



ASX Release

17 October 2011

Queensland Mining Corporation Limited in its own right and as manager of the Goldsearch Limited joint venture

New high-grade Copper discovery on Horseshoe ML and Duck Creek EPM

- QMC owns 100% MLs – Horseshoe, Dulce, New Dollar and Mountain Maid.
- QMC is farming in to EPM13336, 70% from Goldsearch Limited (QMC owns 5% of the EPM).

Highlights

RC drilling at QMC's Duck Creek project, south of Cloncurry has discovered a new high-grade sulphide mineralized zone at depth with important cobalt credits.

Horseshoe / Dulce Prospects - high-grade sulphide discovery

- **36m @ 2.66% Cu, 0.23g/t Au and 238ppm Co** from 198m including;
8m @ 5.23% Cu, 0.38g/t Au and 716ppm Co
- **37m @ 1.72% Cu, 0.17g/t Au and 111ppm Co** from 186m including;
6m @ 4.00% Cu, 0.36g/t Au and 193ppm Co
- **22m @ 1.99% Cu, 0.2g/t Au and 309ppm Co** from 91m including;
5m @ 4.21% Cu, 0.26g/t Au and 1045ppm Co
- **22m @ 1.29% Cu** from 74m
- **13m @ 1.49% Cu** from 44m

New Dollar ML–open along strike to the west (sub-parallel to the Horseshoe)

- **3m @ 4.03% Cu** from 15m and **19m @ 1.31 % Cu** from 40m (same hole)
- **10m @ 2.65% Cu** from 85m including;
3m @ 4.75% Cu

Ready Rhino/Forget-Me-Not Prospects–near-surface sulphide mineralization

- **4m @ 3.24% Cu and 0.11g/t Au** from 20m
- **8m @ 1.45% Cu and 0.21g/t Au** from 41m

Mountain Maid ML–mineralization open at depth and to the west

- **5m @1.71% Cu** from 23m
- **7m @ 1.24% Cu and 307ppm Co** from 44m

Third phase program of 2,000m RC and diamond drilling on the Horseshoe/Dulce leases has been planned and is anticipated to commence at the end of the month.

Announcing these results today, Managing Director Howard Renshaw said: *“The Company considers these drill results to be very significant. This is the first recorded discovery of deep high-grade sulphides in the Duck Creek area and demonstrates the exploration potential of our extensive tenement position in the south Cloncurry district.”*

The Duck Creek Project is located approximately 30km southwest of Cloncurry in northwest Queensland (**Fig.3**) and consists of 4 Exploration Permits for Minerals (EPMs) and 17 enclosed Mining Leases, covering a total area of approximately 173 km² on the east limb of the regional Duck Creek anticline.

QMC owns 100% of all of these mining leases and EPMs 16628 (Mt Brownie) and 16976 (Mt Sheaffer); EPM 13336 (Duck Creek) and EPM 15718 (Duck Creek South) pursuant to the farm-in agreement with Goldsearch Ltd., where QMC is earning up to 70% interest by spending \$750,000.

July-September Drilling Program

The recently completed drill program in Duck Creek consisted of 52 RC holes for 4,377m; 24 holes were drilled in 100% QMC held ground and 28 into the JV area (**Fig.4**). The program was designed to extend known copper mineralization in the Forget-Me-Not, Horseshoe and Mountain Maid tenements. All the holes were drilled towards the northwest, inclined at -60 to -75 degrees with drillhole results shown in **Table 1**, drill locations illustrated in **Fig.4**, and location details in **Table 2**.

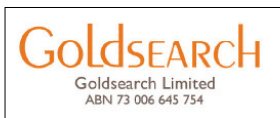
Horseshoe / Dulce / New Dollar Prospects

The Horseshoe area was tested with a total of 22 holes (**Fig 2**), with highly encouraging drill intercepts in 11 holes. The “discovery hole”, HS11RC13, drilled in the central west of the Horseshoe mining lease intersected **36m @ 2.66% Cu from 198m (including 8m @ 5.23% Cu, 0.38g/t Au and 716ppm Co from 223m and 4m @ 7.19% Cu, 0.49g/t Au and 907ppm Co from 226 m)** downhole depths. True width of the mineralization at depth is estimated to be 50% of the downhole intersection. Hole HS11RC05 was abandoned due to poor ground conditions whereas Hole HS11RC11 (targeted to intersect the mineralization 100m down dip from **HS11RC10 - 22m @ 1.29% Cu from 74m**) deviated significantly away from the target zone and will be re-drilled in the follow-up drilling campaign.

