



Queensland Mining Corporation Limited

ABN: 61 109 962 469

ASX Code: QMN

Phone: +61(2) 8964 6411

Fax: +61(2) 8964 6865

Web: www.qmcl.com.au

Address: Suite 101A, Level 1, 1 Alfred Street
Sydney, NSW 2000

ASX Market Announcement

3 March 2014

Rights Issue and Exploration Update

Queensland Mining Corporation Limited (ASX: QMN) wishes to provide an update on the proposed rights issue and its ongoing exploration program in the White Range project located in Cloncurry of northwest Queensland.

Rights issue update

On 8 October 2013, the Company announced a 2 for 5 Non-Renounceable Rights Issue to eligible existing shareholders which enabled it to raise up to \$4,175,999, through the issue of 347,999,927 new shares.

The issue was closed on 21 November 2013 and the company is pleased to announce that the fundraising has been successful.

213,181,726 new shares were issued and \$2,558,181 were raised. The Directors exercised their right to place the Shortfall Shares to professional and sophisticated investors, subject to regulatory and other requirements, in accordance with the terms of the Issue.

Placement of the Shortfall Shares was completed on 27 February 2014 with 37,485,952 new shares were issued and raised \$449,831.

The Company has successfully raised \$3,008,012 in total through this fundraising exercise. The board would like to take this opportunity to thank all the QMC shareholders for their kind support.

QMC wish to take advantage of the current low exploration cost environment to increase the resource base and thus, the value of the Company by carrying out its 2014 exploration program which is outlined below.

Exploration update

The 2014 drilling program has been planned to start from early April, subject to the weather condition.

The Company's exploration strategy has been focused on growing the leachable copper resources for the White Range project whilst at the same endeavours are being made towards discovery of sulphide mineralization at depth in Greenmount. Ongoing exploration activities have been constrained to finding new oxide deposits and expanding the known deposits by additional drilling across the White Range area.

After reviewing a large number of prospective exploration targets held by QMC, four target areas have been selected for drill testing in next three months in line with the Company's exploration strategy. These targets include: Speculation, Kuridala South, Black Fort and Greenmount prospects.

1. Speculation Prospect

The Speculation copper prospect is located 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 (Figure 1), both of which form the important part of the JORC resources contained within the White Range project.

QMC's recent geological mapping and XRF based soil sampling have outlined a near E-W striking target zone more than 300m long and up to 100m wide with copper value of >500ppm plus sporadic outcropped copper mineralization in the favourable lower part of the Marimo Slate unit. Six RC holes with depths varying from 80-120m have been designed to test the combined geological and geochemical target for possible discovery of the Greenmount style of mineralization (Figure 2). Site clearance with the Mitakoodi People is currently being organised and drilling is expected to commence towards the end of March 2014.

