7th November 2023

ASX:QML

QMINES LIMITED

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

NEW GEOPHYSICAL INVERSION STUDY IDENTIFIES SIX NEW TARGETS

Highlights

- Geophysical inversion study now complete;
- The study has identified six additional Electromagnetic targets for follow up exploration;
- Existing Electromagnetic targets have now also been enhanced by inversion process;
- Inversion modelling improves VHMS modelling by removing surface noise; and
- Study funded by Queensland Government Collaborative Exploration Initiative grant.

Overview

QMines Limited (**ASX:QML**)(**QMines** or **Company**) is pleased to announce the results of an advanced geophysical modelling and regional target search 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). The modelling was funded by the Queensland Government's Collaborative Exploration Initiative (**CEI**) Round 7.[1]

Data from QMines' recent helicopter VTEM™ survey was initially studied by consultants Mitre Geophysics (**Mitre**), in the search for new Volcanic Hosted Massive Sulphide (**VHMS**) deposits similar to the Company's Mt Chalmers resource.[2] That study resulted in the identification of 34 distinct anomalies, four of which have since been drilled. Three of these led to the discovery of the Artillery Road prospect[3], a major skarn body subject to ongoing exploration. Drilling at the fourth, VT04 (**Screamer**), intersected alteration but no significant anomalism which is discussed below.

[1] QMines Awarded Queensland Government Funding, 5th April 2023.
[2] Resource Increases by 104% with 84% Now in Measured & Indicated, 22nd November 2022
[3] Maiden Drill Program Discovers Large Sulphide Body at Artillery Road, 26th September 2023

Overview (Continued)

The VTEM™ survey revealed that the Mt Chalmers mineralisation is considered 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' Electromagnetic (**EM**) responses.

Weaker EM responses may be the result of deeper targets, smaller targets or targets with more sphalerite. CEI funding allowed specialists, EMergo SRL, to use modern processing algorithms to model these IP effects and thus correct the VTEM™ data so that it is better able to identify deep conductors.

Six new anomalies were identified, bringing the total number of target anomalies from the 2023 VTEM survey to 40. The processing has also improved the strength of several existing anomalies that were previously partly obscured by polarisation effects.

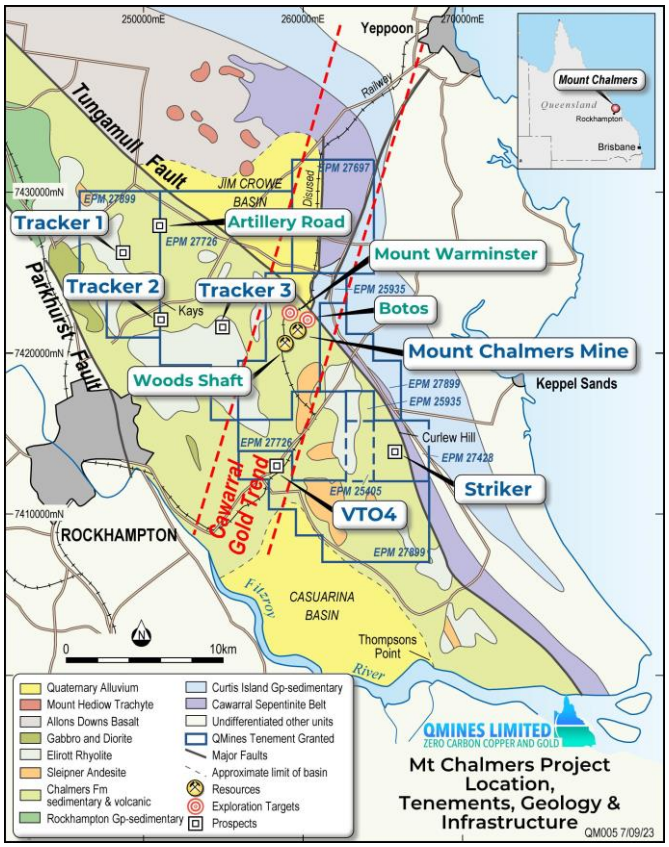

Figure 1: Location of Mt Chalmers tenure, geology & infrastructure.

Management Comment

QMines Executive Chairman, Andrew Sparke, comments;

"We are excited to have identified new massive sulphide targets and enhance existing targets. The Company anticipates drilling the best of these new and existing targets in 2024. With 40 anomalies to assess, QMines drilling and exploration pipeline should extend well into the future."

"Elsewhere, the combined Mt Chalmers, Woods Shaft and Develin Creek pre-feasibility study is progressing very well with multiple work streams currently underway. An update on this is expected shortly."

Inversion Study

A recent development in processing airborne EM data is the attempt to model IP effects. The objective is that, if IP effects are modelled it will:

a. resolve weak basement conductors hidden by polarisation signals in the clays above;
b. give a more accurate map of ground resistivity; and
c. directly detect disseminated sulphides.

The method behind this is still very much in development and the value for improving the effectiveness of regional EM prospects is yet to be determined.

Inversion Study (Continued)

The CEI funding was sought to cover the cost of reprocessing the Mt Chalmers data using this new technique to help improve understanding of whether the current technology justified wide application. The Mt Chalmers data showed clear IP effects over large sections of the survey area, as well as moderate IP effects at the Mt Chalmers deposit itself.

