






QMINES LIMITED

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

ACQUISITION OF HIGH-GRADE DEVELIN CREEK COPPER-ZINC PROJECT

Highlights

-  Acquisition of 100% of the high-grade Develin Creek copper-zinc project provide immediate synergies and scale;
-  Develin Creek has an Indicated and Inferred Resource of **4.9Mt @ 1.79% CuEq for 87,173t CuEq¹**;
-  Mt Chalmers and Develin Creek combined resources generate the scale required for potential development;
-  Initial drilling program designed to improve resource confidence, update metallurgy and test for extensions;
-  Develin Creek to be incorporated into the Mt Chalmers Pre-Feasibility Study, expected in 1H-2024.

Overview

QMines Limited (ASX:QML) (QMines or Company) is pleased to announce the 100% acquisition of the Develin Creek Copper-Zinc Project from Zenith Minerals Limited (ASX:ZNC). Develin Creek is located approximately 90km West of QMines flagship Mt Chalmers Copper and Gold Project, located 17km North East of Rockhampton in Queensland (Figure 1).

Cautionary Statement

Whilst exploration results and a Mineral Resource Estimate (MRE) have been reported by the previous owners, Zenith Minerals Ltd, it is possible that following further evaluation and/or exploration work and MRE that the confidence in these prior results may be reduced when reported under the JORC (2012) Code. Nothing has come to the attention of QMines or its Competent Person that causes them to question the accuracy or reliability of the former owner's exploration results or MRE. The Company however has not independently validated the former owner's exploration results or MRE and therefore is not to be regarded as reporting, adopting or endorsing these results. Full disclosures required to comply with ASX "Mining Report Rules for Mining Entities: Frequently Asked Questions" FAQ 37 are contained in Appendix 1 of this announcement.

Overview (Continued)

Due to the proximity and high-grade nature of the copper and zinc resource, the acquisition is very complementary to QMines Mt Chalmers project and bodes well for the potential future development of the combined resources.

