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ASX Market Announcement

31 August 2017

Kuridala Mineral Resource restatement under JORC Code (2012)

Queensland Mining Corporation Limited (**ASX: QMN**) is pleased to announce a review and restatement of the Kuridala Mineral Resource under JORC Code (2012) which was previously prepared under JORC Code (2004).

This has entailed a brief review of the previous work and compliance to the JORC Code (2012)and the compilation of the additional information not supplied in the original announcement in 2004 and the subsequent update in 2010, which was completed under the JORC Code (2004) (see ASX announcement dated 22 April 2010)

The review of the Mineral Resource compliance under the current reporting code will enable the current scoping study for the White Range project to proceed. Review of other Mineral Resources reported under JORC Code (2004) are now in progress and will be announced as they are completed.

The Mineral Resource remains unchanged for potential heap leach processing at a 0.2% Cu cut-off and comprises:

Measured Mineral Resource	***2.49 Mt @ 0.90% Cu, 200 ppm Co, 0.16 g/t Au***
Indicated Mineral Resource	***3.04 Mt @ 0.84% Cu, 240 ppm Co, 0.24 g/t Au***
Inferred Mineral Resource	***1.65 Mt @ 0.73% Cu, 270 ppm Co, 0.22 g/t Au***
Total Mineral Resource	***7.18 Mt @ 0.84% Cu, 230 ppm Co, 0.21 g/t Au***

Cobalt and gold assays are only partially available and should only be considered as indicative and is only included for consistency in reporting QMC projects. In addition current copper heap leach processing options being considered do not recover cobalt and gold.

For comparison purposes the Mineral Resource is also reported at the higher 0.5% Cu cut-off more suitable for other higher cost processing methods, as:

Measured Mineral Resource	***1.25 Mt @ 1.44% Cu, 230 ppm Co, 0.20 g/t Au***
Indicated Mineral Resource	***1.52 Mt @ 1.33% Cu, 270 ppm Co, 0.31 g/t Au***
Inferred Mineral Resource	***0.73 Mt @ 1.23% Cu, 310 ppm Co, 0.29 g/t Au***
Total Mineral Resource	***3.50 Mt @ 1.35% Cu, 260 ppm Co, 0.27 g/t Au***

Current assessments for the integrated White Range project by QMC include haulage of Kuridala ore to Greenmount for processing. This will incur additional mining costs where a 0.3% Cu cut-off presents the most likely basis for a mining assessment at Kuridala and comprises:

Measured Mineral Resource	***1.93 Mt @ 1.08% Cu, 210 ppm Co, 0.18 g/t Au***
Indicated Mineral Resource	***2.32 Mt @ 1.02% Cu, 250 ppm Co, 0.27 g/t Au***
Inferred Mineral Resource	***1.21 Mt @ 0.91% Cu, 280 ppm Co, 0.24 g/t Au***
Total Mineral Resource	***5.46 Mt @ 1.02% Cu, 240 ppm Co, 0.23 g/t Au***

The mining lease ML90081 held by QMC only allows for open pit mining down to 241.26 RL (nominally 100 m depth below surface). Hence the Mineral Resources reported are restricted to this elevation. The mineralisation however has been drilled to a much greater depth and resides in the encompassing Exploration Lease held by another party. The Kuridala Mineral Resource offers an open pit target with a small potential to be deepened into the underlying Exploration Lease if an agreement can be reached.

Introduction

The Mineral Resource was originally estimated by Golder Associates Pty Ltd (Golder) in 2004 as part of the White Range Feasibility study being undertaken by Matrix Metals Limited (Matrix), the tenement holder of the day.

Estimation by Golder used median Indicator Kriging (IK) with a change of volume support to represent the expected mining selectivity. The change of support was supported by a conditional simulation study. Matrix geologists undertook the geological interpretations and Golder assessed the geological zones and incorporated them into the geological control during grade estimation to reflect the geological understanding provided by Matrix. The Mineral Resource estimated by Golder was for a 3 by 5 by 2.5 m (X, Y, Z dimensions) mining selectivity.

Matrix went into liquidation in 2008 and the Kuridala project was acquired by QMC in July 2010.

In 2010 QMC engaged Golder to update the Mineral Resource model for the addition of other elements including Co, Au and Ag. The additional elements were not available for all drilling intervals and the average degree of completeness of the elements for the mineralised domains was 46% for Co, 82% for Au and 43% for Ag. This reflects the relative confidence in each of the additional elements. The copper estimates remained essentially unaltered.

There has been no additional drilling at Kuridala since 2006 that would affect the Mineral Resource hence the 2010 update is still current.

