

# ASX Release

17 December 2010

## **‘Young Australian Project’ - continues to deliver very significant drilling results**

The last three holes of an RC drill program at QMC's 100% owned Young Australian Project, south Cloncurry, Queensland, has almost repeated the broad high grade copper mineralisation intercepts reported previously. The mineralisation is still open along strike and at depth. Drilling returned the following very significant copper, silver and cobalt assays:

- **36m @ 1.11% Cu** from **51m**, including  
**6m @ 2.03% Cu** and **1.32g/t Ag** from **64m** in Hole YA10RC12
- **43m @ 0.86% Cu** and **1.33g/t Ag** from **93m**, including  
**6m @ 1.85% Cu** and **1.57g/t Ag** from **102m**, plus  
**1m @ 4.76% Cu** and **15g/t Ag** from **129m** in Hole YA10RC13
- **51m @ 0.8% Cu** and **1.48g/t Ag** from **121m**, including  
**14m @ 1.38% Cu**, **1.76g/t Ag** and **112ppm Co** from **129m** in Hole YA10RC23
- **Mineralisation remains open at depth and along strike**
- **Further step-out, infill and deeper drilling is planned to commence Q1 2011, to enhance the estimation of the JORC-compliant copper, cobalt and silver resources**

“The Company is further encouraged by these very positive drill results obtained from the Young Australian drill program. These high-grade intercepts, recorded along strike from the previously mined orebodies, has significantly extended the strike extent of the mineralisation and should allow QMC to estimate meaningful JORC resources at the Young Australian project.” said Howard Renshaw, Managing Director of QMC. “The Company is currently very active in seeking various Joint Venture partners and strategic alliances for their various projects south of Cloncurry.”

## Young Australian Project – Overview

Queensland Mining Corporation Limited (**ASX: QMN**) is pleased to announce the assay results received from the final 3 RC (reverse circulation) drill holes in the 23 hole drilling program completed at its 100% owned Young Australian Project. The Project is located approximately 70km south-southwest of Cloncurry in northwest Queensland (Figure 1). The project consists of four granted mining leases covering an area of 15ha.

The project geology is dominated a NE-SW trending fold with a series of faults and shear zones developed on both limbs, most of which have undergone extensive hydrothermal alteration. The major stratigraphy is the Answer Slate unit of the Middle Proterozoic Mary Kathleen Group. Copper mineralisation occurs as veinlets, stockworks and disseminations within the carbonaceous shales, slate and phyllite sequence of the Answer Slate, close to the contact with Wimberu Granite in the west (<1km). The mineralisation comprises malachite, chrysocolla, cuprite, chalcocite and chalcopyrite and strikes NE-SW and dips steeply towards northwest or sub-vertical in occurrence. Previous exploration and open cut mining have defined three separate ore zones in Young Australian and designated locally as East, Middle and West zones.

## Recently completed drill programme

The last three holes in the recent RC drill program in Young Australian were drilled about 300 metres to the northeast of the pit for a total of 414 metres within the Eastdrift Mining Lease. In 2008, QMC completed 3 RC holes in this lease but all of them were too short to fully test the mineralisation (hole depth of 59-119m) and hence did not return intercepts of a comparable tenor of those received in this recent drilling. However, they were highly instrumental in the design of the recent drilling program. The current drilling was mainly designed to test the possible strike extension of the same mineralisation exposed in the pit and intersected by the holes drilled around the pit. Two holes (YA10RC12 and YA10RC13) were drilled on the same section but 25 metres apart whereas the third hole (YA10RC23) was drilled about 50 metres along strike to the northeast. The details of drillhole information are presented in Table 1 and their locations are shown in Figure 4.

