

Queensland Mining Corporation
LIMITED



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22 May 2012

Company Announcement

ASX Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir

NOTICE OF EXTRAORDINARY GENERAL MEETING

Queensland Mining Corporation Limited (ASX:QMN) attaches the following:

- Shareholder Letter
- Notice of Extraordinary General Meeting & Explanatory Memorandum
- Proxy Form

Yours faithfully

QUEENSLAND MINING CORPORATION LIMITED

A handwritten signature in black ink, appearing to read 'Richard Hill', is written over a white background.

Richard Hill
Company Secretary



18 May 2012

Dear Shareholder

The Board wishes to update our valued shareholders as to current issues concerning QMC.

February Placement

In February 2012, the Company undertook a major capital raising through a placement with Great Tang Brothers Resource Pty Ltd (GTB), a new cornerstone investor. That placement was at a substantial premium to the then current share price of QMC. It was a contractual term of that placement that the Company would grant GTB unlisted Options, which was subject to shareholder approval – this is the reason for the need to hold an EGM. These Options are short dated options expiring on 30 November 2012 with an exercise price of 8 cents each. This was to limit any dilutionary effects. GTB expressed at the time of the placement its confidence in the long term future of QMC and its interest to consider supporting future funding needs of the Company.

White Range Project

The Board and senior management is principally focused on the White Range feasibility study. Calder Maloney has been appointed project engineers and study managers to produce a feasibility study report which will build on the 2005 BFS undertaken by Matrix.

The purpose of a feasibility study is to determine whether or not there is an economic copper resource to support the construction and operation of a processing plant at White Range. It is a multi-disciplinary report that examines a number of aspects involved in establishing an appropriate plant – geological and metallurgical assessment of the copper, resource development and ore reserves, metallurgical processing analysis, hydrology, pit and mine design, plant engineering design and infrastructure etc together with permitting, environmental and legal issues which all need to be evaluated and financial models prepared based on various costings, including copper pricing over a medium term. This needs to be done to defined and accepted industry standards and criteria using best practices.

The purpose of the study is to determine an economically viable processing plant which will enable QMC to approach the capital and debt markets and/or potential partners to finance the project.

The feasibility study is absolutely necessary to enable QMC to become a producer.

Drilling has commenced and QMC will undertake important drilling at Greenmount as part of the White Range project feasibility study.



Future Cash Requirements

The Board has consulted with its professional advisers and has met with its largest shareholders.

Our advice is that at this stage of the Company's development, the debt market is not interested in providing facilities to meet the current cash requirements. The general view is that the time to raise finance from the debt market is when the feasibility study report has been finalized (or substantially completed).

In the interim period, the Board's advice is to focus on the equity market, although the current global economic conditions are not entirely favourable for raising capital at fair market value.

We have explored the institutional funds market with BurnVair Corporate Finance Pty Ltd. While this generated real interest the general consensus was either these institutional investors wanted to await the outcome of the feasibility study (or at least wait until considerable progress had been made) or wanted a discount on the current share price before committing to invest.

Capital/Equity Raising

The Board has carefully considered a capital raising to all shareholders. The Board's advice is that any such offering would likely be at a discount to the market value of QMC's shares. Given the Company's current share price this is not an attractive proposition for shareholders. Further, based on market experience, it is likely that only 20% (or thereabouts) of the general shareholder body would take up the offer.

The alternative, which in all the circumstances is the preferred outcome, is to seek placing power for the issuance of shares by way of a private placement(s). This decision was reached based on extensive discussions with key shareholders, particularly Tulla Resources (who currently hold about 10.8% of the shares), GTB who own 15.25% of the Company and several other large shareholders. While no agreements have been reached with any shareholders to commit to providing further funds, these shareholders have indicated that they intend to continue to support the Company. While these discussions are ongoing, the Board is reasonably confident that any additional equity will be placed at market price or at a premium to market price of the Company's shares and not at a discount.

The Board has, in its opinion, adopted a strategy that gives it flexibility to raise funds to meet the key objectives stated above – this is very important for all shareholders.

The Board continues to investigate other financing options.



