






QMines Awarded Queensland Government Funding



MT CHALMERS

5th April 2023

Highlights

-  QMines awarded \$87,500 under the Queensland Governments Collaborative Exploration Initiative program;
-  Funding to facilitate advanced geophysical modelling surrounding the Mt Chalmers deposit;
-  Modelling to target new VHMS discoveries by using the generated IP response of the VTEM survey and cleaner processed EM data;
-  Recently completed VTEM™ data delivered to the Company's geophysical consultants for analysis of prospective drill targets; and
-  **Announcement of prospective VHMS targets and follow up exploration and drilling activities imminent.**

Overview

QMines Limited (ASX:QML)(QMines or Company) is pleased to announce the awarding of \$87,500 in funding for geophysical modelling and regional target generation at its Mt Chalmers copper and gold project. Mt Chalmers is the Company's flagship project, located 17km north-east of Rockhampton in Queensland (Figure 1). This award was announced by the Queensland Minister for Resources, the Honorable Scott Stewart MP, on 31st March 2023.

The Collaborative Exploration Initiative (CEI) is an annual Queensland Government program that funds selective mineral exploration initiatives. The program aims to assist in the discovery of critical minerals in Queensland. Round seven of the CEI program is awarded to programs undertaken in 2023. Successful projects must be technically sound, innovative, and must address vital knowledge gaps for the project.

Overview (Continued)

Data from QMines' recent helicopter Versatile Time Domain Electromagnetic (VTEM™) survey¹ is now being studied by consultants, Mitre Geophysics (Mitre), in the search for new VHMS deposits similar to the Company's Mt Chalmers deposit.

The Mt Chalmers project has a Measured, Indicated and Inferred Resource (JORC 2012) of 11.86Mt @ 1.22% CuEq for 144,700t CuEq.¹ Figure 2 shows the area under survey, which covers a number of large copper-zinc soil anomalies within the prospective Berserker Beds.

The QMines CEI proposal titled "Berserker Beds VTEM™ Inversion" aims to take the data generated by this survey and to add an additional layer of processing.

Historical electromagnetic (EM) data shows that the Mt Chalmers mineralisation is only weakly conductive. It is also commonly associated with a type of geological noise generated by polarisation of the ground (IP effects) which can have the effect of hiding the weak 'normal' EM responses.

Modern processing algorithms can model these IP effects and correct the VTEM™ data so that it is more able to identify deep conductors. As an investment, it is a relatively cost-effective way to extend the depth of investigation of the VTEM™ data. It is this processing that is subject to CEI funding and will be undertaken by specialist consultants, EMergo of Italy, under the supervision of Mitre.

Inversion of EM data to obtain both an IP model and conductivity model is a new development in airborne EM processing. It has significant potential to greatly increase the depth of investigation of airborne EM as well as, in a minority of cases, enable the direct detection of disseminated sulphide ore deposits through their induced polarisation (IP) signal. Currently, depth of investigation of airborne EM is limited often by this type of geological noise. There are several recent case studies where advanced EM and IP processing results in better exploration success and thus the success rate of airborne EM projects in general.

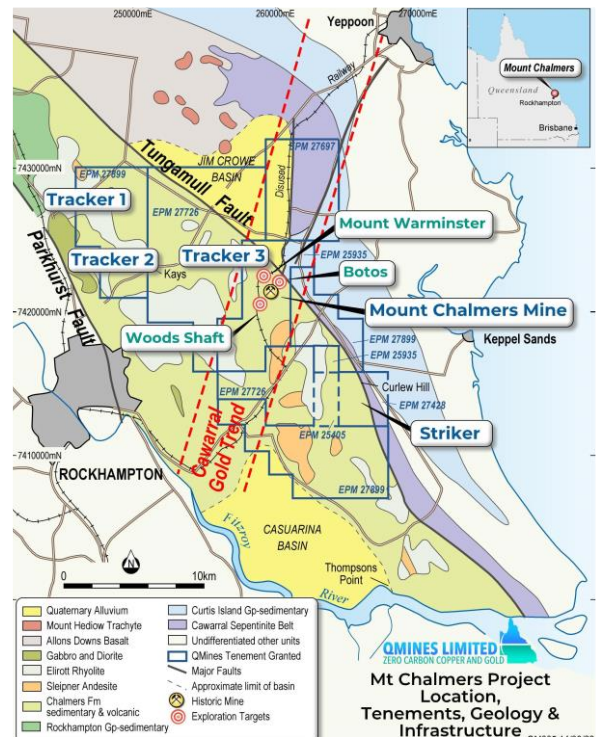


Figure 1: Location of Mt Chalmers Project, tenure, geology & infrastructure.

Management Comment

QMines Managing Director, Andrew Sparke, comments:

"We are pleased to announce the awarding of funding from the Queensland Government's Collaborative Exploration Initiative program. The funding will be utilised for advanced geophysical modelling to identify potential new VHMS deposits in the region.

With this modelling underway and the results of our recent EM survey imminent, we are preparing to re-commence exploration and drilling programs at the Mt Chalmers project. We wish to thank the Queensland Government for their support of this exciting copper project and look forward to working with them as we transition Mt Chalmers towards production."

¹ [Historic EM Survey Confirms Exciting New Targets](#), 16 November 2022.

² [Mt Chalmers Resource Upgrade](#), 22 November 2022.

