

QMiners Limited & Controlled Entities
ABN 72 643 212 104



INTERIM REPORT

For the Half Year Ended 31 December 2022

Australia's first zero carbon copper and gold developer

(ASX:QML)



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CORPORATE DIRECTORY

QMINES LIMITED **ASX:QML**

DIRECTORS

Simon Kidston

Non-Executive Chairman

Andrew Sparke

Managing Director

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)

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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



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 2022.

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 Simon Kidston; Chairman (appointed 1 February 2023)
- Mr Andrew Sparke; Managing Director
- Ms Elissa Hansen; Non-executive Director and Company Secretary
- Mr Peter Caristo; Non-executive Director

Review of Operations

The loss for the Consolidated Entity after providing for income tax amounted to \$2,723,431 (31 December 2021: \$1,343,346).

During the period, the Group focused on the exploration and development of its copper, gold and base metals projects in Queensland. QMines' four projects include:

- Mt Chalmers (Flagship Project) (100%)
- Silverwood (100%)
- Warroo (100%)
- Herries Range (100%)

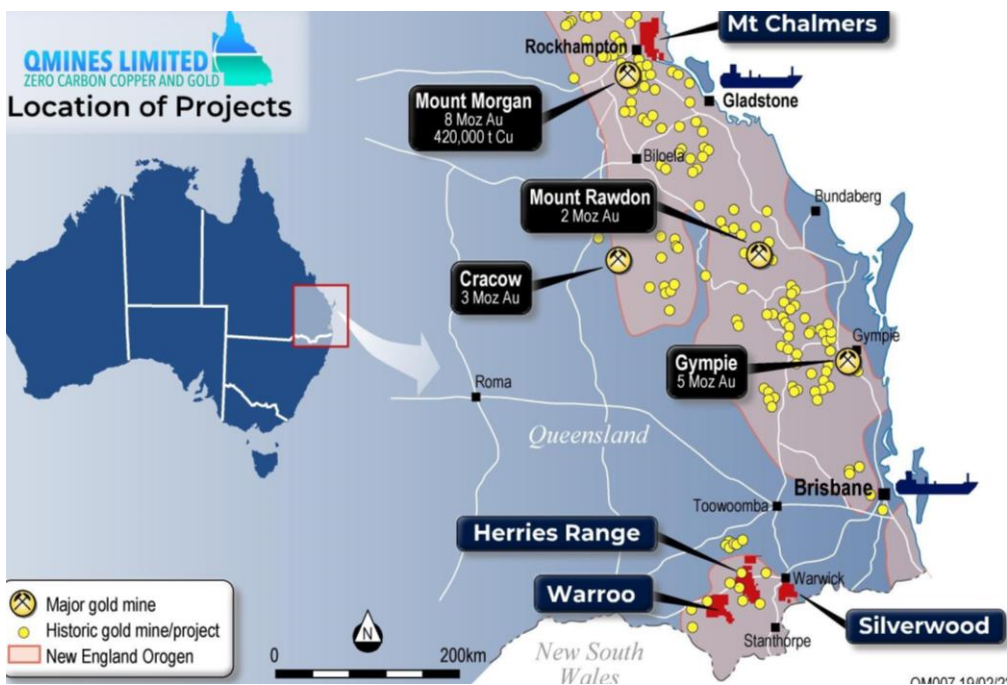


Figure 1: Location of QMines Projects and Other Major Mines.

Mt Chalmers Project

The Mt Chalmers Project, situated 17km North-East of Rockhampton, consists of five Exploration Permits for Minerals and covers approximately 316km². 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.

In November 2022, the Company delivered its third and fourth resources at the Mt Chalmers project since only listing in May 2021. Mt Chalmers and Woods Shaft now have a combined Resource of 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)¹.

Compared with the Company’s second Mineral Resource Estimate (**MRE**) delivered in December 2021, the Company reported a 104% increase in resource tonnes for a 44% increase in contained metal. Resource confidence has also improved with a 19% increase in the Measured and Indicated tonnages.

Both MRE’s were completed by Mr Stephen Hyland of Hyland Geological and Mining Consultants (HGMC) based on additional drilling, improved geological modelling and an increase in bulk density readings. Importantly, the updated Mt Chalmers MRE delivers a more robust and expanded MRE with an increase to the Measured and Indicated categories which now accounts for 88% of the Mt Chalmers MRE, shown in Table 1 and Figure 2, and 84% of the combined resource base which includes the Woods Shaft deposit (Table 2).

