



**20 September 2010**

**ASX Release**

## **QMC to Step-up Drilling Program in Cloncurry Region, Queensland**

### **Six High Priority Targets to be Drilled**

#### **QMC Confirms estimated JORC Resources Totaling 320Kt Cu equivalent**

- **Follow-up drilling to be carried out at four deposits where existing resources have been delineated in order to:**
  - **Increase the size of the declared JORC resources**
  - **Improve the drill density leading to a higher JORC resource classification**
  - **Explore for the presence of nearby mineralisation**
- **Two significant Iron Oxide Copper-Gold (IOCG) targets, identified by QMC and previous explorers, to be drilled with programs totaling 6,700 metres**

Queensland Mining Corporation Ltd (ASX code: QMN) is pleased to announce that comprehensive drilling programs, of some 12,000 metres of RC and diamond drilling, will start on six targets in the Cloncurry region of Queensland. Four prospects Young Australian, Flamingo, Gilded Rose and Mt Freda have existing resources, which will be upgraded through programs of in-fill and extension drilling. Two IOCG targets identified by previous explorers, Jessievale and Black Fort, will also be drilled to test for the presence of Copper-Gold mineralisation. (Figures 1 & 2 & Table 3).

QMC Managing Director Howard Renshaw said the aggressive drilling programs reflected the company's determination to boost and diversify its already-substantial JORC resources.

"Since October 2009, QMC has completed 8,000 metres of RC and diamond drilling and we have completed a further 9,200 metres of RC drilling since April this year and are commencing the next program of RC and diamond drilling – so we have been very busy over this period," Mr. Renshaw said.



“Over the next 12 months, the Company plans to drill an additional 28,000 metres of RC and diamond drill holes which should substantially increase the JORC resources of copper, cobalt and gold at our White Range Project area and our gold resources at the Mt Freda & Gilded Rose Mines. With this drilling program, I believe that our JORC resources of 240,000 tonnes of contained copper, 19 million lbs of cobalt and 195,000 ounces of gold will continue to rise and I am excited to note that QMC now has some 320,000 t Cu equivalents in resources.” (*Refer to Table 2*)

### ***Resource drilling programs***

#### **Young Australian ML (QMC 100%)**

The current drilling has been completed at this deposit, a program of 23 holes for 2,630 metres of RC drilling. The objective of the program is to verify the results of exploration and resource evaluation by previous owners to allow a JORC compliant resource to be estimated. The estimation of a JORC resource at Young Australian will compliment the Hampden copper mine at Kuridala, the resource which was announced to the ASX on 22<sup>nd</sup> April 2010. The combined resource will allow planning to be carried out for the exploitation of the expanded resource base. Drill samples will be analysed for multi-elements including copper, cobalt, molybdenum and vanadium.

QMC considers that a mineralised target of 12,000-18,000 tonnes of copper at around a grade of 1.3% is possible, based upon previous drilling and open cut mining operation.

#### **Flamingo Copper Mine ML (QMC 100%)**

Drilling is to be carried out at this previously mined copper deposit, where a program of 1,000 metres of diamond drill holes is planned for metallurgical purposes. Initial flotation and process recovery tests have already been carried out from RC drill samples with satisfactory results data being obtained. However, data from diamond drilling is required for more precise flotation and process recovery tests work.

The Company has engaged consulting geologists and mining engineers to carry out resource modeling and preliminary mine design. QMC expects to be able to report further on this project in the fourth quarter 2010.

#### **Gilded Rose Gold Mine ML (QMC 100%)**

Follow-up drilling is to be carried out at this previously mined gold deposit, where previous significant gold intersections were reported to the ASX on 6<sup>th</sup> August 2010. A program of 2,000 metres of diamond/RC drilling is planned to a depth of up to 300 metres. The initial target will be the 4 plunging reefs that were intersected by the previous drilling, 3 holes totaling 620m to test these reefs has been planned with drilling to commence shortly. Resource modeling to enable a JORC resource to be estimated and mine design will commence once sufficient data has been assembled.



