

ASX Release

3 February 2011

Young Australian – Maiden JORC Resource

- An Initial Mineral Resource estimate of 2.13Mt @ 1.0% Cu; for
- 21,200 tonnes of contained Copper
- Resource mineralisation open along strike and at depth

Queensland Mining Corporation is pleased to announce a maiden resource estimate for the Young Australian Project near Cloncurry, in North Queensland. The Young Australian Project comprises the Young Australian leases (contiguous MLs 7511, 7512 and 90099) and the Eastdrift lease (ML 90084), about 300 metres along strike to the northeast.

Prospect	Tonnes (Mt)	Cu (%)	Co (ppm)	Ag (g/t)	Cu (kt)	Co (t)	Ag (koz)
YA Leases							
Indicated	1.107	1.14	120	2.4	12.6	133	85
Inferred	0.412	0.9	79	0.9	3.7	33	12
Ind & Inf	1.519	1.1	109	2.0	16.3	165	97
Eastdrift							
Inferred	0.610	0.8	-	-	4.9	-	-
Total							
Indicated	1.107	1.14	120	2.4	12.6	133	85
Inferred	1.022	0.8	32	0.4	8.6	33	12
Ind & Inf	2.129	1.0	78	1.4	21.2	165	97

Table 1: Young Australian Mineral Resources as at 31 Jan 2011 (0.2% Cu cut-off grade)

Note: Figures are rounded, and do not include extensions beyond QMC's lease boundaries.

Young Australian Leases

Mineralisation at the Young Australian Leases is confined to three parallel lodes (West, Mid and East) striking NE-SW (See Figure1). The lodes are interpreted as dipping steeply to the northwest, to depths of up to 180 metres below surface.

"We are very pleased to announce this maiden resource of 21,200 tonnes of contained copper, which at current metal prices of some AUD9,840 per tonne implies substantial value to our Company," said Howard Renshaw, MD of QMC "we will now run a vigorous programme to upgrade the quality of this resource estimate and to follow-up on the three copper lodes which are still open along strike and at depth. This is a very important deposit for the Company and compliments the nearby Kuridala resource of 60,000 tonnes at 0.84% Cu at 0.2% cut off" he added. (See Figure2)

