QMines Limited & Controlled Entities
ABN 72 643 212 104

Annual Report
For the period 1 July 2021 to 30 June 2022

Australia's next zero carbon copper and gold developer...

(ASX:QML)

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GENERAL INFORMATION

General Information

The financial statements cover QMines Limited (**QMines** or **Company**) as a Group consisting of QMines and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is QMines' functional and presentation currency.

QMines (ASX:QML) is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite J
34 Suakin Drive
MOSMAN NSW 2088

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29th September 2022. The directors have the power to amend and reissue the financial statements.

CORPORATE DIRECTORY

QMines Limited
ASX:QML

Directors

Andrew Sparke
Executive Chairman

Peter Caristo
Non-Executive Director

Elissa Hansen
Non-Executive Director

Company Secretary
Elissa Hansen

Registered Office
Suite J, 34 Suakin Drive,
Mosman NSW 2088

Principal Place of Business
Suite J, 34 Suakin Drive,
Mosman NSW 2088

Site Office (Mt Chalmers)
213 Cawarral Road,
Tungamull QLD 4702

Share Registry
Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000

Corporate Accountant
Traverse Accountants
Suite 305, Level 3, 35 Lime Street,
Sydney NSW 2000

Auditor
RSM Australia Partners
Level 13, 60 Castlereagh Street,
Sydney NSW 2000

Legal Advisor
Steinepreis Paganin
Level 6, 99 William Street,
Melbourne VIC 3000

Website
www.qmines.com.au

Corporate Governance Statement
qmines.com.au/corporate-governance

CHAIRMAN'S LETTER

Dear Shareholder,

In what has been a transformational year for our company, it gives me great pleasure to bring you QMines Annual Report for 2022.

Second Resource Upgrade, Third On The Way!

The Company's flagship project, Mt Chalmers, is located 17km North-East of Rockhampton. The Project is a high-grade historic mine that produced 1.2Mt @ 3.6g/t Au, 2.0% Cu and 19g/t Ag between 1898-1982 making the mine one of the highest gold grade VHMS deposits in the world[2].

On 1 December 2021, QMines delivered its second Mineral Resource Estimate at Mt Chalmers following its listing in only May 2021, a fantastic feat by our operational team. The second Resource estimate increased the resource by 38% with 78% brought into the Measured and Indicated JORC categories. This brought the total resource to 5.8Mt @ 1.7% CuEq for 101,000 tonnes CuEq[1]. QMines is currently completing its planned 30,000m drilling program with a third resource upgrade expected in Q4-2022.

Substantial Exploration Potential

The Company has three Exploration Targets (JORC 2012) and four large soil anomalies within close proximity to the existing Mt Chalmers mine. The Company's soil anomalies coupled with QMines structural analysis underpins our belief that there is strong potential to discover additional VHMS style deposits and potential Mt Chalmers "repeats".

Fully Subscribed Placement

On 1st August 2022, the Company completed a $2 million placement to fund accelerated exploration and development at the Mt Chalmers copper and gold mine. Shaw & Partners acted as Lead Manager to the raising with Dalton Equities and Peak Asset Management acting as Co-Lead Managers. I subscribed for a further $250,000 worth of shares under the placement demonstrating my belief in this asset and the Company.

Significant Resource Growth Potential

The Company's recent drilling demonstrates the significant growth potential at Mt Chalmers as the Company prepares for its third resource upgrade expected in Q4-2022. Recent thick, shallow and high-grade intersections include:

- 60.8m @ 3.83% CuEq from 6.2m;
- 69.0m @ 2.03% CuEq from 137.0m;
- 66.5m @ 1.51% CuEq from 39.5m;
- 27.6m @ 3.38% CuEq from 6.2m; and
- 12.6m @ 15.10% CuEq from 21.2m.

Excellent Preliminary Metallurgical Results

Initial metallurgical test work indicated high recoveries from all concentrates and a relatively simple flotation process. Initial rougher concentrates include;

- **Stinger:** Copper concentrate with peak recoveries of **97% Cu** and **87% Au**, representing the bulk of the resource;
- **Massive Sulphide:** Copper-lead concentrate with recoveries of 89% Cu, 77% Zn and 43% Au; and
- **Massive Sulphide:** Zinc concentrate with recoveries of 84% zinc and 43% gold.

[1] ASX Announcement - Mt Chalmers Resource Upgrade, 1 December 2021.
[2] The Gold Content of VMS Deposits, Patrick M Langevin, 11 May 2010

Additional gold recovery from the zinc concentrate tail using cyanide leach generates **98.4% total gold recovery** and further work remains ongoing with potential to improve recoveries further.

"Capital Light" Development Strategy

QMines has made a number of strategic capital investments to reduce costs. This included the purchase of an RC drill rig and four support trucks, numerous ESG initiatives and the purchase of five rural properties. These acquisitions have significantly reduced the Company's cost base and will reduce the amount of capital required, and therefore dilution, to grow the business.

Acquired RC Drill Rig

To accelerate the exploration program at Mt Chalmers, in a cost-effective manner, QMines have purchased an RC drill rig, booster and auxiliary truck, rod truck and support vehicles. This significantly reduces the drilling costs whilst increasing the number of drill meters reported and will assist to accelerate the companies exploration and development strategy.

Significant ESG Initiatives

QMines has delivered several practical initiatives including becoming **one of only three ASX listed resources companies to be certified Carbon Neutral** under the Australian Governments Climate Active program. The Mt Chalmers mine runs on 100% renewable electricity (solar and battery storage), 90% rainwater usage and 100% onsite wastewater management. The Company has not received a power, water or sewage bill since acquiring the asset. Additionally, QMines are using an 80:20 renewable fuel blend reducing carbon emissions by an initial 20% and decreasing overall diesel usage.

Substantial Land Acquisitions

The Company has gone to significant effort to set up a functional base of operations at Mt Chalmers by installing staff accommodation facilities, a site office and technical base for our operations. QMines has completed five strategic land acquisitions comprising 244 acres of land. This initiative has significantly reduced accommodation costs, significantly decreased travel costs and decreased future development costs. Importantly, it also give's the Company access to drill priority exploration targets in a timely manner.

What Does All This Mean?

QMines has a growing copper and gold resource with strong development potential and "substantial" exploration upside with seven regional prospects yet to be drilled.

The Company's recent structural analysis and database work significantly improves regional targeting as QMines begins its search for potential Mt Chalmers "repeats".

The Company's aggressive +30,000m exploration strategy provides shareholders with significant leverage to exploration success.

On behalf of the Board, I would like to thank our new and existing shareholders for all their support of the Company.

I believe QMines is well positioned to generate significant value for our shareholders in FY-2023. On behalf of the Board we look forward to keeping you informed on what we believe to be another exciting year for our Company.

Yours sincerely,

Andrew Sparke.

Andrew Sparke
Executive Chairman

03 DIRECTORS REPORT

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity (referred to hereafter as "the Group" or "consolidated entity") consisting of QMines Limited (referred to hereafter as the "Company" or "parent entity") and the entities controlled at the end of the year ended 30 June 2022.

Directors

The names of directors who held office during the period and up to the date of this report are:

Mr. Andrew Sparke; Executive Chairman
Ms. Elissa Hansen; Non-Executive Director and Company Secretary
Mr. Peter Caristo; Non-Executive Director, Appointed 17 September 2021
Mr. Daniel Lanskey; Non-Executive Director, Resigned 17 September 2021

Principal Activities

During the period the continuing activities of the Group consisted of copper and gold exploration and development.

Dividends

During the period no dividends were paid or declared.

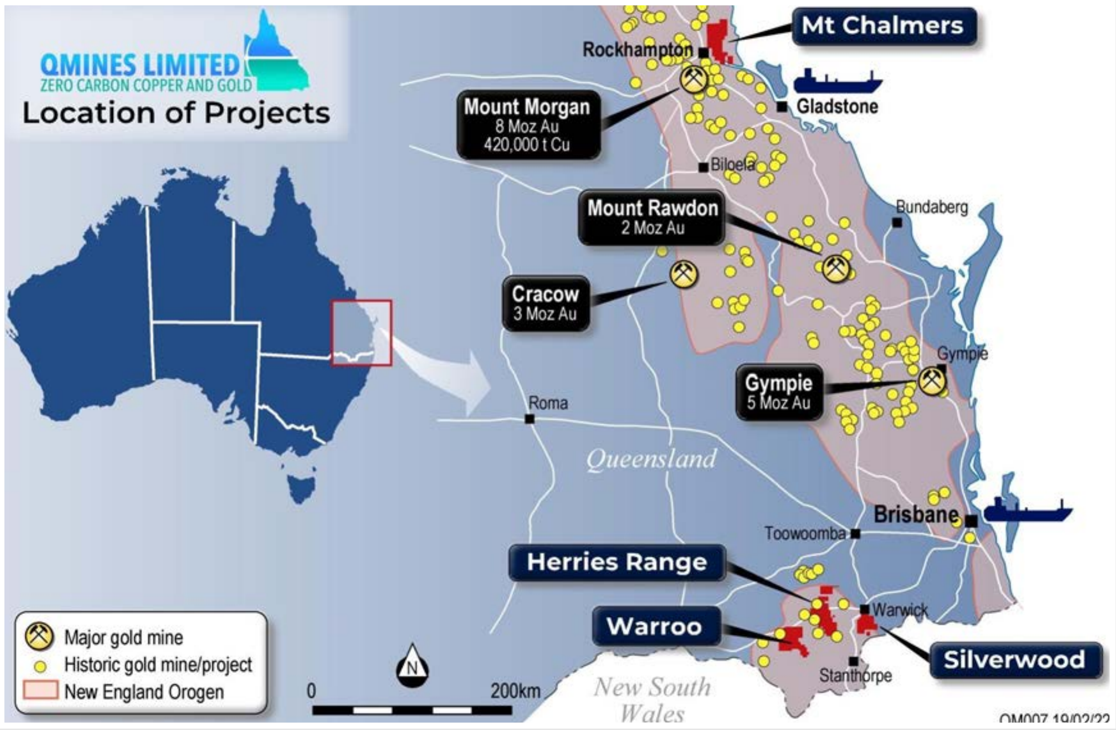

Figure 1: Locations of QMines' Projects.

