



MT CHALMERS

Highlights



Following a successful 2021, that included two resource updates, QMines has elected to accelerate its planned exploration program;



To achieve this, the Company has purchased an RC drill rig, booster and auxiliary compressor truck, rod truck and support vehicles which have now arrived on site;



The Company has also upgraded its base for operations at Mt Chalmers:

- The new workshops will include a 70,000L renewable fuel storage facility, a 10,000L rainwater system and a 10kW solar power system;
- QMines will be operating an 80:20 renewable fuel blend reducing carbon emissions from drilling by an initial 20%;



Preparations are now underway to commence drilling at the Woods Shaft prospect, an existing Exploration Target not currently included in the Mt Chalmers Resource;



Significant historic intersections at Woods Shaft include¹:

- 54m @ 1.4 g/t Au, 0.48% Cu and 4.0 g/t Ag;
- 49m @ 1.1 g/t Au, including 6m @ 4.3 g/t Au;
- 21m @ 1.7 g/t Au, 0.42% Cu and 5.0 g/t Ag;
- 12m @ 1.6 g/t Au, 0.68% Cu and 4.0 g/t Ag; and
- 9m @ 2.2 g/t Au, 0.2% Cu and 3.0 g/t Ag.



With a third Resource update planned for H1-2022, QMines expects to deliver shareholders significant leverage to a growing resource and exploration success.

¹ QMines Prospectus, Annexure A, Independent Geologist Report, pages 93-104. Exploration Targets are reported in accordance with the JORC 2012 Code & Guidelines.

Overview

QMiners Limited (**ASX:QML**)(**QMiners** or **Company**) is pleased to announce that it has recently acquired an RC drill rig, booster and auxiliary compressor truck, rod truck and support vehicles. These have now arrived at the Company's flagship Mt Chalmers Project, located 17km north-east of Rockhampton in Queensland (Figure 1).

Mt Chalmers is a high-grade historic mine operated between 1898-1982 with total production of 1,244,618t @ 2.0% Cu, 3.6 g/t Au and 19 g/t Ag. QMiners has recently published its second Resource upgrade at Mt Chalmers with the Resource Estimate now at 5.8 Mt @ 1.7% CuEq for 101,000 tonnes CuEq, with 78% now in the Measured and Indicated categories¹.

RC drilling operations will commence in February 2022, with site works and rig preparation currently being undertaken. The Company has scheduled additional diamond drilling at the Mt Chalmers Mine area with the diamond drill rig expected to arrive onsite shortly.

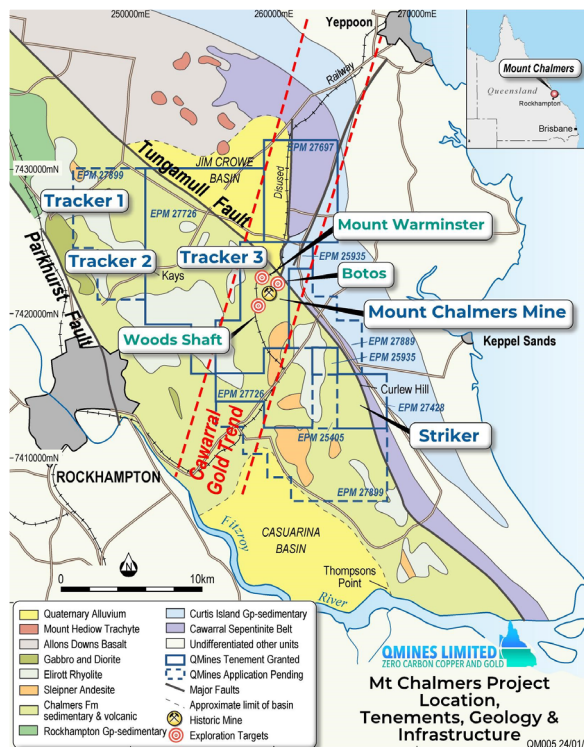


Figure 1: Location of Mt Chalmers Project, tenure, geology & infrastructure.

