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## **ASX Market Announcement**

6 August 2014

### **Encouraging Assay Results from Black Fort Copper Prospect in South Cloncurry**

Queensland Mining Corporation Limited (**ASX: QMN**) is pleased to announce that it has received assay results from the Black Fort drilling program completed recently. The one hole diamond drill program has intersected broad sporadic primary sulphide copper mineralisation at the targeted depth. Highlights from the drill results include (using a 0.2% Cu cut-off; estimated true widths are approximately 70% of the drilled interval):

- ***8m @ 0.78% Cu from 313m and***
- ***3m @ 0.68% Cu from 337m***

The Black Fort prospect is located approximately 45km south-southwest of Cloncurry and 12 kilometres southwest of Greenmount and forms part of the White Range project (Figure 1). The surrounding tenement is EPM17602 which is in JV with Orion Gold NL (ca. 4.2%) and Findex Pty Ltd (15%). Under the joint venture agreement, both QMC and Orion Gold need contribute towards the exploration expenditure on a pro rata basis to retain their respective interests in the JV with Findex's interest being free carried.

The prospect geology comprises calcareous and ferruginous siltstone, shales, phyllite, metavolcanics and jaspilite rocks of the Overhang Jaspilite unit of the Mid Proterozoic Mary Kathleen Group. The same unit also hosts the large Rocklands copper deposit near Cloncurry which is currently being developed by Cudoco Limited. Previous exploration by QMC has identified a 1 kilometre long structural zone with widespread alteration, broad copper mineralisation, moderate magnetic anomaly and old workings. Drilling by QMC in 2010 intersected widespread oxide copper mineralisation with results including 17m at 1.51% Cu.

The current drill program consists of one diamond hole (394m) with RC pre-collar to 54m depth. The hole was designed to target the potential sulphide mineralisation underneath the existing oxide copper mineralisation intersected by QMC 2010 RC drilling program. The drillhole information is summarised in Table 1 and its location is presented in Figure 2.

**Table 1** Detailed information for the diamond hole completed at Black Fort

Hole ID	Easting_MGA	Northing_MGA	RL	Azi_Mag	Azi_MGA	Dip	Depth (m)
BF14RCD02	440,594	7,666,651	291	250	256	-65	394

The drilling has intersected multiple zones of low grade copper mineralisation at the targeted depth (Figure 3). It is worth noting that all the copper mineralisation is comprised of primary sulphide minerals such as chalcopyrite and pyrite (Figure 4), suggesting the oxide copper present at surface and shallow depth is a result of the weathering process of the deep sulphides. Such an understanding in ore genesis will open up new opportunity for exploration of sulphide copper along the 25km long Overhang Jaspilite unit within the Company's tenement holdings. In addition, the alteration associated with the copper mineralisation in Black Fort is dominated by silica-dolomite, which is similar to the mineral assemblage related to the giant Mt Isa copper deposit.

The Company is encouraged by the discovery of primary sulphide copper mineralisation in Black Fort. The technical team will utilise the improved geological understanding obtained from this drill program to select effective targeting methods for search of economic copper deposits in the broader region.

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**Competent Person's Statement:**

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Guojian Xu, a Member of Australasian Institute of Mining and Metallurgy. Dr 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 2012 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.*

