



ASX Release

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Drilling returns 40 metres @ 2.31% Copper at QMC's 'Young Australian Project' south Cloncurry, Nth Qld

An initial 20 hole RC drill program at QMC's 100% owned Young Australian Project, south Cloncurry, Queensland, has confirmed the extensions of multiple zones of copper, silver and cobalt mineralisation beneath and adjacent to the Young Australian pit and that the mineralisation is open along strike and at depth. Drilling returned the following very significant copper, silver and cobalt assays:

- **40m @ 2.31% Cu** from **58m**, including
8m @ 5.09% Cu and **8.85g/t Ag** from **68m**, plus
1m @ 20.5% Cu, **36.7g/t Ag** and **518 ppm Co** from **86m** in YA10RC01
- **13m @ 2.15% Cu** and **2.09g/t Ag** from **15m** in YA10RC02
- **21m @ 1.86% Cu** and **2.87g/t Ag** from **74m** in YA10RC04
- **13m @ 2.35% Cu** from **8m**, including
8m @ 3.58% Cu from **10m**
28m @ 1.08% Cu from **76m**, and
6m @ 1231ppm Co from **99m** in YA10RC06,
- **13m @ 1.66% Cu** from **14m** plus
26m @ 0.84% Cu from **82m** in YA10RC07
- **18m @ 1.41% Cu** and **2.33g/t Ag** from **23m** in YA10RC10
- **24m @ 1.09% Cu** and **2.41g/t Ag** from **37m** in YA10RC16
- **13m @ 1.46% Cu** and **3.65g/t Ag** from **18m** plus
19m @ 1.48% Cu and **6.67g/t Ag** from **97m**, including
6m @ 3.66% Cu, **15.82g/t Ag** from **252ppm Co** in YA10RC18

"The Company is very excited about these very positive drill results obtained from the Young Australian drill program. These high grade intercepts, recorded below the previously mined orebodies, clearly show that there is very good potential for re-establishing a viable mining operation on the historically very productive Young Australian orebodies. We are particularly encouraged that the Young Australian deposit will support the overall development of our other significant resources in the nearby White Range Project," said Howard Renshaw, Managing Director of QMC. "The drilling to date has confirmed the presence of multiple high-grade copper zones in Young Australian, most of which still remain open beyond the current pit floor (maximum depth of 48 metres) and along strike. Resource block modelling and scoping studies are currently underway to assist in this program."

Young Australian Project – Overview

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 Young Australian Project. The Project is located approximately 70km south-southwest of Cloncurry in northwest Queensland (**Figure 1**).

The Young Australian Project consists of four granted mining leases covering an area of 15ha. Copper mineralisation is hosted within the carbonaceous shales of the Proterozoic Answer Slate unit. The mineralisation comprises malachite, chrysocolla, cuprite, chalcocite and chalcopyrite and strikes NE-SW and dip steeply towards northwest or sub-vertical in occurrence. Previous exploration and open cut mining have defined three separate ore zones in Young Australian and designated locally as East, Middle and West zones (**Figures 2, 3 & 4**). In 2008, the Company completed a 15 RC hole program totalling 1,892 metres, mainly focusing on expanding the copper resources contained in the east and middle zones. The best intersections of the 2008 drill program include 39m @ 1.41% Cu and 792ppm Co from 80m from a hole drilled at the northeast end of the pit.

Recently completed drill programme

The recently completed drill program in Young Australian consists of 20 RC holes for 2,229 metres. The program was designed primarily to expand the down dip extensions of both the west and middle zones which remain mostly untested by the 2008 drilling campaign. A majority of holes were positioned on the west side of the pit and drilled towards southeast at a dip of -55 degrees with depths varying from 70 to 148m. Drillhole collars were surveyed with a sub-metre accuracy differential GPS and downhole surveys were performed on a nominal 50m interval. The details of drillhole information are presented in **Table 1** and their locations are shown in **Figure 5**.

