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The Manager
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Sydney, NSW 2000

High Quality IOCG Drill Targets Defined at Jessievale Prospect, Cloncurry

Highlights

- **Four (4) high quality drill targets have been defined following completion of LANDTEM™ geophysical survey by the Company in May**
- **The new targets display geophysical characteristics resembling those seen in giant Olympic Dam, Prominent Hill and Ernest Henry deposits**
- **Drilling of a similar TEM anomaly in 1991 led to the discovery of the Ernest Henry deposit in the district (167Mt @1.1% Cu and 0.54g/t Au), located 30km to the south-east of Jessievale**
- **Tenor and dimension of the targets are analogous to those hosting the Ernest Henry Mine**
- **Drill programme planned to test targets scheduled to commence in late June**

Queensland Mining Corporation Limited (**ASX: QMN**) is pleased to announce the completion of a Land Transient Electromagnetic (LANDTEM™) survey over its 100% owned Jessievale tenement located about 30km northwest of Xstrata's world class Ernest Henry copper-gold mine in Cloncurry, northwest Queensland.

The survey started on the 29th of April and finished on the 21st of May 2010. A total of 11.55 line km in 11 E-W directed survey lines of LANDTEM™ data has been acquired by Outer-Rim Exploration Services, a Kalgoorlie based geophysical contractor. Locations of the survey lines basically cover the existing magnetic and gravity anomalies reported to the shareholders by the Company on 30 March 2010. Data along lines 7762800N, 7762600N and 7762400N (the three northernmost lines, **Figure 1**) have been collected using a 100m x100m moving loop transmitter configuration, with receiver stations centred in each loop at 50m intervals. The remaining lines are collected using a 200m x 200m moving loop.

