ALICE QUEEN LIMITED

ALICE QUEEN LIMITED ACN 099 247 408
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AQX
MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

30 August 2017

EXPIRY NOTICE TO OPTION HOLDERS
ALICE QUEEN LIMITED (ABN 71 099 247 408)

OPTIONS EXPIRING 30 SEPTEMBER 2017

Dear Optionholder,

As at that date of this notice, you are a registered holder of options (ASX code: AQXO) (the "Options") in Alice Queen Limited (ASX code: AQX) ("Alice Queen" or "the Company"). The Options were either: attached to shares issued to shareholders under a Prospectus dated 5 October 2016; issued to shareholders under a Bonus Issue Prospectus dated 20 September 2016; or have been purchased on market.

This letter serves as notice to you of the impending expiry of the Options on 30 September 2017, and also sets out the alternative courses of action available to you prior to expiry of the Options and provides information about recent prices of AQX shares and the Options.

As at 29 August 2017, the last traded price of AQX shares was $0.054 (5.4 cents). However, the market price of AQX shares should be monitored for any significant changes. We recommend that you seek independent financial advice if you are unsure whether to exercise your Options.

As a registered holder of Options, you have the following choices prior to expiry of the Options:

1. **Do nothing and allow your Options to lapse**
   If you do not take any action to exercise your Options prior to 5:00pm (AEST) on Saturday 30 September 2017, your Options will expire and your right to purchase shares at $0.03 (3 cents) will lapse.

2. **Exercise all or some of your Options**

   To exercise your Options, the enclosed personalised Notice of Exercise of Options specifying the number of Options being exercised and the exercise price of those Options must be received by the Company no later than 5:00pm (AEST) on Saturday 30 September 2017. Payment can be made via BPay, cheque, bank draft or money order. Instructions are set out on the enclosed exercise form.

3. **Sell all or some of your Options on market**

   You may wish to consider selling your Options on the ASX prior to their expiry. Your Options are currently trading on the ASX under the ASX code: AQXO. The last trade for AQXO was on 29 August 2017 at $0.019 (1.9 cents). When considering whether to sell your Options on market, you should bear in mind any brokerage charges that you may incur. The Options cease trading on the ASX on 26 September 2017.

In accordance with ASX Listing Rules, the Company advises the following:

a) The number of Options you hold at the date of this letter is set out in the enclosed Notice of Exercise of Options.

b) Each Option entitles the holder to receive, on exercise, one fully paid ordinary share in the Company.

c) If all Options are exercised by all holders of the Options, 108,694,316 fully paid ordinary shares in the Company will be issued.

d) The exercise price of the Options is $0.03 (3 cents) per share.

e) A Notice of Exercise of Options is only effective when the Company has received the full amount of the exercise price of the Options sought to be exercised in cleared funds before the expiry date of 5:00pm (AEST) on Saturday 30 September 2017.

f) If the exercise price is not received in cleared funds by the expiry date, your Options will expire with no value and no further entitlement will exist.

g) Official quotation of the Options on the ASX will cease at the close of trading on Monday 26 September 2017.

h) The latest available market price of AQX shares prior to the date of this notice was $0.054 (5.4 cents) at the close of trading on 29 August 2017.

i) The highest and lowest market prices of AQX shares traded in the three months immediately before the date of this notice were:

   Highest: 0.058 cents during 28 August 2017.

   Lowest: 0.04 cents during 5 June 2017.

j) The Company has reached an agreement with Argonaut Capital Limited ("Argonaut"), which provides for the conditional underwriting of the exercise of the Options. Under the agreement, Argonaut has agreed to subscribe for the number of shares in the Company that is equal to the shares that would have otherwise been issued upon exercise of any Options that lapse. Argonaut will receive a fee of 6% of the amount underwritten, being approximately $202,993.

Further details of the agreement between the Company and Argonaut are set out in the Company's announcement on 24 August 2017, but, for example, if 10,000,000 Options are not exercised and lapse, Argonaut will subscribe for 10,000,000 AQX shares.

The Company has an existing relationship with Argonaut as announced to ASX on 5 July 2017.

