



## Queensland Mining Corporation Limited

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# Quarterly Report

For the period ended 30 September 2013

29 October 2013

## HIGHLIGHTS

### Corporate

- Company focus to remain primarily on new discovery and resource expansion at the Company's White Range Copper Project whilst other high impact targets are actively assessed throughout the extensive land holdings with endeavour for company making discoveries.
- The head office of the Company has relocated to Sydney on 1 October 2013.
- Mr Eddy Wu was appointed a director and the CEO of the Company.
- Mr Pipvide Tang was appointed the CFO and Company Secretary of the Company.
- A two for five non-renounceable Rights Issue was announced to the market on 8 October 2013.
- The 2013 Annual General Meeting will be held in Sydney on 22 November 2013.

### Operations

- Cloncurry operations have seen further reduction in staffing level during the quarter in order to minimize operating costs. A new strategy has been developed with the aim of expanding the White Range resources through drill testing existing targets and making new discoveries by defining and testing high impact IOCG targets throughout the extensive land holdings in the Cloncurry district.
- Exploration work during the quarter has been focused on the following priority areas
  - Speculation
  - Kuridala South
  - Flamingo West
- Both Speculation and Kuridala South are located in the White Range tenements where historical drilling has returned initial encouraging results. Flamingo West is a brand new area identified recently through review and compilation of previous exploration data collected by other companies.

## Exploration Activities Report

### White Range Project

The Company's White Range project consists of three major deposits located at Greenmount, Kuridala and Young Australian plus several satellite deposits in the surrounding areas (e.g. Mt McCabe, Vulcan and Desolation) (Figure 1). The total JORC compliant resource for the project stands at 28Mt@ 0.8% Cu for 224,000 tonnes of contained copper metals. In addition, the project contains approximately 180,000 ounces of gold and 10,000t of cobalt as by-product.

As reported in the last quarter, QMC's new strategy is to continuously grow the resource base in the White Range area through new discovery and/or expansion of known deposits. Field work during the current quarter is concentrated on delineation of drill targets in the Speculation and Kuridala South prospects, which are two out of the six priority targets selected in the last quarter by review and compilation of historical data.

