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QMC enters into three agreements with Ivanhoe to significantly enhance its White Range Project

- QMC now has access to key sub-blocks at the Young Australian to open up and increase QMC's JORC copper resources for the White Range project;
- At Kuridala, streamlined protocols with Ivanhoe to facilitate exploration and future mining operations as part of the White Range Project;
- QMC has granted Ivanhoe a five year option to acquire the Stuart deposit for valuable consideration while retaining rights to near surface oxides.

QMC is pleased to announce that it has entered into three separate transactions with its neighbour in the Cloncurry District of northwest Queensland, Ivanhoe Cloncurry Mines Pty Ltd (Ivanhoe), a wholly owned subsidiary of Ivanhoe Australia Limited. These agreements will facilitate the economic exploitation of QMC's copper/gold and cobalt deposits at its flagship White Range Project. QMC is currently undertaking an update of the White Range feasibility study with Calder Maloney as lead consulting engineers and Project Study Manager. These agreements will positively impact on the outcome of this study.

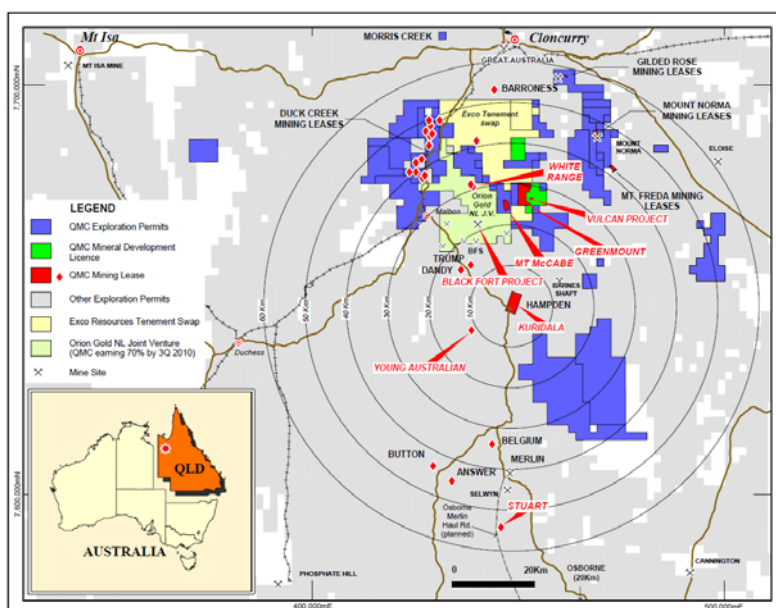


Fig. 1 Locations of Young Australian, Kuridala and Stuart MLs, the subject of the three agreements between QMC and Ivanhoe.



Howard Renshaw, Managing Director of QMC said “We have made a very big step forward by entering into these agreements with Ivanhoe. These transactions will greatly enhance QMC’s resource opportunities and economic recovery and development of its White Range Project. I am pleased that these negotiations have culminated in beneficial strategic commercial arrangements for both companies.”

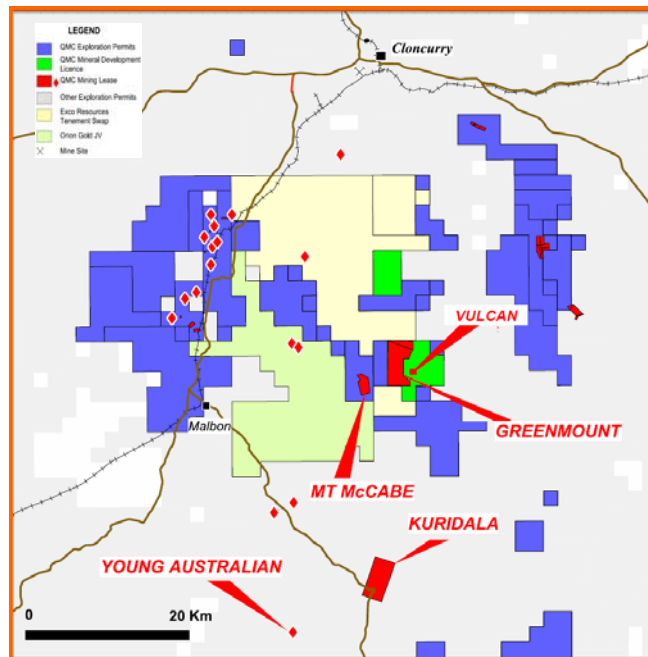


Fig. 2 White Range Project map showing the proximity of QMC’s substantial copper JORC resources at the 5 mining leases relative to each other.

