

**QMiner Limited & Controlled Entities**  
**ABN 72 643 212 104**



## **INTERIM REPORT**

For the Half Year Ended 31 December 2023

Australia's zero carbon critical metals developer

**(ASX:QML)**



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# CORPORATE DIRECTORY

## QMINES LIMITED

**ASX:** QML

### DIRECTORS

**Andrew Sparke**  
Chairman

**Peter Caristo**  
Non-Executive Director

**Elissa Hansen**  
Non-Executive Director

### COMPANY SECRETARY

Elissa Hansen

### REGISTERED OFFICE

Suite J, 34 Suakin Drive  
Mosman NSW 2088

### PRINCIPAL PLACE OF BUSINESS

Suite J, 34 Suakin Drive  
Mosman NSW 2088

## SITE OFFICE (Mt Chalmers)

213 Cawarral Road,  
Tungamull QLD 4702

### SHARE REGISTRY

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

## CORPORATE ACCOUNTANT

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

### AUDITOR

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

### LEGAL ADVISER

**Steinepreis Paganin**  
Level 4, 50 Market Street,  
Melbourne VIC 3000

### WEBSITE

[www.qmines.com.au](http://www.qmines.com.au)





# 01

## DIRECTORS' REPORT

# DIRECTORS' REPORT

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated Entity') consisting of QMines Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

## Directors

The following persons were Directors of QMines Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

- Mr. Andrew Sparke; Executive Chairman
- Ms. Elissa Hansen; Non-executive Director and Company Secretary
- Mr. Peter Caristo; Non-executive Director
- Mr. Simon Kidston (resigned 23 November 2023)

## Review of Operations

The loss for the Consolidated Entity after providing for income tax amounted to \$1,788,693 (31 December 2022: \$2,723,431).

During the period, the Group focused on the exploration and development of its copper, gold and base metals projects in Queensland. It acquired the high-grade Develin Creek Copper Zinc Project in August 2023, located approximately 90km west of the Company's flagship Mt. Chalmers Copper and Gold Project, and now either owns or has rights to 100% interest in two advanced projects covering an area of approximately 604km<sup>2</sup>.

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

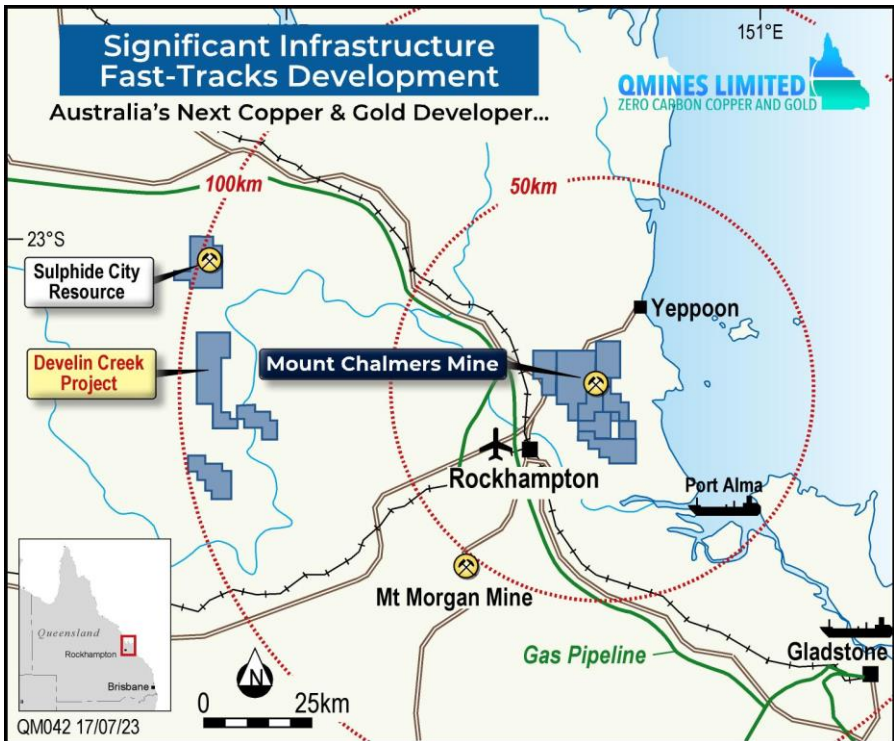


Figure 1: Location of Mt Chalmers and Develin Creek projects, tenure and infrastructure.

