ASX:QML

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QMINES LIMITED
ZERO CARBON CRITICAL METALS

# QMines Limited

# Quarterly Activities Report

**Quarter Ending 30 June 2023**

# Highlights

Drilling resumes at Mt Chalmers with new semi-massive sulphide discovery at Mt Chalmers Southwest;

Significant intersections include:

- **12m @ 4.38% CuEq** from 49 metres including 2m @ 9.69% CuEq from 52 metres;
- **4m @ 3.34% CuEq** from 46metres;
- **3m @ 3.46% CuEq** from 27 metres;
- **6m @ 1.66% CuEq** from 54 metres including 1m @ 7.11% CuEq from 59 metres; and
- **24m @ 0.84% CuEq** from 103 metres including 1m @ 5.77% CuEq from 59 metres.

Ground truthing of 34 new Electromagnetic targets locates up to 30% Cu in surface outcrop;

Final PFS level Metallurgical testwork confirms outstanding recoveries; and

Pre-feasibility study continues assessing Mt Chalmers as a standalone mining operation.

# Overview

QMines Limited (**ASX:QML**) (**QMines** or **Company**) is pleased to provide shareholders with the following Activities Report for the busy quarter ending 30th June 2023.

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

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. QMines is seeking to become Australia's first zero carbon copper and gold developer.

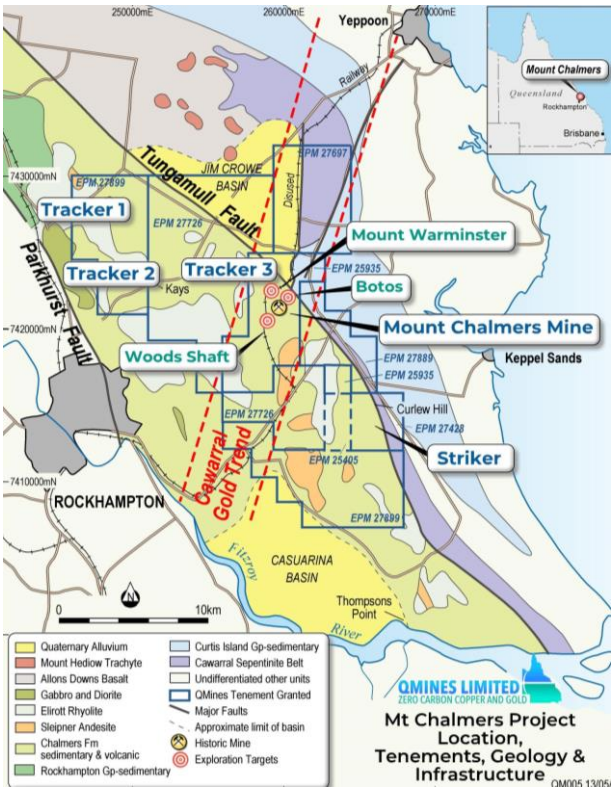

Figure 1: Mt Chalmers tenure, geology and infrastructure.

In November 2022, QMines delivered an updated Resource. Mt Chalmers and Woods Shaft now have a Total Resource of 11.86 Mt @ 1.22% CuEq for 144,700t of contained CuEq metal.[1]

During the second quarter of 2023, and following the wet season, the Company resumed drilling operations at Mt Chalmers, focusing on the southwestern extension of the West Lode.

The highly anticipated airborne VTEM™ geophysical results were also received with 34 targets identified. Reconnaissance exploration discovered surface copper and zinc mineralisation with up to 30% Cu detected by pXRF from one specimen. Ground truthing continues, with excellent results since announced in July.

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

Elsewhere, pre-feasibility study level metallurgical testwork was completed with outstanding recoveries and environmental outcomes. And finally, QMines was awarded Queensland Government funding for its cutting edge geophysical processing study on the VTEM™ data, aimed to extract hidden targets.

# Drilling Results

Eight Reverse Circulation (**RC**) drillholes were completed, when conditions allowed, in May and June following the northern Queensland wet season. Six of these holes targeted the area to the southwest of the West Lode between the Mt Chalmers and Woods Shaft deposits (holes MCRC057-059 & MCRC061-063).[1] The remaining two holes addressed gaps in the mineral resource model to the East of the Mt Chalmers deposit (holes MCRC056 & MCRC060). Locations are shown in Figure 2.

As announced near the end of the Quarter, base metal sulphides were intersected in all of these drillholes. Drilling to the southwest of the West Lode intersected semi-massive sulphides and associated base metal exhalites, along with the underlying sulphide stringer zone.

Previous structural studies of the Mt Chalmers deposit identified complex faulting at the intersection of the Southern and Western Faults. These faults appear to have acted as conduits for upwelling mineralisation, with the Western Fault notably associated with improving mineralisation in holes MCRC057, MCRC061 and MCRC063 where the fault now appears to extend.

Samples were submitted to the ALS laboratory in Brisbane for analysis and results were not available by the end of the Quarter. However, the results were reported following the end of the Quarter and are reported in Table 1 below.

