QUEENSLAND MINING CORPORATION PTY LTD

ABN 61 109 962 469

ANNUAL FINANCIAL REPORT

31 DECEMBER 2021

CORPORATE DIRECTORY

Board of Directors

Nelson Chen	Director
Guojian Xu	Director
Xiangtao Wu	Director

Company Secretary

Guojian Xu	Company Secretary

Principal & Registered Office

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Auditor

BDO Audit Pty Ltd
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DIRECTORS' REPORT

The Directors present their report together with the financial report of Queensland Mining Corporation Pty Ltd ("QMC" or the "Company") and of the consolidated entity, being the Company and its controlled entities (the " Group") for the year ended 31 December 2021, and the auditor's report thereon.

DIRECTORS

The names and details of the Company's Directors in office during the year and until the date of this report are set out below. Directors were in office for the entire year unless otherwise stated.

Director	Qualifications and Experience
Nelson Chen Director	Appointed 11 April 2018. Mr Chen is a Director of Hanlong (Australia) Resources Pty Ltd and a Chartered Accountant in Australia. He holds postgraduate degrees in finance and accounting. Prior to joining Hanlong, Mr Chen spent over 11 years with PricewaterhouseCoopers, Sydney office in their audit and M&A advisory practices. Mr Chen has served on the board of Australia China Business Council, NSW branch for over 7 years.
Dr Guojian Xu Director	Appointed 11 February 2019 Dr. Guojian Xu has over 20 years' experience in the Australian and international mining industry. This experience includes technical, senior management and corporate roles with Queensland Mining Corporation, Premium Exploration, K2 Resource Services, Xstrata, Sparton Resources and Queensland Epithermal Gold. A geologist with specialist IOCG and Mt Isa Style copper deposit skills, Dr. Xu has in-depth knowledge of exploration techniques and extensive experience in mineral resources in Australia and China. Over the last 10 years, Dr. Xu has been successful in managing the exploration activities and commercial dimensions of junior resource companies from project generation, through exploration program design and execution, to resource definition and feasibility studies. He holds a PhD from James Cook University in Australia and an MSc from China University of Geosciences. He is a Member of the Australasian Institute of Mining and Metallurgy and a Fellow of the Society of Economic Geologists, and a competent person as defined by the 2012 Australasian Joint Ore Reserves Committee (JORC) code.
Mr Xiangtao Wu Director	Appointed 11 June 2020 Mr. Wu is based in Hong Kong and holds a Master of Business Administration from University of Glasgow, U.K. and a second MBA from the University of Southwestern University of Finance and Economics, China. He has many years of experience in company management and overseas work in the trade and financing sector. He was vice president and executive director of a public company listed on the Hong Kong Stock Exchange from 2008-2017.

PRINCIPAL ACTIVITIES

The principal activity of the Group during the year was the exploration and development of mineral properties.

DIVIDENDS

There were no dividends paid, recommended or declared during the current or previous financial year.

OPERATING AND FINANCIAL REVIEW

Operations

QMC holds the White Range copper project which consists of three main deposits (Greenmount, Kuridala and Young Australian), several smaller deposits (Mt McCabe, Vulcan and Desolation) and numerous advanced exploration prospects (including Copper Canyon, Chopper Ridge and Black Fort). The White Range copper project holds a published JORC 2012 Mineral Resource of 30 Mt @ 0.80% copper, 0.26 g/t gold and 0.04% cobalt along with excellent exploration upside.

As a result of both the Covid-19 pandemic and a lack of available funds a reduced level of work has been undertaken on the Group's exploration tenements.

During the period the Company completed a tenement sale to CopperCorp Pty Ltd. The sale consisted of the sale of wholly owned subsidiaries Flamingo Copper Mines Pty Ltd which held EPM 18106 and ML's 90103, ML 90104 and Mt Norma Mining Company Pty Limited which held EPM's 15879 and ML's 2506, 2550, 2551, 90172, 90173, 90174, 90175, 90176. In addition, EPM 15706 and ML's 2518, 2535 were transferred to CopperCorp Pty Ltd. Total consideration for the sales was $647,223, the Company transferred the ownership of tenements and the security bonds held by the Queensland Department of Resources totalling $645,600 along with the rehabilitation liabilities associated with the tenements.

