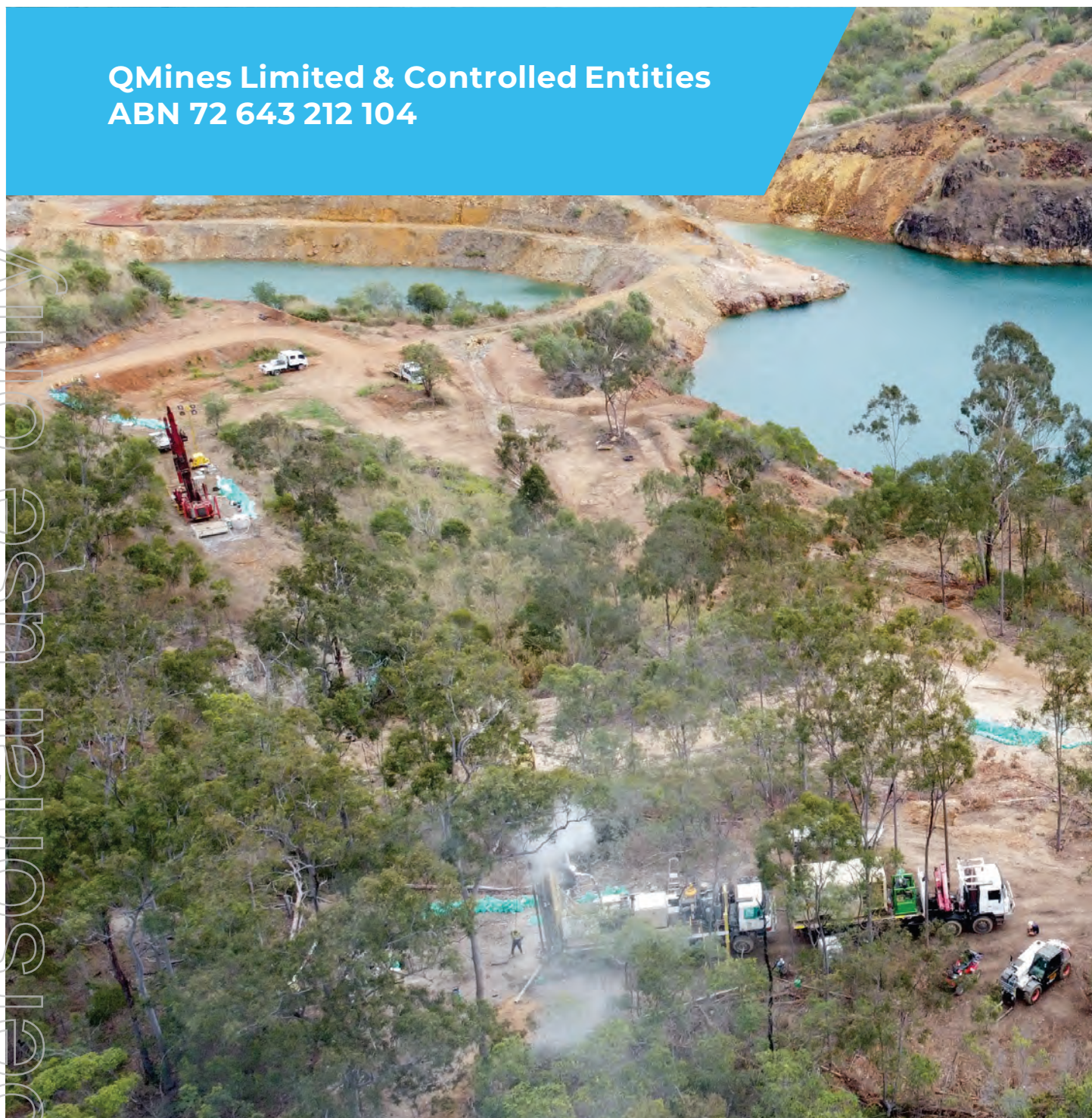


**QMiner Limited & Controlled Entities**  
**ABN 72 643 212 104**



# **HALF YEARLY FINANCIAL REPORT**

For the Half Year Ended 31 December 2021

Australia's zero carbon next copper and gold developer....

**(ASX:QML)**



For personal use only



## TABLE OF CONTENTS

<b>01</b>	Directors' Report	4
<b>02</b>	Auditor's Independence Declaration	11
<b>03</b>	Consolidated Statement of Profit or Loss and Other Comprehensive Income	13
<b>04</b>	Consolidated Statement of Financial Position	15
<b>05</b>	Consolidated Statement of Changes in Equity	17
<b>06</b>	Consolidated Statement of Cash Flows	19
<b>07</b>	Notes to the Financial Statements	21
<b>08</b>	Directors' Declaration	28
<b>09</b>	Independent Auditor's Report	30



## CORPORATE DIRECTORY

### QMINES LIMITED

ASX: QML

FSE: 81V

### DIRECTORS

**Andrew Sparke**

Executive 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

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 Lawyers & Consultants**

Level 4, 50 Market Street,  
Melbourne VIC 3000

### ESG CONSULTANTS

**Energetics Pty td**

Level 7, 5 Blue St,  
North Sydney NSW 2060

### WEBSITE

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



For personal use only



# 01

## DIRECTORS' REPORT

# DIRECTORS' REPORT

Your directors submit the financial report of QMines Limited ("QMines" or "the Group") for the period ended 31 December 2021.

