



**ALICE QUEEN
LIMITED**

ALICE QUEEN LIMITED ACN 099 247 408

Level 2, Rear 568 Chapel Street, South Yarra Victoria 3141

T +61 3 8669 1408 | **E** info@alicequeen.com.au | **W** www.alicequeen.com.au

27 September 2018

Dear Optionholder,

ALICE QUEEN LIMITED – RIGHTS ISSUE

Alice Queen Limited (ASX:AQX) (**AQX** or the **Company**) announced to ASX on 26 September 2018 a non-renounceable pro rata offer to acquire 1 new fully paid ordinary share in AQX for every 4 shares held as at 7:00pm on 3 October 2018 (**Record Date**) at an offer price of \$0.015 (1.5 cents) per share (total 129,419,902 shares) (**Rights Issue**) to raise approximately \$2 million (before costs of the Rights Issue).

The Rights Issue offer is only made to and capable of acceptance by shareholders as recorded on the share registry records on the Record Date who have a registered address in Australia or New Zealand.

Shares not taken up by eligible shareholders will form the shortfall (**Shortfall Shares**). Eligible shareholders who take up their entitlement in full will also be able to apply for Shortfall Shares.

The Company will use the proceeds of the Rights Issue as set out in the prospectus released to ASX.

Further details of the Rights Issue are set out in the prospectus and Appendix 3B lodged with ASX. The prospectus will also be available on the AQX website at www.alicequeen.com.au.

The ASX Listing Rules require AQX to notify you of your right to participate in the Rights Issue and of the Record Date.

Your options do not entitle you to participate in the Rights Issue. You are entitled to participate in the Rights Issue in respect of your options only if you exercise your options (in accordance with terms of such options) and are entered into the Company's share register as a shareholder with a registered address in Australia or New Zealand on or before the Record Date.

The purpose of this letter is to give you notice prior to the Record Date that, subject to you having a registered address in Australia or New Zealand, you may exercise your options should you wish to participate in the Rights Issue.

If you exercise your options and are entered in the Company's share register as a shareholder on or before the Record Date, and have a registered address in Australia or New Zealand, you will be sent a copy of the prospectus and an entitlement and acceptance form in respect of the Rights Issue.

Summary of key information	
Type of offer	Non-renounceable pro rata offer to eligible shareholders to acquire 1 new share for every 4 shares held (total 131,494,902 shares).
Offer price	\$0.015 (1.5 cents).
Offer ratio	1 new share under the Rights Issue for every 4 existing shares held as at the Record Date. Fractional entitlements will be rounded up.
Shortfall participation	Eligible shareholders will have the opportunity to apply for Shortfall Shares.

rights	
Ranking of new shares	New shares issued under the Rights Issue will be fully paid and will rank equally in all respects with the Company's existing issued ordinary shares.
Eligible shareholders	The directors of the Company have determined that the Rights Issue offer is only to be made to and capable of acceptance by shareholders as recorded on the share registry records on the Record Date who have a registered address in Australia or New Zealand.

Indicative Timetable

Event	
Announcement of Rights Issue	26 September 2018
lodgement of the following with ASX: • Appendix 3B; • Prospectus	27 September 2018
EX date	2 October 2018
Record Date (7:00pm, Melbourne time)	3 October 2018
Prospectus dispatched and Rights Issue opens	8 October 2018
Closing Date (5:00pm, Melbourne time)	17 October 2018
Shares quoted on a deferred settlement basis	18 October 2018
AQX notifies of undersubscriptions	22 October 2018
Issue date and dispatch of holdings statements	24 October 2018

The dates contained in the indicative timetable are subject to change. Subject to compliance with the ASX Listing Rules, the Company reserves the right to:

- (i) not proceed with the Rights Issue and return any application moneys received without interest; or
- (ii) vary the dates and times above including close the offer under the Rights Issue earlier or later.

If you have any questions please do not hesitate to contact the Company on +61 (3) 8669 1408.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Andrew Buxton', with a stylized flourish at the end.

Andrew Buxton
Managing Director