Review of Operations

The consolidated loss after income tax of the Group for the period ended 30 June 2022 is $3,165,385.

During the period, the Group focussed on the exploration and development of its copper, gold and base metals projects in Queensland. QMines continues to review historic exploration results from the projects it has acquired to date. QMines' four projects include:

- **Mt Chalmers**
- **Silverwood**
- **Warroo**
- **Herries Range**

Mt Chalmers

The Mt Chalmers Project, situated 17km North-East of Rockhampton, consists of five Exploration Permits for Minerals and covers approximately 316km².

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 is recognised as being one of the highest gold grade volcanic-hosted massive-sulphide (**VHMS**) mineral systems in the world.[1]

During the year, the Group extended the Mt Chalmers tenement package from three EPMs to five EPMs to cover significant geochemical anomalies over the most prospective part of the Berserker Group and along strike of the Mt Chalmers mine.

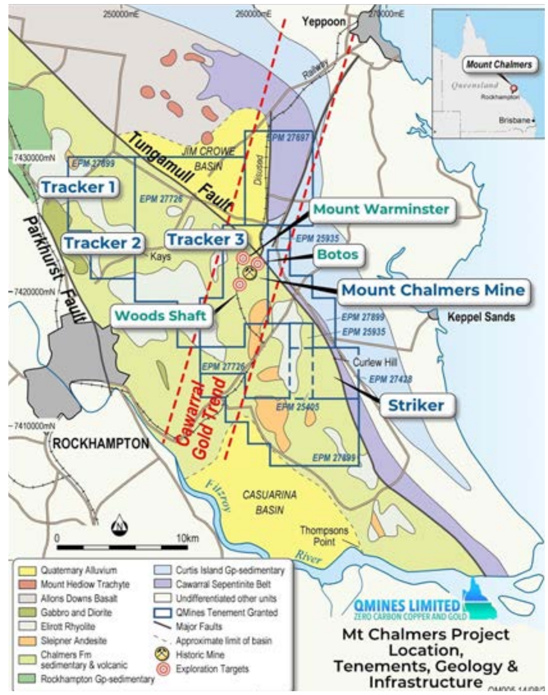

Figure 2: Mt Chalmers location, tenements, geology & infrastructure.

Resource Upgrade

The Company delivered an updated Mineral Resource Estimate in December 2021 and Mt Chalmers now has a Total Resource of 5.8 Mt @ 1.7% CuEq for 101,000 tonnes CuEq.[2] Importantly, 78% of this Resource now falls in the Measured and Indicated categories (JORC 2012).

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

Table 1: Global Resource Estimate by Copper Equivalent Tonnes, December 2021. Note rounding errors may occur.

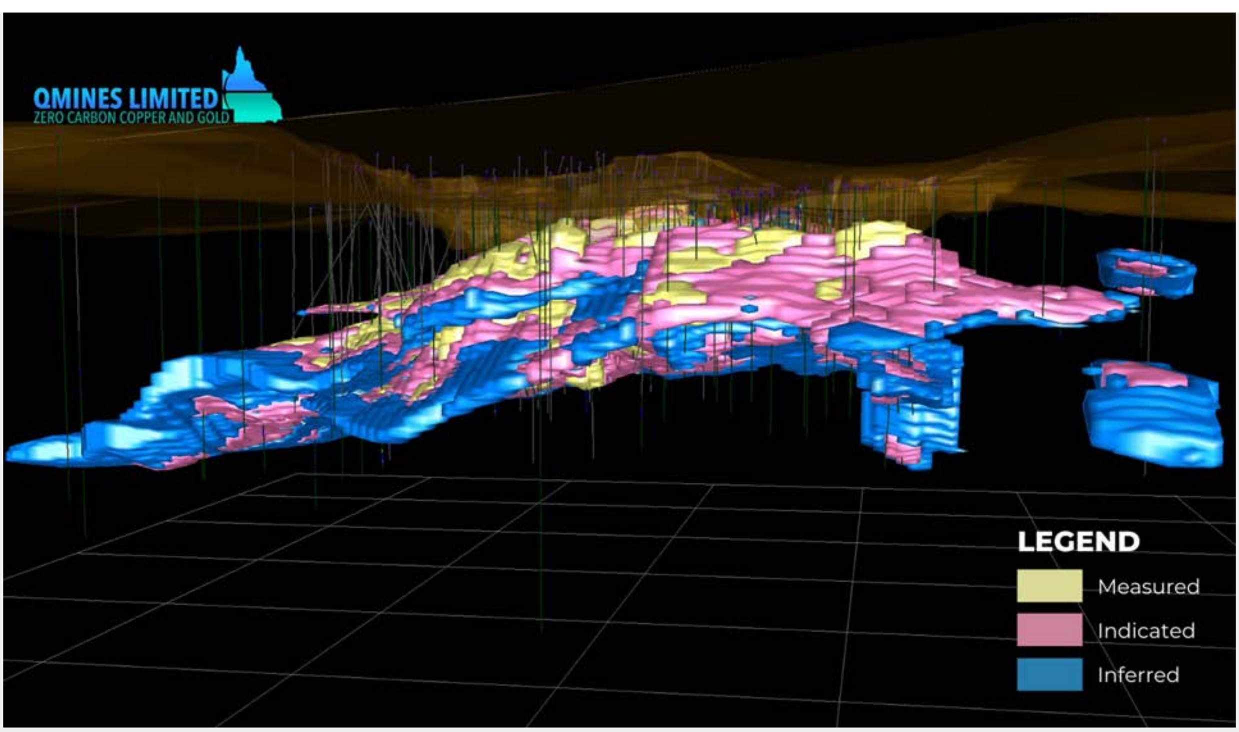

Figure 3: Mt Chalmers Measured, Indicated and Inferred Resources block model for copper cut off of 0.5% (Oblique View: Looking Azim 340, Dip -40 degrees – grid shown 200x200m)

[1] ASX Announcement - Mt Chalmers Resource Upgrade, 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 year, completing 48 RC and diamond core holes for 6,887 metres. Diamond and RC drilling has been ongoing at Mt Chalmers since drilling operations commenced in March 2021. The Company has drilled a total of 109 diamond and RC holes for 14,253m since listing.

QMines has announced a number of significant intersections that demonstrate the potential for significant resource growth including:

- **61m @ 3.83 % CuEq** (MCDD017);
- **67m @ 1.51 % CuEq** (MCDD044);
- **69m @ 2.03 % CuEq** (MCRC012); and
- **13m @ 15.10 % CuEq** (MCDD017).

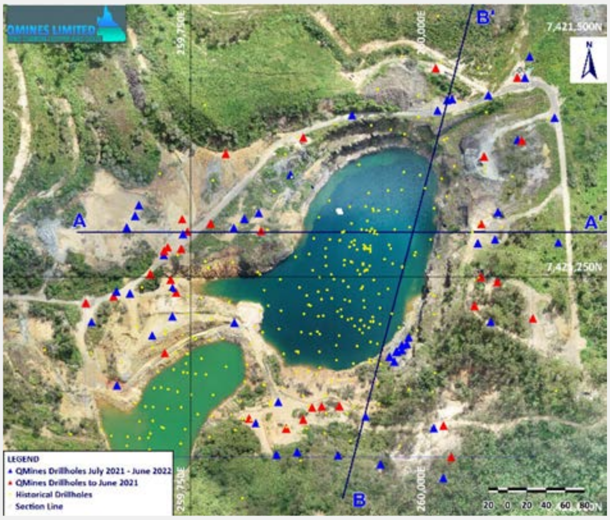

Figure 4: 2021-2022 drill collar locations and section lines AA' & BB'.

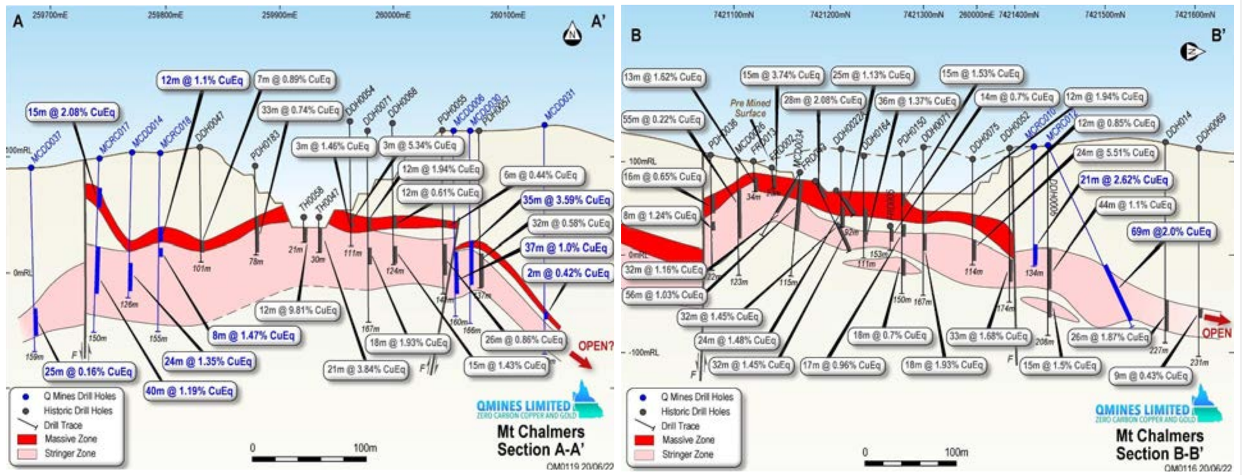

Figure 5: Sections AA' and BB' mineralised intersections with recently modelled geology.

To accelerate RC drilling operations at Mt Chalmers, the Company made the decision to acquire an RC drill rig with support vehicles and equipment. Experienced drilling personnel were employed to manage, run and maintain this equipment. QMines has also built a base of operations and workshops on site between January – March 2022. The new RC rig commenced drilling in April 2022 at the Mt Chalmers Project. RC drilling is scheduled to continue in FY-2023 with up to 2,000m of drilling expected to be delivered each month drilling continues.

In addition to the Mt Chalmers deposit, three further Exploration Targets remain drill-ready to infill historical drilling and to convert to additional resources. The location of the three Exploration Targets of Woods Shaft, Botos and Mt Warminster are shown in Figure 2.