Share Price

It would be remiss if the Board did not publically acknowledge that it is concerned at the current share price. It is the Board's view that the current share price clearly does not reflect the underlying value of the Company's assets and certainly does not take into account the potential significant upside.

It is important for the Board and senior management to remain focused on meeting the objectives highlighted in this letter and that is what we are all doing. We are of the view that as the feasibility study progresses and the market recognizes that QMC is getting closer to production (and hence starting to generate cash flow) that it will 'revalue' the Company. We also recognize that the need to continue to raise capital tends to have a negative impact on the share price and by proceeding as outlined above this will provide more financial stability.

Conclusion

The Board and senior management remain focused and committed to delivering on the key objective outlined above and that by doing so we will be able to deliver value to all our shareholders. This will require some patience on your part in allowing us the time necessary to complete the White Range feasibility study as the Company moves towards production.

We trust that this letter assists you in better understanding the current objectives of the Company.

Yours sincerely

A handwritten signature in black ink that reads 'David Usasz'.

David Usasz

Chairman

A handwritten signature in black ink that reads 'Howard V Renshaw'.

Howard V Renshaw

Managing Director



NOTICE OF EXTRAORDINARY GENERAL MEETING

This Notice of Meeting and Explanatory Memorandum should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Notice is hereby given that the Extraordinary General Meeting of the shareholders of Queensland Mining Corporation Limited (Company) will be held at 10:00 a.m. on Friday 22 June 2012 at the offices of Queensland Mining Corporation Limited, Level 24, 56 Pitt Street, Sydney, NSW, 2000 for the purpose of transacting the business referred to in this Notice of Extraordinary General Meeting.

The Explanatory Memorandum that accompanies and forms part of this Notice of Extraordinary General Meeting describes the matters to be considered.

AGENDA

SPECIAL BUSINESS

Resolution 1- Ratification of the issue of 60,294,545 Ordinary Shares in the Company Pursuant to ASX Listing Rule 7.4

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That in accordance with ASX Listing Rule 7.4, and for all other purposes, the Company ratifies and approves for the purposes of ASX Listing Rule 7.1 the issue of 60,294,545 fully paid ordinary shares in the capital of the Company, details of which are set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 1 by a person who participated in the issue, and their associates.

However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.



Resolution 2- Issue of Options to Great Tang Brothers Resource Investment Pty Ltd formerly known as TAM Q Copper Pty Ltd (GTB)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Company approves the issue of 31,280,000 Options to subscribe for Shares in the Company to Great Tang Brothers Resource Investment Pty Ltd at the exercise price and otherwise on the terms specified in the Explanatory Memorandum to Resolution 2 accompanying this Notice of Meeting.”

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 2 by Great Tang Brothers Resource Investment Pty Ltd, and any associate of that Company.

However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 3- Issue of Options to Tulla Resources Group Pty Ltd

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rule 7.1 and all other purposes, the Company approves the issue of 9,400,000 Options to subscribe for Shares in the Company to Tulla Resources Group Pty Limited as trustee for the Tulla Resources Investment Trust, at the exercise price and otherwise on the terms specified in the Explanatory Memorandum to Resolution 3 accompanying this Notice of Meeting.”

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 3 by Tulla Resources Group Pty Limited, and any associates of that company.

However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 4 – Approval of Issue of Ordinary Shares Pursuant to Listing Rule 7.1

To consider, and if thought fit, pass, with or without amendment, the following resolution as an ordinary resolution:



“That the Company approves for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue of up to a maximum of 75,000,000 fully paid ordinary shares in the capital of the Company, on the terms which are set out in the Explanatory Memorandum to Resolution 4 in this Notice of Meeting.”

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 4 by a person who may participate in the proposed issue, and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and their associates. As such, a shareholder who casts a vote under this “Resolution 4” cannot be issued shares unless their vote has been disregarded.

However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 5 – Approval of Executive and Employee Option/Share Plan

To consider and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That the grant of options to eligible persons under the Queensland Mining Corporation Limited Executive and Employee Option Plan, the terms of which are set out in the Explanatory Memorandum to Resolution 5 accompanying this Notice of Meeting, is approved for the purposes of ASX Listing Rule 7.2 Exception 9.”

