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ASX Market Announcement

26 June 2015

Drilling Commenced at QMC's 100% Owned North Cloncurry IOCG project

Queensland Mining Corporation Limited (**ASX: QMN**) is pleased to announce that RC (reverse circulation) drilling has commenced on its 100% owned IOCG (iron oxide copper gold) project in north Cloncurry. The drilling will initially consist of 5 RC holes up to 300m deep testing co-incident geochemical soil and IP chargeability anomalies outlined in both Flamingo West and Sally prospects.

Flamingo West EPM18106

The Flamingo West "EPM18106", consisting of 4 sub-blocks for an area of ca. 13sqkm, is located approximately 100km north of Cloncurry (Figure 1). The area has been targeted by QMC and other companies for IOCG style of mineralization over the last 20 years. Significant drill intercept of 36m@ 2.71% Cu and 0.4g/t Au has been returned from the adjacent QMC mining lease (ML90103) less than 3km to the northeast. The dipole-dipole IP survey undertaken by Noranda Pacific between 2005 and 2006 had defined a moderate chargeability anomaly at Carty's Bore in the southwest of the tenement but no flow-up drilling was performed due to company takeover. Geological mapping carried out recently by QMC has located outcropping oxidized copper mineralization (malachite) associated with quartz-magnetite-hematite ironstones and altered pegmatite dykes.

Previous soil sampling by MIM and Noranda identified an area of elevated copper and gold values (Figure 2). QMC have completed infill XRF soil sampling to better define this zone, which trends roughly north-south, has a strike length of approximately 500m, and a width of 150m using a 100ppm Cu contour. The soil anomaly also corresponds to an IP chargeability high detected by Noranda. Modelling of the IP data indicates the centre of the minor chargeability anomaly is about 100m below surface, which may correlate with the observed mineralization. However, the centre of the major chargeability high remains about 250m below surface and it could represent deep sulphide mineralization without any surface indications.

