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ASX Release

Mt Freda Gold Project – Drilling Supports the Opportunity for Re-Establishing Open-Cut Operations

RC Drilling returns broad intervals of higher-grade gold mineralisation with significant cobalt credits.

Drilling confirms significant down dip extensions of known mineralisation from current pit floor, currently 50m in depth

Drilling demonstrates thickness of mineralisation increases with depth.

Highlights – Important Drill Intersections

The recently completed RC drill program in Mt Freda has returned the following very encouraging gold and cobalt results:

- **16m @ 2.0 g/t Au and 239ppm Co from 151m, including 5m @ 4.5 g/t Au and 456ppm Co from 151m, in Hole MF10RC09**
- **7m @ 3.9g/t Au and 403ppm Co from 135m, including 2m @ 9.9 g/t Au and 867ppm Co from 138m, in Hole MF10RC11**
- **15m @ 0.7 g/t Au and 719ppm Co from 56m, including 2m @ 1.3 g/t Au from 60m and 4m @ 1810ppm Co from 67m, in Hole MF10RC04**
- **Metallurgical test work resource modeling and mine engineering design to commence immediately**



Queensland Mining Corporation

LIMITED ABN 61 109 962 469

Queensland Mining Corporation Limited (**ASX: QMN**) is pleased to announce the assay results received from the recently completed RC (reverse circulation) drill program in its 100% owned Mt Freda gold Project. The Project is located approximately 39km southeast of Cloncurry and 25km southeast of Gilded Rose, the Company's other important gold project in the area.

"The Company is very excited about these encouraging gold and cobalt drill results, particularly the broad widths of the mineralisation and their tendency to increase with depth. Metallurgical test work is currently being organised and an estimation of a JORC compliant resource will commence immediately." Howard Renshaw, Managing Director of QMC, said, "The drilling has also confirmed the presence of significant amounts of cobalt at Mt Freda, which has the potential to enhance the economics of the project."

The Mt Freda gold project consists of two granted mining leases covering an area of 120 hectares. Gold mineralisation occurs as pyritic/limonitic quartz and carbonate breccia and veins along a near E-W structural zone steeply dipping south. The project has seen extensive exploration and small-scale mining, including 9 diamond holes (1,861m) completed by QMC in late 2009 (Refer to ASX release 08 Dec.2010), which returned very encouraging intercepts up to 2m @ 11.2g/t Au from 165m depth.

The recently completed drill program in Mt Freda consists of 16 RC holes totalling 1974m. Drilling was designed to increase the resource base along strike and to also upgrade the known shallower portion of the mineralisation to the Measured and Indicated category for conceptual mine design purposes. Most holes were drilled perpendicular to the interpreted NWW-SEE trending structure at a dip of -55 degrees with depths varying from 84 to 192m.

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

Assay results returned broad intervals of higher-grade gold mineralisation with significant cobalt credit at shallow depths (**Table 2**). The best hole in the program was **MF10RC09**, which was drilled in the central part of the lode and intersected 16m of 1.99 g/t Au and 239 ppm Co from 151m, including a better grade intercept of 4.47 g/t Au and 456 ppm Co over 5m. Given the relatively narrow width of mineralisation exposed within the pit, this drilling demonstrates the thickness of the mineralisation increases significantly with depth and still remains open.

The second best hole in the program was **MF10RC11**. It was drilled at the eastern end of the pit and returned 7m @ 3.9 g/t Au and 403ppm Co from 135m, including a high-grade interval of 9.88 g/t Au and 867ppm Co over 2m from 138m depth. The mineralisation intersected on this section line is also open at depth.



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Another important hole in the program was **MF10RC14**, which was drilled about **100m** away from the eastern end of the pit boundary. This hole extends the overall strike length of the lode to **450m**, with an intercept of 2 m @ 1.39 g/t Au at a shallow down hole depth of 34m.

The drilling has also confirmed the presence of significant amounts of cobalt at Mt Freda, which has the potential to enhance the economics of the project. And of particular importance, **MF10RC04** returned **15m @ 719ppm Co**, including a very high-grade intersection of **4m averaging 1810ppm Co**.

The Project offers a potential source of early cash flow for the Company through possible development and is actively interested in a gold focused joint venture partner.

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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 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.



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Table 1: Mt Freda Gold Project – Drillhole Details and Location

Hole ID	Easting MGA94	Northing MGA94	RL	AZIMUTH Magnetic	Dip	Depth (m)
MF10RC01	472387	7680217	256	11	-55	102
MF10RC02	472486	7680196	256	11	-55	102
MF10RC03	472577	7680176	256	11	-55	102
MF10RC04	472605	7680181	256	11	-55	120
MF10RC05	472590	7680146	256	11	-55	150
MF10RC06	472625	7680167	256	11	-55	114
MF10RC07	472643	7680150	257	11	-60	102
MF10RC08	472666	7680128	267	11	-60	126
MF10RC09	472733	7680095	263	11	-55	192
MF10RC10	472892	7680068	268	11	-55	108
MF10RC11	472882	7680046	268	11	-55	156
MF10RC12	472914	7680057	268	11	-55	120
MF10RC13	472908	7680034	261	11	-55	156
MF10RC14	472979	7680010	265	34	-55	132
MF10RC15	473033	7680158	256	344	-55	84
MF10RC16	473062	7679941	265	34	-55	108

