

Queensland Mining Corporation
LIMITED

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16 March 2010

ASX Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir

COMPANY ANNOUNCEMENT

HALF YEARLY REPORT

Queensland Mining Corporation Limited (ASX: QMN) attaches the following;

- Half Yearly Report 31 December 2009

Yours faithfully

QUEENSLAND MINING CORPORATION LIMITED

A handwritten signature in black ink, appearing to read 'Richard Hill', is written over a horizontal line.

Richard Hill
Company Secretary

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

HALF-YEARLY REPORT
31 DECEMBER 2009

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Director's Report

Your directors present this report on the Company and its subsidiaries for the six month period ended 31 December 2009 ("Reporting period")

Current Directors

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

Mr David Usasz
Mr Howard Renshaw
Mr Richard Hill (appointed 1 October 2009)
Mr Kevin Maloney (resigned 14 August 2009)

Company Secretary

Mr Richard Hill

Corporate Review

The past 18 months was one of the most turbulent years for the commodity and capital markets in modern times. However, QMC has successfully weathered the adverse market conditions and with the turnaround in commodity prices the underlying value of QMC has increased, enabling a capital raising of \$5M to be completed in September 2009. As well the company was able to raise an additional \$2 Million, through the exercise of options at 25c that were exercisable on or before the 30th November 2009.

Corporate Finance and Development

Following the \$7M capital raisings during this 6 months period, QMC applied the funds to the repayment of \$2.5M convertible notes issued in 2007 to Belgravia Strategic Equities Pty Ltd. Further funds were applied to Mt Freda, Morris Creek and Flamingo drilling programs.

The \$2.5M convertible note held by Tulla Resources Group Pty Ltd originally due in August 2009 has been renegotiated on the basis of a part payment of \$1.5M by 31st March 2010 and \$1M remaining is due on 31st March 2011.

On the 23rd of December QMC announced the acquisition of the White Range Copper Project from the liquidator of Matrix Metals, for a consideration of \$5M, with \$0.5M deposit paid when the contract was signed and anticipated to be completed by the 2nd Quarter 2010. Your directors are very excited about this acquisition as it includes a JORC compliant resource of 14.8Mt of oxide copper ore, which equates to 163,000 tonnes of copper metal. QMC's existing mining leases within this area substantially supports this White Range purchase as it adds additional oxide copper resources to this project.

As set out in note 10 the Company has completed a further capital raising of \$8.1M by the issue of 60million shares together with 30M options.

Review of Operations

The Company, through its experienced exploration team has been able to identify important drilling targets across a number of tenements, namely at the Morris Creek (EPM), Mt Freda (ML's) and Flamingo (ML's) where a total of 6,700m of drilling was completed during November – December 2009.

A ground magnetic survey was also completed over the high impact Jessievale EPM prior to drill hole planning. From previous exploration results this prospect appears to be poorly tested and offers the opportunity for a large IOCG discovery.

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

During the last quarter, QMC has engaged three geological consultants working from their Sydney office to compile data generated from previous explorers and integrate this with the results of the 2008-2009 QMC drilling programs. This comprehensive database will form the basis of resource calculations and definition drilling programs, to assist in the scoping studies and the future development of these mines. This work incorporates the following projects; Flamingo, Mt Freda / Gilded Rose, Evening Star, Mt Norma, Young Australian and Mt McNamara (all of which are granted Mining Leases and owned QMC 100%).

Summary, QMC's Business Plan, Priority and Focus

- Drilling – Flamingo, Morris Creek, Jessievale and Mt Freda / Gilded Rose.
- Mining and metallurgical scoping studies, with a view to development and production – Flamingo, Mt Freda / Gilded Rose.
- Review BFS – White Range Project, with a view to upgrading the resources and reserves as well as reviewing the significant exploration upside of the area. In turn this will lead to the development of additional drilling programs on both the ML's and EPM's.

The Board of Directors has confidence in QMC's high quality project portfolio and the drilling and development of these projects should enhance the mineral resources and enable the opportunities for cash flow production and thereby substantially strengthening the underlying value to QMC's shareholders.



Howard Renshaw
Managing Director



Chartered Accountants
& Business Advisers

AUDITOR'S INDEPENDENCE DECLARATION

**To : The Directors
Queensland Mining Corporation Limited**

As lead auditor for the review of Queensland Mining Corporation Limited for the half year ended 31 December 2009 I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) 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 subsidiaries it controlled during the half year.

