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ASX Market Announcement

3 October 2017

Very Significant Drill Intercept of 60 metres @ 1.0% Copper Returned from a New Zone in Young Australian

Queensland Mining Corporation Limited (ASX: QMN) is pleased to report more assay results received from the recently completed RC drilling program in Young Australian, approximately 70 km south of Cloncurry in northwest Queensland (Figure 1). Following the announcement of the drilling results received from the first 11 holes on 26 September 2017, the Company have received assays for the rest holes, particularly those five exploration holes, in the program with highlights as follows:

- *66m @ 0.94% Cu and 1.3g/t Ag from 64m, including
60m @ 1.0% Cu and 1.3g/t Ag from 69m plus
29m @ 1.43% Cu and 1.9g/t Ag from 100m in hole YA17RC36*
- *38m @ 0.84% Cu, 344ppm Co and 1.5g/t Ag from 112m, including
23m @ 1.01% Cu, 393ppm Co and 1.5g/t Ag from 118m in hole YA17RC34*
- *17m @ 0.77% Cu from 36m, including
4m @ 2.08% Cu and 1.4g/t Ag from 45m in hole YA17RC21*
- *>1.5km long and up to 150m wide new mineralised zone confirmed with potential to significantly increase the resource base*
- *Follow-up drilling around the new discovery hole has already commenced and new assay results expected to be available towards the end of October*

Eddy Wu, QMC's CEO, said "the Company is extremely excited about these very positive drilling results, particularly those exploration holes drilled outside the existing JORC resources. Further drilling along this new mineralised zone will have great chance to remarkably increase the

