Queensland Mining Corporation Limited
ABN: 61 109 962 469
ASX Code: QMN
Phone: +61(2) 8964 6411
Fax: +61(2) 8964 6865
Web: www.qmcl.com.au
Address: Suite 101A, Level 1, 1 Alfred Street, Sydney, NSW 2000

ASX Market Announcement

17 August 2015

Encouraging Assay Results from North Cloncurry IOCG Project

Queensland Mining Corporation Limited (**ASX: QMN**) is pleased to announce that it has received assay results from the RC drilling program completed recently at the Flamingo West and Sally IOCG (iron oxide copper-gold) prospects in north Cloncurry (Figure 1). The program consists of 4 holes for a total of 666m and has intersected broad low grade copper mineralisation and extensive alteration zones. Highlights from the drill results include

- ***19m @ 0.31% Cu from 105m in Hole SL15RC01***
- ***4m @ 0.41% Cu from 98m in Hole FW15RC02***

The Flamingo West prospect (EPM18106) is located approximately 100km north of Cloncurry (see Figure 1). The targets are characterized by moderate IP chargeability and anomalous copper in soil. Two holes were completed to test both IP and soil anomalies. Details of the drillhole information are set out in Table 1 and their locations are shown in Figure 2. The first hole (FW15RC01) was designed to test the IP anomaly centred about 200m below surface but the drilling failed to intersect any sulphide minerals to explain the cause of the anomaly. The second hole (FW15RC02) was collared about 200m to the south and to test the soil anomaly. Narrow zones of low grade copper mineralisation in association with feldspar, magnetite and epidote alteration were encountered from 98 to 132m.

Table 1 Drillhole details in Flaming West prospect

Hole ID	MGA94_E	MGA94_N	RL	Azi (MGA)	Dip	Depth
FW15RC01	416822	7813972	151	270	-60	246
FW15RC02	416685	7813776	152	90	-60	150

The Sally prospect comprises ML2535 (4 ha) and is located approximately 85km northwest of Cloncurry (see 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. The drill targets exhibit strong soil anomaly correlated with occasional

patchy oxide copper mineralization. Two holes were drilled and both of them intersected broad zones of sodic-calcic alteration and pyrite mineralization even though the copper mineralization is limited to 19m@ 0.31% Cu from 105m in SL15RC01. The widespread presence of feldspar, magnetite, amphibole and chlorite alteration in the drill cuttings indicates the Sally prospect is characteristic of an IOCG system. The drillhole details are summarized in Table 2 and their locations are illustrated in Figure 3.

Table 2 Drillhole details in Sally prospect

Hole ID	MGA94_E	MGA94_N	RL	Azi (MGA)	Dip	Depth
SL15RC01	410849	7786825	154	134	-55	168
SL15RC02	410979	7786853	154	270	-60	102

The assay results have returned several zones of low grade copper mineralization (using a 0.2% Cu cut-off) across the target area (Figure 4), which are set out in Table 3. In addition, broad geochemically anomalous zones were encountered in the two holes drilled in Sally. These include 63m averaging 1293ppm Cu from 105m in SL15RC01 and 48m averaging 783ppm Cu from 42m in SL15RC02.

Table 3 Selected RC drill results from Sally and Flamingo West (*using a 0.2% Cu cut-off grade and 2m internal dilution)*

Hole ID	From (m)	To (m)	Interval (m)	Cu (%)	Au (g/t)
SL15RC01	105	124	19	0.31	0.04
SL15RC02	43	49	6	0.21	0.09
FW15RC02	98	102	4	0.41	0.21

Given the greenfields nature of the current exploration program, the Company is encouraged by the intersection of low grade copper mineralisation at Sally and Flamingo West. The drill results will be reviewed and an improved geological understanding will be developed to assist in future exploration in the regional context.

For further details please contact:

Eddy Wu (**CEO**) **Tel:** **(+61 2) 8964 6411**
Email: admin@qmcl.com.au

or visit our website at: www.qmcl.com.au

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.

