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Further Drilling Results from Young Australian

Queensland Mining Corporation Limited (**ASX: QMN**) is pleased to announce the results received from the second phase of RC drilling program completed recently in the Young Australian project, approximately 70 km south of Cloncurry in northwest Queensland (Figure 1). The program consists of 5 holes for a total of 821m to test the strike and down dip extension of the mineralisation intersected in the previous drilling in Tank Hill North. The drilling has encountered copper mineralisation across all the five holes and the highlights from the assays include:

- **6m @ 1.07% Cu from 144m in Hole YA15RC10**
- **18m @ 0.51% Cu from 92m in Hole YA15RC11**
- **4m @ 0.81% Cu from 133m in Hole YA15RC09**

The Young Australian project consists of four mining leases (ML7511, ML7512, ML90084 and ML90099; 100% QMC interest) and surrounding six sub-blocks within EPM 18912 which is owned by Chinova Resources and from which QMC has the exclusive rights to explore for mineralization over a period of five years until June 2017. In addition, QMC has an option to require Chinova Resources to apply for a mining lease over all or any part of these six sub-blocks for QMC within the timeframe of the agreement.

The prospect also forms part of the Company's White Range project and had been explored by QMC from 2008 to 2012. The recently completed drill program was a follow-up to the successful drilling campaign undertaken in September 2015, which reported significant drill intercepts of **26m @ 1.56% Cu** and outlined a 1km long new copper zone. As constrained by the site clearance with Native Title claimant group and the impact of the forthcoming wet season, the current drill program was cut short to only five holes, focusing mainly on the northern

