

QMines Limited
ACN 643 212 104



PROSPECTUS

For an offer of 33,333,334 Shares at an issue price of \$0.30 per Share to raise \$10,000,000.

Oversubscriptions of up to a further 33,333,332 Shares at an issue price of \$0.30 per Share to raise up to a maximum of \$20,000,000 may be accepted.

The Offer is conditional upon satisfaction of the Conditions, which are described in Section 4.6. No Shares will be issued pursuant to this Prospectus until the Conditions are satisfied.



Lead Manager **ShawandPartners**
an EFG company

Legal Adviser **STEINPREIS PAGANIN**
Lawyers & Consultants 

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have questions about the Shares being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Shares offered by this Prospectus should be considered as highly speculative.

IMPORTANT NOTICE

This Prospectus is dated 16 March 2021 and was lodged with ASIC on that date. ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares, the subject of this Prospectus, should be considered as highly speculative.

EXPOSURE PERIOD

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications for Shares under this Prospectus will not be accepted by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

NO OFFERING WHERE OFFERING WOULD BE ILLEGAL

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. It is important that investors read this Prospectus in its entirety and seek professional advice where necessary.

No action has been taken to register or qualify the Shares or the offer, or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia. This Prospectus has been prepared for publication in Australia and may not be released or distributed in the United States of America.

ELECTRONIC PROSPECTUS

A copy of this Prospectus can be downloaded from the website of the Company at www.qmines.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 (02) 8915 6241 during office hours or by emailing the Company at info@qmines.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

COMPANY WEBSITE

No document or other information available on the Company's website is incorporated into this Prospectus by reference.

NO COOLING-OFF RIGHTS

Cooling-off rights do not apply to an investment in Shares issued under the Prospectus. This means that, in most circumstances, you cannot withdraw your application once it has been accepted.

NO INVESTMENT ADVICE

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Shares under this Prospectus to determine whether it meets your objectives, financial situation and needs.

RISKS

You should read this document in its entirety and, if in any doubt, consult your professional advisers before deciding whether to apply for Shares. There are risks associated with an investment in the Company. The Shares offered under this Prospectus carry no guarantee with respect to return on capital investment,

payment of dividends or the future value of the Shares. Refer to Section D of the Investment Overview as well as Section 7 for details relating to some of the key risk factors that should be considered by prospective investors. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7.

FINANCIAL FORECASTS

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

COMPETENT PERSONS STATEMENT

The information in the Investment Overview (Section 3), the Company and Projects Overview (Section 5), and the Independent Geologist's Report (Annexure A), 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). Simon 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'. Simon Tear is a director and consultant geologist of H&S Consultants. Simon Tear consents to the inclusion of the information in these Sections of the Prospectus in the form and context in which it appears.

CONTINUOUS DISCLOSURE OBLIGATIONS

Following admission of the Company to the Official List, the Company will be a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Shares.

Price sensitive information will be publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

CLEARING HOUSE ELECTRONIC SUB-REGISTER SYSTEM (CHESS) AND ISSUER SPONSORSHIP

The Company will apply to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

PHOTOGRAPHS AND DIAGRAMS

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

DEFINITIONS AND TIME

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and

interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 12.

All references to time in this Prospectus are references to Australian Eastern Daylight Time (AEDT).

PRIVACY STATEMENT

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your Shares in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

ENQUIRIES

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offer or how to accept the Offer please call the Company Secretary on +61 (02) 8915 6241.



CORPORATE DIRECTORY

DIRECTORS

Andrew Sparke
Executive Chairman

Daniel Lanskey
Managing Director

Elissa Hansen
Non-Executive Director & Company Secretary

PROPOSED ASX CODE

QML

REGISTERED OFFICE

Suite J, 34 Suakin Drive
Mosman NSW 2088

Telephone:
+ 61 (02) 8915 6241

Email
info@qmines.com.au

Website
www.qmines.com.au

LEGAL ADVISER

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Level 4, 50 Market Street, Melbourne VIC 3000

LEAD MANAGER

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AFSL No. 236048
Level 7, Chifley Tower, 2 Chifley Square, Sydney NSW 2000

INVESTIGATING ACCOUNTANT

RSM Corporate Australia Pty Ltd
ACN 050 508 024
AFSL No. 255847
Level 13, 60 Castlereagh Street, Sydney NSW 2000

AUDITOR*

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

INDEPENDENT GEOLOGIST

H & S Consultants Pty Limited
ACN 155 972 080
Level 4, 46 Edward Street, Brisbane QLD 4000

SHARE REGISTRY*

Boardroom Pty Limited
ACN 003 209 836
Grosvenor Place, Level 12, 225 George Street, Sydney NSW 2000

Telephone:
+61 (02) 9290 9600

* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.

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CHAIRMAN'S LETTER



Dear Investor,

On behalf of the directors of QMines Limited, it gives me great pleasure to invite you to become a shareholder in our Company.

QMines was established to take advantage of an opportunity the Directors identified in the Queensland mining industry. Excluding Olympic Dam, Queensland is Australia's largest copper producing state, with several large copper mines and extensive infrastructure.

Having recently sold Alt Resources Limited (ASX:ARS) (now delisted), which owns the historic Bottle Creek gold mine in Western Australia, QMines' management sought to establish a brownfield focussed exploration company with the aim of becoming Queensland's next copper and gold developer.

QMines' directors have sought to create a company with exposure to the safe haven asset of gold, the growth potential of copper and the diversification benefits of a multi commodity focus.

QMines holds a 100% interest in the Mount Chalmers project, located east of Rockhampton in Queensland. The Mount Chalmers copper and gold mine produced 1.24 Mt @ 2.0% Cu, 3.6g/t Au and 19g/t Ag during periodic mining between 1898 and 1982. The Company aims to create a low cost, low emission, sustainable mining operation to supply copper to the growing green energy sector and meet the anticipated demand growth.

The Company also holds a 100% interest in the Silverwood, Warroo and Herries Range projects located south east of Brisbane in Queensland. The Warroo project has also seen historic copper and gold mining activity which warrants further exploration.

Underlying QMines' growth strategy is a strong belief that a systematic exploration program, over time, will yield results. The Company is led by an experienced Board and management team with expertise in the mining and exploration industry. The Board aims to ensure that funds raised through the Offer will be utilised in a cost-effective manner to advance the Company's business.

The Company is seeking to raise a minimum of \$10 million and a maximum of \$20 million through the issue of Shares at an issue price of \$0.30 per Share under the Offer. The key purpose of the Offer is to provide additional funds to advance exploration on the Company's projects following the successful listing of the Company on ASX.

This Prospectus contains detailed information about the Company, its growth strategy, and the Offer, as well as the risks of investing in the Company. I encourage you to read it carefully and seek professional advice. The Shares offered by this Prospectus should be considered highly speculative.

I would like to take this opportunity to thank existing shareholders, project vendors, our team and the local community for all their efforts and support to date. On behalf of the board, I look forward to welcoming new shareholders to share in our exciting future as we seek to become Queensland's next copper and gold developer.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Andrew Sparke'.

Andrew Sparke
Executive Chairman



02

**KEY OFFER
INFORMATION**

INDICATIVE TIMETABLE¹

Lodgement of Prospectus with ASIC	16 March 2021
Exposure Period begins	16 March 2021
Opening Date	24 March 2021
Closing Date	7 April 2021
Issue of Shares under the Offer	15 April 2021
Despatch of holding statements	16 April 2021
Expected date for quotation on ASX	21 April 2021

1. The above dates are indicative only and may change without notice. The Exposure Period may be extended by ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act. The Company reserves the right to extend the Closing Date or close the Offer early without prior notice. The Company also reserves the right not to proceed with the Offer at any time before the issue of Shares to applicants.
2. If the Offer is cancelled or withdrawn before completion of the Offer, then all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their applications as soon as possible after the Offers open.

KEY DETAILS OF THE OFFER

	MINIMUM SUBSCRIPTION (\$10 MILLION)	MAXIMUM SUBSCRIPTION (\$20 MILLION)
Shares currently on issue	72,035,719	72,035,719
Offer price per Share	\$0.30	\$0.30
Shares to be issued under the Offer	33,333,334	66,666,666
Gross proceeds of the Offer	\$10,000,000	\$20,000,000
Shares expected to be quoted on ASX post-listing ¹	40,767,860	74,101,192
Options on issue Post-Listing ²	4,200,000	4,200,000
Shares on issue Post-Listing	105,369,053	138,702,385
Market Capitalisation Post-Listing³	\$31,610,716	\$41,610,716

NOTES:

1. Certain Shares on issue post-listing will be subject to escrow and restricted from trading. Refer to Section 5.9 for further information.
2. Refer to Section 10.3 for the terms of the Options.
3. Based on an Offer price per Share of \$0.30. Shares may trade above or below this price.



03 INVESTMENT OVERVIEW

This Section is a summary only and is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

ITEM	SUMMARY	FURTHER INFORMATION
A. COMPANY		
Who is the issuer of this Prospectus?	QMiners Limited (ACN 643 212 104).	Section 5.1
Who is the Company?	The Company is an Australian public company, which was incorporated on 4 August 2020.	Section 5.1
What are the details of the Company's recent acquisitions?	On 24 December 2020, the Company acquired all of the issued shares in Traprock Resources Pty Ltd (ACN 164 765 842) from Traprock Mining Limited (ACN 614 830 821). Dynasty Gold Pty Ltd (ACN 604 136 558) is a wholly owned subsidiary of Traprock Resources. Traprock Resources and Dynasty Gold hold exploration permits for 4 copper, gold and base metals projects in Queensland. On 19 January 2021, the Company acquired all of the issued shares in Rocky Copper Pty Ltd (ACN 636 974 859) from Orefox Exploration Pty Ltd (ACN 636 974 420). Rocky Copper holds 1 EPM and 1 EPM application.	Section 5.1
What are the Company's projects?	Mt Chalmers Project The Company's flagship project, the Mt Chalmers Project, is situated approximately 17km north-east of Rockhampton in Queensland. The Company holds EPM 25935 and EPM 27428, which cover an area of approximately 51km² and it has recently extended the Mt Chalmers tenement package, applying for EPM 27726 and acquiring the application for EPM 27697, which cover an area of approximately 147km². Silverwood Project The Silverwood Project is located 15km south of the regional centre of Warwick in Queensland. The project consists of EPM 27281 and EPM 27724 which cover an area of approximately 234km². Warroo Project The Warroo Project is located 50km west of Stanthorpe in Queensland. The Warroo Project consists of EPM 26178 and EPM 27725, which cover an area of approximately 216km². Herries Range Project The Herries Range Project comprises three contiguous EPMs, EPM 25785, EPM 25786 and EPM 25788 covering an area of approximately 330km². The project is situated 40km west of Warwick in Queensland, covering the central and southern portions of the Warwick Goldfields.	Section 5.2, Annexure A
B. BUSINESS MODEL		
What is the Company's business model and key objectives?	The Company's proposed business model is to conduct exploration aimed at growing the existing resource base, assess regional acquisition opportunities and consider	Section 5.3

ITEM	SUMMARY	FURTHER INFORMATION
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potential commercialisation opportunities. This will be achieved by undertaking the Company's intended exploration programs as set out in Section 5.5, while reviewing other regional opportunities.

The Company proposes to fund its exploration activities over the first two years following listing as outlined in the table set out in Section 5.6.

What are the key dependencies of the Company's business model?	The key dependencies of the Company's business model include: (a) completing the Offer; (b) maintaining title to the Projects; (c) gaining timely access to Project areas in compliance with Queensland legislation and mining regulations; (d) retaining and recruiting key personnel skilled in the mining and resources sector; (e) there being sufficient capital available to the Company to carry out its exploration and development plans; and (f) the market price of copper and gold remaining higher than the Company's costs of any future production (assuming successful exploration by the Company).	Section 5.4
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The Company's growth strategy is based on conducting extensive exploration and drilling operations at the Company's 4 copper, gold and base metal projects in Queensland.

What is the Company's growth strategy?

The Company aims to make new discoveries and grow resources that comply with the JORC Code 2012 through the application of multidisciplinary geoscientific processes.

In addition, the Company will continue to examine potential acquisition opportunities that complement its existing asset base to add value its Shareholders.

Section 5

C. KEY ADVANTAGES

What are the key advantages of an investment in the Company?	The Directors are of the view that an investment in the Company provides the following non-exhaustive list of advantages: (a) the Projects include historic copper and gold producing mines in Queensland; (b) the Company has a JORC Code 2012 compliant Inferred Resource at Mt Chalmers; (c) the Projects contain 4 JORC Code 2012 compliant Exploration Targets; (d) the Company has planned an extensive exploration program to test the prospectivity of the Projects over the next 24 months; and (e) the Company's management team has a strong mix of skills and experience in the exploration sector, ensuring execution of the Company's objectives.	Section 5
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ITEM	SUMMARY	FURTHER INFORMATION
D. KEY RISKS		
What are the key risks of an investment in the Company?	An investment in the Company should be considered highly speculative. Set out below is a summary of only some of the risks which apply to an investment in the Company. Investors should refer to Section 7 for a more detailed summary of the risks.	Section 7, Annexure B
<i>Exploration and development</i>	Mineral exploration and development is a speculative and high risk undertaking. There can be no assurance that exploration on the Projects will result in further discoveries, additional resources, or an economically viable mine.	
<i>Tenure</i>	Some of the Tenements are at various stages of application and grant. There can be no assurance that the tenement applications will be granted. There can also be no assurance that if a relevant Tenement is granted, it will be granted in its entirety. Additionally, some of the tenement areas applied for may be excluded. Refer to the Solicitor's Report on Tenements in Annexure B for further information on the Company's Tenements.	
<i>Commodity price volatility and exchange rate risks</i>	If the Company achieves success leading to mineral production, the revenue it will derive through the sale of product exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors. International prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.	
<i>Environmental</i>	The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. Mining operations have inherent risks and liabilities associated with safety, damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.	

ITEM	SUMMARY	FURTHER INFORMATION
	Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programs or mining activities. The Company is aware that due to the historical production and processing of ore at the Mt Chalmers Project, some environmental impact may have occurred, including acid mine drainage. The Company intends to implement an environmental management plan for the Project in consultation with appropriate independent parties and authorities.	
Access	Several of the Tenements overlap certain third-party interests that may limit the Company's ability to conduct exploration and mining activities including private land and areas on which native title is yet to be determined. Planned exploration or potential future mining activities will require the Company to enter into conduct and compensation agreements with various land holders to ensure the requirements of the <i>Mineral Resources Act 1989</i> (QLD) and the <i>Mineral and Energy Resources (Common Provisions) Act 2014</i> (QLD) are satisfied and to avoid any disputes arising. The entry into these agreements is not guaranteed and may delay or prevent the undertaking of activities, including any exploration activities and the development of future mines, and may restrict the areas within which the Company can explore for mineral development. Please refer to the Solicitor's Report on Tenements in Annexure B for further information.	

E. DIRECTORS AND KEY MANAGEMENT PERSONNEL

Who are the Directors?	The Board consists of: (a) Andrew Sparke – Executive Chairman (b) Daniel Lanskey – Managing Director (c) Elissa Hansen – Non-Executive Director and Company Secretary The profiles of each of the Directors are set out in Section 8.1.	Section 8.1
What are the significant interests of Directors in the Company?	Each of the Directors, through entities they control, hold Shares.	Section 8.3
What are the significant interests of advisors to the Company?	Under the Offer Management Agreement, the Company has agreed that it will issue the Lead Manager 2,500,000 Options with an exercise price of \$0.375 and a term of 3 years from the date of the Company's admission to the Official List.	Section 9.1
What related party agreements are the Company a party to?	The Company has entered into executive services agreements with Andrew Sparke and Daniel Lanskey, and a letter of appointment with Elissa Hansen. The Company has also	Section 9.6

ITEM	SUMMARY	FURTHER INFORMATION
	entered into deeds of indemnity, insurance and access with each of the Directors.	
What other agreements with key management personnel are the Company a party to?	The Company has entered into an agreement with James Anderson, General Manager, Operations, who is a substantial shareholder of the Company.	Section 9.7
F. FINANCIAL INFORMATION		
How has the Company been performing?	Given the Company was incorporated on 4 August 2020, it has limited financial performance and has no operating history. Historical financial information in relation to Traprock Resources and a pro forma statement of financial position showing the impact of the Offer is included in Section 6.	Section 6
What is the financial outlook for the Company?	Given the current status of the Projects and the speculative nature of the Company's business, the Directors do not consider it appropriate to forecast future earnings. The Company will incur considerable expenditure on exploration aimed at adding value and de-risking the Projects. Any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection on a reasonable basis.	Section 5
G. OFFER		
What is being offered?	The Offer is an offer of 33,333,334 Shares at an issue price \$0.30 per Share to raise a minimum of \$10,000,000 (before costs). The Company reserves the right to accept subscriptions for a further 33,333,332 Shares at an issue price of \$0.30 per Share to raise up to an additional \$10,000,000 (before costs).	Section 4
What is the structure of the Offer?	The Offer comprises: (i) the Broker Firm Offer, which is open to investors who have received a firm allocation from their broker (refer to Section 4.8.2); (ii) the Chairman's List Offer, which is open to selected investors who have received an invitation from the Chairman to participate (refer to Section 4.8.3); and (iii) the Public Offer, which is open to those members of the public who submit an application using the Application Form (refer to Section 4.8.1).	Section 4.2
Is there a minimum subscription under the Offer?	The minimum amount to be raised under the Offer is \$10,000,000.	Section 4.3

ITEM	SUMMARY	FURTHER INFORMATION
What is the allocation policy in respect of the Offer?	Refer to Section 4.9 for a summary of the Company's allocation policy in respect of the Offer generally, and Sections 4.8.2 and 4.8.3 for the allocation policies in respect of the Broker Firm Offer and Chairman's List Offer, respectively.	Section 4.9, Section 4.8.2, Section 4.8.3
What are the purposes of the Offer?	The purposes of the Offer are to: (a) position the Company to seek to achieve the objectives stated in Section B of this Investment Overview; (b) facilitate an application by the Company for admission to the Official List of ASX and provide the Company with future access to equity capital markets for funding; and (c) enhance the public and financial profile of the Company to facilitate further growth of the Company's business. The Board believes that, on completion of the Offer, the Company will have sufficient working capital to achieve its objectives.	Section 4.7
Is the Offer underwritten?	The Offer is not underwritten.	
Who is the lead manager to the Offer?	The Company has appointed Shaw and Partners Limited as lead manager to the Offer. The Lead Manager will receive the following fees (exclusive of GST): (a) a capital raising fee of 6% of total funds raised under the Offer; (b) a corporate advisory fee of \$200,000 upon the successful listing of the Company; and (c) 2,500,000 Options at an exercise price of \$0.375 and an expiry of 3 years from the date of the Company's listing on ASX.	Section 4.5, Section 9.1
Who is eligible to participate in the Offer?	This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.	Section 4.12
How do I apply for Shares under the Offer?	Applications for Shares under the Public Offer must be made by completing the Application Form attached to this Prospectus in accordance with the instructions set out in the Application Form. Applications for Shares under the Broker Firm Offer and Chairman's List Offer must be made by following the instructions set out in Section 4.8.2 and 4.8.3 respectively.	Section 4.8
What is the allocation policy in respect of the Public Offer?	The Company retains an absolute discretion to allocate Shares under the Public Offer, and will be influenced by the factors set	Section 4.9

ITEM	SUMMARY	FURTHER INFORMATION
	out in Section 4.9. There is no assurance that any applicant will be allocated any Shares, or the number of Shares for which it has applied, under the Public Offer.	
What will the Company's capital structure look like on completion of the Offer?	The Company's capital structure on a post-Offer basis is set out in Section 5.7. Upon completion of the Offer, the Company estimates that it will have 'free float' of at least 32%, being the Shares issued under the Offer. In addition, the Company notes that a number of Shares currently on issue are likely to be tradeable post-listing, which will increase the Company's free float.	Section 5.7
What are the terms of the Shares offered under the Offer?	A summary of the material rights and liabilities attaching to the Shares offered under the Offer are set out in Section 10.2.	Section 10.2
Will any Shares be subject to escrow?	None of the Shares issued under the Offer will be subject to escrow. However, certain Shares previously issued by the Company will be subject to escrow. The Company will announce to ASX full details (quantity and duration) of the Shares required to be held in escrow prior to the Shares commencing trading on ASX.	Section 5.9
Will the Shares be quoted?	Application for quotation of all Shares to be issued under the Offer will be made to ASX no later than 7 days after the date of this Prospectus.	Section 4.10
What are the key dates of the Offer?	The key dates of the Offer are set out in the indicative timetable under Key Offer Information.	Key Offer Information
What is the minimum investment size under the Offer?	Applications under the Offer must be for a minimum of \$2,000.10 worth of Shares (6,667 Shares).	Section 4.8
Are there any conditions to the Offer?	No, other than raising the Minimum Subscription and ASX approval for quotation of the Shares, the Offer is unconditional.	Section 4.6

H. USE OF FUNDS

	The Offer proceeds and the Company's existing cash reserves will be used for:	
How will the proceeds of the Offer be used?	(a) implementing the Company's business objectives and exploration programs; (b) expenses of the Offer; (c) administration costs; and (d) working capital.	Section 5.6

ITEM	SUMMARY	FURTHER INFORMATION
Will the Company be adequately funded after completion of the Offer?	The Directors are satisfied that on completion of the Offer, the Company will have sufficient working capital to carry out its objectives as stated in this Prospectus.	

I. ADDITIONAL INFORMATION

Is there any brokerage, commission or duty payable by applicants?	No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Offer. However, the Company will pay to the Lead Manager 6% (excluding GST) of the total amount raised under the Offer.	Section 4.13
Can the Offer be withdrawn?	The Company reserves the right not to proceed with the Offer at any time before the issue or transfer of Shares to successful applicants. If the Offer does not proceed, application monies will be refunded (without interest).	Section 4.15
What are the tax implications of investing in Shares?	Holders of Shares may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Shares subscribed for under this Prospectus. The tax consequences of any investment in Shares will depend upon an investor's particular circumstances. Applicants should obtain their own independent tax advice prior to deciding whether to subscribe for Shares offered under this Prospectus.	Section 4.14
Is there an Employee Incentive Scheme?	The Company has adopted an employee securities incentive plan.	Section 10.4
What is the Company's Dividend Policy?	The Company anticipates that significant expenditure will be incurred in the evaluation and development of the Company's Projects. These activities, together with the possible acquisition of interests in other projects, are expected to dominate at least the first two-year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period. Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results, the financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.	Section 5.11
What are the corporate governance principles and policies of the Company?	To the extent applicable, in light of the Company's size and nature, the Company has adopted <i>The Corporate Governance Principles and Recommendations (4th Edition)</i> as published by ASX Corporate Governance Council. Prior to listing on the ASX, the Company will announce its main corporate governance policies and practices and the Company's compliance with and departures from the Recommendations.	Section 8.5

ITEM	SUMMARY	FURTHER INFORMATION
Where can I find out more information?	(a) By speaking to your sharebroker, solicitor, accountant or other independent professional adviser; (b) By contacting the Company's share registry on +61 (02) 9290 9600; or (c) By contacting the Company Secretary on +61 (02) 8915 6241.	

This Section is a summary only and is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.



04

DETAILS OF THE
OFFER

4.1 THE OFFER

The Offer is an initial public offering of 33,333,334 Shares at an issue price of \$0.30 per Share to raise a minimum of \$10,000,000.

The Shares issued under the Offer will be fully paid and will rank equally with all other existing Shares currently on issue. A summary of the material rights and liabilities attaching to the Shares is set out in Section 10.2.

4.2 OFFER STRUCTURE

The Offer comprises:

- (a) the Broker Firm Offer, which is open to investors who have received a firm allocation from their broker (refer to Section 4.8.2);
- (b) the Chairman's List Offer, which is open to selected investors who have received an invitation from the Company's Chairman to participate (refer to Section 4.8.3); and
- (c) an offer to the general public, who may apply for Shares under the Offer using the Application Form (refer to Section 4.8.1) (**Public Offer**).

The allocation of Securities between the Broker Firm Offer, Chairman's List Offer and the Public Offer will be determined by agreement between the Company and the Lead Manager having regard to the allocation policy described in Section 4.9.

The Offer is not underwritten.

4.3 MINIMUM SUBSCRIPTION

The minimum subscription under the Offer is \$10,000,000 (33,333,334 Shares).

If the Minimum Subscription has not been raised within four (4) months after the date of this Prospectus, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

4.4 OVERSUBSCRIPTIONS AND MAXIMUM SUBSCRIPTION

Oversubscriptions of up to a further 33,333,332 Shares, to raise a maximum total of \$20,000,000 may be accepted by the Company.

4.5 LEAD MANAGER

The Company has appointed Shaw and Partners Limited as lead manager to the Offer.

Refer to Section 9.1 for a summary of the terms of the Offer Management Agreement.

4.6 CONDITIONS OF THE OFFER

The Offer is conditional upon the following events occurring:

- (a) the Minimum Subscription being raised; and
- (b) ASX granting conditional approval for the Company to be admitted to the Official List.

(together the **Conditions**).

If these Conditions are not satisfied, then the Offer will not proceed and the Company will repay all application monies received under the Offer within the time prescribed under the Corporations Act, without interest.

4.7 PURPOSE OF THE OFFER

The primary purposes of the Offer are to:

- (a) assist the Company to meet the admission requirements of ASX under Chapters 1 and 2 of the ASX Listing Rules;
- (b) provide the Company with additional funding for:
 - (i) the proposed exploration programs at the Projects (as further detailed in Section 5.5);
 - (ii) acquisition opportunities that may be presented to the Board from time to time;
 - (iii) the Company's working capital requirements while it is implementing the above; and
- (c) remove the need for an additional disclosure document to be issued upon the sale of any Shares that are to be issued under the Offer.

The Company intends on applying the funds raised under the Offer together with its existing cash reserves in the manner detailed in Section 5.6.

4.8 APPLICATIONS

Applications for Shares under the Offer must be for a minimum of \$2,000.10 worth of Shares (being 6,667 Shares). Payment for the Shares must be made in full at the issue price of \$0.30 per Share.

Completed Application Forms and accompanying cheques, made payable to **"QMiner Limited - Share Application Account"** and crossed **"Not Negotiable"**, must be mailed or delivered to the address set out on the Application Form by no later than 5:00pm (Sydney time) on Wednesday, 7 April 2021.

If paying by BPAY®, please follow the instructions on the Application Form. A unique reference number will be quoted upon completion of the online application. Your BPAY® reference number will process your payment to your application electronically and you will be deemed to have applied for such Shares for which you have paid. Applicants using BPAY® should be aware of their financial institutions cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the Closing Date of the Offer. You do not need to return any documents if you have made payment via BPAY®.

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final.

The Company reserves the right to close the Offer early.

4.8.1 PUBLIC OFFER APPLICATIONS

Applications for Shares under the Public Offer must be made by using the relevant Application Form as follows:

- (a) using an online Application Form at www.qmines.com.au and pay the application monies electronically; or
- (b) completing a paper-based application using the relevant Application Form attached to, or accompanying, this Prospectus or a printed copy of the relevant Application Form attached to the electronic version of this Prospectus.

By completing an Application Form, each applicant under the Public Offer will be taken to have declared that all details and statements made by them are complete and accurate and that they have received the Application Form together with a complete and unaltered copy of the Prospectus.

4.8.2 BROKER FIRM OFFER APPLICATIONS

WHO CAN APPLY?

The Broker Firm Offer is open to persons who have received a firm allocation of Shares from their broker. If you have received a firm allocation of Shares from your broker, you will be treated as a Broker Firm Offer Applicant in respect of that allocation. You should contact your Broker to determine whether you can receive an allocation of Shares from them under the Broker Firm Offer.

HOW TO APPLY?

If you have received an allocation of Shares from your broker and wish to apply for those Shares under the Broker Firm Offer, you should contact your broker for information about how to submit your Broker Firm Offer Application Form and for payment instructions.

Applicants under the Broker Firm Offer must not send their Application Forms or payment to the Company's share registry. Applicants under the Broker Firm Offer should contact their broker to request a copy of this Prospectus and Application Form.

Your broker will act as your agent and it is your broker's responsibility to ensure that your Application Form and application funds are received before 5:00pm (Sydney time) on the Closing Date or any earlier closing date as determined by your broker.

If you are an investor applying under the Broker Firm Offer, you should complete and lodge your Broker Firm Offer Application Form with the broker from whom you received your firm allocation. Broker Firm Offer Application Forms must be completed in accordance with the instructions given to you by your broker and the instructions set out on the reverse of the Application Form.

The Company, Lead Manager and the Company's share registry take no responsibility for any acts or omissions committed by your broker in connection with your Application.

PAYMENT METHODS

Applicants under the Broker Firm Offer must pay their application amounts to their broker in accordance with instructions provided by their broker.

ALLOCATION POLICY UNDER THE BROKER FIRM OFFER

Shares that have been allocated to brokers will be issued to the Applicants nominated by those brokers. It will be a matter for each broker as to how they allocate Securities among their retail clients.

4.8.3 CHAIRMAN'S LIST OFFER APPLICATIONS

WHO CAN APPLY?

The Chairman's List Offer is open to selected investors who have received an invitation from the Chairman to participate.

The Chairman's List Offer is not a general public offer and is not open to persons outside Australia.

HOW TO APPLY?

If you have received an invitation from the Chairman and you wish to apply for Shares, you should follow the instructions in your personalised invitation.

ALLOCATION POLICY UNDER THE CHAIRMAN'S OFFER

Applicants under the Chairman's List Offer will receive a guaranteed allocation of Shares in the amount notified on their invitation. Beyond this, the allocation of Shares to Applicants under the Chairman's List Offer will be determined by the Lead Manager and the Company taking into account the factors set out in Section 4.9.

4.9 ALLOCATION POLICY UNDER THE OFFER

The Company retains an absolute discretion to allocate Shares under the Offer and reserves the right, in its absolute discretion, to allot to an applicant a lesser number of Shares than the number for which the applicant applies, or to reject an Application Form. If the number of Shares allotted is fewer than the number applied for, surplus application money will be refunded without interest as soon as practicable.

No applicant under the Offer (other than those with a guaranteed allocation under the Chairman's List Offer) has any assurance of being allocated all or any Shares applied for. The allocation of Shares by Directors (together with the Lead Manager) will be influenced by the following factors:

- (a) the number of Shares applied for;
- (b) the overall level of demand for the Offer;
- (c) the desire for a spread of investors, including institutional investors; and
- (d) the desire for an informed and active market for trading Shares following completion of the Offer.

The Company will not be liable to any person not allocated Shares or not allocated the full amount applied for.

4.10 ASX LISTING

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. However, applicants should be aware that ASX will not commence Official Quotation of any Shares until the Company has received the approval from ASX to be admitted to the Official List. As such, the Shares may not be able to be traded for some time after the close of the Offer.

If the Shares are not admitted to Official Quotation by ASX before the expiration of 4 months after the date of issue of this Prospectus, or such period as varied by ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

4.11 ISSUE

Subject to the Conditions being satisfied, the issue of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each applicant waives the right to claim interest.

The Directors (together with the Lead Manager) will determine the recipients of the issued Shares in their sole discretion in accordance with the allocation policy detailed in Section 4.9. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date.

Holding statements for Shares issued to the issuer sponsored subregister and confirmation of issue for Clearing House Electronic Subregister System (CHES) holders will be mailed to applicants being issued Shares pursuant to the Offer as soon as practicable after their issue.

4.12 INTERNATIONAL OFFER RESTRICTIONS

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or otherwise permit a public offering of the Shares, the subject of this Prospectus, in any jurisdiction outside Australia. As detailed below, the Shares may be offered to certain types of investors in Germany, the Netherlands and Panama. Applicants who are a resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

If you are outside Australia it is your responsibility to obtain all necessary approvals for the issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

This Prospectus may not be distributed to any person, and the Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

4.12.1 EUROPEAN UNION (GERMANY AND THE NETHERLANDS)

This Prospectus has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this Prospectus may not be made available, nor may the Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the **Prospectus Regulation**).

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

4.12.2 PANAMA

The Shares have not been registered with, and are not under the supervision of, the Panama Superintendence of the Securities Market. Accordingly, this Prospectus may be made available, and the Shares offered for sale, in Panama only to "institutional investors" (as defined in the regulations issued by the Superintendent of Securities Markets). The Shares are not being offered to the public in Panama.

4.13 COMMISSIONS PAYABLE

The Company reserves the right to pay a commission of up to 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

The Lead Manager will be responsible for paying all commissions that they and the Company agree with any other licensed securities dealers or Australian financial services licensees out of the fees paid by the Company to the Lead Manager.

4.14 TAXATION

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor.

It is not possible to provide a comprehensive summary of the possible taxation positions of all potential applicants. As such, all potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus or the reliance of any applicant on any part of the summary contained in this Section.

No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Offer.

4.15 WITHDRAWAL OF OFFER

The Offer may be withdrawn at any time. In this event, the Company will return all application monies (without interest) in accordance with applicable laws.



05

**COMPANY AND
PROJECTS OVERVIEW**

5.1 OVERVIEW OF THE COMPANY

QMiner is an Australian public company which was incorporated on 4 August 2020.

On 1 September 2020, the Company entered into an agreement with Traprock Mining, to acquire 100% of Traprock Resources and its wholly owned subsidiary, Dynasty Gold. The acquisition was settled by the issue of 10,000,000 Shares to Traprock Mining on 24 December 2020.

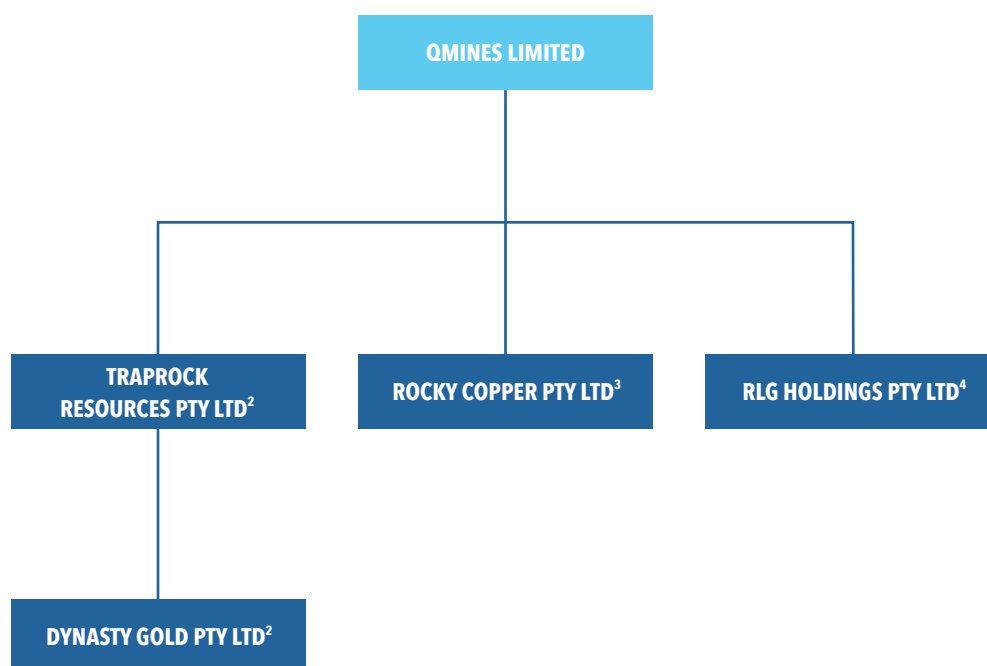
Traprock Resources and Dynasty Gold hold EPMs for 4 copper and gold projects in Queensland.

On 18 January 2021, QMiner acquired 100% of the issued shares in Rocky Copper in consideration for the issue of 166,667 Shares to Orefox AI Limited (ACN 642 597 126).

Rocky Copper holds 1 EPM and 1 application for an EPM at the Company's flagship Mt Chalmers project.

QMiner holds directly 2 EPMs as part of the Warroo and Silverwood Projects and 1 application for an EPM at Mt Chalmers.

5.1.1 CORPORATE STRUCTURE¹



NOTES:

1. All subsidiaries of the Company are wholly owned.
2. For further information in relation to the acquisition of Traprock Resources and Dynasty Gold, refer to Section 9.2.
3. For further information in relation to the acquisition of Rocky Copper, refer to Section 9.3.
4. For further information in relation to RLG Holdings, refer to Section 9.4.

5.2 OVERVIEW OF THE PROJECTS

The Projects are situated in central and southern Queensland (Figure 1) and are prospective for copper, gold and base metals. QMiner holds 9 granted EPMs and 2 EPM applications for a total of 326 sub-blocks, covering an area of approximately 978km²



Figure 1: Locations of QMiner's Projects.

The Company's flagship project, Mt Chalmers, comprises the historic Mt Chalmers copper and gold mine located near Rockhampton in central Queensland.

The Silverwood base metal project, the Warroo copper-gold project, and the Herries Range gold project, are all located in south-east Queensland.

QMiners has compiled a large electronic digital database of historic soil and drilling data which comprises a total of 591 drill holes for 48,786m drilled along with a total of 168,599 soil samples.

A summary of the tenements QMiners holds rights to is listed in Table 1 below.

TENEMENT ID	TENEMENT NAME	STATUS	DATE LODGED	DATE GRANTED	DATE EXPIRES	2021 EXPENDITURE COMMITMENT	HOLDER	SUB-BLOCKS	KM ² ¹
EPM 25785	Herries Range 1	Granted	03/10/14	30/04/15	29/04/23	\$80,000	Traprock Resources	24	72
EPM 25786	Herries Range 2	Granted	03/10/14	30/04/15	29/04/23	\$125,000	Traprock Resources	59	177
EPM 25788	Herries Range 3	Granted	03/10/14	30/04/15	29/04/23	\$125,000	Traprock Resources	27	81
EPM 25935	Mt Chalmers	Granted	05/01/15	21/07/16	20/07/21	\$10,000	Dynasty Gold	13	39
EPM 27726	Mt Chalmers	Pending	19/10/20			Outcome based	QMiners	37	111
EPM 27697	Mt Chalmers	Pending	01/10/20			Outcome based	Rocky Copper	12	36
EPM 27428	Mt Chalmers	Granted	28/11/19	19/02/20	18/02/25	\$14,000	Rocky Copper	4	12
EPM 27725	Warroo	Granted	19/10/20	11/02/21	10/02/26	Outcome based	QMiners	51	153
EPM 26178	Warroo	Granted	30/03/16	17/08/16	16/08/21	\$45,000	Dynasty Gold	21	63
EPM 27724	Silverwood	Granted	19/10/20	11/02/21	10/02/26	Outcome based	QMiners	50	150
EPM 27281	Silverwood	Granted	01/05/19	06/02/20	05/02/25	\$56,000	Traprock Resources	28	84

Table 1: QMiners' tenement holdings.

5.2.1 MT CHALMERS PROJECT

The Mt Chalmers Project is situated approximately 17km north-east of Rockhampton in Queensland. The Project comprises EPM 25935 being 13 sub-blocks (approximately 39km²) and EPM 27428 being a further 4 sub-blocks (approximately 12km²) covering the Mt Chalmers copper and gold mine mineralised area. The Company has recently extended the Mt Chalmers tenement package, applying for EPM 27726 comprising 37 sub-blocks (approximately 111km²) and (through its acquisition of Rocky Copper) acquiring the application for EPM 27697 comprising 12 sub-blocks (approximately 36km²).



Figure 2: Mt Chalmers: Geological Setting, Mineral Occurrences & Infrastructure.

¹ Each sub-block is approximately 3 square km in area. The exact size of the sub-block depends on curvature of the earth.

The Mt Chalmers deposit is a well-preserved, volcanic-hosted massive-sulphide (VHMS) mineralised system containing copper, gold, zinc, lead and silver. The geology of the area is relatively well-known. Previous explorer Geopeko held the view that the Mt Chalmers deposit is an analogue of the famous VHMS deposit at Kuroko, Japan. Stacked lenses of mineralisation and clusters of ore shoots are characteristic of the VHMS environment and in particular the Kuroko environment.

The Mt Chalmers deposit was last mined in an open pit scenario by Mount Morgan Limited between 1979 and March 1982, before closing because of low commodity prices. Historic production at Mt Chalmers is summarised in Table 2.

PRODUCTION	Mt	Au g/t	Cu %	Ag g/t	Pb %	Zn %
Underground	0.43	5.2	2.8	15	n/a	n/a
Open Pit	0.81	2.7	1.5	20	0.4	0.9
Total	1.24	3.6	2.0	19	n/a	n/a

Table 2: Mt Chalmers Historical Production.

Significant mineralisation remains at the Mt Chalmers Project. H&S Consultants has compiled an Inferred Resources under the JORC Code 2012 for the Mt Chalmers project, as summarised in Table 3.

CATEGORY	Mt	Au g/t	Cu %	Ag g/t	Au Koz	Cu Kt	Ag Koz
Inferred	3.9	0.81	1.15	8.4	101.9	44.9	1,061

Table 3: Mt Chalmers Mineral Resources.

QMiner views the Mt Chalmers Project as a brownfield opportunity with the potential to rapidly expand and upgrade the Mt Chalmers existing resource. The Company's planned ten-hole diamond drilling program was designed by H&S Consultants with the aim of confirming historical drilling results and upgrading the current Inferred Resource to the Indicated category (JORC Code 2012). The planned drilling program commenced on 19 February 2021. The planned diamond drill holes from this program can be seen below (Figure 3).

A summary of the terms of the Drilling Contract in relation to these drilling activities is included in Section 9.5.

QMiner also intends to explore for additional mineralisation of a similar style close to the existing Mt Chalmers open pit which offer both drilling and exploration targets, particularly along strike and down dip of the existing resource. This can be seen in Figure 4 showing the Company's initial planned RC Drilling program at the Mt Chalmers Project.

5.2.2 EXPLORATION TARGETS AT MT CHALMERS

As stated in the Independent Geologist Report, the Mt Chalmers deposit has 3 Exploration Targets and 12 additional drill targets.

QMiner intends to investigate:

- massive sulphide lenses or deeper stockwork and disseminated mineralisation, including pipe-like replacement bodies below the Main Lode and West Lodes;
- direct extensions to the plunging Main Lode and West Lodes;

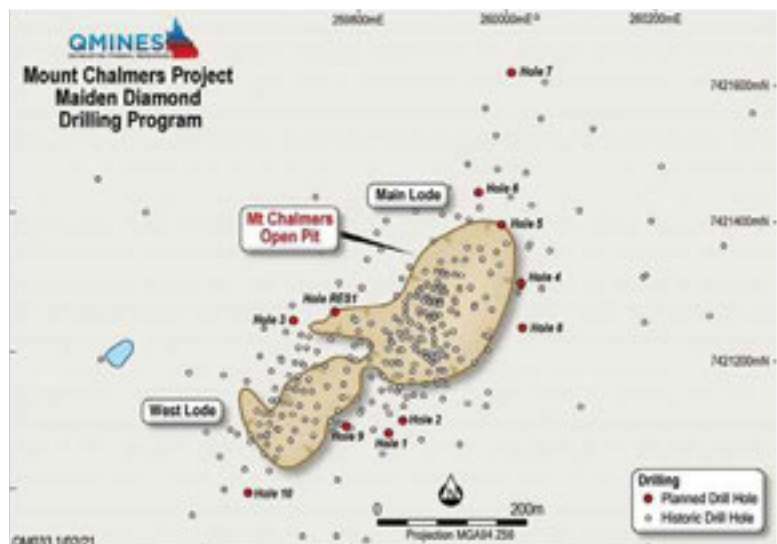


Figure 3: Mt Chalmers planned 10-hole diamond drill program.

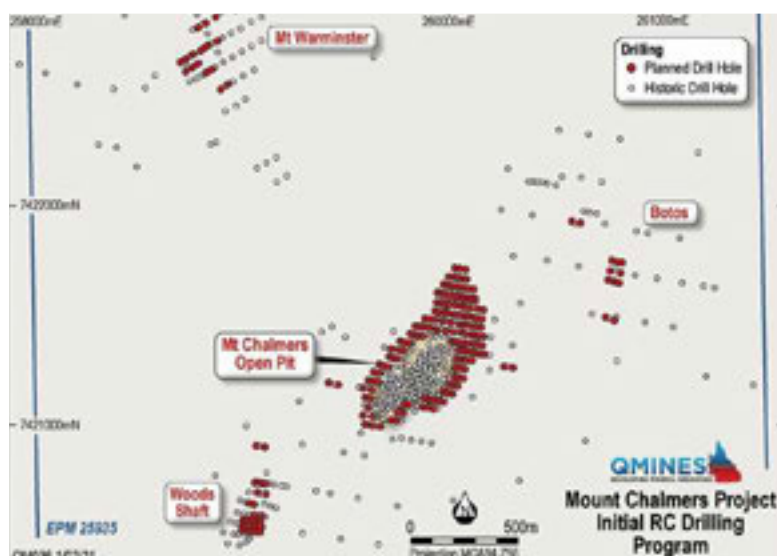


Figure 4: Mt Chalmers planned RC drill program.

- (c) possible peripheral lenses of mineralisation as a result of the structural dislocation of the Main Lode; and
(d) massive sulphide lenses in new stratigraphic sections of the volcano-sedimentary pile of the Berserker Beds.

A summary of the Exploration Targets identified at the Mt Chalmers Project is included in Table 4²:

PROJECT	PROSPECT	Mt	Au (g/t)	Cu (%)	Zn (%)	CUT OFF
Mt Chalmers	Woods Shaft	1.0 to 1.5	0.6 to 1.0	0.2 to 0.3	n/a	0.5g/t Au
Mt Chalmers	Botos	1.5 to 2.5	0.5 to 0.8	0.1 to 0.2	1.1 to 1.4	0.5g/t Au
Mt Chalmers	Mt Warminster	1.5 to 1.8	n/a	0.1 to 0.2	0.5 to 0.7	1% Zn Eq

Table 4: Exploration Targets at the Mt Chalmers Project. Note silver and lead credits are not included in the above table, please refer to Annexure A for further details.

5.2.3 SILVERWOOD PROJECT

The Silverwood Project is located 15km south of the regional centre of Warwick (Figure 1). EPM 27281 and EPM 27724 consist of 78 sub-blocks (approximately 234km²) covering the greater Silverwood Group domain (Figure 5). 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 2 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 instead on base metals - copper, zinc, lead and silver.

5.2.4 EXPLORATION TARGET AT SILVERWOOD PROJECT

The interpreted mineral zone at Grieves Quarry measures 200m in strike, 200m in width with thickness ranging from 6m to 50m. The mineral zone dips relatively steep near surface but flattens out to a shallow 20-30° easterly dip below surface. The interpretation suggests that the mineralisation is relatively open for short distances along strike but may be much more open down dip. Using 3D wireframes, it is possible to generate base metal composites suitable for grade interpolation by Ordinary Kriging and using a nominal density of 3t/m³ (for sulphidic material) an Exploration Target can be derived using a 2% zinc cut off.

Figure 6 represents an oblique view of the Exploration Target looking down to the local grid west north west and shows colour coded zinc block grades above 2% zinc. The geological interpretation of the mineral zone in brown and drillhole traces in green.

A summary of the Exploration Target identified at the Silverwood Project is included in Table 5³.

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

Table 5: Exploration Target, Grieves Quarry prospect, Silverwood project. Note lead credits are not included in the above table, please refer to Annexure A for further details.

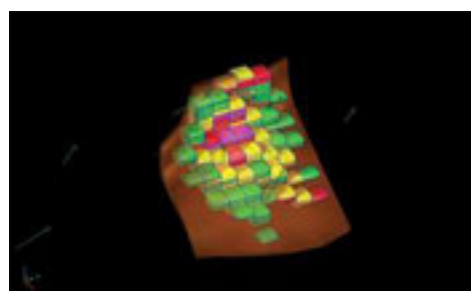


Figure 6: Exploration Target block model at Grieves Quarry.

Subsequent exploration by other companies in the 1970s and 1980s has been modest and has been confined to ground based surveys with no further drilling.

Historic drilling has allowed for the definition of an Exploration Target and there is potential for additional mineralisation down dip from this Exploration Target.

The Company considers there is the potential to find gold in calcareous or carbonate sedimentary rocks within the overall Silverwood Project area. GSQ did not assay for gold during the 1968 - 1970 drilling programs and QMines believes that a skarn-hosted gold and Carlin-style gold exploration concept have not been tested well by previous explorers.

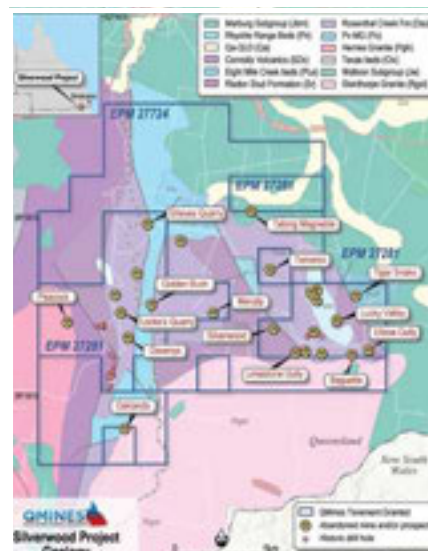


Figure 5: Tenement, Geology & Mineral Occurrence Map for the Silverwood Project

^{2,3} Refer to the Independent Geologist's Report. The potential quantity and grade of the Exploration Targets is conceptual in nature, as there has been insufficient exploration to estimate a mineral resource and it is uncertain if further exploration will result in the estimation of a mineral resource. Refer to Sections 4.5 and 4.6 of the Independent Geologist's Report for details of assumptions (including metals prices and recoveries) underlying the copper and zinc equivalent cut-offs for the purposes of the Exploration Target estimation. It is the Company's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold.

5.2.5 THE WARROO PROJECT

The Warroo Project is located 50km west of Stanthorpe in Queensland (Figure 1). The Warroo project consists of EPM 26178 and EPM 27725 consisting of 72 sub-blocks covering an area of approximately 216km².

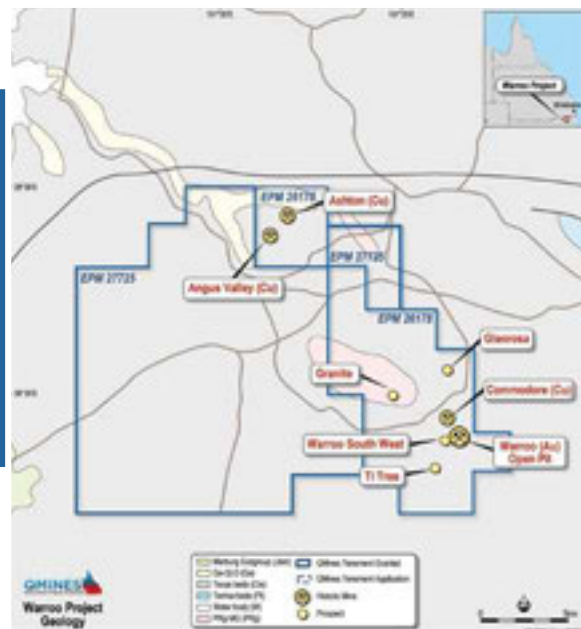


Figure 7: Tenements, Geology & Prospects for the Warroo Project Area.

The Warroo gold mine and the associated Ti-Tree, Commodore and Glenrosa prospects (Figure 7) show the strongest mineralisation known within the Warroo Project. However, the Angus Valley-Ashton copper workings, to the north-west, attest to mineralisation being relatively widespread. The Warroo mine produced 21 tonnes of copper, 283oz of gold and 901oz of silver between 1910-1911. A further 923oz of gold was produced between 1912-1913 when the mine was worked by tributers. When the mine reopened in 1931, eight tonnes of ore produced 5oz of gold. The Ashton Copper Mine was discovered in 1897 and worked until about 1900. A small supergene resource was exploited with assays of up to 30% Cu and 5g/t Ag recorded.

More recent mining by Valdora between 1990-1992 resulted in approximately 214,000 tonnes at 1.94g/t being mined under a heap leach operation, but final production figures are not known. The mineralisation dominantly occurs as laminated sulphidic quartz veins in shear zones (main zone to 1.2m wide) within zones of silicification, pyrite alteration and thrusting in shales/siltstones of the Texas Beds.

The Commodore copper mine was found in 1905 and is located north west of Warroo. Total production recorded in the period 1906-1913 is 206 tonnes of Cu (grade 6-25% Cu). Gold grades in the supergene zone were up to 25g/t, but there is no record of total production. The mineralisation was exploited to a depth of 35m and laterally for 85m.

The Glenrosa prospect has not been exploited and was defined by Duval Mining as a geochemical find. The prospect displays similar characteristics to Warroo, but with little or no gold. The Ti-Tree prospect, 800m south of Warroo, is a relatively recent discovery of an epithermal gold vein and siliceous alteration related to a northwest structure.

Strong northwest structural trends occur close to the north eastern edge of this buried body and within the Mount Bullaganang Granite and extend southeast to the Warroo area. Dyke-like intrusives extend from the buried body at depth into the Texas Beds. The orocline folded structure can be seen to the north within the Texas Bed.

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 depths (Figure 8).

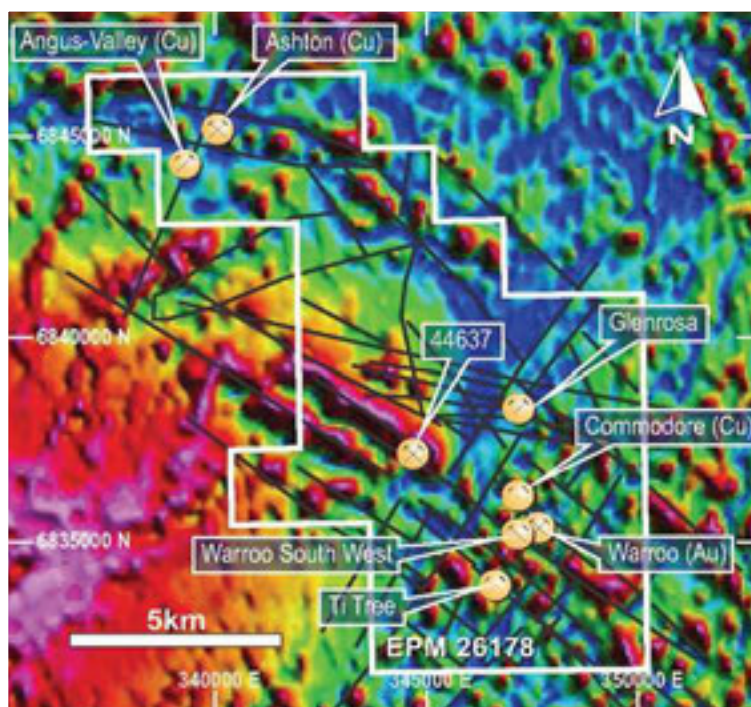


Figure 8: RTilt Regional Magnetic Image with Interpreted Faults (GSQ Data).

5.2.6 HERRIES RANGE PROJECT

The Herries Range gold Project comprises three 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 (Figure 1).

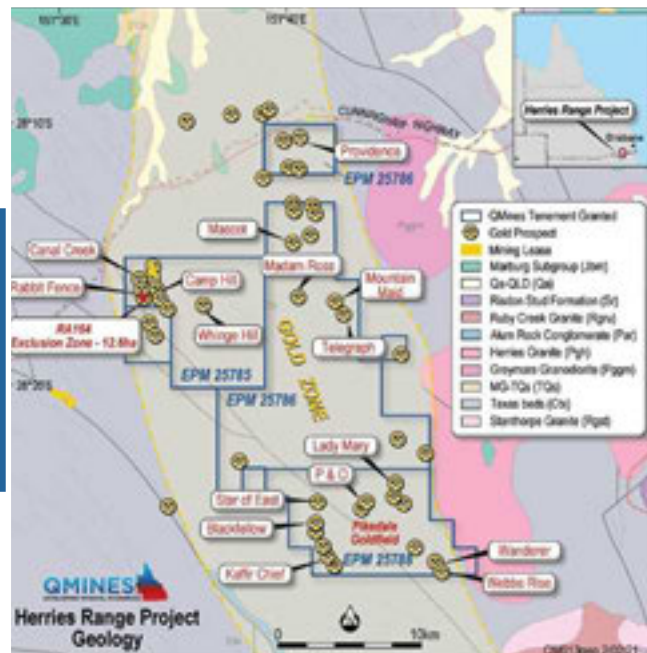


Figure 9: Herries Range Project showing historic workings, prospects and tenure.

Regionally, the Stanthorpe-Texas area is part of the New England Province (the southernmost structural province of the New England Fold Belt in Queensland) and comprises 3 structural units: the Silverwood Block, the Texas Block and the New England Batholith.

The oldest exposed rocks in the area belong to the Early Devonian Rosenthal Creek Formation, which consists entirely of sedimentary rocks (sandstone, mudstone, chert, intra-formational conglomerate and limestone). The widespread Texas Beds are a thick sequence of flysch-like, regularly interbedded, volcanoclastic turbidites (lithic sandstone and mudstone) with minor chert, jasper, intra-formational conglomerate, acid to intermediate volcanics and limestone (Figure 9). The Texas Beds are intensely deformed and have been interpreted to be an imbricated stack of fault slices, formed as the accretionary wedge of a subduction complex.

The strike of the Texas Beds is north to north-west with a series of west-north-west trending fault zones and anastomosing fault sets which locally produce extensional east-trending structures, some of which are sites for gold mineralisation.

Alluvial gold deposits are extensive throughout the tenement package. The sources of many of these alluvial workings have never been traced. Historical records report multiple quartz vein occurrences which were known to be gold-bearing but were not worked, and could have been one of the sources for the alluvial gold. Some alluvial gold areas were never reported or recorded by the QGS and consequently were forgotten until discovered by modern exploration.

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 prospects and zones of prospective rock formations associated with both hard-rock and alluvial gold mineralisation.

QMines' initial evaluation of the Herries Range Project has identified several prospective zones for gold:

- (a) Palgrave Goldfield - Mountain Maid - Madam Ross - Telegraph zone;
- (b) Pikedale Goldfield - Kaffir Chief and Star of the East mine cluster;
- (c) Camp Hill - Rabbit Fence - Whinge Hill zone;
- (d) Puddler - Hunts Gully - Mascot mine cluster;
- (e) Hunters Gully - Mount Burrabarranga zone; and
- (f) Durikai zone.

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

5.3 BUSINESS MODEL

The Company's proposed business model is to grow QMines copper and gold inventory by adding to the existing Inferred Resource at Mt Chalmers through systematic exploration and by assessing potential acquisitions in the region. The Company's exploration plans will predominately focus on its Mt Chalmers Project.

The Company has planned a large drilling program (between 32,000 – 62,100m) to explore the Company's Projects. Details of the Company's planned exploration programs are set out in Section 5.5.

QMiners may also pursue exploration joint ventures or other agreements that the Board considers value accretive for Shareholders.

If, after additional work, the Company's management believes that the Inferred Resource at the Mt Chalmers Project is of sufficient scale, grade and economics to justify a commercially viable operation, management may elect to commence a pre-feasibility study or other development initiatives.

QMiners proposes to fund its planned exploration activities over the first two years following listing as outlined in the table set out in Section 5.6.

5.4 KEY DEPENDENCIES

The key dependencies of the Company's business model include:

- (a) completing the Offer;
- (b) maintaining title to the Projects;
- (c) gaining timely access to Project areas in compliance with Queensland legislation and mining regulations;
- (d) retaining and recruiting key personnel skilled in the mining and resources sector;
- (e) there being sufficient capital available to the Company to carry out its exploration and development plans; and
- (f) the market price of copper and gold remaining higher than the Company's costs of any future production (assuming successful exploration by the Company).

5.5 PROPOSED EXPLORATION PROGRAM

MOUNT CHALMERS PROJECT

VHMS deposits can form at a variety of positions within a complex volcanic pile. Although the Mt Chalmers deposit appears to have similarities to the Kuroko VHMS, by virtue of the rhyolite domes, it does not follow that this is the only style of mineralisation that is present in the Mt Chalmers area.

The planned exploration activities and budgets are listed in the tables below:

MOUNT CHALMERS PROJECT EXPLORATION AND DEVELOPMENT BUDGET

MINIMUM SUBSCRIPTION (\$10,000,000)			
CATEGORY	YEAR 1	YEAR 2	TOTAL
Rent ¹	\$10,883	\$10,883	\$21,766
Geophysical survey & inversion	\$248,000	\$NIL	\$248,000
RC Drilling (30,000m) ²	\$1,800,000	\$2,700,000	\$4,500,000
Diamond drilling (2,000m) ³	\$420,000	\$180,000	\$600,000
Auger soil sampling	\$NIL	\$150,000	\$150,000
Resource modelling	\$55,000	\$55,000	\$110,000
Data management & reporting	\$100,000	\$160,000	\$260,000
Earthworks & rehabilitation	\$89,000	\$140,986	\$229,986
Total⁴	\$2,722,883	\$3,396,869	\$6,119,752

MAXIMUM SUBSCRIPTION (\$20,000,000)			
CATEGORY	YEAR 1	YEAR 2	TOTAL
Rent ¹	\$10,883	\$10,883	\$21,766
Geophysical survey & inversion	\$248,000	\$402,000	\$650,000
RC Drilling (50,000m) ²	\$3,000,000	\$4,500,000	\$7,500,000

CATEGORY	YEAR 1	YEAR 2	TOTAL
Diamond drilling (5,000m) ³	\$600,000	\$900,000	\$1,500,000
Auger soil sampling	\$430,000	\$150,000	\$580,000
Resource modelling	\$100,000	\$180,000	\$280,000
Data management & reporting	\$220,000	\$360,000	\$580,000
Earthworks & rehabilitation	\$229,986	\$264,000	\$493,986
Total⁴	\$4,838,869	\$6,766,883	\$11,605,752

SILVERWOOD PROJECT

The base metal mineralisation at the Grieves Quarry prospect will be fully assessed in context with all the subsequent ground-based exploration data completed after the GSQ initial work during 1968-1971. Additionally, the Silverwood EPMs have several gold and base-metal targets that are worthy of follow up including the assessment of any anomalous areas defined by previous explorers.

The planned exploration activities and budgets are listed in the tables below:

SILVERWOOD PROJECT EXPLORATION BUDGET

MINIMUM SUBSCRIPTION (\$10,000,000)			
CATEGORY	YEAR 1	YEAR 2	TOTAL
Rent ¹	\$12,862	\$12,862	\$25,724
Digital modelling & drill planning	\$8,000	\$8,000	\$16,000
Auger soil sampling	\$29,500	\$38,500	\$68,000
Geological mapping	\$12,500	\$12,500	\$25,000
Drilling data management & reporting	\$6,000	\$6,000	\$12,000
Total^{4,5}	\$68,862	\$77,862	\$146,724

MAXIMUM SUBSCRIPTION (\$20,000,000)			
CATEGORY	YEAR 1	YEAR 2	TOTAL
Rent ¹	\$12,862	\$12,862	\$25,724
Digital modelling & drill planning	\$8,000	\$27,000	\$35,000
Auger soil sampling	\$64,000	\$105,000	\$169,000
Geological mapping	\$45,000	\$15,000	\$60,000
RC Drilling (4,000m) ²	\$NIL	\$600,000	\$600,000
Drilling data management & reporting	\$6,000	\$30,000	\$36,000
Total⁴	\$135,862	\$789,862	\$925,724

WARROO PROJECT

The EPMs covering the Warroo Project have numerous gold and copper targets worthy of follow up. It is intended that any anomalous areas defined by previous explorers will be re-assessed. The Warroo mine and environs are the main targets and will be drilled in the primary sulphide zone.

The planned exploration activities and budgets are listed in the tables below:

WARROO PROJECT EXPLORATION BUDGET

MINIMUM SUBSCRIPTION (\$10,000,000)			
CATEGORY	YEAR 1	YEAR 2	TOTAL
Rent ¹	\$11,873	\$11,873	\$23,746
Historical data digitisation	\$28,000	\$NIL	\$28,000
Geochemical soil testing	\$5,000	\$14,000	\$19,000
Geological mapping	\$10,000	\$NIL	\$10,000
Drill target planning	\$NIL	\$2,000	\$2,000
Drilling data management & reporting	\$2,000	\$4,000	\$6,000
Total^{4,5}	\$56,873	\$31,873	\$88,746

MAXIMUM SUBSCRIPTION (\$20,000,000)			
CATEGORY	YEAR 1	YEAR 2	TOTAL
Rent ¹	\$11,873	\$11,873	\$23,746
Historical data digitisation	\$28,000	\$NIL	\$28,000
Geochemical soil testing	\$15,000	\$15,000	\$30,000
Geological mapping	\$35,000	\$NIL	\$35,000
RC Drilling (3,100m) ²	\$150,000	\$315,000	\$465,000
Drill target planning	\$15,000	\$NIL	\$15,000
Drilling data management & reporting	\$7,000	\$20,000	\$27,000
Total⁴	\$261,873	\$361,873	\$623,746

THE HERRIES RANGE PROJECT

The Herries Range Gold Project contains an abundance of gold mineral occurrences, as both high grade, small, hard rock workings and more widespread alluvial gold workings. The Texas Beds of the New England Orogen are considered prospective for large scale intrusion related gold deposits and possibly sediment-hosted gold deposits.

The planned exploration activities and budgets are listed in the tables below:

HERRIES RANGE PROJECT EXPLORATION BUDGET

MINIMUM SUBSCRIPTION (\$10,000,000)			
CATEGORY	YEAR 1	YEAR 2	TOTAL
Rent ¹	\$18,139	\$18,139	\$36,278
Historical data digitisation	\$46,000	\$NIL	\$46,000
Geological mapping	\$39,000	\$39,000	\$78,000
Geochemical soil sampling	\$17,500	\$17,500	\$35,000
Auger/aircore drilling	\$160,000	\$230,000	\$390,000
Drill target planning	\$24,000	\$6,000	\$30,000

CATEGORY	YEAR 1	YEAR 2	TOTAL
Drill target planning	\$24,000	\$6,000	\$30,000
Drilling data management & reporting	\$13,500	\$16,000	\$29,500
Total⁴	\$318,139	\$326,639	\$644,778

MAXIMUM SUBSCRIPTION (\$20,000,000)			
CATEGORY	YEAR 1	YEAR 2	TOTAL
Rent ¹	\$18,139	\$18,139	\$36,278
Historical data digitisation	\$46,000	\$NIL	\$46,000
Geological mapping and rock-chip sampling	\$39,000	\$39,000	\$78,000
Geochemical XRF soil sampling	\$17,500	\$17,500	\$35,000
Auger and air core drilling	\$160,000	\$230,000	\$390,000
Drill target planning	\$24,000	\$6,000	\$30,000
Drilling data management and reporting	\$13,500	\$16,000	\$29,500
Total⁴	\$318,139	\$326,639	\$644,778

ASSUMPTIONS:

1. The rent for an EPM is currently set at \$164.90 per sub-block, pursuant to the *Mineral Resources Regulation 2013* (QLD). Any amendment to the legislation may result in a change in the rent payable and accordingly may alter any planned exploration budget.
2. RC Drilling rates of \$150/m are all inclusive (including assay costs).
3. Diamond drilling rates of \$300/m are all inclusive (including core cutting and assay costs).
4. Planned exploration activities and budgets are indicative only and subject to change without notice.
5. Totals for Silverwood and Warroo are based on rent and minimum expenditure commitment with no drilling conducted.

