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## ASX Market Announcement

13 December 2017

### Further Drilling Results from Young Australian

Queensland Mining Corporation Limited (**ASX: QMN**) is pleased to announce the results received from the second phase of RC drilling program completed recently in the Young Australian project, approximately 70 km south of Cloncurry in northwest Queensland (Figure 1). The program consists of 5 holes for a total of 762m. The purpose of the drilling was to test the strike and down dip extension of the mineralisation intersected in the previous drilling and the continuity of the interpreted mineralised zone in Tank Hill. The drilling has encountered copper mineralisation across all the five holes and the highlights from the assays include:

- **19m @ 1.32% Cu from 120m in Hole YA17RC40**
- **16m @ 0.93% Cu from 77m in Hole YA17RC39**
- **9m @ 0.83% Cu from 115m in Hole YA17RC42**

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 was to follow-up Phase 1 RC drilling completed in October 2017 (a total of 37 holes for 2,592m), particularly the 4 exploration holes drilled into the newly discovered Tank Hill zone about 350m east of the existing JORC resources. The original program was cut short due to heritage survey constraint. For this 5 hole RC program, one hole (YA17RC39) was drilled into QMC's mining lease whilst the rest of 4 holes were drilled in the JV area with Chinova Resources. Details of the drillhole information are set out in Table 1 and their locations are shown in Figure 2.

