QMINES LIMITED
ZERO CARBON CRITICAL METALS

7th August 2023

ASX:QML

QMINES LIMITED

Australia's First Zero Carbon Copper & Gold Developer...

DISCOVERY AT ARTILLERY ROAD CONFIRMED WITH INTERSECTION OF SEMI-MASSIVE SULPHIDES

Highlights

- **Maiden drillhole at the Artillery Road Electromagnetic anomaly confirms potential for large discovery**;
- Drill hole ARRC001 intersected 20m of strong pyrite-pyrrhotite skarn with visible chalcopyrite from 113m;
- Drilling is continuing with a 30 hole (5,000m) RC program currently in operation;
- Samples from this drillhole have been delivered to ALS laboratory for analysis; and
- **With over 30 Electromagnetic anomalies still to test, this is a very exciting time to be a QMines shareholder.**

Overview

QMines Limited (**ASX:QML**) (**QMines** or **Company**) is very pleased to announce that the first drillhole at the Artillery Road Prospect has intersected visible sulphide mineralisation. The Artillery Road Prospect is a recently discovered regional target and forms part of the Company's flagship Mt Chalmers Copper and Gold Project, located 17km north-east of Rockhampton, Queensland (Figure 1).

Following identification and ranking of Electromagnetic (**EM**) anomalies by Mitre Geophysics (**Mitre**), ground investigations at priority EM targets was undertaken. Field reconnaissance of three targets, VT01, 02 & 03 (the Artillery Road Prospect) identified 700m of outcropping gossan with visible copper mineralisation. A broad 400m x 250m zinc soil pXRF anomaly (>100ppm zinc) was also detected adjacent to the gossan and coincident with the main EM plate models.[1]

[1] ASX Announcement - QMines Makes First Copper & Zinc Discovery, 11 July 2023.

Overview (Continued)

Drilling has commenced to test these plate models and gossans utilising the Company owned RC drill rig. The first drillhole, ARRC001, targeted the primary plate model at the VT01 anomaly. This drillhole has successfully intersected 20m of sulphide-rich skarn mineralisation within a 29m skarn envelope.

Geological mapping, logging, EM and high-resolution magnetics all support this new style of mineralisation.

Globally, skarn deposits are an important source of copper, gold, lead, zinc, tin, tungsten, molybdenum and rare earths. Like VMS deposits they can be relatively high-grade and high value deposits.

Australian examples include Red Dome (QLD), Big Cadia and Browns Creek (NSW), and King Island (TAS). The deposits are often associated with porphyry Cu-Au and reduced intrusion related gold deposits.

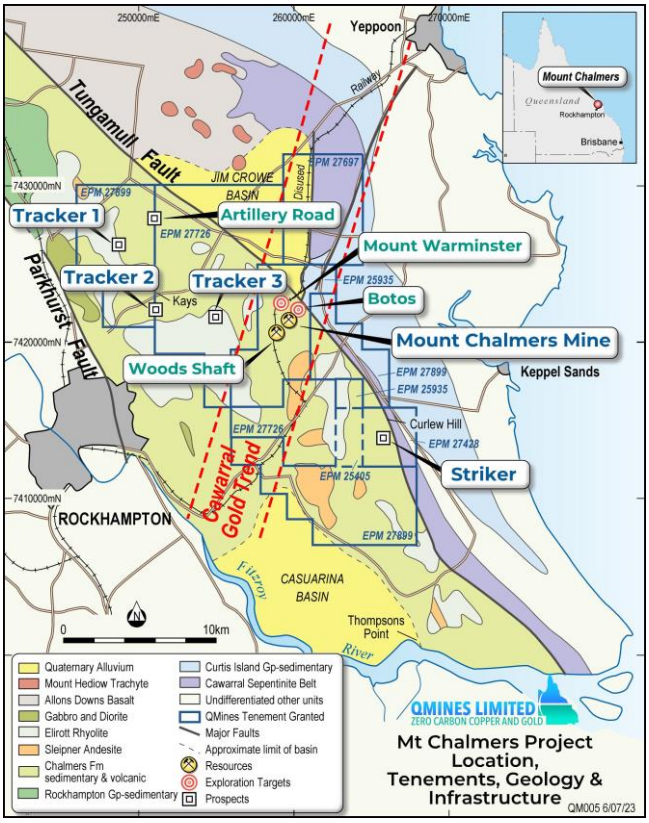

Figure 1: Location of Mt Chalmers tenure, geology & infrastructure.

Management Comment

QMines Managing Director, Andrew Sparke, comments;

“Wow! What an excellent start to the regional drilling program. These results confirm that a new discovery has now be made at the Mt Chalmers project. The questions now are: how big could it get and how many more of these are there?

“With over 30 Electromagnetic anomalies still to test, QMines provides shareholders with significant leverage to further copper discoveries.”

