



## ASX Release

27 September 2010

### **Diamond Drilling Commenced at QMC's 100% owned Jessievale High Impact IOCG Project, Cloncurry**

#### ***Highlights***

- **Diamond drilling has commenced at QMC's 100% owned Jessievale IOCG project**
- **2D and 3D modeling of geological and geophysical data showed historical drill holes are too shallow to reach the targets**
- **Initial program of 4 diamond holes averaging each up to 500m deep to drill significant coincident conductivity-magnetic-gravity anomalies under cover**
- **Downhole EM (electromagnetic) survey will be carried out to locate any conductive bodies that may have been missed by this drilling**
- **Jessievale offers QMC a great chance to find potential IOCG deposits in the broad Ernest Henry area**

Queensland Mining Corporation Ltd (ASX code: QMN) is pleased to announce that diamond drilling has commenced on its 100% owned Jessievale IOCG (iron-oxide copper gold) project located 54km north-northwest of Cloncurry in northwest Queensland (Figure 1).

The Jessievale exploration permit (EPM16078) consists of 5 sub-blocks covering a total area of 16km<sup>2</sup>. The tenement was initially selected as having similar geological setting as Xstrata's world class copper mine at Ernest Henry, both of which fall within the same structural-magnetic corridor bounded by NW trending faults. The Ernest Henry mine, located 30km southeast of Jessievale, reports a resource of 167 Mt@ 1.1% Cu and 0.54g/t Au.

QMC announced to the ASX on the 30<sup>th</sup> of March and the 10<sup>th</sup> of June 2010, they completed detailed ground magnetic survey over the whole tenement and 11.55 line km LANDTEM<sup>TM</sup> survey on selected target areas highlighted by the magnetic survey and modeling of the open file gravity data. These geophysical investigations along with 2D and 3D computer modeling have generated four high impact targets for drill testing. All these targets exhibit varying amplitudes of late time conductivity in association with magnetic and gravity highs, a common feature characterized by many IOCG deposits around the world.



The ongoing drill program consists initially of 4 diamond holes of approximately 2000m, focusing mainly on testing the targets located in the central north and southeast of the tenement (Figure 2). The modeled depth of the drill targets are likely to commence from 100m below the surface. Given all the historical holes drilled into the central north target are limited to less than 69m deep, the source of the conductive and magnetic anomalies remains virtually untested. The two relatively deep holes (138-150m) drilled by North Limited in 1991 are too far to the north and so outside of the target.

The proposed holes are angled at -60 to -70 degrees and will be drilled towards both east and west directions to cover the interpreted orientations of structure and conductive zones. Final depth of the holes will be at least 500m so as to give the targets an effective test (Figure 3). Downhole EM surveys will also be carried out to identify any off-hole conductive bodies that may have been missed by this drilling. Additional prominent targets located along strike to these two top priority target areas will be drill tested by subsequent phase of drilling campaign.

The strong conductivity associated with the drill targets suggests the possible presence of significant sulphide mineralization under the younger cover rock sequence. The latter, particularly the basal unit of conductive black shales, has effectively hidden the potential mineralization from being discovered by the previous explorers. Therefore, the current untested deep targets in Jessievale offer QMC a great chance to find potential IOCG deposits in the broad Ernest Henry area where prospective stratigraphy, favourable structure and proximity to granites are present.

The Company is very excited about the commencement of drilling at Jessievale and looks forward to reporting the drill results to shareholders in due course.

**For further details please contact:**

**Howard Renshaw** (Managing Director)

**Tel: (+61 2) 9251 6730**

**Email: [admin@qmcl.com.au](mailto:admin@qmcl.com.au)**

**David Sasson**

**Tel: (+61) 0411 468 966**

(Northfield Communications - FIRSt)

**or visit our Website at: [www.qmcl.com.au](http://www.qmcl.com.au)**

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Guojian Xu, a Member of Australasian Institute of Mining and Metallurgy and a Fellow of the Society of Economic Geologists. Dr Guojian 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 mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 2004 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.*