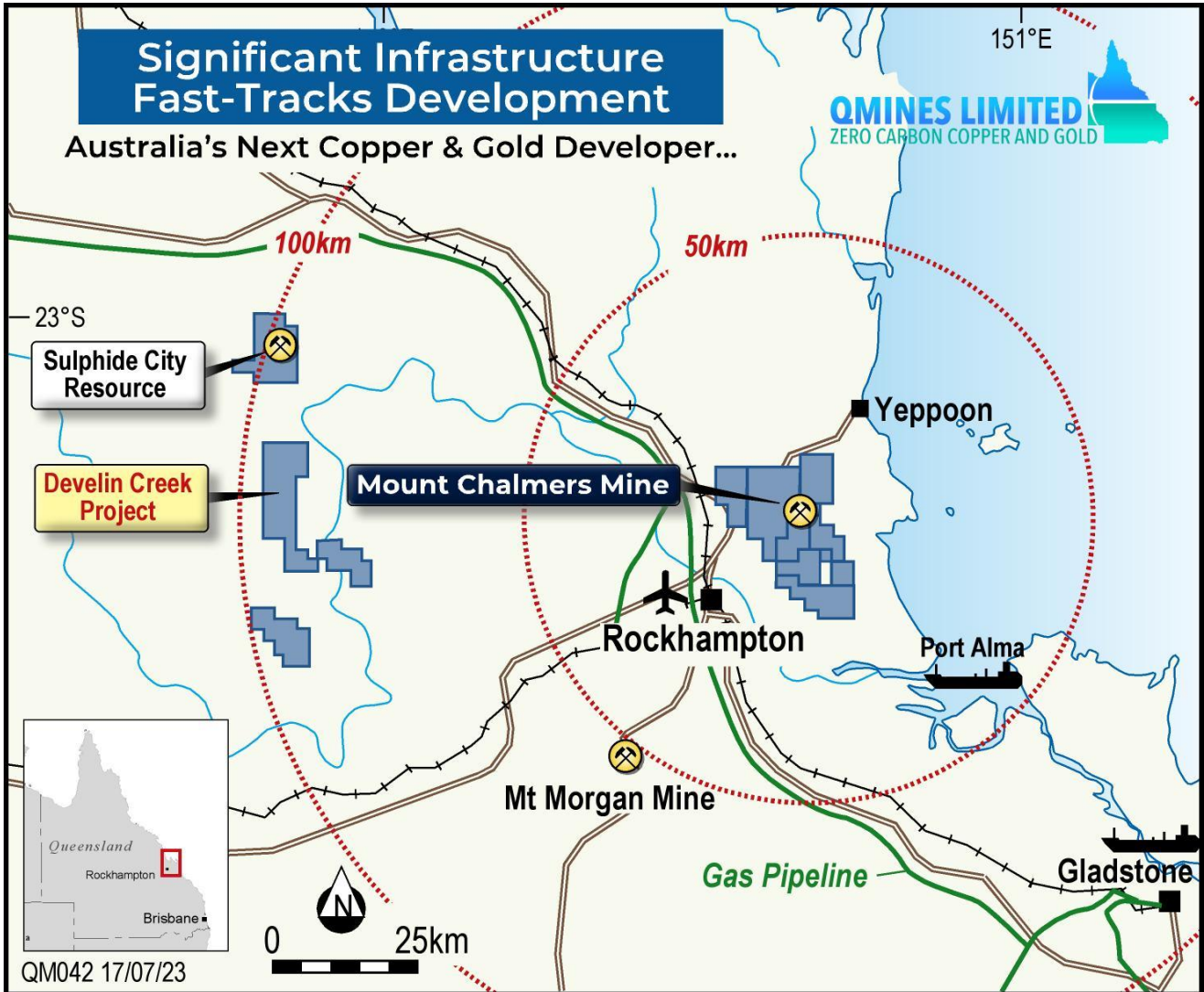


Figure 1: Location of Mt Chalmers and Develin Creek projects, tenure and infrastructure.

Management Comment

QMines Managing Director, Andrew Sparke, comments;

“Since listing in only May 2021, the QMines team has rapidly grown its copper resources at the Mt Chalmers project. We always believed that the Develin Creek asset was very complementary and would provide the scale required to progress the Mt Chalmers project towards sustainable copper production.

“We wish to thank the Zenith Board for sharing our vision of a larger, combined copper business and for their patience and assistance with the transaction.

We would like to welcome Zenith and their shareholders to the register as large owners in our Company. We look forward to working closely with you as we test several exciting exploration targets and prepare the Company for potential future production”.

Rapid Resources Growth

Since listing in May 2021, QMiners has rapidly grown its resource base at its flagship Mt Chalmers project. The Resource has been updated four times with the most recent update announced on 22nd November 2022.¹ QMiners has always believed that M&A had the ability to accelerate growth in the Company's resources. The acquisition of Develin Creek seeks to achieve this outcome. See Figure 2 below.

