

Queensland Mining Corporation
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19m @5.53g/t Au Intersected at Gilded Rose (QMC 100%)

Significant multiple Gold intersected at Gilded Rose

Highlights

RC drilling completed in early June has encountered the following high grade intercepts:

- **19m @ 5.53g/t Au from 52m in Hole GR10RC07, including 4m @ 20.68g/t Au from 52m**
- **11m @ 2.19g/t Au from 46m in Hole GR10RC12, including 3m @ 7.28g/t Au from 54m**
- **four separate zones of mineralization at Hole GR10RC16 between 31 and 87 metres down hole depth, including:**
 - **6m at 2.83g/t from 66m;**
 - **5m at 6.54g/t from 82m, including 3m at 9.86g/t from 84m, and**
 - **1m at 3.4 g/t from 78m.**
- **Ore grade gold zone now extends to in excess of 250m along strike and is open along strike and at depth**
- **Resource modeling and follow-up diamond drilling is planned and includes deeper diamond drilling to depths of 250m+**



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Queensland Mining Corporation Limited (**ASX: QMN**) is pleased to announce assay results from the first phase of RC drilling completed on QMC 100% owned Gilded Rose gold project located approximately 15km east-southeast of Cloncurry, northwest Queensland.

QMC's assets in the Gilded Rose area consist of Mining Leases 2709, 2713, 2718 and 2719 covering an area of 64 hectares which contain the historical Gilded Rose, Boomerang, Gilt Edge and Silver Lining Mines (DMR reported drilling 52 RC and 8 Diamond holes at the Gilded Rose and along strike at the various named Mine sites) where mineralization is over an area of 1.5km, the surrounding EPM14475 (Exploration Permit for Minerals) covering an area of 35km². The Company also has a gold processing plant on care and maintenance located on the lease area that is suitable for the treatment of high-grade ore. The plant can be upgraded and re-commissioned for approximately \$250,000 for an estimated annual throughput capacity of 185,000 TPA of ore. The company is currently proceeding with resource calculations and ore resource modeling to enable mine design and engineering for the production of Gold.

Gold mineralization occurs as sheeted quartz veins along the WNW-ESE trending shear zones developed mainly on the contact between the phyllite-quartzite unit and overlying metavolcanics of the Weatherly Creek Formation. Previous explorers have included Kennecott Exploration (Australia) Ltd, North Queensland Company Ltd and DMR who carried out mapping sampling and drilling.

The drill program completed in early June 2010 consists of 21 RC holes totaling at 2400m over a strike length of 400m of the interpreted host structure. (**Figure 1**).The drilling was designed to support the result of previous drilling and develop a reliable database with the aim of producing a JORC compliant resource for the project prior to mine planning and commencement of Gold production. All holes were drilled against the strike of the interpreted host structure at a dip of -60 degrees with depths varying from 72 to 150m. A drilling pattern of 25m x 25m was undertaken around the current pit.

Drill hole details are presented in **Table 1** and their locations are shown in **Figure 1**.



Assay results returned significant intervals of high-grade gold mineralization at shallow depths (**Table 2**) with the best intercept being **19m @ 5.53g/t Au from 52m** in Hole GR10RC07 which includes **4m @ 20.68g/t Au from 52m** depth. This hole was drilled towards the southeastern end of the current pit, suggesting the mineralization zone extends outside of the pit. The next best hole in the program is Hole GR10RC12, which was drilled towards the north-western end of the pit and 75m along strike to Hole GR10RC07. This hole intersected three zones of mineralization with the best interval recording **11m @ 2.19g/t Au from 46m** depth, including a higher grade intercept of **7.28g/t Au over 3m**.

Other important holes in the program include Holes GR10RC16 and GR10RC18. Hole GR10RC16 was collared 25m behind Hole GR10RC07 to the south to follow up the down-dip extension of mineralization intersected in Hole GR10RC07-GR10RC16 encountered four separate zones of mineralization between 31 and 87 metres down hole depth, including;

- **6m at 2.83g/t from 66m;**
- **5m at 6.54g/t from 82m, including 3m at 9.86g/t from 84m, and**
- **1m at 3.4 g/t from 78m.**
-

Hole GR10RC18 was drilled 120m southeast of Hole GR10RC07 and returned 3m mineralization averaging 1.8g/t Au. **This result is important as it extends the strike length of the mineralization zone at the Gilded Rose by 250m and remains open along strike and to the south remains open at depth.**