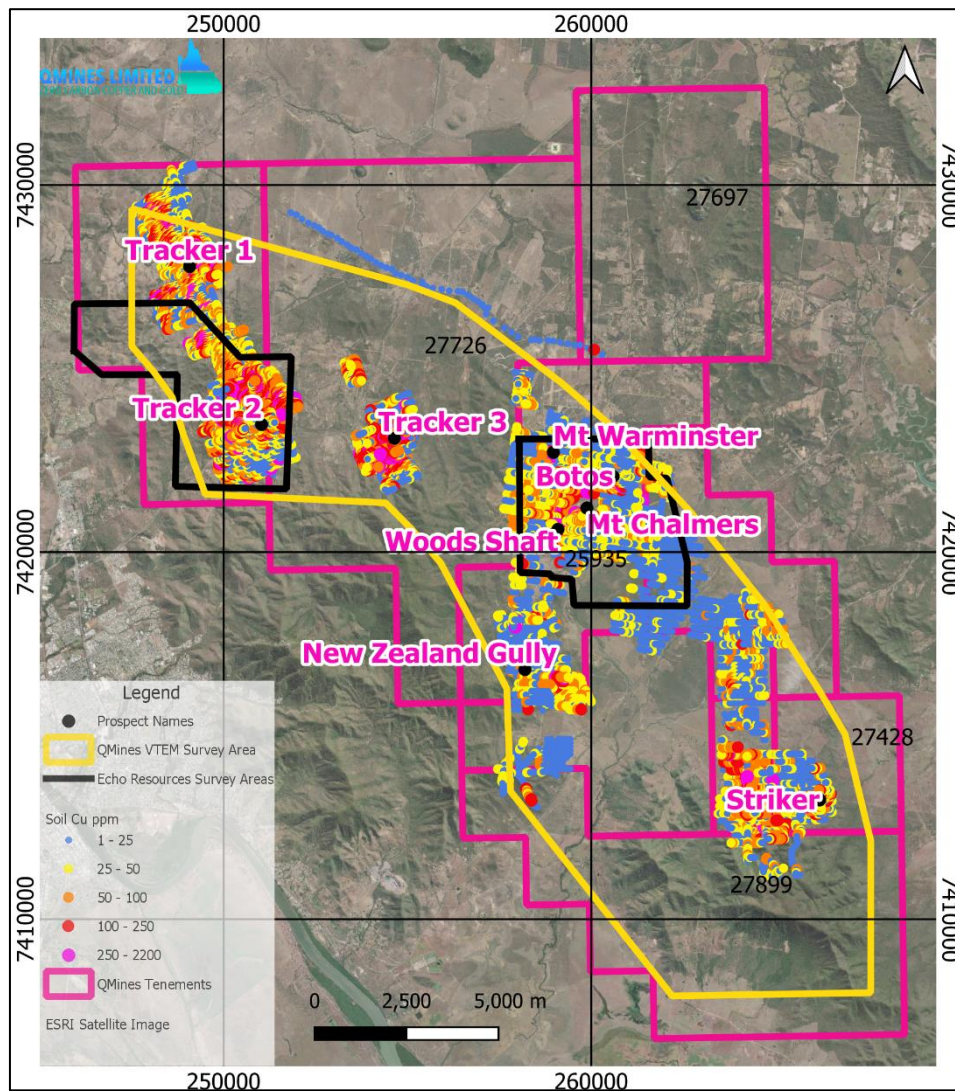


Figure 2: Historic VTEM™ coverage area in black and recently flown survey in yellow.

What's Next?



Continued metallurgical test work to maximise metal recoveries from the Mt Chalmers deposit;



Delivery of the results of a recent carbon audit to meet the requirements of the Climate Active program and retain our Zero Carbon certification;



Complete the planned Pre-Feasibility Study on the Mt Chalmers project assessing the potential for a stand along mining operation;



Complete the interpretation of the recently completed VTEM™ Max Electromagnetic survey including advanced inversion modelling; and



Commence drilling of prospective regional targets.

Competent Person Statements

Exploration

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

Forward-Looking Statement

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

About QMines

QMines Limited (**ASX:QML**) is a Queensland based copper and gold exploration and development company. The Company owns 100% of four advanced projects covering a total area of 1,096km². The Company's flagship project, Mt Chalmers, is located 17km North East of Rockhampton.

Mt Chalmers is a high-grade historic mine that produced 1.2Mt @ 2.0% Cu, 3.6g/t Au and 19g/t Ag between 1898-1982. The Mt Chalmers project now has a Measured, Indicated and Inferred Resource (JORC 2012) of 11.86Mt @ 1.22% CuEq for 144,700t CuEq.¹

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

Projects & Ownership

Mt Chalmers (100%)

Silverwood (100%)

Warroo (100%)

Herries Range (100%)

QMines Limited

ACN 643 212 104

Directors & Management

SIMON KIDSTON

Non-Executive Chairman

ANDREW SPARKE

Managing Director

ELISSA HANSEN (Independent)

Non-Executive Director & Company Secretary

PETER CARISTO (Independent)

Non-Executive Director (Technical)

JAMES ANDERSON

General Manager Operations

Shares on Issue

137,360,101

Unlisted Options

7,950,000 (\$0.375 strike, 3 year term)

Compliance Statement

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

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

Contact

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¹ [Mt Chalmers Resource Upgrade](#), 22 November 2022.