(ASX:QML)

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QMINES LIMITED
ZERO CARBON COPPER AND GOLD

QMines Limited

Quarterly Activities Report

Quarter Ending 30 June 2022

Highlights

Mt Chalmers RC drilling program now consistently delivering 1,800-2,000 metres per month;

17 RC drill holes for 2,647m completed during the quarter;

Results from 14 diamond holes, 12 RC holes and 1 pre-collar hole received during the quarter;

Significant intersections include:

- 69m @ 2.0% CuEq from 137 metres; including
  - 16m @ 5.1% CuEq from 137 metres and
  - 4m @ 3.9% CuEq from 163 metres.
- 67m @ 1.5% CuEq from 40 metres
- 28m @ 2.1% CuEq from 14 metres
- 40m @ 1.2% CuEq from 76 metres; including
  - 9m @ 4.1% CuEq from 107 metres.

Strategic tenement (EPM 27799) granted at Mt Chalmers covering the large Tracker 1 and Tracker 2 Cu & Zn soil anomilies;

Results for a further 8 RC drill holes completed during Q2 with results announced 25th July; and

Downhole EM orientation survey completed subsequent to the quarter identifying an off hole conductor at Mt Chalmers.

Overview

QMines Limited (**ASX:QML**) (**QMines** or **Company**) is pleased to provide shareholders with the following Activities Report for the quarter ending 30th June 2022 in what has been a busy quarter for the Company.

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

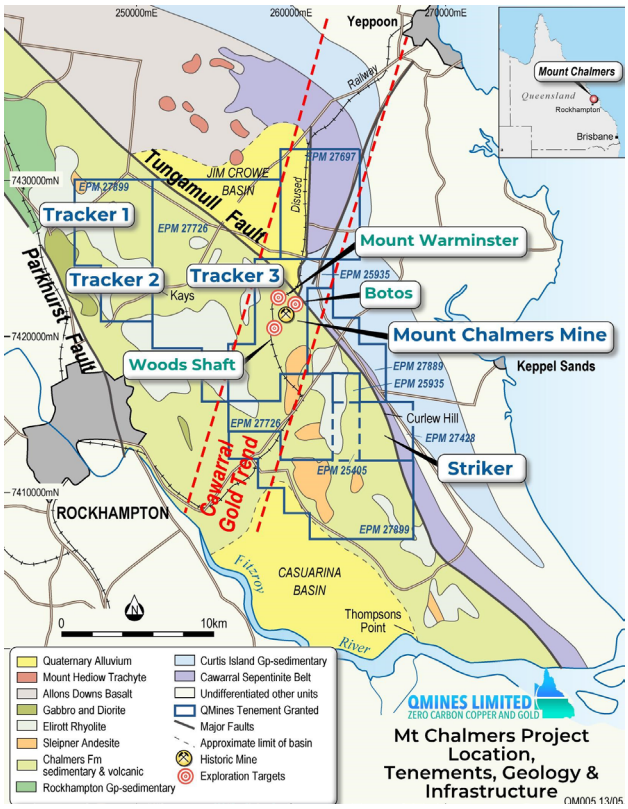

Figure 1: Mt Chalmers Project, tenure, geology and infrastructure.

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. In December 2021, the Company delivered an updated Mineral Resource Estimate. Mt Chalmers now has a Total Resource of 5.8Mt @ 1.7% CuEq for 101,000t contained CuEq. Importantly, 78% of the Resource is now in the Measured and Indicated categories (JORC 2012)[1]. Mt Chalmers is recognised as being one of the highest-grade volcanic-hosted massive-sulphide (**VHMS**) mineral systems in the world[2].

The Company continued drilling operations at Mt Chalmers throughout the second quarter of 2022, making excellent progress with the planned 10,000 metre RC program, drilling 17 RC holes for 2,647 metres utilising the Company's newly purchased RC drilling rig.

The 17 holes completed during the quarter were sampled and despatched for assay to ALS Laboratories. Of these, results for nine holes were received and reported with the remaining eight holes awaiting results by the close of the quarter. High-grade copper equivalent (**CuEq**) intercepts included 5.1% CuEq in hole MCRC012 and 4.1% CuEq in MCRC017. Holes and metres drilled from this drilling program are summarised in Table 1. Drill hole locations are shown in Figure 2.

In addition to these results, assays were received for 14 diamond, 3 RC and 1 RC pre-collar hole drilled in Q4 2021 and Q1 2022 during the quarter. Holes and metres drilled from these drilling programs are summarised in Table 2 with locations shown in Figure 3. Significant intercepts for all results received in during the quarter are shown in Table 3.