# Rapid Resources Growth

Since listing in May 2021, QMines has rapidly grown its resource base at its flagship Mt Chalmers project. The Resource has been updated four times with the most recent update announced on 22nd November 2022. with a Total Resources of 11.86 Mt @ 1.22% CuEq for 144,700t of contained CuEq metal.<sup>1</sup>

QMines has always believed that M&A had the ability to accelerate growth in the Company's resources. Following the acquisition of Develin Creek in August 2023 and the release of the Company's fifth Mineral Resource Estimate for a new combined total of **15.1Mt @1.3% CuEq for 195,800t** of contained metal.<sup>2</sup>

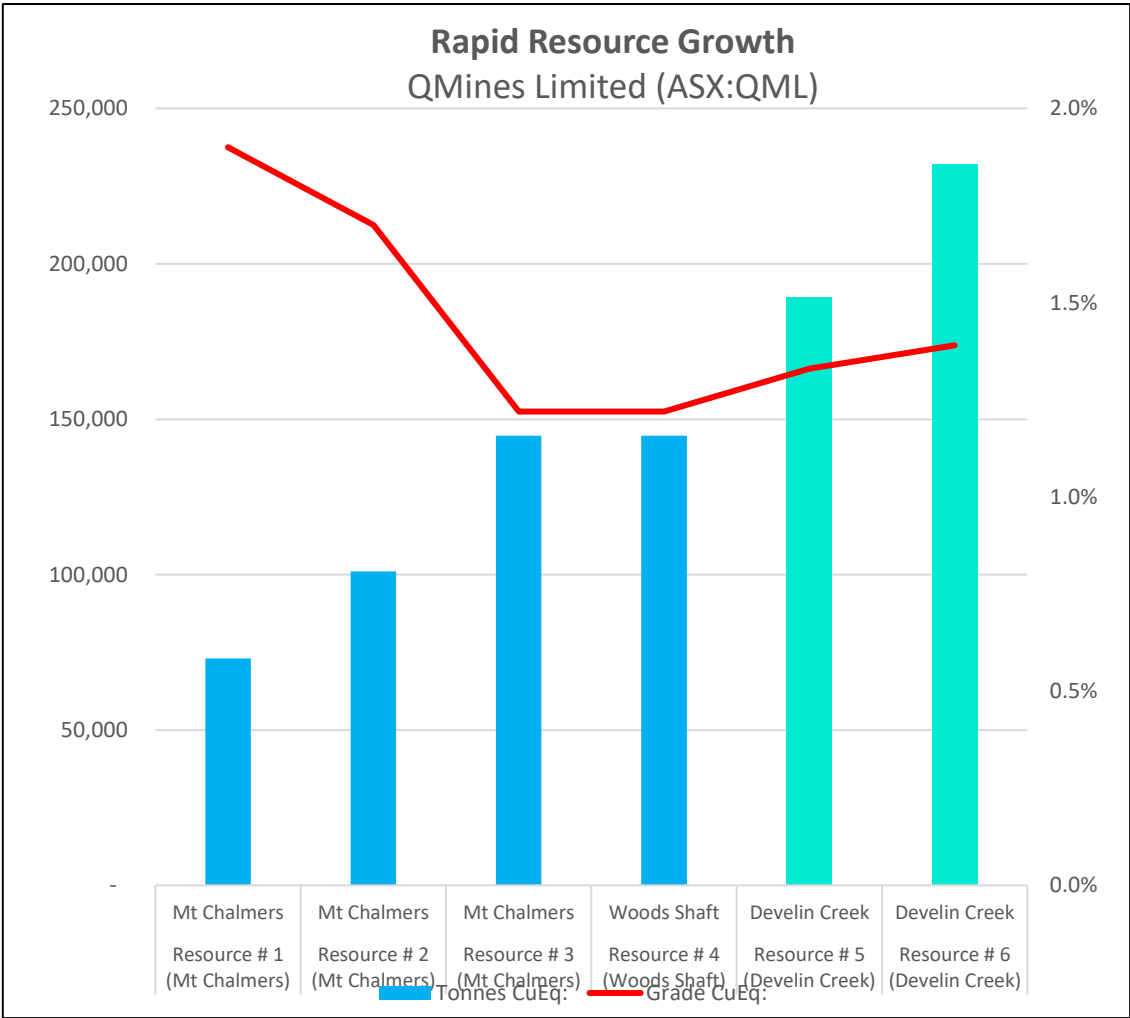


Figure 2: Graph showing the growth of the Mt Chalmers Resource (blue) with the addition of Develin Creek (green).

<sup>1</sup> ASX Announcement – [Resource Increases by 104% at Mt Chalmers Project](#), 22 November 2022

<sup>2</sup> ASX Announcement – [QMines Delivers Fifth Resource At Develin Creek](#), 18 September 2023



# Mt Chalmers Project

The Mt Chalmers Project, situated 17km North-East of Rockhampton, consists of five Exploration Permits for Minerals and covers approximately 316km<sup>2</sup>. Mt Chalmers is a high-grade historic mine that produced 1.2Mt @ 3.6g/t Au, 2.0% Cu and 19g/t Ag between 1898-1982.

Mt Chalmers global Resource is 11.86 Mt @ 1.22% CuEq for 144,700t of contained copper equivalent (CuEq). Importantly, 84% of the Resource is now in the Measured and Indicated categories (JORC 2012)<sup>1</sup>.

During the period, the Company continued drilling to extend the Mt Chalmers resource and commenced at the priority targets identified by the Company's Electromagnetic survey over Mt Chalmers and surrounding areas.