EMergo SRL, a European geophysical consultancy, was contracted as the specialist in EM modelling. The resultant model and 'cleaned' EM profile have been reviewed by Mitre and have enhanced several existing anomalies as well as located new exploration targets. Despite some technical limitations, the method was found to work well.

The Mt Chalmers, Mt Warminster, Woods Shaft and Tracker 1 targets were clearly observed and described in the original VTEM™ interpretation. The response from the nearby Botos target however, was inconclusive due to the significant contamination of man-made conductors. Promisingly, a good improvement near the Striker anomaly was observed in the corrected data. Targets at New Zealand Gully and Tracker 2 and 3 did not show any discernible anomalies in either dataset.

Figure 2 illustrates the modelling response over the Mt Chalmers mine site deposit. The response from the forward model is very similar to the pre-corrected data in size and shape, but the absence of IP effects makes the distinctive shape much clearer in late times. A clear anomaly is observed in the resistivity model to roughly 100m. No anomaly is present in the deeper grids which is consistent with the Mt Chalmers mineralisation located at 0-60m depth.

This methodology has been applied to multiple anomalies of interest within the QMines tenements in the search for regional VHMS and skarn deposits.

Of the new anomalies, highlights include a small, mapped granite porphyry, with a clear deep response over multiple survey lines, also observed on resistivity and chargeability models. At the Artillery Road prospect, a new broad and deep conductive zone has been discovered on the margins of the known skarn mineralisation which has been interpreted as a possible deeper extension of the same. The Striker Cu-Zn soil anomaly prospect has now been found to coincide with an excellent chargeability anomaly.

Ongoing target ranking and investigation should see further drilling targets developed for 2024 and beyond.

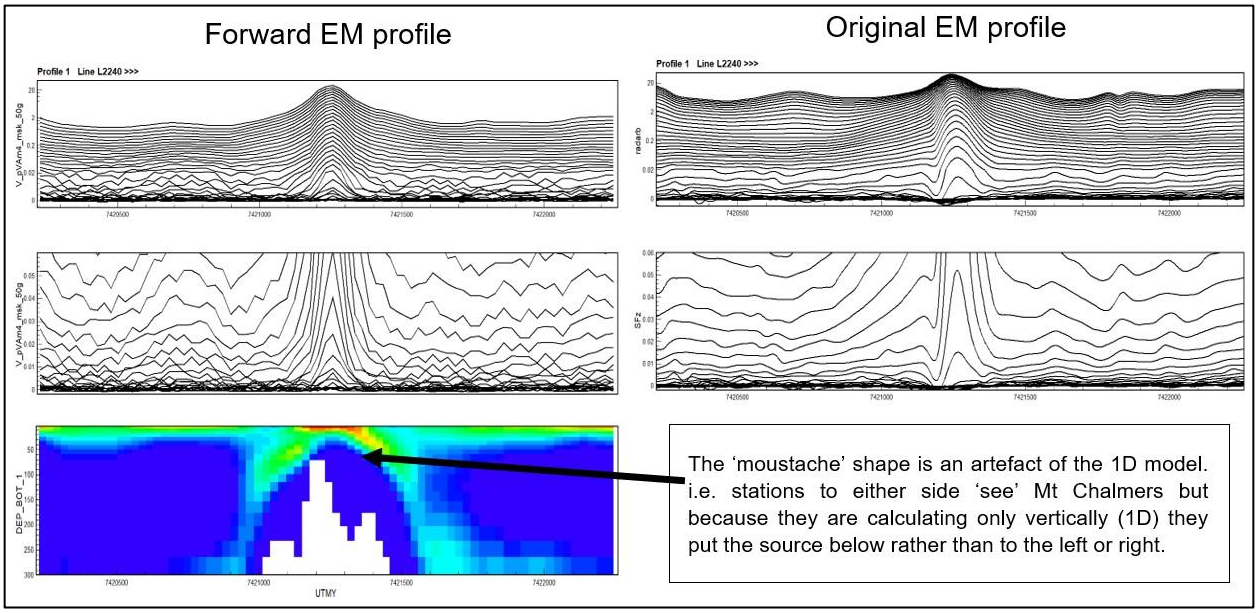

Figure 2: Modelling response at the Mt Chalmers mine site deposit.

Inversion Study (Continued)

