



ASX CODE: AQX

CAPITAL STRUCTURE

Ordinary Shares on issue **193M**

PROJECTS

Queensland

EPM 25520 **Ngurupai (Horn Island)**

EPM 25418 **Kaiwalagal**

New South Wales

EL 8225 **Looking Glass**

ELA 5207 **Mendooran**

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

QUARTERLY ACTIVITIES REPORT

Alice Queen Limited (ASX:AQX) ("the Company" or "Alice Queen") is pleased to provide its Quarterly Activities Report for the period ended 30 June 2016.

HIGHLIGHTS FOR THE QUARTER

- * Completion of the Company's maiden drilling program at Horn Island with all assay results now received.
- * Phase 2 exploration plans announced to the market.
- * Commencement of Phase 2 field work (mapping and sampling) at Horn Island, in preparation for Phase 2 drilling.
- * Petrology study commenced on epithermal material discovered in drill core during Phase 1 drilling at Horn Island.
- * Application submitted for drilling approval at EL8225 Looking Glass, the Company's NSW copper gold porphyry target.
- * Commencement of evaluation work on the potential of small scale open pit gold mining at Horn Island.

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QUEENSLAND

COMPLETION OF MAIDEN DRILLING PROGRAM AT HORN ISLAND EPM 25520

This initial drill program was originally planned over 14 holes for 3,000 metres and designed to confirm the presence of extensive gold mineralisation at Horn Island. 13 holes for 3659.8m have now been completed. Gold assays have now been received for all holes, and notable intervals are reported below. Drill holes to date have shown that gold mineralisation occurs with quartz-sulphide veins within a fault wedge of mainly granite. The mineralised fault wedge is open and deepening to the west (See figures 1 and 2 below).