The Company is encouraged by these results which based on the broad high grade gold intersections are expected to support a new resource position in the Gilded Rose Project. A new geological model is being developed to target similar gold mineralization along the 1.5km strike length covered by the four mining leases and within the broad area of the EPM located approximately in the centre of the Pumpkin Goldfield in the Cloncurry mineral province. **Resource modeling of the drill results and follow-up diamond drilling for exploration and core recovery for metallurgical and gold processing test work requirements are now planned to be enacted on these encouraging results.**



The gold price as at 06/08/2010 is around US\$1,194 per ounce (AUD=\$US0.91) which is approximately AUD\$42 per gram. The company's Gold plant at Gilded Rose has been reviewed by GMS Engineering & Project Pty Ltd. to upgrade the Gilded Rose plant to around 185,000 TPA throughput at an estimated cost of \$250,000.



Gilded Rose-High Grade Gold Plant

Processing recovery tests have been sent to laboratories and the company is enacting a new plan of operations and environmental approval to enable mining and gold production to recommence.

The Gilded Rose from previous historical production as reported from high grade underground mining to open-cut operations, were approximately 10,500ounce of gold. The average grade as reported varied from 18g/t to 42g/t Au from various mining operations undertaken.



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Further details on the Gilded Rose Mine and Exploration history including production can be found on page 66-68 of the independent geological report in the QMC Prospectus dated 02/01/2008 and under the heading of “Investor Information” on QMC’s website: www.qmcl.com.au.

Yours Sincerely,

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

Howard V. Renshaw
Managing Director

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Guojian Xu, a Member of Australasian Institute of Mining and Metallurgy and a Fellow of the Society of Economic Geologists. Dr Guojian 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 2004 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.



Table 1: Gilded Rose Gold Project – Drillhole Details and Location

Hole ID	Easting MGA94	Northing MGA94	RL	AZIMUTH Magnetic	DIP	DEPTH (m)
GR10RC01	460477	7702572	245	19	-60	120
GR10RC02	460457	7702531	245	19	-60	120
GR10RC03	460495	7702552	245	19	-60	120
GR10RC04	460478	7702516	245	19	-60	120
GR10RC05	460461	7702463	248	19	-60	125
GR10RC06	460509	7702523	245	19	-60	120
GR10RC07	460525	7702499	245	19	-60	120
GR10RC08	460545	7702539	245	19	-60	120
GR10RC09	460582	7702521	245	19	-60	120
GR10RC10	460495	7702488	245	19	-60	102
GR10RC11	460486	7702533	245	19	-60	108
GR10RC12	460466	7702550	245	19	-60	150
GR10RC13	460448	7702513	245	19	-60	140
GR10RC14	460420	7702548	245	19	-60	120
GR10RC15	460406	7702586	245	19	-60	114
GR10RC16	460515	7702479	245	19	-60	102
GR10RC17	460538	7702516	245	19	-60	72
GR10RC18	460640	7702458	245	19	-60	102
GR10RC19	460705	7702434	245	19	-60	102
GR10RC20	460759	7702406	245	19	-60	102
GR10RC21	460570	7702464	245	19	-60	102



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Table 2: Gilded Rose Project – Selected RC Drill Results (using a 0.5g/t Au cut-off grade)

Hole ID	From	To	Intervals (m)	Au (g/t)	
GR10RC01	12	14	2	1.63	
	23	24	1	1.78	
GR10RC02	50	53	3	2.63	
	80	81	1	1.47	
	35	37	2	2.26	
GR10RC03	24	25	1	2.19	
	34	35	1	1.14	
	48	49	1	0.52	
	66	67	1	0.61	
GR10RC04	55	57	2	1.32	
	72	73	1	1.65	
	102	103	1	0.57	
GR10RC05	111	112	1	0.68	
GR10RC06	45	46	1	2.2	
GR10RC07	52	71	19	5.53	
<i>Incl.</i>	52	56	4	20.68	
GR10RC08	10	11	1	2.05	
	15	20	5	1.51	
GR10RC09	15	16	1	0.82	
	64	66	2	1.11	
GR10RC10	63	70	7	1.2	
	<i>Incl.</i>	63	66	3	2.35
	69	70	1	0.54	
	74	75	1	1.19	
GR10RC11	84	86	2	4.01	
	47	48	1	2.22	
	63	64	1	0.66	
GR10RC12	82	84	2	2.52	
	97	98	1	0.55	
	33	34	1	4.79	
	46	57	11	2.19	
	<i>Incl.</i>	54	57	3	7.28
GR10RC13	62	63	1	4.26	
	68	70	2	1.2	
GR10RC16	31	32	1	0.86	
	66	72	6	2.83	
	78	79	1	3.4	
	82	87	5	6.54	
	<i>Incl.</i>	84	87	3	9.86
GR10RC17	31	38	7	1.44	
	41	42	1	0.74	
GR10RC18	50	53	3	1.8	

