

ASX ANNOUNCEMENT & MEDIA RELEASE

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**EXPLORATION COMPANY PROPOSES TO PROVIDE HOUSING
FOR THE MINING INDUSTRY IN EMERALD**

Mining exploration company Queensland Gold and Minerals Ltd (QGM) has contracted to buy a parcel of land for \$2 million for an Emerald housing project that will provide accommodation for mining and construction workers.

It is anticipated that the development will have a total cost of \$7 million, with an estimated end value of approximately \$10.5 million fully leased.

Businessman James Canning-Ure is associated with the property vendor and will project manage the development of the property. Together with fellow businessman, David Barwick, Mr Canning-Ure has provided the opportunity to the company and both Mr Barwick and Mr Canning-Ure will assist in the capital raising and funding of the project.

The Central Queensland housing project has received development approval and QGM will enter into a fixed-price building contract for the construction of up to 60 cottages on the site.

The company is undertaking negotiations with a mining and a mining construction company for a long term contract that would fully lease the property.

A capital raising will also be undertaken with the assistance of the housing project vendors within the next two months to complete the acquisition and to increase QGM's cash reserves. QGM anticipates that the construction of the housing project will be funded by a mixture of capital injection and debt funding.

QGM Managing Director Adrian Day said the housing project should prove to be a strategic cash-flow producing investment in light of the accommodation crisis being experienced in Central Queensland towns.

"Emerald is a key community within the mining region and has been experiencing a shortage of suitable accommodation during recent years due to increasing demand for labour on new and expansion projects," he said.

"This housing project will provide those workers with an excellent housing option and is certain to be in demand once it becomes operational."

Mr Day said cash flow generated by the Emerald housing project will be used to supplement and expedite QGM's exploration program, cover corporate costs and reduce QGM's future capital raising requirements for the benefit of members.

He also said the project was a vertically integrated mining opportunity and would not be a change in direction for the company.

“Coupled with the proposed capital raising and existing and potential joint ventures we have over a number of mining tenements, QGM is well placed to progress our mineral exploration projects in coming years,” he said.

The transaction is conditional on:

- (a) QGM being satisfied with its due diligence and compliance investigations;
- (b) QGM obtaining all regulatory approvals (including shareholder approval); and
- (c) Completion of the proposed capital raising,

which are anticipated to be completed by the end of July 2008.

Subject to the transactions meeting all pre-conditions, Mr Barwick and Mr Canning-Ure will be issued 6 million QGM shares each, with 3 million options exercisable at 20 cents. Mr Canning-Ure will also take a place on the Board of QGM with Mr Barwick as his alternate.

QGM is a Brisbane-based mineral exploration company that has several exploration and mining projects, primarily focused on gold, situated in world-class Queensland mineral provinces. It listed on the Australian Stock Exchange in early 2007.

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