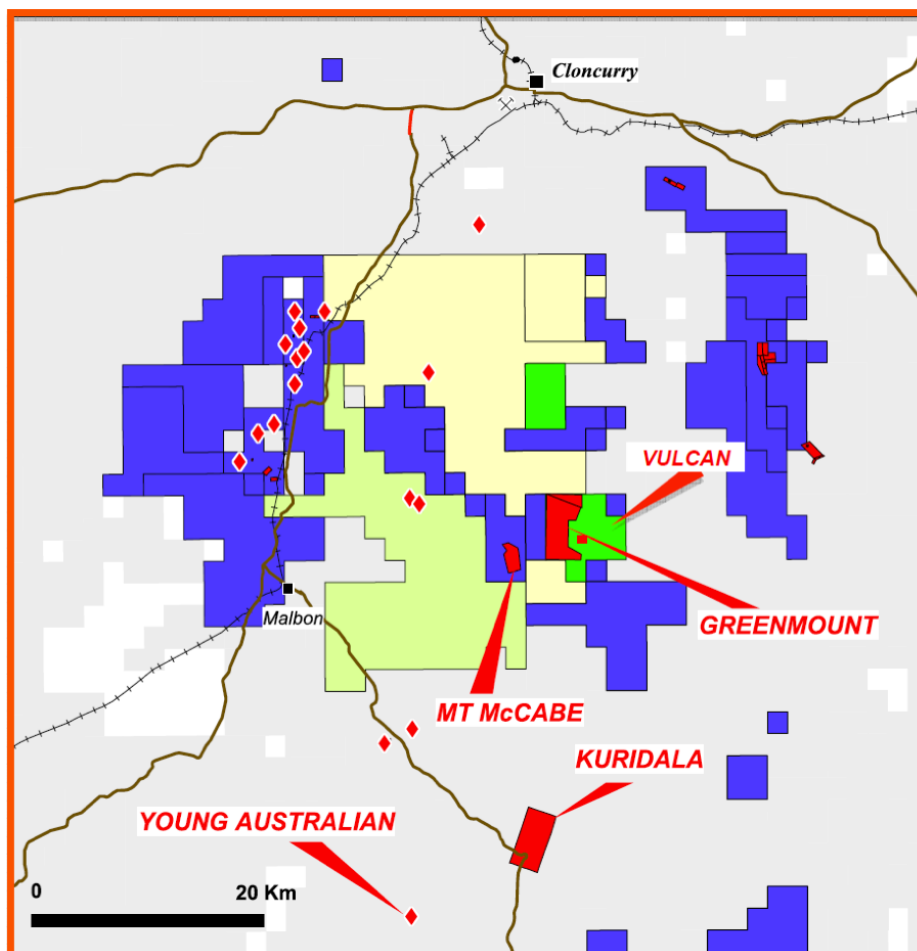


Fig. 1 White Range project location plan

## 1. Speculation Prospect

The Speculation copper prospect is centred approximately 40km south-southeast of Cloncurry and falls within the southeastern part of MDL205. The prospect is also only 4km to the southeast of the Greenmount deposit and 2km east of the Vulcan deposit (Figure. 2), both of which forms the important part of the JORC resources contained within the White Range project. The prospect area has been explored by Homestake in the early 1990's in the form of geological mapping, soil sampling and RC drilling. Low to moderate grades of

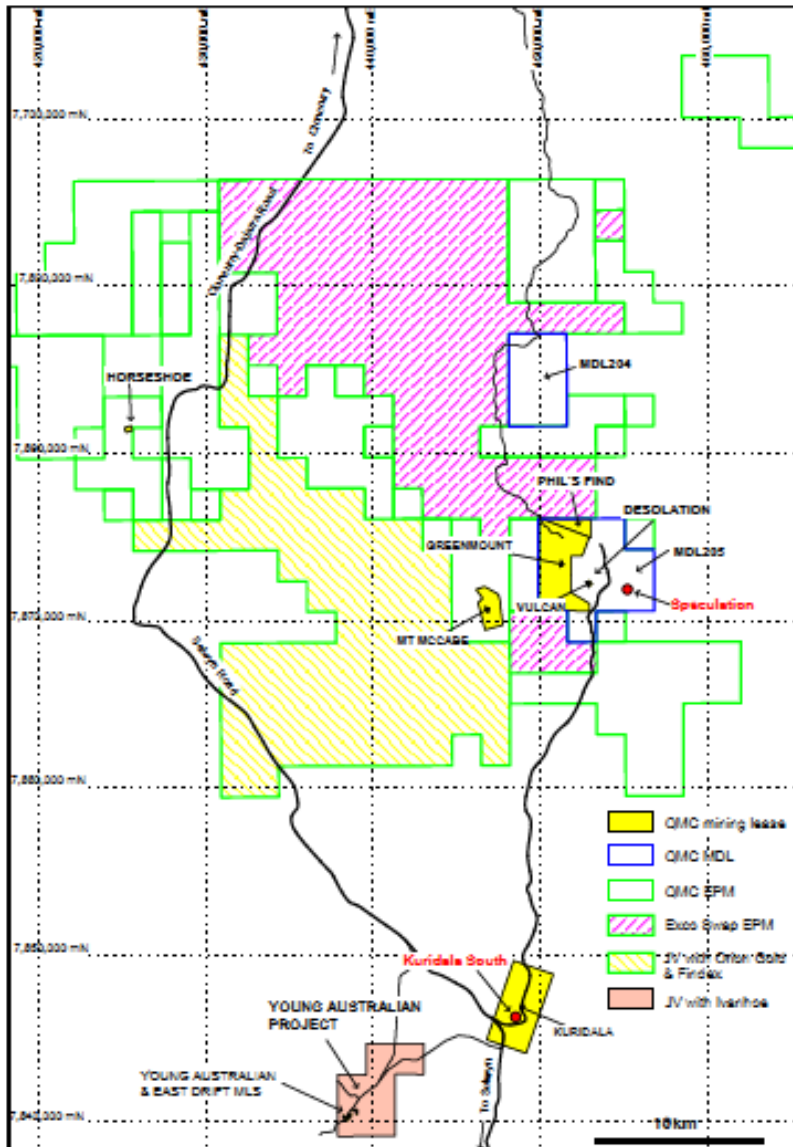


Fig. 2 Regional location of the Speculation and Kuridala South prospects

oxide copper mineralization were outlined from the surface, including encouraging intersections of 4m@1.81% Cu from 10m in hole SRC01, 12m@ 0.70% Cu from 26m in hole SRC02 and 35m@ 0.26% Cu from 1m in hole SRC03. All the holes were drilled into the eastern part of the prospect area.

