

ASX Release

8 March 2011

Mt Freda Gold Resource

**Maiden Resource Estimate 89,000 ozs gold
1 million lbs cobalt**

Resource Estimate

QMC is pleased to announce that it has completed an initial resource estimate for its Mt Freda Project, which is situated 35 kilometres SE of Cloncurry, in North Queensland. The Mt Freda Project is held under mining lease ML 2741 and surrounding mining lease ML 2752.

A total (JORC compliant) inferred resource of **1.6 Mt at 1.7 g/t Au and 290 ppm Co** (at a cut-off grade of 0.5 gram per tonne) has been estimated (Table 2) containing some **89,000 ounces of gold** and **1 million pounds of cobalt**.

The mineralisation at Mt Freda is concentrated in a west-northwest trending fault gouge extending over a length of about 400 metres, and which dips steeply to the south. Drilling has defined the mineralisation to a depth of about 240 metres below surface, or about 180 metres below the floor of the existing open pit.

Further drilling may extend the size and grade of this initial resource estimate.

Future Program

QMC plans further drilling and project assessments with the aims of:

- upgrading the resource classification in the portion of the resource which may be amenable to open pit and/or underground mining;
- drilling has been planned to:
 - more closely defining the eastern and western limits of mineralisation;
 - infilling gaps in the mineralisation model below the existing pit;
 - potential depth extensions of the higher grade zones;
- defining the metallurgical parameters for gold recovery; and
- determining the value and recovery routes for potential by-products, particularly cobalt which has been recorded in QMC's drill programs.

"We are reviewing various process options to determine the most appropriate development scenario for this project, particularly when you consider that at a 1g/t gold cut-off Mt Freda has 76,000 ounces of gold at a grade of 2.3 g/t" said Howard Renshaw, MD of QMC.

"Mt Freda has the potential to allow QMC to join the ranks of gold producers. Our deepest drill hole is only to 260 metres, so clearly there is a lot of potential to find additional mineralisation at depth." he added.

Diversified Mineral Resources NL developed an open pit up to 60 metres deep (Figure 1 Blue outline). This pit provided about 100,000 tonnes of feed to a site-based carbon-in-pulp treatment plant.