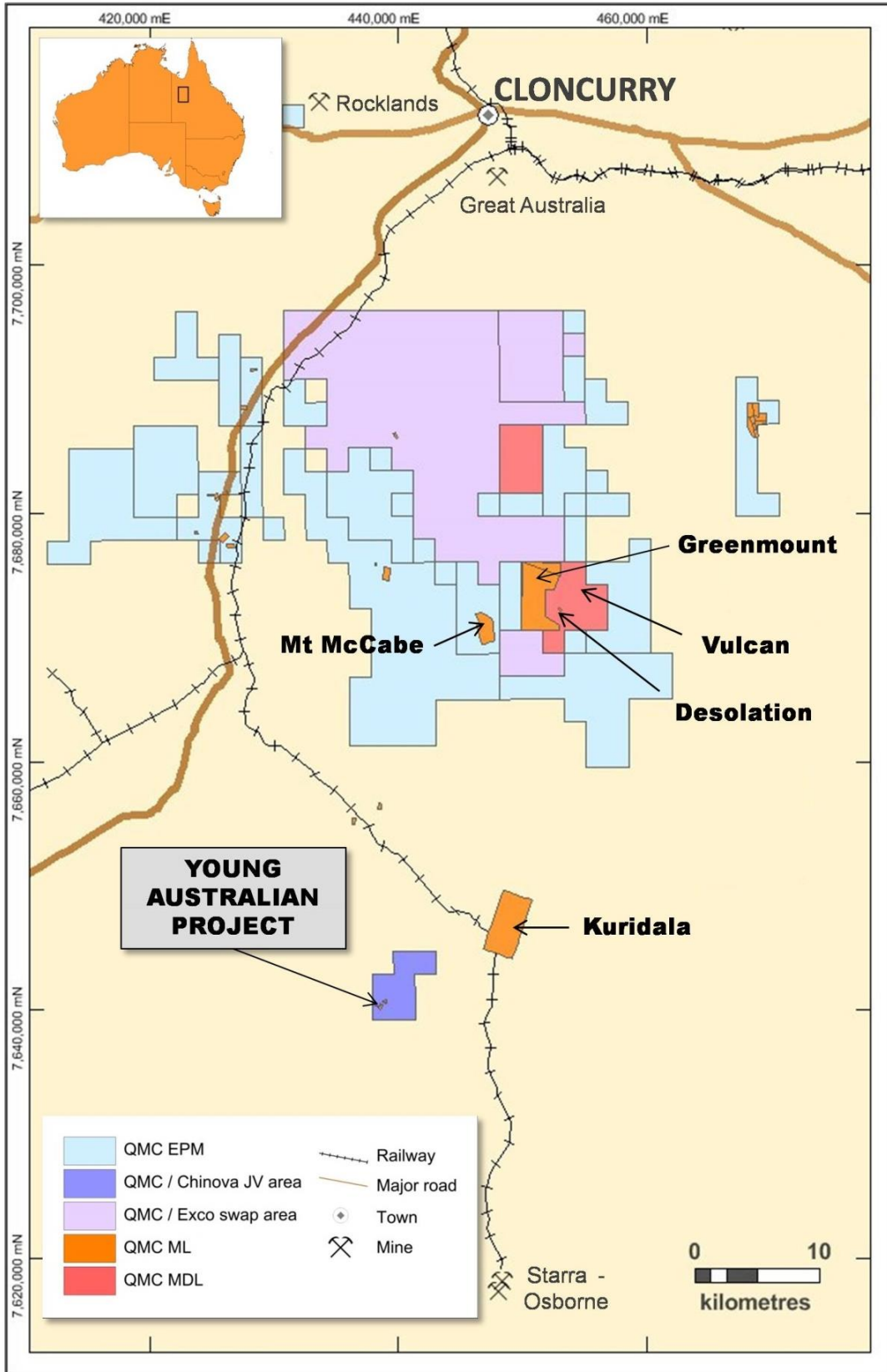


Figure 1 Regional location of the Young Australian project

resource base in Young Australian, which will provide strong support to the overall development of our White Range project”.

The Young Australian project consists of four mining leases (ML7511, ML7512, ML90084 and ML90099; 100% QMC interest) and surrounding six sub-blocks within EPM 18912, which is held by Chinova Resources and from which QMC has the exclusive rights to explore for mineralization over a period of eight years until June 2020. In addition, QMC 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 deposit also forms part of the Company’s flagship White Range project.

The current drilling program consisted of 37 holes for a total of 2,592m. It was designed mainly to infill and to expand the existing resources estimated for the pit area with five holes to test the separate mineralised zones identified in 2015. Details of the drillhole information are set out in Table 1 and their locations are shown in Figure 2.

