

Queensland Mining Corporation
LIMITED

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3rd September 2008

Dear Shareholder(s),

On behalf of the Board of Directors, I am pleased to announce that QMC will close the Initial Public Offering on the 11th of September as the minimum subscription has been exceeded and QMC has sufficient shareholders to meet the ASX listing requirements. Subject to ASX compliance matters, the listing is anticipated in the last week of September.

Further to our operational report to shareholders on the 8th April 2008, QMC has carried out significant exploration and drilling on its tenements and have just completed 9,000m of RC drilling at, namely, Mt Norma, Evening Star/Mt Freda and the Young Australian. The drilling on these mining tenements has been predominantly for copper oxide to support the Mt Norma vat leaching operations and the Young Australian stand-alone development, however, the company is assessing the sulphide potential at two of these mine tenements.

The geological team led by the Exploration Manager, Dr Guojian Xu has reported important intersection of mineralisation at all three mining tenements with some very good intersections of width. The results are being received progressively and are being logged and interpreted. QMC hopes to be in a position to release important drilling results in the next two weeks and over the ensuing two to three weeks.

The geological team is carrying out work to identify drilling targets on two out of five significant iron-oxide-copper-gold (IOCG) targets. In the first instance, Tommy Creek (Morris Creek) which adjoins the boundary of Cudenco's Rockland project and Xstrata's Chumvale project. The second target is Flamingo mining leases to the north of Quamby.

In the September quarter of 2008, the plan is to drill 8,000m on the following tenements, Tommy Creek, Flamingo, Mt McNamara, and will incorporate further in-fill and along strike drilling at Evening Star-Mt Freda, Mt Norma and Young Australian.

The Company is planning for a further 8,000m in the March quarter 2009.

Production at Mt Norma plant and vat leaching operations has not increased due to identifying and evaluating copper oxide ore deposits to supply the Mt Norma vat leaching operations. The Mt Norma operations are ready for increased production of copper sulphate subject to oxide ore being received into the vats.

QMC from the current drilling program on the Company's mining leases is becoming increasingly confident that supply of copper oxide ore to the vat at Mt Norma and further drilling on these MLs could well support the first five years of operations.

The Directors would like to thank you for your patience and loyal support and we believe that we hold significant mining and exploration tenements which, in the near future, should return results that should support your investments in QMC based on drilling results.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Howard V. Renshaw', written in a cursive style.

Howard V. Renshaw
Managing Director
Queensland Mining Corporation Ltd