

QUEENSLAND MINING CORPORATION LIMITED
A.B.N. 61 109 962 469

HALF-YEARLYREPORT
31 DECEMBER 2013

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DIRECTORS' REPORT

Your directors present this report on Queensland Mining Corporation Limited ("the Company" or "QMC") and its subsidiaries ("the Group") for the six month period ended 31 December 2013 ("Reporting Period")

Current Directors

The names of directors who held office during or since the end of the half year:

Dr Lakshman Jayaweera	(Appointed 21 January 2013)
Mr Jun Qiu	(Appointed 21 June 2013)
Mr Eddy Wu	(Appointed 8 August 2013)
Mrs Joyce Wang	(Alternate to Mr Jun Qiu and appointed 21 June 2013)
Dr Garry Lowder	(Appointed 23 April 2013 and resigned 29 July 2013)
Ms Cathie Wu	(Resigned 8 August 2013)
Mr John Bradley	(Alternate to Dr Lakshman Jayaweera, appointed 10 April 2013 and resigned 9 December 2013)

Company Secretary

The names of company secretary who held office during or since the end of the half year:

Mr Riccardo Vittino	(Appointed 21 March 2013 and resigned 30 September 2013)
Mr Pipvide Tang	(Appointed 8 August 2013)

Report of Operations

With the formation of new management at the beginning of the current reporting period, the Company kept its focus on developing the White Range project. 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. As such, the exploration activities during the last six months have been concentrated on drill target definition in both Speculation and Kuridala South prospects within the White Range project and Flamingo West, a new area located in the Company's North Cloncurry project. In addition, a great effort has been put into statutory report writing by the Company's small technical team with a total of 23 annual reports and 10 relinquishment reports completed by the end of the half year.

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). The total JORC compliant resources for the project consist of 4.7Mt@ 1.1% Cu for 51,700t of contained copper metals in the measured category, 14.3Mt@ 0.8% Cu for 114,400t of contained copper metals in the indicated category and 9Mt@0.7% Cu for 63,000t of contained copper metals in the inferred category. In addition, the project contains approximately 180,000 ounces of gold and 10,000t of cobalt as by-product.

Queensland Mining Corporation Ltd A.B.N 61 109 962 469 and Subsidiaries

As the Company'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 last six months is concentrated on delineation of drill targets in the Speculation and Kuridala South prospects.

Speculation: the Speculation copper prospect is centred approximately 40km south-southeast of Cloncurry and falls within the south-eastern part of MDL205. The prospect is also only 4km to the southeast of the Greenmount deposit and 2km east of the Vulcan deposit, both of which form 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 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 exploration work completed in Speculation consists of detailed geological mapping and hand held XRF soil sampling. Visible copper mineralization was observed in two near E-W striking zones with a combined strike length of > 200m and 10m wide, dipping moderately towards north. The hand held XRF geochemical 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 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. A 5 RC holes program has been proposed to drill test the target and drilling is scheduled to commence March 2014.

Kuridala South: 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. 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 HRC006 and 6m @ 1.10% Cu and 0.95g/t Au from 12m in HRC060.

Geological mapping carried out during the six month period has 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.

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. 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 reported.

Review and compilation of the historical data over the project area has led to the definition of two magnetic highs with elevated copper values in stream sediments and soils in EPM18106. 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 to form IOCG style of mineralization. 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.

Competent Person Statement

The exploration results and mineral resources estimates mentioned in this report were previously reported in Greenmount Resources Update released on 7 August 2013; the 2013 Annual Report released on 22 October 2013 and the September Quarterly Activity Report released on 29 October 2013 and December Quarterly Activity Report released on 28 January 2014. The Company confirmed that it is not aware of any new information or data that materially affects the information included in the relevant announcements and, in the case of estimates of mineral resources that all material assumption and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

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.

Statutory Report Writing

As most of the Company's exploration tenements are granted towards the end of the year, the current reporting period has seen a great deal of effort put into statutory report writing by a very small technical team. In total, 23 annual reports and 10 relinquishment reports have been completed to fulfil the mines department regulation on tenement management. All the tenements are in good order as of the end of the reporting period.