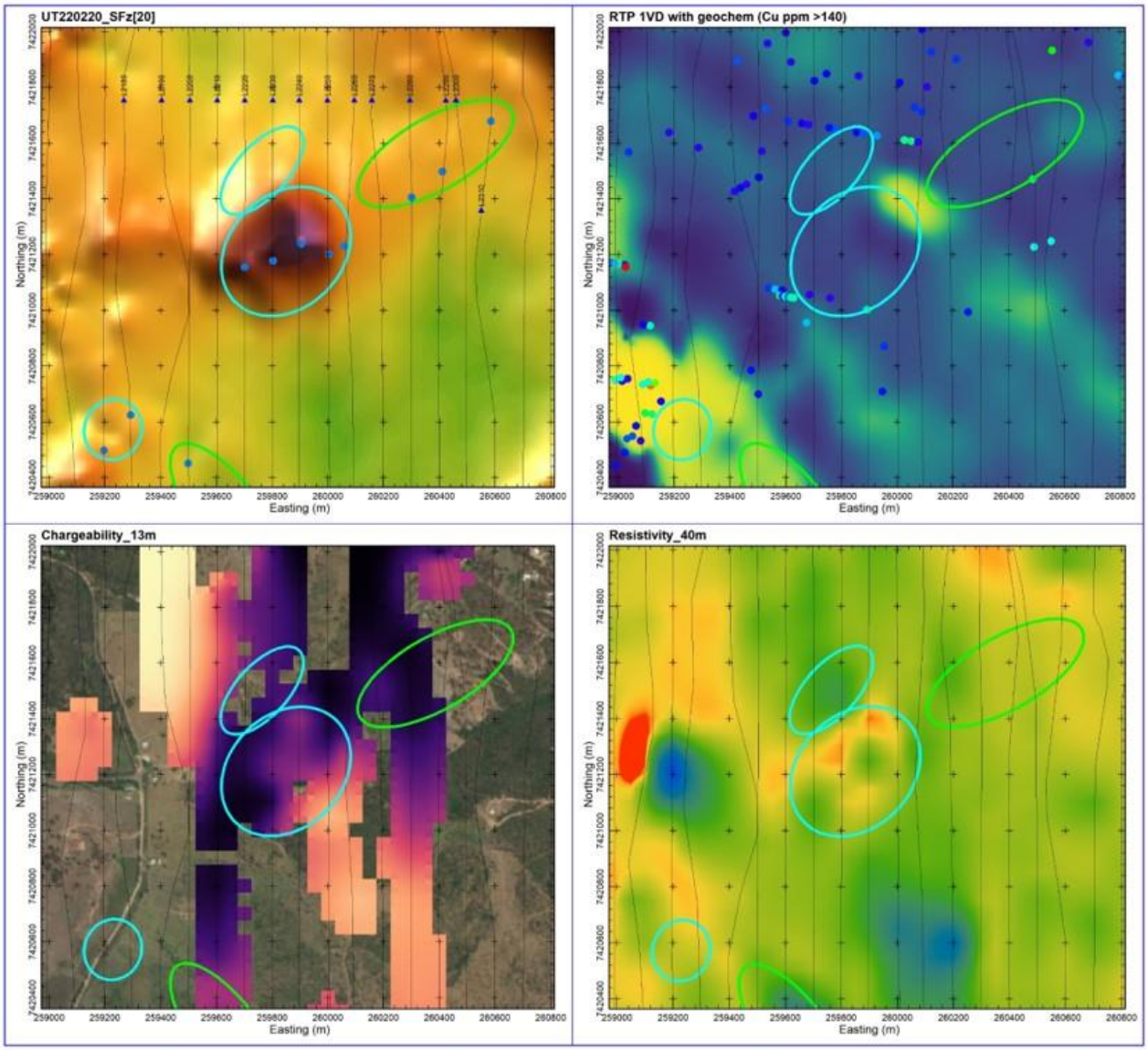

Figure 3: VT53_D_MtChalmers is a strong response on the calculated forward response (top left). It is also a clear response on the resistivity model at ~40m (bottom right) and a moderate low chargeability anomaly (bottom left).

New Electromagnetic Anomalies

One example of the newly refined VTEM survey targets is VTSCI 01 with the location shown in Figure 5. This new anomaly is located directly east-south-east of the newly discovered Artillery Road skarn drilled by the Company in September 2023.

NEW Electromagnetic Anomalies (Continued)

