



A Growing Gold Miner

North Queensland Metals Limited

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North Queensland Metals Limited (NQM) has re-released its announcement concerning exploration results to clarify the information in relation to the Janine Prospect. NQM has developed a resource model of the prospect with additional holes been designed to both infill and extend the geological model.

A handwritten signature in black ink, appearing to read 'John McKinstry', is positioned above the name and title of the signatory.

John McKinstry
Chief Executive Officer
North Queensland Metals Limited

INVESTMENT DATA

ASX: NQM

Issued Shares:
198,815,476

Net Assets (31 Dec 09)
\$48.2 million

Net Profit after Tax (half year to 31
Dec 09)
\$1.1 million

Dividend Declared FY2010
0.5 cents per share

Market Capitalisation
\$48 million



ABOUT NQM

North Queensland Metals is an Australian based and listed mining company with a focus on activities in north Queensland.

The company has a 60% interest in, and is the manager of the Pajingo Gold Mine near Charters Towers. The Pajingo partnership has acquired the former Twin Hills mine for which it has plans to operate as a satellite mine to boost production from Pajingo to over 100,000oz pa. NQM aims to expand its operations and is looking to expand its gold interests in the Drummond Basin.

In addition to its gold operation, North Queensland Metals has an interest in partnering to develop the Baal Gammon copper/tin mine in the Herberton area. The mineral field includes historic tin and base metal mines with rich credit metals such as silver and indium.

ENCOURAGING RESULTS FROM EXPANSION DRILLING AT PAJINGO GOLD MINE

- **New drilling raises the potential for significant additions to mine life**
 - At Moonlight, further 3000m drilling planned following indications of continuing gold-silver system below latest drill results
 - At Anne, extension of underground orebody confirmed; potential for open pit target indicated
 - At Ralph Porter, high grades from surface sampling and drilling encourage potential as extension of main Vera Nancy orebody
 - At Janine, high grade results; possible open pit mining
 - At Cindy, drilling points to three new sublevels beneath previous mining
 - At Jandam, drilling confirms eastern extension of current mining area along strike

North Queensland Metals (NQM or the Company) is pleased to be able to issue the results which have now been received for exploration drilling, completed in December 2009 prior to the 2010 wet season, at Pajingo (NQM 60% and manager, Heemskirk Consolidated Limited 40%).

NQM Chief Executive Officer John McKinstry commented:

“The results support the Joint Venture’s strategy of seeking to both extend the Pajingo mine life and expand production through exploration.

“Much of the latest exploration expenditure was on the new Moonlight prospect, but we also focused on near mine targets, both extensions and new mineralized zones so it is pleasing to confirm a number of extensions to current mining areas.

“The extensions along strike in both directions on the main Nancy-Vera structure confirm the near mine potential to keep adding mine life, while Moonlight and other new prospects are found and explored.

“We have a wide range of exciting prospects to work on, and we will be allocating more money to site personnel for human and material resources to undertake the necessary increase in exploration.”

CINDY DEEPS

Cindy orebody was mined by the original owners, Battle Mountain, prior to 1996. The original development access to Vera-Nancy, commenced from Cindy. Diamond drilling underneath the previously mined ore, has indicated the likelihood of three new sublevels. The results are shown below in Table 1.

Cindy, which had previously been mined from surface to a depth of approximately 100m, produced 208,000 tonnes @ 7.2 g/t gold for 46,000 oz gold.

| Hole_ID | From | To | Interval | Grade (Au) |
|------------|-------|-------|----------|------------|
| 2009_06_CD | 69.00 | 71.70 | 2.70 | 19.78 |
| 2009_08_CD | 62.00 | 63.00 | 1.00 | 1.16 |
| 2009_09_CD | 38.70 | 43.00 | 4.30 | 6.36 |
| 2009_10_CD | 28.00 | 28.85 | 0.85 | 9.81 |
| 2009_11_CD | 47.43 | 53.00 | 5.57 | 8.63 |
| 2009_13_CD | 75.0 | 76.0 | 1.0 | 2.87 |
| 2009_14_CD | 94.0 | 95.0 | 1.0 | 3.02 |
| 2009_14_CD | 95.0 | 96.0 | 1.0 | 14.3 |
| 2009_14_CD | 96.0 | 97.0 | 1.0 | 12.15 |
| 2009_14_CD | 97.0 | 98.2 | 1.2 | 14.1 |
| 2009_14_CD | 98.2 | 99.0 | 0.8 | 0.53 |