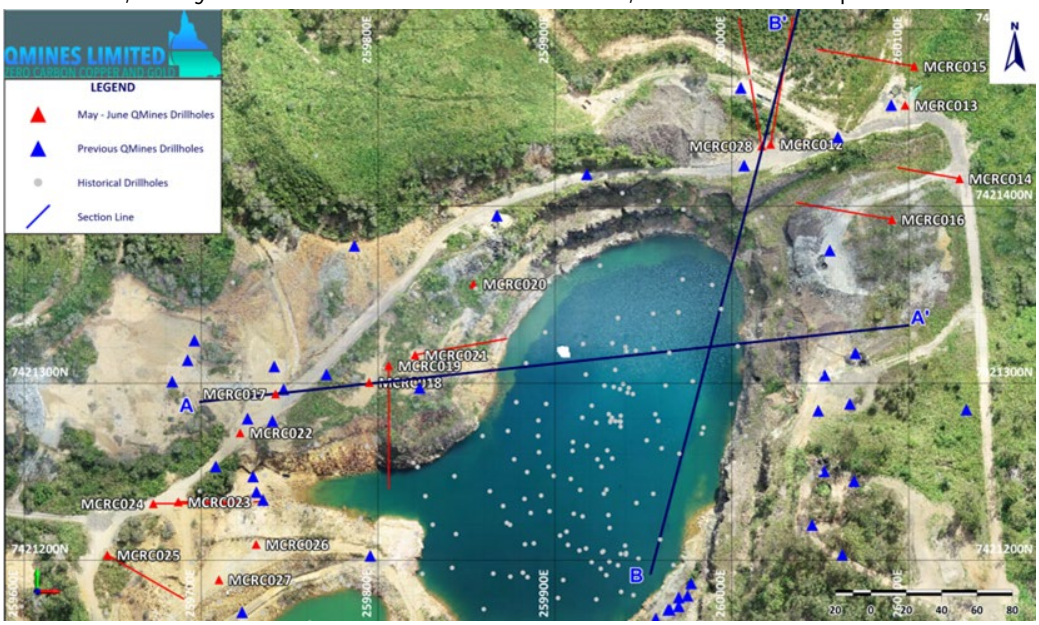

Figure 2: Mt Chalmers RC drill hole locations for holes drilled in Q2-2022 (GDA94 MGA94 Zone 56).

Mt Chalmers Project

Drilling Program

PROJECT	DRILLING TYPE	HOLES	METERS	TENEMENT	STATUS
Mt Chalmers	RC	9	1,632	EPM 25935	Completed
Mt Chalmers	RC	8	1,015	EPM 25935	Assays Received Q3
TOTAL		**17**	**2,647**		

Table 1: Summary of Drilling Completed During Q2-2022.

PROJECT	DRILLING TYPE	HOLES	METERS	TENEMENT	STATUS
Mt Chalmers	Diamond	14	2,053	EPM 25935	Assays Received
Mt Chalmers	RC	3	530	EPM 25935	Assays Received
Mt Chalmers	RC Pre-Collar	1	57	EPM 25935	Assays Received
TOTAL		**18**	**2,640**		

Table 2: Summary of Results Received for Drilling Completed During Q1-2022.

[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.

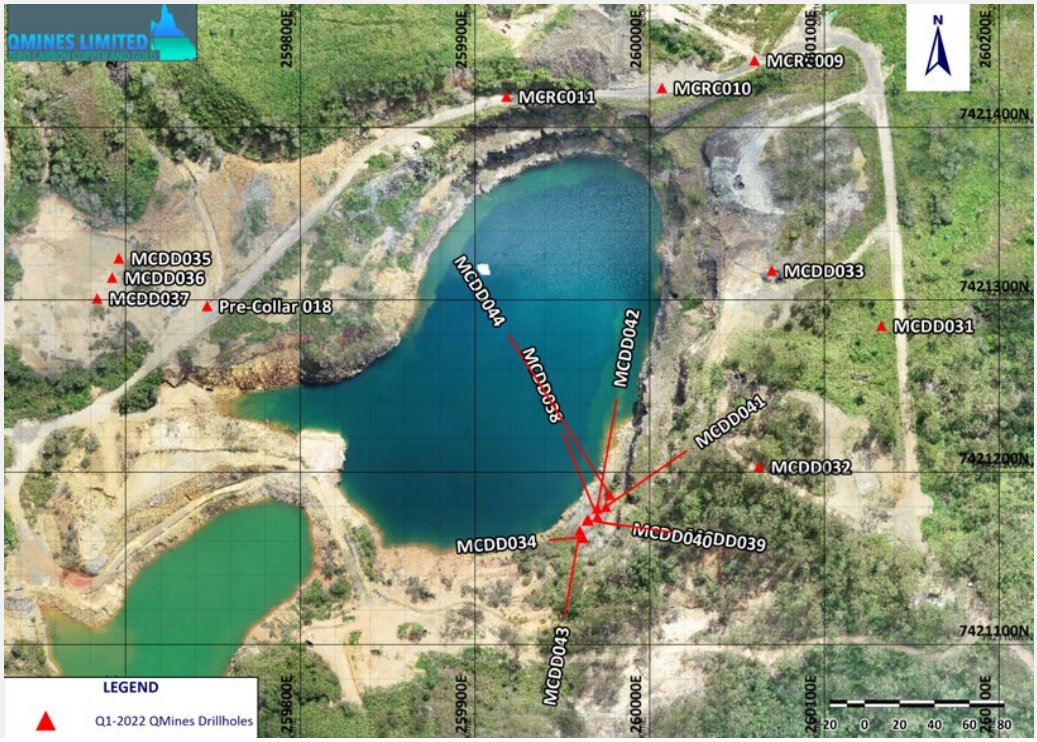

Figure 3: Mt Chalmers Diamond, RC and RC Pre-Collar drill hole locations for older holes with assays received in Q2-2022 (GDA94 MGA94 Zone 56).

The ongoing RC drilling program has been designed to expand the resource (step-out drilling) and upgrade the resource by infilling areas of low confidence. Mineralised intersections in some holes are broader than expected based on historic drilling. In addition to broader zones of mineralisation, stacked mineralisation horizons have also been noted. 28 RC holes have been completed at Mt Chalmers to the end of Q2 (MCRC001 to MCRC028) being part of an estimated planned 50 RC holes. Total RC metres drilled is 3,763m.