Geology

Recent mapping of the EM targets discovered gossanous breccias at surface. Iron oxides form breccia cement within siliceous, fine-medium grained greywacke. The gossan comprises the range of iron oxides from soft limonite to specular hematite with minor reddish cuprite (Cu2O) more prevalent towards the north. Tenorite (CuO) was also noted. The gossans are between 5 to 25 metres in width and are scattered over 700 metres in strike, and appear as fault breccias, possibly anastomosing.

These gossans were sampled to test for copper content and analysed by ALS Laboratories as part of a package of gold and 34 other elements (Au-AA25 and MEICP61). Copper results have been reported at generally around the 1,000 - 3,000 ppm range which is typical of the leached zone of gossans. Figure 2 is a geology map of this prospect that shows copper rock chip results as well as the location of hole ARRC001. Table 4 gives sample descriptions and copper results and is located at the end of this announcement.

Geology (Continued)

Gossans form when massive sulphide ore assemblages encounter the interface between the water table and the surface, and undergo oxidation. The surficial, leached zone (as recognised and sampled at Artillery Road) reflects total leaching and widespread precipitation of iron oxides, clay minerals and silica. At Artillery Road, relict breccia textures are evident, suggesting a possible fault origin. Below the leached zone, copper mineralisation typically becomes evident in the oxide zone, is strong in the enrichment zone until the primary sulphide zone is reached.

Quartz feldspar porphyry forms blocky float on both sides of a siliceous greywacke that hosts these gossans. A K-feldspar porphyry intrusion occurs to the west and coincides with a zinc in soil anomaly. Iron oxide veinlets within this porphyry have elevated zinc pXRF values and feldspars show hematite alteration. The geology of drillhole ARRC001 is shown in Table 1 below.