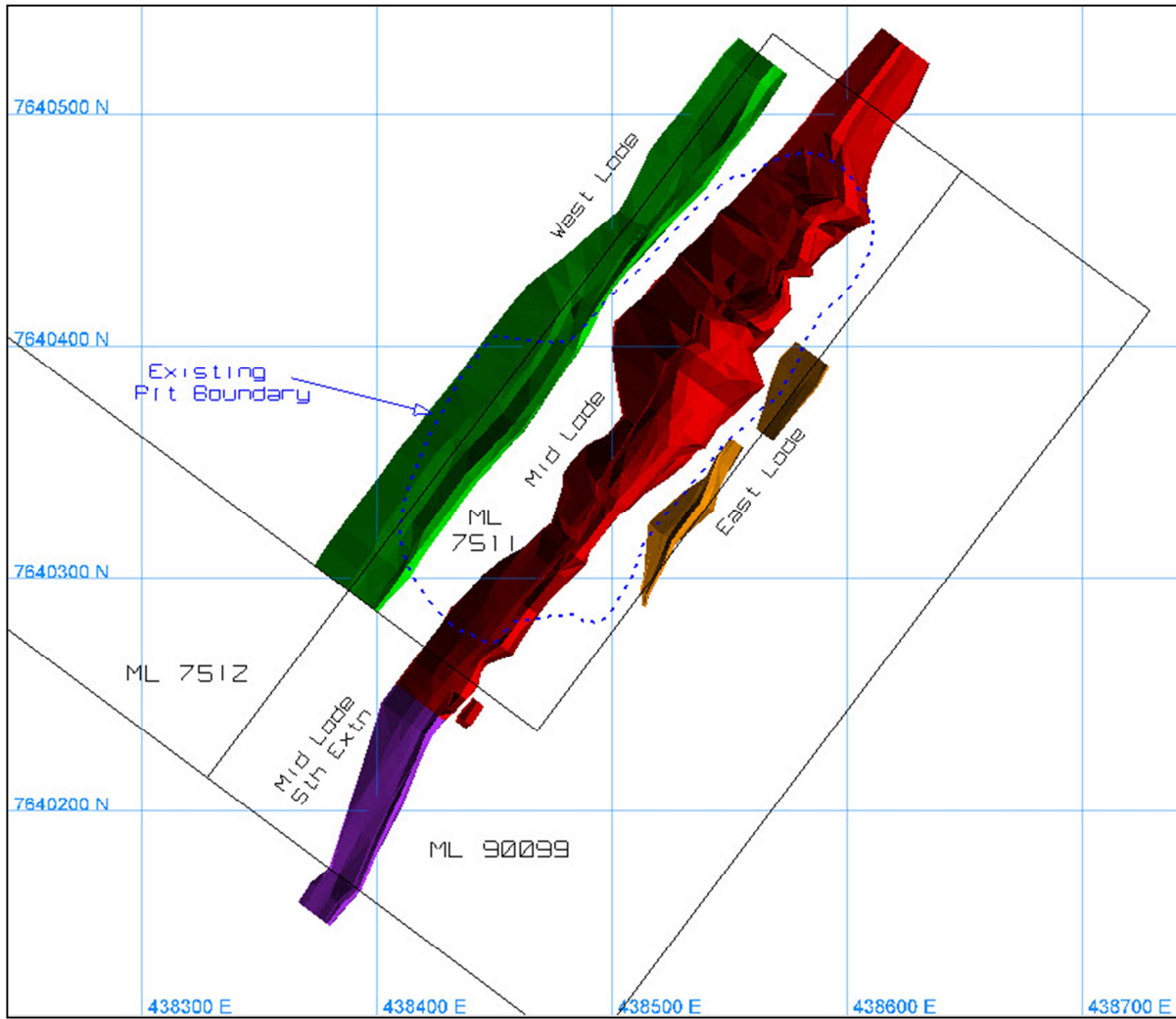


Figure 1: Young Australian Leases: Resource Domains (0.2% Cu Cut-Off Grade)

The drilling at the Young Australian leases was conducted in four campaigns (See Table2). The first two campaigns were conducted by Mount Isa Mines Limited (MIM), and defined the resource to a depth of about 60 metres before open pit mining. The two most recent campaigns were undertaken by QMC in May 2008 and August-September 2010. These campaigns tested the extent of mineralisation beyond the existing pit. This drilling extended the known mineralisation, which however remains open along strike and at depth.

Company	Type	No. Holes	Metres
MIM	DDH	9	749
MIM	RAB	44	1,498
QMC	RC	15	1,892
QMC	RC	23	2,631
		91	6,770

Table 2: Young Australian Leases: Drillholes

In addition, QMC has estimated that mineralised potential for the southwest extension to the Mid Lode within ML 90099 is:

100,000 to 150,000 tonnes at 0.5-1.5% Cu, 1.5-2.5g/t Ag, 100-200ppm Co

Note: "Mineralised potential" is contained within the wire frame of the mineralisation model, but classification as an Indicated or Inferred Resource under the JORC Code is precluded by data spacing. There is reasonable expectation, but no certainty, that further exploration will result in the conversion of this material into a JORC-compliant resource.

Further target mineralisation for the southwest extension of the West Lode within ML 7512 and ML90099 is estimated as:

200,000 to 400,000 tonnes at 0.8-1.4% Cu

Note: "Target mineralisation" exists as the likely extension of an open-ended resource zone. There is no certainty that further exploration will result in the conversion of this material into a JORC-compliant resource.