RC holes MCRC009 – MCRC016 and MCRC028 were drilled across the north-eastern end of the Main Pit. Holes MCRC017 – MCRC027 were drilled along the western side of both the Main Pit and the West Pit. Results for holes MCRC009 – MCRC020 have been received and have returned high-grade results over broad widths including;

- **69m @ 2.03% CuEq in hole MCRC012**
- **29m @ 1.58% CuEq in hole MCRC009**
- **15m @ 2.08% CuEq in hole MCRC017**

The diamond drilling programs were designed to test structure and mineralisation in the south-eastern corner of the Main Pit. The diamond holes were designed as a drill fan, drilled from the lowest point accessible to the pit floor and comprised eight holes (MCDD034 and MCDD038 – 044). The remaining seven diamond holes (MCDD031 – MCDD037) were step-out holes drilled to test mineralisation and structure at the eastern and western parts of the resource. Significant intercepts for these holes include;

- **67m @ 1.51% CuEq in hole MCDD044**
- **56m @ 1.03% CuEq in hole MCDD034**
- **28m @ 2.08% CuEq in hole MCDD038**

Examples of the recent mineralised intersections from the drilling program can be seen in Sections A-A' and B-B' (Figures 4-5) with section lines shown on Figure 2.

During the quarter, QMines commenced delivering results as CuEq with base and precious metal assays that make the CuEq shown in Table 3. Metal Price Assumptions and Metal Recovery used in the calculations are consistent with the Company's recent resource upgrade delivered to the market in December 2021[1].

The continuation of RC drilling operations and results from the RC drilling program will feed into a further resource update, expected to be delivered later in Q4-2022.

Table 3: Summary of drill collar locations drilled and significant intercepts for all results received during the quarter*

Hole ID	MGA East*	MGA North*	mRL	Dip	MGA Azi*	Max Depth	M from	M to	Int (m)	Cu (%)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	CuEq (%)
Pre-Collar 018	259746.6	7421296.6	96.0	-90	360	57	38	48	10	0.21	0.45	21.1	1	3.43	2.42
MCDD031	260132.6	7421285.1	131.8	-90	360	200.0	166.3	168.4	2.1	0.1657	NSR	NSR	0.1617	0.53	0.42
and							185	186	1	0.42	0.17	11	NSR	NSR	0.64
MCDD032	260062.5	7421203.1	139.7	-90	360	154.84	Hole failed to reach target depth								
MCDD033	260069.9	7421317.1	125.3	-90	360	157.1	130.8	149	18.2	0.53	0.09	2	NSR	NSR	0.60
MCDD034	259962.0	7421162.0	91.7	-80	246	114.6	7.5	63.8	56.3	0.35	0.47	8.9	0.18	0.46	1.03
Including							7.5	9.4	1.9	0.81	0.67	26.6	1.17	2.47	2.90
including							29	32	3	1.03	0.72	17	0.33		1.82
MCDD035	259696.1	7421324.3	91.6	-90	360	138.3	No Significant Intersections								
MCDD036	259692.3	7421313.1	91.6	-90	360	152.9	121.9	123.2	1.25	3.42	0.41	6	NSR	NSR	3.70
MCDD037	259683.7	7421301.0	91.3	-90	360	159.1	121	145	24	0.1685	NSR	NSR	NSR	NSR	0.16
including							123	124	1	0.9	0.12	2.2	NSR	NSR	0.99
Including							144	145	1	0.87	0.1	2.6	NSR	NSR	0.95
MCDD038	259970.0	7421174.0	91.7	-60	340	105.6	14.1	42	27.9	1.36	0.64	14.9	0.14	0.2	2.08
including							14.1	17.7	3.6	5.27	1.83	59.7	0.64	0.54	7.50
Including							28.7	31.7	3	2.44	0.69	19.9	NSR	NSR	3.09
and							68.9	101	32.1	0.82	0.28	18.8	NSR	0.67	1.45
including							68.9	72	3.1	2.21	0.56	16.2	0.23	0.62	3.05
within							68.9	88	19.1	1.23	0.39	11	NSR	0.79	1.91
MCDD039	259964.0	7421172.0	91.7	-65	100	119.9	39	47	8	NSR	1.04	69.4	0.73	1.16	2.11
and							97.5	98.5	1	1.14	0.66	10.6	0.53	2.46	2.87
MCDD040	259965.0	7421172.0	91.7	-80	98	108.8	13	30.6	17.6	0.93	0.24	9.8	0.1	0.41	1.37
Pre-Collar 018	259746.6	7421296.6	96.0	-90	360	57	38	48	10	0.21	0.45	21.1	1	3.43	2.42
MCDD031	260132.6	7421285.1	131.8	-90	360	200.0	166.3	168.4	2.1	0.1657	NSR	NSR	0.1617	0.53	0.42
and							185	186	1	0.42	0.17	11	NSR	NSR	0.64
MCDD032	260062.5	7421203.1	139.7	-90	360	154.84	Hole failed to reach target depth								
MCDD033	260069.9	7421317.1	125.3	-90	360	157.1	130.8	149	18.2	0.53	0.09	2	NSR	NSR	0.60
MCDD034	259962.0	7421162.0	91.7	-80	246	114.6	7.5	63.8	56.3	0.35	0.47	8.9	0.18	0.46	1.03
Including							7.5	9.4	1.9	0.81	0.67	26.6	1.17	2.47	2.90
including							29	32	3	1.03	0.72	17	0.33		1.82
MCDD035	259696.1	7421324.3	91.6	-90	360	138.3	No Significant Intersections								
MCDD036	259692.3	7421313.1	91.6	-90	360	152.9	121.9	123.2	1.25	3.42	0.41	6	NSR	NSR	3.70
MCDD037	259683.7	7421301.0	91.3	-90	360	159.1	121	145	24	0.1685	NSR	NSR	NSR	NSR	0.16
including							123	124	1	0.9	0.12	2.2	NSR	NSR	0.99
Including							144	145	1	0.87	0.1	2.6	NSR	NSR	0.95
MCDD038	259970.0	7421174.0	91.7	-60	340	105.6	14.1	42	27.9	1.36	0.64	14.9	0.14	0.2	2.08
including							14.1	17.7	3.6	5.27	1.83	59.7	0.64	0.54	7.50
Including							28.7	31.7	3	2.44	0.69	19.9	NSR	NSR	3.09
and							68.9	101	32.1	0.82	0.28	18.8	NSR	0.67	1.45
including							68.9	72	3.1	2.21	0.56	16.2	0.23	0.62	3.05
within							68.9	88	19.1	1.23	0.39	11	NSR	0.79	1.91
MCDD039	259964.0	7421172.0	91.7	-65	100	119.9	39	47	8	NSR	1.04	69.4	0.73	1.16	2.11
and							97.5	98.5	1	1.14	0.66	10.6	0.53	2.46	2.87
MCDD040	259965.0	7421172.0	91.7	-80	98	108.8	13	30.6	17.6	0.93	0.24	9.8	0.1	0.41	1.37
including							24	25	1	1.56	0.17	11.7	NSR	1.05	2.17
including							27.7	28.6	0.9	2.86	0.31	16.2	NSR	NSR	3.16
and							58	100	42	0.1529	0.1195	2.17	NSR	0.147	0.32
Including							85	87	2	0.72	0.21	5.5	0.16	0.55	1.18

