

# Queensland Mining Corporation

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ABN 61 109 962 469

asx code QMN



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### Finance News Network Interview with Queensland Mining Corporation Limited (ASX: QMN) Managing Director, Howard Renshaw

This is a transcript of an interview with Howard Renshaw that is available to watch on QMC's website at [www.qmcl.com.au](http://www.qmcl.com.au) (click [interview link](#) here)

**Lelde Smits:** Hello I'm Lelde Smits for the Finance News Network and joining me today from Queensland Mining Corporation Limited (ASX: QMN) is Managing Director, Howard Renshaw. Howard welcome.

**Howard Renshaw:** Thank you Lelde.

**Lelde Smits:** QMC [Queensland Mining Corporation] is an emerging copper/gold explorer and producer focused in Queensland. Where are your main projects located and which one is your focus?

**Howard Renshaw:** All our projects which we own basically 100 per cent are located in the Cloncurry district of northwest Queensland. And the main focus is south of Cloncurry, where we have the White Range project and the Young Australian project areas.

**Lelde Smits:** So what is the next milestone you hope to reach at the White Range Young Australian project area?

**Howard Renshaw:** We've got to get the economics right of the previous BFS (Bankable Feasibility Study) that was done by Matrix in 2005. So we have progressed by upgrading that and reviewing it through Calder Maloney, which were engaged as engineers to assist in this matter. They've finished Phase One and part of Phase Two and now we're going to review that through our technical committee and then back to the board. We have been carrying out the metallurgical recovery cores at Greenmount and we'll continue that at Vulcan and then the Young Australian and Kuridala. And we've also just done some preliminary met tests for recoveries and this'll be very important to the economics.

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**Lelde Smits:** QMC has recently completed a capital raising. How much did you raise and where do you plan to deploy the funds?

**Howard Renshaw:** We've raised approximately \$5 million at 3.3 cents a share which is a substantial premium to the market price. And it'll be deployed to working capital which is required for compliance reasons for the Company's future operations. But the prime purpose is to progress the BFS study which we'll do internally over the next number of months, the metallurgical recoveries and tests, and the continuing drilling for resource definitions block modelling economics. And to substantially increase our resources, especially at the Young Australian which will come in shortly as a drill program.

**Lelde Smits:** QMC has also recently had new investors come on board. Could you detail the terms of the investments and the significance to QMC?

**Howard Renshaw:** Yes it is very interesting, the investors again are Asian denominated. And really it's pushing our share registry towards 40 per cent of these types of investors now, who have seen the opportunity to come into QMC. They've done their extensive due diligence and I mean not just over a month or two, sometimes over three, four, five, six months. They've brought people to Australia, they've been here in the offices and in the project rooms and they've also had site visits. And I think that they'll make a valuable contribution to the support of QMC, to add a lot of value to the Company. And then further on down the line to try and assist the Company, as they move towards their production development of the Company.

**Lelde Smits:** QMC also seems to be surrounded by takeover activity in the Cloncurry region. Could you run us through some of the latest consolidation and M&As (mergers and acquisitions)?

**Howard Renshaw:** RTZ (Rio Tinto Zinc) have now taken control of Ivanhoe Canada (TSX: IVN) which in effect is Ivanhoe Australia Limited (ASX: IVA). Then moving to Cloncurry, Washington H. Soul Pattinson and Company (ASX: SOL) has now moving towards - because it's been recommended by the directors of Exco Resources Limited (ASX: EXS), to accept their bid offer to take control of EXCO. And that then means that EXCO is one of our biggest neighbours, both on the south side of Cloncurry and on the north side.

Further Xstrata (LON: XTA) have now exercised their option - for 51 per cent of Mt Roseby, which is owned by Altona Mining Limited (ASX: AOH) and that is very significant. They are our neighbours and also it's going to be another evidence of trade sale. Further Xstrata itself is properly going to have at least a head office name change to Glencore through the M&A that's being recommended. So that's another change in our district.

**Lelde Smits:** And how do you anticipate your neighbours' deals will impact your own valuations?

**Howard Renshaw:** Well on the valuation side, the continuing trade sales just shows the underlying value of QMC. And those valuations at least are running at 20 cents a pound of copper or copper equivalents in the ground, and sometimes more. So you can do your own numbers on that and it's very, very significant.

**Lelde Smits:** And how do you expect your neighbours' deals will impact your own operations?

**Howard Renshaw:** Yeah that's a good question, because these are major companies that have major infrastructure operations in place and they're adding to infrastructure in the area. So, therefore, that'll give us two opportunities. Basically one is to evaluate the cost benefit of going to other third party processing plants and/or establishing our own facilities in our own area, which obviously we're looking at doing in the first instance.

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**Lelde Smits:** In summary Howard, what do you believe are the biggest reasons for buying into QMC?

**Howard Renshaw:** It is strategically located close to major infrastructure and processing plants. We have significant resource which they would like to see grown bigger and we are doing, and hopefully by the end of the year we'll be able to demonstrate that, not only to them, but to our shareholders and the market. Further, our land position and our mining leases are very significant because we are controlling them 100 per cent and the copper that's being identified across there, that's got to be proved up into resources, is great upside opportunity.

**Lelde Smits:** Howard Renshaw, thanks for the update to Queensland Mining Corporation.

**Howard Renshaw:** Yes thank you Lelde.

**Ends**

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