

Queensland Mining Corporation

L I M I T E D

ABN 61 109 962 469



ASX CODE: QMN

QMC 2012 Half Year Activities Update

June 2012

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➤ **CORPORATE**

1. Second cornerstone investor introduced – Great Tang Brothers
2. Ivanhoe Agreements on Young Australian, Kuridala and Stuart

➤ **DEVELOPMENT**

1. Kicked off the White Range Feasibility Study
2. Resource drilling to commence at Greenmount
3. Scoping gold metallurgical test work on Mt Freda & Gilded Rose

➤ **EXPLORATION**

1. Lag sampling programs on EPMs 16976 Mt Sheaffer, 18440 Slaty Creek, EPM15858 Sunny Mount & EPM14148 White Range #1 (at Manomm prospect)
2. Drilled Toby Barty, Desolation & Surprise prospects

Ivanhoe Agreements – Value Drivers



➤ ***YOUNG AUSTRALIAN***

QMC gains access to key exploration tenement surrounding Young Australian MLs to open up deposit to commercial exploitation & potentially increase copper resource base for White Range Project

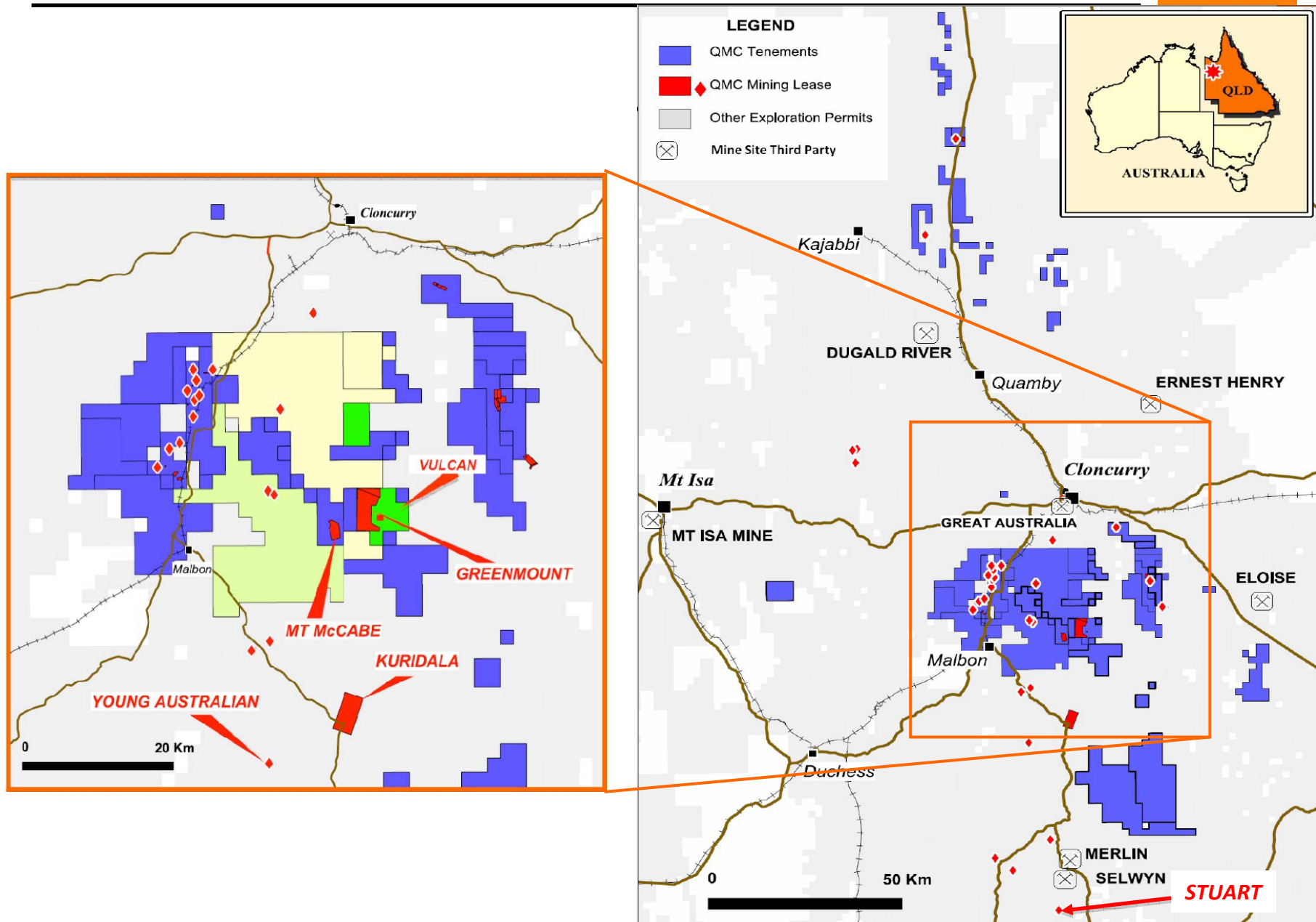
➤ ***KURIDALA***

Formal agreement with Ivanhoe to streamline and optimize future mining operations as part of ore feed to White Range Project

➤ ***STUART***

QMC granted Ivanhoe 5yr option to acquire the Stuart deposit for valuable consideration whilst retaining title to near-surface oxide resources