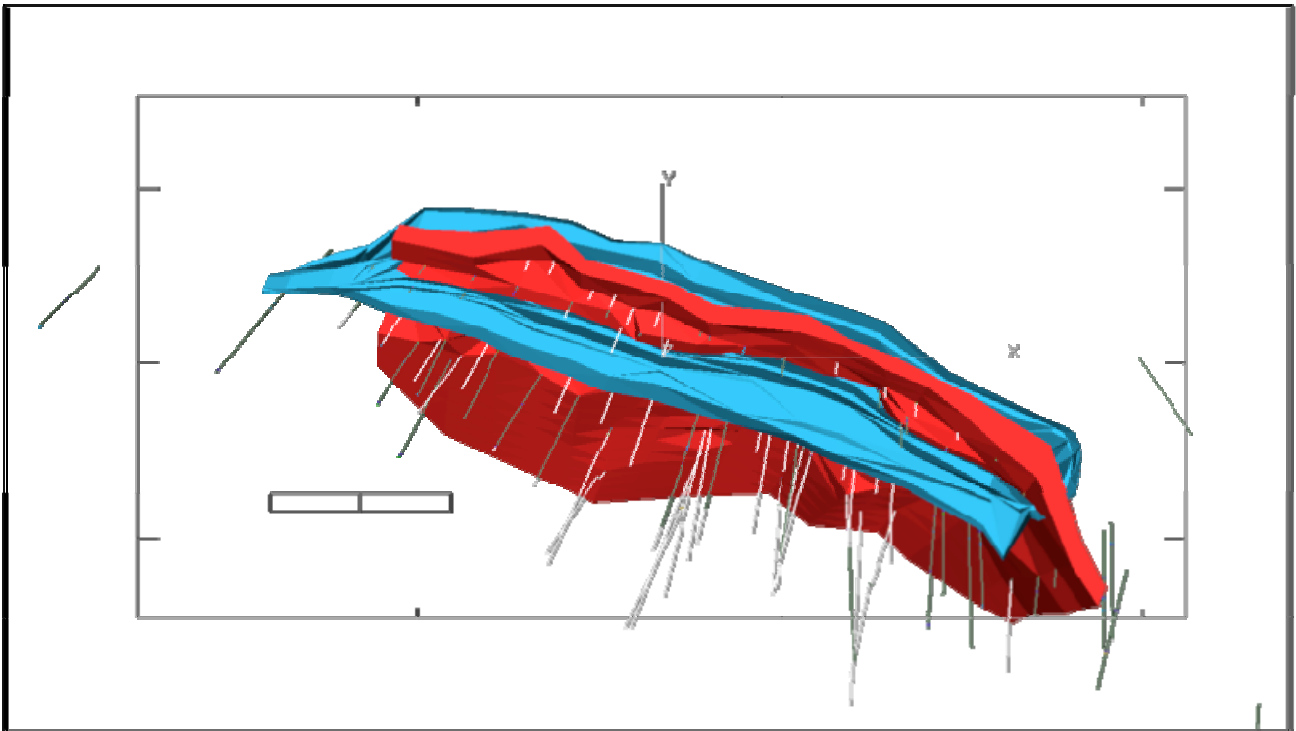


Figure 1: Mt Freda: Plan view of resource outline (red) and existing pit (blue).
The scale bar is aligned east-west and represents 100 m (50 m divisions)

Historic and QMC Drilling Programmes

The drilling database has been derived from eight campaigns (see Table 2). The first campaign was conducted by leaseholder Albert O'Keefe in 1985, and comprised only of shallow rotary air blast (RAB) holes. The subsequent reverse circulation (RC) campaign was completed in 1986. Diversified Mineral Resources NL (DMR) conducted RC and diamond drilling in 1987/88, prior to developing an open pit up to 60 metres deep. This pit provided about 100,000 tonnes of feed to a site-based carbon-in-pulp treatment plant. The fifth campaign was conducted by Amalg Resources NL (Amalg) in 1995. QMC undertook the three most recent campaigns in 2008, 2009 and 2010 respectively.



Company	Type	No. Holes	Metres
O'Keefe	RAB	7	201
O'Keefe	RC	9	262
DMR	RC	29	1,306
DMR	DDH	8	999
Amalg	DDH	5	856
QMC	RC	4	452
QMC	DDH	9	1,862
QMC	RC	16	1,974
		87	7,912

Table 1: Mt Freda Drillhole Database

Note: 1) Figures are rounded
2) QMC DDH metres includes 484 metres of RC pre-collar
3) Some DMR holes have been excluded for validation reasons

Resource Estimation Methodologies

The estimate at 0.5 g/t Au cut-off grade is designed to provide a basis for determining open pit viability at a reasonably high throughput rate, which will be appropriate should Mt Freda be developed in conjunction with other nearby sources of mill feed. Other, higher cut-off grades may be appropriate if a stand-alone operation is envisaged. The deeper segment of this resource may not fall within open pit mining limits if conservative parameters are applied to the design, but may be recoverable by underground mining at a higher cut-off grade.

At various cut-off grades, the inferred resource estimate is as follows.

Cut-Off Grade	Class	Tonnes (Mt)	Au (g/t)	Au (oz)	Co (ppm)	Co (t)
0.5 g/t Au	Inferred	1.6	1.7	89,000	290	460
1.0 g/t Au	Inferred	1.0	2.3	76,000	290	300
2.0 g/t Au	Inferred	0.46	3.3	49,000	320	150
3.0 g/t Au	Inferred	0.22	4.4	31,000	330	71

Table 2: Mt Freda Mineral Resources as at 5 March 2011

Note: Figures are rounded

The resource is classified as inferred because of survey and data validation issues related to the earlier drill programs.

A view of the resource model is shown below in Figure 2.