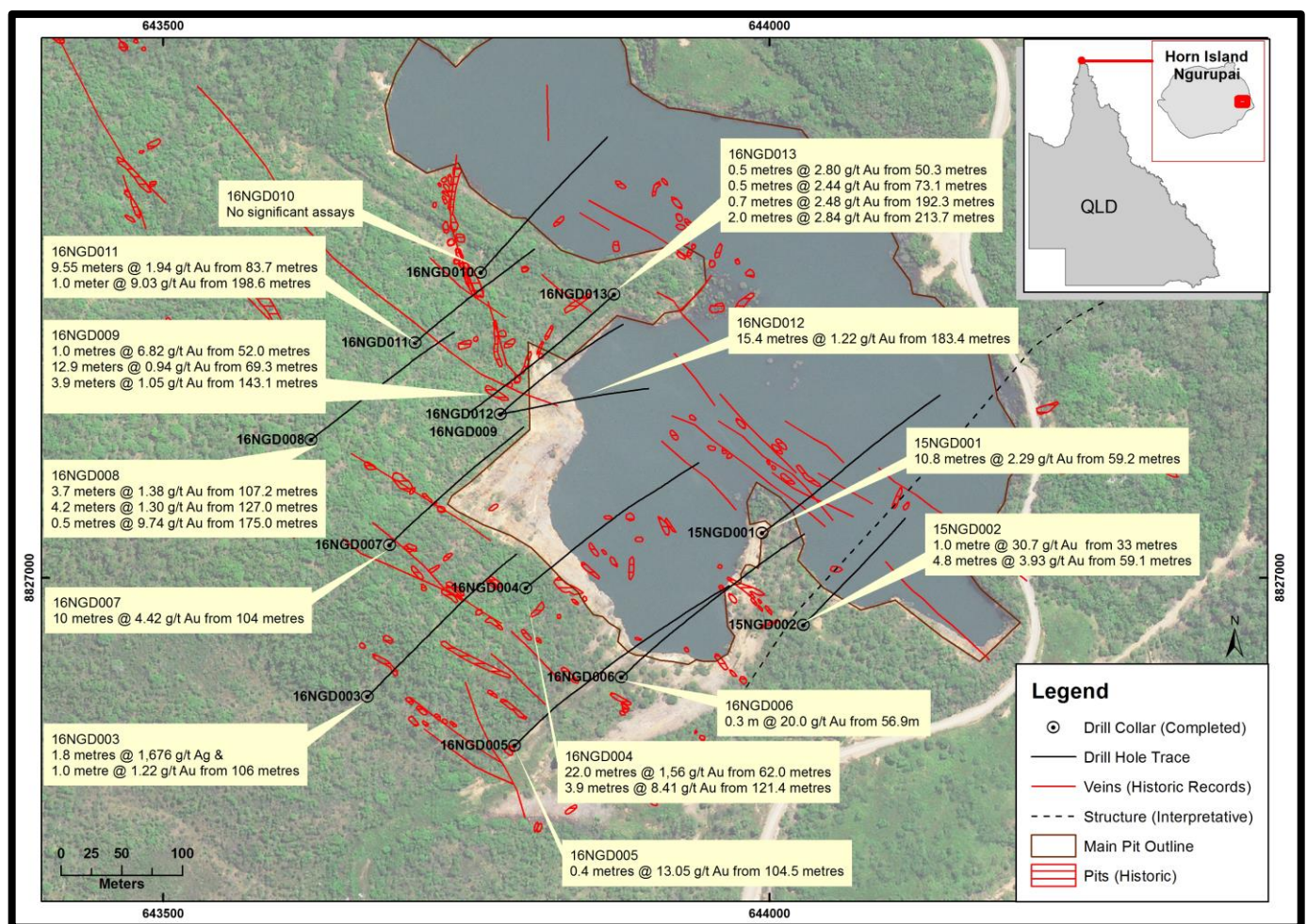


Figure 1. Plan map of Horn Island Phase 1 drilling completed with notable intersections