PKF

Bruce Gordon

Partner

16 March 2010

Sydney

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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

	31.12.2009	31.12.2008
	\$	\$
Other revenue	194,553	122,965
Net finance costs	(264,446)	(206,265)
Accountancy fee	(55,500)	(68,000)
Advisory services	(47,187)	(122,968)
Auditors' remuneration	(38,500)	(62,500)
Corporate development expenses	(98,869)	(75,129)
Impairment of exploration and evaluation expenditure	-	(963,885)
Write down of inventories	-	(151,000)
Impairment of plant and equipment	-	(800,000)
Depreciation expense	(178,918)	(173,325)
Employee benefit expense	(307,558)	(228,711)
Management expense	(154,363)	(140,000)
Corporate finance development	(35,000)	(53,421)
Other expenses	(688,169)	(631,660)
	<hr/>	<hr/>
Loss before income tax expense	(1,673,957)	(3,553,899)
Income tax expense	-	-
	<hr/>	<hr/>
Loss for the period after income tax	(1,673,957)	(3,553,899)
Other comprehensive income		
Other comprehensive income	-	-
	<hr/>	<hr/>
Total comprehensive loss for the period after tax	<u>(1,673,957)</u>	<u>(3,553,899)</u>
Basic and Diluted EPS	(0.93 c)	(2.27 c)

The above statement of comprehensive income should be read in conjunction with the accompanying notes

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009**

		31.12.2009	30.06.2009
		\$	\$
ASSETS	Note		
CURRENT ASSETS			
Cash and cash equivalents		1,045,730	394,304
Trade and other receivables	3	1,290,046	530,686
Inventory		75,000	75,000
TOTAL CURRENT ASSETS		<u>2,410,776</u>	<u>999,990</u>
NON CURRENT ASSETS			
Mining licences		13,751,105	13,497,354
Exploration and evaluation expenditure		8,542,417	7,667,721
Property, plant and equipment		3,503,429	3,088,427
TOTAL NON – CURRENT ASSETS		<u>25,796,951</u>	<u>24,253,502</u>
TOTAL ASSETS		<u>28,207,727</u>	<u>25,253,492</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		833,684	631,817
Financial liabilities	8	1,500,000	5,000,000
TOTAL CURRENT LIABILITIES		<u>2,333,684</u>	<u>5,631,817</u>
NON CURRENT LIABILITIES			
Financial liabilities	8	1,000,000	-
TOTAL NON CURRENT LIABILITIES		<u>1,000,000</u>	<u>-</u>
TOTAL LIABILITIES		<u>3,333,684</u>	<u>5,631,817</u>
NET ASSETS		<u>24,874,043</u>	<u>19,621,675</u>
EQUITY			
Issued capital	9	38,620,204	31,693,879
Share option reserve		2,413,067	2,413,067
Accumulated losses		(16,159,228)	(14,485,271)
TOTAL EQUITY		<u>24,874,043</u>	<u>19,621,675</u>

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

STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

	Issued Capital	Share Option Reserve	Accumulated Losses	Total
Balance at 01.07.2008	25,904,638	2,413,067	(9,725,573)	18,592,132
Loss attributable to members of the Group	-	-	(3,553,899)	(3,553,899)
Share capital issued	4,134,506	-	-	4,134,506
Share issue cost	(369,200)	-	-	(369,200)
Conversion of options	408,334	-	-	408,334
Balance at 31.12. 2008	30,078,278	2,413,067	(13,279,472)	19,211,873
Balance at 01.07.2009	31,693,879	2,413,067	(14,485,271)	19,621,675
Loss attributable to members of the Group	-	-	(1,673,957)	(1,673,957)
Share capital issued	7,034,700	-	-	7,034,700
Share issue cost	(472,125)	-	-	(472,125)
Conversion of options	363,750	-	-	363,750
Balance at 31.12. 2009	38,620,204	2,413,067	(16,159,228)	24,874,043

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

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

**STATEMENT OF CASH FLOWS
FOR HALF-YEAR ENDED 31 DECEMBER 2009**

	Note	31.12.2009	31.12.2008
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,259,030)	(1,270,079)
Interest received		15,590	92,349
Interest paid		(280,036)	(298,614)
Net cash used in operating activities		<u>(1,523,476)</u>	<u>(1,476,344)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(593,920)	(55,769)
Deposit paid for mining licences	3	(529,055)	-
Payment for exploration and evaluation expenditure		(1,128,447)	(2,492,559)
Net cash used in investing activities		<u>(2,251,422)</u>	<u>(2,548,328)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		7,398,450	4,542,841
Costs of shares issue		(472,125)	(369,200)
Proceeds from the issue of convertible notes		-	-
Repayments of borrowings		(2,500,000)	-
Net cash provided by financing activities		<u>4,426,325</u>	<u>4,173,641</u>
Net increase in cash held		651,427	148,969
Cash at beginning of period		394,303	168,812
Cash at end of period		<u>1,045,730</u>	<u>317,781</u>

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 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of half – year financial report

a. Statement of Compliance

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore can not be expect to provide as full an 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 for the year ended 30 June 2009 and considered together with any public announcements made by Queensland Mining Corporation Ltd during the half-year ended 31 December 2009 in accordance with the continuous disclosure obligations of the ASX listing rules.

b. Change in accounting policies

The following amending Standards have been adopted from 1 July 2009. Adoption of these Standards did not have any effect on the financial position or performance of the Company.