## Directors

The names of directors who held office during the period and up to the date of this report are:

- Mr Andrew Sparke; Executive Chairman
- Mrs Elissa Hansen; Non-executive Director and Company Secretary
- Mr Peter Caristo; Non-executive Director, Appointed 14 September 2021
- Mr Daniel Lanskey; Managing Director, Resigned 14 September 2021

## Review of Operations

The consolidated loss after income tax of the Group for the period ended 31 December 2021 is \$1,343,346 (2020: \$447,718).

During the period, the Group was focussed on its prospective copper, gold and base metals projects in Central and Southern Queensland. QMines' four projects include:

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

## Highlights

QMines Limited (ASX:QML) is a Queensland based copper and gold exploration and development company. QMines' vision is to become Australia's first zero carbon copper and gold developer. The Company owns 100% of four advanced projects covering a total area of 1,096km<sup>2</sup>. The Company's flagship project, Mt Chalmers, is located 17km North East of Rockhampton.

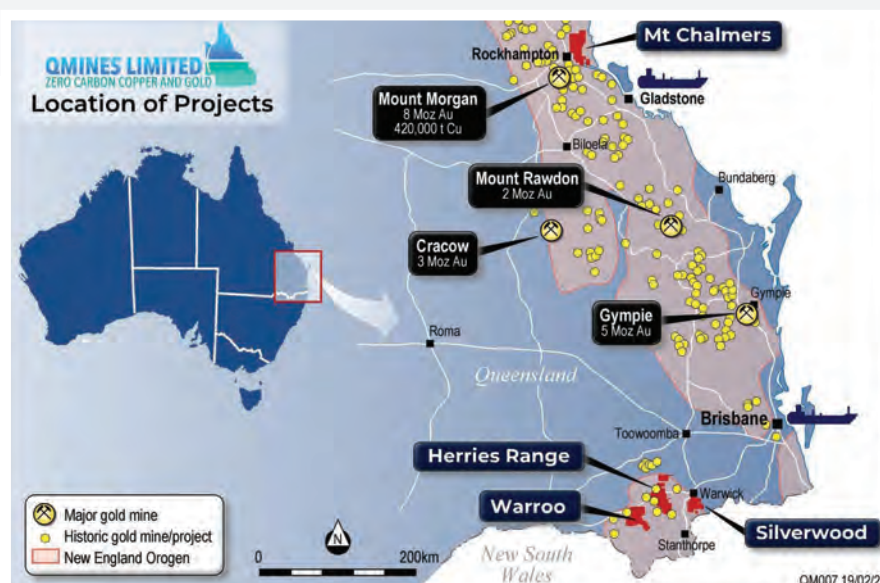


Figure 1: Location of QMines Projects and Other Major Mines.



## Mt Chalmers Project<sup>1</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. Since acquiring the project, the Company has delivered two Resource updates. Mt Chalmers now has a Total Resource of 5.8Mt @ 1.7% CuEq for 101,000 tonnes CuEq. Importantly, 78% of this Resource now falls in the Measured and Indicated categories (JORC 2012). Mt Chalmers is recognised as being one of the highest gold grade volcanic-hosted massive-sulphide (VHMS) mineral systems in the world.

The Company continued drilling operations at Mt Chalmers during the period, completing 26 RC pre-collar and diamond core holes for 3,303 metres. QMines continued to acquire freehold land surrounding the Mt Chalmers mine site, and progressed a number of Environmental, Social and Governance (ESG) initiatives.

In December 2021, Hyland Geological and Mining Consultants (HGMC) updated the Mt Chalmers wireframes and bulk density estimations for the Mt Chalmers mineralised zones delivering a new block model and Resource Estimate. The Global Resource Estimate now stands at 5.8Mt @ 1.7% CuEq for 101,000 tonnes CuEq, with 78% of the total Resource now in the Measured and Indicated categories.

This Resource Estimate incorporates base and precious metals at the Mt Chalmers Project, including copper, gold, silver, lead and zinc. Mt Chalmers is a brownfields VHMS copper and gold mine that was mined sporadically between 1898 and 1982. The Resource Estimate is reported in accordance with the guidelines of the 2012

Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves (JORC, 2012).

The new Resource Estimate at Mt Chalmers further strengthens the Company's view that Mt Chalmers has the potential for future development.

