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Quarterly Report

For the period ended 31 December 2015 **21 January 2016**

HIGHLIGHTS

Operations

- Highlights of exploration activities for the quarter mainly include the completion of additional 5 RC holes totalling 821m in Young Australian in south Cloncurry.
- Further positive assay results have been received from the 2nd phase of RC drilling program in Young Australian with selected intersections including

  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

- A RC drill program to test other parts of the Tank Hill mineralised trend is being prepared and due to commence after the wet season.

Corporate

- The winding up of Butmall Pty Limited and application to bankrupt Mr Howard Renshaw are in progress.

Exploration Activities Report

Exploration activities during the current quarter have been focused on the completion of additional 5 RC holes for a total of 821m in Young Australian in south Cloncurry. The drilling was designed to test the strike and down dip extension of the mineralisation intersected in Tank Hill and reported in the last quarter. As constrained by the site clearance with Native Title group and the impact of the coming wet season, the current drill program was cut short to only five holes, focusing mainly on the northern part of the Tank Hill zone. The holes were primarily designed to test the extension of the mineralization intersected in Hoe YA15RC06 (*26m @ 1.56% Cu* from 59m) along strike and down dip.

The drilling has encountered copper mineralisation across all the five holes but no comparable tenor of intersection was returned. It appears the black shale hosted copper mineralisation is highly variable along strike and down dip. A comprehensive review of the drill program is currently underway and the outcome will help to design follow-up programs to define the extent of the mineralisation in Tank Hill and elsewhere in the Young Australian project.

Young Australian (EPM18912, MLs 7511, ML7512, ML90084 and ML 90099)

The Young Australia project consists of four MLs (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. QMC also 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 project is centered approximately 70km south of Cloncurry in northwest Queensland (Figure 1).

The prospect also forms part of the Company's White Range project and had been explored by QMC from 2008 to 2012. Mineralization is thought to extend outside of the mining leases. An eight RC hole program undertaken in September 2015 intersected significant new copper mineralization in the Tank Hill north prospect with the best drill intercept of ***26m @ 1.56% Cu from 56m*** being returned from Hole YA15RC06. The current drilling program was a follow-up campaign to primarily test the strike and down dip extension of the known mineralization. A total of 821m in 5 RC holes were completed during the quarter. The details of the drillholes 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

