

Queensland Mining Corporation
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Stuart Deposit - 88% JORC Resource Increase

Total JORC Resource at project 2.29Mt @ 0.86% Copper (QMC 100%)

Highlights include;

- The Stuart deposit is part of the White Range Project area and a part of the Matrix Cloncurry South acquisition
- QMC commissioned Golder Associates Pty Ltd to undertake a review of the Stuart Project and to produce a resource block model for pit design and mine-planning purposes
- JORC Resource at Stuart Project (ML 90083) has increased to **2.29Mt at 0.86% copper (0.5% Cu cut-off grade), and contains a resource of 19,700t copper**
- **This represents an 88% increase in tonnage (previously 1.22Mt at 0.5% Cu cut-off grade) and a 47% increase in the contained copper** reported by previous owner Matrix Metals Limited
- Cobalt and gold credits (119,000 pounds Co, 13,500Moz Au) are also included in the estimate
- 1.64Mt (over 70%) of the updated resource has been classified as oxide and transitional ore that may be amendable to acid leaching
- The remainder below the oxidation is primary mineralization and is **open at depth and the resource is also open along strike to the North**



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Queensland Mining Corporation Limited (ASX: QMM) is pleased to announce a major JORC Resource upgrade at its Stuart Project (on ML 90083) in the Cloncurry region of north-west Queensland.

Stuart Deposit (0.5 % Cu cut-off)

	Tonnes (Mt)	Cu %	Co ppm	Au ppm
Indicated	2.12	0.87	22	0.17
Inferred	0.17	0.72	47	0.16
Total	2.29	0.86	24	0.17

The total new **JORC Resource at the Stuart Project is 2.29Mt at 0.86% copper** (at a 0.5% Cu cut-off grade). This represents an 88% increase in tonnage from the previously announced resource (of 1.22Mt announced by previous owners Matrix Metals Limited) and a 47% increase in the contained copper reported by Matrix.

The Resource upgrade is the result of an independent review at the Stuart Project by Golder Associates Pty Ltd (Golder). The project is located approximately 120 kilometers south of Cloncurry, and approximately 55km to Kuridala.

1.64Mt, which equates to more than 70%, of the updated resource has been classified as oxide and transitional ore that may be amendable to acid leaching. The remainder below the oxidation is primary mineralization and remains open at depth and the deposit is also open along strike to the North.

The Resource estimate also includes cobalt and gold credits of; 119,000 pounds cobalt (Co) and 13,500Moz gold (Au).

About the Stuart Project

The Stuart Project lies within a suite of mining leases recently acquired by QMC from the administrators of Matrix Metals Limited (**Figure 5**). The deposit is within the Cloncurry-Selwyn Zone of the Mount Isa Eastern Fold Belt. The mineralization occurs along a reactivated fault, the Stuart Fault, within the regional Mount Dore Shear Zone, which is a major crustal mineralizing reverse fault hosting the Stuart, Selwyn (approximately 8km to the Selwyn Project area), Mount Dore, Mount Elliot and Kuridala deposits.

The rocks in the mine area belong to the Soldiers Cap Group and include schist, meta-arenite, slate, phyllite and calc-silicate rocks. The lithologies strike north-south and dip between 45° and 70° east.



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Two copper deposits occur at Stuart. The southern deposit is known as Victoria and the northern deposit as Victoria North, a contiguous body extending from the leases held by Ivanhoe Australia (previously Selwyn Mines). Ivanhoe has mined both the Victoria and Victoria North deposits up to the southern boundary of the QMC (ex-Matrix) lease (**Figures 1 and 2**).

