



Queensland Mining Corporation Limited

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Quarterly Report

For the period ended 30 June 2014

22 July 2014

HIGHLIGHTS

Operations

- The Company continues to carry out its 2014 exploration program and its cost was closely monitored and controlled.
- Exploration work undertaken during the quarter mainly includes the completion of 2 RC holes in the Speculation prospect and drilling of one diamond hole (394m) in the Black Fort prospect within the White Range project. The best drill intercept from the current Speculation RC program is 40m@ 0.30% Cu and 365ppm Co from 14m in hole SP14RC02. Assays for the one diamond hole in Black Fort are still being awaited.
- A farm-in agreement has been signed with Orbit Capital on EPM17323 in north Cloncurry where Orbit Capital will undertake exploration for graphite resources in next 12 months whilst QMC still retains all metal rights within the tenement.

Corporate

- The Company is actively talking with a few parties for potential cooperation in joint development of the company's flagship White Range Project.
- The former Managing Director, Mr Howard Renshaw and Butmall Pty Limited have served an appeal in respect of the judgements and orders delivered by the Federal Court of Australia.

Exploration Activities Report

White Range Project

The Company's White Range project consists of three major deposits located at Greenmount, Kuridala and Young Australian plus several satellite deposits in the surrounding areas (e.g. Mt McCabe, Vulcan and Desolation) (Figure 1). The total JORC compliant resources for the project consist of 4.7Mt@ 1.1% Cu for 51,700t of contained copper metals in the measured category, 14.3Mt@ 0.8% Cu for 114,400t of contained copper metals in the indicated category and 9Mt @ 0.7% Cu for 63,000t of contained copper metals in the inferred category.

QMC's focus over the last 12 months has been on growing the resource base in the White Range area. Exploration work undertaken during the current quarter mainly includes the completion of 2 short RC holes in Speculation and drilling of one diamond hole (394m) in Black Fort.