The mineralization is characterized by massive quartz-sulphide veining (**Fig.1**) within a sub-vertical structure, cross-cutting metavolcanic host rock, with stockwork veining and dissemination into the foot and hanging walls, along with stringer-type parallel shoots (see **Figs.5 & 6**).



Fig 1: Sulphide boulders recovered during oxide open pit mining at Horseshoe



The mineralized zone is interpreted to extend along strike to the west, linking up with the Dulce mineralization, with the potential for 500m of strike length, open to the west and at depth. This will be tested in the third phase program, consisting of 2,000m of RC/Diamond drilling scheduled to commence in mid to late October 2011.

The New Dollar lode is a separate sub-parallel zone about 350m to the south of the Horseshoe pit. It has also intersected similar style quartz-sulphide mineralization, near-surface and at lesser widths (**Table 1**), and is also open to the west and at depth.

Ready Rhino / Forget-Me-Not Prospects

The Forget-Me-Not area was tested with 19 holes into the eastern extension of the mineralized zone intersected by **QMC's 2008 drilling program** (16 RC holes; previous intersections include 20m @ 1.24% Cu & 0.1g/t Au, and 12m @ 1.63% Cu & 0.17g/t Au).

The 2011 follow up program encountered highly encouraging drill intercepts in 13 holes with drill hole DC11RC24 drilled into a splay fault to the north of the main Forget-Me-Not structure returning **8m @ 1.45% Cu** from 41m downhole depth; true widths are 60-70% of the downhole widths.

The copper mineralisation style is similar to Horseshoe, but narrower and with greater strike continuity. Follow up drilling is planned for CY12 to test along strike extension.

Mountain Maid ML

Eleven holes were completed in the Mountain Maid ML to maximum depth of 80m, 7 holes were drilled into 100% QMC ML and 4 were drilled on the joint venture ground, the latter to test outcropped malachite-quartz veins to the east. Highly encouraging drill intercepts in 6 holes with drill hole MD11RC01 returning **5m @ 1.71% Cu** from 23m downhole depth; true widths are 60-70% of the downhole widths. The intersected mineralized zones remain open to the west and at depth.

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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.

Table 1: Duck Creek Project – Selected RC Drill Results
(using a 0.2% Cu cut-off grade and 2m internal dilution)

Hole ID	From (m)	To (m)	Interval (m)	Cu (%)	Au (g/t)	Co (ppm)
Horseshoe/Dulce /New Dollar						
HS11RC03	58	70	12	0.89	0.07	110
<i>incl.</i>	60	65	5	1.62	0.11	167
HS11RC04	92	94	2	0.47	0.03	101
&	95	99	4	1.71	0.08	200
HS11RC06	91	113	22	1.99	0.20	309
HS11RC09	110	112	2	0.53	0.03	45
&	166	170	4	0.49	0.47	97
&	186	223	37	1.72	0.17	111
<i>incl.</i>	201	207	6	4.00	0.36	193
HS11RC10	74	96	22	1.29	0.09	96
HS11RC12	70	78	8	0.85	0.09	74
&	86	88	2	0.41	0.04	17
HS11RC13	198	234	36	2.66	0.23	238
<i>incl.</i>	223	231	8	5.23	0.38	716
&	226	230	4	7.19	0.49	907
HS11RC14	173	177	4	1.88	0.1	116
ND11RC01	36	39	3	0.21	0.01	103
ND11RC02	14	24	10	1.51	0.10	32
<i>incl.</i>	15	18	3	4.03	0.15	17
&	40	59	19	1.31	0.07	133
<i>incl.</i>	51	53	2	4.70	0.10	264
ND11RC04 *	85	95	10	2.65	0.14	81
<i>incl.</i>	85	88	3	4.75	0.10	69
DC11RC05	34	41	7	0.98	0.06	179
DC11RC06	55	68	13	1.49	0.12	183
<i>incl.</i>	56	58	2	7.20	0.40	577
DC11RC07	23	28	5	1.38	0.07	423
DC11RC08	66	68	2	0.73	0.09	654
Ready Rhino/ Forget-Me-Not						
DC11RC12	18	21	3	0.75	0.04	104
DC11RC14	12	19	7	1.25	0.12	84
&	27	29	2	0.24	0.04	111
DC11RC15	33	41	8	1.10	0.15	62
&	45	49	4	0.56	0.02	123
DC11RC17	45	51	6	0.32	0.06	58
DC11RC18	20	24	4	3.24	0.11	62
<i>incl.</i>	20	22	2	6.05	0.20	60
DC11RC19	32	35	3	0.26	0.01	32
DC11RC09	41	46	5	0.42	0.08	189