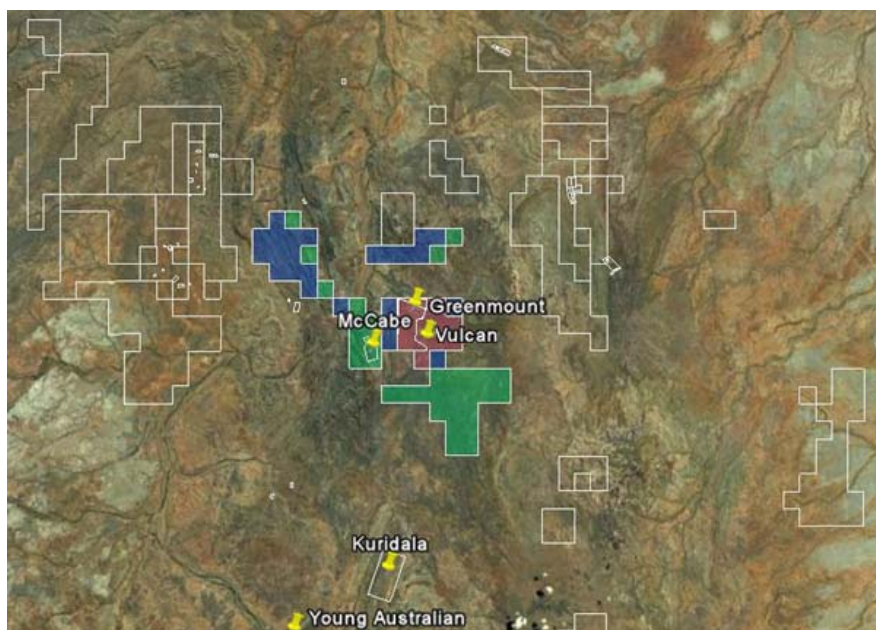


Fig. 3 White Range Project showing location of Kuridala and Young Australian and other QMC EPMS (in white). The ground surrounding the Hampden Copper Mine (part of the Kuridala ML) and Young Australian deposits is now accessible to QMC, thus facilitating exploitation, and potentially increasing QMC’s copper, gold and cobalt JORC resources.



Young Australian – opens up White Range Project JORC resources for QMC

QMC has acquired the exclusive rights to carry out exploration on six sub blocks of Ivanhoe’s EPM 9116 for a period of five years with an option to require Ivanhoe to apply for a mining lease over all or any part of these six sub blocks for QMC. These sub blocks open up QMC’s existing mining leases at the Young Australian and East Drift, which is situated within the White Range Project area.