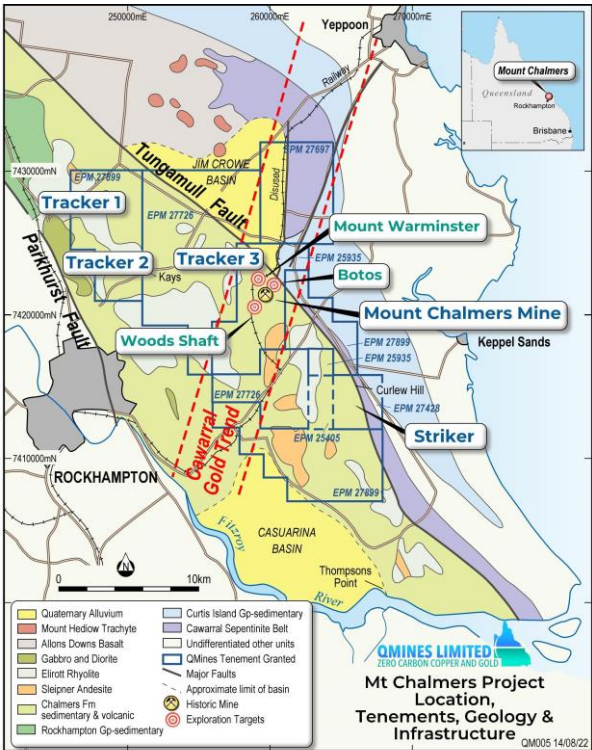


Figure 3: Location of Mt Chalmers Project, tenures, geology & infrastructure.

Resource Category	Tonnes (Kt)	Grades					Contained Metal				
		Cu (%)	Pb (%)	Zn (%)	Au (g/t)	Ag (g/t)	Cu (t)	Pb (t)	Zn (t)	Au (Oz)	Ag (Oz)
Measured	4,200	0.89	0.09	0.23	0.69	4.97	37,800	3,900	9,800	93,770	675,550
Indicated	5,800	0.69	0.07	0.19	0.28	3.99	39,900	3,900	11,100	51,510	741,940
Inferred	1,300	0.60	0.13	0.27	0.19	5.41	7,900	1,700	3,500	7,960	228,100
Total	11,300	0.76	0.08	0.22	0.42	4.52	85,600	9,500	24,400	153,240	1,645,590

Table 1: Mt Chalmers Resource Estimate by Resource Category reported at 0.3% copper cut-off, November 2022. (Note: Rounding errors may occur).

Cut-Off (Cu %)	Tonnes (kt)	Grades					Contained Metal				
		Cu (%)	Pb (%)	Zn (%)	Au (g/t)	Ag (g/t)	Cu (t)	Pb (t)	Zn (t)	Au (Oz)	Ag (Oz)
0.20	15,900	0.61	0.09	0.21	0.34	4.21	96,900	13,500	33,600	176,130	2,156,580
0.30	11,300	0.76	0.08	0.22	0.42	4.52	85,600	9,500	24,400	153,240	1,645,590
0.40	8,500	0.89	0.08	0.22	0.50	4.82	75,800	7,200	18,600	136,070	1,315,650
0.50	6,600	1.02	0.08	0.22	0.57	5.06	67,300	5,500	14,300	121,390	1,072,140

Table 2: Total Mt Chalmers Resource Estimate by Cut-off grade, November 2022. (Note: Rounding errors may occur).

<sup>1</sup> ASX Announcement – [Resource Increases by 104% at Mt Chalmers Project](#), 22 November 2022

## Develin Creek Project

The Develin Creek project is located 90km west of the Mt Chalmers project. QMines acquired an initial interest of 51% of the Develin Creek Project from Zenith Minerals Limited in August 2023 and will acquire the remaining 49% interest within 12 months.

Consideration for the initial 51% was \$2.2 million comprising \$1.2 million in cash and \$1 million in QMines shares (8,403,361 shares at \$0.12 per share). The Company is required to complete 500m of diamond drilling and undertake a detailed metallurgical study on the existing Develin Creek Inferred Mineral Resource.

Deferred consideration of \$0.975 million in cash and \$0.6875 in shares (to be issued at the 15-day volume weighted average price) is payable for the remaining 49% within 12 months from the date of Completion (28 August 2023). This payment could potentially be increased to \$1.3 million in cash and \$1 million worth of shares should the detailed metallurgical study show zinc concentrate grades above 50% or that a 50% zinc concentrate is commercially achievable.

QMines delivered its fifth Resource at Develin Creek in September 2023, which now stands at **3.2Mt @ 1.61% CuEq for 51,360t CuEq**.<sup>1</sup> The Resource was prepared by the Company's Independent Resource Geologist, Mr. Steve Hyland of Hyland Geological Mining Consultants.

Resource Category	Tonnes (Mt)	Grades			
		Cu (%)	Zn (%)	Au (g/t)	Ag (g/t)
Indicated	1.5	1.21	1.25	0.18	7.1
Inferred	1.7	0.92	1.20	0.16	4.8
<b>Total</b>	<b>3.2</b>	<b>1.05</b>	<b>1.22</b>	<b>0.17</b>	<b>5.9</b>

Table 4: Mineral Resource Estimate at the Develin Creek project at a 0.5% CuEq cut-off.