**Mt Freda Gold Mine ML (QMC 100%)**

QMC is expecting the final drilling results from the late autumn drilling program to be available for release to the ASX by the end of September.

JORC resource modeling and mine design will proceed once all the data has been compiled.

***Exploration drilling programs***

**Jessievale EPM (QMC 100%)**

A total of 2,000 metres of diamond drilling, comprising four 500 metres deep holes, are planned as an initial (Stage 1) test on four very prospective IOCG targets. Further information on these targets was released to the ASX on 10<sup>th</sup> June 2010 “Jessievale Prospect, Cloncurry” and on 30<sup>th</sup> March 2010 “Jessievale - Major IOCG - High Impact Drill Targets.”

Following completion of Stage 1 drilling, down hole EM (Electromagnetic) surveys in each of the completed holes will be carried out. This should assist in identifying any off-hole conductive zones that may have been missed by the drilling. Following the completion of this initial drilling and the interpretation of the down-hole EM survey, a further program of 3,000 metres of diamond drilling in six 500 metre deep holes has been allowed for. Drilling is expected to commence by the end of September.

**Black Fort JV (QMC earning 70%)**

Black Fort is located north of Hampden Copper Mine - Kuridala and just to the west of Mt McCabe, Greenmount mining leases (Figure 1). QMC’s geological team believes the Black Fort area is highly prospective for IOCG (iron-oxide copper gold) type of mineralisation.

QMC has initially planned five RC holes, 150-300 metres in depth, totaling 1,200 metres. The target comprises a broad high-tenor copper anomaly, in rockchip and constean samples, which overlaps a coincident magnetic and gravity high. Historical drilling undertaken by Cyprus Gold in 1992, returned significant copper and cobalt intercepts, including 52m @ 0.56% Cu and 538ppm Co.

This drill program is scheduled to start in the first week of October 2010. An ASX release setting out further details of the previous drilling and costeaning results by Cyprus will be made once drilling commences. (*Refer to Table 1*)

