



Queensland Mining Corporation
LIMITED

ABN 61 109 962 469
Level 24
Royal Exchange Building
56 Pitt Street
SYDNEY NSW 2000 AUSTRALIA
GPO Box 4876
SYDNEY NSW 2001 AUSTRALIA
TELEPHONE 61 2 9251 6730
FACSIMILE 61 2 9251 6326
EMAIL admin@qmcl.com.au

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The Manager
Company Announcements Office,
ASX Ltd
4th Floor, 20 Bridge St
Sydney, NSW 2000

New Copper-Gold Zone Identified at Flamingo Project, Cloncurry, QLD

Highlights

- Recent drilling has identified a new zone of copper-gold mineralization located on the western lease of Flamingo Project
- Mineralization is in the same structural corridor as nearby eastern lease, with intersections including 17m @ 2.13% Cu and 0.45g/t Au from near surface depth of 22 metres
- Significantly Uranium and Molybdenum mineralization has also been identified for the first time on the leases with an intersection of 3m @ 820ppm U₃O₈ and 323ppm Mo returned
- The new zone measures at least 300m in length and 100m in width, is open at depth and along strike in both directions
- It is anticipated that these results will increase the Inferred resources tonnage for the project

Recent drilling by Queensland Mining Corporation Limited (**ASX: QMN**) has identified a new copper-gold zone at the 100% owned Flamingo project located 110 km north-northwest of Cloncurry, northwest Queensland. The area is centred approximately 1 km west of the Flamingo east lease where a maiden JORC inferred resource of 117,000t @ 6% Cu and 1.8g/t Au was recently delineated by the Company (*ASX announcement 25 March 2010*).



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The Company drilled 55 RC holes in the Flamingo area in April-May 2010 for a total advance of 4907m. Of these, 18 holes totalling 1,902m were designed to follow up recent soil anomalies outlined in the Flamingo west lease and significant mineralization intersected by Mt Isa Mines (MIM, now X-strata) drilled in 1994 Drill hole details are presented in **Table 1** and their locations are shown in **Figure 1**.

The soil sampling undertaken by the Company highlighted three areas with anomalous copper values, including one area extending 190m x 130m at 220ppm copper contour in the central part of the lease, with drilling results showing a high degree of correlation with surface soils as seen at **Figure 1**. **Sporadic oxide copper mineralization in the form of malachite and azurite veins and stockworks is exposed in shallow pits and creeks across the lease covering an area of about 450m x 350m.**

Assay results have confirmed the presence of ore grade mineralization in 17 out of the 18 holes drilled into the targets (**Table 2**). Important drill intercepts include:

Hole FL10RC21	17m @ 2.13% Cu, 0.45g/t Au and 1.31g/t Ag from 22m including 2m @ 12.2% Cu, 2.24g/t Au and 4.95g/t Ag from 31m
Hole FL10RC32	17m @ 0.54% Cu, 0.24g/t Au from 35m including 5m @ 1.22% Cu, 0.32g/t Au, 1.06g/t Ag, 598ppm U ₃ O ₈ and 323ppm Mo from 41m and 4m @ 1.32% Cu, 0.33g/t Au and 1.18g/t Ag from 70m
Hole FL10RC36	4m @ 1.39% Cu, 0.21g/t Au from 17m, 7m @ 0.61% Cu, 0.34g/t Au and 1.1g/t Ag from 48m and 8m and 2m @ 0.54% Cu from 70m in, for a cumulative intersection of 13m @ 0.85% Cu

These results are in addition to the best intercepts returned by the MIM drilling which included **16m @ 1.26% Cu and 0.34g/t Au from 150m depth** at (hole DY022R at **Figure 1**) which included 4m from 150m – 3.40% Cu and 0.65 g/t Au; 4m from 162m – 1.60% Cu and 0.72 g/t Au.

The new mineralized zone is within a 300m long and 100 wide corridor trending near north-south where a drilling pattern of 25m x25m was employed to target a JORC-compliant shallow sulphide resource. The style of mineralization found in the Flamingo west lease is very similar to that observed in the Flamingo east lease in terms of mineral assemblage and structural control, both of which are associated with the NWW-SEE trending Eclipse fault running through the area.

The new mineralized zone is open along strike and at depth.