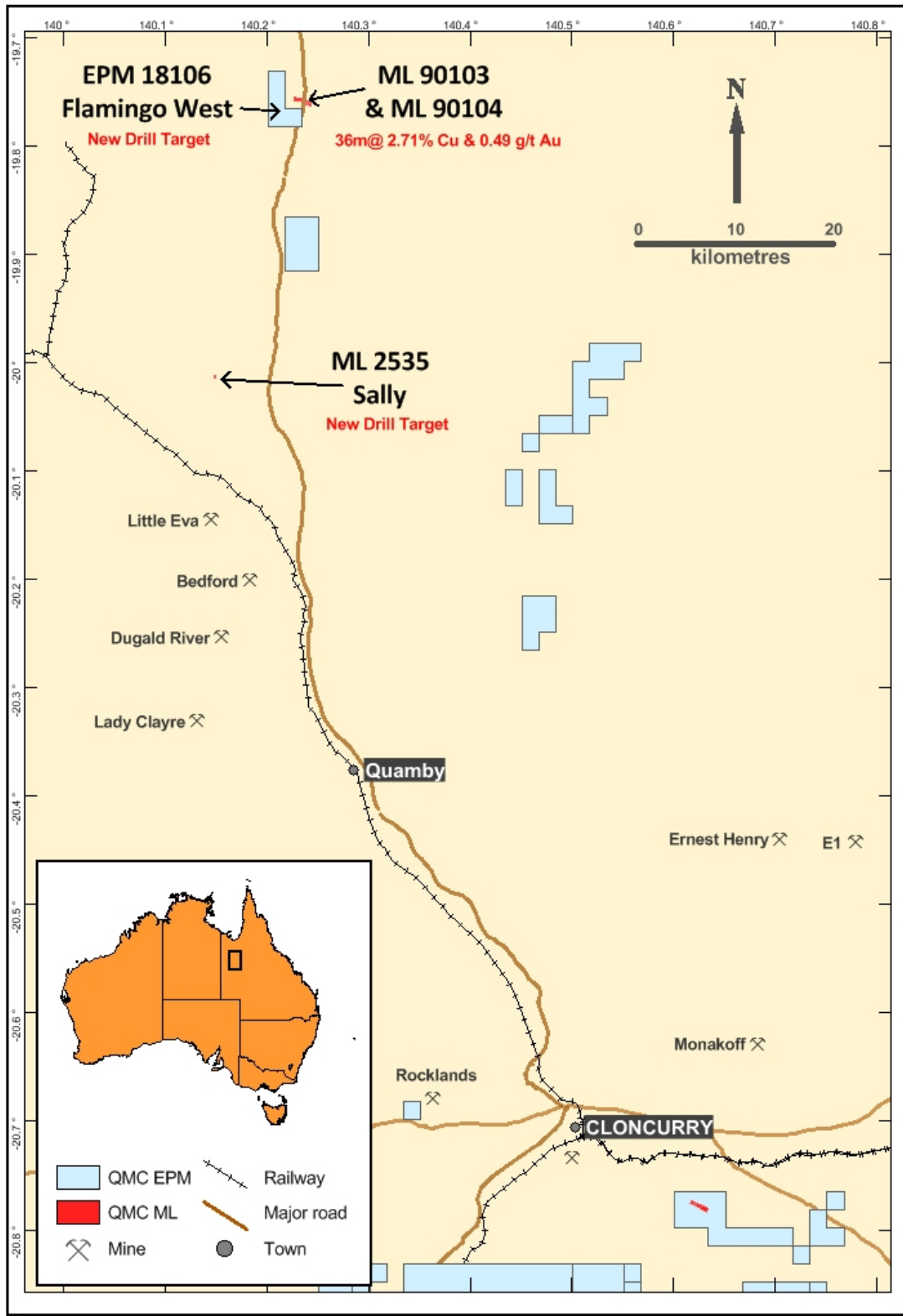


Figure 1 Regional location of the Flamingo West and Sally prospects

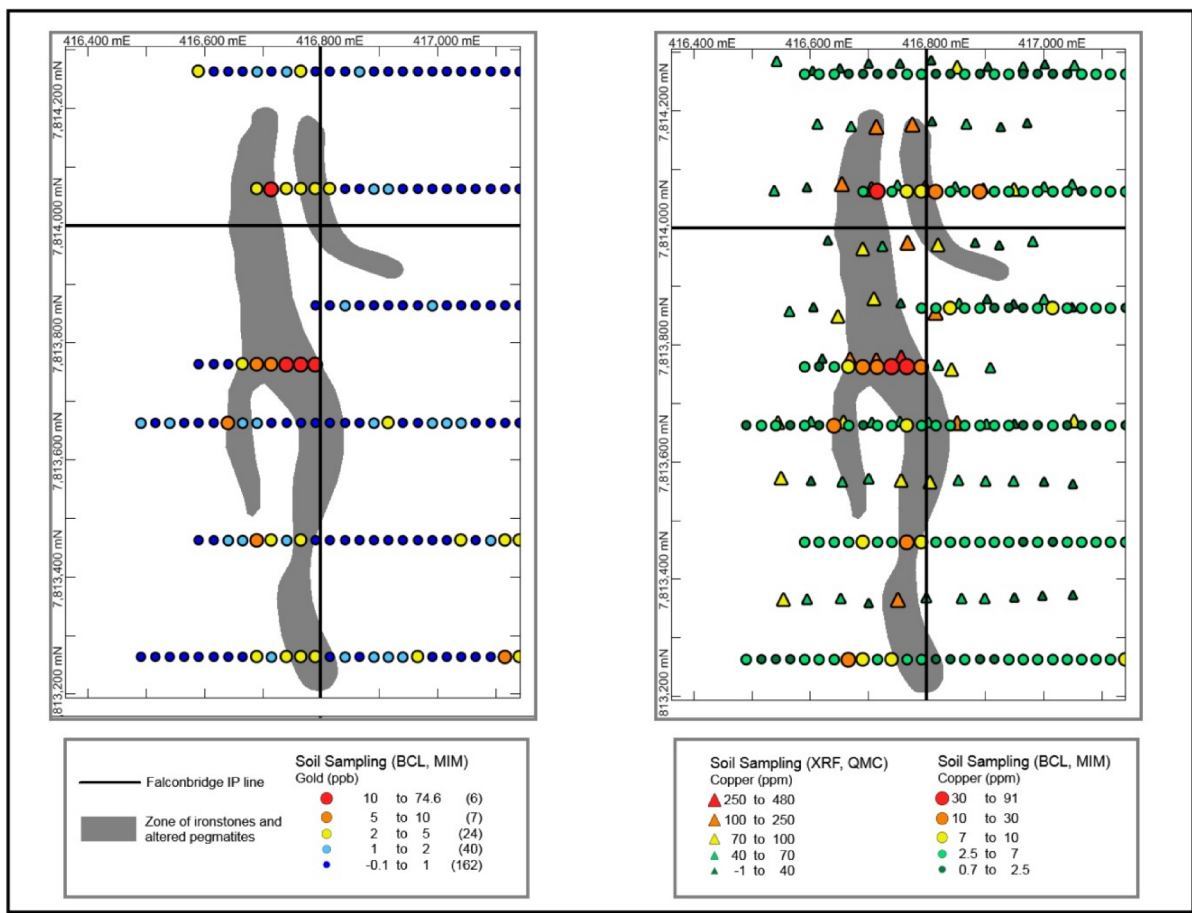


Figure 2: Copper soil anomaly at Carty's Bore prospect of EPM18106

A total of 3 RC holes up to 300m deep were proposed to test the combined geochemical and geophysical targets in Carty's Bore for possible discovery of IOCG style of mineralization. Hole 1 and 2 are designed to test both major and minor IP anomalies whereas Hole 3 is sited in the strongest soil anomaly to the south which exhibits visible malachite mineralization (Figures 3 and 4).