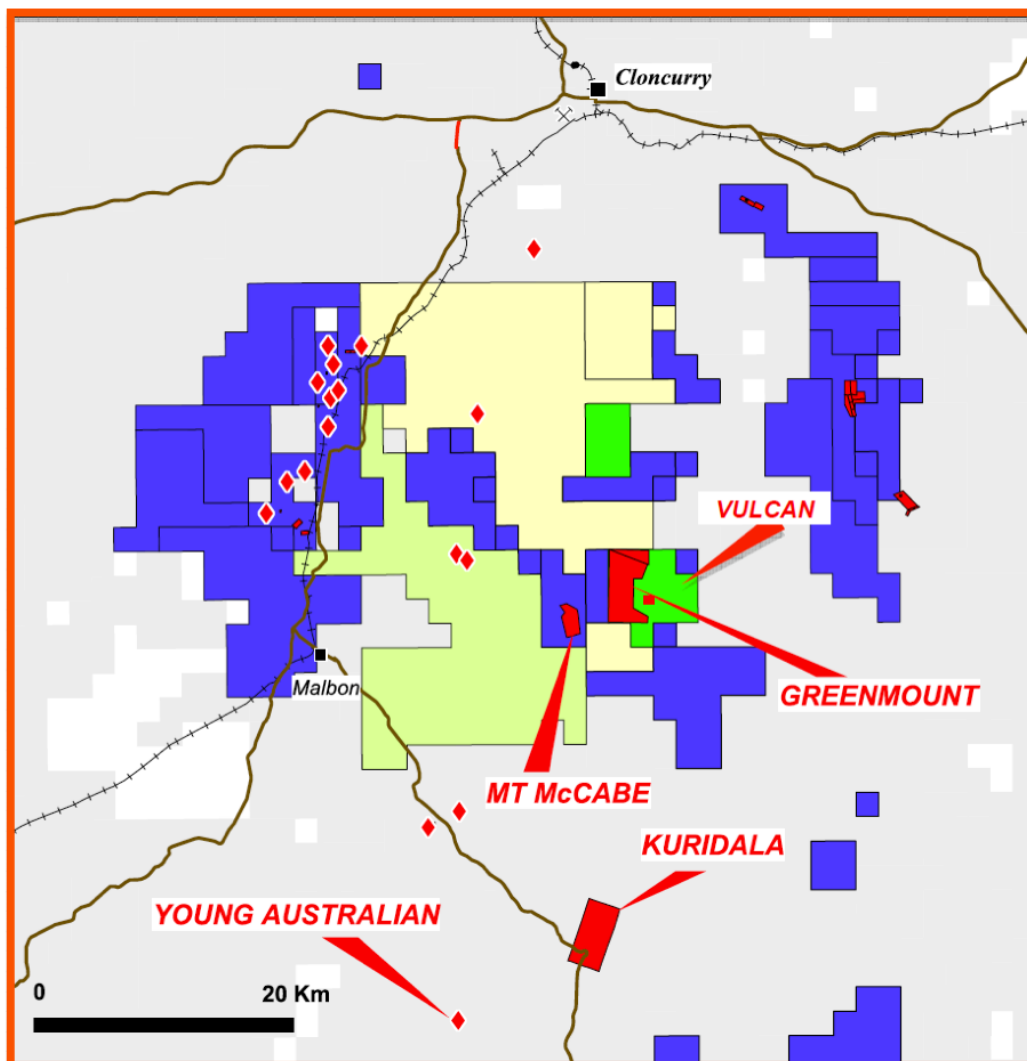


Figure 1 White Range project location plan

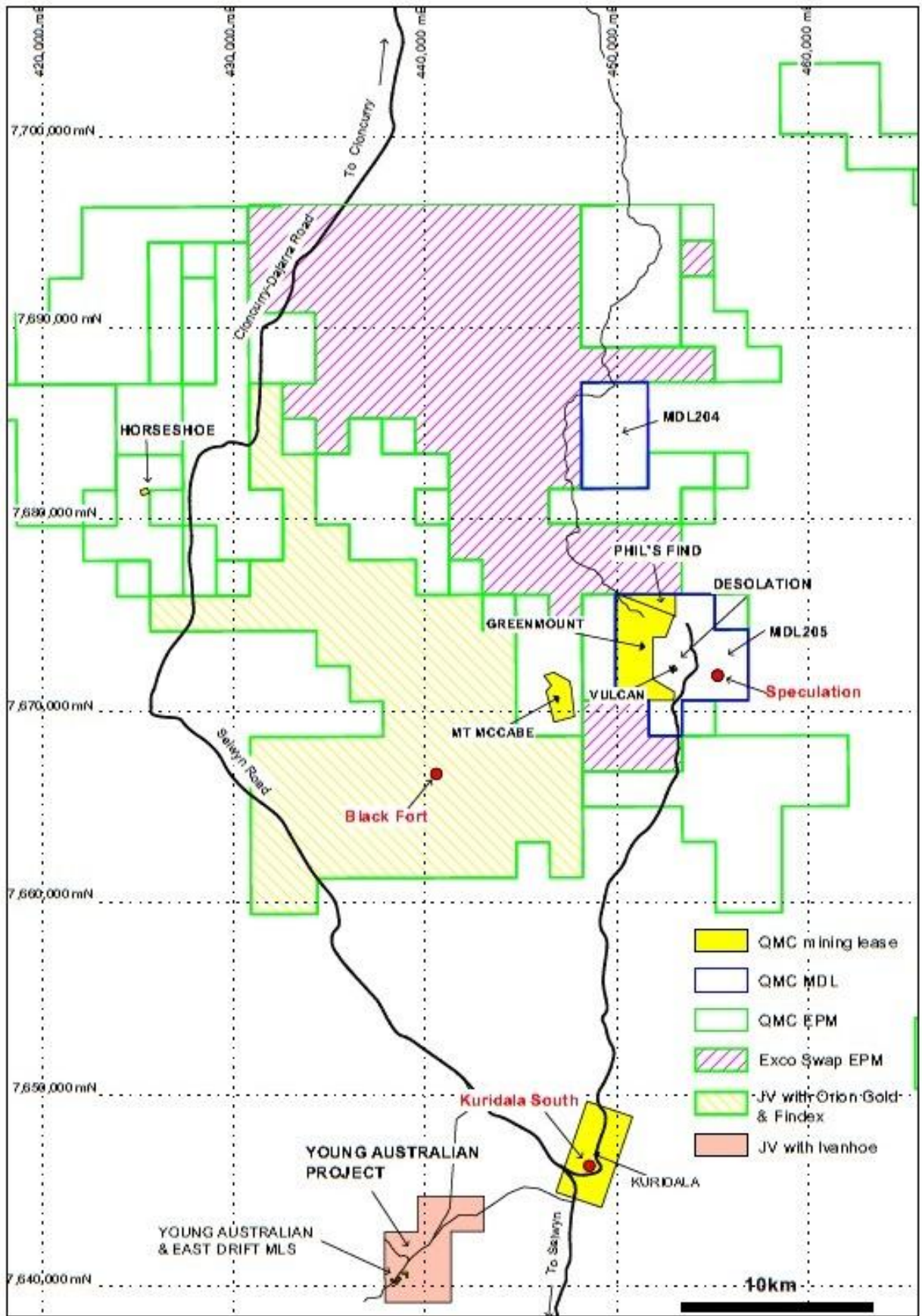


Figure 2 Regional location of Speculation and Black Fort prospects

1. Speculation Prospect

The Speculation copper prospect is centred approximately 40km south-southeast of Cloncurry and falls within the south-eastern part of MDL205. The prospect is also only 4km to the southeast of the Greenmount deposit and 2km east of the Vulcan deposit (Figure 2), both of which form the important part of the JORC resources contained within the White Range project.