DC11RC10	25	33	8	0.54	0.06	306
DC11RC11	57	63	6	0.22	0.03	87
DC11RC20	62	68	6	0.72	0.07	86
&	74	85	11	0.84	0.07	159
DC11RC22	22	28	6	0.23	0.05	29
DC11RC23	40	50	10	0.69	0.1	240
DC11RC24	41	49	8	1.45	0.21	311
Mountain Maid						
MD11RC01	22	32	10	0.97	0.05	183
<i>incl.</i>	23	28	5	1.71	0.08	205
MD11RC02	18	31	13	0.81	0.1	168
MD11RC04	16	22	6	0.97	0.18	260
MD11RC05	17	29	12	0.83	0.08	241
<i>incl.</i>	22	25	3	2.36	0.13	403
&	32	34	2	1.13	0.15	126
MD11RC06	44	51	7	1.24	0.15	307
MD11RC07	40	47	7	1.08	0.09	310
DC11RC03	19	21	2	0.51	0.04	449
DC11RC04	54	57	3	0.87	0.05	1378

* This hole was collared on EPM13336 and the mineralisation was intersected on ML2777 (Fig.2)

DC indicates EPM 13336 Goldsearch farm-in

No significant intersections in all other holes drilled.



Table 2: Duck Creek Project – Drillhole Location and Details

Hole_ID	MGA94_E	MGA94_N	RL_m	Azi_mag	Dip	Depth (m)	Prospect	Ownership
HS11RC01	425684	7681679	272	335	-60	70	Horseshoe ML2778	QMC100%
HS11RC02	425640	7681661	271	335	-60	70		
HS11RC03	425527	7681620	270	335	-60	70		
HS11RC04	425534	7681596	270	335	-60	130		
HS11RC05	425505	7681610	270	335	-60	52		
HS11RC06	425514	7681587	271	335	-60	130		
HS11RC07	425593	7681643	272	335	-60	80		
HS11RC08	425406	7681594	271	335	-60	50		
HS11RC09	425516	7681570	271	335	-75	238		
HS11RC10	425480	7681603	269	335	-70	112		
HS11RC11	425488	7681579	270	335	-75	232		
HS11RC12	425554	7681625	272	335	-70	106		
HS11RC13	425543	7681572	273	335	-75	250		
HS11RC14	425570	7681578	270	335	-75	220		
ND11RC01	425489	7681195	272	340	-60	70	New Dollar ML2777	QMC100%
ND11RC02	425435	7681174	271	340	-60	80		
ND11RC03	425558	7681207	269	340	-60	80		
ND11RC04	425429	7681141	270	340	-60	120	New Dollar	EPM13336 JV with GSE
DC11RC05	425152	7681544	274	330	-60	58	Dulce	
DC11RC06	425164	7681523	271	330	-60	80		
DC11RC07	425095	7681527	269	330	-60	58		
DC11RC08	425110	7681490	269	330	-60	76		
DC11RC09	424673	7683000	275	310	-60	58	Ready Rhino	
DC11RC10	424690	7683020	276	310	-60	58		
DC11RC11	424706	7683001	275	310	-60	80		
DC11RC12	424551	7683256	280	350	-60	40		
DC11RC13	424550	7683240	277	350	-60	62		
DC11RC14	424602	7683258	274	350	-60	40		
DC11RC15	424601	7683243	274	350	-60	66		
DC11RC16	424646	7683260	281	350	-60	40		
DC11RC17	424648	7683241	281	350	-60	70		
DC11RC18	424705	7683258	279	350	-60	40		
DC11RC19	424702	7683240	280	350	-60	70	Forget- Me-Not	
DC11RC20	424999	7683248	273	350	-60	100		
DC11RC21	425119	7683269	277	340	-60	80		
DC11RC22	425164	7683310	278	340	-60	52		
DC11RC23	425008	7683328	278	320	-60	58		
DC11RC24	425040	7683345	274	320	-60	58		
DC11RC25	425068	7683363	278	320	-60	58		
DC11RC26	424796	7683233	278	350	-60	119		
DC11RC27	424849	7683188	279	350	-60	142		