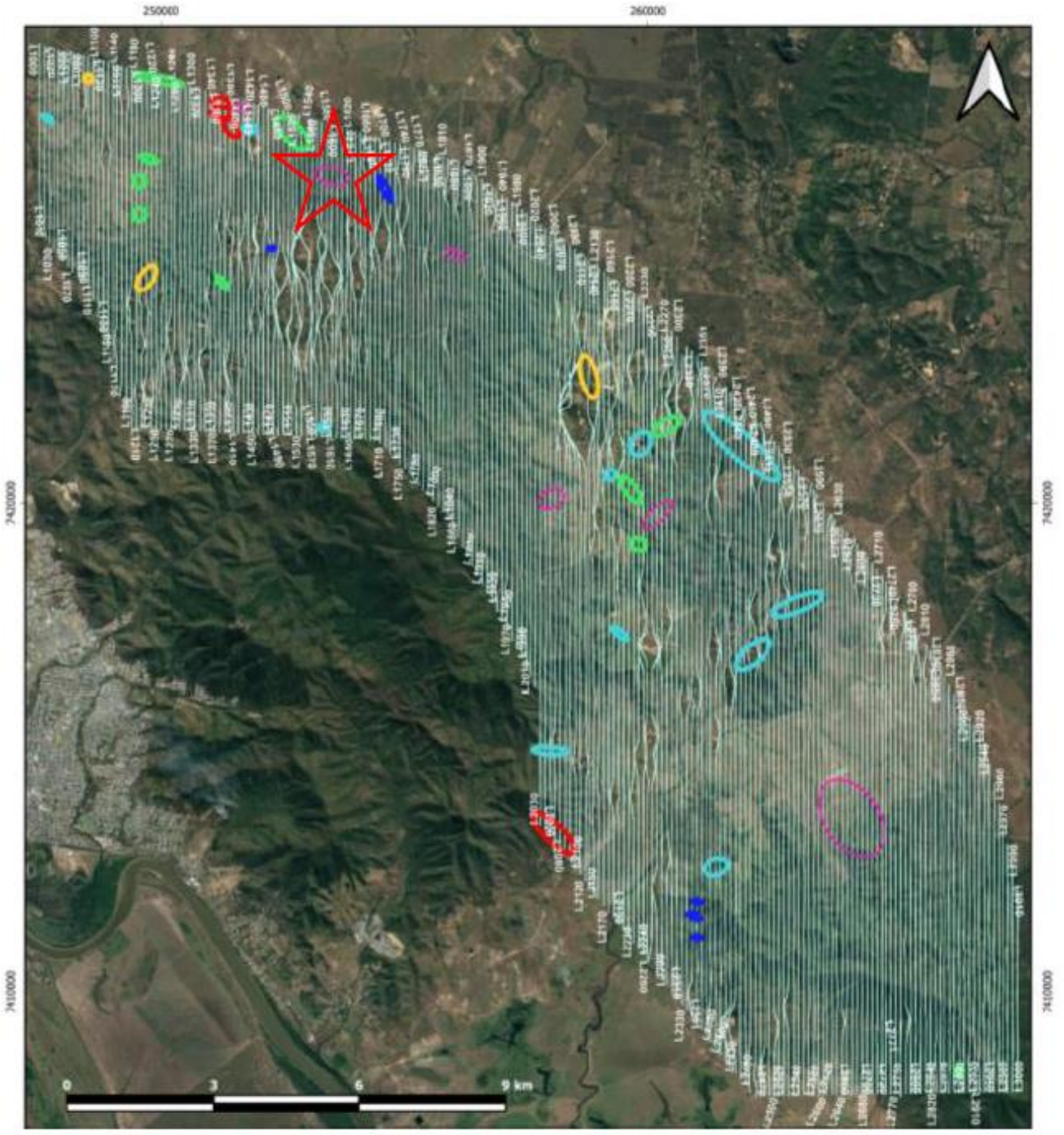

Figure 4: VTSCI 01 location showing heli EM data capture survey lines flown.

VTSCI_01_A is a broad, single peak early-mid to late time response. This area is strongly influenced by IP effects. The corrected model suggests a clearer late time anomaly across multiple survey lines (>300m). The resistivity model shows a deep (250m+) conductor, but this conductor is almost certainly much deeper than the actual source. Encouragingly, the response also includes a chargeability anomaly and may also be generating a weak reversely polarised magnetised anomaly. The historical Geopeko mapping digitised by QMines indicates the surface outcrop is intrusive granite porphyry (Figure 6).

NEW Electromagnetic Anomalies (Continued)

