



Queensland Mining Corporation Limited

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## Quarterly Report

For the period ended 31 March 2017

19 April 2017

### HIGHLIGHTS

#### Operations

- Based on the feasibility study completed in 2005, an updating scoping study on the White Range copper project commenced in February 2017. MEC Mining, a global mining consultant firm, was engaged to undertake the study.
- The current quarter has also seen the review and ranking of a number of prospects within the White Range project with priority areas being selected as focus for the 2017 field season.
- Various environmental compliances were completed at the Company Mt Norma project to satisfy the regulatory requirements.

#### Corporate

- The Company remains committed to further divest its non-core assets in Cloncurry for joint venture and/or outright sale. QMC also continues the dialog with several parties for possible joint development of its White Range copper project.
- The Company is actively seeking toll treatment partners to process the ore from the Kuridala deposit.
- The consolidation of shares was approved by the shareholders at the general meeting held on 4 April 2017.

## **Exploration Activities**

Much of the current quarter collides with the wet season in the Mt Isa region. As a result, exploration activities were focused on project review and statutory report writing. The review has selected both Young Australian and Black Fort South prospects within the White Range project as top priority to follow up with field exploration planned in 2017. Additionally, in line with the Company's strategy to bring the White Range project into production, a scoping study commenced for the project during the quarter. A global mining consultant firm based in Brisbane, MEC Mining, was engaged to undertake the task. The details of the quarterly activities are presented as the followings.

### **Scoping Study on the White Range Project**

The Company's White Range project is the subject of a feasibility study completed by the previous owner Matrix Metals in 2005. The study covered the Greenmount, McCabe, Vulcan and Kuridala prospects and supported an annual copper cathode production of 15,000t for a mine life of 6.2 years with a total net profit of \$74m. However, there have been considerable changes in key factors such as the addition of Desolation and Young Australian prospects to the project, the size of resources, copper prices and exchange rates since then. In line with the Company's strategy to bring the White Range project into production, a scoping study has commenced by MEC in the middle of the current quarter. The study is directed towards to a preliminary financial analysis of the project under the current market conditions. The work to be undertaken mainly includes pit optimization of all the six deposits currently comprising the White Range project (Greenmount, McCabe, Vulcan, Kuridala, Desolation and Young Australian), pit design, production schedule and financial modelling with up-to-date costing parameters. It is expected the whole study will be completed sometime in May 2017.

### **Young Australian Prospect**

The Young Australia prospect consists of four MLs (100% QMC interest) and surrounding six sub-blocks within EPM 18912 which is owned by Chinova Resources and from which QMC has the exclusive rights to explore for mineralization over a period of five years until June 2017. QMC also has an option to require Chinova Resources to apply for a mining lease over all or any part of these six sub-blocks for QMC within the timeframe of the agreement. The prospect also forms part of the White Range project. Given the exclusive rights to expire in about six months, QMC entered a deed of variation with Chinova Resources on 28 December 2016, which extends the exclusive rights period by another three years to June 2020. This arrangement will allow QMC time to explore the full potential of the six sub-blocks for mineralisation before a mining lease application is developed.

The Young Australian prospect is centred approximately 70km south of Cloncurry in northwest Queensland (Figure 1). QMC has carried out intense exploration in the area from 2008 to 2015 with a total of 69 RC holes being drilled for 8,950m. A JORC resource update undertaken in July 2016 reported a total resource of 5.1Mt @ 0.79% Cu, including 2.2 Mt @ 0.93% Cu in the indicated category and 2.9Mt @ 0.68% Cu in the inferred category, for the Young Australian prospect. It is worth noting that this resource is open towards north along strike.