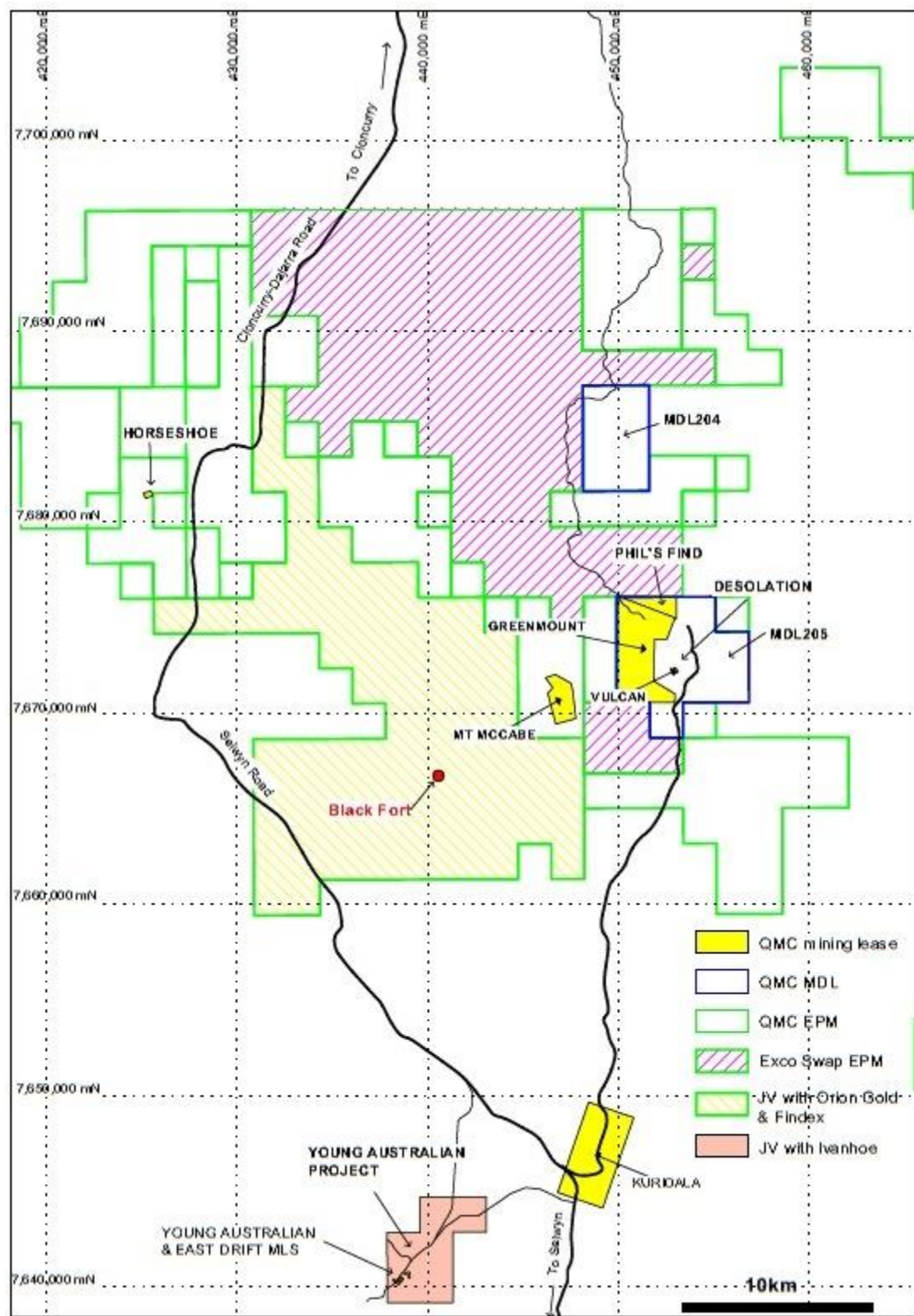


Figure 1 Regional location of the Black Fort prospect