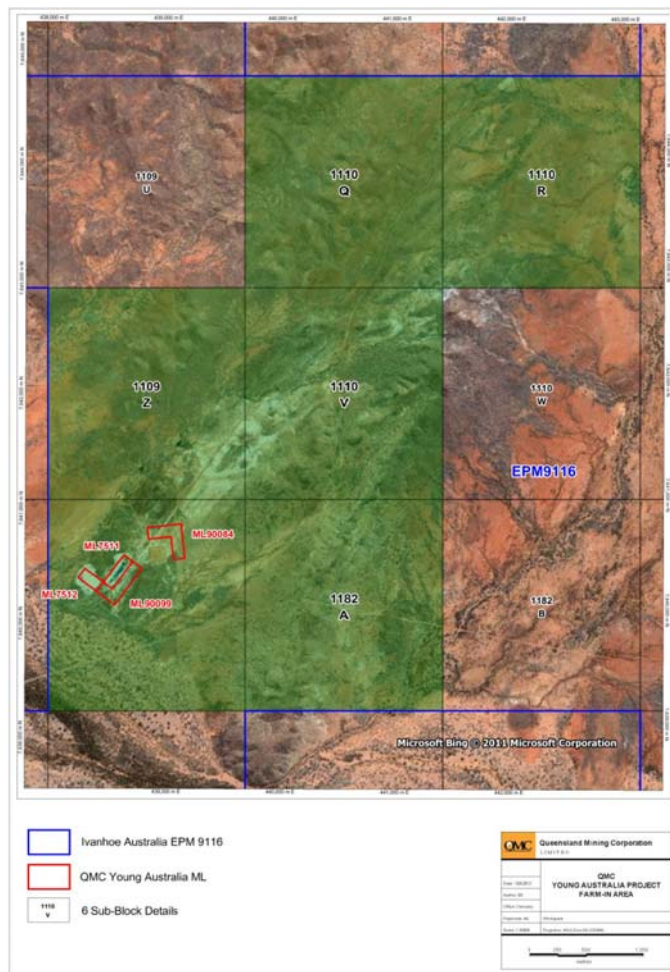


Fig. 4 QMC Young Australian MLs in red – gaining access to Ivanhoe’s EPM 9116 sub blocks will allow QMC to carry out mining operations as part of its White Range Project.

The Young Australian agreement is important for QMC as the White Range Project will be enhanced by:

- opening up the existing QMC mining leases, which are restricted in area by Ivanhoe’s current EPM, to enable the Company access to mine the some 21,200 tonnes of JORC copper resource at a 1% copper grade currently identified; and
- potential significant increase of the Company’s JORC resources, as the current deposit is open at depth and along strike into EPM 9116

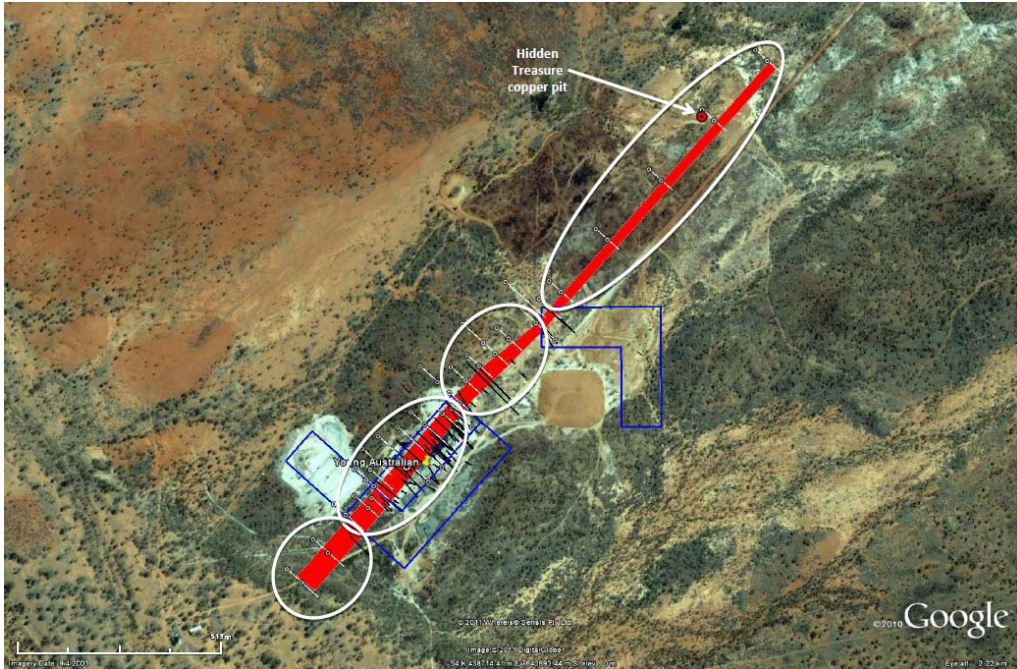


Fig. 5 The Young Australian ML adjoins Ivanhoe's EPM sub blocks to the west and along strike to the north. Ivanhoe's EPM is between QMC's MLs at Young Australian and East Drift and continues to extend north to the Hidden Treasure Copper pit and beyond.