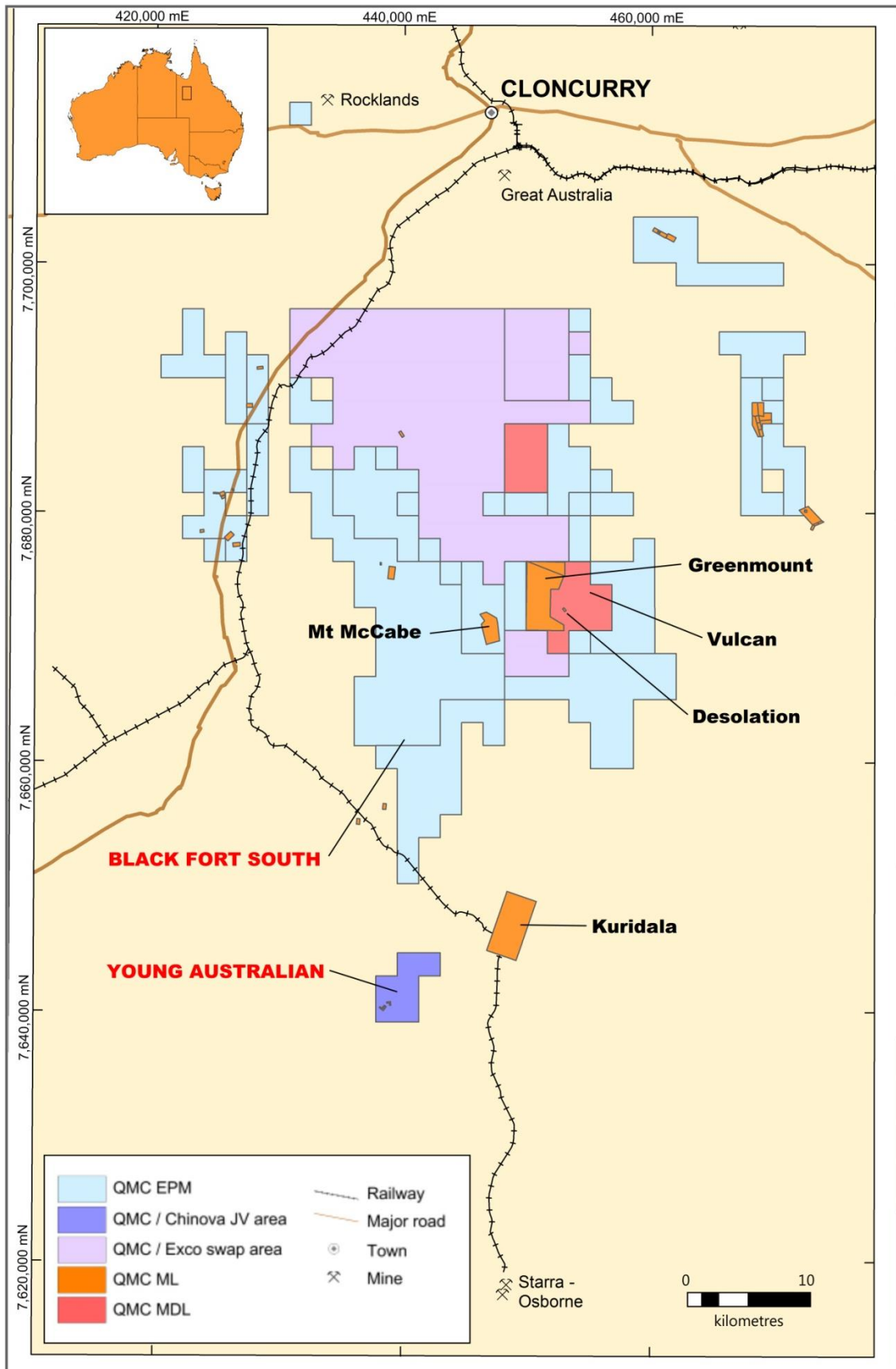


Figure 1 Regional location of main prospects in the White Range area

In addition, QMC's exploration program in 2015 discovered a new mineralized zone (Tank Hill Zone) up to 1,000m long located about 300m east of the main Young Australian mineralized zone. The best hole drilled on this new zone yielded 26m@ 1.56% Cu from 59m. Subsequent geological reconnaissance has identified more breccia outcrops 300m further to the northeast of the Tank Hill zone. In addition, much of the valley between the main Young Australian zone and the Tank Hill zone is covered with shallow alluvium, which could effectively mask any mineralization to be found by previous explorers.

QMC's work program in the next quarter will consist of detailed geological mapping and rock chip sampling to further evaluate the Tank Hill zone for drill testing. Costeaming over the covered area will commence to outline possible visible copper mineralization and elevated geochemistry with an objective to find new copper mineralization under cover. The first drilling program aimed to test the northern extension of the current resource and any new targets from the Tank Hill zone and the covered area is expected to commence in the next quarter.

### **Black Fort South Prospect**

The Black Fort South prospect is located approximately 50km south-southwest of Cloncurry and 12 kilometres southwest of Greenmount and forms part of the White Range project (Figure 1). The surrounding tenement is EPM17602 which is in JV with Findex Pty Ltd (15%). The prospect is about 4km south of Black Fort where QMC undertook two phases of RC and diamond drilling in 2010 and 2014, respectively.

The local geology comprises calcareous and ferruginous siltstone, shales, phyllite, metavolcanics and jaspilite rocks of the Overhang Jaspilite unit of the Mid Proterozoic Mary Kathleen Group. The same unit also hosts the large Rocklands copper deposit near Cloncurry which is currently being mined by Cudoco Limited. The sedimentary sequence has been strongly deformed with the development of NE trending folds and NNE striking faults and shear zones showing widespread alteration and brecciation.

