



QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2019

Advanced gold explorer, Alice Queen Limited (ASX: AQX) (**Alice Queen or the Company**) is pleased to provide its Quarterly Activities Report for the period ended 30 September 2019.

HIGHLIGHTS FOR THE QUARTER

- Raised about \$2.4 million from investors through three separate capital raisings, including a premium-priced Placement to Datt Capital
- Commenced a maiden joint venture works program at the Horn Island gold project in far-north Queensland with St Barbara
- Preparations underway for drilling campaign at its Yarindury gold-copper project in NSW, which recently received a prospectivity boost through exploration work undertaken by Alkane Resources at a neighbouring tenement

PROJECTS

MAIDEN JV WORKS PROGRAM STARTED AT HORN ISLAND

During the reporting period, Alice Queen commenced a maiden works program at its Horn Island project under its recently formed joint venture with established gold miner St Barbara Limited (ASX: SBM).

The JV prioritised drill target generation for large-scale Intrusion Related Gold Systems (IRGS), while an additional soils infill program was undertaken to provide additional data for further metal zonation studies, and coincided with a complex structural framework similar to the Horn Island pit deposit observed in the Company's airborne geophysical program completed in October last year.

This survey will target the ~2km NW surface strike extension from the current Horn Island gold resource (~0.5Moz JORC inferred) to the Naboo prospect.

The soils survey grid includes 100m spaced NE orientated lines with sample intervals at 50m. Previous field mapping and surface chip sampling has identified several high-grade gold veins, with some occurring in clusters within the soil sampling zone.

Results from the soil sampling program together with a second planned works program (induced polarisation (IP) survey) will provide the requisite work to generate potential IRGS exploration drill targets.

A further update on this can be found in the December Quarter Activities section of this report.