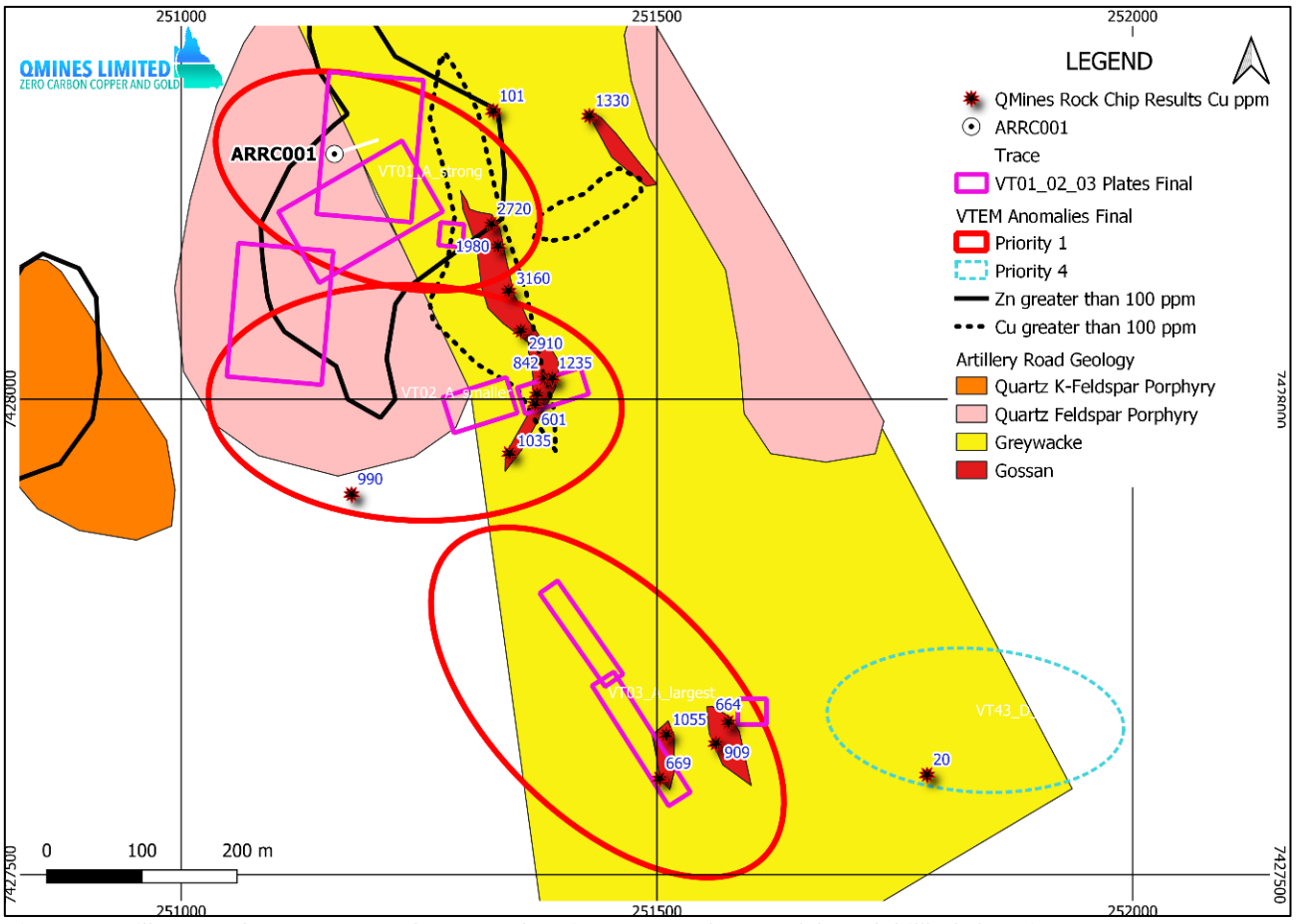

Figure 2: Artillery Road Prospect – Geology, geochemistry, VTEM plate models and drillhole location.

From	To	Interval	Description
0	30	30	Dark grey fine to medium grained labile greywacke, up to 500ppm Zn in the top 21m.
30	113	83	K feldspar syenite porphyry. Variable with strong core hematite (?) alteration of K feldspars.
113	133	20	Pyrite-pyrrhotite-epidote-carbonate exoskarn. Minor chalcopyrite.
133	142	9	Dark grey fine to medium grained greywacke with decreasing skarn mineralisation.
142	230	88	Dark grey fine to medium grained labile greywackc.

Table 1: Drill hole ARCC001, simplified geology.

Geology (Continued)

Hole ID	Datum	Easting	Northing	RL	Max Depth	Dip	Azi
ARRC001	GDA94z56	251161	7428258	62	230	-80	75

Table 2. ARCC001 drillhole collar location.

Figure 3: Sulphides in RC chips, hole ARRC001, 121 – 126m.

The syenite porphyry intersected by drilling, appears to have intruded a thick greywacke formation and allowed for strong exoskarn formation at its lower contact. Exoskarns form within the wallrock, in this case, the greywacke. Visual estimates of this skarn reveal sulphides with up to 30% pyrite, 20% pyrrhotite and 0.5% chalcopyrite. Further details are provided in Table 3. These sulphides appear as irregular intergrowths, not massive or banded as in the case of the VHMS at Mt Chalmers. Accessory skarn minerals are epidote and reactive carbonate minerals and much of the matrix comprises fine-medium grained dark greywacke, which becomes depleted in calcium carbonates away from the skarn. Figure 3 shows a part of this skarn mineralisation while Figure 4 reveals the dark sulphide returns from the RC drilling.

Interval (m)			Preliminary Geological Log	Visual Sulphide Estimate (%)		
From	To	Length	Observation	Pyrite	Pyrrhotite	Chalcopyrite
113	117	4	Pyrite carbonate epidote skarn. Coarse pyrite aggregates in fine-medium grained dark greywacke.	25		0.3
117	120	3	Mostly fine-medium grained greywacke with minor skarn (veins?).	15		
120	127	7	Pyrite-pyrrhotite carbonate epidote skarn. Coarse sulphide aggregates in fine-medium grained dark greywacke.	30	20	0.6
127	133	6	As above, becoming less calcareous.	25	10	0.5
133	137	4	Mostly fine-medium grained greywacke with minor skarn.	10		0.2
137	142	5	As above, becoming more siliceous and less calcareous with fewer sulphides.	2		

Table 3. ARCC001 sulphide visual estimates.

Geology (Continued)

Figure 4: Black sulphide recovery from hole ARRC001 114m downhole with pale porphyry on left.

Skarns are contact metamorphic rocks that form by the interaction of hot, chemically active fluids and receptive calcareous host rocks. They are commonly associated with igneous intrusions into carbonate bearing rocks. Alteration and mineralisation around the causative intrusion is well zoned and generally predictable. Figure 5 shows a common mineral zonation pattern and the pyrite-bearing skarn in this model appears to correlate with the skarn observed in ARRC001, which contains no visible garnet. Whether the syenite porphyry is responsible for the skarn formation or whether a larger, productive intrusion is responsible is yet unknown.

Geophysics

Drillhole ARRC001 targeted the centre of the strongest EM plate model VT01, which had an estimated depth of 205m below surface (Figure 6). At this depth, the model's location was considered poorly constrained but has clearly identified as a large and strong EM anomaly. The model responses for Line 1370 in Figure 6 illustrates the EM plate model anomaly delivered by Mitre with the maiden drillhole targeting this plate and successfully intersecting massive sulphides.

The drillhole intersected over 20m of highly conductive massive sulphides from 113m downhole (approximately 100m below surface). Subsequent discussions with Mitre confirmed that the skarn massive sulphides are the source of the EM anomaly.