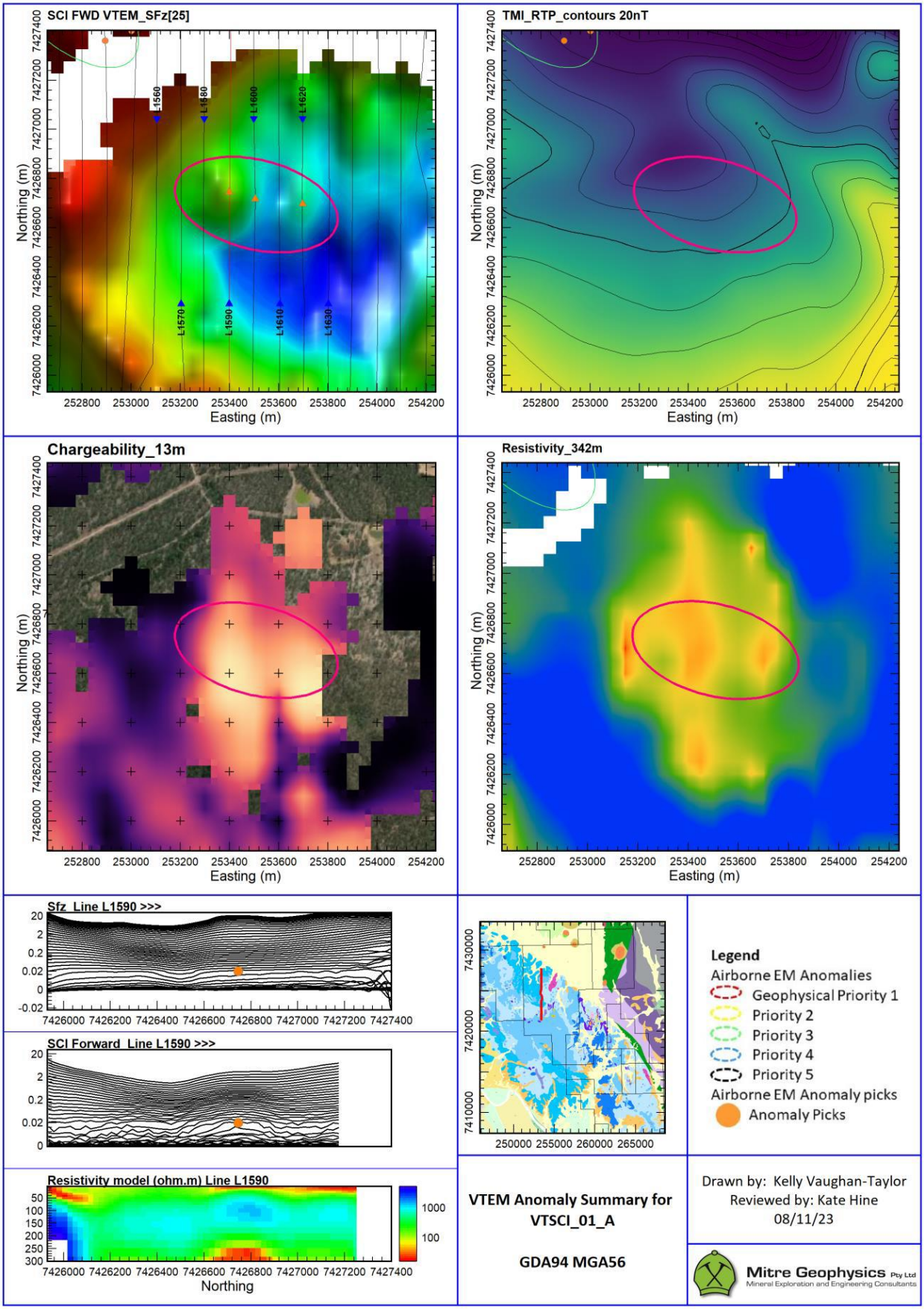

Figure 5: Summary Plot of the VTSCI 01 EM target generated from EMERGO IP Inversion Study.

NEW Electromagnetic Anomalies (Continued)

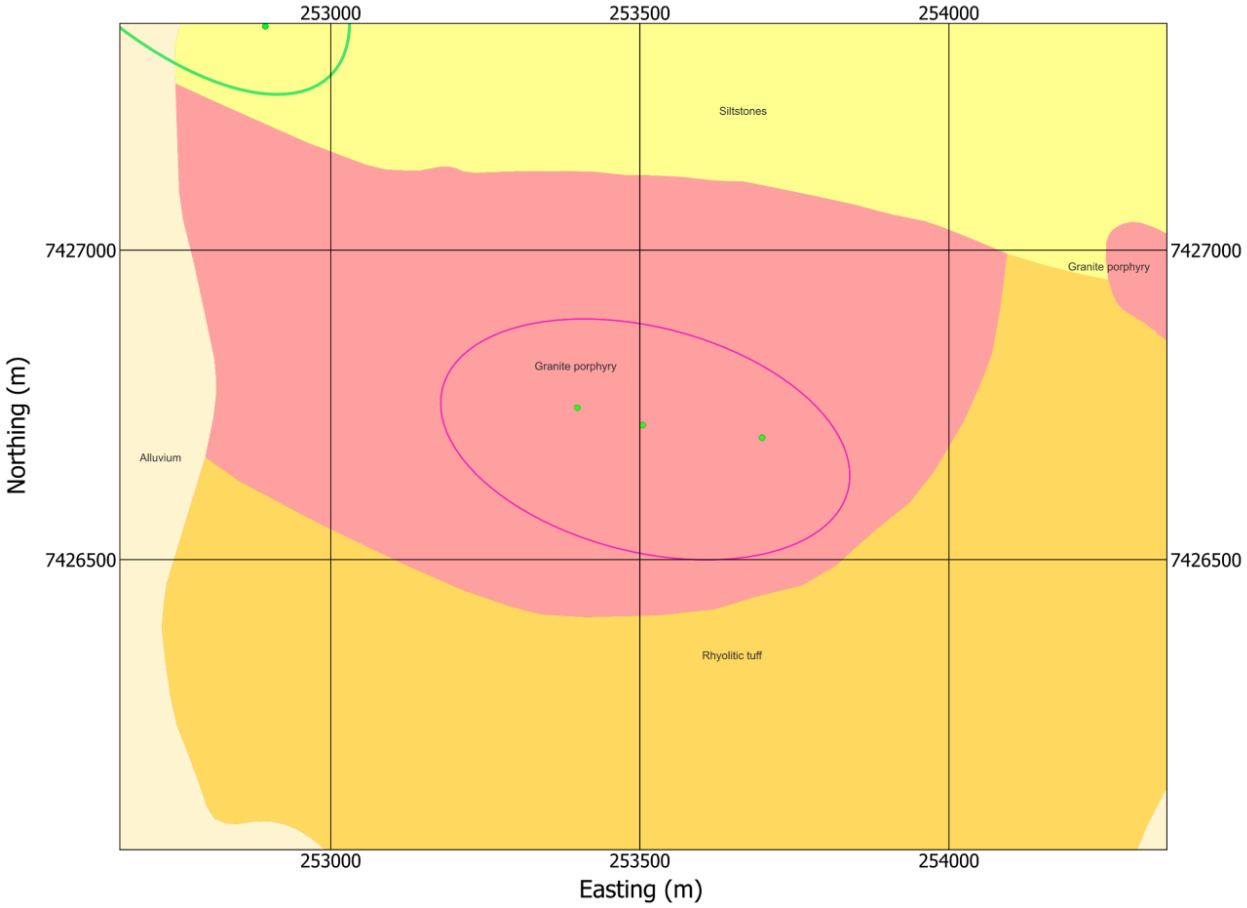

Figure 6: Geopeko geological mapping VTSCI 01 area showing intrusive granite porphyry.