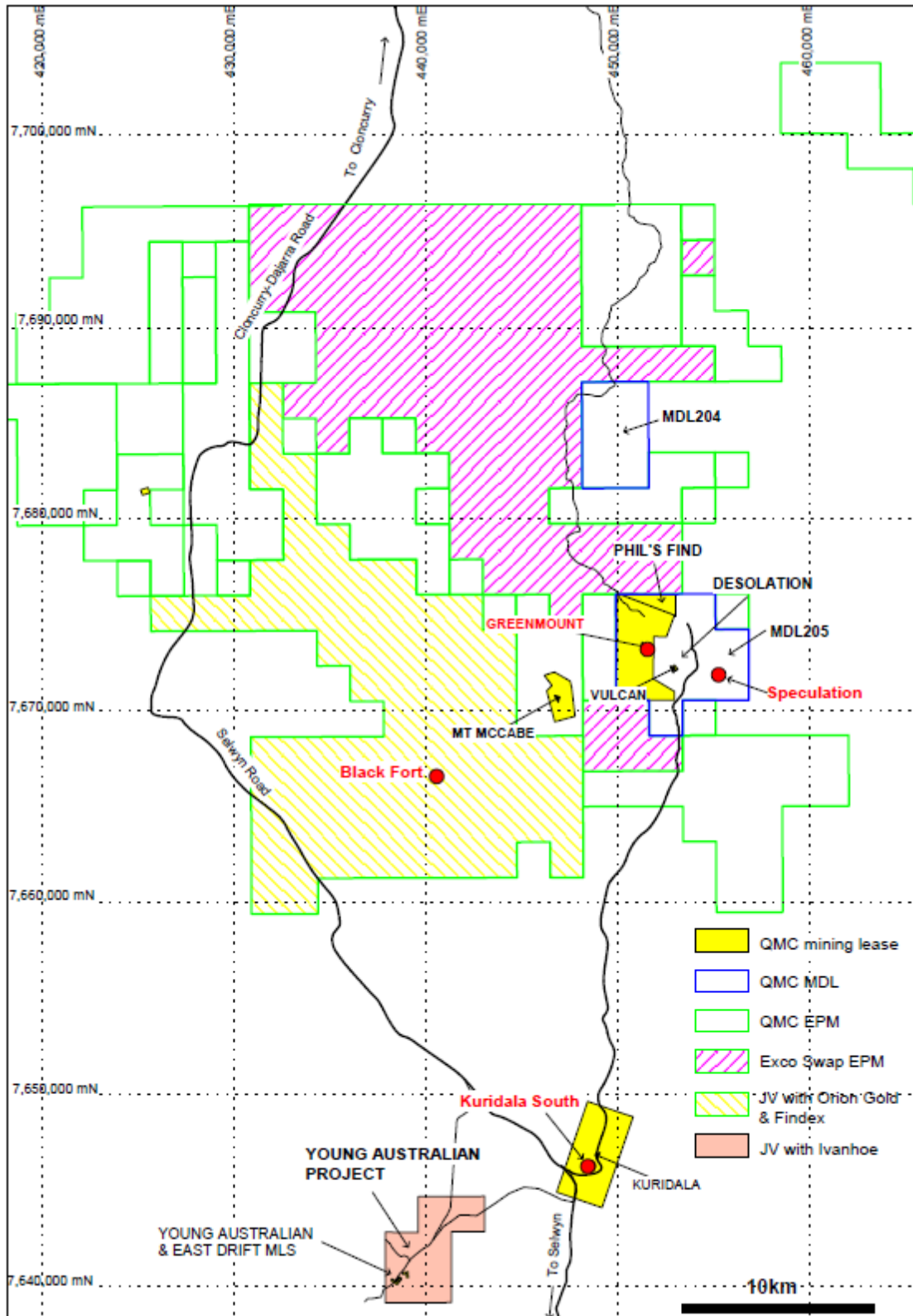


Figure 1. Regional location of the Speculation, Greenmount, Kuridala South and Black Fort prospects