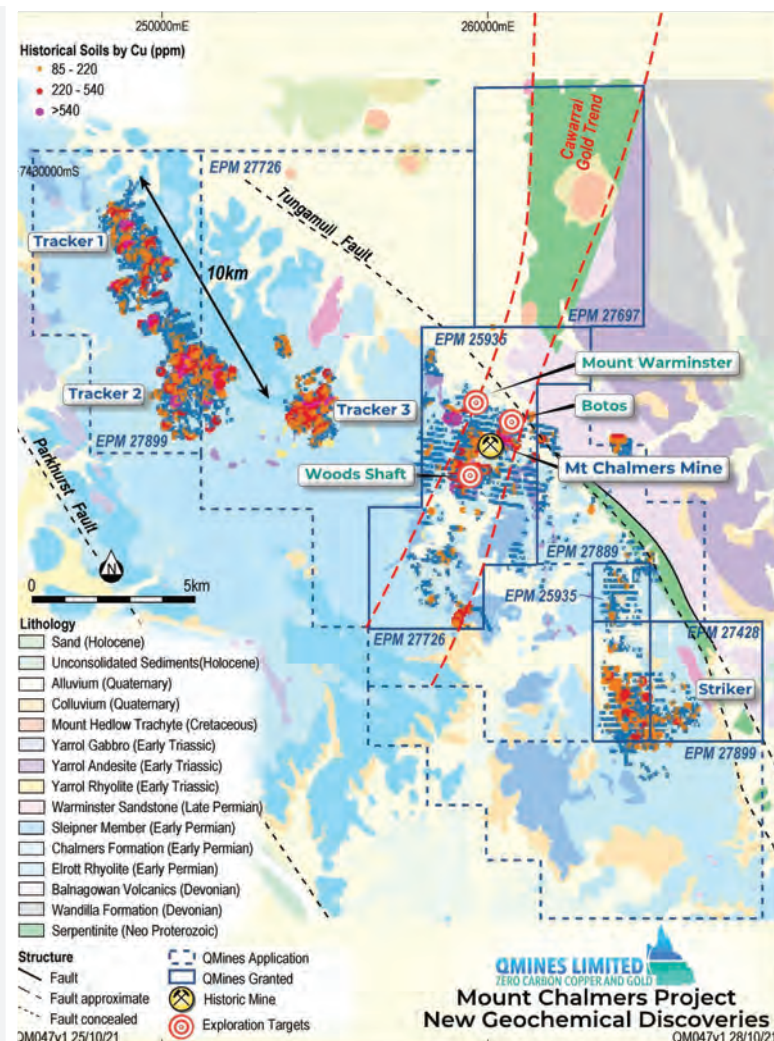


Figure 2: Mt Chalmers Project Tenements, Geology and Soil Anomalies.

<sup>1</sup> ASX Announcement – [Mt Chalmers Resource Upgrade](#), 1 December 2021.

## 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 234km<sup>2</sup>) 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. The 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 (ppm)	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

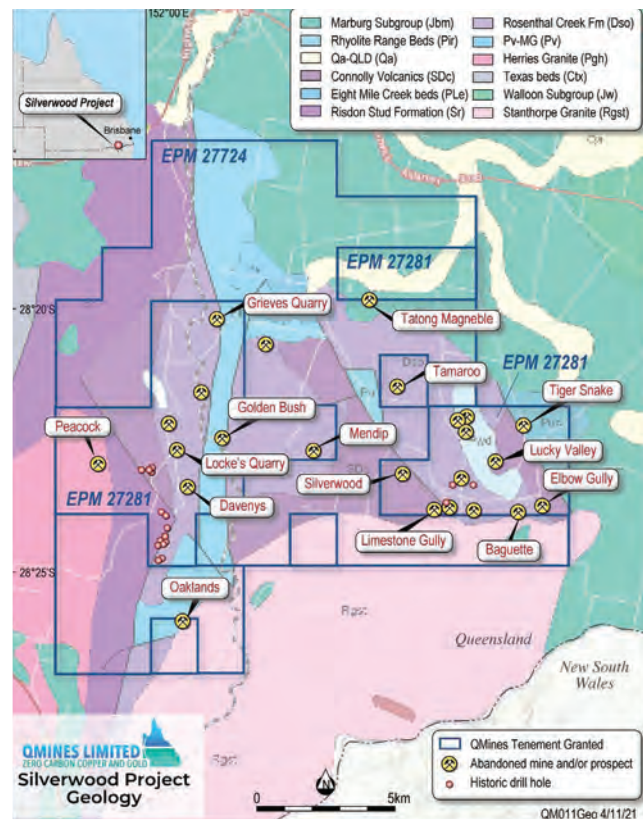


Figure 3: Silverwood Project Tenure and Geology.

## 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 216km<sup>2</sup>.

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.

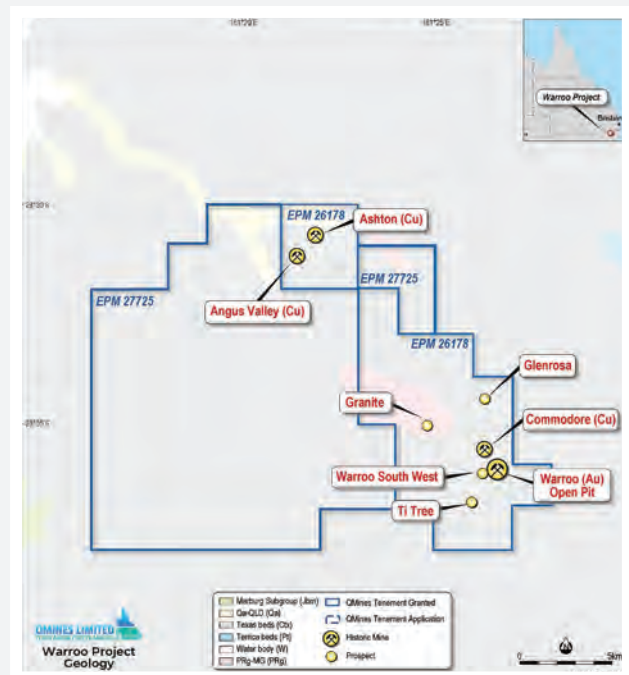


Figure 4: Warroo Project Tenure and Geology.



## Herries Range Project

The Herries Range gold Project comprises three contiguous EPMs, consisting of 110 sub-blocks covering an area of approximately 330km<sup>2</sup>. 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.