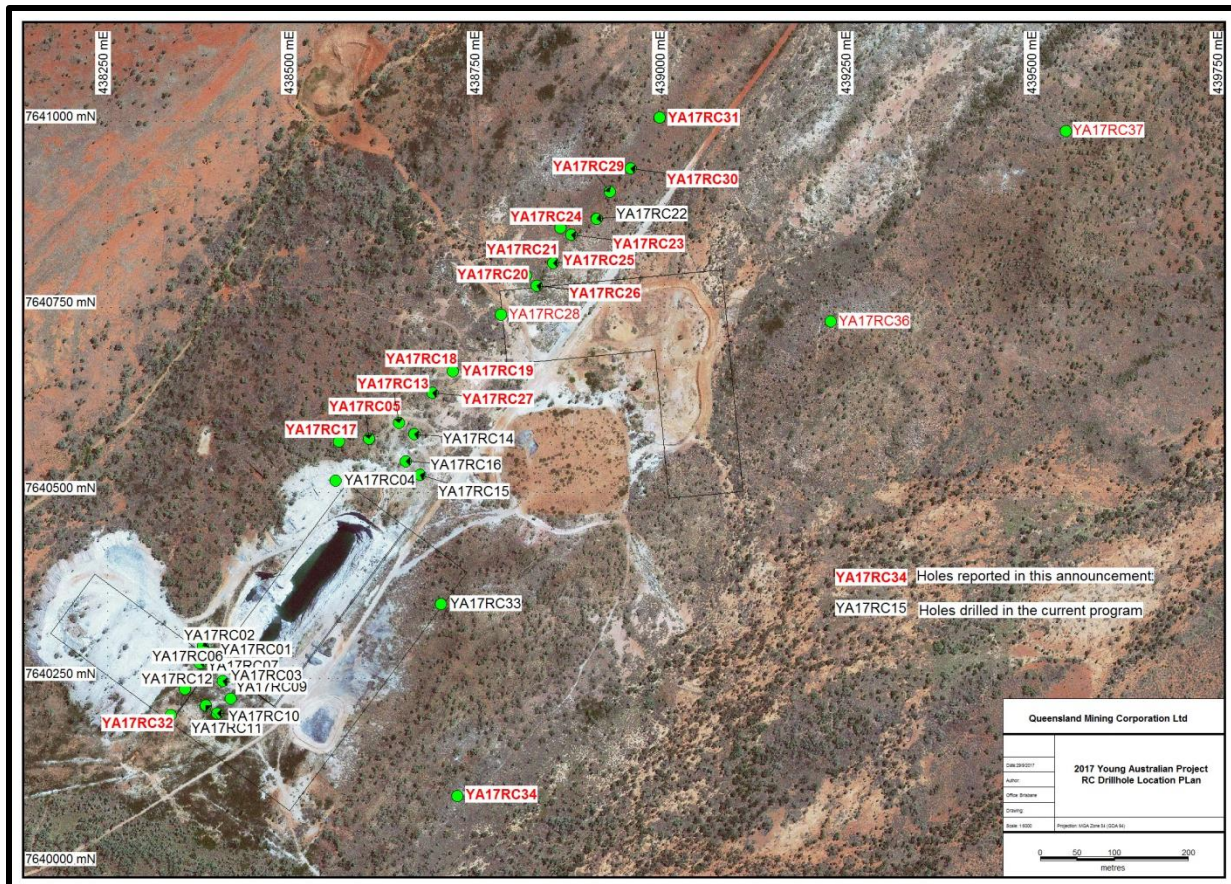


Figure 2 Drillhole location plan for the current RC drill program completed in Young Australian

Within the current program, holes YA17RC34, YA17RC36 and YA17RC37 were designed to further test the 1.5km long Tank Hill structural - geochemical zone identified in 2015.

