



Queensland Mining Corporation Limited

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Quarterly Report

For the period ended 31 December 2013

28 January 2014

HIGHLIGHTS

Corporate

- The two for five non-renounceable Rights Issue was completed in November 2013 with 213,181,726 new ordinary shares being issued and \$2.56m raised.
- The directors are trying to place the shortfall shares (134,818,201 shares) from the Rights Issue before the end of February 2014.
- The 2013 Annual General Meeting was held in November with Mr Qiu being re-elected as a director; the remuneration report was adopted with more than 25% votes casted against it and the resolution to hold a spill meeting failed to carry through.
- The new web site of the company was launched in December 2013.
- The hearing of the Federal Court case against former Managing Director, Mr Howard Renshaw and his controlled entity, Butmall Pty Ltd is scheduled for 5 February 2014.

Operations

- Exploration work during the quarter has been focused on the development of drill programs for the Speculation and Kuridala South prospects within the White Range Project area with 10 RC holes totalling ca. 1000m being proposed for testing next year. In addition, 3D modelling of the Greenmount deposit has commenced and the results will assist in design of diamond holes targeting deep sulphide potential.
- Most of the Company's tenements are granted toward the end of the year. On preparing their renewals and filing of annual reports, the Company was focused on maximising the economic benefit of the tenements. As the result, a total of 23 annual reports and 10 relinquishment reports have been completed.
- As response to EHP's site inspections, substantial rehabilitation work has been undertaken during the quarter. This includes clean-up of drill pads and backfill of sumps and costeans in Greenmount Mining Lease and re-capping of open holes in Kuridala Mining Lease.

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. Exploration work during the current quarter is concentrated on development of drill proposals for the Speculation and Kuridala South prospects and commencement of 3D modelling of the Greenmount deposit.

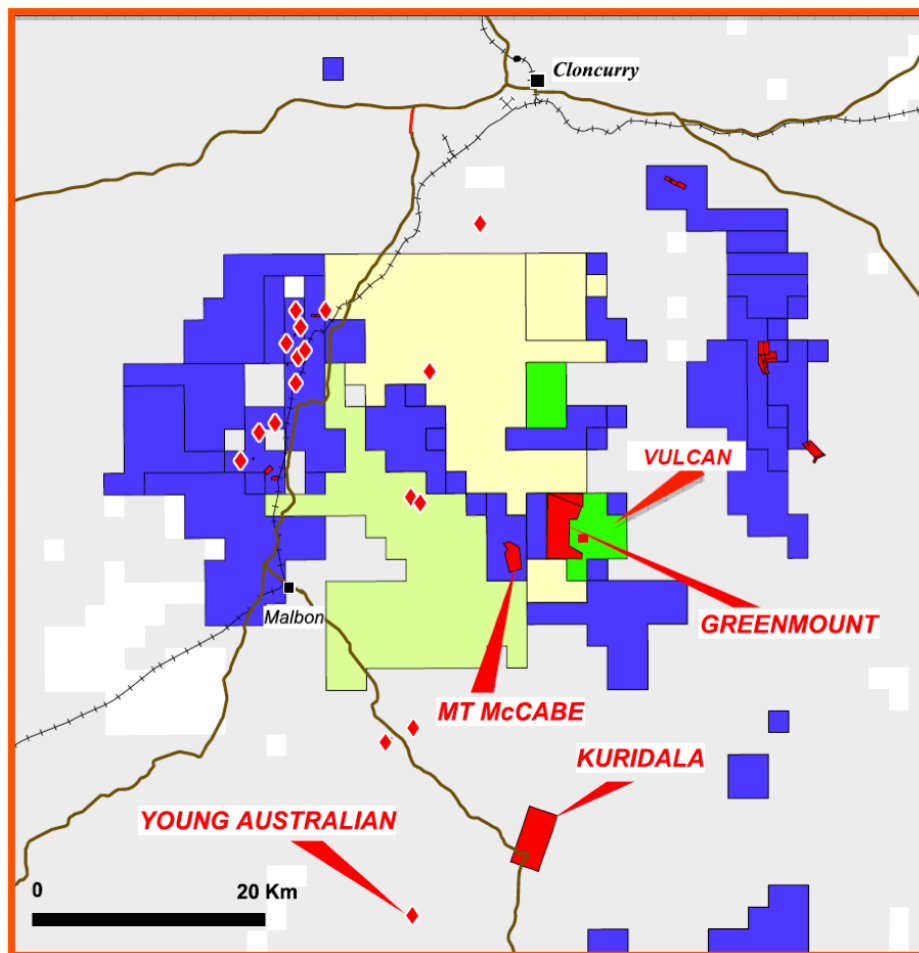


Fig. 1 White Range project location plan

1. Speculation Prospect

The Speculation copper prospect is centred approximately 40km south-southeast of Cloncurry and falls within the 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 2), 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