Table 2: Duck Creek Project – Drillhole Location and Details (continued)

Hole_ID	MGA94_E	MGA94_N	RL_m	Azi_mag	Dip	Depth (m)	Prospect	Ownership
DC11RC01	423943	7678462	267	340	-60	52	Mountain Maid ML2779	QMC 100%
DC11RC02	424048	7678462	276	340	-60	52		
DC11RC03	424145	7678471	271	340	-60	70		
DC11RC04	424204	7678479	273	340	-60	80		
MD11RC01	423747	7678439	275	340	-60	52		
MD11RC02	423697	7678431	275	340	-60	52		
MD11RC03	423621	7678419	274	340	-60	52		
MD11RC04	423793	7678449	274	340	-60	52		
MD11RC05	423844	7678452	273	340	-60	52		
MD11RC06	423749	7678415	273	340	-60	70		
MD11RC07	423701	7678408	275	340	-60	70		

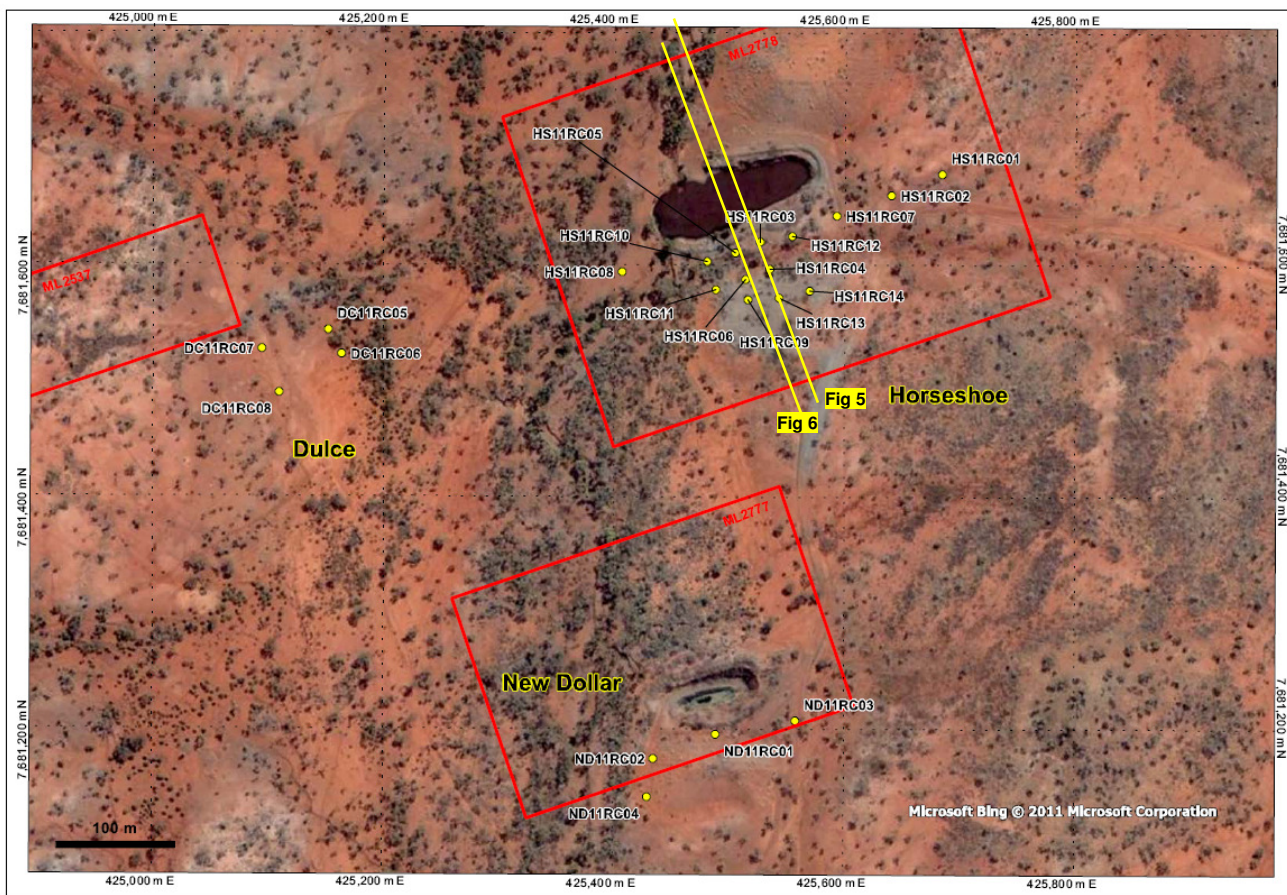