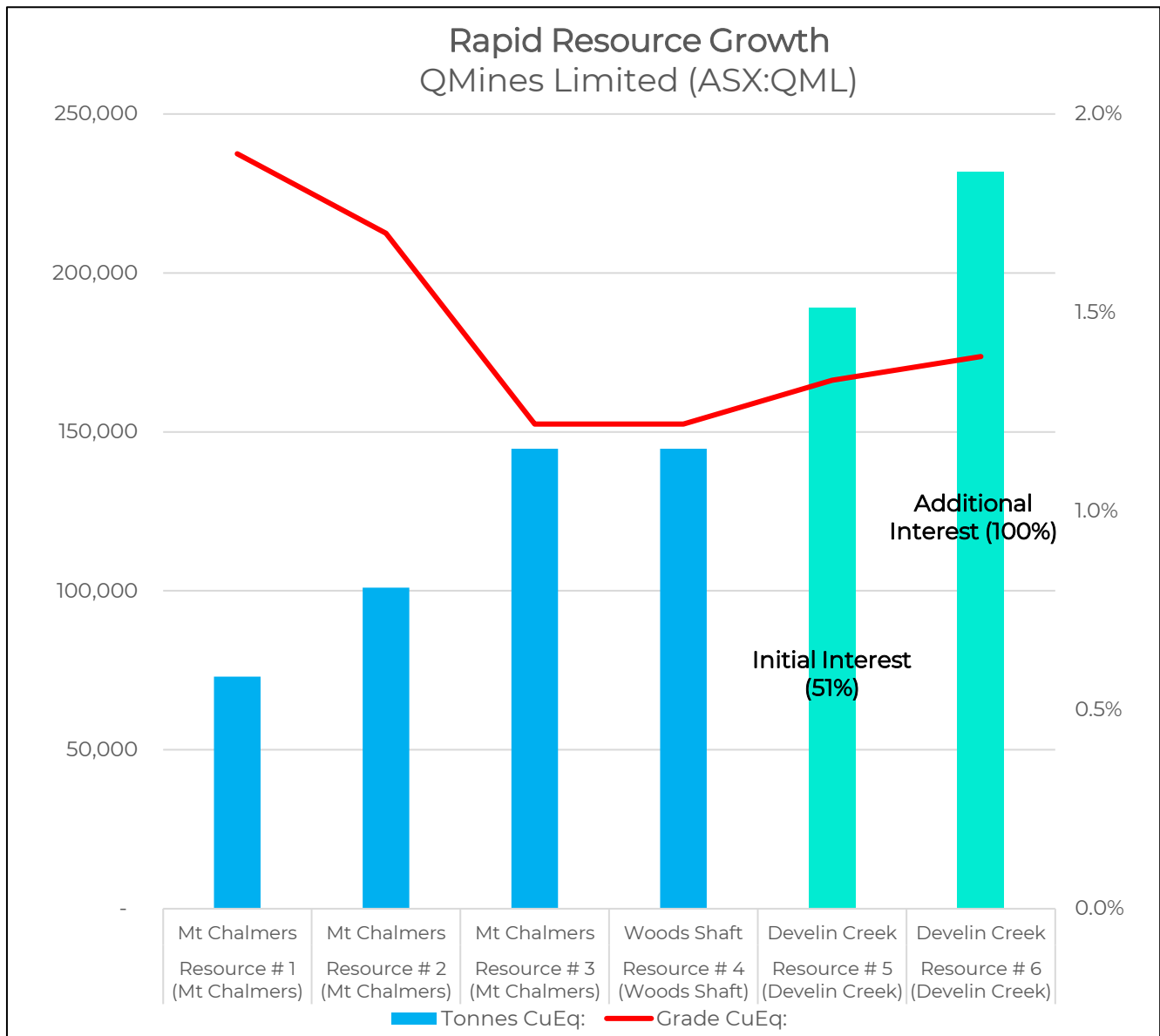


Figure 2: Graph showing the growth of the Mt Chalmers Resource (blue) with the addition of Develin Creek (green).

Zenith Minerals published an Indicated and Inferred Resource at Develin Creek on the 8th August 2022 using a 0.5% CuEq cut off. Table 1 provides a breakdown of this resource.²

Resource Category ¹	Tonnes (Mt)	Cu (%)	Zn (%)	Au (g/t)	Ag (g/t)	Cut Off (% CuEq)
Indicated	2.2	1.3	1.3	0.2	8.0	0.5
Inferred	2.7	1.1	1.4	0.2	7.0	0.5
Total	4.9	1.2	1.4	0.2	7.0	0.5

Table 1: Develin Creek Mineral Resource Estimate at a 0.5% CuEq cut-off grade.

¹ ASX Announcement - [Resource Increases by 104% at Mt Chalmers Project](#), 22 November 2022

² Zenith Minerals Announcement - [Develin Creek Resource Upgrade](#), 8 August 2022.

Planned Work Program

Initial exploration and development works at Develin Creek will include diamond drilling to commence updated metallurgical test work and RC drilling to infill the existing resource and seek potential extensions.

These works are expected to feed into a combined Mt Chalmers and Develin Creek feasibility study which is expected to be completed in 1H-2024.

Acquisition Terms

QMiners has executed a term sheet to acquire a 100% interest in the Develin Creek project from Zenith Minerals Limited for total consideration of \$4.5 million in cash and shares.

The acquisition is a two staged transaction with the Initial Interest of 51% acquired for \$1.2m in cash and \$1.0m in shares. The Additional Interest (49%) is to be acquired for a further \$1.3m in cash and \$1.0m in shares within 12 months. All shares will be escrowed for 6 months from their date of issue.

The second tranche payment may be adjusted down to \$0.975 million in cash and \$0.6875 million in QMiners shares, if a detailed metallurgical study shows zinc concentrate grades below 50% or that a 50% zinc concentrate grade is not commercially achievable.

What's Next?



Continue drilling at the new Artillery Road discovery;



Complete access agreements and prepare for drilling at the Tracker 1 and Screamer targets;



Continue ground reconnaissance and drillhole planning at the highest ranked of the 34 electromagnetic targets;



Commence metallurgical drilling at the Develin Creek project; and



Continue the Pre-Feasibility Study on the Mt Chalmers and Develin Creek Projects assessing the potential for a stand-alone mining operation.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning QMines Limited planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "expect," "intend," "may", "potential," "should," and similar expressions are forward-looking statements. Although QMines believes that its expectations reflected in these forward- looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that further exploration will result in the estimation of a further or larger Mineral Resource.

Competent Person Statement

Exploration

The information in this document that relates to mineral exploration and exploration targets is based on work compiled under the supervision of Mr Glenn Whalan, a member of the Australian Institute of Geoscientists (AIG). Mr Whalan is QMines' principal geologist and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC 2012 Mineral Code). Mr Whalan consents to the inclusion in this document of the exploration information in the form and context in which it appears.

About QMines

QMines Limited (**ASX:QML**) is a Queensland based copper and gold exploration and development company. The Company owns 100% of four advanced projects covering a total area of 1,096km². The Company's flagship project, Mt Chalmers, is located 17km North East of Rockhampton.

