

Quarterly Report

For the period ended 30 September 2017

24 September 2017

HIGHLIGHTS

Operations

- Highlights of exploration activities for the quarter mainly include the completion of 37 RC holes totalling 2,592m in Young Australian in south Cloncurry
- Significant copper mineralisation was intersected with highlights including
*66m @ 0.94% Cu and 1.3g/t Ag from 64m, including
60m @ 1.0% Cu and 1.3g/t Ag from 69m 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*

*24m @ 1.31% Cu from 34m, including
7m @ 2.84% Cu from 42m in Hole YA17RC07*

*13m @ 2.33% Cu from 31m, including
7m @ 3.29% Cu from 34m in Hole YA17RC09*
- More than 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 holes has already commenced and assay results expected to be available in next few weeks

Corporate

- A binding agreement was entered with Moly Mines Ltd to sell the White Range project for a total consideration of \$53m

Exploration Activities

Exploration activities during the current quarter have been focused on the completion of 37 RC holes for a total of 2,592m in Young Australian in south Cloncurry. The program 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. The drilling has not only returned some encouraging intersections in the pit area but also reported significant new copper mineralisation in the Tank Hill zone, 300m east of the main Young Australian zone. A follow-up drilling program to expand the significant intersections from the new discovery holes in the Tank Hill zone has commenced and the results are expected to be available in next few weeks.

Young Australian Prospect

The Young Australia prospect consists of four mining leases (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 until June 2020. 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 Company's flagship White Range project.

The Young Australian prospect is centered 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 and announced on 26 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 deposit.

In addition, QMC's exploration program in 2015 discovered a new mineralized zone (Tank Hill Zone) up to 1,500m 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.

Exploration work carried out by QMC during the current quarter mainly included the completion of 37 RC holes for a total of 2,592 m, of which 32 holes were infilled to the existing resource in the pit area whilst 5 holes were to test new targets defined in 2015 and 2017. The details of the drillholes are presented in Table 1 and their locations are shown in Figure 2.

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 with an aim to define a JORC resource in the future. Hole YA17RC36 was the best hole to date and returned 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

