

**Queensland Mining Corporation**  
LIMITED



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29 October 2010

ASX Limited  
20 Bridge Street  
Sydney NSW 2000

**NOTICE OF ANNUAL GENERAL MEETING/ PROXY FORM**

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

- Notice of Annual General Meeting and explanatory memorandum;
- Proxy Form

Yours faithfully

**QUEENSLAND MINING CORPORATION LIMITED**

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

**Richard Hill**  
*Company Secretary*



## NOTICE OF ANNUAL GENERAL MEETING

This Notice of Meeting and Explanatory Memorandum should be read in its entirety. If members are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Notice is hereby given that the Annual General Meeting of the shareholders of Queensland Mining Corporation Limited (Company) will be held at 11:00 a.m. on 30 November 2010 at the offices of Novus Capital Limited, Level 24, 56 Pitt Street, Sydney, New South Wales for the purpose of transacting the business referred to in this Notice of General Meeting.

The Explanatory Memorandum that accompanies and forms part of this Notice of Annual General Meeting describes the matters to be considered.

## AGENDA

### ORDINARY BUSINESS

#### **Receipt of Annual Financial Report**

The shareholders of the Company hereby receive the Company's 2010 Annual Report including the Annual Financial Report of the Company for the year ended 30 June 2010, together with the Director's declaration and report in relation to that financial year and the auditor's report on those financial statements.

#### **Resolution 1- Remuneration Report (non-binding)**

To consider and put to a non-binding vote the following resolution:

"That the Remuneration Report required by Section 300A of the Corporations Act, as contained in the Director's Report of the Company's Annual Report, for the year ended 30 June 2010 be adopted, details of which are set out in the explanatory notes in Resolution 1 in the Notice of Meeting."

#### **Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 1 by Mr David Usasz, Mr Richard Hill and Mr Howard Renshaw (being non-executive Directors and the Managing Director of the Company during the period) and any associate of Mr Usasz, Mr Hill and Mr Renshaw.

However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.



## **Resolution 2- Re- Election of Mr Howard V Renshaw**

To consider, and if thought fit, pass the following resolution:

*“That Mr Howard V Renshaw, who retires by rotation in accordance with Clause 21.3 of the Company’s Constitution and being eligible, offers himself for re-election, be re-elected as a Director of the Company.”*

## **SPECIAL BUSINESS**

### **Resolution 3- Ratification of the issue of 25,000,000 Ordinary Shares in the Company pursuant to ASX Listing Rule 7.4**

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*“That in accordance with ASX Listing Rule 7.4, the Company ratifies and approves, the issue of twenty five million (25,000,000) fully paid ordinary shares in the capital of the Company, details of which are set out in the explanatory notes in the Notice of Meeting.”*

#### **Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 3 by any person who participated in the issue, or their associates. However the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### **Resolution 4- Approval of the Issue of Ordinary Shares Pursuant to Listing Rule 7.1**

To consider, and if thought fit, pass the following ordinary resolution:

*“That the Company approves for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue of up to a maximum of 25,000,000 fully paid ordinary shares in the capital of the Company, on the terms which are set out in the explanatory notes to Resolution 4 in the Notice of Meeting.”*

#### **Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 4 by a person who may participate in the proposed issue, and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, or their associates. As such, a shareholder who casts a vote under this “Resolution 4” cannot be issued shares unless their vote has been disregarded.

However the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.



### **Resolution 5- Approval of the Issue of Options Pursuant to Listing Rule 7.1**

To consider, and if thought fit, pass the following ordinary resolution:

*“That the Company approves for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue of up to a maximum of 25,000,000 options (strike price 20 cents), on the terms which are set out in the explanatory notes to Resolution 5 in the Notice of Meeting.”*

#### **Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 5 by a person who may participate in the proposed issue, and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, or their associates. As such, a shareholder who casts a vote under this “Resolution 5” cannot be issued shares unless their vote has been disregarded.