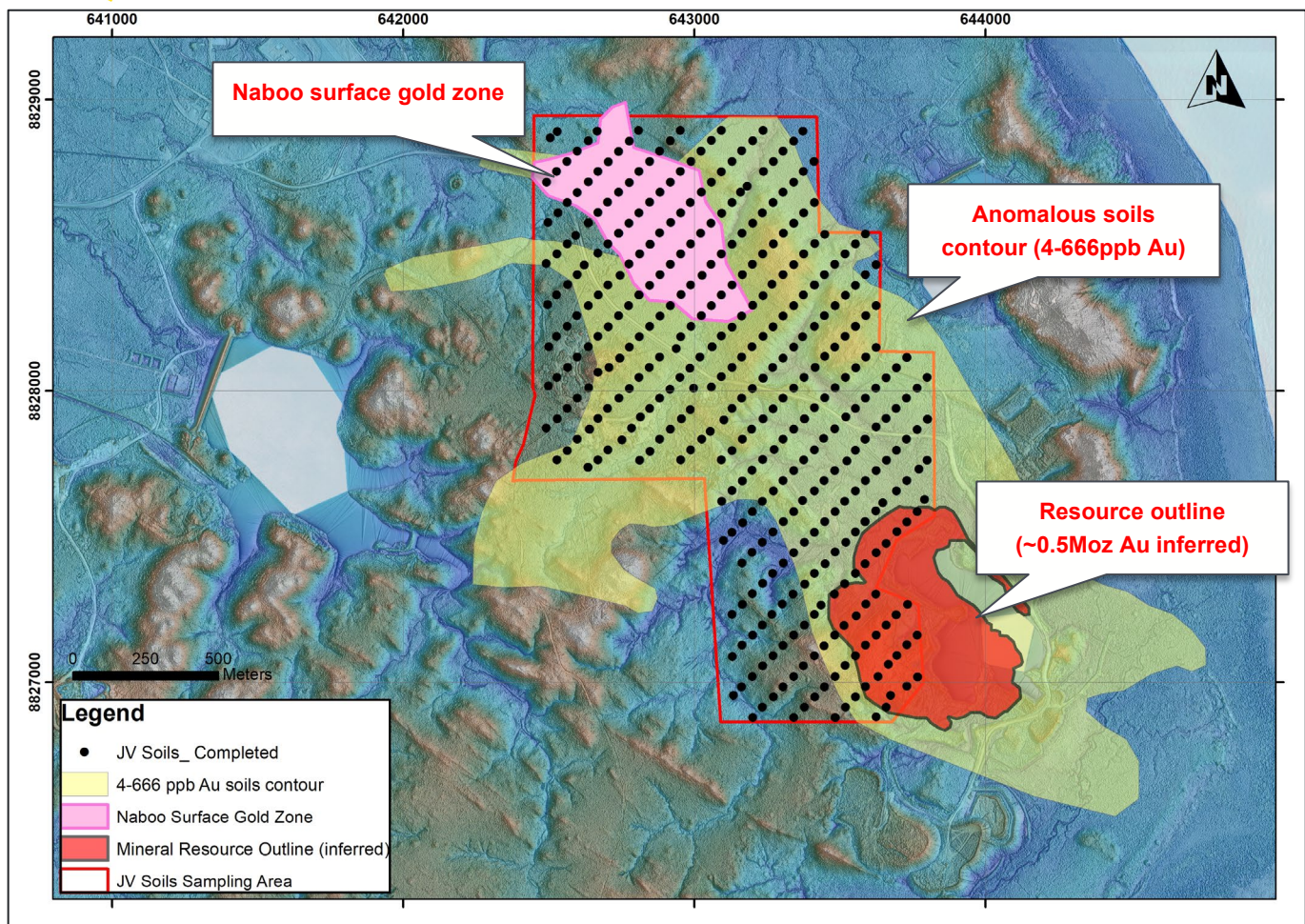


Figure 1. Maiden Horn Island JV works program, planned soil sampling program.

PREPARATIONS FOR DRILLING HIGHLY PROSPECTIVE COPPER/GOLD PORPHYRY TARGETS AT YARINDURY

In August, Alice Queen announced that preparations were underway for a drilling program at its Yarindury gold-copper project in NSW, focusing on high-quality porphyry Au-Cu targets.

Yarindury is along trend from Newcrest's Cadia Valley gold mine (50m oz Au) on the Molong segment of the Macquarie Arc, which is the host geology for all of Australia's major porphyry deposits. The targets were generated by Alice Queen's Technical Advisor (Porphyry) John Holliday (co-discoverer of Newcrest's Cadia Valley).

The Au-Cu porphyry targets are defined by a series of magnetic and gravity features with similarities to the magnetic and gravity signatures at the Cadia and North Parkes porphyry deposits. There are six first priority targets (Figure 2), all previously not drilled.

They occur in an area of Yarindury that has relatively shallow cover, probably less than 200m thick. Deposits at Cadia and North Parkes are being very profitably mined using bulk underground mining methods.