Exploration Targets	Tonnes (Mt)	Cu (%)	Au (g/t)	Ag (g/t)	Zn (%)	Pb (%)
Woods Shaft	1.0 - 1.5	0.2 - 0.3	0.6 – 1.0	–	–	–
Botos	1.5 – 2.5	0.1 – 0.2	0.5 – 0.8	30 - 50	1.1 – 1.4	0.5 – 0.7
Mt Warminster	1.5 – 1.8	0.1 – 0.2	–	8 - 12	0.5 – 0.7	0.25 – 0.35

Table 2: Exploration Targets at the Mt Chalmers Project (JORC 2012).

Figure 6: QMines' RC drilling rig and support vehicles drilling hole MCRC009.

Figure 7: QMines operating base, renewable fuel storage, core yard and workshops constructed between January -March 2022.

The Company received excellent preliminary metallurgical test work results from an initial sighter study. Initial recoveries from rougher concentrates from the two mineralisation styles, stringer and massive sulphide, include:

- **Stringer**: Copper concentrate with recoveries of up to 97% copper and 87% gold, which represents the bulk of the resource;
- **Massive Sulphide**: Copper-lead concentrate with recoveries of up to 89% copper, 77% zinc and 43% gold; and
- **Massive Sulphide**: Zinc concentrate with recoveries of 84% zinc and 43% gold.

Additional gold recovery from the zinc concentrate tail using cyanide leach generates 98.4% total gold recovery and further work remains ongoing with potential to improve recoveries further.

Figure 8: Stringer Zone chalcopyrite mineralization in QMines drill core, hole MCDD018.

Wireframing of the Mt Chalmers geology has better defined both the stringer and massive zones as well as their fault displacements. Notably, the massive sulphide mineralisation is more widespread than previously recognised and the geometry of the stringer zone is now more clearly understood.

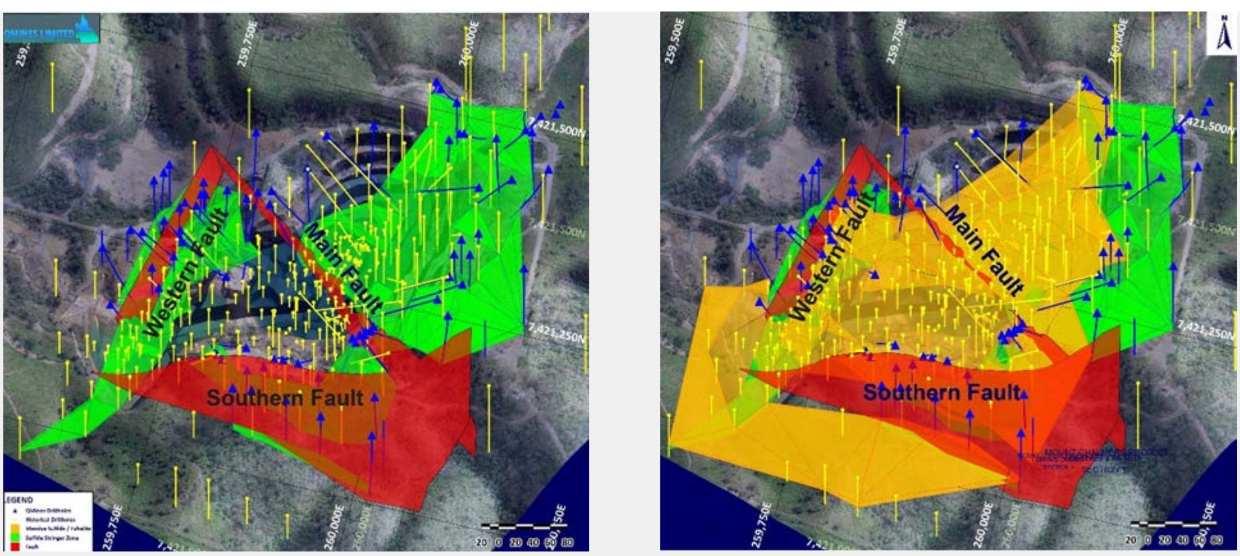

Figure 9: Geological Model of the Mt Chalmers resource. Sulphide stringer zone to left, massive sulphide overlay to right. Looking NW.

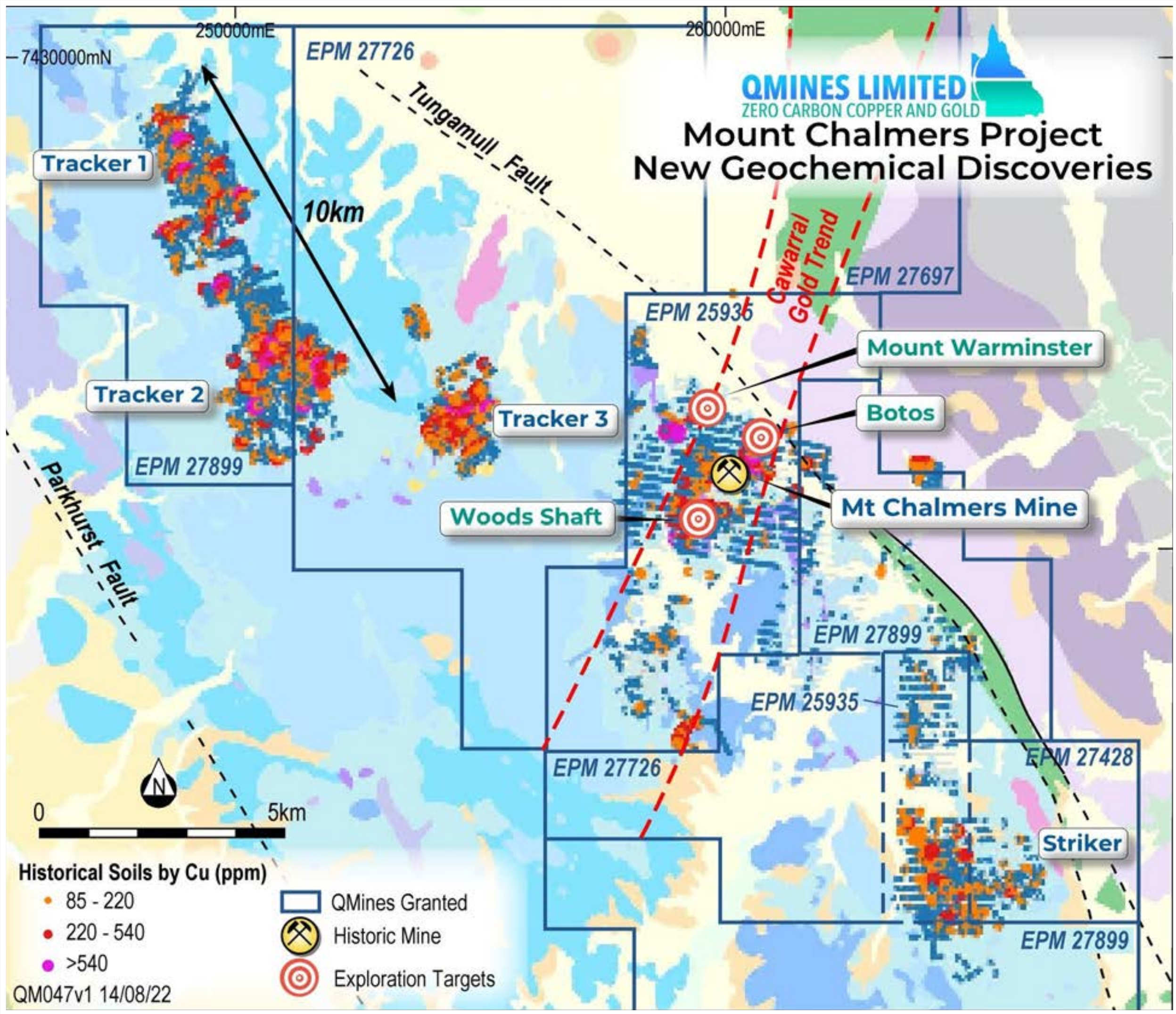

Figure 10. Mt Chalmers Project regional geochemical anomalies and surrounding tenements.

During the year, the digitisation of a large repository of historical data was completed and included mapping at various scales plus drillhole and surface geochemical data. This allowed a basin-wide, mineral systems approach to interpreting and ranking targets for future exploration.

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 a more detailed structural geology interpretation for the December 2021 resource model.

Regional soil geochemical data highlighted several large coincident copper and zinc anomalies within the prospective Berserker Group. These anomalies are similar in scale and tenor to the distinctive geochemical signature of the Mt Chalmers deposit and formed the basis for the additional EPM applications and subsequent grants. The principal anomalies, Tracker 1, 2, 3 and Striker are yet to be drilled by QMines.

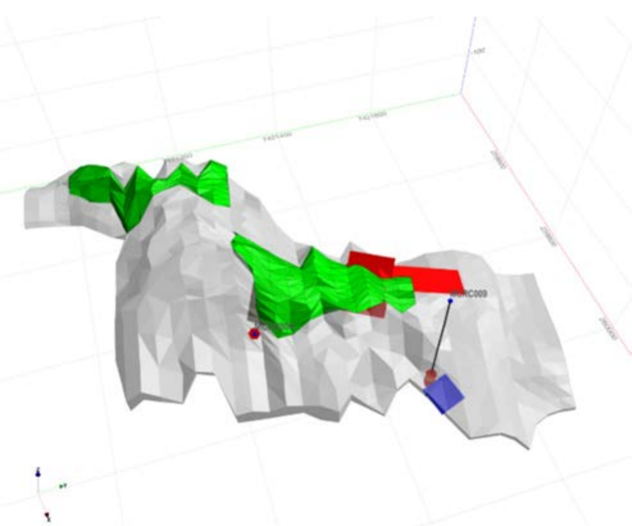

Figure 11. Mt Chalmers wireframe with massive sulphide and stringer ore zones and DHEM anomaly (red).

In June, a downhole EM survey was undertaken to assess the EM signature at Mt Chalmers prior to planning an airborne EM survey over the entire Mt Chalmers Project area. While identifying a strong off-hole response, results from the survey were unclear. The Company plans to target this off-hole response with a further drillhole and complete an additional downhole EM survey in the new financial year.

During the year, QMines continued to acquire freehold land surrounding the Mt Chalmers mine site. The Company has now purchased five rural properties totaling 244 acres which also include two freestanding houses.