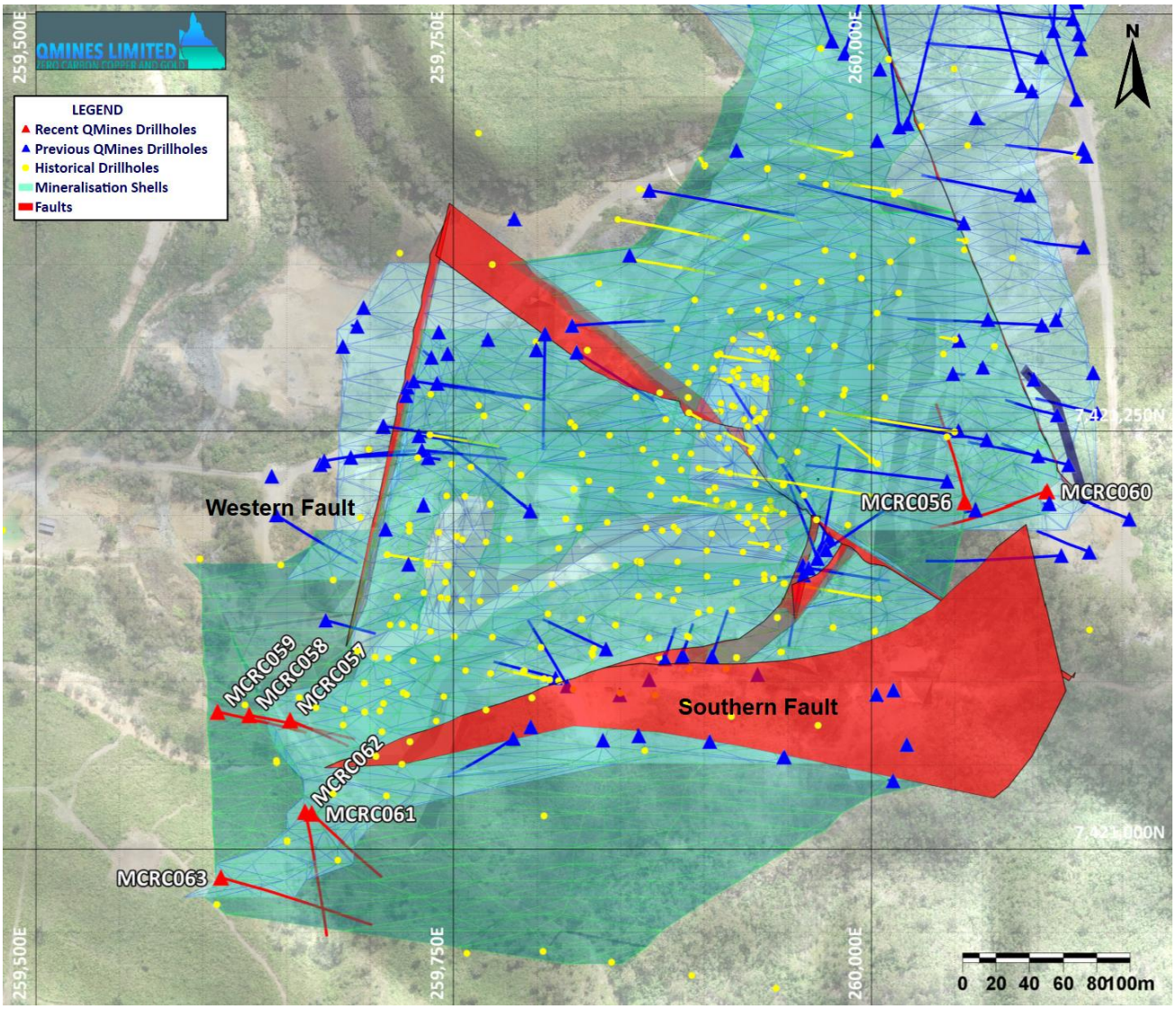


Figure 2: Mt Chalmers RC drill hole collar locations from Q2 drilling.

[1] ASX Announcement – Drilling Continues to Intersect Mineralisation at Mt Chalmers, 22 June 2023.