5.6 USE OF FUNDS

The Company intends to apply funds raised from the Offer, together with existing cash reserves over the first two years following admission of the Company to the Official List of ASX as follows:

FUNDS AVAILABLE	MINIMUM SUBSCRIPTION	PERCENTAGE OF FUNDS	MAXIMUM SUBSCRIPTION	PERCENTAGE OF IPO FUNDS
Existing cash reserves ¹	\$900,000	8.3%	\$900,000	4.3%
Funds raised from the Offer	\$10,000,000	91.7%	\$20,000,000	95.7%
Total	\$10,900,000	100%	\$20,900,000	100%

ALLOCATION OF FUNDS				
FUNDS AVAILABLE	MINIMUM SUBSCRIPTION	PERCENTAGE OF FUNDS	MAXIMUM SUBSCRIPTION	PERCENTAGE OF IPO FUNDS
Exploration and development at the Mt Chalmers Project ²	\$6,119,752	56.14%	\$11,605,752	55.53%
Exploration at the Silverwood Project ²	\$146,724	1.35%	\$925,724	4.43%

FUNDS AVAILABLE	MINIMUM SUBSCRIPTION	PERCENTAGE OF FUNDS	MAXIMUM SUBSCRIPTION	PERCENTAGE OF IPO FUNDS
Exploration at the Warroo Project ²	\$88,746	0.81%	\$623,746	2.98%
Exploration at the Herries Range Project ²	\$644,778	5.92%	\$644,778	3.09%
Mining and development opportunity costs ^{3,4}	\$1,000,000	9.17%	\$2,000,000	9.57%
Expenses of the Offer ⁵	\$1,177,498	10.80%	\$1,788,476	8.56%
Administration costs ⁶	\$1,100,000	10.09%	\$1,100,000	5.26%
Working capital ⁴	\$622,502	5.71%	\$2,211,524	10.58%
Total⁷	\$10,900,000	100%	\$21,100,000	100%

NOTES:

1. Refer to the Financial Information set out in Section 6 for further details. The Company intends to apply these funds towards the purposes set out in this table, including the payment of the expenses of the Offer of which various amounts will be payable prior to completion of the Offer.
2. Refer to Section 5.5 and the Independent Geologist's Report for further details with respect to the Company's proposed exploration and development programs at the Projects.
3. The Company may seek to acquire land / property in areas surrounding the Projects to provide access to tenure. This allocation of funds also includes amounts for stamp duty which the Company expects to pay in relation to such acquisitions. It is estimated that approximately \$150,000 in stamp duty will be payable in relation to the recent acquisition of EPMS by the Company through the purchase of Traprock Resources.
4. To the extent that:
 - (a) the Company's exploration activities warrant further exploration activities; or
 - (b) the Company is presented with additional acquisition opportunities,
 the Company's working capital will fund such further exploration and acquisition costs (including due diligence investigations and expert's fees in relation to such acquisitions). Any amounts not so expended will be applied toward administration costs for the period following the initial 2-year period following the Company's quotation on ASX.
5. Refer to Section 10.8 for further details.
6. Administration costs includes the general costs associated with the management and operation of the Company's business including administration expenses, management salaries, directors' fees, rent and other associated costs.
7. The intended use of funds from the Offer is indicative only and subject to change without notice.

It is anticipated that the funds raised under the Offer will enable two (2) years of full operations (if the Minimum Subscription is raised). It should be noted that the Company may not be fully self-funding through its own operational cash flow at the end of this period. Accordingly, the Company may require additional capital beyond this point, which will likely involve the use of additional equity and/or debt funding. Future capital needs will also depend on the success or failure of exploration activities on the Projects. The use of further equity or debt funding will be considered by the Board when it is appropriate to fund additional exploration on the Projects, or to capitalise on acquisition opportunities in the resources sector.

In the event the Company raises more than the Minimum Subscription but less than the Maximum Subscription, it is anticipated that the additional funds raised will be first applied towards the expenses of the Offer and then proportionally to the other line items in the above table, however, this is subject to change at the discretion of the Board.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events including exploration success or failure and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis in its absolute discretion.

The Directors consider that, following completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives. It should however be noted that an investment in the Company is speculative and investors are encouraged to read the risk factors outlined in Section 7.

5.7 CAPITAL STRUCTURE

The capital structure of the Company following completion of the Offer (assuming both Minimum and Maximum Subscription under the Offer) is summarised below:

SHARES¹

	MINIMUM SUBSCRIPTION	MAXIMUM SUBSCRIPTION
Shares currently on issue ²	72,035,719	72,035,719
Shares to be issued pursuant to the Offer ³	33,333,334	66,666,666
TOTAL SHARES ON COMPLETION OF THE OFFER	105,369,053	138,702,385

NOTES:

- The rights attaching to the Shares are summarised in Section 10.2.
- This amount comprises:
 - 47,000,000 Shares issued to the founders, Directors and certain other persons involved in the formation of the Company.
 - 14,869,052 Shares issued at \$0.15 to seed capital investors.
 - 10,166,667 to the Project vendors. Refer to Sections 9.2 and 9.3 for a summary of the acquisition terms.
- To be issued at the Offer price of \$0.30 per Share.

OPTIONS¹

	MINIMUM SUBSCRIPTION	MAXIMUM SUBSCRIPTION
Options currently on issue ²	1,700,000	1,700,000
Options to be issued to the Lead Manager ³	2,500,000	2,500,000
TOTAL OPTIONS ON COMPLETION OF THE OFFER	4,200,000	4,200,000

NOTES:

- The Options are exercisable at \$0.375 and expire 3 years from the date of the Company's listing on the ASX. Refer to Section 10.3 for the full terms and conditions of the Options.
- Options issued to Kerr Allan Financial Pty Ltd (ACN 127 843 627) under an engagement agreement in relation to a pre-IPO seed capital raising and corporate advisory services.
- The Company has agreed to issue 2,500,000 Options to the Lead Manager pursuant to the Offer Management Agreement. Refer to Section 9.1 for a summary of the terms of the Offer Management Agreement.

5.8 SUBSTANTIAL SHAREHOLDERS

Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the Offer are set out in the respective tables below.

AS AT THE DATE OF THE PROSPECTUS

SHAREHOLDER	SHARES	OPTIONS	PERCENTAGE (%)
Turkey Investments Pty Ltd ¹	24,200,000	Nil	33.6%
2Sausos Pty Ltd ²	9,100,000	Nil	12.6%
DK Round Investments Pty Ltd ³	5,000,000	Nil	6.9%

ON COMPLETION OF THE ISSUE OF SHARES UNDER THE MINIMUM SUBSCRIPTION (ASSUMING NO EXISTING SUBSTANTIAL SHAREHOLDER SUBSCRIBES FOR AND RECEIVES ADDITIONAL SHARES PURSUANT TO THE OFFER)

SHAREHOLDER	SHARES	OPTIONS	PERCENTAGE (%)
Turkey Investments Pty Ltd ¹	24,200,000	Nil	23.0%
2Sausos Pty Ltd ²	9,100,000	Nil	8.6%

ON COMPLETION OF THE ISSUE OF SHARES UNDER THE MAXIMUM SUBSCRIPTION (ASSUMING NO EXISTING SUBSTANTIAL SHAREHOLDER SUBSCRIBES FOR AND RECEIVES ADDITIONAL SHARES PURSUANT TO THE OFFER)

SHAREHOLDER	SHARES	OPTIONS	PERCENTAGE (%)
Turkey Investments Pty Ltd ¹	24,200,000	Nil	17.4%
2Sausos Pty Ltd ²	9,100,000	Nil	6.6%

NOTES:

1. Held by Turkey Investments Pty Ltd (ACN 610 764 237) as trustee for The Turkey Family Trust, a related party of the Company on the basis that it is controlled by Andrew Sparke, a director of the Company.
2. 2Sausos Pty Ltd (ACN 643 952 283) is an entity controlled by Phillip James Telford Anderson (James Anderson), QMines' General Manager, Operations.
3. DK Round Investments Pty Ltd (ACN 643 951 571) is a related party of the Company on the basis that it is controlled by Daniel Lanskey, a director of the Company.

The Company will announce to ASX details of its top 20 Shareholders following completion of the Offer prior to the Shares commencing trading on ASX.

5.9 RESTRICTED SECURITIES

Subject to the Company being admitted to the Official List and completing the Offer, certain Shares will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these Shares are prohibited from being transferred, trading in the Company's Shares may be less liquid which may impact the ability of a Shareholder to dispose of their Shares in a timely manner.

While the ASX has not yet confirmed the final escrow position applicable to the Company's Shareholders, the Company anticipates that the following Shares will be subject to escrow:

- Shares issued to and held by the founders, Directors and promoters will be subject to ASX-imposed escrow for up to 24 months from the date of Official Quotation;
- a portion of Shares issued to unrelated seed capitalist Shareholders will be subject to ASX-imposed escrow for up to 12 months from the date of issue of the Shares;
- Shares issued to Traprock Mining in consideration for the acquisition of Traprock Resources (which holds the Projects) will be subject to ASX-imposed escrow for 12 months from the date of issue of the Shares⁴;
- Shares issued to Orefox AI in consideration for the acquisition of Rocky Copper (which holds tenements at the Mt Chalmers Project) will be subject to voluntary escrow for 12 months from the date of Official Quotation;
- Shares issued to Kerr Allan Financial Pty Ltd (ACN 127 843 627) (**Kerr Allan**) as consideration for pre-IPO seed capital raising and corporate advisory services will be subject to ASX-imposed escrow for up to 24 months from the date of Official Quotation;
- Options issued to Kerr Allan under an engagement agreement in relation to a pre-IPO seed capital raising and corporate advisory services will be subject to ASX-imposed escrow for up to 24 months from the date of Official Quotation; and
- Options issued to the Lead Manager pursuant to the Offer Management Agreement will be subject to ASX-imposed escrow for up to 24 months from the date of Official Quotation.

The number of Shares that are subject to ASX imposed escrow are at ASX's discretion in accordance with the ASX Listing Rules and underlying policy. The above is a good faith estimate of the Shares that are expected to be subject to ASX imposed escrow.

The Company will announce to ASX full details (quantity and duration) of the Shares required to be held in escrow prior to the Shares commencing trading on ASX (which admission is subject to ASX's discretion and approval).

5.10 ADDITIONAL INFORMATION

Prospective investors are referred to and encouraged to read in its entirety both the:

- the Independent Geologist's Report included in Annexure A for further details about the geology, location and mineral potential of the Company's Projects; and
- the Solicitor's Report on Tenements included in Annexure B for further details with respect to the Company's interests in the Tenements.

5.11 DIVIDEND POLICY

The Company anticipates that significant expenditure will be incurred in the evaluation and development of the Company's Projects. These activities, together with the possible acquisition of interests in other projects, are expected to dominate at least the first two-year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

⁴ The Company intends to seek look through relief from ASX in relation to the Shares issued in consideration for the acquisition of Traprock Resources. However under the terms of the acquisition, the vendors have agreed that 50% of the Shares issued will remain subject to voluntary escrow for 6 months from the date of Official Quotation.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings, operating results, and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.



06

**FINANCIAL
INFORMATION**

6.1 INTRODUCTION

The financial information relating to QMines contained in this Section 6 includes:

- (a) Traprock Resources' statutory historical financial information for the financial years ended 30 June 2018 (**FY18**), 30 June 2019 (**FY19**) and 30 June 2020 (**FY20**) comprising:
 - (i) unaudited historical statements of profit or loss and other comprehensive income for FY18, FY19, and FY20;
 - (ii) unaudited historical statements of financial position as at 30 June 2018, 30 June 2019 and 30 June 2020; and
 - (iii) unaudited statutory historical cash flow statements for FY18, FY19 and FY20,(together, the **Statutory Historical Financial Information**); and
- (b) QMines' unaudited statutory historical statement of financial position as at 30 September 2020, and pro-forma statements of financial position at 30 September 2020 based on the Minimum Subscription and Maximum Subscription scenarios (the **Pro Forma Historical Statement of Financial Position**),

(the Statutory Historical Financial Information and the Pro Forma Statement of Financial Position, together the **Financial Information**).

The information in this Section 6 should also be read in conjunction with all other information set out in this Prospectus and, in particular, the risk factors detailed in Section 7.

All amounts disclosed in Section 6 are, unless otherwise noted, rounded to the nearest thousand Australian dollars. Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any differences between totals and sums of components in figures or tables contained in this Prospectus are due to rounding.

The Company has a 30 June financial year end.

6.2 BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL INFORMATION

6.2.1 OVERVIEW OF PREPARATION AND PRESENTATION OF THE HISTORICAL FINANCIAL INFORMATION

The Directors are responsible for the preparation and presentation of the Financial Information.

The Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding the underlying historical financial performance, cash flow and financial position of QMines.

Given that QMines is in an early stage of development, there are significant uncertainties associated with forecasting the future revenues and expenses of the Company. On this basis, the Directors believe that there is no reasonable basis for the inclusion of financial forecasts in the Prospectus.

The Statutory Historical Financial Information has been prepared in accordance with the recognition and measurement principles of Australian equivalents to International Financial Reporting Standards (**AIFRS**) issued by the Australian Accounting Standards Board. Following listing, the Company will report under AIFRS in Australian Dollars, which is its elected presentation currency. The significant accounting policies are described in Section 6.10.

The Pro Forma Historical Statement of Financial Position has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards (**AAS**) and AIFRS other than it includes certain adjustments which have been prepared in a manner consistent with AAS and AIFRS that reflect the impact of certain transactions as if they had occurred on or before 30 September 2020.

The Financial Information is presented in an abbreviated form and it does not include all of the presentation and disclosures, statements or comparative information required by AAS and AIFRS, and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

In addition to the Financial Information, Section 6 describes certain non-AIFRS financial measures that QMines uses to manage and report on the business that are not defined under or recognised by AAS or AIFRS.

6.2.2 BASIS FOR INCLUSION OF HISTORICAL FINANCIAL INFORMATION

QMines was incorporated on 4 August 2020 as a private company and converted to a public company on 22 October 2020 for the purposes of listing on ASX.

The Company completed the acquisition of all of the issued shares in Traprock Resources from Traprock Mining on 24 December 2020.

The historical financial statements of Traprock Mining for FY18, FY19 and FY20 were audited and unqualified audit opinions were issued for each of those periods. QMines is the holding company of Traprock Resources (operating company, incorporated on 11 July 2013), Dynasty Gold (a dormant company, incorporated on

10 February 2015), Rocky Copper (a dormant company, incorporated on 22 October 2019) and RLG Holdings (a dormant company, incorporated on 15 December 2020).

There are limited actual historical consolidated financial results for QMines, given it is recently incorporated and acts as the holding company for the Group. There are limited actual historical financial results for Dynasty Gold. Notwithstanding that exploration permits are held by Dynasty Gold, over the course of the historical financial period, Traprock Resources has paid for costs associated with the exploration permits held by Dynasty Gold. There are limited actual historical financial results for Rocky Copper and RLG Holdings (property holding company). Notwithstanding that exploration permits are held by Rocky Copper, since its incorporation, Warwick Anderson has paid for costs associated with the exploration permits held by Rocky Copper.

Consequently, only Traprock Resources' financial information has been disclosed in this Section 6 as it is the only operating company within the Group. This financial information is derived from the audited historical financial information of Traprock Mining.

The Pro Forma Historical Statement of Financial Position reflects a consolidation of QMines that will comprise the QMines Group upon listing.

6.2.3 LIMITED ASSURANCE REPORT

The Financial Information has been reviewed by RSM Corporate Australia Pty Ltd in accordance with the Australian Standard on Assurance Engagements ASAE 3450: "Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information" as stated in its Independent Limited Assurance Report set out in Annexure C. Investors should note the scope and limitations of the Independent Limited Assurance Report.

6.2.4 PREPARATION OF THE FINANCIAL INFORMATION

The Financial Information has been presented on both a statutory and a pro forma basis.

The Historical Statutory Financial Information for Traprock Resources has been derived from the audited general purpose financial statements of Traprock Mining.

Traprock Resources is the operating entity which was previously owned by Traprock Mining (a holding company) prior to its acquisition by QMines.

The Pro Forma Historical Statement of Financial Position has been prepared for the purpose of inclusion in this Prospectus. The Pro Forma Historical Statement of Financial Position has been derived from the unaudited statutory historical consolidated statement of financial position of QMines and adjusted for the effects of the pro forma adjustments, including the impact of the Offer, as if it had occurred as at 30 September 2020.

In preparing the Financial Information, QMines' accounting policies have been consistently applied throughout the periods presented.

Investors should note that past results are not a guarantee of future performance.

GOING CONCERN

The Financial Information has been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and discharge of liabilities in the normal course of business.

The Directors believe that there are reasonable grounds that QMines will be able to continue as a going concern as a result of the proceeds raised from the Offer.

Accordingly, the board of Directors believe that the Company 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 Information.

6.2.5 EXPLANATION OF CERTAIN NON-AIFRS FINANCIAL MEASURES

To assist in the evaluation of the financial performance of QMines, certain measures are used to report on the Company that are not recognised under AAS or AIFRS. These measures are collectively referred to in this Section 6 and under Regulatory Guide 230 Disclosing Non-AIFRS Financial Information published by ASIC as "non-AIFRS financial measures". The principal non-AIFRS financial measures that are referred to in this Prospectus are as follows:

- (a) **EBITDA** is earnings / (losses) before interest (net of finance income), taxation, depreciation and amortisation. Management uses EBITDA to evaluate the operating performance of the business without the non-cash impact of depreciation, amortisation and before interest and taxation. QMines also calculates EBITDA margin, which is EBITDA expressed as a percentage of total revenue. EBITDA can be useful to help understand the cash generation potential of the business. EBITDA and EBITDA margin should not be considered as an alternative to measures of cash flow under AIFRS and investors should not consider EBITDA in isolation from, or as a substitute for, an analysis of the results of QMines' operations;
- (b) **EBIT** is earnings / (losses) before interest (net of finance income) and taxation; and
- (c) **Operating cash flow is EBITDA** after the removal of non-cash items in EBITDA (e.g. share based payments) and changes in working capital. QMines uses operating cash flow to indicate the level of operating cash flow generated from EBITDA.

Potential investors should also refer to the description of the key financial terms set out in Section 6.3.

Although the Directors believe that these measures provide useful information about the financial performance of QMines, they should be considered as supplements to the income statement or cash flow statement measures that have been presented in accordance with AAS and AIFRS and not as a replacement for them. As these non-AIFRS financial measures are not based on AAS or AIFRS, they do not have standard definitions, and the way QMines has calculated these

measures may differ from similarly titled measures used by other companies. Potential investors should therefore not place undue reliance on these non-AIFRS financial measures.

6.3 SUMMARY OF STATUTORY HISTORICAL STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The table below sets out Traprock Resources' Historical Statement of Profit or Loss and other Comprehensive Income for FY18, FY19, and FY20.

	FY18 UNAUDITED \$'000	FY19 UNAUDITED \$'000	FY20 UNAUDITED \$'000
Revenue	-	-	15
Operating expenses	(312)	(182)	(171)
TOTAL EXPENSES	(312)	(182)	(171)
EBITDA	(312)	(182)	(156)
Depreciation and amortisation	-	-	-
EBIT	(312)	(182)	(156)
Finance costs	-	-	-
Net loss before tax	(312)	(182)	(156)
Income tax expense	-	-	-
Net loss after tax	(312)	(182)	(156)

(a) DESCRIPTION OF THE KEY FINANCIAL TERMS

The following is a description of the key financial terms used in the presentation of the Statutory Historical Financial Information:

- (i) revenue in FY20 related to the cash flow boost from the ATO; and
- (ii) operating expenses are largely related to consulting fees paid to Gold Exploration Australia Pty Ltd (\$39,000 in FY20), salaries and wages paid to two employees (\$74,000 in FY20) and site rent relating to the 6 EPMs held throughout the historical period (\$28,000 in FY20).

(b) GENERAL FACTORS AFFECTING THE HISTORICAL OPERATING RESULTS OF QMINES

Set out below is a discussion of the main factors which affected QMines' operations and the relative financial performance in FY18, FY19, and FY20, which QMines expects may continue to affect it in the future. The discussion of these general factors is intended to provide a summary only and does not detail all factors that affected the QMines' historical operating and financial performance, nor everything which may affect the QMines' operations and financial performance in the future.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE HISTORICAL STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

OPERATING EXPENSES

	FY18 UNAUDITED \$'000	%	FY19 UNAUDITED \$'000	%	FY20 UNAUDITED \$'000	%
Accountancy and audit	3	1%	11	6%	11	6%
Commissions	-	0%	50	28%	-	0%
Corporate secretarial	1	0%	3	2%	-	0%
Consulting fees	21	7%	10	5%	39	23%
Environmental assurance fees	3	1%	9	5%	3	2%

	FY18 UNAUDITED \$'000	%	FY19 UNAUDITED \$'000	%	FY20 UNAUDITED \$'000	%
Filing fees	3	1%	4	2%	2	1%
Geochemistry	3	1%	7	4%	-	0%
Insurance	3	1%	4	2%	-	0%
Labour hire	89	29%	-	0%	-	0%
Legal fees	15	5%	3	2%	-	0%
Printing and stationery	1	0%	10	5%	-	0%
Project generation	-	0%	1	1%	-	0%
Rent	54	17%	24	13%	28	16%
Superannuation	8	3%	4	2%	7	4%
Telephone	-	0%	2	1%	-	0%
Travel, accommodation & conference	22	7%	13	7%	8	5%
Wages	85	27%	27	15%	73	43%
Workcover	1	0%	-	0%	-	0%
TOTAL OVERHEADS	312	100%	182	100%	171	100%
KPIs						
Fixed as a % of total	44.1%		28.2%		59.3%	
Variable as a % of total	55.9%		71.8%		40.7%	

Commissions in FY19 relate to commissions paid to Daniel Lanskey, a director of the Company (\$15,000) and to Ian Birch (\$35,000) for introducing additional shareholders to Traprock Mining.

Labour hire in FY18 encompasses amounts paid to Warwick Anderson which was paid via a mixture of shares being issued (\$75,000) and cash consideration (\$14,000). It is now paid as consulting fees to Gold Exploration Australia Pty Ltd, an entity associated with Warwick Anderson. This also reflects the increase in consulting fees in FY20.

Rent relates to site rent for the exploration permits, a summary has been set out below.

PROJECT NAME	EPM	HOLDER	GRANT DATE	EXPIRY DATE	SUB BLOCKS	RENT
Mt Chalmers	25935	Dynasty	21-Jul-16	20-Jul-21	13	\$2,145
Warroo	26178	Dynasty	17-Aug-16	16-Aug-21	21	\$3,465
Herries Range	25785	Traprock	30-Apr-15	29-Apr-23	24	\$3,960
Herries Range	25786	Traprock	30-Apr-15	29-Apr-23	59	\$9,735
Herries Range	25788	Traprock	30-Apr-15	29-Apr-23	27	\$4,455
Silverwood	27281	Traprock	5-Feb-20	5-Feb-25	28	\$4,617

Wages relate to the payment of wages for two individuals.

6.4 SUMMARY OF STATUTORY HISTORICAL STATEMENT OF FINANCIAL POSITION

AS AT	30-JUN-18 UNAUDITED \$'000	30-JUN-19 UNAUDITED \$'000	30-JUN-20 UNAUDITED \$'000
Current assets			
Cash and cash equivalents	69	5	-
Trade and other receivables	-	-	14
TOTAL CURRENT ASSETS	69	5	14
Non current assets			
Other assets	10	10	10
TOTAL NON CURRENT ASSETS	10	10	10
TOTAL ASSETS	79	15	24
Current liabilities			
Trade and other payables	11	9	16
Provisions	2	-	-
TOTAL CURRENT LIABILITIES	13	9	16
TOTAL LIABILITIES	13	9	16
NET ASSETS	66	6	8

6.5 SUMMARY OF STATUTORY HISTORICAL CASH FLOWS

	FY18 UNAUDITED \$'000	FY19 UNAUDITED \$'000	FY19 UNAUDITED \$'000
Operating cash flows			
EBITDA	(312)	(182)	(156)
Non cash movement:			
Share based payment	75	-	-
Other movements:			
Trade and other receivables	1	-	(14)
Trade and other payables	9	(4)	7
MOVEMENT IN WORKING CAPITAL	10	(4)	(7)
NET OPERATING CASH FLOWS	(227)	(186)	(163)
Financing cash flows			
Proceeds from the issue of ordinary shares	272	122	158
NET FINANCING CASH FLOWS	272	122	158
Net cash movement	45	(64)	(45)
Cash at the beginning of the financial period	24	69	5
CASH AT THE END OF THE PERIOD	69	5	-

MANAGEMENT DISCUSSION AND ANALYSIS OF THE HISTORICAL CASH FLOWS

QMiners is in the early stage of its business life cycle which requires accelerated investment to progress its exploration and development program. As such, historical operating cash flow has been financed through capital raisings.

In FY18, \$89,000 was paid to Warwick Anderson via a mixture of cash consideration (\$14,000) and shares being issued (\$75,000) (a non cash movement reflecting the fair value of the shares issued).

Operating cash outflows each year have been funded by the issue of fully paid ordinary shares.

6.6 STATUTORY HISTORICAL STATEMENTS OF FINANCIAL POSITION AND PRO FORMA HISTORICAL STATEMENT OF FINANCIAL POSITION

Set out below is the statutory historical statement of financial position of QMiners and the pro forma adjustments that have been made to prepare the Pro Forma Historical Statement of Financial Position.

The Pro Forma Historical Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of QMiners' view of its financial position upon completion of the Offer or at a future date. Further information on the sources and uses of funds of the Offer is set out in Section 5.6.

AS AT	30-SEP-20		
	QMINES LTD UNAUDITED \$'000	MINIMUM PRO FORMA \$'000	MAXIMUM PRO FORMA \$'000
Current assets			
Cash and cash equivalents	-	10,772	20,100
Trade and other receivables	-	59	104
TOTAL CURRENT ASSETS	-	10,831	20,204
Non current assets			
Land and buildings	-	430	430
Exploration and development expenditure	-	3,052	3,052
TOTAL NON CURRENT ASSETS	-	3,482	3,482
TOTAL ASSETS	-	14,313	23,686
Current liabilities			
Trade and other payables	-	403	403
TOTAL CURRENT LIABILITIES	-	403	403
TOTAL LIABILITIES	-	403	403
NET ASSETS	-	13,910	23,283
Equity			
Contributed equity	-	13,712	23,025
Reserves	-	693	693
Accumulated losses	-	(495)	(435)
TOTAL EQUITY	-	13,910	23,283

(a) SUBSEQUENT EVENTS:

The following transactions and events had not occurred prior to 30 September 2020 but have taken place or will take place on or before the issue of Shares under the Offer. The pro forma financial information in this Section 6 assumes that they occurred on or before 30 September 2020:

- (i) the issue of 46,666,667 Shares to the founders at an issue price of \$0.001 on 30 September 2020;
- (ii) the issue of 11,536,668 Shares to pre-IPO Shareholders at an issue price of \$0.15 on 1 October 2020;
- (iii) the issue of 3,265,718 Shares to pre-IPO Shareholders at an issue price of \$0.15 on 30 October 2020;
- (iv) the payment of the following to Kerr Allan Financial Pty Ltd in consideration for services as lead manager to the seed capital raisings:
 - (A) the issue of 333,333 Shares at a deemed issue price of \$0.15 on 30 October 2020 (with a fair value of \$50,000);
 - (B) a cash payment of \$163,000 (including GST);
 - (C) the issue of 1,700,000 Options with an exercise price of \$0.375 (a 25% premium to the Offer price) and a term of 3 years, vesting immediately. The Directors have valued the Options at \$281,000 (being \$0.17 per Option) using the Black Scholes option valuation methodology.
- (v) the acquisition of Traprock Resources on 24 December 2020 in consideration for the issue by QMines to Traprock Mining of 10,000,000 Shares with a fair value of \$3,000,000 and no cash consideration being paid. Refer to Section 9.2;
- (vi) the issue of 66,666 Shares to pre IPO Shareholders at an issue price of \$0.15 on 31 December 2020;
- (vii) the acquisition of Rocky Copper on 18 January 2021 in consideration for the issue by QMines to Traprock Mining of 166,667 Shares with a fair value of \$50,000 and no cash consideration being paid. Refer to Section 9.3; and
- (viii) the purchase by RLG Holdings (a subsidiary of QMines) of some land in Queensland for \$430,000, of which a deposit of \$43,000 has been paid with the remaining payable on settlement on 30 April 2021. Refer to Section 9.4.

(b) PRO FORMA ADJUSTMENTS:

The following pro forma adjustments are expected in connection with the Offer:

- (i) intragroup elimination adjustments in relation to the acquisition of Traprock Resources (and Dynasty Gold) by QMines;
- (ii) the completion of the Offer which relates to the issue of 33,333,334 Shares at \$0.30 each raising \$10,000,000 (Minimum Subscription), with oversubscriptions raising a total of up to \$20,000,000 (Maximum Subscription);
- (iii) expenses associated with the Minimum Subscription estimated to be \$1,300,000, with \$755,000 being capitalised and \$495,000 being expensed. Expenses associated with the Maximum Subscription estimated to be \$2,000,000, with \$1,400,000 being capitalised and \$435,000 being expensed. Recoverable GST is estimated at \$45,000 under the Minimum Subscription and \$90,000 under the Maximum Subscription. As at 30 September 2020, none of the Offer costs had been prepaid; and
- (iv) the issue of 2,500,000 Options to the Lead Manager as part consideration for services provided under the Offer Management Agreement. The Options have an exercise price of \$0.375 (a 25% premium to the Offer price) and a term of 3 years, vesting immediately. The Directors have valued the Options at \$413,000 (being \$0.17 per Option) using the Black Scholes option valuation methodology. Refer to Section 9.1 for a summary of the terms of the Offer Management Agreement.

6.7 PRO FORMA CAPITAL STRUCTURE

Refer to Section 5.7 for a summary of QMines' capital structure.

	NO. OF SHARES	CONTRIBUTED EQUITY	RESERVES	ACCUM. LOSSES	NET ASSETS
		\$'000	\$'000	\$'000	\$'000
Ordinary shares at the date of incorporation		-	-	-	-
Subsequent events:					
Founders Shares issued	46,666,667	41	-	-	41
Pre IPO tranche	11,536,668	1,731	-	-	1,731
Pre IPO tranche	3,265,718	490	-	-	490
Pre IPO costs	333,333	(443)	281	-	(162)
Acquisition of Traprock Resources and Dynasty Gold	10,000,000	3,000	-	-	3,000
Pre IPO tranche	66,666	10	-	-	10
Acquisition of Rocky Copper	166,667	50	-	-	50
PRE OFFER CAPITAL STRUCTURE	72,035,719	4,879	281	-	5,160

	NO. OF SHARES	CONTRIBUTED EQUITY	RESERVES	ACCUM. LOSSES	NET ASSETS
		\$'000	\$'000	\$'000	\$'000

Pro forma transactions in relation to the

Minimum Subscription

Public offer	33,333,334	10,000	-	-	10,000
Offer costs		(1,167)	412	(495)	(1,250)
TOTAL (UNDILUTED)	105,369,053	13,712	693	(495)	13,910

Pro forma transactions in relation to the

Maximum Subscription

Public offer	66,666,666	20,000	-	-	20,000
Offer costs		(1,854)	412	(435)	(1,877)
TOTAL (UNDILUTED)	138,702,385	23,025	693	(435)	23,283

(a) RECOGNITION OF A DEFERRED TAX ASSET

A deferred tax asset has not been recognised in relation to the capitalised Offer costs due to the uncertainty surrounding the flow of economic benefits that will flow in future periods.

(b) LIQUIDITY AND CAPITAL RESOURCES

Following Completion of the Minimum Subscription, the Company will have cash of \$10,772,000 on a pro forma basis as at 30 September 2020.

The Company expects that it will have sufficient cash to meet its short-term operational requirements and other business needs.

(c) CONTRACTUAL OBLIGATIONS, COMMITMENTS AND CONTINGENT LIABILITIES

QMines has no operating or finance leases.

6.8 CRITICAL ACCOUNTING POLICIES

Preparing financial statements in accordance with AAS requires management to make judgements, estimates and assumptions about the application of accounting policies that affect the reported revenues and expenses, carrying values of assets and liabilities and the disclosure of contingent liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both the current and future periods. Judgements the Company has made in the application of AAS that have a significant effect on the financial statements and estimates with a significant risk of material adjustments in the next financial year are disclosed, where applicable, in the relevant notes to the financial statements. The key areas in which critical estimates and judgements are applied are in respect of tax, as described in the significant accounting policies outlined in Section 6.10.

6.9 DIVIDEND POLICY

The Company anticipates that significant expenditure will be incurred in the evaluation and development of the Company's Projects. These activities, together with the possible acquisition of interests in other projects, are expected to dominate at least the first two-year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

6.10 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES IN RELATION TO THE FINANCIAL STATEMENTS

(a) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent, QMines, and all of its subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

(b) INCOME TAX

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income). Current income tax expense charged to profit, or loss, is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. When an investment property that is depreciable is held by the company in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settle.

(c) FAIR VALUE OF ASSETS AND LIABILITIES

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the Group's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(d) EMPLOYEE BENEFITS

(I) SHORT-TERM EMPLOYEE BENEFITS

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

(ii) OTHER LONG-TERM EMPLOYEE BENEFITS

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(e) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(f) REVENUE AND OTHER INCOME

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably.

All revenue is stated net of the amount of goods and services tax (GST).

(g) TRADE AND OTHER RECEIVABLES

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

(h) TRADE AND OTHER PAYABLES

Trade and other payables represent the liabilities for goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(i) GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

(j) EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

(k) SHARE-BASED PAYMENTS

Equity-settled and cash-settled share-based compensation benefits may be provided to employees and third party suppliers.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- (i) during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period; and
- (ii) from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.



07

RISK FACTORS

7.1 INTRODUCTION

The Shares offered under this Prospectus should be considered highly speculative and an investment in the Company is not risk free.

The future performance of the Company and the value of the Shares may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks as well as other risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 7, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares. This Section 7 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 7, together with all other information contained in this Prospectus.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 7 and all of the other information set out in this Prospectus. You should consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

7.2 COMPANY SPECIFIC RISKS

RISK CATEGORY	RISK
Limited History	The Company was only recently incorporated on 4 August 2020 and has only limited operating history and limited historical financial performance. Exploration and production has previously been conducted on the area of land the subject of the Tenements, however, the Company is yet to conduct its own exploration activities or had the opportunity to confirm any historical information in relation to these Tenements. No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its Tenements. Until the Company is able to realise value from its Projects, it is likely to incur ongoing operating losses.
Exploration and Development	The mineral exploration permits comprising the Projects are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that future exploration of these permits, or any other mineral tenements/licences that may be acquired in the future, will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited. The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, native title process, changing government regulations and many other factors beyond the control of the Company. The success of the Company will also depend upon the Company being able to maintain title to the mineral exploration permits comprising the Projects and obtaining all required approvals for their contemplated activities. In the event that exploration programs prove to be unsuccessful, this could lead to a diminution in the value of the Projects, a reduction in the cash reserves of the Company and possible relinquishment of one or more of the mineral exploration permits comprising the Projects.

RISK CATEGORY	RISK
Tenure, Access, and Grant of Applications	Applications The Tenements are at various stages of application and grant. Two of the Tenements in relation to the Mt Chalmers Project are still under application. While the Company does not anticipate there to be any issue with the grant of these applications, there can be no assurance that the applications will be granted. While the Company considers the risk to be low, there can also be no assurance that if the relevant tenement is granted, it will be granted in its entirety. Additionally, some of the tenement areas applied for may be excluded. Refer to the Solicitor's Report on Tenements in Annexure B for further information on the Company's tenement applications. Renewal Mining and exploration tenements are subject to periodic renewal. The renewal of the term of granted tenements is subject to compliance with the applicable mining legislation and regulations and the discretion of the relevant mining authority. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements. The imposition of new conditions, or the inability to meet those conditions, may adversely affect the operations, financial position and/or performance of the Company. The Company considers the likelihood of tenure forfeiture to be low given the laws and regulations governing exploration in Queensland and the ongoing expenditure budgeted for by the Company. However, the consequence of forfeiture or involuntary surrender of a granted tenement for reasons beyond the control of the Company could be significant. Access Several of the Tenements overlap certain third-party interests that may limit the Company's ability to conduct exploration and mining activities including private land and areas on which native title is yet to be determined. Planned exploration or potential future mining activities will require the Company to enter into conduct and compensation agreements with various land holders to ensure the requirements of the <i>Mineral Resources Act 1989</i> (QLD) and the <i>Mineral and Energy Resources (Common Provisions) Act 2014</i> (QLD) are satisfied and to avoid any disputes arising. Entry into these agreements is not guaranteed and may delay or prevent the undertaking of activities, including any exploration activities and the development of future mines, and may restrict the areas within which the Company can explore for mineral development. Please refer to the Solicitor's Report on Tenements in Annexure B for further information.
Native Title and Aboriginal Heritage	In relation to tenements which the Company has an interest in, or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to Tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected. Searches indicate that several of the Tenements comprising the Projects are within the external boundaries of native title claims. Public searches indicate that EPM 25935, EPM 25788, EPM 25786, EPM 27726 and EPM 25785 are either granted with, or the application has been made subject to, the 'Native Title Protection Conditions' (NTPCs) attached as conditions of grant. The NTPC's contain specific requirements around notification of exploration activities and timeframes for responses by the Native Title parties. In addition, Indigenous Land Use Agreements (ILUA) are registered against EPM 25935 and EPM 27726. The terms and conditions of any such ILUA may be unfavourable for, or restrictive against, the Company. The Directors will closely monitor the potential effect of native title claims or Aboriginal heritage matters involving Tenements in which the Company has or may have an interest. Please refer to the Solicitor's Report on Tenements in Annexure B for further information.

7.3 INDUSTRY SPECIFIC RISKS

RISK CATEGORY	RISK
Exploration Costs	The exploration costs of the Company as summarised in Section 5 are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainty, and accordingly, the actual costs may materially differ from the estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely impact the Company's viability.
Resources, Reserves and Exploration Targets	The Company has identified a number of Exploration Targets based on geological interpretations and limited geophysical data, geochemical sampling and historical drilling. However, insufficient data exists to provide certainty over the extent of the mineralisation. Whilst the Company intends to undertake additional exploratory work with the aim of defining additional resources, no assurances can be given that additional exploration will result in the determination of an additional resource on any of the exploration targets identified. Even if further resources are identified no assurance can be provided that this can be economically extracted. Reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource and reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate.
Grant of Future Authorisations to Explore and Mine	If the Company discovers an economically viable mineral deposit that it intends to develop, it will, among other things, require various approvals, licence and permits before it will be able to mine the deposit. There is no guarantee that the Company will be able to obtain all required approvals, licenses and permits. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.
Mine Development	Possible future development of mining operations at the Projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services. If the Company commences production on one of the Projects, its operations may be disrupted by a variety of risks and hazards which are beyond the control of the Company. No assurance can be given that the Company will achieve commercial viability through the development of the Projects. The risks associated with the development of a mine will be considered in full should the Projects reach that stage and will be managed with ongoing consideration of stakeholder interests.
Environmental	The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay, or cease production, or increase production costs. Events, such as unpredictable rainfall or bushfires, may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or

RISK CATEGORY	RISK
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penalties in the event of certain discharges into the environment, environmental damage caused by previous operations, or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programs or mining activities.

The Company is aware that due to the historical production and processing of ore at the Mt Chalmers Project, some environmental impact may have occurred, including acid mine drainage. The Company intends to implement an environmental management plan for the Project in consultation with appropriate independent parties and authorities.

Regulatory Compliance	The Company's operating activities are subject to extensive laws and regulations relating to numerous matters including departmental approvals, environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species, and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities. While the Company believes that it is in substantial compliance with all material current laws and regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements, or in the terms of existing permits and agreements applicable to the Company or its properties, which could have a material adverse impact on the Company's current operations or planned development projects. Obtaining necessary permits can be a time-consuming process and there is a risk that the Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations, could materially delay or restrict the Company from proceeding with the development of a project, or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the Projects.
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COVID-19 Risk

The outbreak of the coronavirus disease (**COVID-19**) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company. These may include the closure of the Queensland border which may affect or delay the planned activities of the Company.

7.4 GENERAL RISKS

RISK CATEGORY	RISK
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Additional Requirements for Capital

The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts raised under the capital raising. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programs as the case may be. There is no guarantee that the Company will be able to secure any additional funding, or be able to secure funding on terms favourable to the Company.

RISK CATEGORY	RISK
Reliance on Key Personnel	The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment. The Company may not be able to replace its senior management or key personnel with persons of equivalent expertise and experience within a reasonable period of time, or at all, and the Company may incur additional expenses to recruit, train and retain personnel. Loss of such personnel may also have an adverse effect on the performance of the Company.
Economic	General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration and development activities, as well as on its ability to fund those activities.
Competition Risk	The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.
Currently No Market	There is currently no public market for the Company's Shares, the price of its Shares is subject to uncertainty and there can be no assurance that an active market for the Company's Shares will develop or continue after the Offer. The price at which the Company's Shares trade on ASX after listing may be higher or lower than the issue price of Shares offered under this Prospectus and could be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors over which the Directors and the Company have no control, such as movements in mineral prices and exchange rates, changes to government policy, legislation or regulation and other events or factors. There can be no guarantee that an active market in the Company's Shares will develop or that the price of the Shares will increase. There may be relatively few or many potential buyers or sellers of the Shares on ASX at any given time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is above or below the price that Shareholders paid.
Market Conditions	Share market conditions may affect the value of the Company's Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as: • general economic outlook; • introduction of tax reform or other new legislation; • interest rates and inflation rates; • changes in investor sentiment toward particular market sectors; • the demand for, and supply of, capital; and • terrorism or other hostilities. The market price of Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company. Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and, in particular, securities of exploration companies, experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These factors may materially affect the market price of Shares regardless of the Company's performance.

RISK CATEGORY	RISK
	Further, after the end of the relevant escrow periods affecting Shares in the Company, a significant sale of then tradeable Shares (or the market perception that such a sale might occur) could have an adverse effect on the Company's Share price. Please refer to Section 5.9 for further details on the Shares likely to be classified by the ASX as restricted securities.
Commodity Price Volatility and Exchange Rate Risks	If the Company achieves success leading to mineral production, the revenue it will derive through the sale of product exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors. Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.
Government Policy Changes	Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Queensland may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.
Insurance	The Company intends to insure its operation in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance of all risks associated with mineral exploration and production is not always available and, where available, the costs can be prohibitive.
Force Majeure	The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.
Taxation	The acquisition and disposal of Shares will have tax consequences which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.
Litigation Risks	The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute, if proven, may impact adversely on the Company's operations, reputation, financial performance and financial position. The Company is not currently engaged in any litigation.

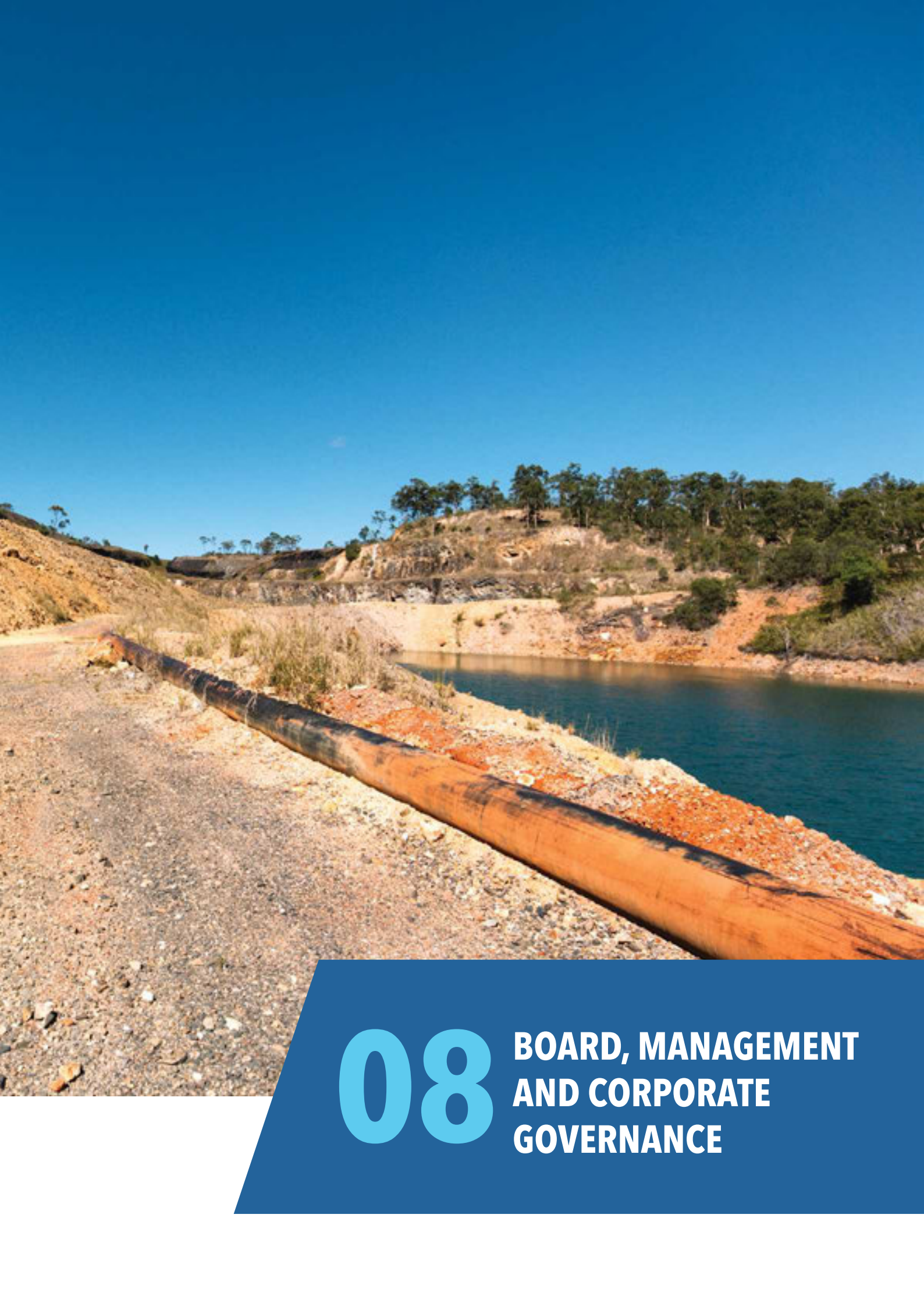
7.5 INVESTMENT SPECULATIVE

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Shares offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Shares.

Before deciding whether to subscribe for Shares under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs and consult your own professional advisors.



08

**BOARD, MANAGEMENT
AND CORPORATE
GOVERNANCE**

8.1 DIRECTORS

The Board of the Company consists of:

(a) ANDREW SPARKE (B.BUS (MARKETING), M.FIN, GAICD) – EXECUTIVE CHAIRMAN

Mr Sparke has over 15 years' experience that includes fund management, corporate advisor and broker to a number of ASX listed resources companies. He has significant experience serving in Chairman, Executive Director and Non-Executive Director roles and has been involved in several successful corporate transactions including numerous capital raisings, IPOs, back door listings and M&A transactions.

Between January 2014 and December 2018, Mr Sparke was a director of Lanstead Investors Pty Ltd, a UK based investment fund. Under his guidance, the fund invested into a number of ASX listed resource companies.

Mr Sparke is focused on identifying undervalued resource stocks, refining their strategy and focusing management on key value drivers. Mr Sparke is Managing Director of Olive Capital Pty Ltd, a resource focused capital markets advisory firm.

Mr Sparke was formerly a director of Alt Resources Ltd (ASX:ARS) (now de-listed) and non-executive chairman of Torian Resources Ltd (ASX:TNR). He is also a non-executive director of Tillegrah Limited.

Mr Sparke is a graduate member of the Australian Institute of Company Directors (AICD) and holds a Bachelor of Business (Marketing) and a Masters (Finance).

The Board considers that Mr Sparke is not an independent Director.

(b) DANIEL LANSKEY (GRAD. CERT. ENTREPRENEURSHIP AND VENTURE CAPITAL) – MANAGING DIRECTOR

Mr Lanskey has over 20 years' experience in senior management/director roles in the resources, oil and gas and cannabis industries. He was a founder and the managing director of Austex Oil Limited (ASX:AOK) from 2006 to 2015. During this time Mr Lanskey grew the annual revenue from a start-up to \$US30 million per annum.

Mr Lanskey is currently a non-executive director of Macarthur Minerals Limited (ASX:MIO, TSXV:MMS), Timeless Capital Corp (TSXV:TLC) and Tillegrah Limited. He was a former Director of Raya Group Limited (ASX:RYG), Pryme Energy Limited (ASX:PYM) and Needle Capital Corp (TSXV:NEDL).

Mr Lanskey holds a Graduate Certificate in Entrepreneurship and Venture Development from Griffith University in Queensland. He is also a member of the AICD.

The Board considers that Mr Lanskey is not an independent Director.

(c) ELISSA HANSEN (B.COM, GRAD. DIP. APPLIED CORPORATE GOVERNANCE, GAICD, FGIA, FCG (CS)) – NON-EXECUTIVE DIRECTOR AND COMPANY SECRETARY

Ms Hansen is a chartered secretary with over 20 years' experience as a company secretary and corporate governance professional.

She has worked with boards and management on a range of ASX listed companies including assisting a number of organisations through the IPO process and is experienced in the specific requirements of companies in industries including resources, information technology, industrials and biotechnology.

Ms Hansen is currently a director of Zono Group Limited (ASX:ZNO) and was previously a director of Torian Resources Limited (ASX:TNR).

Ms Hansen is a Fellow of the Governance Institute of Australia and Graduate Member of AICD. She holds a Bachelor of Commerce and a Graduate Diploma in Applied Corporate Governance.

The Board considers that Ms Hansen is an independent Director.

8.2 KEY MANAGEMENT

The Company's current key management are:

(a) JAMES ANDERSON – GENERAL MANAGER, OPERATIONS

Mr Anderson is the Company's General Manager, Operations.

Mr Anderson has corporate operational, logistics, supply chain management experience, having moved into the minerals exploration industry in 2011.

He was a co-founder of Alt Resources Limited (ASX:ARS) (now de-listed), which was recently acquired under an all-cash takeover bid by a private equity group. Mr Anderson was formerly the CEO at SMP International and Australia, Managing Director of Aloha and General Manager of Sunseeker International. Mr Anderson is a substantial shareholder in the Company.

(b) HAMISH GRANT - EXPLORATION GEOLOGIST

Mr Grant has eight years' experience as an exploration geologist in Australia and overseas in both greenfield and brownfield exploration and resource definition. Mr Grant has spent the majority of his career working on orogenic gold, intrusive related gold and porphyry copper projects. He has most recently worked with Alt Resources Ltd (ASX:ARS) (now de-listed) as a project manager and played a major role in defining the maiden resource at the Mt Ida Project. Mr Grant holds a Bachelor of Science (Geology) from the Otago University in New Zealand.

As the Company develops the Board will look to appoint additional employees and/or consultants as appropriate to ensure proper management of the Company's business plan and assets.

8.3 DISCLOSURE OF INTERESTS

REMUNERATION

Given that the Company was incorporated on 4 August 2020, the Directors did not receive any remuneration for the financial year ended 30 June 2020.

Directors remuneration for the current financial year is set out in the table below:

DIRECTOR	REMUNERATION FOR THE YEAR ENDED 30 JUNE 2020	REMUNERATION FOR THE YEAR ENDING 30 JUNE 2021
Andrew Sparke	\$Nil	\$180,000
Daniel Lanskey	\$Nil	\$157,500
Elissa Hansen	\$Nil	\$75,000 ¹

NOTES:

1. Includes payment for Director fees and company secretarial fees.

INTERESTS IN SECURITIES

As at the date of this Prospectus

As at the date of this Prospectus, the Directors have relevant interests in Securities as follows:

DIRECTOR	SHARES	OPTIONS	PERCENTAGE (%)
Andrew Sparke ¹	24,200,000	Nil	33.59%
Daniel Lanskey ²	5,306,625	Nil	7.37%
Elissa Hansen ³	1,500,000	Nil	2.08%

Post-completion of the Offer - Minimum Subscription (assuming no Director participates in the Offer)

DIRECTOR	SHARES	OPTIONS	PERCENTAGE (%)
Andrew Sparke ¹	24,200,000	Nil	22.97%
Daniel Lanskey ²	5,306,625	Nil	5.04%
Elissa Hansen ³	1,500,000	Nil	1.42%

Post-completion of the Offer - Maximum Subscription (assuming no Director participates in the Offer)

DIRECTOR	SHARES	OPTIONS	PERCENTAGE (%)
Andrew Sparke ¹	24,200,000	Nil	17.45%
Daniel Lanskey ²	5,306,625	Nil	3.83%
Elissa Hansen ³	1,500,000	Nil	1.08%

NOTES:

- Andrew Sparke is the beneficial holder of 24,200,000 Shares held by Turkey Investments Pty Ltd (ACN 610 764 237) as trustee for The Turkey Family Trust.
- Daniel Lanskey holds a relevant interest (indirectly) in:
 - 5,000,000 Shares, held by DK Round Investments Pty Ltd (ACN 643 951 571); and
 - 306,625 Shares, held by Etranz.com Pty Ltd (ACN 087 958 307).
- Elissa Hansen holds a relevant interest (indirectly) in 1,500,000 Shares held by Market Capital Group Pty Ltd (ACN 099 259 702).

The Constitution provides that the remuneration of non-executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The aggregate remuneration for non-executive Directors is \$300,000 per annum although this amount may be varied by ordinary resolution of Shareholders in a general meeting.

The remuneration of any executive director that may be appointed to the Board will be fixed by the Board and may be paid by way of fixed salary or consultancy fee.

8.4 AGREEMENTS WITH DIRECTORS AND RELATED PARTIES

The Company's policy in respect of related party arrangements is:

- a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

The agreements between the Company and related parties are summarised in Section 9.6.

8.5 CORPORATE GOVERNANCE

(a) ASX CORPORATE GOVERNANCE COUNCIL PRINCIPLES AND RECOMMENDATIONS

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering these policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted *The Corporate Governance Principles and Recommendations (4th Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current leadership structure is cost effective and appropriate for managing the Company at this point in time. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website www.qmines.com.au.

(b) BOARD OF DIRECTORS

The Board is responsible for the corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- maintain and increase Shareholder value;
- ensure a prudential and ethical basis for the Company's conduct and activities consistent with the Company's stated values; and
- ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (i) leading and setting the strategic direction, values and objectives of the Company;
- (ii) appointing the Chairman of the Board, Managing Director or Chief Executive Officer and approving the appointment of senior executives and the Company Secretary;
- (iii) overseeing the implementation of the Company's strategic objectives, values, code of conduct and performance generally;
- (iv) approving operating budgets, major capital expenditure and significant acquisitions and divestitures;
- (v) overseeing the integrity of the Company's accounting and corporate reporting systems, including any external audit (satisfying itself financial statements released to the market fairly and accurately reflect the Company's financial position and performance);
- (vi) establishing procedures for verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor, to ensure that each periodic report is materially accurate, balanced and provides investors with appropriate information to make informed investment decisions;
- (vii) overseeing the Company's procedures and processes for making timely and balanced disclosure of all material information that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- (viii) reviewing, ratifying and monitoring the effectiveness of the Company's risk management framework, corporate governance policies and systems designed to ensure legal compliance; and
- (ix) approving the Company's remuneration framework.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in Board discussions on a fully informed basis.

(c) COMPOSITION OF THE BOARD

Election of Board members is substantially the province of the Shareholders in general meeting, subject to the following:

- (i) membership of the Board will be reviewed regularly to ensure the mix of skills and expertise is appropriate; and
- (ii) the composition of the Board has been structured so as to provide the Company with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent Shareholders and fulfil the business objectives and values of the Company as well as to deal with new and emerging business and governance issues.

The Board currently consists of three directors (one non-executive Director and two executive Directors) of whom Elissa Hansen is considered independent. The Board considers the current balance of skills and expertise to be appropriate for the Company given its planned level of activity.

The Company is committed to workplace diversity. The Company is committed to inclusion at all levels of the organisation, regardless of gender, marital or family status, sexual orientation, gender identity, age, disabilities, ethnicity, religious beliefs, cultural background, socio-economic background, perspective and experience.

To assist in evaluating the appropriateness of the Board's mix of qualifications, experience and expertise, the Board intends to maintain a "Board skills matrix" to ensure that the Board has the skills to discharge its obligations effectively and to add value.

The Board undertakes appropriate checks before appointing a person as a Director or putting forward to Shareholders a candidate for election as a Director or senior executive.

The Board ensures that Shareholders are provided with all material information in the Board's possession relevant to a decision on whether or not to elect or re-elect a Director.

The Company shall develop and implement a formal induction program for Directors, which is tailored to their existing skills, knowledge and experience. The purpose of this program is to allow new directors to participate fully and actively in Board decision-making at the earliest opportunity, and to enable new directors to gain an understanding of the Company's policies and procedures.

The Board maintains oversight and responsibility for the Company's continual monitoring of its diversity practices. The Company's diversity policy provides a framework for the Company to achieve enhanced recruitment practices whereby the best person for the job is employed, which requires the consideration of a broad and diverse pool of talent.

(d) IDENTIFICATION AND MANAGEMENT OF RISK

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

(e) ETHICAL STANDARDS

The Board is committed to the establishment and maintenance of appropriate ethical standards and to conducting all of the Company's business activities fairly, honestly with integrity, and in compliance with all applicable laws, rules and regulations. In particular, the Company and the Board are committed to preventing any form of bribery or corruption and to upholding all laws relevant to these issues as set out in the Company's Anti-Bribery and Anti-Corruption Policy. In addition, the Company encourages reporting of actual and suspected violations of the Company's Code of Conduct or other instances of illegal, unethical or improper conduct. The Company and the Board provide effective protection from victimisation or dismissal to those reporting such conduct as set out in its Whistleblower Protection Policy.

(f) INDEPENDENT PROFESSIONAL ADVICE

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

(g) REMUNERATION ARRANGEMENTS

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

In accordance with the Constitution, the total maximum remuneration of non-executive Directors is initially set by the Board and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$300,000 per annum.

In addition, a Director may be paid fees or other amounts (i.e. subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having regard to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

(h) TRADING POLICY

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the Managing Director). The policy generally provides that written acknowledgement of the Chair (or the Board in the case of the Chairman) must be obtained prior to trading.

(i) EXTERNAL AUDIT

The Company in general meetings is responsible for the appointment of the external auditors of the Company. From time to time, the Board will review the scope, performance and fees of those external auditors.

(j) AUDIT COMMITTEE

The Company has an audit committee that carries out the duties assigned to it under the written terms of reference for that committee, including but not limited to:

- (i) monitoring and reviewing any matters of significance affecting financial reporting and compliance;
- (ii) verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor;
- (iii) monitoring and reviewing the Company's internal audit, financial control system and risk management systems; and
- (iv) management of the Company's relationships with external auditors.

(k) DIVERSITY POLICY

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

(l) DEPARTURES FROM RECOMMENDATIONS

Under the ASX Listing Rules, the Company will be required to provide a statement in its annual financial report or on its website disclosing the extent to which it has followed the Recommendations during each reporting period. Where the Company has not followed a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it.

The Company's compliance and any departures from the Recommendations will also be announced prior to admission to the Official List.



09

**MATERIAL
CONTRACTS**

Set out below is a summary of certain contracts to which the Company is a party and which the Directors have identified as material to the Company or are of such a nature that an investor may wish to have details of particulars of them when making an assessment of whether to apply for Shares.

To fully understand all rights and obligations of a material contract, it would be necessary to review it in full and these summaries should be read accordingly.

9.1 OFFER MANAGEMENT AGREEMENT

The Company has entered into an offer management agreement (**Offer Management Agreement**) with the Lead Manager, the material terms and conditions of which are summarised below:

APPOINTMENT	The Company has appointed the Lead Manager on an exclusive basis to act as arranger and bookrunner in relation to the Offer.
CONDITIONS PRECEDENT	The obligations of the Lead Manager under the Offer Management Agreement are conditional on: (a) due diligence investigations in relation to the Company being completed to the satisfaction of the Lead Manager prior to lodgement of the Prospectus; and (b) the provision of a copy of the final due diligence report to the Lead Manager; (c) all material contracts having been duly executed to the satisfaction of the Lead Manager; (d) there being no withdrawal, withholding or modification of any regulatory approvals prior to 10:00am on the date of settlement of the Offer; (e) no material contract being void or voidable, nor having been breached, rescinded or terminated, nor having been amended without the prior written consent of the Lead Manager; (f) ASX indicating in writing that it will grant ASX approval for admission of the Company to the Official List; (g) the Lead Manager receiving a confirmation certificate from the Company (in the prescribed form set out in the Offer Management Agreement); (h) the Company receiving valid applications for Shares for at least the Minimum Subscription; and (i) the grant of any necessary ASX waivers or ASIC modifications required such that the Offer may be conducted in accordance with the Offer timetable.
ALLOCATION	The Lead Manager will manage the allocation of the Shares jointly with the Company in accordance with the following order: (a) firstly, to cornerstone investors under the Offer; (b) secondly, to Broker Firm Offer participants; (c) thirdly, to Chairman's List Offer participants; and (d) lastly, to participants under the General Offer.
FEES	In consideration for the services provided under the Offer Management Agreement, the Company has agreed to pay the Lead Manager (exclusive of GST): (a) a capital raising fee of 6% of the total funds raised under the Offer; (b) a corporate advisory fee of \$200,000; and (c) 2,500,000 Options at an exercise price of \$0.375 per Share and exercisable 3 years from the Company's admission to the Official List. The Company will also reimburse the Lead Manager for its reasonably incurred expenses.
INDEMNITY	The Company has agreed to indemnify the Lead Manager (and its affiliates, related bodies corporate, directors, officers employees, agents and advisers) (Indemnified Parties) against any claims or liabilities that the Indemnified Parties may incur in relation to the Offer, the Prospectus or the Offer Management Agreement, except if such liabilities result from the fraud, wilful misconduct or gross negligence of the Lead Manager.
RIGHT OF FIRST REFUSAL	The Company has granted the Lead Manager a first right of refusal to act as lead manager, financial advisor, capital markets adviser, placement agent or arranger on any equity raising conducted by

	QMiner within 12 months after the date of the Company's admission to the Official List, on the condition that any subsequent agreement to act is on standard market terms and conditions.
MORATORIUM	Within 180 days of the Company being admitted to the Official List, the Company will not issue or agree to issue any new Securities or equity in the Company, without the prior written consent of the Lead Manager (such consent not to be unreasonably withheld or delayed).
TERMINATION EVENTS	The Lead Manager may terminate its appointment under the Offer Management Agreement if any of the following events occur: (a) Adverse Change: If, in the reasonable opinion of the Lead Manager, an event that has had or could be expected to have, individually or in aggregate with a separate event, a material adverse change or effect on or which indicates that there has been a material adverse effect on: (i) the general affairs, business, reputation, operations, assets, liabilities, financial position or performance, profits, losses, prospects, earnings position, shareholder's equity, or results of operations of the Company or its subsidiaries; or (ii) any of the following: (A) the Offer (including the marketing, promotion, success, acceptance or settlement of the Offer) or completion of the Offer (without limitation, having regard to the likely effect of the relevant event(s) on a decision of a reasonable investor to invest in the Shares as if that decision to invest were made after the occurrence of the event(s) and not by considering the number and extent of applications received before the occurrence of the event(s)); or (B) the willingness of investors to pay the Offer price for Shares; or (iii) leads or is reasonably likely to lead to a: (A) liability for the Lead Manager; or (B) contravention by the Lead Manager of the Corporations Act or any other applicable law or regulation; (b) Withdrawal: The Company withdraws the Prospectus, any supplementary prospectus, the Offer, or any part of the Offer, or indicates that it intends to do any of those things; (c) No Confirmation Certificate: The Company does not provide confirmation certificates in the manner required by the Offer Management Agreement or a statement in a confirmation certificate is untrue in any material respect, incorrect or misleading or deceptive; (d) Minimum Subscription: The Minimum Subscription condition referred to in Section 4.3 is not satisfied by 5:00 pm (Sydney time) on the Closing Date; (e) Listing: ASX makes an official statement to any person, or indicates to the Company or the Lead Manager that the Company will not be admitted to the Official List or the Shares will not be granted quotation (or where approval is granted, it is subsequently withdrawn, qualified or withheld); (f) Prospectus: Where: (i) there is a material omission from the Prospectus or any other disclosure document of information required by the Corporations Act or any other applicable law or requirement; (i) the Prospectus or any other disclosure document contains a misleading or deceptive statement; (ii) a statement in the Prospectus or any other disclosure document becomes misleading or deceptive; (iii) a matter referred to in section 1014A of the Corporations Act occurs in respect of the Prospectus; or (iv) a disclosure document does not comply with an applicable law or the ASX Listing Rules; (g) Investigation: Any person makes an application for an order under Part 9.5 of the Corporations Act, or to any governmental agency, in relation to a disclosure document or the Offer, or ASIC commences or gives notice of an intention to hold, any investigation, proceedings or hearing in relation to the Offer or a disclosure document or any governmental

agency commences or gives notice of an intention to hold, any Inquiry (as defined in the Offer Management Agreement);

(h) **Corporations Act:** Where:

- (i) ASIC applies for an order under section 1324B of the Corporations Act in relation to the Prospectus or the Offer and the application is not dismissed or withdrawn before the Closing Date;
- (ii) ASIC gives notice of intention to hold a hearing in relation to the Prospectus or the Offer, or makes an interim order or any other order under section 1020E of the Corporations Act in relation to the Prospectus or any supplementary prospectus or the Offer; or
- (iii) an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Prospectus or any supplementary prospectus or the Offer or ASIC commences any investigation or hearing under Part 3 of the Australian Securities and Investments Commission Act 2001 (Cth) in relation to the Prospectus or any supplementary prospectus or the Offer;

(i) **Insolvency:** An Insolvency Event (as defined in the Offer Management Agreement) occurs or there is an act or omission which is likely to result in an Insolvency Event occurring with respect to the Company;

(j) **Repayment of Application Monies:** Any circumstance arising after lodgement of the Prospectus that results in the Company being required, by ASIC or under any applicable law, to either:

- (i) repay the funds received from applicants for Shares under the Offer; or
- (ii) give applicants under the Offer an opportunity to withdraw their applications for Shares and be repaid their application monies;

(k) **Consent:** Any person (other than the Lead Manager) whose consent to the issue of this Prospectus is required by the Corporations Act who has previously consented to the issue of the Prospectus withdraws such consent or any person otherwise named in the Prospectus with their consent (other than the Lead Manager) withdraws such consent;

(l) **Supplementary Prospectus:** The Company lodges a Supplementary Prospectus in a form that has not been approved by the Lead Manager;

(m) **Director:** A director of the Company:

- (i) is charged with an indictable offence or any regulatory body commences any public action against the director or responsible manager in his or her capacity as a director of the Company or announces that it intends to take any such action;
- (ii) is disqualified from managing a corporation under sections 206B, 206C, 206D, 206E, 206F or 206G of the Corporations Act or under any law of any jurisdiction; or
- (iii) otherwise engages in any fraudulent conduct or activity;

(n) **Prosecution:** A member of the executive team of the Company (as referred to in this Prospectus or otherwise) is charged with an indictable offence;

(o) **Market Change:** On the last day of any Reference Period (as defined in the Offer Management Agreement) ending on or before the settlement date of the Offer, the S&P ASX All Ordinaries Index closes 10% or more below that index's closing level at the beginning of the Reference Period;

(p) **No Issue:** The Company is or becomes unable, for any reason, to issue or allot Shares within the time required by the prescribed Offer timetable, any disclosure documents, the ASX Listing Rules, the ASX Settlement Operating Rules or by any other applicable laws, or an order of a court of competent jurisdiction or a government agency;

(q) **Illegality:** There is an event or occurrence, including any statute, order, rule or regulation, official directive or request (including on compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any governmental agency which makes it illegal for the Lead Manager to satisfy an obligation under the Offer Management Agreement, or to market, promote or settle the Offer in accordance with the Offer Management Agreement;

- (r) **Misleading or Deceptive Conduct:** Any civil or criminal proceedings are brought against the Company or any officer of the Company in relation to any fraudulent, misleading or deceptive conduct relating to the Company, the Company (in its personal capacity) whether or not in connection with the Offer except for any claim where at the time the claim is made, it is immediately apparent, in the reasonable opinion of the Lead Manager, that, on the face of the claim, it has no prospect of success, is vexatious or without merit.
- (s) **Timetable:** The Offer is not conducted in accordance with the timetable (as stipulated in the Offer Management Agreement) or any event specified in the timetable is delayed for more than two Business Days without the prior written consent of the Lead Manager;
- (t) **Material Contract:** If:
 - (i) a Material Contract (being any contract as summarised in this Prospectus) is terminated;
 - (ii) an event occurs which entitles a party to terminate a Material Contract;
 - (iii) there is a material breach of a Material Contract including a failure to satisfy a condition precedent to performance of a Material Contract;
 - (iv) a condition precedent to performance a Material Contract becomes incapable of being satisfied; or
 - (v) a Material Contract is amended without the Lead Manager's prior written consent;
- (u) **Moratorium:** A general moratorium on commercial banking activities in Australia, New Zealand, the United States, the United Kingdom, Hong Kong or any Member State of the European Union is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;
- (v) **Market Disruption:** Trading in all securities quoted or listed on ASX is suspended or limited in a material respect;
- (w) **Default:** The Company is in default of any of the material terms or conditions of the Offer Management Agreement or breaches any representation, warranty, undertaking or covenant given or made by it under the Offer Management Agreement (including any conditions precedent).
- (x) **Charge:** The Company charges or agrees to charge, the whole, or a substantial part of the assets of the Company.
- (y) **Representations:** Any representation or warranty given by the Company in this agreement becomes false, misleading or incorrect.
- (z) **Prescribed Occurrence:** Except as contemplated by the Prospectus, a prescribed occurrence, as defined in section 652C of the Corporations Act, occurs in respect of the Company;
- (aa) **Hostilities:** There is an outbreak of hostilities (whether or not war or a national emergency has been declared) not presently existing, or an escalation in existing hostilities occurs, or a major act of terrorism occurs in or involving any one or more of, Australia, New Zealand, the United Kingdom, the United States of America or involving any diplomatic, military, commercial or political establishment of any of those countries;
- (bb) **Due Diligence Disclosures:** A due diligence report or verification material or any other information supplied by or on behalf of the Company or the Lead Manager in relation to the Company or the Offer is or becomes false or misleading or deceptive or likely to mislead or deceive, including by way of omission; or
- (cc) **Regulatory Approvals:** If a regulatory body withdraws, revokes or amends any regulatory approvals required by the Company, including in respect of the Offer Management Agreement or the Offer.