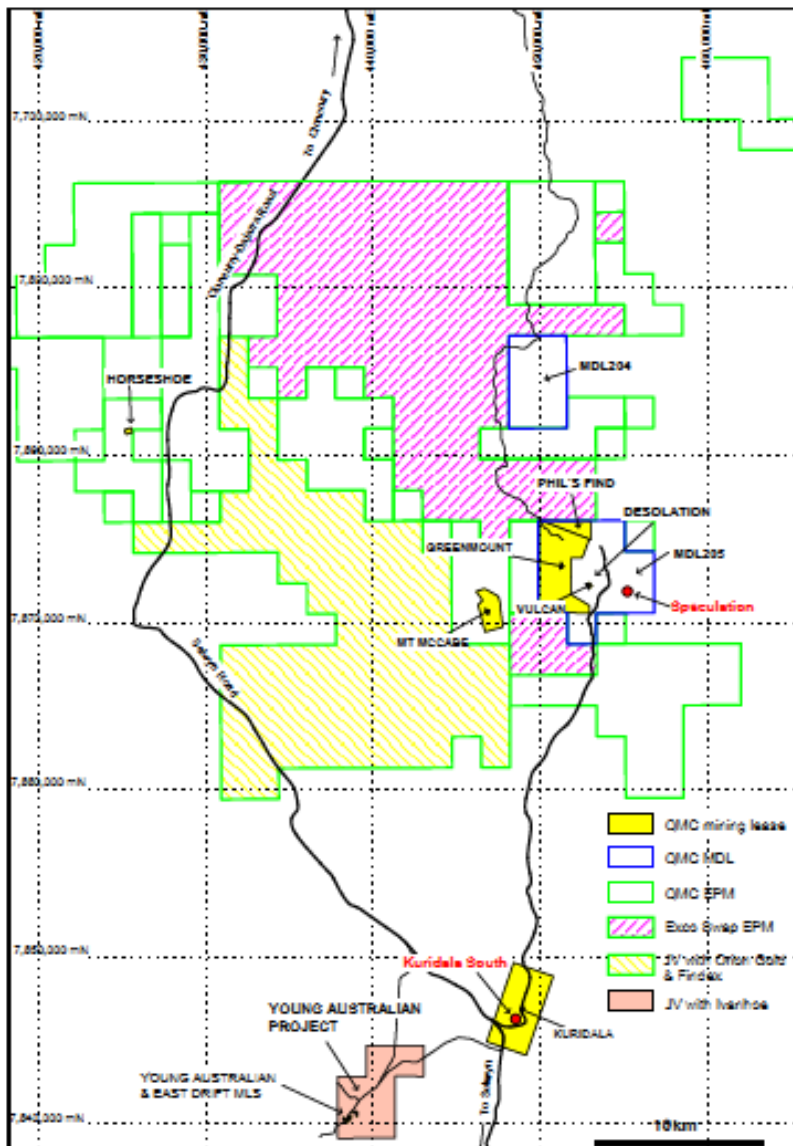


Figure 2. Regional location of Speculation and Kuridala South prospects

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 exploration work completed by QMC at Speculation consists of detailed geological mapping and hand held XRF based soil sampling. The mapping has identified a visible copper mineralized zone extending more than 200m long and up to 10m wide adjacent to the contact between the Marimo Slate and Staveley Silstone units where extensive silicification and potassic alteration plus veining occur. The subsequent XRF soil sampling has outlined a copper anomaly at an extent of 300m x 100m over 500ppm Cu. In order to test this combined geological and geochemical target, a 6 holes RC program totalling 600m has been proposed during the quarter (Fig. 3). As the target zone mainly strikes WNW-ESE and dips moderately towards northeast, most holes will be drilled towards northwest into the contact zone. Two holes in the program will be drilled at a different azimuth to test the near N-S trending cross faults. The drilling is expected to commence in March 2014.