# Drilling Results (Continued)[1]

| Hole ID | MGA East* | MGA North* | mRL | Dip | MGA Azi* | Max Depth | From (m) | To (m) | Int (m) | Au (g/t) | Ag (g/t) | Cu (%) | Pb (%) | Zn (%) | CuEq (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| MCRC056 | 260056 | 7421208 | 139 | -70 | 350 | 160 | 100 | 103 | 3 | 0.09 | 2.1 | 0.35 | | | 0.45 |
| and | | | | | | | 103 | 135 | **24** | **0.16** | **2.4** | **0.70** | | | **0.86** |
| Including | | | | | | | **121** | **122** | **1** | **0.64** | **9.1** | **2.52** | | | **3.14** |
| including | | | | | | | **132** | **133** | **1** | **0.49** | **10.6** | **5.35** | | | **5.86** |
| MCRC057 | 259652 | 7421077 | 93 | -65 | 115 | 90 | 27 | 30 | **3** | **0.25** | **44.5** | **0.17** | **1.77** | **3.81** | **3.46** |
| and | | | | | | | 54 | 60 | **6** | **0.75** | **2.9** | **1.03** | | | **1.67** |
| including | | | | | | | 59 | 60 | **1** | **3.61** | **7.9** | **4.15** | | | **7.17** |
| and | | | | | | | 66 | 68 | **2** | **0.60** | **1.3** | **0.46** | | | **0.96** |
| MCRC058 | 259628 | 7421080 | 93 | -60 | 100 | 120 | 36 | 39 | 3 | 0.22 | 13.4 | | 0.26 | 1.07 | 0.97 |
| and | | | | | | | 81 | 84 | **3** | **1.53** | **1.7** | **0.14** | | | **1.40** |
| and | | | | | | | 116 | 119 | 3 | 0.14 | 2.6 | 0.69 | | | 0.84 |
| MCRC059 | 259609 | 7421082 | 93 | -60 | 100 | 101 | 40 | 54 | 14 | 0.38 | 7.4 | | 0.10 | 0.34 | 0.61 |
| and | | | | | | | 68 | 71 | 3 | 0.35 | 4.6 | 0.32 | | 0.14 | 0.73 |
| and | | | | | | EOH | 100 | 101 | 1 | 0.36 | 4.9 | 0.20 | | | 0.55 |
| MCRC060 | 260105 | 7421214 | 140 | -70 | 250 | 175 | 160 | 165 | 5 | 0.11 | 8.0 | 0.12 | 0.53 | 1.63 | 1.32 |
| MCRC061 | 259665 | 7421021 | 100 | -65 | 130 | 120 | 49 | 61 | **12** | **1.33** | **62.5** | **0.45** | **1.55** | **3.07** | **4.38** |
| including | | | | | | | 52 | 54 | **2** | **3.50** | **141.5** | **1.01** | **3.09** | **6.15** | **9.74** |
| and | | | | | | | 84 | 89 | 5 | 0.22 | 2.5 | 0.24 | | | 0.45 |
| and | | | | | | | 107 | 108 | **1** | **0.79** | **13.3** | **0.54** | **0.56** | **2.09** | **2.60** |
| MCRC062 | 259661 | 7421022 | 100 | -65 | 165 | 175 | 46 | 49 | 3 | 0.16 | 7.4 | | 0.12 | 0.35 | 0.44 |
| | | | | | | | 99 | 105 | 6 | 0.34 | 1.8 | 0.13 | | | 0.43 |
| MCRC063 | 259611 | 7420983 | 104 | -60 | 105 | 155 | 46 | 50 | **4** | **0.61** | **59.2** | **0.15** | **1.57** | **2.85** | **3.34** |
| MCRC064 | 259662 | 7421028 | 100 | -60 | 105 | 115 | Assays Pending | | | | | | | | |
| MCRC065 | 259661 | 7421028 | 100 | -90 | 360 | 120 | Assays Pending | | | | | | | | |
| MCRC066 | 259563 | 7420986 | 101 | -60 | 200 | 155 | Assays Pending | | | | | | | | |
| MCRC067 | 259593 | 7420987 | 102 | -90 | 360 | 135 | Assays Pending | | | | | | | | |
| MCRC068 | 259728 | 7420990 | 118 | -65 | 300 | 125 | Assays Pending | | | | | | | | |
| MCRC069 | 259730 | 7420988 | 118 | -65 | 250 | 120 | Assays Pending | | | | | | | | |

Table 1: Mt Chalmers significant Intersections, July 2023.

# Electromagnetic Survey Results

Following the completion of QMines' basin wide VTEM™ survey in February, data, maps and sections were supplied to the Company by Geotech and UTS Geophysics. The data was then interpreted by QMines geophysical consultants, Mitre Geophysics (**Mitre**), who have identified and ranked 34 anomalies that may be related to other Volcanic Hosted Massive Sulphide (**VHMS**) systems similar to the Company's Mt Chalmers deposit. The VTEM™ Max method is considered highly suitable in the search for VHMS deposits.

The data reveals that the most existing targets are associated with elevated ground conductivity (Figure 3, left). The three Tracker prospects are associated with a broad area of elevated conductance while Mt Warminster, Botos, Mt Chalmers and Woods Shaft lay along a north - south trending conductance 'ridge'. These two plateaux appear highly prospective, as possible areas of increased VHMS activity. The new aeromagnetics (Figure 3, right) data provides a clearer picture of the structural trends and explains the basin rift history in greater detail.

Two major north – south magnetic lineaments transect the area and bound discrete blocks with differing internal architecture. Further study may allow a better understanding of rift history and consequent VHMS conduit development.



[1] ASX Announcement – New High-grade Discovery South-west Of Mt Chalmers, 26 July 2023.

# Electromagnetic Survey Results (Continued)

Literally hundreds of conductance anomalies were detected by the survey however, many of these have been dismissed as being man made following comparison of location and satellite imagery, which commonly revealed houses, powerlines, roads and other objects as being responsible. Remaining anomalies were ranked according to their conductance strength, clustering, additional support such as coincident geochemical anomalies or geological prospectivity etc.

