(ASX:QML)

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QMINES LIMITED
ZERO CARBON COPPER AND GOLD

QMines Limited

Quarterly Activities Report

Quarter Ending 31 December 2021

Highlights

38% Increase in Mt Chalmers Resource to 101,000t CuEq;

26 Holes for 3,303 Metres Drilled;

20% Proposed Reduction in Carbon Emissions from Diesel Usage with Renewable Fuel Agreement Executed;

97% Copper Recoveries from Initial Metallurgical Test Work;

Multiple Wide High-Grade Intersections Drilled Outside Known Resource; and

78% of Total Resource now in the Measured and Indicated JORC Categories.

Overview[1]

QMines Limited (**ASX:QML**) (**FSE:81V**) (**QMines** or **Company**) is pleased to provide shareholders with the following Quarterly Activities Report for the quarter ending 31 December 2021 in what has been a very active quarter for our Company.

QMines is a Queensland based copper and gold exploration and development company and is seeking to become Australia's first zero carbon copper and gold developer. The Company owns 100% of four advanced projects covering a total area of 1,096km². The Company's flagship project, Mt Chalmers, is located 17km northeast of Rockhampton (Figure 1).

Mt Chalmers is a high-grade historic mine that produced 1.2Mt @ 3.6g/t Au, 2.0% Cu and 19g/t Ag between 1898-1982. The Company delivered an updated Resource Estimate in December 2021. Mt Chalmers now has a Total Resource of 5.8 Mt @ 1.7% CuEq for 101,000 tonnes CuEq. Importantly, 78% of this Resource now falls in the Measured and Indicated categories (JORC 2012)[1] – see Tables 1 and 2 and Figure 2 below. Mt Chalmers is recognised as being one of the highest gold grade volcanic-hosted massive-sulphide (**VHMS**) mineral systems in the world[2].

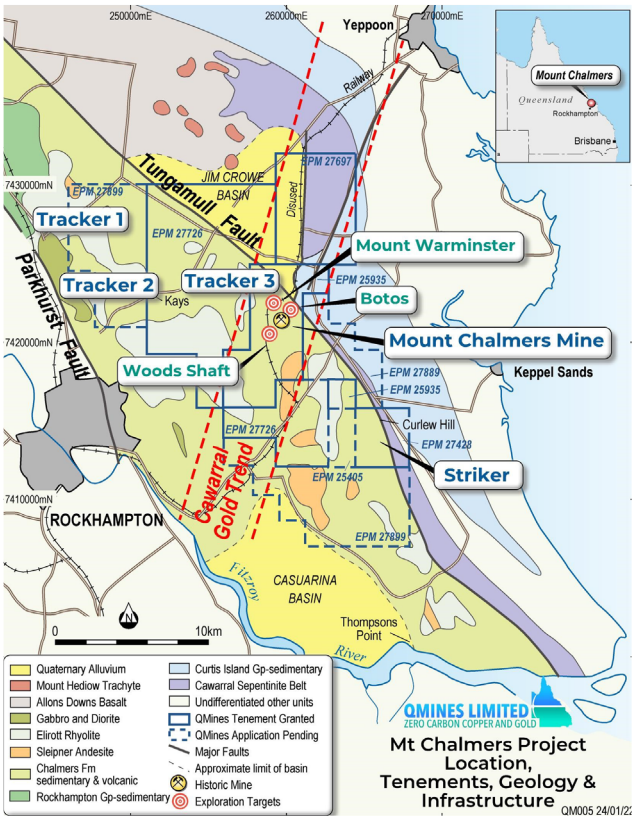

Figure 1: Mt Chalmers Project, tenure, geology and infrastructure.

[1] Mt Chalmers Resource Upgrade, https://wcsecure.weblink.com.au/pdf/QML/02460632.pdf, 1 December 2021.
[2] The Gold Content of VMS Deposits, Patrick M Langevin, 11 May 2010.

The Company continued drilling operations at Mt Chalmers during the quarter, completing 26 RC pre-collar and diamond core holes for 3,303 meters. Details of these programs, announced during the quarter, are summarised in Table 3 with all significant results shown in Table 3. Drill hole locations and various sectional views can be seen in Figures 3 to 6.

During the quarter, QMines continued to acquire freehold land surrounding the Mt Chalmers mine site, and progressed a number of Environmental, Social and Governance (ESG) initiatives.

Vision

QMines is seeking to become Australia's first zero carbon copper and gold exploration and development company. QMines has implemented a number of initiatives to reduce its carbon footprint and is in the process of initiating other carbon abatement strategies to further enhance the Company's zero carbon vision. The Company will continue its current drilling operations, with the view to increasing its copper and gold resource, via systematic exploration and consolidating stranded assets in the region.

Mt Chalmers Project

Resource Upgrade[1]

Hyland Geological and Mining Consultants (**HGMC**) has updated the Mt Chalmers wireframes and bulk density estimations for the Mt Chalmers mineralised zones; delivering a new block model and Resource Estimate[1]. The Global Resource Estimate now stands at 5.8 Mt @ 1.7% CuEq for 101,000 tonnes CuEq, with 78% of the total Resource now in the Measured and Indicated categories. The results are shown in Table 1 and the block model is shown in Figure 2.

This Resource Estimate incorporates base and precious metals at the Mt Chalmers Project, including copper, gold, silver, lead and zinc. Mt Chalmers is a brownfields VHMS copper and gold mine that was mined sporadically between 1898 and 1982. The Resource Estimate is reported in accordance with the guidelines of the 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC, 2012) with Resource Estimate Categories shown in Table 1 and Global Resource Estimate by copper equivalent tonnes shown in Table 2.

The new Resource Estimate at Mt Chalmers further strengthens the Company's view that Mt Chalmers has the potential for future development.

[1] Mt Chalmers Resource Upgrade, https://wcsecure.weblink.com.au/pdf/QML/02460632.pdf, 1 December 2021.