***Importantly, all these three holes were terminated within mineralisation and the potential ore zones outlined still remain open along strike and at depth.***

Assay results returned very broad intervals of high-grade copper mineralisation in all three holes with depths, grades and widths comparable to those intersected around the pit (Table 2). These results have increased the strike length of the mineralisation by 150 metres or by 40 percent (Figure 2). Hole YA10RC12 intersected 36m @ 1.11% Cu from 51m, including a high-grade interval of 2.03% Cu and 1.32g/t Ag over 6m from 64m. Hole YA10RC13 was drilled 25m behind YA10RC12 on the NW section. It returned 43m @ 0.86% Cu and 1.33g/t Ag from 93m, including 6m @ 1.85% Cu and 1.57g/t Ag from 102m plus 1m grading 4.76% Cu and 15g/t Ag from 129m (Figure 3). Hole YA10RC23 was drilled about 50m along strike to the northeast of YA10RC13 and reported two intersections of copper mineralisation. The upper intersection averaging 0.46% Cu over 17m from 96m while the lower intersection averaging 0.8% Cu and 1.48g/t Ag over 51m, including a high-grade interval of 14m @ 1.38% Cu, 1.76g/t Ag and 112ppm Co.

## Future Program at Young Australian Project

The Company is very excited about these further drill results and a drilling program is being designed and should commence during the first quarter of 2011. This program aims to confirm the continuity of the mineralised zones along strike and at depth and to enhance the estimation of the JORC-compliant resources at the Young Australian Project.