Of the 34 ranked anomalies, five were considered high quality conductors which are not due to man-made objects identified in aerial imagery.[1] These conductors are shown in Figure 4 as priority 1 targets.

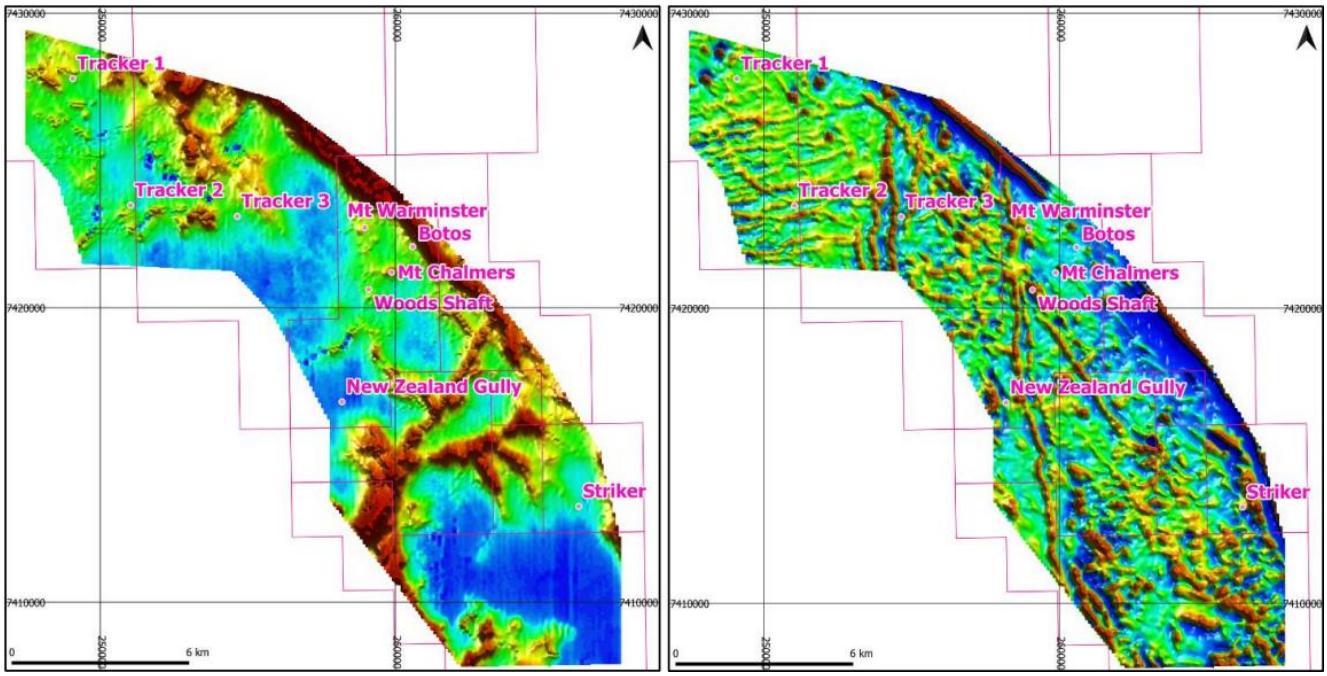


Figure 3: VTEM Sfz [20] (left) and RTP 1VD (right).

Ground reconnaissance mapping and sampling over these anomalies has successfully located surface copper mineralisation. Copper carbonate minerals, azurite and malachite, were discovered at previously unrecorded, historical prospecting pits. A preliminary analysis using a portable XRF returned high-grade copper readings of up to 30.04%.[2]

The estimates of copper in rock chip samples referred to in this release are based on multiple readings of whole rock samples using a Niton XLt3 portable XRF analyser. Whilst QMines believes that these readings are indicative of copper content, the Company wishes to make it clear that the Niton results are not formal assays and are an early stage estimate of copper grades only.

Further results of electromagnetic anomaly ground truthing have been announced to the market since the end of this quarter.

# Further Geophysical Processing

With the assistance of Mitre, QMines successfully applied for and was awarded $87,500 in funding for enhanced geophysical modelling and regional target generation. 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.

[1] ASX Announcement – Geophysical Survey Identifies 34 New Targets, 26 April 2023.
[2] ASX Announcement - Ground Truthing EM Targets Locates Azurite up to 30.04% Cu, 23 May 2023.

