

Queensland Mining Corporation
LIMITED

ABN 61 109 962 469

Level 24
Royal Exchange Building
56 Pitt Street
SYDNEY NSW 2000 AUSTRALIA
GPO Box 4876
SYDNEY NSW 2001 AUSTRALIA
TELEPHONE 61 2 9251 6730
FACSIMILE 61 2 9251 6326
EMAIL admin@qmcl.com.au



Manager
Company Announcement Officer
Australian Stock Exchange Limited
Level 4, 20 Bridge Street
Sydney NSW 2000

30 July 2010

**ACTIVITY REPORT
FOR THE QUARTER ENDED
30 June 2010**

A. Summary Highlights

- a. Completion of the purchase of Cloncurry South Project Area from Matrix Metals Ltd;
- b. Completion of drilling at Flamingo, Gilded Rose, Mt Freda and Jessievale Creek. Results of resource definition will proceed to upgrade the reported resources as separately announced during the quarter and as set out in the detailed exploration report below.

B. Corporate Finance and Strategic Development

Given the significant strategic value of the White Range project adjacent to QMC's Duck Creek area (refer attached map), the Company's gold property holdings are being reviewed for potential Joint Venture/Sale. As previously reported, the Company has very significant gold areas at Mt Freda and Gilded Rose as well as gold plants and substantial infrastructure.

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Gold properties and the White Range copper project area are currently being independently assessed for the purpose of Joint Venture discussions and negotiations.

C. Detailed Exploration Activities

1. Flamingo Copper Project

A total of 55 holes were drilled totaling 4,907m during the quarter over the two mining leases in Flamingo. All the assay results have been returned and ore grade (> 0.20% Cu) mineralization was encountered in 46 out of the 55 holes drilled.

Highlights from the program include:

- **11m @ 4.87% Cu, 0.62g/t Au and 1.51g/t Ag from 34m in Hole FL10RC02, including 2m @ 23.2 Cu, 2.26g/t Au and 4.25g/t Ag from 35m.**
- **17m @ 2.13% Cu, 0.45g/t Au and 1.31g/t Ag from 22m in Hole FL10RC21, including 2m @ 12.2% Cu, 2.24g/t Au and 4.95g/t Ag from 31m.**
- **9m @ 1.62% Cu, 1.89g/t Au and 3.3g/t Ag from 92m in Hole FL10RC12, including 2m @ 6.44% Cu, 7.96g/t Au and 4.85g/t from 97m.**

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- 17m @ 0.54% Cu, 0.24g/t Au from 35m in Hole FL10RC32, including 5m @ 1.22% Cu, 0.32g/t Au, 1.06g/t Ag, 598ppm U₃O₈ and 323ppm Mo from 41m, plus 4m @ 1.32% Cu, 0.33 g/t Au and 1.18g/t Ag from 70m.
- 20m @ 0.39% Cu and 0.15g/t Au from 12m in Hole FL10RC20.
- 3m @ 2051ppm U₃O₈ from 95m in Hole FL10RC08.
- 2m @ 1853ppm U₃O₈ from 31m in Hole FL10RC17.

Details of the drill results for the first 34 holes were reported to the market on 18 May 2010 and 5 July 2010, respectively.

Results for the remaining 21 holes in the program will be announced along with a revised resource model in the next two weeks.

2. Gilded Rose Gold Project

A drill program consisting of 16RC holes were drilled totaling 2401m was completed at Gilded Rose during the current quarter. The drilling was designed to upgrade and expand the existing gold resources to a JORC-compliant category so that a feasibility study on an open cut mining operation can be initiated.

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Most of the holes were drilled underneath the Gilded Rose pit with a few holes chasing the strike extension of the mineralization towards both the eastern and western ends.

All of the drill samples have been dispatched to the laboratory in Townsville and the drill results will be reported within the next week.

