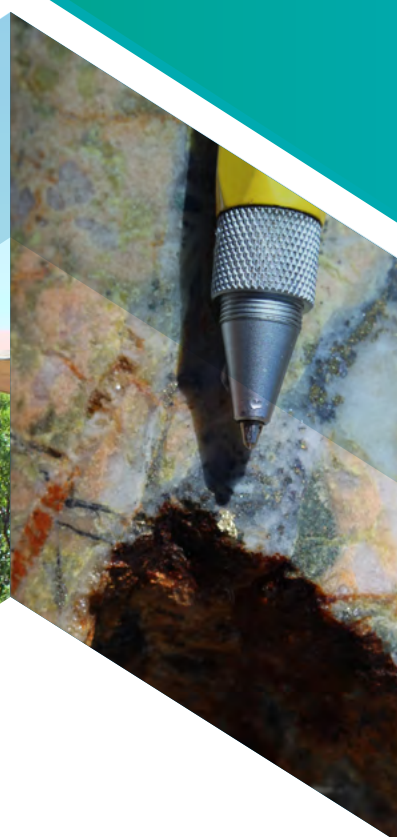




ALICE QUEEN
LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017



ALICE QUEEN LIMITED
and its controlled Entities

A.B.N. 71 099 247 408

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CORPORATE PROFILE

ALICE QUEEN LIMITED IS AN AUSTRALIAN FOCUSED EXPLORATION COMPANY WITH THE MAJORITY INTERESTS (84.5% AND 90% RESPECTIVELY) IN TWO EXPLORATION PROJECTS; THE FLAGSHIP HORN ISLAND GOLD PROJECT, LOCATED IN THE TORRES STRAIT, QUEENSLAND (HORN ISLAND); AND, THE MENDOORAN COPPER/GOLD PORPHYRY PROJECT, ON THE MOLONG VOLCANIC ARC IN CENTRAL NEW SOUTH WALES.

Horn Island is a brownfields gold project prospective for gold bearing Carbo-Permian style vein/breccia. Horn Island comprises Exploration Permit EPM25520 (Horn Island) as well as Exploration Permit EPM25418 (Kaiwalagal) which includes the broader group of islands surrounding Horn Island.

Gold was discovered on Horn Island in late 1800's and the first bulk mining undertaken in 1907. A more modern operation was established by Augold Pty Ltd in 1987 but was closed in 1989 for reasons which appear to have included the rapid deterioration of the gold price. In 1989 the Queensland government imposed a restriction over the area which precluded any further mining or exploration activity ("RA 295"). Alice Queen has successfully negotiated with the Queensland government to have RA295 repealed to allow exploration to recommence and has since completed a maiden diamond drill program and subsequently a Phase One infill drilling program at the historic pit confirming a mineralised zone which exists under the pit and extends westwards.

In NSW, the Company has five tenements situated on the Molong Volcanic Arc, being EL8225 (Looking Glass), EL8469 (Mendooran), EL8563 (Mendooran North), EL8565 (Mendooran South) and EL8646 (Yarindury). Together these tenements have been chosen for their prospectivity for significant scale porphyry Cu/Au deposits. These projects were selected by the Company's Chief Technical Advisor, John Holliday, and are situated north, along strike, of the giant Cadia-Ridgeway mine (50m oz Au + 9m tonnes Cu) operated by Newcrest Mining Limited (ASX:NCM).

John Holliday was formerly Chief Geoscientist and General Manager Property Generation at Newcrest and was a principal discoverer of Cadia.

In April 2017, Alice Queen entered in to an Option and Farm In Agreement with Newcrest Operations Limited, a subsidiary of Newcrest Mining Limited (ASX:NCM) where Newcrest can spend \$10 million over nine years to earn up to 80% of certain of the Company's NSW projects.



CHAIRMAN'S LETTER

DEAR SHAREHOLDER,

It is with pleasure that I write to update you on a successful year for Alice Queen Limited ("Alice Queen or the "Company") on its second anniversary as an ASX listed company.

During the year, the Company raised a further \$2.9 million in new equity to fund its ongoing exploration efforts and completed a bonus option issue to all existing shareholders as a reward for your ongoing support.

This year the Company has achieved some significant milestones.

In September 2016, an extensive mapping and sampling program over the entire Horn Island mineral field was completed. This program has given rise to a very exciting new prospect known as Southern Silicified Ridge (SSR) situated approximately 2 km south of the historic Horn Island open pit. It has a surface expression at least twice the size of the historic pit prospect and thus provides the Company with significant exploration upside at Horn Island.

During the year in the pit area itself, the Company completed its Phase One resource definition drill program. This specifically focused on the Pioneer Lode target and resulted in the announcement of a maiden Mineral Resource for the Horn Island project. Excitingly, this Maiden Inferred Resource of 375,000 ounces of gold represents only approximately 30% of the total area around the historic open pit that is known to be mineralized.

With this result added to the exploration potential at SSR, the Company has made solid progress towards realising its vision of, one day, recommencing gold mining at Horn Island.

In NSW the Company also achieved a significant milestone this year by signing an Option and Farm In Agreement with Australia's biggest gold miner Newcrest, over some of its highly prospective tenements. Under this agreement Newcrest may earn up to 80% of the joint venture tenements by spending up to \$10 million on exploration, over 9 years.

The tenements in the joint venture provide Newcrest with access to the covered northern part of the interpreted Molong Volcanic Belt, approximately 150km north and along strike of its giant Cadia Valley operations. This part of the Molong Volcanic Belt has never been systematically explored and is considered by the joint Alice Queen – Newcrest technical team to be some of the best unexplored copper-gold porphyry ground in Australia.

On the corporate front this year, the Company joined forces with two of the best regarded names in the Australian resources sector appointing Argonaut as its lead stockbroker and corporate advisor and GR Engineering Services to head up the feasibility studies in to a potential open pit mining operation at Horn Island. These two highly credentialed Perth based firms have a wealth of experience in helping small explorers like Alice Queen grow into significant scale Australian gold producers.

In summary, I believe the Company has made very good progress this year and is well positioned to achieve some very exciting things in the year ahead. I thank Andrew Buxton and his team for making such significant progress.

I also take this opportunity to thank you, the shareholder, for your ongoing support and look forward to updating you on the Company's progress during the next twelve months.

Yours faithfully,



Phillip Harman
Chairman



DIRECTORS' REPORT

FOR YEAR ENDED 30 JUNE 2017

The Directors of Alice Queen Limited ["Alice Queen" and/or "the Company"] 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 year ended 30 June 2017, unless otherwise stated.

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:

Phillip Harman

Non-Executive Chairman

Date of Appointment: Director since 9 February 2009.
Chairman until 24 September 2009.
Re-elected Chairman 16 March 2012 until 13 November 2015.
Re-elected Chairman 10 August 2016.

Expertise and Experience

Mr Harman is a professional geophysicist who spent more than 30 years working for BHP Billiton in minerals exploration in a broad number of roles including Chief Geophysicist, Manager Discovery of Technology, and Exploration Manager in both South America and Western Australia.

His experience in BHP spanned both technical and managerial roles here in Australia and overseas. He is broadly networked throughout the international mining business development and exploration community, has experience in creating and managing junior exploration companies and understands capital markets, having raised risk capital for exploration through the ASX and on AIM in London.

Other current directorships

- Stellar Resources Limited
- Laguna Gold Limited. (unlisted)
- Deep Exploration Technology CRC

Former directorships in the last 3 years

Predictive Discovery Limited (resigned November 2014)

Interest in shares and options

- 545,456 fully paid ordinary shares held directly in the Company; and
- 1,617,572 fully paid ordinary shares and 731,435 unlisted options over ordinary shares held indirectly in the Company.

Andrew Buxton

Managing Director

Date of Appointment: 13 November 2015

Expertise and Experience

Andrew has 25 years of experience across a broad range of industries including media, gaming, property and resources. He has specific experience in the area of corporate finance, capital raisings and generation of resources exploration projects. Andrew was the founder of Alice Queen in 2012. Prior to this he was the founding Managing Director of Kidman Resources Limited (ASX: KDR).

Other current directorships

Nil

Former directorships in the last 3 years

Nil

Interest in shares and options

- 43,222,009 fully paid ordinary shares, 25,202,674 listed options and 616,050 unlisted options over ordinary shares held directly in the Company; and
- 180,000 fully paid ordinary shares and 90,000 listed options held indirectly in the Company.

Mark Kerr

Non-Executive Director

Date of Appointment: 13 November 2015

Expertise and Experience

Mark is a director of Berkeley Consultants Pty Ltd which specialises in public relations and reputation management consultancy. He has specialist expertise in the areas of finance, marketing, property, political and issues management. Mark is also a director and adviser to various private companies.

Mark's community involvement currently extends to being a member of the Victorian Committee for the Juvenile Diabetes Research Foundation. He is also a committee member of the St Vincent's Institute Charity Golf Day Committee.

Other current directorships

- Hawthorn Resources Limited
- Contango Microcap Limited
- Contango Income Generator Limited
- Think Childcare Limited

Former directorships in the last 3 years

Nil

Interest in shares and options

- 10,682,779 fully paid ordinary shares, 5,341,390 listed options and 616,050 unlisted options over ordinary shares held directly in the Company; and
- 10,447,835 fully paid ordinary shares and 3,973,918 listed options held indirectly in the Company.

FORMER DIRECTORS

Bruce Fulton

Non-Executive Director

Date of Appointment: 13 November 2015.

Date of resignation: 10 August 2016.

Expertise and Experience

Bruce is a mining executive and company director.

Bruce trained in geology and his experience, both locally and internationally, includes base and precious metals, coal and oil & gas. His early experience saw a strong focus on exploration, resource definition and mine development. He later completed an MBA and was involved in the analysis and evaluation of resource projects.

Other current directorships

Nil

Former directorships in the last 3 years

Nil

Interest in shares (as at date of resignation)

17,359,516 fully paid ordinary shares held in Alice Queen.

John Holliday

Non-Executive Director

Date of Appointment: 13 November 2015.

Date of resignation: 10 August 2016.

Expertise and Experience

John has over 30 years' experience in metals exploration mostly with BHP minerals and Newcrest Mining, including the positions of Chief Geoscientist and General Manager, Property Generation. John was a principal discoverer and site manager of the Cadia and Marsden porphyry gold-copper deposits in New South Wales, and was a principal geological advisor on the acquisition of many significant projects, including Namosi and Wafi-Golpu. John has worldwide

experience in gold-copper deposit exploration and evaluation and has presented at major international conferences on exploration for porphyry deposits. He has a geophysics/geology honours degree from Macquarie University and an economics/politics degree from Sydney University. John is Principal of his own geoscience consultancy, Holliday Geoscience. John is a member of the Australian Institute of Geoscientists, the Australian Society of Exploration Geophysicists and the Society of Economic Geology.

