

## ASX Release

12 October 2010

### **Drilling resumes at Black Fort prospect, Cloncurry ,Queensland**

### **Previous exploration indicates potential IOCG Copper-Gold- Cobalt mineralisation**

#### ***Highlights***

- **Following-up on significant historical drill intercepts of:**
  - **52m @ 0.56% Cu and 538ppm Co within 116m @ 0.33% Cu and 302ppm Co**
- **Verified encouraging costeaning results of up to 52m @ 0.82% Cu, including 10m @ 2.41% Cu reported by previous explorer**
- **Potential mineralised zone more than 300m long and 100m wide**
- **Geophysical and geochemical signatures indicate potential IOCG target**
- **5 drill holes planned to test IOCG**

Queensland Mining Corporation Ltd (ASX code: QMN) is pleased to announce that drilling has commenced at the Black Fort prospect within the Orion joint venture (JV). The prospect is located about 45km south-southwest of Cloncurry in NW Queensland (Fig 2).

The initial drilling program consists of five reverse circulation (RC) holes for a total of 1200m, targeting a potential iron oxide copper-gold (IOCG) deposits. A drilling contractor with extensive local experience has been engaged to carry out the program. Results of the drill program will be announced as soon as they are to hand.

The Black Fort prospect is interpreted to be an IOCG target. Exploration work carried out by previous explorers identified anomalous copper ( $\leq 3.5\%$  Cu) in soils, rockchips and costeans together with significant historical drill hole intercepts of copper and cobalt (up to 52m @ 0.56% Cu & 538ppm Co within wider intercepts  $\leq 166\text{m}$  @ 0.24% Cu & 202ppm Co). These, together with overlapping strong magnetic and gravity anomalies (Fig 1 & 3), indicate the potential for an IOCG style of deposit. Other notable IOCG deposits in the



area include Xstrata's world-class copper mine at Ernest Henry (original resource of 167Mt @ 1.1% Cu and 0.5g/t Au, about 80km NE of Black Fort) and Ivanhoe's large copper project at Mt Elliott (475Mt@ 0.5%Cu and 0.3g/t Au, about 50km south of Black Fort).

"We are very excited about the commencement of drilling at Black Fort ahead of schedule and we expect that similar or better grades of copper-gold-cobalt mineralisation from previous drilling will be returned," QMC's Managing Director, Howard Renshaw, said.

Cyprus Gold Australia (Cyprus) carried out extensive exploration in the early 1990s, mainly for gold mineralisation. Cyprus completed a program of soil, rockchip and costean sampling, including ground magnetics, together with drilling 7 RC and diamond holes which focused on a zone of 0.1-0.3% copper in rockchips. However Costean # 5, which returned 52m @ 0.82% copper including 10m @ 2.41% copper, was not tested. Significant Cyprus costean sampling results are summarised in Table 1 and selected drill hole intervals are reported in Table 2.

In 2004, Orion Gold NL (formerly Goldstar Resources NL) carried out the gravity survey, as part of their JV with the tenement holder Findex Pty Ltd. In 2006, Matrix Metals Limited entered into a JV with Goldstar Resources and, in 2007, re-sampled the highly anomalous costean with results confirming Cyprus's tenor of anomalism, but no drilling was carried out. Subsequently QMC purchased the White Range Project, including the Orion JV, from the liquidators of Matrix Metals Ltd.

QMC's RC drill program will outline the continuity of mineralisation along strike to the south of the Cyprus fence of drill holes; test the extent of mineralisation at depth beneath the highly anomalous Costean #5; and establish whether there is a relatively shallow or steep dip to the mineralisation intersected in the Cyprus drill holes. In addition, drilling will investigate the source of the gravity high.

The joint venture is between Queensland Mining Corporation Ltd 51%, Orion Resources NL 34% and Findex Pty Ltd 15%. Under the joint venture agreement, QMC may increase its ownership to 70% through the expenditure of \$55,000 by 29 November 2011. The JV is over EPM 17602, which replaces EPM 13625 and EPM 13922 and covers a total area of approximately 250km<sup>2</sup>.

