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ASX Market Announcement

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Significant Copper and Molybdenum Mineralisation Returned from Copper Canyon in Cloncurry

Queensland Mining Corporation Limited (**ASX: QMN**) is pleased to announce the results from the recently completed RC drilling program at Copper Canyon, approximately 25 km south of Cloncurry in northwest Queensland (Figure 1). The program consisted of 10 holes for a total of 1,028m to follow up historical drilling undertaken by other companies in the 1990s. The drilling has intersected significant copper mineralisation with substantial gold and cobalt values, as well as the first occurrence of high grade molybdenum mineralisation. The highlights from the assay results include:

- ***37m @ 0.78% Cu, 0.50g/t Au and 976ppm Co from 54m, including 8m @ 2.27% Cu, 1.61g/t Au and 1,237ppm Co from 59m in Hole CC16RC01***
- ***67m @ 0.52% Cu, 0.24g/t Au and 767ppm Co from 34m, including 10m @ 1.23% Cu, 0.83g/t Au and 847ppm Co from 84m in Hole CC16RC03***
- ***9m @ 1.02% Cu, 0.47g/t Au and 268ppm Co from 58m, including 3m @ 2.37% Cu, 1.13g/t Au and 261ppm Co from 60m in Hole CC16RC10***
- ***7m @ 3.0% Mo and 0.94g/t Au from 46m, including 3m @ 6.36% Mo and 1.98g/t Au from 46m in Hole CC16RC06***

The Copper Canyon prospect is situated in the northeast part of MDL204 which lies on the eastern flank of the regionally prominent Marimo basin in the Cloncurry mineral province. MDL204 covers a total area of 1,920 ha and is 100% owned by QMC's subsidiary White Range Mines Pty Ltd. The prospect also forms part of the Company's White Range project and is only about 10km north of the Greenmount deposit which contains the single largest copper resource for the project.