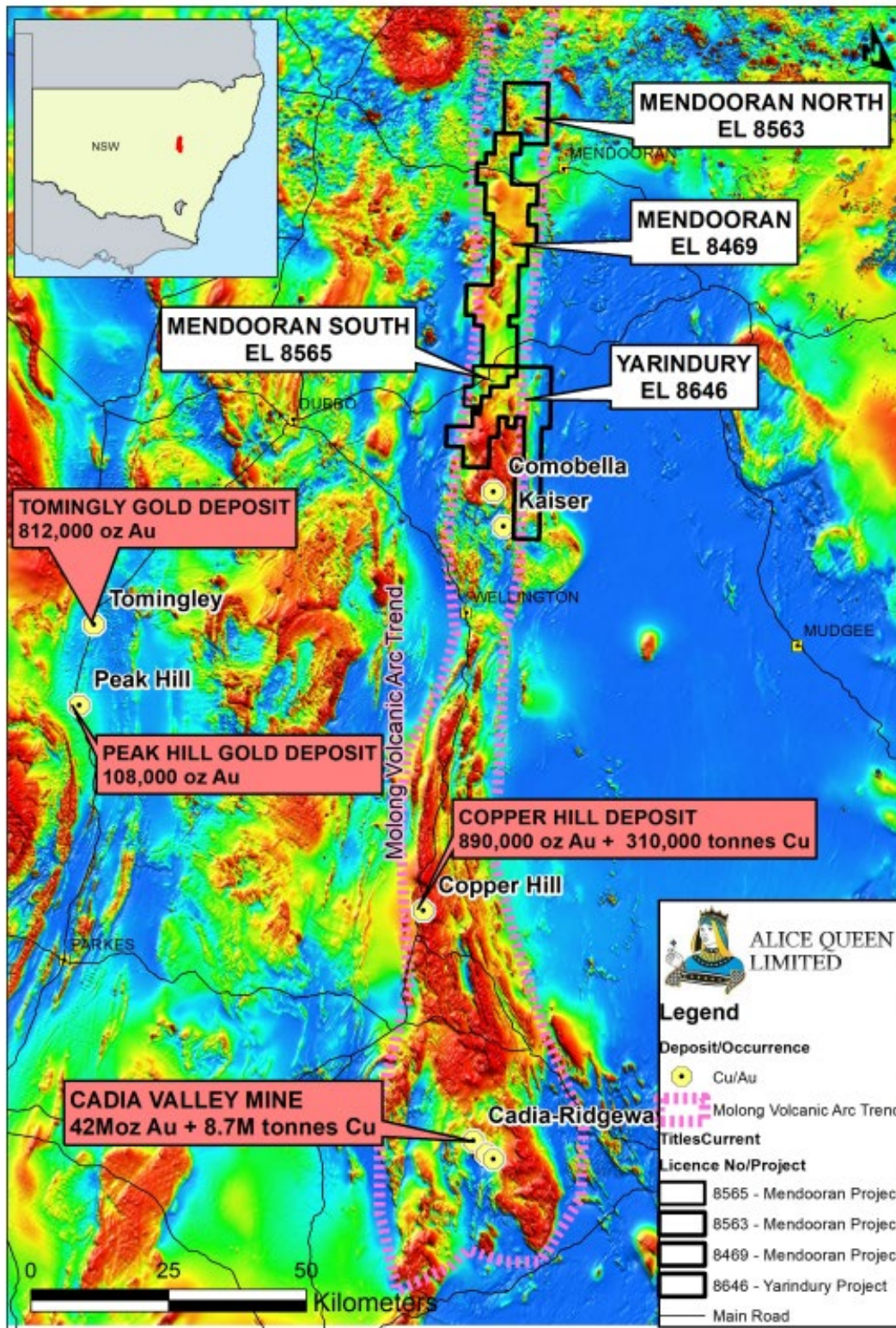


Figure 2. Yarindury regionality.



ENHANCED PROSPECTIVITY OF YARINDURY

As the Company continued preparations into the drilling campaign at Yarindury, Alkane Resources announced to the market the discovery of significant porphyry Au-Cu mineralisation at its Boda project, being 502m at 0.48g/t Au and 0.20% Cu from 211m. the discovery hole, KSDD003, lies within just 700m of the boundary of Alice Queen's Yarindury project (Figure 3).

Based on magnetic data, the highly prospective Cadia-age rocks intersected at Kaiser-Boda extend at surface adjacently into Yarindury in a thin strip potentially 700m wide west to east and over 5kms long south to north.

Further east, the prospective rocks dip eastwards under an easterly dipping regional thrust fault for an unknown distance. If Alkane's Kaiser-Boda proves to be a Cadia-scale (7km by 2km) porphyry field, then It is quite possible that significant mineralisation will extend eastwards into EL8646 Yarindury.

As a priority Alice Queen will be surface mapping and sampling this adjacent area with a view to developing near-term drilling targets.

Further, the prospectivity of all of Alice Queen's North Molong Belt project has been enhanced because the tenements extend over magnetic high features, which Alkane's exploration has shown may be monzonite intrusions driving porphyry copper-gold mineralisation.