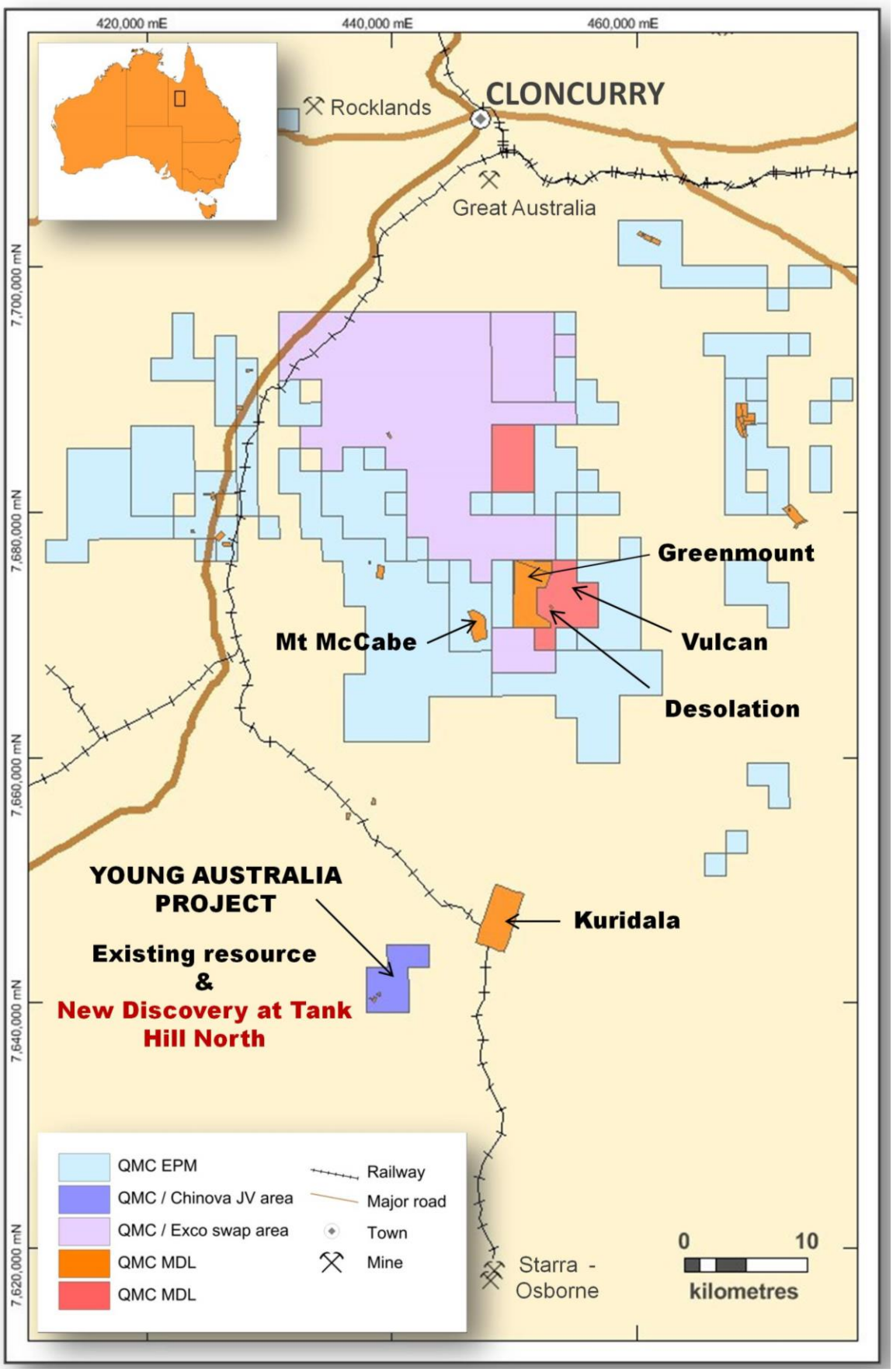

Figure 1 Regional location of the Young Australian project

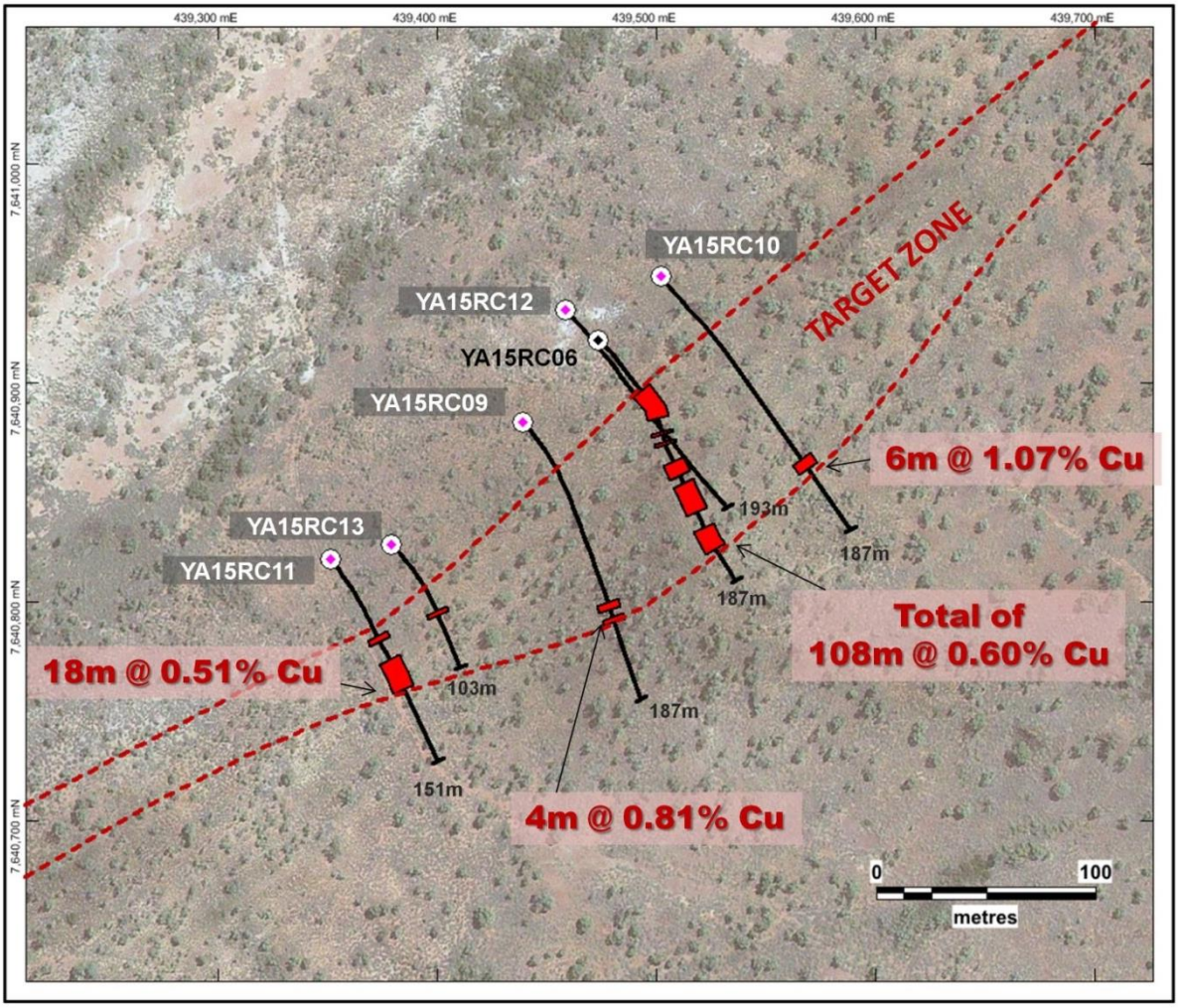

Figure 2 Drillhole location and target mineralised zone at Tank Hill North in Young Australian

Three holes (YA15RC09, 10 and 12) in the current 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 degrees towards east, but strong deviation has lifted the holes to about -35 degrees 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.

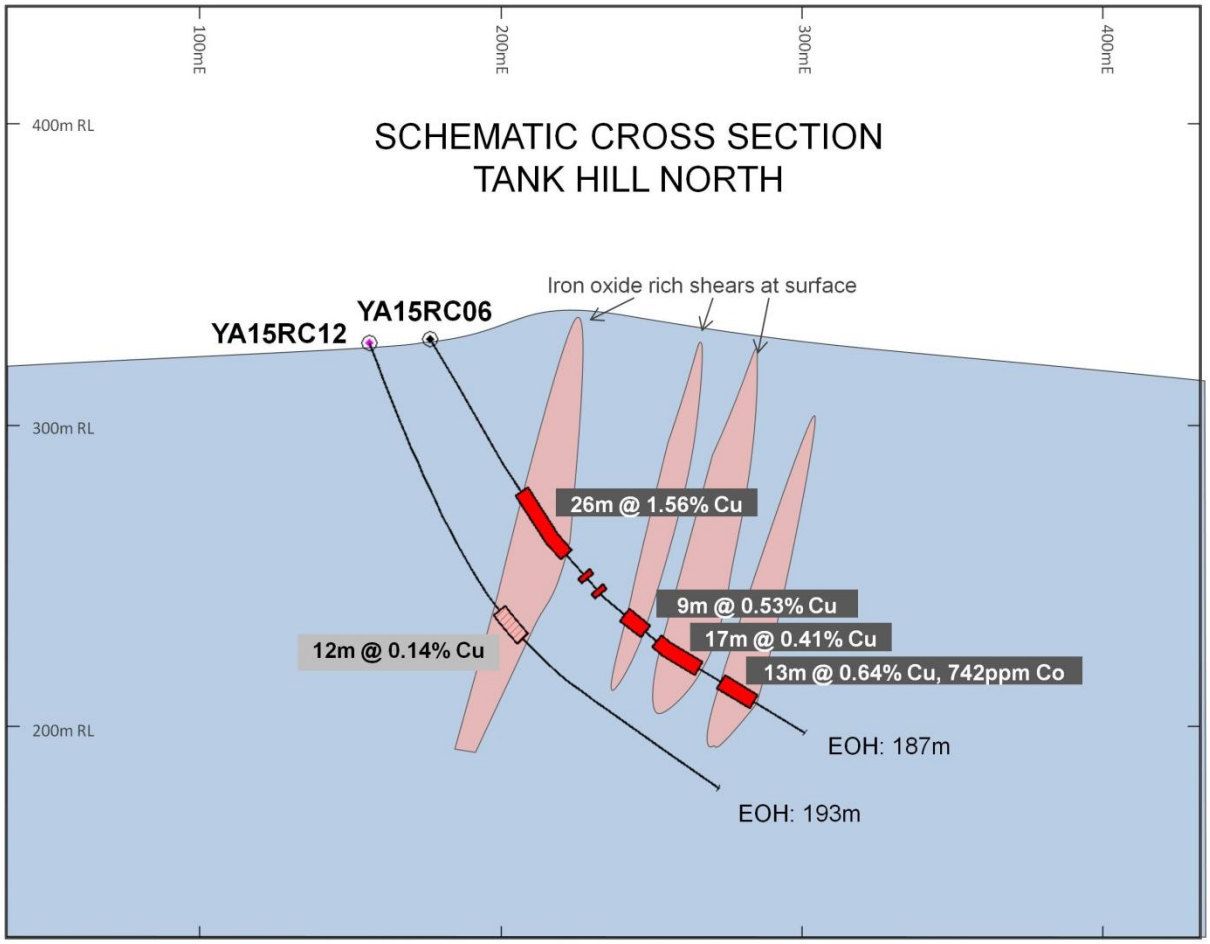

Figure 3 Cross section through Hole YA15RC06 and YA15RC12 (looking northeast)

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 outlined. 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 results 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

The follow-up drill program generally failed to extend the mineralization intersected in Hole YA15RC06 in the Tank Hill North area. Preliminary review of the drilling results points to the highly variable nature of the mineralization along strike and down dip. However, the drilling was constrained to only 200m strike length of the 1 km Tank Hill copper zone and the potential of the Young Australian project has not been fully realized yet. A combined geological mapping and rock/soil sampling program is being prepared along strike further to the northeast of Tank Hill North and elsewhere within the tenement. The outcome will assist in design of drill programs to test priority targets for the discovery of significant mineralization in the 2016 field season.