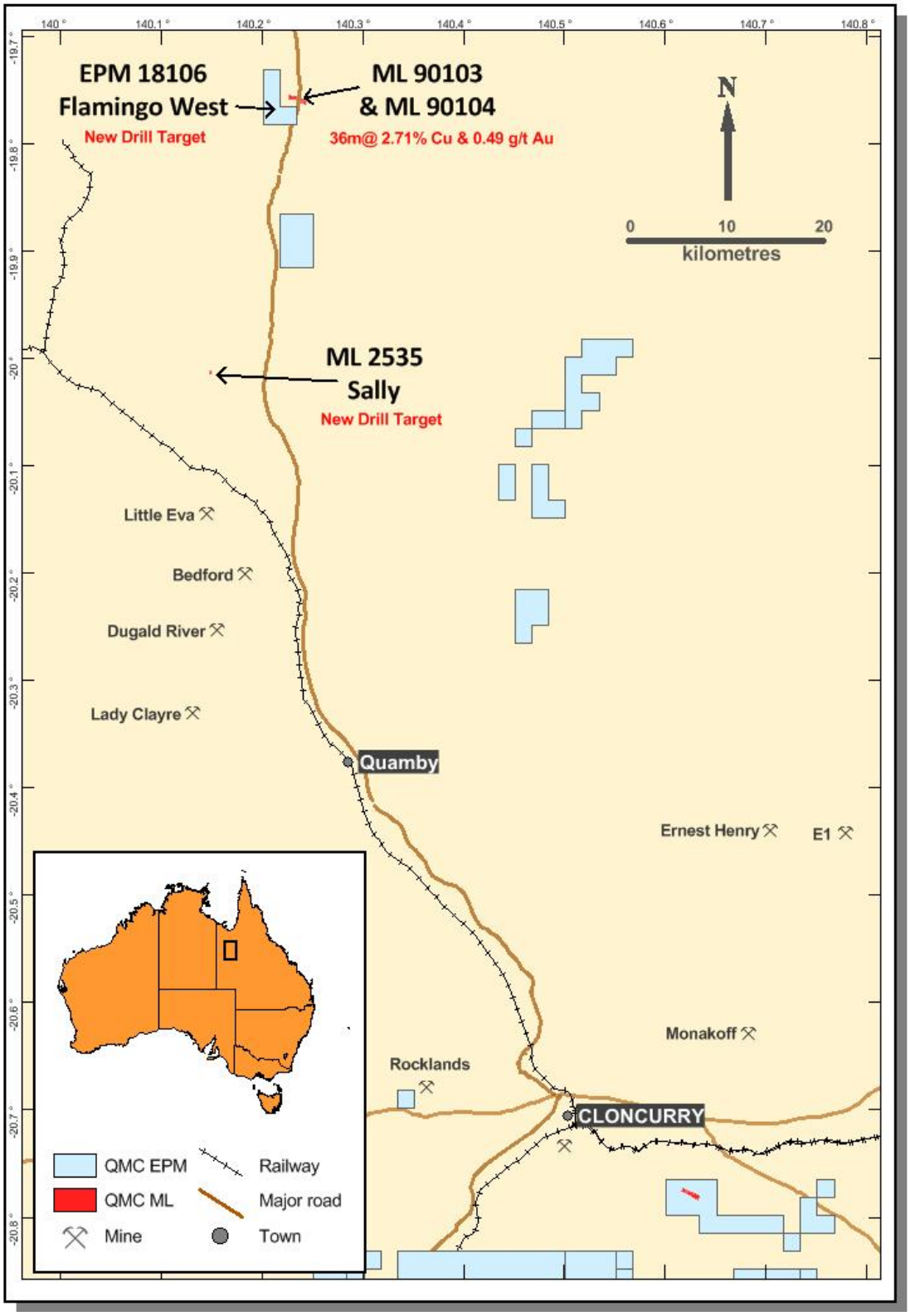


Figure 1 Regional location of Flaming