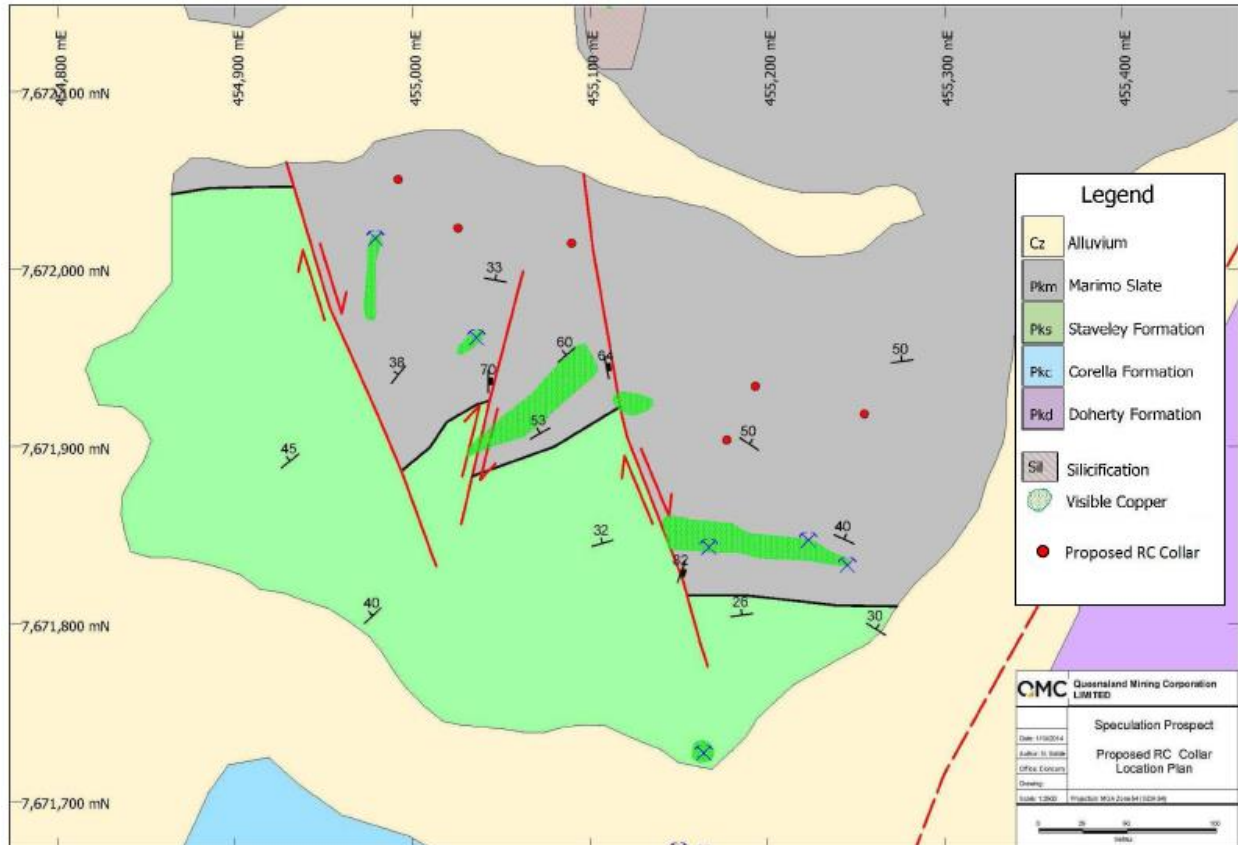


Figure 2. Geological map and the proposed drillhole collar location at Speculation

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 1). 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. Two RC holes drilled by Metana in 1989 into the eastern zone returned encouraging results including 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. These two holes are spaced 110m apart and no follow-up drilling has ever been conducted over the last 30 years. An initial 4 hole (60m each) RC program has been designed to follow up the previous drill intersections and the recently mapped mineralized zones with the aim to expand the known mineralized zones along strike and at depth (Figure 3 and 4). All site clearance has been completed with the Kalkadoon Native Title claimant group. Drill pads will be cut in mid March when access through the wet season becomes available and drilling is scheduled to commence soon afterwards.

