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ASX Market Announcement

8 November 2016

Further Drilling Results from Copper Canyon

Queensland Mining Corporation Limited (**ASX: QMN**) have received results from the second phase of RC drilling completed recently at Copper Canyon, located approximately 25 km south of Cloncurry in northwest Queensland (Figure 1). The program consisted of 13 holes for a total of 1,446m and was designed to follow up intersections from earlier drilling, including the bedrock RC program completed in August of this year. The drilling has intersected additional high grade molybdenum mineralisation, with associated gold and silver, as well as zones of anomalous copper. The highlights from the assay results include:

- ***8m @ 0.70% Mo, 1.59g/t Au, and 37ppm Ag,*** *including*
  2m @ 2.16% Mo, 4.57g/t Au and 90g/t Ag from 69m in Hole CC16RC11
- ***19m @ 0.30% Cu and 0.14g/t Au from 28m in Hole CC16RC12***
- ***2m @ 1.19% Cu from 91m in Hole CC16RC16***
- ***4m @ 0.70% Cu and 0.45g/t Au from 83m in Hole CC16RC17***
- ***15m @ 0.10% Mo from 48m in Hole CC16RC18***
- ***4m @ 0.27% Cu, 2.19g/t Au, and 873ppm Co from 61m in Hole CC16RC21***

The Copper Canyon prospect is situated in the northeastern part of MDL204 and extends into the southeast of EPM 15740. These tenements lie on the eastern flank of the regionally prominent Marimo basin in the Cloncurry mineral province. MDL204 covers a total area of 1,920 ha and is 100% owned by QMC's subsidiary White Range Mines Pty Ltd. EPM 15740 is currently held by Exco Resources, and QMC is operating under a Tenement Swap Deed with exclusive exploration rights over the bulk of the tenement. The prospect also forms part of the Company's White Range project and is located approximately 10km north of the Greenmount deposit, which contains the single largest copper resource for the project.

