



29 January 2016

ASX Code: AQX

**Projects**

QLD:

Ngurupai (Horn Island) - EPM 25520

Kaiwalagal – EPM 25418

NSW:

Looking Glass – EL 8225

Mendooran – ELA 5207

**Capital Structure:**

Ordinary Shares on issue 193m

**Substantial Shareholders:**

Andrew Buxton	13.3%
Mark Kerr	10.5%
Monzonite Investments	9.7%
Maplefern Pty Ltd	9.0%
Finico Pty Ltd	5.2%
Top 20	64.87%

**Board & Management:**

Bruce Fulton  
Non-Executive Chairman

Andrew Buxton  
Managing Director

John Holliday  
Non-Executive Director

Mark Kerr  
Non-Executive Director

Jeff Williams  
Non-Executive Director

Phillip Harman  
Non-Executive Director

Anne Adaley  
Company Secretary & CFO

**Alice Queen Limited**

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## QUARTERLY REPORT FOR PERIOD ENDED 31 DECEMBER 2015

Alice Queen Limited (AQX:ASX) (“**Alice Queen**” or “**the Company**”), is pleased to announce its quarterly activities report for the period ended 31 December 2015.

**Highlights**

- **On 14 October 2015, the Company was suspended from trading, on ASX, while it satisfied the requisite conditions of the Binding Terms Sheet (announced top ASX on 12 March 2015) to undertake a reverse takeover of Callabonna Resources Limited in an all scrip transaction.**
- **On 13 November 2015, the Company completed its reverse take-over of Callabonna Resources Limited (“Callabonna”), after raising \$3.5M, achieving the requisite spread of shareholders and satisfying all other ASX conditions for re-compliance with the listing rules.**
- **On 23 November 2015 the Company was reinstated to the Official List.**
- **On 14 December 2015, the Company commenced its drilling program (14 diamond core holes for 3,000 metres) at the abandoned Horn Island (Ngurupai) Gold Mine.**
- **At 31 December 2015, the Company had completed two diamond core holes at Horn Island (Ngurupai).**
- **Drilling of holes 3-6 are now complete and core from holes 3 and 4 have been despatched to the assay laboratory.**



### **Reverse Takeover of Callabonna Resources Limited**

In March 2015, the Company announced that it had entered into a Binding Terms Sheet to undertake a reverse takeover of Callabonna Resources Limited. The two companies had been working together for some time previously to explore various opportunities but it was not until early in 2015 that the option of joining forces on the further exploration of the abandoned Horn Island (Ngurupai) Gold Mine became a realistic option.

Callabonna Resources Limited (which was subsequently renamed Alice Queen Limited after completion of the transaction) issued a prospectus on 28 August 2015 for the issue of 63,636,364 new shares to raise \$3.5m. A number of other conditions precedent pursuant to the Binding Terms Sheet needed to be satisfied along with the standard conditions that ASX has for compliance with the listing rules and readmission to the Official List.

### **Completion of Transaction**

On 13 November 2015, the Company completed the \$3.5M capital raising and achieved the requisite shareholder spread. Accordingly, the proposed transaction with Callabonna was completed, the company's name was changed, and Alice Queen made an application to ASX to be reinstated to the Official List.

### **Reinstatement to the Official List**

With all the preconditions now satisfied, ASX approved the relisting, and on Monday 23 November 2015, Alice Queen Limited began trading on ASX with the code AQX.