All these magnetic high features are under younger cover, and most of them have never been drilled. Alice Queen's maiden drill program at Yarindury will shortly be testing some of these magnetic highs.

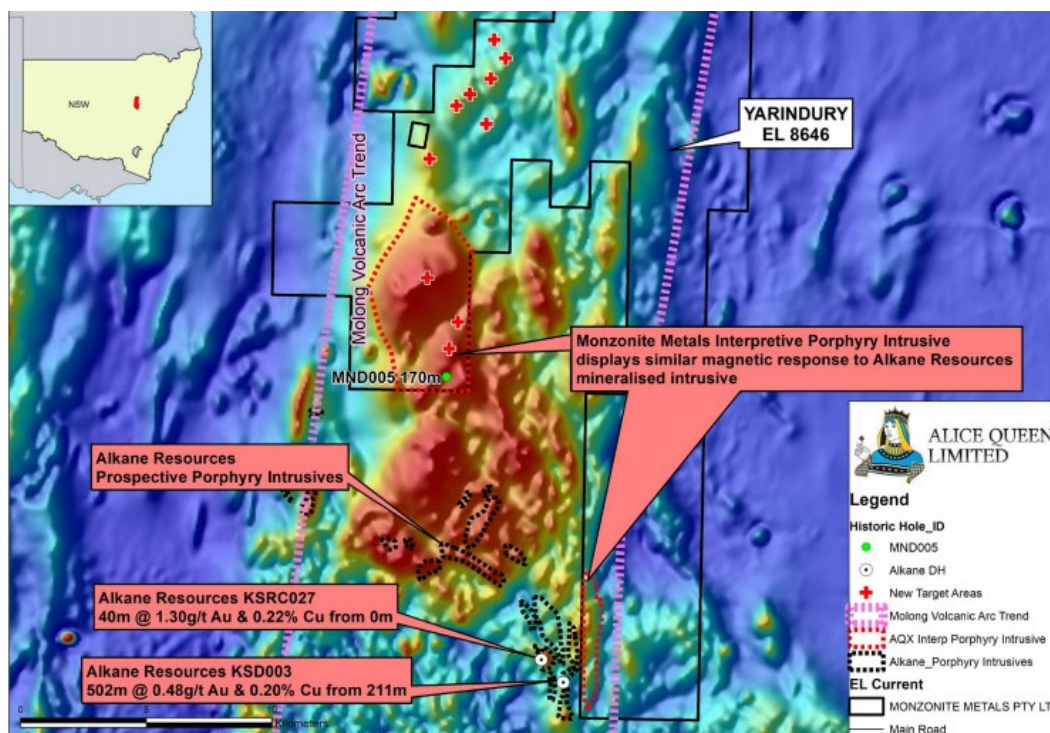


Figure 3. Yarindury airborne mag interpretative porphyry intrusive comparable to Alkane Resources mineralised porphyry intrusive (KSD003) located 700m to west.



CORPORATE

CAPITAL RAISINGS COMPLETED

Over the course of the reporting period, Alice Queen raised a combined \$2.4 million from institutional and sophisticated investors.

The raising details were as follows:

- \$400,000 Placement (before costs) on July 4, at an issue price of \$0.012 per share
- \$516,000 Placement (before costs) on August 14, at an issue price of \$0.012 per share
- \$1.5 million Placement (before costs) on September 23, at an issue price of \$0.03 per share

The latter raising was done at a 10% premium to Alice Queen's last trading price at the time, and a 45% premium to the Company's 20-day volume weighted average price (VWAP). The shares were issued to Datt Capital, a well regarded and respected investor in the resources sector.

The Company received significant interest for additional investment from multiple entities; however, having regard to its immediate available placement capacity, determined that the substantial investment from Datt Capital, at a premium to the market price at the time, is the best available fundraising alternative.