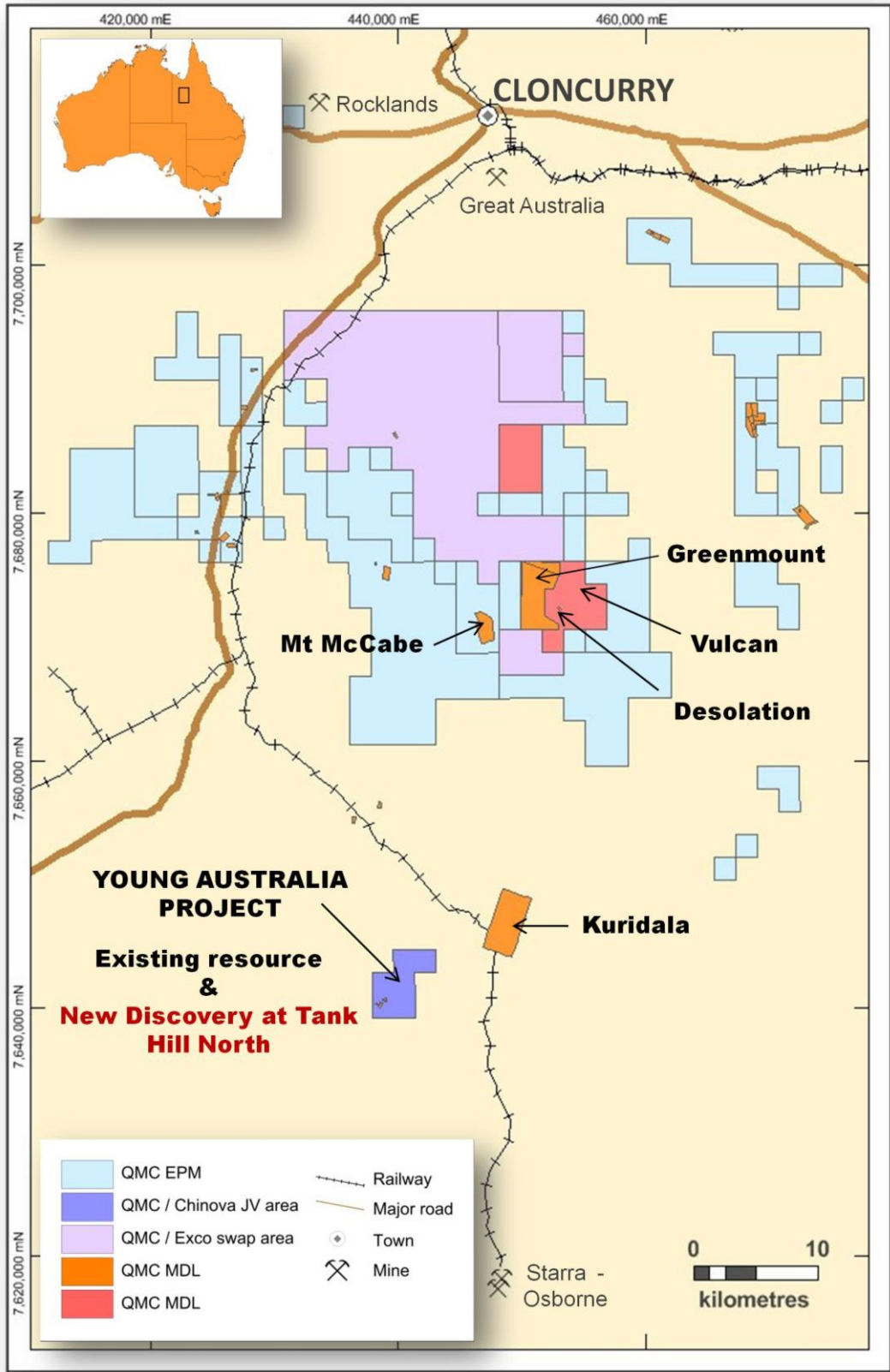


Figure 1 Regional location of the Young Australian project

part of the Tank Hill zone. The holes were primarily designed to test the extension of the mineralization intersected in Hoe YA15RC06 (the best hole in the last drill program) along strike and down dip. Details of the drillhole information are set out in Table 1 and their locations are shown in Figure 2.

Table 1 Drillhole details for Phase 2 RC program at Young Australian

| Hole ID | Easting (GDA) | Northing (GDA) | Azimuth (Grid) | Dip | Depth (m) | Type |
|----------|---------------|----------------|----------------|-----|-----------|------|
| YA15RC09 | 439439 | 7640882 | 138 | -60 | 187 | RC |
| YA15RC10 | 439502 | 7640948 | 139 | -60 | 187 | RC |
| YA15RC11 | 439351 | 7640819 | 142 | -60 | 151 | RC |
| YA15RC12 | 439458 | 7640933 | 137 | -70 | 193 | RC |
| YA15RC13 | 439379 | 7640826 | 138 | -60 | 103 | RC |