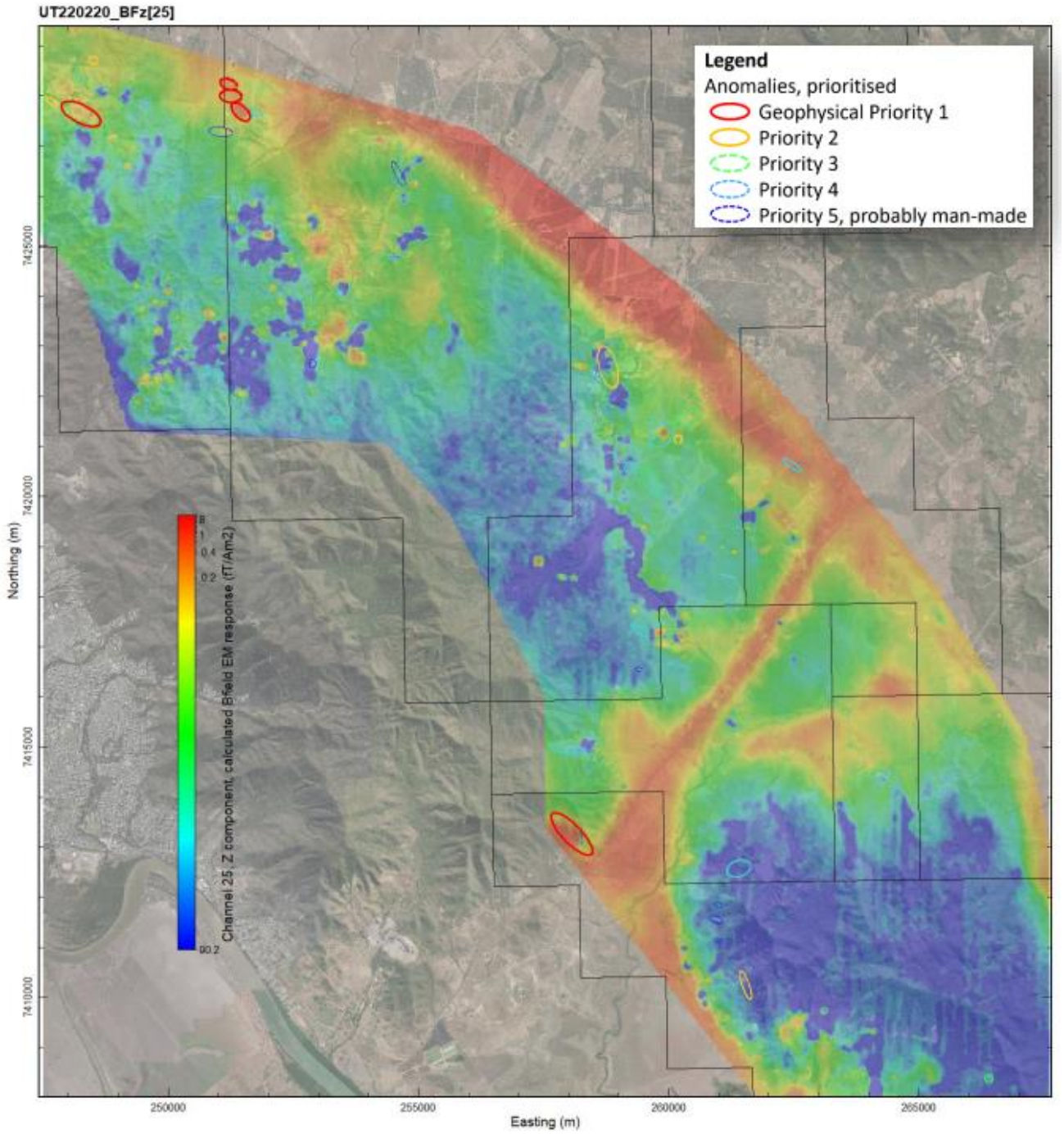


Figure 4: VTEM anomalies superimposed on the EM response for channel 25, Z component, calculated Bfield.

# Further Geophysical Processing (Continued)[1]

The QMines CEI proposal titled "Berserker Beds VTEM™ Inversion" aims to take the data generated by the January VTEM™ Max 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 can more accurately 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 is being undertaken by specialist consultants, EMergo of Italy, under the supervision of Mitre.

The Company's staff, in conjunction with Orr and Associates, the Company's geotechnical consultants, have spent eighteen months collating and digitising all available historical data for the Mt Chalmers regional targets including soil geochemistry, rock chip sampling, geological mapping and structural interpretations. The new geophysical results are a powerful addition to this database and to drill targeting.



[1] ASX Announcement – QMines Awarded Queensland Government Funding, 5 April 2023.

# Metallurgical Testwork Results

During the quarter, COMO Engineers completed metallurgical testwork on the Mt Chalmers deposit to Pre-Feasibility Study (**PFS**) level. The deliverables of the testwork were to define the physical, mineralogical and metallurgical parameters of the mineralisation in order to develop a practical mineral dressing flowsheet for production of saleable concentrates of copper, gold, silver and zinc.

The two different lithologies tested (VHMS massive sulphide and stringer mineralisation) are very different in mass recovery to concentrate and concentrate grade. As potential open pit mining will initially focus on the VHMS 'core' of the deposit, QMines has requested that Como design the flotation circuit based on processing of the VHMS material, and that the Stringer mineralisation will be introduced to the blend as available, or if VHMS mineralisation is not available. The two products plus a master composite that was utilised for testwork produced excellent results from conventional grind and froth flotation circuits. Table 2 and Figure 5 illustrate typical recoveries from the VHMS mineralisation. Further technical details are available in the original announcement.

| Fraction | Mass (%) | Cu (%) | Au (g/t) | Pb (%) | Zn (%) | Ag (g/t) |
|---|---|---|---|---|---|---|
| Concentrate | 28.83 | 99.70 | 88.60 | 97.52 | 97.54 | 97.93 |
| Leach Recovered | N/a | 0 | 9.15 | 0 | 0 | N/d |
| **Total Recovery** | | **99.70** | **97.75** | **97.52** | **97.54** | **97.93** |
| Tailings | 71.17 | 0.03 | 2.25 | 2.48 | 2.46 | 2.07 |

Table 2: Flotation tailings leach results.