The recently completed exploration work in Speculation consists of detailed geological mapping and hand held XRF soil sampling. The mapping was conducted on a 1:2500 scale and covers an area of 600m (E-W) by 700m (N-S) (Figure 3). Visible copper mineralization was observed in two near E-W striking zones with a combined strike length of > 200m and 10m wide (Figure 4), dipping moderately towards north. The mineralized zones are sub-parallel to the Marimo Slate/Staveley Siltstone contact but hosted in the lower part of the Marimo Slate unit where alteration (silicification and potassic alteration) and veining are abundant. The mineralized zones are crosscut by a near N-S trending fault in the middle, which resulted in a dextral displacement of the zone up to 100m, a feature that has not been recognized by the previous mapping. Minor copper mineralization in the form of azurite and malachite veins occurs along the N-S trending structure. Major copper mineralization in the form of azurite and malachite veins occurs along the N-S trending structure.

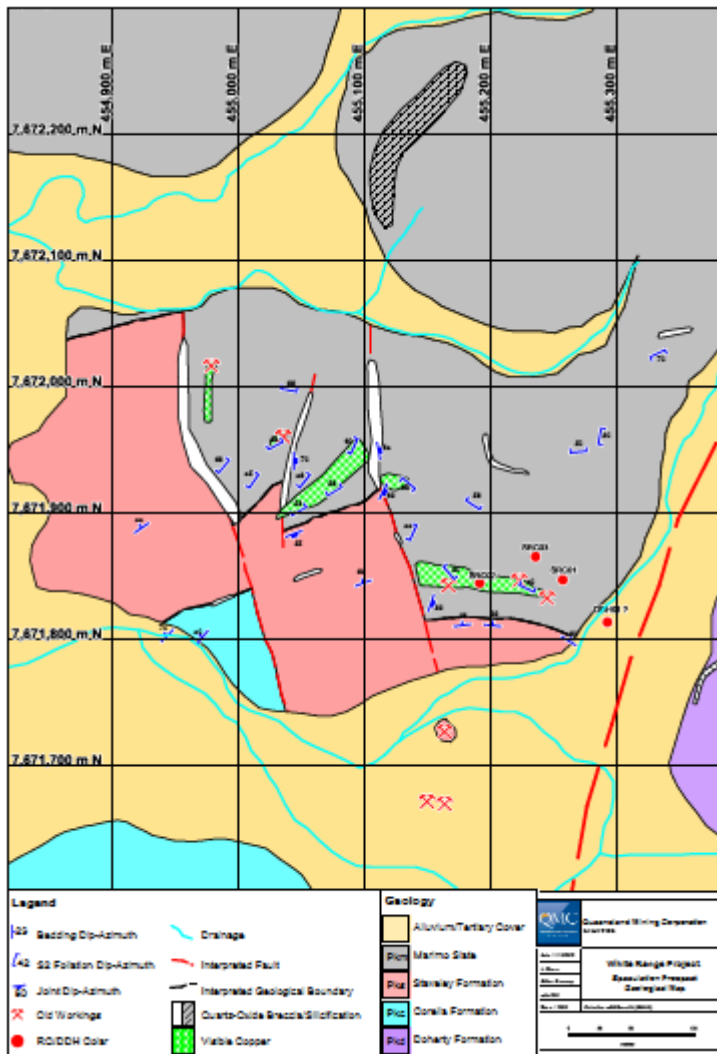


Fig. 3 Geological map of the Speculation copper prospect

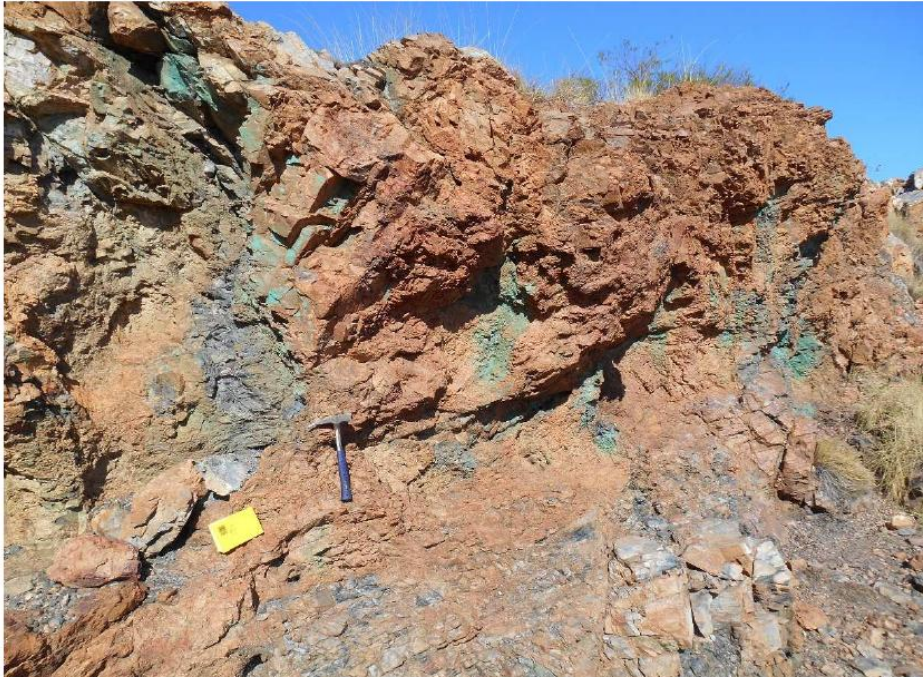


Fig. 4 Outcropped copper mineralization on the eastern ridge in Speculation (looking north)

In order to identify elevated copper geochemistry immediately surrounding the currently known mineralization as well as its potential extension to the north, a hand held XRF soil geochemical survey was carried out in Speculation. The program consists of a total of 262 sampling sites with 40m line spacing and 20m sampling intervals, providing a geochemical coverage of 400m (E-W) by 600m (N-S). The survey lines run N-S, being perpendicular to the recently mapped mineralized trend. The survey was conducted using an Innovex Delta model handheld XRF with the device set to soil testing mode and subject to daily calibration using a manufacturer provided standard. The sample sites were located with the use of a Garmin GPSmap 62s GPS. A rock pick was used to dig a shallow pit at each sampling site in order to obtain representative and homogeneous sample in the field. Three readings were taken at each site while figures for both copper and arsenic were recorded in a notebook. A comparison was also performed between the -80 mesh soil sampling program (AA-MS) undertaken by Homestake in the early 1990's and the recent handheld XRF soil program. The results show an average error of ca. 30% between the two methods.

The data when contoured show a strong WNW-ESE geochemical anomaly at an extent of more than 300m long and 100m wide with copper values above 500ppm (**Figure 5**). Given the similarity in geological characteristics and proximity in location to the Greenmount deposit (the largest single resource within the White Range project), Speculation is now ranked top on the list for discovery of the Greenmount style of copper mineralization in the area. A drillhole proposal is currently being developed and initial RC testing is scheduled to commence early next year.