Previous exploration has identified several copper geochemical anomalies on or near the noses of folds defined by black shale and quartzite beds (Figure 2). One RC hole partially testing the northern target in 2011 returned encouraging result of 28m@ 0.15% Cu from 6m. QMC plans to conduct detailed geological mapping over the prospect area to document the distribution of visible copper mineralisation and structural breccia zones. Coincident geological and geochemical targets will be tested with RC drilling for possible discovery of the Rocklands style copper mineralisation.

### **Environmental Compliance**

Several environmental compliance actions were taken during the wet season of the current quarter to satisfy the EA requirements for the Company's assets in Cloncurry. This includes the development of a new Plan of Operations and Financial Assurance calculation for Mt Norma plus ground water and stream sediment monitoring on a regular basis.



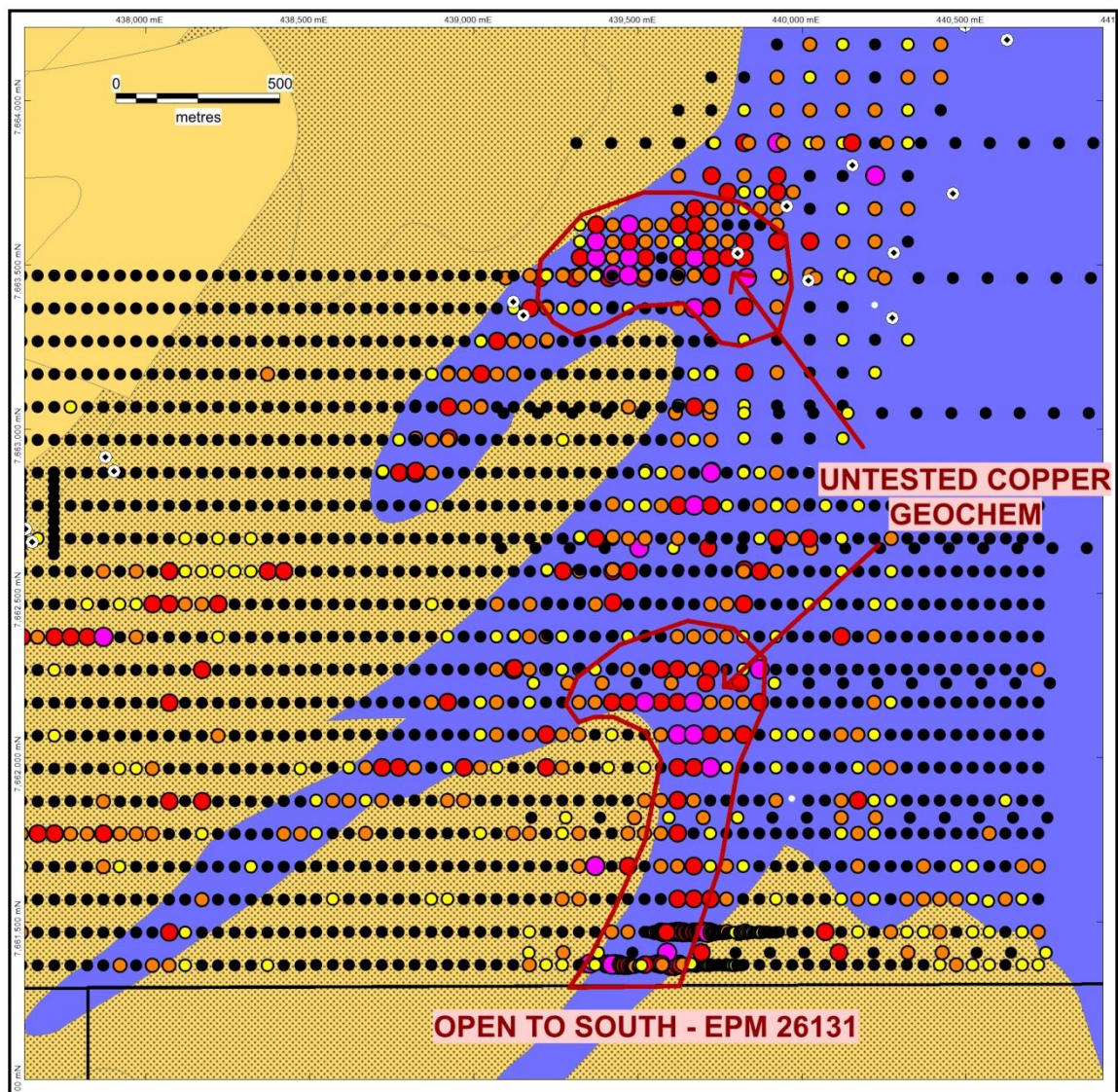


Figure 2 Geochemical copper anomalies occurring on noses of fold structures in Black Fort South (blue colour - black shale; brown colour – quartzite)

### Corporate Activities

The Company remains committed to further divest its non-core assets in Cloncurry for joint venture and/or outright sale. QMC also continues the dialog with several parties for possible joint development of its White Range copper project.