West and Sally prospects

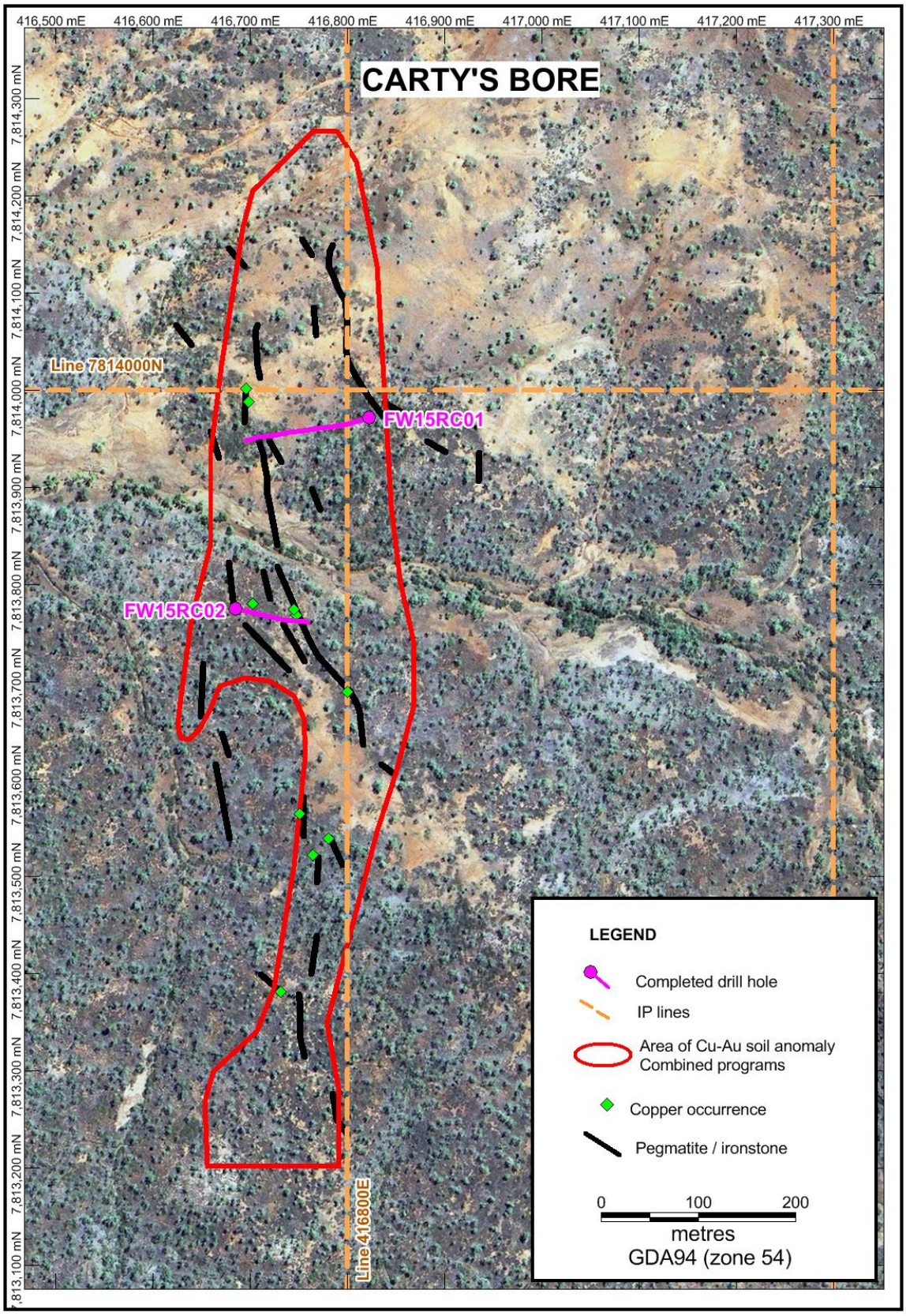