Location

The Kuridala Mineral Resource lies 65 km south of Cloncurry, Qld (Figure 1) and is within the mining lease ML90081 that allows for open pit mining down to 241.26 RL (nominally 100 m depth).

The deposit is at a well know locality as it was previously mined at the turn of the century, had a neighbouring town and still retains many mining heritage items and constructions.

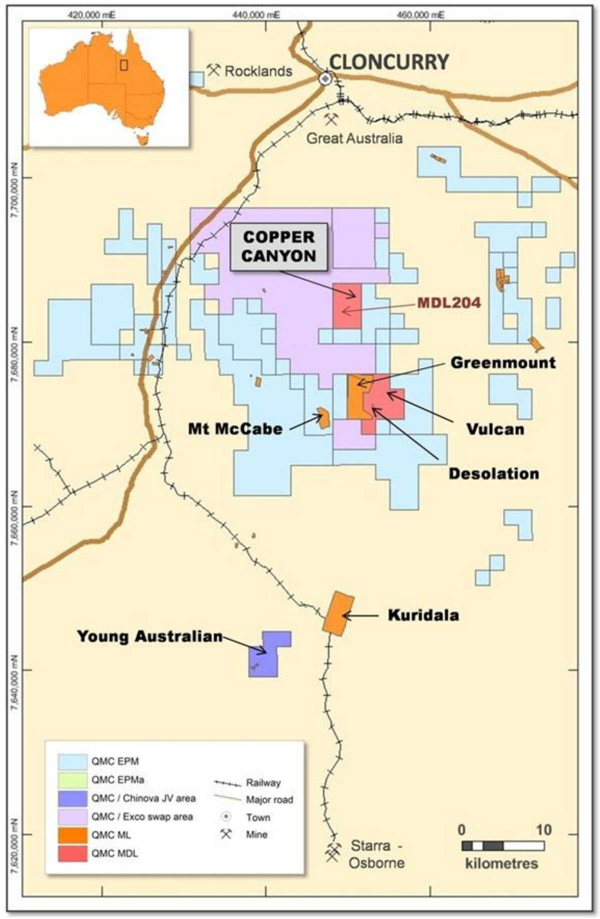

Figure 1: Project location

Heritage

The Kuridala deposit was previously mined, for both copper and gold, between 1898 and 1921 under two different mining operations, in different sections of the same deposit. Combined ore production of 193 kt is reported. Although unreported production up to 300 kt has been postulated.

Hampden Cloncurry Copper Mines Limited was formed in 1906. Hampden held the northern end of the deposit and commenced smelting operations in 1911, treating ore from this mine and others in the district accessible by the local railway line.

The Hampden Consols Mine commenced operations in 1908 and was acquired by the Mount Elliott Company in 1911. Hampden Consols covered the southern end of the Kuridala deposit. Work ceased in 1918 when fire broke out due to spontaneous combustion of the ore. Attempts to re-open the mine in 1922 were abandoned due to a poor copper price and the risk of further fires.

Production figures vary but Hampden produced at least 11,500 tons of copper and 10,600 oz of gold from 171,690 tons of ore. Consols is reported to have produced 1,901 tons of copper and 1,139 oz of gold from 21,418 tons of ore. These figures may be underestimated.

The Hampden Smelter treated a total of 685,550 tons of ore from the district for a production of 50,770.54 tons of copper, 20,928.72 ozs of gold and 380,780.16 ozs of silver.

Mining methods involved underground mining and minor open cut mining to about 10 m depth. Underground mining extended to about 180 metres vertical depth.

Underground working plans and sections of underground level development and stoping were obtained from Broadhurst, 1936, and appear to be accurate. These have been used to plot the position of drives, shafts, rises and some of the stopes. Work by tribute miners after the mine closures is not shown on the available mine plans.

Geology

The mineralised zone at Kuridala is located along a long structural corridor and is hosted in strongly folded and faulted metavolcanics, metadiorites and carbonaceous metasediments of the Middle Creek Volcanics (part of the Middle Proterozoic Soldier Cap Group). The deposit lies on the eastern limb of the N-S trending Kuridala Synform. Mineralisation is structurally controlled and believed to be associated with brittle and dilational structures related to the last stage of the syncline formation.

Previous mining has defined several fault zones that enclose the main area of alteration and mineralisation. Alteration is generally strongest along the footwall fault and lessens towards the east across parallel to sub-parallel fault zones. To the west the footwall fault alteration lessens abruptly suggesting that the footwall fault is potentially a significant structure and possible feeder conduit for both mineralisation and alteration.

