



ASX Release

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Mt McCabe Project - JORC Resource - 55% Increase in Tonnage Maiden Cobalt JORC Compliant Resource

- **JORC compliant resource 2.6 Mt @ 1.05 % Cu and 270 ppm Co, of which 1 Mt @ 1.21% Cu & 400ppm Co is in the measured category (0.5% Cu Cut-off)**
- **55% increase in tonnage compared to the previous Matrix Metals resource estimate of 1.7Mt @ 1.24 % Cu(0.5% Cu Cut-off)**
- **30% increase in contained copper metal (6,200t Cu)**
- **Cobalt resource adds significant value to the Project (1.55Million lbs)**
- **Resource estimate only undertaken above the 150RL and covers just the oxidised and transitional material that may be amenable to heap leaching**
- **700,000 tonnes of “primary” material not included in this estimate**
- **Additional drilling and metallurgical test work should add to the resource**

Queensland Mining Corporation Ltd (ASX code: **QMN**) is pleased to announce the results of a resource review at the Mt McCabe Project (QMC 100% owned), located south of Cloncurry in North West Queensland.

The Mt McCabe Project is part of a suite of copper, gold and cobalt deposits acquired by QMC from the administrators of Matrix Metals Limited. Previously only copper had been estimated at the project and as with the recently updated Greenmount, Kuridala and Stuart resource estimates, Golder Associates were commissioned by QMC to undertake a review of the project and produce an updated copper and cobalt resource estimate.

Mr Howard Renshaw, the Managing Director of QMC, commented that “This resource upgrade for the Mt McCabe Project is extremely encouraging and again proves that the acquisition of the White Range Project from the liquidators of Matrix Metals was exceptionally well timed. It is also very promising that the Mt McCabe resource offers the potential for extensions at depth and preliminary pit designs will be undertaken to help target the follow up drilling in this area to increase the JORC resource”.



The results of this work at various Cu cut-off grades is summarised in the table below:

Mt McCabe

Cut-off (% Cu)	Tonnes (Mt)	Cu (%)	Co (ppm)
0.2	7.7	0.57	220
0.3	5.2	0.72	240
0.4	3.6	0.88	260
0.5	2.6	1.05	270
0.6	2.0	1.21	290
0.7	1.5	1.38	300

The mineral resource estimate is based on a number of factors and assumptions that include:

- Only RC and Diamond drilling was used for estimating the mineral resource.
- Copper mineralisation envelopes were modeled in three dimensions using a nominal 0.1% Cu lower threshold. Five distinct copper domains were identified.
- Metallurgical zones were modeled using fixed RL's and were based on analysis of copper sequential digest assays.
- Base of oxidation has been assumed to be 150m RL, which was used by Matrix Metals for their 2006 mineral resource estimate.
- Statistical and geostatistical analysis was conducted on drill-hole sample assays composited to 1m down-hole interval lengths. The analysis was conducted on each of the five copper domains as well as the combinations of the domains.
- Top cuts were applied to the drill hole sample data prior to grade estimation.
- Grade estimation was conducted using median indicator kriging (MIK) for copper with cobalt carried as an additional variable. For all samples within the copper mineralisation envelopes that were assayed for copper but not for cobalt (approximately 13% of the samples), cobalt was assigned a conservative 0.5ppm. Estimation was also conducted using ordinary kriging (OK) for copper, cobalt and bulk density. A default density of 2.55t/m³ was assigned to blocks that were not estimated by OK.
- A lognormal change-of-support correction was applied to the MIK estimates using a SMU size of 5m by 3m by 2.5m and support correction factors calculated from the median indicator variograms for each of the copper domains.

The Mineral Resource estimate was 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 Measured, Indicated and Inferred and was considered appropriate on the basis of drill hole spacing, sample interval, geological interpretation and representativeness of all available assay data.



At a 0.5% Cu cut off the resource can be broken down as follows:

Cut-off (Cu %)	Resource Classification	Tonnage (Mt)	Cu (%)	Co (ppm)
0.5	Measured	1.0	1.21	400
	Indicated	0.6	1.10	320
	Inferred	1.0	0.85	110
	Total	2.6	1.05	270

The global mineral resource for the Mt McCabe deposit within the copper mineralisation envelopes and above the 150 m RL at a 0.5% copper cut-off is **2.6Mt at 1.05% copper and 270ppm cobalt**. This equates to a 55% increase in tonnes with a 16% drop in grade compared with the Matrix Metals 2006 estimate of 1.7Mt at 1.24% copper at a cut-off grade of 0.5% copper. The drill hole location plan from which the data has been derived is shown at **Figure 1** below.