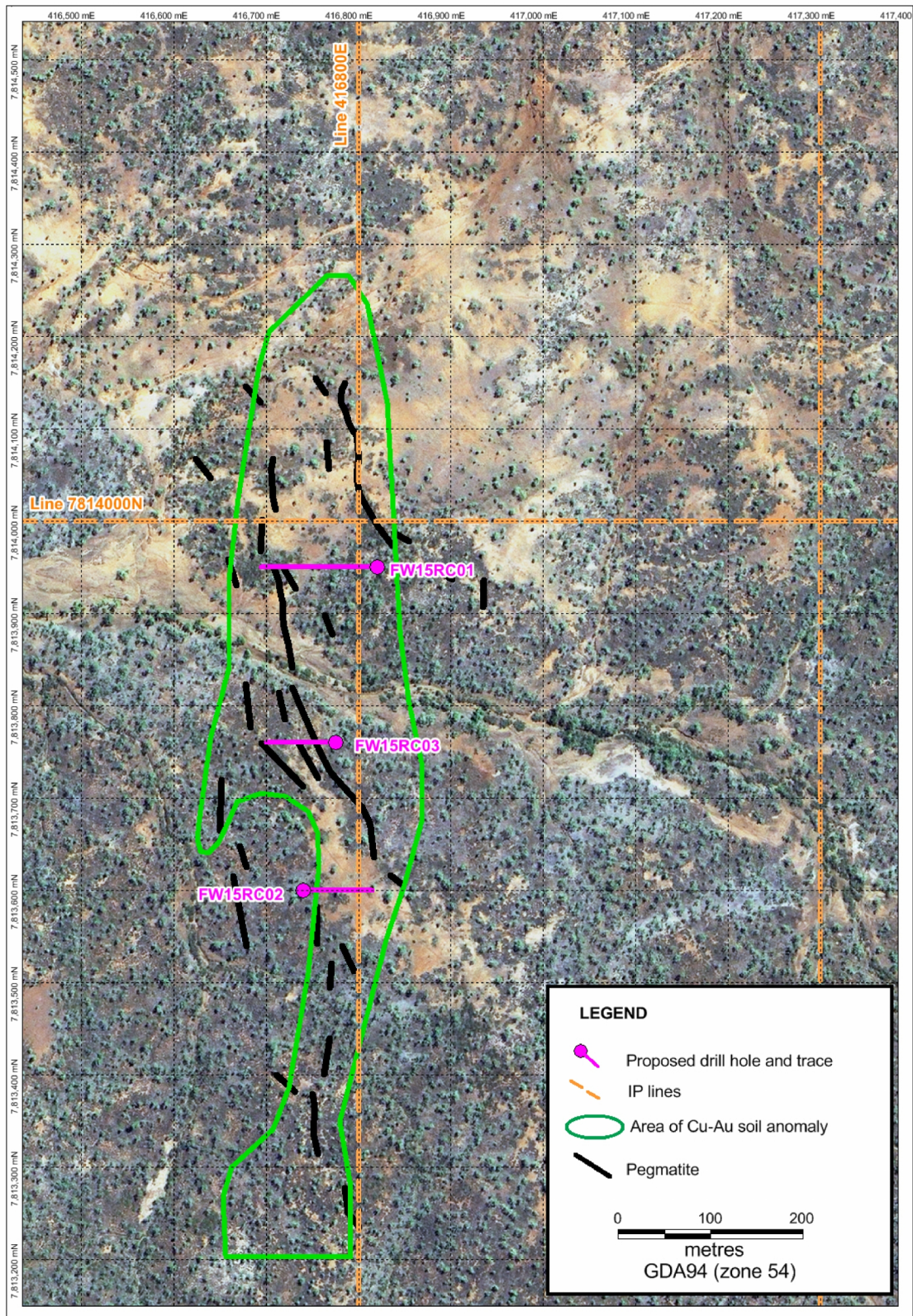


Figure 3 Location of the proposed 3 RC holes in Flamingo West EPM18106

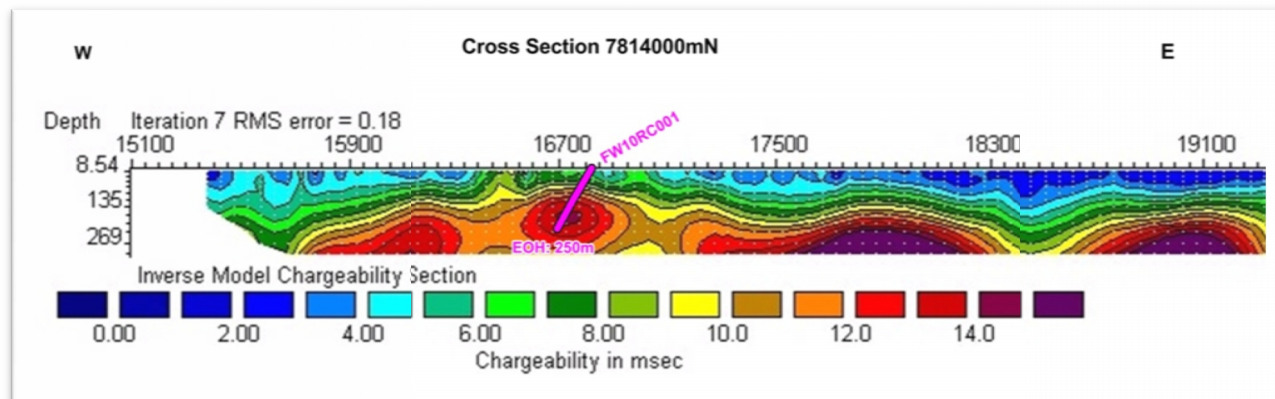


Figure 4 Modelled IP chargeability section and proposed RC hole in Flamingo West

Sally ML2535

The Sally prospect comprises ML2535 (4 ha) and is located approximately 85km northwest of Cloncurry (Figure 1). It is also about 15km north of Altona's large copper deposit in Little Eva, following the same regional Roseby - Coolullah fault which is characterized by a prominent magnetic lineament.