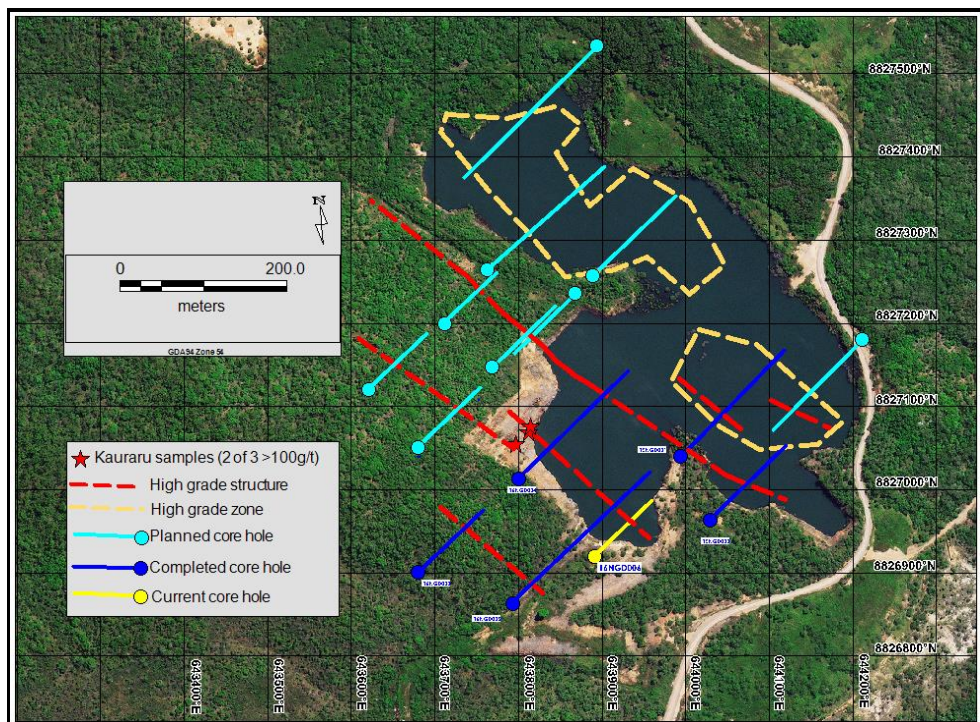
### **Drilling on Horn Island (Ngurupai)**

The Company announced to ASX the commencement of its maiden drilling program at Horn Island (Ngurupai) on 2 December 2015. This program is the first drilling to take place at Ngurupai in more than 25 years. The former Horn Island Gold Mine area was placed under a Queensland Government Restriction (RA295) that precluded any exploration or mining activities. RA295 was placed over the entire island in 1991 after the previous operator could not fulfil its environmental obligations with regard to the rehabilitation of the site.

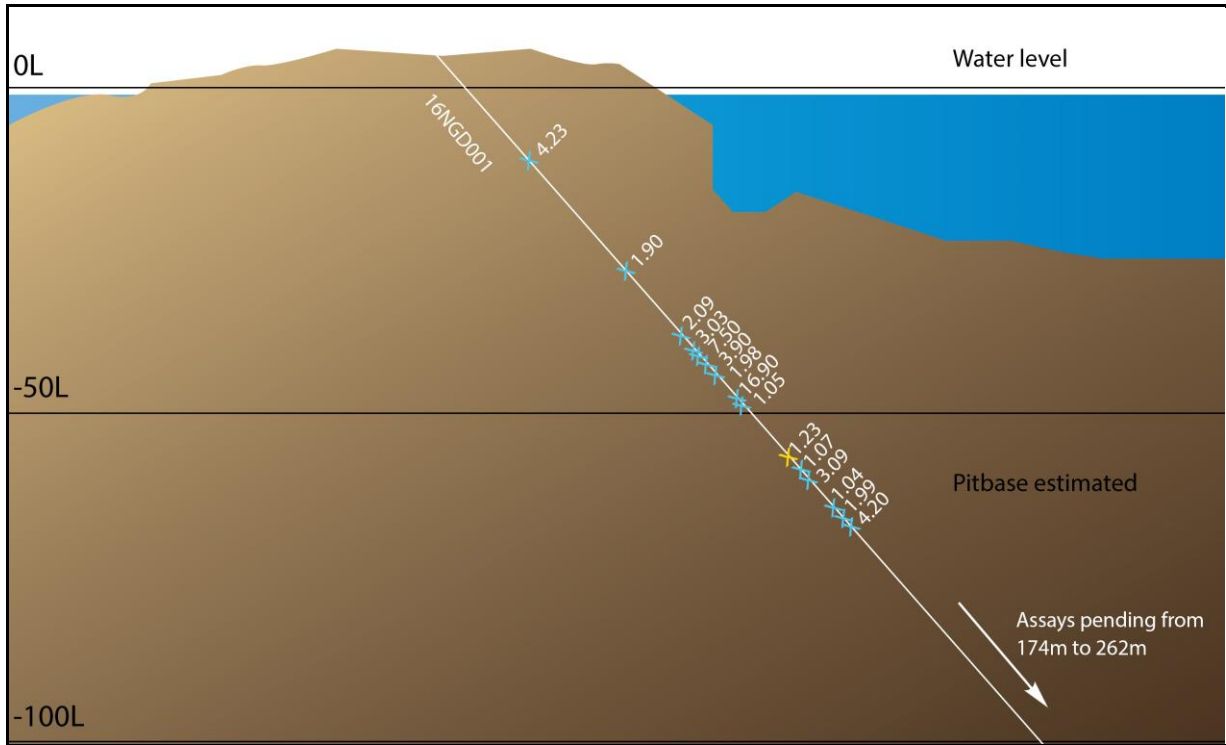
Alice Queen’s planned, 14 hole 3,000m diamond core (HQ3), program aims to determine the continuity and style of mineralisation to a depth of approximately 180 metres below surface. This is roughly three times as deep again as the previous 1980’s drilling. The previous operator conclusively drilled only to 40-50 metres below surface and reportedly only 25% of the area that is understood to be mineralised, thus the Company believes there is significant scope to expand the known mineralised area both laterally and to depth.