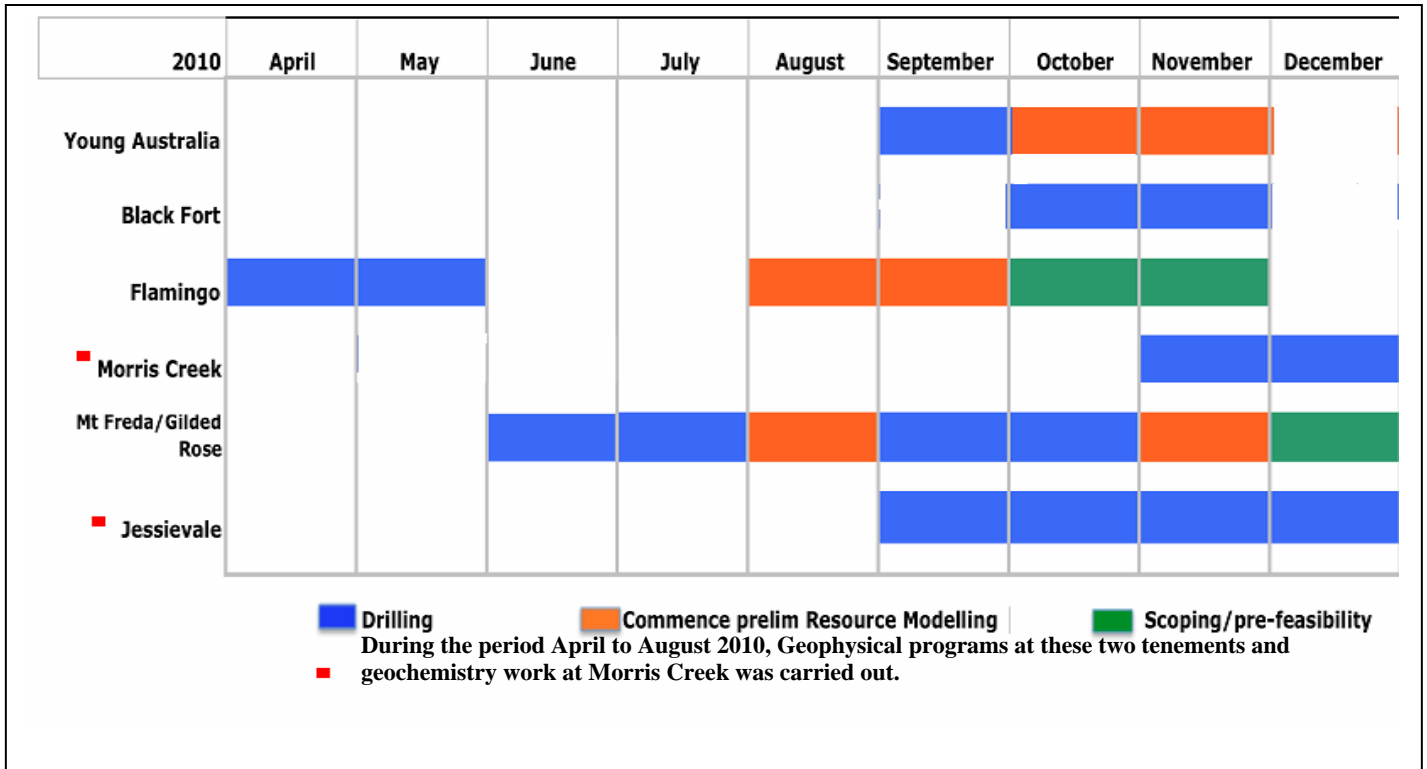


Table 1. 2010 Field Exploration programmes completed and ongoing

**Updated JORC compliant resource statement**

**Declared JORC Resource Position (at 0.2% Cu cut-off)**

Greenmount	} <b>BFS</b> <b>WHITE RANGE</b>	12.3 Mt @ 0.78% Cu, 0.06% Co, 0.3 g/t Au
Kuridala		7.2 Mt @ 0.84% Cu, 0.02% Co, 0.21g/t Au
Vulcan		1.0 Mt @ 0.59% Cu
McCabe		9.3 Mt @ 0.42% Cu
Stuart		5.6 Mt @ 0.55% Cu, 0.002% Co, 0.16g/t Au
Flamingo*		0.17 Mt @ 6.00% Cu, 1.8g/t Au
<b>Total</b>		<b>35.5 Mt @ 0.91% Cu equivalent</b>

\* 1.0% Cu cut-off; new resource estimate following recent drilling is pending

**Aggregate Metals Inventory in Resources**

<ul style="list-style-type: none"> <li>240,000 tonnes of Copper</li> <li>19m pounds of Cobalt</li> <li>195,000 ounces of Gold</li> </ul>	} <b>320,000 tonnes Copper equivalent</b> (based on spot metal prices as at 9 September 2010 - Copper USD \$7531/t=3.42/lb; Cobalt USD 18.43/lb; Gold USD1,250/oz); AUD 1.00 = USD 0.92
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Table 2: JORC compliant Inferred Mineral Resource estimate (see below for Competent Person's statement)



## Queensland Mining Corporation Limited

Golder Pty Ltd has completed the resource review, mine design and block modelling at Greenmount, Hampden Copper mine (Kuridala), Mt Stuart (Selwyn), and is currently near completion of the Mt McCabe and Vulcan resource update and modelling.

Matrix settlement completed 2 month ago, and QMC has moved quickly to add value and resource to the White Range Project area with a view to production and J.V agreement to enable the development of this significant copper project area.