The Offer Management Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

9.2 ACQUISITION AGREEMENT

On 1 September 2020, the Company entered into a share purchase agreement with Traprock Mining (**Traprock Acquisition Agreement**), the material terms and conditions of which are summarised below:

SHARE PURCHASE	QMiners has purchased 100% of the issued shares in Traprock Resources from Traprock Mining. In acquiring the issued shares in Traprock Resources, QMiners has acquired Traprock Resources' wholly owned subsidiary, Dynasty Gold.
CONSIDERATION	In consideration for the acquisition, the Company has issued to Traprock Mining \$3,000,000 in Shares at a deemed issue price of \$0.30 per Share.
TENEMENTS	Traprock Resources is the 100% owner of the following tenements in Queensland: (a) EPM 25785; (b) EPM 25786; (c) EPM 25788; and (d) EPM 27281. Dynasty Gold is the 100% owner of the following tenements in Queensland: (a) EPM 25935; and (b) EPM 26178.

The Traprock Acquisition Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

9.3 ROCKY COPPER ACQUISITION AGREEMENT

On 19 December 2020, the Company entered into a share purchase agreement with Orefox Exploration (**Rocky Copper Acquisition Agreement**), the material terms and conditions of which are summarised below:

SHARE PURCHASE	QMiners has purchased 100% of the issued shares in Rocky Copper from Orefox Exploration.
CONSIDERATION	In consideration for the acquisition, the Company has issued to Orefox Exploration (or its nominee/s) \$50,000 in Shares at a deemed issue price of \$0.30 per Share.
TENEMENTS	Rocky Copper is the 100% owner of the following tenements / tenement applications in Queensland: (a) EPM 27697 (application); and (b) EPM 27428.

The Rocky Copper Acquisition Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

9.4 LAND ACQUISITION

Under a contract for the sale of houses and residential land dated 28 January 2021 between RLG Holdings (a wholly owned subsidiary of the Company) and two private sellers (**Vendors**), both of whom are unrelated parties of the Company (**Land Acquisition Agreement**), RLG Holdings agreed to acquire the property at 213 Cawarral Road, Tungamull QLD 4702 (**Property**) from the Vendors. The purchase price for the Property is \$430,000 (**Purchase Price**).

Under the Land Acquisition Agreement, RLG Holdings paid a deposit of \$43,000 on 29 January 2021. The balance of the Purchase Price is payable upon settlement, which is scheduled for 30 April 2021.

The Land Acquisition Agreement otherwise contains provisions considered standard for an agreement of its nature.

9.5 DRILLING CONTRACT

On 15 February 2021, the Company entered into a drill works contract with DDH1 Drilling Pty Ltd (ACN 154 493 008) (**DDH1**) (**Drilling Contract**). Under the Drilling Contract, DDH1 agreed to provide drilling services on an 'as required' basis for a period ending 8 February 2022. The Company may terminate the Drilling Contract by providing 30 days prior notice to DDH1.

The Drilling Contract otherwise contains provisions considered standard for an agreement of its nature.

9.6 AGREEMENTS WITH DIRECTORS

9.6.1 ANDREW SPARKE – EXECUTIVE CHAIRMAN

REMUNERATION	\$180,000 per annum.
TERM	3 years from listing.
TERMINATION BY COMPANY	Without notice: Major criminal offence which brings the Company or any of its Related Bodies Corporate into lasting disrepute. On 3 months' notice: For serious breach of agreement or incompetent performance. On 6 months' notice: Without reason or if Mr Sparke is incapacitated by illness or injury for 2 months within a year or becomes of unsound mind.
TERMINATION BY MR SPARKE	On 3 months' notice: For any reason. At any time: For a persistent breach of agreement or in the event of a change of control of the Company.

The executive services agreement with Mr Sparke otherwise contains provisions considered standard for an agreement of its nature.

9.6.2 DANIEL LANSKEY – MANAGING DIRECTOR

REMUNERATION	\$180,000 per annum
TERM	3 years from listing.
TERMINATION BY COMPANY	Without notice: Major criminal offence which brings the Company or any of its Related Bodies Corporate into lasting disrepute. On 3 months' notice: For serious breach of agreement or incompetent performance. On 6 months' notice: Without reason or if Mr Lanskey is incapacitated by illness or injury for 2 months within a year or becomes of unsound mind.
TERMINATION BY MR LANSKEY	On 3 months' notice: For any reason. At any time: Persistent breach of agreement or in the event of a change of control of the Company.

The executive services agreement with Mr Lanskey otherwise contains provisions considered standard for an agreement of its nature.

9.6.3 NON-EXECUTIVE DIRECTOR APPOINTMENT

Elissa Hansen has entered into an appointment letter with the Company to act in the capacity of non-executive Director and Company Secretary. Ms Hansen will receive the remuneration set out in Section 8.3.

9.6.4 DEEDS OF INDEMNITY, INSURANCE AND ACCESS

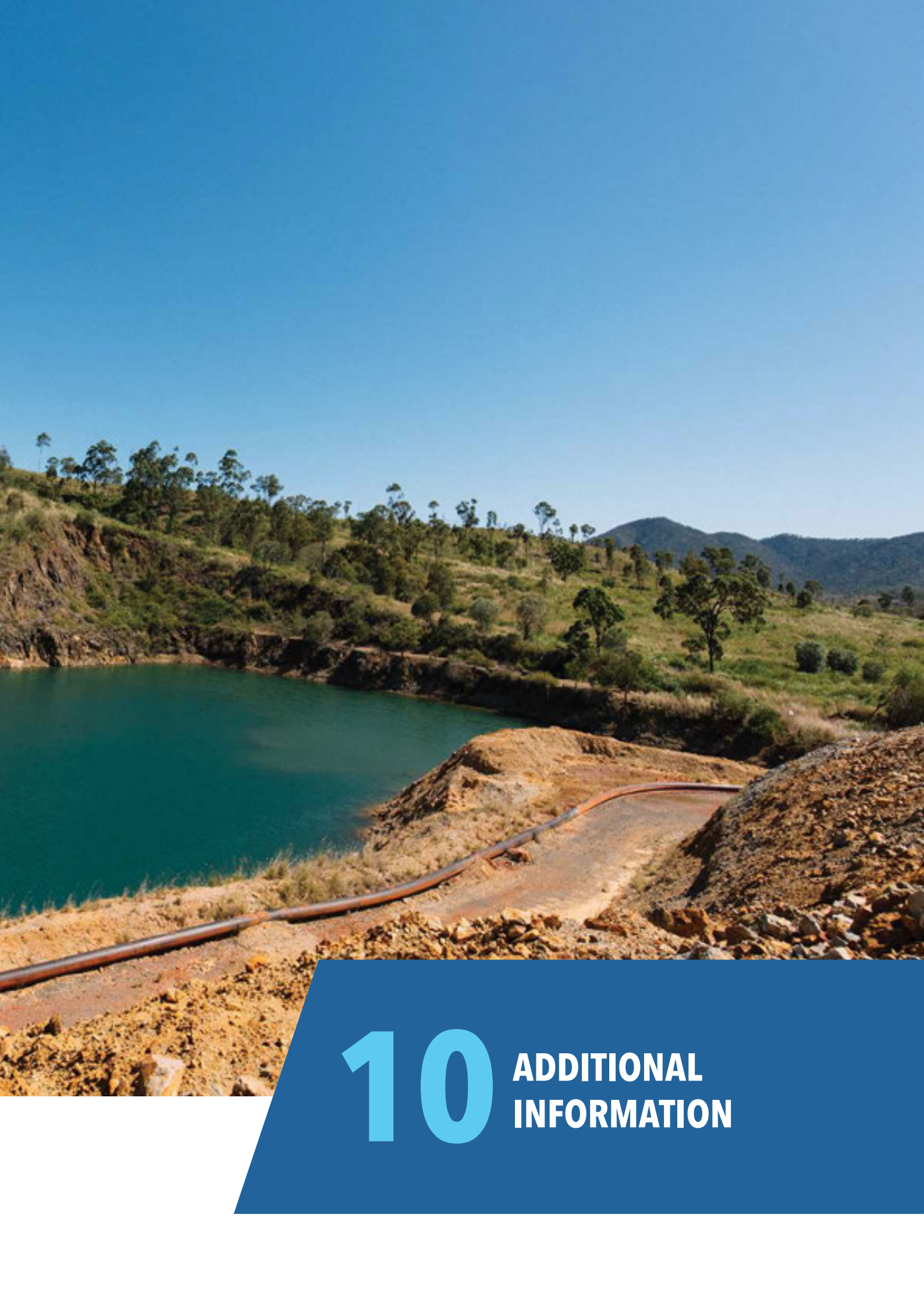
The Company has entered into a deed of indemnity, insurance and access with each of its Directors. Under these deeds, the Company has agreed to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company will also be required to maintain insurance policies for the benefit of the relevant officer and allow the officers to inspect board papers in certain circumstances.

9.7 AGREEMENTS WITH SUBSTANTIAL SHAREHOLDERS

Phillip James Telford Anderson (James Anderson), through his association with 2Sausos Pty Ltd, is a substantial shareholder of the Company. Mr Anderson has been engaged by the Company to act as General Manager, Operations. The material terms of his employment are summarised below:

REMUNERATION	\$180,000 per annum.
TERM	3 years from listing.
TERMINATION BY COMPANY	Without notice: Mr Anderson is convicted of any major criminal offence which brings the Company or any of its Related Bodies Corporate into lasting disrepute. On 1 months' notice: Mr Anderson becomes incapacitated by illness or injury for 2 months within a year or becomes of unsound mind; if Mr Anderson commits any serious or persistent breach of the agreement, which is not remedied in 14 days; or Mr Anderson becomes guilty of any gross misconduct or refuses/neglects to comply with lawful reasonable direction by the Company. On 3 months' notice: Without reason.
TERMINATION BY MR ANDERSON	On 3 months' notice: For any reason. At any time: Persistent breach of agreement or in the event of a change of control of the Company.

The employment agreement with Mr Anderson otherwise contains provisions considered standard for an agreement of its nature.



10

ADDITIONAL INFORMATION

10.1 LITIGATION

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

10.2 RIGHTS ATTACHING TO SHARES

The following is a summary of the more significant rights attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) GENERAL MEETINGS

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

(b) VOTING RIGHTS

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by them, or in respect of which they are appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited). Amounts paid in advance of a call are ignored when calculating the proportion.

(c) DIVIDEND RIGHTS

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid or credited as paid is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they believe to be justified subject to the requirements of the Corporations Act. No dividend shall carry interest against the Company. The Directors may set aside, out of the profits of the Company, any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement on such terms and conditions as the Directors think fit, (a) a dividend reinvestment plan which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares and (b) a dividend election plan permitting holders of Shares to the extent that the Shares are fully paid, to have the option to elect to forego the right to share in any dividends (whether interim or otherwise) payable in respect of such Shares and to receive instead an issue of Shares credited as fully paid up to the extent as determined by the Directors.

(d) WINDING-UP

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as they consider fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) SHAREHOLDER LIABILITY

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) TRANSFER OF SHARES

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(g) VARIATION OF RIGHTS

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders, vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) ALTERATION OF CONSTITUTION

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

10.3 OPTIONS

The following is a summary of the more significant rights attaching to all Options.

(a) ENTITLEMENT

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) EXERCISE PRICE

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.375 (**Exercise Price**).

(c) EXPIRY DATE

Each Option will expire at 5:00 pm (Sydney time) on the third anniversary of its date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) EXERCISE PERIOD

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) NOTICE OF EXERCISE

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and, subject to the operation of the cashless exercise facility (referred to below), payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) EXERCISE DATE

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price (subject to the operation of the cashless exercise facility) for each Option being exercised in cleared funds (**Exercise Date**).

(g) TIMING OF ISSUE OF SHARES ON EXERCISE

Within 5 Business Days after the latter of the following:

- (i) Exercise Date; and
- (ii) when excluded information in respect to, the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

But in any case, not later than 20 Business Days after the Exercise Date, the Company will:

- (iii) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(v) if admitted to the Official List at the time, apply for Official Quotation of Shares issued pursuant to the exercise of the Options.

If a notice delivered under 10.3(g)(iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) SHARES ISSUED ON EXERCISE

Shares issued on exercise of the Options rank equally with the then issued Shares.

(i) QUOTATION OF SHARES ISSUED ON EXERCISE

If admitted to the Official List at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) RECONSTRUCTION OF CAPITAL

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) PARTICIPATION IN NEW ISSUES

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) CHANGE IN EXERCISE PRICE

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) TRANSFERABILITY

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

10.4 EMPLOYEE SECURITIES INCENTIVE PLAN

The Company has adopted an Employee Securities Incentive Plan (**Plan**) to allow eligible participants to be issued securities in the Company. A summary of the terms of the Plan is set out below. The Company has not issued any Securities under the Plan as at the date of this Prospectus.

(a) ELIGIBLE PARTICIPANT

Eligible Participant means a person who is a full-time or part-time employee, a non-executive Director, a contractor or a casual employee of the Company, or an Associated Body Corporate (as defined in ASIC Class Order 14/1000), or such other person who has been determined by the Board to be eligible to participate in the Plan from time to time.

The Company will seek Shareholder approval for Director and related party participation in accordance with Listing Rule 10.14.

(b) PURPOSE

The purpose of the Plan is to:

- (i) assist in the reward, retention and motivation of Eligible Participants;
- (ii) link the reward of Eligible Participants to Shareholder value creation; and
- (iii) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.

(c) PLAN ADMINISTRATION

The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.

(d) ELIGIBILITY, INVITATION AND APPLICATION

The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.

On receipt of an invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.

If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

(e) GRANT OF SECURITIES

The Company will, to the extent that it has accepted a duly completed application, grant the Eligible Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.

(f) TERMS OF CONVERTIBLE SECURITIES

Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an Option or performance right), subject to the terms and conditions of the Plan. Prior to a Convertible Security being exercised, a participant (being an Eligible Participant who has been granted any Securities under the Plan) (**Participant**) does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them unless otherwise determined by the Board. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

(g) VESTING OF CONVERTIBLE SECURITIES

Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

(h) EXERCISE OF CONVERTIBLE SECURITIES AND CASHLESS EXERCISE

To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities, pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Convertible Security (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice.

An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

(i) DELIVERY OF SHARES ON EXERCISE OF CONVERTIBLE SECURITIES

As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

(j) FORFEITURE OF CONVERTIBLE SECURITIES

Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly; committed an act which has brought the Company, the Group or any entity within the Group into disrepute, or wilfully breached his or her duties to the Group or where a Participant is convicted of an offence in connection with the affairs of the Group; or has a judgment entered against him or her in any civil proceedings in respect of the contravention by the Participant of his or her duties at law, in equity or under statute, in his or her capacity as an employee, consultant or officer of the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation or vesting notice.

(k) CHANGE OF CONTROL

If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event provided that, in respect of Convertible Securities, the maximum number of Convertible Securities (that have not yet been exercised) that the Board may determine will vest and be exercisable into Shares under this Rule is that number of Convertible Securities that is equal to 10% of the Shares on issue immediately following vesting under this Rule, which as far as practicable will be allocated between holders on a pro-rata basis on the basis of their holdings of Convertible Securities on the date of determination of vesting.

(l) RIGHTS ATTACHING TO PLAN SHARES

All Shares issued or transferred under the Plan or issued or transferred to a Participant upon the valid exercise of a Convertible Security, **(Plan Shares)** will rank *pari passu* in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.

(m) DISPOSAL RESTRICTIONS ON PLAN SHARES

If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (i) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
- (ii) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

(n) ADJUSTMENT OF CONVERTIBLE SECURITIES

If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an issue of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

(o) PARTICIPATION IN NEW ISSUES

There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.

(p) COMPLIANCE WITH APPLICABLE LAW

No Security may be offered, granted, vested or exercised if to do so would contravene any applicable law. In particular, the Company must have reasonable grounds to believe, when making an invitation, that the total number of Plan Shares that may be issued upon exercise of Convertible Securities, when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous three-year period under:

- (i) an employee incentive scheme of the Company covered by ASIC Class Order 14/1000 (**Class Order**); or
- (ii) an ASIC exempt arrangement of a similar kind to an employee incentive scheme, but disregarding any offer made or securities issued in the capital of the Company by way of or as a result of:
 - (A) an offer to a person situated at the time of receipt of the offer outside Australia;
 - (B) an offer that did not need disclosure to investors because of section 708 of the Corporations Act (exempts the requirement for a disclosure document for the issue of securities in certain circumstances to investors who are deemed to have sufficient investment knowledge to make informed decisions, including professional investors, sophisticated investors and senior managers of the Company); or
 - (C) an offer made under a disclosure document, which would exceed 5% (or such other maximum permitted under any applicable law) of the total number of Shares on issue at the date of the invitation.

shall not exceed the maximum aggregate amount as set by any applicable law.

(q) MAXIMUM NUMBER OF SECURITIES

When relying on the Class Order relief, the Company will not make an invitation under the Plan if the number of Plan Shares that may be issued, or

acquired, upon exercise of Convertible Securities offered under an invitation, when aggregated with the number of Shares issued or that may be issued as a result of all invitations under the Plan, will exceed 5% of the total number of issued Shares at the date of the invitation.

(r) AMENDMENT OF PLAN

Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

(s) PLAN DURATION

The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

(t) INCOME TAX ASSESSMENT ACT

The Plan is a plan to which Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth) applies (subject to the conditions in that act).

(u) MAXIMUM NUMBER OF EQUITY SECURITIES PROPOSED TO BE ISSUED UNDER THE PLAN

For the purposes of Listing Rule 7.2 (Exception 13(a)), the maximum number of Securities proposed to be issued under the Plan is 5,268,452, being 5% of the Company's issued Share capital (under the Minimum Subscription).

10.5 INTERESTS OF DIRECTORS

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:

- (i) its formation or promotion; or
- (ii) the Offer; or

- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:

- (i) the formation or promotion of the Company; or
- (ii) the Offer.

10.6 INTERESTS OF EXPERTS AND ADVISERS

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

H & S Consultants Pty Ltd has acted as Independent Geologist and has prepared the Independent Geologist's Report which is included in Annexure A. The Company estimates it will pay H & S Consultants Pty Ltd \$40,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, H & S Consultants Pty Ltd has received fees of approximately \$14,685 (excluding GST) from the Company for any other services.

RSM Australia Pty Ltd has acted as Investigating Accountant and has prepared the Investigating Accountant's Limited Assurance Report which is included in Annexure C. The Company estimates it will pay RSM Australia Pty Ltd \$20,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, RSM Australia Pty Ltd has not received fees from the Company for any other services.

Steinepreis Paganin has acted as the legal advisers to the Company in relation to the Offer and has prepared The Solicitor's Report on Tenements which is included in Annexure B. The Company estimates it will pay Steinepreis Paganin \$175,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with ASIC, Steinepreis Paganin has received fees of approximately \$28,740 (excluding GST) from the Company for legal services.

Shaw and Partners Limited will receive those fees and Options as set out in Section 9.1 following the successful completion of the Offer for its services as Lead Manager to the Offer. Shaw and Partners Limited will be responsible for paying all brokerage fees that Shaw and Partners Limited and the Company agree with any other financial services licensees for the allocation of Shares in connection with the Offer. During the 24 months preceding lodgement of this Prospectus with ASIC, Shaw and Partners Limited has not received fees from the Company for any other services.

10.7 CONSENTS

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

H & S Consultants Pty Limited has given its written consent to being named as Independent Geologist in this Prospectus and to the inclusion of the Independent Geologist's Report in the form and context in which the report is included.

RSM Australia Pty Ltd has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Investigating Accountant's Limited Assurance Report in the form and context in which the information and report is included.

Steinepreis Paganin has given its written consent to being named as the legal advisers to the Company in relation to the Offer in this Prospectus and to the inclusion of the Solicitor's Report on Tenements in the form and context in which the report is included.

Shaw and Partners Limited has given its written consent to being named as the Lead Manager to the Offer in this Prospectus.

RSM Australia Partners has given its written consent to being named as the Company's auditor in this Prospectus.

Boardroom Pty Limited has given its written consent to being named as the Company's share registry in this Prospectus.

10.8 EXPENSES OF THE OFFER

The total cash expenses of the Offer (excluding GST) are estimated to be approximately \$1,177,498 under the Minimum Subscription or \$1,788,476 under the Maximum Subscription and are expected to be applied towards the items set out in the table below:

ITEM OF EXPENDITURE	MINIMUM SUBSCRIPTION (\$)	MAXIMUM SUBSCRIPTION (\$)
ASIC fees	\$3,206	\$3,206
ASX fees	\$79,292	\$90,270
Lead Manager Fees ¹	\$800,000	\$1,400,000
Legal Fees ^{2,3}	\$175,000	\$175,000
Independent Geologist's Fees ³	\$44,000	\$44,000
Investigating Accountant's Fees ³	\$20,000	\$20,000
Prospectus design and printing	\$12,000	\$12,000
Share Registry	\$4,000	\$4,000
Company secretarial	\$20,000	\$20,000
Miscellaneous	\$20,000	\$20,000
TOTAL⁴	\$1,177,498	\$1,788,476

NOTES:

1. Includes corporate advisory fees of \$200,000 (excluding GST). Refer to Section 9.1 for a summary of terms of the Offer Management Agreement.
2. Includes fees for the preparation of the Solicitor's Report on Tenements.
3. Refer to Section 10.6 for the estimated costs of engagement of experts and advisers.
4. Certain costs and fees have been paid or will be paid by the Company from existing cash reserves rather than funds raised under the Offer.



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DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC.

A handwritten signature in dark ink, appearing to read 'Andrew Sparke', is positioned above the printed name.

Andrew Sparke
Executive Chairman
For and on behalf of QMines Limited



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GLOSSARY

Where the following terms are used in this Prospectus, they have the following meanings:

\$ means an Australian dollar.

AFSL means Australian Financial Services Licence.

Application Form means the application form attached to or accompanying this Prospectus relating to the Offer.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the official listing rules of ASX.

Board means the board of Directors as constituted from time to time.

Broker Firm Offer has the meaning given in Section 4.2(a).

Broker Firm Offer Applicant means an applicant under the Broker Firm Offer.

Broker Firm Offer Application Form means the application form attached to or accompanying this Prospectus relating to the Broker Firm Offer.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chairman's List Offer has the meaning given in Section 4.2(b).

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement.

Closing Date means the closing date of the Offer as set out in the indicative timetable under 'Key Offer Information' (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

Company or **QMiner** means QMiner Limited (ACN 643 212 104).

Conditions has the meaning set out in Section 4.6.

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company at the date of this Prospectus.

Dynasty Gold means Dynasty Gold Pty Ltd (ACN 604 136 558).

EPM means an exploration permit for minerals, as issued by the Queensland Department of Natural Resources, Mines and Energy.

Exploration Target has the meaning given to that term in the JORC Code 2012.

Exposure Period means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.

Group means the Company and its subsidiaries, as depicted in Section 5.1.1.

H&S Consultants means H & S Consultants Pty Limited (ACN 155 972 080).

Inferred Resource has the meaning given to that term in the JORC Code 2012.

JORC Code 2012 means the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Lead Manager means Shaw and Partners Limited (ACN 003 221 583), AFSL No. 236048.

Maximum Subscription means the maximum amount to be raised under the Offer, being \$20,000,000.

Minimum Subscription means the minimum amount to be raised under the Offer, being \$10,000,000.

Offer means the offer of Shares pursuant to this Prospectus as set out in Section 4.1.

Offer Management Agreement means the offer management agreement between the Company and the Lead Manager, as summarised in Section 9.1.

Official List means the official list of ASX.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Orefox AI means Orefox AI Limited (ACN 642 597 126).

Orefox Exploration means Orefox Exploration Pty Ltd (ACN 636 974 420).

Projects means the Company's projects as detailed in Section 5.2.

Prospectus means this prospectus.

Recommendations has the meaning set out in Section 8.5.

RC Drilling means reverse circulation drilling.

RLG Holdings means RLG Holdings Pty Ltd (ACN 646 631 370).

Rocky Copper means Rocky Copper Pty Ltd (ACN 636 974 859).

Section means a section of this Prospectus.

Security or **Securities** means Shares and Options.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

Tenements means the mineral tenements including applications in which the Company has an interest as set out in Section 5.2 and further described in the Independent Geologist's Report included in Annexure A and the Solicitor's Report on Tenements included in Annexure B or any one of them as the context requires.

Traprock Mining means Traprock Mining Limited (ACN 614 830 821).

Traprock Resources means Traprock Resources Pty Ltd (ACN 164 765 842).

TSXV means the TSX Venture Exchange.



ANNEXURE

A

**INDEPENDENT
GEOLOGIST'S REPORT**



RESOURCE ESTIMATION | FEASIBILITY STUDIES | DUE DILIGENCE

RESOURCE SPECIALISTS TO THE MINERALS INDUSTRY

Independent Geologist's Report For the QMines Properties, Queensland

Prepared for QMines Limited

by

H&S Consultants Pty Ltd

Author: Simon Tear (MAusIMM, PGeo, EurGeol)

Reviewer: Luke A. Burlet, (MAIG, APEGGA, BCPEG)

25 February 2021

The contents of this report are **CONFIDENTIAL** and **PROPRIETARY**.
The report may not be released to any third party without the written consent of both
H&S Consultants and QMines

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2 Introduction

2.1 Terms of Reference

The Directors of QMiners Limited commissioned H&S Consultants Pty Ltd ("H&SC") to prepare an Independent Geologist's Report ("IGR" or "Report") on the exploration and mining properties of QMiners Limited ("QMiners") in Queensland. These are sometimes referred to as the QMiners tenements or the QMiners projects. This IGR will be used in the QMiners Prospectus for the proposed listing of QMiners on the Australian Securities Exchange ("ASX") in 2021.

In preparing this Technical Assessment Report, H&SC has complied with sections 12.1, 12.2, 12.3 & 12.4 of the VALMIN Code (2015) and the relevant requirements of the Section 5 of the VALMIN Code (2015). Mineral Resources and Exploration Targets have been reported in accordance with the 2012 JORC Code & Guidelines.

H&SC has not been requested to provide an Independent Valuation or detailed Risk Assessment. This report does not express an opinion regarding the value of mineral assets or tenements involved.

H&SC has provided its consent for the inclusion of this report, which will be included as a Competent Person's Report in Annexure A of the Prospectus and for the inclusion of references to its name in other sections of the Prospectus in the form and context in which the report and those statements appear, and has not withdrawn that consent prior to issue. H&SC accepts responsibility for the Competent Person's Report for the purposes of the ASX listing. H&SC has taken all reasonable care to ensure that the information contained in this report is to the best of its knowledge in accordance with the facts and contains no omission likely to affect its import.

The purpose and scope of this report is to assess the technical information contained in the Prospectus, to independently review the sources of information and to make relevant comments on the integrity of that information and the work proposals contained therein.

2.2 Statement of Capability

Mr Simon Tear, who is a duly authorised representative and director of H&SC, has supervised the preparation of the Report. Mr Tear has had over 37-years' experience in the minerals industry, is a Professional Geologist (PGEO) with the Institute of Geologists of Ireland, a Professional Member of the European Federation of Geologists (EurGeol) and is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM). He specialises in mineral resource estimation, advanced project assessment and exploration management.

Mr Tear is experienced in exploration in Queensland and assessment of resources and has knowledge of the geology and general exploration in the regions where the properties of QMiners are located. Mr Tear completed an assessment of the Mt Chalmers resource estimates in 2019 and reported the estimates under the 2012 JORC Code & Guidelines. He completed a site visit to the deposit in August 2020. During September 2020, Mr Tear was supplied exploration information by QMiners, for all the properties, which warrants that the supplied information is accurate and complete.

H&SC affirms that Mr S. Tear is both a Member of the Australasian Institute of Mining and Metallurgy and a Professional Member of the Institute of Geologists of Ireland, with a minimum of five years' experience in the estimation, assessment and evaluation of mineral resources that is relevant to the styles of mineralisation and the types of deposits under consideration.

Mr S. Tear observes Section 947B of the Corporations Act 2001. Neither Mr S. Tear nor H&SC are financial services licensees, operating under an Australian financial services license and the advice in the independent report is an opinion on matters other than financial products and does not include advice on a financial product.

2.3 Sources of Information

An appraisal of information supplied by the client, QMiner forms the basis of this Report. In addition, substantial reference has been made to an earlier report completed by independent consultant Mr Les Davis, of Brisbane, for Traprock Mining Limited in 2016.

Previous geological reports are publicly available from an open-file register, or website of a department of mines of a state or territory, or an open register or website of the Australian Securities Exchange or publications in the public domain. All references to previous geological sources of information fairly represent the contents of the previous geological reports. Reports and publications attributed to organisations and persons are referenced only to support the technical (scientific) aspects within the Independent Geologist's Report and are not used for promotional reasons. Consent for the use of any public domain information has not been sought.

Mr. Tear has at his own discretion relied on the observations and interpretations of previous explorers, exploration consultants and QMiner geological staff. Independent checking at other organisations which may have been previously involved in exploration and mining activities in the area of the QMiner tenements was not carried out. QMiner has indemnified both Mr. Tear and H&SC for liability arising from reliance on information provided or from available information not provided and for any further activities relating to enquiries from the Australian Securities Exchange and the Australian Securities and Investment Commission ("ASIC") with regard to the Report.

The views and conclusions expressed in this Report are solely those of H&SC and Mr S Tear. Generally, these views concur with the views of QMiner and there are no material differences.

All references to mineral resources are consistent with the most recent Australasian Code (and Guidelines to the Code) for Reporting of Identified Mineral Resources and Ore Reserves: Reports prepared by the Joint Committee of The Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia (JORC 2012).

3 Tenements

The exploration projects of QMiners are situated in central and southern Queensland and are principally for base metals and gold. QMiners controls nine granted Exploration Permit for Minerals ("EPMs") and two new EPMs pending approval in Queensland for a total of 326 sub blocks and about 978km² with the tenement details listed in Table 1.

Table 1: QMiners Tenements in Queensland

Tenure ID	Tenement Name	Status	Date Lodged	Date Granted	Date Expires	2021 Expenditure Commitment	Principal Holder	Sub Blocks	Square Kms
EPM 25785	Herries Range 1	Granted	3/10/14	30/04/15	29/04/23	\$80,000	Traprock Resources P/L	24	72
EPM 25786	Herries Range 2	Granted	3/10/14	30/04/15	29/04/23	\$125,000	Traprock Resources P/L	59	177
EPM 25788	Herries Range 3	Granted	3/10/14	30/04/15	29/04/23	\$125,000	Traprock Resources P/L	27	81
EPM 25935	Mt Chalmers	Granted	5/1/15	21/07/16	20/07/21	\$10,000	Dynasty Gold P/L	13	39
EPM 27726	Mt Chalmers	PENDING	19/10/20			Outcome based	QMiners Limited	37	111
EPM 27697	Mt Chalmers	PENDING	1/10/20			Outcome based	Rocky Copper P/L	12	36
EPM 27428	Mt Chalmers	Granted	28/11/19	19/02/20	18/02/25	\$14,000	Rocky Copper P/L	4	12
EPM 27725	Warroo	Granted	19/10/20	11/02/21	10/02/26	Outcome based	QMiners Limited	51	153
EPM 26178	Warroo	Granted	30/3/16	17/08/16	16/08/21	\$45,000	Dynasty Gold P/L	21	63
EPM 27724	Silverwood	Granted	19/10/20	11/02/21	10/02/26	Outcome based	QMiners Limited	50	150
EPM 27281	Silverwood	Granted	1/5/19	05/02/20	05/02/25	\$56,000	Traprock Resources P/L	28	84

(supplied by QMiners)

Statutory levels of expenditure necessary to ensure that the tenements are maintained in good standing and other information can be found in the tenement information provided in the Prospectus. All the tenements are for "all minerals" except coal.

Note that the granted tenements allow QMiners to carry out many of their planned drilling programs under relevant access procedures applying to each tenement.

All the EPMs are subject to the Native Title Protection Conditions with respect to Native Title.

Declared Irrigation Areas, Declared Catchment Areas, Declared Drainage Areas, fossicking areas and State Forest, are all land classifications that restrict exploration activity. These are not affecting QMiners' main prospects but will have impact on regional programs in place.

Figure 1 below shows the location of the QMiners tenements.

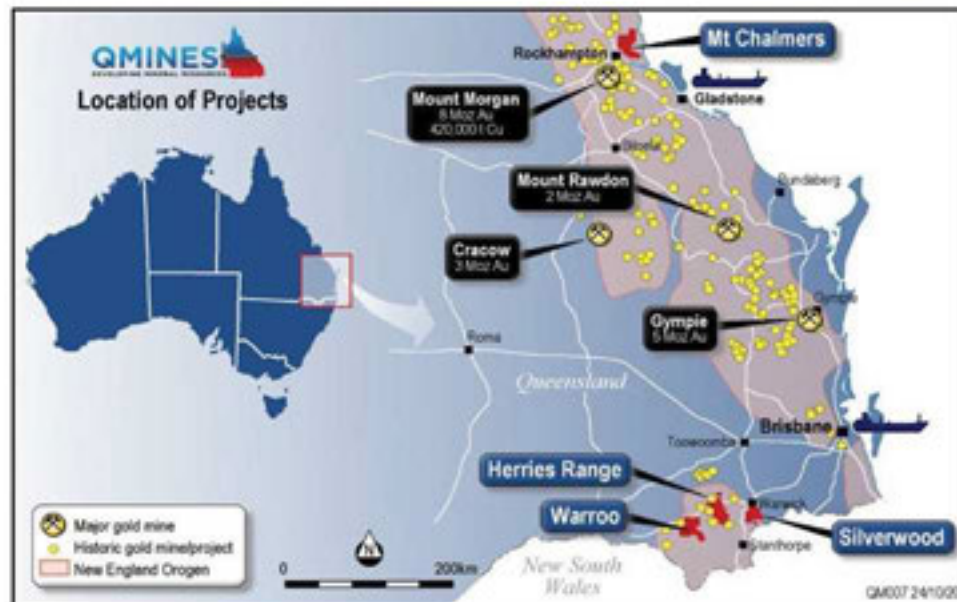


Figure 1: QMiners Tenements and Mineral Projects

4 Mt Chalmers Gold & Base Metal Project

4.1 Introduction

The Mt Chalmers Project is situated approximately 17 km north-east of Rockhampton in Queensland and access is by sealed roads and gravel roads (Figure 2).

The geology of the area is relatively well-known. Researchers have shown that the Mt Chalmers mineralisation is a well-preserved, volcanic-hosted massive-sulphide ("VHMS") mineralised system containing copper, gold, zinc, lead and silver. Mineral deposits of this type are deemed syngenetic and formed contemporaneously on, or in close proximity to, the sea floor during the deposition of the host-rock units. The mineralisation is believed to have been deposited from hydrothermal fumaroles, or direct chemical sediments or sub-seafloor massive sulphide replacement zones and layers, together with footwall disseminated and stringer zones within the host volcanic and sedimentary rocks.

The mineralisation system at Mt Chalmers displays some similarities to Australian VHMS deposits of Cambro-Ordovician and Silurian age, but definitely closer comparison can be made with the Kuroko-style of VHMS of Tertiary age in Japan (Taube 1990).

QMiners views the Mt Chalmers Project mainly as a "brownfield" opportunity, with the potential to rapidly expand Mineral Resources at the Mt Chalmers mine and the Woods Shaft gold/base metal prospect and to explore for further hidden VHMS bodies. QMiners has also identified several anomalous zones within the New Zealand Gully Goldfield, which with further work could develop into significant drill targets.

Dynasty Gold Pty Ltd ("Dynasty") has an EPM of 13 sub-blocks (39km²) covering the whole of the Mt Chalmers mineralised area, the first time in approximately 50 years that the whole field has been covered by a single tenement, in contrast to previously when this highly prospective region was broken into small tenements held by different operators. Q Mines have also extended the Mt Chalmers tenement package by applying for EPM 27726 of 37 sub-blocks (111 km²). Q Mines has acquired Dynasty as a wholly-owned subsidiary. The Company has also acquired Rocky Copper Pty Ltd ("Rocky Copper"), which holds EPM 27428 and the application for EPM 27697.

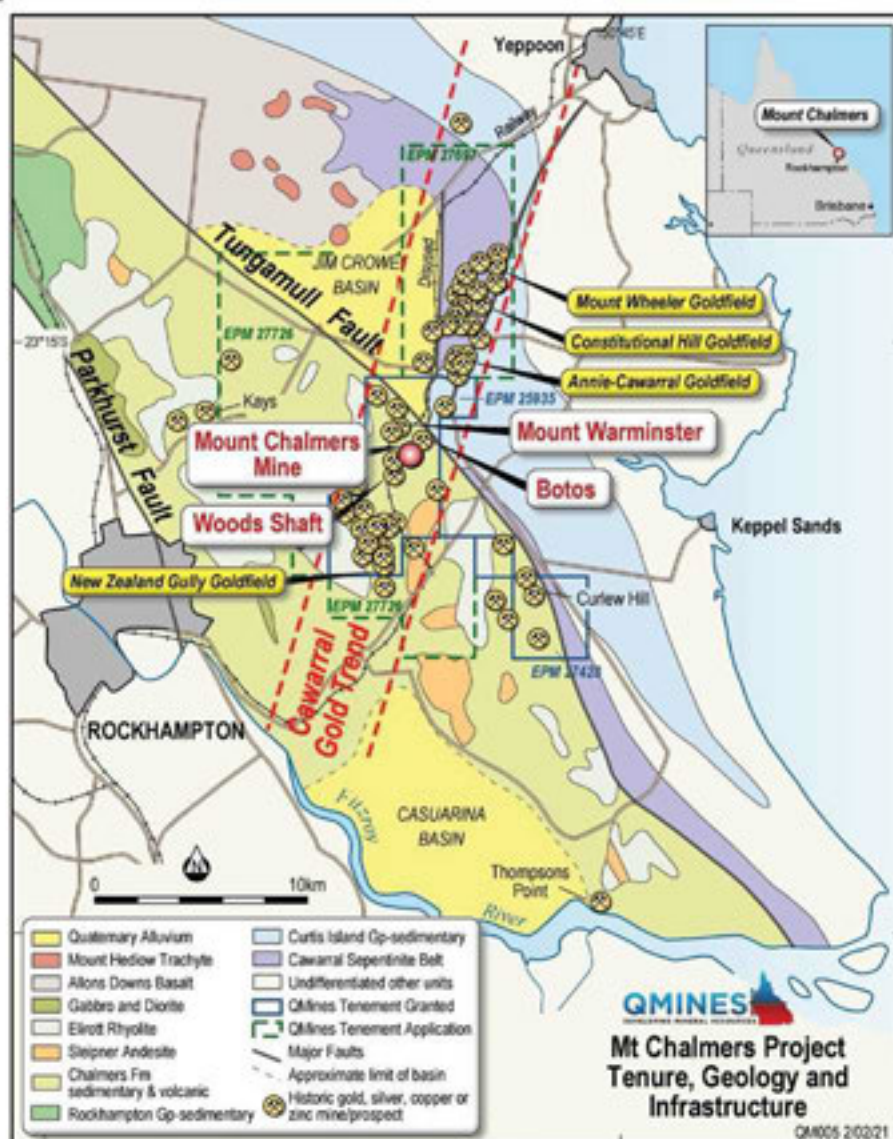


Figure 2: Mt Chalmers: Geological Setting, Mineral Occurrences & Infrastructure

4.2 Early Exploration History and Mining

The Mt Chalmers deposit was discovered in 1860 and was worked for gold but it was not until 1898 that copper was found. Great Fitzroy Gold and Copper Mines Limited mined the deposit up to 1936 but mainly during the period 1908-1911. The mine was closed in April 1914 and no further ore was produced until 1935 when a local syndicate mined for gold. This syndicate developed into Mt Chalmers Mining and Development Limited which, with assistance from the State Mines Department, carried out a diamond drilling campaign during 1937 and 1938 (Fisher and Owen 1952).

The mine was re-opened in 1941-1943 by Mount Morgan Limited, as a temporary wartime measure. Total estimated extraction to that time was 434,899 tonnes, yielding 10,220 tonnes of copper, 1,587 kg of gold and 5,630 kg of silver (Fletcher 1975).

4.3 Regional Geology

The Mt Chalmers mineralisation is situated in the early Permian Berserker Beds, which occur in the fault-bounded Berserker Graben, a structure 120 km long and up to 15 km wide. The graben is juxtaposed along its eastern margin with the Tungamull Fault and in the west with the Parkhurst Fault (Figure 2).

The Berserker Beds lithologies consist mainly of acid to intermediate volcanics, tuffaceous sandstone and mudstone (Kirkegaard and Murray 1970). The strata are generally flat lying, but locally folded. Most common lithotypes are rhyolitic and andesitic lavas, ignimbrites or ash flow tuffs with numerous breccia zones. Rocks of the Berserker Beds are weakly metamorphosed and, for the most part, have not been subjected to major tectonic disturbance, except for normal faults and localised high strain zones that are interpreted to have developed during and after basin formation.

Recent geological work by the Queensland Department of Natural Resources and Mines places volcanic and sedimentary units of the prospective Chalmers Formation, the host unit to the Mt Chalmers copper-gold mineralisation, at the base of the Berserker Beds. The Ellrott Rhyolite and the Slepner Member andesite were emplaced synchronously with the deposition of the Chalmers Formation.

Late Permian to early Triassic gabbroic and dioritic intrusions occur parallel to the Parkhurst Fault. Smaller dolerite sills and dykes are common throughout the region and in the Berserker Beds.

4.4 Modern Exploration History and Mining

The modern exploration history is extensive and almost continuous, as is common in a district of significant mineral potential.

In 1960-1963, Consolidated Zinc Pty Limited, in EPMs 161M and 162M investigated the Mt Chalmers area with geological mapping and induced polarisation ("IP") surveys.

Carpentaria Exploration Company Pty Ltd explored the area during 1962-1970. Reports for EPM 206M discuss outcomes of diamond drilling at the West Lode.

Between 1973-75, in EPM 1232 M, the Electrolytic Zinc Company of Australasia Limited ("EZ") explored at Mount Warminster and Woods Shaft prospects, undertaking ground

magnetics, an IP survey and limited drilling. Three percussion drill holes at Mount Warminster did not find mineralisation but two holes had failed to reach their targets because of poor ground conditions.

During 1976-1982, Geopeko Ltd ("Geopeko"), in joint ventures (EPM 1896, EPM 1700) carried out extensive exploration programs involving geological mapping, rock and soil sampling, IP and ground magnetic surveys, followed by some percussion and diamond drilling in the Berserker Beds. Prospects examined in detail were the Mt Chalmers mine area, Woods Shaft, Mount Warminster, Mount Warminster South, Botos area, Jasper Hill, and Tungamull prospects. The Mount Warminster and Woods Shaft areas yielded significant zones of mineralisation but the zones, at that time, were considered either too small or were too low-grade to warrant further work.

Geopeko discovered and proved the West Lode at Mt Chalmers in 1977 and as a result Mount Morgan Limited commenced mining of the lode in June 1979 following which operations ceased in March 1982 because of low commodity prices (Taube 1990).

Newmont Holding Pty Limited explored EPMs 3408M, 3842M and 4020M between 1983 and 1985, focussing on the Tungamull, Hunter 1, 4 and 5 (New Zealand Gully) prospect areas in order to follow up Geopeko's work, with re-interpretation of the data and some drilling (Cran 1986 and Keevers 1985).

During 1986-90, CRAE Pty Ltd explored several prospects, including Mount Warminster and Botos (Fielding 1987 and Weber 1987).

Between 1992 and 1999, Troy Gold Investments Pty Limited ("Troy") (a subsidiary of Copper Mines and Metal NL formerly Great Fitzroy Mines NL) managed exploration on EPM 8640M, held by a joint venture between Outokumpu Exploration Australia Pty Limited and Pancontinental Mining Limited. The Joint Venture lasted only a year and had executed very little field work apart from a gravity survey at the Tungamull Prospect. Troy acquired all rights and interests in 1993. After carrying out geological mapping geochemical work and airborne magnetic and radiometric surveying, in 1994-1995, Troy drilled 18 RC percussion holes at Mount Sleipner-Aquila (Hunter 6 and 14), south-east of New Zealand Gully and at the Woods Shaft Prospect. In 1995-1996 another 10 RC percussion holes were drilled at New Zealand Gully.

Queensland Gold Pty Limited and Marlborough Resources NL (1996-2002) held the area around the Mt Chalmers leases and explored for gold at the Cawarral, Mount Wheeler and Constitution Hill gold workings to the north as well as for VHMS mineralisation in the Berserker Beds. Numerous targets were generated and rated, but none were tested.

EPM 14096M was granted to Quadrio Resources Pty Ltd. From 2003 to expiry in 2010, Lodestone Exploration Limited earned joint venture equity by completing 1,200 m of drilling in December 2005. Three diamond-cored holes were drilled at the Tungamull Prospect, 2.5km south-east of the Mt Chalmers open pit and a large disseminated pyritic system was identified.

Federation Resources NL ("Federation") held MLs 5771, 5789 and 6606 over the Mt Chalmers Mine and completed a feasibility study in March 1997, based on a proposed 500,000 tonnes per annum operation. This included the drilling of a further 27 percussion/diamond holes for 2,754 m in and around the immediate mine area.

Echo Resources Limited (ASX "EAR") lodged a Prospectus with ASIC on 31st March 2006. EAR was at this date owner of Mining Leases ML5789 (expiry date 31/05/2013), ML5771 (expiry date 32/05/2006) and ML6606 (expiry date 21/10/2009) for an aggregate area of 94.6 ha covering the Mt Chalmers deposit. Echo also held 100% of MDL147 (expiry date 31/05/13), which covers an area of approximately 160 ha to the south, west and north of the Mt Chalmers deposit and 100% of EPM14909 (expiry date 13/03/2010) and application EPMA14908, (Echo Prospectus 2006). EAR commissioned Macdonald Spiegers to complete an updated mineral resource estimate in March 2005, which was reported in accordance with the 2004 JORC Code and adopting the results of the feasibility study by Federation. However, the mining tenements were allowed to expire with EAR not carrying out any field work.

Figure 3 provides an exploration summary for the Mt Chalmers project. It includes various prospects, mineral occurrences, soil geochemistry coverage and drillhole localities.

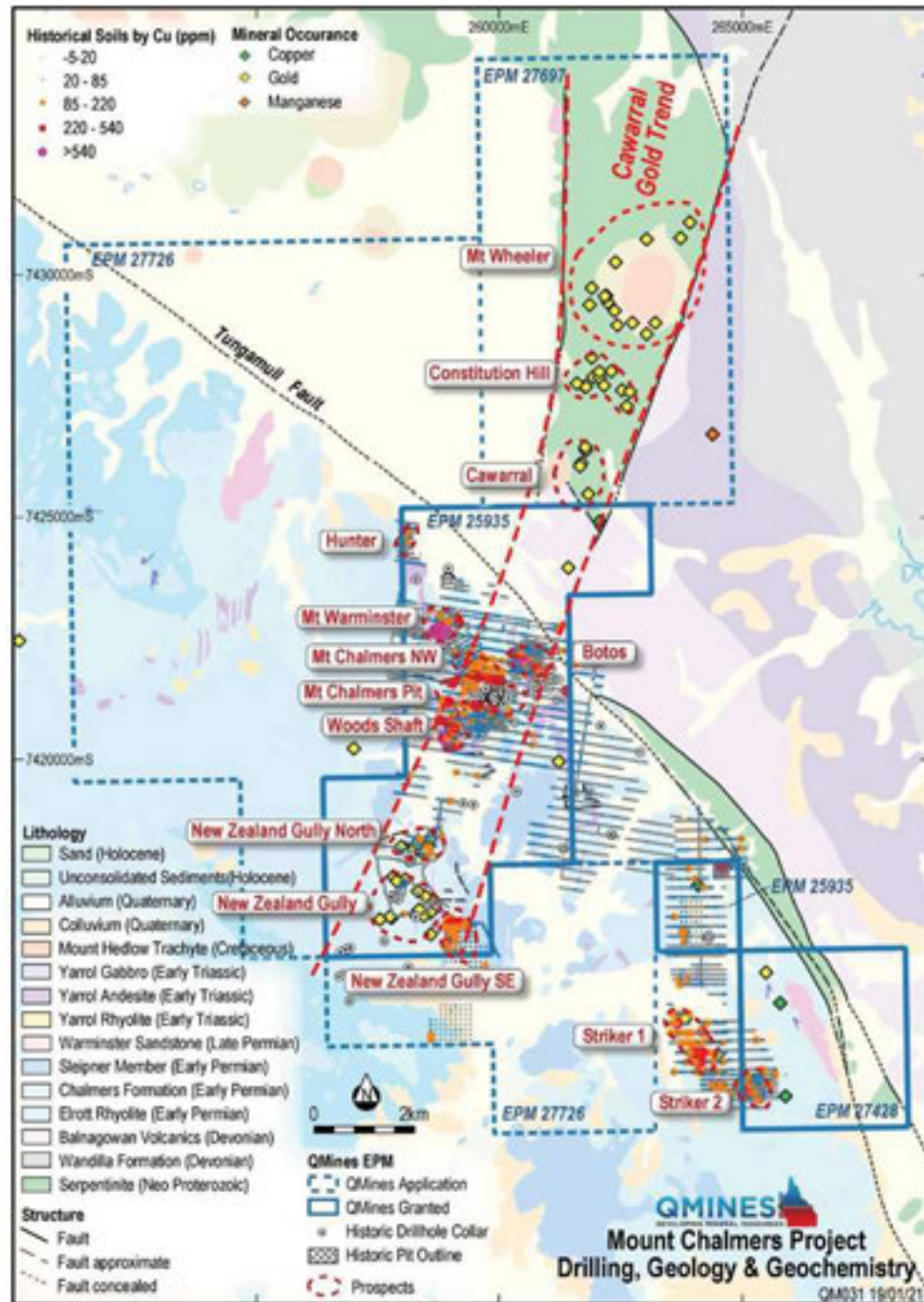


Figure 3 Exploration Summary for the Mt Chalmers Project

4.5 Mt Chalmers Mine Geology

Figure 4 and Figure 5 show the surface geology of the mine area and a section through the deposit prior to open-cut mining. Low grade mineralisation extends several hundred metres beyond this limit in places (Taube 1990). The coordinates are from the Geopeko local mine grid.

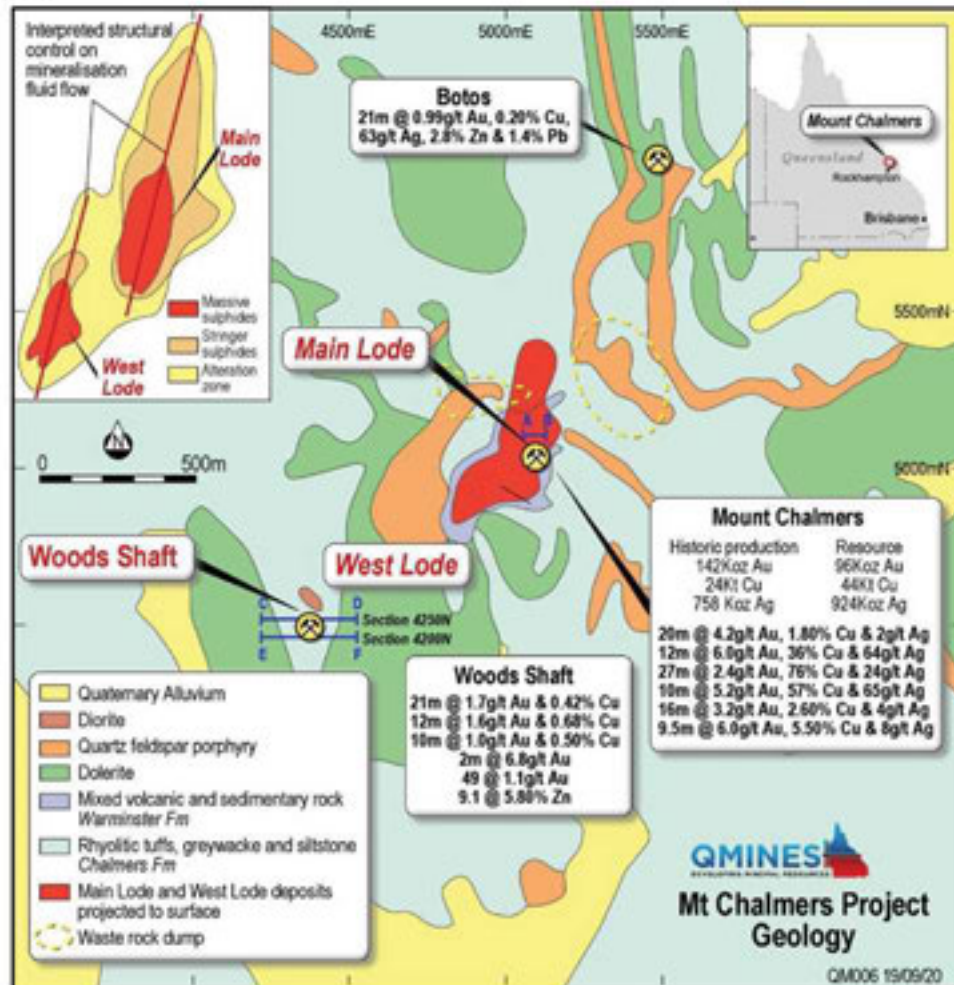


Figure 4: Geology of Mt Chalmers Mine

(after Taube 1990)

The informal stratigraphic subdivisions in the mine area are after Large and Both (1980) and were adopted by Taube (1990). The oldest rocks in the area, the 'footwall sequence' of pyritic tuffs, are seen only in the Mt Chalmers open pit and in drill holes away from the mine. The rock is usually a light coloured eutaxitic tuff with coarse fragments, mainly of chert, porphyritic volcanics and chloritic volcanoclastics. The associated alteration comprising

silicification, sericitisation and pyritisation of this basal unit becomes more intense close to mineralisation.

The 'mineralised sequence' overlying the 'footwall sequence' consists mainly of tuffs, siltstones and shales and contains stratabound massive sulphide mineralisation and associated exhalites: thin barite beds, chert and occasionally jasper, hematitic shale and thin layers of bedded disseminated sulphides. Dolomite has been recorded in the mineralised sequence close to massive sulphides. This sequence represents a hiatus in volcanic activity and a period of water-lain sediment and chemical deposition.

The 'hanging wall sequence' is a complex bedded series of unaltered crystal and lithic rhyolitic tuffs and sediments with breccia zones and occasional chert and jasper bands.

A mainly conformable body of andesite, ranging from 10 m to 250 m thick, intrudes the sequence; it usually occurs just above the 'mineralised sequence'. A quartz-feldspar porphyry body intrudes the volcanic sequence and in places intrudes the andesite (Figure 5).

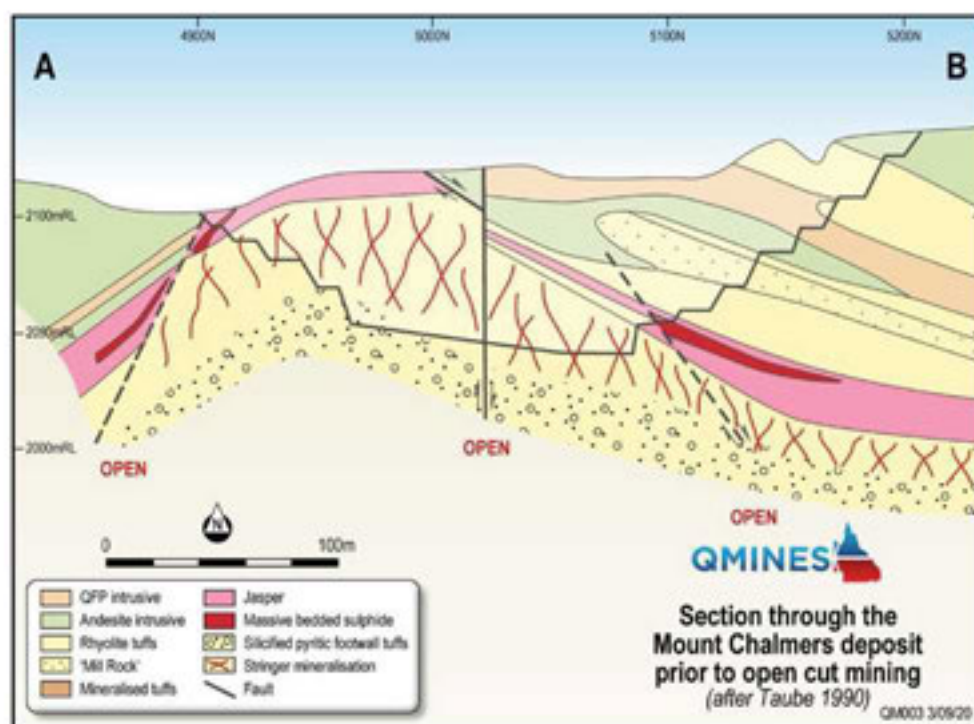


Figure 5: Schematic Cross Section for the Mt Chalmers Deposit Before Mining

(after Taube 1990: note grid markings are in the Geopeko local grid)

The rocks in the mine area are gently dipping, about 20° to the north-northeast, in the Main Lode mine area and similarly dipping south for the West Lode: note that the predominant structure is a broad syncline trending north-north-west. Slaty cleavage is strongly developed in some of the rocks, notably in sediments and along fold axes. Such cleavage is prominent

in areas close to the mineralisation and textures in the sulphide bodies indicate high strain e.g. boudins, implying substantial post-mineral deformation has taken place.

Detailed work in the open cut has interpreted the doming of the rocks close to the mineralisation has been to be largely due to localised horst block-faulting (Taube 1990), but the doming might also be a primary feature in part. Steep dips are localised and usually the result of block faulting. The Main and West Lode outcrops are variably silicified rocks which, by one interpretation, may have been pushed up through overlying rocks in the manner of a Mont Pelée spine (Taube 1990), but in any case, form a dome of rhyolite / high level intrusions of the Ellrott Rhyolite. The surrounding mineralised horizon is draped upon the flanks of domal structures.

4.5.1 Mineralisation

4.5.1.1 Main Lode

Prior to mining, the Main Lode was estimated to be about 100 m long 100 m wide and up to 60 m thick. Its low-grade 'siliceous chimney' cropped out in the centre of a domal structure, and the massive sulphide plunged to the north-north-east at a shallow angle (Taube 1990). These features are among those that led Geopeko to view the Mt Chalmers deposit as an analogue of the famous VHMS deposit at Kuroko, Japan (Figure 6).

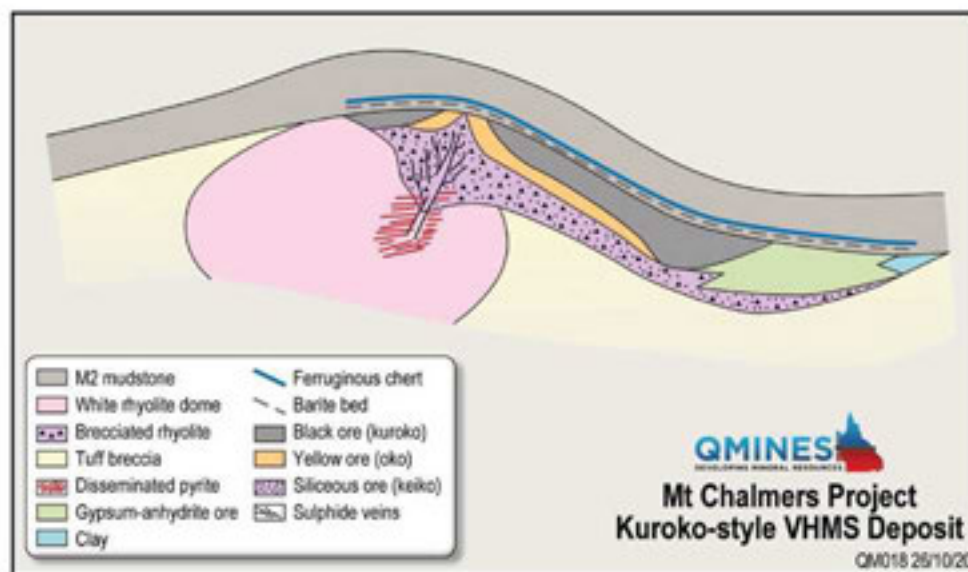


Figure 6: Schematic Cross Section of a Kuroko-Style VHMS Deposit

(Lambert 1973)

A key point about the Kuroko style of mineralisation is that mineralisation usually occurs as clusters of mineralised zones, which appears to be the case for Mt Chalmers, which may be only one of several deposits. In addition, the interpreted structural dislocation for the mine area may have caused the break-up of larger mineral bodies structurally dispersing lenses within in the general Mt Chalmers area e.g., South Lode, Woods Shaft, Botos etc.

At Mt Chalmers an upper zone of pyritic massive sulphides, in part bedded and in part fragmental, appears to overlie a more extensive zone of siliceous stringer sulphides. The dominant sulphide mineral is pyrite, with subordinate chalcopyrite, sphalerite and galena. The massive sulphide material contains gold, copper and silver primarily. Lead and zinc mineralisation are in minor abundances at around one per cent. The siliceous stringer mineralisation contains copper and gold with only minor amounts of silver, lead and zinc.

Gold and copper values in part decrease laterally and with depth. The mineralisation is immediately overlain by an intensely sericitised horizon, which extends well away from it.

4.5.1.2 West Lode

The West Lode is recorded as a conformable body reaching to within 10 m of the surface, about 200 m long, 90 m wide and 30 m thick. It is similar in metal content to the Main Lode for copper and gold but lead and zinc values were higher at around four per cent. The stringer zone is not so well developed. Although only a few metres below the surface, it was not discovered by the old mine workers but by Geopeko's drilling in 1977.

4.5.1.3 South Lode

The South Lode is a small, apparently concordant lens of mineralisation to the east and south of the Main Lode outcrop. The lode was mined before the main underground operation commenced and details are unknown.