COMPLETION OF MAIDEN DRILLING PROGRAM AT HORN ISLAND

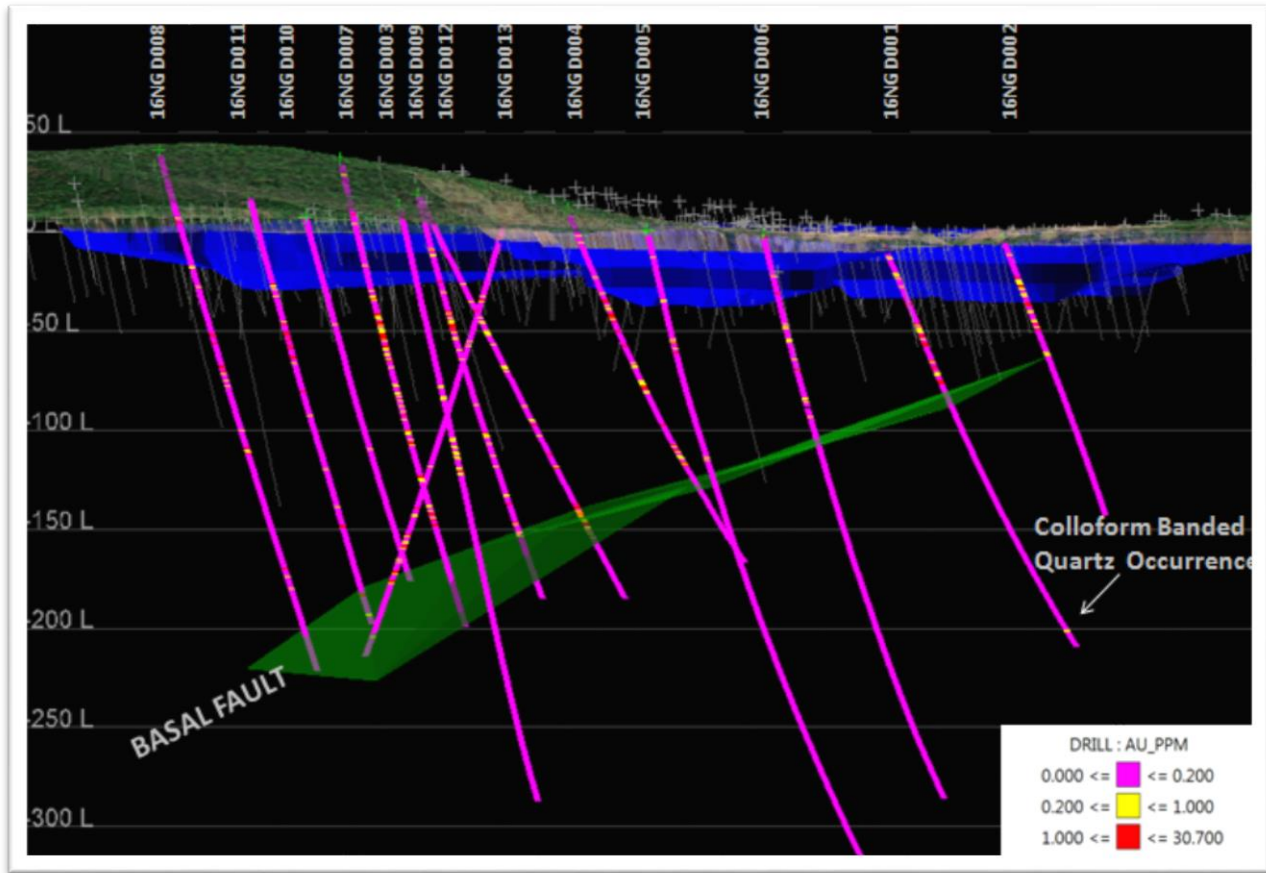


Figure 2. Isometric 3D view of all drilling current and historic (dashed) facing north

HOLE NUMBER	INTERVAL
HOLE 1	10.8 METRES @2.29 g/t au from 59.2 METRES
HOLE 2	1.0 Metres @ 30.7 g/t au from 33 metres
AND	4.8 metres @ 3.93 g/t Au from 59.1 metres
HOLE 4	22 metres @ 1.56 g/t au from 62 metres
AND	3.9 metres @ 8.41 g/t au from 121.4 metres
HOLE 7	10 metres @ 4.42 g/t au from 104 metres
HOLE 11	9.5 metres @ 1.94 g/t au from 83.7 metres
HOLE 12	15.4 metres @ 1.22 g/t au from 183 metres

Figure 3. summary of Notable intervals from phase 1 drilling at horn island, previously reported in ASX Announcements dated 22 January 2016, 26 February 2016, 7 April 2016 and 11 June 2016



PHASE 2 EXPLORATION PLANS

During the quarter the Company announced its Phase 2 Exploration Plans which comprised the following key components:

- ❖ 2 new diamond core holes in to the newly identified epithermal occurrence in the East Pit of the former Horn Island gold mine.
- ❖ 2 new diamond core holes in to the Southern Silicified Ridge epithermal target on Horn Island.
- ❖ Commencement of a maiden drill program at EL8225 Looking Glass, the Company's copper gold porphyry target situated on the Molong Volcanic Belt which hosts the giant Cadia Valley deposits.
- ❖ Work on assessing the viability of a small scale open pit operation at Horn Island.

COMMENCEMENT OF PHASE 2 FIELD WORK AT HORN ISLAND

During the quarter, the Company commenced an extensive field work program at Horn Island. The purpose of the program is to map and sample the area around and between the former Horn Island mine pit and the Southern Silicified Ridge and therefore to provide the Company with further, well qualified, epithermal drilling targets for Phase 2.

At the time of writing the first pass of this program was nearing completion and an analysis of results is underway so that the Company can best identify likely drill targets and drill pad locations. Encouragingly, there are a significant number of mineralised outcrops that have been mapped and areas worthy of more detailed follow up have been identified. (See Figure 4 below).