Table 1 Results of underground diamond drilling at Cindy Deeps

JANDAM EAST

Jandam East, as the name suggests, lies east along strike from the Jandam and Jandam Deeps ore zones. Jandam Deeps is a major source of ore for the 2010/2011 financial year. Drill holes have been drilled south from the Zed Sonia development access. This provides a less than ideal angle for delineation drilling as the structure dips away at depth. A proposal to develop access into the hangingwall to provide better hole orientation is expected. The results of drilling are shown in Table 2 below.

Jandam has yielded in excess of 658,000 tonnes @ 14.1g/t gold for a total of 297,000 oz gold. Mining in Jandam Deeps, which extends beneath Jandam, commenced production during the last (March) quarter.

| Hole_ID | From | To | Interval | Grade (Au) |
|------------|--------|--------|----------|------------|
| 2009_14_JD | 104.88 | 106.48 | 1.60 | 8.88 |
| 2009_15_JD | 150.00 | 153.00 | 3.00 | 12.87 |
| 2009_15_JD | 160.80 | 165.00 | 4.20 | 8.15 |
| 2009_16_JD | 139.80 | 141.11 | 1.31 | 5.65 |
| 2009_16_JD | 155.00 | 156.70 | 1.70 | 5.74 |
| 2009_17_JD | 182.00 | 183.45 | 1.45 | 7.84 |
| 2009_18_JD | 132.00 | 133.27 | 1.27 | 5.18 |
| 2009_19_JD | 124.00 | 125.20 | 1.20 | 0.8 |
| 2009_20_JD | 143.00 | 147.00 | 4.00 | 15.48 |
| 2009_21_JD | 180.00 | 181.62 | 1.62 | 15.04 |
| 2009_22_JD | 113.00 | 114.00 | 1.00 | 3.55 |
| 2009_22_JD | 120.00 | 121.00 | 1.00 | 20.6 |
| 2009_23_JD | 109.00 | 112.00 | 3.00 | 3.6 |
| 2009_23_JD | 123.00 | 124.00 | 1.00 | 7.7 |

Table 2 Results of underground diamond drilling at Jandam East

RALPH PORTER PROSPECT

Ralph Porter lies to the west of Anne and is considered to be an extension of the main Vera - Nancy structure. Near surface mineralisation has raised the potential for open pit mining (in conjunction with Anne). However, down dip targets to be accessed from existing development are the primary target.

Historic drilling at this prospect has highlighted an area of interest on a quartz vein that parallels the Anne structure. This vein is traceable over a distance of approximately 500m either in outcrop where recent rock chip sampling has returned gold assays up to 113 g/t gold, or through drilling where the vein is defined in the sub-surface as a discrete gold anomalous structure.

Significant intersections from previous drilling are included in Table 3 and depicted on the long section presented as Figure 2. NQM has completed eight drill holes on the vein west of the area hosting the significant intercepts, with mixed results. Additional drilling is planned in the area to the east where only shallow drilling was completed by previous explorers.

