Queensland Mining Corporation

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WHITE RANGE PROJECT

QMC's Resources Increase to 232,000t of Copper, 11,000t of Cobalt and 188,000 oz of Gold

Vulcan Deposit - 56% Increase in Contained Copper Metal

Maiden Cobalt JORC Classified Resource

- **Vulcan deposit JORC classified resource increased to 1.42 Mt @ 0.65 % Cu and 170 ppm Co (at a 0.2% Cu cut-off)**
- **This represents a 42% increase in tonnage and 10% increase in Copper grade from the previous Matrix Metals resource of 1.0Mt @ 0.59 % Cu (0.2% Cu cut-off)**
- **Cobalt mineralisation potentially adds significant value to the deposit**
- **White Range Project global JORC classified resource now stands at 32.7 Mt at 0.71% Cu, 0.33% Co and 0.18g/t Au**
- **Additional drilling recommended at Vulcan and in the northern part of the project where mineralization remains open in all directions.**

Queensland Mining Corporation Ltd (ASX code: **QMN**) is pleased to announce a further increase in the White Range Project global resource position.

The Vulcan deposit is part of a suite of copper, gold and cobalt deposits acquired by QMC from the administrators of Matrix Metals Limited. Previously only copper assays had been included in the resource estimate for these deposits and as with the recently updated Greenmount, Kuridala, Stuart and Mt McCabe resource estimates, Golder Associates were commissioned by QMC to undertake a review of the deposit and produce an updated copper and cobalt resource estimate. (*Refer to the location map of Vulcan figure 2 and Vulcan mine photo figure 3*)

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The results of this work at various Cu cut-off grades for Vulcan are summarised in the table below:

Vulcan

Cut-off (% Cu)	Tonnes (Mt)	Cu (%)	Co (ppm)
0.1	1.51	0.62	170
0.2	1.42	0.65	170
0.3	1.15	0.74	170
0.4	0.85	0.88	170
0.5	0.63	1.03	160
0.6	0.48	1.18	160
0.7	0.38	1.31	160

The mineral resource estimate is based on a number of factors and assumptions that include:

- RAB, RC and Diamond drilling was used for estimating the mineral resource.
- Vulcan mining software was used for three-dimensional geological domain modeling and for building the block model. Golder proprietary software was used for the data preparation, variography analysis, IK and OK grade estimation and tabulation of results.
- Copper mineralization envelopes were modeled in three dimensions using a nominal 0.2% Cu lower threshold. Five distinct copper domains were identified and modeled by Golder using solid wireframes that were used to flag the drill-hole samples and code the block model (Figure 1).
- Statistical and geostatistical analysis was conducted on drill-hole sample assays composited to one metre down-hole interval lengths. The analysis was conducted separately on each of the five copper domains as well as combinations of the domains.
- Top cuts were applied to the drill-hole sample data prior to the grade estimation.
- Grade estimation was conducted using median indicator kriging (MIK) for copper with cobalt carried as an additional variable. For MIK estimation cobalt was assigned a conservative 0.5 ppm for all samples within the copper mineralization envelopes that were assayed for copper but not for cobalt (around 60% of samples). Estimation was also conducted using ordinary kriging (OK) for copper, cobalt and bulk density. A default bulk density of 2.66 t/m^3 for the upper chert unit and 2.23 t/m^3 for all other lithology units were assigned to blocks that were not estimated by OK.
- The OK estimate of cobalt is used for mineral resource tabulation due to the low number of cobalt assays within the copper mineralisation envelopes and the low correlation of cobalt with copper.

- A lognormal change-of-support correction was applied to the MIK estimates using an SMU size of 5m by 3m by 2.5m and support correction factors calculated from the median indicator variograms for each of the copper domains.

- A detailed topographic surface was obtained by Golder from the previous Matrix Metals project. The wireframe covered a much larger area and was subsequently trimmed to cover only the resource area.

- Base of oxidation was interpreted from geological logging of oxidation.