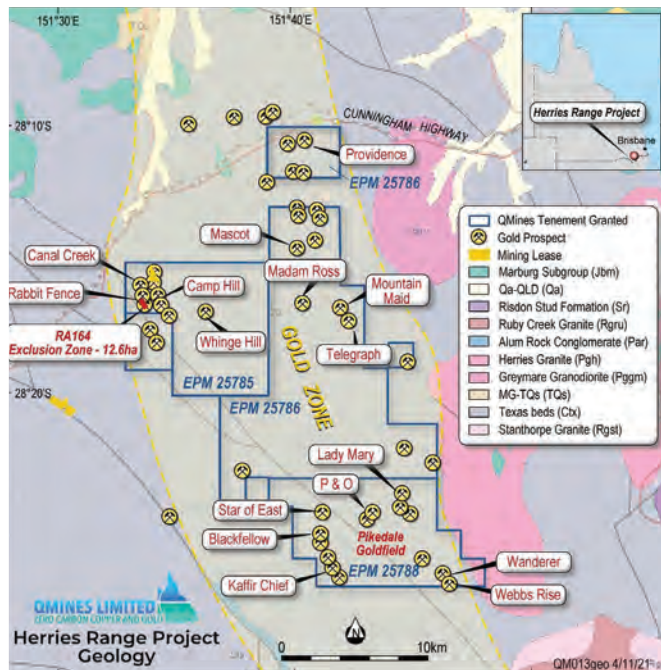


Figure 4: Herries Range Project Geology.

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.

## Corporate

During the period, QMines executed a contract for the purchase of an additional 50 acres of freehold land covering part of the southern open pit and resource at Mt Chalmers. The acquisition was a strategic purchase for the Company, allowing unrestricted access for exploration and drilling to further extend the resource. Freehold land acquisitions form part of the Company's development strategy, positioning Mt Chalmers for potential future development. On completing the acquisition, QMines total landholding was increased to 219 acres around the historic mine site.

The Company held its inaugural Annual General Meeting as a listed entity where it issued 10,550,000 Performance Rights to key staff and Directors. It also released a number of ASX escrowed securities from escrow. The Performance Rights vest as the resource increases towards the Company's initial target of 200,000t CuEq, therefore aligning Directors and key staff interests with shareholder interests. 47,151,069 Shares held by Directors and related parties remain subject to ASX escrow until 4 May 2023.



## Matters Subsequent to the End of the Period

The Company acquired an RC drill rig, booster and auxiliary compressor truck, rod truck and support vehicles, which were delivered to the Company's flagship Mt Chalmers Project, located 17km north-east of Rockhampton in Queensland.

RC drilling operations will commence in March 2022, with site works and rig preparation currently being undertaken. The Company has scheduled additional diamond drilling at the Mt Chalmers Mine area.

The Company also announced it is now one of only three ASX listed resources companies to achieve carbon neutrality for its business operations under the Australian Government's voluntary Climate Active program.

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

## Tenements Held

TENEMENT ID	PROJECT	STATUS	HOLDER	INTEREST
EPM 25935	Mt Chalmers	Granted	Dynasty Gold	100%
EPM 27428	Mt Chalmers	Granted	Rocky Copper	100%
EPM 27726	Mt Chalmers	Granted	QMines	100%
EPM 27697	Mt Chalmers	Granted	Rocky Copper	100%
EPM 27899	Mt Chalmers	Pending	QMines	100%
EPM 27725	Warroo	Granted	QMines	100%
EPM 26178	Warroo	Granted	Dynasty Gold	100%
EPM 27724	Silverwood	Granted	QMines	100%
EPM 27281	Silverwood	Granted	Traprock Resources	100%
EPM 25785	Herries Range	Granted	Traprock Resources	100%
EPM 25786	Herries Range	Granted	Traprock Resources	100%
EPM 25788	Herries Range	Granted	Traprock Resources	100%

## Competent Person Statement (Exploration Targets)

The information in this report which relate 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 (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

QMines 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 1 December 2021 (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 on page 6 of the financial report for the period ended 31 December 2021.

This report is signed in accordance with a resolution of the Board of Directors.