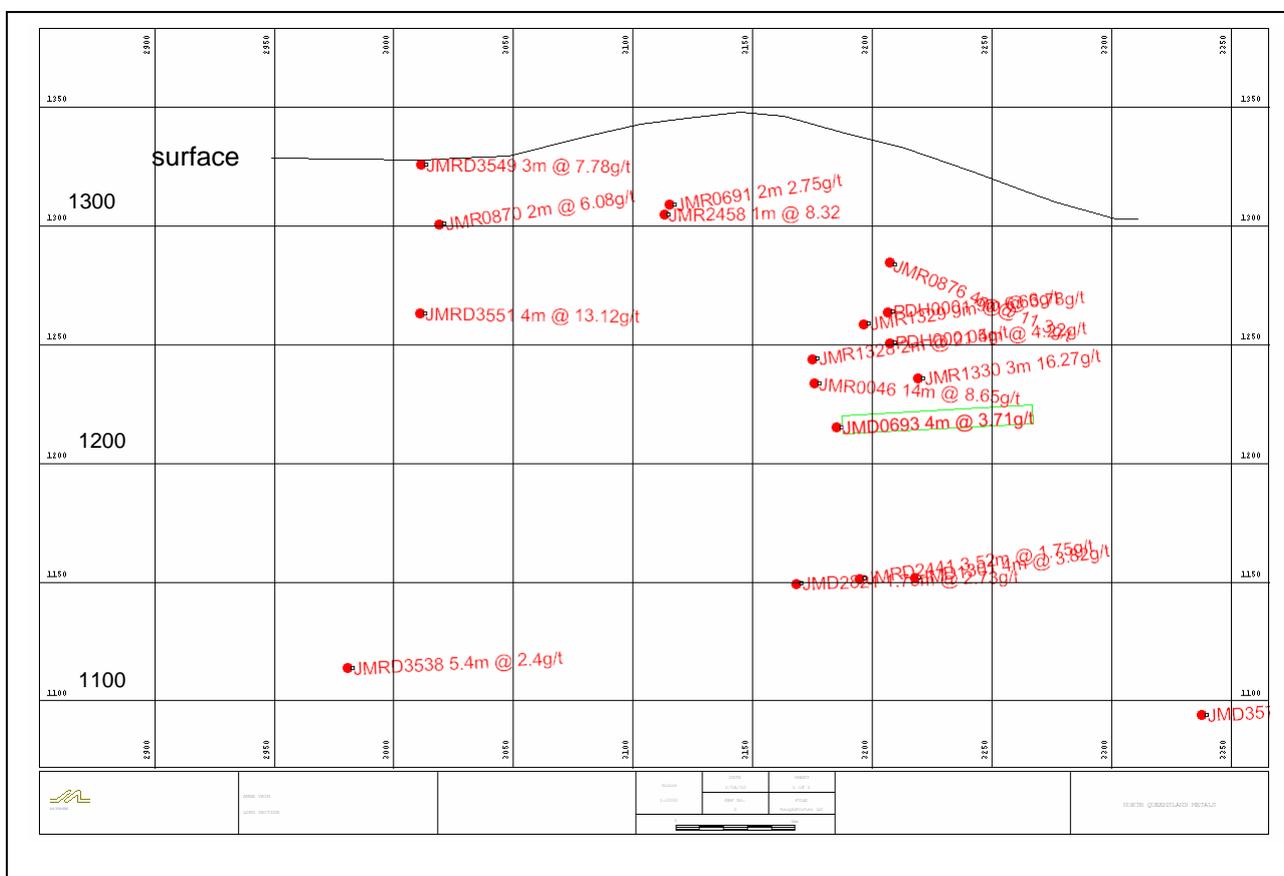


Figure 2 Ralph Porter long section depicting significant assays

JANINE PROSPECT

Janine is a prospect located approximately 400m directly south and parallel to Nancy North. This prospect has been targeted for its open pit mining potential. A preliminary resource model has been prepared and additional holes have been designed to both infill and extend the geological model. Janine is expected to be the next open pit ore source, following on from Janet A which commences this quarter

Five RC/diamond drill holes have recently been completed at the Janine prospect with two of these holes returning significant assay results with respect to gold. JMR 3565 targeted mineralisation in the near surface and returned a down-hole interval of 4m @ 5.06g/t gold from 50m including 1m @ 15.5g/t gold from 50m, while JMR 3566 targeted strike extensions to the mineralisation to the east and returned 6m @ 6g/t gold from 94m including 3m at 10.8g/t gold from 97m.