Corporate Development

Management

Mr Tony Martin was resigned as the Chief Executive Officer ("CEO") on 30 September 2013 following the Company's decision to relocate the administration office back to Sydney. Mr Eddy Wu was appointed the CEO on 1 September 2013. Mr Riccardo Vittino also resigned as the Chief Financial Officer ("CFO") and Company Secretary on 30 September 2013. Mr Pipvide Tang was appointed the CFO and Company Secretary on 8 August 2013.

With the reduced headcount and simplified organisation structure, the Company has significantly reduced its overheads and ensured optimal use of its financial resources.

Capital Raisings and Financing

During the reporting period, the Company raised \$2.56 million in the Rights Issue announced on 8 October 2013.

Part of the shortfall of the Rights Issue was subsequently placed to several investors in January and February 2014 and raised an additional \$0.45 million.

The \$227,563 loan (including interest) due to Perfect National Global Limited was repaid on 16 December 2013.

The lead auditor's independence declaration under s307C of the Corporation Act 2001 is set out on page 7 of this report.

This report is signed in accordance with a resolution of the Board of Directors.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Eddy Wu', written in a cursive style.

Eddy Wu
Director and CEO

Sydney, 12 March 2014

DECLARATION OF INDEPENDENCE BY GRANT SAXON TO THE DIRECTORS OF QUEENSLAND MINING CORPORATION LIMITED

As lead auditor for the review of Queensland Mining Corporation Limited for the half-year ended 31 December 2013, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Queensland Mining Corporation Limited and the entities it controlled during the period.

BDO East Coast Partnership



Grant Saxon
Partner

Sydney, 12 March 2014

Queensland Mining Corporation Ltd A.B.N 61 109 962 469 and Subsidiaries

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	31.12.2013	31.12.2012
	\$	\$
Interest received	5,347	15,448
Other income	6,243	-
Accountancy fee	(98,160)	(50,415)
Auditor's remuneration	(43,600)	(43,667)
Corporate development expenses	-	(78,450)
Exploration expenses	(52,436)	(152,029)
Depreciation expense	(80,495)	(251,389)
Impairment of assets	-	(6,640,474)
Employee benefit expenses	(175,092)	(812,176)
Management fees	(234,858)	(1,022,208)
Interest expenses	(10,781)	(186,506)
Loss on sales of plant and equipment	(52,559)	-
Fringe benefit tax	(115,188)	-
Legal cost	(64,244)	(110,369)
Rental expenses	(89,398)	(151,962)
Travel expenses	(58,921)	(56,542)
Insurance	(17,324)	(55,927)
Other expenses	(99,750)	(547,415)
	<hr/>	<hr/>
Loss before income tax expense	(1,181,216)	(10,144,081)
Income tax benefit	-	22,883
	<hr/>	<hr/>
Loss for the period after income tax	(1,181,216)	(10,121,198)
Other comprehensive income	-	-
	<hr/>	<hr/>
Total comprehensive income for the period	(1,181,216)	(10,121,198)
	<hr/>	<hr/>
Loss per share from loss attributable to ordinary equity holders of the parent		
Basic and diluted EPS (cents)	(0.13)	(1.73)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Queensland Mining Corporation Ltd A.B.N 61 109 962 469 and Subsidiaries

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013**

		31.12.2013	30.06.2013
		\$	\$
ASSETS	Note		
Current assets			
Cash and cash equivalents		2,039,801	1,334,519
Trade and other receivables		152,067	439,121
TOTAL CURRENT ASSETS		<u>2,191,868</u>	<u>1,773,640</u>
Non-current assets			
Mining licences	6	14,503,967	14,503,967
Exploration and evaluation expenditure	7	10,665,236	9,818,897
Property, plant and equipment		922,361	1,330,414
TOTAL NON – CURRENT ASSETS		<u>26,091,564</u>	<u>25,653,278</u>
TOTAL ASSETS		<u>28,283,432</u>	<u>27,426,918</u>
LIABILITIES			
Current liabilities			
Trade and other payables		318,739	579,352
Financial liabilities	8	-	211,065
Total current liabilities		<u>318,739</u>	<u>790,417</u>
TOTAL LIABILITIES		<u>318,739</u>	<u>790,417</u>
NET ASSETS		<u>27,964,693</u>	<u>26,636,501</u>
EQUITY			
Issued capital	9	76,595,053	74,085,645
Share option reserve		2,995,191	2,995,191
Accumulated losses		(51,625,551)	(50,444,335)
TOTAL EQUITY		<u>27,964,693</u>	<u>26,636,501</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

