



QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 JUNE 2020

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 June 2020.

HIGHLIGHTS FOR THE QUARTER

- FY20 exploration program at Horn Island JV delivered solid results
- St Barbara Limited (ASX:SBM) confirmed FY21 work program on the Horn Island JV, with up to \$2 million expenditure to focus on drill testing two high priority targets near the existing Horn Island gold Resource
- Resumed drilling at Yarindury Project in the northern Molong Belt - anticipated completion early August
- Offer documents received confirming the NSW New Frontiers, Cooperative Drilling Program Grant of \$200k for Mendooran Project
- Confirmation received that the Review of Environmental Factors (REF) for the Goonoo Goonoo State Conservation Area has been positively determined
- The Company remains in a strong financial position with circa \$3M in cash

PROJECTS

ONGOING ACTIVITIES AT HORN ISLAND AND NORTHERN MOLONG PROJECTS

During the reporting period, Alice Queen continued its 2020 exploration programs with drilling undertaken at both its Horn Island Gold Project in far-north Queensland and at its Yarindury and Boda East Copper-Gold Project in New South Wales.

Alice Queen's strategy for increasing shareholder value in 2020 is predominantly centred around its Horn Island and Northern Molong projects.

At Horn Island, St Barbara Limited (**ASX: SBM**) continues to earn into the project (through a joint venture (JV) agreement entered in 2019) via exploration for large-scale gold mineralisation. Alice Queen is also managing a parallel process to progress the Horn Island pit Resource (JV Excluded Zones) towards Indicated Resource status.

Following the recent success by Alkane Resources Limited (**ASX: ALK**) with its discovery at Boda within the Northern Molong Belt, the Company continues to ramp up exploration activities across its Northern Molong projects, which include the Yarindury and Boda East assets.



Figure 1. Alice Queen Project Location Map

ST BARBARA LIMITED CONFIRMS FY21 HORN ISLAND WORK PROGRAM

At the end of the June 2020 quarter, JV partner St Barbara confirmed plans to complete a FY21 work program on the Horn Island JV, located in the Torres Strait, North Queensland.

Following up on the success of the recently completed FY20 exploration program and meeting its first year minimum expenditure requirement of \$500,000, a staged FY21 work program with expenditure of up to \$2 million will focus on drill testing two high priority targets near the existing Horn Island gold Resource (~0.5Moz Au JORC inferred).

The results from the FY20 JV exploration program which included a soil (407) and rock chip (176) sampling program followed by a ground dipole-dipole induced polarization (DDIP) survey, highlighted several coincident geophysical - geochemical targets with an Intrusion Related Gold System (IRGS) and pathfinder (Cu-Pb-Zn-Ag-As-Sb) signature (Figure 2).

The two main targets, Tatooine and Naboo (Figure 2), are located near the Horn Island gold Resource (~0.5Moz gold JORC inferred) and will be the primary focus of a staged diamond drill program of up to 14 holes up to 4,500m.

Regional exploration will include an airborne geophysical survey, satellite hyperspectral analysis and subject to access, field mapping and surface sampling.



DIPOLE-DIPOLE SURVEY RESULTS RELEASED FOR HORN ISLAND

During the reporting period, Alice Queen announced results of the DDIP survey at Horn Island (refer to ASX Announcement 20 April 2020). The DDIP results, in combination with soil (407) and rock-chip (176) geochemical survey results, have highlighted several coincident geophysical-geochemical targets with an IRG and pathfinder (Cu-Pb-Zn-Ag-As-Sb) signature. The two main targets (Tatooine and Naboo) are near the Horn Island gold Resource.

The DDIP survey area surrounds the Horn Island Gold Resource and extends northwest to also cover the Naboo Prospect and surrounds, covering an approximate total area of 7.5km². The DDIP survey area had previously been covered by a 50m x 100m soil and rock chip sampling program (refer to ASX Announcement 28 November 2019 titled Horn Island JV Surface Sampling Results) which highlighted surface gold and IRG pathfinder element anomalism. The DDIP survey was completed by Fender Geophysics with data processing and preliminary interpretations completed by independent geophysical consultant Resource Potentials Pty Ltd.