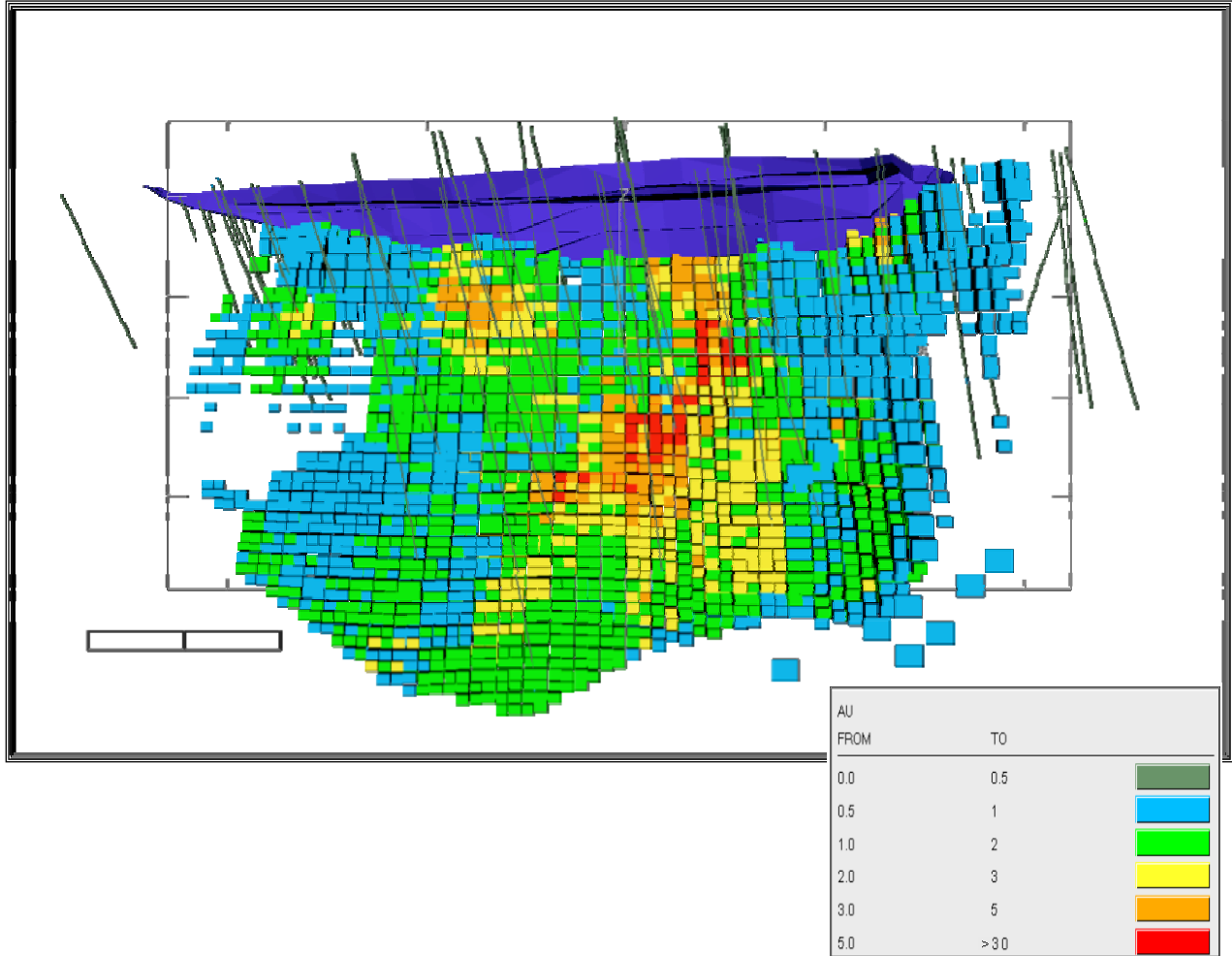


Figure 2: Mt Freda: View of the resource model looking north, showing blocks adjacent to the hanging wall with grades >0.5 g/t Au, the existing open pit (purple) and drillholes (grey). The scale bar is 100 m (50 m divisions).

Removing the lower grade blocks from the view reveals the trend and extent of the higher grade core (see Figure 3 below).