4.5.2 Resource Estimates

The latest resource estimates for the Mt Chalmers deposit were originally completed in 1996 by McDonald Spiegers ("MS") and were revisited by MS in 2005 as part of a prospectus for EAR. H&SC has undertaken a detailed review of the available data and the MS work and has completed a series of checks such that it is able to reclassify the resource estimates under the 2012 JORC Code & Guidelines.

4.5.2.1 Drilling Data

The Mt Chalmers deposit has been drilled with a combination of percussion drilling ("PDH" – including RC drilling and diamond core holes amounting to 382 drill holes for 15,818 metres. No sample recovery data is available for either the diamond drilling or the RC drilling. Historic reports indicate 90% sample recovery from the Geopeko drilling except for weathered and oxide zones (these zones have now been mined out). No documentation for any RC sampling procedures is available. The drilling methods are considered to be of industry standard at the time of drilling and would normally be expected to give reliable results suitable for resource estimation, again, for that time. With a lack of sample recovery data, it is not possible to establish if there is a relationship between sample recovery and metal grade.

The deposit is generally flat-lying and virtually all drillholes are vertical thus giving a good intersection angle with the mineralisation. There is no obvious sampling bias with the drilling orientation.

4.5.2.2 Drillhole Database

QMiners supplied the drillhole database for the Mt Chalmers deposit, which H&SC accepted in good faith as an accurate, reliable and complete representation of the available data. H&SC imported the data into a 'resource' Microsoft Access database that was then connected to Surpac mining software for viewing in 3D. H&SC performed limited validation of the data including some error checking. The drillhole database for the Mt Chalmers deposit is

satisfactory for resource estimation purposes; however, responsibility for the data and data quality resides solely with QMiners. All drilling was competently logged by Geopeko with the production of hardcopy logs and cross sections. All hardcopies had appropriate levels of information for a resource estimate to be completed. MS built the current digital database from sighting the original drill logs and kept records. However, no digital geology data was supplied to H&SC in order to compare the assay data and the geological interpretation (sulphur assays in the drillholes significantly helped in assessing the mineral distribution and oxidation levels). H&SC's assessment of the data confirms that it is reasonably suitable for resource estimation.

There is substantial documentation on the validation of the database completed by MS. QMiners state that all available data was compiled and verified by John Macdonald of MS who used a complete set of original drill logs, plus mine records which at the time were available at the Mt Morgan ("MML") mine site offices.

4.5.2.3 Sampling & Assaying

Sampling consists of either 1m intervals of chip material sub-sampled to 2kg for RC samples or 1m sawn or split half core samples yielding approximately a 3-5kg sample. Samples were then crushed and pulverized to give a 200g sample from which a sub-sample of 1-5g was taken for base metal analysis and a 50g charge for gold by fire assay.

There is no documentation concerning the analytical method used by Geopeko, but the work was completed at the MML minesite laboratory and presumably the analysis was to industry standard of the time. The Mt Morgan operation has since shut down and the laboratory no longer operates. Analysis of the 1994 Federation drillcore was completed by ALS using a mixture of ICP and 50g charge fire assay with atomic absorption spectroscopy ("AAS") for base metals and gold, respectively. Analysis initially used an ICP method (IC587) for Cu, Pb, Zn, S, Ag, As, Ba, Fe and Mn. After about the first 3-4 batches of samples the laboratory introduced an AAS method (A101) to check Cu, Pb, Zn and Ag assays for higher grade samples. Fire assaying using a 50g charge with an AAS finish (PM209) was used for the gold analysis.

QAQC programmes have been limited and are not considered to be of current industry standard. There are no reports from any of the drilling campaigns of any standards being used to assess the accuracy of the analysis. Despite the lack of documentation describing the analytical methods and the lack of QAQC it is reasonable to assume that the analysis was to industry standard at the time of its completion and that the results would be reasonable, especially for the level of classification of the resource estimate.

4.5.2.4 Topography

The current topography was defined using a photogrammetric survey conducted by Capricorn Survey Consultants Pty Ltd on behalf of Federation in May-June 1995. This was based on photography flown in November 1992 and used ground controls established by MML in the 1970's to provide a tie-in between AGD66 and mine grid coordinates.

4.5.2.5 Sample Locations

All work was completed in the Geopeko local grid which was an orthogonal grid rotated approximately 9° anti-clockwise i.e. a magnetic north grid. Percussion holes (Geopeko) were not surveyed downhole; however, it should be noted that virtually all of them were vertical and are considered by QMiners to have had very limited deviation. For pre-Federation

diamond drill holes, logs and sections only showed evidence of down hole surveying for one hole but the survey details are not recorded in the log. The remainder of the diamond drill holes are assumed not to have downhole surveys. Federation drill holes were surveyed at intervals of approximately 50m using an Eastman single shot borehole survey camera supplied by the drilling contractors. QMiner have assumed that all pre-1995 holes were straight, simply using the recorded collar bearings and dips as downhole surveys. This will no doubt result in some errors in the 3D location of samples, but since hole depths are typically about 50-150m and most holes were vertical into relatively flat-dipping rocks, serious hole deviations are not expected to have been common.

The Geopeko drilling was initially on a nominal pattern of 40m x 40m which was subsequently infilled to a nominal 20m x 20m over most of the deposit, but with considerable local variation in hole spacings (Figure 7). Federation locally infilled or extended the 40m x 40m pattern, but on an irregular basis because of the access difficulties presented by the water-filled open pit. At the northern end of the stringer zone where the mineralisation becomes deeper the pattern ranges from about 40m x 40m to 40m x 80m. Downhole sampling was at 1m intervals. The data point spacing is appropriate for the use in generating Mineral Resources at the appropriate levels of confidence.

4.5.2.6 Geological Interpretation

A geological interpretation was completed by MS in 1995 and has been supplied to H&SC as a series of 3D DXF files, which were imported into Surpac. The interpretation of the drillhole database by MS allowed for the generation of 3D mineral constraining solids and geological surfaces for a combination of 20 and 40m spaced sections. The resource is divided into 3 lithology zones (Figure 7), namely Massive, Exhalite & Stringer and their oxide equivalents. The deposit has an overall strike length of 600m and an east-west extent ranging between 100 and 330m. There is up to 90m of thickness for the stringer zone and 4 to 20m for the massive sulphide domains, beginning at surface and extending to a vertical depth of around 200m below surface. The massive sulphide bodies are relatively flat-lying flanking a rhyolite dome with a variable dip from 10 to 40°. These zones are part of an encompassing exhalite horizon that immediately overlies a stringer mineralised zone. Four massive sulphide mineral zones within the encompassing exhalite horizon were defined using logged geology with reference to copper, gold and sulphur assay grades.

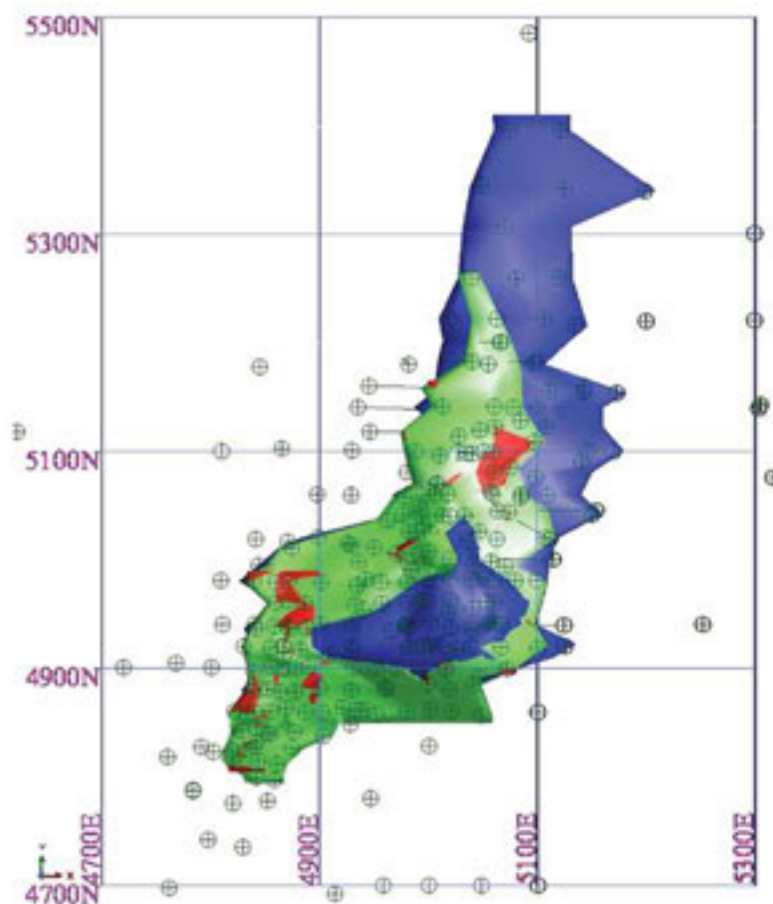


Figure 7: Mineral Zone Dimensions & Drilling in Plan View (pre-mining)

(blue = Stringer zone; green = Exhalite zone; red = Massive Sulphide zone)

A geological surface was created for the base of complete oxidation from limited information in the Geopeko logs. The surface was inferred from comments about gossan, iron oxides, iron staining or the first appearance of sulphides. The recent Federation holes provided more specific information. There is no evidence of gold enrichment or depletion in the oxide zone but there is some evidence of copper depletion in the oxide zone and possibly some minor supergene copper enrichment locally.

Drillhole geology could not be checked by H&SC against the MS interpretation as no digital data was supplied. The interpretation was checked by H&SC in 3D against drillhole assays grades with no significant issues being noted. Geological understanding appears to be good and appropriate for resource estimation. Alternative interpretations are possible for the mineral zone definition but are unlikely to significantly affect the estimates. The style of mineralisation and the orebody type means there is a strong lithological control to the grade and geological continuity. H&SC has completed a site visit with the conclusion that it concurs with the geological understanding and the geological interpretation.

4.5.2.7 Estimation Methodology

Resource estimation was completed by MS in 1996 and revisited in 2005 using different assumptions for the cut-off grade. The block grades were estimated using an Inverse Distance Cubed method with the Whittle 4-D software; the block model was loaded by H&SC into the Surpac mining software for validation and resource reporting.

One metre composites were used to estimate the mineralised bedrock with the 6 mineral zones (3 fresh and 3 oxide) treated as hard boundaries during estimation. The coefficients of variation for the composite data for the different elements from the different mineral zones were modest, generally < 2 . Top cutting was applied to the composite data for each mineral domain: Cu at 2 to 7%, Au at 6 to 15g/t and Ag at 30 to 150g/t. Domaining was limited to the individual mineral zones, and to spatial orientations of the search ellipses related to the geological dip and strike. Variography was initially performed for the composite data but a lack of structure to the data prompted MS to use a less sophisticated modelling method which did not use variography.

Interestingly, there is no correlation between gold and any other elements e.g. Cu, Ag, Pb & Zn. No assumptions were made regarding the recovery of by-products and no deleterious elements or acid mine drainage has been factored in.

Block dimensions are 5m x 5m x 2.5m (E, N, RL respectively). The X and Y-axis dimensions were chosen by MS as a compromise that is nominally one third the detailed drill hole spacing and the variable width of the deposit. The vertical dimension reflects the downhole data spacing in conjunction with possible bench heights. Modelling used a total of 8 search ellipses with different orientations to match the local dip and strike changes associated with each of the different mineral domains. Maximum search distance varied from 50 to 100m with anisotropy ratios ranging between 2:1 to 8:1. Low ratios were used in the gossan zones where redistribution of metals was assumed to have occurred. Higher anisotropies were applied to the "stratiform" exhalite/massive sulphide with intermediate ratios applied to the stringer zone. A 1.5:1 ratio was applied in favour of the strike direction compared with the down dip direction. No mention was made by MS of the minimum number of data to be used. The maximum extrapolation of the estimates is 100m.

The estimation procedure was reviewed by H&SC and considered reasonable for the time. The block model was reviewed visually by H&SC and it was concluded that the block model fairly represents the grades observed in the drill holes.

4.5.2.8 Density Model

Default density values were derived for the mineral domains from limited measured data.

- 2.9t/m³ for stringer mineralisation
- 3.1t/m³ for exhalite mineralisation
- 3.6t/m³ for massive sulphide mineralisation.
- 2.8 to 3t/m³ for oxidised versions of the above mineral domains

Allocation of derived default density grades (dry bulk density) and oxidation levels to the block model was achieved by using the mineral wireframes and oxidation surfaces in relation to the block centroid.

4.5.2.9 Reconciliation

Production figures comprise both underground and subsequent open pit operations were thought by MS to be rather vague. However, MS concluded that reconciliation between their

block model and production was good and that the block model results were reliable within the constraints of the interpreted geology, drillhole distribution, historic assay results and the recorded position and extent of historic mine workings. H&SC concurs with this conclusion.

4.5.2.10 Mineral Resources

MS had originally reported the resource estimates for a net dollar value ("NDV") using 2004 metal prices and metal recovery values generated from 1996 metallurgical testwork. The resource estimates are now reported by H&SC for a copper equivalent cut-off based on nominal 2020 metal prices and the same 1996 assumed metal recoveries (see below).

Assumptions

Metal prices (as advised by QMines)

- Gold (US\$) \$1,900/oz
- Copper(US\$) \$6,655/tonne
- Silver (US\$) \$25/oz

Exchange rate 0.7 AU\$/US\$

Metal Recoveries (based on 1996 Estimates)

- Gold 90%
- Silver 50%

Copper equivalent formula (CuEq):

$$(Cu_pc)+(0.006*Ag_ppm)+(0.8244*Au_ppm)$$

QMines advised that a copper equivalent cut-off grade of 0.75% would be appropriate for reporting the resource estimates, intending to reflect a bulk mining approach.

Table 2 shows the estimates for a range of copper equivalent cut-off grades and Figure 8 presents the same data in a graphical format.

Table 2: Mt Chalmers Estimates for a Range of Copper Equivalent Cut-off Grades

CuEq cut off %	Mt	Cu %	Au ppm	Ag ppm	Cu_Eq %	Cu Kt	Au Kozs	Ag Kozs	Cu_Eq Kt
0	6.3	0.83	0.56	6.6	1.33	52.3	114.4	1,330	84.1
0.25	6.0	0.86	0.59	6.8	1.39	51.9	113.8	1,310	83.5
0.5	4.9	1.00	0.69	7.6	1.61	49.2	108.9	1,200	79.4
0.75	3.9	1.15	0.81	8.4	1.87	44.9	101.9	1,061	73.0
1	3.1	1.30	0.95	9.2	2.13	40.1	94.1	917	65.9
1.25	2.5	1.44	1.08	9.9	2.39	35.5	85.9	787	59.0
1.5	2.0	1.56	1.24	10.7	2.65	30.8	78.1	676	52.1
2	1.3	1.78	1.59	12.3	3.16	22.4	64.2	498	39.8
3	0.5	2.05	2.37	16.1	4.10	11.2	41.6	282	22.4

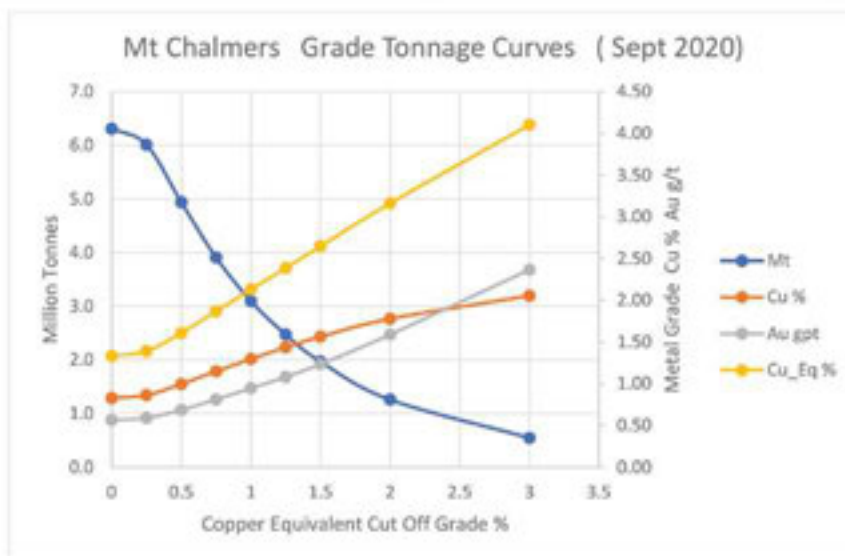


Figure 8: Grade Tonnage Curves for the Mt Chalmers Deposit

The updated estimates (Table 3) are reported at a copper-equivalent cut-off grade of 0.75% and are classed as Inferred. The classification appropriately reflects the Competent Person's view of the deposit. An example of the copper equivalent block grade distribution is shown in Figure 9.

Table 3: Mt Chalmers Inferred Mineral Resources 2021

CuEq cut off %	Mt	Cu %	Au g/t	Ag g/t	Cu_Eq %	Cu Kt	Au Kozs	Ag Kozs	Cu_Eq Kt
0.75	3.9	1.15	0.81	8.4	1.87	44.9	101.9	1,061	73.0

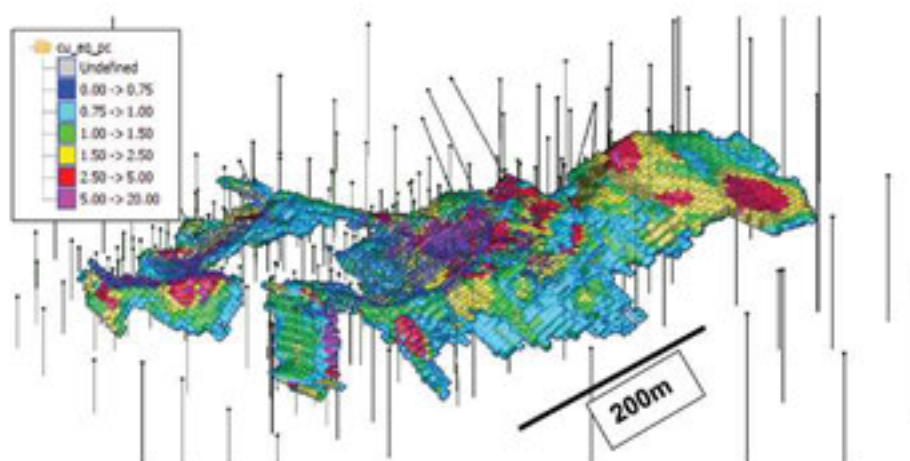


Figure 9: Mt Chalmers Inferred Resources for Copper Equivalent cut off of 0.75%
(view: oblique down to grid north west)

The relative accuracy and confidence level in the Mineral Resource estimates are considered to be in line with the generally accepted accuracy and confidence of the nominated Mineral Resource category. This has been determined on a qualitative, rather than quantitative, basis, and is based on the work completed and the Competent Person's experience with similar deposits. The geological understanding of the deposit, the modest coefficients of variation and the reasonable reconciliation with production lend themselves to a modest level of confidence in the resource estimates. This has been offset by the historic nature of the estimates, the simplistic grade interpolation method used, a lack of both information and documentation on the sampling and assaying, a lack of QAQC, and the lack of drillhole geological, density or sample recovery data. The Mineral Resource estimates are considered to be reasonably accurate globally, but there is some uncertainty in the local estimates due to the current drillhole spacing and the estimation method.

The deposit has had historical production data for both open pit and underground extraction, however there is some uncertainty as to the extent of the underground workings. Reconciliation of the MS resource model with the open pit pattern of extraction indicated a minor over-reporting of tonnage by 0.3%, with an understatement of copper grade by 6.4%, and gold by 5%. These outcomes suggest that the resource model is reasonably reliable within the constraints of the interpreted geology, drill hole distribution, historic assay results and the recorded position and extent of the historic open mine workings.

4.6 Exploration Targets for the Mt Chalmers Project

Volcanic complexes of this type are very diverse and rock types and mineralisation change rapidly along strike and across the stratigraphy. In presently mined VHMS terranes it is common to find between 5 and 40 lensoidal deposits scattered across different parts of the geological section within the volcanic pile. VHMS deposits may form in several different positions within the volcanic pile; all that is required is fumarole development in a period of quiescence after a large volume of tuffs and lavas have been erupted, e.g. during a hiatus in volcanic activity and sea-floor sedimentation.

Figure 10 is a schematic representation of the spectrum of volcanic lithologies, deposit locations and the various facies of alteration in a submarine volcanic belt (modified after Gemmell and Herrmann 2001). It is originally from the work of R. Large of CODES and includes several Australian VHMS deposits.

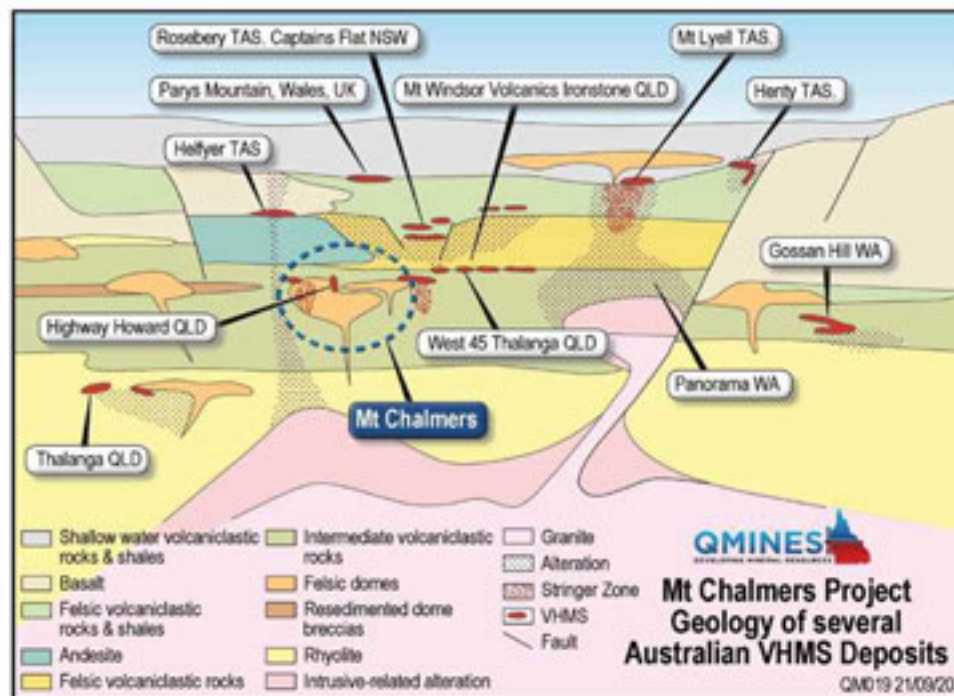


Figure 10: Schematic Section for Geological Settings for Australian VHMS Deposits

4.6.1 Mt Chalmers Deposit

Clearly the Mt Chalmers deposit offers both drilling and exploration targets, particularly along strike and beneath the existing mineralisation (Figure 11). Stacked lenses of mineralisation and clusters of ore shoots are characteristic of the VHMS environment, in particular for the Kuroko environment.

QMiner intend to investigate:

- Massive sulphide lenses or deeper stockwork and disseminated mineralisation, including pipe-like replacement bodies below the Main Lode and West Lodes;
- Direct extensions to the plunging Main Lode and West Lodes;
- Possible peripheral lenses of mineralisation as a result of the structural dislocation of the Main Lode.
- Massive sulphide lenses in new stratigraphic sections of the volcano-sedimentary pile of the Berserker Beds.

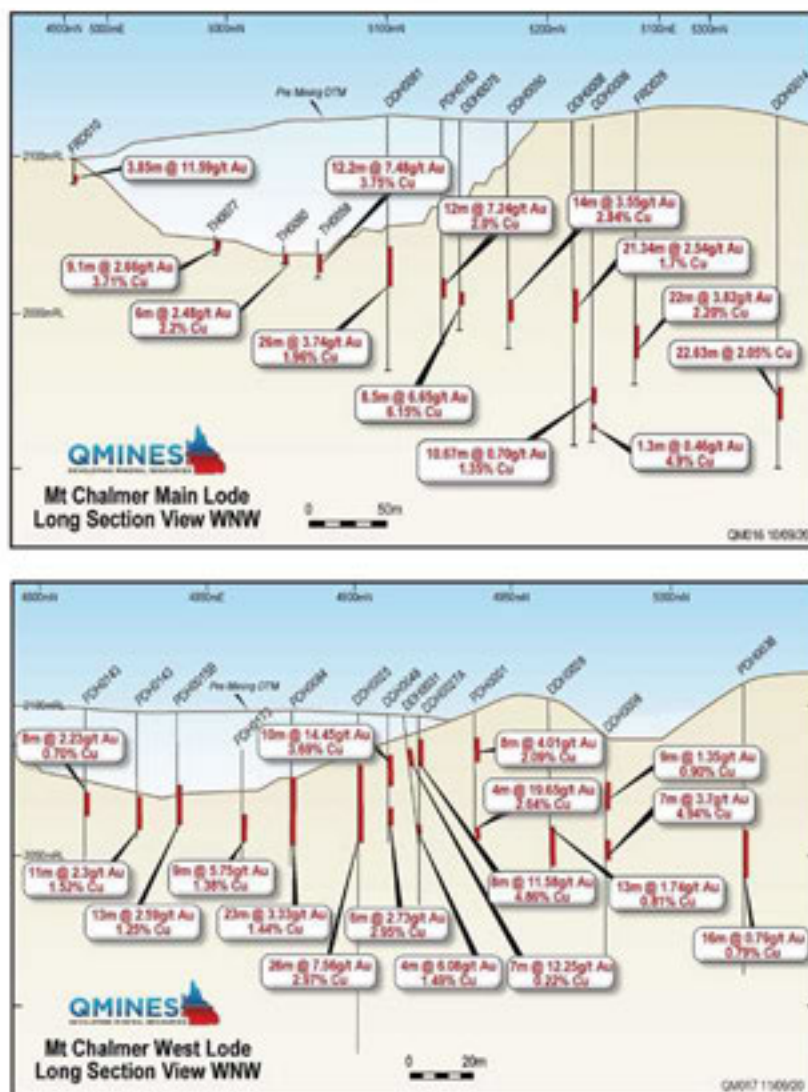


Figure 11 Sectional View Drill Intercepts for the Mt Chalmers Main and West Lodes

4.6.2 Woods Shaft Prospect

The Woods Shaft prospect, situated 0.7km to the southwest of the Mt Chalmers deposit, has been defined by previous explorers drilling to be over 250m in strike length and 40m wide. Mineralisation is from surface to a depth of 90m in places and contains gold and base metal mineralisation. The geology of the deposit appears similar to that for the Main Lode. Historical resource estimates have been compiled for this prospect but are not reported in accordance with JORC 2012 and therefore not reported here.

Significant intersections from Woods Shaft Prospect as listed in the EAR 2006 prospectus are shown in Table 4. The results seem to indicate that Woods Shaft is more gold-dominant compared to the Main Lode at Mt Chalmers.

Table 4: Woods Shaft Prospect – Significant Drillhole Intercepts

Hole No.	Hole Type	North	East	Dedination	Azimuth	From	To	Downhole Width	Gold	Copper	Silver	Zinc	Lead
						m	m	m	g/t Au	g/t Cu	g/t Ag	% Zn	% Pb
D4	DC	4250	4341	-60°	270°	8.8	15.6	6.8	0.39	1.5	-	-	-
						15.6	26	10.4	1.0	0.50	-	-	-
						26	41	15	0.50	0.20	-	-	-
						66	80	14	0.80	-	-	1.0	-
D6	DC	4155	4272°	-60°	090°	4	82	78	0.30	-	7	0.39	0.22
						60	64	4	-	0.20	-	-	-
P2	DC	4150	4300	Vertical	-	33.5	36.6	3.1	-	-	-	2.0	0.76
						45.7	48.8	3.1	-	-	-	2.1	0.69
P3	DC	4122	4300	Vertical	-	12.9	21.3	8.4	-	0.21	-	-	-
						33.5	43.7	10.2	0.87	-	-	-	1.2
P5	DC	4150	4271	Vertical	-	18.3	27.4	9.1	-	-	-	5.0	-
P17	DC	4200	4300	-60°	090°	15	32	17	0.53	0.52	5	-	-
						48	57	9	2.2	0.20	3	-	-
P18	DC	4250	4321	-60°	090°	6	60	54	1.4	0.46	4	-	-
P21	DC	4400	4349	Vertical	-	27	48	21	1.7	0.42	5	-	-
P24	DC	4400	4372	Vertical	-	36	48	12	1.6	0.68	4	-	-
P25	DC	4200	4372	Vertical	-	87	93	6	1.3	0.46	-	-	-
P27	DC	4250	4372	Vertical	-	63	75	12	0.60	0.20	2	0.34	-
WSC2	RC	4200	4275	Vertical	-	0	49	49	1.1	-	-	-	-
					including	31	37	6	4.3	-	-	-	-
WSC5	RC	4350	4350	Vertical	-	55	59	4	-	-	-	0.94	-
						57	59	2	6.8	-	-	-	-
WSC6	RC	4400	4360	Vertical	-	41	51	10	0.59	-	-	-	-
						51	53	2	1.7	-	-	-	-
						58	59	1	2.1	-	-	-	-

(after Echo Resources Limited 2006)

Figure 12 shows two cross sectional interpretations, 50m apart, of the Woods Shaft drilling results. It indicates an open folded anticline of rhyolitic tuffs similar to the host rocks for the Main Lode, conformably overlain by a dolerite/andesite unit. Mineralisation appears stratabound, comprising semi-massive and bed parallel stringer-type pyrite with varying amounts of gold, chalcopyrite, and with low level galena and sphalerite. The main zone of mineralisation appears to have a 30-35° dip to grid east progressing up dip to the west, to an anticlinal rollover close to surface before potentially dipping steeper to the west in the western section of the prospect. Coordinates are from the Geopeko local grid for the Mt Chalmers deposit.

The second cross section in Figure 12, 50m to the north, appears to confirm the geological continuity of the interpretation and hence the geological continuity of the mineralisation.

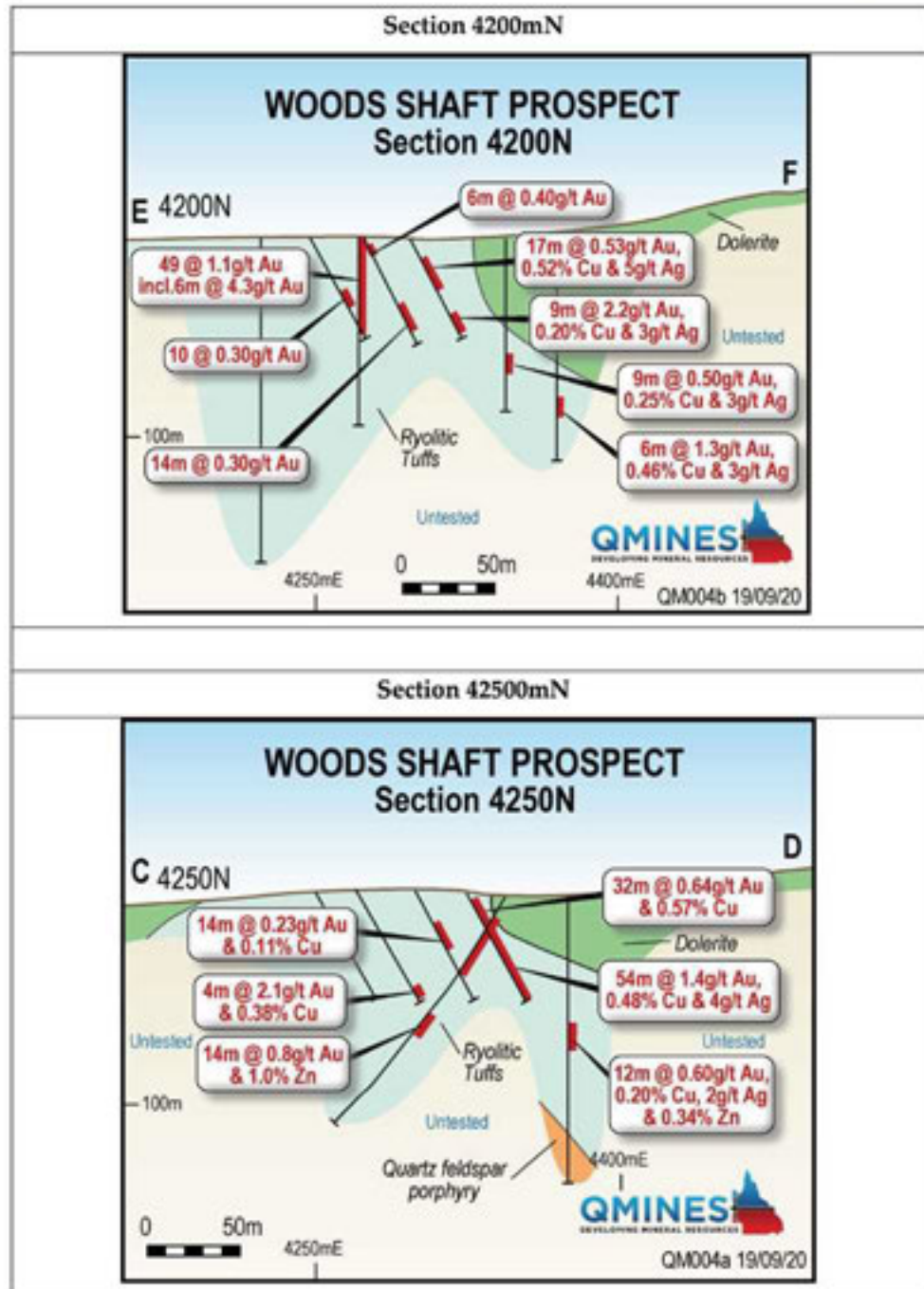


Figure 12: Cross Section Examples of the Woods Shaft Mineralisation

QMiner supplied H&SC with drilling data for the Woods Shaft prospect, including assays and geological logs, comprising 48 drillholes (drilled in the 1970s by EZ and 1990s by Great Fitzroy Mines) for 5,213m as a mixture of predominantly RC with DD. The data was loaded into a Microsoft Access database and linked to Surpac. A 3D geological interpretation was completed on 50m sections using the sulphur and base metal grades in conjunction with the logged geology, surface mapping and geological sense to identify an Exploration Target. Details of the drillhole intercepts used to define the Exploration Target are in Table 5.

Table 5: Woods Shaft Prospect Drill Intercepts used for the Exploration Target

Hole	Length	Au g/t	Cu %	From	Northing
WSPDH31	6	0.15	0.00	129	4001.4
WSPDH03	35.97	0.37	0.09	9.14	4124.5
WSPDH02	57.96	0.19	0.08	3.04	4150
WSPDH05	24.51	0.26	0.09	2.92	4151
WSDDH06	34	0.32	0.02	4	4154.9
WSDDH06	30	0.35	0.07	48	4154.9
WSPDH11	32.78	0.16	0.03	24	4199.3
WSPDH12	10	0.30	0.02	32	4199.1
GFWSC02	57	0.95	0.02	0	4200
WSPDH17	60	0.79	0.28	0	4200.1
WSPDH25	12	0.75	0.35	87	4200.5
WSPDH20	9	0.50	0.26	60	4200.5
WSPDH18	54	1.42	0.46	6	4248.9
WSPDH13	30.43	0.12	0.06	20	4249.8
WSPDH14	6	1.40	0.04	54	4249.7
WSDDH04	36.17	0.65	0.48	8.83	4250.09
WSDDH04	16	0.74	0.07	65	4250.09
WSPDH27	15	0.48	0.17	60	4250.1
WSPDH30	12.05	0.09	0.09	68.01	4298.2
GFWSC04	42	0.12	0.09	0	4300
WSPDH28	9.43	0.10	0.08	53.57	4300.1
WSPDH29	29.34	0.12	0.11	36	4303.1
GFWSC05	40	0.44	0.09	23	4350
WSPDH23	36	0.38	0.04	36	4399.2
GFWSC06	58	0.36	0.05	2	4400
GFWSC08	55	0.22	0.09	5	4400
WSPDH21	78	0.81	0.42	6	4400.2
WSPDH22	33.12	0.26	0.06	53.88	4400.5
WSPDH24	57	0.61	0.38	30	4401.2
WSPDH24	30	0.53	0.18	105	4401.2
GFWSC07	56	0.22	0.03	35	4450

This target measures 350m in strike, 200m in horizontal width with a variable thickness ranging from 4m to 30m off with the hinge being within at surface. Using the 3D wireframes, it is possible to generate gold and copper composites suitable for grade interpolation by

Ordinary Kriging and using a nominal density of 3t/m^3 (for sulphidic mineralisation), an Exploration Target can be derived for a 0.5g/t gold cut-off grade. Figure 13 shows the Exploration Target and is an oblique view looking down to the local grid north west showing blocks above a 0.5g/t gold cut off, the geological interpretation of the mineral zone in brown and the drillhole traces in green. The target appears open to the north for at least another 100m and may be considered in places as open at depth.

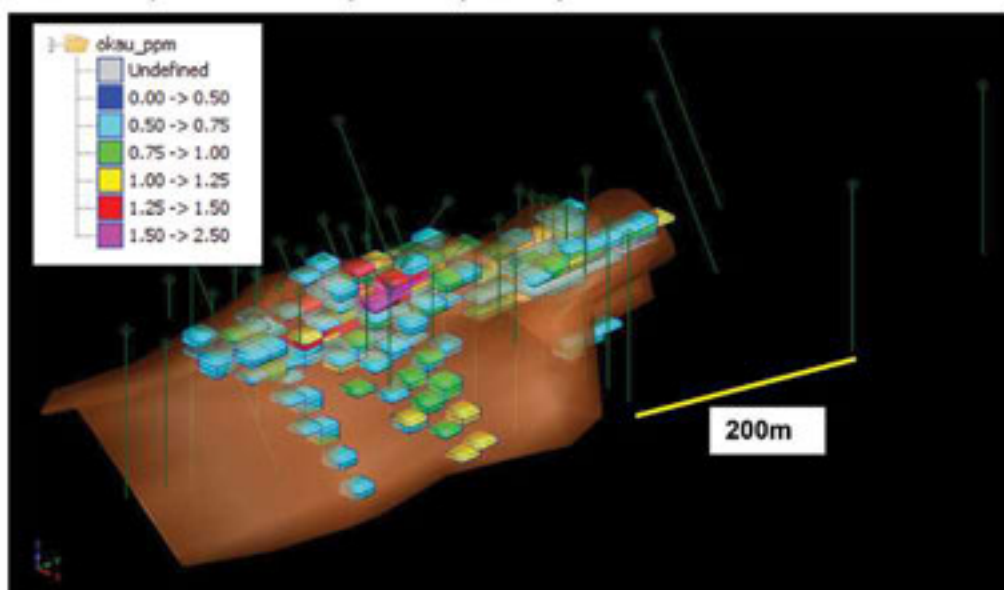


Figure 13: Woods Shaft Exploration Target

Exploration Target for Woods Shaft:

1 to 1.5Mt at 0.6 to 1g/t Au & 0.2 to 0.3% Cu

The potential quantity and grade of the Exploration Target described above is conceptual in nature, that there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.

4.6.3 Botos Prospect

This prospect, 0.7km NE of the Mt Chalmers deposit, is at the same stratigraphic position as the deposit, namely the middle of a rhyolite-shale series within the Chalmers Formation, but on the eastern limb of a major north-northwest trending syncline. It is characterised by extensive sericitic alteration. Drilling by Geopeko of copper-lead-gold soil anomalies intersected up to 21 m grading 0.90 g/t gold, 0.2% copper, 63 g/t silver 1.4% lead, and 2.8% zinc. Drill hole PDH 13/DDH B1 intersected a thick pyritic sequence which assayed 66m grading 0.1% copper, 0.6% lead and 1.2% zinc.

Q Mines supplied H&SC with drilling data for the Botos prospect, including assays and geological logs, comprising 42 drillholes (drilled by Geopeko) for $5,469\text{m}$ as a mixture of percussion, RC and diamond drilling. The data was loaded into an Access database and linked to the Surpac mining software. A 3D geological interpretation was completed on 200m spaced sections using the sulphur and base metal grades in conjunction with the logged

geology and geological sense to identify an Exploration Target. Details of drillhole intercepts used to define the Exploration Target are in Table 6.

Table 6: Botos Prospect Drill Intercepts used for the Exploration Target

Hole	Length	Au g/t	Cu%	Zn %	Pb %	Ag ppm	From	Northing
BTDDH01	27	0.83	0.20	2.22	1.13	51.0	81	5601.2
BTDDH02	18	0.20	0.07	0.92	0.28	6.8	69	5791.9
BTPDH27	9	1.10	0.02	0.24	0.09	2.0	93	5990.1

This flat-lying, NW striking target measures 750m in strike, 200m in horizontal width with a variable thickness ranging from 4m to 10m but is based on only 3 holes (including 2 DD holes) intersecting significant mineralisation. Using the 3D wireframes, it is possible to generate gold and base metal composites suitable for grade interpolation by Ordinary Kriging and using a nominal density of 3t/m³ (for sulphidic material) an Exploration Target can be derived for a 0.5g/t gold cut off. Figure 14 is an oblique view looking down to the local grid west north west and shows blocks above a 0.5g/t gold cut off, the geological interpretation of the mineral zone in brown and the drillhole traces in green.

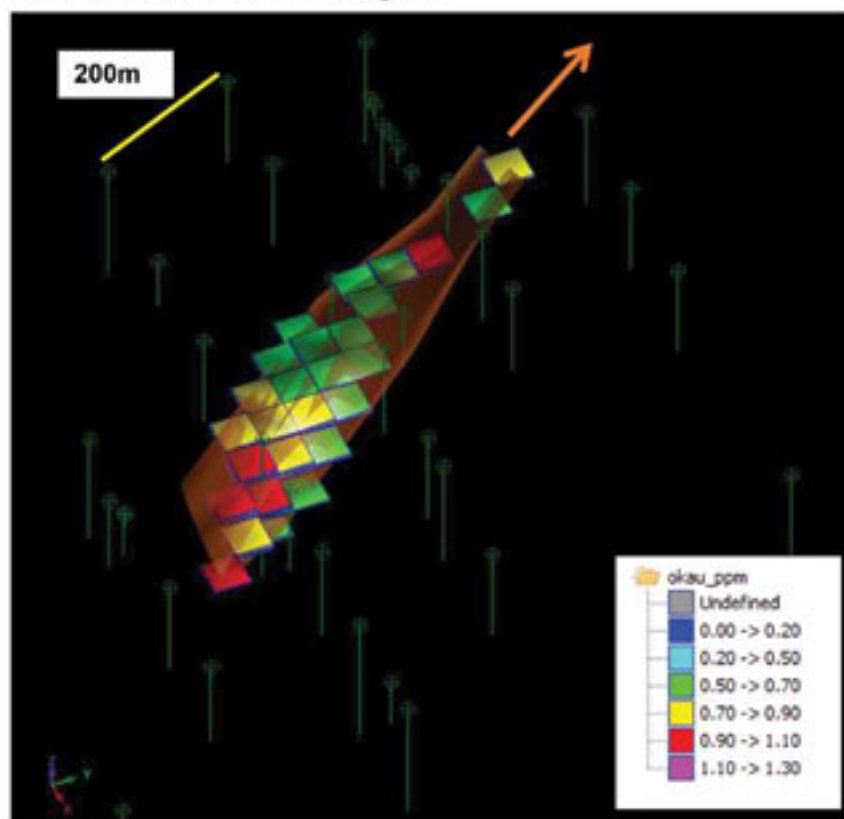


Figure 14: Botos Exploration Target

The strike of the interpreted mineral is reflected in a change in strike observed in the surface mapping and it appears open to the northwest (orange arrow in Figure 14).

Exploration Target for Botos:

1.5 to 2.5Mt @ 0.5 to 0.8g/t Au, 1.1 to 1.4% Zn, 0.5 to 0.7% Pb, 0.1 to 0.2% Cu & 30 to 50ppm Ag

The potential quantity and grade of the Exploration Target described above is conceptual in nature, that there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.

4.6.4 Mt Warminster Prospect

The Mt Warminster polymetallic prospect lies approximately 2 km north-west of the Mt Chalmers open pit. An area between Mt Chalmers and Mt Warminster displays silicification and has an associated magnetic anomaly (possibly a dioritic intrusive plug) and anomalous lead-zinc soil geochemical results. EZ drilled three holes in the area and extensive drilling by Geopeko indicated the centre of mineralisation is in the area of the historical workings.

QMiner supplied H&SC with drilling data for the Mt Warminster prospect, including assays and geological logs, comprising 59 drillholes (drilled by mainly by Geopeko) for 3,194m as dominantly RC drilling (1 diamond drillhole). The data was loaded into an Access database and linked to the Surpac mining software. A 3D geological interpretation was completed on 50m spaced sections using the sulphur and base metal grades in conjunction with the logged geology and geological sense to identify an Exploration Target. Details of drillhole intercepts used to define the Exploration Target are in Table 7.

Table 7: Mt Warminster Prospect Drill Intercepts used for the Exploration Target

Hole	Interval (m)	Zn %	Cu %	Pb %	Ag ppm	From (m)	Northing
MWPDH22	21.33	0.54	0.04	0.15	21.5	15.24	89700
MWPDH21	18.26	0.70	0.05	0.02	1.4	3.04	89700
MWPDH50	18	0.58	0.07	0.19	2.5	6	89798
MWPDH06	24.39	0.51	0.05	0.23	2.6	3.04	89800
MWPDH08	6.09	0.77	0.10	0.10	2.0	45.72	89800
MWPDH07	14.24	0.25	0.03	0.04	1.9	19.81	89800
MWPDH05	6.1	0.26	0.08	0.24	1.3	6.09	89800
MWPDH09	6.09	0.50	0.05	0.15	3.1	65.53	89800
MWPDH04	6.1	0.15	0.12	0.95	4.8	6.09	89800
MWPDH51	30	0.44	0.09	0.17	30.0	0	89801
MWPDH49	21	0.37	0.33	0.33	11.3	0	89801
MWPDH52	12	0.33	0.07	0.18	7.0	0	89804
MWPDH58	27	0.52	0.52	0.18	11.0	0	89850
MWPDH18	10.67	0.16	0.03	0.12	2.5	18.28	89850
MWPDH47	6.47	0.04	0.03	0.16	13.0	2.53	89852
MWPDH48	6	0.06	0.10	0.79	10.0	3	89855
MWPDH01	21.13	0.16	0.14	0.59		0	89857
MWPDH57	18	0.10	0.07	0.17	13.8	0	89867
MWPDH53	24	0.18	0.06	0.24	19.1	0	89896
MWPDH46	26.52	0.45	0.17	0.46	7.0	9.28	89896

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Hole	Interval (m)	Zn %	Cu %	Pb %	Ag ppm	From (m)	Northing
MWPDH54	26.53	1.15	0.08	0.22	3.8	9	89896
MWPDH56	33	0.96	0.02	0.02	2.1	3	89899
MWPDH14	6.1	0.10	0.00	0.00	0.0	6.09	89900
MWPDH15	45.72	0.32	0.00	0.00	0.4	3.04	89900
MWPDH16	39.62	0.11	0.00	0.01	0.3	12.19	89900
MWPDH17	30.51	0.24	0.34	0.11	6.6	6.09	89900
MWPDH19	30.48	0.52	0.08	0.73	4.8	3.04	89900
MWPDH55	18	0.35	0.15	0.21	4.4	21	89900
MWPDH20	27.41	0.32	0.11	0.23	5.4	6.09	89950
MWPDH25	15.24	0.86	0.01	0.01	0.8	3.04	90000
MWPDH26	4.57	0.51	0.01	0.01	0.9	19.81	90000
MWPDH27	24.38	0.68	0.04	0.13	3.5	24.38	90000
MWPDH29	39.69	0.68	0.04	0.16	4.9	24.31	90000
MWPDH30	6.1	0.19	0.00	0.00	0.8	9.14	90050
MWPDH31	3.05	0.18	0.00	0.01	0.4	12.19	90100
MWPDH32	12.19	0.17	0.01	0.03	0.2	39.62	90100

This gently east-dipping (7 to 15°) target measures 500m in strike, 120 to 350m in width with thickness ranging from 6m to 40m and outcrops in the west. Using the 3D wireframes, it is possible to generate base metal composites suitable for grade interpolation by Ordinary Kriging and using a nominal density of 3t/m³ (for sulphidic material) an Exploration Target can be derived for a 1% zinc equivalent cut off. Figure 15 is an oblique view looking down to grid north west and shows blocks above a 1% Zn equivalent colour coded for zinc block grade, the geological interpretation of mineral zone in brown, and the drillhole traces in green.

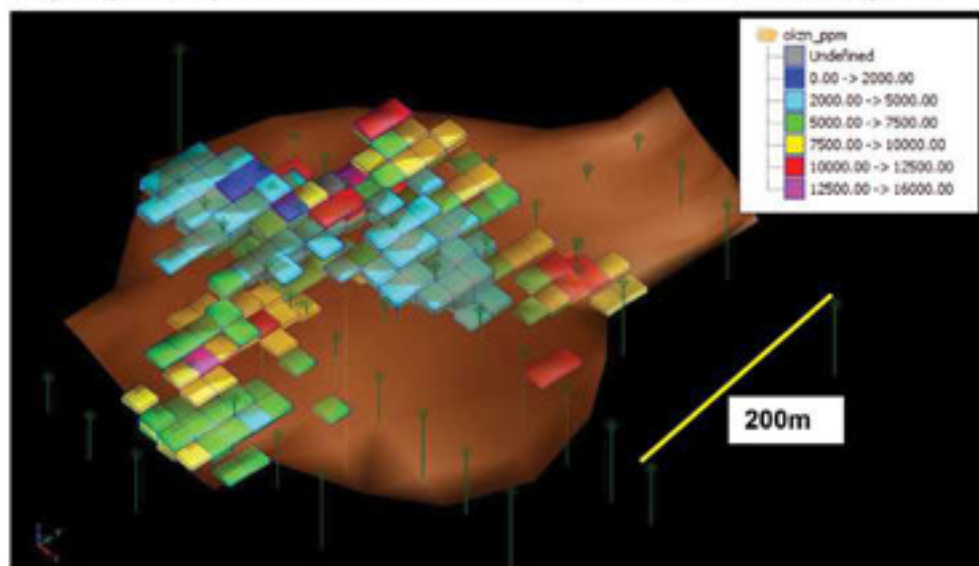


Figure 15: Mt Warminster Exploration Target

The interpretation suggests that the mineralisation is open to the north west.

Assumptions for the zinc equivalent equation

Metal prices (as advised by QMiner)

- Copper (US\$) \$6,655/tonne
- Zinc (US\$) \$2,302/tonnes
- Lead (US\$) \$1,763/tonnes
- Silver (US\$) \$20/oz

Exchange rate 0.7 AU\$/US\$

Metal Recoveries (based on 1996 Estimates)

- Copper 90%
- Lead 75%
- Silver 50%

Zinc equivalent formula:

$$(Zn_{pc}) + (2.61 * Cu_{pc}) + (0.57 * Pb_{pc}) + (0.0112 * Ag_{ppm})$$

Exploration Target for Mt Warminster:

1.5 to 1.8Mt @ 0.5 to 0.7% Zn 0.1 to 0.2% Cu 0.25 to 0.35% Pb & 8 to 12ppm Ag

The potential quantity and grade of the Exploration Target described above is conceptual in nature, that there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.

4.7 Conclusions, Recommendations & Proposed Budget

VHMS deposits can form at a variety positions within a complex volcanic pile. Although the Mt Chalmers deposit appears to have similarities to the Kuroko VHMS, by virtue of the rhyolite domes, it does not follow that this is the only style of mineralisation that is present in the Berserker Beds. It does follow that within the Berserker Beds in the EPMs controlled by QMiner there will be many opportunities for the imaginative explorer.

Of greatest importance must be the drilling of the extensions to the defined Mt Chalmers mineralisation and the Exploration Targets at Woods Shaft, Botos and Mt Warminster prospects. Prospective zones outside the mine area should be brought to the drilling stage as rapidly as possible.

The initial drilling plans include a 10 hole, 1,400m diamond drilling program focused on the Mt Chalmers resource (Figure 16) and a 208 hole, 25,000m RC drilling program focused around the Mt Chalmers open pit and the Woods Shaft, Botos and Mt Warminster Exploration Targets (Figure 17).

Regional geophysical surveys are recommended for the whole of the EPM. The Company has been unable to locate any airborne EM data that may have been collected for the area however the GSQ has flown airborne magnetics and radiometrics over Mt Chalmers and the resultant magnetic RTP image can be seen in Figure 18.

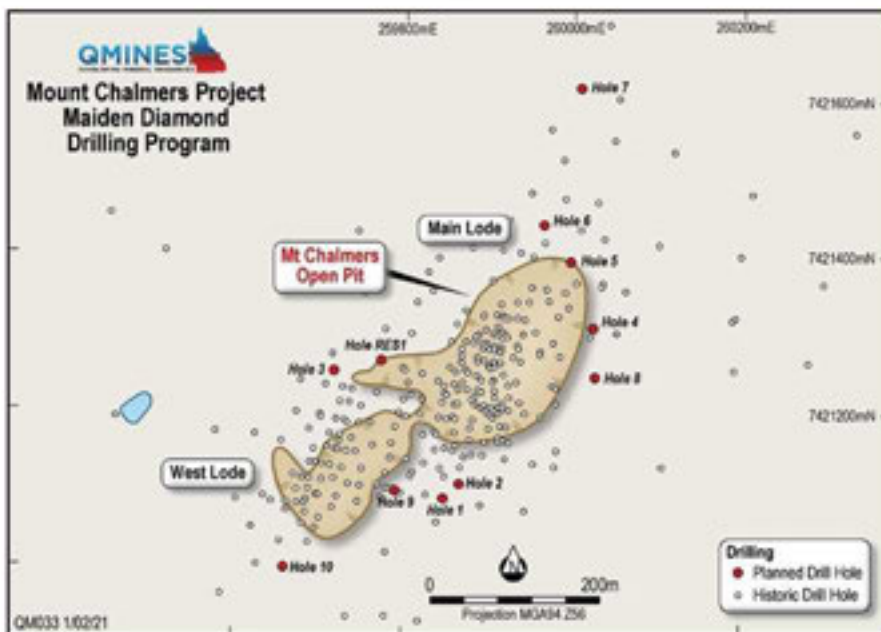


Figure 16: Initial Planned Diamond Drilling Program at the Mt Chalmers Project.

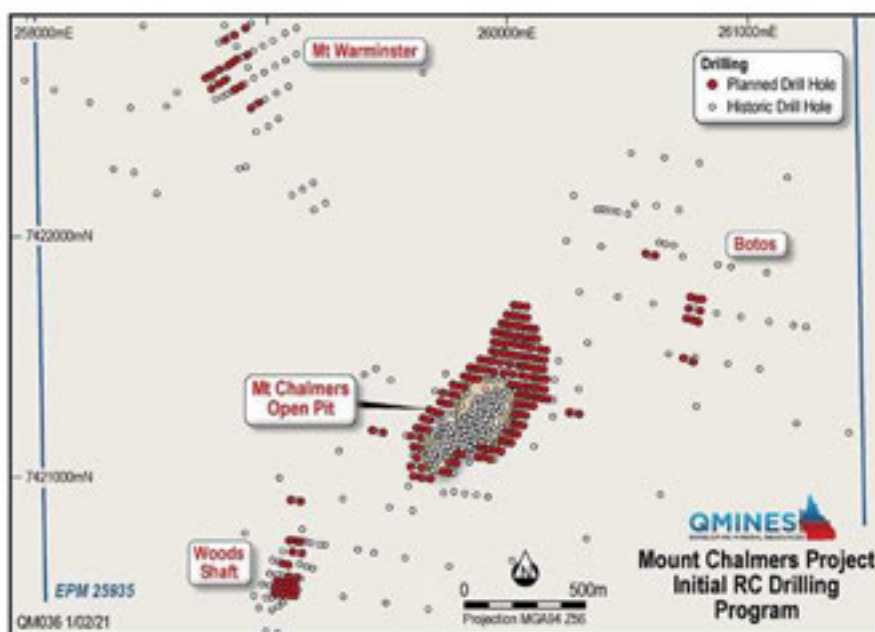


Figure 17: Initial Planned RC Drilling Program at the Mt Chalmers Project.

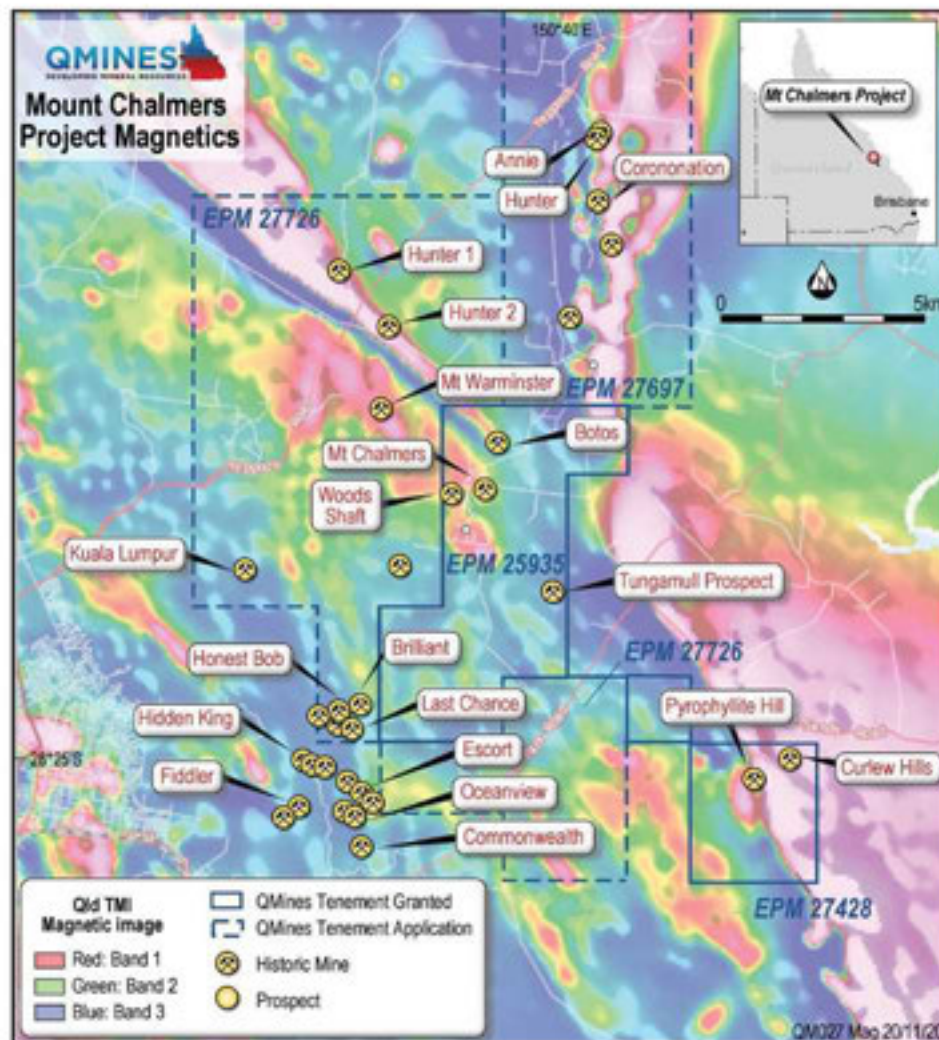


Figure 18: Mt Chalmers Airborne Magnetics RTP, Tenements and Mineral Prospects

The planned exploration activities and budgets are listed in Table 8.

Table 8: Mt Chalmers Project Exploration and Development Budget

Minimum Subscription (\$10,000,000)			
Category	Year 1	Year 2	Total
Tenement rent	\$10,883	\$10,883	\$21,766
Geophysical survey & inversion	\$248,000	\$0	\$248,000
RC drilling (30,000m)	\$1,800,000	\$2,700,000	\$4,500,000
Diamond drilling (2,000m)	\$420,000	\$180,000	\$600,000
Auger soil sampling	\$0	\$150,000	\$150,000
Resource modelling	\$55,000	\$55,000	\$110,000
Data management & reporting	\$100,000	\$160,000	\$260,000
Earthworks & rehabilitation	\$89,000	\$140,986	\$229,986
Total	\$2,722,883	\$3,396,869	\$6,119,752

Maximum Subscription (\$20,000,000)			
Category	Year 1	Year 2	Total
Tenement rent	\$10,883	\$10,883	\$21,766
Geophysical survey & inversion	\$248,000	\$402,000	\$650,000
RC drilling (50,000m)	\$3,000,000	\$4,500,000	\$7,500,000
Diamond drilling (5,000m)	\$600,000	\$900,000	\$1,500,000
Auger soil sampling	\$430,000	\$150,000	\$580,000
Resource modelling	\$100,000	\$180,000	\$280,000
Data management & reporting	\$220,000	\$360,000	\$580,000
Earthworks & rehabilitation	\$229,986	\$264,000	\$493,986
Total	\$4,838,869	\$6,766,883	\$11,605,752

H&SC considers the program and expenditure fully justified.

5 Silverwood Gold & Base Metal Project

The Project is located 15 km south of the regional centre of Warwick and 24 km north-east of Stanthorpe (Figure 19). EPM 27281 consists of 28 sub blocks, about 84 km² and EPM 27724 consists of 50 sub-blocks (approx 150 km²) covering the greater Silverwood Group domain. The tenements contain a relative abundance of historic mines and mineral occurrences for both gold and base metals.

5.1 Regional Geology

(source GSQ report by Siemon & Huber 1979)

The oldest rocks in the area are the Silurian to Early Devonian Silverwood Group comprising the basal Riadon Stud Formation, the Connolly Volcanics and the Rosenthal Creek Formation (Figure 19). Mineralisation is confined to the upper units. Unconformably overlying the Silverwood Group are the Early Permian Rhyolite Range Beds and the Early Jurassic Marburg Formation. Intruding the sequence to the west is the Herries Adamellite and to the southeast the Stanthorpe Adamellite both of Early Triassic age. Dykes of andesitic, dacitic and rhyolitic composition intrude the sequence, which has undergone low grade metamorphism with little deformation.

The Connolly Volcanics is a succession of andesitic and dacitic flows and tuffs, sediments and biohermal limestone. Detritus in the sediments consists of reworked volcanics and sediments, limestone of Ordovician and Devonian age and granite. Sediments including limestone, and volcanics of the Rosenthal Creek Formation conformably overlie the Connolly Volcanics. The succession is typical of an island arc environment with waning volcanism.

The Silverwood copper mine workings were first developed in 1917 and in 1923, ore was sent to Mount Morgan for processing. In 1966, the Stanthorpe Mining Company began mining the lodes and the mine was active until 1970 (Siemon and Huber 1979). Production is thought to have been about 42.5 tonnes of copper.

5.1 Mineralisation

Sulphide mineralisation in the southern Silverwood Valley is restricted to the Connolly Volcanics, and the Rosenthal Creek Formation where the principal occurrences are at Grieves Quarry and the Silverwood Copper mine.

Prospecting of a copper occurrence near Silverwood siding commenced about 1970. The Silverwood copper mine (Figure 19) includes the Day Dawn and Wilson's Lodes with copper mineralisation occurring as chalcopyrite mainly in a highly siliceous brecciated zone, 0.3m to 1m wide. The workings are located along the contact between the andesitic pyroclastics (Connolly Volcanics) and the sediments of the Rosenthal Creek Formation. Barren dyke intrusions appear to have remobilised earlier formed sulphides into favourable structural sites, with the dykes themselves containing only minor pyrite. A treatment plant to produce copper concentrates was erected 5.6 km south of Warwick in 1969 and was later used for crushing limestone from Grieves Quarry which began in 1971. Limestone is reported to have been produced from the Silverwood area between 1962 and 1965, but the sites of production are unknown.

The Myrtle Copper deposit is a small prospect of scattered pits and small dumps, to the south of Silverwood Copper Mine, and occurs in the same stratigraphic position.

The Grievess Quarry deposit is a stratabound copper-lead-zinc-silver deposit hosted in the Early Devonian sequence i.e. the Connolly Volcanics, comprising of interbedded tuffs and sediments with massive reef limestone, overlain by siltstone, mudstone and minor tuff. The tuffs and sediments were deposited in an off-reef environment in an island arc system with a cratonic hinterland of granitic, volcanic and sedimentary rocks. Crosscutting the sequence are at least two phases of dykes of Devonian to Triassic age. All rock types have undergone low grade metamorphism.

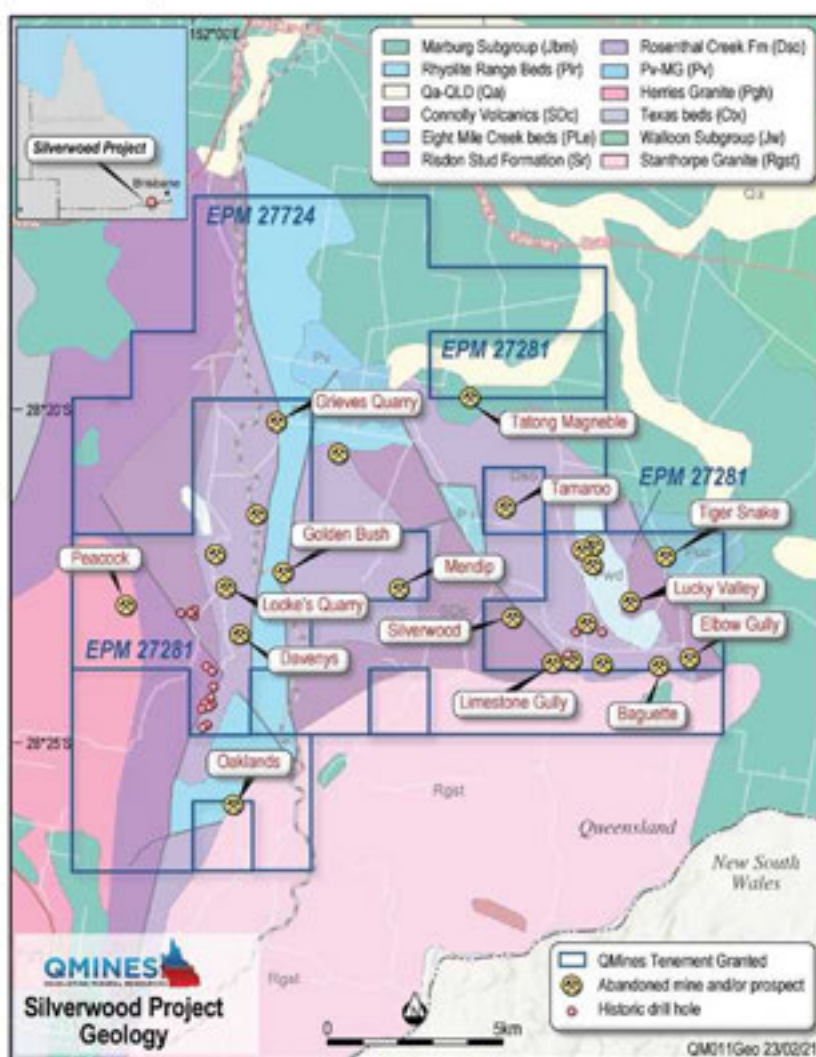


Figure 19: Tenement, Geology & Mineral Occurrence Map for the Silverwood Project

5.2 Previous Exploration

The first real modern exploration in the Silverwood Valley was carried out by the Geological Survey of Queensland ("GSQ") between 1967 and 1971 where two diamond drilling programmes were undertaken at the Grieves Quarry for a total of 17 diamond holes with 1,505 metres drilled. The GSQ diamond drilling intercepted numerous significant intersections of massive sulphide mineralisation at the Grieves Quarry. The GSQ did not assay for gold, focussing on base metals copper, zinc, lead and silver.