The DDIP survey totalled 28.4 survey line km on 15 NE-SW orientated traverse lines spaced 200m apart with four of the survey lines extending across the Horn Island gold Resource. The survey defined an IP chargeability anomaly that corresponds with the Horn Island Gold Resource. This provides encouragement that the larger IP chargeability anomaly extending to the northwest represents a promising sulphide target (Figure 2).

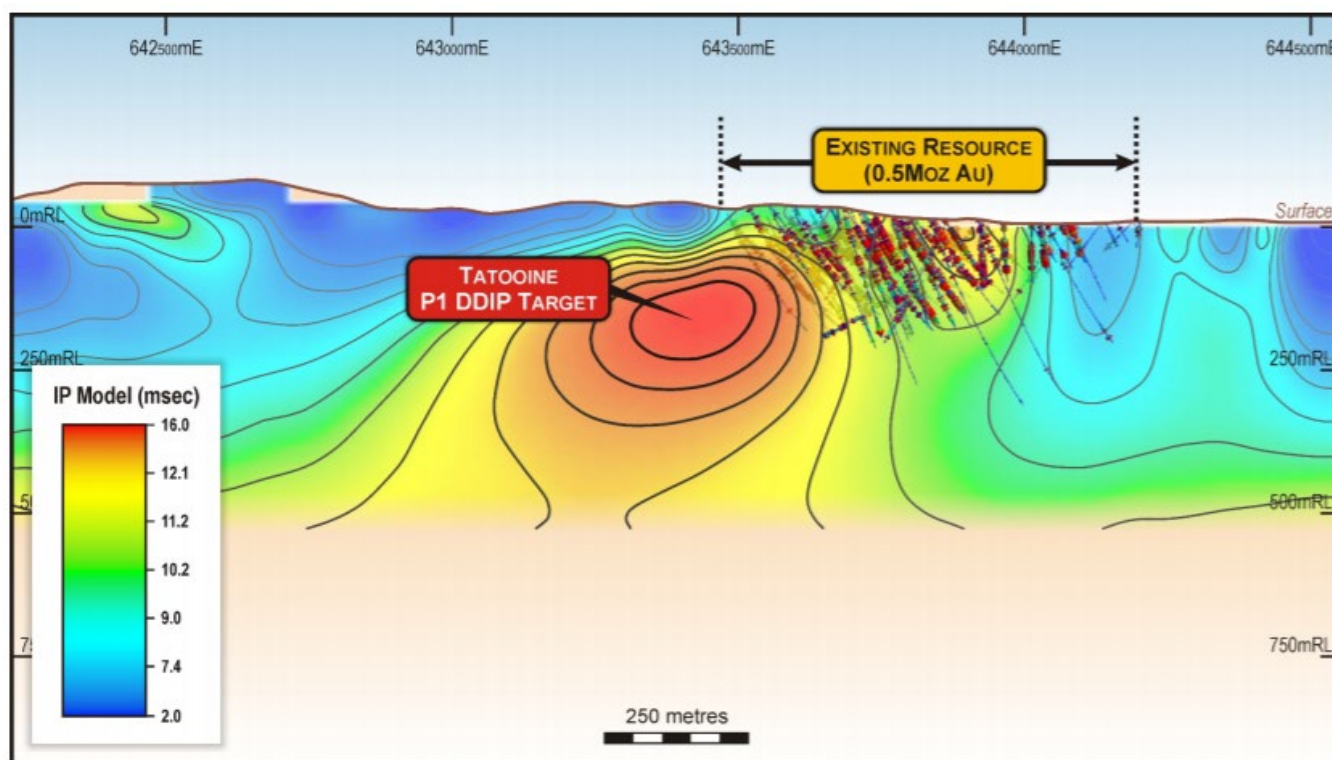


Figure 2: Schematic E-W cross section of depth modelled P1 DDIP chargeability target [Tatooine], which plunges towards the SW immediately west of the Horn Island Gold Resource.