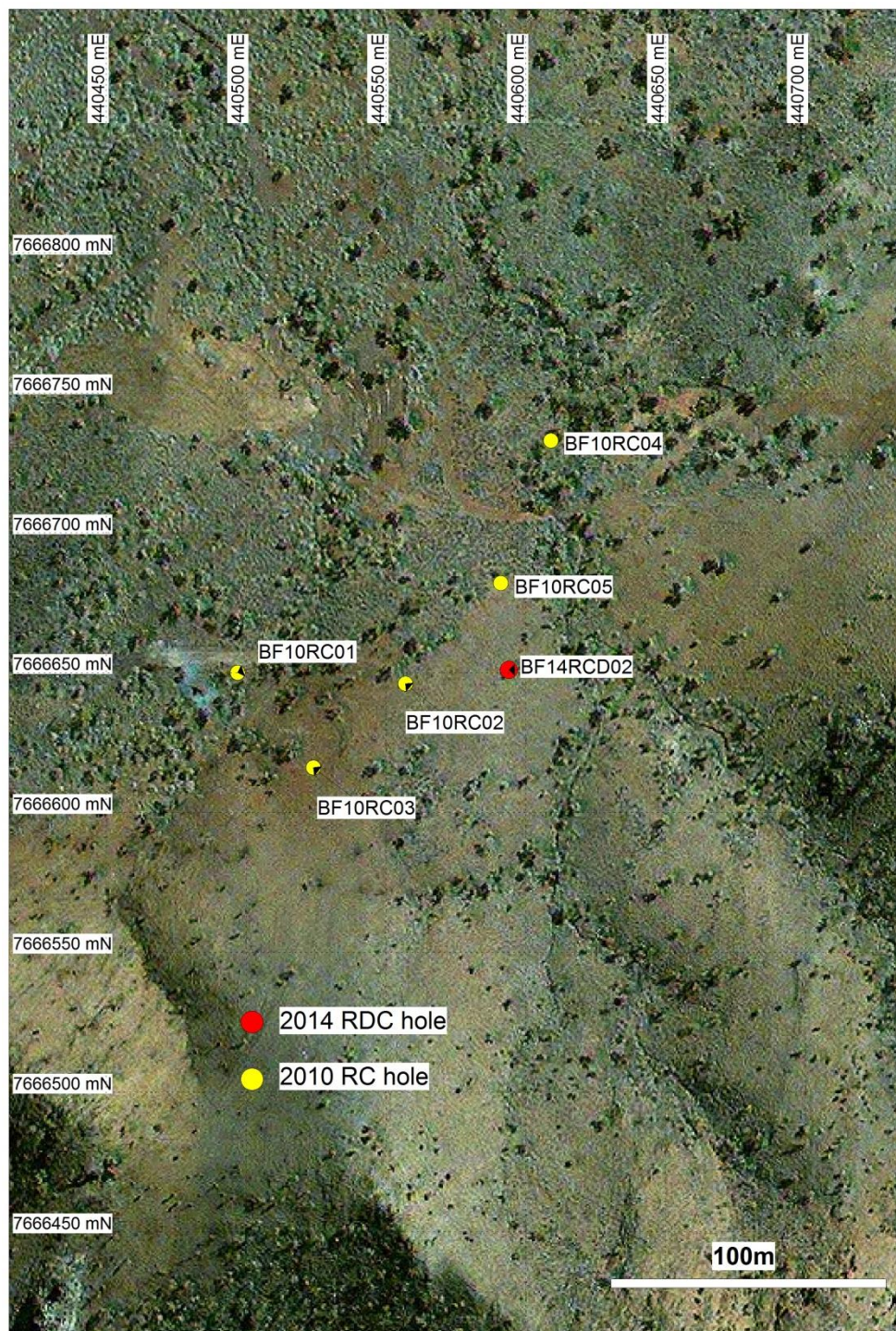


Figure 2 Location of the current diamond hole with respect to the RC holes drilled in 2010

