

**Queensland Mining Corporation**  
LIMITED



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13 August 2009

ASX Limited  
20 Bridge Street  
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**MEDIA RELEASE**

Queensland Mining Corporation Limited (ASX: QMN) attaches the following;

- Media Release

Yours faithfully,

**QUEENSLAND MINING CORPORATION LIMITED**

A handwritten signature in black ink, appearing to read 'Richard Hill', is written over a horizontal line.

**Richard Hill**  
Company Secretary

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# MEDIA RELEASE



*Thursday 13 August 2009*

## **QMC's planned resumption to achieve net operating cash flow**

Copper and gold explorer Queensland Mining Corporation Ltd (ASX: QMN) said today it is planning to recommence operations to achieve net operating cash flow.

In its quarterly activity report, Managing Director Howard Renshaw said QMC is progressing the development of its key mining interests in Queensland's northwest and intends to raise an additional \$5 million.

"QMC is working towards a number of key milestones which will see our operations expand and financial capacity grow over the coming 12 months," Mr Renshaw said.

### **Corporate Finance and Development**

Mr Renshaw said the company recently placed 18,605,000 shares at eight cents per share, raising \$1,488,400.

"The company intends to raise an additional \$5 million in equity, with the Board agreeing to a general meeting to seek approval to issue a further 50 million shares to assist in capital raising," he said.

### **High Impact Drilling (IOCG targets)**

- **Flamingo Project (North Cloncurry District)**

Mr Renshaw said the plan of operations for the Flamingo mining leases is with the Environmental Protection Agency and approval is expected by early September, enabling drilling to begin.

"Flamingo offers good potential with Micromine modeling from the previous drilling program suggesting significant copper mineralisation plus gold credits," he said.

"Conservatively, a target resource of 225,000 tonnes of copper metal at 1.5% with associated gold of 330,000 ounces at 0.67grams per tonne is anticipated, with significant upside potential."

- **Morris Creek EPM (Western Cloncurry Mineral District)**

Mr Renshaw said that a sub-audio electromagnetic geophysical survey and a drilling program have been planned at Morris Creek. Clearances have been obtained to commence the drilling program.

"Following the planned geophysical survey, the drilling program can commence immediately and could yield significant results, given that Morris Creek adjoins Cudeco's major discovery, the Rocklands Project."

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## Gold Production

- **Gilded Rose Gold Mine and Plant (Eastern Cloncurry Mineral District)**

Mr Renshaw said following an engineering assessment by GMS Engineering Pty Ltd for the recommencement of production, it is proposed the plant will commence gold production within six months, upon approval from the Department of Mines and Energy and the Environmental Protection Agency.

“The Gilded Rose net operating cashflow is anticipated to be approximately \$15 million based on a gold price of AUD\$1,000 per ounce, with the cost of production estimated at \$400 per ounce.”

- **Mt Freda Gold Mine and Plant (Eastern Cloncurry Mineral District)**

Mr Renshaw said that a scoping study into mine design, engineering and processing was underway and that the company has developed a drilling program targeting additional mineralisation to support planned mining and processing operations.

“The current Mt Freda infrastructure, excluding planned upgrades to facilities, is anticipated to provide a net operating cash flow of \$20 million per annum, based on a gold price of AUD\$1,000 per ounce and operational costs of AUD\$500 per ounce,” he said.

### Important drilling activity on other QMC mining leases

- Young Australian Copper Mine (Western Cloncurry Mineral District) – Micromine modelling has indicated a minimum 40,000 tonnes of copper metal at an average grade of 1.5% copper
- Mt Norma Copper Mine - a further drilling program is planned to increase the target resource to 10,000 tonnes of copper oxide metal at a grade of approximately 2%.
- Evening Star (Eastern Cloncurry Mineral District) - further drilling is planned to expand the mineralisation identified by micro-mine modeling last year along strike and down dip. The program has been designed to give a JORC resource.

**ends**

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