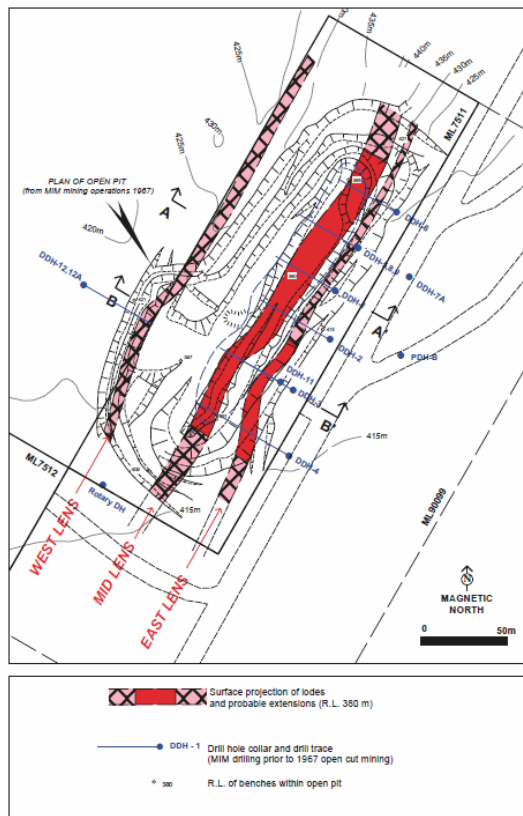


Fig. 6 The western lens at the Young Australian dips to the west into Ivanhoe's EPM and the western and mid lens are open to the north along strike to the East Drift mining lease and possibly further north to the Hidden Treasure Copper pit as shown in Fig 5.

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The already defined JORC resources at Young Australian are additional to the resource evaluated by Matrix Metals in its 2005 White Range Bankable Feasibility Study. The agreement grants Ivanhoe a right of first option participation to buy back at 3.1 times QMC expenditure in the event that QMC seeks third party to explore or mine any primary sulphides on the six sub blocks on a 70/30 basis. Further, Ivanhoe has certain rights to process primary sulphides from any Young Australian discovery, if QMC requires third party processing.

There is no monetary consideration payable by QMC for Young Australian.

An initial drill program of some 5,000 metres has been planned to establish an increased resource on the EPM sub blocks for the White Range Project.

Kuridala – this agreement delivers mutually beneficial protocols

QMC is the registered legal owner of ML 90081, which is an important deposit as part of the White Range Project.

The rights granted by ML 90081 are limited to a depth of 100 metres below the surface. While the area of the ML is 1247 ha, QMC currently has surface rights of 271.6 ha. (known as the Hampden Copper Mine).

Ivanhoe is registered owner of the surrounding EPM 9116 and has the rights below 100 metres of ML 90081.

QMC and Ivanhoe are subject to the terms of a series of historical agreements which QMC acquired from Matrix Metals. Those arrangements are deficient in a number of material respects and there are impediments to both parties in exploiting their respective rights.

In order to clarify legal uncertainties for both parties and to set out protocols for co-operation in relation to ongoing exploration activities and future mining operations, QMC and Ivanhoe have agreed to enter into the Kuridala access and co-ordination agreement which sets out a clear framework of cooperation between the parties. This will facilitate the effective mining by QMC of the Hampden Copper Mine copper resources as a key component of the White Range project. At 1% head grade Kuridala currently has a copper resource of 56,000 tonnes of copper ore to mine. A drill program has been prepared at Kuridala to seek to increase this resource.