Other current directorships

- Kincora Copper Limited

Former directorships in the last 3 years

Foyson Resources Limited (resigned 24 October 2014)

Interest in shares (as at date of resignation)

18,694,863 fully paid ordinary shares held in Alice Queen.

Jeffrey Williams

Non-Executive Director

Date of Appointment: 16 March 2012.

Date of resignation: 10 August 2016.

Expertise and Experience

Jeffrey (Jeff) Williams has 40 years' experience as a professional mining engineer in Australia including seven years in the stockbroking industry and 14 years as a Managing Director. He is a Fellow of the Australasian Institute of Mining and Metallurgy. Jeff's mining experience ranges from mine planning, underground management and feasibility studies through to mine development. From 1972 to 1984, he held various positions with CRA Limited at Broken Hill in New South Wales. Following completion of a Masters of Business Administration ['MBA'] program in 1987, he played a major role as a Senior Project Engineer with North Limited. From 1989 to 1996, he specialised in gold mining research in the stock broking industry finishing up as Head of Resources Research at James Capel Australia.

In 1997 Jeff established Nimbus Resources which acquired Mineral Deposits Limited ['MDL'] from BHP Billiton in 1998. This included mineral sands assets near Hawks Nest on the north coast of New South Wales. Jeff remained Managing Director for 14 years until 30 June 2011. During this time the company acquired the Grand Cote Mineral Sands project in Senegal in West Africa which is now under development into a world class mineral sands mine. MDL also acquired and developed the Sabodala gold deposit in Senegal which is now a significant gold producer in West Africa and was demerged from MDL into the standalone gold producer Teranga Gold Corporation.

Other current directorships

- MacPhersons Resources Limited
- Herencia Resources plc

Former directorships in the last 3 years

- Hyunsoo Kim (resigned 4 December 2014)
- Jeff Williams (World Titanium Resources Limited (resigned September 2016) and Image Resources Limited (resigned February 2016))

Interest in shares (as at date of resignation)

830,761 fully paid ordinary shares held in Alice Queen.

COMPANY SECRETARY

Anne Adaley

Date of Appointment: 25 November 2015.

Anne has more than 25 years' experience in the resources sector, including senior management roles with a number of listed public Australian exploration and mining companies.

Anne is principal of Australian Mining Corporate and Administrative Services Pty Ltd (AMCAS) which provides a full range of consulting services and business support to management including accounting, financial services and company secretarial.

Anne has also spent more than a decade as Company Secretary for several ASX listed public companies. Anne has served as Chief Financial Officer and Company Secretary to Mobecom Limited, Global Fortune Investment Limited, Tellus Resources Ltd and Monaro Mining NL, Company Secretary to Gulf Industrials Limited, Chief Financial Officer to Estrella Resources Ltd, Finance and Administration Manager to Climax Mining Limited and Company Secretary and Group Financial Controller to Gympie Gold Limited.

PRINCIPAL ACTIVITY

The principal activity of the Company during the reporting period was mineral exploration and 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 \$1,138,203 (2016: 2,238,950 loss).

Corporate activities

Capital raising and Bonus Option Issue

- On 5 July 2016, the Company announced its intention to undertake a capital raising to raise up to \$868,500 to provide funding for its phase 2 exploration program at Horn Island and to commence drilling at its Looking Glass project, the Company's copper gold porphyry target on the Molong Volcanic Belt of NSW. In addition to the capital raising, the Company simultaneously announced that it would make a bonus issue of options to all existing shareholders on a 1 for 2 basis. The capital raising was priced at \$0.03 (3 cents) with a free attaching listed \$0.03 (3 cent) 12-month option for each share subscribed. The raising was completed via prospectus, which was lodged with ASX on 5 October 2016, and was closed oversubscribed, five days later, on 10 October 2016. The bonus issue was also completed via prospectus, which was lodged with ASX on 29 September 2016, and provided all existing shareholders with one free \$0.03 (3 cent) twelve month listed option for each 2 shares held at the record date.
- On 13 April 2017, Alice Queen announced that it had closed a share placement (Placement) fully subscribed and issued 55,000,000 ordinary shares at an issue price of \$0.035 per share raising \$1,925,000. The Placement attracted strong support from Alice Queen's existing shareholders, including a number of its Top 20 shareholders, along with strong interest from a number of new strategic investors. Funds raised through the Placement were allocated predominantly to the funding of the Company's Phase One resource definition drilling program at Horn Island.

Exploration activities

Queensland

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

During the reporting period, the Group commenced its Phase 2 exploration program at Horn Island, embarking on an extensive geological mapping and sampling program at Horn Island. The intention of the program was to investigate the scope and scale of the Horn Island Mineral Field and to firm up targets for further drilling outside the immediate area of the former Horn Island open pit. Reconnaissance work during 2016 comprised 15 km² of geological mapping, 650 rock chip samples, and approximately 30 channel samples.

The results demonstrated that the area between the former Horn Island open pit and the Southern Silicified Ridge ("SSR") approximately 2km to its south, contained numerous gold bearing veins that can be contained within four major target areas. High grade assay results included 117.0 g/t Au, 107.0 g/t Au, 51.5 g/t Au and 50.5 g/t Au, please see ASX Announcement dated 6 September 2016.

The clustered veins and stock work zones were found to be most extensive at and along the SSR which displays a strike extent of greater than 2km and surface width at some locations of around 100m.

On 17 November Alice Queen announced the results of its metallurgical test work that had been completed by Gekko Systems Pty Ltd ("Gekko"). The testing had been completed using a composite of drill core from holes 4 and 7 of the Company's maiden drill program from the Pioneer Lode area at the historic Horn Island open pit.

The results revealed a very strong headline 91.2% gravity only gold recovery. With the addition of flotation, the results also showed that a 95.1% gold recovery was achievable and, if gravity, floatation and leaching were to be utilised, overall gold recovery could be as high as 98.8%.

A preliminary process flow sheet on the economics of gravity and floatation treatment of the mineralisation followed to assist in developing the ongoing exploration and development plans for Horn Island.

In January 2017, Alice Queen engaged Mining Plus to undertake gold mineralisation modelling on targets within and in proximity to the historic Horn Island Pit prospect area (refer to below figure). The modelling was completed using Leapfrog wireframes and Vulcan block modelling running a preliminary block mode.

As a result, on 14 March 2017, the Company announced an Exploration Target upgrade of its flagship Horn Island gold project to 8.5M -10.0M tonnes at a grade range of 2.7 – 3.0 g/t gold which represents an Exploration Target of 800,000 to 880,000 Oz of gold. The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.*

Disclaimer: An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource.

In April 2017, the Company embarked on its Phase One resource definition drilling program at Horn Island. The Phase One program was initially developed as an 11 hole, HQ3 diamond core, program for a total of 1,635 metres. However, following visual examinations of some core samples from early drilling the Company felt that, whilst equipment was in place, it was worthwhile extending the program. The program was consequently modified and extended to a total of 12 HQ3 diamond core holes for a total of 2,656 metres and drilling was completed on 20 July 2017.

The Phase One program was specifically designed to test the Pioneer Lode area of the former Horn Island open pit. Phase One, Two and Three of the program are designed with the goal of converting the Company's current Exploration Target up to Inferred Resource status. As a rough guide, the Pioneer Lode target area comprises around 25% – 30 % of the total Horn Island pit prospect area. Please see Figure 1. For plan view map of Horn Island Pit prospect and Pioneer Lode Target.

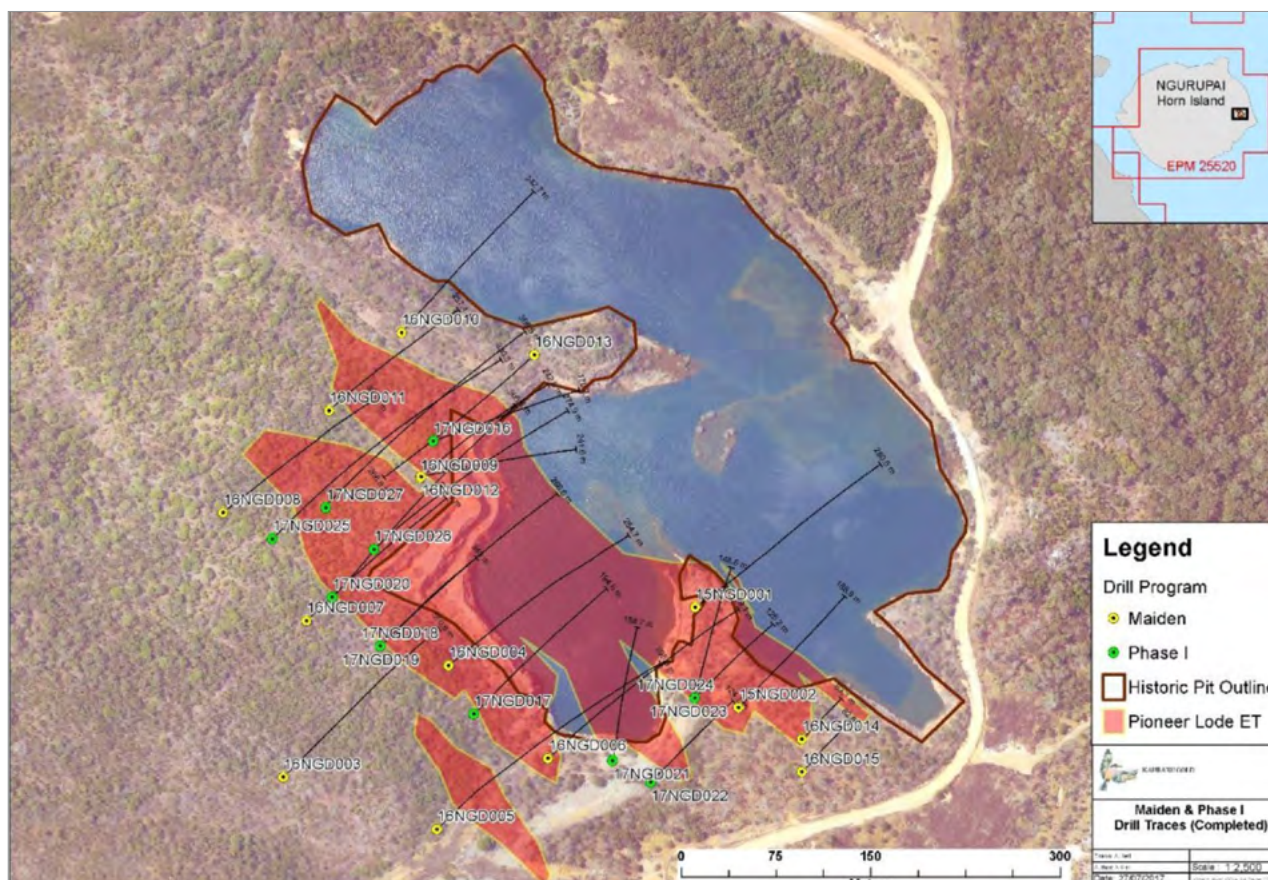


Figure 1. Plan view of the Horn Island Pit Prospect with completed drill holes and red shade over Pioneer Lode target.