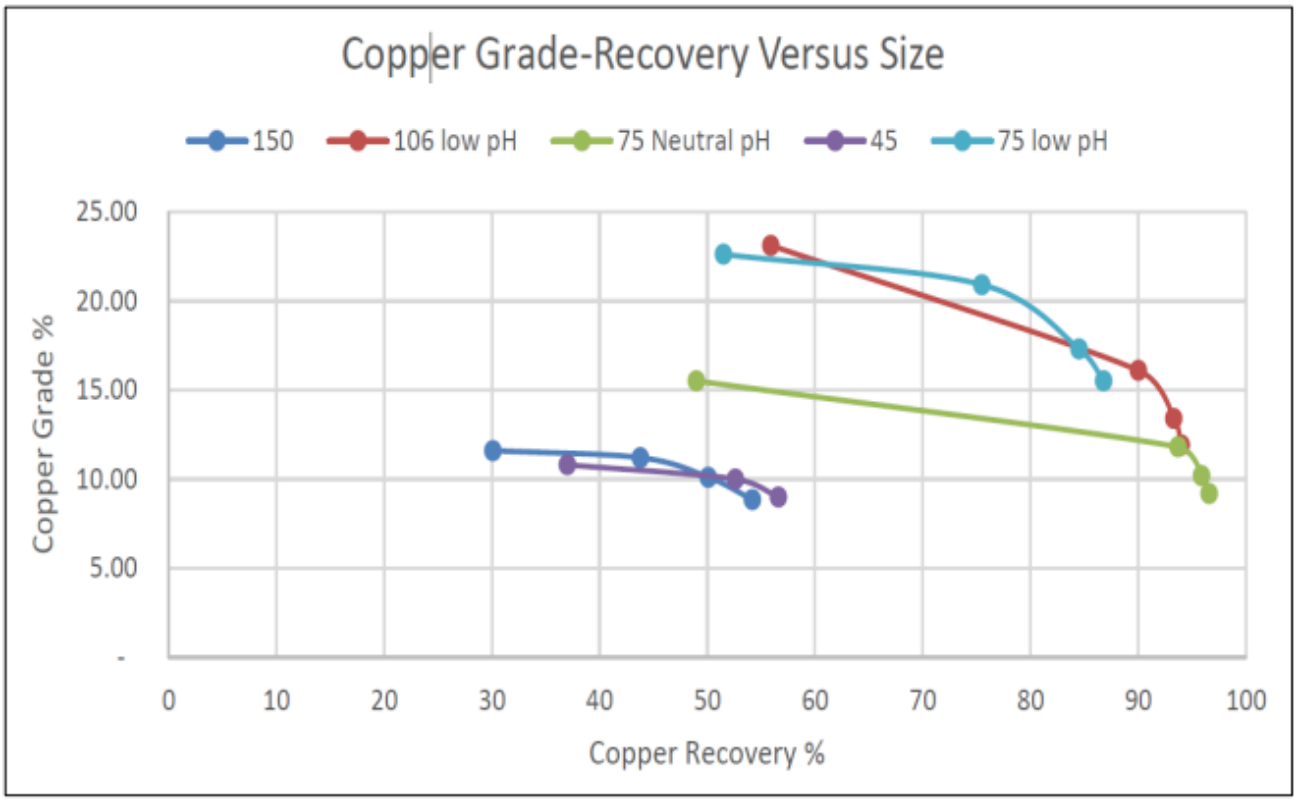


Figure 5: Grade-Recovery Curves for VHMS Mineralisation.

[1] ASX Announcement – Metallurgy Testwork Confirms Outstanding Recoveries, 1 June 2023.

# Metallurgical Testwork Results

The results are positive and demonstrate that it is technically viable to produce saleable copper and zinc concentrates from the Mt Chalmers deposit, with gold and silver credits. The deposit comprises chalcopyrite, sphalerite, galena, pyrite, gold and silver. Each of these has a slightly different metallurgical response, and it is possible to produce concentrates of either:

- Copper/gold/silver
- Zinc/gold/silver
- Mixed copper/zinc/lead/gold/silver
- Pyrite/gold/low grade lead/zinc/copper.

Based on current metal prices, the highest value concentrate will be a copper-gold concentrate, with the remainder of the concentrate value dictated by optimising the copper flotation tails treatment. Depending on the grade of the material being processed, this would be by either producing a pyrite concentrate or producing a zinc concentrate and a separate pyrite concentrate.