Mt Chalmers is a high-grade historic mine that produced 1.2Mt @ 2.0% Cu, 3.6g/t Au and 19g/t Ag between 1898-1982. The Mt Chalmers project now has a Measured, Indicated and Inferred Resource (JORC 2012) of 11.86Mt @ 1.22% CuEq for 144,700t CuEq.¹

QMines' objective is to grow its Resource base, consolidate assets in the region and assess commercialisation options. The Company has commenced an aggressive exploration program (+30,000m) providing shareholders with significant leverage to a growing Resource and exploration success.

Projects & Ownership

Mt Chalmers (100%)

Silverwood (100%)

Warroo (100%)

Herries Range (100%)

QMines Limited

ACN 643 212 104

Directors & Management

SIMON KIDSTON

Non-Executive Chairman

ANDREW SPARKE

Managing Director

ELISSA HANSEN (Independent)

Non-Executive Director & Company Secretary

PETER CARISTO (Independent)

Non-Executive Director (Technical)

JAMES ANDERSON

General Manager Operations

Shares on Issue

170,407,605

Unlisted Options

9,450,000 (\$0.375 strike, 3 year term)

Compliance Statement

With reference to previously reported Exploration results and mineral resources, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

This announcement has been approved and authorised by the Board of QMines Limited.

Contact

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¹ ASX Announcement - [Mt Chalmers Resource Upgrade](#), 22 November 2022.



Hyland Geological and Mining Consultants

For QMines Limited

ASX Announcement: Disclosure of Mineral Resource Estimate for Develin Creek Copper-Gold Project.

Date: 24th August 2023

Hyland Geological and Mining Consultanta (“Hyland” or “HGMC”) is pleased to reiterate the Mineral Resource estimate for the Develin Creek Copper-Gold Project. This estimate was originally announced by Zenith Minerals Limited (ASX:ZNC)(Zenith or Company) on 14th November 2022.

The Develin Creek project features a copper-zinc Volcanic Hosted Massive Sulphide (VHMS) deposit. Queensland Mining Corporation (QMC) initially explored Scorpion, Window, and Sulphide City in the 1990s. The project later transferred to Icon and then Fitzroy Resources Ltd (Fitzroy) in 2008, which expanded the resource in 2011. By 2014, Zenith started an acquisition process, completing initial drilling and securing 100% ownership by 2016. In September 2021, a major drilling initiative began to test targets and refine the Mineral Resource.

Resource Estimate Summary:

On August 8th, 2022, Zenith announced an updated Mineral Resource estimate for its wholly-owned Develin Creek project in Queensland. Validating past results, Zenith's drilling provided an enhanced geological interpretation. The resource, suitable for open-pit assessment, is reported at a 0.5% Cueq cut-off, with:

Indicated: 2.2 Mt @ 1.3% Cu, 1.3% Zn, 0.2 g/t Au, and 8 g/t Ag. *

Inferred: 2.7 Mt @ 1.1% Cu, 1.4% Zn, 0.2 g/t Au, and 7 g/t Ag. *

Total: 4.9 Mt with varied percentages for Cu, Zn, Au, and Ag. *

Cueq calculations consider June 2022 metal prices and preliminary recovery rates. The update signifies a 90% tonnage boost and 30% growth in contained metal compared to the 2015 figures, due to a lower cut-off grade and Zenith's recent drilling.

** Cautionary Statement “Cautionary Statement: Whilst the exploration results have been reported by the previous owners, Zenith Minerals Ltd, it is possible that following further evaluation and/or exploration work that the confidence in the prior exploration results may be reduced when reported under the JORC (2012) Code. Nothing has come to the attention of QMines or its Competent Person that causes them to question the accuracy or reliability of the former owners exploration. The Company however has not independently validated the former owners exploration results and therefore is not to be regarded as reporting, adopting or endorsing these results. Full disclosures required to comply with ASX “Mining Report Rules for Mining Entities: Frequently Asked Questions” FAQ 36 are contained in Appendix 1 of this announcement.*

ASX Listing Rules Guidance Note 31 - Key Requirements for QMines Limited's Announcement of Acquiring Zenith Minerals' Develin Creek Mineral Resource

The acquisition of the Develin Creek mineral resource from Zenith by QMines Limited (QMines or Company) (ASX:QML) abides by the ASX Listing Rules Guidance Note 31. The core elements are:

1. Disclosure Origin:

- The stated mineral resource estimates reported by Zenith on August 8th 2022 (the former owner) was independent of any involvement by QMines Limited at that time.



2. Source & Date:

- The restated Develin Creek resource estimates from Zeniths ASX announcement on August 8th 2022 which was titled “Develin Creek Resource Update”.
- A copy of the original ASX Announcement for Zenith’s Develin Creek Resource estimate is attached and may be assessed in the public domain by interested stakeholders.

3. JORC Code Edition:

Zenith released all material information that relates to Exploration Results, Mineral Resources and Reserves, Economic Studies and Production for the Company’s Projects on a continuous basis to the ASX and stated the announcement was compliance with JORC 2012.