Preliminary geological examination indicates the prospective stratigraphic horizon that hosts the Young Australian copper deposit extends at least 5 kilometres over which strong alteration and sporadic oxide copper mineralisation are visible on the surface. The continuous strong drillhole intercepts coupled with great regional potential suggests that the Young Australian Project has a very good chance of being brought into near-term oxide-copper production.

Recent successes with drilling in the Young Australian Project have provided the Company with a great deal of encouragement. A significant resource potential has been demonstrated by QMC's drilling campaign over the last two field seasons. QMC is actively seeking an arrangement with the holder of the EPM that surrounds and is along strike of QMC's Young Australian Mining Leases and Eastdrift mining lease.

The management of the Company looks forward to updating the shareholders on the status and progress of the project as soon as additional information becomes available.

### For further details please contact:

**Howard V. Renshaw** (Managing Director)

**Tel:** (+61 2) 9251 6730  
**Email:** [admin@qmcl.com.au](mailto:admin@qmcl.com.au)

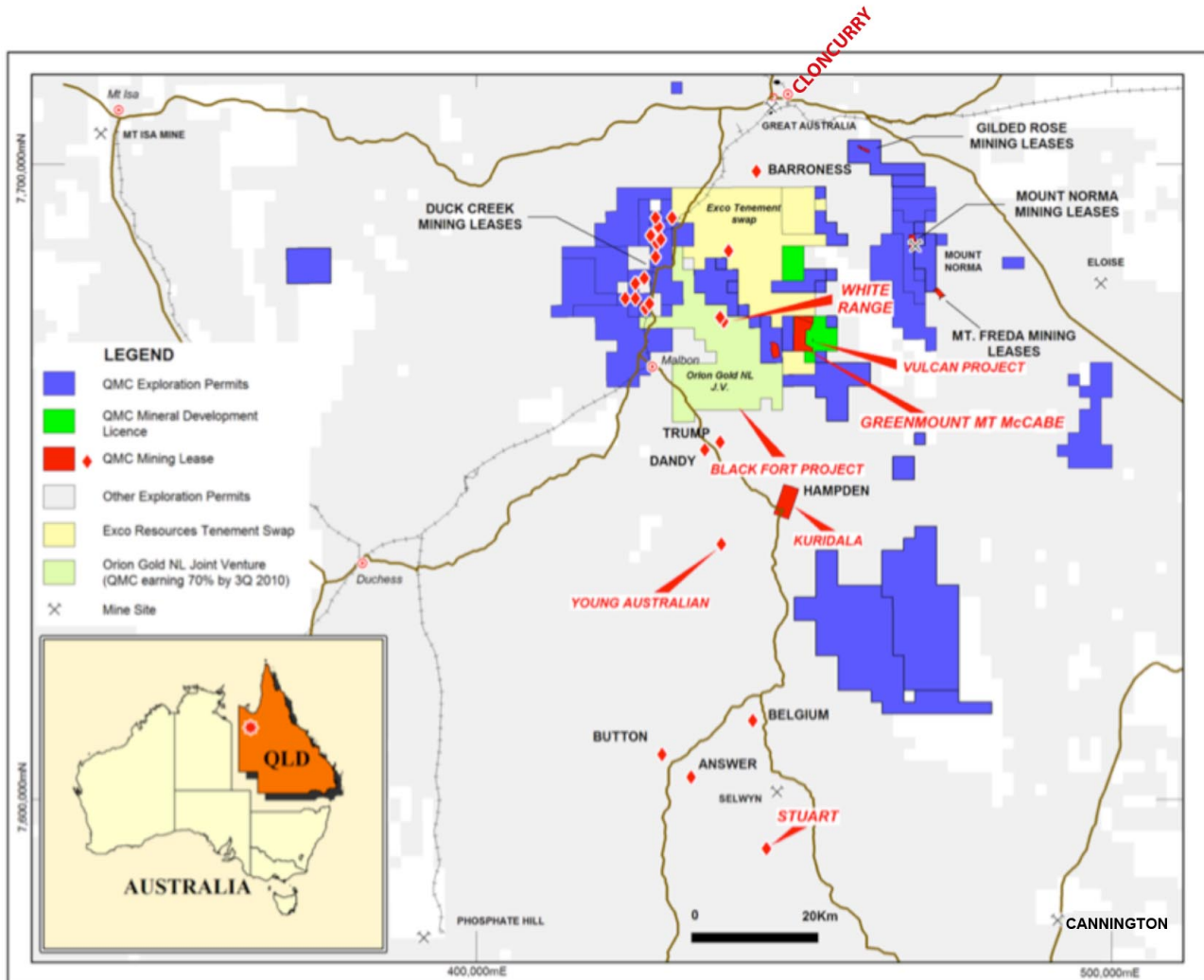
**David Sasson**  
(Northfield Communications - FIRSt)