* The Exploration Target was reported in the Company's ASX announcement titled "Horn Island Exploration Target Update" released on 14 March 2017. The Competent Person responsible for the Exploration Target in that ASX announcement was Mr Richard Buerger. The Company confirms that it is not aware of any new information or data which materially affects the information included in that ASX announcement. The Company further confirms that the form and context in which the Competent Person's findings are presented has not been materially modified.

On 22 August 2017, the Company announced the assay results from the Horn Island Phase One Resource Definition drilling program as follows:

This drilling program has evaluated the Pioneer Lode target [previously reported to ASX on 14 March 2017].

Drilling comprised 12 HQ diamond holes for a total of 2656m which were approximately spaced at between 50 to 100m intervals. In conjunction with drill data from the Company's maiden drill program [refer to ASX releases 22 January 2016, 26 February 2016, 7 April 2016, 10 June 2016, and 14 March 2017].

The area currently being evaluated represents approximately 25% - 30% of the total 2012 JORC Exploration Target area [refer to ASX release 14 March 2017] with the West Pit, Welcome, Bonanza, and Band of Hope targets yet to be evaluated by resource definition drilling.

The Exploration Target referred to above is 8.5 - 10.0M tonnes at 2.7 -3.0 g/t Au for an exploration potential of 800,000 to 880,000 Oz's of gold. The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

All drill holes intercepted gold mineralisation within clustered vein zones of various widths which display good vertical and lateral strike continuity across the target area. Three major vein orientations have now been recognised including a dominant steep [average 78/222], moderate [56/222] and shallow [19/222] trend, with all three trends to be considered in the resource modelling by Mining Plus.

Gold mineralisation is associated with pyrite, arsenopyrite, sphalerite, galena and chalcopyrite, however in a number of holes at various intervals visible gold [VG] was also observed.

The selection of notable Au assay intercepts are presented as follows:

- 12m @ 4.09g/t Au from 112m [17NGD024]
- 12m @ 3.28g/t Au from 265m [17NGD020]
- 4m @ 9.96g/t Au from 88.0m [17NGD022]
- 2m @ 10.48 g/t Au from 73.0m [17NGD018]
- 6m @ 2.49 g/t Au from 93.0m [17NGD019]
- 1m @ 181.5 g/t Au from 2.0m [17NGD023]

Host rock geology is typically porphyry granite and equigranular granite.

Kaiwalagal EPM 25418

Kaiwalagal EPM 25418 located in Queensland was granted for a term of five years from 25 January 2016 to 24 January 2021. There were no exploration activities undertaken on EPM 25418 during the reporting period.

EPM 18699

There were no exploration activities at EPM 18699 in Queensland, Australia during the reporting period. The license was surrendered on 30TH June 2017.

New South Wales

Looking Glass EL 8225 [90% owned]

On 17 October, the Company announced that it had commenced drilling at its Looking Glass project on the Molong Volcanic Belt of NSW. The drilling program consists of two deep (700m+) diamond core holes, respectively targeting two discrete magnetic anomalies. One of the planned drill holes has been completed to date.

Drilling costs at Looking Glass are supported by a New Frontiers Co-operative Drilling grant, from the NSW Department of Industry Skills and Regional Development, which reimburses the costs of 50% of the drilling costs up to a maximum of \$190,000. On 31 May 2017, the Company received a reimbursement pursuant to the grant, for the first hole at Looking Glass, which amounted to \$95,547.

On 8 November 2016, Alice Queen announced that it had achieved positive results, in respect of its stated objectives, for the first drill hole at Looking Glass.

Field observations indicated that; the hole had penetrated the sedimentary cover sequence, the hole had entered the basement rocks at a reasonable vertical depth (522 metres), the basement volcanic breccia rocks are analogous to the rocks that host the Cadia deposits and, finally, that the rocks include a zone, from 682-694 metres, with some epidote-hematite-chalcopyrite veinlets, this considered an indication of porphyry style mineralisation.

Further reviews have now been completed on the first hole, including age dating. The age dating confirmed that the basement rocks that had been intercepted were in fact of Carboniferous age, not Ordovician as had been hoped. Accordingly, a second hole, designed to test the other discrete magnetic target at Looking Glass, is planned for November 2017. The Company has recently confirmed with the NSW Department that it still has over \$90,000 remaining in grant funding to apply towards the drilling costs of this second hole.

Mendooran EL 8469 [90% owned]

On 10 April 2017, Company announced that it has entered an Option and Farm In Agreement with Newcrest Operations Limited [Newcrest] in respect of certain of the Company's NSW tenements. This provides Newcrest with an option to earn the right to earn up to an 80% interest in the tenements by incurring exploration expenditure of not less than \$10 million [Proposed Farm-In].

The key commercial terms of the Option and Farm In Agreement are:

- Newcrest to have an option to obtain the right to earn an interest in EL 8469, EL8563 and EL8565 [the Tenements] by incurring \$2 million of exploration expenditure within the 24 months from the date on which the conditions above were satisfied.
- Of this \$2 million, at least \$1 million is required to be spent in the 12 months from the date on which the conditions above were satisfied [Minimum Commitment Exploration Program]. Upon exercising its option, Newcrest will have the right to spend \$3 million in the 24 months following the exercising the option, to earn a 51% interest in the Tenements [Stage 1].
- In the 60 months following the completion of Stage 1, Newcrest has the right to spend a further \$5 million on exploration to earn a further 29% interest in the Tenements [thereby bringing its total interest in the Tenements to 80%].
- During the term of the Option and Farm In Agreement, Newcrest also has exclusivity over the Company's Looking Glass project.

Mendooran North EL 8563 [90% owned]

Mendooran North EL8563 located in New South Wales was granted for a term of two years from 12 May 2017 to 12 May 2019. There were no exploration activities undertaken on EL 8563 during the reporting period.

Mendooran South EL8565 [90% owned]

Mendooran South EL8565 located in New South Wales was granted for a term of two years from 17 May 2017 to 17 May 2019. There were no exploration activities undertaken on EL 8565 during the reporting period.

Tenement Summary

Tenement	Location	Current Holder ⁽ⁱ⁾	Interest	Area (Blocks)	Grant Date	Expiry Date	Minimum expenditure (current year) ⁽ⁱⁱ⁾
EPM 25520	Queensland	Kauraru Gold Pty Ltd	100%	24	08 Oct 2014	07 Oct 2019	\$1,500,000
EPM 25418	Queensland	Kauraru Gold Pty Ltd	100%	83	25 Jan 2016	24 Jan 2021	\$100,000
EL 8225	New South Wales	Monzonite Metals Pty Ltd	100%	74	06 Jan 2014	06 Jan 2018	\$700,000
EL 8469	New South Wales	Monzonite Metals Pty Ltd	100%	100	30 Sep 2016	30 Sep 2018	\$200,000
EL 8563	New South Wales	Monzonite Metals Pty Ltd	100%	28	12 May 2017	12 May 2019	\$25,000
EL 8565	New South Wales	Monzonite Metals Pty Ltd	100%	14	17 May 2017	17 May 2019	\$25,000
EL8646	New South Wales	Monzonite Metals Pty Ltd	100%	86	12 Sep 2017	12 Sep 2019	\$25,000

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

(ii) Minimum expenditure current year totals \$2,575,000 [for further information refer to Note 20 of the financial statements].

Competent Person Statement

The information in report that relates to exploration results is based on information compiled by Mr Adrian Hell BSc (Hons) who is an employee of Alice Queen Limited. Mr Hell is a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Hell has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves". Mr Hell consents to the inclusion of this information in the form and context in which it appears in this report.

CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the reporting period ended 30 June 2017 other than as referred to in this report and the Financial Statements or notes thereto.

DIVIDENDS

The Directors recommend that no dividend be paid for the reporting period ended 30 June 2017 (2016: Nil) nor have any amounts been paid or declared by way of dividend during the reporting period.

DIRECTORS' MEETINGS

The number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

	BOARD MEETINGS	
	Number Eligible to Attend	Number Attended
Director		
P Harman	17	16
A Buxton	17	17
M Kerr	17	17
Former Directors		
B Fulton	-	-
J Holliday	-	-
J Williams	-	-

The Board does not have separately established committees dealing with audit, nomination, remuneration and risk management. The full Board carried out this role in accordance with the principles as set out in the Company's Corporate Governance Plan.

SHARE OPTIONS

Details of unissued shares or interests of Alice Queen under option at the date of this report are:

Number of Shares Under Option	Class of Shares	Exercise Price of Option	Expiry Date of Options
2,030,722	Ordinary	\$0.30	31 December 2017
11,100,000	Ordinary	\$0.03	14 December 2019
119,436,216	Ordinary	\$0.03	30 September 2017

Details of options issued by the Company are set out in the capital and reserves note to the financial report. The names of persons who currently hold options are entered in the register of options kept by the Company pursuant to the *Corporations Act 2001*. This register may be inspected free of charge. The persons entitled to exercise the options do not have, by virtue of the options, the right to participate in a share issue of any other body corporate.

Shares issued on exercise of options

During or since the end of the financial year, the Company issued 22,053,093 [2016: Nil] fully paid ordinary shares as a result of the exercise of listed options.

ENVIRONMENTAL REGULATIONS

The Group is subject to environmental regulations under the laws of the Commonwealth and State. The Board of Directors monitors compliance with environmental regulations and as at the date of this report the Directors are not aware of any breach of such regulations during the reporting period.

INDEMNITIES GIVEN AND INSURANCE PREMIUMS PAID TO AUDITORS AND OFFICERS

During the reporting period, the Company paid an insurance premium to insure the Directors and Officers of the Group. The Officers of the Company covered by the insurance policy include all Directors and the Company Secretary. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Company. Details of the amount of the premium paid in respect of the insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

The Company has entered into an agreement with the Directors and Officers to indemnify them against any claim and related expenses, which arise as a result of work completed in their respective capabilities.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Company against a liability incurred as such by an officer or auditor.