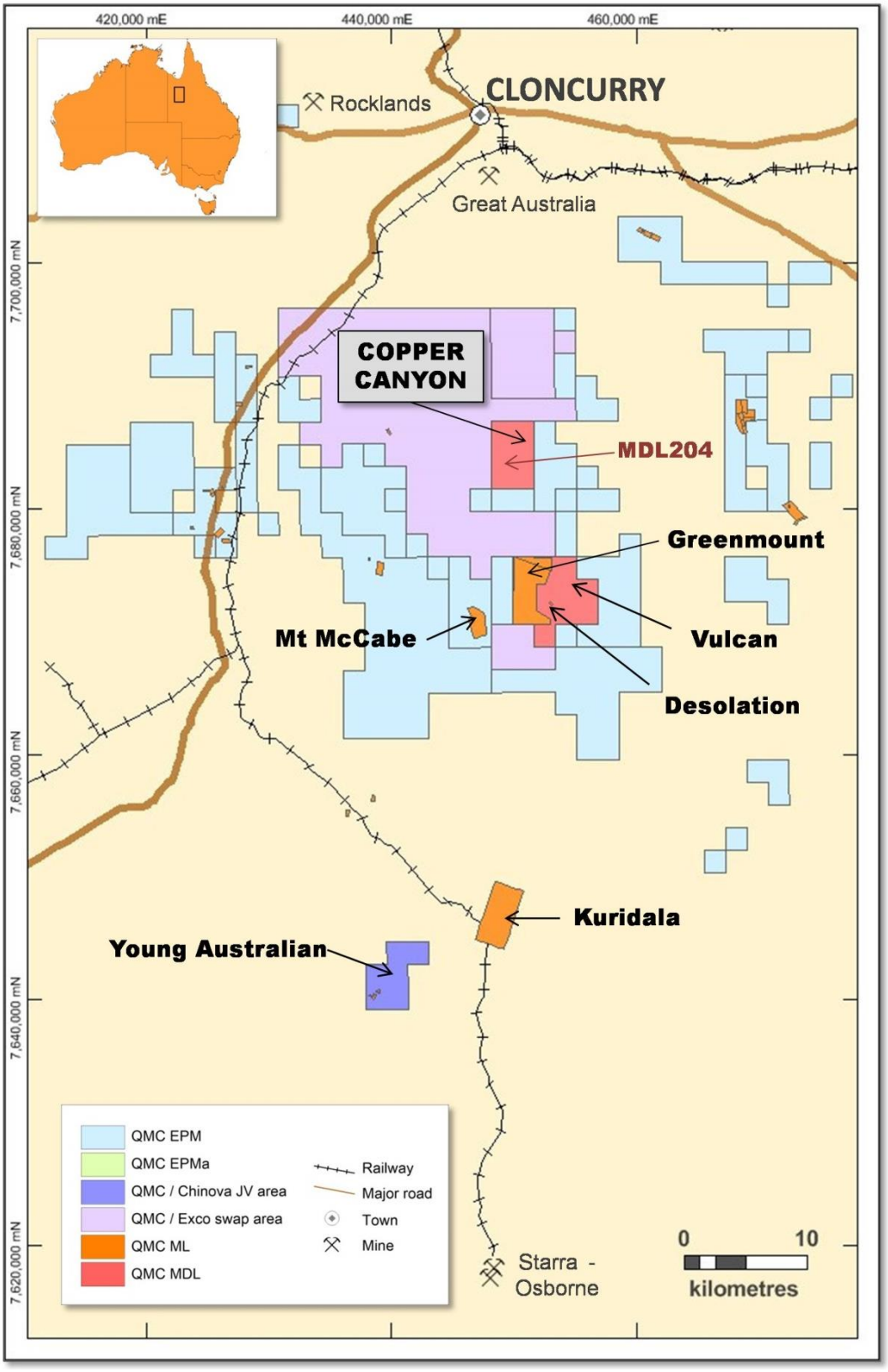

Figure 1 Regional location of the Copper Canyon prospect

The local geology consists of a 3.5km x 600m lens of Marimo slate, surrounded by Staveley Formation sandstone, siltstone, shale, and calc-silicate (Figure 2). Known mineralization occurs along the stratigraphic contact but is mainly constrained within the altered Marimo slate unit and is dominated by chalcocite, with lesser malachite near the surface.

The purpose of the current drill program was to: 1) follow up previous intersections from the April drilling program, including **37m @ 0.78% Cu, 0.5g/t Au, & 976ppm Co** in hole CC16RC01, and **7m @ 3.0% Mo & 0.94g/t Au** in hole CC16RC06; 2) test anomalous areas defined during the August bedrock drilling program and termite sampling. Drillhole details are presented in Table 1 and their locations are shown in Figure 3.

Table 1: Drillhole details for Phase 2 RC program at Copper Canyon

Hole ID	East (MGA94)	North (MGA94)	Azimuth (MGA94)	Azimuth (Mag)	Dip	Depth	Target
CC16RC11	450404	7686594	293	287	-60	150	Copper Canyon North Main zone
CC16RC12	450334	7686674	114	108	-55	132	Copper Canyon North Main zone
CC16RC13	450352	7686475	294	288	-60	138	Copper Canyon North Main zone
CC16RC14	450381	7686433	239	233	-60	84	Copper Canyon North Main zone
CC16RC15	450361	7686345	241	235	-55	84	Copper Canyon North Main zone
CC16RC16	450455	7686571	295	289	-60	180	Copper Canyon North Main zone
CC16RC17	449887	7687326	241	235	-60	102	Mo anomaly in bedrock RC
CC16RC18	449639	7687193	242	236	-60	102	Mo anomaly in bedrock RC and termite
CC16RC19	449699	7687030	242	236	-60	120	Mo anomaly in bedrock RC and termite
CC16RC20	450055	7686855	241	235	-55	60	Cu anomaly in historical RAB
CC16RC21	450528	7685527	241	235	-60	90	Cu anomaly in bedrock RC
CC16RC22	450921	7685209	250	244	-60	102	Cu anomaly in bedrock RC
CC16RC23	450661	7685374	241	235	-60	102	Cu anomaly in bedrock RC

Six of the holes (CC16RC11 to CC16RC16) were completed in the main zone at Copper Canyon North. The main structure at Copper Canyon consists of the thrust faulted Staveley-Marimo contact, which trends NNW over a strike length of approximately 3.5km. Previous drilling has focused on this structure and has therefore been oriented perpendicular to this direction (i.e. ENE or WSW). Based on the geological mapping and results of the April drilling program, it was interpreted that the highest grade copper and molybdenum mineralisation was instead focused in a NE-trending jog of this main structure, which may have acted as a dilation zone and could have provided a favourable site for mineralisation (Figure 3).