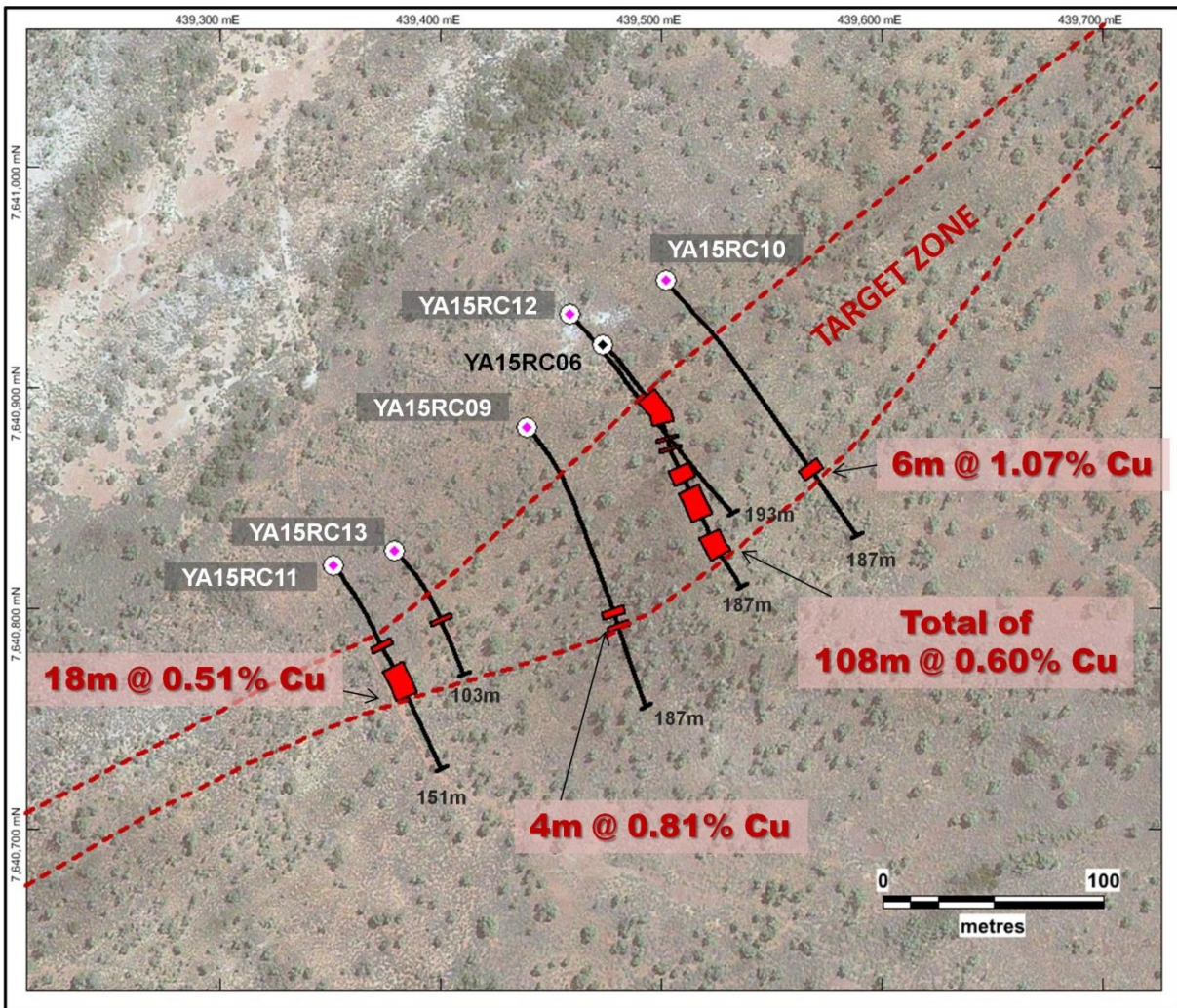


Figure 2 Drillhole location and target mineralised zone at Tank Hill North in Young Australian

Three holes (YA15RC09, 10 and 12) in the program were proposed to expand the copper intercepts returned from the previous Hole YA15RC06 along strike and down dip. Hole YA15RC09 was collared 50m to the southwest of Hole YA15RC06 but only intersected a narrow zone of copper mineralization at 133m. Hole YA15RC10 was sited about 40m to the northeast of YA15RC06 and encountered **6m @ 1.07% Cu from 144m**. Both holes were designed at a dip of -60 degree towards east, but strong deviation has lifted the holes to about -35 degree at the depth of ca. 100m. Visual examination of drill cuttings suggests these two holes were drilled into the leached zone and hence missed the chalcocite dominated supergene mineralisation zone.

Hole YA15RC12 was drilled down dip to Hole YA15RC06 and was about 20m apart on the same section with the aim to expand the mineralization about 40m vertically (Figure 3). Despite the intersection of 12m @ 0.14% Cu at the target depth, no comparable tenor of copper mineralisation was returned from the drilling.

