



QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 DECEMBER 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 31 December 2019.

HIGHLIGHTS FOR THE QUARTER

- Drilling commenced at Yarindury in New South Wales, with the first three holes targeting porphyry copper-gold mineralisation intersecting bedrock at only 60m (predicted to be 200m)
- The North Molong project prospectivity was highlighted during the quarter following a significant intersection by Alkane Resources at the nearby Boda prospect
- Horn Island JV exploration defines new anomalous soil and rock chip gold zone to the northwest of the existing open pit area, with a dipole dipole induced polarisation (DDIP) survey completed late in the quarter, and
- Post quarter end, the Company was drilling at both Horn Island (within the JV exclusion zone) and continuing diamond drilling at Yarindury.

PROJECTS

HORN ISLAND JV EXPLORATION FOCUSED NORTHWEST OF PIT

During the reporting period, Alice Queen focussed on the JV program of work at its Horn Island project as part of the joint venture with established gold miner St Barbara Limited (ASX: SBM).

As part of the target generation program for large-scale Intrusion Related Gold Systems (IRGS), an infill surface soil and rock chip program was undertaken over an area of 2km x 1km to the northwest of the existing open pit and 0.5Moz Inferred Mineral Resource (Mineral Resource is excluded from the JV). A total of 407 (primary and duplicate) soil samples were collected on 200m spaced NE orientated lines with sample intervals at 50m. 176 quartz vein rock chip samples were selectively collected over a similar area.

For the soil sampling program, a maximum assay result of 2.31g/t Au was returned over the existing Mineral Resource, with 21 samples returning anomalous results of >0.1g/t Au. The rock chip sampling program returned a maximum result of 215g/t Au, with 14 samples returning greater than 1.0g/t Au.

The anomalous gold results occur within an area of 1.5km located to the northwest of the existing Mineral Resource (excluded from the JV).

The anomalous gold commonly correlates with aeromagnetic low anomaly trends, which have the potential to represent primary structures for hosting potential gold mineralisation.

A review of the multi-element geochemical analyses indicates that anomalous gold in surface samples is associated with enriched Sb-Ag-As-Pb-Zn. This is consistent with the gold and multi-element association observed in the Horn Island Mineral Resource and is similar to the geochemical signature of other intrusion related gold deposits in Queensland.

The surface sampling area was followed up by a DDIP survey in December targeting a broader area than the surface program, covering 3km x 2.5km. The DDIP results are still being interpreted as at the date of this release.