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 5 by any director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company and their associates).

However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.



By order of the Board,
Queensland Mining Corporation Limited

A handwritten signature in black ink, appearing to read 'Richard Hill', is written over a light blue horizontal line.

Richard Hill
Company Secretary

Dated: 18 May 2012

NOTES:

1. The Chairman intends to vote all undirected proxies in favour of the resolution except where a voting restriction applies.
2. A shareholder entitled to attend and vote at this meeting is entitled to appoint not more than two proxies to attend and vote instead of the shareholder. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. A proxy need not be a shareholder of the Company.
3. A proxy form accompanies this notice of meeting and contains additional information.
4. To be valid, duly completed proxy appointment authorities under which a proxy form is signed, such as a power of attorney, must be received by the Company at an address specified in the proxy form no later than 48 hours before the time in Sydney of the commencement of the meeting.
5. A proxy form and proxy appointment authorities may be lodged in person or mail at the registered office of the Company C/o DFK - Richard Hill, Level 11, 32 Martin Place, Sydney NSW 2000 Australia or at the Share registry at Boardroom Pty Limited, Level 7, 207 Kent Street, Sydney, NSW, 2000, GPO Box 3993 NSW 2001 Australia or by facsimile to 612 9290 9655 (Attention: Company Secretary).
6. For the purpose of the meeting, shares in the Company will be taken to be held by those persons who are registered holders at the close of business on 20 June 2012. Accordingly, transactions registered after that time will be disregarded in determining entitlement to attend and vote at the meeting.
7. The constitution of the Company provides that a quorum for a Extraordinary General Meeting of the Company is two shareholders.



EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of shareholders in connection with the Extraordinary General Meeting of shareholders to be held on 22 June 2012 at 10:00 a.m. (Sydney time) at the office of Queensland Mining Corporation Limited, Level 24, 56 Pitt Street, Sydney, NSW, 2000.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Extraordinary General Meeting and is a brief explanation of the matters contained in the Notice of Extraordinary General Meeting.

SPECIAL BUSINESS

Resolution 1 – Ratification of the issue of 60,294,545 Ordinary Shares in the Company pursuant to ASX Listing Rule 7.4.

The following provides a brief explanation as to the ASX listing rules and the purpose of the resolution.

ASX listing rule 7.1 imposes a cap of 15% of the Company's issued capital that a company may issue in a 12 month period without shareholder approval. The issue of 60,294,545 fully paid ordinary shares is within this limit.

Under listing rule 7.4, the Company can seek shareholder ratification of an issue made within the 15% limit, and, if given, the effect of the ratification is to deem that the shares issued were issued with shareholder approval. This effectively restores the Company's 15% placement capacity.

The Company seeks this ratification in order to restore the Company's 15% placement capacity. The consequence of Shareholders ratifying the issue of the 60,294,545 Shares is that in accordance with ASX Listing Rule 7.1, the Company will once again be fully entitled to place up to 15% of its issued capital without requiring the approval of Shareholders.

The following information is provided to shareholders for the purposes of listing rule 7.5:

- i) The number of shares and options issued are as follows:

	Ordinary Shares	Options
Total Issued in the 12 months prior to Extraordinary General Meeting	110,294,545	8,050,000
Total Issued with specific Shareholder's Approval	50,000,000*	8,050,000
Total Issued within the 15% cap	60,294,545	–



ii) As announced to the ASX on various dates prior to the date of the meeting the following equity securities have been issued:

Equity Security	Number Issued	Allottee	Issue Price	Term	Date Announced	Funds raised
Ordinary Shares	28,200,000	Tulla Resources Group Pty Ltd	\$0.055	Pari passu with shares already on issue.	18 November 2011	\$1,551,000
Ordinary Shares	1,440,000	Mossgiel Group Pty Ltd First Charnock Pty Ltd	\$0.10	Pari passu with shares already on issue.	3 February 2012	Nil
Ordinary Shares	454,545	Red Rock Exploration Pty Ltd	\$0.055	Pari passu with shares already on issue.	3 February 2012	Nil
Ordinary Shares	78,200,000*	Great Tang Brothers Resource Investment Pty Ltd	\$0.055	Pari passu with shares already on issue.	29 February 2012	\$4,301,000
Ordinary Shares	2,000,000	L C Asia Limited Tulla Resources Group Pty Ltd For capital raising services	\$0.055	Pari passu with shares already on issue.	5 April 2012	Nil
Total	110,294,545					