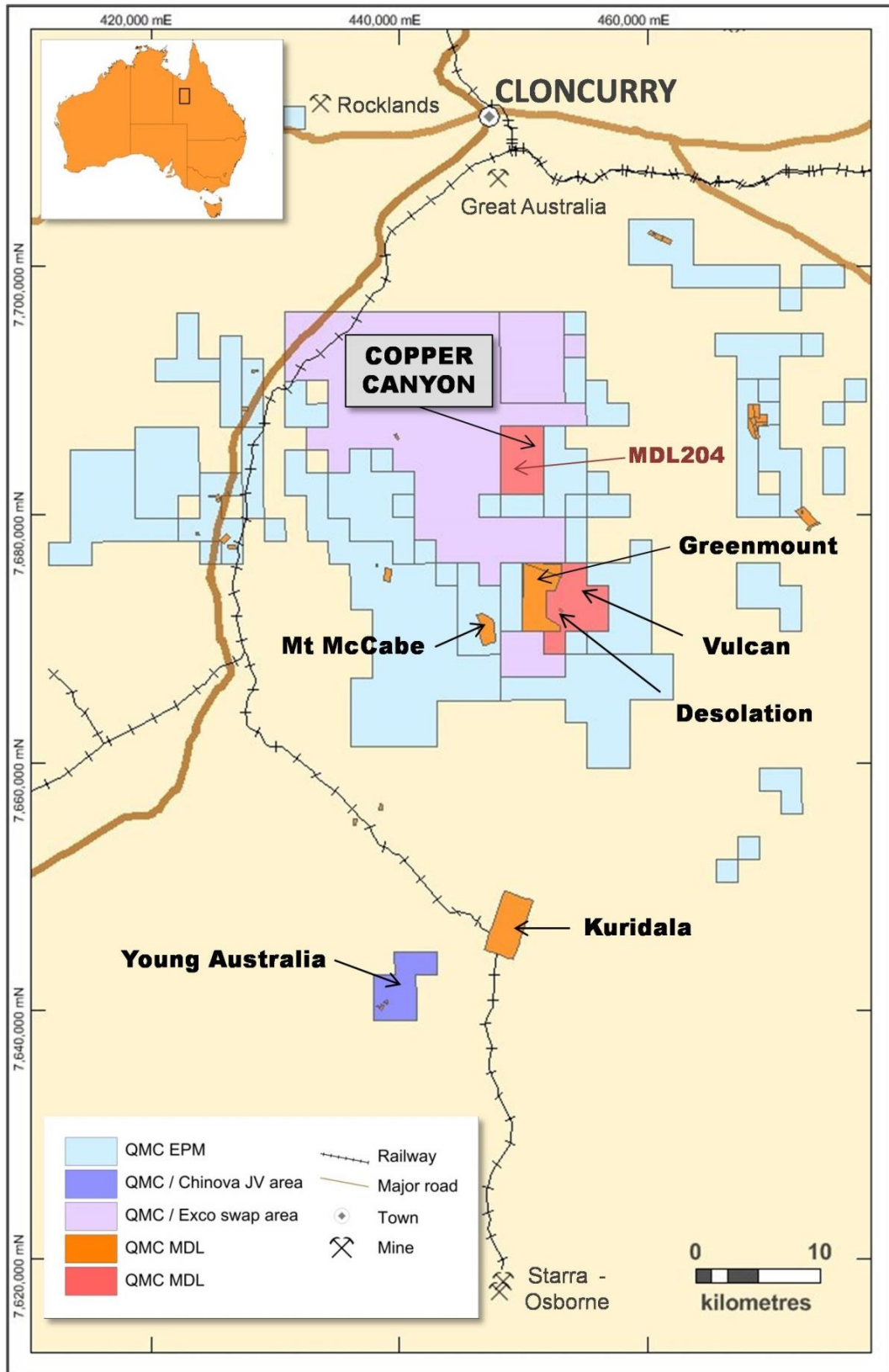


Figure 1 Regional location of the Copper Canyon prospect

The local geology is dominated by NNW-SSE striking Staveley Formation sandstone in the east and the Marimo slate in the west. Known mineralization occurs along the stratigraphic contact but is mainly constrained within the altered Marimo slate unit in the form of malachite-chalcocite-bornite veins, stockworks, breccia matrices and disseminations.

The purpose of the current drill program was to test a new geological model developed for the Copper Canyon prospect. Contrary to the previous understanding of an overall west-dipping synclinal sequence, QMC has re-interpreted the local structure as a west – directed thrust system with the main thrust plane sitting between the Staveley Formation and the underlying Marimo slate. These thrust faults and associated secondary imbricate faults along with NE-SW cross faults played critical role in the formation and distribution of copper-gold-cobalt mineralization in Copper Canyon. Previous drilling undertaken by other companies mainly in the 1990s reported significant intersections but the mineralization revealed is highly variable both along strike and down dip. The drilling orientation is almost all towards northeast in accordance with their structural interpretation.

Of the 10 holes completed for the current program, 9 holes were drilled towards southwest and all the holes were angled at -60 degrees. Hole CC16RC02 was abandoned at 77m depth due to poor ground conditions. Details of the drillhole information are set out in Table 1 and their locations are shown in Figure 2.

Table 1 Drillhole details for the RC program at Copper Canyon

Hole ID	Easting (GDA)	Northing (GDA)	Azimuth (Grid)	Dip	Depth (m)
CC16RC01	450379	7686578	240	-60	101
CC16RC02	450397	7686591	240	-60	77
CC16RC03	450365	7686605	240	-60	120
CC16RC04	450350	7686621	240	-60	101
CC16RC05	450370	7686638	60	-60	96
CC16RC06	450377	7686635	240	-60	107
CC16RC07	450393	7686559	240	-60	114
CC16RC08	450448	7686508	240	-60	102
CC16RC09	450650	7686049	250	-60	108
CC16RC10	450407	7686372	240	-60	102

Assay results have returned broad intervals of high grade copper mineralization with significant gold and cobalt credits at shallow depths (Table 2). The best hole in the program is CC16RC01, which was drilled about 80m northeast of the best Homestake hole in 1992 (56m@1.58% Cu and 0.71g/t Au from 64m in Hole CCNRC27) but at an opposite direction, intersecting **37m@ 0.78% Cu, 0.50g/t Au and 976ppm Co from 54m** plus a higher grade interval of **8m@ 2.27% Cu, 1.61g/t Au and 1,237ppm Co from 59m**. The narrower intercept from the current drilling confirms the dip direction of the interpreted mineralisation zone (Figure 3).