VT04 Drilling

Of the 34 VTEM™ anomalies ranked for follow up Mitre[1], anomaly VT04 (Screamer) was rated as one of the most prospective. Modelling by Mitre revealed multiple, strong EM plate anomalies at the VT04 prospect, one set shallowly dipping and from 10-50 metres below surface and a second set steeply dipping towards the north and south[2]. This prospect is covered by recent valley fill colluvium, so there was no surface geochemistry and the geology of the target was unknown. Figure 7 shows these anomalies as plate models, with a cross section provided as Figure 8. The Company drilled six first pass RC drillholes designed to test the core of these anomalies (Table 1).

No significant mineralisation was intersected in the first pass drillholes at VT04. The drillholes intersected a monotonous unit of carbonaceous and graphitic siltstone which had been intruded by diorite and basalt. The basalt dyke, as well as the diorite's margins, were highly altered (from propylitic to potassic) as well as pyritic. The VTEM target anomalies may reflect narrow, more highly graphitic horizons within the siltstone (shallow dipping plates) and a steeply dipping basalt dyke. While the lack of Cu, Au and Zn anomalism was disappointing, the presence of pyrite mineralisation and alteration was encouraging.

With the onset of the wet season, further drilling has been planned in 2024 at VT04 to fully test the target area. Downhole EM testing is planned for one hole to test whether the anomalies were intersected.

[1] Geophysical Survey Identifies 34 New Targets, 26th April 2023.
[2] Drilling to Commence at the VT04 Anomaly, 11th September 2023.

VT04 Drilling (Continued)

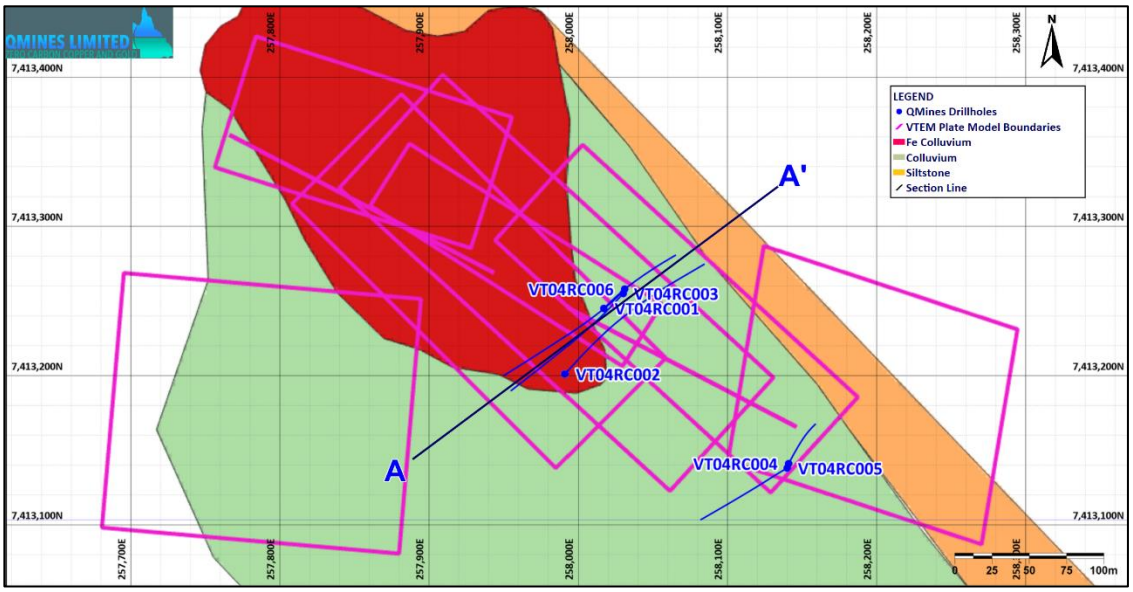

Figure 7: VT04-Screamer Prospect RC drillhole collar locations with surface geology.