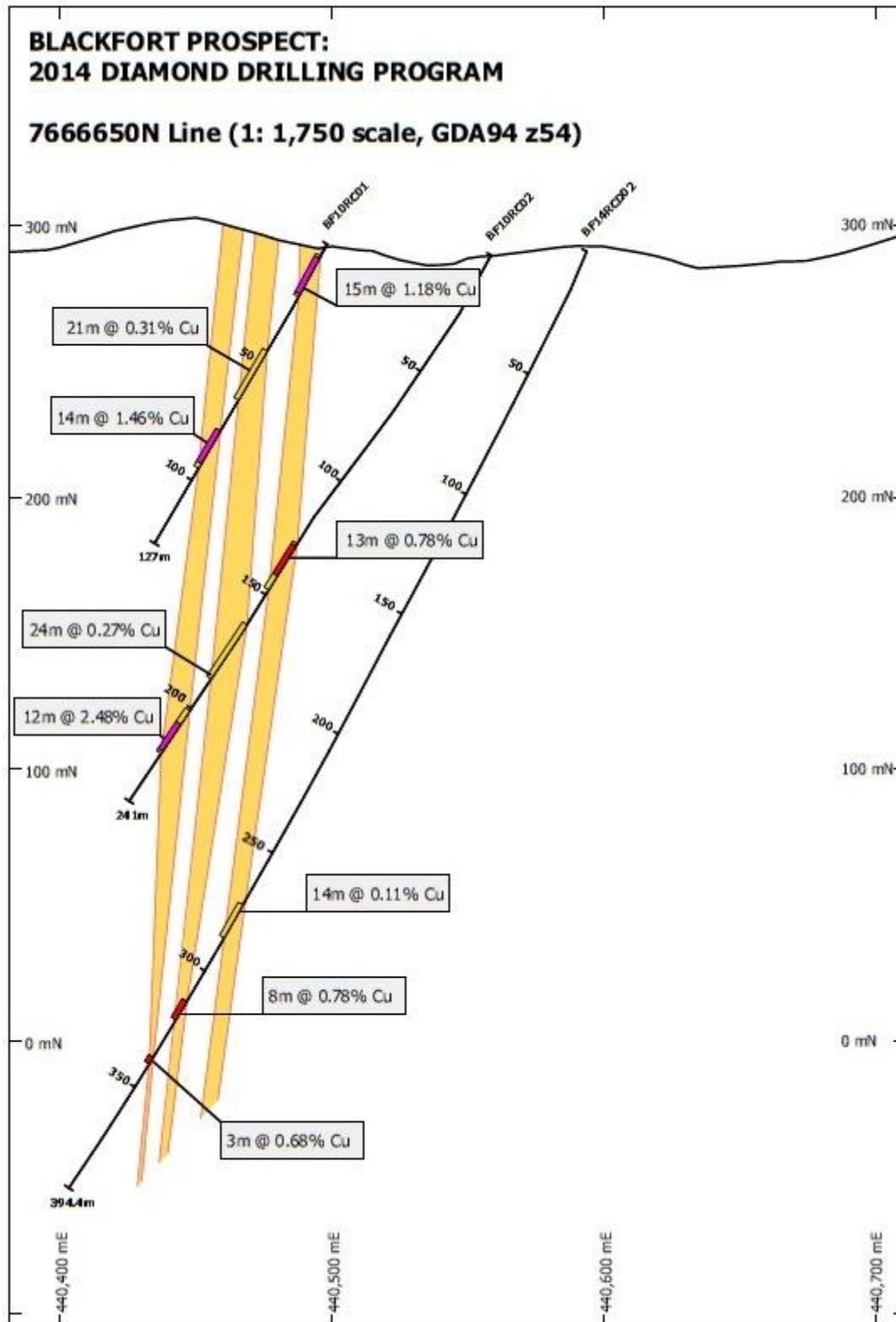


Figure 3 Cross section through the current diamond hole and two RC holes in 2010

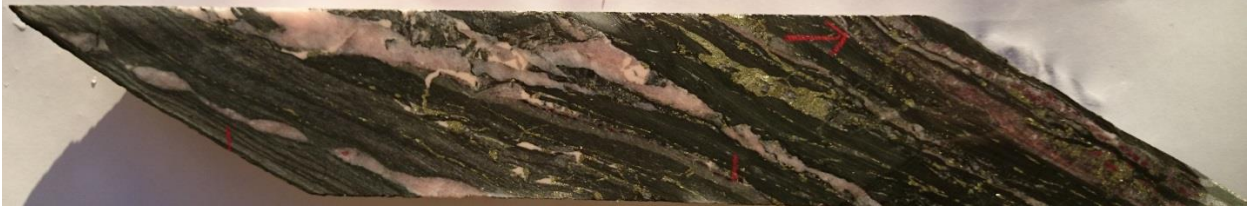


Figure 4 Chalcopyrite-quartz-carbonate veins in sheared jaspilite host (width of core photo is 45mm)