Resource Estimate

Resource Category	Cut-Off Cu %	TONNES Metric	Cu %	Au g/t	Zn %	Ag g/t	Pb %	Cu t	Au Oz	Zn t	Ag Oz	Pb t
Measured	0.30	2,934,000	0.98	0.78	0.22	5.12	0.08	29,500	73,000	6,700	483,000	2,500
Measured	**0.50**	**2,088,000**	**1.22**	**0.98**	**0.22**	**5.58**	**0.08**	**26,000**	**66,000**	**4,700**	**375,000**	**1,700**
Measured	0.70	1,546,000	1.44	1.17	0.22	5.87	0.08	23,000	58,000	3,500	292,000	1,700
Indicated	0.30	3,908,000	0.76	0.41	0.25	5.61	0.11	30,500	52,000	10,100	705,000	4,300
Indicated	**0.50**	**2,492,500**	**0.98**	**0.50**	**0.25**	**5.69**	**0.10**	**25,000**	**40,000**	**6,300**	**456,000**	**2,600**
Indicated	0.70	1,628,500	1.18	0.60	0.26	5.98	0.11	20,000	31,000	4,300	313,000	1,800
Inferred	0.30	2,121,000	0.66	0.19	0.09	3.33	0.04	14,000	13,000	2,000	227,000	800
Inferred	**0.50**	**1,264,500**	**0.85**	**0.24**	**0.08**	**3.42**	**0.03**	**11,000**	**10,000**	**1,000**	**139,000**	**400**
Inferred	0.70	697,000	1.06	0.19	0.05	3.29	0.02	7,500	4,000	400	74,000	200

Table 1: Resource Estimate by Resource Categories, November 2021. Note rounding errors may occur.

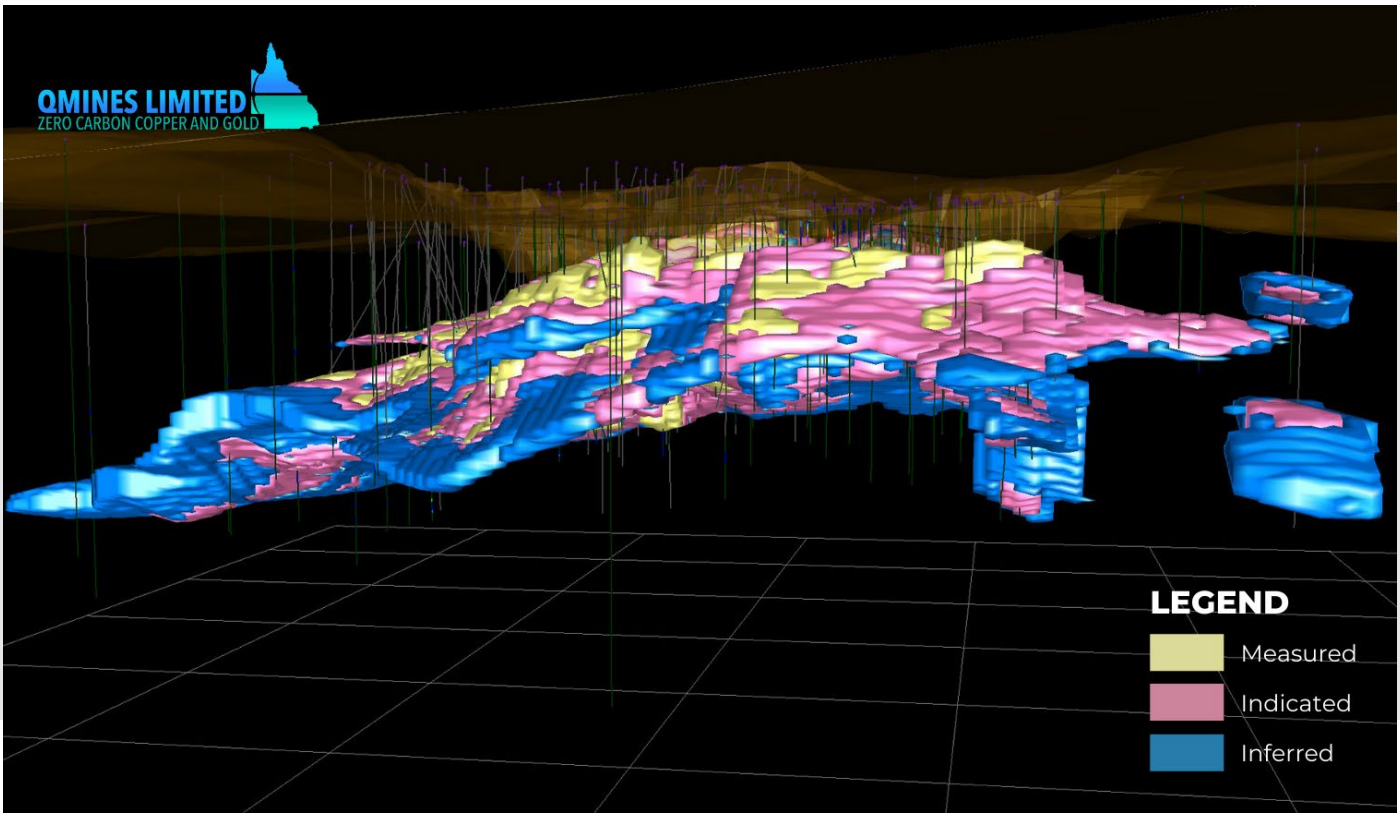

Figure 2: Mt Chalmers Measured, Indicated, and Inferred Resources Block Model using a Cut Off of 0.3% Cu (Oblique View: Looking Towards Grid Azim 80o and Dip looking up slightly +5o, Grid Shown 200m x 200m)

Copper Equivalent Tonnes

Resource Category	Cut-Off Cu (%)	TONNE Metric	Cu (%)	Au g/t	Zn (%)	Ag g/t	Pb (%)	Cu Eq (%)	Cu Eq t
Total	0.30	8,963,000	0.81	0.48	0.21	4.91	0.08	1.36	123,000
Total	**0.50**	**5,845,000**	**1.04**	**0.62**	**0.20**	**5.16**	**0.08**	**1.70**	**101,000**
Total	0.70	3,871,500	1.26	0.75	0.21	5.46	0.08	2.04	80,000

Table 2: Global Resource Estimate by Copper Equivalent Tonnes, November 2021. Note rounding errors may occur.

Preliminary Metallurgical Test Work

In order to determine potential metal recoveries and mill parameters, a representative bulk sample of stringer and massive sulfide mineralisation collected by drilling was tested for metallurgical recoveries by Como Engineers and ALS Metallurgy in Perth.

An encouraging 97% of the copper was recovered from both the stringer sulfides and massive sulfide samples after a fine grind of p80=75µm, and 86.5% of the gold was recovered into a copper concentrate. For the massive sulfide sample, an additional 85% of the lead and 77.5% of the zinc was recovered into the same copper concentrate along with 80% of the gold and 70.5% of silver.