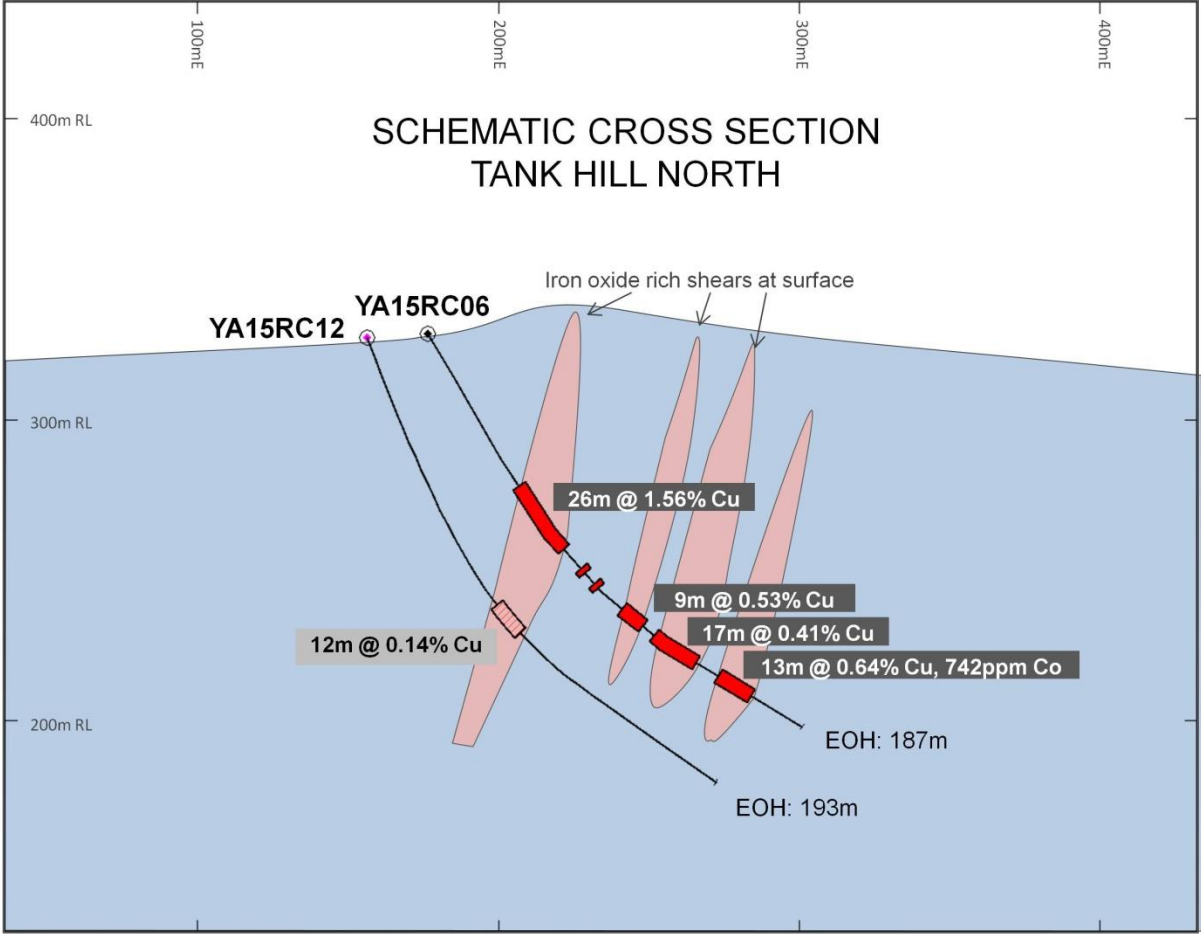


Figure 3 Cross section through Hole YA15RC06 and YA15RC12 (looking northeast)

Hole YA15RC11 was collared about 150m to the southwest of Hole YA15RC06 along strike and targets the intersection of the NE-SW main structure with an interpreted NW-SE fault. The local area is under a thin alluvial cover and hence no copper-in-soil anomaly was previously revealed. This hole intersected **18m@ 0.51% Cu from 91m** and the mineralised zone remains open to southwest and at depth.

The last hole (YA15RC13) in the current program was drilled about 20m to the northeast of Hole YA15RC11 and attempted to extend the mineralisation in YA15RC11 along strike. However, the hole was again drilled mostly into the leached zone and only 3m@ 0.80% Cu was returned from the target depth. The selected drill intercepts for the drill program are summarized in Table 2.

Table 2 Selected drill intercepts from Phase 2 RC program at Young Australian (*using a 0.2% Cu cut-off grade and 3m internal dilution*)

| Hole ID | From (m) | To (m) | Interval (m) | Cu (%) |
|----------|----------|--------|--------------|--------|
| YA15RC09 | 133 | 137 | 4 | 0.81 |
| | 141 | 143 | 3 | 0.27 |
| YA15RC10 | 144 | 150 | 6 | 1.07 |
| YA15RC11 | 75 | 79 | 4 | 0.39 |
| | 92 | 110 | 18 | 0.51 |
| YA15RC13 | 67 | 70 | 3 | 0.80 |

QMC's CEO, Eddy Wu, said the additional assay results received from the Young Australian drill program have reinforced our view on the prospect of the project. The currently drill tested areas only account for a small portion of the target zones. Some of the holes in the current program failed to reach the designed target due to unexpected deviation. However, the results are highly instrumental for the development of future exploration programs in the region. The Company's technical team will review the drill results and quality of drilling during the wet season. The outcome will assist in design of follow-up programs to fully realize the potential of the Young Australian project.