Hole JMRD 3569 targeted down plunge high grade extensions to the west of the defined area of mineralisation with 16.2m of quartz veining intersected between 275.8m and 292m. JMRD 3568 targeted quartz veining in the lower levels of the prospect intersecting 4.7m of quartz veining and brecciation between 208.2m and 212.9m. Assay results are not yet available for either drill hole.

| Hole ID | From | To | Interval | Au g/t |
|----------|------|-------|----------|--------|
| JMR1915 | 6 | 7 | 1 | 5.90 |
| JMR1915 | 76 | 81 | 5 | 0.86 |
| JMR1915 | 116 | 122 | 6 | 1.14 |
| includes | 121 | 122 | 1 | 2.99 |
| JMR1918 | 87 | 88 | 1 | 3.36 |
| JMR2076 | 108 | 112 | 4 | 1.48 |
| includes | 111 | 112 | 1 | 4.09 |
| JMR2077 | 82 | 90 | 8 | 10.81 |
| includes | 83 | 86 | 3 | 26.00 |
| JMRD2071 | 69 | 70 | 1 | 5.13 |
| JMRD2071 | 190 | 192.6 | 2.6 | 8.36 |

Table 3 Results of previous drilling at Janine

| Prospect | Drilled By | Hole ID | From | To | Interval | Au g/t |
|--------------|------------|----------|--------|--------|----------|--------|
| Anne | Newmont | 3450-04 | 33.6 | 34.8 | 1.2 | 7.03 |
| Anne | Newmont | 3450-04 | 64.6 | 65.6 | 1 | 14.48 |
| Anne | Newmont | 3460-04 | 28.3 | 29.1 | 0.8 | 8.99 |
| Anne | Newmont | 3460-04 | 68.2 | 69.5 | 1.3 | 6.43 |
| Anne | Newmont | 3480-02 | 72.9 | 75.5 | 2.6 | 4.36 |
| Anne | Newmont | 3410-03 | 87.3 | 90.7 | 3.4 | 5.88 |
| Anne | Newmont | JMD3166 | 300.3 | 302.55 | 2.25 | 11.35 |
| Anne | Newmont | JMRD2752 | 340 | 342.8 | 2.8 | 6.78 |
| Anne | Newmont | JMD3158 | 348 | 350.1 | 2.1 | 5.42 |
| Anne | Newmont | JMRD2750 | 373.25 | 375.4 | 2.15 | 2.38 |
| Anne | Newmont | JMD3136 | 316.9 | 319.5 | 2.6 | 7.99 |
| Anne | Newmont | JMD3136 | 349 | 350 | 1 | 19.8 |
| Anne | Newmont | JMD3138 | 323.6 | 325.7 | 2.1 | 19.74 |
| Anne | NQM | JMD3571 | 313.9 | 314.5 | 0.6 | 4.53 |
| | | | | | | |
| Janine | NQM | JMR3565 | 50 | 54 | 4 | 5.06 |
| Janine | NQM | JMR3566 | 94 | 100 | 6 | 5.99 |
| | | | | | | |
| Ralph Porter | Newmont | JMD0693 | 174 | 178 | 4 | 3.71 |
| Ralph Porter | Newmont | JMD1301 | 205 | 209 | 4 | 3.82 |
| Ralph Porter | Newmont | JMD2821 | 212 | 213.75 | 1.75 | 2.73 |
| Ralph Porter | Newmont | JMR0046 | 82 | 96 | 14 | 8.65 |
| Ralph Porter | Newmont | JMR0691 | 24 | 26 | 2 | 2.75 |
| Ralph Porter | Newmont | JMR0870 | 23 | 25 | 2 | 6.08 |
| Ralph Porter | Newmont | JMR0876 | 44 | 48 | 4 | 11.3 |
| Ralph Porter | Newmont | JMR1328 | 112 | 114 | 2 | 2.05 |
| Ralph Porter | Newmont | JMR1329 | 88 | 97 | 9 | 6.66 |
| Ralph Porter | Newmont | JMR1330 | 116 | 119 | 3 | 16.27 |
| Ralph Porter | Newmont | JMR2458 | 29 | 30 | 1 | 8.32 |
| Ralph Porter | Newmont | JMRD2441 | 218.25 | 221.77 | 3.52 | 1.75 |
| Ralph Porter | Newmont | PDH0001 | 60 | 69 | 9 | 3.78 |
| Ralph Porter | Newmont | PDH0001 | 80 | 84 | 4 | 4.22 |
| Ralph Porter | NQM | JMRD3538 | 243 | 248.4 | 5.4 | 2.4 |
| Ralph Porter | NQM | JMRD3549 | 1 | 4 | 3 | 7.78 |
| Ralph Porter | NQM | JMRD3551 | 64 | 68 | 4 | 13.12 |