**Tel:** (+61) 0411 468 966

**or visit our Website at:** [www.qmcl.com.au](http://www.qmcl.com.au)

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Guojian Xu, a Member of Australasian Institute of Mining and Metallurgy and a Fellow of the Society of Economic Geologists. Dr Guojian Xu 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.*

**Figure 1 – Plan showing location of the Young Australian Project and other QMC White Range Projects**

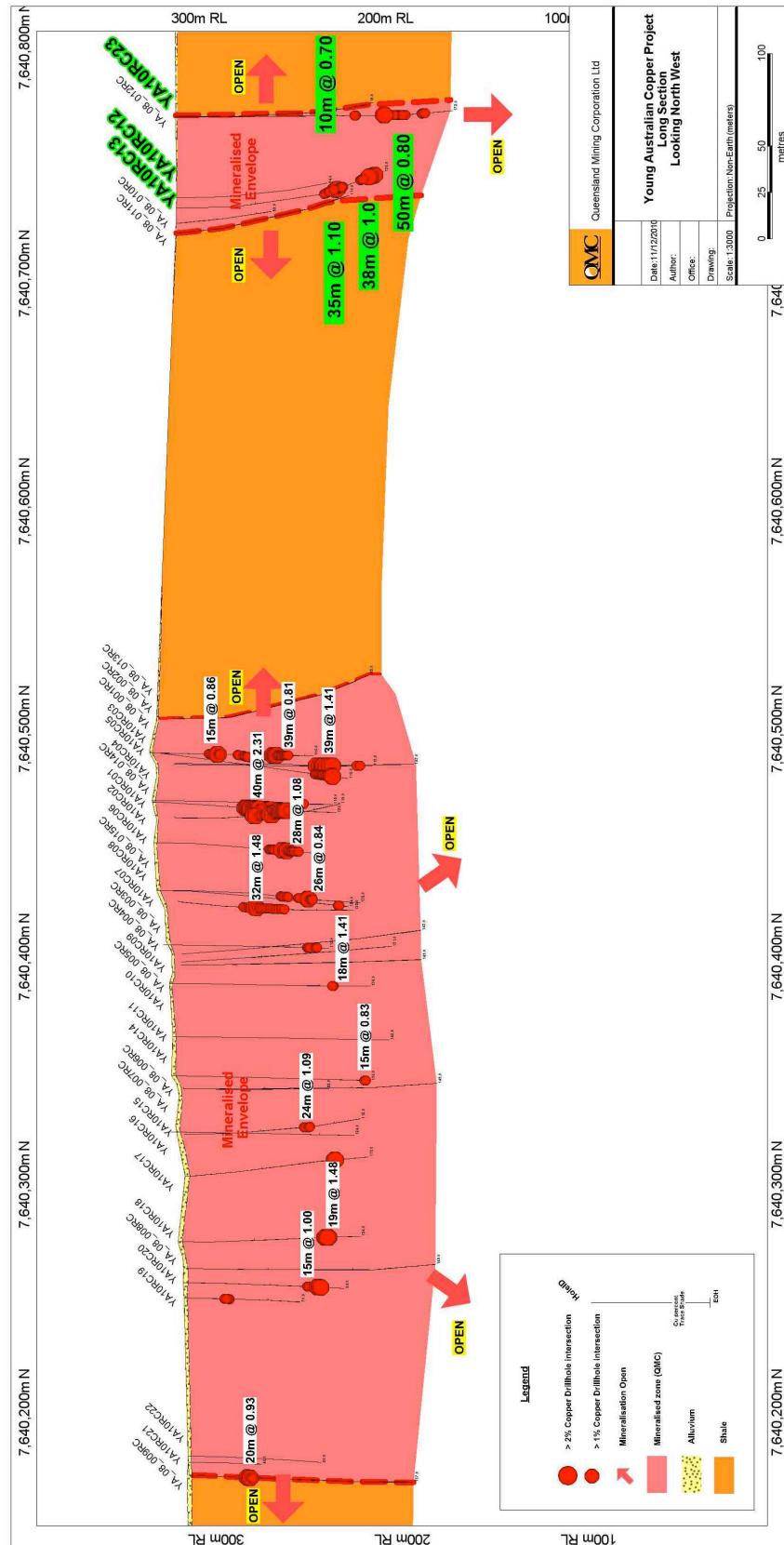


Queensland Mining Corporation Limited  
Suite 2, Level 24  
56 Pitt Street SYDNEY  
NSW 2000 AUSTRALIA

Mail address:  
GPO Box 4876  
SYDNEY  
NSW 2001 AUSTRALIA

**Telephone: 61 2 9251 6730**  
Facsimile: 61 2 9251 6326  
Email: [admin@qmcl.com.au](mailto:admin@qmcl.com.au)  
Web: [www.qmcl.com.au](http://www.qmcl.com.au)

**Figure 2 - Long Section through the Young Australian Open Pit & NE mineralised strike extension** *(Results for holes in this release highlighted in green)*