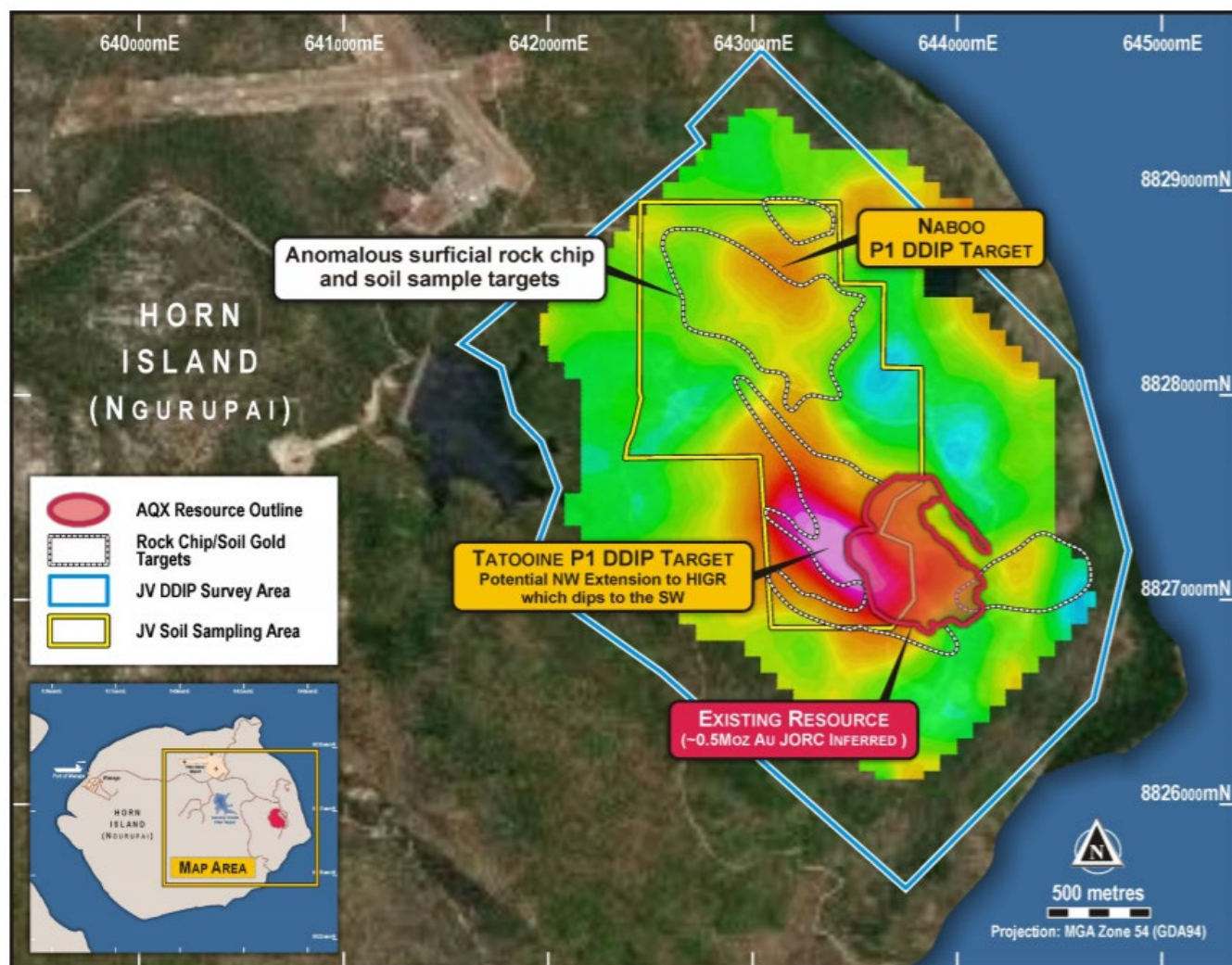


Figure 3: P1 DDIP chargeability anomalies at 180mbs generated from 3D inversion modelling, with outlines of combined surface soil and rock chip gold target areas (red outlines) and Horn Island Gold Resource (red outline).

