

QUEENSLAND MINING CORPORATION LIMITED

A.B.N. 61 109 962 469

**HALF-YEARLY REPORT
31 DECEMBER 2014**



CONTENTS

| | |
|-------------------------------------------------------------------------|----|
| Directors' Report | 3 |
| Auditor's Independence Declaration | 6 |
| Consolidated Statement of Profit or Loss and Other Comprehensive Income | 7 |
| Consolidated Statement of Financial Position | 8 |
| Consolidated Statements of Changes in Equity | 9 |
| Consolidated Statement of Cash Flows | 10 |
| Notes to the Consolidated Financial Statements | 11 |
| Directors' Declaration | 15 |
| Independent Auditor's Report | 16 |

DIRECTORS' REPORT

Your directors present this report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or 'Group') consisting of Queensland Mining Corporation Limited (referred to hereafter as the 'parent entity' or 'Company') and the entities it controlled at the end of, or during the six month period ended 31 December 2014 (Reporting Period').

Current Directors

The names of directors who held office during or since the end of the half year:

Dr Lakshman Jayaweera
Mr Jun Qiu
Mr Eddy Wu (Reappointed 28 November 2014)
Mrs Joyce Wang (Alternate to Mr Jun Qiu)

Company Secretary

The name of company secretary who held office during or since the end of the half year:

Mr Pipvide Tang

Report of Operations

The Company's exploration strategy continues to focus on growing the resource base of the White Range and making new discoveries across the entire tenement holdings in the Cloncurry area. The activities undertaken during the current reporting period mainly include the completion of two deep diamond holes in the Black Fort prospect and Greenmount deposit, both of which form part of the White Range project. The objective of the drilling programs was to test any sulphide copper mineralisation underneath the oxide copper defined previously.

1. 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. 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 towards 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.

In order to test the down dip extension of the oxide copper mineralization and its possible transition into sulphide mineralisation at depth, a diamond hole up to 394m was drilled in June 2014. The hole was inclined towards west at angle of -65 degree. Assay results have shown that multiple zones of low grade sulphide copper have been intersected with the highlight being **8m @ 0.78% Cu** from 313m.

It should be emphasized that all the encountered copper mineralisation is comprised of primary sulphide minerals such as chalcopyrite and pyrite, suggesting the oxide copper present at surface and shallow depth is a result of the weathering process of the deep sulphides. Such an understanding in ore genesis will open up new opportunity for exploration of sulphide copper along the 25km long Overhang Jaspilite unit within the Company's tenement holdings.

2. Greenmount Deposit

The Greenmount copper deposit is located 36 km south of Cloncurry, northwest Queensland. It is the largest single deposit within the Company's 100% owned White Range copper project and has a current JORC resource of 1.2Mt at 1.30% Cu, 0.50g/t Au and 0.07% Co in the measured category, 7.7Mt @ 0.80% Cu, 0.30g/t Au and 0.06% Co in the indicated category and 3.8Mt @ 0.60% Cu, 0.20g/t Au and 0.04% Co in the inferred category. This resource is mainly contained in the top 100m of the deposit and is dominated by oxide (malachite, azurite and chrysocolla) and transitional copper (chalcocite) minerals. There has been a long debate over the existence of primary sulphide copper underneath the transitional copper zone in Greenmount. Of the 280 holes drilled by QMC and other companies in the past 25 years at Greenmount, however, only 4 holes actually passed the 300m downhole depth.

The mineralization at Greenmount occurs as veins, stockwork and breccia zones of malachite, azurite, chalcocite and pyrite along with quartz and feldspar in the Marimo slate unit at or near the contact with the underlying Staveley Formation siltstone and sandstone. The ore body trends northwest and moderately dips towards east for a combined strike length of 1,000m and width of up to 90m.