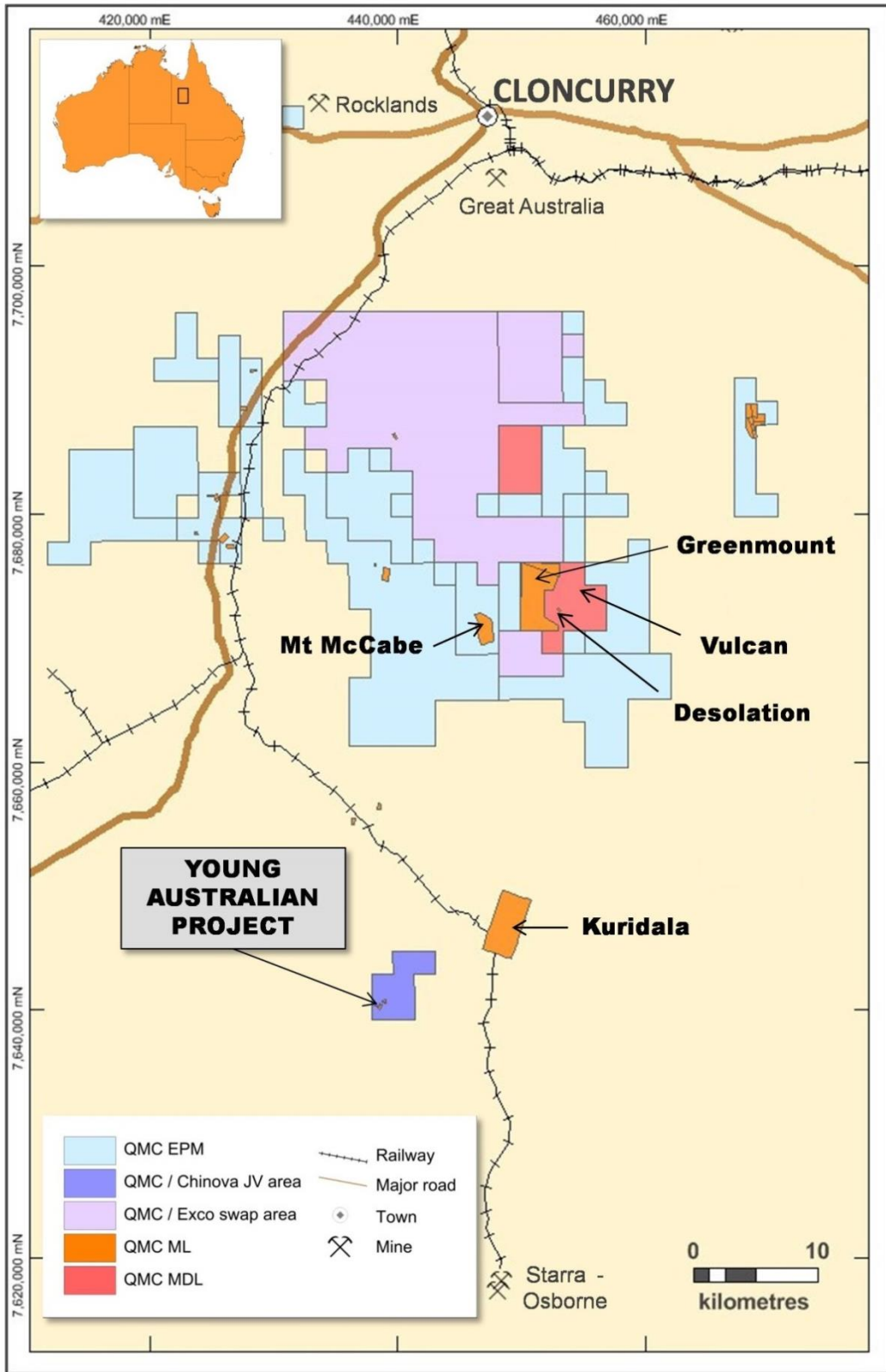


Figure 1 Regional location of the Young Australian project

Table 1 Drillhole details for Phase 2 RC program at Young Australian

Hole ID	Easting (GDA)	Northing (GDA)	RL	Azi (Grid)	Dip	EOH	Type
YA17RC38	438883	7640348	320	301	-60	168	RC
YA17RC39	439022	7640543	326	161	-60	132	RC
YA17RC40	439203	7640753	324	140	-54	174	RC
YA17RC41	439259	7640758	328	140	-60	150	RC
YA17RC42	439195	7640702	322	138	-60	138	RC