Several lower ranked chargeability anomalies were also identified across the survey area and are typically defined by narrower or shallow DDIP chargeability anomaly trends. These anomalies often display a significant strike extent and correlate with surface vein structural trends, or aeromagnetic demagnetised structural zones, which are interpreted to represent structures that acted as primary fluid zones for potential gold mineralisation. Although these DDIP targets appear narrow, shallow or display limited strike extent, they may be of importance and warrant further investigation.



ABOUT THE HORN ISLAND ST BARBARA JOINT VENTURE

On 5 June 2019 the Company announced that it had entered into a joint venture (JV) with Australian listed mid-tier gold producer, St Barbara Limited (SBM).

An overview of certain key terms of the JV is set out below, further details are contained in the Company's ASX announcement dated 5 June 2019 titled "Alice Queen Executes Earn-In and Joint Venture Agreement with St Barbara".

- SBM to spend \$4.0m over three years to earn 70% of areas outside of the Excluded Zones.
- Excluded Zones are the existing Inferred Resource (approx. 0.5Moz Au [1]). The historic mine infrastructure which includes certain road areas and decant water dam, the historic waste dumps, low grade ore stockpiles, ROM pad and all alluvial gold across Horn Island to a depth of 5 metres below surface (Figure 4).
- SBM must spend \$500k in the first year of the JV.
- SBM has an option to purchase all or part of the Excluded Zones at "fair value" post it spending the \$4.0m and electing to move to 70%.
- AQX, via its subsidiary, Kauraru Gold Pty Ltd, has the right to continue with its 30% share of further expenditure to maintain its equity position through to production.
- SBM achieved the Year 1 minimum expenditure requirement of \$500,000 in February 2020.