Table 4 Significant assay data from the Anne, Janine and Ralph Porter Prospects

MOONLIGHT PROSPECT

Moonlight is a new system lying approximately 1-1.5km south east of existing underground workings. The mineralisation is an epithermal cell preserved in entirety, buried to depth of approximately 350-400m below the present land surface. The primary targets are high grade feeder zones beneath a block of siliceous brecciated material which extend approximately 200m in height.

Sinter deposits have been identified in drill core from the Moonlight prospect where it is interbedded with a variety of rock types including air-fall tuffs, lake sediments and eruption breccias. Sinter is a siliceous precipitation formed within the hot spring systems that form at the surface usually several hundred metres above the epithermal veins that host precious metal mineralisation. The associated rocks that are extensively clay altered and locally pervasively silicified are cut by quartz veins showing characteristic high level epithermal textures.

A further eight drill holes have been completed by NQM at Moonlight since drilling commenced in August 2009. Significant results are presented in Table 5.

| Hole ID | From | To | Interval | Au (g/t) | Ag (g/t) |
|-----------|--------|--------|----------|----------|----------|
| JMRD3542 | 369 | 495.05 | 126.05 | 1.49 | |
| Including | 410.8 | 412 | 1.2 | 5.37 | |
| | 416 | 417 | 1 | 6.23 | |
| | 431 | 432 | 1 | 5.63 | |
| | 436.7 | 438 | 1.3 | 4.66 | |
| | 440.55 | 440.9 | 0.35 | 7.26 | |
| | 445.35 | 446 | 0.65 | 4.97 | |
| | 452.9 | 461 | 8.1 | 7.8 | |
| | 483 | 484 | 1 | 7.8 | |
| JMRD3543 | 399 | 531.5 | 132.5 | 0.47 | |
| Including | 489.3 | 491 | 1.7 | 5.89 | |
| JMRD3553 | 500.8 | 517.2 | 16.4 | 1.9 | |
| includes | 500.8 | 504 | 3.2 | 4.8 | |
| JMRD3556 | 348 | 352 | 4 | 1.03 | |
| JMRD3556 | 364.6 | 414.9 | 50.3 | 0.89 | |
| includes | 377.6 | 381.4 | 3.8 | 1.3 | |
| includes | 387.6 | 401 | 13.4 | 1.98 | |
| includes | 393 | 395 | 2 | 5.31 | |
| JMRD3556 | 438 | 439 | 1 | 1.33 | |
| JMRD3556 | 447 | 448 | 1 | 1.52 | |
| JMRD3556 | 493.7 | 494.1 | 0.4 | 1.05 | |
| JMRD3556 | 524.5 | 526.8 | 2.3 | 1.49 | |
| JMRD3557 | 372 | 464 | 92 | 1.05 | |
| Includes | 398 | 401.5 | 3.5 | 4.45 | |
| and | 410 | 415.5 | 5.5 | 2.25 | |
| JMRD3557 | 488 | 489.1 | 1.1 | 2.59 | |
| JMRD3559A | 645 | 647 | 2 | 1.5 | 1105 |
| JMRD3559A | 682 | 688.7 | 6.7 | 1.67 | |
| Includes | 683 | 684 | 1 | 3.55 | 2.6 |

Table 5 Summary of assays from drilling conducted at Moonlight August 2009 to December 2009

Plotting of the structural contours for the top of the massive andesite unit has identified two major offsets in the geology, one striking at approximately 030° and the other at approximately 070°. It is thought that mineralisation intersected in drilling conducted by Newmont (JMRD 3253 4.9m @ 14g/t gold) is controlled by structures paralleling the 070° orientation. Drill hole JMRD 3559 was drilled to test this interpretation. However, technical issues caused the hole to deviate from the design and miss the target. JMRD 3559A was a daughter hole navi-drilled off JMRD 3559 to improve accuracy and ensure that the target was intersected.