QMC Tenement Position



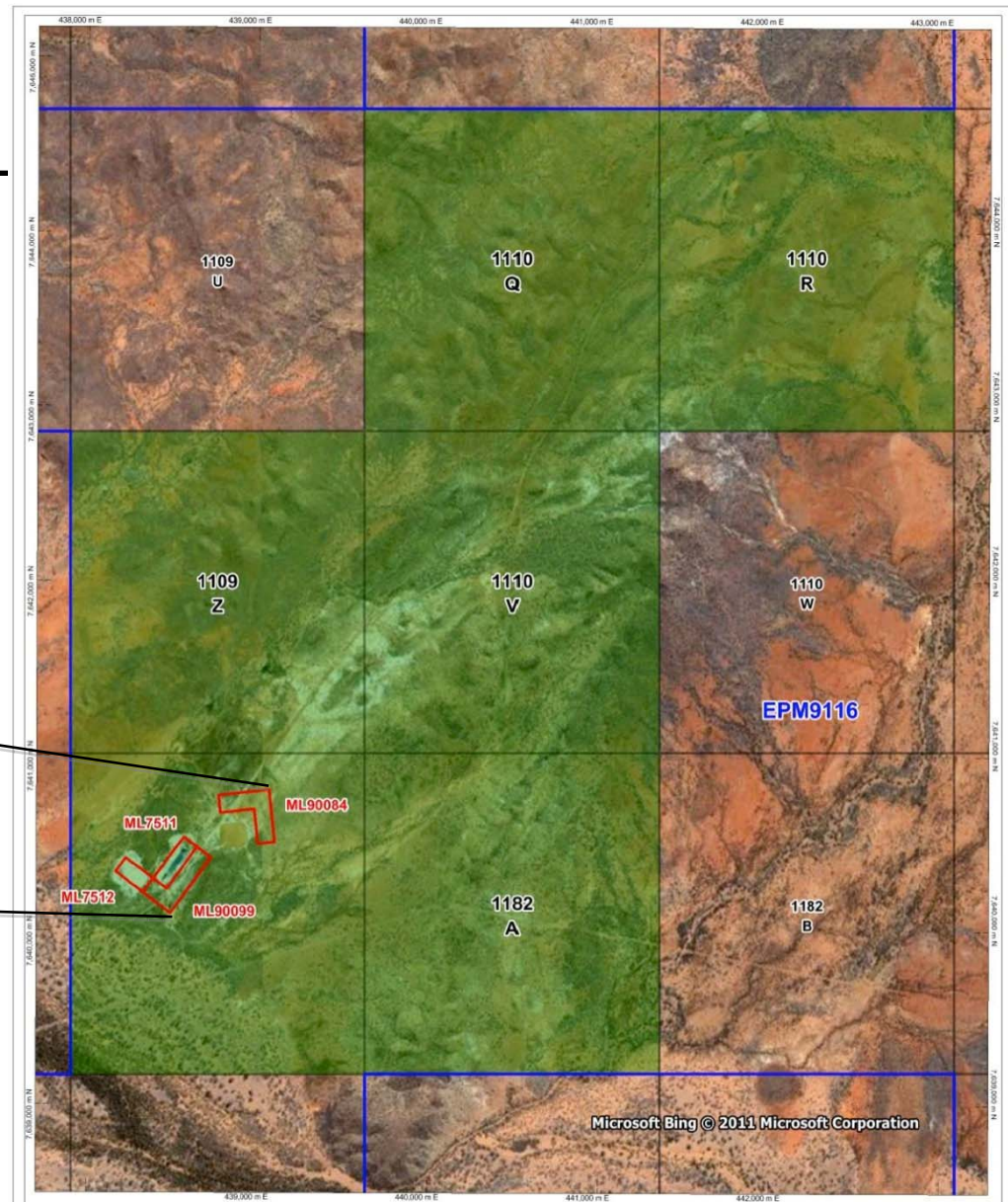
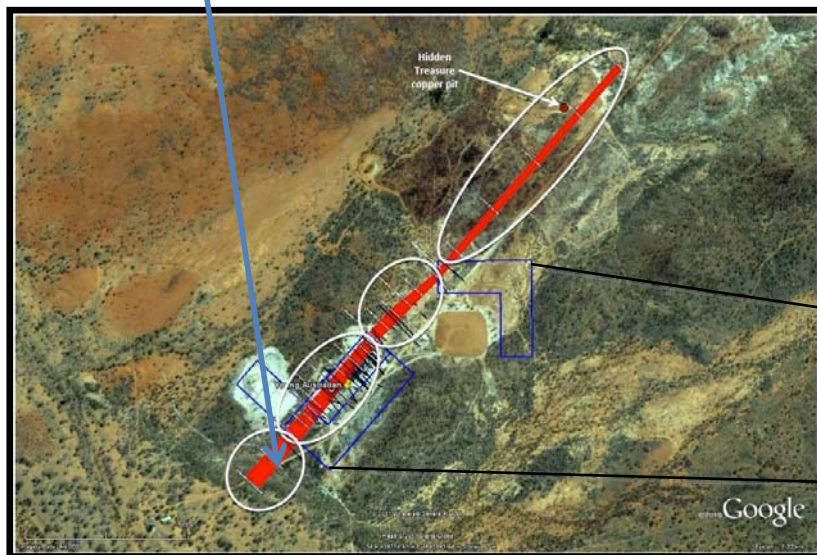
Young Australian – Expanded Opportunity