Geophysics (Continued)

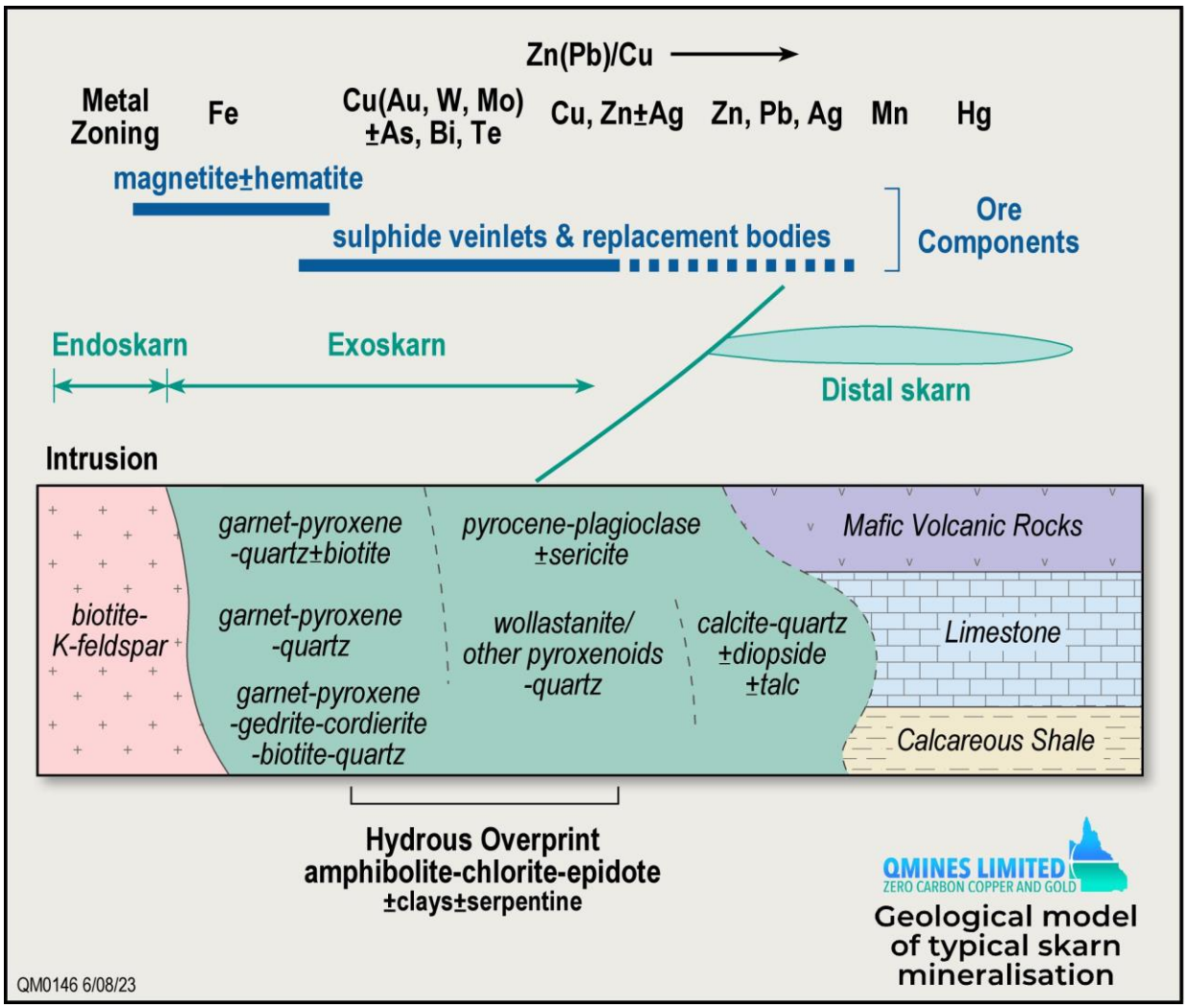

Figure 5: Geological model of typical skarn mineralisation (After McQueen, 2005).[1]

As part of the VTEM survey, new magnetic data was captured and this reveals some coincidence between the EM anomalies and subtle magnetic highs (Figure 7). Pyrrhotite is a magnetic mineral and was logged as part of the skarn and can explain the RTP magnetic anomaly in this area. The magnetic signatures of VT01, VT02 and VT03 (and gossans) clearly enhance these targets and the magnetic bullseye at VT43 presents a further, intriguing target.