Four of the holes (CC16RC11, 12, 13, and 16) aimed to test this interpretation and therefore drilled towards the northwest (Figure 3). CC16RC11 intersected the molybdenum zone, with significant associated gold and silver (**8m @ 0.70% Mo, 1.59g/t Au, 37g/t Ag** from 69m), however the copper assays were low. CC16RC16 was designed to test down-dip extensions of the molybdenum zone, but did not return any significant molybdenum assays. This hole did intersect **2m @ 1.19% Cu** near the interpreted Marimo-Staveley contact.

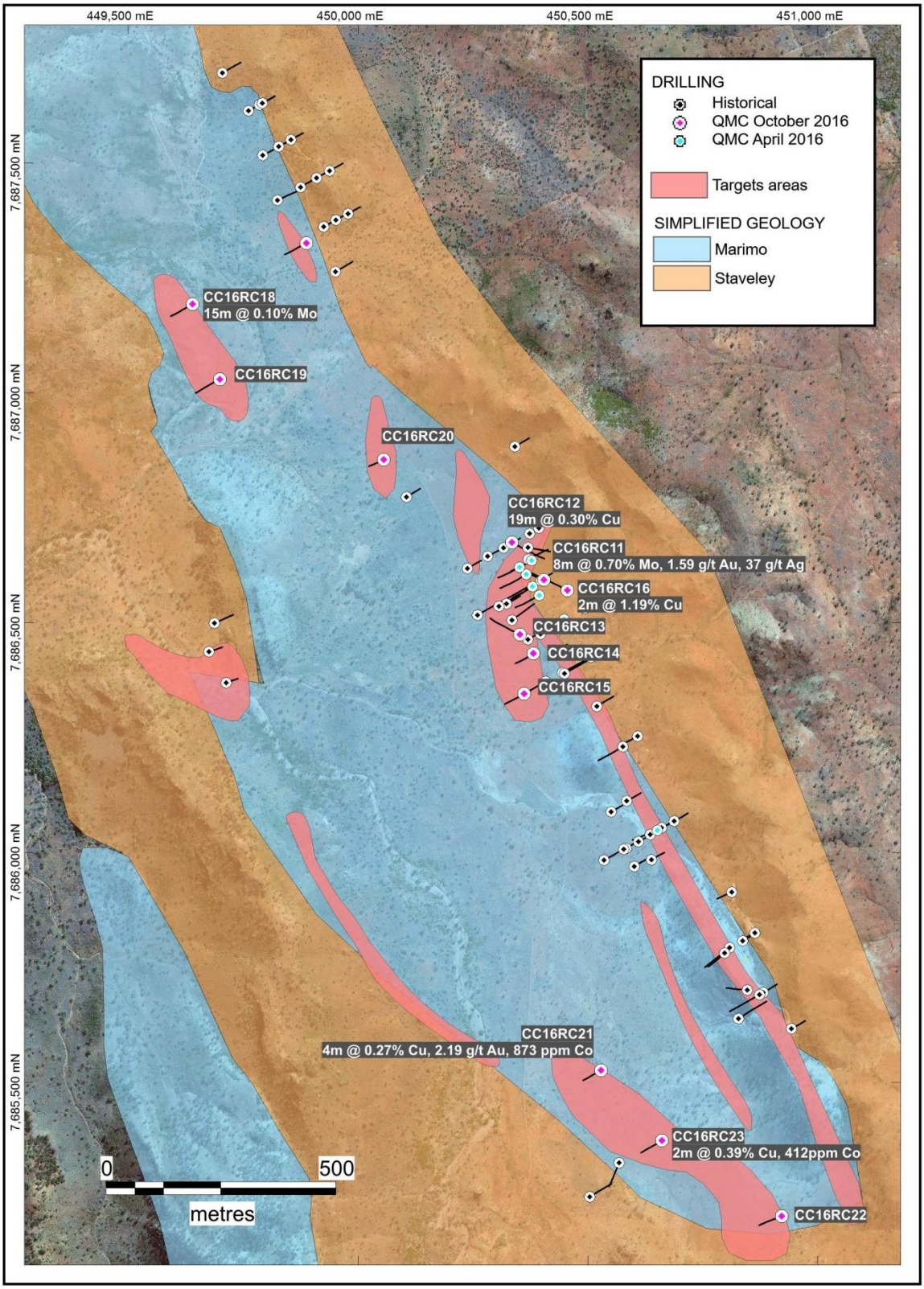

Figure 2: Location of Phase 2 RC holes in the Copper Canyon area

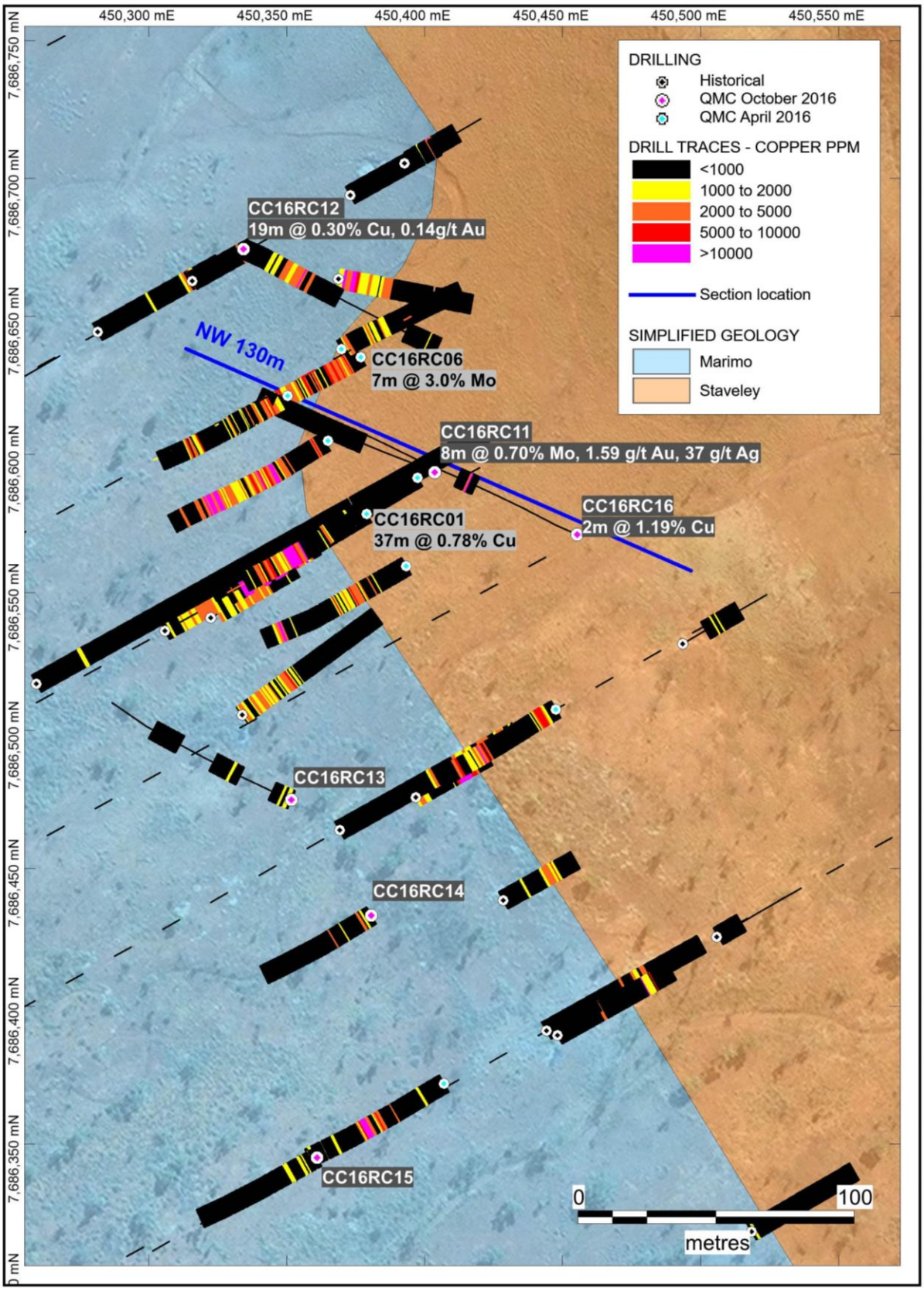

Figure 3: Drilling plan at Copper Canyon North main zone

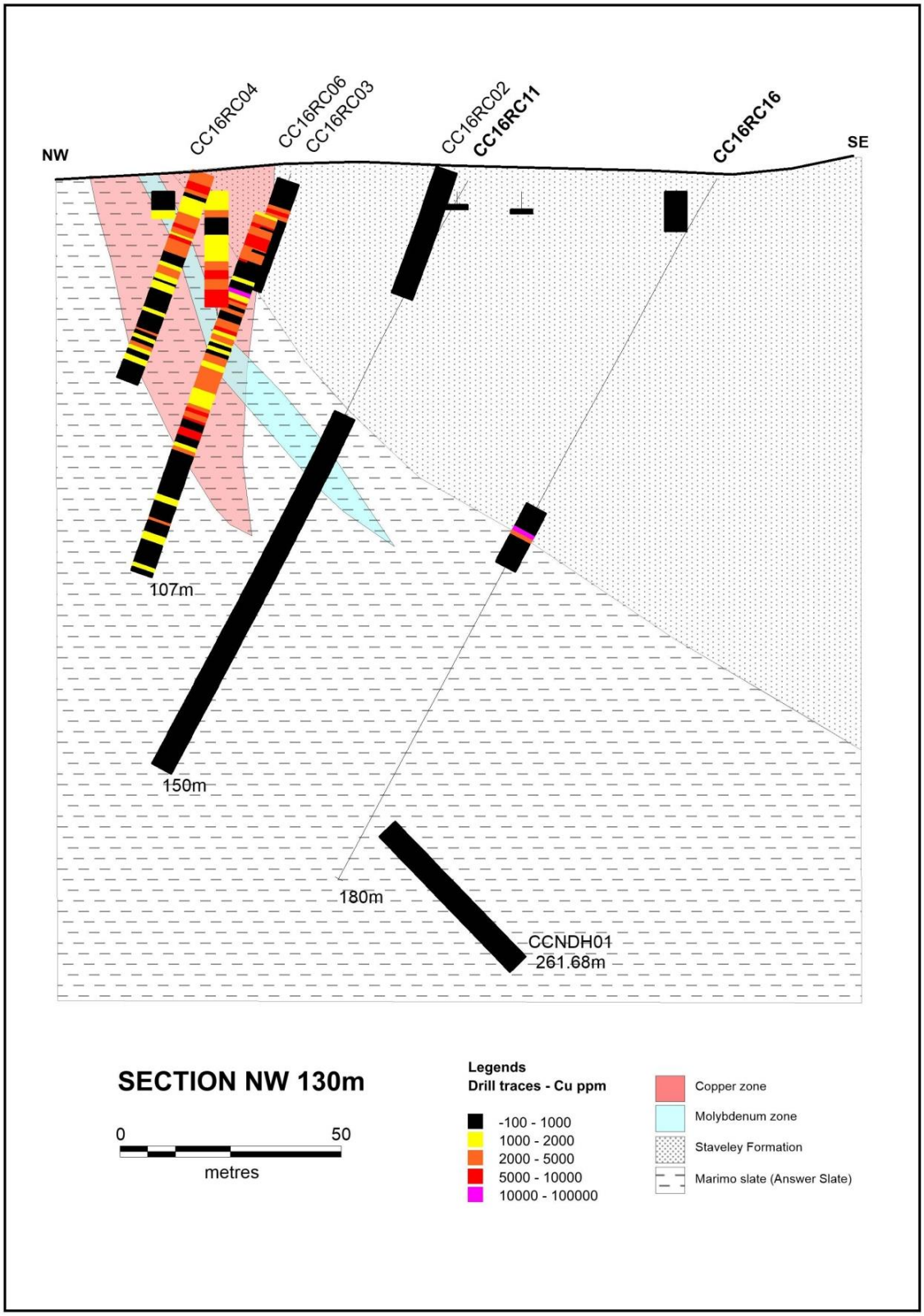