Importantly, the properties cover the extent of the known resource and provide unencumbered access for exploration and development activities. These acquisitions have saved the company considerable cost as have allowed QMines to house their staff onsite and reduce the need for accommodation and travel costs.

Several Environmental, Social and Governance (ESG) initiatives were initiated including the installation of a second solar and battery back up system onsite, the installation of a 60,000L renewable fuel storage facility allowing for a switch to an 80/20 renewable fuel blend, increased local procurement, installation of a number of septic systems to manage grey and black water onsite and enhanced environmental monitoring with the installation of four monitoring stations around the mine site.

All work completed at Mt Chalmers to date has significantly increased the understanding, potential size and regional prospectivity of the project. The Company is planning to deliver its third Mineral Resource Estimate for Mt Chalmers in Q4-2022. Further Resource updates are already being planned at Woods Shaft and at the Mt Chalmers mine site where mineralisation remains open in a number of directions.

Silverwood Project

The Silverwood Project is located 15km south of the regional centre of Warwick. EPM 27281 and EPM 27724 consists of 78 sub-blocks (approximately 234km^2) covering the greater Silverwood Group domain. The tenements contain a relative abundance of historic mines and mineral occurrences that are prospective for both gold and base metals.

At the Grieves Quarry base metals deposit, drilling was carried out by the Geological Survey of Queensland (GSQ) between 1967 and 1971 where two diamond drilling programs were undertaken for a total of 17 diamond holes for 1,505 metres drilled. The GSQ diamond drilling intercepted numerous intersections of massive sulphide mineralisation at Grieves Quarry. GSQ did not assay for gold, focussing on base metals - copper, zinc, lead and silver. A summary of the Exploration Targets identified at Mt Chalmers Project is included below:

Project	Prospect	Mt	Zn (%)	Cu (%)	Ag (g/t)	Cut-Off
Silverwood	Grieves Quarry	0.8 to 1.0	3.2 to 3.7	0.3 to 0.5	15 to 25	2% Zn

Warroo Project

The Warroo Project is located 50km west of Stanthorpe in Queensland. The Warroo project consists of EPM 26178 and EPM 27725 consisting of 72 sub-blocks covering an area of approximately 216km^2.

The Company considers there is potential to define mesozonal to epizonal intrusive related gold mineralisation related to these structural corridors and on extensions to the Warroo and Ti Tree structures. The regional aeromagnetic data shows the Warroo Project to be located east of a large oval magnetic feature that appears to be at moderate depth.

Herries Range Project

The Herries Range gold Project comprises three contiguous EPMs, consisting of 110 sub-blocks covering an area of approximately 330km^2. The project is situated 40km west of Warwick in south-east Queensland covering the central and southern portions of the Warwick Goldfields.

Alluvial gold deposits are extensive throughout the tenement package. The sources of many of these alluvial workings have never been traced. The extensive alluvial mining in the west of the tenement area, in the Canal Creek Goldfield, had only a few hard-rock occurrences that were worked. Within these goldfields and clusters of mines, QMines has located several historical mines and zones of prospective rock formations associated with both hard-rock and alluvial gold mineralisation.

The Company will undertake early-stage exploration work to progress and identify areas for more detailed follow up including ground-based geophysical surveys, geochemical soil grids and future drill testing.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Group during the financial year.

Matters Subsequent to the End of the Financial Year

Since the end of the reporting period, the Company completed a $2 million fully subscribed placement to fund ongoing exploration activities.

No other matters or circumstances have arisen since 30 June 2022 that has significantly affected, or may significantly affect:

a) The Group's operations in future financial years; or

b) The results of those operations in future financial years; or

c) The Group's state of affairs in future financial years.

Likely Developments and Expected Results of Operations

Information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Group.

Tenements Held

Tenement ID	Tenement Name	Status	Holder	Interest
EPM 25935	Mt Chalmers	Granted	Dynasty Gold	100%
EPM 27428	Mt Chalmers	Granted	Rocky Copper	100%
EPM 27726	Mt Chalmers	Granted	QMines	100%
EPM 27697	Mt Chalmers	Granted	Rocky Copper	100%
EPM 27899	Mt Chalmers	Granted	QMines	100%
EPM 27725	Warroo	Granted	QMines	100%
EPM 26178	Warroo	Granted	Dynasty Gold	100%
EPM 27724	Silverwood	Granted	QMines	100%
EPM 27281	Silverwood	Granted	Traprock Resources	100%
EPM 25785	Herries Range 1	Granted	Traprock Resources	100%
EPM 25786	Herries Range 2	Granted	Traprock Resources	100%
EPM 25788	Herries Range 3	Granted	Traprock Resources	100%

Environmental Regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State laws.

Information on Directors

Name:	Mr Andrew Sparke
Title:	Executive Chairman
Qualifications:	B.Bus (Marketing), M.Fin, GAICD
Experience and expertise:	Mr Sparke has over 15 years' experience that includes fund management, corporate advisor and broker to a number of ASX listed resources companies. He has significant experience serving in Chairman, Executive Director and Non-Executive Director roles for ASX listed companies and has been involved in several successful corporate transactions including numerous capital raisings, IPOs, back door listings and M&A transactions.
Other current directorships:	Nil
Former directorships (last 3 years):	Alt Resources Ltd (now de-listed), Tillegrah Ltd (now de-listed) and Torian Resources Ltd (ASX:TNR).
Interests in shares:	24,385,000
Interests in rights:	3,500,000

Name:	Mr Peter Caristo
Title:	Non-Executive Director
Qualifications:	B.Sc (Geology) MBA
Experience and expertise:	Mr. Caristo is an experienced exploration geologist, with over 24 years' experience in the mineral exploration industry. He has held senior positions in Newcrest Mining (ASX:NCM), OceanaGold (ASX:OGC) and Mining Associates. His expertise covers project generation, drill targeting, geological mapping, exploration project management, technical due diligence, and data management, specialising in gold. Mr. Caristo is the current Chair of the Queensland Branch of the Australian Institute of Geoscientists.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Interests in shares:	Nil
Interests in rights:	250,000

Name:	Ms Elissa Hansen
Title:	Non-Executive Director & Company Secretary
Qualifications:	B.Com, Grad. Dip. Applied Corporate Governance, GAICD, FGIA
Experience and expertise:	Ms Hansen is a Chartered Secretary with over 20 years' experience as a company secretary and corporate governance professional. She has worked with boards and management on a range of ASX listed companies including assisting a number of organisations through the IPO process and is experienced in the specific requirements of companies in industries including resources, information technology, industrials and biotechnology.
Other current directorships:	Zoono Group Ltd (ASX:ZNO); Aeeris Limited (ASX:AER)
Former directorships (last 3 years):	Nil
Interests in shares:	1,500,000
Interests in rights:	2,000,000

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Meetings of Directors

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director are shown in the following table.

	Board		Audit & Risk Committee	
Name of the Director	**Eligible to Attend**	**Attended**	**Eligible to Attend**	**Attended**
Andrew Sparke	14	14	1	1
Elissa Hansen	14	14	2	2
Peter Caristo	11	11	1	1
Daniel Lanskey (Resigned)	2	2	-	-

Remuneration Report (Audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles Used to Determine the Nature and Amount of Remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- Competitiveness and reasonableness
- Acceptability to shareholders
- Performance linkage / alignment of executive compensation
- Transparency

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel.

The Nomination and Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- Having economic profit as a core component of long term plans for the business
- Focusing on sustained growth in shareholder wealth, consisting of growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- Attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- Rewarding capability and experience
- Reflecting competitive reward for contribution to growth in shareholder wealth
- Providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-Executive Directors' Remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration. Non-executive directors do not receive share options or other incentives.

The total aggregate fixed sum per annum to be paid to Non-Executive Directors (excluding salaries of executive Directors) is $300,000. In accordance with ASX Listing Rules and the Company's Constitution, this may be varied by ordinary resolution of Shareholders at a general meeting.

Executive Remuneration

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- Base pay and non-monetary benefits
- Short-term performance incentives
- Share-based payments
- Other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Group and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management.

The long-term incentives ('LTI') include long service leave and share-based payments. Shares are awarded to executives over a period of two years based on long-term incentive measures. These include increase in shareholders value relative to the entire market and the increase compared to the Group's direct competitors. The Nomination and Remuneration Committee reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2022.

Voting and Comments Made at the Company's 2021 AGM

At the 2021 Annual General Meeting (**AGM**), 98.68% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2021. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of Remuneration

Amounts of Remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables.

The key management personnel of the Group consisted of the following directors and key management of QMines Limited:

- Andrew Sparke - Executive Chairman
- Peter Caristo - Non-Executive Director
- Elissa Hansen - Non-Executive Director
- James Anderson - General Manager Operations

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2022	**Cash salary and fees $**	**Cash bonus $**	**Non-monetary $**	**Super-annuation $**	**Long service leave $**	**Equity-settled $**	**Total $**
Non-Executive Directors:							
Peter Caristo	21,250	-	-	2,125	-	13,735	37,110
Elissa Hansen	90,000	-	-	-	-	109,882	199,882
Executive Directors:							
Andrew Sparke	300,000	-	-	-	-	192,294	492,294
Other Key Management Personnel:							
James Anderson	255,833	-	-	-	-	231,083	486,916
	667,083	**-**	**-**	**2,125**	**-**	**546,994**	**1,216,202**

Equity-settled benefits include the full assessed value of the performance rights issued in the year. These performance rights are at-risk and none have vested by year-end.

11 month period ended 30 June 2021	Short-term benefits Cash salary and fees $	Short-term benefits Cash bonus $	Short-term benefits Other Fees Rent $	Post-employment benefits Super-annuation $	Long-term benefits Long service leave $	Share-based payments Equity-settled $	Total $
Non-Executive Directors:							
Elissa Hansen	75,000	-	-	-	-	-	75,000
Executive Directors:							
Andrew Sparke	180,000	-	-	-	-	-	197,737
Daniel Lansky	171,141	-	-	-	-	-	171,141
Other Key Management Personnel:							
James Anderson	150,048	-	-	-	-	-	150,048
	576,189	**-**	**-**	**-**	**-**	**-**	**593,926**

Service Agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreement are as follows:

Name: Mr Andrew Sparke
Title: Executive Chairman
Agreement commenced 6 May 2021
Details: $300,000 per annum. Resignation is for a 6 months' notice period.