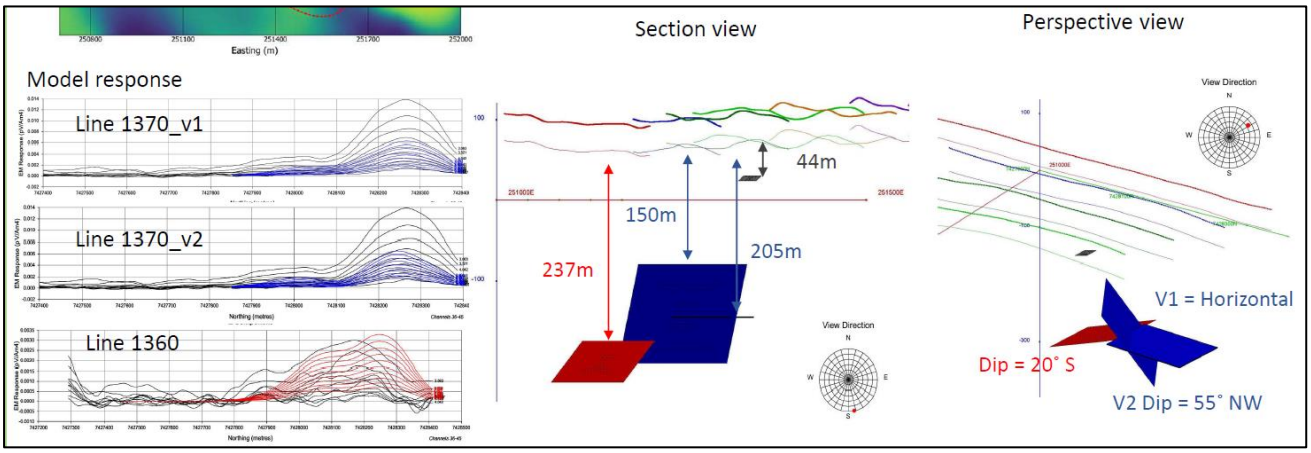

Figure 6: VTEM anomaly VT01 response and plate models from Mitre Geophysics.

[1] McQueen, K. G. (2005). Ore deposit types and their primary expressions. Regolith expression of Australian ore systems, 12, 1-14.

Geophysics (Continued)