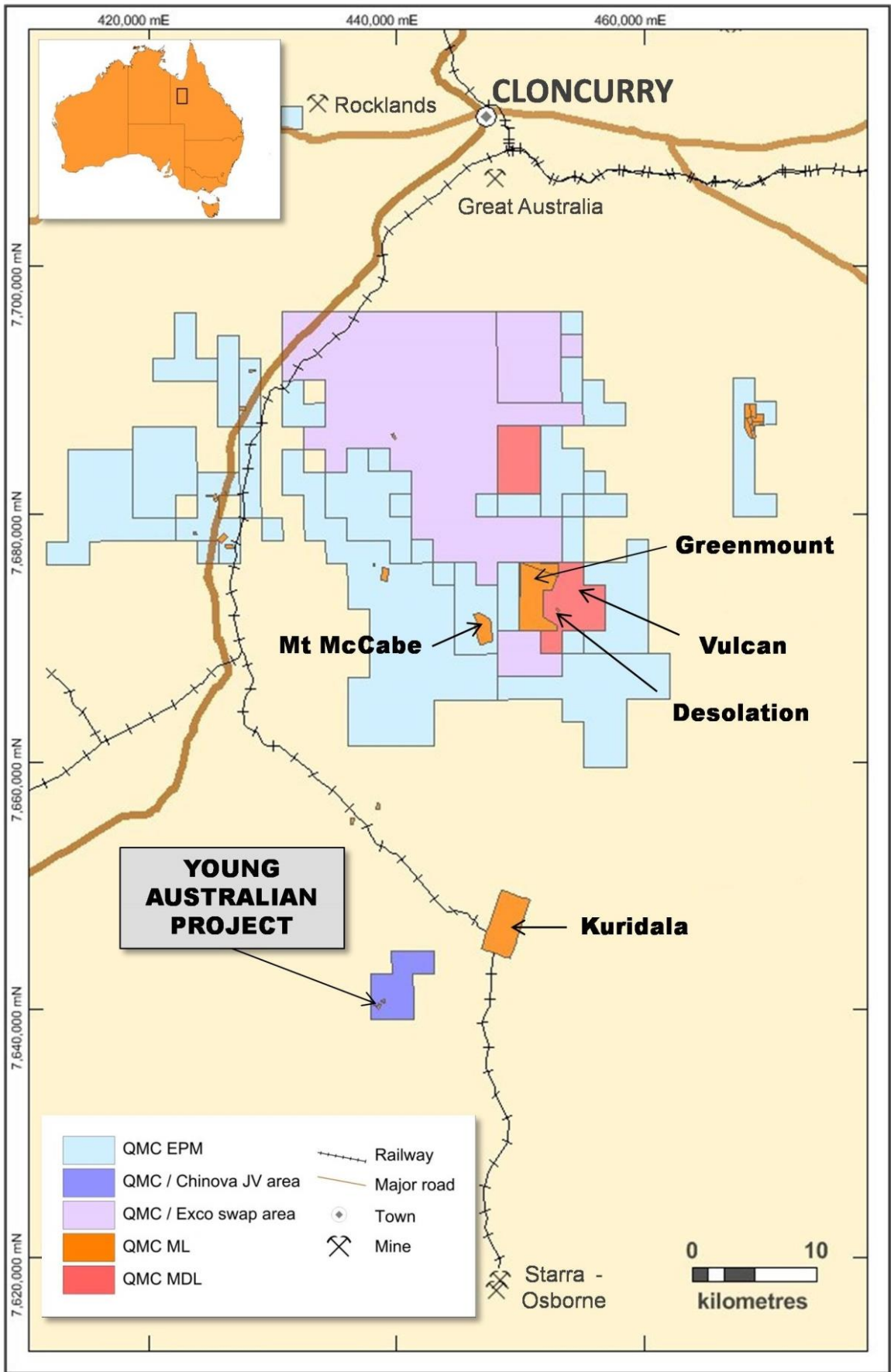


Figure 1 Regional location of the Young Australian project

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	140	-60	138	RC
YA17RC37	439540	7640987	333	136	-60	114	RC

ground conditions. Visual examination of the drill cuttings suggests the copper mineralization is characterized by native copper in varying size and shape.

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. Hole YA17RC34 was drilled towards northwest and angled at -60 degrees. The outcrop appears to be extensively silicified and almost no visible copper mineralisation was observed.