Assay results returned broad intervals of high-grade copper mineralisation with significant silver and cobalt credits at shallow depths (**Table 2**). The best hole in the program is YA10RC01, which was drilled at the northwest corner of the pit and intersected **40m @ 2.31% Cu, including a very high-grade interval of 5.09% Cu, 8.85g/t Ag and 483ppm Co over 8m from 83m plus 1m @ 20.5% Cu, 36.7g/t Ag and 518ppm Co from 86 m downhole depth**.

Highly encouraging holes

Another highly encouraging hole in the program is YA10RC18. It was drilled at the southwest corner of the pit and about 240m along strike to the southwest of YA10RC01. This hole intercepted both the West and Middle lens of the historically mined orebody, and returned **13m @ 1.46% Cu and 3.65g/t Ag from 18m and 19m @ 1.48% Cu and 6.57g/t Ag from 95m**. A higher-grade intersection of **6m @ 3.66% Cu and 15.82g/t Ag from 97m depth** was recorded in the second interval of mineralisation.

It is worth noting that **cobalt mineralisation generally occur in the lower part of the mineralised copper zones. The best intervals include 6m@ 1231ppm Co from 99m in Hole YA10RC06 and 8m@ 1023ppm in Hole YA10RC05**. Given the elevated silver contents in most holes, the copper mineralisation at Young Australian is characterised by a metal association of Cu-Ag-Co. The drilling to date has confirmed the presence of multiple high-grade copper zones in Young Australian, most of which still remain open beyond the current pit floor (maximum depth of 48m) and along strike.

Future Program at Young Australian Project

QMC has engaged mining consultants to conduct JORC resource modelling and mine planning for the Young Australian Project. The Company is anticipating important JORC resources to be established and looks forward to informing the shareholders on the developing status of this project area as soon as additional information becomes available.

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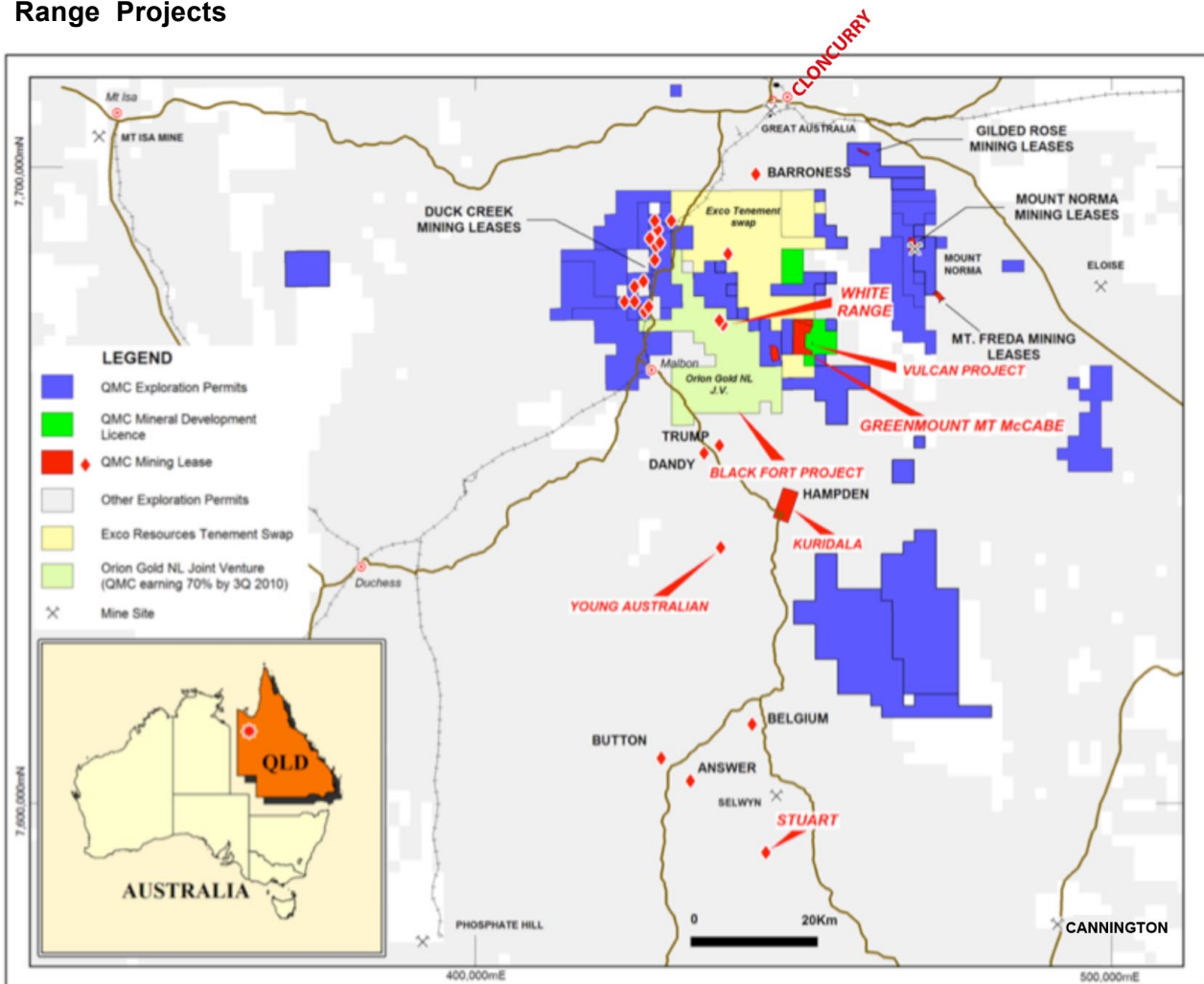
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The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Guojian Xu, a Member of Australasian Institute of Mining and Metallurgy and a Fellow of the Society of Economic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