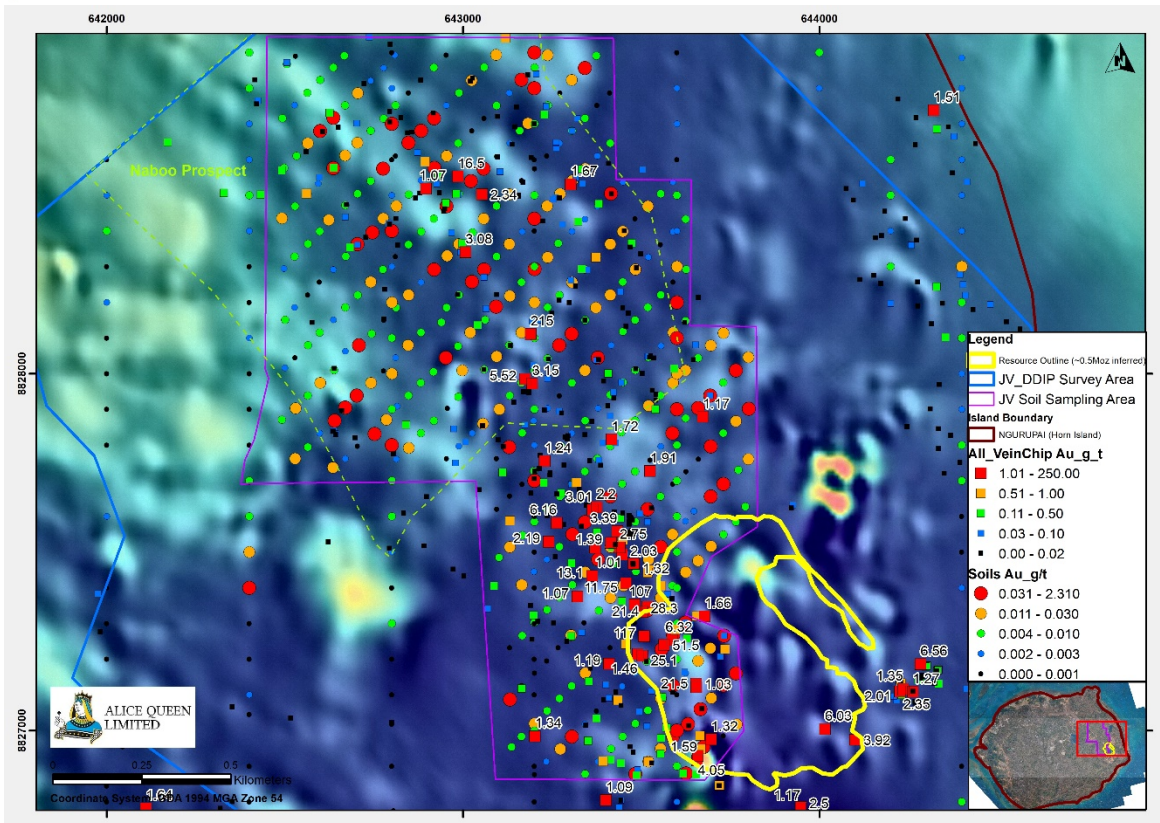


Figure 1. Maiden Horn Island JV soil and rock chip results

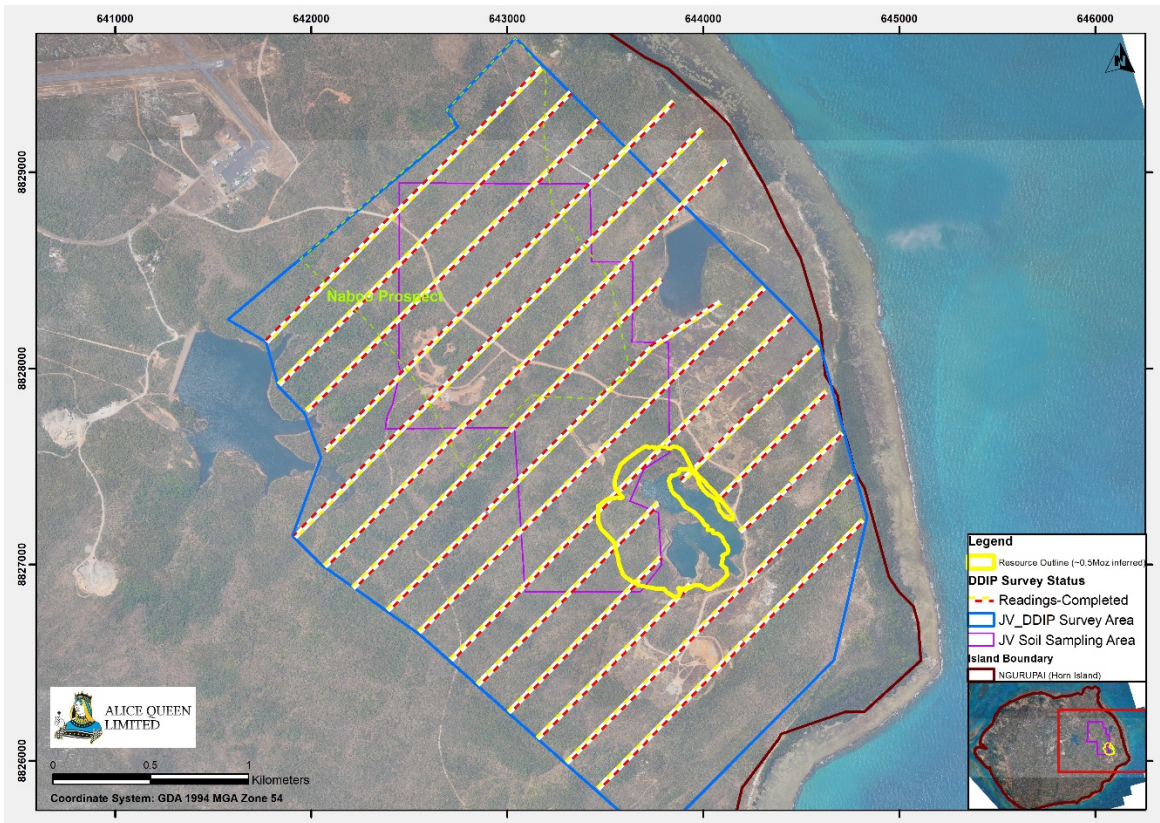


Figure 2: Dipole-Dipole Induced Polarisation (DDIP) survey showing line locations. The DDIP survey covers geochemical survey area (purple outline) and the Horn Island Mineral Resource (yellow outline).



HORN ISLAND ORE SORTING AND MINERAL RESOURCE DRILLING PROGRAM PLANNED

During the quarter, preparations were made for the commencement of a limited PQ diamond core drill program, consisting of 3 holes for 490m to provide a larger sample size from within the existing Mineral Resource to further advance planning for future Mineral Resource drilling, as well as providing sufficient material for bulk ore sorting testwork with Tomra.

Given that the gold within the Horn Island Inferred Mineral Resource is predominantly associated with quartz veins and not contained within the host rock, Tomra ore sorting technologies offer the potential to significantly reduce the mass of material prior to milling by separating the veins from the host rock.

The drill program commenced post the end of the quarter in January.

PROSPECTIVITY OF NORTHERN MOLONG PROJECTS HIGHLIGHTED DURING THE QUARTER

Alice Queen has been active in the Northern Molong Belt in New South Wales since 2016, with an exploration strategy based on the potential discovery of porphyry copper-gold deposits.

The Boda discovery of 502m at 0.48g/t Au and 0.20% Cu by Alkane Resources in September 2019 (refer ALK announcement 9 September 2019) highlighted the potential of the region to host significant mineralisation.

Alice Queen has a large portfolio of 100% owned tenements in the North Molong, including Boda East, located only 700m to the east of the Boda discovery in Yarindury EL8646.

Following Alkane's discovery, the Company has received significant interest from investors, shareholders and other parties with regards to the prospectivity of the Northern Molong Projects.