Importantly, the new discovery carries significant amount of uranium (up to 598ppm U₃O₈ over 5 metres in Hole FL10RC32 and 820ppm U₃O₈ over 3 metres in Hole FL10RC22) and molybdenum (up to 327ppm Mo over 2 metres in Hole FL10RC26).

This is the first time that high grade uranium and molybdenum intersections have been returned from Flamingo. Given the proximity of the lease to known granitic intrusions, further discovery of uranium and molybdenum mineralization at Flamingo has the potential to substantially add value to the economics of the project.



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The Company is very encouraged by the identification of this new mineralized zone as it has the potential to add the existing resource base with a view to a possible treatment operation via nearby third party processing facilities. Resource modelling which will include the new drill results is now underway.

To improve its landholding in the Flamingo area, the Company has recently lodged an additional six mining lease applications covering a 3km NWW-SEE magnetic trend which is contiguous to the present leases and known mineralized trend and now believed to be highly prospective for copper, gold, uranium and molybdenum mineralization.

Yours Sincerely,

Howard V. Renshaw
Managing Director
Queensland Mining Corporation Limited

Shareholder and Investor inquiries Contact:

Mr. James Moses
Investor relations
T: +61 2 8012 7702
M: +61 420 991 574
E: james@mandatecorporate.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 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.



Table 1: Flamingo Project – Drill Hole Details and Location

Hole ID	Easting MGA94	Northing MGA94	RL	AZIMUTH Magnetic	DIP	DEPTH (m)
FL10RC21	419412	7815245	155	250	-60	154
FL10RC22	419460	7815255	150	250	-60	232
FL10RC23	419433	7815280	155	250	-60	180
FL10RC24	419395	7815271	155	264	-60	132
FL10RC25	419333	7815213	155	60	-60	120
FL10RC26	419297	7815204	158	84	-60	100
FL10RC27	419237	7815346	158	264	-60	94
FL10RC28	419645	7815108	150	264	-60	82
FL10RC29	419610	7815108	155	84	-60	52
FL10RC30	419559	7815108	155	84	-60	82
FL10RC31	419428	7815165	155	264	-60	82
FL10RC32	419412	7815225	155	264	-60	94
FL10RC33	419392	7815244	155	264	-60	64
FL10RC34	419411	7815280	155	264	-60	52
FL10RC35	419458	7815279	155	264	-60	100
FL10RC36	419433	7815305	155	264	-60	82
FL10RC37	419459	7815327	155	264	-60	100
FL10RC38	419511	7815303	155	264	-60	100

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Table 2: Flamingo Project – Selected Results from RC Drilling (using a 0.2% Cu cut-off grade)

Hole ID	From	To	Intervals (m)	Cu (%)	Au (g/t)	Ag (g/t)	U ₃ O ₈ (ppm)	Mo (ppm)
FL10RC21	22	39	17	2.13	0.45	1.31		
<i>Incl.</i>	31	33	2	12.2	2.24	4.95		
FL10RC22	6	12	6	0.31				
	176	178	2	2.44		1.25		
	182	184	2	0.41				
	196	199	3				820	
FL10RC23	21	26	5	0.25				
	58	60	2	1.01	0.27	1.05		
	165	167	2	0.71	0.35			
FL10RC24	104	106	2	0.62	0.25			
	112	115	3	0.41	0.18		482	
FL10RC25	1	6	5	0.2				
FL10RC26	81	83	2	0.2				327
FL10RC27	13	22	9	0.2				
FL10RC28	14	16	2	0.59	0.1			
	44	46	2	0.54	0.14			
	66	70	4	0.21				
FL10RC30	44	47	3				573	
FL10RC31	41	43	2	0.45				
FL10RC32	35	52	17	0.54	0.24			
<i>Incl.</i>	41	46	5	1.22	0.32	1.06	598	323
	70	74	4	1.32	0.33	1.18		
FL10RC33	38	40	2	0.49				
FL10RC34	22	24	2	0.27				
FL10RC35	53	54	1	2.17	1.04		176	
FL10RC36	17	21	4	1.39	0.21			
	48	55	7	0.61	0.34	1.1		
	70	72	2	0.54				
FL10RC37	12	19	7	0.5	0.12			
<i>Incl.</i>	13	15	2	1.29	0.26			
	28	30	2	1.42	0.67			
FL10RC38	26	28	2	1.06				
	36	38	2	0.38		4.55		
	74	76	2	0.32				