Metal	Contained Metal			
	Cu (t)	Zn (t)	Au (Oz)	Ag (Oz)
<b>Total</b>	<b>33,700</b>	<b>39,100</b>	<b>17,500</b>	<b>604,300</b>

Table 5: Mineral Resource Estimate Contained Metals at the Develin Creek project at a 0.5% CuEq cut-off.

<sup>1</sup> ASX Announcement - [QMines Delivers Fifth Resource At Develin Creek](#), 18 September 2023



## Pre-Feasibility Study

In November 2023, the Company commenced the Mt Chalmers Pre-Feasibility Study to assess the viability its Mt Chalmers copper projects as a stand-alone operation.

Work undertaken by the Company and its independent consultants includes geotechnical diamond drilling, metallurgical test work, design of the treatment plant and flow sheets, PFS level design of the Tailings Storage Facility and updated open pit optimisations estimates.

The Pre-Feasibility Study is due to be finalised and released in quarter four 2024.

## Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Consolidated Entity during the financial half-year.

## Matters Subsequent to the End of the Period

Subsequent to 31 December 2023, the Group announced that it has made significant progress during the Queensland wet season with its planned Pre-Feasibility Study (PFS) assessing the viability of its Mt Chalmers and Develin Creek copper projects as a stand-alone mining operation.

Work undertaken by the Group and its independent consultants since November 2023 include the completion of three geotechnical diamond drill holes at the Mt Chalmers deposit, completion of the PFS level metallurgical test work, design of the treatment plant and flow sheet, PFS level design of the Tailings Storage Facility (TSF) and updated open pit optimisation estimates.

On 30 January 2024, QMines, through its wholly owned subsidiaries, RLG Holdings Pty Ltd and QDrilling Pty Ltd, entered into two loan agreements for a total of \$1,500,000 for a period of 12 months with interest payable at 15%, settled through the issue of 3,000,000 shares at 7.5 cents each. The loans are secured against the Company's 100% owned five rural properties located at the Mt Chalmers project and its RC drill rig and associated equipment.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

## Tenements Held

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%
Develin Creek	EPM 16749	Granted	Mackerel Copper Pty Ltd	Queensland	51%
Develin Creek	EPM 17604	Granted	Mackerel Copper Pty Ltd	Queensland	51%
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 25786	Optioned	Traprock Resources	Queensland	100%
Herries Range	EPM 25788	Optioned	Traprock Resources	Queensland	100%

## 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.

## Competent Person Statement (Exploration Targets)

The information in this report which relate to Exploration Targets is based on information compiled by Simon Tear, of H & S Consultants Pty Limited (ACN 155 972 080). Mr Tear has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which 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'. Mr Tear is a director and consultant geologist of H&S Consultants. Mr Tear consents to inclusion in the report of the matters based on this information in the form and content in which it appears.

## Competent Person Statement (Resource)

The information in this report that relates to mineral resource estimation is based on work completed by Mr. Stephen Hyland, a Competent Person and Fellow of the AusIMM. Mr. Hyland is Principal Consultant Geologist with Hyland Geological and Mining Consultants (HGMC), who is a Fellow of the Australian Institute of Mining and Metallurgy and holds relevant qualifications and experience as a qualified person for public reporting according to the JORC Code in Australia. Mr Hyland is also a Qualified Person under the rules and requirements of the Canadian Reporting Instrument NI 43-101. Mr Hyland consents to the inclusion in this report of the information in the form and context in which it appears.

## 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, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

## Auditor's Declaration

The auditor's independence declaration under section 307C of the Corporations Act 2001 is set out immediately after this Directors' Report

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



**Andrew Sparke**  
**Chairman**

15 March 2024





# 02

## AUDITOR'S INDEPENDENCE DECLARATION

**RSM Australia Partners**

Level 13, 60 Castlereagh Street Sydney NSW 2000

GPO Box 5138 Sydney NSW 2001

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F +61 (0) 2 8226 4501

[www.rsm.com.au](http://www.rsm.com.au)

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of QMines Limited for the half year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

A handwritten signature in blue ink that reads 'RSM'.**RSM AUSTRALIA PARTNERS**A handwritten signature in blue ink that reads 'G. Sherwood' with 'GNS' written to the right.

**Gary Sherwood**  
Partner

Sydney, NSW  
Dated: 15 March 2024

**THE POWER OF BEING UNDERSTOOD**  
**AUDIT | TAX | CONSULTING**

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RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation





# 03

## GENERAL INFORMATION



# GENERAL INFORMATION

The financial statements cover QMines Limited as a Consolidated Entity consisting of QMines Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is QMines Limited's functional and presentation currency.

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

**Registered office**

Suite J, 34 Suakin Drive  
Mosman NSW 2088

**Principal place of business**

Suite J, 34 Suakin Drive  
Mosman NSW 2088

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

The financial statements were authorised for issue, in accordance with a Resolution of Directors, on 15 March 2024.