An extensive zone consisting of a hydrothermal eruption breccia (HEB) and multiphase veining has been intersected from 608.7m. This intersection is hosted in andesite and is located approximately 40m below and some 20m along strike from the high grade intersection in JMRD 3253. Although the gold grades from the HEB were below expectations, it is still an important geological feature and supports the model of being at a high level within the epithermal system. Specific trends in the trace element geochemistry through the breccia zones along with the quartz species/textures confirm that the intersection is at a high level.

Relatively high arsenic and antimony combined with low copper and lead values are geochemical indicators consistent with the upper reaches of the system. The occurrence of fragments of colloform banded quartz which is thought to have originated from lower levels in the system (possibly from within the bonanza zone)

probably accounts for the elevated gold result in the interval 683m to 684m. It is expected that high grade gold veins lie below the HEB structure as depicted in Figure 3.

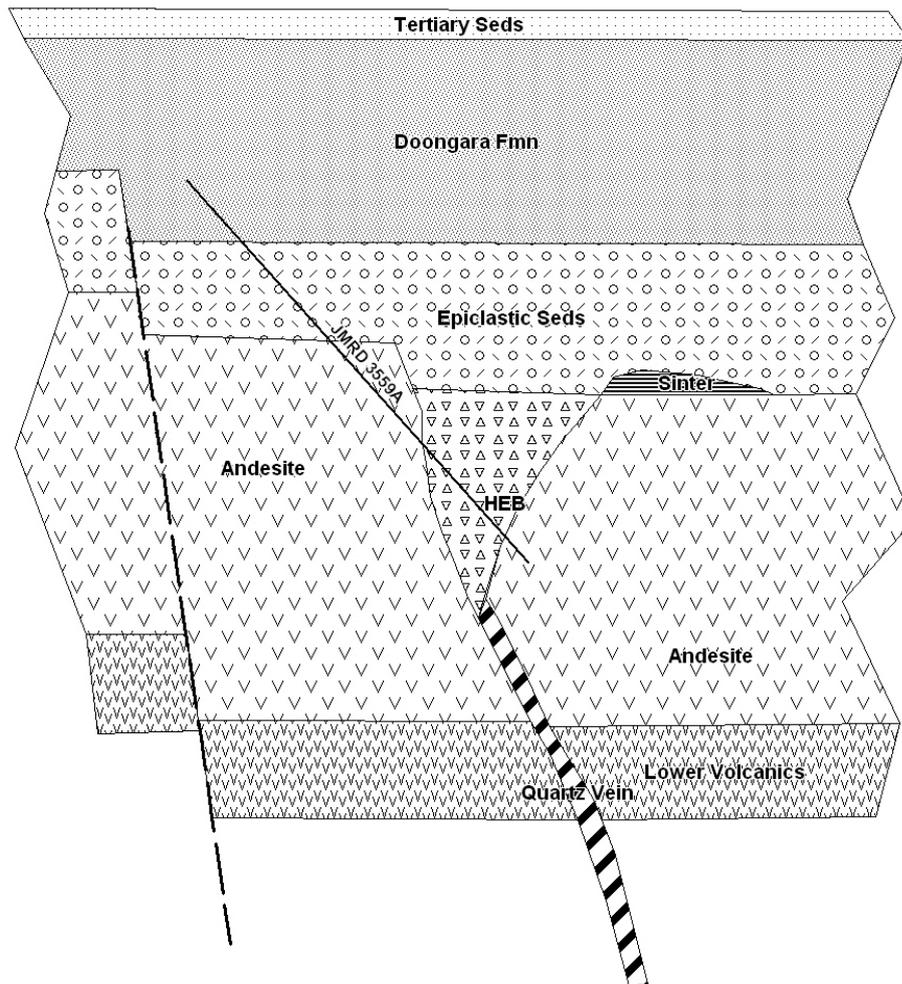
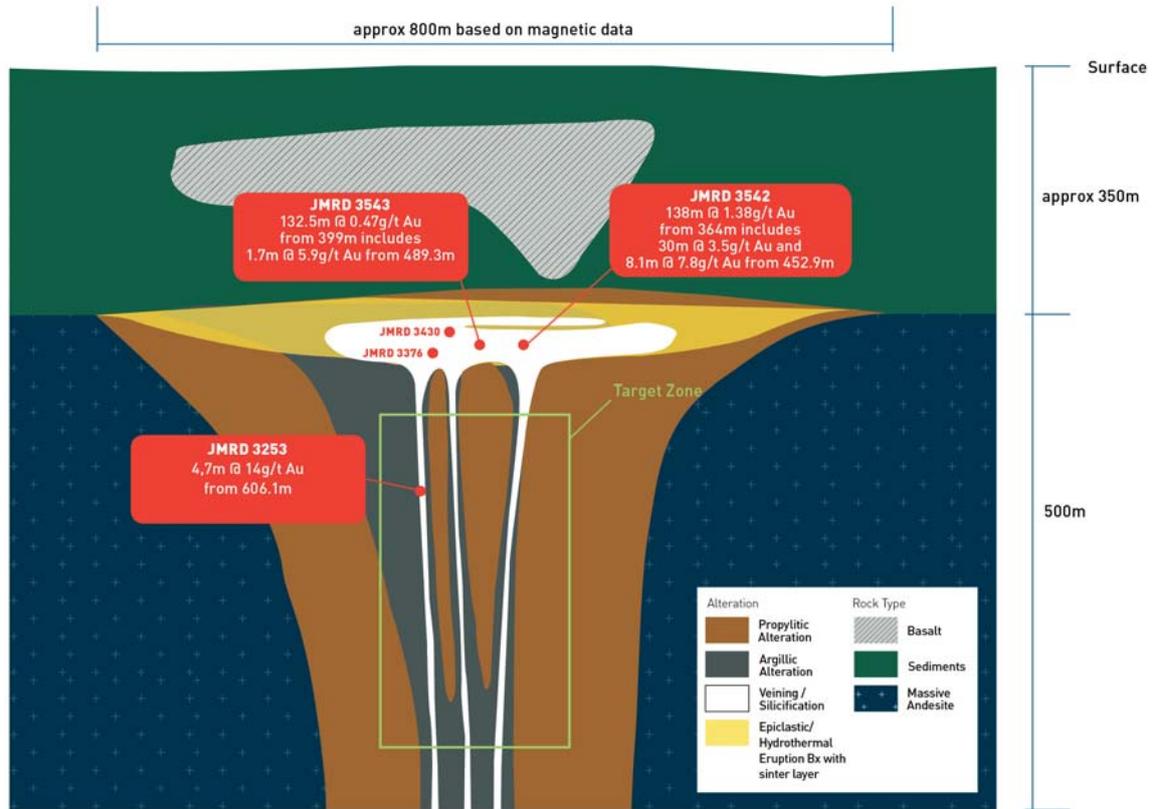


