



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

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

**INTERIM FINANCIAL REPORT  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**



ALICE QUEEN  
LIMITED

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## CORPORATE DIRECTORY

### Directors

Patrick Gowans  
Non-Executive Chairman  
Andrew Buxton  
Managing Director  
Dale McCabe  
Executive Director  
Anthony McIntosh  
Non-Executive Director

### Company Secretary

Anne Adaley

### Registered Office and Principal Place of Business

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(Entrance Oxford Street)  
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### Auditor

Moore Stephens  
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Melbourne VIC 3000  
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F: +61 3 9608 0192

### Share Register

Computershare Investor Services Pty Limited  
Level 11, 172 St Georges Terrace,  
Perth WA, Australia 6000  
T: 1300 850 505

### Securities Exchange Listing

Australian Securities Exchange  
ASX Code: AQX

# DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

The Directors of Alice Queen Limited present their Report together with the financial report of the consolidated entity (referred to hereafter as the "Group") consisting of Alice Queen Limited (Alice Queen and/or the "Company") and the entities it controlled at the end of, or during, the half-year ended 31 December 2019.

## 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:

Patrick Gowans	Non-Executive Chairman (appointed 3 February 2020)
Andrew Buxton	Managing Director
Dale McCabe	Executive Director (appointed 3 February 2020)
Anthony McIntosh	Non-Executive Director (appointed 3 February 2020)
Phillip Harman	Non-Executive Chairman (resigned 3 February 2020)
Andrew Muir	Non-Executive Director (resigned 3 February 2020)

## Principal Activities

The principal activity of the Company during the reporting period was mineral exploration focused on the development of its projects at Horn Island, Queensland and in New South Wales.

## Review of Operations and Financial Results

### Financial Results

The Group incurred a loss after tax for the reporting period of \$775,741 (2018: \$1,015,329 loss).

### Corporate activities

During the reporting period, Alice Queen raised a combined \$2,416,000 from institutional and sophisticated investors, the details of which were as follows:

- On 4 July 2019, the Company announced the closing of a private share placement (July Placement) to sophisticated investors to raise \$400,000 (before costs) at an issue price of \$0.012 per share. Investors in the July 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, a total of 29,166,667 ordinary shares and 14,583,334 unlisted options were issued under Listing Rule 7.1. As noted in the Company's ASX announcement, the Company received a binding commitment from an investor to subscribe for 4,166,667 July 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 remained a related party for the purposes of the Corporations Act and the ASX Listing Rules). The issue of July Placement shares and July Placement options to Mr Kerr's associate was approved by shareholders at the Annual General Meeting of the Company held on 29 November 2019 and subsequently issued on 20 December 2019. The proceeds from the July 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 (August Placement) to sophisticated investors to raise \$516,000 (before costs) at an issue price of \$0.012 per share. Investors in the August 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 2021. On 20 August 2019, under the August Placement a total of 43,000,000 shares and 21,500,000 million free-attaching options were issued. The August Placement shares were issued under the Company's 10% placement capacity under ASX Listing Rule 7.1A, whereas the free-attaching August Placement options were issued under the Company's 15% capacity under ASX Listing Rule 7.1. Funds raised from the August Placement are intended to be applied to the initial drilling program at Yarindury and working capital requirements of the Company.

# DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

## Review of Operations and Financial Results (continued)

### Corporate activities (continued)

- On 23 September 2019 the Company announced that it had entered into a binding agreement to raise \$1,500,000 through the issue of 50 million ordinary shares at 3 cents per share (September Placement). The September Placement was undertaken at a 10% premium to the last trading price and a 45% premium to the 20-day VWAP. These shares were issued on 26 September 2019 of which 28,016,000 shares were issued under Listing Rule 7.1 and 29,984,000 shares were issued under Listing Rule 7.1A. Funds raised from the September Placement are intended to be applied to exploration activities in New South Wales and otherwise for the working capital requirements of the Company.

Furthermore, during the reporting period, 32,166,664 options were exercised at \$0.02 each raising \$643,333.

### Exploration activities

#### Queensland

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

During the reporting period, a maiden works program was commenced at the Company's Horn Island Project under its joint venture (**JV**) with established gold miner St Barbara Limited (ASX: SBM).

The JV prioritised work programs that would support drill target generation to seek to identify a large-scale Intrusion Related Gold Systems (IRGS). The soils infill program was undertaken to provide additional data for further metal zonation studies, and results showed consistency with a complex structural framework similar to the Horn Island pit deposit observed in the Company's airborne geophysical program completed in October 2018.

This survey targeted the ~2km NW surface strike extension from the current Horn Island gold Mineral 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.