We are also actively seeking a toll treatment partner with processing plants in the area for the Kuridala deposit which is potentially floatable. We believe toll treatment arrangement will expedite the development of the deposit, minimise the capital investment and generate near-term cash flow.

The proposed consolidation of shares was approved by the shareholders at the general meeting held on 4 April 2017. The process of the consolidation was completed on 10 April 2017 with new holding statements dispatched to shareholders. The stock was returned back to normal trading basis on 19 April 2017.

**For further details please contact:**

Mr Eddy Wu

CEO

Tel: 02 8964 6411

Email: [Admin@gmcl.com.au](mailto:Admin@gmcl.com.au)

**Competent Persons Statement**

*The information in this report that relates to Exploration Results is based on information compiled by Dr Guojian Xu, a Member of Australasian Institute of Mining and Metallurgy. Dr Xu is a consultant to Queensland Mining Corporation Limited through Redrock Exploration Services Pty Ltd. Dr Xu has sufficient experience deemed relevant to the style of mineralization and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting Results, Mineral Resources and Ore Reserves. Dr Xu consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

**Name of entity**

|                                       |
|---------------------------------------|
| Queensland Mining Corporation Limited |
|---------------------------------------|

**ABN**

|             |
|-------------|
| 61109962469 |
|-------------|

**Quarter ended ("current quarter")**

|               |
|---------------|
| 31 March 2017 |
|---------------|

| <b>Consolidated statement of cash flows</b>               | <b>Current quarter<br/>\$A'000</b> | <b>Year to date (9<br/>months)<br/>\$A'000</b> |
|---|------------------------------------|--|
| <b>1. Cash flows from operating activities</b>            |                                    |  |
| 1.1 Receipts from customers                               |                                    |  |
| 1.2 Payments for  |                                    |  |
| (a) exploration & evaluation                              | (604)                              | (1,704)  |
| (b) development   |                                    |  |
| (c) production  |                                    |  |
| (d) staff costs   |                                    |  |
| (e) administration and corporate costs                    | (108)                              | (458)  |
| 1.3 Dividends received (see note 3)                       |                                    |  |
| 1.4 Interest received                                     | 10                                 | 52   |
| 1.5 Interest and other costs of finance paid              |                                    |  |
| 1.6 Income taxes paid                                     |                                    |  |
| 1.7 Research and development refunds                      |                                    |  |
| 1.8 Other (provide details if material)                   |                                    |  |
| -Option fee received                                      | 50                                 | 150  |
| -GST Refund   | 33                                 | 78   |
| -Payroll & PAYG Tax paid                                  | (27)                               | (86)   |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(646)</b>                       | <b>(1,968)</b>                                 |

|  |  |  |
|--|--|--|
| <b>2. Cash flows from investing activities</b> |  |  |
| 2.1 Payments to acquire:                       |  |  |
| (a) property, plant and equipment              |  |  |
| (b) tenements (see item 10)                    |  |  |
| (c) investments                                |  |  |

| Consolidated statement of cash flows                      | Current quarter<br>\$A'000 | Year to date (9<br>months)<br>\$A'000 |
|---|----------------------------|---------------------------------------|
| (d) other non-current assets                              |                            |                                       |
| 2.2 Proceeds from the disposal of:                        |                            |                                       |
| (a) property, plant and equipment                         | 66                         | 66                                    |
| (b) tenements (see item 10)                               |                            |                                       |
| (c) investments   |                            |                                       |
| (d) other non-current assets                              | 44                         | 44                                    |
| 2.3 Cash flows from loans to other entities               |                            |                                       |
| 2.4 Dividends received (see note 3)                       |                            |                                       |
| 2.5 Other (provide details if material)                   |                            |                                       |
| <b>2.6 Net cash from / (used in) investing activities</b> | <b>110</b>                 | <b>110</b>                            |

|   |          |              |
|---|----------|--------------|
| <b>3. Cash flows from financing activities</b>                                  |          |              |
| 3.1 Proceeds from issues of shares  |          | 4,709        |
| 3.2 Proceeds from issue of convertible notes                                    |          |              |
| 3.3 Proceeds from exercise of share options                                     |          |              |
| 3.4 Transaction costs related to issues of shares, convertible notes or options |          | (30)         |
| 3.5 Proceeds from borrowings  |          |              |
| 3.6 Repayment of borrowings   |          |              |
| 3.7 Transaction costs related to loans and borrowings                           |          |              |
| 3.8 Dividends paid  |          |              |
| 3.9 Other (provide details if material)   |          |              |
| <b>3.10 Net cash from / (used in) financing activities</b>                      | <b>0</b> | <b>4,679</b> |