LIKELY FUTURE DEVELOPMENTS

The Directors intend that the Group will continue exploration activities at its Horn Island Projects in Queensland and in New South Wales, as well as continually seeking further opportunities.

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of each element of the emoluments of the key management personnel of the Group.

Alice Queen received 4,967,138 or 82.49% votes in favor, 1,054,003 or 17.51% against and 5,010 votes abstained out of 6,026,151 total votes received. The Company did not receive any specific feedback at the Annual General Meeting held on 30 November 2016.

The policy of remuneration of Directors and other key management personnel is to ensure the remuneration package properly reflects the person's duties and responsibilities, and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. There was no remuneration consultant used during the reporting period.

Names and positions held by Key Management Personnel in office at any time during the reporting period are:

P Harman	Non-Executive Chairman [re-elected 10 August 2016]
A Buxton	Managing Director [appointed 13 November 2015]
M Kerr	Non-Executive Director [appointed 13 November 2015]
B Fulton	Non-Executive Director [appointed 13 November 2015, resigned 10 August 2016]
J Holliday	Non-Executive Director [appointed 13 November 2015, resigned 10 August 2016]
J Williams	Non-Executive Director [resigned 10 August 2016]

KEY MANAGEMENT PERSONNEL	POSITION	DATE APPOINTED	DATE RESIGNED	CONTRACT DETAILS (DURATION & TERMINATION NOTICE PERIOD)	PROPORTION OF ELEMENTS OF REMUNERATION RELATED TO PERFORMANCE			PROPORTION OF ELEMENTS OF REMUNERATION NOT RELATED TO PERFORMANCE		
					Non-Salary cash- based incentives %	Shares /Units %	Options /Rights %	Shares /Units %	Fixed salary /Fees %	Total %
Directors										
P Harman	Non- Executive Chairman			No fixed term	-	-	-	-	100	100
A Buxton	Managing Director	13 Nov 15		No fixed term 6 months' notice for termination	-	-	-	-	100	100
M Kerr	Non- Executive Director	13 Nov 15		No fixed term	-	-	-	-	100	100
Former Directors/Executives										
B Fulton	Non- Executive Director	13 Nov 15	10 Aug 16	No fixed term	-	-	-	-	100	100
J Holliday	Non- Executive Director	13 Nov 15	10 Aug 16	No fixed term	-	-	-	-	100	100
J Williams	Non- Executive Director	24 Sep 09	10 Aug 16	No fixed term	-	-	-	-	100	100

(a) Key Management Personnel Remuneration

Details of remuneration

Details of the nature and amount of each element of the emoluments of each of the key management personnel of the Group for the reporting period ended 30 June 2017 are set out in the following table:

Name	SHORT-TERM BENEFITS	POST-EMPLOYMENT BENEFITS		
	Salary & Fees \$	Equity \$	Super- annuation \$	Total \$
Directors				
P Harman	25,000	10,103	2,375	37,478
A Buxton ⁽ⁱ⁾	250,000	10,103	-	260,103
M Kerr ⁽ⁱⁱ⁾	25,000	10,103	2,375	37,478
Former Directors/Executives				
B Fulton ⁽ⁱⁱⁱ⁾	4,167	-	396	4,563
J Holliday ^(iv)	6,747	-	396	7,143
J Williams	4,167	-	396	4,563
Total	315,081	30,309	5,938	351,328

(i) A Buxton: Total remuneration of \$260,103 includes consulting fees totalling \$250,000 (exclusive of GST) paid to Claremont Equities Pty Ltd during the reporting period, a company in which Mr. Buxton has an interest, for providing management services to the Alice Queen Group. This arrangement is based on normal commercial terms and conditions;

(ii) M Kerr: Total remuneration of \$37,478 includes director's fees totalling \$25,000 plus superannuation totalling \$2,375 paid and/or accrued during the reporting period. Director's fees of \$25,000 were paid to Berkeley Consultants Pty Ltd, a company in which Mr. Kerr has an interest.

(iii) B Fulton: Total remuneration of \$4,563 reflects director's fees totalling \$4,167 plus superannuation totalling \$396 paid during the period 1 July 2016 to 10 August 2016. Director's fees of \$4,167 were paid to Maplefern Pty Ltd, a company in which Mr. Fulton has an interest.

(iv) J Holliday: Total remuneration of \$4,563 is comprised of director's fees totalling \$4,167 plus superannuation totalling \$396 paid during the reporting period and consulting fees totalling \$2,580 paid to Holliday Geoscience Pty Ltd during the period 1 July 2016 to 10 August 2016, a company in which Mr. Holliday has an interest, for providing consulting, geological and management services to the Alice Queen Group in addition to the duties of a non-executive director. This arrangement is based on normal commercial terms and conditions.

(b) Key Management Personnel Remuneration

Details of the nature and amount of each element of the emoluments of each of the key management personnel of the Group for the 2016 comparative period are set out in the following table:

Name	SHORT-TERM BENEFITS	POST-EMPLOYMENT BENEFITS		
	Salary & Fees \$	Equity \$	Super- annuation \$	Total \$
Directors				
P Harman	16,667	-	1,583	18,250
A Buxton ⁽ⁱ⁾	166,667	-	-	166,667
M Kerr ⁽ⁱⁱ⁾	16,667	-	1,583	18,250
Executives				
B Fulton ⁽ⁱⁱⁱ⁾	16,667	-	1,583	18,250
J Holliday ^(iv)	53,403	-	1,583	54,986
J Williams	16,667	-	1,583	18,250
M Raetz ^(v)	57,459	-	14,000	71,459
I Hobson ^(vi)	33,347	-	-	33,347
Total	377,544	-	21,915	399,459

(i) A Buxton: Total remuneration of \$166,667 reflects consulting fees paid to Claremont Equities Pty Ltd during the period 13 November 2015 to 30 June 2016, a company in which Mr. Buxton has an interest, for providing management services to the Alice Queen Group. This arrangement is based on normal commercial terms and conditions.

(ii) M Kerr: Total remuneration of \$18,250 reflects director's fees totalling \$16,667 plus superannuation totalling \$1,583 paid and/or accrued during the period 13 November 2015 to 30 June 2016. Director's fees of \$16,667 were paid to Berkeley Consultants Pty Ltd, a company in which Mr. Kerr has an interest.

(iii) B Fulton: Total remuneration of \$18,250 reflects director's fees totalling \$16,667 plus superannuation totalling \$1,583 paid and/or accrued during the period 13 November 2015 to 30 June 2016. Director's fees of \$16,667 were paid to Maplefern Pty Ltd, a company in which Mr. Fulton has an interest.

(iv) J Holliday: Total remuneration of \$54,986 is comprised of director's fees totalling \$16,667 plus superannuation totalling \$1,583 paid and /or accrued during the period 13 November 2015 to 30 June 2016 and consulting fees totalling \$36,736 paid to Holliday Geoscience Pty Ltd during the year ended 30 June 2016, a company in which Mr. Holliday has an interest, for providing consulting, geological and management services to the Alice Queen Group in addition to the duties of a non-executive director. This arrangement is based on normal commercial terms and conditions.

(v) M Raetz: Total remuneration of \$71,459 reflects the period 1 July 2015 to 31 December 2015.

(vi) I Hobson: Total remuneration of \$33,347 reflects the period 1 July 2015 to 25 November 2015

Performance income as a proportion of total income

No bonuses were paid to Key Management Personnel during the reporting period nor during the comparative period.

(c) Options issued as part of remuneration

There were no options granted as compensation to Key Management Personnel during the reporting period or during the comparative period.

(d) Shares Issued on Exercise of Compensation Options

There were no options exercised during the reporting period or the comparative period that were granted as compensation in prior periods.

(e) Other Information

The number of securities in the Company held by each of the Key Management Personnel, including their related parties, during the 2017 reporting period and the 2016 comparative period, is set out below:

Shares held by Key Management Personnel

2017	BALANCE 01 July 2016	PURCHASED	BALANCE ON RESIGNATION	BALANCE 30 JUNE 2017
Directors				
P Harman	1,442,018	721,010	-	2,163,028
A Buxton	25,818,670	17,583,339	-	43,402,009
M Kerr	20,297,281	833,333	-	21,130,614
Former Directors/Executives				
B Fulton	17,359,516	-	[17,359,516] ⁽ⁱ⁾	-
J Holliday	18,694,863	-	[18,694,863] ⁽ⁱ⁾	-
J Williams	830,761	-	[830,761] ⁽ⁱ⁾	-
Total	84,443,109	19,137,682	[36,885,140]	66,695,651

⁽ⁱ⁾ B Fulton, J Holliday and J Williams resigned on 10 August 2016.

No shares were granted as compensation to key management personnel during the 2017 reporting period.

2016	BALANCE 01 July 2015	SHARES HELD ON DATE OF APPOINTMENT	PURCHASED	NET OTHER CHANGE ⁽ⁱ⁾	BALANCE ON RESIGNATION	BALANCE 30 JUNE 2016
Directors						
P Harman	10,418,803	-	400,137	[9,376,922]	-	1,442,018
A Buxton	-	25,638,670	180,000	-	-	25,818,670
M Kerr	-	20,297,281	-	-	-	20,297,281
Former Directors/Executives						
B Fulton	-	17,359,516	-	-	-	[17,359,516]
J Holliday	-	18,694,863	-	-	-	[18,694,863]
J Williams	8,307,603	-	-	[7,476,842]	-	[830,761]
M Raetz	6,491,844	-	-	[5,842,660]	[649,184]	-
I Hobson	2,000,000	-	-	-	[2,000,000]	-
Total	27,218,250	81,990,330	580,137	[22,696,424]	[2,649,184]	10,672,829

⁽ⁱ⁾ On 23 Sep 2015, as a result of ten for one consolidation of ordinary shares the number of shares held by P Harman as at 1 July 2015 reduced by 9,376,922 Ordinary Shares; the number of shares held by J Williams reduced by 7,476,842 Ordinary Shares and the number of shares held by M Raetz reduced by 5,842,660 Ordinary Shares.

Options and right holdings held by Key Management Personnel

2017	BALANCE 01 July 2016	RECEIVED AS REMUNERATION	LISTED OPTIONS GRANTED	OPTIONS EXERCISED	BALANCE ON RESIGNATION ⁽ⁱ⁾	BALANCE 30 JUNE 2017
Directors						
P Harman	115,385	616,050	721,010	[721,010]	-	731,435
A Buxton	-	616,050	27,892,674	[2,600,000]	-	25,908,724
M Kerr	-	616,050	10,148,641	[833,333]	-	9,931,358
Former Directors/Executives						
B Fulton	-	-	-	-	-	-
J Holliday	-	-	-	-	-	-
J Williams	-	-	-	-	-	-
Total	115,385	1,848,150	38,762,325	[4,154,343]	-	36,571,517

⁽ⁱ⁾ B Fulton, J Holliday and J Williams resigned on 10 August 2016.