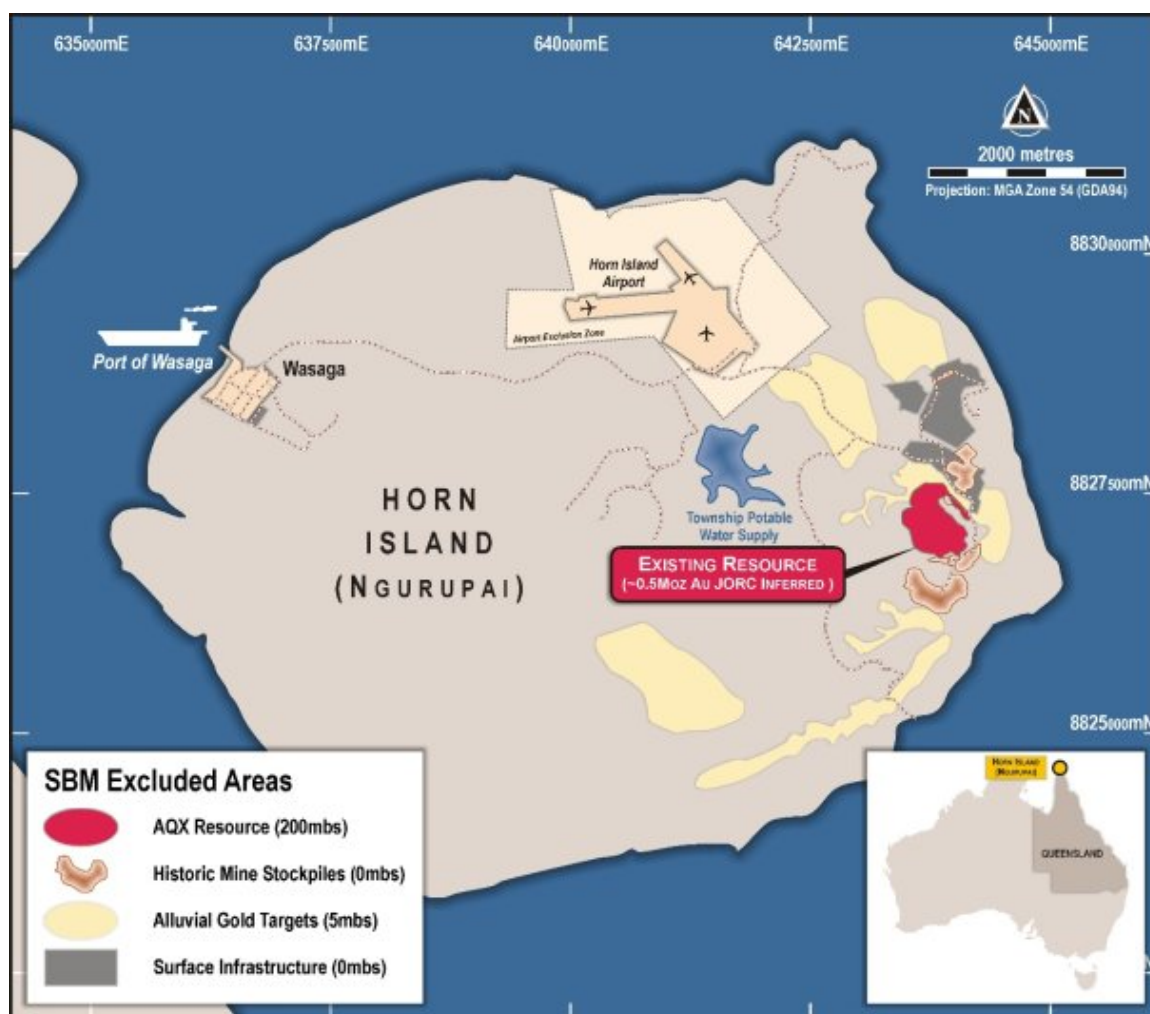


Figure 4. Horn Island St Barbara Joint Venture and Excluded Areas illustration.



YARINDURY –RESULTS FROM WOODLANDS PROSPECT

During the June quarter, Alice Queen released further results from a 6-hole, 1,814.2m reconnaissance mud rotary-diamond drilling program on its highly prospective Yarindury Project (EL8646) in New South Wales, which covers 125 km² of Ordovician basement rocks belonging to the Northern Molong Volcanic Belt, which hosts Alkane's Boda prospect. This program covered the Woodlands, Muronbung Park and Forest View anomalies (refer to ASX Announcement released 27 April 2020).

The Woodlands anomaly returned:

- Chalcopyrite-prehnite-epidote patches at 311.5m and a complex garnet-bearing vein at 312.55m, interpreted as distal skarnoid at the bottom of 20YDDH008
- Chalcopyrite-bornite-epidote spotting in a basaltic dyke: 217-220m in 20YDDH009
- A Late Ordovician shoshonitic biotite-hornblende bearing monzonite in 20YDDH007

The Woodlands anomaly is a northwest trending magnetic high crosscut by a northeast striking fault. The target area was tested by three holes 20YDDH007-9 all of which intersected basement between 148-191m deep. The holes returned intermediate volcanoclastic rocks crosscut by mafic to intermediate intrusions. Indicators of porphyry Cu-Au potential were identified, such as:

- Disseminated chalcopyrite-prehnite-epidote patches (1m @ 0.23% Cu from 311m in 20YDDH008) with an adjacent garnet-bearing complex vein at 312.55m at bottom of hole hosted by hornblende gabbro. These features are interpreted as being distal skarnoid related.
- A porphyritic basalt dyke returned 3m @ 0.16% Cu from 217m in 20YDDH009. The copper is contained in chalcopyrite-bornite patches with epidote selvages.
- ~50m thick (true width) intersection of shoshonitic biotite-hornblende bearing monzonite in 20YDDH007. A Late Ordovician age (447.9 ± 5.98 Ma) was determined for the monzonite by U-Pb laser ablation analyses of zircon grains from a single half core sample located 288.7m down hole. Late Ordovician shoshonitic intrusions are key targets in the Macquarie Arc.