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*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 mineralisation 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.*

*The information in this report that relates to Mineral Resources or Ore Reserves is based on information compiled by Max Tuesley a consultant to QMC and a Member of the Australasian Institute of Mining and Metallurgy. Mr Tuesley has reviewed and compiled all of the resource modelling work and has sufficient experience deemed relevant to the style of mineralisation 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 of Reporting of Exploration Results, Mineral Resources and Reserves, the JORC Code". Mr Tuesley consents to the inclusion in the report of the matters based on information in the form and context in which it appears.*

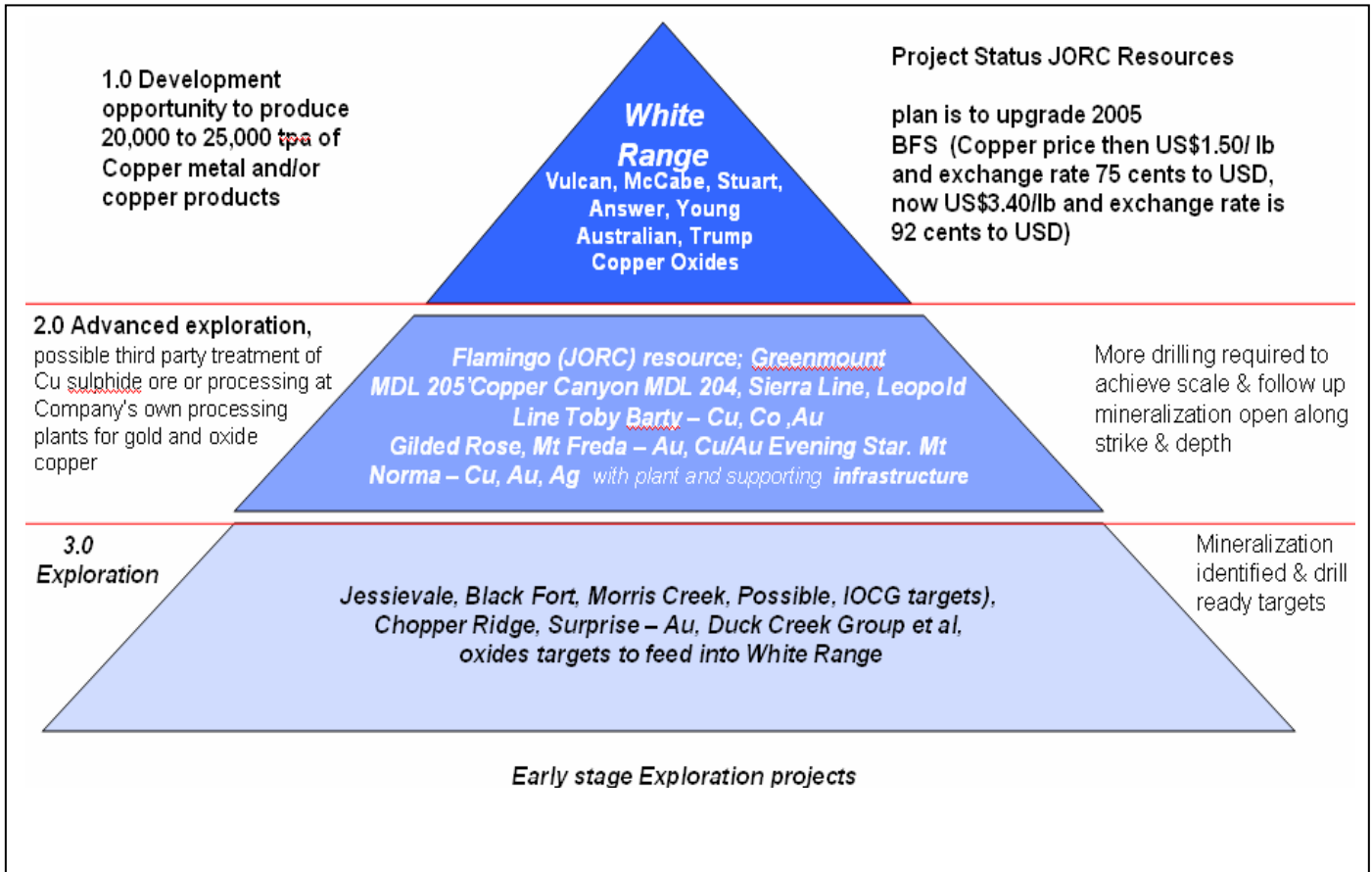


Table 3: QMC Project Ranking

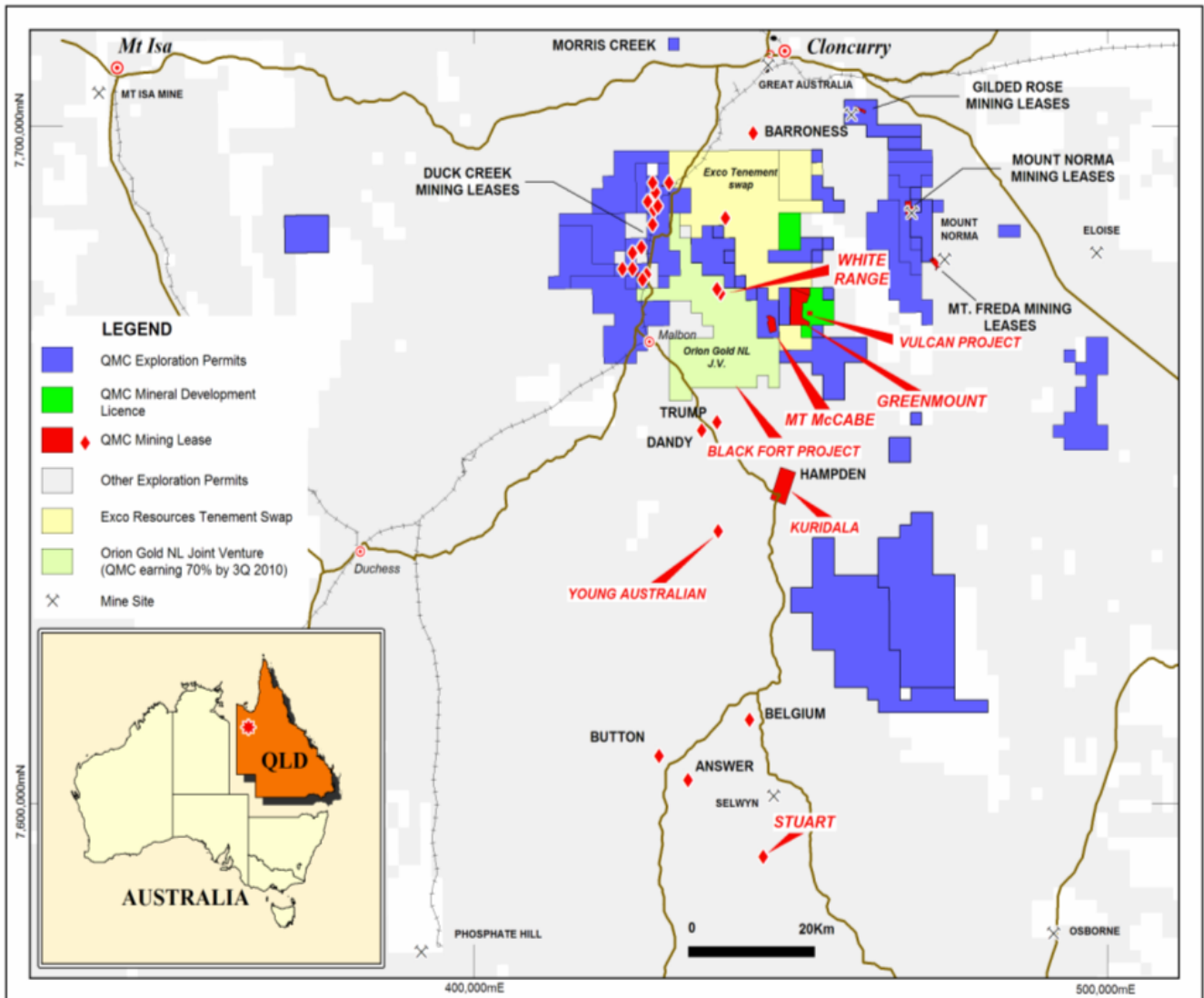


Figure 1: QMC tenements south of Cloncurry (showing Young Australia, Gilded Rose, Mt Freda & Black Fort)

