

## ASX Release

29<sup>th</sup> July 2011

### Drilling Commenced at Duck Creek Copper-Gold Project, Cloncurry, North-west Queensland

#### *Highlights*

- RC drilling has commenced at Duck Creek copper-gold project
- Following-up on significant historical and QMC's prior drill intercepts of **30m @ 1.4% Cu and 20m @ 1.24% Cu**
- 3100m in 49 RC holes were planned to test along strike and down dip extensions of known copper mineralization in 4 prospects for both oxide and sulphide ores
- Target open pittable resources for early cash flow via third party treatment

Queensland Mining Corporation Ltd (ASX code: QMN) is pleased to announce that reverse circulation (RC) drilling has commenced on its Duck Creek copper-gold project located about 30km southwest of Cloncurry in northwest Queensland (**Fig. 1 & Fig. 2**).

#### **Background to Duck Creek Project – Goldsearch JV**

The Duck Creek Project consists of 4 granted EPMs (Exploration Permit for Minerals) and 17 enclosed Mining Leases, covering a total area of approximately 173 km<sup>2</sup> on the east limb of the regional Duck Creek anticline. Of those 4 EPMs (EPM13336, EPM15718, EPM16628 and EPM16976), both EPM13336 and EPM15718 are in agreement with Goldsearch Limited where QMC is earning up to 70% interest by spending \$750,000. The ground held under the tenements has been the focus of continued low-level exploration since the late 1800's, and shows the presence of intense outcrop mineralization and elevated copper-gold geochemistry.

## Geology

The project area covers the prospective Cone Creek Metabasalt Member of the Marraba Volcanics Formation (Malbon Group) and Argylla Formation (Tewinka Group) sediments and felsic volcanics. The mafic volcanic units could act as a possible copper source and provide mechanical contrasts to localize creation of dilatant trap sites during regional deformation. Both northeast and northwest cross faults are evident on outcrops and satellite images where intersecting with near E-W faults are considered optimal for copper-gold mineralization.

The copper mineralization in the Duck Creek area is structurally controlled and mostly occurs as malachite-quartz veins and disseminations in the immediately adjacent host rocks. Host structures are mainly shear zones and brittle faults developed within the metabasalt unit of the Marraba Volcanics which has been metamorphosed to greenschist and amphibolite. Individual veins can reach up to >700m long and 20 m wide (**Fig. 3**) varying from single veins, sheeted veins and breccia veins. Massive breccia vein type of mineralization exposed from the old workings contains up to 80% of sulphides, predominantly pyrite and chalcopyrite (**Fig. 4**). Mineralized veins normally strike NEE and E-W and dip steeply toward south or sub-vertical in occurrence.

## Current Drill Program

The ongoing drill program consists of 3100m in 49 RC holes, focusing mainly on testing the down dip and along strike extensions of known mineralization. The depths of the holes are up to 130m with a goal of defining open pittable resources for early cash flow through thirty part treatment. Most holes will be drilled towards north and angled at 60 degrees. Three major prospects located within a distance of 5 km north-south have been selected for this initial drilling campaign; they are designated as Forget-Me-Not, Horseshoe-New Dollar and Mountain Maid from north to south in the tenement (**Fig. 5**).

In May 2008 (pre-listing) QMC completed 14 shallow (<65m deep) RC holes over the Forget-Me-Not prospect with ore grade copper mineralization (>0.5% Cu) returned from 10 out of 14 holes. The best intersections in the program include 20m @ 1.24% Cu and 0.1g/t Au from 28m in Hole DC\_08\_011RC and 12m @ 1.63% Cu and 0.17g/t Au from 7m in Hole DC\_08\_002RC. In addition, Hole DC\_08\_002 averages 7884ppm Cu over the entire length of 41m. The drilling was constrained to a 300m strike length but a mapped structure and alteration zone with sporadic malachite showings extends over 1.5km. Splays off the main shear zone was also identified 100m to the north and will be tested during the current phase of drilling.

In the Horseshoe area located in the middle of the surrounding EPM, there are two open pit mines (Horseshoe ML2778 and New Dollar ML2777). Copper mineralization on the eastern pit wall indicates up to 10m wide intense malachite quartz veins and disseminations in the sheared and altered metavolcanics.

The boulders of sulphide quartz veins and breccia sulphide veins (quartz clasts cemented by massive pyrite and chalcopyrite) from previous mining suggest the potential of sulphide copper mineralization at depth (**Fig. 6**). One of historical drillholes through the Horseshoe pit returned 30m@ 1.4% Cu and the hole was terminated in the mineralization.

In the Mountain Maid prospect, approximately 2km to the south of Horseshoe, similar oxide copper mineralization extends sporadically over 500m long and up to 20m wide.

The Company looks forward in anticipation to the results of the Duck Creek drilling.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Howard V. Renshaw', is placed here.

Howard V. Renshaw  
Managing Director  
Queensland Mining Corporation Limited

*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 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 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 Regional location of QMC's Duck Creek copper-gold project



**Fig. 2** RC drill rig operating in Duck Creek



**Fig. 3** Malachite quartz vein in the Mountain Maid mining lease (looking up north)



**Fig.4** Breccia vein showing quartz clasts cemented by massive sulphide (pyrite and chalcocite) from the Horseshoe pit

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**QMC**



**Fig. 5** Prospects selected for the current drilling campaign



**Fig. 6** Boulders at Horseshoe recovered from open mining