The majority of the sulphur was present as sulphide sulfur, and arsenic levels were very low, indicating the iron sulphide minerals are mainly pyrite. Como Engineers concluded that levels of some deleterious elements may incur minor smelter penalties; however, these are generally low in the head sample and are not expected to be significant.

Drilling Programmes[1]

PROJECT	DRILLING TYPE	HOLES	METERS	TENEMENT	STATUS
Mt Chalmers	Diamond Holes	19	2,776	EPM 25935	13 Completed, **6 Pending Assays**
Mt Chalmers	Pre-Collar Drilling	7	527	EPM 25935	7 Completed
		26	**3,303**		

Table 3: Summary of drilling completed during the fourth quarter 2021.

The current drilling program was designed to expand the resource model, with several step out holes having been drilled on the western, southern and eastern sides of the pits, outside current resource wireframes, with multiple RC pre-collars drilled ready to complete diamond tails. Examples of the recent mineralised intersections can be seen in Sections AA', BB' and CC' (Figures 4-6) with several drill holes including MCDD030, MCDD021, MCD020 and MCRC036/PC018 intersecting high-grade mineralisation.

Importantly, the Company has drilled several holes in previously untested areas on the western side of the main pit and to the northwest of the west load. This area was targeted due to the lack of historical drilling by previous companies. Assay results are pending.

Figure 3: Mt Chalmers Diamond, RC and RC pre-collar drill hole locations, including Sections AA', BB' and CC', October-December.

[1] Further Broad High-Grade Copper, Gold and Zinc Intersections, https://wcsecure.weblink.com.au/pdf/QML/02455979.pdf, 23 November 2021.

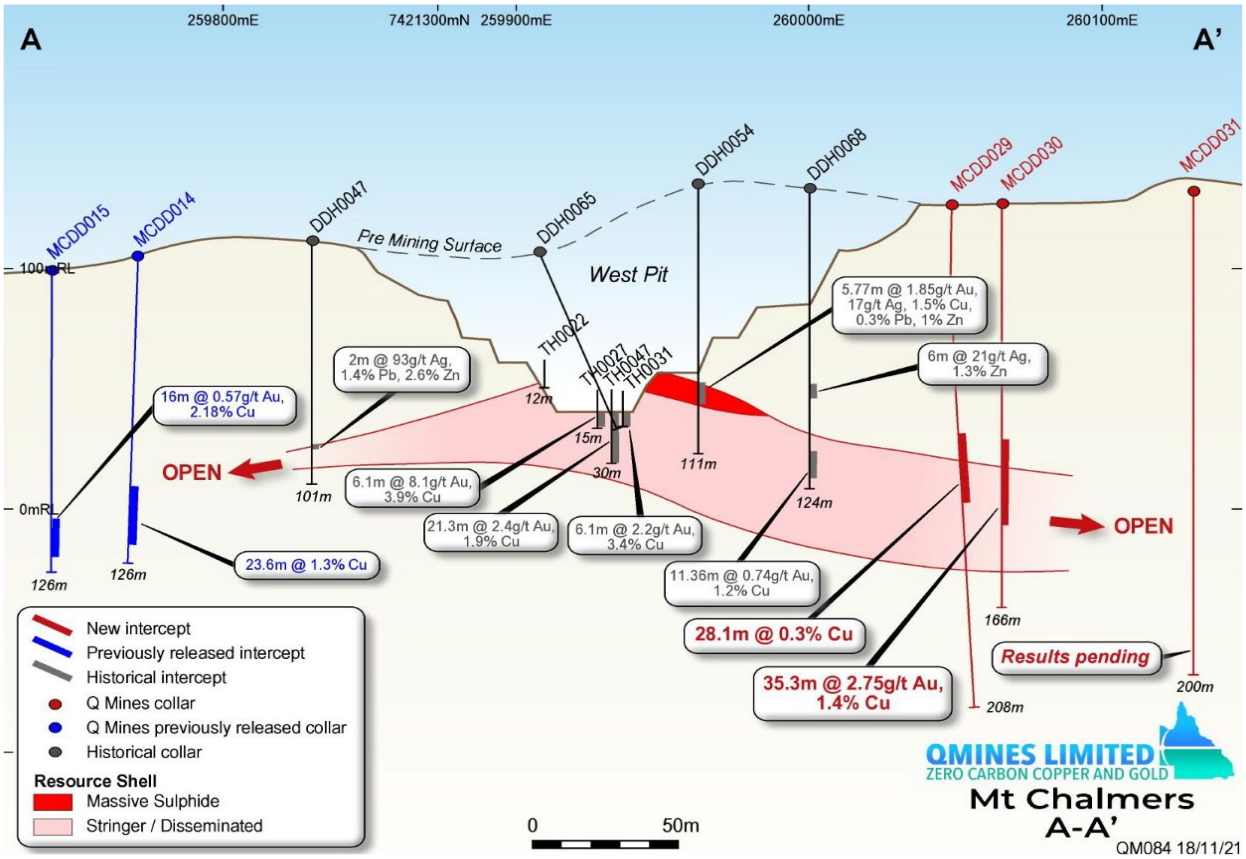

Figure 4: Section "AA' MCDD029 and MCDD030 mineralised intersections with resource wireframe (November 2021).