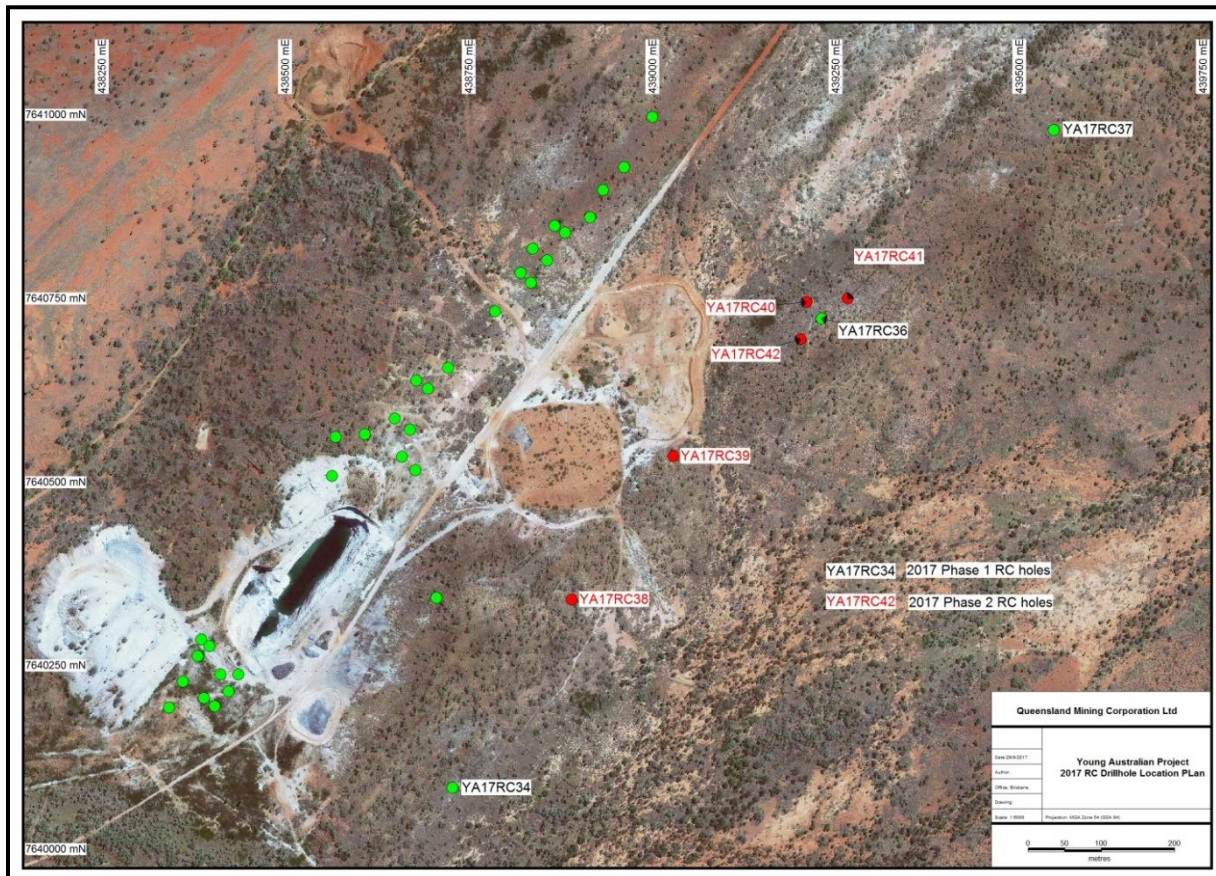


Figure 2 Drillhole location for the current RC drill program completed in Young Australian

Holes YA17RC40, YA17RC41 and YA17RC42 were designed to test the down dip and along strike extension of the copper mineralization reported from the best hole in the last program (60 @ 1.0% Cu from 69m in hole YA17RC36). Hole YA17RC40 was collared about 30m behind hole YA17RC36 and drilled to a depth of 174m. This hole returned 19m @ 1.32% Cu from 120m but only extended the mineralization about 10m down dip due to severe lifting of hole angle during drilling (from a dip of 51.2° at 24m depth to 29.7° at 174m depth). A diamond core hole has been planned to address the poor ground conditions and target the same mineralization at depth next year.

Hole YA17RC41 was sited about 40m along strike to the northeast of hole YA17RC36 and encountered four intervals of low grade mineralization including 13m @ 0.44% Cu from 86m.

This hole also reported a broad cumulative intersection of 96m @ 0.21% Cu from 48m. Hole YA17RC42 was collared about 40m to the southwest of hole YA17RC36 and returned two intervals of mineralization; 20m @ 0.36% Cu from 65m and 9m @ 0.83% Cu from 115m. Copper intersections revealed from these two holes demonstrate the continuity of mineralization along strike of more than 80m.

Hole YA17RC39 was collared approximately in the middle of the Tank Hill zone, representing a changing point in dip direction for the interpreted structural zone. This hole reported two intersections of copper mineralization. The shallower one is 16m @ 0.93% Cu from 77m whilst the deeper one is 13m @ 0.43% Cu from 97m (Figure 3). These positive drill intercepts may indicate the north Tank Hill zone and the south Tank Hill zone are actually continuous with mineralization, which so far has a total drilling tested strike length of 1,200m (Figure 4).

The selected drill intercepts for the current drill program are summarized in Table 2.

