



QOL TO UNDERTAKE RIGHTS ISSUE

QOL announces that it will undertake a non-renounceable rights issue (**Rights Issue**) to raise additional working capital and to satisfy impending debt commitments.

The details of the Rights Issue are as follows:

- (a) The offer is non-renounceable for ordinary fully paid shares in QOL (**QOL Shares**);
- (b) QOL Shares will be issued on a 1:1 basis;
- (c) The maximum number of QOL Shares to be issued will be 220,805,122;
- (d) The issue price will be 0.9 of a cent per QOL Share;
- (e) The maximum amount of money raised by the Rights Issue will be approximately \$1.98 million; and
- (f) Money raised through the rights issue must be used for working capital and to satisfy impending debt commitments.

The anticipated timetable for the Rights Issue is as follows:

Activity	Date
Lodgement of Prospectus	Tuesday 26 May 2009
Record date for determining entitlements to Rights Issue	Friday 5 June 2009
Offer Opens	Thursday 11 June 2009
Offer expected to Close	Thursday 25 June 2009
Trading of new shares on ASX expected to commence	Friday 26 June 2009
Expected date of dispatch of holding statements for new shares	Tuesday 30 June 2009

ALL DATES ARE SUBJECT TO CHANGE AND ACCORDINGLY ARE INDICATIVE ONLY. IN PARTICULAR, THE COMPANY HAS THE RIGHT TO VARY THE DATES OF THE OFFER, WITHOUT PRIOR NOTICE.

The Rights Issue timetable has been structured to ensure the discharge of the current loan to Outback Metals Limited (**OUM**) on its due date for repayment and to enable both OUM and Metallica Minerals Limited (**MLM** or **Metallica**) the right to participate in the Rights Issue subject to the completion of their respective takeover bids.

The Appendix 3B relating to the Rights Issue is **attached** to this announcement.

MLM Funding Arrangements

Metallica is supportive of the Rights Issue.

Metallica has indicated that if, by 7.00pm on Tuesday 19 May 2009, it has received acceptances which take its relevant interest in QOL to at least 40% of all QOL shares, Metallica intends to waive its Minimum Acceptance Conditions.

[The Minimum Acceptance Conditions are conditions 13.1 and 13.11 in Metallica's bidder's statement, being, that Metallica acquires, by the end of the offer period, a relevant interest in at least 90% of the

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QOL shares on issue and that no person whether alone or with that person's associates, other than Metallica or a related entity of Metallica, obtains a relevant interest in more than 10% of QOL shares].

Further, if by the end of the offer period (currently 7.00pm on Thursday 28 May 2009), the other conditions of Metallica's offer are satisfied or waived, Metallica has advised QOL that it will take up its pro-rata entitlement under the Rights Issue to the extent of their shareholding in QOL (**MLM's Rights Issue Participation**).

Metallica has also agreed in principle to provide unsecured loan funding on commercial terms equal to the difference between \$1million and the amount contributed under the MLM Rights Issue Participation (**Debt Funding**). The Debt Funding will be provided subject to and following the completion of MLM's Rights Issue Participation.

The MLM's Rights Issue Participation and Debt Funding have been agreed in principle but are subject to binding formal documentation. QOL anticipates formal documentation being entered into by no later than close of market on Wednesday 20 May 2009 and will provide an update to the market regarding the status of documentation before that time.

QOL shareholders should be aware that the QOL Board is committed to undertaking the Rights Issue notwithstanding:

- (a) QOL or MLM failing to agree on the formal terms of the Debt Funding;
- (b) MLM failing to achieve the minimum acceptances required under its bid; or
- (c) OUM or MLM not proceeding with their respective bids for QOL Shares.

For further information:

Taff Greenwood
Managing Director

Garry Gill
Company Secretary

Queensland Ores Limited
Telephone: 07 3230 2000

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

QUEENSLAND ORES LIMITED

ABN

35 108 146 694

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Up to 220,805,122 fully paid ordinary shares |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Shares to be issued pursuant to a non renounceable 1:1 rights issue under which registered shareholders in the Company at the Record Date may purchase 1 new fully paid ordinary share for each share held at an issue price of 0.9 cents per share |

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Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>yes</p>				
<p>5 Issue price or consideration</p>	<p>\$0.009</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Proceeds of the issue will be used to contribute to the Company's working capital and repaying the loan from Outback Metals Limited</p>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>The closing date for the issue is expected to be 19 June 2009. It is anticipated that shares will be allotted by 29 June 2009.</p>				
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="702 1444 1005 1489">Number</th> <th data-bbox="1005 1444 1294 1489">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="702 1489 1005 1706">441,610,244</td> <td data-bbox="1005 1489 1294 1706">Fully Paid Ordinary Shares (if all shares subject to the SPP are allotted)</td> </tr> </tbody> </table>	Number	+Class	441,610,244	Fully Paid Ordinary Shares (if all shares subject to the SPP are allotted)
Number	+Class				
441,610,244	Fully Paid Ordinary Shares (if all shares subject to the SPP are allotted)				

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		Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	nil	
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	n/a	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	
19	Closing date for receipt of acceptances or renunciations	

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Appendix 3B
New issue announcement

- 20 Names of any underwriters
- 21 Amount of any underwriting fee or commission
- 22 Names of any brokers to the issue
- 23 Fee or commission payable to the broker to the issue
- 24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders
- 25 If the issue is contingent on +security holders' approval, the date of the meeting
- 26 Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled
- 27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders
- 28 Date rights trading will begin (if applicable)
- 29 Date rights trading will end (if applicable)
- 30 How do +security holders sell their entitlements *in full* through a broker?
- 31 How do +security holders sell *part* of their entitlements through a broker and accept for the balance?

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32 How do +security holders dispose of their entitlements (except by sale through a broker)?

33 +Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

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New issue announcement

Entities that have ticked box 34(b)

38 Number of securities for which
 +quotation is sought

39 Class of +securities for which
 quotation is sought

40 Do the +securities rank equally in all
 respects from the date of allotment
 with an existing +class of quoted
 +securities?

If the additional securities do not
 rank equally, please state:

- the date from which they do
- the extent to which they
 participate for the next dividend,
 (in the case of a trust,
 distribution) or interest payment
- the extent to which they do not
 rank equally, other than in
 relation to the next dividend,
 distribution or interest payment

41 Reason for request for quotation
 now

Example: In the case of restricted securities, end of
 restriction period

(if issued upon conversion of
 another security, clearly identify that
 other security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)		

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Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty.

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:
(Company Secretary)

Date: 14 May 2008

Print name:GARRY GILL.....

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