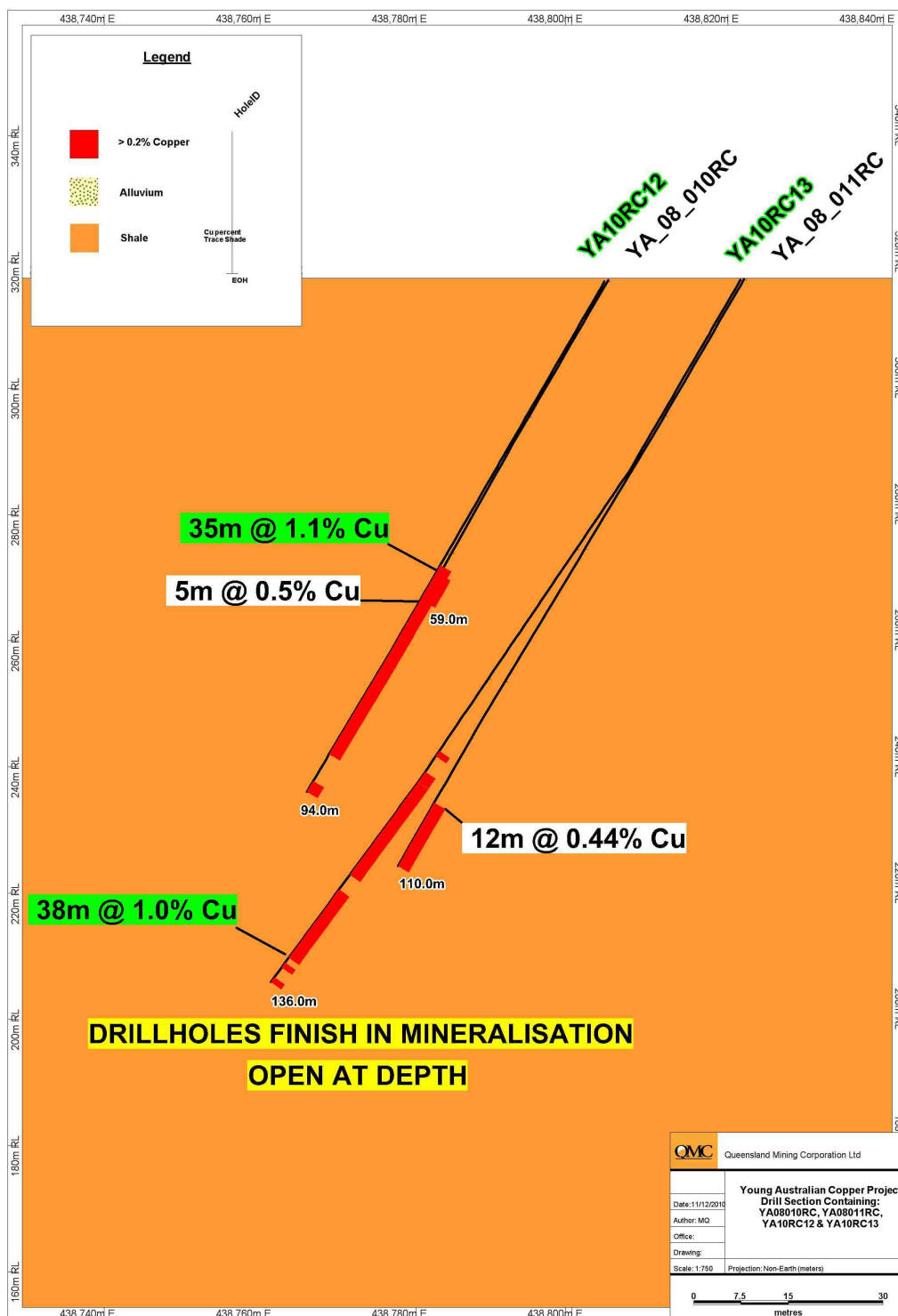


Queensland Mining Corporation Limited  
Suite 2, Level 24  
56 Pitt Street SYDNEY  
NSW 2000 AUSTRALIA