3. Mt Freda Gold Project

Exploration activities at Mt Freda during the quarter were dominated by drilling of 16 RC holes totalling 1974m. Eleven out of the 16 holes were infilled to existing drill holes with the aim to increase the level of confidence of the resources to measured and/or indicated category for a mining evaluation. The remaining 5 holes in the program mainly targeted extensions of mineralization along strike outside of the current pit area. The same geology hosting the previous high grade gold intersections including 2m @ 11.15g/t Au was encountered in most of the drill holes and the complete drill assays will be released early August.

4. Jessievale Copper Project

As follow up to the coincident strong magnetic and gravity anomalies outlined by the Company's ground magnetic survey and modeling of the previous gravity survey, a total of 11.55 line km in 11 E-W directed survey lines of LANDTEM™ data has been collected during the quarter. As a result of this survey, 4 high quality IOCG (iron oxide

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copper-gold) drill targets have been defined, all of which display strong conductive features that might reflect deep sulphide mineralization hidden below the Mesozoic cover.

Drilling of an analogous target by WMC in 1991 led to the discovery of a giant copper orebody (167Mt @ 1.1% Cu and 0.54g/t Au) at Ernest Henry, located some 30km southeast of Jessievale.

A diamond core drilling program has been planned to test these targets in search for economic IOCG deposits and is due to commence in early August 2010.

5. Morris Creek Copper Project

The drilling conducted by the Company in late 2009 has identified very broad geochemical anomalous zones in Morris Creek, including several intervals of ore grade copper and gold mineralization.

Review of the drilling results and 3D modeling of the SAM geophysical data suggest the tenement has good potential to host deeply buried Rocklands style of copper-gold mineralization.

To assist in defining deep sulphide targets for further drill testing, 5 lines of LAMTEM survey covering the existing breccia zones, SAM conductivity and magnetic anomalies were conducted during the quarter.

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Low to moderate deep conductors have been identified both in the central west and northeast of the tenement where no drilling has been undertaken.

To refine the newly generated drill targets, a grid based soil sampling is underway. Conductors with elevated copper geochemistry will be eventually drill tested late in the year.

D. White Range Copper Project Acquisition

During the quarter a review of the main mineral resources that constitute the White Range Copper Project commenced. The review has focused on the defining of the gold and cobalt potential in addition to updating the copper potential on the basis of development of technologies to economically extract the gold and cobalt given the substantial increase in the copper price since the original BFS was completed by Matrix in 2005.

Golders Resource Consultants have undertaken resource estimates on Greenmount, Kuridala and Stuart deposits, with positive potential indicated for both gold and cobalt at Greenmount and Kuridala and at all three for copper.

Internal reviews underway on Mt McCabe and Vulcan note the presence of ore grade cobalt (+ 0.03%) in drill intercepts, but at this stage no inference to viable resources can be made. Golders have been engaged to undertake resource estimates on both resources.

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As reported on 22nd April 2010, the updated JORC resource is as follows for the White Range Copper Project:

Cu % Cut-off		<i>Measured</i>		<i>Indicated</i>		<i>Inferred</i>		<i>Total</i>				
		Tonnes (Mt)	Grade (Total % Cu)	Tonnes (Mt)	Grade (Total % Cu)	Tonnes (Mt)	Grade (Total % Cu)	Tonnes (Mt)	Grade (Total % Cu)	Cu (Kt)	Co (lbs)	Au (Oz's)
0.2	White Range Project (oxide)	3.5	1.00	13.3	0.68	13	0.58	29.8	0.68	202	19 Million	168,000
0.5	Stuart (oxide)	-	-	1.22	1.1	-	-	1.22	1.1	13.4	-	-
TOTAL		3.5		14.52		13		31.02		215.4	19 Million	168,000

Given this resource inventory as now confirmed by Golders, the purchase price of \$5m represents 1c per 1b of JORC code resource.

Negotiation and Documentation – are continuing with potential Joint Venture parties for re-establishment and production of copper from various mine sites within the White Range Project.