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
Interred	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 Mineral Resource Estimate, November 2022.

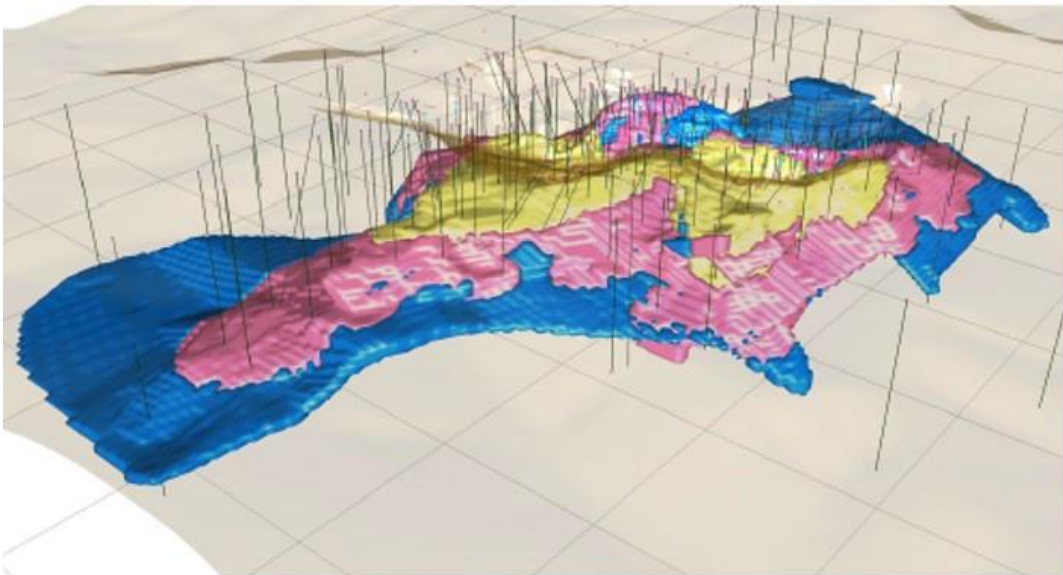


Figure 2: Mt Chalmers block model showing resource by category (yellow = Measured, pink = Indicated, blue = Inferred). Looking toward 140°, 30° dip. Grid cells are 200m x 200m.

¹ Mt Chalmers Resource Upgrade, <https://wcsecure.weblink.com.au/pdf/QML/02601236.pdf>, 22 November 2022

Mt Chalmers Project (cont.)

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	0.0	0.22	0.57	5.06	67,300	5,500	14,300	121,390	1,072,140

Table 2: Woods Shaft Mineral Resource Estimate, November 2022.

During the period the Company continued drilling operations at Mt Chalmers and completed drilling at the Woods Shaft deposit, making good progress with the planned initial 10,000m reverse circulation (RC) program. The ongoing Mt Chalmers RC drilling program has been designed to expand the resource (step-out drilling) and upgrade the resource by infilling areas of low confidence.

The Company also contracted UTS Geophysics Pty Ltd to fly a helicopter borne VTEM™ Max and magnetic geophysical survey to investigate the VHMS potential of the prospective Berserker Beds within the Company's Mt Chalmers tenements. Mitre Geophysics was engaged as the Company's geophysical consultant to oversee the survey and to model this data. The Company is currently awaiting the results of this survey.

Silverwood Project

The Silverwood Project is located 15km south of the regional centre of Warwick. EPM 27281 and EPM 27724 comprises 78 sub-blocks (approximately 234km²) covering the greater Silverwood Group domain. The tenements contain a relative abundance of historic mines and mineral occurrences that are prospective for both gold and base metals.

At the Grieves Quarry base metal deposit, drilling was carried out by the Geological Survey of Queensland (GSQ) between 1967 and 1971 where two diamond drilling programs were undertaken for a total of 17 diamond holes for 1,505 metres drilled. The GSQ diamond drilling intercepted numerous intersections of massive sulphide mineralisation at Grieves Quarry. GSQ did not assay for gold, focussing on base metals - copper, zinc, lead and silver. A summary of the Exploration Target identified at the Silverwood Project is included below:

Project	Prospect	Mt	Zn (%)	Cu (%)	Ag (g/t)	Cut-Off
Silverwood	Grieves Quarry	0.8 to 1.0	3.2 to 3.7	0.3 to 0.5	15 to 25	2% Zn

Table 3: Silverwood Exploration Target.