Name: Ms Elissa Hansen
Title: Non-Executive Director & Company Secretary
Agreement commenced: 4 August 2021
Details: $90,000 per annum. This amount is inclusive of director fees and company secretarial fees.

Name: Mr James Anderson
Title: General Manager, Operations
Agreement commenced: 6 May 2021
Details: $250,000 per annum. Resignation is for a 3 months' notice period.

Name: Mr Peter Caristo
Title: Non-Executive Director
Agreement commenced: 14 September 2021
Details: $30,000 per annum.

Share-Based Compensation

Issue of Shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2022.

Options

There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2022.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2022.

Performance Rights

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Grant date	Vesting date and exercisable date	Expiry date	Fair value per right at grant date
21/10/2021	Pending hurdle achievement	17/11/2023	$0.397
23/12/2021	Pending hurdle achievement	27/12/2023	$0.383

Name	Number of rights granted	Grant date	Vesting date and exercisable date	Expiry date	Fair value per right at grant date
James Anderson	3,500,000	21/10/2021	On achievement of milestone	17/11/2023	$0.397
Andrew Sparke	3,500,000	23/11/2021	On achievement of milestone	27/12/2023	$0.383
Elissa Hansen	2,000,000	23/11/2021	On achievement of milestone	27/12/2023	$0.383
Peter Caristo	250,000	23/11/2021	On achievement of milestone	27/12/2023	$0.383

Performance rights granted carry no dividend or voting rights.

Vesting Condition for Performance Rights Granted on 21/10/2021:

Pro-rata on any 2012 JORC compliant, Queensland based Inferred, Indicated or Measured resource upgrade from the current resource of 73,000t Cu Eqv up to 200,000t Cu Eqv where:

- The Resource is over 1% Cu Eqv for copper dominant resources; or
- The Resource is over 1.5 g/t Au Eqv for gold dominant resources; and
- The Company received a copy of the digital database and JORC Report; and
- The Company makes an ASX announcement that is released to the market; and
- No earlier than 24 months from the Grant Date.

Vesting Condition for Performance Rights Granted on 23/11/2021:

Pro-rata on any 2012 JORC compliant, Queensland based Inferred, Indicated or Measured resource upgrade from the current resource of 73,000t Cu Eqv up to 200,000t Cu Eqv where:

- The Resource is over 1% Cu Eqv for copper dominant resources; or
- The Resource is over 1.5 g/t Au Eqv for gold dominant resources; and
- The Company received a copy of the digital database and JORC Report; and
- The Company makes an ASX announcement that is released to the market.

There were no performance rights over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2022.

Additional Disclosures Relating To Key Management Personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

Ordinary shares	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Andrew Sparke	24,385,000	-	-	-	24,385,000
James Anderson	9,100,000	-	-	-	9,100,000
Elissa Hansen	1,500,000	-	-	-	1,500,000
Peter Caristo	-	-	-	-	-
	34,985,000	-	-	-	**34,985,000**

Performance Rights Holding

The number of performance rights over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

Performance rights over ordinary shares	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
James Anderson	-	3,500,000	-	-	3,500,000
Andrew Sparke	-	3,500,000	-	-	3,500,000
Elissa Hansen	-	2,000,000	-	-	2,000,000
Peter Caristo	-	250,000	-	-	250,000
	-	**9,250,000**	-	-	**9,250,000**

This concludes the remuneration report, which has been audited.

Shares Under Option

Unissued ordinary shares of QMines Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
07/09/2020	06/05/2024	$0.375	1,700,000
28/01/2021	06/05/2024	$0.375	2,500,000
08/08/2022	08/08/2025	$0.375	3,750,000
			7,950,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares Under Performance Rights

Unissued ordinary shares of QMines Limited under performance rights at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
21/10/2021	17/11/2023	$0.000	4,800,000
23/11/2021	27/12/2023	$0.000	5,750,000
			10,550,000

No person entitled to exercise the performance rights had or has any right by virtue of the performance rights to participate in any share issue of the company or of any other body corporate.

Shares Issued on the Exercise of Options

There were no ordinary shares of QMines Limited issued on the exercise of options during the year ended 30 June 2022 and up to the date of this report.

Shares Issued on the Exercise of Performance Rights

There were no ordinary shares of QMines Limited issued on the exercise of performance rights during the year ended 30 June 2022 and up to the date of this report.

Indemnity and Insurance of Officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and Insurance of Auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-Audit Services

There were no non-audit services provided during the financial year by the auditor.

Auditor’s Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors.

Yours sincerely,

Andrew Sparke

Andrew Sparke
Executive Chairman

29th September 2022

04 AUDITOR'S INDEPENDENCE DECLARATION

RSM Australia Partners

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GPO Box 5138 Sydney NSW 2001

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F +61 (0) 2 8226 4501

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of QMines Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

GNS

G N Sherwood
Partner

Sydney, NSW
Dated: 29 September 2022

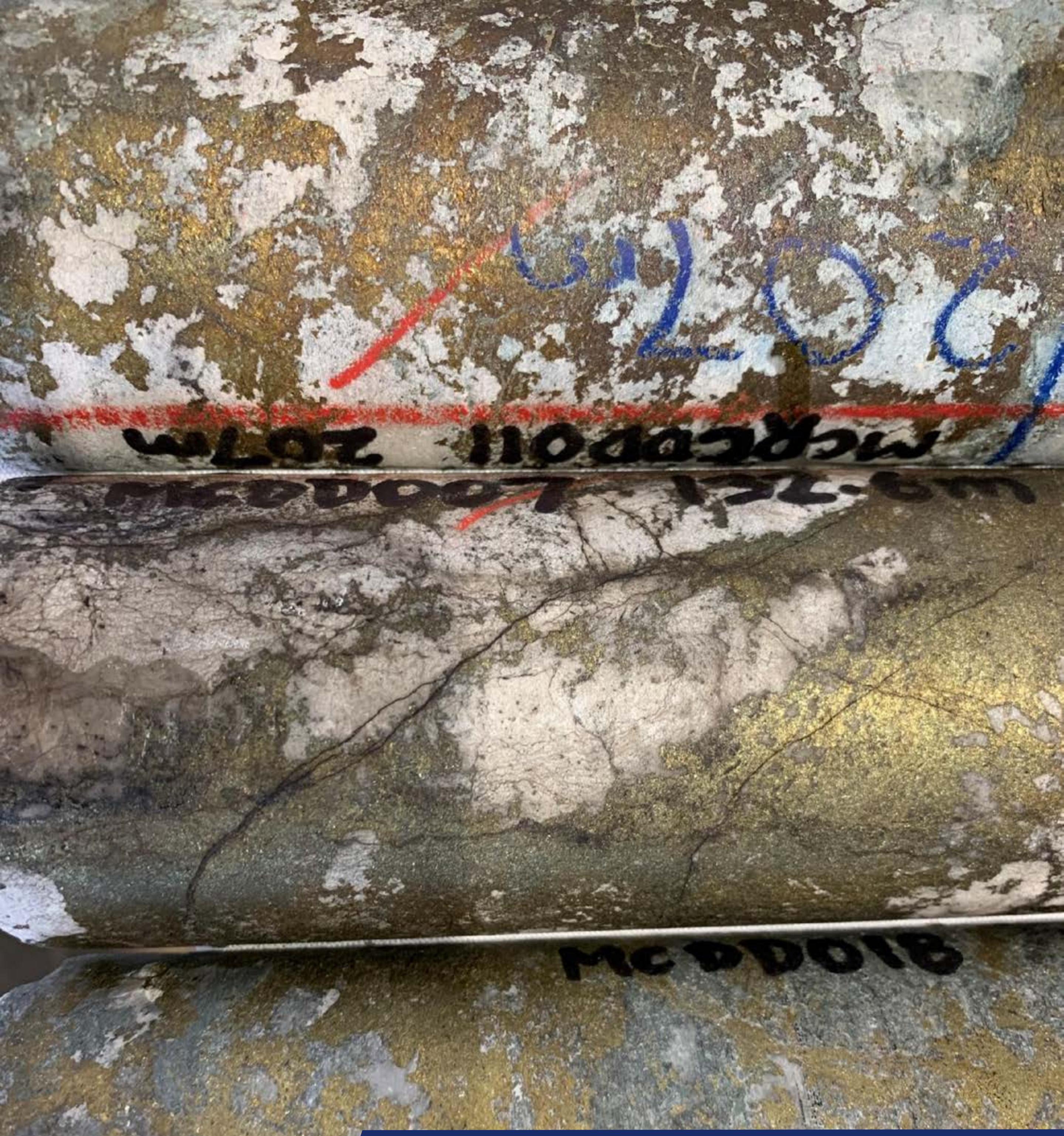
05 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Consolidated	
		2022 $	11 month period ended 30 June 2021 ($)
Revenue			
Other income	4	1,397	3,669
Expenses			
Accounting and audit fees		(103,034)	(64,150)
Professional fees	5	(546,590)	(426,141)
Consulting fees		(50,541)	(305,770)
Employee benefits expense		(399,384)	(65,740)
Occupancy		(31,859)	(11,781)
Marketing		(301,886)	(156,709)
Depreciation expense		(234,619)	(11,565)
Exploration expenditure		(123,820)	(32,546)
Office and administration		(317,608)	(474,500)
Share based payments expense	16	(923,575)	-
Other expenses		(133,865)	(38,572)
Finance costs		(1)	(105)
Loss before income tax expense		(3,165,385)	(1,583,910)
Income tax expense	6	--	--
Loss after income tax expense for the year attributable to the owners of QMines Limited	17	(3,165,385)	(1,583,910)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to the owners of QMines Limited		(3,165,385)	(1,583,910)
		Cents	**Cents**
Basic losses per share	26	(2.82)	(2.51)
Diluted losses per share	26	(2.82)	(2.51)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.