However the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

By order of the Board

Queensland Mining Corporation Limited

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

Richard Hill  
Company Secretary

Dated: 29 October 2010



NOTES:

1. The chairman intends to vote all undirected proxies in favour of the resolution except where a voting restriction applies.
2. A shareholder entitled to attend and vote at this meeting is entitled to appoint not more than two proxies to attend and vote instead of the shareholder. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. A proxy need not be a shareholder of the Company.
3. A proxy form accompanies this notice of meeting and contains additional information.
4. To be valid, duly completed proxy appointment authorities under which a proxy form is signed, such as a power of attorney, must be received by the Company at an address specified in the proxy form no later than 48 hours before the time in Sydney of the commencement of the meeting.
5. A proxy form and proxy appointment authorities may be lodged in person or mail at the registered office at DFK-Richard Hill, Level 11, 32 Martin Place, Sydney NSW 2000 Australia or at the Share registry at Registries Limited, Level 7, 207 Kent Street, Sydney NSW 2000, GPO Box 3993 NSW 2001 Australia or by facsimile to 612 9290 9655.
6. For the purpose of the meeting, shares in the Company will be taken to be held by those persons who are registered holders at the close of business on 26 November 2010. Accordingly, transactions registered after that time will be disregarded in determining entitlement to attend and vote at the meeting.
7. The constitution of the Company provides that a quorum for an annual general meeting of the Company is two shareholders.



## EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of shareholders in connection with the Annual General Meeting of shareholders to be held on 30 November 2010 at 11:00 a.m. (Sydney time) at the offices of Novus Capital Limited, Level 24, 56 Pitt Street, Sydney, New South Wales.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Annual General Meeting and is a brief explanation of the matters contained in the Notice of Annual General Meeting.

### ORDINARY BUSINESS

#### **Resolution 1 – Adoption of the Remuneration Report**

Consistent with section 250R of the Corporations Act, the Company submits to Shareholders for consideration and adoption by way of a non-binding resolution its Remuneration Report for the year ended 30 June 2010.

The Remuneration Report is a distinct section of the Annual Director's Report which deals with the remuneration of Director's and Executives of the Company. The Remuneration Report can be located in the Company's Annual Report on page 10.

The factors considered in reviewing the proposed amount also included:

- (a) the need for boards of directors to attract and retain talented members;
- (b) general market movement in non-executive Director remuneration; and
- (c) the considerable change in the market place in relation to the role of Boards of Directors which include their fiduciary responsibilities.

#### **Resolution 2 – Re-election of Mr Howard V Renshaw**

The Company's constitution requires, at every annual general meeting, one-third of the directors retire from office. The director to retire at an Annual General Meeting is he who has been longest in office since their election. Accordingly, Howard Renshaw offers himself for re-election.

#### **A brief description of the director offering himself for re-election is set out below.**

Mr. Howard V Renshaw is the Managing Director and Deputy Chairman of QMC.

Howard Renshaw founded QMC and has been active in building the Company's business plan.

Howard has extensive experience in Corporate and Capital Markets, funding of Mining, Oil and Gas mergers and acquisitions, and feasibility studies for major mining projects. He has been appointed by governments for major restructuring of infrastructure and operations at ports, rail lines, railways and related industries. Howard has also represented the agricultural industry at State and Federal level in Australia.

Mr. Renshaw has been instrumental in the acquisition and development of the Company's project asset base over the years which includes the acquisition of a very significant project-the White Range Project which contains substantial JORC resources with a completed bankable feasibility study (as announced to ASX on 23 December 2009). The acquisition of White Range Project was achieved under the leadership of Mr Renshaw over a period of lengthy and complex negotiations between the company and the administrators of Matrix Metals. The White Range Project is strategically supported by QMC's other existing projects acquired within the project area.



## SPECIAL BUSINESS

### **Resolution 3 – Ratification of the issue of 25,000,000 Ordinary Shares in the Company pursuant to ASX Listing Rule 7.4**

The following provides a brief explanation as to the ASX listing rules and the purpose of the resolution.

ASX listing rule 7.1 imposes a cap of 15% of the Company's issued capital that a company may issue in a 12 month period without Shareholder approval. The issue of 25,000,000 fully paid Ordinary Shares is within this limit.