Bedding dips obliquely to the mineralisation. The mineralised zone may also lie along parasitic fold hinges with low angle plunges. These shallow plunging parasitic fold or related flat fault structures that occur both towards the north and south of the deposit. They have created dilational structures resulting in a wider zone of alteration and mineralisation. The central section of the deposit is narrower and with less faulting, alteration and mineralisation, probably due to tighter conditions during mineralisation.

Drilling and sampling

The Kuridala deposit is defined by drilling undertaken over two stages by companies prior to Matrix in the 1980s and 1990s with drilling defining the mineralisation to a depth of 456 m. Several earlier feasibility studies were completed in the 1990s with work culminating in drilling of the southern and northern areas down to 20 by 20 m spacing.

The drilling data includes 251 diamond and reverse circulation drill-holes (see Figure 2), totalling 11,475 sample intervals and 20,606 m, that were variously assayed for Cu, Co, Au, Pb, Zn, Ag and As.

For the Mineral Resource the majority of the drilling was by percussion methods and includes:

- 0.3% open hole percussion by Metana in 1989
- 16% diamond by Metana in 1989
- 58% conventional (cross-over sub) RC by Metana in 1989
- 26% Face Sampling RC by Majestic in 1996

Matrix completed some unassayed diamond drilling for geotechnical purposes and 22 twin HQ diamond core holes for metallurgical sampling. Thought the metallurgical twins were quarter core sampled they are not used for the Mineral Resource due to concerns of possible bias with washing of chalcocite fines from the core. The original RC sampling has been used in preference.