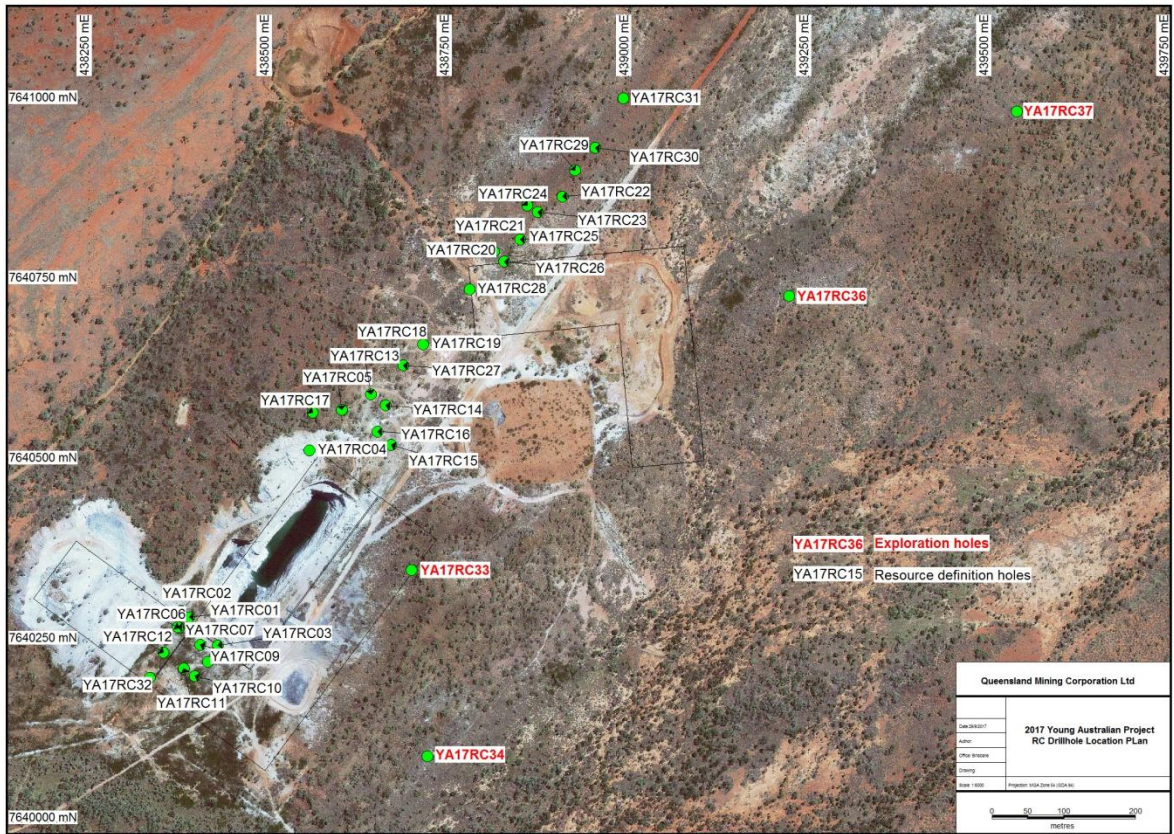


Figure 2 Drillhole location plan for the RC drill program completed in Young Australian

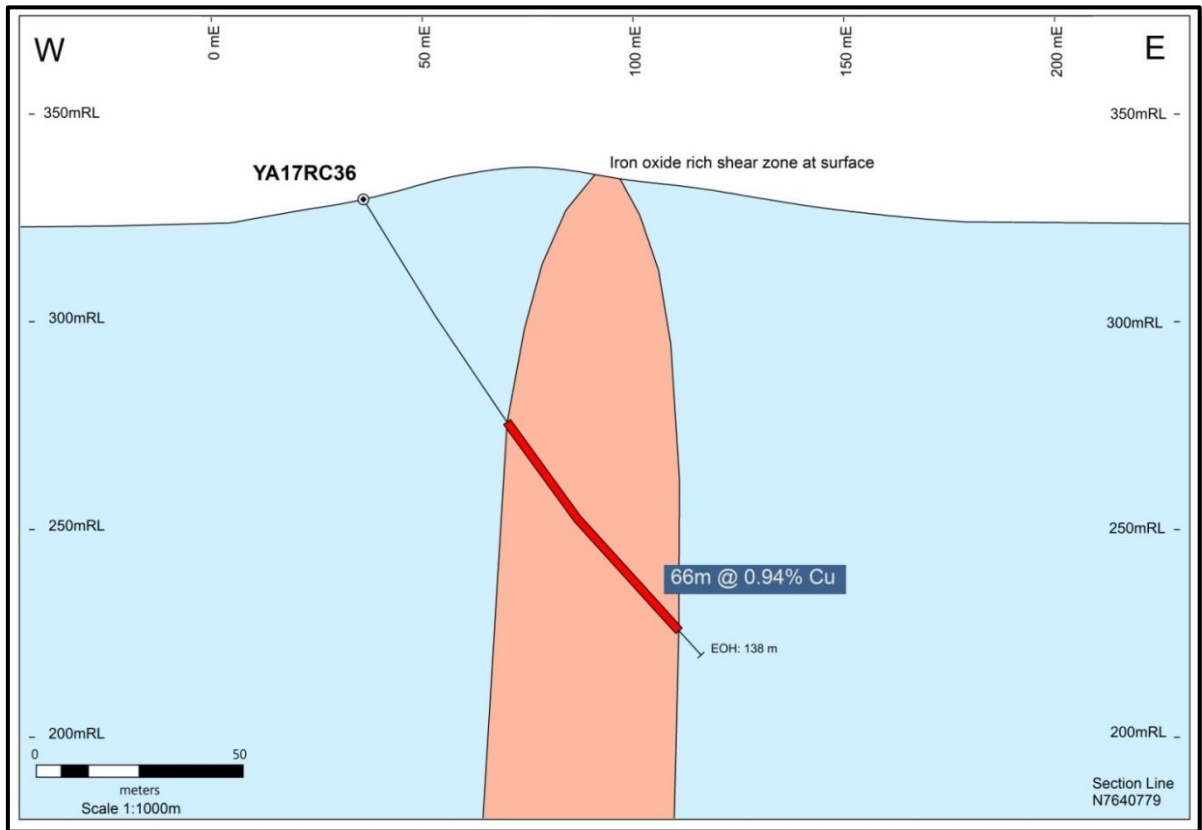


Figure 3 Schematic cross section through hole YA17RC36 showing the significant width of new mineralisation intersected without much surface exposure (looking north)

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 the mineralised zone at the southern part of Tank Hill. 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 4). Further down dip and step-out drilling is certainly warranted to define the scope and nature of this important discovery.