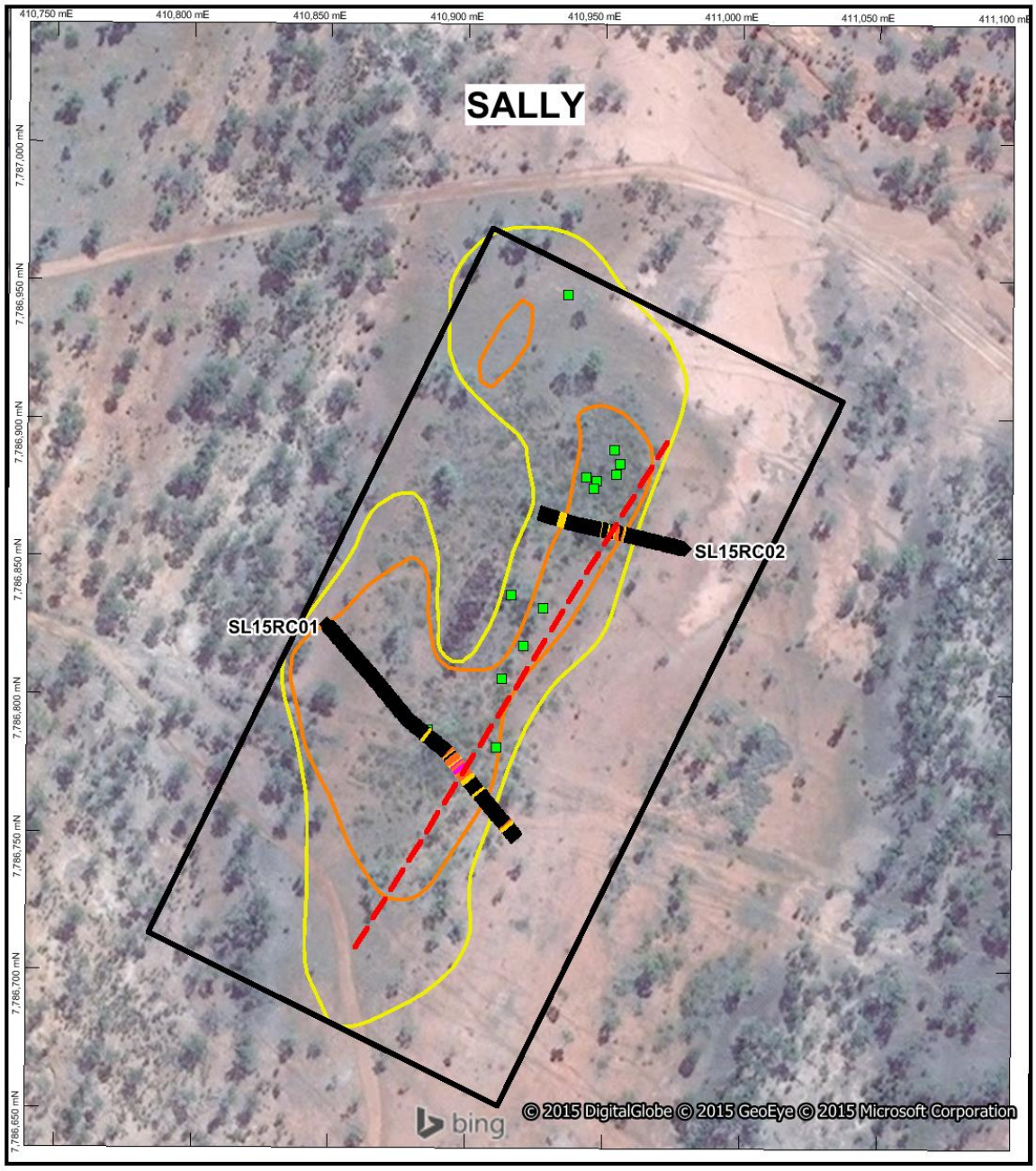
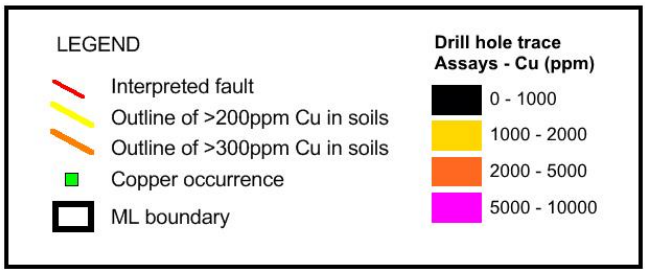