QMC have undertaken both geological mapping and XRF based soil sampling over the entire lease. Visible copper mineralization in the form of malachite and chalcopyrite veins and disseminations was identified sporadically over an area of 150m by 15m within the calc-silicate unit of the Corella Formation. Recent XRF soil sampling has also outlined a copper anomaly at an extent of 250m x 70m using a 300ppm copper contour. Two RC holes, at 100m and 150m deep respectively and in opposite direction were proposed to test this highly ranked target for sulphide copper mineralization (Figure 5). A drilling contractor with extensive local experience has been engaged and additional drilling will be planned subject to the results of this phase of drilling campaign.

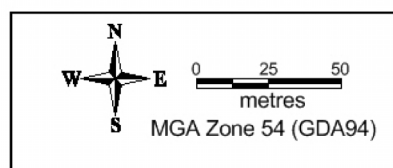
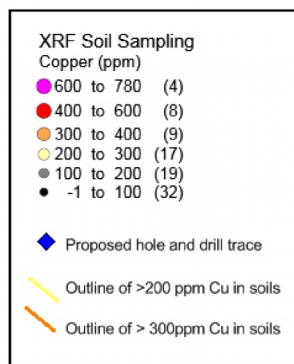
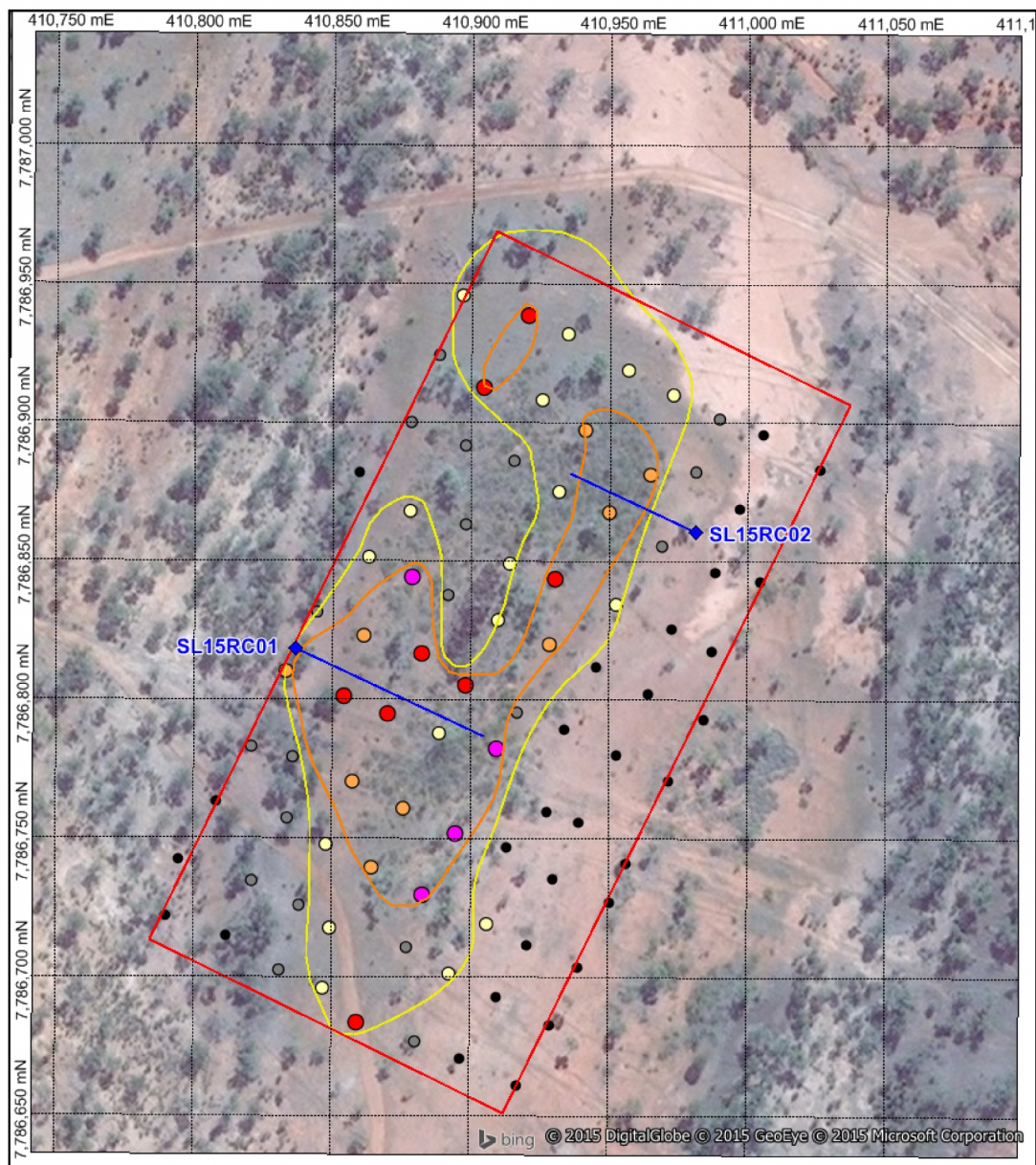