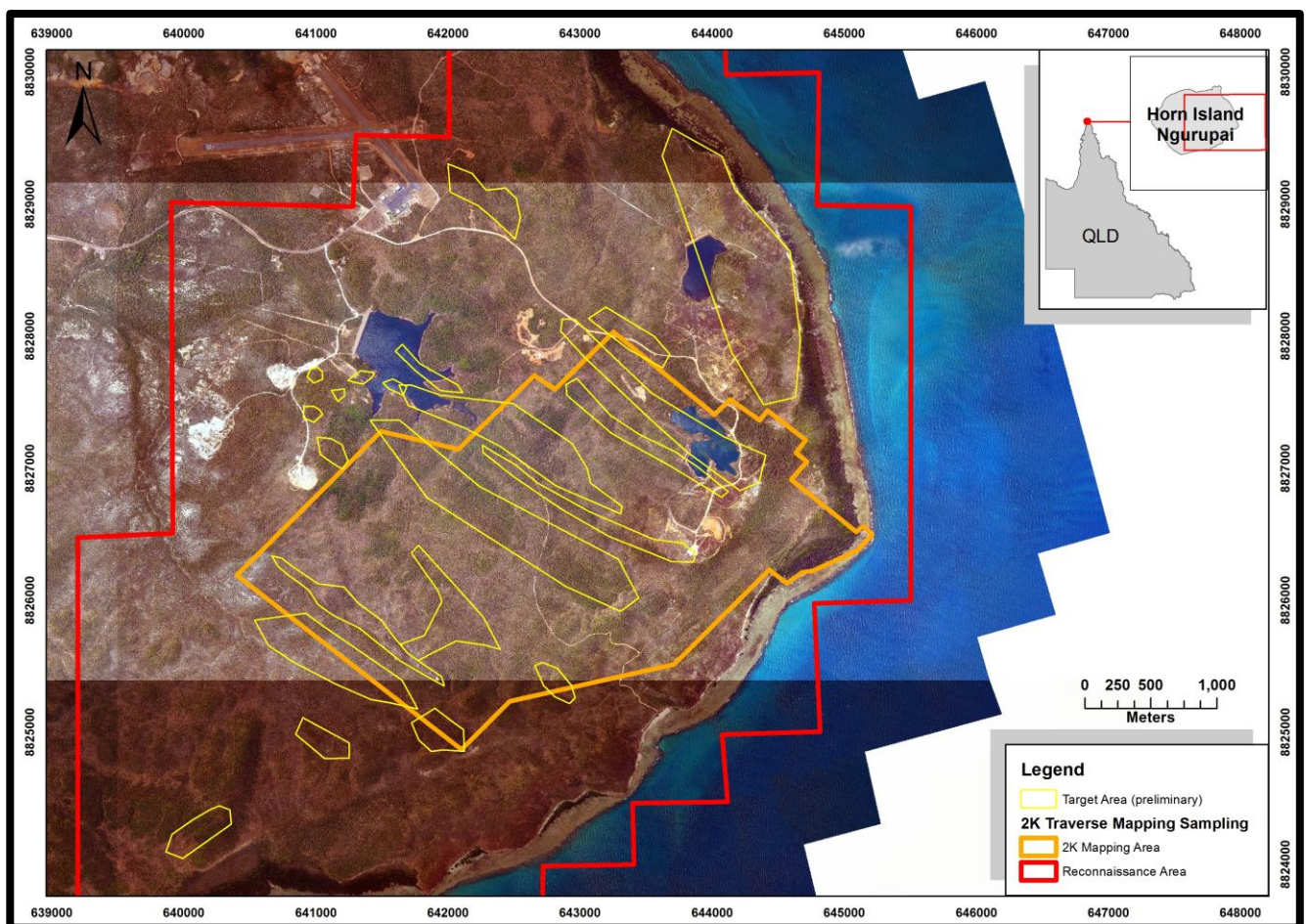


Figure 4. Field Program, Phase 2 Targets (preliminary)



PETROLOGICAL STUDY ON HORN ISLAND EPITHERMAL QUARTZ

Further to the Company's discovery of colloform banded quartz crystals in Hole 1 of the maiden Horn Island drilling program, it commenced a detailed petrological study of this occurrence during the quarter in an endeavor to better understand the epithermal nature of this material.

Various sections of this material have been selected for laser ablation assessment at the CODES division of University of Tasmania. Results from the laser ablation assessment should be available in coming weeks.