Corporate

During the previous reporting period the Company entered into a Share Subscription and Sale Agreement with Gold Valley Copper Pty Ltd ("GVC") and Young Australian Mines Ltd ("YAML").

Under the Agreement:

1. GVC will subscribe for 1% of the ordinary shares in the Company by the payment of $500,000 by 1 August 2020.
2. GVC will subscribe for a further 2% of the ordinary shares in the Company by the payment of $1,000,000 by 30 September 2020.
3. GVC will subscribe for a further 2% of the ordinary shares in the Company by the payment of a further $1,000,000 by 31 December 2020.
4. If GVC fully performs its obligations in relation to the above subscriptions, then YAML will irrevocably grant to GVC a Call Option in respect of the remaining 95% fully paid ordinary shares in the Company that YAML holds. The sale of shares by YAML in QMC on exercise of this option by GVC will be subject to shareholder approval. GVC failed to perform its obligations under the agreement therefore the Call Option was not issued.
5. The parties have agreed to establish a joint management committee to oversee the operations of the assets until such time as the Call Option expiry date, the agreement is terminated or one party holds all of the issued shares in the Company.

During the period the Company issued 9,250,213 fully paid ordinary shares to GVC upon receipt of $1,500,000.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

All significant changes in the state of affairs of the Group during the year are discussed in detail within the Directors Report.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

- On 18 February 2022, the Company issued 1,919,132 fully paid shares to Gold Valley Copper Pty Ltd in relation to $300,000 previously received.

- On 16 February 2022 Young Australian Mines Limited ("YAML") entered into a binding QMC Sale Implementation Agreement (the "Implementation Agreement") with Fetch Metals Pty Ltd ("Fetch") under which YAML agreed to sell to Fetch all of the shares that YAML holds in Queensland Mining Corporation Pty Ltd ("QMC"). Under the Implementation Agreement, Fetch has agreed to purchase 100% of the shares in QMC and to pay a total amount of A$52 million in cash.

  Key terms of the Implementation Agreement are summarised below:

  1. A$4,000,000 deposit will be released to YAML if all of the conditions precedent to the sale by YAML of its shares in QMC are satisfied or waived on or before 20 April 2022.
  2. Within seven business days after satisfaction or waiver of all of the conditions precedent to the sale by YAML of its shares in QMC, Fetch is to pay YAML A$24,600,000 (in addition to the deposit amount of A$4,000,000) for 55% of the shares in QMC.
  3. Fetch must acquire YAML's remaining 41.4% shareholding in QMC on the date that is 12 months after the date that it acquires the 55% shareholding in QMC from YAML for A$21,528,000. Fetch has the right to elect to expedite its acquisition of YAML's remaining 41.4% shareholding in QMC.
  4. During the period between Fetch's acquisition of the 55% shareholding in QMC from YAML up to and until Fetch acquires YAML's remaining shareholding in QMC, Fetch will appoint two directors to the

board of QMC, and as operator will undertake exploration work and works preparatory to mine development on the QMC tenements (noting that Fetch has committed to spend at least A$1,000,000 on such activities) on the basis of an Approved Work Program and to also pay for all rents and rates, environmental fees and utility costs which any company in the QMC group is obliged to pay.

One of the conditions precedent to the sale by YAML of its shares in QMC to Fetch is approval by the shareholders of YAML. YAML's board of directors, including representatives of 53.8% shareholder Hanlong Mining Investment Pty Ltd, have voted in favour of the Implementation Agreement.

- On 31 January 2020, the World Health Organisation (WHO) announced a global health emergency because of a new strain of coronavirus (COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. Because of the rapid increase in exposure globally, on 11 March 2020, the WHO classified the COVID-19 outbreak as a pandemic.

  The full impact of the COVID-19 outbreak continues to evolve at the date of this report. The Company is therefore uncertain as to the full impact that the pandemic will have on its financial condition, liquidity, and future results of operations during 2022. Management is actively monitoring the global situation and its impact on the Company's financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for the 2022 financial year. Although the Group cannot estimate the length or gravity of the impact of the COVID19 outbreak at this time, if the pandemic continues, it may have a material adverse effect on the Group's results of future operations, financial position, and liquidity in fiscal year 2022.

