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## Quarterly Report

For the period ended 31 March 2014

28 April 2014

### HIGHLIGHTS

#### Corporate

- The placement of the Shortfall Shares was completed on 27 February 2014 with 37,485,952 new Shares were issued and raised \$449,831.
- The Federal Court of Australia delivered a favourable judgement for the Company in its case against its former Managing Director, Mr Howard Renshaw and others.

#### Operations

- The Company takes advantage of the current depressed environment of mining and exploration sectors to carry out its 2014 exploration program.
- Exploration work undertaken during the quarter mainly includes the completion of 4 short RC holes in Kuridala South, fine-tuning drill program for Speculation and XRF soil sampling in Black Fort. **The best drill intercept from the current Kuridala South RC program is 7m@ 1.09% Cu and 0.48g/t Au from 12m in hole KU14RC01.** Follow up drilling is required to outline the extent of this mineralization.
- A cultural heritage clearance for the Speculation drilling program was successfully completed with the Mitakoodi People in March 2014.

## 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 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.

As reported in the last quarter, QMC's 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 dominated by the completion of 4 short RC holes in Kuridala South, fine-tuning drill proposal in Speculation and collection of 580 XRF soil data in Black Fort within the White Range area.

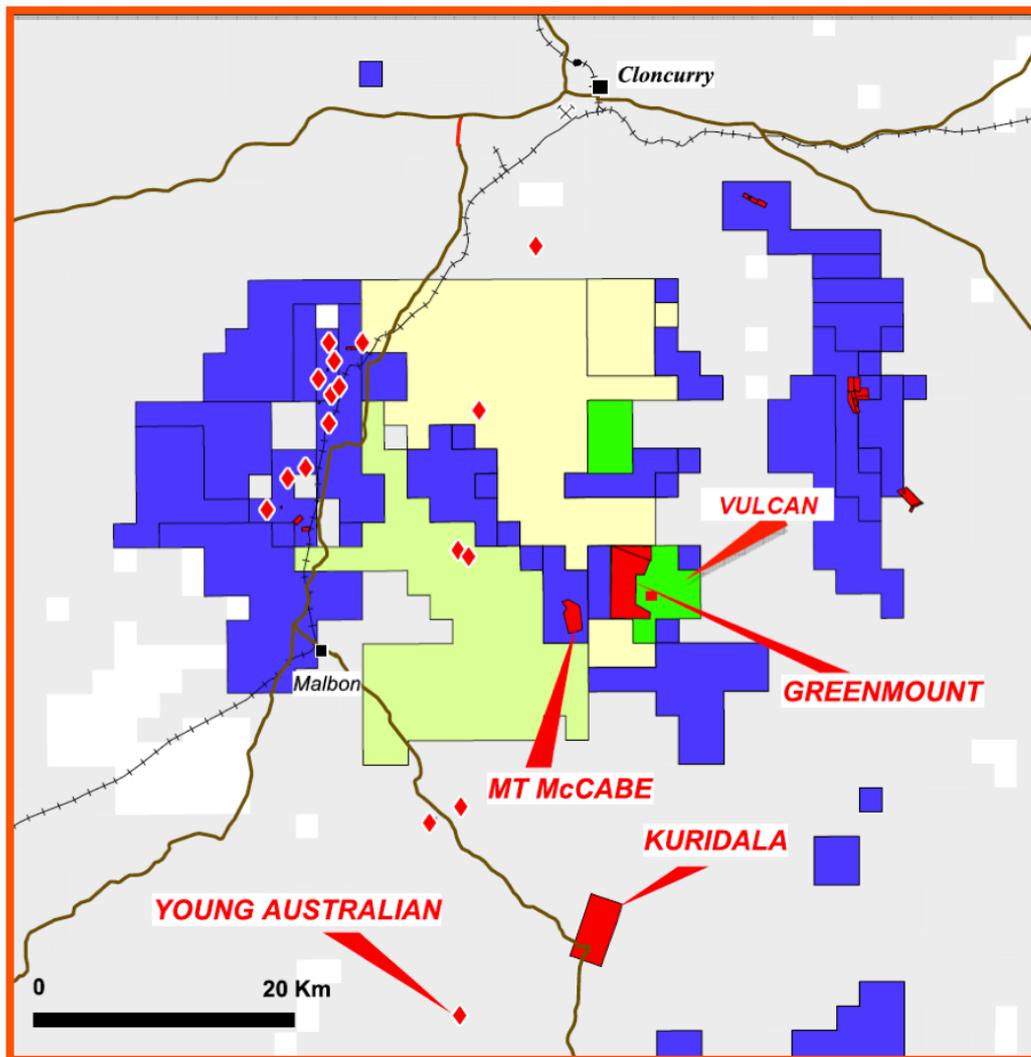


Figure 1 White Range project location plan

## **1. 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 (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 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.