The study delivers multiple positive environmental outcomes including the potential for:

1. **Cyanide Free Processing:** Due to the high recoveries achieved from a simple floatation process, there is the potential to remove the planned Carbon in Leach (**CIL**) circuit from the plant design. This removes the need for cyanide on site and reduces tailings acidity, significantly improving environmental outcomes.
2. **Reduced Power Consumption & Carbon Footprint:** The study demonstrated potential to significantly reduce power consumption and the operation's carbon footprint by reducing the grind size of the mineralisation from 75um to 105um.
3. **Re-Use of Pit Water:** The existing Mt Chalmers open pits hold a significant body of water. Recent testwork has shown that improved recoveries were generated when pit water was used for processing. This significantly reduces the amount of water required and discharged from the mine site.
4. **Pyrite Concentrate:** The addition of a new pyrite concentrate from recent testwork significantly reduces the amount of pyrite in the tailings dam. This significantly reduces tailings acidity.

# Corporate

During the quarter, QMines was awarded a $87,500 funding grant under the Queensland Government's Collaborative Exploration Initiative (**CEI**) program to facilitate advanced geophysical modelling surrounding the Mt Chalmers deposit. The 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 was awarded to programs undertaken in 2023 that were technically sound, innovative and address vital knowledge gaps for the project. QMines received the grant for geophysical modelling and regional target generation at its Mt Chalmers copper and gold project.

On the 1st May, QMines announced it had received firm commitments for a $3 million placement undertaken by Joint Lead Managers, Whairo Capital and Sanlam Private Wealth. There was strong demand for the placement, with the Company receiving total bids well exceeding the capital raising target of $2.5 million. Allocations were scaled back to $3 million. Capital raised from the Placement (after costs) is being used to accelerate the Company's exploration and development program at its flagship Mt Chalmers project, to progress potential M&A opportunities and for working capital.

A total of 23,076,923 shares were issued at $0.13 each on 8th May 2023 utilising the Company's existing 15% placement capacity under ASX Listing Rule 7.1 and 10% placement capacity under ASX Listing Rule 7.1A. The Company also issued 5,593,696 shares on conversion of Performance Rights held by directors and staff following satisfaction of their vesting conditions.

# Corporate (Continued)

Following the raise and the release of 47,151,069 shares that were escrowed for 24 months as part of the Company's listing on the ASX, QMines' Directors and Management committed to a further twelve months voluntary escrow of 32,762,493 shares, representing approximately 91% of their shareholdings released from escrow as a show of support to shareholders and the Mt Chalmers project.

QMines held a General Meeting of shareholders on 19th June. All resolutions put to shareholders were decided and passed by way of a poll.

# Use of Funds

| Use of Funds | Prospectus | Total Since IPO |
|---|---|---|
| Exploration & Development at Mt Chalmers | $6,119,752 | $6,529,618 |
| Exploration at Silverwood | $146,724 | $32,588 |
| Exploration at Warroo | $88,746 | $134,918 |
| Exploration at Herries Range | $644,778 | $72,042 |
| Mining & Development Opportunity Costs | $1,000,000 | $717,964 |
| Total Project Expenditure | $8,000,000 | $7,487,130 |
| Expenses of the Offer | $1,177,498 | $1,070,494 |
| Administration Costs | $1,100,000 | $4,289.278 |
| **Expected Total Outgoings** | **$10,277,498** | **$12,846,902** |

Table 3: Use of funds since listing on the ASX.

Payments made to related parties during the quarter were directors' fees and consultancy expenses.

# Tenement Table

In accordance with Listing Rule 5.3.3, QMines provides the following information in relation to its tenements as at 30th June 2023.

As reported previously, the Company has entered into an option agreement with Queensland Critical Metals Pty Ltd to divest of its Silverwood, Warroo and Herries Range projects in Southeast Queensland.

| Project | Tenement Number | Status | Registered Holder | Location | Interest |
|---|---|---|---|---|---|
| Mt Chalmers | EPM 27697 | Granted | Rocky Copper | Queensland | 100% |
| Mt Chalmers | EPM 27428 | Granted | Rocky Copper | Queensland | 100% |
| Mt Chalmers | EPM 25935 | Granted | Dynasty Gold | Queensland | 100% |
| Mt Chalmers | EPM 27726 | Granted | QMines | Queensland | 100% |
| Mt Chalmers | EPM 27899 | Granted | QMines | Queensland | 100% |
| Silverwood | EPM 27724 | Optioned | QMines | Queensland | 100% |
| Silverwood | EPM 27281 | Optioned | Traprock Resources | Queensland | 100% |
| Warroo | EPM 27725 | Optioned | QMines | Queensland | 100% |
| Warroo | EPM 26178 | Optioned | Dynasty Gold | Queensland | 100% |
| Herries Range | EPM 25785 | Relinquished | Traprock Resources | Queensland | 100% |
| Herries Range | EPM 25786 | Optioned | Traprock Resources | Queensland | 100% |
| Herries Range | EPM 25788 | Optioned | Traprock Resources | Queensland | 100% |

Table 4: QMines tenements as of 30th June 2023.