Other than the events noted above, there are no other matters or circumstances that have arisen since the end of the year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

SHARES UNDER OPTION

There were no unissued shares of the Company under option outstanding at the date of this report.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were no ordinary shares of the Company issued on the exercise of options during the year ended 31 December 2021 and up to the date of this report.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Likely future developments in the operations of the Group are the progression of the White Range copper project.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group is subject to significant environmental regulation in respect to its exploration and development activities.

The Group aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and complies with all environmental legislation. The Directors of the Group are not aware of any breach of environmental legislation for the period under review.

INDEMNIFICATION AND INSURANCE OF DIRECTORS, OFFICERS AND AUDITORS

The Company has made an agreement to indemnify all the Directors and Officers of the Company against all losses or liabilities incurred by each Director and Officer incurred in good faith in the ordinary course of business in their capacities as Directors and Officers of the Company. During or since the end of the reporting period, the Company has paid premiums in respect of a contract insuring all the Directors of the Company's legal costs incurred in defending proceedings for conduct involving:

- A wilful breach of duty.

- A contravention of sections 182 or 183 of the Corporations Act 2001, as permitted by section 199B of the Corporations Act 2001.

The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not indemnified its auditors.

ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest thousand.

PROCEEDINGS ON BEHALF OF THE COMPANY

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001.*

AUDITOR'S INDEPENDENCE DECLARATION

We have obtained the attached independence declaration from our auditors, BDO Audit Pty Ltd, which forms part of this report.

Signed in accordance with a resolution of the Directors.

Nelson Chen
Director

8 March 2022
Brisbane

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

		Consolidated	
		31 Dec	31 Dec
		2021	2020
	Note	A$'000	A$'000
Interest income		-	7
Gain on disposal of mineral properties	6	601	-
Other income	3	-	56
Administrative expenses	3	(123)	(131)
Exploration expenses		(232)	(467)
Exploration impairment		-	(1,503)
Profit / (loss) before income tax		**246**	**(2,038)**
Income tax expense / (benefit)		-	-
Profit / (loss) after income tax		**246**	**(2,038)**
Other comprehensive income		**-**	**-**
Total comprehensive profit / (loss) for the year attributable to equity holders of the Company		**246**	**(2,038)**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	31 Dec 2021 A$'000	31 Dec 2020 A$'000
Current Assets			
Cash and cash equivalents	4	58	8
Receivables	5	7	7
Total Current Assets		**65**	**15**
Non-Current Assets			
Receivables	5	24	672
Plant and equipment		13	19
Mineral Properties	6	20,866	19,862
Total Non-Current Assets		**20,903**	**20,553**
Total Assets		**20,968**	**20,568**
Current Liabilities			
Trade and other payables	7	335	1,403
Provisions	8	23	23
Borrowings	9	1,527	1,159
Total Current Liabilities		**1,885**	**2,585**
Non-Current Liabilities			
Provisions	8	200	846
Total Non-Current Liabilities		**200**	**846**
Total Liabilities		**2,085**	**3,431**
Net Assets		**18,883**	**17,137**
Equity			
Contributed equity	10	87,582	86,082
Reserves		2,883	2,883
Accumulated losses		(71,582)	(71,828)
Total Equity		**18,883**	**17,137**