|   |              |              |
|---|--------------|--------------|
| <b>4. Net increase / (decrease) in cash and cash equivalents for the period</b> |              |              |
| 4.1 Cash and cash equivalents at beginning of period                            | 4,320        | 963          |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above)             | (536)        | (1,858)      |
| 4.3 Net cash from / (used in) investing activities (item 2.6 above)             |              |              |
| 4.4 Net cash from / (used in) financing activities (item 3.10 above)            |              | 4,679        |
| 4.5 Effect of movement in exchange rates on cash held                           |              |              |
| <b>4.6 Cash and cash equivalents at end of period</b>                           | <b>3,784</b> | <b>3,784</b> |



| 5. <b>Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|--|----------------------------|-----------------------------|
| 5.1 Bank balances  | 130                        | 124                         |
| 5.2 Call deposits  | 618                        | 564                         |
| 5.3 Bank overdrafts  |                            | -                           |
| 5.4 Term Deposits  | 3,036                      | 3,632                       |
| <b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>   | <b>3,784</b>               | <b>4,320</b>                |

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$A'000**

65

Payment to Lakshman Jayaweera

-Director fee

\$18

Payment to Eddy Wu

- Director fee

\$25

Payment to Jun Qiu

-Director fee

\$12

Payment to Joyce Wang that Joyce Wang is an alternate Director

-Accounting and taxation services

\$10

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter  
\$A'000**

10

## Mining exploration entity and oil and gas exploration entity quarterly report

| <b>8. Financing facilities available</b><br><i>Add notes as necessary for an understanding of the position</i>   | <b>Total facility amount<br/>at quarter end<br/>\$A'000</b> | <b>Amount drawn at<br/>quarter end<br/>\$A'000</b> |
|--|---|--|
| 8.1 Loan facilities  |   |  |
| 8.2 Credit standby arrangements  |   |  |
| 8.3 Other (please specify)   |   |  |
| 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well. |   |  |

|  |
|--|
|  |
|--|

| <b>9. Estimated cash outflows for next quarter</b> | <b>\$A'000</b> |
|--|----------------|
| 9.1 Exploration and evaluation                     | 250            |
| 9.2 Development                                    |                |
| 9.3 Production                                     |                |
| 9.4 Staff costs                                    |                |
| 9.5 Administration and corporate costs             | 200            |
| 9.6 Other (provide details if material)            |                |
| <b>9.7 Total estimated cash outflows</b>           | <b>450</b>     |

| <b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>                            | <b>Tenement reference and location</b> | <b>Nature of interest</b> | <b>Interest at beginning of quarter</b> | <b>Interest at end of quarter</b> |
|--|--|---------------------------|---|-----------------------------------|
| 10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced | ML2510, QLD                            | ML                        | 100%                                    | 0%                                |
|  | ML2540, QLD                            | ML                        | 100%                                    | 0%                                |
|  | ML2543, QLD                            | ML                        | 100%                                    | 0%                                |
|  | ML2548, QLD                            | ML                        | 100%                                    | 0%                                |
|  | ML90147, QLD                           | ML                        | 100%                                    | 0%                                |
|  | ML90148, QLD                           | ML                        | 100%                                    | 0%                                |
| 10.2 Interests in mining tenements and petroleum tenements acquired or increased           |  |                           |   |                                   |