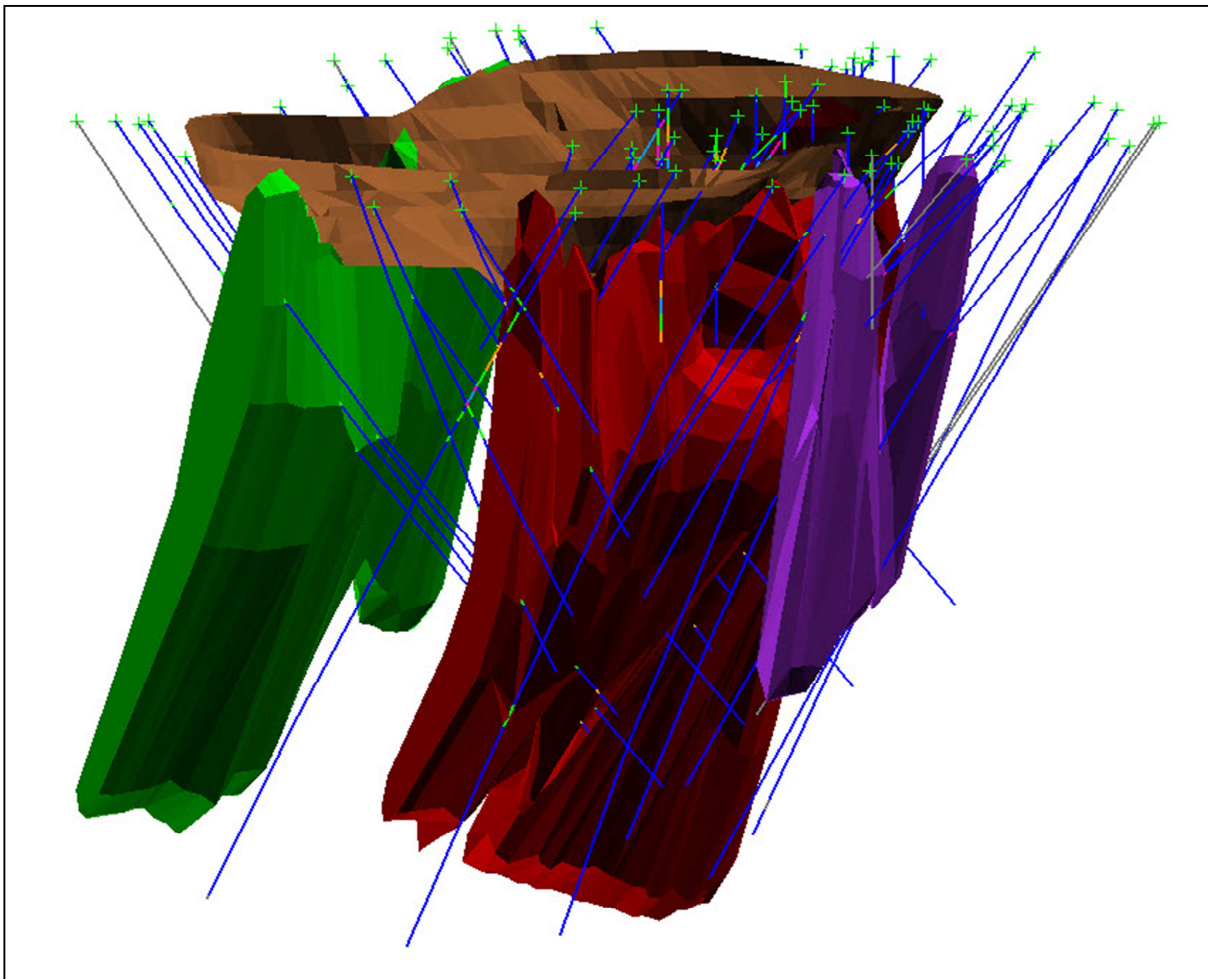


Figure 2: Young Australia Leases: View of Western Lode (green), Mid Lode (red), East Lode (purple), existing open pit (brown) and drillholes (blue), looking north.

Eastdrift Lease

The Eastdrift mineralisation is to date defined by six reverse circulation drill holes on two fence-lines about 50 metres apart. The holes were drilled by QMC in 2008 and 2010.

The mineralised zone appears to have a similar strike direction and dip as the lodes delineated in the Young Australian leases, and is aligned with the Mid Lode. The mineralisation wireframe extends from a depth of approximately 20 metres below surface to a depth of about 180 metres below surface.

Future Programme

QMC has planned follow-up RC/Diamond drilling programme up to 5,000 metres as soon as possible subject to rig availability and seasonal condition. Although the programmes will be predominantly reverse circulation, at least four of the planned holes are proposed to be diamond drilled. The principal objectives are to:

- Upgrade resource classification in the portion of the resource potentially accessible by open pit mining.
- Define the southwestern extensions of the Western Lode and the Mid Lode, and the northeastern extension of the East Lode, all of which appear open-ended.
- Investigate depth extensions of the Mid Lode, which again appears open ended.
- Provide core samples for metallurgical testwork and processing design for recovery of copper, cobalt and possibly silver as well as geotechnical analysis.

The programme is focussed entirely on QMC's own leases. It is possible that the lodes may extend into the surrounding EPM, which is held by another company. QMC is holding discussions with the tenement holder with a view in developing and expanding the exploration programme.

Information on Mineral Resource Estimation

The mineral resource models were undertaken by block modelling within wireframes snapped to the drillholes. Block grades were assigned using ordinary kriging after assessing variography.

Drillhole collars were surveyed using a differential GPS at sub-metre accuracy. QMC conducted 41 downhole surveys for the 2008 drilling programme and 61 downhole surveys for the 2010 drilling programme.

Geology logs were not available for the MIM drillholes. However, most of the MIM holes intersected mineralisation within or around the existing open pit. Although mineralisation is visibly distinguished in the walls of the open pit, Indicated Resource estimation is based solely on data available from QMC's 2008 and 2010 drill programmes.

As all QMC's drilling to date at Young Australian has been reverse circulation, MIM's estimate for in-situ bulk density has been adopted. Future diamond drilling will provide additional data for these estimates.

QMC – Summary of Mineral Resources

QMC's JORC resources are now estimated at:

- 36 Mt @ 0.99% copper equivalent (0.2% Cu cut-off¹)
- 360,000 tonnes of copper equivalent metal; comprising:
 - > 265,200 tonnes copper; and
 - > 23.4 million pounds cobalt; and
 - > 202,000 ounces gold.

This maiden indicated and inferred resource at the Young Australian has increased QMC's reported resources by 21,200 tonnes of copper and an increase of 369,600 pounds of cobalt.

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Information in this report relates to Exploration Results and Mineral Resource estimates based on information compiled by Dr GuojianXu and Mr James McIlwraith. Dr Xu is a Member of the Australasian Institute of Mining and Metallurgy and a Fellow of the Society of Economic Geologists. He is a consultant to Queensland Mining Corporation Limited through Redrock Exploration Services Pty Ltd. Mr McIlwraith is a Member of the Australasian Institute of Mining and Metallurgy and is a consultant to Queensland Mining Corporation Limited through JM Geological Consulting Pty Ltd. With respect to their respective contributions, these persons qualify as Competent Persons as defined in 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Xu and Mr McIlwraith consent to the inclusion in this report of the matters based on the respective information provided by each of them, in the form and context in which it appears.

¹Flamingo's 117,000 tonnes at 6% Cu and 1.8 g/t Au is at 1% cut off.