04

CONSOLIDATED  
STATEMENT OF PROFIT  
OR LOSS AND OTHER  
COMPREHENSIVE  
INCOME

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2023

CONSOLIDATED			
ITEM	NOTE	PERIOD ENDED 31 DECEMBER 2023 (\$)	PERIOD ENDED 31 DECEMBER 2022 (\$)
<b>Revenue</b>			
Other income	3	173,308	-
Interest revenue calculated using the effective interest method		10,706	4,055
<b>Expenses</b>			
Professional fees	4	(196,417)	(218,718)
Consulting fees		(52,145)	(34,877)
Accounting and audit fees		(60,110)	(37,141)
Employee benefits		(552,924)	(494,113)
Depreciation		(20,039)	(235,915)
Exploration		(58,562)	(33,111)
Share based payments		(585,192)	(1,213,729)
Marketing		(212,623)	(201,276)
Occupancy		(18,125)	(11,900)
Office and administrative		(118,314)	(150,957)
Other expenditure		(98,256)	(96,244)
<b>Loss Before Income Tax Expense</b>		<b>(1,788,693)</b>	<b>(2,723,431)</b>
Income tax expense		-	-
<b>Loss for the Period</b>		<b>(1,788,693)</b>	<b>(2,723,431)</b>
Other comprehensive income		-	-
<b>Total Comprehensive Loss for the Period</b>		<b>(1,788,693)</b>	<b>(2,723,431)</b>
Basic loss per share (cents per share)	16	(0.91)	(2.14)
Diluted loss per share (cents per share)	16	(0.91)	(2.14)

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





# 05

CONSOLIDATED  
STATEMENT OF  
FINANCIAL POSITION

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the period ended 31 December 2023

CONSOLIDATED			
ITEM	NOTE	AS AT 31 DECEMBER 2023 (\$)	AS AT 30 JUNE 2023 (\$)
<strong>CURRENT ASSETS</strong>			
Cash and cash equivalents		1,134,058	2,290,803
Trade and other receivables		29,172	25,000
Other	5	190,243	157,167
Non-current assets classified as held for sale	6	321,355	321,355
<strong>TOTAL CURRENT ASSETS</strong>		<strong>1,674,828</strong>	<strong>2,794,325</strong>
<strong>NON-CURRENT ASSETS</strong>			
Property, plant and equipment	7	3,733,994	3,850,669
Exploration and evaluation	8	15,549,886	9,749,385
<strong>TOTAL NON-CURRENT ASSETS</strong>		<strong>19,283,880</strong>	<strong>13,600,054</strong>
<strong>TOTAL ASSETS</strong>		<strong>20,958,708</strong>	<strong>16,394,379</strong>
<strong>CURRENT LIABILITIES</strong>			
Trade and other payables		526,763	352,867
Employee benefits		44,321	-
Deferred Consideration	9	1,662,500	19,882
Other		95,767	82,358
<strong>TOTAL CURRENT LIABILITIES</strong>		<strong>2,329,351</strong>	<strong>455,107</strong>
<strong>TOTAL LIABILITIES</strong>		<strong>2,329,351</strong>	<strong>455,107</strong>
<strong>NET ASSETS</strong>		<strong>18,629,357</strong>	<strong>15,939,272</strong>
<strong>EQUITY</strong>			
Issued capital	10	30,005,735	24,659,308
Reserves	11	860,843	1,728,492
Accumulated losses		(12,237,221)	(10,448,528)
<strong>TOTAL EQUITY</strong>		<strong>18,629,357</strong>	<strong>15,939,272</strong>

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



# Exploration Done Differently!

**Renewable Fuel** Powering this Mine



# 06

**CONSOLIDATED  
STATEMENT OF  
CHANGES IN EQUITY**



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2023

ITEM	ISSUED CAPITAL (\$)	RESERVES (\$)	ACCUMULATED LOSSES (\$)	TOTAL EQUITY (\$)
<b>CONSOLIDATED</b>				
<b>Balance at 1 July 2022</b>	16,245,001	903,825	(4,749,294)	12,399,532
Loss after income tax expense for the half-year	-	-	(2,723,431)	(2,723,431)
Other comprehensive income for the half-year, net of tax	-	-	-	-
<b>Total comprehensive loss for the half-year</b>	-	-	<b>(2,723,431)</b>	<b>(2,723,431)</b>
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	2,999,264	-	-	2,999,264
Share-based payments	207,500	1,155,408	-	1,362,908
<b>Balance at 31 December 2022</b>	<b>19,451,765</b>	<b>2,059,233</b>	<b>(7,472,725)</b>	<b>14,038,273</b>

ITEM	ISSUED CAPITAL (\$)	RESERVES (\$)	ACCUMULATED LOSSES (\$)	TOTAL EQUITY (\$)
<b>CONSOLIDATED</b>				
<b>Balance at 1 July 2023</b>	24,659,308	1,728,492	(10,448,528)	15,939,272
Loss after income tax expense for the half-year	-	-	(1,788,693)	(1,788,693)
Other comprehensive income for the half-year, net of tax	-	-	-	-
<b>Total comprehensive loss for the half-year</b>	-	-	<b>(1,788,693)</b>	<b>(1,788,693)</b>
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 10)	4,098,941	-	-	4,098,941
Share-based payments	-	379,837	-	379,837
Conversion of performance rights into shares	1,247,486	(1,247,486)	-	-
<b>Balance at 31 December 2023</b>	<b>30,005,735</b>	<b>860,843</b>	<b>(12,237,221)</b>	<b>18,629,357</b>

The accompanying notes form an integral part of this statement.