DECEMBER QUARTER EVENTS

HORN ISLAND JV SOILS AND ROCK CHIP PROGRAM COMPLETED

As mentioned previously in this report, Alice Queen completed a soil and rock chip geochemical program across the Horn Island project under the JV with St Barbara in October.

An infill soil and rock chip geochemical sampling program has recently been completed, extending existing coverage by 1.8km to the NW from the Horn Island gold resource (~0.5Moz Au inferred resource, based on 7.96M tonnes at an average grade of 1.9g/t Au, using a 0.5g/t Au cut-off grade) and historic mining centre to the Naboo surface gold geochemical anomaly zone.

In total, 407 soil and 176 quartz vein rock chip samples were collected, with gold and multielement results expected within the next month and hyperspectral results before the end of the year.

Although assay results from this geochemical survey campaign are currently pending, a number of encouraging observations have been noted from rock chip sampling of outcropping quartz vein occurrences, supporting a number of fundamental features that potentially outline extension of the hydrothermal system from the currently defined Horn Island gold resource.

In summary, these features include:

- Sulphide-quartz and quartz veins with associated sericite-chlorite alteration extending from the Horn Island gold resource across a NW strike of approximately 2.0km. The quartz veining can be partially masked by thin surficial cover. However, the spatial and structural patterns suggest reasonable confidence that these vein zones interconnect and persist for some distance;
- The distribution of quartz veins correlate with a series of NW trending magnetic low features covering an approximate total area of 1.6km², and these features are interpreted as primary hydrothermal fluid pathway structures for potential gold mineralisation; and
- Quartz vein textures across the sampling area are typically stockwork, crustiform/comb, and occasionally chalcedonic. The veins can contain sulphide mineralisation including pyrite and lesser galena, chalcopyrite and arsenopyrite.



These attributes are consistent with vein features found in and around the Horn Island gold resource. The Company now awaits final assay results from the infill geochemical survey program, and will provide further technical updates in due course.