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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.*

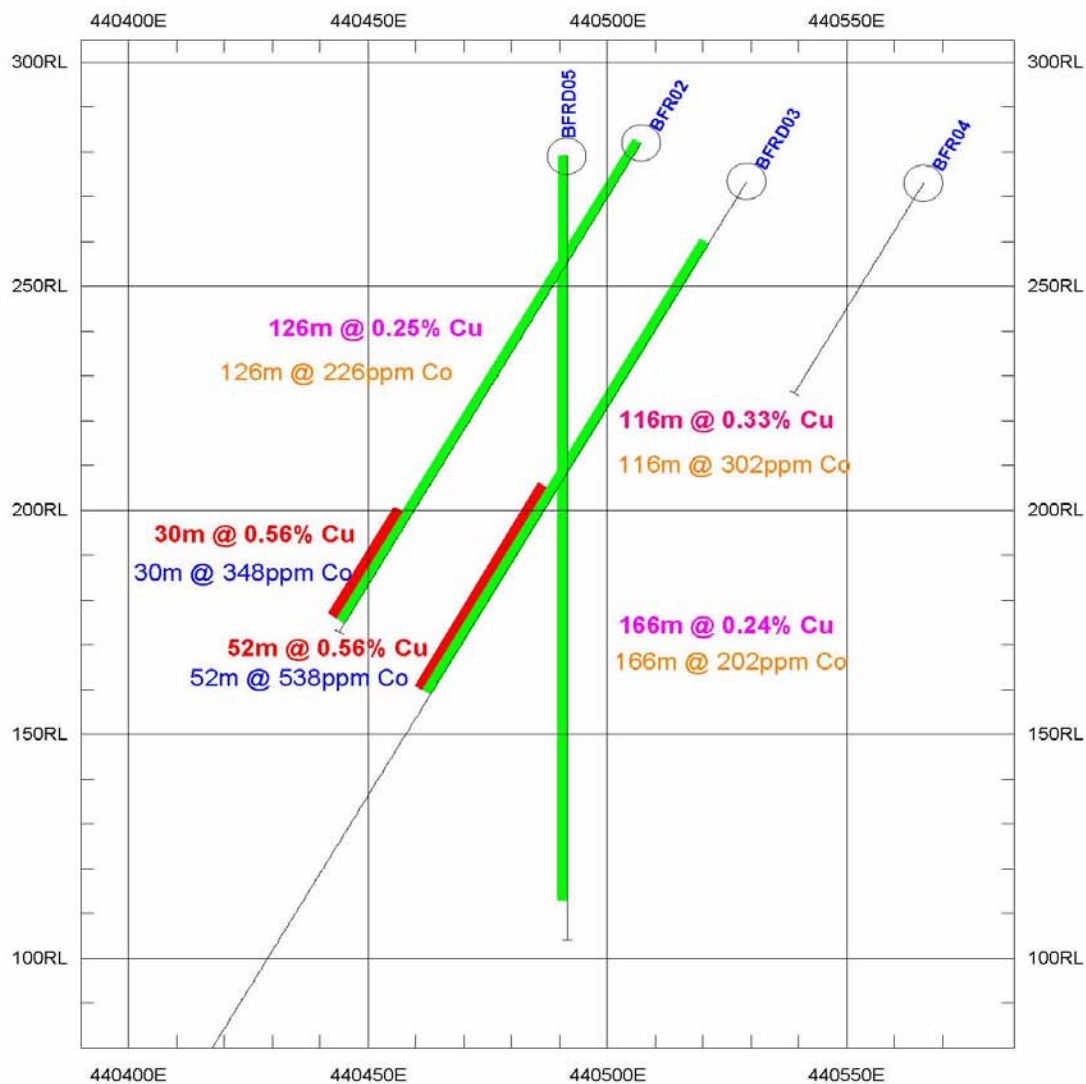


**Table 1.** Summary of Significant Costean Sampling Results (metre refers to length of costean)

Costean No.	From (m)	To (m)	Interval (m)	Cu%	Au g/t	Co ppm
Costean 1	40	120	80	0.12	0.05	153
	160	190	30	0.14	0.04	94
Costean 2	60	80	20	0.16	0.04	74
Costean 3	60	80	20	0.11	0.02	37
Costean 4	40	80	40	0.12	0.09	116
<i>incl.</i>	44	78	34	0.14	0.05	249
Costean 5	20	40	20	0.12	0.16	122
	60	80	20	0.17	0.25	717
	150	220	70	0.55	0.02	231
<i>incl.</i>	164	214	50	0.81	0.02	301
Costean 7	0	28	28	0.16	0.15	387
	58	172	114	0.19	0.06	195
Costean 8	110	210	100	0.11	0.03	136
Costean 10	70	90	20	0.1	0.05	33