Vision

QMiners is seeking to become Australia's first zero carbon copper and gold developer. QMiners vision is to become an ASX listed copper and gold developer within two years. The Companies vision is to grow QMiners copper and gold inventory through systematic exploration and by consolidating stranded assets within the region.

Operational Objectives

SHORT TERM OBJECTIVES:

- 1** Drill Exploration Target (JORC 2012) and Large Soil Anomalies;
- 2** Third Resource Upgrade; and
- 3** Generate Additional Drill Targets.

MEDIUM TERM OBJECTIVES:

- 1** Extend Resource Tonnage to an initial 200,000t CuEq;
- 2** Commence a PFS; and
- 3** Make New Discoveries / Accretive Acquisitions.

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

Achievements to Date

Since acquiring the Mt Chalmers mine in December 2020, QMines has delivered:

- Two Resource upgrades;
 - 38% increase in the maiden Resource;
 - 78% increase in Measured and Indicated categories;
- Three Exploration Targets at Woods Shaft, Botos and Mt Warminster; and
- **Third resource upgrade expected in H1-2022.**

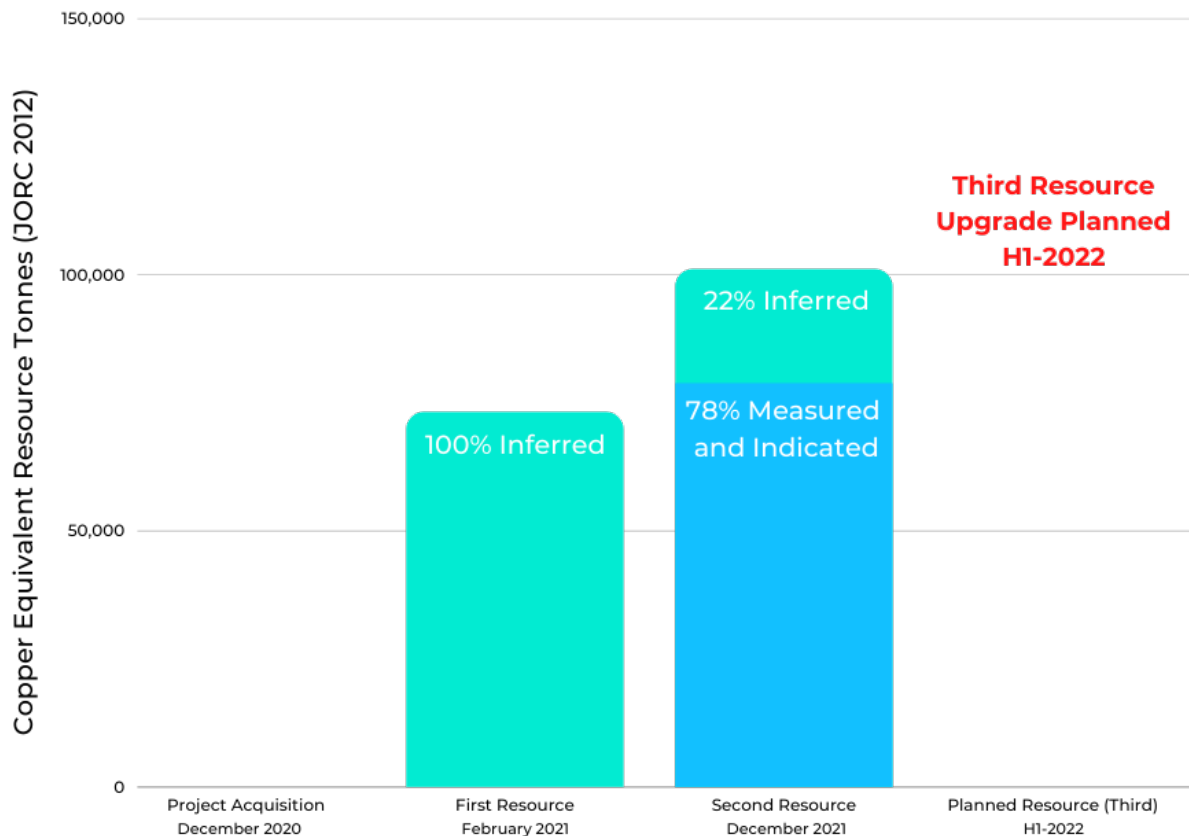


Figure 2: QMines Resource Upgrades Since Project Acquisition in December 2020.