The results from Woodlands are encouraging in that the first drill program for the Company has returned mineralisation and mineralogical indicators of Cu-Au porphyry potential. This potential is not surprising considering porphyry Cu-Au mineralisation hosted by monzonite occurs 5km south of the tenement in the Comobella intrusive complex at Glen Hollow. Regional magnetic imagery suggests that Woodlands is a covered and largely unexplored extension of the host rocks that are exposed in that southern region.

The Forest View anomaly is a single 800 m x 400 m prominent magnetic high which is interpreted to reside on 5 km long north-northwest striking structure. A single vertical hole 19YDDH006 was drilled to 414.6m to test the basement anomaly. The hole was stopped prior to reaching basement however Alice Queen intends to extend this hole in further drilling programs.

The Muronbung Park anomaly lies in the north western portion of EL8646 and contains a series of rhomboidal magnetic anomalies which are offset by northeast and northwest striking faults. Three holes (19YDDH001-3) were previously reported. Two further holes have now been drilled (19YDDH004-5). 19YDDH004 reached basement at 74m. The hole returned intermediate intrusions and volcanoclastic rocks. No significant results were returned. YDDH005 was terminated at 120.3 m in porphyritic andesite.



DRILLING UNDERWAY AT YARINDURY

Following the results from the Woodlands Prospect, Alice Queen resumed drilling at Yarindury Project.

- Bullaburra
- Woodlands (extend 20YDDH008)
- Forest View (extend 19YDDH006)

This drill program is expected to be completed in early August, with assay results and petrography to be released shortly thereafter.