Figure 1 – Plan showing location of the Young Australian Project and other QMC White Range Projects



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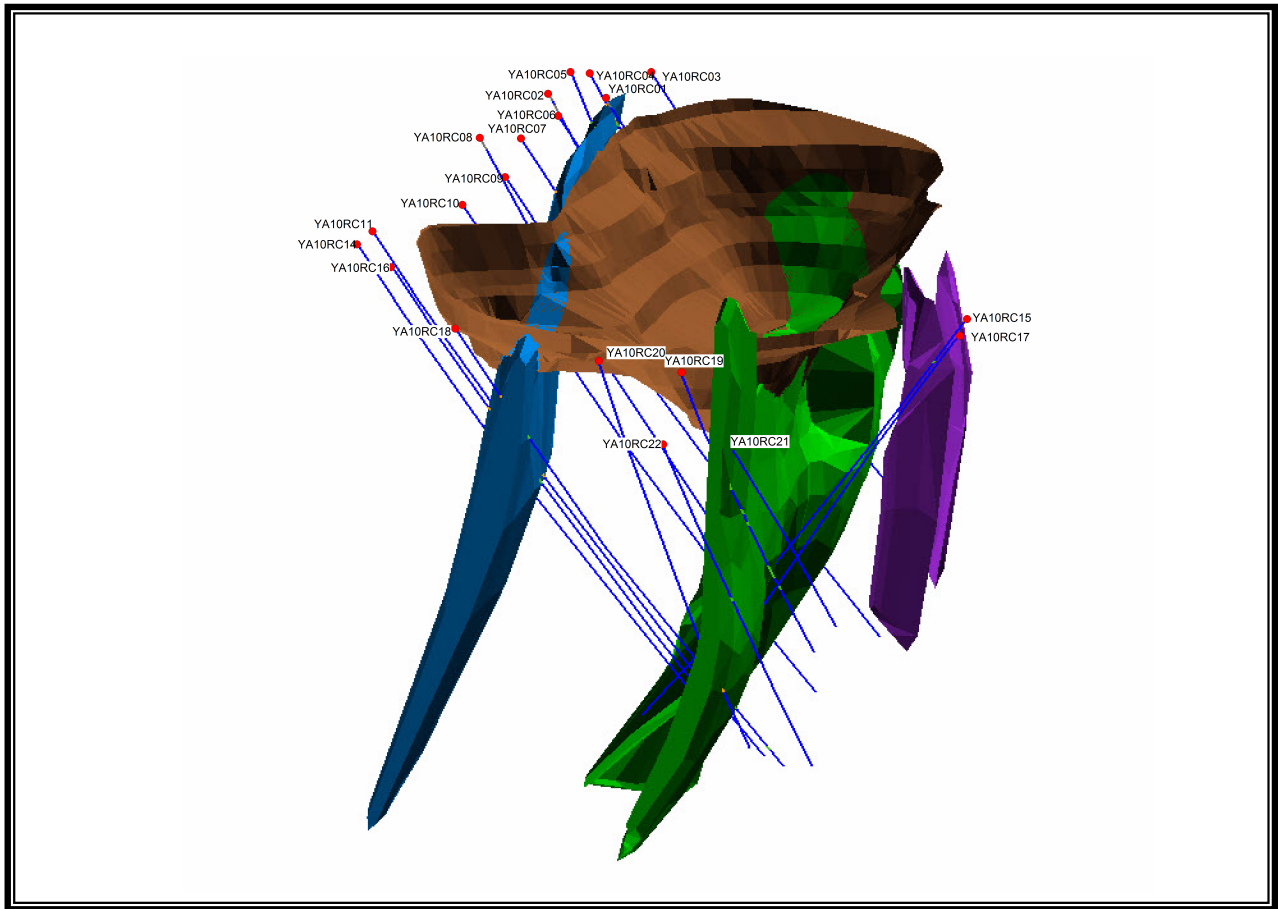