During the quarter two short RC holes were completed at Speculation as the first drilling campaign. The holes were designed to expand the outcropped copper mineralization and to test the 500m long RXF soil copper anomaly outlined in the December quarter of 2013. Both holes were drilled towards southwest and angled at -55 to -60 degrees. The two holes are separated for about 270m along strike, providing effective test for the whole strike length of the target zone. The drillhole information is presented in Table 1 and their location is shown in Figure 3.

Table 1 Drillhole details for the RC program at Speculation

Hole ID	Easting_MGA	Northing_MGA	RL	Azi_Mag	Azi_MGA	Dip	Depth (m)
SP14RC01	454,988	7,672,046	273	197	203	-60	60
SP14RC02	455,208	7,671,898	275	210	216	-55	60

The assay results for the drilling have been received and broad low grade copper mineralization with significant cobalt credit was returned from the second hole (SP14RC02) drilled in the southeast of the prospect (Table 2). Hole SE14RC02 was collared 50m away from the malachite-azurite veined and stockworked outcrop and designed to test the down dip extension of the oxide copper mineralization hosted in the Marimo slate unit (Figure 4).

Despite the wide zones of anomalous copper intersected, the drilling failed to define any ore grade copper mineralization at depth. The drilling data will be reviewed by the Company's technical team and an improved geological understanding of the Speculation prospect will be developed to assist for future exploration in this prospect and the surrounding areas.

Table 2 Selected drill intervals from Speculation (using 0.2% Cu as cut-off grade. Estimated true widths are approximately 80% of the drilled interval)

Hole ID	From (m)	To (m)	Interval (m)	Cu (%)	Co (ppm)
SP14RC01	0	5	5	0.2	341
	22	26	4	0.24	611
SP14RC02	14	54	40	0.3	365
Incl.	33	38	5	0.54	368