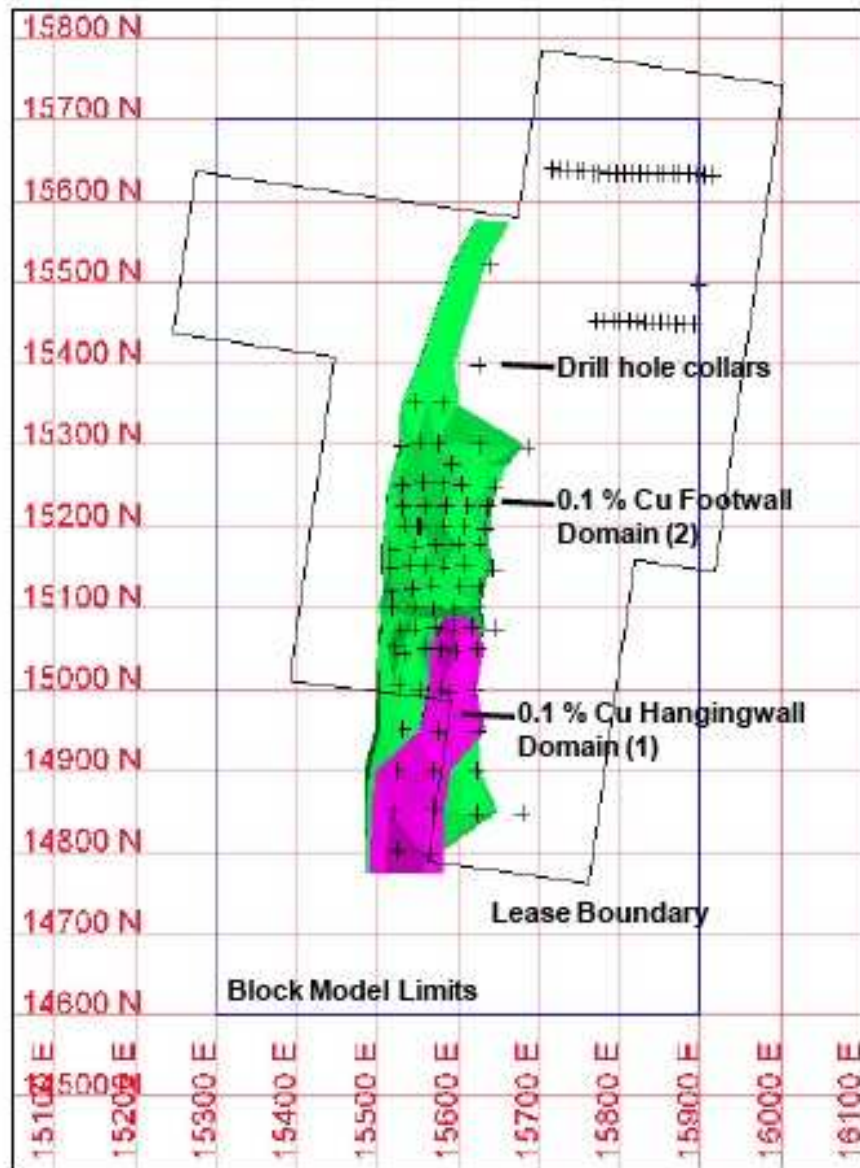


Figure 1: Plan view of Stuart deposit showing mineralisation wireframes, drill hole location, block model and lease boundary, note the resource is open along strike to the north and at depth



Golder Resource Estimate

Previously only copper content had been included in the Resource estimate. Golder was commissioned by QMC to undertake a review of the database acquired using all available data as of May 2010 and where the database allowed, to generate an estimate of the cobalt and gold content. The following tables summarize the updated Mineral Resource estimates provided by Golder at various Cu cut-off grades:

Stuart Project

Cut-off (% Cu)	Tonnes (Mt)	Cu %	Co ppm	Au g/t
0.2	5.58	0.55	22	0.14
0.3	4.22	0.65	22	0.15
0.4	3.11	0.75	23	0.16
0.5	2.29	0.86	24	0.17
0.6	1.68	0.98	25	0.18
0.7	1.24	1.09	27	0.19



Figure 2: View of the Stuart deposit – surface expression looking north from the Victoria pit



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The table below summarises Indicated and Inferred Mineral Resources at a cut-off grade of 0.5% Cu.

Resource Classification		Tonnage (Mt)	Cu (%)	Au (g/t)	Co (g/t)	Co (lb/t) 1lb=453.59g
Indicated	Oxide	0.67	0.88	0.17	19	0.04
	Transition	0.93	0.89	0.18	18	0.04
	Fresh	0.52	0.85	0.18	32	0.07
	Total	2.12	0.87	0.17	22	0.05
Inferred	Oxide	0.01	0.85	0.16	23	0.05
	Transition	0.03	0.69	0.09	12	0.03
	Fresh	0.13	0.72	0.17	56	0.12
	Total	0.17	0.72	0.16	47	0.10
Indicated and Inferred		2.29	0.86	0.17	24	0.05

in-situ tonnage based on 2.5t/m³

About the Resource calculation

The Mineral Resource estimates are classified in accordance with the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC Code, 2004). The resource has been classified as Indicated and Inferred and on the basis of drill hole spacing, sample interval, geological interpretation and representativeness of all available assay data.

Although the drill hole data density would otherwise be sufficient in parts of the deposit to support a higher level of confidence, due to the lack of QAQC data and use of historical in situ bulk density information, Golder has not classified any of the Mineral Resource as Measured.