Drill pads and tracks, along with a core farm, were prepared in the last week of November 2015 and the first core was produced in the first week of December 2015. The first two holes were completed before Christmas and assay results for those holes have now been released to ASX (See ASX announcement made on Friday 22 January 2016). The highlights from those results can be summarised as follows:

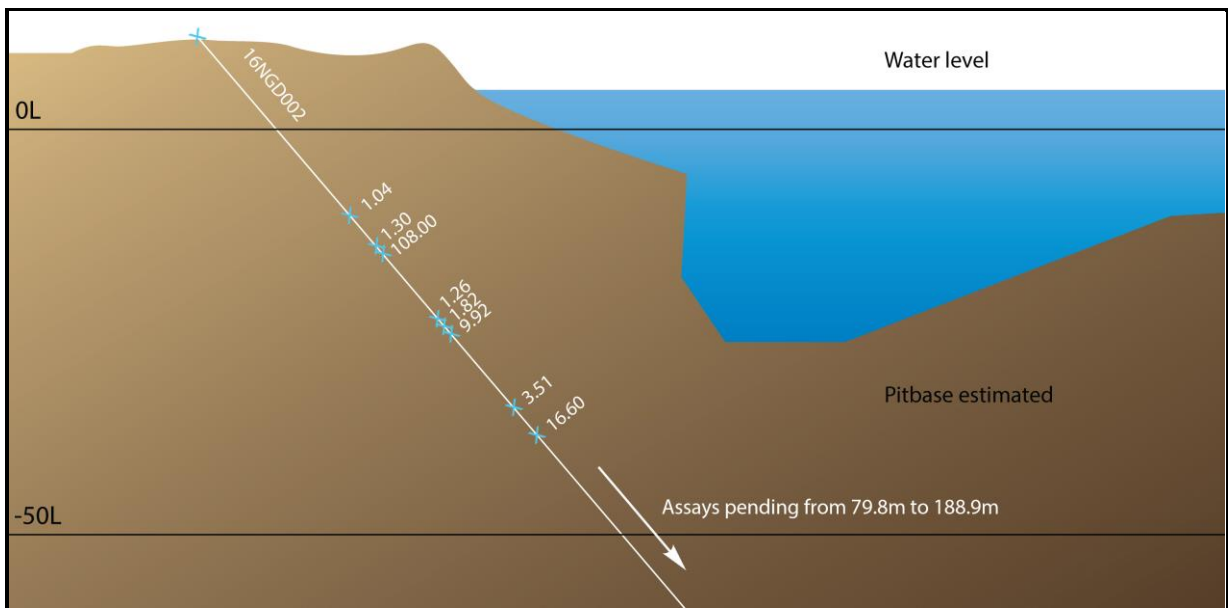
- **10.8 metres at 2.29 g/t au from 59.2 metres in hole 15NGD001**
  - including 0.8m at 16.9 g/t Au from 68 metres
- **1.0 metre at 108.00 g/t Au from 33 metres in hole 15NGD002.**
- **4.98 metres at 3.93 g/t Au from 63 metres in hole 15NGD002.**
  - including 0.9 metres at 16.6 g/t Au from 59.1 metres