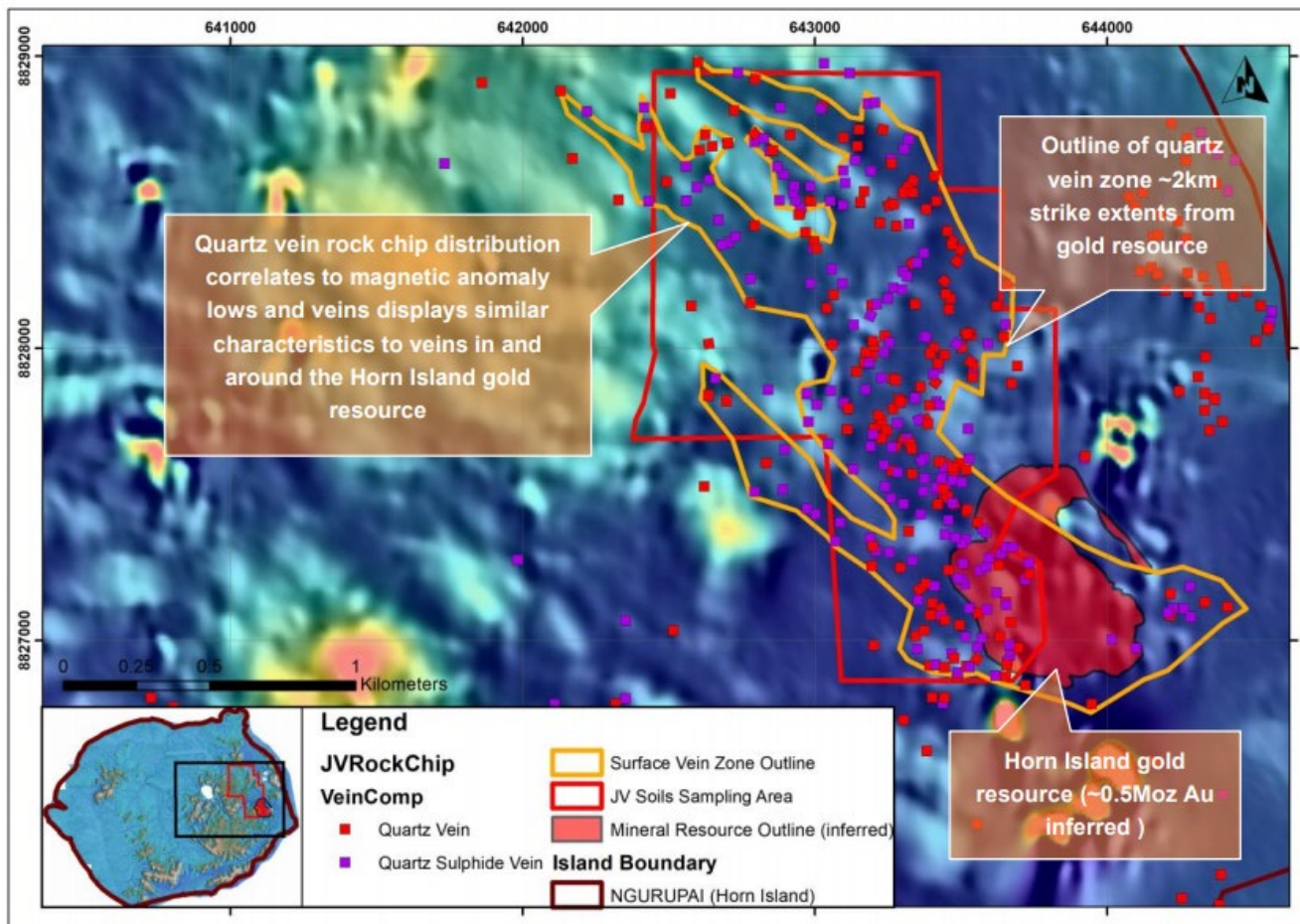


Figure 4. Quartz vein rock chip sample locations (purple squares are quartz-sulphide veins and red squares are quartz only veins) overlain on airborne magnetic image (TMIRTP over 1VD). Note that quartz vein rock chip sample occurrences correspond to a series of magnetic low anomaly trends, interpreted to indicate significant hydrothermal fluid pathway structures for potential gold mineralisation. The orange polygon denotes the overall distribution of observed quartz veins. Vein chip sample locations includes recently completed and AQX historic samples (refer to ASX releases 18th January 2017 titled "Horn Island Project Update", 21st August 2018 titled "Technical Presentation", page 11 of the Company's Annual Report lodged 28th September 2018", and page 9 of the Company's Annual Report lodged 30th September 2019 [2]).



ALICE QUEEN LIMITED

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.

For and on behalf of the board

Andrew Buxton

Managing Director, Alice Queen Limited

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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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

Name of entity

Alice Queen Limited

ABN

71 099 247 408

Quarter ended ("current quarter")

30 September 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(147)	(147)
(b) development	-	-
(c) production	-	-
(d) staff costs	(226)	(226)
(e) administration and corporate costs	(406)	(406)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(779)	(779)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1)	(1)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)-	-	-
2.6	Net cash from / (used in) investing activities	(1)	(1)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	2,366	2,366
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	229	229
3.4	Transaction costs related to issues of shares, convertible notes or options	(67)	(67)
3.5	Proceeds from borrowings	50	50
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	2,578	2,578

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	65	65
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(779)	(779)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1)	(1)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,578	2,578
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,862	1,862

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,633	64
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other – Cash held in trust account	229	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,862	64

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	108
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

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

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

Mining exploration entity and oil and gas exploration entity quarterly report

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

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	350
9.2 Development	-
9.3 Production	-
9.4 Staff costs	312
9.5 Administration and corporate costs	200
9.6 Other	-
9.7 Total estimated cash outflows	862

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

Compliance statement

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

Sign here: 
Company secretary

Date: 31 October 2019

Print name: Anne Adaley

Notes

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