- iii) The Shares have been issued on the same terms as the Company's existing Shares. The issued securities will rank equally in all respects with the shares already on issue;
- iv) The Shares were allotted to the persons named in the above table;
- v) The Company successfully applied for listing of the shares issued; and
- vi) The funds raised were used for working capital for the Company, including the development of JORC resources on the properties listed in the White Range Bankable Feasibility Study.

* At the Company's AGM on 28 November 2011, shareholders approved the allotment of up to 50 million shares in the Company. The placement of 78,200,000 shares to Great Tang Brothers Resource Investment Pty Ltd comprised 50 million shares pursuant to this approval, and the balance of 28.2 million pursuant to the available 15% placement power under Listing Rule 7.1.

Resolution 2- Issue of Options to Great Tang Brothers Resource Investment Pty Ltd formerly known as TAM Q Copper Pty Ltd (GTB)

Approval is sought for the issue of 31,280,000 unlisted options to subscribe for shares in the Company to Great Tang Brothers Resource Investment Pty Ltd ("GTB").

On 29 February 2012, the Company announced the placement of 78.2 million shares at 5.5 cents per share taken by GTB in the Company, which represented 15.31% of the issued capital of the Company. The shares were issued at a 36.5% premium to the Company's previous 5 days' average market price of 4.03 cents per share.

As also announced at that time, the Company also agreed to issue 31,280,000 unlisted options to GTB, subject to the approval of shareholders of the Company. Resolution 2 seeks that approval. The principal terms of the options are as follows:

No. of Options:	31,280,000
Expiry Date:	30 November 2012
Exercise Price:	8 cents

The placement shares were issued on 28 February 2012. Under the terms of the placement agreement, the Company agreed to requisition an extraordinary general meeting of its shareholders within 4 weeks from the issue of the placement shares for the purpose of approving the issue of the options. This period has been extended with the consent of GTB on the Board's request as the Board considered that there were a number of items which needed to be considered by shareholders, and it was more efficient that these matters were dealt with in one meeting.

As at the date of this notice of meeting, GTB holds a relevant interest of 15.25% in the Company. If the options are exercised, presuming no further acquisition of shares by GTB and no further issue of shares by the Company pursuant to Resolution 4 or otherwise, this interest will increase to 21.35%. In the event GTB becomes so entitled, the Company will comply with the relevant sections on the Corporations Law and the Listing Rules with respect to the acquisition of more than 19.9% of the issued capital of the Company.



ASX Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue or agree to issue during any 12 month period any equity securities (which includes options), if the number of those securities exceeds 15% of the total shares on issue at the commencement of that period. Issues which have been approved by shareholders are not taken into account in the calculation of this 15% threshold.

The consequence of Shareholders approving the issue of the 31,280,000 options is that in accordance with ASX Listing Rule 7.1, the Company will once again be fully entitled to place up to 15% of its issued capital without requiring the approval of Shareholders

ASX Listing Rule 7.3 specifies certain requirements as to the contents of a notice sent to Shareholders for the purposes of Rule 7.1, and the following information is included in this Explanatory Memorandum for that purpose:

- (i) The maximum number of securities to be issued is 31,280,000 options. Each option entitles the holder to subscribe for 1 fully paid ordinary share in the Company;
- (ii) The options will be issued immediately following the meeting, and in any event within 3 months of the date of the meeting, and it is intended that allotment will occur on the same date;
- (iii) The options are issued as part of the consideration for the issue of placement shares to GTB at a premium to the then average price of the Company's shares on the ASX;
- (iv) The name of the allottee is Great Tang Brothers Resource Investment Pty Ltd;
- (v) The options will be issued on the terms outlined above, and otherwise on the same terms and conditions as the Company's other options on issue;
- (vi) No funds will be raised by the issue of the options unless they are exercised. The maximum amount raised from the exercise of all of the options (at 8 cents each) will be \$2,502,400 of which the funds will form part of the working capital of the Company.
- (vii) Options do not confer any rights to participate in new issue of shares unless exercised prior to the relevant record date. In the case of a pro rata bonus issue of shares, the number of underlying shares to be issued on exercise of an option will be increased proportionately, and in the case of a reconstruction, the rights of Optionholders will be adjusted in order to comply with the Listing Rules at the relevant time.