Figure 2 - Oblique Long- Section (looking north) through Young Australian Open Pit showing RC drillhole pierce points and newly defined extensions to the high-grade copper zones in the deposit.

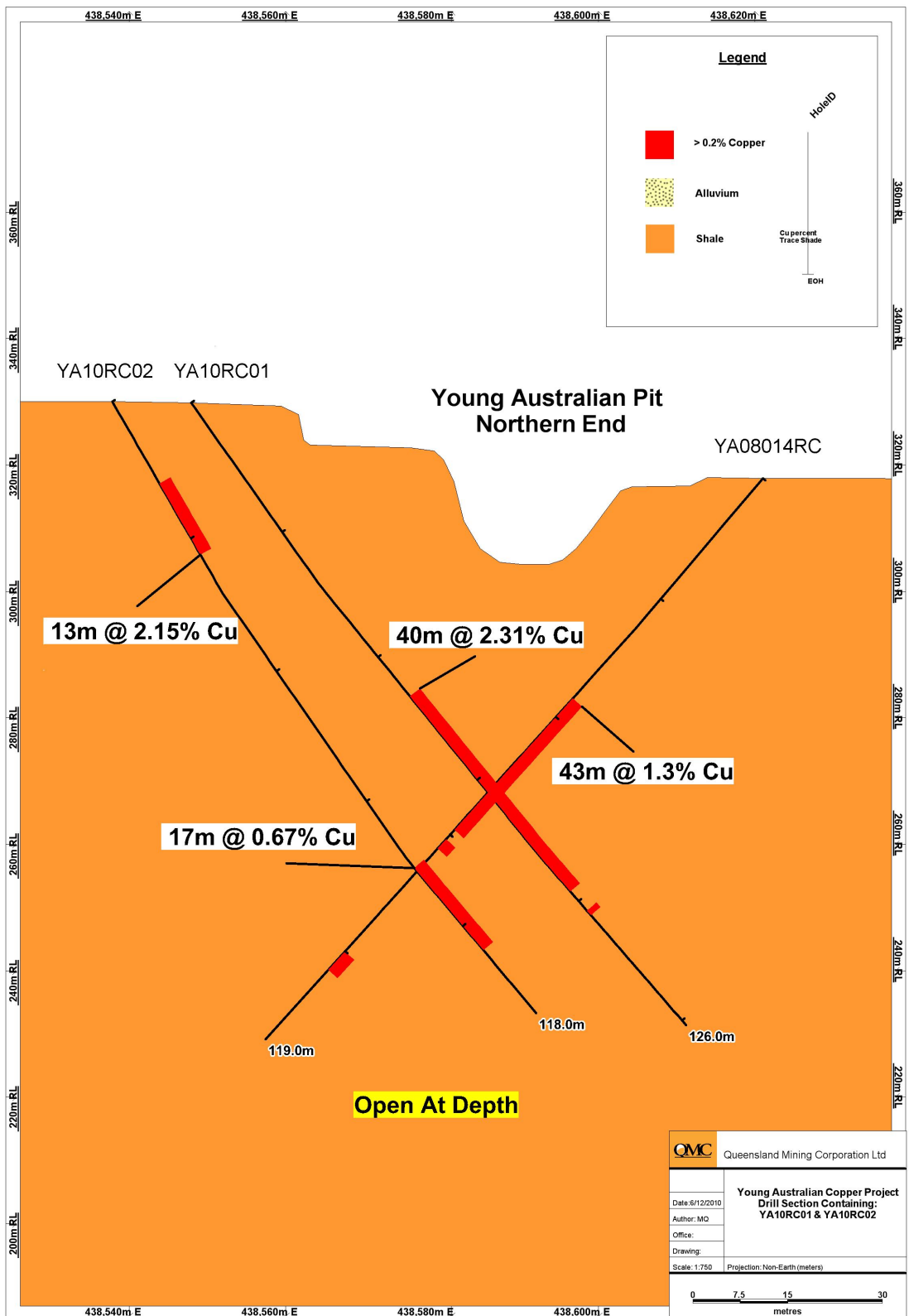


Figure 3 - Cross Section through NW Section of the Young Australian Open Pit
(see Figure 4 for location)

