



ALICE QUEEN LIMITED AND ITS CONTROLLED ENTITIES

A.B.N. 71 099 247 408

**INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

CONTENTS

CORPORATE DIRECTORY	1
DIRECTORS' REPORT	2
AUDITOR'S INDEPENDENCE DECLARATION	5
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	6
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	7
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	8
CONSOLIDATED STATEMENT OF CASH FLOWS	9
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS	10
DIRECTORS' DECLARATION	16
INDEPENDENT AUDITOR'S REVIEW REPORT	17



CORPORATE DIRECTORY

Directors

Bruce Fulton
Chairman

Andrew Buxton
Managing Director

Phillip Harman
Non-Executive Director

John Holliday
Non-Executive Director

Mark Kerr
Non-Executive Director

Jeffrey Williams
Non-Executive Director

Company Secretary

Anne Adaley

Registered Office and Principal Place of Business

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Auditor

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Share Register

Computershare Investor Services Pty Limited
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Securities Exchange Listing

Australian Securities Exchange
ASX Code: AQX



DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2015

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 (the "Company") and the entities it controlled at the end of, or during, the half-year ended 31 December 2015.

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:

Bruce Fulton	Chairman (appointed 13 November 2015)
Andrew Buxton	Managing Director (appointed 13 November 2015)
Phillip Harman	Non-Executive Director
John Holliday	Non-Executive Director (appointed 13 November 2015)
Mark Kerr	Non-Executive Director (appointed 13 November 2015)
Jeffrey Williams	Non-Executive Director
Michael Raetz	Executive Director (resigned 13 November 2015)

Principal Activities

The principal activity of the Company during the reporting period was mineral exploration. On 13 November 2015, the Company acquired 100% of the issued capital of Alice Queen Holding Pty Ltd (AQH) and exploration efforts since the acquisition date were 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 \$1,792,675 (2014: \$124,003 loss).

Corporate activities

During the reporting period Alice Queen Limited (formerly Callabonna Resources Limited) completed the acquisition of 100% of the issued capital of Alice Queen Holding Pty Ltd (AQH) as announced on 12 March 2015. In summary:-

- On 14 September 2015, the Company was suspended from official quotation on ASX pending:
 - the outcome of a resolution at the Company's general meeting to approve the proposed change of activities on acquisition of the AQH Group which was approved on 15 September 2015; and
 - until such time as the Company satisfied all compliance matters as required by Chapters 1 and 2 of the Listing Rules.
- On 26 October 2015, the Company completed a capital raise under the Callabonna Resources Limited Prospectus raising \$3,500,000. On 13 November 2015, 63,636,364 ordinary shares were allotted at an issue price of \$0.055 per share.
- On 13 November 2015, the Company allotted 110,700,298 fully paid ordinary shares in the Company to the vendors of Alice Queen Holding Pty Ltd and with the successful completion of the acquisition of the AQH Group, the Company name was changed to Alice Queen Limited as approved by shareholders at the general meeting of shareholders held on 15 September 2015.
- On 23 November 2015, the Company was re-instated to Official Quotation on the Australian Securities Exchange following the Company's compliance with the ASX Listing Rules.

DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2015

Exploration activities

Queensland

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

During the reporting period, the Group commenced its maiden drilling program at Horn Island (Ngurupai) which consists of 14 diamond holes for approximately 3,000 metres. During the reporting period, the Company completed 2 diamond core drill holes for a total of 469 metres. It is anticipated that the Drilling Program shall be completed during April 2016.

Refer to "Events Subsequent to Reporting Date" of this Report for further information.

New South Wales

Looking Glass EL 8225 (90% owned)

No exploration activity was undertaken on EL8225 during the period.

Other Projects

Prior to acquiring AQH the Company acquired an entitlement to participate in a manganese exploration project in Mali. However, there has been limited progress and no expenditure at the Mali project during the reporting period.

There were no exploration activities at the Mali project, nor at EPM 18181 and EPM 18699 in Queensland, Australia during the reporting period.

Tenement Summary

Tenement Reference	Interest	Tenement Location
Horn Island EPM 25520	84.5%	Queensland, Australia
Looking Glass EL 8225	90.0%	New South Wales, Australia
EPM 18181	100%	Queensland, Australia
EPM 18699	100%	Queensland, Australia

Events Subsequent To Reporting Date

Since the end of the reporting period:

- Kaiwalagal EPM 25418 located in Queensland was granted for a term of five years from 25 January 2016 to 24 January 2021.
- The Company has completed a further 5 diamond core drill holes for approximately 1,600 metres at Horn Island.