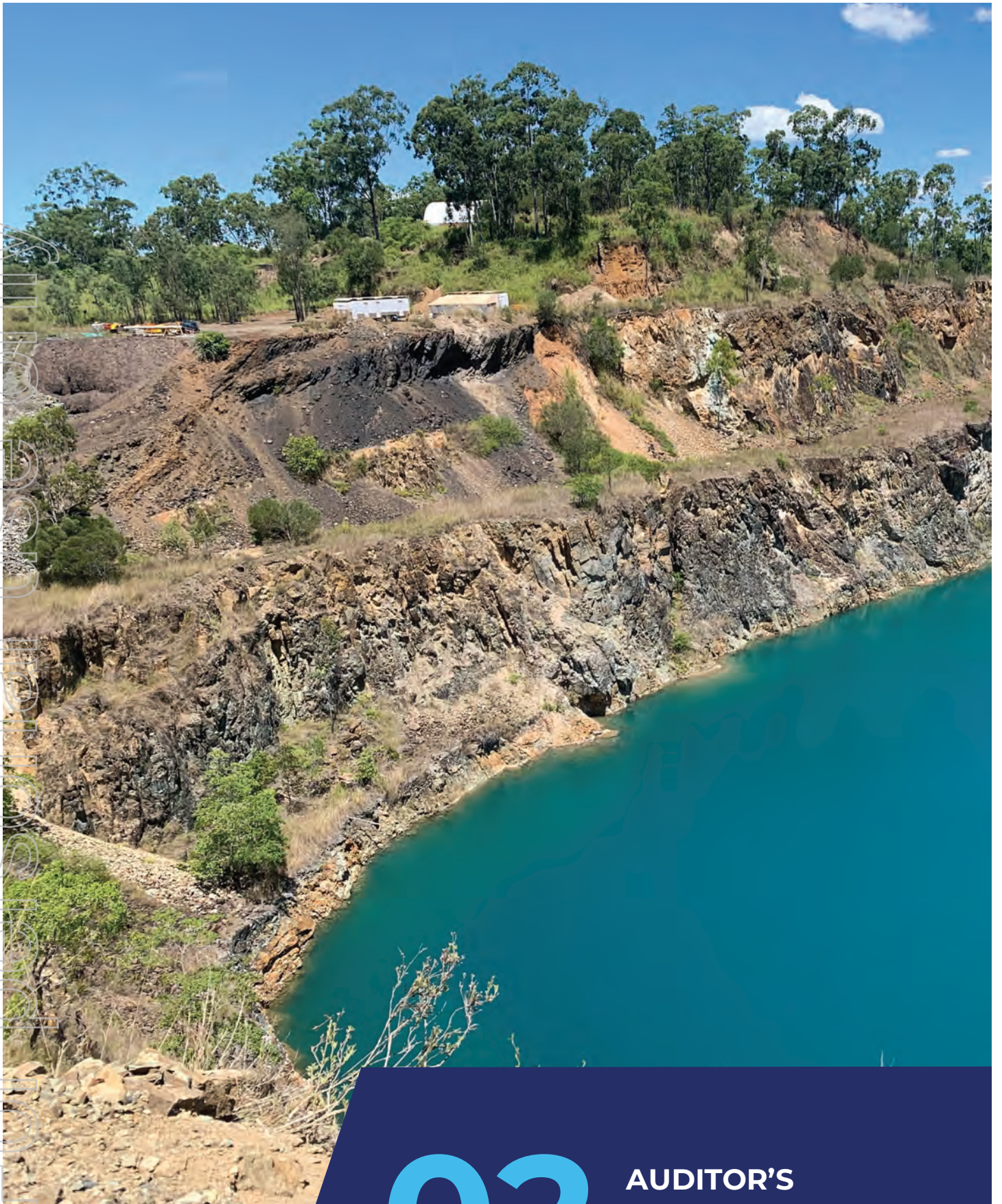
**Andrew Sparke**  
**Executive Chairman**  
16 March 2022



For personal use only



For personal use only



# 02

## AUDITOR'S INDEPENDENCE DECLARATION

**RSM Australia Partners**

Level 13, 60 Castlereagh Street Sydney NSW 2000

GPO Box 5138 Sydney NSW 2001

T +61(0) 2 8226 4500

F +61(0) 2 8226 4501

www.rsm.com.au

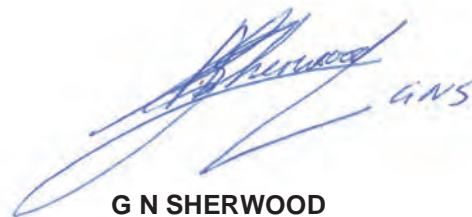
**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of QMines Limited for the half year ended 31 December 2021, 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

**RSM AUSTRALIA PARTNERS**



G N SHERWOOD

Partner

Sydney, NSW

Dated: 16 March 2022



For personal use only

# 03

**CONSOLIDATED  
STATEMENT OF PROFIT  
OR LOSS AND OTHER  
COMPREHENSIVE  
INCOME**

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 31 December 2021.

ITEM	NOTE	CONSOLIDATED	
		HALF YEAR ENDED 31 DECEMBER 2021 (\$)	HALF YEAR ENDED 31 DECEMBER 2020 (\$)
Sales Revenue		-	-
Interest Income		1,251	147
Other Revenue		-	180
Total Revenue		1,251	327
Accounting And Audit Fees		(41,281)	(3,400)
Professional Fees		(299,364)	(200,830)
Consulting Fees		(12,650)	(139,519)
Employee Benefits		(62,448)	(3,187)
Rent Expense		(5,500)	(13,257)
Advertising Expense		(163,545)	(3,398)
Depreciation		(28,474)	(2,248)
Exploration		(10,335)	(6,582)
Share Based Payments Expense		(344,105)	-
Office and Administrative Expense		(325,521)	(43,859)
Other Expenditure		(51,374)	(31,765)
<b>Loss Before Income Tax Expense</b>		<b>(1,343,346)</b>	<b>(447,718)</b>
Income Tax Expense		-	-
<b>Loss For The Period</b>		<b>(1,343,346)</b>	<b>(447,718)</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Loss For the Period</b>		<b>(1,343,346)</b>	<b>(447,718)</b>
Basic Loss Per Share (Cents Per Share)	10	(1.21)	(1.18)
Diluted Loss Per Share (Cents Per Share)	10	(1.21)	(1.18)

The accompanying notes form an integral part of this statement and can be seen in Section 9 of this report.



For personal use only



# 04

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the period ended 31 December 2021.