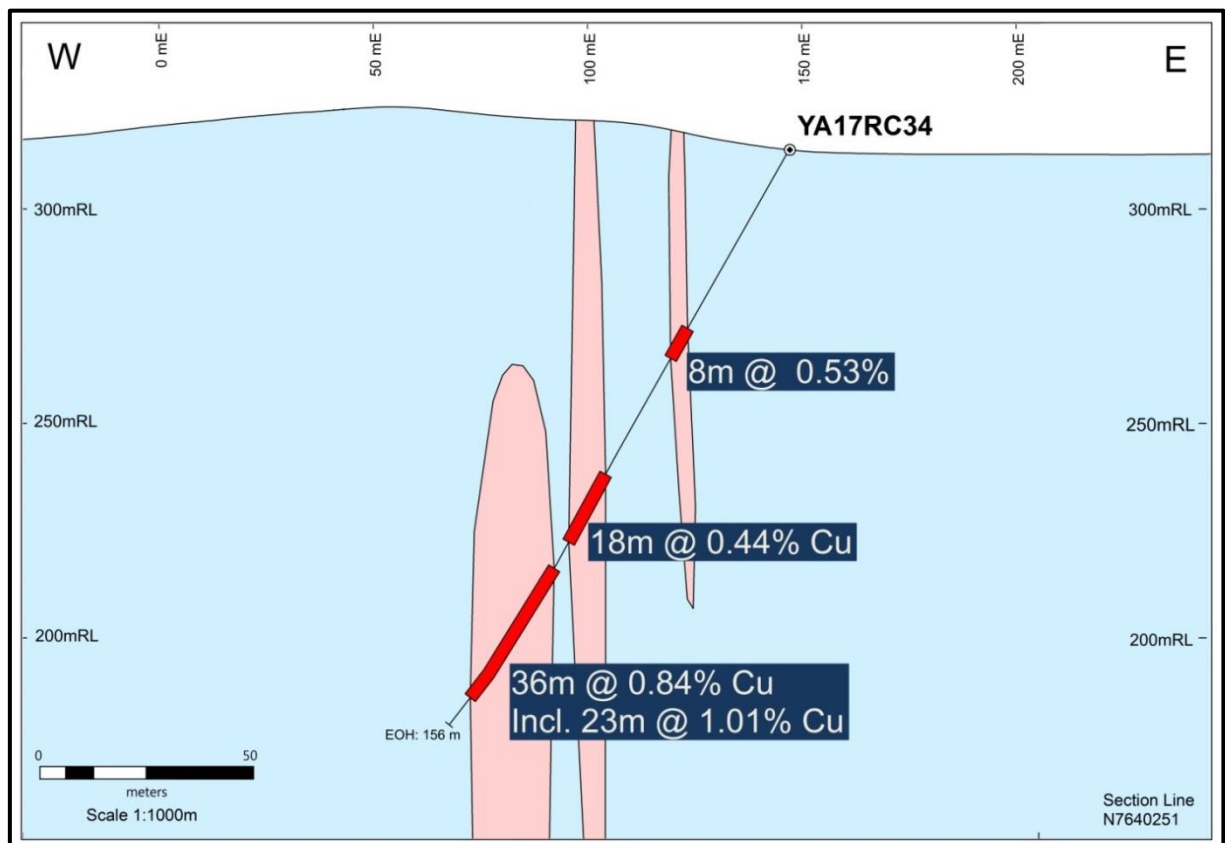


Figure 4 Schematic cross section through hole YA17RC34 showing multiple mineralized zones intersected (looking north)

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 5). 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.

