Queensland Mining Corporation Limited: Reports 55% Tonnage Increase At Mt McCabe Project

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Sydney, Australia (ABN Newswire) - Queensland Mining Corporation Limited (ASX: QMN) is pleased to announce the results of a resource review at the Mt McCabe Project (QMC 100% owned), located south of Cloncurry in North West Queensland.

The Mt McCabe Project is part of a suite of copper, gold and cobalt deposits acquired by QMC from the administrators of Matrix Metals Limited (ASX: MRX). Previously only copper had been estimated at the project and as with the recently updated Greenmount, Kuridala and Stuart resource estimates, Golder Associates were commissioned by QMC to undertake a review of the project and produce an updated copper and cobalt resource estimate.

Mr Howard Renshaw, the Managing Director of QMC, commented that 'This resource upgrade for the Mt McCabe Project is extremely encouraging and again proves that the acquisition of the White Range Project from the liquidators of Matrix Metals was exceptionally well timed. It is also very promising that the Mt McCabe resource offers the potential for extensions at depth and preliminary pit designs will be undertaken to help target the follow up drilling in this area to increase the JORC resource'.

The mineral resource estimate is based on a number of factors and assumptions that include:

- Only RC and Diamond drilling was used for estimating the mineral resource.

- Copper mineralisation envelopes were modeled in three dimensions using a nominal 0.1% Cu lower threshold. Five distinct copper domains were identified.

- Metallurgical zones were modeled using fixed RL's and were based on analysis of copper sequential digest assays.

- Base of oxidation has been assumed to be 150m RL, which was used by Matrix Metals for their 2006 mineral resource estimate.

- Statistical and geostatistical analysis was conducted on drill-hole sample assays composited to 1m down-hole interval lengths. The analysis was conducted on each of the five copper domains as well as the combinations of the domains.

- Top cuts were applied to the drill hole sample data prior to grade estimation.

- Grade estimation was conducted using median indicator kriging (MIK) for copper with cobalt carried as an additional variable. For all samples within the copper mineralisation envelopes that were assayed for copper but not for cobalt (approximately 13% of the samples), cobalt as assigned a conservative 0.5ppm.

Estimation was also conducted using ordinary kriging (OK) for copper, cobalt and bulk density. A default density of 2.55t/m3 was assigned to blocks that were not estimated by OK.

- A lognormal change-of-support correction was applied to the MIK estimates using a SMU size of 5m by 3m by 2.5m and support correction factors calculated from the median indicator variograms for each of the copper domains.

The Mineral Resource estimate was classified in accordance with the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC Code, 2004). The resource has been classified as Measured, Indicated and Inferred and was considered appropriate on the basis of drill hole spacing, sample interval, geological interpretation and representativeness of all available assay data.

The global mineral resource for the Mt McCabe deposit within the copper mineralisation envelopes and

above the 150 m RL at a 0.5% copper cut-off is 2.6Mt at 1.05% copper and 270ppm cobalt. This equates to a 55% increase in tonnes with a 16% drop in grade compared with the Matrix Metals 2006 estimate of 1.7Mt at 1.24% copper at a cut-off grade of 0.5% copper.

Golder identified five zones of mineralization based on a 0.1% copper lower threshold. The base of oxidation is assumed to be at the 150m RL (approximately 170m from surface) based on geological logging however further investigation is required to confirm this.

Some additional primary mineralisation was also modeled, but was not considered to be part of the resource estimate as it was primary in nature and at depth.

Golder Associates are also currently undertaking a review of the data at the Vulcan Project and a revised resource will also be produced in the forthcoming weeks, this is in line with a full review of the White Range Project, as part of the updating of the Matrix's 2005 Bankable Feasibility Study.

For the complete Queensland Mining Corporation announcement including figures and tables, please refer to the following link:
http://www.abnnewswire.net/media/en/docs/63846-ASX-QMN-607600.pdf

About Queensland Mining Corporation:

Queensland Mining Corporation Ltd ('QMC') (ASX:QMN) is focused on the exploration and development of its suite of copper and gold projects in the Cloncurry region of northwest 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 Cloncurry south project area includes the White Range Project has provided QMC with a large JORC compliant resource, 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.

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