06 STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

STATEMENT OF FINANCIAL POSITION

	Note	Consolidated	
		2022 $	11 month period ended 30 June 2021 ($)
Assets			
Current assets			
Cash and cash equivalents	7	1,034,894	9,045,023
Other current assets	8	146,915	251,707
Total current assets		1,181,809	9,296,730
Non-current assets			
Property, plant and equipment	10	4,088,702	604,496
Exploration and evaluation	9	7,515,815	4,476,787
Total non-current assets		11,604,517	5,081,283
Total assets		**12,786,326**	**14,378,013**
Liabilities			
Current liabilities			
Trade and other payables	11	284,537	287,807
Provisions	12	5,806	2,955
Other	13	96,452	45,910
Total current liabilities		386,795	336,672
Total liabilities		386,795	336,672
Net assets		**12,399,531**	**14,041,341**
Equity			
Issued capital	14	16,245,001	15,354,251
Reserves	15	903,825	271,000
Accumulated losses	17	(4,749,295)	(1,583,910)
Total equity		**12,399,531**	**14,041,341**

The above statement of financial position should be read in conjunction with the accompanying notes.

07 STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

STATEMENT OF CHANGES IN EQUITY

Consolidated	Issued Capital ($)	Reserves ($)	Accumulated Losses ($)	Non-controlling Interest ($)	Total equity ($)
Balance at 4 August 2020	-	-	-	-	-
Loss after income tax expense for the year	-	-	(1,583,910)	-	(1,583,910)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive loss for the year	-	-	(1,583,910)	-	(1,583,910)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 14)	12,304,251	-	-	-	12,304,251
Shares issued for purchase of asset	3,050,000	-	-	-	3,050,000
Options issued during the period	-	271,000	-	-	271,000
Balance at 30 June 2021	**15,354,251**	**271,000**	**(1,583,910)**	**-**	**14,041,341**

Consolidated	Issued Capital ($)	Reserves ($)	Accumulated Losses ($)	Non-controlling Interest ($)	Total equity ($)
Balance at 1 July 2021	15,354,251	271,000	(1,583,910)	-	14,041,341
Loss after income tax expense for the year	-	-	(3,165,385)	-	(3,165,385)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive loss for the year	-	-	(3,165,385)	-	(3,165,385)
Transactions with owners in their capacity as owners:					
Shares issued for purchase of asset	600,000	-	-	-	600,000
Share-based payments (note 16)	290,750	-	-	-	290,750
Performance rights issued during the year	-	632,825	-	-	632,825
Balance at 30 June 2022	**16,245,001**	**903,825**	**(4,749,295)**	**-**	**12,399,531**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

08

STATEMENT OF CASH FLOWS

For the year ended 30 June 2022

STATEMENT OF CASH FLOWS

	Note	Consolidated	
		2022 $	11 month period ended 30 June 2021 ($)
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(1,658,809)	(1,325,797)
Exploration expenditure paid		(3,226,457)	(1,592,095)
		(4,885,266)	**(2,917,892)**
Interest received		1,397	1,365
Other income		-	2,304
Net cash used in operating activities	25	**(4,883,869)**	**(2,914,223)**
Cash flows from investing activities			
Payment for purchase of subsidiary, net of cash acquired		-	57
Payments for property, plant and equipment		(3,126,260)	(616,061)
Net cash used in investing activities		(3,126,260)	(616,004)
Cash flows from financing activities			
Proceeds from issue of shares, net of transaction costs		-	12,575,250
Net cash from financing activities		-	12,575,250
Net increase/(decrease) in cash and cash equivalents		(8,010,129)	9,045,023
Cash and cash equivalents at the beginning of the financial year		9,045,023	-
Cash and cash equivalents at the end of the financial year	7	**1,034,894**	**9,045,023**

The above statement of cash flows should be read in conjunction with the accompanying notes.

09 NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

Note 1. Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or Amended Accounting Standards and Interpretations Adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical Cost Convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical Accounting Estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent Entity Information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 22.

Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of QMines Limited ('company' or 'parent entity') as at 30 June 2022 and the results of all subsidiaries for the year then ended. QMines Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Note 1. Significant Accounting Policies (continued)

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating Segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other Revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income Tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Note 1. Significant Accounting Policies (continued)

Current and Non-Current Classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Property, Plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Office Equipment	5 years
Computer Equipment	4 years
Motor Vehicles	5 years
Exploration Equipment	5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Exploration and Evaluation Assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Note 1. Significant Accounting Policies (continued)

Impairment of Non-Financial Assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee Benefits

Short-Term Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Share-Based Payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

Note 1. Significant Accounting Policies (continued)

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification

Fair Value Measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings Per Share

Basic Earnings Per Share

Basic earnings per share is calculated by dividing the profit attributable to the owners of QMines Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted Earnings Per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other Similar Taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Note 1. Significant Accounting Policies (continued)

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations Not Yet Mandatory or Early Adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2022. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred losses of $3,165,385 and had net cash outflows from operating activities of $4,883,869 for the year ended 30 June 2022. As at that date consolidated entity had net current assets of $795,014 and net assets of $12,399,531.

The Directors believe that it is reasonably foreseeable that the consolidated entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The Group has cash and cash equivalents of $1,034,894 as at 30 June 2022.
- The Group successfully completed an equity capital raise of $2m (net of capital raising cost) under a share placement in August 2022;
- The Group is expected to raise another $250,000 under a share placement in November 2022;
- The Group has the ability to reduce discretionary spending in its exploration activities.

Note 2. Critical Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. Included within the performance rights are non-market vesting conditions where significant judgement and estimation uncertainty is required to determine the probability of the performance hurdles being met. Changes to accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may have a significant impact profit or loss and equity.

Exploration and Evaluation Expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage that permits a reasonable assessment of the existence of reserves. There is significant judgement required on the part of the Management and the Board in determining whether exploration assets are impaired. To this extent they have considered the exploration activities, the current market conditions, the political climate in the jurisdiction in which the assets exist, as well as numerous other factors in their determination that the assets are not impaired. In addition, there is significant judgment and estimation uncertainty with regards to the allocation of costs to the various tenement assets.

Note 3. Operating Segments

Identification of reportable operating segments

The Group operates in one segment, being exploration and development of copper and gold assets in Queensland. There has been no change in the current period.

Note 4. Other Income

	Consolidated	
	2022 $	11 month period ended 30 June 2021 ($)
Other income	-	2,304
Interest income	1,397	1,365
Other income	**1,397**	**3,669**

Note 5. Professional Fees

	Consolidated	
	2022 $	11 month period ended 30 June 2021 ($)
Director fees	444,313	376,141
Other corporate fees	102,277	50,000
	546,590	**426,141**

Note 6. Income Tax Expense

	Consolidated	
	2022 $	11 month period ended 30 June 2021 ($)
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(3,165,385)	(1,583,910)
Tax at the statutory tax rate of 25% (2021: 26%)	(791,346)	(411,817)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	230,894	-
Other non-allowable items	20,000	203
	(540,452)	(411,614)
Deferred tax assets not brought to account	1,371,021	838,321
Other deductible items	(758,766)	(354,618)
Other temporary differences	(71,803)	(72,089)
Income tax expense	**-**	**-**

The Group has carry forward tax losses operations of approximately $8,719,575 (2021: $3,235,491).

The benefit of these losses will only be recognised where it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Note 7. Current Assets – Cash and Cash Equivalents

	Consolidated	
	2022 ($)	2021 ($)
Cash on hand	20	20
Cash at bank	1,034,874	9,045,003
	1,034,894	**9,045,023**

Note 8. Current Assets – Other Current Assets

	Consolidated	
	2022 ($)	2021 ($)
Prepayments	49,857	33,128
Other deposits	18,945	25,227
GST refundable	78,113	193,352
	146,915	**251,707**

Note 9. Non-Current Assets - Exploration and Evaluation

	Consolidated	
	2022 ($)	2021 ($)
Exploration and evaluation - at cost	7,515,815	4,476,787

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Total ($)
Balance at 4 August 2020	-
Additions	1,363,916
Acquired	3,112,871
Balance at 30 June 2021	4,476,787
Additions	3,039,028
Balance at 30 June 2022	**7,515,815**

Note 10. Non-Current Assets - Property, Plant and Equipment

	Consolidated	
	2022 ($)	11 month period ended 30 June 2021 ($)
Land - at cost	2,028,830	430,000
Motor vehicles - at cost	178,911	131,183
Less: Accumulated depreciation	(37,196)	(8,872)
	141,715	**122,311**
Computer equipment - at cost	10,905	8,725
Less: Accumulated depreciation	(3,867)	(1,445)
	7,038	**7,280**
Office equipment - at cost	1,327	1,127
Less: Accumulated depreciation	(353)	(89)
	974	**1,038**
Exploration equipment - at cost	2,114,763	45,026
Less: Accumulated depreciation	(204,618)	(1,159)
	1,910,145	43,867
	4,088,702	**604,496**

Note 10. Non-Current Assets - Property, Plant and Equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land ($)	Office equipment ($)	Computer equipment ($)	Motor vehicles ($)	Exploration equipment ($)	Total ($)
Balance at 4 August 2020	-	-	-	-	-	-
Additions	430,000	1,127	8,725	131,183	45,026	616,061
Depreciation expense	-	(89)	(1,445)	(8,872)	(1,159)	(11,565)
Balance at 30 June 2021	430,000	1,038	7,280	122,311	43,867	604,496
Additions	1,598,830	200	2,180	47,727	2,129,888	3,778,825
Disposals	-	-	-	-	(60,000)	(60,000)
Depreciation expense	-	(264)	(2,422)	(28,324)	(203,609)	(234,619)
Balance at 30 June 2022	**2,028,830**	**974**	**7,038**	**141,714**	**1,910,146**	**4,088,702**

Note 11. Current Liabilities – Trade and Other Payables

	Consolidated	
	2022 ($)	2021 ($)
Trade payables	284,537	287,807

Note 12. Current Liabilities – Provisions

	Consolidated	
	2022 ($)	2021 ($)
Annual leave	5,806	2,955

Note 13. Current Liabilities – Other

	Consolidated	
	2022 ($)	2021 ($)
Superannuation payable	21,072	5,849
PAYG payable	23,130	6,843
Accrued expenses	52,250	33,218
	96,452	**45,910**

Note 14. Equity - Issued Capital

	Consolidated			
	2022 Shares	2022 Shares	2022 ($)	2021 ($)
Ordinary shares - fully paid	113,672,748	110,706,082	17,854,247	16,963,497
Cost of capital	-	-	(1,609,246)	(1,609,246)
	113,672,748	**110,706,082**	**16,245,001**	**15,354,251**