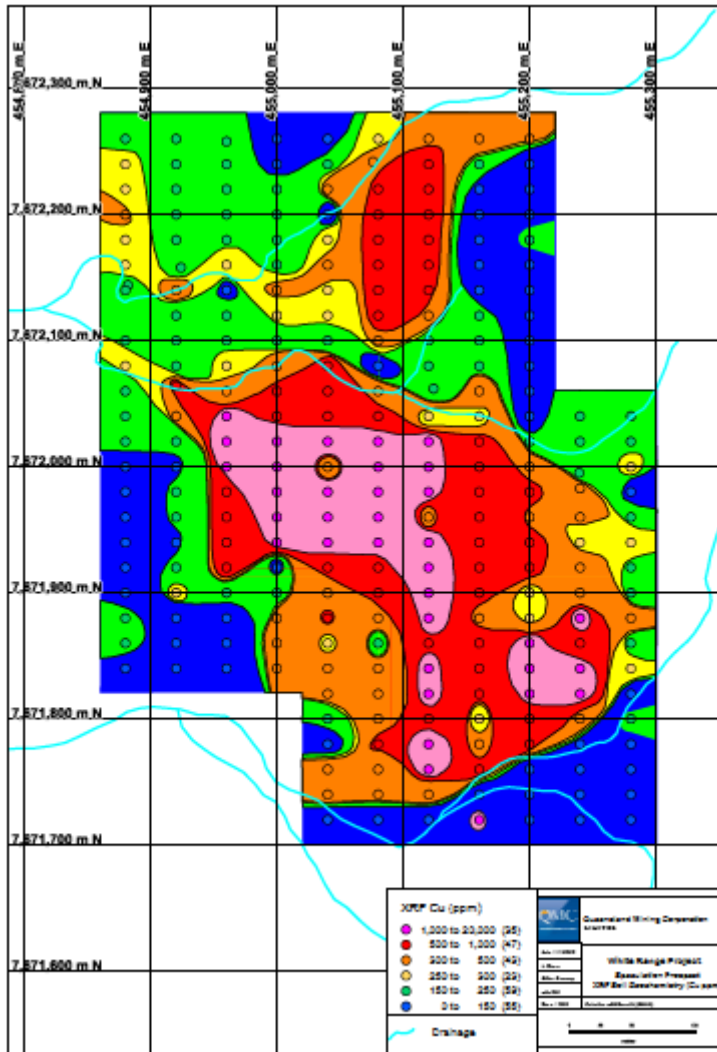


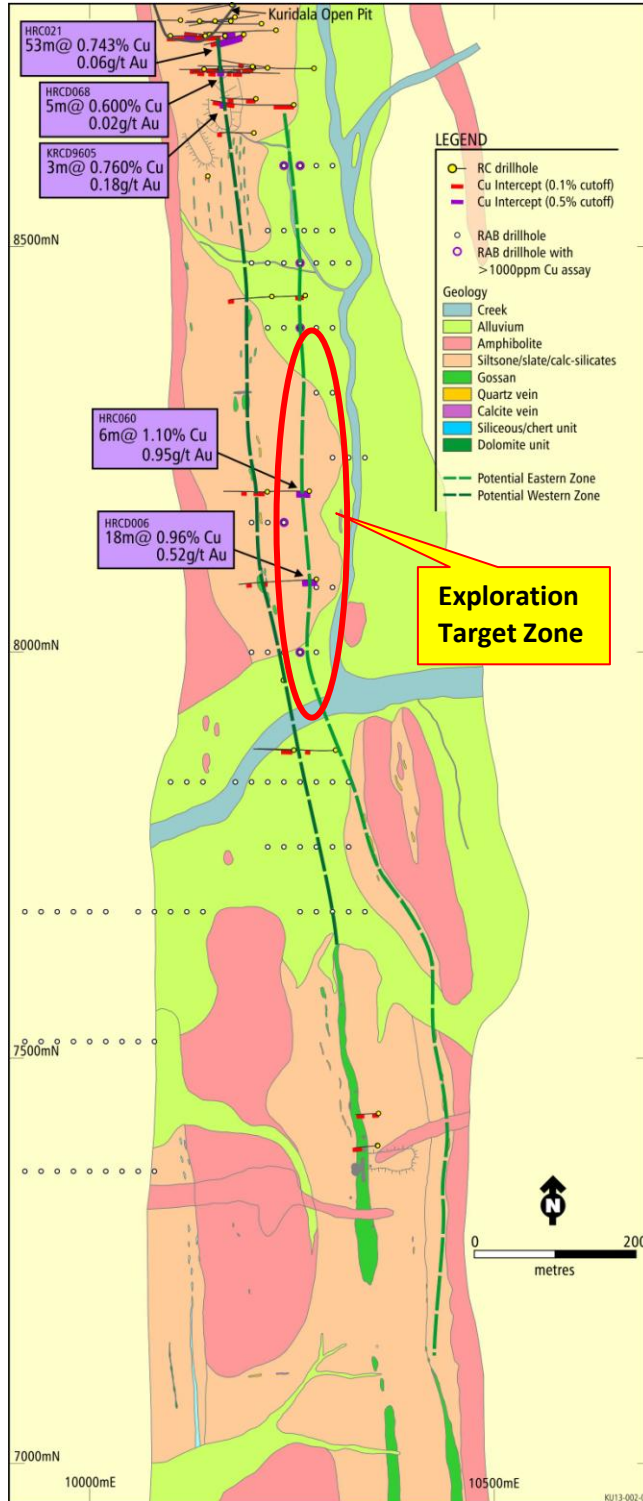
Fig. 5 Handheld XRF copper soil image showing the strong anomaly outlined during the quarter