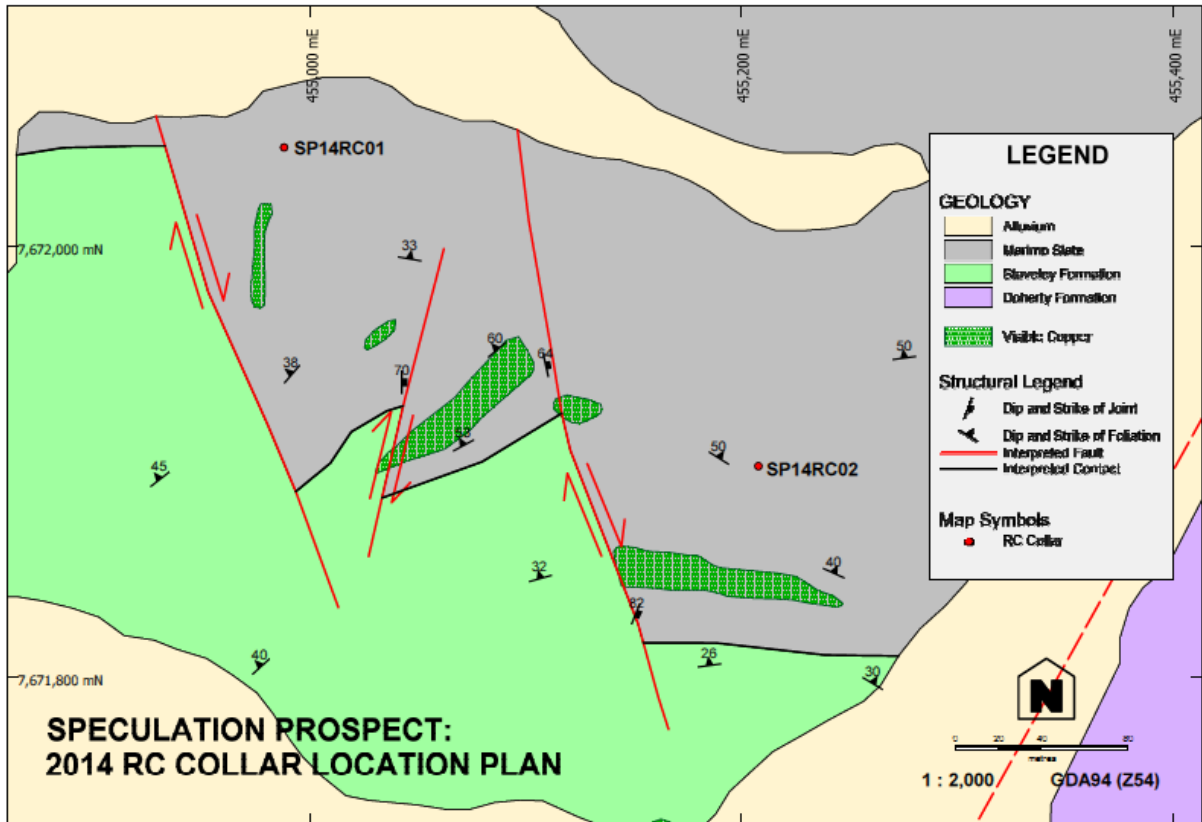


Figure 3 RC holes collar location and geology at Speculation

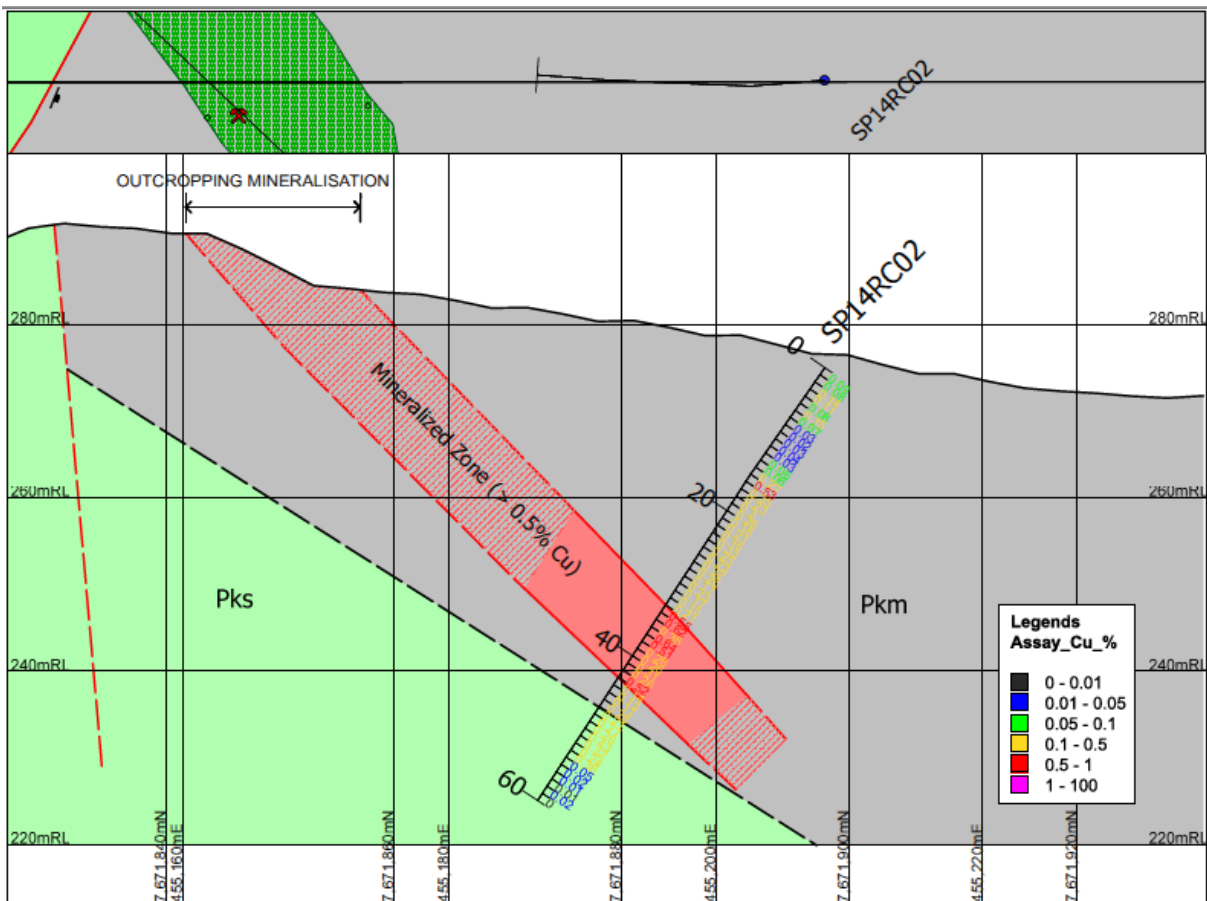


Figure 4 Cross section showing drill intercept from Hole SP14RC02 (looking NW)

2. Black Fort Prospect

The Black Fort prospect is located approximately 45km south-southwest of Cloncurry and 12 kilometres southwest of Greenmount and forms part of the White Range project (Figure 2). The surrounding tenement is EPM17602 which is in JV with Orion Gold NL (ca. 4.2%) and Findex Pty Ltd (15%). Under the joint venture agreement, both QMC and Orion Gold need contribute toward the exploration expenditure on a pro rata basis to retain their respective interests in the JV with Findex's interest being free carried.

The project geology comprises calcareous and ferruginous siltstone, shales, phyllite, metavolcanics and jaspilite rocks of the Overhang Jaspilite unit of the Mid Proterozoic Mary Kathleen Group. The same unit also hosts the large Rocklands copper deposit near Cloncurry which is currently being developed by Cudoco Limited. The sedimentary sequence has been strongly deformed with the development of NE trending folds and NNE striking faults and shear zones showing widespread alteration and brecciation.