Table 3: Summary of drill collar locations drilled and significant intercepts for all results received during the quarter*

Table 3: Continued*

Hole ID	MGA East*	MGA North*	mRL	Dip	MGA Azi*	Max Depth	M from	M to	Int (m)	Cu (%)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	CuEq (%)
MCDD041	259975.0	7421180.0	91.7	-60	56	113.2	55.9	58.3	2.4	NSR	0.47	26.3	0.51	1.28	1.27
and							77.1	87	9.9	0.461	0.118	NSR	NSR	NSR	0.54
Including							83	85	2	1.39	0.21	2.6	NSR	NSR	1.54
MCDD042	259970.0	7421179.0	91.7	-60	11	129.3	52	58	6	1.09	2.01	35	0.48	0.93	3.48
and							68	95	27	0.3575	0.099	NSR	NSR	NSR	0.43
Including							84.7	87.7	3	2.38	0.22	4	NSR	NSR	2.52
MCDD043	259957.0	7421167.0	91.7	-58	191	99.7	10.5	42	31.5	0.33	0.4	11.2	0.31	0.82	1.16
including							10.5	17	6.5	0.44	0.37	18.8	0.65	1.55	1.70
including							34	36	2	0.57	1.03	18.5	0.46	1.37	2.22
MCDD044	259977.0	7421187.0	91.7	-45	328	154.9	39.5	106	66.5	0.86	0.51	5.9	0.11	0.45	1.51
Including							41.3	66	24.7	0.2385	0.693	8.21	0.222	0.5083	1.13
Including							49.7	51.5	1.8	0.67	2.22	25.2	0.63	1.49	3.43
Including							62	64	2	0.63	0.97	14.5	0.34	1.15	2.07
Including							73	81	8	4.08	1.34	6.8	NSR	0.5	5.29
within							73	94.2	21.2	2.14	0.7	5.9	NSR	0.6	2.92
MCRC009	260060.0	7421439.0	124.0	-90	360	220	161	190	29	1.52	0.1	3.6	NSR	NSR	1.58
including							161	163	2	3.98	0.28	10.5	NSR	NSR	4.17
including							173	175	2	3.88	0.15	8.5	NSR	NSR	3.96
including							179	181	2	3.53	0.12	4.7	NSR	NSR	3.56
MCRC010	260007.0	7421423.0	125.0	-90	360	134	113	134	21	2.32	0.44	1.9	NSR	NSR	2.62
including							119	127	8	4.2	0.78	2.8	NSR	NSR	4.72
MCRC011	259918.0	7421418.0	126.0	-90	360	170	188	212	24	1.27	0.07	1.3	NSR	NSR	1.30
and							132	148	16	0.09	0.21	7.3	0.61	1.55	1.13
including							136	138	2	0.28	0.52	16.1	2.25	6.82	4.25
MCRC012	260022.0	7421435.0	124.0	-70	10	215	137	206	69	1.62	0.55	2.5	NSR	NSR	2.03
including							137	153	16	4.6	0.75	6.2	NSR	NSR	5.11
including							157	159	2	4.03	0.9	3.6	NSR	NSR	4.66
including							163	167	4	2.09	2.34	3.5	NSR	NSR	3.93
and							172	174	2	1.13	3.86	2.4	NSR	NSR	4.20
MCRC013	260098.0	7421457.0	124.0	-90	360	205	150	168	18	0.6	0.1	3.3	NSR	NSR	0.69
MCRC014	260128.7	7421415.5	125.6	-80	280	205	165	178	13	1.22	0.06	2	NSR	NSR	1.25
MCRC015	260103.0	7421479.0	124.0	-75	280	214	153	163	10	0.98	0.43	3	NSR	NSR	1.32
MCRC016	260090.5	7421392.4	125.5	-72	280	178	144	156	12	0.48	0.06	1	NSR	NSR	0.52
MCRC017	259742.0	7421294.0	100.0	-90	360	150	25	40	15	0.12	0.22	19.5	0.9	3.36	2.08
and							76	116	40	0.5679	0.802	NSR	NSR	NSR	1.19
Including							79	83	4	1.47	0.05	1.8	NSR	NSR	1.48
Including							107	116	9	1.38	3.38	1	NSR	NSR	4.05
MCRC018	259795.0	7421300.5	104.0	-90	360	155	64	92	28	0.44	0.17	8.7	0.34	0.63	0.99
Including							64	76	12	0.1	0.22	15	0.68	1.23	1.10
Including							84	92	8	1.37	0.13	4.8	NSR	NSR	1.47
MCRC019	259806.0	7421310.0	107.5	-60	180	140	64	78	14	0.36	1.6	33.3	1.1	1.82	2.98
MCRC020	259854.0	7421356.0	104.0	-90	360	100	84	95	11	0.03	0.24	30.2	0.16	0.42	0.70
and							145	147	2	0.95	0.17	3	NSR	NSR	1.08
MCRC021	259821.0	7421316.0	103.0	-65	80	125.0	**Assays Pending**								
MCRC022	259722.0	7421272.0	98.0	-90	360	125.0	**Assays Pending**								
MCRC023	259687.0	7421233.0	95.0	-65	90	115.0	**Assays Pending**								
MCRC024	259673.0	7421235.0	95.0	-70	90	130.0	**Assays Pending**								
MCRC025	259647.0	7421203.0	93.0	-60	120	100.0	**Assays Pending**								
MCRC026	259731.0	7421209.0	103.0	-90	360	110.0	**Assays Pending**								
MCRC027	259710.0	7421189.0	103.0	-90	360	85.0	**Assays Pending**								
MCRC028	260017.0	7421434.0	124.0	-70	350	220.0	**Assays Pending**								