The Mineral Resource is based on the MIK (*Multiple Indicator Kriging*) method for Copper and OK (*Ordinary Kriging*) method for Cobalt and Gold and an interpolated block model and is reported below the topography and within the mining lease boundary. The resource estimate assumes open pit mining with 10 m by 10 m by 5 m mining selectivity and high quality grade control practices. Of the total tonnes included in the estimate, 1.64 million tonnes are in the oxide and transitional zone which may be amenable to acid leaching and 0.65 million tonnes are in the primary zone lying between 40 and 70 metres below the surface depending on the topography (**Figure 3**).

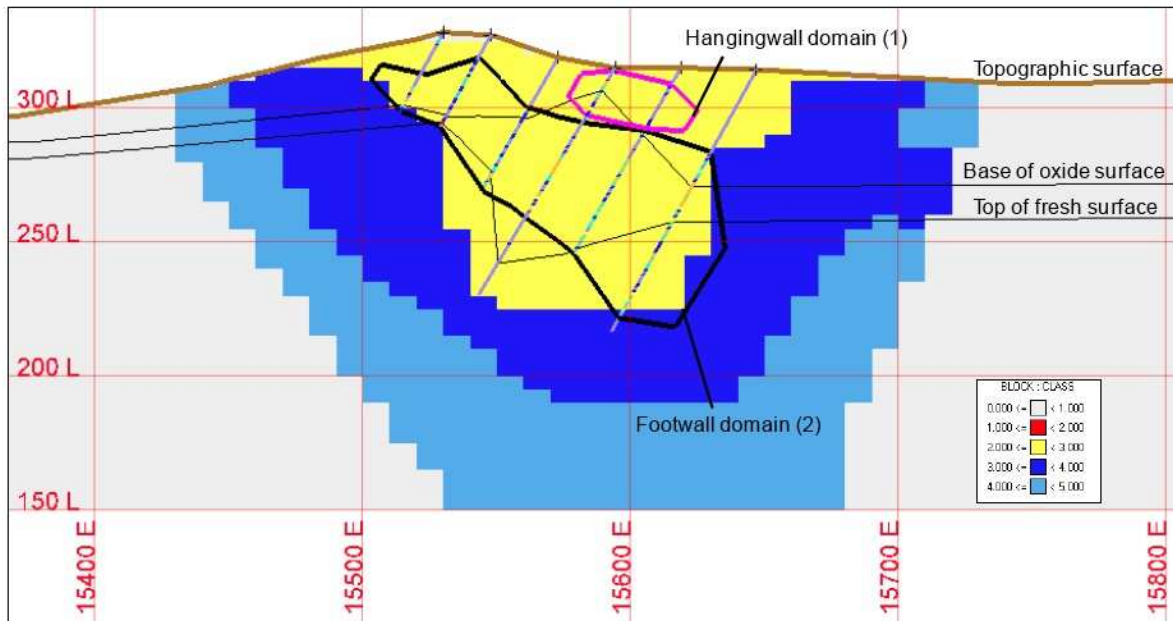


Figure 3: Section 15075mN (facing N) showing the Resource Classification at Stuart Model (clipping of +/- 12.5 m, Indicated =yellow, Inferred =blue and Potential = light blue.