Amoco Minerals Australia Pty Limited (1974) and Penzoid of Australia Ltd, (1978) were the earliest to explore for massive base-metal sulphides. Programs included geological mapping, airborne electromagnetic surveys, ground induced polarization, magnetic and geochemical sampling surveys, but no drilling.

In the 1980s, Ashton Mining Limited (1980-1982), CRA Exploration Pty Limited (1986-1987), Australian Gold Resources Ltd (1988) and Stevenson Enterprises Pty Ltd (1989) examined the area with a gold-in-massive sulphide target in mind; there was limited field work and no drilling.

The most recent work is recorded by Metallica Minerals Limited ("Metallica") (2000-2002), Icon Resources Ltd (2008-2009) and Invictus Gold Ltd, (2013), all of which carried out reviews but limited field work. Limestone quarrying was considered by Metallica.

5.3 Grieves Quarry Base Metal Deposit

At Grieves Quarry, base metal mineralisation has been located in three zones over a length of 150m and to a depth of at least 130m. The stratabound mineralisation is hosted in both a lens of bioclastic reef limestone and in more widely distributed tuffaceous sediments (Figure 20). There is some suggestion of a transgressive nature to the mineralisation at the limestone/tuffaceous sediment contact. The exposed host units have a relatively steep dip to the east before shallowing to a 20-30° dip east some 50 to 80m below surface.

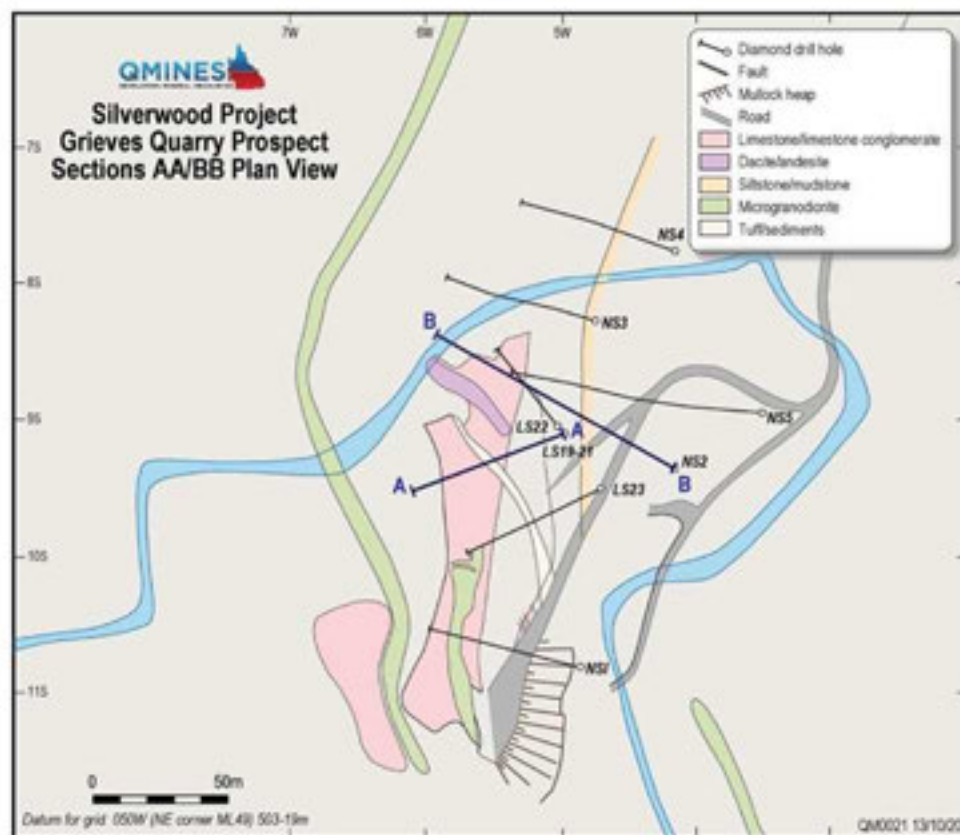


Figure 21 shows a GSQ cross sectional interpretation from the early 1968-1971 drilling programmes which indicates stratabound massive sulphide mineralisation juxtaposed with limestone and andesite tuff (location of section BB can be seen in plan view in Figure 20).

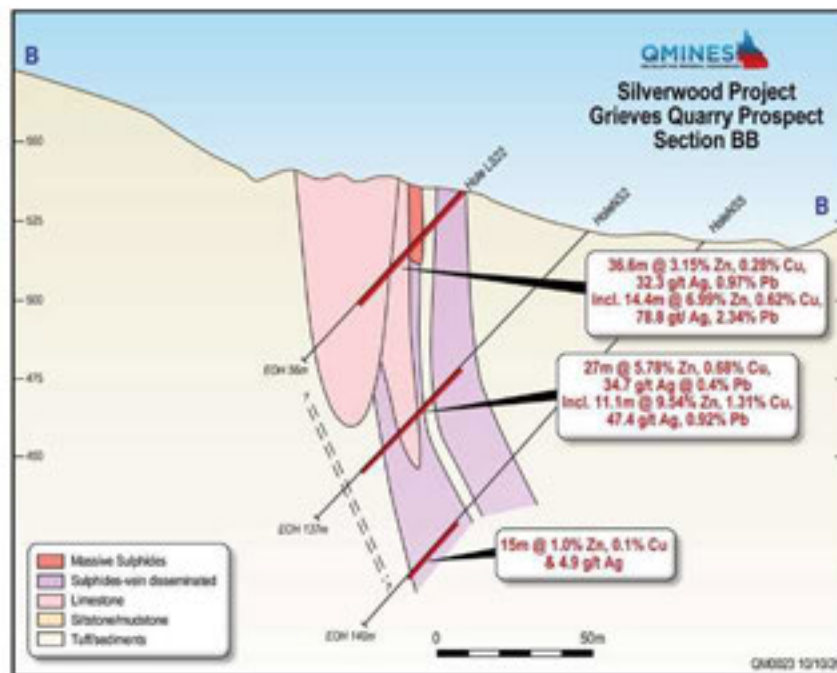


Figure 21: Cross Section 1 Geological Interpretation at Grieves Quarry (GSQ Data)

Figure 22 is another cross-sectional interpretation roughly 50m to the south of section B-B at a slightly different orientation. It confirms the geological setting and the orientation of the mineralisation.

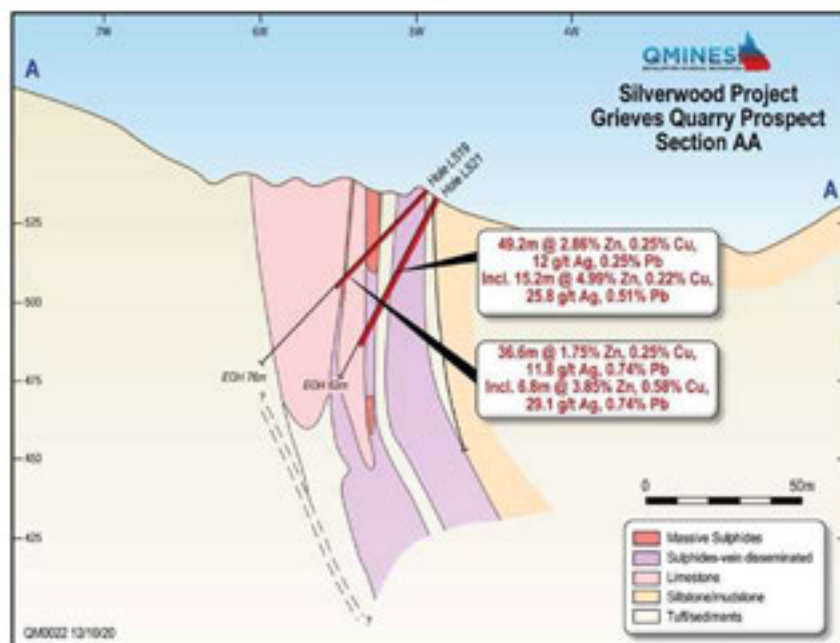


Figure 22: Cross Section 2 Geological Interpretation at Grieves Quarry (GSQ Data)

QMiner supplied H&SC with drilling data for the general Grieves Quarry area, including assays and geological logs, comprising 17 diamond drillholes (drilled by the GSQ) for 1,505m as drillholes. The data was loaded into a Microsoft Access database and linked to Surpac. A 3D geological interpretation was completed on 40m spaced sections using the base metal grades in conjunction with the logged geology and geological sense to identify an Exploration Target.

Table 9 contains the drill intervals used to design the Exploration Target.

Table 9: Grieves Quarry Drill Intercepts used for the Exploration Target

Hole	Interval	From	Zn %	Cu %	Ag ppm	Pb %
LS19	27.61	0	2.5	0.4	16.5	0.4
including	6.8	22.6	3.9	0.5	29.1	0.7
LS21	49.17	0	2.4	0.3	13.4	0.3
including	15.2	21.2	5.0	0.2	25.8	0.5
LS22	35.58	0	4.7	0.5	47.7	1.4
including	10.8	21.2	9.0	0.8	104.7	3.1
LS23	13.95	15.84	1.0	0.2	5.7	0.1
NS02	27.18	62.1	5.8	0.7	19.2	0.4
including	12.3	71.6	8.9	1.2	43.8	0.1
NS03	11.81	47.8	0.8	0.1	16.7	0.5
NS05	16.35	92.46	1.0	0.1	4.8	0.0

(note: Hole LS20 was abandoned at 29m)

The interpreted mineral zone measures 200m in strike, 200m in horizontal width with thickness ranging from 6m to 50m. The mineral zone dips relatively steep at surface but flattens out to a shallow 20-30° easterly dip 100m below surface. The interpretation suggests that the mineralisation is relatively open for short distances along strike but may be much more open down dip. Using the 3D wireframes, it is possible to generate base metal composites suitable for grade interpolation by Ordinary Kriging and using a nominal density of 3t/m³ (for sulphidic material) an Exploration Target can be derived for a 2% zinc cut off.

Figure 23 is an oblique view of the Exploration Target looking down to the local grid west north west and shows colour coded zinc block grades above 2% zinc, the geological interpretation of the mineral zone in brown and drillhole traces in green.

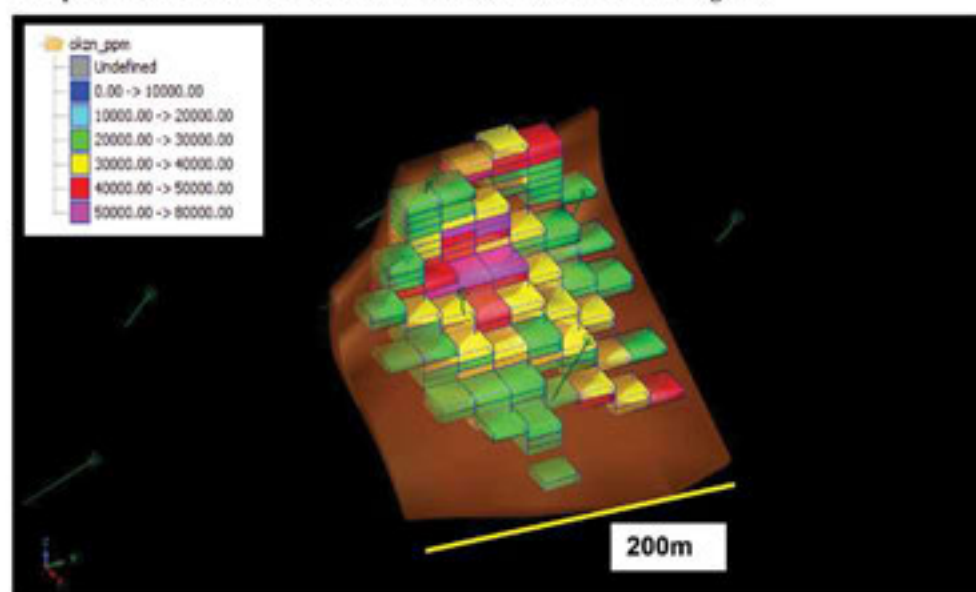


Figure 23: Grievous Quarry Exploration Target

Exploration Target for Grievous Quarry

0.8 to 1.0Mt @ 3.2 to 3.7% Zn, 0.3 to 0.5% Cu, 0.3 to 0.5% Pb & 15 to 25ppm Ag

The potential quantity and grade of the Exploration Target listed above is conceptual in nature, that there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.

5.4 Conclusion & Recommendations

Significant stratabound base metal mineralisation was intersected by the GSQ in diamond drilling at the Grievous Quarry location. Regional magnetics and geology show the Silverwood Group as being structurally complex and future exploration initiatives would benefit from more detailed geophysical survey and interpretation. Open file GSQ regional magnetic RTP survey data does not appear to provide a high enough resolution data package (Figure 24) and to date no airborne EM survey data has been located covering the Silverwood Group.

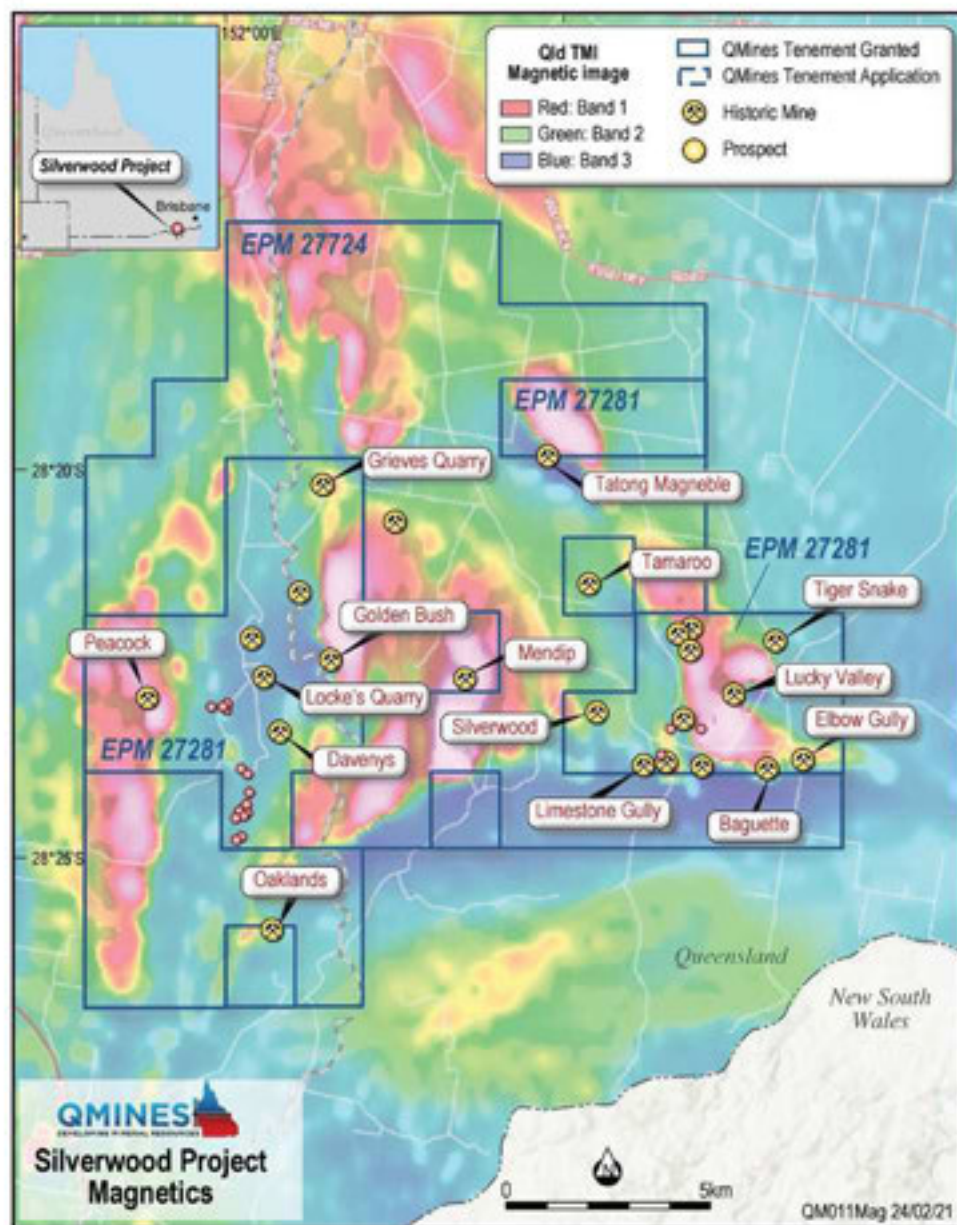


Figure 24: Tenements, Mineral Occurrences & Magnetic RTP for the Silverwood Project

The style of mineralisation has strong affinities with both sulphide exhalite onto the sea-floor mode of formation hosted by volcanic tuffs (VHMS) and with dissolution, brecciation and sulphide replacement of carbonate host rocks (MVT). Subsequent exploration by exploration companies in the 1970s and 1980s has been modest and has been confined to ground based surveys with no further drilling. The drilling has allowed for the definition of an Exploration

Target and there is potential for additional mineralisation down dip from this Exploration Target.

In addition, there is the potential to find gold in calcareous or carbonate sedimentary rocks, within the overall Silverwood Project area, such as skarn-hosted gold and Carlin-style gold. This exploration concept has not been tested well by previous explorers. Base metals remain a valid target and there have been many improvements to geophysical exploration since the 1970s and an analysis of the prospective terrane is recommended.

5.5 Programmes & Budgets for the Silverwood Project

The base metal mineralisation at Grieves Quarry should be fully assessed in context with all the subsequent ground-based exploration data completed after the GSQ initial work. In addition, the EPMs has several gold and base-metal targets that are worthy of follow up including the assessment of any anomalous areas defined by previous explorers.

The planned exploration activities and budgets are listed in Table 10.

Table 10: Silverwood Project Exploration Budget

Minimum Subscription (\$10,000,000)			
Category	Year 1	Year 2	Total
Tenement rent	\$12,862	\$12,862	\$25,724
Historical data digitisation	\$0	\$0	Completed using seed proceeds
Digital modelling & drill planning	\$8,000	\$8,000	\$16,000
Auger soil sampling	\$29,500	\$38,500	\$68,000
Geological mapping	\$12,500	\$12,500	\$25,000
Drilling data management & reporting	\$6,000	\$6,000	\$12,000
Total	\$68,862	\$77,862	\$146,724

Maximum Subscription (\$20,000,000)			
Category	Year 1	Year 2	Total
Tenement rent	\$12,862	\$12,862	\$25,724
Historical data digitisation	\$0	\$0	Completed using seed proceeds
Digital modelling & drill planning	\$8,000	\$27,000	\$35,000

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Auger soil sampling	\$64,000	\$105,000	\$169,000
Geological mapping	\$45,000	\$15,000	\$60,000
RC drilling (4,000m)	\$0	\$600,000	\$600,000
Drilling data management & reporting	\$6,000	\$30,000	\$36,000
Total	\$135,862	\$789,862	\$925,724

H&SC considers the program and expenditure fully justified.

6 Warroo Gold/Copper Project

The Warroo Project area is located 50 km west of Stanthorpe and 35 km north-east of Texas (Figure 25). The Warroo project consists of EPM 26178 which covers an area of 21 sub-blocks amounting to 63 km² and EPM 27725 consisting of 51 sub-blocks, covering 153 km². The Warroo gold mine and the associated Ti-Tree, Commodore and Glenrosa prospects show the strongest mineralisation known within the EPMs but the Angus Valley-Ashton copper workings, to the north-west, attest to mineralisation being relatively more widespread.

Peter Gregory, a Principal Geologist with the GeoDiscovery consulting group, based in Brisbane, completed a study of the licence for Dynasty Gold in 2016. The work involved a brief review of historical exploration combined with a GIS study of aeromagnetic, radiometric, satellite and gravity imagery to give a better understanding of the exploration potential of the tenement. This work has been under-utilised in defining prospective targets.

6.1 Regional Geology

The sedimentary rocks exposed in the general tenement area are part of the New England Fold Belt. They are dominantly the Late Devonian-Early Carboniferous Texas Beds comprising volcanoclastic turbidites, basalt, chert, intraformational conglomerate and limestone olistoliths (Figure 25) and are preserved as an imbricate stack of thrust slices (Flood and Aitchison, 1992). The rocks are part of a subduction complex developed near a convergent plate margin and related to a west dipping subduction zone.

The sequences are intensely deformed with dips usually steep and beds overturned. Major dextral transform faulting in the later Carboniferous combined with oroclinal bending has further reoriented the sequences.

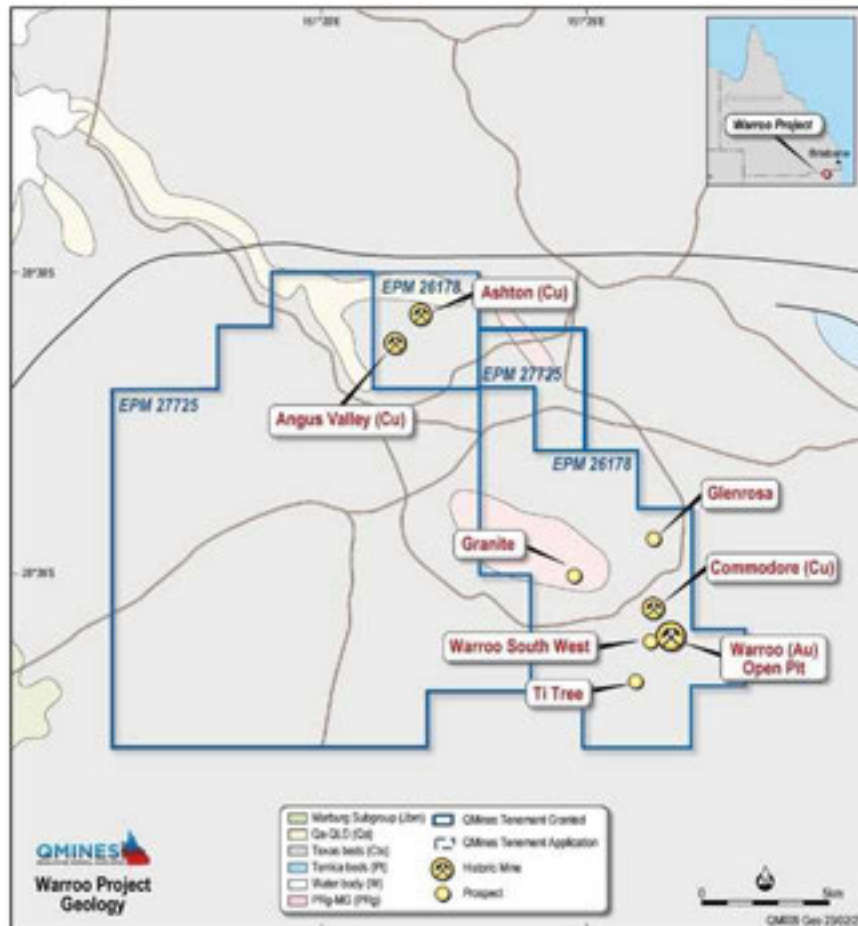


Figure 25: Tenements, Geology & Prospect Map for the Warroo Project Area

In the early Permian deep marine basins developed over part of the area and remnants are preserved as small inliers for example near Texas (Silver Spur Beds), the Pikedale Silver Mine (Pikedale Beds) and near the Warroo and Ashton prospects (Terrica Beds) within the tenure.

Several bodies of S-type granite at Mount Bullaganang northwest of Warroo Mine and a smaller body southeast of Ashton prospect (granite to monzodiorite) are known. Several intermediate dykes are recorded from drill holes and Warroo pit. The Mount Bullaganang Granite would appear to be in the axial zone of the orocline.

The early Jurassic Marburg Sandstone unconformably overlies all the older units in the north and west.

6.2 Mineralisation

Published literature describes the Warroo-Commodore, Glenrosa, Ashton and Angus Valley occurrences as granitoid-related mesothermal vein deposits emplaced in metasedimentary

rocks. Denaro (1992) describes the deposits as veins in shear zones in pyritic shale/siltstone and tuff of the Texas Beds and in Permian sediment outliers. The Ashton Copper Mine was discovered in 1897 and worked until about 1900. A small supergene resource was exploited with assays of to 30% Cu and 5g/t Ag recorded (Olgers et al., 1974).

The Warroo Mine produced 21 tonnes of copper, 283ozs of Au and 901 ozs of Ag in the period 1910-1911. A further 923 ozs of Au were produced from 1912-1913 when the mine was worked by tributaries (Denaro, 1989). When the mine was reopened in 1931, eight tonnes of ore produced 5ozs of Au. The more recent mining by Valdora in the period 1990-1992 saw approximately 214,000 tonnes at 1.94g/t mined for a heap leach operation, but final production figures are not known (Catherall and Hockings, 1992). The mineralisation dominantly occurs as laminated sulphidic quartz veins in shear zones (main zone to 1.2m wide) within zones of silicification, pyrite alteration and thrusting in shales/siltstones of the Texas Beds.

The Commodore copper mine was found in 1905 and is located northwest of Warroo. Total production recorded in the period 1906-1913 is 206 tonnes of Cu (grade 6-25% Cu). Gold grades in the supergene zone were to 25g/t, but there is no record of total production (Denaro, 1989). The mineralisation was exploited to a depth of 35m and laterally for 85m (Olgers et al., 1974).

The Glenrosa prospect has not been exploited and was defined by Duval Mining as a geochemical find, but displays similar characteristics to Warroo, but with little or no Au.

The Ti-Tree prospect 800m south of Warroo is a relatively recent discovery of an epithermal gold vein and siliceous alteration related to a northwest structure.

6.3 Previous Exploration

Duval Mining (Australia) Ltd targeted sediment hosted, disseminated replacement Carlin-type gold deposits and stockworks in the Texas Beds (Seed, 1984, 1985, Hextall, 1986). Exploration initially consisted of regional and detailed geochemical sampling and mapping which yielded the Glenrosa prospect and the confirmed the detection of the Warroo prospect. Follow up work comprised the drilling of 26 percussion drillholes and 1 diamond hole at Warroo which defined a new zone of gold mineralisation and yielded a best result of 8m at 13.46g/t Au. This mineral zone had strike length of over 1km with uncertain extensions under soil cover to the northwest, but also to the southeast. The Glenrosa holes were disappointing. Further exploration involved an IP-resistivity survey over the Warroo Grid and defined several highly prospective targets in an en echelon pattern which were tested by 30 angled RC holes for 1,943m of drilling. This showed that pyrite in veinlets or disseminations to 5% accounted for the chargeability anomalism. While gold was associated with shear zones these were too sparse or irregular and low grade to constitute a potential resource.

Valdora Minerals Ltd carried out regional mapping, heavy mineral sampling with various sieve sizes and neutron activation analysis. This program generated several new areas of interest but no follow up works seems to have been completed. Drilling on the property was conducted at Commodore and Warroo. An historical open cut resource of 160,000 tonnes at 2.86g/t Au at cut-off grade of 0.5g/t Au was defined (14,700 ozs) at Warroo in the supergene zone, but the small Cu resource defined at Commodore was not of economic interest. Other drilling outside the main zones did not produce encouraging results. Significant work was

done by outside consultants regarding a potential mining operation and environmental aspects (Eeson and Gould, 1988a, 1988b, Eeson, 1989, Catherall, 1991).

Budmead Pty Ltd and Silklan Pty Ltd reported on the mining at Warroo and the early problems of grade control and dilution (Catherall, 1992, Catherall and Hockings, 1992, Gunter, 1993). Comment is made that while most of the historical gold mined came from the Central Shear at Warroo, most of the gold mined in 1992 came from the supergene zone where a low angle thrust (Flat make Shear) controls gold deposition and has sub-vertical feeders streaming off the hanging wall and acting as channelways for both primary sulphide deposition and supergene enrichment (Catherall and Hockings, 1992)

Hillcrest Resources Ltd conducted a review of previous work, commissioned a Landsat interpretation and a review of the new Government Texas aeromagnetic survey and a new review of the known prospects. No significant follow up work was completed.

Qld Tantalite Pty Ltd/Qld Gold and Minerals NL realised the potential for Intrusion related gold mineralisation and believed that the Warroo Cu-Au prospect had all the characteristics of a porphyry/stockwork Cu-Au system and that Commodore was part of the same system. This belief was based on the recognition of complex fracture patterns and the small veins and shoots of gossanous mineralisation previously reported. Potential for a sizeable low grade disseminated gold-base metal resource was suggested. A substantial review of newly acquired government data was undertaken with strong emphasis on geophysical interpretation. Various features were identified giving rise to a re-evaluation of the exploration prospectivity of the area. Follow up mapping and surface geochemical sampling in the Ashton-Angus Valley corridor defined a zone of pyritic siliceous breccia, copper zonation and a new Permian outlier. Rock sampling was more definitive than soil sampling.

Oxiana Exploration Pty Ltd in joint venture with Qld Gold and Minerals NL completed extensive soil and rock sampling at Ashton-Angus Valley, Glenrosa and Warroo-Warroo Southwest. This identified an epithermal style quartz breccia vein with gold mineralisation at the Ti Tree prospect 800m south of Warroo. Anomalism associated with follow up IP geophysics for the Ti Tree-Warroo area resulted in the drilling of 5 RC holes testing for a low grade bulk tonnage sheeted veins system. Subsequent work by Qld Gold and Minerals suggested an alternative geological interpretation such that the Oxiana drilling strategy may have been sub-optimal. Qld Gold and Minerals also completed the drilling of 14 RC holes to 40m depth to test the heap leach potential of the existing stacks at Warroo Mine. However, gold grades greater than 1g/t were very restricted and would not support an operation at that time (Day, 2008).

6.4 Geophysical Data Review

Aeromagnetic, radiometric and satellite imagery are very helpful in defining structure and hydrothermal alteration, outcrop limits of intrusions and even possible buried intrusions. These are useful components in assessing the geological understanding and exploration potential of an area.

The regional aeromagnetic data shows the Warroo EPM 26178 to be located east of a large oval magnetic feature that appears to be at moderate depths (Figure 26). Strong northwest structural trends occur close to the north eastern edge of this buried body and within the Mount Bullaganang Granite and extending southeast to the Warroo area. Dyke-like intrusives

extend from the buried body at depth into the Texas Beds. The orocline folded structure can be seen to the north within the Texas Beds.

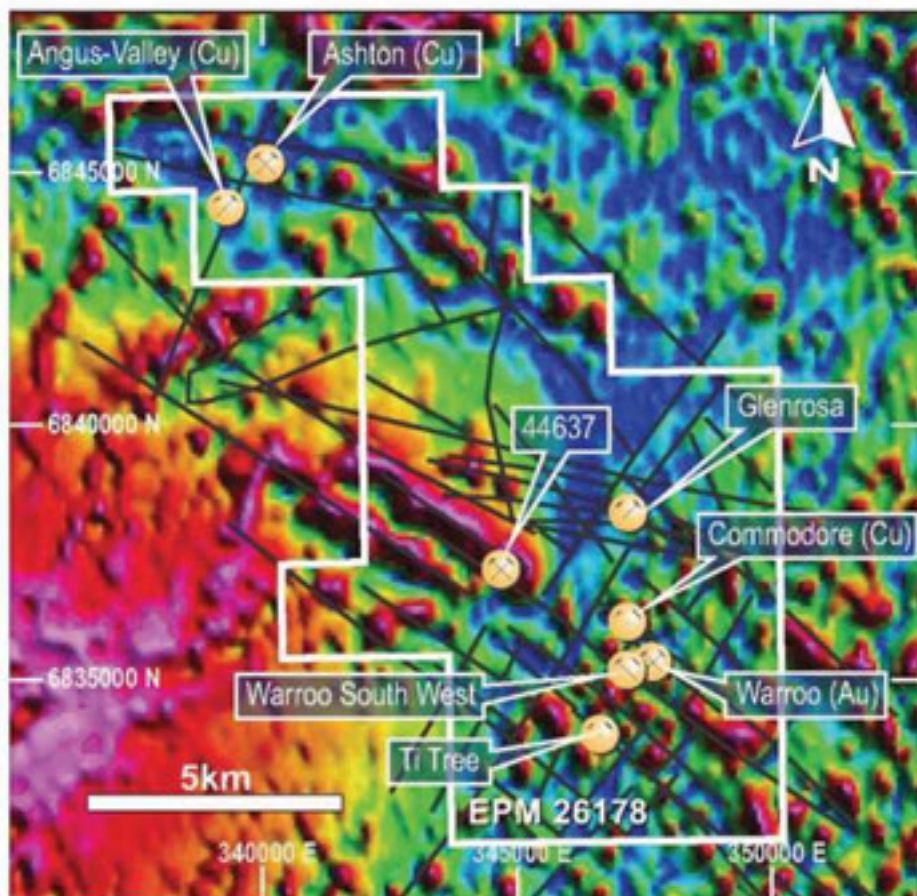


Figure 26: RTP Tilt Regional Magnetic Image with Interpreted Faults (GSQ Data)

A ternary radiometric image of the same area shows strong potassium levels associated with the Mount Bullaganang Granite and extending north and northwest in an arc controlled by northwest and east west structures (Figure 27). In addition, there are other smaller areas of potassic alteration south of the tenure and southwest of the tenure in the Mount Gunyan area with a major southwest structure running southwest through Warroo to Mount Gunyan and possibly defining the edge of buried intrusions in part. Specific ovoid patches in and on the edge of the granite may indicate specific altered zones or compositionally different intrusive plugs. Chert units help to define ovoid structures possibly due to doming and contact metamorphism by buried intrusives.

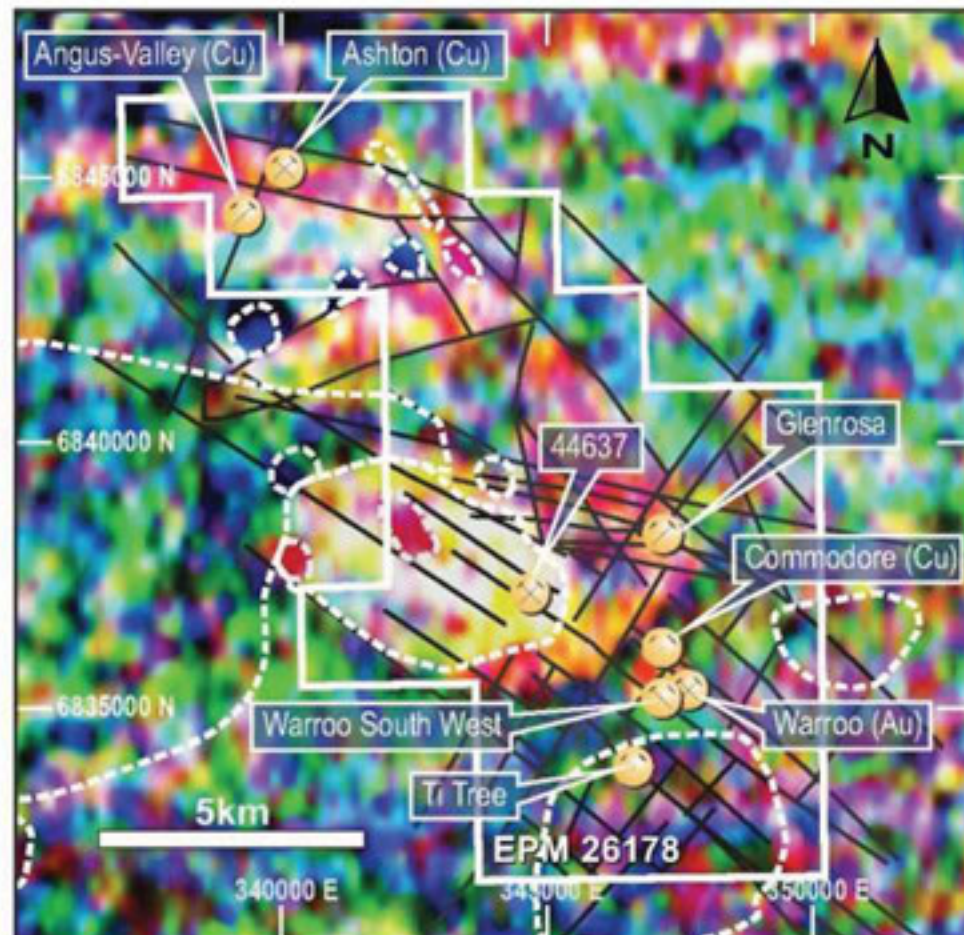


Figure 27: Regional Ternary Radiometric Image (GSQ Data)

(with interpreted faults (black) and buried intrusives (white polygons))

Satellite imagery shows that Glenrosa sits in this structural corridor but that west-northwest structures run through the prospect area and extend several kilometres to the west to intersect the granite (Figure 28). Despite the northeast structural corridor, the northwest structures through Warroo extend into the granite and also southeast of Warroo which suggests that there may be further potential in exploring the extension to the northwest-southeast corridor and particularly its undercover intersection with the northeast corridor.

More mafic intrusive plugs are suggested for potassium low ovoid zones southeast of Ashton where these are aligned along a northeast trend and north of a defined east west silicification zone defined by Valdora. The possibility of intrusives underlying Ti-Tree and northeast of Warroo is shown based on oval patterns on the satellite and radiometric imagery.

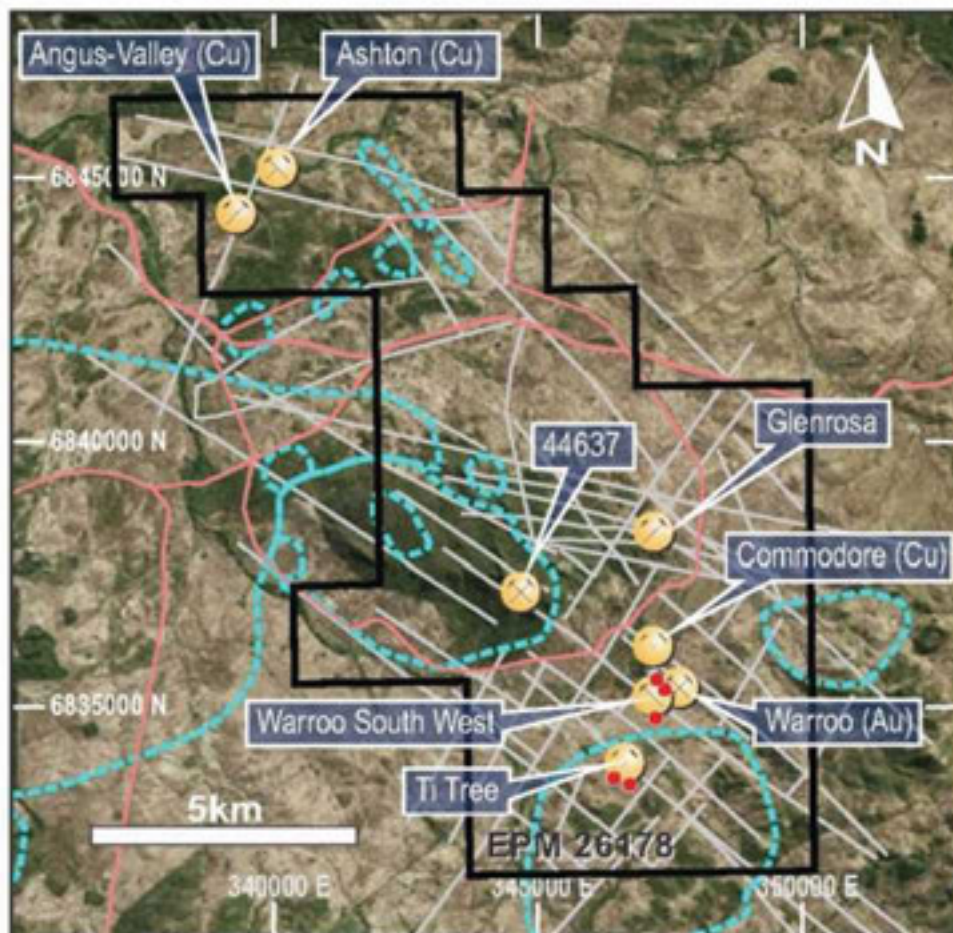


Figure 28: Satellite Image for the Warroo Project

(with interpreted faults (grey), outcropping & interpreted buried intrusives (blue polygons))

The previous figures indicate how more recent geoscientific data can be used to re-evaluate the geology of an area and with the application of either new or alternative exploration models a fresh view to selection of prospective areas can be applied.

6.5 Conclusions & Recommendations

Historical exploration to date has focused on the Warroo/Ti-Tree area as this has the best surface and drilled gold and silver results. The deposit can be shown to be associated with major northwest structures east of their intersection with a major northeast structural corridor that extends southwest to Mt Gunyan northeast of Texas, QLD. Buried granites are suggested to underlie part of this area and gold and silver occurrences in that region area suggested to be related to such intrusives.

Good potential exists to define mesozonal to epizonal intrusive related gold mineralisation related to these structural corridors and certainly on extensions to the Warroo and Ti Tree structures. Other structures within the potassic alteration arc in part surrounding Mt Bullaganang and extending to Ashton also have exploration potential. The extensive west-northwest structural corridor that appears to extend from Glenrosa and onto the northern edge of the granite has had no exploration apart from some focussed exploration on the observed alteration and mineralisation at Glenrosa proper where results for gold are low. This is one example of where a consistent exploration approach to identified structures/structural corridors is needed to identify new targets.

Smaller interpreted satellite intrusions may have gold potential as sheeted veins to breccia bodies and stockworks as may specific potassic altered zones within the Mt Bullaganang Granite.

A better understanding of the structural controls on known mineralisation including the shallow thrust emphasis of previous explorers is needed. However, other styles of mineralisation with different controls may be present and an open-minded approach is needed for success.

6.6 Programmes & Budget for the Warroo Gold Project

The EPMs covering Warroo has numerous gold and copper targets worthy of follow up. Any anomalous areas defined by previous explorers should be re-assessed. The Warroo mine and environs are the main targets and should be drilled in the primary sulphide zone.

The planned exploration activities and budgets are listed in Table 11.

Table 11: Warroo Project Exploration Budget

Minimum Subscription (\$10,000,000)			
Category	Year 1	Year 2	Total
Tenement rent	\$11,873	\$11,873	\$23,746
Historical data digitisation	\$28,000	\$0	\$28,000
Geochemical soil testing	\$5,000	\$14,000	\$19,000
Geological mapping	\$10,000	\$0	\$10,000
Drill target planning	\$0	\$2,000	\$2,000
Drilling data management & reporting	\$2,000	\$4,000	\$6,000
Total	\$56,873	\$31,873	\$88,746

Maximum Subscription (\$20,000,000)			
Category	Year 1	Year 2	Total
Tenement rent	\$11,873	\$11,873	\$23,746
Historical data digitisation	\$28,000	\$0	\$28,000
Geochemical soil testing	\$15,000	\$15,000	\$30,000
Geological mapping	\$35,000	\$0	\$35,000
RC drilling (3,100m)	\$150,000	\$315,000	\$465,000
Drill target planning	\$15,000	\$0	\$15,000
Drilling data management & reporting	\$7,000	\$20,000	\$27,000
Total	\$261,873	\$361,873	\$623,746

H&SC considers the program and expenditure fully justified.

7 Herries Range Gold Project

The Herries Range Gold Project comprises three granted contiguous EPMs, covering 110 sub-blocks amounting to 330 km². The project is situated 40 km west of Warwick and north-west of Stanthorpe in south-east Queensland, covering the central and southern portions of the Warwick Goldfields (Figure 29). Access to the area for field work is straightforward with the area generally open, subject to sheep and cattle grazing with some easily traversed forestry. A good network of mostly gravel roads exists throughout the area, which is serviced by the townships of Stanthorpe (the base of operations) and Warwick. The project is within a three-hour drive from Brisbane.

The Herries Range Gold Project encompasses a number of goldfields including the Pikedale goldfield in the south and Canal Creek goldfield in the west of the project area (Figure 29). The project area contains at least 63 small but historically high-grade gold mines, with reported shoot grades in excess of 60 g/t gold locally. There are more than 100 linear kilometres of alluvial gold workings.

The principal exploration target in the QMiner EPMs is bulk, low-grade gold of the orogenic and intrusive-related classes, which are discussed in detail below, but other gold deposit styles such as skarn-hosted gold and Carlin-style gold cannot be discounted. Several areas of gold mineralisation are to be investigated and prospective areas have been identified at Kaffir Chief, Blackfellow, Mountain Maid, Telegraph, Providence and Camp Hill.

7.1 Regional Geology

The Stanthorpe-Texas area is part of the New England Province (the southernmost structural province of the New England Fold Belt in Queensland) and comprises three structural units: the Silverwood Block, the Texas Block and the New England Batholith.

The oldest exposed rocks in the area belong to the Early Devonian Rosenthal Creek Formation, which consists entirely of sedimentary rocks (sandstone, mudstone, chert, intra-formational conglomerate and limestone). The widespread Texas Beds are a thick sequence of flysch-like, regularly interbedded, volcanoclastic turbidites (lithic sandstone and mudstone) with minor chert, jasper, intra-formational conglomerate, acid to intermediate volcanics and limestone (Figure 29). Limestone lenses crop out mainly in the Texas area. According to Geoscience Australia the age of the Texas Beds has been reported as old as Silurian (423 Ma) to as young as upper Carboniferous (Namurian; 315 Ma). Authors in the published volume *Geology of Queensland* (2013, p451) prefer a lower Carboniferous, Visean age (330-346 Ma).

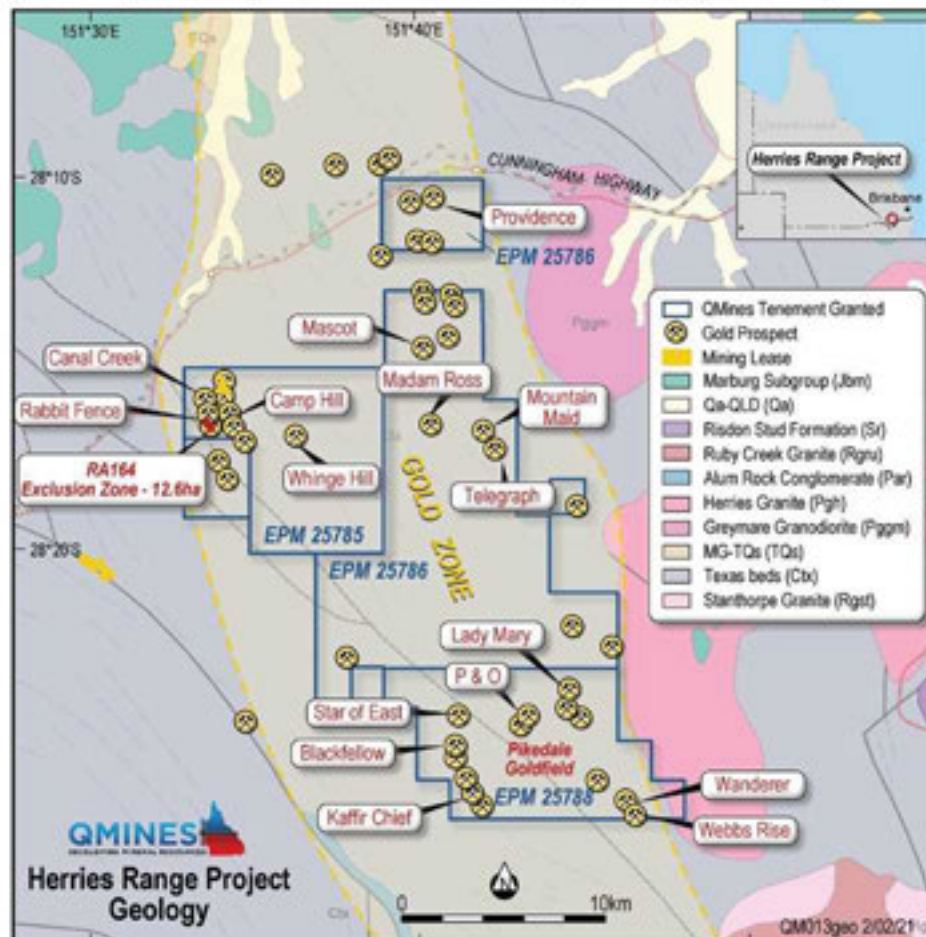


Figure 29: Tenement, Geology & Mineral Occurrences for the Herries Range Project

The Texas Beds are intensely deformed and have been interpreted to be an imbricated stack of fault slices (Flood and Fergusson 1984), formed as the accretionary wedge of a subduction complex. Dips are generally steep to vertical and beds are overturned in many places. Between Texas and Stanthorpe, the Texas Beds lie in an arcuate fold structure (orocline) approximately 75 km wide. The strike of the Texas Beds is north to north-west with a series of west-north-west trending fault zones and anastomosing fault sets, which locally produce extensional east-trending structures, some of which are proven sites for gold mineralisation.

Permian rocks are confined to small inliers, outliers and fault-bounded basins; in places they unconformably overlie the Texas Beds. The Early to Middle Triassic Stanthorpe Granite crops out extensively to the east of the EPMs.

7.2 Gold Mineralisation

All the observed historical hard-rock gold deposits are interpreted to be syn-tectonic quartz-carbonate veins within slates, indurated shale and greywacke which are locally pyritic and have suffered slate-grade metamorphic deformation. Records show that the auriferous reefs were small but very rich. They were worked by small parties, and were generally abandoned at about 30 m depth, at the contact of the primary pyrite and arsenopyrite-bearing mineralisation. Quartz veins and fissure fillings, strongly faulted in part, hosted the pyrite-gold mineralisation.

Gold production was confined to reef mining but a reliable record of actual production is not available.

Alluvial gold deposits are extensive throughout the tenement package. The sources of many of these alluvial workings have never been traced. Historical records report multiple quartz vein occurrences which were known to be gold-bearing but were not worked and could have been one of the sources for the alluvial gold. Some alluvial gold areas were never reported or recorded by the QGS and consequently were forgotten until discovered by modern exploration.

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, and the geologists and miners stated *"that the gold was derived from pyrite, sometimes observed in the middle of weathered pyrite crystal lattices"* (de Havelland 1987). Within these goldfields and clusters of mines, QMiner has located several historical mines and prospects and zones of prospective rock formations associated with both hard-rock and alluvial gold mineralisation.

7.3 Previous Exploration

Drilling on the tenements has been very limited. Saracen Minerals NL in 1989 tested two abandoned mine sites within the project area by drilling five holes for a total of 197 m. The outcomes were disappointing with only low grade gold assays although it is possible that the positioning of the holes may have been sub-optimal.

H&SC note that there were several EPMs held in the district by the 'majors' during the period 1987-1991. This was a difficult time for explorers, after the stock market crash of 1987 and it marked a period in which exploration was poorly funded: several international companies withdrew from Australia and Australian-based companies reduced or ceased exploration.

This might explain why projects were not supported and would account for the scarcity of exploration drilling. Table 12 details previous exploration work.

H&SC concludes that although exploration concepts were generally valid, very little progress was made by previous explorers, other than to provide some good geochemical sampling and some geology and geophysical information, which has allowed QMines to analyse to its advantage the prospectivity of its EPMs holding.

Table 12: Historical Exploration Activity from the 1970s to the Present Day

Date	Company	Investigations	Drilling	Relevance of results
Pre 1979	Kallangur Lime Pty Ltd	Regional exploration for limestone	None	None
1979-1981	Theiss Bros Pty Limited	General reconnaissance for gold and potential placer gold targets of Jurassic Marburg Formation.	None	Minor
1979-1981	CSR Limited	Examined Theiss' activity.	None	None
1979-1981	Sub-Oceanic Minerals NL	Stream sediment and widely spaced soil-sampling program for base metals.	None	None
1979-1981	A.O.G. Minerals Ltd	Explored for large-scale, low-grade disseminated tin and base- metal deposits.	None	None
1979-1981	Grebora Pty Ltd	Investigated precious metals in the vicinity of a known antimony occurrence.	None	None
1984	Austmax Resources Limited	Investigated the "chert-spilite" association (defined by Flood and Fergusson 1984) as a source for gold.	None	None
1985	William John Shanahan	Investigated gold deposits in the Pikedale and Palgrave Mining Fields.	None	None
1986	Burmine Limited	Rock-chip sampling on the Glenelg prospect and several other prospects.	None	None
1988	Freeport Minerals Australia Incorporated	Regional stream geochemistry, mapping and rock chip sampling for stratabound silver-base metals mineralisation.	None	None
1988-1989	Saracen Minerals NL	Detailed large-scale gold bulk-leach sample survey with follow up close-spaced bulk-leach stream-sediment and rock- chip sampling. Minor drilling.	Yes, see below	Some useful but limited
1988-1989.	Newmont Australia Ltd held	Detailed stream sediment bulk-leach-extractable-gold sampling survey and reconnaissance rock chip sampling for epithermal and Carlin-style gold mineralisation.	None	Limited
1990-1991	BHP Gold Pty Limited, later Newcrest Mining	Extensive stream-sediment sampling in the Canal Creek area.	None	Limited
1991-1992	Homestake Australia Ltd	Reconnaissance for large-scale low-grade gold mineralisation.	None	Limited

1992 -1995	Western Mining Corporation	Searched for Renison Bell style carbonate-hosted tin deposits.	None	None
1994 -1998	Cuprifex Mining NL (a subsidiary of Aurifex Mining NL, then Hillcrest Resources NL)	LANDSAT study, geological mapping and stream-sediment and rock-chip sampling programs for gold.	None	Limited
1996 - 1998	Hillcrest Resources NL	LANDSAT study and soil and rock-chip sampling programs for gold.	None	Limited
2004-2005	Metallica Minerals Limited	Geochemical work directed towards bulk tonnage low-grade gold.	None	Limited
2011 - 2013	Navaho Gold Limited	Processing of previous data including geochemistry and geophysics with minor stream-sediment sampling having taken place.	None	Limited

7.4 Exploration Models for the Texas Beds

The Texas Beds are prospective for several types of gold mineralisation. Figure 30 gives examples of the types of gold mineralisation which are considered relevant for the gold mineralisation currently known about for the Texas Beds.

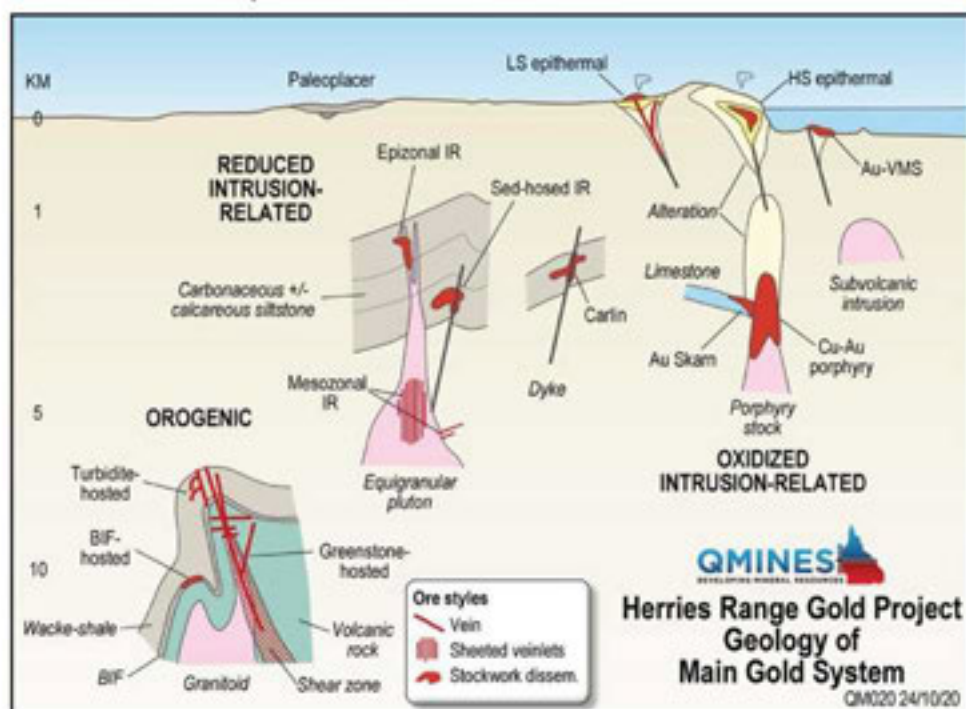


Figure 30: Schematic Cross Section Showing Key Geologic Elements for Gold Systems

7.4.1 Orogenic pyritic gold turbidite deposits

The term "orogenic gold" was introduced originally by Groves et al. (1998) in recognition of the fact that quartz-carbonate vein gold deposits in greenstone and slate belts, including those in banded iron formations, have similar characteristics and have formed by similar processes. Originally, the orogenic model applied strictly to syn-tectonic vein-type deposits formed at mid-crustal levels in compressional or transpressional settings, i.e. as syn-orogenic deposits. However, the term has been progressively broadened to include deposits that are post-orogenic relative to the processes at their crustal depth of formation.

7.4.2 Sediment hosted intrusive-related gold deposits

These deposits consist of disseminations, stockworks or sheeted veinlets of quartz and feldspar, within the thermal aureole above a roof zone of a reduced T-type granite. Associated mineralogy to the gold can be arsenic, antimony, bismuth and molybdenum sulphides and tungsten minerals. These deposits are related to deep crustal faults and type deposits are Muruntau in Uzbekistan (175 million ounces of contained gold) and Telfer in Western Australia (> 20 million ounces of contained gold).

7.4.3 Skarn deposits

These stratabound replacement deposits consist of disseminations and veins of gold or copper/gold mineralisation associated with porphyry-related mineral fluid migration away from the intrusive centres into preferred host rocks, e.g. calcareous and/or volcanoclastic sediments. The best example in eastern Australia are the Big and Little Cadia gold deposits in NSW which contain approximately 500,000ozs. Key to the deposits is the presence of major intrusive complexes cutting across permeable and replaceable calcareous rocks in conjunction with appropriate structural controls focussing the mineral fluid flow (Figure 31).

There is the possibility of finding skarn deposits in the Herries Range, because granitoids may have intruded the limestone horizons within the Texas Beds. Marble deposits (metamorphosed limestones) are scattered throughout the Texas Beds. Other examples of skarn deposits in Eastern Australia include the Red Dome and Mungana gold mines in far north Queensland with combined resources of 2.4 million ounces gold (not including mined sections) and the Bau gold mine of Sarawak Malaysia (585,000ozs gold).

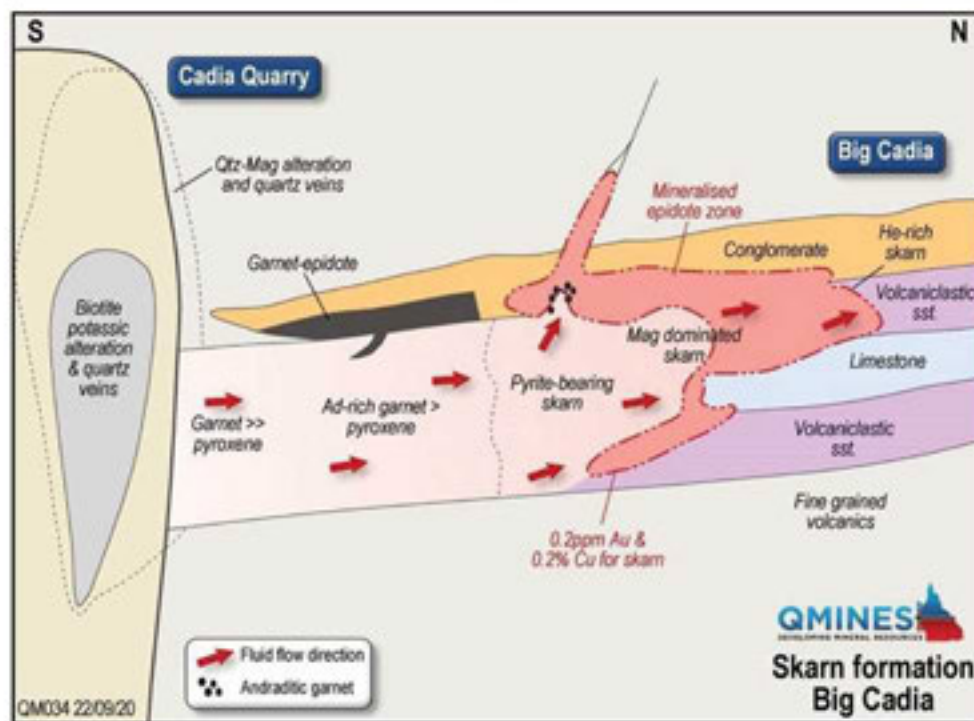


Figure 31: Schematic Diagram for the Formation of the Big Cadia Au/Cu Skarn Deposit

(From Forster & Secombe, Univ of Newcastle, NSW)

H&SC considers that the orogenic pyritic gold and the intrusive related model are the most appropriate gold models but the others are still valid. In fact, gold deposit styles and environments tend to overlap, (see Figure 30). All deposits are unique and if a large deposit is discovered in the Texas Beds, it could be quite different in detail to any others.

7.5 Herries Range Gold Project Exploration Opportunities

QMiner's initial evaluation of the Herries Range Gold Project has identified several prospective zones for gold (Figure 32).

- Palgrave Goldfield - Mountain Maid - Madam Ross - Telegraph zone
- Pikedale Goldfield - Kaffir Chief and Star of the East mine cluster
- Camp Hill- Rabbit Fence - Whinge Hill zone
- Puddler - Hunts Gully - Mascot mine cluster
- Hunters Gully - Mount Burrabaranga zone
- Durikai zone

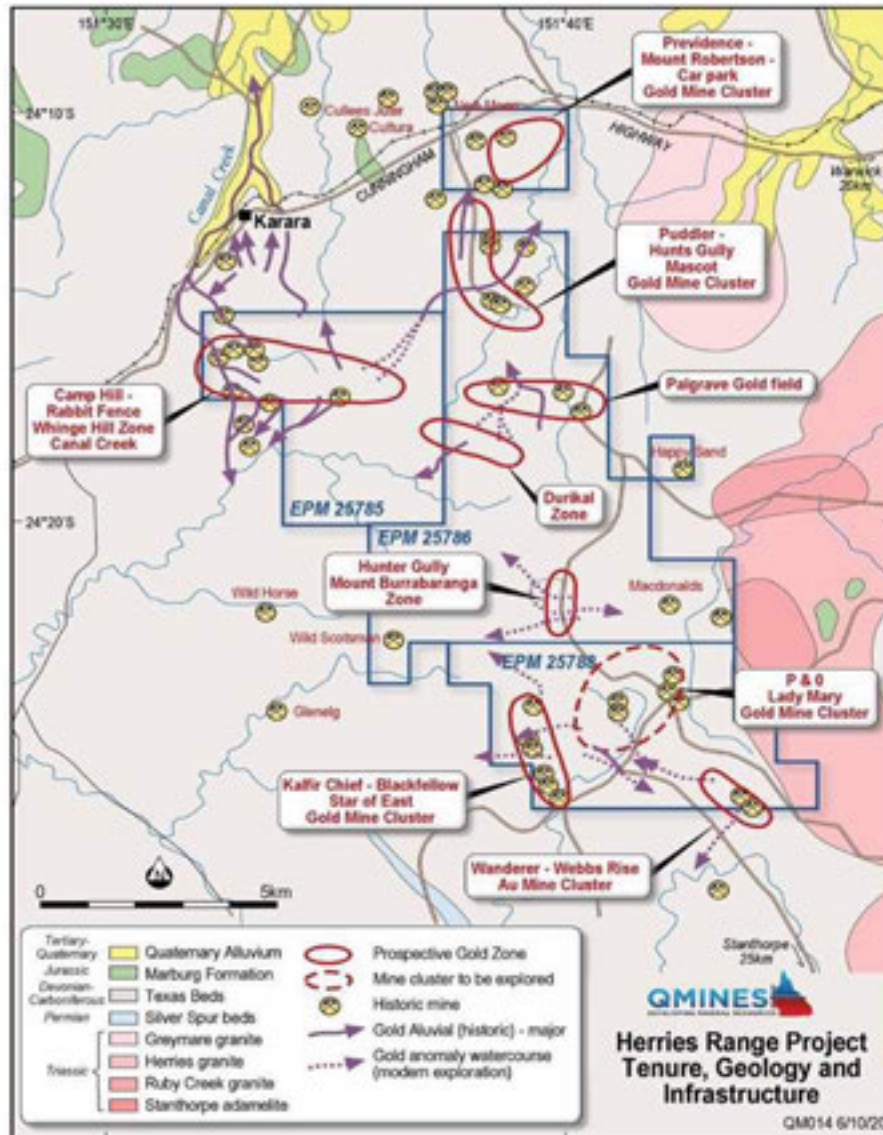


Figure 32: Herries Range Gold Project Prospective Zones for Future Exploration

7.5.1 Palgrave Goldfield - Mountain Maid - Madam Ross - Telegraph zone

The two largest historical mines are situated in this gold district. Mapping by previous explorers shows the mines are 3 km apart on differing postulated anticlinal structures (Hearder 1987). The workings at both Mountain Maid and Madam Ross were in multiple high-grade vein systems with the Mountain Maid workings striking for a distance of at least 650 m and the Madam Ross for 750 m (Hearder 1987).

7.5.2 Pikedale Goldfield- Kaffir Chief & Star of the East Mine Cluster

This is a group of six known hard-rock gold mines; and the Blackfellow gully was mined for both alluvial and hard-rock gold. The mines hosted high-grade gold vein systems in pyritic slates and greywacke sandstones. At the Kaffir Chief gold mine a report compiled by Kay (1978), described an underground sampling program conducted by the Queensland Mines Department, which returned average gold grades in the bottom section of the mine of 14.9 g/t gold with a high of 207 g/t gold from an existing pillar.