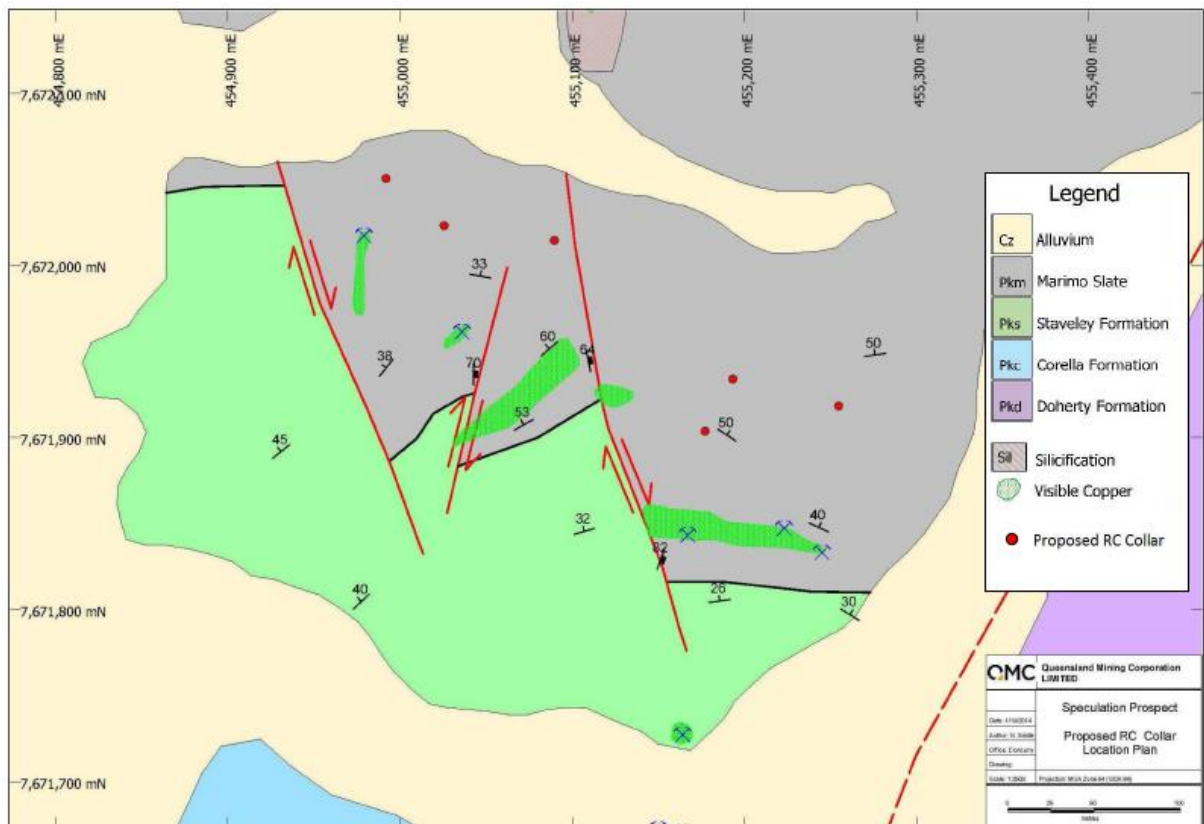


Fig. 3 Proposed RC hole collar location in Speculation

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 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 4).

Geological mapping carried out recently by QMC 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. An initial 4 holes RC drill program has been designed to follow up the previous drill intersections and mapped mineralized zones with the aim to expand the known mineralized zones along strike and at depth.