- Young Australian deposit is open both at depth and along a strike to potentially 1.8km
- New agreement provides QMC exclusive right to 6 sub-blocks of Ivanhoe's EPM 18912 which surrounds Young Australian MLs
- QMC secured right to apply for mining leases as required to ensure title to mineral discoveries within the 6 sub-blocks
- Ivanhoe retains 3.1x buy-back option (70:30 basis) for primary copper sulphide discoveries (only) if QMC elects to seek third party support to develop

Young Australian

Potential mineralised strike length (red) up to 1.8km



Refer QMC drilling result ASX announcements on 10 & 17 December 2010 and 3 February 2011 and Resource Table at slide 22

- Ivanhoe Australia EPM 9116
- QMC Young Australia ML
- 1110 v 6 Sub-Block Details

QMC Queensland Mining Corporation LIMITED	
QMC YOUNG AUSTRALIA PROJECT FARM-IN AREA	
Date: 16/02/12	Worksheet
Author: SS	
Office: Darwin	
Prepared by: AJ	
Scale: 1:2000	Preparation: MGA, Dec 04 (CCMR)

Kuridala – Facilitates Mining



- QMC's mining lease at Kuridala has historic exploitation rights limited to 100m depth with surface rights over ML 90081
- Ivanhoe has exploration rights on EPM 18912, which includes ground below 100m depth "underneath" QMC ML 90081
- QMC and Ivanhoe agreed "Kuridala Access Agreement", which sets out a clear framework of cooperation between the parties around future exploration and mining activities.
- Facilitates effective mining by QMC of 60 Kt contained leachable Cu *

* See Resource Table at slide 22

Stuart – Option Sale

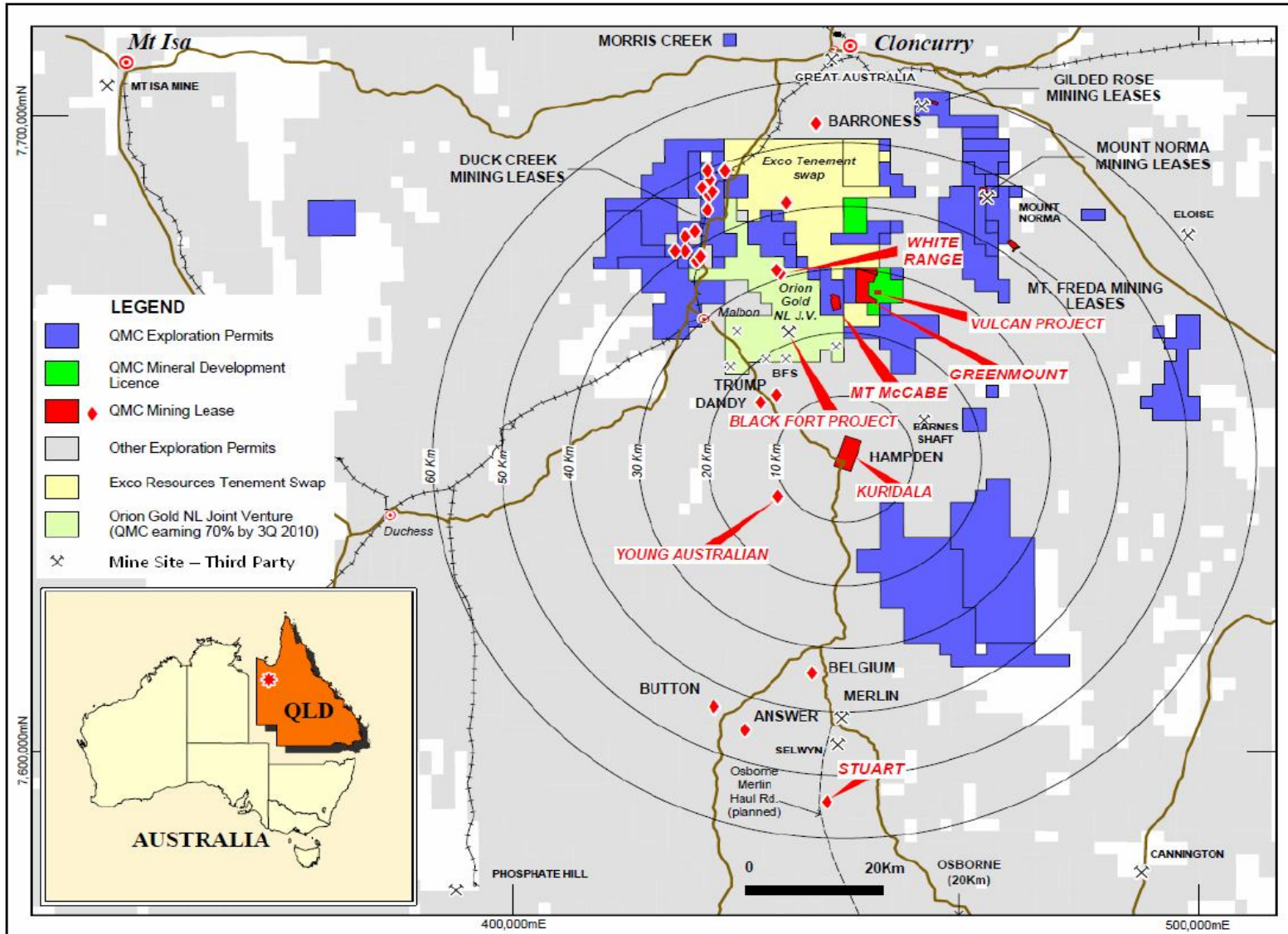


- Stuart deposit isolated from QMC's copper resource "centre of gravity"
- QMC granted Ivanhoe 5 yr option to acquire Stuart ML 90083
- Ivanhoe to pay QMC \$700k cash (or shares to \$750k) on option exercise
- QMC retains rights to 700 kt near surface, leachable copper ore (oxides)
- QMC receives minimum \$2/t royalty on all copper ores (excluding 700kt of oxides) mined by Ivanhoe, capped at \$6.5 M