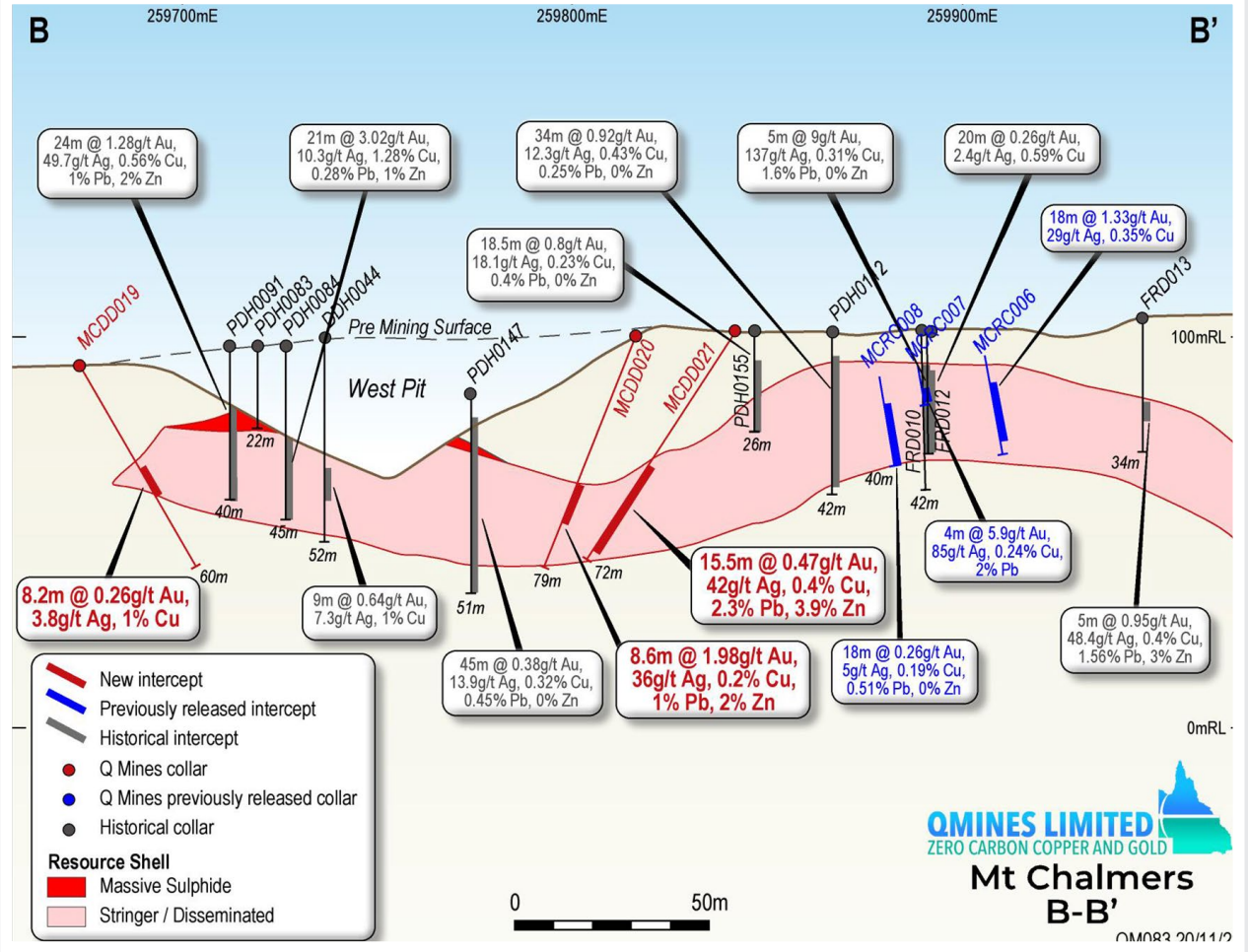

Figure 5: Section showing BB' MCDD019-MCDD021 mineralised intersection with resource wireframe (November 2021).

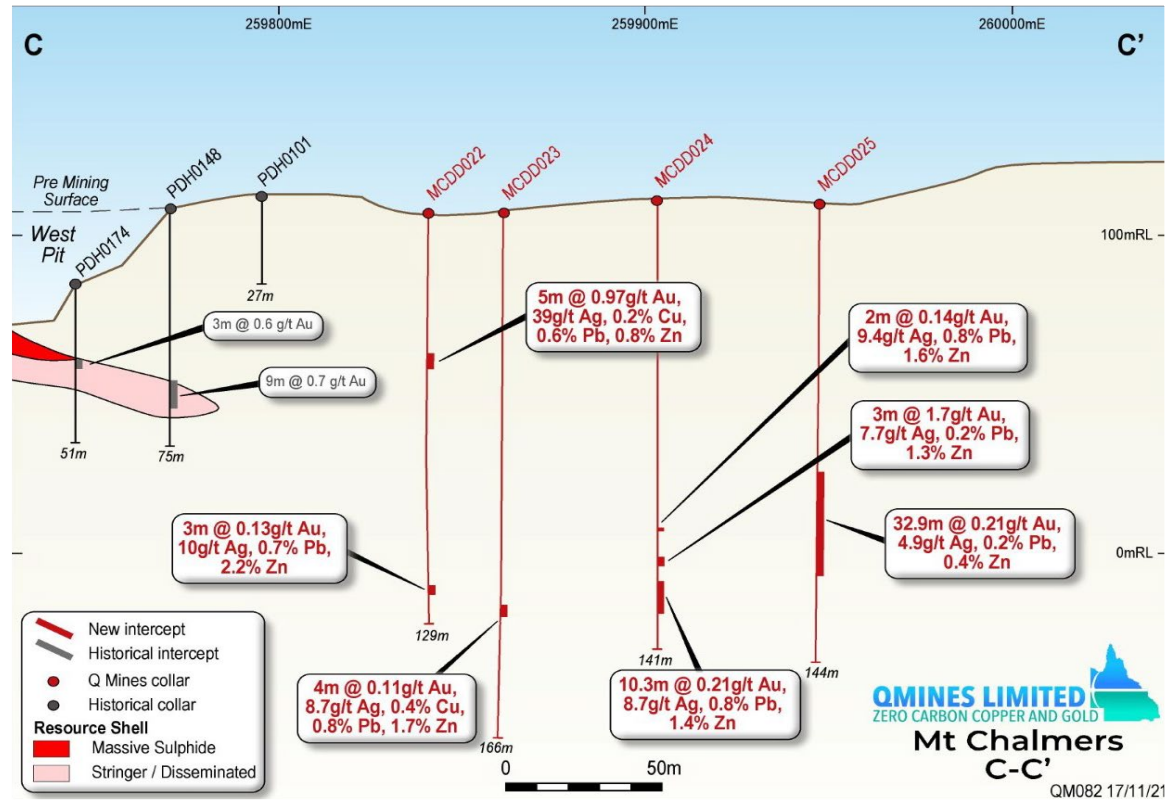

Figure 6: Section showing CC' the southern-most drill fence with mineralised intersection with resource wireframe (November 2021).

Significant intersections from recent drilling include[1]:

- 35.3m @ 2.75g/t Au, 1.4% Cu and 4g/t Ag from 96.4 metres (MCDD030);
    - Including 5.5m @ 9.91g/t Au and 4.0% Cu and 13g/t Ag from 96.4 metres;
- 15.5m @ 0.47g/t Au, 0.4% Cu, 42g/t Ag, 2.3% Pb and 3.9% Zn from 50 metres (MCDD021);
    - Including 5.0m @ 1.14g/t Au, 1.1% Cu, 119g/t Ag, 6.9% Pb and 11.3% Zn from 50 metres;
- 8.6m @ 1.98g/t Au, 0.2% Cu, 36g/t Ag, 1.0% Pb and 2.0% Zn from 49 metres (MCDD020);
- 10m @ 0.45g/t Au, 0.21% Cu, 21.1g/t Ag, 1.0% Pb and 3.4% Zn from 39 metres (MCDD036/PC018).