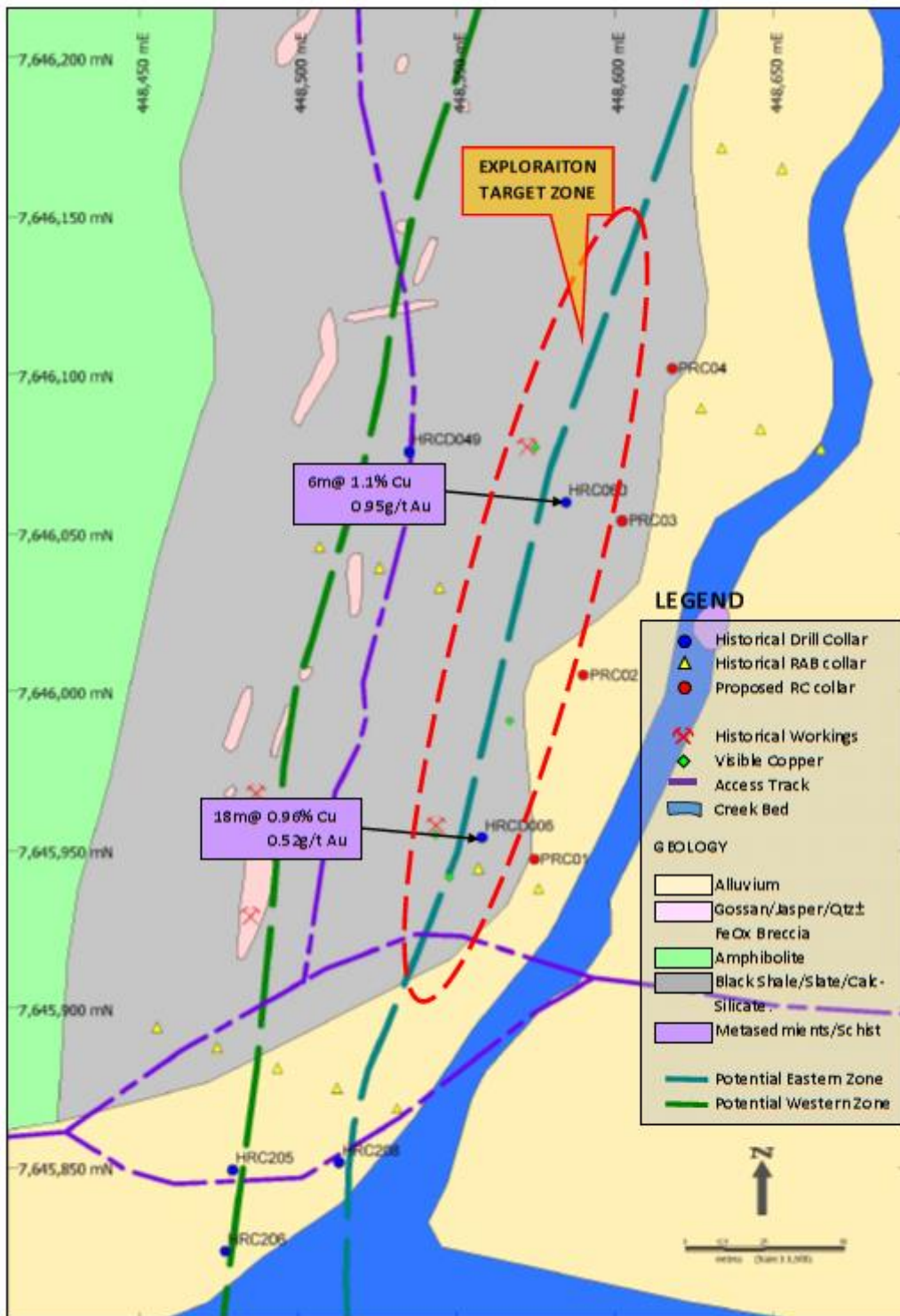


Figure. 4 Proposed RC holes collar location at Kuridala South

Statutory Report Writing

As most of the Company's exploration tenements are granted towards the end of the year, the current quarter has seen a great deal of effort put into statutory report writing by a very small technical team. With focus on maximising the economic benefit of the tenements, a total of 23 annual reports and 10 relinquishment reports have been completed to fulfil the

mines department regulation on tenement management. The 23 annual reports are for EPM17325"Mt Norma II", EPM14148"White Range#1", EPM14163"White Range#2", EPM17326"Middle Creek", EPM17249"Coolullah South", EPM17323"Pigeon 3", EPM17250"Coolullah South Extended", EPM17322"Pigeon 1", EPM17324"Pigeon 2", EPM15858"Sunny Mount", EPM17246"Pigeon South", EPM17251"Koolamarra", EPM18097"Cabbage Tree Creek", EPM18440"Slate Creek", MDL204"Copper Canyon", MDL205"Greenmount", EPM17602"Black Fort", EPM16628"Mt Brownie", EPM17922"Mt Norma West", EPM15879"Mt Norma", EPM15897"White Range Consolidated", EPM17247"Coolullah"and EPM15859"Split Rock". The 10 partial relinquishment reports are for EPM17326"Middle Creek", EPM16628"Mt Brownie",EPM17249"Coolullah South", EPM17250"Coolullah South Extended", EPM17322"Pigeon 1", EPM17324"Pigeon 2", EPM15858"Sunny Mount", EPM17246"Pigeon South", EPM17247 "Coolullah" and EPM17922"Mt Norma West". All the tenements are in good order as of the end of the quarter.

Rehabilitation

In response to EHP's site inspections over the White Range project in July 2013, substantial rehabilitation work has been undertaken in Greenmount and Kuridala during the quarter. This includes clean-up of drill pads, removal of drill samples, and backfill of sumps and costeans in Greenmount Mining Lease and re-capping of open holes in Kuridala Mining Lease.

Corporate Activities

The Company continues to apply a conservative fiscal strategy, ensuring most of its resources are deployed in exploration and development activities.