White Range Feasibility Study (WRFS) Update



Calder Maloney Engineers appointed to manage the White Range Feasibility Study



WRFS - Base Case



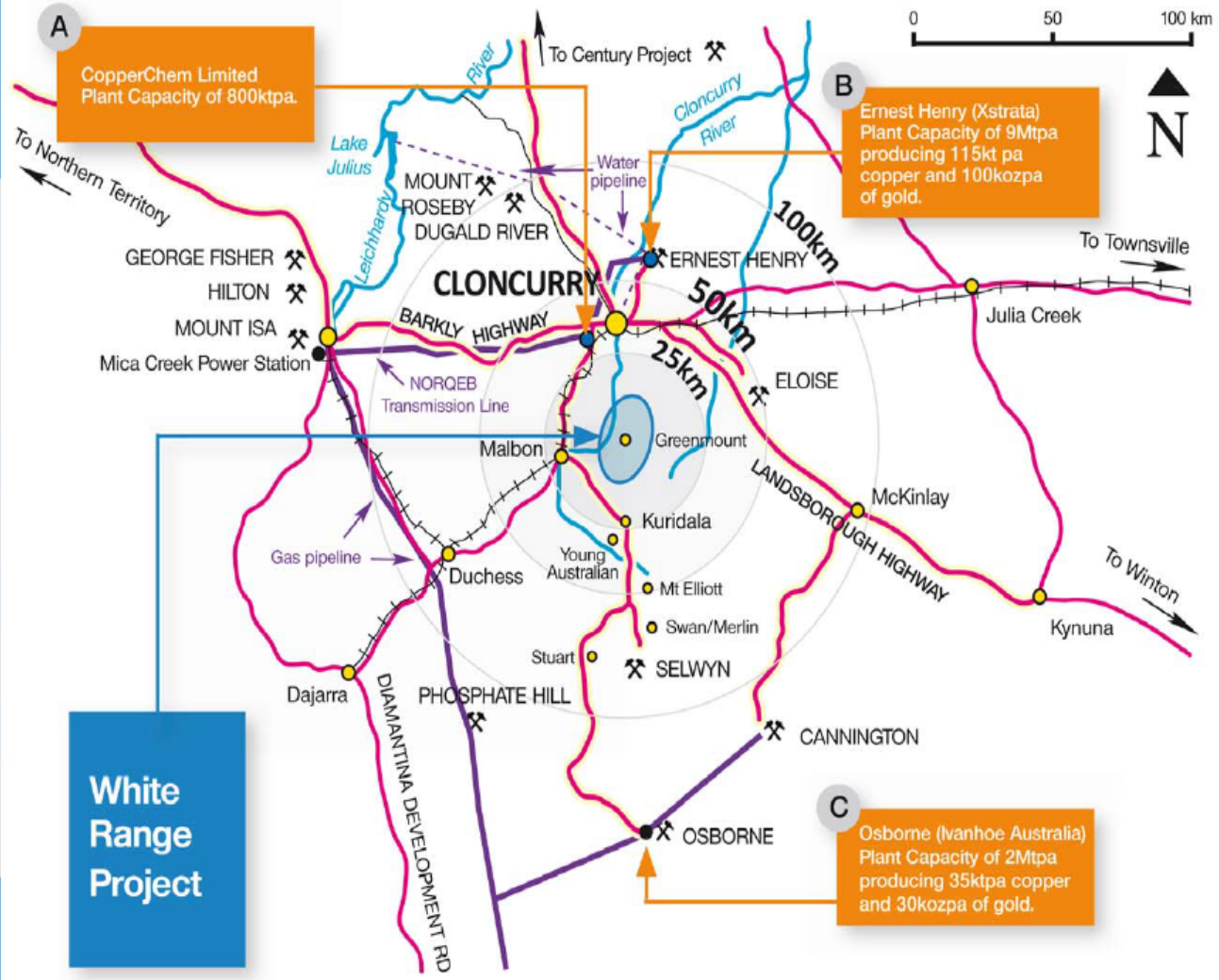
- Young Australian, Greenmount, Kuridala, Mt McCabe & Vulcan deposits
- Production
 - 15,000 tpa copper in cathode
- Processing
 - Acid & bacterial heap leach
 - 1.5 Mtpa @ 1% Cu
- Mining
 - 6 Mtpa total material movement
 - Multi open pit truck-shovel operation
- Options
 - Expansion to 25,000 tpa cathode production capacity
 - Supplemental copper sulphate production
 - Flotation of sulphides/transition ore
 - Innovative solutions for power, water & acid supply
 - Evaluate potential for Co & Au by-products

QMC Infrastructure Map



- White Range Processing Infrastructure**
- HUB – EPICENTRE
- RAIL
- HEAVY HAULAGE
- WATER
- POWER
- PROCESSING FACILITIES
- MINE SUPPORT SERVICES

White Range Project



WRFS - Timeline



☐ Phase 1 (Apr-July)

- ✓ Design metallurgical sampling & test program
- ✓ Commence resource metallurgical drilling program
- Gap analysis
- Reviews (data, reports, mine plan)