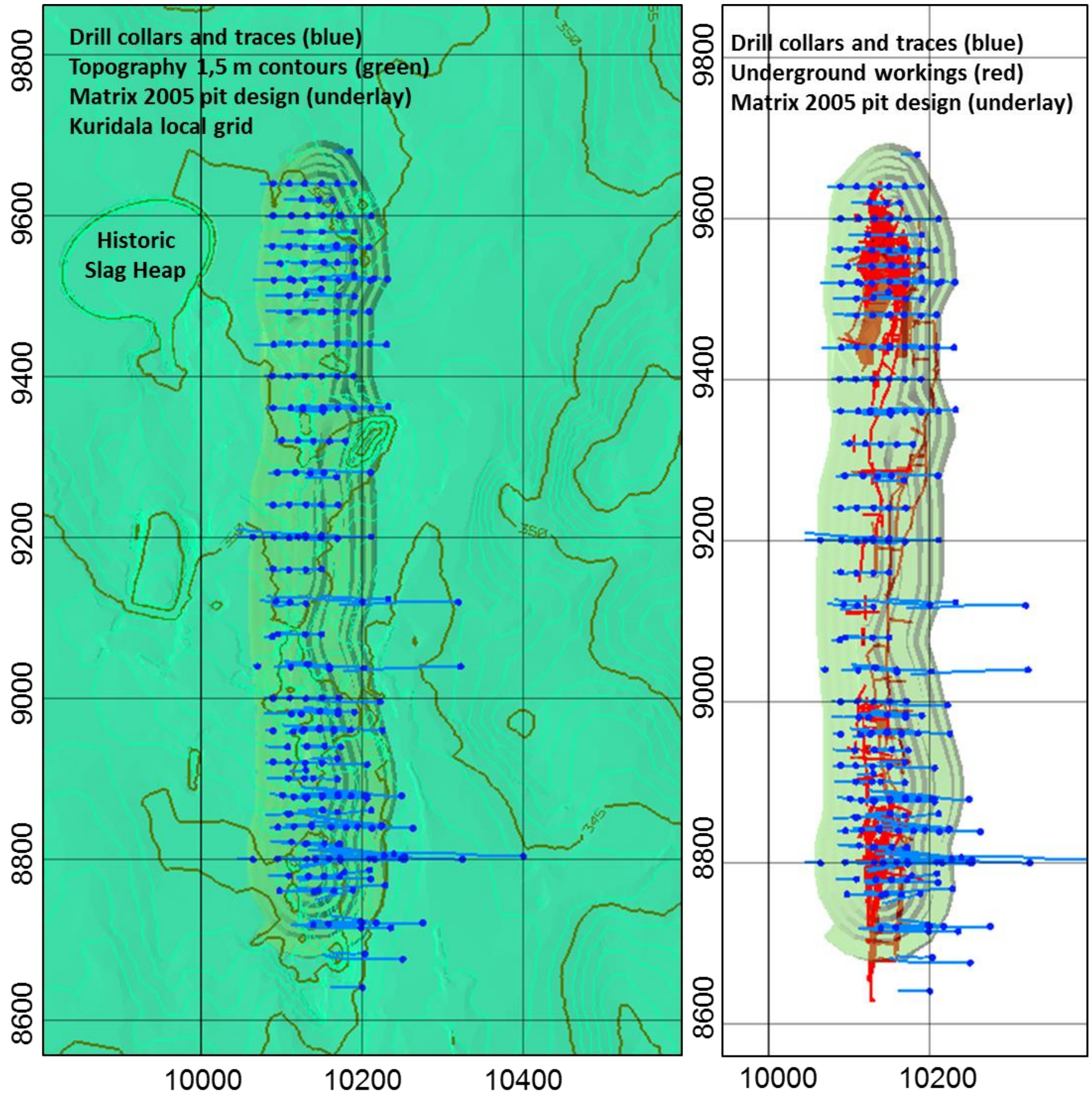

Figure 2: Kuridala drill hole plans

Golder reviewed the 22 twin drill holes between the two main percussion programs and concludes that only the earliest drilling had an apparent under call in copper grade. They determined this was likely to impact the total Mineral Resource by 1% to 2%.

Initial Metana assaying was by a digest of aqua regia and hydrofluoric acid, followed by an AAS finish. QAQC was reported in the earlier feasibility studies though much of the data is no longer available for analysis. There were indications a small subset of the assays may have suffered from incomplete digestion and it is unclear if this was rectified or persists in the current database.

Later Majestic assaying used a larger 20 g charge, two acid Aqua Regia digest, 2 hr digestion at 150°C to 180°C and an AAS finish. A subset of 298 samples were used a more robust three acid digest and reported 3.5% higher copper grade.

Matrix reassayed a number of drill holes using sequential copper analyses. These proved useful to identifying the copper minerals and modelling of the oxide, transition and fresh weather types.

Estimation

A block model was constructed with 5 m by 10 m by 5 m parent blocks. Proportions were used to model stope voids and the topography. Geological domains and unfolding were establish to reflect structural orientation of the mineralisation with an overall dip of 70° to 90° to the east.

Mineralisation domains were defined using a 0.2% Cu cut-off with an example section in Figure 3.

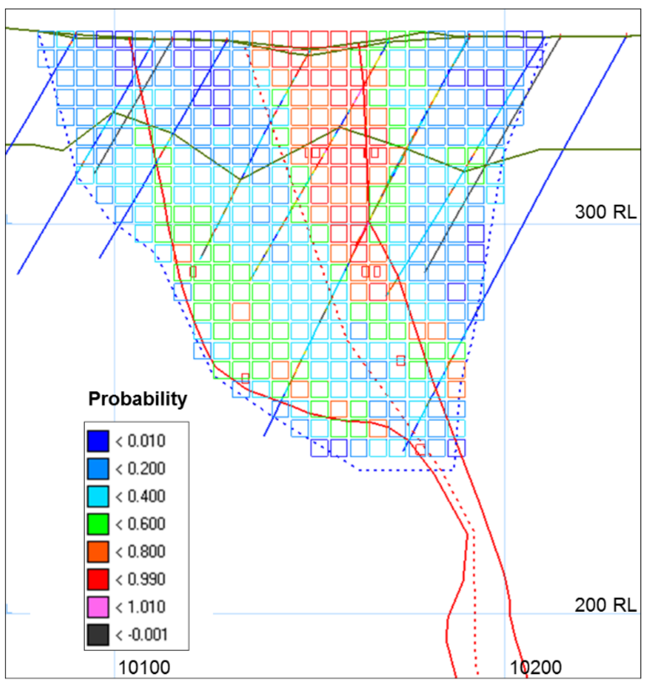

Figure 3: Section 9520N for the block probability for >0.5% Cu

Block grade estimates for copper were undertaken using median indicator kriging, a probabilistic estimation method with a change of support to reflect the assumed mining selectivity of 3 by 5 by 2.5 m. Cobalt and silver used 2 m composites and inverse distance squared estimation method with a 1 to 10 flattening anisotropy. The search and anisotropic weighting orientations define an average plane dipping 80° to the NW and striking at 039°.

Estimation parameters included:

- 1 m sample composites
- discretisation on a 5 by 5 by 5 grid.

- unfolding control without hard boundaries
- a single estimation pass with a search of 40 by 40 by 10 m
- A minimum 6 composites and maximum of 7 composites per octant
- High grades had a limited radius of 20 by 20 by 5 m

Co, Au and Ag grades were estimated independently using Ordinary Kriging.

Mine workings and stope models were used to remove 144 000 bcm of material to account for previous mining (Figure 4).