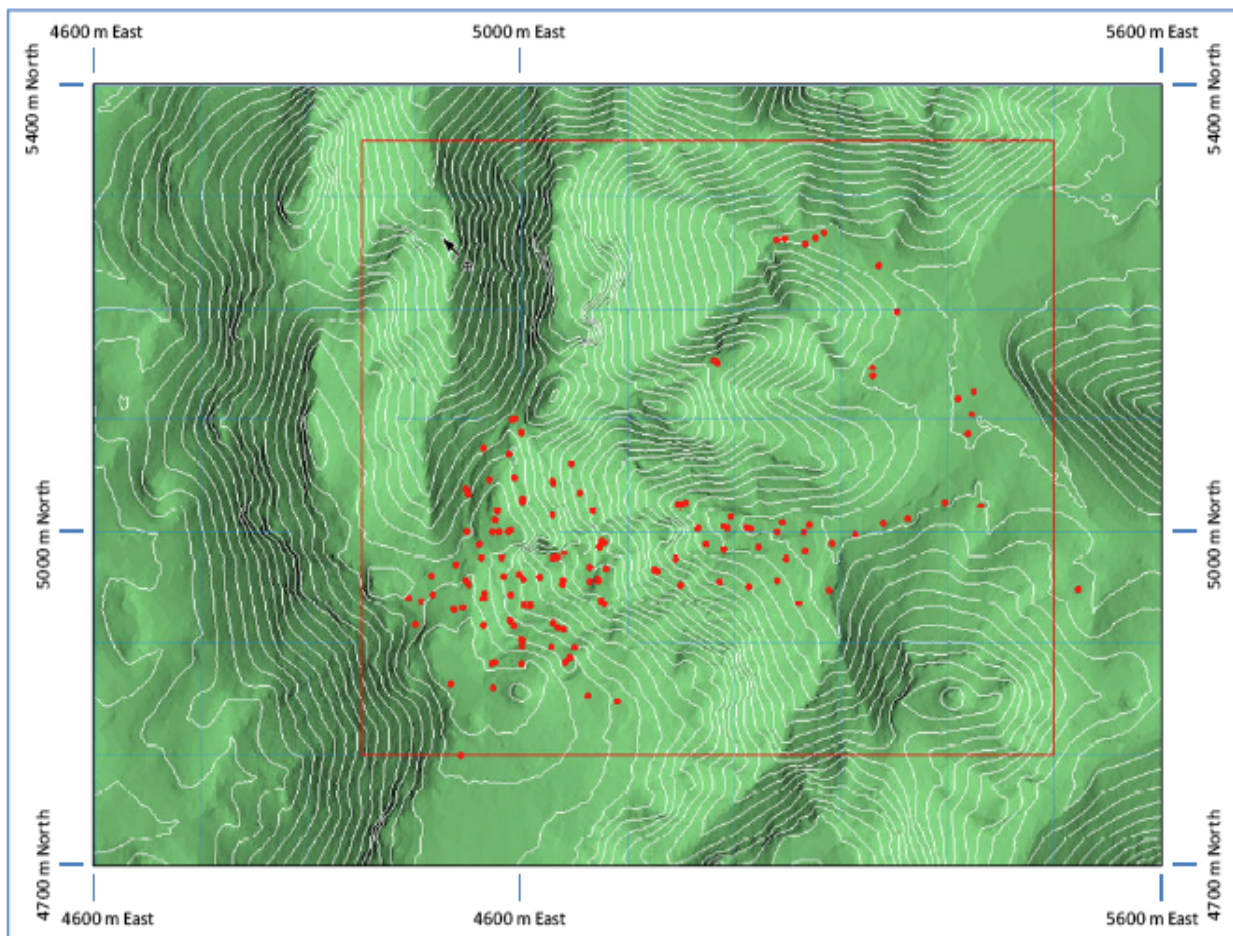


Figure1. Location Plan in local Mt McCabe grid showing shaded topographic surface overlain with 5m contours (white lines), drill hole collar locations (red dots) and boundary of the Golder block model (red line)

Golder identified five zones of mineralization based on a 0.1% copper lower threshold as shown in **Figure 2**. The base of oxidation is assumed to be at the 150m RL (approximately 170m from surface) based on geological logging however further investigation is required to confirm this.