Under Listing Rule 7.4, the Company can seek shareholder ratification of an issue made within the 15% limit, and, if given, the effect of the ratification is to deem that the shares issued were issued with shareholder approval. This effectively restores the Company's 15% placement capacity.

The Company seeks this ratification in order to restore the Company's 15% placement capacity. Ratification provides the Company with flexibility in capital management.

The following information is provided to Shareholders for the purposes of Listing Rule 7.5;

(i) The number of Shares and Options issued are as follows;

	<b>Ordinary Shares</b>	<b>Options</b>
Total Issued in the 12 months prior to General Meeting	96,400,000	51,586,112
Total Issued with specific Shareholder's Approval	71,400,000	51,586,112
	25,000,000	–

(ii) As announced to the ASX on various dates prior to the date of the meeting the following equity securities have been issued;

<b>Equity Security</b>	<b>Number Issued</b>	<b>Issue Price</b>	<b>Term</b>
Ordinary Shares	25,000,000	\$0.10	Pari passu with shares already on issue.

(iii) The Shares have been issued on the same terms as the Company's existing Shares. The issued securities will rank equally in all respects with the shares already on issue;

(iv) The Shares were allotted to the liquidator of Matrix Metals Limited;

(v) The Company successfully applied for listing of the 25,000,000 shares; and

(vi) On 23 December 2009, QMC announced that it had entered into a formal asset sale agreement for the purpose of the White Range Project and associated assets and tenements from the liquidators of Matrix Metals.

On Friday 16<sup>th</sup> of July 2010, the Company completed settlement of the acquisition of the White Range Project for a total consideration of \$5m comprising cash of \$2.5m and 25,000,000 shares, details of which are set out in a Prospectus dated 14 July 2010 and a Supplementary Prospectus dated 21 July 2010 as lodged with ASIC and ASX.



#### **Resolution 4 – Approval of Issue of Ordinary Shares Pursuant to Listing Rule 7.1**

The Board seeks shareholder approval for the issue of up to 25,000,000 fully paid ordinary shares in the Company. The shares will be issued at a price which will be at least 80% of the weighted average market price of the Company’s shares, in order to raise approximately \$2,000,000.

The following provides a brief explanation as to the ASX listing rules and the purpose of the resolution.

ASX listing rule 7.1 imposes a cap of 15% of the Company’s issued capital that a company may issue in a 12 month period without Shareholder approval. The issue of up to a maximum of 25,000,000 fully paid ordinary shares is above the 15% limit and therefore requires shareholder approval.

Pursuant to listing rule 7.3.2, the Company must issue these securities within three months from the date of this meeting.

As outlined above, and in accordance with listing rules 7.3.1 and 7.3.3, the company can issue up to a maximum of 25,000,000 shares at a price which will be at least 80% of the average market price for securities in that class to raise approximately \$2,000,000. The average market price is calculated over the last 5 days on which sales in the securities were recorded before the day on which the issue was made.

The names of the allottees are not yet known, however, allottees will be sophisticated or professional investors, or clients of Licensed Securities Dealers. The allottees will not include any related parties. The issued securities will rank equally in all respects with the shares already on issue. Allotment will occur progressively.

Based on 341,632,589 fully paid ordinary shares on issue, the issue of the proposed shares (25 million) pursuant to this resolution would have a dilution effect of approximately 7% (with a corresponding increase in cash reserves of approximately \$2,000,000). The Company presently has 70,161,112 options on issue, exercisable at prices varying from \$0.10 to \$0.625 each. The dilution effect of the exercise of all options currently on issue (70,161,112) plus the issue of the proposed shares (25,000,000) totaling 95,161,112 would be 29%.