07

CONSOLIDATED  
STATEMENT OF  
CASH FLOWS

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 December 2023

CONSOLIDATED			
ITEM	NOTE	PERIOD ENDED 31 DECEMBER 2023 (\$)	PERIOD ENDED 31 DECEMBER 2022 (\$)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees (incl. Of GST)		(1,334,755)	(1,212,416)
Exploration expenses paid		(1,410,013)	(997,385)
		<b>(2,744,768)</b>	<b>(2,209,801)</b>
Interest received		10,706	4,055
Other revenue		91,155	495
<b>Net Cash Used in Operating Activities</b>		<b>(2,642,907)</b>	<b>(2,205,251)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash paid for Develin Creek asset acquisition		(1,200,000)	-
Payments for property, plant and equipment	7	(185,423)	(55,871)
<b>Net Cash Used in Investing Activities</b>		<b>(1,385,423)</b>	<b>(55,871)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from the issue of shares	10	2,871,585	3,139,643
<b>Net Cash Provided by Financing Activities</b>		<b>2,871,585</b>	<b>3,139,643</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(1,156,745)</b>	<b>878,521</b>
<b>Cash and cash equivalents at beginning of the financial half-year</b>		<b>2,290,803</b>	<b>1,034,894</b>
<b>Cash and Cash Equivalents at End of the Period</b>		<b>1,134,058</b>	<b>1,913,415</b>

The accompanying notes form an integral part of this statement.





08

NOTES TO THE  
FINANCIAL  
STATEMENT

# NOTES TO THE FINANCIAL PERIOD

For the period ended 31 December 2023

## Note 1: Material Accounting Policy Information

### Statement Of Compliance

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023, have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

The financial statements were authorised for issue by the Directors on 15 March 2024.

### New or Amended Accounting Standards and Interpretations Adopted

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

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

### Going Concern

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

As disclosed in the financial statements, the Group incurred a loss of \$1,788,693 and had net cash outflows from operating activities of \$2,642,907 for the half-year ended 31 December 2023. As at 31 December 2023, the Group had net current liabilities of \$975,878. The ability to continue as a going concern is dependent on the Group sourcing additional share capital, monetising some of its exploration assets, sourcing alternative funding, or a combination of these.

The Directors believe that there are reasonable grounds to believe that the Group will be able to continue to continue as a going concern, after consideration of the following factors:

- the Group has cash at bank of \$1,134,058 as at 31 December 2023;
- the Group has net assets of \$18,629,357;
- the Group has made significant progress with a pre-feasibility of its Mt Chalmers project, the completion of which will reduce the Group's exploration and evaluation outgoings in the short-term, and potentially create potential revenue streams or alternative funding opportunities on completion of the study;
- the directors may seek additional equity to fund working capital requirements;
- the Group has the ability to reduce discretionary spending in its exploration activities; and
- As stated in Note 15, Events After the Reporting Period, on 30 January 2024, QMines, through its wholly owned subsidiaries, RLG Holdings Pty Ltd and QDrilling Pty Ltd, entered into two loan agreements for a total of \$1,500,000 for a period of 12 months with interest payable at 15%, settled through the issue of 3,000,000 shares at 7.5 cents each. The loans are secured against the Company's 100% owned five rural properties located at the Mt Chalmers project and its RC drill rig and associated equipment.

## Note 1: Material Accounting Policy Information (Cont)

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

Should the Group not be able to source additional share capital, monetise some of its exploration assets, or source alternative funding, these conditions will create a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

## Note 2: Operating Segments

The Group operates in one segment, being exploration and development of copper and gold assets in Queensland.

## Note 3: Other Income

CONSOLIDATED		
ITEM	31 DECEMBER 2023 (\$)	31 DECEMBER 2022 (\$)
Other income	75,000	-
<b>TOTAL</b>	<b>75,000</b>	<b>-</b>

## Note 4: Professional Fees

CONSOLIDATED		
ITEM	31 DECEMBER 2023 (\$)	31 DECEMBER 2022 (\$)
Director fees	140,044	185,833
Other Corporate Fees	56,373	32,885
<b>TOTAL</b>	<b>196,417</b>	<b>218,718</b>

## Note 5: Current Assets - Other

CONSOLIDATED		
ITEM	31 DECEMBER 2023 (\$)	30 JUNE 2023 (\$)
Prepayments	65,581	29,284
Other Deposits	6,445	6,445
GST Refundable	118,217	121,438
<b>TOTAL</b>	<b>190,243</b>	<b>157,167</b>



## Note 6: Current Assets – Non-current Assets Held for Sale

CONSOLIDATED		
ITEM	31 DECEMBER 2023 (\$)	30 JUNE 2023 (\$)
Exploration assets held for sale	321,355	321,355
<b>TOTAL</b>	<b>321,355</b>	<b>321,355</b>

QMines executed an exclusive option agreement with Queensland Critical Minerals Limited (QCML) on 10 March 2023 for the divestment of its non-core gold and base metal exploration projects, Silverwood, Warroo and Herries Range. The projects are all located in South-East Queensland. As part of the Company's growth strategy, resources have been directed towards the growth and development of its flagship Mt Chalmers project and the search for nearby copper development projects that are complimentary to this strategy. Under the terms of the option, QCML will pay an option fee of \$22,174 providing the right to purchase a 100% interest in the projects at any time within the 12 month option term. To exercise the option, QCML will pay QMines \$100,000 in cash and \$375,000 in shares upon a planned listing in Australia or in Canada. QCML will pay all rents, rates and outgoings on the Tenements incurred during the Option period.