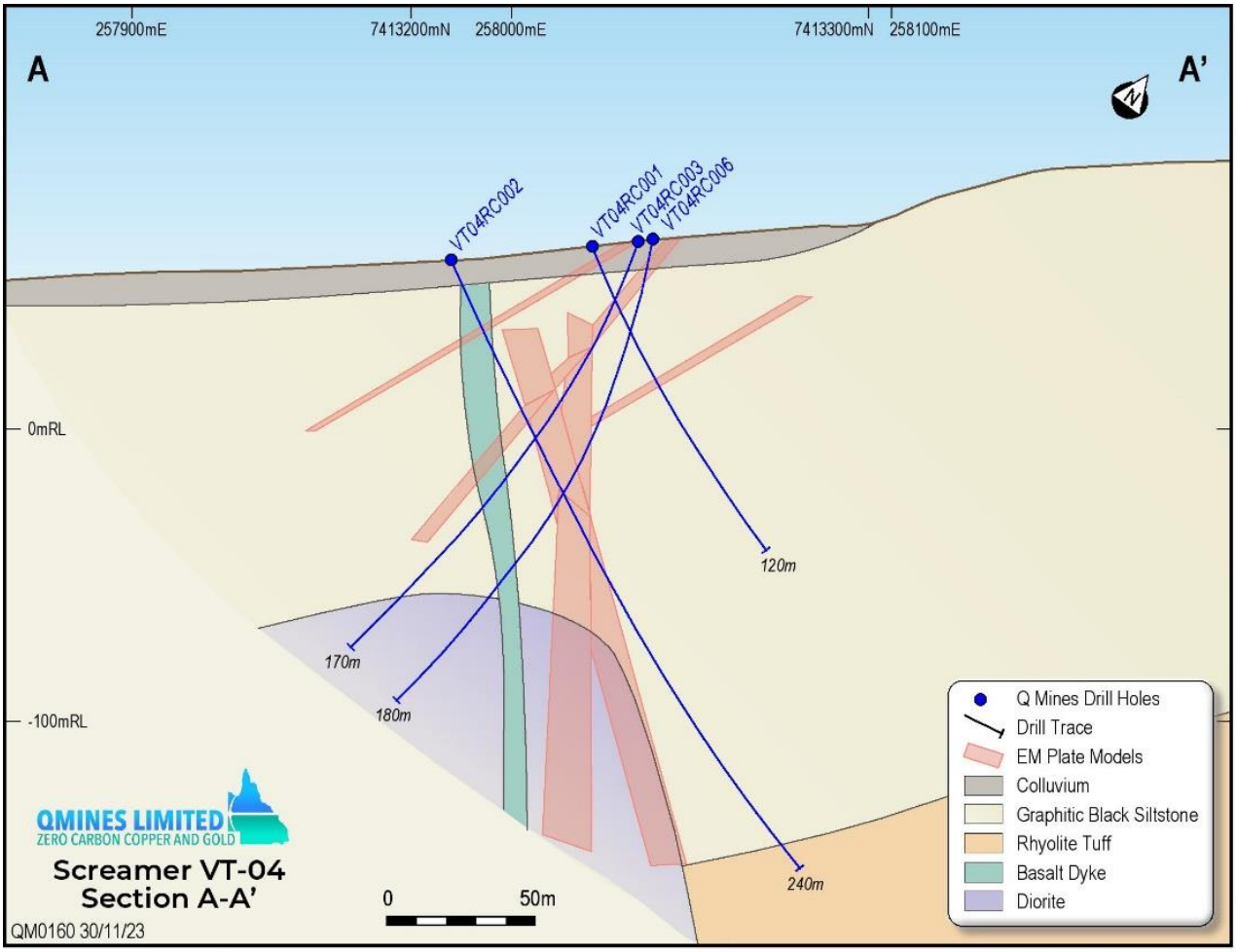

Figure 8: Section A-A' VT04-Screamer drilling.

VT04 Drilling (Continued)

Hole ID	MGA East	MGA North	mRL	Dip	MGA Azi	Max Depth	Intercept
VT04RC001	258017	7413245	61	-65	40	120	NSA
VT04RC002	257991	7413201	57	-65	40	240	NSA
VT04RC003	258030	7413255	62	-65	220	170	NSA
VT04RC004	258141	7413141	51	-77	25	150	NSA
VT04RC005	258140	7413138	51	-65	240	120	NSA
VT04RC006	258031	7413258	62	-77	220	180	NSA

Table 1: Drillhole Summary.

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.

About QMines

QMines Limited (**ASX:QML**) is a Queensland based copper and gold exploration and development company. The Company owns rights to 100% of The Mt Chalmers (Cu-Au) and Develin Creek (Cu-Zn) deposits. The Company's Mt Chalmers and Develin Creek projects are located within 90km of Rockhampton in Queensland.

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 and Develin Creek projects now have a Measured, Indicated and Inferred Resource (JORC 2012) of **15.1Mt @ 1.3% CuEq for 195,800t CuEq**.[1][2]

QMines' objective is to make new discoveries, commercialise existing deposits and transition the Company towards sustainable copper production.

Projects & Ownership

Mt Chalmers (100%)

Develin Creek (51% with rights to 100%)[2]

Silverwood (100%)

Warroo (100%)

Herries Range (100%)

QMines Limited

ACN 643 212 104

Directors & Management

ANDREW SPARKE
Executive Chairman

ELISSA HANSEN (Independent)
Non-Executive Director & Company Secretary

PETER CARISTO (Independent)
Non-Executive Director (Technical)

JAMES ANDERSON
General Manager Operations

GLENN WHALAN
Geologist (Competent Person)

Shares on Issue

210,926,049

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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[1] ASX Announcement - Mt Chalmers Resource Upgrade, 22 November 2022.
[2] ASX Announcement – QMines Delivers Fifth Resource at Develin Creek, 18 September 2023.

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.*
		• The Geotech helicopter-borne Versatile Time Domain EM system (VTEM) was used by UTS Geophysics to conduct the survey. The survey was completed using an AS350-B3 helicopter. System parameters are:
		  ○ Type: Geotech Versatile Time-Domain EM System
		  ○ Transmitter-receiver geometry: In-loop, vertical dipole
		  ○ Transmitter coil: 35 m diameter
		• Transmitter
		  ○ Base frequency: 25Hz
		  ○ Pulse width: 7 ms
		  ○ Peak dipole moment: 700,000 NIA
		  ○ Waveform: Trapezoid
		• Receiver
		  ○ Z, X coils
		• The EM bird was towed 35 m above ground.
		• The flight path followed a 100 m survey line spacing in a North-South direction flying 35 m above ground level.
		• Magnetic data was recorded as well. Parameters are:
		  ○ Type: Geometrics split-beam total field sensor
		  ○ Sampling interval: 0.1 seconds
		  ○ Sensitivity: 0.02 nT
		• The survey was completed February 2023.
		• QMINES undertook drilling operations at the VT04

Criteria	JORC Code explanation	Commentary
		prospect, a part of the Mt Chalmers project, drilling 6 reverse circulation percussion (RC) hole for 980 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.
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.