☐ Phase 2 (Aug-Dec)

- Update capex & opex costs to 2012 basis
- *Build new financial model & re-run project economics*
- *Formal review of water & environmental areas*
- *Commence metallurgical testwork program*
- *Continue resource drilling at Greenmount & Young Australian*

☐ Phase 3 (Jan – end June 2013)

- *Basic engineering and cost estimates*
- *Resource drilling, sampling & metallurgical testwork on Kuridala & Mt McCabe*
- *Finalise WRFS document*

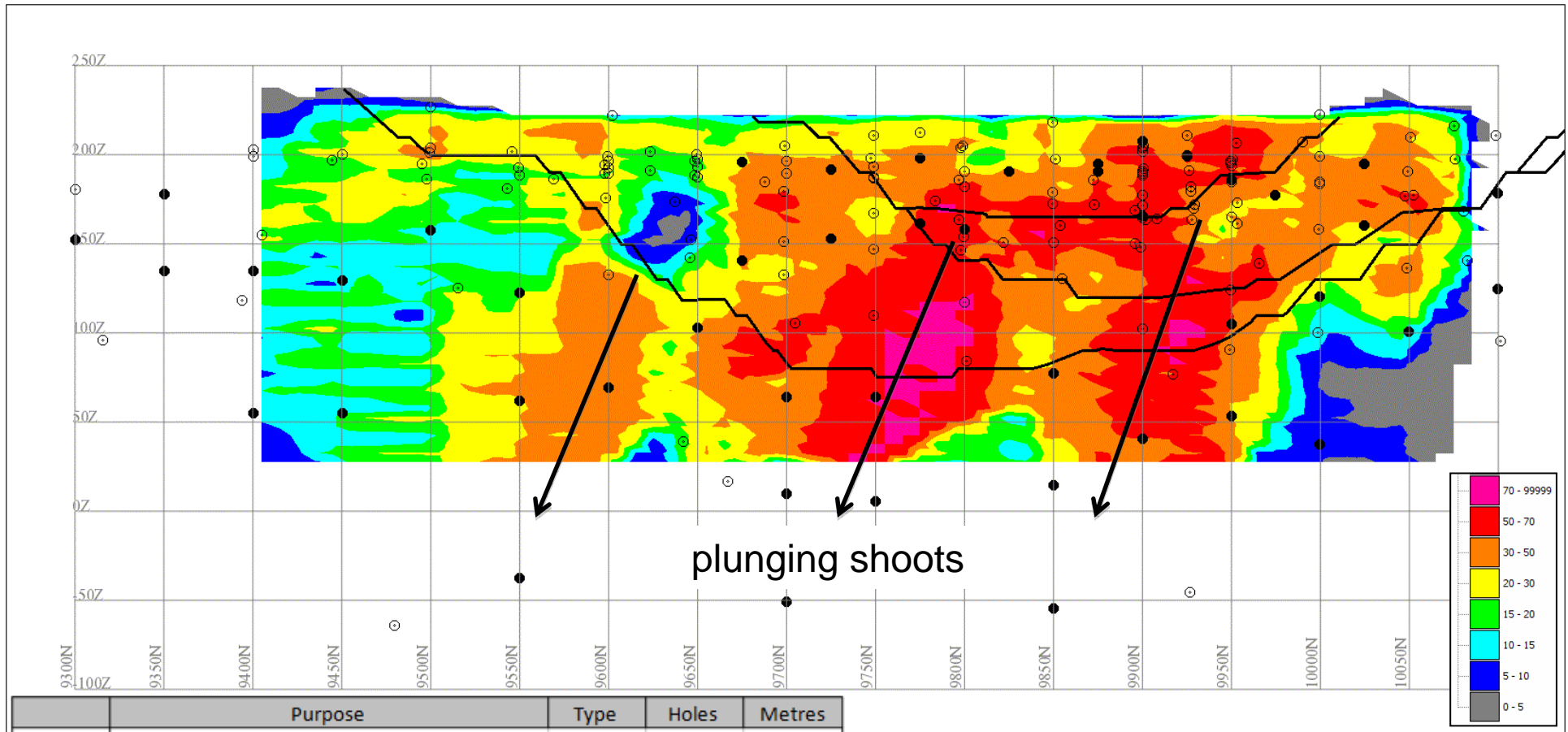
Drilling Program – Key Objectives



- Near-surface ore classification upgrades - Indicated to Measured
- Infill drilling - upgrade Inferred to Indicated
- Resource extensions
 - Along strike
 - At depth
 - Confirm final foot print (Young Australian, Kuridala & Greenmount)
- Geometallurgical sampling
- Stage 1 Drilling Programs total >20,000m**
 - Greenmount 7,000m RC + 480m PQ
 - Young Australian 6,000m RC + 730m PQ
 - Kuridala 3,500m RC + 500m PQ
 - Mt McCabe 4,000m RC
- Follow up resource delineation program of up to 10,000m envisaged for Young Australian
- Geotechnical drilling at all deposits subject to formal review