**Figure 1. Aerial view of drill plan at Horn Island (Ngurupai)**



**Figure 2. Section viewing northwest through hole 15NGD001. Showing only +1g/t Au intervals. Pit base model constructed from maps, photos and historical descriptions, as no survey data is available.**



**Figure 3. Section viewing northwest through hole 15NGD002. Showing only +1g/t Au intervals. Pit base model constructed from maps, photos and historical descriptions, as no survey data is available.**



## About Alice Queen Limited (AQX)

The Company has four projects. Two of these projects are in the Torres Strait region of North Queensland being the Horn Island Gold Project (EPM 25520) and the Kaiwalagal Project (EPM 25418). Kaiwalagal is awaiting imminent grant and covers the other major islands within the Kaurareg Archipelago (also known as the Prince of Wales group of islands). There are historic shafts and pits from previous small scale gold mining on most of these islands.

In NSW, the Company has two projects situated on the Molong Volcanic Arc, being Looking Glass (EL 8225) and Mendooran (ELA 5207), which is awaiting imminent grant. Together these projects have been chosen for their prospectivity for significant scale porphyry Cu/Au deposits. These projects were selected by AQX's Technical Director, John Holliday, and are situated north of the giant Cadia-Ridgeway mine (50m oz Au + 9m tonnes Cu) operated by Newcrest Mining Limited. John was a principal discoverer of Cadia-Ridgeway and was formerly the Chief Geoscientist at Newcrest.



**Figure 4. Location of Alice Queen projects**



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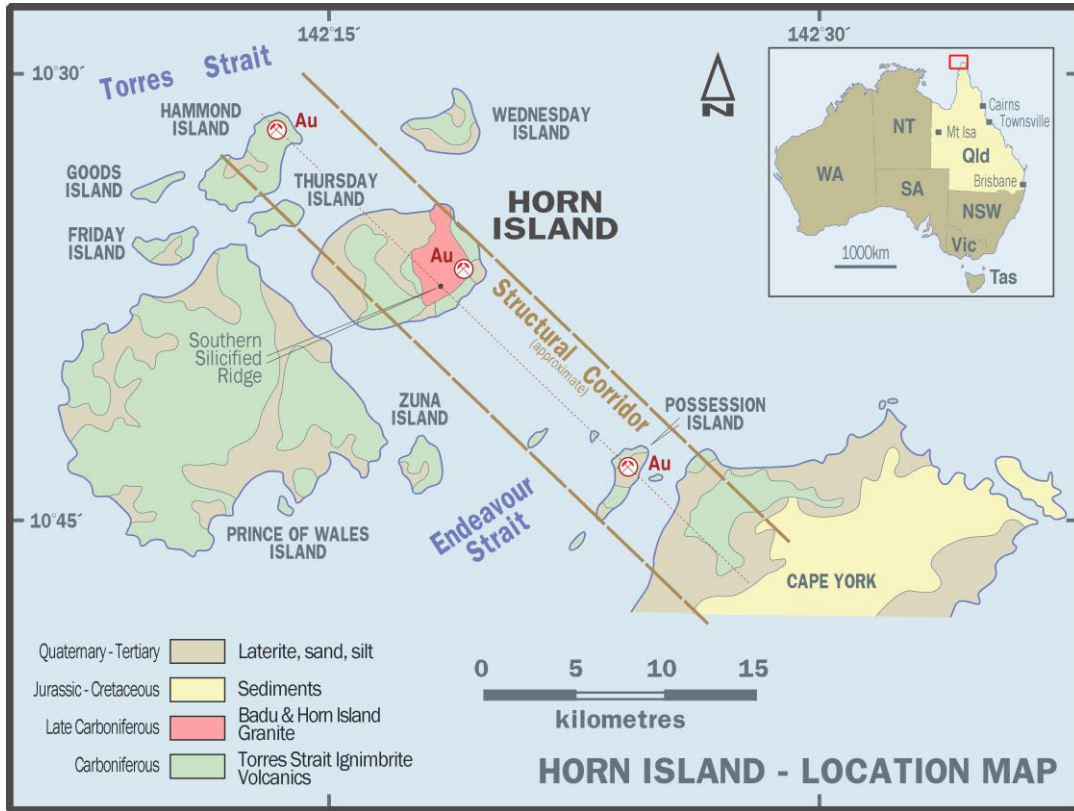