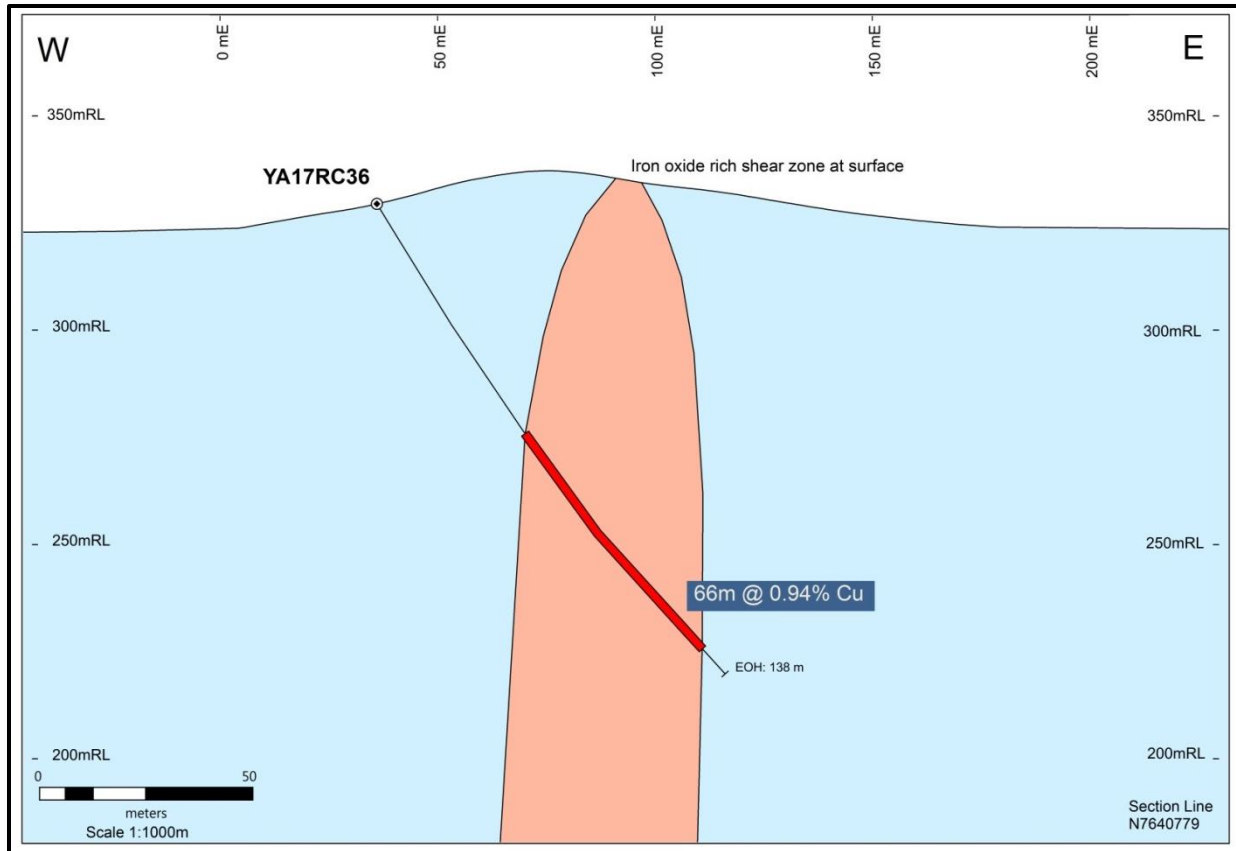


Figure 3 Schematic cross section through hole YA17RC36 showing the significant width of new mineralisation intersected without much surface exposure (looking north)

Hole YA17RC36 was the best hole to date and returned very significant copper mineralization of **60m @ 1.0% Cu from 69m**, including a higher grade interval of **29m @ 1.43% Cu from 100m**. This hole was drilled in the middle of the Tank Hill zone and also reported a very broad cumulative intersection of **74m @ 0.85% Cu from 63m** (Figure 3). The hole was terminated ahead of the proposed depth due to poor ground conditions. Visual examination of the drill cuttings suggests the copper mineralization is characterized by native copper in varying size and shape (Figure 4).

Hole YA17RC34 was drilled in the southern part of the Tank Hill zone and is about 800m southwest of hole YA17RC36 along strike. This hole is also only 40m southwest of hole YA15RC04 which was drilled back in 2015. It was drilled towards northwest and angled at -60 degrees.

Multiple zones of mineralisation were intersected with the best interval being **36m @ 0.84% Cu from 122m**, including a higher grade interval of **23m @ 1.01% Cu from 118m**. This hole also reported a very broad cumulative zone up to **151m @ 0.33% Cu from 4m**, demonstrating the significant width of mineralisation at the southern end of the Tank Hill zone. Of particular interest, the lower part of the drill intercepts (from 118- 141m) is dominated by chalcopyrite, pyrite and quartz. This is the most important chalcopyrite mineralisation ever intersected in Young Australian, which may indicate the potential for deep sulphide copper in the Young

Australian project (Figure 5). Further down dip drilling is certainly warranted to define the scope and nature of this important discovery.



Figure 4 Native copper grains (red) exposed from drill cuttings (mostly black shale) piled under the cyclone of the RC rig

Hole YA17RC36, YA17RC34 and YA17RC37 in this program plus hole YA15RC06, YA15R04, YA15RC05 and YA15RC11 drilled back in 2015 have established a new copper mineralization zone with strike length of more than **1,500m and width of up to 150m** in Young Australian (Figure 6). This zone is separated from the existing Young Australian zone by at least 300m to the east. Further drilling will help to expand the mineralized intersections and to prove up the potential for a new resource estimation.

Holes YA17RC18, YA17RC20 and YA17RC21 were drilled in the northeastern part of the main Young Australian zone and designed to extend the known mineralization up dip. Encouraging drill intercepts of **9m @ 1.04% Cu from 58m** was returned from hole **YA17RC18**, **11m @ 0.65% Cu from 60m** was returned from hole **YA17RC20** and **17m @ 0.77% Cu from 36m** was returned