Fig. 1 Diamond drill rig operating in Jessievale

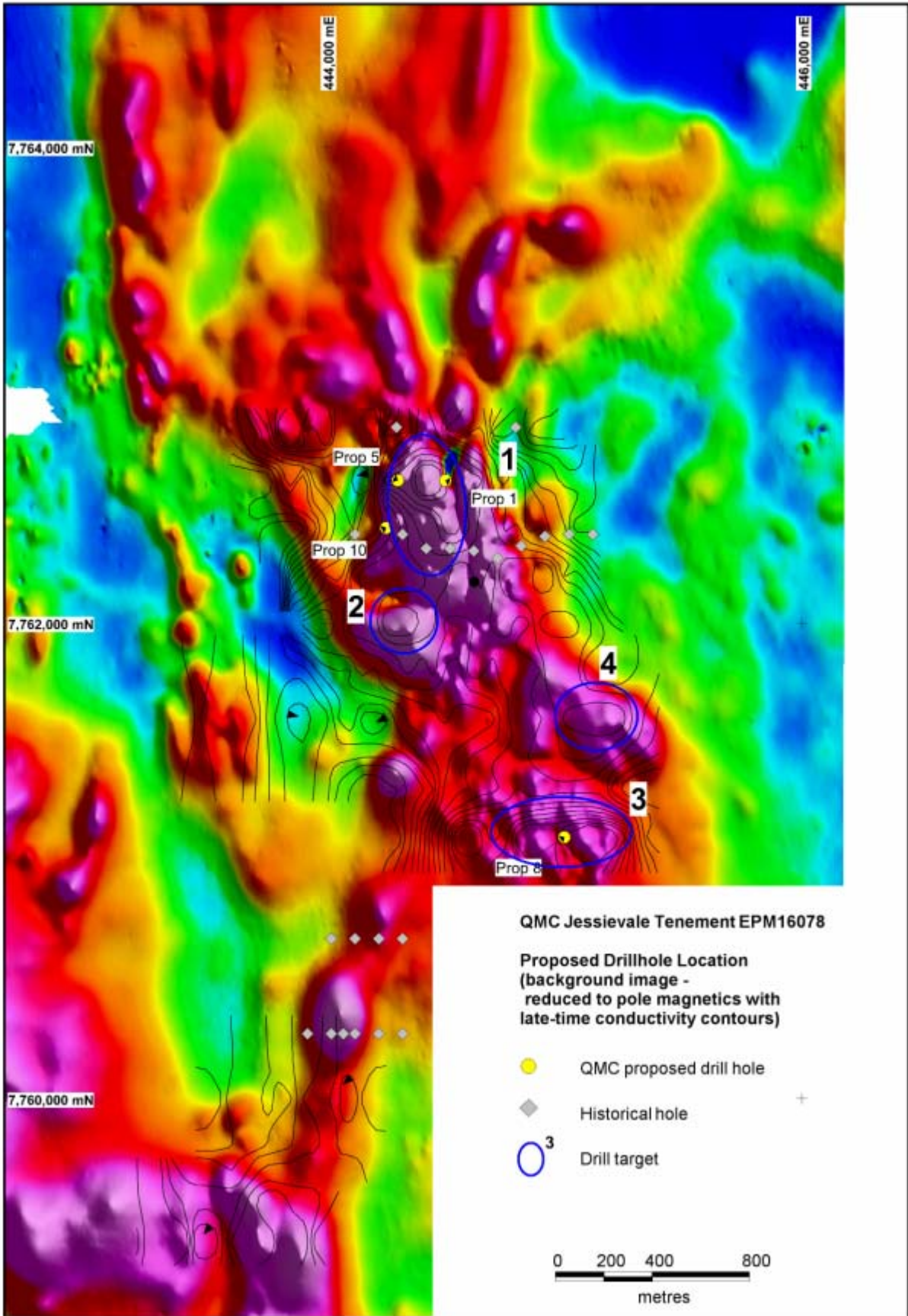




Fig. 2 Location of planned drillholes at Jessievale