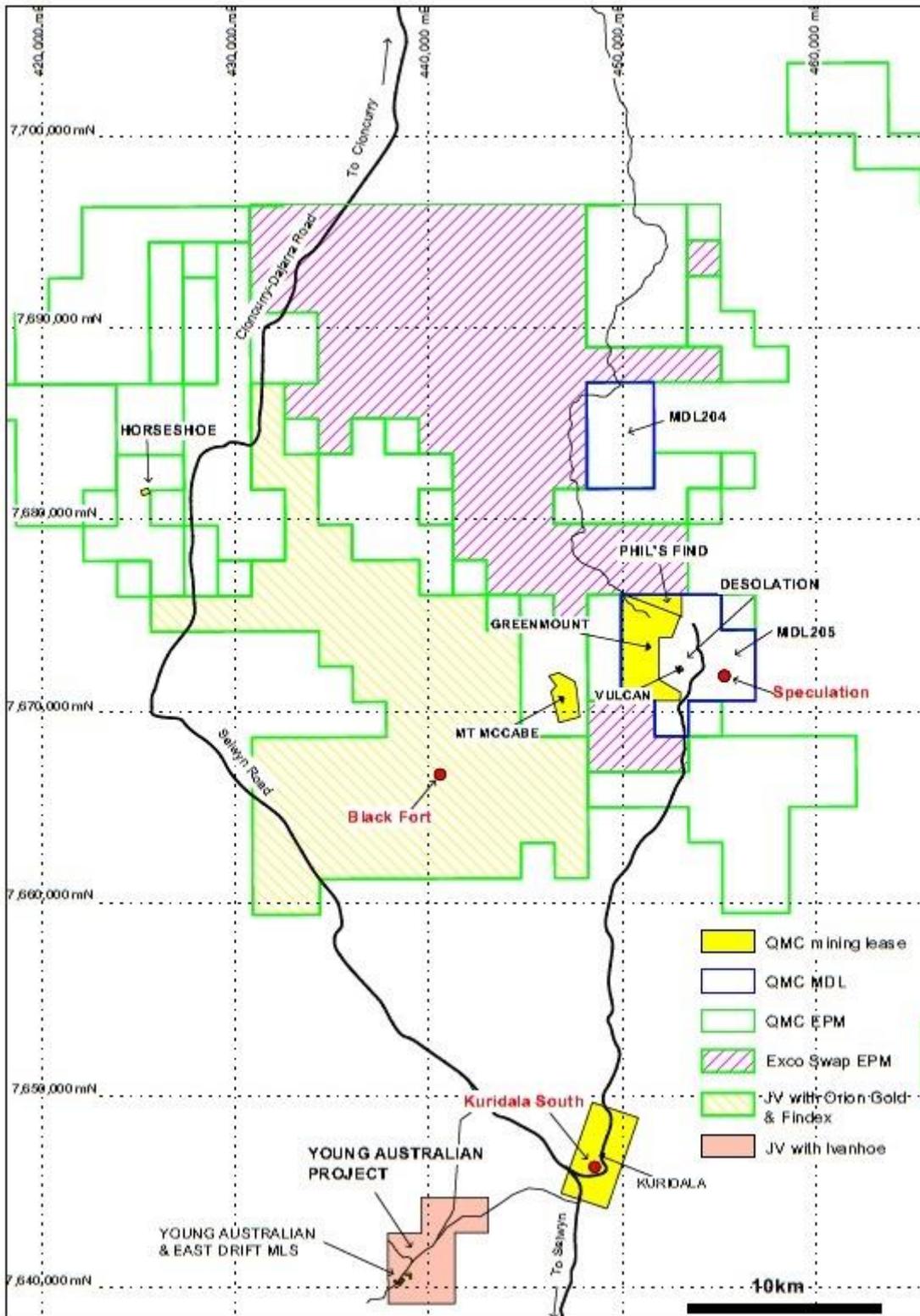


Figure 2 Regional location of Kuridala South, Speculation and Black Fort prospects

During the quarter 4 short RC holes were completed at Kuridala South totalling 252m. The holes were designed to expand the known mineralization along strike and at depth. All the holes were drilled towards west with depths varying from 54 to 72m and angled at -60 degrees. The drillhole information is presented in Table 1 and their location is shown in Figure 3.

All assay results have been received and low to moderate grade copper intervals were returned from 3 out of 4 holes completed (Table 2). Both Hole KU14RC01 and KU14RC02 were collared about 20m to the east of previous Metana hole HRC006 and HRC060, targeting down dip extension of the mineralization intersected in Metana holes. Encouraging copper mineralization was intersected in hole KU14RC01, including 7m@ 1.09% Cu and 0.48g/t Au from 12m depth (Figure 4). In comparison, only low grade mineralization of 9m@ 0.28% Cu was returned from hole KU14RC02. Hole KU14RC04 was infilled between hole KU14RC01 and KU14RC02 and again low grade copper was returned (5m@ 0.32% Cu). Hole KU14RC03 was sited 50m north of Metana hole HRC060 along strike but failed to extend the mineralization further to the north. Overall, the mineralized zones remain open to the east and along strike to the south. Follow up drilling is required to outline the extent of the mineralization at Kuridala South. Additional resources defined in Kuridala South will greatly improve the economics of the existing Kuridala resource which was a subject of Matrix Metals' feasibility study undertaken in 2005.

**Table 1** Drillhole details for the RC program at Kuridala South

Hole ID	Easting_MGA	Northing_MGA	RL	Azi_MGA	Azi_Mag	Dip	Depth
KU14RC01	448575	7645947	347	285	279	-60	72
KU14RC04	448590	7646005	344	286	280	-60	54
KU14RC02	448602	7646054	342	289	283	-60	66
KU14RC03	448618	7646102	346	288	282	-60	60

**Table 2** Selected drill intervals from Kuridala South (using 0.2% Cu as cut-off grade. Estimated true widths are approximately 70-80% of the drilled interval)

Hole ID	From (m)	To (m)	Interval (m)	Cu (%)	Au (g/t)
KU14RC01	12	19	7	1.09	0.48
	25	30	5	0.54	0.11
KU14RC02	24	33	9	0.28	0.09
TB12RC05	27	32	5	0.32	0.07