Figure 4: Cross section through CC16RC11, CC16RC16 and historical holes showing copper mineralisation (looking northeast)

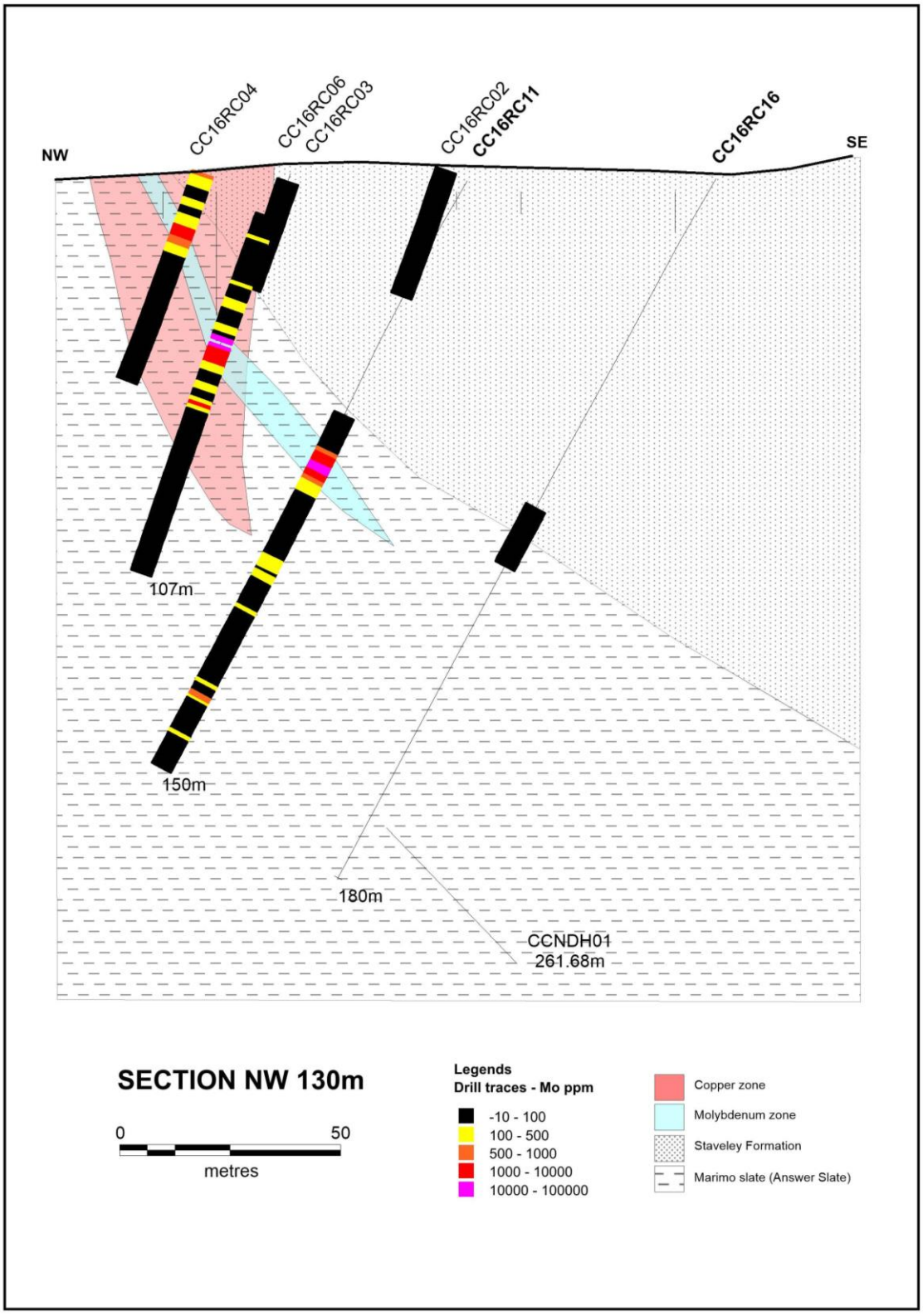

Figure 5: Cross section through CC16RC11, CC16RC16 and historical holes showing molybdenum mineralisation (looking northeast)