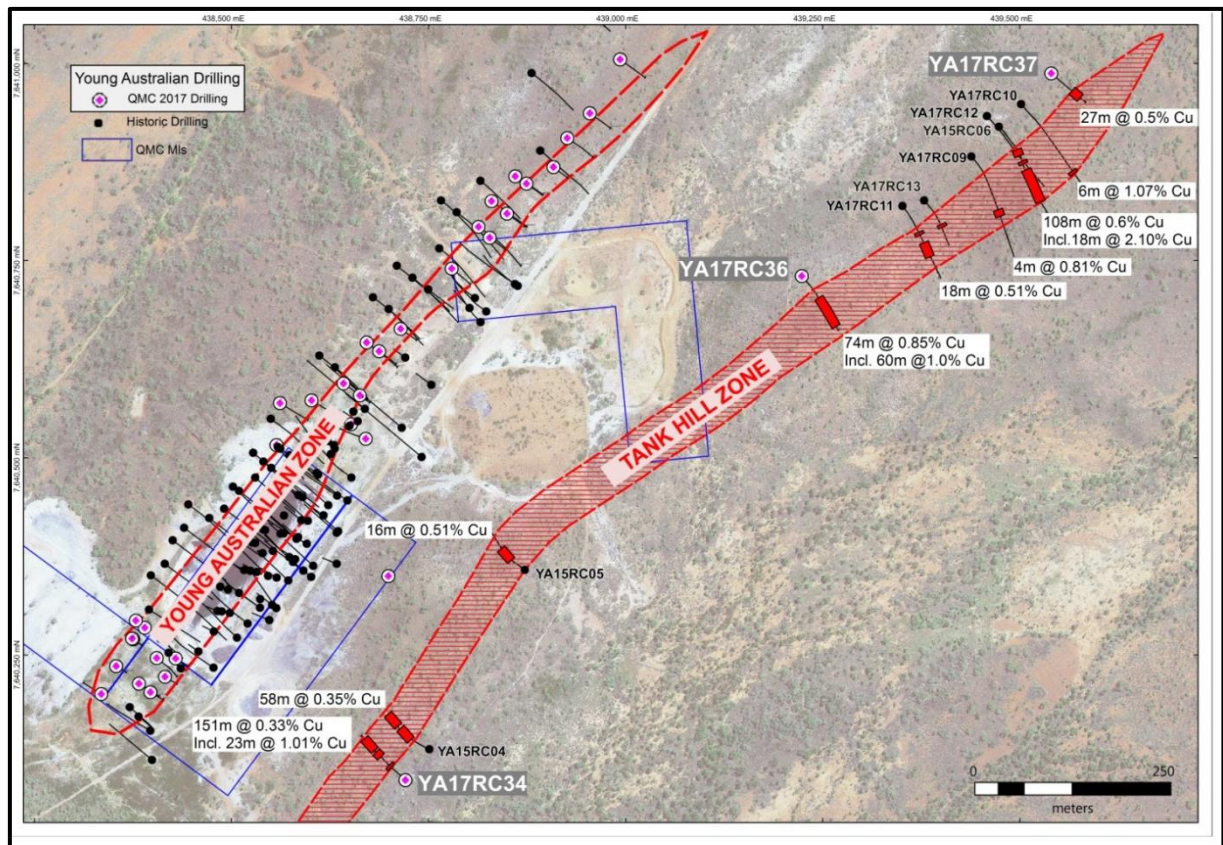


Figure 5 More than 1,500m long and up to 150m wide Tank Hill mineralized zone confirmed by the drilling to date and remains open towards southwest

The remaining 32 holes in the program were drilled in the pit area and were generally short in depth (av. 61m). They were designed to expand the tonnage and to increase the category of the existing JORC resource to assist the ongoing scoping study. Numerous holes have returned encouraging intersections across the strike length of the orebody. Hole YA17RC09 was drilled about 30m away from the southern pit boundary and intersected high grade oxide copper of **13m @ 2.33% Cu from 31m**, including an even higher grade intercept of **7m @ 3.29% Cu from 34m**. Hole YA17RC07 was collared about 40m behind YA17RC09 but was drilled vertically on the same section. This hole returned **24m @ 1.31% Cu from 34m, including 7m @ 2.84% Cu from 42m**. However, the true width of the intersection should be heavily discounted given the relatively steep dip of the target zone.

Holes YA17RC18, YA17RC20 and YA17RC21 in the program 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 from hole **YA17RC21**. These positive intersections have extended the known mineralization for about 25m up dip, which will enhance the economics of the deposit from the scoping study currently underway. Assay results of these resource definition holes have been passed onto the consultant who will upgrade the existing block model, which in turn helps the pit optimization and pit designs.