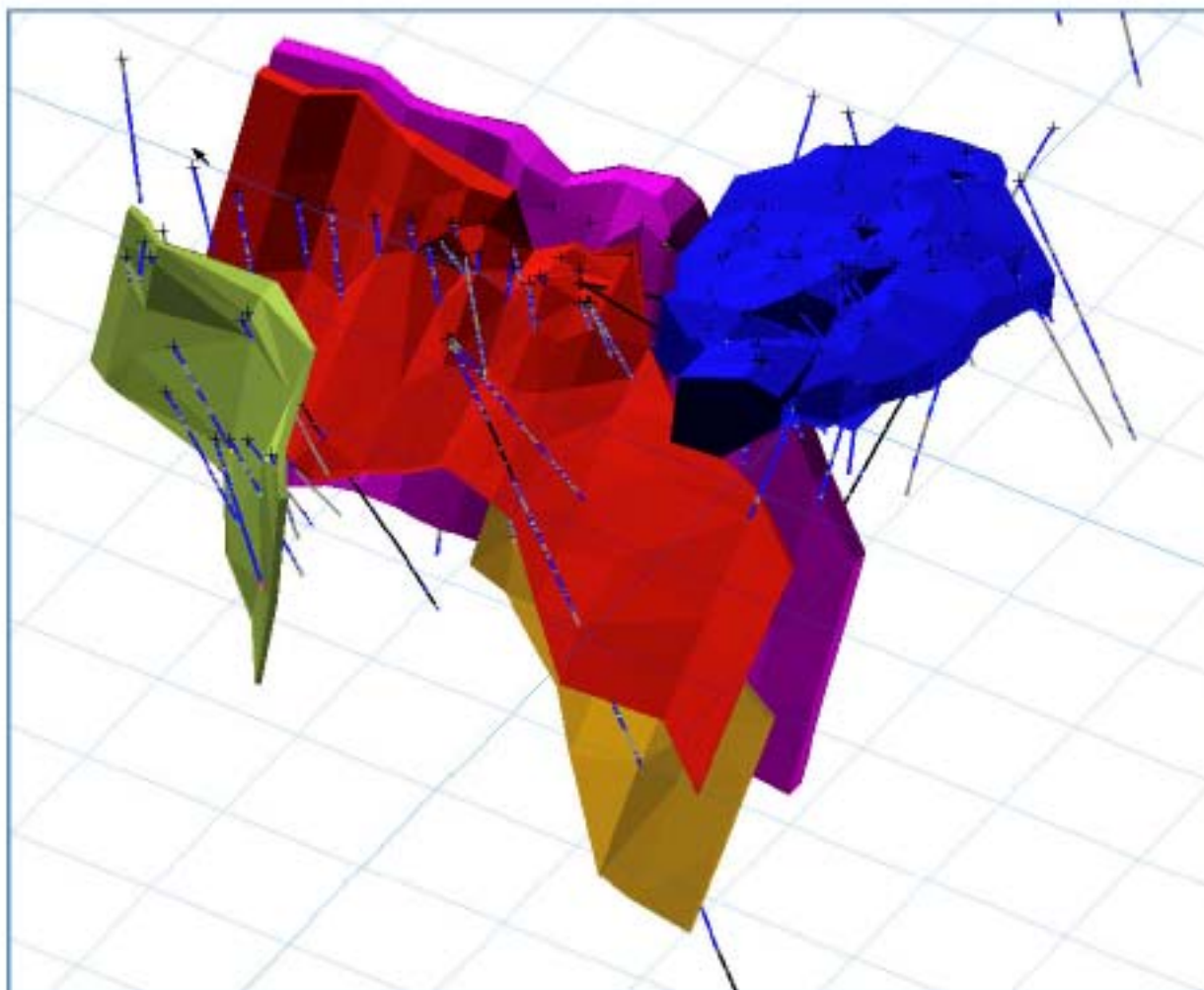


Figure2. Oblique view looking south-east showing the drill holes and copper mineralised envelopes

Some additional primary mineralisation was also modeled, but was not considered to be part of the resource estimate as it was primary in nature and at depth.

At a 0.5% Cu cut off the primary mineralisation is as follows:

Cut-off (Cu %)	Resource Classification	Tonnage (Mt)	Cu (%)	Co (ppm)
0.5	Not classified	0.7	0.98	40



Golder Associates are also currently undertaking a review of the data at the Vulcan Project and a revised resource will also be produced in the forthcoming weeks, this is in line with a full review of the White Range Project, as part of the updating of the Matrix's 2005 Bankable Feasibility Study.

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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.