In addition, peak bonanza grades have been intersected in multiple drill holes from the recent drilling program including **41.51g/t Au and 7.16% Cu from MCDD017, 17.4g/t Au and 5.13% Cu from MCDD018, 2.45g/t Au and 11.65% Cu from MCDD015 and 7.2g/t Au, 224g/t Ag, 6.18% Pb and 33.9% Zn from MCRC001** within broader mineralised intersections.

A 3D interpretation of the wireframes over the digital terrain model showing the recent drill holes outside the resource envelope in an area of the project where little historical drilling has been undertaken can be seen in Figure 7.

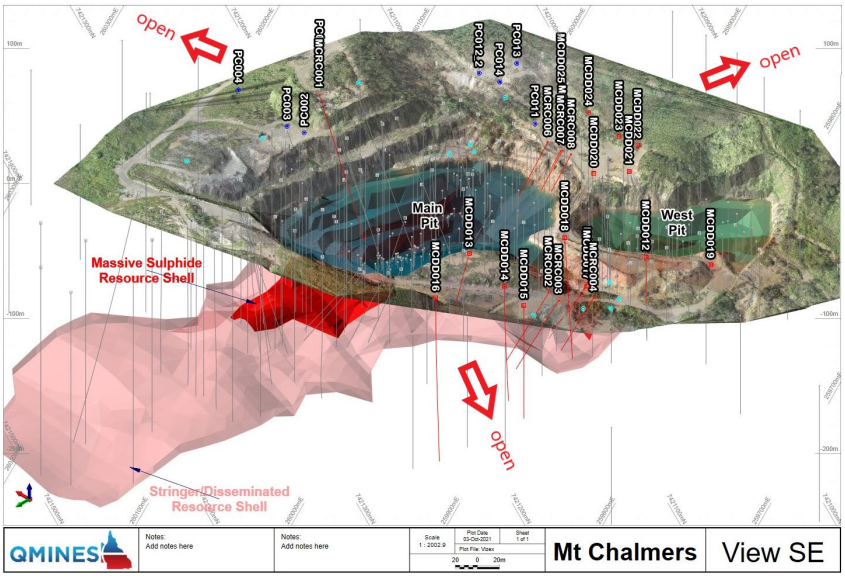

Figure 7: 3D image of Mt Chalmers with the recent DTM, pit shell, RC and diamond drill collar locations and resource model.

[1] Further Broad High-Grade Copper, Gold and Zinc Intersections, https://wcsecure.weblink.com.au/pdf/QML/02455979.pdf, 23 November 2021.

Geology

The Mt Chalmers Copper Project is a well-preserved VHMS with a flat lying asymmetric mound geometry (Figures 4-5, 8). **This mineralised system contains copper, gold, zinc, lead and silver and is recognised as being one of the highest grade VHMS mineral systems in the world**[1]. Mineral deposits of this type are deemed syngenetic and formed contemporaneously on, or in close proximity to, the sea floor during the deposition of the host-rock units. The mineralisation is believed to have been deposited from hydrothermal fumaroles, or direct chemical sediments or sub-seafloor massive sulphide replacement zones and layers, together with footwall disseminated and stringer zones within the host volcanic and sedimentary rocks.

The mineralisation system at Mt Chalmers displays some similarities to Australian VHMS deposits of Cambro-Ordovician and Silurian age, however closer comparison can be made with the Kuroko-style of VHMS of Tertiary age in Japan (Taube 1990).

Rocks of the Berserker Beds are weakly metamorphosed and, for the most part, have not been subjected to major tectonic disturbance, except for normal faults and localised high strain zones that are interpreted to have developed during and after basin formation.

In October 2021, QMines engaged Dr Brett Davis to undertake a detailed study of the structural geological constraints of the Mt Chalmers open pits. Dr Davis spent several days onsite reconnaissance mapping, with the primary aim being to provide more detailed structural geology interpretation for the upcoming resource model.

The Mt Chalmers deposit is dissected by several sets of faults, all of which have potential to modify the 3D shape of the mineralisation. The fault populations are tabulated in inferred order of formation from oldest (Population #1) to youngest (Population #7) in Table 4.

Geological mapping derived from the historical Geopeko mapping and the more recent mapping undertaken by Olinda Gold Pty Ltd (**Olinda**) has now been digitised by Orr & Associates and can be seen in Figure 9.

The complete Structural Architecture of the Mt Chalmers VHMS deposit report by Olinda can be found on the Company website via the hyperlink below; https://bit.ly/3CGUrwT

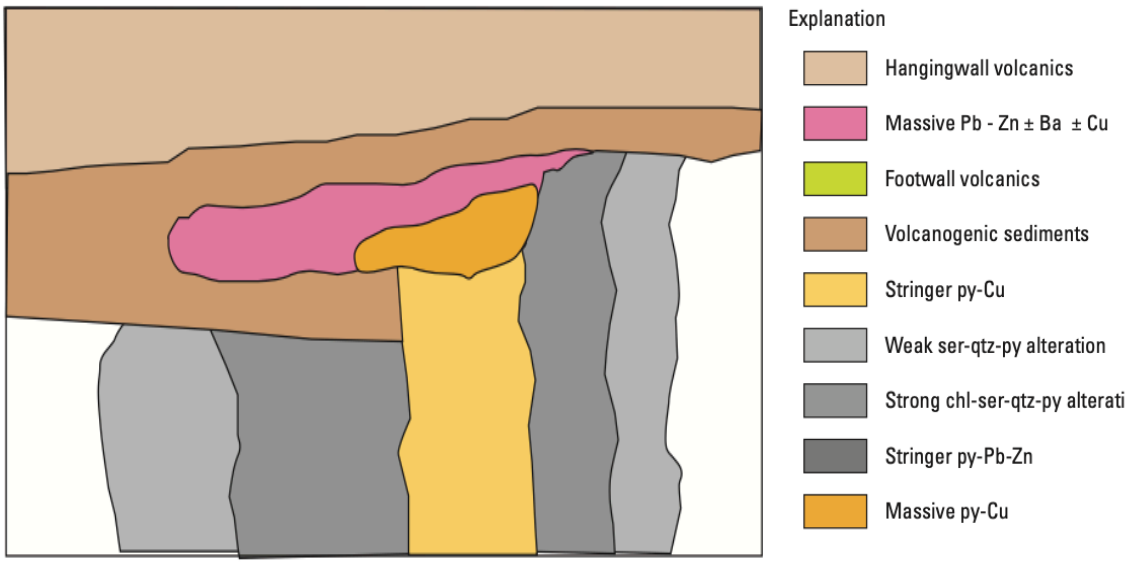

Figure 8: Mt Chalmers example VHMS asymmetric mound (Slack, USGS 2010).