4. Resource Reporting:

Zenith makes some statements with relative accuracy of the Mineral Resource estimate is reflected in the classification of the Mineral Resource as Inferred and Indicated when sufficiently drilled to 50 m or less.

- Zenith has stated that the Mineral Resource for Develin Creek has been classified as Inferred wherever interpreted which is typically on a 50 m drilling grid. Exploration of the domain and Inferred is based on half the drill spacing towards waste or unmineralised drilling.
- Areas of Indicated are assigned where drilling intersects three or more drill holes within a 50 m radius. This spacing is supported by well-structured variograms with ranges of 70 to 90 m. Extrapolation of indicated mineralisation limited to 10 m to account for the risk of a more abrupt edge to the domains.
- Indicated excludes material below the main Sulphide City mineralisation zone below a depth of 250m from surface to account for the lower likelihood of economic viability.
- Zenith stated that no previous or historic production data is available.

5. Reliability of Estimates:

- QMines and the Competent Person has reviewed the reliability of Zenith’s estimates, including by way of a preliminary parallel estimate of the mineral resources. It is considered that the assumptions used by Zenith have adequately referenced sufficient mineral resource reporting criteria from the JORC Code 2012 and have provided such information in the associated Table 1 that offers sufficient insight into the estimate reliability.

6. Work Programs & Key Assumptions:

- The Zenith resource estimate has relied on sufficient drilling and sampling data for the reporting task. The drilling information used can be summarised as follows.

Three groups have conducted exploration drilling:

1. Queensland Mining Corporation first discovered and drilled at 50 m intervals using percussion and diamond drilling methods between 1992 and 1993.
2. Fitzroy Resources later carried out additional and extensional drilling using Reverse Circulation (RC) and diamond drilling techniques in 2011.
3. Zenith Minerals performed validation drilling using RC and diamond drilling methods in both 2014 and between 2021 to 2022.

QMC's drilling was part of the initial exploration, making it more extensive. The drilling by Fitzroy and Zenith focused on identified mineral deposits and their extensions. When evaluating the Mineral Resource estimate based on meters drilled within the resource areas, it breaks down as follows: QMC's 1990s percussion drilling contributed 62%, Fitzroy's 2011 drilling accounted for 2%, and Zenith's recent drills made up 36%.

Diamond drilling typically used HQ and NQ sized cores, whereas percussion and RC drilling utilised 4½ or 5½ inch diameter hammers. QMC's percussion drilling, which was open hole, underwent verification by Zenith. Initial expectations were that verification would yield higher grades, but the comprehensive program showed average outcomes aligned with QMC's initial percussion results.

Every drill session contributed to the Mineral Resource estimate, with the exception of five drill holes omitted due to inadequate sampling or incorrect alignment. For each of these holes, more adequately sampled and better-aligned drilling was available nearby.

7. Recent Data:

- No recent drilling or sampling has been done by Zenith or QMines at Develin Creek since August 2022. No new resource estimates have been completed since that time.

8. Future Evaluations & Exploration Work:

- Prior to any new resource estimates being carried out for Develin Creek some additional evaluation/exploration work will be required to report the estimates as per JORC Code 2012 standards.
- QMines plans to update the Zenith Resource within approximately 6-9 months once it has had an opportunity to infill drill the existing resource, providing validation of the existing data. The Company also plans to update the existing metallurgical test work at Develin Creek. Drilling is expected to commence in October 2023, subject to weather, access and rig availability.

9. Statement by Competent Person:

- The information in this report that relates to Mineral Resources for the Develin Creek Copper-Zinc Project is based on information compiled by Mr. Stephen Hyland, who is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr. Hyland has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves' (JORC Code). Mr. Hyland consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

10. Cautionary Statement:

Cautionary Statement: Whilst the exploration results have been reported by the previous owners, Zenith Minerals Ltd, it is possible that following further evaluation and/or exploration work that the confidence in the prior exploration results may be reduced when reported under the JORC (2012) Code.

Similarly confidence may be lower if Non-compliance with JORC Code 2012 resource estimation occurs where there may be a:

- Concerns about the accuracy/reliability of Zenith's estimates.

- Lack of adequate work by a Competent Person to classify the estimates according to JORC Code 2012.
- Potential for the estimates to change materially upon further exploration/evaluation.

Nothing has come to the attention of QMines or its Competent Person that causes them to question the accuracy or reliability of the former owners exploration. The Company however has not independently validated the former owners exploration results and therefore is not to be regarded as reporting, adopting or endorsing these results. Full disclosures required to comply with ASX "Mining Report Rules for Mining Entities: Frequently Asked Questions" FAQ 37 are contained in Appendix 1 of this announcement.