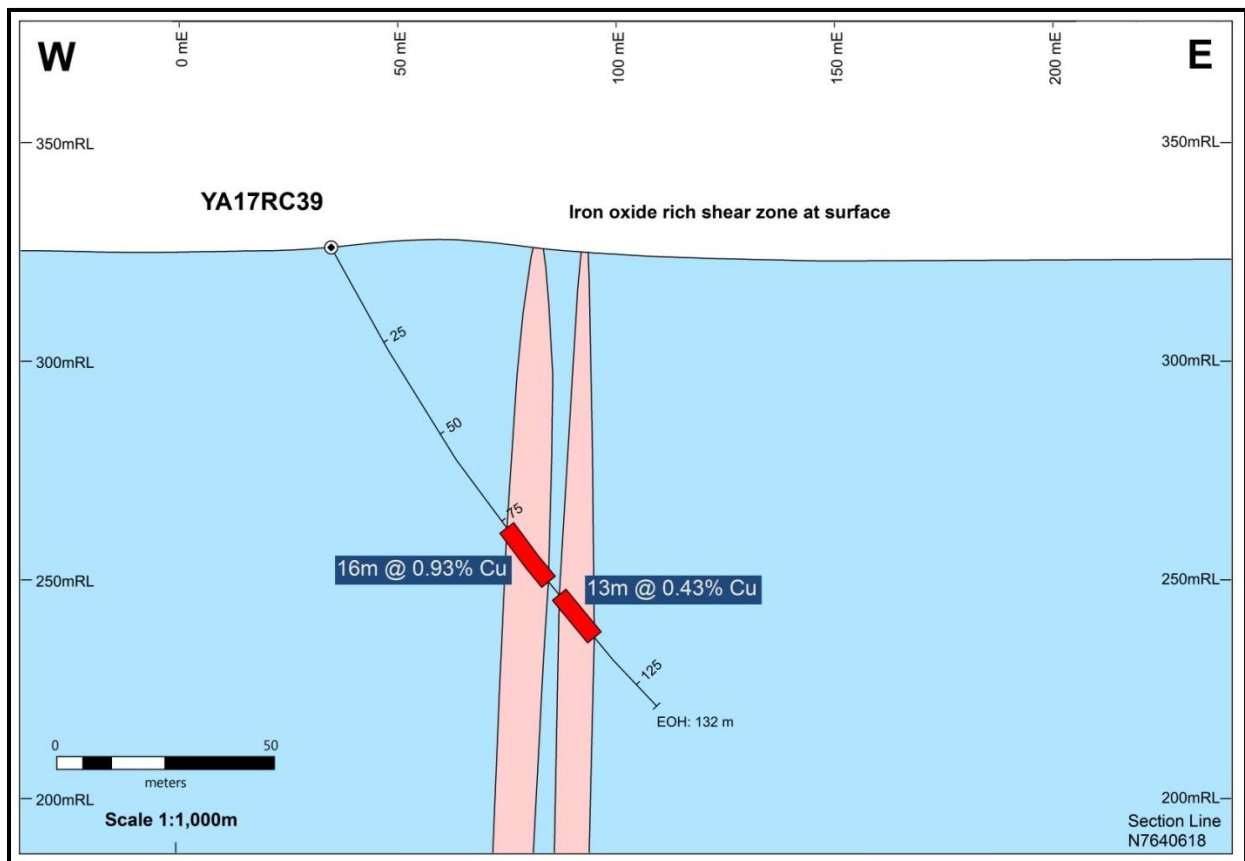


Figure 3 Schematic cross section through hole YA17RC39 showing the intersected mineralized zones in the central Tank Hill zone (looking northeast)