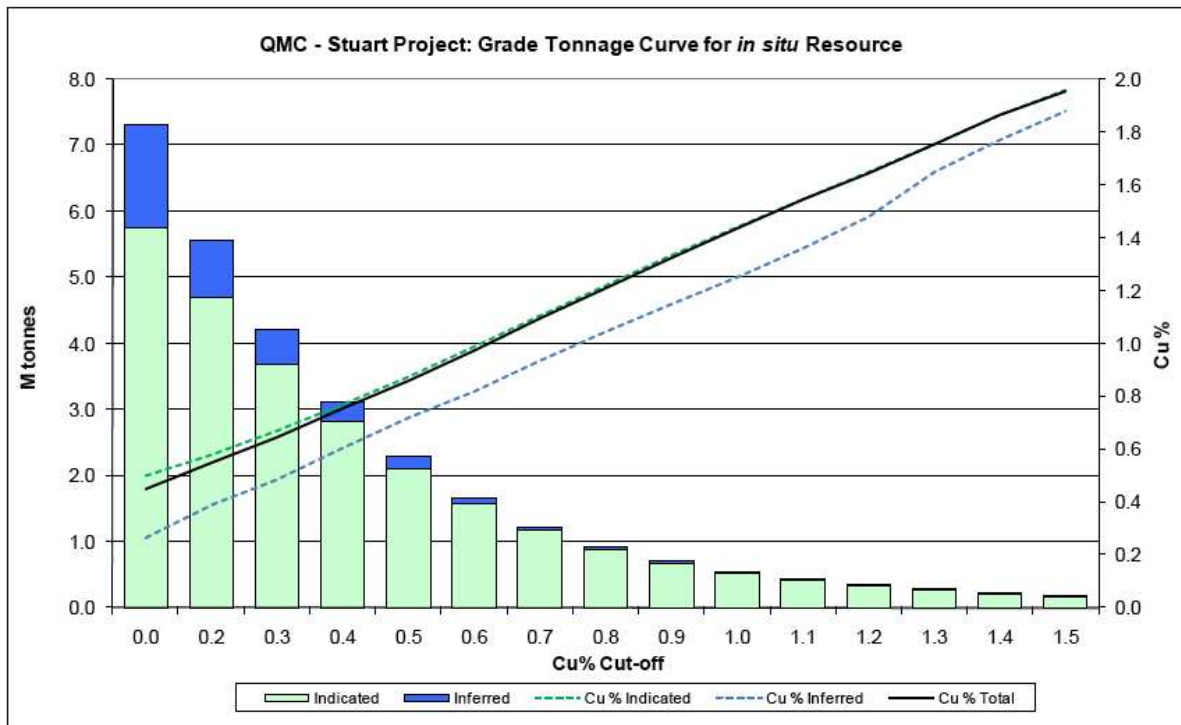


Figure 4: Grade-tonnage curve for Stuart deposit based on the MIK (Multiple Indicator Kriging) Resource Model



Comparison with Historical Mineral Resource Estimates

The Company has completed a review of various internal reports, acquired from Matrix, that formed the basis for the previously reported resource estimate and compared this to the new estimate provided by Golder (refer *QMC ASX announcement of 23 December 2010*). Both the previously reported resource estimate by Matrix and the Golder estimate use a cut-off grade of 0.5% Cu.

The methodology used in the internal reports, which formed the basis for the Matrix estimate used Micromine 3D Anisotropic IDP with an inverse Power of 2 for modelling purposes. Golder utilized Vulcan software and Multiple Indicator Kriging statistical methods to generate estimates for tonnage and grade. The Company notes that the previously published estimate used different parameters for resource classification purposes.

The modelling on which Matrix relied for its published estimate was based on a radius of 25 metres or below for the Measured and 50 metres or below for Indicated classifications respectively. Golder used distances of $\leq 30\text{m}$ for Indicated and $\leq 100\text{m}$ for Inferred for JORC classification purposes.

Yours faithfully,

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 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

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ABOUT QUEENSLAND MINING CORPORATION LIMITED

QMC is listed on the Australian Securities Exchange (ASX: QMN). The company is focused on the exploration and development of its suite of copper and gold projects in the Cloncurry region of north-west Queensland.

QMC is confident that early cash flow can be achieved from its Flamingo Copper Project and the Mount Freda / Gilded Rose Gold Projects. In conjunction with this development, high impact exploration is being undertaken for large IOCG style deposits (e.g. Ernest Henry and Olympic Dam) on the company's Morris Creek and Jessievale properties.

The Cloncurry south project area includes the White Range Project has provided QMC with a large JORC compliant resource (221,700 t of contained Cu metal as summarized in the table below, using a 0.2% Cu cut-off, 0.5% cut-off for Stuart, which also includes a higher grade resource of 163,000 t of contained Cu metal, average grade 1.1% Cu, which the 2005 BFS was based within), that will provide the basis for a long life mining operation in the Cloncurry region. This purchase offers synergies with the existing QMC mining lease and exploration portfolio and ensures that the company will achieve its goal of being a major mining entity within the short to medium term.

QMC's Current JORC compliant resources including the White Range Project

Cu % Cut-off	Oxide	Measured		Indicated		Inferred		Total				
		Tonnes (Mt)	Grade (Total % Cu)	Tonnes (Mt)	Grade (Total % Cu)	Tonnes (Mt)	Grade (Total % Cu)	Tonnes (Mt)	Grade (Total % Cu)	Cu (Kt)	Co (Mlbs)	Au (Oz's)
0.2	White Range	3.5	1.00	13.3	0.68	13	0.58	29.80	0.68	202.0	19	168,000
0.5	Stuart	-	-	2.12	0.87	0.17	0.72	2.29	0.86	19.7	0.12	13,500
Sub-TOTAL		3.5		15.42		13.17		32.09		221.7	19.12	181,500
1.0	Flamingo	-	-	-	-	0.12	6.0	0.12	6.00	7.2	-	7,000
Total QMC – JORC Compliant Resources												
TOTAL		3.5		15.42		13.29		32.21		228.9	19.12	188,500