Criteria	JORC Code explanation	Commentary
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. • There is no relationship between sample recovery and grade. • No sample bias was introduced during the sampling. • Drilling and sampling methods are 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 and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and*	• EM processing was undertaken to prepare data for the data inversion. This included data import, data corrections, filtering and culling and discarding of distorted or noise-filled data. The remaining data was then averaged spatially using trapezoid filters of the

Criteria	JORC Code explanation	Commentary
	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.*	optimum size that allowed increasing signal to noise level without compromising lateral resolution. • The processing is done using the AEM module of the Aarhus Workbench program package. • RC samples were collected from a cyclone with a cone splitter delivering 10% representative sampling per linear metre drilled. Duplicate samples were collected every 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.*	• As part of the original EM data processing, many of the man-made objects were highlighted and removed. This process was repeated for new anomalies selected from the 'IP-free' calculated response from the resistivity model. As a further measure of quality control, new anomalies interpreted from the forward model responses were compared to the pre corrected data to verify the response is real and not an artefact of the modelling process. • Drilling samples were collected from visually mineralised (pyritic) and /or altered intervals. • All samples for assay were submitted to ALS Laboratories in Brisbane. • Samples were determined by ALS method ME-MS61 using ICP-MS on a four-acid digest for 48 elements. Au is determined using ALS method AA25 (fire assay with AAS finish on a 30 g pulp). Sample preparation and base metal

Criteria	JORC Code explanation	Commentary
		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 2023 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 15% 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 328 out of 338 CRMs reporting within 3 standard deviations of certified values a success rate of 97% was achieved. • Blank samples of barren gravel are inserted at 33 m intervals. 274 of 276 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.

Criteria	JORC Code explanation	Commentary
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.*	• Correlations between the original VTEM processing and the inversion study model have identified coincident anomalies at several locations. • 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.*	• Input data for the processing included the AEM data and various auxiliary data consisting of height above ground level of the Tx-Rx frame, current measurements and positions in x and y coordinates. All these data were linked together using a timestamp. • 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 VTEM survey was flown at 100m line spacing, sufficient for an airborne survey of this type. • The drill programs have been designed to advance grassroots exploration. The Artillery Road and VT04 (Screamer) prospects has not been drilled previously. • Line and drill hole spacing is not applicable during this first pass exploration program. • No composite sampling has been applied
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*	• The VTEM survey was flown along north-south lines which are between 45-80 degrees to the geological strike of the Berserker Beds. This flight direction was logistically optimal for the survey. • Greenfields drilling at the VT04 prospect proceeded at

Criteria	JORC Code explanation	Commentary
	and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	azimuths of nominal 040-220 degrees GDA94 zone 56, normal to the strike of the geophysical plate models targeted. • 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.*	• Emergo modelling was reviewed by Mitre and accepted as a basis for anomaly ranking. • Drill 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	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures,*	• 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

Criteria	JORC Code explanation	Commentary
and land tenure status	*partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *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. 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 project covers an area of historic gold and copper mining, which comprises an area of 198 km2. • The VT04 prospect is covered by EPM 27899 which is 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.*	• Two small VTEM surveys over parts of the Berserker Beds were commissioned by Echo Resources in 2007. These surveys provided the encouragement for QMines surveys and subsequent processing.

Criteria	JORC Code explanation	Commentary
		• There appears to have been no modern exploration at the VT04 prospect.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The VT04 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. • 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 VT04 prospect is situated in an incised valley and is covered with Quaternary colluvium. Valley margins consist of grey-black siltstone and minor volcanics. • Drilling has intersected black carbonaceous siltstone with minor rhyolite tuff. The siltstone has been intruded by diorite and basalt which have both undergone carbonate alteration. Pyrite and pyrrhotite occur as veinlets in the siltstone wallrock and as disseminations within the altered intrusives.

Criteria	JORC Code explanation	Commentary

Drill hole Information	• *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.*
		• Drill hole details are included in a table in the body of the announcement.

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.*	• No aggregation has been applied to the drilling results at the VT04 prospect as the results were poor.

Criteria	JORC Code explanation	Commentary
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').*	• Mineralisation was not encountered in the VT04 drillholes.
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, and drill collar locations are included in the body of the 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.*	• Representative and balanced reporting has been applied.
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.*	• Geophysical results are reported in the body of this report. • Mitre Geophysics Pty Ltd have been engaged by QMines as general geophysical consultant. They have identified and modelled the VTEM plates that formed the basis of the VT04 prospect. • Paul Ashley of PAPGS has provided petrographic services, identifying the various lithologies, alteration and mineralisation styles from Artillery Road and VT04 prospect RC drill chips.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or*	• QMines plans to continue exploration of and commence drill testing at the most prospective anomalies identified in

Criteria	JORC Code explanation	Commentary
	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.*	this announcement. • Downhole EM (DHEM) is planned to test the conductors at the VT04 prospect.