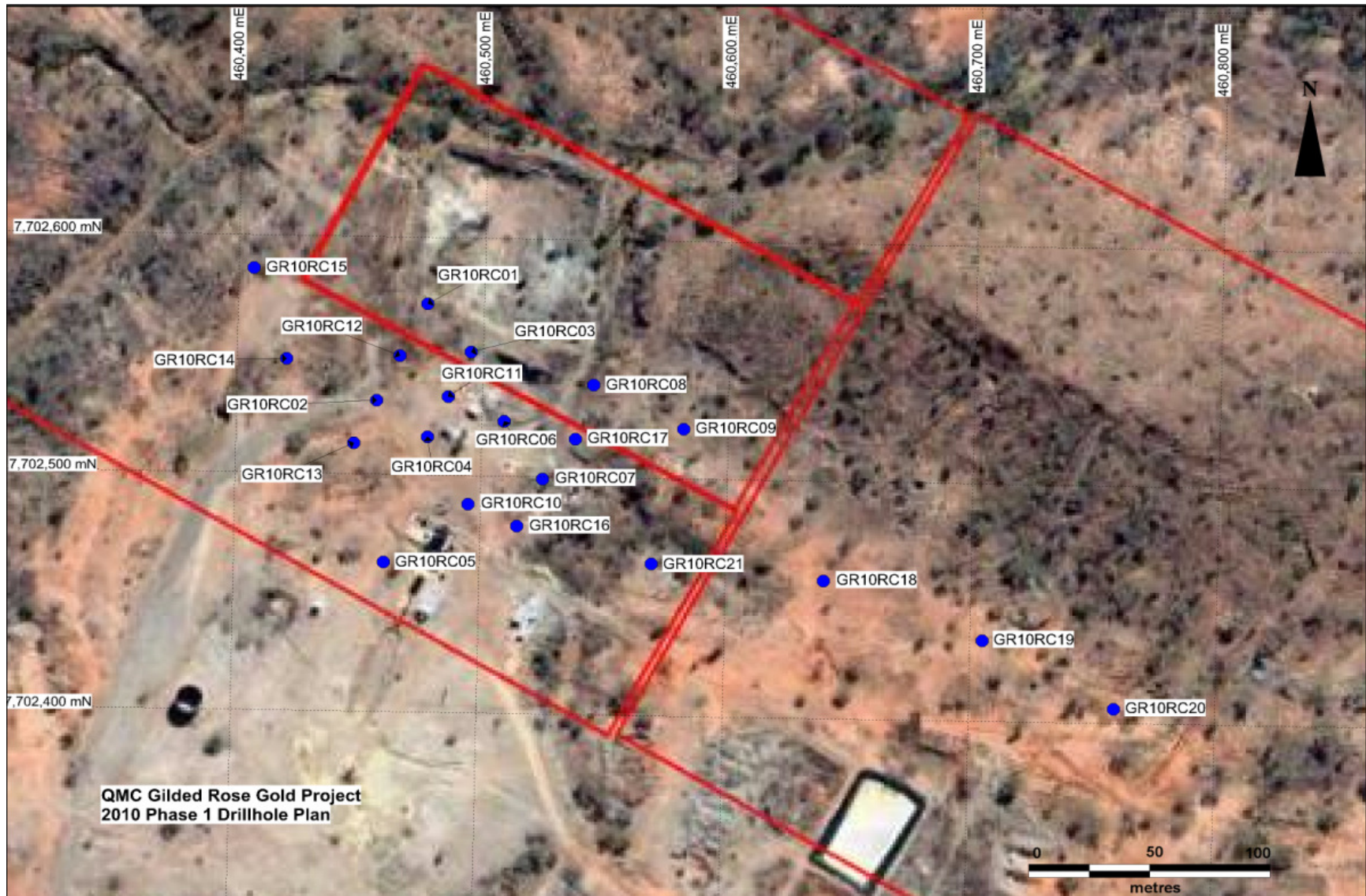


Fig. 1 Drillhole location in Gilded Rose Gold Project