ITEM	NOTE	CONSOLIDATED	
		AS AT 31 DECEMBER 2021 (\$)	AS AT 30 JUNE 2021 (\$)
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents		5,567,874	9,045,023
Other Current Assets	5	145,778	251,707
<b>TOTAL CURRENT ASSETS</b>		<b>5,713,652</b>	<b>9,296,730</b>
<b>NON-CURRENT ASSETS</b>			
Exploration and Development Assets	7	5,995,487	4,476,787
Property, Plant & Equipment	6	1,903,512	604,496
<b>TOTAL NON-CURRENT ASSETS</b>		<b>7,898,999</b>	<b>5,081,283</b>
<b>TOTAL ASSETS</b>		<b>13,612,651</b>	<b>14,378,013</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables		538,146	336,672
Other Payables		32,406	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>570,552</b>	<b>336,672</b>
<b>TOTAL LIABILITIES</b>		<b>570,552</b>	<b>336,672</b>
<b>NET ASSETS</b>		<b>13,042,099</b>	<b>14,041,341</b>
<b>EQUITY</b>			
Issued capital	8	15,554,250	15,354,251
Reserves	9	415,105	271,000
Accumulated losses		(2,927,256)	(1,583,910)
<b>TOTAL EQUITY</b>		<b>13,042,099</b>	<b>14,041,341</b>

The accompanying notes form an integral part of this statement.



For personal use only



# 05

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 December 2021.

ITEM	ISSUED CAPITAL (\$)	ACCUMULATED LOSSES (\$)	RESERVES (\$)	TOTAL (\$)
<b>Balance at 1 July 2021</b>	15,354,251	(1,583,910)	271,000	14,041,341
Shares Issued During the Period, Net of Capital Raising Costs	199,999	-	-	199,999
Reserves	-	-	144,105	144,105
Loss Attributable to Members	-	(1,343,346)	-	(1,343,346)
<b>Balance at 31 December 2021</b>	<b>15,554,250</b>	<b>(2,927,256)</b>	<b>415,105</b>	<b>13,042,099</b>
<b>Balance at 4 August 2020</b>	-	-	-	-
Shares Issued During the Period, Net of Capital Raising Costs	2,102,600	-	-	2,102,600
Shares issued in Purchase of Asset (Note 8)	3,000,000	-	-	3,000,000
Loss Attributable to Members	-	(447,718)	-	(447,718)
<b>Balance at 31 December 2020</b>	<b>5,102,600</b>	<b>(447,718)</b>	-	<b>4,654,882</b>

The accompanying notes form an integral part of this statement.



For personal use only



# 06

## CONSOLIDATED STATEMENT OF CASH FLOWS

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 December 2021.

ITEM	CONSOLIDATED	
	HALF YEAR ENDED 31 DECEMBER 2021 (\$)	PERIOD ENDED 31 DECEMBER 2020 (\$)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest Received	1,251	147
Payments to Suppliers and Employees	(665,885)	(585,635)
Exploration Expenses Paid	(1,485,024)	(6,582)
<b>Net Cash Used in Operating Activities</b>	<b>(2,149,658)</b>	<b>(591,890)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for Exploration Assets	-	(132,924)
Payments for Property, Plant and Equipment	(1,327,491)	(45,212)
Payment for Acquisition of Subsidiary	-	57
<b>Net Cash Used in Investing Activities</b>	<b>(1,327,491)</b>	<b>(178,079)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds From the Issue of Shares (Net of Costs)	-	2,102,600
<b>Net Cash Provided by Financing Activities</b>	<b>-</b>	<b>2,102,600</b>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>	<b>(3,477,149)</b>	<b>1,332,629</b>
<b>Cash and Cash Equivalents at Beginning of the Period</b>	<b>9,045,023</b>	<b>-</b>
<b>Cash And Cash Equivalents At End Of The Period</b>	<b>5,567,874</b>	<b>1,332,629</b>

The accompanying notes form an integral part of this statement.



For personnel use only



# 07

## NOTES TO THE FINANCIAL STATEMENT

# NOTES TO THE FINANCIAL PERIOD

For the period ended 31 December 2021.

## Note 1: Summary of Accounting Policies

### Statement Of Compliance

These general purpose financial statements for the reporting period ended 31 December 2021 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 2021 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 16 March 2022.

### Basis of Preparation

This interim financial report is intended to inform users on the latest annual financial statements of QMines Limited and its controlled entities ("the Group"). As such, it does not contain all information that would normally be included in annual financial statements.

The comparative information covers the period from the Company's incorporation on 4 August 2020 to 31 December 2020.

## Note 2: Significant Judgements

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

### Key Judgements - Exploration and Evaluation Expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage that permits a reasonable assessment of the existence of reserves. There is significant judgement required on the part of the Management and the Board in determining whether exploration assets are impaired. To this extent they have considered the exploration activities, the current market conditions, the political climate in the jurisdiction in which the assets exist, as well as numerous other factors in their determination that the assets are not impaired. Such capitalised expenditure is carried at the end of the reporting period at \$5,995,487.

- The Group has significant cash reserves to meet its immediate and short-term cash requirements; and
- The Directors are of the opinion that existing shareholders and financiers will continue to fund the company in the short term, and if required additional share capital or debt funding can be sourced to develop the projects further.



### Note 3: New Accounting Standards and Interpretations Not Yet Mandatory or Early 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.