The Board unanimously recommends that shareholders vote in favour of Resolution 2.



Resolution 3 – Issue of Options to Tulla Resources Group Pty Ltd

Approval is sought for the issue of 9,400,000 unlisted options to subscribe for shares in the Company to Tulla Resources Group Pty Limited as trustee for the Tulla Resources Investment Trust (“Tulla”).

On 18 November 2011, the Company announced the placement of 28.2 million shares at 5.5 cents per share taken by Tulla in the Company. As part of the placement, the Company also agreed to issue options to Tulla. The principal terms of the options are as follows:

No. of Options:	9,400,000
Expiry Date:	30 November 2014
Exercise Price:	10 cents

The Shares were issue on 18 November 2011 and the Company now seeks approval for the issue of the Options.

ASX Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue or agree to issue during any 12 month period any equity securities (which includes options), if the number of those securities exceeds 15% of the total shares on issue at the commencement of that period. Issues which have been approved by shareholders are not taken into account in the calculation of this 15% threshold.

The consequence of Shareholders approving the issue of the 9,400,000 options is that in accordance with ASX Listing Rule 7.1, the Company will once again be fully entitled to place up to 15% of its issued capital without requiring the approval of Shareholders.

ASX Listing Rule 7.3 specifies certain requirements as to the contents of a notice sent to Shareholders for the purposes of Rule 7.1, and the following information is included in this Explanatory Memorandum for that purpose:

- (i) The maximum number of securities to be issued is 9,400,000 options. Each option entitles the holder to subscribe for 1 fully paid ordinary share in the Company;
- (ii) The options will be issued immediately following the meeting, and in any event within 3 months of the date of the meeting, and it is intended that allotment will occur on the same date;
- (iii) The options are issued for Nil consideration, but were part of the placement agreement with Tulla;
- (iv) The name of the allottee is Tulla Resources Group Pty Limited as trustee for the Tulla Resources Investment Trust;
- (v) The options will be issued on the terms outlined above, and otherwise on the same terms and conditions as the Company’s other options on issue;



- (vi) No funds will be raised by the issue of the options unless they are exercised. The maximum amount raised from the exercise of all of the options (at 10 cents each) will be \$940,000 of which the funds will form part of the working capital of the Company.
- (vii) Options do not confer any rights to participate in new issue of shares unless exercised prior to the relevant record date. In the case of a pro rata bonus issue of shares, the number of underlying shares to be issued on exercise of an option will be increased proportionately, and in the case of a reconstruction, the rights of Optionholders will be adjusted in order to comply with the Listing Rules at the relevant time.

Resolution 4 – Approval of Issue of Ordinary Shares Pursuant to Listing Rule 7.1

The Board seeks shareholder approval for the issue of up to 75,000,000 fully paid ordinary shares in the Company. The shares will be issued at a price which will be at least 80% of the average market price of the Company's shares, in order to raise approximately \$4,125,000.

The following provides a brief explanation as to the ASX Listing Rules and the purpose of the resolution.

ASX Listing Rule 7.1 imposes a cap of 15% of the Company's issued capital that a company may issue in a 12 month period without shareholder approval. The issue of up to a maximum of 75,000,000 fully paid ordinary shares is above the 15% limit and therefore requires shareholder approval.

The following information is provided for the purposes of Listing Rule 7.3.2:

- (i) The maximum number of securities to be issued by the Company is 75,000,000 fully paid ordinary shares;
- (ii) The shares will be allotted and issued no later than 3 months after the Shareholder approval or such later date as may be permitted by ASX. Allotment may occur progressively over a three month period from the date of this meeting;
- (iii) The shares will be issued at a price which will be at least 80% of the average market price for securities in that class. The average market price is calculated over the last 5 days on which sales in the securities were recorded before the day on which the issue was made.
- (iv) The names of the allottees are not yet known. However, allottees will be sophisticated or professional investors, or clients of Licensed Securities Dealers. The allottees will not include a related party pursuant to Listing Rule 10.11;
- (v) The shares issued will rank equally with the existing shares in the Company on issue;



- (vi) The issue will raise approximately \$4,125,000. This figure is based on placing the shares at \$0.055 each, being the price of each share for the most recent placements by the Company. The proposed application of funds is detailed below.