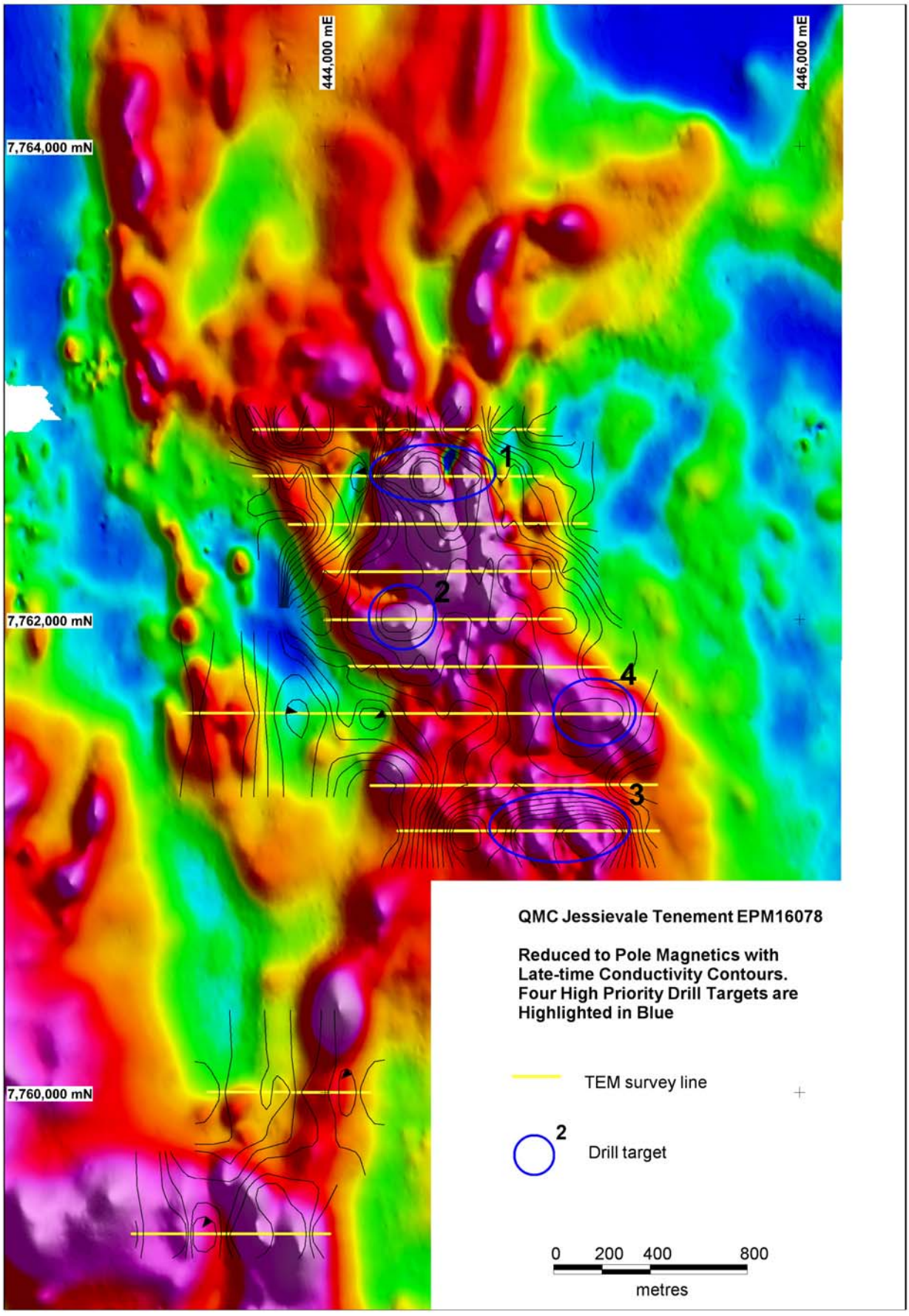


Fig. 1 Magnetic background with late-time conductivity contours and drill target

LANDTEM™ Based Surveys

Compared to the conventional ground based TEM surveys, the LANDTEM™ utilizes extremely sensitive magnetic sensors and is able to detect deeply buried conductive sulphides while being able to effectively minimise the electromagnetic signals from conductive cover and formational conductors. The Jessievale tenement is mostly covered with Mesozoic-Canozoic sediments up to 100m deep. The lower part of the Mesozoic cover mainly comprises conductive black shale, which had masked the EM response of any sulphide mineralization hosted in the underlying Proterozoic basement when North Limited undertook their SiroTEM survey in the region in 1992.

The recently completed LANDTEM™ measures intensity of the secondary magnetic field induced by subsurface conductors (e.g. sulphide mineralization) up to a 50msec time base, which represents a marked improvement to the historical SiroTEM collected in the region that was recorded only to 11msec. Such an increase in time base allows for much greater depth penetration and resolution of targets compared to historical data available to previous explorers.

The survey has outlined several strong conductors that might reflect the deep sulphide mineralization hidden within the tenement. In combination with previously collected ground magnetic data and open file gravity data, four high quality drill targets have been defined and designated as ***Target 1, 2, 3 and 4*** with decreasing order of priority (**Figure 1 & 2**). Importantly, these targets have a coincident conductivity, magnetic and gravity signature, typical of IOCG (iron oxide copper-gold) deposits like the nearby Ernest Henry in Cloncurry and Olympic Dam and Prominent Hill deposits in South Australia.

Details of Individual Targets

Target 1:
Measures 400m x 300m in dimension; the Company plans to drill FOUR RC/diamond core holes to test it in the forthcoming drill program.

Target 1 is located in the central north of the tenement and centred on line 7762600N between 444200 and 444600E. The conductive zone is coincident with high gravity readings and intense magnetic signature. Inversion modelling of the TEM data indicates the anomalous zone consists of three separate bodies with increased conductivity at depth (**Figure 3**). The depth to the top of the conductive bodies varies from 150m to 220m. Both the amplitude and extensiveness of the target are analogous to those drill tested by WMC in