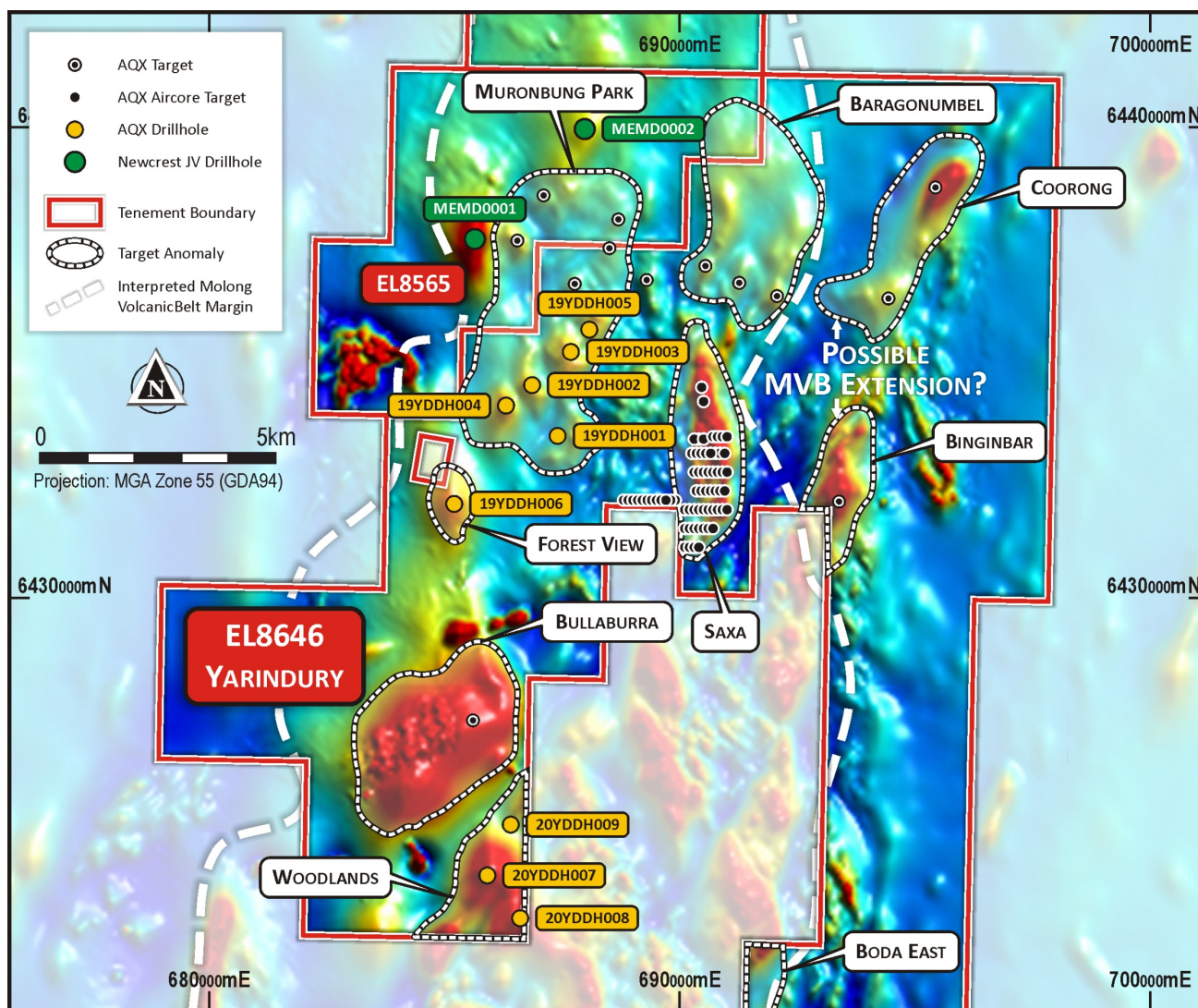


Figure 5. Magnetic image of EL8646 showing the target areas to be drilled during the current campaign including Bullaburra, Woodlands, Forest View and Boda East

As reported, nine mud rotary-diamond drill holes were completed on EL8646, Yarindury, during the 2019-2020 Spring-Summer period. Encouraging signs of fertile porphyry Cu-Au systems, such as distal garnet-bearing skarnoid, chalcopyrite mineralisation, intermediate volcanoclastic host rocks and intrusions and a Late Ordovician shoshonitic monzonite were encountered.

During the intervening period follow-up drilling has been planned and permitted to progress the exploration of this highly prospective licence area.



ALICE QUEEN LIMITED

Bullaburra is a prominent elliptical magnetic anomaly with 4km x 2km dimensions in plan and a deep residual magnetic signal. Vertical mud rotary-diamond holes are proposed to test the core of this significant anomaly.

Woodlands is a complex magnetic anomaly which is interpreted as the northern continuation of the Comobella Intrusive Suite. Drilling in the last campaign intersected distal skarnoid and chalcopyrite mineralisation and a suite of mafic to intermediate intrusions as well as a Late Ordovician (447.9 ± 5.98 Ma) monzonite.

Hole 20YDDH008 was drilled to 312.6m with encouraging alteration and mineralisation at the very bottom of the hole. This hole will be extended during the current campaign. An angled, south west directed hole, located 140m to the south southeast of 20YDDH008 is also planned to test across the magnetic strike of the anomaly.

At the Forest View anomaly, the recently completed drill hole 19YDDH006 was drilled to 414.6m to test the basement anomaly, however it did not reach the target anomaly. Alice Queen plans to extend the hole by a further 200m to investigate the source of the basement.

After testing the Bullaburra, Woodlands and Forest View anomalies, the drilling rig will mobilise to Boda East where two 600m long west dipping diamond holes are planned to test Ordovician basement for Cu-Au mineralisation. These holes are the start of campaign work in the area for the Company and will inform a future more comprehensive work program in the Boda East target area.

MENDOORAN

During the reporting period, Alice Queen received written confirmation from the NSW National Parks and Wildlife Service (NPWS), that the Review of Environmental Factors (REF) for the Goonoo Goonoo State Conservation Area had been positively determined.

Eight large-scale Cu-Au targets of the Molong Volcanic Belt remain untested within the boundary of the Goonoo Goonoo State Conservation Area, which is an area that has never been drilled.