Figure 2 Drillhole distribution in Flamingo West





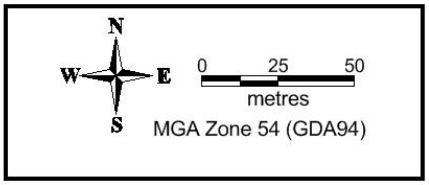


Figure 3 Drillhole location and interpreted mineralised structure in Sally

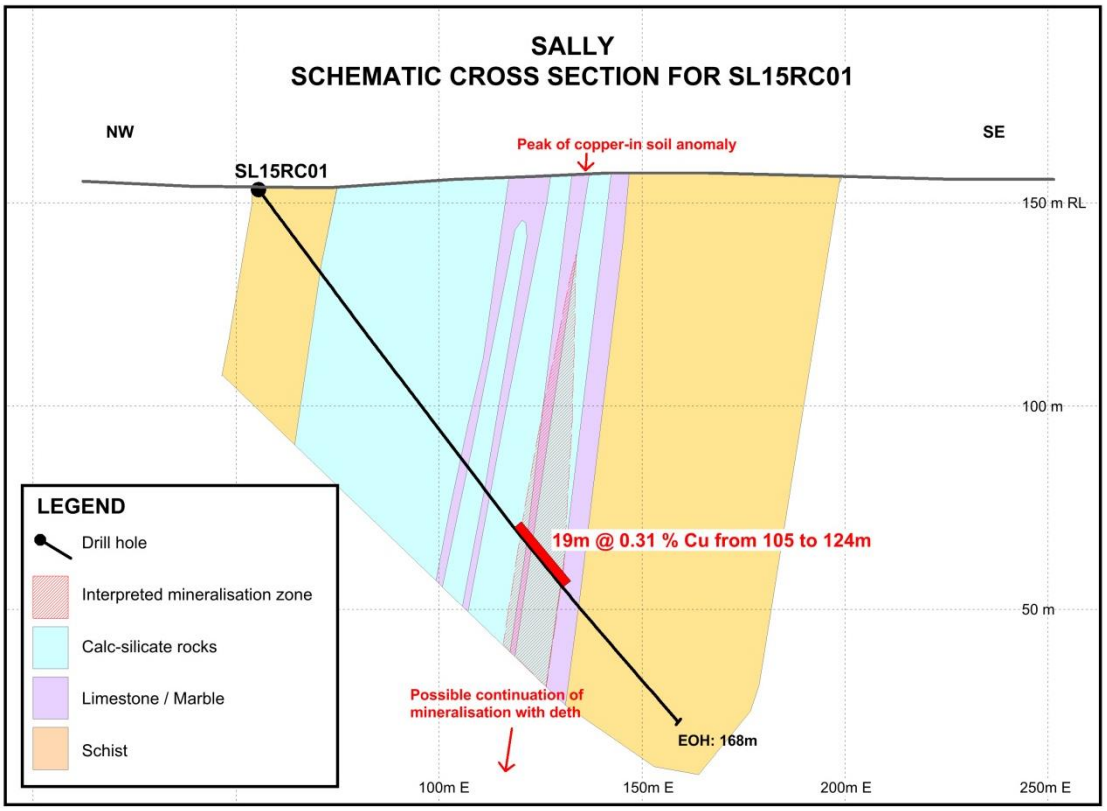


Figure 4 Cross section through SL15RC01 in Sally, showing the important drill intercept

2012 JORC Code

Section 1 – Sampling Techniques and Data

Criteria	Explanation
Drilling Techniques – Flamingo West and Sally	• Reverse circulation drilling using Schramm T685 drill rig
Sampling Techniques	• All drill samples were collected at 1 metre intervals • Drill samples were split using a cone splitter mounted on the drill rig • Average sample weight is about 3kg • Samples were pulverised to produce 30g charge for four acid digest for multi-elements and fire assay for gold
Logging	• 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	• Assays are conducted by ALS Global, Townsville laboratory, using standard procedures and standard laboratory checks, ME-ICP61 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	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 30 standards with various values, 15 duplicates and 15 blanks were used for the Flamingo West and Sally drill programs
Verification of sampling and assaying	• 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 Reflex Single Shot Digital 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 • No sample compositing has been applied
Orientation of data in relation to geological structure	• 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	• 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	• 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 – Flamingo West	• 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	The tenement and its surrounding areas have been explored by numerous companies including CRA, MIM and Noranda in modern times. • 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	• 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
Drill hole information	• Full drill collar details for drillholes FW15RC01 and FW15RC02, including location co-ordinates, orientation and final depth, are provided in Table 1 of the announcement
Data aggregation method	• No weighting, truncations, aggregates or metal equivalents were used
Relationship between mineralisation widths and interception lengths	• The relationship between the true mineralisation width and the intercept length is not known at this early stage of drilling
Diagrams	• See Figure 2 of this announcement
Balanced reporting	• The accompanying document is considered to represent a balanced report
Other substantive exploration data	• 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	• 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	• 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	• 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.
Drill hole information	• Full drill collar details for drillholes SL15RC01 and SL15RC02, including location co-ordinates, orientation and final depth, are provided in Table 2 of the announcement
Data aggregation method	• No weighting, truncations, aggregates or metal equivalents were used
Relationship between mineralisation widths and interception lengths	• The relationship between the true mineralisation width and the intercept length is not known at this early stage of drilling.

	However, the true width of mineralisation in SL15RC01 is interpreted to be less than the drill intercept
Diagrams	• See Figures 3 and 4 of this release
Balanced reporting	• The accompanying document is considered to represent a balanced report
Other substantive exploration data	• Sodic and calcic alteration occurs as precursor to the related copper-gold mineralisation. K-Feldspar, actinolite and magnetite alteration was observed during geological mapping