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E. What's ahead - next quarter?

1. Drilling program

Flamingo – Subject to the results of the 21 holes which remain to be reported.
2000 – 3,000 metres of follow up drilling is anticipated.

Jessievale – Up to 3,000 metres to test targets imminently.

Gilded Rose and Mt Freda - Subject to results, further programs will be implemented.

2. Golders updated Resource Statements for Stuart, Mt McCabe and Vulcan are in progress.

Yours sincerely,

Howard V. Renshaw

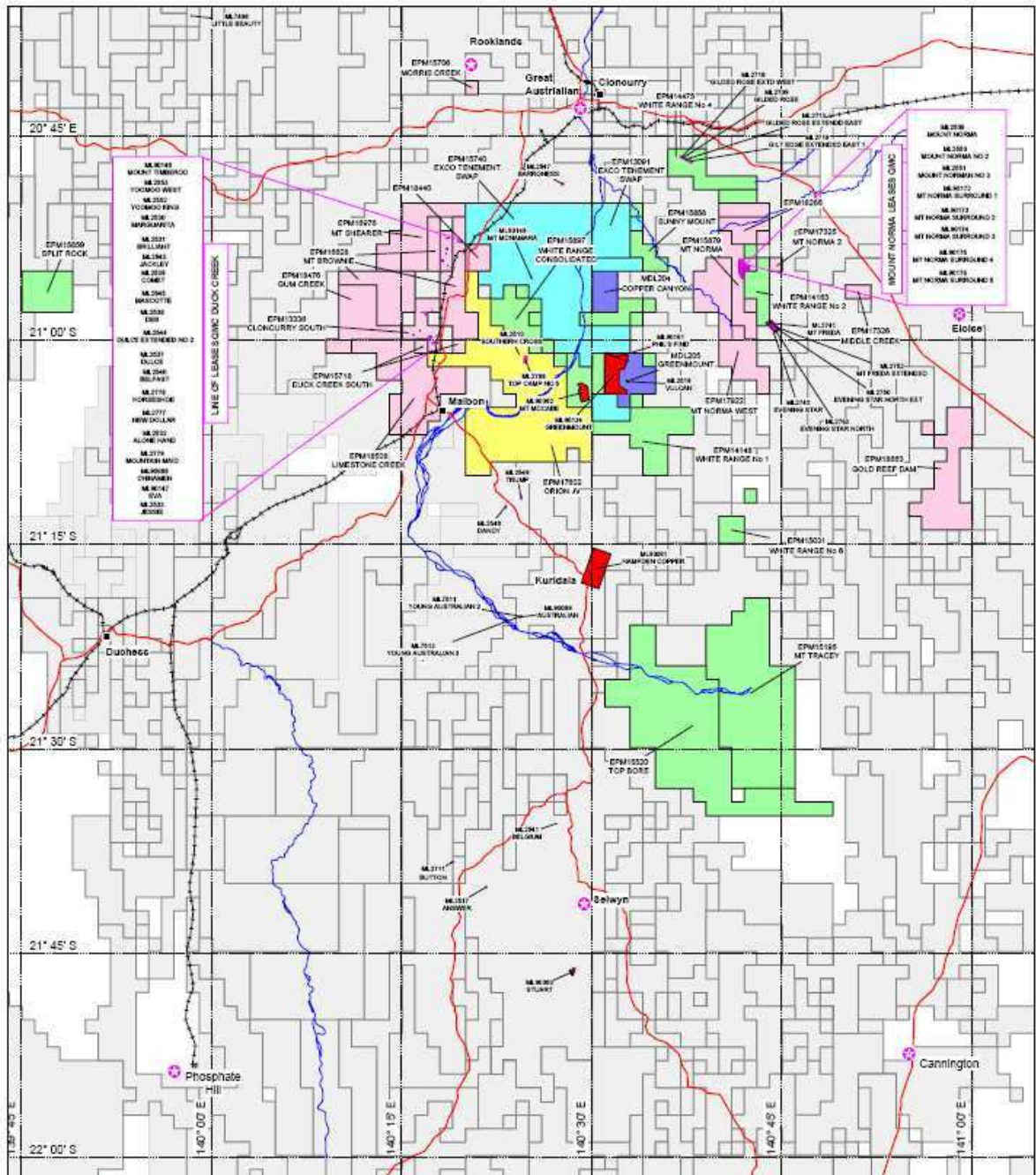
A handwritten signature in black ink, appearing to read 'H. Renshaw', written in a cursive style.