The one diamond hole completed during the current term is 377m deep and cored directly from surface in order to minimize any deviation. The purpose of the drilling was to test potential sulphide mineralisation underneath the existing oxide and transitional copper mineralisation outlined by previous drilling. The hole was sited roughly in the middle of the strike length of the Greenmount orebody and approximately 250m east of the best hole QMC drilled in 2012, which returned 72m @ 2.39% Cu, 0.92g/t Au and 0.09% Co from 129m in Hole GM12RC06. The hole was directed towards southwest, approximately perpendicular to the strike of the Greenmount orebody, and angled at -60 degree.

The drilling has intersected low to moderate grade primary sulphide copper mineralisation at the targeted depth. The best interval (using a 0.2% Cu cut-off; estimated true widths are approximately 80% of the drilled interval) is **7m @ 1.0% Cu and 0.48g/t Au** from 330m.

This hole has also extended the known mineralisation for more than 150m down dip, which provides great room for infill drilling at upper level in the future. The copper mineralisation is characterised by sparse and intermittent chalcopyrite and pyrite veins and occasionally chalcopyrite stringers in strongly silicified and carbonate altered black slate host. Other copper minerals observed on the drill core include covellite and chalcocite. In addition, the host rock exhibits a broad zone of silica-carbonate alteration across the contact between the Marimo Slate and the Staveley siltstone, which is also a subject of intense shearing and fracturing prior to copper mineralisation.

Competent Person Statement

The exploration results and mineral resources estimates mentioned in this report were previously reported in Greenmount Resources Update released on 7 August 2013; the 2014 Annual Report released on 2 October 2014. The Company confirmed that it is not aware of any new information or data that materially affects the information included in the relevant announcements and, in the case of estimates of mineral resources that all material assumption and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

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.

Capital Raisings and Financing

The Company announced a one to one non-renounceable rights issue on 8 December 2014. The offer was closed on 23 January 2015. 615,665,660 new ordinary shares were issued on 29 January 2015 with \$3,693,994 being raised before issuing costs.

The lead auditor's independence declaration under s307C of the Corporation Act 2001 is set out on page 6 of this report.

This report is signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read 'Eddy Wu', is written over a faint, illegible printed name.

Eddy Wu
Director and CEO

Sydney, 11 March 2015

DECLARATION OF INDEPENDENCE BY GRANT SAXON TO THE DIRECTORS OF QUEENSLAND MINING CORPORATION LIMITED

As lead auditor for the review of Queensland Mining Corporation Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Queensland Mining Corporation Limited and the entities it controlled during the period.



Grant Saxon

Partner

BDO East Coast Partnership

Sydney, 11 March 2015

Queensland Mining Corporation Ltd A.B.N 61 109 962 469 and Subsidiaries

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

| | 31.12.2014 | 31.12.2013 |
|--------------------------------------------------------------------------------|-------------------|--------------------|
| | \$ | \$ |
| Interest received | 22,529 | 5,347 |
| Other income | 85,205 | 6,243 |
| Accountancy fees | (26,020) | (98,160) |
| Auditor's remuneration | (32,000) | (43,600) |
| Compliance fees | (15,423) | (13,565) |
| Depreciation expense | (54,669) | (80,495) |
| Exploration expenses | (81,750) | (52,436) |
| Employee benefit expenses | (206,047) | (409,950) |
| Finance costs | (347) | (10,781) |
| Fringe benefit tax | - | (115,188) |
| Impairment of assets | (279,209) | - |
| Insurance | (18,487) | (17,324) |
| Legal costs | (83,389) | (64,244) |
| Loss on sale of plant and equipment | - | (52,559) |
| Marketing & investor relations expenses | (28,225) | (38,242) |
| Rental expenses | (71,616) | (89,398) |
| Travel expenses | (20,701) | (58,921) |
| Other expenses | (14,428) | (47,943) |
| | <hr/> | <hr/> |
| Loss before income tax benefit | (824,577) | (1,181,216) |
| Income tax benefit | - | - |
| | <hr/> | <hr/> |
| Loss for the period after income tax benefit | (824,577) | (1,181,216) |
| Other comprehensive loss for the period | - | - |
| | <hr/> | <hr/> |
| Total comprehensive income for the period | (824,577) | (1,181,216) |
| | <hr/> | <hr/> |
| Loss per share from loss attributable to ordinary holders of the parent | | |
| Basic and diluted EPS (cents) | (0.07) | (0.13) |

