Company for six months from the date of resignation. The company shall seek shareholder approval at the next general meeting of the Company. Until that time, the \$50,000 subscription sum is being provided by Mr Kerr's associate to the Company by way of a loan. Investors in the placement were entitled issued with one (1) free-attaching option for every two (2) shares subscribed. The free-attaching options are unlisted, have an exercise price of \$0.02 and expire on 5 January 2021. On 5 July 2019, under the Placement a total of 29,166,667 ordinary shares and 14,583,334 unlisted options were issued. The proceeds from the Placement have been used to fund the working capital requirements of the Company.

On 14 August 2019, the Company announced the closing of a private share placement (Placement) to sophisticated investors to raise \$516,000 (before costs) at an issue price of \$0.012 per share. Investors in the Placement were entitled to one (1) free-attaching option for every two (2) shares subscribed. The free-attaching options are unlisted, have an exercise price of \$0.02 (2 cents) and expire on 20 February 2019.

On 20 August 2019, under the Placement a total of 43,000,000 shares and 21,500,000 million free-attaching options were issued. The Placement shares were issued under the Company's 10% placement capacity under ASX Listing Rule 7.1A, whereas the free-attaching Placement options were issued under the Company's 15% capacity under ASX Listing Rule 7.1. Funds raised from the Placement will be applied to the initial drilling program at Yarindury and working capital requirements of the Company.

On 18 Sep 2019, the received confirmation that Exploration Permit for Minerals Number (EPM) 25520 was renewed for a term of five (5) years from 8 October 2019 to 7 October 2024.

On 26 September 2019, the Company issued 50,000,000 Ordinary Shares at an issue price of 3 cents (\$0.03) per Placement Share to raise \$1,500,000.

Other than as stated elsewhere in this report, 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.



## **DIRECTORS' DECLARATION**

1. 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 30 June 2019 and of its performance for financial year ended on that date; and
    - ii. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
  - b. There are reasonable grounds to believe that Alice Queen Limited will be able to pay its debts as and when they become payable.
2. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2019.
3. Note 2 confirms that the consolidated financial statements also comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:



Phillip Harman  
Chairman  
30 September 2019

Moore Stephens Audit (Vic)

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

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Alice Queen Limited (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

- a) the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:
  - i. giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
  - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material Uncertainty Related to Going Concern

We draw attention to Note 3 "Going Concern Basis" in the financial statements, which identifies that the ability of the Group to continue as a going concern is dependent upon the Group raising additional capital sufficient to meet the Group's exploration commitments. Should there be no funding available, exploration of the areas of interest may be put on hold and the recoverability of the exploration assets may be realised below their current carrying amounts at balance date. Our opinion is not modified in respect of this matter.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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### KEY AUDIT MATTER 1 – CARRYING VALUE OF CAPITALISED EXPLORATION AND EVALUATION ASSETS

Refer to Note 11 “Exploration and Evaluation Expenditure”

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As at 30 June 2019 the carrying amount of exploration and evaluation (E&E) assets is \$9,468,539 (2016: \$8,354,403) as disclosed in Note 11.

The carrying value of the E&E assets was a key audit matter due to the size of the balance as at 30 June 2019 and the subjectivity involved in determining its carrying value.

Our procedures included, amongst others:

- Obtaining a management prepared schedule of capitalised Exploration and Evaluation expenditure and agreeing to the general ledger;
- Tested a sample of current year expenditure to source documents; and
- Undertook a detailed review of management’s assessment of impairment including:
  - Ensuring rights to tenure were current;
  - Enquired of management about their intentions for each tenement, including reviewing forecast expenditure; and
  - Reviewing any other transactions that support the carrying value of the capitalised Exploration and Evaluation expenditure.
- Reviewed ASX announcements and minutes of directors’ meetings to ensure that the Group had not decided to discontinue activities in any of its areas of interest.
- Reviewed the Joint Venture agreement with St Barbara Limited and assessed the impact on the carrying value of E&E assets.
- Considered the adequacy of disclosures included within Note 11 of the financial report.

## Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company’s annual report for the year ended 30 June 2019, but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar1.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf). This description forms part of our auditor's report.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on the Remuneration Report

### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 16 to 20 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Alice Queen Limited, for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

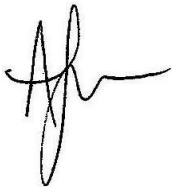
### *Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



**MOORE STEPHENS AUDIT (VIC)**

ABN 16 847 721 257



**ANDREW JOHNSON**

**Partner**

**Audit & Assurance Services**

Melbourne, Victoria

30 September 2019



## ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

Additional information as at 27 September 2019 required by the Australian Securities Exchange and not disclosed elsewhere in this report.

### Home Exchange

The Company is listed on the Australian Securities Exchange. The Home Exchange is Perth.

### Audit Committee and Remuneration Committee

As at the date of the Directors' Report, the Company does not have an Audit Committee or a Remuneration Committee.