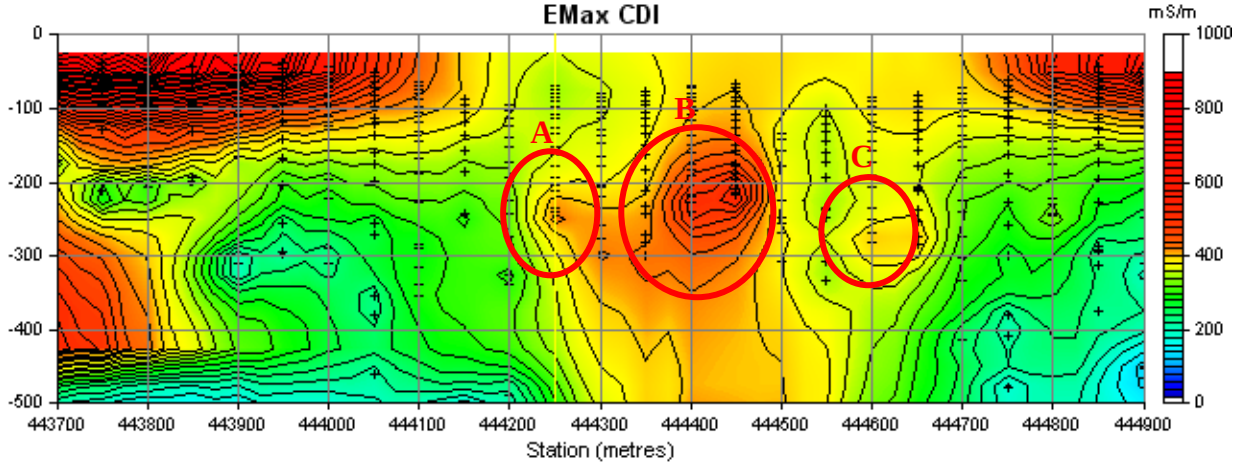


Fig. 3 Modelled conductivity section (7762600N)