7.5.3 Camp Hill - Rabbit Fence - Whinge Hill Zone

A 7 km long zone following the Herries Range contains ten creeks and gullies draining the range both to the north and south, some of which have been worked for alluvial gold. No source for the alluvial gold has been identified, even though gold-bearing vein and hard-rock mines are reported from the area.

7.5.4 Puddler - Hunts Gully - Mascot Mine Cluster

An 8 km long zone incorporates thirteen hard-rock gold mines and prospects and extensive alluvial gold workings at the Puddler, Hunts Gully and Two Lizards. The mines were small; the largest of the hard rock mines was the Mascot gold mine in the south of the zone where the mineralised reef was 550 m in strike length (Hearder 1987).

7.5.5 Hunters Gully- Mount Burrabaranga Zone

Eight creeks with anomalous gold values, with pan concentrate values ranging from 3.7 g/t gold to 236 g/t gold (Saracen 1989), drain a northerly trending elevated sand-covered ridge within undulating forested terrain. The ridge extends for more than 5 km. Alluvial gold workings are scattered throughout the zone but no hard-rock occurrences have been identified.

7.5.6 Durikai Zone

The Durikai prospect is a 5 km long zone which is drained by six gold-anomalous creeks and gullies. Pan-concentrate sample results ranged from 0.5 g/t gold to 22 g/t gold (Saracen 1989) in this part of the Herries Range. Pyritic shales and greywackes are known to be exposed in the area. No exploration has been conducted along the zone.

7.6 Conclusions & Recommendations

The Herries Range Gold Project contains an abundance of gold mineral occurrences, as both high grade, small, hard rock workings and more widespread alluvial gold workings. The Texas Beds of the New England Orogen are considered prospective for large scale intrusion related gold deposits and possibly sediment-hosted gold deposits.

QMiners have proposed the following exploration programme:

- Full data compilation exercise should be undertaken to establish what work has been done and what were the outcomes of that work. This is to include a substantial review of geophysical and satellite data with a view to better understanding the geology of the area. The output from this work should be in the form of a digital summary map that can be used for assessing anomalous areas defined by previous explorers and aid further targeting of exploration work.

- Geological reconnaissance and rock-chip sampling of anomalous zones identified from the data compilation exercise.
- Stream and soil geochemical follow-up sampling, ground-checking anomalies.

The aim is that the above work can progress exploration to identify areas for more detailed follow up including ground-based geophysical surveys and possibly drill testing.

7.7 Programs & Budgets for the Herries Range Gold Project

Several prospects appear suitable for drill testing however significant thorough systematic field work including geological, geochemical and geophysical survey need to be undertaken prior to any drill testing. It is recommended that a programme of data compilation is undertaken sourcing data from variety of geoscientific datasets in order to provide a broader context for anomalies and mineralisation so as to allow for the generation of prospectivity maps and the ranking of prospects to guide further exploration.

The planned exploration activities and budgets are listed in Table 13.

Table 13: Herries Range Project Exploration Budget

Minimum Subscription (\$10,000,000)			
Category	Year 1	Year 2	Total
Tenement rent	\$18,139	\$18,139	\$36,278
Historical data digitisation	\$46,000	\$0	\$46,000
Geological mapping	\$39,000	\$39,000	\$78,000
Geochemical soil sampling	\$17,500	\$17,500	\$35,000
Auger/aircore drilling	\$160,000	\$230,000	\$390,000
Drill target planning	\$24,000	\$6,000	\$30,000
Drilling data management & reporting	\$13,500	\$16,000	\$29,500
Total	\$318,139	\$326,639	\$644,778

Maximum Subscription (\$20,000,000)			
Category	Year 1	Year 2	Total
Tenement rent	\$18,139	\$18,139	\$36,278
Historical data digitisation	\$46,000	\$0	\$46,000

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Geological mapping	\$39,000	\$39,000	\$78,000
Geochemical soil sampling	\$17,500	\$17,500	\$35,000
Auger/aircore drilling	\$160,000	\$230,000	\$390,000
Drill target planning	\$24,000	\$6,000	\$30,000
Drilling data management & reporting	\$13,500	\$16,000	\$29,500
Total	\$318,139	\$326,639	\$644,778

H&SC considers the program and expenditure fully justified.

Simon Tear

Director & Consulting Geologist

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8 Sources of Information

QMiner has started to construct and collate an exploration database that includes data from government sources (such as airborne geophysics, aerial imagery and large scale geological mapping), re-processing government airborne geophysical surveys, diamond drill core and percussion drill chips sampling and logging, surface grab sampling, petrological examinations and reports on samples from the prospects, ground geophysical surveys and geological mapping.

H&SC has sighted and used the database, but has not validated the database and thus cannot comment on the veracity of the data; however, H&SC has noted that based on data seen, the database is of good quality and is being reasonably managed considering that Projects' development and exploration is still in the early stages. QMiner has plans to further develop their database systems in line with industry best practices, especially before the onset of more drilling or extensive surface sampling.

Open file and internal company reports available from the Queensland Department of Natural Resources and Mine. Open File Company reports are denoted "CR".

QMiner holds an extensive dataset which was made available to H&SC. A comprehensive list of reports, publications and other materials relating to the mineral properties is available in the public domain and at the offices of QMiner. H&SC considered the following sources of information were the most relevant.

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9 Glossary of Technical Terms

Terms not included in the glossary below are used in accordance with their definition in the Concise Oxford Dictionary.

aeromagnetic survey a survey made from the air for the purpose of recording magnetic characteristics of rocks.

alluvial deposit a mineral deposit consisting of recent surficial water laid sediments.

alluvial diggings an area of past or present workings from which gold, transported thereto and deposited by river action, has been mined.

alteration change in the physical or chemical composition of a rock commonly brought about by reactions with hydrothermal solutions.

anticline a ridge or fold of stratified rock in which the strata slope downwards from the crest

arsenian pyrite a form of pyrite arsenic substitutes for some of the iron.

aureole a term applied to the zone of contact metamorphosed rocks surrounding an intrusion.

basement the igneous and metamorphic crust of the earth, underlying sedimentary deposits.

basic an igneous rock having a relatively low silica content.

boudins lensoid products of a periodically pinched or segmented rock layer or vein enveloped within a rock of a different kind as a result of compressive tectonic forces. Boudin means sausage in French because deformed sandstone beds at Bastogne were originally compared to sausages lying side by side.

breccia rock fragmented into angular pieces; often rock consisting of angular fragments in a finer-grained matrix; distinct from conglomerate.

brownfield(s) exploration opportunity at or close to existing mines or deposits.

bulk leach (of sampling) analytical method involving the chemical leaching of all or a large part of the collected sample, usually for gold.

BCL bulk cyanide leach.

BLEG bulk leach extractable gold

calcareous said of a rock which contains calcium carbonate.

carbonate a rock, generally a sedimentary rock, comprised largely of minerals containing CO₂.

Carboniferous a time period, approximately 360 million to 290 million years ago.

Carlin-style gold deposits are sediment-hosted disseminated gold deposits. These deposits are characterized by invisible (typically microscopic and/or dissolved) gold in pyrite and arsenopyrite. The deposit is named after the Carlin mine, the first large deposit of this type discovered in the Carlin Trend, Nevada.

chert very fine-grained rock composed of silica.

chlorite a green platy iron-magnesium rich silicate mineral.

colloform texture, often found in certain types of mineral deposits, where crystals have grown in a radiating and concentric manner.

Cretaceous a time period approximately 140 to 70 million years ago.

craton(-ic) an old and stable part of the continental lithosphere, which consists of the Earth's two topmost layers, the crust and the uppermost mantle

cross-section a (vertical) section drawn at right angles to the long axis of a geological feature.

diamond drilling rotary drilling using diamond-impregnated bits, to produce a solid continuous core sample of rock.

dip the angle at which any planar feature is inclined from the horizontal.

disseminated descriptive of mineral grains which are scattered throughout the host rock.

dolerite medium to fine-grained basic igneous rock.

dyke a tabular igneous intrusion which cuts across the bedding or other planar structures in the country

Electromagnetic Survey or EM Survey an electromagnetic geophysical exploration technique based on measuring resultant magnetic fields from currents usually artificially induced into the ground.

epigenetic a mineral deposit of later origin that the enclosing rocks.

epithermal a hydrothermal mineral deposit formed at a relatively low temperature near the Earth's surface, mainly in veins.

epizonal see orogenic gold.

EPM Exploration Permit Minerals, an exploration tenement in Queensland.

eutaxitic texture a layered or banded texture that is commonly caused by the compaction and flattening of glass shards and pumice fragments around undeformed crystals.

exhalite a rock exhaled from volcanos associated with massive sulphide.

fiamme are aligned, "flame-like" lenses found in welded ignimbrite and other pyroclastic rocks and indicate subaerial deposition.

fissure a surface or fracture in rock along which there is distinct separation.

flysch a sedimentary deposit consisting of thin beds of shale or marl alternating with coarser strata such as sandstone or conglomerate

g/t grams per tonne.

granitoid rock similar to granite in texture and composition.

hanging wall the rocks above a unit, usually the mineralised zone and usually stratigraphically above.

host rock the rock containing a mineral or an ore body.

hydrothermal pertaining to heated water, particularly of magmatic origin associated with the formation of mineral deposits or the alteration of rocks.

Ignimbrite pumice-dominated pyroclastic flow deposit with subordinate ash.

Indicated Resource a mineral resource sampled by drill holes, underground openings, or other sampling procedures at locations too widely spaced to ensure continuity but close enough to give reasonable indication of continuity, and where geoscientific data are known with a reasonable level of reliability.

Inferred Resource a mineral resource inferred from geoscientific evidence, drill holes, underground openings, or other sampling procedures where the lack of data is such that continuity cannot be predicted with confidence and where geoscientific data may not be known with a reasonable level of reliability.

intercept intersection the length of e.g. mineralisation traversed by a drill hole.

intrusion the process of formation of a rock mass emplaced within surrounding rock

intrusive a rock mass emplaced within surrounding rock, usually a plutonic rock formed by intrusion of molten magma into a high level, below the surface, of the Earth's crust where it cooled and crystallised to form a solid rock.

intrusive/intrusion related mineralisation mineralisation associated with intrusives

IP (Induced Polarisation) a geophysical exploration method which measures changes in magnetic and electrical fields induced in the earth by the application of an electrical current to the ground.

LANDSAT imagery the longest-running enterprise for acquisition of satellite imagery of the Earth

lineament a linear feature of regional extent that is believed to reflect the Earth's crustal structure.

lode a tabular or vein like deposit of valuable mineral between well-defined walls of country rock.

lower cut-off grade the grade of mineralised material that qualifies as potential ore in a given deposit.

magnetic 'low' an area of low magnetic expression relative to the surrounding area.

magnetic survey systematic collection of readings of the Earth's magnetic field at a series of different locations, in order to define the distribution of values which may be indicative of different rock types, formations, etc.

Mesozoic an era of geologic time, from the end of the Palaeozoic to the beginning of the Cainozoic, or from about 250 to about 65 million years ago.

mesozonal see orogenic gold.

meta a prefix denoting a metamorphosed rock.

metamorphic descriptive of a rock which has changed its structure and properties due to the effects of heat and/or increased pressure over time.

ML (MLA) Mining Lease (Application), a mining tenement.

orogenic gold orogenic gold deposits dominantly form in metamorphic rocks in the mid- to shallow crust (5–15 km depth). Orogenic gold deposits have been separated into mesozonal (deep) and epizonal (shallow) mineralisation on the basis of the depth and temperature of gold deposition in the earth's crust.

percussion a type of drilling method whereby the rock is broken by a hammering action into small chips.

Permian a time period, approximately 290 million to 250 million years ago.

Permo-Carboniferous an interval of geologic time covering the Permian and Carboniferous periods.

petrography study of rock texture on a macro and microscopic scale.

petrology study of formation of rock.

pyrophyllite a hydrous aluminium silicate mineral that occurs in phyllite and schistose rocks. It also occurs as alteration in

hydrothermal deposits.

porphyry a rock with conspicuous crystals in a fine-grained groundmass.

porphyry mineralisation, porphyry style mineralisation mineralisation with similarities to base- and precious-metal porphyry mineralisation models developed from deposits studied in North America and the south-western Pacific regions.

ppb parts per billion (1000 million).

ppm parts per million (the same as grams per tonne; g/t).

pyroclastic a clastic rock containing rock fragments created by volcanic explosion

orocline is a bend or curvature of an orogenic (mountain building) belt imposed after it was formed.

radiometric pertaining to the measurement of radiation produced by the spontaneous decay of certain atoms.

RC (Reverse Circulation) a drilling method in which the sample is brought to the surface inside the drill rods, thereby reducing contamination. Conventional percussion drilling retrieves the sample exterior to the rods between the rods and the wall of the drill hole

reduced to pole (RTP) the transformation from a directional magnetic survey to the earth's magnetic field.

resistivity a method of geophysical exploration which measures the electrical resistance of rocks in the ground.

rhyolite a lava, the extrusive equivalent of granite.

rock-chip sampling obtaining a sample, generally for assay, by breaking chips off a rock face.

saddle-reef a saddle-shaped bedded mineral vein in the form of an anticline or a syncline (an inverted saddle).

schist a metamorphic rock with platy to foliated texture.

sericite mineral; fine grained white mica of similar composition to muscovite.

shear (zone) (to move as to create) a planar zone of deformed rock.

skarn a thermally metamorphosed impure limestone.

soil sampling systematic collection of soil samples at a series of different locations in order to study the distribution of soil geochemical values.

stockwork a network of usually quartz veinlets diffused in the original rock.

strike horizontal direction or trend of a geologic structure.

strike length the long dimension of a geological feature such as a bed, vein or fault where it intersects a horizontal plane, especially the ground surface

stringer a narrow vein or irregular filament of mineral traversing rock mass of different composition.

sulphide a general term to cover minerals containing sulphur and commonly associated with mineralisation.

supergene a process of mineral enrichment that occurs relatively near the surface and includes the predominance of meteoric water circulation with concomitant oxidation and chemical weathering.

syngenetic said of a mineral deposit formed at the same time, and by essentially the same processes as the enclosing rocks.

terrane a rock or group of rocks together occurring as a discrete structural block.

Tertiary first period of the Cenozoic era covering the time span from 2 to 65 million years ago.

Triassic a time period, approximately 250 million to 210 million years ago.

tuff (aceous) a rock formed by compaction of volcanic fragments and ash.

ultrabasic said of rocks with less than 35% silica, which are dense, composed of calcic feldspars and ferro-magnesian silicate minerals.

vein a thin sheet-like infill of a fissure or crack, commonly bearing quartz.

wacke also called dirty sandstone; sedimentary rock composed of sand-sized grains with a fine-grained clay matrix.

working an opening or excavation in mining or quarrying.

10 Declaration

10.1 Qualifications and Experience

This report has been prepared by H&S Consultants Pty Ltd through its duly authorised and qualified representative, Mr. Simon James Tear, Minerals Exploration Consultant and a Director of the company. H&S Consultants Pty Ltd and its forerunner Hellman & Schofield has operated in Australia serving the mining industry since 1995.

Mr. Tear has had more than 37-years experience in the minerals industry, particularly exploration for precious metals and base metals, mining geology, resource estimation and property assessment. He held senior positions with RTZ PLC, CRA Exploration Pty Ltd, Western Metals/Aditya Birla before joining resource estimate experts Hellman & Schofield Pty Ltd in 2006, which is the forerunner of the current H&S Consultants Pty Ltd.

His principal qualification is a Bachelor of Science (Honours) in Mining Geology from the Royal School of Mines, Imperial College, UK. His professional affiliations are as follows:-

1. Member of The Australasian Institute of Mining & Metallurgy (MAusIMM)
2. Professional Member of The Institute of Geologists of Ireland (PGEO).
3. Professional Member of the European Federation of Geologists (EURGEOL)
4. Member of the Institute of Materials, Minerals & Mining (MIOM3).

10.2 Independence

H&S Consultants Pty Ltd and Mr S. Tear have no conflict of interest in preparing this Independent Report. The Independent Report has been commissioned by QMiner with payment to be made for services rendered solely on a standard time-fee basis. The company and consultants preparing this Independent Report have no association with QMiner nor have they any financial interest in or entitlement to QMiner or associates of QMiner.

10.3 Limitations

The views expressed in this Independent Report are solely those of H&S Consultants Pty Ltd, and S. Tear. When conclusions and interpretations credited specifically to other parties are discussed within the Report, then these are not necessarily the views of H&S Consultants Pty Ltd or Mr S. Tear.

10.4 Consents

H&S Consultants Pty Ltd hereby consents to the inclusion of the Independent Report, in both electronic and paper form, in the form and context in which it appears and advise that we have not, at the date of the Independent Report, withdrawn such consent. H&S Consultants Pty Ltd was only commissioned to prepare and has only authorised issue of this Independent Report on QMiner's exploration tenements specified in the Independent Report. It has not been involved in the preparation of, or authorised issue of, any other part of the Prospectus in which this Independent Report is included.

For and on behalf of H & S CONSULTANTS PTY LIMITED



Simon J Tear

Director

BSc (Hons) Mining Geology, MAusIMM, PGEO, EURGEO, MIOM3

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

11.1 Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary																																																																				
Sampling Techniques	- Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. - Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. - Aspects of the determination of mineralisation that are Material to the Public Report. - In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	- The Mt Chalmers deposit has been drilled with a combination of percussion drilling ("PDH" or reverse circulation drilling ("RC")) and diamond core holes ("DD") amounting to 382 drill holes for 15,818 metres. <table><tr><th>HOLE TYPE</th><th>OPERATOR</th><th>PERIOD</th><th>HOLE NUMBER SEQUENCE</th><th>NUMBER OF HOLES</th><th>METRES</th></tr><tr><td></td><td></td><td></td><td></td><td></td><td>Percussion Diamond Total</td></tr><tr><td rowspan="5">DIAMOND</td><td>Mines Dept</td><td>1930-37</td><td>DDH0001 - DDH0007</td><td>7</td><td>728.9</td></tr><tr><td>CEC</td><td>1963-74</td><td>DDH0008 - DDH0023</td><td>16</td><td>2209.6</td></tr><tr><td>Fed</td><td>1975-81</td><td>DDH0024 - DDH0075</td><td>53</td><td>3607.6</td></tr><tr><td>Federation</td><td>1996</td><td>PDH0001 - PDH0008</td><td>8</td><td>1049.7</td></tr><tr><td>TOTAL</td><td></td><td></td><td>104</td><td>7288.2</td></tr><tr><td>PERCUSSION (1)</td><td>Fed</td><td>1975-81</td><td>PDH0001 - PDH0008</td><td>8</td><td>1049.7</td></tr><tr><td>OPEN PIT TEST HOLES</td><td>Fed</td><td>1980-82</td><td>TH0001 - TH0078</td><td>78</td><td>883.2</td></tr><tr><td>ALL HOLES</td><td></td><td></td><td></td><td>382</td><td>15818.3</td></tr><tr><td></td><td></td><td></td><td></td><td></td><td>7288.2</td></tr><tr><td></td><td></td><td></td><td></td><td></td><td>22706.5</td></tr></table> - Percussion drill hole metres exclude diamond drill hole precollars. - Federation drilling included 5 abandoned precollars totalling 98.0m - Federation used RC precollars - Sampling consists of either 1m intervals of chip material sub-sampled to 2kg for RC samples or 1m sawn or split half core samples yielding approximately a 3-5kg sample. - Samples are then crushed and pulverized to give a 200g sample from which a sub-sample of 1-5g is taken for base metal analysis and a 50g	HOLE TYPE	OPERATOR	PERIOD	HOLE NUMBER SEQUENCE	NUMBER OF HOLES	METRES						Percussion Diamond Total	DIAMOND	Mines Dept	1930-37	DDH0001 - DDH0007	7	728.9	CEC	1963-74	DDH0008 - DDH0023	16	2209.6	Fed	1975-81	DDH0024 - DDH0075	53	3607.6	Federation	1996	PDH0001 - PDH0008	8	1049.7	TOTAL			104	7288.2	PERCUSSION (1)	Fed	1975-81	PDH0001 - PDH0008	8	1049.7	OPEN PIT TEST HOLES	Fed	1980-82	TH0001 - TH0078	78	883.2	ALL HOLES				382	15818.3						7288.2						22706.5
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Criteria	JORC Code explanation	Commentary
Drilling techniques	Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	charge for gold. - There is no documentation concerning the analytical method used by Peko, but the work was completed at the Mt Morgan ("MML") minesite laboratory and presumably the analysis was to industry standard for the time. The Federation sample prep and analysis was completed by a commercial laboratory using a mixture of ICP and 50g charge fire assay with atomic absorption spectroscopy ("AAS") for base metals and gold, respectively. - The mineralisation is considered a classic example of a Kuroko-style volcanogenic massive sulphide deposit. The stratabound Cu and Au (Pb, Zn, Ag) mineralisation is strongly related to a combination of pyrite-rich host lithologies and spatial positioning relative to a central rhyolite dome. - The deposit was mined in three phases: 1890 – 1912; during World War 2 and 1979-1981 by MML - Percussion drilling was with a Mayhew 1000 or a Mayhew 1500 rig with 4.5 inch down hole hammer bit. - For the Peko diamond drilling core sizes ranged from NQ to BQ whereas for Federation diamond drilling was mostly HQ size with some NQ where needed. - Many holes were initially drilled using a percussion or RC drilling method and tailed with a DD hole. - The vast majority of drillholes were vertical. - No core orientation data is available.
Drill sample recovery	- Method of recording and assessing core and chip sample recoveries and results assessed. - Measures taken to maximise sample recovery and ensure representative nature of the samples.	No sample recovery data is available for either the DD or the RC drilling. Historical reports indicate 90% recovery from the Peko drilling except for weathered and oxide zones (these zones have been

Criteria	JORC Code explanation	Commentary
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	- mined out). - No documentation of RC sampling procedures is available - Peko investigated the risk of sample bias due to loss of fines. Only a small number of samples were collected, too few for anything conclusive, but there were indications of a small preferential concentration of sulphides in the samples of retained drill cuttings with an associated increase in Cu, Ag and possibly Au grade (results for Au were reported as erratic). - The drilling methods are considered to be of industry standard at the time of drilling and would normally have been expected to give reliable results suitable for resource estimation. - With a lack of recovery data it is not possible to establish if there is a relationship between sample recovery and metal grade.
Logging	- Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. - Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. - The total length and percentage of the relevant intersections logged.	- All drilling was competently logged with the production of hardcopy logs and cross sections. All hardcopies had appropriate levels of information for a resource estimate to be completed. - McDonald Speijers Pty Ltd ("MS"), consultant resource geologists, built the current digital database in 1995 from sighting the original drill logs and kept records. John Macdonald, Principal Geologist with MS, transcribed and compiled some of the hardcopy data including visual verification into digital data. - Logging consisted of a series of codes that were a mixture of quantitative and qualitative data. - Geological information originally consisted of lithology descriptions, alteration, mineralisation and oxidation levels. Not all of this data is available in a digital format.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	- If core, whether cut or sawn and whether quarter, half or all core taken. - If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. - For all sample types, the nature, quality and appropriateness of the sample preparation technique. - Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. - Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. - Whether sample sizes are appropriate to the grain size of the material being sampled.	- Peko diamond core was sampled under geological control, but generally averaged about 1m in sample length. Most of it was sampled using a mechanical core splitter with 50% taken for sample prep and assay. Some mineralised intervals were cut with a diamond saw with 50% of the interval sent to the MML laboratory at the Mt Morgan mine site for preparation and assay. No information is available about sample prep procedures used for this work. - Peko percussion drilling involved dry cuttings being collected via cyclones and riffled to give a sample of about 2 kg for submission to the laboratory. The RC samples were submitted to the MML laboratory at the Mt Morgan mine site for preparation and assay. No information is available about sample prep procedures used for this work. - Wet samples were collected in 2 ways. In the West Lode area samples were collected in a fine gauze catcher and mixed on a groundsheet before being coned and quartered. Sample intervals ranged from 1-2m. This sample collection method would have led to large losses of fines. In the Main Lode area wet samples were collected in half 44-gallon drums and transferred to hessian bags. When dry they were riffle split. This was a better method, but fines would still have been lost when water flows were high and the collecting drum overflowed. - The larger core from the 1995 Federation diamond holes was logged and mineralised intervals were selected on the basis of visual assessment. Quarter core samples (HQ core size) were collected using a diamond saw with the samples sent for sample prep and assay. - The Federation core samples were submitted to Australian Laboratory Services P/L for preparation at their Rockhampton facility

QMiner – IGR

25 February 2021

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	- The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. - For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. - Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	and assay at their Townsville laboratory. The sample preparation scheme involved jaw crushing to an unknown size followed by pulverisation of the total sample in a Labtechnics LM5 mill to a nominal 90% passing -75um. - A barren quartz flush was used after each set of sulphide-rich samples at an unknown insertion ratio. - Peko samples were submitted to the MML laboratory at the Mt Morgan mine site for analysis. No technical details have been located regarding sample preparation procedures or assaying methods. The Mt Morgan operation has since shut down and the laboratory no longer operates. - Federation initially used an ICP method (ICS87) for Cu, Pb, Zn, S, Ag, As, Ba, Fe and Mn. After about the first 3-4 batches of samples the laboratory introduced an AAS method (A101) to check Cu, Pb, Zn and Ag assays for higher grade samples. Fire assaying of a 50g charge with an AAS finish (FM209) was used for gold. - Peko submitted 352 samples for check assaying to Australian Laboratory Services (ALS) in Brisbane on a regular basis during their drilling programmes, although results for Au, Ag and Pb in particular were not always available. The drill logs recorded the results for these "duplicates" and MS were able to compile and analyse. They concluded there was no significant bias for Cu, Au, Ag and Zn. However, there was a significant positive bias with the check laboratory for Pb but this was not significant for the resource as Pb is not treated as an economic commodity. The MML silver results were adjudged to have poor precision but for relatively low silver values. - Federation undertook check assaying at an independent laboratory

Criteria	JORC Code explanation	Commentary
		but the results are not available. - There are no reports from any of the drilling campaigns of any standards being used to assess the accuracy of the analysis. - Despite the lack of documentation describing the analytical methods and the lack of QAQC it is reasonable to assume that the analysis was to an industry standard for the time and that the results would be reasonable, especially for the level of classification of the resource estimate.
Verification of sampling and assaying	- The verification of significant intersections by either independent or alternative company personnel. - The use of twinned holes. - Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. - Discuss any adjustment to assay data.	- No drillhole intersections have been viewed by QMiner or H&SC. - QMiner has cross checked selected data, while building a new geological database, based on scanned open files held by the Queensland Dept of Mines, all drillhole collars were checked and random drill logs checked. No issues were noted. - No twin holes have been drilled - QMiner state that all available data was compiled and verified by John Macdonald, Principal Geologist with McDonald Speijers Pty Ltd and documented in "MOUNT CHALMERS DEPOSIT UPDATED MINERAL RESOURCE ESTIMATE & REVIEW OF ASSOCIATED DATA COLLECTION PROCEDURES" - John Macdonald used a complete set of original drill logs, plus mine records which at the time were available at the MML mine site offices. - There is no documentation of any adjustment to the data that has included inserting half lower detection limit values into the database, insertions of blank values where no sample recorded etc.
Location of data points	- Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. - Specification of the grid system used.	The earliest grid shown on plans was an exploration grid established by CEC which originated at the North Shaft, which was assigned coordinates of zero for both easting and northing.

QMiner – IGR

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Criteria	JORC Code explanation	Commentary
	Quality and adequacy of topographic control.	- Peko subsequently established a mine grid, again using the North Shaft as the origin, which was assigned coordinates of 5000mE & 5000mN. A network of local control stations was set out by MML staff surveyors. - All previous data (such as drill collar locations) were converted by Peko to mine grid which appears to have been used consistently for both exploration and production work. - Control points for the Peko mine grid survive and this grid was also used for all Federation and MS work. A Rockhampton based surveyor (R E Harris) who previously worked as a mine surveyor on the project with MML conducted all surface surveys for Federation. - Local mine control survey points are still in existence, and these have been re-surveyed by QMiner using a Differential Global Positioning System. - QMiner has converted the Local Grid to GDA94 zone 56 grid using ArcGIS software, using a combination of local mine control survey points and landmarks. - The current topography was defined using a photogrammetric survey conducted by Capricorn Survey Consultants Pty Ltd on behalf of Federation in May-June 1995. This was based on photography flown in November 1992 and used ground controls established by MML in the 1970's to provide a tie in between AMG and mine grid coordinates. - Pre-open pit topography was available as photogrammetric contour plans dated November 1978, generated by Geo-Spectrum (Aust) for MML. These were presented at 1:500 and 1:1000 scale over the mine area with contour intervals of 1m and 2m, respectively. They were apparently based on photography flown in 1973.

Criteria	JORC Code explanation	Commentary
		- MS digitised the 1:1000 scale plan over the area of the resource model to allow volumes to be estimated for the Peko pit and for subsequent excavations at the south end of the pit, pit backfill and surface dumps - Percussion holes, which make up 73% of the total number of holes available, were not surveyed downhole. However, it should be noted that virtually all of them were vertical and are considered by QMiner to have had very limited deviation. - For pre-Federation diamond drill holes, logs and sections only showed evidence of down hole surveying for 1 hole but the survey details are not recorded in the log. The remainder of the diamond drill holes are assumed not to have been surveyed downhole. - Federation drill holes were surveyed at intervals of approximately 50m using an Eastman single shot borehole survey camera supplied by the drilling contractors. - QMiner have assumed that all pre-1995 holes were straight, simply using the recorded collar bearings and dips for downhole surveys. This will no doubt result in some errors in the 3D location of samples, but since hole depths are typically about 50-150m and most holes are vertical into flat-dipping rocks, serious hole deviations are not expected to have been common.
Data spacing and distribution	- Data spacing for reporting of Exploration Results. - Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. - Whether sample compositing has been applied.	- The Peko drilling was initially on a nominal pattern of 40m x 40m which was subsequently infilled to a nominal 20m x 20m over most of the deposit, but with considerable local variation in hole spacings. - Federation locally infilled or extended the 40m x 40m pattern, but on an irregular basis because of the access difficulties presented by the water-filled open pit. - At the northern end of the stringer zone where the mineralisation

Criteria	JORC Code explanation	Commentary
		becomes deeper the pattern ranges from about 40m x 40m to 40m x 80m. - Downhole sampling was at 1m intervals. - The data point spacing is appropriate for the use in generating Mineral Resources at the appropriate levels of confidence. - No sample compositing has been undertaken. - The deposit is generally flat-lying and virtually all drillholes are vertical thus giving a good intersection angle with the mineralisation. - There is no obvious sampling bias with the drilling orientation.
Orientation of data in relation to geological structure	- Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. - If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	
Sample security	The measures taken to ensure sample security.	There is no documentation describing the process of securing samples at site and their transportation to the laboratory.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	MS essentially completed an audit of the sampling techniques with the 2005 Mineral Resources. The audit concluded that "After extensive validation and editing MS are satisfied that the drill hole database files used for resource estimation are reasonably complete and free of serious errors, within the practical limitations imposed by the age of some of the data".

11.2 Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests,	QMiner Pty Ltd has two 100% owned subsidiaries, Dynasty Gold Pty Ltd and Rocky Copper Pty Ltd, through which the Company has a 100% beneficial interest in the Mt Chalmers Project. The Mt Chalmers Project

Criteria	JORC Code explanation	Commentary
Land tenure status	historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	is held in EPM 25935 and EPM 27428 located 25 kilometres east of the City of Rockhampton in coastal central Queensland, Australia. The project covers an area of historic gold and copper mining, which comprises an area of 198 km². - The Project is free and unencumbered by either joint ventures or any other equity participation of the tenement. - QMiner has yet to negotiate any landowner provisions or Government royalties or yet to commence environmental studies within the project area. Currently the Queensland Department of Natural Resources & Mines is conducting remediation works on minor acid mine waste draining from a mineralised mullock dump. - All the tenements are for "all minerals" excepting coal. - Note that the granted tenements allow QMiner to carry out many of their planned drilling programs under relevant access procedures applying to each tenement. - All the EPMs are subject to the Native Title Protection Conditions with respect to Native Title. - Declared Irrigation Areas, Declared Catchment Areas, Declared Drainage Areas, Fossicking areas and State Forest, are all land classifications that restrict exploration activity. These are not affecting QMiner's main prospects but may have impact on regional programs in places. - All annual rents and expenditure conditions have been paid and fully compliant
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	- CEC and Peko are generally recognised as competent companies using appropriate techniques for the time. Written logs and hardcopy sections are considered good. - Federation was a small explorer that was entirely focussed on defining the Mt Chalmers resource. They used a very competent geologist, Alex Taube, for the drilling programme. Alex Taube is widely respected for

Criteria	JORC Code explanation	Commentary
Geology	• <i>Deposit type, geological setting and style of mineralisation.</i>	his knowledge about VHMS deposits in North Queensland. • The Mt Chalmers mineralisation is situated in the early Permian Berserker Beds, which occur in the fault-bounded Berserker Graben, a structure 120km long and up to 15km wide. The graben is juxtaposed along its eastern margin with the Tungamull Fault and in the west, with the Parkhurst Fault. • The Berserker Beds lithology consists mainly of acid to intermediate volcanics, tuffaceous sandstone and mudstone, (Kirkegaard and Murray 1970). The strata are generally flat lying, but locally folded. Most common are rhyolitic and andesitic lavas, ignimbrites or ash flow tuffs with numerous breccia zones. Rocks of the Berserker Beds are weakly metamorphosed and, for the most part, have not been subjected to major tectonic disturbance, except for normal faults that are interpreted to have developed during and after basin formation. • Late Permian to early Triassic gabbroic and dioritic intrusions occur parallel to the Parkhurst Fault. Smaller dolerite sills and dykes are common throughout the region and the Berserker Beds. • Researchers have shown that the Mt Chalmers mineralisation is a well-preserved, volcanic-hosted massive-sulphide ("VHMS – Kuroko style") mineralised system containing zinc, copper, lead, gold and silver. Mineral deposits of this type are syngenetic and formed contemporaneously on, or in close proximity to, the sea floor during the deposition of the host-rock units deposited from hydrothermal fumaroles, direct chemical sediments or replacements (massive sulphides), together with disseminated and stringer zones within these host rocks. • The oldest rocks in the area, the 'footwall sequence' of pyritic tuffs, are seen only in the Mt Chalmers open pit and in drill holes away from the mine. The rock is usually a light coloured eutaxitic tuff with coarse fragments, mainly of chert, porphyritic volcanics and chloritic flammé (flamme are aligned, "flame-like" lenses found in welded ignimbrite

Criteria	JORC Code explanation	Commentary
		and other pyroclastic rocks and indicate subaerial deposition. Eutaxitic texture, the layered or banded texture in this unit, is commonly caused by the compaction and flattening of glass shards and pumice fragments around undeformed crystals). The alteration (silicification, sericitisation and pyritisation) of this basal unit becomes more intense close to mineralisation. • The 'mineralised sequence' overlying the 'footwall sequence' consists mainly of tuffs, siltstones and shales and contains stratiform massive sulphide mineralisation and associated exhalites: thin barite beds, chert and occasionally jasper, hematitic shale and thin layers of bedded disseminated sulphides. Dolomite has been recorded in the mineralised sequence close to massive sulphides. This sequence represents a hiatus in volcanic activity and a period of water-lain deposition. • The 'hanging wall sequence' is a complex bedded series of unaltered crystal and lithic rhyolitic tuffs and sediments with breccia zones and occasional chert and jasper. • A mainly conformable body of andesite, ranging from 10m to 250m thick, intrudes the sequence; it usually occurs just above the 'mineralised sequence'. A quartz-feldspar porphyry body intrudes the volcanic sequence and in places intrudes the andesite. • The rocks in the mine area are gently dipping, about 20° to the north in the Main Lode mine area and similarly dipping south at the West Lode: the predominant structure is a broad syncline trending north-north-west. Slaty cleavage is strongly developed in some of the rocks, notably in sediments and along fold axes. Such cleavage is prominent in areas close to the mineralisation. • Doming of the rocks close to the mineralisation has been interpreted by detailed work in the open cut to be largely due to localised horst block-faulting (Taube 1990), but the doming might also be a primary feature in part. Steep dips are localised and usually the result of block faulting. The Main Lode outcrop and West Lode outcrop are variably silicified

Criteria	JORC Code explanation	Commentary
Drill hole Information	- A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: - easting and northing of the drill hole collar - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - down hole length and interception depth - hole length. - If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	rocks which, by one interpretation, may have been pushed up through overlying rocks in the manner of a Mont Pelée spine (Taube 1990), but in any case, form a dome of rhyolite / high level intrusions of the Ellrott Rhyolite. The surrounding mineralised horizon is draped upon the flanks of domal structures. Exploration Results are not being reported
Data aggregation methods	- In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. - Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. - The assumptions used for any reporting of metal equivalent values should be clearly stated.	Exploration Results are not being reported.
Relationship between mineralisation	- These relationships are particularly important in the reporting of Exploration Results. - If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	- Exploration Results are not being reported. - At Mt Chalmers, the drilling has generally intersected the mineralisation at high angles.

Criteria	JORC Code explanation	Commentary
widths and intercept lengths	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Exploration are results not being reported.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	Exploration results are not being reported.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	- CEC and Peko completed some brownfields exploration to assist with defining the resource including Induced Polarisation surveys and Sirotem (electromagnetic method) surveys. - Federation concentrated on defining the resource estimates. - No other exploration data is considered meaningful at this stage.
Further work	- The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). - Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Infill and resource expansion drilling is planned to upgrade and potentially expand the resource estimates.

11.3 Section 3 Estimation and Reporting of Mineral Resources

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

Criteria	JORC Code explanation	Commentary
Database integrity	- Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. - Data validation procedures used.	- Data collated from hardcopy logs and assay sheets by John McDonald of McDonald Spijers and converted to digital data (1995-2005). There is substantial documentation on the validation of the database complete by MS, including many fix ups. - Responsibility for the data resides with QMiner - Data validation by QMiner includes checking of randomly selected hardcopy logs. - Data for resource estimates supplied to H&SC as CSV files - No downhole geological data was supplied to H&SC - Checks for internal consistency completed by H&SC include: - Data was imported into an Access database with indexed fields, including checks for duplicate entries, unusual assay values and missing data. - Additional error checking using the Surpac database audit option for incorrect hole depth, sample overlaps and missing downhole surveys. - Manual checking for plausibility of drill hole trajectories and assay grades. - H&SC's assessment of the data confirms that it is suitable for resource estimation.
Site visits	- Comment on any site visits undertaken by the Competent Person and the outcome of those visits. - If no site visits have been undertaken indicate why this is the case.	- No site visit was completed by H&SC - QMiner has conducted numerous site visits, for exploration, surveying (including drone-based photogrammetry of the site) sampling, environmental studies and stakeholder meetings.
Geological interpretation	- Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. - Nature of the data used and of any assumptions made. - The effect, if any, of alternative interpretations on Mineral Resource estimation.	Geological interpretation was completed by McDonald Spijers in 1995/6.

Criteria	JORC Code explanation	Commentary
• The use of geology in guiding and controlling Mineral Resource estimation. • The factors affecting continuity both of grade and geology.	• The interpretation was checked by H&SC in 3D against drillhole assays grades and no significant issues were noted. Geology could not be checked as no drillhole geology data was supplied. • Interpretation of the drillhole database by MS allowed for the generation of 3D mineral constraining solids and geological surfaces for a combination of 20 and 40m spaced sections. • Four massive sulphide mineral zones within an encompassing exhalite horizon were defined using logged geology with reference to copper, gold and sulphur assay grades. No cut-off grade was used. • A stringer zone was defined to lie underneath the exhalite unit. • Each of the mineral domains i.e. Massive Sulphide, Exhalite & Stringer had oxide equivalents, all with hard boundaries. • A geological surface was created for the base of complete oxidation from limited information in the Peko logs. In about 10- 20% of cases a specific reference was made in old logs, but in most cases the boundary was inferred from comments about gossan, iron oxides, iron staining or the first appearance of sulphides. The base of oxidation is whilst only an approximation has also been defined by logged codes and low value sulphur assays. As interpreted, it generally extends to a depth of about 10-30m below surface. • It is very likely that a transition zone of partial oxidation and/or supergene mineralogy exists below the base of oxidation. However, the logs did not contain enough information to allow even a "crude" interpretation to be attempted. • There is no evidence of gold enrichment or depletion in the oxide zone. There is some evidence of copper depletion in the oxide zone and possibly some minor supergene copper enrichment locally. • Geological understanding appears to be good and appropriate for resource estimation • Alternative interpretations are possible for the mineral zone definition but are unlikely to significantly affect the estimates.	• The interpretation was checked by H&SC in 3D against drillhole assays grades and no significant issues were noted. Geology could not be checked as no drillhole geology data was supplied. • Interpretation of the drillhole database by MS allowed for the generation of 3D mineral constraining solids and geological surfaces for a combination of 20 and 40m spaced sections. • Four massive sulphide mineral zones within an encompassing exhalite horizon were defined using logged geology with reference to copper, gold and sulphur assay grades. No cut-off grade was used. • A stringer zone was defined to lie underneath the exhalite unit. • Each of the mineral domains i.e. Massive Sulphide, Exhalite & Stringer had oxide equivalents, all with hard boundaries. • A geological surface was created for the base of complete oxidation from limited information in the Peko logs. In about 10- 20% of cases a specific reference was made in old logs, but in most cases the boundary was inferred from comments about gossan, iron oxides, iron staining or the first appearance of sulphides. The base of oxidation is whilst only an approximation has also been defined by logged codes and low value sulphur assays. As interpreted, it generally extends to a depth of about 10-30m below surface. • It is very likely that a transition zone of partial oxidation and/or supergene mineralogy exists below the base of oxidation. However, the logs did not contain enough information to allow even a "crude" interpretation to be attempted. • There is no evidence of gold enrichment or depletion in the oxide zone. There is some evidence of copper depletion in the oxide zone and possibly some minor supergene copper enrichment locally. • Geological understanding appears to be good and appropriate for resource estimation • Alternative interpretations are possible for the mineral zone definition but are unlikely to significantly affect the estimates.

Criteria	JORC Code explanation	Commentary
Dimensions	The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	- The style of mineralisation and the orebody type means there is a strong lithological control to the grade and geological continuity. - The resource is divided into 3 lithology zones, Massive, Exhalite & Stringer with an overall strike length of 600m; an east-west extent ranging between 100 and 330m and up to 90m of thickness for the stringer zone and 4 to 20m for the massive sulphide domains, beginning at surface and extending to a vertical depth of around 200m below surface. - The massive sulphide bodies are relatively flat-lying flanking a rhyolite dome with a variable dip from 10 to 40°. These zones are part of an encompassing exhalite horizon that immediately overlies a stringer mineralised zone.
Estimation and modelling techniques	- The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. - The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. - The assumptions made regarding recovery of by-products. - Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation). - In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. - Any assumptions behind modelling of selective mining units. - Any assumptions about correlation between variables. - Description of how the geological interpretation was used to control the resource estimates. - Discussion of basis for using or not using grade cutting or capping. - The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation	- Resource estimation was completed by McDonald Speijers in 1995 and revisited in 2005 (a new set of assumptions for the NDV). - The block grades were estimated using an Inverse Distance Cubed method with Whittle 4-D software with the block model loaded by H&SC into a Surpac mining software for validation and, resource reporting. - H&SC considers ID3 to be a sub-optimal estimation technique for this type of base metal and gold mineralisation. - There is no correlation between gold and any other elements e.g. Cu, Ag, Pb & Zn. - The 6 mineral zones (3 fresh & 3 oxide) were treated as hard boundaries during estimation. The use of domains for gossan and fresh rock would imply hard boundaries for the base of oxidation. - One metre composites were used to estimate the mineralised bedrock. Coefficients of variation for the composites for the different elements from the different mineral zones were modest, generally <=2 - Top cutting was applied to the composite data for each mineral domain: threshold cuts include Cu 2 to 7%, Au 6 to 15g/t, Ag 30 to 150g/t.

Criteria	JORC Code explanation <i>data if available.</i>	Commentary
		• Domaining was limited to the individual mineral zones, and to spatial orientations of search ellipses based on the geological dip and strike. • No assumptions were made regarding the recovery of by-products. • Variography was performed for the composite data but a lack of structure to the data prompted MS to use a less sophisticated modelling method. • Drill holes are on relatively regular but variably spaced grids with a nominal spacing of 20 by 20m increasing to 40 by 40m Block dimensions are 5m x 5m x 2.5m (E, N, RL respectively). The X and Y-axis dimensions were chosen as a compromise that is nominally one third the drill hole spacing and the variable width of the deposit. The vertical dimension reflects downhole data spacing in conjunction with possible bench heights. • Modelling used a total of 8 search ellipses with different orientations to match the local dip and strike changes associated with each of the different domains. Maximum search distance varied from 50 to 100m with anisotropy ratios ranging between 2:1 to 8:1. Low ratios were used in the gossan zones where redistribution of metals was assumed to have occurred. Higher anisotropies were applied to the "stratiform" exhalite/massive sulphide with intermediate ratios in the stringer zone. A 1.5:1 ratio was applied in favour of the strike direction compared with down dip direction. No mention was made of the minimum number of data. • The maximum extrapolation of the estimates is 100m. • The estimation procedure was reviewed by H&SC and considered reasonable for the time. • No deleterious elements or acid mine drainage has been factored in. • The block model was reviewed visually by H&SC and it was concluded that the block model fairly represents the grades observed in the drill holes. • The modelling strategy is acceptable with no significant issues.

Criteria	JORC Code explanation	Commentary
Moisture	Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	- Production figures comprise both initial underground and subsequent open pit operations. The mining was in the previous century and production records are rather vague. MS concluded that reconciliation between their block model and production was good and that the block model results were reliable within the constraints of the interpreted geology, drillhole distribution, historic assay results and the recorded position and extent of historic mine workings. H&SC concurs with this conclusion. - Tonnages are estimated on a dry weight basis; moisture not determined.
Cut-off parameters	The basis of the adopted cut-off grade(s) or quality parameters applied.	- A copper equivalent value of 0.75% was used to report the resource estimates to a maximum depth of 200m below surface. The figure was based on nominal 2020 metal prices and metallurgical recovery assumptions from 1996. - Price assumptions - Gold (US\$) \$1900/oz - Copper(US\$) \$6655/tonne - Silver (US\$) \$25/oz - Exchange rate 0.7 AU\$/US\$ - Metal Recoveries (based on 1996 Estimates) - Gold 90% - Copper 100% - Silver 50% - Copper equivalent formula (CuEq): $(Cu_pc)+(0.006*Ag_ppm)+(0.8244*Au_ppm)$ - The cut-off grade at which the resource is quoted reflects an intended bulk-mining approach.

Criteria	JORC Code explanation	Commentary
Mining factors or assumptions	Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	- H&SC's understanding of a bulk mining scenario is based on information supplied by QMines. - Mining will begin on the open pit remnants before proceeding to a bulk underground operation. This likely to take the form of room & pillar mining retreating up dip to the surface portal. - The model block size (5mx3mx2.5m) is the effective minimum mining dimension for this estimate. - Any internal dilution has been factored in with the modelling and as such is appropriate to the block size.
Metallurgical factors or assumptions	The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions made regarding metallurgical treatment processes and parameters when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	- A two-stage crushing process is envisaged for initial treatment of the ore. - A fine grind is most likely required to allow for a standard industry floatation circuit. - Previous processing by Peko involved direct smelting at the Mt Morgan facility. - Initial metallurgical testwork has indicated the possibility of 26% copper concentrate representing 85% copper recoveries. - It is likely zinc will be a penalty element.
Environmental factors or assumptions	Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	- The heavily disturbed area, from previous mining, lies within rolling terrain with broad watercourses - The area is covered with moderate vegetation typical of that part of North Central Queensland. The land is used for cattle farming. - Two water filled open pits occur in the general area, the Mt Chalmers Main Lode pit and the connected West Lode Pit. - Acid mine drainage will be a potential issue. - There are no obvious immediate sources of carbonate rock for waste rock neutralisation. - No environmental studies have been completed by QMines
Bulk density	Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry,	- Default density values were derived for the mineral domains. 2.9g/m³ for Stringer mineralisation

Criteria	JORC Code explanation	Commentary
	the frequency of the measurements, the nature, size and representativeness of the samples. - The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit. - Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	3.1t/m³ for exhalite mineralisation 3.6t/m³ for massive sulphide mineralisation. 2.8 to 3t/m³ for oxidised versions of the above mineral domains - Allocation of derived default density grades and oxidation levels to the block model was achieved by using the mineral wireframes and oxidation surfaces in relation to the block centroid. - More density test work is required in order to raise the confidence of the resource estimate to Indicated category.
Classification	- The basis for the classification of the Mineral Resources into varying confidence categories. - Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). - Whether the result appropriately reflects the Competent Person's view of the deposit.	- The original MS classification was based on a defined shape derived from the drillhole spacing - The current estimates are classed as Inferred due to the historic nature of the estimates, the simplistic grade interpolation method, the age of the drilling results with some lack of QA/QC, the lack of sample recoveries, the possible contamination effect of some of the earlier drilling, uncertainty of the amounts of both the underground and open pit extraction, a lack of density data and the sensitivity to assumptions about estimates to metal prices, metallurgical recoveries and concentrate charges, all of which will have an impact on cut off grades. - All other relevant factors were taken into consideration e.g. topographic data, drilling methods etc. - The classification appropriately reflects the Competent Person's view of the deposit.
Audits or reviews	The results of any audits or reviews of Mineral Resource estimates.	- H&SC has completed a high-level audit on the MS 2005 resource estimates. Several significant issues were noted. These have been reflected in the revised classification of the estimates - The MS work for the 1996 resource estimates included substantial validation of the digital database, with several issues picked up and subsequently dealt with.

Criteria	JORC Code explanation	Commentary
Discussion of relative accuracy/confidence	- Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. - The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. - These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	- The relative accuracy and confidence level in the Mineral Resource estimates are considered to be in line with the generally accepted accuracy and confidence of the nominated Mineral Resource categories. This has been determined on a qualitative, rather than quantitative, basis, and is based on the Competent Person's experience with similar deposits - The geological understanding of the deposit, the modest coefficients of variation and the reconciliation lend themselves to a reasonable level of confidence in the resource estimates. This has been offset by a lack of information on the sampling and assaying (plus a lack of QA/QC), no drillhole geological or recovery data. - The Mineral Resource estimates are considered to be reasonably accurate globally, but there is some uncertainty in the local estimates due to the current drillhole spacing. - The deposit has had historical production data for both open pit and underground extraction. However, there is some uncertainty as to the extent of these workings. Reconciliation of the M5 resource model with the open pit pattern of extraction indicated a minor over-reporting of tonnage by 0.3%, with an understatement of copper grade by 6.4%, and gold by 5%. These outcomes suggest that the resource model was reasonably reliable within the constraints of the interpreted geology, drill hole distribution, historic assay results and the recorded position and extent of the historic open mine workings.

12 JORC Code, 2012 Edition – Table 1 Woods Shaft Exploration Results

12.1 Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary																																			
Sampling techniques	- Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. - Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. - Aspects of the determination of mineralisation that are Material to the Public Report. - In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	- The Woods Shaft deposit has been drilled and sampled with a combination of percussion drilling ("PDH") or reverse circulation drilling ("RC") and diamond core holes ("DD") amounting to 48 drill holes for 5,213 metres. - Drilling details:<table><tr><th>Company</th><th>Year</th><th>Hole Type</th><th>No holes</th><th>Metres</th></tr><tr><td>Geopeko</td><td>1977</td><td>RC</td><td>8</td><td>600</td></tr><tr><td>Geopeko</td><td>1980</td><td>RC</td><td>25</td><td>2,819</td></tr><tr><td>Great Fitzroy</td><td>1995</td><td>RC</td><td>8</td><td>754</td></tr><tr><td></td><td></td><td></td><td>41</td><td>4,173</td></tr><tr><td>Geopeko</td><td>1976-1981</td><td>DD</td><td>7</td><td>1,040</td></tr><tr><td></td><td></td><td>Total</td><td>48</td><td>5,213</td></tr></table> - RC sampling consists of either 1m or 3m intervals of chip material sub-sampled or 1 to 3m half core samples. - There is no documentation on sample prep but presumably the samples have been processed similar to the work completed on the nearby Mt Chalmers deposit (at the same time). Presumably samples are then crushed, pulverized and split to give a sub-sample for analysis. - There is no documentation concerning the analytical method used by	Company	Year	Hole Type	No holes	Metres	Geopeko	1977	RC	8	600	Geopeko	1980	RC	25	2,819	Great Fitzroy	1995	RC	8	754				41	4,173	Geopeko	1976-1981	DD	7	1,040			Total	48	5,213
Company	Year	Hole Type	No holes	Metres																																	
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Criteria	JORC Code explanation	Commentary
Drilling techniques	Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	Geopeko, but the work was completed at the Mt Morgan ("MML") minesite laboratory and presumably the analysis was to industry standard for the time. - The Great Fitzroy sample prep and analysis was completed by a commercial laboratory using a G001 method for base metals with an AAS-OES finish and a PM29 fire assay method for gold (50g charge). - The mineralisation is considered part of a classic example of a Kuroko-style volcanogenic massive sulphide deposit, and part of the Mt Chalmers system. The stratabound Cu and Au (Pb, Zn, Ag) mineralisation is strongly related to a combination of pyrite-rich host lithologies and may have suffered structural dislocation from the Main Lode at Mt Chalmers. The occurrence of Au/Cu-rich footwall stringer zones is integral to the model. - The deposit was mined by an underground operation in the previous century or two; no details exist. - The Geopeko percussion drilling was with a variety of rigs including an MML-owned Crawlair and Warman 375, 500 and 750 rigs. The hammer bit size is unknown but the drilling was completed at the same time as the Mt Chalmers deposit was being drilled and therefore presumed to be with a 4.5 inch down hole hammer bit. - The Great Fitzroy percussion drilling used a Schramm rig with no indication of bit size. - For the Geopeko DD the core size was NQ. - On rare occasions holes were initially drilled using a percussion or RC drilling method and tailed with a DD hole. - The majority of drillholes were vertical but a significant proportion of the Geopeko holes were angled 60° to either grid west or east.

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Criteria	JORC Code explanation	Commentary
Drill sample recovery	- Method of recording and assessing core and chip sample recoveries and results assessed. - Measures taken to maximise sample recovery and ensure representative nature of the samples. - Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	- No core orientation data is available. - No sample recovery data is available for either the DD or the RC drilling. Historical reports from the Mt Chalmers drilling indicate 90 to 100% recovery (from visual observation) for the Geopeko drilling except for in the weathered and oxide zones. - No documentation of any percussion sampling procedures is available - Geopeko investigated the risk of sample bias due to loss of fines for the Mt Chalmers RC drilling. Only a small number of samples were collected, too few for anything conclusive, but there were indications of a small preferential concentration of sulphides in the samples of retained drill cuttings with an associated increase in Cu, Ag and possibly Au grade (results for Au were reported as erratic). Other work completed by Geopeko indicated no issue with sample recovery - The drilling methods are considered to be of industry standard at the time of drilling and would normally have been expected to give reliable results suitable for defining an Exploration Target. - With a lack of sample recovery data it is not possible to establish if there is a relationship between sample recovery and metal grade, but the high recoveries reported for Mt Chalmers would appear to indicate the unlikelihood of any bias
Logging	- Whether core and chip samples have been geologically and geochemically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. - Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. - The total length and percentage of the relevant intersections logged.	- All drilling was competently logged with the production of hardcopy logs and cross sections. All hardcopies had appropriate levels of information for an Exploration Target to be defined. - Logging consisted of a series of descriptive terms which were converted to rudimentary logging codes by QMiner that were generally qualitative or semi-quantitative.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	- If core, whether cut or sawn and whether quarter, half or all core taken. - If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. - For all sample types, the nature, quality and appropriateness of the sample preparation technique. - Quality control procedures adopted for all sub-sampling stages to maximise representativity of samples. - Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. - Whether sample sizes are appropriate to the grain size of the material being sampled.	- Geological information consisted of lithology descriptions, alteration, mineralisation and oxidation levels. Most of this information has been transcribed into digital logs by QMiner. - Geopko diamond core was sampled under geological control, but varied between 1 and 3m in sample length. At Mt Chalmers most of the core was sampled using a mechanical core splitter with 50% taken for sample prep and assay. Some mineralised intervals were cut with a diamond saw with 50% of the interval sent to the MML laboratory at the Mt Morgan mine site for preparation and assay. Presumably a similar process was used for Woods Shaft. No information is available about sample prep procedures used for this work. - Geopko percussion drilling at Mt Chalmers involved dry cuttings being collected via cyclones and riffled to give a sample of about 2 kg for submission to the laboratory. The RC samples were submitted to the MML laboratory at the Mt Morgan mine site for sample preparation and assay. Presumably a similar process was used for Woods Shaft. No information is available about sample prep procedures used for this work. - At Mt Chalmers wet samples were collected in two ways. In the West Lode area samples were collected in a fine gauze catcher and mixed on a groundsheet before being coned and quartered. Sample intervals ranged from 1-2m. This sample collection method would have led to large losses of fines. In the Main Lode area wet samples were collected in half 44-gallon drums and transferred to hessian bags. When dry they were riffle split. This was a better method, but fines would still have been lost when water flows were high and the collecting drum overflowed. Presumably a similar process was used for Woods Shaft

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	- The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. - For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. - Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	although there is no mention of wet samples in any reports. - The Great Fitzroy samples were submitted to Australian Laboratory Services P/L for preparation at their Rockhampton facility and assay at their Townsville laboratory. The sample preparation scheme involved jaw crushing to an unknown size followed by pulverisation of the total sample in a Labtechnics LM5 mill to a nominal 90% passing -75µm. - For the Mt Chalmers drilling a barren quartz flush was used after each set of sulphide-rich samples at an unknown insertion ratio. Presumably a similar process was used for Woods Shaft. - With no detail of any of the sampling procedure it is uncertain if the sample sizes are appropriate. However, the drillhole sampling methods indicate that sample sizes are likely to be appropriate. - Geopko samples were submitted to the MML laboratory at the Mt Morgan mine site for analysis. No technical details have been located regarding sample preparation procedures or assaying methods. The Mt Morgan operation has since shut down and the laboratory no longer operates, presumably - Great Fitzroy used a partial digest perchloric acid method (G001) for Cu, Pb, Zn and Ag with flame AAS. Over range values were tested by an ore grade analysis method (A001 – aqua regia digest or A002 – 4 acid digest). Fire assaying of a 50g charge with flame AAS- (PM209) was used for gold. - There are no reports from any of the drilling campaigns of any standards being used to assess the accuracy of the analysis. - Despite the lack of documentation describing the analytical methods and the lack of QA/QC it is reasonable to assume that the analysis was

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	- The verification of significant intersections by either independent or alternative company personnel. - The use of twinned holes. - Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. - Discuss any adjustment to assay data.	to an industry standard for the time and that the results would be reasonable, especially for the level of Exploration Target. - No drillhole intersections have been viewed by QMiner or H&SC. - QMiner has cross checked selected data, while building a new geological database, based on scanned open files held by the Queensland Dept of Mines, all drillhole collars were checked and random drill logs checked. No issues were noted. - No twin holes have been drilled - Discussions have been held with Alex Taube who was the geologist in charge of the Great Fitzroy drilling and was an employee of Geopeko at the time of its Mt Chalmers drilling. - H&SC has adjusted assays for all elements that were below detection limits by replacing with a half below lower detection limit value.
Location of data points	- Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. - Specification of the grid system used. - Quality and adequacy of topographic control.	- The collar coordinates for the Woods Shaft drilling are in the same local grid that was used for the Mt Chalmers Mine. - Geopeko established a Mt Chalmers mine grid, using the North Shaft as the origin, which was assigned coordinates of 5000mE & 5000mN. A network of local control stations was set out by MML staff surveyors. The Geopeko mine grid appears to have been used consistently for both exploration and production work. Control points for the Geopeko mine grid survive, and these have been re-surveyed by QMiner using a Differential Global Positioning System. - No information is available on the accuracy of the Geopeko collar surveys. There is some doubt about the accuracy of the Great Fitzroy collars with the geology of at least two holes being at odds with the earlier Geopeko holes. Moving the two holes between 25 and 35m east appeared to make better geological sense.

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Criteria	JORC Code explanation	Commentary
Data spacing and distribution	- Data spacing for reporting of Exploration Results. - Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. - Whether sample compositing has been applied.	- Collar elevations for the Woods Shaft holes were reported for some holes in the local grid system which has a default 2000m added to the actual elevation value. Holes missing collar elevations were assigned the value from the nearest hole with an elevation. - Topography has subsequently been acquired as gridded (5m) LiDAR data which confirms the relative accuracy of the Mt Chalmers local grid (max 1 or 2m error). Comparison of the collar elevations with the LiDAR topography indicates an unbiased variance of about 1-2m. - Percussion holes, which make up the majority of holes, were not surveyed downhole. However, it should be noted that a large number of them were vertical and are considered by QMiner to have had very limited deviation. - The diamond drill holes were angled holes but were not surveyed downhole; they have been assumed to have had limited deviation. - The QMiner assumption that all holes were straight, will no doubt result in some minor errors in the 3D location of samples. - The Geopeko drilling was on a nominal pattern of 50m x 50m with some on section infill drilling at 25m. - The Great Fitzroy drilling was either infill or confirmatory drilling of the Geopeko work. - Downhole sampling generally ranged between 1 and 3m with all Great Fitzroy sampling at 1m intervals. - The data point spacing is appropriate for the generation of an Exploration Target. - There is no documentation on any sample compositing although presumably the 3m sampling intervals would suggest some form of sample compositing for the Geopeko drilling.

Criteria	JORC Code explanation	Commentary
Orientation of data in relation to geological structure	- Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. - If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	- The deposit dips moderately to the east in the east of the prospect before passing through a fold hinge in the centre of the prospect and then dipping moderately to the west in the western section of the deposit. - The majority of the vertical holes are drilled around the fold hinge and thus give a good intersection angle with the mineralisation. Vertical holes on the eastern periphery of the mineralisation are oriented in a slightly less optimal mode to the east dipping limb. - There is no obvious sampling bias with the drilling orientation.
Sample security	The measures taken to ensure sample security.	There is no documentation describing the process of securing samples at site and their transportation to the laboratory.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	- There are no audits for the Woods Shaft drilling. - McDonald Spiegers essentially completed an audit of the Mt Chalmers sampling techniques with the 2005 Mineral Resources. The audit concluded that "After extensive validation and editing MS are satisfied that the drill hole database files used for resource estimation are reasonably complete and free of serious errors, within the practical limitations imposed by the age of some of the data". The Mt Chalmers drilling was completed by Geopoko at the same time as the Woods Shaft drilling.

12.2 Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	- Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. - The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	- QMiners Pty Ltd has a 100% owned subsidiary, Dynasty Gold Pty Ltd which has a 100% beneficial interest in the Mt Chalmers Project which includes Woods Shaft. The Mt Chalmers Project is held in EPM 25935 and EPM 27428, located 25 kilometres east of the City of Rockhampton in coastal central Queensland, Australia. The project covers an area of historic gold and copper mining, which comprises 198 km². - The Project is free and unencumbered by either joint ventures or any other equity participation of the tenement. - QMiners has yet to negotiate any landowner provisions or Government royalties or yet to commence environmental studies within the project area. Currently the Queensland Department of Natural Resources & Mines is conducting remediation works on minor acid mine waste draining from a mineralised mullock dump. - All the tenements are for "all minerals" excepting coal. - Note that the granted tenements allow QMiners to carry out many of their planned drilling programs under relevant access procedures applying to each tenement. - All the EPMs are subject to the Native Title Protection Conditions with respect to Native Title. - Declared Irrigation Areas, Declared Catchment Areas, Declared Drainage Areas, Fossicking areas and State Forest, are all land classifications that restrict exploration activity. These are not affecting QMiners' main prospects but may have impact on regional programs in places. - All annual rents and expenditure conditions have been paid and fully compliant

Criteria	JORC Code explanation	Commentary
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	- Geopko are generally recognised as a competent company using appropriate techniques for the time. Written logs and hardcopy sections are considered good. - Great Fitzroy was a small explorer and used a very competent geologist, Alex Taube, for their drilling programme. Alex Taube is widely respected for his knowledge about VHMS deposits in North and Central Queensland.
Geology	Deposit type, geological setting and style of mineralisation.	- The deposit type is a volcanogenic-hosted massive sulphide ("VHMS"). Volcanic complexes of this type are very diverse and rock types and mineralisation change rapidly along strike and across the stratigraphy. In presently mined VHMS terranes it is common to find between 5 and 40 lensoidal deposits scattered across different parts of the geological section within the volcanic pile. VHMS deposits may form in several different positions within the volcanic pile; all that is required is fumarole development in a period of quiescence after a large volume of tuffs and lavas have been erupted, e.g. during a hiatus in volcanic activity and sea-floor sedimentation. - Researchers have shown that the Mt Chalmers mineralisation is a well-preserved, volcanic-hosted massive-sulphide ("VHMS - Kuroko style") mineralised system containing zinc, copper, lead, gold and silver. Mineral deposits of this type are syngenetic and formed contemporaneously on, or in close proximity to, the sea floor during the deposition of the host-rock units deposited from hydrothermal fumaroles, direct chemical sediments or replacements (massive sulphides), together with disseminated and stringer zones within these host rocks. - The Mt Chalmers mineralisation, including Woods Shaft, is situated in the early Permian Berserker Beds, which occur in the fault-bounded Berserker Graben, a structure 120km long and up to 15km wide. The graben is juxtaposed along its eastern margin with the Tungamull Fault and in the west, with the Parkhurst Fault.