Summary of key dates for Optionholders are:

Event	Date
Last day of trading/quotation of Options	26 September 2017
Final date for exercise and payment of Options	5:00pm (AEST) on 30 September 2017
Final date for allotment of new AQX shares	Within 10 business days of expiry date of Options

Yours sincerely

A Adaley

Anne Adaley

Company Secretary

ALICE QUEEN LIMITED
ABN 71 099 247 408

For all enquiries:

Phone:
(within Australia) 1300 850 505
(outside Australia) 61 3 9415 4000

Web:
www.investorcentre.com

Make your payment:

See overleaf for details of the Offer and how to make your payment

Notice Of Exercise Of Options

Options exercisable at A$0.03 expiring at 5:00pm (AEST) on 30 September 2017

This is an important document that requires your immediate attention.
It can only be used in relation to the Optionholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.
You are reminded that the Options to subscribe for Fully Paid Ordinary Shares in the capital of Alice Queen Limited registered in your name expire at 5:00pm (AEST) on 30 September 2017. These Options are exercisable wholly or in part by the payment of A$0.03 for each Option exercised. Payment must be received at the address overleaf by 5:00pm (AEST) on 30 September 2017. For every one Option exercised, the Optionholder will be issued one Fully Paid Ordinary Share in the capital of Alice Queen Limited. Quotation of the Options ends at close of trading on 26 September 2017. Options not exercised by 5:00pm (AEST) on 30 September 2017 will lapse.

Step 1: Registration Name & Offer Details

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Make Your Payment

You can exercise either all or some of your Options. Enter the number of Options you wish to exercise and the amount of payment for those exercised Options.

Choose one of the payment methods shown below.
BPAY®: See overleaf. Do not return the payment slip if making payment by **BPAY**.
By Mail: Complete the reverse side of the payment slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to **"Alice Queen Limited"** and cross **"Not Negotiable"**. The cheque must be drawn from an Australian bank. Cash is not accepted.
Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques cannot be re-presented and may result in your Notice being rejected. Paperclip (do not staple) your cheque(s) to the payment slip. Receipts will not be forwarded. Funds cannot be debited directly from your account.
Entering your contact details is not compulsory, but will assist us if we need to contact you.

Turn over for details of the Offer ➔

Details of Underwriting Agreement
Alice Queen Limited has reached an agreement with Argonaut Capital Limited ("Argonaut"), which provides for the conditional underwriting of the exercise of the Options. Under the agreement, Argonaut has agreed to subscribe for the number of shares in Alice Queen Limited that is equal to the shares that would have otherwise been issued upon exercise of any Options that lapse. Argonaut will recieve a fee of 6% of the amount underwritten, being approximately $202,993. Further details of the agreement between Alice Queen Limited and Argonaut are set out in the Alice Queen Limited's announcement on 24 August 2017, but, for example, if 10,000,000 Options are not exercised and lapse, Argonaut will subscribe for 10,000,000 AQX shares.

Recent Fully Paid Ordinary Share Prices on Australian Securities Exchange
Latest available market sale price of the Fully Paid Ordinary Shares was $A0.054 on 29 August 2017.
Highest sale price during the 3 months preceding 29 August 2017 was $A0.058 on 28 August 2017.
Lowest sale price during the 3 months preceding 29 August 2017 was $A0.04 on 5 June 2017.

Alice Queen Limited Notice of Exercise of Options
Payment must be received by 5:00pm (AEST) on 30 September 2017

Notice Of Exercise Of Options

STEP 1 Registration Name & Offer Details

For your security keep your SRN/HIN confidential.

Registration Name:

Entitlement No:

Offer Details:

Number of Options (AQXO) registered in your name as at 29 August 2017:	
Amount payable on full exercise of Options at A$0.03 per Option:	
Number of Fully Paid Ordinary Shares to be issued on full exercise:	

STEP 2 Make Your Payment

PAY

Biller Code: 270629
Ref No:

Contact your financial institution to make your payment from your cheque or savings account.

Pay by Mail:

Make your cheque, bank draft or money order payable to **"Alice Queen Limited"** and cross **"Not Negotiable"**.
Return your cheque, bank draft or money order with the payment slip to:

Alice Queen Limited
c/- Computershare Investor Services Pty Limited
GPO BOX 505 Melbourne Victoria 3001 Australia

Lodgement of Acceptance

If you are exercising your Options and your payment is being made by BPAY, you do not need to return the payment slip. Your payment must be received by no later than **5:00pm (AEST) on 30 September 2017**. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. Neither Computershare Investor Services Pty Limited ("CIS") nor Alice Queen Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

If you are paying by cheque, bank draft or money order the payment slip must be received by CIS by no later than **5:00pm (AEST) on 30 September 2017**. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. Shareholders outside Australia will need to affix the appropriate postage. Neither CIS nor the Company accepts any responsibility if you lodge the payment slip at any other address or by any other means.

Privacy Notice

The personal information you provide on this form is collected by CIS, as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided overleaf or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at http://www.computershare.com/au.

Detach here

Exercise Payment Details

Number of Options exercised:

Amount enclosed at A$0.03 per Option exercised: A$.

Entitlement No:

Payment must be received by 5:00pm (AEST) on 30 September 2017

Contact Details

Contact Name ______________________ **Daytime Telephone** ______________

Cheque Details

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
				A$