Movements in ordinary share capital

Details	Date	Shares	Issue Price	$
Balance	04/08/2020	-		-
Founders' shares	04/08/2020	100	$0.000	-
Shares issued to founders	30/09/2020	46,666,567	$0.000	-
Shares issued as consideration for services	01/10/2020	333,333	$0.150	50,000
Share placement	01/10/2020	11,203,335	$0.150	1,680,500
Share placement	30/10/2020	3,599,051	$0.150	539,852
Shares issued to acquire assets	24/12/2020	10,000,000	$0.300	3,000,000
Share placement	31/12/2020	66,666	$0.300	20,000
Shares issued as consideration for services	18/01/2021	166,667	$0.300	50,000
Shares issued under IPO	06/05/2021	38,493,696	$0.300	11,570,145
Share placement	30/6/2021	176,667	$0.000	53,000
Balance	30 June 2021	110,706,082		16,963,497
Shares issued as consideration for services	02/08/2021	666,666	$0.300	200,000
Shares issued as consideration for services	09/02/2022	300,000	$0.303	90,750
Shares issued as consideration for drill rig	23/02/2022	2,000,000	$0.300	600,000
Balance	**30 June 2022**	**113,672,748**		**17,854,247**

Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Capital Risk Management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

Note 15. Equity - Reserves

	Consolidated	
	2022 ($)	2021 ($)
Share-based payments reserve	632,825	-
Options reserve	271,000	271,000
	903,825	**271,000**

Note 16. Share-Based Payments

During the financial year, the following transactions were equity settled by the Group:

	Consolidated	
	2022	11 month period ended 30 June 2021
966,666 shares issued as compensation for promotional activities	290,750	-
4,800,000 performance rights issued to key management personnel and staff	316,914	-
5,750,000 performance rights issued to directors	315,911	-
	923,575	**-**

2,000,000 shares were issued in part settlement of a drill rig for $600,000, recognised under Property, Plant and Equipment in the Statement of Financial Position.

A share option plan has been established by the Group and approved by shareholders at a general meeting, whereby the Group may, at the discretion of the Nomination and Remuneration Committee, grant options over ordinary shares in the company to certain key management personnel of the Group. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Nomination and Remuneration Committee.

Set out below are summaries of options granted under the plan:

	Number of options 2022	Weighted average exercise price 2022	Number of options 2021	Weighted average exercise price 2021
Outstanding at the beginning of the financial year	4,200,000	$0.375	-	$0.000
Granted	-	$0.000	4,200,000	$0.375
Outstanding at the end of the financial year	**4,200,000**	**$0.375**	**4,200,000**	**$0.375**
Exercisable at the end of the financial year	**4,200,000**	**$0.375**	**4,200,000**	**$0.375**

Note 16. Share-Based Payments (continued)

2022

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
07/09/2020	06/05/2024	$0.375	1,700,000	-	-	-	1,700,000
28/01/2021	06/05/2024	$0.375	2,500,000	-	-	-	2,500,000
			4,200,000	**-**	**-**	**-**	**4,200,000**

Weighted average exercise price	$0.375	$0.000	$0.000	$0.000	$0.375

2021

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
07/09/2020	06/05/2024	$0.375	-	1,700,000	-	-	1,700,000
28/01/2021	06/05/2024	$0.375	-	2,500,000	-	-	2,500,000
				4,200,000	**-**	**-**	**4,200,000**

Weighted average exercise price	$0.000	$0.375	$0.000	$0.000	$0.375

The weighted average share price during the financial year was $0.30 (2021: $0.39).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.85 years (2021: 2.85 years).

Set out below are summaries of performance rights granted under the plan:

	Number of rights 2022	Weighted average exercise price 2022	Number of rights 2021	Weighted average exercise price 2021
Outstanding at the beginning of the financial year	-	$0.000	-	$0.000
Granted	10,550,000	$0.000	-	$0.000
Outstanding at the end of the financial year	**10,550,000**	**$0.000**	**-**	**$0.000**

Note 16. Share-Based Payments (continued)

2022

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
21/10/2021	17/11/2023	$0.000	-	4,800,000	-	-	4,800,000
23/11/2021	27/12/2023	$0.000	-	5,750,000	-	-	5,750,000
			-	**10,550,000**	**-**	**-**	**10,550,000**

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 1.44 years.

For the performance rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
21/10/2021	17/11/2023	$0.397	$0.000	100.00%	-	0.16%	$0.397
23/11/2021	27/12/2023	$0.383	$0.000	100.00%	-	0.56%	$0.383

Vesting condition for 4,800,000 performance rights granted on 21/10/2021:

Pro-rata on any 2012 JORC compliant, Queensland based Inferred, Indicated or Measured resource upgrade from the current resource of 73,000t Cu Eqv up to 200,000t Cu Eqv where:

- The Resource is over 1% Cu Eqv for copper dominant resources; or
- The Resource is over 1.5 g/t Au Eqv for gold dominant resources; and
- The Company received a copy of the digital database and JORC Report; and
- The Company makes an ASX announcement that is released to the market; and

Vesting condition for 5,750,000 performance rights granted on 23/11/2021:

Pro-rata on any 2012 JORC compliant, Queensland based Inferred, Indicated or Measured resource upgrade from the current resource of 73,000t Cu Eqv up to 200,000t Cu Eqv where:

- The Resource is over 1% Cu Eqv for copper dominant resources; or
- The Resource is over 1.5 g/t Au Eqv for gold dominant resources; and
- The Company received a copy of the digital database and JORC Report; and
- The Company makes an ASX announcement that is released to the market.

Note 17. Equity - Accumulated Losses

	Consolidated	
	2022 ($)	2021 ($)
Accumulated losses at the beginning of the financial year	(1,583,910)	-
Loss after income tax expense for the year	(3,165,385)	(1,583,910)
Accumulated losses at the end of the financial year	**(4,749,295)**	**(1,583,910)**

Note 18. Financial Instruments

Financial Risk Management Objectives

The Group's activities expose it to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.

Market Risk

Price Risk

The Group is not exposed to any significant price risk in its day-to-day operations.

Movements in the price of commodities, especially gold and copper may impact on the recoverable value of its exploration assets. It is currently impractical to manage these risks given these assets are still at exploratory stages.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The Group has minimal credit risk exposure as the majority of its receivables are from large corporations or government bodies.

Note 18. Financial Instruments (continued)

Liquidity Risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2022	Weighted average interest rate %	1 year or less ($)	Between 1 and 2 years ($)	Between 2 and 5 years ($)	Over 5 years ($)	Remaining contractual maturities ($)
Non-derivatives						
Non-interest bearing						
Trade payables		284,537	-	-	-	284,537
Other payables	-	96,452	-	-	-	96,452
Total non-derivatives	**-**	**380,989**	**-**	**-**	**-**	**380,989**

Consolidated - 2021	Weighted average interest rate %	1 year or less ($)	Between 1 and 2 years ($)	Between 2 and 5 years ($)	Over 5 years ($)	Remaining contractual maturities ($)
Non-derivatives						
Non-interest bearing						
Trade payables		287,807	-	-	-	287,807
Other payables	-	45,910	-	-	-	45,910
Total non-derivatives	**-**	**333,717**	**-**	**-**	**-**	**333,717**

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair Value of Financial Instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 19. Remuneration of Auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the company:

	Consolidated	
	2022 ($)	11 month period ended 30 June 2021 ($)
Audit services - RSM Australia Partners		
Audit and review of the financial statements	43,300	42,000

Note 20. Commitments

As at 30 June 2022, the Group had $542,300 in commitments relating to its exploration tenements (2021: $405,000) for the following year.

Note 21. Related Party Transactions

Parent Entity

QMines Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 23.

Key Management Personnel

Disclosures relating to key management personnel are set out in the remuneration report included in the directors' report.

Transactions with Related Parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and Payable to Related Parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from Related Parties

There were no loans to or from related parties at the current and previous reporting date.

Note 22. Parent Entity Information

Set out below is the supplementary information about the parent entity.

Statement of Profit or Loss and Other Comprehensive Income

	Parent	
	2022 ($)	11 month period ended 30 June 2021 ($)
Loss after income tax	(3,161,740)	(1,557,153)
Total comprehensive loss	(3,161,740)	(1,557,153)

Statement of Financial Position

	Parent	
	2022 ($)	2021 ($)
Total current assets	1,164,955	9,292,984
Total assets	12,816,965	14,404,879
Total current liabilities	386,743	336,620
Total liabilities	386,743	336,620
Equity		
Issued capital	16,245,001	15,354,251
Share-based payments reserve	632,825	-
Options reserve	271,000	271,000
Accumulated losses	(4,718,604)	(1,556,992)
Total equity	**12,430,222**	**14,068,259**

Contingent Liabilities

The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Capital Commitments - Property, Plant and Equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and 30 June 2021.

Significant Accounting Policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 23. Interests in Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest 2022 %	Ownership interest 2021 %
Traprock Resources Pty Ltd	Australia	100.00%	100.00%
Dynasty Gold Pty Ltd	Australia	100.00%	100.00%
Rocky Copper Pty Ltd	Australia	100.00%	100.00%
RLG Holdings Pty Ltd	Australia	100.00%	100.00%

Note 24. Events After The Reporting Period

Since the end of the reporting period:

- Successful completion of $2 million fully subscribed placement to fund ongoing exploration activities.

No other matters or circumstances have arisen since 30 June 2022 that has significantly affected, or may significantly affect:

a) The Group's operations in future financial years; or

b) The results of those operations in future financial years; or

c) The Group's state of affairs in future financial years.