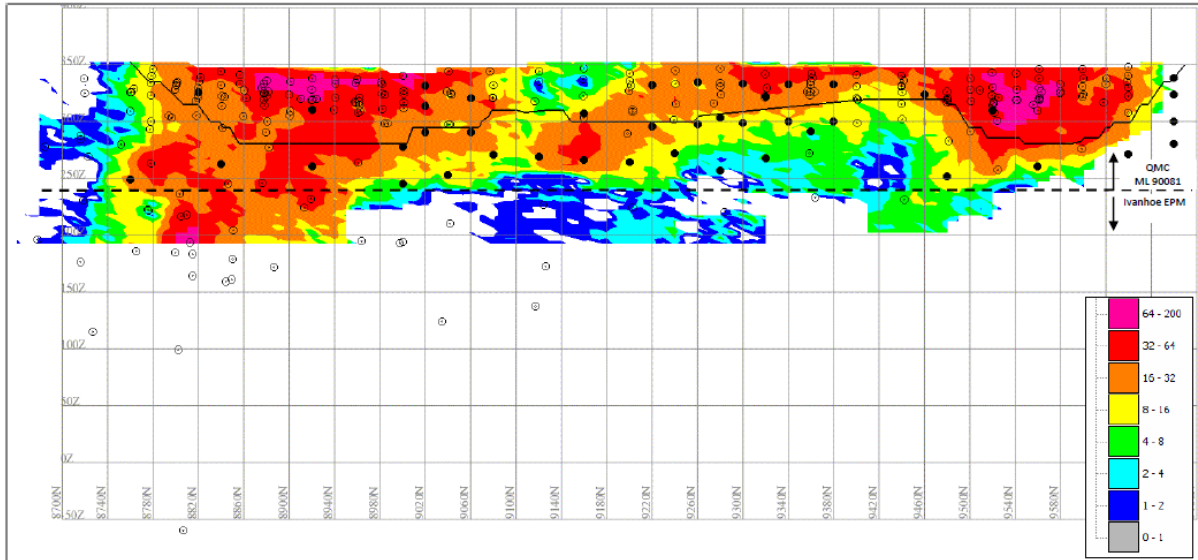


Fig. 7 QMC's JORC resource at Kuridala to the 100m level. The Hampden Copper Mine at 0.2 cut off has a JORC Resource of 7.2 Mt @ 0.84% Cu, 0.023% Co, 0.21g/t Au; a total of 60,000t Cu, 3.92million lbs Co, and 48,600 oz Au.

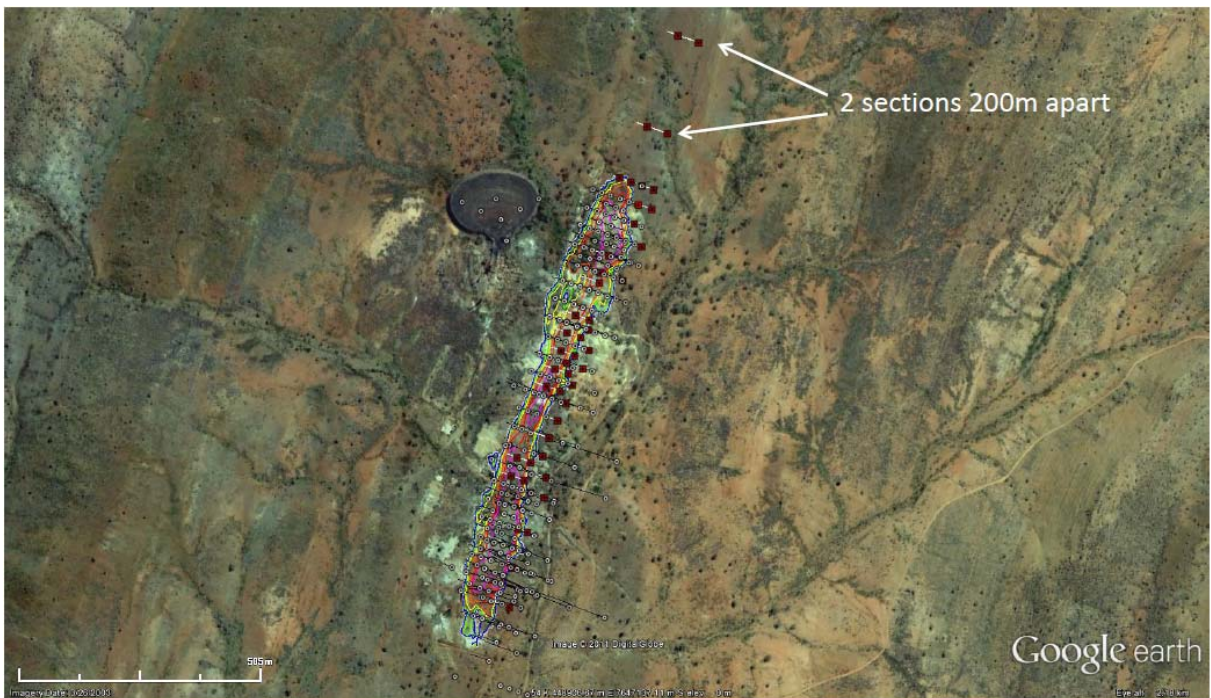


Fig. 8 The Kuridala agreement sets out protocols to facilitate QMC mining to 100m below surface at the Hampden Copper Mine. The Kuridala ML requires further exploration evaluation.



Stuart - the agreement represents potential payment of valuable consideration to QMC

The Stuart mining lease (ML 90083) is the principle asset of Maxiforde Pty Limited which QMC acquired from the liquidators of Matrix Metal.

ML 90083 abuts Ivanhoe’s Victoria North open pit mine. The mine is somewhat isolated from QMC’s other copper resources and is surrounded by Ivanhoe tenements.