Other than as stated elsewhere in this report, 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 2015

Auditor's Declaration

A copy of the auditor's independence declaration as required under s307C of the *Corporations Act 2001* is included on page 5 of this financial report and forms part of this Directors' report.

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink that reads "B. Fulton". The signature is written in a cursive style with a horizontal line underneath the name.

Bruce Fulton

Chairman

9 March 2016

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 2015, 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

9 March 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	NOTE	31 DEC 2015 \$	31 DEC 2014 \$
Revenue from continuing operations		7,538	649
Expenses from continuing operations:			
Administration costs		(53,366)	(116,176)
Compliance costs		(16,398)	(5,861)
Consultancy expenses		(8,374)	(1,600)
Employee benefits, management fees and on costs		(161,425)	-
Costs of the Share Offer		(502,134)	-
Listing fee recognised on reverse acquisition	9	(1,053,190)	-
Other costs		(11,090)	(1,368)
Loss before income tax		(1,798,439)	(124,356)
Income tax expense relating to the ordinary activities		-	-
Net loss for the year		(1,798,439)	(124,356)
Loss of non-controlling interest		5,764	353
Loss attributable to parent entity shareholders		(1,792,675)	(124,003)
Other comprehensive income, net of tax		-	-
Total comprehensive loss		(1,792,675)	(124,003)
EARNINGS/LOSS PER SHARE:			
Basic loss per share (cents per share)	13	(2.30)	(0.37)
Diluted loss per share (cents per share)	13	(2.30)	(0.37)

The accompanying notes form part these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	NOTE	31 DEC 2015 \$	30 JUNE 2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		2,552,793	41,011
Trade and other receivables		71,905	22,506
Prepayments		25,246	4,718
TOTAL CURRENT ASSETS		2,649,944	68,236
NON-CURRENT ASSETS			
Investments		15,999	-
Exploration and evaluation expenditure	10	468,432	179,507
Security deposits		21,103	12,500
TOTAL NON-CURRENT ASSETS		505,534	192,007
TOTAL ASSETS		3,155,478	260,243
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		308,640	35,877
TOTAL CURRENT LIABILITIES		308,640	35,877
TOTAL LIABILITIES		308,640	35,877
NET ASSETS		2,846,838	224,366
EQUITY			
Share capital	12	5,078,811	657,900
Minority interest		(7,102)	(1,338)
Accumulated losses		(2,224,871)	(432,196)
TOTAL EQUITY		2,846,838	224,366

The accompanying notes form part these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	ISSUED CAPITAL \$	OPTION RESERVE \$	ACCUMULATED LOSSES \$	NON- CONTROLLING INTEREST \$	TOTAL \$
Balance as at 1 July 2015	657,900	-	(432,196)	(1,338)	224,366
Total loss and comprehensive income for the period	-	-	(1,792,675)	-	(1,792,675)
Transactions with owners, recorded directly in equity					
Issue of share capital	4,553,193	-	-	-	4,553,193
Transaction with non-controlling interests	-	-	-	(5,764)	(5,764)
Share issue costs	(132,282)				(132,282)
Balance as at 31 December 2015	5,078,811	-	(2,224,871)	(7,102)	2,846,838

The accompanying notes form part these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	ISSUED CAPITAL \$	OPTION RESERVE \$	ACCUMULATED LOSSES \$	NON- CONTROLLING INTEREST \$	TOTAL \$
Balance as at 1 July 2014	172,900	-	(187,533)	(355)	(14,988)
Total loss and comprehensive income for the period	-	-	(124,003)	-	(124,003)
Transactions with owners, recorded directly in equity					
Issue of share capital	505,000	-	-	-	505,000
Transaction with non-controlling interests	-	-	-	(353)	(353)
Share issue costs	(20,000)	-	-	-	(20,000)
Balance as at 31 December 2014	657,900	-	(311,536)	(708)	345,656

The accompanying notes form part these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	31 DEC 2015 \$	31 DEC 2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts in the course of operations	7,500	-
Cash payments in the course of operations	(259,947)	(80,546)
Interest received	38	649
Net cash used in operating activities	(252,409)	79,897
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation expenditure	(157,272)	(70,228)
Payment for tenement security deposit	(8,603)	(2,500)
Net cash from investing activities	(165,875)	(72,728)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	1,805	475,975
Payments for share issue costs	(582,028)	-
Repayment of borrowings	(70,000)	(66,828)
Net cash used in financing activities	(650,023)	409,147
Net (decrease)/increase in cash held and cash equivalents	1,068,507	256,523
Cash and cash equivalents at the beginning of the period	3,621,300	4,959
Cash and cash equivalents at the end of the period	2,552,793	261,481

The accompanying notes form part these financial statements.



NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

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 2015. 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 2015 and are presented in Australian Dollars which is the functional currency of the Parent 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 2015 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 9 March 2016.

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 2015.

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

4. Basis of consolidation

On 13 November 2015, Alice Queen Limited (formerly Callabonna Limited) completed the acquisition of Alice Queen Holdings Pty Ltd, a private company involved in exploration activities. Although the transaction was not a business combination, the acquisition has been accounted for as an asset acquisition with reference to the guidance for reverse acquisitions in AASB 3 Business Combinations and AASB 2 Share Based Payments.

Callabonna Limited gained legal control of Alice Queen Holdings Pty Ltd through the issue of Callabonna Limited ordinary shares to the shareholders of Alice Queen Holdings Pty Ltd. The acquisition of Alice Queen Holdings Pty Ltd does not meet the definition of a business combination under AASB 3 Business Combinations as Callabonna Limited did not meet the business test at the time of acquisition. From an accounting perspective, the acquirer is Alice Queen Holdings Pty Ltd and the acquiree is Callabonna Limited because the shareholders of Alice Queen Holdings Pty Ltd gained a majority interest and therefore control of Callabonna Limited post acquisition.

The acquisition of the identifiable net assets of Callabonna Limited therefore is accounted for as a share-based payment transaction in accordance with AASB 2 Share Based Payments. The assets and liabilities of Alice Queen Holdings Pty Ltd, as the accounting acquirer, are measured at their pre-combination carrying amounts and the assets and liabilities of Callabonna Limited, as the acquiree, are measured at fair value on the date of acquisition. The difference between the fair value of the identifiable net assets of Callabonna Limited acquired and the fair value of the shares deemed to be issued by Alice Queen Holdings Limited to the shareholders of Callabonna Limited, measured at acquisition date, is recognized as an expense of the acquisition in the current period profit and loss.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

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 interim financial report has been prepared using the going concern basis. The Directors have determined that future capital raisings will be required in order to continue the exploration and development of the Company's mineral tenements to achieve a position where they can prove exploration reserves. 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 this expectation and the effect upon the Company. The achievement of the forecast is dependent upon the future capital raising, the outcome of which is uncertain.

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 2015

9. Significant events and transactions

Acquisition of Alice Queen Holding Pty Ltd

During the reporting period Alice Queen Limited (formerly Callabonna Resources Limited) completed the acquisition of 100% of the issued capital of Alice Queen Holding Pty Ltd (AQH) as announced on 12 March 2015. In summary:-

- On 14 September 2015, the Company was suspended from official quotation on ASX pending:
 - the outcome of a resolution at the Company's general meeting to approve the proposed change of activities on acquisition of the AQH Group which was approved on 15 September 2015; and
 - until such time as the Company satisfied all compliance matters as required by Chapters 1 and 2 of the Listing Rules.
- On 26 October 2015, the Company completed a capital raise under the Callabonna Resources Limited Prospectus raising \$3,500,000. On 13 November 2015, 63,636,364 ordinary shares were allotted at an issue price of \$0.055 per share.
- On 13 November 2015, the Company allotted 110,700,298 fully paid ordinary shares in the Company to the vendors of Alice Queen Holding Pty Ltd and with the successful completion of the acquisition of the AQH Group; the Company name was changed to Alice Queen Limited as approved by shareholders at the general meeting of shareholders held on 15 September 2015.
- On 23 November 2015, the Company was re-instated to Official Quotation on the Australian Securities Exchange following the Company's compliance with the ASX Listing Rules.