### Note 4: Segment Information

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

### Note 5: Other Current Assets

CONSOLIDATED GROUP		
ITEM	31 DECEMBER 2021 (\$)	30 JUNE 2021 (\$)
Prepayments	-	33,128
Deposits	8,500	25,227
GST receivable	137,278	193,352
<b>TOTAL</b>	<b>145,778</b>	<b>251,707</b>

### Note 6: Property, Plant and Equipment

CONSOLIDATED GROUP		
ITEM	31 DECEMBER 2021 (\$)	30 JUNE 2021 (\$)
<i>Land – at cost</i>	1,534,078	430,000
<i>Office equipment</i>		
At cost	1,711	1,127
Accumulated depreciation	(252)	(89)
<b>Total office equipment</b>	<b>1,459</b>	<b>1,038</b>
<i>Computer equipment</i>		
At cost	8,725	8,725
Accumulated depreciation	(2,544)	(1,445)
<b>Total computer equipment</b>	<b>6,181</b>	<b>7,280</b>
<i>Motor vehicles</i>		
At cost	143,911	131,183
Accumulated depreciation	(22,252)	(8,872)
<b>Total motor vehicles</b>	<b>121,659</b>	<b>122,311</b>

## Note 6: Property, Plant and Equipment (Continued)

CONSOLIDATED GROUP		
ITEM	31 DECEMBER 2021 (\$)	30 JUNE 2021 (\$)
<i>Exploration equipment</i>		
At cost	255,127	45,026
Accumulated depreciation	(14,992)	(1,159)
Total motor vehicles	240,135	43,867
<b>Total property, plant and equipment</b>	<b>1,903,512</b>	<b>604,496</b>

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial period:

ITEM	LAND (\$)	OFFICE EQUIPMENT (\$)	COMPUTER EQUIPMENT (\$)	MOTOR VEHICLES (\$)	EXPLORATION ASSETS (\$)	TOTAL (\$)
Balance at Incorporation	-	-	-	-	-	-
Additions	430,000	1,127	8,725	131,183	45,026	<b>616,061</b>
Depreciation Expense	-	(89)	(1,445)	(8,872)	(1,159)	<b>(11,565)</b>
<b>Balance at 30 June 2021</b>	<b>430,000</b>	<b>1,038</b>	<b>7,280</b>	<b>122,311</b>	<b>43,867</b>	<b>604,496</b>
Additions	1,104,078	584	-	12,728	210,100	<b>1,327,490</b>
Depreciation Expense	-	(163)	(1,099)	(13,380)	(13,832)	<b>(28,474)</b>
<b>Balance at 31 December 2021</b>	<b>1,534,078</b>	<b>1,459</b>	<b>6,181</b>	<b>121,659</b>	<b>240,135</b>	<b>1,903,512</b>

The Company has acquired five rural properties around the Mt Chalmer's mine site, three of which were purchased during the reporting period. The Company's total freehold landholding comprises 244 acres, one landholding of which was bought subsequent to the reporting period.

## Note 7: Exploration and Development Assets

CONSOLIDATED GROUP		
ITEM	31 DECEMBER 2021 (\$)	30 JUNE 2021 (\$)
Exploration expenditure capitalised	5,995,487	4,476,787
Provision for impairment	-	-
<b>Total</b>	<b>5,995,487</b>	<b>4,476,787</b>
Balance at beginning of the period	4,476,787	-
Acquired	-	3,112,871
Additions	1,518,700	1,363,916
<b>Balance at end of the period</b>	<b>5,995,487</b>	<b>4,476,787</b>



## Note 8: Issued Capital

ITEM	31 DECEMBER 2021		30 JUNE 2021	
	NO OF SHARES	\$	NO OF SHARES	\$
<b>Ordinary shares</b>				
Fully paid ordinary shares	111,372,748	15,554,250	110,706,082	15,354,251
At the beginning of reporting period	110,706,082	15,354,251	-	-
Shares issued during the period	-	-	100,206,082	13,863,497
Shares issued in assets acquisition	-	-	10,166,667	3,050,000
Shares issued in payment of services	666,666	199,999	333,333	50,000
Cost of raising capital	-	-	-	(1,609,246)
<b>At the end of reporting period</b>	<b>111,372,748</b>	<b>15,554,250</b>	<b>110,706,082</b>	<b>15,354,251</b>

## Note 9: Reserves

CONSOLIDATED GROUP		
ITEM	31 DECEMBER 2021 (\$)	31 DECEMBER 2020 (\$)
<i>Share based payments reserve</i>		
Balance at beginning of the period	271,000	-
Share based payments expense	144,105	-
<b>Balance at end of the period</b>	<b>415,105</b>	<b>-</b>

During the half-year ended 31 December 2021, the Group issued following performance rights that are convertible into one fully paid ordinary share, subject to attainment of the vesting condition.

NUMBER ISSUED	EXERCISE PRICE	DATE OF ISSUE	VESTING DATE	EXPIRY DATE	PROBABILITY OF VESTING
4,800,000	Nil	12/11/2021	On Satisfaction of Vesting	17/11/2023	50%
5,750,000	Nil	22/12/2021	Conditions	27/12/2023	50%

*Vesting condition for 4,800,000 performance rights:*

- Pro-rata on any 2012 JORC compliant, Queensland based Inferred, Indicated or Measured resource upgrade from the current resource of 73,000t Cu Eqv up to 200,000t Cu Eqv where:
  - The Resource is over 1% Cu Eqv for copper dominant resources; or
  - The Resource is over 1.5 g/t Au Eqv for gold dominant resources; and
  - The Company received a copy of the digital database and JORC Report; and
  - The Company makes an ASX announcement that is released to the market; and
- No earlier than 24 months from the Grant Date.

*Vesting condition for 5,750,000 performance rights:*

- Pro-rata on any 2012 JORC compliant, Queensland based Inferred, Indicated or Measured resource upgrade from the current resource of 73,000t Cu Eqv up to 200,000t Cu Eqv where:
  - The Resource is over 1% Cu Eqv for copper dominant resources; or
  - The Resource is over 1.5 g/t Au Eqv for gold dominant resources; and
  - The Company received a copy of the digital database and JORC Report; and
  - The Company makes an ASX announcement that is released to the market.