2016	BALANCE 01 JULY 2015	RECEIVED AS REMUNERATION	NET OTHER CHANGE ⁽ⁱ⁾	BALANCE ON RESIGNATION	BALANCE 30 JUNE 2016
Directors					
P Harman	1,153,846	-	[1,038,461]	-	115,385
A Buxton	-	-	-	-	-
M Kerr	-	-	-	-	-
Former Directors/Executives					
B Fulton	-	-	-	-	-
J Holliday	-	-	-	-	-
J Williams	-	-	-	-	-
M Raetz	384,615	-	[346,153]	[38,462]	-
I Hobson	-	-	-	-	-
Total	1,538,461	-	[1,384,614]	[38,462]	115,385

⁽ⁱ⁾ On 23 Sep 2015, as a result of ten for one consolidation of unlisted options the number of options held by P Harman reduced by 1,038,461 options and the number unlisted options held by M Raetz reduced by 346,153 options.

END OF AUDITED REMUNERATION REPORT

EVENTS SUBSEQUENT TO REPORTING DATE

On 24 August 2017, the Company announced that it has entered into an underwriting agreement with Argonaut Capital Limited to provide for the underwriting of all of the Company's listed options [ASX code: AQXO] which expire on 30 September 2017 that are not exercised by that date.

On 12 September 2017, EL8646 [previously ELA5500] was granted for a period of 2 years expiring 12 September 2019.

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.

PRIOR YEAR COMPARATIVES

On 13 November 2015, the Company successfully completed the acquisition of Alice Queen Holding Pty Ltd and its controlled entities [AQH Group] and as such the reverse take-over of Callabonna Resources Limited. Accordingly, the financial statements for the year ended 30 June 2016 contain comparative value and balances from the AQH Group.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

NON-AUDIT SERVICES

The Board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of those non-audit services during the year is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Board to ensure they do not impact upon the impartiality and objectivity of the auditor; and
- The non-audit services do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid to the auditors of the Group, Moore Stephens, and its related practices for audit and non-audit services provided during the year are set out in Note 29 to the Financial Statements.

A copy of the auditor's independence declaration as required under s307C of the Corporations Act 2001 is included on page 19 of this financial report and forms part of this Directors' report.

Signed in accordance with a resolution of the Directors.



Phillip Harman
Chairman

29 September 2017

AUDITOR'S INDEPENDENCE DECLARATION

MOORE STEPHENS

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 & CONTROLLED ENTITIES**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017, 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

29 September 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Revenue from continuing operations		95,622	7,811
Expenses from continuing operations:			
Other operating expenses	5	[277,904]	[145,576]
Compliance costs		[107,766]	[34,912]
Consultancy expenses		[130,048]	[44,373]
Depreciation & Amortisation		[3,053]	[157]
Employee benefits, management fees and on costs		[695,998]	[453,666]
Costs of the Share Offer		-	[502,134]
Listing fee recognised on reverse acquisition	6	-	[1,053,190]
Other costs		[37,025]	[12,753]
Loss before income tax		[1,156,172]	[2,238,950]
Income tax expense relating to the ordinary activities	7	-	-
Net loss for the year		[1,156,172]	[2,238,950]
Loss of non-controlling interest		17,969	14,505
Loss attributable to parent entity shareholders		[1,138,203]	[2,224,445]
Other comprehensive income, net of tax		-	-
Total comprehensive loss		[1,138,203]	[2,224,445]
Earnings/Loss per Share:			
Basic loss per share (cents per share)	18	[0.51]	[1.63]
Diluted loss per share (cents per share)	18	[0.51]	[1.63]

The accompanying notes form part these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	22	805,316	992,246
Trade and other receivables	8	56,181	86,546
Prepayments	9	2,633	16,104
Total Current Assets		864,130	1,094,896
Non-Current Assets			
Property, plant & equipment	10	27,038	7,127
Investments	11	16,000	15,999
Exploration and evaluation expenditure	12	3,875,504	1,856,500
Security deposits	13	53,303	33,303
Total Non-Current Assets		3,971,845	1,912,929
Total Assets		4,835,975	3,007,825
LIABILITIES			
Current Liabilities			
Trade and other payables	14	614,850	166,371
Borrowings	15	-	433,771
Provision for annual leave	16	1,632	1,356
Total Current Liabilities		616,482	601,498
Total Liabilities		616,482	601,498
Net Assets		4,219,493	2,406,327
EQUITY			
Share capital	17	7,866,109	5,078,811
Reserves	18	182,040	-
Minority interest		[33,812]	[15,843]
Accumulated losses		[3,794,844]	[2,656,641]
Total Equity		4,219,493	2,406,327

The accompanying notes form part these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

	Issued Capital \$	Option Reserve \$	Accumulated Losses \$	Non-Controlling Interest \$	Total \$
2017					
Balance as at 1 July 2016	5,078,811	-	(2,656,641)	(15,843)	2,406,327
Total loss and comprehensive income for the period	-	-	(1,138,203)	(17,969)	(1,156,172)
Transactions with owners, recorded directly in equity					-
Issue of share capital	2,928,086	-	-	-	2,928,086
Fair value of Options issued	-	182,040	-	-	182,040
Share issue costs	(140,788)	-	-	-	(140,788)
Balance as at 30 June 2017	7,866,109	182,040	(3,794,844)	(33,812)	4,219,493

The accompanying notes form part these financial statements.

FOR THE YEAR ENDED 30 JUNE 2016

	Issued Capital \$	Option Reserve \$	Accumulated Losses \$	Non-Controlling Interest \$	Total \$
2016					
Balance as at 1 July 2015	657,900	-	(432,196)	(1,338)	224,366
Total loss and comprehensive income for the period	-	-	(2,224,445)	(14,505)	(2,238,950)
Transactions with owners, recorded directly in equity					0
Issue of share capital	4,553,193	-	-	-	4,553,193
Share issue costs	(132,282)	-	-	-	(132,282)
Balance as at 30 June 2016	5,078,811	0	(2,656,641)	(15,843)	2,406,327

The accompanying notes form part these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Cash Flows from Operating Activities			
Cash receipts in the course of operations		-	7,500
Cash payments in the course of operations		(935,983)	(770,735)
Proceeds from Government Grant		95,547	-
Interest received		75	199
Interest paid		(2,137)	-
Net cash used in operating activities	22	[842,498]	[763,036]
Cash Flows from Investing Activities			
Payments for exploration and evaluation expenditure		(1,593,546)	(1,628,234)
Payments for property, plant and equipment		(22,964)	(1,129)
Payments for security deposits		(20,000)	(20,803)
Cash and cash equivalents acquired on acquisition		-	80,289
Net cash from investing activities		[1,636,510]	[1,569,877]
Cash Flows from Financing Activities			
Proceeds from issue of shares		2,298,279	2,405
Proceeds from exercise of options		134,586	-
Proceeds from capital raise	6	-	3,500,000
Payments for share issue costs		(140,787)	(582,028)
Proceeds from borrowings		-	433,771
Repayment of borrowings		-	(70,000)
Net cash used in financing activities		2,292,078	3,284,148
Net (decrease)/increase in cash held and cash equivalents		(186,930)	951,235
Cash and cash equivalents at the beginning of the period		992,246	41,011
Cash and cash equivalents at the end of the period	22	805,316	992,246

The accompanying notes form part these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

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 year ended 30 June 2017. The principal activity of the Group during the reporting period was mineral exploration in Queensland and New South Wales.

2. BASIS OF PREPARATION

Statement of Compliance

The consolidated general purpose financial statements of the Group have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. Australian Accounting Standards incorporate International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board. Compliance with Australian Accounting Standards ensure that the financial statements and notes also comply with IFRS. The consolidated financial statements for the year ended 30 June 2017 (including comparatives) were approved and authorised for issue by the board of Directors on 29 September 2017.

Historical Cost Convention

The financial report has been prepared on an accrual basis and is based on the historical costs modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Functional and presentation currency

Both the functional and presentation currency of the Group is in Australian dollars.

Critical accounting estimates and judgements

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the consolidated financial statements are described in the following notes:

- Note 3: Going concern;
- Note 7: Income tax expense.
- Note 11: Impairment of available for sale assets; and
- Note 12: Impairment of exploration and evaluation expenditure.

3. SIGNIFICANT ACCOUNTING POLICIES

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES continued

Basis of consolidation continued

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.

Going concern basis

Notwithstanding the Group's loss-making position, the 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.

Further, subsequent to year end the Company has entered into an agreement with Argonaut Capital Limited to provide for the underwriting of all of the Company's listed options [ASX code: AQXO] which expire on 30 September 2017 that are not exercised by that date. This is due to deliver approximately \$3M of cash which further supports the director's assessment of going concern. Refer to Note 32.

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.

Contingent liabilities

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs

Transaction costs that the Group incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees, are expensed as incurred.

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Transactions eliminated and consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

Where a controlled entity issues shares to non-controlling interests which does not result in loss of control by the Company, any gain or loss arising on the Company's interest in the controlled entity is recognised directly in equity.

Property, plant and equipment

Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (see Impairment accounting policy below).

Depreciation

Depreciation is charged to the profit or loss using the straight line method from the date of acquisition. Computer and Office equipment are depreciated at rates between 25% and 33%.

Trade and other receivables

Trade and other receivables are stated at their amortised cost less impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and at call deposits.

Available for sale financial assets

The Group's investments in equity securities are classified as available for sale financial assets and are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses are recognised directly as a separate component of equity. When an investment is derecognised the cumulative gain or loss in equity is reclassified to profit or loss.

Share capital

Transaction costs

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

Dividends

There have been no dividends paid or declared in the period or in the previous reporting period.

Share based payment transactions

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do not meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Leases accounting policy note

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset – but not the legal ownership – are transferred to entities in the consolidated group, are classified as finance leases. Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the lease term.

Trade and other payables

Trade and other payables are stated at their amortised cost. Trade payables are non-interest bearing and are normally settled on 30-day terms.

Finance income and finance expense

Finance income and finance expense comprises interest payable on borrowings calculated using the effective interest method, interest earned, dividend income, unwind of discount on provisions and the net change in the fair value of derivative financial instruments recognised in profit or loss.

Interest income is recognised in the statement of comprehensive income as it accrues, using the effective interest method. Dividend income is recognised in the statement of comprehensive income on the date the entity's right to receive payments is established.

Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

3. SIGNIFICANT ACCOUNTING POLICIES continued

Impairment continued

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Exploration and evaluation assets

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability or facts and circumstances suggest that the carrying amount exceeds the recoverable amount. Exploration and evaluation assets are tested for impairment when any of the following facts and circumstances exist:

- the term of exploration licence in the specific area of interest has expired during the reporting period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area are not budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the decision was made to discontinue such activities in the specified area; or
- sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Calculation of recoverable amount

The recoverable amount of assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss in respect of goodwill is not reversed.

Exploration and evaluation expenditure

Exploration and evaluation costs, including the costs of acquiring licenses, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in the statement of comprehensive income.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Segment reporting

The Group determines and presents operating segments based on the information that internally is provided to the Managing Director, who is the Group's chief operating decision maker.

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's results are reviewed regularly by the Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2017

Segment results that are reported to the Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The Group's primary format for segment reporting is on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

Income tax

Income tax expense for the year comprises current and deferred tax. Income tax is recognised in the profit or loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Tax consolidation

Alice Queen Ltd and its wholly owned Australian resident entities have formed a tax-consolidated Group with Alice Queen Holding Pty Ltd joining the existing tax consolidated group with effect from 13 November 2015, and are therefore taxed as a single entity from that date. The Head entity within the tax-consolidated group is Alice Queen Ltd.

Kauraru Gold Pty Ltd and Monzonite Metals Pty Ltd are not part of the Alice Queen Ltd tax consolidated group as these companies are not wholly owned by Alice Queen Holdings Pty Ltd.

Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

Employee benefits

Wages, salaries, annual leave, sick leave and non-monetary benefits

Liabilities for employee benefits for wages, salaries, annual leave and sick leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at reporting date including related on-costs, such as workers' compensation insurance and payroll tax.

Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

3. SIGNIFICANT ACCOUNTING POLICIES continued

Site restoration

Mine rehabilitation costs will be incurred by the Group should the projects at the occupied mining sites be abandoned. The Group assesses its mine rehabilitation provision at each reporting date. The ultimate rehabilitation costs are uncertain and cost estimates can vary in response to many factors. These uncertainties may result in future actual expenditure differing from the amount provided. Due to the early stages of the drilling and overall project life, no provision has been recorded at the balance date but a contingent liability disclosed.

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Share based payment transactions

The fair value of the options granted is measured using a Black-Scholes formula taking into account the terms and conditions upon which the options were granted. Measurement inputs include share price at grant date, exercise price of the instrument, expected volatility (based on historic share performance), risk-free interest rate (based on government bonds), and dividend yield.

Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group's non-derivative financial liabilities are loans and borrowing and trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 30 JUNE 2017

New accounting standards and interpretations

In the current period, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board [the 'AASB'] that are relevant to its operations and effective for reporting periods beginning on 1 July 2016. The Group has not elected to early adopt any new standards or amendments. The directors note that the impact of the initial application of the Standards and Interpretation is not yet known or is not reasonably estimable and is currently being assessed. At the date of authorisation of the financial statements, the Standards and Interpretations that were issued but not yet effective are listed below to the extent relevant to the Group.

Standard/Interpretation		Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9	'Financial Instruments'	1 January 2018	30 June 2019
AASB 15	'Revenue from Contract with Customers'	1 January 2018	30 June 2019
AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128	1 January 2018	30 June 2019
AASB 2016-5	'Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions'	1 January 2018	30 June 2019
AASB Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018	30 June 2019
AASB 16	'Leases'	1 January 2019	30 June 2020

4. SEGMENT REPORTING

During the reporting period, the Company operated predominantly in one operating segment, being mineral exploration.

The results and financial position of the Company are prepared for the Managing Director on a basis consistent with Australian Accounting Standard AASB 8 operating segments, and therefore no additional disclosure in relation to the revenues, profit or loss, assets and liabilities have been made.

5. LOSS BEFORE INCOME TAX

	2017 \$	2016 \$
The result for the year includes the following specific items:		
Other operating expenses:		
- Insurance	53,977	25,238
- Marketing and conference costs	32,982	-
- Rent	23,293	17,600
- Share registry fees	68,340	19,238
- Travel, Meals & Accommodation	43,990	43,336
- IT consumables, software and services	4,053	12,238
- Other costs	51,269	27,926
	277,904	145,576

6. SIGNIFICANT EVENTS AND TRANSACTIONS

Acquisition of Alice Queen Holding Pty Ltd

During the 2016 comparative 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
<i>Less: assets & liabilities attributable to capital raise under the Callabonna Resources Limited Prospectus</i>	
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
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Listing fee recognised on reverse acquisition:	\$1,053,190
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The results for the 2016 comparative reporting period were affected by the following significant expenses:

Expenses

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

NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 30 JUNE 2017

7. INCOME TAX EXPENSE

Numerical reconciliation of income tax expense to prima facie tax payable

	2017 \$	2016 \$
Loss before tax – continuing operations	1,156,172	245,646
Prima facie income tax expense at the Australian tax rate of 27.5% [2016 – 28.5%]	[317,947]	[638,101]
Increase/(decrease) in income tax expense due to:		
- Tax adjustment to accounting loss	-	1,640
- Non-deductible expenses	50,362	300,159
- Capital raising costs	[38,717]	[27,349]
- Effect of deferred tax assets for tax losses not brought to account	870,646	221,191
- Effect of net deferred tax assets not brought to account	[564,344]	141,460
Income tax expense – current and deferred	-	-

In 2017, the government enacted a change in the income tax rate for small business entities from 28.5% to 27.5%. Alice Queen Limited satisfies the criteria to be a small business entity.

The Company and its 100% owned controlled entity have formed a tax consolidated group. The head entity of the tax consolidated group is Alice Queen Limited. The tax consolidated group has potential revenue tax losses of \$18,156,494 [2015: \$17,156,112] and capital loss of \$12,200,397. The non-wholly owned subsidiaries have separate income tax reporting obligations to the Company and its tax consolidated group.

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise benefits.

The utilisation of tax losses is dependent on the Group satisfying the continuity of ownership test or the same business test at the time the tax losses are applied against taxable income.

8. TRADE AND OTHER RECEIVABLES

	2017 \$	2016 \$
Current		
GST receivable	54,396	81,423
Other receivables	1,785	5,123
	56,181	86,546

9. PREPAYMENTS

	2017 \$	2016 \$
Insurance	-	11,475
Rent	2,633	4,629
	2,633	16,104

10. PROPERTY, PLANT AND EQUIPMENT

	2017 \$	2016 \$
Computer equipment – cost	30,091	7,284
Accumulated depreciation	[3,053]	[157]
Net book value	27,038	7,127
Total property, plant and equipment	27,038	7,127

Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below.

Computer Equipment

Carrying amount at beginning of year	7,127	-
Additions	22,964	7,284
Depreciation	[3,053]	[157]
Net book value	27,038	7,127

11. INVESTMENTS

	2017 \$	2016 \$
Investments – available for sale at fair value	16,000	15,999
	16,000	15,999

The Company has 800,000 shares in Renascor Resources Ltd [formerly Renaissance Uranium Limited]. At 30 June 2017, the Directors compared the carrying value of the investment to market value being \$16,000 [2016: \$15,999]. This was based on a closing price of \$0.02 at 30 June 2017 [2016: 1.999 cents].

12. EXPLORATION AND EVALUATION EXPENDITURE

	2017 \$	2016 \$
Opening balance	1,856,500	179,507
Additions	2,019,004	1,676,993
Closing balance	3,875,504	1,856,500

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 where indicators of impairment are present at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 30 JUNE 2017

13. SECURITY DEPOSITS

	2017 \$	2016 \$
Non-current		
Security Deposit	53,303	33,303
	53,303	33,303

14. TRADE AND OTHER PAYABLES

	2017 \$	2016 \$
Current		
Trade payables	281,271	83,165
Accruals	295,846	31,500
Payroll liabilities	37,733	51,706
	614,850	166,371

15. BORROWINGS

Details of borrowings during the 2016 comparative reporting period and repayment in the 2017 reporting period are set out below:

As at 30 June 2016, there was an outstanding loan to the Company from Mr Andrew Buxton of \$433,771. Loan funds were applied to expedite the Phase 2 drilling program at Horn Island and to fund the commencement of drilling at the Looking Glass Project. The Company obtained approval for Mr Andrew Buxton (or his associates) to participate in the Offer by subscribing for up to 16,666,667 New Shares and 16,666,667 New Options at the General Meeting held on 9 September 2016. The total amount owing to Mr Buxton on this loan was offset against subscription money due from Mr Buxton totalling \$449,500.17 (14,983,339 ordinary shares at \$0.03 per share) for participating in the Company's Share Placement in October 2016.

16. PROVISIONS

	2017 \$	2016 \$
Current		
Annual leave	1,632	1,356
	1,632	1,356

NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 30 JUNE 2017

17. ISSUED CAPITAL

	2017 \$	2016 \$
281,223,141 [2016: 192,786,948] fully paid ordinary shares	8,139,179	5,211,093
Shares Issue costs	[273,070]	[132,282]
	7,866,109	5,078,811

i) Reconciliation of share issued during the reporting period is set out below:

	2017 NUMBER	ISSUE PRICE \$	2017 \$	2016 NUMBER	2016 \$
Balance at the beginning of the period	192,786,948		5,078,811	184,500,498	44,662,932
Shares issued during the period and fully paid					
10 Oct 2016: Share Placement	28,950,000	0.030	868,500		
14 Dec 2016: Shares issued from exercise of options	277,100	0.030	8,313		
31 Jan 2017: Shares issued from exercise of options	2,600,000	0.030	78,000		
14 Mar 2017: Shares issued from exercise of options	1,609,093	0.030	48,273		
13 Apr 2017: Share Placement	55,000,000	0.035	1,925,000		
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				110,700,534	657,900
13 Nov 2015: Share issue costs			[140,788]		[132,282]
Balance at the end of the period	281,223,141		7,866,109	192,786,948	5,078,811

Each ordinary share carries the right to one vote at shareholders' meetings and is entitled to participate in any dividends or other distributions of the Group

i) Options

At reporting date, the Group had the following options on issue:

- 2,030,722 unlisted options over ordinary shares with an exercise price of \$0.30 each, exercisable on or before 31 December 2017.
- 11,100,000 unlisted options over ordinary shares with an exercise price of \$0.038 each, exercisable on or before 31 December 2019.
- 119,436,216 listed options over ordinary shares with an exercise price of \$0.03 each, exercisable on or before 30 September 2017.

NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 30 JUNE 2017

18. RESERVES

	2017 \$	2016 \$
Option reserve		
Opening balance	-	-
Additions	182,040	-
Options expired	-	-
Closing balance	182,040	-

The option reserve represents the fair value of options granted to employees and suppliers for services provided to the Group. The fair value is determined in accordance with Note 26, and is expensed when in the period in which the services are received.