CC16RC12 was drilled on a section 40m to the northeast of CC16RC11, although the hole had to be drilled from the opposite direction due to access reasons. This hole intersected the copper zone somewhat shallower than expected with **19m @ 0.30% Cu and 0.14g/t Au** from 28m in Hole CC16RC12. This suggests that the zone dips towards the west in this area, implying complex structural geology that is not yet fully understood.

CC16RC13 was located further to the southwest, with the aim of testing possible extensions based on anomalies in historical RAB drilling. This hole did not return any significant assays.
Holes CC16RC14, 15 and 20 were also designed to test elevated copper in historical RAB drilling. No significant assays were returned.

CC16RC17 targeted a molybdenum anomaly in the recent bedrock RC program. This hole returned **4m @ 0.70% Cu and 0.45g/t Au** from 83m, but only low molybdenum assays.

CC16RC18 and 19 targeted anomalous molybdenum in both the bedrock RC and termite sampling program. CC16RC18 intersected **15m @ 0.10% Mo** from 28m in silicified and variably pyritic shale. There has been no previous drilling into this outcrop, which extends for a strike length of approximately 280m, and there is therefore potential for additional mineralisation along strike. CC16RC19 was located 180m to the south and targeted the bedrock RC molybdenum anomaly, but returned no significant results.

CC16RC21, 22, and 23 targeted the southern copper anomaly from the bedrock RC drilling. CC16RC21 intersected **4m @ 0.27% Cu, 2.19g/t Au, and 873ppm Co** from 61m. CC16RC22 and 23 intersected low grade anomalous copper (1000 to 2000ppm) that sufficiently explains the bedrock RC anomaly. Significant drill intercepts are summarised in Table 2.

The second round of drilling at Copper Canyon North did not return the same quality of intersections as the first round. However, it has significantly increased our knowledge of the prospect. It has also indicated that the structural geology is quite complex and the controls on mineralisation are still poorly understood, leaving some scope for re-interpretation. Furthermore, the molybdenum intersected in hole CC16RC18 is a new zone that is still open along strike and down dip and additional drilling is warranted to outline this new mineralised zone. The Company's technical team will review the drill results during the west season and the outcome will assist in planning follow-up programs to realise the full potential of the Copper Canyon prospect.

Table 2: Selected drill results from the phase 2 RC program at Copper Canyon (using a 0.2% Cu cut-off grade and 2m internal dilution; 0.05% Mo cut-off)

Hole ID	From	To	Interval (m)	Cu (%)	Co (ppm)	Au (g/t)	Ag (g/t)	Mo (%)
CC16RC11	69	77	8		272	1.59	37	0.70
including	72	74	2		323	4.57	90	2.16
CC16RC12	28	47	19	0.30	246	0.14		
CC16RC16	91	93	2	1.19	134			
CC16RC17	83	87	4	0.70		0.45		
CC16RC18	48	63	15		259	0.06		0.10
CC16RC21	61	65	4	0.27	873	2.19		
CC16RC23	39	41	2	0.39	412			