Whilst this report is being written, 5 new RC holes to follow up the significant copper intercepts mainly from hole YA17RC36 have been completed. The program was cut short due to constraints by cultural heritage survey. Drill samples have been dispatched to ALS in Townsville and results are expected to be available in next few weeks.

Scoping Study on the White Range Project

As required by ASX, the Company has put the ongoing scoping study for the White Range project on hold for most of the current quarter to allow the Company time to upgrade resources from 2004 to 2012 JORC code. During the period of August 2017, the Company had reviewed the existing JORC 2004 resources for Vulcan, Mt McCabe and Kuridala and restated these resources under the compliance to the JORC Code 2012. It was concluded that no material changes were found and the resources remain basically the same (please refer to the ASX announcements dated on 22, 28 and 31 of August 2017). The scoping study has now resumed and is expected to be completed in November 2017.

Corporate Activities

On 13 October 2017, the Company has entered into a binding agreement to sell the White Range project to Moly Mines Ltd for a combined consideration of \$53m (\$45m in cash and \$8m convertible notes). Completion of the transaction under the Share Sale Agreement is subject to certain conditions precedent, mainly including FIRB's approval and QMN obtaining all shareholder approvals.

Dr Lakshman Jayaweera, non-executive Chairman of QMN, said "I believe this transaction is in the best interest of all shareholders as it provides a quick, superior and secure return on our investment in the White Range Project. Subject to taxation advice, QMN intends to distribute most of the Cash Consideration to shareholders by way of a dividend, capital return or share buy-back. The remaining part of the Cash Consideration will be used to fund further exploration of its remaining tenements and also to explore other potential opportunities with the objective of creating shareholder value and ultimately giving further return to shareholders. I would like to express my appreciation to our shareholders for their continuous support during the prolonged downturn of the mining industry. I would also like to thank the QMN team for the great efforts they've made. In the meantime, we congratulate Moly Mines as the new owner and developer of the high grade and low cost White Range copper project. We look forward to sharing the success with Moly Mines and potentially being part of the next producing copper mine in Australia."

For further details please contact:

Mr Eddy Wu

CEO

Tel: 02 8964 6411

Email: 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")

30 September 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(838)	(838)
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(168)	(168)
1.3 Dividends received (see note 3)		
1.4 Interest received	23	23
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	3	3
-GST Refund		
-Payroll & PAYG Tax paid	(39)	(39)
1.9 Net cash from / (used in) operating activities	(1,019)	(1,019)

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

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(d) other non-current assets		
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities		
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares		
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	(2)	(2)
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)		
3.10 Net cash from / (used in) financing activities	(2)	(2)
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	5,014	5,014
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,019)	(1,019)
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)	(2)	(2)
4.5 Effect of movement in exchange rates on cash held		
4.6 Cash and cash equivalents at end of period	3,993	3,993

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	102	133
5.2 Call deposits	697	1,830
5.3 Bank overdrafts		
5.4 Term Deposits	3,194	3,051
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,993	5,014

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	59
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	

Payment to Lakshman Jayaweera	
-Director fee	\$12
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	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	16
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	

--

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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.		

--

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	250
9.2 Development	
9.3 Production	
9.4 Staff costs	
9.5 Administration and corporate costs	400
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	650

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
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: 24 Oct 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 30 September 2017