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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 |
|--|---|
| <i>Drilling Techniques</i> | <ul style="list-style-type: none"> • Reverse circulation drilling using a custom built top head drive (Hydro RC5000 rotation head) mounted on a MAN Twin Steer Truck • 5 holes were drilled, for a total of 821m. |
| Sampling Techniques | <ul style="list-style-type: none"> • 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 |
| Drill sample recovery | <ul style="list-style-type: none"> • RC recovery is initially visually estimated based on the size of the green bags • Recovery was good, with relatively consistent sample size |
| 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 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 | <ul style="list-style-type: none"> • 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. • A selection of samples were submitted to the laboratory for assay, based on a combination of the XRF results and geological logging • Assays will be 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 values >1% a second series of analyses were undertaken with parameters optimised for high concentrations (Cu-OG62) • 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 |

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| 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 splitting the calico where possible, or spear sampling the green plastic bag • OREAS standards were sourced from Ore Research & Exploration Ltd • A total of 18 standards with various values, 9 duplicates and 9 blanks were used for the drill program |
| Verification of sampling and assaying | <ul style="list-style-type: none"> • Significant mineralisation intersections will be 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 • Down hole surveys were conducted using an IS Gyro gyroscope and readings were recorded every 5m • 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 structures 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 pallets for transport • Samples were transported to the laboratory in Townsville by NQX |
| Audits or reviews | <ul style="list-style-type: none"> • 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 |
|--|---|
| <i>Mineral Tenement and Land Tenure Status</i> | <ul style="list-style-type: none"> • The Young Australia project consists of four MLs (7511, 7512, 90084, 90099) and six sub-blocks within EPM 18912 located approximately 70km southwest of Cloncurry • The four MLs are 100% owned by QMC's subsidiary North Queensland Mines Pty Ltd. ML7511 comprises 3 ha and expires 30/10/2021. ML7512 is 2 ha, expiry 30/10/2021. ML90084 is 5ha, expiry 30/04/2017 (renewed lodged). ML90099 is 5ha, expiry 31/05/2016 (renewal lodged). • EPM 18912 is owned by Chinova Resources. QMC is operating under a joint venture agreement with Chinova and has exclusive exploration rights of six sub-blocks until June 2017. |
| Exploration done by other parties | <p>The area has undergone small scale mining within the ML's from the early 1900s until the 1960s, at which point drilling (44 percussion holes, 8 diamond holes) and geophysical surveys (self-potential) were completed by MIM and Carpentaria.</p> <p>Exploration has also been completed within the wider area since the 1960s and has included:</p> <ul style="list-style-type: none"> • MIM, Carpentaria (1963 – 1997): geological mapping, geophysical surveys, and drilling at Tank Hill, Main pit area, Hidden Treasure prospects • BHP (1973 – 1975): geological mapping, soil sampling • CRAE (1975 – 1976): steam sediment sampling, rock chip sampling • CRAE, Arimco, Ivanhoe (1989 – current): ground held under continuous tenure (conditional relinquishments) since 1989. Soil sampling at Trinity, Sigma, Card Game. Drilling at Card Game. RAB drilling at Dairy Bore. • Additional licenses have been held in the past, but work was focused outside the current area |
| Geology | <ul style="list-style-type: none"> • The Young Australian deposit consists of copper mineralisation that is probably controlled by NE trending, sub-vertical shear zones developed within the carbonaceous Answer Slate. Mineralisation comprises malachite, chrysocolla, cuprite, chalcocite and chalcopyrite. |

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| | <ul style="list-style-type: none"> • The Tank Hill, Tank Hill North, East Drift, and Hidden Treasure prospects are also thought to have potential for shear-hosted copper mineralisation and also occur within the Answer Slate • The Dega prospect occurs within an interpreted raft of the Mitakoodi Quartzite (meta-limestone, meta-siltstone, meta-sandstone), surrounded by Wimberu Granite. Surface geological mapping located malachite and azurite associated with skarn-style mineral assemblages. |
| Drill hole information | <ul style="list-style-type: none"> • Full drill collar details, including coordinates, orientation, and final depth, are provided in Table 1 of the announcement |
| Data aggregation method | <ul style="list-style-type: none"> • No weighting, truncations, aggregates, or metal equivalents were used • Standard intercepts were calculated using a 0.2% copper cut-off. A maximum of consecutive 3m of below 0.2% samples were allowed within each intercept. |
| Relationship between mineralisation widths and interception lengths | <ul style="list-style-type: none"> • The relationship between the mineralisation width and interception lengths is not known at this early stage of exploration. |
| Diagrams | <ul style="list-style-type: none"> • See Figure 2 & 3 of this report |
| Balanced reporting | <ul style="list-style-type: none"> • The accompanying document is considered to represent a balanced report |
| Other substantive exploration data | <ul style="list-style-type: none"> • Refer to body of report for additional geological observations |
| Further work | <ul style="list-style-type: none"> • Additional drilling is planned at the Tank Hill and Tank Hill North prospects |