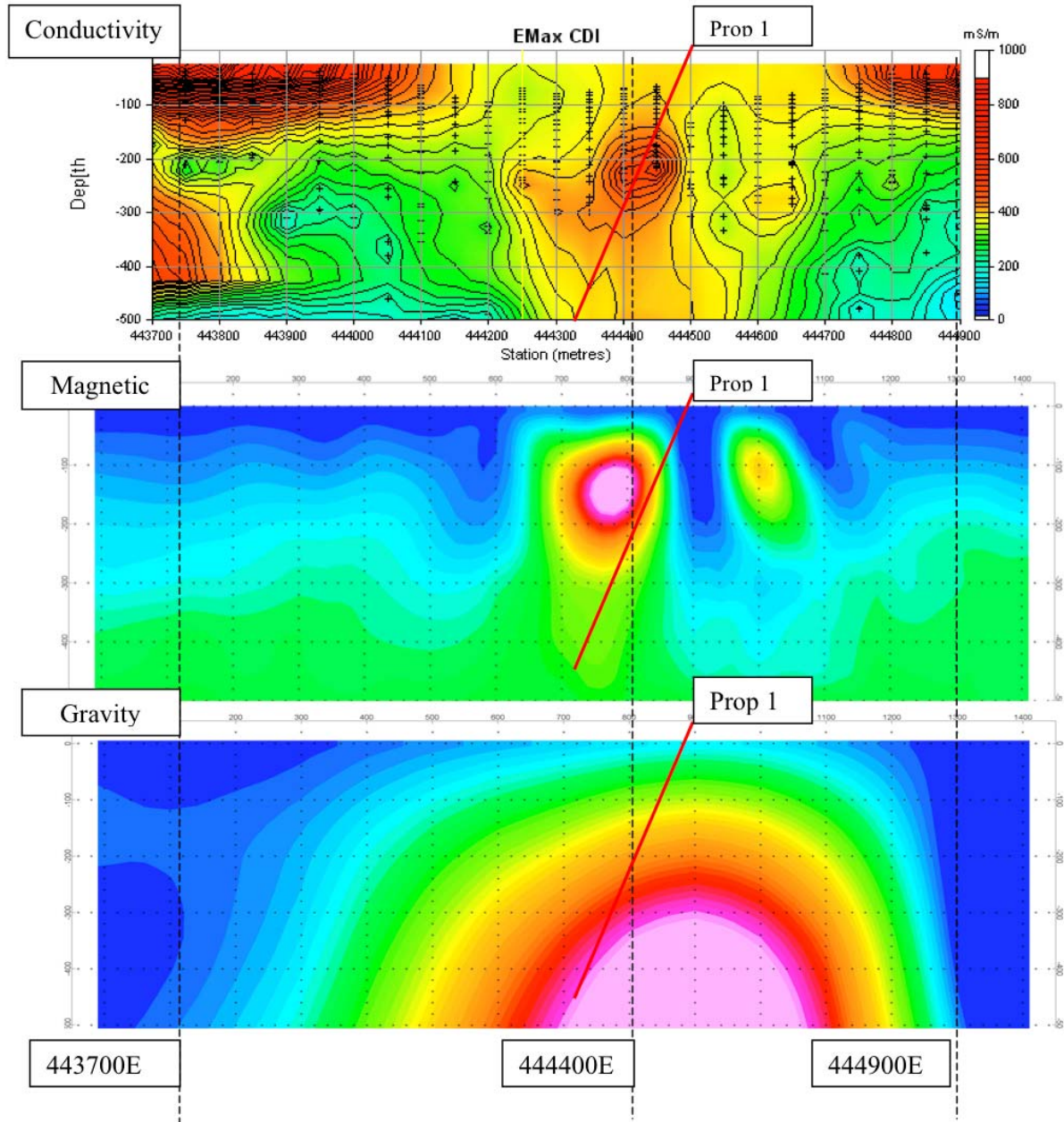


Fig.3. Cross section at 7762600N displaying Conductivity, Magnetic and Gravity Inversions and planned Hole 1 (Prop 1)