Warroo Project

The Warroo Project is located 50km west of Stanthorpe in Queensland. The Warroo project consists of EPM 26178 and EPM 27725 for 72 sub-blocks, and covers an area of approximately 216km².

The Company considers there is potential to define mesozonal to epizonal intrusive related gold mineralisation related to these structural corridors and on extensions to the Warroo and Ti Tree structures. The regional aeromagnetic data shows the Warroo Project to be located east of a large oval magnetic feature that appears to be at moderate depth.

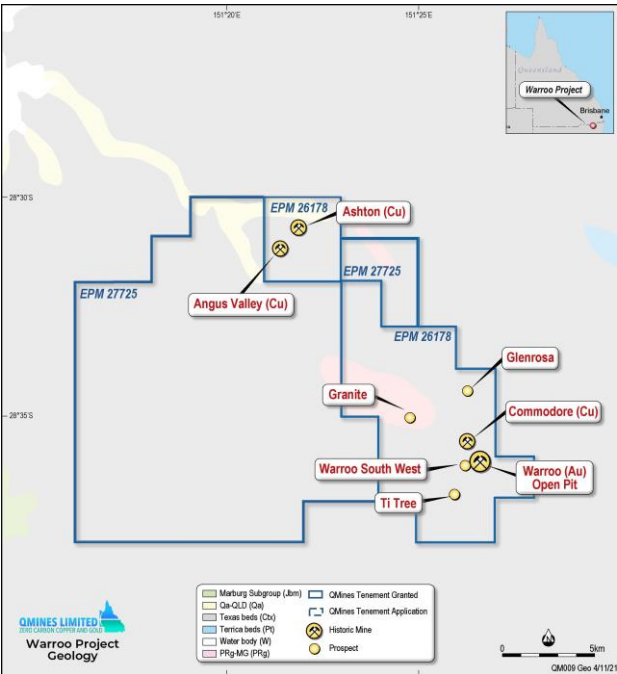


Figure 3: Warroo Project Tenure and Geology.

Herries Range Project

The Herries Range gold Project comprises two contiguous EPMs, consisting of 110 sub-blocks covering an area of approximately 330km². The project is situated 40km west of Warwick in south-east Queensland covering the central and southern portions of the Warwick Goldfields.

Alluvial gold deposits are extensive throughout the tenement package. The sources of many of these alluvial workings have never been traced. The extensive alluvial mining in the west of the tenement area, in the Canal Creek Goldfield, had only a few hard-rock occurrences that were worked. Within these goldfields and clusters of mines, QMines has located several historical mines and zones of prospective rock formations associated with both hard-rock and alluvial gold mineralisation.

The Company will undertake early-stage exploration work to progress and identify areas for more detailed follow up exploration including ground-based geophysical surveys, geochemical soil grids and future drill testing.

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

Since the end of the reporting period, the Company released the results from a further six Reverse Circulation holes for 1,190 metres. The Company also released the results of the Mt Chalmers pit optimisation study based off the November 2022 Mineral Resources Estimate which demonstrates potential to deliver 7.1Mt at a head grade of 1.5%CuEq¹ delivering 94,300 tonnes CuEq at a strip ratio of 6.3:1 and recovered metal within the optimised shell 48,000t Cu, 137,500oz Au, 1.3Moz Ag, 26,000t Zn and 12,000t Pb.

On 13 March 2023, QMines announced the execution of an Option Agreement to divest its non-core assets, the Silverwood, Warroo and Herries Range projects. Under the terms of the Agreement, Queensland Critical Minerals Limited (**QCML**) will pay QMines an option fee of \$22,174 for the right to purchase a 100% interest in the projects at anytime within the 12-month option term. To exercise the Option, QCML will pay QMines \$100,000 in cash and \$375,000 in shares upon their planned listing. QMCL will pay all rents, rates and outgoings during the Option period.

No other significant subsequent event has arisen that significantly affect the operations of the Group.