JORC 2012 Reporting Criteria:

The Competent Person has carries out the an assessment on the Reported Zenith Resources by reviewing inn some detail the following areas:

- **Sampling Techniques:** RC drilling samples have been used for this estimate. The samples were taken at 1m intervals and were split under dry conditions.
- **Data Verification:** Twin drilling has been used for verification purposes. The comparison of results found no significant discrepancies.
- **Estimation Methodology:** The resource was estimated using ordinary kriging.
- **Cut-off Grades:** The Mineral Resource is interpreted and reported at a 0.5% Cueq (copper equivalent) cut-off suitable for open pit assessment.

These aspects related to the ASX Listing Rules Clause 5.8.1 reporting and listing requirements In compliance with Listing Rule 5.8, the following is reiterated:

- Post the transition on 1 December 2013, QMines Limited cannot rely on the streamlined Competent Person sign-off regime when referring to previously disclosed Exploration Results, Mineral Resources, or Ore Reserves prepared and reported in accordance with the JORC Code 2004 unless the information has been updated to conform to Listing Rule 5.8.1
- This announcement is based on, and fairly represents, information and supporting documentation prepared by a named Competent Person or Persons.
- The Competent Person responsible for the review of the previous Zenith estimate is Mr. Stephen Hyland, Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM).

Reference material for this review includes:

- Clauses 9-11 of the JORC Code 2012
- Listing Rules 5.16 and 5.22-5.24 and 5.8.1
- ASX Listing Rules Guidance Note 31
- ASIC Regulatory Guides 111 Content of expert reports, 112 Independence of experts, and 170 Prospective financial information.

Clause 9 of the JORC Code requires any potential conflict of interest by the Competent Person or a related party to be disclosed in accordance with the Transparency principle.

No potential conflict of interest by Mr. Stephen Hyland or a related party exists or has been identified. The relationship between Stephen Hyland of HGMC and QMines is solely one of professional association between client and independent consultant.

Additional Information Regarding the Mineral Resource Estimate

Location:

The Develin Creek Project encompasses the Sulphide City Scorpion and Window deposit, situated within exploration licence EPM 17604, 80 km northwest of Rockhampton, Queensland. The site is accessible via an unsealed road through Marlborough or Glenroy. Owned by Mackerel Metals, a 100% subsidiary of Zenith, the deposit falls within EPM 17604, granted from 2008-2025. It's situated on the Forrest Home Pastoral Lease, with no known barriers to obtaining a future mining lease. EPM 17604 also features several other prospects, mainly south of Sulphide City.

Geological Overview:

The Develin Creek Project predominantly features the Rookwood Volcanics, presenting as a fragmented north-south belt spanning the project, responsible for the identified base metal deposits (refer to Figure 2). The project area encompasses three primary mineralised zones: the northern Develin Creek zone, Snook situated 18 km to the south, and the southernmost Comanche area, all located within EPM 17604. These Rookwood Volcanics, forming the main sub-surface rock in EPM 17604, are intermittently revealed or obscured by lateritic Tertiary sediments and more recent Quaternary layers.

The existence of VHMS (volcanic hosted massive sulphide) deposits, coupled with thick basalt layers and scarce sediment elements, indicates that the Rookwood Volcanics likely originated in a deep-sea basin. The analysis of the lithogeochemical data further suggests a potential back-arc or mid-ocean ridge environment. The deposit contains a thick pile of basaltic pillow lavas and hyaloclastite breccias with only minor massive basaltic feeder dykes and minor chemical chert, black mudstone containing magnetite, jasper, bedded sulphides, volcanic mudstone-sandstone and polymictic breccias.

The well developed pillow lava facies implies subaqueous deposition but gives no indication of relative water depth, although there is a general consensus that VHMS form at water depths of generally greater than 1,000 m.

Mineralisation styles in the main prospect areas include massive and banded sea-floor sulphide deposits; reworked, polymictic breccia deposits; distal, graded sedimentary sulphide deposits; massive, sub-seafloor replacement deposits and stringer zone quartz-sulphide vein deposits and are characteristic of VHMS deposit observed at Develin Creek.

Drilling:

Three groups have conducted exploration drilling:

- Queensland Mining Corporation (QMC) first discovered and drilled at 50 m intervals using percussion and diamond methods between 1992 and 1993.
- Fitzroy Resources later carried out additional and extensional drilling using RC and diamond techniques in 2011.
- Zenith Minerals performed validation drilling using RC and diamond methods in both 2014 and between 2021 to 2022.

QMC's drilling was part of the initial exploration, making it more extensive. The drilling by Fitzroy and Zenith focused on identified mineral deposits and their extensions. When evaluating the Mineral Resource estimate based on meters drilled within the resource areas, it breaks down as follows: QMC's 1990s

percussion drilling contributed 62%, Fitzroy's 2011 drilling accounted for 2%, and Zenith's recent drills made up 36%.