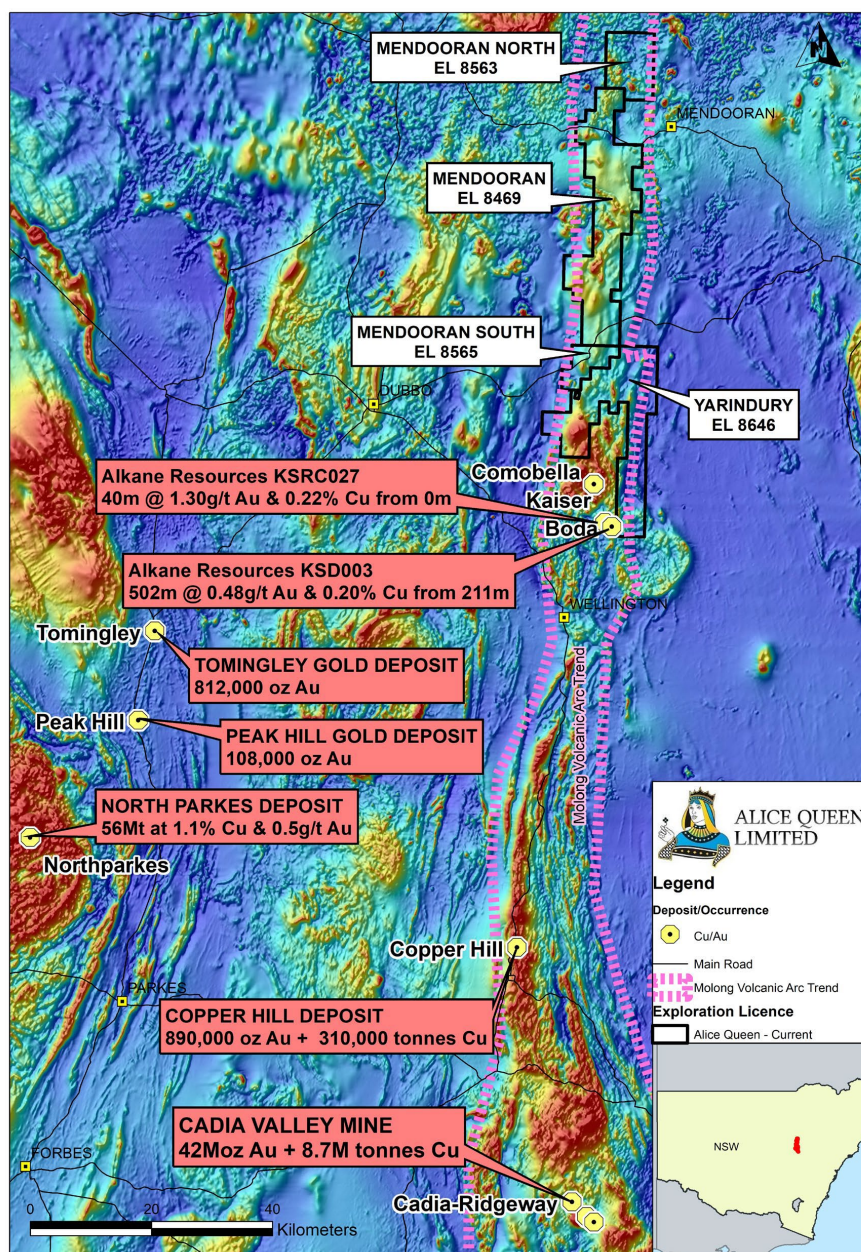


Figure 3: North Molong Belt Projects



DRILLING COMMENCED AT HIGHLY PROSPECTIVE COPPER/GOLD PORPHYRY TARGETS AT YARINDURY

During the quarter, Alice Queen commenced a nine hole 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.

In December, the Company reported that the first three holes had been completed, with cover thickness of ~60m, significantly less than the 200m that had been predicted. The shallow nature of the cover will improve the economic potential of the project if mineralisation is intersected.

Post quarter-end, the Company announced that it had completed eight out of the nine holes, with logging, sampling and assaying all underway. Results are expected in the March quarter.