The above consolidated statement of financial position should be read in conjunction with the accompanying Notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Contributed Equity $'000	Accumulated Losses $'000	Share Based Payments Reserve $'000	Total Equity $'000
At 1 January 2020	**86,082**	**(69,790)**	**2,883**	**19,175**
Loss for the period	-	(2,038)	-	(2,038)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	(2,038)	-	(2,038)
Equity Transactions				
At 31 December 2020	**86,082**	**(71,828)**	**2,883**	**17,137**
At 1 January 2021	**86,082**	**(71,828)**	**2,883**	**17,137**
Profit for the period	-	246	-	246
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	246	-	246
Equity Transactions				
Issue of shares	1,500	-	-	1,500
At 31 December 2021	**87,582**	**(71,582)**	**2,883**	**18,883**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying Notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Consolidated 31 Dec 2021 A$'000	Consolidated 31 Dec 2020 A$'000
Cash flows from operating activities			
Payments to suppliers and employees		(114)	(110)
Payments for exploration and project assessment expenses		(232)	(467)
Receipts of Government Covid -19 benefits		-	21
Interest received		-	7
Other income		-	35
Net cash flows used in operating activities	12	**(346)**	**(514)**
Cash flows from investing activities			
Payments for capitalised exploration cost		(2,053)	(655)
Proceeds from sale of Tenements		701	-
Net cash flows from investing activities		**(1,352)**	**(655)**
Cash flows from financing activities			
Proceeds from issue of shares		1,080	-
Proceeds from share funds received in advance		300	420
Proceeds from related party borrowings		368	748
Net cash flows from financing activities		1,748	1,168
Net decrease in cash and cash equivalents		50	(1)
Net foreign exchange difference		-	-
Cash and cash equivalents at beginning of the period		8	9
Cash and cash equivalents at end of the period	4	**58**	**8**

The above consolidated statement of cash flows should be read in conjunction with the accompanying Notes.

1. CORPORATE INFORMATION

The financial report of Queensland Mining Corporation Pty Ltd ("QMC" or the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2021 was authorised for issue in accordance with a resolution of the Directors on 8 March 2022.

QMC is a Company limited by shares incorporated and domiciled in Australia.

The nature of the operations and principal activities of the Company is mining, exploration and development of mineral resources.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is a special purpose financial report that has been prepared for Queensland Mining Corporation Pty Ltd purposes. The financial report has been prepared on a historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

The financial report is presented in Australian dollars. All values are rounded to the nearest thousand dollars ($'000) unless stated. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

The financial report complies with the measurement and recognition requirements of the Australian Accounting Standards.

New Accounting Standards and Interpretations

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

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

Basis of Consolidation

The consolidated financial statements comprise the financial statements of Queensland Mining Corporation Pty Ltd (the parent entity) and its subsidiaries at the reporting date (the "Group").

Subsidiaries are fully consolidated from the date the Group obtains control until such time as control ceases. An investor controls an investee when:

i) it has power over an investee;
ii) it is exposed, or has rights, to variable returns from its involvement with the investee; and
iii) has the ability to use its power to affect its returns.

All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses arising from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary that does not result in a loss of control is accounted for as an equity transaction.

Investments in subsidiaries are detailed in Note 13.

Significant accounting judgments, estimates and assumptions

The following are the critical judgements estimates and assumptions that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

(a) Carrying value of capitalised exploration and evaluation expenditure

The Consolidated Group has capitalised significant exploration and evaluation expenditure on the basis either that this is expected to be recouped through future successful development or alternatively sale of the areas of interest. If ultimately the area of interest is abandoned or is not successfully commercialised, the carrying value of the capitalised exploration and evaluation expenditure would be written down to its recoverable amount. Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, and changes to commodity prices.

(b) Provisions for decommissioning and restoration costs

Decommissioning and restoration costs are a normal consequence of mining, and the majority of this expenditure is incurred at the end of a mine's life. In determining an appropriate level of provision consideration is given to the expected future costs to be incurred, the timing of these expected future costs (largely dependent on the life of the mine), and the estimated future level of inflation.

The ultimate cost of decommissioning and restoration is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other mine sites. The expected timing of expenditure can also change, for example in response to changes in reserves or to production rates.

Changes to any of the estimates could result in significant changes to the level of provisioning required, which would in turn impact future financial results.

(c) Going Concern

On 31 January 2021, the World Health Organisation (WHO) announced a global health emergency because of a new strain of coronavirus (COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. Because of the rapid increase in exposure globally, on 11 March 2021, the WHO classified the COVID-19 outbreak as a pandemic.

These events are having a significant negative impact on world stock markets, currencies and general business activities.

For the year ended 31 December 2021, the Group generated a consolidated profit of $246,000 and incurred operating cash outflows of $346,000. As at 31 December 2021 the Group had cash and cash equivalents of $58,000 and net assets of $18,883,000.