## Note 7: Non-current Assets - Property, Plant and Equipment

CONSOLIDATED		
ITEM	31 DECEMBER 2023 (\$)	30 JUNE 2023 (\$)
<b>Land – at cost</b>	<b>2,028,830</b>	<b>2,028,830</b>
<i>Motor vehicles</i>		
At cost	250,911	250,911
Accumulated depreciation	(98,403)	(73,175)
<b>Total motor vehicles</b>	<b>152,508</b>	<b>177,736</b>
<i>Computer equipment</i>		
At cost	11,358	11,358
Accumulated depreciation	(8,070)	(6,643)
<b>Total computer equipment</b>	<b>3,288</b>	<b>4,715</b>
<i>Office equipment</i>		
At cost	1,826	1,826
Accumulated depreciation	(885)	(689)
<b>Total office equipment</b>	<b>941</b>	<b>1,137</b>
<i>Exploration equipment</i>		
At cost	2,394,379	2,250,918
Accumulated depreciation	(845,952)	(612,667)
<b>Total exploration equipment</b>	<b>1,548,427</b>	<b>1,638,251</b>
	<b>3,733,994</b>	<b>3,850,669</b>

## Note 7: Non-current Assets - Property, Plant and Equipment (Cont.)

### Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below.

ITEM	LAND (\$)	OFFICE EQUIPMENT (\$)	COMPUTER EQUIPMENT (\$)	MOTOR VEHICLES (\$)	EXPLORATION ASSETS (\$)	TOTAL (\$)
Balance at 1 July 2023	2,028,830	1,137	4,715	177,736	1,638,251	<b>3,850,669</b>
Additions	-	-	-	-	143,461	<b>143,461</b>
Depreciation Expense	-	(196)	(1,427)	25,228	(233,285)	<b>(260, 136)</b>
<b>Balance at 31 December 2023</b>	<b>2,028,830</b>	<b>941</b>	<b>3,288</b>	<b>152,508</b>	<b>1,548,427</b>	<b>3,733,994</b>

## Note 8: Non-Current Assets – Exploration and Evaluation

CONSOLIDATED GROUP		
ITEM	31 DECEMBER 2023 (\$)	30 JUNE 2023 (\$)
Exploration and evaluation - at cost	15,549,886	9,749,385
<b>Total</b>	<b>15,549,886</b>	<b>9,749,385</b>

### Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below.

CONSOLIDATED	
ITEM	(\$)
Balance at 1 July 2023	9,749,385
Tenement acquisitions	1,200,000
Capitalised exploration costs	2,938,001
Deferred consideration provision recognized for Develin Creek acquisition	1,662,500
<b>Balance at 31 December 2023</b>	<b>15,549,886</b>

## Note 9: Current Liabilities – Deferred Consideration

CONSOLIDATED GROUP		
ITEM	31 DECEMBER 2023 (\$)	30 JUNE 2023 (\$)
Deferred consideration	1,662,500	-



# Note 9: Current Liabilities – Deferred Consideration (Cont.)

## Deferred consideration

The deferred consideration is to be paid \$0.975 million in cash and \$0.6875 million in shares and is payable within twelve months from the completion of the transaction to acquire Develin Creek Copper-Zinc Project.

The final contingent deferred consideration will be adjusted upwards to:

- (i) \$1.3 million in cash; and
- (ii) \$1 million in shares based on the 15-day volume weight average price

if the zinc concentrate grade is higher than 50% or should a 50% zinc concentrate be commercially achievable.

# Note 10: Issued Capital

CONSOLIDATED				
ITEM	31 DECEMBER 2023 SHARES	30 JUNE 2023 SHARES	31 DECEMBER 2023 \$	30 JUNE 2023 \$
Ordinary shares – fully paid	210,926,050	170,407,606	32,719,235	27,151,894
Cost of capital	-	-	(2,713,500)	(2,492,586)
TOTAL	210,926,050	170,407,606	30,005,735	24,659,308

## Movements in ordinary share capital

DETAILS	DATE	SHARES	ISSUE PRICE	\$
Balance	1 July 2023	170,407,606		27,151,894
Placement	31 August 2023	27,204,546	\$0.11	2,992,500
Share issues to employees	31 August 2023	200,000	\$0.11	22,000
Develin Creek acquisition shares	4 September 2023	8,403,361	\$0.12	1,000,000
Placement	13 November 2023	909,090	\$0.11	100,000
Performance rights conversion	3 November 2023	3,801,447	\$0.38	1,452,841
BALANCE	31 DECEMBER 2023	210,926,050		32,719,235