Resource Growth Strategy

Following a successful 2021 drilling campaign, the Company has identified several priority resource growth targets which will become the focus of drilling activities over the coming quarters. These targets include:

- 1 Woods Shaft;
- 2 Tracker 3;
- 3 Mt Chalmers Mine; and
- 4 Mt Chalmers North.

Resource Growth Targets

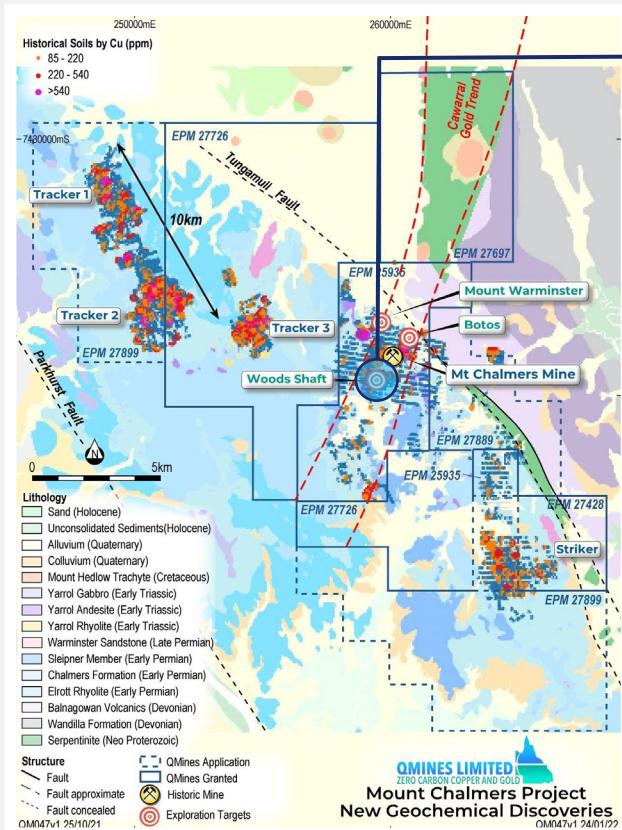


Figure 3: Mt Chalmers Geology & Soil Anomalies.

1 Woods Shaft Exploration Target (JORC 2012)¹;

An Exploration Target (JORC 2012) has been estimated for the Woods Shaft Prospect, 700m to the southwest of the Mt Chalmers Deposit¹. The Exploration Target is approximately 350m in strike length, 200m wide and has not been fully tested¹. The current mineralisation envelope extends from surface to a depth of 90m in places and contains gold and base metals mineralisation. The geology of the Woods Shaft Exploration Target (JORC 2012)¹ appears similar to that of the Mt Chalmers Main Lode. Importantly, Woods Shaft is not currently included in the Mt Chalmers Resource.

On the 18 January 2022, the Company finalised an Access and Compensation Agreement with the landholder of the Woods Shaft area, enabling access to enter the property and undertake drilling operations.

Woods Shaft Significant Intersections¹

Hole ID	Hole Type	North	East	Declination	Azimuth	M from	M to	Int (m)	Au (g/t)	Ag (g/t)	Cu (%)
P18	DC	4250	4321	-60°	90°	6	60	54	1.4	4	0.46
WSC2	RC	4200	4275	Vertical	-	0	49	49	1.1		
Including						31	37	6	4.3		
P21	DC	4400	4349	Vertical	-	27	48	21	1.7	5	0.42
P24	DC	4400	4372	Vertical	-	36	48	12	1.6	4	0.68
P17	DC	4200	4300	-60°	90°	48	57	9	2.2	3	0.20

Table 1: Woods Shaft Significant Intersections.