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

Hole ID	From	To	Intervals (m)	Au (g/t)	Co (ppm)
MF10RC03	72	74	2	0.52	
	94	100	6	0.56	283
MF10RC04	56	71	15	0.69	719
<i>Incl.</i>	60	62	2	1.33	335
	67	71	4	0.63	1810
MF10RC05	96	114	18	0.52	191
	142	144	2	0.71	
MF10RC06	69	73	4	0.74	184
MF10RC07	94	96	2	0.95	403
MF10RC08	103	104	1	1.54	308
MF10RC09	151	167	16	1.99	239
<i>Incl.</i>	151	156	5	4.47	456
MF10RC10	72	74	2	0.92	502
	82	84	2	0.75	
	88	101	13	0.72	348
MF10RC11	135	142	7	3.9	403
<i>Incl.</i>	138	140	2	9.88	867
MF10RC12	77	83	6	0.74	224
	93	101	8	1.06	154
MF10RC13	119	121	2	0.75	176
	130	133	3	0.64	
MF10RC14	34	36	2	1.39	

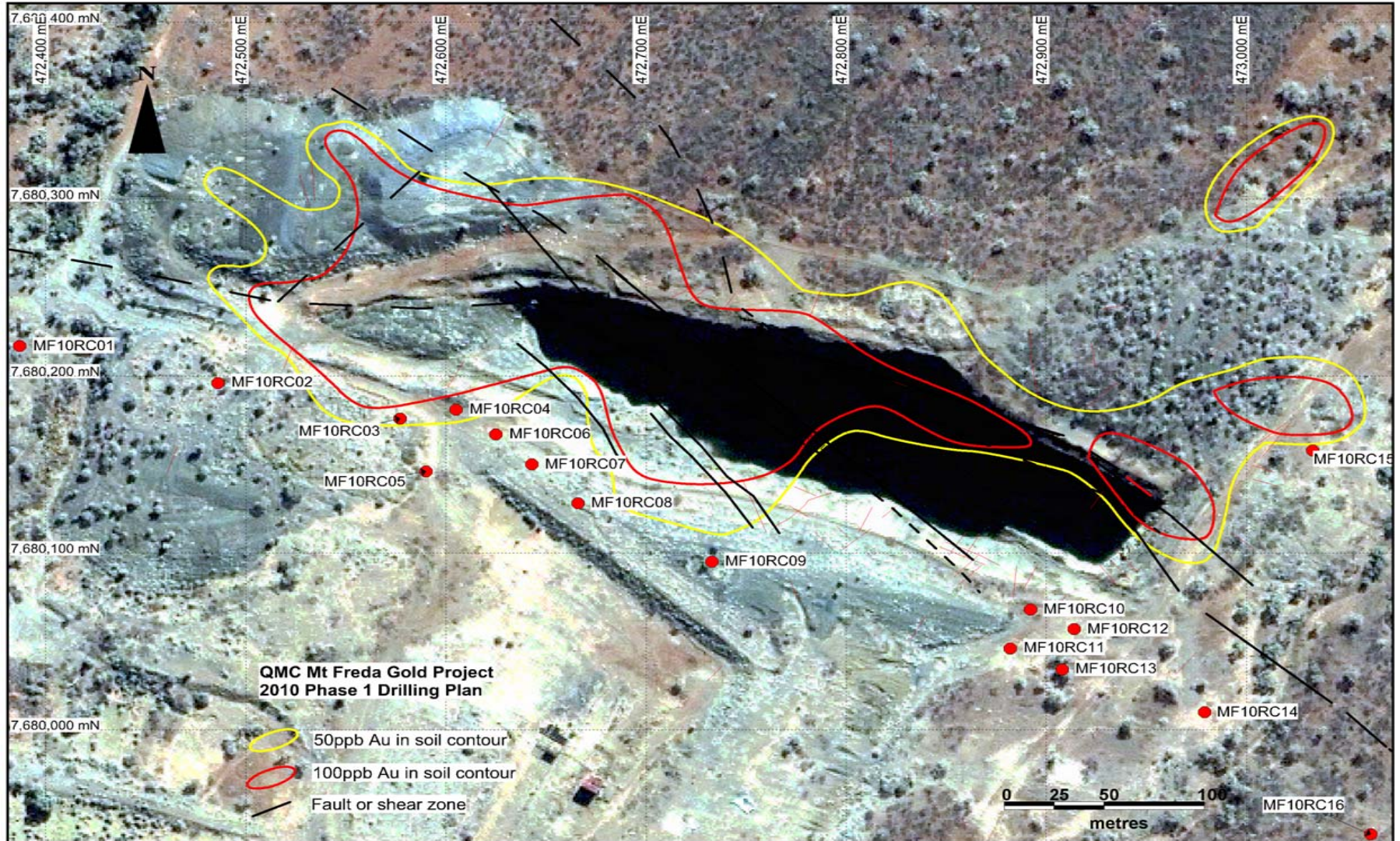


Fig. 1 Drillhole location in Mt Freda Gold Project