Previous exploration by QMC has identified a 1 kilometre long structural zone with widespread alteration, broad copper mineralisation, moderate magnetic anomaly and old workings. Drilling by QMC in 2010 intersected widespread copper mineralisation with results including 17m at 1.51% Cu and 57m at 0.69% Cu. The mineralisation remains open along strike and at depth. Recent hand-held XRF based soil sampling by QMC has also outlined a copper anomalous zone at an extent of 500m by 200m with copper value above 500ppm.

In order to test the down dip extension of the oxide copper mineralization intersected in the 2010 RC drilling program, a diamond hole was drilled during the quarter at Black Fort. The hole was initially collared 110m to the east of the best hole in 2010 drill program (BF10RC02). It was, however, abandoned subsequently at 112m depth due to strong deviation in azimuth. A second hole was sited about 40m behind the best hole BF10RC02 in 2010 drill program and completed at 394m. The drillhole details are summarized in Table 3.

Table 3 Drillhole details for the diamond program completed at Black Fort

Hole ID	Easting_MGA	Northing_MGA	RL	Azi_Mag	Azi_MGA	Dip	Depth (m)
BF14RCD01	440,663	7,666,663	285	252	258	-65	112
BF14RCD02	440,594	7,666,651	291	250	256	-65	394

Hole BF14RCD02 was designed to expand the significant copper intervals reported in BF10RC01 and BF10RC02 and to test any sulphide mineralization underneath the oxide zones intersected in the 2010 RC drill program (Figure 5). Visual examination of the drill core has revealed wide zones (up to 30m) of carbonate and silica alteration and sporadic sulphide copper mineralization in the form of chalcopyrite-quartz-carbonate veins and stringers throughout the target zone from 310-350m. Drill samples are being prepared for delivery to ALS Laboratories in Townsville and assays are expected to become available in next few weeks.