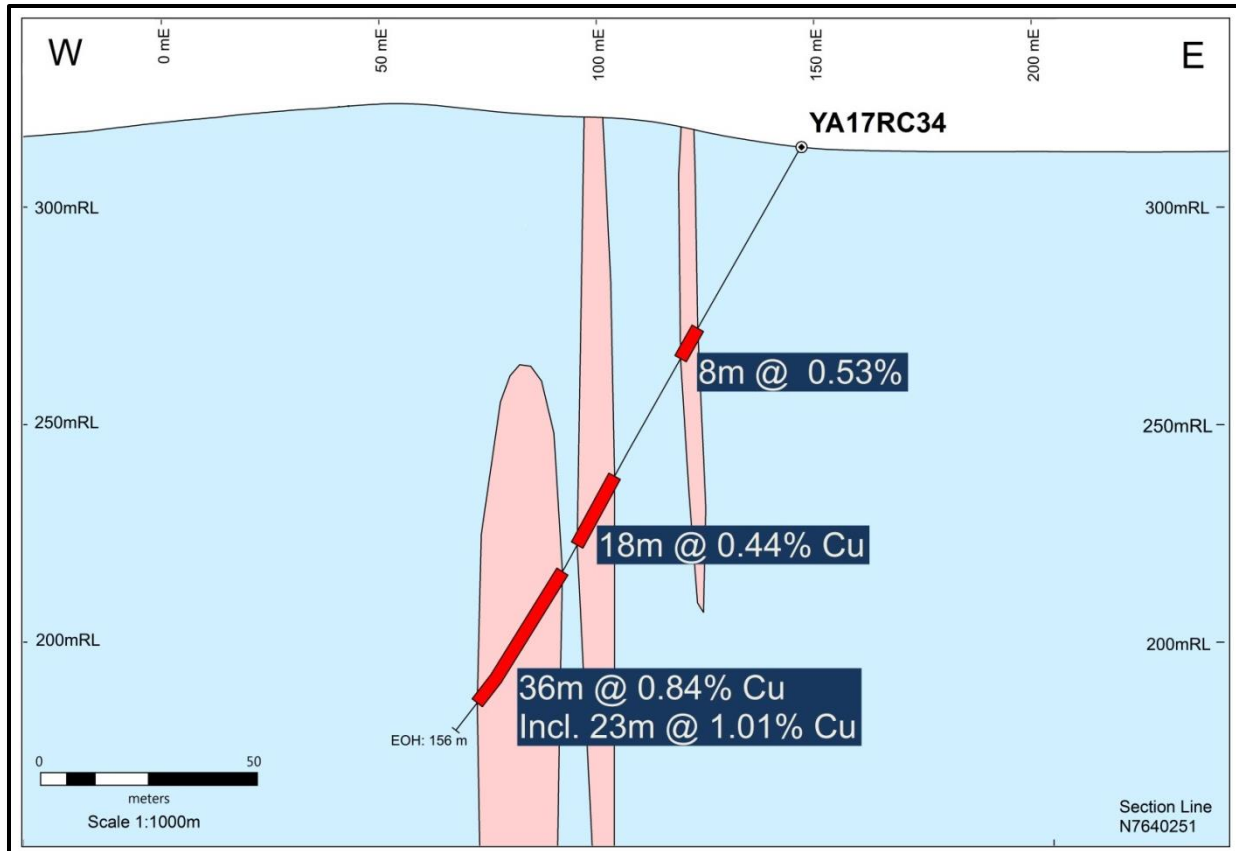


Figure 5 Schematic cross section through hole YA17RC34 showing multiple mineralized zones intersected (looking north)

from hole **YA17RC21**. These positive intersections have extended the known mineralization for about 25-30m up dip, which will enhance the economics of the deposit from the scoping study currently underway.

The selected drill intercepts for the drill program are summarized in Table 2. A follow-up RC drill program to expand the significant intersections encountered in both holes YA17RC36 and YA17RC34 has already commenced and the Company is looking forward to informing shareholders on the new drill results as soon as they become available.