Note 25. Reconciliation of Loss After Income Tax to Net Cash Used in Operating Activities

	Consolidated 2022 $	Consolidated 11 month period ended 30 June 2021 $
Loss after income tax expense for the year	(3,165,385)	(1,583,910)
Adjustments for:		
Depreciation and amortisation	234,619	11,565
Share-based payments	923,575	-
Other non-cash transactions	7,435	-
Change in operating assets and liabilities:		
Decrease in other current assets	104,792	74,350
Increase in exploration assets	(3,039,028)	(1,559,548)
Increase in other current liabilities	50,123	143,320
Net cash used in operating activities	**(4,883,869)**	**(2,914,223)**

Note 26. Losses Per Share

	Consolidated	
	2022 ($)	11 month period ended 30 June 2021 ($)
Loss after income tax attributable to the owners of QMines Limited	(3,165,385)	(1,583,910)

	Number	Number
Weighted average number of ordinary shares used in calculating basic losses per share	112,128,151	62,996,607
Weighted average number of ordinary shares used in calculating diluted losses per share	112,128,151	62,996,607

	Cents	Cents
Basic losses per share	(2.82)	(2.51)
Diluted losses per share	(2.82)	(2.51)

10 DIRECTOR'S DECLARATION

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors.

Yours sincerely,

Andrew Sparke

Andrew Sparke
Executive Chairman

29th September 2022

11 INDEPENDENT AUDITOR'S REPORT

RSM Australia Partners
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INDEPENDENT AUDITOR'S REPORT

To the Members of QMines Limited

Opinion

We have audited the financial report of QMines Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed this matter</th></tr>
<tr><td colspan="2">Exploration and Evaluation Assets
Refer to Note 9 in the financial statements</td></tr>
<tr><td>At 30 June 2022 the Group held capitalized exploration and evaluation assets of $7,515,815. They represent 59% of the total assets of the Group at that date.

We consider the carrying amount of these assets under AASB 6 Exploration for and Evaluation of Mineral Resources to be a key audit matter due to the significant management judgments involved, including:

• whether the exploration and evaluation spend can be associated with finding specific mineral resources, and the basis on which that expenditure is allocated to an area of interest;
• the Group's ability and intention to continue to explore the area;
• which costs should be capitalised;
• the existence of any impairment indicators (such as the potential that mineral reserves and resources may not be commercially viable for extraction, or that the carrying value of the assets may not be recovered through sale or successful development) - and if so, those applied to determine and quantify any impairment loss; and
• whether exploration activities have reached the stage at which the existence of an economically recoverable reserve may be determined.</td><td>Our audit procedures included, among others:

• Obtaining a listing of client tenements held by the Group and testing ownership on a sample basis;
• Obtaining evidence that the Group has valid rights to explore in each area in relation to which expenditure has been recorded;
• Testing of expenditure on a sample basis, agreeing items selected to supporting documentation to ensure they were properly incurred in the development of the assets;
• Performing substantive testing on the expenditure on a sample basis, to confirm entries had been recorded accurately (considering both nature and quantum of the items selected), completely, in the correct period, and had been appropriately classified in accordance with AASB 6, Exploration for and Evaluation of Mineral Resources;
• Assess is any facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. as contemplated in AASB 6, Exploration for and Evaluation of Mineral Resources;
• Assessing whether the Group's accounting policy for exploration expenditure is in compliance with Australian Accounting Standard; and
• Assessing the adequacy of the disclosures in the financial statements.</td></tr>
</table>

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<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed this matter</th></tr>
<tr><td colspan="2">Share-Based Payments
Refer to Note 16 in the financial statements</td></tr>
<tr><td>During the year, QMines Limited entered into the following share-based payment arrangements:
966,666 shares were issued as compensation for promotional and marketing services;
2,000,000 shares were issued for the purchase of a drill rig;
4,800,000 performance rights were issue to key management personnel and staff; and
5,750,000 performance rights were issue to directors.
Management have accounted for these arrangements in accordance with AASB 2 Share-Based Payments.
We consider this to be a key audit matter because of:
the complexity of the accounting required to value the instruments;
the judgmental nature of inputs into the valuation models, including the likelihood of vesting conditions being met, and the appropriate valuation methodology to apply;
the variety of conditions associated with each instrument; and
the non-routine nature of the transactions.</td><td>Our audit procedures included, among others:
Making enquiries of management, about the nature of and the rationale behind the instruments issued;
Reviewing the terms and conditions of the instruments issued;
Review the valuation methodology and inputs into the models to ensure it is in compliance with AASB 2;
Verifying the mathematical accuracy of the underlying model;
Critically evaluating the key assumptions used, considering the market, the grant-date share price and current-date share price, the expected volatility in the share price, the vesting period, and the number of instruments expected to vest;
Recalculating the value of the share-based payment expense to be recognised and the reserve balance, for accuracy, factoring in any cancellations, modifications, expiry, or vesting; and
Reviewing the adequacy of the relevant disclosures, including the disclosures in respect of judgments made, in the financial statements.</td></tr>
</table>

RSM

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed this matter</th></tr>
<tr><td colspan="2">Property, Plant & Equipment
Refer to Note 10 in the financial statements</td></tr>
<tr><td>At 30 June 2022 the Group held property, plant and equipment of $4,088,702. They represent 32% of the total assets of the Group at that date.

The additions of $3.78m in the cost of property, plant and equipment are mainly comprised of:
• Acquired land at $1.6m; and
• Exploration equipment at $2.1m.

The Group issued 2,000,000 shares to the equipment supplier in part settlement for $600,000 of the acquired exploration equipment.

We consider this to be a key audit matter because of its significance to the consolidated statement of financial position and the significance of transaction value of these assets purchases relative to total assets.</td><td>Our audit procedures included, among others:
• Inspecting underlying supporting documents of additions in exploration equipment, including evidence of payment, purchase invoices on a sample basis;
• Inspecting the correspondence from the supplier of the exploration equipment for the acceptance of final payment in shares;
• Evaluating whether the share settled component of the purchase of exploration equipment was accounted for in accordance with AASB 2 Share-based payments;
• Inspecting the exploration equipment supplier’s website verifying the existence of the business;
• Obtained evidence in relation to the existence and operational functionality of the equipment purchased;
• Inspected the minutes of the meetings evaluating the commercial motivation for the acquisition of the equipment and the authorisation to acquire the equipment;
• Performing company search of the exploration equipment supplier to assess whether it’s a related party transaction;
• Verifying the title of land has been transferred to the Group; and
• Inspecting underlying supporting documents of additions in land, including settlement statement and evidence of payment.</td></tr>
</table>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 16 to 23 of of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of QMines Limited., for the year ended 30 June 2022, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM

RSM Australia Partners

GNS

G N Sherwood
Partner

Sydney, NSW

Dated: 29 September 2022

12 ADDITIONAL INFORMATION FOR ASX LISTED COMPANIES

QMINES ADDITIONAL INFORMATION FOR ASX LISTED ENTITIES

In accordance with ASX Listing Rule 4.10, the Directors provide the following information as at 16 September 2022.

Equity Securities

Security	Number	Number of Holders
Fully Paid Ordinary Shares	125,902,745	1,199
Unquoted Options Exercisable at $0.375 and Expiring 4 May 2024	4,200,000	2
Unlisted Options Exercisable at $0.375 and expiring 18 August 2025	3,750,000	1
Performance Rights	10,550,000	9

Distribution Schedule of the Number of Holders of Ordinary Shares

Holdings Ranges	Holders	Total Units	%
1 – 1,000	29	5,858	0.000
1,001 – 5,000	346	929,689	0.730
5,001 – 10,000	253	2,022,548	1.590
10,001 – 100,000	418	15,618,543	12.290
100,001 – 9,999,999,999	148	108,526,106	85.380
TOTALS	**1,194**	**127,102,744**	**100.00**

Marketable Parcels

QMines has 285 shareholders holding less than a marketable parcel of shares each (i.e. less than $500 per parcel of shares) based on the closing price of $0.15 on 16 September 2022 representing a total of 548,835 shares.

Twenty Largest Shareholders

	Shareholder	Number of Shares Held	% of Issued Capital
1	TURKEY INVESTMENTS PTY LTD <TURKEY FAMILY A/C>	24,119,333	18.976%
2	MCNEIL NOMINEES PTY LIMITED	10,295,714	8.100%
3	2SAUSOS PTY LTD <N & J FAMILY A/C>	9,100,000	7.160%
4	DK ROUND INVESTMENTS PTY LTD	5,040,914	3.966%
5	OLGEN PTY LTD	4,000,000	3.147%
6	MR STACEY RADFORD	2,970,919	2.337%
7	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,470,000	1.943%
8	E79 PTY LTD <ANDERSON FAMILY A/C>	1,521,515	1.197%
9	MARKET CAPITAL GROUP PTY LTD	1,500,000	1.180%
10	MR ANTHONY JOHN FAWDON	1,499,863	1.180%
11	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	1,465,000	1.153%
12	MR MATHEW WILLIAM MONEGHITTIE	1,309,094	1.030%
13	MR COLIN WEEKES	1,300,000	1.023%
14	DAVID ANDREW JELLEY	1,268,144	0.998%
15	PETER NESVEDA	1,152,000	0.906%
16	MR SHENGLAN YE	1,067,862	0.840%
17	DROPMILL PTY LTD <RUSSELL GLENN SUPER A/C>	1,000,000	0.787%
18	MR THOMAS MARKUS ROEGGLA	1,000,000	0.787%
19	NUTSVILLE PTY LTD <INDUST ELECTRIC CO S/F A/C>	923,887	0.727%
20	HEMSWORTH HOLDINGS PTY LTD	916,147	0.721%
	Total Securities of Top 20 Holdings	**73,920,392**	**58.158%**
	Total Securities	**127,102,744**	

Substantial Shareholders

A substantial shareholder is one who has a relevant interest in 5 per cent or more of the total issued shares in the Company. Following are the substantial shareholders in the Company:

Shareholder	Number of Shares Held	% of Issued Capital
TURKEY INVESTMENTS PTY LTD <TURKEY FAMILY A/C>	24,119,333	18.98%
MCNEIL NOMINEES PTY LIMITED	10,295,714	8.10%
2SAUSOS PTY LTD <N & J FAMILY A/C>	9,100,000	7.16%

Voting Rights

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands. No other classes of securities have voting rights.

Restricted Securities

QMines has the following restricted securities on issue:

Security	Number	Restriction Period
Fully Paid Ordinary Shares	47,151,069	24 months from quotation
Unquoted Options	4,200,000	24 months from quotation

On-Market Buy-Back

QMines is not undertaking an on-market buy-back.

Share in our Companies Exciting Future...

Contact

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Andrew Sparke, Executive Chairman
Peter Nesveda, Investor Relations

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