Table 3: Summary of drill collar locations drilled and significant intercepts for all results received during the quarter*

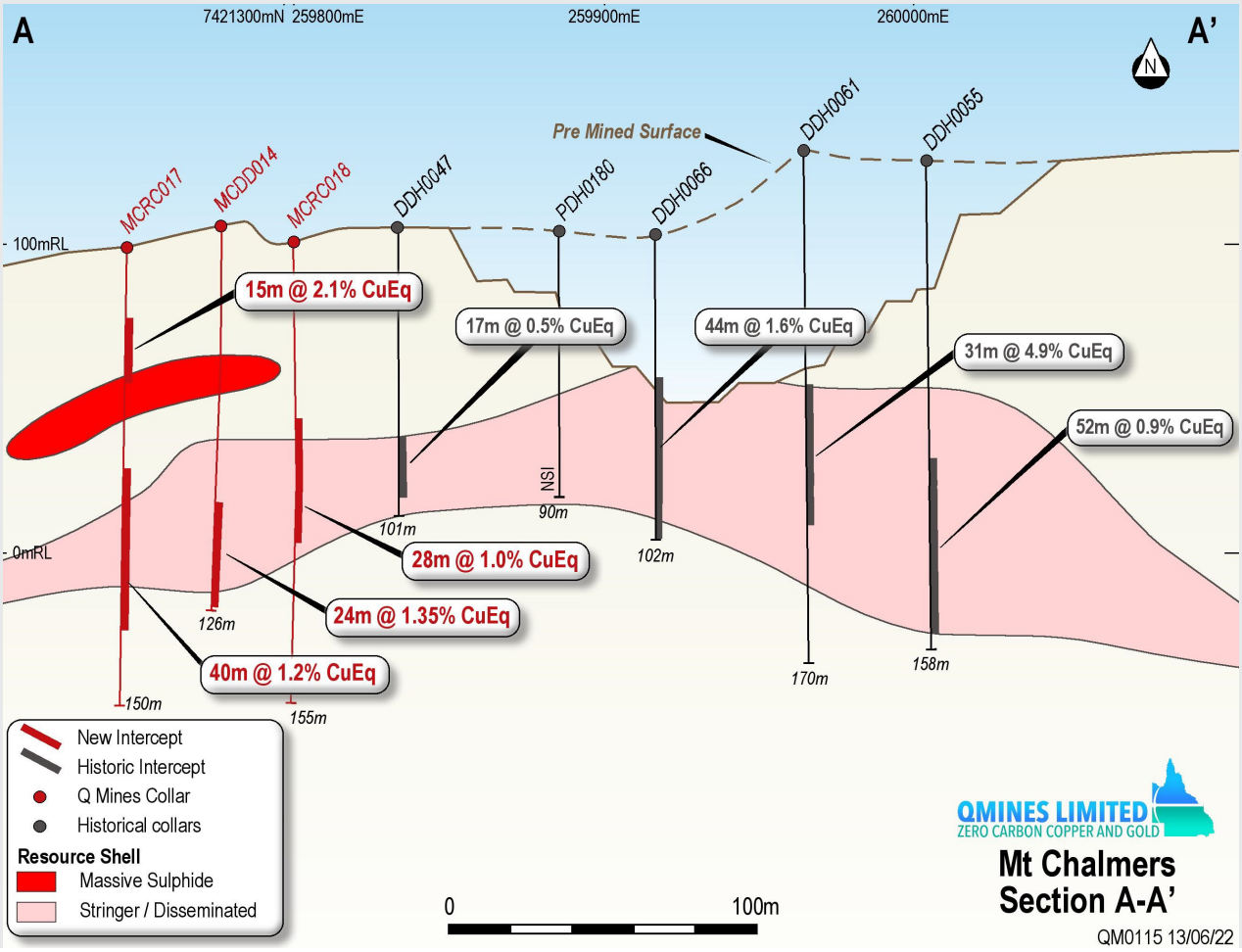

Figure 4: Section AA' mineralised intersections with resource wireframe from December 2021, (looking north).