Diamond drills typically used HQ and NQ sized cores, whereas percussion and RC drilling utilised 4½ or 5½ inch diameter hammers bits. QMC's percussion drilling, which was open hole, underwent verification by Zenith. Initial expectations were that verification would yield higher grades, but the comprehensive program showed average outcomes aligned with QMC's initial percussion results.

All drill program data contributed to the Mineral Resource estimate, with the exception of five drill holes omitted due to inadequate sampling or incorrect alignment. For each of these holes, more adequately sampled and better-aligned drilling was available nearby.

Sampling and Sub-Sampling:

At the Develin Creek deposit, sampling techniques that met industry standards for this type of mineralisation were utilised.

Both QMC and Fitzroy extracted samples from diamond core within the mineralisation at intervals of 1 to 2 m. These half core samples were then dispatched to the lab. Zenith's drilling process took consistent 1 m intervals of half core, with occasional subsampling, such as using ¼ core for field duplicates. The diamond core was split in half, and samples were taken at intervals ranging between 1 and 2 m.

For QMC's percussion samples, 1 m samples from the drilling rig were combined to make 3 m samples. However, if sulphide mineralisation was detected, shorter intervals of 1 or 2 m were used for sampling. A cyclone collected samples from each percussion interval, which were then divided using a 3-tier riffle splitter. Wet samples were directly taken for assay, leaving any residual sample to dry for potential resampling later.

Both Fitzroy and Zenith utilised an on-rig riffle splitter for their RC samples (1m). They used a sample spear to sample 3 or 4 m composites in the upper and lower boundaries. In mineralised areas, RC samples were typically not combined.

Sample Analysis:

All sample preparation and assaying were performed by professional labs, following the standard industry methods of their respective times. The methods of analysis employed were:

- QMC used AAS in the 1990s.
- Fitzroy used ICP-OES in 2011.
- Zenith opted for ICP-AES in 2014 and 2021/22, with gold being analysed via fire assay.

Starting from 2011, any grade intervals exceeding 1% base metals underwent a re-assay using 4 acid digestion techniques.

Drilling and Assay Database:

Field data was all recorded on paper hardcopies (geological logging, sampling intervals, sample submission forms, density determinations etc on standardised templates). This data was then transferred to a digital database. No adjustments were made, other than industry standard approach for storing and managing below analytical detection limit values.

Zenith data is stored on a server as Excel spreadsheets. Data validation included cross validation of the database table and checks for downhole interval integrity and completeness and grade ranges checks. Physical checking of the historic data against records has not been undertaken at this stage.

Topography:

The topography and drill collar locations and elevations were accurately surveyed by a licenced surveyor over the period 1993-94.

- All recent work and reporting use GDA94 Zone 55 coordinates.
- Accurate topography is available as an open-source Queensland Government LiDAR Survey.
- Though recent drilling is only GPS surveyed it is adequate for the current study and classification and elevations corrected to the accurate topography survey.

Drill Hole Surveys:

QMC's drill hole collar positions were assessed by licensed surveyors, and some were further verified using both traditional and differential GPS methods.

- Starting 2011, the collar positions of drill holes were measured using handheld GPS devices. These measurements were later adjusted to match precise topographic surfaces.
- QMC's PD holes lacked down hole surveys, but they were mostly vertical. QMC's diamond holes were surveyed at their termination using an Eastman survey camera, which showed minimal deviations.
- During 2011 and 2014, every 50 m of both diamond and RC holes underwent down hole surveys using a Reflex camera.
- In 1993, QMC set up a local grid with the help of a licensed surveyor aligned to the AMG grid north. In 1995, differential GPS was used to mark points on the baseline, ensuring accurate grid translations.

Geological Interpretation:

The geological interpretation of massive sulphide horizons, spanning multiple drill holes and sections, is dependable. Zenith's recent infill drilling confirmed and refined prior interpretations, expanded upon by Fitzroy and Zenith's previous efforts.

Our current understanding is rooted in surface mapping, assay findings, drill hole logging, and some structural interpretations. Still, the massive sulphide's surface appearance is scant. The comprehensive scope and form are unclear due to the existing drill coverage's constraints. While further study is needed to decode the mineralized sulphide layer's geometry, significant decreases in the estimated mineral content aren't anticipated.

Wireframes, following the ancient seafloor horizons or "pepperites," display varied orientations. These wireframes were shaped by assay findings and lithologies, with a 0.5% Cueq cutoff defining resource areas. Data from weathering and Tertiary period caprock logs, along with sulfur assays, provided insights into weathering's base. Observations suggest faulting influences the mineralized unit. Our grasp of structural details, especially where diamond drilling data is available, is limited and requires deeper exploration.