**Table 2.** Summary of Selected Cyprus Drill Hole Intersections (metre refers to depth of drillhole)

Hole No.	From (m)	To (m)	Interval (m)	Cu%	Au g/t	Co ppm
BFR02	0	126	126	0.25	0.05	226
<i>incl.</i>	96	126	30	0.56	0.13	348
BFRD03	16	132	116	0.39	0.16	302
<i>incl.</i>	80	132	52	0.56	0.2	538
BFR04	0	22	22	0.21	0.07	273
BFRD05	0	166	166	0.24	0.02	202
<i>incl.</i>	74	140	66	0.29	0.01	228



QUEENSLAND MINING CORPORATION LTD

ORION JV EPM 17602

BLACK FORT PROSPECT  
CYPRUS DRILL HOLE  
COPPER AND COBALT INTERCEPTS  
(LOOKING NORTH)  
PROJECTION: GDA94

RSGEO: P.L. PAULL	Scale 1:1250	REPORT:
DRAWN: PLP PLPGC P/L	Date: 6/09/2010	PLAN:

Fig. 1 Cross section showing Cyprus drill hole intercept

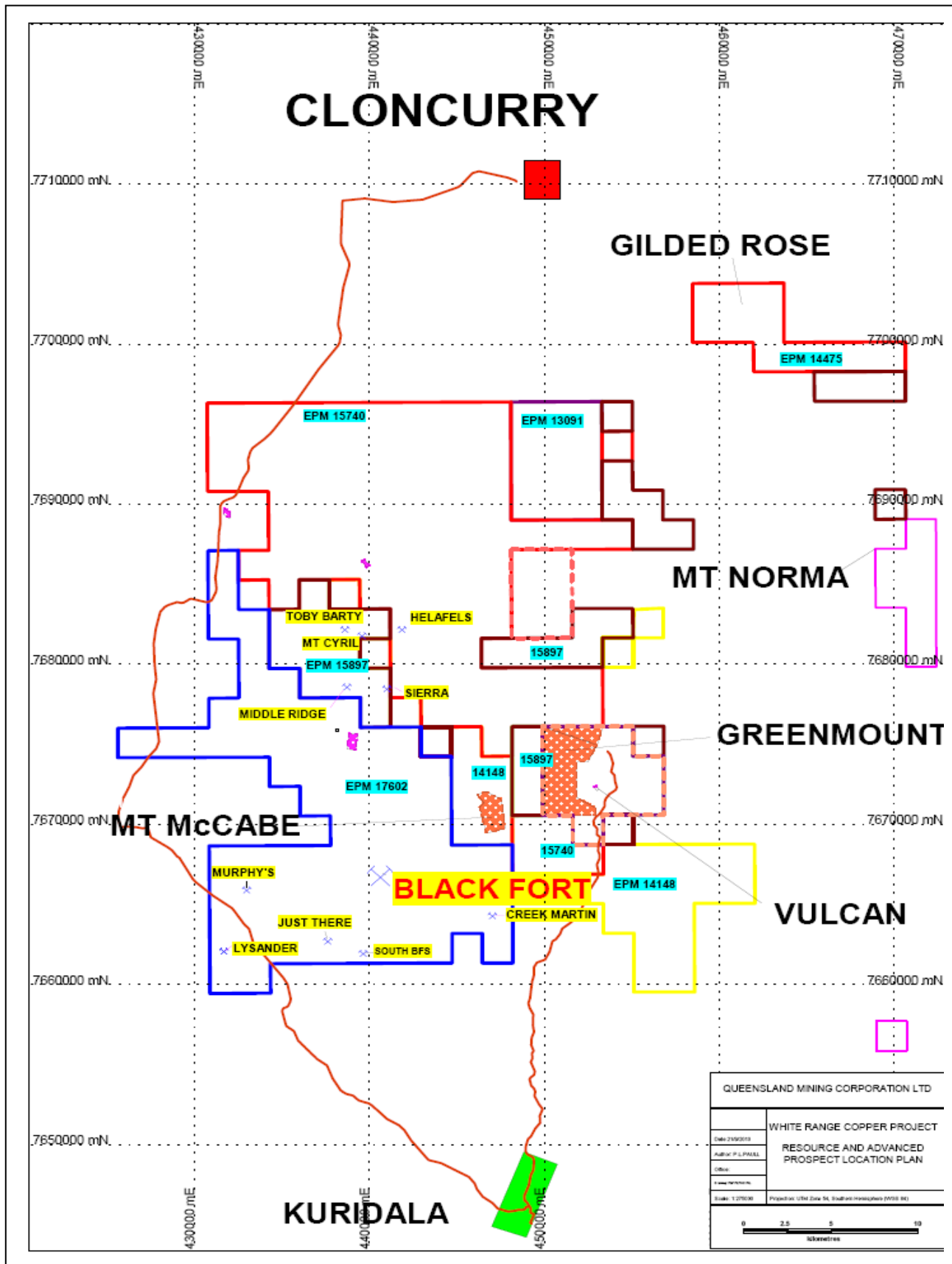
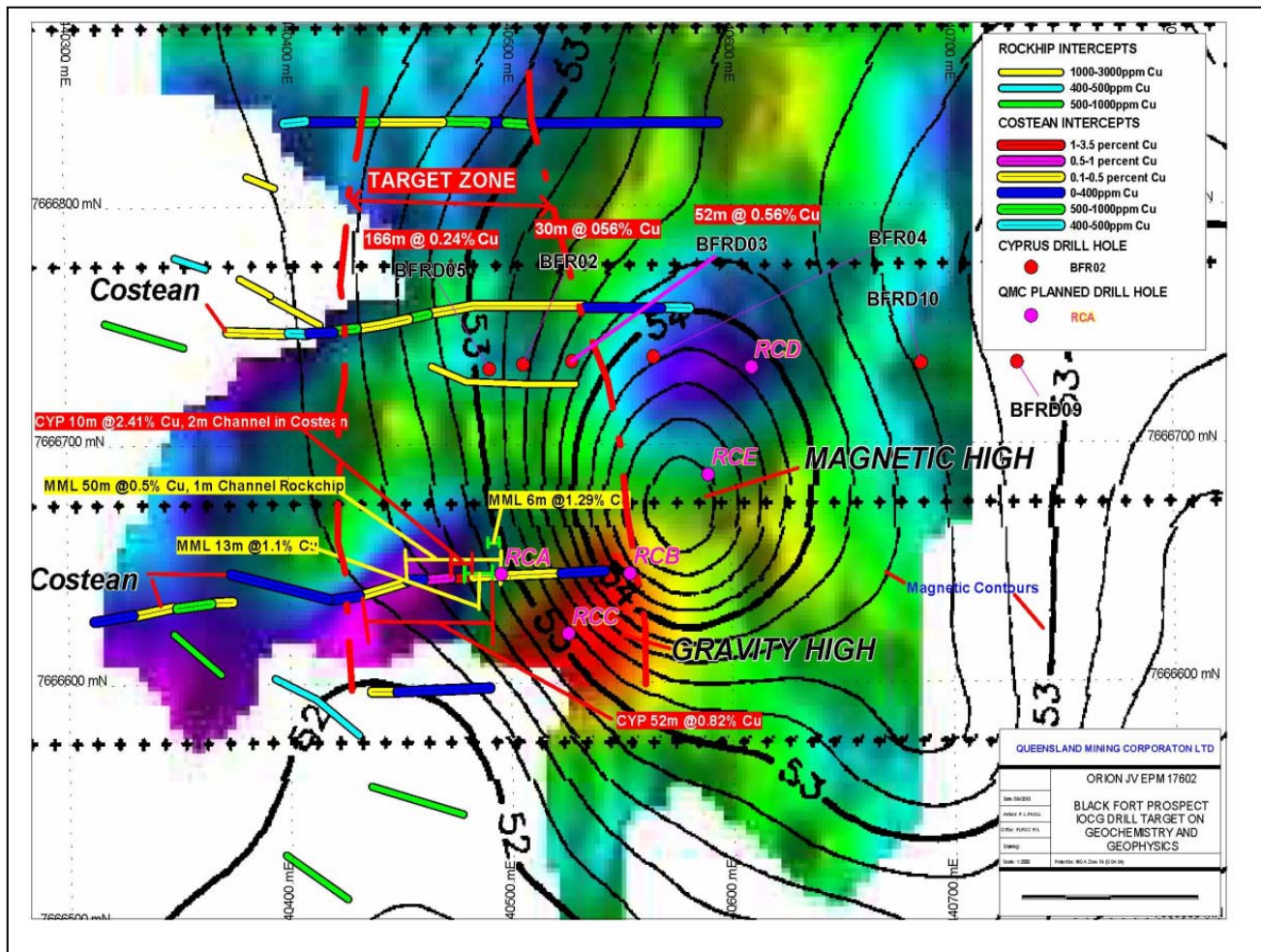


Fig. 2 Location of Black Fort





**Fig. 3 Target mineralisation and proposed drillhole location (background gravity image with magnetic contours)**