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%
Silverwood	EPM 27724	Granted	QMines	Queensland	100%
Silverwood	EPM 27281	Granted	Traprock Resources	Queensland	100%
Warroo	EPM 27725	Granted	QMines	Queensland	100%
Warroo	EPM 26178	Granted	Dynasty Gold	Queensland	100%
Herries Range	EPM 25785	Surrendered	Traprock Resources	Queensland	100%
Herries Range	EPM 25786	Granted	Traprock Resources	Queensland	100%
Herries Range	EPM 25788	Granted	Traprock Resources	Queensland	100%

Table 4: Qmines tenements as at 31st December 2022.

Competent Person Statement (Exploration Targets)

The information in this report which relates to Exploration Targets, exploration results, mineral resources or ore reserves 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 (HGMCM), 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

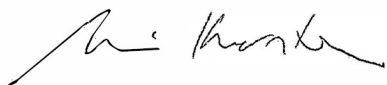
QMiner confirms that it is not aware of any new information or data that materially affects the information included in the Mt Chalmers Resource Upgrade ASX announcement lodged on 22 December 2022 (Announcement) and that all material assumptions and technical parameters underpinning the estimates in the Announcement continue to apply and have not materially changed.

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



Simon Kidston
Chairman
16 March 2023



02

AUDITOR'S
INDEPENDENCE
DECLARATION

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of QMines Limited for the half year ended 31 December 2022, 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.

RSM AUSTRALIA PARTNERS

RSM AUSTRALIA PARTNERS

Louis Quintal

Louis Quintal
Partner

Sydney, NSW
Dated: 16 March 2023



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 16 March 2023.



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 2022

CONSOLIDATED			
ITEM	NOTE	PERIOD ENDED 31 DECEMBER 2022 (\$)	PERIOD ENDED 31 DECEMBER 2021 (\$)
Revenue			
Other income		495	-
Interest revenue calculated using the effective interest method		4,055	1,251
Expenses			
Professional fees	3	(218,718)	(299,364)
Consulting fees		(34,877)	(12,650)
Accounting and audit fees		(37,141)	(41,281)
Employee benefits		(494,113)	(62,448)
Depreciation		(235,915)	(28,474)
Exploration		(33,111)	(10,335)
Share based payments		(1,213,729)	(344,105)
Marketing		(201,276)	(163,545)
Occupancy		(11,900)	(5,500)
Office and administrative expenses		(150,957)	(325,521)
Other expenditure		(96,244)	(51,374)
Loss Before Income Tax Expense		(2,723,431)	(1,343,346)
Income tax expense		-	-
Loss for the Period		(2,723,431)	(1,343,346)
Other comprehensive income		-	-
Total Comprehensive Loss for the Period		(2,723,431)	(1,343,346)
Basic loss per share (cents per share)	12	(2.14)	(1.21)
Diluted loss per share (cents per share)	12	(2.14)	(1.21)

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 2022

CONSOLIDATED			
ITEM	NOTE	AS AT 31 DECEMBER 2022 (\$)	AS AT 30 JUNE 2022 (\$)
CURRENT ASSETS			
Cash and cash equivalents		1,913,415	1,034,894
Other current assets	4	296,023	146,916
Non-current assets classified as held for sale	5	321,355	
TOTAL CURRENT ASSETS		2,530,793	1,181,810
NON-CURRENT ASSETS			
Property, plant and equipment	6	3,924,806	4,088,702
Exploration and evaluation	7	8,312,251	7,515,815
TOTAL NON-CURRENT ASSETS		12,237,057	11,604,517
TOTAL ASSETS		14,767,850	11,604,517
CURRENT LIABILITIES			
Trade and other payables		526,353	284,537
Employee benefits		40,233	-
Provisions		23,278	5,806
Other		139,713	96,452
TOTAL CURRENT LIABILITIES		729,577	386,795
TOTAL LIABILITIES		729,577	386,795
NET ASSETS		14,038,273	12,399,532
EQUITY			
Issued capital	8	19,451,765	16,245,001
Reserves	9	2,059,233	903,825
Accumulated losses		(7,472,725)	(4,749,294)
TOTAL EQUITY		14,038,273	12,399,532