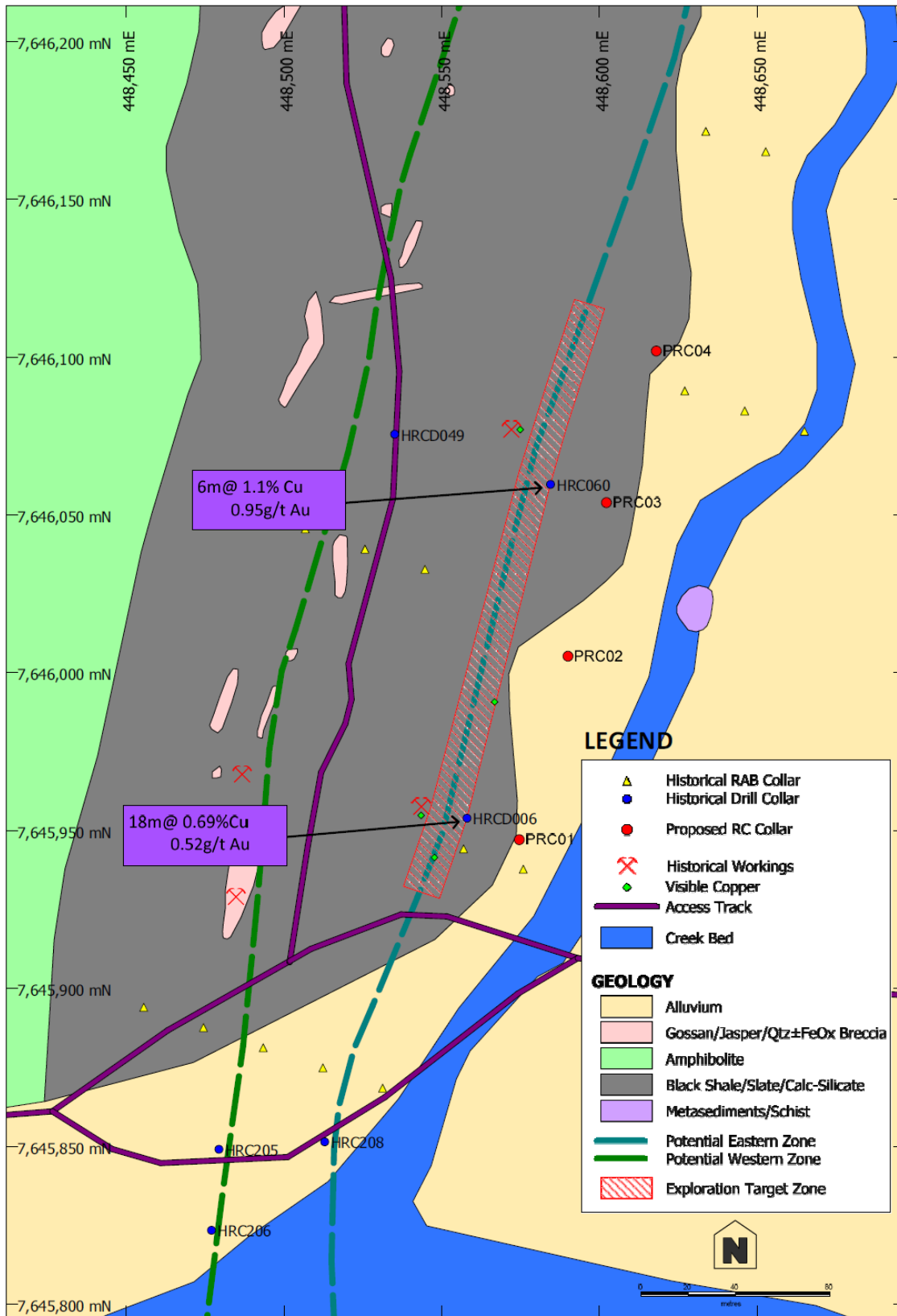


Figure 3. Target and the proposed drillhole collar location at Kuridala South

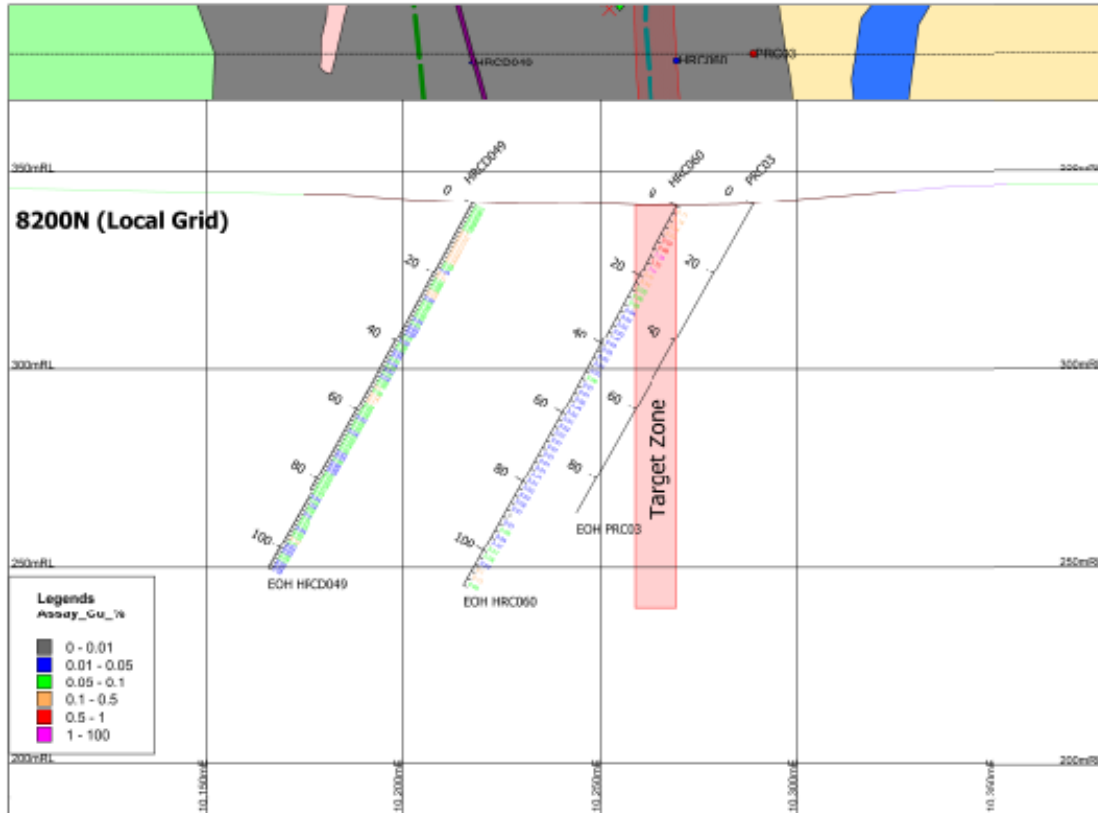


Figure 4. Target zone and step out hole proposed at Kuridala South (cross section looking north)

3. Black Fort Prospect

The Black Fort prospect is located approximately 45km south southwest of Cloncurry and 12 kilometres southwest of Greenmount and forms part of the White Range project (see Figure 1). The prospect is also situated on the central south of EPM17602 which is in Joint Venture between Orion Gold (5%), Findex (15%) and QMC (80%). The style of mineralization at Black Fort is interpreted as IOCG. The host rock is the Overhang Jaspillite and the same stratigraphic unit also hosts the large Rocklands copper deposit ca. 47km north which is currently under development.