Net Assets of Callabonna Resources Limited as at 13 November 2015:

	13 NOV 2015 \$
Cash and cash equivalents	3,580,289
Trade & other receivables	19,763
Investments	15,999
Liabilities: Payables	(683,047)
Borrowings	(70,000)
Net assets	2,863,004
Less: assets & liabilities attributable to capital raise under the Callabonna Resources Limited Prospectus	
Cash	(3,500,000)
Liabilities	598,559
Net assets of Callabonna Resources Limited as at 13 November 2015	(38,347)
Assessed Fair Value of assets acquired:	
18,450,050 shares @ \$0.055 per share	1,014,753
Listing fee recognised on reverse acquisition:	\$1,053,190

The results for the reporting period were affected by the following significant expenses:

Expenses

- (i) Listing fee recognised on reverse acquisition: \$1,053,190.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

10. Exploration and evaluation expenditure

	31 DEC 2015 \$	30 JUNE 2015 \$
Non-producing properties		
Balance at the beginning of the reporting period	179,507	4,570
Additions	288,925	174,937
Balance at the end of the reporting period	468,432	179,507

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 shall conduct impairment testing on an annual basis unless indicators of impairment are present at the reporting date.

11. Borrowings

As at 13 November 2015, being the date of acquisition of Alice Queen Holding Pty Ltd there was an outstanding loan to the Company from Mr Phillip Harman of \$40,000 and Mr Jeffrey Williams of \$30,000. These loans were repaid in full in December 2015.

12. Issued capital

	31 DEC 2015 \$
192,786,948 fully paid ordinary shares	5,211,093
Shares Issue costs	(132,282)
	<u>5,078,811</u>

FULLY PAID ORDINARY SHARES	31 DEC 2015 NUMBER	31 DEC 2015 \$
Balance at the beginning of the period	184,500,498	44,662,932
29 Sep 2015: Consolidation of shares – ten shares consolidated into one share	18,450,050	44,662,932
29 Sep 2015: Share cancellation	(18,450,050)	(44,662,932)
13 Nov 2015: Shares issued under the Callabonna Resources Limited Prospectus	63,636,364	3,500,000
13 Nov 2015 Issue of shares to Callabonna Resources Limited shareholders	18,450,050	1,053,193
13 Nov 2015: Shares issued to Alice Queen Holding Pty Ltd vendors	110,700,298	657,900
13 Nov 2015: Share issue costs		(132,282)
Balance at the end of the period	192,786,912	5,078,811

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

13. Earnings per share

In accordance with the principles of reverse acquisition accounting as detailed in Note 4, the weighted average number of shares for the six months ended 31 December 2015 has been calculated as the weighted average number of ordinary shares of Alice Queen Holdings Pty Ltd outstanding during the period before acquisition, amended by the ratio of Alice Queen Holdings Pty Ltd shares to Callabonna Limited shares established at acquisition, and the weighted number of shares outstanding in the period from acquisition until 31 December 2015.

	31 DEC 2015 \$	31 DEC 2014 \$
Earnings from continuing operations (basic and diluted)	(1,798,439)	(124,356)
Weighted average number of ordinary shares used in calculating basic earnings per share	77,233,490	33,131,793
Weighted average number of ordinary shares used in calculating diluted earnings per share	77,233,490	33,131,793
Basic earnings per shares (cents per share)	(2.30)	(0.37)
Diluted earnings per shares (cents per share)	(2.30)	(0.37)

14. Related party transactions

During the reporting period, consulting fees totaling \$18,920 (inclusive of GST) were paid by the Group to Holliday Geoscience being advisory fees for services provided by Mr. John Holliday in addition to the duties of a non-executive director.

15. 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.

16. Events subsequent to reporting date

Since the end of the reporting period:

- Kaiwalagal EPM 25418 located in Queensland was granted for a term of five years from 25 January 2016 to 24 January 2021.
- The Company has completed a further 5 diamond core drill holes for approximately 1,600 metres at Horn Island.

Other than as stated elsewhere in this report, 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' 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 2015 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:



Bruce Fulton
Chairman

9 March 2016

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

We have reviewed the accompanying half-year financial report of Alice Queen Limited (**the Group**), which comprises the condensed consolidated statement of financial position as at 31 December 2015, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity, the condensed consolidated 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.

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 company's financial position as at 31 December 2015 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 company, 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.

Conclusion

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 company is not in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the company's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- b. complying with AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter – Going Concern

Without modifying the opinion expressed above, attention is drawn to the following matter. As a result of the matters described in the section entitled "Key Judgement – Going Concern" in Note 1 (b) to the financial statements for the period ended 31 December 2015, the Company's ability to continue the exploration and development of its mining tenements is dependent upon future capital raising. Should there be no funding available, explorations of the areas of interest may be put on hold and the recoverability of exploration assets may be realised below their carrying amounts at balance date.



MOORE STEPHENS AUDIT (VIC)
ABN 16 847 721 257



ANDREW JOHNSON
Partner
Audit & Assurance Services

Melbourne, Victoria

9 March 2016