Commodity price approximately as at 10/08/2010 AM

Cu: USD\$7,415 = AUD\$8,090.56 per tonne

Au: USD\$1,201 = AUD\$1,310.75 per ounce

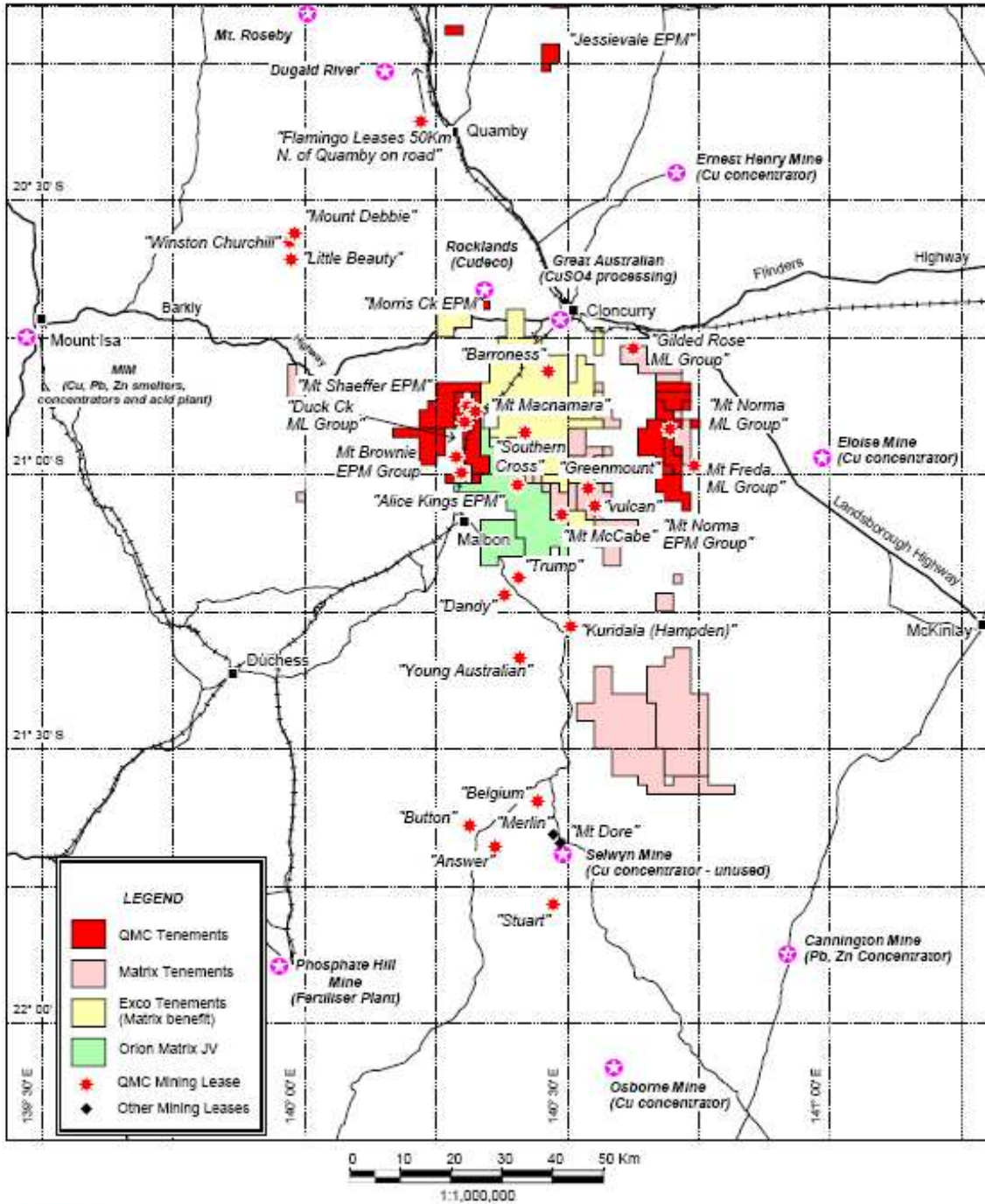
Co: USD\$37,500 = AUD\$40,916.53 per tonne

Exchange Rate: 1AUD=0.9165USD



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QUEENSLAND MINING CORPORATION PROJECT AREAS MT. ISA INLIER - EASTERN SUCCESSION

Figure 5: Map showing QMC Mining Leases and Tenements after Acquisition of Matrix Tenements