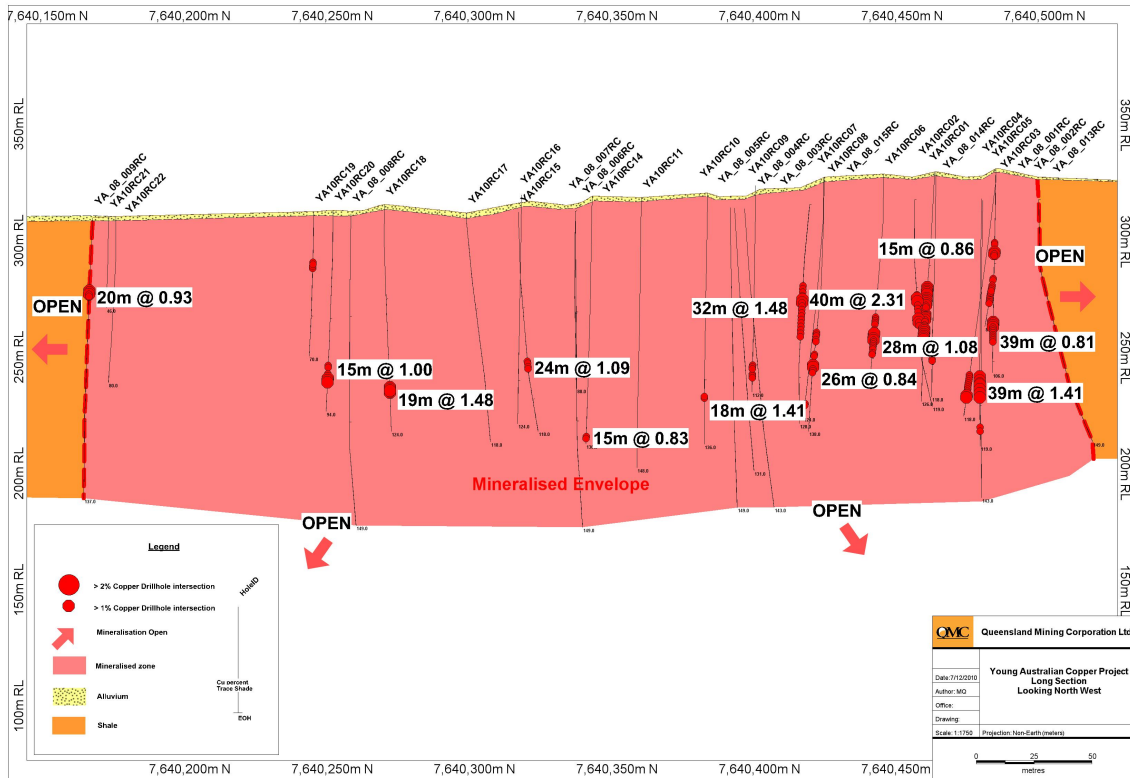


Figure 4 - Long Section through the Young Australian Open Pit