### Ordinary shares

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

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

## Note 11: Equity - Reserves

ITEM	CONSOLIDATED	
	31 DECEMBER 2023 (\$)	30 JUNE 2023 (\$)
Share-based payments reserve	386,396	1,268,469
Options reserve	474,447	460,023
<b>Total</b>	<b>860,843</b>	<b>1,728,492</b>

### Share-based payments and options reserves

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

### Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

Consolidated	Share-based payments reserve (\$)	Options reserve (\$)	Total (\$)
Balance at 1 July 2023	1,268,469	460,023	1,728,492
Vesting expense on performance rights	570,768	-	365,413
Transfer to issued capital on conversion of performance rights	(1,452,841)	-	(1,247,486)
Issue of options	-	14,424	14,424
<b>Balance at 31 December 2023</b>	<b>386,396</b>	<b>474,447</b>	<b>860,843</b>

## Note 12: Continent Liabilities

As stated in Note 9, there is potentially additional deferred consideration payable of \$637,500 should the grade of zinc concentrate from the Develin Creek project be higher than 50% or should a zinc concentrate of 50% be commercially achievable.

There are no contingent assets as at balance sheet date.

# Note 13: Related Party Transactions

*Parent entity*

QMines Limited is the parent entity

*Subsidiaries*

Interests in subsidiaries are set out in note 14.

*Transactions with related parties*

The following transactions occurred with related parties:

CONSOLIDATED		
ITEM	2023 \$	2022 \$
Payment for goods and services:		
Payment for services from key management personnel	-	343,287

*Receivable from and payable to related parties*

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

*Loans to/from related parties*

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

*Terms and conditions*

All transactions were made on normal commercial terms and conditions and at market rates.

# Note 14: Interests in Subsidiaries

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

OWNERSHIP INTEREST			
NAME	PRINCIPAL PLACE OF BUSINESS / COUNTRY OF INCORPORATION	31 DECEMBER 2023 %	30 JUNE 2023 %
Traprock Resources Pty Ltd	Australia	100.00%	100.00%
Dynasty Gold Pty Ltd	Australia	100.00%	100.00%
Rocky Copper Pty Ltd	Australia	100.00%	100.00%
RLG Holdings Pty Ltd	Australia	100.00%	100.00%
QDrilling Pty Ltd	Australia	100.00%	100.00%



## Note 15: Events After the Reporting Period

Subsequent to 31 December 2023, the Group announced that it has made significant progress during the Queensland wet season with its planned Pre-Feasibility Study (PFS) assessing the viability of its Mt Chalmers and Develin Creek copper projects as a stand-alone mining operation.

Work undertaken by the Group and its independent consultants since November 2023 include the completion of three geotechnical diamond drill holes at the Mt Chalmers deposit, completion of the PFS level metallurgical test work, design of the treatment plant and flow sheet, PFS level design of the Tailings Storage Facility (TSF) and updated open pit optimisation estimates.

On 30 January 2024, QMines, through its wholly owned subsidiaries, RLG Holdings Pty Ltd and QDrilling Pty Ltd, entered into two loan agreements for a total of \$1,500,000 for a period of 12 months with interest payable at 15%, settled through the issue of 3,000,000 shares at 7.5 cents each. The loans are secured against the Company's 100% owned five rural properties located at the Mt Chalmers project and its RC drill rig and associated equipment.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

## Note 16: Earnings Per Share

CONSOLIDATED		
ITEM	2023 \$	2022 \$
Loss after income tax attributable to the owners of QMines Limited	(1,788,693)	(2,723,431)

ITEM	NUMBER	NUMBER
Weighted average number of ordinary shares used in calculating basic earnings per share	195,703,943	127,425,662
Weighted average number of ordinary shares used in calculating diluted earnings per share	195,703,943	127,425,662

ITEM	CENTS	CENTS
Basic loss per share	(0.91)	(2.14)
Diluted loss per share	(0.91)	(2.14)





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**DIRECTORS'  
DECLARATION**



# DIRECTORS' DECLARATION

In the Directors' opinion:

1. The attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
2. The attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
3. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors,



**Andrew Sparke**  
**Chairman**  
15 March 2024





10

INDEPENDENT  
AUDITOR'S REVIEW  
REPORT

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of QMines Limited

### Report on the Half-Year Financial Report

#### *Conclusion*

We have reviewed the accompanying half-year financial report of QMines Limited which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of QMines Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

#### *Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### *Material Uncertainty Related to Going Concern*

We draw attention to Note 1 in the half-year financial report, which indicates that the consolidated entity incurred a net loss of \$1,788,693 and had net cash outflows from operating activities of \$2,642,907 for the half-year ended 31 December 2023. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

### *Directors' Responsibility for the Half-Year Financial Report*

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

### *Auditor's Responsibility for the Review of the Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

  
**Gary Sherwood**  
Partner

RSM Australia Partners

Sydney, NSW  
Dated: 15 March 2024





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