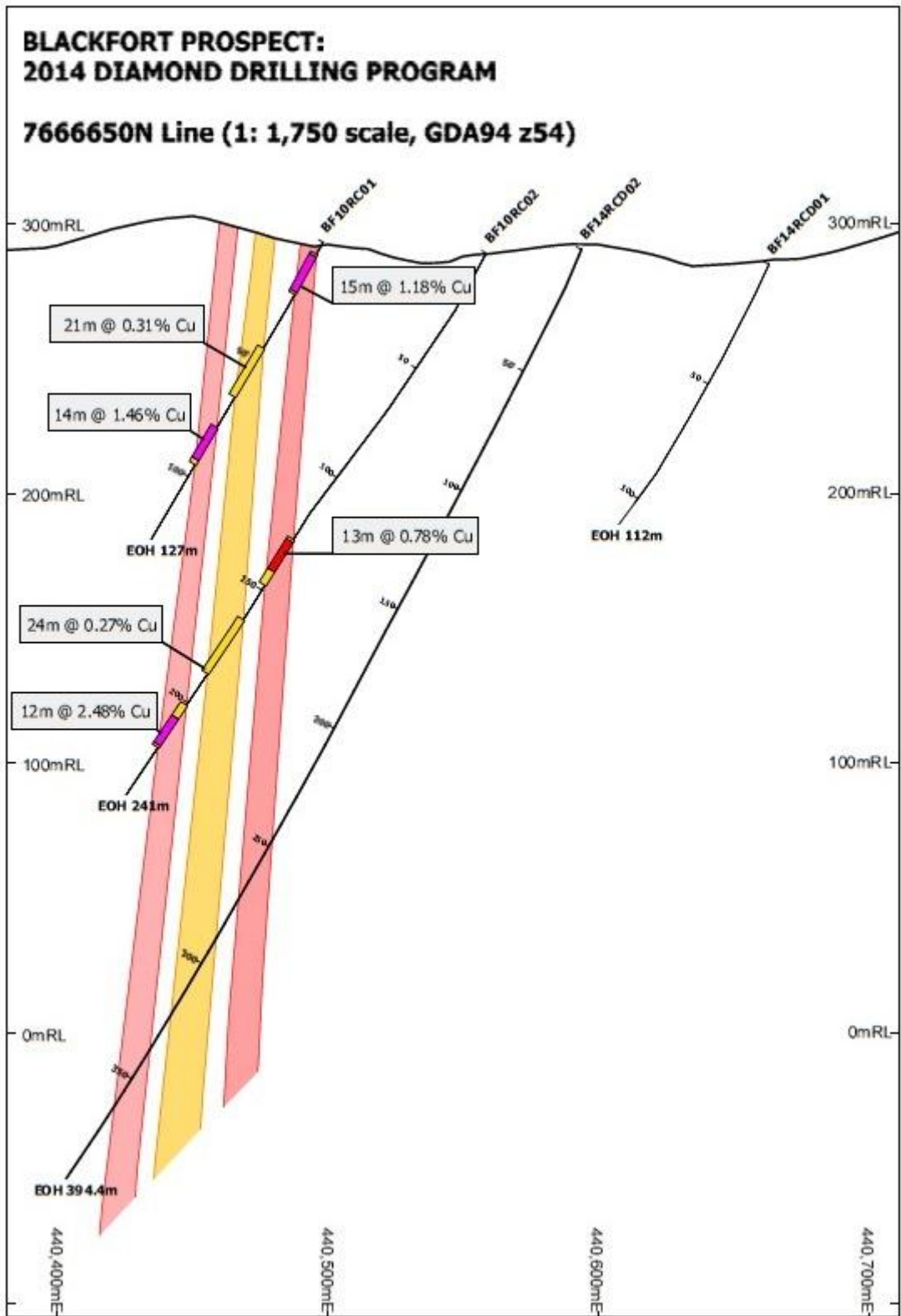


Figure 5 Black Fort drill section (looking northeast)

Farm-in agreement with Orbit Capital

A farm-in agreement on EPM17323 with Orbit Capital, a Brisbane-based private company, has been finalized during the quarter. EPM17323 is a single sub-block tenement located approximately 130km northwest of Cloncurry. Under the terms of the agreement, Orbit Capital will drill 2 RC holes in next 12 months to earn 80% of the non-metal rights of the EPM whilst QMC still retains all the metal rights within the tenement. QMC regards EPM17323 prospective for IOCG style of copper-gold mineralization.

Corporate Activities

The Company is actively talking with a few parties for potential cooperation in joint development of the company's flagship White Range Project.

On 5 May 2014, the Federal Court of Australia made its final orders including orders requiring repayment of the termination payments in full, together with pre-judgement interest from Mr Howard Renshaw and his controlled entity, Butmall Pty Limited and accountants DKF Richard Hill Pty Limited. The Court also ordered that Mr Renshaw and Butmall pay 80% of QMCL's cost of QMCL's claim and all of QMCL's costs of Mr Renshaw and Butmall's cross-claim, which was dismissed.

DFK Richard Hill Pty Ltd was a party to the proceedings on the basis that some of the termination payment were made to its trust account and \$50,333 of that sum remained in its trust account at the time of the hearing. DFK has already repaid the \$50,333 to QMCL in accordance with the Court's Orders.

Mr Renshaw and Butmall have not repaid the amount they have been ordered to repay and on 3 June 2014, those parties served an appeal in respect of the judgements and order mentioned above. The appeal is expected to be heard in the next few months.

For further details please contact:

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CEO
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Email: Admin@qmcl.com.au

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.

Appendix 1 QMC Tenement Schedule as at 30 June 2014

Tenement Name	Tenement Number	Location	Interest at Beginning Quarter	Interest at End Quarter	Acquired during Quarter	Disposed during Quarter	JV Partner/Farm-in Party
Cloncurry South	EPM 13336	NW QLD	Earning 75%	100%	acquired	-	
White Range #1	EPM 14148	NW QLD	100%	100%	-	-	
White Range #2	EPM 14163	NW QLD	100%	100%	-	-	
White Range #4	EPM 14475	NW QLD	100%	100%	-	-	
White Range #6	EPM 15031	NW QLD	100%	100%	-	-	
Mt Tracey	EPM 15196	NW QLD	100%	100%	-	-	
Top Bore	EPM 15520	NW QLD	100%	100%	-	-	
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%	100%	-	-	
Split Rock	EPM 15859	NW QLD	100%	100%	-	Surrendered	
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%	-	-	
Pigeon South	EPM 17246	NW QLD	100%	100%	-	-	
Coolullah	EPM 17247	NW QLD	100%	100%	-	-	
Pigeon North	EPM 17248	NW QLD	100%	100%	-	-	
Coolullah South	EPM 17249	NW QLD	100%	100%	-	-	
Coolullah South Extended	EPM 17250	NW QLD	100%	100%	-	-	
Koolamarra	EPM 17251	NW QLD	100%	100%	-	-	
Pigeon 1	EPM 17322	NW QLD	100%	100%	-	-	