Queensland Mining Corporation Ltd A.B.N 61 109 962 469 and Subsidiaries

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	Issued Capital \$	Share Option Reserve \$	Accumulated Losses \$	Total
Balance at 1 July 2012	62,089,732	2,995,191	(30,129,978)	34,954,945
Transactions with owners in their capacity as owners				
Share capital issued	7,880,797	-	-	7,880,797
Share issue cost	(554,053)	-	-	(554,053)
	57,740,077	2,995,191	(23,002,058)	37,733,210
Total comprehensive income for the period	-	-	(10,121,198)	(10,121,198)
Balance at 31 December 2012	69,416,476	2,995,191	(40,251,176)	32,160,491
Balance at 1 July 2013	74,085,645	2,995,191	(50,444,335)	26,636,501
Transactions with owners in their capacity as owners				
Share capital issued	2,558,181	-	-	2,558,181
Share issue cost	(48,773)	-	-	(48,773)
	76,595,053	2,995,191	(50,444,335)	29,145,909
Total comprehensive income for the period	-	-	(1,181,216)	(1,181,216)
Balance at 31 December 2013	76,595,053	2,995,191	(51,625,551)	27,964,693

The above statement of changes in equity should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR HALF-YEAR ENDED 31 DECEMBER 2013**

	Note	31.12.2013 \$	31.12.2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,015,987)	(2,580,993)
Interest received		5,347	15,448
Interest expense		(9,323)	(211,986)
Net cash used in operating activities		(1,019,963)	(2,777,531)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(5,350)	(63,697)
Proceed from sale of plant and equipment		278,593	2,000
Payment for exploration and evaluation and mining licences		(846,341)	(3,319,162)
Net cash used in investing activities		(573,098)	(3,380,859)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares, net of shares issue costs		2,509,408	7,603,547
Proceeds from borrowings		-	3,000,000
Repayments of borrowings		(211,065)	(3,000,000)
Net cash generated by financing activities		2,298,343	7,603,547
Net increase in cash held		705,282	1,445,157
Cash and cash equivalents at 1 July		1,334,519	1,447,336
Cash and cash equivalents at 31 December		2,039,801	2,892,493

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These general purpose financial statements for the interim half-year reporting period ended 31 December 2013 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001.

This financial report covers Queensland Mining Corporations Limited ("the Company") and its controlled entities ("consolidated entity") and was authorised for issue in accordance with a resolution of Directors on 11 March 2014.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. The half year financial report should be read in conjunction with the annual financial report of Queensland Mining Corporations Limited as at 30 June 2013 and any public announcement made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Queensland Mining Corporations Limited is a public company, listed on the Australian Stock Exchange, incorporated and domiciled in Australia. The company's operations comprise exploration for and evaluation of copper and gold resources within the Cloncurry region of Queensland.

a) Basis of preparation

The financial report has been prepared on the historical cost basis except as disclosed in the notes to the annual financial report.

b) Significant accounting policies

The half-year financial report has been prepared using the same accounting policies as used in the annual financial report for the year ended 30 June 2013.

Certain prior year comparatives have been reclassified to conform to the current reporting period presentation.

Critical accounting estimates and Judgments

The critical estimates and judgments are consistent with those applied and disclosed in the 30 June 2013 annual report.

New and Revised Accounting Requirements Applicable to the Current Half-year Reporting Period

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

NOTE 2: GOING CONCERN

The Group made an operating loss of \$1,181,216(2012: \$10,121,198) and its net cash outflow from operations was \$1,019,963(2012: \$2,777,531) for the half-year ended 31 December 2013. These conditions give rise to a material uncertainty which may cast significant doubt over the consolidated entity's ability to continue as a going concern.

The ongoing viability of the Group and the recoverability of its non-current assets are dependent on the successful development of its exploration and evaluation expenditure, and/or sale of assets and future capital raisings.

The half year financial report has been prepared on the going concern basis, as the Directors believe that adequate funding will be raised to enable the Group to pay its debts as and when they become due for a period of at least 12 months from approval of this report.

It is the Directors' plan that this funding will be raised through placement of shares to existing shareholders and the public. In the event the Group is delayed in raising development funding the Group may need to reduce its rate of expenditure or raise additional working capital to ensure that it can continue to meet its obligations as they fall due.