[1] The Gold Content of VMS Deposits, Patrick M Langevin, 11 May 2010.

Table 4: Fault Populations Mt Chalmers VHMS Deposit

Population #	Location	Orientation	Inferred Kinematics	Potential Displacement Magnitude	Characteristics
1 – Ductile shears 1	Bounding upper surface of mineralised zone	~N-S striking and moderate dip to east on east side of Main Pit. Moderate dip to the west on the west side?	Sinistral on eastern side of the Main Pit	Probably minimal	May represent deformation of the exhalate and sericite-altered units that could accommodate shearing strain.
2 – Ductile shears 2	Throughout the deposit but less common in andesite	Strike is ~160-340 and dip is steep to east and west	Sinistral in plan, both W- side-down and E-side-down in section depending on location relative to domal mineralisation shape	Unknown, possibly metres to 10s of metres	Associated with intense zones of ~N-S trending cleavage development.
3 - Dyke faults	Occupy same positions as mafic dykes; only noted in Main Pit	Strike is ~140-320 and dip is steep	W-side-down, both sinistral and dextral in plan. Suggests movement is dominantly dip-slip.	Unknown, possibly metres to 10s of metres	The structures have localized mafic dyke emplacement and been active post-dyke, creating sheared intrusions that occupy the same planar structures.
4 - E-W to NE- SW faults	Southern end of Main Pit and traversing West Pit. Inferred as a bounding structure to the interpreted geometry of the porphyritic rhyolite unit.	E-W to NE-SW strikes with inferred steep dips	Possibly sinistral based on change in cleavage orientation.	Unknown. 10's of metres?	Inferred as marking boundary between sequences of markedly different orientation and competency. Potential continuous with fault set #5
5 - WNW-ESE faults	South of Main Pit		Dextral separation	Several metres	Possibly part of the E-W fault population #4
6 - NE-SW faults	East wall of Main Pit	NE-SW striking and moderately dipping	Oblique, sinistral, SE-side- down	Metres, but probably not more than 10m on individual faults	Visually obvious in east wall of Main Pit, progressively steeping the sequence down to the south.
7 - Brittle fracture arrays	Berms on northern side of Main Pit	ENE-WSW strikes and steep dips	Dextral, E-side-down	Probably minimal	Characterised by brittle deformation and Fe-carbonate veining

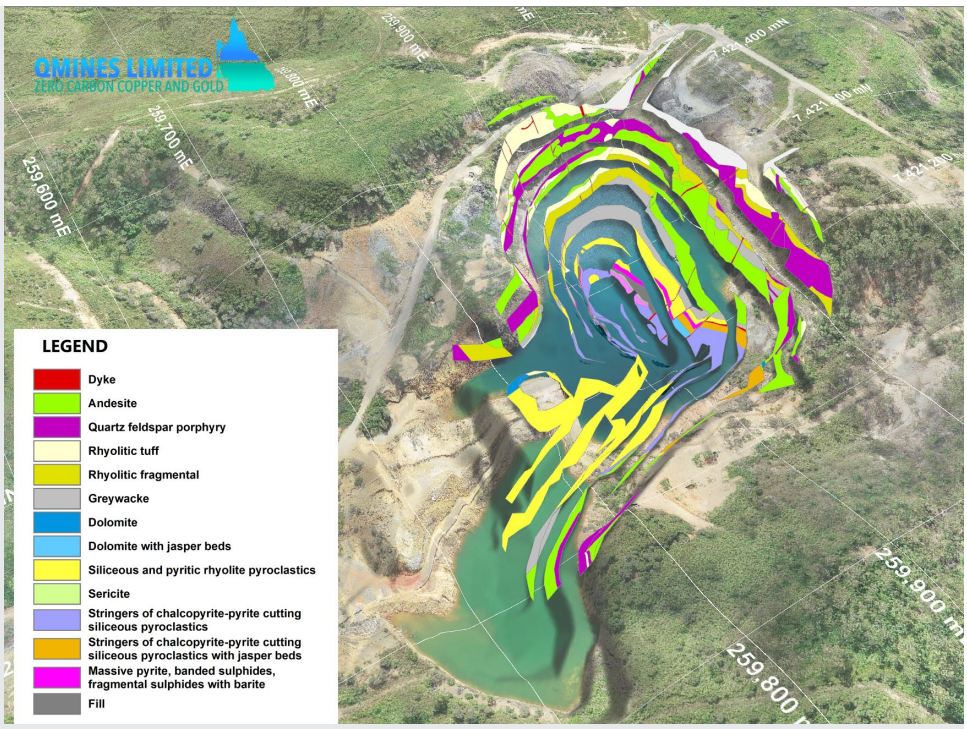

Figure 9: 3D geological interpretation draped over DTM aerial view Mt Chalmers open pits (Orr & Associates, November 2021).

Discussion

Kuroko style of mineralisation usually occurs as clusters of mineralised zones, which appears to be the case for Mt Chalmers, which may be only one of several deposits. In addition, the interpreted structural dislocation for the mine area may have caused the break-up of larger mineral bodies structurally dispersing lenses within the general Mt Chalmers area.

The 2021 drilling program has successfully upgraded and increased the Resource[1] at Mt Chalmers, with drill targeting focussed mainly on peripheral footwall stringer zones. Extensional drilling will continue, based on the recent results, testing areas previously undrilled. The alteration halo appears to extend beyond the massive sulphide mound of the ore body, and historical drilling at Mt Chalmers does not appear to have fully tested the extensive stratabound stringer zones in the footwall below, and extending from, the historically mined sulphide mound.