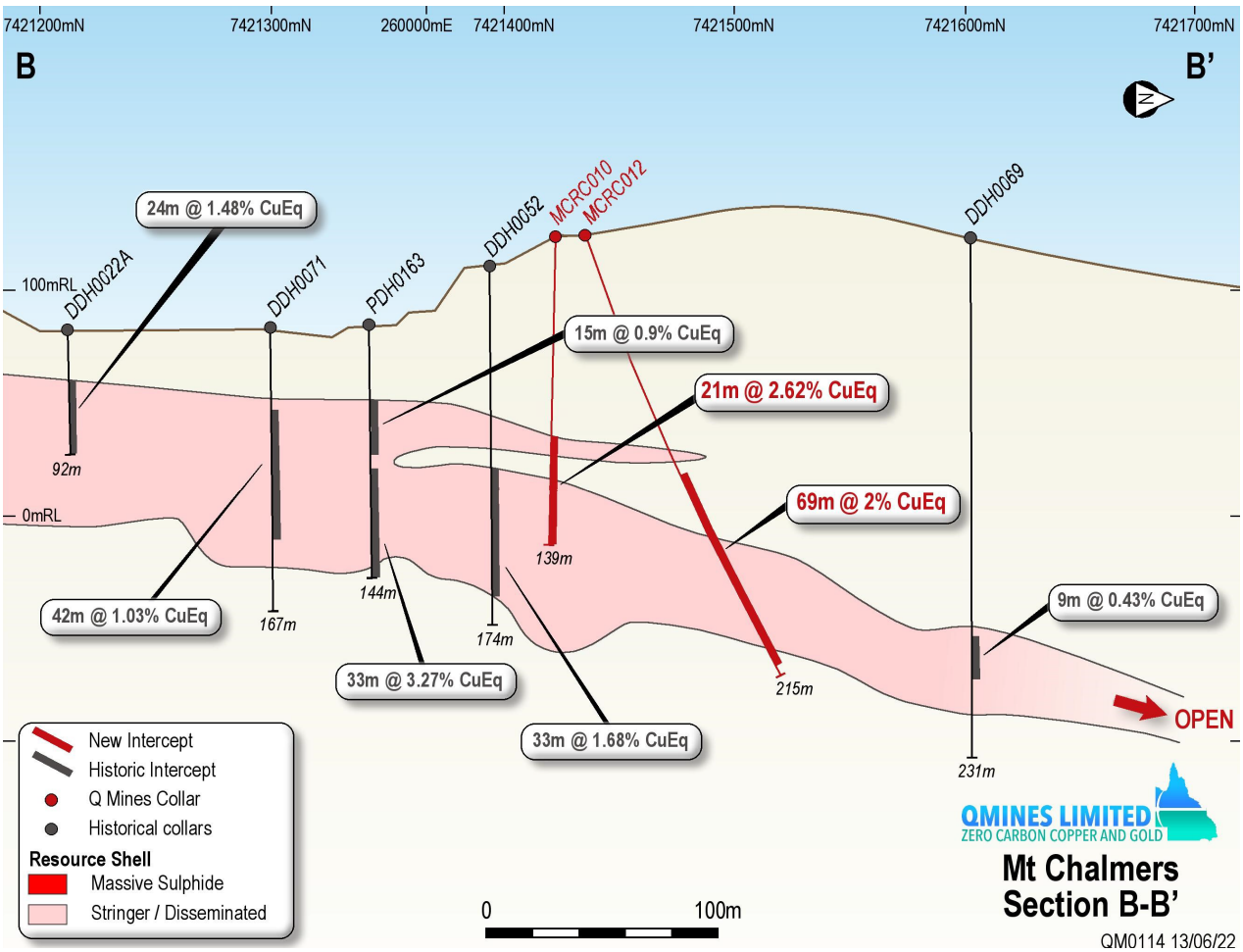

Figure 5: Section BB' mineralised intersections with resource wireframe from December 2021, (looking west).

Geology

Mt Chalmers Project a well-preserved VHMS with a flat lying asymmetric mound geometry (Figure 6). This mineralised system contains copper, gold, zinc, lead and silver and VHMS deposits are recognised as being one of the highest-grade mineral systems in the world. 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).

The Mt Chalmers mineralisation is situated in the early Permian Berserker Beds, which occur in the fault-bounded Berserker Graben, a structure 120km long and up to 15km wide. 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. As such, the Mt Chalmers resource is well preserved and is generally intact.

Both historical and recent drilling results have intersected higher grade Cu-Au massive sulphides proximal to the centre of the deposit, and high grade Pb, Zn, Ag in the massive sulphide and exhalate ore body distal from the centre of the orebody. 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 in the centre and Pb, Zn, Ag grades typically higher distally and at greater depths.

A structural study of drill core from the eight holes drilled in early 2022 has found that the sulphide stringer zone (SSZ) is comprised of anastomosing and multidirectional sulphide veins, often present as breccia cement, with no clearly defined structural orientation. This is more typical of boiling zone architecture. Stringer sulphides are more concentrated at the top of the SSZ where they directly underlie the massive sulphide horizon. These findings suggest the massive sulphide horizon has, at least in part, resulted from the combined surface output of this widespread boiling zone, and possibly more so than a single feeder pipe.