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Queensland Mining Corporation Ltd A.B.N 61 109 962 469 and Subsidiaries

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014**

| | | 31.12.2014 | 30.06.2014 |
|----------------------------------------|------|---------------------|---------------------|
| | | \$ | \$ |
| ASSETS | Note | | |
| Current assets | | | |
| Cash and cash equivalents | | 464,201 | 1,864,870 |
| Trade and other receivables | | 72,787 | 23,367 |
| Total current assets | | <u>536,988</u> | <u>1,888,237</u> |
| Non-current assets | | | |
| Mining licences | 6 | 14,533,967 | 14,533,967 |
| Exploration and evaluation expenditure | 7 | 11,655,104 | 11,075,557 |
| Plant and equipment | | 844,236 | 897,770 |
| Total non-current assets | | <u>27,033,307</u> | <u>26,507,294</u> |
| Total assets | | <u>27,570,295</u> | <u>28,395,531</u> |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | | 196,368 | 229,504 |
| Total current liabilities | | <u>196,368</u> | <u>229,504</u> |
| Total liabilities | | <u>196,368</u> | <u>229,504</u> |
| Net assets | | <u>27,373,927</u> | <u>28,166,027</u> |
| EQUITY | | | |
| Issued capital | 8 | 77,134,662 | 77,102,185 |
| Share option reserve | | - | 2,995,191 |
| Accumulated losses | | <u>(49,760,735)</u> | <u>(51,931,349)</u> |
| Total equity | | <u>27,373,927</u> | <u>28,166,027</u> |

The above statement of financial position should be read in conjunction with the accompanying notes.

Queensland Mining Corporation Ltd A.B.N 61 109 962 469 and Subsidiaries

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

| | Issued Capital \$ | Share Option Reserve \$ | Accumulated Losses \$ | Total Equity \$ |
|-------------------------------------------------------------|-------------------------|-------------------------------|-----------------------------|-----------------------|
| Balance at 1 July 2013 | 74,085,645 | 2,995,191 | (50,444,335) | 26,636,501 |
| <i>Transactions with owners in their capacity as owners</i> | | | | |
| Share capital issued | 2,558,181 | - | - | 2,558,181 |
| Share issue cost | (48,773) | - | - | (48,773) |
| | 76,595,053 | 2,995,191 | (50,444,335) | 29,145,909 |
| Total comprehensive income for the period | - | - | (1,181,216) | (1,181,216) |
| Balance at 31 December 2013 | 76,595,053 | 2,995,191 | (51,625,551) | 27,964,693 |
| Balance at 1 July 2014 | 77,102,185 | 2,995,191 | (51,931,349) | 28,166,027 |
| <i>Transactions with owners in their capacity as owners</i> | | | | |
| Share capital issued | 34,091 | - | - | 34,091 |
| Share issue cost | (1,614) | - | - | (1,614) |
| Transferred to Accumulated Losses | - | (2,995,191) | 2,995,191 | - |
| | 77,134,662 | - | (48,936,158) | 28,198,504 |
| Total comprehensive income for the period | - | - | (824,577) | (824,577) |
| Balance at 31 December 2014 | 77,134,662 | - | (49,760,735) | 27,373,927 |

The transfer of \$2,995,191 from share option reserve to accumulated losses represents shares options previously accounted for as share based payments which has expired.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Queensland Mining Corporation Ltd A.B.N 61 109 962 469 and Subsidiaries

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR HALF-YEAR ENDED 31 DECEMBER 2014**

The above statement of cash flows should be read in conjunction with the accompanying notes.