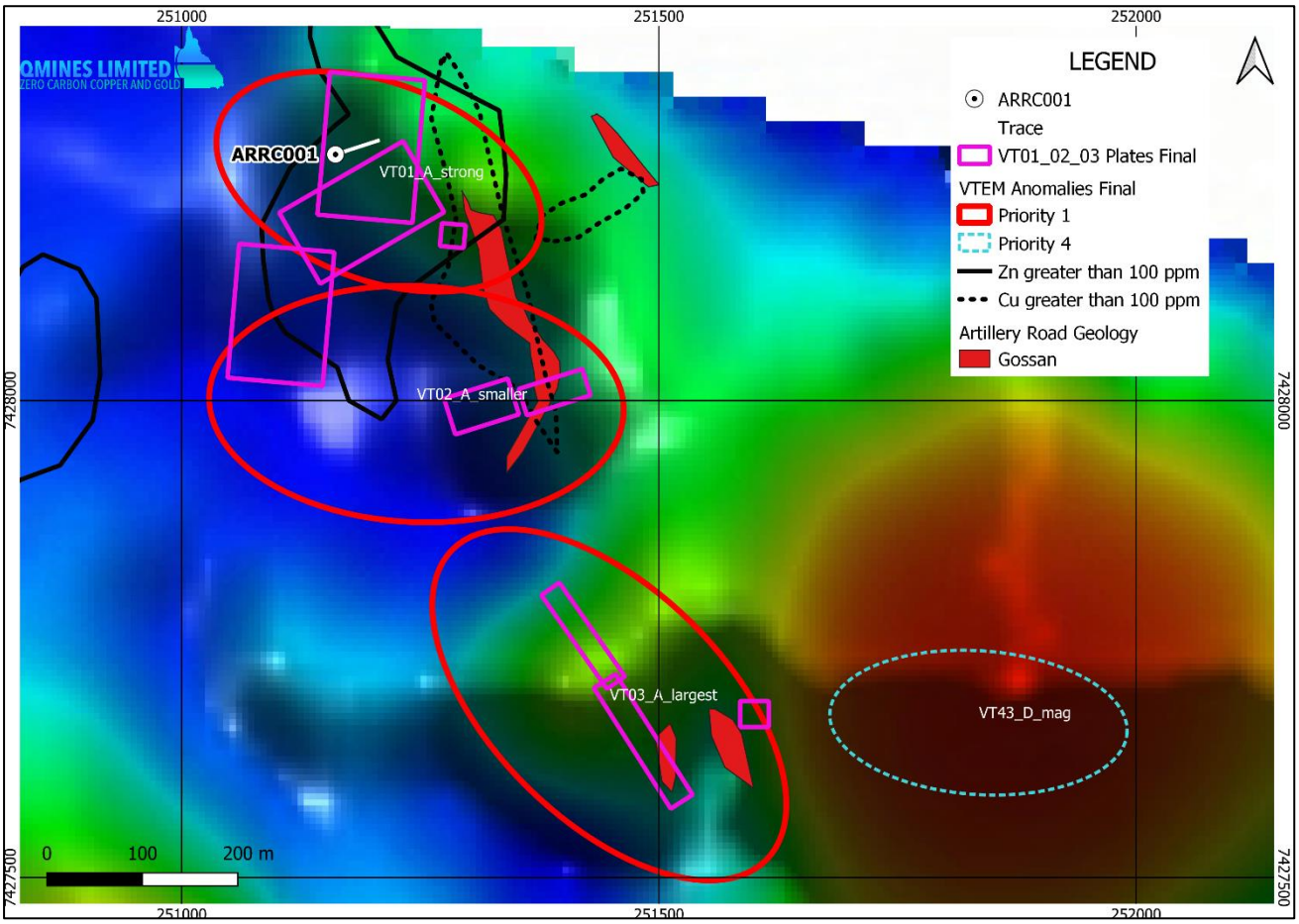

Figure 7: VTEM anomalies VT01, VT02, VT03 & VT43 over RTP magnetics.

Figure 8: RC drilling at ARRC001, August 2023.

Artillery Road Rock Chip Samples

Sample ID	GDA94_z56 East	GDA94_z56 North	Description	Cu ppm
MCRK045	251179	7427900	Dam wall. Rare float py boxwork gossan	990
MCRK046	251374	7428005	Old pit walls. Pyrite boxwork gossan breccia with red hematite Fe alteration and minor jasperoid	702
MCRK047	251372	7427995	Float gossan after massive sulphide (pyrite)	601
MCRK048	251357	7428072	Float patch (mullock from pit) massive sulphide gossan breccia	2910
MCRK049	251344	7428114	2m x 2m subcrop patch grab massive sulphide gossan breccia	3160
MCRK050	251333	7428161	Elongate subcrop 3m x 20m 330-150 degrees massive sulphide gossan breccia	1980
MCRK051	251326	7428184	At N end of MCRK050 gossan	2720
MCRK052	251382	7428022	Pit 5m x 3m x 1.5m deep. Fe oxide softer gossan	842
MCRK053	251897	7428008	Quartz K feldspar Porphyry trench spoil next to concrete slab. Epidotic with red hemat alteration patches	40
MCRK054	251328	7428303	Green-grey siliceous fine-medium grained quartzite, with Fe oxide-qtz veinlets	101
MCRK055	251429	7428298	Dark grey weakly siliceous fmg sst with many red hemat partings and veins. Stringers?	1330
MCRK056	251575	7427660	Ploughed boulders of red-brown massive sulphide (py) gossan	664
MCRK057	251562	7427638	4m x 4m float patch massive sulphide gossan breccia. Black tenorite veinlets	909
MCRK058	251510	7427647	Gossan float patch 10m x 3m SE-NW.	1055
MCRK059	251503	7427601	Weak gossan / ferruginous fmg sandstone patch 7m x 2m SE-NW	669
MCRK060	251784	7427605	Variably ferruginous fmg sst 8m x 3m 300-120 deg. Not gossan but ferrug replacement on fracture planes	20
MCRK061	251390	7428022	Gossan breccia 12m x 2m	1235
MCRK062	251345	7427943	Ploughed up gossan boulders, variable Fe content	1035

Table 4: Artillery Road rock chip sample descriptions and Cu results.

What's Next?

- Announce remaining drilling results from the southwest extension of the Mt Chalmers deposit;
- Continue drilling at the new "Artillery Road" discovery and announce maiden drilling results once received from ALS laboratories;
- Commence drilling at the next high-priority Electromagnetic target, Tracker 1, where the Company announced rock chips up to 30.04% Cu;[1]
- Continue ground reconnaissance, mapping and ranking of the 34 Electromagnetic anomalies; and
- Complete the planned Pre-Feasibility Study on the Mt Chalmers project assessing the potential for a stand-alone mining operation.

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 further or 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.

[1] ASX Announcement - Ground Truthing EM Targets Locates Azurite up to 30.04% Cu, 23 May 2023.