Criteria	JORC Code explanation	Commentary
		- The Berserker Beds lithology consists mainly of acid to intermediate volcanics, tuffaceous sandstone and mudstone, (Kirkegaard and Murray 1970). The strata are generally flat lying, but locally folded. Most common are rhyolitic and andesitic lavas, ignimbrites or ash flow tuffs with numerous breccia zones. Rocks of the Berserker Beds are weakly metamorphosed and, for the most part, have not been subjected to major tectonic disturbance, except for normal faults that are interpreted to have developed during and after basin formation. - Late Permian to early Triassic gabbroic and dioritic intrusions occur parallel to the Parkhurst Fault. Smaller dolerite sills and dykes are common throughout the region and the Berserker Beds. - The oldest rocks in the area, the 'footwall sequence' of pyritic tuffs, are seen only in the Mt Chalmers open pit and in drill holes away from the mine. The rock is usually a light coloured eutaxitic tuff with coarse fragments, mainly of chert, porphyritic volcanics and chloritic flame and other pyroclastic rocks and indicate subaerial deposition. The alteration (silicification, sericitisation and pyritisation) of this basal unit becomes more intense close to mineralisation. - The 'mineralised sequence' overlying the 'footwall sequence' consists mainly of tuffs, siltstones and shales and contains stratiform massive sulphide mineralisation and associated exhalites: thin barite beds, chert and occasionally jasper, hematitic shale and thin layers of bedded disseminated sulphides. Dolomite has been recorded in the mineralised sequence close to massive sulphides. This sequence represents a hiatus in volcanic activity and a period of water-lain deposition. - The 'hanging wall sequence' is a complex bedded series of unaltered crystal and lithic rhyolitic tuffs and sediments with breccia zones and occasional chert and jasper. At Woods Shaft there is a barium-rich zone in the hangingwall both interspersed with the pyritic mineral horizon and immediately above it. - A mainly conformable body of andesite, ranging from 10m to 250m

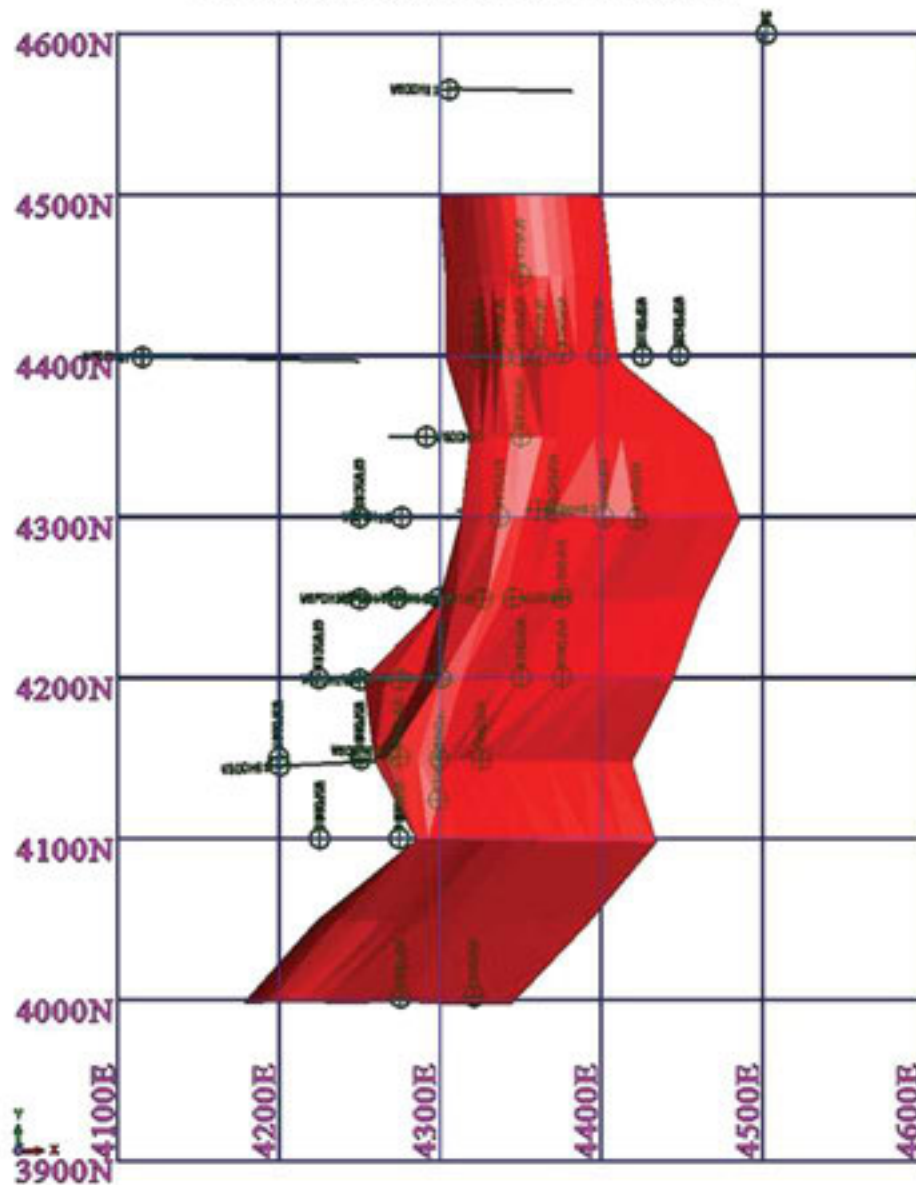
Criteria	JORC Code explanation	Commentary
Drill Information	- A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: - eastings and northings of the drill hole collar - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - down hole length and interception depth - hole length. - If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	thick, intrudes the sequence; it usually occurs just above the 'mineralised sequence'. A quartz-feldspar porphyry body intrudes the volcanic sequence and in places intrudes the andesite. - The rocks at Woods Shaft are part of an antiform with a N-S hinge line possibly plunging gently to the north. There is a moderately east dipping east limb and a moderately steeper west dipping west limb although there is the suggestion of a possible fault truncation to the west limb. - Exploration Results comprise mineral intervals from within a geologically interpreted wireframe for mineralisation. The interpretation is based on a combination of logged geology, surface mapping and assays, particular sulphur for a pyritic mineral zone and barium for a barite-rich hangingwall zone. - The intervals comprise downhole lengths within the mineral wireframe.
Data aggregation methods	- In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. - Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. - The assumptions used for any reporting of metal equivalent values should be clearly stated.	- Simple weighted averages for downhole thickness are reported for the mineral intersections derived from the interpreted mineral wireframe. - A geologically interpreted mineral wireframe was used to select the overall mineralised interval. This mineral zone was defined using the drill logs, and the assays in particular sulphur assays to delineate pyritic zones.

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation and widths and intercept lengths	- These relationships are particularly important in the reporting of Exploration Results. - If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. - If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	- The drilling has generally intersected the mineralisation at high angles in the main body of mineralisation i.e. the anticlinal zone. - Peripheral holes have tended to intersect mineralisation, mainly the east dipping east limb at a shallower angle but generally >45°. - Downhole lengths are reported.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	See figure below
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	Comprehensive reporting of exploration results is possible
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	- Geopko completed some brownfields exploration to assist with defining the mineralisation including Induced Polarisation and soil sampling surveys. - No other exploration data is considered meaningful at this stage.
Further work	- The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). - Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Infill and resource expansion drilling is planned to upgrade and potentially expand and upgrade the Exploration Target.

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Plan View of Drillhole Spacing for Woods Shaft



Drill Collar Details for Woods Shaft

Hole_id	LocE	LocN	LocRL	Hole_type	Loc_azim	Dip	Max_depth	Year
GFWSC01	4225	4200	2073	PDH	0	-90	164	1995
GFWSC02	4301	4200	2076.8	PDH	0	-90	96	1995
GFWSC03	4250	4300	2077	PDH	0	-90	92	1995
GFWSC04	4337	4300	2078	PDH	0	-90	102	1995
GFWSC05	4350	4350	2080	PDH	0	-90	78	1995
GFWSC06	4362.5	4400	2083	PDH	0	-90	60	1995

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GFWSC07	4350	4450	2089	PDH	0	-90	102	1995
GFWSC08	4338	4400	2080	PDH	0	-90	60	1995
WSDDH01	4305.63	4565.75	2101.78	DDH	90	-60	152.6	1966
WSDDH02	4360.99	4304.77	2080.5	DDH	270	-50	77.66	1976
WSDDH03	4291.8	4350	2075.74	DDH	270	-55	40.01	1976
WSDDH04	4344.96	4250.09	2076.21	DDH	270	-60	141.21	1976
WSDDH05	4200.8	4145.5	2069.3	PDH_DD	86	-60	193.4	1979
WSDDH06	4269.1	4154.9	2070.4	DDH	90	-60	165.2	1980
WSDDH07	4115	4399.7	2069.8	DDH	90	-60	269.8	1981
WSPDH01	4325.4	4149	2074.05	PDH	0	-90	45.7	1977
WSPDH02	4299.56	4150	2071.08	PDH	0	-90	61	1977
WSPDH03	4299.14	4124.5	2073.21	PDH	0	-90	51.8	1977
WSPDH04	4275	4100	2071.8	PDH	0	-90	79.2	1977
WSPDH05	4274.6	4151	2070.06	PDH	0	-90	61	1977
WSPDH06	4250.5	4149.5	2069.7	PDH	0	-90	61	1977
WSPDH07	4199.77	4150.1	2069.3	PDH	0	-90	207	1977
WSPDH08	4225.3	4100	2067.4	PDH	0	-90	33.5	1977
WSPDH09	4224.9	4650.9	2099.5	PDH	90	-60	150	1979
WSPDH11	4275.6	4199.3	2076.8	PDH	90	-60	60	1980
WSPDH12	4250.4	4199.1	2076.2	PDH	90	-60	60	1980
WSPDH13	4299.8	4249.8	2079.9	PDH	90	-60	60	1980
WSPDH14	4273.4	4249.7	2079.3	PDH	90	-60	60	1980
WSPDH15	4249.8	4249.4	2079.1	PDH	90	-60	60	1980
WSPDH16	4276	4300.1	2077.7	PDH	90	-60	60	1980
WSPDH17	4300.3	4200.1	2076.8	PDH	90	-60	60	1980
WSPDH18	4326.1	4248.9	2078.8	PDH	90	-60	60	1980
WSPDH19	4425.6	4400	2087.2	PDH	0	-90	150	1980
WSPDH20	4350.6	4200.5	2076	PDH	0	-90	87	1980
WSPDH21	4350	4400.2	2081	PDH	0	-90	150	1980
WSPDH22	4398.3	4400.5	2086.8	PDH	0	-90	150	1980
WSPDH23	4323.7	4399.2	2079.8	PDH	0	-90	150	1980
WSPDH24	4376.1	4401.2	2085.3	PDH	0	-90	150	1980
WSPDH25	4376	4200.5	2079.6	PDH	0	-90	116	1980
WSPDH26	4448.8	4400.7	2083.3	PDH	0	-90	150	1980
WSPDH27	4375.8	4250.1	2078.6	PDH	0	-90	144	1980
WSPDH28	4401.6	4300.1	2080	PDH	0	-90	63	1980
WSPDH29	4370.7	4303.1	2080.3	PDH	0	-90	150	1980
WSPDH30	4421.6	4298.2	2082.9	PDH	0	-90	150	1980
WSPDH31	4275.6	4001.4	2073.2	PDH	0	-90	150	1980
WSPDH32	4320.8	4001.7	2077.6	PDH	0	-90	129	1980
WSPDH33	4450.2	4799.6	2080.4	PDH	0	-90	150	1980
WSPDH34	4502.5	4600.5	2078.6	PDH	0	-90	150	1980

Downhole Mineral Intercepts for Woods Shaft

Hole	Length (m)	Au g/t	Cu %	From (m)	Northing
WSPDH31	6	0.15	0.00	129	4001.4
WSPDH03	35.97	0.37	0.09	9.14	4124.5
WSPDH02	57.96	0.19	0.08	3.04	4150
WSPDH05	24.51	0.26	0.09	2.92	4151
WSDDH06	34	0.32	0.02	4	4154.9
WSDDH06	30	0.35	0.07	48	4154.9
WSPDH11	32.78	0.16	0.03	24	4199.3
WSPDH12	10	0.30	0.02	32	4199.1
GFWSC02	57	0.95	0.02	0	4200
WSPDH17	60	0.79	0.28	0	4200.1
WSPDH25	12	0.75	0.35	87	4200.5
WSPDH20	9	0.50	0.26	60	4200.5
WSPDH18	54	1.42	0.46	6	4248.9
WSPDH13	30.43	0.12	0.06	20	4249.8
WSPDH14	6	1.40	0.04	54	4249.7
WSDDH04	36.17	0.65	0.48	8.83	4250.09
WSDDH04	16	0.74	0.07	65	4250.09
WSPDH27	15	0.48	0.17	60	4250.1
WSPDH30	12.05	0.09	0.09	68.01	4298.2
GFWSC04	42	0.12	0.09	0	4300
WSPDH28	9.43	0.10	0.08	53.57	4300.1
WSPDH29	29.34	0.12	0.11	36	4303.1
GFWSC05	40	0.44	0.09	23	4350
WSPDH23	36	0.38	0.04	36	4399.2
GFWSC06	58	0.36	0.05	2	4400
GFWSC08	55	0.22	0.09	5	4400
WSPDH21	78	0.81	0.42	6	4400.2
WSPDH22	33.12	0.26	0.06	53.88	4400.5
WSPDH24	57	0.61	0.38	30	4401.2
WSPDH24	30	0.53	0.18	105	4401.2
GFWSC07	56	0.22	0.03	35	4450

13 JORC Code, 2012 Edition – Table 1 Botos Exploration Results

13.1 Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary																																													
Sampling techniques	- Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. - Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. - Aspects of the determination of mineralisation that are Material to the Public Report. - In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	- The Botos deposit has been drilled and sampled with a combination of percussion drilling ("PDH") or reverse circulation drilling ("RC") and diamond core holes ("DD") amounting to 43 drill holes for 5,472 metres. Drilling details: <table><tr><th>Company</th><th>Year</th><th>Hole Type</th><th>No holes</th><th>Metres</th></tr><tr><td>Geopeko</td><td>1977</td><td>RC</td><td>9</td><td>359</td></tr><tr><td>Geopeko</td><td>1980</td><td>RC</td><td>29</td><td>4,215</td></tr><tr><td>Geopeko</td><td>1981</td><td>RC</td><td>2</td><td>267</td></tr><tr><td></td><td></td><td>Total</td><td>40</td><td>4,841</td></tr><tr><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Geopeko</td><td>1980</td><td>DD</td><td>2</td><td>470</td></tr><tr><td>Geopeko</td><td>1981</td><td>DD</td><td>1</td><td>160</td></tr><tr><td></td><td></td><td>Total</td><td>3</td><td>631</td></tr></table> - RC sampling consists of dominantly 3m intervals of chip material with some 2m sample intervals, which are then sub-sampled. Diamond core sub-sampling generally comprised 3m lengths of half core. - There is no documentation concerning the sub-sampling method or sample prep. The drilling was completed at the same time as the Mt Chalmers drilling so presumably samples are dried, crushed and	Company	Year	Hole Type	No holes	Metres	Geopeko	1977	RC	9	359	Geopeko	1980	RC	29	4,215	Geopeko	1981	RC	2	267			Total	40	4,841						Geopeko	1980	DD	2	470	Geopeko	1981	DD	1	160			Total	3	631
Company	Year	Hole Type	No holes	Metres																																											
Geopeko	1977	RC	9	359																																											
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Geopeko	1981	DD	1	160																																											
		Total	3	631																																											

Criteria	JORC Code explanation	Commentary
Drilling techniques	Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	- pulverized and then sub-sampled for analysis. - There is no documentation concerning the analytical method used by Geopko, but the work was completed at the Mt Morgan ("MML") minesite laboratory and presumably the analysis was to industry standard for the time. Analysis was for base metals, barium, sulphur and gold. - The mineralisation is considered part of a classic example of a Kuroko-style volcanogenic massive sulphide deposit, and part of the Mt Chalmers system. The stratabound Cu and Au (Pb, Zn, Ag) mineralisation is strongly related to a combination of pyrite-rich host lithologies and may have suffered structural dislocation from the Main Lode at Mt Chalmers. The occurrence of Au/Cu-rich footwall stringer zones is integral to the model. - The deposit was mined by an underground operation in the previous century or two; no details exist. - The Geopko percussion drilling was with a variety of rigs including a Mayhew 1000 rig and Warman 500 and 750 rigs. The hammer bit size is unknown but the drilling was completed at the same time as the Mt Chalmers deposit and therefore presumed to be with a 4.5 inch down hole hammer bit. - The DD core size was NQ. - Two holes were initially drilled using a percussion or RC drilling method and tailed with a DD hole. - All drillholes were vertical. - No core orientation data is available.
Drill sample recovery	- Method of recording and assessing core and chip sample recoveries and results assessed. - Measures taken to maximise sample recovery and ensure	No sample recovery data is available for either the DD or the RC drilling. It is believed that Historical reports for the Mt Chalmers

Criteria	JORC Code explanation	Commentary
	<i>representative nature of the samples.</i> <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	drilling indicate 90% to 100% recovery from the Geopko drilling except for weathered and oxide zones. - No documentation of any percussion sampling procedures is available - Ground conditions were usually noted in the logs. Core recoveries were measured while chip sample recoveries were estimated by eye (Alex Taube pers comm). - Geopko investigated the risk of sample bias due to loss of fines for the Mt Chalmers drilling. Only a small number of samples were collected, too few for anything conclusive, but there were indications of a small preferential concentration of sulphides in the samples of retained drill cuttings with an associated increase in Cu, Ag and possibly Au grade (results for Au were reported as erratic). - The drilling methods are considered to be of industry standard at the time of drilling and would normally have been expected to give reliable results suitable for defining an Exploration Target. - With a lack of sample recovery data it is not possible to establish if there is a relationship between sample recovery and metal grade, but the high recoveries reported for Mt Chalmers would appear to indicate the unlikelihood of any bias.
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i>	- All drilling was competently logged with the production of hardcopy logs and cross sections. All hardcopies had appropriate levels of information for a resource estimate to be completed. - Logging consisted of a series of descriptive terms which were converted to rudimentary logging codes by QMiner that were generally qualitative or semi-quantitative. - Geological information consisted of lithology descriptions, alteration,

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	- If core, whether cut or sawn and whether quarter, half or all core taken. - If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. - For all sample types, the nature, quality and appropriateness of the sample preparation technique. - Quality control procedures adopted for all sub-sampling stages to maximise representativity of samples. - Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. - Whether sample sizes are appropriate to the grain size of the material being sampled.	mineralisation and oxidation levels. Most of this information has been transcribed into digital logs by QMiner. - Geopeko diamond core was sampled under geological control, but generally varied between 1 and 3m in sample length. At Mt Chalmers most of the core was sampled using a mechanical core splitter with 50% taken for sample prep and assay. Some mineralised intervals were cut with a diamond saw with 50% of the interval sent to the MML laboratory at the Mt Morgan mine site for preparation and assay. Presumably a similar process was used for Botos. No information is available for the sample prep procedures used for the Botos drilling. - Geopeko percussion drilling at Mt Chalmers involved dry cuttings being collected via cyclones and riffled to give a sample of about 2 kg for submission to the laboratory. The RC samples were submitted to the MML laboratory at the Mt Morgan mine site for preparation and assay. Presumably a similar process was used for Botos. No information is available about sample prep procedures used for this work. - At Mt Chalmers wet samples were collected in 2 ways. In the West Lode area samples were collected in a fine gauze catcher and mixed on a groundsheet before being coned and quartered. Sample intervals ranged from 1-2m. This sample collection method would have led to large losses of fines. In the Main Lode area wet samples were collected in half 44-gallon drums and transferred to hessian bags. When dry they were riffle split. This was a better method, but fines would still have been lost when water flows were high and the collecting drum overflowed. Presumably a similar process was used for Botos

Criteria	JORC Code explanation	Commentary
		although there is no mention of wet samples in any reports. - For the Mt Chalmers drilling a barren quartz flush was used after each set of sulphide-rich samples at an unknown insertion ratio. Presumably a similar process was used for Botos. - With no detail of any of the sampling procedure it is uncertain if the sample sizes are appropriate. However, the drillhole sampling methods indicate that sample sizes are likely to be appropriate.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> <i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	- Geoeko samples were submitted to the MML laboratory at the Mt Morgan mine site for analysis. No technical details have been located regarding sample preparation procedures or assaying methods. The Mt Morgan operation has since shut down and the laboratory no longer operates. - There are no reports from any of the drilling campaigns of any standards being used to assess the accuracy of the analysis. - Despite the lack of documentation describing the analytical methods and the lack of QAQC it is reasonable to assume that the analysis was to an industry standard for the time and that the results would be reasonable, especially for the level of Exploration Target.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i>	- No drillhole intersections have been viewed by QMiners or H&SC. - QMiners has cross checked selected data, while building a new geological database, based on scanned open files held by the Queensland Dept of Mines, all drillhole collars were checked and random drill logs checked. No issues were noted. - No twin holes have been drilled - Discussion have been held with Alex Taube who was an employee of Geoeko at the time of its Mt Chalmers Project drilling. - H&SC has adjusted assays for all elements that were below detection

Criteria	JORC Code explanation	Commentary
Location of data points	- Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. - Specification of the grid system used. - Quality and adequacy of topographic control.	limits replacing with a half below lower detection limit value. - The collar coordinates for the Botos drilling are in the same local grid that was used for the Mt Chalmers Mine. - Geopeko established a Mt Chalmers mine grid, using the North Shaft as the origin, which was assigned coordinates of 5000mE & 5000mN. A network of local control stations was set out by MML staff surveyors. The Geopeko mine grid appears to have been used consistently for both exploration and production work. Control points for the Geopeko mine grid survive, and these have been re-surveyed by QMiner using a Differential Global Positioning System. - No information is available on the accuracy of the Geopeko collar surveys for Botos. - Collar elevations for the Botos holes were reported for some holes in the local grid system which has a default 2000m added to the actual elevation value. Holes missing collar elevations were assigned the value from the nearest hole with an elevation. - Topography has subsequently been acquired as gridded (5m) LiDAR data which confirms the relative accuracy of the Mt Chalmers local grid (max 1 or 2m error). Comparison of the collar elevations with the LiDAR topography indicates a biased variance of about plus 4 to 6m. - Percussion holes, which make up the majority of holes, were not surveyed downhole. However, it should be noted that a large number of them were vertical and are considered by QMiner to have had very limited deviation. - The diamond drill holes were not surveyed downhole but they are vertical; they have been assumed to have had limited deviation.

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	- Data spacing for reporting of Exploration Results. - Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. - Whether sample compositing has been applied.	- The QMiners assumption that all holes were straight, will no doubt result in some minor errors in the 3D location of samples. - The Geopeko drilling was on a nominal pattern of 200m x 150m with some on section infill drilling at 50m - Downhole sampling was either 2m or 3m - The data point spacing is appropriate for the generation of an Exploration Target. - There is no documentation on any sample compositing although presumably the 2 and 3m sampling intervals would suggest some form of sample compositing for the Geopeko drilling.
Orientation of data in relation to geological structure	- Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. - If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	The geological interpretation implies that the mineral zone is relatively flat lying as all holes are vertical there is no obvious sampling bias with the drilling orientation.
Sample security	The measures taken to ensure sample security.	There is no documentation describing the process of securing samples at site and their transportation to the laboratory.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	- There are no audits for the Botos drilling. - McDonald Spijkers essentially completed an audit of the Mt Chalmers sampling techniques with its 2005 Mineral Resources. The audit concluded that "After extensive validation and editing MS are satisfied that the drill hole database files used for resource estimation are reasonably complete and free of serious errors, within the practical limitations imposed by the age of some of the data". The Mt Chalmers drilling was completed by Geopeko at the same time as the Botos drilling.

13.2 Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	- Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. - The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	- QMiner Pty Ltd has a 100% owned subsidiary, Dynasty Gold Pty Ltd which has a 100% beneficial interest in the Mt Chalmers Project which includes Botos. The Mt Chalmers Project is held in EPM 25935 and EPM 27428, located 25 kilometres east of the City of Rockhampton in coastal central Queensland, Australia. The project covers an area of historic gold and copper mining, which comprises 198km². - The Project is free and unencumbered by either joint ventures or any other equity participation of the tenement. - QMiner has yet to negotiate any landowner provisions or Government royalties or yet to commence environmental studies within the project area. Currently the Queensland Department of Natural Resources & Mines is conducting remediation works on minor acid mine waste draining from a mineralised mullock dump. - All the tenements are for "all minerals" excepting coal. - Note that the granted tenements allow QMiner to carry out many of their planned drilling programs under relevant access procedures applying to each tenement. - All the EPMs are subject to the Native Title Protection Conditions with respect to Native Title. - Declared Irrigation Areas, Declared Catchment Areas, Declared Drainage Areas, Fossicking areas and State Forest, are all land classifications that restrict exploration activity. These are not affecting QMiner's main prospects but may have impact on regional programs in places. - All annual rents and expenditure conditions have been paid and fully compliant.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Geoparco are generally recognised as a competent company using appropriate techniques for the time. Written logs and hardcopy sections

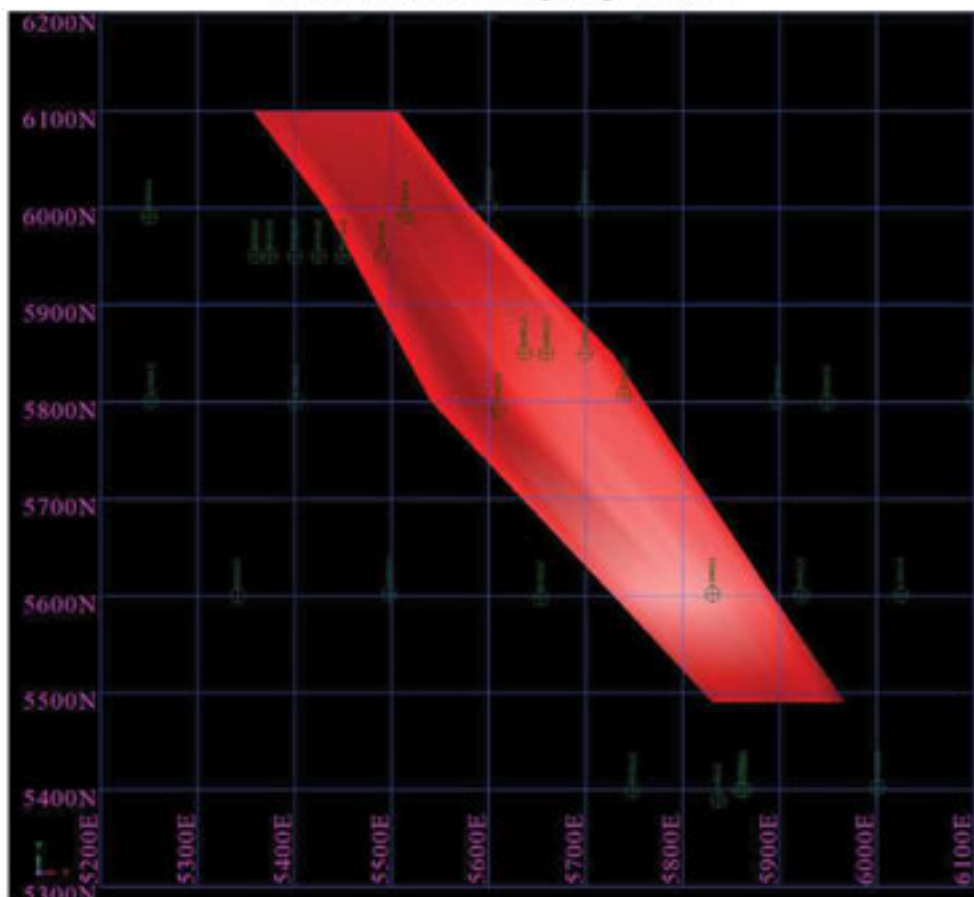
Criteria	JORC Code explanation	Commentary
Geology	Deposit type, geological setting and style of mineralisation.	are considered good. - The deposit type is a volcanogenic-hosted massive sulphide ("VHMS"). Volcanic complexes of this type are very diverse and rock types and mineralisation change rapidly along strike and across the stratigraphy. In presently mined VHMS terranes it is common to find between 5 and 40 lensoidal deposits scattered across different parts of the geological section within the volcanic pile. VHMS deposits may form in several different positions within the volcanic pile; all that is required is fumarole development in a period of quiescence after a large volume of tuffs and lavas have been erupted, e.g. during a hiatus in volcanic activity and sea-floor sedimentation. - Researchers have shown that the Mt Chalmers mineralisation is a well-preserved, volcanic-hosted massive-sulphide ("VHMS - Kuroko style") mineralised system containing zinc, copper, lead, gold and silver. Mineral deposits of this type are syngenetic and formed contemporaneously on, or in close proximity to, the sea floor during the deposition of the host-rock units deposited from hydrothermal fumaroles, direct chemical sediments or replacements (massive sulphides), together with disseminated and stringer zones within these host rocks. - The Mt Chalmers mineralisation, including Botos, is situated in the early Permian Berserker Beds, which occur in the fault-bounded Berserker Graben, a structure 120km long and up to 15km wide. The graben is juxtaposed along its eastern margin with the Turgamull Fault and in the west, with the Parkhurst Fault. - The Berserker Beds lithology consists mainly of acid to intermediate volcanics, tuffaceous sandstone and mudstone, (Kirkegaard and Murray 1970). The strata are generally flat lying, but locally folded. Most common are rhyolitic and andesitic lavas, ignimbrites or ash flow tuffs with numerous breccia zones. Rocks of the Berserker Beds are weakly metamorphosed and, for the most part, have not been subjected

Criteria	JORC Code explanation	Commentary
		to major tectonic disturbance, except for normal faults that are interpreted to have developed during and after basin formation. • Late Permian to early Triassic gabbroic and dioritic intrusions occur parallel to the Parkhurst Fault. Smaller dolerite sills and dykes are common throughout the region and the Berserker Beds. • The oldest rocks in the area, the 'footwall sequence' of pyritic tuffs, are seen only in the Mt Chalmers open pit and in drill holes away from the mine. The rock is usually a light coloured eutaxitic tuff with coarse fragments, mainly of chert, porphyritic volcanics and chloritic flame. The alteration (silicification, sericitisation and pyritisation) of this basal unit becomes more intense close to mineralisation. • The 'mineralised sequence' overlying the 'footwall sequence' consists mainly of tuffs, siltstones and shales and contains stratiform massive sulphide mineralisation and associated exhalites: thin barite beds, chert and occasionally jasper, hematitic shale and thin layers of bedded disseminated sulphides. Dolomite has been recorded in the mineralised sequence close to massive sulphides. This sequence represents a hiatus in volcanic activity and a period of water-lain deposition. • The 'hanging wall sequence' is a complex bedded series of unaltered crystal and lithic rhyolitic tuffs and sediments with breccia zones and occasional chert and jasper. • A mainly conformable body of andesite, ranging from 10m to 250m thick, intrudes the sequence; it usually occurs just above the 'mineralised sequence'. A quartz-feldspar porphyry body intrudes the volcanic sequence and in places intrudes the andesite. • The Botos prospect is at the same stratigraphic position as the Mt Chalmers deposit, namely the middle of a rhyolite-shale series within the Chalmers Formation, but on the eastern limb of a major north-northwest trending syncline. It is characterised by extensive sericitic alteration.

Criteria	JORC Code explanation	Commentary
Drill Information	- A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: - easting and northing of the drill hole collar - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - down hole length and interception depth - hole length. - If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	- Exploration Results comprise mineral intervals from within a geologically interpreted wireframe for mineralisation. The interpretation is based on a combination of logged geology and assays, particular sulphur for a pyritic mineral zone. - The intervals comprise downhole lengths within the mineral wireframe.
Data aggregation methods	- In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. - Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. - The assumptions used for any reporting of metal equivalent values should be clearly stated.	- Simple weighted averages for downhole thickness are reported for the mineral intersections derived from the interpreted mineral wireframe. - A geologically interpreted mineral wireframe was used to select the overall mineralised interval. This mineral zone was defined using the drill logs, and the assays in particular sulphur assays to delineate pyritic zones.
Relationship between mineralisation widths and intercept lengths	- These relationships are particularly important in the reporting of Exploration Results. - If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. - If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	- The drilling has generally intersected the mineralisation at high angles. - Downhole lengths are reported
Diagrams	Appropriate maps and sections (with scales) and tabulations of	See figure below

Criteria	JORC Code explanation	Commentary
	Intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	Comprehensive reporting of exploration results is possible
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	- Geopko completed some brownfields exploration to assist with defining the Exploration Target including Induced Polarisation and soil sampling surveys. - No other exploration data is considered meaningful at this stage.
Further work	- The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). - Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Infill and resource expansion drilling is planned to upgrade and potentially expand the Exploration Target.

Plan View of Drillhole Spacing for Botos



Drill Collar Details for Botos

Hole_id	LocN	LocE	LocRL	Hole_type	Loc_azim	Dip	Max_depth	Year
BTDDH01	5830.9	5601.2	2099.7	PDH/DDH	0	-90	257	1980
BTDDH02	5610	5791.9	2093.9	PDH/DDH	0	-90	213.1	1980
BTDDH03	6548.72	5200.66	2079.91	PDH	0	-90	160.4	1981
BTPDH01	5700	5850	2094	PDH	0	-90	102	1977
BTPDH02	5450	5950	2109	PDH	0	-90	29	1977
BTPDH03	5490	5950	2105	PDH	0	-90	20	1977
BTPDH04	5425	5950	2109	PDH	0	-90	10	1977
BTPDH05	5375	5950	2111	PDH	0	-90	22	1977
BTPDH06	5360	5950	2110.5	PDH	0	-90	16	1977
BTPDH07	5660	5850	2089	PDH	0	-90	30	1977
BTPDH08	5637	5850	2085	PDH	0	-90	18	1977
BTPDH09	5400	5950	2100	PDH	0	-90	112	1977
BTPDH10	4530	6400	2096.2	PDH	0	-90	123	1980
BTPDH11	6025.2	5600.4	2085.5	PDH	0	-90	156	1980
BTPDH12	5922	5600.2	2093.9	PDH	0	-90	149	1980

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BTPDH14	5860	5398.4	2077.4	PDH	0	-90	78	1980
BTPDH14A	5863.8	5398.7	2077.3	PDH	0	-90	21	1980
BTPDH15	6001.3	5401.2	2079.3	PDH	0	-90	150	1980
BTPDH16	6139.1	5398.9	2071.4	PDH	0	-90	141	1980
BTPDH17	5836.7	5388.9	2079.3	PDH	0	-90	121	1980
BTPDH18	6147.6	5600.1	2071.5	PDH	0	-90	204	1980
BTPDH19	5748.7	5398.9	2101.6	PDH	0	-90	183	1980
BTPDH20	5898.4	5799.7	2083.8	PDH	0	-90	150	1980
BTPDH21	5949	5799.4	2079.9	PDH	0	-90	171	1980
BTPDH22	5740.2	5806.7	2092	PDH	0	-90	162	1980
BTPDH24	5401.1	5799.6	2093.6	PDH	0	-90	150	1980
BTPDH25	5252.4	5800.4	2097.6	PDH	0	-90	150	1980
BTPDH26	5462.8	6201.7	2078.1	PDH	0	-90	165	1980
BTPDH27	5514.4	5990.1	2095.8	PDH	0	-90	150	1980
BTPDH28	5600.3	6001.7	2082.1	PDH	0	-90	165	1980
BTPDH29	5699.6	5999.6	2076.2	PDH	0	-90	153	1980
BTPDH30	5601.9	6202.6	2077.1	PDH	0	-90	150	1980
BTPDH31	5754	6202.8	2075.9	PDH	0	-90	150	1980
BTPDH32	6122.5	6199.8	2065.5	PDH	0	-90	150	1980
BTPDH33	6100.9	5800.3	2068.3	PDH	0	-90	150	1980
BTPDH34	6250.8	5598.7	2068	PDH	0	-90	75	1980
BTPDH35	6298.6	5600.7	2065.5	PDH	0	-90	189	1980
BTPDH36	5654	5597.3	2105.8	PDH	0	-90	150	1980
BTPDH37	5498	5601.4	2094.1	PDH	0	-90	81	1980
BTPDH38	5341.3	5599.3	2104.8	PDH	0	-90	189	1980
BTPDH39	5250.1	5990.8	2088.8	PDH	0	-90	189	1980
BTPDH41	6321.2	5199.7	2071.5	PDH	0	-90	135	1981
BTPDH42	5899.7	5200.3	2104.2	PDH	0	-90	129	1981

Downhole Mineral Intercepts for Botos

Hole	Length	Au g/t	Cu%	Zn %	Pb %	Ag ppm	From	Northing
BTDDH01	27	0.83	0.20	2.22	1.13	51.0	81	5601.2
BTDDH02	18	0.20	0.07	0.92	0.28	6.8	69	5791.9
BTPDH27	9	1.10	0.02	0.24	0.09	2.0	93	5990.1

14 JORC Code, 2012 Edition – Table 1 Mt Warminster Exploration Results

14.1 Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary																																																		
Sampling techniques	- Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. - Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. - Aspects of the determination of mineralisation that are Material to the Public Report. - In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	- The Mt Warminster deposit has been drilled and sampled with a combination of percussion drilling ("PDH") or reverse circulation drilling ("RC") and diamond core holes ("DD") amounting to 59 drill holes for 3,194 metres. - Drilling details:<table><tr><th>Company</th><th>Year</th><th>Hole Type</th><th>No holes</th><th>Metres</th></tr><tr><td>EZ</td><td>1974</td><td>RC</td><td>2</td><td>357.5</td></tr><tr><td>EZ</td><td>1974</td><td>DD</td><td>1</td><td>81</td></tr><tr><td>Geopeko</td><td>1977</td><td>RC</td><td>41</td><td>1,960</td></tr><tr><td>Geopeko</td><td>1981</td><td>RC</td><td>12</td><td>306</td></tr><tr><td></td><td></td><td>Total</td><td>53</td><td>2,266</td></tr><tr><td>Geopeko</td><td>1977</td><td>DD</td><td>1</td><td>73</td></tr><tr><td>Geopeko</td><td>1981</td><td>DD</td><td>1</td><td>184</td></tr><tr><td></td><td></td><td>Total</td><td>2</td><td>257</td></tr><tr><td></td><td></td><td>Total</td><td>59</td><td>2,523</td></tr></table> - Sampling consists of either 1.5m, 2m or 3m intervals of chip material or 1.5 to 3m sawn or split half core. - Samples were presumably crushed and pulverized from which a sub-	Company	Year	Hole Type	No holes	Metres	EZ	1974	RC	2	357.5	EZ	1974	DD	1	81	Geopeko	1977	RC	41	1,960	Geopeko	1981	RC	12	306			Total	53	2,266	Geopeko	1977	DD	1	73	Geopeko	1981	DD	1	184			Total	2	257			Total	59	2,523
Company	Year	Hole Type	No holes	Metres																																																
EZ	1974	RC	2	357.5																																																
EZ	1974	DD	1	81																																																
Geopeko	1977	RC	41	1,960																																																
Geopeko	1981	RC	12	306																																																
		Total	53	2,266																																																
Geopeko	1977	DD	1	73																																																
Geopeko	1981	DD	1	184																																																
		Total	2	257																																																
		Total	59	2,523																																																

Criteria	JORC Code explanation	Commentary
		sample is taken for base metal and gold analysis. - There is no documentation concerning the sub-sampling, sample prep or analytical method used by EZ or Geopeko, but the latter's sample prep and analytical work was completed at the Mt Morgan ("MML") minesite laboratory and presumably the analysis was to industry standard for the time. It was also completed at the same time as the exploration work was completed for Mt Chalmers. - The mineralisation is considered a classic example of a Kuroko-style volcanogenic massive sulphide deposit. The stratabound Cu and Au (Pb, Zn, Ag) mineralisation is strongly related to a combination of pyrite-rich host lithologies and spatial positioning relative to a central rhyolite dome. The occurrence of footwall stringer zones is integral to the model.
Drilling techniques	Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	- The Geopeko percussion drilling was undertaken using an MML-owned Crawlair rig. The hammer bit size is unknown but the drilling was completed at the same time as the Mt Chalmers deposit drilling and therefore is presumed to be with a 4.5 inch down hole hammer bit. The EZ drilling used a Mayhew 1000 rig but there is no indication of bit size. - For the Geopeko diamond drilling core size was NQ; the same size is presumed for EZ. - Three holes were initially drilled using a percussion or RC drilling method and tailed with a DD hole. - All drillholes were vertical - No core orientation data is available.
Drill sample recovery	- Method of recording and assessing core and chip sample recoveries and results assessed. - Measures taken to maximise sample recovery and ensure	No sample recovery data is available for either the DD or the RC drilling. Historical reports for the Mt Chalmers drilling indicate 90%

Criteria	JORC Code explanation	Commentary
	<i>representative nature of the samples.</i> <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	to 100% recovery from the Geopko drilling except for weathered and oxide zones. - No documentation of any percussion sampling procedures is available - Ground conditions were usually noted in the logs. Core recoveries were measured while chip sample recoveries were estimated by eye (Alex Taube pers comm). - Geopko investigated the risk of sample bias due to loss of fines for the Mt Chalmers drilling. Only a small number of samples were collected, too few for anything conclusive, but there were indications of a small preferential concentration of sulphides in the samples of retained drill cuttings with an associated increase in Cu, Ag and possibly Au grade (results for Au were reported as erratic). Other work completed by Geopko suggested there was no issue with sample recovery - The drilling methods are considered to be of industry standard at the time of drilling and would normally have been expected to give reliable results suitable for defining an Exploration Target. - With a lack of sample recovery data it is not possible to establish if there is a relationship between sample recovery and metal grade, but the high recoveries reported for Mt Chalmers would appear to indicate the unlikelihood of any bias
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i>	- All drilling was competently logged with the production of hardcopy logs and cross sections. All hardcopies had appropriate levels of information for a resource estimate to be completed. - Logging consisted of a series of descriptive terms which were converted to rudimentary logging codes by QMines that were

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	- If core, whether cut or sawn and whether quarter, half or all core taken. - If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. - For all sample types, the nature, quality and appropriateness of the sample preparation technique. - Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. - Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. - Whether sample sizes are appropriate to the grain size of the material being sampled.	generally qualitative or semi-quantitative. - Geological information consisted of lithology descriptions, alteration, mineralisation and oxidation levels. Most of this information has been transcribed into digital logs by QMiner. - Geopko diamond core was sampled under geological control, but varied between 1.5 and 3m in sample length. At Mt Chalmers most of the core was sampled using a mechanical core splitter with 50% taken for sample prep and assay. Some mineralised intervals were cut with a diamond saw with 50% of the interval sent to the MML laboratory at the Mt Morgan mine site for preparation and assay. Presumably a similar process was used for Mt Warminster. No information is available about sample prep procedures. - Geopko percussion drilling at Mt Chalmers involved dry cuttings being collected via cyclones and riffled to give a sample of about 2 kg for submission to the laboratory. The RC samples were submitted to the MML laboratory at the Mt Morgan mine site for preparation and assay. Presumably a similar process was used for Woods Shaft. No information is available about sample prep procedures used for this work. - At Mt Chalmers wet samples were collected in 2 ways. In the West Lode area samples were collected in a fine gauze catcher and mixed on a groundsheet before being coned and quartered. Sample intervals ranged from 1-2m. This sample collection method would have led to large losses of fines. In the Main Lode area wet samples were collected in half 44-gallon drums and transferred to bessian bags. When dry they were riffle split. This was a better method, but fines would still have been lost when water flows were high and the collecting drum

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	- The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. - For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. - Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	overflowed. Presumably a similar process was used for Mt Warminster although there is no mention of wet samples in any reports. - For the Mt Chalmers drilling a barren quartz flush was used after each set of sulphide-rich samples at an unknown insertion ratio. Presumably a similar process was used for Mt Warminster. - There is no documentation for the EZ drilling. - With no detail of any of the sampling procedure it is uncertain if the sample sizes are appropriate. However, the drillhole sampling methods indicate that sample sizes are likely to be appropriate - Geosko samples were submitted to the MML laboratory at the Mt Morgan mine site for analysis. No technical details have been located regarding sample preparation procedures or assaying methods. The Mt Morgan operation has since shut down and the laboratory no longer operates. - There is no documentation for the EZ analysis or any QAQC. - There are no reports from any of the drilling campaigns of any standards being used to assess the accuracy of the analysis. - Despite the lack of documentation describing the analytical methods and the lack of QAQC it is reasonable to assume that the analysis was to an industry standard for the time and that the results would be reasonable, especially for the level of Exploration Target.
Verification of sampling and assaying	- The verification of significant intersections by either independent or alternative company personnel. - The use of twinned holes. - Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. - Discuss any adjustment to assay data.	- No drillhole intersections have been viewed by QMiner or H&SC. - QMiner has cross checked selected data, while building a new geological database, based on scanned open files held by the Queensland Dept of Mines, all drillhole collars were checked and random drill logs checked. No issues were noted.

Criteria	JORC Code explanation	Commentary
Location of data points	- Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. - Specification of the grid system used. - Quality and adequacy of topographic control.	- No twin holes have been drilled - Discussion have been held with Alex Taube who an employee of Geopko at the time of its Mt Chalmers Project drilling. - H&SC has adjusted assays for all elements that were below detection limits replacing with a half below lower detection limit value. - The collar coordinates for the Mt Warminster drilling are from a local grid generated by EZ. Geopko re-established this grid for its drilling. QMiner is currently converting these coordinates to the Mt Chalmers local grid system. - No information is available as to the accuracy of the EZ and Geopko collar surveys. - Collar elevations for the Mt Warminster holes were reported in the local grid system which has a default 2000m added to the actual elevation value. Holes missing collar elevations were assigned the value from the nearest hole with an elevation. - Topography has subsequently been acquired as gridded (5m) LIDAR data which confirms the relative accuracy of the Mt Chalmers local grid. Comparison of the collar elevations for Mt Warminster with the LIDAR topography is in progress but any elevation differences are anticipated as being not significant. - Percussion holes, which make up the majority of holes, were not surveyed downhole. However, it should be noted that they were relatively short vertical holes and are considered by QMiner to have had very limited deviation. - The QMiner assumption that all holes were straight, will no doubt result in some minor errors in the 3D location of samples.

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	- Data spacing for reporting of Exploration Results. - Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. - Whether sample compositing has been applied.	- The Geopeko drilling was on a nominal pattern of 50m x 100m with some between section infill drilling at 50m - Downhole sampling ranged between 1.5 and 3m. - The data point spacing is appropriate for the generation of an Exploration Target. - There is no documentation on any sample compositing although presumably the 3m sampling intervals would suggest some form of sample compositing for the drilling.
Orientation of data in relation to geological structure	- Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. - If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	- The deposit dips gently to the east with the vertical holes giving a good intersection angle with the mineralisation. - There is no obvious sampling bias with the drilling orientation.
Sample security	The measures taken to ensure sample security.	There is no documentation describing the process of securing samples at site and their transportation to the laboratory.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	- There are no audits for the Mt Warminster drilling. - McDonald Spijkers essentially completed an audit of the Mt Chalmers sampling techniques with its 2005 Mineral Resources. The audit concluded that "After extensive validation and editing MS are satisfied that the drill hole database files used for resource estimation are reasonably complete and free of serious errors, within the practical limitations imposed by the age of some of the data". The Mt Chalmers drilling was completed by Geopeko at the same time as the Mt Warminster drilling.

14.2 Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	- Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. - The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	- QMiner Pty Ltd has a 100% owned subsidiary, Dynasty Gold Pty Ltd which has a 100% beneficial interest in the Mt Chalmers Project which includes Mt Warminster. The Mt Chalmers Project is held in EPM 25935 and EPM27428 located 25 kilometres east of the City of Rockhampton in coastal central Queensland, Australia. The project covers an area of historic gold and copper mining, which comprises 198 km². - The Project is free and unencumbered by either joint ventures or any other equity participation of the tenement. - QMiner has yet to negotiate any landowner provisions or Government royalties or yet to commence environmental studies within the project area. Currently the Queensland Department of Natural Resources & Mines is conducting remediation works on minor acid mine waste draining from a mineralised mullock dump. - All the tenements are for "all minerals" excepting coal. - Note that the granted tenements allow QMiner to carry out many of their planned drilling programs under relevant access procedures applying to each tenement. - All the EPMs are subject to the Native Title Protection Conditions with respect to Native Title. - Declared Irrigation Areas, Declared Catchment Areas, Declared Drainage Areas, Fossicking areas and State Forest, are all land classifications that restrict exploration activity. These are not affecting QMiner's main prospects but may have impact on regional programs in places. - All annual rents and expenditure conditions have been paid and fully compliant.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Geoparco are generally recognised as a competent company using appropriate techniques for the time. Written logs and hardcopy sections

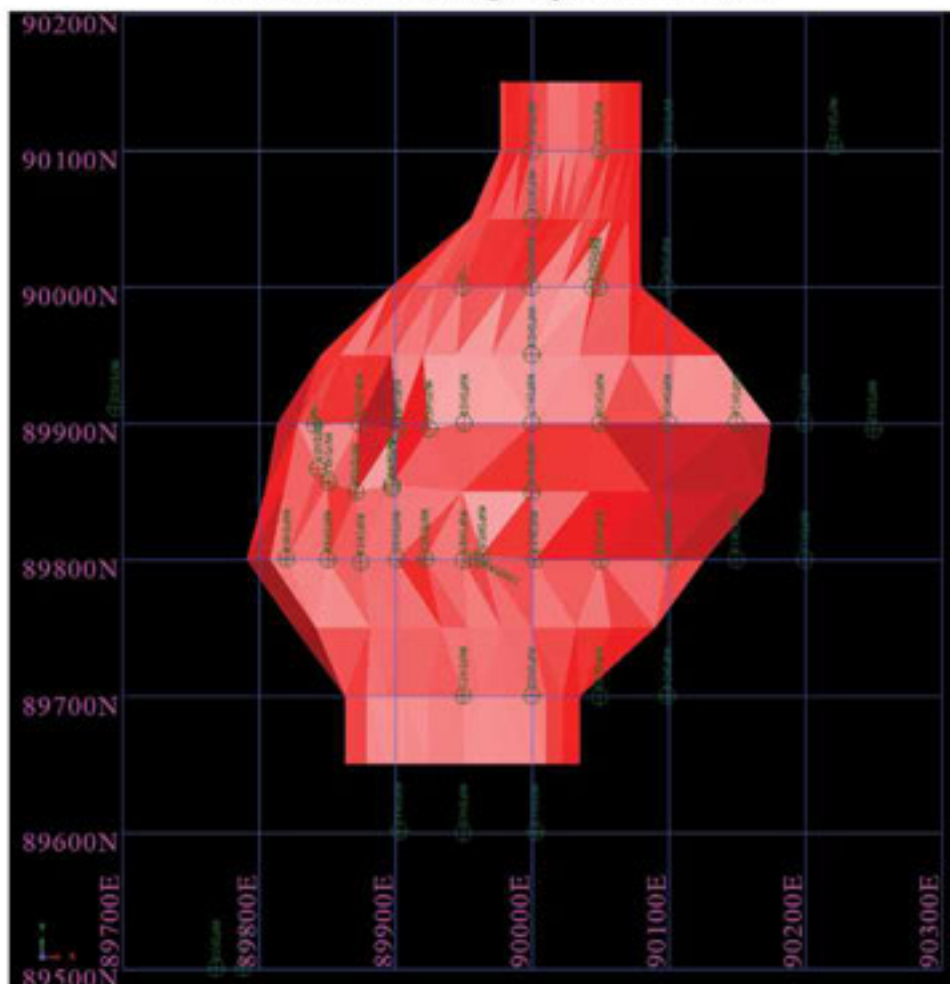
Criteria	JORC Code explanation	Commentary
Geology	• <i>Deposit type, geological setting and style of mineralisation.</i>	are considered good. • EZ are generally recognised as a competent company using appropriate techniques for the time. • The deposit type is a volcanogenic-hosted massive sulphide ("VHMS"). Volcanic complexes of this type are very diverse and rock types and mineralisation change rapidly along strike and across the stratigraphy. In presently mined VHMS terranes it is common to find between 5 and 40 lensoidal deposits scattered across different parts of the geological section within the volcanic pile. VHMS deposits may form in several different positions within the volcanic pile; all that is required is fumarole development in a period of quiescence after a large volume of tuffs and lavas have been erupted, e.g. during a hiatus in volcanic activity and sea-floor sedimentation. • Researchers have shown that the Mt Chalmers mineralisation is a well-preserved, volcanic-hosted massive-sulphide ("VHMS – Kuroko style") mineralised system containing zinc, copper, lead, gold and silver. Mineral deposits of this type are syngenetic and formed contemporaneously on, or in close proximity to, the sea floor during the deposition of the host-rock units deposited from hydrothermal fumaroles, direct chemical sediments or replacements (massive sulphides), together with disseminated and stringer zones within these host rocks. • The Mt Chalmers mineralisation, including Mt Warminster, is situated in the early Permian Berserker Beds, which occur in the fault-bounded Berserker Graben, a structure 120km long and up to 15km wide. The graben is juxtaposed along its eastern margin with the Turgamull Fault and in the west, with the Parkhurst Fault. • The Berserker Beds lithology consists mainly of acid to intermediate volcanics, tuffaceous sandstone and mudstone, (Kirkegaard and Murray 1970). The strata are generally flat lying, but locally folded. Most common are rhyolitic and andesitic lavas, agnimbrites or ash flow

Criteria	JORC Code explanation	Commentary
Drill Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information	tuffs with numerous breccia zones. Rocks of the Berserker Beds are weakly metamorphosed and, for the most part, have not been subjected to major tectonic disturbance, except for normal faults that are interpreted to have developed during and after basin formation. • Late Permian to early Triassic gabbroic and dioritic intrusions occur parallel to the Parkhurst Fault. Smaller dolerite sills and dykes are common throughout the region and the Berserker Beds. • The oldest rocks in the area, the 'footwall sequence' of pyritic tuffs, are seen only in the Mt Chalmers open pit and in drill holes away from the mine. The rock is usually a light coloured eutaxitic tuff with coarse fragments, mainly of chert, porphyritic volcanics and chloritic flame. The alteration (silicification, sericitisation and pyritisation) of this basal unit becomes more intense close to mineralisation. • The 'mineralised sequence' overlying the 'footwall sequence' consists mainly of tuffs, siltstones and shales and contains stratiform massive sulphide mineralisation and associated exhalites: thin barite beds, chert and occasionally jasper, hematitic shale and thin layers of bedded disseminated sulphides. Dolomite has been recorded in the mineralised sequence close to massive sulphides. This sequence represents a hiatus in volcanic activity and a period of water-lain deposition. • The 'hanging wall sequence' is a complex bedded series of unaltered crystal and lithic rhyolitic tuffs and sediments with breccia zones and occasional chert and jasper. • A mainly conformable body of andesite, ranging from 10m to 250m thick, intrudes the sequence; it usually occurs just above the 'mineralised sequence'. A quartz-feldspar porphyry body intrudes the volcanic sequence and in places intrudes the andesite. • The rocks at Mt Warminster appear to be an along strike representation of the Mt Chalmers host rocks. • Exploration Results comprise mineral intervals from within a geologically interpreted wireframe for mineralisation.

Criteria	JORC Code explanation	Commentary
	for all Material drill holes: ◦ easting and northing of the drill hole collar ◦ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ◦ dip and azimuth of the hole ◦ down hole length and interception depth ◦ hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• The intervals comprise downhole lengths
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregations should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• Simple weighted averages for downhole thickness are used to report the mineral intersections. • A geologically interpreted mineral wireframe was used to select the overall mineralised interval. This mineral zone was defined using the drill logs, and the assays in particular sulphur assays to delineate pyritic zones.
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	• The drilling has generally intersected the mineralisation at high angles. • Downhole lengths are reported
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• See figure below

Criteria	JORC Code explanation	Commentary
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	Comprehensive reporting of exploration results is possible
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	- Geopko completed some brownfields exploration to assist with defining the resource including Induced Polarisation and soil sampling surveys. - No other exploration data is considered meaningful at this stage.
Further work	- The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). - Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Infill and resource expansion drilling is planned to upgrade and potentially expand the Exploration Target.

Plan View of Drillhole Spacing for Mt Warminster



Drill Collar Details for Mt Warminster

Hole_id	Local_N	Local E	Local_RL	Hole_type	Local_azim	Dip	Max_depth	Year
MWPDH01	89851	89857	2122	PDH/DDH	0	-90	230	1974
MWPDH02	89695	89911	2094	PDH	0	-90	132	1974
MWPDH03	90221	90103	2097	PDH	0	-90	76.5	1974
MWPDH04	89850.4	89800.1	2124.3	PDH	0	-90	12.19	1977
MWPDH05	89900.8	89800	2116.3	PDH	0	-90	12.19	1977
MWPDH06	89949.5	89799.7	2102.2	PDH	0	-90	30.5	1977
MWPDH07	90001.5	89799.8	2095.8	PDH	0	-90	51.8	1977
MWPDH08	90050	89799.7	2092	PDH	0	-90	67.1	1977
MWPDH09	90100	89800	2090.3	PDH	0	-90	79.2	1977
MWPDH10	90149.1	89799.9	2086.4	PDH	0	-90	67.1	1977
MWPDH11	90200	89800	2084.2	PDH/DDH	0	-90	127.41	1977

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MWPDH12	90249.8	89895.6	2082.8	PDH	0	-90	61	1977
MWPDH13	90200	89900	2086.4	PDH	0	-90	79.2	1977
MWPDH14	90149.4	89900	2086.9	PDH	0	-90	79.2	1977
MWPDH15	90099.5	89900	2089.5	PDH	0	-90	79.2	1977
MWPDH16	90049.7	89900	2095	PDH	0	-90	54.9	1977
MWPDH17	89999.6	89900	2103.2	PDH	0	-90	36.6	1977
MWPDH18	89999.6	89850	2099.6	PDH	0	-90	35.05	1977
MWPDH19	89950.1	89900.1	2111.4	PDH	0	-90	35.1	1977
MWPDH20	89999.9	89950	2098.9	PDH	0	-90	33.5	1977
MWPDH21	89949.6	89700.1	2095.2	PDH	0	-90	21.3	1977
MWPDH22	90000	89699.8	2094.4	PDH	0	-90	36.57	1977
MWPDH23	90049.3	89699.7	2095.9	PDH	0	-90	54.86	1977
MWPDH24	90099.4	89699.8	2091.8	PDH	0	-90	79.24	1977
MWPDH25	89948.7	90000	2110.26	PDH	0	-90	30.48	1977
MWPDH26	89999.1	90000	2102.32	PDH	0	-90	24.38	1977
MWPDH27	90048.5	90000	2097.78	PDH	0	-90	48.76	1977
MWPDH28	90098.4	90000.1	2095.35	PDH	0	-90	79.24	1977
MWPDH29	90044.2	90000	2097.3	PDH	0	-90	64	1977
MWPDH30	90000	90050	2107.96	PDH	0	-90	15.24	1977
MWPDH31	90000	90100	2106.5	PDH	0	-90	15.24	1977
MWPDH32	90049.2	90100.1	2114.2	PDH	0	-90	51.81	1977
MWPDH33	90099.9	90101.8	2110.4	PDH	0	-90	79.24	1977
MWPDH34	89788.5	89500	2114.6	PDH	0	-90	15.24	1977
MWPDH35	89768.6	89499.9	2114.3	PDH	0	-90	21.33	1977
MWPDH36	89900.7	89300	2108.1	PDH	0	-90	15.24	1977
MWPDH37	89949.8	89299.9	2113.4	PDH	0	-90	54.86	1977
MWPDH38	89999.9	89300.1	2121.1	PDH	0	-90	73.15	1977
MWPDH39	89950.7	89200	2105.2	PDH	0	-90	18.28	1977
MWPDH40	90000.2	89200	2113.4	PDH	0	-90	67.05	1977
MWPDH41	89902.2	89600.5	2110.1	PDH	0	-90	36.57	1977
MWPDH42	89949.7	89599.7	2105.9	PDH	0	-90	45.72	1977
MWPDH43	90002.3	89600	2105.4	PDH	0	-90	61	1977
MWPDH44	89800.1	88500.2	2100.5	PDH	0	-90	18.28	1977
MWPDH45	89850.4	88499.3	2108	PDH	0	-90	64	1977
MWPDH46	89901.7	89896.3	2120.3	PDH/DDH	0	-90	316.3	1981
MWPDH47	89897.4	89852.1	2118.3	PDH	0	-90	9	1981
MWPDH48	89897.2	89855.2	2119.1	PDH	0	-90	9	1981
MWPDH49	89820.4	89801	2123.3	PDH	0	-90	33	1981
MWPDH50	89874.4	89797.8	2120.7	PDH	0	-90	30	1981
MWPDH51	89921.8	89800.7	2110.9	PDH	0	-90	30	1981
MWPDH52	89963.3	89803.6	2099.1	PDH	0	-90	12	1981
MWPDH53	89924.6	89896	2115.2	PDH	0	-90	24	1981
MWPDH54	89901.6	89896.3	2120	PDH	0	-90	36	1981
MWPDH55	89873.1	89900.2	2122	PDH	0	-90	39	1981
MWPDH56	89840.5	89898.7	2120.8	PDH	0	-90	36	1981
MWPDH57	89843.3	89866.8	2121.7	PDH	0	-90	18	1981
MWPDH58	89871	89849.6	2122.4	PDH	0	-90	30	1981

Downhole Mineral Intercepts for Mt Warminster

Hole	Interval (m)	Zn %	Cu %	Pb %	Ag ppm	From (m)	Northing
MWPDH22	21.33	0.54	0.04	0.15	21.5	15.24	89700
MWPDH21	18.26	0.70	0.05	0.02	1.4	3.04	89700
MWPDH50	18	0.58	0.07	0.19	2.5	6	89798
MWPDH06	24.39	0.51	0.05	0.23	2.6	3.04	89800
MWPDH08	6.09	0.77	0.10	0.10	2.0	45.72	89800
MWPDH07	14.24	0.25	0.03	0.04	1.9	19.81	89800
MWPDH05	6.1	0.26	0.08	0.24	1.3	6.09	89800
MWPDH09	6.09	0.50	0.05	0.15	3.1	65.53	89800
MWPDH04	6.1	0.15	0.12	0.95	4.8	6.09	89800
MWPDH51	30	0.44	0.09	0.17	30.0	0	89801
MWPDH49	21	0.37	0.33	0.33	11.3	0	89801
MWPDH52	12	0.33	0.07	0.18	7.0	0	89804
MWPDH58	27	0.52	0.52	0.18	11.0	0	89850
MWPDH18	10.67	0.16	0.03	0.12	2.5	18.28	89850
MWPDH47	6.47	0.04	0.03	0.16	13.0	2.53	89852
MWPDH48	6	0.06	0.10	0.79	10.0	3	89855
MWPDH01	21.13	0.16	0.14	0.59		0	89857
MWPDH57	18	0.10	0.07	0.17	13.8	0	89867
MWPDH53	24	0.18	0.06	0.24	19.1	0	89896
MWPDH46	26.52	0.45	0.17	0.46	7.0	9.28	89896
MWPDH54	26.53	1.15	0.08	0.22	3.8	9	89896
MWPDH56	33	0.96	0.02	0.02	2.1	3	89899
MWPDH14	6.1	0.10	0.00	0.00	0.0	6.09	89900
MWPDH15	45.72	0.32	0.00	0.00	0.4	3.04	89900
MWPDH16	39.62	0.11	0.00	0.01	0.3	12.19	89900
MWPDH17	30.51	0.24	0.34	0.11	6.6	6.09	89900
MWPDH19	30.48	0.52	0.08	0.73	4.8	3.04	89900
MWPDH55	18	0.35	0.15	0.21	4.4	21	89900
MWPDH20	27.41	0.32	0.11	0.23	5.4	6.09	89950
MWPDH25	15.24	0.86	0.01	0.01	0.8	3.04	90000
MWPDH26	4.57	0.51	0.01	0.01	0.9	19.81	90000
MWPDH27	24.38	0.68	0.04	0.13	3.5	24.38	90000
MWPDH29	39.69	0.68	0.04	0.16	4.9	24.31	90000
MWPDH30	6.1	0.19	0.00	0.00	0.8	9.14	90050
MWPDH31	3.05	0.18	0.00	0.01	0.4	12.19	90100
MWPDH32	12.19	0.17	0.01	0.03	0.2	39.62	90100

15 JORC Code, 2012 Edition – Table 1 Grievess Quarry Exploration Results

15.1 Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary																				
Sampling techniques	- Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. - Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. - Aspects of the determination of mineralisation that are Material to the Public Report. - In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	- The Grievess Quarry area has been drilled by the Geological Survey of Queensland ("GSQ") and sampled with diamond core holes ("DD") amounting to 17 drill holes for 1,505 metres. - Drilling details:<table><tr><th>Year</th><th>Drill Type</th><th>No of Holes</th><th>Metres</th></tr><tr><td>1971</td><td>DD</td><td>6</td><td>373.69</td></tr><tr><td>1972</td><td>DD</td><td>5</td><td>561.64</td></tr><tr><td>1975</td><td>DD</td><td>6</td><td>570.06</td></tr><tr><td></td><td>Total</td><td>17</td><td>1,505.39</td></tr></table> - Sampling consists of 1 to 3m sawn or split half core samples yielding approximately a 3-5kg sample. - Samples are then crushed and pulverized to give a 200g sample from which a sub-sample of 1-5g is taken for base metal analysis. - There is no documentation concerning the analytical method used by GSQ, but the work was completed at the Mt Morgan ("MML") minesite laboratory and presumably the analysis was to industry standard for the time. - The mineralisation is considered stratabound hosted at a contact between bioclastic limestone and tuffaceous sediments - The deposit was mined by an underground operation in the previous century or two; no details exist.	Year	Drill Type	No of Holes	Metres	1971	DD	6	373.69	1972	DD	5	561.64	1975	DD	6	570.06		Total	17	1,505.39
Year	Drill Type	No of Holes	Metres																			
1971	DD	6	373.69																			
1972	DD	5	561.64																			
1975	DD	6	570.06																			
	Total	17	1,505.39																			

Criteria	JORC Code explanation	Commentary
Drilling techniques	Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	- The DD was completed using either a E1000 or a Longyear 34 rig - The DD core sizes were BXW/L and NXW/L - The holes were angled between 45° and 60° to the west at varying bearings. - No core orientation data is available.
Drill sample recovery	- Method of recording and assessing core and chip sample recoveries and results assessed. - Measures taken to maximise sample recovery and ensure representative nature of the samples. - Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	- In cored sections the drilling recovery was reported as 97.1% - The wireline drilling technique was used which may have aided recovery - The drilling methods are considered to be of industry standard at the time of drilling and would normally have been expected to give reliable results suitable for an Exploration Target. - With a lack of detailed recovery data it is not possible to establish if there is a relationship between sample recovery and metal grade.
Logging	- Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. - Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. - The total length and percentage of the relevant intersections logged.	- All drilling was competently logged with the production of hardcopy logs and cross sections. All hardcopies had appropriate levels of information for a geological interpretation to be completed. - Logging consisted of a series of descriptive terms which were converted to rudimentary logging codes by QMines that were generally qualitative or semi-quantitative. - Geological information consisted of lithology descriptions, alteration, mineralisation and oxidation levels. Most of this information has been transcribed into digital logs by QMines.
Sub-sampling techniques and sample preparation	- If core, whether cut or sawn and whether quarter, half or all core taken. - If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. - For all sample types, the nature, quality and appropriateness of the sample preparation technique.	- Diamond core was sampled under geological control, but varied between 1 and 3m in sample length. - No details of sampling methods have been supplied - No details of the sample preparation have been supplied - No details of quality control procedures have been supplied

Criteria	JORC Code explanation	Commentary
	- Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. - Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. - Whether sample sizes are appropriate to the grain size of the material being sampled.	With no detail of any of the sampling procedure it is uncertain if the sample sizes are appropriate. However, the drillcore sampling method and the core size indicate that sample sizes are likely to be appropriate.
Quality of assay data and laboratory tests	- The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. - For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. - Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	- No details are provided for the assaying method, but it likely the CSQ, as a reputable organisation, would use an appropriately laboratory for the analysis. - There are no reports of any standards being used to assess the accuracy of the analysis. - Despite the lack of documentation describing the analytical methods and the lack of QAQC it is reasonable to assume that the analysis was to an industry standard for the time and that the results would be reasonable, especially for the level of Exploration Target.
Verification of sampling and assaying	- The verification of significant intersections by either independent or alternative company personnel. - The use of twinned holes. - Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. - Discuss any adjustment to assay data.	- No drillhole intersections have been viewed by QMiners or H&SC. - No twinned holes were completed. - No twin holes have been drilled - No detail has been supplied on documentation of primary data; it is from a pre-digital era. All documentation is hardcopy as an official CSQ publication. - H&SC has adjusted assays for all elements that were below detection limits with a half-below lower detection limit value.
Location of data points	- Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. - Specification of the grid system used. - Quality and adequacy of topographic control.	- There is no detail on the collar location methods or any measure on accuracy - A local grid system typical of the age was originally used. This has been converted to a more manageable local grid system by QMiners. - No topographic control was available; all geological interpretation

Criteria	JORC Code explanation	Commentary
		has been completed relative to the hole collars.
		No DD downhole surveys were available for the first phase of the drilling; the second phase had single shot surveys for azimuth and dip at every 30m. The Tropari survey method was used.
Data spacing and distribution	- Data spacing for reporting of Exploration Results. - Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. - Whether sample compositing has been applied.	- Drill spacing is sporadic, but nominally could be said to be on 100m sections. On section hole spacing is not really applicable due to only one or two holes per section. - Downhole sampling ranged between 1 and 3m intervals under geological control. - The data point spacing is appropriate for the generation of an Exploration Target. - There is no documentation on any sample compositing.
Orientation of data in relation to geological structure	- Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. - If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. - The measures taken to ensure sample security.	- The deposit has a sub-vertical dip near surface before flattening out to a more moderate easterly dip at depth i.e. down dip. - The drilling is at a high angle to the dip of the beds. - There is no obvious sampling bias with the drilling orientation.
Sample security		There is no documentation describing the process of securing samples at site and their transportation to the laboratory.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	There are no audits for the Grievies Quarry drilling.