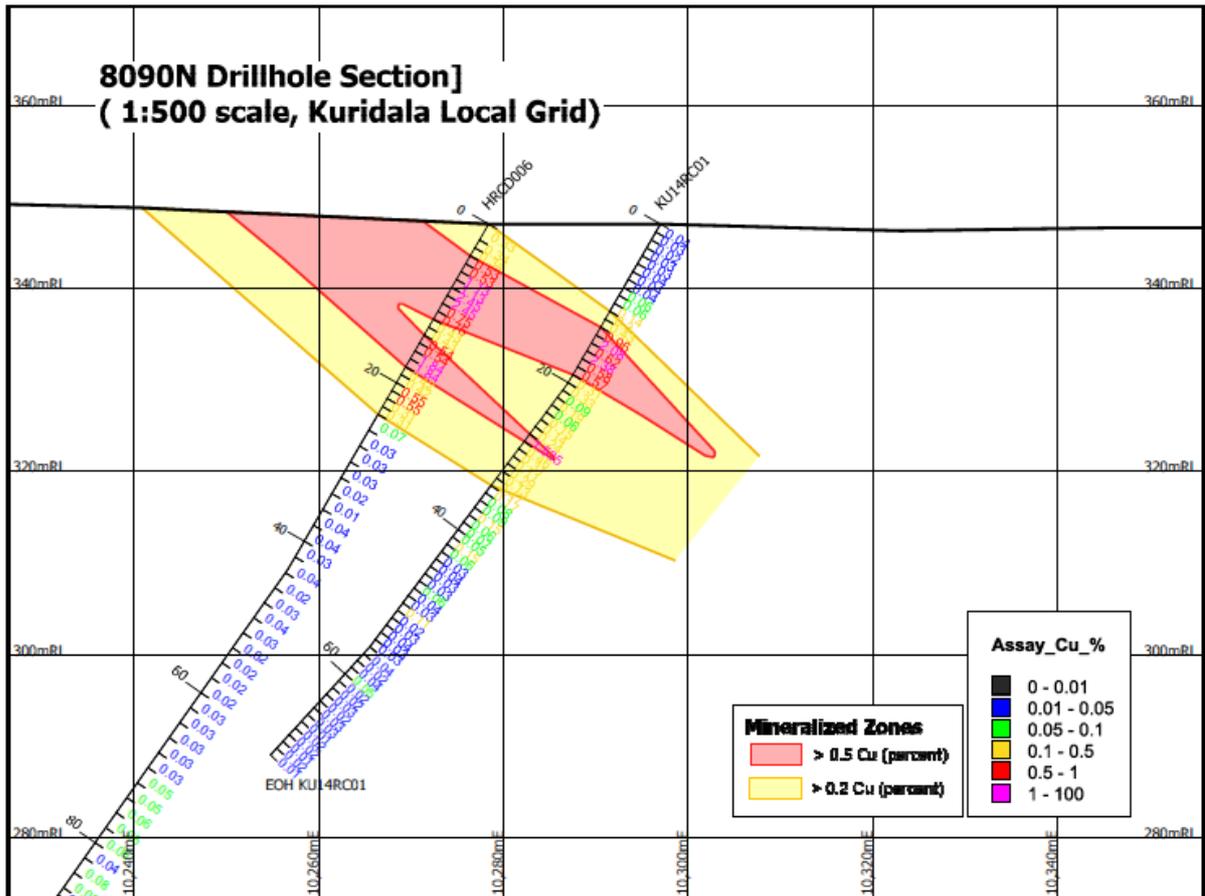


Figure 4 Drillhole cross section at Kuridala South

## 2. 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 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. QMC's recent work includes detailed geological mapping and XRF soil sampling. An internal review of the prospect geology during the quarter has led to a revision of the previously proposed 6 RC holes drill program. It is concluded that an initial 3 holes program is suitable to test the target and further drilling is subject to the drilling success of these 3 holes (Figure 5). Drilling at Speculation is scheduled to commence in early April.