Tenement Name	Tenement Number	Location	Interest at Beginning Quarter	Interest at End Quarter	Acquired during Quarter	Disposed during Quarter	JV Partner/Farm-in Party
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%	20%	-	80%	Ausmex
White Range #4	EPM 14475	NW QLD	100%	20%	-	80%	Ausmex
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%	20%	-	80%	Ausmex
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%	20%	-	80%	Ausmex
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	EPM25849	NW QLD	100%	100%	-	-	
Strathfield	EPM26011	NW QLD	100%	100%	-	-	
Florence Creek	EPM26131	NW QLD	1000%	100%	-		
COPPER CANYON	MDL 204	NW QLD	100%	100%	-	-	
GREENMOUNT	MDL 205	NW QLD	100%	100%	-	-	
MOUNT NORMA	ML2506	NW QLD	100%	100%	-	-	
WINSTON CHURCHILL	ML 2518	NW QLD	100%	100%	-	-	
VULCAN	ML 2519	NW QLD	100%	100%	-	-	
SALLY	ML 2535	NW QLD	100%	100%	-	-	
DULCE	ML 2537	NW QLD	100%	100%	-	-	
DULCE EXTENDED NO 2	ML 2544	NW QLD	100%	100%	-	-	
MOUNT NORMA NO 2	ML 2550	NW QLD	100%	100%	-	-	
MOUNT NORMA NO 3	ML 2551	NW QLD	100%	100%	-	-	
GILDED ROSE	ML 2709	NW QLD	100%	20%	-	80%	Ausmex
BUTTON	ML 2711	NW QLD	100%	100%	-	-	
GILDED ROSE EXTENDED EAST	ML 2713	NW QLD	100%	20%	-	80%	Ausmex
GILDED ROSE EXTD WEST	ML 2718	NW QLD	100%	100%	-	-	
GILT EDGE EXTENDED EAST 1	ML 2719	NW QLD	100%	20%	-	80%	Ausmex
MT FREDA	ML 2741	NW QLD	100%	20%	-	80%	Ausmex
EVENING STAR	ML 2742	NW QLD	100%	20%	-	80%	Ausmex
EVENING STAR NORTH EXT	ML 2750	NW QLD	100%	20%	-	80%	Ausmex
MT FREDA EXTENDED	ML 2752	NW QLD	100%	20%	-	80%	Ausmex
EVENING STAR NORTH	ML 2763	NW QLD	100%	20%	-	80%	Ausmex
NEW DOLLAR	ML 2777	NW QLD	100%	100%	-	-	
HORSESHOE	ML 2778	NW QLD	100%	100%	-	-	
MOUNTAIN MAID	ML 2779	NW QLD	100%	100%	-	-	
TOP CAMP NO 5 (TWO MILE)	ML 2788	NW QLD	100%	100%	-	-	
LITTLE BEAUTY	ML 7498	NW QLD	100%	100%	-	-	
YOUNG AUSTRALIAN 2	ML 7511	NW QLD	100%	100%	-	-	

YOUNG AUSTRALIAN	ML 7512	NW QLD	100%	100%	-	-	
YOUNG AUSTRALIAN 2	ML 90081	NW QLD	100%	100%	-	-	
MT MCCABE	ML 90082	NW QLD	100%	100%	-	-	
YOUNG AUSTRALIAN EXTENDED	ML 90084	NW QLD	100%	100%	-	-	
CHINAMEN	ML 90088	NW QLD	100%	100%	-	-	
AUSTRALIAN	ML 90099	NW QLD	100%	100%	-	-	
NEW SNOW BALL	ML 90103	NW QLD	100%	100%	-	-	
MOSSY'S DREAM	ML 90104	NW QLD	100%	100%	-	-	
GREENMOUNT	ML 90134	NW QLD	100%	100%	-	-	
MT MCNAMARA	ML 90149	NW QLD	100%	100%	-	-	
PHIL'S FIND	ML 90161	NW QLD	100%	100%	-	-	
MT NORMA SURROUND 1	ML 90172	NW QLD	100%	100%	-	-	
MT NORMA SURROUND 2	ML 90173	NW QLD	100%	100%	-	-	
MT NORMA SURROUND 3	ML 90174	NW QLD	100%	100%	-	-	
MT NORMA SURROUND 4	ML 90175	NW QLD	100%	100%	-	-	
MT NORMA SURROUND 5	ML 90176	NW QLD	100%	100%	-	-	
MT DEBBIE	MC 4348	NW QLD	100%	100%	-	-	
MT DEBBIE 2	MC 4349	NW QLD	100%	100%	-	-	
MT DEBBIE NO 1	MC 4350	NW QLD	100%	100%	-	-	

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

<p>Quality of assay data and laboratory tests</p>	<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
<p>Verification of sampling and assaying</p>	<ul style="list-style-type: none"> • Significant mineralisation intersections will be verified by Chief Geologist
<p>Location of data points</p>	<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
<p>Data spacing and distribution</p>	<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
<p>Orientation of data in relation to geological structure</p>	<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
<p>Sample security</p>	<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
<p>Audits or reviews</p>	<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 prospect is also thought to have potential for shear-hosted copper

	mineralisation and also occurs 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 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 prospect