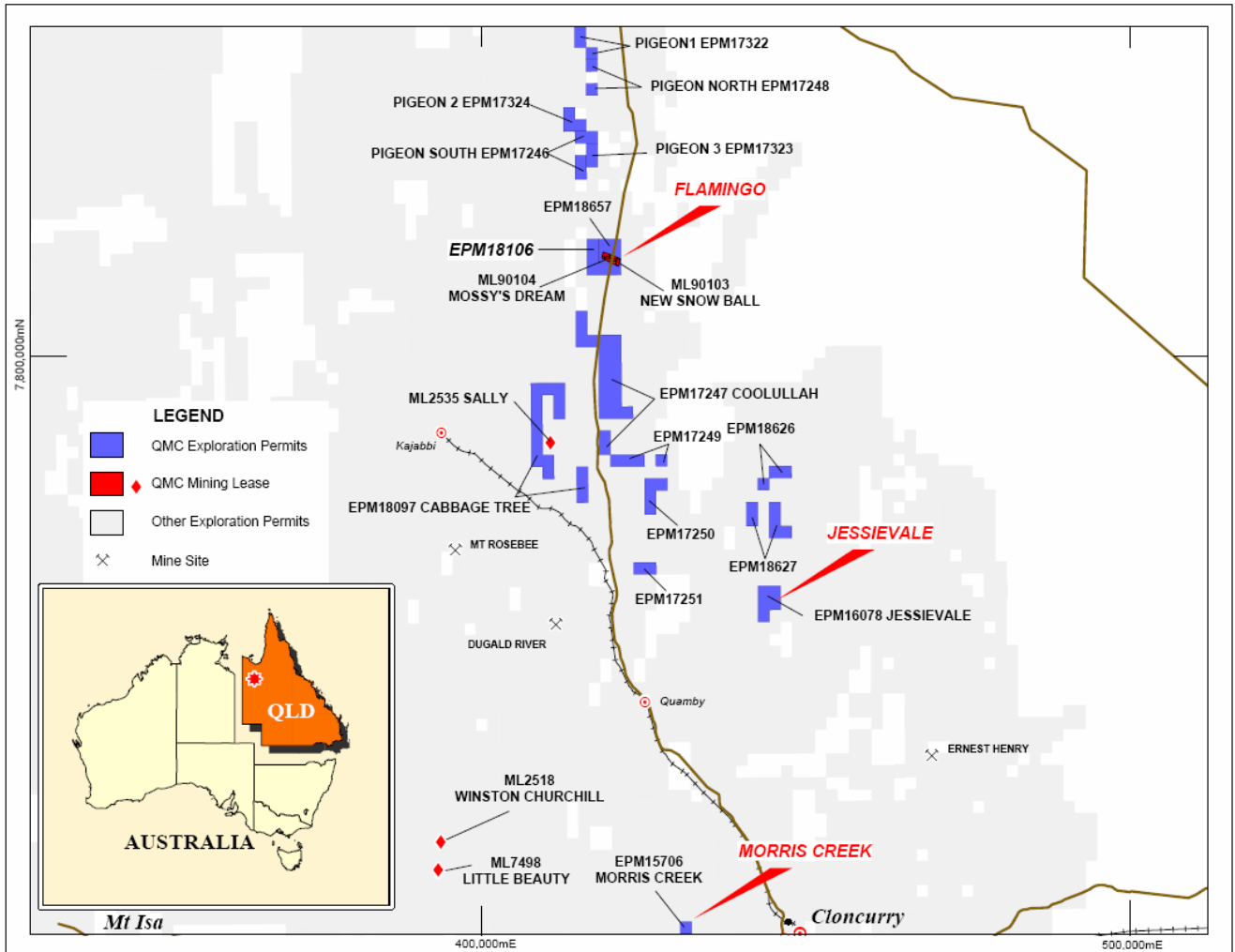


Figure 2: QMC tenements north of Cloncurry (showing Jessievale, Flamingo)