The Company commenced work on the REF in 2017, completing and submitting to the NPWS in late 2019. Alice Queen is moving forward to finalise access.

During the reporting period, ministerial consent for access to the Goonoo Goonoo State Conservation Area was also received, thus paving the way for exploration drilling in that area for the first time ever.

CORPORATE

During the June quarter a total of \$173,342.00 was paid to related parties and their associates which is comprised of non-executive director fees, executive director salaries and superannuation contributions. The Company remains in a strong financial position with circa \$3M in cash.



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	12/09/25
EL8985	New South Wales	Monzodiorite Pty Ltd	100%	27	16/06/20	28/05/26

* 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.

END NOTES

- The information related to the Company's inferred mineral resource is extracted from the Company's ASX announcement titled "Horn Island Gold Project Inferred Resource Upgrade" dated 2 August 2018 and included a Competent Person's Statement from Mr Richard Buerger, BSc. The Company confirms that it is not aware of any new information or data which materially affects the information included in the original market announcement and all material assumptions and technical parameters underpinning the inferred resource estimate in the original market announcement continue to apply and have not materially changed.
- The information contained in this announcement related to the Company's past exploration results is extracted from, or was set out in, the following ASX announcements:
 - "Horn Island St Barbara JV IP Survey Results" released by the Company on 20 April 2020, which included a Competent Person's Statement from Mr Adrien Hell BSc (Hon);
 - "Horn Island JV Surface Sampling Results" released by the Company on 28 November 2019, which included a Competent Person's Statement from Mr Adrien Hell BSc (Hon); and
 - "Porphyry Copper-Gold Encouragement for Yarindury" released 27 April 2020, which included a Competent Person's Statement from Dr Jeff Vassallo.

The Company confirms that it is not aware of any new information or data which materially affects the information included in the original market announcements.

Authorised for and on behalf of the board

Andrew Buxton

Managing Director, Alice Queen Limited

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Alice Queen Limited

ABN

71 099 247 808

Quarter ended ("current quarter")

30 June 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers	-	-	-
1.2 Payments for			
(a) exploration & evaluation (if expensed)	-	-	-
(b) development	-	-	-
(c) production	-	-	-
(d) staff costs	(239)	(1,099)	
(e) administration and corporate costs	(38)	(937)	
1.3 Dividends received (see note 3)	-	-	-
1.4 Interest received	-	1	
1.5 Interest and other costs of finance paid	-	(1)	
1.6 Income taxes paid	-	-	-
1.7 Government grants and tax incentives	-	-	-
1.8 Other – Management fees for services provided to joint venture partner	24	36	
1.9 Net cash from / (used in) operating activities	(253)	(2,000)	

2. Cash flows from investing activities			
2.1 Payments to acquire:			
(a) entities	-	-	-
(b) tenements	-	(33)	
(c) property, plant and equipment	(7)	(12)	
(d) exploration & evaluation (if capitalised)	(535)	(2,047)	
(e) investments	-	-	-
(f) other non-current assets	-	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other - Proceeds from joint venture partner	-	365
2.6	Net cash from / (used in) investing activities	(542)	(1,727)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	6,304
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	643
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(339)
3.5	Proceeds from borrowings	-	-
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	-	6,608

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,740	64
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(253)	(2,000)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(542)	(1,727)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	6,608

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,945	2,945

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	2,945	3,740
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,945	3,740

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

173

-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Includes Fees paid to Executive and Non-Executive Directors and superannuation where applicable.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-

7.5	Unused financing facilities available at quarter end	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(253)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(535)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(788)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	2,945
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	2,945
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	3.73

8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:
	1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? <div style="border: 1px solid black; padding: 5px; margin-top: 5px;">Not Applicable</div>
	2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? <div style="border: 1px solid black; padding: 5px; margin-top: 5px;">Not Applicable</div>
	3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? <div style="border: 1px solid black; padding: 5px; margin-top: 5px;">Not Applicable</div>

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.

Date: 24 July 2020

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.