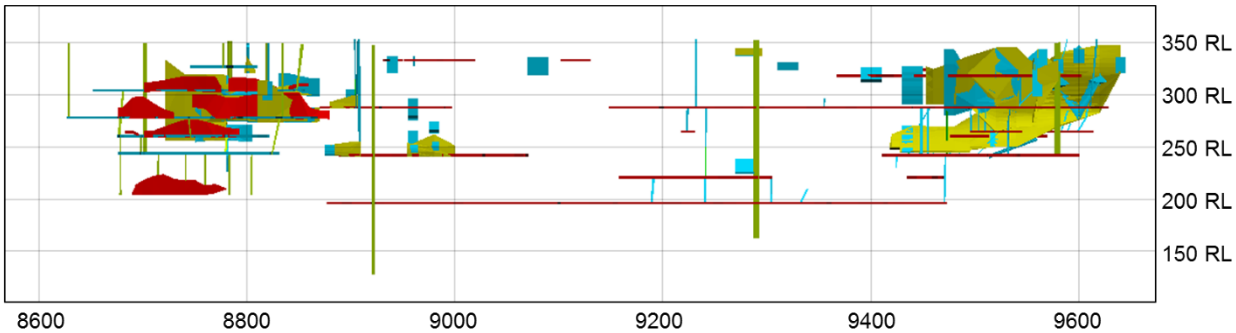

Figure 4: N-S Long section of mine workings and stope wireframes

Classification

The variogram models support the drilling completed on a 20 by 20 m spacing in the north and south areas and is sufficient to define Measured Resources. The remaining central surface areas are drilled at 40 m by 20 m and support Indicate classification. For all areas at depth the drill spacing broadens to 40 m by 40 m or more.

Classification was applied to each block on the basis of the number of drill holes and average composite distance used during estimation. Measured and Indicated classification was limited to the principal mineralisation domains. Classification was downgraded when significant stoping was present to reflect the greater uncertainty of areas near historic workings.

Mining

The arrangement of the mineralisation as a narrowing funnel shape in cross section makes open pit mining methods optimal for the mining recovery of the Mineral Resource. Previous mining studies have indicated development of a long narrow pit proceeding to around 100 m depth at the north and south ends with sufficient mineralisation to allow a shallower saddle median connection.

The Mining Lease is limited to 100 m depth with deeper material falling within the encompassing Exploration Lease currently held by Chinova Resources. This effectively removes underground mining methods unless mining can be progressed from the pit to depth at a later stage.

The current Mineral Resource excludes known depth extensions that fall outside tenements held by QMC.

Metallurgy

Previous metallurgical work has indicated recoveries by heap leach of up to 90%. Recoveries may decrease to 70% with depth although improvements are possible with bacteriological methods. The interpretation of the metallurgical recovery is assisted by broad coverage of copper sequential assays that include acid and cyanide soluble analyse. For resource estimation, these results are sufficient to indicate that the resource is potentially economic and the metal recoverable.

Cut-off grade

Mineral Resources are reported at three cut-off grades.

The first at 0.2% Cu approximates the current assessment of marginal grade economics for a copper heap leach operation, as is currently envisaged for the White Range project by QMC. For Kuridala this cut-off maybe slightly higher if the material is trucked to Greenmount for processing at a central location. Hence a 0.3% Cu cut-off is also supplied as a more indicative Mineral Resource for the current development plan.

The second high 0.5% Cu cut-off is presented for project comparison purposes and to indicate a potential target for alternative higher cost processing methods.

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Competent Person's Statement:

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves 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.

This Mineral Resource estimate was reviewed and the statement compiled by Mr John Horton, Principal Geologist, who is a Fellow and Chartered Professional of the Australasian Institute of Mining and Metallurgy and a full time employee of ResEval Pty Ltd. Mr Horton has sufficient experience that is relevant to the style of mineralisation and the type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Horton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix A JORC Table 1 assessment for Kuridala