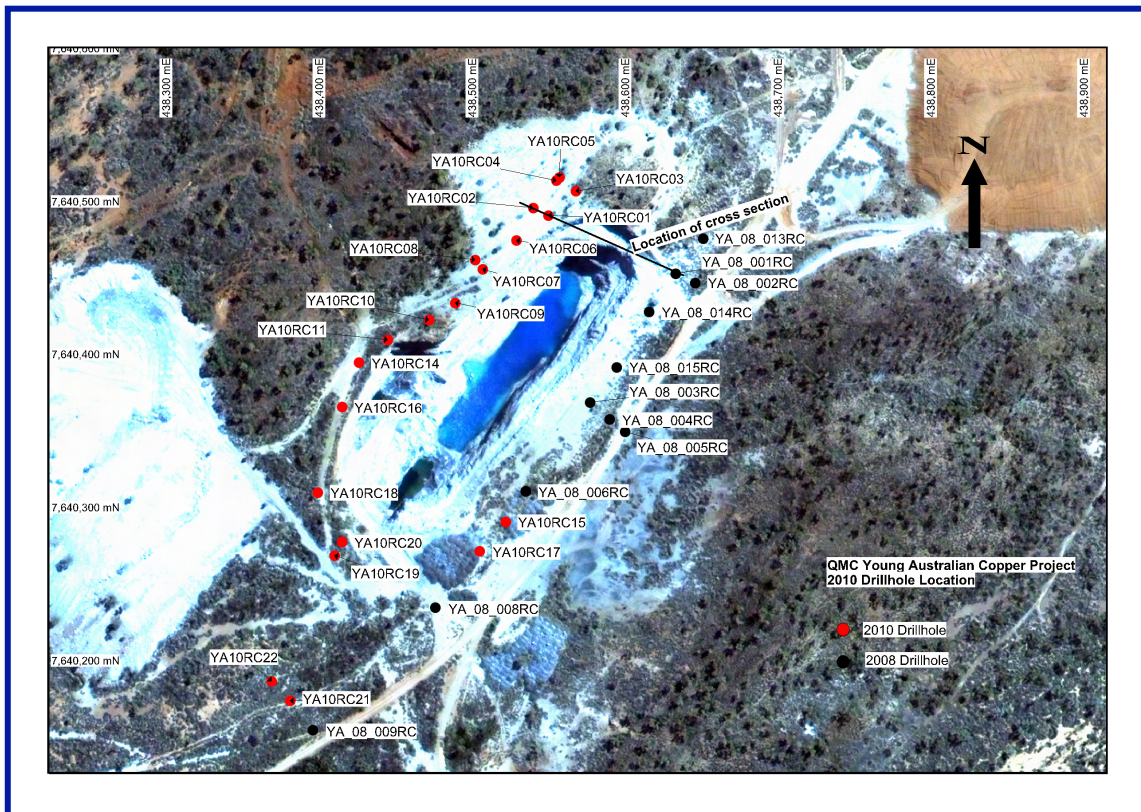


Figure 5 - Aerial view of Young Australian Copper Project showing RC drillhole locations