There are two distinct mineralized zones, 200 m apart. Their inclination and thickness vary, with certain areas reaching up to 30 m vertically. The Window-Scorpion area spans 200 m E by 480 mN by 220 m RL, while the Sulphide City zone, made up of multiple lens layers, measures 330 m E by 490 mN by 314 m RL. Ten wireframe envelopes were identified, based on the 0.5% Cueq benchmark, demonstrating stable patterns. Adjustments were made only for exceedingly high grades.

For estimations and geostatistical analysis, an unfolding surface was formed along the base domains of Scorpion and Sulphide City. The flatter Window and top Sulphide City regions were addressed separately. Variograms for all domains, crafted using lens unfolding, revealed a distinct structure with 70 to 90 m ranges for elements like Cu, Zn, Au, and Ag.



Resource Estimation Methodology:

A 3D block model was constructed with primary blocks sized 10m x 5m x 5m and was further sub-divided to dimensions of 5m x 2.5m x 1.25m. The estimations incorporated 3m drill composites. Using Ordinary Kriging, block grades were deduced in single searches that spanned 120m x 120m x 30m. These searches utilized a maximum of 15 composites, with 3 composites for each drill hole and up to 5 drill holes. Notable variations, especially between Cu and Zn, are apparent.

Multiple techniques, like visual on-screen checks, overall statistical reviews, SWATH diagrams, and comparisons with earlier block model predictions, were employed to confirm the block model estimations.

Bulk Density Estimation:

Out of 442 drill core samples, bulk density was evaluated for 132 within the resource areas. A mild positive correlation was observed between bulk density and both Cu and Zn. In contrast, a pronounced positive link was seen with S and Fe due to the substantial pyrite presence. Given the sturdiness of Fe assaying, the relationship between Fe and bulk density informed the assignment of bulk density to drill samples for estimations. The estimation also employed Fe via Ordinary Kriging, reflecting pyrite as the chief sulphide and primary source of high bulk densities at Develin Creek.

Mineral Resource Classification and Reporting:

The deposits primarily follow a 50 m grid pattern with mainly vertical and some slanted drill holes. Zenith's drilling efforts have focused on verifying specific locations, which led to more drilling and a density slightly denser than 50 m. Unfolded variograms for the four main elements - Cu, Zn, Au, and Ag - displayed total ranges between 70 to 90 m.

Given the consistent drilling pattern and a general extrapolation of 25 m or less, all identified domains are deemed appropriate for the Inferred Mineral Resource category. This extrapolation extends to half the distance between drill holes. Variograms suggest that drilling at 50 m intervals should sufficiently outline the Indicated Mineral Resource category. However, because the resource domain boundaries are distinct, any extrapolation of the Indicated classification beyond the drilling is limited to 10 m, acknowledging this uncertainty. The Indicated classification was determined based on having 3 drill holes within 50 m, with a 10 m extrapolation, and it was manually mapped out for each domain, considering down dip distances. Other adjustments are:

- The Scorpion Deeps domain (Domain 230) is not classified or documented due to its low grade.
- Domains 180 and 130 are too irregular and minor to be categorized as Indicated.
- Oxide classification remains as Inferred due to the scarce oxide bulk density measurements.
- The Indicated classification is limited to blocks above -135 mRL, approximately 250 m below the surface, as the potential for an open pit further below the main Sulphide City lens is uncertain.

Competent Person Statement:

The information in this report that relates to Mineral Resources for the Develin Creek Copper-Gold Project is based on information compiled by Mr. Stephen Hyland, who is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr. Hyland has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves' (JORC Code). Mr. Hyland consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

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Hyland Geological and Mining Consultants

Competent Person Statement:

In accordance with ASX Listing Rules Guidance Note 31:

I, Stephen Hyland, am a Fellow of The Australasian Institute of Mining and Metallurgy (AusIMM), and I have sufficient experience relevant to the style of mineralization and type of deposit under consideration, and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves” (JORC Code 2012).

I have reviewed the information in this report, which pertains to the Develin Creek Copper-Zinc mineral resource, as previously reported by Zenith Minerals, is a sufficiently reliable representation of the available data and studies related to the said mineral project and Resource Reporting.

I acknowledge that the estimates of the Develin Creek Copper-Zinc mineral resource were provided from previous Zenith Minerals reporting in August 2022 and not by QMines Limited. To the best of my knowledge, the information, assumptions and the data presented therein is sufficiently reliable, and no obvious material facts have been omitted that would make any statement misleading.

I consent to the inclusion in this report of the matters based on my information in the form and context in which they appear.

Dated: August 24th, 2023.

A handwritten signature in blue ink that reads "S. Hyland." The signature is written in a cursive style.

Signature: _____

Stephen Hyland
Fellow of The Australasian Institute of Mining and Metallurgy (AusIMM)
Membership Number - 108070