Pigeon 3	EPM 17323	NW QLD	100%	100%	-	-	
Pigeon 2	EPM 17324	NW QLD	100%	100%	-	-	
Middle Creek	EPM 17326	NW QLD	100%	100%	-	-	
Top Camp	EPM17602	NW QLD	Earning 85%	Earning 85%	-	-	Orion Gold/Findex
Mt Norma West	EPM 17922	NW QLD	100%	100%	-	-	
Cabbage Tree	EPM 18097		100%	100%	-	Surrendered	
Flamingo West	EPM 18106	NW QLD	100%	100%	-	-	
Elder Creek	EPM 18286	NW QLD	100%	100%	-	-	
Slaty Creek	EPM 18440	NW QLD	100%	100%	-	-	
Gold Reef Dam	EPM 18663	NW QLD	100%	100%	-	-	
WEDGETAIL	EPM 18912	NW QLD	100%	100%	-	-	
Elder Creek East	EPM 19149	NW QLD	100%	100%	-	-	
Turpentine Creek	EPM 19150	NW QLD	100%	100%	-	-	
Weatherly Creek South	EPM 19165	NW QLD	100%	100%	-	-	
Surprise Creek	EPM 19166	NW QLD	100%	100%	-	-	
Weatherly Creek North	EPM 19167	NW QLD	100%	100%	-	-	
Anitra Osborne	EPM 19183	NW QLD	100%	100%	-	-	
Pegmont South	EPM 19184	NW QLD	100%	100%	-	-	
COPPER CANYON	MDL 204	NW QLD	100%	100%	-	-	
GREENMOUNT	MDL 205	NW QLD	100%	100%	-	-	
MOUNT NORMA	ML2506	NW QLD	100%	100%	-	-	
SOUTHERN CROSS	ML2510	NW QLD	100%	100%	-	-	
ANSWER	ML 2517	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%	-	-	
BELFAST	ML 2540	NW QLD	100%	100%	-	-	
BELGIUM	ML 2541	NW QLD	100%	100%	-	-	
JACKLEY	ML 2543	NW QLD	100%	100%	-	-	
DULCE EXTENDED NO 2	ML 2544	NW QLD	100%	100%	-	-	

DANDY	ML 2548	NW QLD	100%	100%	-	-	
TRUMP	ML 2549	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%	100%	-	-	
BUTTON	ML 2711	NW QLD	100%	100%	-	-	
GILDED ROSE EXTENDED EAST	ML 2713	NW QLD	100%	100%	-	-	
GILDED ROSE EXTD WEST	ML 2718	NW QLD	100%	100%	-	-	
GILT EDGE EXTENDED EAST 1	ML 2719	NW QLD	100%	100%	-	-	
MT FREDA	ML 2741	NW QLD	100%	100%	-	-	
EVENING STAR	ML 2742	NW QLD	100%	100%	-	-	
EVENING STAR NORTH EXT	ML 2750	NW QLD	100%	100%	-	-	
MT FREDA EXTENDED	ML 2752	NW QLD	100%	100%	-	-	
EVENING STAR NORTH	ML 2763	NW QLD	100%	100%	-	-	
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%	-	-	
STUART	ML 90083	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%	-	-	
EVA	ML 90147	NW QLD	100%	100%	-	-	
MOUNT TIMBEROO	ML 90148	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%	-	-	
FLAMINGO NO 1	ML 90202	NW QLD	100%	100%	-	Abandoned	
FLAMINGO NO 2	ML 90203	NW QLD	100%	100%	-	Abandoned	
FLAMINGO NO 3	ML 90204	NW QLD	100%	100%	-	Abandoned	
FLAMING NO. 4	ML 90205	NW QLD	100%	100%	-	Abandoned	
FLAMINGO NO. 5	ML 90206	NW QLD	100%	100%	-	Abandoned	
FLAMINGO NO. 6	ML 90207	NW QLD	100%	100%	-	Abandoned	
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
Drilling Techniques – Speculation	<ul style="list-style-type: none">• Reverse circulation drilling using Schramm WS450 drill rig
Sampling Techniques	<ul style="list-style-type: none">• 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 3kg• Samples were pulverised to produce 30g charge for aqua regia digest for multi-elements and fire assay for gold
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 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">• XRF analysis was conducted on all drill samples using an Innovex Delta model handheld XRF set in 'Soil' mode• Assays were conducted by ALS Global, Townsville laboratory, using standard procedures and standard laboratory checks, ME-ICP41 and Au-AA25• Sample preparation is consistent with industry standard practice• The samples 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 spear sampling the green plastic bag• OREAS standards were sourced from Ore Research & Exploration Ltd• A total of 11 standards with various values, 6 duplicates and 5 blanks were used for

	the Kuridala South drill program
Verification of sampling and assaying	<ul style="list-style-type: none"> • Significant mineralisation intersections were 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 and marked by star pickets with pink flag • Down hole surveys were taken every 30m using a Reflex Single Shot Digital Camera • Co-ordinates are recorded in grid system MGA94, Zone 54
Data spacing and distribution	<ul style="list-style-type: none"> • 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 • 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 structure with minimal depth • Drilling orientation was proposed to be approximately perpendicular to the strike of mapped mineralised zones
Sample security	<ul style="list-style-type: none"> • Sample bags were packed in batches into polyweave bags and then wrapped onto pallet for transport • Samples were transported to laboratory in Townsville by NQX
Audits or reviews	<ul style="list-style-type: none"> • Audit of sampling techniques and data was performed • In-house review of QAQC for laboratory assays was undertaken