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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
Drilling Techniques	• Reverse circulation drilling using an RCD250 rig with 900/350 Compressor onboard • 13 holes were drilled, for a total of 1,446m.
Sampling Techniques	• All drill samples were collected at 1 metre intervals • Drill samples were riffle split using a riffle splitter mounted on the drill rig • Average sample weight is about 5kg • Samples were pulverised to produce 30g charge for four acid digest for multi-elements and fire assay for gold
Drill sample recovery	• RC recovery is initially visually estimated based on the size of the green bags • Recovery was good, with relatively consistent sample size
Logging	• 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	• 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. • Intervals for assay were selected based on a combination of the XRF results and geological logging. Samples were submitted as 1m intervals with no compositing. • Assays were conducted 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 or molybdenum values >1% a second series of analyses were undertaken with parameters optimised for high concentrations (Cu-OG62, Mo-OG62). All samples were also analysed for gold (Au-AA25). • 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	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: • 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 38 standards with various values, 19 duplicates and 19 blanks were used for the drill program • The Innov-X handheld XRF is also calibrated and tested against standards every morning.
Verification ofsampling andassaying	• Significant mineralisation intersections will be verified by Chief Geologist
Location of data points	• Drill hole collars were picked up using DGPS with sub-metre resolution • Down hole surveys were taken every 30m using a digital survey camera • Co-ordinates are recorded in grid system MGA94, Zone 54
Data spacing and distribution	• Drill hole spacing to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) is unknown at this stage
Orientation of data in relation to geological structure	• Drill holes were oriented approximately perpendicular to the strike of mapped mineralised zones, and the azimuth varied accordingly. • The dip was 55 to 50 degrees, while most structures in the area are interpreted as being sub-vertical.
Sample security	• 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	• 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
Mineral Tenement and Land Tenure Status	• MDL 204 (Copper Canyon) is 100% owned by White Range Mines Pty Ltd, which is a subsidiary of QMC. • EPM 15740 is currently held by Exco Resources. QMC is operating under a Tenement Swap Deed and has exclusive exploration rights for majority sub-blocks. A new application covering QMC sub-blocks was made in October 2016. The new EPM will be transferred to QMC once granted.
Exploration done by other parties	Modern exploration has been conducted at Copper Canyon since the 1970s. Major programs are as follows: • Valiant Exploration, 1970s. Completed soil sampling, costeaning, ground magnetics, IP surveys, and drilling. Focus was on the Just Found and Duchenese Prospects, outside of the current drilling area. • Homestake&Valdora, 1980s to 1990s. Mapping, stream sampling, rock chip sampling, RAB drilling, TEM geophysics, and percussion drilling. This included 37 percussion holes (total 2830m) at Copper Canyon. Holes mostly targeted gold mineralisation. • Majestic Resources, 1990s. Drilled two holes at the southern end of Copper Canyon. BHP also flew a regional GEOTEM survey during this period. • Matrix Metals, 2000s. Lag sampling, rock chip sampling, soil sampling. Drilled nine percussion holes in the broader Copper Canyon area. Also completed 21 holes at Dodgy Rock, south of the current drilling area.
Geology	• MDL 204 contains rocks from the Answer Slate (previously Marimo Slate) and Staveley Formation. The Answer Slate is dominated by slate and shale, often black and carbonaceous. The Staveley formation consists of a mix of calcareous to ferruginous siltstone, sandstone, conglomerate, matrix-supported breccia, and dolomitic limestone. • Contacts between the Answer Slate and Staveley are interpreted to faulted. • Mineralisation at Copper Canyon occurs in fault zones at or near the contact between the Answer Slate and the Staveley formation. Cross faults might also play a role in controlling mineralisation.

	• Copper mineralisation is dominated by chalcocite, with lesser malachite occurring near the surface. • Supergene enrichment is interpreted to have played a significant role at Copper Canyon.
Drill hole information	• Full drill collar details, including coordinates, orientation, and final depth, are provided in Table 1 of the announcement
Data aggregation method	• No weighting, truncations, aggregates, or metal equivalents were used • Standard intersects were calculated using a 0.2% copper or 0.05% Mo cut-off. A maximum of consecutive 2m below the cutoff were allowed within each zone.
Relationship between mineralisation widths and intersection lengths	• The relationship between the mineralisation width and intersection lengths is not known at this early stage of exploration.
Diagrams	• See Figure 2, 3, 4 & 5 of this report
Balanced reporting	• The accompanying document is considered to represent a balanced report
Other substantive exploration data	• Refer to body of report for additional geological observations
Further work	• Further work will initially consist of a review of the drilling data over the wet season