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 2022

ITEM	ISSUED CAPITAL (\$)	RESERVES (\$)	ACCUMULATED LOSSES (\$)	TOTAL EQUITY (\$)
CONSOLIDATED				
Balance at 1 July 2021	15,354,251	271,000	(1,583,910)	14,041,341
Loss after income tax expense for the half-year	-	-	(1,343,346)	(1,343,346)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(1,343,346)	(1,343,346)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	199,999	-	-	199,999
Share-based payments	-	144,105	-	144,105
Balance at 31 December 2021	15,554,250	415,105	(2,927,256)	13,042,099

ITEM	ISSUED CAPITAL (\$)	RESERVES (\$)	ACCUMULATED LOSSES (\$)	TOTAL EQUITY (\$)
CONSOLIDATED				
Balance at 1 July 2022	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	-	-	-	-
Total comprehensive loss for the half-year	-	-	(2,723,431)	(2,723,431)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 7)	2,999,264	-	-	2,999,264
Share-based payments	207,500	1,155,408	-	1,362,908
Balance at 31 December 2022	19,451,765	2,059,233	(7,472,725)	14,038,273

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 2022

ITEM	NOTE	CONSOLIDATED	
		PERIOD ENDED 31 DECEMBER 2022 (\$)	PERIOD ENDED 31 DECEMBER 2021 (\$)
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees (incl. Of GST)		(1,212,416)	(665,885)
Exploration expenses paid		(997,385)	(1,485,024)
		(2,209,801)	(2,150,909)
Interest received		4,055	1,251
Other revenue		495	-
Net Cash Used in Operating Activities		(2,205,251)	(2,149,658)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment	5	(55,871)	(1,327,491)
Net Cash Used in Investing Activities		(55,871)	(1,327,491)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares	7	3,139,643	-
Net Cash Provided by Financing Activities		3,139,64d	-
Net (decrease)/increase in cash and cash equivalents		878,521	(3,477,149)
Cash and cash equivalents at beginning of the financial half-year		1,034,894	9,045,023
Cash and Cash Equivalents at End of the Period		1,913,415	5,567,874

The accompanying notes form an integral part of this statement.



08

NOTES TO THE
FINANCIAL
STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2022

Note 1: Summary of Accounting Policies

Statement Of Compliance

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 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 2022 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 [].

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 \$2,723,431 and had net cash outflows from operating activities of \$2,205,251 for the half-year ended 31 December 2022. The ability to continue as a going concern and realise its exploration assets is dependent on a number of factors, the most significant of which is to source additional funding to continue the development of the tenements held by the Group.

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

- the Group has net current assets of \$1,801,216 and cash at bank of \$1,913,415 as at 31 December 2022;
- the directors may seek additional equity to fund working capital requirements; and
- the Group has the ability to reduce discretionary spending in its exploration activities.

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.

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: Professional Fees

CONSOLIDATED		
ITEM	HALF YEAR ENDED 31 DECEMBER 2022 (\$)	PERIOD ENDED 31 DECEMBER 2021 (\$)
Director fees	185,833	254,313
Other Corporate Fees	32,885	45,051
TOTAL	218,718	299,364

Note 4: Current Assets - Other

CONSOLIDATED		
ITEM	31 DECEMBER 2022 (\$)	30 JUNE 2022 (\$)
Prepayments	60,804	49,857
Other Deposits	18,945	18,945
GST Refundable	216,274	78,114
TOTAL	296,023	146,916

Note 5: Current Assets – Non-current Assets Held for Sale

CONSOLIDATED		
ITEM	31 DECEMBER 2022 (\$)	30 JUNE 2022 (\$)
Exploration assets held for sale	321,355	-
TOTAL	321,355	-

Subsequent to period end, the Company executed an exclusive option agreement with Queensland Critical Minerals Limited (QCML) 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 6: Non-current Assets - Property, Plant and Equipment

CONSOLIDATED		
ITEM	31 DECEMBER 2022 (\$)	30 JUNE 2022 (\$)
<i>Land – at cost</i>	2,028,830	2,028,830
<i>Motor vehicles</i>		
At cost	178,911	178,911
Accumulated depreciation	(55,234)	(37,196)
Total motor vehicles	123,677	141,715
<i>Computer equipment</i>		
At cost	10,905	10,905
Accumulated depreciation	(5,241)	(3,867)
Total computer equipment	5,664	7,038
<i>Office equipment</i>		
At cost	1,826	1,327
Accumulated depreciation	(496)	(353)
Total office equipment	1,330	974
<i>Exploration equipment</i>		
At cost	2,186,283	2,114,763
Accumulated depreciation	(420,978)	(204,618)
Total exploration equipment	1,765,305	1,910,145
	3,924,806	4,088,702