## Note 10: Earnings Per Share

ITEM	2021 (Cents)	2020 (Cents)
Basic loss per share	(1.21)	(1.18)
Diluted loss per share	(1.21)	(1.18)

Weighted average number of shares used for the purposes of calculating diluted loss per share reconciles to the number used to calculate basic loss per share as follows:

ITEM	2021 (Cents)	2020 (Cents)
- Basic loss per share	111,256,173	37,827,631
- Diluted loss per share	111,256,173	37,827,631

The loss used to calculate the earnings per share was \$1,270,643.

## Note 11: Related Party Transactions

### Key Management Personnel

For the period ended 31 December 2021, the company incurred consultant fee as follows:

NAME	POSITION	2021 (\$)	2020 (\$)
Andrew Sparke	Executive Chairman	110,000	140,517
Daniel Lanskey	Managing Director (Ceased 14 Sep 2021)	127,500	85,288
Elissa Hansen	Director and Company Secretary	45,000	34,271
James Anderson	General Manager - Operations	130,833	83,750
Peter Caristo	Non-Executive Director (Appointed 14 Sep 2021)	9,625	-
<b>TOTAL</b>		<b>422,958</b>	<b>343,826</b>

As at the period ended 31 December 2021, directors and key management personnel had the following shares in the Group:

NAME	POSITION	2021 (Number)	2020 (Number)
Andrew Sparke	Executive Chairman	24,385,000	24,866,666
Elissa Hansen	Director and Company Secretary	1,500,000	1,500,000
James Anderson	General Manager	9,100,000	9,100,000
Peter Caristo	Non-Executive Director (Appointed 14 Sep 2021)	-	-
Daniel Lanskey	Managing Director (Ceased 14 Sep 2021)	5,306,625	5,000,000
<b>TOTAL</b>		<b>40,291,625</b>	<b>40,466,666</b>



## Note 11: Related Party Transactions (Continued)

As at the period ended 31 December 2021, directors and key management personnel acquired the following performance rights in the Group:

NAME	POSITION	2021 (Number)	2020 (Number)
Andrew Sparke	Executive Chairman	3,500,000	-
Elissa Hansen	Director and Company Secretary	2,000,000	-
James Anderson	General Manager	3,500,000	-
Peter Caristo	Non-Executive Director (Appointed 14-Sep 2021)	250,000	-
Daniel Lanskey	Managing Director (Ceased 14-Sep 2021)	-	-
<b>TOTAL</b>		<b>9,250,000</b>	

## Note 12: Controlled Entities

CONTROLLED ENTITIES CONSOLIDATED	COUNTRY OF INCORPORATION	PERCENTAGE OWNED (%)
PARENT ENTITY:		
<b>QMINES LIMITED</b>	<b>Australia</b>	
SUBSIDIARIES OF <b>QMINES LIMITED</b> :		
Traprock Resources Pty Ltd	<b>Australia</b>	100
Dynasty Gold Pty Ltd	<b>Australia</b>	100
Rocky Copper Pty Ltd	<b>Australia</b>	100

## Note 13: Subsequent Events

The Company acquired an RC drill rig, booster and auxiliary compressor truck, rod truck and support vehicles, which were delivered to the Company's flagship Mt Chalmers Project, located 17km north-east of Rockhampton in Queensland.

RC drilling operations will commence in March 2022, with site works and rig preparation currently being undertaken. The Company has now completed additional diamond drilling at the Mt Chalmers Mine area.

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

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

For personal use only



08

**DIRECTORS'  
DECLARATION**



## DIRECTORS' DECLARATION

In accordance with a resolution of the directors of QMines Limited, the directors' of the Company declare that:

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 2021 and of the performance for the period 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**  
**Executive Chairman**  
16 March 2022



For personal use only





# 09

## INDEPENDENT AUDITOR'S REPORT



**RSM Australia Partners**

Level 13, 60 Castlereagh Street Sydney NSW 2000

GPO Box 5138 Sydney NSW 2001

T +61 (0) 2 8226 4500

F +61 (0) 2 8226 4501

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

**INDEPENDENT AUDITOR'S REVIEW REPORT**

**TO THE MEMBERS OF**

**QMINES LIMITED AND ITS CONTROLLED ENTITIES**

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of QMines Limited which comprises the consolidated statement of financial position as at 31 December 2021, 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.

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

The directors of the company 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 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*

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 2021 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*. As the auditor of QMines Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. 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.

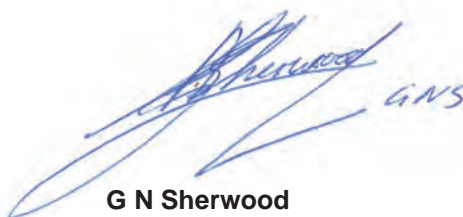
### *Conclusion*

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 2021 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*.

RSM

**RSM AUSTRALIA PARTNERS**

  
GNS

**G N Sherwood**  
Partner

Sydney, NSW  
Dated: 16 March 2022

For personal use only



For personal use only



## CONTACT

**Andrew Sparke**

Executive Chairman  
Mobile: +61 422 283 022  
Email: [andrew@qmines.com.au](mailto:andrew@qmines.com.au)

**Peter Nesveda**

Investor Relations  
Mobile: +61 412 357 375  
Email: [peter@qmines.com.au](mailto:peter@qmines.com.au)

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