19. EARNINGS PER SHARE

In accordance with the principles of reverse acquisition accounting as detailed in Note 6, the weighted average number of shares for the year ended 30 June 2017 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 30 June 2017.

	2017 \$	2016 \$
Earnings from continuing operations (basic and diluted)	[1,156,172]	[2,224,445]
Weighted average number of ordinary shares used in calculating basic earnings per share	227,050,840	60,155,307
Weighted average number of ordinary shares used in calculating diluted earnings per share	227,050,840	60,155,307
Basic earnings per shares (cents per share)	[0.51]	[1.63]
Diluted earnings per shares (cents per share)	[0.51]	[1.63]

20. COMMITMENTS FOR EXPENDITURE

The Company has minimum expenditure commitments to meet the conditions under which the properties are granted. These minimum expenditure commitments total \$2,575,000 and are comprised of \$1,600,000 in total over the term of the Exploration Licences held in Queensland and \$975,000 in total for the term of the agreed work plan for the Exploration Licences held in New South Wales. The aggregation of expenditure commitments over the full length of the terms of the licences is permitted in both Queensland and New South Wales (for further information refer to the Tenement Summary included in the Directors' Report). These minimum commitments may vary from time to time, subject to approval by the grantor of titles or by variation of contractual agreements. The expenditure represents potential expenditure which may be reduced by entering into sale, joint venture or relinquishment of the interests and may vary depending upon the results of exploration. Should expenditure not reach the required level in respect of each area of interest, the Company's interest could be either reduced or forfeited.

21. LEASING COMMITMENTS

	2017 \$	2016 \$
Operating Lease		
Minimum lease payments under non cancellable operating leases:		
- not later than one year	53,108	29,040
- between one year and five years	-	2,420
	53,108	31,460

22. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

With reference to Note 3: Site restoration, mine rehabilitation costs would be incurred by the Group at the Horn Island site upon a decision to abandon the project. In this event, management's best estimate of the present value of the future rehabilitation costs that would be required is 50,000 [2016: \$15,000].

No other contingent assets or liabilities are noted by the Group at 30 June 2017.

23. STATEMENTS OF CASH FLOWS

	2017 \$	2016 \$
Reconciliation of cash and cash equivalents		
Cash and cash equivalents at the end of the year as shown in the Consolidated Statements of Cash Flows is reconciled to the related items in the Consolidated Statement of Financial Position as follows:		
Cash at bank and on hand	805,316	992,246
Reconciliation of net loss from ordinary activities after tax to net cash used in operating activities		
Loss from ordinary activities after tax	(1,156,172)	[2,224,445]
Depreciation costs	3,053	157
Amortisation costs	-	-
Costs of the Share Offer	-	502,134
Listing fee recognised on reverse acquisition	-	1,053,190
Minority interest	(1,035)	[14,505]
Share based payment	243,540	-
Changes in assets and liabilities:		
Trade and other receivables	31,350	[46,182]
Prepayments	13,471	[11,386]
Trade and other payables	23,018	[23,355]
Provisions	276	1,356
Net cash used in operating activities	[842,499]	[763,036]

24. FINANCIAL INSTRUMENTS

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. These policies are informally reviewed from time to time to reflect changes in market conditions and the Group's activities.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, interest rate risk and market risk. The summaries below present information about the Group's exposure to each of these risks, their objectives, policies and processes for measuring and managing risk, the management of capital and financial instruments.

Credit risk

Credit risk arises mainly from the risk of counterparties defaulting on the terms of their agreements. The carrying amounts of the following assets represent the Group's maximum exposure to credit risk in relation to financial assets:

	2017 \$	2016 \$
Cash and cash equivalents	805,316	992,246
Trade and other receivables	56,181	86,546
	861,497	1,078,792
The Group's maximum exposure to credit risk at the reporting date by geographic region was:		
Australia	861,497	1,078,792

The Group mitigates credit risk on cash and cash equivalents and security deposits held in Australia by dealing with regulated banks in Australia.

Impairment losses

None of the Group's trade and other receivables are past due (2016: Nil).

Currency risk

The Group has no exposure to currency risk arising from financial instruments.

Market risk

Market risk is the risk that changes in market prices will affect the Group's income or the value of its holdings of financial instruments. Equity price risk arises from available-for-sale equity securities held by the Group.

24. FINANCIAL INSTRUMENTS continued

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

	Carrying amount \$	Contractual cash flows \$	Less than one year \$	Between one and five years \$	More than five years \$
30 June 2017					
Trade and other payables	614,850	[614,850]	[614,850]	-	-
30 June 2016					
Trade and other payables	166,371	[166,371]	[166,371]	-	-

Ultimate responsibility for liquidity management rests with the Board of Directors. The Group manages liquidity risk by maintaining adequate funding and monitoring of future rolling cash flow forecasts of its operations, which reflect management's expectations of expected settlement of financial assets and liabilities.

Interest rate risk

The Group's statement of profit or loss and other comprehensive income is affected by changes in interest rates due to the impact of such changes on interest income from cash and cash equivalents.

At balance date, the Group had the following mix of financial assets and liabilities exposed to variable interest rate risk that are not designated as cash flow hedges:

	2017 \$	2016 \$
Cash and cash equivalents	805,316	992,246
Security deposits	53,303	33,303
	858,619	1,025,549

Sensitivity analysis

A change of 100 basis points in interest rates at reporting date would have increased/(decreased) equity and loss for the period by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for the comparative period.

Impact on loss for the period	8,586	10,255
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NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2017

Capital management

ii) Capital Management

Management controls the capital of the Group in order to maximise the return to shareholders and ensure that the Group can fund its operations and continue as a going concern.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, working capital requirements, distributions to shareholders and share issues.

Net fair values of financial assets and liabilities

The carrying amounts of financial assets and liabilities of the Company and the Group, for the year ended 30 June 2017 and 30 June 2016, approximate their net fair values, given the short time frames to maturity and or variable interest rates.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quotes prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
30 June 2017				
Investments - available-for-sale	16,000	-	-	16,000
30 June 2016				
Investments - available-for-sale	15,999	-	-	15,999

25. KEY MANAGEMENT PERSONNEL DISCLOSURES

The key management personnel compensation comprised:

	2017 \$	2016 \$
Short-term employee benefits	315,081	377,544
Post-employment benefits	5,938	21,915
Share based payments	30,309	-
	351,328	399,459

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report.

26. SHARE BASED PAYMENTS

Employee share option plan

All options granted to key management personnel will convert to fully paid ordinary shares in Alice Queen Limited, which confer a right of one ordinary share for every option held. There were no employee options issued during the 2016 comparative reporting period.

A reconciliation of share-based payment arrangements that existed during and at the end of the comparative 2017 reporting period are set out below:

OPTIONS	2017 NUMBER	WEIGHTED AVERAGE EXERCISE PRICE	2016 NUMBER	WEIGHTED AVERAGE EXERCISE PRICE
Issued to directors				
Balance at the beginning of the period	-	-	-	-
Granted	1,848,150	\$0.038	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding at the end of the period	1,848,150		-	
Exercisable at year end	-		-	

The following share-based payment arrangements were in existence during the reporting period:

OPTIONS SERIES	NUMBER GRANTED	NUMBER VESTED	GRANT DATE	EXPIRY DATE	VESTING DATE	EXERCISE PRICE	FAIR VALUE AT GRANT DATE
Series (i)	1,848,150	Nil	14 Dec 2016	14 Dec 2019	14 Dec 2017	\$0.038	\$0.0164
Series (ii)	9,251,850	Nil	14 Dec 2016	14 Dec 2019	14 Dec 2017	\$0.038	\$0.0164

INPUTS INTO THE MODEL	SERIES (i) & (ii)
Grant date share price	\$0.027
Exercise price	\$0.038
Expected volatility	105%
Option life	3 years
Risk-free interest rate	1.88%

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

27. RELATED PARTIES

Related party transactions during the reporting period are as follows:

- i) As reported in the Remuneration Report:
- Director's fees totalling \$25,000 [2016: \$16,667] exclusive of GST were paid to Berkeley Consultants Pty Ltd, a company in which Mr. Mark Kerr has an interest;
 - Director's fees totalling \$4,167 [2016: \$16,667] exclusive of GST were paid to Maplefern Pty Ltd, a company in which Mr. Bruce Fulton has an interest;
 - Consulting fees totalling \$250,000 [2016: \$166,667] exclusive of GST were paid to Claremont Equities Pty Ltd a company in which Mr. Andrew Buxton has an interest, for providing management services to the Alice Queen Group. This arrangement is based on normal commercial terms and conditions; and
 - Consulting fees totalling \$2,580 [2016: \$36,736] exclusive of GST were paid to Holliday Geoscience Pty Ltd, a company in which Mr. Holliday has an interest, for providing consulting, geological and management services to the Alice Queen Group in addition to the duties of a non-executive director. This arrangement is based on normal commercial terms and conditions.
- ii) On 30 June 2016, the Group obtained a loan from Mr Andrew Buxton, Managing Director to the amount of \$433,771. The funds are to be used to fund Phase 2 of the Drilling program at Horn Island. No fees are payable to Mr Buxton in connection with the loan facility. Interest on the facility will accrue at a rate of 6% per annum. The total amount owing to Mr Buxton on this loan was offset against subscription money due from Mr Buxton totalling \$449,500.17 (14,983,339 ordinary shares at \$0.03 per share) for participating in the Company's Share Placement in October 2016.
- iii) Key management personnel equity holdings are disclosed in the Remuneration Report in the Directors' Report.
- iv) No amounts in addition to those disclosed in the Remuneration Report in the Directors' Report were paid or payable to Directors of the Group at the end of the reported period.
- v) Interests in controlled entities are disclosed in Note 31.

28. PARENT ENTITY DISCLOSURES

	Company	
	2017 \$	2016 \$
Result of the parent entity		
Net loss	[1,028,056]	[1,064,294]
Other comprehensive income	-	-
Total comprehensive loss	[1,028,056]	[1,064,294]
Financial position of the parent entity at year end		
Current assets	782,152	933,725
Non-current assets	3,608,417	1,917,388
Total assets	4,390,569	2,851,113
Current liabilities	145,862	547,689
Non-current liabilities	-	-
Total liabilities	145,862	547,689
Net assets	4,244,707	2,303,424
Equity		
Share capital	7,866,109	3,367,718
Reserves	182,040	-
Accumulated losses	[3,803,442]	[1,064,294]
Total equity	4,244,707	2,303,424

As at the financial year ended 30 June 2017, the parent entity of the Group was Alice Queen Limited.