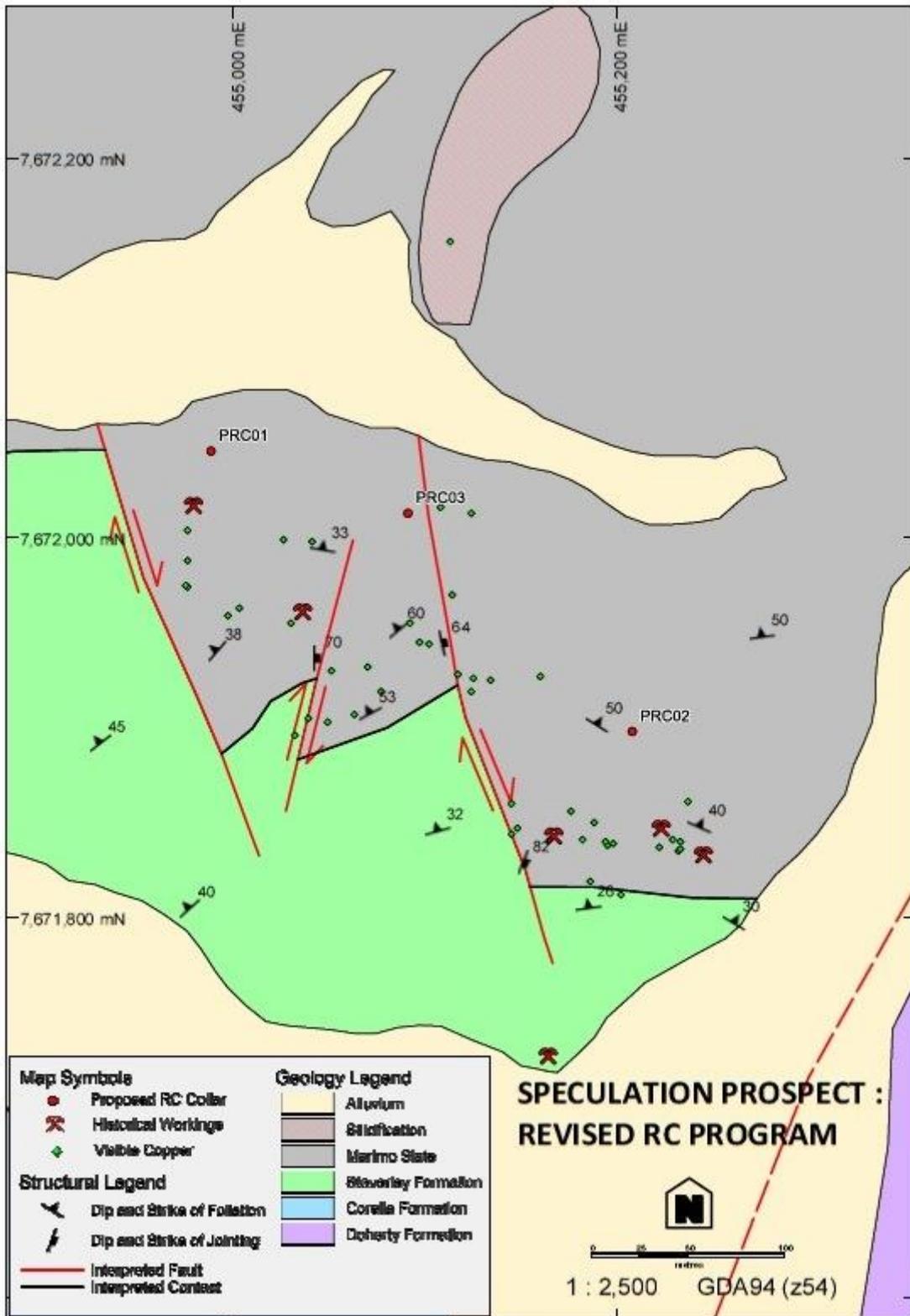


Figure 5 Proposed RC holes collar location in Speculation

### **3. Black Fort Prospect**

The Black Fort prospect is located approximately 45km south-southwest of Cloncurry and 12 kilometres south west of Greenmount and forms part of the White Range project (Figure 2). The surrounding tenement is EPM17602 which is in JV with Orion Gold NL (ca. 4.2%) and Findex Pty Ltd (15%). Under the joint venture agreement, both QMC and Orion Gold need contribute toward the exploration expenditure on a pro rata basis to retain their respective interests in the JV with Findex's interest being free carried.

The project geology comprises calcareous and ferruginous siltstone, shales, phyllite, metavolcanics and jaspilite rocks of the Overhang Jaspilite unit of the Mid Proterozoic Mary Kathleen Group. The same unit also hosts the large Rocklands copper deposit near Cloncurry which is currently being developed by Cudoco Limited. The sedimentary sequence has been strongly deformed with the development of NE trending folds and NNE striking faults and shear zones showing widespread alteration and brecciation.

Previous exploration by QMC has identified a 1 kilometre long structural zone with widespread alteration, broad copper mineralisation, moderate magnetic anomaly and old workings. Drilling by QMC in 2010 intersected widespread copper mineralisation with results including 17m at 1.51% Cu and 57m at 0.69% Cu. The mineralisation remains open along strike and at depth.

In order to identify elevated copper geochemistry immediately surrounding the currently known mineralization as well as its potential extension along strike, a hand held XRF soil geochemical survey was carried out in Black Fort. The program consists of a total of 580 sampling sites with 100m line spacing and 25m sampling intervals, providing a geochemical coverage of 1800m (N-S) by 800m (N-S). The survey lines run E-W, being perpendicular to the interpreted 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.

The data when contoured show a strong N-S geochemical anomaly at an extent of more than 500m long and up to 200m wide with copper values above 500ppm (Figure 6). This anomaly also correlates with the previous QMC drillholes and old workings. Given the similarity in geology to the Rocklands copper deposit located 50km north, Black Fort is ranked top on the list for discovery of significant copper sulphide mineralization. A combined RC and diamond drill program is currently being developed and drilling is expected to commence in next quarter.