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

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

JORC Code, 2012 Edition – Table 1 Mt Chalmers Mineral Resources

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• QMINES commenced drilling operations at the Artillery Road prospect, a part of the Mt Chalmers project, drilling 1 reverse circulation percussion (RC) hole for 230 metres. • RC samples were collected at 1m intervals from an on-rig cyclone cone splitter with 2-3kg, or approximately 10% of the split sample saved in calico bags except for duplicate samples with each being 1-2kg, or approximately 5% of the total sample. • During drilling, to avoid contamination, 10 individual calicos were placed in polyweave bags and sealed for delivery to the assay lab. Samples were sent by road to ALS Laboratories in Brisbane, crushed, pulverised and riffle split delivering 200g pulp for base metal and precious metal assay. • Handheld portable XRF (pXRF) measurements of base metals i.e. Cu, Pb and Zn were taken of unsieved RC drilling material at appropriate horizons to check for fine grained disseminated base metal mineralisation. Anomalous readings resulted in these samples being submitted for conventional assay. • Surface rock chip samples were chosen to be as representative of the mineralisation as possible. Tables within the announcement advise whether samples were float grabs or chip traverses etc. • Rock chip samples were collected by hammer and inserted into numbered calico bags prior to further bagging into polybags and dispatch to the ALS laboratory.

Criteria	JORC Code explanation	Commentary
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• RC drilling was completed by the company's KWLRC350 rig with booster and auxiliary compressor and using 5 m, 102 mm diameter RC rods and a 143 mm percussion face sampling hammer.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Rock chips from each RC metre were collected in chip trays and logged. • All of the RC samples were dry. Calico sample bags used in this program are of a sufficiently fine weave as to retain almost all of the sample fine fraction even when saturated. • Drilling methods were consistent with current industry practices.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All drilling was competently logged by Company geologists with all logging data digitised electronically into a Panasonic Toughbook. • Logging codes were established prior to commencement of drilling operations by H & S Consultants and by the principal geologist and are a mixture of quantitative and qualitative data. • Geological information consists of lithology descriptions, alteration, mineralisation, veining, weathering etc. • All data is available in a digital format. • All chip trays have been digitally photographed and stored in the Company NAS drive.
Sub-sampling techniques	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split,*	• RC samples were collected from a cyclone with a cone splitter delivering 10% representative sampling per linear metre drilled. Duplicate samples were collected every

Criteria	JORC Code explanation	Commentary
and sample preparation	*etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	25 m and 75 m drilled in the drilling sequence with duplicate samples being a 50-50% split sample from the same cone splitter. • ALS Laboratories dry the samples prior to crushing and pulverising. All sample material from each RC sample submission is crushed and pulverized to a nominal 90% passing 75 µm giving a 200 g representative sample from which a sub-sample of 30 g is taken for base metal analysis and a 50 g charge for gold.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• All samples for assay were submitted to ALS Laboratories in Brisbane. Results are not yet to hand. • 48 elements will be determined by ALS (ME-MS61) using ICP-MS on a four-acid digest. Au will be determined using ALS method AA25 (fire assay with AAS finish on a 30 g pulp). Sample preparation and base metal analysis is undertaken in Brisbane and Fire Assay undertaken by ALS in Townsville. • The Company submits batches to ALS from drill programs as they come to hand. Reporting on QAQC results for all drillhole samples submitted between February 2021 and November 2022 has been undertaken by Lisa Orr of Orr and Associates, who found that QMines' QAQC is consistent with current industry practice for a drill program. • Duplicate samples of cone splits are inserted at 50 m intervals and are utilised to monitor laboratory reproducibility. With coefficients of variation under 17% there is no significant bias in assayed results from duplicates assayed. • Certified Reference Materials (CRM) are supplied by OREAS and GEOSTATS Pty Ltd and are inserted at 20 m intervals with suitable CRMs being used to monitor laboratory accuracy. With 275 out of 294 CRMs reporting

Criteria	JORC Code explanation	Commentary
		within 3 standard deviations of certified values a success rate of 95.1% was achieved. • Blank samples of barren gravel are inserted at 33 m intervals. 194 of 196 blanks reported within 2 SDs for 99% success. • Internal laboratory QAQC reports are delivered by ALS with certification of assay method used and certified assay results. These results are delivered to the principal geologist, database manager and the Company • A Thermo Scientific Niton XL3t handheld portable pXRF unit was used as a first pass check for fine grained disseminated base metal mineralisation in RC drilling material. Reading times were 20 seconds. The device has automatic calibration after switch on, and 4 CRM standards were also used to test for precision. • Rock chip samples did not include QAQC samples due to the small number present.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Since early 2021, all documentation and digitisation of data has been undertaken by the company database manager, Lisa Orr of Orr and Associates. The drill hole database is stored as an Access database and housed independently in an external NAS drive and backed up in a cloud storage system.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill hole collars positions and rock chip sample locations listed in this release were located by handheld GPS with accuracy of +/-3 m and these will be later picked up by and validated by the site surveyors. • The Company has used publicly available LiDAR data for topographic control and RL determinations.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The drill programs have been designed to advance grassroots exploration. The Artillery Road prospect has not been drilled previously. • Line and drill hole spacing is not applicable • No composite sampling has been applied