The geometry of the Mt Chalmers ore body indicates a relatively flat lying, asymmetrical massive sulphide mound (Figure 8) with both historical and recent drilling results intersecting higher grade Cu-Au massive sulphides proximal to the interpreted source rhyolite dome, and high grade Pb, Zn, Ag in the massive sulphide and exhalate ore body distal from the interpreted source rhyolite dome. Similar metal zoning has also been observed in the stringer/disseminated zone beneath the Massive Sulphide Ore Body where Cu-Au grades are typically higher proximal to the dome and Pb, Zn, Ag grades typically higher distal from the dome.

In addition to drill testing the margins of the Mt Chalmers body, the Company is preparing to explore and drill test other VHMS targets within its tenement boundaries. Historical drilling and surface geochemical data has revealed several such targets of interest and work on these will begin in Q1-2022[2].

Ongoing Exploration Activity

- Ongoing drill programs for the planned +30,000m of RC and Diamond drilling;
- Further metallurgical test work to be undertaken;
- Expanded soil sampling utilising Niton Portable PAS XRF delivering real-time soil geochemical data for future drill targeting;
- Planned 1,800-line kilometre Heli-EM survey expected to commence in H1-2022 to identify further drill targets; and
- **Resource upgrade planned to be released in H1-2022.**

[1] Mt Chalmers Resource Upgrade, https://wcsecure.weblink.com.au/pdf/QML/02460632.pdf, 1 December 2021.
[2] Mt Chalmers Look-a-Likes Confirms Scale Potential, https://wcsecure.weblink.com.au/pdf/QML/02402944.pdf, 3 August 2021.

Environmental, Social And Governance (ESG)[1]

QMines vision is to become Australia's first zero carbon copper and gold developer. During the quarter, the Company progressed a number of carbon abatement initiatives demonstrating its commitment to its goal of net zero emissions by 2030.

QMines executed a supply agreement with a renewable fuel supplier to provide a long-term supply of renewable fuel used for the Company's drilling and exploration activities at Mt Chalmers. The Company is targeting an initial 20% reduction in Scope 1 diesel emission, however further reductions may be possible over time.

The Company has installed a 60,000L biodiesel fuel tank at Mt Chalmers to store its renewable fuel. The Company also upgraded its onsite solar and battery backup systems, adding a further 6.6kW of renewable energy generation. These strategies have helped support the increased operations at Mt Chalmers, and have allowed its operations to remain off-grid.

During the quarter, QMines installed new water tanks at Mt Chalmers for rainwater collection and is currently installing an additional solar battery power system in the laydown and workshop areas to power plant and equipment used on site, including for core cutting and maintenance works.

Corporate

During the quarter, QMines executed a contract for the purchase of an additional 50 acres of freehold land covering part of the southern open pit and resource at Mt Chalmers. The acquisition was a strategic purchase for the Company, allowing unrestricted access for exploration and drilling to further extend the resource. Freehold land acquisitions form part of the Company's development strategy, positioning Mt Chalmers for potential future development. During the quarter end, QMines completed the acquisition bringing its total landholding to 219 acres around the mine site.

During the quarter, the Company held its inaugural Annual General Meeting as a listed entity where it issued 10,550,000 Performance Rights to key staff and Directors. It also released a number of ASX escrowed securities from escrow. The Performance Rights vest as the resource increases towards the Company's initial target of 200,000t CuEq, therefore aligning Directors and key staff interests with shareholder interests. 47,151,069 Shares held by Directors and related parties remain subject to ASX escrow until 4 May 2023.

Use of Funds

Please see below the use of funds statement showing what was expected to be spent over the two-year period to May 2023 and what has been spent by the Company from IPO to 30 September 2021. Differences are primarily due to the Company being only eight months into its planned two-year expenditure program. Administration costs remain higher due to unexpected expenditure associated with the IPO including additional marketing and investor relations costs.

[1] Renewable Fuel Agreement Executed, https://wcsecure.weblink.com.au/pdf/QML/02446217.pdf, 1 November 2021

Use of Funds (Continued)

USE OF FUNDS	PROSPECTUS	TOTAL SINCE IPO
Exploration & Development at the Mt Chalmers Project	$6,119,752	$1,426,553
Exploration at the Silverwood Project	$146,724	$331
Exploration at the Warroo Project	$88,746	$106,060
Exploration at the Herries Range Project	$644,778	$4,102
Mining & Development Costs	$1,000,000	$1,676,787
Total Project Expenditure	$8,000,000	$3,213,833
Expenses of the Offer	$1,177,498	$1,070,494
Administration Costs	$1,100,000	$1,108,812

Table 5: Use of funds to end of quarter.

Tenement Table

In accordance with Listing Rule 5.3.3, QMines provides the following information in relation to its tenements as at 31 December 2021.

PROJECT	TENEMENT NUMBER	STATUS	REGISTERED HOLDER	LOCATION	INTEREST
Mt Chalmers	EPM 27697	Granted	Rocky Copper	Queensland	100%
Mt Chalmers	EPM 27428	Granted	Rocky Copper	Queensland	100%
Mt Chalmers	EPM 25935	Granted	Dynasty Gold	Queensland	100%
Mt Chalmers	EPM 27726	Granted	QMines	Queensland	100%
Mt Chalmers	EPM 27899	Application	QMines	Queensland	100%
Silverwood	EPM 27724	Granted	QMines	Queensland	100%
Silverwood	EPM 27281	Granted	Traprock Resources	Queensland	100%
Warroo	EPM 27725	Granted	QMines	Queensland	100%
Warroo	EPM 26178	Granted	Dynasty Gold	Queensland	100%
Herries Range	EPM 25785	Granted	Traprock Resources	Queensland	100%
Herries Range	EPM 25786	Granted	Traprock Resources	Queensland	100%
Herries Range	EPM 25788	Granted	Traprock Resources	Queensland	100%

Table 6: QMines tenement summary.

Appendix 5B

Related party payments shown on the following Appendix 5B are payments to Directors (or their related entities) for fees and services.