Managing Director

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 self-employed 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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- MATRIX EXPLORATION PERMIT
- QMC EXPLORATION PERMIT
- EXCO EXPLORATION PERMIT TENEMENT SWAP
- MATRIX MINERAL DEVELOPMENT LICENCE
- QMC MINING LEASE
- ORION JOINT VENTURE
- MATRIX MINING LEASE



QMC TENEMENT SITUATION SOUTH OF BARKLY HIGHWAY
(AS AT 24/06/2010)



Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Queensland Mining Corporation Limited

ABN

61 109 962 469

Quarter ended ("current quarter")

30 June 2010

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation	(1,254)	(3,694)
(b) development		
(c) production		
(d) administration	(355)	(1,407)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	56	71
1.5 Interest and other costs of finance paid	(3)	(371)
1.6 Income taxes paid		
1.7 Other – GST refund	-	61
- R & D grant received	-	187
Net Operating Cash Flows	(1,556)	(5,153)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects		
(b)mining assets		(994)
(c) other fixed assets	(10)	(567)
1.9 Proceeds from sale of: (a)prospects		
(b)equity investments		
(c)other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	(10)	(1,561)
1.13 Total operating and investing cash flows (carried forward)	(1,566)	(6,714)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,566)	(6,714)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.		14,768
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		(4,000)
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows		10,768
Net increase (decrease) in cash held		(1,566)	4,054
1.20	Cash at beginning of quarter/year to date	6,014	394
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	4,448	4,448

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	87
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Payment of \$87,000 to Butmall Pty Ltd in which Howard Renshaw is a director for business support services and management fees.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		1,000
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	750
4.2 Development	
4.3 Production	
4.4 Administration	350
Total	1,100

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	128	200
5.2 Deposits at call	1,287	5,814
5.3 Bank overdraft		
5.4 Other – Online saving account	3,033	
Total: cash at end of quarter (item 1.22)	4,448	6,014

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Nil		
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	316,632,589	281,652,589		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

+ See chapter 19 for defined terms.


Appendix 5B
Mining exploration entity quarterly report

7.7	Options				
	<i>Listed</i>	30,000,000	30,000,000	<i>Exercise price</i>	<i>Expiry date</i>
		-----	-----	<i>20 cents</i>	<i>17/03/2013</i>
	<i>Unlisted</i>	7,000,000	Nil	<i>35 cents</i>	<i>16/03/2013</i>
		1,675,000	Nil	<i>25 cents</i>	<i>30/11/2012</i>
		3,050,000	Nil	<i>10 cents</i>	<i>30/11/2012</i>
		12,050,000	Nil	<i>10 cents</i>	<i>30/11/2012</i>
		1,225,000	Nil	<i>20 cents</i>	<i>30/11/2012</i>
		11,911,112	Nil	<i>25 cents</i>	<i>30/11/2010</i>
		750,000	Nil	<i>57.5 cents</i>	<i>30/11/2010</i>
		750,000	Nil	<i>62.5 cents</i>	<i>29/11/2010</i>
		750,000	Nil	<i>50 cents</i>	<i>29/11/2010</i>

		39,161,112			
		=====			
7.8	Issued during quarter	1,000,000	1,000,000	20 cent	31/05/2012
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: 
Director

Date: 30 July 2010

Print name: Howard Renshaw

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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