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: .....  
Company secretary

Date: 19 April 2017

Print name: Pipvide Tang

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

**Appendix 1 QMC Tenement Schedule as at 31 March 2017**

| <b>Tenement Name</b>     | <b>Tenement Number</b> | <b>Location</b> | <b>Interest at Beginning Quarter</b>         | <b>Interest at End Quarter</b>               | <b>Acquired during Quarter</b> | <b>Disposed during Quarter</b> | <b>JV Partner/Farm-in Party</b>     |
|--------------------------|------------------------|-----------------|--|--|--------------------------------|--------------------------------|-------------------------------------|
| Notlor                   | EPM13091               | NW QLD          | Exclusive exploration right                  | Exclusive exploration right                  | --                             | -                              | Exco Resources                      |
| Cloncurry South          | EPM 13336              | NW QLD          | 100%   | 100%   | -                              | -                              |                                     |
| White Range #1           | EPM 14148              | NW QLD          | 100%   | 100%   | -                              | -                              |                                     |
| White Range #2           | EPM 14163              | NW QLD          | 100%   | 100%   | -                              | -                              |                                     |
| White Range #4           | EPM 14475              | NW QLD          | 100%   | 100%   | -                              | -                              |                                     |
| Tommy Creek              | EPM 15706              | NW QLD          | 100%   | 100%   | -                              | -                              |                                     |
| Duck Creek South         | EPM 15718              | NW QLD          | 100%   | 100%   | -                              | -                              |                                     |
| Kuridala South           | EPM 15740              | NW QLD          | Exclusive exploration right                  | Exclusive exploration right                  | -                              | -                              | Exco Resources                      |
| Sunny Mount              | EPM 15858              | NW QLD          | 100%   | 100%   | -                              | -                              |                                     |
| Mt Norma                 | EPM 15879              | NW QLD          | 100%   | 100%   | -                              | -                              |                                     |
| White Range Consolidated | EPM 15897              | NW QLD          | 100%   | 100%   | -                              | -                              |                                     |
| Jessievale               | EPM 16078              | NW QLD          | 100%   | 100%   | -                              | -                              |                                     |
| Mt Brownie               | EPM 16628              | NW QLD          | 100%   | 100%   | -                              | -                              |                                     |
| Mt Sheaffer              | EPM 16976              | NW QLD          | 100%   | 100%   | -                              | -                              |                                     |
| Top Camp                 | EPM17602               | NW QLD          | 85%  | 85%  | -                              | -                              | Findex                              |
| Flamingo West            | EPM 18106              | NW QLD          | 100%   | 100%   | -                              | -                              |                                     |
| Elder Creek              | EPM 18286              | NW QLD          | 100%   | 100%   | -                              | -                              |                                     |
| Slaty Creek              | EPM 18440              | NW QLD          | 100%   | 100%   | -                              | -                              |                                     |
| Gold Reef Dam            | EPM 18663              | NW QLD          | 100%   | 100%   | -                              | -                              |                                     |
| Wedgetail                | EPM18912               | NW QLD          | Exclusive exploration right for 6 sub-blocks | Exclusive exploration right for 6 sub-blocks | -                              | -                              | Ivanhoe Cloncurry Mines Pty Limited |
| Jackeys Creek            | EPM25669               | NW QLD          | 100%   | 100%   | -                              | -                              |                                     |

|                              |                 |        |      |      |      |   |  |
|------------------------------|-----------------|--------|------|------|------|---|--|
| Copper Canyon East           | <b>EPM25849</b> | NW QLD | 100% | 100% | -    | - |  |
| Strathfield                  | <b>EPM26011</b> | NW QLD | 100% | 100% | -    | - |  |
| Florence Creek               | <b>EPM26131</b> | NW QLD | 0%   | 100% | 100% |   |  |
| COPPER CANYON                | <b>MDL 204</b>  | NW QLD | 100% | 100% | -    | - |  |
| GREENMOUNT                   | <b>MDL 205</b>  | NW QLD | 100% | 100% | -    | - |  |
| MOUNT NORMA                  | <b>ML2506</b>   | NW QLD | 100% | 100% | -    | - |  |
| SOUTHERN CROSS               | <b>ML2510</b>   | NW QLD | 100% | 100% | -    | - |  |
| ANSWER                       | <b>ML 2517</b>  | NW QLD | 100% | 100% | -    | - |  |
| WINSTON<br>CHURCHILL         | <b>ML 2518</b>  | NW QLD | 100% | 100% | -    | - |  |
| VULCAN                       | <b>ML 2519</b>  | NW QLD | 100% | 100% | -    | - |  |
| SALLY                        | <b>ML 2535</b>  | NW QLD | 100% | 100% | -    | - |  |
| DULCE                        | <b>ML 2537</b>  | NW QLD | 100% | 100% | -    | - |  |
| BELGIUM                      | <b>ML 2541</b>  | NW QLD | 100% | 100% | -    | - |  |
| DULCE EXTENDED<br>NO 2       | <b>ML 2544</b>  | NW QLD | 100% | 100% | -    | - |  |
| TRUMP                        | <b>ML 2549</b>  | NW QLD | 100% | 100% | -    | - |  |
| MOUNT NORMA NO 2             | <b>ML 2550</b>  | NW QLD | 100% | 100% | -    | - |  |
| MOUNT NORMA NO 3             | <b>ML 2551</b>  | NW QLD | 100% | 100% | -    | - |  |
| GILDED ROSE                  | <b>ML 2709</b>  | NW QLD | 100% | 100% | -    | - |  |
| BUTTON                       | <b>ML 2711</b>  | NW QLD | 100% | 100% | -    | - |  |
| GILDED ROSE<br>EXTENDED EAST | <b>ML 2713</b>  | NW QLD | 100% | 100% | -    | - |  |
| GILDED ROSE EXTD<br>WEST     | <b>ML 2718</b>  | NW QLD | 100% | 100% | -    | - |  |
| GILT EDGE<br>EXTENDED EAST 1 | <b>ML 2719</b>  | NW QLD | 100% | 100% | -    | - |  |
| MT FREDA                     | <b>ML 2741</b>  | NW QLD | 100% | 100% | -    | - |  |
| EVENING STAR                 | <b>ML 2742</b>  | NW QLD | 100% | 100% | -    | - |  |
| EVENING STAR<br>NORTH EXT    | <b>ML 2750</b>  | NW QLD | 100% | 100% | -    | - |  |
| MT FREDA<br>EXTENDED         | <b>ML 2752</b>  | NW QLD | 100% | 100% | -    | - |  |
| EVENING STAR<br>NORTH        | <b>ML 2763</b>  | NW QLD | 100% | 100% | -    | - |  |
| NEW DOLLAR                   | <b>ML 2777</b>  | NW QLD | 100% | 100% | -    | - |  |
| HORSESHOE                    | <b>ML 2778</b>  | NW QLD | 100% | 100% | -    | - |  |