Section 1 Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	No surface samples, trenches or underground mine channel samples were used in the resource estimate, although some of this data does exist. The Kuridala deposit is defined by drilling undertaken over two stages. Metana undertook exploration of the Kuridala area including mapping, historic mining data collation, geophysics, surface sampling, petrography and diamond and RC drilling (Metana 1989). The drilling included the definition of the resource to a significant depth with the deepest reaching 456 m. This culminated in the feasibility study completed for the open pit resource (Metana 1990). Following a review of the data and pre-feasibility study (Nobel 1995) Majestic began the second phase of work which concentrated on the infill drilling of the near surface resources of the northern and southern higher grade areas down to 20 by 20 m spacing (Majestic 1996). This culminated in the majestic Feasibility study deemed bankable (Majestic 1996, 1999). More recently Matrix (2004) undertook some diamond drilling for geotechnical purposes. This drilling has not been sampled and assayed for resource purposes and has not contributed to the Mineral Resource. Early sampling methods are poorly documented. There is no indication that the sampling methods were unusual, with the exception of the Metana PQ twin drilling which may have been fillet sampled and subject to bias. Majestic RC holes were sampled at 1 m intervals. Drill cuttings collected via a cyclone then riffle split 75:25 to <3 kg. The cyclone, container and splitter were cleaned after each sample was taken.
Drilling techniques	The Mineral Resource informed by mostly percussion assays from • 0.3% open Hole percussion (Metana 1989) • 16% Diamond (Metana 1989) • 58% conventional (cross-over sub) RC (Metana 1989) • 26% face sampling RC (Majestic 1996) There are also deeper Kuridala zones that have additional diamond drilling outside the Mineral Resource area. Between 2004 and 2006 Matrix also completed additional drilling that does not contribute to the Mineral Resource that includes: • Several unassayed geotechnical core holes and water bores • 22 HQ diamond core twins collected for metallurgical sampling, completed by DrilTorque using a uDR650 rig with HQ triple tube
Drill sample recovery	Early percussion drilling reported relatively low recoveries possibly averaging 60%, even in dry samples. The basis for this is not documented. Two early twin diamond drill-holes by Majestic were reported to have poor recovery with washing of fine sulphides noted from the core. After this RC drilling was determined to be preferred drilling method for optimal sample recovery, and the

Criteria	Commentary
	subsequent twin drilling programme and infill drilling were completed using face sampling RC methods. Digital recovery data available for analysis is limited and only available for some of the recent drilling recovery statistics for the Majestic drilling indicated adequate recovery averaging 85%. Matrix HQ core recovery in 2006 averaged 80%. The program targets drilling of near surface oxide zones and included loses in clay zones, underground stopes and even intersection of the original twinned RC hole in one case.
Logging	Previous drill logging processes are not documented however available logs include geology, alteration and minerals. For geological interpretation Matrix geologists used extensive collation of cross section by the previous works that included additional interpretation of the drilling and historic working mine plans.
Sub-sampling techniques and sample preparation	Metana RC drilling did suffer from wet sampling below 40 m. Geochemical samples were initially taken on 2 or 4 m intervals and then re-assayed on 1 m intervals when above 0.2 % Cu. This practise is adequate for the economic cut-off likely at Kuridala. Majestic RC holes were sampled at regular 1 m intervals and split on the rig as described. Majestic samples were prepared and assayed at Analabs, Townsville. Preparation was by method GP032 where samples were oven dried and then pulverised to a product nominally passing 75 microns.
Quality of assay data and laboratory tests	No standard or blank analyses are available or referred to in previous work. Quality control has relied upon check laboratory samples. Quality control data for the Metana drilling is now no longer available but was reported to have been undertaken and the results deemed reasonable. Majestic quality control included assaying by different methods and check analyses. Original laboratory sheets for these checks were sighted.
Verification of sampling and assaying	Twins between the old conventional Metana RC drilling and the face sampling Majestic RC were assessed by Metana (1990), Nobel (1995) and Majestic (1996, 1999) who concluded that the results twinned results are largely consistent and Majestic could repeat the original Metana drilling. Some discrepancies between RC and DDH drilling were attributed to possible washing if the fine supergene copper minerals from diamond core during drilling and sampling. In 2006 Matrix drilled 22 metallurgical HQ diamond core holes that twinned previous Majestic (11 RC holes) and earlier Metana (11 RC holes). These were quarter core sampled and Matrix concluded: • Core had a higher variance from the smaller sample size • Core provided higher cobalt mainly from clay zones • Core results for Cu were largely comparable except for one of six material types - the silicified carbonaceous shale unit was core lower grade A review for the Matrix twin hole results confirms similar mineral occurrences down hole however overall the Majestic RC is higher grade than the core drilling confirming the general understanding at Kuridala that diamond core can be biased low for copper.

