



CAPITAL STRUCTURE

AQX (Ordinary Shares on issue)	225M
AQXO (Options)	121M (3c Exp. 30 Sep 2017)

PROJECTS

Queensland

EPM 25520	Ngurupai (Horn Island)
EPM 25418	Kaiwalagal

New South Wales

EL 8225	Looking Glass
EL 8469	Mendooran

BOARD & MANAGEMENT

Phillip Harman
Non-Executive Chairman

Andrew Buxton
Managing Director

Mark Kerr
Non-Executive Director

Anne Adaley
Company Secretary & CFO

SUBSTANTIAL SHAREHOLDERS

Andrew Buxton	19.11%
Mark Kerr	9.02%
Monzonite Inv.	8.31%
Maplefern	7.71%
Finico ATF Morris Family	5.40%

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QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 DECEMBER 2016

Alice Queen Limited ("Alice Queen" or "the Company") is pleased to provide its Quarterly Activities Report for the period ended 31 December 2016.

HIGHLIGHTS FOR THE QUARTER

- * On 17 October 2016, the Company announced that drilling had commenced at its Looking Glass project (EL8225), the Company's copper gold porphyry target on the Molong Volcanic Belt of NSW.
- * On 8 November 2016, the Company announced that it had successfully drilled indications of porphyry mineralisation at Looking Glass (EL8225).
- * On 14 November 2016, the Company announced that it had expanded its NSW, Molong Volcanic Belt, ground holding with the grant of its Mendooran Exploration License (EL8469).
- * On 17 November 2016, the Company announced the results of its initial Horn Island metallurgical testing, with a headline 91.2% gravity only Au recovery.
- * On 30 November 2016, the Company released its 2016 AGM presentation.

COMMENCEMENT OF DRILLING AT LOOKING GLASS

On 17 October, Alice Queen announced that it had commenced drilling at its Looking Glass project on the Molong Volcanic Belt of NSW. The Looking Glass target was selected by the Company's Chief Technical Advisor, John Holliday, who is a principal discoverer of the giant Cadia Valley mine, owned by Newcrest.

The drilling program consists of two deep (700m+) diamond core holes, respectively targeting two discrete magnetic anomalies.

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.



ALICE QUEEN LIMITED

FIRST HOLE AT LOOKING GLASS INTERSECTS INDICATIONS OF PORPHYRY MINERALISATION

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, which are an indication of porphyry style mineralisation.

Results from this first hole are currently being evaluated to determine their geochemistry, assay values and age dates. These results, along with updated geophysical modelling, using the down hole data, will be used to formulate the next phase of the exploration program at Looking Glass.

HORN ISLAND METALLURGICAL TESTING

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 is being prepared and will assist in developing the ongoing exploration and development plans for Horn Island.

2016 A.G.M. PRESENTATION AND JV DISCUSSIONS

On 30 November 2016, the Alice Queen's Managing Director made a presentation at the Company's Annual General Meeting. The presentation document was also released to ASX at that time.

Amongst other things, the presentation foreshadowed that the Company had been, and continued to be, actively seeking Joint Venture (JV) interest in its NSW projects. Discussions with a number of interested parties are ongoing and the Company is expecting to be able to announce further details on the nature of those discussions in coming weeks.

CORPORATE UPDATE

Given the Company's cash reserves, further capital raising is currently being undertaken by the exercise of listed options by certain of the Company's key shareholders. A separate private placement to sophisticated investors will be made, to fund the Company's ongoing exploration programs, once the current JV discussions, referred to above, have been finalised.



Tenement Summary

Tenement	Location	Current Holder ⁽ⁱ⁾	Interest	Area (Blocks)	Grant Date	Expiry Date
EPM 25520	Queensland	Kauraru Gold Pty Ltd	100%	24	08 Oct 2014	07 Oct 2019
EPM 25418	Queensland	Kauraru Gold Pty Ltd	100%	83	25 Jan 2016	24 Jan 2021
EPM 18699	Queensland	Alice Queen Limited	100%	42	18 Dec 2013	17 Dec 2018
EL 8225	New South Wales	Monzonite Metals Pty Ltd	100%	74	06 Jan 2014	06 Jan 2018
EL 8469	New South Wales	Monzonite Metals Pty Ltd	100%	100	30 Sep 2016	30 Sep 2018

- (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)

For and on behalf of the board

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