##### Horn Island JV Exploration Focused Northwest of Pit

As part of the target generation program for large-scale 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 (which 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 for an area within the existing Inferred 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.



# DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

## Review of Operations and Financial Results (continued)

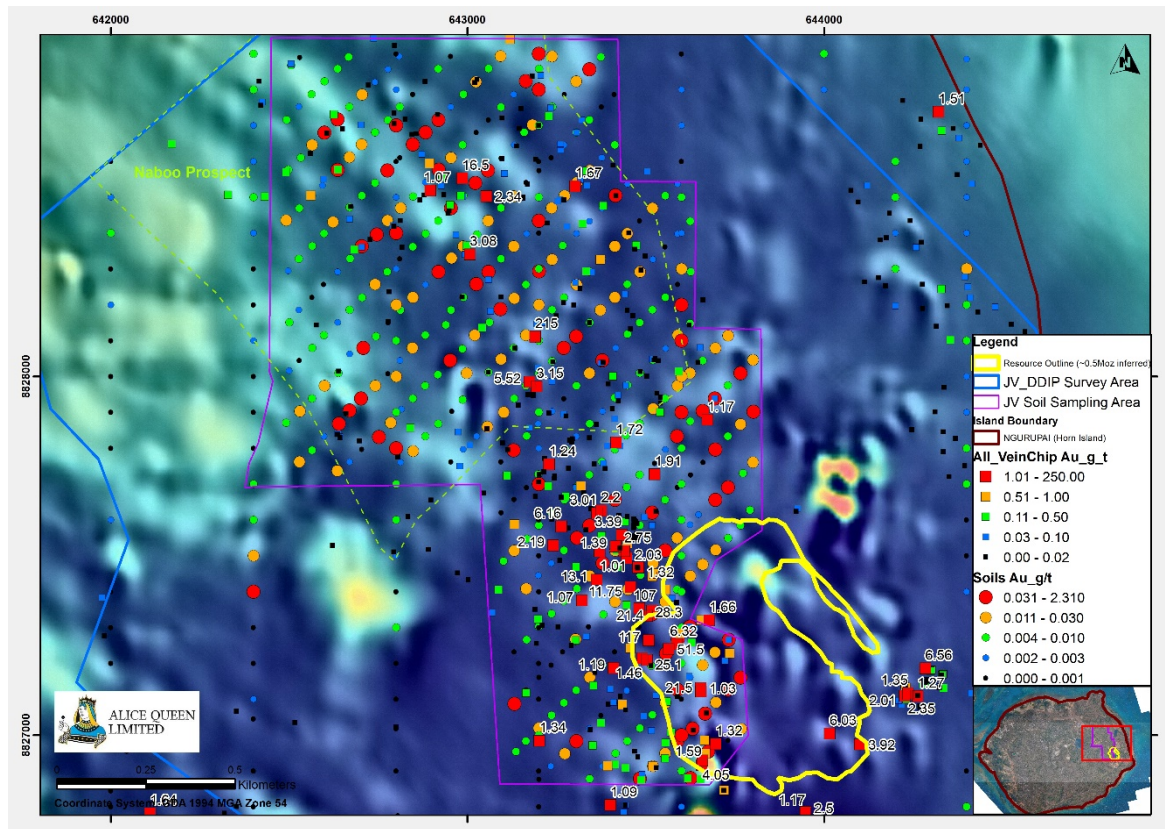


Figure 1. Maiden Horn Island JV soil and rock chip results

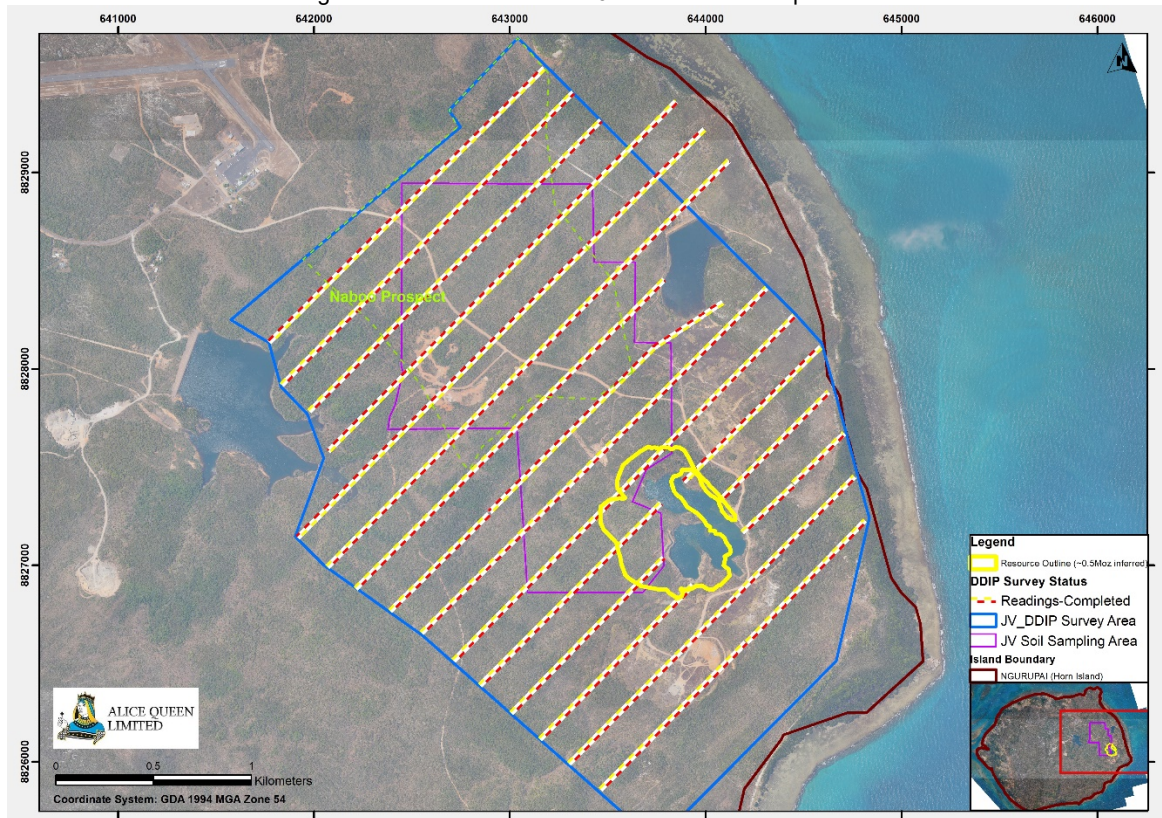


Figure 2: Dipole-Dipole Induced Polarisation (DDIP) survey showing line locations. The DDIP survey covers geochemical survey area (purple outline) and the Horn Island Mineral Resource (yellow outline).

# DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

## Review of Operations and Financial Results (continued)

### **Horn Island Ore Sorting and Mineral Resource Drilling Program Completed**

During the six months to 31 December 2019, preparations were made for the commencement of a limited PQ diamond core drill program, consisting of 3 holes for 540m to provide a larger sample size from within the existing Inferred Mineral Resource to further advance planning for future 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.

### **New South Wales**

#### **Mendooran Tenements EL 8646, EL 8469, EL 8563 and EL 8565 (90% owned)**

##### **Prospectivity of Northern Molong Projects Highlighted**

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

The Boda discovery of 502m at 0.48g/t Au and 0.20% Cu by Alkane Resources Limited [ASX:ALK] 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 tenements in the North Molong, including the Boda East prospect, 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 its Northern Molong projects.



# DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

## Review of Operations and Financial Results (continued)

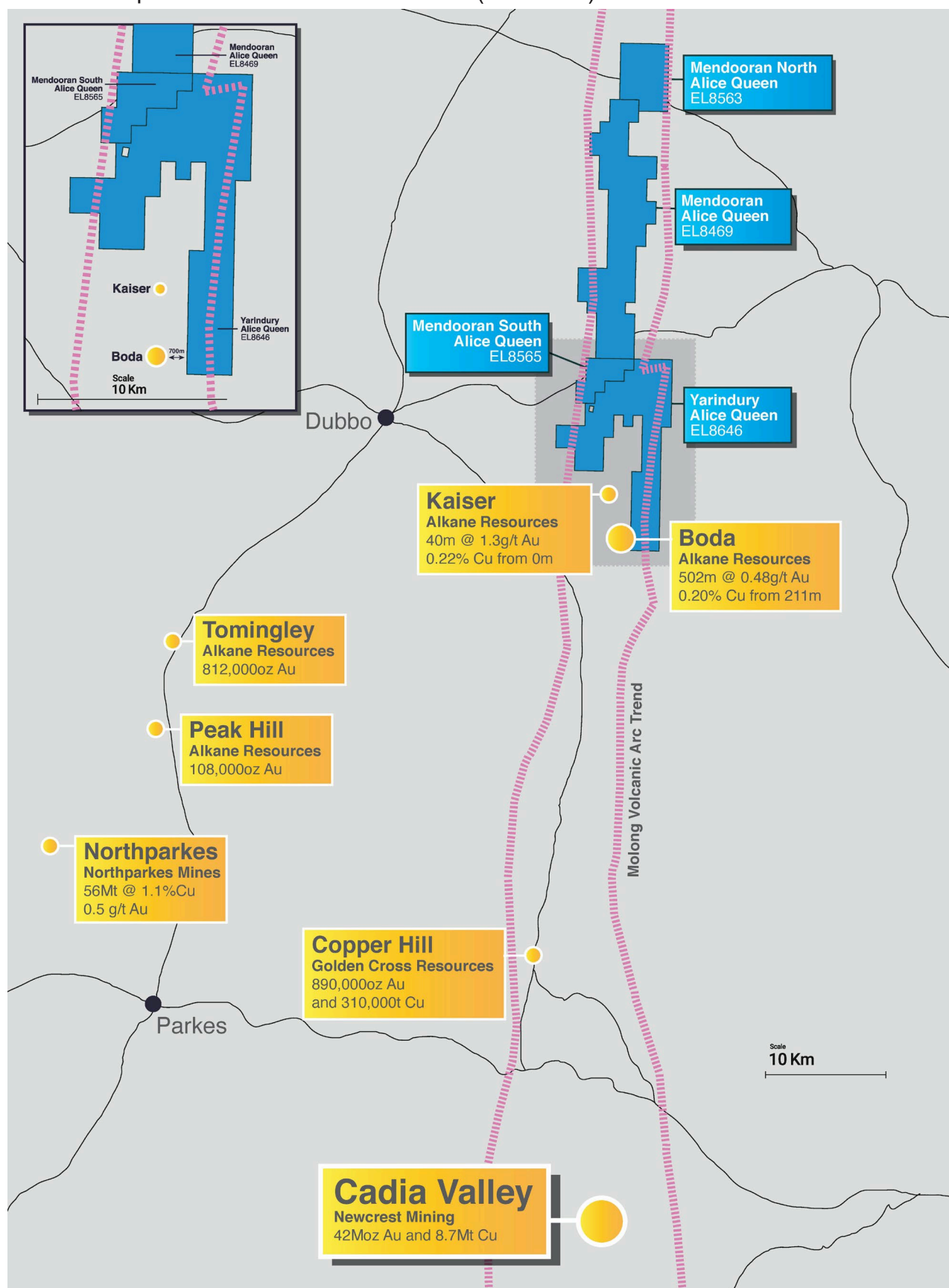


Figure 3: North Molong Belt Projects



# DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

## Review of Operations and Financial Results (continued)

### Preparations for Drilling Highly Prospective Copper/Gold Porphyry Targets at Yarindury

In August 2019, 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 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.

The first phase of target generation resulted in eleven target areas that were previously not drilled. They occur in an area of Yarindury that is expected to have relatively shallow cover, probably less than 200m thick. Deposits at Cadia and North Parkes are being very profitably mined using bulk underground mining methods.

As the Company continued preparations for a 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.

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 possible that significant mineralisation will extend eastwards into EL8646 Yarindury.

### Drilling Commenced at Yarindury

Following this, Alice Queen commenced a nine-hole drilling program at Yarindury, focusing on high-quality porphyry AuCu targets.

In December 2019, 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.

Subsequent to the end of the half-year reporting period, 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 2020 quarter.

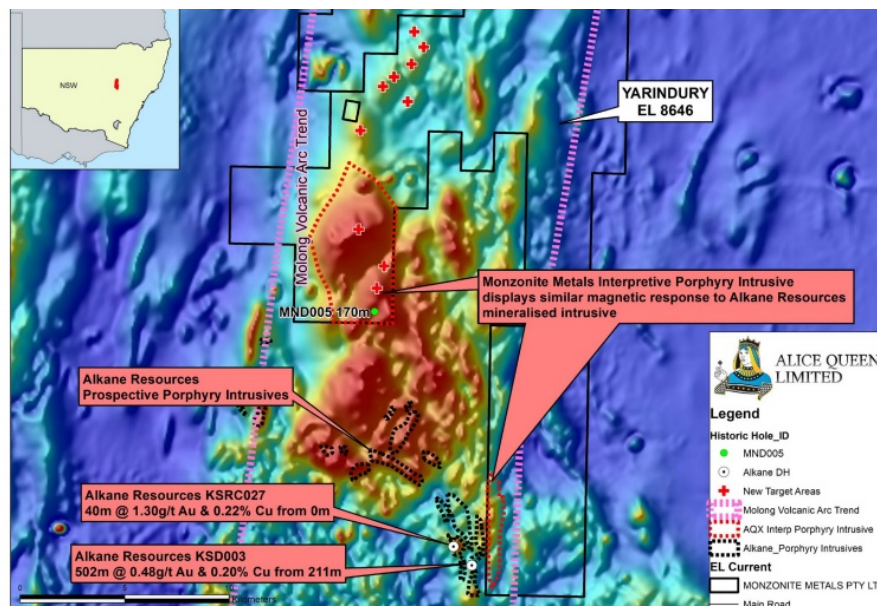


Figure 4. Yarindury airborne mag interpretative porphyry intrusive comparable to Alkane Resources mineralised porphyry intrusive (KSD003) located 700m to west.

# DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

Review of Operations and Financial Results (continued)

## Tenement Summary

Tenement	Location	Current Holder <sup>(i)</sup>	Interest	Area (Blocks)	Grant Date	Expiry Date
EPM 25520	Queensland	Kauraru Gold Pty Ltd	100%	19	08 Oct 2014	07 Oct 2024
EPM 25418	Queensland	Kauraru Gold Pty Ltd	100%	73	25 Jan 2016	24 Jan 2021
EL 8469	New South Wales	Monzonite Metals Pty Ltd	100%	100	30 Sep 2016	30 Sep 2020
EL 8563	New South Wales	Monzonite Metals Pty Ltd	100%	28	12 May 2017	12 May 2021
EL 8565	New South Wales	Monzonite Metals Pty Ltd	100%	14	17 May 2017	17 May 2021
EL8646	New South Wales	Monzonite Metals Pty Ltd	100%	86	12 Sep 2017	12 Sep 2025
ELA5857	New South Wales	Monzonite Metals Pty Ltd	100%	27	(pending grant)	

(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).

## 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](http://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:

- (1) 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](http://www.asx.com.au).
- (2) The report released on 17 October 2018, '*New Intrusion related Gold (IRG) Target Zones Identified Across Horn Island*', Mr Adrian Hell, BSc competent person which is available at [www.asx.com.au](http://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.

## Events Subsequent to Reporting Date

On 19 February 2020, the Company announced the closing of a private share placement (February Placement) to institutional and sophisticated investors to raise \$3.88 million (before costs) at an issue price of \$0.032 per share. On 24 February 2020, 121,487,500 ordinary shares were issued under Listing Rule 7.1. The Placement was led by Evolution Capital Advisors Pty Ltd and BW Equities Pty Ltd, acting as joint lead managers. In connection with their role in the February Placement, in addition to standard capital raising fees, the Company has agreed to issue the joint lead managers an aggregate of 5,000,000 options having a strike price of 5 cents and 5,000,000 having a strike price of 6 cents, all with an expiry date 2 years from the issue date. The issue of those options is subject to shareholder approval to be sought at an upcoming general meeting of shareholders. Funds raised from the February Placement are intended to be applied to exploration in New South Wales and otherwise to the working capital requirements of the Company.

Other than as stated elsewhere in this report, the Directors are not aware of any other matters or circumstances at the date of this report that have significantly affected or may significantly affect the operations, the results of the operations or the state of affairs of the Group in subsequent financial years.

# DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

## Auditor's Declaration

A copy of the auditor's independence declaration as required under s307C of the *Corporations Act 2001* is included on page 12 of this financial report and forms part of this Directors' report.

Signed in accordance with a resolution of the Directors.



Patrick Gowans  
Non-Executive Chairman  
13 March 2020

Moore Stephens Audit (Vic)

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

I declare that, to the best of my knowledge and belief, during the half year ended 31 December 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

13 March 2020

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	NOTE	31 DEC 2019 \$	31 DEC 2018 \$
Revenue from continuing operations		37,073	511
Expenses from continuing operations:			
Administration costs		(265,537)	(204,144)
Compliance costs		(86,581)	(73,082)
Consultancy expenses		(92,004)	(114,986)
Depreciation		(4,838)	(5,748)
Employee benefits, management fees and on costs		(342,746)	(612,780)
Impairment expense		(7,200)	(4,000)
Other costs		(13,908)	(1,100)
Loss before income tax		(775,741)	(1,015,329)
Income tax expense relating to the ordinary activities		-	-
Net loss for the year		(775,741)	(1,015,329)
Loss of non-controlling interest		564	10,871
Loss attributable to parent entity shareholders		(775,177)	(1,004,458)
Other comprehensive income, net of tax		-	-
<b>Total comprehensive loss</b>		<b>(775,177)</b>	<b>(1,004,458)</b>
<b>EARNINGS/LOSS PER SHARE:</b>			
Basic loss per share (cents per share)	12	(0.11)	(0.21)
Diluted loss per share (cents per share)	12	(0.11)	(0.21)

The accompanying notes form part of these financial statements.