The Company will use the funds raised primarily for working capital purposes together with continued drilling operations on selected tenements, scoping studies to develop mining operations, develop mining operations and/or enhance production for processing of copper and gold products as set out in the following table;

<b>Project Type</b>	<b>Project</b>	<b>Budgeted Expenditure</b>
Gold	Mt Freda	315,000
	Gilded Rose	250,000
Copper/ Gold	Flamingo MLs	192,000
	Duck Creek EPMs & MLs	167,500
	Evening Star	167,500
Exploration	Jessievale EPM	127,000
Copper Development	Young Australian	181,000
<b>Total Drilling, Geological &amp; Associated Expenses</b>		<b>1,400,000</b>
Development work- White Range Copper Project		100,000
Working Capital		500,000
<b>Total</b>		<b>2,000,000</b>





### **Resolution 5 – Approval of Issue of Options Pursuant to Listing Rule 7.1**

The Board seeks shareholder approval for the issue of up to 25,000,000 options (strike price 20c) to subscribe for fully paid shares in the capital of the Company. The principle terms of the options are as follows;

- The options are issued for no consideration in conjunction with the issue of ordinary shares with a maximum entitlement of one option per share;
- Up to 25,000,000 options may be exercised in the Exercise period commencing 1 December 2010 and expiring on 31 May 2012 at an exercise price of \$0.20 for each option exercised;
- The Company will apply for issued options to be quoted on the ASX;
- Pursuant to Listing Rule 7.3.2, the Company must issue these securities within three months from the date of this meeting;
- The names of the allottees are not yet known, however, the allottees will be sophisticated or professional investors, or clients of Licensed Securities Dealers. The allottees will not include any related parties;
- Shares issued upon the exercise of the options shall rank pari passu in all respects with the existing shares of the Company;
- The Company will apply for Shares issued upon the exercise of options to be quoted on the ASX;
- The terms of the options allow the rights of an option holder to be changed to comply with the listing rules applying to a reorganisation of capital at the time of the reorganisation;
- During the currency of the Optionholder's option and before its exercise the option holder is not entitled to participate in any new issue of securities of the Company as a result of holding the option;
- In the event of a pro-rate rights issue (except a bonus issue) to the holders of shares, the Exercise Price of an Option may be reduced pursuant to Listing Rule 6.22.2; and
- If the Company makes a bonus issue, the holder of options which have not expired at that time for determining entitlements to the bonus issue shall be entitled to have issued to them upon the exercise of any of those options, the number of shares which would have been issued under the bonus issue the person registered as holding the same if the options had been exercised prior to the entitlement date for participation in the bonus issue.
- Funds raised through the exercise of these options will be used to support the working capital requirements of the Company as well as to support project expenditure from time to time (an example of the intended application of funds to support current projects is provided above in Resolution 4).

The full terms of these options will be provided to any shareholder on request.



**General Meeting  
Proxy Form**

**INSTRUCTIONS FOR COMPLETING PROXY FORM**

1. Your pre-printed name and address is as it appears on the share register of the Company. If you are Issuer Sponsored and this information is incorrect, make the correction on the form, sign it and return it to us. Securityholders sponsored by a broker on the CHESS subregister should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.
2. Completion of a proxy form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
3. A shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment do not specify this proportion, each proxy may exercise half of the votes.
4. A proxy need not be a shareholder of the Company.
5. If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.
6. If a representative of a company shareholder is to attend the Meeting, a properly executed original (or certified copy) of the appropriate "Certificate of Appointment of Corporate Representative" should be produced for admission to the Meeting. Previously lodged "Certificates of Appointment of Corporate Representative" will be disregarded by the Company.
7. If a representative as Power of Attorney of a shareholder is to attend the meeting, a properly executed original (or originally certified copy) of an appropriate Power of Attorney should be produced for admission to the Meeting. Previously lodged Powers of Attorney will be disregarded by the Company.

**8. Signing Instructions**

You must sign this form as follows in the spaces provided:

**Individual:** Where the holding is in one name, the holder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the shareholders should sign.

**Power of Attorney:** If you are signing under a Power of Attorney, you must lodge an original or certified photocopy of the appropriate Power of Attorney with your completed Proxy Form.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person.

If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone.

Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

**9. Lodgement of a Proxy**

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address below not later than 11.00am on Sunday, 28 November 2010 (48 hours before the commencement of the meeting). Any Proxy Form received after that time will not be valid for the scheduled meeting.

**Hand deliveries**

**Registries Limited  
Level 7  
207 Kent Street  
Sydney NSW 2000**

**Postal address:**

**Registries Limited  
GPO Box 3993  
Sydney NSW 2001**

**Fax number:**

**(02) 9290 9655**