

24th May 2021

Mr. Raj Logarajah
Adviser, Listings Compliance
ASX Compliance Pty Limited

via email

Dear Raj

QMINES LIMITED ('QML'): AWARE QUERY

QMiner Limited (**ASX:QML**) (**Company**) refers to your letter dated 19 May 2021 and responds as follows:

- 1. Noting the increase in the price of QML's securities and increased trading volumes between Friday, 14 May 2021 and Tuesday, 18 May 2021, does QML consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?**

QMiner considers the information contained in the announcement titled "Outstanding High-Grade Copper & Gold Results" lodged on the ASX Market Announcements Platform (**MAP**) and released on 19 May 2021 (**Announcement**), disclosing that the Company's recent drill program at the Mt Chalmers Copper Project delivered numerous copper and gold intersections (**Information**), to be information that a reasonable person would expect to have a material effect on the price or value of its securities.

- 2. If the answer to question 1 is "no", please advise the basis for that view, commenting on the fact that QML marked the Announcement as sensitive, and the increase in the price of QML's securities and increase in volume of QML securities traded between Friday, 14 May 2021 and Tuesday, 18 May 2021.**

Not applicable.

- 3. When did QML first become aware of the Information?**

QMiner's General Manager received the final assay results for the first seven holes from the laboratory undertaking the work from 5.23pm on Friday, 14 May 2021 following which he commenced preparing an announcement for the market.

Whilst the announcement was prepared promptly and without delay, given this was the Company's first technical announcement since listing, the General Manager and Project Manager (Competent Person) requested the Board approve the announcement before its finalisation and lodgement with ASX. Again, Board approval of the Announcement was sought promptly and without delay upon finalisation of the Announcement by the General Manager and Project Manager. However, on Tuesday, 18th May, QMiner noticed an increase in the price of QMiner's securities and, to be cautious, applied for a trading halt pending the release of the Announcement.

The Announcement containing the Information was incomplete until it was approved by the Board and subsequently lodged on MAP on 19th May 2021. At all times prior to lodgement of

the Announcement on MAP, the Information remained confidential, although a draft announcement was sent to ASX for review on Tuesday, 18th May while the Company was in a trading halt.

QMines considers that the increase in price is likely due to a number of factors, including the publishing of comprehensive research reports by various parties, including Shaw & Partners (the Company's Broker/Lead Manager) on the Company's website on Wednesday 12th May and Monday 17th May, the current price of copper and gold, the release of the Company's "Copper Showcase Presentation", the Company's recent listing on the Frankfurt exchange and a number of media articles and interviews in both Australia and Europe (some of which are available on the Company's website at <https://qmines.com.au/news-media/>), and not necessarily a suggestion that the Information did not remain confidential.

QMines has made appropriate enquires as to whether the Information remained confidential until such time as the Announcement was released, noting that whether the Information was confidential is one of fact. QMines is assured that the Information remained confidential and was not disclosed by those who knew it (other than to ASX) prior to the Announcement being released. The Information was known by a small number of individuals within the Company who have all confirmed that the Information was not and had not been disclosed to any other party/s.

- 4. If QML first became aware of the Information before the release of the Announcement, did QML make any announcement prior to the release of the Announcement that disclosed the Information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe QML was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps QML took to ensure that the information was released promptly and without delay.**

QMines did not make an announcement prior to release of the Announcement that disclosed the Information. However, QMines' Prospectus dated 16 March 2021 clearly set out that the Company had commenced drilling on 19 February 2021 and included a map showing the planned drill holes.

The Information was lodged on MAP as soon as it was available in a format that was suitable for release. Prior to that time, it was incomplete, insufficiently definite, generated for internal management purposes and was confidential and a reasonable person would not expect the information to be disclosed until it was in an announceable format.

QMines personnel took all reasonable steps to ensure the Information was released promptly and without delay.

- 5. Please confirm that QML is complying with the Listing Rules and, in particular, Listing Rule 3.1.**

QMines confirms that it is in compliance with the Listing Rules and in particular Listing Rule 3.1.

- 6. Please confirm that QML's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of QML with delegated authority from the board to respond to ASX on disclosure matters.**

The responses to the questions as contained in this letter have been authorised and approved by the QMines board of directors.

For and on behalf of
QMINES LIMITED



Elissa Hansen
Company Secretary



19 May 2021

Reference: 34973

Ms Elissa Hansen
Company Secretary
QMiners Limited

By email: Elissa.Hansen@cossecservices.com.au

Dear Ms Hansen

QMiners Limited ('QML'): Aware Query

ASX refers to the following:

- A. QML's announcement entitled "High-Grade Copper & Gold Results From Maiden Drilling Program Mt Chalmers Copper Project" lodged on the ASX Market Announcements Platform ('MAP') and released at 9:41 AM AEST on 19 May 2021 ('Announcement'), disclosing that QML's recent drill program at the Mt Chalmers Copper Project has delivered numerous high-grade intersections ('Information').
- B. The change in the price of QML's securities from a low of \$0.029 at the close of trade on Friday, 14 May 2021 to a high of \$0.041 on Tuesday, 18 May 2021 and the significant increase in the volume of QML's securities traded between Friday, 14 May 2021 and Tuesday, 18 May 2021.
- C. The pause in trade of QML's securities applied at 11:01 AM AEST on 18 May 2021 and the subsequent trading halt of QML's securities pending the release of the Announcement.
- D. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- E. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:
"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."
- F. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed."*

- G. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

Request for information

Having regard to the above, ASX asks QML to respond separately to each of the following questions and requests for information:

1. Noting the increase in the price of in QML's securities and increased trading volumes between Friday, 14 May 2021 and Tuesday, 18 May 2021, does QML consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no", please advise the basis for that view, commenting on the fact that QML marked the Announcement as sensitive, and the increase in the price of QML's securities and increase in volume of QML securities traded between Friday, 14 May 2021 and Tuesday, 18 May 2021.
3. When did QML first become aware of the Information?
4. If QML first became aware of the Information before the release of the Announcement, did QML make any announcement prior to the release of the Announcement that disclosed the Information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe QML was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps QML took to ensure that the information was released promptly and without delay.
5. Please confirm that QML is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that QML's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of QML with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **2:00 PM AWST Monday, 24 May 2021**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, QML's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require QML to request a trading halt immediately.

Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in QML's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in QML's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to QML's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that QML's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Raj Logarajah
Adviser, Listings Compliance (Perth)