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	NOTE	31 Dec 2019 \$	30 June 2019 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		1,316,504	64,619
Trade and other receivables		432,612	62,238
Prepayments		39,302	18,632
<b>Total Current Assets</b>		<b>1,788,418</b>	<b>145,489</b>
<b>Non-Current Assets</b>			
Property, plant & equipment		31,559	31,106
Investments		8,800	16,800
Exploration and evaluation expenditure	10	10,351,304	9,468,539
Security deposits		74,128	66,228
<b>Total Non-Current Assets</b>		<b>10,465,791</b>	<b>9,582,673</b>
<b>Total Assets</b>		<b>12,254,209</b>	<b>9,728,162</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		604,405	350,251
Provision for annual leave		28,822	24,508
<b>Total Current Liabilities</b>		<b>633,227</b>	<b>374,859</b>
<b>Total Liabilities</b>		<b>633,227</b>	<b>374,859</b>
<b>Net Assets</b>		<b>11,620,982</b>	<b>9,353,303</b>
<b>EQUITY</b>			
Share capital	11	18,884,099	16,124,161
Reserves		1,385,411	1,101,929
Minority interest		(137,131)	(136,567)
Accumulated losses		(8,511,397)	(7,736,220)
<b>Total Equity</b>		<b>11,620,982</b>	<b>9,353,303</b>

The accompanying notes form part these financial statements.



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	ISSUED CAPITAL \$	OPTION RESERVE \$	ASSET REVALUATION RESERVE	ACCUMULATED LOSSES \$	NON - CONTROLLING INTEREST \$	TOTAL \$
Balance as at 1 July 2019	16,124,161	1,101,129	800	(7,736,220)	(136,567)	9,353,303
Total loss and comprehensive income for the period	-	-	-	(775,177)	-	(775,177)
Transactions with owners, recorded directly in equity:						
Revaluation of investment	-	-	(800)	-	-	(800)
Option Reserve	-	284,282	-	-	-	284,282
Issue of share capital	3,059,333	-	-	-	-	3,059,333
Transaction with non-controlling interests	-	-	-	-	(564)	(564)
Share issue costs	(299,395)	-	-	-	-	(299,395)
<b>Balance as at 31 December 2019</b>	<b>18,884,099</b>	<b>1,385,411</b>	<b>-</b>	<b>(8,511,397)</b>	<b>(137,131)</b>	<b>11,620,982</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

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

The accompanying notes form part of these financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	31 DEC 2019 \$	31 DEC 2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts in the course of operations	12,844	-
Cash payments in the course of operations	(864,580)	(687,262)
Interest received	579	511
Interest paid	(1,084)	(11)
Net cash used in operating activities	(852,241)	(686,762)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for exploration and evaluation expenditure	(1,003,312)	(835,410)
Payments for plant and equipment	(5,291)	-
Payment for tenement security deposit	(7,900)	(10,000)
Proceeds from joint venture partner	128,441	
Net cash from investing activities	(888,062)	(825,410)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares and exercise of options	3,059,333	1,171,130
Proceeds from the exercise of options	-	-
Payments for share issue costs	(67,145)	(66,000)
Net cash used in financing activities	2,992,188	1,105,130
Net (decrease)/increase in cash held and cash equivalents	1,251,885	(407,042)
Cash and cash equivalents at the beginning of the period	64,619	514,359
Cash and cash equivalents at the end of the period	1,316,504	107,317

The accompanying notes form part of these financial statements.

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 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 half-year ended 31 December 2019. The principal activity of the Group during the financial period was mineral exploration in Queensland and New South Wales.

## 2. General information and basis of preparation

### Statement of Compliance

The condensed interim consolidated financial statements ('the interim financial statements') of the Group are for the six (6) months ended 31 December 2019 and are presented in Australian Dollars which is the functional currency of the Company. These general purpose interim financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 Interim Financial Reporting. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2019 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the *Corporations Act 2001*.

The interim financial statements have been approved and authorised for issue by the Board of Directors on 13 March 2020.

## 3. Significant accounting policies

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2019, except for the adoption of new standards effective as of 1 January 2019. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. Several other amendments and interpretation apply for the first time in 2020, but do not have an impact in the interim financial statements of the Group.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

### New or amended Accounting Standard adopted

AASB 16 Leases replaces AASB 17 Leases and for lessees will eliminate the classification of operating leases and financial leases. Subject to exemptions, a "rights- 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.