The completion of the two for five Rights Issue in November 2013 resulted in the issue of 213,181,726 new ordinary shares and raised \$2.56m. The Directors are trying to place the 134,818,201 shortfall shares from the Rights Issue before end of February 2014 which will raise an additional \$1.6m. The new capital provides the necessary financial resources for the Company to carry out its exploration programs in 2014.

The \$228,000 (including interest) borrowing from Perfect National Global Limited was repaid in December 2013. The Company is currently debt free.

The 2013 Annual General Meeting was held in 22 November 2013. Mr Qiu was re-elected as a director in the meeting. The shareholders also passed the resolution to adopt the remuneration report. However, there were more than 25% votes casted against this resolution, thus the spill resolution was put to shareholders for consideration. The spill resolution failed to carry through when voted by the shareholders.

The new company web site was launched in December and a new company logo was adopted. Shareholders are encourage to visit the new web site and your feedback is welcome.

The Federal Court case against QMC's former Managing Director, Mr Howard Victor Renshaw and his controlled entity, Butmall Pty Limited is scheduled for 5 February 2014.

For further details please contact:

Mr Eddy Wu

CEO

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Email: Admin@qmcl.com.au

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. 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.

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

61109962469

Quarter ended ("current quarter")

31 December 2013

Consolidated statement of cash flows

| Cash flows related to operating activities | Current quarter \$A'000 | Year to date (6 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 | (665) | (1,371) |
| 1.3 Dividends received | | |
| 1.4 Interest and other items of a similar nature received | 3 | 12 |
| 1.5 Interest and other costs of finance paid | (11) | (11) |
| 1.6 Income taxes paid | | |
| 1.7 Other (provide details if material) | | |
| -GST refund | 23 | 47 |
| -R&D Grant received | - | 366 |
| -Payroll & PAYG Tax paid | (37) | (86) |
| -FBT tax Paid | (115) | (115) |
| Net Operating Cash Flows | (1,039) | (1,751) |
| Cash flows related to investing activities | | |
| 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 | 15 | 145 |
| 1.10 Loans to other entities | | |
| 1.11 Loans repaid by other entities | | |
| 1.12 Other (provide details if material) | | |
| Net investing cash flows | 15 | 145 |
| 1.13 Total operating and investing cash flows (carried forward) | (1,024) | (1,606) |

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

| | | | |
|------|--|--------------|--------------|
| 1.13 | Total operating and investing cash flows (brought forward) | (1,024) | (1,606) |
| | Cash flows related to financing activities | | |
| 1.14 | Proceeds from issues of shares, options, etc. | 2,512 | 2,512 |
| 1.15 | Proceeds from sale of forfeited shares | | |
| 1.16 | Proceeds from borrowings | | |
| 1.17 | Repayment of borrowings | (211) | (211) |
| 1.18 | Dividends paid | | |
| 1.19 | Other (provide details if material) | | |
| | Net financing cash flows | 2,301 | 2,301 |
| | Net increase (decrease) in cash held | 1,277 | 695 |
| 1.20 | Cash at beginning of quarter/year to date | 752 | 1,334 |
| 1.21 | Exchange rate adjustments to item 1.20 | | |
| 1.22 | Cash at end of quarter | 2,029 | 2,029 |

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 | 73 |
| 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 | 18 |
| - Director fee | |
| Payment to Eddy Wu | 23 |
| - Director fee | |
| Payment to Jun Qiu | 23 |
| - Director fee | |
| Payment to Joyce Wang which Joyce Wang is an alternate Director | 9 |
| - Accounting and taxation services | |

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.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

- 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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| |
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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 |
| 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 | 12 | 752 |
| 5.2 Deposits at call | 1,900 | - |
| 5.3 Bank overdraft | - | - |
| 5.4 Other Online Saving Account | 117 | - |
| Total: cash at end of quarter (item 1.22) | 2,029 | 752 |

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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 | 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 | 1,083,181,543 | 1,083,181,543 | |
| 7.4 | Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs | 213,181,726 | 213,181,726 | 1.20 |
| 7.5 | +Convertible debt securities (description) | | | |

+ See chapter 19 for defined terms.

Mining exploration entity and oil and gas exploration entity quarterly report

| | | | | | |
|------|---|---|-----|----------------------------------|---------------------------|
| 7.6 | Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted | | | | |
| 7.7 | Options (description and conversion factor) | 17,450,000 (1 option for 1 ordinary share) | Nil | Exercise price 10 cents/share | Expiry date 30/11/2014 |
| 7.8 | Issued during quarter | | | | |
| 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:

Company secretary

Date: 28 January 2014

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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