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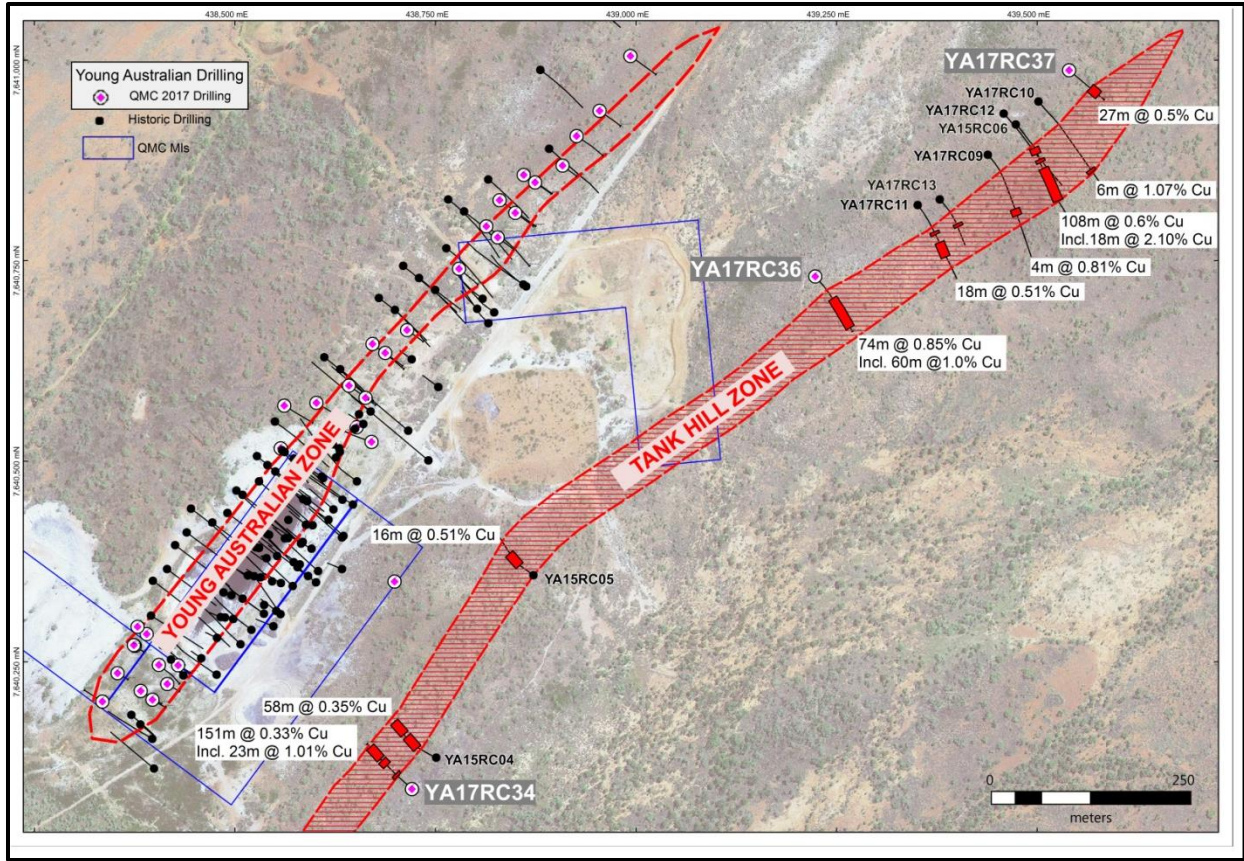


Figure 6 More than 1,500m long and up to 150m wide Tank Hill mineralized zone confirmed by the drilling to date and remains open towards southwest

Table 2 Selected drill results from the recent RC program at Young Australian (using a 0.2% Cu cut-off grade and 3m internal dilution)

Hole ID	From (m)	To (m)	Interval (m)	Cu (%)	Co (ppm)	Ag (g/t)
YA17RC36	64	130	66	0.94		1.3
<i>Incl.</i>	69	129	60	1.0		1.3
<i>Incl.</i>	100	129	29	1.43		1.9
YA17RC34	48	56	8	0.53		
	87	105	18	0.44	240	
	112	148	36	0.84	344	1.5
<i>Incl.</i>	118	141	23	1.01	393	1.5
YA17RC37	69	96	27	0.50		0.9
YA17RC21	36	53	17	0.77		
<i>Incl.</i>	45	49	4	2.08		1.4
	74	82	8	0.44		
	87	99	12	0.33		
YA17RC18	58	67	9	1.04		
YA17RC20	60	71	11	0.65		
<i>Incl.</i>	66	70	4	1.17		