|                              |                 |        |      |      |   |   |  |
|------------------------------|-----------------|--------|------|------|---|---|--|
| MOUNTAIN MAID                | <b>ML 2779</b>  | NW QLD | 100% | 100% | - | - |  |
| TOP CAMP NO 5<br>(TWO MILE)  | <b>ML 2788</b>  | NW QLD | 100% | 100% | - | - |  |
| LITTLE BEAUTY                | <b>ML 7498</b>  | NW QLD | 100% | 100% | - | - |  |
| YOUNG AUSTRALIAN<br>2        | <b>ML 7511</b>  | NW QLD | 100% | 100% | - | - |  |
| YOUNG AUSTRALIAN             | <b>ML 7512</b>  | NW QLD | 100% | 100% | - | - |  |
| YOUNG AUSTRALIAN<br>2        | <b>ML 90081</b> | NW QLD | 100% | 100% | - | - |  |
| MT MCCABE                    | <b>ML 90082</b> | NW QLD | 100% | 100% | - | - |  |
| STUART                       | <b>ML 90083</b> | NW QLD | 100% | 100% | - | - |  |
| YOUNG AUSTRALIAN<br>EXTENDED | <b>ML 90084</b> | NW QLD | 100% | 100% | - | - |  |
| CHINAMEN                     | <b>ML 90088</b> | NW QLD | 100% | 100% | - | - |  |
| AUSTRALIAN                   | <b>ML 90099</b> | NW QLD | 100% | 100% | - | - |  |
| NEW SNOW BALL                | <b>ML 90103</b> | NW QLD | 100% | 100% | - | - |  |
| MOSSY'S DREAM                | <b>ML 90104</b> | NW QLD | 100% | 100% | - | - |  |
| GREENMOUNT                   | <b>ML 90134</b> | NW QLD | 100% | 100% | - | - |  |
| MT MCNAMARA                  | <b>ML 90149</b> | NW QLD | 100% | 100% | - | - |  |
| PHIL'S FIND                  | <b>ML 90161</b> | NW QLD | 100% | 100% | - | - |  |
| MT NORMA<br>SURROUND 1       | <b>ML 90172</b> | NW QLD | 100% | 100% | - | - |  |
| MT NORMA<br>SURROUND 2       | <b>ML 90173</b> | NW QLD | 100% | 100% | - | - |  |
| MT NORMA<br>SURROUND 3       | <b>ML 90174</b> | NW QLD | 100% | 100% | - | - |  |
| MT NORMA<br>SURROUND 4       | <b>ML 90175</b> | NW QLD | 100% | 100% | - | - |  |
| MT NORMA<br>SURROUND 5       | <b>ML 90176</b> | NW QLD | 100% | 100% | - | - |  |
| MT DEBBIE                    | <b>MC 4348</b>  | NW QLD | 100% | 100% | - | - |  |
| MT DEBBIE 2                  | <b>MC 4349</b>  | NW QLD | 100% | 100% | - | - |  |
| MT DEBBIE NO 1               | <b>MC 4350</b>  | NW QLD | 100% | 100% | - | - |  |