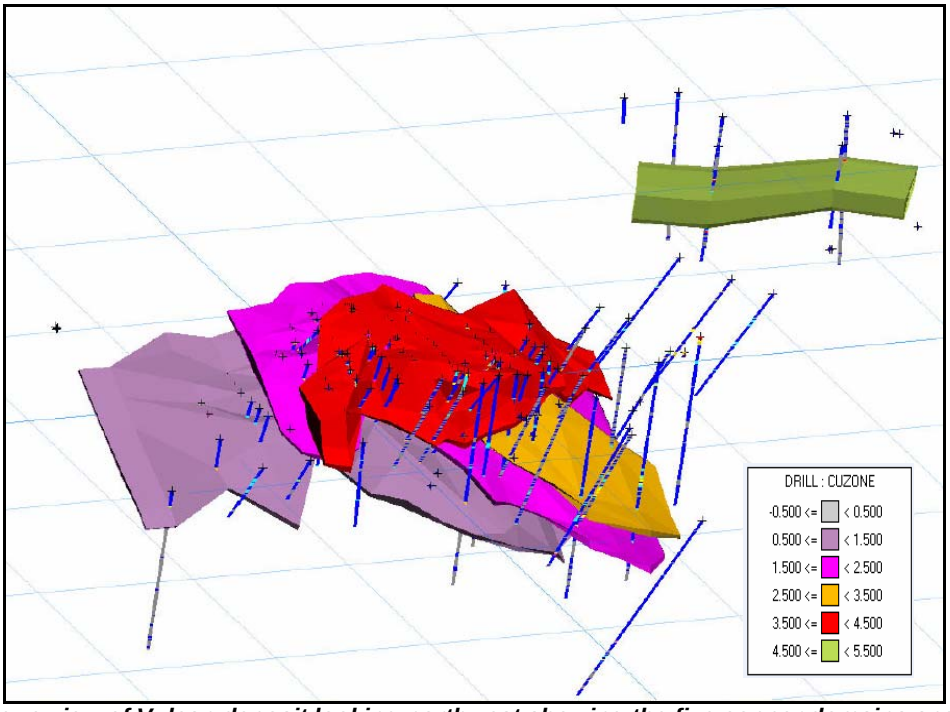

Figure 1 – ***Oblique view of Vulcan deposit looking northwest showing the five copper domains and drilling.***

The Mineral Resource estimate was classified in accordance with the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC Code, 2004). The resource has been classified as Measured, Indicated and Inferred and was considered appropriate on the basis of drill hole spacing, sample interval, geological interpretation and representativeness of all available assay data.

At a 0.2% Cu cut off the resource can be broken down as follows:

Cut-off (Cu%)	Resource Classification	Tonnage (Mt)	Cu (%)	Co (ppm)
0.2	Measured	-	-	-
	Indicated	1.05	0.65	130
	Inferred	0.36	0.63	270
	Total	**1.42**	**0.65**	**170**

The global mineral resource for the Vulcan deposit at a 0.2% copper cut-off is 1.42Mt at 0.65% copper and 170ppm cobalt. This equates to a 42% increase in tonnes and a 10% increase in grade compared with the previous Matrix Metals estimate of 1.0Mt at 0.59% copper at a cut-off grade of 0.2% copper (ASX announcement 22 April 2010).