Previous exploration by QMC has identified a 1 kilometre long structural zone with widespread alteration, broad copper mineralisation, moderate magnetic anomaly and old workings. Initial drilling by QMC in 2010 intersected widespread copper mineralisation with results including 17m at 1.51% Cu and 57m at 0.69% Cu (Figure 5). The mineralisation remains open along strike and at depth. Detailed geological mapping and XFR based soil sampling are currently underway to outline the extent of targets. Three RC holes were proposed to test the area for potential discovery of the Rocklands

type of copper mineralization. Drilling in Black Fort is scheduled to commence in May 2014, subject to site clearance with the native title claimant group.

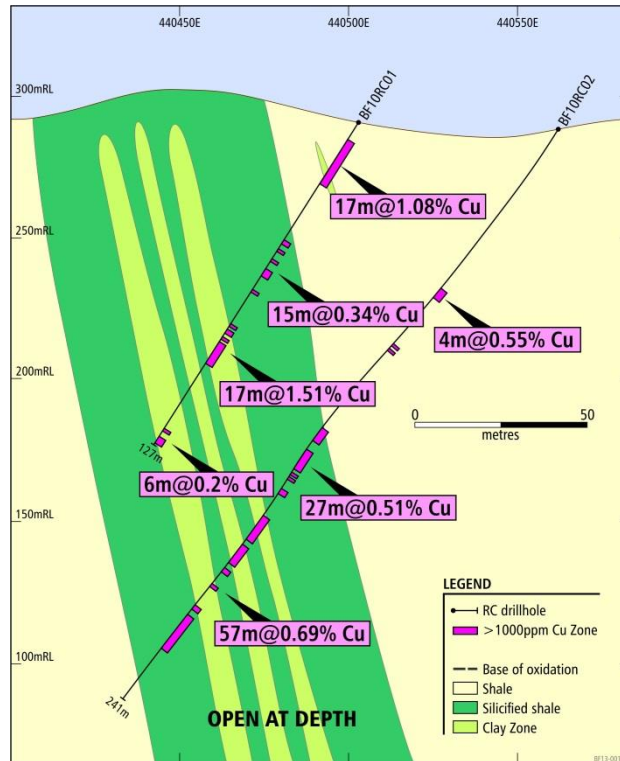


Figure 5. Cross section through QMC's 2010 RC holes in Black Fort

4. Greenmount Deep Sulphide

The Greenmount deposit is located about 35km south of Cloncurry and is the Company's largest single copper deposit in terms of tonnage (see Figure 1). Copper mineralization occurs near the geological contact between the Marimo Slate and the underlying Staveley Formation. The mineralization is structurally controlled and present as stockwork quartz feldspar veins, quartz veins, breccia veins and brecciated zones with high grade copper frequently associated with sodic and pottasic alteration.

An internal review of the Greenmount deposit indicates the likelihood of sulphide mineralization at depth. Despite 250 holes having been drilled, only 4 holes actually passed the 300m mark with the deepest being 365m downhole. The deep sulphide concept will be tested by drilling a deep diamond hole in the central north of the deposit and drilling is expected to start in April or May 2014 subject to the finalization of the drill proposal by an external consultant.

A drilling contractor with extensive local experience has been booked. A fixed metre rate contract has been signed to allow the Company to take advantage of the current market conditions to conduct very cost/effective drilling campaign. Shareholders are expected to see a strong news flow in the next 3 months and results of the drill program will be announced as soon as they come to hand. Again, the board wish to thank all the QMC shareholders for your rock-solid support. We look forward to delivering encouraging exploration results to our shareholders in the next few months.

For further details please contact:

Mr Eddy Wu

CEO

Tel: 02 8964 6411

Email: admin@qmcl.com.au

The exploration results and mineral resources estimates mentioned in this report were previously reported in the June Quarterly Activity Report released on 31 July 2013 and the 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.