Woods Shaft Cross Sections¹

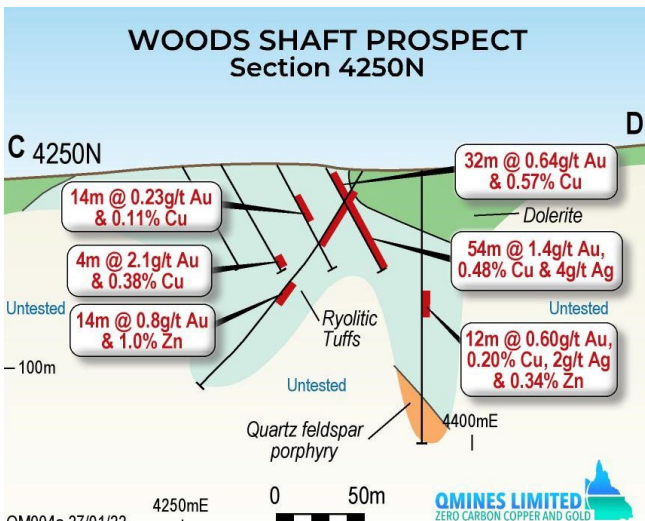


Figure 4: Woods Shaft Prospect Section 4250N.

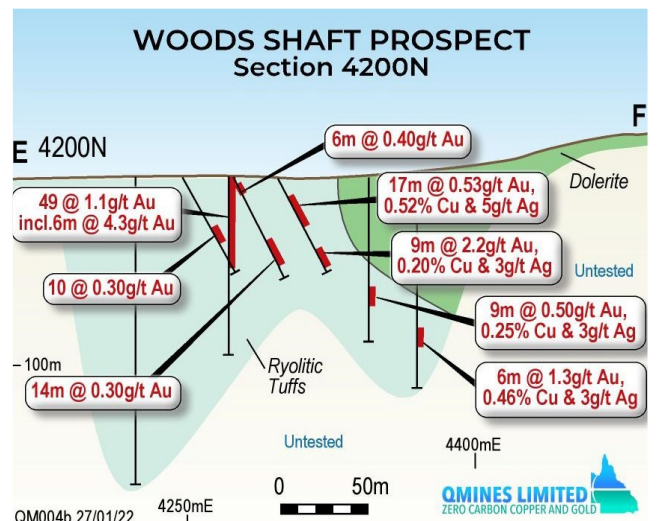


Figure 5: Woods Shaft Prospect Section 4200N.

Note: The Potential quantity and grade of the Exploration Target described above is conceptual in nature, that there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.

¹ QMines Prospectus, Annexure A, Independent Geologist Report, pages 93-104. Exploration Targets are reported in accordance with the JORC 2012 Code & Guidelines.

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Tracker 3;

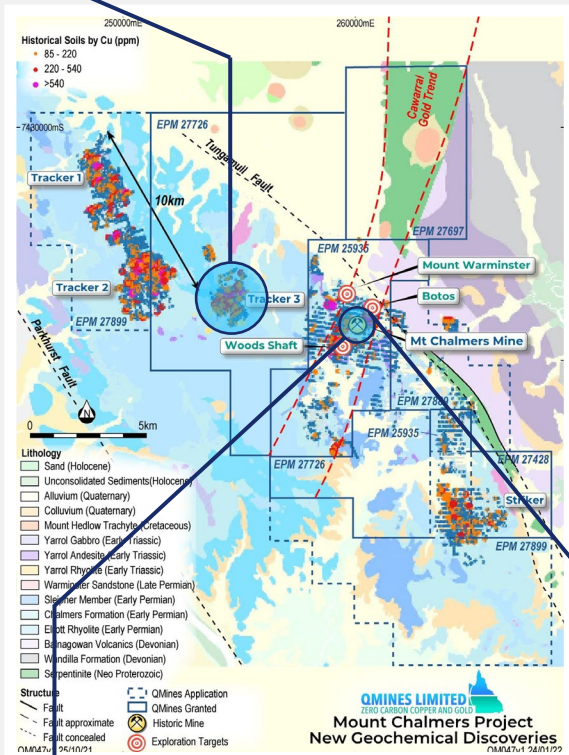


Figure 3: Mt Chalmers Geology & Soil Anomalies.