2012 JORC Code

Section 2 – Reporting of Exploration Results

| Criteria                                       | Explanation   |
|--|---|
| <i>Mineral Tenement and Land Tenure Status</i> | <ul style="list-style-type: none"> <li>• The Young Australia project consists of four MLs (7511, 7512, 90084, 90099) and six sub-blocks within EPM 18912 located approximately 70km southwest of Cloncurry</li> <li>• The four MLs are 100% owned by QMC's subsidiary North Queensland Mines Pty Ltd. ML7511 comprises 3 ha and expires 30/10/2021. ML7512 is 2 ha, expiry 30/10/2021. ML90084 is 5ha, expiry 30/04/2017 (renewal lodged). ML90099 is 5ha, expiry 31/05/2016 (renewal lodged).</li> <li>• EPM 18912 is owned by Chinova Resources. QMC is operating under a joint venture agreement with Chinova and has exclusive exploration rights of six sub-blocks until June 2020.</li> </ul>   |
| Exploration done by other parties              | <p>The area has undergone small scale mining within the ML's from the early 1900s until the 1960s, at which point drilling (44 percussion holes, 8 diamond holes) and geophysical surveys (self-potential) were completed by MIM and Carpentaria.</p> <p>Exploration has also been completed within the wider area since the 1960s and has included:</p> <ul style="list-style-type: none"> <li>• MIM, Carpentaria (1963 – 1967): geological mapping, geophysical surveys, and drilling at Tank Hill, Main pit area, Hidden Treasure prospects</li> <li>• BHP (1973 – 1975): geological mapping, soil sampling</li> <li>• CRAE (1975 – 1976): steam sediment sampling, rock chip sampling</li> <li>• CRAE, Arimco, Ivanhoe (1989 – current): ground held under continuous tenure (conditional relinquishments) since 1989. Soil sampling at Trinity, Sigma, Card Game. Drilling at Card Game. RAB drilling at Dairy Bore.</li> <li>• Additional licenses have been held in the past, but work was focused outside the current area</li> </ul> |
| Geology  | <ul style="list-style-type: none"> <li>• The Young Australian deposit consists of copper mineralisation that is probably controlled by NE trending, sub-vertical shear zones developed within the carbonaceous Answer Slate. Mineralisation comprises malachite, chrysocolla, cuprite, chalcocite and chalcopyrite.</li> </ul>  |

|   |  |
|---|--|
|   | <ul style="list-style-type: none"> <li>The Tank Hill, Tank Hill North, East Drift, and Hidden Treasure prospects are also thought to have potential for shear-hosted copper mineralisation and also occur within the Answer Slate</li> </ul> |
| Drill hole information  | <ul style="list-style-type: none"> <li>No relevant drilling for this report</li> </ul>   |
| Data aggregation method   | <ul style="list-style-type: none"> <li>No data aggregation was employed</li> </ul>   |
| Relationship between mineralisation widths and interception lengths | <ul style="list-style-type: none"> <li>No such information is available at the moment</li> </ul>   |
| Diagrams  | <ul style="list-style-type: none"> <li>See Figure 1</li> </ul>   |
| Balanced reporting  | <ul style="list-style-type: none"> <li>The accompanying document is considered to represent a balanced report</li> </ul>   |
| Other substantive exploration data                                  | <ul style="list-style-type: none"> <li>Refer to body of report for additional geological information</li> </ul>  |
| Further work  | <ul style="list-style-type: none"> <li>Geological mapping, costeaning and RC drilling</li> </ul>   |

| Criteria  | Explanation   |
|---|---|
| Mineral Tenement and Land Tenure Status – Black Fort South          | <ul style="list-style-type: none"> <li>EPM17602 “Top Camp-Iron Ridge’ located approximately 40km south-southwest of Cloncurry and is JV with Findex Pty Ltd (15%). The EPM currently consists of 47 sub-blocks and will expire on 20 October 2020.</li> </ul>   |
| Exploration done by other parties                                   | <ul style="list-style-type: none"> <li>Cyrus Gold carried out -80# soil sapling over prospect area at a grid pattern of 400m x100m, rock chipping and costeaning plus drilling of 7 RC &amp; diamond holes in the early 1990s</li> <li>One of the costeans returned 52m@ 0.82% Cu, including 10m @2.41% Cu</li> <li>In 2004 Orion Gold (former Goldstar) carried out gravity survey over the area</li> <li>In 2010 QMC drilling 5 RC holes with the best intersection of 17m@ 1.51% Cu</li> <li>In 2014 QMC drilled a diamond hole of 394m deep, intersecting 8m@ 0.78% Cu</li> </ul> |
| Geology   | <ul style="list-style-type: none"> <li>Shear zone controlled copper-gold mineralization in the calcareous and ferruginous siltstone, shales, phyllite, metavolcanics and jaspilite rocks of the Overhang Jaspilite unit of the Mary Kathleen Group</li> </ul>   |
| Drill hole information  | <ul style="list-style-type: none"> <li>No drilling was completed yet</li> </ul>   |
| Data aggregation method   | <ul style="list-style-type: none"> <li>No data aggregation was used</li> </ul>  |
| Relationship between mineralisation widths and interception lengths | <ul style="list-style-type: none"> <li>No such information available at the moment</li> </ul>   |
| Diagrams  | <ul style="list-style-type: none"> <li>Figure 1 and Figure 2</li> </ul>   |
| Balanced reporting  | <ul style="list-style-type: none"> <li>The accompanying document is considered to represent a balanced report</li> </ul>  |
| Other substantive exploration data                                  | <ul style="list-style-type: none"> <li>Sporadic copper mineralization in the form of malachite veins, stockworks and</li> </ul>   |

|              |   |
|--------------|---|
|              | disseminations were noticed in the surveyed area plus very strong multiphase deformation    |
| Further work | <ul style="list-style-type: none"><li>• Geological mapping and rock chip sampling</li></ul> |