*** subject to finance, board approval and preliminary results*

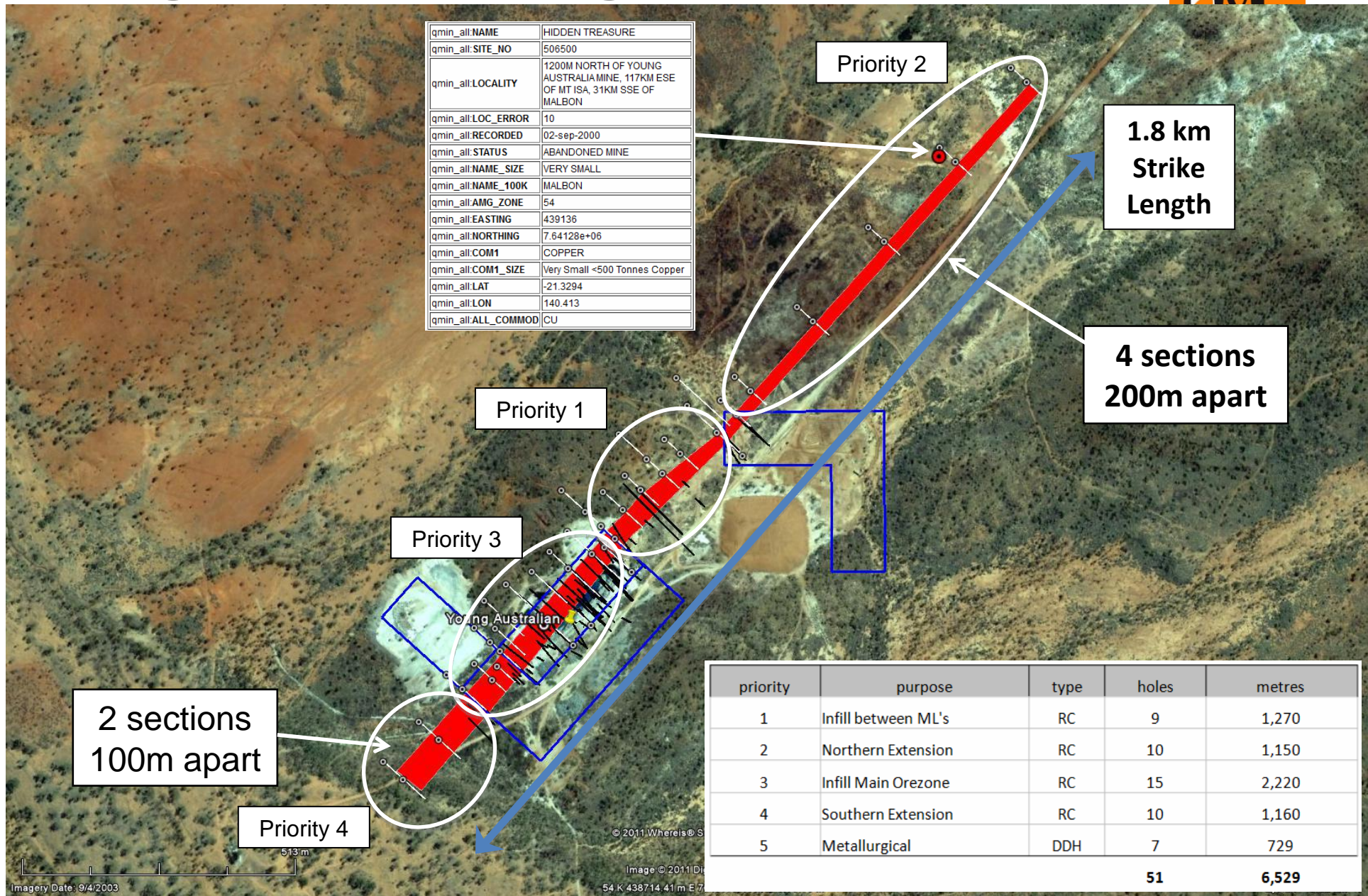
Long Section - Greenmount



	Purpose	Type	Holes	Metres
1	Convert shallow ore to Measured	RC	11	1,015
2	Infill	RC	14	3,005
3	South and north extension	RC	13	1,985
4	Deep holes (-50mRL)	RC	3	1,050
			41	7,055
5	Metallurgical Diamond Holes	DDH	6	480
	Total		47	7,535