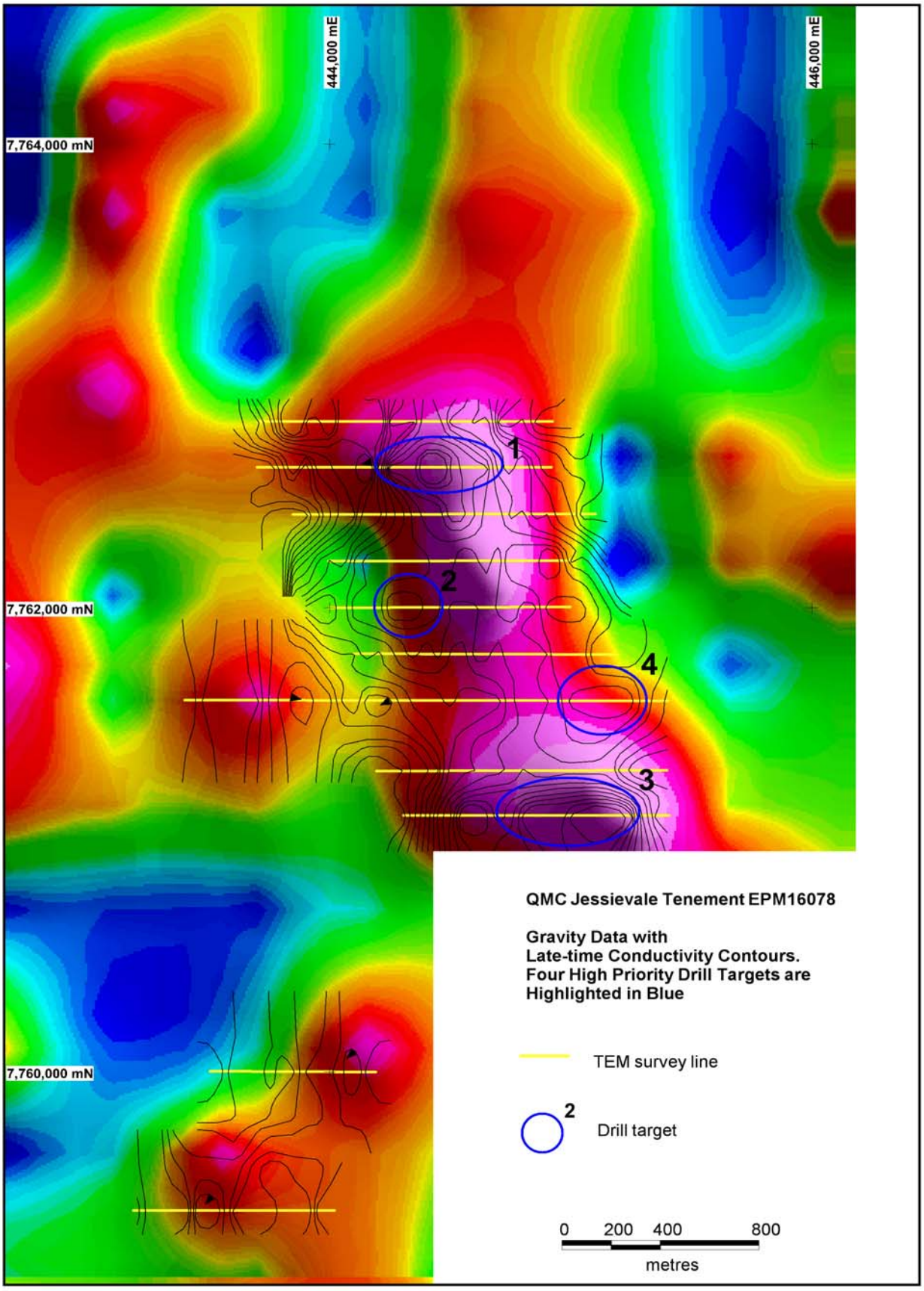


Fig. 2 Gravity background with late-time conductivity contours and drill targets

1991 in Ernest Henry, which led to the discovery of a world class copper-gold mine (167Mt @ 1.1% Cu and 0.54g/t Au) located 30km to the southeast of Jessievale.

Target 2:
Has an areal extent of 250m x200m; TWO RC/diamond core holes are planned to follow up this target.

Target 2 is located in the central part of the tenement and on line 7762000N between 444200 and 444500E. A discrete magnetic anomaly displaying late time conductivity has been identified. Both conductivity and magnetic anomalies are located on the western margin of a gravity high (**see Figure 2**). The modeled depth of the target is around 250m.

Target 3:
Measures 650m x 300m; THREE RC/diamond core holes have been planned to test this target.

Target 3 is located in the southeast of the tenement and on line 7761100N between 444800 and 444250E. Broad zone of moderate conductivity exhibits three conductive features, underlying conductive overburden and coincident with low magnetic anomalism but high gravity (**Figure 4**). Inversion modeling of the TEM data indicates the depths of the conductive bodies are in the range of 150m to 220m below surface.