Corporate Activities

The Company continue the dialog with several parties for potential cooperation in joint development of the White Range Project and exploration of the Company's highly prospective tenement holdings in Cloncurry.

Following the Federal Court hearing in December 2015 Butmall Pty Limited was ordered to be wound up pursuant to section 459A of the Corporation Act 2001.

The application to bankrupt Mr Howard Renshaw is in progress. A court hearing of the application is expected to be scheduled in the near future.

For further details please contact:

Mr Eddy Wu
CEO
Tel: 02 8964 6411
Email: Admin@qmcl.com.au

Competent Persons Statement

The information in this report that relates to Exploration Results 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.

Rule 5.5

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	Quarter ended ("current quarter")
61109962469	31 December 2015

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	(563)	(1,351)
	(b) development		
	(c) production		
	(d) administration	(160)	(334)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	5	44
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)		
	-GST refund	36	55
	-ATO GIC		
	-Payroll & PAYG Tax paid	(36)	(66)
	Net Operating Cash Flows	(718)	(1,652)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets		(52)
1.9	Proceeds from sale of: (a) Tenements	60	60
	(b) equity investments		
	(c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	-Joint Venture		
	Net investing cash flows	60	8
1.13	Total operating and investing cash flows (carried forward)	(658)	(1,644)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(658)	(1,644)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	0	0
	Net increase (decrease) in cash held		
1.20	Cash at beginning of quarter/year to date	2,377	3,363
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	1,719	1,719

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
- Director fee 24

Payment to Eddy Wu
- Director fee 25

Payment to Jun Qiu
- Director fee 12

Payment to Joyce Wang which Joyce Wang is an alternate Director
- Accounting and taxation services 10

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

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

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	60	84
5.2	Deposits at call	1,016	2,033
5.3	Bank overdraft	-	-
5.4	Other Online Saving Account	643	260
	Total: cash at end of quarter (item 1.22)	1,719	2,377

+ See chapter 19 for defined terms.

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	EPM17323, QLD	EPM	100%	0
6.2	Interests in mining tenements and petroleum tenements acquired or increased	EPM17602, QLD	EPM	51%	85%

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** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	1,754,695,877	1,754,695,877		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities** (*description)*				

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	20,000,000 options (1 option for 1 ordinary share)	Nil	*Exercise price* $0.01	*Expiry date* 30 June 2018
7.8	Issued during quarter	20,000,000 options			
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: Date: 21/1/2016

Company secretary

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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Appendix 1 QMC Tenement Schedule as at 31 December 2015

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	100%	100%	-	-	
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%	-	-	
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%	-	-	
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%	-		
Pigeon 3	**EPM 17323**	NW QLD	100%	0	-	Sold	
Top Camp	**EPM17602**	NW QLD	51%	85%	34%	-	Findex
Mt Norma West	**EPM 17922**	NW QLD	100%	100%	-	-	
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%	-	-	
Jackeys Creek	**EPM25669**	NW QLD	100%	100%	-		
Copper Canyon East	**EPM25849**	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	**ML 90175**	NW QLD	100%	100%	-	-	

SURROUND 4							
MT NORMA SURROUND 5	**ML 90176**	NW QLD	100%	100%	-	-	
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	• 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	• 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	• RC recovery is initially visually estimated based on the size of the green bags • Recovery was good, with relatively consistent sample size
Logging	• 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	• 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

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 18 standards with various values, 9 duplicates and 9 blanks were used for the drill program
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 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	• 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 structures 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 pallets for transport • Samples were transported to the 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	• 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	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. Exploration has also been completed within the wider area since the 1960s and has included: • MIM, Carpentaria (1963 – 1697): 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	• 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.

	• 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	• Full drill collar details, including coordinates, orientation, and final depth, are provided in Table 1 of the announcement
Data aggregation method	• 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	• The relationship between the mineralisation width and interception lengths is not known at this early stage of exploration.
Diagrams	• See Figure 2 & 3 of this report
Balanced reporting	• The accompanying document is considered to represent a balanced report
Other substantive exploration data	• Refer to body of report for additional geological observations
Further work	• Additional drilling is planned at the Tank Hill and Tank Hill North prospects