AASB 16 Leases became effective for periods beginning on or after 1 January 2019. Accordingly, the Group adopted AASB16 for the first time to the interim period ended 31 December 2019. The operating lease commitments at 30 June 2019, related to the head office tenancy which expires 30 November 2020. There was no material impact on the Group.

## 4. Basis of consolidation

The consolidated financial statements incorporate all of the assets and liabilities of the parent (Alice Queen Limited) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. All controlled entities have a 30 June financial year-end.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

### 4. Basis of consolidation (continued)

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.

### 5. Going concern basis

The Group recorded a loss of \$775,177 for the half year ended 31 December 2019 (31 December 2018: \$1,004,458 loss) and had net operating cash outflows of \$852,241 for the reporting period. The Group had \$1,316,504 available cash at the end of the reporting period and current liabilities of \$633,227 at 31 December 2019. The interim financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the normal course of business.

The ability of the Company to continue as a going concern is dependent upon the Company raising additional capital sufficient to meet the Company's exploration commitments. Should there be no funding available exploration of the areas of interest may be put on hold. The recoverability of the exploration asset is dependent upon the continued exploration of each area of interest. The Directors have prepared a cash flow forecast for the foreseeable future reflecting the continued exploration of its tenements and its non-discretionary administrative expenditure.

The Directors believe it is appropriate to prepare these condensed interim financial statements on a going concern basis because the Directors have an appropriate plan to meet the conditions described above.

As a result, the condensed interim financial statements have been prepared on the basis that the consolidated entity can meet its commitments as and when they fall due and can therefore continue normal business activities. Should the directors not achieve their plan, there is significant uncertainty whether the Company will continue as a going concern and realise its assets in the normal course of business and at amounts stated in the financial report. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

Furthermore, in connection with consideration of the Company's ability to continue as a going concern it is noted that subsequent to half-year end the Company announced the closing of a private share placement to institutional and sophisticated investors to raise \$3.88 million (before costs) at an issue price of \$0.032 per share.

### 6. Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

### 7. Dividends

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





**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

**8. Segment reporting**

During the reporting period, the Company operated predominantly in one operating segment, being mineral exploration. The revenues and profit generated by each of the Group's operating segments and segment assets are summarised as follows:

<b>31 DECEMBER 2019</b>	<b>MINERAL EXPLORATION \$</b>	<b>UNALLOCATED \$</b>	<b>TOTAL \$</b>
<b>REVENUE</b>			
Government Grant	-	-	-
Interest revenue	-	579	579
	-	579	579
<b>RESULTS</b>			
Operating loss before tax	(9,003)	(766,737)	(775,740)
Loss of non-controlling interest	563	-	563
Net loss	(8,440)	(766,737)	(775,177)
Included within segment results:			
Share based payments	-	(52,032)	(52,032)
Segment assets	11,041,025	1,213,184	12,254,209
Segment liabilities	429,904	203,323	633,227
<b>31 DECEMBER 2018</b>	<b>MINERAL EXPLORATION \$</b>	<b>UNALLOCATED \$</b>	<b>TOTAL \$</b>
<b>REVENUE</b>			
Government Grant	-	-	-
Interest revenue	-	511	511
	-	511	511
<b>RESULTS</b>			
Operating loss before tax	(71,626)	(943,703)	(1,015,329)
Loss of non-controlling interest	10,871	-	10,871
Net loss	(60,755)	(943,703)	(1,004,458)
Included within segment results:			
Share based payments	-	(322,895)	(322,895)
Segment assets	9,175,055	221,431	9,396,486
Segment liabilities	774,019	370,025	1,144,044

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

**9. Significant events and transactions**

There were no significant events during the reporting period.

**10. Exploration and evaluation expenditure**

	31 DEC 2019 \$	30 JUNE 2019 \$
<b>Non-producing properties</b>		
Balance at the beginning of the reporting period	9,468,539	8,354,403
Additions	1,247,705	1,114,136
Less: costs reimbursed by joint venture partner	(364,940)	-
Balance at the end of the reporting period	10,351,304	9,468,539

The ultimate recoupment of balances carried forward in relation to areas of interest still in the exploration or valuation phase is dependent on successful development, and commercial exploitation, or alternatively sale of the respective areas. The Group conducts impairment testing on an annual basis unless indicators of impairment are present at the reporting date.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

**11. Issued capital**

	31 Dec 2019	30 June 2019
	\$	\$
810,160,160 (30 June 2019: 651,660,162) fully paid ordinary shares	19,898,914	16,839,581
Shares Issue costs	(1,014,815)	(715,420)
	<b>18,884,099</b>	<b>16,124,161</b>