- ⊙ Drilled holes
- Planned holes

Long Section of Young Australian



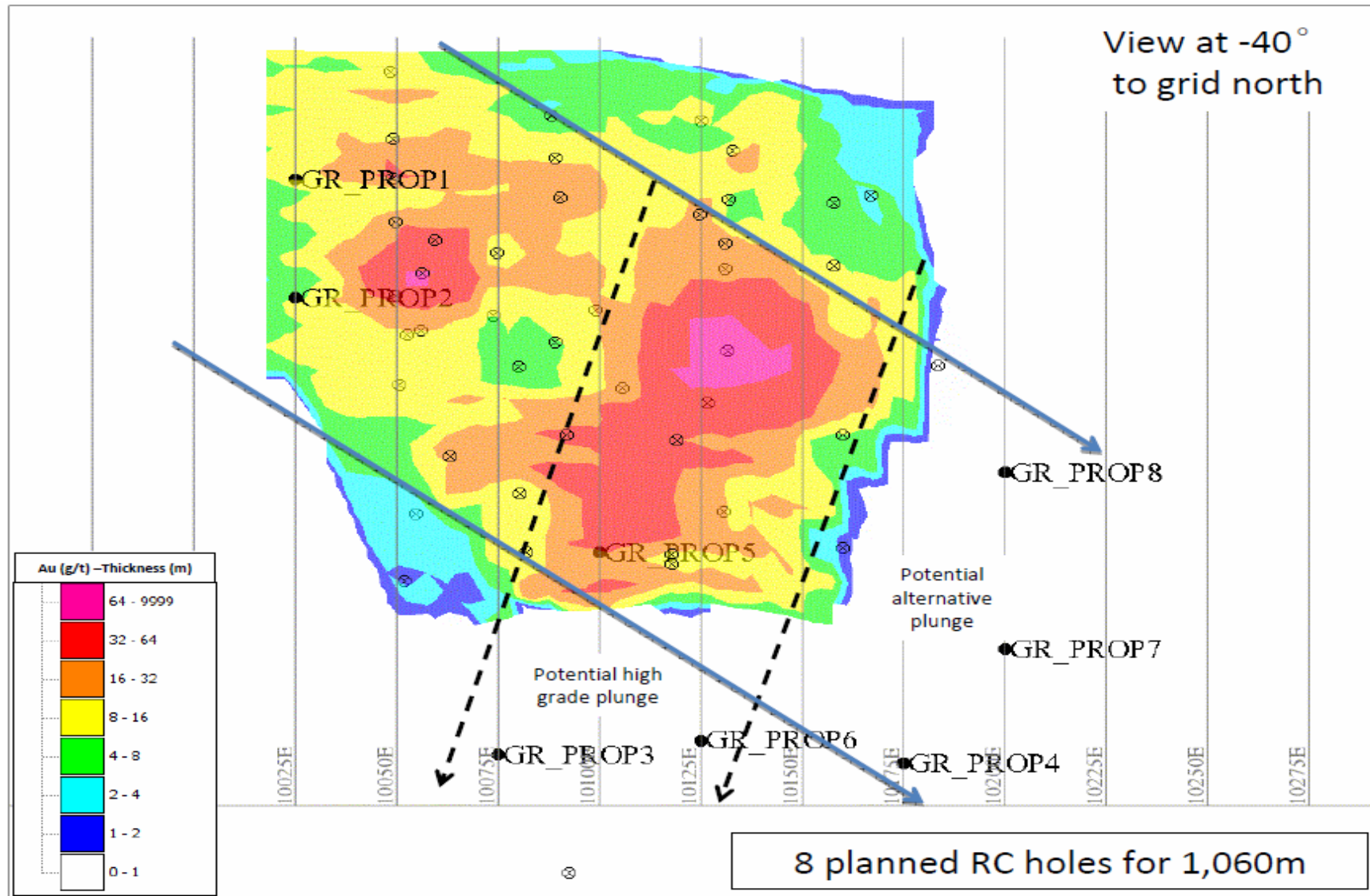
Gold Update – Gilded Rose/Mt Freda

- Third party discussions indicate further technical work required
- Preliminary met test work completed on Gilded Rose & Mt Freda
- Gold amenable to gravity concentration with cyanidation of the tail
- Conceptual flow sheets and capex & opex being analysed
- Next Steps
 - Conceptual mine planning & pit optimisation
 - Resource infill drilling
 - Metallurgical sampling and test work