QMC has agreed to grant Ivanhoe a call option to acquire the assets (or shares) of Maxiforde, being ML 90083:

- Ivanhoe has 5 years to exercise the option, otherwise it lapses and all rights remain vested in QMC.
- The consideration if the option is exercised by Ivanhoe is \$700,000 cash or tradable shares in Ivanhoe Australia Limited to the value of \$750,000 (at Ivanhoe’s election).
- QMC has the rights (in any event) to up to 700,000 tonnes of leachable copper ore (ie oxides) whether mined by QMC or subsequently mined by Ivanhoe, if it exercises the option.
- If Ivanhoe, exercises the option QMC will, in addition to the option consideration, receive a royalty payment at a minimum of \$2/tonne in relation to all ore commercially mined by Ivanhoe capped at a maximum of \$6.5 million (which is in addition to QMC’s rights in relation to up to 700,000 tonnes of oxides) (refer to figures 9 and 10)

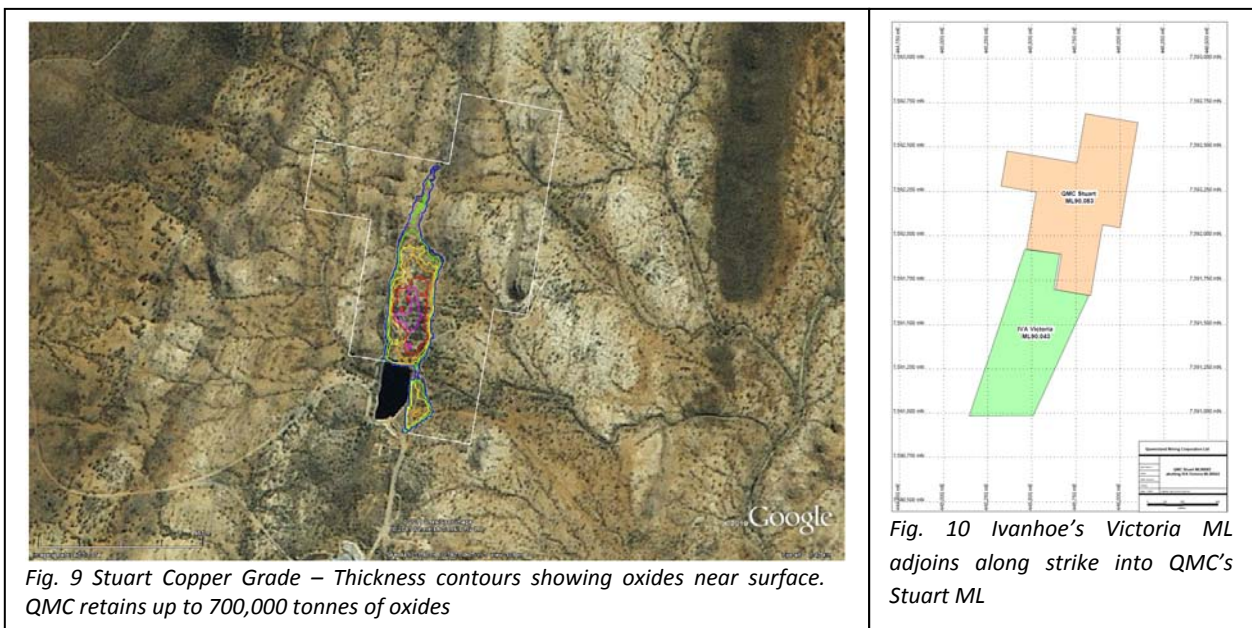


Fig. 9 Stuart Copper Grade – Thickness contours showing oxides near surface. QMC retains up to 700,000 tonnes of oxides

Fig. 10 Ivanhoe’s Victoria ML adjoins along strike into QMC’s Stuart ML

Note: The three agreements are subject to satisfaction of procedural conditions precedent, including Ivanhoe obtaining FIRB approval.

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The information in this report that relates to exploration and Mineral Resources estimates is based on information compiled by Dr Guojian Xu, Mr Max Tuesley (Kuridala and Stuart) and Mr James McIlwraith (Young Australian).

Dr Guojian Xu is a Member of 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. 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.

Mr Max Tuesley is a Member of the Australasian Institute of Mining and Metallurgy. He 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.

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. As the resource estimate specialist, James McIlwraith has prepared the Young Australian and East Drift resource estimate report for QMC.