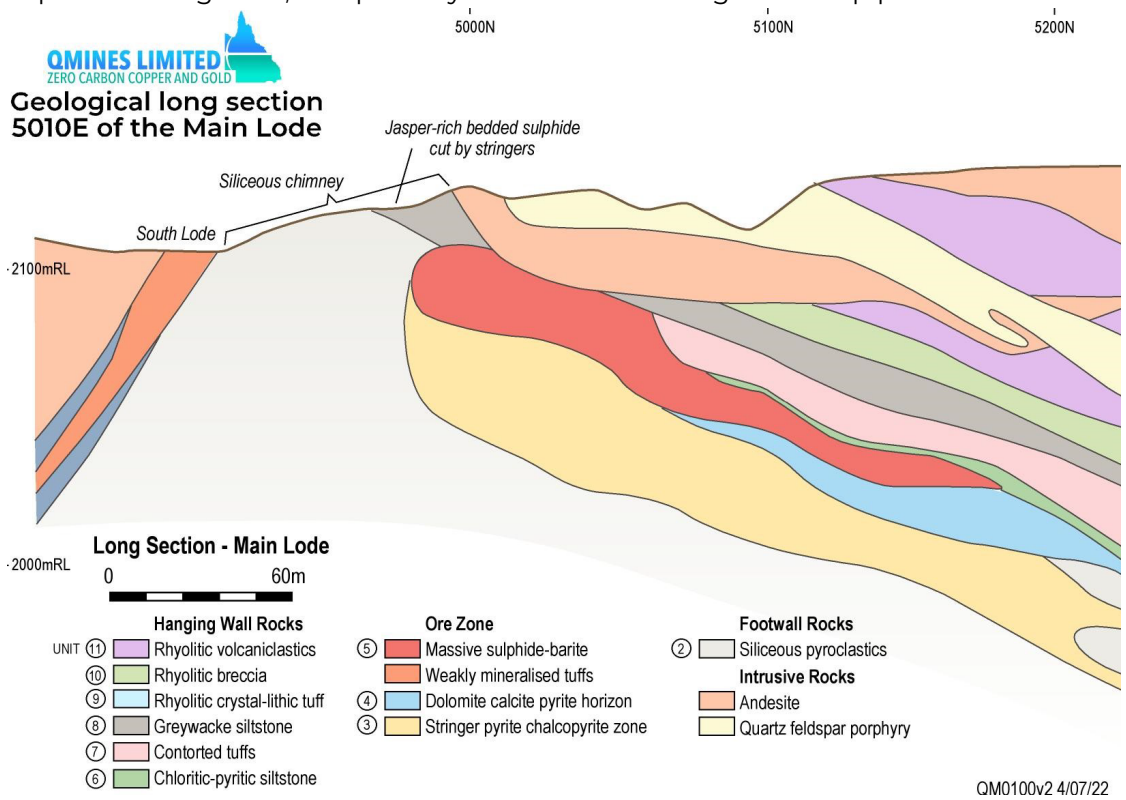

Figure 6: Geological Long Section 5010E of the Mt Chalmers Main Lode (pre-mining), (Large & Both, 1980).

Granting Of Strategic Tenement

During the quarter, the Queensland Department of Resources granted tenement EPM 27899 to QMines. This 118.4km² tenement covers two large copper and zinc soil anomalies, Tracker 1 and 2, and represents a significant acquisition for the Company (Figure 7).

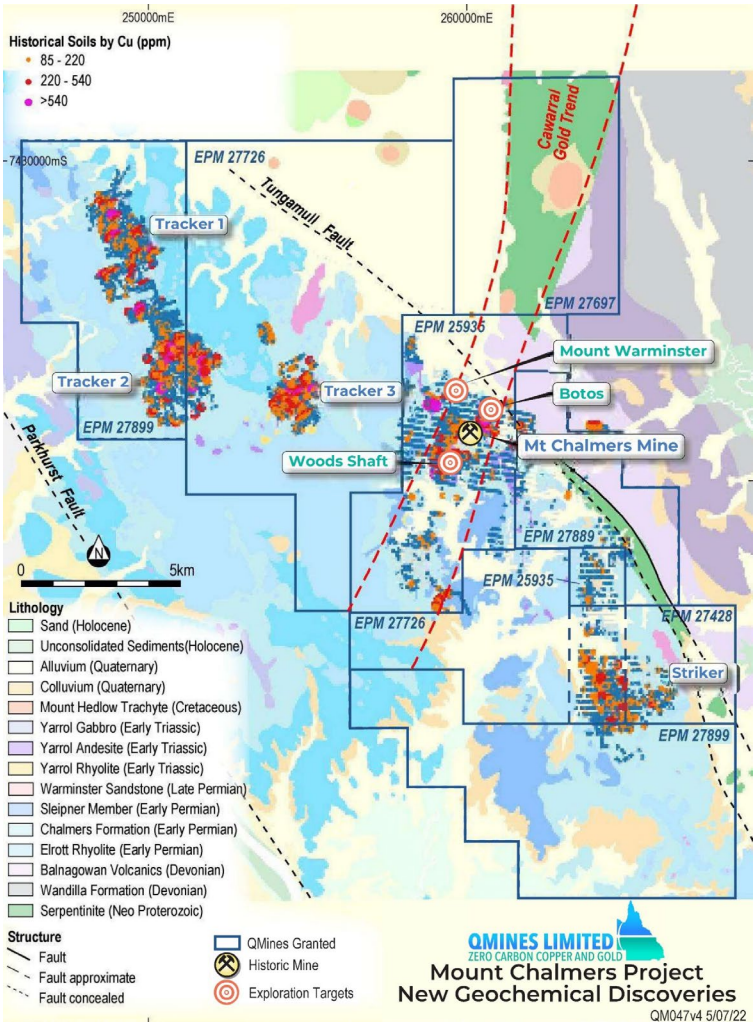

Figure 7: EPM 27899 covering Tracker 1 and 2 soil anomalies.