The ability of the Group to continue as a going concern is dependent upon the Group being able to manage its liquidity requirements by taking some or all of the following actions:

1. Raising additional capital or securing other forms of financing, as and when necessary to meet the levels of expenditure required for the Group to continue to explore and develop the mineral properties in which it has an interest and to meet the Group's working capital requirements;
2. Sale of other non-core assets; and
3. Reducing its working capital expenditure.

These conditions give rise to a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.

Notwithstanding the above, the Directors consider it appropriate to prepare the financial statements on a going concern basis after having regard to the following matters:

1. The Shareholder of the Company has provided a letter of financial support; and

2. Subsequent to the financial period the Company was acquired by Fetch Metals Pty Ltd that plans to raise sufficient funds to recommence exploration on the Company's tenements.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amount and classification of liabilities that might be required should the Group not be able to achieve the matters set out above and thus be able to continue as a going concern.

Cash and cash equivalents

Cash and short term deposits in the statement of financial position comprise of cash at bank and in hand and short term deposits with an original maturity of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash includes cash at bank and in hand as defined above, net of outstanding bank overdrafts.

Trade and other receivables

Trade and other receivables, which generally have 30 to 90 day terms, are recognised initially at fair value, which is generally the original invoice amount, and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

The group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial assets

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired. These are included in current assets, except for those with maturities greater than 12 months after reporting date, which are classified as non-current.

Investments in associates

The Group's investment in its associates is accounted for using the equity method of accounting in the consolidated financial statements and at cost in the parent. The associates are entities over which the Group has significant influence and that are neither subsidiaries nor joint ventures.

The Group generally deems they have significant influence if they have over 20% of the voting rights. Under the equity method, investments in the associates are carried in the consolidated Statement of Financial Position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. After application of the equity method, the Group determines whether it is necessary to recognise any impairment loss with respect to the Group's net investment in associates.

The Group's share of its associates' post-acquisition profits or losses is recognised in the Statement of Comprehensive Income, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent entity's Statement of Comprehensive Income, while in the consolidated financial statements they reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables and loans, the Group does not recognise further losses, unless it has incurred obligations or made payment on behalf of the associate.
The reporting dates of the associates and the Group are identical and the associates' accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. The cost of each item of plant and equipment is written off over its expected economic life, adjusted for any salvage value if applicable. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items.

Depreciation is provided on a straight-line basis. Major depreciation periods are:

	Dec 2021	Dec 2020
Plant and equipment	2-4 years	2-4 years
Motor vehicles	5 years	5 years

Impairment

Plant and equipment is reviewed for impairment if there is any indication that the carrying amount may not be recoverable. Where a review for impairment is conducted, the recoverable amount is assessed by reference to the higher of 'value in use' (being the net present value of expected future cash flows of the relevant cash generating unit) and 'fair value less costs to sell'.

Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest. Each area of interest is limited to a size related to a known or probable mineral resource capable of supporting a mining operation.

Exploration expenditure for each area of interest is written off as incurred, except that it may be carried forward provided that one of the following conditions is met:

- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration activities in the area of interest have not, at reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Exploration expenditure which no longer satisfies the above policy is written off. In addition, an impairment allowance is raised against exploration expenditure where the Directors are of the opinion that the carried forward net cost may not be recoverable under the above policy. The increase in the allowance account is recognised in profit and loss for the period.

When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off in the period in which the decision to abandon is made, firstly against any existing allowance account for that expenditure, with any remaining balance recognised in profit and loss for the period.

Expenditure is not carried forward in respect of any area of interest unless the Group's right of tenure to that area of interest is current. Amortisation is not charged on areas under development, pending commencement of production.

Exploration and evaluation expenditure will commence to amortise by using unit-of-production method after the individual geological area commences production.

Provision for restoration, rehabilitation and environmental expenditure

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. Furthermore, gains from the expected disposal of assets are not taken into account in measuring a provision.

Any adjustments to the provision as a result of the unwinding of the discount are recognised as an interest expense and not as a movement in the restoration provision expense.