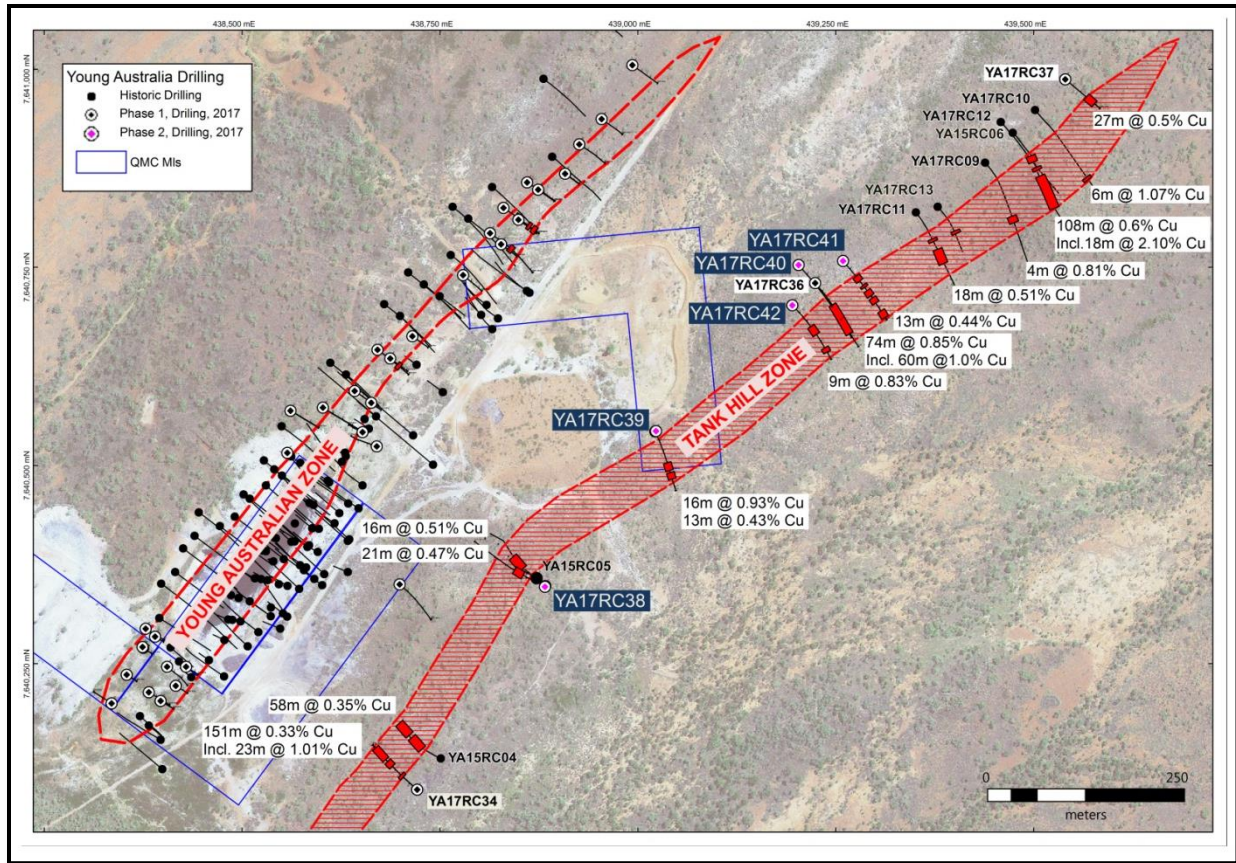


Figure 4 QMC 2015 and 2017 RC holes drilled into the Tank Hill mineralized zone

Table 2 Selected drill intercepts from Phase 2 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)
YA17RC38	59	80	21	0.47		
YA17RC39	77	93	16	0.93	195	2.8
	97	110	13	0.43	1,017	0.8
YA17RC40	120	139	19	1.32		
YA17RC41	48	61	13	0.33		
	73	78	5	0.20		
	86	99	13	0.44		
	104	115	11	0.38		
	132	145	13	0.20		
YA17RC42	65	85	20	0.36		0.8
	115	124	9	0.83		1.2

QMC's CEO, Eddy Wu, said the additional assay results received from the Young Australian drill program have reinforced our view on the prospectivity of the project. Through both 2015 and 2017 drilling campaigns the Company has completed a total of 2,528m in 17 holes over the Tank

Hill zone. The drilling results have outlined a mineralized zone of >1.2km long with multiple significant intersections. Follow-up drill programs in both diamond and RC will be planned with the aim to define new JORC resources to support the development of the White Range project.

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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.*