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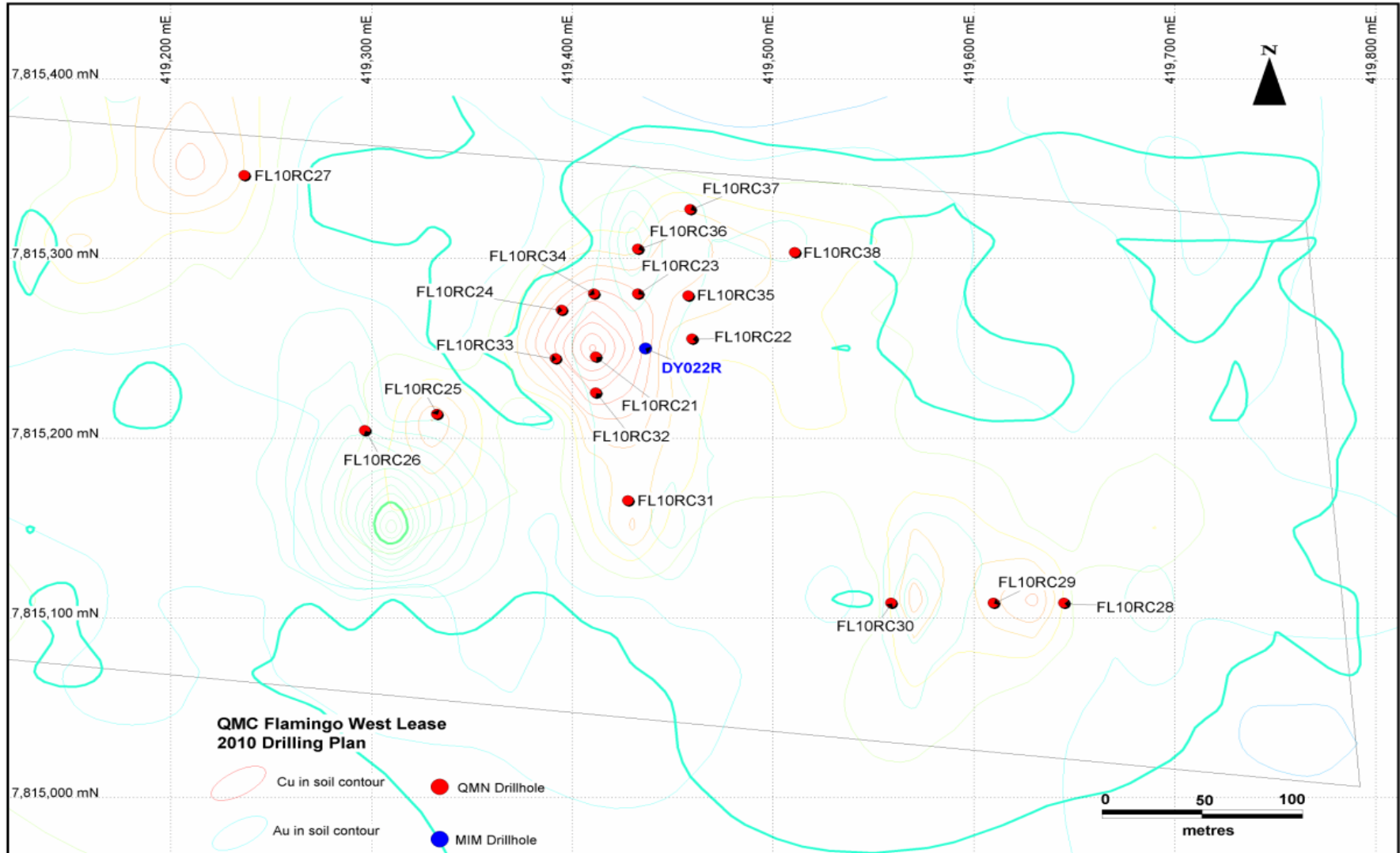


Fig. 1 QMC 100% owned Flamingo western Mining Lease north of Cloncurry