

QUEENSLAND GOLD & MINERALS

26 June 2009

QUARTERLY REPORT TO 31 MAY 2009

QUEENSLAND GOLD AND MINERALS LTD

ASX Code : QGM

Issued Capital (31/05/2009):
59,819,167 Shares issued
59,819,167 Shares listed

7,500,000 Unlisted Directors and Broker
Options (options escrowed if exercised)

545 shareholders

Top 20 shareholders:-
Hold 68 % of Listed Shares

Directors:
Mr David Barwick – *Chairman*
Mr Andrew Gillies- *Director*
Mr Adrian Day- *Director*
Mr Theo Psaros – *CFO/Company Secretary*

Largest Shareholders:

Angus & Ross plc	24.52 %
Metallica Minerals Ltd	12.88%
Nedex Pty Ltd	5.74%

Cash Balance
As at 31 May 2009, QGM's cash balance was
approx \$0.19 million.

HIGHLIGHTS

- Malcolm Creek gold project joint venture partner, Newmont Exploration Pty Limited (a subsidiary of one of the world's largest gold producers), has commenced exploration.
- Desktop studies continued on QGM's other tenements in the Cloncurry and Georgetown, districts.
- Exploration activities have been further significantly reduced during the quarter due to the downturn of the mineral exploration industry and to conserve QGM's cash position.
- QGM is seeking advanced exploration and mineral related projects for possible acquisition.

MALCOLM CREEK – Gold Project (80 km south Georgetown)

- **Malcolm Ck EPM 14231, EPMA 17739 – Gold bearing breccias, porphyry and quartz vein swarms of similar style to the Kidston gold deposit, 80km to the east.**

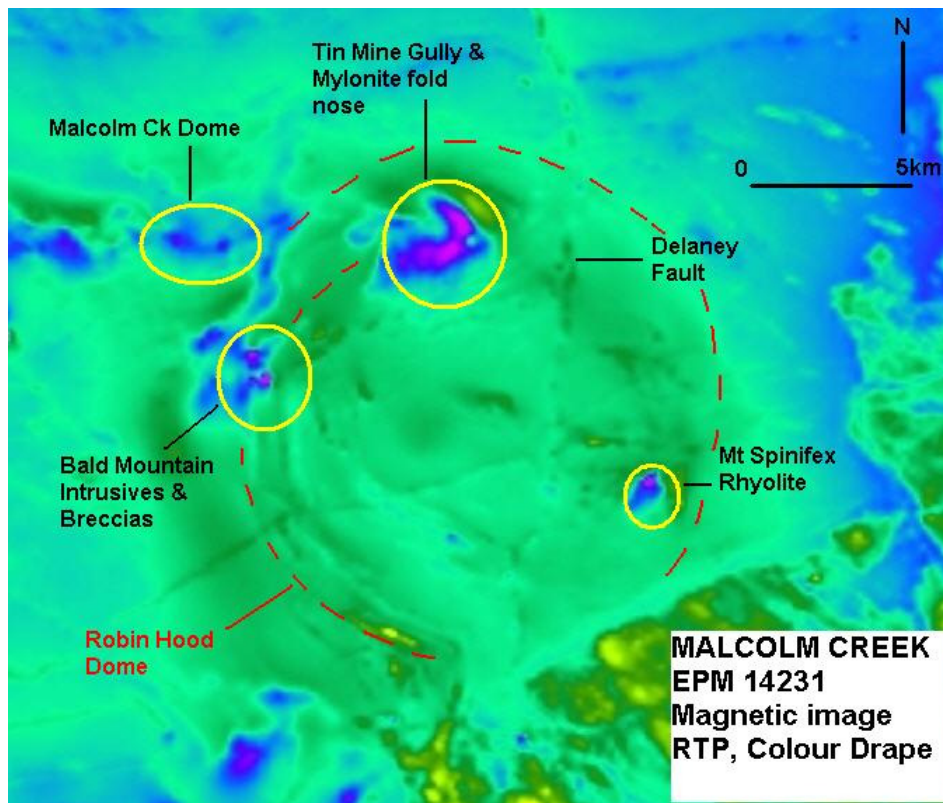
In April 2009, a joint venture agreement was signed with **Newmont Exploration Pty Ltd** (Newmont) a subsidiary of one of the world's largest gold producers.

Under the joint venture agreement **Newmont** is to fund further exploration on the Malcolm Creek project, Newmont will conduct a minimum initial \$250,000 exploration program within one year of signing the Farm-in Agreement, which will form part of the earn-in expenditure of up to \$2 million to earn an interest of up to 70% over four years. QGM retains the right to contribute in proportion to its equity at decision points of 51%: 49%, 60%: 40%, and 70%: 30%. If QGM fails to contribute at these equity positions, Newmont may then spend an additional \$1 million for a cumulative expenditure of \$3 million to earn equity of 80%.

Newmont commenced field activities by completing a BCL stream sampling programme over the entire tenement with soil sampling planned for anomalous drainages. Results are awaited.