| | 31.12.2014 | 31.12.2013 |
|------------------------------------------------------------|-------------------|--------------------|
| | \$ | \$ |
| Cash flows from operating activities | | |
| Payments to suppliers and employees (inclusive of GST) | (571,347) | (1,015,987) |
| Interest received | 22,529 | 5,347 |
| Interest expense | (347) | (9,323) |
| Net cash used in operating activities | <u>(549,165)</u> | <u>(1,019,963)</u> |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (1,135) | (5,350) |
| Proceeds from sale of plant and equipment | - | 278,593 |
| Proceeds from farm-in arrangement | 10,000 | - |
| Payment for exploration and evaluation and mining licences | (858,755) | (846,341) |
| Net cash used in investing activities | <u>(849,890)</u> | <u>(573,098)</u> |
| Cash flows from financing activities | | |
| Proceeds from issue of shares, net of share issue costs | (1,614) | 2,509,408 |
| Proceeds from borrowings | - | - |
| Repayments of borrowings | - | (211,065) |
| Net cash (used by)/generated from financing activities | <u>(1,614)</u> | <u>2,298,343</u> |
| Net (decrease)/increase in cash and cash equivalents | (1,400,669) | 705,282 |
| Cash and cash equivalents at 1 July 2014 | 1,864,870 | 1,334,519 |
| Cash and cash equivalents at 31 December 2014 | <u>464,201</u> | <u>2,039,801</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

Note 1: Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2014 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001.

This financial report covers Queensland Mining Corporations Limited ("the Company") and its controlled entities ("consolidated entity") and was authorised for issue in accordance with a resolution of Directors on 11 March 2015.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. The half year financial report should be read in conjunction with the annual financial report of Queensland Mining Corporations Limited as at 30 June 2014 and any public announcement made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Queensland Mining Corporations Limited is a public company, listed on the Australian Stock Exchange, incorporated and domiciled in Australia. The company's operations comprise exploration for and evaluation of copper and gold resources within the Cloncurry region of Queensland.

a) Basis of preparation

The financial report has been prepared on the historical cost basis except as disclosed in the notes to the annual financial report.

b) Significant accounting policies

The half-year financial report has been prepared using the same accounting policies as used in the annual financial report for the year ended 30 June 2014.

Certain prior year comparatives have been reclassified to conform to the current reporting period presentation.

Critical accounting estimates and Judgments

The critical estimates and judgments are consistent with those applied and disclosed in the 30 June 2014 annual report.

New and revised accounting requirements applicable to the current half-year reporting period

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 2: Contingent liabilities and commitments

There are no significant changes to the contingent liabilities and commitments from the 30 June 2014 Annual Report.

Note 3: Going concern

The Group made an operating loss of \$824,577 (2013: \$1,181,216) and its net cash outflow from operations was \$549,165 (2013: \$1,019,963) for the half-year ended 31 December 2014.

Notwithstanding the above, the Directors have prepared the half-year financial statements on a going concern basis based on the following key factors:

- a) The Company has successfully raised \$3,693,994 through a one to one non-renounceable rights issue on 29 January 2015; and
- b) The cash flow forecasts prepared by the Directors indicates that the Group will have sufficient cash to meet its debts as and when they fall due over a period no less than 12 months from the date of the approval of these half year financial statements without the need to carry out any additional funds raising.

Based on the above, the Directors are of the opinion that the financial statements can be prepared on a going concern basis and the Group will be able to pay its debts as and when they fall due and payable.

Note 4: Operating segment

Identification of reportable operating segments

The consolidated entity is organised into one operating segment, being mining and exploration operations. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers) in assessing performance and in determining the allocation of resources.

The Board of Directors reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the Board are consistent with those adopted in the financial statements.

The information reported to the Board is on at least a monthly basis.

Types of products and services

The principal service of this operation segment is the exploration operation predominately in Australia.

Major customers

All the mining projects of the consolidated entity are in exploration stage and has no major customers for its products and services.

Geographical information

The consolidated entity only has one geographical segment as all exploration licences issued to the Group lie within the Cloncurry region of Queensland, Australia.