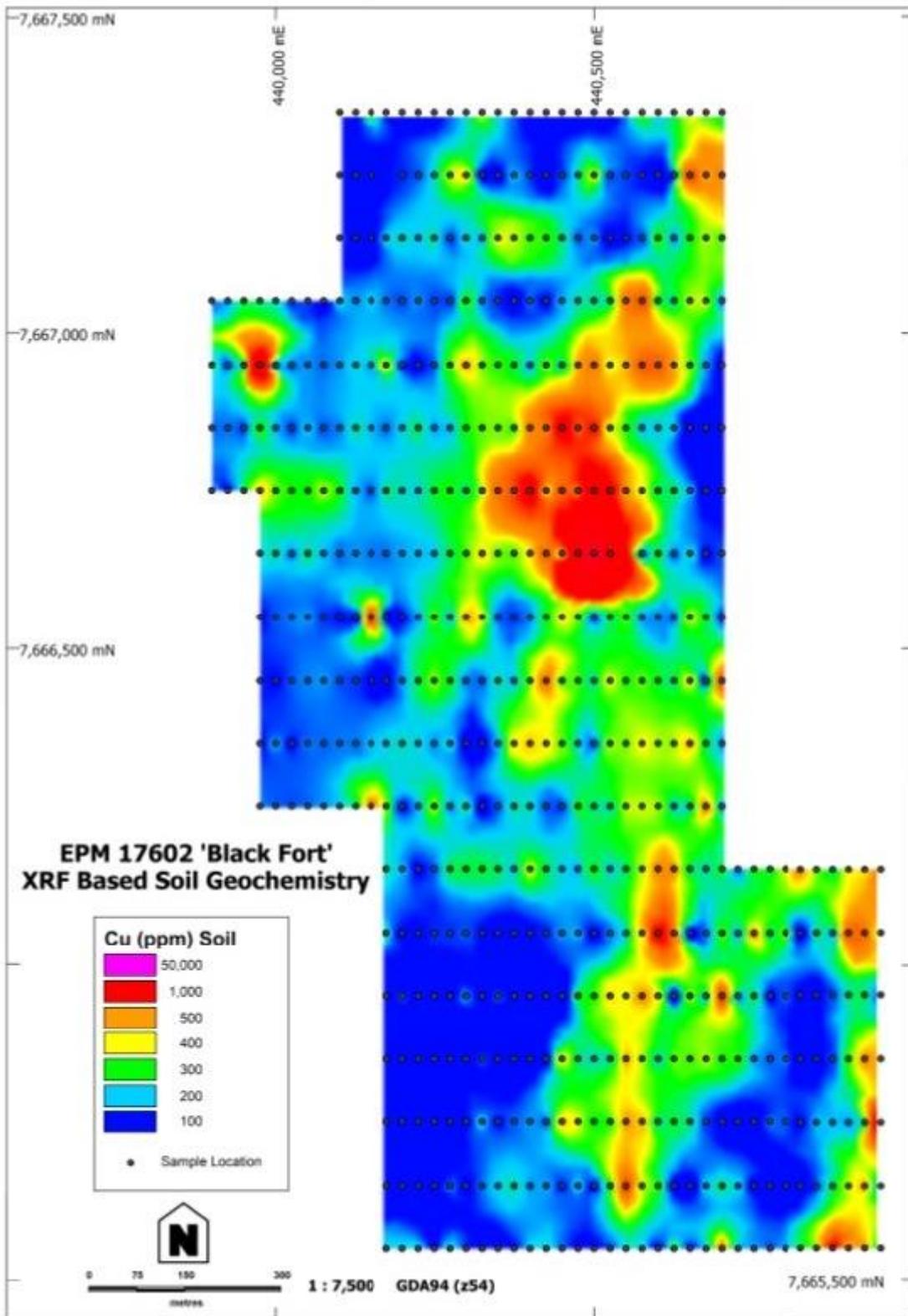


Figure 6 XRF soil copper image at Black Fort

## **Cultural Heritage Clearance**

A cultural heritage clearance with the Mitakoodi People for the Speculation drill program was successfully completed towards the end of the quarter, which has cleared the way for drilling to start in April 2014.

## **Corporate Activities**

The Company continues to apply a conservative fiscal strategy. The cash outflow for administration and tax expenses in the current quarter was \$341k, a reduction of 34% from the \$514k spent in the same quarter in 2013.

While applying the conservative fiscal strategy, the Company takes the advantage of current depressed environment of the mining and exploration sectors to undertake its exploration program and maximising the return of its exploration money that spent.

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 exercised their right to place the Shortfall Shares 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.

On 10 April 2014 the Federal Court of Australia delivered judgement for the Company in its case against its former Managing Director, Mr Howard Renshaw and his controlled entity, Butmall Pty Limited and accountants DKF Richard Hill Pty Limited.

The Company sought orders requiring the repayment of termination payments that were made to the defendants upon Mr Renshaw's ceasing to be Managing Director of the Company in October 2012. The termination payments totalled \$677,333.

The Court found in the Company's favour (including as to costs) in the main case and also dismissed the cross-claim by Mr Renshaw and Butmall in which they sought damages from the Company for allegedly breaching the agreement pursuant to which the termination payments were made.

### **For further details please contact:**

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CEO

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*The exploration results and mineral resources estimates mentioned in this report were previously reported in Greenmount Resources Update released on 7 August 2013 and the 2013 Annual Report released on 22 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 1 QMC Tenement Schedule as at 31 March 2014**

<b>Tenement Name</b>	<b>Tenement Number</b>	<b>Location</b>	<b>Interest at Beginning Quarter</b>	<b>Interest at End Quarter</b>	<b>Acquired during Quarter</b>	<b>Disposed during Quarter</b>	<b>JV Partner/Farm-in Party</b>
Cloncurry South	EPM 13336	NW QLD	Earning 75%	Earning 75%	-	-	Goldsearch
White Range #1	EPM 14148	NW QLD	100%	100%	-	-	
White Range #2	EPM 14163	NW QLD	100%	100%	-	-	
White Range #4	EPM 14475	NW QLD	100%	100%	-	-	
White Range #6	EPM 15031	NW QLD	100%	100%	-	-	
Mt Tracey	EPM 15196	NW QLD	100%	100%	-	-	
Top Bore	EPM 15520	NW QLD	100%	100%	-	-	
Tommy Creek	EPM 15706	NW QLD	100%	100%	-	-	
Duck Creek South	EPM 15718	NW QLD	100%	100%	-	-	
Kuridala South	EPM 15740	NW QLD	Exclusive exploration right	Exclusive exploration right	-	-	Exco Resources
Sunny Mount	EPM 15858	NW QLD	100%	100%	-	-	
Split Rock	EPM 15859	NW QLD	100%	100%	-	-	
Mt Norma	EPM 15879	NW QLD	100%	100%	-	-	
White Range Consolidated	EPM 15897	NW QLD	100%	100%	-	-	
Jessievale	EPM 16078	NW QLD	100%	100%	-	-	
Mt Brownie	EPM 16628	NW QLD	100%	100%	-	-	
Mt Sheaffer	EPM 16976	NW QLD	100%	100%	-	-	
Pigeon South	EPM 17246	NW QLD	100%	100%	-	-	
Coolullah	EPM 17247	NW QLD	100%	100%	-	-	
Pigeon North	EPM 17248	NW QLD	100%	100%	-	-	
Coolullah South	EPM 17249	NW QLD	100%	100%	-	-	
Coolullah South Extended	EPM 17250	NW QLD	100%	100%	-	-	
Koolamarra	EPM 17251	NW	100%	100%	-	-	