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 2022	2,028,830	974	7,038	141,714	1,910,146	4,088,702
Additions	-	499	-	-	71,520	72,019
Depreciation Expense	-	(143)	(1,374)	(18,038)	(216,360)	(235,915)
Balance at 31 December 2022	2,028,830	1,330	5,664	123,676	1,765,306	3,924,806

Note 7: Non-Current Assets – Exploration and Evaluation

CONSOLIDATED GROUP		
ITEM	31 DECEMBER 2022 (\$)	30 JUNE 2022 (\$)
Exploration and evaluation - at cost	8,633,606	7,515,815
Total	8,633,606	7,515,815

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 2022	7,515,815
Expenditure during the half-year	1,117,791
Transfers to held for sale assets	(321,355)
Balance at 31 December 2022	8,312,251

Note 8: Issued Capital

CONSOLIDATED				
ITEM	31 DECEMBER 2022 SHARES	30 JUNE 2022 SHARES	31 DECEMBER 2022 (\$)	30 JUNE 2022 (\$)
Ordinary shares – fully paid	137,360,101	113,672,748	21,407,350	17,854,247
Cost of capital	-	-	(1,955,585)	(1,609,246)
TOTAL	137,360,101	113,672,748	19,451,765	16,245,001

Movements in ordinary share capital

DETAILS	DATE	SHARES	ISSUE PRICE	(\$)
Balance	1 July 2022	113,672,748		17,854,247
Placement	9 August 2022	12,229,997	\$0.15	1,834,500
Share issues to employees	16 August 2022	1,199,999	\$0.15	180,000
Placement	3 November 2022	10,074,024	\$0.15	1,511,103
Share-based payment to supplier	3 November 2022	183,333	\$0.15	27,500
BALANCE	31 DECEMBER 2022	137,360,101		21,407,350

Note 8: Issued Capital (Cont.)

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 9: Equity - Reserves

CONSOLIDATED		
ITEM	31 DECEMBER 2022 (\$)	30 JUNE 2022 (\$)
Share-based payments reserve	1,639,054	632,825
Options reserve	420,179	271,000
Total	2,059,233	903,825

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.

Note 10: Related Party Transactions

Parent entity

QMines Limited is the parent entity

Subsidiaries

Interests in subsidiaries are set out in note 10.

Transactions with related parties

The following transactions occurred with related parties:

CONSOLIDATED		
ITEM	2022 (\$)	2021 (\$)
Payment for services from key management personnel	343,287	422,958

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 11: 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 2022 (%)	30 JUNE 2022 (%)
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 12: Events After the Reporting Period

Subsequent to period end, the Company executed an exclusive option agreement with Queensland Critical Minerals Limited (QCML) 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.

No other matter or circumstance has arisen since 31 December 2022 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 13: Earnings Per Share

CONSOLIDATED		
ITEM	2022 (\$)	2021 (\$)
Loss after income tax attributable to the owners of QMines Limited	(2,723,431)	(1,343,346)

ITEM	NUMBER	NUMBER
Weighted average number of ordinary shares used in calculating basic earnings per share	127,425,662	111,256,173
Weighted average number of ordinary shares used in calculating diluted earnings per share	127,425,662	111,256,173

ITEM	CENTS	CENTS
Basic loss per share	(2.14)	(1.21)
Diluted loss per share	(2.14)	(1.21)



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**DIRECTORS'
DECLARATION**

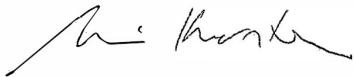
DIRECTORS' DECLARATION

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 2022 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,



Simon Kidston
Chairman
16 March 2023



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**INDEPENDENT
AUDITOR'S REVIEW
REPORT**

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of QMines Limited

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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 2022, 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 2022 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.

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 2022 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Company incurred a net loss of \$2,723,431 and had net cash outflows from operating activities of \$2,205,251 for the half-year ended 31 December 2022. 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 Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

RSM AUSTRALIA PARTNERS

RSM Australia Partners

Louis Quintal

Louis Quintal
Partner

Sydney, NSW
Dated: 16 March 2023



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