The Company will use the funds raised primarily as follows:

	\$ Million
White Range Bankable Feasibility Study	1.600
Drilling White Range	1.000
	2.600
Exploration including drilling on other tenements	0.525
Tenement retention, working capital and administration	1.000
	\$4.125M

Based on 512,892,022 fully paid ordinary shares presently on issue, the issue of the proposed shares (75 million) pursuant to this resolution would have a dilution effect of approximately 13% (with a corresponding increase in cash reserves of approximately \$4,125,000). The Company presently has 105,636,589 options on issue, exercisable at prices varying from \$0.10 to \$0.35 each. The dilution effect of the exercise of all options currently on issue (105,636,589) plus the issue of the proposed shares (75,000,000) totalling 180,636,589 would be 27% with a corresponding increase in cash reserves of approximately \$19,829,817.

It should be noted that on 31 May 2012, 72,586,589 unlisted options at \$0.20 each are due to expire, if not exercised prior to that date.

The Company advises that the use of funds raised is subject to change based on budgeted priorities and drilling results as they become available.

Resolution 5 – Approval of Executive and Employee Option Plan

Resolution 5 seeks shareholder approval to establish an Executive and Employee Option Plan, the establishment of which the Board recommends to shareholders. Approval is being sought for the purposes of ASX Listing rule 7.2 Exception 9(b). The Approval remains valid for a period of 3 years.

The Company desires to have in place a structured mechanism which establishes consistent rules for rewarding key long standing employees for valued service to the Company. In developing the Plan, the board has also focused on the need to attract and retain first class employees by the provision of an equity-based reward which is also directed at increasing shareholder value. There is a very large shortage of key resource executives and employees available in Australia and this situation is not likely to change in the short term.

No Options have been issued under the Plan to date. The number of options which may be under the plan is limited by the 5 year 5 % rule which stipulates that at any time a maximum of 5% of the Company's issued capital is available under the Plan.



Directors (including non-executive directors) do qualify for Options under the Plan. However, no options may be issued to directors without the approval of shareholders pursuant to Listing Rule 10.14. Approval is not sought at this time to issue any options to directors under the Plan.

ASX Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue or agree to issue during any 12 month period any equity securities (which includes options), if the number of those securities exceeds 15% of the total shares on issue at the commencement of that period. Listing rule 7.2 Exception 9 provides that an issue under an employee incentive scheme does not count in the available limit under Listing Rule 7.1 if shareholders approve the issue of securities as an exception to Listing Rule 7.1 no more than 3 years before the date of the issue. Resolution 5 seeks that approval. If Resolution 5 is passed, Options issued under the Plan during the next 3 years will be excluded in determining the 15% limit under Listing Rule 7.1.

The following information is provided for the purposes of Listing Rule 7.2 Exception 9(b):

- a) Set out below is a summary of the terms of the Plan. A full copy of the Plan is available on the Company's website (www.qmcl.com.au) and for inspection at the Company's registered office;
- b) No Options have been issued under the Plan. This is the first employee incentive scheme implemented by the Company.