Changes to the estimated liability, including changes as a result of changes to discount rates are added to or subtracted from the cost of the asset in the current period. The carrying value of the asset may not, however, be reduced below zero. Any excess is therefore taken to profit and loss.

Trade and other payables

Trade payables and other payables are carried at amortised cost and due to their short-term nature are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

Interest-bearing liabilities

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effect interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Gains and losses are recognised in profit and loss when the liabilities are derecognised.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit and loss net of any reimbursement.

Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the reporting date. The risks specific to the provision are factored into the cash flows and as such a risk-free government bond rate relative to the expected life of the provision is used as a discount rate. The increase in the provisions resulting from the passage of time is recognised as a finance cost.

Employee entitlements

Provision is made for employee entitlements accumulated as a result of employees rendering services up to the reporting date. These entitlements include wages and salaries, annual leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits due to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on corporate bonds, which have terms to maturity approximating the terms of the related liabilities, are used.

Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction net of tax of the share proceeds received.

Revenue recognition

Interest revenue

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Taxes

(i) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax consolidation legislation

Queensland Mining Corporation Pty Ltd and its wholly-owned Australian controlled entities are a member of the Young Australia Mines Ltd tax consolidated group.

(ii) Other Taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

3. OTHER INCOME AND EXPENSES

	Consolidated	
	31 Dec 2021 A$'000	31 Dec 2020 A$'000
INCOME		
Other Income		
Other income	-	35
Government COVID-19 assistance	-	21
	-	56
EXPENSES		
Administrative Expenses		
Salaries and wages	90	90
Defined contribution superannuation expense	9	9
Depreciation and amortisation	6	6
Other administrative expenses	18	26
	123	131

	Consolidated	
	31 Dec 2021 A$'000	31 Dec 2020 A$'000

4. CASH AND CASH EQUIVALENTS

Cash at bank and in hand	58	8
	58	8

5. RECEIVABLES

Current		
Other debtors	7	7
Non-current		
Security deposits (a)	24	672

(a) Security deposits held in relation to tenements owned by Mount Norma Mining Company Pty Ltd were transferred to CopperCorp Pty Ltd as part of the sale process undertaken during the period.

6. MINERAL PROPERTIES

Exploration and evaluation assets	20,866	19,862
Movements:		
Balance at the beginning of the year	19,862	19,828
Additions	1,104	1,537
Expenditure written off during the year	-	(1,503)
Exploration assets disposed[a]	(100)	-
Balance at end of the year	20,866	19,862

(a) During the period the Company sold the following tenements to CopperCorp Pty Ltd: EPM's 18106, 15879, 15706 and ML's 90103, 90104, 2506, 2550, 2551, 90172, 90173, 90174, 90175, 90176, 2518, 2535. Consideration received was $701,000 resulting in a gain on disposal of $601,000.

The ultimate recoupment of costs carried forward for exploration expenditure is dependent on the successful development and commercial exploitation or sale of the respective mining areas.

7. TRADE AND OTHER PAYABLES

Trade and other payables	10	514
Accruals	25	469
Funds advanced by Gold Valley Copper Pty Ltd	300	420
	335	1,403

Trade and other payables are non-interest bearing and generally settled on 30 day terms. Due to their short-term nature, their carrying amount is assumed to approximate their fair value.

	Consolidated	
	31 Dec **2021** A$'000	31 Dec **2020** A$'000

8. PROVISIONS

	2021 A$'000	2020 A$'000
Current		
Annual leave	7	7
Long service leave	16	16
	23	23
Non-current		
Rehabilitation of mineral tenements	200	846
	200	846
Movement in provision for rehabilitation		
Opening balance	846	846
Decrease resulting from sale of tenements	(646)	-
Closing balance	200	846

Rehabilitation provisions are subject to inherent uncertainty in both timing and amount, and as a result are continuously monitored and revised. Timing is uncertain as the next stage in rehabilitation is dependent on success of previous work after a number of wet seasons, however rehabilitation is not expected to commence in the next year. The provision recognised is aligned with the calculation provided by the Department of Mines and Petroleum for the Group's tenements.