Note 5: Dividend

No dividend has been declared or is payable.

Queensland Mining Corporation Ltd A.B.N 61 109 962 469 and Subsidiaries

| | 31.12.2014 | 30.06.2014 |
|-----------------------------------------------------|-------------------|-------------------|
| | \$ | \$ |
| Note 6: Non-current assets - Mining licences | | |
| At cost | 16,996,063 | 16,996,063 |
| Less: Impairment | (2,462,096) | (2,462,096) |
| | <u>14,533,967</u> | <u>14,533,967</u> |

Reconciliation

Reconciliations of the written down values at the beginning and end of the reporting period and previous financial year are set out below:

| | | |
|------------------------------|-------------------|-------------------|
| Opening balance | 14,533,967 | 14,503,967 |
| Additions | - | 30,000 |
| Balance at the end of period | <u>14,533,967</u> | <u>14,533,967</u> |

Note 7: Non-current assets – Exploration and evaluation expenditure

| | | |
|------------------|-------------------|-------------------|
| At cost | 23,705,534 | 22,846,778 |
| Less: Impairment | (12,050,430) | (11,771,221) |
| | <u>11,655,104</u> | <u>11,075,557</u> |

Reconciliation

Reconciliations of the written down values at the beginning and end of the reporting period and previous financial year are set out below:

| | | |
|------------------------------|-------------------|-------------------|
| Opening balance | 11,075,557 | 9,818,897 |
| Additions | 858,756 | 1,468,552 |
| Impairment | (279,209) | (211,892) |
| Balance at the end of period | <u>11,655,104</u> | <u>11,075,557</u> |

Queensland Mining Corporation Ltd A.B.N 61 109 962 469 and Subsidiaries

| | 31.12.2014 | 30.06.2014 |
|-------------------------------------------------------|-------------------|-------------------|
| | \$ | \$ |
| Note 8: Equity - issued capital | | |
| 1,129,238,396 fully paid ordinary shares (30.6.2014 : | | |
| 1,126,349,328 fully paid ordinary shares) | 77,134,662 | 77,102,185 |

Movement in ordinary share capital

| Details | Date | No. of shares | Value \$ |
|-------------------------------------------|-------------|----------------------|-------------------|
| Balance | 30 Jun 2013 | 869,999,817 | 74,085,645 |
| Issue of shares | 27 Nov 2013 | 213,181,726 | 2,558,180 |
| Issue of shares | 14 Jan 2014 | 24,260,768 | 291,129 |
| Issue of shares | 10 Feb 2014 | 13,225,184 | 158,702 |
| Issue of shares | 19 Feb 2014 | 5,681,833 | 68,182 |
| Share issue transaction costs, net of tax | | | (59,653) |
| | | <u>1,126,349,328</u> | <u>77,102,185</u> |
| | | | |
| Balance | 30 Jun 2014 | 1,126,349,328 | 77,102,185 |
| Issue of shares | 24 Jul 2014 | 2,889,068 | 34,091 |
| Share issue transaction costs, net of tax | | | (1,614) |
| | | <u>1,129,238,396</u> | <u>77,134,662</u> |

Note 9: Event after the reporting period

The Company announced a one to one non-renounceable rights issue on 8 December 2014. The offer was closed on 23 January 2015. 615,665,660 new ordinary shares were issued on 29 January 2015 with \$3,693,994 being raised before issuing costs.

Other than those disclosed above, the Directors are not aware of any other matters or circumstances that have arisen since the end of the period that has significantly affected or may significantly affect the operations of the Group, the results of its operations or the state of its affairs.

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the directors



Eddy Wu
Director and CEO

Dated this 11 March 2015

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Queensland Mining Corporation Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Queensland Mining Corporation Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Queensland Mining Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Queensland Mining Corporation Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Queensland Mining Corporation Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

BDO East Coast Partnership



Grant Saxon
Partner

Sydney, 11 March 2015