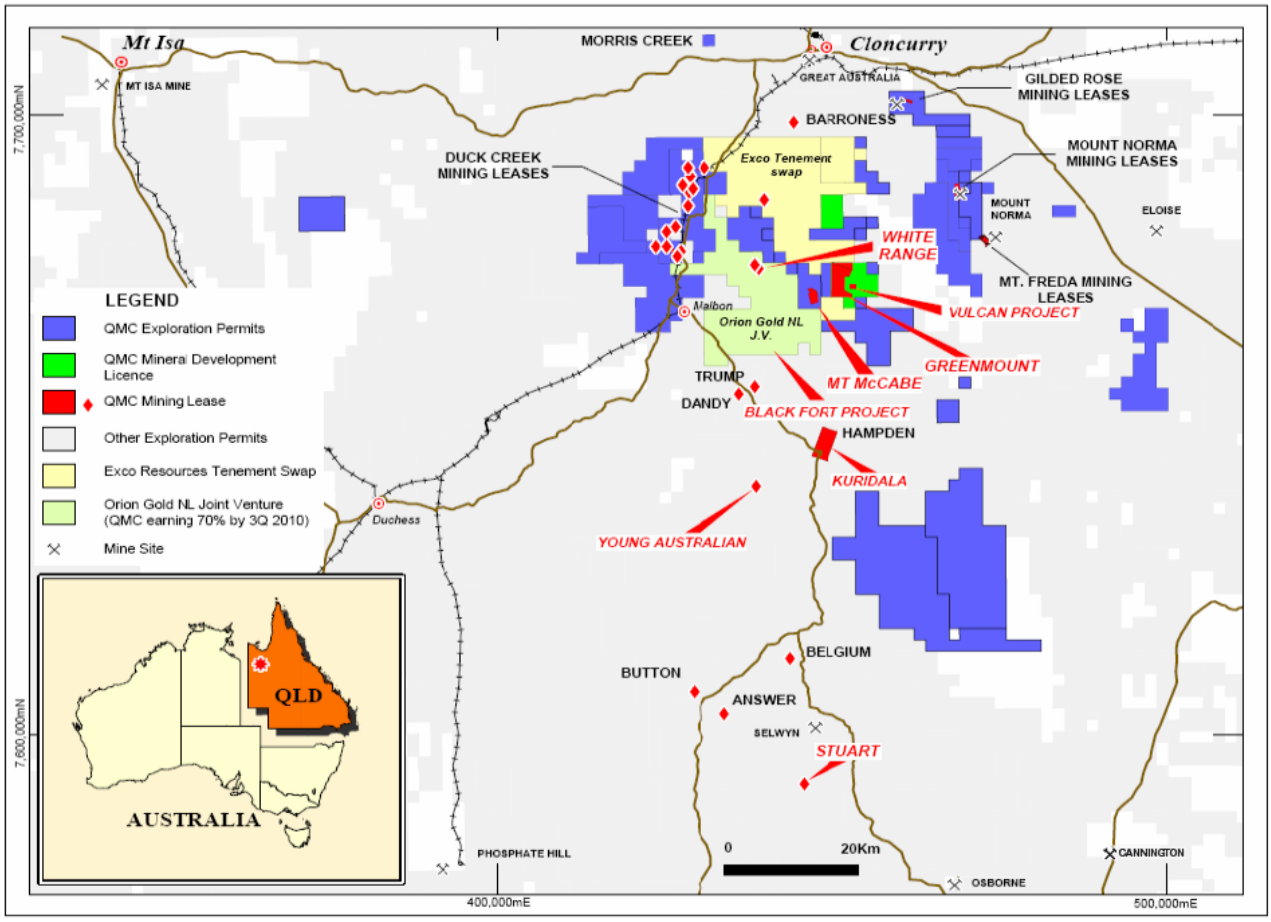

Figure 2-*The location of Vulcan mine*

Figure 3-Photo of Vulcan mine

Mr Howard Renshaw, the Managing Director of QMC, commented that "This resource upgrade for the Vulcan deposit completes the full resource review undertaken by Golders on the known deposits that make up the recently acquired White Range Project". The global resource position for the White Range Project can now be summarized as follows:

OXIDES AND TRANSITIONAL Deposits	million tonnes	Cu grade %	Cobalt grade %	Gold grade g/t	Contained Copper Metal tonnes	Contained Cobalt Metal tonnes	Contained Gold, ounces
Greenmount 0.2% Cu cut-off	12.30	0.78%	0.06%	0.30	95,940	7,400	118,000
Kuridala 0.2% Cut-off.	7.20	0.84%	0.02%	0.21	60,480	1,440	49,000
Vulcan 0.2% Cu cut-off	1.42	0.65%	0.017%	-	9,230	240	-
McCabe 0.2% Cu cut-off	7.70	0.57%	0.02%	-	43,890	1,700	-
Stuart 0.2% Cu cut-off	4.09	0.55%	0.002%	0.16	22,600	70	21,000
TOTAL OXIDES & TRANSITIONAL	**32.7**	**0.71%**	**0.033%**	**0.18**	**232,000**	**11,000[1]**	**188,000**

[1] Rounded to nearest 1,000

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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.

The information in this report that relates to Mineral Resources or Ore Reserves is based on information compiled by Max Tuesley a consultant to QMC and a Member of the Australasian Institute of Mining and Metallurgy. Mr Tuesley 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.