15.2 Section 2 Reporting of Exploration Results

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

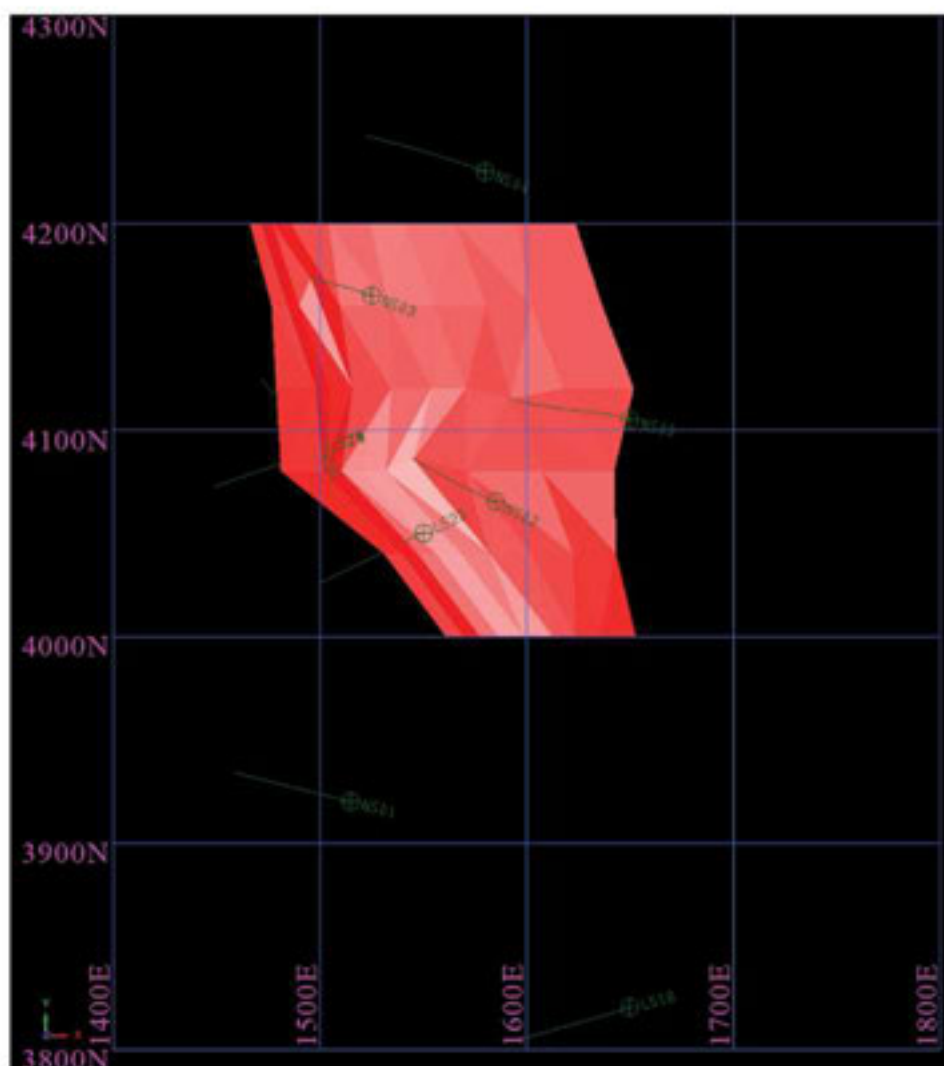
Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	- Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. - The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	- The Silverwood Project is located 15 km south of the regional centre of Warwick and 24 km north-east of Stanthorpe. The EPM 27281 consists of 28 sub blocks, about 84 km² and EPM 27724 consisting of an additional 50 sub-blocks (150km²). - The Project is free and unencumbered by either joint ventures or any other equity participation of the tenement. - QMiner has yet to negotiate any landowner provisions or Government royalties or yet to commence environmental studies within the project area. Currently the Queensland Department of Natural Resources & Mines is conducting remediation works on minor acid mine waste draining from a mineralised mullock dump. - All the tenements are for "all minerals" excepting coal. - Note that the granted tenements allow QMiner to carry out many of their planned drilling programs under relevant access procedures applying to each tenement. - All the EPMs are subject to the Native Title Protection Conditions with respect to Native Title. - Declared Irrigation Areas, Declared Catchment Areas, Declared Drainage Areas, Fossicking areas and State Forest, are all land classifications that restrict exploration activity. These are not affecting QMiner's main prospects but may have impact on regional programs in places. - All annual rents and expenditure conditions have been paid and fully compliant
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	- Quality fieldwork including diamond drilling was completed by the CSQ in the early 1970s. - Amoco Minerals Australia Pty Limited (1974) and Penzold of Australia Ltd, (1978) were the earliest to explore for massive base-metal sulphides.

Criteria	JORC Code explanation	Commentary
Geology	• Deposit type, geological setting and style of mineralisation.	Programs included geological mapping, airborne electromagnetic surveys, ground induced polarization, magnetic and geochemical sampling surveys, but no drilling. • In the 1980s, Ashton Mining Limited (1980-1982), CRA Exploration Pty Limited (1986-1987), Australian Gold Resources Ltd (1988) and Stevenson Enterprises Pty Ltd (1989) examined the area with a gold-in-massive sulphide target in mind; there was limited field work and no drilling. • The Shurian to Early Devonian Silverwood Group comprising the basal Rialdon Stud Formation, the Connolly Volcanics and the Rosenthal Creek Formation host base metal mineralisation. • Unconformably overlying the Silverwood Group are the Early Permian Rhyolite Range Beds and the Early Jurassic Marburg Formation. Intruding the sequence to the west is the Herries Adamellite and to the southeast the Stanthorpe Adamellite both of Early Triassic age. Dykes of andesitic, dacitic and rhyolitic composition intrude the sequence, which has undergone low grade metamorphism with little deformation. • The Connolly Volcanics is a succession of andesitic and dacitic flows and tuffs, sediments and biohermal limestone. Detritus in the sediments consists of reworked volcanics and sediments, limestone of Ordovician and Devonian age and granite. Sediments including limestone, and volcanics of the Rosenthal Creek Formation conformably overlie the Connolly Volcanics. The succession is typical of an island arc environment with waning volcanism. • At Grievess Quarry, base metal semi-massive sulphide mineralisation has been located in three zones over a length of 150m and to a depth of at least 130m. The stratabound mineralisation is hosted in both a lens of bioclastic reef limestone and in more widely distributed tuffaceous sediments. There is some suggestion of a transgressive nature to the mineralisation at the limestone/tuffaceous sediment contact. The

Criteria	JORC Code explanation	Commentary
Drill hole information	- A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: - eastings and northings of the drill hole collar - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - down hole length and interception depth - hole length. - If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	exposed host units have a relatively steep dip to the east before shallowing to a 20-30° dip east some 50 to 80m below surface. - In massive sulphide zones associated with the upper parts of the limestone lens, sphalerite, chalcopyrite and galena are subordinate to pyrite and pyrrhotite in a matrix of calcite and chlorite. - Stockworks which form the lateral parts of the massive sulphide zones contain sphalerite, chalcopyrite and galena with minor iron sulphides with chlorite and calcite as gangue. Similar stockworks with only minor galena overlie the massive sulphide mineralisation but are separated from it by a barren tuffaceous horizon. Chalcopyrite is usually present as discrete grains associated with pyrrhotite. - Exploration Results comprise mineral intervals from within a geologically interpreted wireframe for mineralisation. - The intervals comprise downhole lengths
Data aggregation methods	- In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. - Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	- Simple length weighted averages from individual samples for the downhole thicknesses are used to report the mineral intersections. - A geologically interpreted mineral wireframe was used to select the overall mineralised interval. This mineral zone was defined using the drill logs, and the assays in particular sulphur assays to delineate pyritic zones.

Criteria	JORC Code explanation	Commentary
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	
Relationship between mineralisation and widths and intercept lengths	- These relationships are particularly important in the reporting of Exploration Results. - If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. - If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	- The drilling has generally intersected the mineralisation at high angles in the main body of mineralisation. - Peripheral holes have tended to intersect mineralisation, mainly the east dipping east limb at a shallower angle but generally >45°. - Downhole lengths are reported
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	See figure below
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	Comprehensive reporting of exploration results is possible
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density; groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	No other exploration data is considered meaningful at this stage.
Further work	- The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). - Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Infill and resource expansion drilling is planned to upgrade and potentially expand the Exploration Target.

Plan View of Drillhole Spacing for Grieves Quarry



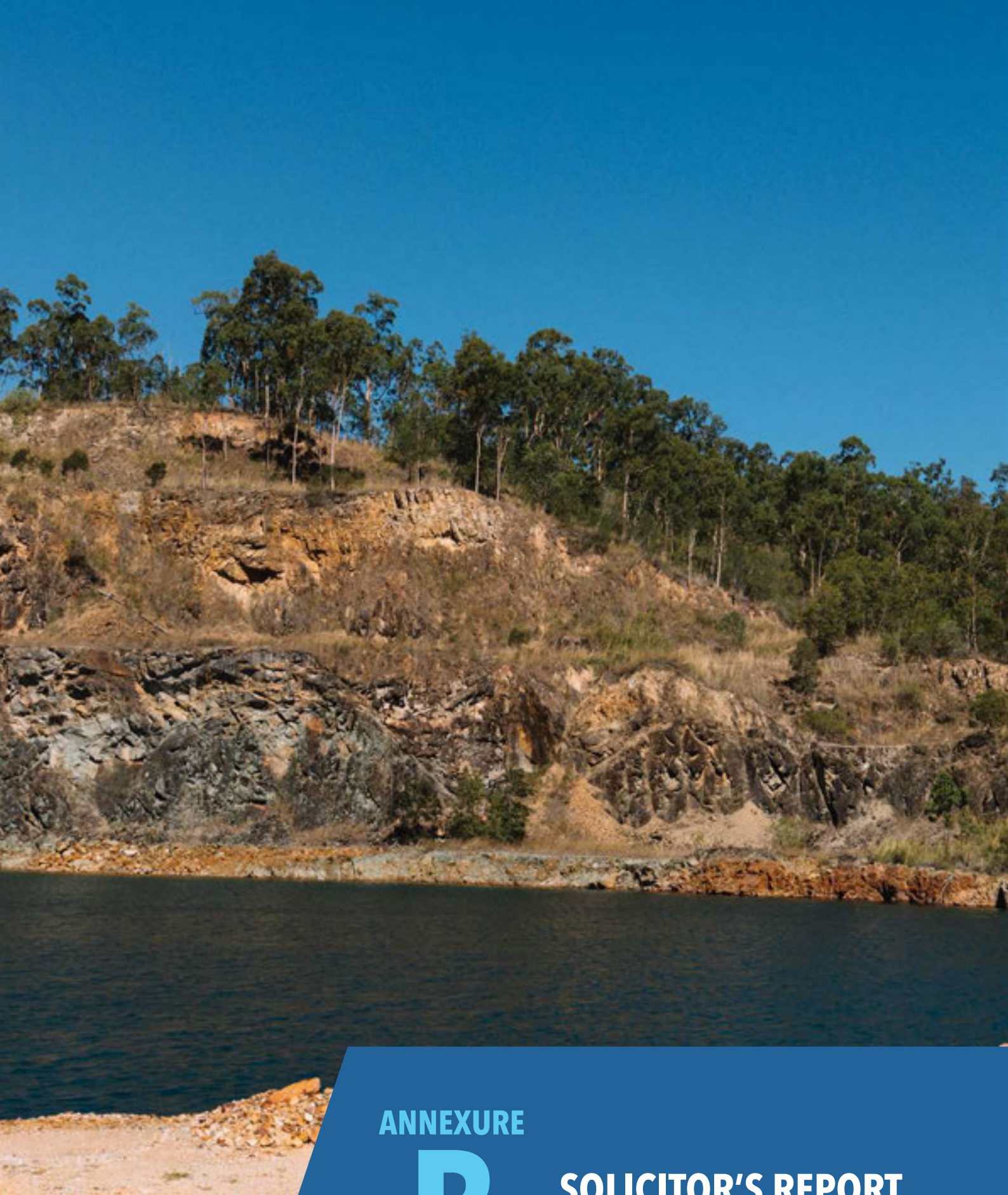
Drill Collar Details for Greives Quarry

Hole_id	Local_E	Local_N	Local_RL	Hole_type	Local_azim	Dip	Max_depth	Year
LS18	1650	3820	531	DDH	254	-45	76.02	1971
LS19	1500	4090	533	DDH	251	45	75.95	1971
LS20	1500	4090	533	DDH	251	-60	24.92	1971
LS21	1500	4090	533	DDH	251	-65	62.5	1971
LS22	1495	4095	533	DDH	322	-50	56.61	1971
LS23	1550	4050	528	DDH	244	-45	77.69	1971
NS01	1515	3920	523	DDH	284	-45	81.5	1972
NS02	1585	4065	522	DDH	295	-45	137.64	1972
NS03	1525	4165	520	DDH	290	-50	91.44	1972
NS04	1580	4225	518	DDH	290	-45	81.46	1972
NS05	1650	4105	520	DDH	285	-50	169.6	1972
NS06	1130	6115	596.8	DDH	43	-45	100.18	1975
NS07	1330	5970	587.88	DDH	90	-45	147.8	1975
NS08	1570	5105	548.34	DDH	270	-45	100	1975
NS09	1515	4520	535.73	DDH	270	-45	100	1975
NS10	1500	2850	555.25	DDH	315	-45	60.38	1975
NS11	1555	2950	553.1	DDH	320	-45	61.7	1975

Downhole Mineral Intercepts for Greives Quarry

Hole	Interval	From	Zn %	Cu %	Ag ppm	Pb %
LS19	27.61	0	2.5	0.4	16.5	0.4
<i>including</i>	6.8	22.6	3.9	0.5	29.1	0.7
LS21	49.17	0	2.4	0.3	13.4	0.3
<i>including</i>	15.2	21.2	5.0	0.2	25.8	0.5
LS22	35.58	0	4.7	0.5	47.7	1.4
<i>including</i>	10.8	21.2	9.0	0.8	104.7	3.1
LS23	13.95	15.84	1.0	0.2	5.7	0.1
NS02	27.18	62.1	5.8	0.7	19.2	0.4
<i>including</i>	12.3	71.6	8.9	1.2	43.8	0.1
NS03	11.81	47.8	0.8	0.1	16.7	0.5
NS05	16.35	92.46	1.0	0.1	4.8	0.0

(note: Hole LS20 was abandoned at 29m)



ANNEXURE

B

**SOLICITOR'S REPORT
ON TENEMENTS**

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26 February 2021

Your Ref:
Our Ref: MRH:CMM:5271-02
Contact: Matt Hawfin
Partner
mhawfin@steinpag.com.au

The Directors
QMiner Limited
Suite J, 34 Suakin Drive
MOSMAN NSW 2088

Dear Directors,

SOLICITORS TENEMENT REPORT

This report has been prepared for inclusion in a prospectus issued by QMiner Limited (ACN 643 212 104) (**Company**) to be lodged with the Australian Securities and Investments Commission on or around 16 March 2021 for the issue of a minimum of 33,333,334 fully paid ordinary shares (**Shares**) in the capital of the Company at an issue price of \$0.30 per Share to raise a minimum of \$10,000,000 with oversubscriptions of up to a further 33,333,332 Shares at an issue price of \$0.30 per Share to raise up to an additional \$10,000,000 (**Prospectus**).

1. SCOPE

We have been requested to report on mining tenements in which the Company has an interest (**Tenements**).

The Tenements are located in Queensland, Australia, further details of which are set out in the attached schedule which forms part of this report (**Schedule**).

2. SEARCHES

For the purposes of this report, we have obtained searches and made enquiries in respect of all of the Tenements as follows:

- (a) public resource authority reports from searches of the Queensland Department of Natural Resources, Mines and Energy (the **Department**). These searches were conducted between 11 September 2020 and 15 February 2021. Key details on the status of the Tenements are set out in the Schedule;
- (b) information from GeoResGlobe (**Mines Mapping**) obtained on 11 September 2020 and 25 January 2021;

- (c) tenement searches obtained from the Department of Aboriginal and Torres Strait Islander Partnerships (**DATSIP**) on 11 September 2020 and 11 November 2020;
- (d) extracts of registered Native Title claims and Native Title determinations that apply to all of the Tenements, as determined by the National Native Title Tribunal (**NNTT**). This material was obtained on 11 September 2020, 8 October 2020 and 11 November 2020. Details of Native Title claims and determinations are set out in section 7 of this report and the Schedule;
- (e) searches of the Department of the Environment and Science (**DES**) protected matters search tool obtained on 8 October 2020 and 15 February 2021;
- (f) environmental authority information obtained from the register maintained by the DES on 8 October 2020 and 25 January 2021; and
- (g) searches of the public DES suitable operator register obtained on 8 October 2020 and 15 February 2021.

We have not been provided with any current Aboriginal cultural heritage agreements, land access agreements, environmental reports, impact assessments, ecology reports, overlapping tenement documentation, or any other agreements in relation to the Tenements.

3. SCOPE OF REPORT

This report relates only to matters raised in the materials identified in section 2, and is divided into the following sections:

- (a) general tenement information;
- (b) overlapping tenements;
- (c) Native Title;
- (d) Aboriginal cultural heritage;
- (e) environmental issues under the *Environmental Protection Act 1994* (Qld) (**EP Act**);
- (f) matters of national environmental significance under the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) (**EPBC Act**);
- (g) land access; and
- (h) the *Regional Planning Interests Act 2014* (Qld) (**RPI Act**).

4. OPINION

As a result of our searches and enquiries, but subject to the assumptions and qualifications set out in this report, we are of the view that, as at the date of the relevant searches:

- (a) **(Company's interest)**: this report provides an accurate statement as to the Company's interest in the Tenements; and

- (b) **(Third party interests)**: this report provides an accurate statement as to third party interests, including encumbrances, in relation to the Tenements.

5. TENEMENTS

5.1 Legislative regime

The *Mineral Resources Act 1989* (Qld) (**MR Act**) establishes a tenure regime that governs the exploration for and production of minerals in Queensland.

5.2 Public resource authority reports

The results of the public resource authority reports of the Department are summarised in the Schedule to this report.

5.3 Exploration Permits Minerals

(a) General

Exploration permits allow a holder to use more advanced exploration methods to determine the quantity and quality of minerals present. Different exploration permits are required for minerals (**EPM**) or for coal.

An exploration permit allows a holder to prospect, conduct geophysical surveys, drilling, and sampling and testing of materials.

(b) Title

The public resource authority reports confirm that the Company directly or indirectly holds a 100% beneficial interest in the EPMs and EPM applications as set out in the Schedule.

It is noted that:

- (i) 4 EPMs are held by Traprock Resources Pty Ltd (ACN 164 765 842), a wholly owned subsidiary of the Company;
- (ii) 2 EPMs are held by Dynasty Gold Pty Ltd (ACN 604 136 558), a wholly owned subsidiary of Traprock Resources Pty Ltd;
- (iii) 1 EPM and 1 EPM application are held by Rocky Copper Pty Ltd (ACN 636 974 859), a wholly owned subsidiary of the Company; and
- (iv) 2 EPMs and 1 EPM application are held by the Company.

(c) Term

An EPM can be granted for a period not exceeding 5 years and can be subsequently renewed at the end of the term. The holder of an EPM must apply for renewal not more than 6 months and not less than 3 months prior to the expiration of the current term unless otherwise permitted by the minister overseeing the MR Act (**Minister**). Any renewal application lodged late (i.e. within the 3-month window before the expiry date) must be accompanied by justification for the late lodgement. The Department may not accept the late lodgement in which case the tenement will expire on the expiry date. All efforts should be made to avoid late renewal lodgements.

Details of the current term and expiry of each EPM, or the term being sought for each EPM application are set out in column 4 of the table in the Schedule.

(d) Rent

The holder of an EPM is required to pay annual rent on the tenement.

The amount of rent payable for each year is calculated by multiplying the number of sub-blocks within the EPM by the amount prescribed under regulation for the year. The rent payable for each sub-block is currently \$164.90.

We have not undertaken any independent investigations with the Department beyond the publicly available reports to verify that the rental payments for the Tenements are paid and up to date.

Details of the rent payable on each EPM is set out in column 5 of the table in the Schedule.

(e) Security

Under the MR Act, before an EPM is granted, the Minister determines the amount of security payable. The Minister takes into consideration the program of work, or activities proposed when determining the amount of security. An EPM must not be granted or renewed, and a condition of an EPM must not be varied, until the applicant for the grant deposits the security as so determined.

We have not undertaken any independent investigations with the Department beyond the publicly available reports to verify the security held over the Tenements.

(f) Work program and expenditure

It is a condition of an EPM that its holder must carry out the program of works and studies for the purposes for which the EPM was granted. The Minister may include as a condition of grant that the holder comply with minimum expenditure requirements during the term of the EPM.

Details of the work programs and expenditure for each EPM is set out in column 5 of the table in the Schedule.

(g) Relinquishment

Under the MR Act (as amended by the *Natural Resources and Other Legislation Amendment Act 2019 (NROLA Act)* on 15 May 2020), it is a condition that each holder relinquishes a portion of an EPM area either during the term or before renewal. Pursuant to Section 139 of the MR Act, it is a condition that each permit holder must reduce a permit area by 50% by the day that is 5 years after the grant of the permit, and reduce the area remaining by a further 50% by the day that is 10 years after the grant of the permit.

The tenement holder may apply to the Department to vary the standard reduction conditions should it be necessary. Any such application must be made in accordance with the Department's operational policy "Application to vary conditions of an exploration permit" and must demonstrate the exceptional circumstances relating to the variation request.

The relinquishment schedule for each EPM, as stated in the public resource authority report, outlines when the reduction is due to occur.

The approval of the project status for the majority of the EPM allows the tenement holder to spread the reduction requirements for the combined project tenements across the tenement. For example, if there was a requirement to relinquish 10 sub blocks from a certain tenement on a certain date, the project approval request allows the tenement holder to drop the required sub blocks from any other tenement/s in the project grouping. This ability to distribute the reduction requirements across the project tenements also extends to the spreading of work program and expenditure requirements. This provides a significant advantage in the ability of the tenement holder to comply with the individual tenement conditions and to successfully and efficiently complete an exploration program from a true project perspective.

(h) **Dealings**

The public resource authority reports indicate that no dealings (such a transfer, application to transfer, registration of a mortgage or a caveat over an EPM) are registered over the Company's EPMs.

6. OVERLAPPING TENEMENTS

6.1 Exploration Permit Minerals

The rights and interests of EPM holders may be affected by overlapping mineral, petroleum, exploration and production tenements.

We have reviewed Mines Mapping to determine whether the mapping records any tenements held or sought by other parties that overlap the EPMs.

Details of any overlapping permit for each EPM is set out in column 8 of the table in the Schedule. We have not been provided with any correspondence or agreements relevant to the overlap of any Tenements.

7. NATIVE TITLE

The *Native Title Act 1993* (Cth) (**NT Act**) recognises the traditional rights and interests of Aboriginal and Torres Strait Islander peoples in Australia.

The NT Act provides:

- (a) for the determination of Native Title rights and interests;
- (b) for the extinguishment of Native Title by certain acts;
- (c) for the validation of certain acts which would otherwise be invalid because of their effect on Native Title;
- (d) that acts that may affect Native Title rights (such as the grant of a mining tenement) carried out after 23 December 1996 must comply with certain requirements of the NT Act to be valid (**Future Act Requirements**); and
- (e) compensation for extinguishment or impairment of Native Title rights and interests.

Native Title processes will not be required where Native Title has been 'extinguished' over the land the subject of the tenement (for example, by an earlier vesting of freehold in the land).

If Native Title has not been extinguished, the proposed grant of a tenement will trigger the need for compliance with the Future Act Requirements.

7.2 Exclusive Land and Predominantly Exclusive Land

Public searches indicate that EPM 27281, EPM 26178, EPM 27697, EPM 27428, EPM 27724 and EPM 27725 have been granted as or applied for over 'predominantly exclusive land' or 'exclusive land'. This suggests that land over which Native Title has not been extinguished is excluded from the area of the relevant tenements. In that case, the holder of those tenements does not have the right to access or conduct any activities on the areas of land that have been excluded.

The MR Act provides a process by which the holder of those tenements may apply to have those areas of excluded land included into the tenements, following the relevant Native Title process.

7.3 Native Title Protection Conditions

The NT Act establishes an 'Expedited Procedure' process for acts that may affect Native Title rights (such as the grant or renewal of a mining tenement) carried out after 23 December 1996 (a **Future Act**). A Future Act must comply with certain requirements for it to be valid under the NT Act, including that the Future Acts are:

- (a) not likely to interfere directly with the carrying on of the community or social activities of the persons who are the holders of Native Title in relation to the land or waters concerned;
- (b) not likely to interfere with areas or sites of particular significance, in accordance with their traditions, to the persons who are the holders of the Native Title in relation to the land or waters concerned; and
- (c) not likely to involve major disturbance to any land or waters concerned or create rights whose exercise is likely to involve major disturbance to any land or waters concerned.

Public searches indicate that EPM 25935, EPM 25788, EPM 25786, EPM 25785, and EPM 27726 are either granted with, or the application has been made subject to, the 'Native Title Protection Conditions' (**NTPCs**) attached as conditions of grant.

The NTPCs contain specific requirements around notification of exploration activities and timeframes for responses by the Native Title parties.

In addition to allowing grant of the tenement pursuant to the expedited procedures, the NTPCs also establish a regime for the holder of a tenement to manage its legislative Aboriginal cultural heritage obligations. This is discussed further below.

7.4 Indigenous Land Use Agreements

An Indigenous Land Use Agreement (**ILUA**) is a contractual arrangement governed by the NT Act. Under the NT Act, an ILUA must be negotiated with all registered Native Title claimants for a relevant area. The State Government and the applicant for the tenement are usually the other parties to the ILUA.

An ILUA must set out the terms on which a tenement can be granted in relation to land use for the purposes of the NT Act. An ILUA will also specify conditions on which activities may be carried out within the tenement. The applicant for a tenement is usually liable for any compensation that the parties agree to pay to the registered Native Title claimants and holders of Native Title in return for the grant of the tenement being approved. These obligations pass to a transferee of the tenement.

Once an ILUA is agreed and registered, it binds the whole Native Title claimant group and all holders of Native Title in the area (including future claimants), even though they may not be parties to it.

Public searches indicate that the land under EPM 25935 is subject to several ILUAs including:

- (a) The Ergon Energy and Darumbal People ILUA (NNT File Number: QI2016/006);
- (b) The Darumbal People, Livingstone Shire Council and Rockhampton Regional Council Local Government ILUA (NNT File Number: QI2016/024);
- (c) The Darumbal People Protected Areas ILUA (NNT File Number QI2016/036); and
- (d) The Darumbal People Tenure Resolution ILUA (NNT File Number QI2016/037).

Public searches indicate that the land under EPM 27726 is also covered by the 4 ILUAs listed above, however, the percentage overlap between the ILUAs and the land under the EPM are not the same.

Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of each ILUA has been obtained in order to confirm who the applicants are.

7.5 Right to Negotiate

The right to negotiate is a process under the NT Act that must be followed to ensure certain Future Acts are lawfully done. The right to negotiate applies to the grant of exploration and mining tenements (including oil and gas interests) and some compulsory acquisitions, unless the 'expedited procedure' or fast-tracking process applies.

If the right to negotiate applies, then the 'negotiation parties' must negotiate in good faith to get the consent of the 'Native Title party' (i.e. the registered Native Title claimant or registered Native Title body corporate) to the Future Act being done, with or without conditions applying.

The right to negotiate gives Native Title parties a chance to discuss the effect of the proposed Future Act, with the aim of reaching agreement about the act.

If the party thinks that the right to negotiate might apply to a proposed future act, it must give notice of its intention to do that act in the way required by the NT Act.

If a person or group thinks they hold Native Title on the area, relating to the Future Act but do not have a registered claim or determination, they can lodge a Native Title application with the Federal Court within 3 months from the notification day specified in the notice.

The Native Title Registrar must then endeavour to apply a registration test (a set of conditions in the Native Title Act which must be met) to that application. If the application passes the registration test, it is then placed on the Register of Native Title Claims (RNTC). The application must be on the RNTC within 4 months of the notification date for the applicants to secure the right to negotiate.

Public searches indicate that, currently, no land under any of the Tenements is covered by a right to negotiate.

7.6 Current Native Title applications

We have undertaken a search of the register maintained by NNTT in relation to the Tenements.

The results indicate that registered Native Title claims and determinations currently overlap Tenements as set out in columns 11 and 12 of the table in the Schedule.

8. ABORIGINAL CULTURAL HERITAGE

The Aboriginal Cultural Heritage Act 2003 (Qld) (ACHA) recognises, protects, and conserves Aboriginal cultural heritage. In part, it achieves this protection by providing that any person who undertakes an activity has a 'Duty of Care' to take all reasonable and practicable measures to ensure that the activity does not harm Aboriginal cultural heritage.

Under the ACHA, the 'Duty of Care' can be discharged in a number of ways, including:

- (a) at a minimum, adhering to the Duty of Care Guidelines (which form part of the ACHA);
- (b) entering into a voluntary cultural heritage management agreement with an 'Aboriginal Party' for the given area pursuant to section 23(3)(a)(iii) of the ACHA; or
- (c) entering into a cultural heritage management plan under Part 7 of the ACHA.

Penalties apply for failing to comply with the 'Duty of Care' of up to \$133,450 for an individual and \$1,334,500 for a corporation.

8.1 Aboriginal Parties

Search results obtained from DATSIP indicate that the Aboriginal Party for EPM 27726 and EPM 25935 are the Darumbal People (NNTT number: QCD2016/006).

8.2 Recorded Aboriginal cultural heritage

DATSIP maintains a register of recorded Aboriginal cultural heritage sites.

Searches obtained on 11 September 2020 and 27 January 2021 indicate that there are no specific Aboriginal cultural heritage sites recorded in the area of the Tenements, notwithstanding the matters referred to in section 8.1.

8.3 Agreements

We have not been provided with any cultural heritage agreements that apply to the Tenements.

As referred to in section 7.3, many of the Tenements are either granted with, or the application has been made subject to, the NTPCs.

The ACHA provides that acting in compliance with the NTPCs will constitute compliance with the ACHA 'Duty of Care'.

9. ENVIRONMENTAL ISSUES — STATE

9.1 Legislative regime

Applications for all mining tenements in Queensland trigger environmental approval processes administered by the DES under the EP Act.

Resource activities are classified as environmentally relevant activities (**ERA**) under the EP Act, for which an environmental authority (**EA**) must be obtained.

9.2 Environmental Approvals for the Tenements

The DES's public EA register indicated that:

- (a) EPSX03594715 applies to EPM 25935 and is held by Dynasty Gold Pty Ltd;
- (b) EPSX03867916 applies to EPM 26178 and is held by Dynasty Gold Pty Ltd;
- (c) EPSX02614414 applies to EPM 25785 and is held by Traprock Resources Pty Ltd;
- (d) EPSX02619414 applies to EPM 25786 and is held by Traprock Resources Pty Ltd;
- (e) EPSX02619614 applies to EPM 25788 and is held by Traprock Resources Pty Ltd;
- (f) EA0002004 applies to EPM 27281 and is held by Traprock Resources Pty Ltd;
- (g) EA0020655 applies to EPM 27697 and is held by Rocky Copper Pty Ltd;
- (h) EA0002583 applies to EPM 27724 and is held by QMiner Limited;
- (i) EA0002580 applies to EPM 27725 and is held by QMiner Limited; and
- (j) EA0002581 applies to EPM 27726 and is provisionally held by QMiner Limited.

Each EA is subject to the standard conditions set out in the *Code of Environmental Compliance for Exploration and Mineral Development Projects (Code)*. These conditions must be complied with in carrying out activities on the Tenements.

9.3 Compliance

Compliance issues relevant to the EAs may relate to:

- (a) transitional environmental programs;
- (b) environmental protection orders;
- (c) environmental evaluations;
- (d) environmental audits under sections 280 or 322 of the EP Act; or

- (e) environmental investigations or reports.

We have not undertaken any investigations in respect of compliance with the EAs.

9.4 Registered suitable operator

A registered suitable operator is a person or corporation who has been registered by the DES as being suitable to carry out an ERA under the EP Act.

The Company, Traprock Resources Pty Ltd, Dynasty Gold Pty Ltd, Rocky Copper Pty Ltd are each registered as suitable operators under the EP Act.

9.5 Financial assurance

The Code requires that surety for the cost of rehabilitation must be provided to the DES.

The DES provides an online calculator which can be used to determine the required amount of surety based on the maximum area of disturbance operations.

The amount surety held can be reviewed by the DES at any time, including when the EA is amended.

The amount of surety provided by Company whether in relation to the Tenements or any other tenements is not publicly available. We have not undertaken any investigations in relation to the provision of financial assurance for the Tenements.

9.6 Environmentally Sensitive Areas

Searches indicated the presence of 'environmentally sensitive areas' (ESAs) within the Tenements, as follows:

- (a) EPM 25935 and EPM 27726 have a "Category A" ESA within its boundary;
- (b) EPM 26178, EPM 25785, EPM 25786, EPM 25788, EPM 27724, EPM 27725, EPM 27726, EPM 27697 and EPM 27281 have a "Category B" ESA within its boundary; and
- (c) EPM 25935, EPM 25785, EPM 25786, EPM 27724, EPM 27725, EPM 27726, EPM 27697, EPM 27428 and EPM 25788 have a "Category C" ESA within its boundary.

The conditions of the EAs will dictate any restrictions on activities in these areas. For example, under condition 13 of the Code:

- (a) activities must not be carried out in a Category A or B ESA;
- (b) activities involving machinery must not be carried out within one kilometre of a Category A ESA or 500 metres of a Category B ESA; and
- (c) prior to carrying out activities in a Category C ESA, the holder must consult with the Environmental Protection Agency.

Unless the EAs are amended, carrying out activities in contravention of the above limitations (and all other limitations set out in the Code) is an offence under the EP Act. A penalty of \$600,525 applies under the EP Act for contravention of the conditions of an EA, increasing to \$834,062.50 or 5 years imprisonment for a wilful contravention.

9.7 Land access

Under the *Mineral and Energy Resources (Common Provisions) Act 2014* (Qld) (**MERCP Act**), in order to access private land to explore under a tenement, the holder is required to provide a notice of intention to enter the land (**Entry Notice**) and, depending on the level of impact of the exploration activity, enter into a conduct and compensation agreement (**CCA**) with each owner and occupier of the land.

The Land Access Code, made under the MERCP Act, also imposes certain mandatory conditions concerning the conduct of authorised activities under tenements on private land.

The requirement to enter into a CCA relates to any activities which are likely to have more than a minimal impact on the land or the owner or occupier's business operations. These are known as advanced activities. Most ground-disturbing works will fall into this category, including clearing access tracks or drill pads, drilling and geotechnical surveys.

If the activities will involve no or minimal impact to the land or the owner or occupier's business, the tenement holder is still required to provide an Entry Notice to the owner and occupier unless the owner and occupier have otherwise agreed to waive that requirement.

If a CCA cannot be reached with the owner and occupier, there is a statutory negotiation process set out in the MR Act with ultimate recourse to the Land Court in the event that agreement cannot be reached.

We have not been provided with any CCAs or Entry Notices that apply to the Tenements. If applicable, the holder of the Tenements will need to comply with the requirements of the Land Access Code, MR Act, and MERCP Act prior to carrying out activities on the Tenements.

9.8 Restricted Area

Restricted areas are areas of land that have varying conditions and restrictions placed over them (**Restricted Area**). The restrictions vary according to areas but relate primarily to the nature and type of mining or geothermal activity which may be undertaken in this area. The restriction itself may only apply to the exploration and mining activities of a particular mineral, or it can be a broad restriction from any activity. Some restricted areas are prescribed in the MR Act while others have come about from the need to offer protection of the community (such as land restricted through urban encroachment legislation).

We have undertaken searches of the register of Restricted Areas, maintained by the Department. In our searches, we have found that:

- (a) in EPM 27281, sub-blocks N,O,S, and T of block 314; and
- (b) in EPM 27224, sub-block Y of block 314,

are within Restricted Area 122. Restricted Area 122 relates to the Condamine River Future Dam Site, meaning that the following conditions have been imposed on the sub-blocks referred to above:

- (a) **Condition 1:** With the exception of exploration drilling, small scale sampling or other activities that disturbs the ground by less than 2 metres in depth, disturbance within the area containing the potential dam site, related spillways, ancillary works, and associated immediate catchment is prohibited;
- (b) **Condition 2:** Prior to carrying out any activities that entail subsurface disturbance within sub-blocks containing the future dam site (outside the requirements of condition 1) the permit or licence holder will submit a full report of planned exploration and related activities in the sub-blocks to the Department for assessment; and
- (c) **Condition 3:** The report must contain;
 - (i) a timetable and description of all activities proposed to be carried out,
 - (ii) a suitable map indicating the location of the activities where such activities will be carried out.

Furthermore, applications to vary the above conditions need to conclusively demonstrate that such works will not degrade the future dam site for its future intended use or make development of the dam site less economic.

10. ENVIRONMENTAL ISSUES — FEDERAL (MATTERS OF NATIONAL ENVIRONMENTAL SIGNIFICANCE)

Commonwealth government approval under the EPBC Act will be required where proposed activities constitute a 'controlled action'. This turns on whether or not the activities are likely to have a significant impact on matters of national environmental significance (MNES).

Online searches indicate that some MNES may exist in the general area of the Tenements.

We have not been provided with any environmental reports, impact assessments, or ecology reports regarding the potential impact of activities under the Tenements on MNES. To our knowledge, there has been no assessment as to whether development within the area of the Tenements may trigger the need for EPBC Act approval.

11. REGIONAL PLANNING INTERESTS

11.1 Areas of regional interest

Four areas of regional interest are established under the RPI Act:

- (a) priority agriculture areas;
- (b) priority living areas;
- (c) strategic environmental areas; and
- (d) strategic cropping areas.

Unless an exemption applies, persons who conduct 'resource activities' in any of these areas of regional interest are required to obtain a Regional Interests Development Approval (RIDA) prior to carrying out the activity.

To our knowledge, there has been no assessment as to whether development within the area of the Tenements may trigger the need for RIDA approval.

11.2 Exemption — short term activities

Section 23 of the RPI Act exempts a resource activity from a RIDA requirement where the activity finishes within 12 months of the start of activities under the tenement on that particular property.

Any proposed exploration activities that:

- (a) are to be carried out on properties that have not previously been the subject of activities under the Tenements; and
- (b) will be complete in less than 12 months.

are exempt from the requirement to obtain a RIDA.

11.3 Exemption — landowner agreement

Section 22 of the RPI Act exempts resource activities from a RIDA requirement where there is either:

- (a) a statutory CCA (which has not been Court ordered); or
 - (b) a voluntary agreement,
- in place with the landowner whose property underlies the regional interest; and
- (c) the activities are not likely to have a significant impact on the strategic cropping area or priority agricultural area; and
 - (d) the activities do not impact land owned by a person other than the landowner, in that it does not impact:
 - (i) for land in a priority agricultural area — the suitability of the neighbouring land to be used for a priority agricultural land use; or
 - (ii) for land in a strategic cropping area — the soil, climate and landscape features of the neighbouring land that make it suitable for cropping.

11.4 RIDA application

If a relevant exemption does not apply, the holders of the Tenements will be required to apply for a RIDA prior to commencing activities in an area of regional interest. The RIDA application will be assessed to determine the extent of the expected impacts of the activities on the relevant area of regional interest.

For a RIDA application to be approved, the applicant must be able to demonstrate that the proposed activity will meet the required outcomes and address the prescribed solutions contained in the *Regional Planning Interests Regulation 2014 (Qld)* for the area of regional interest.

If the holders of the Tenements are unable to obtain a RIDA to authorise resource activities in the areas of regional interest that overlap the Tenements, the future production of resources from the Tenements will be compromised.

12. QUALIFICATIONS AND ASSUMPTIONS

This Report is subject to the following qualifications and assumptions:

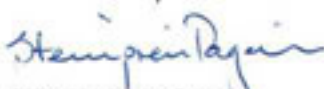
- (a) we have assumed the accuracy and completeness of all searches, register extracts and other information or responses which were obtained from the relevant department or authority including the NNTT;
- (b) we assume that the registered holder of a Tenement has valid legal title to the Tenement;
- (c) this Report does not cover any third-party interests, including encumbrances, in relation to the Tenements that are not apparent from our searches and the information provided to us;
- (d) we have assumed that any agreements provided to us in relation to the Tenements are authentic, were within the powers and capacity of those who executed them, were duly authorised, executed and delivered and are binding on the parties to them;
- (e) with respect to the granting of the Tenements, we have assumed that the State and the applicant for the Tenements have complied with, or will comply with, the applicable Future Act Provisions;
- (f) we have assumed the accuracy and completeness of any instructions or information which we have received from the Company or any of its officers, agents and representatives;
- (g) unless apparent from our searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain a Tenement in good standing;
- (h) with respect to the application for the grant of a Tenement, we express no opinion as to whether such application will ultimately be granted and that reasonable conditions will be imposed upon grant, although we have no reason to believe that any application will be refused or that unreasonable conditions will be imposed;
- (i) references in this Report to any area of land are taken from details shown on searches obtained from the relevant department. It is not possible to verify the accuracy of those areas without conducting a survey;
- (j) the information in this Report is accurate as at the date the relevant searches were obtained. We cannot comment on whether any changes have occurred in respect of the Tenements between the date of the searches and the date of this Report;
- (k) where Ministerial consent is required in relation to the transfer of any Tenement, we express no opinion as to whether such consent will be granted, or the consequences of consent being refused, although we are not aware of any matter which would cause consent to be refused;
- (l) we have not conducted searches of the Environmental Management Register and the Contaminated Land Register of Queensland;

- (m) Native Title may exist in the areas covered by the Tenements. Whilst we have conducted Searches to ascertain that Native Title claims and determinations, if any, have been lodged in the Federal Court in relation to the areas covered by the Tenements, we have not conducted any research on the likely existence or non-existence of Native Title rights and interests in respect of those areas. Further, the NTA contains no sunset provisions and it is possible that Native Title claims could be made in the future; and
- (n) Aboriginal heritage sites or objects (as defined in the ACHA or under the EPBC Act) may exist in the areas covered by the Tenements regardless of whether or not that site has been entered on the Queensland Heritage Register or is the subject of a declaration under the EPBC Act. We have not conducted any legal, historical, anthropological or ethnographic research regarding the existence or likely existence of any such Aboriginal heritage sites or objects within the area of the Tenements.

13. CONSENT

This report is given for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Yours faithfully


STEINEPREIS PAGANIN

SCHEDULE 1

PERMIT ID	HOLDER	STATUS & LODGEMENT DATE OR GRANT DATE	TERM SOUGHT OR CURRENT TERM EXPIRY	RENT, WORK PROGRAM & EXPENDITURE	PURPOSE	AREA ¹	OVERLAPPING TENEMENTS	ENVIRONMENTALLY SENSITIVE AREAS	REGIONAL INTERESTS	NATIVE TITLE CATEGORY / PARTY	ABORIGINAL PARTY	EPBC ACT PROTECTED MATTERS	DEALINGS OR AGREEMENTS ON TITLE
ML Chalmers													
EPML 25935	Dynasty Gold Pty Ltd	21/07/2016	20/07/2021	2021 Rent: \$2,143, 2021 Work Program/ Expenditure Commitment : \$10,000.	All minerals other than coal	13 Sub-blocks	None noted	Category : A Category : C	Nil	Granted with Native Title Protection Conditions Expedited	Darumbul People	Threatened wildlife species records noted. Aquatic conservation significance areas noted	
EPML 27428	Rocky Copper Pty Ltd	19/02/2020	18/02/2025	2021 Rent: \$459,40 2021 Work Program/ Expenditure Commitment : \$14,000	All minerals other than coal	4 Sub-blocks	None noted	Category : C	Nil	Predominantly Exclusive Land		Threatened wildlife species records noted. Regulated Vegetation noted. Aquatic conservation significance areas noted	
EPML 27726	QMiners Limited	Application lodged: 19/10/20	Term Sought: 5 years	Rent: N/A until granted, Work Program Type: outcome based	Prescribed minerals All minerals other than coal	37 sub-blocks	None noted	Category : A Category : B Category : C	Nil	Granted with Native Title Protection Conditions Expedited	Darumbul People	Threatened wildlife species records noted. Regulated Vegetation noted. Aquatic conservation significance areas noted	

¹ Each sub-block is approximately 3 square km in area. The exact size of the block depends on curvature of the earth.

PERMID	HOLDER	STATUS & LODGEMENT DATE OR GRANT DATE	TERM SOUGHT OR CURRENT TERM EXPIRY	RENT, WORK PROGRAM & EXPENDITURE	PURPOSE	AREA ¹	OVERLAPPING TENEMENTS	ENVIRONMENTALLY SENSITIVE AREAS	REGIONAL INTERESTS	NATIVE TITLE CATEGORY / PARTY	ABORIGINAL PARTY	EPBC ACT PROTECTED MATTERS	DEALINGS OR AGREEMENTS ON TITLE
EPM 25785	Rocky Copper Pty Ltd	Application Lodged: 01/10/2020	Term Sought: 5 years	Rent: N/A until granted. Work Program Type: outcome based	All minerals other than coal	12 sub-blocks	None noted	Category : B Category : C	Nil	Predominantly Exclusive Land		Threatened wildlife species records noted. Regulated Vegetation noted. Aquatic conservation significance areas noted	
Henriette Range													
EPM 25785	Traprock Resources Pty Ltd	30/04/2015	29/04/2023	2021 rent: \$39,576.00 2021 Work Program/ Expenditure Commitment : \$80,000.	All minerals other than coal	24 sub-blocks	None noted	Category : B Category : C	Nil	Granted with Native Title Protection Conditions Expedited		Threatened wildlife species records noted. Regulated Vegetation noted. Aquatic conservation significance areas noted	
EPM 25786	Traprock Resources Pty Ltd	30/04/2015	29/04/2023	2021 rent: \$9,729.10 2021 Work Program/ Expenditure Commitment : \$125,000.	All minerals other than coal	59 sub-blocks	None noted	Category : B Category : C	Nil	Granted with Native Title Protection Conditions Expedited		Threatened wildlife species records noted. Regulated Vegetation noted. Aquatic conservation significance areas noted	
EPM 25788	Traprock Resources Pty Ltd	30/04/2015	29/04/2023	2021 rent: \$4,452.30 2021 Work Program/ Expenditure	All minerals other than coal	27 sub-blocks	None noted	Category : B Category : C	Nil	Granted with Native Title Protection Conditions		Threatened wildlife species records noted. Regulated Vegetation noted.	

PERMID	HOLDER	STATUS & LODGEMENT DATE OR GRANT DATE	TERM SOUGHT OR CURRENT TERM EXPIRY	RENT, WORK PROGRAM & EXPENDITURE	PURPOSE	AREA ¹	OVERLAPPING TENEMENTS	ENVIRONMENTALLY SENSITIVE AREAS	REGIONAL INTERESTS	NATIVE TITLE CATEGORY / PARTY	ABORIGINAL PARTY	EPBC ACT PROTECTED MATTERS	DEALINGS OR AGREEMENTS ON TITLE
				Commitment : \$125,000.						Expedited		Aquatic conservation significance areas noted	
Wentworth													
EPM 26178	Dynasty Gold Pty Ltd	17/08/2016	16/08/2021	2021 rent: \$3,462. 2021 Work Program/ Expenditure Commitment : \$45,000.	All minerals other than coal	21 sub-blocks	None noted	Category : B	Nil	Predominantly Exclusive Land		Threatened wildlife species records noted. Regulated Vegetation noted. Aquatic conservation significance areas noted.	
EPM 27725	QMiner Limited	11/02/2021	10/02/2026	2021 Rent: 8,409.9 Work Program Type: outcome based	All minerals other than coal	51 sub-blocks	None noted	Category : B Category : C	Nil	Predominantly Exclusive Land		Threatened wildlife species records noted. Regulated Vegetation noted. Aquatic conservation significance areas noted.	
Silverwood													
EPM 27781	Traprock Resources Pty Ltd	04/02/20	05/02/2025	2021 rent: \$4,617.20. 2021 Work Program/ Expenditure Commitment : \$56,000.	All minerals other than coal	28 sub-blocks	None noted	Category : B	Nil	Predominantly Exclusive Land		Threatened wildlife species records noted. Regulated Vegetation noted. Aquatic conservation significance areas noted.	

PERMID	HOLDER	STATUS & LODGEMENT DATE OR GRANT DATE	TERM SOUGHT OR CURRENT TERM EXPIRY	RENT, WORK PROGRAM & EXPENDITURE	PURPOSE	AREA	OVERLAPPING TENEMENTS	ENVIRONMENTALLY SENSITIVE AREAS	REGIONAL INTERESTS	NATIVE TITLE CATEGORY / PARTY	ABORIGINAL PARTY	EPBC ACT PROTECTED MATTERS	DEALINGS OR AGREEMENTS ON TITLE
EPMA 27724	QMiner Limited	11/02/2021	10/02/2026	2021 Rent: 8,245 Work Program Type: outcome based	All minerals other than coal	50 sub-blocks	None noted	Category : B Category : C	Nil	Exclusive Land		Threatened wildlife species records noted. Regulated Vegetation noted. Aquatic conservation significance areas noted	



ANNEXURE



**INDEPENDENT LIMITED
ASSURANCE REPORT**



16 March 2021

The Board of Directors
QMINES Limited
Suite J, 34 Suakin Drive,
Mosman, NSW, 2088

RSM Corporate Australia Pty Ltd
Level 13, 60 Castlereagh Street
Sydney NSW 2000
T +61 (02) 8226 4500
F +61 (02) 8226 4501
rsm.com.au

Dear Directors,

Independent Limited Assurance Report on QMINES Limited's statutory historical financial information and pro forma historical financial information

We have been engaged by QMINES Limited ("QMINES" or "the Company") to report on certain statutory historical financial information and pro forma historical financial information for inclusion in a Prospectus to be dated on or about 16 March 2021.

The Prospectus relates to the Company's proposed listing of ordinary shares on the Australian Securities Exchange ("ASX") via an Initial Public Offering ("Offer"), to raise \$10 million with oversubscriptions to raise up to a maximum of \$20 million.

Expressions and terms defined in the Prospectus have the same meaning in this report, except as otherwise indicated.

Scope

Statutory Historical Financial Information

You have requested RSM Corporate Australia Pty Ltd ("RSM") to review the statutory historical financial information of Traprock Resources Pty Ltd ACN 164 765 842 ("Traprock Resources") included in Section 6 of the Prospectus, comprising:

- the unaudited statutory historical statement of profit or loss and other comprehensive income for the financial years ended 30 June 2018 ("FY18"), 30 June 2019 ("FY19") and 30 June 2020 ("FY20");
- the unaudited statutory historical statements of financial position as at 30 June 2018, 30 June 2019, and 30 June 2020; and
- the unaudited statutory historical cash flow statements for FY18, FY19, and FY20.

collectively the "Statutory Historical Financial Information".

QMINES was incorporated on 4 August 2020 as a private company and was converted to a public company on 22 October 2020.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Corporate Australia Pty Ltd is beneficially owned by the Directors of RSM Australia Pty Ltd. RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 Australian Financial Services Licence No. 255847



QMiner is the holding company of Traprock Resources (operating company which holds 4 exploration permits), Dynasty Gold Pty Ltd ACN 604 136 558 ("Dynasty Gold") (a dormant wholly owned subsidiary of Traprock Resources which holds 2 exploration permits), Rocky Copper Pty Ltd ACN 636 974 859 ("Rocky Copper") (a dormant company which holds 1 exploration permit and 1 exploration permit in application) and RLG Holdings Pty Ltd ACN 646 631 370 ("RLG Holdings") (a dormant company) and was established to enable the listing on the ASX. Traprock Resources is the operating entity, incorporated on 11 July 2013.

Notwithstanding that exploration permits are held by Dynasty Gold, over the course of FY18, FY19, and FY20, Traprock Resources has paid for this cost on behalf of Dynasty Gold. There are limited actual historical financial results for QMiner, given it has only recently been incorporated and will act as the holding company for the group going forward.

There is limited actual historical financial results for Dynasty Gold, Rocky Copper and RLG Holdings Pty Ltd. Consequently, only Traprock Resources' financial information has been disclosed in Section 6 as it is the operating company within the group.

The Historical and Pro Forma Statement of Financial Position presented in the Prospectus reflects a consolidation of QMiner that will comprise the QMiner Group (including Traprock Resources, Dynasty Gold, Rocky Copper and RLG Holdings) upon listing.

The Statutory Historical Financial Information of Traprock Resources has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian equivalent to International Financial Reporting Standards (AIFRS) and QMiner's adopted accounting policies.

The Statutory Historical Financial Information of Traprock Resources, the operating company, has been extracted from:

- the FY18 audited general purpose financial statements of Traprock Mining Ltd;
- the FY19 audited general purpose financial statements of Traprock Mining Ltd; and
- the FY20 audited general purpose financial statements of Traprock Mining Ltd.

Traprock Resources is the operating entity which was owned by Traprock Mining Ltd (a holding company), prior to its acquisition by QMiner.

The Statutory Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all the presentation and disclosures required by Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the Corporations Act.

Pro Forma Historical Financial Information

You have requested RSM to review the pro forma historical financial information of QMiner included in Section 6 of the Prospectus and comprising:

- the pro forma historical statement of financial position of QMiner as at 30 September 2020; and
- the subsequent events and pro forma adjustments as described in Section 6 of the Prospectus.

collectively referred to as "the Pro Forma Historical Financial Information".

The Pro Forma Historical Financial Information has been derived from the unaudited historical financial information of QMines, adjusted for the transactions / adjustments summarised in Section 6 of the Prospectus. The stated basis of preparation is the recognition and measurement requirements of Australian Accounting Standards Board (AASB), AIFRS and QMines's adopted accounting policies applied to the unaudited historical financial information and the events or transactions to which the pro forma adjustments relate, as described in Section 6 of the Prospectus, as if those events or transactions had occurred as at the date of the historical statement of financial position.

Due to its nature, the Pro Forma Historical Financial Information does not represent QMines's actual or prospective financial position.

The Pro Forma Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all the presentation and disclosures required by Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Directors' responsibility

The directors of QMines are responsible for:

- the preparation and presentation of the Statutory Historical Financial Information; and
- the preparation and presentation of the Pro Forma Historical Financial Information, including the selection and determination of the pro forma adjustments made to the Statutory Historical Financial Information and included in the Pro Forma Historical Financial Information.

This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of the Statutory Historical Financial Information and the Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Statutory Historical Financial Information and Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450: *"Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information"*.

We made such enquiries, primarily of persons responsible for financial and accounting matters, and performed such procedures as we, in our professional judgment, considered reasonable in the circumstances including:

- a consistency check of the application of the stated basis of preparation to the Statutory Historical Financial Information and Pro Forma Historical Financial Information;
- a review of QMines and Traprock Resources work papers, accounting records and other supporting documents;
- enquiry of directors, management personnel and advisors; and
- the performance of analytical procedures applied to the Statutory Historical Financial Information and Pro Forma Historical Financial Information.



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 reasonable 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.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Statutory Historical Financial Information of Traprock Resources, as described in Section 6 of the Prospectus, and comprising:

- the statutory historical statement of profit or loss and other comprehensive income for FY18, FY19, and FY20;
- the statutory statements of financial position as at 30 June 2018, 30 June 2019 and 30 June 2020; and
- the statutory historical cash flow statements for FY18, FY19, and FY20;

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 6 of the Prospectus.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information of QMiner, as set out in Section 6 of the Prospectus, and comprising:

- the pro forma statement of financial position of QMiner as at 30 September 2020; and
- the subsequent events and pro forma adjustments as described in Section 6 of the Prospectus,

is not presented fairly in all material aspects, in accordance with the stated basis of preparation, as described in Section 6 of the Prospectus.



Restriction on use

Without modifying our conclusions, we draw attention to Section 6.2, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Declaration of interest

RSM Corporate Australia Pty Ltd does not have any interest in the outcome of this transaction other than the preparation of this report for which normal professional fees will be received.

Yours faithfully,

A handwritten signature in black ink that reads "Tim Goodman".

RSM CORPORATE AUSTRALIA PTY LTD
Tim Goodman
Director



APPLICATION FORM

OFFER APPLICATION FORM

This is an Application Form for Shares in QMines Limited (**Company**) on the terms set out in the prospectus dated 16 March 2021 (**Prospectus**). Defined terms in the Prospectus have the same meaning in this Application Form. You may apply for a minimum of 6,667 Shares. This Application Form and your payment must be received by **5.00pm (Sydney Time) on the Closing Date**.

This Application Form is important. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The Prospectus dated 16 March 2021 contains information relevant to a decision to invest in the Shares of the Company and you should read the entire Prospectus carefully before applying for Shares.

The Share Registry's Privacy Policy (**Privacy Policy**) also sets out important information relating to the collection, use and disclosure of all personal information that you provide to the Company. Please ensure that you and all relevant individuals have read the Privacy Policy carefully before submitting this Application Form. The Privacy Policy can be found on the website <https://boardroomlimited.com.au/corp/privacy-policy/>

To meet the requirements of the *Corporations Act 2001* (Cth), this Application Form must not be distributed to another person unless included in, or accompanied by the Prospectus. A person who gives another person access to this Application Form must, at the same time and by the same means, give the other person access to the Prospectus. During the Offer period the Company will send you a free paper copy of the Prospectus if you have received an electronic prospectus and you ask for a paper copy before the Offer closes on 7 April 2021.

PLEASE FOLLOW THE INSTRUCTIONS TO COMPLETE THIS APPLICATION FORM (SEE REVERSE).

A Number of Shares you are applying for <table border="1" style="width: 100%; height: 30px; border-collapse: collapse;"></table> Minimum of 6,667 Shares to be applied for	x \$0.30 per Share =	B Total Amount Payable <table border="1" style="width: 100%; height: 30px; border-collapse: collapse;"></table>
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[illegible][illegible]

E **CHESS Participant - Holder Identification Number (HIN)**

X									
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***Important please note** if the name and address details above in sections C and D do not match exactly with your registration details held at CHESS, any Shares issued as a result of your Application will be held on the Issuer Sponsored subregister.*

F	Enter your Tax File Number(s), ABN, or Exemption Category	
	Applicant #1 1 2 3 4 5 6 7 8 9 0	Applicant #2 1 2 3 4 5 6 7 8 9 0
	Applicant #3 1 2 3 4 5 6 7 8 9 0	

G Cheque Payment Details – PIN CHEQUE(S) HERE. Cheque to be made payable to “QMiners Limited” and crossed Not Negotiable. Enter cheque details below.
Alternatively you can apply online at www.qminers.com.au and pay by BPAY.

Name of drawer of cheque	Cheque no.	BSB no.	Account no.	Cheque amount A\$

H	Contact Telephone Number (daytime/work/mobile)												Contact Name																	
	Email Address																													

DECLARATION

By submitting this Application Form with your Application Monies, I/we declare that I/we:

- have read the Prospectus in full;
- have received a copy of the electronic Prospectus or a print out of it;
- have completed this Application Form in accordance with the instructions on the form and in the Prospectus;
- declare that all details and statements made by me/us are complete and accurate;
- agree and consent to the Company collecting, holding, using and disclosing my/our personal information in accordance with the Prospectus;
- where I/we have been provided information about another individual, warrant that I/we have obtained that individual's consent to the transfer of their information to the Company;
- acknowledge that once the Company accepts my/our Application Form, I/we may not withdraw it;
- apply for the number of Shares that I/we apply for (or a lower number allocated in a manner allowed under the Prospectus);
- acknowledge that my/our Application may be rejected by the Company in its absolute discretion;
- authorise the Company and their respective officers and agents to do anything on my/our behalf necessary (including the completion and execution of documents) to enable the Shares to be allocated to me/us;
- am/are over 18 years of age;
- agree to be bound by the constitution of the Company;
- acknowledge that neither the Company nor any person or entity guarantees any particular rate of return on the Shares, nor do they guarantee the repayment of capital;
- represent, warrant and agree that I/we am/are not in the United States or a US Person and am/are not acting for the account or benefit of a US Person; and
- represent, warrant and agree that I/we have not received this Prospectus outside Australia and am/are not acting on behalf of a person resident outside Australia.

GUIDE TO THE APPLICATION FORM

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

Please complete all relevant sections of the appropriate Application Form using BLOCK LETTERS. These instructions are cross-referenced to each section of the Application Form.

INSTRUCTIONS

- A** If applying for Shares insert the **number** of Shares for which you wish to subscribe at Item **A** (not less than 6,667 Shares representing a minimum investment of \$2,000.10). Multiply by A\$0.30 to calculate the total Application Monies for Shares and enter the **A\$amount** at Item **B**.
- C** Write your **full name**. Initials are not acceptable for first names.
- D** Enter your **postal address** for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- E** If you are sponsored in CHESS by a stockbroker or other CHESS participant you may enter your CHESS HIN if you would like the allocation to be directed to your HIN. **NB: your registration details provided must match your CHESS account exactly.**
- F** Enter your Australian **tax file number** (TFN) or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN/ABN of each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of your TFN or ABN is not compulsory and will not affect your Application Form.
- G** Complete **cheque details** as requested. Make your cheque payable to "QMiners Limited". Cross it and mark it 'Not negotiable'. Cheques must be in Australian currency, and must be drawn on a bank or financial institution in Australia. **Alternatively you can apply online at www.qminers.com.au and pay by BPAY. If you apply online, you do not need to complete a paper Application Form. See below.**
- H** Enter your **contact details**, including name, phone number and e-mail address, so we may contact you regarding your Application Form or Application Monies. By providing an e-mail address you are electing to receive notices of meetings, annual reports and other communications from the Company electronically to the provided e-mail address.

PAYMENT BY BPAY

You may apply for Shares online and pay your Application Monies by BPAY. Applicants wishing to pay by BPAY should complete the online Application Form accompanying the electronic version of the prospectus available at www.qminers.com.au and follow the instructions on the online Application Form. When completing your BPAY payment please ensure you use the specific Biller Code and Unique CRN provided in the online Application Form and confirmation e-mail. If you do not use the correct Biller Code and CRN your Application will not be recognised as valid. It is your responsibility to ensure payment is received by 5:00pm (Sydney Time) on the Closing Date. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and should therefore take this into consideration when making payment. Neither Boardroom Pty Limited nor QMiners Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments.

CORRECT FORM OF REGISTRABLE TITLE

Note that ONLY legal entities can hold the Shares. The Application must be in the name of a natural person(s), company or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person. Examples of the correct form of registrable title are set out below.

TYPE OF INVESTOR	CORRECT FORM OF REGISTRABLE TITLE	INCORRECT FORM OF REGISTRABLE TITLE
Individual	Mr John David Smith	J D Smith
Company	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
Trusts	Mr John David Smith <J D Smith Family A/C>	John Smith Family Trust
Deceased Estates	Mr Michael Peter Smith <Est Lte John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation Funds	John Smith Pty Limited <J Smith Super Fund A/C>	John Smith Superannuation Fund

LODGMET

Mail or deliver your completed Application Form with your cheque(s) or bank draft attached to one of the following addresses:

Mailing address:
QMiners Limited
C/-Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

Delivery address:
QMiners Limited
C/-Boardroom Pty Limited
Level 12, 225 George Street
SYDNEY NSW 2000

The Offer closes at 5:00 p.m. (Sydney Time) on 7 April 2021, unless varied in accordance with the Corporations Act and ASX Listing Rules.

It is not necessary to sign or otherwise execute the Application Form.

If you have any questions as to how to complete the Application Form, please contact Boardroom Pty Limited on 1300 737 760 within Australia and +61 2 9290 9600 outside Australia.

PRIVACY STATEMENT

QMiners Limited advises that Chapter 2C of the Corporations Act requires information about its shareholders (including names, addresses and details of Shares held) to be included in the Company's share register. Information is collected to administer your security holding and if some or all of the information is not collected then it might not be possible to administer your security holding. Your personal information may be disclosed to the Company. To obtain access to your personal information or more information on how the Company collects, stores, uses and disclosures your information please contact the Company at the address or telephone number shown in the Prospectus.

Queensland's next copper and gold developer...



www.qmines.com.au

