

**ASX Release**

29 March 2007

**QUEENSLAND GOLD  
AND MINERALS LTD***ASX Code :*  
QGM/QGMO**Issued Capital (28/02/2007):**  
52,016,667 Shares issued  
33,787,265 Shares listed6,932,426 Listed Options  
6,784,043 Unlisted Options  
(shares escrowed if exercised)  
500,000 Unlisted Options  
5,000,000 Unlisted Directors Options  
(shares escrowed if exercised)**502 shareholders****Top 20 shareholders:-** Hold 60 % of  
Listed Shares**Directors:**Mr Wayne Reid -*Chairman*  
Mr Adrian Day-*Managing Director*  
Mr John Nethery - *Director Exploration*  
Mr Robin Andrews-*Director*Mr John Haley -*Company Secretary***Largest Shareholders (Listed Shares):**

RAB Master Fund Ltd	20.00 %
National Nominees Limited	20.88 %
Alcardo Investments Limited	6.25 %

**Cash Balance**As at 28 February 2007, QGM's cash  
balance was approx \$3 million.**QUARTERLY REPORT  
TO 28 FEBRUARY 2007****CORPORATE**

On 3 January 2007, Queensland Gold and Minerals Limited ("QGM") listed on the ASX after raising \$4 million, including \$1 million of oversubscriptions.

**EXPLORATION****WARROO PROJECT-DRILLING COMMENCING**

The geophysical surveys over extensions of the Warroo target area have been completed and have identified several strong Induced Polarisation anomalies, which are coincident with strong geochemical gold in soil and rock chip trends. QGM's joint venture partner, Oxiana Limited will now commence drilling these targets this week. The Oxiana-QGM drill program is planned for up to 2,100 metres of reverse circulation drilling with individual hole depths up to 300 metres.

**BUCHANAN'S CREEK PROJECT**

A pattern of reconnaissance stream sediment sampling for tantalite, tin and gold completed in 2004 was recently extended to cover newly granted exploration permits on the Company's Buchanan's Creek Project in North Queensland. Sample analysis is in progress.

**MALCOLM CREEK PROJECT**

Also, in North Queensland, reconnaissance pan concentrate stream sediment sampling for tantalite, tin and gold and Bulk Cyanide Leach sampling for gold were completed over the 20 kilometre strike length of the prospective mylonite unit and has successfully focused the search.

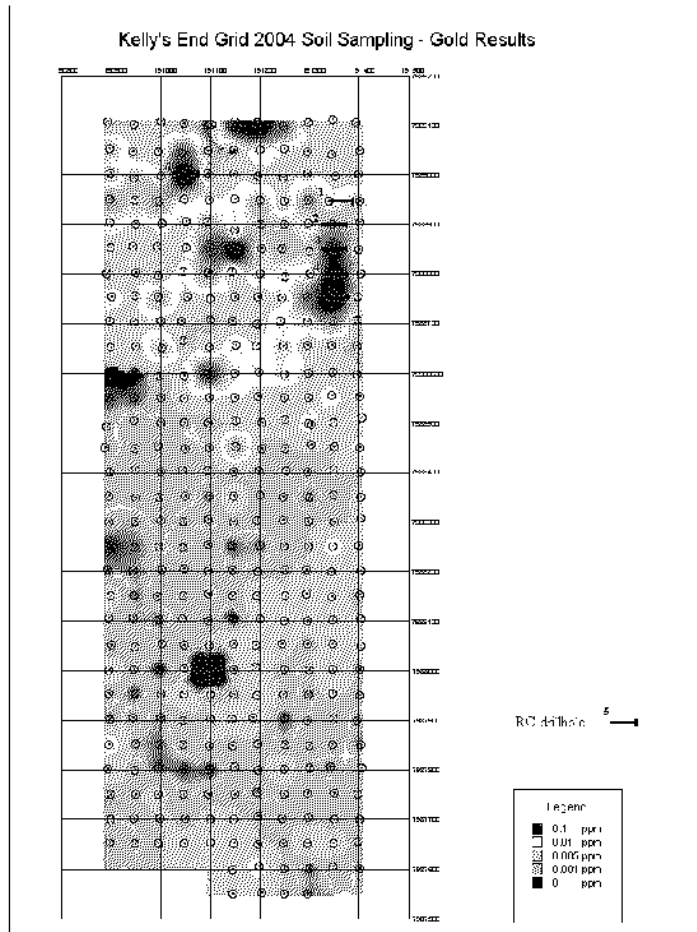
This programme has confirmed the highly anomalous nature of the 2 sq klm Malcolm Creek Dome target and highlighted a potential second target area nearby. Detailed rock chip sampling of the volcanic breccia at the main Malcolm Creek Dome target was completed and samples submitted to ALS - Chemex. Soil sampling commenced at the main Malcolm Creek Dome target. A drainage area of 4 km<sup>2</sup> contained anomalous gold results from both the pan concentrate and Bulk Cyanide Leach (BCL) methods. This area is being soil sampled at spacings of 100m x 50m and extends easterly from the previous CRA soil grid.

## EVELEIGH PROJECT

The previous soil sampling over the Kelly's End prospect on the Eveleigh Project in North Queensland extended over 75 hectares. During the quarter, additional sampling was extended over a further 150 hectares. A small gold anomalous zone was defined, however the main result was the delineation of the boundary of a 30 hectare zone as the primary target.