**2012 JORC Code****Section 1 – Sampling Techniques and Data**

<b>Criteria</b>	<b>Explanation</b>
Drilling Techniques – Black Fort	<ul style="list-style-type: none"><li>• RC pre-collar to 54m was undertaken using a Schramm WS450 drill rig with 4.5 inch hammer size. Diamond tail was completed using a Boat Longyear GK850 drill rig with both HQ and NQ bit sizes</li></ul>
Sampling Techniques	<ul style="list-style-type: none"><li>• All RC samples were collected at 1 metre intervals and were riffle split using a riffle splitter mounted on the drill rig. A 3m composite was made using a spear sampler.</li><li>• All the core was quarter (HQ) and half (NQ) cut using a core saw machine installed in the Company's site office in Cloncurry.</li><li>• Both 2m and 1m intervals were sampled depending on the presence of visible copper mineralization.</li><li>• Sample weight ranges from 2-3.5kg each</li><li>• Samples were pulverised to produce 30g charge for four acid digest for multi-elements and fire assay for gold</li></ul>
Logging	<ul style="list-style-type: none"><li>• Drill chips and core were logged onto field sheets and later input into the computer connected with Company server in site office.</li><li>• Chips were sieved on regular 1m intervals and put into labelled chip trays</li><li>• Chip trays are stored in the site office in Cloncurry</li><li>• Drill core was oriented with a Coretell Orishot device.</li><li>• All chips and core were geologically logged</li></ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"><li>• XRF analysis was conducted on all drill samples using an Innovex Delta model handheld XRF set in 'Soil' mode</li><li>• Assays were conducted by ALS Global, Townsville laboratory, using standard procedures and standard laboratory checks, ME-ICP61 and Au-AA25</li><li>• Sample preparation is consistent with industry standard practice</li><li>• The samples sizes are appropriate for the material being sampled</li></ul>

Quality of assay data and laboratory tests	<p>Sampling and assaying quality assurance and quality control (QAQC) procedures were implemented by the Company for all the drilling programs undertaken in Cloncurry. They included:</p> <ul style="list-style-type: none"> <li>• Blind certified OREAS standards were inserted 1 in every 25 samples</li> <li>• Blanks and field duplicates were included at a ratio of 1:50</li> <li>• Field duplicates were obtained by spear sampling the green plastic bag for RC and quarter core diamond drilling</li> <li>• OREAS standards were sourced from Ore Research &amp; Exploration Ltd</li> <li>• A total of 10 standards with various values, 5 duplicates and 5 blanks were used for the Black Fort drill program</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>• Significant mineralisation intersections were verified by Chief Geologist</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>• Drill hole collars were picked up using DGPS with sub-metre resolution and marked by star pickets with pink flag</li> <li>• Downhole surveys were taken every 30m using a digital Camteq Proshot instrument</li> <li>• Co-ordinates are recorded in grid system MGA94, Zone 54</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>• Drill hole spacing to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) is unknown at this stage</li> </ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>• Drill holes were designed to intersect the mineralized structure with minimal depth</li> <li>• Drilling orientation was proposed to be approximately perpendicular to the strike of interpreted mineralised zones</li> </ul>
Sample security	<ul style="list-style-type: none"> <li>• Sample bags were packed in batches into polyweave bags and then wrapped onto pallet for transport</li> <li>• Samples were transported to laboratory in Townsville by NQX</li> </ul>
Audits or reviews	<ul style="list-style-type: none"> <li>• Audit of sampling techniques and data was performed</li> <li>• In-house review of QAQC for laboratory assays was undertaken</li> </ul>



## Section 2 – Reporting of Exploration Results

Criteria	Explanation
Mineral Tenement and Land Tenure Status – Black Fort	<ul style="list-style-type: none"> <li>EPM17602 ‘Top Camp-Iron Ridge’ located approximately 40km south-southwest of Cloncurry and is JV with Orion Gold NL (4.2%) and Findex Pty Ltd (15%). The EPM currently consists of 47 sub-blocks and will expire on 20 October 2015.</li> </ul>
Exploration done by other parties	<ul style="list-style-type: none"> <li>Cyrus Gold carried out -80# soil sapling over prospect area at a grid pattern of 400m x100m, rock chipping and costeaning plus drilling of 7 RC &amp; diamond holes in the early 1990s</li> <li>One of the costeans returned 52m@ 0.82% Cu, including 10m @2.41% Cu</li> <li>In 2004 Orion Gold (former Goldstar) carried out gravity survey over the area</li> <li>In 2010 QMC drilling 5 RC holes with the best intersection of 17m@ 1.51% Cu</li> </ul>
Geology	Shear zone controlled copper mineralization in the calcareous and ferruginous siltstone, shales, phyllite, metavolcanics and jaspilite rocks of the Overhang Jaspilite unit of the Mary Kathleen Group. Sulphide copper mineralisation is associated with silica-dolomite alteration in the form of stringers, veins and veinlets
Other substantive exploration data	Sporadic copper mineralization in the form of malachite veins, stockworks and disseminations were noticed at surface plus very strong multiphase deformation