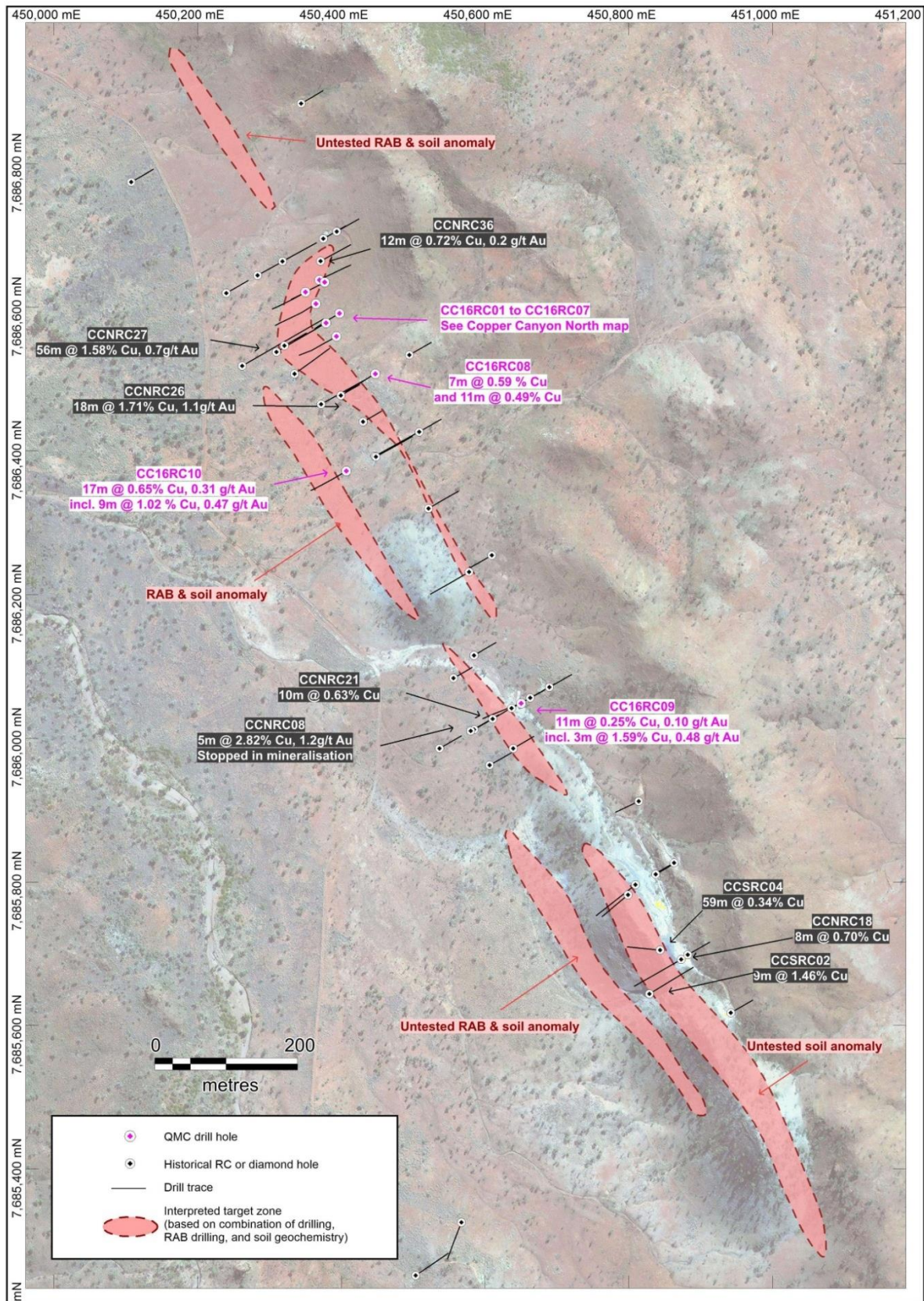


Figure 2 Drillhole distribution in Copper Canyon

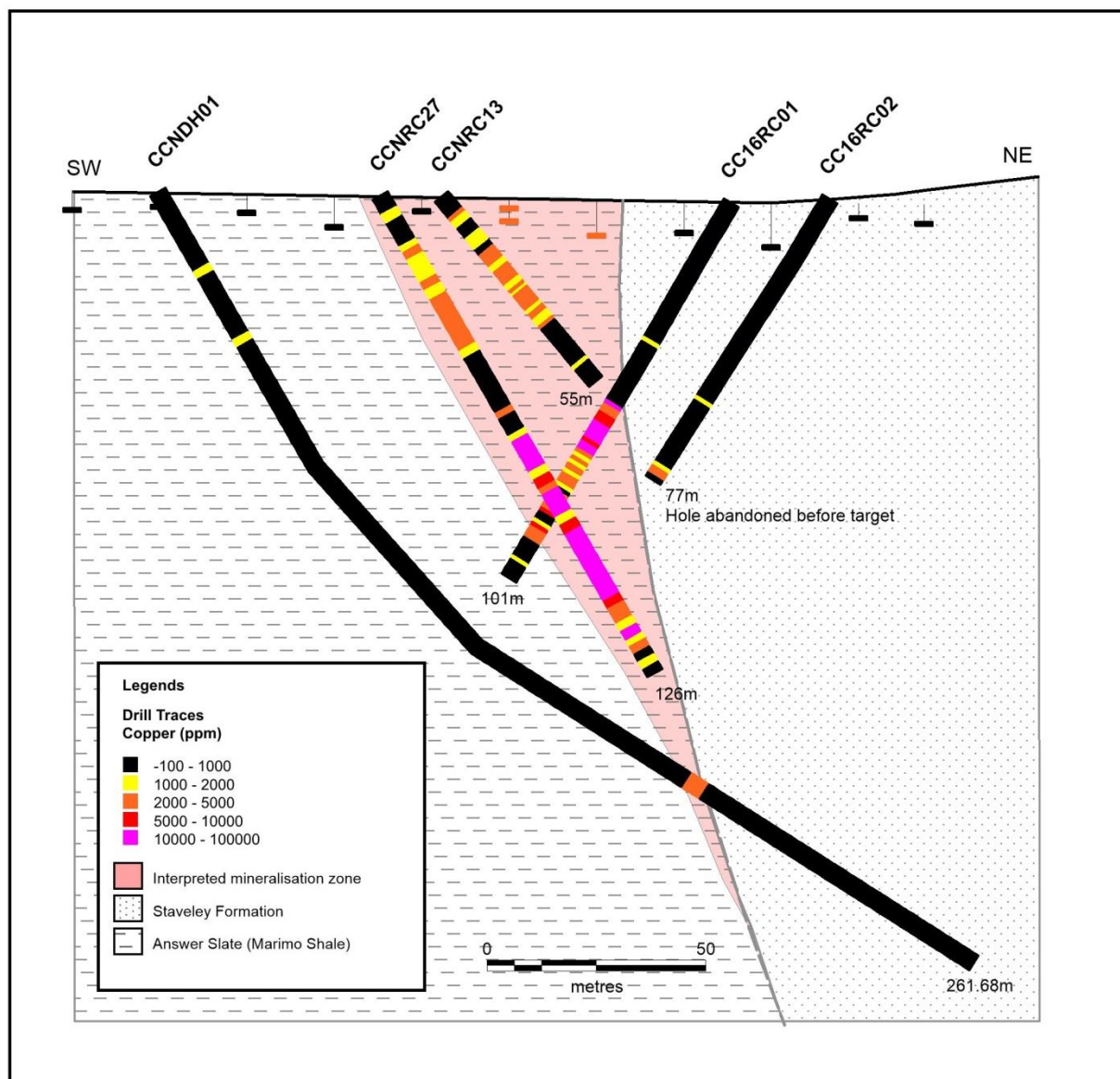


Figure 3 Cross section through current Hole CC16RC01 and historical holes, showing the occurrence of defined mineralisation (looking northwest)

Table 2 Selected drill results from the RC program at Copper Canyon (using a 0.2% Cu cut-off grade and 3m internal dilution; 0.1% Mo cut-off)

Hole ID	From (m)	To (m)	Interval (m)	Cu (%)	Au (g/t)	Co (ppm)	Mo (%)
CC16RC01	54	91	37	0.78	0.50	976	
Incl.	59	67	8	2.27	1.61	1237	
CC16RC03	34	101	67	0.52	0.24	767	
Incl.	84	94	10	1.23	0.83	847	
CC16RC10	58	67	9	1.02	0.47	268	
Incl.	60	63	3	2.37	1.13	261	
CC16RC06	46	53	7		0.94		3.0
Incl.	46	49	3		1.98		6.36

The second best hole in the program is CC16RC03. It was drilled about 30m northwest of Hole CC16RC01 along strike with aim to test the extension of mineralisation intersected in the historical hole CCNRC27. This hole reports **67m@ 0.52% Cu, 0.24g/t Au and 767ppm Co from 34m**, including a higher grade of **10m@ 1.23% Cu, 0.83g/t Au and 847ppm Co from 84m**. The mineralisation envelope, if using 0.1% Cu as cut-off, has reached as wide as 70m averaging 0.50% Cu, 0.24g/t Au and 739ppm Co from 31m, being the broadest intercept in the current drill program (Figure 4).