Table 1 Drillhole details for the recent RC program at Young Australian

Hole ID	Easting (GDA)	Northing (GDA)	RL	Azi (GDA)	Dip	Depth (m)	Type
YA17RC01	438390	7640284	319	127	-65	30	RC
YA17RC02	438378	7640294	319	127	-65	64	RC
YA17RC03	438429	7640246	313	127	-60	36	RC
YA17RC04	438557	7640516	332	127	-85	72	RC
YA17RC05	438602	7640573	326	127	-55	102	RC
YA17RC06	438375	7640270	315	127	-65	30	RC
YA17RC07	438374	7640271	315	127	-90	66	RC
YA17RC08	438416	7640222	313	127	-65	42	RC
YA17RC09	438405	7640246	314	127	-65	72	RC
YA17RC10	438397	7640203	312	127	-65	44	RC
YA17RC11	438382	7640214	312	127	-65	72	RC
YA17RC12	438354	7640236	313	127	-65	36	RC
YA17RC13	438642	7640594	321	127	-60	60	RC
YA17RC14	438663	7640579	321	127	-60	30	RC
YA17RC15	438670	7640524	321	307	-55	72	RC
YA17RC16	438652	7640542	323	307	-60	36	RC
YA17RC17	438561	7640569	323	127	-55	72	RC
YA17RC18	438671	7640646	319	127	-60	90	RC
YA17RC19	438715	7640663	318	127	-60	48	RC
YA17RC20	438813	7640793	318	127	-60	132	RC
YA17RC21	438830	7640825	318	127	-60	108	RC
YA17RC22	438908	7640868	319	127	-60	42	RC
YA17RC23	438874	7640848	319	127	-60	48	RC
YA17RC24	438860	7640857	318	127	-60	84	RC
YA17RC25	438849	7640810	318	127	-60	54	RC
YA17RC26	438827	7640779	318	127	-60	48	RC
YA17RC27	438687	7640635	318	127	-60	54	RC
YA17RC28	438779	7640740	317	127	-60	60	RC
YA17RC29	438926	7640905	321	127	-60	78	RC
YA17RC30	438954	7640937	323	127	-55	72	RC
YA17RC31	438993	7641005	324	127	-60	72	RC
YA17RC32	438335	7640200	312	307	-60	54	RC
YA17RC33	438699	7640350	312	126	-60	102	RC
YA17RC34	438721	7640091	314	126	-60	156	RC
YA17RC35	440622	7642563	349	170	-60	102	RC
YA17RC36	439224	7640730	330	138	-60	138	RC
YA17RC37	439540	7640987	333	136	-60	114	RC

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.

2012 JORC Code

Section 1 – Sampling Techniques and Data

Criteria	Explanation
<i>Drilling Techniques</i>	<ul style="list-style-type: none"> • Reverse circulation drilling using a Schramm T685 truck mounted rig with 500psi on-board air • 37 holes were drilled, for a total of 2,592m.
Sampling Techniques	<ul style="list-style-type: none"> • All drill samples were collected at 1 metre intervals • Drill samples were split using a cone splitter mounted on the drill rig • Average sample weight is about 3kg • Samples were pulverised to produce 30g charge for four acid digest for multi-elements
Drill sample recovery	<ul style="list-style-type: none"> • RC recovery is initially visually estimated based on the size of the green bags • Recovery was good, with relatively consistent sample size
Logging	<ul style="list-style-type: none"> • Drill chips were logged onto field sheets and later input into the computer connected with Company server in the site office. • Chips were sieved on regular 1m intervals and put into labelled chip trays • All chips were geologically logged • Chip trays are stored in the site office in Cloncurry
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • All samples were analysed using an Innov-X handheld XRF device to provide an estimate of the copper content. This data was used as a guideline only to assist with sampling. • A selection of samples were submitted to the laboratory for assay, based on a combination of the XRF results and geological logging • Analyses were performed by ALS Global, Townsville laboratory, using standard procedures and standard laboratory checks. • All samples were analysed for a multi-element suite (ME-ICP61) including copper and cobalt. On return of copper values >1% a second series of analyses were undertaken with parameters optimised for high concentrations (Cu-OG62) • The four acid digest used in ME-ICP61 is considered to be a 'near-total' digest. • Sample preparation is consistent with industry standard practice • The sample sizes are appropriate for the material being sampled