Summary of the Plan

- The Plan is open to Directors, officers, and full or part time employees of the Company or its related bodies corporate, at the discretion of the Board (each an "Eligible Person").
- The options will be issued under the plan at no cost to the Optionholder upon acceptance of an offer issued by the Board. The Options will have an exercise price payable by the holder on exercise of the option which will be determined by the Board but which must not be less than the weighted average price of the Company's shares on the ASX over the 5 trading days prior to the date of offer of the options.
- Unless the Board otherwise determines, the Options will expire 5 years from their issue date, or earlier if the Optionholder ceases to be an Eligible Person.
- Options may only be accepted in the name of an Associate with the approval of the Board, and may only be transferred with the consent of the Board.
- The Board may impose performance hurdles which must be met before an Optionholder is entitled to exercise the Options. In addition, Options may be effectively forfeited at the Board's discretion where the Optionholder has been dismissed or removed from office for gross misconduct or brings the Company into disrepute.
- Options do not confer any rights to participate in new issue of shares unless exercised prior to the relevant record date. In the case of a pro rata bonus issue of shares, the number of underlying shares to be issued on exercise of an option will be increased proportionately, and in the case of a reconstruction, the rights of Optionholders will be adjusted in order to comply with the Listing Rules at the relevant time.



- No offer of options may be made under the Plan if the number of shares which would be issued were the options so offered to be exercised, when aggregated with.
- The number of shares in the same class which would be issued if each outstanding offer of shares or options under the Plan (or any other employee or executive share plan) were to be accepted or exercised.
- The number of shares in the same class issued during the previous 5 years pursuant to the Plan (or any other or any other employee or executive share plan).
- Would exceed 5% of the total number of issued shares in the Company as at the time the Options are offered.
- Shares allotted pursuant to an exercise of Options shall rank from the date of allotment, equally in all respects with the existing shares of the Company. Upon exercise of the Options, the Company will apply to have the shares allotted listed for official quotation.



QUEENSLAND MINING CORPORATION LIMITED

ABN 61 109 962 469

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ALL CORRESPONDENCE TO:
Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001
Australia

YOUR VOTE IS IMPORTANT

**FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECORDED BEFORE
10am Wednesday 20 June 2012**



Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction on the form.

Securityholders sponsored by a broker should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 Appointment of Proxy

Indicate here who you want to appoint as your Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 Voting Directions to your Proxy

You can tell your Proxy how to vote

To direct your proxy how to vote, place a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

STEP 3 Sign the Form

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders must sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below not later than 48 hours before the commencement of the meeting which will be held at **10 am on Friday, 22 June 2012**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxies may be lodged using the reply paid envelope or:

BY MAIL - Share Registry – Boardroom Pty Limited, GPO Box 3993,
Sydney NSW 2001 Australia

BY FAX - + 61 2 9290 9655

IN PERSON - Share Registry – Boardroom Pty Limited,
Level 7, 207 Kent Street, Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Queensland Mining Corporation Limited

STEP 1 - Appointment of Proxy

I/We being a member/s of **Queensland Mining Corporation Limited** and entitled to attend and vote hereby appoint

the Chairman of the Meeting (mark with an 'X') **OR**

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy at the **Extraordinary General Meeting of Queensland Mining Corporation Limited to be held at the office of Queensland Mining Corporation Ltd, Level 24, 56 Pitt Street, Sydney, NSW 2000 on Friday 22 June 2012 at 10am** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

If the Chairman of the Meeting is appointed as your proxy or may be appointed by default, and you do not wish to direct your proxy how to vote in respect of resolutions 1 to 5, please mark this box. *By marking this box, you acknowledge that the Chairman of the Meeting may vote as your proxy even if he has an interest in the outcome of the resolution and votes cast by the Chairman of the Meeting for those resolutions, other than as proxy holder, will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called. By marking this box I/we acknowledge the Chairman of the Meeting can exercise my/our proxy even though he has an interest in the outcome of the resolution and unless a specific voting direction has been specified below, the Chairman of the Meeting is directed to vote in accordance with his voting intention as set out below.*

The Chair will vote all undirected proxies in favour of resolution 1 to resolution 5

STEP 2 - Voting directions to your Proxy – please mark to indicate your directions

Ordinary Business		For	Against	Abstain*
Resolution 1	Ratification of the issue of 60,294,545 Ordinary Shares in the Company Pursuant to ASX Listing Rule 7.4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Issue of Options to Great Tang Brothers Resource Investment Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Issue of Options to Tulla Resources Group Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Special Business				
Resolution 4	Approval of Issue of Ordinary Shares Pursuant to Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of Executive and Employee Share/Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

In addition to the intentions advised above, the Chairman of the Meeting intends to vote undirected proxies in favour of each of the items of business.

*If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3 - PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / / 2012