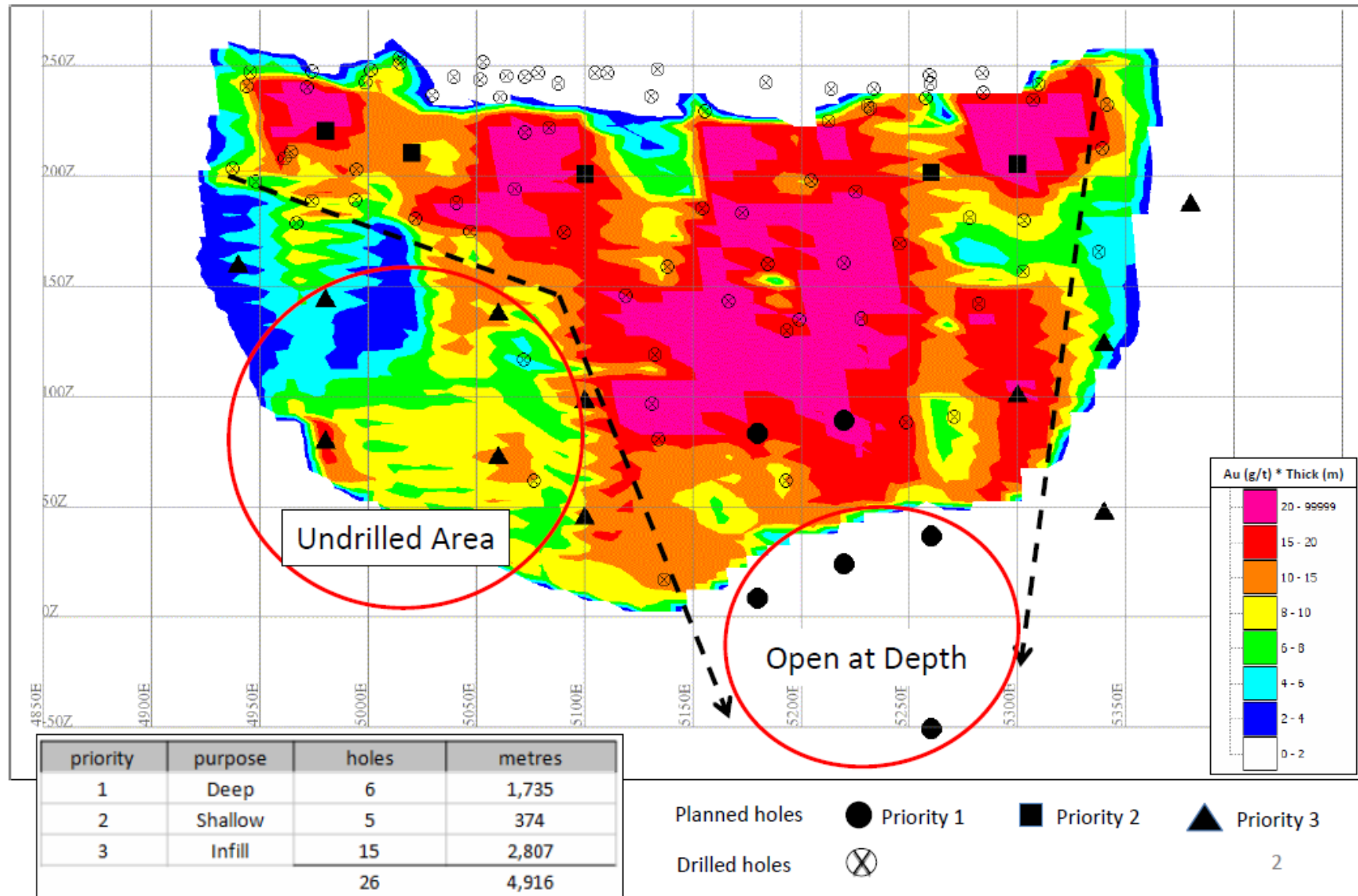


Gilded Rose gold plant & ore mineralisation

Long Section of Gilded Rose



Long Section of Mt Freda



Summary



- QMC now well-placed to raise funds for key strategic activities
 - White Range Project
 - Gold Opportunities
 - Greenfields Exploration
- White Range development is the company's primary focus and significant activity is now well underway on the feasibility study
- Ivanhoe deal greatly enhances White Range operations potential, adds value and leverages tenement base
- Evaluation of gold opportunities ongoing
- Exploration drilling:
 - Identify additional copper oxide resources for White Range
 - Follow up major IOCG opportunities

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Thank you

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QMC's MINERAL RESOURCES (JORC 2004)

	TOTAL MINERAL RESOURCE ⁽¹⁾ (0.2% Cu cut-off unless stated otherwise)	CONTAINED COPPER t ⁽¹⁾	CONTAINED COBALT M lbs ⁽¹⁾	CONTAINED GOLD oz ⁽¹⁾
WHITE RANGE PROJECT				
GREENMOUNT	12.3 Mt @ 0.80% Cu, 0.06% Co, 0.30g/t Au	97,000	16.01	118,500
KURIDALA	7.2 Mt @ 0.84% Cu, 0.02% Co, 0.21g/t Au	60,000	3.92	48,600
Mt McCABE	7.7 Mt @ 0.57% Cu, 0.02% Co	44,000	3.69	-
YOUNG AUSTRALIAN	2.1 Mt @ 1.03% Cu, 0.01% Co	21,000	0.37	-
VULCAN	1.4 Mt @ 0.64% Cu, 0.02% Co	9,000	0.50	-
SUB-TOTAL WHITE RANGE	30.7Mt @ 0.75% Cu, 0.04% Co, 0.17g/t Au	231,000	24.48	167,100
STUART	5.6 Mt @ 0.55% Cu, 0.14g/t Au	31,000	-	26,900
FLAMINGO (1.0% cut-off)	0.1 Mt @ 6.0% Cu, 1.8g/t Au	7,000	-	6,900
TOTAL COPPER DEPOSITS	36.4 Mt @ 0.7% Cu, 0.03% Co, 0.17g/t Au	269,000	24.48	200,900

GOLD: Mt Freda, 1.6Mt @1.7g/t Au for 89koz; Gilded Rose 143kt @ 4.2g/t Au for 19kt oz (0.5g/t cut-off):
108,000 oz for Cloncurry gold deposits, **308,000 oz** global total

(1) Totals rounded to nearest thousand (t), ten thousand (M lbs) & hundred (oz) and may not add to exact number shown in total due to rounding; no recovery factor applied to calculate "contained" product; Cu = total copper metal

1.0 For Greenmount, Kuridala, Vulcan, Mt McCabe Flamingo and Stuart deposits

Information in this presentation that relates to exploration results and Mineral Resources is based on information compiled by Max Tuesley a consultant to QMC and a Member of the Australasian Institute of Mining and Metallurgy and 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. Mr Tuesley has reviewed and compiled all of the resource modeling 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 & Dr Xu consent to the inclusion in the presentation of the matters based on information in the form and context in which it appears.

2.0 For Young Australian and Gilded Rose deposits

Information in this presentation relates to exploration results and Mineral Resource estimates based on information compiled by Dr Guojian Xu and Mr James McIlwraith. 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. With respect to their respective contributions, these persons qualify as Competent Persons as defined in 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Xu and Mr McIlwraith consent to the inclusion in this report of the matters based on the respective information provided by each of them, in the form and context in which it appears.

3.0 For Mt Freda deposit

Information in this presentation relates to exploration and Mineral Resource estimates based on information compiled by Dr Guojian Xu and Mr Arnold van der Heyden. Mr van der Heyden is a Member of the Australian Institute of Mining and Metallurgy and is a consultant to Queensland Mining Corporation through Hellman and Schofield Pty Ltd. With respect to their respective contributions, these persons qualify as Competent Persons as defined in 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Xu and Mr van der Heyden consent to the inclusion in this report of the matters based on the respective information provided by each of them, in the form and context in which it appears.

Note: All figures are rounded so some differences from previous resource statements may occur.