Figure 3 Moonlight schematic cross section through JMRD 3559A showing relationships between host units, sinter, hydrothermal eruption breccia (HEB) and interpreted high grade quartz vein

The next stage is proposed drilling of 3000m to target the area beneath the HEB. This will likely involve reorientation of the holes based on knowledge gained to date. The program will test for extensions to the mineralisation intersected in holes JMRD3559A and JMRD3253, and will test down dip extensions to broad low grade intercepts seen in JMRD3430, JMRD3376 and JMRD3542.

MOONLIGHT SCHEMATIC SECTION (LOOKING NORTH)



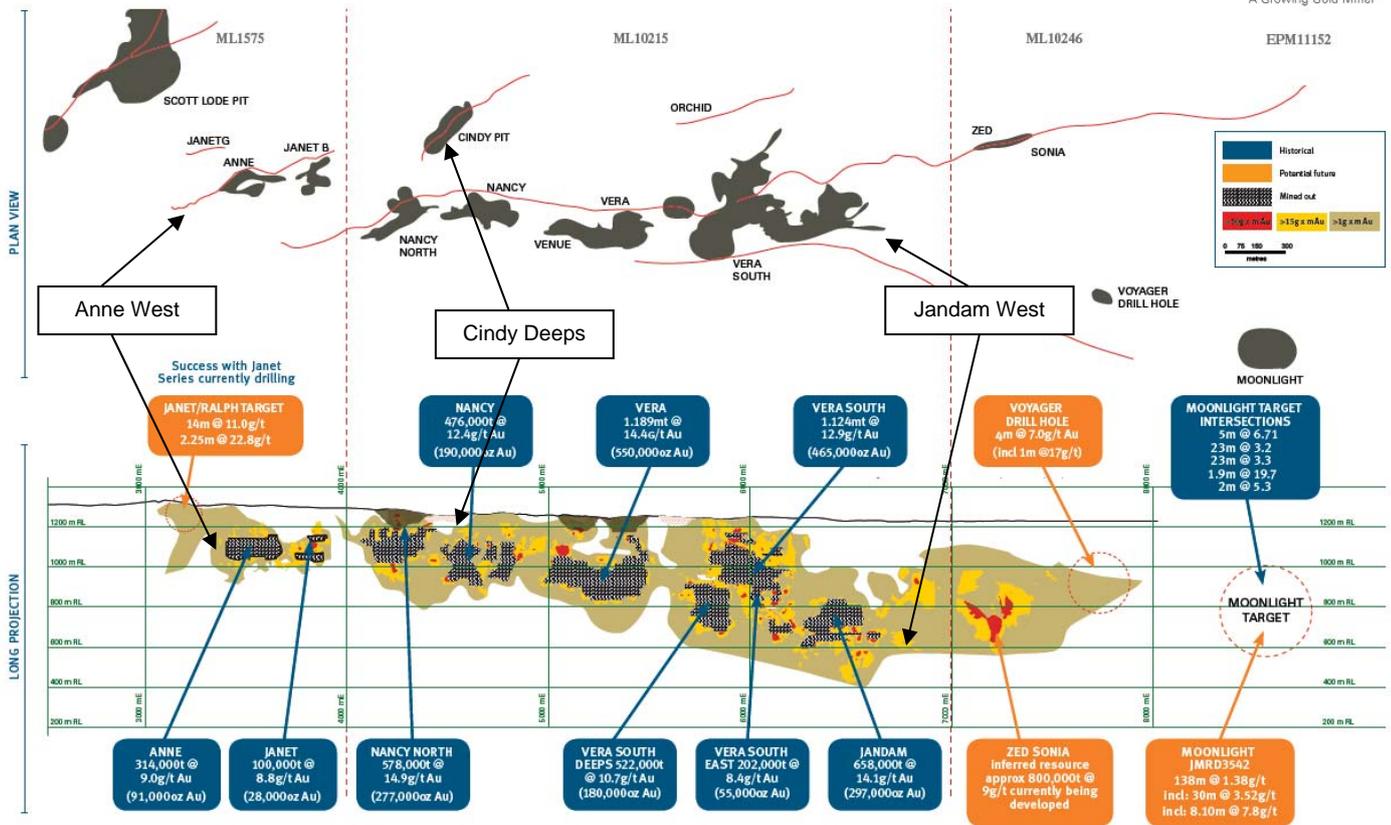
John D McKinstry
Chief Executive Officer

Dated 8 April 2010

North Queensland Metals Limited

Email info@nqm.com.au

SCHEMATIC PLAN & LONG PROJECTION – SCOTT LODE TO MOONLIGHT



The information in this report that relates to Pajingo Exploration Results is based on information compiled by Brentan Grant, who is a Member of the Australian Institute of Geoscientists. He is a full time employee of North Queensland Metals Limited. Brentan Grant has sufficient experience which is relevant to the style 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 of Exploration Results, Mineral Resources and Ore Reserves". Brentan Grant consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources and Ore Reserves on Pajingo is based on information compiled by Jason Butler, who is a Member of The Australasian Institute of Mining and Metallurgy No. 209977. He is a full time employee of NQM Gold Pty Limited (a subsidiary of North Queensland Metals Limited). Jason Butler has sufficient experience which is relevant to the style 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 of Exploration Results, Mineral Resources and Ore Reserves". Jason Butler consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.