## 2. Kuridala South Prospect

The Kuridala South prospect is referred to the immediate 2 kilometre southern strike extension of the Kuridala Resource which is located approximately 65km south of Cloncurry (see Figure 2). The prospect geology exhibits two parallel zones of mineralisation, the direct extension of the main Kuridala resource (western zone) and an eastern zone approximately 70m to the east. Historical RAB drilling south of the resource had identified a 600m long zone of anomalous copper (>1,000 ppm) and two follow up RC drill holes spaced 110m apart and located 500 metres south of the Kuridala resource intersected shallow secondary copper on the eastern zone. The results include 8m@ 1.21% Cu and 0.68g/t Au from 4m in HRCD006 and 6m @ 1.10% Cu and 0.95g/t Au from 12m in HRC060 (Figure 6).

Geological mapping carried out during the quarter verified the presence of sporadic gossanous quartz zone in the west and malachite-quartz stockwork and veins in the eastern

zone. Visible copper mineralization can be traced intermittently over 100m long and up to 10m wide. A short RC drill program has been designed to follow up the previous drill intersections and mapped mineralized zones with the aim to add additional resource to the Kuridala inventory.



**Figure 6** Kuridala South Geology showing historical drilling results

## Flamingo Project

The Flamingo copper project consists of 1 EPM (Exploration Permit for Minerals), 1 EPMA (Exploration Permit for Minerals Application), 2 granted mining leases and 6 mining lease applications centred approximately 100km north-northwest of Cloncurry (Figure 7). The project is also situated 90km northwest of Xstrata's world class copper mine at Ernest Henry (167Mt@ 1.10% Cu and 0.54g/t Au) and 40km north-northeast of Altona's Roseby copper project (128Mt@ 0.7% Cu). The area has seen considerable exploration work in the past 20 years, including major companies like MIM and Falconbridge. Initial encouraging results include 26m @ 2.71% Cu and 0.40g/t Au from 26m in one hole drilled into the current ML90013 by MIM in 1996. QMC also conducted two phases of RC drilling within the two mining leases (ML90103 and ML90104) in 2009 and 2000, respectively, with significant results like 11m@ 4.88% Cu and 1.93g/t Au being released to the market.

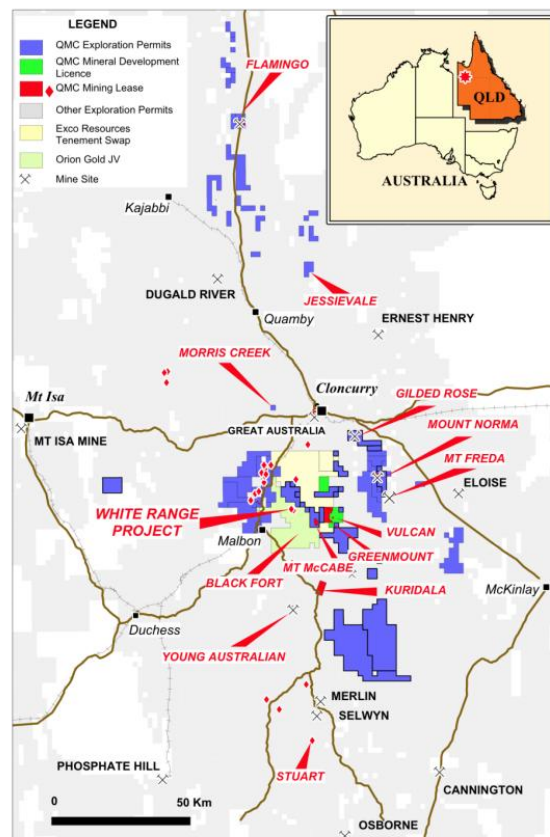


Fig. 7 Regional location of the Flamingo project

The regional geology is characterized by the prominent Coolullah Fault running N-S to the west and a NW-SE magnetic trend through the project area. The latter is interpreted as a splay off the major Coolullah Fault where their intersections provide structural traps to facilitate precipitation of metals from hydrothermal solutions.