### Ordinary shares

As at 27 September 2019, the issued capital comprised of 773,826,829 fully paid ordinary shares (ASX code: AQX) held by 1,253 holders. There were 525,090 shares held in unmarketable parcels of \$500 or less, by 175 individual shareholders.

### Options

As at 27 September 2019, the Company had the following options available to be exercised:

- 11,100,000 unlisted options over ordinary shares with an exercise price of \$0.038 each, exercisable on or before 14 December 2019.
- 20,000,000 unlisted options over ordinary shares with an exercise price of \$0.056 each, exercisable on or before 14 December 2020.
- 24,937,502 unlisted options over ordinary shares with an exercise price of \$0.04 each, exercisable on or before 18 December 2021.
- 14,583,334 unlisted options over ordinary shares with an exercise price of \$0.02 each, exercisable on or before 5 January 2021.
- 21,500,000 unlisted options over ordinary shares with an exercise price of \$0.02 each, exercisable on or before 20 February 2021.

Number of Holders	Number of Unlisted Options	Exercise Price	Expiry Date
14	11,100,000	\$0.038	14 December 2019
11	20,000,000	\$0.056	14 December 2020
12	24,937,502	\$0.040	18 December 2021
21	14,583,334	\$0.02	05 January 2021
19	21,500,000	\$0.02	05 January 2021

### Class of Shares and Voting Rights

The voting rights attached to ordinary shares, as set out in the Company's Constitution, are that every member in person or by proxy, attorney or representative, shall have one vote on a show of hands and one vote for each share held on a poll.

A member holding partly paid shares is entitled to a fraction of a vote equivalent to the proportion which the amount paid up bears to the issue price for the share.

### On Market Buy Back

There is no on market buy-back.





# ALICE QUEEN LIMITED

## ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

### Distribution of Shareholders

The distribution of each class of equity was as follows:

#### Fully Paid Ordinary Shares

Range	Number of holders	Number of shares	Percentage
1 - 1,000	102	38,354	0.005
1,001 - 5,000	31	76,194	0.010
5,001 - 10,000	25	217,058	0.028
10,001 - 100,000	583	26,540,016	3.430
100,001 and over	594	746,955,207	96.527
<b>Total</b>	<b>1,335</b>	<b>773,826,829</b>	<b>100.00</b>

### Substantial Shareholdings

At 27 September 2019, the Register of Substantial Shareholders showed the following:

Rank	Name	Number of Ordinary Shares held	Percentage
1	Invia Custodian Pty Limited <The Morris Family A/C>	78,898,474	9.68
2	Andrew Thomas Buxton	58,302,009	7.53
3	Abadi Investments Pty Ltd <CK & ML Datt Super A/C>	50,000,000	6.46

### Twenty Largest Shareholders

At 27 September 2018, the twenty largest shareholders held 56.12% of the fully paid ordinary shares as follows:

Rank	Name	Number of Ordinary Shares held	Percentage
1	Invia Custodian Pty Limited <The Morris Family A/C>	74,898,474	9.68%
2	Andrew Buxton	58,302,009	7.53%
3	Abadi Investments Pty Ltd <CK & ML Datt Super A/C>	50,000,000	6.46%
4	Mark Kerr	23,412,085	3.03%
5	Eleventh Klingon Pty Ltd <Lester Family Super Fund A/C>	15,970,820	2.06%
6	Kim Khe Tram	13,333,333	1.72%
7	The One Petitenget Pty Ltd <Andrew Blaak Superfund A/C>	13,333,333	1.72%
8	T T Nicholls Pty Ltd <TT Nicholls P/L S/F A/C>	12,180,000	1.57%
9	BNP Paribas Nominees Pty Ltd <IB AU Noms Retail Client DRP>	12,009,461	1.55%
10	Mr David Andrew Wardlaw	10,647,618	1.38%
11	Mr Michael Andrew Jaket	8,454,447	1.09%
12	Homewood Investments Ltd	7,997,000	1.03%
13	Loktor Holdings Pty Ltd <Taybird A/C>	7,016,336	0.91%
14	Rr & Jr Wescombe Pty Ltd <Rr&Jr Wescombe Fam S/F A/C>	7,000,000	0.90%
15	Dr John Clifford Philpott	6,700,000	0.87%
16	327th P & C Nominees Pty Ltd <Masterman Super Fund A/C>	6,500,000	0.84%
17	Cmc Markets Stockbroking Nominees Pty Limited <Accum A/C>	6,389,461	0.83%
18	Comsec Nominees Pty Limited	6,246,023	0.81%
19	Dr John Clifford Philpott & Mrs Rebecca Anne Philpott <Philpott Super Fund A/C>	5,622,000	0.73%
20	Netwealth Investments Limited <Wrap Services A/C>	5,343,750	0.69%
	<b>Total</b>	<b>351,356,150</b>	<b>45.41</b>