Within the joint venture area three substantial targets have been defined:

1. The **Bald Mountain** prospect is a gold-bearing volcanic porphyry and breccia system of the Kidston style that covers a total surface area of approximately 6 km². Reinterpretation of the existing database has indicated that a dipole-dipole IP geophysical survey is warranted over a priority area of 1 sq km covering the north east part of the Bald Mountain gold target.
2. The **Malcolm Creek** target is a 2 km² domed sheet of quartz mylonite rock with associated strongly anomalous gold and tungsten in soils; and
3. **Tin Mine Mountain** is a major structural culmination of quartz mylonite covering about 2 km², with an anomalous concentration of tin, gold and tantalum mineralisation, including minor past alluvial tin production. Detailed geological mapping and rock chip sampling of the Tin Mine Mountain target in the eastern sector of the exploration permit is proposed by Newmont to commence in the immediate future.



BUCHANANS CREEK PROJECT (40 kilometres southwest of Georgetown)

- Buchanan's Creek EPMs 13271, 13694, 14224, EPMA 14988 - Rare metal (tantalum-niobium-tin-lithium) in greisens and pegmatites with affinities to Greenbushes and Wodgina.

Bulk testing for tantalum, niobium, tin, and gold is planned for the 2009 season following the granting of a mining lease at **Grant's Gully**, which also involves negotiation of agreements with landowners and Traditional Owners.

Reconnaissance follow-up of regional geochemical sampling programmes is planned to continue especially in the vicinity of four tantalum, tin and lithium bearing pegmatite bodies in the **Buchanan's Creek** area that produced encouraging drilling results in 2007.

RUTHERFORDS TABLE PROJECT (150 kilometres south-west of Bowen)

- Rutherfords Table Mining Leases 1035 & 1060 – Gold in basal conglomerates and recent alluvials.

During the quarter several options were investigated to progress this project to production to take advantage of rising gold price.

TOP CAMP PROJECT (40 kilometres south of Cloncurry)

- Top Camp Mining Leases 2764, 2785, 2786 & 2792 – Alluvial gold shedding from magnetic anomaly.

The magnetic high defined by ground and helimag surveys is associated with anomalous gold-copper-bismuth and modest molybdenum in rock chip samples is programmed to be drilled when funds become available. The alternative of seeking a joint venture partner is also under consideration.

WARROO PROJECT (60 kilometres west of Stanthorpe)

The company decided to relinquish this tenement due to not being able to secure an offer from prospective joint venture parties.

EVELEIGH (60 kilometres east of Georgetown)

Follow-up field work failed to enhance the prospectivity of this project so the Exploration Permit was surrendered.

SUNDOWN (30 kilometres southwest of Stanthorpe)

- **Sundown EPM 16961 - Tin-bearing quartz vein stockworks that might represent a bulk low grade open pit tin operation.**
- Sundown is a tin-bearing zone of alteration covering some 2 square kilometres. Extensive previous exploration data from the early 1980s programmes by BHP and Shell was converted to a computerized GIS format preparatory to further assessment. Collation of data from these previous exploration companies and its interpretation continues.

PROPOSED WORK PROGRAMMES TO 31 AUGUST 2009

The following exploration programmes are envisaged, subject to sufficient funding being available:

- Malcolm Creek – Detailed surface rock chip sampling and geophysical survey by our joint venture partner, Newmont Exploration Pty Ltd.
- Grant's Gully & Buchanan's Creek – Refurbishment of test plant for bulk testing.
- Sundown – Data compilation and assessment.

CORPORATE

Mr John Nethery resigned as a Director of QGM on 3 April 2009. Mr Nethery will continue as the QGM Exploration Manager as a consultant.

QGM is seeking advanced exploration and mineral industry projects for possible acquisition.

Adrian Day
Director
Queensland Gold and Minerals Limited
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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 and Australian Institute of Geoscientists. 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 Details as at 31 May 2009

Mining Lease	Project Name	Registered Holder	Status	Date of Grant	Area hectares	Commodity	Minimum Expenditure
ML 2764	Top Camp	QGM 100%	Granted		103	Gold	N/A
ML 2785	Top Camp	QGM 100%	Granted		129.2	Copper	
ML 2786	Top Camp	QGM 100%	Granted		70		
ML 2792	Top Camp	QGM 100%	Granted		105		
ML 3311	Grants Gully	QGM 100%	Granted		8.09	Tantalum	N/A
ML 30123		QGM 100%	Granted		3.09	Gold, Tin	
MLA 30208		QGM 100%	Application		84.91		
ML 1035	Rutherfords Table	QGM 100%	Granted		32.36	Gold	N/A
ML 1060		QGM 100%	Granted		211.7		

Tenement	Project Name	Registered Holder	Status	Date of Grant	Number of Sub-Blocks	Commodity	Minimum Expenditure
EPM 13271	Grants Gully	QGM 100%	Granted renewed &	18/7/2001	5	Tantalum Gold, Tin	\$40,000
EPM 13694	Grants Gully	QGM 100%	Granted renewed &	3/12/2002	12	Tantalum Gold, Tin	\$75,000
EPM 14224	Grants Gully	QGM 100%	Granted	30/7/2004	7	Tantalum Gold, Tin	\$25,000
EPM 14988	Grants Gully	QGM 100%	Appln (07/02/05)		5	Tantalum Gold, Tin	\$20,000
EPM 14231	Malcolm Creek	F H Skerritt 50% S B Terry 50%	Granted	26/8/2004	17	Gold	\$50,000
EPM 16961	Sundown	QGM 100%	Granted	11/2/2009	16	Tin	\$85,000
EPMA 17739	Malcolm Creek	F H Skerritt 50% S B Terry 50%	Appl'n (25/07/08)		49	Gold	\$50,000