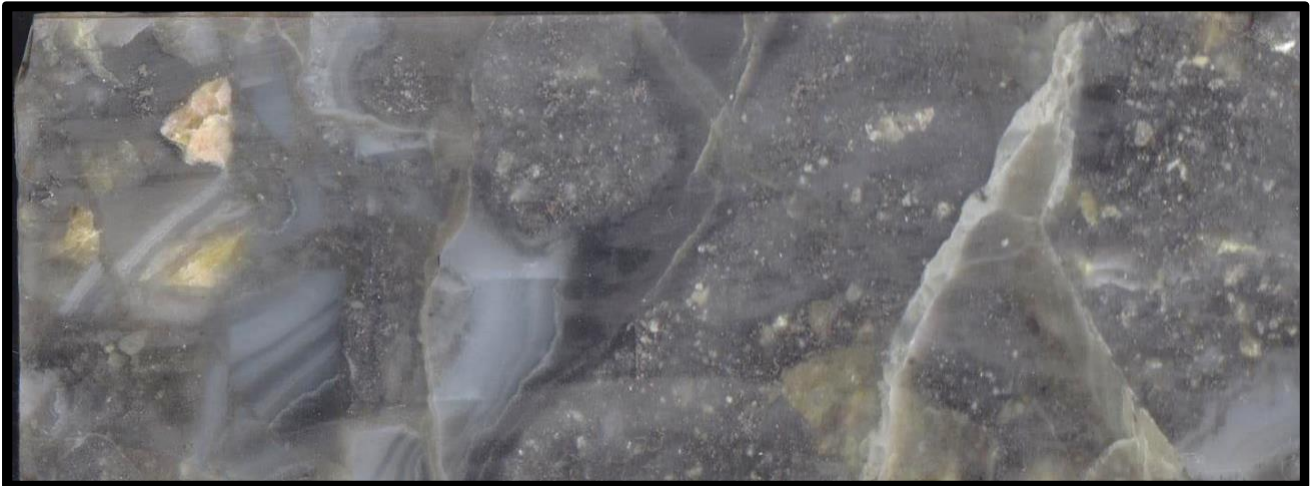


Figure 5. Core sample from 15NGD001 268m, siliceous breccia showing clasts of colloform banded quartz.

KAIWALAGAL EPM 25418

No exploration activity was undertaken on EPM 25418 during the reporting period.



NEWS SOUTH WALES

DRILLING AT EL8225 LOOKING GLASS

During the quarter, the Company made an application for 2 deep (+700m depth) diamond core drill holes at EL8225 Looking Glass, the Company's copper gold porphyry target on the Molong Volcanic Belt of NSW. This application was recently approved and the Company is currently evaluating proposals from a number of drilling contractors. Once the successful drill contractor has been notified, the drilling will commence shortly thereafter. (See figure 4 below).