# What's Next?

Continue drilling the Mt Chalmers Southwest extension;

Commence drilling at the most prospective regional targets from the recent Electromagnetic survey;

Receive and analyse the VTEM™ inversion results and asses new targets generated;

Continue ground reconnaissance and drillhole planning of highest ranked Electromagnetic targets; and

Complete the planned Pre-Feasibility Study on the Mt Chalmers project assessing its potential for a stand-alone mining operation.

***Note GDA94, MGA94 Zone 56**

- In reported exploration results, length weighted averages are used for any non-uniform intersection sample lengths. Length weighted average is (sum product of interval x corresponding interval assay grade), divided by sum of interval lengths and rounded to two decimal points.
- No top cuts have been considered in reporting of grade results, nor was it deemed necessary for the reporting of significant intersections.
- **NSR** = No Significant Result

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

## Copper Equivalent Calculations

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

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

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

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

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

It is the Company's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold. CuEq with all results for base and precious metals that make up the CuEq also shown. The CuEq Formula uses the same Metal Price Assumptions and Metallurgical Recovery Grades used in the Company's recent resource upgrade delivered to the market in November 2023[1].

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

# Forward-Looking Statements

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

# Competent Person Statement

## Exploration

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

## Metallurgy

The Information in this Report that relates to Metallurgical Test Results is based on information compiled by Mr Mark Hargreaves, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Hargreaves is a full-time employee of Como Engineers Pty Ltd. Mr Hargreaves has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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". Mr Hargreaves consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

## About QMines

QMines Limited (**ASX:QML**) is a Queensland based copper and gold exploration and development company. 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

170,407,605

## Unlisted Options

9,450,000 ($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 parametres underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

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

## Contact


**QMines Limited (ASX:QML)**

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**Andrew Sparke**, Managing Director

**Email**: info@qmines.com.au
**Email**: peter@qmines.com.au
**Email**: andrew@qmines.com.au


[1] ASX Announcement - Mt Chalmers Resource Upgrade, 22 November 2022.

# Appendix 5B

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

| Name of entity | |
|---|---|
| QMines Limited | |
| **ABN** | **Quarter ended ("current quarter")** |
| 72 643 212 104 | 30 June 2023 |

| **Consolidated statement of cash flows** | | **Current quarter $A'000** | **Year to date (12 months) $A'000** |
|---|---|---|---|
| **1.** | Cash flows from operating activities | | |
| 1.1 | Receipts from customers | - | - |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation | (564) | (2,280) |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) staff costs | (291) | (894) |
| | (e) administration and corporate costs | (200) | (1,213) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | 6 | 12 |
| 1.5 | Interest and other costs of finance paid | - | - |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Government grants and tax incentives | - | - |
| 1.8 | Other (provide details if material) | 1 | 24 |
| **1.9** | Net cash from / (used in) operating activities | **(1,048)** | **(4,351)** |

| | | | |
|---|---|---|---|
| **2.** | Cash flows from investing activities | | |
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | (245) | (304) |
| | (d) exploration & evaluation | - | - |
| | (e) investments | - | - |
| | (f) other non-current assets | - | - |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (12 months) $A'000 |
|---|---|---|---|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| **2.6** | Net cash from / (used in) investing activities | **(245)** | **(304)** |

| **3.** | Cash flows from financing activities | | |
|---|---|---|---|
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | 3,000 | 6,346 |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | (229) | (435) |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| **3.10** | Net cash from / (used in) financing activities | **2,771** | **5,911** |

| **4.** | Net increase / (decrease) in cash and cash equivalents for the period | | |
|---|---|---|---|
| 4.1 | Cash and cash equivalents at beginning of period | 813 | 1,035 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (1,048) | (4,351) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (245) | (304) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 2,771 | 5,911 |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (12 months) $A'000 |
|---|---|---|---|
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| **4.6** | **Cash and cash equivalents at end of period** | **2,291** | **2,291** |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter $A'000 | Previous quarter $A'000 |
|---|---|---|---|
| 5.1 | Bank balances | 2,291 | 813 |
| 5.2 | Call deposits | - | - |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| **5.5** | **Cash and cash equivalents at end of quarter (should equal item 4.6 above)** | **2,291** | **813** |

| 6. | Payments to related parties of the entity and their associates | Current quarter $A'000 |
|---|---|---|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 206 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |

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

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

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

| | | |
|---|---|---|
| 7.5 | **Unused financing facilities available at quarter end** | - |

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

N/A

| 8. | **Estimated cash available for future operating activities** | **$A'000** |
|---|---|---|
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | (1,048) |
| 8.2 | (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | - |
| 8.3 | Total relevant outgoings (item 8.1 + item 8.2) | (1,048) |
| 8.4 | Cash and cash equivalents at quarter end (item 4.6) | 2,291 |
| 8.5 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 | Total available funding (item 8.4 + item 8.5) | 2,291 |
| 8.7 | **Estimated quarters of funding available (item 8.6 divided by item 8.3)** | 2.19 |

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

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

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

Answer: N/A

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

Answer: N/A

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

Answer: N/A

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

## Compliance statement

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

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

Date: 31 July 2023

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

**Notes**

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

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

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

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

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