Fig 2: Drill hole locations on EPM 13336 (Goldsearch earning-in) and on QMC MLs

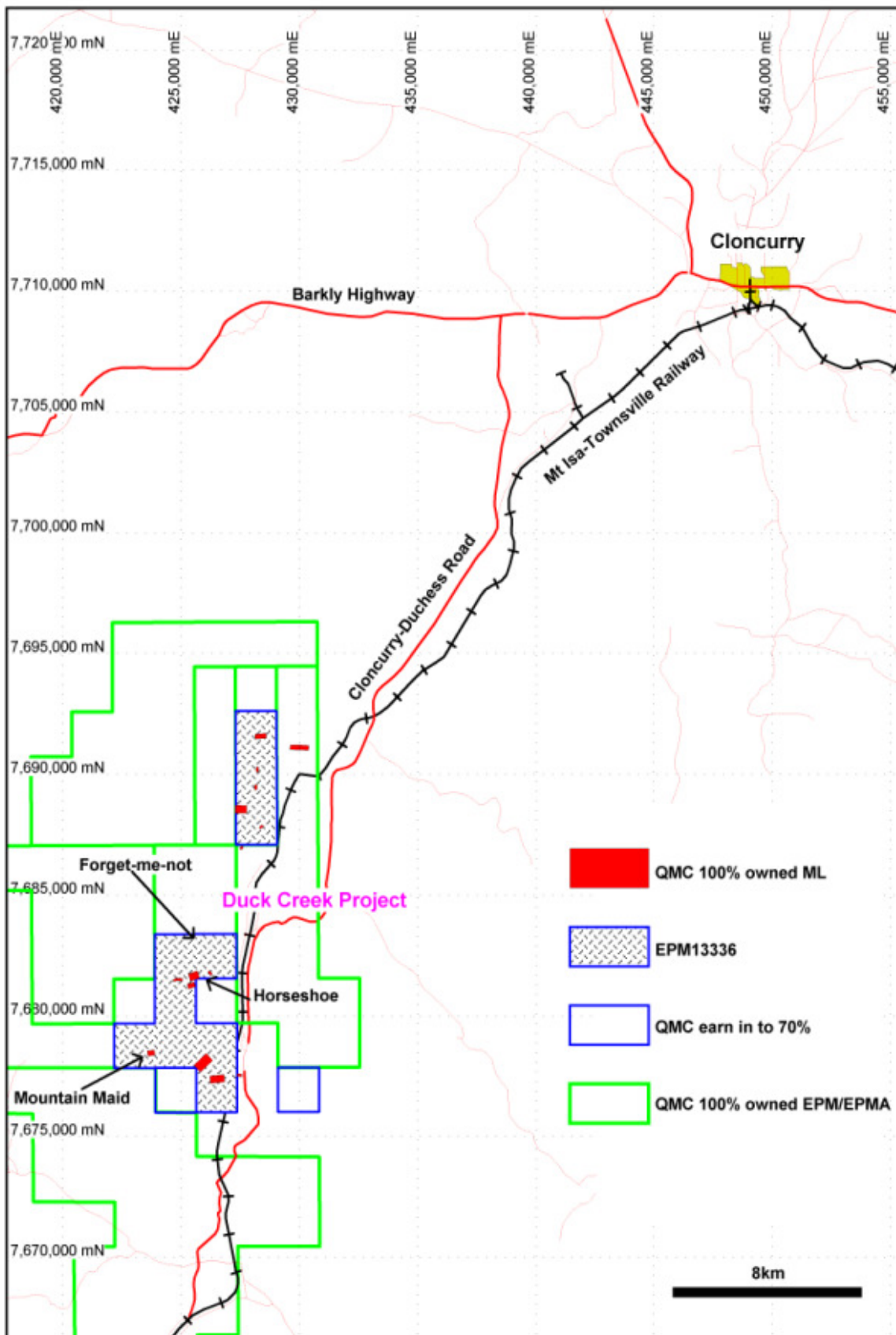


Fig 3: Duck Creek Project Location map

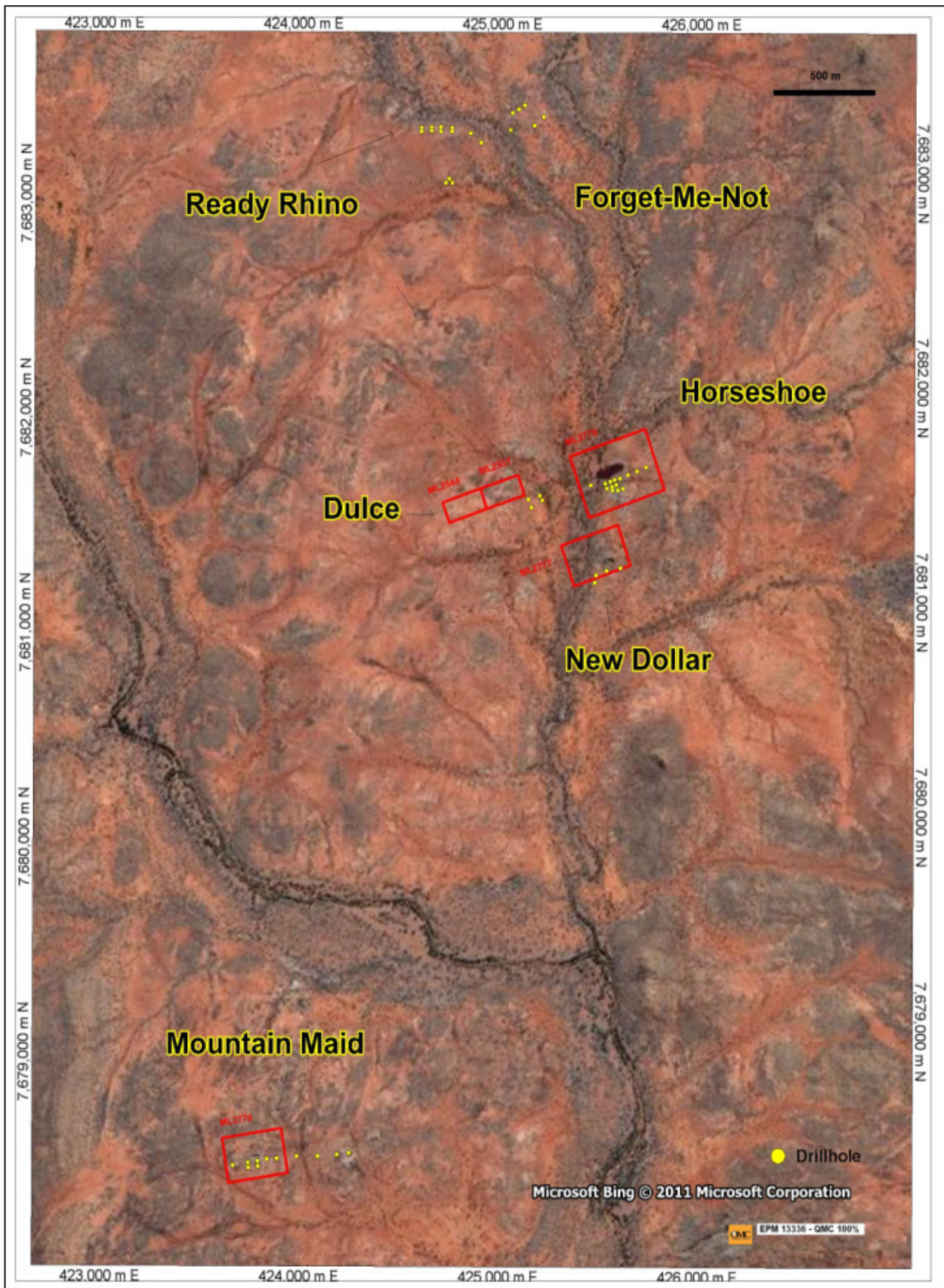