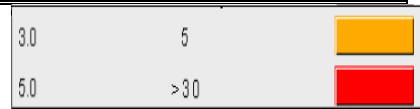
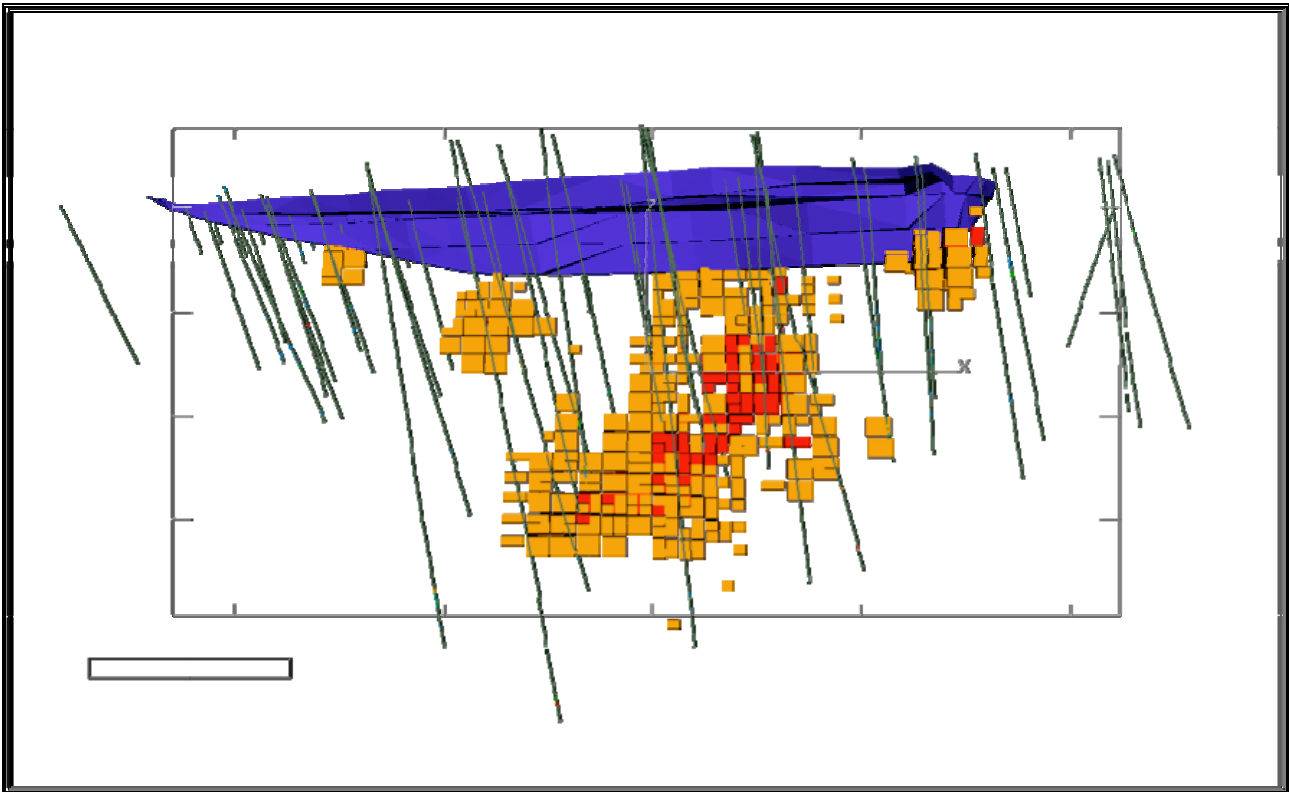


Figure 3: Mt Freda: View of the resource model looking north, showing blocks >3 g/t Au (orange) and >5 g/t (red), the existing open pit (purple) and drillholes (grey). The scale bar is 100 m (50 m divisions).

The current geological model suggests that the gold mineralisation at Mt Freda is controlled by a WNW-ESE oriented dilational jog. The host structure has a significant down dip extension, which was evident in the Company’s diamond drilling campaign in 2009. The weathering profile has developed all the way into the deepest mineralised intersection resulting in the deep supergene enrichment (Figure 4). The Company is currently designing several deep diamond holes, targeting the deep sulphide gold potential in Mt Freda, to test for further economic mineralisation at depth in this dilational jog.



Figure 4: Core from DH07 the deepest drill hole at Mt Freda showing the weathering profile extends to a depth of more than 264m. The mineralized interval shown in the core photo (light brown colour) returned 1.65m @ 4.79 g/t Au, including 0.2m @ 9.42g/t Au from 263m (dark brown colour). Noting the substantial low recovery of core due to broken ground



Information on Mineral Resource Estimation

QMC's drillhole collar locations were surveyed using a differential GPS at sub-metre accuracy. Amalg and QMC conducted downhole surveys of their respective drillholes.

Geology logs were not available for the O'Keeffe and DMR drillholes.

A top cut of 30 g/t Au was applied to assigned grades.

The mineral resource models were undertaken by block modelling within a wireframe snapped to the drillholes. The wireframe was generated using a nominal 0.1 g/t Au threshold.

Block grades were estimated using ordinary kriging after assessing variography.

A nominal in-situ bulk density of 2.4 dry tonnes per cubic metre has been applied, based on testwork undertaken by Amalg. This value is yet to be substantiated by QMC testwork on a wider range of samples.

Commodity price (4 March 2011)

Co: US\$ 38,500 per tonne or US \$17.50 per pound (LME)

Au: US\$ 1,427 per ounce (NYMEX) or US\$46 per gram
1 USD -1AUD

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Competent Persons Statement

Information in this report relates to Exploration Results and Mineral Resource estimates based on information compiled by Dr Guojian Xu and Mr Arnold van der Heyden. 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 van der Heyden is a Member of the Australasian Institute of Mining and Metallurgy and is a consultant to Queensland Mining Corporation Limited and a full-time employee of Hellman & Schofield 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 van der Heyden 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.