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Table 1: Young Australian Project – Drillhole Details and Location

Hole ID	Easting MGA94	Northing MGA94	RL	AZIMUTH Magnetic	Dip	Depth (m)
YA10RC01	438550	7640487	330	120	-55	126
YA10RC02	438540	7640495	330	120	-60	118
YA10RC03	438573	7640503	331	120	-55	85
YA10RC04	438562	7640511	331	120	-60	106
YA10RC05	438559	7640514	331	120	-66	118
YA10RC06	438530	7640475	329	120	-55	108
YA10RC07	438509	7640458	328	120	-55	138
YA10RC08	438502	7640463	328	120	-60	124
YA10RC09	438491	7640435	324	120	-55	112
YA10RC10	438472	7640424	321	120	-55	136
YA10RC13	438823	7640686	317	300	-60	136
YA10RC14	438425	7640395	320	120	-55	136
YA10RC15	438520	7640290	313	300	-55	118
YA10RC16	438415	7640366	320	120	-55	124
YA10RC17	438507	7640272	312	300	-55	118
YA10RC18	438395	7640308	316	120	-55	124
YA10RC19	438420	7640253	313	120	-67	70
YA10RC20	438410	7640270	313	120	-70	94
YA10RC21	438382	7640172	310	120	-57	46
YA10RC22	438371	7640184	311	120	-65	80

Table 2: Young Australian Project – Selected RC Drill Results (using a 0.2% Cu cut-off grade. Estimated true widths are approximately 70 - 80% of the drilled interval.)

Hole ID	From	To	Intervals (m)	Cu (%)	Ag (g/t)	Co (ppm)
YA10RC01	58	98	40	2.31		
<i>Incl.</i>	68	92	24	3.09	4.08	
	81	95	14			498
YA10RC02	15	28	13	2.15	2.09	
	88	105	17	0.67	1.32	
	94	106	12			666
YA10RC03	38	77	39	0.81	1.12	
YA10RC04	5	15	10	1.16		
	74	95	21	1.86	2.87	
YA10RC05	7	22	15	0.86		
<i>Incl.</i>	14	19	5	1.78		
	93	110	17	1.07	1.26	
	101	109	8			1023
YA10RC06	8	21	13	2.35		
<i>Incl.</i>	10	18	8	3.58		
	76	104	28	1.08	0.87	
	99	105	6			1231
YA10RC07	14	27	13	1.66		
	82	108	26	0.84	0.97	
	101	108	7			461
YA10RC08	37	42	5	0.92	2.24	
	101	110	9	0.48		
	117	119	2	0.94	2.6	832
YA10RC09	15	24	9	2.29	1.9	
	64	66	2	0.3		
	76	81	5	0.27	1.14	
	89	105	16	0.77	1.7	
YA10RC10	23	41	18	1.41	2.33	
	103	113	10	0.49	2.26	
	109	113	4			464
YA10RC11	54	69	15	0.83	2.42	
YA10RC14	56	72	16	0.71	6.07	
	129	134	5	0.77	6.69	383
YA10RC15	9	14	5	0.41		
	78	86	8	0.65	1.9	
YA10RC16	37	61	24	1.09	2.41	
YA10RC17	94	100	6	1.04	8.25	
	105	107	2	0.22	2.55	
YA10RC18	18	31	13	1.46	3.65	
	95	114	19	1.48	6.57	
<i>Incl.</i>	97	103	6	3.66	15.82	252
YA10RC19	23	38	15	0.61		
	43	57	14	0.41		
YA10RC20	66	81	15	1	4.08	268
YA10RC21	16	23	7	0.21		