Should the consolidated entity be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amount different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amounts of liabilities that might result should the Company be unable to continue as a going concern and meet its debt as and when they fall due.

NOTE 3: CONTINGENT LIABILITIES AND COMMITMENTS

There are no significant changes to the contingent liabilities and commitments from the 30 June 2013 Annual Report.

NOTE 4: SEGMENT INFORMATION

The Group has identified its operating segment based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segment is identified by Management as an area of interest, discrete financial information about this operating segment is reported to the executive management team on at least a monthly basis.

Management has identified the Cloncurry region of Queensland as the Group's operating segment, as all exploration licences issued to the Group lie within this area of interest the Group has one operating segment.

NOTE 5: DIVIDEND

No dividend has been declared or is payable.

Queensland Mining Corporation Ltd A.B.N 61 109 962 469 and Subsidiaries

	31.12.2013	30.06.2013
	\$	\$
NOTE 6: MINING LICENCES		
Opening balance	14,503,967	16,966,063
Impairment	-	(2,462,096)
	<u>14,503,967</u>	<u>14,503,967</u>

NOTE 7 : EXPLORATION AND EVALUATION EXPENDITURE

Opening balance	9,818,897	15,086,398
Impairment	-	(9,559,329)
Capitalised during the period/year	846,339	4,291,828
	<u>10,665,236</u>	<u>9,818,897</u>

Recoverability of the carrying amount of the exploration and evaluation expenditure is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

NOTE 8: FINANCIAL LIABILITIES

Unsecured loan

CURRENT

Unsecured loan	-	<u>211,065</u>
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NOTE 9: ISSUED CAPITAL

1,083,181,543 fully paid ordinary shares (30.6.2013 : 869,999,817)	<u>76,595,053</u>	<u>74,085,645</u>
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Movement in share capital

Date	Details	No of shares	Value \$
01-Jul-12	Opening balance – Ordinary Shares	512,892,031	62,089,732
17-Sep-12	Placement	36,364,121	1,200,016
24-Sep-12	Placement	115,200,000	3,801,600
21-Jan-13	Rights Issue	153,192,326	5,668,116
22-Mar-13	Rights Issue – shortfall placement	52,351,339	1,936,999
	Less: transaction costs arising on share issues		(610,818)
		<u>869,999,817</u>	<u>74,085,645</u>
01-Jul-13	Opening balance – Ordinary Shares	869,999,817	74,085,645
27-Nov-13	Rights Issue	213,181,726	2,558,181
	Less: transaction costs arising on share issues		(48,773)
		<u>1,083,181,543</u>	<u>76,595,053</u>

NOTE 10: EVENTS SUBSEQUENT TO REPORTING DATE

In accordance with the non-renounceable rights issue announced by the Company on 8 October 2013, 37,485,952 new shares were issued in January and February 2014 at 1.2 cents per share as part of the shortfall shares placement.

On 19 February 2014 the Company issued 5,681,833 ordinary shares to a third party contractor valued at 1.2 cents per share in consideration for exploration consultancy services provided by the party.

On 9 July 2013 the Company disclosed the commencement of proceedings in the Federal Court of Australia against its former Managing Director, Mr Howard Renshaw, and others. In the proceedings, the Company has claimed repayment of certain payments that were made to Mr Renshaw and others in October 2012 upon Mr Renshaw's ceasing to be the Managing Director of the Company. The Company is relying upon the provisions of Part 2D.2, Division 2, of the Corporations Act 2001 (Cth). The proceedings were heard on 5 and 6 February 2014 and judgment has been reserved.

Other than those disclosed above, the Directors are not aware of any other matters or circumstances that have arisen since the end of the period that has significantly affected or may significantly affect the operations of the Group, the results of its operations or the state of its affair.

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the directors



Director and CEO

Dated this 12 March 2014

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Queensland Mining Corporation Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Queensland Mining Corporation Limited, which comprises the consolidated statement of financial position as at 31 December 2013, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Queensland Mining Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Queensland Mining Corporation Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Queensland Mining Corporation Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 2 in the half-year financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity, successful exploration and subsequent exploitation of the consolidated entity's tenements, and/or sale of non-core assets. These conditions, along with other matters as set out in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

BDO East Coast Partnership



Grant Saxon
Partner

Sydney, 12 March 2014