Guarantees entered in to by parent entity

The parent entity has not entered in to any guarantees on behalf of the subsidiaries in the year to 30 June 2017.

Contingent liabilities and Capital commitments

The parent entity has no capital commitments other than those disclosed in Note 20 for the Group as at 30 June 2017.

29. AUDITOR'S REMUNERATION

	2017 \$	2016 \$
Audit and review of financial statements		
Moore Stephens	42,120	38,500
Total fees for audit and review of financial statements	42,120	38,500
Other services		
Moore Stephens: Tax advice	2,170	1,000
	2,170	1,000
Total services	44,290	39,500

30. DIVIDENDS

The Board of directors has recommended that no dividend be paid [2016: Nil].

31. CONTROLLED ENTITIES

Particulars in relation to controlled entities:

	Company interest in ordinary shares	
	2017 %	2016 %
Parent Entity		
Alice Queen Limited		
Controlled entities		
Alice Queen Holding Pty Ltd	100	100
Kauraru Gold Pty Ltd	84.5	84.5
Monzonite Metals Pty Ltd	90	90
Curnamona Uranium Pty Ltd	100	100
Arunta Uranium Pty Ltd	100	100
Beetaloo Uranium Pty Ltd	100	100
Callabonna Energy Pty Ltd	100	100
Frome Uranium Pty Ltd	100	100
West Cape Resources Pty Ltd	100	100
Queensland Uranium Pty Ltd	100	100
Consolidated Exploration NQ Pty Ltd	100	100

All entities are incorporated in Australia

- i) Alice Queen Limited holds a majority interest in Kauraru Gold Pty Ltd [84.5% equity interest] and Monzonite Metals Pty Ltd [90% equity interest].
- ii) Curnamona Uranium Pty Ltd, West Cape Resources Pty Ltd and Queensland Uranium Pty Ltd are wholly owned controlled entities.
- iii) Arunta Uranium Pty Ltd, Beetaloo Uranium Pty Ltd, Callabonna Energy Pty Ltd and Frome Uranium Pty Ltd are wholly owned controlled entities of Curnamona Uranium Pty Ltd.
- iv) Consolidated Exploration NQ Pty Ltd is the wholly owned controlled entity of Queensland Uranium Pty Ltd.

32. EVENTS SUBSEQUENT TO REPORTING DATE

On 24 August 2017, the Company announced that it has entered into an underwriting agreement with Argonaut Capital Limited to provide for the underwriting of all of the Company's listed options [ASX code: AQXO] which expire on 30 September 2017 that are not exercised by that date.

On 12 September 2017, EL8646 [previously ELA5500] was granted for a period of 2 years expiring 12 September 2019.

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

1. 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 30 June 2017 and of its performance for financial year ended on that date; and
 - ii. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
 - b. There are reasonable grounds to believe that Alice Queen Limited will be able to pay its debts as and when they become payable.
2. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2017.
3. Note 2 confirms that the consolidated financial statements also comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:



Phillip Harman
Chairman

29 September 2017

INDEPENDENT AUDITOR'S REVIEW REPORT

MOORE STEPHENS

Moore Stephens Audit (Vic)

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALICE QUEEN LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Alice Queen Limited (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

- a) the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
 - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 3 "Going Concern Basis" in the financial statements, which identifies that 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 and the recoverability of the exploration assets may be realised below their current carrying amounts at balance date. Our opinion is not modified in respect of this matter.

 MOORE STEPHENS

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER 1 – CARRYING VALUE OF CAPITALISED EXPLORATION AND EVALUATION ASSETS

Refer to Note 12 “Exploration and Evaluation Expenditure”

As at 30 June 2017 the carrying amount of exploration and evaluation (E&E) assets is \$3,875,504 (2016: \$1,856,500) as disclosed in Note 12.

The carrying value of the E&E assets was a key audit matter due to the size of the balance as at 30 June 2017 and the subjectivity involved in determining its carrying value.

Our procedures included, amongst others:

- Obtaining a management prepared schedule of capitalised Exploration and Evaluation expenditure and agreeing to the general ledger;
- Tested a sample of current year expenditure to source documents;
- Undertook a detailed review of management’s assessment of impairment including:
 - Ensuring rights to tenure were current;
 - Enquired of management about their intentions for each tenement, including reviewing forecast expenditure; and
 - Reviewing any other transactions that support the carrying value of the capitalised Exploration and Evaluation expenditure.
- Reviewed ASX announcements and minutes of directors’ meetings to ensure that the company had not decided to discontinue activities in any of its areas of interest.
- Considered the adequacy of disclosures included within Note 12 of the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company’s annual report for the year ended 30 June 2017, but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

 MOORE STEPHENS

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors;
- conclude on the appropriateness of director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company's to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

MOORE STEPHENS

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 16 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Alice Queen Limited, for the year ended 30 June 2017 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



MOORE STEPHENS AUDIT (VIC)
ABN 16 847 721 257



ANDREW JOHNSON
Partner
Audit & Assurance Services

Melbourne, Victoria

29 September 2017

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

Additional information as at 18 September 2017 required by the Australian Securities Exchange and not disclosed elsewhere in this report.

In accordance with ASX listing rule 4.10.19 the Company confirms that it has used the cash and assets in a form readily convertible to cash that it had at the time of re-compliance with Chapters 1 and 2 of the ASX Listing Rules

in a way consistent with its business objectives.

HOME EXCHANGE

The Company is listed on the Australian Securities Exchange. The Home Exchange is Perth.

AUDIT COMMITTEE AND REMUNERATION COMMITTEE

As at the date of the Directors' Report, the Company does not have an Audit Committee or a Remuneration Committee.

ORDINARY SHARES

As at 18 September 2017, the issued capital comprised of 291,965,041 fully paid ordinary shares [ASX code: AQX] held by 2,267 holders. There were 1,585,102 shares held in unmarketable parcels of \$500 or less, by 1,626 individual shareholders.

OPTIONS

As at 18 September 2017, the Company had the following options available to be exercised:

- 2,030,722 unlisted options over ordinary shares with an exercise price of \$0.03 each, exercisable on or before 31 December 2017.
- 11,100,000 unlisted options over ordinary shares with an exercise price of \$0.038 each, exercisable on or before 14 December 2019.
- 108,694,316 listed options over ordinary shares with an exercise price of \$0.03 each, exercisable on or before 30 September 2017.

Number of Holders	Number of Unlisted Options	Exercise Price	Expiry Date
12	2,030,772	\$0.30	31 Dec 2017
14	11,100,000	\$0.038	14 Dec 2019

CLASS OF SHARES AND VOTING RIGHTS

The voting rights attached to ordinary shares, as set out in the Company's Constitution, are that every member in person or by proxy, attorney or representative, shall have one vote on a show of hands and one vote for each share held on a poll.

A member holding partly paid shares is entitled to a fraction of a vote equivalent to the proportion which the amount paid up bears to the issue price for the share.

ON MARKET BUY BACK

There is no on market buy-back.

DISTRIBUTION OF SHAREHOLDERS

The distribution of each class of equity was as follows:

Restricted Securities

Class	Number	Date Escrow Period Ends
Fully paid ordinary shares	93,821,367	23 November 2017

DISTRIBUTION OF SHAREHOLDERS continued

Fully Paid Ordinary Shares

Range	Number of holders	Number of shares	Percentage
1 - 1,000	1,295	354,965	0.12
1,001 - 5,000	254	569,060	0.19
5,001 - 10,000	66	544,402	0.19
10,001 - 100,000	391	17,144,406	5.87
100,001 and over	261	273,352,208	93.62
Total	2,267	291,965,041	100.00

SUBSTANTIAL SHAREHOLDINGS

At 18 September 2017, the Register of Substantial Shareholders showed the following:

Rank	Name	Number of Ordinary Shares held	Percentage
1.	Andrew Thomas Buxton	43,402,009	14.87
2.	Invia Custodian Pty Limited <The Morris Family A/C>	24,416,666	8.36
3.	Mark Kerr	21,130,614	7.24
4.	Monzonite Investments Pty Ltd <Monzonite Super Fund>	18,694,863	6.40
5.	Maplefern Pty Ltd	17,359,516	5.95

TWENTY LARGEST SHAREHOLDERS

At 18 September 2017, the twenty largest shareholders held 56.88% of the fully paid ordinary shares as follows:

Rank	Name	Number of Ordinary Shares held	Percentage
1.	Andrew Thomas Buxton	25,638,670	8.78
2.	Invia Custodian Pty Limited <The Morris Family A/C>	24,416,666	8.36
3.	Monzonite Investments Pty Ltd <Monzonite S/F A/C>	18,694,863	6.40
4.	Maplefern Pty Ltd	17,359,516	5.95
5.	Mr Andrew Thomas Buxton <ATB A/C>	14,983,339	5.13
6.	Mark Kerr	10,682,779	3.66
7.	Eleventh Klingon Pty Ltd <Lester Family Super Fund A/C>	7,857,382	2.69
8.	Lindmark Investments Staff Super Fund Pty Ltd <Lindmark Invest. Staff S/F>	6,174,723	2.11
9.	West Trade Enterprises Pty Ltd	5,167,120	1.77
10.	Berkeley Consultants Pty Ltd	4,273,112	1.46
11.	RR & JR Wescombe Pty Ltd <RR & JR Wescombe Fam S/F A/C>	4,000,000	1.37
12.	TISIA Nominees Pty Ltd <Henderson Family A/C>	3,500,000	1.20
13.	Antionietta Adaley	3,338,368	1.14
14.	Jeep Investments Pty Ltd <Lang Super Fund A/C>	3,225,353	1.10
15.	Oak Stream Pty Ltd <Ian Dorrington Family A/C>	3,000,000	1.03
16.	Mr Michael Francis McMahon + Mrs Susan Lesley McMahon <McMahon Super A/C>	2,875,000	0.98
17.	Wealford Investments Limited	2,832,210	0.97
18.	Dr John Clifford Philpott	2,800,000	0.96
19.	Mrs Amber Hogerhorst <Amber Hogerhorst A/C>	2,670,695	0.91
20.	Peter Barry Stynes	2,670,695	0.91
Total		166,160,491	56.88

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CORPORATE DIRECTORY

DIRECTORS

Phillip Harman

Chairman

Andrew Buxton

Managing Director

Mark Kerr

Non-Executive Director

COMPANY SECRETARY

Anne Adaley

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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Moore Stephens

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SHARE REGISTER

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Perth WA, Australia 6000

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SECURITIES EXCHANGE LISTING

Australian Securities Exchange

ASX Code: AQX

Alice Queen Limited Annual Report 2017