		QLD					
Pigeon 1	<b>EPM 17322</b>	NW QLD	100%	100%	-	-	
Pigeon 3	<b>EPM 17323</b>	NW QLD	100%	100%	-	-	
Pigeon 2	<b>EPM 17324</b>	NW QLD	100%	100%	-	-	
Middle Creek	<b>EPM 17326</b>	NW QLD	100%	100%	-	-	
Top Camp	<b>EPM17602</b>	NW QLD	Earning 85%	Earning 85%	-	31 sub- blocks	Orion Gold/Findex
Mt Norma West	<b>EPM 17922</b>	NW QLD	100%	100%	-	-	
Cabbage Tree	<b>EPM 18097</b>		100%	100%	-	-	
Flamingo West	<b>EPM 18106</b>	NW QLD	100%	100%	-	-	
Elder Creek	<b>EPM 18286</b>	NW QLD	100%	100%	-	-	
Slaty Creek	<b>EPM 18440</b>	NW QLD	100%	100%	-	-	
Gold Reef Dam	<b>EPM 18663</b>	NW QLD	100%	100%	-	-	
WEDGETAIL	<b>EPM 18912</b>	NW QLD	100%	100%	-	-	
Elder Creek East	<b>EPM 19149</b>	NW QLD	100%	100%	-	-	
Turpentine Creek	<b>EPM 19150</b>	NW QLD	100%	100%	-	-	
Weatherly Creek South	<b>EPM 19165</b>	NW QLD	100%	100%	-	-	
Surprise Creek	<b>EPM 19166</b>	NW QLD	100%	100%	-	-	
Weatherly Creek North	<b>EPM 19167</b>	NW QLD	100%	100%	-	-	
Anitra Osborne	<b>EPM 19183</b>	NW QLD	100%	100%	-	-	
Pegmont South	<b>EPM 19184</b>	NW QLD	100%	100%	-	-	
COPPER CANYON	<b>MDL 204</b>	NW QLD	100%	100%	-	-	
GREENMOUNT	<b>MDL 205</b>	NW QLD	100%	100%	-	-	
MOUNT NORMA	<b>ML2506</b>	NW QLD	100%	100%	-	-	
SOUTHERN CROSS	<b>ML2510</b>	NW QLD	100%	100%	-	-	
ANSWER	<b>ML 2517</b>	NW QLD	100%	100%	-	-	
WINSTON CHURCHILL	<b>ML 2518</b>	NW QLD	100%	100%	-	-	

VULCAN	<b>ML 2519</b>	NW QLD	100%	100%	-	-	
MARGUARITA	<b>ML 2530</b>	NW QLD	100%	0	-	Lapsed	
BRILLIANT	<b>ML 2531</b>	NW QLD	100%	0	-	Lapsed	
ALONE HAND	<b>ML 2532</b>	NW QLD	100%	0	-	Lapsed	
JESSIE	<b>ML 2533</b>	NW QLD	100%	0	-	Lapsed	
SALLY	<b>ML 2535</b>	NW QLD	100%	100%	-	-	
DULCE	<b>ML 2537</b>	NW QLD	100%	100%	-	-	
DEB	<b>ML 2538</b>	NW QLD	100%	0	-	Lapsed	
COMET	<b>ML 2539</b>	NW QLD	100%	0	-	Lapsed	
BELFAST	<b>ML 2540</b>	NW QLD	100%	100%	-	-	
BELGIUM	<b>ML 2541</b>	NW QLD	100%	100%	-	-	
JACKLEY	<b>ML 2543</b>	NW QLD	100%	100%	-	-	
DULCE EXTENDED NO 2	<b>ML 2544</b>	NW QLD	100%	100%	-	-	
MASCOTTE	<b>ML 2545</b>	NW QLD	100%	0	-	Lapsed	
BARRONESS	<b>ML 2547</b>	NW QLD	100%	0	-	Lapsed	
DANDY	<b>ML 2548</b>	NW QLD	100%	100%	-	-	
TRUMP	<b>ML 2549</b>	NW QLD	100%	100%	-	-	
MOUNT NORMA NO 2	<b>ML 2550</b>	NW QLD	100%	100%	-	-	
MOUNT NORMA NO 3	<b>ML 2551</b>	NW QLD	100%	100%	-	-	
YOOMOO KING	<b>ML 2552</b>	NW QLD	100%	0	-	Lapsed	
YOOMOO WEST	<b>ML 2553</b>	NW QLD	100%	0	-	Lapsed	
GILDED ROSE	<b>ML 2709</b>	NW QLD	100%	100%	-	-	
BUTTON	<b>ML 2711</b>	NW QLD	100%	100%	-	-	
GILDED ROSE EXTENDED EAST	<b>ML 2713</b>	NW QLD	100%	100%	-	-	
GILDED ROSE EXTD WEST	<b>ML 2718</b>	NW QLD	100%	100%	-	-	

GILT EDGE EXTENDED EAST 1	<b>ML 2719</b>	NW QLD	100%	100%	-	-	
MT FREDA	<b>ML 2741</b>	NW QLD	100%	100%	-	-	
EVENING STAR	<b>ML 2742</b>	NW QLD	100%	100%	-	-	
EVENING STAR NORTH EXT	<b>ML 2750</b>	NW QLD	100%	100%	-	-	
MT FREDA EXTENDED	<b>ML 2752</b>	NW QLD	100%	100%	-	-	
EVENING STAR NORTH	<b>ML 2763</b>	NW QLD	100%	100%	-	-	
NEW DOLLAR	<b>ML 2777</b>	NW QLD	100%	100%	-	-	
HORSESHOE	<b>ML 2778</b>	NW QLD	100%	100%	-	-	
MOUNTAIN MAID	<b>ML 2779</b>	NW QLD	100%	100%	-	-	
TOP CAMP NO 5 (TWO MILE)	<b>ML 2788</b>	NW QLD	100%	100%	-	-	
LITTLE BEAUTY	<b>ML 7498</b>	NW QLD	100%	100%	-	-	
YOUNG AUSTRALIAN 2	<b>ML 7511</b>	NW QLD	100%	100%	-	-	
YOUNG AUSTRALIAN	<b>ML 7512</b>	NW QLD	100%	100%	-	-	
YOUNG AUSTRALIAN 2	<b>ML 90081</b>	NW QLD	100%	100%	-	-	
MT MCCABE	<b>ML 90082</b>	NW QLD	100%	100%	-	-	
STUART	<b>ML 90083</b>	NW QLD	100%	100%	-	-	
YOUNG AUSTRALIAN EXTENDED	<b>ML 90084</b>	NW QLD	100%	100%	-	-	
CHINAMEN	<b>ML 90088</b>	NW QLD	100%	100%	-	-	
AUSTRALIAN	<b>ML 90099</b>	NW QLD	100%	100%	-	-	
NEW SNOW BALL	<b>ML 90103</b>	NW QLD	100%	100%	-	-	
MOSSY'S DREAM	<b>ML 90104</b>	NW QLD	100%	100%	-	-	
GREENMOUNT	<b>ML 90134</b>	NW QLD	100%	100%	-	-	
EVA	<b>ML 90147</b>	NW QLD	100%	100%	-	-	
MOUNT TIMBEROO	<b>ML 90148</b>	NW QLD	100%	100%	-	-	
MT MCNAMARA	<b>ML 90149</b>	NW QLD	100%	100%	-	-	