Further mapping and rock chip sampling has reinforced the model that a gold anomalous porphyry system is the initial target. The main target is an elongate zone of 300m x 50m shearing with gold-bearing quartz veinlets, adjacent to a microgranite intrusive body 50m x 50m.

During the quarter, 6 Reverse Circulation percussion drill holes were drilled for a total of 585 metres.



Five holes tested the principal soil and rock chip anomaly, a zone of shearing 300m x 50m with gold-bearing quartz veinlets, adjacent to, and SE of a microgranite intrusive body 50m in diameter. Hole 6 tested a subsidiary anomaly associated with greisen outcrop west of the microgranite (see image)

The anomalous gold intersections were:

- RCH1 5m @ 0.22 g/t Au from 14 to 19m
- RCH1 1m @ 0.16 g/t Au from 56 to 57m
- RCH2 1m @ 0.41 g/t Au from 12 to 13m
- RCH2 1m @ 0.12 g/t Au from 20 to 21m
- RCH3 1m @ 0.31 g/t Au from 20 to 21m
- RCH3 1m @ 0.37 g/t Au from 23 to 24m
- RCH3 10m @ 0.18 g/t Au from 37 to 47m
- RCH3 1m @ 0.26 g/t Au from 72 to 73m
- RCH6 3m @ 0.30 g/t Au from 3 to 6m
- RCH6 1m @ 0.13 g/t Au from 9 to 10m
- RCH6 1m @ 0.12 g/t Au from 14 to 15m

RCH 3 and 6 were the best holes with strong base metal correlation. RCH 6 had 13m at 0.11 Au, 11 Ag, 236 As, 505 Bi, 400 Cu, 1034 Pb, 642 Zn & 80 Sn.

A total of 80 of the samples with anomalous gold and/or bismuth and arsenic were selected for BCL assay to check the possibility that a coarse gold nugget effect has occurred and assays are underway.

## **PROPOSED WORK PROGRAMS TO 31 MAY 2007**

### **Queensland**

- Warroo – Completion of drill programme.
- Top Camp – Ground magnetic survey interpretation. Airborne data acquisition and interpretation. Ground mapping, sampling and radiometric traverses. Bulk sampling of alluvials.
- Grants Gully/Buchanan's Creek – Geological mapping and rock chip sampling.
- Malcolm Creek – Completion of soil and rock chip sampling. 400 metre RC drilling.
- Rutherford's Table – Trial mining of alluvial and hard rock areas. 700 metres of RD drilling to test for sulphide source.
- Diggers Creek-Detailed mapping and rock chip sampling.

### **Victoria**

- Walwa – Stream sediment sampling, mapping, soil and rock chip sampling.



Adrian Day  
Managing Director  
Queensland Gold and Minerals Limited

In accordance with Listing Rules 5.10, 5.12 and 5.1 of the Australian Stock Exchange Limited, technical information contained in this report has also been compiled by Mr. Adrian Day BSc (Geol), MAIG, MSEG, MGSA and Queensland Gold and Minerals Ltd, Exploration Manager, Mr John Nethery B.Sc (Geol), Dip Education, CP (Geo), Fellow AusIMM, FAIG, FSEG, MGSA who are competent persons and members of the Australasian Institute of Mining and Metallurgy. Mr Day and Mr Nethery have relevant experience to the mineralisation being reported on to qualify as Competent Persons as defined by the Australasian Code for Reporting of Minerals Resources and Reserves. Mr Day and Mr Nethery consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Tenement	Project Name	Registered Holder	Status	Date of Grant	Number of Sub-Blocks	Commodity	Minimum Expenditure
EPM 13271	Grants Gully	QGM 100%	Granted Renewal lodged	18/7/2001	5	Tantalum Gold, Tin	\$40,000
EPM 13694	Grants Gully	QGM 100%	Granted	3/12/2002	24	Tantalum Gold, Tin	\$75,000
EPM 14224	Grants Gully	QGM 100%	Granted	30/7/2004	13	Tantalum Gold, Tin	\$25,000
EPM 14988	Grants Gully	QGM 100%	Appln (07/02/05)		5	Tantalum Gold, Tin	\$20,000
EPM 11954	Diggers Creek	QGM 100%	Granted	28/6/2004	17	Gold	\$30,000
EPM 13744	Eveleigh	QGM 100%	Granted Renewal lodged	3/12/2002	20	Gold, Tin	\$50,000 pa
EPM 14128	Werrington	QGM 100%	Granted	30/7/2004	90	Gold	\$50,000
EPM 14231	Malcolm Creek	F H Skerritt 50% S B Terry 50%	Granted	26/8/2004	67	Gold	\$50,000
EPM 13831	Warroo	QGM 100%	Granted	14/5/2003	100	Gold Copper	\$200,000
EL 4431	Walwa	J M Brady	Granted	8/10/1999	29	Tantalum Gold, Tin	\$21,000
Tenement	Project Name	Registered Holder	Status	Date of Grant	Area (ha)	Commodity	Minimum Expenditure
MLs 2764 ML 2785 ML 2786 ML 2792	Top Camp Top Camp Top Camp Top Camp	QGM 100% QGM 100% QGM 100% QGM 100%	Granted Granted Granted Granted		407	Gold Copper	N/A
ML 3311 ML 30123 MLA 30208	GrantsGully	QGM 100% QGM 100% QGM 100%	Granted Granted Application		96	Tantalum Gold, Tin	N/A
ML 1035 ML 1060	Rutherfords Table	QGM 100% QGM 100%	Granted Granted		244	Gold	N/A