Figure 5 Proposed 2 RC holes with respect to the copper-in-soil anomaly at Sally

The Company is very excited about the commencement of drilling at Flamingo West and Sally, and looks forward to reporting the assay results to shareholders in due course.

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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 2 – Reporting of Exploration Results

Criteria	Explanation
Mineral Tenement and Land Tenure Status – Flamingo West	<ul style="list-style-type: none">• EPM18106 “Flamingo West” is located approximately 100km north of Cloncurry and 100% owned by QMC’s subsidiary Flamingo Copper Mines Pty Ltd. The EPM currently consists of 4 sub-blocks and will expire on 20 November 2017.
Exploration done by other parties	<p>The tenement and its surrounding areas have been explored by numerous companies including CRA, MIM and Noranda in modern times.</p> <ul style="list-style-type: none">• 1987-1988 CRA completed stream sediment, soil and rock chip sampling• 1992-1998 MIM conducted airborne EM, ground EM, soil sampling and drilling• 1995 – 1998 BHP undertook GEOTEM and gravity survey• 2005-2006 Noranda completed airborne magnetic and radiometric survey, IP, and soil and rock chip sampling
Geology	<ul style="list-style-type: none">• Potential IOCG style of mineralisation hosted in the metamorphic rocks of the Soldiers Cap Group. Intersection of the N-S trending fault with NW cross fault provides favourable structural trap for metals to precipitate from hydrothermal solution. Mineralisation of this type is characterised by magnetic and chargeability highs
Other substantive exploration data	<ul style="list-style-type: none">• Sodic and calcic alteration occurs as precursor to the related copper-gold mineralisation. K-Feldspar, actinolite and magnetite alteration was observed during geological mapping

Criteria	Explanation
Mineral Tenement and Land Tenure Status – Sally	<ul style="list-style-type: none"> ML2535 “Sally” is located approximately 85km northwest of Cloncurry and 100% owned by QMC’s subsidiary North Queensland Mines Pty Ltd. The ML covers an area of 4 hectares. It expired on 31 January 2014 but a renewal has been lodged.
Exploration done by other parties	<ul style="list-style-type: none"> The tenement and its surrounding areas have been targeted for numerous styles of mineralisation including roll-front uranium (1950s to 1970s) by Uranium Search, IOCG and Dugald River type Pb-Zn (1960s to 1990s) by Rio Tinto, CRA, MIM and WMC in the form of limited geological mapping, stream sediment sampling and EM surveys. No soil, rock chip and drilling were recorded.
Geology	<ul style="list-style-type: none"> Potential IOCG style of mineralisation hosted in the calc-silicate rocks of the Corella Formation. Breccia zones and fold hinges are ideal sites for metals to precipitate from hydrothermal solution. Mineralisation of this type is characterised by magnetic highs
Other substantive exploration data	<ul style="list-style-type: none"> Sodic and calcic alteration occurs as precursor to the related copper-gold mineralisation. K-Feldspar, actinolite and magnetite alteration was observed during geological mapping