Ongoing Exploration Activity

- Ongoing drill programs for the planned +30,000m of RC and Diamond drilling;
- Drilling to commence at the Woods Shaft prospect, the first of three Exploration Targets (JORC 2012);
- Preparations underway to drill Tracker 3, the first of four large copper and zinc soil anomalies;
- Further downhole EM surveys to prepare for a planned airborne EM survey over the Mt Chalmers project; and
- **Third resource upgrade planned to be released in CY-2022.**

Environmental, Social & Governance

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

During the quarter, the Company installed two solar powered noise, dust and vibration monitors at its Mt Chalmers mine site. These monitoring stations will allow QMines to live track the impact of noise, dust and vibration from its operational activities and allow the Company to work on strategies to reduce their impact.

Figure 8: Sensors installed at the Mt Chalmers mine site.

Corporate

During the quarter, the Company attended the Mines and Money Conference and presented at the BioFuturing Conference in relation to QMines ESG strategies.

Subsequent to the quarter, QMines conducted a site visit to its flagship Mt Chalmers mine site with numerous funds and strategic investors.

QMines entered into a trading halt on Thursday 28 July while it undertakes a further capital raise to accelerate its exploration and development plans.

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 June 2022. Administration costs remain higher due to unexpected expenditure associated with the IPO including additional marketing and investor relations costs.

Use of Funds (Continued)

USE OF FUNDS	PROSPECTUS	TOTAL SINCE IPO
Exploration & Development at the Mt Chalmers Project	$6,119,752	$4,617,096
Exploration at the Silverwood Project	$146,724	$17,708
Exploration at the Warroo Project	$88,746	$118,936
Exploration at the Herries Range Project	$644,778	$67,045
Mining & Development Costs	$1,000,000	$486,090
Total Project Expenditure	$8,000,000	$5,306,874
Expenses of the Offer	$1,177,498	$1,070,494
Administration Costs	$1,100,000	$2,110,848

Table 4: 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 30 March 2022.

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	Granted	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 5: 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.

***Note GDA94, MGA94 Zone 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.
- **NSR** = No Significant Result

** Intercept widths reported from vertical drill holes represent the approximate true width of mineralisation.
** Intercept widths reported from ~60-degree dip holes represent approximately 87% true width of mineralisation.

Copper Equivalent Calculations

All Copper Equivalent (CuEq) figures included in this announcement are calculated based on the following formula:

CuEq(%) = (Cu grade x Cu recovery) + ((Pb grade x Pb recovery x Pb price)/Cu Price) + (Zn grade x Zn price x Zn recovery)/Cu price) + ((Au grade x Au price x Au recovery)/Cu price) + ((Ag grade x Ag price x Ag recovery)/Cu price)

All grades are converted to % and prices converted to $/T prior to calculating CuEq.

Commodity price used: Au price of US$1,900/oz, Ag price of US$25/oz, Cu price of US$6,655/t, Pb price of US$2,450/t, and Zn price of US$3,450/t.

The following metallurgical recoveries have been applied: 87% Au, 70.5% Ag, 97.0% Cu, 85.0% Pb and 77.0% Zn.

It is the company's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold. CuEq with all results for base and precious metals that make up the CuEq also shown. The CuEq Formula uses the same Metal Price Assumptions and Metallurgical Recovery Grades used in the Company's recent resource upgrade delivered to the market in December 2021[1].

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning QMines Limited planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "expect," "intend," "may", "potential," "should," and similar expressions are forward-looking statements. Although QMines believes that its expectations reflected in these forward- looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that further exploration will result in the estimation of a Mineral Resource or a larger Mineral Resource.

Competent Person Statement

Exploration

The information in this document that relates to mineral exploration and exploration targets is based on work compiled under the supervision of Mr Glenn Whalan, a member of the Australian Institute of Geoscientists (AIG). Mr Whalan is QMines' principal geologist and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC 2012 Mineral Code). Mr Whalan consents to the inclusion in this document of the exploration information in the form and context in which it appears.

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 @ 2.0% Cu, 3.6g/t Au and 19g/t Ag between 1898-1982. Mt Chalmers has a Measured, Indicated and Inferred Resource (JORC 2012) of 5.8Mt @ 1.7% CuEq for 101,000t CuEq[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 & Ownership

Mt Chalmers (100%)

Silverwood (100%)

Warroo (100%)

Herries Range (100%)

QMines Limited

ACN 643 212 104

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
Exploration Geologist
(Competent Person – Exploration)

Shares on Issue

113,672,748

Unlisted Options

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

Compliance Statement

With reference to previously reported Exploration results and mineral resources, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

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

Contact

QMines Limited (ASX:QML)

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[1] ASX Announcement - Mt Chalmers Resource Upgrade, 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	30 June 2022

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(801)	(3,218)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(208)	(368)
	(e) administration and corporate costs	(306)	(1,299)
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**	**(1,315)**	**(4,884)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(1,145)	(3,126)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 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**	**(1,145)**	**(3,126)**

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	3,495	9,045
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,315)	(4,884)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,145)	(3,126)
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 (12 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**1,035**	**1,035**

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	1,035	3,495
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)**	**1,035**	**3,495**

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	160
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)	(1,145)
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)	(1,145)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,035
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,035
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	0.9

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:
Yes

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:
Yes, the Company is currently in the process of a capital raise

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:
Yes, as it expects to raise further capital

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: 29 July 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.