Criteria	JORC Code explanation	Commentary
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Greenfields drilling at Artillery Road is proceeding at azimuths of 075 degrees and 255 degrees GDA94 zone 56, normal to the strike of the gossan trend there. As surface structural data is poor the optimal drillhole dip and azimuth is unknown but will be revealed as drilling progresses. • There is no obvious sampling bias with the drilling orientation.
Sample security	• *The measures taken to ensure sample security.*	• Samples were collected directly from the cone splitter into individual numbered calico sample bags, then 10 calico bags are inserted into polyweave bags, sealed and tied. Polyweave bags were numbered in sequence and placed in large bulka bags. • The bulka bags were then delivered by Company staff to a commercial freight depot in Rockhampton and shipped directly to the ALS Laboratory in Brisbane overnight.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Sampling techniques were established by the Company geologist. Results are reviewed and validated by the Company database geology manager. • Exploration results are not audited independently.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	• QMines Pty Ltd has two 100% owned subsidiaries, Dynasty Gold Pty Ltd and Rocky Copper Pty Ltd, through which the Company has a 100% beneficial interest in the Mt Chalmers Project. The Mt Chalmers Project is held in EPM 25935 and EPM 27428 located 25 kilometres east of the City of Rockhampton in coastal central Queensland, Australia. The

Criteria	JORC Code explanation	Commentary
	• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	project covers an area of historic gold and copper mining, which comprises an area of 198 km2. • The Artillery Prospect is covered by EPMs 27726 and 27899 which are both directly held by QMines Ltd. • The Project is free and unencumbered by either joint ventures or any other equity participation of the tenement. • QMines has yet to negotiate any landowner provisions or Government royalties or yet to commence environmental studies within the project area. Currently the Queensland Department of Natural Resources & Mines is conducting remediation works on minor acid mine waste draining from a mineralised mullock dump. • All the tenements are for "all minerals" excepting coal. • Note that the granted tenements allow QMines to carry out many of their planned drilling programs under relevant access procedures applying to each tenement. • All the EPMs are subject to the Native Title Protection Conditions with respect to Native Title. • Declared Irrigation Areas, Declared Catchment Areas, Declared Drainage Areas, Fossicking Areas and State Forest are all land classifications that restrict exploration activity. These do not affect QMines' main prospects but may have impacts on regional programs in places. • All annual rents and expenditure conditions have been paid and QMines has been fully compliant.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Apart from minor old, shallow pitting there appears to have been no modern exploration at the Artillery Prospect.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The geology of the Artillery Road prospect is described in the body of the Announcement. • The Artillery Road prospect is situated in the early Permian Berserker Beds, which occur in the fault-bounded Berserker Graben, a structure 120 km long and up to 15 km wide. The graben is juxtaposed along its eastern margin with the Tungamull Fault and in the west, with the Parkhurst Fault.

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
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The Berserker Beds consist mainly of acid to intermediate volcanics, tuffaceous sandstone and mudstone (Kirkegaard and Murray 1970). The strata are generally flat lying, but locally folded. Most common are rhyolitic and andesitic lavas, ignimbrites or ash flow tuffs with numerous breccia zones. Rocks of the Berserker Beds are weakly metamorphosed and, for the most part, have not been subjected to major tectonic disturbance, except for normal faults that are interpreted to have developed during and after basin formation.
Late Permian to early Triassic gabbroic and dioritic intrusions occur parallel to the Parkhurst Fault. Smaller dolerite sills and dykes are common throughout the region and the Berserker Beds.
The skarn mineralization identified in drillhole ARRC001 is the first known recorded instance of skarn mineralization in the Berserker Beds.

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<tr><td>Drill hole Information</td><td>

A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:

easting and northing of the drill hole collar
elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar
dip and azimuth of the hole
down hole length and interception depth
hole length.

If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.

</td><td>

Exploration Results are currently unavailable but visual estimates are provided in the table in the body of the Additional Information to the announcement. Collar locations are:

<table>
<tr><th>Hole ID</th><th>Datum</th><th>Easting</th><th>Northing</th><th>RL</th><th>Max Depth</th><th>Dip</th><th>Azi</th></tr>
<tr><td>ARRC001</td><td>GDA94z56</td><td>251161</td><td>7428258</td><td>62</td><td>230</td><td>-80</td><td>75</td></tr>
</table>
</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• The geometry of the identified skarn is unknown at present. Further drilling should resolve this.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Maps, sections, mineralized intersections, plans and drill collar locations are included in the body of the relevant announcement.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Tables are provided in the body of the announcement.

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Mitre Geophysics Pty Ltd has been engaged by QMines as geophysical consultant, and has identified and modelled the VTEM plates that formed the basis of the Artillery Road prospect.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• QMines plans to continue drill testing the targets identified in this announcement. Reconnaissance (scout) RC drilling using QMines' own rig may lead to further drilling as required. • Surface exploration of QMines' other, regional targets is underway in order to prepare new drilling targets.