Criteria	Commentary
	This confirms the reasoning for not used the quarter core samples in the Mineral Resource.
Location of data points	Previous workers have noted that a survey network was setup by a licensed surveyor in 1989. In 1995 Majestic surveyed all drill collars using this network and total station EDM. This is substantiated by volumes of survey work sheets that were sighted by Golder though a full audit was not undertaken. In 2004 numerous survey pegs marking previous EDM survey location were evident on-site.
Data spacing and distribution	Surface areas are drilling on regular 20 m by 20 m or 40 m by 20 m drilling grid. This becomes broader at depth. However, the resource is well defined for several hundred meters at levels below the Mineral Resource and tenement depth limit. Also previous mining has helped define the ore structure and extent to depth up to 180 m below surface. 1 m down-hole samples are typical and are sufficient to define the cross-strike structure. Compositing to 1 m would split some of the long samples, predominantly in waste grade areas.
Orientation of data in relation to geological structure	The drilling grid is optimally oriented to the geological structures that strikes due N-S. All drill holes are drilled around 60° towards the west, cross-cutting the steep structures that dip between 70° and 90° to the east.
Sample security	There are no references to sample security and the drilling was undertaken at a time when security was generally not considered. Records indicate measures were taken to ensure the core samples from deeper areas were kept at a low temperature to minimise any potential oxidation.
Audits or reviews	Independent resource estimates and reviews were undertaken by MRT 1995 (prior to the Majestic drilling), Geoval (1996) and Hellman & Schofield (2004). The project has been evaluated for feasibility by Metana (1990), Nobel (1995) and Majestic (1996 and 1999). MRT initially raised concerns regarding the 20% discrepancy between diamond and RC drilling undertaken by Metana. During the Majestic feasibility study in 1996 their findings were reviewed after the initial Majestic's twin diamond drilling revealed significant washing of fines from diamond drill core along with poor recovery due to broken ground. This cannot be confirmed from the current state of the core. Their initial assumption that the RC samples overestimated copper grade by 20% was reversed, and face sampling hammer RC was adopted as the preferred drilling method. Previous diamond drilling results have been retained in the resource estimate although this could be considered a conservative approach.

Section 2 Reporting of Exploration Results

Criteria	Commentary
Mineral tenement and land tenure status	The Kuridala deposit sits well inside the granted mining lease ML90081. Special conditions apply that limit the mining lease depth 241.26 RL (nominally 100 m depth).
Exploration done by other parties	All drilling was done by previous parties as indicated in the drilling description.

Criteria	Commentary
	There are no other substantial geological data sources or neighbouring deposits with the exception of some drilling at depth at Kuridala by Selwyn.
Geology	The copper-gold mineralisation is structurally controlled within several parallel fault, breccia and alteration zones within a structural corridor. The style of mineralisation and structural control are within that expected in the Mount Isa Inlier and similar to other deposits in the Cloncurry area. Details of the geology setting are described in detail by Metana 1990 and Majestic 1996 feasibility studies.
Drill hole Information	Exploration results are not presented
Data aggregation methods	Exploration results are not presented
Relationship between mineralisation widths and intercept lengths	Exploration results are not presented
Diagrams	Plans and example section in included in the announcement
Balanced reporting	Exploration results are not presented
Other substantive exploration data	Metana undertook field mapping, dump, mapping, surface sampling, geophysical survey and a historic literature review. This was used to help define the resource and drilling target. At this stage this exploration data is largely supplanted by the drilling and underground working information used in the resource estimate. Other information available, include metallurgical drilling and sampling, geotechnical investigations, previous feasibility studies, water studies and mining studies.
Further work	Kuridala has been included in several previous feasibility studies. QMC are currently updating the White Range project with a scoping study. The current database management by QMC needs improvement and the database reviewed to progress the project as some assay data is missing from the final Datashed export compared to the audited data compiled by Golder in 2004 and used for the Mineral Resource.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	Commentary
Database integrity	Golder undertook a validation programme to ensure the validity of the database format provided. Text values for missing and below detection limit analyses were replaced with null or zero values as deemed appropriate. An earlier audit of the database was undertaken by Hellman & Schofield (2004). To complement this Golder undertook some validation of the higher-grade analyses by ensuring the original values could be substantiated with original assays sheets. This could only be undertaken for the 1996 Majestic RC drilling which represents 25% of the resource drilling. The original laboratory sheets were not available for the 1989 Metana drilling. The audit by Golder did not indicate any issues with the copper grades used in the resource estimate and did confirm that the assays used were the original Analabs