As part of a six-month program of digitising and validating historical exploration data in 2021, the Company identified a number of large soil anomalies that appear to have a similar geochemical signature to the Mt Chalmers deposit.

As seen in Figure 3, these anomalies include the Tracker 1, Tracker 2, Tracker 3 and Striker prospects. Following this work, the Company applied for two additional tenements being EPM 27726 and EPM 27899.

QMiners is pleased to announce that the Queensland Department of Resources granted QMiners EPM 27726 which covers Tracker 3 and part of the Tracker 2 soil anomalies.

QMiners is now preparing its maiden exploration program for Tracker 3 with further details to be reported in due course.

3

Mt Chalmers Mine; and

Following a significant amount of step out drilling from the main resource in 2021, the Company is investigating the potential for extensions to the mineralisation system at depth.

During the break, the Company has prepared several drill pads at the base of the Mt Chalmers main lode which are expected to be drilled during the quarter. DDH1 Drilling is scheduled to arrive onsite in early March to commence this diamond drilling program.

4

Mt Chalmers North.

At the northern end of the Mt Chalmers mineralised envelope there are a number of sporadic historical drill holes intersecting mineralisation at depth. The Company intends to complete a number of drill lines where there is potential to extend the resource to the north of the main lode.

The Company has planned this drilling and has submitted access and compensation agreements to the landowner.

Low Emission Drilling Strategy

As previously reported, the Company has conducted an internal carbon audit as part of the Government endorsed, Climate Active certification. Following this review the Company identified **diesel usage for drilling to be the Company's largest source of future emissions.**



Image 1: Mt Chalmers Site Works Progress, January 2022.

In order to achieve this, QMines has purchased an RC drill rig and support trucks and established a significant base of operations at Mt Chalmers. This allows the effective use of renewable fuels, a green energy solution, for future drilling operations.

With costs and inflation rising and drilling being the largest annual expense to the Company, there is also a strong economic rationale for this purchase. The Company believes that this acquisition will go a long way to reduce these cost pressures and maximise the efficient use of capital.

The Reverse Circulation rig is mounted on a short wheel-base truck which will allow the Company to access drilling targets in more remote areas at a significantly lower cost per metre drilled.

The fully kitted out rig and associated support trucks will have the capacity to drill in excess of 250m in depth. The total consideration for the equipment comprised of \$1 million in cash and \$600k in QMines shares.



Image 2: RC Drill Rig Delivered to Mt Chalmers Site.



Image 3: Booster and Auxiliary Compressor Truck Delivered to Mt Chalmers Site.

Management Comment

QMines Executive Chairman, Andrew Sparke, comments;

“The purchase of the drill rig and associated equipment allows QMines to accelerate our planned exploration and resource growth initiatives, reduce costs in a highly inflationary environment and delivers on our commitment to reduce carbon emissions.

I want to thank our staff for the tremendous efforts over the holiday period to set up the upgraded base of operations. We are excited about the year ahead and are confident that this project will yield results.”

What's Next?



Ongoing drilling results from the planned +30,000m drilling program with two rigs to commence drilling shortly;



Downhole EM on several holes already drilled with results to be released upon completion;



Expanded soil sampling utilising Niton Portable pXRF 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



Third resource upgrade expected in H1-2022.

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 1,096km². 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 Eq¹.

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

GLENN WHALAN

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)

Notes

QMines confirms that it is not aware of any new information or data that materially affects the information included in the Mt Chalmers Resource Upgrade ASX announcement lodged on 1 December 2021 (**Announcement**) and that all material assumptions and technical parameters underpinning the estimates in the Announcement continue to apply and have not materially changed.

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

Contact

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