Of particular interest, Hole CC16RC06 returned **7m@ 3.0% Mo and 0.94g/t Au from 46m**, including a very high grade of **3m@ 6.36% Mo and 1.98g/t Au from 46m**. This hole was sited about 55m to the northeast of Hole CC16RC01 along strike and also intersected broad low grade copper mineralisation above and below the molybdenum zone. As only one hole was drilled into this newly discovered molybdenum mineralisation zone and hence the zone remains open in all directions. In addition, molybdenum mineralisation of this type usually contains significant amount of rhenium, a rare metal with a much higher price. Analysis of the drill samples for rhenium will be organised in next few weeks through the same lab in Townsville.

The drilling has justified the new geological model for Copper Canyon and proved up a continuous mineralised zone of up to 100m long and 30m wide in the northern part of the prospect (Figure 4). Geological mapping and soil sampling have commenced in the entire prospect area with emphasis on the southern and western parts which have not been drilled before. RAB drilling over the alluvium covered areas has been scheduled to start in July 2016 with endeavour to outline geochemical anomalous zones associated with new mineralisation in the Copper Canyon area.

Eddy Wu, QMC's CEO, said "the Company is very excited about these encouraging drill results obtained from Copper Canyon. The broad copper intervals across most holes in the program and the newly discovered molybdenum mineralisation reinforce our belief in the real potential of the White Range project tenement package. Further RC and diamond drilling in the prospect area is expected to open up new opportunities and may lead to a JORC resource towards the end of the year".

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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.