Figure 5. Location of Horn Island (Ngurupai) project with basic geological setting

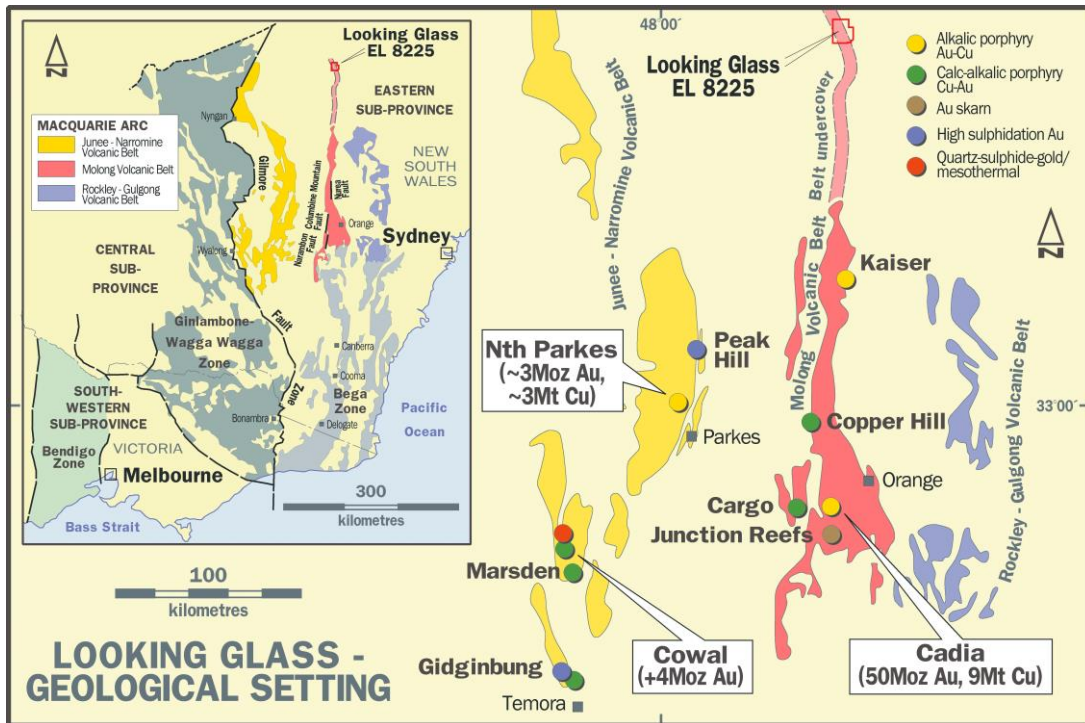


Figure 6. Location of Looking Glass project with basic geological setting



ALICE QUEEN  
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## Summary

At 31 December 2015, Alice Queen had \$2.5M cash at bank. The Company is well positioned to continue to investigate Horn Island further evaluating high grade veins identified historically and confirmed from the assay results of the first 2 holes.

Drilling of holes 3-6 are now complete and core from holes 3 and 4 have been despatched to the assay laboratory.