Criteria	Commentary
	GA115 method analyses. In 2004 Golder also noted a number of small database issues with averaging of some methods and use of non-preferred methods.
Site visits	John Horton visited site in 2004 during the original study and examined drill core at the Matrix core shed in Cloncurry. Guojian Xu has visited the project several times in the past 6 years.
Geological interpretation	Geological interpretations were supplied by Phil Frank (Matrix). Mr Frank had been involved with the project since 1996 and is well versed in the data, logging and interpretations. The interpretations were revised by Matrix. Golder verified the interpretations were consistent with the logged geology. The structure of the mineralisation is well founded due to the style of mineralisation and the evidence from previous underground mining.
Dimensions	The Kuridala Mineral Resource has a Strike length of 1000 m and is known to extend beyond the 100 m depth limit of the mining lease. The thickness narrows with depth and is over 100 m wide near surface.
Estimation and modelling techniques	Estimations for total copper were by median indicator kriging and used a block adjustment to derive a recoverable resource estimate. Additional value potential from cobalt and gold was been estimated independently using ordinary kriging. Resources have been estimated assuming a tight grade control drilling definition that can support the small 3 by 5 by 2.5 m selective mining unit assumed for the estimate. It is believed that additional control for higher-grade areas may be able to be provided on a visual basis. This will minimise grade control and mining mistakes for the higher value portions of the resource. However, the likely marginal cut-off grade is expected to be around 0.5% Cu. At these grades, grade control definition will be necessary to define the assumed selectivity.
Moisture	Bulk density estimates and tonnages are on a dry basis.
Cut-off parameters	Mineral Resources are reported at three cut-off grades. The first at 0.2% Cu approximates the current assessment of marginal grade economics for a copper heap leach operation, as is currently envisaged for the White Range project by QMC. For Kuridala this cut-off maybe slightly higher if the material is trucked to Greenmount for processing at a central location. Hence a 0.3% Cu cut-off is also supplied as a more indicative Mineral Resource for the current development plan. The second high 0.5% Cu cut-off is presented for project comparison purposes and to indicate a potential target for alternative higher cost processing methods.
Mining factors or assumptions	The selectivity for the smallest mining unit of 3 by 5 by 2.5 m has been assumed based on recommendations from Matrix in 2004. This same approach is assumed for current work. These are supported by the assumed grade control methods for the Matrix feasibility study.
Metallurgical factors or assumptions	Previous metallurgical work has indicated recoveries by heap leach of up to 90%. Recoveries may decrease to 70% with depth although improvements are possible with bacteriological methods. The interpretation of the metallurgical recovery is assisted by broad coverage of copper sequential assays that include acid and

Criteria	Commentary
	cyanide soluble analyse. For resource estimation, these indications are sufficient to indicate that the resource is potentially economic and the metal recoverable. Metana (1990) indicate the petrological studies showed that most of the economic minerals for the oxide and supergene zones were exposed during fracturing of the ore allowing the copper to be dissolved. Approximately 5% of the Copper was noted to occur as micron size stringers within other minerals effectively making this component unrecoverable. Metana (1990) undertook 14 heap leach tests, comprising of 6 oxide, 5 shallow supergene and 3 deeper samples. 3 tests were abandoned due to percolation problems with clay and stope fill samples. 3 tests resulted in calculated recoveries above 100% indicating that the original assays were low or variable. Average recoveries of 90% were reported down to depths of 25 m. Recoveries tended to decrease gradually with depth although this improved with the use of bacteriological processes. Acid consumption was around 20 kg/t. Some higher carbonate values occurred possibly due to the inclusion of near surface calcrete. Additional metallurgical test work planned by Matrix using core drilling from 2006 was never completed.
Environmental factors or assumptions	There are no known environmental issues Kuridala is a historic mining areas with an old town site, several shaft and an iconic smelter chimney and slag pile. Though mostly outside the mining areas the mining may have to deal with some preservation or avoidance issues.
Bulk density	Assumed dry bulk density values have been based on density determinations. These have utilised 148 density determinations from diamond drill core samples and 40 RC chip determinations.
Classification	A practical approach has been applied to define Measured Resource on the premise that 20 by 20 m drill spacing should be sufficient to provide the data spacing and density required. Similarly 20 by 40 m spacing for Indicated. These are supported by Variogram models and a conditional simulation study.
Audits or reviews	Golder undertook an internal review of the resource estimate and the methods used.
Discussion of relative accuracy/ confidence	The Mineral Resource is calculated using probabilistic method to create a recoverable resource estimate and includes mining selectivity and grade control assumptions as described. Cobalt and silver are not completed assayed and hence have lower confidence. Tough largely not quantified a number of risks can be identified: • The stoping model for previous mining may not be accurate volume representation • Some acid digest methods used may not report total copper • Washing of diamond core is suspected to have lost chalcocite fines possible biasing core samples • High grades are associated with massive sulphides and be denser than assumed • Majestic drilling understates Cu grade by ~3% • Carbonate mineral are noted in logging and can be locally 10%

Criteria	Commentary
	• Early Metana drilling used a cross over sub which can result in down hole contamination • Limited Metana drilling may have used fillet sampling