PHIL'S FIND	<b>ML 90161</b>	NW QLD	100%	100%	-	-	
MT NORMA SURROUND 1	<b>ML 90172</b>	NW QLD	100%	100%	-	-	
MT NORMA SURROUND 2	<b>ML 90173</b>	NW QLD	100%	100%	-	-	
MT NORMA SURROUND 3	<b>ML 90174</b>	NW QLD	100%	100%	-	-	
MT NORMA SURROUND 4	<b>ML 90175</b>	NW QLD	100%	100%	-	-	
MT NORMA SURROUND 5	<b>ML 90176</b>	NW QLD	100%	100%	-	-	
FLAMINGO NO 1	<b>ML 90202</b>	NW QLD	100%	100%	-	-	
FLAMINGO NO 2	<b>ML 90203</b>	NW QLD	100%	100%	-	-	
FLAMINGO NO 3	<b>ML 90204</b>	NW QLD	100%	100%	-	-	
FLAMING NO. 4	<b>ML 90205</b>	NW QLD	100%	100%	-	-	
FLAMINGO NO. 5	<b>ML 90206</b>	NW QLD	100%	100%	-	-	
FLAMINGO NO. 6	<b>ML 90207</b>	NW QLD	100%	100%	-	-	
MT DEBBIE	<b>MC 4348</b>	NW QLD	100%	100%	-	-	
MT DEBBIE 2	<b>MC 4349</b>	NW QLD	100%	100%	-	-	
MT DEBBIE NO 1	<b>MC 4350</b>	NW QLD	100%	100%	-	-	

**2012 JORC Code****Section 1 – Sampling Techniques and Data**

<b>Criteria</b>	<b>Explanation</b>
Drilling Techniques – Kuridala South	<ul style="list-style-type: none"><li>• Reverse circulation drilling using Schramm WS450 drill rig</li></ul>
Sampling Techniques	<ul style="list-style-type: none"><li>• All drill samples were collected at 1 metre intervals</li><li>• Drill samples were riffle split using a riffle splitter mounted on the drill rig</li><li>• Average sample weight is about 3kg</li><li>• Samples were pulverised to produce 30g charge for aqua regia digest for multi-elements and fire assay for gold</li></ul>
Logging	<ul style="list-style-type: none"><li>• Drill chips were logged onto field sheets and later input into the computer connected with Company server in site office.</li><li>• Chips were sieved on regular 1m intervals and put into labelled chip trays</li><li>• All chips were geologically logged</li><li>• Chip trays are stored in the site office in Cloncurry</li></ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"><li>• XRF analysis was conducted on all drill samples using an Innovex Delta model handheld XRF set in 'Soil' mode</li><li>• Assays were conducted by ALS Global, Townsville laboratory, using standard procedures and standard laboratory checks, ME-ICP41 and Au-AA25</li><li>• Sample preparation is consistent with industry standard practice</li><li>• The samples sizes are appropriate for the material being sampled</li></ul>
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"><li>• Blind certified OREAS standards were inserted 1 in every 25 samples</li><li>• Blanks and field duplicates were included at a ratio of 1:50</li><li>• Field duplicates were obtained by spear sampling the green plastic bag</li><li>• OREAS standards were sourced from Ore Research &amp; Exploration Ltd</li></ul>

	<ul style="list-style-type: none"> <li>• A total of 11 standards with various values, 6 duplicates and 5 blanks were used for the Kuridala South drill program</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>• Significant mineralisation intersections were verified by Chief Geologist</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>• Drill hole collars were picked up using DGPS with sub-metre resolution and marked by star pickets with pink flag</li> <li>• Down hole surveys were taken every 30m using a Reflex Single Shot Digital Camera</li> <li>• Co-ordinates are recorded in grid system MGA94, Zone 54</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>• 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</li> <li>• No sample compositing has been applied</li> </ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>• Drill holes were designed to intersect the mineralized structure with minimal depth</li> <li>• Drilling orientation was proposed to be approximately perpendicular to the strike of mapped mineralised zones</li> </ul>
Sample security	<ul style="list-style-type: none"> <li>• Sample bags were packed in batches into polyweave bags and then wrapped onto pallet for transport</li> <li>• Samples were transported to laboratory in Townsville by NQX</li> </ul>
Audits or reviews	<ul style="list-style-type: none"> <li>• Audit of sampling techniques and data was performed</li> <li>• In-house review of QAQC for laboratory assays was undertaken</li> </ul>

<b>Criteria</b>	<b>Explanation</b>
Handheld XRF Soil Sampling Techniques – Black Fort	<p>An Innovex Delta model handheld XRF was employed with the device set to soil testing mode. Calibration was performed on a daily basis using a '316' standard issued with the device.</p> <p>A rock pick was used to dig a shallow pit at each sampling site (roughly 15-20cm deep, or as deep as soil cover allowed), with the head of the</p>

	<p>rock pick then being used to flatten the target area in order to obtain a representative and homogeneous soil sample in the field.</p> <p>Three readings were taken at each site while the figures for both Cu and As were recorded in a notebook</p>
Location of data points	<ul style="list-style-type: none"> <li>• Location by hand held Garmin GPSmap 62s GPS</li> <li>• Cloncurry district – Grid System MGA94, Zone 54</li> </ul>
Data spacing and distribution	Sampling was undertaken at 100m line spacing and 25m every sample.
Orientation of data in relation to geological structure	Survey lines are E-W oriented, being perpendicular to the interpreted mineralized trend