Review and compilation of the historical data over the project area has led the definition of two magnetic highs with elevated copper values in stream sediments and soils in EPM18106. The target areas are designated as Carty's Bore and Poddy's (Figure 8), each of them showing over 1km in strike length. The prospect area is mostly covered with thin Cainozoic



alluvium and fluvium, which to some degree conceals the potential ore deposits being discovered by the previous explorers.

QMC considers the area has potential for IOCG style of mineralization. Elements interpreted as prospective for IOCG deposits include mafic and calc-silicate units of the Solders Cap Group, proximity to granitic intrusions and the development of brittle-ductile structural traps and jogs plus magnetic anomalism. Follow-up geological mapping has been planned with aim to identify any alteration and/or outcropped mineralization along deeply incised creeks to provide guide for subsequent auger soil program. Field work is expected to complete before the end of the current field season.

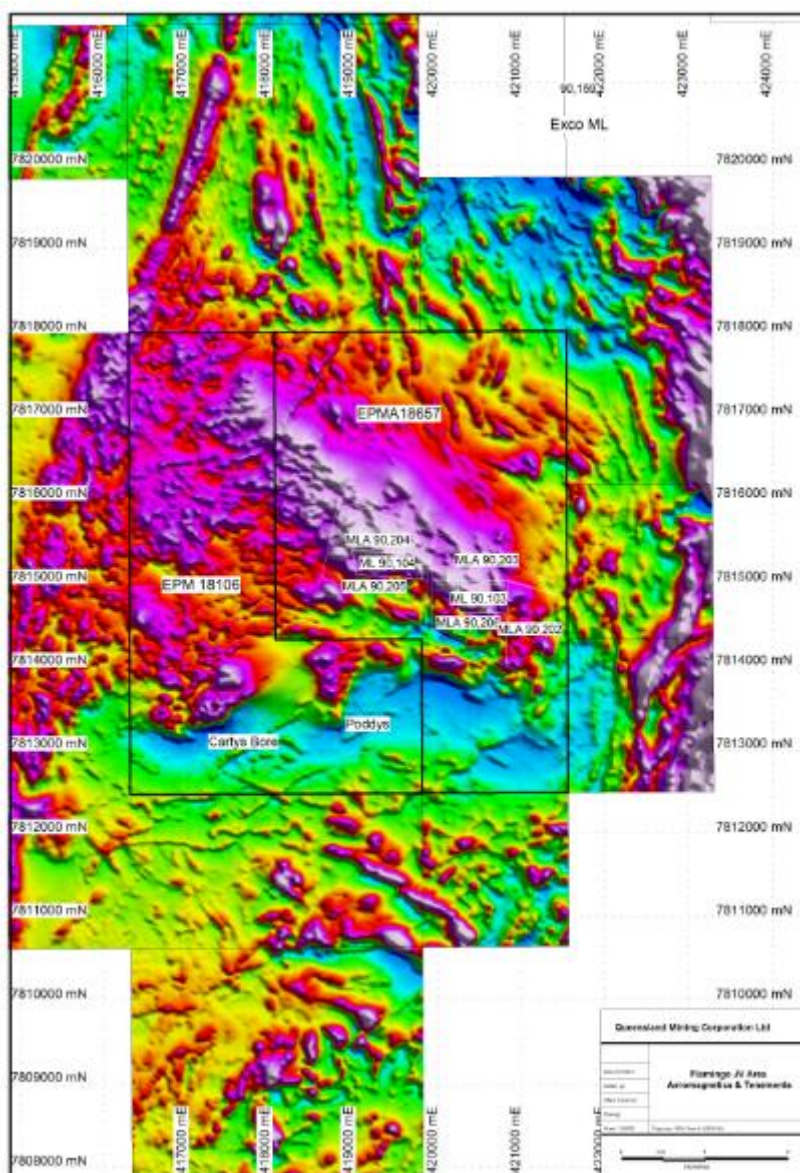


Fig.8 Two target areas are defined in EPM18106 “Flamingo West”

## Corporate Activities

During the Quarter the Board continue to apply a conservative fiscal strategy, with a strong emphasis on the reduction of corporate overheads and operating costs. The relocation of the head office to Sydney was completed. Mr Eddy Wu was appointed a director and the CEO of the Company and Mr Pipvide Tang was appointed the CFO and the Company Secretary.

