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21 September 2007

## Half Yearly Report

Dear Shareholder,

**Since our last letter to shareholders, there have been significant developments, purchase of assets, appointment of directors and management leading to the IPO prospectus finalization.**

### **Purchase of assets**

Settlement of Spinifex Mines Pty Ltd for a total consideration of \$4.25 million which included the high grade gold plant, infrastructure and gold resources totaling around 300,000/oz on the 8<sup>th</sup> February.

Settlement of Mt. Norma Mine and copper sulphate plant and ore vat operation and the purchase of Cudoco Copper Mining Leases for a total consideration of \$9 million was completed on the 29<sup>th</sup> June.

### **Directors**

There have been significant changes to the Board of Directors and Management. As you are aware Mr. David Usasz became a director and Chairman of QMC in June. Mr. Usasz was corporate finance partner with PricewaterhouseCoopers for more than 20 years, gained extensive experience in Asia and Australia in international tax and M&A.

Mr. Peter Bull who had past experience in geological and mining operations and in later years corporate involvement with Macquarie Bank and representing their joint venture in bullion and commodities division which led to the establishment of the US subsidiary Macquarie Metals Inc. and further developed a unified approach to the credited assessment of resource clients for Macquarie.

Mr. Richard Hill, a Chartered Accountant, extensive experience in mining companies, who recently resigned as a director has taken the position of company secretary on the retirement of Mr. Keith Taylor, to whom the company is very thankful for Mr. Taylor's contribution and services.

Mr. Kevin Maloney joined the board in August. Mr. Maloney recently floated his family company and is chairman and managing director of The MAC Services Group Ltd. recently listed on the ASX. Mr. Maloney brings to the board substantial corporate, business and financial expertise. He was formerly the Chief Executive Officer of Elders Resources Finance Limited which under his stewardship turned the company from very little to a \$4 billion enterprise. Mr. Maloney and his family have invested in excess of \$1 million equity and entered into the \$5 million convertible note.

### **Management**

QMC has entered into a contractual arrangement with Elders Resources Technical Services Pty Ltd. They will provide technical, management and be responsible for operations and exploration.



### **Shares on issue and capital**

The company has 143 million shares on issue and cash on hand of around \$5.6 million after the above settlements.

The company entered into a convertible redeemable Note issue for \$5 million with Elders Resources Group Limited, convertible at \$0.35 cents for a two year term, this note has been drawn down.

### **Prospectus and underwriting**

The delay to prospectus lodgment was due to the settlement of Mt. Norma purchase which was completed on the 29<sup>th</sup> June, as this was a significant asset purchase as a going concern; the takeover of the operational and financial matters had to be attended to; the audit was therefore delayed and has just been completed as at the 30<sup>th</sup> June.

Novus Capital Ltd has been engaged as Corporate Advisors and Underwriters to QMC for the capital raising, it is proposed to raise up to \$15 million and Novus is prepared to underwrite and sub-underwrite up to \$10m. The company may reserve the right to take over-subscriptions. QMC wishes to be listed on the ASX by November/December 2007.

QMC is approaching and has been approached by leading broking houses and investment bankers to be involved in capital raising. We shall inform you in the near future of developments.

### **Information and marketing**

The website [www.queenslandminingcorporation.com.au](http://www.queenslandminingcorporation.com.au) is being formatted to accommodate the new projects that have been settled, other continuing projects as well as current corporate operations.

Shareholder are encouraged to provide their email address for our shareholder list so as quarterly, half yearly report, newsletters, corporate memorandums and prospectus can be dispatched.

Finally I would like to thank all those shareholders who have been patient in supporting the company over the past number of years, it has been nearly 4 years in developing the opportunities for the company to meet the business plan and objectives as originally outlined, this patience along with the opportunity to secure some 47 mining leases and 6 EPMS mostly surrounding our mining leases which total some 360 km<sup>2</sup> should enable the company to add value and create good exploration drilling target opportunities in the very near future.

**Yours Sincerely,**

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

.....  
**Howard. V. Renshaw**  
**Managing Director and Deputy Chairman**