## Section 2 – Reporting of Exploration Results

Criteria	Explanation
Mineral Tenement and Land Tenure Status – Kuridala South	<ul style="list-style-type: none"> <li>• ML90081 “Kuridala’ located approximately 65km south of Cloncurry and is 100% owned by White Range Mines Pty Ltd, a subsidiary of Queensland Mining Corporation Ltd. QMC’s interest in ML90081 is limited to the top 100m whilst Chinova Resources owns everything underneath the 100m mark. ML90081 covers an area of 1,247 hectares with a renewal application is being processed by the Mines Department</li> </ul>
Exploration done by other parties	<ul style="list-style-type: none"> <li>• Kuridala deposit was drilled by MIM, Broken Hill South and Carpentaria Exploration from 1948 to 1969</li> <li>• From 1988 to 1990 Metana carried out detailed exploration drilling which led to a feasibility study for mining</li> <li>• In 1995 Arimco completed 23 diamond holes and 75 RAB holes</li> <li>• In 1996 Majestic Resources completed 60 RC holes</li> <li>• In 2005-2006 Matrix Metals drilled 30 diamond holes, providing samples for metallurgical test</li> </ul>

Geology	Structurally controlled copper-gold mineralization in black slate and amphibolite unit of the Soldier's Cap Group
Other substantive exploration data	The Kuridala lode extends over 900m long. The first recorded mining occurred in 1898 and was continued through until 1921 when the economics and technical problems of the mines caused final closure.

Criteria	Explanation
Mineral Tenement and Land Tenure Status - Speculation	<ul style="list-style-type: none"> <li>EPM17602 "Top Camp-Iron Ridge" located approximately 40km south-southwest of Cloncurry and is JV with Orion Gold NL (4.2%) and Findex Pty Ltd (15%). The EPM currently consists of 47 sub-blocks and will expire on 20 October 2015.</li> </ul>
Exploration done by other parties	<ul style="list-style-type: none"> <li>Cyrus Gold carried out ~80# soil sampling over prospect area at a grid pattern of 400m x100m, rock chipping and costeaning plus drilling of 7 RC &amp; diamond holes in the early 1990s</li> <li>One of the costeans returned 52m@ 0.82% Cu, including 10m @2.41% Cu</li> <li>In 2004 Orion Gold (former Goldstar) carried out gravity survey over the area</li> <li>In 2010 QMC drilling 5 RC holes with the best intersection of 17m@ 1.51% Cu</li> </ul>
Geology	Shear zone controlled copper-gold mineralization in the calcareous and ferruginous siltstone, shales, phyllite, metavolcanics and jaspilite rocks of the Overhang Jaspilite unit of the Mary Kathleen Group
Other substantive exploration data	Sporadic copper mineralization in the form of malachite veins, stockworks and disseminations were noticed in the surveyed area plus very strong multiphase deformation

## 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")

31 March 2014

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 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	(404)	(1,775)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	20	32
1.5 Interest and other costs of finance paid		(11)
1.6 Income taxes paid		
1.7 Other (provide details if material)		
-GST refund	30	77
-R&D Grant received	683	1,049
-Payroll & PAYG Tax paid	(35)	(121)
-FBT tax Paid		(115)
<b>Net Operating Cash Flows</b>	<b>(42)</b>	<b>(1,793)</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	7	152
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
<b>Net investing cash flows</b>	<b>7</b>	<b>152</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(35)</b>	<b>(1,641)</b>

+ 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)	(35)	(1,641)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	439	2,951
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		(211)
1.18	Dividends paid		
1.19	Other (provide details if material)		
	<b>Net financing cash flows</b>	439	2,740
	<b>Net increase (decrease) in cash held</b>	404	1,099
1.20	Cash at beginning of quarter/year to date	2,029	1,334
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	2,433	2,433

### 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	59
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	12
- Director fee	
Payment to Eddy Wu	25
- Director fee	
Payment to Jun Qiu	12
- Director fee	
Payment to Joyce Wang which Joyce Wang is an alternate Director	10
- 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

5,681,833 shares were issued as fully paid at \$0.012 in consideration for exploration consultancy services provided by a third party contractor.

+ See chapter 19 for defined terms.

**Appendix 5B**

**Mining exploration entity and oil and gas exploration entity quarterly report**

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- 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	14	12
5.2 Deposits at call	1,918	1,900
5.3 Bank overdraft	-	-
5.4 Other Online Saving Account	501	117
<b>Total: cash at end of quarter (item 1.22)</b>	<b>2,433</b>	<b>2,029</b>

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+ 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	Duck Creek			
	ML 2530	Mining Lease	100%	0
	ML 2531	Mining Lease	100%	0
	ML 2532	Mining Lease	100%	0
	ML 2533	Mining Lease	100%	0
	ML 2538	Mining Lease	100%	0
	ML 2539	Mining Lease	100%	0
	ML 2545	Mining Lease	100%	0
	ML 2547	Mining Lease	100%	0
	ML 2552	Mining Lease	100%	0
ML 2553	Mining Lease	100%	0	
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> (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	1,126,349,328	1,126,349,328		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	43,167,785	43,167,785	1.20	1.20

+ See chapter 19 for defined terms.

**Appendix 5B**

**Mining exploration entity and oil and gas exploration entity quarterly report**

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7.5	<b>*Convertible debt securities</b> <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> <i>(description and conversion factor)</i>	17,450,000 (1 option for 1 ordinary share)	Nil	<i>Exercise price</i> 10 cents/share	<i>Expiry date</i> 30/11/2014
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> <i>(totals only)</i>				
7.12	<b>Unsecured notes</b> <i>(totals only)</i>				

### 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 April 2014

Print name: Pipvide Tang

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+ 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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