9. BORROWINGS

	2021 A$'000	2020 A$'000
Current		
Related party loan – Young Australian Mines Ltd	1,527	1,159

Interest Rate, Foreign Exchange and Liquidity Risk
The Company does not have any exposure to variable interest rate risk on its borrowings.

Carrying Value
Borrowings are held at amortised cost.

	Consolidated	
	31 Dec 2021 A$'000	31 Dec 2020 A$'000
10. CONTRIBUTED EQUITY		
Issued and paid up capital	87,582	86,082

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Movements in shares on issue:	Number of shares	A$'000
Balance at 1 January 2020	299,090,232	86,082
Balance at 31 December 2020	299,090,232	86,082
Shares issued[(a)]	9,250,213	1,500
Balance at 31 December 2021	308,340,445	87,582

(a) During the period the Company issued 9,250,213 fully paid ordinary shares for cash consideration of $1,500,000. The shares were issued to Gold Valley Copper Pty Ltd as part of the Share Subscription and Sale Agreement.

	Consolidated	
	31 Dec 2021 A$'000	31 Dec 2020 A$'000
11. COMMITMENTS & CONTINGENCIES		
(a) Mineral tenement leases		
Within 1 year	759	773
Later than 1 year and not later than 5 years	622	806
	1,381	1,579

Under the terms and conditions of the Group's title to its various mining tenements, it has an obligation to meet rentals and minimum levels of exploration expenditure per annum as gazetted by the Queensland Department of Resources, as well as local government rates and taxes.

12. CASH FLOW INFORMATION

	Consolidated	
	31 Dec 2021 A$'000	31 Dec 2020 A$'000
(a) Reconciliation of operating loss after tax to net cash flows from operations		
Profit / (loss) from ordinary activities	246	(2,038)
Adjusted for:		
Depreciation and amortisation	6	6
(Profit) / loss on disposal of mineral properties	(601)	-
Exploration Expenditure written off	-	1,503
Changes in assets and liabilities:		
(Increase) / decrease in receivables	648	8
Increase / (decrease) in payables	1	7
Increase / (decrease) in rehabilitation provision	(646)	-
Net cash flows used in operations	(346)	(514)

13. RELATED PARTY DISCLOSURE

Subsidiaries

Name	Country of Incorporation	% Equity Interest	
		Dec 2021	Dec 2020
North Queensland Mines Pty Ltd	Australia	100	100
Mt Norma Mining Company Pty Ltd	Australia	-	100
Flamingo Copper Mines Pty Ltd	Australia	-	100
Soldiers Cap Mining Pty Ltd	Australia	100	100
Cloncurry Mining Company Pty Ltd	Australia	100	100
Kuridala Mining Pty Ltd	Australia	100	100
Mr McNamara Pty Ltd	Australia	100	100
Sierra Line Pty Ltd	Australia	100	100
QMC Operations Pty Ltd	Australia	100	100
White Range Mines Pty Ltd	Australia	100	100
Mt McCabe Pty Ltd	Australia	100	100
Iron Ridge – Black Fort Pty Ltd	Australia	100	100
Maxiforde Pty Ltd	Australia	100	100
Spinifex Mines Pty Ltd	Australia	20	20
QMC Exploration Pty Ltd	Australia	20	20

Details of Related Party Transactions

(a) Subsidiaries

Queensland Mining Corporation Pty Ltd has related party transactions with its subsidiaries whereby it funds and pays for the exploration and evaluation expenses incurred by its subsidiaries. These expenses are charged to the subsidiaries through intercompany loans, which are non-interest bearing and have no fixed repayment terms. Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

14. SIGNIFICANT EVENTS AFTER THE REPORTING DATE

- On 18 February 2022, the Company issued 1,919,132 fully paid shares to Gold Valley Copper Pty Ltd in relation to $300,000 previously received.

- On 16 February 2022 Young Australian Mines Limited ("YAML") entered into a binding QMC Sale Implementation Agreement (the "Implementation Agreement") with Fetch Metals Pty Ltd ("Fetch") under which YAML agreed to sell to Fetch all of the shares that YAML holds in Queensland Mining Corporation Pty Ltd ("QMC"). Under the Implementation Agreement, Fetch has agreed to purchase 100% of the shares in QMC and to pay a total amount of A$52 million in cash.