Section 2 – Reporting of Exploration Results

Criteria	Explanation
Mineral Tenement and Land Tenure Status – Speculation	<ul style="list-style-type: none"> • Speculation is located in the southeast part of MDL205 “Greenmount” and approximately 40km south southeast of Cloncurry. MDL205 is 100% owned by White Range Mines Pty Ltd, a subsidiary of Queensland Mining Corporation Ltd. MDL205 covers an area of 2,627 hectares with a renewal application is being processed by the Mines Department
Exploration done by other parties	<ul style="list-style-type: none"> • The tenement area has been explored by many companies including Carpentaria Exploration, Homestake Australia, Majestic

	Resources and Matrix Metals since 1960s in the form of geological mapping, soil geochemistry, RC and diamond drilling.
Geology	Structurally and lithologically controlled oxide copper mineralization hosted in the lower part of the Marimo slate unit. Mineralization occurs as malachite-azurite and occasionally chalcocite veins, stockwork and disseminations in silicified black slate.
Other substantive exploration data	Visible copper mineralization can be traced for over 200m long and up to 10m wide. Two RC holes drilled by Homestake in the early 1990s reported 4m@1.81% Cu and 12m@0.70% Cu at shallow depths.

Criteria	Explanation
Mineral Tenement and Land Tenure Status – Black Fort	<ul style="list-style-type: none"> EPM17602 “Top Camp-Iron Ridge’ located approximately 40km south-southwest of Cloncurry and is JV with Orion Gold NL (4.2%) and Findex Pty Ltd (15%). The EPM currently consists of 47 sub-blocks and will expire on 20 October 2015.
Exploration done by other parties	<ul style="list-style-type: none"> Cyrus Gold carried out -80# soil sapling over prospect area at a grid pattern of 400m x100m, rock chipping and costeaning plus drilling of 7 RC & diamond holes in the early 1990s One of the costeans returned 52m@ 0.82% Cu, including 10m @2.41% Cu In 2004 Orion Gold (former Goldstar) carried out gravity survey over the area In 2010 QMC drilling 5 RC holes with the best intersection of 17m@ 1.51% Cu
Geology	Shear zone controlled copper-gold mineralization in the calcareous and ferruginous siltstone, shales, phyllite, metavolcanics and jaspilite rocks of the Overhang Jaspilite unit of the Mary Kathleen Group
Other substantive exploration data	Sporadic copper mineralization in the form of malachite veins, stockworks and disseminations were noticed in the surveyed area plus very strong multiphase deformation

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, 01/05/2013

Name of entity

Queensland Mining Corporation Limited

ABN

61109962469

Quarter ended ("current quarter")

30 June 2014

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(531)	(2,306)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	17	49
1.5 Interest and other costs of finance paid		(11)
1.6 Income taxes paid		
1.7 Other (provide details if material)		
-GST refund	39	116
-R&D Grant received		1,049
-Payroll & PAYG Tax paid	(17)	(138)
-FBT tax Paid	42	(73)
-Refund from DFK re: HVR	50	50
Net Operating Cash Flows	(568)	(2,361)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		152
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows		152
1.13 Total operating and investing cash flows (carried forward)	(568)	(2,209)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(568)	(2,209)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		2,951
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		(211)
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	0	2,740
	Net increase (decrease) in cash held	(568)	531
1.20	Cash at beginning of quarter/year to date	2,433	1,334
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	1,865	1,865

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	71
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Payment to Lakshman Jayaweera	24
- Director fee	
Payment to Eddy Wu	25
- Director fee	
Payment to Jun Qiu	12
- Director fee	
Payment to Joyce Wang which Joyce Wang is an alternate Director	10
- Accounting and taxation services	

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	250
4.2 Development	
4.3 Production	
4.4 Administration	200
Total	450

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	35	14
5.2 Deposits at call	1,509	1,918
5.3 Bank overdraft	-	-
5.4 Other Online Saving Account	321	501
Total: cash at end of quarter (item 1.22)	1,865	2,433

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter	
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	EPM15859, QLD	EPM	100%	0%
		EPM18097	EPM	100%	0%
		ML90202	MLA	100%	0%
		ML90203	MLA	100%	0%
		ML90204	MLA	100%	0%
		ML90205	MLA	100%	0%
		ML90206	MLA	100%	0%
		ML90207	MLA	100%	0%
6.2	Interests in mining tenements and petroleum tenements acquired or increased	EPM13336, QLD	EPM	75%	100%

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities			
	<i>(description)</i>			
7.2	Changes during quarter			
	(a) Increases through issues			
	(b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	1,126,349,328	1,126,349,328	
7.4	Changes during quarter			
	(a) Increases through issues			
	(b) Decreases through returns of capital, buy-backs			
7.5	+Convertible debt securities			
	<i>(description)</i>			

+ See chapter 19 for defined terms.

Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	17,450,000 (1 option for 1 ordinary share)	Nil	Exercise price 10 cents/share	Expiry date 30/11/2014
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.



Sign here:

Company secretary

Date: 22 July 2014

Print name: Pipvide Tang

+ See chapter 19 for defined terms.

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 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.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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