Mail address:  
GPO Box 4876  
SYDNEY  
NSW 2001 AUSTRALIA

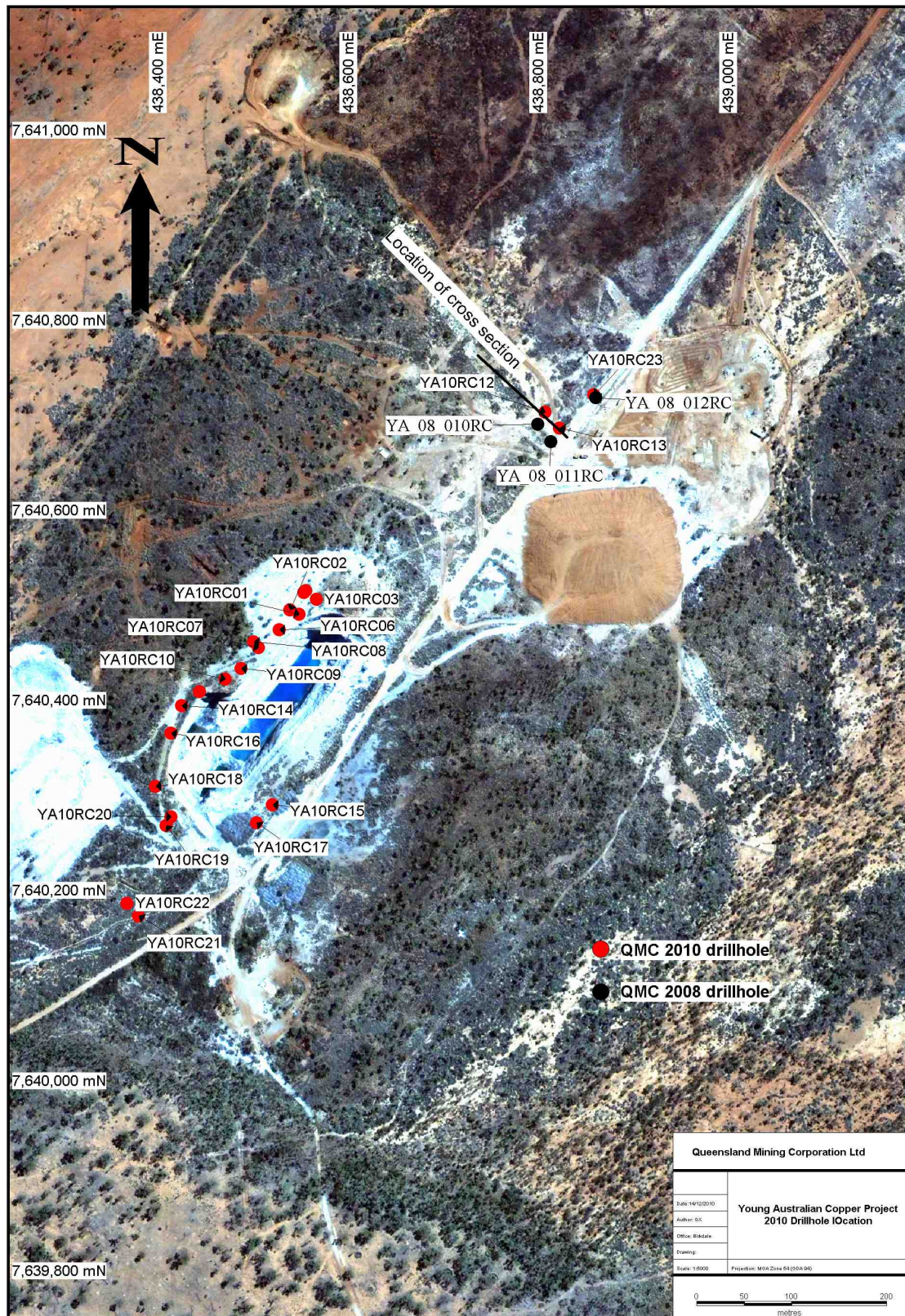
**Telephone: 61 2 9251 6730**  
Facsimile: 61 2 9251 6326  
Email: admin@qmcl.com.au  
Web: www.qmcl.com.au

**Figure 3 - Cross Section showing mineralised intercepts 300m NE of Young Australian NE pit wall (see Figure 4 for location – Results for holes in this release highlighted in green - 2008 previously reported holes not highlighted)**





**Figure 4 - Aerial view of Young Australian Copper Project showing RC drillhole locations**



Queensland Mining Corporation Limited  
Suite 2, Level 24  
56 Pitt Street SYDNEY  
NSW 2000 AUSTRALIA

Mail address:  
GPO Box 4876  
SYDNEY  
NSW 2001 AUSTRALIA

**Telephone: 61 2 9251 6730**  
Facsimile: 61 2 9251 6326  
Email: admin@qmcl.com.au  
Web: www.qmcl.com.au

**Table 1: Young Australian Project – Drillhole Details and Location**

Hole ID	Easting MGA94	Northing MGA94	RL	AZIMUTH Magnetic	Dip (°)	Depth (m)
YA10RC12	438446	7640409	322	120	-55	148
YA10RC13	438810	7640703	321	300	-60	94
YA10RC23	438861	7640721	320	300	-60	172

**Table 2: Young Australian Project – Selected RC Drill Results** *(using a 0.2% Cu cut-off grade. Estimated true widths are approximately 70 - 80% of the drilled interval.)*

Hole ID	From (m)	To (m)	Intervals (m)	Cu (%)	Ag (g/t)	Co (ppm)
YA10RC12	51	87	36	1.11		
<i>Incl.</i>	64	70	6	2.03	1.32	
	92	94	2	0.35		
YA10RC13	88	90	2	0.2		
	93	136	43	0.86	1.33	
<i>Incl.</i>	102	108	6	1.85	1.57	
	129	130	1	4.76	15	
YA10RC23	96	113	17	0.46		127
	121	172	51	0.8	1.48	
<i>Incl.</i>	129	143	14	1.38	1.76	112