Reference	Title	Application date of standard
AASB 8 and AASB 2007-3	Operating segments and consequential amendments to other Australian Accounting Standards	1 January 2009
AASB 101 (revised) AASB 2007-8 and AASB 2007-10	Presentation of Financial Statements and consequential amendments to other Australian Accounting Standard	1 January 2009
AASB 3 (revised)	Business Combinations	1 July 2009
AASB 127 (revised)	Consolidated and Separate Financial Statements	1 July 2009

The Company has not elected to early adopt any other new Standards or amendments that are issued but not yet effective.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

NOTE 2: EXPLORATION ACTIVITIES

Detail of exploration activities are set out in the Directors' report

NOTE 3: CONTINGENT LIABILITIES AND COMMITMENTS

There are no changes to the contingent liabilities and commitments from the 2009 Annual Report except for the settlement of the asset sales and purchase agreement with Matrix Metals Limited.

In December 2009, the Group has signed an asset sales and purchase agreement with Matrix Metals Limited to acquire mining licences and tenements for a consideration of \$5 million (plus GST where applicable), of which \$529,055 has been paid (the amount is included in trade and other receivables). The agreement is expected to be completed by 31 March 2010.

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 have 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: ACQUISITION AND DISPOSAL OF SUBSIDIARIES

During the reporting period, the Group make no acquisitions or disposals

NOTE 6: DIVIDEND

No dividend has been declared or is payable.

NOTE 7: IMPAIRMENT OF ASSETS

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

NOTE 8: FINANCIAL LIABILITIES

	Economic Entity	
	31.12.2009	30.06.2009
	\$	\$
a. Convertible Notes		
CURRENT		
Convertible note – at the beginning of reporting period	5,000,000	5,000,000
Payment – during the period	(2,500,000)	-
Converted into unsecured loan (b)	(2,500,000)	-
	-	5,000,000

b. Unsecured loan

CURRENT		
Unsecured loan (i)	1,500,000	-
	1,500,000	-
NON CURRENT		
Unsecured loan (ii)	1,000,000	-
	1,000,000	-

(i) The Group paid out the convertible notes and entered into an unsecured loan agreement with Tulla Resources Pty Ltd in August 2009. The loan carries an interest of 10% per annum and the repayment dates on 31 March 2010.

(ii) In March 2010, Tulla Resources has agreed to convert \$1 million of the unsecured loan to convertible notes on the following terms and condition :

- Converts to ordinary shares at 20 cents per share,
- Interest of 10% per annum
- Redemption date on 31 March 2011.

NOTE 9: ISSUED CAPITAL

	Economic Entity	
	31.12.2009	30.06.2009
	\$	\$
256,632,539 (30.6.2009: 196,305,422 fully paid ordinary shares)	38,620,204	31,693,879
Ordinary shares		
At the beginning of reporting period/year	31,693,879	25,904,638
Shares issued during the period/year	7,034,700	5,580,907
Options converted to ordinary shares during the period/year	363,750	408,334
	39,092,329	31,893,879
Less: Costs of capital raising	(472,125)	(200,000)
At the end of the reporting period/year	38,620,204	31,693,879
	No.	No.
At the beginning of reporting period/year	196,305,422	162,223,070
Shares issued during the period/year	49,974,667	30,899,030
Options converted to ordinary shares during the year	10,352,500	3,183,322
At the end of the reporting period/year	256,632,589	196,305,422

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

NOTE 10: EVENTS SUBSEQUENT TO REPORTING DATE

In January 2010, the Board of Directors has approved and issued 1,675,000 options at an exercise price of 25 cents and expire on 30.11.2012 to certain employees of the Group.

In March 2010, Tulla Resources Pty Ltd has agreed to convert \$1 million of the unsecured loan due on 31 March 2010 to convertible notes. The terms of the notes are as follows:

- (iii) Converts to ordinary shares at 20 cents per share,
- (iv) Interest of 10% per annum
- (v) Redemption date on 31 March 2011.

The remaining \$1.5 million is payable by cash when the Group completes its capital raising.

On 11 March 2010 the Company announced that it had completed a share placement totalling 60 million shares at 13.5 cents per share together with 30 million options raising \$8.1m. The amount raised will enable the Company to complete its drilling programs, settle the Matrix Agreement, the unsecured loan repayment and to support working capital requirements.

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

DIRECTORS' DECLARATION

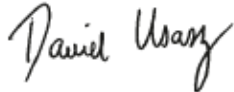
The directors of the company declare that:

The financial statements and notes, as set out on pages 6 to 10 are in accordance with the *Corporations Act 2001*:

- a. comply with Accounting Standards and the *Corporations Regulations 2001*; and
- b. give a true and fair view of the financial position as at 31 December 2009 and of the performance for the year ended on that date of the company and economic entity;

In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink that reads "Daniel Wang". The signature is written in a cursive, slightly slanted style.

Chairman

Dated this *16* day of March 2010



Chartered Accountants
& Business Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members 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 statement of financial position as at 31 December 2009, statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a description of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at 31 December 2009 or from time to time during the half year ended on that date.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 an Interim 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 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 2009 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*

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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 2009 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.



PKF



Bruce Gordon

Partner

16 March 2010

Sydney