  Key terms of the Implementation Agreement are summarised below:

  1. A$4,000,000 deposit will be released to YAML if all of the conditions precedent to the sale by YAML of its shares in QMC are satisfied or waived on or before 20 April 2022.
  2. Within seven business days after satisfaction or waiver of all of the conditions precedent to the sale by YAML of its shares in QMC, Fetch is to pay YAML A$24,600,000 (in addition to the deposit amount of A$4,000,000) for 55% of the shares in QMC.
  3. Fetch must acquire YAML's remaining 41.4% shareholding in QMC on the date that is 12 months after the date that it acquires the 55% shareholding in QMC from YAML for A$21,528,000. Fetch has the right to elect to expedite its acquisition of YAML's remaining 41.4% shareholding in QMC.
  4. During the period between Fetch's acquisition of the 55% shareholding in QMC from YAML up to and until Fetch acquires YAML's remaining shareholding in QMC, Fetch will appoint two directors to the board of QMC, and as operator will undertake exploration work and works preparatory to mine development on the QMC tenements (noting that Fetch has committed to spend at least A$1,000,000 on such activities) on the basis of an Approved Work Program and to also pay for all rents and rates, environmental fees and utility costs which any company in the QMC group is obliged to pay.

  One of the conditions precedent to the sale by YAML of its shares in QMC to Fetch is approval by the shareholders of YAML. YAML's board of directors, including representatives of 53.8% shareholder Hanlong Mining Investment Pty Ltd, have voted in favour of the Implementation Agreement.

- On 31 January 2020, the World Health Organisation (WHO) announced a global health emergency because of a new strain of coronavirus (COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. Because of the rapid increase in exposure globally, on 11 March 2020, the WHO classified the COVID-19 outbreak as a pandemic.

  The full impact of the COVID-19 outbreak continues to evolve at the date of this report. The Company is therefore uncertain as to the full impact that the pandemic will have on its financial condition, liquidity, and future results of operations during 2022. Management is actively monitoring the global situation and its impact on the Company's financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for the 2022 financial year. Although the Group cannot estimate the length or gravity of the impact of the COVID19 outbreak at this time, if the pandemic continues, it may have a material adverse effect on the Group's results of future operations, financial position, and liquidity in fiscal year 2022.

Other than the events noted above, there are no other matters or circumstances that have arisen since the end of the year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Queensland Mining Corporation Pty Ltd, we state that:

In the opinion of the Directors:

(a) The Company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in Note 1 to the financial statements, the attached special purpose financial statements have been prepared for Queensland Mining Corporation Pty Ltd purposes;

(b) the attached financial statements and notes comply with Australian Accounting Standards to the extent described in note 1 to the financial statements;

(b) the attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2021 and of its performance for the financial year ended on that date; and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due and payable.

On behalf of the Board

Nelson Chen
Director
8 March 2022

AUDITOR'S INDEPENDENCE DECLARATION

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DECLARATION OF INDEPENDENCE BY R M SWABY TO THE DIRECTORS OF QUEENSLAND MINING CORPORATION PTY LTD

As lead auditor of Queensland Mining Corporation Pty Ltd for the year ended 31 December 2021 and 31 December 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Queensland Mining Corporation Pty Ltd and the entities it controlled during the year.

R M Swaby
Director

BDO Audit Pty Ltd

Brisbane

8 March 2022

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INDEPENDENT AUDITOR'S REPORT

To the directors of Queensland Mining Corporation Pty Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Queensland Mining Corporation Pty Ltd (the Entity) and its subsidiaries (the Group), which comprises the statement of financial position as at 31 December 2021 and 31 December 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and managements' assertion statement.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Group as at 31 December 2021 and 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with the basis of accounting described in note 2.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Entity in accordance with ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2(c) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Emphasis of matter – Basis of accounting

We draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Entity to meet the requirements of management. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the director's report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report, and have determined that the basis of preparation described in Note 2 is appropriate to meet the requirements of management and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

BDO

R M Swaby
Director

Brisbane, 8 March 2022