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

	31 DEC 2019	ISSUE PRICE	31 DEC 2019	30 JUNE 2019	ISSUE PRICE	30 JUNE 2019
	NUMBER	\$	\$	NUMBER	\$	\$
<b>Balance at the beginning of the period</b>	<b>651,660,162</b>		<b>16,124,161</b>	<b>457,479,607</b>		<b>13,319,810</b>
Shares issued during the period and fully paid						
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
05 Jul 2019: Placement	29,166,667	\$0.012	350,000			
20 Aug 2019: Placement	43,000,000	\$0.012	516,000			
26 Sep 2019: Placement	50,000,000	\$0.03	1,500,000			
03 Oct 2019: Exercise of options	13,083,331	\$0.02	261,667			
21 Oct 2019: Exercise of options	11,124,998	\$0.02	222,500			
20 Dec 2019 Exercise of options:	7,958,335	\$0.02	159,167			
20 Dec 2019: Related Party Placement	4,166,667	\$0.012	50,000			
Capital raising costs			(299,395)			(108,357)
<b>Balance at the end of the period</b>	<b>810,160,160</b>		<b>18,084,099</b>	<b>651,660,162</b>		<b>16,124,161</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.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

12. Earnings per share

	31 DEC 2019 \$	31 DEC 2018 \$
Earnings from continuing operations (basic and diluted)	(775,177)	(1,004,558)
Weighted average number of ordinary shares used in calculating basic earnings per share	700,369,178	475,360,429
Weighted average number of ordinary shares used in calculating diluted earnings per share	700,369,178	475,360,429
Basic earnings per shares (cents per share)	(0.11)	(0.21)
Diluted earnings per shares (cents per share)	(0.11)	(0.21)

13. Contingent liabilities

As at the date of this report, the Group is unaware of any contingent assets or liabilities that may have a material impact on the Group's financial position.

14. Events subsequent to reporting date

On 19 February 2020, the Company announced the closing of a private share placement (February Placement) to institutional and sophisticated investors to raise \$3.88 million (before costs) at an issue price of \$0.032 per share. On 24 February 2020, 121,487,500 ordinary shares were issued under Listing Rule 7.1. The Placement was led by Evolution Capital Advisors Pty Ltd and BW Equities Pty Ltd, acting as joint lead managers. In connection with their role in the February Placement, in addition to standard capital raising fees, the Company has agreed to issue the joint lead managers an aggregate of 5,000,000 options having a strike price of 5 cents and 5,000,000 having a strike price of 6 cents, all with an expiry date 2 years from the issue date. The issue of those options is subject to shareholder approval to be sought at an upcoming general meeting of shareholders. Funds raised from the February Placement are intended to be applied to exploration in New South Wales and otherwise to the working capital requirements of the Company.

Other than as stated elsewhere in this report, the Directors are not aware of any other matters or circumstances at the date of this report that have significantly affected or may significantly affect the operations, the results of the operations or the state of affairs of the Group in subsequent financial years.



ALICE QUEEN  
LIMITED

## DIRECTORS' DECLARATION

In the opinion of the directors of Alice Queen Limited:

- a The consolidated financial statements and notes of Alice Queen Limited are in accordance with the *Corporations Act 2001*, including
  - i. Giving a true and fair view of its financial position as at 31 December 2019 and of its performance for the half year ended on that date; and
  - ii. Complying with Australian Accounting Standard AASB 134 Interim Financial Reporting; and
- b There are reasonable grounds to believe that Alice Queen Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

Patrick Gowans

Non-Executive Chairman

13 March 2020



Moore Stephens Audit (Vic)

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

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the accompanying half-year financial report of Alice Queen Limited (**the company**) and controlled entities (**the group**), which comprises the condensed statement of financial position as at 31 December 2019, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity, the condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- b. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Material Uncertainty Related to Going Concern

We draw attention to Note 5 in the financial statements, which identifies that during the period ended 31 December 2019 the Group incurred a net loss of \$775,177 and that the Group had net operating cash outflows of \$852,241 for the reporting period. As stated in Note 5, these events or conditions, along with other matters as set forth in Note 5, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern including realising their assets and extinguishing their liabilities in the normal course of business and at amounts stated in the financial report. Our opinion is not modified in respect of this matter.

#### Directors' Responsibility for the Half-Year Financial Report

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

## Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410: *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including:

- a. giving a true and fair view of the Group's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and
- b. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.


## Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if provided to the directors as at the time of this auditor's review report.



**MOORE STEPHENS AUDIT (VIC)**

ABN 16 847 721 257



**ANDREW JOHNSON**

**Partner**

**Audit & Assurance Services**

Melbourne, Victoria

13 March 2020