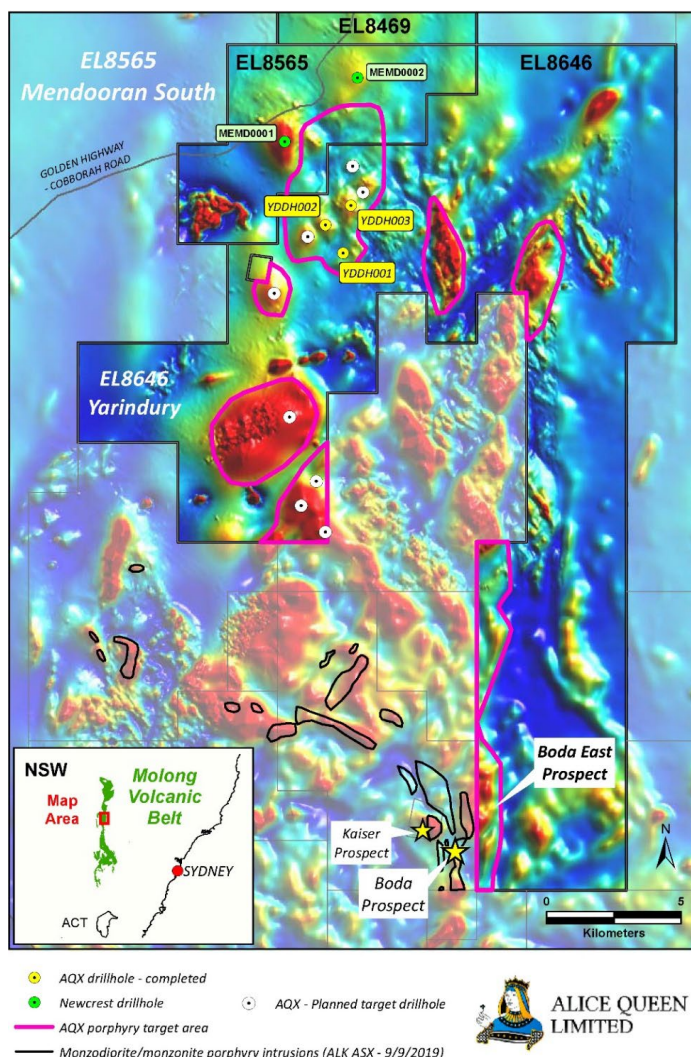


Figure 4: Yarindury drill program and target areas

MARCH QUARTER EVENTS

HORN ISLAND MINERAL RESOURCE AREA DIAMOND DRILLING

As mentioned previously in this report, Alice Queen has commenced a limited PQ diamond core drill program, consisting of 3 holes for 490m to provide a larger sample size from within the existing Mineral Resource to further advance planning for future Mineral Resource drilling, as well as providing sufficient material for bulk ore sorting test work with Tomra.

Results from this program are expected to be announced in the March quarter.

YARINDURY DRILLING PROGRAM TO BE COMPLETED SHORTLY

The Company announced in mid-January that it had completed eight out of a planned 11-hole drill program at Yarindury. This program is expected to be completed shortly with assay results to be reported during the March quarter.



TENEMENT SUMMARY

Tenement	Location	Current Holder*	Interest	Area (Sub Blocks)	Grant Date	Expiry Date
EPM 25520	Queensland	Kauraru Gold Pty Ltd	100%	19	08/10/14	07/10/24
EPM 25418	Queensland	Kauraru Gold Pty Ltd	100%	73	25/01/16	24/01/21
EL8469	New South Wales	Monzonite Metals Pty Ltd	100%	100	30/09/16	30/09/20
EL8563	New South Wales	Monzonite Metals Pty Ltd	100%	28	12/05/17	12/05/21
EL8565	New South Wales	Monzonite Metals Pty Ltd	100%	14	17/05/17	17/05/21
EL8646	New South Wales	Monzonite Metals Pty Ltd	100%	86	12/09/17	12/09/19 (Pending 6-year renewal)
ELA5857	New South Wales	Monzonite Metals Pty Ltd	100%	27	Pending Grant	

* Note: Alice Queen Limited holds an 84.5% equity interest in Kauraru Gold Pty Ltd. Alice Queen Limited holds a 90% equity interest in Monzonite Metals Pty Ltd.

ASX LISTING RULE 5.23 STATEMENT

The information in this ASX Release that relates to the Company's Mineral Resource estimate is extracted from and was reported in the Company's ASX announcement titled "Horn Island Resource Upgrade" dated 2 August 2018, which is available at www.asx.com.au the competent person being Mr. Richard Buerger BSc. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in those announcements continue to apply and have not materially changed. The Company confirms that the form and context of the Competent Person's findings in relation to that Mineral Resource estimate have not been materially modified from the original market announcements.

The information in this ASX Release that relates to Exploration Results is extracted from the report released 28 November 2019, "Horn Island JV Surface Sampling Results", Mr Adrian Hell, BSc competent person which is available at www.asx.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context of the respective competent persons' findings in relation to that report have not been materially modified from the original market announcement.

Authorised for and on behalf of the board

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