## For and on behalf of the Board

**Andrew Buxton**

**Managing Director**

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**M. + 6 1 (0)403 461 247**

**E. [andrew.buxton@alicequeen.com.au](mailto:andrew.buxton@alicequeen.com.au)**

## Competent Person Statement

*The information appended to this announcement that relates to exploration results and 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 a director of 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.*



## APPENDIX 5B

### Mining 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, 01/05/2013

Name of entity

Alice Queen Limited

ABN

71 099 247 408

Quarter ended ("current quarter")

31 December 2015

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	8	8
1.2 Payments for (a) exploration and evaluation	(183)	(183)
(b) development	-	-
(c) production	-	-
(d) administration	(325)	(382)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
<b>Net operating cash flows</b>	<b>(499)</b>	<b>(556)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	10
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other-refundable deposit (77K) & cash on acquisition of Alice Queen Holdings Pty Ltd	41	118
<b>Net investing cash flows</b>	<b>41</b>	<b>128</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(458)</b>	<b>(428)</b>





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1.13	Total operating and investing cash flows (brought forward)	<b>(458)</b>	<b>(428)</b>
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, capital raising etc.	3,472	3,472
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	60	100
1.17	Repayment of borrowings	(70)	(70)
1.18	Dividends paid	-	-
1.19	Other – capital raising costs	(555)	(666)
	<b>Net financing cash flows</b>	<b>2,907</b>	<b>2,836</b>
	<b>Net increase (decrease) in cash held</b>	<b>2,449</b>	<b>2,408</b>
1.20	Cash at beginning of quarter/year to date	104	145
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>2,553</b>	<b>2,553</b>

## Payments to directors of the entity and associates of the directors, related entities of the entity and associates of the related entities

	Current quarter \$'000	
1.23	Aggregate amount of payments to the parties included in item 1.2	90
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Item 1.23: Director's fees and consulting fees	

## Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows
- None
- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest
- None



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## Financing facilities available

Add notes as necessary for an understanding of the position.

- 3.1 Loan facilities
- 3.2 Credit standby arrangements

Amount available \$A'000	Amount used \$A'000
-	-
-	-

## Estimated cash outflows for next quarter

- 4.1 Exploration and evaluation
- 4.2 Development
- 4.3 Production
- 4.4 Administration

**Total**

\$A'000
320
-
-
250
570

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	2,553	102
5.2 Deposits at call	-	2
5.3 Bank overdraft	-	-
5.4 Other (Term deposit):	-	20
<b>Total: cash at end of quarter</b> (item 1.22)	2,553	104



**Changes in interests in mining tenements**

	Tenement reference	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	None			
6.2 Interests in mining tenements acquired or increased	EPM 25520 Horn Island	Via subsidiary Kauraru Gold Pty Ltd	84.5%	84.5%
	EPM 25418 Kaiwalagal	Via Subsidiary Kauraru Gold Pty Ltd	84.5%	84.5%
	EL 8225 Looking Glass	Via Subsidiary Monzonite Metals Pty Ltd	90%	90%
	ELA 5207 Mendooran	Via Subsidiary Monzonite Metals Pty Ltd	90%	90%



## Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1 <b>Preference +securities</b> (description)	-	-	-	-
7.2 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 <b>+Ordinary securities</b>				
Fully Paid	192,786,948	98,965,581	N/A	N/A
7.4 Changes during quarter				
(a) Increases through issues				
- Issued 13 November 2015	174,336,662	80,515,295	5.5 cents	5.5 cents
(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 <b>Convertible debt securities</b> (description)	-	-	-	-
7.6 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-
7.7 <b>Options</b> (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
	2,030,772	Nil	\$0.30	31 Dec 2017
	1,328,235	Nil	\$0.30	30 Jun 2017
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 <b>Debentures</b>	-	-		
(totals only)	-	-		
7.12 <b>Unsecured notes</b>	-	-		
(totals only)	-	-		



# ALICE QUEEN LIMITED

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:

Print name: Anne Adaley

Company Secretary

Date: 29 January 2016

## 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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 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.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.