Fig 4: Duck Creek Project EPM 13336 (QMC MLs) Drill hole Locations

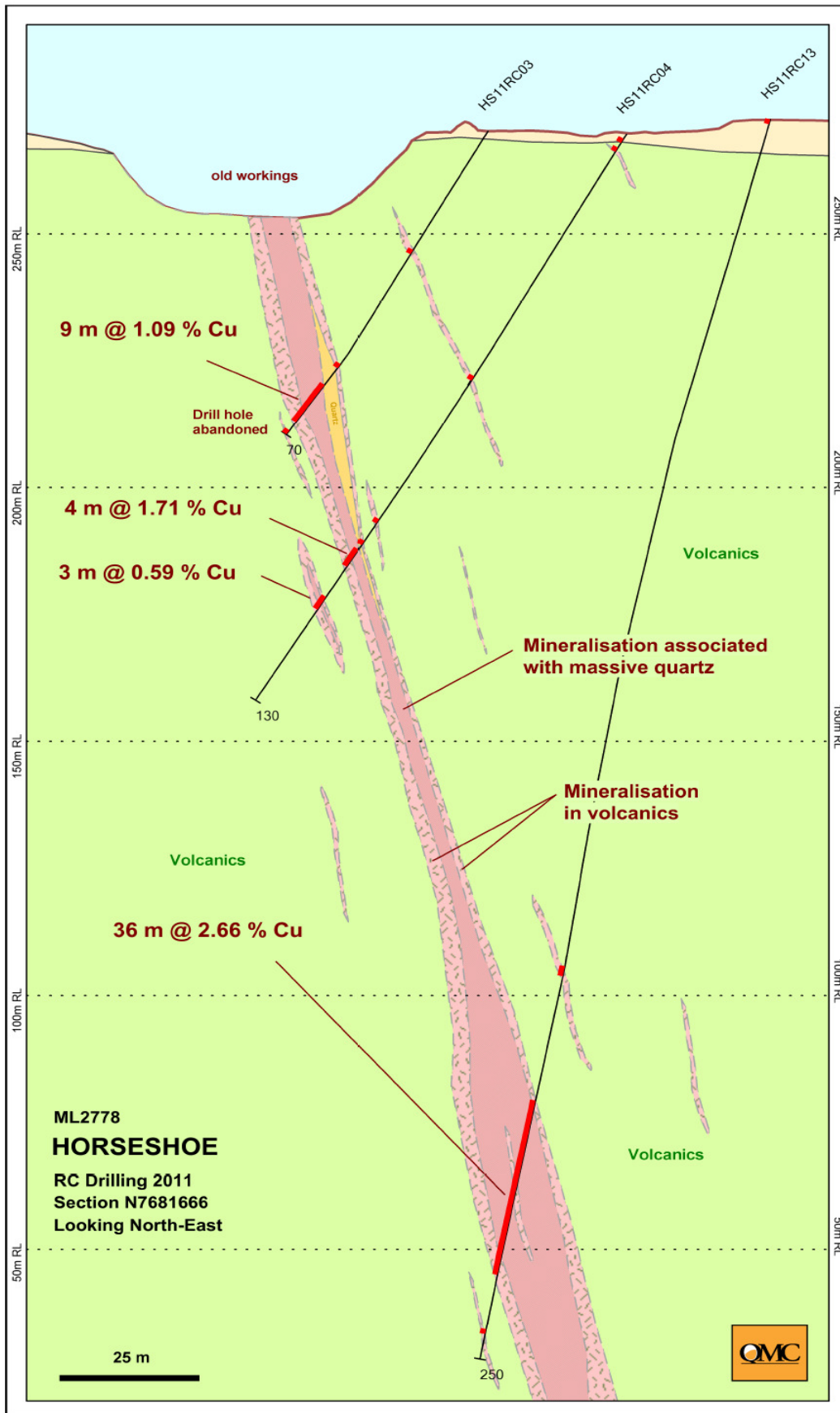


Fig 5: Cross section looking north-east

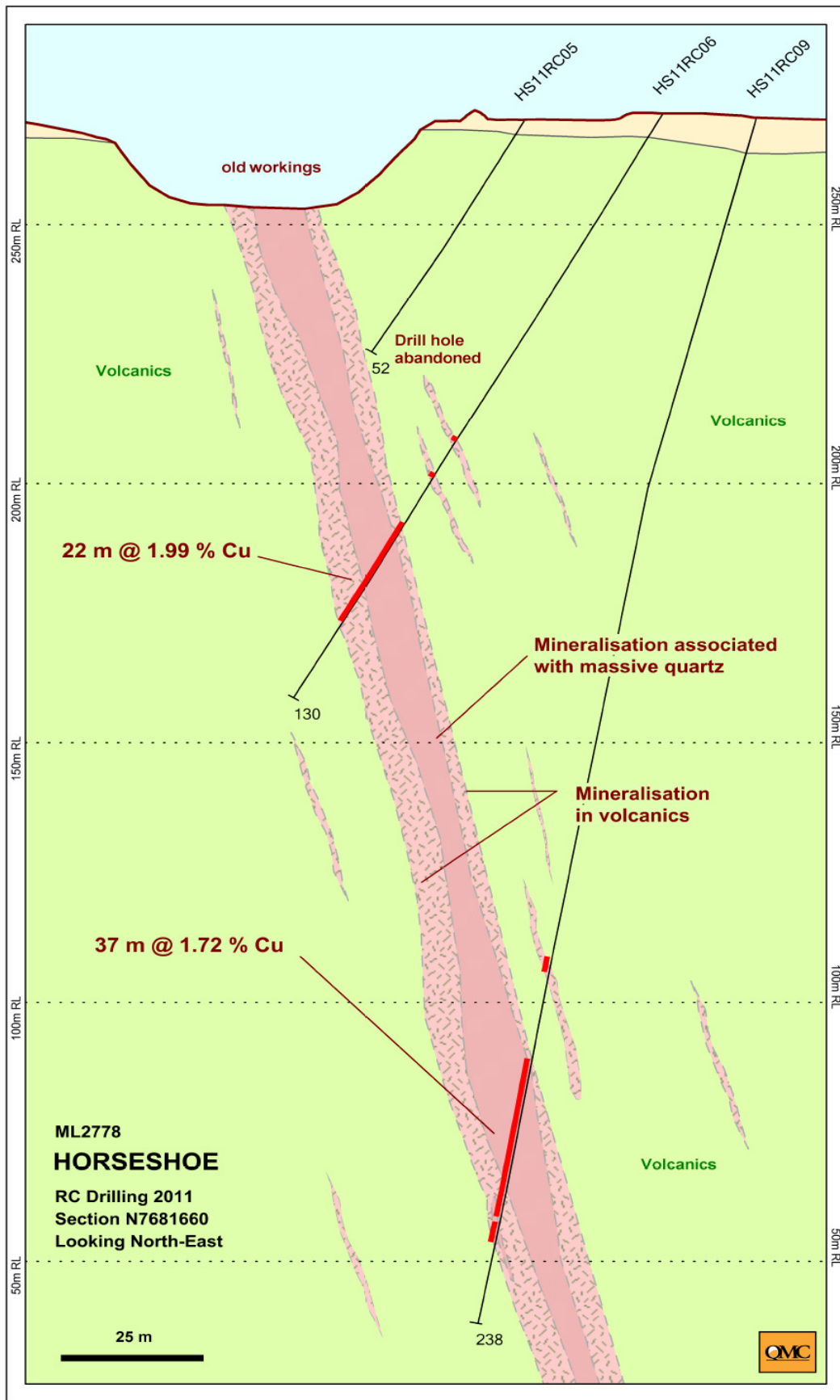


Fig 6: Cross section looking north-east