



QUEENSLAND ORES LTD

QUARTERLY ACTIVITIES REPORT To 30 June 2009

Shares on Issue – 398,122,874
(29 July 2009)

SUMMARY

Corporate

On 9 June 2009, Metallica Minerals Limited (ASX-MLM) closed its takeover bid for Queensland Ores Limited (QOL) holding approximately 71% of QOL's issued capital.

On 26 June 2009 QOL closed a rights Issue with 177,307,572 shares allotted on 1st and 7th July 2009. The Rights Issue raised a total of \$1,595,768. At the close of the rights issue Metallica holds approximately 76% of QOL.

On 29 June 2009 the loan (with interest) of \$611,600 to QOL from Outback Metals Limited was repaid in full, and as at 30 June 2009 QOL had funds on hand of \$1,250,000 and creditors of \$110,000, effectively no debt, with all of its assets unencumbered.

On 9 June 2009, Mr Ken Dredge and Mr John Greenwood resigned as Directors of QOL, and Mr David Barwick and Mr Andrew Gillies were appointed as Directors of the Company, with Mr Barwick being appointed Chairman of Directors. Mr Roger Marshall and Mr Barry Kelly remained as Directors of QOL. Also on this date Mr Garry Gill resigned as Company Secretary of QOL and Mr John Haley was appointed as Company Secretary. Mr Barwick, Mr Gillies and Mr Haley are all Directors of Metallica.

Operational

Care and maintenance activities continued to be undertaken in the quarter at the Wolfram Camp Project with frequent site inspections being carried out. A major resource definition drilling programme is being planned and budgeted and is expected to commence in the September/October.

No activities took place at the Mount Cannindah or Bamford Hill projects.

REVIEW

Wolfram Camp (QOL 85%)

(Tungsten-Molybdenum Project, near Dimbulah, North Queensland)

Care and maintenance activities continued during the quarter at the Wolfram mine Camp Project. Regular inspections of the site took place and routine tasks such as rotating the ball mill and running sump pumps in the Treatment Plant were scheduled.

Discussions were held with the EPA regarding the overflow of water from the Main Water Dam. Arrangements were made to recycle seepage water from the Tailings Dam and hence terminate the overflow. Planning was undertaken for some remedial works to drainage structures on site that will be required before the next wet season.

Mount Cannindah (QOL 100%)

(Copper-Gold-Silver Project, near Monto, South-East Queensland)

In order to conserve cash no exploration work took place at Mount Cannindah during the quarter.

Bamford Hill (QOL earning up to 85%)

(Tungsten, Molybdenum, Tin and Gold Prospect, 30kms South West from Wolfram Camp)

As with Mount Cannindah, no exploration work was undertaken during the quarter.

ACTIVITIES PLANNED TO 30 SEPTEMBER 2009

- An extensive on site resource definition and exploration drilling program is expected to commence in September/October to further evaluate and confirm the open cut mineable tungsten & molybdenum resources.
- Normal care and maintenance activities will continue at the Wolfram Camp Mine. The Ball Mill charge will be unloaded and the balls will be stockpiled for future use.
- Sampling and monitoring of both surface and groundwater will continue as per regulatory requirements.
- Site remedial earthworks related to the stormwater diversion drain, site roadworks and cleaning out of the sediment traps.
- Bentonite will be added to several small "sink" holes located within the main tailings dam in an attempt to limit the seepage from the dam through the main wall.



Aerial photo of Wolfram Camp processing plant and Tungsten-Molybdenum Ore mining area



Wolfram Camp processing plant (currently under Care and Maintenance)

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

QUEENSLAND ORES LIMITED

ABN

35 108 146 694

Quarter ended ("current quarter")

30 JUNE 2009

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	33	228
1.2 Payments for:		
(a) exploration and evaluation	(5)	(219)
(b) development	-	(2,185)
(c) production	(59)	(5,055)
(d) administration	(759)	(1,911)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	130
1.5 Interest and other costs of finance paid	(11)	(11)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	(14)
Net Operating Cash Flows	(799)	(9,038)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(65)
1.9 Proceeds from sale of:		
(a)prospects	-	-
(b)equity	-	-
investments		
(c)other fixed	3	262
assets		
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	3	197
1.13 Total operating and investing cash flows (carried forward)	(796)	(8,841)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(796)	(8,841)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,646	2,102
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	600
1.17	Repayment of borrowings	(600)	(600)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	1,046	2,102
	Net increase (decrease) in cash held	250	(6,739)
1.20	Cash at beginning of quarter/year to date	992	7,981
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	1,242	1,242

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	25
1.24	Aggregate amount of loans to the parties included in item 1.10	NIL

1.25 Explanation necessary for an understanding of the transactions

N/A

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NIL

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NIL

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	NIL	NIL
3.2	Credit standby arrangements	NIL	NIL

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	NIL
4.2	Development	NIL
Total		NIL

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,242	992
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	1,242	992

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	393,337,644	393,337,644		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	172,532,522	172,532,522		
7.5 +Convertible debt securities <i>(description)</i>	Nil			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil			
7.7 Options <i>(description and conversion factor)</i>	Nil			
7.8 Issued during quarter	Nil			
7.9 Exercised during quarter	Nil			
7.10 Expired / relinquished during quarter	1,000,000 450,000	Nil Nil	<i>Exercise price</i> \$0.30 \$0.40	<i>Expiry date</i> 7 December 2011 7 December 2009
7.11 Debentures <i>(totals only)</i>				

+ See chapter 19 for defined terms.

7.12	Unsecured notes (<i>totals only</i>)		
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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act ~~or other standards acceptable to ASX (see note 4).~~
- 2 This statement does ~~not~~^{*} (*delete one*) give a true and fair view of the matters disclosed.



Sign here: Date: 29 JULY 2009
(~~Director~~/Company Secretary)

Print name: JOHN HALEY.....

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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