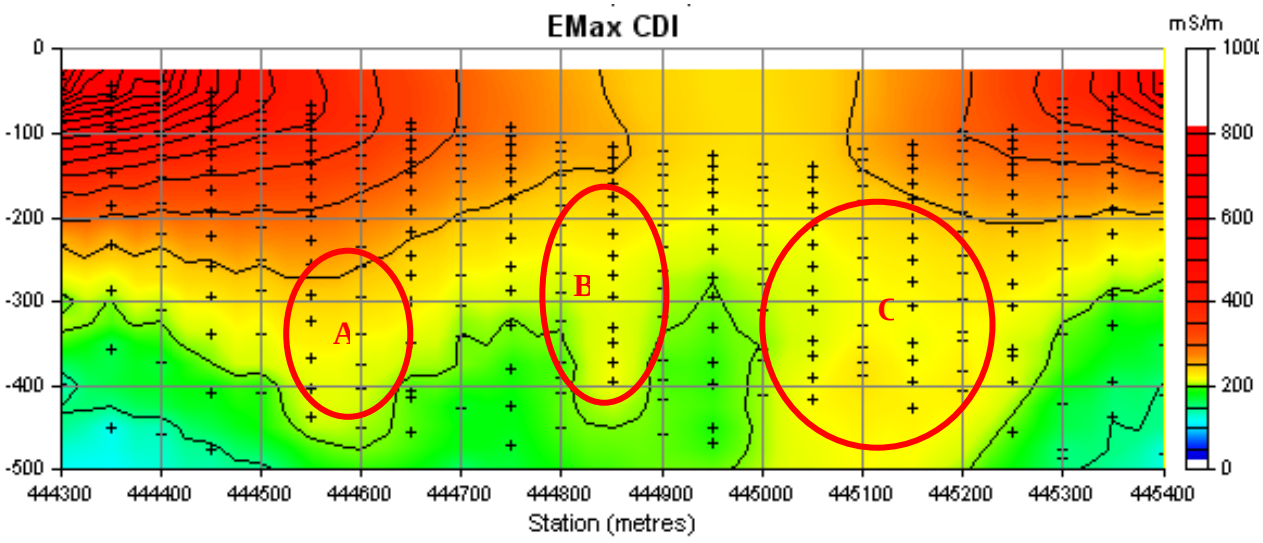


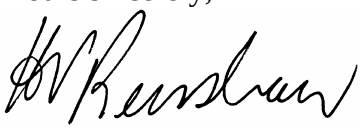
Fig. 4 Modelled conductivity section (7761100N)

Target 4:
Approximately 330m long and 300m wide. ONE RC/diamond core holes is planned to test this target.

Target 4 is located in the central east of the tenement and on the eastern end of line 7761600N between 444970 and 445300E. The target displays moderate conductivity coherent with magnetic and gravity anomalism. The modeled depth of the target is about 220m below surface.

Queensland Mining Corporation Limited is very encouraged by the recent LANDTEM™ geophysical survey results from its Jessievale project as the discovery of the Ernest Henry deposit in the district was made by drilling into a similar TEM anomaly.

Yours sincerely,



Howard V. Renshaw
Managing Director

ABOUT QUEENSLAND MINING CORPORATION LIMITED

QMC is listed on the Australian Securities Exchange (ASX: QMN). The company is focused on the exploration and development of its suite of copper and gold projects in the Cloncurry region of north-west Queensland.

QMC is confident that early cash flow can be achieved from its Flamingo Copper Project and the Mount Freda / Gilded Rose Gold Projects. In conjunction with this development, high impact exploration is being undertaken for large IOCG style deposits (e.g. Ernest Henry and Olympic Dam) on the company's Morris Creek and Jessievale properties.

The recent acquisition of the White Range Project has provided QMC with a large JORC compliant resource (202,000 t of contained Cu metal as summarised in the table below, using a 0.2% Cu cut-off, which also includes a higher grade resource of 163,000 t of contained Cu metal, average grade 1.1% Cu, which the 2005 BFS was based within), that will provide the basis for a long life mining operation in the Cloncurry region. This purchase offers synergies with the existing QMC mining lease and exploration portfolio and ensures that the company will achieve its goal of being a major mining entity within the short to medium term.

White Range Project Total - Oxide (0.2 % Cu cut-off)

	Tonnes (Mt)	***Cu %***	***Co %***	***Au g/t***	***Cu (Kt)***	***Co (lbs)***	***Au (Oz's)***
Greenmount	*12.3*	*0.78*	*0.06*	*0.3*	*96*	*16 Million*	*119,000*
Kuridala	*7.2*	*0.84*	*0.02*	*0.21*	*60*	*3 Million*	*49,000*
Vulcan	*1.0*	*0.59*	*-*	*-*	*6*	*-*	*-*
McCabe	*9.3*	*0.42*	*-*	*-*	*40*	*-*	*-*
Total	***29.8***	***0.68***	***-***	***-***	***202***	***19 Million***	***168,000***

Stuart Project Indicated Resource - Oxide (0.5 % Cu cut-off)

	Tonnes (Mt)	***Cu (%)***	***Cu (Kt)***
Stuart (oxide)	***1.22***	***1.1***	***13.4***

Note: *Golder Associates have recently been engaged to undertake a review of the Stuart Resource and to include Cobalt and Gold in the estimation.*

Flamingo Inferred Resource – Sulphide (1.0% Cu cut-off)

	Tonnes	***Cu (%)***	***Au (g/t)***	***Cu (Kt)***	***Au (Oz's)***
Flamingo (Sulphide)	***117,000***	***6.0***	***1.8***	***7.2***	***7,000***

The total JORC compliant resource base controlled by QMC as of the 17 May 2010 is:

Total QMC – JORC Compliant Resources

QMC Total	***Cu (t)***	***Co (lbs)***	***Au (Oz's)***
Total	***222,600***	***19 Million***	***175,000***

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, General manager, Exploration and Development, 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 mineralization 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.