Table 7: Mt Chalmers Significant Intersections[1] [2]

Hole ID	MGA East*	MGA North*	mRL	Dip	MGA Azi*	Max Depth	M from	M to	Int (m)	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)
MCDD016	259787	7421378	120	-90	Vertical	180.9	N/A	N/A						
MCDD019	259673	7421137	93	-60	105	60.1	31	39.2	8.2	0.26	3.8	1		
MCDD020	259841	7421120	102	-55	115	72.0	49	57.6	8.6	1.98	36	0.2	1	2
MCDD021	259818	7421098	105	-55	330	78.7	47.5	63	15.5	0.47	42	0.4	2.3	3.9
Including							50	55	5	1.14	119	1.1	6.9	11.3
MCDD022	259839	7421065	107	-90	Vertical	129.4	44	49	5	0.97	39	0.2	0.6	0.8
And							117	120	3	0.13	10	0.2	0.7	2.2
MCDD023	259861	7421068	107	-90	Vertical	165.5	123	127	4	0.11	8.7	0.4	0.8	1.7
MCDD024	259904	7421064	111	-90	Vertical	141.0	103	105	2	0.14	9.4		0.8	1.6
And							112	115	3	1.7	7.7		0.2	1.3
And							119.7	130	10.3	0.21	8.7	0.1	0.8	1.4
MCDD025	259948	7421055	110	-90	Vertical	144.4	84	116.9	32.9	0.21	4.9		0.2	0.4
MCDD026	259932	7421104	104	-90	Vertical	123.3	32	87.3	55.3	0.1	2			0.3
MCDD027	260013	7421095	115	-90	Vertical	132.5	105	114.1	9.1	0.15	3	0.4		
MCDD028	260000	7421060	115	-90	Vertical	188.8	153.7	185	31.3	0.11	3			
MCDD029	260049	7421285	126	-90	Vertical	207.8	93.9	122	28.1	0.1	2	0.3		
MCDD030	260067	7421288	126	-90	Vertical	166.4	96.4	131.7	35.3	2.75	4	1.4		
Including							96.4	101.9	5.5	9.91	13	4		
MCDD036/ PC018	259701	7421314	93	-90	Vertical	152.9	38	48	10	0.45	21.1	0.21	1	3.4
MCDD031	260135	7421283	100	-90	Vertical	200.0	**Assays Pending**							
MCDD032	260063	7421204	110	-90	Vertical	154.8	**Assays Pending**							
MCDD033	260070	7421315	88	-90	Vertical	157.1	**Assays Pending**							
MCDD034	259959	7421165	66	-80	245	22.4	**Assays Pending**							
MCDD035	259703	7421327	93	-90	Vertical	138.3	**Assays Pending**							
MCDD037	259692	7421300	92	-90	Vertical	159.1	**Assays Pending**							
Pre-Collar 019	259725	7421277	96	-90	Vertical	38.0	Completed							
Pre-Collar 020	259691	7421244	86	-90	Vertical	45.0	Completed							
Pre-Collar 021	259670	7421230	95	-90	Vertical	91.0	Completed							
Pre-Collar 022	259642	7421224	94	-90	Vertical	104.0	Completed							
Pre-Collar 023	259703	7421327	95	-90	Vertical	86.0	Completed							
Pre-Collar 024	259701	7421314	100	-90	Vertical	81.0	Completed							
Pre-Collar 025	259692	7421300	101	-90	Vertical	82.0	Completed							

Table 7: Significant intercepts Mt Chalmers drilling programs Q4 2021.

***Note MGA 94_56**

- In reported exploration results, length weighted averages are used for any non-uniform intersection sample lengths. Length weighted average is (sum product of interval x corresponding interval assay grade), divided by sum of interval lengths and rounded to two decimal points.
- No top cuts have been considered in reporting of grade results, nor was it deemed necessary for the reporting of significant intersections.
- No metal equivalent values have been reported.
- Cut off grades used in the calculations for the significant intercepts are 0.1g/t Au, 1g/t Ag, 0.2% Cu, 0.5% Pb and 0.5% Zn.

* Downhole intersections contained in this announcement in the vertical drill holes reported, represent true widths of the assayed mineralised intersections.
* Downhole intersections contained in the announcement in drill holes at 60-degree dip represent approximately 87% true width of the assayed mineralised intersections.

[1] Mt Chalmers Resource Upgrade, https://wcsecure.weblink.com.au/pdf/QML/02460632.pdf, 1 December 2021.
[1] Further Broad High-Grade Copper, Gold and Zinc Intersections, https://wcsecure.weblink.com.au/pdf/QML/02455979.pdf, 23 November 2021.

About QMines

QMines Limited (**ASX:QML**) is a Queensland based copper and gold exploration and development company. **QMines vision is to become Australia's first zero carbon copper and gold developer**. The Company owns 100% of four advanced projects covering a total area of 1,096km^2. The Company's flagship project, Mt Chalmers, is located 17km North East of Rockhampton.

Mt Chalmers is a high-grade historic mine that produced 1.2Mt @ 3.6g/t Au, 2.0% Cu and 19g/t Ag between 1898-1982. Mt Chalmers has a Measured, Indicated and Inferred Resource (JORC 2012) of 101,000t contained copper equivalent @ 1.7% Cu Eq[1].

QMines' objective is to grow its Resource base, consolidate assets in the region and assess commercialisation options. The Company has commenced an aggressive exploration program (+30,000m) providing shareholders with significant leverage to a growing Resource and exploration success.

Projects

Mt Chalmers (100%)

Silverwood (100%)

Warroo (100%)

Herries Range (100%)

Directors & Management

ANDREW SPARKE
Executive Chairman

ELISSA HANSEN (Independent)
Non-Executive Director & Company Secretary

PETER CARISTO (Independent)
Non-Executive Director (Technical)

JAMES ANDERSON
General Manager Operations

HAMISH GRANT
Project Geologist
(Competent Person – Exploration)

QMines Limited

ACN 643 212 104

Shares on Issue

111,372,748

Unlisted Options

4,200,000 ($0.375 strike, 3 year term)

This announcement has been approved and authorised by the Board of QMines Limited.

Contact

QMines Limited (ASX:QML)

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[1] Mt Chalmers Resource Upgrade, https://wcsecure.weblink.com.au/pdf/QML/02460632.pdf, 1 December 2021.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity	
QMines Limited	
ABN	**Quarter ended ("current quarter")**
72 643 212 104	31 December 2021

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(1,167)	(1,547)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(15)	(68)
	(e) administration and corporate costs	(188)	(555)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	1
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(1,370)**	**(2,169)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(555)	(1,311)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(555)**	**(1,311)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**-**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	7,490	9,045
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,370)	(2,169)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(555)	(1,311)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**5,565**	**5,565**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	5,565	7,490
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**5,565**	**7,490**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	178
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Payments made are in relation to consultant fees with Key Management Personnel.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	
	N/A	

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,370)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,370)
8.4	Cash and cash equivalents at quarter end (item 4.6)	5,565
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	5,565
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	4.06

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 28 January 2022

Authorised by: The Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.