2012 JORC Code

Section 1 – Sampling Techniques and Data

Criteria	Explanation
<i>Drilling Techniques</i>	<ul style="list-style-type: none"> <li>• Reverse circulation drilling using a Schramm T685 truck mounted rig running at 350psi on-board air</li> <li>• Additional air provided using a Hurricane Booster running at 800psi, with a Sullair Compressor running at 350psi</li> <li>• Drill bit size used was 5 ½ inch and 6 ¼ inch for the collar.</li> <li>• 5 holes were drilled for a total of 762m.</li> </ul>
Sampling Techniques	<ul style="list-style-type: none"> <li>• All drill samples were collected at 1 metre intervals</li> <li>• Drill samples were split using a cone splitter mounted on the drill rig</li> <li>• Average sample weight is about 3kg</li> <li>• Samples were pulverised to produce 30g charge for four acid digest for multi-elements</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>• RC recovery is initially visually estimated based on the size of the green bags</li> <li>• Recovery was good, with relatively consistent sample size</li> </ul>
Logging	<ul style="list-style-type: none"> <li>• Drill chips were logged onto field sheets and later input into the computer connected with Company server in the site office.</li> <li>• Chips were sieved on regular 1m intervals and put into labelled chip trays</li> <li>• All chips were geologically logged</li> <li>• Chip trays are stored in the site office in Cloncurry</li> </ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>• All samples were analysed using an Innovex handheld XRF device to provide an estimate of the copper content. This data was used as a guideline only to assist with sampling.</li> <li>• A selection of samples were submitted to the laboratory for assay, based on a combination of the XRF results and geological logging</li> <li>• Analyses were performed by ALS Global, Townsville laboratory, using standard procedures and standard laboratory checks.</li> <li>• All samples were analysed for a multi-element suite (ME-ICP61) including copper and cobalt. On return of copper values &gt;1% a second series of analyses were undertaken with parameters optimised for high concentrations (Cu-OG62)</li> <li>• The four acid digest used in ME-ICP61 is considered to be a 'near-total' digest.</li> </ul>

	<ul style="list-style-type: none"> <li>• Sample preparation is consistent with industry standard practice</li> <li>• The sample sizes are appropriate for the material being sampled</li> </ul>
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"> <li>• Blind certified OREAS standards were inserted 1 in every 25 samples</li> <li>• Blanks and field duplicates were included at a ratio of 1:50</li> <li>• Field duplicates were obtained by splitting the calico where possible, or spear sampling the green plastic bag</li> <li>• OREAS standards were sourced from Ore Research &amp; Exploration Ltd</li> <li>• A total of 19 standards, 9 duplicates and 10 blanks were used for the drill program</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>• Significant mineralisation intersections will be verified by Chief Geologist</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>• Drill hole collars were picked up using DGPS with sub-metre resolution</li> <li>• Down hole surveys were conducted using an Reflex EZ-Track digital camera and readings were recorded every 30m</li> <li>• Co-ordinates are recorded in grid system MGA94, Zone 54</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>• The holes were still in the early stage of exploration so no drilling pattern was established yet</li> <li>• No sample compositing has been applied</li> </ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>• Drill holes were designed to intersect the mineralized structures with minimal depth</li> <li>• Drilling orientation was proposed to be approximately perpendicular to the strike of interpreted mineralised zones</li> </ul>
Sample security	<ul style="list-style-type: none"> <li>• Sample bags were packed in batches into polyweave bags and then wrapped onto pallets for transport</li> <li>• Samples were transported to the laboratory in Townsville by NQX</li> </ul>
Audits or reviews	<ul style="list-style-type: none"> <li>• Audit of sampling techniques and data will be performed</li> <li>• In-house review of QAQC for laboratory assays will be undertaken</li> </ul>



## 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 (renewed lodged). ML90099 is 5ha, expiry 31/05/2016 (renewal lodged).</li> <li>• 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.</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.</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 (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, native copper, cuprite, chalcocite and chalcopyrite.</li> <li>• The Tank Hill prospect is also thought to have potential for shear-hosted copper</li> </ul>

	<p>mineralisation and also occur within the Answer Slate</p>
Drill hole information	<ul style="list-style-type: none"> <li>• Full drill collar details, including coordinates, orientation, and final depth, are provided in Table 1 of the announcement</li> </ul>
Data aggregation method	<ul style="list-style-type: none"> <li>• No weighting, truncations, aggregates, or metal equivalents were used</li> <li>• 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.</li> </ul>
Relationship between mineralisation widths and interception lengths	<ul style="list-style-type: none"> <li>• The relationship between the mineralisation width and interception lengths for the holes in the Tank Hill prospect is not known at this early stage of exploration.</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>• See Figure 2, 3, 4 of this report</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 observations</li> </ul>
Further work	<ul style="list-style-type: none"> <li>• Additional drilling in terms of RC and diamond core will be planned to advance the Tank Hill prospect</li> </ul>