With this simplified management structure and reduced administration costs, more resources are now directed to new discovery and resource expansion at the Company's White Range Copper Project and other outstanding new targets identified by our geologist team.

As at 30 September 2013 the Company had cash of \$0.75m.

On 8 October 2013 the Company announced a non-renounceable Rights Issue to all eligible shareholders. It offers two new shares for every five shares held and issue at a price of \$0.012 per new share, to raise approximately \$4.18m. The major purpose of the offer is to fund the ongoing costs of exploration and development of the White Range Project. Several major shareholders and directors are committed to take up their own entitlements under the Rights Issue and will apply for additional shares from the shortfall, if any.

In relation to the claim against the former Managing Director, Mr Howard Renshaw and others, the parties has lodged a counter claim against the Company pursuant to which they seek payment of: \$110,000 plus interest at 12% per annum from 21 December 2012 to the day of payment; \$161,894 plus GST and interest at Court rates until the date of payment; damages; interest and costs on an indemnity basis. It is the Company intention to fully defend the counter claim. The hearing is expected to take place in February 2014.

The notice of 2013 Annual General Meeting was sent to all shareholders on 21 October 2013. The meeting will be held at 2:30pm on 22 November 2013 at Christie Conference Centre, 3 Spring Street, Sydney, NSW 2000. All shareholders are encouraged to attend the meeting and meet up with the new Board of Directors and its management team.

**For further details please contact:**

Mr Eddy Wu

CEO

Tel: 02 8964 6411

Email: [Admin@gmcl.com.au](mailto:Admin@gmcl.com.au)

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Guojian Xu, a Member of Australasian Institute of Mining and Metallurgy. Dr Guojian 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 2004 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.*

## 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

61 109 962 469

Quarter ended ("current quarter")

30 September 2013

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration – see 1.25	(706)	(706)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	9	9
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
- GST Refund	24	24
- R & D Grant Received	366	366
- Payroll & PAYG Tax Paid	(49)	(49)
	(712)	(712)
<b>Net Operating Cash Flows</b>		
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	130	130
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
	130	130
<b>Net investing cash flows</b>		
1.13 Total operating and investing cash flows (carried forward)	(582)	(582)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(582)	(582)
	<b>Cash flows related to financing activities</b>		
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)		
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(582)	(582)
1.20	Cash at beginning of quarter/year to date	1,334	1,334
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	75 <sup>2</sup>	75 <sup>2</sup>

**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	34
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 Garry Lowder	
- Director fee	6
Payment to Lakshman Jayaweera	
- Director fee	10
Payment to Eddy Wu	
- Director fee	7
Payment to Luminous Partnering Pty Ltd of which Eddy Wu is a director	
- Director fee	4
Payment to Luminous Partnering Pty Ltd of which Cathie Wu is a director	
- Director fee	4
Payment to Joyce Wang which Joyce Wang is an alternate director	
- Accounting and taxation services	3

**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

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+ See chapter 19 for defined terms.

- 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

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### 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
<b>Total</b>	<b>450</b>

### 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	752	15
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other Online Savings Account	-	1,319
<b>Total: cash at end of quarter (item 1.22)</b>	<b>752</b>	<b>1,334</b>

+ 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			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

### 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	<b>Preference securities</b> <i>(description)</i>			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	<b>+Ordinary securities</b>	869,999,817	869,999,817	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			
7.5	<b>+Convertible debt securities</b> <i>(description)</i>			

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> (description and conversion factor)	17,450,000	Nil	Exercise price 10 cents	Expiry date 30/11/2014
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> (totals only)				
7.12	<b>Unsecured notes</b> (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 give a true and fair view of the matters disclosed.



Sign here: .....  
Company secretary

Date: 29 October 2013

Print name: Pipvide Tang

## 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.

+ See chapter 19 for defined terms.

- 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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