Quality of assay data and laboratory tests	<p>Sampling and assaying quality assurance and quality control (QAQC) procedures were implemented by the Company for all the drilling programs undertaken in Cloncurry. They included:</p> <ul style="list-style-type: none"> • Blind certified OREAS standards were inserted 1 in every 25 samples • Blanks and field duplicates were included at a ratio of 1:50 • Field duplicates were obtained by splitting the calico where possible, or spear sampling the green plastic bag • OREAS standards were sourced from Ore Research & Exploration Ltd • A total of 51 standards with various values, 25 duplicates and 26 blanks were used for the drill program
Verification of sampling and assaying	<ul style="list-style-type: none"> • Significant mineralisation intersections will be verified by Chief Geologist
Location of data points	<ul style="list-style-type: none"> • Drill hole collars were picked up using DGPS with sub-metre resolution • Down hole surveys were conducted using an Reflex EZ-Track digital camera and readings were recorded every 30m • Co-ordinates are recorded in grid system MGA94, Zone 54
Data spacing and distribution	<ul style="list-style-type: none"> • Drill hole spacing is at 40m x 20m in the main zone with endeavour to achieve JORC indicated resources. Five other holes were still in the early stage of exploration so no drilling pattern was established yet • No sample compositing has been applied
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • Drill holes were designed to intersect the mineralized structures with minimal depth • Drilling orientation was proposed to be approximately perpendicular to the strike of interpreted mineralised zones
Sample security	<ul style="list-style-type: none"> • Sample bags were packed in batches into polyweave bags and then wrapped onto pallets for transport • Samples were transported to the laboratory in Townsville by NQX
Audits or reviews	<ul style="list-style-type: none"> • Audit of sampling techniques and data will be performed • In-house review of QAQC for laboratory assays will be undertaken

Section 2 – Reporting of Exploration Results

Criteria	Explanation
<i>Mineral Tenement and Land Tenure Status</i>	<ul style="list-style-type: none"> • 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 • 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 (renewed lodged). ML90099 is 5ha, expiry 31/05/2016 (renewal lodged). • EPM 18912 is held 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.
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"> • MIM (1963 – 1967): geological mapping, geophysical surveys, and drilling at Tank Hill, Main pit area, Hidden Treasure prospects • BHP (1973 – 1975): geological mapping, soil sampling • CRAE (1975 – 1976): steam sediment sampling, rock chip sampling • 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. • Additional licenses have been held in the past, but work was focused outside the current area
Geology	<ul style="list-style-type: none"> • 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, native copper, cuprite, chalcocite and chalcopyrite. • The Tank Hill, Tank Hill North, Tank Hill South, and Hidden Treasure prospects are also

	thought to have potential for shear-hosted copper mineralisation and also occur within the Answer Slate
Drill hole information	<ul style="list-style-type: none"> • Full drill collar details, including coordinates, orientation, and final depth, are provided in Table 1 of the announcement
Data aggregation method	<ul style="list-style-type: none"> • No weighting, truncations, aggregates, or metal equivalents were used • Standard intercepts were calculated using a 0.2% copper cut-off. A maximum of consecutive 3m of below 0.2% samples were allowed within each intercept.
Relationship between mineralisation widths and interception lengths	<ul style="list-style-type: none"> • Estimated true widths are approximately 60-70% of the drilled intervals in main pit area • The relationship between the mineralisation width and interception lengths for 5 other holes in the Tank Hill South and North Breccia Zones is not known at this early stage of exploration.
Diagrams	<ul style="list-style-type: none"> • See Figure 2, 3, 4, 5 & 6 of this report
Balanced reporting	<ul style="list-style-type: none"> • The accompanying document is considered to represent a balanced report
Other substantive exploration data	<ul style="list-style-type: none"> • Refer to body of report for additional geological observations
Further work	<ul style="list-style-type: none"> • Additional drilling is planned at the Tank Hill South and Tank Hill North prospects