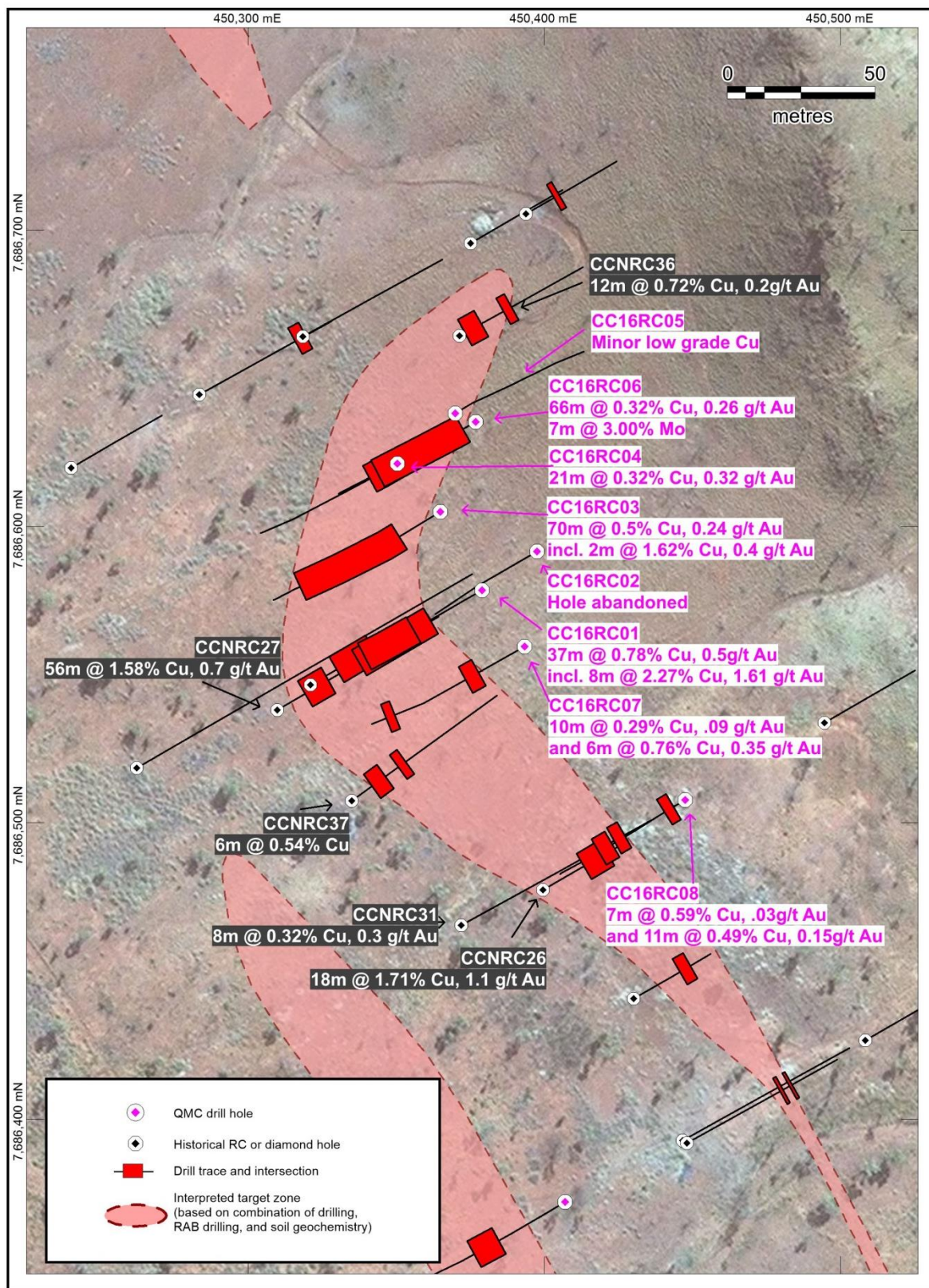


Figure 4 Copper mineralisation zones defined in Copper Canyon

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 an RCD250 rig with 900/350 Compressor onboard 10 holes were drilled, for a total of 1,028m.
Sampling Techniques	<ul style="list-style-type: none"> All drill samples were collected at 1 metre intervals Drill samples were riffle split using a riffle 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
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. Mineralised intervals were assayed individually as 1m samples. The remainder of the samples were submitted as 2m composites. Selection of samples was 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). All samples were also analysed for gold (Au-AA25). The four acid digest used in ME-ICP61 is considered to be a 'near-total' digest. Sample preparation is consistent with industry standard practice

	<ul style="list-style-type: none"> The sample sizes are appropriate for the material being sampled
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 40 standards with various values, 20 duplicates and 20 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 taken every 30m using a digital survey camera 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
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Drill holes were mostly designed to intersect the mineralized structures at depths of between 40 and 80m, targeting an interpreted supergene enrichment zone Drilling orientation was proposed to be approximately perpendicular to the strike of mapped mineralised zones The majority of holes were drilled at an azimuth of 240 degrees and aimed to intersect interpreted northeast-dipping structures
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"> MDL 204 (Copper Canyon) is 100% owned by White Range Mines Pty Ltd, which is a subsidiary of QMC.
Exploration done by other parties	<p>Modern exploration has been conducted at Copper Canyon since the 1970s. Major programs are as follows:</p> <ul style="list-style-type: none"> Valiant Exploration, 1970s. Completed soil sampling, costeaning, ground magnetics, IP surveys, and drilling. Focus was on the Just Found and Duchene Prospects, outside of the current drilling area. Homestake & Valdora, 1980s to 1990s. Mapping, stream sampling, rock chip sampling, RAB drilling, TEM geophysics, and percussion drilling. This included 37 percussion holes (total 2830m) at Copper Canyon. Holes mostly targeted gold mineralisation. Majestic Resources, 1990s. Drilled two holes at the southern end of Copper Canyon. BHP also flew a regional GEOTEM survey during this period. Matrix Metals, 2000s. Lag sampling, rock chip sampling, soil sampling. Drilled nine percussion holes in the broader Copper Canyon area. Also completed 21 holes at Dodgy Rock, south of the current drilling area.
Geology	<ul style="list-style-type: none"> MDL 204 contains rocks from the Answer Slate (previously Marimo Slate) and Staveley Formation. The Answer Slate is dominated by slate and shale, often black and carbonaceous. The Staveley formation consists of a mix of calcareous to ferruginous siltstone, sandstone, conglomerate, matrix-supported breccia, and dolomitic limestone. Contacts between the Answer Slate and Staveley are interpreted to faulted. Mineralisation at Copper Canyon occurs in fault zones at or near the contact between the Answer Slate and the Staveley formation. Cross faults might also play a role in controlling mineralisation. Copper mineralisation is dominated by chalcocite, with lesser malachite occurring near the surface. Supergene enrichment is interpreted to have played a significant role at Copper Canyon.

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 intersects were calculated using a 0.2% copper cut-off. A maximum of consecutive 3m of below 0.2% samples were allowed within each zone. 0.1% Mo cut-off was used.
Relationship between mineralisation widths and intersection lengths	<ul style="list-style-type: none"> • The relationship between the mineralisation width and intersection lengths is not known at this early stage of exploration.
Diagrams	<ul style="list-style-type: none"> • See Figure 2, 3 & 4 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"> • Proposed work consists of additional geological mapping, soil sampling, RAB drilling, and follow-up RC drilling. This will mostly target areas near to, but separate from, the current drilling area.