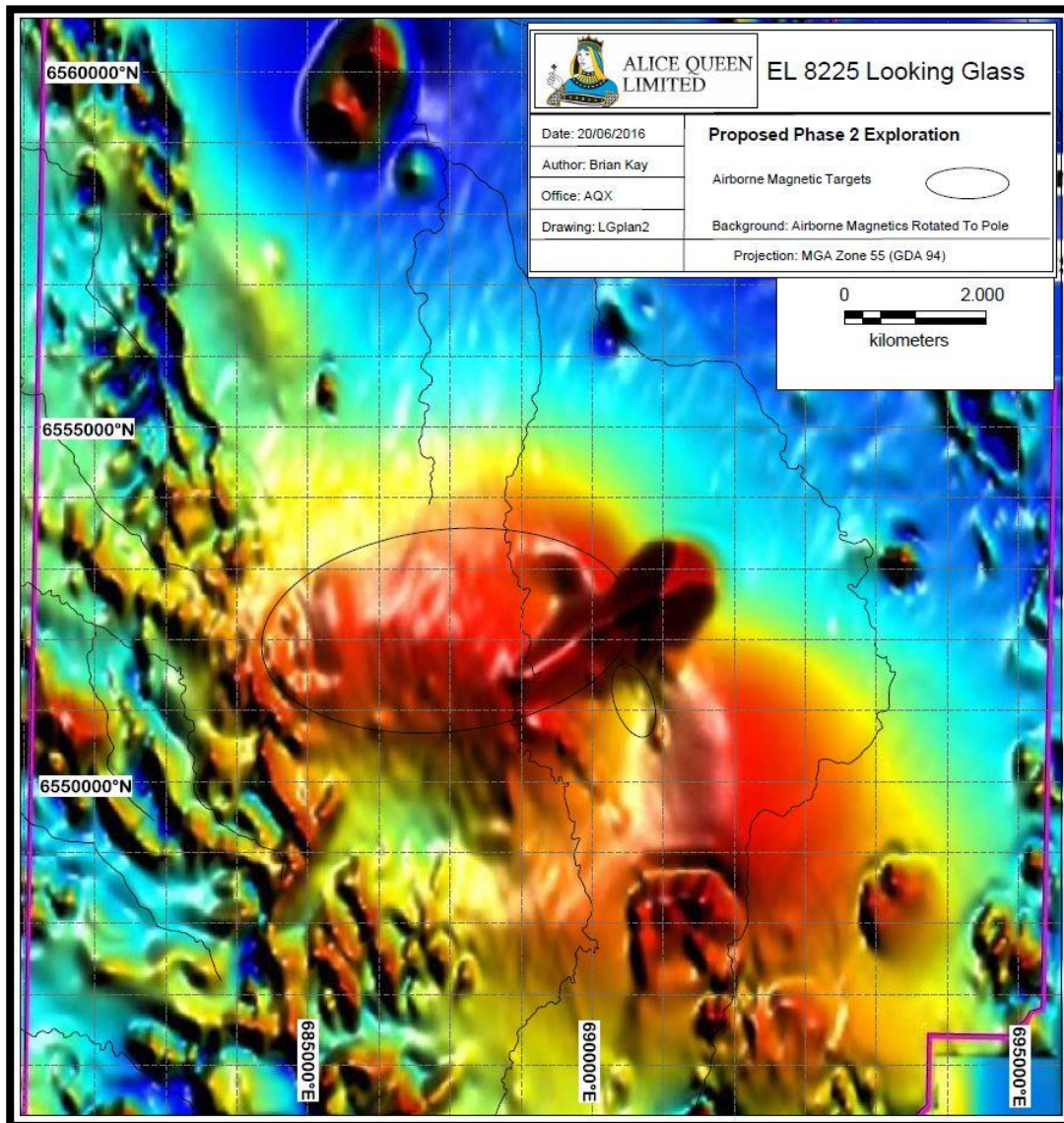


Figure 5. Looking Glass Magnetics with drill targets identified.



SMALL SCALE OPEN PIT MINING ON HORN ISLAND

During the quarter, Alice Queen commenced work on investigating scenarios testing the viability of a small scale open pit mining operation on Horn Island. Given the drilling results from Phase 1 indicated that there were certain zones within the newly identified, mineralised wedge that appeared to carry some material of an economic grade, the Company has commenced work on three fronts in an endeavor to determine if a small scale mining operation is a possibility.

Firstly, a detailed 3D model of the better mineralised areas within the wedge is being undertaken. This model is seeking to bring together information on gold grade, vein density, vein orientation and vein continuity in order to develop a robust exploration target that could be the subject of further drilling and potentially produce a maiden Inferred Resource. If the results from this study are positive, then the Company would immediately embark on a Reverse Circulation infill drill program.

Secondly, samples from the Company's Phase 1 drill core have been selected for metallurgical testing. This will provide the Company with key information about what type of processing will be required and importantly the likely recovery rates that are achievable within the Horn Island mineralised wedge.

Finally, a number of initial meetings have been held during the quarter with providers of small scale / modular type processing plants. These discussions are obviously preliminary in nature but have already provided the Company with early key parameters on the production capacity and costs involved with this type of infrastructure.

OTHER PROJECTS

Prior to acquiring Alice Queen Holding Pty Ltd in November 2015, 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 to date. Therefore, it is the Company's opinion that this project is no longer valid. No further reference will be made to this project.

There were no exploration activities at EPM 18699 in Queensland, Australia during the reporting period.

EPM 18181 expired on 26 November 2015.

TENEMENT SUMMARY

Tenement	Location	Current Holder*	Interest	Area (Sub Blocks)	Grant Date	Expiry Date
EPM 25520	Queensland	Kauraru Gold Pty Ltd	100%	24	08/10/14	07/10/19
EPM 25418	Queensland	Kauraru Gold Pty Ltd	100%	83	24/01/16	24/01/21
EPM 18699	Queensland	Alice Queen Limited	100%	42	18/12/13	17/12/18
EL 8225	New South Wales	Monzonite Metals Pty Ltd	100%	74	06/01/14	06/01/18
ELA 5207	New South Wales	Monzonite Metals Pty Ltd	100%	N/A	Pending	N/A

*Alice Queen Limited holds a majority interest in Kauraru Gold Pty Ltd (84.5% equity interest) and Monzonite Metals Pty Ltd (90% equity interest).



ALICE QUEEN
LIMITED

COMPETENT PERSON STATEMENT

The information appended to this announcement that relates to exploration results is based on information compiled by Mr Brian Kay, a Competent Person who is a member of the Association of Professional Engineers and Geoscientists of British Columbia. Mr Kay has sufficient experience that is relevant to the style of mineralisation and type of deposits 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 Kay consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.